

FIRMA HOLDINGS CORP.

FORM 10-K (Annual Report)

Filed 04/15/11 for the Period Ending 12/31/10

Address	181 N. ARROYO GRANDE BLVD. STE. #140B HENDERSON, NV 89074
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Symbol	FRMA
SIC Code	1000 - Metal Mining
Industry	Gold & Silver
Sector	Basic Materials
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the Fiscal Year Ended December 31, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

Commission File No. – 333-143512

TARA MINERALS CORP.

(Name of Small Business Issuer in its charter)

Nevada

(State of incorporation)

20-5000381

(IRS Employer Identification No.)

2162 Acorn Court Wheaton, IL

(Address of Principal Executive Office)

60189

(Zip Code)

Registrant's telephone number, including Area Code: (630) 462-2079

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)
Accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act): Yes No

The aggregate market value of the voting stock held by non-affiliates of the Company on June 30, 2010 was approximately \$22,989,530.

As of March 31, 2011, the Company had 58,479,987 issued and outstanding shares of common stock.

Documents incorporated by reference: None

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This report includes "forward-looking statements". All statements other than statements of historical facts included in this report, regarding Tara Minerals' financial position, business strategy, plans and objectives, are forward-looking statements. Although Tara Minerals believes that the expectations reflected in the forward-looking statements and the assumptions upon which such forward-looking statements are based are reasonable, it can give no assurance that such expectations and assumptions will prove to have been correct.

In this filing references to "Company," "we," "our," and/or "us," refers to Tara Minerals Corp. and, unless the context indicates otherwise, its consolidated subsidiaries.

ITEM 1. BUSINESS.

Tara Minerals Corp. (the “Company”) explores and develops mining properties which may be productive of copper, lead, zinc and other industrial metals. The Company was incorporated in Nevada on May 12, 2006 and is in the exploration stage.

Tara Gold Resources Corp., which is also engaged in the exploration and development of mining properties in Mexico, owns 70% of Tara Minerals’ common stock. The reason Tara Gold formed Tara Minerals was that, in the opinion of Tara Gold, some investors prefer gold and silver projects, while others prefer lead, zinc and silver projects. Consequently, capital may be easier to obtain by separating gold properties from industrial metal properties. In this regard, Tara Gold has the first right to acquire any gold or silver prospects and Tara Minerals has the first right to acquire any industrial metal prospects.

Beginning in 2011, Tara Gold Resources Corp. will begin to distribute all of its shares in Tara Minerals to its shareholders at a rate of one Tara Minerals common share for every 20 outstanding shares of Tara Gold Resources Corp. The ex-dividend date is May 18, 2011, the record date is May 20, 2011 and the payment date is May 27, 2011. Additional distributions will be announced over the next 24 months until all Tara Minerals shares, held by Tara Gold, are distributed to Tara Gold shareholders.

Tara Minerals plans to acquire low-cost properties that have the potential to yield high returns. After acquiring a property and selecting a possible exploration area through its own efforts or with others, Tara Minerals typically compiles reports, past production records and geologic surveys concerning the area. Tara Minerals may then undertake a field exploration program to determine whether the area merits work. Initial field exploration on a property normally consists of geologic mapping and geochemical and/or geophysical surveys, together with selected sampling to identify host environments that may contain specific mineral occurrences (referred to also as “technical data”). If an area shows promise, drilling programs may be undertaken in an effort to locate the existence of economic mineralization. If mineralization is delineated, further work will be undertaken to estimate ore reserves, evaluate the feasibility for the development of the mining project, obtain permits for commercial development, and, if the project appears to be economically viable, proceed to place the deposit into commercial production.

The capital required for exploration and development of mining properties is substantial. Tara Minerals plans to finance its future operations through joint venture arrangements with third parties (generally providing that the third party will obtain a specified percentage of Tara Minerals’ interest in a certain property in exchange for the expenditure of a specified amount), the sale by Tara Minerals of interests in properties, cash flow from operations and by the sale of common stock.

The exploration and development of properties that are joint ventured with third parties are normally managed by a joint venture participant that is designated as the operator. The operator of a mining property generally provides all labor, equipment, supplies and management on a cost plus fee basis and often must perform specific tasks over a specified time period. Separate fees may be charged to the joint venture by the operator and, once certain conditions are met, the joint venture is typically required to pay the costs in proportion to its interests in the property.

Tara Minerals’ properties will typically consist of a variety of interests including, properties located in foreign countries and unpatented and patented claims held under lease or owned by Tara Minerals. Typically, the rights to properties which Tara Minerals may acquire will be sub-surface rights which will allow Tara Minerals to explore for, and if warranted, develop the property. See “Mexican Mining Laws and Regulations” below for information concerning use of surface rights in Mexico for mining operations.

In connection with the acquisition of a property, Tara Minerals may conduct limited reviews of title and related matters and obtain certain representations regarding ownership. Although Tara Minerals plans to conduct reasonable investigations (in accordance with standard mining practice) of the validity of ownership, it may be unable to acquire good and marketable title to its properties.

Mines have limited lives, which is an inherent risk in the mining business. Although Tara Minerals plans to acquire other mining properties, there is a limited supply of desirable mineral lands available in Mexico where Tara Minerals would consider conducting exploration and/or production activities. In addition, Tara Minerals faces strong competition for new properties from other mining companies, many of which have substantial financial resources, and Tara Minerals may be unable to acquire attractive new mining properties on terms that are considered acceptable.

Tara Minerals owns 99.9% of the common stock of American Metal Mining S.A. de C.V., a Mexican corporation. The Company also owns 87% of the common stock of Adit Resources Corp., which in turn owns 99.9% of American Copper Mining, S.A. de C.V. Tara Minerals' operations in Mexico are conducted through American Metal Mining and American Copper Mining since Mexican law provides that only Mexican corporations are allowed to own mining properties. However, when the Pilar de Moceribo, Don Roman and Lourdes and Las Nuvias properties were acquired in September and October 2006, American Metal Mining had not been incorporated. As a result, these mining properties owned by Tara Minerals were acquired by Corporacion Amermin, S.A. de C.V., the Mexican subsidiary of Tara Gold. These properties were transferred to American Metal Mining after its formation in December 2006. All references to Tara Minerals include the operations of American Metal Mining, Adit Resources Corp., and American Copper Mining. All of the Company's operations in Mexico are conducted through its Mexican subsidiaries.

As of March 31, 2011 Tara Minerals had a 100% interest in the mining properties listed below. Although Tara Minerals believes that each of these properties has deposits of copper, lead or zinc, the properties are in the exploratory state, and with the exception of Don Roman that is in the operating stage, do not have any known reserves, and may never produce any of these metals in commercial quantities.

The properties owned by American Metal Mining, primarily the Don Roman Groupings, are located in the northern part of the La Reforma Mining District of north eastern Sinaloa State, Mexico. The predominant rocks in the area are Upper Jurassic-Lower Cretaceous carbonate (limestone) rocks and Tertiary granitic intrusives. The La Reforma Mining District has been mined for more than 300 years, with substantial amounts of precious and base metals produced from numerous mines. In the opinion of Tara Minerals, the district has never been properly explored using present day, industry standard, exploration methods, including geochemistry, geophysics, and geology. Tara Minerals feels that this area may potentially host base metals that were never discovered or exploited due in part to market conditions, lack of technology, and lack of funding.

The properties owned by American Copper Mining, primarily known as the Picacho Groupings, are located approximately 100 kilometers south of the US-Mexico border and 65 kilometers northeast of Yamana's Mercedes project within the Northern Sierra Madre gold belt in close proximity to Bacoachi, Sonora, Mexico. The area is underlain by Tertiary and Cretaceous andesitic, rhyolitic flows and tuffs with ignimbritic and less abundant intrusive porphyritic rocks. Past activity on the Picacho Groupings by various parties has resulted in the construction of at least 9 adits, several shafts and raises, numerous workings and diamond drills, remnants of tailings from operations in the 1930's have been found but most of this material was removed and further benefited by prior owners. The Company feels that this property has the potential for 1+ million equivalent ounces of gold situated within 10.8 kilometers of gold bearing veins that have been identified to date.

The proposed exploration program for each property will typically consist of rock-chip sampling, soil geochemistry, geological mapping, a geophysical survey, trenching, drilling, and resource calculation. The exploration program will take place in phases, with some phases occurring simultaneously. Rock chip and soil geochemistry may be initiated first to test and define the mineralization. This may be followed up with a CSAMT (Controlled-Source Audio-Frequency Magneto Telluric) to test the extent and depth of sulphide mineralization which could host copper, lead or zinc. The CSAMT is an industry standard geophysical technique that has been used successfully to identify carbonate deposits in Mexico and other locations. Upon completion of the exploration program, and if results are positive, a drilling program may begin. Drilling results will then be evaluated and a mineral resource calculation will be made. Notwithstanding the above, the exploration program for each property will depend on a number of factors, including the property's particular geological conditions and the extent of any prior exploration work.

With the exception of the Don Roman Groupings, as of March 31, 2011 no plants or other facilities were located on any of the properties. Water and power will be required to further explore and, if warranted, develop Tara Minerals mining prospects.

Tara Minerals will contract with qualified personnel to conduct and supervise all aspects of its exploration program.

The exploration programs on the properties will be funded either through Tara Minerals' cash on hand or from operations, proceeds from the sale of Tara Minerals and subsidiaries common stock, or funds obtained from a joint venture partner.

In Mexico, land size is denominated in hectares and weight is denominated in tonnes. One hectare is equal to approximately 2.47 acres and one tonne is equal to 2,200 pounds.

Don Roman Groupings

The Don Roman Groupings, comprised of 9,136 hectares, were acquired in October 2006, November 2008 and March 2011 from unrelated third parties for approximately \$2,076,440, plus value added taxes of approximately \$313,367. The Don Roman Groupings consist of the Pilar, Don Roman, Las Nuvias, Centanario, and the La Verde mining prospects.

The Don Roman plant is 18 kilometers due north from Choix Sinaloa. The plant is accessed by 10 kilometers of paved road, and 8 kilometers of dirt road which the state/federal authorities are paving to the plant site. From plant site, the closest concessions are the Don Roman Groupings from which mine site can be accessed through a company maintained road with a regular pick up truck. The Don Roman Groupings are in the heart of La Reforma Mining District as well as the stated gold belt that stems from the state of Chihuahua.

Preliminary and continuing evaluation of the Don Roman Groupings has identified numerous mineralized systems at various locations on the property, some of which include a series of parallel NE trending lead, zinc, silver structures that can be traced for more than 300 meters; an abandoned lead, zinc, silver mine; and historic vein-type gold mineralization. A number of these mineralized structures lie within a complex suite of volcanic-granitic and sedimentary (carbonate) rocks. Preliminary evaluation of the property has indicated the potential for five separate mineral systems each having varying mineral characteristics. Initial sampling has indicated the potential for two lead, zinc, silver systems; two gold copper systems; and one iron ore, gold, copper system.

Permits needed to move towards continued active mining have been completed. Tara Minerals is assessing options and costs associated with the design of various mining and recovery systems. Mining and processing equipment have been purchased and the plant, which will be capable of processing a minimum of 400 tonnes per day, has begun testing ore runs on one of three circuits. Water rights for the property have been acquired and a 3" water pump and 4.5 km water line are in place to draw water from a nearby reservoir. High voltage electrical service has been supplied to an electrical substation, which will supply power to operate the plant.

Two circuits capable of producing a minimum of 200 tonnes per day have been, with a third circuit that is near completion, and an additional regrind circuit that can be implemented at the appropriate time.

As of December 31, 2010 approximately \$3,500,000 has been spent on the processing plant facilities, processing equipment, and related mining equipment.

In 2010 Tara Minerals began production start up at the Don Roman plant. In the third quarter of 2010, Tara Minerals continued extracting lead, zinc, and silver ore from its mine and stockpiling it for future processing at its processing plant. In the fourth quarter of 2010, plant activity ceased and the plant is in "Care & Maintenance", with management spending the last couple of months reviewing proposals from turn-key contract operators to operate the Don Roman plant, in order to effectively expand capacity and improved recovery rates. At the same time, Tara Minerals has also been entertaining interest from potential joint venture partners, who also have operational expertise. Site visits have taken place and others are being scheduled, along with other due diligence procedures. Tara Minerals continues to maintain a very positive outlook for Don Roman and the surrounding properties and management is committed to resolve all operational issues in an expeditious manner. Tara Minerals believes that it is making steady progress towards its above stated goals.

Godinez Joint Venture

In July 2010, Tara Minerals entered into a joint venture agreement that provides that third parties where they will contribute 100% of the mining rights to the concession "Mina Godinez" and Tara Minerals will have the exclusive rights to manage, operate, explore and exploit the concession. Tara Minerals will pay for the construction of buildings, access roads, and any necessary improvements. Tara Minerals will also pay for the machinery and equipment required for the operation of the mine. Any machinery or equipment used for the development of the mine will remain the exclusive property of Tara Minerals. Once production starts, Tara Minerals will receive 60% of the profits from the mine until it is fully reimbursed for its costs. Tara Minerals will receive 40% of the profits thereafter. Tara Minerals, also has a first right of refusal to purchase the property. The joint venture agreement will expire in July 2020, at which time the joint venture will be liquidated and dissolved. As of March 31, 2011, no costs have been incurred.

This property is located within La Reforma Mining District, and is located south of El Fuerte, state of Sinaloa. The mine can be reached by paved road 25 Km due south from El Fuerte then approximately 3Km dirt road to the mine opening. Godinez contains gold bearing vein structures that after initial testing look very promising.

Picacho Groupings

In July 2009 Tara Minerals acquired eight mining claims known as the "Picacho groupings" from Emilio Acuña Peralta for \$4,800,000, plus value-added tax of \$720,000. Tara Minerals paid \$575,000 of the purchase price and value-added tax in June 2009. The \$575,000 paid to Mr. Acuña in June 2009 was borrowed from Tara Gold by Tara Minerals.

In July 2009 Tara Minerals transferred the Picacho prospect to Adit. In connection with the transfer of the prospect, Adit issued Tara Minerals a promissory note in the principal amount of \$650,000 to compensate Tara Minerals for its down payment toward the purchase price of the property and to reimburse Tara Minerals for other amounts advanced on behalf of Adit. The note is unsecured, bears interest at 3.25% per year, and is due and payable on June 30, 2011. Adit has since repaid \$600,000 towards this note.

On March 31, 2010 Adit and Mr. Acuna amended their agreement. Under the revised agreement Adit paid Mr. Acuna \$500,000 in cash (plus \$80,000 in value added taxes) and in consideration for the transfer of all technical data relating to the prospect, issued Mr. Acuna 320,000 shares of Adit's common stock, which was valued at \$2.50 per share, and 437,500 shares of Tara Minerals' common stock, which was valued at \$4.00 per share.

Adit paid for the Tara Minerals shares by means of a note in the principal amount of \$1,750,000. The note bears interest at 6% per year and is due and payable on March 31, 2012. At any time after July 1, 2010 Tara Minerals may convert the outstanding principal, plus accrued interest, into shares of Adit's common stock. Tara Minerals will receive one share of Adit's common stock for each \$0.75 of principal and interest converted.

On January 28, 2011, Adit sold 500,000 units at a price of \$1.00 per unit to Yamana Gold Inc. Each unit consisted of one share of Adit's common stock and one half warrant. Each full warrant entitles Yamana to purchase one share of Adit's common stock at a price of \$1.50 per share at any time on or before January 28, 2014.

In connection with the sale of the units, Adit also signed a letter of intent that grants Yamana an option to acquire up to a 70% interest in Adit's Picacho gold/silver project. A definitive agreement is expected to be completed by May 15, 2011. Upon completion of the definitive agreement, Adit will sell an additional 2,500,000 units to Yamana at a price of \$1.00 per unit. The units will be identical to the units sold on January 28, 2011. From the \$3,000,000 received from Yamana, Adit will be required to spend \$2,000,000 in exploration work on the Picacho project within 12 months of signing the definitive agreement.

Yamana can earn a 51% interest in the project by spending an additional \$5,000,000 on the project within 30 months of the date of the definitive agreement and paying Adit an additional \$1,000,000.

Yamana can increase its interest to 70% by spending an additional \$9,000,000 on the project and paying Adit an additional \$2,000,000.

The Picacho Groupings consists of 7,060 hectares within the Northern Sierra Madre gold belt, 100 kilometers south of the U.S. border, in close proximity to Bacoachi, Sonora, Mexico. From Bacoachi the concessions can be accessed through a company maintained road with a regular pick up truck. The area has a high level of exploration activity and is close to a national paved highway and power grid.

The following shows the timing and estimated cost for the present exploration plan for this property:

<u>Phase</u>	<u>Projected Completion</u>	<u>Estimated Cost</u>
Surface Evaluation and Exploration Drilling	2011	\$ 2,000,000
Development Drilling, Feasibility, Equipment Ordering	2012	\$ 2,500,000
Development, Construction, Production	2013	\$ 3,000,000

United States Mining Laws and Regulations

In the United States, unpatented mining claims on unappropriated federal land may be acquired pursuant to procedures established by the Mining Law of 1872 and other federal and state laws. These acts generally provide that a citizen of the United States (including corporations) may acquire a possessory right to develop and mine valuable mineral deposits discovered upon unappropriated federal lands, provided that such lands have not been withdrawn from mineral location, e.g., national parks, military reservations and lands designated as part of the National Wilderness Preservation System. The validity of all unpatented mining claims is dependent upon inherent uncertainties and conditions. These uncertainties relate to such non-record facts as the sufficiency of the discovery of minerals, proper posting and marking of boundaries, and possible conflicts with other claims not determinable from descriptions of record. Prior to discovery of a locatable mineral thereon, a mining claim may be open to location by others unless the owner is in possession of the claim.

The domestic exploration programs conducted by Tara Minerals will be subject to federal, state and local environmental regulations. The United States Forest Service and the Bureau of Land Management extensively regulate mining operations conducted on public lands. Most operations involving the exploration for minerals are subject to existing laws and regulations relating to exploration procedures, safety precautions, employee health and safety, air quality standards, pollution of stream and fresh water sources, odor, noise, dust, and other environmental protection controls adopted by federal, state, and local governmental authorities as well as the rights of adjoining property owners. Tara Minerals may be required to prepare and present to federal, state, or local authorities data pertaining to the effect or impact that any proposed exploration or production of minerals may have upon the environment. All requirements imposed by any such authorities may be costly and time-consuming, and may delay commencement or continuation of exploration or production operations.

Future legislation and regulations are expected to continue to emphasize the protection of the environment, and, as a consequence, the activities of Tara Minerals may be more closely regulated to further the cause of environmental protection. Such legislation and regulations, as well as future interpretation of existing laws, may require substantial increases in capital and operating costs to Tara Minerals and may result in delays, interruptions, or a termination of operations, the extent of which cannot be predicted.

Mining operations in the United States are subject to inspection and regulation by the Mine Safety and Health Administration of the Department of Labor (MSHA) under provisions of the Federal Mine Safety and Health Act of 1977.

Tara Minerals' operations will also be subject to regulations under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA or Superfund), which regulates and establishes liability for the release of hazardous substances, and the Endangered Species Act (ESA), which identifies endangered species of plants and animals and regulates activities to protect these species and their habitats. Tara Minerals may incur expenditures for land reclamation pursuant to federal and state land restoration laws and regulations. Under certain circumstances, Tara Minerals may be required to close an operation until a particular problem is remedied or to undertake other remedial actions.

Mexican Mining Laws and Regulations

In Mexico, Article 27 of the Mexican Constitution grants the ownership of essentially all minerals to the Mexican nation. The right to exploit those minerals is given to private parties through concessions issued by the Mexican government. The current Mining Law of Mexico was enacted in 1992. Concessions are granted on mining lots, the sides of which measure 100 meters, or a multiple of 100, except when adjoining lots (granted when there were no size requirements) require a smaller size.

An exploration concession is granted to the first applicant that meets the requirements of the Mining Law, the most important of which is that the claimed area is deemed to be “free land”. Under the Mining Law, areas that are already covered by mining concessions or applications for mining concessions are not free, as well as reserved areas such as the coast and the seabed.

Exploration mining concession applications are filed at government offices. Exploration concessions are valid for fifty years and give their holders the right to carry out exploration work and, if warranted, any mine on the concession put into production.

Mining concessions do not grant the holder the right to enter or use the surface land of the mining lots. It is therefore necessary to obtain the permission of the surface owner for that purpose. Typically, a verbal authorization with no consideration is granted for prospecting and sample gathering. A simple letter agreement or contract is normally used for drilling, trenching, or basic road building. For more advanced exploration activities, a small monetary consideration is normally required. In some cases the concessionaire is also required to make minor improvements which benefit the local community such as fixing a road or fence or building an earthen dam. Building and operating a mine requires a more formal agreement. If an agreement cannot be reached with the surface owner, the Mining Law gives the concessionaire the right to request a temporary occupation of the land or an expropriation (or an easement for the construction of roads, power lines, water pipes, etc.). Compensation is set through an appraisal made by the federal government.

A concessionaire’s most important obligation is the performance of assessment work on the mining lots. A minimum amount of assessment work measured in monetary terms must be performed each year, depending on the size of the mining lot and, for an exploration mining concession, the number of years elapsed since its issue, pursuant to minimum investment tables established by the Mexican government. Assessment work may be done either through expenditures or the sale of minerals. A report must be filed in May of every year regarding the work for the previous calendar year. Lack of performance of the minimum work will result in the cancellation of the concession; payment to the government in lieu of required assessment of work is not allowed.

Concessionaires must comply with federal environmental regulations which generally require that mining activities be subject to an environmental impact statement authorization. Normally an environmental impact statement authorization can be obtained in six to twelve months from the date of its filing. However, mining operations which do not exceed levels established by the Mexican government are not required to file an environmental impact statement.

The Mining Law forbids concessionaires from removing mine timbering and supports and requires compliance with all safety rules promulgated by the Mexican government.

Mexican and foreign individuals, as well as Mexican corporations, are allowed to hold mining concessions. Although foreign corporations may not hold mining concessions, foreign corporations may, however, own Mexican corporations.

