



CORO
MINING CORP.

Annual Information Form

March 29, 2016

TABLE OF CONTENTS

1.	PRELIMINARY NOTES.....	1
	Incorporation by Reference and Date of Information	1
	Currency	1
	Forward Looking Statements	1
2.	CORPORATE STRUCTURE OF THE COMPANY	2
	Name, Address and Incorporation	2
	Intercorporate Relationships.....	2
3.	GENERAL DEVELOPMENT OF THE BUSINESS	3
	Three Year History	3
	Description of the Business	14
	Strategy	14
	Competitive Conditions.....	14
	Environmental Considerations	15
	Employees	15
	Foreign Operations	15
	Risk Factors	15
4.	MINERAL PROPERTIES	20
	Information Regarding the Berta Property	20
5.	DIVIDENDS	32
6.	DESCRIPTION OF CAPITAL STRUCTURE.....	33
7.	MARKET FOR SECURITIES.....	33
	Market.....	33
	Trading Price and Volume.....	33
8.	ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER.....	33
9.	DIRECTORS AND OFFICERS.....	34
	Name, Occupation and Security Holdings	34
	Cease Trade Orders, Bankruptcies, Penalties or Sanctions.....	35
	Conflicts of Interest	36
10.	LEGAL PROCEEDINGS AND REGULATORY ACTIONS	36
	Legal Proceedings	36
	Regulatory Actions.....	36
11.	INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	37
12.	TRANSFER AGENTS AND REGISTRARS.....	37
13.	MATERIAL CONTRACTS.....	37
14.	INTERESTS OF EXPERTS.....	37
	Names and Interests of Experts	37
15.	INFORMATION ON AUDIT COMMITTEE	37
	Audit Committee Charter	37
	Composition of the Audit Committee and Independence	38
	Relevant Education and Experience.....	38

	Audit Committee Oversight	38
	Reliance on Certain Exemptions	39
	Pre-Approval Policies and Procedures	39
	Audit Fees.....	39
16.	ADDITIONAL INFORMATION	39

TECHNICAL GLOSSARY

The abbreviations set forth below have the following meanings in this AIF, or in documents incorporated by reference in this AIF.

“**Ag**” means silver;

“**Au**” means gold;

“**Cu**” means copper;

“**CuCN**” means cyanide soluble copper;

“**CuS**”, and “**CuSol**” all mean acid soluble copper;

“**CuT**” mean total copper content;

“**diamond drilling**” means rotary drilling using diamond bits, used to produce a solid core of rock;

“**DCIP**” means direct current induced polarization;

“**deposit**” means a mineralized body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures; such a deposit does not qualify as a commercially mineable ore body or as containing mineral reserves, until final legal, technical and economic factors have been resolved;

“**development**” means the preparation of a deposit for mining;

“**feasibility study**” means a comprehensive study of a deposit in which all geological, engineering, operating, economic and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production;

“**g/t**” means grams per tonne;

“**hectare**” or “**ha**” means an area contained by a square of 100 m;

“**indicated mineral resource**” means that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed;

“**inferred mineral resource**” means that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes;

“**IP**” means induced polarization;

“**klb**” means pounds x 1000;

“**km**” means one kilometre;

“**koz**” means ounces x 1000;

“**ktons**” means ounces x 1000;

“**lb**” means one pound;

“**LOM**” means life of mine

“**measured mineral resource**” means that part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity;

“**m**” means one metre;

“**mm**” means one millimetre;

“**mineral deposit**” means an identified in-situ mineral occurrence from which valuable or useful minerals may be recovered. Mineral deposit estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence of mineralization and on the available sampling results;

“**mineralization**” means the concentration of metals and their chemical compounds within a body of rock;

“**mineral reserve**” means the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined. Mineral reserves are sub-divided in order of increasing confidence into probable mineral reserves and proven mineral reserves;

“**mineral resource**” means a concentration or occurrence of diamonds, natural solid inorganic material, or fossilized organic material including base and precious metals, coal, diamonds or industrial minerals in or on the earth’s crust in such form and quantity and of such grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge;

“**Mo**” means molybdenum;

“**Mt**” means millions of tonnes;

“**National Instrument 43-101**” means National Instrument 43-10- *Standards of Disclosure for Mineral Projects*

“**ore**” means a metal or mineral or a combination of these of sufficient value as to quality and quantity to enable it to be mined at a profit;

“**ounces**” or “**oz**” means one troy ounce;

“**ppm**” means parts per million;

“**pre-feasibility study**” means a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating, economic factors and the evaluation of other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the mineral resource may be classified as a mineral reserve;

“**probable mineral reserve**” means the economically mineable part of an indicated and, in some circumstances, a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified;

“**proven mineral reserve**” means that economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified;

“**Qualified Person**” has the meaning set forth in National Instrument 43-101;

“**RC**” means reverse circulation percussion drilling in which the drill hole is advanced by the hammer action of the drill bit and where the circulation of compressed air used to bring the samples to the surface is reversed to the normal to reduce sample contamination;

“**strike**” means the direction or trend of a geologic structure;

“**TCu**” means total copper content; and

“**tonne**” or “**t**” means 1,000 kilogram

1. PRELIMINARY NOTES

Incorporation by Reference and Date of Information

The report entitled “Amended Updated Preliminary Economic Assessment for the Berta Project Inca De Oro, III Region, Chile” dated September 24, 2015 and prepared by Geoinvestment SpA (the “**Updated Berta PEA**”) for Coro Mining Corp. (“**Coro**” or the “**Company**”), has been filed with the regulatory authorities in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland and Labrador (the “**Jurisdictions**”) and is specifically incorporated by reference and form a part of this annual information form (the “**AIF**”).

All documentation incorporated by reference in and forming a part of this AIF can be found on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) website at www.sedar.com under the Company’s profile.

All information in this AIF is as of December 31, 2015 unless otherwise indicated.

Currency

All sums of money which are referred to herein are expressed in lawful money of the United States of America, unless otherwise specified. References to Canadian dollars are referred to as “C\$”.

Forward Looking Statements

Certain statements contained in this AIF of the Company or any document filed with the Canadian regulatory authorities, or in any other written or oral communication by or on behalf of the Company that do not directly and exclusively relate to historical facts, may constitute forward-looking statements which reflect management’s expectations regarding the Company’s future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements include, but are not limited to, statements with respect to commercial mining operations, anticipated mineral recoveries, projected quantities of future mineral production, interpretation of drill results, anticipated production rates and mine life, operating efficiencies, capital budgets, costs and expenditures and conversion of mineral resources to proven and probable mineral reserves, analyses, and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable mineral reserves and mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed, and in the case of mineral resources or proven and probable mineral reserves, such statements reflect the conclusion based on certain assumptions that the mineral deposit can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe”, and similar expressions) are not statements of historical fact and may be “forward-looking statements”.

Investors are cautioned that all forward-looking statements involve risks and uncertainties, including, without limitation, changes in market and competition, technological and competitive developments, cooperation and performance of strategic partners, and potential downturns in economic conditions generally. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such

forward-looking statements include in, or incorporated by reference into, this short form of prospectus should not be unduly relied upon.

Forward-looking statements are based on management's estimates, beliefs and opinions on the date the statements are made. Except as required by law, the Company assumes no obligation to update forward-looking statements if circumstances of management's estimates, beliefs or opinions should change. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors incorporated by reference herein. See "Risk Factors".

Additional information on these and other potential factors that could affect the Company's financial results are detailed in documents filed from time to time with the securities commissions of the Jurisdictions.

This AIF uses the terms "measured", "indicated" and "inferred" mineral resources. Inferred mineral resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Estimates of inferred mineral resources may not form the basis of feasibility or other economic studies. Readers are cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically or legally mineable.

All mineral resources have been estimated in accordance with the definition standards on mineral resources and mineral reserves of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in National Instrument 43-101. U.S. reporting requirements for disclosure of mineral properties are governed by the United States Securities and Exchange Commission (the "SEC") Industry Guide 7. Canadian and Guide 7 standards are substantially different. This AIF uses the terms "measured," "indicated" and "inferred" resources. We advise investors that while those terms are recognized and required by Canadian regulations, the SEC does not recognize them. Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that enable them to be categorized as mineral reserves.

2. CORPORATE STRUCTURE OF THE COMPANY

Name, Address and Incorporation

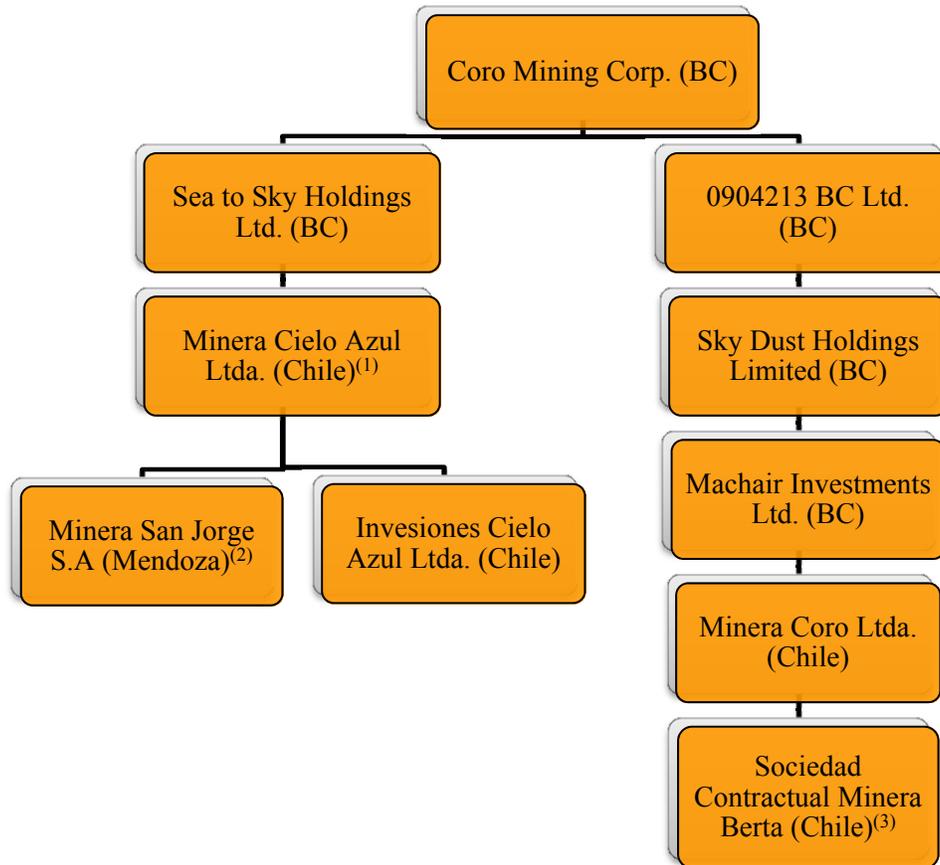
The Company was incorporated under the *Business Corporations Act* (British Columbia) on September 22, 2004 under the name of "Coro Mining Corp.". The Company's registered and records office is located at Suite 2600- 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1 and its head office is located at Suite 1280 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6.

By Notice of Articles dated effective April 6, 2005, the Company increased its authorized share capital to an unlimited number of common shares without par value. As of December 31, 2015, 159,372,180 common shares are issued and outstanding. The Company's common shares carry no rights of redemption, retraction, conversion or exchange.

The Company became a reporting issuer in the Jurisdictions on June 13, 2007. The Company's common shares were listed for trading on the Toronto Stock Exchange (the "TSX") on July 10, 2007.

Intercorporate Relationships

References in this AIF to the business of the Company include the business conducted by its wholly-owned subsidiaries. The Company has the following direct or indirect subsidiaries, all of which are 100% beneficially owned (except for SCMB) by the Company.



(1) Minera Cielo Azul Ltda. (“MCAL”) holds the Marimaca, Llancahue Prospect, and the Talca Belt properties (the “**Talca Belt Properties**”).

(2) Minera San Jorge S.A. (“MSJ”) owns the San Jorge property (the “**San Jorge Property**”). Refer section 3 – General Developments for the year ended December 31, 2015.

(3) Sociedad Contractual Minera Berta (“SCMB”) holds the Berta Project and is currently 65% owned by the Company and 35% owned by ProPipe.

3. GENERAL DEVELOPMENT OF THE BUSINESS

The Company is an operating mining company engaged in the acquisition, exploration and exploitation of mineral properties located principally in Chile with the objective of identifying mineralized deposits. Following is a brief description of how the Company’s business has developed over the past three years.

Three Year History

Year Ended December 31, 2013

Berta Property, Chile

In June 2011, the Company entered into an agreement (the “**Berta Option Agreement**”) to acquire 506 hectares located 20 km west of the village of Inca de Oro in Chile (the “**Berta Property**”) from a Chilean land claim holder. Under the terms of the Berta Option Agreement, Coro was granted the right to acquire 100% of the Berta Property for aggregate option payments of \$6,000,000 by making staged payments over three years. In May 2013, the terms of Berta Option Agreement were renegotiated, by reducing the payment due on June 10, 2013 from \$1,500,000 to \$500,000 and the final payment due on June 10, 2014 from \$3,500,000 million to \$2,500,000 million. A 1.5% NSR will now apply to all production from the property.

In May 2013, the Company signed a Letter of Intent (“**LOI**”) with Propipe regarding the Berta Property. ProPipe may earn up to 50% of the shares of SCMB by completing a series of payments, work commitments and project financing, within a specified time frame (which has been extended by mutual consent), as follows;

- An initial 10% interest by making the \$500,000 option payment due on June 10, 2013 (paid);
- A further 3% by completing and filing an EID;
- A further 5% by completing a NI 43-101 compliant preliminary economic assessment (a “**PEA**”); and
- An additional 32% by obtaining and structuring project financing.

The project financing shall be on a non-recourse basis, at market conditions, with funds available within 6 months of completion of the PEA, for a minimum of 70% of the project cost, including a cost overrun facility, as determined in the PEA. In the event that this financing is for 100% of the project cost, ProPipe will earn 32% of SCMB, for a total shareholding of 50%. If the financing is between 70% and 100% of the required funding, ProPipe will earn a pro-rata shareholding in SCMB. At the minimum 70% level, they would earn 22.4% of SCMB, for a total shareholding of 40.4%.

