



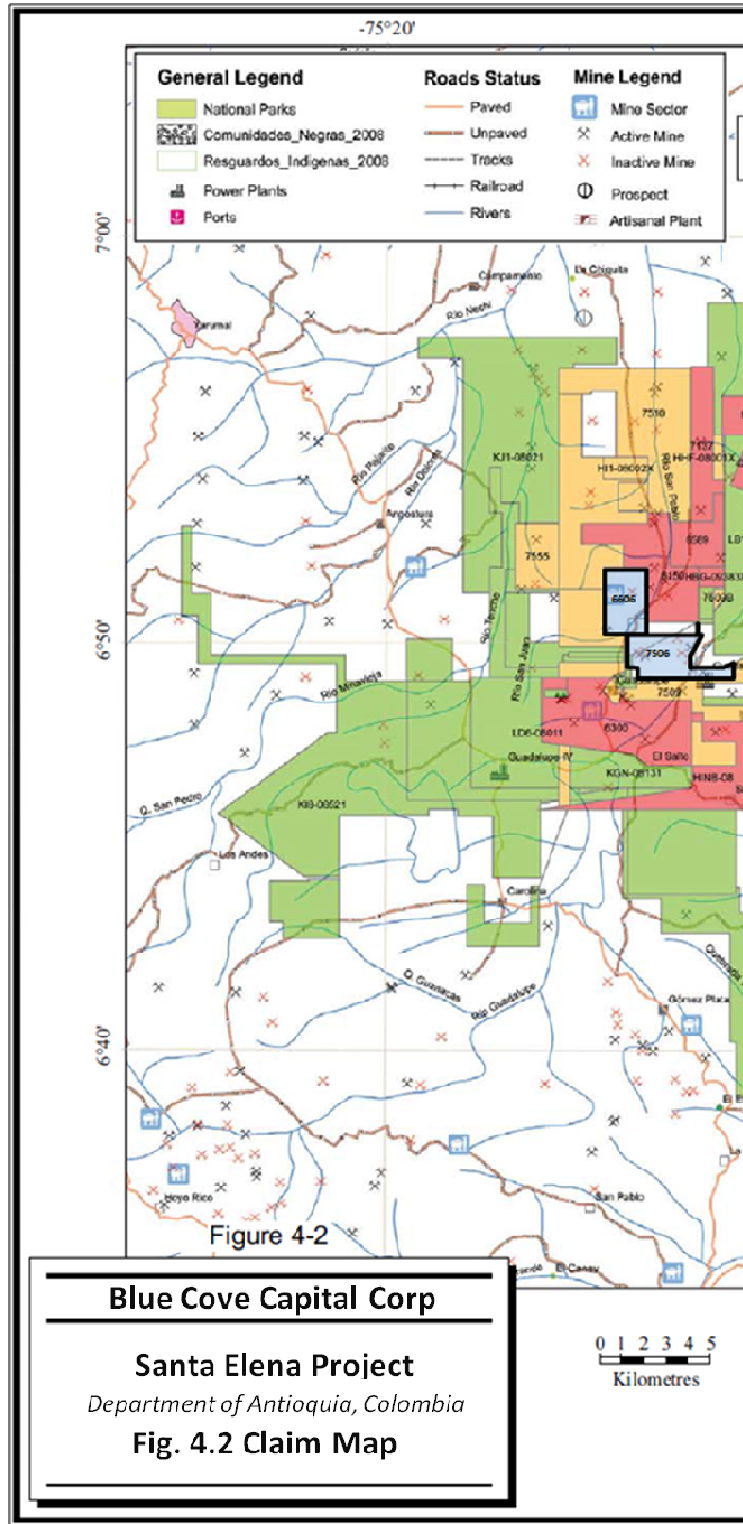
ANNUAL INFORMATION FORM

**FOR THE FISCAL PERIOD
ENDED NOVEMBER 30, 2010**

As at May 2, 2011

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GLOSSARY OF GENERAL TERMS

In this AIF, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms have the following meanings:

- “\$” Means Canadian dollars.
- “2010 Finder’s Warrants” Means the 63,835 share purchase warrants exercisable to purchase an aggregate 63,835 Shares at an exercise price of \$0.25 per Share until November 17, 2012, issued in connection with a private placement which closed on November 17, 2010.
- “Acquisition” Means the acquisition by the Issuer of the Property from the Vendors.
- “Affiliate” Means a company that is affiliated with another company as described below:
- a company is an “Affiliate” of another company if:
 - (a) one of them is the subsidiary of the other, or
 - (b) each of them is controlled by the same Person.
 - a company is “controlled” by a Person if:
 - (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and
 - (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.
 - a person beneficially owns securities that are beneficially owned by:
 - (a) a company controlled by that Person, or
 - (b) an Affiliate of that person or an Affiliate of any company controlled by that Person.
- “Agent” Means Canaccord Genuity Corp.
- “AIF” means this annual information form of the Issuer dated May 2, 2011.
- “Associate” Means, when used to indicate a relationship with a person or company:

(a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;

(b) any partner of the person or company;

(c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity; or

(d) in the case of a person, a relative of that person, including:

(i) that person's spouse or child, or

(ii) any relative of the person or of his spouse who has the same residence as that person;

but

(e) where the Exchange determines that two persons will, or will not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination will be determinative of their relationships in the application of Rule D (as defined in applicable Exchange Policies) with respect to that Member firm, Member corporation or holding company.

“Auditor”	Means the Issuer's auditor, Davidson & Company LLP.
“Author”	Means Michel Rowland, P.Geo., author of the Technical Report.
“BCBCA”	Means the British Columbia <i>Business Corporations Act</i> , S.B.C. 2002, c. 57, as from time to time amended, and including any regulations promulgated thereunder.
“Board”	Means the board of directors of the Issuer.
“Brokered Financings”	Means the Brokered Private Placement and the Short Form Offering.
“Brokered Private Placement”	Means the brokered private placement of 3,500,000 units at a price of \$1.00 per unit. Each unit consisted of one Share and one half of one Finder's Fee Warrant, with each full Finder's Fee Warrant entitling the holder to purchase one additional Share at an exercise price of \$1.30 per Share until April 20, 2013.

“CEO”	Means the Chief Executive Officer.
“CFO”	Means the Chief Financial Officer.
“Charitable Option”	Means the option to purchase 42,000 Shares exercisable at \$0.10 per Share until March 28, 2018 held by Christian Outreach of Canada, an eligible charitable organization.
“company”	Unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
“Control Person”	Means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.
“CPC”	Means a corporation: <ul style="list-style-type: none">(a) that has been incorporated or organized in a jurisdiction in Canada; and(b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy.
“CPC Policy”	Means Exchange Policy 2.4 <i>Capital Pool Companies</i> .
“Escrow Securities”	Means collectively, the IPO Escrow Securities and the QT Escrow Securities.
“Exchange”	Means the TSX Venture Exchange.
“Executive Officer”	Means an individual who is the Chairman or Vice-Chairman of the Board, the President, a Vice-President in charge of a principal business unit, division or function including sales, finance or production, an officer of the Issuer or its subsidiary who performed a policymaking function in respect of the Issuer, or any other individual who performed a policymaking function in respect of the Issuer.
“Filing Statement”	Means the filing statement dated March 31, 2011, filed by the Issuer on SEDAR for its Qualifying Transaction, together with all Schedules thereto.

“Finder”	Means Access Capital Corp., an arm’s-length party to the Issuer.
“Finder’s Fee Warrants”	Means the 400,840 share purchase warrants exercisable to purchase an aggregate of 400,840 Shares at an exercise price of \$1.30 per Share until April 20, 2013, issued to the Agent and certain finders in connection with the Brokered Financings and the Non-Brokered Private Placement.
“Finder’s Warrants”	Means the 684,180 share purchase warrants exercisable to purchase an aggregate of 684,180 Shares at an exercise price of \$1.00 per Share until April 20, 2013, issued to the Agent and certain finders in connection with the Brokered Financings and the Non-Brokered Private Placement.
“Insider”	If used in relation to a company, means: <ul style="list-style-type: none">(a) a director or officer of the company;(b) a director or officer of the company that is an Insider or subsidiary of the company;(c) a person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the company; or(d) the company itself if it holds any of its own securities.
“IPO Agency Agreement”	Means the agency agreement dated February 28, 2008 between the Issuer and the Agent entered into in connection with the Issuer’s initial public offering.
“IPO Escrow Agreement”	Means the Exchange Form 2F CPC Escrow Agreement for Tier 2 issuers dated January 18, 2008, as amended, among the Issuer, Transfer Agent and certain shareholders, pursuant to which the Escrow Securities are currently held in escrow.
“IPO Escrow Securities”	Means the 1,100,000 Shares currently subject to escrow under the IPO Escrow Agreement.
“Issuer”	Means CuOro Resources Corp.
“Letter of Intent”	Means the letter of intent dated December 22, 2010 between the Issuer and the Vendors.
“Member”	Has the meaning set out in the policies of the Exchange.
“Ministry of Mines”	Means the Insituto Colombiano de Geologia y Minería of the Republic of Colombia.

“NEX”	Means the NEX Board of the Exchange.
“NI 43-101”	Means National Instrument 43-101 <i>Standards of Disclosure for Mineral Projects</i> .
“Non-Arm’s Length Qualifying Transaction”	Has the meaning set out in the policies of the Exchange.
“Non Brokered Private Placement”	Means the brokered private placement of 4,500,000 units at a price of \$1.00 per unit. Each unit consisted of one Share and one half of one Finder’s Fee Warrant, with each full Finder’s Fee Warrant entitling the holder to purchase one additional Share at an exercise price of \$1.30 per Share until April 20, 2013.
“Options”	Means options granted under the Stock Option Plan to acquire Shares.
“Person”	Means a company or individual.
“Property” or “Santa Elena Project”	Means the exploration stage property that covers an area of approximately 1,287.5 hectares, located in the Department of Antioquia, Republic of Colombia, and is comprised of the Santa Elena Concessions.
“Purchase Agreement”	Means the purchase and sale agreement dated February 16, 2011, among the Issuer and the Vendors relating to the Acquisition, as amended effective April 1, 2011.
“QT Agency Agreements”	Means the agency agreements between the Issuer and the Agent dated April 8, 2011 with respect to the Brokered Private Placement and the Short Form Offering.
“QT Escrow Securities”	Means the 460,000 Shares subject to the IPO Escrow Agreement pursuant to the Acquisition.
“QT Financing”	Means the Brokered Financings and the Non Brokered Private Placement.
“QT Finder’s Fee Agreement”	Means the finder’s fee agreement between the Issuer and the Finder relating to the QT Finder’s Fee.
“QT Finder’s Fee”	Means up to 300,000 Shares to be issued to the Finder pursuant to the Finder’s Fee Agreement as a finder’s fee in connection with the Qualifying Transaction, of which 83,750 Shares were issued to the Finder on April 20, 2011.

“QT Units”	Means the 8,000,000 units in the capital of the Issuer issued to the purchasers in connection with the QT Financing. Each QT Unit consisted of one Share and one half of one QT Warrant, with each full QT Warrant entitling the holder to purchase one additional Share at an exercise price of \$1.30 per Share until April 20, 2013.
“QT Warrants”	Means the 4,000,000 share purchase warrants exercisable to purchase an aggregate of 4,000,000 Shares at an exercise price of \$1.30 per Share until April 20, 2013, issued to the subscribers in connection with the QT Financing and comprising the QT Units.
“Qualified Person”	Means an individual who: <ul style="list-style-type: none">(a) is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these;(b) has experience relevant to the subject matter of the mineral project and the technical report; and(c) is in good standing with a professional association and, in the case of a foreign association listed in Appendix A of NI 43-101, has the corresponding designation in Appendix A of NI 43-101.
“Qualifying Transaction”	Means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means.
“Santa Elena Concessions”	Means the underlying concession contracts identified with code numbers HJIG-02 and HGLE-02 granted by the Ministry of Mines.
“SFOD”	Means the Short Form Offering Document which qualifies for distribution 2,000,000 Shares pursuant to Exchange Policy 4.6 “ <i>Public Offering by Short Form Offering Document</i> ”.
“Shareholders”	Means the shareholders of the Issuer.
“Shares”	Means common shares in the capital of the Issuer.
“Short Form Offering”	Means the brokered financing up to 2,000,000 Shares at a price of \$1.00 per Share, which closed on April 20, 2011 pursuant to the SFOD.
“Significant Assets”	Means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the initial listing requirements of the Exchange.

“Sponsor”	Means Canaccord Genuity Corp.
“Sponsorship Agreement”	Means the letter agreement dated January 6, 2011 between the Sponsor and the Issuer, pursuant to which the Sponsor agreed to file a sponsorship letter, report and such other materials required by the Exchange with respect to the Acquisition.
“Stock Option Plan”	Means the incentive stock option plan of the Issuer adopted by the Board on June 14, 2010.
“Technical Report”	Means the NI 43-101 compliant technical report on the Property dated March 28, 2011 by Michel Rowland, P.Geo., titled “Technical Report on the Santa Elena Project, Department of Antioquia, Colombia”.
“Transfer Agent”	Means the Issuer’s transfer agent and registrar, Valiant Trust Company.
“US”	Means the United States of America.
“US\$”	Means US dollars.
“Vendors”	Means Colombia Mines S.A.S.

GLOSSARY OF TECHNICAL TERMS

The following is a glossary of certain technical terms used in this AIF with respect to the Property:

“Ag”	Means silver.
“Airborne”	Means a survey made from an aircraft to obtain photographs, or measure magnetic properties, radioactivity, electromagnetic, etc.
“Alteration”	Means any change in the mineralogical composition of a rock that is brought about by physical or chemical means.
“Anomaly”	Means having a geochemical or geophysical character which deviates from regularity; in the case of gold, it refers to abnormally high gold content (i.e., 70.5 g per tonne); any deviation from conformity or regularity; a distinctive local feature in a geophysical, geological, or geochemical survey over a larger area; an area or a restricted portion of a geophysical survey, such as a magnetic survey or a gravity survey, that differs from the rest of the survey in general.
“Assay”	Means in economic geology, to analyze the proportions of metal in a rock or overburden sample; to test an ore or mineral for composition, purity, weight or other properties of commercial interest.
“Au”	Means gold.
“basalts”	Means fine grained, sometimes glassy, igneous rock that is almost always very dark grey, rarely very dark brownish grey or greenish grey, composed mainly of calcic plagioclase and pyroxenes.
“breccia”	Means rock consisting of more or less angular fragments in a matrix of finer-grained material or cementing material.
“Chalcopyrite”	Means copper iron sulphide mineral (CuFeS_2), a common copper ore.
“Chlorite”	Means a green coloured hydrated aluminium-iron-magnesium silicate mineral (mica) common in metamorphic rocks, or as an alteration product.
“Claim”	Means a portion of land held either by a prospector or a mining company.
“Clastic”	Means a sedimentary rock composed of fragments from pre-existing rock.
“Cu”	Means copper.

“Deposit”	Means a mass of naturally mineral material, proven by 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 ore reserves, until final legal, technical, and economic factors have been resolved.
“diamond drill”	Means a type of rotary drill in which the cutting is done by abrasion using diamonds embedded in a matrix rather than by percussion. The drill cuts a core of rock which is recovered in long cylindrical sections.
“dip”	Means geological measurement of the angle of maximum slope of planar elements in rocks. Can be applied to beddings, jointing, fault planes, etc.
“Fault”	Means a fracture in a rock along which there has been relative movement between the two sides either vertically or horizontally; a break in the continuity of a body of rock.
“Geochemistry”	Means the study of the relative and absolute abundances of the elements and their nuclides (isotopes) in the earth.
“Geophysical survey”	Means the exploration of an area by exploiting differences in physical properties of different rock types. Geophysical methods include seismic, magnetic, gravity, induced polarization and other techniques, and geophysical surveys can be undertaken from the ground or from the air.
“Grade”	Means the amount of valuable metal in each tonne of ore, expressed as grams per tonne (g/t) for precious metals, as percent (%) for copper, lead, zinc and nickel.
“Host”	Means a rock or mineral that is older than rocks or minerals introduced into it.
“Hydrothermal”	Means pertaining to hot aqueous solutions, usually of magmatic origin, which may transport metals and minerals in solution.
“Intrusion”	Means the process of emplacement of magma in a pre-existing rock. Also, the igneous rock mass so formed.
“IP”	Means induced polarization method.
“m”	Means meters (3.28 feet).
“metamorphic”	Means any rock which is altered within the earth's crust by the effects of heat and/or pressure and/or chemical reactions.