Potential Acquisition of Tara Gold by Tara Minerals

In September 2010, Tara Gold entered into a tentative agreement with Tara Minerals which provided that Tara Minerals will acquire all of the outstanding shares of Tara Gold by exchanging one Tara Mineral share for two Tara Gold shares. In an effort to avoid any conflicts due to common directors, the transaction will

require the approval of non-affiliate shareholders owning a majority of the outstanding shares of Tara Minerals and Tara Gold.

In 2011 this acquisition was cancelled. Tara Gold Resources Corp. will begin to distribute all of its shares in Tara Minerals to its shareholders at a rate of one Tara Minerals common share for every 20 outstanding shares of Tara Gold Resources Corp. The ex-dividend date is May 18, 2011, the record date is May 20, 2011 and the payment date is May 27, 2011. Additional distributions will be announced over the next 24 months until all Tara Minerals shares, held by Tara Gold, are distributed to Tara Gold shareholders.

General

Tara Minerals' offices are located at 2162 Acorn Court, Wheaton, IL 60189 and consist of approximately 150 square feet of office space are supplied free of charge by Francis R. Biscan, Jr., the President of Tara Minerals.

As of March 31, 2011 the only employees of Tara Minerals were its three officers.

Tara Minerals' website is www.taraminerals.com.

ITEM 1A. RISK FACTORS.

There is no assurance that any of Tara Gold's remaining properties will be capable of producing precious metals in commercial quantities.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

Not applicable

ITEM 2. PROPERTIES.

See Item 1.

ITEM 3. LEGAL PROCEEDINGS.

On September 13, 2010, Tara Gold Resources Corp. announced that it had entered into a tentative agreement with the Company which provided the Company would acquire all of the common shares of Tara Gold by exchanging one share of the Company's common stock for two Tara Gold shares. In an effort to avoid any conflicts due to common directors, the transaction will require the approval of non-affiliate shareholders owning a majority of the outstanding shares of the Company and Tara Gold.

On September 20, 2010 Chris Columbo filed a lawsuit in the District Court for Carson City Nevada, against the Company Tara Gold, and Tara Gold's officers and directors. The essence of the lawsuit was to obtain the fairest price for Tara Gold, whether from the Company or a third party. On October 25, 2010 Mr. Columbo voluntarily dismissed his lawsuit against the Company and other defendants.

On October 22, 2010 Patricia J. Root filed a lawsuit in the Circuit Court for Dupage County, Illinois, against the Company, Tara Gold, and Tara Gold's directors. The essence of the lawsuit is to prevent the Company's proposed acquisition of Tara Gold.

Tara Minerals believes the lawsuit filed by Ms. Root was premature since, as noted in the September 13, 2010 press release, the transaction was tentative and was subject to the approval of the shareholders of Tara Gold who are not officers or directors of Tara Gold. No binding agreement between Tara Gold and Tara Minerals has been ever signed.

On April 6, 2011 Ms. Root voluntarily dismissed her lawsuit against Tara Minerals, Tara Gold, and all other defendants.

ITEM 4. [REMOVED AND RESERVED.]

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES .

Since June, 2008 Tara Minerals' common stock has been quoted on the OTC Bulletin Board under the symbol "TARM". Prior to that date, there was no established trading market for Tara Minerals' common stock.

Shown below are the ranges of high and low closing prices for Tara Minerals' common stock for the periods indicated as reported by FINRA and as reported on www.stockwatch.com. The market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commissions and may not necessarily represent actual transactions.

Quarter Ended	High	Low
March 31, 2009	\$ 0.53	\$ 0.16
June 30, 2009	\$ 0.58	\$ 0.16
September 30, 2009	\$ 1.09	\$ 0.47
December 31, 2009	\$ 1.78	\$ 1.00
March 31, 2010	\$ 2.75	\$ 1.55
June 30, 2010	\$ 2.30	\$ 1.65
September 30, 2010	\$ 2.04	\$ 1.36
December 31, 2010	\$ 1.40	\$ 0.58

As of March 31, 2011, Tara Minerals had 58,479,987 outstanding shares of common stock and 77 shareholders of record. The following table lists additional shares of Tara Minerals' common stock which may be issued.

	Number of Shares	Note Reference
Shares issuable upon exercise of options held by Tara Minerals' officers	3,250,000	A
Shares issuable upon exercise of warrants sold in private offerings	4,271,999	B

- A. See Item 11 of this report for information concerning the terms of these options.
- B. In 2008, the Company sold 1,119,167 Units at a price of \$0.60 per Unit. Each Unit consisted of one share of Tara Mineral's common stock and one warrant. As of December 31, 2010, 1,114,003 warrants had been exercised for \$1,101,138. The remaining 5,164 warrants expired unexercised.

In 2008 and 2009, The Company sold 510,000 and 2,290,000 Units respectively at a price of \$0.20 per Unit. Each Unit consisted of one share of Tara Mineral's common stock and one warrant, with each warrant exercisable at \$0.40. As of December 31, 2010, 635,000 warrants had been exercised for \$254,000. The remaining 2,155,000 warrants expire at various times in 2011.

In February 2010 Tara Minerals issued 250,000 shares of its common stock and 250,000 warrants to an investor relations consultant. Each warrant entitles the holder to purchase one share of Tara Mineral's common stock at a price of \$0.01 per share at any time on or before November 5, 2010.

In 2010, the Company granted options for the purchase of 1,000,000 shares of common stock to an unrelated third party for investor relations services. The options have an exercise price of \$2.15 a share and vested during 2010. For financial reporting purposes, the options were valued at \$2,684,028. During the second quarter of 2010, the number of options granted was reduced to 500,000 with no incremental compensation cost.

October 2010, the Company sold 295,200 Units at a price of \$1.25 per Unit. Each Unit consisted of one share of Tara Mineral's common stock and one warrant. Each warrant entitles the holder to purchase one share of Tara Mineral's common stock at a price of \$1.50 per share during the first year period and \$2.00 the second year following the sale of the Units. The warrants expire two years after their issuance. As of December 31, 2010 no warrants have been exercised.

Between October and December 2010, the Company sold 1,571,799 Units at a price of \$0.75 per Unit. Each Unit consisted of one share of Tara Mineral's common stock and one warrant. Each warrant entitles the holder to purchase one share of Tara Mineral's common stock at a price of \$1.00 per share during the two year period following the sale of the Units. The warrants expire two years after their issuance. As of December 31, 2010 no warrants have been exercised.

In September 2010, the Company granted options for 200,000 shares of common stock to an unrelated third party for investor relations services. The options have an exercise price of \$1.00 per share, vest between September 2010 and March 2011 and expire two years from the date of vesting. For financial reporting purposes, the options were valued at \$145,412.

Warrants issued in relation to investor relations agreements vest at various rates that began the second quarter of 2010.

During 2010, the Company issued warrants in relation to debt; these warrants were cancelled when the note holders elected to convert the debt to shares

Recent Sales of Unregistered Securities and Use of Proceeds

Equity securities that were sold by Tara Gold for the fiscal year ending the three months ended December 31, 2010 that were not registered under the Securities Act of 1933 and were not previously included in a Quarterly Report filed on Form 10-Q or in a Current Report on Form 8-K are as follows:

October 2010, the Company sold 295,200 Units at a price of \$1.25 per Unit. Each Unit consisted of one share of Tara Mineral's common stock and one warrant. Each warrant entitles the holder to purchase one share of Tara Mineral's common stock at a price of \$1.50 per share during the first year period and \$2.00 the second year following the sale of the Units. The warrants expire two years after their issuance. As of December 31, 2010 no warrants have been exercised.

October 2010, the Company issued 26,120 shares of common stock for services, valued at \$28,210 or \$1.08 a share.

October 2010, the Company issued 500,000 shares of common stock for warrants exercised, for \$500 or \$0.001 a share for cash.

Between October and December 2010, the Company sold 1,571,799 Units at a price of \$0.75 per Unit. Each Unit consisted of one share of Tara Mineral's common stock and one warrant. Each warrant entitles the holder to purchase one share of Tara Mineral's common stock at a price of \$1.00 per share during the two year period following the sale of the Units. The warrants expire two years after their issuance. As of December 31, 2010 no warrants have been exercised.

December 2010, the Company issued 123,241 shares of common stock for services, valued at \$147,889 or \$1.20 a share.

Tara Minerals relied upon the exemption provided by Section 4(2) of the Securities Act of 1933 with respect to the sale of these securities. The persons who acquired these securities were sophisticated investors and were provided full information regarding the business and operations of Tara Minerals. There was no general solicitation in connection with the offer or sale of these securities. The persons who acquired these securities acquired them for their own accounts. The certificates representing the shares of common stock and warrants bear a restricted legend providing that they cannot be sold unless pursuant to an effective registration statement or an exemption from registration.

Holders of common stock are entitled to receive dividends as may be declared by the Board of Directors. Tara Minerals' Board of Directors is not restricted from paying any dividends but is not obligated to declare a dividend. No dividends have ever been declared and it is not anticipated that dividends will ever be paid.

ITEM 6. SELECTED FINANCIAL DATA.

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.

Tara Minerals was incorporated on May 12, 2006. During the period from its incorporation through December 31, 2010 Tara Minerals generated revenue of \$160,421 and incurred expenses of \$658,007 in cost of sales; \$2,473,709 in exploration expenses and \$20,372,340 in operating and general administration expenses. Included in operating and general and administrative expenses is a non-cash charge of \$7,648,704 pertaining to the issuance of stock options.

Tara Minerals anticipates that its capital requirements during the twelve months ending March 31, 2012 will be:

Exploration and Development – Centenario	\$ 250,000
Property payments and taxes – Centenario	25,000
Exploration and Development – Choix/Pilar	100,000
Property payments and taxes – Choix/Pilar	30,500
Exploration and Development – La Verde	500,000
Property Payments and taxes – La Verde	62,000
Exploration and Development – Don Roman Groupings	650,000
Property payments and taxes – Don Roman Groupings	3,500
Exploration and Development - Picacho Prospect	2,500,000
Property payments and taxes – Picacho Prospect	40,000
General and administrative expenses	375,000
Total	<u>\$ 4,536,000</u>

The capital requirements shown above include capital required by Tara Minerals and subsidiaries.

Tara Minerals will need to obtain additional capital if it is unable to generate sufficient cash from its operations or find joint venture partners to fund all or part of its exploration and development costs.

As of March 31, 2011 Tara Minerals has sought to expand and advance the Don Roman Groupings project by acquiring additional highly prospective mineral claims; and by opening up the project to numerous parties that have expressed an interest in the possibility of becoming an operating partner in the further development of the Don Roman Groupings. Interest from various parties have also been expressed towards El Oro (a concession within the Don Roman Groupings), Tara Minerals iron ore, gold, copper prospect. Based on this interest, Tara Minerals has been investigating the economic merits surrounding the iron ore market, has found favorable results, and is now working on a number of development strategies relating to iron ore.

Tara Minerals' future plans will be dependent upon the amount of capital available to Tara Minerals, the amount of cash provided by its operations, and the extent to which Tara Minerals is able to have joint venture partners pay the costs of exploring and developing its mining properties.

Tara Minerals does not have any commitments or arrangements from any person to provide Tara Minerals with any additional capital. If additional financing is not available when needed, Tara Minerals may continue to operate in its present mode or Tara Minerals may need to cease operations. Tara Minerals does not have any plans, arrangements or agreements to sell its assets or to merge with another entity.

See Note 1 to the financial statements included as part of this report for a description of Tara Minerals' accounting policies and recent accounting pronouncements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK.

Not applicable.

ITEM 8. FINANCIAL STATEMENTS.

TARA MINERALS CORP. AND SUBSIDIARIES

(A Subsidiary of Tara Gold Resources Corp.)

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

FOR

THE FISCAL YEARS ENDED DECEMBER 31, 2010 AND DECEMBER 31, 2009

And

THE PERIOD FROM INCEPTION (MAY 12, 2006) THROUGH DECEMBER 31, 2010

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
of Tara Minerals Corp. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Tara Minerals Corp. (a Nevada corporation) and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of operations and comprehensive loss, stockholders' equity, and cash flows for the fiscal years ended December 31, 2010 and 2009, and for the period from inception (May 12, 2006) through December 31, 2010. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement . The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tara Minerals Corp. and subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for the fiscal years ended December 31, 2010 and 2009, and for the period from inception (May 12, 2006) through December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

Mendoza Berger & Company, LLP

/s/ Mendoza Berger & Company, LLP

Irvine, California
April 15, 2011

TARA MINERALS CORP. AND SUBSIDIARIES
(A Subsidiary of Tara Gold Resources Corp.)
(An Exploration Stage Company)
CONSOLIDATED BALANCE SHEETS

	December 31, 2010	December 31, 2009
Assets		
Current assets:		
Cash	\$ 157,579	\$ 1,230,376
Recoverable value added taxes, net of allowance for bad debt of \$1,366,533 and \$114,139 at December 31, 2010 and December 31, 2009, respectively	170,494	1,618,345
Other receivables, net of allowance for bad debt of \$4,692 and \$3,832 at December 31, 2010 and December 31, 2009, respectively	104,828	42,496
Total current assets	<u>432,901</u>	<u>2,891,217</u>
Property, plant, equipment, mine development and land, net of accumulated depreciation of \$295,925 and \$67,008 at December 31, 2010 and December 31, 2009, respectively	8,101,786	11,087,282
Mining deposits	53,368	25,000
Deferred tax, non-current portion	2,930,982	-
Goodwill	12,028	12,028
Other assets	157,870	18,784
Total assets	<u>\$ 11,688,935</u>	<u>\$ 14,034,311</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 204,157	\$ 17,320
Accrued expenses	476,064	184,488
Notes payable, current portion	824,001	945,814
Notes payable related party	100,000	--
Due to related parties, net of due from of \$69,143 and \$439,308 at December 31, 2010 and December 31, 2009, respectively	<u>3,465,232</u>	<u>2,331,530</u>
Total current liabilities	5,069,454	3,479,152
Notes payable, non-current portion	<u>1,068,350</u>	<u>5,273,604</u>
Total liabilities	<u>6,137,804</u>	<u>8,752,756</u>
Commitments and contingencies	-	-
Stockholders' equity:		
Common stock: \$0.001 par value; authorized 75,000,000 shares; issued and outstanding 57,236,288 and 51,036,092 shares at December 31, 2010 and December 31, 2009, respectively	57,236	51,036
Additional paid-in capital	24,515,978	9,886,201
Common stock subscribed, net of stock receivable of \$212,744 at December 31, 2010	1,129,696	-
Other comprehensive loss	(246,253)	(140,016)
Accumulated deficit during exploration stage	<u>(21,962,357)</u>	<u>(6,123,835)</u>
Total Tara Minerals stockholders' equity	3,494,300	3,673,386
Non-controlling interest	<u>2,056,831</u>	<u>1,608,169</u>
Total equity	5,551,131	5,281,555
Total liabilities and equity	<u>\$ 11,688,935</u>	<u>\$ 14,034,311</u>

See Accompanying Notes to these Financial Statements.

TARA MINERALS CORP. AND SUBSIDIARIES
(A Subsidiary of Tara Gold Resources Corp.)
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS
AND
COMPREHENSIVE LOSS

	For the year ended December 31, 2010	For the year Ended December 31, 2009	From inception (May 12, 2006) to December 31, 2010
Mining revenues	\$ 160,421	\$ -	\$ 160,421
Cost of revenue	658,007	-	658,007
Gross margin	(497,586)	-	(497,586)
Exploration expenses	2,022,851	261,470	2,473,709
Operating, general, and administrative expenses	15,572,562	2,079,170	20,372,339
Net operating loss	(18,092,999)	(2,340,640)	(23,343,634)
Non-operating (income) expense:			
Interest (income)	(26,000)	(40,043)	(135,640)
Loss on conversion of note payable	783,090	-	783,090
Interest expense	327,161	1,761,575	2,088,800
Gain on debt extinguishment	(6,178)	-	(6,178)
Other (income)	(1,200)	(28,584)	(779,995)
	1,076,873	1,692,948	1,950,077
Loss before income taxes	(19,169,872)	(4,033,588)	(25,293,712)
Income tax benefit	(2,930,982)	-	(2,930,982)
Net loss	(16,238,890)	(4,033,588)	(22,362,729)
Add: Net loss attributable to non-controlling interest	400,368	-	400,368
Net loss attributable to Tara Minerals' shareholders	(15,838,522)	(4,033,588)	(21,962,357)
Other comprehensive income (loss):			
Foreign currency translation	(106,237)	100,901	(246,253)
Comprehensive loss	\$ (15,944,760)	\$ (3,932,687)	\$ (22,208,611)
Net loss per share, basic and diluted	\$ (0.30)	\$ (0.10)	
Weighted average number of shares, basic and diluted	54,079,665	40,348,227	

See Accompanying Notes to these Financial Statements.

TARA MINERALS CORP. AND SUBSIDIARIES
(A Subsidiary of Tara Gold Resources Corp.)
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock Shares	Common Stock Amount	Additional Paid In Capital	Common Stock Subscribed	Other Comprehensive Income	Accumulated Deficit During Exploration Stage	Total
Balance at inception (May 12, 2006)	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Founders shares, issued October 31, 2006	30,000,000	30,000	(30,000)	-	-	-	-
Net income	-	-	-	-	-	-	-
Balance at October 31, 2006	30,000,000	30,000	(30,000)	-	-	-	-
Common stock sold for cash	5,081,000	5,081	2,535,419	-	-	-	2,540,500
Common stock issued for services	1,500,000	1,500	748,500	-	-	-	750,000
Stock based compensation (stock options)	-	-	1,164,173	-	-	-	1,164,173
Foreign currency translation	-	-	-	-	11,374	-	11,374
Net loss	-	-	-	-	-	(2,220,782)	(2,220,782)
Balance at October 31, 2007	36,581,000	\$36,581	\$ 4,418,092	\$ -	\$ 11,374	\$ (2,220,782)	\$ 2,245,265

TARA MINERALS CORP. AND SUBSIDIARIES
(A Subsidiary of Tara Gold Resources Corp.)
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(CONTINUED)

	Common Stock Shares	Common Stock Amount	Additional Paid In Capital	Common Stock Subscribed	Other Comprehensive Income	Accumulated Deficit During Exploration Stage	Total
Balance at October 31, 2007	36,581,000	\$ 36,581	\$ 4,418,092	\$ -	\$ 11,374	\$ (2,220,782)	\$ 2,245,265
Common stock sold for cash	1,069,167	1,069	640,431	-	-	-	641,500
Common stock issued for equipment	1,200,000	1,200	598,800	-	-	-	600,000
Cancelled shares	(1,500,000)	(1,500)	(748,500)	-	-	-	(750,000)
Common stock subscribed (340,000 shares)	-	-	-	88,000	-	-	88,000
Foreign currency translation	-	-	-	-	(184,255)	-	(184,255)
Net income	-	-	-	-	-	212,301	212,301
Balance at October 31, 2008	37,350,167	\$ 37,350	\$ 4,908,823	\$ 88,000	\$ (172,881)	\$ (2,008,481)	\$ 2,852,811

TARA MINERALS CORP. AND SUBSIDIARIES
(A Subsidiary of Tara Gold Resources Corp.)
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(CONTINUED)

	Common Stock Shares	Common Stock Amount	Additional Paid In Capital	Common Stock Subscribed	Other Comprehensive Income	Accumulated Deficit During Exploration Stage	Total
Balance at October 31, 2008	37,350,167	\$ 37,350	\$ 4,908,823	\$ 88,000	\$ (172,881)	\$ (2,008,481)	\$ 2,852,811
Common stock sold for cash	325,000	325	64,675	(21,000)	-	-	44,000
Common stock subscribed	235,000	235	66,765	(67,000)	-	-	-
Foreign currency translation	-	-	-	-	(68,036)	-	(68,036)
Net loss	-	-	-	-	-	(81,766)	(81,766)
Balance at December 31, 2008	37,910,167	37,910	5,040,263	-	(240,917)	(2,090,247)	2,747,009
Common stock sold for cash	2,986,667	2,987	1,057,014	-	-	-	1,060,001
Common stock issued for services	579,894	580	223,895	-	-	-	224,475
Common stock issued for compensation	808,924	809	128,691	-	-	-	129,500
Foreign currency translation	-	-	-	-	100,901	-	100,901
Beneficial conversion feature on convertible debt related party	-	-	1,695,000	-	-	-	1,695,000
Loan conversion plus accrued interest	8,750,440	8,750	1,741,338	-	-	-	1,750,088
Net loss	-	-	-	-	-	(4,033,588)	(4,033,588)
Balance at December 31, 2009	51,036,092	\$ 51,036	\$ 9,886,201	\$ -	\$ (140,016)	\$ (6,123,835)	\$ 3,673,386

TARA MINERALS CORP. AND SUBSIDIARIES
(A Subsidiary of Tara Gold Resources Corp.)
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(CONTINUED)

	Common Stock Shares	Common Stock Amount	Additional Paid In Capital	Common Stock Subscribed	Other Comprehensive Income	Accumulated Deficit During Exploration Stage	Total
Balance at December 31, 2009	51,036,092	\$ 51,036	\$ 9,886,201	\$ -	\$ (140,016)	\$ (6,123,835)	\$ 3,673,386
Common stock sold for cash	3,440,657	3,441	2,320,846	(212,744)	-	-	2,111,543
Common stock issued for services	2,222,039	2,222	4,394,987	-	-	-	4,397,209
Common stock issued for compensation	100,000	100	156,900	-	-	-	157,000
Exploration expense paid with common stock	437,500	437	983,938	-	-	-	984,375
Options for officer compensation and vested options	-	-	3,405,967	-	-	-	3,405,967
Option valuation for services	-	-	3,078,564	-	-	-	3,078,564
Debt discount on notes payable, related and non-related party	-	-	288,575	-	-	-	288,575
Loan conversion plus accrued interest	-	-	-	1,342,440	-	-	1,342,440
Foreign currency translation	-	-	-	-	(106,237)	-	(106,237)
Net loss	-	-	-	-	-	(15,838,522)	(15,838,522)
Balance at December 31, 2010	<u>57,236,288</u>	<u>\$ 57,236</u>	<u>\$ 24,515,978</u>	<u>\$ 1,129,696</u>	<u>\$ (246,253)</u>	<u>\$ (21,962,357)</u>	<u>\$ 3,494,300</u>

See Accompanying Notes to these Financial Statements.