In the event that less than 100% funding is received, ProPipe have the right to earn the corresponding shareholding for the percentage difference in funding, or to assign their right to do so to a third party on the same terms. In the event that they do neither, they must complete such additional work and reports as required by Coro, for Coro to obtain the financing required and thus earn the corresponding shareholding.

In the event that ProPipe does not arrange a minimum of 70% project financing, they must complete a NI 43-101 compliant definitive feasibility study (a “**DFS**”) for the project, and by so doing, will earn an additional 7% shareholding, for a total shareholding of 25% in SCMB. Coro and ProPipe will then seek project financing on a pro-rata basis. In the event that the financing does not include the \$2.5 million option payment due on June 10, 2014, ProPipe and Coro will fund this pro-rata. In June 2013, ProPipe made the June 2013 underlying option payment of \$500,000 thereby earning a 10% interest in SCMB.

In August 2013, the results of an updated, independent, National Instrument 43-101 compliant resource estimate for Berta were announced, which demonstrated a significant increase in in-pit resources, by re-assessing the economic parameters of Berta Sur and by incorporating the Berta Central deposits into the resource model. The updated in-pit resource estimate increased to 17,604,000t at a grade of 0.37%CuT, equivalent to 64,000t of contained copper, and with a low overall stripping ratio of 0.49:1.

In November 2013, a non-binding preliminary agreement which contemplates the treatment of pregnant leach solution (“**PLS**”) from Berta at the third party's SXEW operation was executed. Subject to obtaining the environmental permits for Berta, execution of the definitive agreement, completion of engineering studies and arrangement of project financing, the third party would treat PLS from Berta and would supply water to Berta, for a period of 5 years. Development of the project would include the construction by SCMB of a pipeline between Berta and the third party's processing facilities.

The Company also announced the filing of its EID for Berta in November which was based upon the aforementioned preliminary PLS agreement. As a result of filing the EID, ProPipe earned a further 3% in SCMB to bring its' total interest to 13%.

El Desesperado Property, Chile

In February 2012, the Company entered into an option agreement to acquire 698 hectares in Region II of Chile (the “**El Desesperado Property**”) from a local Chilean company. The El Desesperado Property is located approximately 16 km from the Chuquicamata copper mine. Under the terms of the option agreement, the Company was granted the option to acquire the El Desesperado Property by paying a total of \$13,000,000 over four years. As noted below, these payment terms were later amended. Pursuant to the

terms of the option agreement, the vendor will retain a 1.9% sales royalty, over which the Company has the right of first refusal.

In August 2013, the acquisition terms for El Desesperado were amended as follows:

	Original	Renegotiated
On February 17, 2012	\$200,000	No Change
By February 17, 2013	\$500,000	No Change
By February 17, 2014	\$1,300,000	\$650,000
By February 17, 2015	\$3,000,000	\$1,750,000
By February 17, 2016	\$8,000,000	\$9,900,000
Total	\$13,000,000	\$13,000,000

The El Desesperado property continued to be subject to a 1.95% sales royalty.

Payen Property, Chile

In October 2012, the Company entered into an option agreement (the “**Payen Option Agreement**”) to acquire a 1,225 hectare exploration property in Chile (the “**Payen Property**”) from a local Chilean company. The Payen Property is located approximately 90km NNE of La Serena, 4km W of the Pan-American Highway and approximately 47km from the coast, in the III Region of Chile, at an elevation of 1,100m. It is also located some 15km SW of the operating Dos Amigos copper mine.

Coro was granted to right to acquire 100% of the Payen Property for a total of \$17,000,000, by making the following staged option payments: \$500,000 (paid) on signing of Payen Option Agreement; \$500,000 on or before 12 months from the date of the Payen Option Agreement; \$1,000,000 on or before 24 months from the date of the Payen Option Agreement; \$2,000,000 on or before 36 months from the date of the Payen Option Agreement; \$13,000,000 on or before 48 months from the date of the Payen Option Agreement. The Payen Property is subject to a 2.5% NSR, of which half (1.25% NSR) may be purchased for \$10,000,000 at any time up to commencement of commercial production.

In August 2013, MCC signed a term sheet with Minera Aurex (Chile) Limitada (“**Aurex**”), an indirect subsidiary of Freeport-McMoRan Copper & Gold Inc., for Aurex to acquire an interest in Payen. Subsequently, in October 2013, an option agreement was signed whereby Aurex could acquire a 70% interest in the property by meeting the obligations set forth in the following table:

	Underlying Option Payment	Work Commitment	Payment to Coro
On October 10, 2013	\$500,000 (<i>paid</i>)	-	-
By October 10, 2014	\$1,000,000	\$1,500,000	-
By October 10, 2015	\$2,000,000	\$3,500,000	\$500,000
By October 10, 2016	\$13,000,000	\$8,000,000	\$500,000
On Formation of Operating Company			\$21,500,000
Total	\$16,500,000	\$13,000,000	\$22,500,000

After earn-in, Aurex may elect to fund and complete a feasibility study to NI 43-101 standards on a best efforts basis by October 10, 2019 to earn an additional 10% at which point Coro can maintain its remaining interest of 20% by refunding 20% of the costs of the feasibility study or it will be diluted to a 2% NSR. If Coro elects to fund its 20% share of the feasibility study, future costs on a pro-rata basis, or be subject to dilution.

San Jorge Property, Argentina

The Company held an option to acquire MSJ, the holder of the San Jorge Property. The option was originally acquired pursuant to an agreement (the “**San Jorge Agreement**”) between the Company and, among others, Global Copper Corp. (“**Global**”) in August, 2006. Subsequent to its execution, the San Jorge Agreement was amended three times from 2006 through 2009. In addition, in August, 2008, Global was acquired by Lumina Copper Corp., which was subsequently acquired by Franco-Nevada Corporation in 2011. As disclosed below, in October 2012, the Company entered into the Amended San Jorge Agreement, which replaces the San Jorge Agreement in its entirety.

Although the shares of MSJ have been transferred to Coro, ownership of MSJ must be returned if the terms of the Amended San Jorge Agreement are not satisfied.

In February 2012, the Company announced that Franco-Nevada and the Company had agreed to amend the terms of the San Jorge Agreement by which Coro may acquire its 100% interest in Minera San Jorge (“**MSJ**”), the owner of the San Jorge Property. Franco Nevada acquired Lumina Royalty Corp. (a spin-out of Lumina Copper), the previous owner of MSJ in December 2011. In October, 2012, the Company announced that the parties had signed an amended agreement (the “**Amended San Jorge Agreement**”).

Under the terms of the Amended San Jorge Agreement, to acquire MSJ, the Company must pay option payments of \$1,250,000 per year for 10 years, commencing March 31, 2012. The Company may prepay the outstanding option payments at any time with one-time payment equal to the net present value of the future payments, using a 5% discount rate. The Amended San Jorge Agreement provides that Franco-Nevada will receive a 7.5% NSR on all gold produced from the property provided that the option payments will not be payable when exceeded by the NSR payment for the period.

In March 2012, the Company announced a new development alternative for the San Jorge Project utilizing heap leach only, involving the construction of an SXEW heap leach plant outside of the province of Mendoza in the neighbouring province of San Juan. Ore transport would occur via a 22 km railway line constructed specifically for the project. The Company also announced Process and Pipeline Projects S.A. (“**ProPipe**”) was preparing the San Jorge ProPipe PFS for the new development alternative. A summary of the San Jorge ProPipe PFS is contained under the heading, “Technical Report Summaries - San Jorge ProPipe PFS Summary”.

In July 2012, the Company submitted an update to its approved EIS to the government of Mendoza, Argentina, in relation to the San Jorge Bi-provincial Leach Project.

In September 2013, Coro entered into an exclusivity period with a third party to acquire an interest in San Jorge. These discussions concluded in December 2013, when the Company entered into a binding Heads of Agreement (“**HOA**”) with Aterra Investments Ltd. and Solway Industries Ltd., (collectively, “**A&S**”). The parties agreed to work diligently to structure and execute a definitive agreement (the “**Definitive Agreement**”). Pursuant to the terms of the HOA, the parties agreed that A&S would have the right to acquire a 70% interest in San Jorge by paying a total of \$1,500,000 (\$200,000 on execution of the HOA (paid), \$300,000 within 6 months of the signing the Definitive Agreement, \$500,000 within 12 months of signing the Definitive Agreement and \$500,000 within 24 months of signing the Definitive Agreement). The Definitive Agreement was signed in December 2014.

Under the terms of the HOA, A&S is required to fund all of the costs required to advance the project through to the “Exercise Date”, including those costs to complete an independent, bankable definitive feasibility study, completed to NI 43-101 standards (the “**BFS**”); maintain San Jorge in good standing; and, prior to the Exercise Date, paying all of the underlying quarterly payments. The Exercise Date is the date that A&S informs Coro of its decision to place San Jorge into commercial production or the completion of the BFS.

If A&S total expenditures reach \$10,000,000 they will retain a 50% interest in the project, regardless of whether A&S elects to proceed to the Exercise Date at its sole cost. After formation of a joint venture (either 70/30 or 50/50), the parties shall finance the future development on a pro-rata basis. If either party's interest diluted to 10%, its interest shall immediately be converted to a 2% NSR on the production of all metals, except gold.

A&S may acquire the remaining 30% of San Jorge by paying an additional \$3,000,000 within 6 months from signing of the Definitive Agreement or \$5,000,000 within 18 months from signing of the Definitive Agreement. If A&S acquires 100% of San Jorge, Coro will retain a 2.5% NSR on the production of all metals, except gold.

As of December 31, 2013, the Company completed an assessment as to whether any impairment indicators existed in accordance with of IFRS 6, Exploration for and Evaluation of Mineral Resources. As a result of this assessment, including but not limited to the current market conditions facing exploration and development companies, certain provisions contained in the HOA, and lack of any substantive progress on approval of the Updated EIS, the Company has concluded that an impairment indicator does exist. In conjunction with its accounting policy on Impairment of non-financial assets the Company has recognized an impairment of \$17,000,000 in respect of the San Jorge project, reducing the carrying value of the property to \$13,500,000.

In determining the fair value of San Jorge as of December 31, 2013, the Company considered the current political environment, expected timeline to development, the potential discounted cash flows from the project considering both the required rate of return and time value of money, future commodity prices and expectations surrounding the overall development of the project. All of these assumptions are highly subjective and subject to change over time all of which could have a significant bearing on the carrying value of San Jorge.

Chacay Property, Chile

In March 2013, the core mining claims covering the Chacay property which the Company owned 100% were sold to Compania Minera Relincho SA ("**Relincho**"), a subsidiary of Teck Resources Limited, for consideration of \$2,000,000 and a 1.5% NSR. Under the terms of the agreement, Coro also agreed to enter into a sale promise agreement to sell the remainder of their Chacay exploration claims to Relincho for \$500,000 and a 1.5% NSR. The purchase agreement for the remaining claims will be executed upon Coro converting the exploration claims to mining claims.

Corporate

On December 20, 2013, the Company closed the first tranche of a non-brokered private placement of up to 22,500,000 units ("**Units**") at a price of C\$0.10 per Unit. In the first tranche 10,873,246 Units were issued for gross proceeds of C\$1,087,325. Each Unit was comprised of one common share of the Company and one half of a common share purchase warrant. The warrants are exercisable at a price of \$0.15 until December 20, 2016.

On January 22, 2014, the Company closed the second tranche of the non-brokered private placement and issued 10,250,000 Units at a price of C\$0.10 per Unit for gross proceeds of C\$1,025,000. Each Unit is comprised of one common share of the Company and one half of a common share purchase warrant. The warrants are exercisable at a price of C\$0.15 until January 22, 2017.

The warrants for both tranches will be subject to a forced exercise provision after one year in the event the volume weighted average trading price of the Company's common shares is greater than or equal to C\$0.30 for 20 consecutive trading days.

Year Ended December 31, 2014

Berta Property, Chile

In June 2014, renegotiated the final option payment whereby the payment of \$2,500,000 payable by on June 10, 2014 was deferred as to \$250,000 payable on August 14, 2014 (paid); and \$2,250,000 payable on August 14, 2015. The Company was granted the option to elect to pay the final amount of \$2,250,000 in 8 equal quarterly payments of \$281,250 which will bear interest at LIBOR. In addition, under the modified terms the Company is permitted to commence production at Berta at any time after the August 14, 2014 payment. The 1.5% NSR continues to apply to all production from the property.

In September 2014, the SCMB and Inmobiliaria y Constructora Fundart Ltda (“**Fundart**”), a local construction group, executed a Memorandum of Understanding (“**MOU**”) which provided \$15m of debt financing. This MOU was subsequently replaced by the Freepoint Commodities LLC (“**Freepoint**”) financing in December 2014. \$250,000 was advanced to SCMB by Fundart under the MOU. This amount was later repaid by ProPipe on behalf of the SCMB.

SCMB also agreed to acquire the Nora SXEW processing plant from Sociedad Contractual Minera Trinidad (“**Trinidad**”), a local company in administration, for 2.5 billion Chilean pesos. SCMB had been in discussions with the owners of a third party SXEW plant with a view to selling pregnant leach solution (“**PLS**”) to them. The Company subsequently terminated these discussions.

SCMB intends to expand the SXEW circuit of the Nora plant from 3ktpy to 5ktpy copper cathode and install a crushing circuit and leach pads at Berta.

The Nora plant was built in 2009 and comprises a 750ktpy crushing circuit and a 3ktpy SXEW plant with associated heap leach pads, spent ore stockpiles, piping, PLS ponds etc., together with certain mining properties and surface rights. SCMB is acquiring all of these physical assets, which have been maintained in good condition since 2013 when the plant closed, free of debts and liens.

In September 2014, Coro announced the conclusions from a preliminary economic assessment finalized by independent consultants Geoinvestments SpA of Santiago, Chile.

In December 2014, SCMB, signed a non-binding term sheet with Freepoint for a senior secured term loan facility for up to \$17.5 million, plus a \$2 million cost overrun facility, for the development and construction of the Berta project, including the acquisition and expansion of the Nora SXEW plant. This proposed financing replaced the Fundart financing proposal but did not ultimately complete.

In October 2014, the Evaluation Commission of the Atacama Region of Chile, part of the Chilean Environmental Evaluation Service (in Spanish, “**SEA**”), approved the Environmental Impact Declaration (“**EID**”) of Berta and has issued the corresponding Resolution of Environmental Qualification (in Spanish, “**RCA**”).

