



**CORO**  
**MINING CORP.**

**Annual Information Form**

**March 27, 2015**

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## TECHNICAL GLOSSARY

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

“**Ag**” means silver;

“**Au**” means gold;

“**Cu**” means copper;

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

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

“**CuT**” mean total copper content;

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

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

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

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

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

“**g/t**” means grams per tonne;

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

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

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

“**IP**” means induced polarization;

“**klb**” means pounds x 1000;

“**km**” means one kilometre;

“**koz**” means ounces x 1000;

“**ktons**” means ounces x 1000;

“**lb**” means one pound;

“**LOM**” means life of mine

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

“**m**” means one metre;

“**mm**” means one millimetre;

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

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

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

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

“**Mo**” means molybdenum;

“**Mt**” means millions of tonnes;

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

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

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

“**ppm**” means parts per million;

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

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

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

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

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

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

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

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

## 1. PRELIMINARY NOTES

### Incorporation by Reference and Date of Information

The 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 “Preliminary Economic Assessment for the Berta Project, Inca De Oro, III Region, Chile” dated October 28, 2014 and prepared by Sergio Alvarado (the “**Berta PEA**”); 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 “**San Jorge 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](http://www.sedar.com) under the Company’s profile.

All information in this AIF is as of December 31, 2014 unless otherwise indicated.

### Currency

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

### Forward Looking Statements

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

Investors are cautioned that all forward-looking statements involve risks and uncertainties, including, without limitation, changes in market and competition, technological and competitive developments, cooperation and performance of strategic partners, and potential downturns in economic conditions generally. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements include in, or incorporated by reference into, this short form of prospectus should not be unduly relied upon.

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

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

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

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

## **2. CORPORATE STRUCTURE OF THE COMPANY**

### **Name, Address and Incorporation**

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

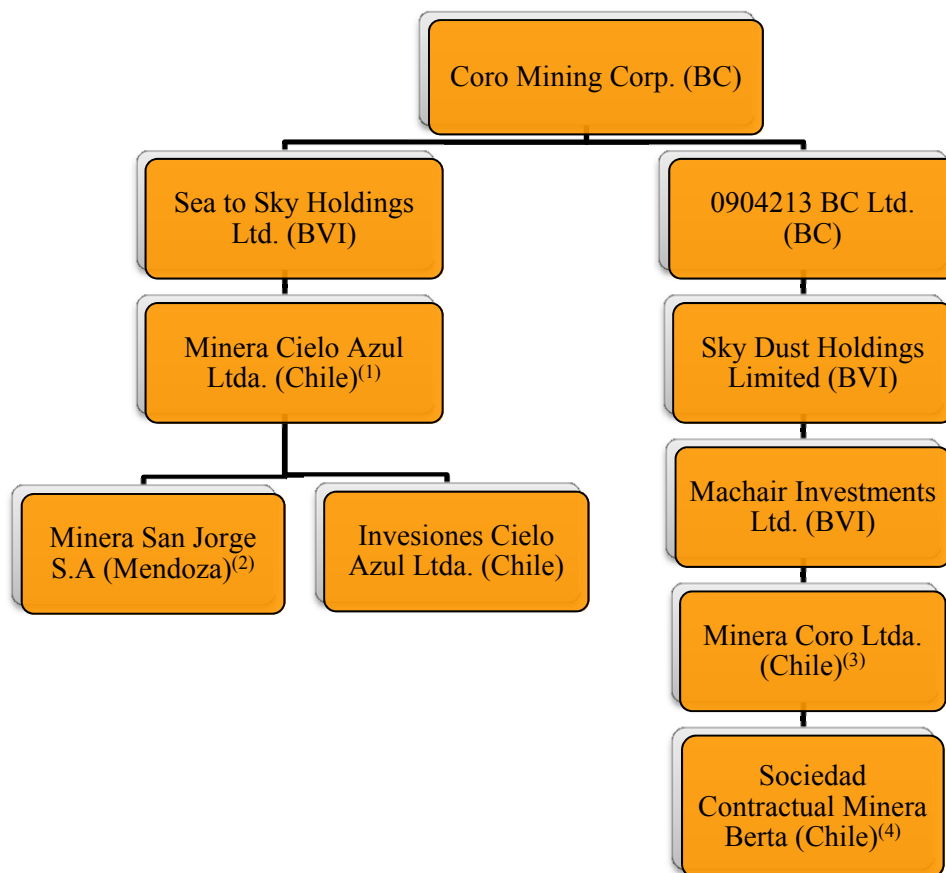
By Notice of Articles dated effective April 6, 2005, the Company increased its authorized share capital to an unlimited number of common shares without par value. As of December 31, 2014, 159,372,180 common shares are issued and outstanding. The Company's common shares carry no rights of redemption, retraction, conversion or exchange.

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



## Intercorporate Relationships

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



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

(2) Minera San Jorge S.A. (“MSJ”) owns the San Jorge property (the “**San Jorge Property**”). The Company holds an interest in this entity pursuant to the Amended San Jorge Agreement.

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

(4) Sociedad Contractual Minera Berta (“SCM Berta”) holds the Berta Project and is currently 82% owned by the Company and 18% owned by ProPipe.

### 3. GENERAL DEVELOPMENT OF THE BUSINESS

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

## Three Year History

### Year Ended December 31, 2012

#### Berta Property, Chile

In June 2011, the Company entered into an agreement (the “**Berta Option Agreement**”) to acquire 506 hectares located 20 km west of the village of Inca de Oro in Chile (the “**Berta Property**”) from a Chilean land claim holder. Under the terms of the Berta Option Agreement, Coro was granted the right to acquire 100% of the Berta Property for aggregate option payments of \$6,000,000 by making staged payments over three years. The first \$200,000 payment was paid on signing and \$800,000 was paid in June 2012. The remaining \$1,500,000 and \$3,500,000 were due 24 and 36 months, respectively, from the date of the Berta Option Agreement. In addition, a 1.5% net smelter royalty was payable on any sulphide copper production together with any by product metals. As disclosed under the heading, “Year Ended December 31, 2013”, the terms of the Berta Option Agreement were later renegotiated.

In June 2012, the Company made the second year \$800,000 option payment pursuant to the Berta Option Agreement. On July 31, 2012 the final assay results from a 32 hole (10,222m) reverse circulation drilling program were released.

In September 2012, the Company announced the results from the a Phase III, 36 hole (4,028m) infill reverse circulation drilling program at the Berta Property.

In November 2012, the Company announced that it had completed metallurgical column test work at the Berta Project. A total of three representative samples were collected; a high grade sample from a diamond drill hole; and a medium and a low grade sample from surface trenches. The trench samples had atypically low soluble copper (“**CuS**”) grades due to surface weathering. The samples were sent to Geomet S.A. metallurgical laboratories in Santiago, Chile for compositing and test work, and subsamples taken for mineralogical categorization were sent to Mineralogía Aplicada a Metalurgia (M.A.M. Ltda.), also of Santiago. Four 2 metre columns were completed for each sample; one at P80 -3/4” and a second at P80 -3/8”, with a duplicate for each crush size.

Summary leach results for the 3/8” columns are shown below.

Column	Sample location	Head assays		Theoretical % Sol	Actual		Days	NAC kg/t
		% CuT	% CuS		Rec CuT	Rec CuS		
P80 3/8" Comp A	BDH07-07 Drill core	0.84	0.59	70%	91%	130%	26	21
P80 3/8" Comp B	Surface trench (partially leached)	0.66	0.36	54%	68%	126%	28	24
P80 3/8" Comp C	"	0.38	0.14	37%	56%	150%	28	22

This test work demonstrated that Berta oxide material may have rapid heap leach recoveries in excess of theoretical percent solubility due to the presence of significant copper wad which is soluble in the reducing, ferrous sulphate rich conditions of the column, but which did not report to the %CuS head assay.

