NI 43-101 TECHNICAL REPORT

PELAYA COPPER PROJECT

DEPARTMENT OF CESAR, COLOMBIA

October 10th, 2013

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1.0 SUMMARY

This Technical Report has been prepared on behalf of CuOro Resources Corp. to provide a summary of scientific and technical data pertaining to the Pelaya Copper Project, located in the Department of Cesar, Colombia.

The Pelaya Copper Project is comprised of two contiguous applications for concession contracts in the Cesar Department of the Republic of Colombia, 360 km northeast of Medellín and 465 km north of Bogotá. Excluding areas where they overlap with one another and surrounding concession contracts, the application area free to be awarded as concession contracts totals 3,309.1 ha.

The project area is most easily accessed by road from Valledupar, Cesar. Road communication between Valledupar and the town of Pelaya is attained via National Routes 49 and 45 (Ruta del Sol). The road distance between Valledupar and the town of Pailitas is 180.1 km; the road distance between Valledupar and the town of Pelaya is 210.3 km. The Project can be easily accessed from Pailitas or Pelaya where numerous unpaved roads cross over the Project area.

The Pelaya Municipality is located within the Carribean Lowlands of Colombia. The climate is normally warm and dry; annual precipitation is less than 1,300 mm (heaviest May-June and October-November). Mean monthly temperatures in the area range between 26°C and 28.5°C.

Resources required to support surface exploration programs are readily available in the towns of Pelaya and Pailitas. The city of Valledupar has the necessary infrastructure and workforce to support large-scale mining operations: several large-scale coal mining operations are currently in production in the Cesar and La Guajira departments (Drummond, Anglo American, BHP Billiton, Xstrata).

Drummond International operates several open pit coal mines within the Department of Cesar, including La Loma, which is the second largest open pit mine in Colombia (located approximately 80 km north of the Pelaya Project). From La Loma, coal is transported 193 km by railcar on the renovated portion of the Colombian National Railroad System directly to Puerto Drummond, a deep-water ocean port on the Caribbean Sea near Santa Marta.

The Project is situated in the foothills and flatlands west of the Eastern Cordillera of the Northern Colombian Andes. Elevation at the Project ranges from approximately 140 m to 560 m ASL. Much of the Project is comprised of gently rolling hills that have been cleared for pasturing or cultivation of crops.

No exploration efforts focusing on copper have been reported in the area of the Pelaya Project. The holders of the concessions immediately to the west of the Pelaya application group conducted minimal exploration efforts targeting high-sulphidation Au vein mineralisation present on in this area.

The Pelaya Project is located on the west margin of the Maracaibo Sub-Plate Realm where the Serranía de Perijá and Santander massif intersect, giving way to the Cesar-Ranchería and Lower Magdelena basins. The wider area around the Pelaya Project is dominated by Proterozoic metamorphic basement rocks, Palaeozoic and Mesozoic sedimentary and volcano sedimentary supracrustal rocks, and Triassic-Jurassic plutonic rocks. The Bucaramanga-Santa Marta Fault System – a 340° trending, left-lateral, strike slip fault (and deep crustal suture several hundred km in length) – forms the southwest margin of the Santander massif and crosses directly through the Pelaya Project.

Regional geologic context and field evidence indicates three possible copper-deposit target-types at the Pelaya Project area:

i. red bed copper;
ii. volcanic native copper; and,
iii. high sulphidation epithermal.

To date, CuOro Resources Corp. has completed several reconnaissance visits and soil geochemical sampling at the Pelaya Project. This work has defined a Cu in soil anomaly with a strike length of ~800 m (Singarare anomaly). Analysis of rock samples from surface showings within the Singarare anomaly returned a maximum value of 25.53% Cu. Exploration work has also defined several Cu in soil anomalies (Boloazul anomaly) over 4 km to the north of the Singarare anomaly, where analysis of rock samples has also returned maximum values of 2.52% Cu. Infill soil sampling has not yet been completed over the Boloazul anomaly; the infill sampling completed over the Singarare anomaly remains at a relatively coarse resolution.

On the basis of the exploration completed thus far, a first phase exploration program with a budget of **US$ 200,000** is proposed to continue examination of the Project. The recommendations for Phase I include completion of an Airborne magnetic and radiometric survey, further soil geochemical sampling, detailed geological mapping, ground geophysics over selected targets, and trenching of selected targets.

Following completion of the first phase of surface exploration and evaluation of the results, the author anticipates numerous drill targets will be developed. A drill program of 1,000 metres will be recommended for a Phase II evaluation of targets developed from Phase I. The budget estimate for for Phase II is **US$ 400,000**.

2.0 INTRODUCTION

2.1 Issuer Information

This Technical Report has been prepared on behalf of CuOro Resources Corp. (“CuOro”, “CUA”, or the “Company”) to provide a summary of scientific and technical data pertaining to the Pelaya Copper Project (the “Project” or “Property”), Department of Cesar, Colombia. This Technical Report conforms to National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101).

CuOro Resources Corp. (TSX VENTURE: CUA, FRANKFURT: 6BC) is a publicly listed company that aims to identify mineral properties that have significant potential to develop large-scale resources in various jurisdictions, including Colombia.

2.2 Terms of Reference

This Technical Report has prepared to provide a summary of scientific and technical data pertaining to the Pelaya Copper Project and to make recommendations concerning future exploration and development.

2.3 Sources of Information

The information, conclusions and recommendations contained herein are based on digital and hard copy information held by CuOro, as well as various published geological reports.

2.4 Site Visits

In the course of conducting work programmes described in this report, CuOro personnel have visited the Project several times between January and September, 2013. The author last visited the Project September 15, 2013.

2.5 Units of Measure and Abbreviations

Table 2.1. Summary of units of measure and abbreviations referenced.

Unit of Measure	Abbreviation
Billion	G
Billions of years (before present)	Ga
Centimeter	cm
Cubic metre	m^3
Degree	°
Gram	g
Gram Xy per tonne	g Xy/t
Greater than	>
Hectare	ha
Kilo	K
Kilogram	kg
Kilometre	km
Less than	<
Metre	m
Milligram	mg
Millimeter	mm
Million	M
Millions of years (before present)	Ma
Parts per billion	ppb
Parts per million	ppm
Percent	%
Pound(s)	lb(s)
Tonne	t

Other	Abbreviation
Canadian Institute of Mining and Metallurgy	CIM
Global Positioning System	GPS
National Instrument 43-101	NI 43-101
Professional Geologist	P.Geo
Universal Transverse Mercator	UTM
Quality Assurance/Quality Control	QA/QC

3.0 RELIANCE ON OTHER EXPERTS

This report has been prepared by the author for CuOro. The information, conclusions, opinions, and estimates contained herein are based on information available to the author at the time of preparation of this report, assumptions, conditions, and qualifications as set forth in this report, and data, reports, and other information held by CuOro and other third party sources. Except for the purposes legislated under provincial securities law, any use of this report by any third party is at that party's sole risk.

4.0 PROPERTY LOCATION AND DESCRIPTION

The Pelaya Copper Project is comprised of two contiguous applications in the Cesar Department of the Republic of Colombia, 360 km northeast of Medellín and 465 km north of Bogotá. Excluding areas where they overlap with one another and surrounding concession contracts, the application area free to be awarded as concession contracts totals 3,309.1 ha (Table 4.1).

Table 4.1. Pelaya Copper Project applications.

Application Number	**Total Application Area (ha)**	**Area Free for Contract (ha)**
OGU-14531	2,921.43	1,892.11
OG2-084314	2,572.75	1,416.97
	Total:	**3,309.07**

4.1 Mineral Tenure

Mineral rights in Colombia are reserved by the federal government and governed by the Colombian Mining Code. The Colombian Mining Code has been changed and amended on several occasions: the version relevant to the Pelaya Project is Law 685 of 2001.

Colombian mining law is administered by the Ministry of Mines and Energy which has relegated the administrative duties concerning concession contract issues to the Agencia Nacional de Mineria ("ANM"; ministerial decree #4134, November 03, 2011).

4.1.1 Concession Contract

The concession contract is granted for a term that the applicant requests, up to a maximum of thirty (30) years. The term starts from the date of inscription of the contract at the National Mining Register. The concession contract agreements consists of three phases governed by Law 685 of 2001: (i) exploration, (ii) construction and erection, and (iii) exploitation (Table 4.2).

Table 4.2. Example timeline of a concession contract utilizing all possible extensions.

	Years																				
Phase	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	//	30	31	//	60
Exploration	E	E	E																		
Extension(s)				*E_1*	*E_1*	*E_2*	*E_2*	*E_3*	*E_3*	*E_4*	*E_4*										
Construction												C	C	C							
Extension															*C_1*						
Exploitation																Ex	//	Ex			
Extension																			*Ex_1*	*//*	*Ex_1*

4.1.2 Exploration Phase

During the three (3) years following the date of contract inscription, the concession holder must carry out the exploration studies of the contracted area. At request of the concession holder (or applicant), a lesser period of time for exploration can be requested in the contract, as long as it does not imply freeing the concession holder from the minimum obligations required for this phase of the contract.

According to Law 1450 of 2011, the concession holder may request extensions of two (2) years for the period of exploration, a maximum of four (4) times, thereby allowing for a maximum of eleven (11) years for the exploration phase. In this case, the formal initiation of the construction and erection phase will be postponed until the expiry of the extension(s) to the phase of exploration.

The extensions of the previous phase should be requested by the concession holder with due justification and with anticipation not less than three (3) months prior to its expiry date. If the request has not been answered prior to the expiry date, it will be considered as granted by means of administrative silence.

4.1.3 Construction and Erection Phase

Once the period of exploration has ended, the period of three (3) years will start for the construction and erection of facilities necessary for the exploitation phase. The concession holder may request an extension of the period of construction and erection phase for an addition term of up to one (1) year. In this case, the formal initiation of the period of exploitation will be postponed until the expiry of the granted extension.

The extensions of the previous phase should be requested by the concession holder with due justification and with anticipation not less than three (3) months prior to its expiry date. If the request has not been answered prior to the expiry date, it will be considered as granted by means of administrative silence.

4.1.4 Exploitation Phase

The maximum period of exploitation will be the total time of the concession contract minus the periods of exploration, construction and erection, including their extensions.

Before the expiration of the period of the exploitation phase, the concession holder may request an extension of the contract for up to thirty (30) years, which will be completed by means of an act signed by the parties, which will be registered at the National Mining Register. Once the extension has expired, the concession holder will have preference to contract again the same area in order to continue their work of exploitation. Exploitation will not have to be suspended while the new contract is being completed.

4.2 Royalties and Encumbrances

4.2.1 Royalties

In conformity with Articles 58, 332 and 360 of the Political Constitution, exploitation of non-renewable natural resources of state ownership generates royalties as a compulsory counter-benefit. This consists in a percentage, fixed or progressive, of the exploited gross product, object of the mining title, and its sub-products, calculated or measured on the mine head, payable in currency or in kind (Law 685, 2001). As stipulated by the 19th Article of Law 756 of 2002, **production of copper is subject to a 5% royalty** payable to the National Royalty Fund of Colombia.

4.2.2 Canon Superficiario

Surface fees (cánones superficiarios) on the total area of a concessions during the exploration, the erection and construction or over its extensions that the contractor retains for exploring during the period of exploitation, are compatible with the royalty and constitute a price that will be collected by the contracting agency without taking in to consideration who has the property or possesses the lands of the contract. If the requested area of the concession contract:

i. does not exceed 2,000 hectares, surface fees are equivalent to a daily minimum salary (19,650 COP in October, 2013) per hectare, payable annually in advanced starting from the execution of the contract;
ii. is between 2,000 and 5,000 hectares, the surface fees are equivalent to two (2) daily minimum salaries per hectare, payable annually in advance; or,
iii. if the area is between 5,000 and 10,000 hectares, the surface fees are equivalent to three (3) daily minimum salaries per hectare, payable annually in advance (Table 4.3).

Table 4.2. Summary of Cánones Superficiarios (Law 685 of 2001).

Concession Contract Area (ha)	Surface fee (COP/ha)	Surface fee (USD/ha)
< 2,000	$19,650	$10.41
2,000 - 5,000	$39,300	$20.83
> 5,000	$58,950	$31.24

4.2.1 Other Encumbrances

As the Pelaya Project consists of applications for concession contracts to be signed directly between CuOro's Colombian Company and the Colombian Government, it is not subject to any other royalties, back-in rights, payments, or other agreements and encumbrances aside from those described in sections 4.2.1 and 4.2.2.

4.2 Environmental Permitting

Early stages of exploration including geological mapping and stream or soil geochemistry do not require permitting. However, exploration activity involving soil disturbance — including trenching and road and drill pad construction – requires an environmental management plan (PMA) and approval from the Corporación Autónoma Regional Del Cesar ("Corpocesar"). Drilling requires a water use and disposal permits.