TARA MINERALS CORP. AND SUBSIDIARIES
(A Subsidiary of Tara Gold Resources Corp.)
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the year ended December 31, 2010	For the year ended December 31, 2009	From Inception (May 12, 2006) through December 31, 2010
Cash flows from operating activities:			
Net loss	\$ (15,838,522)	\$ (4,033,588)	\$ (21,962,357)
Adjustments to reconcile net loss to net cash used in operating activities:			
Allowance for doubtful accounts	1,873,963	117,971	1,991,934
Depreciation	228,917	26,301	295,925
Stock based compensation and stock bonuses	6,641,531	129,500	7,935,204
Common stock issued for services	4,397,209	224,475	5,371,684
Cancellation of shares for settlement	-	-	(750,000)
Non-controlling interest in net loss of consolidated subsidiaries	(400,368)	4	(400,363)
Non-controlling interest - stock issued to third parties of subsidiaries	348,549	-	348,549
Expense of mining deposit upon note modification	-	6,000	6,000
Accretion of beneficial conversion feature and debt discount	288,576	1,695,000	1,983,576
Exploration expenses paid with parent and subsidiary common stock	1,224,375	-	1,224,375
Gain on debt extinguishment	(6,138)	-	(6,138)
Loss on conversion of debt to common stock	783,090	-	783,090
Accrued interest converted to common stock	29,350	55,088	84,438
Deferred tax asset, net	(2,930,982)	-	(2,930,982)
Changes in operating assets and liabilities:			
Recoverable value added taxes	(351,205)	(471,207)	(1,053,608)
Other receivables	(63,192)	(41,793)	(109,520)
Other assets	(139,088)	(17,693)	(157,871)
Accounts payable	186,837	(24,314)	203,933
Accrued expenses	322,992	17,017	495,406
Net cash used in operating activities	<u>(3,404,106)</u>	<u>(2,317,239)</u>	<u>(6,646,725)</u>
Cash flows from investing activities :			
Acquisition of land	-	-	(19,590)
Purchase of mining concession	(25,011)	(623,111)	(830,171)
Deposits toward mining concessions	-	(25,000)	(31,000)
Acquisition of property, plant and equipment	(267,405)	(1,606,214)	(2,588,049)
Cash included in business acquisition	-	2,037	2,037
Business acquisition goodwill	-	(3,758)	(3,758)
Net cash used in investing activities	<u>(292,416)</u>	<u>(2,256,046)</u>	<u>(3,470,531)</u>
Cash flows from financing activities:			
Cash from the sale of common stock	2,324,287	1,060,001	6,698,288
Proceeds from notes payable, related party	150,000	-	150,000
Proceeds from notes payable	480,000	-	480,000
Payments towards notes payable	(721,412)	(469,053)	(1,190,463)
Payment towards equipment financing	(41,412)	-	(201,438)
Change in due to/from related parties, net	490,762	3,482,635	2,928,800
Common stock receivable	(212,744)	-	(212,744)
Non-controlling interest – cash from sale of sale of common stock of subsidiaries	260,481	1,608,165	1,868,645
Net cash provided by financing activities	<u>2,729,962</u>	<u>5,681,748</u>	<u>10,521,088</u>
Effect of exchange rate changes on cash	<u>(106,237)</u>	<u>100,901</u>	<u>(246,253)</u>
Net (decrease) increase	(1,072,797)	1,209,364	157,579
Cash, beginning of period	1,230,376	21,012	-
Cash, end of period	<u>\$ 157,579</u>	<u>\$ 1,230,376</u>	<u>\$ 157,579</u>

TARA MINERALS CORP. AND SUBSIDIARIES
(A Subsidiary of Tara Gold Resources Corp.)
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS

(CONTINUED)

	For the year ended December 31, 2010	For the year ended December 31, 2009	From inception (May 12, 2006) through December 31, 2010
Supplemental Information:			
Interest paid	\$ 53,807	\$ 73,610	\$ 182,467
Income taxes paid	\$ -	\$ -	\$ -
Non-cash Investing and Financing Transactions:			
Purchase of mining concession paid by debt to related party plus capitalized interest			
(negative movement due to note modification)	\$ -	\$ (52,048)	\$ 1,281,655
Purchase of or (reduction) in purchase of concession paid with notes payable plus capitalized interest			
	\$ (3,352,424)	\$ 4,566,432	\$ 2,297,745
Recoverable value-added taxes incurred through additional debt and due to related party, net of mining concession modification			
	\$ 546,662	\$ 670,077	\$ 1,576,743
Beneficial conversion value for convertible debt	\$ -	\$ 1,695,000	\$ 1,695,000
Conversion of debt to common stock or payable, plus accrued interest			
	\$ 559,350	\$ 1,750,088	\$ 2,309,438
Purchase of mining equipment with common stock	\$ -	\$ -	\$ 600,000
Acquisition of property and equipment through debt	\$ 263,849	\$ -	\$ 430,921
Receivable reclassified to mining deposit	\$ 28,368	\$ -	\$ 28,368
Business Combination of American Copper Mining:			
Cash	\$ -	\$ (2,037)	\$ (2,037)
Due from related parties	-	1,989	1,989
Goodwill (from net assets)	-	8,270	8,270
Accounts payable and accrued expenses	-	12,071	12,071

See Accompanying Notes to these Financial Statements.

TARA MINERALS CORP. AND SUBSIDIARIES
(A Subsidiary of Tara Gold Resources Corp.)
(An Exploration Stage Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies

Nature of business and principles of consolidation:

Tara Minerals Corp. (the "Company") was organized May 12, 2006 under the laws of the State of Nevada. The Company currently is engaged in the acquisition, exploration and development of mineral resource properties in the United States of America and Mexico. The Company owns 99.9% of the common stock of American Metal Mining, S.A. de C.V. ("AMM"), which was established in December 2006 and operates in México. The Company also owns 87% of the common stock of Adit Resources Corp., which in turns owns 99.9% of American Copper Mining, S.A. de C.V. ("ACM"), which was established in December 2006 and operates in México. Adit Resources Corp. ("Adit") was organized in June 2009 and ACM was purchased in June 2009. The Company currently has limited operations and, in accordance with the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Development Stage Entities Topic, is considered an Exploration Stage Company.

Tara Minerals Corp. is a subsidiary of Tara Gold Resources Corp., a publicly traded company which trades under the TRGD symbol.

The consolidated financial statements include the financial statements of the Company and its two subsidiaries. All amounts are in U.S. dollars unless otherwise indicated. All significant inter-company balances and transactions have been eliminated in consolidation.

The consolidated financial statements include the accounts of the Company, its subsidiaries and variable interest entities ("VIE") over which control is achieved through means other than voting rights and we are considered the primary beneficiary. The primary beneficiary of the VIE consolidates the entity if control is achieved through means other than voting rights such as certain capital structures and contractual relationships. All significant intercompany transactions and accounts have been eliminated in consolidation. The consolidated financial statements of the Company have been prepared on the accrual basis of accounting and are in conformity with accounting principles generally accepted in the United States of America and prevailing industry practice. At December 31, 2010 and 2009 the Company has no joint ventures or VIEs.

The reporting currency of the Company, Tara Gold and Adit is the U.S. dollar. The functional currency of AMM and ACM is the Mexican Peso. As a result, the financial statements of the subsidiaries have been re-measured from Mexican pesos into U.S. dollars using (i) current exchange rates for monetary asset and liability accounts, (ii) historical exchange rates for non-monetary asset and liability accounts, (iii) historical exchange rates for revenues and expenses associated with non-monetary assets and liabilities and (iv) the weighted average exchange rate of the reporting period for all other revenues and expenses. In addition, foreign currency transaction gains and losses resulting from U.S. dollar denominated transactions are eliminated. The resulting re-measurement loss is recorded to other comprehensive income.

Current and historical exchange rates are not indicative of what future exchange rates will be and should not be construed as such.

Relevant exchange rates used in the preparation of the financial statements for AMM and ACM are as follows for the years ended December 31, 2010 and 2009 respectively (Mexican peso per one U.S. dollar).

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	December 31, 2010	
Period end exchange rate	Ps.	12.3817
Weighted average exchange rate for the period ended	Ps.	12.6366

	December 31, 2009	
Period end exchange rate	Ps.	13.0437
Weighted average exchange rate for the period ended	Ps.	13.5146

Other comprehensive (loss) income for the years ended December 31, 2010 and December 31, 2009 is (\$106,237) and \$100,901 respectively, and is primarily the result of foreign currency exchange differences. Inception to date other comprehensive loss is (\$246,253).

The Company's significant accounting policies are:

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the Statements of Cash Flows, all highly liquid investments with maturity of three months or less are considered to be cash equivalents. There were no cash equivalents as of December 31, 2010 or December 31, 2009.

Recoverable Value-Added Taxes (IVA) and Allowance for Doubtful Accounts

Impuesto al Valor Agregado taxes (IVA) are recoverable value-added taxes charged by the Mexican government on goods sold and services rendered at a rate of 16%. Under certain circumstances, these taxes are recoverable by filing a tax return. Amounts paid for IVA are tracked and held as receivables until the funds are remitted.

Effective January 1, 2010 the Mexican government increased *Impuest al Valor Agregado* taxes (IVA) from 15% to 16% and *Impuesto Sobre la Renta* (ISR) from 28% to 30%. These financial statements reflect these increases.

Each period receivables are reviewed for collectability. When a receivable is determined to not be collectable we allow for the receivable until we are either assured of collection or assured that a write off is necessary. We have allowed \$1,366,533 and \$114,139 as of December 31, 2010 and 2009, respectively, in association with our receivable from IVA from our Mexico subsidiaries as we have determined that the Mexican government may not allow the complete refund of these taxes.

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Property and Equipment and Mining Concessions

Mining concessions and acquisitions, exploration and development costs relating to mineral properties are deferred until the properties are brought into production, at which time they will be amortized on the unit of production method based on estimated recoverable reserves. If it is determined that the deferred costs related to a property are not recoverable over its productive life, those costs will be written down to fair value as a charge to operations in the period in which the determination is made. The amounts at which mineral properties and the related deferred costs are recorded do not necessarily reflect present or future values.

The recoverability of the book value of each property is assessed annually for indicators of impairment such as adverse changes to any of the following:

- estimated recoverable ounces of copper, lead, zinc, silver or other precious minerals
- estimated future commodity prices
- estimated expected future operating costs, capital expenditures and reclamation expenditures

A write-down to fair value is recorded when the expected future cash flow is less than the net book value of the property or when events or changes in the property indicate that carrying amounts are not recoverable. This analysis is completed as needed, and at least annually. As of the date of this filing no events have occurred that would require the write-down of any assets. In addition, the carrying amounts of the group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication of impairment exists, the asset's recoverable amount will be reduced to its estimated fair value. As of December 31, 2010 and 2009, respectively, no indications of impairment existed.

Certain mining plant and equipment included in mine development and infrastructure is depreciated on a straight-line basis over their estimated useful lives from 3 – 10 years. Other non-mining assets are recorded at cost and depreciated on a straight-line basis over their estimated useful lives from 3 – 10 years.

Reclassifications

Certain reclassifications, which have no effect on net (loss) income, have been made in the prior period financial statements to conform to the current presentation.

Revenue recognition

Revenue from the sale of concentrate and industrial metals will be recognized when ownership passes to the purchaser at which time the following conditions are met:

- i) persuasive evidence that an agreement exists;
- ii) the risks and rewards of ownership pass to the purchaser including delivery of the product;
- iii) the selling price is fixed and determinable; or,
- iv) collectivity is reasonably assured.

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Reclamation and remediation costs (asset retirement obligations)

Reclamation costs are allocated to expense over the life of the related assets and are periodically adjusted to reflect changes in the estimated present value resulting from the passage of time and revisions to the estimates of either the timing or amount of the reclamation and abandonment costs.

Future remediation costs for reprocessing plant and buildings are accrued based on management's best estimate at the end of each period of the undiscounted costs expected to be incurred at a site. Such cost estimates include, where applicable, ongoing remediation, maintenance and monitoring costs. Changes in estimates are reflected in earnings in the period an estimate is revised. There were no reclamation and remediation costs accrued as of December 31, 2010 or December 31, 2009.

Exploration expenses

Exploration costs not directly associated with proven reserves on our mining concessions are charged to operations as incurred.

Purchase of Technical Data

Technical data, including engineering reports, maps, assessment reports, exploration samples certificates, surveys, environmental studies and other miscellaneous information, may be purchased for our mining concessions. When purchased for concessions without proven reserves the cost is considered research and development pertaining to a developing mine and in accordance with the Research and Development (R&D) Topic - of the FASB ASC is expensed when incurred.

Income taxes

Income taxes are provided for using the liability method of accounting in accordance with the Income Taxes Topic of the FASB ASC. Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The computation of limitations relating to the amount of such tax assets, and the determination of appropriate valuation allowances relating to the realization of such assets, are inherently complex and require the exercise of judgment. As additional information becomes available, we continually assess the carrying value of our net deferred tax assets.

Stock Based Compensation

Stock based compensation is accounted for using the Equity-Based Payments to Non-Employee's Topic of the FASB ASC, which establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. We determine the value of stock issued at the date of grant. We also determine at the date of grant the value of stock at fair market value or the value of services rendered (based on contract or otherwise) whichever is more readily determinable.

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Shares issued to employees are expensed upon issuance.

Stock based compensation for employees is accounted for using the Stock Based Compensation Topic of the FASB ASC. We use the fair value method for equity instruments granted to employees and will use the Black-Scholes model for measuring the fair value of options, if issued. The stock based fair value compensation is determined as of the date of the grant or the date at which the performance of the services is completed (measurement date) and is recognized over the vesting periods.

Net Loss per Common Share

Earnings per share is calculated in accordance with the Earnings per Share Topic of the FASB ASC. The weighted-average number of common shares outstanding during each period is used to compute basic earnings (loss) per share. Diluted earnings per share is computed using the weighted average number of shares plus dilutive potential common shares outstanding. Potentially dilutive common shares consist of employee stock options, warrants, and other convertible securities, and are excluded from the diluted earnings per share computation in periods where the Company has incurred net loss. During the years ended December 31, 2010 and 2009, respectively, the Company incurred a net loss, resulting in no potentially dilutive common shares.

Fair Value Accounting

As required by the Fair Value Measurements and Disclosures Topic of the FASB ASC, fair value is measured based on a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and (Level 3) unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The three levels of the fair value hierarchy are described below:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;
- Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Recently adopted and recently issued accounting guidance

Adopted

In June 2009, the Financial Accounting Standards Board ("FASB") issued authoritative guidance for "Accounting for Transfers of Financial Assets," which eliminates the concept of a "qualifying special-purpose entity," changes the requirements for derecognizing financial assets, and requires additional

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disclosures in order to enhance information reported to users of financial statements by providing greater transparency about transfers of financial assets, including securitization transactions, and an entity's continuing involvement in and exposure to the risks related to transferred financial assets. This guidance is effective for fiscal years beginning after November 15, 2009. The Company adopted this guidance for the period ended March 31, 2010. It does not have a material impact on the consolidated financial statements.

In June 2009, the FASB issued authoritative guidance amending existing guidance. The amendments include: (1) the elimination of the exemption for qualifying special purpose entities, (2) a new approach for determining who should consolidate a variable-interest entity, and (3) changes to when it is necessary to reassess who should consolidate a variable-interest entity. This guidance is effective for the first annual reporting period beginning after November 15, 2009 and for interim periods within that first annual reporting period. The Company adopted this guidance for the period ended March 31, 2010. It does not have a material impact on the consolidated financial statements.

In January 2010, the FASB issued guidance to amend the disclosure requirements related to recurring and nonrecurring fair value measurements. The guidance requires new disclosures on the transfers of assets and liabilities between Level 1 (quoted prices in active market for identical assets or liabilities) and Level 2 (significant other observable inputs) of the fair value measurement hierarchy, including the reasons and the timing of the transfers. The guidance became effective for the Company beginning January 1, 2010. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In February 2010, the FASB issued amended guidance on subsequent events to alleviate potential conflicts between FASB guidance and SEC requirements. Under this amended guidance, SEC filers are no longer required to disclose the date through which subsequent events have been evaluated in originally issued and revised financial statements. This guidance was effective immediately and we adopted these new requirements for the period ended March 31, 2010. The adoption of this guidance did not have a material impact on our financial statements.

Issued

In October 2009, the FASB issued changes to revenue recognition for multiple-deliverable arrangements. These changes require separation of consideration received in such arrangements by establishing a selling price hierarchy (not the same as fair value) for determining the selling price of a deliverable, which will be based on available information in the following order: vendor-specific objective evidence, third-party evidence, or estimated selling price; eliminate the residual method of allocation and require that the consideration be allocated at the inception of the arrangement to all deliverables using the relative selling price method, which allocates any discount in the arrangement to each deliverable on the basis of each deliverable's selling price; require that a vendor determine its best estimate of selling price in a manner that is consistent with that used to determine the price to sell the deliverable on a standalone basis; and expand the disclosures related to multiple-deliverable revenue arrangements. These changes become effective on January 1, 2011. The Company has determined that the adoption of these changes will not have an impact on the consolidated financial statements, as the Company does not currently have any such arrangements with its customers.

In January 2010, the FASB issued guidance to amend the disclosure requirements related to recurring and nonrecurring fair value measurements. The guidance requires a roll forward of activities on purchases, sales, issuance, and settlements of the assets and liabilities measured using significant unobservable

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inputs (Level 3 fair value measurements). The guidance will become effective for the Company with the reporting period beginning July 1, 2011. The adoption of this guidance will not have a material impact on the Company's consolidated financial statements.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the AICPA, and the SEC did not, or are not believed by management to, have a material impact on the Company's present or future consolidated financial statements.

Note 2. Property, plant, equipment, mine development and land

	December 31, 2010	December 31, 2009
Land	\$ 19,590	\$ 19,590
Mining concessions:		
Pilar (a)	710,172	710,172
Don Ramon (b)	521,739	521,739
Las Nuvias (c)	100,000	100,000
Centenario (d)	1,946,545	1,905,472
Pirita (e)	246,455	245,270
Picacho (f)	1,250,000	4,564,331
Mining concessions	4,774,911	8,046,984
Construction in Progress	-	2,163,485
Property, plant and equipment	3,603,210	924,231
	8,397,711	11,154,295
Less – accumulated depreciation	(295,925)	(67,008)
	<u>\$ 8,101,786</u>	<u>\$ 11,087,282</u>

- a. In September 2006 another subsidiary of Tara Gold Resources Corp., the Company's parent, acquired the Pilar de Moceribo Prospect ("Pilar") from an unrelated third party for \$800,000 plus \$120,000 of value added tax. This property was then sold to AMM in January 2007. In June 2009, AMM and the note holder modified the agreement to return one mining concession under this agreement and reduce the purchase by \$60,870 plus the related \$9,130 of value added tax. The resulting purchase price of the remaining concessions is \$739,130 plus \$110,870 of value added tax. The Company is required to repay the other subsidiary of its parent for this mining concession as follows (including the applicable value added tax):

2011 \$ 535,659

In accordance with the Interest Topic of FASB ASC, the future payments of the total payment amount of \$739,130 have been discounted using the incremental borrowing rate of 5.01%. As of December 31, 2010, the present value of future payments is as follows:

	Debt	IVA	Total
Total remaining debt	\$ 486,739	\$ 77,879	\$ 564,618
Imputed interest	(28,959)	-	(28,959)
Present value of debt	<u>\$ 457,780</u>	<u>\$ 77,879</u>	<u>\$ 535,659</u>

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- b.** On January 8, 2007 the Company amended its October 2006 agreement to acquire the Don Roman Prospect (Don Roman) from an unrelated third party for \$521,739 plus \$78,261 of value added tax. The purchase price was paid in full in January 2007. This property was assigned to the Company in January 2007 by the Company's parent. In October 2007, the Company purchased five hectares of land adjacent to the Don Roman property to build a mill, equipment yard, and campsite for construction and mining. Construction activities on this land began in October 2007 and finished during the first quarter of 2010. In October of 2007, the Company entered into an agreement with an independent third party to purchase construction equipment for the development and operation of the Don Roman Property. Pursuant to this agreement, the Company issued 1,200,000 shares of common stock at a fair value of \$600,000 during the first quarter of 2008.
- c.** On January 8, 2007 the Company acquired the Las Nuvias Prospect (Las Nuvias) for \$100,000 plus \$15,000 of value added tax from an unrelated third party. The purchase price was paid in full in January 2007. This property was assigned to the Company in January 2007 by the Company's parent.
- d.** In November 2008, AMM executed an agreement to acquire eight mining concessions known as "Centenario" from an independent third party. The properties approximate 5,400 hectares and were purchased for a total of \$1,894,050, including \$247,050 in value added taxes.

In June 2009, AMM and the note holder modified the agreement to 1) revalue the entire Centenario concession to \$2,000,000, 2) apply \$127,000 toward the purchase price which we had already paid and recorded as a mining deposit, and 3) apply \$197,956 toward the updated value of the concession which was originally paid by another subsidiary of Tara Gold Resources Corp. These changes resulted in the following 1) additional debt of \$28,044 plus related value added tax for these concessions, 2) the reduction of our mining deposit of \$127,000, 3) the expense of \$6,000 that AMM also paid but which was not included in the revaluation of the concession and 4) and increase in our due to related party of \$197,956 plus related value added tax. Our effective amount financed in relation to this concession \$1,675,044 plus \$251,257 of value added tax.

The debt payment schedule as of December 31, 2010, including applicable value added tax, is as follow:

2011	548,091
2012	981,192
	\$ 1,529,283

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In accordance with the Interest expense Topic of FASB ASC, the future payments of the total payment amount of \$1,675,044 has been discounted using the incremental borrowing rate of 2.97%. As of December 31, 2010, the present value of future payments on the Centenario contract is as follows.

	Debt	IVA	Total
Future payments	\$ 1,364,429	\$ 218,309	\$ 1,582,738
Imputed interest	(53,455)	-	(53,455)
Present value of debt	1,310,974	218,309	1,529,283
Less: current portion	(468,091)	(80,000)	(548,091)
	<u>\$ 842,883</u>	<u>\$ 138,309</u>	<u>\$ 981,192</u>

In March 2011, AMM and the note holder modified and terminated the agreement resulting in full payment of the concession for the \$732,006 paid.