In November 2012, the Company completed an initial resource estimate for the Berta Property, at a variety of total copper (%CuT) grades. In connection with the resource estimate, a technical report was filed on January 17, 2013.

*El Desesperado Property, Chile*

In February 2012, the Company entered into an option agreement to acquire 698 hectares in Region II of Chile (the “**El Desesperado Property**”) from a local Chilean company. The El Desesperado Property is located approximately 16 km from the Chuquicamata copper mine. Under the terms of the option agreement, the Company was granted the option to acquire the El Desesperado Property by paying a total of \$13,000,000 over four years. \$200,000 was paid on signing and \$500,000 was paid February 2013. To acquire the El Desesperado Property the Company was required to pay a further \$1,300,000 in February 2014, \$3,000,000 in February 2015 and \$8,000,000 in February 2016. As noted below under the heading, “Year Ended December 31, 2013”, these payment terms were later amended. Pursuant to the terms of the option agreement, the vendor will retain a 1.9% sales royalty, over which the Company has the right of first refusal.

In November 2012, the Company completed surface exploration and an 8 hole 2,290m RC drilling program at its El Desesperado copper project. A total of 5 RC holes (1,544m) were completed in the El D Norte target and 3 RC holes (746m) in the El D Sur; several holes did not reach their planned 400m depths due to drilling difficulties caused by the presence of water. All 8 holes intersected porphyry copper style mineralization and alteration over significant widths beneath a leached cap.

**The following table summarizes the significant intersections from the aforementioned program.**

Target	Hole	From	To	M	%CuT	Type
El D Norte	CED-R-1	2	40	38	0.14	Cu Ox
	CED-R-2	Anomalous leach cap				
	CED-R-3	No significant results				
	CED-R-4	0	204	204	0.55	Mixed
	inc	<b>4</b>	<b>92</b>	<b>88</b>	<b>0.71</b>	"
	and	110	172	62	0.24	"
	and	<b>172</b>	<b>204</b>	<b>32</b>	<b>0.99</b>	"
inc	198	204	6	1.94	"	
	CED-R-5	Anomalous leach cap				
El D Sur	CED-R-6	72	90	18	0.16	Cu Ox
	CED-R-7	120	144	24	0.14	Chalcocite coating
	and	164	190	26	0.18	Primary
	CED-R-8	Anomalous leach cap				

The drill program was designed to provide an initial test of an ~ 4km<sup>2</sup> prospective area of porphyry copper style alteration and anomalous copper geochemistry. Inclined holes CED-R-1 and 5 intersected tonalite porphyry in anomalous leached cap before passing into propylitically altered wall rock diorite and a late stage phaneritic diorite intrusive, while inclined hole CED-R-2 was drilled entirely in tonalite porphyry and hydrothermal breccia within the leached cap, prematurely terminating in a fault zone. Inclined hole CED-R-3 tested an area of leached cap some 750m ENE of the other holes, intersected a short interval of leached tonalite porphyry before entering propylitically altered wall rock diorite over most of the rest of the hole and encountered increasing amounts of chalcopyrite associated with sericite in the last 8m of the hole. Vertical hole CED-R-4 was drilled entirely in tonalite porphyry and hydrothermal breccia; mineralization was mostly disseminated and veinlet chalcocite, partially oxidized and leached until the last 16m of the hole where both chalcocite and chalcopyrite are present. Holes CED-R-6 and 7 intersected anomalous leached cap with remnant copper oxides, thin chalcocite coatings on pyrite and increasing amounts of chalcopyrite with depth, while CED-R-8 intersected anomalous leached cap before entering a post mineral granodiorite.

### *Payen Property, Chile*

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

Coro was granted the right to acquire 100% of the Payen Property for a total of \$17,000,000, by making the following staged option payments: \$500,000 (paid) on signing of Payen Option Agreement; \$500,000 on or before 12 months from the date of the Payen Option Agreement; \$1,000,000 on or before 24 months from the date of the Payen Option Agreement; \$2,000,000 on or before 36 months from the date of the Payen Option Agreement; \$13,000,000 on or before 48 months from the date of the Payen Option Agreement.

The Payen Property is subject to a 2.5% NSR, of which half (1.25% NSR) may be purchased for \$10,000,000 at any time up to commencement of commercial production.

### *El Inca Property, Chile*

In August 2012, the Company announced that it had entered into an option agreement to acquire a 1,706 hectare property located approximately 4km northeast of the village of Inca de Oro, in the III Region of Chile, at an elevation of 1,700m (the “**El Inca Property**”).

In August 2012, the Company initiated an initial drill program at the El Inca Property. In December 2012, the Company announced the results from a 7 reverse circulation holes (1,633m) of which two of these holes deepened by diamond drilling (470m). The results of this drilling did not warrant retaining the property and the option for the El Inca Property was terminated in January 2013.

### *San Jorge Property, Argentina*

The Company holds an option to acquire MSJ, the holder of the San Jorge Property. The option was originally acquired pursuant to an agreement (the “**San Jorge Agreement**”) between the Company and, among others, Global Copper Corp. (“Global”) in August, 2006. Subsequent to its execution, the San Jorge Agreement was amended three times from 2006 through 2009. In addition, in August, 2008, Global was acquired by Lumina Copper Corp., which was subsequently acquired by Franco-Nevada Corporation in 2011. As disclosed below under the heading “Year Ended December 31, 2012”, in October 2012, the Company entered into the Amended San Jorge Agreement, which replaces the San Jorge Agreement in its entirety.

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

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

Under the terms of the Amended San Jorge Agreement, to acquire MSJ, the Company must pay option payments of \$1,250,000 per year for 10 years, commencing March 31, 2012. The Company may prepay the outstanding option payments at any time with one-time payment equal to the net present value of the future payments, using a 5% discount rate. The Amended San Jorge Agreement provides that Franco-

Nevada will receive a 7.5% NSR on all gold produced from the property provided that the option payments will not be payable when exceeded by the NSR payment for the period.

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

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

### ***Year Ended December 31, 2013***

#### ***Berta Property, Chile***

In May 2013, the terms of Berta Option Agreement were renegotiated, by reducing the payment due on June 10, 2013 from \$1,500,000 to \$500,000 and the final payment due on June 10, 2014 from \$3,500,000 million to \$2,500,000 million. A 1.5% NSR will now apply to all production from the property.

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

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

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

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

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

In June 2013, ProPipe made the June 2013 underlying option payment of \$500,000 thereby earning a 10% interest in SCM Berta.

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

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

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

#### *El Desesperado Property, Chile*

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

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

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

#### *Payen Property, Chile*

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

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

After earn-in, Aurex may elect to fund and complete a feasibility study to NI 43-101 standards on a best efforts basis by October 10, 2019 to earn an additional 10% at which point Coro can maintain its

remaining interest of 20% by refunding 20% of the costs of the feasibility study or it will be diluted to a 2% NSR. If Coro elects to fund its 20% share of the feasibility study, future costs on a pro-rata basis, or be subject to dilution.

#### *San Jorge Property, Argentina*

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

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

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

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

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

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

### *Chacay Property, Chile*

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

### *Corporate*

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

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

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

### *Year Ended December 31, 2014*

### *Berta Property, Chile*

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

In September 2014, the SCM Berta and Inmobiliaria y Constructora Fundart Ltda (“**Fundart**”), a local construction group, executed a Memorandum of Understanding (“**MOU**”) which provided \$15m of debt financing. This MOU was subsequently replaced by the Freepoint Commodities LLC (“**Freepoint**”) financing in December 2014. SCM Berta has also agreed to acquire the Nora SXEW processing plant, from Sociedad Contractual Minera Trinidad (“**Trinidad**”), a local company in administration, for 2.5 billion Chilean pesos. SCM Berta has been in discussions with the owners of a third party SXEW plant with a view to selling pregnant leach solution (“**PLS**”) to them the Company has now terminated these discussions.