“mineral claim”	Means a legal entitlement to minerals in a certain defined area of ground.
“Mineral resource”	Means the estimated quantity and grade of mineralization that is of potential merit. A resource estimate does not require specific mining, metallurgical, environmental, price or cost data, but the nature and continuity of mineralization must be understood to a specific degree of knowledge.
“Mineralization”	Means the concentration of metals and their chemical compounds within a body of rock; The process or processes by which a mineral or minerals are introduced into a rock, resulting in a valuable or potentially valuable deposit.
“ore”	Means a natural aggregate of one or more minerals which may be mined and sold at a profit, or from which some part may be profitably separated.
“outcrop”	Means an exposure of rock at the earth’s surface.
“oz/t or opt”	Means ounces per ton.
“Porphyry”	Means a felsic intrusive or subvolcanic rock with larger crystals set in a fine groundmass.
“Ppb”	Means parts per billion.
“ppm” or “parts per million”	Means a unit of measurement which is 1000 times larger than ppb (1 ppm = 1000 ppb).
“Pyrite”	Means a sulphide mineral of iron, FeS ₂ .
“reserves”	Means a natural aggregate of one or more minerals which, at a specified time and place, may be mined and sold at a profit, or from which some part may be profitably separated.
“sample”	Means small amount of material that is supposed to be absolutely typical or representative of the object being sampled.
“sedimentary”	Means a rock formed from cemented or compacted sediments.
“Strike”	Means direction or trend of a geologic structure; the course or bearing of the outcrop of an inclined bed, vein, or fault plane on a level surface; the direction of a horizontal line perpendicular to the direction of the dip.
“Vein”	Means a thin sheet-like intrusion into a fissure or crack, commonly bearing quartz.
“Volcanic”	Means descriptive of rocks originating from volcanic activity.

INTRODUCTORY NOTES

Date of Information

All information in this AIF is as of May 2, 2011 unless otherwise indicated.

Forward Looking Statements

Certain statements in this AIF are forward-looking statements or information (collectively “forward-looking statements”) within the meaning of applicable securities legislation. We are hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking information in this AIF includes, but is not limited to:

- information with respect to our future financial and operating performance and that of our affiliates and subsidiaries;
- our management’s skill and knowledge with respect to the exploration and development of mining properties in Colombia, and the relevance of that skill and knowledge to the Property;
- our plan to pursue the exploration of the Property;
- our ability to successfully obtain any necessary environmental licenses;
- our ability to successfully obtain any required extensions of the exploration phase of the Santa Elena Concessions;
- future exploration and development activities, and the costs and timing of those activities;
- timing and receipt of approvals, consents and permits under applicable legislation;
- our assessment of potential environmental liabilities;
- our assessment of potential political and economic uncertainties in Colombia;
- results of future exploration and drilling;
- estimation of metallurgical response of ores to processing methods;
- metals prices;

- adequacy of financial resources;
- forward-looking information attributed to third party industry sources; and
- statements related to our expected executive compensation.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. We believe that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: our ability to carry on exploration and development activities, the timely receipt of required approvals, the price of metals, our ability to operate in a safe, efficient and effective manner and our ability to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Issuer, that could influence actual results include, but are not limited to: limited operating history; exploration, development and operating risks; commodity prices; no mineral reserves or mineral resources; substantial capital requirements and liquidity; title to mineral properties; government regulations, licenses and permits; environmental risks; labour and employment matters; infrastructure; insurance and uninsured risks; competition; foreign operations risks; reliance on management and dependence on key personnel; conflicts of interest; regulatory requirements; financing risks and dilution to Shareholders; requirement for permits and licenses; local resident concerns; management inexperience in developing mines; exposure to potential litigation; and other factors beyond the control of the Issuer. See “Risk Factors”.

Our forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this AIF. Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. We do not undertake to update any forward-looking information, except as, and to the extent required by, applicable securities laws.

Currency

Unless otherwise stated, references herein to “\$” are to the Canadian dollar. References to “US\$” are to the United States dollar. The following table reflects the low and high rates of exchange for one United States dollar, expressed in Canadian dollars, during the periods noted, the rates of exchange at the end of such periods and the average rates of exchange during such periods, based on the Bank of Canada noon spot rate of exchange.

	Year ended December 31,		
	2010	2009	2008
Low for the period	\$0.9946	\$1.0292	\$0.9719

High for the period	1.0778	1.3000	1.2969
Rate at the end of the period	0.9946	1.0466	1.2246
Average noon spot rate for the period	1.0299	1.1420	1.0660

On May 2, 2011, the Bank of Canada noon spot rate of exchange was \$1.00 = US\$1.0535.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed by the Issuer with certain Canadian provincial securities commissions, are specifically incorporated by reference into, and form an integral part of, this AIF:

- (a) unaudited interim consolidated financial statements for the Issuer as at April 21, 2011 for the three months ended February 28, 2011;
- (b) management's discussion and analysis for the Issuer for the three months ended February 28, 2011;
- (c) the material change report of the Issuer dated April 20, 2011 with respect to the Issuer announcing the closing of its Qualifying Transaction, Non-Brokered Private Placement and Brokered Financings;
- (d) the material change report of the Issuer dated April 11, 2011 with respect to the Issuer announcing the Exchange's conditional acceptance of the Filing Statement and the Short Form Offering;
- (e) the Filing Statement of the Issuer dated March 31, 2011 filed in connection with the Qualifying Transaction which closed on April 20, 2011;
- (f) consolidated annual financial statements of the Issuer as at February 18, 2011 for the years ended November 30, 2010 and 2009, together with the notes thereto and the auditors' report thereon;
- (g) management's discussion and analysis for the Issuer for the year ended November 30, 2010;
- (h) the material change report of the Issuer dated February 2, 2011 with respect to the Issuer announcing the Brokered Financings and Non-Brokered Private Placement;
- (i) the material change report of the Issuer dated January 10, 2011 with respect to the Issuer announcing it had entered into letters of intent for the acquisition of the Santa Elena Project and Barranco de Loba Gold & Silver Project;
- (j) the material change report of the Issuer dated November 17, 2010 with respect to the Issuer announcing the closing of a non-brokered private placement of a sale of up to 2,000,000 Shares at a price of \$0.25 per Share, for gross proceeds of \$500,000;
- (k) the material change report of the Issuer dated September 10, 2010 with respect to the Issuer announcing the Exchange's approval of the closing of a non-brokered private placement of 6,639,324 Shares at a price of \$0.05 per Share, for aggregate proceeds of \$331,966.20; and
- (l) the management information circular of the Issuer dated May 4, 2010 distributed in connection with the annual general meeting of Shareholders held on June 14, 2010;

(m) the material change report of the Issuer dated December 9, 2009 with respect to the Issuer announcing the filing of a filing statement regarding a proposed Qualifying Transaction.

Also, specifically incorporated by reference and forming a part of this annual information is the NI 43-101 compliant technical report entitled “Technical Report on the Santa Elena Project, Department of Antioquia, Colombia”, dated March 28, 2011 as prepared by Michel Rowland, P.Geol.

All material change reports (other than confidential reports), audited annual financial statements and management’s discussion and analysis and all other documents of the type referred to above by the Issuer filed with certain Canadian provincial securities commissions on SEDAR at www.sedar.com are deemed to be incorporated by reference into this AIF.

Any statement contained in this AIF or in any other document incorporated by reference in this AIF will be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which also is deemed to be incorporated by reference in this AIF modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not constitute a part of this AIF except as so modified or superseded.

CORPORATE STRUCTURE

The Issuer was incorporated under the BCBCA on October 23, 2007 under the name “Blue Cove Capital Corp.”. The Issuer’s name was changed to “CuOro Resources Corp.” on April 18, 2011. The Issuer’s head office is located at Suite 1305 – 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7. The registered office is c/o McMillan LLP, Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

The Issuer currently has one wholly-owned subsidiary being Minera CuOro S.A.S., a sociedad anonime simplificada incorporated under the laws of Colombia on March 15, 2011.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Since incorporation the sole business of the Issuer has been to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and once identified and evaluated, to negotiate an acquisition or participation subject to any approvals as required under applicable corporate and securities laws and subject to acceptance by the Exchange so as to complete the Qualifying Transaction. In April 2011 the Issuer completed the Qualifying Transaction by acquiring the Santa Elena Project, consisting of the Santa Elena Concessions located in the Republic of Colombia. On April 21, 2011 the Issuer commenced trading on the Exchange as a Tier 2 Mining Issuer under the symbol “CUA”.

The Issuer pursued a previous transaction that was intended to constitute the Issuer’s Qualifying Transaction. The transaction was terminated effective February 19, 2010.

Qualifying Transaction

On December 22, 2010, the Issuer entered into the Letter of Intent with the Vendors and subsequently, on February 16, 2011 entered into the Purchase Agreement, as amended effective April 1, 2011, with the Vendors to acquire the Property. The Acquisition was not a Non-Arm's Length Qualifying Transaction as the Vendors did not have a relationship to the Issuer or its Affiliates and Associates.

The Issuer acquired all of the Vendors' right, title and interest in the Property pursuant to the Acquisition. The Vendors will retain a sliding-scale net smelter return royalty varying between 2.0% and 3.0% on the Property. Pursuant to the Purchase Agreement, as consideration for the Property, the Issuer has agreed to pay the Vendors in cash as follows:

- (a) US\$25,000 upon signing the Letter of Intent (which payment has been made);
- (b) an additional US\$250,000 on April 20, 2011 (which payment has been made);
- (c) an additional US\$250,000 on or before July 20, 2011;
- (d) an additional US\$500,000 on or before June 20, 2012;
- (e) an additional US\$1,000,000 on or before June 20, 2013; and
- (f) an additional US\$1,000,000 on or before June 20, 2014.

In addition, the Issuer has also agreed to incur qualifying expenditures on the Property of \$3,000,000 and all other expenditures needed to keep the Property in good standing in accordance with Colombian mining law requirements, as follows and subject to acceleration in the Issuer's discretion:

- (a) US\$500,000 on or before April 20, 2012;
- (b) an additional US\$1,000,000 on or before April 20, 2013 (for cumulative expenditures of US\$1,500,000); and
- (c) an additional US\$1,500,000 on or before April 20, 2014 (for cumulative expenditures of US\$3,000,000).

The Issuer has agreed to pay an additional US\$1,000,000 to the Vendors if a NI 43-101 compliant report is prepared during the term of the Purchase Agreement that establishes the existence of at least 300,000 tonnes of copper categorized as 'measured resources' (as such term is defined in NI 43-101) on the Property.

In connection with the Acquisition, and pursuant to the QT Finder's Fee Agreement, the Issuer will issue up to 300,000 Shares to the Finder as payment of the QT Finder's Fee, of which 83,750 Shares were issued to the Finder on April 20, 2011.

BUSINESS OF CUORO

General

The Issuer is a natural resource company engaged in the acquisition, exploration and development of mineral properties, with its primary focus on the Property. The Issuer is an exploration stage company

with no producing properties and consequently no current operating income cash flow or revenues and will not provide any products or services to third parties. There is no assurance that a commercially viable mineral deposit exists on the Property.

The Issuer will target the milestones and conduct the recommended exploration program for the Property. See “Santa Elena Project – Recommendations” for additional information.

The Issuer may also complete additional property acquisitions. On December 9, 2010, the Issuer entered into a non-binding letter of intent, as amended December 23, 2010, March 2, 2011 and April 30, 2011, to acquire a 100% interest in the Barranco de Loba Gold & Silver Project, located in the Department of Sur de Bolivar, in the Republic of Colombia, as more particularly described in the Filing Statement and a news release dated January 10, 2011 and available on SEDAR at www.sedar.com. As of the date of this AIF, the Issuer continues to evaluate the possible acquisition of the Barranco de Loba Project.

Stage of Development

The Issuer expects to use its available working capital to finance exploration and development on the Property, and for general working capital, including complementary acquisitions. The Issuer’s immediate short-term objectives are to:

- (a) complete the recommended work program on the Property pursuant to the Technical Report; and
- (b) acquire and evaluate additional complementary mineral properties to expand the Issuer’s portfolio.

The Issuer’s long-term objectives are to:

- (a) determine if an economic mineral deposit exists on the Property;
- (b) find one or more economic mineral deposits and bring them to commercial production; and
- (c) deliver a return on capital to Shareholders.

Milestones

The principal milestones that must occur for the stated short-term business objectives described above to be accomplished are as follows:

Milestone	Target Date	Cost (US\$)
Phase I Work Program on the Property	Months 1 – 4	\$615,000
Phase II Work Program on the Property	Months 5 – 12	\$2,545,000

Please see “Santa Elena Project – Recommendations” for a description of the work programs.

Exploration and Development

The Issuer intends to complete the exploration activities as recommended in the Technical Report commencing in May, 2011 with the Phase I work program on the Property.

Specialized Skill and Knowledge

Most aspects of the Issuer's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, exploration and development, environmental issues and accounting. The Issuer has a number of employees with extensive experience in mining, geology, exploration and business development in Colombia.

Competitive Conditions

The Issuer competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral tenements, claims, leases and other mineral interests for exploration and development projects. The Issuer also competes with other mining companies for investment capital with which to fund such projects and for the recruitment and retention of qualified employees.

The ability of the Issuer to acquire additional mineral properties in the future will depend on its ability to operate and develop the Property and also on its ability to select and acquire suitable producing properties or prospects for development or exploration.

Environmental Protection

All aspects of the Issuer's field operations will be subject to environmental regulations and generally will require approval by appropriate regulatory authorities prior to commencement. Any failure to comply could result in fines and penalties. With the Property at the exploration stage, the financial and operational impact of environmental protection requirements is minimal. Should any projects advance to the test mining or feasibility stage, considerably more time and money would be involved in satisfying environmental protection requirements.

Markets and Marketing

There is a global market into which any minerals produced on the Property could be sold and as a result, the Issuer would not be dependent on a particular purchaser, if any, with regard to the sale of any minerals produced. As the Issuer is not yet producing, it is not marketing and does not require a marketing plan or strategy.

Employees

The Issuer's business is administered principally from its head office in Vancouver, British Columbia, Canada. The Issuer also has an office in Medellin, Colombia. As at May 2, 2011, the Issuer, including its subsidiary, employed a total of four full-time employees. The Issuer utilizes contractors on an as needed basis.

Foreign Operations

The Issuer's Property is located in Colombia and, as such, is exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. See "Risk Factors".

Environmental, Social and Governance Policies

The Issuer seeks to conduct its activities in accordance with the highest environmental standards by complying in all material respects with all environmental laws, policies, regulations and plan, conducting extensive on going environmental operations, keeping environmental impacts of its operations to a minimum and rectifying or rehabilitating those impacts that necessarily occur as part of it operations.

Colombia

Regulatory

In Colombia, all mineral rights are the property of the government of Colombia. Obtaining a mining right does not transfer ownership of the mineral estate, but creates a temporary right to explore and benefit from minerals in exchange for royalty payments so long as the mining title remains in good standing.

Under Colombian mining law, foreign individuals and corporations have the same rights as Colombian individuals and corporations, and Colombian governmental regulatory bodies are specifically prohibited from requiring any additional or different requirements than would be required of a Colombian individual or corporation.

Mineral property rights are governed by the Colombian Mining Code, which has been subject to various changes and amendments. Under Colombian mining law, the holder of surface or subsurface minerals, whether operating on government or private property, is subject to the legal requirements established under the 1988 Mining Code and the Colombian Mining Law 685 of 2001 (the “2001 Mining Code”), as amended by Mining Law 1382 of 2010. The 1988 Mining Code is currently applied to those licences granted during the period it was in effect and prior to the effective date of the 2001 Mining Code. It is also applied to those applications made during its pendency but still under administrative proceeding when the 2001 Mining Code came into force, where the applicant did not request to be subject to the new regulation.

The 1988 Mining Code establishes four types of mining title: permits, exploration licenses, exploitation licenses and concession contracts. An exploration license grants the holder the exclusive right to perform, in a prescribed area, work directed to identifying commercially exploitable mineral deposits and reserves. There are three types of exploration licenses: small, medium, and large mining activity licenses. The type of exploration license is determined by the anticipated volume or tonnage of materials to be extracted from the mine to be developed on the property. During the term of the exploration license, reports on work performed on the property must be filed with the Ministry of Mines and Energy. The Ministry of Mines and Energy subsequently makes a definitive project classification based on the information filed. The Ministry of Mines and Energy has the right to reclassify the project every five years during the exploration phase. There is a maximum size area for each type of exploration license. The term of an exploration license is determined by the area covered as follows:

Original Area	Type	Term	Extension
Up to 100 hectares	Small	1 year	1 year
100 hectares up to 1,000 hectares	Medium	2 years	1 year
1,000 hectares or more	Large	5 years	N/A

On expiry of an exploration license for small mining activity and any extensions thereof, the license can be converted, on compliance with prescribed conditions, into an exploitation license. An exploitation license has a term of ten years. On its expiry, the holder can apply for a ten year extension or conversion of the license into a concession contract. On expiry of an exploration license for medium and large mining activities and any extensions thereof, the license is required to be converted to a mining concession on compliance with prescribed conditions. There are two types of mining contracts: concession contracts issued by the Ministry of Mines and Energy and those contracts issued by entities to which the Ministry of Mines and Energy has assigned its rights. A concession contract gives the holder the exclusive right to extract certain minerals and conduct the activities necessary for exploitation, transport and shipment of the same. Concession contracts have a term of 30 years.