In March 2011, AMM purchased technical data pertaining to Centenario from the former owner in consideration for \$100,000 in cash and the issuance 416,100 shares of the Company's common stock. As of March 11, Centenario did not have proven reserves.

- e. In June 2009 AMM executed an agreement to acquire three mining concessions known as "Pirita" from an independent third party. The properties approximate 6,700 hectares and were purchased for a total of \$50,000 cash, \$230,000 financed, including \$30,000 in value added taxes.

The resulting debt payment schedule, including applicable value added tax, is as follow:

2011	\$ <u>170,455</u>
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In accordance with the Interest Topic of FASB ASC, the future payments of the total payment amount of \$200,000 have been discounted using the incremental borrowing rate of 2.76%. As of December 31, 2010, the present value of future payments on the Pirita contract is as follows:

	Debt	IVA	Total
Future payments	\$ 150,000	\$ 24,000	\$ 174,000
Imputed interest	(3,545)	-	(3,545)
Present value of debt	<u>\$ 146,455</u>	<u>\$ 24,000</u>	<u>\$ 170,455</u>

- f. In June 2009 Adit acquired eight mining concessions known as "Picacho" from an independent third party. The properties approximate 3,236 hectares and were purchased for a total of \$500,000 cash (plus the related \$75,000 value added taxes), \$4,945,000 financed, including \$645,000 in value added taxes.

In March 2010, Adit and the note holder agreed to reduce the purchase of the Picacho concession to \$1,250,000. Under the revised agreement, Adit paid the vendor \$500,000 in cash (plus applicable taxes) as final consideration for the mining concession. These changes

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resulted in the following: 1) decrease debt by \$3,324,485; and 2) decrease recoverable value-added taxes by \$527,500. At March 31, 2010 the amended purchase price was paid in full.

In March 2010, Adit purchased technical data pertaining to the Picacho Prospect from the prospect's former owner in consideration for the issuance to the former owner of 437,500 shares of the Company's common stock and 320,000 shares of Adit's common stock. The technical data includes engineering reports, maps, assessment reports, exploration samples certificates, surveys, environmental studies and other miscellaneous information pertaining to the Picacho Prospect. As of March 31, 2010 the Picacho Prospect did not have any proven reserves. As such, the information purchased was considered research and development pertaining to a developing mine and in accordance with the ASC Research and Development (R&D) Topic - R&D is expensed when incurred. The parties agreed that the value of the stock for the technical data was \$2.25 per share for Adit stock and \$4.00 per share for the Company's common stock. The Company has accounted for the shares at their fair market value as follows: 320,000 shares of Adit's common stock were valued at \$0.75 per share, and 437,500 shares of the Company's common stock were valued at \$2.25. All fair market values were determined based on contemporaneous stock issuances for cash or if the stock was quoted on an exchange, it's closing stock price. All stock was issued April 2010.

Other Fixed Assets

For the twelve months ended December 31, 2010, Tara Minerals and its subsidiaries purchased equipment and other fixed assets in the normal course of business. During the 6 months ended June 30, 2010, Tara Minerals finished the construction of the plant at the Don Roman mine.

Note 3. Mining Deposits

As of December 31, 2009, the Company paid a deposit of \$25,000 toward the involvement in the "El Tigre" mining project in Sinaloa, Mexico. As of December 2010, the Company reclassified \$28,368 given to a third party as mining deposits because they are in fact mining deposits for future acquisitions.

Note 4. Income Taxes

As of December 31, 2010, Adit and the Company will file separate income tax returns from the Tara Gold consolidated return.

For the year ended December 31, 2009 Tara Minerals and American Metal Mining ("AMM") were part of the consolidated Tara Gold Resources Corp. return and as such, all related deferred tax assets or liabilities were calculated on the consolidated tax return and pushed down to the underlying subsidiaries as needed.

No tax benefit for the year ending December 31, 2009 was reported in connection with the net operating loss carry forwards that related to Tara Minerals and its subsidiary AMM.

Effective for the year ending December 31, 2010, the Company will begin filing income tax returns in the United States and continue to file Mexican federal jurisdictions. The U.S. returns for 2010 will be filed after the filing of these financial statements; the Mexico 2010 tax return has been filed. No tax returns for the Company or AMM are currently under examination by any tax authorities.

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Adit and its subsidiary American Copper Mining (“ACM”) did not have a deferred tax asset or liability for the year ended December 31, 2009 due to the use of valuation allowances to reduce the benefits of a net operating loss to zero.

Adit files income tax returns in the United States and Mexican federal jurisdictions. The U.S. returns for 2010 will be filed after the filing of these financial statements; the Mexico 2010 tax return has been filed. Upon tax return filing, the U.S. federal returns are considered open tax years, with 2009 an open tax year.

The returns for 2010 will be filed after the filing of these financial statements. No tax returns for Adit or ACM are currently under examination by any tax authorities.

The provision for federal and state income taxes for the year ended December 31, 2010 includes elements of Adit and ACM as one filing entity; and Tara Minerals and AMM as a separate filing entity.

The December 31, 2010 and since inception income tax benefit is as follows:

	Adit and ACM	Tara Minerals and AMM	Total
Current – U.S. Federal	\$ -	\$ -	\$ -
Current – Mexico	-	-	-
Deferred – U.S. Federal	(719,319)	(5,142,645)	(5,861,964)
Deferred – Mexico	(129,164)	(926,839)	(1,056,003)
Increase in valuation allowance	488,823	3,498,162	3,986,985
Income tax expense (benefit)	<u>\$ (359,659)</u>	<u>\$ (2,571,322)</u>	<u>\$ (2,930,982)</u>

We believe that the deferred tax asset above is realizable, net of the valuation allowance disclosed, due to Adit’s letter of intent with Yamana that grants Yamana an option to acquire up to a 70% interest in Adit’s Picacho gold/silver project. Additionally, interest from various parties has also been expressed towards El Oro (a concession within the Don Roman Groupings), Tara Gold iron ore, gold, copper prospect. Based on this interest, Tara Gold has been investigating the economic merits surrounding the iron ore market, has found favorable results, and is now working on a number of development strategies relating to iron ore.

A valuation allowance is recorded when it is more likely than not that the deferred tax assets will be realized. The future use of deferred tax assets is dependent on the future taxable profits which arise from taxable temporary timing differences such as:

- Differences in expensed stock based compensation and stock for investor relation services and corporate officers.
- The capitalization of foreign mining exploration expenses for federal income tax purposes.
- A carryforward of a net operating loss.

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At December 31, 2010 total deferred tax assets and deferred tax liabilities are as follows:

	Adit and ACM	Tara Minerals and AMM	Total
Deferred tax asset – current	\$ -	\$ -	\$ -
Deferred tax asset – non current	848,482	6,069,484	6,917,967
Total deferred tax asset	848,482	6,069,484	6,917,967
Deferred tax liability - current	-	-	-
Deferred tax liability – non current	-	-	-
Total deferred tax liability	-	-	-
Valuation allowance	(488,823)	(3,498,162)	(3,986,985)
Net deferred tax asset (liability)	\$ 359,659	\$ 2,571,322	\$ 2,930,982

Net operating losses expire as follows:

	Adit and ACM	Tara Minerals and AMM	Total
December 31, 2020	\$ 57,440	\$ -	\$ 57,440
December 31, 2021	78,507	12,913,910	12,992,417
Total net operating loss	\$ 135,947	\$ 12,913,910	\$ 13,047,857

Per Internal Revenue Code Section 382, in the event of a change of ownership, the availability of Adit and the Company's net operating losses carry forwards may be subject to an annual limitation against taxable income in future periods, which could substantially limit the eventual utilization of this net operating loss carry forwards. This limitation may not apply pursuant to an ownership change as described in Section 1262 of P.L. 111-5.

Net operating losses generated in Mexico may only be used to offset income generated in Mexico. ACM has a net operating loss in Mexico of approximately \$430,546 with an estimated tax benefit of \$129,164 and AMM has a net operating loss in Mexico of \$3,089,464 with an estimated tax benefit of \$926,839.

Per the Income Tax topic of the FASB ASC, when it is more likely than not that a tax asset cannot be realized through future income the Company must allow for this future tax benefit. We have fully allowed for the entire deferred tax asset relating to our Mexican subsidiaries at December 31, 2010.

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Reconciliation of the differences between the statutory tax rate and the effective income tax rate is as follows:

	Adit and ACM	Tara Minerals and AMM
Statutory U.S. Federal tax rate	35%	35%
Statutory Mexico tax (benefit) rate	30%	30%
Valuation allowance U.S. Tax (benefit)	-	-
Valuation allowance Mexico Tax (benefit)	(30%)	(30%)
Effective income tax rate	35%	35%

Note 5. Related Party Transactions

Due to related parties, net of due from was \$3,465,232 and \$2,331,530 as of December 31, 2010 and 2009, respectively.

The Company is a subsidiary of Tara Gold Resources Corp. In January 2007, another subsidiary of Tara Gold Resources Corp., Corporacion Amermin, S.A. de C.V. ("Amermin"), made the arrangements to purchase the Pilar, Don Roman and Las Nuvias properties listed in Note 2 (part of the Don Roman Grouping). These properties were assigned to the Company's subsidiary AMM as of January 2007. AMM makes payments to Amermin and Amermin made payments related to the original purchase agreements.

At December 31, 2009, Amermin has paid the original note holder in full but AMM has not paid Amermin. At December 31, 2010, due to related parties, included:

- Due from related parties: \$69,143
- Pilar mining concession: \$535,659 (inclusive of valued added tax)
- Don Roman concession: \$211,826
- Due to Amermin: \$948,716
- Other related party: \$33,414

As of December 31, 2010 the Tara Gold had loaned the Company \$1,804,760 which amount is included in Due to Related Parties. There are no terms to this intercompany payable and it is due on the demand of the Tara Gold.

In July 2009, Adit issued Tara Minerals a promissory note in the principal amount of \$650,000 to compensate Tara Minerals for its down payment toward the purchase price of Picacho mentioned in Note 2 (f) above, and to reimburse Tara Minerals for other amounts advanced on behalf of Adit. The note is unsecured, bears interest at 3.25% per year, and is due and payable on June 30, 2011. Adit has since repaid \$600,000 towards this note. In March 2010, Adit acquired technical data pertaining to Picacho.

Adit paid for the Company's shares used in the acquisition by means of a note in the principal amount of \$1,750,000. The note bears interest at 6% per year and is due and payable on March 31, 2012. At any time after July 1, 2010 the Company may convert the outstanding principal, plus accrued interest, into shares of Adit's common stock. The Company will receive one share of Adit's common stock for each \$0.75 (as amended December 31, 2010) of principal and interest converted. Both notes are intercompany transactions that eliminate during the consolidation of these financial statements.

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During the year ended December 31, 2010 an officer of the Company loaned the Company \$50,000. The note bears interest at 10% per year, and was due and payable on December 15, 2010. As further consideration for extending credit to the Company, the officer received a warrant that entitles him to purchase 50,000 shares of the Company's restricted common stock at a price of \$1.20 per share. In December 2010, the Company extended the note holder the ability to convert the note, plus interest, into shares of the Company at \$0.50 per share. Upon conversion any outstanding warrants would be expire.

The officer elected to convert the note and related interest as of December 31, 2010. Based on the fair value of the shares at December 31, 2010 the Company incurred a loss on debt extinguishment of \$74,006. The related shares were issued in 2011.

On July 28, 2010 Adit borrowed \$100,000 from an officer of Adit. The note bears interest at 3.25% per year, with interest payable quarter and due on December 31, 2010. The note was extended on January 1, 2011 to June 30, 2011 with the same terms.

In June 2009, the Company entered into a convertible debt agreement with its parent Tara Gold Recourses Corp., for \$1,695,000, with principle and interest due June 30, 2011. Interest is prime rate plus 3.25% and calculated on a 365-day year. Principle and interest were convertible into the Company's common stock at a fixed rate price of \$0.20. At the date of inception, the debt had a beneficial conversion feature of \$1,695,000. This was recorded as a debt discount and was accreted to interest expense over the term of the debt. The debt, plus \$55,088 interest, was converted to 8,750,440 shares of common stock in December 2009.

Note 6. Notes Payable

The following table represents the outstanding balance of loans and capital leases for the Company.

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Mining concession	\$ 1,699,737	\$ 6,219,418
Auto loans	119,766	-
Equipment	72,848	-
	<u>1,892,351</u>	<u>6,219,418</u>
Less – current portion	<u>(824,001)</u>	<u>(945,814)</u>
Total	<u>\$ 1,068,350</u>	<u>\$ 5,273,604</u>

See Note 2 above for notes payable relating to mining concessions.

During the year ended December 31, 2010 various non-related parties loaned the Company a total of \$480,000. The notes bear interest at 10% per year, and are due and payable six months after the promissory note date. The Company elected to extend the maturity of the notes by six months. The interest increased to 12% from and after December 15, 2010. As further consideration for extending credit to the Company, each note holder received a warrant that entitles them to purchase 480,000 shares of the Company's restricted common stock at a price of \$1.20 per share. In December 2010, the Company extended the notes to offer the note holders the ability to convert the note, plus interest, into shares of the Company at \$0.50 per share. Upon conversion any outstanding warrants would expire. All note holders elected to convert their notes and related interest as of December 31, 2010. Based on the fair value of the shares at December 31, 2010 the Company incurred a loss on debt extinguishment of \$709,084. The related shares were issued in 2011.

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During the year ended December 31, 2010, AMM financed the purchase of three Ford F-150's, one Ford F-250, one Ford-350 and one Courier Pick-Ups to be used in operations for \$128,750. The loan is for 48 months. As of December 31, 2010 the outstanding balance of the loan was \$119,766.

On July 21, 2010, AMM financed the purchase of mining equipment for \$98,500 plus IVA of \$15,760 to be used in operations. As of December 31, 2010 the outstanding balance of the note is \$72,848 including IVA.

Note 7. Stockholders' Equity

The authorized common stock of the Company consists of 75,000,000 shares with par value of \$0.001.

In 2007, the Company signed a marketing agreement with an independent third party with compensation of 1,500,000 common shares valued at \$0.50 per share for \$750,000. In June 2008, the Company settled a claim against a former vendor resulting in the return of 1,500,000 shares of the Company's common stock as payment in full of the Company's claim. The Company recorded a \$750,000 gain on the settlement in 2008.

In 2007, the Company issued 5,081,000 shares of common stock for cash of \$2,540,500 or \$0.50 a share.

In 2008, the Company issued 1,200,000 common shares for mining equipment valued at \$600,000 (See Footnote 2) or \$0.50 per share and 1,069,167 common shares for \$641,500 for cash or an average of \$0.60 per share.

In 2008, the Company sold 1,119,167 Units at a price of \$0.60 per Unit. Each Unit consisted of one share of Tara Mineral's common stock and one warrant. Each warrant entitles the holder to purchase one share of Tara Mineral's common stock at a price of \$1.20 per share during the two year period following the sale of the Units. The warrants expire two years after their issuance. In October 2009, the warrant exercise price was amended so that holders' could exercise the warrant at a price of \$0.90 until October 23, 2009. After October 23, 2009 the warrant exercise price reverted to \$1.20 per share. The warrant expiration date did not change. As of December 31, 2010, 1,114,003 warrants had been exercised for \$1,101,138. The remaining 5,164 warrants expired unexercised.

In 2008 and 2009, The Company sold 510,000 and 2,290,000 Units respectively at a price of \$0.20 per Unit. Each Unit consisted of one share of Tara Mineral's common stock and one warrant. Each warrant entitles the holder to purchase one share of Tara Mineral's common stock at a price of \$0.40 per share during the two year period following the sale of the Units. The warrants expire two years after their issuance. As of December 31, 2010, 635,000 warrants had been exercised for \$254,000. The remaining 2,155,000 warrants expire at various times in 2011.

April 2009, the Company issued 650,000 shares of common stock valued at \$104,000 or \$0.16 a share for officer bonuses.

In April 2009, the Company issued 150,000 shares of common stock valued at \$24,000 or \$0.16 a share for services.

In May 2009, the Company issued 192,500 shares of common stock valued at \$90,475 or \$0.47 a share for services.

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In June 2009, the Company issued 158,924 shares of common stock valued at \$25,500 or \$0.16 a share for salaries.

In June 2009, the Company issued 237,394 shares of common stock valued at \$110,000 or an average of \$0.46 a share for salaries and services.

In December 2009, the Company issued 696,667 shares of common stock valued at \$602,001 or an average of \$0.86 a share for cash.

In December 2009, the Company issued 8,750,440 shares of common stock valued at \$1,750,088 or \$0.20 a share to convert loan from Tara Gold, the parent company.

January 2010, the Company issued 100,000 shares of common stock valued at \$157,000 or \$1.57 a share for officer bonuses.

February 2010, the Company issued 122,944 shares of common stock valued at \$227,560 or \$1.85 a share for investor relations.

February 2010, the Company sold 1,056 shares of common stock for \$2,300 or \$2.18 a share for cash.

February 2010, the Company issued 1,250,000 shares of common stock for investor relations and banking services valued at \$2,687,500 or \$2.15 a share, with warrants to purchase 1,250,000 common shares, vesting throughout 2010 with a total warrant value of \$2,684,028.

Between February and October 2010, the Company issued 585,000 shares of common stock for warrants exercised, for \$234,000 or \$0.40 a share, for cash.

Between February and October 2010, the Company issued 50,669 shares of common stock for warrants exercised, for \$60,803 or \$1.20 a share, for cash.

March 2010, the Company issued 416,667 shares of common stock for warrants exercised, for \$458,334 or \$1.10 a share, for cash

April 2010, the Company issued 437,500 shares of common stock for the assignment of technical data pertaining to the Picacho Prospect, valued at \$984,375 or \$2.25 a share.

April 2010, the Company issued 60,000 shares of common stock, valued at \$133,800 or \$2.23 a share for services rendered.

Between April and May 2010, the Company issued 20,000 shares of common stock for options exercised, for \$20,000 or \$1.00 a share, for cash.

May 2010, the Company issued 65,000 shares of common stock, valued at \$120,250 or \$1.85 a share for services rendered.

June 2010, the Company sold 499,734 shares of common stock, valued at \$939,500 or \$1.88 a share for services rendered.

June 2010, the Company sold 266 shares of common stock, valued at \$500 or \$1.88 a share for cash.

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August 2010, the Company issued 75,000 shares of common stock for investor relations, valued at \$112,500 or \$1.50 a share.

October 2010, the Company sold 295,200 Units at a price of \$1.25 per Unit. Each Unit consisted of one share of Tara Mineral's common stock and one warrant. Each warrant entitles the holder to purchase one share of Tara Mineral's common stock at a price of \$1.50 per share during the first year period and \$2.00 the second year following the sale of the Units. The warrants expire two years after their issuance. As of December 31, 2010 no warrants have been exercised.

October 2010, the Company issued 26,120 shares of common stock for services, valued at \$28,210 or \$1.08 a share.

October 2010, the Company issued 500,000 shares of common stock for warrants exercised, for \$500 or \$0.001 a share for cash.

Between October and December 2010, the Company sold 1,571,799 Units at a price of \$0.75 per Unit. Each Unit consisted of one share of Tara Mineral's common stock and one warrant. Each warrant entitles the holder to purchase one share of Tara Mineral's common stock at a price of \$1.00 per share during the two year period following the sale of the Units. The warrants expire two years after their issuance. As of December 31, 2010 no warrants have been exercised.

December 2010, the Company issued 123,241 shares of common stock for services, valued at \$147,889 or \$1.20 a share.

Note 8. Non-controlling Interest

Between October 2009 and December 2010, the Company's subsidiary, Adit sold 1,999,334 shares of its common stock, at a price of \$0.75 per share, in a private placement. As of December 31, 2009 Adit had \$1,608,169 for 2,144,224 shares of Adit common stock subscribed under this private placement with independent third parties.

At December 31, 2010 the total non-controlling interest of this subsidiary, consisting of shares sold in the private placement, shares issued for bonuses and services, and shares issued for the technical data represented 13% of the total common shares outstanding or subscribed for Adit.

	Non-controlling interest at December 31, 2010
Combined Adit / ACM:	
Private placement	\$ 1,499,501
Finder's fees	95,215
Technical data for Picacho	240,000
Officers compensation and bonuses	487,500
Officers options	134,978
Income statement pickup	(400,368)
AMM Non-controlling interest	5
Total	\$ 2,056,831

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Note 9. Stock Compensation

On February 1, 2007, the Company adopted the following stock option plans:

- Incentive Stock Option Plan
- Nonqualified Stock Option Plan
- Stock Bonus Plan

In July 2008, the Company filed a registration statement on Form S-8 to register the shares issuable upon the exercise of Incentive Stock and Nonqualified Stock Option as well as any shares that may be issued pursuant to the Stock Bonus Plan.

In February 2007, the Company granted two of its officers options under its Nonqualified Stock Option Plan for the purchase of 1,000,000 shares of common stock. The options have an exercise price of \$0.05 and were originally scheduled to expire on February 1, 2010. In January 2010, the expiration date of these options was extended to February 2012. In the first quarter of 2010, the Company recognized an additional \$889,031 in stock compensation associated with the extension of the expiration date.

In January 2010, the Company granted two of its officer's options under its Incentive Stock Option Plan for the purchase of 750,000 shares of common stock. The options are exercisable at a price of \$1.57 per share and vest at various dates until January 2017. The options expire at various dates beginning January 2015. Vested options were valued at \$182,735.

In January 2010, the Company granted options to three of the Company's officers under its Nonqualified Stock Option Plan. The options allow for the purchase of 1,250,000 shares of common stock at an exercise price of \$0.05 per share. These options vested immediately, expire in January 2015 and were valued at \$2,334,201.

In 2010, the Company granted options for the purchase of 1,000,000 shares of common stock to an unrelated third party for investor relations services. The options have an exercise price of \$2.15 a share and vested during 2010. For financial reporting purposes, the options were valued at \$2,684,028. During the second quarter of 2010, the number of options granted was reduced to 500,000 with no incremental compensation cost.