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

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



In September 2014, Coro announced the conclusions from the Berta PEA being finalized by independent consultants Geoinvestments SpA (“**Geoinvestments**”) of Santiago, Chile.

The Berta PEA is based on the outcomes of an engineering study completed by Geoinvestments to PEA study standards. The Berta PEA includes the resources, open pit mine plan, operating and capital costs and financial analysis for the Project which contemplates the production of an average of 4.8ktpy of copper cathode for a period of 8 years.

The conclusions of this report were:

- In pit Measured and Indicated Resources of 17.6mt at 0.37%CuT at a cutoff grade of 0.1%CuT, equivalent to 64kt of contained copper
- Open Pit Mine Plan for total copper production of 38.3kt of copper cathode
- Mine Life of 8 years
- Average production rate of 900ktpy heap leach material plus 830ktpy dump leach material
- Base Case copper price of \$3.00/lb
- Average life of mine cash operating costs of \$2.03/lb Cu
- Initial capital costs of \$15m, including \$6.25m fixed fee contract for the Nora plant purchase and expansion, \$7m fixed fee contract for the Berta crushing circuit and leach pads construction, and \$1.75m of project loan
- Base Case pre-tax NPV (8%) of \$34.3m with an IRR of 55.2%.
- Base Case after tax NPV (8%) of \$26.6m with an IRR of 46.9%.

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

In December 2014, SCM Berta, signed a non-binding term sheet with Freepoint for a senior secured term loan facility for up to \$17.5 million, plus a \$2 million cost overrun facility, for the development and construction of the Berta project, including the acquisition and expansion of the Nora SXEW plant. This proposed financing replaced the Fundart financing proposal, which was then replaced by the definitive financing plan announced in March 2015.

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

#### *El Desesperado Property, Chile*

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

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

Table 1; Drill Intersections

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

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

*Payen Property, Chile*

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

*Prat Plant, Chile*

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

Planta Prat comprises a small SXEW agitation leach plant built in 2009 to treat old leach residues derived from a precipitation plant that operated in the nearby Mantos Blancos mine several decades ago. The Prat plant failed to operate efficiently due to build-up of iron sulphate and closed after a few months of operation. Based on positive initial agitation leach test work carried out, Coro believes that this issue can be readily resolved.

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

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

*Marimaca Property, Argentina*

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

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

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

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

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

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

<b>Marimaca Chip Channel Samples</b>				
<b>Length (m)</b>	<b>CuT (%)</b>	<b>CuS (%)</b>	<b>%CuS/CuT</b>	<b>Description</b>
150	0.36	0.24	67%	One end in mineralization
incl. 85	0.48	0.32	68%	
30	0.53	0.43	80%	Both ends in mineralization
65	0.62	0.49	79%	
50	0.10	0.03	31%	Internal waste block
45	0.93	0.71	76%	Both ends in mineralization
25	0.79	0.67	85%	
<b>Weighted Av</b>	<b>0.49</b>	<b>0.36</b>	<b>74%</b>	365m incl. internal waste
	<b>0.55</b>	<b>0.41</b>	<b>75%</b>	315m excl. internal waste

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

### *Celeste Property, Chile*

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

### *Llancahue Property, Chile*

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

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

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

### *Chacay Property, Chile*

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

### *San Jorge Property, Argentina*

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

### *Financings and Share Dispositions*

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

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

## ***Recent Developments - December 31, 2014 to Present***

### ***Berta Property, Chile***

In March 2015, the Company announced the details of a definitive financing plan for the Berta project which comprises a combination of a bridge facility (\$13.5m), leasing (\$1.3m) and vendor financing (US\$3m) together with an equity injection (\$1.5m) to provide for 100% of the financing requirements for SCM Berta to acquire the Nora plant, to build and construct the Berta facilities, and for project working capital.

The bridge loan from Auramet International LLC (“**Auramet**”) is repayable in 18 months and, subject to due diligence, is expected to close and fund in April 2015. As part of the bridge financing, Coro will issue 4 million warrants to Auramet with a tenor of 3 years that will be priced at the lower of C\$0.05 or at a premium of a 25% premium to the 10 day VWAP price at closing of the facility.

The bridge facility is conditional upon reaching final agreement on the leasing and vendor financing and the equity injection, and provides for the interest and fees to be paid at the end of the facility which results in a net \$10m being available to fund the Berta project.

Coro will fund the whole of the \$1.5m equity requirement and claw back the ProPipe share preferentially from production proceeds. ProPipe currently owns 18% of SCMB and had the right to earn up to a 50% interest. Under the terms of the financing plan, ProPipe have agreed to forgo their right to earn up to 50% and will hold a 35% interest in SCM Berta upon closing of the financing.

SCM Berta has extended the underlying Letter of Intent with the Receiver of the Nora SXEW plant by 30 days. Assuming completion of the debt financing on schedule in April and final acquisition of Nora within 90 days, we now anticipate that Berta will be in production at the end of 2015.

### ***Prat Plant, Chile***

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

### ***Marimaca Property, Argentina***

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

### ***San Jorge Property, Argentina***

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

It is anticipated that the \$1.3m will be advanced in April and that the revised agreement will supersede the existing definitive agreement.

## **Description of the Business**

The Company is an exploration and development stage mining company engaged in the acquisition and exploration of mineral properties and projects located in Chile and Argentina 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 159,372,180 shares issued and outstanding.

The Company has its registered corporate office in Vancouver, Canada. In Chile, the Company, together with its joint venture partners where applicable, is currently exploring and developing the Berta Property and Planta Prat as well as the Marimaca Property. Each of these properties are subject to underlying option agreements. In Argentina, the Company has the right to acquire a 100% interest in the San Jorge Property which it has in turn optioned to A&S.

## **Strategy**

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

## **Competitive Conditions**

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

## **Environmental Considerations**

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

## **Employees**

As at December 31, 2014, the Company had a total of 10 full and part-time employees or consultants and also utilized the services of several professionals on a part-time contract or consulting basis. The

Company seeks to employ individuals and utilize the services of consultants who have international mining experience.

## **Foreign Operations**

The Company's properties are currently located in Chile and Argentina 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, Planta Prat, which is subject to the terms of an option agreement, and the Marimaca Property, which is subject to the terms of 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.

### *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 2014, 2013, 2012, 2011, 2009 and 2008, 2007. The Company expects to incur losses until production is reached at either Berta or Prat.

#### *No History of Dividends*

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

#### *Foreign Currency Risk*

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

## **4. MINERAL PROPERTIES**

In Chile, the Company has the option to acquire a 100% interest in the Berta Property, interests in Prat and Marimaca and also currently owns the Llancahue Property, the Pocillas Property, the Gloria Property and the Celeste Property. In Argentina, the Company has an option to acquire a 100% interest in the San Jorge Property pursuant to the Amended San Jorge Agreement. The Company has, in turn, granted an option over its interest in each of the Berta Property, and the San Jorge Property.

For the purposes of this AIF, the Company has two material mineral properties, the Berta Property in Chile and the San Jorge Property located in Argentina.

