



CORO
MINING CORP.

Annual Information Form

March 30, 2012

TABLE OF CONTENTS

PRELIMINARY NOTES	1
Incorporation by Reference and Date of Information	1
Currency	1
Forward Looking Statements	1
CORPORATE STRUCTURE OF THE COMPANY.....	3
Name, Address and Incorporation.....	3
Intercorporate Relationships.....	3
GENERAL DEVELOPMENT OF THE BUSINESS.....	3
Three Year History	4
Subsequent to December 31, 2011	8
Description of the Business	8
Strategy 8	
Competitive Conditions.....	9
Environmental Considerations	9
Employees	9
Foreign Operations	9
Risk Factors	10
Mineral Properties	16
DIVIDENDS.....	28
DESCRIPTION OF CAPITAL STRUCTURE	29
MARKET FOR SECURITIES	29
Market 29	
Trading Price and Volume.....	29
ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER.....	29
DIRECTORS AND OFFICERS.....	29
Name, Occupation and Security Holdings	30
Cease Trade Orders, Bankruptcies, Penalties or Sanctions	31
Conflicts of Interest	32
LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....	32
Legal Proceedings	32
Regulatory Actions.....	33
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	33
TRANSFER AGENTS AND REGISTRARS	33
MATERIAL CONTRACTS	33
INTERESTS OF EXPERTS.....	33
Names and Interests of Experts	33
INFORMATION ON AUDIT COMMITTEE.....	34
Audit Committee Charter	34
Composition of the Audit Committee and Independence	34
Relevant Education and Experience.....	34

Audit Committee Oversight	35
Reliance on Certain Exemptions	35
Pre-Approval Policies and Procedures	35
Audit Fees.....	36
ADDITIONAL INFORMATION.....	36

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;

“**IOCG**” means iron oxide copper gold;

“**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

PRELIMINARY NOTES

Incorporation by Reference and Date of Information

The following documents of Coro Mining Corp. (“**Coro**” or the “**Company**”), which have 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**”) are specifically incorporated by reference and form a part of this annual information form (the “**AIF**”):

- (a) The report entitled “Technical Report on the Chacay Copper Project, Region III Chile” dated April 29, 2011 and prepared by Michael Easdon (the “**Chacay Technical Report**”); and
- (b) The report entitled “Preliminary Feasibility Study San Jorge 25kt/y Copper Leach Project in San Juan Province Argentina” dated March 1, 2012 and prepared by Process and Pipeline Projects S.A. (the “**Propipe PFS**”)

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, 2011 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.

CORPORATE STRUCTURE OF THE COMPANY

Name, Address and Incorporation

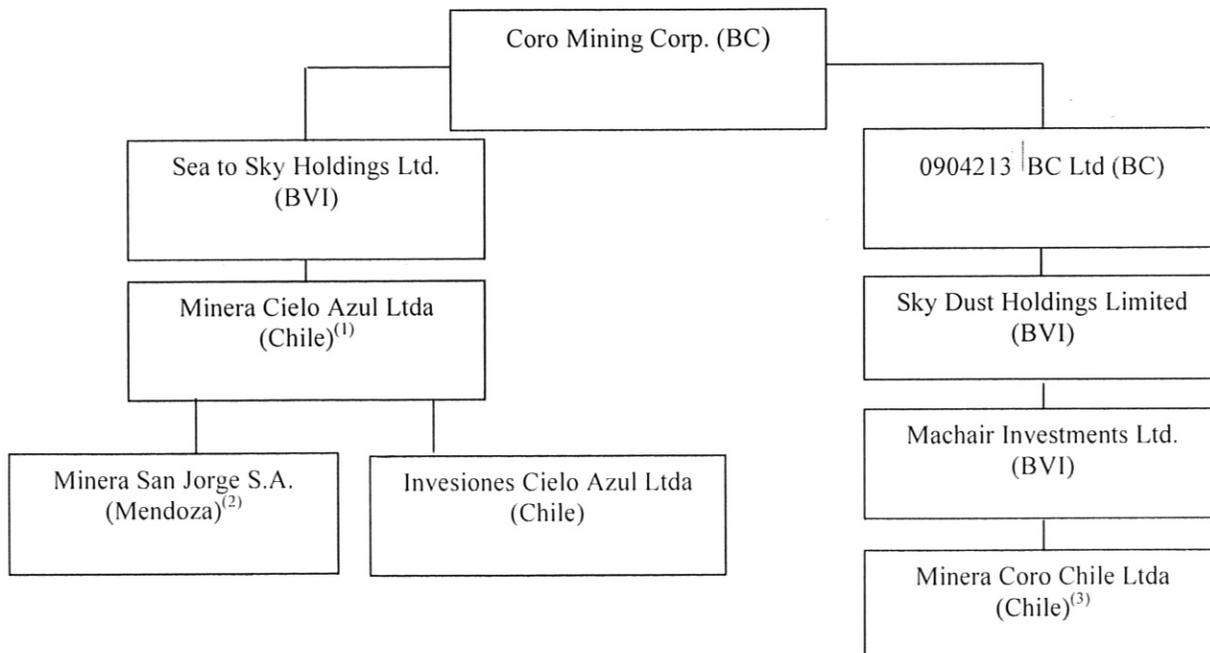
The Company was incorporated under the *Business Corporations Act* (British Columbia) on September 22, 2004 under the name of “Coro Mining Corp.”. The Company’s registered and records office is located at Suite 2610- 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1 and its head office 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, 2011, 138,268,934 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 by the Company.



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

(2) Minera San Jorge S.A. (“MSJ”) owns the San Jorge property (the “San Jorge Property”).

(3) Minera Coro Chile Ltda. (“MCCL”) holds the Berta and El Desesperado properties.

GENERAL DEVELOPMENT OF THE BUSINESS

The Company is an exploration/development stage mining company engaged in the acquisition and exploration of mineral properties located in Argentina and 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

2009

San Jorge Property

A full description of the San Jorge Property and the San Jorge Agreement can be found under the heading, "Mineral Properties".

Over the previous three years, the Company's focus has been directed towards achieving Mendoza provincial governmental approval and ratification of its Environmental Impact Study ("EIS") for a float only project at the San Jorge Property (the "**SJ Float Project**").

Prior to the conception of the SJ Float Project, the Company had proposed developing the San Jorge Property using a heap leach operation in Mendoza. However, in 2007 the Mendoza government passed legislation banning the use of certain chemicals, including sulphuric acid, in mining and made a heap leach operation in Mendoza not possible. This same legislation also required the ratification of any EIS for a float only project.

The approval process for the SJ Float Project commenced in October 2008 with the submission of the EIS to the government of Mendoza. On September 10, 2009, the National Technological University ("UTN") of Mendoza, on behalf of the Mendoza government, completed its evaluation of EIS. The report prepared by UTN stated that the EIS had satisfactorily complied with all national and provincial environmental regulations, and concluded that the SJ Float Project, if developed in full compliance with these regulations, would have a highly positive economic impact on the Province of Mendoza in general and the district of Uspallata in particular. The report also made a number of observations and recommendations with respect to the Company's future development of the SJ Float Project.

Chacay Property, Chile

In November 2009, the Company announced it had initiated a 1,000 metre reverse circulation program on its porphyry copper property. A full description of the Chacay Property can be found under the heading "Mineral Properties".

Barreal Seco Property, Chile

In February 2009, as a result of poor stock market conditions and the Company's inability to amend the underlying payment obligations for the Barreal Seco Property, the Company elected to terminate its option over the Barreal Seco Property. The Company also terminated its option over the Salvadora Property, located 19 km southwest of the Barreal Seco Property. The Company elected to retain its lease on the Celeste Property and subsequently acquired 100% ownership of the property in May 2010.