In September 2010, the Company granted options for 200,000 shares of common stock to an unrelated third party for investor relations services. The options have an exercise price of \$1.00 per share, vest between September 2010 and March 2011 and expire two years from the date of vesting. For financial reporting purposes, the options were valued at \$145,412.

Warrants issued in relation to investor relations agreements vest at various rates that began the second quarter of 2010.

During 2010, the Company issued warrants in relation to debt, these warrants were cancelled when the note holders elected to convert the debt to shares (see Notes 5 and 6).

On October 28, 2009, Adit, the Company's subsidiary, adopted the following stock option plans:

- Incentive Stock Option Plan
- Nonqualified Stock Option Plan
- Stock Bonus Plan

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In October 2009, Adit granted four of its officers options under its Nonqualified Stock Option Plan for the purchase of 1,000,000 shares of common stock. The options have an exercise price of \$0.05 per share, the options will vest at a rate of 20% per year, the first set of options vested on October 28, 2010, and are scheduled to expire on November 15, 2015.

In October 2009, Adit granted four of its officers bonus shares under its Stock Bonus Plan for 475,000 shares, 50% of the shares vested on October 28, 2010 and the remaining 50% will vest on October 28, 2011.

The fair value of each option/warrant award discussed above is estimated on the date of grant using the Black-Scholes option valuation model that uses the assumptions noted in the following table. Expected volatilities are based on volatilities from the Company's traded common stock. The expected term of options granted is estimated at half of the contractual term as noted in the individual option/warrant agreements and represents the period of time that management anticipates option/warrants granted are expected to be outstanding. The risk-free rate for the periods within the contractual life of the option is based on the U.S. Treasury bond rate in effect at the time of grant for bonds with maturity dates at the estimated term of the options.

	2010
Expected volatility	208.37% - 319.79%
Weighted-average volatility	159.17%
Expected dividends	0
Expected term (in years)	0.75 - 4.50
Risk-free rate	0.30% - 2.37%

A summary of option activity under the Plan as of December 31, 2010 and 2009, and changes during the period then ended is presented below:

Options	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2009	1,000,000	\$ 0.05		
Granted	4,650,000	0.87		
Exercised	(20,000)	1.00		
Forfeited or expired	(1,000,000)	0.05		
Outstanding at December 31, 2010	4,630,000	\$ 0.49	4.0	\$3,111,000
Exercisable at December 31, 2010	3,155,000	\$ 0.93	4.0	\$ 3,053,500

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Nonvested Options	Options	Weighted -Average Grant-Date Fair Value
Nonvested at December 31, 2009	-	\$ -
Granted	4,650,000	1.37
Vested	(3,175,000)	1.26
Forfeited	-	-
Nonvested at December 31, 2010	<u>1,475,000</u>	<u>\$ 1.37</u>

A summary of warrant activity under the Plan as of December 31, 2010 and 2009, and changes during the period then ended is presented below:

Warrants	Shares	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2009	3,222,500	\$ 0.65		
Granted	4,775,252	1.43		
Exercised	(2,052,336)	0.82		
Forfeited, cancelled or expired	(1,673,417)	1.54		
Outstanding at December 31, 2010	<u>4,271,999</u>	<u>\$ 0.73</u>	1.5	\$2,190,060
Exercisable at December 31, 2010	<u>4,271,999</u>	<u>\$ 0.73</u>	1.5	\$2,190,060

Nonvested Warrants	Warrants	Weighted- Average Grant-Date Fair Value
Nonvested at December 31, 2009	-	\$ -
Granted	4,775,252	1.82
Vested	(4,275,252)	1.39
Forfeited, cancelled or expired before vesting	(500,000)	1.82
Nonvested at December 31, 2010	<u>-</u>	<u>\$ -</u>

Note 10. Fair Value

In accordance with authoritative guidance, the table below sets forth the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

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	Fair Value at December 31, 2010			
	Total	Level 1	Level 2	Level 3
Assets:				
None	\$ -	\$ -	\$ -	\$ -
Liabilities:				
Total notes payable, including related party	\$ 1,992,351	\$ 1,992,351	\$ -	\$ -
Due to related parties, net of due from	3,465,232	3,465,232	-	-
Total	\$ 5,457,583	\$ 5,457,583	\$ -	\$ -

	Fair Value at December 31, 2009			
	Total	Level 1	Level 2	Level 3
Assets:				
None	\$ -	\$ -	\$ -	\$ -
Liabilities:				
Total notes payable	\$ 6,219,418	\$ 6,219,418	\$ -	\$ -
Due to related parties, net of due from	2,331,530	2,331,530	-	-
Total	\$ 8,550,948	\$ 8,550,948	\$ -	\$ -

Note 11. Joint Ventures

In July 2010, the Company entered into a joint venture agreement with third parties. The joint venture agreement provides that the third parties will contribute 100% of the mining rights to the concession, "Mina Godinez" and the Company will have the exclusive rights to manage, operate, explore and exploit the concession. The Company will pay for the construction of buildings, access roads, and any necessary improvements. The Company will also pay for the machinery and equipment required for the operation of the mine. Any machinery or equipment used for the development of the mine will remain the exclusive property of the Company. Once production starts, the Company will receive 60% of the profits from the mine until it is fully reimbursed for its costs. The Company will receive 40% of the profits thereafter. The Company, also has a first right of refusal to purchase the property. The joint venture agreement will expire in July 2020, at which time the joint venture will be liquidated and dissolved. As of December 31, 2010, no costs have been incurred.

Note 12. Subsequent Events

Management evaluated all activity of the Company through April 14, 2011 (the issue date of the Financial Statements) and concluded the following disclosures are pertinent:

- a. March 2011, Tara Minerals issued 1,118,699 shares to the note holders that elected to convert their notes and related interest as of December 31, 2010. The value of the shares was \$1,342,439 or \$1.20 per share.

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- b.** March 2011, the Company issued 125,000 shares of common stock for warrants exercised, for \$50,000 or \$0.40 a share for cash.
- c.** On January 28, 2011, Adit Resources Corp., a subsidiary of Tara Minerals, sold 500,000 units at a price of \$1.00 per unit to Yamana Gold Inc. Each unit consisted of one share of Adit's common stock and one half warrants. Each full warrant entitles Yamana to purchase one share of Adit's common stock at a price of \$1.50 per share at any time on or before January 28, 2014.

In connection with the sale of the units, Adit also signed a letter of intent that grants Yamana an option to acquire up to a 70% interest in Adit's Picacho gold/silver project. A definitive agreement is expected to be completed May 15, 2011. Upon completion of the definitive agreement, Adit will sell an additional 2,500,000 units to Yamana at a price of \$1.00 per unit. The units will be identical to the units sold on January 28, 2011. From the \$3,000,000 received from Yamana, Adit will be required to spend \$2,000,000 in exploration work on the Picacho project within 12 months of signing the definitive agreement.

Yamana can earn a 51% interest in the project by spending an additional \$5,000,000 on the project within 30 months of the date of the definitive agreement and paying Adit an additional \$1,000,000. Yamana can increase its interest to 70% by spending an additional \$9,000,000 on the project and paying Adit an additional \$2,000,000.

- d.** On March 2011, AMM executed an agreement to acquire six mining concessions known as La Verde from an independent third party. The properties approximate 2,104 hectares, and were purchased for a total of \$92,800, including \$12,800 in value added taxes. AMM paid \$50,000 as a deposit for the concession mining deposit which was applied to the effective price of the property. The remaining balance of \$42,800 is due thirty days after the execution date of the agreement.

March 2011, AMM purchased technical data pertaining to La Verde concessions from the former owner in consideration for 460,000 shares of the Company's common stock.

- e.** In September 2010, Tara Gold entered into a tentative agreement with Tara Minerals which provided that Tara Minerals will acquire all of the outstanding shares of Tara Gold by exchanging one Tara Mineral share for two Tara Gold shares. In 2011 this acquisition was cancelled. Tara Gold Resources Corp. will begin to distribute all of its shares in Tara Minerals to its shareholders at a rate of one Tara Minerals common share for every 20 outstanding shares of Tara Gold Resources Corp. The ex-dividend date is May 18, 2011, the record date is May 20, 2011 and the payment date is May 27, 2011. Additional distributions will be announced over the next 24 months until all Tara Minerals shares, held by Tara Gold, are distributed to Tara Gold shareholders.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES.

Francis Richard Biscan, Jr., Tara Minerals' Principal Executive Officer and Lynda R. Keeton-Cardno, Tara Minerals' Principal Financial Officer, have evaluated the effectiveness of Tara Minerals' disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934) as of the end of the period covered by this report and in their opinion Tara Minerals' disclosure controls and procedures are effective.

Management's Report on Internal Control Over Financial Reporting

Tara Minerals' management is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting. As defined by the Securities and Exchange Commission, internal control over financial reporting is a process designed by, or under the supervision of Tara Minerals' principal executive officer and principal financial officer and implemented by Tara Minerals' Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Tara Minerals' financial statements in accordance with U.S. generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company ' s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Tara Minerals' management evaluated the effectiveness of its internal control over financial reporting as of December 31, 2010 based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, or the COSO Framework. Management's assessment included an evaluation of the design of Tara Minerals' internal control over financial reporting and testing of the operational effectiveness of those controls.

Based on this evaluation, Tara Minerals' management concluded that Tara Minerals' internal control over financial reporting was effective as of December 31, 2010.

There was no change in Tara Minerals' internal control over financial reporting that occurred during the quarter ended December 31, 2010 that has materially affected, or is reasonably likely to materially affect, Tara Minerals' internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

Not applicable.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Francis R. Biscan, Jr.	50	President, Chief Executive Officer and Director
Lynda R. Keeton-Cardno	39	Chief Financial Officer and Treasurer
Clifford A. Brown	59	Director, Controller
Ramiro Trevizo	54	Director

The directors of Tara Minerals serve in such capacity until the first annual meeting of Tara Minerals' shareholders and until their successors have been duly elected and qualified. The officers of Tara Minerals serve at the discretion of Tara Minerals' directors.

The principal occupations of Tara Minerals' officers and directors are as follows:

Francis R. Biscan, Jr. has been an officer and director of Tara Minerals since May 2006. Between 1997 and August 2003 Mr. Biscan was an independent financial consultant, providing advice to public and private companies in the areas of capital formation and mergers and acquisitions. Mr. Biscan has also been an officer and director of Tara Gold Resources Corp. since August 2003.

Lynda Keeton-Cardno, CPA Treasurer, Chief Financial Officer. Ms. Keeton-Cardno has been an officer of Tara Minerals since January 2011. Since 2001, Ms. Keeton-Cardno has been the CEO/Managing Member of Lynda R. Keeton CPA, LLC, a PCAOB registered firm which provides audit and consulting services to public and private companies. Ms. Keeton-Cardno worked for Arthur Andersen LLP in Phoenix, AZ and Las Vegas, NV in both the Audit and Advisory group and Technology Risk Consulting group. Ms. Keeton-Cardno is a licensed Certified Public Accountant in Nevada, a member of the American Institute of Certified Public Accountants, a graduate of Arizona State University's School of Business and Honors College, and has held the Certified Information Systems Auditor designation.

Clifford A. Brown, CPA has been an officer and director of Tara Minerals since May 2006. Since 1989 Mr. Brown has been the President of Clifford A. Brown and Co., a firm which provides accounting and consulting services and sells accounting software. Since 1993 Mr. Brown has served as the treasurer and Board member of Restoration Ministries, Inc., a non-profit corporation with 33 different ministries in Chicago. Mr. Brown has also been an officer and director of Tara Gold Resources Corp. since November 2004. Mr. Brown has been a Certified Public Accountant since 1981.

Ramiro Trevizo has been a director of Tara Minerals since May 2008 and President/Sole administrator for American Metal Mining, S.A. de C.V, its Mexican subsidiary since 2007. Mr. Trevizo has also been the President of Corporacion Amermin, S.A. de C.V., the Mexican subsidiary of Tara Gold Resources Corp., since 2005. Between 2003 and 2005 Mr. Trevizo was the President of Grupo Constructor del Desierto, S.A., an engineering company based in Chihuahua, Mexico. Between 2002 and 2004 Mr. Trevizo was a regional manager for D&B Engineering of Phoenix, Arizona. Mr. Trevizo was a project manager for Concord, California based OSP Consultants from 1999 to 2002.

Tara Minerals does not have a compensation committee. Tara Minerals' Board of Directors serves as its Audit Committee. Lynda R. Keeton-Cardno is Tara Minerals' financial expert. Since Ms. Keeton-Cardno is an officer of Tara Minerals, Ms. Keeton-Cardno is not independent as that term is defined in section 803 of the listing standards of the NYSE Amex.

None of Tara Minerals' directors are independent as that term is defined in section 803 of listing standards of the NYSE Amex.

Tara Minerals believes all of its directors are qualified to act as such due to their longstanding relationship with Tara Minerals.

Tara Minerals has adopted a Code of Ethics applicable to its principal executive, financial, and accounting officers and persons performing similar functions.

ITEM 11. EXECUTIVE COMPENSATION.

The following table shows the compensation paid or accrued during the three years ended December 31, 2010 to the executive officers of Tara Minerals.

Name and Principal Position	Fiscal Year	Salary (1)	Bonus (2)	Stock Awards (3)	Option Awards (4)	All Other Annual Compensation (5)	Total
Francis R. Biscan, <i>President and Chief Executive Officer</i>	2010	\$60,000	-	\$ 78,500	\$2,314,275	-	\$ 2,452,775
	2009	\$40,000	-	\$ 15,000	-	-	\$ 55,000
	2008	-	-	-	-	-	-
Lynda R. Keeton-Cardno, <i>Chief Financial Officer and Treasurer (6)</i>	2010	-	-	-	-	-	-
	2009	-	-	-	-	-	-
	2008	-	-	-	-	-	-
David Bizzaro, <i>Chief Financial Officer and Treasurer (6)</i>	2010	\$30,000	-	-	-	-	\$ 30,000
	2009	-	-	-	-	-	-
	2008	-	-	-	-	-	-
Clifford A. Brown, <i>Controller, Director</i>	2010	\$30,000	-	\$ 39,250	\$702,659	-	\$ 771,909
	2009	\$20,000	-	\$ 7,500	-	-	\$ 27,500
	2008	-	-	-	-	-	-
Total							

- (1) The dollar value of base salary (cash and non-cash) received.
- (2) The dollar value of bonus (cash and non-cash) received.
- (3) During the periods covered by the table, the value of Tara Mineral's shares issued as compensation for services to the persons listed in the table.
- (4) The value of all stock options granted during the periods covered by the table. See Note 9 to the financial statements included as part of this report for details concerning the assumptions used in determining the value of these options. See the "Stock Option and Bonus Plans - Summary" section below for other information concerning these stock options.
- (5) All other compensation received that Tara Minerals could not properly report in any other column of the table.
- (6) Ms. Keeton-Cardno was appointed Chief Financial Officer and Treasurer in 2011. Mr. Bizzaro was appointed Chief Financial Officer and Treasurer between May 2010 and January 2011.

The following shows the amounts that Tara Minerals expects to pay to its officers during the twelve month period ending December 31, 2011, and the time these persons plan to devote to Tara Minerals' business. Tara Minerals has employment agreements with its officers.

Name	Proposed Compensation	Time to be Devoted to Tara Minerals' Business
Francis Richard Biscan, Jr.	\$ 60,000	20 hours / week
Lynda R. Keeton-Cardno	\$ 30,000	20 hours / week

Long-Term Incentive Plans . Tara Minerals does not provide its officers or employees with pension, stock appreciation rights, long-term incentive or other plans and has no intention of implementing any of these plans for the foreseeable future.

Employee Pension, Profit Sharing or other Retirement Plans . Tara Minerals does not have a defined benefit, pension plan, profit sharing or other retirement plan, although it may adopt one or more of such plans in the future.

Compensation of Directors . Tara Minerals' directors did not receive any compensation for their services as directors during the fiscal year ended December 31, 2010.

Stock Option and Bonus Plans. Tara Minerals has adopted stock option and stock bonus plans. A summary description of these plans follows. In some cases these Plans are collectively referred to as the "Plans".

Incentive Stock Option Plan . Tara Minerals' Incentive Stock Option Plan authorizes the issuance of shares of Tara Minerals' common stock to persons that exercise options granted pursuant to the Plan. Only Tara Minerals employees may be granted options pursuant to the Incentive Stock Option Plan. The option exercise price is determined by Tara Minerals' directors but cannot be less than the market price of Tara Minerals' common stock on the date the option is granted.

Non-Qualified Stock Option Plan . Tara Minerals' Non-Qualified Stock Option Plan authorizes the issuance of shares of Tara Minerals' common stock to persons that exercise options granted pursuant to the Plan. Tara Minerals' employees, directors, officers, consultants and advisors are eligible to be granted options pursuant to the Plan, provided however that bona fide services must be rendered by such consultants or advisors and such services must not be in connection with the offer or sale of securities in a capital-raising transaction or promoting the price of Tara Mineral's common stock.

Stock Bonus Plan . Tara Minerals' Stock Bonus Plan allows for the issuance of shares of common stock to its employees, directors, officers, consultants and advisors. However bona fide services must be rendered by the consultants or advisors and such services must not be in connection with the offer or sale of securities in a capital-raising transaction or promoting the price of Tara Mineral's common stock.

Summary . The following lists, as of March 31, 2011, the options granted and the bonus shares issued pursuant to the Plans. Each option represents the right to purchase one share of Tara Minerals' common stock.

Name of Plan	Total		Shares
	Shares Remaining Outstanding	Reserved for Issued as Under Plans	Shares Reserved Options/Shares Options
Stock Bonus	Under Plans	Incentive Stock Option Plan	
1,000,000	750,000	N/A	
250,000	Non-Qualified Stock Option Plan	3,000,000	
2,900,000	N/A	100,000	
Stock Bonus Plan	750,000	N/A	
750,000	-		

Tara Minerals' stock option and bonus plans have not been approved by its shareholders.

The following table shows the weighted average exercise price of the outstanding options granted pursuant to Tara Minerals Incentive Stock Option and Non-Qualified Stock Option Plans as of December 31, 2010.

Plan category	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available For Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column of This Table)
Incentive Stock Option Plan	750,000	\$1.57	250,000
Non-Qualified Stock Option Plan	2,500,000	\$0.05	500,000

The following lists the unexercised options which were outstanding as of March 31, 2011 and held by the Tara Minerals' officers and directors.

Name	Date of Grant	Shares underlying unexercised options which are		Exercise Price	Expiration Date
		Exercisable	Unexercisable		
Francis R. Biscan, Jr.	2/1/07	750,000	-	\$0.05	2/01/12
Francis R. Biscan, Jr.	1/5/10	125,000	375,000	\$1.57	2015-2020
Francis R. Biscan, Jr.	1/5/10	1,000,000	-	\$0.05	1/5/15
Clifford A. Brown	2/1/07	250,000	-	\$0.05	2/01/12
Clifford A. Brown	1/5/10	125,000	125,000	\$1.57	2015-2018
Clifford A. Brown	1/5/10	250,000	-	\$0.05	1/5/15
Ramiro Trevizo	1/5/10	250,000	-	\$0.05	1/5/15

The following lists the shares issued pursuant to Tara Minerals Stock Bonus Plan:

Name	Date	Shares Issued
Francis R. Biscan, Jr.	4/23/09	250,000
Francis R. Biscan, Jr.	1/05/10	50,000
Clifford A. Brown	4/23/09	200,000
Clifford A. Brown	1/05/10	25,000
Ramiro Trevizo	4/23/09	200,000
Ramiro Trevizo	1/05/15	25,000

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDERS MATTERS.

The following table lists, as of March 31, 2011, those persons owning beneficially 5% or more of Tara Minerals' common stock, the number and percentage of outstanding shares owned by each director and officer of Tara Minerals and by all officers and directors as a group. Unless otherwise indicated, each owner has sole voting and investment powers over his shares of common stock.

Name and Address	Number of Shares (1)	Percent of Class
Francis Richard Biscan, Jr. (2) 2162 Acorn Court Wheaton, IL 60189	2,229,986	3.7%
Clifford A. Brown (2) 313 Arbor Avenue West Chicago, IL 60185	1,002,464	1.7%
Lynda R. Keeton-Cardno 185 Bethany St. Henderson, NV 89074	-	0%
Ramiro Trevizo Calle Oregon #2432 Quintas del Sol, Chihuahua Chihuahua, CP 31214 Mexico	256,000	0.4%
Tara Gold Resources Corp. (2) 2162 Acorn Court Wheaton, IL 60189	40,897,440	70%
All officers and directors as a group (4 persons)	44,385,890	75.9%

(1) Includes shares issuable, prior to May 31, 2011, upon the exercise of options held by the following persons:

Name	Shares Issuable Upon Exercise of Options	Exercise Price	Expiration Date
Francis R. Biscan, Jr.	750,000	\$ 0.05	2/01/12
Francis R. Biscan, Jr.	125,000	\$ 1.57	2015-2020
Francis R. Biscan, Jr.	1,000,000	\$ 0.05	1/5/15
Clifford A. Brown	250,000	\$ 0.05	2/01/12
Clifford A. Brown	125,000	\$ 1.57	2015-2020
Clifford A. Brown	250,000	\$ 0.05	1/5/15
Ramiro Trevizo	250,000	\$ 0.05	1/5/15

(2) Francis Richard Biscan, Jr., and Clifford A. Brown control Tara Gold Resources Corp.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDANCE.

The following table lists the shares of Tara Minerals' common stock, which have been issued or sold as of March 31, 2011 to the officers, directors & affiliates of Tara Minerals.

Shareholder	Number of Shares	Date	Consideration
Tara Gold Resources Corp.	30,000,000	5/25/06	\$0 Founders' Shares
Officers and Directors	650,000	4/23/09	(1)
Francis R. Biscan, Jr.	93,486	6/11/09	Accrued salary in the amount of \$15,000.
Clifford A. Brown	46,742	6/11/09	Accrued salary in the amount of \$7,500.
Tara Gold Resources Corp.	8,750,440 (2)	12/31/09	Conversion of debt and accrued interest in the amount of \$1,750,088.
Officers and Directors	100,000	3/25/10	(1)
Clifford A. Brown	105,722	12/31/10	Conversion of loan in the principal amount of \$50,000

(1) Shares were issued pursuant to Tara Minerals Stock Bonus Plan for services rendered. See Item 11 of this report for more information concerning the issuance of these shares.