In June 2001, a new Mining Code was enacted that somewhat simplifies and streamlines procedures for concessions. The separation of concessions into three different levels for small, medium and large mining no longer exists. There is now only one title which, once issued, has duration of 30 years and under the 2001 Mining Code, could be extended for an additional 30 years. However, this 30 year period was amended by Mining Law 1382 of 2010, which established the possibility to obtain a non-automatic extension for a 20 year period. To obtain the requisite permits to explore and mine the necessary environmental plans and report studies need to be presented and approved. Companies were permitted to elect to maintain existing claims under the 1988 Mining Code or elect to comply with the 2001 Mining Code.

Environmental

Mining companies in Colombia are subject to the authority of the Ministry of the Environment, the Regional Development Companies and certain municipalities and metropolitan districts. However, the National Code of Renewable Natural Resources and Environmental Protection forms the basis of environmental policy in Colombia and there is an interest in preserving natural resources from development activities. The 2001 Mining Code requires an environmental mining insurance policy for each concession contract. In addition, this provision requires that an environmental impact study (an "EIA") be presented to the Ministry of the Environment at the end of the exploration phase if the concession is to proceed to the construction phase, and this must be approved and an environmental license issued before the exploitation phase can begin.

Exploitation may require additional permits, including an environmental license, a permit for springs, a forest use permit, a certificate of vehicular emissions, an emissions permit and a river course occupation permit.

Exploration on a mineral tenure which exceeds prospecting, mapping and sampling, requires the submission and approval of an Environmental Management Plan ("PMA") which must include:

1. the work to be done (i.e., the number of drill holes, location, direction, depth, etc);
2. the proposed measures to prevent negative environmental impact that could be caused to the environment or to the communities by the project;
3. the monitoring plan of the project, in order for the environmental authorities to verify concessionaire's compliance with environmental commitments and obligations during the implementation of the PMA;
4. the contingency plan, which must contain the measures to prevent and to affront emergencies arising from the project;

5. the costs of the PMA and the costs of the project;
6. the schedule for the execution of the PMA;
7. the proposed points of diversion for water so appropriate water permits can be issued;
8. the location and number of settling ponds to prevent turbidity in the streams by drilling fluids;
and
9. the location of fuel and oil storage areas, away from streams and creeks.

During the exploration phase, along with a PMA, a mining company may be required to request before the Regional Development Companies a permit for springs, a forest use permit, an emission permit and/or a river course alteration permit.

The preparation and filing of the PMA is normally the responsibility of the drill contractor, and is typically approved in 15 to 30 days, up to a maximum of 90 days. There is no bond requirement for exploration PMA's, and no site reclamation is required. While PMA's do not require any authorization or environmental permits, any such work carried out in areas designated as natural reserves are to be governed by those rules and restrictions.

As discussed above, an EIA must be submitted before an environmental licence is issued. The EIA has to demonstrate the building and works plans' environmental feasibility. Without approval of this study and the issuance of the corresponding Environmental Licence, mining and exploration cannot commence.

As noted above, the 2001 Mining Code also requires a concession contract holder to obtain an environmental mining insurance policy. During the exploration stage, the insured value under the policy must be 5% of the value of the planned annual exploration expenditures and during the construction phase the insured value under the policy must be 5% of the planned investment for assembly and construction under the building and works plan. During the exploitation phase the insured value under the policy must be 10% of the product of the estimated annual production multiplied by the mine mouth price of the minerals being produced, as fixed annually by the Colombian government. Article 280 of the 2001 Mining Code also provides for the possibility of guaranteeing compliance with mining and environmental obligations under the concession contract with real security. For licences or agreements to be maintained under 1988 Mining Code, the holder has to obtain an insurance policy and the insured value must be 10% of the estimated production for the first two years as established by the building and works plan. Further, the policy must be maintained during the entire term of the licence or agreement.

Where there is a breach of environmental laws, an affected third party or the government may initiate judicial action against a polluting entity, including actions for protection of civil rights, civil liability lawsuits, class actions, group actions, executive or police measures and criminal filings. Environmental laws are a matter of public interest and are not subject to settlement. Historically, environmental authorities have taken a relaxed approach in the enforcement of environmental regulations. Recently, growing concern with respect to the environmental sustainability of projects, undertakings and industrial activities has resulted in increased enforcement and prosecution. Sanctions include daily penalties, suspension or revocation of the license, concession, permit, or authorization, temporary or final closure of the establishment, work demolition at the cost of the infringer, and confiscation of products or implements used to commit an infringement.

Taxes and Royalties

In Colombia, there are various government fees and royalties payable by mining titleholders. During the exploration and construction phases, the holder of a concession contract must pay a property fee equivalent to one Colombian minimum daily wage per hectare per year from the first to the fifth year; afterwards, the property fee shall be increased for every additional two year period, as follows: for years six and seven, the property fee will be equivalent to 1.25 times the minimum daily wage per hectare per year; for year 8, the property fee will be equivalent to 1.5 times the minimum daily wage of hectare per year. The fee is payable in advance per year upon the contract's execution. The fee is payable annually until the commencement of commercial production from the property. A royalty is payable at an effective rate of 4% of the gross value of the minerals calculated at the mine mouth for gold, subject to certain deductions and gross adjustments. The value per gram of gold and silver at mine mouth for the estimation of royalties will be 80% of the average international price for the previous month, as published in the London Metal Exchange. For underground mines, the royalty is payable when annual production exceeds 8,000 tonnes and, for open-pit mines, when annual production exceeds 250,000 cubic metres.

Under the 2001 Mining Code, Colombian staff of a mining company, as a whole, should receive not less than 70% of the total payroll of qualified or of skilled personnel in upper management or senior level staff, and no less than 80% of the value of total payroll of the subordinates. Upon prior authorization, relief may be granted by the Ministry of Labour for a specified time to allow specialized training for Colombian personnel.

Surface Rights and Surface Tenure

Colombian law specifically provides that the owner of a concession contract, exploration licence or exploitation licence is entitled to use so much of the surface as is necessary to carry out the activities under the given licence or contract. Under normal conditions, this requires little more than speaking with the surface owner, obtaining permission and paying a reasonable fair market price for the areas actually used. Colombian law grants exclusive temporary possession of mineral deposits and provides mandatory easements to ensure efficient exploration and exploitation of legal mining titles and further provides authority to impose appropriate easements as necessary both within and external to the limits of the mining title. The holder of a mining title must agree with the surface owner or other party against which such easement is enforceable, including other mining title holders, upon the time, and appropriate remuneration for the use and occupancy. Colombian law provides that the remuneration payable to the surface owner is to be based on the reasonable fair market value of the land and is not to include any value attributable to the development of the "mineral wealth", and that it should only be for so much of the surface as is actually affected, consumed or occupied by the exploration or mining activity. Should the use of the surface affect the value of areas, not subject to the easement, this loss of value will also be taken into account when fixing the remuneration payable to the land owners.

Furthermore, since the mining industry is an activity of public interest, it is also possible for the concessionaire to request the competent mining authority for the expropriation of the lands necessary for mining activities. The acquisition of land through expropriation is also subject to prior indemnification to the owners(s).

SANTA ELENA PROJECT

The Purchase Agreement

On December 22, 2010, the Issuer entered into the Letter of Intent and subsequently, on February 16, 2011 entered into the Purchase Agreement with the Vendors to acquire the Property. See “General Development of the Business — Qualifying Transaction”.

The Technical Report

The Issuer commissioned Michel Rowland, P.Geo. to complete the Technical Report on the Property. The Technical Report, a report compliant with NI 43-101, is dated effective March 28, 2011 and has been filed on SEDAR at www.sedar.com. The following information concerning the Property is derived from the Technical Report.

The author of the Technical Report, Michel Rowland, P.Geo., is an independent Qualified Person under NI 43-101.

Property Description and Location

The Santa Elena Project is located in the municipalities of Guadalupe, in the Department of Antioquia, approximately 140 km by road northeast of the Medellin (Figure 4-1).

The approximate geographic coordinates of the midpoint of the Property center on 6°51'00' North Latitude and 75°13'30'' West Longitude (Colombian Gauss-Kruger coordinate system, Bogota Observatory datum).

The concessions lie within a generally hilly zone with elevations ranging from less than 600 meters ASL in the valleys to approximately 2000 meters ASL in the higher hills. The slopes of the hills are variably gentle to locally steep. The pertinent topographic map sheet is number 186-II-A, available from the Instituto Geográfico Agustín Codazzi.



Land Tenure

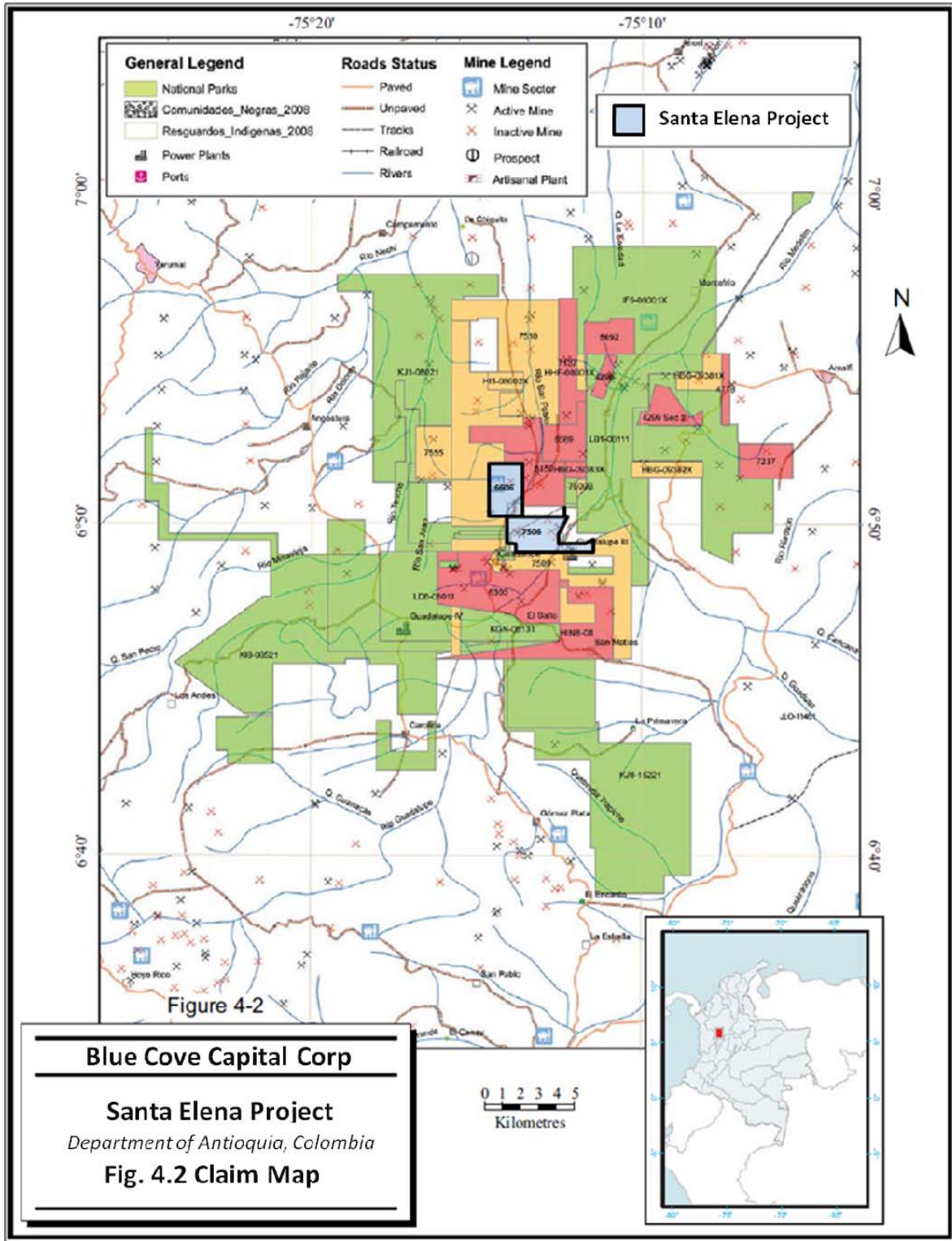
The Santa Elena Project consists of 2 mining titles, 7506 (HJIG-02 registry code) and 6606 (HGLE-02 registry code) which encompass 1,287.5 hectares. A definitive agreement was executed between the Issuer and Colombia Mines S.A.S. on February 16, 2011 granting the Issuer 100% ownership of the mining titles, known as the Santa Elena Project.

The Mining Titles, 7506 and 6606, are defined as Exploration Concession Contracts and were issued under Mining Law 685 of 2001. The new Mining Code was enacted as Law 1382 in 2010.

INGEOMINAS (Instituto Colombiano de Geología y Minería) is responsible for granting and administering all mining titles. The predecessor of INGEOMINAS was Empresa Nacional Minera Ltda.-MINERCOL.

TABLE 1 SANTA ELENA PROJECT MINING TITLES

Mining Title No.	Code of Mining Registry	Area (ha)	Mining Registry Date	Expiry Date
7506	HJIG-02	694.4	7/05/2009	6/05/2039
6606	HGLE-02	593.5	24/06/2007	23/06/2037



Legal Survey

No legal surveys were carried out on the Property to date and are generally not required during the exploration stage.

Mineral Rights

Mineral rights in Colombia are reserved to the federal government and governed by the Colombian Mining Code. The Colombian Mining Code has been changed and amended on several occasions. The oldest version relevant to the Santa Elena Project is Decree 2685 of 1988 (the “Previous Mining Code”), which has been replaced and superseded in its entirety by Law 685 of 2001, as amended by Law 1382 of 2010. However, exploration licenses that comprise the Santa Elena Project are still governed by the Previous Mining Code.

Mining public policy and the administration of the mining law resides with the Ministry of Mines and Energy which has delegated the administrative duties to the Regional Government of the Department of Antioquia and to INGEOMINAS. The Secretary of Mines of the Regional Government of Antioquia and the Medellin branch of INGEOMINAS are the mining authorities that have jurisdiction over the Santa Elena Project.

Under Colombian mining law, mineral concessions are map staked and hence do not have physical boundaries. All mineral concessions are drawn using the local Colombian coordinate system.

In Colombia, mining concession agreements consist of three phases, namely, the exploration, construction and exploitation phases, and are governed by Law 685 of 2001 as modified by Law 1382 of 2010. Under the Modified Mining Code, the exploration phase is for a three-year period, which can be extended for up to four additional two year periods for a maximum of eleven years. During the exploration phase, annual surface payments (“Cánon Superficial”) are payable to the Colombian government on the basis of one minimum daily salary per hectare. The current cánon rate is COP17,166 per hectare (approximately US\$9.01/ha). The surface payment is calculated as one minimum daily wage per contracted hectare per year for the first five years of the exploration phase. During years six and seven of the exploration phase, the payment increases to 1.25 minimum daily wages per contracted hectare per year, and in years eight to eleven it increases to 1.5 minimum daily wages per contracted hectare per year. Upon completion of the exploration phase of a concession, the construction phase is for a period of three years, and may be extended for a period of one year, after which it enters its exploitation phase, in which cánon fees are no longer payable but are replaced by a production royalty payable to the Colombian government. The mining concession agreement is granted for an initial term of 30 years. The term may be extended by means of an agreement negotiation procedure (said renegotiation is not required for agreements that predate Law 1382 of 2010).

The main obligations undertaken in the agreement are: (i) the payment of the surface tax (cánon fees) during the exploration, construction and installation phases, (ii) the implementation of a mining-environmental insurance policy (private insurance) covering environmental risks, and (iii) the payment of royalties to the State during the operation stage (replacing the cánon fees).

