



**ANNUAL INFORMATION FORM
FOR THE YEAR ENDED MAY 31, 2013**

AUGUST 29, 2013

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ITEM 1 PRELIMINARY NOTES

Caution Regarding Forward-Looking Statements

Certain of the statements about Orosur Mining Inc. (“**OMI**”, “**Orosur**” or the “**Corporation**”) that are not historical facts contained in this Annual Information Form (“**AIF**”) are “forward looking information”. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “is planned”, “expects”, “or does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “targets”, “intends”, “anticipates”, “does not anticipate” or variations of such words or phrases or statements that certain actions, events and results “may”, “could”, “would”, “might”, “will be taken”, “occur” or will be achieved.

Forward-looking information, includes but is not limited to,

- estimates of capital and operating costs;
- production;
- grades;
- processing rates;
- production profile and life of mine;
- metal prices;
- exchange rates;
- reclamation costs;
- net present value, internal rates of return and payback; and
- commencement date; and other events or conditions that may occur in the future.

Information concerning the interpretation of drill results and mineral resource and reserve estimates also may be deemed to be forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed.

Statements containing forward looking information are based on the opinions of management at the dates that the statements are made, and are based on a number of assumptions and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking information. Many of these assumptions are based on factors and events that are not within the control of OMI and there is no assurance they will prove to be correct.

Factors that could cause actual results to vary materially from results anticipated by such forward-looking information include:

- changes in market conditions;
- variations in ore grade or recovery rates;
- risks relating to international operations;
- fluctuating metal prices and currency exchange rates;
- changes in project parameters;

- the possibility of project cost overruns or unanticipated costs and expenses;
- labour disputes and other risks of the mining industry, failure of plant, equipment or processes to operate as anticipated;
- permitting and land access time lines; and
- development plans being more time consuming or costly than expected,

as well as those risk factors discussed under the heading “Risk Factors” in this AIF. Although OMI has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended.

The Corporation has made several assumptions that it believes appropriate, and these include but are not limited to no adverse affect being anticipated for issues of environment, permitting, legal, title, taxation, socio-economic, marketing or political.

There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. OMI undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information.

Glossary and Defined Terms

The following is a glossary of certain mining terms used in this AIF.

Alteration:	Refers to process of changing primary rock minerals (such as quartz, feldspar and hornblende) to secondary minerals (quartz, carbonate, and clay minerals) by hydrothermal fluids (hot water).
CIM:	Canadian Institute of Mining, Metallurgy and Petroleum.
Feasibility Study:	A comprehensive study of a mineral deposit in which all geological, engineering, legal, operating, economic, social, environmental and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production.
g/t or gpt:	Grams per metric tonne.
Mineral Reserve:	The economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined and processed.
Mineral Resource:	A Mineral Resource refer to a concentration or occurrence of precious metals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known,

estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

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

Preliminary Economic Assessment: means a study that includes an economic analysis of the potential viability of mineral resources taken at an early stage of the project prior to the completion of a preliminary feasibility study.

Preliminary Feasibility Study: has the meaning ascribed to such term in NI 43-101 and means a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating, economic factors and the evaluation of other relevant facts which are sufficient for a qualified person, acting reasonably, to determine if all or part of the mineral resource may be classified as a mineral reserve;

Probable Mineral Reserve: has the meaning ascribed to such term in NI 43-101 and is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

Proven Mineral Reserve: has the meaning ascribed to such term in NI 43-101 and is the economically mineable part of a Measured Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

Qualified Person has the meaning ascribed to such term in NI 43-101 and means an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or

	operation and/or mineral project assessment, has experience relevant to the subject matter of the disclosure and is a member in good standing of a specified professional association.
NI43-101	National Instrument 43-101 <i>Standards of Disclosure for Mineral Projects</i> ("NI 43101") issued by the Canadian Securities Administrators (the "CSA").
Mineralization:	An anomalous occurrence of metal or other commodity of value defined by any method of sampling (surface outcrops, drill core, underground channels). Under United States Securities and Exchange Commission standards, such a deposit does not qualify as a reserve until comprehensive evaluation, based on unit cost, grade, recoveries and other factors, concludes that the mineralization could be legally and economically produced or extracted at the time the reserve determination is made.
Ore:	Rock, generally containing metallic or non-metallic materials, which can be mined and processed at a profit.
Pyrite:	An iron sulphide mineral (FeS ₂), the most common naturally occurring sulphide mineral.
Strike:	The direction, or bearing from true north, of a vein or rock formation measured on a horizontal surface.
Sulphide (Sulfide):	A compound of sulphur (sulfur) and some other metallic element.
Tailings:	Gangue minerals extracted from ore through various mineral processes and deposited in an enclosed ground storage area.
Technical Reports:	Technical Reports prepared according to NI 43-101
Trenching:	The mechanical or human excavation of ground material to expose material below surface.

ITEM 2 CORPORATE STRUCTURE

2.1 Name, Address and Incorporation

Orosur was incorporated on October 16, 1996 as 713257 Alberta Ltd. pursuant to the *Business Corporations Act* (Alberta). On January 31, 1997, the Corporation changed its name to Uruguay Goldfields Inc. The Corporation amalgamated pursuant to a Certificate of Amalgamation dated February 13, 1998 (the "Amalgamation Date") under the laws of the Province of Alberta; the amalgamating corporations were Canadian Black River Petroleum Ltd. ("CBR") and Uruguay Goldfields Inc. This amalgamation enabled the Corporation to commence trading on The Canadian Dealing Network Inc. in Toronto, Ontario.

The Corporation first became a "reporting issuer" in Alberta on February 13, 1998 pursuant to the Corporation's amalgamation with CBR, which had been a "reporting issuer" in Alberta, British Columbia, Ontario and Quebec. The Corporation is a "reporting issuer" in Alberta, British Columbia, Ontario and Quebec.

On March 29, 2000, the common shares of OMI were admitted for listing on The Canadian Venture Exchange Inc. ("CDNX"), a predecessor to the TSX Venture Exchange.

On February 8, 2002, the Corporation changed its name to Uruguay Mineral Exploration Inc. and continued from the Province of Alberta to the Yukon Territory to be governed by the corporate laws of the Yukon Territory.

During June 2002, the CDNX was acquired by The Toronto Stock Exchange as a wholly owned subsidiary. The name of the CDNX was changed to the TSX Venture Exchange ("TSX-V"), where the Corporation's common shares continued to trade under the symbol OMI. On December 15, 2004, the common shares of the Corporation were admitted for listing on the London Alternative Investment Market ("AIM").

On January 8, 2010 OMI completed an plan of arrangement whereby it acquire 100% of shares of Fortune Valley Resources Inc. ("Fortune Valley") and changed its name to Orosur Mining Inc., trading it shares under the symbol "OMI" both on TSX-V and AIM markets.

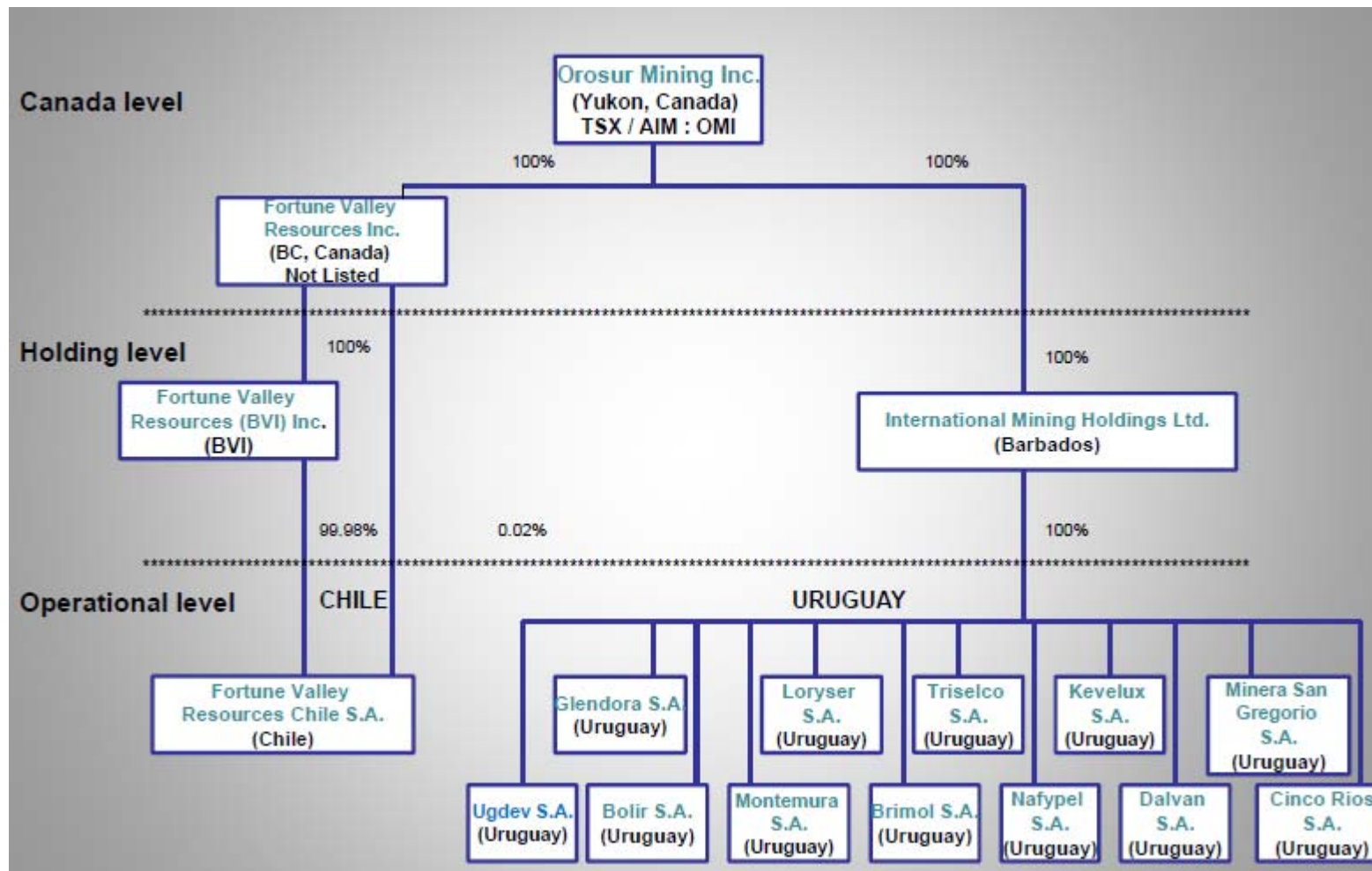
On May 14, 2012 the Corporation delisted from TSX-V and commenced trading on the Toronto Stock Exchange ("TSX").

The head office of the Corporation is located at Cerro Colorado 5240, Parque Torre I, Of. 602, Las Condes, Santiago, Chile 7560995 and the registered office is located at Macdonald & Company Lawyers, Suite 200, Financial Plaza, 204 Lambert Street, Whitehorse, Yukon Territory Y1A 3T2.

2.2 Intercorporate Relationships

All of the Corporation's operating activities are conducted in Uruguay and Chile, and all the Corporation's interests are all held in Uruguayan and Chilean subsidiaries, which are detailed in the table below.

All the subsidiaries or other companies controlled by the Corporation are owned by the Corporation's wholly owned intermediary companies, International Mining Holdings Limited from Barbados and Fortune Valley Resource (BVI) Inc. from British Virgin Islands, which are the holding companies for all other companies noted in the table below. The other companies are all operating companies, through which OMI carries on its business in Uruguay and in Chile.



ITEM 3 GENERAL DEVELOPMENT OF BUSINESS

3.1 Business Overview

OMI is a gold producer and exploration company focused on identifying and developing gold opportunities in Latin America. OMI is a fully integrated mining company, possessing the skills necessary to explore and develop its discoveries. The Corporation operates the only producing gold mine in Uruguay (San Gregorio), and has assembled an exploration portfolio in Uruguay and Chile.

In 2010 OMI diversified its focus from Uruguay to acquire new growth projects in Chile.

3.2 Summary of the Business

- San Gregorio gold operation in Uruguay which produced 64,997 ounces of gold in 2013
- Significant cash flow from operations
- Significant exploration holdings in Uruguay and Chile focused on gold
- Experienced management team focussed on generating cash flow, providing returns to shareholders and growth objectives

3.3 Three Year History

The following is a summary of the general development of the Corporation's business over the last three financial years and includes all the key material contracts and arrangements the Corporation has entered into.

June 2010 – May 2011

On June 3, 2010 the Corporation entered into a Farm in Agreement with Minerales Cala S.A. ("MC") whereby MC has the right to earn up to 80% interest on the Corporation's Chamizo Gold project in Southern Uruguay (the "Chamizo Project"). MC is committed to spend US\$ 150,000 in exploration work within a period of twenty four months to earn 51% interest in the Chamizo Project, which has been extended for six months. Subsequently, MC will have the right to earn a further 29% by incurring a further US\$ 350,000 in exploration expenditure. After MC has completed US\$ 500,000 expenditure and consequently has earned an 80% interest in the Chamizo Project, OMI will have the option to contribute its 20% proportionate share of expenditure. Should the Corporation choose not to contribute, dilution shall apply and if the Corporation's interest falls below 10%, its interest will convert to a net smelter royalty of 2%. As at May 31, 2013 MC earned 51% interest in the project.

During 2010, the Corporation undertook a Feasibility Study to develop its Arenal Deeps underground project in Uruguay. Board approval was received in December 2010. In April 2011 the Corporation signed a contract with Redpath Chilena Construcciones y Compañía Limitada ("Redpath"), a member of the Redpath Group of companies, for the mining development of Arenal Deeps Project. The contract involved the development of approximately 2 km's of decline, 8 km's of lateral development and stope preparation and was expected to be completed in approximately 30 months from the date of its execution. Redpath had committed to training Uruguayan personnel to allow Orosur to develop a longer term capability to undertake owner operated mining. The mine development commenced on 18th March 2011, after the Corporation was granted the development permit by the Uruguayan authorities.

In May 2011 the Corporation entered into an Option Agreement with Ferlesol SA, which is a 100% subsidiary of Union Mineral Group Corp. ("UMG"). This agreement provides UMG the right to earn an interest of up to 80% on the Corporation's Old Texas, Arroyo Polanco, Casupá-Madre, Mal Abrigo-Cerros Negros and María Albina projects in Uruguay (the "Assets"). UMG is committed to spend US\$ 300,000 in exploration work within a period of twenty four months to earn 20% interest in the Assets. Subsequently, UMG will have the right to earn a further 31%, reaching a total of 51%, by incurring in a further US\$ 750,000 in exploration expenditure within the following year. Finally, UMG will have the right to earn an additional 29%, therefore reaching 80% interest by completing a bankable feasibility study for the Assets,

no later than 4 years after having reached the 51% interest. As at May 31, 2013 UMG has earned 20% interest in the Assets.

On 20th May 2011, the Corporation was granted the environmental license to build the new Tailings Storage Facility (TSF2), which will provide the storage capacity for the remaining life of mine ores from all the deposits in Uruguay. Construction was commenced immediately after receiving the permit.

June 2011 – May 2012

During the 2012 fiscal year, the Corporation focused on developing the Arenal Deeps Project. Total capital expenditure to develop the project is estimated to be US\$ 40 million.

The new tailings dam construction was progressed according to plan, with the phase 1 construction being concluded in March 2012.

On June 21, 2011 the Corporation announced the completion of the private placing of the common shares of the Corporation for gross proceeds of US\$ 13,400,000. The proceeds were used to make payments in respect of the proposed acquisition of the Talca gold property, Talca exploration and further potential acquisitions and exploration in the Talca district.

On August 26, 2011 the Corporation signed the Definitive Acquisition Agreement to acquire 100 percent interest of Talca gold property ("Talca") in Chile's Region IV. Acquisition payments consist of US\$3.84 million over approximately 20 months for a 25 per cent interest in Talca with an option to acquire the remaining 75 per cent for US\$3.78 million over a five year period and 1 per cent net smelter royalty on production.

June 2012 – May 2013

In August 2012 OMI took over from Redpath Chile Construcciones y Compañía Limitada, the development of the ramp at Arenal Deeps and stoping commenced in April 2013. During 2013 fiscal year ore and waste development at Arenal Deeps totaled 5,133 metres length.

At the first half of FY2013 the Corporation purchased its own small vehicle fleet which meant a total capital expenditure US\$ 4.5m and was funded by a leasing contract with Banco Santander.

The Corporation completed drilling and expenditure commitments on the Pantanillo project it optioned from Anglo American. During December 2012 the Corporation exercised its option to acquire the Pantanillo project and now owns the project.

During 2013 the first phase of Reverse Circulation ("RC") drilling at Anillo has identified both gold and silver mineralization in the targeted structures at the Anillo Central area. Results from drilling confirm the existence of gold and silver mineralized quartz structures at Anillo Central. This can be observed at hole AN-13-04RC with a 1.0 m intercept (*) with 490 g/t Ag (≈ 8.1 g/t Au gold equivalent), at hole AN-13-10RC with a 5 m intercept (*) with 0.46 g/t Au, which includes 1.0 m (*) at 1.1 g/t Au and 11.4 g/t Ag and at hole AN-13-04RC with 1.0 m at 0.34 g/t Au. These results show that the area hosts silica-bearing mineralized structures with encouraging values of Au and Ag. Future work will focus on finding intercepts, grades and continuity of mineralization that may constitute an economic resource for the Company (* apparent width).

Significant new appointments to the Corporation's Board of three directors, John Walmsley as Non-Executive Chairman and Max Oemick and Sergey Kuznetsov as Non-Executive Directors and confirmation of Ignacio Salazar as Chief Executive Officer by the Board.

3.4 Significant Acquisitions

On August 26, 2011 the Corporation announced that it has signed a definitive acquisition agreement for 100 per cent interest in the Talca gold property ("Talca") in Chile's Region IV. The Corporation and the vendors agreed to create a new company ("SCM") to act as a holding company for the licenses covering

Talca. The Corporation has agreed to acquire, in installments, 25 per cent of SCM plus and land and easements to develop the project, for a total consideration of US\$ 3,790,000. The Corporation has also agreed to an exclusive and irrevocable option to acquire the remaining 75 per cent of SCM and land for a total of US\$ 3,782,000 and a one per cent NSR royalty. The option must be exercised within a period of five years from the date of the definitive acquisition agreement.

3.5 Significant Dispositions

The Corporation has made no significant dispositions during the past three years.

ITEM 4 DESCRIPTION OF THE BUSINESS

4.1 General

The Corporation's principal business activity is the operation and development of the San Gregorio Gold Project ("SGGP" or "San Gregorio"), located in the Department of Rivera, Uruguay, approximately 450 km north of the capital city of Montevideo. The Corporation also explores for gold at other projects located throughout Uruguay and Chile. The product from the SGGP is gold doré, which is refined by a commercial refinery in Switzerland on arms-length commercial terms with gold on the spot market.

Uruguay is situated on the east coast of southern South America, bordered by Brazil and Argentina. The government has been a constitutional democracy since 1985. The population is approximately 3.4 million people, half of which live in Montevideo, the capital city.

The Uruguayan economy is predominantly agriculture and services-based, and has been an open economy for the last 25 years. There are currently no material restrictions on capital inflow and outflow or on foreign ownership of equity in Uruguay, which is also a member of Mercosur, the free trade zone encompassing Uruguay, Argentina, Brazil and Paraguay.

Chile is a country with a population of slightly more than 17 million inhabitants, located in the southwestern extreme of South America. Its territory extends along a 4,300 km strip, with an average width of 173 km. To the north Chile borders Peru and Bolivia, to the east Argentina, to the west the Pacific Ocean, and to the south the Chilean Antarctic Territory, extending to the South Pole.

Chile is a stable country with a stable economy and a significant mining industry. It is a constitutional democracy which has been in place since 1989 and has a clear institutional framework. The country's economic model is one of the most open in the world, evidenced by the internationally-renowned number of free trade agreements signed with other countries.

Both Chile and Uruguay rank amongst the most transparent countries in Latin America: Chile is 21 and Uruguay is 24 throughout the world, according to the annual Transparency International ranking.

The Corporation recorded sales revenues of \$US 93.7 m and \$U 105.8 m for the financial years ended May 31, 2012 and May 31, 2013 respectively.

4.2 Competitive Conditions

Gold is freely sold into the international marketplace with virtually no restrictions. The price of gold is derived largely from a complex interaction of market forces – not simply supply and demand. It is not possible to meaningfully forecast future gold prices.

The primary competitive elements in the gold production industry include access to prospective ground upon which replacement gold resources might be discovered and retaining and hiring appropriately qualified staff.

4.3 Environmental and Regulatory

4.3.1 Uruguay

Mineral Title

Uruguay's mining code was promulgated in 1982 and was amended in 2011. Mineral rights are vested in the State, and can be granted as one of three licenses:

- **Prospecting License.** Allows the holder to carry out any and all work aimed at searching for one or more minerals in a given area. On completion of the first two years period, the area covered by the license must be reduced to 75%. The holder of the license chooses which parts of the area covered by the original Prospecting License to relinquish. At the end of prospecting license term the holder has the exclusive right to convert the prospecting permit into an exploration permit.
- **Exploration License.** Gives the holder the right to perform activities with the purpose of proving whether a deposit exists, identifying its characteristics, and determining the volume and quality of the mineral, as well as undertaking economic assessments. The holder of this Exploration License is allowed to set up a pilot plant, once the holder has applied for and been given the appropriate mining and environmental authorizations.
- **Exploitation License.** Qualifies the holder to exploit one or more mineral substances, in a given area, and dispose of the output from the deposit. In order to obtain this Exploitation License, an environmental impact analysis must first be approved, according to the legal provisions in force since 1994.

Table 4.1 summarizes the key terms of the different licenses.

Table 4.1 Licenses and Durations

Type of License	Operation	Possible Extensions	Term	Maximum Area of each permit	Area Reduction after 2 nd extension
Prospecting	3 months – 36 months	3	1 year	100,000 ha	75%
Exploration	1 year – 3 years	3	1 year each	1,000 ha	75%
Exploitation	Up to 30 years	multiple	15 year	1,000 ha per type of mineral	-

The National Mining and Geology Directorate (“DINAMIGE”), which forms part of the Ministry of Industry, Energy, and Mining, is the only State agency responsible for the control of mining and the management of the subsoil. It is the competent agency in charge of granting Prospecting and Exploration Licenses, while the ministry is responsible for awarding the concession for Exploitation Licenses.

Until November 14th, 2011

Government royalties were applied to the net mine mouth value of mineral produced; that is, sales revenue less processing and transport costs. For ease of calculation the Uruguayan ministry responsible for mining estimates a fixed rate to apply for every tonne of ore treated. It has been the practice of the ministry to review this fixed rate for head grade, recovery and gold price twice per year; in 2010, a royalty of 5% to 8% was applied to an average of \$US 21.47 per tonne treated. Of this royalty, 37.5 % was paid to the State and 62.5 % to landowners.

After November 14th, 2011

For metallic mineral deposits the government of Uruguay levies a 5% production royalty, based on a percentage of the value of free on board mineral exports. The royalty is split with a 2% royalty paid to the underlying landowner and a 3% royalty paid to the government.

Surface and water Rights

Under Uruguayan law, surface rights are independent of mineral rights, and land access and use must be negotiated with the surface rights holder.

The Water Code, Decree No 14.859 of 1978, establishes the legal framework for water resources management in Uruguay. The Water Code grants sole ownership and managerial responsibilities of superficial and groundwater resources to national and municipal government, including the establishment of water user fees. The Water Code however maintains water property rights to private owners issued prior to the enactment of the Water Code, if registered appropriately. Uruguayan government grants water use rights through concessions and permits based on quantity, end purpose, and general interest related to water use.

Environment

The Uruguayan Constitution establishes environmental protection as a matter of public interest. The Ministry of Housing, Territory and Environment supervises all environmental matters, through the National Environment Directorate (DINAMA). A party that causes environmental damages, environmental pollution, or breaches environmental rules or laws has civil responsibility for remediation.