Talca Belt Properties, Chile

In April 2009, the Company drilled seven holes at the Andrea property, (the "**Andrea Property**"), which is located in the Talca region but was not subject to the Area Wide Option

Agreement (“AWO”) with Freeport McMoran Exploration Corp.(“FMEC”). The holes were designed to test a variety of targets and while vein and stockwork style mineralization was intersected in some of the holes, copper and gold values were uniformly low. The Company did not envisage that a deposit meeting its criteria was likely to be present at the Andrea Property, and decided to terminate its option in May 2009.

In July 2009, FMEC, (formerly, Phelps Dodge) elected to terminate the AWO, which includes the Phelps Dodge Data Use Agreement and returned to MCAL all the claims comprising the Talca Belt Properties. The Company has retained some of the core claims returned by FMEC to MCAL and has dropped the remainder of the claims.

Llancahue Property, Chile

As required under the terms of the AWO, in May 2009 FMEC, completed a seven hole, 1,300 meter reverse circulation drill program at the Llancahue Property. In July 2009, the Company announced that FMEC elected not to continue with its exploration of the Llancahue Property. In November 2009, the Company announced results from a six hole 1,059 meter reverse circulation drilling program to follow up on the previous drilling

Financings

In January and February 2009, the Company completed a two-tranche non-brokered private placement of 40,908,636 units for gross proceeds of C\$4,500,000. Each unit was comprised of one common share and one transferable share purchase warrant. Each warrant entitled the holder to purchase one common share of the Company for a period of two years from the date of issuance of the Warrant at a price of C\$0.18 in the first year, and a price of C\$0.20 in the second year. During 2009, approximately 10,600,000 warrants were exercised for gross proceeds to the Company of approximately C\$1,900,000.

2010

San Jorge Property, Argentina

In February 2010, the Company received confirmation that the sectoral review process had been satisfactorily completed for the SJ Float Project, a key step in the EIS process.

In July 2010, the Mendoza government notified the Company that the public hearing would take place on October 20, 2010, conditional on the Company completing and providing re-confirmatory hydrological studies as determined by the Provincial General Department of Irrigation within 45 days.

In September 2010, the Company announced the positive conclusion of the conditional program as carried out by SRK Consulting. Subsequently, the Mendoza government officially held a public hearing on October 26, 2010. The process was then turned over to the Interdisciplinary Commission for the Environmental Evaluation of Mining Project (“CEIAM”) of the Province of Mendoza, who compiled, collated and evaluated the previous work completed by the sectoral reviews, the outcome of the public hearing consultation process and the results of additional hydrological studies. The CEIAM is comprised of the various entities which completed individual sectoral reviews of the project in 2009 and 2010, together with representation of the pertinent Mendoza government ministries.

In December 2010, CEIAM recommended that the EIS be approved by the Mendoza government. Their recommendation was conditional upon the Company's subsidiary, MSJ, complying with the highest standards of environmental protection, control and monitoring prior to, and during the construction and operation of the project, including the requirement for the paste tailings deposit to be made impermeable with a liner.

Chacay Property, Chile

In January 2010, the Company successfully completed a short four-hole, 1,024 reverse circulation drilling program. In March, 2010, the Company followed up with a further five holes 1,004 metre reverse circulation drilling program. Results from the drilling program were announced on January 5, 2010, March 24, 2010 and May 4, 2010.

During June and July 2010, the Company initiated and completed a six line-kilometer Titan 24 DCIP Survey.

Celeste Property, Chile

On May 7, 2010, the Company announced that MCAL has acquired the Celeste Property, located 47 km northeast of the port of Chanaral, III Region, Republic of Chile, from Atna Resources Ltd. ("**Atna**"). The Company had previously held the Property under a lease agreement from Atna, and completed an exploration program during the period 2006 - 2007. Under the terms of the acquisition, the Company agreed to issue Atna 150,000 common shares and pay a 0.5% net smelter return royalty commencing the fifth year following commercial production. The Company also agreed to assume the underlying royalty payments to Teck Resources.

Financings

In June 2010, the Company completed a non-brokered private placement of 12,500,000 units for gross proceeds of C\$4,500,000. Each unit was comprised of one common share and one-half of a non-transferable warrant. Each whole warrant entitles the holder to purchase one Common Share of the Company for a period of two years at a price of C\$0.50 until June 2, 2011 and at a price of C\$0.65 thereafter until expiry date. Such warrants, at the Company's election were subject to accelerated expiry in the event that the Company's San Jorge Property received approval of its EIS and the market price was equal to or greater than C \$0.625 prior to June 1, 2011 or equal to or greater than C\$0.812 thereafter, for 10 consecutive days.

The Company used part of the proceeds to pay Lumina Copper a \$2,000,000 option payment due under the terms of the San Jorge Agreement (as amended) and the balance for working capital purposes.

In November 2010, the Company disposed of 5,850,000 Common shares of Valley High Ventures Ltd. ("**Valley High**") for gross proceeds of C\$6,400,000.

2011

San Jorge Property, Argentina

In February 2011, the Mendoza government approved the EIS, and the resulting Environmental Impact Declaration (the "**EID**") was submitted to the provincial legislature for ratification.

On August 25, 2011, the Company announced that the provincial legislature of Mendoza had voted against the ratification of the Company's EID. The Company announced that it was considering its alternatives to seek legal redress and compensation through the Argentinean and international courts.

In May 2011, the Company made the payment of \$4,000,000 to Lumina Copper under the terms of the San Jorge Agreement (as amended).

On September 22, 2011, Lumina Copper was acquired by Franco-Nevada Corporation (“**Franco-Nevada**”) and became the underlying owner of MSJ.

Berta Property, Chile

On June 13, 2011, the Company announced it had 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 may acquire 100% of the Berta Property for aggregate options payments of \$6,000,000 by making staged payments over three years. To date, the first \$200,000 payment has been made. Additional payments of \$800,000, \$1,500,000 and \$3,500,000 are due 12, 24 and 36 months, respectively, from the date of the Berta Option Agreement. In addition, a 1.5% net smelter royalty is payable on any sulphide copper production together with any by product metals. During 2011, the Company completed a grid geochemistry sampling program, an IP survey, initial reconnaissance mapping and expanded the property position of the Berta Property by staking.

Chacay Property, Chile

In February 2011, the Company announced the assay results from drilling program comprising eight vertical reverse circulation drill holes for a total of 2,424 m.

On August 3, 2011 the Company announced the completion of a four hole, 1,975 m diamond drilling program and released the assay results for the first two holes. The deep diamond drill hole completed at the Chacay Property indicated the presence of potentially significant primary mineralization, occurring in apparently separate gold rich and molybdenum rich zones. The copper in the chalcocite intervals of these two holes occurred largely as coatings on pyrite.

On October 12, 2011, the Company announced the assay results from the remaining two holes of the four drill hole program at the Chacay Property.

Financings and Share Dispositions

In January 2011, 16,672,727 C\$0.20 warrants were exercised for proceeds to the Company of C\$3,300,000. In February 2011, a further 10,285,455 \$0.20 warrants were exercised for proceeds of C\$2,100,000.

In February 2011, the Company disposed of 2,050,000 shares and 1,525,000 warrants of Valley High for gross proceeds of C\$5,400,000. During 2011, Valley High completed with a statutory plan of arrangement with Levon Resources Ltd. (“**Levon**”) and the Company received common shares of Levon in exchange for its common shares of Valley High. In the fourth quarter of 2011, the Company disposed of 829,900 shares of Levon for gross proceeds of C\$1,100,000.

Other Developments

In November 2011, the Company announced the appointment of Mr. Sergio Rivera as Vice President, Exploration. Prior to his position with the Company, Mr. Rivera was General Manager of Exploraciones Mineras Andinas S.A., a wholly owned subsidiary of Codelco, the world's largest copper producer, where he responsible for directing all of Codelco's exploration activities in Chile.