### **Information Regarding the Berta Property**

To satisfy the reporting requirements of Form 51-102F2 with respect to the Berta Property, the Company has incorporated the Berta PEA by reference and reproduced the summary from the Berta PEA under the heading, "Technical Report Summaries - Berta PEA" in this AIF. The Company has also included additional information excerpted from the Berta PEA below. For a complete description of the assumptions, qualifications and procedures associated with the following information, reference should be made to the full text of the Berta PEA which is available for review on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### **Information Regarding the San Jorge Property**

To satisfy the reporting requirements of Form 51-102F2 with respect to the San Jorge Property, the Company has incorporated the San Jorge Propipe PFS by reference and reproduced the summary from the Propipe PFS under the heading, "Technical Report Summaries - San Jorge Propipe PFS Summary" in this AIF. The Company has also included additional information excerpted from the Berta Technical Report below. 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 San Jorge Propipe PFS which is available for review on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### *Project Description and Location*

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.

As disclosed elsewhere in this AIF, in October 2012, the Company amended the San Jorge Agreement. The amended terms replace all of the existing obligations under the previous agreements. The amended terms require annual payments of \$1.25 million, for 10 years, payable quarterly, commencing in March 31, 2012 (\$3.7 million paid to date). In addition a 7.5% NSR payable on all gold produced from the property. The annual payments are not payable when that payment is exceeded by the gold NSR payment. Coro 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. No other consideration, obligations, payments, or royalties are due, and Coro may withdraw from the Agreement at any time by not making the due payments.

Under the previous agreements, the Company had paid \$7.5 million and had a further \$10 million was payable, less the aggregate value of the 1,000,000 common shares of Coro that were previously issued. \$16 million of the above payments above would have been treated as an advance payment on either: (a) the obligation to pay \$0.02 per pound on the mineable proven and probable copper sulphide reserves or (b) the obligation to pay \$0.025 per pound on the mineable proven and probable heap leachable copper reserves, both payable upon commencement of commercial production. In addition, a NSR production royalty of 1.5% on all non-copper production was payable. For any copper production in excess of that derived from the total mineable, proven and probable reserves the Company had agreed to pay (i) \$0.015 per pound of copper produced in excess of the total pounds of copper contained in the mineable, proven and probable sulphide reserves and (ii) \$0.02 per pound of copper produced in excess of the total pounds of copper contained in the mineable, proven and probable heap leachable reserves.

### *Stage of Development*

San Jorge is a development stage property with an established NI 43-101 resource. The Company has filed an updated EIS (July 2012) to incorporate the railway envisaged in the March 2012 Preliminary Feasibility Study (“**PFS**”) on the San Juan Copper Leach Project (“**SJ Project**”), which involves the construction of an SX/EW heap leach operation in the neighboring province of San Juan. Current legislation (Law 7722) in the Province of Mendoza prohibits the use of sulphuric acid required in heap leaching of copper. Prior to the development of the SJ Project the Provincial Legislature of Mendoza, on August 24, 2011, had voted against ratifying the Company’s EID for a float only project that had been approved by the Government on Mendoza in February 2011.

The vote took place prior to the elections, which were held on October 23, 2011 without the conclusions of the legislature’s commissions who had spent a number of months evaluating the EID, and more pertinently, the validity of the process which led to its approval. Coro has completed a legal review of the process that led to the no ratification vote and believes it has grounds to file suit against the Mendoza government and certain individuals, involved in the process.

Law 7722 that prohibits the use of sulphuric acid and required the ratification of the EID for the float only project has been subject to legal challenges of its constitutionality by Coro and several other parties since its inception in 2007. Coro expects if the legal challenges to Law 7722 get resolved, Law 7722 could be declared unconstitutional, which could result in the removal of the ratification requirement of the Company’s approved EID for the float only project and the removal of the prohibition against the use of

sulphuric acid in the Province of Mendoza. Notwithstanding, the Company intends to continue to advance the development of the SJ Project due the uncertain political environment in Mendoza.

### *Economics*

A summary of the PFS on the San Juan Leach Only project is presented below. Prior to the completion of the aforementioned study the Company had completed a PFS on a leach only project in Mendoza and a PEA on a float only project also in Mendoza.

<b>San Jorge Economic Evaluations</b>		<b>San Juan-Leach Only</b>
Base Case (NPV10%)	Pre-tax NPV	<b>\$260m</b>
	Pre-tax IRR	<b>41%</b>
	After-tax NPV	<b>\$133m</b>
	After-tax IRR	<b>29%</b>
Average Cash Costs (Years 1 to 5)	Price Deck	<b>\$2.80/lb Cu</b>
	Before Credits	<b>\$1.26</b>
	After Credits	<b>\$1.26</b>
Average Production (Years 1 to 5)	Copper (tonnes)	<b>25,000</b>
	Gold (ounces)	<b>n/a</b>
Mine Life		<b>10</b>
Initial CAPEX		<b>\$184</b>
Prepared By		<b>PROPIPE</b>
Report Type		<b>PFS</b>
Date		<b>Mar 2012</b>

### *Resource*

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.

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

<b>Domain</b>	<b>Category</b>	<b>Million tonnes (Mt)</b>	<b>Cut (%)</b>	<b>Au (g/t)</b>	<b>CuT Metal (Mlb)</b>	<b>Au (Mozs)</b>
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 the table below.

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

*Reserves*

As explained in chapter 18.3.2 of the San Jorge 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 San Jorge 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 San Jorge 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:

### 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	0.13	45%
<b>Total</b>		40,016	0.63	0.28	8,374	0.50	0.37	48,390	0.61	0.30	100%
<b>% of Tonnage</b>		83%			0.17%			100%			

## 5. DIVIDENDS

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

## 6. DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of common shares without par value of which, as of December 31, 2014, 159,372,180 common shares were issued and outstanding. The common shares do not carry any pre-emptive, subscription, redemption, retraction, conversion or exchange rights, nor do they contain any sinking or purchase fund provisions.

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

## 7. MARKET FOR SECURITIES

### Market

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

### Trading Price and Volume

The Company's common shares traded on the Exchange during the year ended December 31, 2014. 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 2014.

Month	High \$	Low \$	Volume
January	0.130	0.100	2,437,000



<b>Month</b>	<b>High \$</b>	<b>Low \$</b>	<b>Volume</b>
February	0.170	0.110	1,839,000
March	0.125	0.105	782,000
April	0.115	0.080	654,000
May	0.085	0.070	1,864,000
June	0.080	0.065	3,875,000
July	0.085	0.065	975,000
August	0.060	0.055	1,642,960
September	0.060	0.045	1,290,000
October	0.055	0.025	1,540,100
November	0.060	0.025	881,000
December	0.065	0.040	414,950

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

As at December 31, 2014, the Company had no escrowed securities and securities subject to contractual restriction on transfer.

## 9. DIRECTORS AND OFFICERS

### Name, Occupation and Security Holdings

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

<b>Name, Municipality of Residence and Position with the Company</b>	<b>Principal Occupation or Employment for the Last Five Years</b>	<b>Director Since</b>
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 from February 15, 2011 to June 11, 2014. Independent Director of California Gold Mining since January 30, 2014.	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 since February 2005; 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 <sup>(1)(2)(3)</sup> British Columbia, Canada <i>Director and Chairman</i>	Director of the Company; President, Wattsline Management Ltd. (a financial consultant to mining industry).	April 1, 2005.