On January 19, 1994, the Uruguayan Government enacted Law 16.466, (regulatory decree passed September 21, 1994) which established the requirement for mining companies to be issued with an Environmental Impact Authorization ("EIA") prior to the commencement of construction and mining activities.

Uruguay mining legislation requires all mining licenses to be supported by guarantees for any environmental rehabilitation requirements resulting from exploration or mining activities. These guarantees are required to be posted by qualified financial institutions. Orosur have the required guarantees in place. For exploration activities total guarantees provided by the Corporation are \$US 4,114,000.

All mining activities and the operation of the tailings storage facility at San Gregorio must be performed under specific environmental licenses issued by the Uruguayan State. Environmental licences are also required for drilling under Exploration Licences.

A comprehensive closure plan has been developed for the operation. A rehabilitation guarantee for the site closure plan of \$US 2,000,000 has been provided to the Uruguayan state. Additionally the Corporation is obliged to carry \$US 5,000,000 public liability insurance against any damage including those that may result from the tailings storage facility.

4.3.2 Chile

Mineral Title

Chile's mining policy is based on legal provisions that were enacted as part of the 1980 constitution. These were established to stimulate the development of mining and to guarantee the property rights of both local and foreign investors. According to the law, the state owns all mineral resources, but exploration and exploitation of these resources by private parties is permitted through mining concessions, which are granted by the courts.

The concessions have both rights and obligations, as defined by the Constitutional Organic Law on Mining Concessions (JGRCh, 1982) and the Mining Code (JGRCh, 1983). Concessions can be mortgaged or transferred, and the holder has full ownership rights and is entitled to obtain the rights of way for exploration and exploitation. In addition, the concession holder has the right to defend his ownership against state and third parties. A concession is obtained by a claim application and includes all minerals that may exist within its area.

During the claim acquisition process, several steps are required (application, publication, inscription payments, notarization, tax payments, patent payment, lawyers fees, publication of the extract, etc.) before the application is finally converted to a declaratory sentence by the court constituting the new mineral property. A full description of the process is documented in JGRCh (1982, 1983). Many of the steps involved in establishing the claim are published weekly in Chile's official mining bulletin for the appropriate region, and court processes for opposition from conflicting claims is allowed.

Exploration concessions are for a period of two years unless an extension is requested prior to expiry of the concession. Extensions are granted for a maximum of two additional years, together with waiving half of the area allocated. While an exploration concession is in force, its holder is the only one who can file for an exploitation concession in the same area. Exploitation concessions are granted for indefinite time.

The owner of a concession has the following additional rights and obligations:

- To occupy as much of the surface land as necessary for the exploration or exploitation works, upon payment of the proper indemnity for damages to the surface landowner.
- To pay the annual licence fee. Failure to pay any annual licence fee may cause the loss of title to the concession through an auction process.
- To obtain the necessary environmental approvals.
- To comply with health and safety protection rules; civil construction developments rules, mining work, machinery, equipment, tools, buildings and mining facilities; and special environmental authorizations (fines, closure and even termination or mining activities may apply in case of infraction of such obligations).

In Chile the 'mining royalty' or 'specific mining tax' is structured as an income tax on the 'taxable operating income' from mining activities. Any individual or legal entity who extracts minerals of a type that could be subject to a mining concession, and who sells such minerals in any state of production, is subject to the tax on his or her 'taxable operating income'. This is defined as net income determined for corporate tax purposes, with some adjustments. The specific mining tax rate is progressive, based on the taxpayer's gross sales of minerals with a rate schedule from 0 to 4.5 per cent, although mining taxpayers with gross sales of minerals greater than a certain threshold are subject to a 5 to 14% per cent flat tax rate depending on the level of sales and mining margin (currently approximately \$US350,000,000).

Surface and Water Rights

In accordance with the Chilean Mining Code, any holder of a mining concession, whether for exploration or exploitation, would have the right to judicially impose an easement over the surface land as required for the convenient and comfortable exploration or exploitation of his/her concession. Accordingly, and as general rule, in the event that the surface property owner is not agreeable to grant the easement voluntarily, the holder of the mining concession may request said easement before the ordinary courts who shall grant it upon determination of the compensation for losses as deemed fit.

Environmental and Socio-Economic Issues

All mining projects to be executed in Chile have to comply with environmental regulations defined in Law N° 19,300 (CONAMA, 1994), which came into force in March 1994, and was modified in January 2010.

Currently, there are two ways of submitting a project for environmental approval, which depend on the potential environmental impacts. If the project does not generate significant impacts, the law only requires that an Environmental Impact Statement (DIA) be prepared; otherwise, an Environmental Impact Assessment (EIA) is necessary. The latter includes baseline studies, a complete technical description of the project, impact assessment, public hearings and environmental plans, among other requirements.

Mining projects are generally supported by an EIA, except for exploration activities not located in wildlife conservation areas. The definition of exploration in the context of this regulation is "actions or works leading to the discovery, characterization, delimitation and estimation of the potential of a concentration of mineral substances which may eventually lead to a mine development project." Early stage exploration drilling generally does not require a DIA. Drilling under an exploration licence to define an orebody requires a DIA to be submitted and approved before drilling commences.

The EIA and DIA are submitted to be reviewed by the public authority, which will take 120 days and 60 days, respectively, for the approval or rejection of the project. If the project is approved, an environmental permit is awarded then development can commence.

4.4 Employees

OMI had 523 direct employees at May 31, 2013 of whom, 507 were based in Uruguay and 16 were based in Chile.

Employees are involved in the following activities:

	2013	2012
General management and administration	67	70
Mining and plant operation at the San Gregorio plant	413	315
Exploration activities	43	58
	523	443

4.5 Risk Factors

OMI's net earnings in the near-term are affected primarily by its mining operations and, in the longer term, will be affected primarily by the success or failure of its exploration and development activities. The Board recognizes that the exploration and development of natural resources is a highly speculative activity that involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate or adequately mitigate. Accordingly, the Board considers the risks to which the Corporation is exposed as part of its regular operations, and keeps these under review.

The principal risk factors noted below do not necessarily comprise all of those faced by the Corporation. Additional risks and uncertainties not presently known to the Corporation or that the Corporation currently considers immaterial may also impair the business operations and future prospects of the Corporation. If any of the following risks actually occur, the business of the Corporation may be harmed and its financial condition and results of operations may vary significantly.

a. Sensitivity to Commodity Price and Foreign Exchange Rates

The Corporation's revenues, net earnings and cash flow from operations are affected principally by changes in the price of gold. Historically gold has been subject to fluctuations and is affected by factors which are unpredictable, including international economic and political conditions, speculative activities, the relative exchange rate of the US dollar with other currencies, inflation, global and regional levels of supply and demand and the gold inventory levels maintained by producers and others.

The Corporation's gold sales are priced in US dollars while its operating costs are incurred in US dollars, Canadian dollars, Uruguayan pesos and Chilean pesos. OMI has financial exposure to foreign exchange fluctuations in the Uruguayan and Chilean peso and the Canadian dollar relative to the US dollar.

b. Exploration, Mining and Operational Risks

The Corporation's business operations are subject to risks and hazards inherent to the mining industry, including but not limited to unanticipated variations in grade and other geological problems, water availability conditions, metallurgical and other processing problems, mechanical equipment performance problems, the availability of materials and equipment, accident, labour force disruptions, force majeure factors, unanticipated transportation costs, and weather conditions, any of which can materially and adversely affect, among other things, the development of properties, production quantities and rates, costs and expenditures and production commencement dates.

The Corporation periodically reviews mining schedules, production levels and asset lives in its life-of-mine planning for all of its operating and development properties. Significant changes in the life-of-mine plans can occur as a result of mining experience, new ore discoveries, changes in mining methods and rates, process changes, investments in new equipment and technology, precious metals price assumptions, and other factors. Based on this analysis, the Corporation reviews its accounting estimates.

As a result of the foregoing risks, among other things, expenditures on any and all projects, actual production quantities and rates, and cash costs may be materially and adversely affected and may differ materially from anticipated expenditures, production quantities and rates, and costs, just as estimated production dates may be delayed materially, in each case especially to the extent development projects are involved. Any such event can materially and adversely affect the Corporation's business, financial condition, results of operations and cash flows.

c. Uncertainty Relating to Mine Development

The Corporation's ability to maintain or increase its annual production of gold will be dependent in significant part on its ability to bring new mines into production and to extend the life or expand existing mines. Although the Corporation utilizes the operating history of its existing mines to derive estimates of future operating costs and capital requirements, such estimates may differ materially from actual operating results at new mines or at expansions of existing mines. The economic feasibility analysis with respect to any individual project is based upon, among other things, the interpretation of geological data obtained from drill holes and other sampling techniques, feasibility studies (which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed), precious metals price assumptions, the configuration of the ore body, expected recovery rates of metals from the ore, comparable capital and operating costs, anticipated climatic conditions, estimates of labour, productivity, royalty or other ownership burdens and other factors. The Corporation's development projects are also subject to the successful completion of final feasibility studies, receipt of necessary permits and of adequate financing.

d. Uncertainty in the Estimation of Mineral Resource and Mineral Reserve

The Corporation's reported mineral reserves and resources are only estimates. No assurance can be given that the estimated mineral resources and reserves will be recovered or that they will be recovered at the rates estimated. Mineral resource and reserve estimates are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral resource and mineral reserve estimates may require revision (either up or down) based upon increasing geological understanding and past operations. Market fluctuations in the price of metals, as well as increased production costs or reduced recovery rates, may render certain mineral reserves uneconomic and may ultimately result in a restatement of reserves and/or resources. Moreover, changes in short-term operating factors relating to the mineral reserves and mineral resources, such as changes to the sequential development of ore bodies and the processing of new or different ore grades, may adversely affect the Corporation's profitability in any particular accounting period.

The Corporation uses Canadian NI 43-101 guidelines which are based on the "CIM Standards on Mineral Resources and Reserves – Definitions and Guidelines" when estimating a resource or reserve.

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure.

The Corporation's ability to undertake exploration development and mining activities requires it to reach agreements with land owners with respect to the land over which its mineral rights exist. Current mining laws provide regulations that allow this access to be granted in the event that voluntary agreement

cannot be achieved. Generally the Corporation can achieve voluntary agreements with land owners for this access. However, to the extent that an agreement cannot be reached with landowners, this regulatory process to compel access from landowners can be lengthy and uncertain creating risks that delay project development and ultimately mean that the project may not be developed.

e. Licence Risks

All prospecting, exploration and mining licenses and titles in Uruguay and in Chile are granted by the Governments of these countries for finite periods of time. These Governments are bound by rules of priority of application, and security of title once granted. However, both Uruguay and Chile are sovereign states, and there can be no guarantee that either of these States will continue to grant or respect mining licences, and that the licences will not be challenged or negated for political reasons or other reasons.

Individual licences expire from time to time and OMI manages the process of retaining its rights by re-application or conversion to other forms of title relevant to each stage of development. The process of re-application involves some risk however, as expired licences must fall open before they can be re-applied for. Moreover, on conversion, there is a risk that the application for the conversion of a licence will not be granted.

f. Exploration Risks

Since mines have limited lives based on proven and probable mineral reserves, the Corporation continually seeks to replace and expand its reserves. Mineral exploration, at both newly acquired properties and existing mining operations, is highly speculative in nature, involves many risks and frequently does not result in the discovery of mineral resources and mineral reserves. There can be no assurance that the Corporation's exploration efforts will result in the discovery of significant gold mineralization or that any mineralization discovered will result in an increase of the Corporation's proven or probable mineral reserves. If such reserves are developed, it may take a number of years and substantial expenditures from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. No assurance can be given that the Corporation's exploration programs will result in the replacement of current production with new reserves or that the Corporation's development program will be able to extend the life of its existing mine. In the event that new reserves are not developed, the Corporation will not be able to sustain any mine's current level of gold production beyond the life of its known reserve estimates.

g. Governmental and Environmental Regulation

The Corporation's mining operations and exploration activities are subject to extensive foreign laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection and remediation of the environment, reclamation, historical and cultural resources preservation, mine safety and occupational health, handling, storage and transportation of hazardous substances and other matters. The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing the Corporation's mine and other facilities in compliance with such laws and regulations are significant.

New laws and regulations, amendments to existing laws and regulations, administrative interpretation of existing laws and regulations, or more stringent enforcement of existing laws and regulations, could have a material adverse impact on the Corporation's results of operations and financial condition.

h. Key Personnel

Recruiting and retaining qualified personnel is critical to the Corporation's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. Although the Corporation believes that it will be successful in retaining qualified personnel already recruited, there can be no assurance of such success.

i. Financing

The exploration and development of the various mineral properties in which the Corporation holds interests may require external financing. There is no assurance that the Corporation will be successful in

obtaining required financing as and when needed. Volatile markets for precious metals may make it difficult or impossible for the Corporation to obtain debt financing or equity financing on favorable terms or at all. Failure to obtain financing on a timely basis may cause the Corporation to postpone any development plans, forfeit rights in some of its properties or reduce or terminate some or all of its operations.

j. Insurance Coverage

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, environmental occurrences, political and social instability that could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining caused by industrial accidents or labour disputes, changes in regulatory environment, monetary losses and possible legal liability.

It is not always possible to obtain insurance against all such risks and the Corporation may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Corporation.

k. Market Volatility

The market price of a publicly traded stock is affected by many variables not directly related to the success of the Corporation. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.

l. Labour and Employment Matters

Production at the Corporation's mining operations is dependent upon the efforts of the Corporation's employees and the Corporation's relations with its unionized and non-unionized employees. In addition, relations between the Corporation and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in those jurisdictions in which the Corporation carries on business. Changes in such legislation or in the relationship between the Corporation and its employees may have a material adverse effect on the Corporation's business, financial condition and results of operations.

The San Gregorio operation has experienced labour issues in the past, including work stoppages or suspension of operations due to legal or illegal strikes or illegal road blockades. In accordance with Uruguayan law the Corporation conducts periodic negotiations with unions and the Corporation's employees to reach collective bargaining agreements. The last collective bargaining agreement was signed on August 2011 and covers the period to January 2014.

m. Joint Ventures

A number of the properties in which the Corporation has an interest in are operated through joint ventures with other mining companies and will be subject to the risks normally associated with the conduct of joint ventures. The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the viability of the Corporation's interests held through joint ventures, which could have a material adverse impact on the Corporation's results of operations and financial conditions:

- Inability to exert influence over strategic decisions made in respect of joint venture properties,
- Disagreement with partners on how to develop and operate mines efficiently;
- Inability of partners to meet their obligations to the joint venture or third parties; and litigation between partners regarding joint matters.

n. Property Interests

The ability of the Corporation to carry out successful mineral exploration and development activities and mining operations will depend on a number of factors. The section 3 of this AIF entitled "General Development of Business" identifies the Corporation's obligations with respect to acquiring and maintaining title to the Corporation's interest in certain of its current properties. No guarantee can be given that the Corporation will be in a position to comply with all such conditions and obligations, or to require third parties to comply with their obligations with respect to such properties. Furthermore, while it is common practice that permits and licenses may be renewed extended or transferred into other forms of licenses appropriate for ongoing operations, no guarantee can be given that a renewal, extension or a transfer will be granted to the Corporation or, if they are granted, that the Corporation will be in a position to comply with all conditions that are imposed. A number of the Corporation's interests are the subject of pending applications to register assignments, extend the term, increase the area or to convert licenses to concession contracts and there is no assurance that such applications will be approved as submitted.

The Corporation is satisfied, based on due diligence conducted by the Corporation that its interests in the properties are valid and exist as set out in this AIF. There can be no assurances, however, that the interest in the Corporation's properties is free from defects or that the material contracts between the Corporation and the entities owned or controlled by foreign government will not be unilaterally altered or revoked. There is no assurance that such rights and title interests will not be revoked or significantly altered to the detriment of the Corporation. There can be no assurances that the Corporation's rights and title interests will not be challenged or impugned by third parties. The Corporation's interests in properties may be subject to prior unregistered agreements or transfers and title may be undetected defects or governmental actions.

Certain of the Corporation's property interest are also the subject of joint ventures that give the Corporation the right to earn an interest in the properties. To maintain a right to earn an interest in the properties, the Corporation may be required to make certain expenditures in respect of the property maintenance and to government claim and other fees. If the Corporation fails to make the expenditures or fails to maintain the properties in good standing, the Corporation may lose its right to such properties and forfeit any fund expended to such time.

o. Competition

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

ITEM 5: PRINCIPAL PROPERTIES

5.1 SAN GREGORIO GOLD PROJECT

On June 27, 2011, the Corporation filed the technical report titled "*Updated Technical Report on the Arenal Deepes Deposit Minas de Corrales Project, Department of Rivera, Uruguay*" dated May 31, 2011 (the "**San Gregorio Technical Report**") on the System for Electronic Document Analysis and Retrieval at www.sedar.com ("**SEDAR**").

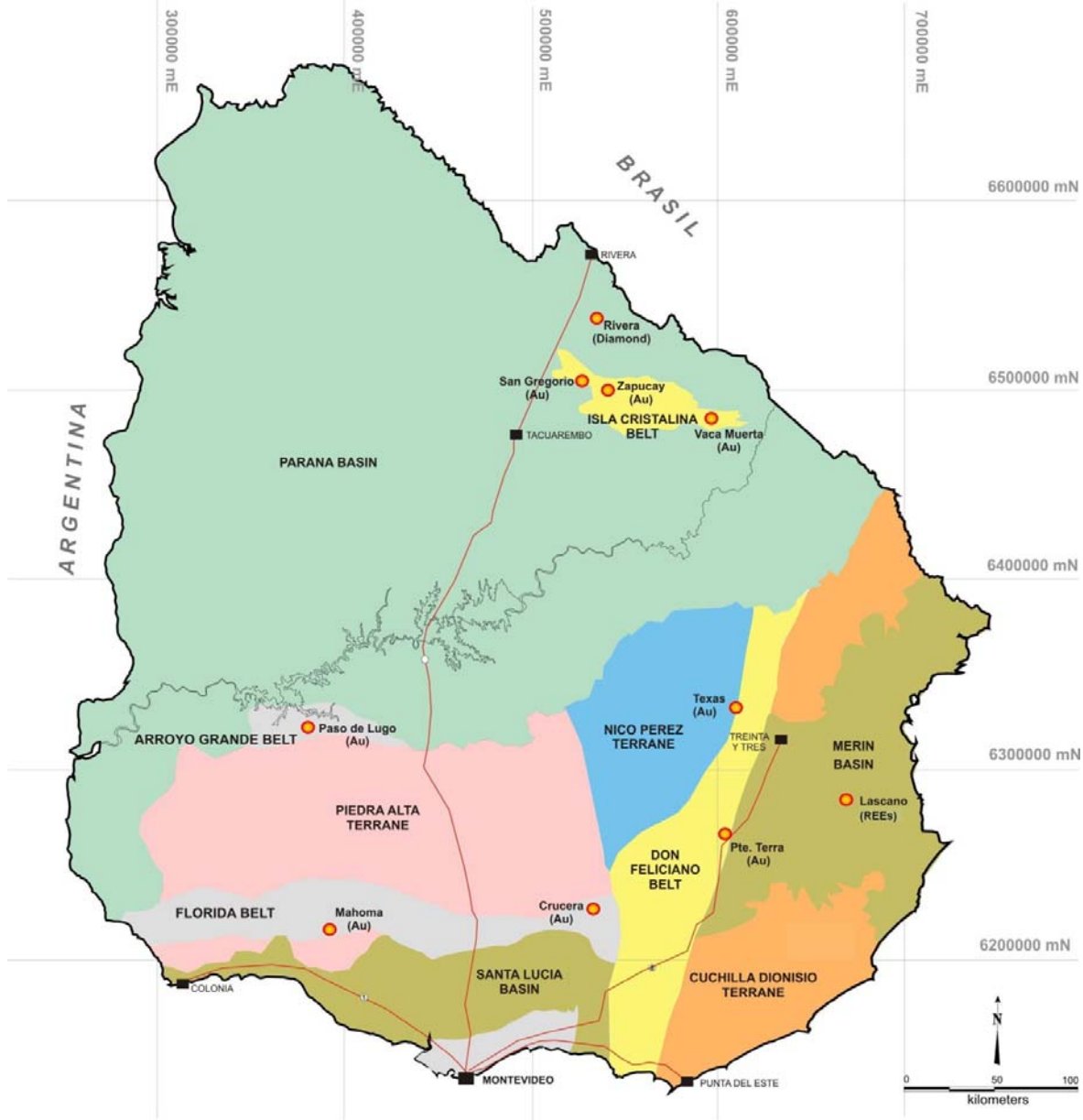
The following information is derived from, or referenced in, the San Gregorio Technical Report which was authored by Steven Ristorcelli of Mine Development Associates, Inc. ("**MDA**"), Peter Ronning and Randall Corbett, each of whom is a "qualified person" as that term is defined in NI 43-101, and prepared in accordance with the requirements of NI 43-101.

This section has been updated by the Corporation to the date of this AIF by its General Manager, Francisco Castillo, a "qualified person" under NI 43-101. A complete copy of the San Gregorio Technical Report, portions of which are quoted verbatim or paraphrased herein, is available for inspection upon request from the Corporation's head office, as well as on SEDAR.

5.1.1 Project Description and Location

San Gregorio is situated in the Department of Rivera, in north-eastern Uruguay, approximately 450km north of Uruguay's capital city, Montevideo, and approximately 70km south of the international border with Brazil (Figure 5.1). It lays at an approximate latitude and longitude of 31° 35.2' South, 55° 30.4' West.

Figure 5.1 SGGP Location



OMI controls over 570,000 hectares of tenements in Uruguay, including the SGGP. OMI controls approximately 65,000 hectares of mining and exploration tenements in the vicinity of the SGGP area, mainly along the strike of the San Gregorio Fault System ("SGFS"), which is interpreted to be the main regional control on gold mineralization.

The list of the main tenements in the SGGP is shown in table 5-1. All tenements are fully owned and controlled by OMI subsidiaries.