In areas restricted for exploration and mining (such as forest reserves), prior subtraction of the restriction is required. Application OG2-084314 lies primarily over low elevation fields that have mostly been cleared for pasturing and/or cultivation. The higher elevation areas of application OGU-14531 lie within the Cesar(?) forest reserve; subtraction of specific areas will be required to complete advanced exploration and drilling.

All exploration projects require environmental insurance which can be purchased on an annual basis during the first three years of the licence or concession contract.

Figure 4.1 Physical map of Colombia with topography, major cities, and administrative Departments (IGAC, 2013).

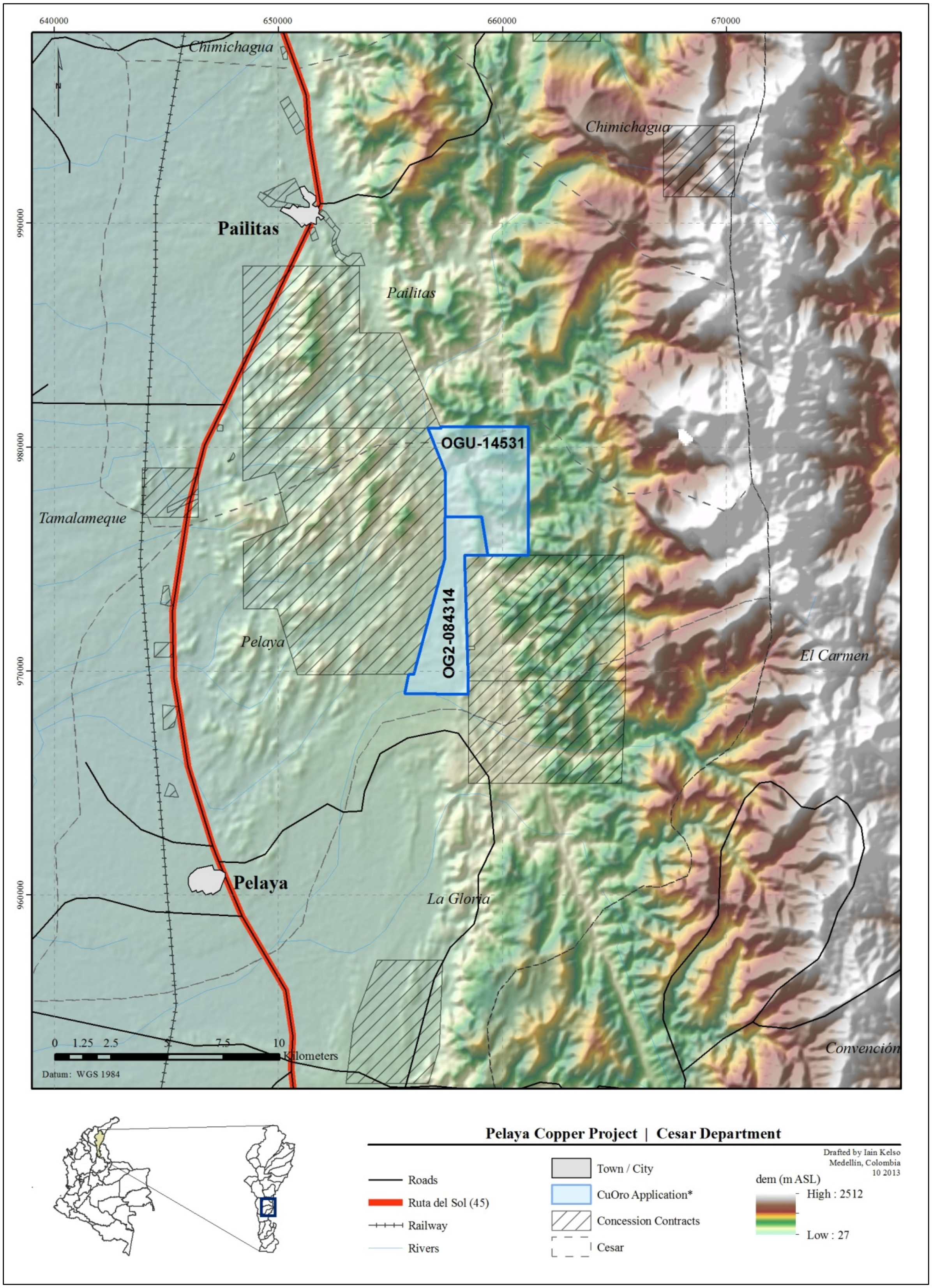


Figure 4.2 Physical map of the Pelaya and Pailitas municipal districts, concession contracts, and CuOro applications.

4.5 Copper Production in Colombia

Despite several Cu mineral resources and Cu exploration target areas available for development within Colombia, the country produces relatively little copper and has only one modern, copper mining operation in production (El Roble). Colombia therefore imports copper to meet its industrial needs. The majority of Colombia's copper production is attributed to the El Roble Copper mine (Antioquia Department) which commenced production in the early 1990s (Figure 4.2).

The El Roble mine is located approximately 430 km southwest of the Pelaya Project along different transport routes and its operation involves the processing of heavy sulphide ores from several small, volcanogenic massive sulphide lenses.

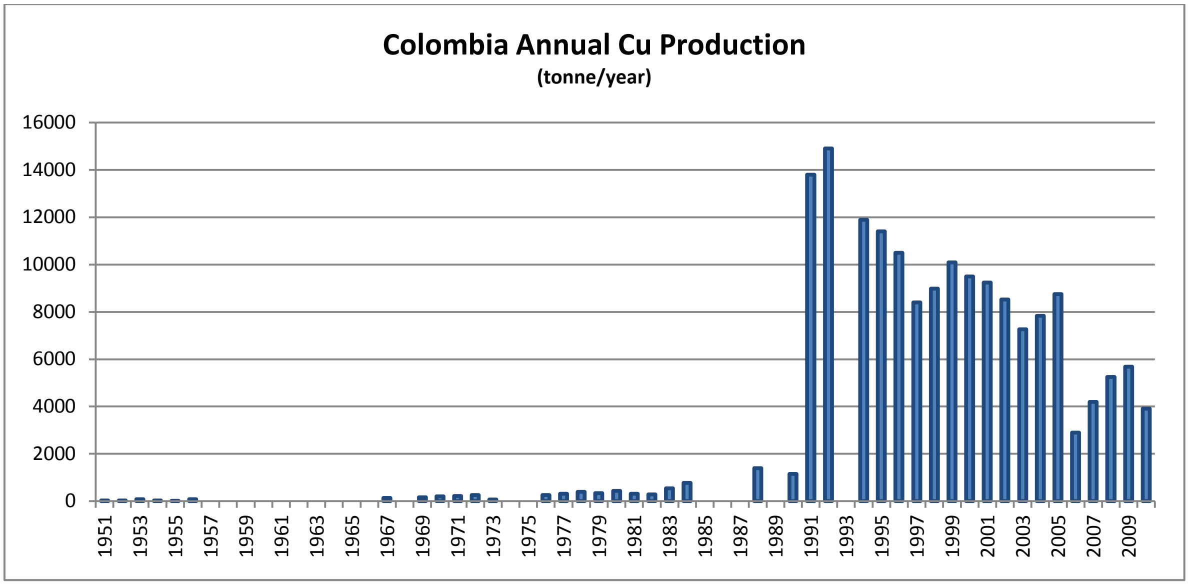


Figure 4.2 Total Colombian copper production per annum (UPME, 2013).

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Accessibility

The project area is most easily accessed by road from Valledupar, Cesar. Alfonso López Pumarejo Airport (Valledupar) is serviced by several commercial airlines with regular flights to Bogotá, Barranquilla, and Bucaramanga.

Road communication between Valledupar and the town of Pelaya is attained via National Routes 49 and 45 (Ruta del Sol). Ruta del Sol is a major, 1,000 km long corridor that connects Bogotá and the Caribbean coast. In the

Cesar department, both highways are generally in very good condition with occasional portions under repair or improvement.

The road distance between Valledupar and the town of Pailitas is 180.1 km; the road distance between Valledupar and the town of Pelaya is 210.3 km (in both cases following National Routes 49 and 45 southward along relatively flat terrain).

From National Route 45, the Project can be easily accessed from Pailitas or Pelaya where numerous unpaved roads cross eastward over the Project area. The Project area is a 30 to 40 minute drive from both towns.

5.2 Climate

The Pelaya Municipality is located within the Carribean Lowlands of Colombia. The climate is normally warm and dry; annual precipitation is less than 1,300 mm. Mean monthly temperatures in the area range between 26°C and 28.5°C (Figure 5.1); rainfall is heaviest May-June and October-November (Figure 5.2).

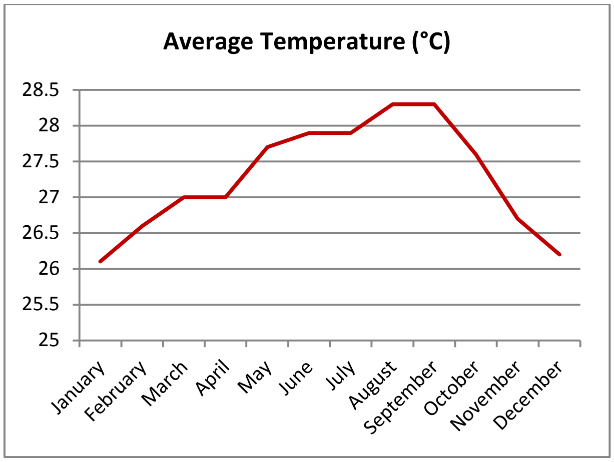


Figure 5.1 Mean monthly temperatures for Pelaya, Cesar.

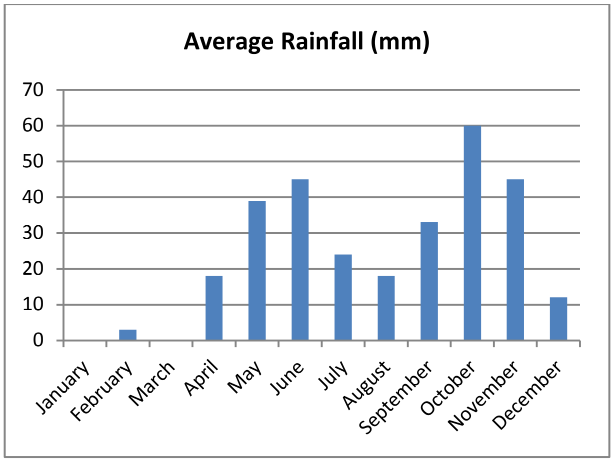


Figure 5.2 Mean monthly precipitation for Pelaya, Cesar.

5.3 Local Resources and Infrastructure

The town of Pelaya is 12 km to the southeast of the Project. At the time of the 2005 census, the population of the municipal district of Pelaya was 16,242 (DANE, 2013).

Resources required to support surface exploration programs (labor force, supplies and basic equipment) are readily available in the towns of Pelaya and Pailitas. The city of Valledupar – capital of Cesar Department with a 2005 population of 423,260 (DANE, 2013) – has the necessary infrastructure and workforce to support large-scale mining operations: several large-scale coal mining operations are currently in production in the Cesar and La Guajira departments (Figure 5.3).

5.3.1 Railway Lines and Deep Water Ports

The Project area is located approximately 11 km west of National Route 45 (Ruta de Sol) and the single-gauge railway line of the Colombian National Railroad (operated in Cesar by Ferrocarriles del Norte de Colombia S.A.) that runs southward from the coastal city of Santa Marta (Figure 4.2, Figure 5.3).

Drummond International operates several open pit coal mines within the Department of Cesar, including La Loma, which is the second largest open pit mine in Colombia (located approximately 80 km north of the Pelaya Project; Figure 5.3). Drummond transports the coal 193 km by railcar on the renovated portion of the Colombian National Railroad System directly to Puerto Drummond (a deep-water ocean port on the Caribbean Sea near Santa Marta). This port has the capability to load all sizes of vessels up to the largest Capesize cargo vessels. Heavy investment in production infrastructure has allowed Drummond to increase exports of Colombian coal from 0.9 Mt in 1995 to approximately 22.6 Mt in 2011 (Drummond, 2013).