Subsequent to December 31, 2011

El Desesperado Property, Chile

On February 21, 2012, the Company announced it had 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 may acquire the El Desesperado Property by paying a total of \$13,000,000 over four years. In addition, the vendor will retain a 1.9% sales royalty, over which the Company has the right of first refusal.

San Jorge Property, Argentina

In March 5, 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 Propipe PFS for the new development alternative. A summary of the Propipe PFS is contained under the heading, "Mineral Properties - Propipe PFS".

Description of the Business

The Company is an exploration and development stage mining company engaged in the acquisition and exploration of mineral properties located in Argentina and Chile with the objective of identifying 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 138,268,934 shares issued and outstanding.

The Company has its registered corporate office in Vancouver, Canada. In Chile, the Company is currently exploring the Chacay Property, the Berta Property, the El Desesperado Property and other less significant properties which are 100% owned by the Company. In Argentina, the Company has the right to acquire a 100% interest in the San Jorge Property through the San Jorge Agreement (as amended).

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 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 project 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, 2011, the Company had a total of 14 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 Argentina and 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 Argentina and Chile, where the Company operates, as developing countries, 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 properties are currently located in Argentina and 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.

In addition to the risks noted above, on June 20, 2007, legislation was passed in Mendoza, which became effective on July 1, 2007, prohibiting the use of certain toxic chemicals, including sulphuric acid, in any mining activity in Mendoza. If this legislation is not modified or repealed, then it will effectively prohibit the development of mining projects which use such toxic chemicals, and could have a material adverse effect on the Company, its assets and its prospects.

The Company believes that the legislation is unconstitutional and has filed an action against the Mendoza government 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.

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 San Jorge Property, which is subject to the terms of the San Jorge Agreement (as amended), the Berta Property, which is subject to the terms of the Berta Option Agreement and the El Desesperado Property, which is subject to the terms an option agreement. To earn its 100% interest in each property, the Company is required to make certain cash option payments and/or share issuances. 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. The Company is currently renegotiating the terms of the San Jorge Agreement with Franco-Nevada but there is assurance that such negotiations will result in a binding agreement.

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 2011, 2009 and 2008, 2007. The Company expects to incur losses, and will likely incur increased losses, for the foreseeable future.

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.

Mineral Properties

In Argentina, the Company has an option to acquire a 100% interest in the San Jorge Property. In Chile, the Company currently owns 100% interest in the Llancahue Property, the Pocillas Property, the Gloria Property and the Celeste Property. The Company has options to acquire the El Tapao Property, the Berta Property and the El Desesperado Property.

The Company has two material properties, the San Jorge Property located in Argentina and the Chacay Property in Chile.

Description of the San Jorge Agreement and Amendments

The Company acquired its interest in the San Jorge Property pursuant to an agreement dated August 9, 2006 (and supplemented by a side letter as of the same date) (“the **San Jorge Agreement**”) among the Company, the Company's wholly owned subsidiary, Minera Cielo Azul Ltda (“**MCAL**”), Global Copper Corporation (“**Global**”) and Minera Global Copper Chile S.A. (“**Minera Global**”).

Pursuant to the San Jorge Agreement, Minera Global agreed to transfer all of the outstanding shares of Minera San Jorge S.A. (“**MSJ**”), the holder of the San Jorge Property, to MCAL. In exchange for the shares of MSJ, the Company agreed to pay a purchase price of an aggregate of \$1,000,000 and issue to Global an aggregate of 1,000,000 common shares over two years (completed). The Company also agreed to make additional payments to Global upon completion of a feasibility study on either the sulphide copper resources or the heap leachable copper resources based on the amount of copper resources delineated in such reports. The Company agreed to complete a feasibility study on the heap leachable copper reserves no later than February 8, 2009. In the event the Company failed to make any required payments under the San Jorge Agreement, it agreed to transfer the shares of MSJ back to Minera Global.

On October 18, 2006, the parties entered into an amendment to the San Jorge Agreement (the “**First Amendment**”) wherein they agreed to extend certain of the dates for the share issuances and completion of the leach feasibility study.

On June 12, 2008, the parties entered into a further amendment to the San Jorge Agreement (the “**Second Amendment**”) wherein the requirement to deliver the leach feasibility study was removed and the schedule of payments was further amended.

On August 1, 2008, Global's ownership of Minera Global was transferred to Lumina Copper Corp. (“**Lumina Copper**”).

On January 20, 2009, Lumina Copper, Minera Global, the Company and MCAL entered into a third amendment to the San Jorge Agreement (the “**Third Amendment**”). Pursuant to the Third Amendment, the Company agreed to pay Lumina Copper an aggregate of \$11,500,000 on or before May 12, 2012 (\$6,500,000 of which has been paid) and, on or before May 13, 2013 to make an additional payment of \$5,000,000, less the aggregate deemed price of the 1,000,000 common shares of the Company previously issued under the terms of the San Jorge Agreement.

The Company also agreed to pay Lumina Copper a net smelter production royalty of 1.5% on all products other than copper produced at the San Jorge Property.

On February 29, 2012, the Company announced it had signed a non-binding letter of intent (the “**Letter of Intent**”) with Franco-Nevada, the successor to Lumina Copper, to further amend the terms of the San Jorge Agreement.

Pursuant to the Letter of Intent, in order for the Company to acquire 100% of the San Jorge Property (through the acquisition of MSJ), the Company must make option payments of \$1,250,000 million per year, for 10 years, payable quarterly, commencing March 31, 2012. The Company may at any time, prepay the outstanding amount with a one-time payment equal to the net present value of the future payments, using a 5% discount rate. The Company also agreed to pay Franco-Nevada a 7.5% net smelter return royalty on all gold produced from the property. Any option payments are not payable when exceeded by the required net smelter return royalty for the applicable period. No other consideration, obligations, payments, or royalties are payable to Franco-Nevada under the amended terms. The Company is currently in the process of finalizing an amended agreement incorporating these terms with Franco-Nevada.

To satisfy the reporting requirements of National Instrument 51-102F2 with respect to the Company’s material mineral projects, the Company has opted, as allowed by this instrument, to reproduce the summaries from the Propipe PFS and the Chacay Technical Report.

Propipe PFS

The following information in this section is summarized or extracted from the Propipe PFS, which was prepared by Propipe 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 Propipe PFS, 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 Propipe PFS which is available for review on the SEDAR website at www.sedar.com.

The effective date of the Propipe PFS is March 1, 2012.

MCAL a 100% owned subsidiary of the Company, commissioned Process and Pipeline Projects S.A. (“**Propipe**”) to provide a technical report for the San Jorge Copper Project (the “**Project**”). Mr Sergio Alvarado, BSc (Hons.) Geology, member of Canada Institute of Mining (CIM), The Chilean Mining Commission (CMC) and The Chilean Mining Engineers Institute (IIMCh), was responsible for the overall preparation of the Propipe PFS as defined in National Instrument 43-10- and in compliance with Form 43-101F1.

The various parties responsible for supplying data and other information for the report are as follows:

- Rodrigo de Brito Mello, FausIMM (Consulting Geologist, RBM Ltda) served as the Qualified Person for those parts of the technical report relating to geology and resource estimation. Mr. Mello completed a site visit from October 22 -26 2007.
- Eduardo Rosselot, Mining Engineer, Chartered Engineer (CEng) Engineering Council UK, Professional Member of Institute of Materials, Minerals and Mining (IMMM) UK, Professional Member of Colegio de Ingenieros de Chile, was responsible for the section relating to mining (Chapter 18). Mr. Rosselot visited the property in January 2012.