Table 5-1 – List of the main tenements in the SGGP

Tenement ID	Tenement Name	Tenement Type	Company	Area (ha)	Expiry Date (dd-mmm-yy)	Comments
462/89	San Gregorio / Main Pit (partial ANEP)	Exploitation	LORYSER	122	15-Dec-19	
634/90	Zapucay-Argentinita	Exploitation	GLENDORA	188	22-Aug-18	
514/92	Santa Teresa /Polvorin/ Chirca / Ombú	Exploitation	MINERA SAN GREGORIO	124	14-Aug-26	
285/93	San Gregorio Ext Oeste / Main Pit	Exploitation	MINERA SAN GREGORIO	63	04-Oct-24	
823/93	Veta A	Exploitation	DALVAN	243	20-Apr-14	
706/97	Santa. Teresa W / Santa Teresa N	Exploitation	MINERA SAN GREGORIO	38	22-Jan-17	
69/04	Arenal (p)	Exploitation	LORYSER	215	06-Oct-19	
972/05	Sobresaliente	Exploitation	LORYSER	65	03-Feb-13	Time extension requested
1236/07	Crucera	Exploitation	MINERA SAN GREGORIO	34	14-Jun-22	
024/09	Arenal 1	Exploration	LORYSER	81	24-Feb-15,	Without expiration date yet
026/09	Arenal 2	Exploration	LORYSER	58	08-Jun-13	Time extension requested
2311/12	Picaflor	Exploitation	MINERA SAN GREGORIO	79	Not granted yet	
2302/12	Vaca Muerta	Exploitation	BOLIR	192	Not granted yet	
TOTAL				1502		

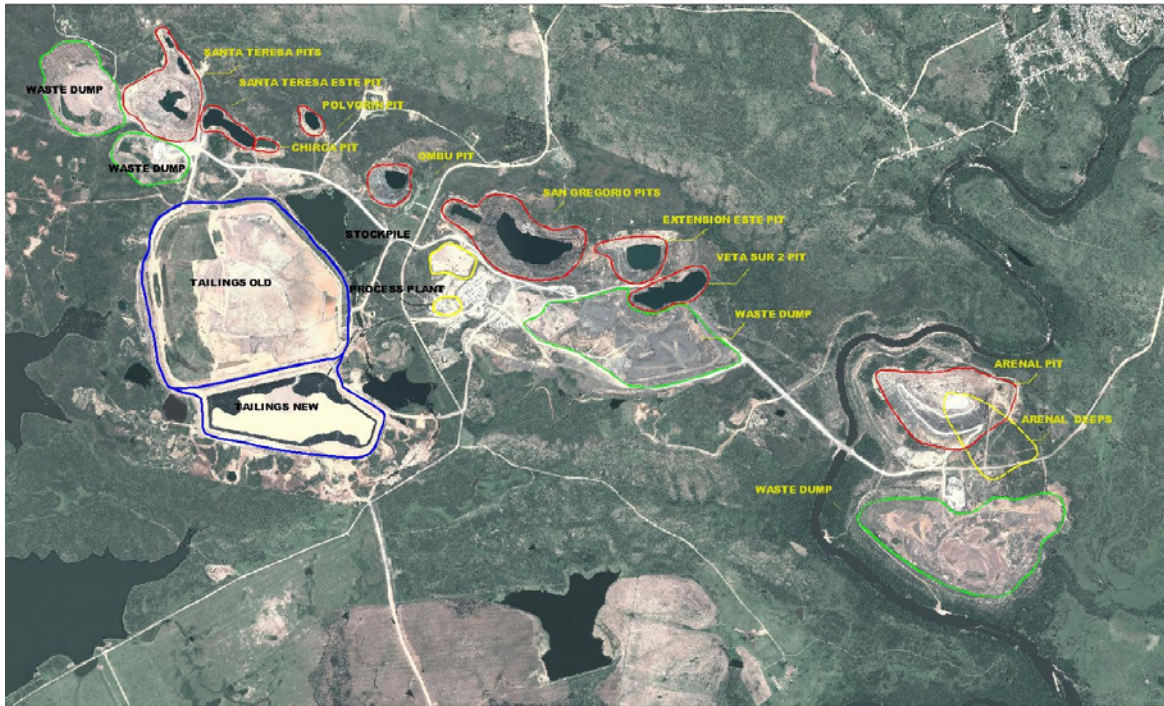
The boundaries of all tenements are surveyed by registered cadastral surveyors. All operations, activities and facilities are contained wholly within tenements and do not encroach upon tenement boundaries.

OMI has purchased most of the land affected by current mining operations. This has allowed unrestricted access for exploration and drilling activities. Where OMI does not own the underlying land affected by mining, satisfactory access agreements have been reached to allow deposits to be developed. Royalties are paid to land owners where mineral is extracted from deposits on land owned by third parties.

5.1.2 Location of Ore Sources and Facilities at the SGGP

The production sources, processing plant, tailings storage facility and waste dumps can be seen in the aerial photograph below. During 2012 OMI mined the Santa Teresa, Zapucay-Argentinita, Crucera and Sobresaliente open pits. OMI has previously mined ore from the Arenal open pit, the main San Gregorio open pit and extensions of the mineralization along strike to the east and west. Development ore from the Arenal Deeps deposit as well as ore from stopes are also being mined, Low grade and medium grade stockpiles also provide an important source of mill feed.

Figure 5.1.2 - Map of San Gregorio Operations Area



5.1.3 Royalties and Agreements

After November 14th, 2011, the new legislation passed establishes a royalty of 5% on the sales value of the mineral. This rate is split between the State and the landowner in 3% and 2% respectively.

5.1.4 Environmental Liabilities

Uruguay mining legislation requires all mining licences to be supported by guarantees for any environmental rehabilitation requirements resulting from exploration or mining activities. These guarantees are required to be posted by qualified financial institutions. The total guarantees only for San Gregorio exploitation licences provided as at June 2013 were approximately \$US 150,000 (Refer to Table 5-2).

Table 5-2 DINAMIGE Guarantees

Tenement ID	Tenement Name	Tenement Type	Company	Area	GUARANTEE \$US
462/89	San Gregorio / Main Pit (partial ANEP)	Exploitation	LORYSER	122	10,065
634/90	Zapucay-Argentinita	Exploitation	GLENDORA	188	15,510
514/92	Santa Teresa /Polvorin/ Chirca / Ombú	Exploitation	MINERA SAN GREGORIO	124	10,230
285/93	San Gregorio Ext Oeste / Main Pit	Exploitation	MINERA SAN GREGORIO	63	5,198
823/93	Veta A	Exploitation	DALVAN	243	20,048

706/97	Santa. Teresa W / Santa Teresa N	Exploitation	MINERA SAN GREGORIO	38	3,135
69/04	Arenal (p)	Exploitation	LORYSER	215	17,738
972/05	Sobresaliente	Exploitation	LORYSER	65	5,363
1236/07	Crucera	Exploitation	MINERA SAN GREGORIO	34	2,805
024/09	Arenal 1	Exploration	LORYSER	81	6,683
026/09	Arenal 2	Exploration	LORYSER	58	4,785
2311/12	Picaflor	Exploitation	MINERA SAN GREGORIO	79	16,408
2302/12	Vaca Muerta	Exploitation	BOLIR	192	39,878
TOTAL					157,486

A site-wide decommissioning plan (the “Closure Plan”) has been produced and is updated and audited every year. The Closure Plan includes the establishment of all environmental liabilities with the corresponding costs.

Activities included in the Closure Plan are:

- Dismantling of treatment plant facilities
- Pit conditioning
- Re-vegetation of waste dumps
- Treatment of effluents containing cyanide
- Sealing of the Tailing Storage Facilities
- Post-closure monitoring

According to the latest update (May, 2013), the Closure Plan costs are estimated to be \$US 5,084,750 on an undiscounted basis. In developing the Closure Plan, a scenario of productive activity until 2016 and a 4 year post-closure monitoring is assumed. The Corporation presented to the government a guarantee for the Closure Plan of \$US 2,000,000 and a civil liability insurance policy including environmental risks of \$US 5,000,000.

The Corporation’s current site restoration liability in respect of its exploration activities is not material.

5.1.5 Permitting Status

According to the Uruguayan regulatory framework, no environmental permits are required for a prospecting license. The application for exploration and exploitation licenses requires going through an Environmental Impact Assessment process and obtaining environmental authorization granted by the Ministry of Environment before commencing work.

The discharge of industrial effluents also requires an authorization granted by the Ministry Environment. Currently, there are no regulations other than those related to chemicals, hazardous wastes or gas emissions.

All exploration projects and mineral deposits under exploitation, including the Arenal Deeps project have the environmental authorization given by the Uruguayan Ministry of Environment. Deposits that are not yet under exploitation, have different degrees of advancement in the process of obtaining environmental permits, according to the corresponding legal framework. A summary of the historic and current situation for each project is presented in Table 5-3.

Some projects, like the development of the Argentinita Pit, including the temporary diversion of the Zapucay river, required two additional permits; one granted by the hydrologic resources regulator (National Direction of Hydrography) and another one granted by the Department of Forestry (Ministry of Agriculture, Livestock and Fishing) authorizing the riverside coppice modification. These permits were obtained simultaneously to the Previous Environmental Authorization processing.

The tailings storage facility was constructed in stages, having been granted a global authorization at the beginning of the operation and partial authorizations for each expansion as well for its closure project. Currently, the first tailings storage facility ("TSF") is in its closure stage. The Environmental Authorities have granted the authorization for the second tailings storage facility which phase 2 has been built in April 2013. As the tailings storage facility is designed to operate on a zero discharge principle, it is not expected that there will be any material discharges. However, monitoring programs to check cyanides, sulfates, nitrates and heavy metals levels are regularly undertaken.

Table 5-3 Environmental Permits Summary

Project	Background	Current situation
Arenal Deeps	Environmental approval for open pit mining operations at Arenal has been granted. To date, the "Arenal Mine" has passed the following projects through the assessment and approval to the Uruguayan Ministry of Environment: • Environmental impact study of Arenal Open Pit: environmental approval granted by Ministerial Resolution N° 502/2004. • Environmental impact study of Extension Arenal Open Pit, environmental approval granted by Ministerial Resolution N° 98/2007. • The underground mine is considered as a new step in "Arenal Mine" project. To support the underground plan, an updated EIA was performed for Arenal Deeps, which reviewed the existing and baseline data for hydrology, emissions, noise levels, flora and fauna, human and cultural impacts, and effects on the landscape. • Environmental approval was granted. (Resolution of the Ministry N° 179/2011)	Currently, the renewal of the Environmental Authorization to Operate is in process. In this context, an operational environmental audit was performed by an external international consultant and the Ministry of Environment.
Ombú	This open pit is located between San Gregorio and Santa Teresa and forms part of the main exploitation area of San Gregorio Project. Environmental approval granted. (Resolution of the Ministry N° 1030/2009)	The exploitation finished and closure is pending.
San Gregorio Oeste	This project is an important extension of "San Gregorio" open pit. Environmental impact study of "San Gregorio" environmental approval granted by Ministerial Resolution N° 166/1996.	The Environmental Ministry has been notified of this project. Being an extension of an open pit located within the main exploitation area of the San Gregorio Project, the Corporation does not foresee difficulties in obtaining this permit.
Santa Teresa	This project is an extension of "Santa Teresa" open pit. Environmental impact study of "Santa Teresa": environmental approval granted by Ministerial Resolution N° 506/2001.	No new permit is required.
Zapucay-Argentinita	This open pit project is located 30 km from main exploitation area of San Gregorio Project. Environmental approval for open pit mining operations in the north of the area has been granted (Ministerial Resolution N° 230/2003, 129/2004, 712/2004, 164/2006 y 190/09).	The project is currently under exploitation and rehabilitation tasks are being performed in parallel.

	The new project includes 4 new pits, two in the north and two in the south. Environmental approval granted. (Resolution of the Ministry N° 988/2010)	
Picaflor	This open pit project is located 4 km from main exploitation area of San Gregorio Project.	The EIA has been submitted to the authorities. The project area has no environmental peculiarities, so do not foresee difficulties in obtaining this permit.
Castrillón & Sobresaliente	These open pit projects are located 6 km from main exploitation area of San Gregorio Project. Environmental approval granted. (Resolutions of the Ministry N° 287/2004 and 286/2004, for Castrillón and Sobresaliente respectively)	In Castrillon both operation and closure have been finished. Sobresaliente is currently under operations.
Veta A	This open pit is located within the main exploitation area of San Gregorio Project, south of TSF. Environmental approval granted. (Resolution of the Ministry N° 322/2007)	Exploitation of this project has ended. A possible extension is being assessed.
Veta Sur	This project is a small extension of "Extensión Este" open pit. Environmental approval of Environmental impact study of "San Gregorio" and "Extensión Este" was granted by Ministerial Resolution N° 166/1996.	No new permit is required.
Crucera	This open pit project is located 400 km from main exploitation area of San Gregorio Project. Environmental approval granted. (Resolution of the Ministry N° 547/2010)	Environmental approval for operations granted- (Resolution of the Environmental Ministry No. 42/2013)
Tailings Storage Facility	The San Gregorio project has a tailings storage facility (TSF), currently being closed and a new TSF ("TSF II") which second phase was finished in March 2013. For the first TSF the environmental permit was granted as an integral part of the San Gregorio project (Ministerial Resolution N° 166/1996). Partial authorizations on each expansion were granted as well for its closure. The authorization of the TSF II was granted in May 2011 (Ministerial Resolution No. 442/2011).	Closure of the first TSF is under way which is expected to be completed by the end of 2013 TSF II (Phase 1) was put in operation in August 2012, after granted the Environmental Operation Permit. TSF II (Phase 2) was completed in March 2013 and the Environmental Operation Permit has just been granted.

5.1.6 Accessibility, Climate, Local Resources, Infrastructure and Physiography

Project Access

The SGGP is easily accessed by paved road from Montevideo, about 450 km to the south or by commercial air flights from Montevideo to Tacuarembó, some 79 km from the project. The principal towns in the region are Tacuarembó, Rivera with the small township of Minas de Corrales located four kilometres on a well maintained gravel road from SGGP.

From Montevideo, the project can be reached by travelling 426 km to the north along route 5 (main paved highway) to route 29 (secondary paved route), then turning east on route 29 and travelling 21 km, then turning south on a gravel road and travelling 3.6 km until getting to the process plant; from that point, the Arenal pit can be reached travelling 2.5 km east along an internal road and cross the Corrales River.

Physiography and Climate

The San Gregorio area comprises gently rolling grasslands divided by broad river valleys. The regional elevation varies between 100 and 350 metres above sea level. The grasslands are extensively farmed, primarily for beef, but also for timber and various cereal crops.

The regional climatic profile is temperate and no pronounced wet-season exists. Average annual rainfall for the period 1931 to 2004 was 1,318 mm. Data from 1996 to 2010 indicate an average annual rainfall of 1,466 mm, a minimum monthly precipitation of 4 mm (July 1997), and a maximum of 614 mm (November 2009). The lowest annual rainfall was 823 mm in 2006, and the highest was 2,553 mm in 2002. The average annual evaporation rate for the period 1931 to 2004 was 1,250 mm and 1,513 mm for the period 1999 to 2010.

The highest average daily maximum temperature is 34°C for the month of January, and the lowest is 18°C for the month of June. The highest average daily minimum temperature on record is 19°C for January, February and March and the lowest is 6°C for June.

The wind direction is predominantly from the east (58% of the time) and from the east-northeast (30% of the time).

Historically, climatic extremes have resulted in moderate flooding which has impacted the immediate areas adjacent to existing waterways. Such flooding has caused temporary closure of low-lying road sections for several days. These conditions pose no significant risk to mining operations.

As part of the diversion of the Arroyo Corrales river, two flood protection dykes were constructed. These dykes have been built to protect the Arenal open pit, and underground operation, against an estimated 1 in 1,000 year flood event.

Exploration and mining can be conducted year round.

Local Resources and Infrastructure

The project area is not remote or isolated, and local infrastructure is relatively good.

The local road system is very good, with paved roads between regional centres and the township of Minas de Corrales. Power is generated by hydro-electric and fuel oil and the national reticulation system is extensive and is relatively reliable. The SGGP is serviced with a 150 kV high tension power line of the national grid.

Cellular telephone connection is available throughout most of the country, including the Minas de Corrales area. Optic fibre connection is also reticulated to the SGGP.

Minas de Corrales is a small town that provides basic services. More sophisticated services can be obtained at Tacuarembó and at Rivera, approximately 70 km and 110 km respectively from Minas de Corrales. Both of these cities have small airports with paved airstrips.

Process water for the existing operations is sourced from a fresh water dam adjacent to the San Gregorio process plant and from recycled tailings water. During extended periods of low rainfall and high evaporation, sufficient quantities of water are available from inoperative open pits. Currently, the SGGP has water in excess of requirements for the foreseeable future.

After more than 15 years of continuing operations, the mining personnel required to run the business have been developed with trained Uruguayan operators composing the majority of the workforce. San Gregorio is the most significant employer in the Minas de Corrales area, which makes it a competitive party in terms of attracting new people. One exception is for attracting new employees for management and operating positions for new areas, such as the recently developed underground mining activities. In that case, the Corporation needs to hire expatriate people for the key positions and has to compete with the Latin American market for attracting people to work in Uruguay. The Corporation has been reasonably successful in doing so, especially attracting people from nearby countries like Argentina, Chile and Brazil, and it maintains a human resources policies to offer competitive salaries. In parallel the Corporation continues its training programs to develop and promote local employees.

5.1.7 History of San Gregorio

The Spanish first mined for gold in the region during the 1770's. The British operated gold mines in the Minas de Corrales area from about 1910 to 1914, utilising a hydro-electric plant constructed by the French in the 1870's to support gold mining in the region. The French also built a treatment plant at the same site on the Rio Cuñapiru and constructed an aerial tramway to transport ore to the plant. Total production to 1914 is estimated at approximately 90,000 ounces of gold.

The San Gregorio deposit was held by American Resource Corporation prior to Rea Gold Inc. ("Rea") acquiring the project. Rea commissioned Minproc to construct the process plant, which was in operation by January 1997, treating ore from the main San Gregorio open pit. Rea experienced operational difficulties at its North American operations and sold the SGGP to Crystallex International Corporation Inc. ("Crystallex") in 1998. Crystallex held the property for five years. They focussed their work on the expansion of the San Gregorio and Santa Teresa deposits because they were very limited in their land tenement holdings with OMI holding all the surrounding area. Crystallex partially drilled the mineralization on the San Gregorio eastern extension during their tenure.

OMI has been operating in Uruguay since 1996, and has compiled an extensive country wide database utilising information from previous explorers. OMI staked approximately 65,000 hectares of exploration ground adjacent to the Crystallex mining operation and along the strike of the Rivera Shear.

In 2003, OMI acquired the mineral assets of Crystallex in Uruguay, including the San Gregorio open pit mines and the ore treatment plant at Minas de Corrales. Since that time, OMI has been undertaking extensive drilling activities and has delineated multiple sources of mill feed from the San Gregorio, Ombú, Zapucay, Arenal, Castrillón, Crucera and Sobresaliente deposits.

During 2013 OMI mined the Santa Teresa, Sobresaliente, Crucera and Zapucay-Argentinita open pits and the Arenal underground. OMI has previously mined ore from the Arenal open pit, the main San Gregorio open pit and extensions of the mineralization along strike to the east and west.

5.1.8 Geological Setting

Regional Geology

The SGGP is located within the Proterozoic greenstone/granite terrain known as the Isla Cristalina. Gold mineralization within the Isla Cristalina is spatially associated with the Rivera Shear, a regional east-west and northwest trending ductile/brittle-ductile shear zone that can be traced for approximately 110km along strike. Most of the known economic gold mineralization is located in the western portion of this belt. The deposits associated with the SGGP are hosted in low to moderate dipping thrust faults which define the San Gregorio Fault System ("SGFS"). The known deposits occur at distinct flexures and changes of strike along the fault zone from east-west to northwest.

A number of geochemical and geophysical anomalies and exploration targets occur along the strike length of the SGFS. OMI has tenement holdings along the entire strike extent of the Rivera Shear.

The rocks within the Isla Cristalina have been metamorphosed to granulite facies within the basement volcanogenic sequence, while amphibolites facies and greenschist facies affect to basic later intrusions and overlying sediments respectively. The thrust system is characterised by extensive ductile to brittle ductile deformation with well-developed mylonites, with a Brazilian age.

In general the Rivera Shear forms the contact between predominantly younger granitic terrain to the north and an older sequence of basement granulite and gneissic rocks which are unconformably overlain by a sequence of mafic and felsic volcanic and sedimentary units intruded by later granitic rocks to the south.

Local Geology

The historic mining district of Minas de Corrales forms the western third of the Isla Cristalina granite-greenstone belt and hosts OMI's main operation – the San Gregorio mine complex and gold processing facility. The Minas de Corrales district hosts three significant mining centers – San Gregorio, Zapucay, 29 km to the east of the plant facility and Sobresaliente, 6 km to the north. A number of additional deposits and prospects are currently in the pipeline for mining and continued exploration in this district.

In the deposits of the San Gregorio mine area, in particular Santa Teresa, San Gregorio, and Arenal, gold mineralization is generally related to an east-trending brittle-ductile fault zone – the San Gregorio Fault System (“SGFS”). The SGFS dips to the south at a moderate to steep angle, is upwards of 100 metres wide, and is typically well constrained by hanging wall and footwall structures. In the case of the Arenal deposit, the hanging wall and footwall structures are mapped as discrete faults locally called H1 and F1, respectively. Within the fault zone, gold mineralization clearly rakes across the structure and plunges to the southeast, while sintetic (R1) and antitetic (R2) faults display an important role in secondary order mineralization along the SGFS. The rake appears to be controlled by sub-vertical, northwest-oriented fracturing, which commonly displays dextral offset.

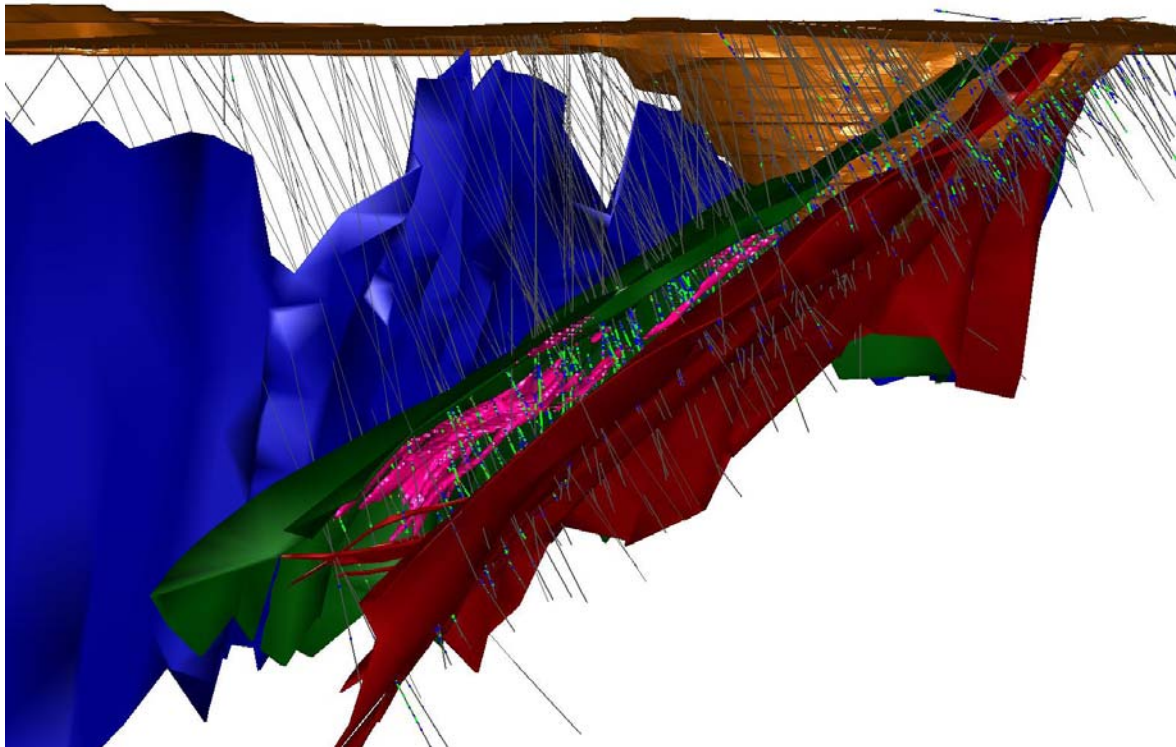
Property Geology

The Arenal deposit is located along the west- to northwest-trending San Gregorio fault system, which hosts, from west to east: the Santa Teresa, Ombú, San Gregorio, and Arenal deposits. Arenal and Arenal Deeps are located about 2 km east of the San Gregorio plant. Arenal was mined as an open pit to a depth of 200 metres from 2004 to 2009. Arenal Deeps is the down-plunge extension of Arenal and is currently in operation, being mined as an underground operation.

The following figure shows a schematic cross section of the Arenal pit and Arenal Deeps mineralization.

Figure 5.1.8 Schematic Cross Section of the Arenal Pit and Arenal Deeps Mineralization

(looking azimuth 273o; brown - topography with pit; blue – NW fault; green - H1 fault; maroon – F1 fault; magenta is greater than 3g Au/t; drill holes are color-coded to gold grades)



5.1.9 Exploration

Exploration by Previous Owners

Regional airborne geophysical surveys were flown over the area by Rea in 1996, resulting in aeromagnetic and radiometric data was acquired by OMI when it purchased the Crystallex subsidiary

that operated San Gregorio and performed regional exploration. The surveys were carried out at a line spacing of 200m, and the data are semi-regional in nature.