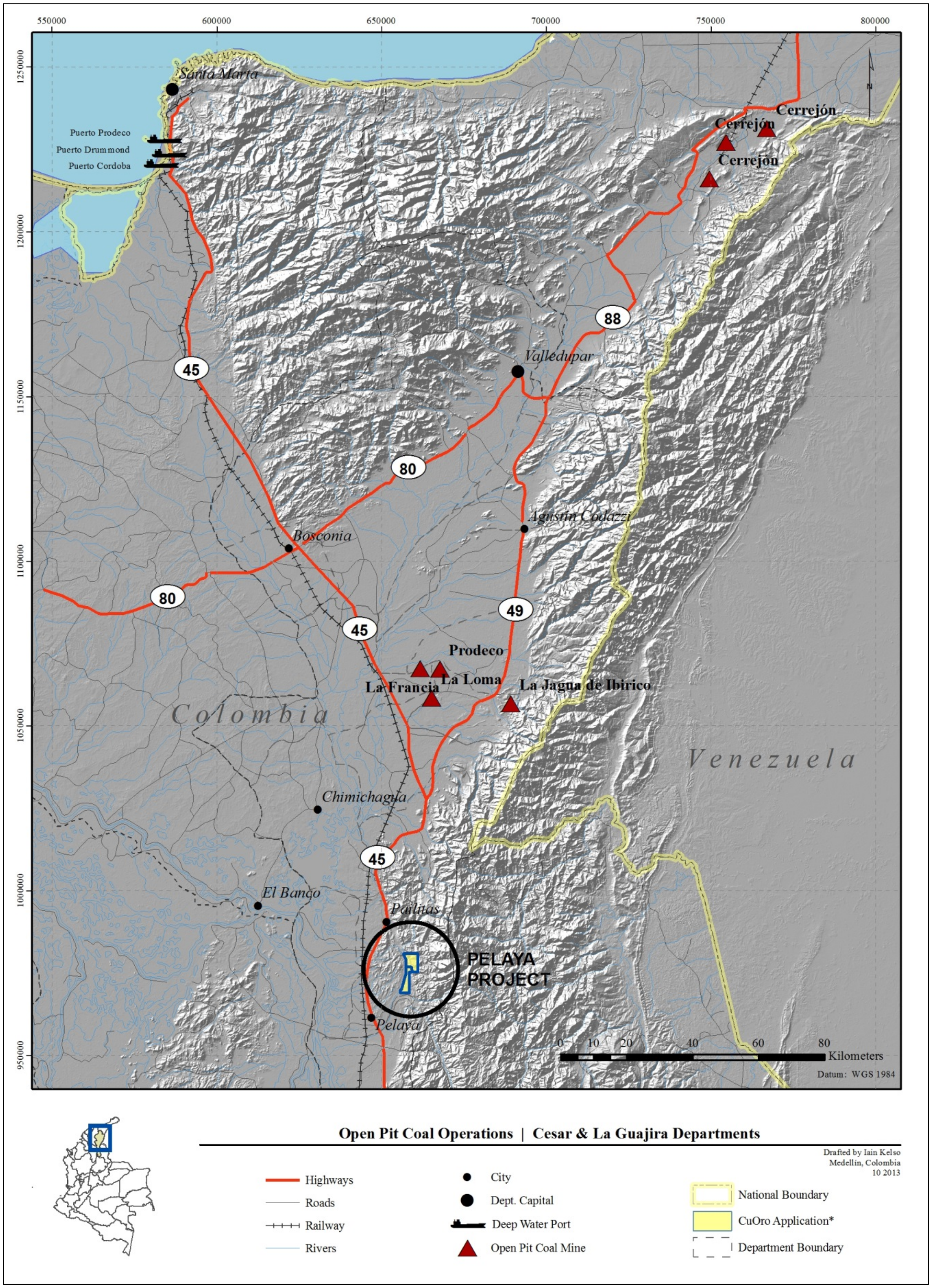


Figure 5.3 Map of the Cesar and La Guajira Departments with locations of open pit coal mines and deep water ports.

5.4 Physiography

The Project is situated in the foothills and flatlands west of the Eastern Cordillera (Cordillera Oriental) of the Colombian Andes – specifically, where the Santander massif and Serranía de Perijá intersect. Elevation at the Project ranges from approximately 140 m to 560 m ASL (Figure 4.2). Much of the Project is comprised of gently rolling hills; most low lying areas have been cleared for pasturing or cultivation of crops. Most of the southern application area (OG2-084314) lies between 150 m and 200 m ASL (Figure 5.2).

Figure 5.2 Photograph of low-elevation pasture within OG2-084314.

6.0 HISTORY

No exploration efforts focusing on copper have been reported in the area of the Pelaya Project.

6.1 Jerusalén Gold Project

The holders of the concessions immediately to the west of the Pelaya application group (LFL-08551 and KEE-11211; Grupo Empresarial Minero Jerusalén S.A.S.) have operated and sub-contracted minimal exploration efforts targeting high-sulphidation Au vein mineralisation present on their project (Jerusalén Gold Project). These work programmes were summarized in a 2012 43-101 report completed by SGS Mineral Services.

Four historic/abandoned artisanal gold mining areas located in the villages of Caño Seco, Santa Helena, and Caracolí had been previously documented. The Caño Seco are was the main exploration focus of SGS (Figure 6.1), which included detailed surface mapping of streams and roads, confirming continuity and identifying zones with potential for hosting mineralisation (Desharnais, 2012).

A short field campaign was undertaken by geologists of SGS, whose focus was validating data from previous work and outlining new mineralisation. Ten separate quartz veins were identified, typically consisting of quartz+ pyrite+/-chalcopyrite or pyrite. A second style of gold mineralisation was identified associated with disseminated sulphide in altered, micro-porphyritic basalt. The highlights of the field work included several significant gold values within the Poderosa and Maiz veins (e.g. 6.9 g Au/t, 12 g Au/t, 2.8 g Au/t). One sample of porphyritic basalt with minor disseminated pyrite returned 2.1 g Au/t (Desharnais, 2012).

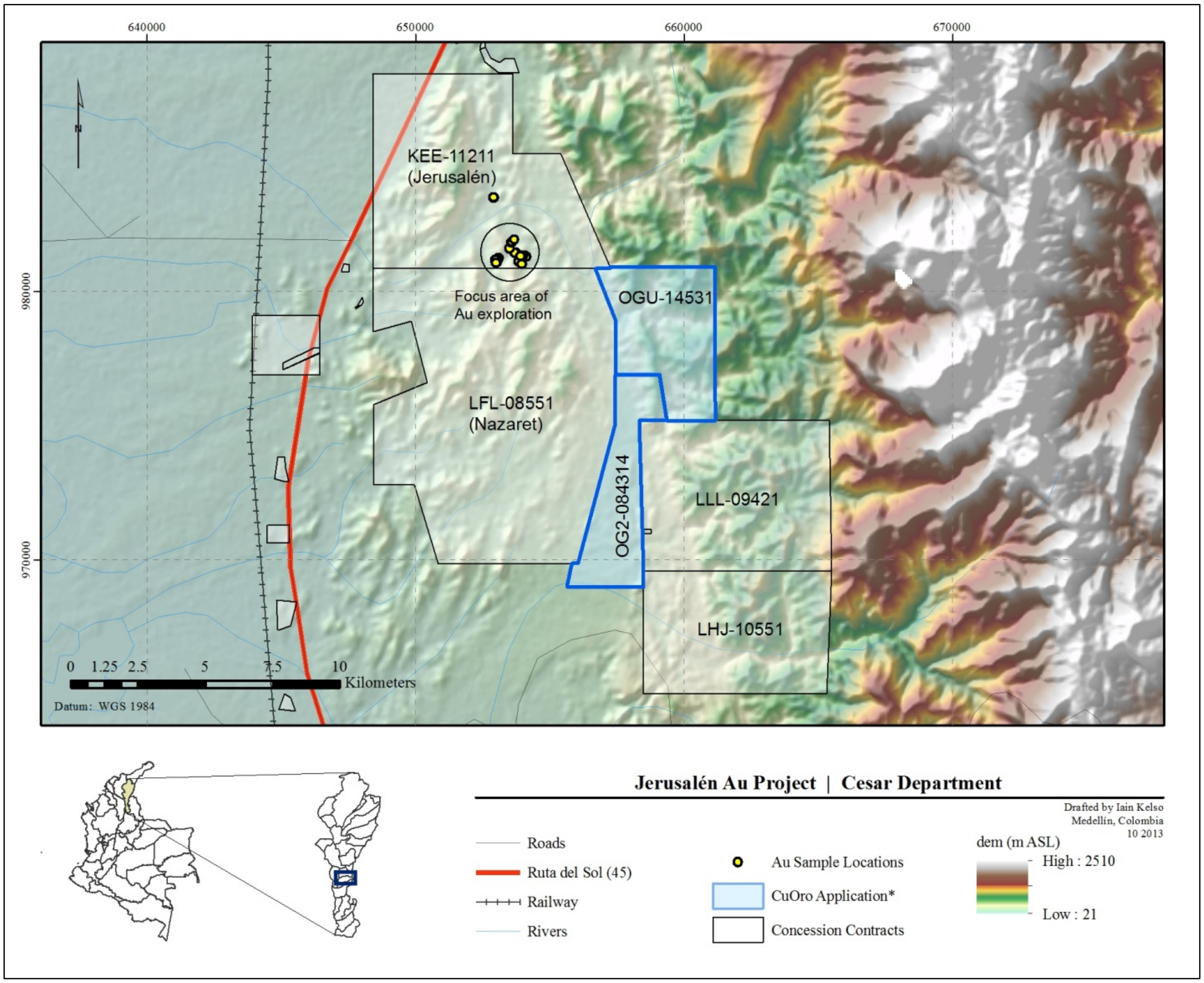


Figure 6.1 Location of the Jerusalén and Nazaret Au projects.

7.0 GEOLOGICAL SETTING AND MINERALISATION

7.1 Regional Geology

A generalized representation of the geology of northwestern South America expressed in terms of lithotectonic and morphostructural units as defined by Cediel, et al. (2003) is presented in Figure 7.1. In this context, lithotectonic units are defined as geologic domains generated in a particular tectonic environment or deformed by a particular tectonic process; whereas morphostructural units are defined as physiographic regions with topographic expression controlled by faults, folds, or geologic discordances and often correspond to modern-day depressions lacking sufficient surficial geologic exposure to allow the interpretation of subsurface geology beyond the Pleistocene (Cediel, et al., 2003).

The Pelaya Project is located on the west margin of the Maracaibo Sub-Plate Realm (MSP) where the Serranía de Perijá and Santander massif intersect, giving way to the Cesar-Ranchería and Lower Magdelena basins. The MSP hosts numerous composite lithotectonic provinces and morphostructural features (Figure 7.1), including:

i. the Sierra Nevada de Santa Marta (SM);
ii. the Sierra de Mérida (ME, the "Venezuelan Andes");
iii. the Serranía de Perijá and Santander massif (SP); and,
iv. the Cesar-Ranchería and Maracaibo basins.

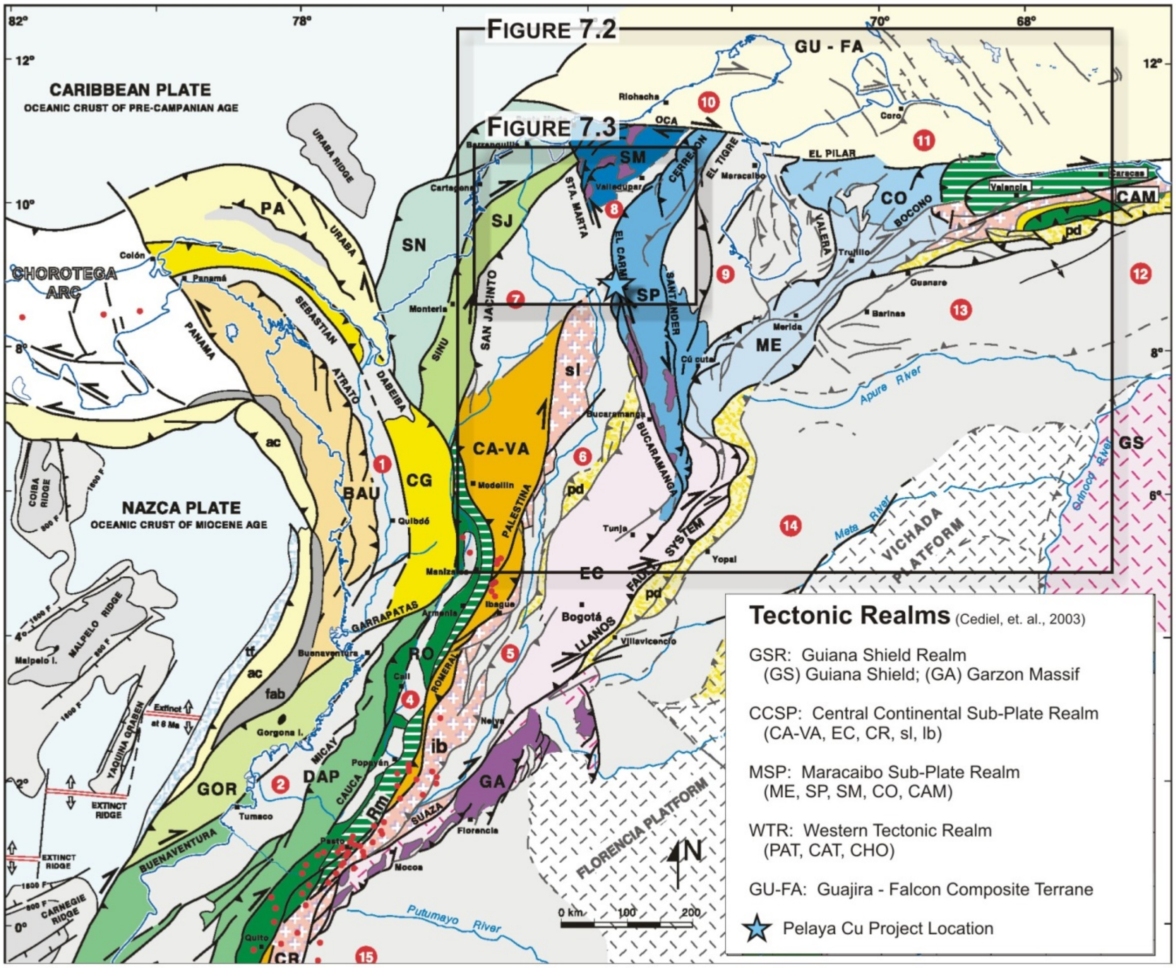


Figure 7.1 Tectonic realms of Colombia with the location of the Pelaya Project (Cediel, et al., 2003).