- Enrique Quiroga, Mining Engineer, member of Engineering School (Chile) and The Chilean Mining Commission, was responsible for those sections relating to process design, engineering and cost estimation. Mr Quiroga visited the property in September 2011.
- Jaime Simpson, employed by Propipe as Technical and D&R Manager, was responsible for metallurgical process, engineering input, capital and operational cost estimate for plant. Mr Simpson visited the property in January 2011.
- Victor Araya, employed by Propipe as Project Director, was responsible for infrastructure capital estimate and undertaking cash flow analysis.
- Heriban Soto, MSc, PhD, CIM & AusIMM, and Technical Director from SGS was responsible for supervising the metallurgical testwork and reporting.

Collectively, Sergio Alvarado, Rodrigo de Brito Mello, Eduardo Rosselot, Heriban Soto and Enrique Quiroga are the Qualified Persons for purposes of National Instrument 43-101.

The San Jorge Property was previously reviewed by AMEC in 2003 for Lumina Copper Corporation (“**Lumina**”) and in 2006 and 2007, for Coro. NCL Ingeniería y Construcción (“**NCL**”) also reported an update of AMEC 2007 report in February 2008.

In May 2008 Ausenco reported, based on NCL’s 2008 report, a resource model that included a new geological model and mineral resource estimate using data available up to October 23, 2007. The Propipe PFS considers and revises mining, geotechnical, hydrological and hydrogeological studies, metallurgical test work, plant and infrastructure preliminary design and capital and operational cost estimation that were reported by Ausenco in their National Instrument 43-101 Prefeasibility Standard Study Report of May 2008.

The San Jorge Property is located in west-central Argentina approximately 110 km northwest of the provincial city of Mendoza and 250 km northeast of Santiago, Chile. Copper mineralization was first recognized on the San Jorge property in the early 1960s. The property comprises two separate areas consisting of a combined ten mining concessions and 54 mining estacas that are owned by Franco Nevada and which are optioned to Coro. These concessions and estacas cover a total of 10,500 hectares. On August 10th 2006, Coro entered into an agreement to acquire a 100% interest in the San Jorge Property.

From the 1960s to date the property had been explored by the following companies:

Table 1.1: Summary of the San Jorge Exploration History

Year	Company	Activity
Early 1960s	Valeziano Martinez	Pitting and general reconnaissance.
1964-1968	Minera Aguilar S.A	Mapping Pits, cuts + shafts (168.9 m) Trenching -9 trenches trending NW over 949 m with 397 samples Geophysics – I.P. (21 line km) Diamond drilling -32 drill holes (4900 m).
Early 1970s	Exploraciones Falconbridge Argentina S.A	Detailed mapping Re-interpretation of the Aguilar IP and United Nations regional geophysics Diamond drilling – 4 drill holes (848 m) Metallurgical testing.
1992-1994	Recursos Americanos Argentinos S.A.	Mapping and surface sampling Re-interpretation of existing I.P. data RC drilling – 43 drill holes (5359 m) Diamond drilling – 2 drill hole (165 m) Metallurgical testing Preliminary scoping study (MRDI, 1993).

1994-1996	Grupo Minero Aconcagua S.A. and Recursos Americanos Argentinos S.A.	Surface mapping Geophysics -I.P. (17.6 km), gravity (2.3 km) Trenching -selected re-sampling of the Aguilar trenches Diamond drilling -18 drill holes (5672 m) Metallurgical testing.
1996-1998	Grupo Minero Aconcagua S.A.	RC drilling -19 drill holes (3,323 m) Geophysics – I.P., TEM and Ground Magnetics (?) Resource estimates (Simmerman 1996, Cobre Mantua, 1998) Hydrological studies (WMC 1996, Hydro-Search Inc 1996) Environmental studies (Vector 1997, Dames and Moore 1997) Sulfur scoping report (Ruckmick and Roney, 1996) Initial feasibility study (Fluor Daniel and Wright Ltd., 1997) Mining quote (Henry Walker Ltd., 1997).
2006-Present	Coro Mining Group	74 Diamond Drill Holes (12417.4 m). Resource Estimates (NCL 2007, 2008), PFS Oxide Project (Ausenco 2008), PEA Sulphide Project (Minproc 2008), Environmental Impact Study Sulphide Project (Vector 2009)

In June 2008, a National Instrument 43-101 compliant preliminary assessment technical report was completed by Minproc for processing, via conventional flotation and concentration methods, 10 million tons per year of San Jorge enriched and primary ores. The Environmental Impact Assessment (“EIA”) process started in September of the same year and finished in February 2011 with the provincial government EIA granting approval of the EIA; however, its ratification was rejected by the lower chamber of the Mendoza Provincial Legislature in August 2011, as a result of intense pressure from environmental groups during the 2011 elections.

The Propipe PFS is based on the outcomes of an engineering study completed in 2008 by Ausenco, and revised and updated by Propipe in 2011 to pre-feasibility standards. The Propipe PFS includes the resources, open pit mine plan, operating and capital costs and financial analysis for the leach project which describes the production of up 55 million lbs per year of copper cathode for a period of 10 years. It is a comprehensive study of the viability of the project that has advanced to a stage where the mining method has been established and an effective method of mineral processing has been determined, and includes a financial analysis based on reasonable assumptions of technical, engineering, legal, operating, economic, social, and environmental factors and the evaluation of other relevant factors which are sufficient to determine if all or part of the mineral resource may be classified as a mineral reserve; however, due to current legislation in the Province of Mendoza which prohibits the use sulfuric acid, which is required in heap leaching of copper ore, and according to CIM Standards on Mineral Resources and Reserves, Coro was unable to quote mineral reserves for the Project. In an effort to resolve the ban on use of sulfuric acid in Mendoza, this study report shows that a potentially viable project can be achieved by a constructing an SXEW heap leach plant outside of Mendoza at a distance of 22 km in the pro-mining province of San Juan. Several mines such as Intrepid Mines’ Casposo, Yamana Gold’s Gualcamayo, and Barrick’s Veladero are in production in San Juan, and some giant projects are in development such as Barrick’s Pascua Lama and Xtrata’s Pachón. Coro and Propipe have received a legal opinion that there should be no legal impediment to the transport of the ore between Mendoza and San Juan; and as a result, this study qualifies as a preliminary feasibility study as CIM standard defined in National Instrument 43-101.

Highlights

The primary assessment criterion of project viability was determined by specific calculations of the Net Present Value (“NPV”) and Internal Rate of Return (“IRR”) using project cash flows

and Base Case at a constant 2.80 \$/lb copper price over the life of mine. The following summarize the outcomes of this report:

- Measured and Indicated Resources of oxide and enriched material of 58 million tonnes at 0.59% CuT containing 342,600 tonnes (750 million lbs) of copper
- Proven and Probable Mineral Reserves of oxide and enriched ores of 48 million tonnes at 0.61% CuT containing 294,600 tonnes (650 million lbs) of copper
- Mine life: 10 years
- Total copper production: 223,400 tonnes (492 million lbs)
- Copper price: \$2.80/lb, flat
- Average cash operating costs in years 1 to 5: \$1.26/lb Cu
- Stand-alone acid plant generating Project acid requirements and contributing to power requirements
- Initial capital costs: \$184.5 million (with an accuracy of +/- 25%, including \$5 million in project contingency, \$15 million in other provisions and \$8.2 million in working capital)
- Pre-tax NPV(10%): \$259.5 million, IRR: 41%
- After tax NPV(10%): \$132.7 million, IRR: 29%
- Copper recovery sensitivity (+/-10%): NPV(10%): +/- \$48.6 million, IRR: +/- 6.8%
- Operating cost sensitivity (+/-10%): NPV(10%): +/- \$23.4 million, IRR: +/- 3.4%
- Capital cost sensitivity (+/-10%): NPV(10%): +/- \$12.6 million, IRR: +/- 3.5%
- Sulphur price sensitivity (+/-10%): NPV(10%): +/- \$2.6 million, IRR: +/- 0.4%
- Copper price sensitivity:

Copper Price \$/lb	1.96	2.24	2.52	2.80	3.08	3.36	3.64
NPV@10% million \$	-19.2	33.0	83.3	132.7	181.6	230.3	279.0
IRR	7.0%	15.0%	22.4%	29.3%	35.8%	42.0%	48.2%

Mineral Resources

San Jorge is a mid-sized porphyry copper gold deposit, containing oxide, enriched, and primary mineralization. Resources types are: Oxide material, which can only be processed by heap leach methods; Enriched material, which could be processed by heap leach or flotation; and Primary material which can only be processed by flotation methods.