A number of soil sampling grids have been established at various locations along the SGFS by previous operators.

Crystallex partially drilled the San Gregorio eastern extension mineralization.

Exploration by Current Owners

OMI has undertaken a number of soil sampling programs along the SGFS in an effort to infill and confirm previous soil anomalies and to test other structural and geophysical targets.

The current exploration program in the project area is comprised of multi-geoscientific disciplines with focus on quality control and quality assurance to maintain best industry standards.

An increase of in-house exploration expertise is being complemented with external consulting experts. Geochemical investigation of soils and outcrops, field mapping, structural mapping on regional and local bases, trenching, reverse circulation (RC) drilling and diamond core (DC) drilling.

OMI personnel conduct all geochemical investigations, geological mapping and trenching. Structural interpretation from aerial photography has been performed by Michael Baker, Geological Consultant, and structural appraisal on the ground has been conducted by Holcombe Coughlin & Associates as well as Telluris Consulting.

Exploration and resource drilling by Orosur is a combination of RC and core drilling. Currently, drilling is outsourced to a contractor.

Exploration Data Collection

Drill hole collars for mineral resources are surveyed by the OMI mine surveyors with total stations and real time GPS instruments, topographic plans and aerial photographs provide adequate location control during more regional exploration. OMI performs appropriate downhole surveying in all diamond drill holes and most part of the RCD drilled meters.

OMI has introduced routine bulk density determinations in accordance with exploration priorities and requirements. Only limited laboratory based determinations have been performed for the disclosed mineral reserves due to the wealth of historical production data which indicates good reconciliation with estimates. Bulk density testwork for the SGGP has been performed by Cientec Laboratories Brazil in 1999 and 2004 with 83 and 65 samples being evaluated. The results of these determinations continue to provide an appropriate basis for production purposes.

Independent reviews by RSG Global (August 2005), Mine Development Associates (November 2006 and September 2007) and Golder Associates (April 2006, September 2007 and January 2009) found OMI's geological and logging of RC chips and of DC to be adequate and that the logs contain sufficient geological and sampling information. Current geological and geotechnical data collection is based on oriented DC. DC orientation is completed with the Reflex ACT system™. Golder audited the geotechnical logging procedure and data collected making adjustments where required.

Exploration data, including drilling data, were manually entered into Century System™ worksheets from the hard copy logs, sample lists and tags and other paper formats used in the field. The drilling database contains industry standard information, including rock lithology, alteration and mineralogy, weathering, assay data, core recovery, collar coordinates and down hole survey data. OMI currently uses Century System™ as the preferred database management software with links to Micromine™ software and for resource estimation and mine planning purposes, with appropriate links to Whittle 4D™ open pit optimisation software.

The projects have generated a large amount of data during its operational history, including a number of resource estimates and pit optimisations. Historical data has been entered into the current database management systems ensuring that all information is available for operational and exploration purposes.

Appropriate Quality Assurance and Quality Control procedures are applied to the database management systems.

Exploration Results

Results from exploration programmes and the interpretation of those results are periodically reported in OMI's MD&As, Technical Reports and other releases. All documents are available on the SEDAR website (www.sedar.com).

5.1.10 Mineralization

The deposits located along the east-west to northwest trending SGFS are, from west to east, the Santa Teresa deposits, the Polvorín deposit, the Ombú deposit, the San Gregorio deposit and the Arenal deposit. Zapucay and Argentinita deposits lie along the extension of the one fold and thrust fault system to the east, with similar age of SGFS.

Gold mineralization at SGGP has occurred as infill of brittle fractures within favourable host rocks such as zones of silicification and mafic units. Brittle fracture has occurred within these zones in response to local extensional tectonics created by the intersection of different trending faults, faults with dikes and changes in the attitude of the fault itself. Intense brittle fracture, silicification and quartz veining are apparent in higher grade zones. At least 3 phases of fracturing and veining can be recognised from drill core.

The gold deposits are generally hosted within basement granulite and amphibolite facies within the upper plate of a large thrust fault that defines the contact with the younger granites to the north. Pyrite is the dominant sulphide, and gold grade is directly proportional to the pyrite content. The gold at all deposits is fine, and visible gold is rare. Other potentially deleterious elements are in low concentrations.

The northeast trend to the mineralization is apparent within the granites to the north of the main thrust, where the Sobresaliente and Castrillón deposits are located. These deposits are approximately 5km and 7km north of the San Gregorio mine site respectively.

5.1.11 Drilling

Drilling by Previous Owners

Drilling by Crystallex was by a combination of RC and DC drilling methods. No quality assurance information regarding the Crystallex drilling is readily available, however it appears to have been undertaken to expected industry standards. In the case of San Gregorio, good data reconciliation between Crystallex's drill holes and ore control during production supports the incorporation of its data with that of OMI.

Drilling by Current Owners

Exploration and resource drilling by Orosur is mostly a combination of RC and core drilling methods. The proportion of each method is determined by the availability of drill rigs, the type of information sought, the specific area of the deposit being drilled and the stage of resource definition of the deposit. Historically, the ratio RC:DD is 3:1.

As mineral deposits are delineated, drill holes are designed to cut as close to perpendicularly to the known or estimated mineralized feature being investigated. Normally this is a vein and or structure. Obviously, practicalities of total drill hole depth and workable drill hole angle lead to variations from true perpendicular intersections. This is appropriately managed by industry standard use of cross sections, three dimensional geological software interpretation, evaluation and resource modelling.

Normal practice at the SGGP has been to drill deposits for reserve definition on 25 meter sections along strike. Nominal drill spacing down dip is 25 meter at least to a depth of 200 meter and then at 50 meter spacing. Grids on exploration drilling are normally 100m by 100m to 50m by 50m spacing.

Use of RC pre-collars has been put into practice for deeper ore intersections of >150 meters or on narrow vein mineralization to cut costs and speed up the resource delineation process. Pre-collars are drilled with RC rigs and later entered and completed with a diamond drill.

Diamond core is orientated with Reflex ACT™ instrument wherever possible. Core is drilled at diameters of NQ and HQ, 47.6 and 63.5 mm respectively, with a preference for HQ due to the larger sample. RC drilling utilises conventional and face sampling hammers with a diameter range of 4.75 to 5.5 inches. Both RC and diamond holes case the overburden with 6 inch steel pipe while drilling and later leave PVC pipe to mark the collar and attempt to leave the hole open until a program has been finalized at which point a cement "block" is placed on the collar to seal and mark the hole. Relevant hole identification data are written on the PVC pipe and later on the cement block.

Drilling completed as of October 1, 2012:

- RC (RCPC): 4,621 holes (284,163 m)
- DD: 809 holes (106,049 m)
- Rab: 1130 holes (8,155 m)
- **Total: 6,560 holes (398,367 m)**

Drilling completed from September 1, 2012 to August 27, 2013:

RC: 139 holes (10,963.70 m)
DD: 21 holes (3,299.00 m)
Precollars: 24 holes (1,621.60 m)
Rab: 46 holes (1,123.50 m).

Sampling Method

DC sampling approximately averages 1 meter in length but less than 0.3 meters and not more than 2 meters in length and are defined by geological features and especially mineralization. Half core is sent for assay following cutting of the core lengthways using a diamond saw perpendicular to the main mineralizing fabric. The DC sampling is considered conventional and appropriate.

RC sampling is undertaken using 1 meter lengths. The dry sample intervals are weighed in the field and then split using a Gilson™ splitter to a nominal weight of 3-5kg, which is sent to the laboratory for preparation and assay. All wet samples are split using a hydraulic wet splitter and collected in micropore bags. The remaining sample material is left at the drill site in marked bags until the chemical analysis has been completed and the data has past the Quality Assurance / Quality Control ("QA/QC") validation process.

Independent reviewers have determined that RC sampling methods adopted by OMI are appropriate and are being undertaken to accepted industry standards. OMI notes that wet RC sampling can be problematic and may result in unreliable assays. Historically, limited twinned RC and DC holes over known wet intersections have demonstrated reasonable agreement. During October 2012 Magri Consultores performed an audit on sampling and QA/QC procedures at San Gregorio, satisfactory results were obtained from this audit and corrections were made were necessary. The audit was supplemented with a sampling and QA/QC seminar for the team of geologists.

Sample Preparation and Analysis

Sample preparation and analyses are undertaken at an on-site laboratory owned by OMI and operated by OMI laboratory personnel, using conventional and appropriate methods. In August 2006 an extension to the laboratory was commissioned with new equipment and is treating approximately 450 samples and completing 850 assays per day. The laboratory handles grade control samples, environmental samples and all metallurgical samples, in addition to the exploration and resource drill samples. The exploration samples are run at different times than the production samples and fired in separate ovens. Samples are received and dried in electric ovens prior to crushing in a jaw crusher to P85 10#. The crushed samples

are split to approximately 1kg prior to pulverising. Coarse rejects are stored for approximately 1 month and then discarded. The samples are milled in a Labtech Essa LM2 to a particle size of P95 150#, and the resulting pulp is split to produce a final pulp for assay of approximately 100g. The remaining pulp material is stored on site in an appropriate facility.

Gold analyses are undertaken by conventional fire assay methods using a 30g charge, which is weighed on an electric balance. The pulp charge is mixed with flux in the fire pot and fired in a gas furnace at 1,000°C for 1 hour, followed by cupellation in a gas cupellation furnace, also set at 1,000°C for 1 hour. The resulting prill is digested in dilute hydrochloric and nitric acid over a hot plate prior to final analyses for gold and silver using one of two AA 240FS and two Spectra AA-55B Varian atomic absorption spectrography ("AAS") machines.

A separate room is used for gravimetric analyses as a check on high grade AAS results from operations.

Quality Assurance and Quality Control ("QA/QC") Procedures

OMI routinely submits duplicate, blanks and standard reference samples to the laboratory with the drill samples.

RC field duplicates, comprising a second sample split made at the drill rig, are collected at a frequency of 1 in 15 and submitted to the laboratory sequentially with the original sample batch. DC duplicates, comprising of half core, are taken at a frequency of 1 in 40.

Blank material sourced from a local quarry is submitted at a frequency of 1 in 20 samples.

Three internal OMI standards are inserted into the sample stream at a frequency of 1 in 40. Also three Rocklab™ standards are used randomly and inserted into the sample stream in place of the internal standards as a further check of laboratory accuracy. The quality control samples are closely monitored and any batch containing a failed QA/QC sample is re-assayed.

The laboratory quality control procedures include duplicate assays of a second 100g pulp split undertaken at a nominal frequency of 1 in 20 (pulp duplicates), and second splits made following primary crushing at a frequency of 1 in 10 (preparation duplicates). A barren quartz sand wash is passed through the ring mills between each sample and all crushing, milling, weighing and splitting equipment are cleaned thoroughly with compressed air. The laboratory also includes a blank and 3 standard reference samples to monitor accuracy on a daily basis, and a single blank is inserted into each batch.

The AAS machines are calibrated every time they are turned on using gold solution standards. The electric balances are calibrated daily and serviced monthly. The plastic acid dispensers are checked daily and replaced after 6 to 8 months.

Check assays on pulps are routinely performed at the independent external laboratories of Alfred Knight in Lima, Peru and ACME in Santiago, Chile. Additional checks are performed by American Assays in Reno, Nevada. All these laboratories are certified to international standards.

The following is an excerpt of Section 4.3 of Golder Associates' internal report to OMI entitled "Resource Estimation Update for the San Gregorio Deposit, Uruguay" dated August 2007.

It is considered that the laboratory's internal quality control procedures are industry standard and appropriate.

Golder considers that although precision levels could be improved, for this type of gold deposit the assay data available have acceptable levels of precision for the purpose of resource estimation.

More recently, as referenced in the Technical Report, it was noted in the Smee and Associates Consulting Ltd.'s internal report entitled "A Review of Control Data, Arenal Project Drilling, San Gregorio Mine, Uruguay, February 2010":

The Arenal project has had a program of analytical and sampling quality control in place for the current resource drilling program that meets or exceeds the requirements of NI 43-101.

The authors of the Technical Report concur with previous opinions that the analytical data are suitable for use in NI 43-101 compliant resource estimation.

Data Verification

The initial recording of all data is generally in hardcopy on formats prepared for the type of information being collected. The second phase of data recording is the manual transferral from hardcopy to Century System™. Various validations and checks exist in Century System that will not allow the entry of erroneous data. The importation of all geochemical results is controlled by queries set up in Access™, eliminating any “copy and paste” errors. An automatic link exists between Access™ and Micromine™, again eliminating any “copy and paste” error.

Data verification is performed in many ways, including visual checks of the results by geologists, validation checks in Micromine™ and engineers using computer software and hardcopy printouts during geological interpretation, geostatistical evaluation and geological model interpolation.

Security of Sample

Transport of core boxes to the core shed is done by company personnel managing the drill program or by the drilling supervisor. Core-handling logs are completed that include details for all persons involved in any step during the logging and sampling procedures.

Samples are always attended or locked at the core shack or laboratory. Chain of custody procedures consist of filling out sample submittal forms that are sent to the laboratory with sample shipments to make certain that all samples are received by the laboratory.

Half-cores are stored on site in a core storage warehouse. Pulps and coarse rejects are also stored on site. Field coarse rejects with gold values greater than 400ppb are kept and stored in the core storage warehouse.

Core rejects from laboratory preparation are stored for three months. Samples are discarded after that period of time. All of the pulps are stored in boxes according to the sample batch. These are stored at the core storage warehouse indefinitely.

Different user permissions have been set up in Century System to reduce the possibility of data errors/deletion/manipulation. To minimize the impact of erroneous data, efforts are made to limit data storage to single source files with limited personnel having access to them. Whenever errors are encountered, they are corrected on the source files. Appropriate automatic computer back-ups are performed of all source files.

5.1.12 Mineral Resource and Mineral Reserve Estimates

The following is an update of OMI’s mineral resources and mineral reserves as at May 31, 2013 (see tables below). These mineral resources and mineral reserves, as well as the terms used in this disclosure, are fully compliant with NI 43-101 requirements and CIM Definition Standards. All open pit mineral resources and mineral reserves are quoted at a cut off of 0.5 or 0.4 g/t Au. The underground mineral resources for Arenal Deeps is quoted at a cut-off of 1.5 g/t Au and for mineral reserves at a cut-off of 1.3 g/t Au.

All mineral reserves have factors for dilution and mining recovery applied.

Mineral resources and mineral reserves at the SGGP are largely affected by gold price and operating costs. The effect of this on mineral resources and mineral reserves had an impact during this period, caused by the significant lower gold price and a subsequent reevaluation for an US \$ 1,100 scenario for San Gregorio, Sobresaliente, Picaflor and Vaca Muerta and US \$ 1,300 for Veta Sur.

San Gregorio has a long production history treating ores sourced from a variety of deposit types in the area. As a consequence the metallurgical response is well understood and no future adverse affect on mineral resources and mineral reserves is anticipated. Similarly no adverse affect is anticipated for issues of environment, permitting, legal, title, taxation, socio-economic, marketing or political.

Table 5-5 Mineral Resources at Orosur's San Gregorio Project

Deposit				Measured Resources			Indicated Resources			Total Measured and Indicated			Inferred Resources		
	QP	Notes	cut off	Tonnes	Grade	Contained	Tonnes	Grade	Contained	Tonnes	Grade	Contained	Tonnes	Grade	Contained
			(g/t Au)	(000's)	(g/t Au)	Ounces	(000's)	(g/t Au)	Ounces	(000's)	(g/t Au)	Ounces	(000's)	(g/t Au)	Ounces
Underground Resources															
Arenal Deepes	MDA	*2	1.5	685	3.57	78,673	1,084	3.89	135,744	1,769	3.77	214,416	61	3.99	7,885
Total				685	3.57	78,673	1,084	3.89	135,744	1,769	3.77	214,416	61	3.99	7,885
Open Pit Resources															
San Gregorio	MDA		0.5				4,656	1.30	194,533	4,656	1.30	194,533	966	1.10	31,180
Santa Teresa	OMI		0.53	38	0.89	1,091	8.3	0.65	174	46	0.85	1,264	0.59	0.63	12
Ombú	MDA		0.5				409	0.99	13,000	409	0.99	13,000	29	0.93	1,000
Veta A	MDA	*	0.5				428	2.00	27,000	428	2.00	27,000	38	1.40	2,000
Veta Sur	Devin den Boer		0.4	36	1.63	1880	131	1.43	6,000	167	1.47	7,880	76.7	1.54	3,790
Sobresaliente	MDA-OMI		0.7	106	1.63	5,543	952	1.26	38,691	1,058	1.30	44,233	165.44	1.13	6,018
Picaflor	OMI		0.86	31	2.06	2,018	79	2.17	5,534	110	2.14	7,552	24	2.26	1,767
Vaca Muerta	MDA		0.7				470	1.47	22,218	470	1.47	22,218	54	1.34	2,305
Stockpiles - High															
Stockpiles - Medium															
Stockpiles - Low															
Total				895	3.10	89,204	8,218	1.68	442,893	9,113	1.82	532,097	1,415	1.29	55,957

Note: Mineral resources are not mineral reserves and do not have demonstrated economic viability.
Resource Quantities for the Arenal Deepes and for the Open Pits mined during the last Fiscal Year have been updated by reducing the mined volumes determined by the mine topographic survey as of 31st May 2013 from their respective resource quantities presented in the year before.

Table 5-6 Mineral Reserves at Orosur's San Gregorio Project

01-Jun-13				Proven Reserves			Probable Reserves			Total Proven and Probable		
Deposit	QP	Notes	cut off	Tonnes	Grade	Contained	Tonnes	Grade	Contained	Tonnes	Grade	Contained
			(g/t Au)	(000's)	(g/t Au)	Ounces	(000's)	(g/t Au)	Ounces	(000's)	(g/t Au)	Ounces
Underground												
Arenal Deep	OMI*		1,3				1.194	2,88	110.416	1.194	2,88	110.416
Open Pit Reserves												
San Gregorio	OMI		0,6				830	1,95	51.990	830	1,95	51.990
Veta Sur	OMI		0,4	25	1,55	1.244	28	2,16	1.945	53	1,87	3.189
Sobresaliente	OMI		0,9	39	1,98	2.512	16	1,45	734	55	1,83	3.246
Picaflor	OMI		0,9	15	2,19	1.031	25	2,26	1.830	40	2,23	2.861
Vaca Muerta	OMI		0,96				171	1,94	10.629	171	1,94	10.629
Stockpiles - High				806	3,56	92	-	-	-	-	-	-
Stockpiles - Medium				91527	0,62	1.825						
Stockpiles - Low				41610	0,58	776						
Total				134.022	0,63	7.480	2.264	2,44	177.545	2.343	2,42	182.331

General Notes:

Totals may not be exact due to rounding
Mineral Reserves are completely within the stated Mineral Resources with mining factors applied.

Mineral Reserves are in situ as at 31 May, 2013
Mineral Resources are current as 31 May, 2013
UG Mineral Resources are completely stated OP Mineral Resources (where relevant)

Deposit Specific Notes:

Veta A Resource includes 336 kt"1.94 g/t under the operating Tailings Storage Facility

Qualified Persons (QP) for respective reporting of Mineral Resources and Reserves

Orosur Mining Inc. (OMI):

QP for Mineral Resources Devin den Boer (P. Geo) External consultant (Ex OMI employee)
QP for Mineral Resources and Reserves Francisco Castillo (RM CMC)
QP for Geology Walter Muehlebach (RM CMC)

Mine Development Associated (MDA):

QP for Mineral Resources Steven Ristorcelli (C.P.Geo) and Peter Ronning (P.Eng.)

5.1.13 Mining Operations

Open Pit Mining

Open pit mining is by conventional open pit methods, using drill and blast techniques to break the rock, and then load by excavator on to 50 tonne trucks for transport to corresponding destinations. Historically, mining and hauling from satellite pits around San Gregorio was performed by contractors with smaller mining equipment to match the equipment size to the size of the pits. Over the past years contractor mining of satellite pits and ore haulage was becoming a significant cost item for the Corporation. Orosur elected to acquire its own fleet of smaller mining and haulage equipment. Total capital expenditure to acquire this fleet was approximately USD 4.5 m and was funded by a leasing contract to be repaid in 36 months. Payback for the investment is estimated to be around 24 months. New mining fleet is comprised of:

- 6 Volvo FH 370 6x2 haul trucks.
- 8 Volvo FMX 400 6x4 mining trucks.
- 3 Komatsu PC450 excavators.
- 2 Komatsu WA320 Front End Loaders
- 1 Fuel truck

In 2013 fiscal year, approximately 68 % of the material was moved using the Komatsu off-road fleet, 13 % with the new Volvo fleet and 20 % with contractors. The amount of material moved with contractors was slowly reduced until reaching 0% by the end of 2013 fiscal year. In the 2014 fiscal year, about 18 % of the material will be moved using the Volvo fleet and the rest with the Komatsu fleet.

A heavy vehicle crossing over the Corrales Stream enables direct ore transport between Arenal, Zapucay and the process plant. On average, this crossing is flooded several times per year for periods up to 4 days. It is easily restored within a day of subsiding water levels.

The treatment plant is a conventional carbon in leach (CIL) plant built in 1996, and comprises primary crushing, followed by a SAG mill and a ball mill. A two-stage pebble crusher has also been installed to deal with scats produced by the SAG mill. Gold production from this plant is mostly a function of the head grade of the ore. The plant averages approximately 93% recovery, and up to 2013 fiscal year it was treating about 1.5 to 1.6 million tonnes per year. Throughput will decrease to about 0.8 to 0.9 million tonnes per year as a result of the lower tonnes (and higher grade) coming from the Arenal mine. A gold-silver dore is produced on site with silver content varying between 45% and 60%. Dore is refined under contract by a refinery in Europe and sold at prevailing market conditions.

Historical production from the SGGP is shown in Table 5-7 below.

Table 5-7: Production statistics for the past five years of operation:

	Unit	Fiscal year ended May 31,				
		2013	2012	2012	2010	2009
Open pit ore mined	Tonnes	1,129,381	1,553,081	1,050,772	1,878,004	1,949,103
Open pit waste mined	Tonnes	8,003,069	6,187,007	6,692,586	10,006,996	10,874,993
Ore processed	Tonnes	1,527,191	1,619,510	1,535,467	1,531,476	1,361,617
Gold produced	Ounces	64,997	55,458	55,817	56,050	70,147
Gold grade	Au/t	1.41	1.15	1.22	1.22	1.73
Recovery	%	93.8%	92.8%	93.4%	93.4%	92.7%

Note: OMI has operated the San Gregorio mine since 1 October 2003.

Open pit mining at Arenal concluded in April 2009 and the bulk of future ore supply is derived from cut-back expansions of existing open pits and the Arenal Deeps underground mine. Ore sources in the 2013 fiscal year were Sobresaliente (15%), Zapucay (20%), Arenal (32%), Santa Teresa (23%) and Crucera (10%). New pit excavation at Sobresaliente and Vaca Muerta is planned for the 2014 fiscal year.

Operations are performed in strict adherence to local and international environmental standards. The operation has never suffered any significant unplanned discharges or non-compliance with environmental requirements and management systems are in place to control and monitor performance.

A life of mine production schedule has been developed by Orosur for the remaining of the mine life, with the use of Gemcom consultants out of Santiago in Chile.

The Corporation's forecast production for the 2014 fiscal year has been affected by recent drop in the gold price and is 50,000 to 55,000 ounces of gold, of which 73 % will come from Arenal Deeps, with the remaining coming from Sobresaliente and Vaca Muerta deposits. The reader should note that due to the dynamic nature of the SGGP's evolving mineral resources and mineral reserves, changes are being evaluated on a routine basis.