<b>Name, Municipality of Residence and Position with the Company</b>	<b>Principal Occupation or Employment for the Last Five Years</b>	<b>Director Since</b>
Alvin W. Jackson <sup>(1)(2)(3)</sup> 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) from October 2005 until February 2011, Chairman until June 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 <sup>(2)</sup> British Columbia, Canada <i>Non-Executive Director</i>	Self-employed Solicitor of Gordon Fretwell Law Corporation from 1991 to present.	June 10, 2009.
Roderick J. Webster <sup>(1)(3)</sup> 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 since October 2006; Chief Financial Officer of Valley High from March 19, 2008 to March 25, 2011. Director (until June 2014) 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
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 16,133,645 common shares of the Company, representing 10.1% of the issued and outstanding common shares, options to acquire 7,690,000 common shares and warrants to acquire 500,000 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 the following the resignation of Gordon Fretwell as a director of that company.

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

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

## **Conflicts of Interest**

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

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

## **10. LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

### **Legal Proceedings**

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

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

### **Regulatory Actions**

There are no: (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the Company's most recently completed financial year and up to the date of this AIF; (b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (c) settlement agreements the Company entered into with a court relating to securities legislation or with a securities regulatory authority during the Company's most recently completed financial year and up to the date of this AIF.

## **11. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

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

## **12. TRANSFER AGENTS AND REGISTRARS**

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

## **13. TECHNICAL REPORT SUMMARIES**

### **Berta Technical Report Summary**

The following information in this section is summarized or extracted from the Berta PEA, which was prepared by Sergio Alvarado in accordance with the requirements of National Instrument 43-101.

Portions of the following information are based on assumptions, qualifications and procedures which are set out only in the full Berta PEA, which is incorporated by reference into this AIF. For a complete description of the assumptions, qualifications and procedures associated with the following information, reference should be made to the full text of the Berta Technical Report which is available for review on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### *Introduction*

Coro, through its subsidiary Minera Coro Chile Ltda (“**MCC**”) retained the services of Geoinvestment SpA (“**Geoinvestment**”) to prepare a mineral resource estimate and technical report, covering its Berta Copper property, located in the III Region, Chile. The mineral code followed in this report is the Canada Institute of Mining (“**CIM**”) code, 2005 Edition, and this report follows the recommendations of National Instrument 43-101.

Sergio Alvarado, BSc (Hons.) Geology, member of CIM, The Chilean Mining Commission (“**CMC**”) and The Chilean Mining Engineers Institute (“**IIMCh**”) was responsible for the overall preparation of the Berta PEA as defined in National Instrument 43-101, *Standards of Disclosure for Mineral Projects* and in compliance with Form 43-102F1.

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

### *Ownership*

Coro owns all the shares in 0904213 B.C. Ltd (a company incorporated in British Columbia, Canada) which owns all the shares in Sky Dust Holdings Limited (“**Sky Dust**”) (a company incorporated under the BVI Companies Act, 2004). Sky Dust owns all the shares in Machair Investments Ltd (“*Machair*”) (a company incorporated under the BVI Companies Act, 2004).

Machair beneficially owns 100% of MCC, a limited liability Chilean Company established under the laws of Chile on April 18, 2011. MCC beneficially owns 87% of Sociedad Contractual Minera Berta (“**SCM Berta**”) (a company incorporated under the laws of Chile on June 4, 2013).

On June 13, 2011 Coro announced that its subsidiary MCC had reached an agreement with a local owner for 506 ha of pending measured and measurable concessions, all registered and in good standing, that protect the main part of the project. The terms of the option were renegotiated in May 2013 as follows:

	<b>Terms as of 2011</b>	<b>New Terms as 2013</b>	<b>Status</b>
On June 10th, 2011	US\$ 200,000	US\$ 200,000	Paid
On June 10th, 2012:	US\$ 800,000	US\$ 800,000	Paid
On June 10th, 2013:	US\$ 1.5 million	US\$ 500,000	Paid
On June 10th, 2014:	US\$ 3.5 million	US\$ 2.5 million	<b>Renegotiated (*)</b>
<b>TOTAL</b>	<b>US\$ 6.0 million</b>	<b>US\$ 4.0 million</b>	
	An NSR of 1.5% on all copper sulfide production and its by-products	An NSR of 1.5% on all copper oxides and sulfide production and its by-products	

(\*) In June 2014, the above option payment was renegotiated as follows:

1. \$250 payment On August 14<sup>th</sup>, 2014 (Paid)
2. \$2,250,000 to be paid 8 quarterly payments as of project startup, no later than August 14<sup>th</sup>, 2015

Additionally to adequately protect the area of interest, Coro has registered approximately 4,000 ha exploration concessions, named Berta 1 to Berta 14. All concessions are valid according to the Chilean Mining Code. Apart from the option payments and the NSR derived from its execution, no other payment obligations exist on the properties that protect the project. MCC is currently assessing water rights from CODELCO Pampa Austral tailings dam and it is expected to have been acquired by the end of 2015.

On May 7, 2013, MCC signed a Letter of Intent with ProPipe SA (“**ProPipe**”) whereby ProPipe may earn up to 50% of the shares in a new company called SCM Berta, formed on June 4, 2013, by completing a series of payments, work commitments and project financing, thereby earning percentages of that company as follows:

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

ProPipe has paid the US\$500,000 option payment due on June 10, 2013 and so has earned a 10% interest in SCM Berta. ProPipe has also earned 3% for completion and submission of the Environmental Impact Declaration on November 7, 2013, and earned an additional 5% at the completing and submission of the Berta PEA.

In conjunction with the ProPipe agreement, in June 2013, the underlying option agreement with the local owner was transferred from MCC to SCM Berta, together with the Berta 1-14 exploration claims.

### *History and Exploration*

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

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

In 1997 the area was optioned by Mantos Blancos S. A. a subsidiary of Anglo American PLC (Guinez and Zamora, 1998). During September - December 1997, the area was geologically mapped and, geochemical and geophysical (IP) surveys completed; 42 RC drill holes were completed totaling 4,942 m, and some bulldozer trenches were also dug. The project was deemed not to meet Mantos Blancos' criteria and it was returned to its owner.

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

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

### *Geology and Mineralization*

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

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

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

mapping has distinguished both at surface and in drilling the porphyry varieties described above and the contact relationship between them, and with the tonalite wall rock.

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

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

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

The primary mineralization consists of chalcopyrite with minor variable content of bornite. There is abundant molybdenite in some sectors but with no obvious relationship to Cu sulfides. Mineralization preferentially occurs as breccia filling and cement, to a lesser extent in veins and occasionally in veinlets. Pyrite is very poorly developed in areas of best mineralization, with greater occurrence in the northern part of Berta Central and especially in Berta Norte, where it constitutes the main filling of D type veins. Along the ZFCH, chalcopyrite occurs associated with magnetite mineralization. There is an ore-alteration zonation from N to S, with a propylitic border and development of veins and breccias containing pyrite ≥ chalcopyrite (molybdenite) and halos of pervasive replacement of sericite in the north, to a domain of background potassic alteration and mineralization in breccias surrounded by a crackled zone, with chalcopyrite (molybdenite, less bornite) pyrite alteration grading outwards to albite-actinolite in the south. The western boundary is dominated by breccias with muscovite containing only rare Cu mineralization and biotite-magnetite zones with some chalcopyrite that can be traced along the ZFCH. This zoning is also related to a greater abundance of porphyritic rocks toward the central and southern areas and to changes in style and orientation of structures from NW to E-W and, finally, ENE in Berta Sur.

The distribution of limonite at surface shows a direct relationship with alteration as well as with relative abundance of sulfide: yellow to yellow-reddish color predominates in the northern part related to the greater development of D type veins and sericitic alteration, while goethite and scarce jarosite make up the leach cap in the central and southern areas. In situ leaching and oxidation of the sulfides has produced a zone of copper oxides of variable thickness ranging from 30 to 120 m, generated in an environment of scarce pyrite and in poorly reactive rock. It is composed of simple green Cu oxides ores, with predominant chrysocolla, and black oxide (mixtures of wad type), very low clay content, and limonite and predominant goethite. Only in some breccia bodies, mainly those located along the eastern boundary, is there limited development of supergene enrichment with chalcocite thicknesses of 2 to 10 m, invariably oxidized to a combination of hematite, "almagre" and cuprite.