Table 1.2: San Jorge Mineral Resources Measure & Indicated (at 0.30% CuT cut-off)

Domain	Category	Million tonnes (Mt)	Cut (%)	Au (g/t)	CuT Metal (Mlb)	Au (Mozs)
Oxide	Measured	19	0.59	0.23	250	0.15
Oxide	Indicated	13	0.46	0.20	130	0.80
Oxide	Measured + Indicated	32	0.53	0.22	380	0.23
Enriched	Measured	24	0.67	0.21	360	0.17
Enriched	Indicated	1.6	0.47	0.20	17	0.01
Enriched	Measured + Indicated	26	0.65	0.21	370	0.18
Primary	Measured	36	0.49	0.23	390	0.27
Primary	Indicated	100	0.41	0.18	910	0.58
Primary	Measured + Indicated	136	0.43	0.19	1,300	0.85
Totals	Measured + Indicated	190	0.48	0.21	2,000	1.30

The gold and the primary resources would not be recoverable in the leach project, and, therefore, only the leachable oxide and enriched copper resources within an economic envelope of 1.50 \$/lb copper are shown in Table 1.3

Table 1.3: San Jorge Project Mineral Resources within an Economic Envelope, Based on a Price of 1.50 \$/lb Copper, at 0,30% CuT cut-off

Domain	Category	Tonnage (Ktons)	CuT (%)	CuT Metal (klb)	Au (g/t)	Au Metal (koz)
Oxide	Measured	19,395	0.59	250,481	0.23	147
Oxide	Indicated	12,538	0.46	126,337	0.20	80
Oxide	Measures + Indicated	31,933	0.54	376,818	0.22	226
Oxide	Inferred	445	0.39	3,834	0.16	2
Enriched	Measured	24,315	0.67	356,763	0.21	167
Enriched	Indicated	1,539	0.46	15,549	0.21	10
Enriched	Measured + Indicated	25,854	0.65	372,312	0.21	177
Enriched	Inferred	70	0.42	647	0.18	0
Total Oxide+ Enriched	Measured	43,710	0.63	607,243	0.22	313
Total Oxide+ Enriched	Indicated	14,077	0.46	141,887	0.20	90
Total Oxide+ Enriched	Measured + Indicated	57,787	0.59	749.130	0.22	403
Total Oxide+ Enriched	Inferred	515	0.39	4,481	0.17	3
Primary	Measured	35,808	0.49	389,789	0.24	627
Primary	Indicated	90,013	0.41	820,658	0.19	180
Primary	Measured + Indicated	125,821	0.44	1,210,448	0.20	807
Primary	Inferred	10,720	0.38	90,698	0.16	6
Grand Total	Measured	79,518	0.57	997,033	0.22	584
Grand Total	Indicated	104,091	0.42	962,545	0.19	626
Grand Total	Measured + Indicated	183,608	0.48	1,959,578	0.21	1211
Grand Total	Inferred	11,235	0.38	95,179	0.16	59

Mineral Reserves

As explained in chapter 18.3.2 of the Propipe PFS, in the technical report developed by Ausenco in May 2008, according to CIM Standards on Mineral Resources and Reserves, NCL was unable to quote mineral reserves for the Project due to the current legislation in the Province of Mendoza which prohibits the use of toxic substances (including sulfuric acid which is required in heap leaching of copper ore).

In an effort to resolve the issue of the ban on use of sulfuric acid in Mendoza, the Propipe PFS shows that a viable project can be achieved by constructing an SX/EW heap leach plant outside of the province of Mendoza at a distance of 20 km in the pro-mining province of San Juan. According to Coro's legal opinion, there is no legal impediment to transport ore between the provinces of Mendoza and San Juan, or to implement a heap leach, SX/EW process plant in the province of San Juan. Therefore, relying in Coro's legal opinion, NCL is now able to report mineral reserves under CIM Standards on mineral reserves for the Project.

Mineable reserves were determined based on the final pit described in the Propipe PFS, which were categorized according to the CIM Standards on Mineral Reserves. A marginal cut-off grade of 0.15% CuT was calculated for oxides and 0.18% CuT for enriched.

The mine plan was developed using the threshold values defined for the optimization runs (0.3% for the oxides and 0.2% CuT for enriched), aiming for a better use of the SX/EW capacity and improving the cash flow in the initial years.

The overall mineral reserves contained in the mine plan developed by NCL are 48.4 million tonnes, with an average grade of 0.61% CuT. The mineral reserves are categorized as 83% proven and 17% probable of which 55% is oxide and 45% is enriched as is set out in the following. The Inferred resources are currently considered as waste.

The following table shows the mineral reserves by category and ore type:

Table 1.4 San Jorge Project Mineral Reserves By Category and Ore Type

Ore Type	COG %	Proven			Probable			Total			% of Tonnage
		kt	CuT %	CuS %	kt	CuT %	CuS %	kt	CuT %	CuS %	
Oxide	0.3	18,433	0.60	0.47	7,985	0.50	0.39	26,418	0.57	0.44	55%
Enriched	0.2	21,583	0.66	0.13	389	0.47	0.09	21,972	0.66	0.12929	45%
Total		40,016	0.63	0.28	8,374	0.50	0.37	48,390	0.61	0.30	100%
% of Tonnage		83%			0.17%			100%			

Mining, Processing and Production Plant

The Project is based on an open pit mine to extract oxide and enriched material, which will be transported to San Juan for their processing by heap leach methods, (including bacterial leaching for the enriched material) and recovery of cathode copper via solvent extraction and electro-winning (SX/EW) together with an on-site sulfur burning acid plant. Overall mineral reserves are

48.4 million tonnes, with an average grade of 0.61% CuT of which 55% is oxide and 45% is enriched. The Inferred resources were considered as waste.

The mine plan was driven by two factors. Firstly, to process up to a maximum of 6.3 million tons per year in the crushing plant; and secondly, to minimize the overall strip ratio especially in the early years. This plan to place a total of 48.4 million tons of oxide and enriched ore on to heap leach pads to prepare a processing plan for the production of up to 25 000 tons per year of copper cathodes during the LOM is set out in Table 1.4.

Table 1.5 San Jorge - Mine, Plant Processing and Production Plan

San Jorge 25kt/u Copper Leach project in San Juan Argentina		2015 1	2016 2	2017 3	2018 4	2019 5	2020 6	2021 7	2022 8	2023 9	2024 10	Total
Mine Extraction	Oxide kt	6,000	5,000	5,002	2,891	2,048	2,758	2,182	537	COG 0.3 CuT%		26,418
	Enriched kt	1,593	1,586	2,073	2,014	2,104	3,858	6,342	2,401	COG 0.3 CuT%		21,971
	Total Ore kt	7,593	6,586	7,075	4,905	4,152	6,616	8,524	2,938			48,389
	Waste kt	6,772	4,927	4,511	6,420	6,848	4,384	2,475	738			37,075
	Strip Ratio	0.89	0.75	0.64	1.31	1.65	0.66	0.29	0.25			0.77
Plant Feed	Oxide kt	5,868	5,132	4,466	2,891	2,584	2,758	2,182	537	0	0	26,418
	CuT%	0.50	0.55	0.66	0.76	0.46	0.44	0.54	0.98	0.00	0.00	
	Enriched kt	0	0	0	2,068	3,716	3,542	3,050	1,834	5,680	2,082	21,972
	CuT%	0.00	0.00	0.00	0.44	0.47	0.52	0.70	1.60	0.63	0.63	
	Total Ore kt	5,868	5,132	4,466	4,598	6,300	6,300	5,232	2,371	5,680	2,082	48,390
Production	Avg Recovery %	85.0	85.0	85.0	79.48	73.84	73.7	73.0	69.15	66.3	66.3	
	Acid Cons Kg/t	21.1	22.7	31.4	26.2	17.9	18.5	22.4	40.6	17.6	17.6	22.5
	Copper Cathodes t	24,999	24,129	24,997	24,661	21,532	22,547	24,215	23,916	23,684	8,683	223,363
	Cash Cost US\$/lb	1.25	1.22	1.13	1.22	1.47	1.38	1.21	0.91	1.44	1.79	1.26

The overall LOM strip ratio is relatively low at 0.77:1. The strip ratio peaks at 1.65 in the fifth year with a minimum strip ratio of 0.25 in year eight.