Additional targets, not included in the plan, will be drilled during fiscal 2014 with the expectation of maintaining production levels beyond fiscal 2014 with a minimum target production level of 50,000 ounces per annum. Brownfield exploration budget for 2014 fiscal year includes 6,500 m in the San Gregorio district, 2,500 m in the Sobresaliente district and 3,000 m in the Zapucay district. Also, a number of existing open pits are being assessed to their potential for developing underground projects as happens to Arenal Deeps. For instance, Argentinita, Ombu and San Gregorio are known to have resources at the bottom of the existing pits. The economic aspects for developing these projects have yet to be confirmed.

Due to the SGGP being a historically proven and currently viable enterprise, the applicable economic, regulatory and taxation regimes are well known and incorporated into the business. With the termination of the Arenal underground development and the construction of phase 2 of the new TSF, the only capital expenditure required is that of sustaining the current operations including the pre-stripping of mineral reserves. In that perspective, the payback period of sustaining capital is generally less than 2 years

5.1.14 Underground Mining – Arenal Deeps

- On the basis of the estimated mineable envelope and considering everything as mineable mineral, the mine planning was developed with mineral reserves that account for 1.568 Mt of mineable mineral, with an average grade of 2.87 g/t and 145,000 oz of contained gold. The table below shows the details of the Mineral Reserves published as part of the Arenal Feasibility Report released in 2010.

Table 5-8: Probable Mineral Reserves

Method	Tonnes (t)	Grade (Au g/t)	Contained Gold (oz)
IRP	276,000	2.53	22,000
TS	830,000	3.23	87,000
<i>Probable Mineral Reserves in Stopes</i>	<i>1,106,000</i>	<i>3.06</i>	<i>109,000</i>
Development	462,000	2.38	35,000
<i>Total Probable Mineral Reserves</i>	<i>1,568,000</i>	<i>2.87</i>	<i>145,000</i>

Notes to accompany Mineral Reserve Table:

- Underground Mineral Reserves are confined to designed stopes;
- Mineral Reserves are reported using a gold price of US\$850/oz;
- Tonnages are rounded to the nearest 1,000 tonnes, grades are rounded to two decimal places;
- Tonnage and grade measurements are in metric units.
- Development is low-grade development material that must be mined while extracting the mineral reserves

Mine Design

The proposed underground mining operation assumes two mining methods, inclined room-and-pillar (IRP) and transverse stoping (TS).

The cut-off grades are based on costs estimated for mining, haulage (underground and to the ROM), mill, tailings, and general and administrative (G&A) costs. These cut-off grades were used to create the three-dimensional shapes for the stopes using Vulcan® software. The cut-off grade for the TS case was determined at 1.3 g/t Au; that for the IRP case was 1.5 g/t Au. Development material was reported above a marginal cut-off grade of 0.8 g/t Au.

Both of the mining methods considered for underground mining produce varying dilution and recoveries. The TS method produces an estimated 8% dilution due to overbreak. Pillars between the stopes amount to 20% of the TS mining volume. The IRP method produces an estimated 5% dilution due to overbreak. Pillars between the stopes amount to 24% of the IRP mining volume.

Material that was encountered in drifts that were required to be developed to access the stopes were reviewed, and mineralization that was above a marginal cut-off grade of 0.66 g/t Au that fell within the design area of the drift was considered as development material. This material was included in the mineral reserves.

The TS method consists of primary and secondary stopes. Primary stopes measure 50 meters long by 20 meters high by 20 meters wide. Secondary stopes have the same maximum dimensions, but include a 6 meters internal pillar. An 8 meters wide pillar is located between the primary and secondary stopes. The pillars allow backfill material to consist solely of waste rock, without requiring any cement. The primary stopes have a drill drift driven along both side of the stope. The secondary stopes reduce the amount of development by only developing one central drill drift for each stope. Mining commences in the central primary stope on the lowest mineralized level and continues in adjacent primary stopes. A 50 meters long stope will be immediately backfilled following mining. Backfill is dumped from the drill drift into the empty stope using a load-haul-dump (LHD) unit. Following completion of the primary stopes, mining of the adjacent secondary stopes commences. This pattern of extraction will continue vertically until the mineralized zone is depleted.

The IRP method is used along the footwall of the ore zone where the ore is on average less than 10 meters thick. The method uses a production drift, which is driven to the end of the ore zone. These production drifts are driven up to 8 meters wide with a shanty back on the hanging wall side of the drift to minimize overcut dilution. Once the production drift is complete on the level, the stopes (above the production drift) are then mined retreating toward the level access drift. The stopes, between the development levels, are 7.5 meters high by 15 meters long, followed by a 10 meters long pillar. The pillar ensures stability of the area without the need for backfill, which helps keep the operating costs low for this mining method.

Mine access is provided via the portal located near the bottom of the existing open pit. The mine decline serves as the primary access point for the underground workings. In addition to serving as the primary production haulage route, the decline is also the sole means for distributing fresh air to various levels in the mine.

The main decline portal is the primary means of egress over the life of the mine. Secondary egress is out the ventilation raise to surface from the -20 level. All main level accesses will have a vent station to connect the ventilation raises between levels.

Level development includes all lateral development off the decline used to access the IRP mining horizons and the TS stopes. Due to the combined use of IRP and TS mining methods, the main accesses are spaced every 25 meters vertically. This spacing is based on two IRP mining horizons. The IRP is mined along the footwall of the ore zone. This requires all of the accesses for the transverse stopes to be driven "through" the IRP areas. The IRP is mined on 12.5 meters vertical horizons. The decline is therefore designed to access every second IRP mining horizon with a central access. The offset mining horizon is then accessed for either end of the decline. Truck loading arrangements are at each main level access.

Pump stations are planned for levels -70, -145, -220, and -245 masl. Every other main access has a sump station to collect water draining from the level. Drain holes from the sumps will direct the water down to the next pump station. The overall objective of the dewatering system is to provide a robust, reliable, and economic pumping system.

Ventilation design is based on providing sufficient airflow to specific mining locations to dilute contaminants to acceptable exposure limits. The ventilation system is designed to be a pull system, with the main exhaust fan creating negative air pressure at the mine entrance. All the mine's return air raises are connected at each main development level from the -245 level up to the -20 level. From the -20 level the main vent raise exhausts the air to surface.

A 1,200 cfm capacity compressor is located on surface outside the portal to supply the maintenance pad and the mine. Onboard compressors on the drill jumbos and production drills have sufficient capacity to allow these units to operate without additional compressed air requirements. It is assumed that the raise contractor will supply a portable compressor required to operate the raise climber.

Powder and cap magazines are included in the mine design. The magazines are located underground along a bypass drift parallel to the main decline approximately 200 m inside the portal.

Power is supplied to the underground mine by means of a 15 kV high-resistance grounded system. The total estimated underground production loads peak at 2,092 kW during Year 3. Power is provided by two (independent) cable feeders, routed separately, and operated redundantly. The portal power system is provided by a 15 kV/4.16 kV system, utilizing a 3 kVA transformer. Mine load centers (MLCs) are located at the -70, -145, -195, and -220 levels. The MLCs feed power to production and development equipment and are heavy-duty, skid-mounted power supplies, similar to unit substations. The MLCs are 380 V, which feeds jumbos, bolters, ventilation fans, portable compressors, and auxiliary pumping needs.

Figures 5.1.14 (i) and 5.1.14 (ii) show sections through the mine from the north and west, respectively.

Figure 5.1.14 (i): Mine 3D View, Looking North

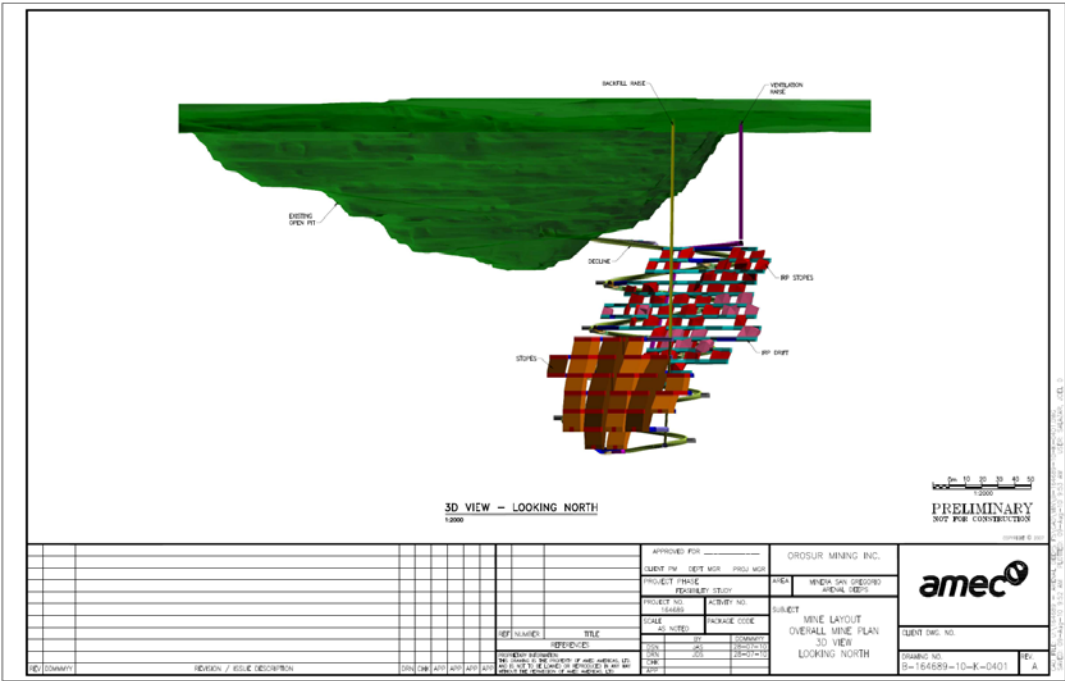


Figure 5.1.14 (ii): Mine 3D View, Looking West



Progress in 2012/13

- Ramp development was finished in February 2013.
- Total development (ore and waste) during 2013 fiscal year was 5,133 m.
- Total ore production was 327,770 t @ 2.19 g Au/t. Out of that, 126,330 t came from development and the remaining from TS and IRP stopes.
- First contribution to mill feed from the transverse stopes occurred in April 2013. The gold grade in this first stope (4.55 g/t) was above expectations.
- Back-Fill Raise (226 m @ 2.44 m diameter) was finished in April 2013.

5.1.15 Exploration and Development

Current exploration programmes are focussed on the Isla Cristalina District and the highest priority for exploration and development for the Company was near mine exploration and the study of remnants to add short term production and to extend the life of the San Gregorio mine. Exploration and development activities accomplished during 2012 - 2013 include:

- **Remnant Sobresaliente**

At Sobresaliente, 6 kilometers from the mine, the North zone is in production with good reconciliation given the recent infill campaign which comprised 48 holes for 4,477 meters of drilling. Drilling is continuing in the Sobresaliente Central extension and has resulted in good intercepts that are expected to develop a geological model to support the feasibility to proceed to its exploitation during FY2014. This is additional production to the current mine plan. A table of drill results (mineralized intercepts @ 0.5 g/t cut off) at Sobresaliente is accessible at: http://www.orosur.ca/isla_cristalina_belt

- **Near mine Argentinita**

At Argentinita, 29 kilometres from the mine, 75 holes (4,789 metres) were drilled to investigate the potential to increase its resources. The results are very encouraging and show good potential for extensions of the mineralization. More drilling will be required to define additional resources in this zone. The Company is evaluating the underground potential in Argentinita on the basis of these initial results.

- **Near Mine and Development Vaca Muerta**

At Vaca Muerta, the geological model was re-evaluated and 1,700 metres of infill drilling and exploration have been included in the plan for Q2 of fiscal 2014, with the objective of extending the mineralization and re-categorization of resources. The Company expects to exploit Vaca Muerta in the second half of fiscal 2014.

- **Arenal Deepes**

A project for the recovery of pillars in the Arenal Deepes transverse stopes started in May 2013 and is under development by AMEC Consulting. Preliminary results will be available during the second quarter of FY2014. A positive outcome would increase the Arenal resource by about 10,000 to 15,000 oz Au. Any production from these pillars is additional to the Company's current budget. Mineralization down plunge, below the currently defined ore body, is evident in historical data and drilling is planned to define additional resources.

- **Mahoma**

44 drill holes equal to 4,530 meters were completed at the Mahoma project during the first half of 2012/13, approximately 400 kilometres from the San Gregorio mine. This included 1,560 metres of diamond drilling and 2,970 metres of reverse circulation drilling. A Scoping Study was finalized by South American Management S.A. (SAMSA) to update the resource for the Mahoma Project. This considered only the east and west zones of the project, as those are the main mineralized bodies. The South and Central zones were not evaluated. At a 1g/t Au cut-off, the results were a total indicated mineral resource of 162.3 kt @ 1.58 g/t for 8,222 oz Au; with a further 132.9 kt @ 1.61 g/t gold, for 6,861 oz Au in the inferred category. The results obtained did not reflect the expectations raised by the historical data taken on shallower zones. In the lower gold price scenario, Mahoma, located more than 400 km away from the Plant, ranks below the near mine projects in terms of priority, so no additional drilling has been included in the FY2014 and the Resource definition NI 43-101 report has been postponed.

-

- Rock and soil sampling as well as mapping was completed at Laureles, Santa Barbara, , Mina Peru, around Sobresaliente, Sapucay, Rincón de los Castillo. Geophysics (ground mag) was performed at Arroyo Laureles and Rincón de los Castillo. Project pipeline for future drilling is build up on the ranking of this projects.

- **Presidente Terra**

Surface mapping and sampling was carried out at Presidente Terra Central. The results don't justify an additional drill program for this project.

5.2 EXPLORATION IN CHILE

OMI currently has three key projects in Chile: Pantanillo, Anillo and Talca. During fiscal 2012 - 2013 drilling was completed on Pantanillo and Anillo.

5.2.1 Pantanillo Norte Property, III Region, Chile

On October 15, 2010, the Corporation filed the technical report titled "*Orosur Mining Inc. Pantanillo Norte Property, III Región, Chile NI 43-101 Technical Report*" dated effective July 9, 2010 (the "**Pantanillo Technical Report**") on the System for Electronic Document Analysis and Retrieval at www.sedar.com ("**SEDAR**"). An updated version of this Technical Report has been filed to SEDAR on June 5, 2012, dated effective 27th April 2012, containing the findings of a Preliminary Economic Assessment done on the project.

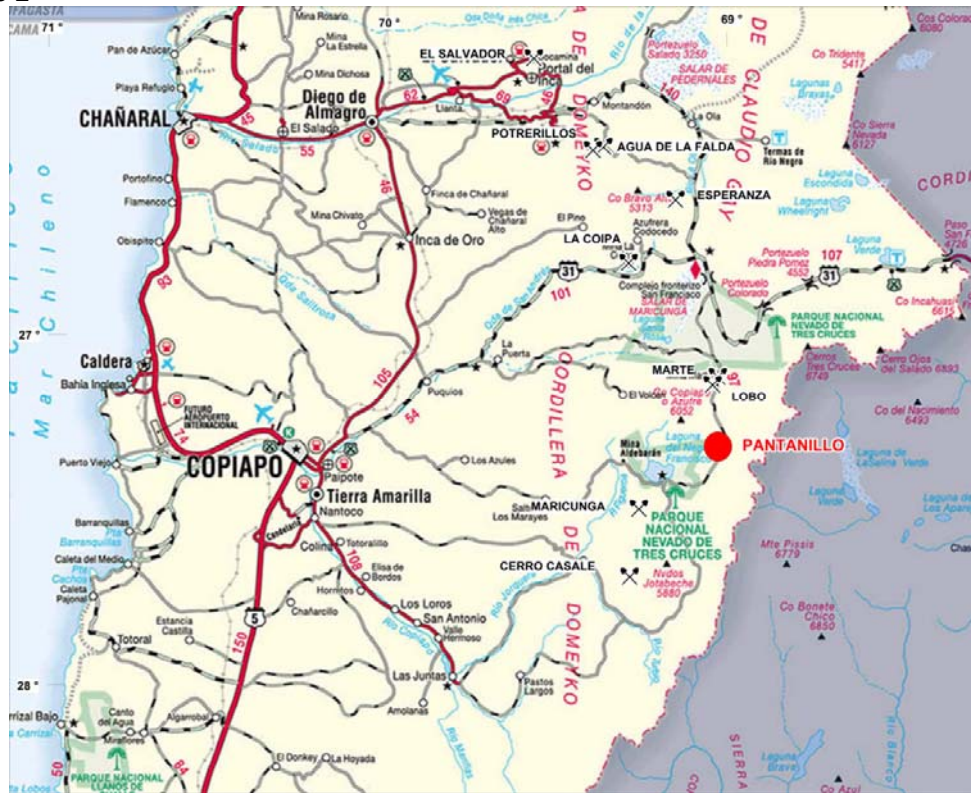
The following information is derived from both Pantanillo Technical Reports which were authored by Amando Simón, Paula Larrondo, Joyce Maycock in the first version and by Dr. Armando Simon, MAIG, R.P. Geo, Ms María-Angélica González, RM CMC, Mr Marcelo Hernando, RM CMC, Ms Joyce Maycock, P.Eng, Mr Hans Göpfert, RM CMC. And Mr Dan Russell, P.Geo. on its updated version all of AMEC International Ingeniería y Construcción Limitada and each of whom is a "qualified person" as that term is defined in NI 43-101, and was prepared in accordance with the requirements of NI 43-101.

This section has also been updated by the Corporation to the date of this AIF by its COO, Luis Tondo, also a "qualified person" under NI 43-101. A complete copy of the Pantanillo Technical Report, portions of which are quoted verbatim or paraphrased herein, is available for inspection upon request from the Corporation's head office, as well as on SEDAR.

5.2.2 Project Description and Location

The Pantanillo property is located in the Maricunga district, Tierra Amarilla Comuna (borough) III Region, Northern Chile, 125 km due east of Copiapó, the Region's capital, at an altitude of between 4,000 and 4,600 m above sea level. Copiapó is the centre of a mining district in which various multinational companies are active in exploration and/or developing mining (Figure 5-2). Figure 5-2 below shows the general location of the Pantanillo Property.

Figure 5-2



5.2.3 Property Title in Chile

Chile's mining policy is based on legal provisions that were enacted as part of the 1980 constitution. These were established to stimulate the development of mining and to guarantee the property rights of both local and foreign investors. According to the law, the state owns all mineral resources, but exploration and exploitation of these resources by private parties is permitted through mining concessions, which are granted by the courts.

The concessions have both rights and obligations, as defined by the Constitutional Organic Law on Mining Concessions (JGRCh, 1982) and the Mining Code (JGRCh, 1983). Concessions can be mortgaged or transferred, and the holder has full ownership rights and is entitled to obtain the rights of way for exploration and exploitation. In addition, the concession holder has the right to defend his ownership against state and third parties. A concession is obtained by a claim application and includes all minerals that may exist within its area.

During the claim acquisition process, several steps are required (application, publication, inscription payments, notarization, tax payments, patent payment, lawyer's fees, publication of the extract, etc.) before the application is finally converted to a declaratory sentence by the court constituting the new mineral property. A full description of the process is documented in JGRCh (1982, 1983). Many of the steps involved in establishing the claim are published weekly in Chile's official mining bulletin for the appropriate region, and court processes for opposition from conflicting claims is allowed. Most companies in Chile retain a mining claim specialist to review the weekly mining bulletins and ensure that their land position is kept secure.

5.2.4 Company Ownership, Agreements, and Mining Claims

On November 8, 2009, OMI acquired all of the issued and outstanding common shares of Fortune Valley.

Fortune Valley entered into a staged purchase agreement with Anglo American Norte S.A (“AANSA”) on October 1 2009, which grants Fortune Valley the option to purchase the mining licences covering the Pantanillo Property.

Table 5-9: AANSA Mining Properties Granted in Option or Promise to Purchase to Fortune Valley

Name	Nr. Of Claims	Type of Concession	Current Registration			Custody Office	Surface (ha)
			Page	Nr.	Year		
Cecilia 1 to 950	950	Mining	964	249	2009	Copiapó	4,750
Gabriela 1 to 1000	1000	Mining	965	250	2009	Copiapó	5,000
Guillermo Antonio 1 to 400	400	Mining	966	251	2009	Copiapó	2,000

Pursuant to the stage purchase agreement, Fortune Valley is obliged to pay AANSA a total of \$US 850,000 and to complete minimum expenditures and drilling according to the schedule presented in Table 5-10 below.

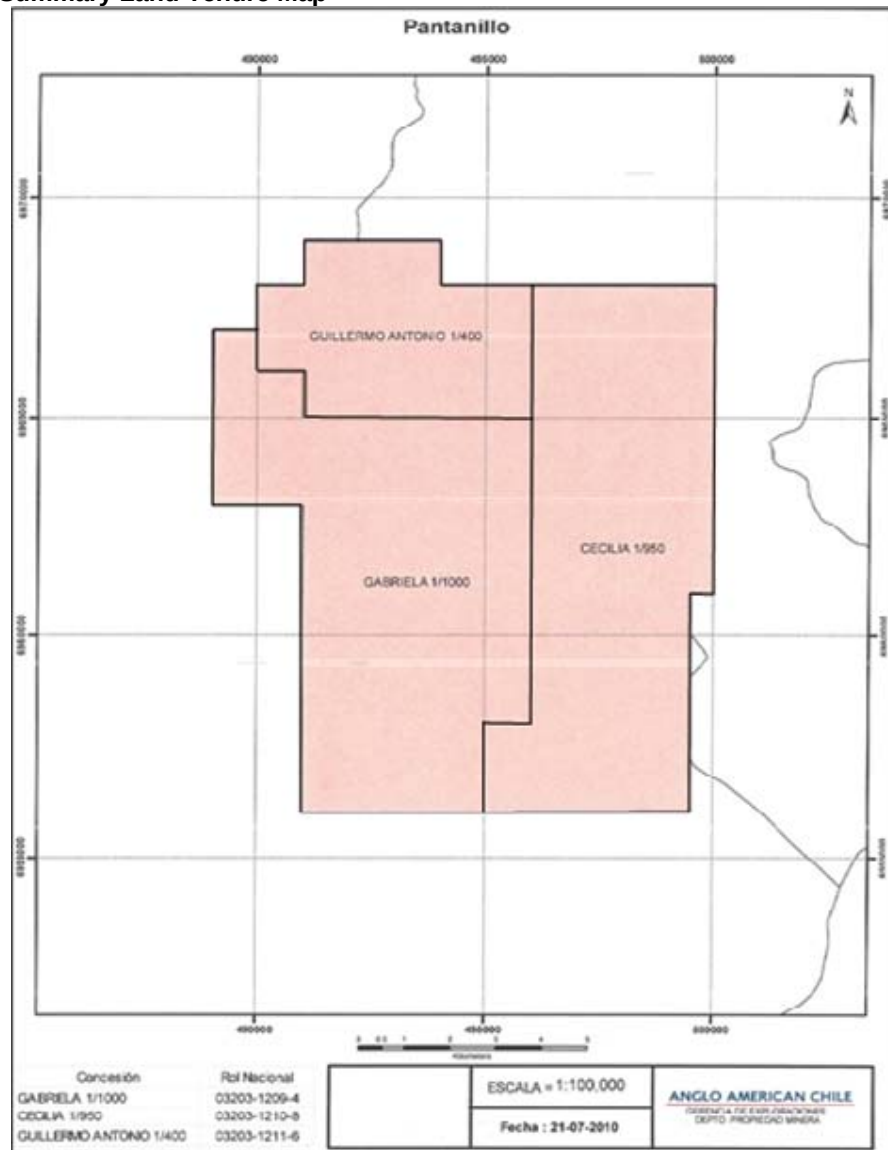
Table 5-10: Schedule of Payments and Minimum Expenditures

Purchase Considerations	Date	Option Payments	Minimum Expenditure	Minimum Drilling (m)
Cash Deposit	01/Oct/2009	\$US 100,000		
Option Payments	01/Oct/2010	\$US 150,000	\$US 500,000	1,500
Option Payments	01/Oct/2011	\$US 300,000	\$US 1,500,000	Additional 5,000
Sale Price	01/Oct/2012	\$US 300,000	\$US 2,000,000	Additional 6,000
Total		\$US 850,000	\$US 4,000,000	12,500

AANSA will receive a 3.5% net smelter return on future production from the Pantanillo property with an annual minimum royalty of \$US 612,000 in year 2014, increasing to \$US 1,000,000 for year 2015 and onwards.