From a geologic perspective, the MSP is characterized as the northwestern most portion of the Guiana Shield, overlain in this region by extensive Phanerozoic supracrustal sequences. In the late Cretaceous, the MSP began to migrate northwestward along the Santa Marta-Bucaramanga and Oca-El Pilar fault systems, in the process forming the Sierra de Mérida, the Santander- Perijá belt, and the Sierra Nevada de Santa Marta (Cediel, et al., 2003).

Although technically a part of the Guiana Shield, the MSP is distinguished from the Guiana Shield Realm by a unique and regionally constrained style of deformation brought about by the Mesozoic-Cenozoic through recent interaction between the Pacific (Nazca), Caribbean, and continental South American plates (Cediel, et al., 2003).

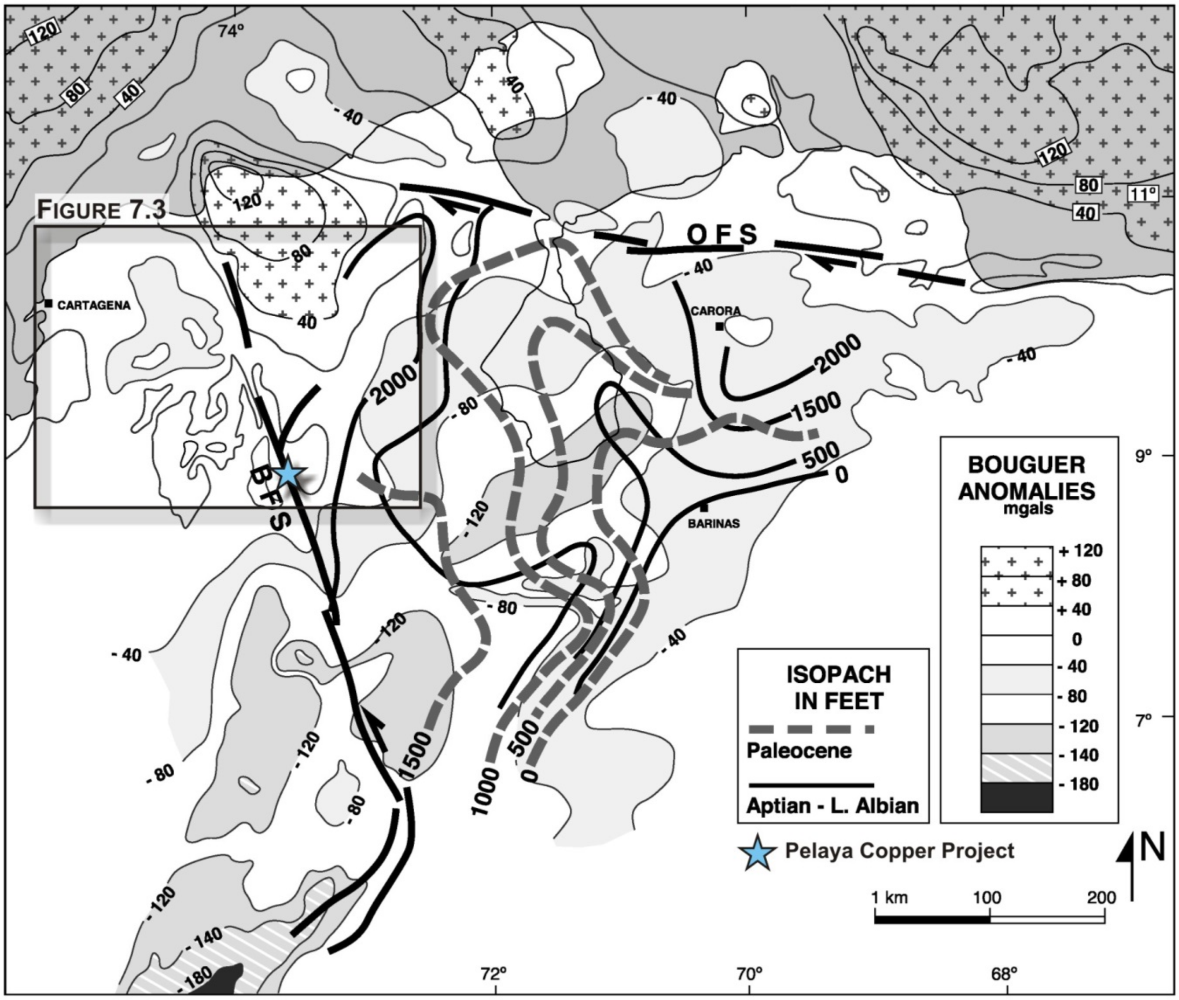


Figure 7.2 Gravimetric expression of the Maracaibo subplate (Cediel, et al., 2003).

A gravity and isopach contour map of the MSP is presented in Figure 7.2. The high positive gravity anomaly beneath the Sierra Nevada de Santa Marta, at the apex of the MSP, indicates the lack of isostatic equilibrium and relatively recent, forced under-thrusting of Caribbean crust in this region (Cediel, et al., 2003).

7.1.1 Bucaramanga–Santa Marta Fault System

The Bucaramanga–Santa Marta Fault System (BFS; Figure 7.2 and 7.3) is a NNW-SSE (340°) trending, left-lateral, strike slip fault that forms the southwest margin of the Santa Marta and Santander massifs (Kellogg, 1984). The BFS extends over 550 km from the Department of Boyacá to the Carribean coast west of the Sierra Nevada de Santa Marta and crosses directly through the Pelaya Project area (Figure 7.4).

The BFS was active during the Grenville-Orinoco continental collision and forms the northern portion of the paleosuture that welded the Chicamocha terrane of the Central Continental subplate to the Guiana Shield. The structure was reactivated in the Aptian-Albian (113-96 Ma) and presently forms the active western boundary of the Maracaibo subplate. Structural restoration along the southern termination of the fault has revealed sinistral displacement on the order of 40 km (Toro, 1990) and 110 to 115 km of Tertiary, sinistral displacement has been demonstrated along the portion of the BFS that separates the Cesar-Ranchería and Lower Magdelena basins (Kellogg, 1984).

The BFS exhibits deep crustal penetration: seismic studies in the Bucaramanga-area have indicated the structure is in the process of tapping deep crustal or upper-mantle-derived magmas (Schneider, et al., 1987).

7.1.2 La Quinta Formation

The Quinta Formation (Spanish: la Quinta) outcrops in much of the Venezuelan Andes and the Serranía de Perijá. Numerous oil wells within the Maracaibo Basin – both in the lake and on the coastal plain – have also encountered red beds correlated with la Quinta. In general, the Quinta Formation in the Mérida Andes of Venezuela consists primarily of dark red arkoses, lithic arenites, lithic wackes, coarse cobble conglomerates with red to gray arkosic matrix, siltstones, and thin, freshwater limestones. A relatively rare, dark-green to black facies (fine-grained conglomerate, sandstone, shale, and impure limestone) of the Quinta Formation occurs near La Mesa, west of Mérida, Venezuela (Maze, 1984).

On the Guajira Peninsula, outcrops of Jurassic red beds and volcanic rocks have been assigned variously to the Rancho Grande member of the Cojoro Group or to the Quinta Formation. The red sediments are interlayered with rhyodacites. Red-bed outcrops similar to the La Quinta of the Perijá are found on Toas Island at the mouth of Lake Maracaibo, associated with basaltic rocks (Maze, 1984).

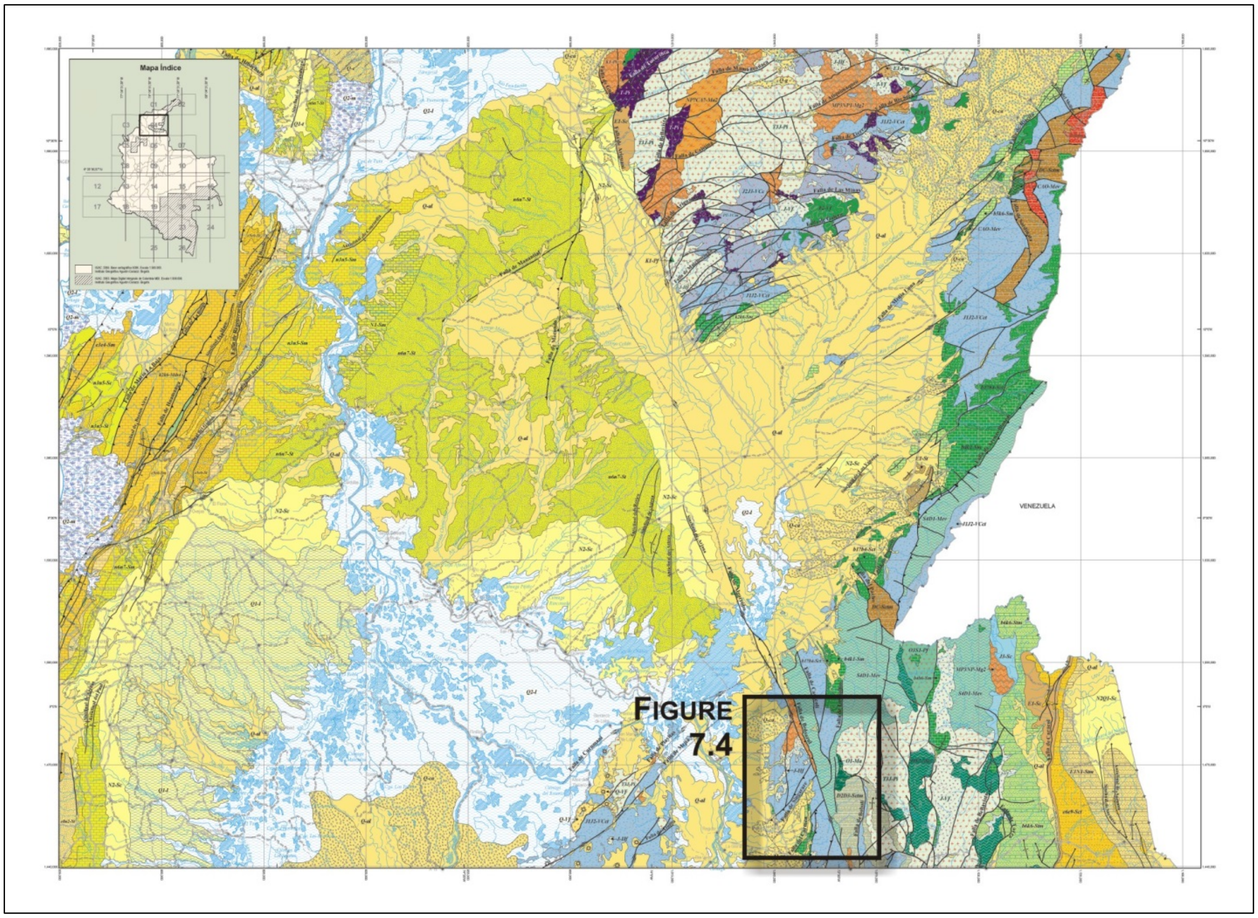


Figure 7.3 Regional Geology (Tapias, et al., 2007).