Regulation of Exploitation Licences, on the contrary, is not divided into three phases but consists of an initial ten-year period, that can be extended for a single equivalent or converted into concession agreements before their expiration, in which exploitation can take place, and in which production royalties are payable to the Colombian government on the basis of grams extracted. Exploitation Licences are always preceded by Exploration Licences. Under these, the title holder is entitled to explore the area

for the purpose of determining the existence of mineral reserves, for a term of one to five years, depending on the area to be explored. Upon expiry of the Exploration Licence, the title holder has a right to an Exploitation Licence. Exploitation Licences are granted for small-scale mining not exceeding 250,000 m³ of extraction per year per licence.

The application process for concessions and their granting and registration into the National Mining Registry is a lengthy process. Once an application is submitted to the applicable mining authority, the mining authority will undertake a technical study to determine the amount of free ground that is actually available within the area requested in the application. Once the technical study is completed, the mining authority may decrease or amend the area to be granted within the application. This determination and report is provided to the applicant and the applicant may either accept or reject such determination. If the applicant is willing to proceed, the mining authority will proceed with drafting the concession agreement which will be signed by the parties upon completion. Upon execution of the concession agreement, the concession agreement must then be registered at the National Mining Registry. Once an applicant has agreed to proceed with the area provided in the technical study, the applicant has an exclusive right to the concession, as long as the concession agreement is duly signed and concession fees are paid in a timely manner.

Holding Costs

The annual cost to maintain the Property in good standing, including the Cánon Superficial, annual licence fees and insurance payments is approximately US\$20,000.

- Canon Payment on mining title 6606 was due on February 25, 2011. Payment was made on February 18, 2011 for the amount of US\$6,328.
- Canon Payment on mining title 7506 is due on May 6, 2011 for the amount of US\$7,534.

Royalties and Other Encumbrances

Upon production the government of Colombia requires the payment of a 4% gross royalty on gold and silver production, based on 80% of the closing price of the London Bullion Market for an effective rate of 3.2%. The royalty on copper and metal minerals is 5%.

Surface Rights

The surface rights are held by various third party landowners and communities. Exploration access easements will have to be negotiated and agreed upon with the surface rights holders.

Environmental Liabilities

As far as the Author can determine, there are no known environmental liabilities associated with the Santa Elena Project at this time. On February 19, 2011 an illegal gold mining operation was discovered on the Property. At this time no information regarding the potential environmental impact is known.

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 or an environmental license approved by the regional environmental authority, CORANTIOQUIA. Drilling will require a water use and return

permit, which may be included in the environmental license granted for the project. All exploration projects require environmental insurance which must be purchased on an annual basis during the entire life of the Concession Contract.

Access, Climate, Local Resources, Infrastructure and Physiography

Accessibility

The Santa Elena Project is located approximately 140 km by road from Medellin, the capital city of the Department of Antioquia, which has a population of approximately 3,500,000 in its metropolitan area. Medellin is serviced by several daily flights from Bogota as well as international destinations including Miami, New York, Lima, Caracas, Quito, and Panama City. The drive to the Property takes approximately 2.5 hours on a paved road to the gate access of the Santa Elena Project. Access within the project area is by dirt roads, foot paths, and horse trails.

Climate

The Property lies within the cool temperate moist forest zone of the Holdridge Life Zone classification. The climate in the region varies with altitude. The average temperature is 20°C. Two rainy seasons occur, from October to November and from April to May. The average annual precipitation in the region is variable depending on location but can be greater than 2,000 mm to 3,000 mm. Exploration activities can be conducted year round.

Local Resources

Limited services are available in the town of Guadalupe which is the closest town located 10 km from the Santa Elena Project, and provides temporary accommodations, emergency health services, fuel, and unskilled labour. Guadalupe has daily bus service to Medellin. According to the Departamento Administrativo Nacional de Estadística (DANE) census of 2005, Guadalupe had a population of 6,191. A greater range of services are available in Medellin. Any mining development on the Property would have access to hydroelectric power from the national transmission grid and sufficient water for any mining operation can be readily developed.

Topography, Elevation and Vegetation

The Property is largely covered with dense tropical vegetation, with occasional slopes being deforested and utilized for grazing by the native cattle. Hydroelectric power generation and farming are the principal economic activities in the area.

The Property is located in steep, mountainous and relatively rugged terrain at elevations between 900 m to greater than 2000m ASL in the northern portion of the Central Cordillera.

The infrastructure around the Santa Elena Project is extremely well developed including:

- paved road access to Santa Elena Project gate;
- a new two lane bridge over the Porce River;
- three Hydroelectric plants within 5 km from Santa Elena Project site with sub station;
- abundant water supply with rivers and dams; and

- nearby towns with available labor pool.

History

Historical Colombian Gold Production

Colombia has produced an estimated 85 million ounces of gold since the Spanish conquest in 1514. There is no reliable estimate of the gold produced prior to, and during the Spanish conquest. In 1937, estimated production was over 49 million ounces of gold during the post conquest period from 1514 to 1937, making Colombia the largest producer in South America during that time frame.

Recent production has earned Colombia a ranking which has ranged from second to fifth largest gold producer in South America, and 12th to 20th largest in the world (Ministerio de Minas y Energia, Colombia, 1999-2006). In 2000, additional production of 30 million ounces of gold for the period 1937 to 2000 was documented. For the years 2000 to 2004, the U.S. Geological Survey documents additional production of 4.95 million ounces of gold. The Dow Jones Business News Service reported on August 15, 2006 that Colombia had produced 1.5 million ounces of gold in 2005. Approximately two thirds of Colombian gold production has been from placer deposits in the Department of Antioquia, in which the Santa Elena Project occurs.

Historical Colombian Copper Production

Colombia has several porphyry copper deposits that are similar to porphyry-type mineralization elsewhere in the Cordillera of North America and South America.

In 2009, copper production increased by 9% to 5,700 metric tons (t) from a revised 5,248 t in 2008 which is assumed to have been from Minas El Roble Ltda.'s El Roble Mine in Choco Department, the only producing copper mine in Colombia.

Santa Elena Project

Previous work on the Property has been conducted by past owners including Minercol (1969 to 1972), Grupo de Bullet S.A. – Mineraes de Enesenada S.A. (1997 to 1998), Noranda Mining and Exploration Inc. (1997 to 1998) and Colombia Mines S.A.S (1998 to 2011).

The area was first noted in a 1973 Ingeominas geochemical exploration program for Sb, Au and Ag in the town of Guadalupe that reported values of 0.4 g / t Au, 7.6 g / t Ag, 0.008% Ni, 2.68% Cu, 0.003% Pb and 0.29% Zn in the outcrop of the Azufral gorge.

In 1998 a surface geophysical TEM survey at fifty meter intervals was conducted on a selected area of the Property with outcropping mineralization by VAL D'OR Geophysics for Noranda Mining and Exploration Inc. The results demonstrated four strong conductors with good vertical extent which remains completely open to the north. Two of the conductors are coincident with outcropping volcanogenic massive sulphide (VMS) beds – Azufral and Arroyo. The VMS mineralization is primarily composed of pyrrhotite, chalcopyrite and pyrite, and the VMS deposit is classified as a Beshi-Type VMS, based on geological and geochemical characteristics. Average copper grades across the four anomalies is estimated at 1.8% Cu based on assays from surface sampling of the outcrops and underground workings with some individual samples from Azufral grading up to 6.5% Cu and 2.2 gpt Au (Mineales de Ensendada S.A. 1998 technical report).

A technical study was carried out on the Property by Colombia Mines S.A.S and by the Grosso Group of Golden Amara Resources Inc in 2008. The technical report completed by both studies re-sampled the known areas and indicated very comparable and elevated levels of Cu and other metals returning up to 3.4% Cu. (May 2008, Site Visit Technical Report, Grosso Group assay).

From July 24, 2007 to April 5, 2010, Compania Servicios Logisticos de Colombia Ltd. (“CSL”) owned the mining concessions on the Santa Elena Project. This company was a subsidiary of Colombia Mines S.A.S. and provided exploration services on the Santa Elena Project. CSL carried out extensive geological work on the Property including surface and under-ground sampling, geological mapping as well as geochemical and geophysical surveys. The company CSL is no longer in business and the historical information on the Santa Elena Project is not available.

Colombia Mines S.A.S. over the last year has completed the following work program on the Santa Elena Project:

- updated geological mapping and digitizing topographic sheets;
- social relationships regular visits to site to maintain community relationships;
- evaluation and interpretation of geological information by consulting senior geologist;
- tunnel work, maintenance, and excavation;
- Santa Elena Project Technical Report completed by Colombia Mines S.A.S;
- mineralogy classification and microscopy analyses conducted by SGS.

The Author is not aware of any documentation related to exploration activities, including diamond drilling, available for any of the subject licenses prior to 1998.

Previous Work

A surface geophysical TEM survey at fifty meter intervals was conducted on a selected area of the Property with outcropping mineralization by VAL D’OR Geophysics for Noranda Mining and Exploration Inc. The anomaly is completely open to the North.

The exploration program conducted by Minerales de Ensenada S.A. consisted of geological mapping and systematic sampling over an area measuring 3000m by 2000m. Geological cross sections were drawn to illustrate planned drilling.

In May 2008, Colombia Mines and Golden Amara Resources Inc. conduct a site visit and took 14 field samples, returning positive results with up to 3.41% Cu.

Historical Resource

A historical resource estimate was developed by Minerales de Ensenada S.A. in August 1998. The Resource estimate was based on the Transient Electromagnetic Survey of the Property conducted by Val D’Or Geofisica (dated Jan, April, and July, 1998) and the basis of these results were used to determine the possible resource potential. The non-compliant NI 43-101 resource is estimated at 27,816,000 tonnes at 1.88% Cu, which is equivalent to 524,123 tonnes of Cu.

The Santa Elena Project has been entered into the Geological Survey of Canada global VMS deposits, location Colombia, Type Mafic backarc, resource 28 M tonnes at 1.88% Cu and 9.8 g/t Ag, reference source Cortes, in year 2000.

Additional information on this deposit can be found by following the link to the Geological Society of Canada web page at: http://gsc.nrcan.gc.ca/mindep/synth_dep/vms/index_e.php#app.

For the purpose of the resource calculation:

Each four VMS zones have strike lengths and depths based on the TEM survey. The thickness of the two (Azufra and Arroyo) VMS zones were determined by measuring the thickness of the mineralized outcrop. TEM 3 assumed to have the same thickness and grade as Azufra and TEM 4 assumed to have the same thickness and grade as Arroyo

Ten channel samples over one meter lengths were taken (perpendicular to stratigraphy) on the Azufra outcrop, the average copper grade was 2.03% with a range from 1% to 3%. The specific gravity 4.33 was measured at Azufra and used for all VMS targets. For the Arroyo zone three channel samples were taken over 1m length (perpendicular to stratigraphy) on the Arroyo outcrop, the average copper grade was 1.65% with a range from 1.2% to 2% Cu

The data collected from the Transient Electromagnetic Survey (TEM) was used to calculate historical resource estimates. Electrical properties of sulfide minerals, combined with large sulfide mineral concentrations in VMS deposits, make this type of mineral deposit a particularly favorable target for location by a variety of geophysical techniques. Self-potential, induced polarization, and a wide range of electromagnetic methods have been successfully used to locate buried VMS deposits. Pyrrhotite-rich and magnetite-bearing massive sulfide deposits can be easily located by detailed magnetic surveys which is the case at the Property.

The VMS resource calculation is calculated as a simple horizontal, rectangular block, in the plain of the dip. The calculation is strike length x dip length x thickness x density = tonnes.

These estimates are historical in nature and were compiled prior to the implementation of NI 43-101 reporting standards. The Issuer has not completed sufficient exploration to verify the estimates and is not treating them as NI 43-101 defined resources or reserves verified by a Qualified Person; the historical estimate should not be relied upon and the following points should be noted:

- **the potential quantity and grade is conceptual in nature;**
- **there has been insufficient exploration to define a mineral resource; and**
- **it is uncertain if further exploration will result in discovery of a mineral resource.**

Please see “Interpretation and Conclusions” on relevance and reliability of this historical resource.

TABLE 2 SANTA ELENA HISTORICAL RESOURCE

VMS Zone Name	TEM Conductor	Strike Length (M)	Down-Dip (M)	Thickness (M)	Density (s.g.)	Tonnes	Avg. Cu %	Tonnes Contained Copper
Azufra	TEM-1	550	400	11	4.33	10,479,000	2.03%	212,724
Arroyo	TEM-2	650	280	8	4.33	6,304,000	1.65%	104,016
TEM-3	TEM-3	500	280	11	4.33	6,668,000	2.03%	135,360
TEM-4	TEM-4	450	280	8	4.33	4,365,000	1.65%	72,023
TOTAL						27,816,000	1.88%	524,123
~28MT at 1.88% Cu equivalent contained Copper is estimated at 1,153,070,600 lbs								

Geological Setting

Regional Geology

The Antioquia Batholith (Ksta) is the core of the Cordillera Central. It consists of tonalite and two subordinate facies, felsic and other gabroids. These rocks are made up by plagioclase, potassium feldspar, quartz, biotite, hornblende, zircon, apatite and magnetite.

The Property is located near the north end of the Andes mountains, in the department of Antioquia one of the most important mining regions of Colombia. The area is dominated by marine sediments and volcanics, and continental arc related intrusive. Santa Elena is in a region not previously recognized for VMS or major Cu potential. The sedimentary sequence (Kap), which hosts the VMS outcrops at the Santa Elena Project, occurs extensively to the north.

The major structural trend in the west of Colombia is parallel to the western coast, the mountain ranges and the subduction trench off the coast. The major north striking faults that pass through the concession block are parallel to the general course of the Porce River. The marine sedimentary and volcanic units in the concessions also trend north. Contact metamorphism is evident where the sedimentary and volcanic units are in contact with the tonalite of the Antioquia batholith.

The geological district has a varied geology consisting of metamorphic, intrusive bodies, volcanics, and sedimentary formations.

Local Geology

The geology of the Guadalupe region is dominated by the regional contact between the Middle to Upper Cretaceous-aged Antioquia Batholith to the south and a mixed series of metamorphic, sedimentary, and volcanic rocks ranging from Paleozoic through Cretaceous age to the north. The intercalated metamorphic and volcano-sedimentary (San Pablo Formation) sequences are arranged in broadly north-south striking belts, extending northwards from this roughly east-west striking contact. Contacts within the Cretaceous-aged volcano-sedimentary sequence are considered conformable, whilst those separating Cretaceous strata from the Paleozoic amphibolite grade metamorphic rocks are fault interpreted. Sill-like gabbro

through peridotite bodies within the mafic portions of the volcano-sedimentary San Pablo Formation suggest ophiolite affinities.

Additional late granitoid “cataclastic” dikes within the volcano-sedimentary sequence are likely related to the emplacement of the Antioquia Batholith. The San Pablo Formation has been divided into two units. The volcanic dominated “Metabasalt” unit is considered slightly older and is composed mostly of massive flows and submarine basalts with lesser amounts of flow breccias and tuffs. All have suffered great tectonism, which in part masks regional metamorphic effects. The upper part of the unit is interbedded with a clastic sedimentary sequence dominated by a fine to medium grained quartz arenite facies and a less important conglomerate facies, interbedded with quartz arenites. Contact metamorphism as a result of the intrusion of the Antioquia Batholith has produced a hornfelsing of the arenitic facies. In summary, the San Pablo Formation is considered to represent “flysch” deposits in geosynclines in coastal basins.

The Antioquia Batholith is a large, typically acid to intermediate intrusive body that dominates the Central Cordillera of Antioquia. Typically granodioritic in composition, it includes a number of more local variants and its overall genesis is still poorly understood, as is its role in the formation of gold mineralizing systems.