The above-mentioned staged purchase agreement is not affected by the payment of royalties or other types of obligations in favor of third parties, except for the minimum payments and conditions established on the above mentioned schedule (Table 5-10). Fortune Valley has complied with all payments and expenditure obligations due by the date hereof with respect to AANSA arising from the staged purchase agreement and exercised its right to acquire the project in December 2012.

Figure 5.3 Summary Land Tenure Map



5.2.5 Surface Rights

OMI currently does not have any surface land rights in the Pantanillo Norte project area. However, in accordance with the Chilean Mining Code, any titleholder of a mining concession, whether for exploration or exploitation, would have the right to judicially impose an easement over the surface land as required for the convenient and comfortable exploration or exploitation of his/her concession. Accordingly, and as general rule, in the event that the surface property owner is not agreeable to grant the easement voluntarily, the titleholder of the mining concession may request said easement before the ordinary courts who shall grant it upon determination of the compensation for losses as deemed fit.

Other than the requirements to obtain environmental permits as discussed in section 5.2.7 OMI has full access to the tenements to conduct exploration and evaluation activities.

5.2.6 Water Rights

The Corporation is currently carrying out exploration studies aimed to discover and extract underground waters to support exploration and potentially development activities on the Pantanillo project. The underground water exploration area was granted for a two-year period by DGA Atacama Resolution N°

806, dated as of October 18th, 2011. It provides an exclusive right to explore and discover the existence of unknown underground sources of water over two polygons (957.22 has. and 4,023.07 has.) with a legal preference for the request of new water rights on the discovered sources, if any. The final application will be delivered to the DGA in October 2013.

5.2.7 Environmental and Socio-Economic Issues

The following summary is based upon Chile's Environmental Law and the regulations regarding environmental impact studies, as posted on the web site of Chile's Regional Commission for the Environment (CONAMA).

All mining projects to be executed in Chile have to comply with environmental regulations defined in Law N° 19,300 (CONAMA, 1994), which came into force in March 1994, and was modified in January 2010.

Currently, there are two ways of submitting a project for environmental approval, which depend on the potential environmental impacts. If the project will not generate significant impacts, the law only requires that an Environmental Impact Statement (Declaración de Impacto Ambiental or "DIA") be prepared; otherwise, an Environmental Impact Assessment (Estudio de Impacto Ambiental or "EIA") is necessary. The latter includes baseline studies, a complete technical description of the project, impact assessment, public hearings and environmental plans, among others.

Mining projects are generally supported by an EIA, except for exploration activities not located in wildlife conservation areas. The definition of exploration in the context of this regulation is "actions or works leading to the discovery, characterization, delimitation and estimation of the potential of a concentration of mineral substances which may eventually lead to a mine development project."

The EIA and DIA are submitted to the review of the public authority, which will take 120 days and 60 days, respectively, for the approval or rejection of the project. If the project is approved, an environmental permit is awarded and the development can commence. Usually, the approval process needs additional time to resolve the most critical questions from stakeholders.

OMI has applied for a DIA to allow for the further drilling of the project, following the anticipated publication of the first resource at Pantanillo Norte by OMI. This DIA was granted in February 2011, which permitted OMI to carry out its 2011 and 2012 exploration campaigns. In AMEC's opinion, the project development will require submission of a full Environmental Impact Statement (EIS).

An archaeological survey conducted in 2009 identified no significant heritage areas. Four "subactuales" sites (meaning unrelated to ancient cultures) were identified, which typically are required to be registered, prior to any alteration. The Project is situated in an area of environmental significance, and is adjacent to the Nevado Tres Cruces National Park, which is divided into two sectors. The larger northern sector includes the Laguna Santa Rosa and portions of the Maricunga Salt Plain, whereas the southern sector covers the area of the Laguna del Negro Francisco. The two lagoons are united by the Pantanillo-Cienaga Redonda biological corridor, and the La Gallina wetland. The sectors were classed as Ramsar sites (Wetlands of International Importance, under the 1971 Ramsar Convention) in 1996; such sites are designed to ensure the sustainable use of wetlands. An application to modify the Ramsar site boundaries was made in 2009. Under this application, the Astaburuaga River, which feeds the Laguna del Negro Francisco, would be ascribed more significance, and be included in the Ramsar designation. This area is called the "buffer" area.

The eastern side of the Project area abuts the southern sector of the Nevado Tres Cruces National Park, and all of the Project area is affected by the buffer request to add the Astaburuaga River to the Pantanillo-Cienaga Redonda biological corridor.

As a consequence, any Project development activities will require consideration of endemic flora and fauna, wetlands, Astaburuaga River, the proximity of the Project to Nevado Tres Cruces National Park, its biological corridor and proposed buffer extensions.

In Chile there are two types of permits: sector permits and environmental sector permits (PAS in the Spanish acronym). The main difference between these two kinds of permits lies in the approval process. The first type (sector permits) are sent directly to the sector authorities, no matter what the reason is for

submitting the project for environmental evaluation. By contrast, the PAS are evaluated during the evaluation stage of an environmental impact study or environmental impact statement.

Main sectorial environmental permits included in the Supreme Decree No. 95/01 that can be applicable to this type of activity are: cultural heritage, groundwater extraction, mining activities, liquids and solid waste, industrial grade and soils use, natural resources, and hydraulics works.

The PAS are listed in Articles 68 to 106 of the Environmental Assessment Regulation (DS 95). Once the study is approved, these PAS must be submitted to each competent authority, this time for a technical evaluation.

No detailed closure plan has been prepared; however, for the purposes of financial analysis for the project, AMEC has allocated \$6M for closure costs. A closure cost study is recommended to determine the actual amount which may be required for posting of a closure bond.

5.2.8 Mineral Royalty Law in Chile

In 2005, the Chilean congress passed Law 20,026 (Royalty II), a tax on operating income derived from the sale of mineral products, both metallic and non-metallic (MEFR, 2005). The law established a sliding tax, depending on the value of total sales measured in copper equivalent, ranging from 0.5% to 4.5% for sales exceeding the value of 12,000 t Cu but less than 50,000 t Cu (medium and small mining operators). For large operators, those with sales exceeding 12,000 t Cu, a flat 5% was fixed.

Companies with new investments of US\$50 million or more have the option of signing a 15-year tax-stability pact with the state, which will include the new sector-specific tax.

Companies with current mining investments protected under Chile's DL 600 foreign investment law (MEFR, 1993) have the option of waiting for their DL 600 contracts to expire, after which time their investments will be subject to the 5% mining tax. However, if these companies choose to renounce their DL 600 status, they will face a 4% mining tax during the next 12 years, and keep the benefits of accelerated depreciation until the end of 2007, as well as a tax-stability clause.

On October 21, 2010, new legislation was passed introducing amendments to large operators defined as those exceeding 50,000 tons of fine copper establishing new rates ranging from 5% to 14% depending not only on sales but on the operational mining margin.

5.2.9 Accessibility, Climate, Local Resources, Infrastructure and Physiography

5.2.9.1 Accesibility

The Pantanillo Property is located in the III Region, Northern Chile, approximately 700 km of Santiago, and 120 km east of Copiapó, the regional capital and the closest major center (with a population of about 125,000 in 2002). The Property extends approximately between 26° 36' S and 27° 31' S, and between 68° 54' W and 69° 17' W, and the altitude of the Pantanillo Norte deposit ranges between 4,440 m and 4,680 m above mean sea level. The approximate UTM coordinates (Zone 19J, datum WGS-84) of the center of the property are 492,400E / 6,965,200N. The magnetic declination on July 31, 2010 was 2°9' west, with 0°10' counter-clockwise yearly.

Good road access exists along Highway 5 between Copiapó and Santiago (801 km), La Serena (333 km) and Antofagasta (566 km). LAN, SkyAirlines and other companies service various daily flights between Copiapó and Santiago, Antofagasta, Calama and La Serena.

Access to Pantanillo from Copiapó is along the international road CH-31, which links Copiapó to Fiambalá, in Argentina. The initial 30 km of the route is on a paved highway; the remainder is a graded gravel road in fair condition. The total driving time is about 3.5 hours. A 4-wheel drive vehicle is recommended for driving around the Pantanillo Property and for several portions of the final segments of the access road. Some portions of the road may be impassable during or immediately after periods of heavy snowfall. Copiapó has excellent infrastructure, including power supply and airport facilities, health and banking services, modern communication facilities, hotel accommodation, general stores, schools and colleges, etc. Experienced personnel, including skilled workers and qualified professionals, are available at Copiapó, Santiago, La Serena and Antofagasta.

5.2.9.2 Physiography, Climate, Vegetation and Fauna

The physiography of the Maricunga area is extremely rugged, of volcanic origin and immature topography, separated by wide flat valleys and salt lakes, and underlain by thick ash-fall deposits. Bright, pastel-coloured, hydrothermally-altered patches of volcanic terrain mark the centres of economic interest.

The Pantanillo Property is dominated by the N-S-trending mountain ranges of the Sierra de la Sal on the west, and Sierra Colorada on the east, reaching altitudes of over 4,825 m above mean sea level. The Cerro Azufre volcano (Co. Copiapó), located just 15 km north of Pantanillo, reaches 6,052 m above mean sea level.

The climate at the area surrounding the salty Santa Rosa and Negro Francisco lakes and the Salar de Maricunga, where the Pantanillo Property is located, is of the cold-mountain-desert climate type. This climate is characterized by very dry air, large seasonal and daily temperature differences, with extremely cold nights. During the winter major snowfalls are recorded, and the snow may stay on the mountain slopes even until the spring (CONAF, 1997). Exploration work is usually restricted to Southern Hemisphere late spring (October) to early autumn (April).

At Pantanillo, 4,000-4,700 m above sea level, the desert temperatures at night drop to freezing point or below throughout the year (averaging minus 6°C). The summer average maximum temperature during the day is 18°C. There are a few streams originating from the mountains that drain into the closed topographic basin, surrounded on all sides by rugged volcanic terrain.

Copiapó has a Mediterranean-type, warm, dry desert climate, with the Copiapó river providing the only irrigation for the local farming and water for the city. As one climbs the Andean foothills to the east, the temperatures become extreme. The typical exploration season is between October and April, with sporadic winter storms starting in April which could disrupt transport to the site even if snow cover is not usually deep. Camp sites at these altitudes need considerable protection against freezing temperatures, and inevitable cuts in communication and provisions may occur.

Given the remoteness and the harsh cold-desert climate, there are no permanent settlements and cultivation. Guanacos (*Lama guanicoe*) and vicuñas (*Vicugna vicugna*) roam free in small herds, feeding on the meagre vegetation along valleys and lake-edges. Certain flamingo species can be found at the salar lakes, such as *Phoenicopaterus chilensis*, *Phoenicoparrus andinus* and *Phoenicoparrus jamesi*.

5.2.9.3 Local Resources and Infrastructure

The Laguna Santa Rosa - Salar de Maricunga sector has been used since Inca time for crossing the cordillera to and from Argentina, and some wetlands along the valleys, with scarce grassy vegetation, were used to feed cattle during the summer times or during the expeditions between Chile and Argentina.

Exploration and mining have been the main activities for decades, but particularly during the last ten to fifteen years, when numerous exploration and mining camps were setup. In particular, the Maricunga (ex-Refugio) mine has been active since 1996. In spite of the fact that international traffic is minimal, there is a Chilean customs office/ border control with excellent facilities.

A small but permanent stream runs along the valley suitable for camp use, and a drilled well (cased and locked) exists near the old campsite. Kinross also pumps well water in the main valley, within the Pantanillo concessions, for use at Maricunga ("Refugio"), its mine to the south. This is achieved by means of a high-voltage electric line (750 KW; 23,000v) extended north from Refugio as far as Pantanillo.

5.2.10 History

No reports are available from the initial exploration conducted during the 1970's by Anaconda, the original holder of the concessions. After the discovery of El Indio, though, the Maricunga area received increased attention from exploration and mining companies, and low-level color anomalies, readily identified in air photos, became new exploration targets for gold.

Empresa Minera Mantos Blancos ("EMMB"), a Chilean subsidiary of Anglo American ("AA"), acquired the Pantanillo concessions in 1983, and explored the area intermittently through the 1990's. Nevertheless, in spite of the considerable efforts, new El Indio bonanza-style mineralization was not identified. Instead, low-grade, high volume, Au-Cu porphyry-style mineralization was discovered in different prospects, becoming a characteristic signature of the Maricunga region.

As a result of AA's and Cominco's joint work during the 1980's, many such prospects were explored, among them Cerro Casale (Aldebarán), Marte-Lobo, Pantanillo, etc. In 1997, EMMB completed a non-NI 43-101-compliant resource estimation of 640,000 oz Au in the Pantanillo Norte prospect. In the mid 2000's Kinross optioned the Pantanillo Property from AA, and conducted soil and rock geochemical surveys, geological mapping and trenching over 40 km².

From 1987 to 2008, in distinct periods, AA, EMMB and Kinross drilled a total of 7,879 m (30 holes) reverse circulation (RC), 6,743 m (17 holes) diamond drilling (DD) and 700 m (one hole) combined RC/DD in the Pantanillo Norte prospect. With these data, Kinross estimated in 2007 a non-NI 43-101-compliant resource of 96 Mt averaging 0.70 g/t at 0.5 g/t Au cut-off, or 2.2 million ounces Au. In addition, five holes totalling 1,363 m were drilled in the Quebrada Pantanillo prospect (not included in this report). During early 2010, following the merger between OMI and Fortune Valley, and subsequently in the summer of 2011, OMI conducted a drilling program totalling now 5,284 m in 23 DD holes and 4,065 m in 35 RC holes. No formal historical production has been reported in the area, although isolated "pirquineros" have mined from time to time certain outcropping silica "ledges" that locally may contain gold values exceeding 5 g/t, and who used to gather the more attractive material for processing in Tierra Amarilla and Copiapó at local artisan facilities provided with "trapiches", which use mercury-coated copper plates to collect the gold particles freed during crushing.

5.2.11 Geology and Mineralization

Geology and Mineralization

Regional Geology

The Maricunga belt represents a 200 km long by 50 km wide metallogenic district, located along a NNE-SSW-trending chain of Upper-Oligocene to Mid-Miocene age andesitic to dacitic volcanoes running along the Argentine-Chile border.

The overall geological setting of the Maricunga belt corresponds to compounded, interfingering, discontinuous and texturally highly variable strato-volcanic accumulations. Although active volcanism is present in northern and southern Chile, there is no recent volcanic activity in the Maricunga belt.

The regional structural setting of the Maricunga belt includes:

- N/NE-trending high angle reverse faults which bound basement rocks;
- NW-striking normal faults with SW/NE extension components; and
- E/NE lineaments, interpreted as dextral shear zones.

Local and Property Geology

The Pantanillo Property lies on the eastern flanks of the Azufre/ Copiapó volcanic complex. The complex is composed of hydrothermally altered volcanoclastic units of mainly dacitic and locally rhyolitic composition, with an estimated thickness exceeding 2,000 meters. The complex dips sub-horizontally to shallowly northward or eastward.

The volcanic sequence was intruded by a flow-dome complex composed of a series of compositionally closely-related, feldspar-hornblende-(biotite-quartz) porphyritic units, interpreted as a high-level felsic flow-dome complex. This complex exhibits a north-west-elongated, slightly oval shape, reflecting the main direction of controlling structures, and covering approximately 2.5 km².

A series of WNW-ESE (locally NW-SE)-striking, sub-vertically dipping breccia units have been mapped in the area. These units, showing pervasive advanced argillic alteration, exhibit tabular to locally irregular

geometry, and reach up to 50 meters width. The breccias postdate the formation of the Au-porphyry mineralization, as suggested by the presence of veinlet-mineralized porphyry clasts in the breccia.

Quartz-alunite ledges are commonly found on the Pantanillo Property, closely resembling the shape of the breccias units. The ledges are less than 1 meter to over 20 meters thick, and may reach up to 600 meters in length, although they are usually shorter. Quartz may be compact or vuggy, sometimes showing traces of native sulphur, barite and both specular and earthy red hematite when close to surface. The quartz-alunite ledges have a close spatial relationship with the breccia units.

A post-mineralization ignimbritic sequence, lacking hydrothermal alteration, covers the mineralized and hydrothermally altered volcanic and flow-dome units discordantly and with sub-horizontal dip.

The main types of alteration identified on the Pantanillo Property are as follows:

- structurally controlled, quartz-alunite-pyrite-hematite ledges with advanced argillic $\pm$ silicified selvages widespread kaolinite-goethite-hematite (after pyrite)-bearing argillic assemblages associated with the uppermost andesite porphyry volcanic unit
- widespread chlorite $\pm$ magnetite $\pm$ pyrite $\pm$ silica alteration, associated with the porphyry andesite and breccia intrusions
- advanced argillic alteration selvages around the late phreato-magmatic breccias.

Bedding in stratified volcanoclastic sequences and flow-banding in the upper portions of the flow-dome complex generally shows shallow N to NE dips. The Pantanillo Property is located on the SE projection of a 30 km long, regional-scale NW-SE- striking structural zone linking the La Pepa high-sulphidation ledges and underlying gold porphyry system, and the high-level breccia-hosted and porphyry-type gold mineralization at El Volcán.

The gold mineralization is controlled by the above-mentioned structures, as well as by NNW-SSE and ENE-WSW trending structures. Porphyry dyke swarms have a predominant NW-SE strike, with moderate to steep dips between 50°-75° to SW. The structural control is also pronounced within robust quartz-alunite-pyrite mineralized ledges.

Mineralization

Gold mineralization is mainly in sheeted-vein sets and weak stockwork networks of quartz veinlets, which show textures similar to those documented in other gold rich porphyry systems in the Maricunga belt. The gold grade in drill-core intersections with strong banded-vein intensity commonly range from 1.0 g/t to 4.0 g/t. Quartz-alunite ledges are discontinuous and volumetrically restricted, and ledge-hosted gold mineralization on the Pantanillo Property is erratic, although grades may locally reach up to 2.5 g/t Au.

Oxide, mixed and sulphide mineralization-types have been described for the Pantanillo Property on the basis of weathering state.

Oxide mineralization is mainly within intensely weathered porphyry andesite and locally andesite breccia. The depth of oxidization is variable, but generally extends to 170 meters to 190 meters depth on the east side of the Pantanillo Property, and 40 meters to 60 meters depth on the west side of the Pantanillo Property.

The mixed zone is hosted by both porphyry andesite and andesite breccia, with zones of weak to moderate chlorite $\pm$ magnetite $\pm$ pyrite $\pm$ silica alteration inter-fingered with moderate to weak weathering. Depths of mixed mineralization are variable, but generally the mixed zone is located between 190 m and 310 m depth on the east side of the Pantanillo Property, and between 60 meters and 280 meters on the west side of the Pantanillo Property.

The sulphide zone is mainly hosted by the breccia complex, with moderate to strong chlorite $\pm$ magnetite $\pm$ pyrite $\pm$ silica alteration. The proportion of disseminated magnetite and pyrite typically increases to up to 10%. The upper limit of the sulphide zone is variable, but is generally greater than 310 meters deep on the east side of the Pantanillo Property, and below the 280 meters depth on the west side of the Pantanillo Property.

A 0.3 g/t Au grade-shell representation of the mineralization on the Pantanillo Property has two main, very irregular bodies, and a series of smaller bodies, which taken as a whole, cover a broad mineralized

zone over 850 meters long (NW-SE) and 300 meters wide, dipping 30° to 45° to the south-west. Mineralization has been intersected to 600 meters depth, and is open downward.

5.2.12 Exploration, Drilling and Data Verification

During 2012 exploration was focused on drilling, additionally some minor geologic mapping and rock chip sampling was performed.

In total, 27,619 meters in 123 drill holes have been drilled on the Property since 1988. Of these, 41 holes (12,343 m) were DD, 81 holes (14,576 m) were RC, and 1 hole (700 m) was pre-collared with RC and extended to final depth with DD. Details of the drilling programs are summarized in Table 5-11.

Table 5-11 Drilling Summary

				Length				
Company	Period	Drill Hole Prefix	Total Holes	Total (m)	Min (m)	Max (m)	Average (m)	Drilling Type
Anglo American	1988	DDHPN01-03,05,06	5	1,138	157	247	228	DD
EMMB	1997-1998	SR97PN-01 to 22	22	4,825	138	250	219	RC
Kinross	2006-2008	DDHPN-10,16 PN-01 al 10	12	5,605	297	540	467	DD
Kinross	2006	ARP-01, 03-09	8	2,624	192	414	328	RC
Kinross	2006	ARDDH-PN-02	1	700			700	RC/DD
OMI	2010	PNN-10-01-06, 08-10, 12-13, 15, 21-22, 26-30 DDH	19	3,785	120	267	199	DD
OMI	2010	PNN-10-07, 11, 14, 16-20, 23-25RC	11	1,854	30.5	250	169	RC
OMI	2011	PNN-11-31-31A, 42, 50, 51 DDH	5	1,815	300	483.2	363	DD
OMI	2011	PNS-11-01 - 03, 3A, 04-10 & PNN-11-32 - 41, 43-49 RC	28	2,791	11	226	99.7	RC
OMI	2013	ORO52-12-008 - 012	5	1,315	244	300	262.8	RC
Total			128	28,934			226	

During the 2013 field season Orosur's activities have been focused on the evaluation of new, potentially higher grade, exploration targets that lie outside of the evaluated mineral resource. The Corporation focused drilling on the Oro 52 and Quebrada Pantanillo. A total of five RC holes for a total of 1,315 meters were drilled in ORO 52. Interesting Au intercepts at this area include: 59 m at 0.48 g/t Au, including 4 m at 1.42 g/t Au and 2 m at 2.94 g/t Au, and 33 m at 0.66 g/t Au, including 10 m at 1.20 g/t Au (*), (**), (* apparent width) (**intercepts use a cut-off grade of 0.2 g/t and may include up-to 2 meters of waste). Mapping and sampling carried on at Quebrada Pantanillo defined the area as of high potential for a high sulfidation gold system under a steam- heated zone.,

Results are reported in the following table:

Table 5-12: Significant Mineral Intersections in selected drill holes

Hole id	From (m)	Intercept (m @ g/t Au)	Notes
ORO52-12-008	140-143	3 @ 0.51	
ORO52-12-010	56-66	10 @ 0.26	
	74-78	4 @ 0.26	
	232-290	59 @ 0.48	Inc 4 meters at 1.42 g/t from 253 meters Inc 2 meters at 2.92 g/t from 273 meters
ORO52-12-012	202-206	4 @ 0.26	
	212-244	33 @ 0.66t	Inc 10 meters at 1.20 g/t from 273 meters

Samples were recovered every one metre from the cyclone of the RC rig and each recovered sample was sent to ACME Labs in Copiapó for analysis of gold and silver using fire assay on a 50g sample. Field duplicates, in the form of a second sample separated through the riffle splitter, blanks and certified standards were inserted alternatively after every 10th field sample and inserted in order within the respective batches (1 batch being 1 individual drill hole).

Sample Analysis and Security

Analytical laboratories used have included Geolabs (Anglo American), ALS Chemex La Serena (Kinross programs), and ACME Santiago (Orosur programs).

Sample preparation protocols included crushing to 90% minus 2 mm and pulverization to 85% minus 0.075 mm (Kinross) or initial crushing to 100% minus 12 mm, then crushing the second split (50%) to 80% minus 2 mm, followed by pulverization to 85% minus 0.075 mm (Orosur).