On the Colombian side of the Serranía de Perijá the equivalent red beds are assigned to the Girón Formation (type locality near Bucaramanga). In the Santander Massif both the Jordán and overlying Girón Formation are similar to the Venezuelan Quinta Formation in the Sierra de Perijá (Maze, 1984), although the thickness of the Girón Formation may exceed 4,600 m (Cediel, 1969; Utter, 1982).

7.2 Local Geology

The Pelaya Project is situated in the area where north limit of the Santander massif intersects the Serranía de Perijá (Figures 7.3 and 7.4). Rocks range in age from middle Proterozoic (1.6 Ga) to Aptian (early Cretaceous; 113 Ma) with much later, Quaternary cover to the north and west in the Cesar-Ranchería and Lower Magdelena basins.

Locally, the Santander massif consists of the Bucaramanga gneiss, Palaeozoic sedimentary rocks of the Virgen Formation, intrusive rocks of the Santander Plutonic Group, and Mesozoic volcano-sedimentary rocks of the Norean Formation (Figure 7.4 and 7.5). The rock units described in this section are summarized in Figures 7.4 and 7.5; and Table 7.1.

The Bucaramanga gneiss is a group of several units that includes middle Proterozoic quartzofeldspathic gneisses, migmatites, granulites, amphibolites, orthogneiss, quartzites, and marbles (*MP3NP1-Mg2*); Ordovician granitic to tonalitic orthogneiss, and migmatitic, amphibolitic paragneiss (*O1-Ma*); and phyllites, schists, quartzites, slate, meta-conglomerates, and marbles – also Ordovician (*OS?-Mev*).

The Bucarmanaga gneissic rocks are unconformably overlain by Devonian conglomerates and fine to medium grained sandstones with intercalated siltstones and red claystones (*D2D3-Sctm*); and Carboniferous pelitic-mudstones, -sandstones, and -conglomerates; and marbles (*S4D1-Mev*). These Paleozoic sedimentary sequences are also referred to as “la formación Virgen”.

The Bucarmanaga gneiss and Paleozoic sediments have been intruded by upper Triassic and Jurassic granodiorites of the Santander Plutonic Group (*T3J-Pi*) which range in composition from syenite to tonalite and quartz-monzonite to quartz-monzodiorite. Roof pendants of Palaozoic metamorphic (*OS?-Mev*) and sedimentary (*D2D3-Sctm*) rocks have been preserved within the plutons.

The Bucaramanga gneissic rocks, Paleozoic sedimentary rocks (Virgen), and upper Triassic/Jurassic plutonic rocks (Santander plutonic group) are overlain by Mesozoic rocks of the Norean Formation which include: sandstones, siltstones, and limestones with intercalated tuffs, breccias, agglomerates, and andesitic to rhyolitic lavas (*J1J2-VCct*); rhyolites (*J-Vf*); and dacitic and andesitic porphyries (*J-Hf*); medium-grained, coarse-grained, and conglomeratic feldspathic quartz-sandstones and sandstones; and conglomerates (*b1?b4-Sct*); feldspathic sandstones with interbedded limestones, shales, loams, and glauconitic sandstones (*b4b6-Sm*); and limestones; black mudstones and loams, fine quartz-sandstones and sandy mudstones (*b4k1-Sm*).

As a whole, upper Paleozoic though Cretaceous volcano-sedimentary rocks within the Serranía de Perijá correspond to la formación Quinta (the Quinta Formation) in Venezuela (Champetier de Ribes, at al., 1961).

Rocks of the Santander massif are disconformably separated from Central Continental subplate realm to the west (locally, the Lower Magdelena basin) by the BSF (Bucaramanga–Santa Marta Fault System).

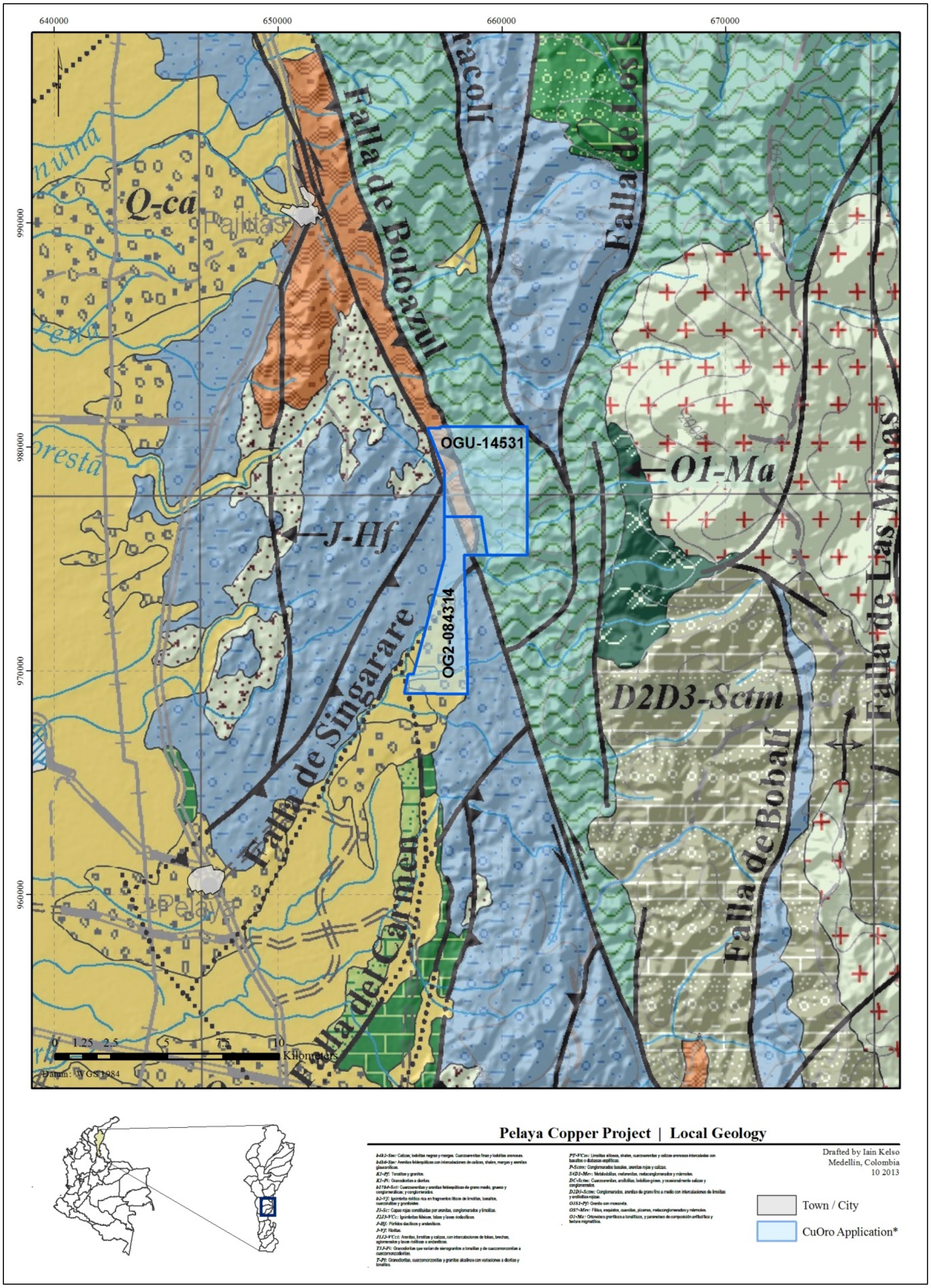
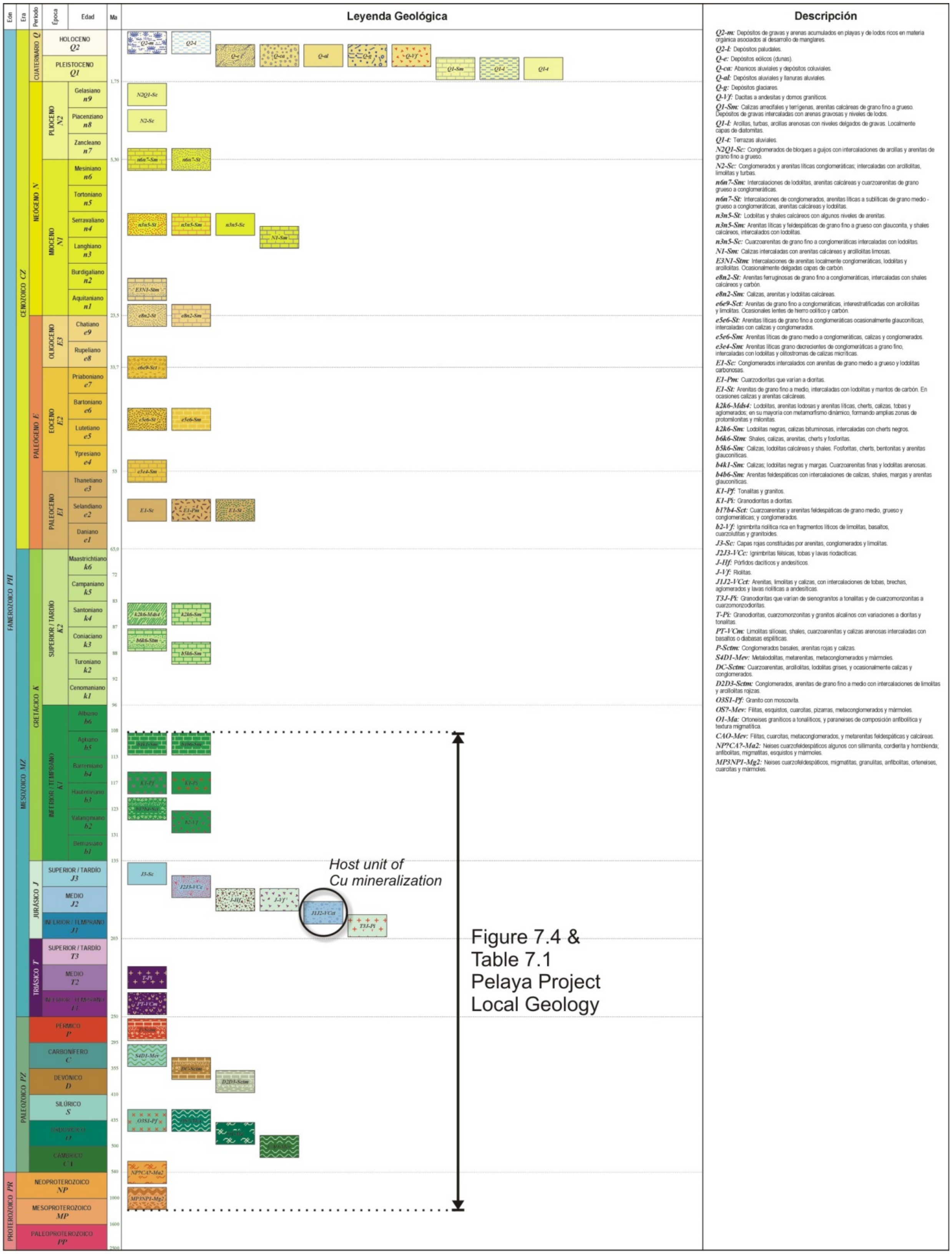


Figure 7.4 Local Geology.