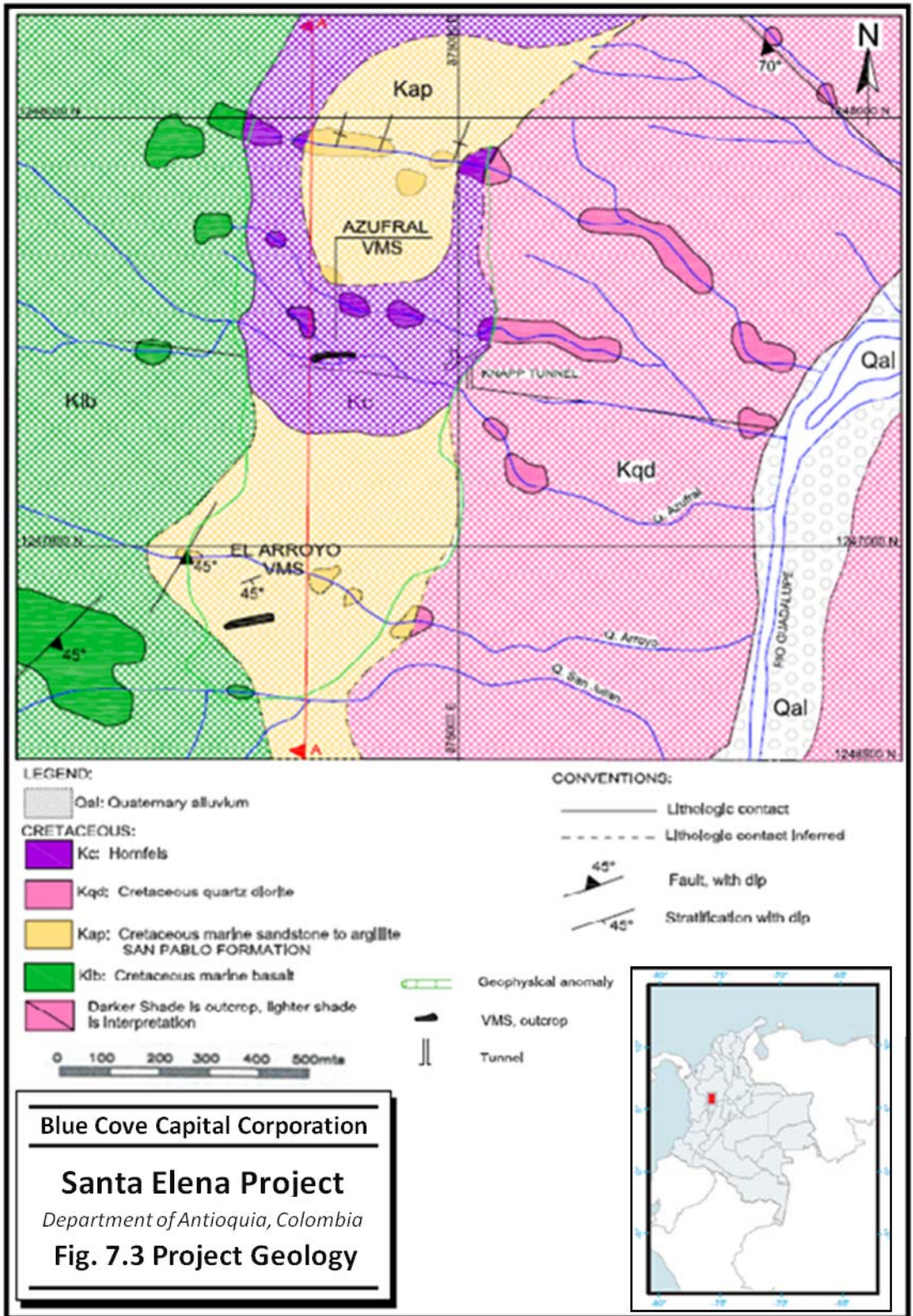
Property Geology

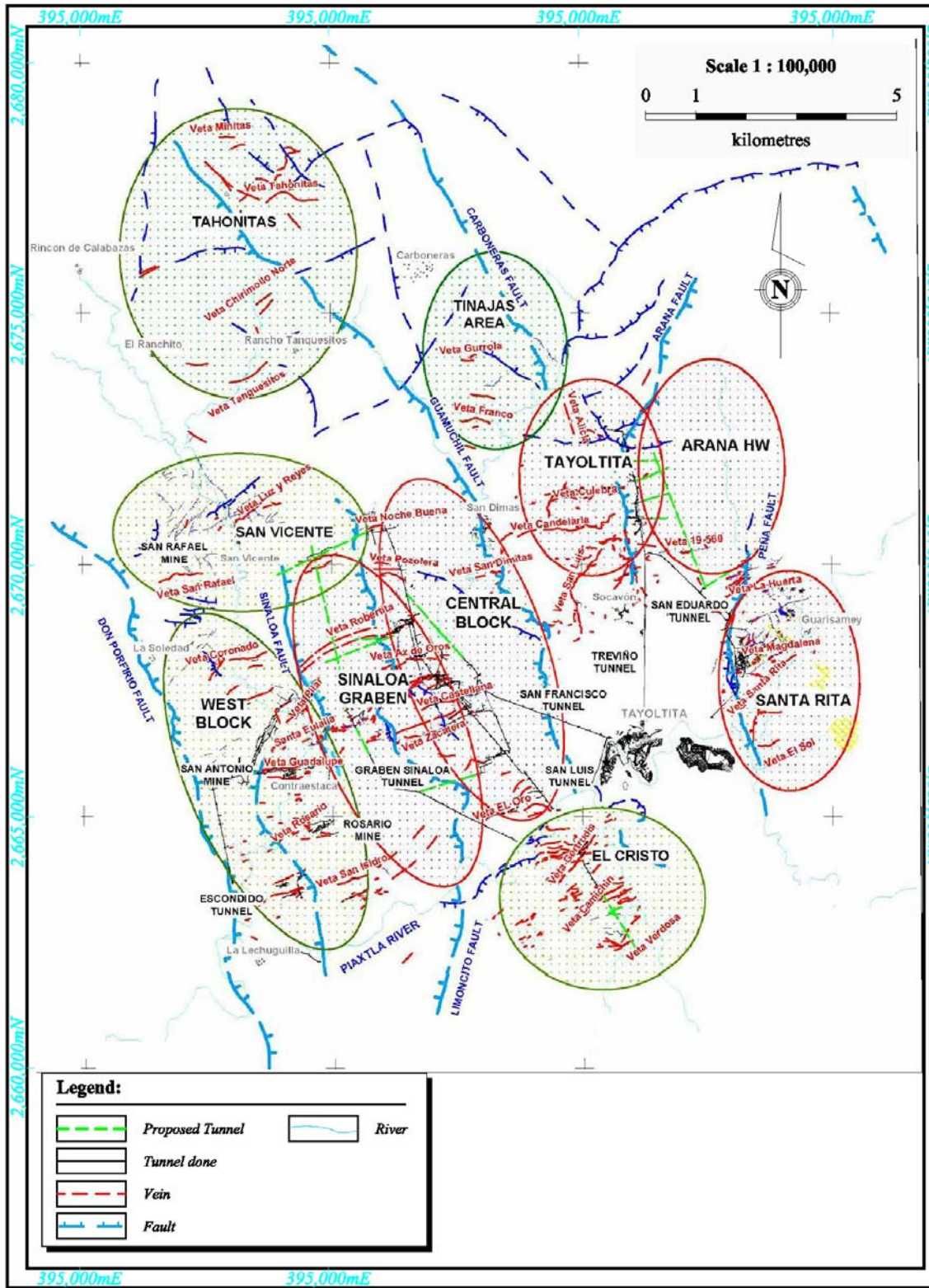
The mineralization of the Azufral and El Arroyo VMS deposits is massive to locally laminated (sheared), fine to medium grained mineralization primarily composed of pyrite, pyrrhotite, and chalcopyrite and has been classified as a Beshi-Type VMS deposit based on geological and geochemical characteristics. The Santa Elena Project is situated near the north end of the Antioquia batholiths, in a sequence of Cretaceous marine sediments and basaltic volcanic and is hosted by hornfelsed Cretaceous sandstone and argillite of the San Pablo Formation. The San Pablo Formation is in contact with the quartz dioritic Antioquia Batholith immediately to the east of the mineralized outcrops. The mineralization appears to be fault controlled and strikes perpendicular to the local and regional geological trend. The mineralization occurs in two main areas, namely, the El Azufral and El Arroyo outcrops.

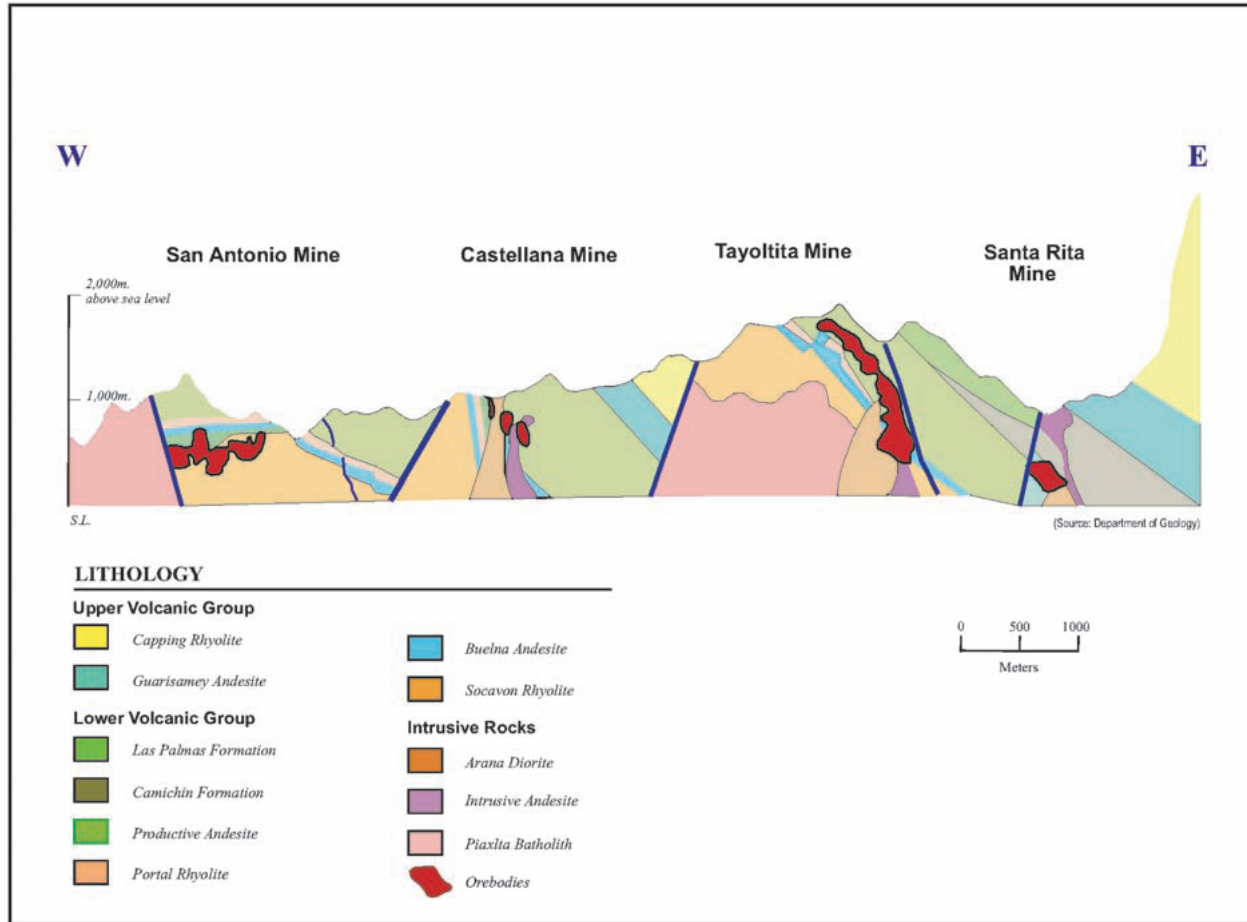
There appears to be a marked regional zonation pattern with respect to the proximity to the contact with the Antioquia Batholith. This zonation includes the proximal Au dominated mesothermal veins, grading outwards (northwards) through Cu (Mo-Au-Ag-Zn) to Pb-Zn and to Zn-Sb-Ag dominated mineralization.

At El Azufral, the mineralization strikes at N70°W and dips vertically. The mineralization outcrops over a strike length of over 100 m and is up to 11 m in true thickness, although the fault system that hosts it can be traced for over six kilometres. Sampling indicates that the average grade is in the range of 2.0% Cu.

At El Arroyo, located some 500m south of El Azufral, the mineralization also strikes at N70°W and has been traced over a distance of 20m. It has a true thickness of up to eight metres. The average Cu grade at El Arroyo appears to be less than 2.0%.







All major faults display northeast-southwest extension and dip from near vertical (Peña fault) to less than 55° (Guamuchil fault). Offsets on the blocks range from a downthrow of 150 m on the Peña and Arana faults, to more than 1,500 m on the Guamuchil fault.

Deposit Types

Volcanogenic Massive Sulphide (VMS) Deposits

The Santa Elena Project is located along the contact between the Cretaceous-aged, subalkalic Antioquia Batholith to the south and San Pablo Formation, a mixed series of metamorphic, sedimentary, and volcanic rocks ranging from Paleozoic through to Cretaceous age, in the north. Mineralization within the Antioquia Batholith is thought to belong to the “Intrusion Related” gold deposit type. There appears to be a marked regional zonation pattern with respect to the proximity to the contact with the Antioquia Batholith. This zonation includes the proximal Au dominated mesothermal veins, grading outwards (northwards) through Cu (Mo-Au-Ag-Zn) to Pb-Zn and to Zn-Sb-Ag dominated mineralization.

According to Franklin et al. (2005), volcanogenic sulphide deposits are stratabound accumulations of sulphide minerals that precipitated at or near the sea floor. All volcanogenic sulphide deposits occur in terrains dominated by volcanic rock, although individual deposits may be hosted by volcanic or sedimentary rock that form part of the overall volcanic complex (Franklin, 1996). Volcanogenic sulphide deposits, as noted by Hart et al. (2004), primarily occur in subaqueous, rift related environments (i.e. oceanic, fore-arc, back-arc, continental margins or continental) and hosted by bi-modal mafic felsic

successions, where the felsic volcanic rocks have specific geochemical characteristics and are referred to as FI, FII, FIII, and FIV based on the REE classification scheme of Leshner et al. (1986). As noted by Höy (1991) and Franklin et al. (2005), a typical volcanogenic sulphide deposit consists of a concordant, synvolcanic lens or body of massive sulphides that stratigraphically overlies a cross cutting, discordant zone of intense alteration and stockwork veining. The discordant alteration and stockwork-veining zone is interpreted to be the channel-way or conduit for hydrothermal fluids that precipitated massive sulphides at or near the seafloor. A heat source such as a subvolcanic intrusion is required to induce the water-rock reactions that result in metal leaching from the surrounding rocks and create the hydrothermal convection system (Franklin et al., 2005). The massive sulphide body is generally in sharp contact with the overlying sedimentary or volcanic stratigraphy (hanging wall stratigraphy), while the massive sulphide body may be in sharp or gradational contact with the underlying stringer and alteration zone (footwall stratigraphy) (Höy, 1991).

Most VMS deposits, including Archean VMS deposits, are surrounded by alteration zones which are spatially much larger than the deposits themselves. As noted by Höy (1991), a number of alteration zones are commonly recognized: the footwall alteration pipe; alteration within the ore zone and a large semi-conformable zone beneath the ore zone. The core of the alteration pipe can be up to two kilometres in diameter and is reflected mineralogically by a strong chloritic core surrounded by sericitic and chloritic alteration.

Chemically, the alteration pipe zone is represented by additions of silica, potassium, magnesium and iron and depletions in calcium and sodium. According to Franklin (1996), alteration zones adjacent to the main alteration pipe are not well defined. Franklin (1996) also noted that sodium depletions are laterally extensive, but are confined only to a few hundred metres vertically in this type of deposit. As further noted by Franklin (1999), virtually all alteration pipes are characterized by sodium depletion and the resulting alkali depletion common with many alteration zones is manifested as abundant aluminosilicate minerals.

Classification

Volcanogenic sulphide deposits can be grouped based on base metal content, gold content, and host-rock lithology. The deposits can be grouped into three categories: copper-zinc, zinc-copper and zinc-lead-copper (Franklin et al., 1981). The copper-zinc and zinc-copper categories for Canadian deposits were further refined by Morton and Franklin (1987) into Noranda and Mattabi types respectively, by including the character of their host rocks (mafic versus felsic, effusive versus volcanoclastic) and characteristic alteration mineral assemblages (chlorite-sericite-dominated versus sericite-quartz carbonate rich). The zinc-lead-copper category was added by Large (1992) in order to more fully represent the volcanogenic sulphide deposits of Australia. Poulsen and Hannington (1995) created a simple bimodal definition of “normal” versus “Aurich” versus “silver-rich” volcanogenic sulphide deposits. This originally was meant to identify deposits that are transitional between volcanogenic and epithermal deposits (e.g., Sillitoe et al., 1996). Further research has indicated a more complex spectrum of conditions for the generation of gold-rich volcanogenic deposits related to water depth, oxidation state, the temperature of the metal-depositing fluids and possible magmatic contributions (e.g., Hannington et al., 1999). In the classification of Poulsen and Hannington (1995) gold-rich volcanogenic deposits are arbitrarily defined as those in which the concentrations of gold in parts per million (“ppm”) is greater than the combined base metals (zinc plus copper plus lead in weight percent).