Pulps were assayed during the Kinross programs for Au, Cu, sodium cyanide-soluble Cu (CuCN), and sodium cyanide-soluble Au (AuCN). For the Orosur program, pulps were assayed at ACME for Au by the G6-50 method, consisting of fire assay (FA) with atomic absorption spectrometry (AAS) finish, using 50 g aliquots. The detection limit was 5 ppb. All Orosur pulps were also assayed by the inductively coupled plasma (ICP) Group 1 E method for 36 elements.

AMEC reviewed on site the surface geology, as well as the drilling, core handling, logging and sampling procedures, drill-hole surveying, and sample security procedures for current and previous exploration campaigns. An assessment was made of the quality of these data and procedures relative to industry standard practices.

In the opinion of the QPs, the quality of the gold analytical data are sufficiently reliable to support Mineral Resource estimation without limitations on Mineral Resource confidence categories, and sample preparation, analysis, and security are generally performed in accordance with exploration best practices and industry standards.

5.2.13 Resource Estimation

Using geological interpretations prepared by OMI, AMEC digitized the lithological and mineralization models, as well as the 300 ppb gold grade-shell model in vertical sections, and prepared level plans for the grade shells. Sections were oriented at 011° azimuth (NNE), and spaced 50 m apart. Bench plans were created at 50 m intervals.

AMEC reconciled interpreted shapes on vertical sections and level plans and constructed solid models for the main lithological mineralization domains and for the grade shell. AMEC utilized a combination of four different mineralization types, including leached, oxide, mixed and sulphide mineralization, and three different lithologies, including HS ledge breccias, intrusive breccias and andesitic porphyry, both inside and outside the grade shell to defined estimation domains.

For grade estimation, AMEC used ordinary kriging for all domains, with correlograms defined by domains inside and outside grade shell over 300 ppb gold.

Once grades were estimated, blocks classified into mineral resource categories according to grade continuity and confidence on the estimate. AMEC prepared a pit optimization to constrain mineral resources that have reasonable prospects of economic extraction by open pit mining methods.

AMEC reported the mineral resources for OMI according to CIM Definitions Standards (CIM, 2005) Table 6-12 summarizes the resources using a 0.3 g/t Au cutoff for oxide and mixed cutoff, and 0.5 g/t Au cutoff for sulphide.

Table 5-13 Mineral Resources for Pantanillo Project

Ore Type	Cutoff Au (g/t)	Measured			Indicated		
		Au (g/t)	Tonnage (kt)	Au Metal (oz)	Au (g/t)	Tonnage (kt)	Au Metal (oz)
Oxide	0.3	0.72	19,806	456,349	0.55	1,752	30,963
Mixed	0.3	0.70	16,011	361,246	0.65	8,366	173,619
Sulphide	0.5	0.72	748	17,328	0.68	440	9,566
Total ^{1,2}		0.71	36,565	834,924	0.63	10,528	214,148

Ore Type	Cutoff Au (g/t)	Measured + Indicated			Inferred		
		Au (g/t)	Tonnage (kt)	Au Metal (oz)	Au (g/t)	Tonnage (kt)	Au Metal (oz)
Oxide	0.3	0.70	21,558	487,708	0.39	124	1,558
Mixed	0.3	0.68	24,348	534,865	0.62	180	3,608
Sulphide	0.5	0.70	1,187	26,894	0.00	0	0
Total ^{1,2}		0.69	47,093	1,049,071	0.53	304	5,166

¹ Totals may differ slightly from sum or weighted sum of number due to rounding

² Mineral resources are reported within a Lerchs-Grossman (LG)-optimized pit shell using Whittle® software with a gold price of 1,035 US\$/oz; mining cost of 1.65 US\$/t; processing cost of 4.0 US\$/t, and recoveries of 75% for leached and oxide ore types, 65% for mixed ore, and 50% for sulphide ore.

The 2011 drilling campaign basically confirmed the resource model results produced in 2010, so no model update had to be undertaken as a result of this work.

5.2.14 Preliminary Economic Assessment

Summary

Orosur Mining Inc. (Orosur) requested AMEC International Ingeniería y Construcción Limitada (AMEC) prepare a Technical Report (the Report) on the wholly-owned Pantanillo Norte Au Project (the Project), located in the III Region, Northern Chile. Orosur's interest in the Project is held through an indirectly wholly-owned subsidiary, Fortune Valley Resources Chile S.A. (Fortune Valley).

a. Principal Outcomes

- Mineral Resources, reported at a cut-off grade of 0.3 g/t Au for oxide and mixed material, and 0.5 g/t Au for sulphide material, include 36.5 Mt grading 0.71 g/t Au in the Measured category, 10.5 Mt grading 0.63 g/t Au in the Indicated category and 0.3 Mt at 0.53 g/t Au in the Inferred category
- The subset of Mineral Resources used in the proposed mine plan support an approximate five-year mine life at a 7 Mt/a process production rate assuming open pit mining and a heap-leach operation.
- Financial analysis of the Base Case (discount rate of 8%) at a gold price of \$1,250/oz showed the pre-tax Project NPV to be \$49.7 M and the internal rate of return (IRR) to be 19%.

b. Proposed Mine Plan

Information in this sub-section relating to the results of the Preliminary Economic Assessment is partly based on Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that the Preliminary Economic Assessment based on these Mineral Resources will be realized.

A subset of the Mineral Resources was used in developing the mine plan. AMEC developed an ultimate pit and a preliminary production plan that considers the feed to a heap leach process for the mine life to consist of oxide and mixed mineralized material only. The model used for mine planning was the mineral resource model, with all in the block model which were not classified as Measured, Indicated or Inferred Mineral Resources within the mixed or oxide domains treated as waste.

The planned open pit was developed in four phases. An overall slope angle (as defined by Whittle) of 39.0° was applied to all the pit walls. AMEC applied horizontal and vertical dilution of 0.5 m and 1.8 m, respectively, to the block model to account for mining dilution and material loss. Table 5-14 summarizes the mine plan developed. The life-of-mine strip ratio is estimated at 1.8.

Mine production will rely on front-end loaders with an 11.5 m³ bucket capacity loading 88 t trucks, which will transport the waste to the waste dumps and the heap leach material to the crusher.

Table 5-14: Proposed Mine Production Plan

Period	Oxide Material Mined (Tonnes and Au Grades)						Leached Material Mined (Tonnes and Au Grades)					
	Measured		Indicated		Inferred		Measured		Indicated		Inferred	
	kt	g/t	kt	g/t	kt	g/t	kt	g/t	kt	g/t	kt	g/t
2	974	0.6	144	0.5	0	0.3	4,425	0.5	749	0.4	9	0.3
	4	4		0			9	9		7		5
	0.6	4		0.5			0.5	0.3		0.3		0.3
3	5,495	0.7	306	0.4	1	0.3	960	0.6	110	0.2	4	0.2
	4	5		0.4			6	2		2		5
	0.7	5		0.4			0.4	0.2		0.2		0.2
4	5,660	0.6	105	0.4	0	0.2	112	0	6	0.3	7	0.3
	5	0.6		0.4			0	0.3		0.3		0.3
	0.6	0.6		0.4			0.3	0.4		0.4		0.4
5	2,994	1	241	0.4	5	0.2	66	4	7	0.4	1	0.4
	0.6	1		0.4			0.3	6		0.4		1
	1,698	0.6		0.4			0.5	169		0.4		0.3
Total	16,82	0.6	1,040	0.4	1	0.3	378	0.5	1,041	0.4	4	0.3
	2	7		0.4			7	4		0		2
	7	1,040		8			5,940	7		4		2

Period	Mixed Material Mined (Tonnes and Au Grades)						Waste	Total Rock
	Measured		Indicated		Inferred			
	kt	g/t	kt	g/t	kt	g/t		
1		0.4		0.4			13,706	20,006
2	101	7	12	7			13,061	20,061
3	878	3	213	2			13,014	20,014
4	2,98	0.6		0.5	1			
	1	8	688	9	8	0.37	13,077	20,077
	2,88	0.7		0.7				
5	1	5	695	5			5,913	11,980
	6,84	0.7		0.6	1			
Total	1	0	1,607	7	8	0.37	58,772	92,139

c. Proposed Process Design

AMEC proposes a heap leach and process plant similar to other such gold plants in Latin America. The plant will use conventional, tested technology and consist of the following unit operations:

- Primary crushing. The crushing plant capacity will be 20,000 tpd, maintaining the product size at P80 -25 mm
- Transport by conveyor to secondary crushing
- Transport by conveyor to the load out bin and reagent addition (lime)
- Transport and heap loading with trucks
- Heap leaching with cyanide/solution recovery
- Adsorption, desorption and recovery (ADR) and electrowinning (EW) plant.

The power consumption was estimated to be 58,740 MW per year.

The maximum consumption of the main reagents was estimated to be 3,500 t per year of cyanide and 15,400 t per year of lime.

d. Planned Project Infrastructure

- Key infrastructure will include:
- Two waste rock storage facilities
- Heap leach pad
- New 5 km-long access road
- Internal mine roads

- New 35 km-long power line
- Mine buildings including a truck shop, administration facilities, and fuel storage
- Accommodation camp

The main access to Pantanillo will be from Copiapó, as this route provides the best access for mine supplies, assuming delivery will be by heavy-weight trucks. The route will be 280 km long in total, and use a combination of State highways and regional gravel roads.

Power will be supplied by the Chilean national grid, with a spur line from the existing Maricunga substation to Pantanillo. Power consumption has been estimated to be in the 16–24 MVA range (20 MVA + 20%), assuming a heap leach operation

No final water supply has been secured. The PEA assumes both groundwater and surface water could be possibly available approximately 5 km from the Project site and that water could be extracted from wells. Total water supply requirements for the Project are estimated at 40 L/s (140 m³/h).

e. Operating Costs

Key operating costs include US\$136 million for mining, US\$105 million for processing, and US\$34 million for general and administrative. The overall estimated operating cost is US\$274 million, or US\$8.22/t of material processed, and equates to a unit cost of production of US\$566.7/oz Au. Operating costs are summarized in Table 5-15.

Table 5-15: OPEX

ITEM	Total (MUS\$)
Mine fleet	34.5
Primary crushing	9.0
Fine crushing	8.5
Conveying	4.7
Leaching	13.7
ADR / Reagents	11.6
Fresh water	5.0
Truck shops	9.3
Camp / facilities	8.3
Electrical (power supply)	17.9
Roads (access)	4.6
Subtotal	127.2
Indirect Construction	29.7
Contingencies	32.3
TOTAL	189.2

Operating Cost	Total Cost (US\$)	Unit Cost (US\$/t feed)	Unit Cost (US\$/oz Au)
Mining	135,899	4.07	280.8
Process	104,523	3.14	216.0
G&A	33,793	1.01	69.8
Total	274,215	8.22	566.7

f. Financial Analysis

The following sub-section is partly based on Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA based on these Mineral Resources will be realized.

The results of the economic analyses discussed in this section represent forward-looking information as defined under Canadian securities law. The results depend on inputs that are subject to a number of

known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here. Information that is forward-looking includes:

- Mineral Resource estimates
- Assumed gold price
- Metal recovery estimates
- The proposed mine and process production plan
- Projected recovery rates, and assumptions that copper and arsenic values will remain under levels likely to prove deleterious in the leach pad
- Infrastructure costs and potential cost escalations
- Ability to obtain sufficient process water to support planned Project activities
- Ability to permit the Project, in particular the assumption that an environmental permit allowing mine production will be approved by the appropriate Chilean authorities given the Project location is proximal to a National Park.

g. Cashflow Model Assumption

The base-case discount rate is 8%. Chile is a politically stable country and the Pantanillo Project has the same technical features as many other projects in operation in Chile. Major sources of financial uncertainties are metal price and cost escalation. The exchange rate is not a direct input in the financial model since all the input costs are converted to American dollars. However, a significant part of the cost will actually be in Chilean pesos (CLP) and AMEC applied an exchange rate of 500 pesos per dollar in the cost estimation. Revenues are the quantities of payable metal multiplied by the metal price during the corresponding period. No deductions were considered. The gold price of US\$1,250/oz was deemed more relevant for a project with a 5 year mine life, but still lower than the current 3 year moving average.. There is no other credit or sellable product based on current Project knowledge. A royalty of 3.5% payable to Anglo American was considered in the financial analysis. No taxes were applied, and the cashflow model is developed on a pre-tax basis. The closure and salvage costs considered in the project are US\$6 million and US\$31 million respectively. Financing was assumed to be on a 100%, all equity, stand-alone basis. No inflation factor was considered.

h. Results

Financial analysis of the Base Case (discount rate of 8%) showed the pre-tax Project NPV to be US\$49.7 million and the internal rate of return (IRR) to be 19% (Table 5-16). Payback would be achieved in 3.5 years.

A sensitivity analysis was conducted on the financial model in order to identify key variables with significant impact on forecasted project returns. The analysis included consideration of metal recovery, gold price, capital costs and operating costs.

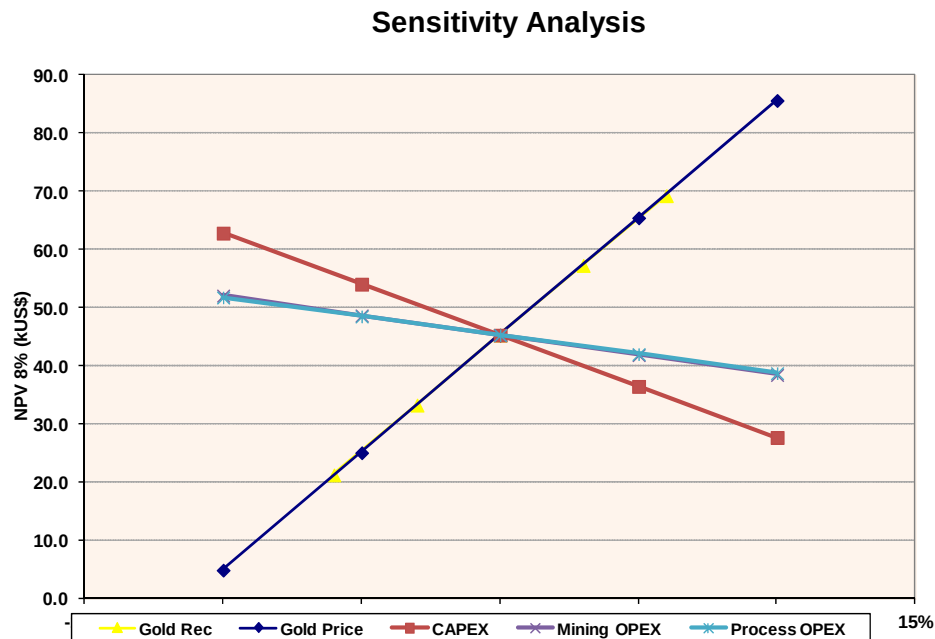
Table 5-16: Financial Analysis

Financial parameters	Unit	Pre-Tax
NPV at 8%	MUS\$	49.7
NPV/INV ¹	-	0.28
IRR	%	19%
Payback time	months	42
	years	3.5

The Project is most sensitive to variations in gold price, then to variations in capital costs, then to operating cost variations (Figure 5.2.14). Sensitivity to gold recovery mirrors the sensitivity to the gold price.

¹ INV: Total capital investment discounted at discount rate of 8%

Fig 5.2.14: Sensitivity Analysis



i. Conclusions

AMEC considers that the scientific and technical information available on the Project can support proceeding with additional data collection, trade-off and engineering work and preparation of more detailed studies.

j. Recommendations

The recommendations for Project development comprise a two-phase work program. Phase 1 will consist of data collation. Phase 2 will consist of the completion of a pre-feasibility study. The results of the Phase 1 work will be incorporated into the Phase 2 program, with the completion of the Phase 2 program dependent on the data collected in Phase 2. However, the majority of the two work phases can be conducted concurrently. The total estimated cost of Phase 1 is approximately US\$5.5 million; Phase 2 is estimated at US\$4 million.

Phase 1

The initial work phase will comprise data collection to support a pre-feasibility study. The following activities will be undertaken:

- Drilling: US\$3.50 million
- Geotechnical: US\$1.50 million.
- Hydrogeological Work: US\$ 0.20 million excluding the drill-holes.
- Metallurgy: US\$ 0.22 million.

Phase 2

The Phase 2 work program will use the results of Phase 1 to complete a pre-feasibility study that will support a first-time declaration of Mineral Reserves for the Project.

The pre-feasibility studies usually take between four and six months and require between 30,000 and 35,000 hours of study work. This phase has an estimated total budget of approximately US\$ 4 million.

As part of the pre-feasibility study and design work, the following activities should be conducted:

- Refine the mine design and the mining fleet size, cut-off grade and stockpile strategy, and subcontract operation strategy (with the aim of decreasing initial or sustaining capital)
- Confirm the power source and whether the operation of the power distribution system should be contracted or not.
- Confirm which of the various sources of water, which have been identified, should be retained.
- Identify customers for the doré bar product and develop a conceptual contracts model
- Optimize the location of the primary crusher and other general site infrastructure
- Confirm the definitive location of the plant and general infrastructure, through trade-off studies
- Develop and finalize the environmental permitting strategy; update baseline studies as required
- Evaluate the results of the metallurgical testwork to increase existing plant feed capacity or define other possible facilities; reduce capital cost through appropriate equipment design; and ensure that an appropriate production rate can be achieved.
- Generate a site topographical map with contour accuracy at ± 2 m.

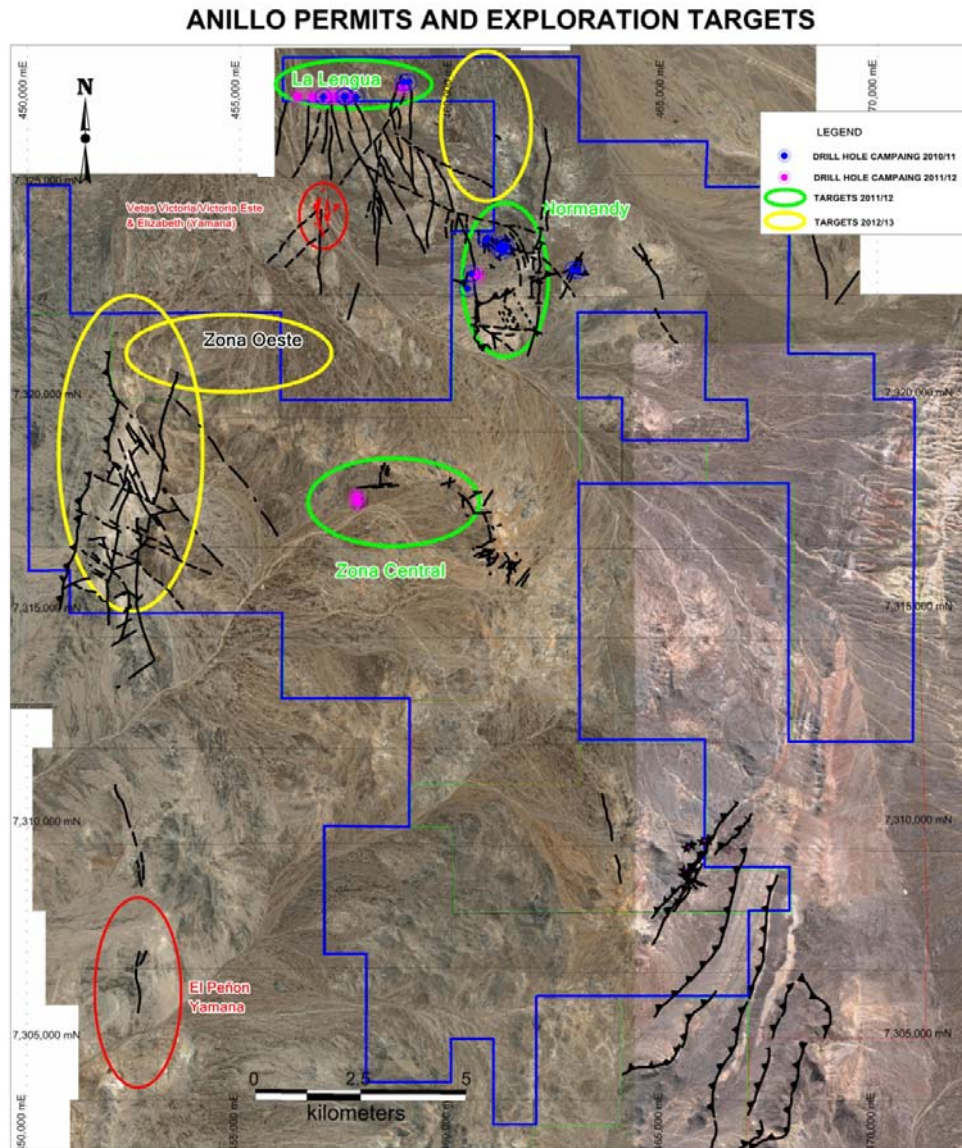
5.3 Anillo Property, II Region, Chile

5.3.1 Anillo Project Description and Location

The Anillo Project is located 125km east of Antofagasta close to the El Peñon mine.

The Anillo property has been optioned from CODELCO with OMI having the right to acquire a 65% interest in the project, by spending \$US 4 million over 4 years and completing a bankable feasibility study within a further 2 years CODELCO retains back in rights for a copper discovery. As of the date hereof, the Corporation has spent over \$US 3,971,000 in Exploration Expenditure.

Figure 5.3.1 Anillo Project



5.3.2 History

The initial stages of exploration were carried out by Utah International with the Atacama Joint venture 30 years ago. Since then a major portion of the prospect area has been owned by Codelco with past exploration activity by Billiton and Normandy being carried out under option agreements with Codelco.

Exploration activities have been carried out at Anillo since the site was first visited by Utah International geologists of the 1979 Atacama Joint Venture exploration program.

The Anillo area was briefly examined by the Atacama Joint Venture - the group that discovered the neighbouring Escondida porphyry copper deposit, identifying Anillo as a porphyry copper target in 1979, but concluding that the alteration assemblages represented a shallow volcanic environment rather than that of a porphyry copper system. When the Atacama project diversified towards the search for high tonnage-low grade precious metal deposits, the site was revisited and additional studies carried out. In 1982 preliminary reconnaissance mapping and geochemical sampling was done at a scale of 1:20,000 on the eastern half of the area resulting in the detection of strongly limonitized silicified breccias and vuggy silica bodies.

Around 10% out of 400 rock geochemical samples collected during this stage returned anomalous values for Au, Ag, As, Sb and Hg. Anomalous gold values were at the 0.1 - 1.3 g/t level and anomalous silver values in the 1 - 7 g/t range. A complementary follow-up geochemical rock sampling program was carried out in anomalous sectors returning two peak values of 1.2 and 1.9 g/t Au. Smaller anomalous zones with values up to 0.3 g/t Au and 6 g/t Ag were detected in the northern sector of the prospect. A semi-detailed investigation covering a 6x2 km area located at the eastern and north-eastern sectors was carried out as a follow-up to the preliminary work. As a result of this a 1,000 x 2,500 metre exploration target for disseminated gold and silver mineralization was detected, associated to an intrusive enclosed by two main fault systems.

Drilling met with discouraging results as only erratic anomalous gold and silver values were encountered. Drill hole AN-2, located at Anillo East, intersected two gold anomalies: one from 25 to 95ft. depth averaging 0.24 ppm Au and with a peak of 1.9 ppm Au, and the other between 195 to 235ft. with average 0.14 ppm Au. Drill hole AN-6 situated at Cerros Este area found anomalous values from the collar to 65ft. with a mean value of 0.18 ppm Au and with a peak of 1.5 ppm Au. Drill hole AN-8 located at Cerrito Negro area detected continuous anomalous silver values ranging from 1 to 15 ppm and very occasional anomalous gold values, one of them of 1.1 ppm Au.

Codelco became the owner of the majority of the prospect area and is reported to have carried out basic exploration work on the project area in 1993. However the only available information is a ground magnetic survey carried over the area in which 37 lines, each 10 km in length for a total of 370 line/km were surveyed, with readings being taken every 25 m (Section 20 N°1). On the basis of the Analytic Signal obtained, magnetic lineaments were identified and sectors with hydrothermal alteration were noted to have to low Analytic Signal values.