In addition, SCMB executed a new letter of intent with Trinidad, who owns the Nora plant, setting out the process by which SCMB may complete the acquisition of the plant. The new LOI was required after our due diligence revealed that the Nora operating permits were incomplete and required remediation work for their reinstatement. Trinidad has agreed that the cost of this work may be deducted from the final purchase price and that this will not be paid until the plant is fully permitted to operate.

El Desesperado Property, Chile

In February 2014, Coro announced a three month extension to the option agreement with the property owners of the El Desesperado Property, at a cost of \$20,000 per month. Coro has recently completed a 5 hole, 1191m diamond drilling program (EDH-01 to 05) and a 7 hole, 950m reverse circulation drilling (CED-R-9 to 15). As a result of greater geological complexity than anticipated, combined with the diamond drilling difficulties that necessitated completion of the program with an RC rig, the Company had not generated sufficient information to justify making the \$650,000 option payment due on February 17, 2014.

The objective of this drilling program was to confirm the presence of significant near surface leachable copper mineralization contained within a partially oxidized chalcocite blanket, similar to that intersected in our 2012 drilling. Assay results and drill description for the program are summarized below;

Table 1; Drill Intersections

Hole	From	To	m	CuT%	CuS%
EDH-01	12.8	28	15.2	0.26	0.19
EDH-03	16	40	24	0.26	0.25
	46	52	6	0.38	0.35
	56	68	12	3.03	2.22
EDH-04	20	30	10	0.39	0.28
CED-R-11	32	68	36	0.32	0.24
CED-R-12	6	32	26	0.40	0.38

EDH-01, 03 & 04 and CED-R-11 & 12 intersected the same partially oxidized and leached chalcocite blanket as CED-R-04, but significantly thinner. EDH-05 was a diamond tail of RC hole CED-R-04 drilled in November 2012 which intersected 204m at 0.55%CuT from surface before the hole was lost. Core logging of EDH-05 indicates that the RC hole was lost in a major fault and only sporadic mineralization was encountered at depth. EDH-02 was targeted at intersecting primary mineralization at depth beneath the old workings; trace amounts of bornite and chalcopyrite were intersected over a 48m width, but this mineralization did not return copper assays in excess of 0.2%CuT. CED-R-9, 10, 13, 14 and 15 were drilled to test possible extensions to the N and E but did not intersect significant mineralization and were not assayed.

Payen Property, Chile

In August 2014, the Company was advised by Minera Freeport-McMoRan South America Ltda (“**Freeport**”) (previously Aurex) of its decision not to proceed with the option of the Payen project. Freeport completed 11 diamond drill holes for 3592.1m, as well as ground geophysics, geochemistry and geological mapping. Four of the drill holes intersected low grade copper (0.15-0.22% Cu) & gold (0.04-0.24g/t Au) porphyry style sulphide mineralization over lengths of 54-220m. Coro has concluded that these results, while interesting, are not sufficiently encouraging to justify continuing with the project and has terminated the underlying option.

Prat Plant, Chile

In August 2014, Coro announced that it had signed a LOI to acquire an interest in the Planta Prat which comprises a small SXEW plant designed to treat old leach residues located close to the city of Antofagasta in the II Region of northern Chile.

Planta Prat comprises a small SXEW agitation leach plant built in 2009 to treat old leach residues derived from a precipitation plant that operated in the nearby Mantos Blancos mine several decades ago. The Prat

plant failed to operate efficiently due to build-up of iron sulphate and closed after a few months of operation. Based on positive initial agitation leach test work carried out, Coro believes that this issue can be readily resolved.

The agreed purchase terms for Coro to own a 65% interest are; \$10,000 payment on signature (paid); \$40,000 payment on 6th February 2015 (subsequently deferred to April 2015); \$100,000 payment on formation of Newco (51% Coro) and completion of expansion of the Prat plant to 1,200tpy Cu capacity by August 6th 2017 at Coro's cost;

Coro may earn an additional 14% interest upon Commencement of Commercial Production (80% of 1,200tpy Cu annual production rate for 60 consecutive days). The vendor owns some of the leach residues and intends to gain access to the rest.

Marimaca Property, Chile

In August 2014, signed a LOI to acquire an interest in the Marimaca copper oxide prospect, located close to the city of Antofagasta in the II Region of northern Chile. Marimaca comprises an early stage copper oxide prospect hosted by Jurassic intrusive rocks. Mineralization is controlled by a NNE oriented major structure, representing the northern extension of the same structure that hosts Milpo's past producing Zar and Emperatriz mines, located 12km to the south. Marimaca mineralization is located within a 500m x 150m cymoid loop, is currently being exploited in a series of open pits over a vertical elevation difference of ~150m by mechanized artisanal miners, and has potential to host 10-20mt of oxides at 0.5-0.8%CuT.

Further tonnage potential exists in the underlying primary sulphides. The property has never been drilled and Coro intends to conduct surface sampling and mapping during its 90 day due diligence period.

The agreed purchase terms for Coro to own a 75% interest are; \$10,000 payment on signing (paid); \$40,000 payment on 6th February 2015 (subsequently deferred to April 2015); \$125,000 payment on formation of Newco (51% Coro) on completion of an NI43-101 compliant resource estimate and engineering study that demonstrates the technical and economic feasibility of producing a minimum of 1,500tpy Cu as cathode by August 6th 2018 at Coro's cost

An additional 24% interest can be earned by Coro upon obtaining financing for the project construction. The owners interest will comprise a 15% interest free carried to Commencement of Commercial Production (as defined above), and a 10% participating interest subject to dilution. The owners at their election may request Coro to loan them the equity portion corresponding to their 10% interest, if any.

This loan plus applicable interest would be recoverable by Coro from 100% of the project's free cash flow after debt repayments.

In October 2014, completed its due diligence on the Marimaca project, Coro took a total of 73 samples from 6 separate continuous chip channels with the following results;

Marimaca Chip Channel Samples				
Length (m)	CuT (%)	CuS (%)	%CuS/CuT	Description
150	0.36	0.24	67%	One end in mineralization
incl. 85	0.48	0.32	68%	
30	0.53	0.43	80%	Both ends in mineralization
65	0.62	0.49	79%	
50	0.10	0.03	31%	Internal waste block
45	0.93	0.71	76%	Both ends in mineralization

25	0.79	0.67	85%	
Weighted Av	0.49	0.36	74%	365m incl. internal waste
	0.55	0.41	75%	315m excl. internal waste

Metallurgical column test work carried out in 2007 on 4 samples ranging from 0.66-3.05%CuT and 0.51-2.99%CuS collected by a third party, indicated that recoveries of 74-89% of total copper were achievable in 48 days with net acid consumption ranging from 25-43kg/t. Coro believes that this test work was carried out in a professional manner but has not validated the location or representativity of the samples used nor verified the test work results obtained. They are provided for information purposes only and should not be relied upon.

Celeste Property, Chile

In September 2014, announced it has received encouraging results from initial mapping, surface sampling, and test work of its 100% owned Celeste Sur iron ore project, located 55km NE of the port of Chañaral, in the III Region of Chile. Our preliminary internal evaluation indicates that potential exists for 5-10mt at ~45% Fe at Celeste Sur, which should be capable of sustaining a ~600ktpy Fe concentrate operation based on a simple, low cost, dry crushing and magnetic separation process route, enhanced by its proximity to a port with existing concentrate handling facilities.

Llancahue Property, Chile

In November 2014, the Company signed an option agreement with Minera Peñoles de Chile Ltda (“**Peñoles**”), a subsidiary of Mexican mining company, Industrias Peñoles SAB de CV, for the latter to acquire a 70% interest in Coro’s Llancahue project, located 300km south of Santiago in the VII Region of Chile.

To earn a 70% Peñoles must pay; \$150,000 on signing (paid); \$200,000 on or before 12 months of signing; (paid) \$250,000 on or before 24 months; \$300,000 on or before 36 months; \$400,000 on or before 48 months; and \$4.7 million on or before 60 months of signing

In addition upon exercise of the option, the parties will form a new company (“**Newco**”) (70% Peñoles /30% Coro). On or before 60 months, Peñoles must complete a resource estimate prepared in accordance with NI43-101 at its sole cost. If Coro’s interest in Newco falls to 10%, it immediately converts to a 2.5% NSR. Peñoles has a one-time right, exercisable within 90 days of exercising its option to 70%, to acquire Coro’s 30% interest for \$6 million plus a 1.5% NSR. Peñoles may withdraw from the agreement at any time after having made the first payment of \$150,000.

Chacay Property, Chile

In September 2014, Coro has received \$323,000 as part payment of the outstanding \$500,000 from the previously announced sale of the Chacay property in 2013, and received the final balance in December 2014.

San Jorge Property, Argentina

In October 2014, Coro announced that it had entered into a Definitive Agreement with A&S on the same terms as the previously announced HOA.

Financings and Share Dispositions

On January 22, 2014, the Company closed the second tranche of the non-brokered private placement and issued 10,250,000 Units at a price of C\$0.10 per Unit for gross proceeds of C\$1,025,000. Each Unit was comprised of one common share of the Company and one half of a common share purchase warrant. The warrants are exercisable at a price of C\$0.15 until January 22, 2017.

In April 2014, Coro announced that Benton Capital Corp. (“**Benton**”) intended to transfer its shares in Coro to its shareholders via a return of capital as of the date of announcement Benton held ~38% of the Company’s common shares on a fully diluted basis. Benton distributed its shares to its shareholders in August 2014.

Year Ended December 31, 2015

Berta Property, Chile

In March 2015, the Company announced the details of a new financing plan for the Berta project which comprised a combination of a bridge facility (\$13.5m), leasing (\$1.3m) and vendor financing (\$3m) together with an equity injection (\$1.5m) to provide for 100% of the financing requirements for its subsidiary company SCMB to acquire the Nora plant, to build and construct the Berta facilities, and for project working capital. This financing plan did not ultimately complete and was replaced by the Greenstone Financing discussed below.

In 2015, the Company also exercised its option to acquire the Berta project and elected to defer the final \$2,250,000 payment into eight quarterly payments of \$281,250 plus interest accruing at LIBOR. As at December 31, 2015, two of the eight payments have been made.

In June 2015, the Company announced conclusions of an updated preliminary economic assessment for the Berta project (the “**Berta PEA**”) together with a combined \$9.0 million convertible debenture and equity financing package provided by Greenstone Resources L.P. (“**Greenstone**”). In addition, the terms of the agreement between Coro and ProPipe were revised to provide that, upon closing of the financing, ProPipe would be entitled to a 35% interest in SCMB, which holds the Berta project.

The Berta PEA was an update of an engineering study completed by Geoinvestments released on September 14, 2014. The Berta PEA included a revised open pit mine plan, new operating and capital costs and financial analysis for the Berta project which contemplates the production of an average of 4,700ktpy of copper cathode for a period of 8 years. The Berta PEA was filed on July 31, 2015 but, following a continuous disclosure review by the British Columbia Securities Commission, the Company filed the Updated Berta PEA on October 24, 2015. Full details on the Updated Berta PEA are contained under the heading, “Material Properties - Information Concerning the Berta Property”.

The financing provided by Greenstone (the “**Greenstone Financing**”) was comprised of two elements; a \$6.5 million convertible debenture and an approximately \$2.5 million equity private placement. The convertible debenture financing (the “**Convertible Debenture**”) was comprised of two tranches, being \$5.1 million (“**Tranche 1**”) and \$1.4 million (“**Tranche 2**”) repayable on the date that is 350 days after the drawdown of the respective tranches. In the event that the amounts are not repaid in full in cash, any unpaid amounts will be converted into common shares of Coro at a conversion price of C\$0.04 per share. Tranche 1 and Tranche 2 require repayments of \$6.375 million and \$1.75 million respectively, resulting in an effective interest rate of ~25%. The structuring of the tranches was designed to facilitate the acquisition of the Nora Plant and required work programs (Tranche 1) with Tranche 2 being advanced after the lifting of a suspension order on the Nora Plant (the “**Suspension Order**”), which is discussed in more detail below. Due to the potential issuance of common shares upon conversion of the Convertible Debenture, the Company was required to seek shareholder approval prior to draw down of Tranche 1. Shareholder approval was obtained on July 17, 2015.

The Suspension Order was issued by SERNAGEOMIN, the Chilean Mining Authority in 2014, and in order to be lifted required minor remediation work to be done as well as the filing of a closure plan and technical project report which had already been filed by SCMB on behalf of the previous owners. Due to issues surrounding the Suspension Order, the terms of the Greenstone Financing were subsequently amended such that Tranche 1 and Tranche 2 of the Convertible Debenture would be completed prior to the lifting of the Suspension Order but the \$2.5 million equity financing portion would remain dependent on the lifting of the order.

Tranche 1 of the Convertible Debenture completed on August 10, 2015 and Tranche 2 of the Convertible Debenture completed on November 27, 2015. The proceeds of Tranche 1 of the Convertible Debenture were used to acquire the Nora Plant and perform work to have the Suspension Order lifted. The proceeds of Tranche 2 were used to complete the commissioning and start-up of the Nora Plant.

On February 9, 2016, Coro announced that it had been notified by SERNAGEOMIN, the Chilean Mining Authority that all of the requirements needed to lift the Suspension Order had been met and the Suspension Order was subsequently lifted. As a result, Greenstone completed the equity financing portion and purchased 79,800,000 Coro common shares at a price of C\$0.04 per share. Following this acquisition, Greenstone now owns 33% of the issued and outstanding common shares of Coro and, in accordance with the terms of an Investors Rights Agreement entered into between the parties, were provided with the right to nominate two directors to the board of directors of Coro. Accordingly, on February 9, 2016, Mr. Michael Haworth and Mr. Colin Kinley were appointed to the board and Mr. Robert Watts and Mr. Alvin Jackson resigned. In addition, as noted above, on completion of the equity financing ProPipe was entitled to increase its interest in SCMB, which holds the Berta project, to 35%.

In February 2016, the Nora Plant commissioning was also completed through the processing ~50kt of dump material. To date, a total of 203t of copper cathode has been harvested and is being sold to Luis Dreyfus Commodities (“LDC”). SCMB has also entered into a \$0.6 million prepayment facility with LDC, repayable in equal instalments over 6 months at an interest rate of LIBOR+6%. The Company also announced that, as a result of the lifting of the Suspension Order, SCMB would now be able to commence production at a rate of ~3ktpyCu cathode. The Company intends to do this through the processing of further dump material and of higher grade material trucked from the Berta deposit.