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

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

### *Metallurgy*

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

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

Based on these composites, Geomet performed the metallurgical program designed to obtain mineralogical and physical characterization, preliminary metallurgical test and column leaching test for the three composite samples at two granulometry levels of 100% - 1" (P80 = 19 mm), and 100% - ½" (P80 = 9 mm), as follows:

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

validate the contaminant elements kinetics, weekly composites were taken and assayed by Inductively Coupled Plasma (ICP) (three in each test).

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

- Material from Berta Sur deposit presented a CuT grade of 0.83% for composite sample A, 0.63% for sample B and 0.39% for sample C.
- The average solubility of the three samples by the sulfuric acid method was 70.1% for composite A, 50.8% for composite B and 37.6% for composite C.
- The average solubility of the three composites by the citric acid method was 55.4% for A, 14.5% for B and 24.8% for C.
- The solubility rates with ferric and sodium bisulfite agent were only performed on composite B, given that it approximates the average grade of the Berta Sur resource. The average solubility rate in ferric environment was 54.5%, while in bisulfite it was 59.5%.
- The fact that the solubility maximizes while using sodium bisulfite (reduction agent), is an indicator of the presence of copper oxides species corresponding to copper wad ( $\text{CuOMnO}_2$ ).
- The head sample mineralogical characterization confirmed that copper wad was a major component of the oxide copper species present.
- Results from Iso-pH tests, in terms of total copper extraction were 73% for composite A, 69% for B and 55% for C.
- Net acid consumption from Iso-pH tests were 15.0, 13.8, and 13.0 kg/t, in composites A, B and C respectively, equivalent to rough gross acid consumptions of 22.3, 19.7, and 15.4 kg/t, respectively.
- In terms of chemical kinetics, composite A has the fastest dissolution velocity, followed by B and finally C. Furthermore, composites B and C have kinetic similarities, but they differ greatly from A.
- Sulfation tests showed doses of 17 and 23 for composite A; 12 and 8 kg/t for composites B and C, respectively. Only composite A should use different doses for  $P_{80}$  of  $\frac{3}{4}$ " and  $\frac{3}{8}$ ".
- In the column leaching tests, the highest copper extraction levels (78-73%) were from composite A  $P_{80}$   $\frac{3}{4}$ " as well as  $\frac{3}{8}$ ", and B  $P_{80}$   $\frac{3}{8}$ ". A lower extraction level (61-65%), was for B  $P_{80}$   $\frac{3}{4}$ " and C  $\frac{3}{8}$ ". Finally, the lowest extraction level (55%) was from sample C,  $P_{80}$   $\frac{3}{4}$ ".
- Extraction kinetics were identical for each grain size of composite A.
- Composite B shows a distinct difference between each grain size tested ( $P_{80}$   $\frac{3}{4}$ " and  $\frac{3}{8}$ "), reaching a difference of 11 points, in terms of copper extraction percentage, at the end of the leaching period.
- Composite C also shows a difference between both sizes, reaching 5.2% difference at the end of the leaching period.
- Net acid consumption varied between 19.0 kg/t (Composite A) and 22.3 kg/t (Composite B).

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

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

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

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

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

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

### *Mineral Resources Estimation*

For Berta Sur, MCC completed a geological interpretation of mineralization domains (Oxide body and Low grade oxide body zones), and the same was done for Berta Central but excluding the previously mined zones from the model. This information was delivered to Geoinvestment together with the drill hole database. The contact lines were extruded to create solids for each zone. A block model was constructed based on these solids, using a block size of 5x5x5 m in order to provide for a selective mining method and to respect the grade variability of the deposit. The density was kriged, using values attributed to each sample based on the geological description. The densities assumed for each lithological type were based on 16 measurements completed by MCC.

Geoinvestment decided to use 7,229 drilling samples and 185 trench samples from information of Outokumpu, Grandcru, Mantos Blancos and Coro campaigns.

The drill samples were transformed to 2 m composites and verified for presence of outliers and the characteristics at contact zones. No capping was found necessary. Sharp contact zones were verified between the zones, and smooth profiles at the contact between oxidation zones.

The composites were submitted to variography analysis, using correlograms and anisotropy investigation. Nugget effect was defined using the down the hole correlogram. A kriging strategy was designed in order

to gradually fill the block model, extending the search ellipsoid and diminishing the requirement in terms of sampling. Ordinary kriging was used to interpolate the grades of CuT.

The grades of CuS have not been estimated directly. The final models of CuS were estimated from the model of CuT and the estimation of the solubility ratios %CuS/%CuT. The model of CuS/CuT was generated by the inverse distance squared method.

For resource classification, Measured and Indicated resources were defined for the blocks estimated in the first pass of the kriging: the distance corresponding to 80% of the variance, with a minimum of two drill holes. Measured resources were divided from the Indicated using the kriging variance: a threshold was chosen after looking at sections, defining a Kvar which separate well defined zones, which could be defined as measured, from the other zones. Only oxide resources were considered reliable enough for definition of measured resources.

The resulting block models were validated through a set of techniques, showing consistency and adequacy to the drilling information. To define the mineral resources inventory of the block model, a Lersch & Grossmann algorithm shell was obtained, using; costs which were supplied by Coro that are considered reasonable for this type of deposit (see Table 2 below); a conservative slope angle based on the site visit; and metallurgical recoveries indicated by the test work completed.

**Table 2: Economic Parameters**

Variable	ORE to CRH	ROM
Mining Cost (USD/ton)	<b>2.32</b>	<b>2.32</b>
Hauling (USD/ton)	<b>0.00</b>	<b>0.00</b>
Processing Cost (USD/ton)	<b>6.99</b>	<b>1.63</b>
SX-EW Cost (USD/lb)	<b>0.330</b>	<b>0.330</b>
G&A (USD/lb)	<b>0.060</b>	<b>0.060</b>
Selling Cost (USD/lb)	<b>0.150</b>	<b>0.150</b>
Recovery	<b>79.0%</b>	<b>45.0%</b>
Selling Price	<b>\$3.00</b>	<b>\$3.00</b>

The results are depicted in Table 3 below.

**Table 3: Total Tonnage Grade Curves**

Cut Off	Measured			Indicated			Measured & Indicated			Inferred		
	kt	% CuT	% CuS	kt	% CuT	% CuS	kt	% CuT	% CuS	kt	% CuT	% CuS
<b>0.00</b>	13,974	0.258	0.170	16,494	0.110	0.064	30,468	0.178	0.113	18,764	0.091	0.052
<b>0.05</b>	13,029	0.274	0.181	13,039	0.129	0.075	26,068	0.202	0.128	39,115	0.173	0.108
<b>0.10</b>	10,672	0.318	0.212	7,725	0.169	0.100	18,397	0.255	0.165	24,862	0.231	0.147
<b>0.15</b>	8,498	0.367	0.249	4,250	0.206	0.125	12,748	0.314	0.207	3,705	0.193	0.115
<b>0.20</b>	6,736	0.418	0.287	1,814	0.253	0.157	8,550	0.383	0.259	1,363	0.229	0.139
<b>0.25</b>	5,254	0.473	0.330	691	0.306	0.196	5,945	0.454	0.314	265	0.271	0.169
<b>0.30</b>	4,170	0.525	0.371	261	0.367	0.243	4,431	0.516	0.364	21	0.318	0.204
<b>0.35</b>	3,423	0.569	0.407	126	0.415	0.283	3,548	0.564	0.402	2	0.368	0.243
<b>0.40</b>	2,850	0.608	0.439	60	0.463	0.323	2,910	0.605	0.436	0	0.000	0.000
<b>0.45</b>	2,372	0.646	0.469	29	0.507	0.361	2,400	0.644	0.468	0	0.000	0.000
<b>0.50</b>	1,933	0.648	0.500	12	0.559	0.405	1,945	0.684	0.499	0	0.000	0.000

### Conclusions

Geoinvestment concludes that:

The mineral resources here described are located in a block of mining claims originally optioned to MCC and transferred to SCM Berta, which has rights to acquire 100% of the property. This acquisition is conditional on making the last payment of US\$ 2.25 million due during the 2 first year of operation. The mineral resources reported here refer to the Berta Sur and Berta Central parts of the deposit.