A third classification is a fivefold grouping suggested by Barrie and Hannington (1999) to indicate dominant host-rock lithology. Host-rock lithologies include strata up to 3,000m below the deposit and up to 5,000 metres along strike. The five groups are mafic-dominated, bimodal mafic, bimodal-felsic, siliciclastic-mafic, and bimodal-siliciclastic. The order of this grouping reflects not only a progressive

change from a less effusive to a more volcanoclastic-dominated environment, but also one in which felsic volcanic rocks become generally more prominent. These lithological groupings generally correlate with different tectonic settings. The groups associated with mafic volcanic and volcanoclastic strata are more common in oceanic arcs and spreading centres, whereas the two groups dominated by felsic strata are more common in arc-continent margin and continental arc regimes.

Exploration

The Issuer contracted Mataje Colombia S.A.S. to provide local technical support on the ground in Colombia during its initial stages of exploration. As part of the due diligence process the technical opinion and information collected by geologist Carlos Alberto Mendez during a site visit to Santa Elena Project in June 2009 was relied on.

A total of ten rock chip samples were collected from the Property. Table 4 lists the Cu, Au, Ag, and Zn results from the field samples.

The samples were submitted to Inspectorate in Medellin. Gold was analyzed by fire assay followed by an atomic absorption spectrophotometry (AAS). The samples were also analyzed by inductively coupled plasma atomic emission spectroscopy (ICP-AES) and inductively coupled plasma mass spectroscopy (ICP-MS) for a suite of 32 elements.

TABLE 3 SAMPLING RESULTS

Sample	East	North	Size (m)	Cu (%)	Au (g/t)	Ag (g/t)	Zn (ppm)	Pb (ppm)
101816	874873°	1247409°	L=7	0.33	0.173	2.1	422	13
101817	874873°	1247409°	L=5	0.35	0.028	2	871	20
101818	874873°	1247409°	e=2	1.26	0.031	7.7	8186	12
101819	874873°	1247409°	L=3	0.0071	0.017	<0.3	131	8
101820	874694°	1247459°	e=6.2	3.68	0.089	5	8738	10
101821	874651°	1247463°	e=5.5	1.11	0.005	2.5	498	4
101822	874651°	1247463°	L=4.6	0.0049	0.02	<0.3	113	6
101823	874578°	1247492°	L=5	0.0028	<0.005	<0.3	44	<3
101824	876086°	1243549°	e=2.3	0.0031	4.417	13.9	40	7
101825	874689°	1245293°	e=2.5	0.0003	0.483	2.2	8	7

Channel Sampling

As part of its due diligence process the Issuer conducted a channel sampling program on the mineralized VMS outcrops at the Santa Elena Project from February 12 to 18, 2011.

Channel sampling was conducted over the four TEM anomalies (targets) indentified by Noranda Mining and Exploration Inc. during its 1998 a surface geophysical Transient electromagnetic (TEM) survey carried out on the Property by VAL D'OR Geophysics. The geophysical anomalies identified in the 1998 survey as TEM-1 (Azufra), TEM-2 (Arroyo), TEM-3, and TEM-4, respectively are the basis for the 1998 historical resource.

The program included 51 saw-cut channel samples totalling 1.66 linear meters forming 15 composite channels across the exposed outcrops. All channels were cut perpendicular to stratigraphy and sent to Inspectorate Laboratory in Medellin for assaying.

For results of the channel sampling described above, please see the Issuer's news releases dated April 28, 2011 and May 2, 2011, which may be found on SEDAR at www.sedar.com.

Drilling

As of the effective date of the Technical Report, the Issuer has not carried out any drilling on the Property.

Mineralization

A characteristic common to the three samples is the chalcopyrite presence whose proportions spread to be similar varying between 20 and 30%. The marcasite is presented intimately associated to the pyrrhotite and it has been interpreted as product of alteration of the pyrrhotite, conforming crossed colloidal textures.

TABLE 4 MINERALIZATION

Mineral	Sb Sb ₂ S ₃	Py FeS ₂	Po Fe _{1-x} S	Ma FeS ₂	Cpy CuFeS ₂	Sph (Zn,Fe)S	He Fe ₂ O ₃
Sample P1	55%	15%	1%	-	20%	5%	4%
Sample P2	-	8%	45%	15%	30%	2%	-
Sample P3	-	3%	70%	-	23%	2%	2%

Sampling Method and Approach

Quality control measures are set in place to ensure the reliability and trustworthiness of exploration data. This includes written field procedures and independent verifications of aspects such as drilling, surveying, sampling and assaying, data management and database integrity. Appropriate documentation of quality control measures and regular analysis of quality control data are important as a safeguard for project data and form the basis for the quality assurance program implemented during exploration.

The Issuer routinely inserts duplicates, field blanks and certified reference material samples into the samples collected in the field and core samples, typically at a rate of one every tenth sample. Colombia Mines S.A.S. had three samples from the Azufra outcrop analyzed by SGS using an optic microscope to determine the mineralization in October 2010.

Site Visit

Independent random samples were taken of stream sediments and rock chip samples on the Property. Inspectorate Certificate QC Data details the standards and duplicate samples used for the quality control measures conducted on the January 13, 2011 site visit by the Author.

Channel Sampling

The following describes the detailed technical methods used in the field work, and the preparation and calculation of the data pertaining to the Santa Elena Project channel sampling program.

The exposed outcrops were cleaned of debris and plant matter with a high pressure water sprayer. Channels were clearly marked in bright orange spray paint and intervals at one meter lengths were numbered. Due to the limitations of natural outcroppings nominal spacing was adjusted to fit local conditions. Sawn channels were then cut using a gas powered saw and the resulting channel samples broken from the cut using a chisel. Care was taken so that no samples fell to the ground in order to avoid any possible contamination. Channel samples were cut perpendicular to stratigraphy, or parallel to the ground.

Sample Preparation, Analyses and Security

As of the effective date of the Technical Report, the Issuer has not carried out any significant sampling on the Santa Elena Project beyond the sampling done during their January 2011 Property visit mentioned in “Data Verification” below and the channel sampling conducted by the Issuer in February 2011, mentioned in “Exploration” above.

Channel Sampling

After cutting, bagging and labeling the channel samples the field crew packaged and transported the samples daily from the field by horse back to the base camp where they were stored in a locked warehouse.

When the program was completed the samples were transported and delivered to Inspectorate laboratory in Medellin by Issuer personnel.

Data Verification

The Author visited the project on January 13, 2011. During the visit, he examined outcrops, confirmed the geological setting, and sampled typical mineralized structures.

The samples consisted of stream sediments, rock chip samples and semi-continuous chips taken perpendicular to the strike of the mineralized Azufral and Arroyo outcropping structures. A total of 17 samples were taken. The samples were bagged, tagged, and sealed in a larger plastic bag and remained in the Author’s possession for the trip from the project area to Medellin. The Author personally delivered the samples to Inspectorate an ISO and ASTM certified laboratory sample preparation facility in Medellin. The samples were prepared crushed, split, pulverized and dried and shipped to Inspectorate’s ISO certified analytical facility in Nevada, USA, for analysis. A multiple element ICP analysis was performed to determine copper values, fire assays were done for Gold and Silver.

TABLE 5 COPPER ASSAY RESULTS JANUARY 13, 2011 SITE VIST
(Inspectorate 11-338-00211-01)

Area	Sample No.	Coordinates		
		X	Y	Cu %
Random	MR 02 021	874887	1246859	0.06
Random	MR 03 022	874684	1246734	0.497
Random	MR 03 023	874475	1246716	0.087
Random	MR 03 001	874186	1246689	0.15
Random	MR 03 002	874186	1246714	0.059
Random	MR 03 003	874186	1246716	0.048
Random	MR 03 004	874186	1246718	0.042
Random	MR 03 005	874186	1246720	0.066
Random	MR 02 006	874186	1246722	0.006
Arroyo	MR 03 007	874604	1246999	2.07
Arroyo	MR 03 008	874604	1246999	1.55
Arroyo	MR 03 009	874604	1246999	1.96
Azufral	MR 03 010	874647	1247465	1.2
Azufral	MR 03 011	874650	1247465	0.924
Azufral	MR 03 012	874654	1247465	0.856
Azufral	MR 03 013	874658	1247465	1.52
Azufral	MR 03 014	874662	1247465	2.17

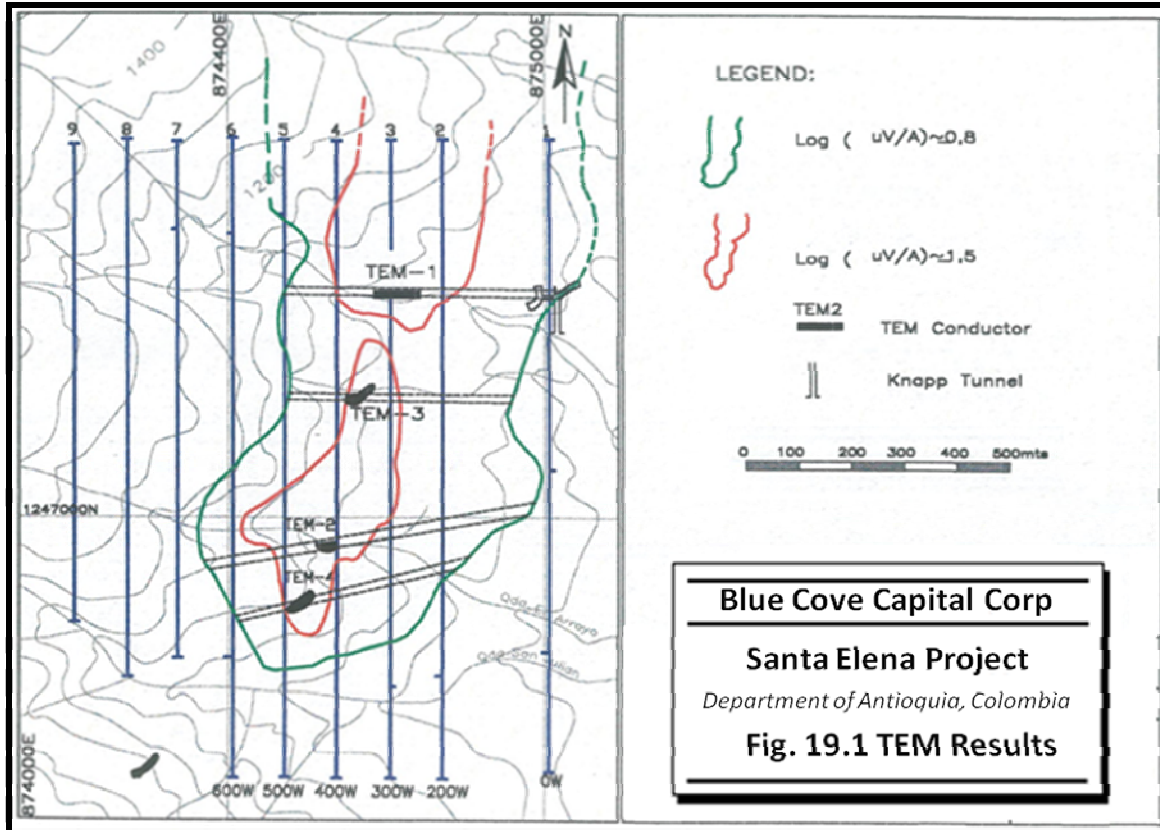
The Author's sampling confirms that significant copper mineralization exists on the Santa Elena Project and provides conclusive agreement with the expected values without any limitations.

Mineral Resource and Mineral Reserve Estimates

As of the effective date of the Technical Report there has not been a compliant NI 43-101 resource and mineral reserve estimate established for the Santa Elena Project.

Interpretations and Conclusions

The Santa Elena Project is drill ready. The geophysical TEM survey conducted by Val D'Or identified four large anomalies which correlate with the El Azufral and El Arroyo mineralized outcrops. This physical correlation provides us with very apparent drill targets.



Based on observations and physical facts the following interpretations and conclusions have been made specific to the Santa Elena Project:

- a) a geochemical anomaly with significant copper and secondary metal values covering a very large area exists on the Property;
- b) a geophysical (TEM) anomaly contained within the above-mentioned geochemical anomaly that indicates a deposit +/- 400 meters wide and +900meters long which is open and becomes wider to the north. Recent interpolation of the raw data of the TEM survey suggests that the main anomaly is located 50 to 100m north of the Azufral mineralized outcrop;
- c) surface outcrops (Azufral and Arroyo) are found within the geophysical anomaly;
- d) underground workings have exposed mineralization, sheared and brecciated mineralization with up to 50% sulfides, +2% copper, plus 1% zinc, along with minor values of gold and silver. The tunnel is 50 meters below surface and is located to the eastern flank of the 450 meter TEM1 anomaly width. The crosscut that exposed these values cuts 60 meters of quartz diorite containing traces of pyrite and validates mineralization at depth;
- e) microscopic analysis of three samples from the Azufral massive sulfide outcrop determined that the mineralization at surface contains high values of pyrrhotite which is magnetic. This physical property increases the reliability of the TEM survey which data was used to calculate the historical resource potential. Assuming that the grades are consistent with the outcropping mineralization there is a high probability that a copper resource exists at the Property. However the

anomalies must be drilled and a full exploration program completed to define the potential of any mineral resource;

- f) the TEM survey was conducted at 50 meter interval to improve target resolution;
- g) the main mineralization of the Azufral outcrop is chalcopyrite which contains copper; in addition to the copper value several other economic minerals are present including zinc, which could potentially have substantial economic value. A full exploration program would need be completed to define the economic potential of these secondary metals;
- h) Phase I of the recommended work program includes a detailed geochemical and geophysical study to cover 100% of the Property. This work program is required to identify other potential anomalies and drill targets that may exist on the Property before starting Phase II drill program; and
- i) the presence of an exhalative horizon is a good indicator that the Property may belong to a broader system where other zones of sulphide enrichment can be found. Due to the thick forest coverage on the Property a fast and effective way to track down such zones would be by performing airborne TEM. The flight lines should be N-S in order to intersect the structures.

Recommendations

The Issuer is exploring the Property with the intention of developing one, or more, potentially economic resources. The character and mineralization of the El Azufral & El Arroyo VMS deposits clearly justifies additional exploration and development expenditures.

Phase I - Exploration

Recommended Phase I work has commenced, and includes:

- continued channel sampling of the mineralized outcrops;
- shallow hand core drilling of the mineralized outcrops and exploration tunnel;
- the acquisition of satellite imagery and a digital elevation model;
- a property wide geological mapping and sampling program;
- establishing cut grids over airborne geophysical or geological targets;
- a combined airborne magnetic, electromagnetic, and radiometric survey at 200m line spacing across the Property;
- detailed Induced Polarization (IP)/resistivity and magnetic surveying over anomalous areas; and
- environmental applications.

The proposed Phase I work program does not require environmental permitting.

Phase II of the work program is not contingent on positive results of Phase I. However, Phase I must be completed prior to Phase II in order to identify all possible drill targets and anomalies on the Property.

Phase II - Diamond Drilling

Recommended Phase II will begin upon completion of the Phase I work program, and includes:

- first stage of reconnaissance drilling 10,000 meters to establish boundaries and validate mineralization of one or more deposit.

The 2011 budget to complete Phase I and Phase II of the recommended work program is US\$3,160,000.

For further information regarding the Property, please refer to the Technical Report which may be found on SEDAR at www.sedar.com.

RISK FACTORS

The operations of the Issuer are speculative due to the high-risk nature of its business which is the acquisition, financing, exploration, development and operation of mining properties. These risk factors could materially affect the Issuer's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Issuer.

Exploration, Development and Operating Risk

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Issuer's resource base.

The Issuer's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Issuer.

Commodity Prices

The economics of mineral exploration is affected by many factors beyond the Issuer's control including, commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Property.

No Mineral Reserves or Mineral Resources

The Property is considered to be in the early exploration stage only and does not contain a known body of commercial minerals. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Issuer's current and planned mining operations will be required. No assurances can be given that the Issuer will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Issuer may be required to undertake additional equity financing, which would be dilutive to Shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Issuer or at all. If the Issuer is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Title to Mineral Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Issuer has obtained a title opinion in respect of the Vendor's interest in the Property, the Issuer cannot give an assurance that title to such property will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Vendors or the Issuer, as the case may be, does not have title to the Property could cause the Issuer to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

Government Regulations and Licenses and Permits

The activities of the Issuer are subject to Canadian and Colombian approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Issuer believes that its activities 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 operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Issuer. Further, the licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Issuer's investments in such projects may decline.