Coro also confirmed that a change in the Chilean peso exchange rate coupled with the decline in the oil price have had a favourable impact on the current and projected operating costs of the Berta operation. As of the date of this AIF, SCMB is currently evaluating alternatives to the operating plan set out in the Updated Berta PEA which are expected to reduce the capital cost of the Berta site crushing and leaching facilities and the expansion of the Nora EW circuit to 5ktpy Cu cathode. These improvements in operating and capital costs will be incorporated into a feasibility study which is anticipated to be completed in Q2 2016.

Prat Plant, Chile

In March 2015, the Company announced that it had extended the option payment date for Prat from February 2015 to April 2015 in return for increasing the payment from \$40,000 to \$50,000. The Company also announced the results from agitation leach test work on samples from the Planta Prat residues. This indicates that recoveries of 80% of total copper are achievable and with acid consumption of 16kg/t, some of the copper oxides present being water soluble. The iron sulphate build up issue experienced by the previous operator has been resolved by the use of proprietary technology developed by ProPipe.

In April 2015, the Company announced the results from test work carried out on a composite sample from the Planta Prat milled leach residue deposit in Chile. This test work indicated that an 81% recovery of total copper with an acid consumption of 18kg/t was achievable and that ProPipe’s technology could

resolve the plant's previous operating issues. In addition, the Company announced that it had paid the \$50,000 option payment referred to above.

Marimaca Property, Chile

In March 2015, the Company announced that it had extended the option payment date for Marimaca from February 2015 to April 2015 in return for increasing the payment from \$40,000 to \$50,000. This payment was made in April 2015.

San Jorge Property, Argentina

In March 2015, the Company announced that it had reached a tentative agreement with its partners, Aterra and Solway, whereby they will immediately advance Coro \$1.3 million for the right to acquire a 100% interest in the San Jorge Property. The acquisition of the 100% interest in the project is subject to the approval Franco Nevada, the underlying owner of San Jorge, approval and also Argentinean regulatory approval, which will be sought prior to the completion of the acquisition. Coro will retain a 2% net smelter royalty on production from the property, other than gold, in the event that Aterra and Solway develop the project. The \$1.3 million was advanced to the Company in April 2015.

Description of the Business

The Company is an operating mining company engaged in the acquisition, exploration and exploitation of mineral properties and projects located in Chile with the objective of identifying and exploiting mineralized deposits. The Company was incorporated under the *Business Corporations Act* (British Columbia) on September 22, 2004 and is listed on the Exchange under the symbol "COP". As of the date of this AIF, the Company had 239,172,180 shares issued and outstanding.

The Company has its registered corporate office in Vancouver, Canada. In Chile, the Company, together with its joint venture partners, where applicable is currently exploring and developing the Berta Property and the Planta Prat Property as well as the Marimaca Property. Each of the Planta Prat and Marimaca properties are subject to underlying option agreements.

Strategy

The Company was founded with the goal of building a mining company focused on medium-sized base and precious metals deposits in Latin America. It intends to achieve this goal through the exploration for and acquisition of projects that can be developed and placed into production. The Company's strategy is to become a mid-tier producer and intends to do this by identifying, securing and developing resources that are located in areas with established infrastructure. To minimize any political and execution risks associated with its strategy, the Company intends to focus its strategy in politically stable countries.

Competitive Conditions

The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. The Company may also encounter increasing competition from other mining companies in efforts to hire experienced mining professionals. Competition for exploration resources at all levels is currently very intense, particularly affecting the availability of manpower, drill rigs and helicopters. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

Environmental Considerations

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, releases or emissions of various substances related to mining industry operations, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving, which means stricter standards and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessment of proposed projects carries a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Employees

As at December 31, 2015, the Company had a total of 110 full and part-time employees or consultants and also utilized the services of several professionals on a part-time contract or consulting basis. The Company seeks to employ individuals and utilize the services of consultants who have international mining experience.

Foreign Operations

The Company's properties are currently located in Chile and, as such, a substantial portion of the Company's business is exposed to various degrees of political, economic and other risks and uncertainties. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws and policies of Canada affecting foreign trade, investment and taxation.

Risk Factors

The Company will face a number of challenges in the development of its properties. The following is a description of the principal risk factors affecting the Company:

Operational Risks

The Company's operations are subject to all of the risks normally incident to the exploration for and the development and operation of mineral properties. The Company has implemented comprehensive safety and environmental measures designed to comply with or exceed government regulations and ensure safe, reliable and efficient operations in all phases of its operations. The Company maintains liability and property insurance, where reasonably available, in such amounts it considers prudent. The Company may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons. All of the Company's properties are still in the exploration or advanced exploration stage. Mineral exploration and exploitation involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities.

The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. The Company believes that those consultants are competent and that they have carried out their work in accordance with internationally recognized industry standards. However, if the work conducted by those consultants is ultimately found to be incorrect or inadequate in any material respect, then the Company may experience delays or increased costs in developing its properties.

Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. There can be no assurance that commercial quantities of ore will be discovered. There is also no assurance that even if commercial quantities of ore are discovered, that the properties will be brought into commercial production or that the funds required to exploit mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of the above factors are beyond the control of the Company. There can be no assurance that the Company's mineral exploration activities will be successful. In the event that such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

Estimates of Mineral Resources

The mineral resource estimates contained in this AIF are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally or commercially exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. The estimates of mineral resources described in this AIF should not be interpreted as assurances of mine life or of the profitability of future operations.

Additional Funding and Dilution

If the Company's exploration programs are successful, then additional funds will be required in order to complete the development of its properties. The only sources of future funds presently available to the Company are the sale of additional equity capital or the entering into of joint venture arrangements or other strategic alliances. In addition, the status of Chile, where the Company operates, as a developing country may make it more difficult for the Company to obtain any financing for its projects. Issuances of additional securities will result in a dilution of the equity interests of any person who may become a holder of the Company's securities. There is no assurance that the Company will be successful in raising sufficient funds to meet its obligation or to complete all of the currently proposed exploration programs. If the Company does not raise the necessary capital to meet its obligations under current contractual obligations, then the Company may have to forfeit its interest in the properties or prospects earned or assumed under such contracts. In addition, if the Company does not raise the funds to complete the currently proposed exploration programs, then the viability of the Company could be jeopardized.

Foreign Political Risk

The Company's material property is located in Chile and, as such, a substantial portion of the Company's business is exposed to various degrees of political and economic risk and uncertainties. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls,

exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by-laws and policies of Canada affecting foreign trade, investment and taxation.

Permits

The operations of the Company will require licenses and permits from various governmental authorities to carry out exploration and development at its projects. Obtaining permits can be a complex, and time-consuming process. There can be no assurance that the Company will be able to obtain the necessary licenses and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that the Company will have the resources or expertise to meet its obligations under such licenses and permits.

Government Regulation

The mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment, historical and archaeological sites and endangered and protected species of plants and animals. Although the exploration activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

Property Interests

The Company has the right to earn a 100% interest in certain of its properties, including the Planta Prat Property and the Marimaca Property, each of which are subject to the terms of an option agreement. To earn its 100% interest in the optioned properties, the Company is required to make certain cash option payments and/or share issuances. In addition, although the Company has exercised its option to acquire the Berta Property, it is still required to make further cash payments to the optionors of such property. If the Company fails to make the agreed cash option payments, then the Company may lose its right to such properties and forfeit any funds expended to such time.

Acquisition of Additional Mineral Properties

If the Company loses or abandons its interest in one or more of its properties, then there is no assurance that it will be able to acquire other mineral properties of merit, whether by way of option or otherwise, should the Company wish to acquire any additional properties.

Environmental Regulations

The Company's activities are subject to foreign environmental laws and regulations, which may materially adversely affect its future operations. These laws and regulations control the exploration and development of mineral properties and their effects on the environment, including air and water quality, mine reclamation, waste handling and disposal, the protection of different species of plant and animal life, and the preservation of lands. These laws and regulations will require the Company to acquire permits and other authorizations for certain activities. There can be no assurance that the Company will be able to acquire such necessary permits or authorizations on a timely basis, if at all.

Unknown Environmental Risks for Past Activities

Exploration and mining operations involve a potential risk of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. The Company may be liable for environmental contamination and natural resource damages relating to the properties that it currently owns or operates or at which environmental contamination occurred while or before it owned or operated the properties. However, no assurance can be given that potential liabilities for such contamination or damages caused by past activities at these properties do not exist.

Key Management

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The success of the Company is largely dependent on the performance of its key individuals. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success.

Conflicts of Interest

Certain directors and officers of the Company are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the *Business Corporations Act* (British Columbia), directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. Certain of the directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and, accordingly, the Company will not be the only business enterprise of these directors and officers.

Title to Properties

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot give an assurance that title to such properties will not be challenged or impugned. The Company can never be completely certain that it or its option partners will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex. The Company does not carry title insurance on its properties. A successful claim that the Company or its option partner does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property.

Repatriation of Earnings

There is no assurance that any countries other than Canada in which the Company carries on business or may carry on business in the future will not impose restrictions on the repatriation of earnings to foreign entities.

Infrastructure

Development and exploration activities depend on adequate infrastructure, including reliable roads and water and power sources. In particular, the Company's activities in Regions II and III of Chile will depend on adequate water supply. The Company's inability to secure adequate water and power resources, as well as other events outside of its control, such as unusual weather, sabotage, government or other interference in the maintenance or provision of such infrastructure, could adversely affect the Company's operations and financial condition.

Influence of Third Party Stakeholders

The Company's interest in its properties and the exploration equipment and roads or other means of access which the Company intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Company's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Company.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions, including rock bursts, cave-ins, fires, flooding, earthquakes and other environmental occurrences may occur. It is not always possible to fully insure against such risks and the Company may decide not take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Commodity Prices

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, world supply of mineral commodities, consumption patterns, forward sales by producers, production, industrial demand, speculative activities and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of copper or gold. The prices of these commodities are affected by numerous factors beyond the Company's control.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself with respect to the discovery and acquisition of interests in mineral properties, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

Expected Continued Operating Losses

Other than fiscal 2010, whereby the Company realized mark to market gains for trading securities held, the Company has no history of operating earnings. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. The Company has experienced losses

from operation for each of the years of operation 2015, 2014, 2013, 2012, 2011, 2009 and 2008, 2007. The Company expects to incur losses, and will likely incur increased losses until production is reached at either Berta or Prat.

No History of Dividends

The Company has never paid a dividend on its common shares and does not expect to do so in the foreseeable future. Any future determination to pay dividends will be at the discretion of the Company's board of directors and will depend upon the capital requirements of the Company, results of operations and such other factors as the Company's board of directors considers relevant. Accordingly, it is likely that investors will not receive any return on their investment in the common shares other than possible capital gains.

Foreign Currency Risk

A substantial portion of the Company's expenses are now, and are expected to continue to be incurred in foreign currencies. The Company's business will be subject to risks typical of an international business including, but not limited to, differing tax structures, regulations and restrictions and general foreign exchange rate volatility. Fluctuations in the exchange rate between the Canadian dollar and such other currencies may have a material effect on the Company's business, financial condition and results of operations and could result in downward price pressure for our products in or losses from currency exchange rate fluctuations. The Company does not actively hedge against foreign currency fluctuations.

4. MINERAL PROPERTIES

In Chile, the Company owns the Berta Property, has an option to acquire a 100% interest in the Prat and Marimaca properties and also currently owns the Llancahue Property, the Pocillas Property, the Gloria Property and the Celeste Property.

For the purposes of this AIF, the Company has one material mineral property, the Berta Property in Chile.

Information Regarding the Berta Property

To satisfy the reporting requirements of Form 51-102F2 with respect to the Berta Property, the Company has incorporated the Updated Berta PEA by reference and reproduced the summary from the Updated Berta PEA below. The following information in this section is summarized or extracted from the Updated Berta PEA, which was prepared by Sergio Alvarado in accordance with the requirements of National Instrument 43-101. Portions of the following information are based on assumptions, qualifications and procedures which are set out only in the full Updated Berta PEA, which is incorporated by reference into this AIF. For a complete description of the assumptions, qualifications and procedures associated with the following information, reference should be made to the full text of the Berta Technical Report which is available for review on the SEDAR website at www.sedar.com.

Introduction

Coro, through its subsidiary SCMB retained the services of Geoinvestment SpA ("**Geoinvestment**") to prepare a mineral resource estimate, PEA and Technical Report, covering its Berta copper property, located in the III Region, Chile. Geoinvestment is aware that this report is intended for disclosure to the Toronto Stock Exchange, where Coro is listed, giving support to the News Release published on June 16th 2015. The mineral code followed in this report is the Canada Institute of Mining ("**CIM**") code, 2014 Edition, and this report follows the recommendations of National Instrument 43-101.

Sergio Alvarado, BSc (Hons.) Geology, member of CIM, The Chilean Mining Commission ("**CMC**") and The Chilean Mining Engineers Institute ("**IIMCh**") was responsible for the overall preparation of the

Technical Report as defined in National Instrument 43-101, Standards of Disclosure for Mineral Projects and in compliance with Form 43-102F1.

In preparing this report, Geoinvestment relied on reports, studies, maps, databases and miscellaneous technical papers listed in the References section of this report. Additional information and data for Geoinvestment's review and studies were obtained from SCMB on site or at Coro's Santiago office.

Ownership

Coro owns all the shares in 0904213 B.C. Ltd (a company incorporated in British Columbia, Canada) which owns all the shares in Sky Dust Holdings Limited ("**Sky Dust**") (a company continued under the laws of British Columbia). Sky Dust owns all the shares in Machair Investments Ltd ("**Machair**") (a continued under the laws of British Columbia).

Machair beneficially owns 100% of MCC, a limited liability Chilean Company established under the laws of Chile on April 18, 2011. MCC beneficially owns 65% of Sociedad Contractual Minera Berta ("**SCMB**") (a company incorporated under the laws of Chile on June 4, 2013).

On June 13, 2011 Coro announced that its subsidiary MCC had reached an agreement with a local owner for 506 ha of pending measured and measurable concessions, all registered and in good standing, that protect the main part of the project. The terms of the option were renegotiated in May 2013 reducing the total payments from \$6.0 million to \$4.0 million for the introduction of a 1.5% NSR on any copper oxides; and further again in 2014 by deferring the \$2.5 million and providing a financing option for the final payment due in August 2015. The 2014 amendment also allowed for the deposit to be mined after the payment on August 2014. The financing option allowed for the August 2015 payment to be divided into eight quarterly payments of \$281,250 plus interest accruing at LIBOR. In 2015, the Company exercised the option and elected to pursue the financing option. As at December 31, 2015, two of the eight quarterly payments have been made.