All aspects related to mining and mine planning in the current study correspond to an unchanged version of the work carried out by NCL Ingenieria y Construccion Ltda in the context of the technical report developed by Ausenco in May 2008.

Since Ausenco's prefeasibility study was published in May 2008, the economic parameters concerning operating costs and copper price have changed significantly. The operating costs have increased due to escalation of labour cost, diesel, power, consumables and materials, plus the additional transport cost resulting of the currently proposed location of the process plant 22 km away from the mine. At the same time, the copper prices have also increased significantly, compensating the upward trend of the operating cost.

The technical parameters of the project remained unchanged compared to Ausenco's study, except for the location of the Heap Leach operation which has been moved 22km away from the mine, as mentioned above.

Due to the above changes on the economic parameters, NCL carried out an analysis of the validity of the open pit design and mine plan reported in Ausenco's May 2008 Study, and concluded that all those elements are valid under the conditions of the current study. The main conclusions of the analysis is that the increases on the operating costs are offset by the increase

on the copper price, to the extent that the selected pit from a whittle exercise run using the current parameters is virtually identical to the pit selected on the 2008 Study.

The selected sequence preferentially extracted oxide ore early in the mine life, delaying the mining and processing of the enriched ore which had slower leach kinetics, as well as deferring project capital. The production plan contains 223,400 tons of recoverable copper cathode.

A total of seventeen 4 & 6 m column tests were completed at SGS Laboratories, Santiago, Chile in 2008. The metallurgical parameters were validated by Propipe from a diffusion controlled leaching model developed by Ausenco in 2008. That model used a scale-up factor of 1.5 and derivation of the projected leach cycle of 115 days for oxides and 150 days for enriched, average acid consumptions of 26.1 kg/t for oxides and 18.3 kg/t for enriched, and recoveries of 85% of total copper for oxides and 66.3% of total copper for enriched.

Operating cost estimates were updated by Propipe and reflect the market environment in Argentina (Q4 2011) for owner mining, crushing, agglomeration, transport and stacking of ore, acid production from a sulfur burning acid plant, cathode production by solvent extraction and electro-winning, and cathode transportation.

After a series of trade off studies of the various power and acid supply alternatives, it was concluded that current and projected sulfuric acid shortages were best addressed by the inclusion of a 140,000 ton per year on-site sulfur burning acid plant. The acid and co-gen power plant was estimated to have a capital cost of \$23 million. The acid plant was sized to provide the projected sulfuric acid requirements for the operation, and approximately half of the 10 MW required project power. The rest of the power will be supplied from the Argentinean grid in Calingasta located 93 km to the north of the Leaching Plant in San Juan province.

Trade off studies were also performed to determine the most cost efficient way of hauling ore from the mine site to the leaching process plant in San Juan. Trucking, Conveyor and Rail were studied, with the lowest operational cost and optimal technical alternative being a 22 km Railway with 3000 HP locomotive and 42 wagons of 58 ton each.

Water will be supplied by a 20 km pipeline from El Tigre stream, located in Yalguaraz Ranch owned by Minera San Jorge.

Operating Costs

All operating costs associated with ore transportation to San Juan, and acid production plant, were included in the plant operating costs, as shown in Table 1.6

Table 1.6: San Jorge -Annual Operating Costs

Cash Cost Summary San Jorge 25kt/u Copper Leach Project in San Juan Argentina		2015 1	2016 2	2017 3	2018 4	2019 5	2020 6	2021 7	2022 8	2023 9	2024 10	Total
Mine	\$k	23,425	22,037	21,792	22,519	22,876	21,931	20,410	12,494	9,153	4,165	180,802
	\$/t ore	3.99	4.29	4.88	4.54	3.63	3.48	3.90	5.27	1.61	2.00	3.74
	\$/kg Cu	0.94	0.91	0.87	0.91	1.06	0.97	0.84	0.52	0.39	0.48	0.81
	c/lb	42.50	41.43	39.54	41.42	48.19	44.12	38.23	23.70	17.53	21.76	36.72
	\$/t Mov	1.63	1.89	1.88	1.98	1.74	1.99	1.86	3.40	1.61	2.00	1.89
Plant	\$k	35,938	33,085	31,023	34,389	37,236	37,233	34,638	25,778	56,343	20,590	346,253
	\$/t ore	6.12	6.45	6.95	6.94	5.91	5.91	6.62	10.87	9.92	9.89	7.16
	\$/kg Cu	1.44	1.37	1.24	1.39	1.73	1.65	1.43	1.08	2.38	2.37	1.55
	c/lb	65.21	62.20	56.29	63.25	78.44	74.90	64.89	48.89	107.91	107.56	70.32
G& A	\$k	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	9,570	95,697
	\$/t ore	1.63	1.86	2.14	1.93	1.52	1.52	1.83	4.04	1.68	4.60	1.98
	\$/kg Cu	0.38	0.40	0.38	0.39	0.44	0.42	0.40	0.40	0.40	1.10	0.43
	c/lb	17.36	17.99	17.36	17.60	20.16	19.25	17.93	18.15	18.33	49.99	19.43
Total	\$k	68,933	64,692	62,385	66,478	69,681	68,733	64,619	47,841	75,065	34,325	622,752
	c/lb	125.1	121.6	113.2	122.3	146.8	138.3	121.0	90.7	143.8	179.3	126.5

Capital Costs

Initial capital costs, including mining fleet and transport costs, owner costs, working capital, and contingencies, were estimated by Propipe at \$184.5 million, as set out in Table 1.7.

Table 1.7: San Jorge Capital Cost Estimate

San Jorge 25kt/y leach project in San Juan - Initial Capital Expenditure	\$'000	\$'000
10: Mining		22,050
20: Process		49,997
40: Utilities & Reagents		2,089
50: Onsite Infrastructure		6,549
60: Offsite Infrastructure (Incl' Acid Plant and Ore Transport to San Juan)		64,094
65_Acid and co-generation Plant	23598	
66_Ore Railway transport to San Juan	23510	
60: Indirects		12,479
80: Owners Costs		6,763
90: Other		20,478
94_Working Capital	8182	
95_Contingency	5000	
Grand Total		184,499

An additional \$17 million in capital will be expended over the life of the project as deferred, sustaining and closure costs. The capital cost estimate excluded losses or gains that may arise from foreign exchange rate variations, cost escalation, and other factors, as detailed in this report.

Financial Analysis

The Project was evaluated on both a pre-tax basis and after all taxes, including export levy and provincial royalty. The Base Case operating cash flow peaks at \$76 million in the 2nd year with a minimum cash flow of \$23 million in the 10th year, which is the last operating period, as shown in Table 1.8.