(2) In 2009 Tara Gold acquired 2,147,000 shares of Tara Minerals' common stock from an unrelated third party in a private transaction.

Tara Gold Resources Corp., the controlling shareholder of Tara Minerals, is also engaged in the exploration and development of mining properties in Mexico. Tara Gold Resources has the first right to acquire any gold or silver mining prospects. Tara Minerals has the first right to acquire any mining prospect which may be productive of metals other than gold or silver.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Mendoza Berger & Company, LLP, audited Tara Minerals' financial statements for the years ended December 31, 2010 and 2009. The following table shows the aggregate fees billed to Tara Minerals for these periods by Mendoza Berger.

	Year ended December 31, 2010	Year ended December 31, 2009
Audit Fees	\$ 40,500	\$ 68,565
Audit-Related Fees	-	-
Financial Information Systems	-	-
Design and Implementation Fees	-	-
Tax Fees	-	-
All Other Fees	-	-

Audit fees represent amounts billed for professional services rendered for the audit of Tara Minerals' annual financial statements and the review of Tara Minerals' interim financial statements. Before Mendoza Berger was engaged by Tara Minerals to render these services, the engagement was approved by Tara Minerals' Directors.

ITEM 15. EXHIBITS.

Exhibit Number	Exhibit Name	
3.1	Articles of Incorporation	*
3.2	Bylaws	*
4.1	Incentive Stock Option Plan	*
4.2	Non-Qualified Stock Option Plan	*
4.3	Stock Bonus Plan	*
10.1	Acquisition Agreement – Pilar de Moceribo property	*
10.2	Acquisition Agreement – Don Ramon property	*
10.3	Acquisition Agreement – Las Nuvias property	*
10.4	Consulting Agreement with Qualico Capital	*
10.5	Assignments of mining properties	*
10.6	Acquisition Agreement – Centenario Prospect	**
10.7	Service Agreement with Roadshows International	***
10.8	Consulting Agreement with Lions Gate International	***
10.9	Consulting Agreement with Sudhir Khanna	***
10.10	Consulting Agreement with Mayfair Associates	***
10.11	Settlement Agreement with Lions Gate Capital 5/1/09	***
10.12	Sales Contract of Common Stock from Ramiro Trevizo Ledezma to ACM	***
10.13	Sales Contract of Common Stock from Ramiro Trevizo Gonzales to ACM	***
10.14	Amended Agreement – Picacho Property	
10.15	Purchase Agreement – Technical Data	
10.16	Adit's Incentive Stock Option Plan	
10.17	Adit's Non-Qualified Stock Option Plan	
10.18	Adit's Stock Bonus Plan	
10.19	Tara Minerals convertible note with Adit	
10.20	Amended Tara Minerals convertible note with Adit	
21	Subsidiaries	
31.1	Rule 13a-14(a) Certifications –CEO	
31.2	Rule 13a-14(a) Certifications – CFO	
32	Section 1350 Certifications	

* Incorporated by reference to the same exhibit filed with Tara Minerals' registration statement on Form SB-2 (File #333-143512)

** Incorporated by reference to the same exhibit filed with Tara Minerals' report on Form 10-K for the year ended October 31, 2008.

*** Incorporated by reference to the same exhibit filed with Tara Minerals' report on Form 10-K for the year ended December 31, 2009.

SIGNATURES

In accordance with Section 13 or 15(a) of the Exchange Act, the Registrant has caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized on the 15th day of April 2011.

TARA MINERALS CORP.

By /s/ Francis R. Biscan, Jr.
Francis R. Biscan, Jr., President

Pursuant to the requirements of the Securities Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

	<u>Title</u>	<u>Date</u>
<u>/s/ Francis R. Biscan, Jr.</u> Francis R. Biscan, Jr.	Director and Principal Executive Officer	April 15, 2011
<u>/s/ Lynda R. Keeton-Cardno</u> Lynda R. Keeton-Cardno	Principal Financial and Accounting Officer	April 14, 2011
<u>/s/ Clifford A. Brown</u> Clifford A. Brown	Director	April 15, 2011
<u>/s/ Ramiro Treviso</u> Ramiro Treviso	Director	April 15, 2011

ONEROUS TRANSFER OF MINING RIGHTS CONTRACT CELEBRATED BY A) EMILIO ACUÑA PERALTA, REPRESENTED IN THIS ACT BY MR. CONRADO ACUÑA ARANDA IN HIS CHARACTER OF GENERAL PROXY (“THE GRANTOR”) AND B) AMERICAN COPPER MINING, S. A. DE C. V., REPRESENTED IN THIS ACT BY MR. RAMIRO TREVIZO GONZÁLEZ IN HIS CHARACTER AS GENERAL PROXY (“THE GRANTEE”), JOINTLY NAMED (“THE PARTIES”) IN ACCORDANCE WITH THE FOLLOWING PREVIOUS RECORDS, DECLARATIONS AND CLAUSES:

PREVIOUS RECORDS

I.

The **GRANTOR** is the legitimate title holder of the mining rights derived from the 8 (eight) concessions described in detailed following, and integrated in the mining project named “**Picacho**”, all of them located in the Municipality of Bacoachi, State of Sonora (The **CONCESSIONS**).

Title	Lot	Surface
161,838	EL PICACHO	21.0000 Hectares
206,327	UNIFICACIÓN REY DE ORO	495.3292 Hectares
214,776	MIS RECUERDOS	2.1708 Hectares
218,818	PICACHO II	448.5564 Hectares
222,511	DOS AMIGOS	24.4306 Hectares
222,789	PICACHO II	4.9217 Hectares
222,925	EL PICACHO I	2,155.6890 Hectares
226,154	CRESTÓN	84.0000 Hectares

II. On the 15th July 2009, **PARTIES** subscribed an Mining and Exploration and Exploitation Contract with Promise of Transfer of Mining Rights by virtue of which, among other terms and conditions, the **GRANTOR** formally obliged himself with the **GRANTEE** to transfer in his favor 100 % (one hundred per cent) of the mining rights derived from the **CONCESSIONS** without any reserve or limitation whatsoever, in total and definitely, free of any lien, affectation or limitation in ownership of any nature once the **GRANTEE** had complied in favor of former as counterclaim, the amount of \$4’800,000.00 Dollars (Four million eight hundred thousand Dollars 00/100 in legal currency of the United States of America), plus the corresponding Added Value Tax, and taking for such an effect, the schedule of payments agreed upon by the **PARTIES** expressly, (the **CONTRACT**);

111. The subscription of the **CONTRACT** by the **PARTIES** was ratified on the 15th July 2009 before the testimony of Mrs. Elsa Ordóñez Ordóñez, Attorney at Law, Applicant to the exercise of Public Notary and assigned to Notary Public number 28 of the Morelos Judicial District of the State of Chihuahua, an acting a Public Notary per license of the office’s Title Holder Mr. Felipe Colomo Castro, Attorney at Law, and having taken reason of this act under number 16,504 of

Volume XIV of the Book of Registration of Acts out of Protocol in charge of such Public Notary Office.

- IV. To date, the **CONTRACT** has been duly inscribed before the Public Registry of Mines, a dependency of the General Directorship of Mines, and as such has been effective to third parties;
- V. In the Previous Records of the **CONTRACT** , as well as in the paragraph of declarations and clauses of said instrument, the following fact was stated: that previous to the date of subscription, that is, before the 15th July 2009, the **GRANTEE** has already delivered to the **GRATOR** as advance the amount mentioned in Previous Record II, the amount of \$500,000.00 Dollars (Five hundred thousand Dollars 00/100 in legal currency of the United States of America), plus the corresponding Added Value Tax (The **ADVANCE**);
- VI. Afterwards, on the 27th November 2009, the **GRANTEE** delivered in favor of the **GRANTOR** the amount of \$250,000.00 Dollars (Two hundred and fifty thousand Dollars 00/100 in legal currency of the United States of America), plus the corresponding Added Value Tax as concept of the first price agreed on in the **CONTRACT** (The **FIRST INSTALLMENT**) ;
- VII. After having interchanged several conversations within the last recent days, **PARTIES** agreed that the amount of the **ADVANCE** and of the **FIRST INSTALLMENT** , added to the amount of \$500,000.00 Dollars, (Five hundred thousand Dollars 00/100 in legal currency of the United States of America), plus the corresponding Added Value Tax, and the resulting amount of \$1'250,000.00 Dollars (One million two hundred and fifty thousand Dollars 00/100 in United States legal currency), plus the corresponding Added Value Tax, was a sufficient counterclaim for the transfer of the mining rights derived from the **CONCESSIONS** and so proceed to subscribe this present contract for formality and publicity purposes caring to the terms and conditions included in same.

DECLARATIONS

- I. The **GRANTOR** through the offices of his General Proxy and under oath of stating the truth, declares that:
1. To be a Mexican citizen, of age, married under the bond of separations of goods, to be in complete use of his mental and physical faculties, as well as enabled to exercise trade and all kinds of mercantile operations and reason by which he enjoys the necessary and sufficient personality to intervene in this present judicial act.
 2. That his General Proxy enjoys the mandates, powers and required faculties to act in behalf of the **GRANTOR** just as is stated in public instruments number 25,243 of volume CCLVII, granted on the 18th February 2008 before testimony of Mr. David Martí Magaña Monreal, Attorney and Notary Public number 16 of

the city of Hermosillo, state of Sonora, and same that have not been limited, restrained, suspended or revoked to date;

3. To be duly inscribed in the Federal Taxpayers Registry with Fiscal Identification Certificate **AUPE-501019-NQ0** , and to be current in his income tax payments and other contributions that have corresponded to him in agreement to the applicable and current legislation covering such matter;

4. To be the legitimate Title Holder of 100 % (one hundred per cent) of the mining rights derived from the **CONCESSIONS**.

5. That to date the obligations that the applicable and current legislation imposes on the title holders of administrative authorizations have been fulfilled in total, such as the **CONCESSIONS** , including payment of the corresponding rights according to the Federal Law of Rights, and reason why the respective mining rights are current to date and in good legal standing;

6. The mining rights derived from the **CONCESSIONS** are free of burden, lien, affectation, encumbrance or limitation in their domain of any kind, and thus it is legally possible to make use of same as agreed, either partially or in total;

7. The lots per themselves pertaining to the **CONCESSIONS** are in good state taking into consideration that the mining activities carried on them to date have been fulfilled in total in compliance to the applicable and legal dispositions in mining matters, environmental and in whatever other nature.

8. The land marks that define the locality of the starting point of the lots pertaining to the **CONCESSIONS** are in good conservation shape as they were built complying to the applicable and legal dispositions;

9. Excepting the **CONTRACT** , to date there does not exist a current contract or agreement whatsoever that includes in its object the **CONCESSIONS**, either directly or indirectly and reason why the subscription of this instrument does not imply a non compliance by the **GRANTOR** to commitments previously acquired nor does it affect the rights of anybody previously granted in favor of third parties in any manner;

10. Previous to the date of subscription and ratification of this present contract, it received from the **GRANTEE** the **ADVANCE** and the **FIRST INSTALLMENT** as partial counterclaim for the transfer of rights derived from the **CONCESSIONS** in favor of the **GRANTOR** ;

11. It is his free will to subscribe this present contract with the purpose of transferring definitely and in total in favor of the **GRANTEE** the Title Holding of 100 % (one hundred per cent) of the mining rights derived from the **CONCESSIONS** caring in every moment to the terms and conditions of this instrument.

II.

The **GRANTEE** declares through the offices of its legal representative and under oath of stating the truth, that:

1. It is a Mexican mercantile society, specifically a Stock Company with Varying Amount of Capital, duly established and in operation according to the applicable and current legal dispositions in the United States of Mexico, as proven in Public Writ number 17,348 granted on the 18th December 2006 before testimony of Mr. Eugenio Fernando García Russek, at that time applicant to the exercise of Public Notary and ascribed to Public Notary number 28 per license of its Title Holder, Mr. Felipe Colomo Castro, Attorney, and instrument that was duly inscribed in the Public Registry of Commerce of said judicial district under electronic mercantile folio number 23,391*10 as of the 29th January 2007, and reason it enjoys the required personality to subscribed this present contract;

2. It has been duly inscribed in the Public Registry of Mines as a “Mining Society” with the purpose of enjoying the needed legitimacy in order to be publicly accepted as Holder of all kinds of mining rights, in the understanding that in its social object is expressly included the possibility of carrying out all types of activities of the mining fields, as is the case of this present contract. Such paper work is stated under act 287, pages 144 of Volume XL of the Book of Mining Societies as of the 4th September 2009.

3. Its representative enjoys the mandates, powers and necessary and sufficient faculties to represent the **GRANTEE** in this present act as stated in Public Writ number 24,111 granted on the 3rd September 2009 before testimony of Mrs. Elsa Ordóñez Ordóñez, Attorney and applicant to the office of Notary Public and ascribed to Notary Public number 28 of the Morelos Judicial District, State of Chihuahua, and acting as Notary per license of its Holder, Mr. Felipe Colomo Castro, Attorney, and instrument that was duly inscribed under electronic mercantile folio number 23,391*10 as of the 6th October 2009, by virtue of which were protocolized the resolutions that were adopted during the Shareholders’ Ordinary General Assembly of the **GRANTEE** celebrated on the 25th June 2009, same that to date have not been restrained, limited, suspended or revoked, and reason by which he enjoys the necessary capacity to sign this agreement.

4. The **GRANTEE’S** shareholders have authorized the formalization of this present mercantile operation under the terms of their applicable and current social statutes among another internal and conductive norm;

5. It is duly inscribed in the Federal Taxpayers Registry under Identification Certificate **ACM-061220-TIA** , and being to date current in its income tax payments and other contributions that have corresponded to it in accordance to the applicable and current fiscal legislation.

6. It acknowledges the **GRANTOR** as the legitimate title holder of the rights derived from the **CONCESSIONS**.

7. It expressly acknowledges that the **GRANTOR** has complied in total with the obligations that the current and applicable legislation imposes to the holders of

administrative authorizations such as the **CONCESSIONS** , including the payment of the corresponding rights in accordance to the Federal Law of Rights, and thus accepts that the respective mining titles are current to date and in good legal standing;

8. It acknowledges that the very lots of the **CONCESSIONS** are in good state taking into consideration that during the mining activities developed on same to date have complied in total with the applicable legal dispositions in mining matters, environmental and of any other nature, and;

9. It is his free will to subscribe this present contract with the purpose that the **GRANTOR** transfers in his favor, definitely and in total the title holding of 100 % (one hundred per cent) of the mining rights derived from the **CONCESSIONS** , caring in every instance to the terms and conditions of this instrument.

III. **PARTIES** declare through the offices of their respective General Proxies, under oath of stating the truth, that they acknowledge the personality with which they appear in addition to assist to the subscription of this contract in good faith, free of any deceit, error, violence or any vitiating in their consent with the purpose of committing themselves to the following :

CLAUSES

FIRST. TRANSFER OF MINING RIGHTS: In compliance to the dispositions article 2,029 of the Federal Civil Code of complementary application to article 23, last paragraph of the Mining Law, as well as by the 2nd article of the Code of Commerce, among other applicable and current legal dispositions, by virtue of the subscription of this present contract, the **GRANTOR** commits himself to cede in this act a total and definite transfer in favor of the **GRANTEE** , free of any lien, attachment or limitation of domain of any kind, 100 % (one hundred per cent) of the mining rights derived from the **CONCESSIONS** and will receive in exchange as a counterclaim, the certain price described in the following clause.

SECOND. PRICE: As a counterclaim for the before stated transfer, the **GRANTEE** commits himself to pay and in this act pays in total the amount of \$1'250,000.00 Dollars (One million two hundred and fifty thousand 00/100 Dollars in American currency) in favor of the **GRANTOR** , plus the corresponding Added Value Tax (the **PRICE**) taking into consideration the following:

1. Prior to the date of subscription of this present instrument, the **GRANTEE** delivered in favor of the **GRANTOR** the amount of \$750,000.00 Dollars (Seven hundred and fifty thousand Dollars 00/100 in American currency), plus the corresponding Added Value Tax by the means of **ADVANCED PAYMENT** including the **FIRST INSTALLMENT** , and;

2. On the 30th March 2010 the **GRANTEE** made payment for the pending balance of the **PRICE** in favor of the **GRANTOR** , that is, the amount of \$500,000.00 Dollars (Five hundred thousand Dollars 00/100 in American currency), plus the corresponding Added Value Tax (the **PENDING BALANCE**)

THIRD. RECEIPT OF PAYMENT. Taking into consideration that the total amount of the **PRICE** has been previously honored by the **GRANTEE** in favor of the **GRANTOR** by virtue of the delivery of the **ADVANCE** of the **FIRST INSTALLMENT** and of the **PENDING BALANCE** , the **GRANTOR** expressly accepts for all legal purposes that may take place that this present document constitutes the receipt in its widest berth that by law can proceed regarding the payment of the **PRICE** , and renouncing as of this moment to claim in the future from the **GRANTEE** payment of any additional amount for the transfer of the totality of the mining rights derived from the **CONCESSIONS** agreed upon in the first previous clause.

FOURTH. TRANSFER OF ACCESSORY RIGHTS: By virtue of the subscription of this agreement, the **GRANTOR** expressly and formally cedes in favor of the **GRANTEE** , without limitation or any reserve, the totality of the rights it holds to date in order to ingress to the surface covering the lots of the **CONCESSIONS** , such as the rights of lease contract, commodate, temporary occupancy as well as those licenses, permits, authorizations, bondage and any other equivalent permit that, in general, allow to carry out mining works regarding the **CONCESSIONS**.

FIFTH. COLLABORATION: Derived from the agreed transfer by the **PARTIES** in the clause immediately above, and with the purpose of permitting the **GRANTEE** to make use in the best possible manner of the mining rights that per this act it acquires, the **GRANTOR** commits himself as of this date to collaborate actively, within reasonable means with the **GRANTEE** any activity that the former may ask for.

Specifically, the **GRANTOR** commits himself to intervene in those acts that the **GRANTEE** may request from him with the purpose that it be granted, for all legal effects that may take place, the free and complete access to the surface covering the lots of the **CONCESSIONS** , an indispensable requirement for the execution of mining activities to be carried out on same.

SIXTH. INEXISTENCE OF RESERVE OF RIGHTS: As it has been already established by virtue of the subscription of this present contract, the **GRANTOR** cedes in favor of the **GRANTEE** the totality of the rights it holds on the **CONCESSIONS** , including the accessories and thus it does not hold back any of the rights regarding same or of the corresponding lots. Consequently, the **GRANTOR** renounces as of this moment to claim in the future from the **GRANTEE** the title holding of any right regarding the **CONCESSIONS** as would be the case of exploration, exploitation and ore dressing rights, among others.

SEVENTH. TERMINATION OF CONTRACT AND RECIPROCAL SETTLEMENT: Taking into consideration the nature and effects of this present instrument, **PARTIES** agree expressly in terminating effectively as of this date the totality of the terms and conditions included in the **CONTRACT** once the counterclaim has been paid in total as agreed in favor of the **GRANTOR** and the totality of the mining rights derived from the **CONCESSIONS** have been ceded and transferred in favor of the **GRANTEE**.

Consequently, derived from the termination agreed in the above paragraph regarding the **CONTRACT**, **PARTIES** expressly agree for all legal aspects that may take place, in granting to each other the widest settlement that may proceed by law regarding the totality of the acts, omissions and behaviors of any type or nature that its representatives, administrators, shareholders, general proxies, governors, employees, executives, agents, consultants and advisers either past, present or future have carried out to date regarding such mercantile relation, and **PARTIES** acknowledging that to date there exists no right or obligation derived from same that is pending of compliance, renounce in consequence as of this moment to promote any kind of action through any jurisdiction or possible competence against them or of the mentioned subjects in the understanding that if any of them does not comply to such obligation, this present instrument will constitute a total and absolute liberation regarding the non compliances or responsibilities that may be claim against them, the **PARTIES** will indicate their satisfaction to the mercantile relationship that they have settled on this date regarding the **CONTRACT**.

EIGHTH. REPARATION IN CASE OF EVICTION: The **GRANTOR** commits himself to answer to the **GRANTEE** for any reparation in case of eviction from the **CONCESSIONS** as foreseen in article 2,283, fraction III of the Federal Civil Code among other applicable legal dispositions.

NINTH. ADMINISTRATIVE OBLIGATIONS: The **GRANTEE** expressly commits himself to maintain the **CONCESSIONS** current by complying to such an effect with the paper work and the payment of the corresponding rights in accordance to the general dispositions and Mexican official standards of the metallurgical and mining industries agreeing with article 27 of the Mining Law, among others applicable, its Ruling and other current legislation.

TENTH. TRANSFER OF RIGHTS FORMALIZATION: **PARTIES** commit themselves to ratify before Public Notary or Public broker this present document as soon as possible with the purpose that same be inscribed for publicity and apposition purposes before third parties before the Public Registry of Mines, a dependency of the Secretary of the Economy under the terms of the Mining Law, its Ruling and other applicable and current legislations.

ELEVENTH. EXPENSES: The totality of expenses, fees, rights and other disbursements that must be specifically paid for the subscription and ratification of this

present contract as well as for the paper work for inscription in the Public Registry of Mines will be covered by the **GRANTEE**.

TWELFTH. FISCAL OBLIGATIONS: Upon being registered and inscribed before the Federal Taxpayers Registry, as well as being to date in their income tax payments and other contributions corresponding to them to date, **PARTIES** agree that each will defray in separate tax payments that individually pertain to each in compliances to the terms and conditions of this present instrument, complying thus with the applicable and current fiscal legislation, and committing themselves to liberate their counterpart of any fiscal responsibility that might be imputed contrary to this clause by competent authorities.