Concession Terms

	Current Terms	Status
On June 10th, 2011	\$ 200,000	Paid
On June 10th, 2012:	\$ 800,000	Paid
On June 10th, 2013:	\$ 500,000	Paid
On August 14, 2014	\$250,000	Paid
On August 14, 2015	\$ 2.25 million ⁽¹⁾	
TOTAL	\$ 4.0 million	
	An NSR of 1.5% on all copper oxides and sulfide production and its by-products	

⁽¹⁾ The Company elected to finance the \$2.25 million payment and has agreed to pay eight quarterly installments of \$281,250 plus interest accruing at LIBOR. As at December 31, 2015, two of the eight quarterly payments have been made.

Additionally to adequately protect the area of interest, Coro has registered approximately 2,400 ha exploration concessions, named Berta 1 to Berta 8. All concessions are valid according to the Chilean Mining Code. Apart from the option payments and the NSR derived from its execution, no other payment obligations exist on the properties that protect the project. SCMB have already negotiated 15 lps water rights from the CODELCO Pampa Austral tailings dam which can be used any time from June 2015.

On May 7, 2013, MCC signed a Letter of Intent with ProPipe SA ("**ProPipe**") whereby ProPipe may earn up to 50% of the shares in a new company called SCMB, formed on June 4, 2013, by completing a series

of payments, work commitments and project financing, thereby earning percentages of that company as follows:

- Making the \$500,000 option payment due on 10th June 2013: (10% earned).
- Completing and filing an Environmental Impact Declaration by 30th July 2013: (3% earned).
- Completing a NI43-101 compliant PEA by September 30th 2013: (5% earned).
- Obtaining and structuring project financing on non-recourse basis, at market conditions, with funds available within 6 months of completion of the PEA, for a minimum of 70% of the project cost, including a cost overrun facility, as determined in the PEA. In the event that this financing is for 100% of the project cost, ProPipe will earn 32% of SCMB, for a total shareholding of 50%. If the financing is between 70% and 100% of the required funding, ProPipe will earn a pro-rata shareholding in SCMB. At the minimum 70% level, they would earn 22.4% of SCMB, for a total shareholding of 40.4%. In the event that less than 100% funding is received, ProPipe have the right to earn the corresponding shareholding for the percentage difference in funding, or to assign their right to do so to a third party on the same terms. In the event that they do neither, they must complete such additional work and reports as required by Coro by March 31st 2014, for Coro to obtain the financing required and thus earn the corresponding shareholding.
- In the event that ProPipe does not arrange a minimum of 70% project financing, they must complete a NI43-101 compliant DFS for the project by 31st March 2014, and by so doing, will earn an additional 7% shareholding, for a total shareholding of 25% in SCMB. Coro and ProPipe will then seek project financing on a pro-rata basis
- ProPipe will be Operator during the development and construction of the project, thereafter the Operatorship will alternate every 2 years.
- The dates shown above for completion of the various project earn in stages were subsequently extended by mutual agreement of the parties.

ProPipe paid the \$500,000 option payment due on 10th June 2013 and earned a 10% interest in SCMB. It also earned a further 3% for completion and submission of the Environmental Impact Declaration on November 7th 2013, and approved in October 2014. In conjunction with the ProPipe agreement, in June 2013, the underlying option agreement with the local owner was transferred from MCC to SCMB, together with the Berta 1-14 exploration claims. The shareholder's agreement between ProPipe and MCC has been executed, and ProPipe's interest in SCMB is currently 35%.

History and Exploration

There is abundant evidence of superficial copper mineralization in the area; however the oldest mining was directed to the exploitation of superficial narrow Au veins, with copper mining limited to minor exploitation. There is no history of these mining properties prior to Mr Oscar Rojas Garin's acquisition during the late 1980's. The exploitation at a small-scale mining level was extended to mechanized extraction during the 1980's and 90's, through the development of small open pits and declines. According to the existing information (Guiñez and Zamora, 1998) in 1995 a mining company, developed the Gemela and Carmen oxide bodies producing more than 100,000 t of ore at an average grade of 1.68% CuT. If the exploitation of three other small bodies (Salvadora; Berta, San Carlos) is included, the total ore extracted at Berta approximates 200,000 t at 1.5% CuT.

Outokumpu (Outokumpu Explorations, 1994) carried out geological, geochemical and geophysical exploration between March and September 1994, completing 48 short air track (DTH) holes and 7 reverse circulation (RC) holes for a total of 2,216 m. These results did not meet Outokumpu minimum target size and therefore the area was returned to the owner.

In 1997 the area was optioned by Mantos Blancos S. A. a subsidiary of Anglo American PLC (Guinez and Zamora, 1998). During September - December 1997, the area was geologically mapped and, geochemical and geophysical (IP) surveys completed; 42 RC drill holes were completed totaling 4,942 m,

and some bulldozer trenches were also dug. The project was deemed not to meet Mantos Blancos' criteria and it was returned to its owner.

In 2005 the properties were optioned by Texas T Minerals through its Chilean subsidiary Faro S.A., then later transferred to Grancru Resources, which initiated exploration works in October 2006 (Adkins, 2008). All previous work was verified and additional exploration carried out, including; geochemistry with new measurements of Cu and Mo content taken from trenches and pits, using a Niton portable XRF equipment; geophysics, consisting of ground magnetometry and radiometry; additional trenching; and finally 9 DDH holes were drilled for 3,311.40 m, with depths between 87 to 932 m. The objective of Grancru's program was to demonstrate the presence of a porphyry system beneath the breccia and/or other non-outcropping breccia bodies. Results were not considered sufficiently attractive to justify the option payments, and the property was returned to its owner.

In June 2011 the properties were optioned by Coro through its Chilean subsidiary MCC. Since then, the potential for Cu (Mo) porphyry style mineralization in the area has been explored via the generation of a topographic base through restitution and ortho-rectification of images with topographical control; geological mapping of outcrops and trenches at 1:2000 scale; systematic rock and soil geochemistry; geophysical studies (IP); and the three successive campaigns of RC drilling totaling 92 drill holes for 18,908 meters. The first two phases of drilling (24 holes: 4,360 m and 32 holes: 10,520 m) were aimed at the exploration of the porphyry system and the third (36 holes: 4,028 m) to provide sufficient information for a resource estimate. Collection of samples from drill core, pit walls and trenches for metallurgical test work was also undertaken.

Geology and Mineralization

At Berta the evidence for an alteration-mineralization system with Cu and Mo extends over an area of approximately 2.3 km by 1 km, oriented NNE. The elongation of the area is clearly controlled by the Chivato Fault Zone (ZFCH), limiting the mineralization to the W. Notable differences in the geology and alteration-mineralization styles permit the separation of the area into three sectors: Berta Norte, Berta Central and Berta Sur.

Wall rocks comprise tonalite (TON) of medium-coarse equigranular texture, intruded by at least two varieties of porphyry with similar composition: namely, a "Crowded" porphyry (PTC) and a "Fine" porphyry (TFP). The first is volumetrically more abundant, cuts the tonalite showing porphyritic to equigranular textural variations, while the Fine type is younger. Igneous breccia (BXI), with various types of intrusive fragments, semi-rounded in a porphyritic matrix, and hydrothermal breccia (BXH), with angular monomictic clasts, open spaces and sulfide cements, cut the tonalite and Crowded Porphyry, but seem to pre-date the Fine Porphyry.

A NNE elongated belt of tonalite about 1 to 1.5 km wide, is bounded by foliated volcanic rocks, Cretaceous in age to the W and Jurassic to the E. However, these volcanic rocks do not host significant mineralization, except occasional narrow Au veins. Previous geological maps (Outokumpu, 1994, Guíñez and Zamora, 1997) did not recognize rocks with porphyritic textures and in general, only two belts were distinguished; "Fine textured Granodiorite" to the E and "Coarse textured Granodiorite" to the W. Coro mapping has distinguished both at surface and in drilling the porphyry varieties described above and the contact relationship between them, and with the tonalite wall rock.

The most relevant structure corresponds to ZFCH, which can be traced NNE along the western boundary of the area, where it displaces foliated intrusive and volcanic rocks in a belt approx. 50 m wide. A zone of foliated volcanic rocks, 20 to 60 m wide is also mappable along the E contact of the tonalite body with the Jurassic volcanic rocks. NW oriented faults displace the ZFCH as well as the belt of foliated rocks to the E.

A D type vein system, with sulfide filling and a sericitic halo and a predominant NW strike is recognized in Berta Norte. This can be observed at surface in several trenches, with dominant red limonite leached filling, and showing some fault planes parallel to the veins. In the northern part of Berta Central, some of these veins have been determined to have an E-W strike. The breccia bodies also exhibit control by faults varying from E-W in a large part of the Berta Central area to ENE in Berta Sur. As with the D type veins, these structures are pre-mineral.

The development of K-feldspar – biotite ± magnetite ± sericite is the most common alteration at Berta. For descriptive purposes this is named "background potassic alteration". Its intensity increases with further development of K-feldspar as igneous breccia cement and as a strong replacement of the crowded porphyry and tonalite surrounding the breccias. The sericite is preferentially developed in D type veins environment and shows greater development in the Berta Central and Norte areas. Muscovite development is found in some breccia bodies, especially at depth and in general in breccias located towards the western boundaries. Chlorite and variable sericite are best developed in porphyries and breccias, and in the best mineralized areas, the alteration contains "green grey sericite" and is characterized by the absence of magnetite, explaining why magnetic lows coincide with the mineralization. Propylitic halos with abundant chlorite and pyrite are better developed in the northern area. Within the marginal foliated rocks, especially in the west side along the ZFCH, the rocks are strongly replaced by biotite-magnetite, with some albite and actinolite. These minerals also occur as variations of background potassic alteration around the breccias in Berta Sur.

The primary mineralization consists of chalcopyrite with minor variable content of bornite. There is abundant molybdenite in some sectors but with no obvious relationship to Cu sulfides. Mineralization preferentially occurs as breccia filling and cement, to a lesser extent in veins and occasionally in veinlets. Pyrite is very poorly developed in areas of best mineralization, with greater occurrence in the northern part of Berta Central and especially in Berta Norte, where it constitutes the main filling of D type veins. Along the ZFCH, chalcopyrite occurs associated with magnetite mineralization. There is an ore-alteration zonation from N to S, with a propylitic border and development of veins and breccias containing pyrite ≥ chalcopyrite (molybdenite) and halos of pervasive replacement of sericite in the north, to a domain of background potassic alteration and mineralization in breccias surrounded by a crackled zone, with chalcopyrite (molybdenite, less bornite) pyrite alteration grading outwards to albite-actinolite in the south. The western boundary is dominated by breccias with muscovite containing only rare Cu mineralization and biotite-magnetite zones with some chalcopyrite that can be traced along the ZFCH. This zoning is also related to a greater abundance of porphyritic rocks toward the central and southern areas and to changes in style and orientation of structures from NW to E-W and, finally, ENE in Berta Sur. The distribution of limonite at surface shows a direct relationship with alteration as well as with relative abundance of sulfide: yellow to yellow-reddish color predominates in the northern part related to the greater development of D type veins and sericitic alteration, while goethite and scarce jarosite make up the leach cap in the central and southern areas. In situ leaching and oxidation of the sulfides has produced a zone of copper oxides of variable thickness ranging from 30 to 120 m, generated in an environment of scarce pyrite and in poorly reactive rock. It is composed of simple green Cu oxides ores, with predominant chrysocolla, and black oxide (mixtures of wad type), very low clay content, and limonite and predominant goethite. Only in some breccia bodies, mainly those located along the eastern boundary, is there limited development of supergene enrichment with chalcocite thicknesses of 2 to 10 m, invariably oxidized to a combination of hematite, "almagre" and cuprite.

The geology, mineralization and alteration of Berta Sur, corresponding to the sector of the project subject to the initial resource estimate completed in December 2012, comprises an area of 600 x 450 m evaluated according to a grid aligned 340°, perpendicular to the trend of mapped structures and after determining the orientation of mineralized bodies to be 060°. The Cu oxide mineralization is exposed on a 15 m high hill with gentle slopes, being flanked to the N and S by E-W and SW oriented creeks. This mineralization has not been previously mined and its exposure has been aided by trenches dug by Outokumpu, Mantos Blancos and Grandcru.

Berta Central occupies an area of 450 x 500 m. Most of the mineralization outcrops and a part of it have been mined out by artisanal miners. Greater than 1% Cu copper oxide mineralization occurs related to igneous-hydrothermal breccias hosted by tonalite and crowded tonalitic porphyry and cross cut by dykes of barren Fine Tonalite Porphyry. At least eight mineralized breccias bodies were modeled from NW-SE trending, 50 m spaced vertical sections using previous (Outokumpu, Mantos Blancos and Grandcru) and Coro drill hole data. Mapping and sampling from some open cuts and underground workings as well as from some surface trenches was also digitized and incorporated into the data base.

Metallurgy

A mineralogical and chemical characterization and metallurgical leaching test work was undertaken by Geomet, an independent laboratory in Santiago, Chile for samples from Berta Sur. A second column test work program was completed at the Hydrometallurgical Lab of the Universidad de Santiago of Chile Metallurgical Mining Engineering Department (USACH) for samples from Berta Central.

The first campaign at Geomet was performed with the objective of defining the main process variables, such as copper recovery and acid consumption. For the metallurgical tests, Coro selected three composite samples from Berta Sur, denominated as A, B and C with approximate CuT grades of 0.80%, 0.60% and 0.40%, respectively.