Q2-m: Depósitos de gravas y arenas acumulados en playas y de lodos ricos en materia orgánica asociados al desarrollo de manglares.
Q2-l: Depósitos paludales.
Q-e: Depósitos eólicos (dunas).
Q-ca: Abanicos aluviales y depósitos coluviales.
Q-al: Depósitos aluviales y llanuras aluviales.
Q-g: Depósitos glaciares.
Q-Vf: Dacitas a andesitas y domos graníticos.
Q1-Sm: Calizas arrecifales y terrígenas, arenitas calcáreas de grano fino a grueso. Depósitos de gravas intercaladas con arenas gravosas y niveles de lodos.
Q1-l: Arcillas, turbas, arcillas arenosas con niveles delgados de gravas. Localmente capas de diatomitas.
Q1-t: Terrazas aluviales.
N2Q1-Sc: Conglomerados de bloques a guijos con intercalaciones de arcillas y arenitas de grano fino a grueso.
N2-Sc: Conglomerados y arenitas líticas conglomeráticas; intercaladas con arcillolitas, limolitas y turbas.
n6n7-Sm: Intercalaciones de lodolitas, arenitas calcáreas y cuarzoarenitas de grano grueso a conglomeráticas.
n6n7-St: Intercalaciones de conglomerados, arenitas líticas a sublíticas de grano medio - grueso a conglomeráticas, arenitas calcáreas y lodolitas.
n3n5-St: Lodolitas y shales calcáreos con algunos niveles de arenitas.
n3n5-Sm: Arenitas líticas y feldespáticas de grano fino a grueso con glauconita, y shales calcáreos, intercalados con lodolitas.
n3n5-Sc: Cuarzoarenitas de grano fino a conglomeráticas intercaladas con lodolitas.
N1-Sm: Calizas intercaladas con arenitas calcáreas y arcillolitas limosas.
E3N1-Stm: Intercalaciones de arenitas localmente conglomeráticas, lodolitas y arcillolitas. Ocasionalmente delgadas capas de carbón.
e8n2-St: Arenitas ferruginosas de grano fino a conglomeráticas, intercaladas con shales calcáreos y carbón.
e8n2-Sm: Calizas, arenitas y lodolitas calcáreas.
e6e9-Sct: Arenitas de grano fino a conglomeráticas, interestratificadas con arcillolitas y limolitas. Ocasionales lentes de hierro oolítico y carbón.
e5e6-St: Arenitas líticas de grano fino a conglomeráticas ocasionalmente glauconíticas, intercaladas con calizas y conglomerados.
e5e6-Sm: Arenitas líticas de grano medio a conglomeráticas, calizas y conglomerados.
e3e4-Sm: Arenitas líticas grano decrecientes de conglomeráticas a grano fino, intercaladas con lodolitas y olitostromas de calizas micríticas.
E1-Sc: Conglomerados intercalados con arenitas de grano medio a grueso y lodolitas carbonosas.
E1-Pm: Cuarzodioritas que varian a dioritas.
E1-St: Arenitas de grano fino a medio, intercaladas con lodolitas y mantos de carbón. En ocasiones calizas y arenitas calcáreas.
k2k6-Mds4: Lodolitas, arenitas lodosas y arenitas líticas, cherts, calizas, tobas y aglomerados; en su mayoría con metamorfismo dinámico, formando amplias zonas de protomilonitas y milonitas.
k2k6-Sm: Lodolitas negras, calizas bituminosas, intercaladas con cherts negros.
b6k6-Stm: Shales, calizas, arenitas, cherts y fosforitas.
b5k6-Sm: Calizas, lodolitas calcáreas y shales. Fosforitas, cherts, bentonitas y arenitas glauconíticas.
b4k1-Sm: Calizas; lodolitas negras y margas. Cuarzoarenitas finas y lodolitas arenosas.
b4b6-Sm: Arenitas feldespáticas con intercalaciones de calizas, shales, margas y arenitas glauconíticas.
K1-Pf: Tonalitas y granitos.
K1-Pi: Granodioritas a dioritas.
b1?b4-Sct: Cuarzoarenitas y arenitas feldespáticas de grano medio, grueso y conglomeráticas; y conglomerados.
b2-Vf: Ignimbrita riolítica rica en fragmentos líticos de limolitas, basaltos, cuarzolutitas y granitoides.
J3-Sc: Capas rojas constituidas por arenitas, conglomerados y limolitas.
J2J3-VCc: Ignimbritas félsicas, tobas y lavas riodacíticas.
J-Hf: Pórfidos dacíticos y andesíticos.
J-Vf: Riolitas.
J1J2-VCct: Arenitas, limolitas y calizas, con intercalaciones de tobas, brechas, aglomerados y lavas riolíticas a andesíticas.
T3J-Pi: Granodioritas que varian de sienogranitos a tonalitas y de cuarzomonzonitas a cuarzomonzodioritas.
T-Pi: Granodioritas, cuarzomonzonitas y granitos alcalinos con variaciones a dioritas y tonalitas.
PT-VCm: Limolitas silíceas, shales, cuarzoarenitas y calizas arenosas intercaladas con basaltos o diabasas espilíticas.
P-Sctm: Conglomerados basales, arenitas rojas y calizas.
S4D1-Mev: Metalodolitas, metarenitas, metaconglomerados y mármoles.
DC-Sctm: Cuarzoarenitas, arcillolitas, lodolitas grises, y ocasionalmente calizas y conglomerados.
D2D3-Sctm: Conglomerados, arenitas de grano fino a medio con intercalaciones de limolitas y arcillolitas rojizas.
O3S1-Pf: Granito con moscovita.
OS?-Mev: Filitas, esquistos, cuarcitas, pizarras, metaconglomerados y mármoles.
O1-Ma: Ortoneises graníticos a tonalíticos, y paraneises de composición anfibolítica y textura migmatítica.
CAO-Mev: Filitas, cuarcitas, metaconglomerados, y metarenitas feldespáticas y calcáreas.
NP?CA?-Ma2: Neises cuarzofeldespáticos algunos con sillimanita, cordierita y hornblenda; anfibolitas, migmatitas, esquistos y mármoles.
MP3NP1-Mg2: Neises cuarzofeldespáticos, migmatitas, granulitas, anfibolitas, orteneises, cuarcitas y mármoles.

Figure 7.5 Geological legend for 500,000 scale geology map (Tapias, et al., 2007).

Table 7.1. 500,000 scale Geological legend summarizing pertinent units (Tapias, et al., 2007).

Eon	Era	Period	Epoch	Ma	Code	Unit
Phanerozoic	Mesozoic	Cretaceous	Lower Cretaceous		***b4k1-Sm***	Limestones; black mudstones and loams. Fine quartz-sandstones and sandy mudstones.
				113	***b4b6-Sm***	Feldspathic sandstones with interbedded limestones, shales, loams, and glauconitic sandstones.
					K1-Pf	Tonalites and granites.
					K1-Pi	Granodiorites to diorites.
				117	***b1?b4-Sct***	Medium-grained, coarse-grained, and conglomeratic feldspathic quartz-sandstones and sandstones; and conglomerates.
				135	***b2-Vf***	Rhyolitic ignimbrite rich in lithic fragments of siltstones, basalts, quartz-lutites, and granitoids.
		Jurassic	Upper Jurassic		***J3-Sc***	Red beds consisting of sandstones, conglomerates, and siltstones.
			Middle Jurassic		***J2J3-VCc***	Felsic ignimbrites, tuffs and rhyodacitic lavas.
					J-Hf	Dacitic and andesitic porphyries.
					J-Vf	Rhyolites.
					J1J2-VCct	Sandstones, siltstones, and limestones with intercalated tuffs, breccias, agglomerates, and andesitic to rhyolitic lavas.
			Lower Jurassic	203	***T3J-Pi***	Granodiorites ranging from syenite to tonalite and quartz-monzonite to quartz-monzodiorite.
		Triassic	Middle Triassic		***T-Pi***	Granodiorites, quartz-monzonites, and alkaline granites with variations from diorite to tonalite.
			Lower Triassic	250	***PT-VCm***	Siliceous siltstones, shales, quartz-sandstones, and sandy limestone intercalated with basalt or diabase.
	Palaeozoic	Permian		295	***P-Sctm***	Basal conglomerates, red sandstones and limestones.
		Carboniferous		355	***S4D1-Mev***	Pelitic-mudstones, -sandstones, and -conglomerates; and marbles.
		Devonian			***DC-Sctm***	Quartz-sandstones, claystones, gray mudstones, and occasional limestones and conglomerates.
				410	***D2D3-Sctm***	Conglomerates and fine to medium grained sandstones with intercalated siltstones and red claystones.
		Ordovician			***O3S1-Pf***	Muscovite granite.
					OS?-Mev	Phyllites, schists, quartzites, slate, meta-conglomerates, and marbles.
				500	***O1-Ma***	Granitic to tonalitic orthogneiss, and migmatitic, amphibolitic paragneiss.
		Cambrian		540	***CAO-Mev***	Phyllites, quartzites, meta-conglomerates, feldspathic and calcareous pelitic sandstones.
Proterozoic	Neoproterozoic			1000	***NP?CA?-Ma2***	Quartzofeldspathic gneisses with sillimanite, cordierite and hornblende, amphibolites, migmatites, schists and marbles.
	Mesoproterozoic			1600	***MP3NP1-Mg2***	Quartzofeldspathic gneisses, migmatites, granulites, amphibolites, orthogneiss, quartzites, and marbles.

7.3 Property Geology

Geology within the area of the Project consists of the following units (Figure 7.4):

i. Middle Proterozoic quartzofeldspathic gneisses, migmatites, granulites, amphibolites, orthogneiss, quartzites, and marbles (*MP3NP1-Mg2*);
ii. Carboniferous pelitic-mudstones, -sandstones, and -conglomerates; and marbles (*D2D3-Sctm*);
iii. Middle Jurassic sandstones, siltstones, and limestones with intercalated tuffs, breccias, agglomerates, and andesitic to rhyolitic lavas (*J1J2-VCct*);
iv. Middle Jurassic dacitic and andesitic porphyries (*J-Hf*); and,
v. Quaternary alluvial and colluvial deposits (*Q-ca*).

Outcrop exposure is limited in the low lying areas of the Project; detailed geological mapping has yet to be completed.

Amygdaloidal basalt, presumably from the Lower Triassic (*PT-VCm*), has been observed in boulders within application OGU-14531 (Figure 8.1). While this unit is not mapped as present within the Project area (at the 500,000 scale), the presence of these erratics indicate the Lower Triassic (*PT-VCm*) basaltic rocks and immediately underlying Permian red beds (*P-Sctm*) may be present.

Andesite porphyry rocks (*J-Hf*) have been mapped in the area of OG2-084314.

7.4 Mineralisation

Examples of copper mineralization observed and analyzed from samples collected at the Project – specifically, in the area of the Singarare anomaly (Figure 9.6) – are presented in Figures 7.6 through 7.9.

Hydrothermal malachite + quartz mineralization is observed in sample NZ004 (Figures 7.6 and 7.7) in a hematitic host rock. This mineralization appears to be occupying a vein or shear zone system, possibly associated with the Singarare fault (Figure 7.4).

Fracture filling azurite + malachite and disseminated (and replacing phenocrysts) malachite mineralization within an andesite porphyry host rock (*J-Hf*) is observed in samples NZ003 and NZ002 (Figures 7.8 and 7.9).

Figure 7.6 Malachite and quartz mineralisation in hematitic host rock (sample NZ004).

Figure 7.7 Banded malachite and quartz mineralisation in hematitic host rock (sample NZ004).

Figure 7.8 Fracture-filling azurite and malachite mineralisation in andesite porphyry rock (*J-Hf*; sample NZ003).

Figure 7.9 Fracture-filling and disseminated malachite mineralisation in andesite porphyry rock (*J-Hf*; sample NZ002).

8.0 DEPOSIT TYPES

Regional geologic context and field evidence indicates three possible deposit target types at the Pelaya Project area:

i. red bed copper;
ii. volcanic native copper; and,
iii. high sulphidation epithermal.

8.1 Red Bed Copper

8.1.1 Deposit Description

Stratabound, disseminated Cu sulfides in reduced beds of red bed sequence, containing green or gray shale, siltstone, sandstone, local channel conglomerates, and thin carbonate or evaporite beds (Hodges, et al., 1984).

8.1.2 Tonnage and Grade Characteristics

The median tonnage is 17 million tonnes whereas the largest 10 percent of the deposits contain 400 million tonnes or more. Copper grades range from 2.0% or more for the richest half of the deposits to 4.2% or more in the richest tenth of the deposits. The richest tenth of the deposits contain 38 g/t or more silver (Hodges, et al., 1984).

8.1.3 Geologic Environment in Colombia

Mesozoic red bed sequences with intercalated volcanic rocks, occur in the Cordillera Oriental, at the southeast margin of the Sierra Nevada de Santa Marta, and in the Serranía de Perijá (Maze, 1982), and include the Guatapuri, Los Portales and Girón Formations, each of which contains minor copper deposits. The El Rincon deposit, in undivided Mesozoic red beds, consists only of oxidized copper minerals in quartz veins with high concentrations of accessory silver; sulfide ores possibly, but not necessarily, occur at depth (Tschanz and others, 1970). The most promising sequence of rocks in the Cordillera Oriental is the Triassic-Jurassic Girón Formation, consisting of a deltaic-fluviatile redbed sequence that includes conglomerate, sandstones, siltstones, mudstones, and gray to black shales (Cediel, 1968). Genesis of a redbed-greenbed deposit requires a reducing, low pH environment for precipitation of metal sulfides from hydrothermal saline solutions or basinal brines (Gustafson and Williams, 1981). Direct precipitation from brines can occur in anoxic basins, and some Cu mineralisation is known in black shales of the thick Cretaceous section in the Cundinamarca basin (Gil, 1976; Marino, 1976; Fabre and Delaloye, 1983). The redbed sequence as described in the Cordillera Oriental, however, appears to be largely fluvio-deltaic (Cediel, 1968).

8.2 Volcanic Native Copper

8.2.1 Deposit Description

Amygdaloidal and disseminated native copper and copper sulfides in subaerial basalt flows and copper sulfides in overlying sedimentary beds, including breccias, red beds, limestones, and black shales (Hodges, et al., 1984).