THIRTEENTH. ADDRESSES AND CONTACT TELEPHONES: **PARTIES** agree in making known as their addresses and contact telephones for anything referring to the execution and compliance of the terms and conditions of this present instrument, as well as to render announcements, notifications and whatever other communication needed relative with same, as follows:

GRANTOR

Privada de Connecticut 1805
Fracc. Residencial Campestre
Ciudad de Chihuahua
Estado de Chihuahua

Phone: 52-614-423-4098

GRANTEE

Calle California 5101-206
Edificio Ejecutivo Vértice
Col. Haciendas de Santa Fe
Ciudad de Chihuahua
Estado de Chihuahua

Phone: 52-614-200-8483

In case of a change in address **PARTIES** agree in notifying their counterpart of such an event at least five (5) natural days prior of the date in which the change of address takes effect.

FOURTEENTH. ANNOUNCEMENTS, NOTIFICATIONS AND COMMUNICATION. **PARTIES** agree that any announcement, notification or communication necessary to have their counterpart know, must done in writing.

Sending of said documents can be carried out via three means: 1. By ordinary courier delivered on hand or by certificate mail, both with acknowledgement of receipt; 2. Vía Fax or; 3. By electronic mail. In this last case, sending will only be considered valid and legally carried out when the reception of the respective electronic mail is confirmed electronically within three (3) natural days following the sending expressly stating receipt, by means of a confirming answering message sent by the recipient.

PARTIES agree likewise that announcements, notifications and communications carried out in relation to this present instrument will bear their respective effects on the day of their reception. In case that such message include some kind of term, this latter will begin to be in effect on the day following confirmation of reception.

FIFTEENTH. CONTACT PERSONS: PARTIES agree that the totality of announcements, notifications or communications necessary to be carried out between them derived from the terms and conditions of this present instrument must be addressed indistinctly to the following persons:

GRANTOR

**EMILIO ACUÑA PERALTA
CONRADO ACUÑA ARANDA**

GRANTEE

**RAMIRO TREVIZO LEDEZMA
RAMIRO TREVIZO GONZÁLEZ**

In case it is their will to change contact persons, **PARTIES** agree in notifying their counterparts of such a circumstance at least five (5) natural days in advance of the date in which the persons are changed.

SIXTEENTH. TOTALITY OF CONTRACT: PARTIES accept and expressly acknowledge that this present contract contains the totality of the agreements between them regarding the object, and leaving without effect as well as cancelling the totality of the agreements, reports, negotiations, correspondence, commitments and communications carried out previously between them either in writing or verbally.

Specifically, as it has already been put in writing in the previous seventh clause, **PARTIES** formally acknowledge the fact that by virtue of the subscription of this present instrument the **CONTRACT** to be terminated in advance, leaving without any legal consequence, as stated judicial act has been left without any purpose. Even, **PARTIES** state that it is their will that the duration of the **CONTRACT** be expressly cancelled before the Public Registry of Mines among other competent authorities.

SEVENTEENTH. APPLICABLE LAW: This present instrument will abide and will be interpreted in agreement with the Mining Law, its Ruling and the Federal Civil Code among other applicable and current legal dispositions in the United States of Mexico.

EIGHTEENTH. JURISDICTION: In case there may arise a controversy related to the validity, intention, interpretation, execution or compliance to this contract, **PARTIES** expressly agree to submit same before the competency of the courts of law of the Morelos Judicial District, in the City of Chihuahua, State of Chihuahua, surrendering as of this moment any other jurisdiction, competency or privilege that might correspond to them by reason of their present or future addresses, or by any other circumstance.

PARTIES BEING IN THE KNOWLEDGE OF THE FORCE AND LEGAL REACH OF THIS PRESENT CONTRACT, THEY SUBSCRIBE IT BEING TOGETHER IN THE CITY OF CHIHUAHUA, STATE OF CHIHUAHUA, ON THE THIRTY FIRST OF MARCH OF THE YEAR TWO THOUSAND AND TEN.

GRANTOR

GRANTEE

/s/ Emilio Acuna Peralta

**EMILIO ACUÑA PERALTA
REPRESENTED IN THIS ACT BY:
CONRADO ACUÑA ARANDA**

/s/ Ramiro Trevizo Gonzalez

**AMERICAN COPPER MINING,
S. A. DE C. V.,
REPRESENTED IN THIS ACT BY:
RAMIRO TREVIZO GONZÁLEZ**

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10

Onerous contract of transfer of rights subscribed between Mr. Emilio Acuña Peralta on one hand and American Copper Mining, S. A. de C. V., on the other, dated 31st March 2010.

AGREEMENT RELATING TO THE ACQUISITION OF TECHNICAL DATA

THIS AGREEMENT made this 31st day of March, 2010 by and between Adit Resources Corp. ("Adit") and Emilio Acuña Peralta, represented in this act by Conrado Acuña Aranda ("Acuña"), is made for the purpose of setting forth the terms and conditions by which Adit will acquire certain Technical Data from Acuña.

The parties agree as follows:

1. By this Agreement Acuña assigns to Adit all Technical Data in his possession or control pertaining to the Picacho Prospect. The Picacho Prospect has a surface area of approximately 3,236.09 hectares and is located approximately 24 kilometers from the town of Bacoachi, Sonora State, Mexico.

2. The Technical Data pertaining to the Picacho Prospect includes, but is not limited to, the following:

- maps;
- surveys;
- geological reports;
- core samples;
- assays;
- geochemical surveys;
- geophysical surveys

3. In consideration for the assignment of the Technical Data, Adit agrees to issue to Acuña 320,000 shares of its common stock and deliver 437,500 shares of the common stock of Tara Minerals Corp. Acuña understands that the shares described above are restricted securities as that term is described in Rule 144 of the Securities and Exchange Commission (SEC). Acuña also understands that, at the present time, there is no public market for Adit's common stock and a public market for Adit's common stock may not develop in the future.

(a) Once the shares of Tara Minerals Corp are eligible to be sold under SEC rules, no more than 43,750 shares can be sold each month. Shares not sold in any given month will not be allowed to accumulate in future months.

(b) Once the shares of Adit are eligible to be sold under SEC rules, no more than 43,750 shares can be sold each month. Shares not sold in any given month will not be allowed to accumulate in future months.

(c) Tara Minerals will hold an option to purchase the shares of Tara Minerals back from Emilio Acuña Peralta

4. Acuña represents and warrants to Adit that:

- (a) the Technical Data will be delivered to Adit free and clear of any liens or encumbrances;
- (b) no other person has any rights to the Technical Data;
- (c) with the exception of the persons listed below, no other person has received any part of the Technical Data;

NONE

- (d) the persons listed above have agreed in writing to maintain the confidential nature of the Technical Data which they received;

(e)

Acuña will not retain any copies (including information stored on electronic media) of the Technical Data; and

(f)

Acuña will keep the Technical Data strictly confidential.

5. Acuña agrees to provide reasonable assistance to Adit in interpreting the Technical Data.

AGREED TO AND ACCEPTED:

ADIT RESOURCES CORP.

By: /s/ Robert Wheatley
Robert Wheatley, President and Chief
Executive Officer

/s/ Emilio Acuña Peralta
Emilio Acuña Peralta, represented in this act
By Conrado Acuña Aranda

DRILLING PDD07-004
DRILLING PDD07-003
SAMPLE-DRILLHOLE WEIGHTED AVERAGES
MISCELANEOUS INFORMATION
PLANER ING. CORDOVA
EXPLORATION -- ADMINISTRATION QUOTES
BLAST NO. 7 & NO. 3
GEOPHYSICS ZONGE ENGINEERING REPORT
BLAST NO. 9
BLAST NO.8
BLAST NO. 6
BLAST NO. 4
BLAST NO. 1

2006 WORK ASSEMENT REPORT
EXPLORATION SAMPLES CERTIFICATES
DRILLING PDD07-005
DRILLING PDD007-006
DRILLING PDD07-007
DRILLING PDD07-008
DRILLING PDD07-009
DRILLING PDD07-010
DRILLING PDD07-011
DRILLING PDD07-012
DRILLING PDD07-014
ENVIROMENTAL STUDY
EXPLORATION PLAN
LICENSE MAPS & LOCATION INFORMATION
MAPPING PICACHO
RANCH MAP
SAMPLES CHAINS OF CUSTODY
MAPING DOS AMIGOS
TRENCHES-DTR -05
TRENCHES-DTR -04
TRENCHES DTR-03
TRENCHES DTR-02
TRENCHES DTR-01
FIELD NOTES
BLAST NO. 5
DRILLING PDD07-013

DRILLING PDD07-002
SAMPLES QA/QC
BASAITEGUI REPORTS
AGREEMENT LAND USE
BLAST NO. 12
DRILLHOLE ASSAY REPORT: WEIGHTED
AVERAGES
MAP "EL PICACHO"
MAP RAMP "DON JULIAN"
MAP S/N SECCION TRANSVERSAL N-S VISTA E-
W
MAP (LIST OF AVERAGE TENSION, MAY 2007)
LATEEGRA MAPING
GEOLOG. MAP "REY DE ORO PROYECT"

March 31, 2010

I, Robert Wheatley, President and CEO of Adit Resources Corp. have received all technical data specified in the Annex I of the Agreement Related to Acquire Technical Data, signed and dated on March 31st, 2010.

/s/ Robert Wheatley

Robert Wheatley, President and CEO
ADIT Resources Corp.

**ADIT RESOURCES CORP.
INCENTIVE STOCK OPTION PLAN**

1.

Purpose. The purpose of this Incentive Stock Option Plan (the "Plan") is to advance the interests of Adit Resources Corp. and any subsidiary corporation (hereinafter referred to as the "Company") and all of its shareholders, by strengthening the Company's ability to attract and retain in its employ individuals of training, experience, and ability, and to furnish additional incentive to officers and valued employees upon whose judgment, initiative, and efforts the successful conduct and development of its business largely depends, by encouraging such officers and employees to become owners of capital stock of the Company.

This will be effected through the granting of stock options as herein provided, which options are intended to qualify as "Incentive Stock Options" within the meaning of Section 422 of the Internal Revenue Code, as amended (the "Code").

2. Definitions.

- (a) "Board" means the Board of Directors of the Company.
- (b) "Committee" means the directors duly appointed to administer the Plan.
- (c) "Common Stock" means the Company's Common Stock.

(d)

"Date of Grant" means the date on which an Option is granted under the Plan.

- (e) "Option" means an Option granted under the Plan.

(f)

"Optionee" means a person to whom an Option, which has not expired, has been granted under the Plan.

(g)

"Successor" means the legal representative of the estate of a deceased optionee or the person or persons who acquire the right to exercise an Option by bequest or inheritance or by reason of the death of any Optionee.

3.

Administration of Plan. The Plan shall be administered by the Company's Board of Directors or in the alternative, by a committee of two or more directors appointed by the Board (the "Committee"). If a Committee should be appointed, the Committee shall report all action taken by it to the Board. The Committee shall have full and final authority in its discretion, subject to the provisions of the Plan, to determine the individuals to whom and the time or times at which Options shall be granted and the number of shares and purchase price of Common Stock covered by each Option; to construe and interpret the Plan; to determine the terms and provisions of the respective Option agreements, which need not be identical, including, but without limitation, terms covering the payment of the Option Price; and to make all other determinations and take all other actions deemed necessary or advisable for the proper

administration of the Plan. All such actions and determinations shall be conclusively binding for all purposes and upon all persons.

4.

Common Stock Subject to Options. The aggregate number of shares of the Company's Common Stock which may be issued upon the exercise of Options granted under the Plan shall not exceed 1,000,000. The shares of Common Stock to be issued upon the exercise of Options may be authorized but unissued shares, shares issued and reacquired by the Company or shares bought on the market for the purposes of the Plan. In the event any Option shall, for any reason, terminate or expire or be surrendered without having been exercised in full, the shares subject to such Option but not purchased thereunder shall again be available for Options to be granted under the Plan.

The aggregate fair market value (determined as of the time any option is granted) of the stock for which any employee may be granted options which are first exercisable in any single calendar year under this Plan (and any other plan of the Company meeting the requirements for Incentive Stock Option Plans) shall not exceed \$100,000.

5.

Participants. Options will be granted only to persons who are employees of the Company or subsidiaries of the Company and only in connection with any such person's employment. The term "employees" shall include officers as well as other employees, and the officers and other employees who are directors of the Company. The Committee will determine the employees to be granted options and the number of shares subject to each option.

6.

Terms and Conditions of Options. Any Option granted under the Plan shall be evidenced by an agreement executed by the Company and the recipient and shall contain such terms and be in such form as the Committee may from time to time approve, subject to the following limitations and conditions:

(a)

Option Price. The purchase price of each option shall not be less than 100% of the fair market value of the Company's common stock at the time of the granting of the option provided, however, if the optionee, at the time the option is granted, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, the purchase price of the option shall not be less than 110% of the fair market value of the stock at the time of the granting of the option.

(b)

Period of Option. The maximum period for exercising an option shall be 10 years from the date upon which the option is granted, provided, however, if the optionee, at the time the option is granted, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, the maximum period for exercising an option shall be five years from the date upon which the option is granted and provided further, however, that these periods may be shortened in accordance with the provisions of Paragraph 7 below.

Subject to the foregoing, the period during which each option may be exercised, and the expiration date of each Option shall be fixed by the Committee.

If an optionee shall cease to be employed by the Company due to disability, as defined in Section 22(e)(3) of the Code, he may, but only within the one year next succeeding such cessation of employment, exercise his option to the extent that he was entitled to exercise it on the date of such cessation. The Plan will not confer upon any optionee any right with respect to continuance of employment by the Company, nor will it interfere in any way with his right, or his employer's right, to terminate his employment at any time.

(c)

Vesting of Shareholder Rights. Neither an Optionee nor his successor shall have any rights as a shareholder of the Company until the certificates evidencing the shares purchased are properly delivered to such Optionee or his successor.

(d)

Exercise of Option. Each Option shall be exercisable from time to time during a period (or periods) determined by the Committee and ending upon the expiration or termination of the Option; provided, however, the Committee may, by the provisions of any Option Agreement, limit the number of shares purchaseable thereunder in any period or periods of time during which the Option is exercisable. An Option shall not be exercisable in whole or in part prior to the date of shareholder approval of the Plan.

Options may be exercised in part from time to time during the option period.

The exercise of any option will be contingent upon compliance by the Optionee (or purchaser acting pursuant to Section 6(b)) with the provisions of Section 10 below and upon receipt by the Company of either (i) cash or certified bank check payable to its order in the amount of the purchase price of such shares (ii) shares of Company stock having a fair market value equal to the purchase price of such shares, or (iii) a combination of (i) and (ii). If any law or regulation requires the Company to take any action with respect to the shares to be issued upon exercise of any option, then the date for delivery of such stock shall be extended for the period necessary to take such action.

(e)

Nontransferability of Option. No Option shall be transferable or assignable by an Optionee, otherwise than by will or the laws of descent and distribution and each Option shall be exercisable, during the Optionee's lifetime, only by him. No Option shall be pledged or hypothecated in any way and no Option shall be subject to execution, attachment, or similar process except with the express consent of the Committee.

(f)

Death of Optionee. In the event of the death of an optionee while in the employ of the Company, the option theretofore granted to him shall be exercisable only within the three months succeeding such death and then only (i) by the person or persons to whom the optionee's rights under the option shall pass by the optionee's will or by the laws of descent and distribution, and (ii) if and to the extent that he was entitled to exercise the option at the date of his death.

7.

Assumed Options. In connection with any transaction to which Section 424(a) of the Code is applicable, options may be granted pursuant hereto in substitution of existing options or existing options may be assumed as prescribed by that Section and any regulations issued thereunder. Notwithstanding anything to the contrary contained in this Plan, options

granted pursuant to this Paragraph shall be at prices and shall contain such terms, provisions, and conditions as may be determined by the Committee and shall include such provisions and conditions as may be necessary to meet the requirements of Section 424(a) of the Code.

8.

Certain Dispositions of Shares. Any options granted pursuant to this Plan shall be conditioned such that if, within the earlier of (i) the two-year period beginning on the date of grant of an option or (ii) the one-year period beginning on the date after which any share of stock is transferred to an individual pursuant to his exercise of an option, such an individual makes a disposition of such share of stock by way of sale, exchange, gift, transfer of legal title, or otherwise, such individual shall promptly report such disposition to the Company in writing and shall furnish to the Company such details concerning such disposition as the Company may reasonably request.

9.

Reclassification, Consolidation, or Merger. If and to the extent that the number of issued shares of Common Stock of the Corporation shall be increased or reduced by change in par value, split up, reclassification, distribution of a dividend payable in stock, or the like, the number of shares subject to Option and the Option price per share shall be proportionately adjusted by the Committee, whose determination shall be conclusive. If the Corporation is reorganized or consolidated or merged with another corporation, an Optionee granted an Option hereunder shall be entitled to receive Options covering shares of such reorganized, consolidated, or merged company in the same proportion, at an equivalent price, and subject to the same conditions. The new Option or assumption of the old Option shall not give Optionee additional benefits which he did not have under the old Option, or deprive him of benefits which he had under the old Option.

10.

Restrictions on Issuing Shares. The exercise of each Option shall be subject to the condition that if at any time the Company shall determine in its discretion that the satisfaction of withholding tax or other withholding liabilities, or that the listing, registration, or qualification of any shares otherwise deliverable upon such exercise upon any securities exchange or under any state or federal law, or that the consent or approval of any regulatory body, is necessary or desirable as a condition of, or in connection with, such exercise or the delivery or purchase of shares purchased thereto, then in any such event, such exercise shall not be effective unless such withholding, listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Company.

Unless the shares of stock covered by the Plan have been registered with the Securities and Exchange Commission pursuant to Section 5 of the Securities Act of 1933, each optionee shall, by accepting an option, represent and agree, for himself and his transferees by will or the laws of descent and distribution, that all shares of stock purchased upon the exercise of the option will be acquired for investment and not for resale or distribution. Upon such exercise of any portion of an option, the person entitled to exercise the same shall, upon request of the Company, furnish evidence satisfactory to the Company (including a written and signed representation) to the effect that the shares of stock are being acquired in good faith for investment and not for resale or distribution. Furthermore, the Company may, if it deems appropriate, affix a legend to certificates representing shares of stock purchased upon exercise of options indicating that such shares have not been registered with the Securities and Exchange

Commission and may so notify its transfer agent. Such shares may be disposed of by an optionee in the following manner only: (1) pursuant to an effective registration statement covering such resale or reoffer, (2) pursuant to an applicable exemption from registration as indicated in a written opinion of counsel acceptable to the Company, or (3) in a transaction that meets all the requirements of Rule 144 of the Securities and Exchange Commission. If shares of stock covered by the Plan have been registered with the Securities and Exchange Commission, no such restrictions on resale shall apply, except in the case of optionees who are directors, officers, or principal shareholders of the Company. Such persons may dispose of shares only by one of the three aforesaid methods.

11.

Use of Proceeds. The proceeds received by the Company from the sale of Common Stock pursuant to the exercise of Options granted under the Plan shall be added to the Company's general funds and used for general corporate purposes.

12.

Amendment, Suspension, and Termination of Plan. The Board of Directors may alter, suspend, or discontinue the Plan, but may not, without the approval of a majority of those holders of the Company's Common Stock voting in person or by proxy at any meeting of the Company's shareholders, make any alteration or amendment thereof which operates to (a) make any material change in the class of eligible employees as defined in Section 5, (b) extend the term of the Plan or the maximum option periods provided in paragraph 6, (c) decrease the minimum option price provided in paragraph 6, except as provided in paragraph 9, or (d) materially increase the benefits accruing to employees participating under this Plan.

Unless the Plan shall theretofore have been terminated by the Board, the Plan shall terminate ten years after the effective date of the Plan. No Option may be granted during any suspension or after the termination of the Plan. No amendment, suspension, or termination of the Plan shall, without an Optionee's consent, alter or impair any of the rights or obligations under any Option theretofore granted to such Optionee under the Plan.

13.

Limitations. Every right of action by any person receiving options pursuant to this Plan against any past, present or future member of the Board, or any officer or employee of the Company arising out of or in connection with this Plan shall, irrespective of the place where such action may be brought and irrespective of the place of residence of any such director, officer or employee cease and be barred by the expiration of one year from the date of the act or omission in respect of which such right of action arises.

14.

Governing Law. The Plan shall be governed by the laws of the State of Nevada.

15.

Expenses of Administration. All costs and expenses incurred in the operation and administration of this Plan shall be borne by the Company.

**ADIT RESOURCES CORP.
NON-QUALIFIED STOCK OPTION PLAN**

1.

Purpose. This Non-Qualified Stock Option Plan (the "Plan") is intended to advance the interests of Adit Resources Corp. (the "Company") and its shareholders, by encouraging and enabling selected officers, directors, consultants and key employees upon whose judgment, initiative and effort the Company is largely dependent for the successful conduct of its business, to acquire and retain a proprietary interest in the Company by ownership of its stock. Options granted under the Plan are intended to be Options which do not meet the requirements of Section 422 of the Internal Revenue Code of 1954, as amended (the "Code").

2. Definitions.

- (a) "Board" means the Board of Directors of the Company.
- (b) "Committee" means the directors duly appointed to administer the Plan.
- (c) "Common Stock" means the Company's Common Stock.
- (d) "Date of Grant" means the date on which an Option is granted under the Plan.
- (e) "Option" means an Option granted under the Plan.

(f)

"Optionee" means a person to whom an Option, which has not expired, has been granted under the Plan.

(g)

"Successor" means the legal representative of the estate of a deceased optionee or the person or persons who acquire the right to exercise an Option by bequest or inheritance or by reason of the death of any Optionee.

3.

Administration of Plan. The Plan shall be administered by the Company's Board of Directors or in the alternative, by a committee of two or more directors appointed by the Board (the "Committee"). If a Committee should be appointed, the Committee shall report all action taken by it to the Board. The Committee shall have full and final authority in its discretion, subject to the provisions of the Plan, to determine the individuals to whom and the time or times at which Options shall be granted and the number of shares and purchase price of Common Stock covered by each Option; to construe and interpret the Plan; to determine the terms and provisions of the respective Option agreements, which need not be identical, including, but without limitation, terms covering the payment of the Option Price; and to make all other determinations and take all other actions deemed necessary or advisable for the proper administration of the Plan. All such actions and determinations shall be conclusively binding for all purposes and upon all persons.