Based on these composites, Geomet performed the metallurgical program designed to obtain mineralogical and physical characterization, preliminary metallurgical test and column leaching test for the three composite samples at two granulometry levels of 100% - 1" (P80 = 19 mm), and 100% - 1/2" (P80 = 9 mm), as follows:

1. *Physical Characterization:* This characterization stage comprised: granulometry and humidity analysis at sample reception, specific gravity, and bulk density.
2. *Mineralogical characterization:* Each sample was characterized from a mineralogical point of view, by means of optical microscopy, determining the constituents of ore and gangue.
3. *Preliminary metallurgical test:* Preliminary tests were performed, with the objective of obtaining leaching metallurgical parameters, in order to establish the most appropriate experimental conditions for larger scale testing (pilot leaching columns) such as: contaminants determination test, Iso-pH test and Sulfation test.
4. *Column leaching test:* In order to obtain the first metallurgical conceptual engineering level parameters, leaching tests in 4" diameter (100 mm) and 2 meter high columns, for each of the grain sizes, were performed. The irrigation rate was 10 l/hrm². Each test was performed in duplicate; therefore, it was required to set up twelve columns in total. Tests were irrigated until completion of the leaching rate of 2 m³/t, equivalent to 25 leaching days; including daily analysis for Cu, FeT and H⁺, during the first eight days, then on an every other day basis, until the completion of irrigation. Thus, for each leaching test 18 samples were taken for kinetic evaluation, including the final drain solution. In order to validate the contaminant elements kinetics, weekly composites were taken and assayed by Inductively Coupled Plasma (ICP) (three in each test).

The most relevant conclusions from the completed study are as follows:

- Material from Berta Sur deposit presented a CuT grade of 0.83% for composite sample A, 0.63% for sample B and 0.39% for sample C.
- The average solubility of the three samples by the sulfuric acid method was 70.1% for composite A, 50.8% for composite B and 37.6% for composite C.

- The average solubility of the three composites by the citric acid method was 55.4% for A, 14.5% for B and 24.8% for C.
- The solubility rates with ferric and sodium bisulfite agent were only performed on composite B, given that it approximates the average grade of the Berta Sur resource. The average solubility rate in ferric environment was 54.5%, while in bisulfite it was 59.5%.
- The fact that the solubility maximizes while using sodium bisulfite (reduction agent), is an indicator of the presence of copper oxides species corresponding to copper wad (CuOMnO_2).
- The head sample mineralogical characterization confirmed that copper wad was a major component of the oxide copper species present.
- Results from Iso-pH tests, in terms of total copper extraction were 73% for composite A, 69% for B and 55% for C.
- Net acid consumption from Iso-pH tests were 15.0, 13.8, and 13.0 kg/t, in composites A, B and C respectively, equivalent to rough gross acid consumptions of 22.3, 19.7, and 15.4 kg/t, respectively.
- In terms of chemical kinetics, composite A has the fastest dissolution velocity, followed by B and finally C. Furthermore, composites B and C have kinetic similarities, but they differ greatly from A.
- Sulfation tests showed doses of 17 and 23 for composite A; 12 and 8 kg/t for composites B and C, respectively. Only composite A should use different doses for $P_{80} \text{ } \frac{3}{4}''$ and $\frac{3}{8}''$.
- In the column leaching tests, the highest copper extraction levels (78-73%) were from composite A $P_{80} \text{ } \frac{3}{4}''$ as well as $\frac{3}{8}''$, and B $P_{80} \text{ } \frac{3}{8}''$. A lower extraction level (61-65%), was for B $P_{80} \text{ } \frac{3}{4}''$ and C $\frac{3}{8}''$. Finally, the lowest extraction level (55%) was from sample C, $P_{80} \text{ } \frac{3}{4}''$.
- Extraction kinetics were identical for each grain size of composite A.
- Composite B shows a distinct difference between each grain size tested ($P_{80} \text{ } \frac{3}{4}''$ and $\frac{3}{8}''$), reaching a difference of 11 points, in terms of copper extraction percentage, at the end of the leaching period.
- Composite C also shows a difference between both sizes, reaching 5.2% difference at the end of the leaching period.
- Net acid consumption varied between 19.0 kg/t (Composite A) and 22.3 kg/t (Composite B).

In order to compare the results obtained by Geomet, representative samples from the Berta Central deposit were extracted and leaching test work was performed at the Hydrometallurgical Lab of the Universidad de Santiago of Chile Metallurgical Mining Engineering Department.

According to field studies, Berta Central's mineralogy is similar to that of Berta Sur, tested by Geomet. Three tests in two meters columns were performed, with the same dimensions as the utilized by Geomet, but with columns' feeding granulometry of 100% $-1/2''$. The sulfuric acid curing dose was 10 kg/t for 24 h at a specific flow of 10 l/hm².

Given that the sample extracted from Berta Central has a head grade of 1.4% CuT and 1.1% CuS that consumes more sulfuric acid for its higher copper content, it was decided to perform tests at 10, 15 and 20 g/l of sulfuric acid concentration in the leaching solution. Results showed a kinetic behavior very similar to that observed by Geomet, for which the Berta Central minerals are technically feasible to leach, with metallurgical results similar to the achieved by Geomet for Berta Sur, apart from the head grade differences on the samples used for the test work.

The table below shows a comparison between the metallurgical results obtained by Geomet using the material from Berta Sur and those obtained by USACH treating material from Berta Central. These results corroborates that Berta Sur and Berta Central have a similar metallurgical behavior. For Berta Central's higher grade material, a higher sulfuric acid dose can be added in curing that will result in better metallurgical results.

Table 1: Metallurgical Column Test Work for Berta Sur & Berta Central

Column	Sample Location	Head assays		Theoretical % Sol	Actual		Days	NAC kg/t
		% CuT	% CuS		Rec CuT	Rec CuS		
P80 3/8" Comp A Geomet	BDH07-07 Drill Core (Berta Sur)	0.84	0.59	70	91.0	130	26	21
P80 3/8" Comp B Geomet	Surface trench, partially leached (Berta Sur)	0.66	0.36	55	68.0	126	28	24
P80 3/8" Comp C Geomet	Surface trench, partially leached (Berta Sur)	0.38	0.14	37	56.0	150	28	22
P80 1/2" (10 g/L H2SO4) USACH	Berta Central	1.40	1.10	79	51.5	66	28	22
P80 1/2" (15 g/L H2SO4) USACH	Berta Central	1.40	1.10	79	80.0	113	28	20
P80 1/2" (20 g/L H2SO4) USACH	Berta Central	1.40	1.10	79	87.0	120	28	28

Table 1 shows that the recovery of soluble copper exceeds 100% in all but one of the columns. This is due to the presence of black oxides in (copper wad?) minerals that did not report to the soluble copper assay during analysis, but is recoverable over the period of the column tests. The columns were stopped at 28 days before the recovery curves went asymptotic. Based on the results of this column test work and the soluble copper component of the deposit from drill hole assays, SCMB estimates that a recovery of 78% of the total copper in the heap leachable material should be achievable in the 60 day leach cycle contemplated for the operation. The ROM material averages 0.20%CuT and 0.12%CuS, and recoveries are estimated to be 75% of the soluble copper which is equivalent to 45% of total copper. This estimate takes into account the proposed blasting pattern of a 5x5m grid on 5m high benches which should result in a grain size slightly better than that from a first stage crusher. Leaching will take place on 7m high pads without liners between lifts, which should also result in additional recovery over time. Benchmarking against other dump leach operations in Chile indicates that they achieve recoveries of between 40 and 50% of total copper.

Mineral Resources Estimation

The mineral resources described are located in mining claims originally optioned to MCC and transferred to SCMB, which has rights to acquire 100% of the property. The acquisition of the property is contingent upon making the underlying option payments.

The geology of the Berta Sur and Berta Central deposits are reasonably well understood, in terms of genesis, mineralization controls and structure. Copper oxide mineralization extends to depths of 30 to 100 m with mineralization outcropping at surface and with effectively no overburden. It also has a simple mineralization and gangue mineralogy, excellent response to leaching and fairly continuous Cu grades and sharp contacts with low-grade margin mineralization.

To separate the zones with different statistical behavior, solids were constructed to represent two mineralization types: Oxide Body and Low Grade Oxide Body. Metallurgical test considered copper grades for both types of mineralization.

This Berta report model is based on 22,213 m of drilling, mainly reverse circulation (RC) and mostly drilled by MCC in three stages completed during 2011 and 2012. Other drill holes included in the

resource estimate were completed during the 1990's by Mantos Blancos and Outokumpu and diamond drilling completed by Grandcru in 2006 and 2007. Drilling and sampling procedures, sample preparation and assay protocols for all the drilling campaigns were generally acceptable and that available information was used in the resource evaluation without limitation.

The resource estimate was completed at a variety of total copper (%CuT) grades, as shown on Table 2

Table 2: Resource Estimate

Berta Project Resource Estimate													
Zone	Cutoff	Measured			Indicated			Measured & Indicated			Inferred		
		Kt	%CuT	%CuS	Kt	%CuT	%CuS	Kt	%CuT	%CuS	Kt	%CuT	%CuS
Berta Sur & Central	0.10	16,498	0.34	0.34	8,653	0.23	0.14	25,150	0.30	0.20	4,845	0.24	0.15
	0.15	13,275	0.39	0.39	5,780	0.27	0.18	19,055	0.36	0.24	3,249	0.30	0.20
	0.20	10,487	0.45	0.45	3,336	0.35	0.23	13,822	0.43	0.29	2,039	0.38	0.25
	0.25	8,355	0.51	0.51	1,961	0.44	0.30	10,316	0.50	0.35	1,402	0.45	0.31
	0.30	6,791	0.56	0.56	1,289	0.52	0.36	8,080	0.56	0.39	932	0.53	0.37
Berta Sur	0.10	10,972	0.32	0.32	4,423	0.18	0.11	15,394	0.28	0.18	2,105	0.18	0.11
	0.15	8,853	0.37	0.37	2,800	0.21	0.13	11,653	0.33	0.22	1,296	0.22	0.13
	0.20	6,892	0.42	0.42	1,332	0.26	0.16	8,225	0.39	0.27	720	0.26	0.16
	0.25	5,385	0.47	0.47	561	0.31	0.20	5,946	0.46	0.32	343	0.29	0.18
	0.30	4,288	0.53	0.53	261	0.36	0.24	4,549	0.52	0.36	127	0.33	0.21
Berta Central	0.10	5,526	0.38	0.38	4,230	0.27	0.17	9,756	0.33	0.22	2,740	0.29	0.19
	0.15	4,422	0.45	0.45	2,980	0.33	0.22	7,402	0.40	0.27	1,953	0.35	0.24
	0.20	3,594	0.51	0.51	2,003	0.41	0.27	5,598	0.47	0.33	1,318	0.44	0.30
	0.25	2,969	0.57	0.57	1,401	0.49	0.34	4,370	0.55	0.38	1,059	0.50	0.34
	0.30	2,503	0.63	0.63	1,028	0.56	0.39	3,531	0.61	0.43	805	0.57	0.40

Geoinvestment considered the basis for determining the reasonable prospects for eventual economic extraction of the Berta Sur and Central resources by completing a series of pit optimizations using the Lersch & Grossmann algorithm based on the following technical and economic parameters; mining cost of \$2.09/t, processing Cost of \$4.74/t ,SXEW cost of \$0.102/lb, G&A cost of \$0.045/lb , sales & marketing cost of \$0.041/lb, metallurgical recovery of 80% (based on results obtained from the metallurgical test work), inter ramp pit slope of 50° , and a variety of copper prices. For a base case using a \$3.00/lb copper price, and a 0.1%CuT cut off grade, the optimum pits were determined to contain Measured and Indicated Resources of 17.6 million tons at a grade of 0.37%CuT and an overall stripping ratio of 0.49:1, as detailed in Table 3 below.

The results are depicted in Table 3 below.

Table 3: In Pit Resources based on \$3/lb Cu, 0.1% CuT cutoff

Berta Project in Pit Resource													
Zone	Pit	Measured			Indicated			Measured & Indicated			Waste kt	Strip Ratio	
		kt	%CuT	%CuS	kt	%CuT	%CuS	kt	%CuT	%CuS			
Berta Sur	Berta Sur	8,929	0.35	0.23	1,427	0.19	0.11	10,356	0.33	0.21	2,609	0.25	
Berta Central	Trinchera-Salvadora	2,242	0.48	0.30	527	0.47	0.29	2,769	0.48	0.30	2,499	0.90	
	Carmen-Gemela	982	0.51	0.36	562	0.38	0.26	1,544	0.47	0.32	1,852	1.20	
	Nueva	219	0.43	0.29	295	0.34	0.22	514	0.38	0.25	375	0.73	
	Berta II	853	0.37	0.24	150	0.36	0.23	1,003	0.37	0.24	572	0.57	
	Chico	900	0.30	0.18	518	0.25	0.14	1,418	0.29	0.17	762	0.54	

Berta Sur & Central	Total	14,125	0.38	0.25	3,479	0.29	0.18	17,604	0.37	0.23	8,669	0.49
--------------------------------	--------------	---------------	-------------	-------------	--------------	-------------	-------------	---------------	-------------	-------------	--------------	-------------

This Updated Berta PEA is further optimizing the project using the new operating parameters shown in Table 4. Mine plan also assumes a first phase using a variable cut-off grade in year 1 of between 0.60% and 0.70%CuT, in order to maintain a constant feed to the existing Nora crusher for a period of 11 months, thus postponing part of the capital investment until year 2 of operations. A total of 0.4mt at 0.83%Cu will be mined and trucked to the Nora plant while 1.2mt of lower grade heap leach material and 0.6mt of ROM will be stockpiled for processing in year 2. In addition, the Nora plant will reprocess some spent minerals stockpiles (“Ripios”) from the previous 2009-12 operation at a rate of ~30 tpm of copper cathode during Phase 1 as described in section 17.1.4 of the Updated Berta PEA.

In Phase 2, after eleven months, considers all the copper oxide material from the open pits will be treated through a heap leach process with capacity of 1 million tonnes of mineral per year (including crushing, agglomeration and permanent pads), and the processing of 1.2 million tonnes per year of Run of Mine (ROM) material directly onto dump leach pads.

Table 4: Design Criteria and Mine Planning

Variable	BERTA	NORA	ROM
Mining Cost (USD/ton)	2.32	2.32	2.32
Hauling (USD/ton)	0.00	0.00	0.00
Processing Cost (USD/ton)	7.91	12.29	1.82
SX-EW Cost (USD/lb)	0.250	0.250	0.250
G&A (USD/lb)	0.090	0.090	0.090
Selling cost (USD/lb)	0.050	0.050	0.050
Recovery	78.0%	78.0%	45.0%
Selling Price	\$3.00	\$3.00	\$3.00

The final optimized pit contains 7.2 million tonnes @ 0.574%CuT of heap leachable material, 6.63 million tonnes @ 0.20%CuT of ROM and 7.1 million tonnes of waste, as shown below in Table 5 by sector. This represents a mining recovery of 89.4% of the heap leach resources and 38.8% of the ROM resources contained in the Berta resource estimate.