Table 1.8: Summary Cash Flow Analysis (Base Case)

San Jorge 25kt/y Copper Leach Project in San Juan Argentina	2014 0	2015 1	2016 2	2017 3	2018 4	2019 5	2020 6	2021 7	2022 8	2023 9	2024 10	Total
Revenues	0	154	149	154	152	133	139	149	148	146	54	1379
Operating Cost	0	69	65	62	66	70	69	65	48	75	34	623
Operating Cash Flows	0	85	84	92	86	63	70	85	100	71	19	756
Initial Capital Investment	176.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	176
Deferred Capital Investment	0.0	2.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	5.2	17
Working Capital	8.2	-0.5	-0.3	0.5	0.4	-0.1	-0.5	-2.0	3.2	-4.8	-4.1	0
VAT Effect	0.0	10.6	-0.9	-0.5	0.9	0.7	-0.2	-0.9	-3.1	6.0	-12.6	0
Export Tax	0.0	5.2	5.1	5.2	5.2	4.5	4.7	5.1	5.0	5.0	1.8	47
Provincial Tax	0.0	3.1	3.0	3.3	3.1	2.4	2.6	3.0	3.2	2.3	0.6	27
Taxes	0.0	0.0	0.0	15.4	26.2	18.7	21.4	26.3	31.5	21.7	5.4	167
Cash Flow After Tax	-184	65	76	67	49	36	41	52	59	40	23	322

Table 1.9 provides a summary of the Base Case economic evaluation at discount rates of 8% and 10% for NPV and IRR.

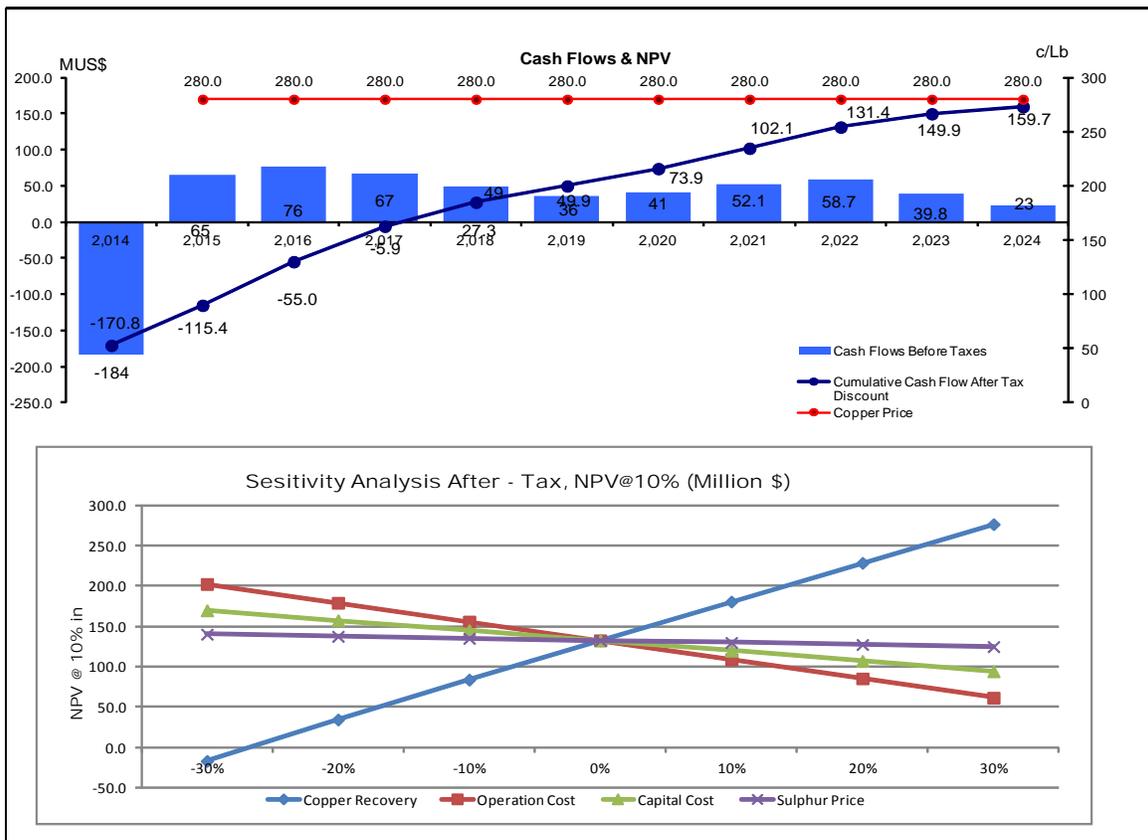
Table 1.9: San Jorge Economic Evaluation Summary

Economic Evaluation Summary				
Values in Million	Total	Discount Rate	8%	10%
Revenues	1379	Pre Tax Project NPV IRR%		
Costs	623		302.4	259.5
Operating Cash Flows	756		41.3	41.3
Initial Capital Investment	176			
Deferred Capital Investment	17			
Working Capital	0			
VAT Effect	0	After Project NPV IRR%	159.7	132.7
Export Tax	47		29.3	29.3
Provincial Tax	27			
Taxes	167			
Pre-Financing Cash Flow	322		Payback (years)	3

Table 1.10: San Jorge Economic Evaluation – Sensitivity Analysis After-Tax NPV@10% in million \$

San Jorge 25kt/y Copper Leach Project in San Juan Argentina	Sensitivity Analysis After - Tax, NPV@ 10% (Million \$)						
	-30%	-20%	-10%	0%	10%	20%	30%
Copper Price	-19.2	33.0	83.3	132.7	181.6	230.3	279.0
Copper Recovery	-16.6	34.7	84.1	132.7	180.8	228.7	276.6
Operation Cost	202.6	179.4	156.1	132.7	109.2	85.6	61.8
Capital Cost	169.8	157.5	145.2	132.7	120.0	107.3	94.4
Sulphur Price	140.4	137.8	135.3	132.7	130.1	127.6	125.0

Figure 1.11: Economic Evaluation Summary: Cash Flow & NPV – Sensitivity Graphs



Chacay Technical Report

The following information in this section is summarized or extracted from the Chacay Technical Report, which was prepared by Michael Easdon 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 San Jorge Technical Report, 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 Chacay Technical Report which is available for review on the SEDAR website at www.sedar.com.

The effective date of the Chacay Technical Report is April 27, 2011.

MCAL is the 100% owner of the Chacay Property, subject to a 2% net profits interest due First Quantum Mineral Ltd (“FQM”) which in 2005 sold MCAL and all of its Chilean assets, to the Company. Coro plans to explore the Chacay Property with the intention of developing a potentially economic and viable mining operation; however there are no guarantees that this potential will be realized. To date, MCAL has spent an estimated \$822,000 at the Chacay Property, excluding office and administration costs.

MCAL acquired the Chacay Property (comprising 19 contiguous concessions located approximately 50 km east of the town of Vallenar, Region III) when it was a subsidiary of FQM. MCAL mapped, sampled, and drilled 7 (1,366 m) reverse circulation holes.

The Company, through MCAL, drilled an additional 9 (2,026 metre) reverse circulation holes at the Chacay Property in two separate campaigns during November, 2009 and February, 2010. A third campaign of 8 (2,424 m) reverse circulation holes was completed by MCAL between December 2010 and January 2011. A total of 5,171 m was previously drilled at the Chacay Property by at least three different companies prior to its acquisition by MCAL (then owned by FQM) in 2004. Only minor data were made available to MCAL for the results which were generated at the Chacay Property by the other mining companies. The work that MCAL has conducted at the Chacay Property has been designed to explore for copper mineralization and to assist in the systematic development of drill targets which may lead to the development of a potential resource at the Chacay Property.