8.2.2 Tonnage and Grade Characteristics

Deposits in basalts range from less than 1,000,000 tonnes to 55,000,000 tonnes and from 0.6 to 4.5% Cu. Deposits in overlying shales may be very large (White Pine, Michigan: 500,000,000 tonnes at 1.23% Cu), and deposits in overlying limestone may be very high grade (Kennecott, Alaska: 4,200,000 tonnes at 12.8% Cu).

8.2.3 Geologic Environment in Colombia

The best known occurrences of this deposit type are in the Serranía de Perijá, where basalt flows are interbedded with Mesozoic clastic strata (Champetier de Ribes and others, 1963). Copper deposits described from the La Quinta Formation in adjacent parts of the Perija region in Venezuela include native copper in mafic flow tops, copper sulfides in sedimentary rocks, copper-iron sulfides in felsic volcanic rocks, copper sulfide and petroleum in sedimentary rocks, and copper iron sulfides at mafic dike-sediment interfaces (Maze, 1982).

Figure 8.1 Photograph of amygdaloidal basalt from erratic within OGU-14531.

8.3 High Sulphidation Epithermal

High sulphidation fluids penetrate the host rocks causing vein hosted orebodies, as well as disseminated mineralisation throughout the rocks. It is likely that the tuff hosted magnetite reacted with fluids containing Au carried by sulphur complexes. The iron from the magnetite reacts with the sulphur which precipitates pyrite, thus forcing the Au to come out of solution.

The epithermal environment in which the deposit is located consists of a vein system with voids or gaps, resulting in the replacement of sulphides in volcanic sequences associated with shallow hydrothermal systems characterized by acid leaching, advanced argillic alteration and silicification. The associated host rocks are volcanic and pyroclastic flows, commonly andesitic in composition.

The veins with a replacement texture (vuggy silica) are the product of acid leaching. The mineralized veins commonly contain sulfides and oxides (magnetite associated with strong magnetism present in the rock and dendritic pyrolusite). The gangue quartz is caused by replacement; the vuggy quartz is distinguished by small cavities in the vein filled with quartz crystals as druse (vugs filled with euhedral quartz crystals).

According to the HS mineralisation model, the faults and joints act as conduits for hydrothermal fluids rich in CO2, H2O (5-30 mol% CO2) and of low salinity; the passing fluids precipitate minerals in these cavities, generating mineralized veins. Such faults determine the ore location and act as guides for the rising magmatic heat needed for the subsequent hydrothermal activity (Hedenquist, 1986; Fournier, 1987). The structural control is of regional scale.

9.0 EXPLORATION

During 2013, CuOro has completed reconnaissance visits and soil sampling at the Pelaya Project.

9.1 Reconnaissance Visits

The author completed a reconnaissance visit to the area in January, 2013, during which time two (2) in-situ mineralised showings (Singarare and Boloazul; Figure 9.6) were identified and sampled (Table 9.1).

Table 9.1. Initial rock sampling results from the Pelaya Project.

Sample	Area	Type	Width	g Au/t	Cu (%)	g Ag/t
NZ001	Singarare	Channel	1.0	0.06	0.72	41.70
NZ002	Singarare	Channel	0.3	3.94	3.04	252.00
NZ003	Singarare	Grab	-	2.16	2.63	168.00
NZ004	Singarare	Grab	-	0.13	25.53	32.60
NZ005	Boloazul	Channel	1.0	0.01	1.87	6.00
NZ006	Boloazul	Grab	-	0.01	2.30	8.50

Figure 9.1 Photograph of malachite mineralisation in hematitic host rock; sample NZ004.

Figure 9.2 Photograph malachite and azurite mineralisation in samples NZ002 and NZ003.

9.2 Soil Geochemistry

Subsequent prospecting campaigns were completed in March and May, 2013. A soil sample grid – positioned normal to the BFS – was completed over areas free for application (and over portions of concessions LFL-08551 and LLL-09421).

135 soil samples were collected on a widely spaced grid (lines spaced 1 km apart with stations spaced 500 m along the line); infill sampling (lines spaced 250 m apart with stations spaced 250 m along the line) was later completed over the Singarare Cu anomaly. Samples were originally analyzed by handheld XRF and later submitted to ACME for analysis by ICP-ES.

The purpose of analysis by XRF was to execute a low-cost, qualitative assessment of the presence of Cu in-soil anomalies. As the XRF results evidenced the presence of anomalous Cu in a portion of the soil samples, an in-fill campaign was completed, and all soil samples were sent to ACME for preparation and analysis by ICP-ES. A comparison of the two analytical methods is presented in Figures 9.1, 9.2, and Table 9.1.

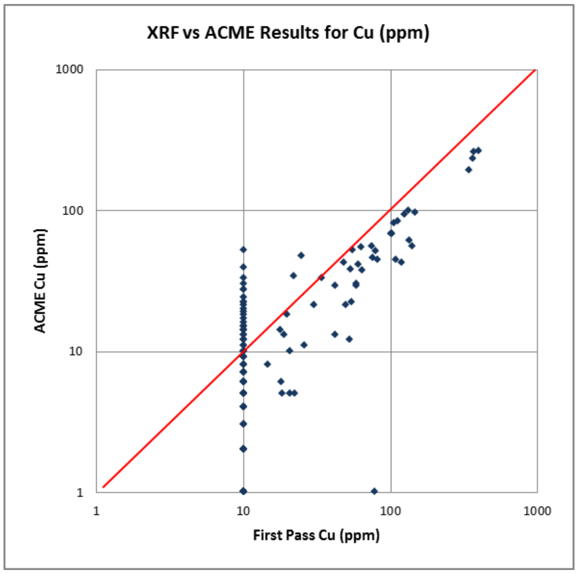


Figure 9.3 X/Y Logarithmic plot of XRF vs ACME results for Cu (ppm).

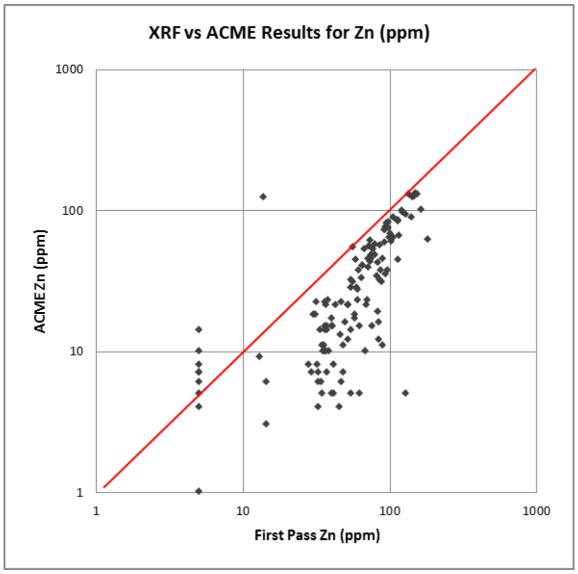


Figure 9.4 X/Y Logarithmic plot of XRF vs ACME results for Zn (ppm).

Table 9.2. Calculation of Pearson Coefficient for XRF vs ACME analytical results (Cu ppm, Zn ppm).

Pearson Correlation Coefficient Calculation for Cu (ppm)	**Pearson Correlation Coefficient Calculation for Zn (ppm)**
X Values (XRF) ∑ = 5067.3 Mean = 37.54 ∑(X - Mx)2 = SSx = 595804.43	X Values (XRF) ∑ = 8732.8 Mean = 64.69 ∑(X - Mx)2 = SSx = 184405.19
Y Values (ACME) ∑ = 3428 Mean = 25.39 ∑(Y - My)2 = SSy = 243806.19	Y Values (ACME) ∑ = 4800 Mean = 35.56 ∑(Y - My)2 = SSy = 140705.33
X and Y Combined N = 135 ∑(X - Mx)(Y - My) = 365809.92	X and Y Combined N = 135 ∑(X - Mx)(Y - My) = 126466.74
R Calculation r = ∑((X - My)(Y - Mx)) / √((SSx)(SSy)) r = 365809.915555555 / √((595804.43)(243806.19)) = **0.96**	R Calculation r = ∑((X - My)(Y - Mx)) / √((SSx)(SSy)) r = 126466.744444444 / √((184405.19)(140705.33)) = **0.79**

Soil geochemical sampling has defined a Cu anomaly with a strike length of ~800 m within application OG2-084314 (Singarare anomaly). Analysis of rock samples from surface showings within the Singarare anomaly returned a maximum value of 25.53% Cu (Table 9.1). This anomaly is spatially associated with the Singarare fault (Figure 7.4).

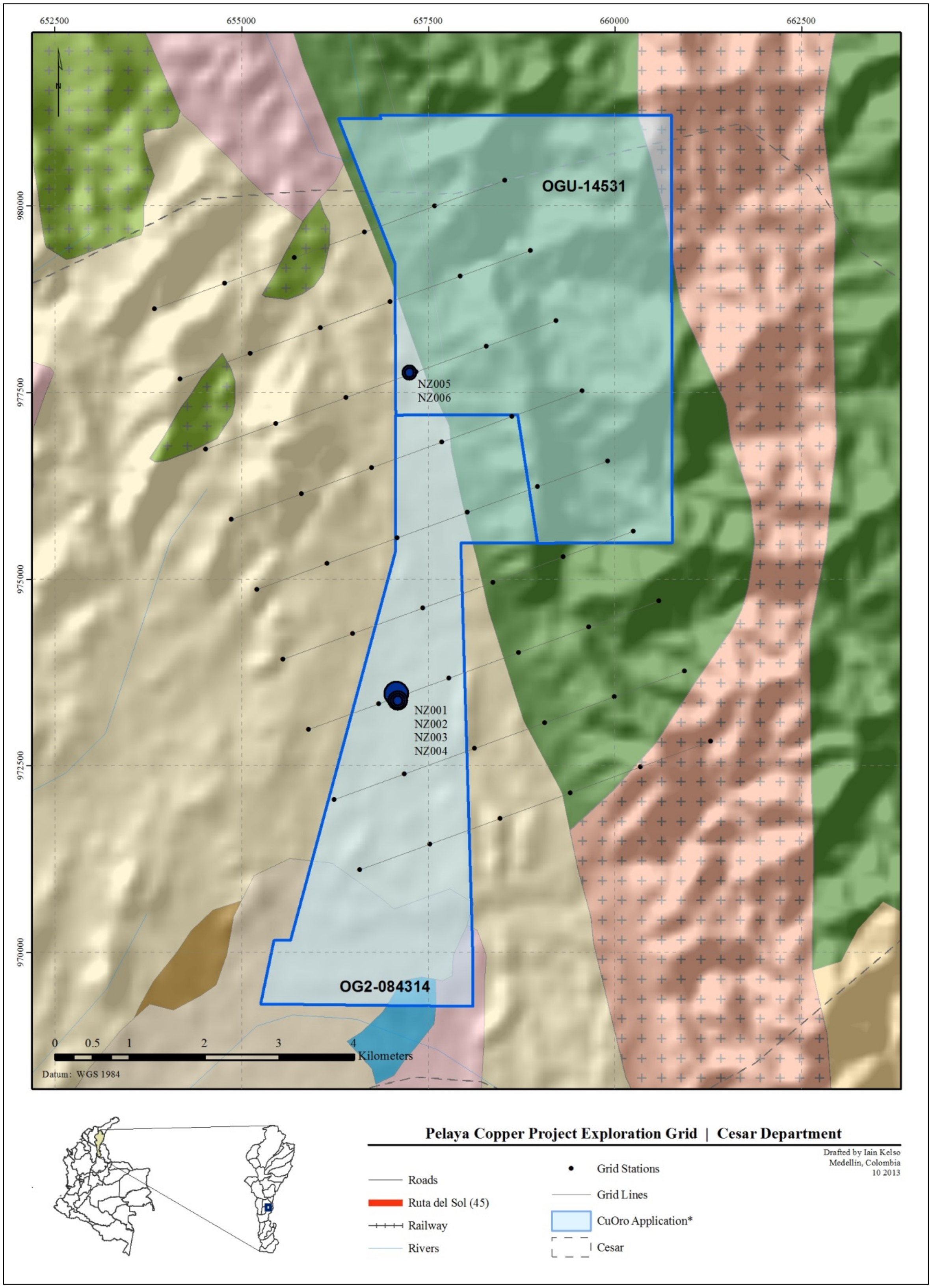


Figure 9.5 Pelaya Project Exploration Grid with locations of surface showings.