Readers are advised that more detailed engineering studies have not been completed for the Berta project and so the normal progression from PEA to Preliminary Feasibility Study to Feasibility Study has not been followed in respect of making a production decision. Therefore, investors are cautioned that no mineral reserves have been declared and the level of confidence in the resources, metallurgy, engineering and cost estimation is not at a level normally associated with a project reaching a production decision.

Table 5: Pit Optimization by Sector

Sector	HL Material	CuT%	CuS%	ROM	CuT%	CuS%	Waste	Total
Berta Sur	4,178,240	0,529	0,375	4,175,360	0,203	0,122	1,448,139	9,801,739
Trinchera-S	1,130,880	0,786	0,560	1,096,000	0,186	0,111	2,663,429	4,890,309
Carmen-G	786,240	0,588	0,422	314,880	0,196	0,117	1,931,798	3,032,918
Nueva	223,360	0,567	0,401	205,440	0,209	0,126	271,977	700,777
Berta II	509,760	0,522	0,367	308,160	0,204	0,123	434,526	1,252,446
Chico	395,200	0,492	0,343	533,440	0,196	0,117	434,770	1,363,410
Total	7,223,680	0,574	0,407	6,633,280	0,200	0,120	7,184,640	21,041,600

Mining and Processing

The Project contemplates an open pit mine to extract oxide material from the Berta Sur and Central deposits using mining contractors, followed by crushing, agglomeration and heap leaching of higher grade (>0.3%CuT) material and dump leaching of lower grade (0.1-0.3%CuT) material. The resulting PLS would then be transported by 6"-54kmpipeline to the Nora SXEW plant for recovery of copper cathode. Water and raffinate would be returned by 10"-54km pipeline from Nora to Berta. Overall material contained in the mine plan developed by Geoinvestment has 7.22 mt of heap leach material, with an average grade of 0.57% CuT and 6.63 mt of dump leach material with an average grade of 0.20%CuT. Annual average material movements represent a strip ratio of approximately 0.52:1 waste: mineral. This Updated Berta PEA also considers a project Phase 1 using a variable cut-off grade in year 1 of between 0.60% and 0.70%CuT, in order to maintain a constant feed to the existing Nora crusher for a period of 11 months.

The Berta mine plan & cathode production schedule is shown on Table 6, below;

Table 6: Berta Mine Plan

Production Profile		Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Tot
Nora Crushed	Ton	399.258	-	-	-	-	-	-	-	399,258
	CuT%	0,83	-	-	-	-	-	-	-	0,83
	CuS%	0,61	-	-	-	-	-	-	-	0,61
	Rec%	80,97	-	-	-	-	-	-	-	31,0
	Cu Cathode, t	2.673	-	-	-	-	-	-	-	2,673
Ripios Line	Cu Cathode, t	315								315
Berta Crushed	Ton	84.932	1.002.740	1.000.000	1.000.000	1.000.000	846.925	1.000.000	828.737	6.763.334
	CuT%	0,55	0,51	0,55	0,50	0,51	0,79	0,61	0,48	0,56
	CuS%	0,39	0,36	0,39	0,35	0,36	0,56	0,43	0,34	0,40
	Rec%	0,79	0,78	0,78	0,77	0,77	0,78	0,79	0,77	0,78
	Cu Cathode, t	366	4.025	4.271	3.838	3.945	5.241	4.783	3.074	29.544
Berta ROM	Ton	109.353	1.537.653	1.163.006	975.679	598.340	490.499	470.580	603.613	5.948.725
	CuT%	0,18	0,20	0,21	0,19	0,19	0,19	0,21	0,20	0,20
	CuS%	0,11	0,12	0,13	0,11	0,11	0,11	0,13	0,12	0,12
	Rec%	45	45	45	45	45	45	45	45	45
	Cu Cathode, t	90	1.387	1.101	812	501	408	440	541	5.280
Total Cu	Cu Cathode, t	3.444	5.412	5.372	4.650	4.446	5.650	5.223	3,615	37.812
Stockpiled Material										
Berta ROM	Ton	499.882	499.882	499.882	499.882	499.882	499.882	499.882	499.882	499.882
	Cu Cathode, t	490	490	490	490	490	490	490	490	490
Berta Leach	Ton	1.090.174	732.799	957.612	650.361	264.530	(0)	115.396	0	0
	Cu Cathode, t	4.036	2.281	2.922	1.896	742	0	330	0	0

Infrastructure

At the Nora Plant, power supply will be obtained from the existing electrical grid through a local distributor EMELAT that has confirmed connection feasibility point to the existing power line. At the Berta mine site power will be supplied by 1.75Mw diesel generators.

Water will be sourced from the CODELCO owned Pampa Austral tailing dams, located 10km north of Nora Plant. The Berta mine site water requirement will be supplied by 10"-54km pipeline.

Sulphuric acid may be sourced from CODELCO's Potrerillo smelter located 85km to the northwest of Berta mine site or from ENAMI's Paipote Smelter located 110 km to the south.

Environmental and Social Issues

The Evaluation Commission of the Atacama Region of Chile, part of the Chilean Environmental Evaluation Service (in Spanish, "SEA"), has approved the EID of the Berta copper project and has emitted the corresponding Resolution of Environmental Qualification (in Spanish, "RCA") on 14 October 2014. The RCA notification is in Annex 1 of Chapter 28 of the Updated Berta PEA. The corresponding RCA for the Nora SXEW plant was granted in July 31, 2008.

Economic and Financial Analysis

Operating Costs

Operating cost estimates reflect the current market environment in northern Chile for contract mining, crushing, sulphuric acid, power supply, cathode production by SXEW, and transportation of PLS and water, and are shown on Table 7 below. Principal operating cost components are sulphuric acid at \$94/t and power at \$222/MW for Berta (generators) and \$117/MW for Nora (connected to grid).

Table 7: Life of Mine Operating Costs

Operating Costs	\$'000			\$/lb		
	Phase 1	Phase 2	LOM \$m	Phase 1	Phase 2	LOM \$m
Mining	2,653	38,700	41,353	0.40	0.50	0.50
Processing	5,478	71,334	76,811	0.83	0.93	0.92
Transport	2,276	2,942	5,218	0.35	0.04	0.06
G&A	1,143	7,762	8,906	0.17	0.10	0.11
Cash Costs C1	11,549	120,739	132,288	1.75	1.57	1.59

SCMB intends to complete the following capital expenditures in Phase 1:

Area No	Area Title	Total \$'000	Phase 1 \$'000	Phase 1 \$'000	Rest of LOM \$'000
10	Nora Plant Purchase and Start-up	5,761	6,467	219	-925
20	Berta Construction	6,375	-	6,375	-
30	Nora Expansion	1,324	-	1,324	-
40	Pipeline PLS & RAFF/WATER	3,773	107	3,666	-
50	Other Owner Cost	5,807	574	1,319	3,914
GRAND TOTAL		23,040	7,148	12,903	2,989

Pre-Financing Financial Analysis

The Project has been evaluated on both a pre-tax basis and after all Chilean taxes and a 1.5% royalty due to the Berta claim owner at a base case copper price of \$2.80/lb and for sensitivity, at prices of \$2.60/lb and \$3.00/lb as shown on Table 1.9. The project economics contemplated by this Updated Berta PEA are summarized on Table 9- Summary Economics.

Table 8: Berta Economic Evaluation Summary

Cu Price	\$2.60/ lb		\$2.80/ lb		\$3.00/ lb	
	Pre tax	After tax	Pre tax	After tax	Pre tax	After tax
NPV (\$ millions)						
5%	42.3	32.3	55.2	41.8	68.1	52.1
8%	35.1	26.8	46.4	35.2	47.7	44.3
10%	31.1	23.7	41.5	31.5	51.8	39.9
IRR	62%	56%	83%	75%	106%	98%

Table 9: Summary Economics

	Revised Mine Plan		
	Phase 1	Phase 2	LOM
Copper Price	\$2.80/lb		
Copper Production	2,988	34,833	37,821
Duration	11 months	7 years	8 years
Cash Costs	1.75/lb	\$1.57/lb	\$1.59/lb
CAPEX (\$million)	\$7.15	\$12.6	\$23.0 ⁽¹⁾
Pre-tax:			
NPV (8%)	\$46.4 million		
IRR	83%		
After-tax:			
NPV (8%)	\$35.2 million		
IRR	75%		

Readers are advised that more detailed engineering studies have not been completed for the Berta project and so the normal progression from PEA to Preliminary Feasibility Study to Feasibility Study has not been followed in respect of making a production decision. Therefore, investors are cautioned that no mineral reserves have been declared and the level of confidence in the resources, metallurgy, engineering and cost estimation is not at a level normally associated with a project reaching a production decision.

Recommendations

Sufficient metallurgical test work has been completed for a PEA. However, a detailed assessment of the mine plan and testing of specific samples based on the early years of production is recommended in Phase 1.

For Berta Central, which will be exploited towards the end of the mine life in this plan, further drilling is necessary to investigate if more HG material is available for continuing the strategy differing initial capital. Also test work is necessary to confirm the anticipated metallurgical performance.

There is some potentially available dump material within trucking distance of the Nora plant which should be evaluated as feed for the plant in early stage Phase 1 and when Berta is being developed.

An alternative to the diesel generators proposed for mine site power supply could include solar power generation, similar to those currently being built in the area, and this should be evaluated.

Despite the execution of initials agreements, it is recommended that SCMB should conclude a sulphuric acid contract with either of the smelters located in the region.

5. DIVIDENDS

The Company has no fixed dividend policy and the Company has not declared any dividends on its common shares since its incorporation. The Company anticipates that all available funds will be used to undertake exploration and development programs on its mineral properties as well as for the acquisition of additional mineral properties. The payment of dividends in the future will depend, among other things, upon the Company's earnings, capital requirements and operating and financial condition. Generally, dividends can only be paid if a company has retained earnings. There can be no assurance that the Company will generate sufficient earnings to allow it to pay dividends.

6. DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of common shares without par value of which, as of December 31, 2015, 159,372,180 common shares were issued and outstanding. The common shares do not carry any pre-emptive, subscription, redemption, retraction, conversion or exchange rights, nor do they contain any sinking or purchase fund provisions.

The holders of the common shares are entitled to: (i) notice of and to attend any meetings of shareholders and shall have one vote per share at any meeting of shareholders of the Company; (ii) dividends, if as and when declared by the Company's board of the directors; and (iii) upon liquidation, dissolution or winding up of the Company, on a pro rata basis, the net assets of the Company after payment of debts and other liabilities.

7. MARKET FOR SECURITIES

Market

The common shares of the Company are listed and posted for trading on the TSX under the symbol "COP". The shares commenced trading on the TSX on July 10, 2007.

Trading Price and Volume

The Company's common shares traded on the Exchange during the year ended December 31, 2015. The table shown below presents the high and low sale prices for the common shares and trading volume, on a monthly basis, on the Exchange for 2015.

Month	High \$	Low \$	Volume
January	0.05	0.03	3,360,487
February	0.035	0.03	1,765,664
March	0.035	0.02	6,202,457
April	0.035	0.025	2,908,877
May	0.035	0.025	1,664,973
June	0.04	0.025	3,027,886
July	0.03	0.02	3,466,546
August	0.03	0.02	1,867,516
September	0.03	0.02	3,262,272
October	0.025	0.02	765,266
November	0.02	0.015	2,128,777
December	0.03	0.015	1,481,453

8. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at December 31, 2015, the Company had no escrowed securities and securities subject to contractual restriction on transfer.

9. DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The name, province or state and country of residence, position and offices with the Company and principal occupation within the five preceding years for each of the directors and executive officers of the Company are set out in the following table:

Name, Municipality of Residence and Position with the Company	Principal Occupation or Employment for the Last Five Years	Director Since
<p>Alan J. Stephens West Sussex, United Kingdom <i>President, Chief Executive Officer and Director</i></p>	<p>President and Chief Executive Officer of the Company since January 2005; Director and Chairman of Valley High from March 19, 2008 to March 25, 2011 and independent Director of Weatherly International PLC since July 1, 2008. Independent Director of Bearing Resources from February 15, 2011 to June 11, 2014. Independent Director of California Gold Mining since January 30, 2014.</p>	<p>January 5, 2005.</p>
<p>Gordon Fretwell⁽¹⁾⁽³⁾ British Columbia, Canada <i>Director and Chairman</i></p>	<p>Self-employed Solicitor of Gordon Fretwell Law Corporation from 1991 to present.</p>	<p>June 10, 2009.</p>
<p>Michael D. Philpot British Columbia, Canada <i>Executive Vice-President, and Director</i></p>	<p>Executive Vice-President of the Company since February 2005; Corporate Secretary of Valley High from March 19, 2008 to March 25, 2011.</p>	<p>February 15, 2005.</p>
<p>Colin Kinley⁽¹⁾⁽²⁾⁽³⁾ Kansas, United States <i>Director</i></p>	<p>Director and Senior Advisor, President and Chief Executive Officer of Kinley Exploration LLC from 2007 to present; President and Chief Executive Officer of Jet Mining Pty LLC from 2010 to present; Director of Excelsior Mining from 2010 to present; Director and Chief Operating Officer of Eco Atlantic Oil and Gas Ltd. from 2011 to present.</p>	<p>February 5, 2016.</p>
<p>Michael Haworth⁽¹⁾⁽²⁾ London, United Kingdom <i>Director</i></p>	<p>Managing Partner with Greenstone Capital LLP since August, 2013; Managing Partner with Strata Capital LLP from January 2006 to August 2013.</p>	<p>February 5, 2016.</p>
<p>Roderick J. Webster⁽¹⁾⁽²⁾⁽³⁾ London, United Kingdom <i>Director</i></p>	<p>Chief Executive Officer of Weatherly International PLC (an integrated base metals producer) from July 2005 to June 2015; Director of Weatherly International PLC from July 2005 to present.</p>	<p>October 18, 2006.</p>

Name, Municipality of Residence and Position with the Company	Principal Occupation or Employment for the Last Five Years	Director Since
Damian J. Towns British Columbia, Canada <i>Chief Financial Officer and Corporate Secretary</i>	Chief Financial Officer of the Company since October 2006; Chief Financial Officer of Valley High from March 19, 2008 to March 25, 2011.	N/A.
Marcelo Cortes Providencia, Chile <i>VP Project Development</i>	VP Project Development since February 2010. Project Engineer for Los Bronces, Minera Disputada de las Condes; Hydraulic Discipline Lead for Minera Michilla S.A.; Construction Lead for EPC Contract of the El Tesoro Mine and also Project Lead for El Tesoro exploration project.	N/A
Sergio Rivera Santiago, Chile <i>Vice President, Exploration</i>	VP Exploration since November 2, 2011. From 2005 to October 2011, he was the General Manager of Exploraciones Mineras Andina S.A., an affiliate of Codelco, Chile.	N/A

- (1) Member of the Company's audit committee.
- (2) Member of the Company's compensation committee.
- (3) Member of the Company's corporate governance and nominating committee.