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

To separate the zones with different statistical behavior, solids were constructed to represent two mineralization types: Oxide body and Low grade oxide body. Metallurgical testwork addressed copper grades for both types of mineralization.

The Updated Berta resource model is based on 22,213 m of drilling, mainly RC and mostly drilled by Coro in three stages completed during 2011 and 2012. Other drill holes included in the resource estimate were completed during the 1990's by Minera Mantos Blancos S.A. (Anglo American Chile) and Outokumpu, and diamond drilling completed by Grandcru in 2006 and 2007. Drilling and sampling procedures, sample preparation and assay protocols for all the drilling campaigns were generally acceptable and that available information was used in the resource evaluation without limitation.

The Berta Sur and Berta Central resource estimate was completed at a variety of total copper (%CuT) grades, as shown in Table 4, below.

Table 4: Berta Sur & Central Resource Estimate

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

In order to demonstrate the potential economic viability of the Berta Sur and Central resources, a series of pit optimizations using the Lersch & Grossmann algorithm was completed utilizing appropriate operating costs, results obtained from the metallurgical test work, and a variety of copper prices. For a US\$3.00/lb copper price, the optimum pits were determined to contain 17,604,000t at a grade of 0.37%CuT and an overall stripping ratio of 0.49:1, as detailed in Table 5 below.

Table 5: In Pit Resource Estimate Based on \$3/lb Cu and 0.1% CuT Cutoff

Berta Project In Pit Resource												
Zone	Pit	Measured			Indicated			Measured & Indicated			Waste kt	Strip Ratio
		kt	% CuT	% CuS	kt	% CuT	% CuS	kt	% CuT	% CuS		
Berta Sur	Berta Sur	8,929	0.35	0.23	1,427	0.19	0.11	10,356	0.33	0.21	2,609	0.25
Berta Central	Trinchera-Salvadora	2,242	0.48	0.30	527	0.47	0.29	2,769	0.48	0.30	2,499	0.90
	Carmen-Gemela	982	0.51	0.36	562	0.38	0.26	1,544	0.47	0.32	1,852	1.20
	Nueva	219	0.43	0.29	295	0.34	0.22	514	0.38	0.25	375	0.73
	Berta II	853	0.37	0.24	150	0.36	0.23	1,003	0.37	0.24	572	0.57
	Chico	900	0.30	0.18	518	0.25	0.14	1,418	0.29	0.17	762	0.54
Berta Sur & Central	Total	14,125	0.38	0.25	3,479	0.29	0.18	17,604	0.37	0.23	8,669	0.49

The Berta Project contemplates an open pit mine to extract oxide material from the Berta Sur and Central deposits using mining contractors, followed by crushing, agglomeration and heap leaching of higher grade (>0.3%CuT) material and dump leaching of lower grade (0.1-0.3%CuT) material. The resulting pregnant leach solution (“PLS”) would then be transported by tanker 60km on existing roads to the Nora SXEW plant for recovery of copper cathode. Water and raffinate would be returned by tanker from Nora to Berta. Overall material contained in the mine plan developed by Geoinvestments has 7.22mt of heap leach material, with an average grade of 0.57% CuT and 6.63mt of dump leach material with an average grade of 0.20%CuT.

A total of twelve 2m column tests have been completed on material from Berta Sur at Geomet SA and three 2m columns from Berta Central material at the Hydrometallurgy Laboratory of the University of Santiago de Chile, and this testwork was used to estimate recoveries of 78% of total copper for the heap leach and 45% of total copper for the dump leach material.

The Berta Project mine plan and cathode production schedule is shown in Table 6 below.

**Table 6: Berta Mine Plan**

Berta Mine Plan		Year								Total
		1	2	3	4	5	6	7	8	
Heap Leach	Mined, kt	992	978	942	958	921	626	985	821	<b>7,223</b>
	CuT%	0.50	0.50	0.56	0.57	0.57	0.92	0.59	0.50	<b>0.57</b>
	CuS%	0.35	0.36	0.39	0.41	0.40	0.65	0.42	0.36	<b>0.41</b>
	Recovery, %	78	78	78	78	78	78	78	78	<b>78</b>
	Cathode, kt	3.9	3.9	4.1	4.3	4.1	4.5	4.5	3.2	<b>32.4</b>
Dump Leach	Mined, kt	1,187	1,219	935	688	873	520	428	782	<b>6,632</b>
	CuT%	0.20	0.20	0.20	0.21	0.19	0.19	0.21	0.20	<b>0.20</b>
	CuS%	0.12	0.12	0.12	0.13	0.11	0.11	0.13	0.12	<b>0.12</b>
	Recovery, %	45	45	45	45	45	45	45	45	<b>45</b>
	Cathode, kt	1.1	1.1	0.9	0.7	0.7	0.4	0.4	0.7	<b>6.0</b>
Waste	Strip Ratio	0.43	0.16	0.10	0.06	1.16	1.62	0.72	0.41	<b>0.52</b>
	Waste, kt	933	360	187	103	2,081	1,857	1,012	653	<b>7,186</b>
Total	Mined, kt	3,112	2,557	2,064	1,749	3,875	3,003	2,425	2,256	<b>21,041</b>
	Cathode, kt	4.9	5.0	4.9	5.0	4.8	4.9	4.9	3.9	<b>38.3</b>

### *Operating Costs*

Operating cost estimates reflect the current market environment in northern Chile for contract mining, crushing, sulphuric acid, power supply, cathode production by SXEW, and transportation of PLS and water, and are shown on Table 4, below.

Major operating cost components are sulphuric acid at \$105/t, water at \$0.25/m<sup>3</sup> and power at \$280/MW for Berta (generators) and \$150/MW for Nora (connected to grid).

**Table 7: Life of Mine Operating Costs**

Life of Mine Operating Cost	LOM \$m	LOM \$/lb
Mining	\$51.4	\$0.61
Processing	\$92.9	\$1.10
PLS Transport	\$19.9	\$0.24
G&A	\$7.4	\$0.09
<b>Cash Cost C1</b>	<b>\$171.7</b>	<b>\$2.03</b>

### *Capital Costs*

SCM Berta is in the process of closing the acquisition of the Nora plant and obtaining debt financing to complete the following capital expenditures;

- Nora Plant Purchase and Expansion; \$6.25m fixed fee BOT contract to cover the purchase price and the expansion from 3,000tpy to 5,000tpy copper cathode of the SXEW circuit
- Berta Crushing Circuit and Pads construction; \$7m fixed fee BOT contract to cover the installation of a 1mtpy crusher and agglomerator, heap and dump leach pads, and associated piping, ponds, electrics and infrastructure
- A project loan; \$1.75m, including \$0.25m which has been advanced as an option payment to the Berta claim owner

### *Pre-Financing Pricing Analysis*

The Project has been evaluated on both a pre-tax basis and after all Chilean taxes and a 1.5% royalty due to the Berta claim owner at a base case copper price of \$3.00/lb and for sensitivity, at prices of \$3.30/lb and \$2.70/lb as shown on Table 8.