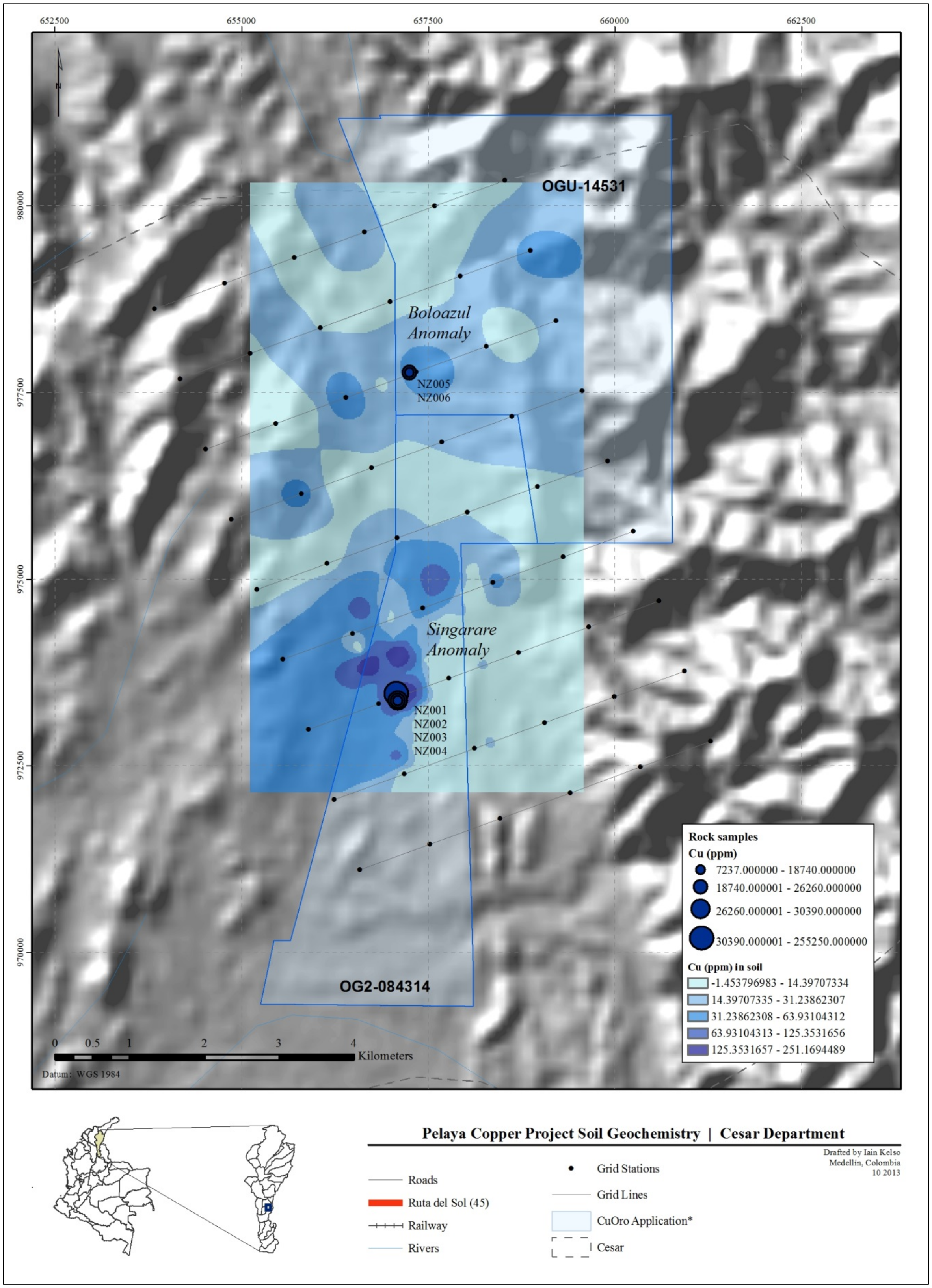


Figure 9.6 Pelaya Project Exploration Grid with Cu in soil.

Several anomalies appear on the north portion of the grid (Boloazul anomaly), where analysis of rock samples from a surface showing returned a maximum value of 2.52% Cu (Table 9.1). These anomalies are spatially associated with the Bucaramanga and Boloazul faults (Figure 7.4).

Infill soil sampling has not yet been completed in the north area; the infill sampling completed over the Singarare anomly remains at a coarse resolution. The Singarare and Boloazul anomalies are separated by 4400 m.

10.0 DRILLING

CuOro has not completed drilling on the Project.

11.0 SAMPLE PREPARATION, ANALYSES, AND SECURITY

11.1 Sample Preparation

11.1.1 Sample Preparation for XRF Analysis (First Pass Exploration)

Preparation of soil samples for analysis by XRF was completed by First Pass personnel under the supervision of CuOro at the Company's warehouse facilities in Sabaneta, Colombia. Using a 50% cut of each homogenized soil sample, sample preparation consisted of drying, sieving to 80 mesh (180µm), and compression the fine portion into a solid pellet. Rock samples were not analysed by First Pass.

11.1.2 Sample Preparation for ICP Analysis (ACME)

The second cut of each soil sample was preserved and securely stored for later ICP-ES analysis. Once in the custody of ACME, preparation of soil samples consisted of drying at 60°C, disaggregation, sieving of 100 g to 80 mesh (180 µm). Preparation of rocks samples consisted of drying, crushing to 80% passing –10 mesh (2 mm), splitting 250 g and pulverizing to 85% passing –200 mesh (75 µm) (ACME, 2013).

11.2 Sample Analyses

11.2.1 XRF Analysis (First Pass Exploration)

For analysis of soils by handheld XRF, the solid sample pellet and XRF gun (DELTA Mining and Geochemistry Handheld XRF Analyzer) were secured into an apparatus that held them stationary with respect to one another. The XRF was fired at the stationary sample pellet for a period of approximately 30 seconds, and the results were recorded digitally.

11.2.2 ICP Analysis (ACME)

For analysis by Analysis by ICP-ES, sample pulp splits of 0.5 g are leached in hot (95°C) nitro-hydrochloric acid; 34 elements are reported from the chosen ICP-ES package (ACME, 2013).

11.3 Sample Security

The samples collected during the site visits and work programmes were kept in the possession of CuOro personnel at all times until they were handed over to sub-contractors for analysis. Sample preparation and analysis by First Pass was completed under the supervision of CuOro personnel.

12.0 DATA VERIFICATION

Work programs completed by CuOro at the Pelaya Copper project summarized in this report have been designed by and conducted under the supervision of the author, a Qualified Person under the terms defined by NI 43-101.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

CuOro has not completed any mineral processing or metallurgical testing of sample material from the Project.

14.0 MINERAL RESOURCE ESTIMATES

As the Project has not yet been drilled, CuOro has not completed any mineral resource estimates.

15.0 ADJACENT PROPERTIES

The application group that comprises the Pelaya Project is surrounded by four (4) contiguously adjacent concession contracts (Figure 6.1). To the extent known, their exploration history is detailed in section 6.1. Details of these contiguously adjacent concession contracts are presented below (Table 15.1).

Table 15.1. Details of contiguously adjacent concession contracts.

Concession Contract	Area	Title Holder
KEE-11211	4,923.61	Anibal Lericit Arias; Minerales Jerusalem SAS
LFL-08551	8,437.85	Julio Cesar Onate Martinez
LLL-09421	3,958.19	Carlos Alfonso Pinto Corredor; Jaime Restrepo Marulanda; Jairo Triana Aragon
LHJ-10551	3,156.95	Carlos Alfonso Pinto Corredor; Jaime Restrepo Marulanda; Jairo Triana Aragon

16.0 OTHER RELEVANT DATA AND INFORMATION

The author is not aware of any other relevant data or information that has not been presented in this Report.

19.0 INTERPRETATIONS AND CONCLUSIONS

Resources required to support surface exploration programs are readily available in the towns of Pelaya and Pailitas. The city of Valledupar has the necessary infrastructure and workforce to support large-scale mining operations: several large-scale coal mining operations are currently in production in the Cesar and La Guajira departments (Drummond, Anglo American, BHP Billiton, Xstrata).

Drummond International operates several open pit coal mines within the Department of Cesar, including La Loma, which is the second largest open pit mine in Colombia (located approximately 80 km north of the Pelaya Project). From La Loma, coal is transported 193 km by railcar on the renovated portion of the Colombian National Railroad System directly to Puerto Drummond, a deep-water ocean port on the Caribbean Sea near Santa Marta.

The Project is situated in the foothills and flatlands west of the Eastern Cordillera of the Northern Colombian Andes. Elevation at the Project ranges from approximately 140 m to 560 m ASL. Much of the Project is comprised of gently rolling hills that have been cleared for pasturing or cultivation of crops. The climate is normally warm and dry; annual precipitation is less than 1,300 mm (heaviest May-June and October-November). Mean monthly temperatures in the area range between 26°C and 28.5°C.

The Pelaya Project is located on the west margin of the Maracaibo Sub-Plate Realm where the Serranía de Perijá and Santander massif intersect, giving way to the Cesar-Ranchería and Lower Magdelena basins. The wider area around the Pelaya Project is dominated by Proterozoic metamorphic basement rocks, Palaeozoic and Mesozoic sedimentary and volcano sedimentary supracrustal rocks, and Triassic-Jurassic plutonic rocks. The Bucaramanga-Santa Marta Fault System – a 340° trending, left-lateral, strike slip fault (and deep crustal suture several hundred km in length) – forms the southwest margin of the Santander massif and crosses directly through the Pelaya Project.

Regional geologic context and field evidence indicates three possible copper-deposit target-types at the Pelaya Project area:

i. red bed copper;
ii. volcanic native copper; and,
iii. high sulphidation epithermal.

To date, CuOro Resources Corp. has completed several reconnaissance visits and soil geochemical sampling at the Pelaya Project. This work has defined a Cu in soil anomaly with a strike length of ~800 m (Singarare anomaly). Analysis of rock samples from surface showings within the Singarare anomaly returned a maximum value of 25.53% Cu. Exploration work has also defined several Cu in soil anomalies (Boloazul anomaly) over 4 km to the north of the Singarare anomaly, where analysis of rock samples has also returned maximum values of 2.52% Cu. Infill soil sampling has not yet been completed over the Boloazul anomaly; the infill sampling completed over the Singarare anomaly remains at a relatively coarse resolution.

20.0 RECOMMENDATIONS

On the basis of the exploration completed thus far, a first phase exploration program ("Phase I") with a budget of **US$ 200,000** is proposed to continue examination of the Project (Table 20.1). The recommendations are summarized as follows:

1. Phase I (Surface):
    a. Airborne magnetic and radiometric survey;
    b. Further soil geochemical sampling;
    c. Detailed geological mapping;
    d. Ground geophysics over selected targets;
    e. Trenching of selected targets.

The author expects Phase I will require approximately 3 months to complete. Targets generated by the airborne and geochemical surveys will be evaluated in more detail utilizing ground geophysics (magnetic and induced-polarization) and trenching.

Following completion of the first phase of surface exploration and evaluation of the results, the author anticipates numerous drill targets will be developed. A drill program (Phase II) of 1,000 metres will be recommended for an initial evaluation of targets developed from Phase I. The summary budget **US$ 400,000** for Phase II is summarized in Table 20.2 and below:

2. Phase II (Diamond Drilling):
    a. Establish field offices / warehouses in required areas (Pelaya);
    b. Establish and improve required trail and road networks;
    c. 1,000 metres of diamond drilling.

20.1 Exploration Budget

A first phase exploration program ("Phase I") with a budget of US$ 200,000 is proposed to begin examination of the Property (Table 20.1).

Table 20.1 Summary budget for Phase I recommendations.

Ground Exploration	**US$**
Airborne Magnetic and Radiometric Survey	$75,000
Additional Geochemical sampling	$50,000
Ground geophysics (Mag & IP)	$50,000
Trenching	$25,000

Phase I Total:	**$200,000**

The total of the budget recommendations for Phases II is **US$ 400,000**. The author expects Phase II will require approximately 2 months for completion (Table 20.2).

Table 20.2 Summary budget for Phase II recommendations.

Mobilization and Logistics	**US$**
Field office (2 months)	$50,000
Trail Construction	$50,000

Drilling	
1,000 m Core Drilling (Inclusive Cost)	$300,000

Phase II Total:	**$400,000**

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APPENDIX I

Certificate of Author

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CERTIFICATE OF AUTHOR

I, Iain Kelso, do hereby certify that:

1. I am VP Exploration of CuOro Resources Corp.:

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2. I graduated with a Bachelor of Science - Honours degree in geology from Lakehead University in 2002.
3. I am a member of the Association of Professional Geoscientists of Ontario (member # 1345).
4. I have worked as a geologist within the mineral exploration industry for 12 years.
5. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.
6. I have read NI43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.
7. I am responsible for the preparation of the Technical Report titled: "Technical Report, Pelaya Copper Property, Department of Cesar, Colombia", and dated October 10th, 2013.
8. I last visited the Pelaya Copper Project on September 15th, 2013.
9. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public.

Dated this 10th day of October, 2013.

SIGNED & SEALED

"Iain Kelso"

____
Iain Kelso, HBSc, P.Geo.