Each of the Company's directors is elected by the Company's shareholders at an annual general meeting to serve until the next annual general meeting of shareholders or until a successor is elected or appointed.

Based on information provided by such persons, as of the date of this AIF, the directors and executive officers of the Company and its subsidiaries as a group beneficially owned, or controlled or directed, directly or indirectly, or exercised control or direction over 23,542,645 common shares of the Company, representing 9.8% of the issued and outstanding common shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as described below, no director or executive officer of the Company is, as at the date of this AIF, or was, within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that: (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days; or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as described below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company: (a) is, as at the date of the AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement; or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any

proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

In October, 2006 Pine Valley Mining Corporation, formerly a TSX listed company, filed for creditor protection under the *Companies' Creditors Arrangement Act* during the year the following the resignation of Gordon Fretwell as a director of that company.

Gordon J. Fretwell has been a director of TSX-V listed Lignol Energy Corporation (“**Lignol**”) since January 2007. Lignol went into receivership on August 22, 2014.

No director, or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of the Company’s knowledge, except as otherwise noted in this AIF, there are no existing or potential conflicts of interest among the Company or a subsidiary of the Company, its directors, officers, or other members of management of the Company or of a subsidiary of the Company except that certain of the directors, officers and other members of management serve as directors, officers and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director, officer or member of management of such other companies and their duties as a director, officer or member of management of the Company or a subsidiary of the Company.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors’ or officers’ conflicts of interest or in respect of any breaches of duty to any of its directors and officers. All such conflicts must be disclosed by such directors or officers in accordance with the *Business Corporations Act* (British Columbia).

10. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The Company has filed an action in Mendoza to have provincial legislation under Law 7722, which prohibits the use of toxic substances including sulphuric acid in any metaliferous mining in Mendoza, declared unconstitutional, in an attempt to protect its rights to process the oxide resources at the San Jorge Property with sulphuric acid. The claims pursued with the action are related to discrimination, unreasonable prohibition and excess in the legislation to control an industrial activity. The Mendoza Government has responded and defended the legislation. This matter is currently proceeding.

Other than the above, the Company or its subsidiaries is not a party, nor are any of the Company’s properties subject to any pending legal proceedings the outcome of which would have a material adverse effect on the Company. Other than the above, management has no knowledge of any material legal proceedings in which the Company may be a party which are contemplated by governmental authorities or otherwise.

Regulatory Actions

There are no: (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the Company’s most recently completed financial

year and up to the date of this AIF; (b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (c) settlement agreements the Company entered into with a court relating to securities legislation or with a securities regulatory authority during the Company's most recently completed financial year and up to the date of this AIF.

11. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Company, none of the directors, executive officers or shareholders that beneficially own, control or direct, directly or indirectly, more than 10% of the Company's shares, nor any associate or affiliate of the foregoing, has had no material interest, direct or indirect, in any transactions in which the Company has participated within the three most recently completed financial years or in the current financial year prior to the date of this AIF, which has materially affected or is reasonably expected to materially affect the Company.

12. TRANSFER AGENTS AND REGISTRARS

The Company's registrar and transfer agent for its common shares is Computershare Investor Services Inc. located at its principal offices in Vancouver, British Columbia, Canada and Toronto, Ontario, Canada.

13. MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, the Company is not a party to any material contracts.

14. INTERESTS OF EXPERTS

Names and Interests of Experts

PricewaterhouseCoopers LLP, Chartered Accountants, ("**PricewaterhouseCoopers**") are the Company's auditors. The Audited Consolidated Financial Statements of the Company as at December 31, 2015 and 2014 and for the years ended have been audited by PricewaterhouseCoopers as stated in their report. PricewaterhouseCoopers is independent in accordance with the Rules of Professional Conduct of British Columbia, Canada.

Geoinvestment SpA prepared the Updated Berta PEA. The Qualified Person responsible for the Updated Berta PEA was Sergio Alvarado. To the knowledge of management, none of Geoinvestments SpA, any designated professional of Geoinvestments SpA, or any of the aforementioned Qualified Persons have any registered or beneficial interests, direct or indirect, in any securities or other property of the Company (or of any of its associates or affiliates).

15. INFORMATION ON AUDIT COMMITTEE

The Company is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers or employees of the Company or of an affiliate of the Company. The Company's current audit committee consists of Gordon Fretwell, Michael Haworth and Colin Kinley.

Audit Committee Charter

The text of the audit committee's charter is attached as Schedule "A" to this AIF.

Composition of the Audit Committee and Independence

National Instrument 52-110 Audit Committees (“**NI 52-110**”) provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company’s board of directors, reasonably interfere with the exercise of the member’s independent judgment.

All of the members of the audit committee of the Company are independent, as that term is defined.

Relevant Education and Experience

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

All of the members of the Company’s audit committee are financially literate as that term is defined.

Based on their business and educational experiences, each audit committee member has a reasonable understanding of the accounting principles used by the Company; an ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising one or more individuals engaged in such activities; an understanding of internal controls and procedures for financial reporting.

Gordon Fretwell, Chairman of the Audit Committee

Gordon Fretwell holds a Bachelor of Commerce degree and graduated from the University of British Columbia in 1979 with his Bachelor of Law degree. Formerly a partner in a large Vancouver law firm, Mr. Fretwell has, since 1991, been a self-employed solicitor (Gordon J. Fretwell Law Corporation) in Vancouver practicing primarily in the areas of corporate and securities law.

Michael Haworth, Member of the Audit Committee

Michael Haworth qualified as a Chartered Accountant (South Africa). Following a 16 year career in the mining sector including Managing Director at JP Morgan and Head of Mining and Metals Corporate Finance in London, Mr. Haworth co-founded Greenstone Resources in 2013.

Colin Kinley, Member of the Audit Committee

Mr. Kinley is the Chief Executive Officer of Kinley Exploration LLC and leads a team of industry experts providing professional, technical and oversight expertise to international resource companies within the upstream sector. Mr. Kinley has over 30 years of international expertise in integrated energy project management and new energy companies’ development. Mr. Kinley served as a senior executive to several exploration and production companies and oilfield service companies and is specialized in frontier resource development.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, the audit committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the board of directors of the Company.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in section 2.4 (*De Minimis Non-audit Services*), section 3.2 (*Initial Public Offerings*), section 3.4 (*Events Outside Control of Member*) or section 3.5 (*Death, Disability or Resignation of Audit Committee Member*) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemption in subsection 3.3(2) (*Controlled Companies*) or section 3.6 (*Temporary Exemption for Limited and Exceptional Circumstances*) or the exemption in section 3.8 (*Acquisition of Financial Literacy*) of NI 52-110.

Pre-Approval Policies and Procedures

The audit committee has adopted specific policies and procedures for the engagement of non-audit services. As part of these policies and procedures the chair of the audit committee is required to be notified, or pre-approval is required to be sought, for any non-audit service that exceeds a pre-determined amount per assignment. The Company's auditors are required to prepare quarterly statements for the audit committee outlining the details of any non-audit assignments undertaken during the quarter and the fees charged for such assignments.

Audit Fees

The following table sets forth the fees paid by the Company and its subsidiaries to PricewaterhouseCoopers, the current auditors, for services rendered during the financial years ended December 31, 2015 and 2014.

	<u>2015</u>	<u>2014</u>
Audit fees ⁽¹⁾	\$50,000	\$50,000
Audit-related fees ⁽²⁾	-	-
Tax fees ⁽³⁾	\$9,876	\$87,636
All other fees	<u>-</u>	<u>-</u>
Total	<u>\$59,876</u>	<u>\$137,636</u>

Notes:

- (1) The aggregate audit fees billed by the Company's auditor (or accrued).
- (2) The aggregate fees billed (or accrued) for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements which are not included under the heading "Audit Fees", including for quarterly reviews, and services in connection with a public offering of securities.
- (3) The aggregate fees billed (or accrued) for professional services rendered for tax compliance, tax advice and tax planning.

16. ADDITIONAL INFORMATION

Additional information concerning the Company may be found on SEDAR at www.sedar.com. Additional financial information is provided in the Company's financial statements and management's discussion and analysis for its most recently completed financial year ended December 31, 2015, which are available for review on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities

authorized for issuance under equity compensation plans is contained in the Company's Information Circular for the Company's Special and Annual General Meeting held July 17, 2015.

SCHEDULE “A”

AUDIT COMMITTEE AND MANDATE

A. PURPOSE

The overall purpose of the Audit Committee (the “**Committee**”) is to:

1. provide independent review and oversight of the Company’s financial reporting process, the system of internal controls and management of financial risks and the audit process, including the selection, oversight and compensation of the Company’s external auditors, subject to the Board of directors (the “**Board**”) as a whole filling a vacancy in the office of auditor;
2. assist the Board in fulfilling its responsibilities in reviewing the Company's process for monitoring compliance with laws and regulations and its own code of business conduct;
3. maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors; and
4. review the Company’s financial strategies, its financing plans and its use of the equity and debt markets.

B. COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at least three members of the Board, all of whom shall be “independent” and “financially literate” as those terms are defined in Multilateral Instrument 52-110 “Audit Committees”. In this regard, no member shall:
 - (a) other than in his or her capacity as a member of the Committee, Board or any other committee of the Board, accept directly or indirectly any consulting, advisory or other compensatory fee from the Company. The indirect acceptance of a consulting, advisory or other compensatory fee shall include acceptance of the fee by a spouse, minor child or stepchild, or child or stepchild sharing a home with the committee member, or by an entity in which such member is a partner, member or principal or occupies a similar position and which provides accounting, consulting, legal, investment banking, financial or other advisory services or any similar services to the Company;
 - (b) have been employed by the Company or any of its affiliates in the current or past two years; or
 - (c) be an affiliate of the Company or any of its subsidiaries.
2. To perform his or her role effectively, each Committee member will obtain an understanding of the responsibilities of Committee membership as well as the Company’s business, operations and risks.
3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

4. Unless the Board shall have appointed a Chair of the Committee, the members of the Committee shall elect a Chairman from among their number.
5. The secretary of the Committee shall be designated from time to time from one of the members of the Committee or, failing that, shall be the Company's corporate secretary, unless otherwise determined by the Committee.
6. The Committee shall have access to such officers and employees of the Company, its external auditors and legal counsel and to such information respecting the Company and may engage separate independent counsel and advisors at the expense of the Company, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

C. MEETINGS

1. At the request of the Chief Executive Officer ("CEO") or any member of the Committee, the Chairman will convene a meeting of the Committee and provide an agenda for such meeting.
2. Any two directors may request the Chairman to call a meeting of the Committee and may attend at such meeting or inform the Committee of a specific matter of concern to such directors, and may participate in such meeting to the extent permitted by the Chairman of the Committee.
3. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other.
4. Meetings shall be held not less than four times a year and to coincide with the reporting of quarterly financial statements. Special meetings shall be convened as required. External auditors may convene a meeting if they consider that it is necessary.
5. The Committee may invite such other persons (e.g. the CEO and/or the Chief Financial Officer ("CFO")) to its meetings, as it deems appropriate.
6. The external auditors may be present at each Committee meeting at the request of the Chairman, and be expected to comment on the financial statements in accordance with best practices. The external auditor is entitled to be present and participate at audit committee meetings whose subject is the year-end financial statements and management's discussion & analysis.
7. The proceedings of all meetings will be recorded in minutes.

D. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee shall be as follows:

1. Recommend to the Board:
 - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issuer; and
 - (b) the compensation of the external auditor.
2. Determine whether internal control recommendations made by external auditors have been implemented by management.

3. Identify areas of greatest financial risk and determine whether management is managing these effectively.
4. Review the Company's strategic and financing plans to assist the Board's understanding of the underlying financial risks and the financing alternatives.
5. Review management's plans to access the equity and debt markets and to provide the Board with advice and commentary.
6. Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
7. Review any legal matters which could significantly impact the financial statements as reported on by the Company's outside counsel and meet with outside counsel whenever deemed appropriate.
8. Review the annual and quarterly financial statements, including management's discussion and analysis and annual and interim earnings press releases before the Company publicly discloses this information, and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles, and, if appropriate, recommend to the Board that the annual and quarterly financial statements and management's discussion and analysis be included in the Company's securities filings.
9. Review and approve the financial sections of the annual report to shareholders, the annual information form, prospectuses and all other regulatory filings and public reports requiring approval by the Board, and report to the Board with respect to its review.
10. Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.
11. Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
12. Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.
13. Meet with management and the external auditors to review the annual financial statements and the results of the audit.
14. Assess the fairness of the interim financial statements and disclosures, and obtain explanations from management on whether:
 - (a) actual financial results for the interim period varied significantly from budgeted or projected results;
 - (b) generally accepted accounting principles have been consistently applied;
 - (c) there are any actual or proposed changes in accounting or financial reporting practices; and

- (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.
- 15. Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.
- 16. Review the performance of the external auditors and approve in advance provision of services other than auditing.
- 17. Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Committee will obtain from the external auditors, on an annual basis, a formal written statement delineating all relationships between the external auditors and the Company,
- 18. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.
- 19. Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately, including the results of the external auditors' review of the adequacy and effectiveness of the Company's accounting and financial controls.
- 20. Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
- 21. Obtain regular updates from management and the Company's legal counsel regarding compliance matters, as well as certificates from the CFO as to required statutory payments and bank covenant compliance and from senior operating personnel as to permit compliance.
- 22. Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- 23. If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist.
- 24. Create specific procedures for the receipt, retention and treatment of complaints regarding the Company's accounting, internal accounting controls and auditing matters. These procedures will include, among other things, provisions for the confidential treatment of complaints and anonymity for employees desiring to make submissions. Refer to the Company's Whistle Blower Policy attached to this Mandate as Appendix A.
- 25. Perform other functions as requested by the Board.