Environmental Risks

The Issuer's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Labour and Employment Matters

The exploration and development of the Property will continue to be dependent upon the ability of the Issuer to continue to maintain good relations with its employees and the unions. In addition, relations between the Issuer and its employees may be impacted by changes in the scheme of labour relations which may be introduced by the relevant governmental authorities in Colombia. Adverse changes in such legislation or in the relationship between the Issuer with its employees and unions at the Santa Elena Project may have a material adverse effect on the Issuer's business, results of operations and financial condition.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Issuer's operations, financial condition and results of operations.

Insurance and Uninsured Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Issuer may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Issuer's results of operations and financial condition and could cause a decline in the value of the Shares. The Issuer does not intend to maintain insurance against environmental risks.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Issuer will compete with other mining companies, many of which have greater financial, technical and other resources than the Issuer, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Foreign Operations Risks

The Property is located in Colombia. Colombia is home to South America's largest and longest running political insurgency, and over the past two decades has experienced significant social upheaval and criminal activity relating to drug trafficking. While the situation has improved dramatically in recent years, there can be no guarantee that the situation will not again deteriorate. As such, the Issuer will be subject to governmental, political, economic, and other uncertainties, including, but not limited to, expropriation of property without fair compensation, changes in policies or the personnel administering them, nationalization, currency fluctuations and devaluations, exchange controls and royalty increases, renegotiation or nullification of existing concessions and contracts, changes in taxation policies, economic sanctions and the imposition of specific obligations and the other risks arising out of foreign governmental sovereignty over the areas in which the Issuer's operations are conducted, as well as risks of loss due to civil strife, acts of war, guerrilla activities, insurrections, the actions of national labour unions, terrorism and abduction. Additionally, the continued perception that matters have not improved in Colombia may hinder the Issuer's ability to access capital in a timely or cost effective manner.

The Issuer's operations may also be adversely affected by laws and policies of Canada affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with the Issuer's operations in Colombia, the Issuer may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Issuer may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Issuer's exploration, development and exploration activities in Colombia could be substantially affected by factors beyond the Issuer's control, any of which could have a material adverse effect on the Issuer.

The Issuer may in the future acquire resource properties and operations outside of Colombia and Canada, which expansion may present challenges and risks that the Issuer has not faced in the past, any of which could adversely affect the results of operations and/or financial condition of the Issuer.

Reliance on Management and Dependence on Key Personnel

The success of the Issuer is currently largely dependent upon on the performance of its directors and officers and the ability to attract and retain its key personnel. The loss of the services of these persons may have a material adverse effect on the Issuer's business and prospects. The Issuer will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Issuer can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Issuer and its prospects.

Conflicts of Interest

Certain of the directors and officers of the Issuer will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Issuer may become subject to conflicts of interest. The BCBCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Limited Operating History

The Issuer is a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Issuer was incorporated on October 23, 2007 and has yet to generate a profit from its activities. The Issuer will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Issuer anticipates that it may take several years to achieve positive cash flow from operations.

Regulatory Requirements

The current or future operations of the Issuer require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Issuer may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which the Issuer might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Issuer and cause increases in capital expenditures or exploration and development costs or require abandonment or delays in the development of new properties.

Financing Risks and Dilution to Shareholders

The Issuer will have limited financial resources, no operations and no revenues. If the Issuer's exploration programs on the Property are successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Issuer will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Shareholders.

Requirement for Permits and Licenses

While the Issuer believes that the Vendors currently have all permits and licences necessary to carry on their current exploration activities on the Property, a substantial number of additional permits and licenses may be required should the Issuer proceed beyond exploration; such licenses and permits may be difficult to obtain and may be subject to changes in regulations and in various operational circumstances. It is uncertain whether the Issuer will be able to obtain all such licenses and permits.

Local Resident Concerns

Apart from ordinary environmental issues, work on, or the development and mining of the Property could be subject to resistance from local residents that could either prevent or delay exploration and development of the Property.

Management Inexperience in Developing Mines

The proposed management of the Issuer will have some experience in exploring for minerals, but may lack all or some of the necessary technical training and experience to successfully develop and operate a mine. Without adequate training or experience in these areas, management may not be fully aware of many of the specific requirements related to working within the mining industry and their decisions and choices may not take into account all available and necessary engineering or managerial approaches that experienced mine operating companies commonly use to successfully develop a mine. Consequently, the Issuer's operations, earnings and ultimate financial success could be materially adversely effected.

Litigation

The Issuer and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

DIVIDENDS

To date, the Issuer has not paid any dividends on the Shares. Any decision to pay dividends on the Shares of the Issuer will be made by the Board on the basis of the Issuer's earnings, financial requirements and other conditions.

CAPITAL STRUCTURE

The authorized capital of the Issuer consists of an unlimited number of Shares without par value.

Common Shares

As at the date of this AIF, 22,688,589 Shares are issued and outstanding. The holders of Shares are entitled to receive notice of and to attend and vote at all meetings of the Shareholders of the Issuer and each Share will confer the right to one vote in person or by proxy at all meetings of the Shareholders. The holders of Shares are also entitled to dividends if, as and when declared by the directors, and, upon dissolution, to share equally in such assets of the Issuer as are distributable to the holders of the Shares.

There are no pre-emptive rights or conversion rights attached to the Shares. There are also no redemption or purchase for cancellation or surrender provisions, sinking or purchase fund provisions, or any provisions as to modification, amendment or variation of any such rights or provisions attached to the Shares.

Warrants

As at the date of this AIF, the following common share purchase warrants are outstanding:

Warrants	Warrant Outstanding	Exercise Price (\$)	Expiration Date
2010 Finder's Warrants	63,835	\$0.25	November 17, 2012
QT Warrants	4,000,000	\$1.30	April 20, 2013
Finder's Warrants	684,180	\$1.00	April 20, 2013
Finder's Fee Warrants	400,840	\$1.30	April 20, 2013
Total	5,148,855		

Options

The following table sets forth all Options to purchase securities of the Issuer that are outstanding as at the date of this AIF:

Persons holding Options (as a group)	Number of Shares Under Option	Purchase Price of Shares Under Option	Expiration Date
Executive officers ⁽¹⁾	686,966 345,000 ⁽²⁾	\$0.52 \$1.00	November 16, 2013 April 20, 2016
Directors (who are not also executive officers) ⁽³⁾	250,000 ⁽⁴⁾ 140,000 ⁽²⁾	\$0.52 \$1.00	November 16, 2013 April 20, 2016
Consultants and Employees	234,786 545,000 ⁽²⁾	\$0.52 \$1.00	November 16, 2013 April 20, 2016
Other ⁽⁵⁾	42,000	\$0.10	March 28, 2018
Total	2,243,752		

Notes:

- (1) Consists of Robert Sedgemore (President, CEO and a director), Nick DeMare (CFO and a director) and Marc Cernovitch (Corporate Secretary).
- (2) These options were granted on completion of the Qualifying Transaction.
- (3) Consists of Dave Doherty, John Seaman and Craig Taylor (Mr. Taylor resigned on April 20, 2011).
- (4) Consists in part of 50,000 Options held by Craig Taylor which expire 90 days from April 20, 2011.
- (5) Consists of the Charitable Options.

MARKET FOR SECURITIES

Common Shares

The Shares traded on the Exchange under the symbol “BCV.P” until the close of trading on April 6, 2010. Commencing on July 7, 2010, the Issuer transferred to the NEX and the Shares began trading under the symbol “BCV.H” until the close of trading on April 20, 2011. Commencing on April 25, 2011, the Issuer graduated from NEX and the Shares began trading on the Exchange under the symbol “CUA”. The following table shows the high and low trading prices and monthly trading volume of the Shares on the NEX and the Exchange, as applicable, for the periods listed.

<u>Period</u>	<u>High (\$CDN)</u>	<u>Low (\$CDN)</u>	<u>Volume</u>
TSX Venture Exchange (“BCV.P”)			
2009			
January	0.10	0.055	50,000
February	0.10	0.035	63,000
March	0.10	0.05	335,000
April	0.085	0.085	30,000
May	0.14	0.065	142,500
June	0.15	0.10	10,000
July	0.25	0.125	46,500
August ⁽¹⁾	0.25	0.13	10,000
September ⁽¹⁾	Not trading	Not trading	Nil
October ⁽¹⁾	Not trading	Not trading	Nil
November ⁽¹⁾	Not trading	Not trading	Nil
December ⁽¹⁾	Not trading	Not trading	Nil
2010			
January ⁽¹⁾	Not trading	Not trading	Nil
February ⁽¹⁾	Not trading	Not trading	Nil
March ⁽¹⁾	Not trading	Not trading	Nil
April ⁽¹⁾⁽²⁾	0.05	0.005	77,000
May ⁽²⁾	Not trading	Not trading	Nil
June ⁽²⁾	Not trading	Not trading	Nil
NEX (“BCV.H”)			
July ⁽²⁾	0.13	0.04	48,000
August	0.30	0.16	233,000
September	0.30	0.26	82,000
October	0.54	0.29	352,000
November	0.88	0.51	516,600
December ⁽³⁾	0.85	0.67	94,000
2011			
January ⁽³⁾	Not trading	Not trading	Nil

<u>Period</u>	<u>High (\$CDN)</u>	<u>Low (\$CDN)</u>	<u>Volume</u>
February ⁽³⁾	Not trading	Not trading	Nil
March ⁽³⁾	2.38	1.36	3,244,784
April 1 to 24	2.45	2.00	927,463
TSX Venture Exchange (“CUA”)			
2011			
April 25 to 30	2.60	2.15	915,185
May 1 to 2	2.65	2.37	263,300

Notes:

- (1) Trading of the Shares was halted on August 19, 2009 following the filing of a news release announcing a proposed qualifying transaction. The transaction was terminated effective February 19, 2010. Trading in the Shares resumed on April 5, 2010.
- (2) Trading of the Shares was halted on April 7, 2010 following the failure to complete a proposed qualifying transaction. Trading in the Shares resumed on NEX on July 7, 2010.
- (3) Trading of the Shares was halted on December 10, 2010 following the filing of a news release announcing the Acquisition. Trading in the Shares resumed on March 9, 2011.

Prior Sales

Since December 1, 2009, the Issuer issued or granted the following Shares or securities convertible into Shares:

<u>Date of Issuance</u>	<u>Number and Type of Securities Issued</u>	<u>Issue Price Per Security</u>
August 18, 2010	6,639,324 common shares ⁽¹⁾	\$0.05
November 16, 2010	1,171,752 stock options ⁽²⁾	\$0.52
November 17, 2010	2,000,000 common shares ⁽³⁾	\$0.25
November 17, 2010	63,835 units ⁽⁴⁾	\$0.25
April 20, 2011	2,000,000 common shares ⁽⁵⁾	\$1.00
April 20, 2011	8,000,000 units ⁽⁶⁾	\$1.00
April 20, 2011	801,680 units ⁽⁷⁾	\$1.00
April 20, 2011	684,180 warrants ⁽⁸⁾	\$1.00
April 20, 2011	1,030,000 stock options ⁽⁹⁾	\$1.00
April 20, 2011	83,750 common shares ⁽¹⁰⁾	\$1.00

Notes:

- (1) These Shares were issued pursuant to a private placement which closed August 18, 2010.
- (2) These Options were granted to directors, employees and consultants of the Issuer.
- (3) These Shares were issued pursuant to a private placement which closed November 17, 2010.
- (4) These units were issued as finder’s fees in connection with the private placement which closed November 17, 2010. Each unit consists of one Share and one 2010 Finder’s Warrant. Each Finder’s Warrant entitles the holder to purchase one Share at an exercise price of \$0.25 per Share until November 17, 2012.
- (5) These Shares were issued to purchasers in connection with the Short Form Offering which closed April 20, 2011.
- (6) These units were issued to purchasers in connection with the Brokered Private Placement and the Non-Brokered Private Placement. Each unit consists of one Share and one half of one QT Warrant. Each full QT Warrant entitles the holder to purchase one Share at an exercise price of \$1.30 per Share until April 20, 2013.

- (7) These units were issued to the Agent and certain finders as finder's fees in connection with the QT Financing. Each unit consists of one Share and one half of one Finder's Fee Warrant. Each full Finder's Fee Warrant entitles the holder to purchase one Share at an exercise price of \$1.30 per Share until April 20, 2013.
- (8) The Finder's Warrants were issued to the Agent and certain finders as finder's fees in connection with the QT Financing. Each Finder's Warrant entitles the holder to purchase one Share at an exercise price of \$1.00 per Share until April 20, 2013.
- (9) These Options were granted to directors, employees and consultants of the Issuer.
- (10) These Shares were issued to the Finder in connection with the Acquisition which closed April 20, 2010.

ESCROWED SECURITIES

There are currently 1,560,000 Escrow Securities held in escrow representing approximately 7.1% of the issued and outstanding Shares of the Issuer (on an undiluted basis). The Escrow Securities are comprised of 1,100,000 IPO Escrow Securities held pursuant to the IPO Escrow Agreement and 460,000 QT Escrow Securities subject to the IPO Escrow Agreement as a result of the Qualifying Transaction.

The Escrow Securities are currently subject to the release schedule set out in Schedule B(1) to the Exchange's Form 2F, with 10% released on April 20, 2011 and an additional 15% of the Escrow Securities to be released every six months thereafter until all Escrow Securities have been released (April 20, 2014).

The IPO Escrow Agreement provides that the Escrow Securities are held in escrow pursuant to its terms and the beneficial ownership thereof may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the prior written consent of the Exchange. In the event of the bankruptcy of an escrow shareholder, provided the Exchange does not object, the Escrow Securities held by such escrow shareholder may be transferred to the trustees in the bankruptcy or such person legally entitled to the Escrow Securities which Shares will remain in escrow subject to the IPO Escrow Agreement. In the event of the death of an escrow shareholder, provided the Exchange does not object, the Escrow Securities held by the escrow shareholder will be released from escrow.

The Transfer Agent is the escrow agent for the purposes of the IPO Escrow Agreement.

DIRECTORS AND OFFICERS

The following table sets out the name, municipality and province of residence, position with the Issuer, current principal occupation, period during which served as a director or officer, and the number and percentage of Shares which are beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of the Issuer's directors and officers.

Name, Municipality of Residence and Position with the Issuer	Principal Occupation During Last Five Years	Period during which Director of Issuer has served as a Director of the Issuer	Number and Percentage of Shares owned or controlled ⁽¹⁾
Robert Sedgemore Santiago, Chile President, CEO & Director	President, CEO and Director of the Issuer (June 2010 to present), Senior Industry Mining Specialist of World Bank – International Finance Corporation (July, 2009 to June, 2010), Director of Norcast Ltda. (February, 2008 to March, 2009), Project Manager for African Energy Resources and Exco Resources (July, 2007 to February, 2008), Senior Study Manager for Mirabela Nickel and GRD Minproc Limited (2006 - 2007).	From June 14, 2010 to present	600,000 ⁽²⁾ 2.6%
Nick DeMare Burnaby, B.C. CFO & Director	President, Chase Management Ltd. (May, 1991 to Present)	From June 14, 2010 to present	185,000 ⁽³⁾ 0.8%
John Seaman Thunder Bay, Ontario Director	President and CEO of Apex Investigations & Security Inc. (August, 1992 to present), CFO of Premier Gold Mines Limited (August, 2006 to present)	April 20, 2011 to present	Nil ⁽⁴⁾ N/A
Dave Doherty Vancouver, B.C. Director	President of Inform Capital Corp. (October, 2007 to Present), Investment Advisor, Canaccord Capital (March 1997 to September, 2007).	From June 14, 2010 to present	250,000 ⁽⁵⁾ 1.1%
Marc Cernovitch Toronto, Ontario Corporate Secretary	Chairman of Halo Resources Ltd. (March, 2007 to Present), President and CEO of Halo Resources Ltd. (February, 2005 to February, 2007).	April 20, 2011 to present	450,000 ⁽⁶⁾ 2.0%

Notes:

- (1) Based on the total of 22,688,589 Shares issued and outstanding as at May 2, 2011, on an undiluted basis.
- (2) Mr. Sedgemore also holds 586,966 Options to purchase 586,966 Shares at an exercise price of \$0.52 until November 16, 2013, and an additional 70,000 Options to purchase 70,000 Shares at an exercise price of \$1.00 until April 20, 2016.
- (3) Mr. DeMare also holds 100,000 Options to purchase 100,000 Shares at an exercise price of \$0.52 until November 16, 2013 and an additional 100,000 Options to purchase 100,000 Shares at an exercise price of \$1.00 until April 20, 2016.
- (4) Mr. Seaman also holds 70,000 Options to purchase 70,000 Shares at an exercise price of \$1.00 until April 20, 2016.
- (5) Mr. Doherty also holds 200,000 Options to purchase 200,000 Shares at an exercise price of \$0.52 until November 16, 2013 and an additional 70,000 Options to purchase 70,000 Shares at an exercise price of \$1.00 until April 20, 2016.
- (6) Mr. Cernovitch also holds 175,000 Options to purchase 175,000 Shares at an exercise price of \$1.00 until April 20, 2016.