Table 8: Berta Economic Evaluation Summary

Cu Price	\$3.30/lb		<b>\$3.00/lb</b>		\$2.70/lb	
	Pre tax	After tax	Pre tax	After tax	Pre tax	After tax
NPV						
5%	\$60.8	\$48.0	\$41.5	\$32.6	\$22.2	\$17.1
8%	\$51.0	\$40.0	<b>\$34.3</b>	<b>\$26.6</b>	\$17.6	\$13.2
10%	\$45.5	\$35.5	\$30.2	\$23.3	\$14.9	\$11.0
IRR	75.8%	64.0%	<b>55.2%</b>	<b>46.9%</b>	33.7%	28.8%

### *Recommendations*

Geoinvestment recommends that:

Further metallurgical test work is necessary to confirm the economic viability of the deposit. Regarding the oxide recoveries, a specialist should be engaged to evaluate the results from the Geomet and USACH test work and suggest further lines of investigation to reduce the risks associated with metallurgical recovery from copper wad species.

The spent ore stockpile from the previous period of plant operation at Nora contains potentially recoverable copper and SCMB has also identified some potentially available dump material within trucking distance of the plant, both of which should be evaluated as feed for the plant in early 2015 while Berta is being developed. However, this economic evaluation assumes that there will be no copper production at the Nora plant until the Berta facilities have been installed.

SCM Berta should also evaluate alternatives to trucking water, raffinate and PLS between Nora and Berta, including installing a pipeline between them.

### **San Jorge Propipe PFS Summary**

The following information in this section is summarized or extracted from the San Jorge 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 San Jorge 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 San Jorge Propipe PFS which is available for review on the SEDAR website at [www.sedar.com](http://www.sedar.com).

The effective date of the San Jorge 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 San Jorge 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.

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

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 to 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 of 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 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.

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 the table below.

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
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### *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:

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%	
<b>Oxide</b>	0.3	18,433	0.60	0.47	7,985	0.50	0.39	26,418	0.57	0.44	55%
<b>Enriched</b>	0.2	21,583	0.66	0.13	389	0.47	0.09	21,972	0.66	0.13	45%
<b>Total</b>		40,016	0.63	0.28	8,374	0.50	0.37	48,390	0.61	0.30	100%
<b>% of Tonnage</b>		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 the table below.

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	21,972
	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	21,972
	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 the table below.

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 the table below.

#### San Jorge Capital Cost Estimate

<b>San Jorge 25kt/y leach project in San Juan - Initial Capital Expenditure</b>	<b>\$*000</b>	<b>\$*000</b>
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	
<b>Grand Total</b>		<b>184,499</b>

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 the table below.

#### Summary Cash Flow Analysis (Base Case)

<b>San Jorge 25kt/y Copper Leach Project in San Juan Argentina</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	
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

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

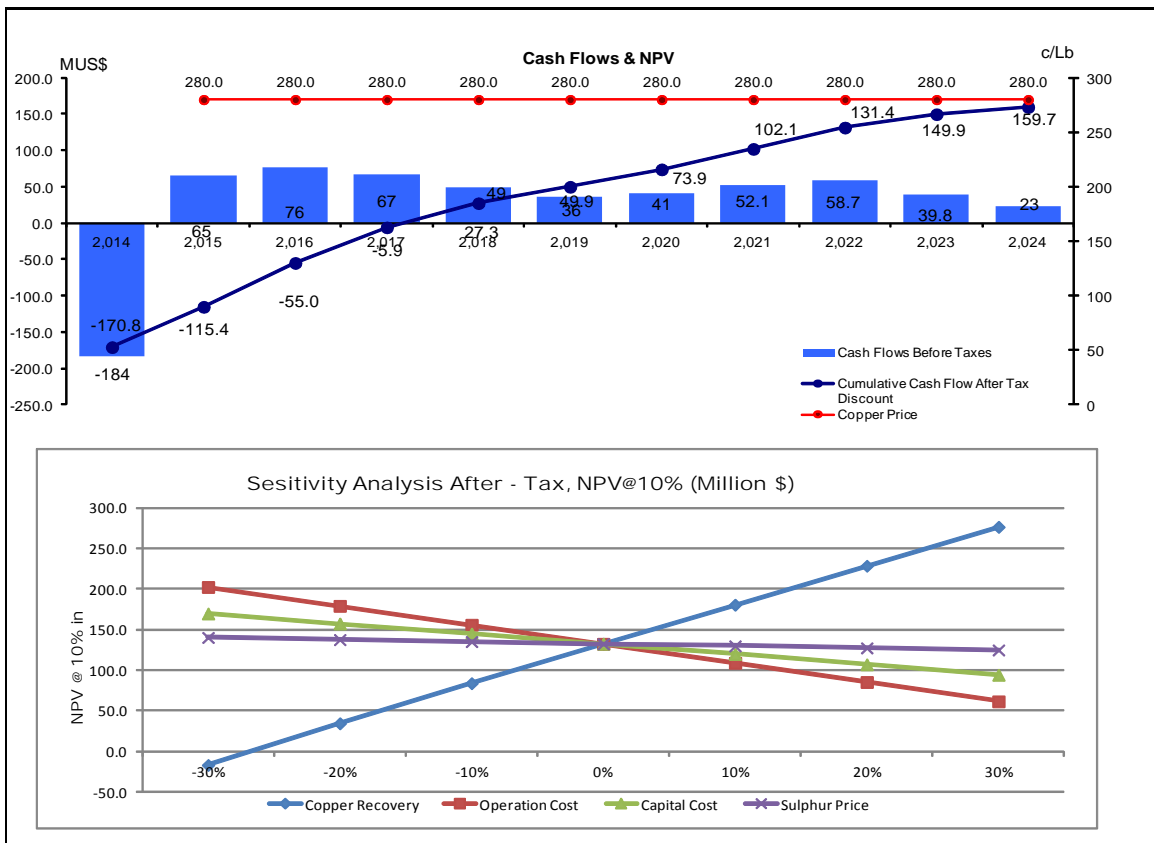
## San Jorge Economic Evaluation Summary

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

### 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

### Economic Evaluation Summary: Cash Flow & NPV – Sensitivity Graphs



## 14. MATERIAL CONTRACTS

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



## **15. 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, 2014 and 2013 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.

Process and Pipeline Projects S.A. prepared the San Jorge Propipe PFS and the Berta Technical Report. The Qualified Persons responsible for the preparation of the San Jorge Propipe PFS were Sergio Alvarado, Rodrigo de Brito Mello, Eduardo Rosselot, Herbian Soto and Enrique Quiroga. The Qualified Person responsible for the Berta Technical Report was Sergio Alvarado. 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).

## **16. 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, 2014 and 2013.

	<u>2014</u>	<u>2013</u>
Audit fees <sup>(1)</sup> .....	\$50,000	\$45,000
Audit-related fees <sup>(2)</sup> .....	-	-
Tax fees <sup>(3)</sup> .....	\$87,636	\$7,600
All other fees .....	<u>-</u>	<u>-</u>
<b>Total</b> .....	<u>\$137,636</u>	<u>\$52,600</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.

## 17. ADDITIONAL INFORMATION

Additional information concerning the Company may be found on SEDAR at [www.sedar.com](http://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, 2014, which are available for review on SEDAR at [www.sedar.com](http://www.sedar.com). Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's Information Circular for the Company's Special and Annual General Meeting held June 3, 2014.

## **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.