4.

Common Stock Subject to Options. The aggregate number of shares of the Company's Common Stock which may be issued upon the exercise of Options granted under the

Plan shall not exceed 2,000,000. The shares of Common Stock to be issued upon the exercise of Options may be authorized but unissued shares, shares issued and reacquired by the Company or shares bought on the market for the purposes of the Plan. In the event any Option shall, for any reason, terminate or expire or be surrendered without having been exercised in full, the shares subject to such Option but not purchased thereunder shall again be available for Options to be granted under the Plan.

5.

Participants. Options may be granted under the Plan to employees, directors and officers, and consultants or advisors to the Company (or the Company's subsidiaries), provided however that bona fide services shall be rendered by such consultants or advisors and such services must not be in connection with the offer or sale of securities in a capital-raising transaction.

6.

Terms and Conditions of Options. Any Option granted under the Plan shall be evidenced by an agreement executed by the Company and the recipient and shall contain such terms and be in such form as the Committee may from time to time approve, subject to the following limitations and conditions:

(a)

Option Price. The Option Price per share with respect to each Option shall be determined by the Committee.

(b)

Period of Option. The period during which each option may be exercised, and the expiration date of each Option shall be fixed by the Committee.

(c)

Vesting of Shareholder Rights. Neither an Optionee nor his successor shall have any rights as a shareholder of the Company until the certificates evidencing the shares purchased are properly delivered to such Optionee or his successor.

(d)

Exercise of Option. Each Option shall be exercisable from time to time during a period (or periods) determined by the Committee and ending upon the expiration or termination of the Option; provided, however, the Committee may, by the provisions of any Option Agreement, limit the number of shares purchaseable thereunder in any period or periods of time during which the Option is exercisable.

(e)

Nontransferability of Option. No Option shall be transferable or assignable by an Optionee, otherwise than by will or the laws of descent and distribution and each Option shall be exercisable, during the Optionee's lifetime, only by him. No Option shall be pledged or hypothecated in any way and no Option shall be subject to execution, attachment, or similar process except with the express consent of the Committee.

(f)

Death of Optionee. If an Optionee dies while holding an Option granted hereunder, his Option privileges shall be limited to the shares which were immediately purchasable by him at the date of death and such Option privileges shall expire unless exercised by his successor within four months after the date of death.

7.

Reclassification, Consolidation, or Merger. If and to the extent that the number of issued shares of Common Stock of the Corporation shall be increased or reduced by change in par value, split up, reclassification, distribution of a dividend payable in stock, or the like, the number of shares subject to Option and the Option price per share shall be proportionately adjusted by the Committee, whose determination shall be conclusive. If the Corporation is reorganized or consolidated or merged with another corporation, an Optionee granted an Option hereunder shall be entitled to receive Options covering shares of such reorganized, consolidated, or merged company in the same proportion, at an equivalent price, and subject to the same conditions. The new Option or assumption of the old Option shall not give Optionee additional benefits which he did not have under the old Option, or deprive him of benefits which he had under the old Option.

8.

Restrictions on Issuing Shares. The exercise of each Option shall be subject to the condition that if at any time the Company shall determine in its discretion that the satisfaction of withholding tax or other withholding liabilities, or that the listing, registration, or qualification of any shares otherwise deliverable upon such exercise upon any securities exchange or under any state or federal law, or that the consent or approval of any regulatory body, is necessary or desirable as a condition of, or in connection with, such exercise or the delivery or purchase of shares purchased thereto, then in any such event, such exercise shall not be effective unless such withholding, listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Company.

Unless the shares of stock covered by the Plan have been registered with the Securities and Exchange Commission pursuant to Section 5 of the Securities Act of 1933, each optionee shall, by accepting an option, represent and agree, for himself and his transferees by will or the laws of descent and distribution, that all shares of stock purchased upon the exercise of the option will be acquired for investment and not for resale or distribution. Upon such exercise of any portion of an option, the person entitled to exercise the same shall, upon request of the Company, furnish evidence satisfactory to the Company (including a written and signed representation) to the effect that the shares of stock are being acquired in good faith for investment and not for resale or distribution. Furthermore, the Company may, if it deems appropriate, affix a legend to certificates representing shares of stock purchased upon exercise of options indicating that such shares have not been registered with the Securities and Exchange Commission and may so notify the Company's transfer agent. Such shares may be disposed of by an optionee in the following manner only: (1) pursuant to an effective registration statement covering such resale or reoffer, (2) pursuant to an applicable exemption from registration as indicated in a written opinion of counsel acceptable to the Company, or (3) in a transaction that meets all the requirements of Rule 144 of the Securities and Exchange Commission. If shares of stock covered by the Plan have been registered with the Securities and Exchange Commission, no such restrictions on resale shall apply, except in the case of optionees who are directors, officers, or principal shareholders of the Company. Such persons may dispose of shares only by one of the three aforesaid methods.

9.

Use of Proceeds. The proceeds received by the Company from the sale of Common Stock pursuant to the exercise of Options granted under the Plan shall be added to the Company's general funds and used for general corporate purposes.

10.

Amendment, Suspension, and Termination of Plan . The Board of Directors may alter, suspend, or discontinue the Plan at any time.

Unless the Plan shall theretofore have been terminated by the Board, the Plan shall terminate ten years after the effective date of the Plan. No Option may be granted during any suspension or after the termination of the Plan. No amendment, suspension, or termination of the Plan shall, without an Optionee's consent, alter or impair any of the rights or obligations under any Option theretofore granted to such Optionee under the Plan.

11.

Limitations . Every right of action by any person receiving options pursuant to this Plan against any past, present or future member of the Board, or any officer or employee of the Company arising out of or in connection with this Plan shall, irrespective of the place where such action may be brought and irrespective of the place of residence of any such director, officer or employee cease and be barred by the expiration of one year from the date of the act or omission in respect of which such right of action arises.

12.

Governing Law . The Plan shall be governed by the laws of the State of Nevada.

13.

Expenses of Administration . All costs and expenses incurred in the operation and administration of this Plan shall be borne by the Company.

**ADIT RESOURCES CORP.
STOCK BONUS PLAN**

1.

Purpose . The purpose of this Stock Bonus Plan is to advance the interests of Adit Resources Corp. (the "Company") and its shareholders, by encouraging and enabling selected officers, directors, consultants and key employees upon whose judgment, initiative and effort the Company is largely dependent for the successful conduct of its business, to acquire and retain a proprietary interest in the Company by ownership of its stock, to keep personnel of experience and ability in the employ of the Company and to compensate them for their contributions to the growth and profits of the Company and thereby induce them to continue to make such contributions in the future.

2. **Definitions** .

- A. "Board" shall mean the board of directors of the Company.
- B. "Committee" means the directors duly appointed to administer the Plan.
- C. "Plan" shall mean this Stock Bonus Plan.

D.

"Bonus Share" shall mean the shares of common stock of the Company reserved pursuant to Section 4 hereof and any such shares issued to a Recipient pursuant to this Plan.

E.

"Recipient" shall mean any individual rendering services for the Company to whom shares are granted pursuant to this Plan.

3.

Administration of Plan . The Plan shall be administered by a committee of two or more directors appointed by the Board (the "Committee"). The Committee shall report all action taken by it to the Board. The Committee shall have full and final authority in its discretion, subject to the provisions of the Plan, to determine the individuals to whom and the time or times at which Bonus Shares shall be granted and the number of Bonus Shares; to construe and interpret the Plan; and to make all other determinations and take all other actions deemed necessary or advisable for the proper administration of the Plan. All such actions and determinations shall be conclusively binding for all purposes and upon all persons.

4.

Bonus Share Reserve . There shall be established a Bonus Share Reserve to which shall be credited 1,000,000 shares of the Company's common stock. In the event that the shares of common stock of the Company should, as a result of a stock split or stock dividend or combination of shares or any other change, or exchange for other securities by reclassification, reorganization, merger, consolidation, recapitalization or otherwise, be increased or decreased or changed into or exchanged for, a different number or kind of shares of stock or other securities of the Company or of another corporation, the number of shares then remaining in the Bonus Share Reserve shall be appropriately adjusted to reflect such action. Upon the grant of shares hereunder, this reserve shall be reduced by the number of shares so granted. Distributions of Bonus Shares may, as the Committee shall in its sole discretion determine, be made from

authorized but unissued shares or from treasury shares. All authorized and unissued shares issued as Bonus Shares in accordance with the Plan shall be fully paid and non-assessable and free from preemptive rights.

5.

Eligibility, and Granting and Vesting of Bonus Shares. Bonus Shares may be granted under the Plan to the Company's (or the Company's subsidiaries) employees, directors and officers, and consultants or advisors to the Company (or its subsidiaries), provided however that bona fide services shall be rendered by such consultants or advisors and such services must not be in connection with the offer or sale of securities in a capital-raising transaction.

The Committee, in its sole discretion, is empowered to grant to an eligible Participant a number of Bonus Shares as it shall determine from time to time. Each grant of these Bonus Shares shall become vested according to a schedule to be established by the Committee directors at the time of the grant. For purposes of this plan, vesting shall mean the period during which the recipient must remain an employee or provide services for the Company. At such time as the employment of the Recipient ceases, any shares not fully vested shall be forfeited by the Recipient and shall be returned to the Bonus Share Reserve. The Committee, in its sole discretion, may also impose restrictions on the future transferability of the bonus shares, which restrictions shall be set forth on the notification to the Recipient of the grant.

The aggregate number of Bonus Shares which may be granted pursuant to this Plan shall not exceed the amount available therefore in the Bonus Share Reserve.

6.

Form of Grants. Each grant shall specify the number of Bonus Shares subject thereto, subject to the provisions of Section 5 hereof.

At the time of making any grant, the Committee shall advise the Recipient by delivery of written notice, in the form of Exhibit A hereto annexed.

7. **Recipients' Representations.**

A.

The Committee may require that, in acquiring any Bonus Shares, the Recipient agree with, and represent to, the Company that the Recipient is acquiring such Bonus Shares for the purpose of investment and with no present intention to transfer, sell or otherwise dispose of shares except such distribution by a legal representative as shall be required by will or the laws of any jurisdiction in winding-up the estate of any Recipient. Such shares shall be transferable thereafter only if the proposed transfer shall be permissible pursuant to the Plan and if, in the opinion of counsel (who shall be satisfactory to the Committee), such transfer shall at such time be in compliance with applicable securities laws.

B.

To effectuate Paragraph A above, the Recipient shall deliver to the Committee, in duplicate, an agreement in writing, signed by the Recipient, in form and substance as set forth in Exhibit B hereto annexed, and the Committee shall forthwith acknowledge its receipt thereof.

8. **Restrictions Upon Issuance**.

A.

Bonus Shares shall forthwith after the making of any representations required by Section 6 hereof, or if no representations are required then within thirty (30) days of the date of grant, be duly issued and transferred and a certificate or certificates for such shares shall be issued in the Recipient's name. The Recipient shall thereupon be a shareholder with respect to all the shares represented by such certificate or certificates, shall have all the rights of a shareholder with respect to all such shares, including the right to vote such shares and to receive all dividends and other distributions (subject to the provisions of Section 7(B) hereof) paid with respect to such shares. Certificates of stock representing Bonus Shares shall be imprinted with a legend to the effect that the shares represented thereby are subject to the provisions of this Agreement, and to the vesting and transfer limitations established by the Committee, and each transfer agent for the common stock shall be instructed to like effect with respect of such shares.

B.

In the event that, as the result of a stock split or stock dividend or combination of shares or any other change, or exchange for other securities, by reclassification, reorganization, merger, consolidation, recapitalization or otherwise, the Recipient shall, as owner of the Bonus Shares subject to restrictions hereunder, be entitled to new or additional or different shares of stock or securities, the certificate or certificates for, or other evidences of, such new or additional or different shares or securities, together with a stock power or other instrument of transfer appropriately endorsed, shall also be imprinted with a legend as provided in Section 7(A), and all provisions of the Plan relating to restrictions herein set forth shall thereupon be applicable to such new or additional or different shares or securities to the extent applicable to the shares with respect to which they were distributed.

C.

The grant of any Bonus Shares shall be subject to the condition that if at any time the Company shall determine in its discretion that the satisfaction of withholding tax or other withholding liabilities, or that the listing, registration, or qualification of any Bonus Shares upon such exercise upon any securities exchange or under any state or federal law, or that the consent or approval of any regulatory body, is necessary or desirable as a condition of, or in connection with, the issuance of any Bonus Shares, then in any such event, such exercise shall not be effective unless such withholding, listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Company.

D.

Unless the Bonus Shares covered by the Plan have been registered with the Securities and Exchange Commission pursuant to Section 5 of the Securities Act of 1933, each Recipient shall, by accepting a Bonus Share, represent and agree, for himself and his transferees by will or the laws of descent and distribution, that all Bonus Shares were acquired for investment and not for resale or distribution. The person entitled to receive Bonus Shares shall, upon request of the Committee, furnish evidence satisfactory to the Committee (including a written and signed representation) to the effect that the shares of stock are being acquired in good faith for investment and not for resale or distribution. Furthermore, the Committee may, if it deems appropriate, affix a legend to certificates representing Bonus Shares indicating that such Bonus Shares have not been registered with the Securities and Exchange Commission and may so notify the Company's transfer agent. Such shares may be disposed of by a Recipient in the

following manner only: (1) pursuant to an effective registration statement covering such resale or reoffer, (2) pursuant to an applicable exemption from registration as indicated in a written opinion of counsel acceptable to the Company, or (3) in a transaction that meets all the requirements of Rule 144 of the Securities and Exchange Commission. If Bonus Shares covered by the Plan have been registered with the Securities and Exchange Commission, no such restrictions on resale shall apply, except in the case of Recipients who are directors, officers, or principal shareholders of the Company. Such persons may dispose of shares only by one of the three aforesaid methods.

9.

Limitations. Neither the action of the Company in establishing the Plan, nor any action taken by it nor by the Committee under the Plan, nor any provision of the Plan, shall be construed as giving to any person the right to be retained in the employ of the Company.

Every right of action by any person receiving shares of common stock pursuant to this Plan against any past, present or future member of the Board, or any officer or employee of the Company arising out of or in connection with this Plan shall, irrespective of the place where action may be brought and irrespective of the place of residence of any such director, officer or employee cease and be barred by the expiration of one year from the date of the act or omission in respect of which such right of action arises.

10.

Amendment, Suspension or Termination of the Plan. The Board of Directors may alter, suspend, or discontinue the Plan at any time.

Unless the Plan shall theretofore have been terminated by the Board, the Plan shall terminate ten years after the effective date of the Plan. No Bonus Share may be granted during any suspension or after the termination of the Plan. No amendment, suspension, or termination of the Plan shall, without a recipient's consent, alter or impair any of the rights or obligations under any Bonus Share theretofore granted to such recipient under the Plan.

11.

Governing Law. The Plan shall be governed by the laws of the State of Nevada.

12.

Expenses of Administration. All costs and expenses incurred in the operation and administration of this Plan shall be borne by the Company.

- EXHIBIT A -

ADIT RESOURCES CORP.
STOCK BONUS PLAN

TO: Recipient:

PLEASE BE ADVISED that Adit Resources Corp. has on the date hereof granted to the Recipient the number of Bonus Shares as set forth under and pursuant to the Stock Bonus Plan. Before these shares are to be issued, the Recipient must deliver to the Committee that administers the Stock Bonus Plan an agreement in duplicate, in the form as Exhibit B hereto. The Bonus Shares are issued subject to the following vesting and transfer limitations.

Vesting :

Number of Shares

Date of Vesting

Transfer Limitations :

ADIT RESOURCES CORP.

_____ Date

By _____

- EXHIBIT B -

Adit Resources Corp.
2162 Acorn Court
Wheaton, IL 60187

I represent and agree that said Bonus Shares are being acquired by me for investment and that I have no present intention to transfer, sell or otherwise dispose of such shares, except as permitted pursuant to the Plan and in compliance with applicable securities laws, and agree further that said shares are being acquired by me in accordance with and subject to the terms, provisions and conditions of said Plan, to all of which I hereby expressly assent. These agreements shall bind and inure to the benefit of my heirs, legal representatives, successors and assigns.

My address of record is:

and my social security number: _____ .

Very truly yours,

Receipt of the above is hereby acknowledged.

ADIT RESOURCES CORP.

_____ By _____
Date its _____

\$1,750,000

ADIT RESOURCES CORP.

CONVERTIBLE NOTE

Adit Resources Corp., (the "Company"), for value received, hereby promises to pay to Tara Minerals Corp. (TMC"), the principal sum of \$1,750,000 on March 31, 2012, at the office TMC in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts, and to pay interest on said principal sum at the rate of 6% per annum.

At the option of the holder hereof, this Note or any portion hereof may, at any time after July 1, 2010 but before the close of business on March 31, 2012, be converted at the principal amount hereof, or of such portion hereof, plus any accrued interest, into fully paid and nonassessable shares of the Common Stock of the Company at the conversion price of \$1.00 per share, upon surrender of this Note to the Company at its office accompanied by written notice of election to convert, duly executed by the holder or by its duly authorized attorney. No fractional shares or script will be issued upon any conversion, but an adjustment in cash will be made, in respect of any fraction of a share which would otherwise be issuable upon the surrender of this Note or a portion hereof for conversion.

The conversion price will be subject to adjustment in certain events, including (i) dividends (and other distributions) payable in Common Stock on any class of capital stock of the Company, including the Common Stock, (ii) the issuance to all holders of Common Stock of rights or warrants entitling them (for a period of 60 days) to subscribe for or purchase Common Stock at less than the current market price, (iii) subdivisions, combinations and reclassifications of Common Stock, and (iv) distributions to all holders of Common Stock of any of the Company's assets or debt securities or any rights or warrants to purchase securities of the Company.

This Note may be prepaid at any time, at the option of the Company, in whole or in part, from time to time and upon notice given not less than 30 days before the date fixed for prepayment and mailed to the holder at the address shown on the Company's records.

Upon any default in the payment of principal or interest, or upon the failure to issue any securities to which the holder is entitled upon conversion, the holder of this Note will be entitled to all costs of collection, including reasonable attorney's fees.

This Note shall be deemed to be a contract made under the laws of the State of Nevada and for all purposes shall be construed in accordance with the laws of said State.

Dated: March 31, 2010

ADIT RESOURCES CORP.

By: _____
Robert Wheatley, President

\$1,750,000

ADIT RESOURCES CORP.

CONVERTIBLE NOTE

Adit Resources Corp., (the "Company"), for value received, hereby promises to pay to Tara Minerals Corp. (TMC"), the principal sum of \$1,750,000 on March 31, 2014, at the office TMC in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts, and to pay interest on said principal sum at the rate of 6% per annum.

At the option of the holder hereof, this Note or any portion hereof may, before the close of business on March 31, 2014, be converted at the principal amount hereof, or of such portion hereof, plus any accrued interest, into fully paid and nonassessable shares of the Common Stock of the Company at the conversion price of \$0.75 per share, upon surrender of this Note to the Company at its office accompanied by written notice of election to convert, duly executed by the holder or by its duly authorized attorney. No fractional shares or script will be issued upon any conversion, but an adjustment in cash will be made, in respect of any fraction of a share which would otherwise be issuable upon the surrender of this Note or a portion hereof for conversion.

The conversion price will be subject to adjustment in certain events, including (i) dividends (and other distributions) payable in Common Stock on any class of capital stock of the Company, including the Common Stock, (ii) the issuance to all holders of Common Stock of rights or warrants entitling them (for a period of 60 days) to subscribe for or purchase Common Stock at less than the current market price, (iii) subdivisions, combinations and reclassifications of Common Stock, and (iv) distributions to all holders of Common Stock of any of the Company's assets or debt securities or any rights or warrants to purchase securities of the Company.

This Note may be prepaid at any time, at the option of the Company, in whole or in part, from time to time and upon notice given not less than 30 days before the date fixed for prepayment and mailed to the holder at the address shown on the Company's records.

Upon any default in the payment of principal or interest, or upon the failure to issue any securities to which the holder is entitled upon conversion, the holder of this Note will be entitled to all costs of collection, including reasonable attorney's fees.

This Note shall be deemed to be a contract made under the laws of the State of Nevada and for all purposes shall be construed in accordance with the laws of said State.

This Note supercedes the Note dated 4-1-10 in its entirety.

Dated: December 31, 2010

ADIT RESOURCES CORP.

By: _____
Robert Wheatley, President

EXHIBIT 21

SUBSIDIARIES

As of April 2011, the Company has the following subsidiaries:

1. American Metal Mining SA de CV, a Chihuahua, Chih., Mexico company
2. ADIT Resources Corp., a Nevada corporation
3. American Copper Mining SA de CV, a Chihuahua, Chih., Mexico company

CERTIFICATIONS

I, Francis R. Biscan, Jr., certify that;

1. I have reviewed this annual report on Form 10-K of Tara Minerals Corp.;
2. Based on my knowledge, this report, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, no misleading with respect to the period covered by the report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is make known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provided reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

April 15, 2011

/s/ Francis R. Biscan Jr

Francis R. Biscan, Jr., Principal Executive Officer

CERTIFICATIONS

I, Lynda R. Keeton-Cardno, certify that;

1. I have reviewed this annual report on Form 10-K of Tara Minerals Corp.;
2. Based on my knowledge, this report, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, no misleading with respect to the period covered by the report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is make known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provided reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

April 15, 2011

/s/Lynda R. Keeton-Cardno

Lynda R. Keeton-Cardno, Principal Financial Officer

EXHIBIT 32.1

**CERTIFICATION OF PERIODIC REPORT
TARA MINERALS CORP .
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
18 U.S.C. Section 1350**

In connection with the Annual Report of Tara Minerals Corp. (the "Company") on Form 10-K for the period ending December 31, 2010 as filed with the Securities and Exchange Commission (the "Report"), Francis R. Biscan, Jr., the Principal Executive Officer and Lynda R. Keeton-Cardno, the Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of their knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects the financial condition and results of the Company.

April 15, 2011

By : Francis R. Biscan, Jr
Francis R. Biscan, Jr., Principal Executive Officer

By: Lynda R. Keeton-Cardno
Lynda R. Keeton-Cardno, Principal Financial Officer