The directors and officers of the Issuer as a group beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 1,485,000 Shares, representing approximately 6.5% of the issued and outstanding Shares (on an undiluted basis). Each director's term of office will expire at the next annual meeting of the Shareholders unless re-elected at such meeting.

The Issuer's audit committee is comprised of Messrs. Seaman, DeMare and Doherty. Mr. DeMare is not an independent member as serves as CFO of the Issuer. Messrs. Seaman and Doherty are independent members. All members are considered financially literate. The Issuer's compensation committee is comprised of Messrs. Seaman, DeMare and Doherty. There are no other committees of the Board at this time.

The directors and officers will devote their time and expertise as required by the Issuer, however, it is not anticipated that any director or officer will devote 100% of their time to the activities of the Issuer. None of the officers have entered into a non-competition or non-disclosure agreement with the Issuer nor do they propose to do so. See also "Principal Occupations and Other Information about the Issuer's Directors and Executive Officers" below.

Principal Occupations and Other Information about the Issuer's Directors and Executive Officers

Additional biographic information about the directors and officers of the Issuer is provided below.

Robert Sedgemore (Age 45) — President, Chief Executive Officer and Director

Mr. Sedgemore has served as President, CEO and a Director of the Issuer since June 14, 2010. Mr. Sedgemore has over 25 years of international operating and project experience in senior management positions for Engineering, Procurement and Construction Management Companies, Junior Exploration & Mining Operations covering a diverse range of commodities including gold, silver, nickel, uranium and copper projects throughout North and South America, Africa and Australia. Previously Mr. Sedgemore was working with the IFC – International Finance Corporation, the private sector of the World Bank, as the Senior Industry Mining Specialist providing technical and economic valuation on global mining investments. Past experience includes Chief Engineer for Zaldivar a Placer Dome operation, General Manager for Outokumpu, Aisco System, and Chief Engineer for BHP at Minera Escondida. Major Greenfield studies include Mirabela Nickel in Brazil, Chirundu Uranium Project in Zambia, Westmoreland Uranium project in Australia, Cloncurry Copper Project in Australia, Mt Margret copper and Uranium project in Australia. Other significant EPCM projects include Codelco Copper Refinery Modernization Project in Chile, BHP Tintaya Copper Oxide Project in Peru, Piedras Verde Copper project in Mexico, CAL Energy Zinc Project in California, Escondida phase 3, Escondida phase 3.5, and Escondida Oxide project in Chile.

Mr. Sedgemore received a C.E.T designation in Instrument Engineering from ISA in 1989 and also received an Instrumentation Engineering Diploma from the Haileybury School of Mines in May, 1987.

Mr. Sedgemore will devote the time necessary to perform the work required in connection with the management of the Issuer.

Nick DeMare (Age 56) —Chief Financial Officer and Director

Mr. DeMare has served as CFO, Corporate Secretary and a Director of the Issuer since June 14, 2010. Since May 1991, Mr. DeMare has been the President of Chase Management Ltd., a private company which provides promotional, administrative, management and financial services to private and public companies engaged in mineral exploration and development, gold and silver production, oil and gas exploration and production and venture capital. He also currently serves as an officer and director of other public reporting companies.

Mr. DeMare holds a Bachelor of Commerce degree from the University of British Columbia and is a member in good standing of the Institute of Chartered Accountants of British Columbia.

Mr. DeMare will devote the time necessary to perform the work required in connection with acting as a director of the Issuer.

John Seaman (Age 44) —Director

Mr. Seaman has served as a Director of the Issuer since April 20, 2011. Mr Seaman has been involved with several successful mining projects and is currently the CFO for Premier Gold Mines Limited and previously held the position of CFO of Wolfden Resources Inc. from October, 2002 until its sale in June, 2007. Mr. Seaman is also the President and CEO for Apex Investigation & Security Inc. (private security firm) since 1992 and CEO for QRS an exploration company developing projects in Mexico.

Mr. Seaman will devote the time necessary to perform the work required in connection with the management of the Issuer.

Dave Doherty (Age 38) — Director

Mr. Doherty has served as a Director of the Issuer since June 14, 2010. Mr. Doherty brings over 13 years of investment and finance experience to the Issuer. Mr. Doherty is Founder and President of Inform Capital Corp., offering merchant banking and Corporate Advisory services to a number of companies across many sectors. Prior to joining, he was an investment advisor with Canaccord Capital Corporation, Canada's largest independent securities dealer covering the North American capital markets specializing in developing, restructuring, and financing Venture and Natural Resource companies. Mr. Doherty is a Director of Doca Capital Corp, and was a founding member of Dagilev Capital (now Astur Gold).

Mr. Doherty holds a Bachelor of Arts Degree from Simon Fraser University, with a major in Finance.

Mr. Doherty will devote the time necessary to perform the work required in connection with acting as a director of the Issuer.

Marc Cernovitch (Age 38) — Corporate Secretary

Mr. Cernovitch has served as the Corporate Secretary of the Issuer since April 20, 2011. Since March 2007, he has served as Chairman of Halo Resources Ltd., a junior resource company. From February 2005 to February 2007 he served as President and CEO of Halo Resources Ltd. and from September 2004 to February 2005 he served as its Vice-President, Corporate Development. Mr. Cernovitch started his career in the financial services sector in October 1996 with Georgia Pacific Securities Corporation where

he acted as an investment advisor and subsequently has been a self-employed consultant in both Montreal and New York, served as Vice President, Investor Relations for Synergy Technologies Corporation and was a consultant for Stone Canyon Resources Ltd. He also currently serves as an officer and director of several other public reporting companies.

Mr. Cernovitch will devote the time necessary to perform the work required in connection with acting as the Corporate Secretary of the Issuer.

Cease Trade Orders and Bankruptcies

Except as disclosed below, as at the date of this AIF and within the ten years before the date of this AIF, no director, officer or promoter of the Issuer is or has been a director, officer or promoter of any person or company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) 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.

Nick DeMare, a director and officer of the Issuer, was an independent director of Andean American Resources Limited (“Andean American”) from August, 2002 until January, 2011. On August 2, 2007, Andean American was issued a cease trade order by the British Columbia Securities Commission for deficiencies in Andean American’s continuous disclosure material related to its resource properties for deficiencies in a previously filed NI 43-101 technical report. On October 22, 2007, Andean American filed an amended technical report and issued a clarifying release. The cease trade order was lifted and the shares resumed trading on October 24, 2007.

Mr. DeMare is also a director of Salazar Resources Limited (“Salazar”). On September 10, 2010, Salazar was issued a cease trade order by the British Columbia Securities Commission for deficiencies in Salazar’s continuous disclosure material related to its resource properties for deficiencies in a previously filed NI 43-101 technical report. On October 14, 2010, Salazar filed an amended technical report and issued a clarifying release. The cease trade order was lifted and the shares resumed trading on October 18, 2010.

John Seaman, a director of the Issuer, has been a director of MBMI Resources Inc. (“MBMI”) since June 12, 2007. On September 21, 2007, MBMI was issued a cease trade order by the British Columbia Securities Commission for deficiencies in MBMI’s previously filed NI 43-101 technical report. On October 5, 2007, MBMI filed an amended technical report and issued a clarifying news release. The cease trade order was lifted and the shares resumed trading on November 8, 2007.

Marc Cernovitch, the Corporate Secretary of the Issuer, was an officer of Synergy Technologies Corporation (“Synergy”) from March, 2000 until August, 2002. On November 13, 2002, Synergy and its wholly-owned subsidiary Carbon Resources Limited each filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Bankruptcy Code. During March, 2003, Synergy sold substantially all of its assets. On July 30, 2003 the Bankruptcy Court confirmed Synergy’s Plan of Reorganization, as accepted by Synergy’s creditors and equity interest holders in accordance with the United States Bankruptcy Code. The Plan of Reorganization became effective on August 11, 2003.

Penalties or Sanctions

No proposed director, officer or promoter of the Issuer, or a securityholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, has:

- (a) been the subject of 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) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body that would be likely to be considered important to a reasonable securityholder making an investment decision.

Personal Bankruptcies

No proposed director, officer or promoter of the Issuer, or a securityholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of such persons, has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been 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 that individual.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Issuer holding positions as directors or officers of other companies. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of assets and businesses, with a view to potential acquisition of interests in businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers will be in direct competition with the Issuer. Conflicts, if any, will be subject to the procedures and remedies under the BCBCA or other applicable corporate legislation.

PROMOTERS

Robert Sedgemore is considered to be the promoter of the Issuer in that he took the initiative in founding and organizing the Issuer. Mr. Sedgemore holds 600,000 Shares, or approximately 2.7% of the issued and outstanding Shares of the Issuer on an undiluted basis, and Options to purchase an additional 656,966 Shares, all are more particularly described elsewhere in this AIF. See “Capital Structure - Options” for additional information. Except as disclosed in this AIF, Mr. Sedgemore has not and will not receive from or provide to the Issuer anything of value, including money, property, contracts, Options or rights of any kind directly or indirectly.

No other person will be or has been within the two years preceding the date of this AIF a promoter of the Issuer.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no material pending legal proceedings to which the Issuer is or is likely to be a party, or of which any of its property is the subject matter.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Since the Issuer was incorporated on October 23, 2007, no director, executive officer or 10% shareholder of the Issuer or any associate or affiliate of any such person or company, has or had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Issuer or its subsidiary.

TRANSFER AGENT

The transfer agent and registrar for the Issuer is Valiant Trust Company, of 600 – 750 Cambie Street, Vancouver, B.C. V6B 2P2. Transfers of the Shares may be recorded in Vancouver, British Columbia.

MATERIAL CONTRACTS

The Issuer has not entered into any contracts material to investors in the Shares since incorporation other than contracts in the ordinary course of business, except:

1. IPO Escrow Agreement dated January 18, 2008 among the Issuer, Transfer Agent and certain shareholders of the Issuer (see “Escrowed Securities”).
2. Stock Option Plan adopted by the Board on June 14, 2010.
3. Finder’s Fee Agreement dated February 26, 2011 between the Issuer and the Finder.
4. Purchase Agreement dated February 16, 2011, as amended effective April 1, 2011, between the Issuer and the Vendors.
5. QT Agency Agreement (Brokered Private Placement) between the Issuer and the Agent.
6. QT Agency Agreement (Short Form Offering) between the Issuer and the Agent.
7. Sponsorship Agreement between the Issuer and the Agent.

INTERESTS OF EXPERTS

The following table sets out the individual who is the qualified persons as defined by NI 43-101 in connection with the Technical Report for the Issuer’s mineral project on the property material to the Issuer set out opposite his name and contained in this AIF:

Mineral Property

Qualified Persons

Santa Elena Project

Michel Rowland, P.Geol.

The following is the technical report prepared in accordance with NI 43-101 from which certain technical information relating to the Issuer’s mineral project on the property material to the Issuer contained in this AIF has been derived:

1. Santa Elena Project - Michel Rowland, P.Geol. prepared a report in accordance with NI 43-101 for the Issuer entitled “Technical Report on the Santa Elena Project, Department of Antioquia, Colombia” dated March 28, 2011.

The aforementioned person did not hold any securities of the Issuer or of any associate or affiliate of the Issuer when he prepared the report referred to above or following the preparation of such report.

The aforementioned person is not currently expected to be elected, appointed or employed as a director, officer or employee of the Issuer or of any associate or affiliate of the Issuer.

Davidson & Company LLP is the auditor for the Issuer and was appointed on July 22, 2010.

ADDITIONAL INFORMATION

Additional Information

Additional information relating to the Issuer may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Issuer's securities, and securities authorized for issuance under equity compensation plans is contained in the management information circular for the Issuer's most recent annual meeting of Shareholders held on June 14, 2010, which is available on SEDAR at www.sedar.com.

Additional financial information is also provided in the Issuer's audited consolidated financial statements and Management's Discussion and Analysis for the year ended November 30, 2010, which may be found on SEDAR at www.sedar.com.

Audit Committee

Audit Committee Charter

The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws.

The Audit Committee's charter sets out its mandate and responsibilities, and is attached to this AIF as Schedule "A".

Composition of the Audit Committee

The Issuer's audit committee is comprised of Mssrs. Seaman, DeMare and Doherty. Mr. DeMare is not an independent member as serves as CFO of the Issuer. Mssrs. Seaman and Doherty are independent members. All members are considered financially literate.

Relevant Education and Experience

The following is a summary of the audit committee members education and experience which is relevant to the performance of their responsibilities as an audit committee member:

Mr. DeMare holds a Bachelor of Commerce degree from the University of British Columbia and is a member in good standing of the Institute of Chartered Accountants of British Columbia. Mr. DeMare has served as a director and officer for several public reporting companies.

Mr. Doherty holds a Bachelor of Arts Degree from Simon Fraser University, with a major in Finance. Mr. Doherty has over 13 years of investment and finance experience and has been an investment advisor

with Canaccord Capital Corporation. Mr. Doherty is also the Founder and President of Inform Capital Corp., offering merchant banking and Corporate Advisory services to a number of companies across many sectors.

Mr. Seaman has been involved with several successful mining projects and is currently the CFO for Premier Gold Mines Limited and previously held the position of CFO of Wolfden Resources Inc.

Audit Committee Oversight

At no time since the commencement of the Issuer's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Issuer's most recently completed financial year has the Issuer relied on any of the following exemptions in National Instrument 52-110 – *Audit Committees*:

1. section 2.4 (*De Minimis Non-audit Services*);
2. section 3.2 (*Initial Public Offerings*);
3. section 3.3(2) (*Controlled Companies*);
4. section 3.4 (*Events Outside Control of Member*);
5. section 3.5 (*Death, Disability or Resignation of Audit Committee Member*);
6. section 3.6 (*Temporary Exemption for Limited and Exceptional Circumstances*);
7. section 3.8 (*Acquisition of Financial Literacy*); or
8. an exemption, in whole or in part, granted under Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Issuer's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Issuer. The Chairman of the Audit Committee is authorized to approve any non-audit services or additional work which the Chairman deems as necessary and is required to notify the other members of the Audit Committee of such non-audit or additional work.

External Auditor Service Fees by Category

The aggregate fees billed by the Issuer's external auditors in the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
November 30, 2010	\$12,750	Nil	Nil	\$6,000
November 30, 2009	\$6,400	Nil	Nil	\$10,470

Notes:

- (1) Aggregate audit fees billed.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Issuer's financial statements that are not included under the heading "Audit Fees".
- (3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.
- (4) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

SCHEDULE “A” AUDIT COMMITTEE CHARTER

Mandate

The primary function of the audit committee (the “Audit Committee”) is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Issuer to regulatory authorities and shareholders, the Issuer’s systems of internal controls regarding finance and accounting and the Issuer’s auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Issuer’s policies, procedures and practices at all levels. The Audit Committee’s primary duties and responsibilities are to:

1. Serve as an independent and objective party to monitor the Issuer’s financial reporting and internal control system and review the Issuer’s financial statements.
2. Review and appraise the performance of the Issuer’s external auditors.
3. Provide an open avenue of communication among the Issuer’s auditors, financial and senior management and the Board.

Composition

The Audit Committee is comprised of three directors as determined by the Board, one of whom is free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee.

At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financial literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Issuer’s Charter, the definition of “financially literate” is 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 presumably be expected to be raised by the Issuer’s financial statements.

The members of the Audit Committee shall be elected by the Board at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership.

Meeting

The Audit Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with the CFO and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Audit Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Issuer's financial statements, MD&A and any annual and interim earnings, press releases before the Issuer publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public including any certificate, report, opinion, or review rendered by the external auditors.

External Auditor

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Audit Committee as representatives of the shareholders of the Issuer.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Issuer's accounting principles, internal controls and the completeness and accuracy of the Issuer's financial statements.
- (g) Review and approve the Issuer's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Issuer.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Issuer's external auditors. The pre-approval requirement is waived with respect to the provisions of non-audit services if:
 - i. The aggregate amount of all such non-audit services provided to the Issuer constitutes not more than five percent of the total amount of revenues paid by the Issuer to its external auditors during the fiscal year in which the non-audit services are provided;
 - ii. Such services were not recognized by the Issuer at the time of the engagement to be non-audit services; and
 - iii. Such services are promptly brought to the attention of the Audit Committee by the Issuer and approved prior to the completion of the audit by the Audit Committee or by

one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been deleted by the Audit Committee.

Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval such authority may be delegated by the Audit Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Issuer's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Issuer's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Issuer's auditing and accounting principles and practices as suggested by the external auditor and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Issuer of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.