The Chacay Property comprises a Paleogene age, relatively high level, copper porphyry target which is underlain by structurally controlled quartz feldspar, dacitic and diorite porphyries which intrude andesitic volcanics of the Upper Cretaceous-Paleogene Hornitos Formation. The highly sericitically altered, variably limonite stained, and supergene leached, porphyries which outcrop over a 1,400 x 1600 m² area are bounded by propylitic alteration. The northwesterly trending alteration zone extends for approximately 3,500 m. The principal outcropping alteration and geochemically anomalous mineralization occurs at the Cerro Colorado hill (Nacho Zone) at an elevation of approximately 2,800 – 2,900 m and approximately 300 m above the valley floor.

The drilling that has been performed by MCAL has served to define a partially oxidized, supergene enriched, copper blanket developed approximately 100 - 200 m below the surface at the Nacho Zone. The lower limit of the approximately 20 m to +200 m thick supergene enriched blanket, the top of which lies at an elevation of approximately 2,600 m, is underlain by lower grade primary sulphide (pyrite, chalcopyrite) mineralization. The best supergene enriched interval that the drilling has returned to date is 202 m grading 0.55% Cu (between 80 – 282 m depth) in drill hole CHC-RG-17.

The geophysics that has been performed to date (magnetics and deep searching direct current induced potential) has indicated the potential for primary sulphide bearing targets at depth at the Nacho and other zones. The drilling that has been performed to date has confirmed this potential with drill hole CHC-RC-17 returning 30 m grading 0.24% copper, which interval comprises predominantly primary sulphides.

The author of the Chacay Technical Report reviewed the proposed staged 2011 exploration programs and budgets, and considered that the Chacay Property continued to be of merit and warrants continuing exploration. MCAL has prepared a two phase exploration budget for the Chacay Property that provides for fieldwork, management and administration to the end of 2011. Phase I, to comprise 2,000 m of diamond drilling in four holes, is estimated to cost \$845,000. Phase II, to comprise 21,000 m of reverse circulation drilling in 70 holes, is estimated to cost \$2,820,000.

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.

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, 2011, 138,268,934 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.

MARKET FOR SECURITIES

Market

The common shares of the Company are listed and posted for trading on the Exchange 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, 2011. 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 2011.

Month	High \$	Low \$	Volume
January	1.21	0.95	3,871,500
February	1.62	1.11	7,295,500
March	1.60	1.11	4,057,500
April	1.26	0.90	3,342,400
May	1.02	0.85	771,100
June	0.99	0.64	1,072,700
July	0.80	0.65	619,900
August	0.73	0.18	4,008,700
September	0.31	0.21	1,975,800
October	0.50	0.21	2,383,500
November	0.41	0.28	525,400
December	0.34	0.21	1,099,500

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at December 31, 2011, the Company had no escrowed securities and securities subject to contractual restriction on transfer.

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
Alan J. Stephens West Sussex, United Kingdom <i>President, Chief Executive Officer and Director</i>	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 since February 15, 2011.	January 5, 2005.
Michael D. Philpot British Columbia, Canada <i>Executive Vice-President, Corporate Secretary and Director</i>	Executive Vice-President and Corporate Secretary of the Company; Corporate Secretary of Valley High from March 19, 2008 to March 25, 2011; and currently an Independent Director of Standard Graphite Corporation, (formerly Orocan Resources Corp).	February 15, 2005.
Robert A. Watts ⁽¹⁾⁽²⁾⁽³⁾ British Columbia, Canada <i>Director and Chairman</i>	Director of the Company; President, Wattline Management Ltd. (a financial consultant to mining industry).	April 1, 2005.
Alvin W. Jackson ⁽¹⁾⁽²⁾⁽³⁾ British Columbia, Canada <i>Director</i>	Consulting Geologist; Chief Executive Officer and Chairman of Brazilian Gold Corporation., (a base mineral and uranium mining exploration company) since October 2005 and Director since 2005 until Feb. 2011; Chairman and Director of Western Standard Metals Ltd. from November 2003 until July 2010; Director of Freegold Ventures Ltd. since March, 2010 and VP of Exploration since February 2011.	August 31, 2005.
Gordon Fretwell ⁽²⁾ British Columbia, Canada <i>Independent Director</i>	Self-employed Solicitor of Gordon Fretwell Law Corporation from 1991 to present.	June 10, 2009.
Roderick J. Webster ⁽¹⁾ London, United Kingdom <i>Director</i>	Chief Executive Officer of Weatherly International PLC (an integrated base metals producer) since July 2005.	October 18, 2006.
Damian J. Towns British Columbia, Canada <i>Chief Financial Officer</i>	Chief Financial Officer of the Company; Controller of First Quantum Minerals Ltd. from July 2002 to August 2006; Chief Financial Officer of Valley High from March 19, 2008 to March 25, 2011. Director and CFO of Bearing Resources since February 15, 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

Name, Municipality of Residence and Position with the Company	Principal Occupation or Employment for the Last Five Years	Director Since
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 6,097,034 common shares of the Company, representing 4.4% of the issued and outstanding common shares and options to acquire 9,650,400 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.

Alvin Jackson, a director of the Company, was a director of Andean American Mining Corp. ("**Andean**") from March 13, 2007 to September 17, 2007. Andean was issued a cease trade order by the British Columbia Securities Commission (the "**BCSC**") on August 3, 2007 for failure to file a fully compliant National Instrument 43-101 technical report. The cease trade order was in effect when Mr. Jackson resigned from the board of directors of Andean.

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 following the resignation of Gordon Fretwell as a director of that company.

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).

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.

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.

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.

MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, the San Jorge Agreement and related amendments is the Company's only material contract. The San Jorge Agreement and the related amendments are described under the heading "General Development of Business-Mineral Properties".

The material contract set out above has been filed with regulatory authorities and are available for review on SEDAR at www.sedar.com.

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, 2011 and 2010 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.

Michael Easdon was the Qualified Person responsible for preparing the Chacay Technical Report. To the knowledge of management, Michael Easdon has no registered or beneficial interests, direct or indirect, in any securities or other property of the Company (or of any of its associates or affiliates).

Process and Pipeline Projects S.A. prepared the Propline PFS. The Qualified Persons responsible for the preparation of the Propline PFS were Sergio Alvarado, Rodrigo de Brito Mello, Eduardo Rosselot, Herbian Soto and Enrique Quiroga. To the knowledge of management, none of Process and Pipeline Projects S.A., any designated professional of Process and Pipeline Projects S.A., 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).

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 Robert A. Watts, Roderick Webster and Alvin W. Jackson.

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.

Robert A. Watts, member of the Audit Committee

Mr. Watts served as the Chief Financial Officer of First Point Minerals Corp. from July 1996 to July 2003. He is a chartered accountant and brings more than 45 years of experience in the mining industry and financial management. Mr. Watts has served as a director of several mining companies and has been the chairman of several of their audit committees

Roderick Webster, member of the Audit Committee

Mr. Webster has more than 30 years' experience in the resources industry, including more than 10 years in executive positions. Mr. Webster is a Fellow of both the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors, and he is currently Chief Executive Officer of Weatherly International PLC. Prior to that role, he was a senior executive of First Quantum Minerals Ltd., responsible for the development of the Kansanshi mine in Zambia. Mr. Webster was also the founding Director and Chief Executive Officer of Western Metals Ltd.

Alvin W. Jackson, member of the Audit Committee

Mr. Jackson has over 30 years of experience as an exploration geologist and mining executive. He sits on the board of various other publicly traded exploration companies where he serves as a member of the audit committee.

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, 2011 and 2010.

	<u>2011</u>	<u>2010</u>
Audit fees ⁽¹⁾	\$85,000	\$48,750
Audit-related fees ⁽²⁾		-
Tax fees ⁽³⁾	\$30,248	\$8,610
All other fees	-	-
Total	<u>\$115,248</u>	<u>\$57,360</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.

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, 2011, 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 Annual General Meeting held June 30, 2011.

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.