Billiton interested in the property's porphyry copper potential, entered into an option agreement with Codelco in the late 1990' (the details of which are not known) to purchase the property. Under this agreement regional reconnaissance geological mapping and semi-detailed geologic mapping of a 10x10 km area was done with emphasis on alteration, alteration zonation by ledges and the structural layout. Also, selective rock geochemistry by ledges was carried out, and veins were sampled and assayed for Au, Ag, Cu, Mo, Pb, Zn and As at the ITS Bondar Clegg laboratory in Santiago, Chile. Rock samples were also collected for petrographic studies, PIMA, dating and X-Ray studies.

A subsequent air reverse circulation drilling program was based on the geological and geochemical data. Eleven reverse circulation holes were drilled in February 2000 for a total of 2, 556 m within an area of approximately 20 km². The lithocap model they proposed was verified over a 700 m column, however porphyry centres were not encountered. Economic copper mineralization of interest was not found. The best intercept was 0.13% Cu over 34 m. This led to the conclusion that if any porphyry copper system were present, it would be deep seated. In view of this Billiton withdrew from the option agreement.

Normandy, interested in the epithermal low-sulphidization gold-vein potential, similar to those at the neighbouring El Peñón mine, signed an exploration agreement with Codelco after Billiton withdrew from the area. Normandy restricted their exploration efforts to the Anillo north sector, a small portion of the overall prospect area. At least five parallel quartz-calcite structures with north-west strikes and sub vertical dips towards the west were investigated in the Anillo north sector, varying in width between 1 and 2.5 m. These veins present banded, colloform quartz. Regolith and outcrop channel samples returned grades lower than 91 ppb gold and 4.8 ppm silver with anomalous arsenic (470 ppm) and antimony (< 160 ppm).

As it was believed that regolith and outcrop samples had suffered the effects of strong leaching due to the action of chlorides, sulphates and nitrates in the saline crust, also seen at El Peñón, the systematic sampling of outcrops and trenching was recommended. Twenty nine trenches 30 to 80 m long were cut across six north-west striking structures with subvertical dips, 10 to 40 m widths, and strike lengths in excess of 1.5 km. Veinlets and veins consisting of banded colloform white translucent quartz and calcite, at times brecciated, with widths of up to 15 m were found hosted within these structures. Two similar north south striking structures that cut these were identified. A total of 258 trench samples were assayed for gold at ALS Chemex laboratories in Chile. Assay returns were discouraging, the highest value being 38 ppb Au, however this should not be surprising as it appears that trenches did not reach proper bedrock due to the saline (caliche) crust and only one sample is reported in their database as being taken on a quartz vein. Normandy did not pursue exploration on the property.

5.3.3 Geology

The Anillo Project is located adjacent to the north and north-east of Yamana's El Peñón mine, and is believed to occur in the same geological setting. The described geology is based on the "Hoja Aguas Blancas" (1:250,000 scale) geologic map published by SERNAGEOMIN and on a compilation of historical work done on the property by Utah International, Billiton, Normandy and Codelco and field observations by Fortune Valley geologists.

Lithology

The district is characterized by the presence of the following lithologies:

Volcanic Rocks

Aeropuerto Formation (Lower Cretaceous) Volcaniclastic sequence comprised of poorly stratified lava flows with non outcropping base, continental sandstones and inter-bedded conglomerates below the erosional unconformity with the Augusta Victoria volcanites. The volcanic horizons are biotite and pyroxene andesite with an aphanitic to fine porphyritic texture, regionally altered to chlorite.

Augusta Victoria Formation (Upper Cretaceous – Eocene)

In the study area, this volcanic package covers a large portion of the area, conformably overlying Mesozoic sedimentary rocks of the Santa Ana and El Profeta formations, and unconformably overlying the Aeropuerto Formation to the west. In general it has a subhorizontal to low angle dip to the west presenting local variations near the structures and intrusive bodies. In the project area, most of the outcropping stratified rocks are assigned to this formation. Rocks included in this volcanic sequence are:

Andesites and Dacites

Grey-greenish to brown-reddish basaltic pyroxene and olivine andesites, pyroxene andesites, amphibole and biotite andesites and pyroxene dacites, located at the base of the sequence underlying volcanic and

pyroclastic rocks. These rocks form solid flows with thick stratification striking NS with low angles dips to the east in the western portion.

Volcaniclastic Rocks

A sequence of well stratified volcanic-sedimentary rocks, gently dipping to the east, contains abundant limonite (jarosite) and are locally affected by a penetrative silicification with diaspore and alunite, obliterating the original texture.

Pyroclastic Rhyolitic Rocks

Ash tuffs, lapilli and brecciated volcanic package, 56 to 60 My (Upper Paleocene). NS to NW strikes gently dipping west. Strong hydrothermal alteration affects these rocks with microcrystalline quartz and alunite replacement, masking original texture.

Rhyolitic Domes

Sub-volcanic bodies, white to pink color with a characteristic sub-vertical folded foliation, producing centimetre thick slab boulders. These domes are discordant to the stratification, however towards the top of the volcanic sequence they are interbedded as concordant flows or sills. On their borders obsidian glass and brecciated reddish coloured rhyolitic tuff are present. The age of these domes is considered to be Lower Eocene.

Intrusive Rocks

On the basis of radiometric dating, two groups of intrusive rocks have been recognized.

Cerro Paisaje Intrusive Complex

Monzo-diorite to quartz-monzonite stocks commonly with phaneritic textures outcropping to the west of Cerro Paisaje. They are dated (biotite) at 48 My.

El Peñón Intrusive Complex

A small 5x3 km pluton located east of Pampa El Peñón, corresponds to a fresh phaneritic-textured diorite with a K-Ar age of 42 My.

In the Anillo heights, these occur as dikes and small porphyritic-diorite stocks and a pyroxene-hornblende quartz-diorite intruding the volcanic sequence. Two radiometric K-Ar (biotite) dates in relatively fresh porphyry gave 48 My and 42 My in whole rock, corresponding to Mid to Upper Eocene. Silicified breccia bodies with elliptic sections and sizes ranging from 5 to 60 meters in diameter are distributed in a large portion of the project area.

Saline Detritic Cover

This unit covers approximately 50% of the project area. It is characterized by the presence of poorly consolidated colluvial sand and gravel horizons that overlay all the pre-existing rocks, nitrate and sulphate deposits (caliche) and modern alluvial gravel and sand deposits related to recent drainage areas, and in general, fine intercalations of pyroclastic flows of recent volcanism.

5.3.4 Exploration

During the second half of fiscal year 2010-2011 the Company completed a first pass drill campaign of 16 reverse circulation drill holes for a total of 2,497 meters at the Anillo project during the quarter. The drilling targeted anomalous geochemistry in rock and trench sampling combined with magnetic and VLF anomalies from geophysical surveys completed in October 2010.

Anomalous Ag and Au values (maximum 0.37 ppm for Au and 6 ppm for Ag) were intercepted over several meters in holes drilled in two different sectors located to the north and east of Yamana's neighbouring Pampa Victoria discovery (recently Yamana has filed an EIA). Drilling confirms the presence of high level, low temperature epithermal mineralization at shallow depths below surface.

In the first half of fiscal 2012 the Company completed 4,676 meters of drilling. The programme included deep holes (up to 500 metres) drilled in fences to test mineralized N/S oriented structures where anomalous Ag and Au values had been encountered in previous drilling. A number of holes were also drilled in new areas in the Anillo Central zone and the best intercepts were 2 metres at 2.67 g/t Au from 22 metres in hole AN1107 and 2 meters at 100 g/t Ag from 224 metres in hole AN1108.

Surface exploration completed during 2013 showed anomalous gold and silver values in trenches. A Controlled Source Audio-Frequency Magneto Tellurics ("CSAMT") survey suggested the presence of silica-bearing structures, which may host economic gold-silver mineralization. Subsequently, a 3,000 metres Reverse Circulation drill program, comprising 10 holes, was carried out, during May and June, 2013.

Results from drilling confirm the existence of gold and silver mineralized quartz structures at Anillo Central. This can be observed at hole AN-13-04RC with a 1.0 m intercept (*) with 490 g/t Ag (≈ 8.1 g/t Au gold equivalent), at hole AN-13-10RC with a 5 m intercept (*) with 0.46 g/t Au, which includes 1.0 m (*) at 1.1 g/t Au and 11.4 g/t Ag and at hole AN-13-04RC with 1.0 m at 0.34 g/t Au. These results show that the area hosts silica-bearing mineralized structures with encouraging values of Au and Ag. Future work will focus on finding intercepts, grades and continuity of mineralization that may constitute an economic resource for the Company (* apparent width).

5.4 Talca

The Talca property is located in central Chile in the administrative department of Region IV - Coquimbo. The project area lies directly on the coastline, 5 Km west of the main north-south highway in Chile (Ruta 5) approximately 50 Km south west of the historical agricultural town of Ovalle and 120 Km south of the Region IV capital, La Serena.

5.4.1 History

The first known gold exploration and exploitation of the area around Talca was undertaken by Spanish conquistadors during Spanish imperial rule. The original Spanish explorers extracted ore from shallow pits on surface where mineralised structures were outcropping.

Ownership and mineral rights were first recorded with the Chilean government in the area around the 1930's. The original owners of the mining rights at Talca were a British consortium who worked the Metalera structure for an undisclosed number of years prior to pulling out of the area before 1932. After this date a number of individuals and cooperatives took licences covering the area of what is now Talca, eventually leading to the Tellos acquiring and staking the claims that cover the area of licences the subject of the promise agreement.

No previous exploration has been undertaken at Talca, with the exception of the historical miners carrying out shallow pitting along strike of known outcropping structures and veins along with short underground probing to clarify the trend of the veins. Gold grades on the veins were determined in underground exploration by sampling across the width of the vein and not including any of the altered host rock. The sample was then passed through the trapiches, recording the recovered grade from the mills using mercury to extract gold from the concentrate. Apart from this, no modern exploration techniques have been applied previously at Talca. There have been no previous resource or reserve estimates undertaken at Talca.

5.4.2 Project Geology

The geology of the immediate project area is dominated by a transpression structural regime between two shear zones controlling a package of folded and faulted Paleozoic metasediments and meta-basalts intruded by later Triassic-Jurassic diorites buttressed up against granites along the Metalera fault. This fault along with the Monica-Cabra to the west and the Niebla to the north, bound the observed

The host rocks are predominately Paleozoic meta-arenite, phyllite, chert and meta-basalts of Devonian-Carboniferous age with intercalating marine and continental sediments of Upper Carboniferous to Permian age. These hosts are structurally complex with multiple orientations observed in underground excavations. Most of this structure was observed as pre-mineralisation brittle tectonics although syn-mineralisation riedel shears have been noted that also offset mineralised veins; there is also evidence of some ductile folding.

The Talca project exists as a fairly classic mesothermal structurally controlled narrow vein auriferous system.

5.4.3 Exploration

After acquiring the property in the second half of calendar 2011 the Company completed a program of surface sampling, geophysics, structural mapping and interpretation and mapping of underground workings. Following this work the company drilled 60 holes aggregating 12,218 meters in two campaigns to test three main targets - the Niebla Vein (14 holes for 2,877 meters), the Metalera Shear (29 holes for 5,152 meters) and the Sur Veins (17 holes for 4,189 meters).

Drilling below and along strike from historical workings on the Niebla vein did not result in any significant intercepts. Two of the 20 holes drilled along the Metalera Shear intercepted mineralization below the main historical mine along this structure.. The best result was 2 meters at 5.62 g/t in hole TALCA-12-23RC. In the southern sector 9 of the 17 holes intercepted historically mined vein structures with intercepts above 1 g/t au. The best results included 2 meters at 47.20 g/t Au in drill hole TALCA-12-43DDH and 2 meters at 15.35 g/t Au in drill hole TALCA-12-41DDH. Both of these holes were relatively shallow intercepts. The Company has demonstrated that the veins tested in the Sector Sur do contain mineralization at economic grades and minable widths. However the consistency of mineralization, the likely quantity of resource that could be delineated and the level of potential production that could be sustained, are currently under review.

During 2013 surface mapping and sampling was performed over the central part of the area with the idea to evaluate a possible Controlled Source Audio-Frequency Magneto Tellurics ("CSAMT") survey, that could be executed in the future. During this period additional effort was related to environmental remediation.

ITEM 6: DIVIDENDS

No dividends have been declared by the Corporation in the past four years.

ITEM 7: DESCRIPTION OF CAPITAL STRUCTRE

The authorized capital of the Corporation consists of an unlimited number of common shares of which as at May 31, 2013, 78,168,143. Additionally, as at May 31, 2012 there were 2,263,369 stock options outstanding, and as of the date hereof there are 1,930,202 stock options. Each shareholder is entitled to one vote for each common share held. The rights of the holders of common shares are equal in all respects and include the right, to receive the remaining property of the Corporation upon dissolution.

ITEM 8: MARKET FOR SECURITIES

8.1 Trading Price and Volume

The common shares are traded on the TSX ("TSX") and on the Alternative Investment Market of the London Stock Exchange under the trading symbol "OMI". The following table sets out the high and low prices and trading volume of the Corporation's common shares as reported by the TSX for the periods indicated.

Period	High (CDN\$)	Low (CDN\$)	Volume
July, 2013	0.15	0.105	685,712
June, 2013	0.165	0.10	2,127,145
May, 2013	0.30	0.14	1,584,100
April, 2013	0.55	0.30	1,403,128
March, 2013	0.75	0.45	1,650,951
February, 2013	0.57	0.475	340,060
January, 2013	0.62	0.50	356,689
December, 2012	0.56	0.46	308,940
November, 2012	0.68	0.55	876,663
October, 2012	0.74	0.62	1,041,722
September, 2012	0.80	0.59	1,044,989
August, 2012	0.75	0.58	1,026,681

8.2 Prior Sales

During financial year ended May 2013 the Corporation has issued 146,668 common shares derived from the exercise of stock options.

ITEM 9: DIRECTORS AND OFFICERS

9.1 Name, Occupation and Security Holding

The table sets out the names and province or state and country of residence of the directors during financial year 2013 and current directors and executive officers of the Corporation, the positions and offices with the Corporation, their principal occupations during the last five years.

Name and province or state and country of Residence	Position in the Corporation	Principal Occupation for the Last Five Years
John Walmsley ⁽¹⁾ London, England	Non Executive Chairman since July 2013.	He is currently a Non-Executive Director and Chairman of the Audit committee of Pantheon Resources plc. and Executive Chairman of the Consilience Energy Advisory Group Ltd. He was Chairman of the UK Oil Industry Accounting Committee. He was an Executive Director of Enterprise Oil plc, Chief Executive of Hardy Oil and Gas plc. and he was Non-Executive director and chairman of the audit Committee of Seaboard plc.

Name and province or state and country of Residence	Position in the Corporation	Principal Occupation for the Last Five Years
Roger Davey ⁽²⁾⁽⁴⁾ London, England	Non-Executive Director (since 2007)	Presently, he is a director of Condor Gold, Alexander Mining, EMED Mining and Master Drilling Group (JSE). Until December 2010 he was an Assistant Director and the Senior Mining Engineer at N M Rothschild (London) in the Mining and Metals project finance team.
Eric Roth ^{(2) (4)} Santiago, Chile	Non-Executive Director (since September 2012)	Presently, he is a consultant at ER Global Consulting. He was President, CEO and Director at Extorre Gold Mines Ltd prior to their acquisition by Yamana Gold Inc. in 2012. Before this, he performed advisory services for various clients including Exeter Resource Corp., Kinross Gold and AngloGold Ashanti Ltd and has worked as Exploration Manager for Aur Resources Inc. and as Global Head of Greenfields Exploration for AngloGold Ashanti Ltd.
Sergey Kuznetsov ⁽¹⁾ Ontario, Canada	Non Executive Director since July 2013	Presently he is a Financial and Management consultant. Previously, he worked at Russian Aluminium (RUSAL), GeoProMining, FBK and Euroset.
Max Oemick ⁽¹⁾ Santiago, Chile	Non Executive Director since July 2013	He is currently General Manager of Comercial Andean Dragon Trading Limitada since April 2002. He was founder and General Manager of Fortune Valley Resources Inc. from March 2006 to December 2010. Since 2003, Mr. Oemick is the representative in Latin America for Argor Heraeus S.A.
Ignacio Salazar Santiago, Chile	Chief Executive Officer since August 2013.	He is presently CEO of the Corporation. He is also currently President of the Chamber of Mines of Uruguay. Interim Managing Director from March to July 2013 and CFO of the Corporation from August, 2008 to March 2013. Prior to joining Orosur, he worked for Shell, in Finance and New Business Development in different countries in Europe and South America.
Gustavo Licandro Montevideo, Uruguay	Interim Chief Financial Officer since July 2013	He was Executive Director of the Bank Association of Uruguay. He was also Director and Acting CEO, of the Banco Comercial S.A.
Patricia Rodriguez Montevideo, Uruguay	Corporate Secretary (since August, 2006)	Legal Counsel and Corporate Secretary of OMI from July 2006 until present.

Name and province or state and country of Residence	Position in the Corporation	Principal Occupation for the Last Five Years
Anthony Shearer ^{(1) (3)} London, England	Resigned in May, 2013. Non Executive Chairman (from August 2012 until May 2013)	Currently Director of Abbey Protection PLC, Genesis Nanotechnologies Europe Ltd., Sanctuary Partners Ltd., Triple Plate Junction PLC, Updata Limited. Previously, he was director of Caxton FX Ltd., Gees Haulage Ltd., Harvard International PLC., IMAS Corporate Advisors Ltd., Jerrold Holdings Ltd., UK Portfolio Management Ltd., UK Wealth Management Ltd., Uruguay Mineral Exploration Inc. (Orosur Mining Inc.), Voyager Prepaid Ltd., Wogen PLC, 69 Holland Road Ltd.
Mario Caron ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ Ontario, Canada	Resigned in August, 2012 Non Executive Chairman until January 2012; Non Executive Director until August, 2012	Previously he was CEO, President and Director of Aldridge Minerals Inc. until July, 2013, Director of Andean American Gold Corp. until October 2012, Director of Vaaldiam Mining Inc. until June 2012, director of Axmin Inc. from 2008 until 2010, Director of First Uranium Corp. from 2010 to 2011 and Director of Tiberon Minerals Ltd. from July 2003 to August 2007.
David Fowler Santiago, Chile	Resigned in May, 2013 Chief Executive Officer and Director (from 2005 until May 31, 2013)	Chief Financial Officer of the Corporation from April 2004 to February, 2007 and from December, 2007 to August 2008 and Chief Executive Officer from May 2006 until May 2013.
William Lindqvist ⁽³⁾⁽⁴⁾ California, USA	Resigned in November, 2012 Non-Executive Director (since 2005 until November, 2012)	Independent consulting geologist from March 2002 to present; Vice President of Exploration for Homestake Mining Company from 1990 to 1992 and again from 1995 to 2002; He has been a director of Plutonic Power Corporation, and Salomon Resources Ltd. Currently, he is a Director in Andean Gold Ltd. and Evolving Gold Corp. and Canada Coal Inc.
Julio C. Porteiro ⁽¹⁾⁽³⁾ Montevideo, Uruguay	Resigned in May, 2013 Non-Executive Director (from 2006 until May 2013)	Currently Senior Partner of Julio C. Porteiro & Asoc.; President of Nuevo Banco Comercial S.A. from 2005 to 2006; former President of the Association of Certified Public Accountants and Economists of Uruguay. Mr. Porteiro was the corporate controller of Crédit Uruguay Bank, a member of Crédit Agricole Group (France).
Ralph Browning ^{(1) (2)} London, England	Resigned in August, 2012 Non Executive Director (from December 2010 until January 2012, Chairman from January 2012 until August 2012)	Presently, investment analyst and Corporate Adviser for various companies and Non Executive Director of GMA Resources (AIM: GMA). From 2006 to 2007 he was Investment Policy Adviser to Lloyd's of London.
Gijsbert Groenewegen ⁽¹⁾⁽³⁾ New York, USA	Resigned in August, 2012 (Non Executive Director from September 2011 until August 2012)	Presently Mr. Groenewegen is the Managing Partner of Silver Arrow Capital Management Ltd. based in London and New York and in the previous five years Mr. Groenewegen has been the Co-Founder and Co-Managing Partner of Gold Arrow Capital Management (Cayman) Ltd., also based in London and New York.
Rafael Vergara	Resigned in July, 2013 Director since February 2013 and Chairman since May 2013. He resigned on July 2013.	He is a partner of the Santiago law firm, Carey y Cía. and head of their Natural Resources, Energy and Environment Group.

Name and province or state and country of Residence	Position in the Corporation	Principal Occupation for the Last Five Years
Luis Tondo Santiago, Chile	Resigned in October 2012 Chief Operating Officer (from September 2010 to October 2012)	Mr. Tondo spent 16 years working in operations for Rio Tinto in Brazil and the last 5 years working for Kinross Gold Corporation developing large scale mining projects in Brazil and Chile.

Notes:

- (1) Denotes a member of the Audit Committee of the Corporation during part of the fiscal year 2013
- (2) Denotes a member of the Corporate Governance and Nominations Committee of the Corporation during part of the fiscal year 2013
- (3) Denotes a member of the Remuneration Committee of the Corporation during part of the fiscal year 2013
- (4) Denotes a member of the Health, Safety and Environment Committee of the Corporation during part of the fiscal year 2013

Each director is elected to hold office until the next annual meeting of shareholders of the Corporation or until his successor is elected or appointed.

Committees of the Corporation's board of directors consist of the Audit Committee, the Remuneration committee, the Corporate Governance and Nominations Committee and the Health, Safety and Environment Committee. Additional information with respect to such committees is contained in the annual management information circular and Annual Report of the Corporation.

The number and percentage of common shares of the Corporation beneficially owned or controlled or directed, directly or indirectly, by all directors and executive officers of the Corporation as a group was 226,500 and 0.28% respectively as of May 31, 2013 and is 2,958,472 and 3.78% as at the date hereof.

9.2 Cease Trade Order, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, no director or executive officer of the Corporation is as of the date hereof, or has been, in the last ten years, a director or chief executive officer or chief financial officer of an issuer 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 issuer access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days, (b) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days, or (c) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of the Corporation, no director or executive officer of the Corporation and no shareholder holding sufficient number of securities of the Corporation to affect materially the control of the Corporation (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company including the Corporation that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under the legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder except Mr. Fowler who was an officer of Western Metals Limited when it was put into administration during 2003.

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

9.3 Conflicts of Interest

To the knowledge of the Corporation, no director or officer of the Corporation or of any subsidiary of the Corporation has an existing or potential material conflict of interest with the Corporation or any of its subsidiaries.

ITEM 10: LEGAL PROCEEDINGS

10.1 Legal Proceedings

The Corporation may be involved in legal proceedings from time to time, arising in the ordinary course of its business. The amount of ultimate liability with respect to these actions will not, in the opinion of management, materially affect the Corporation's financial position, results of operations or cash flows.

10.2 Regulatory Actions

The Corporation has not been subject to (a) any penalties or sanctions imposed by any court relating to securities legislation or by a securities regulatory authority during financial year 2013 and up to the date hereof; or (b) any penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision.

The Corporation has not entered into any settlement agreement before a court relating to securities legislation or with a securities regulatory authority during financial year 2013 and up to the date hereof;

ITEM 11: INTEREST OF MANAGEMENT AND OTHER IN MATERIAL TRANSACTIONS

The Corporation is not aware of any material interests, direct or indirect, of any director, executive officer, any shareholder who beneficially owns, or controls or directs, directly or indirectly more than 10% of the issued and outstanding common shares of OMI or any known associate or affiliates of such persons in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Corporation.

ITEM 12: TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada with offices at 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, Canada, is the transfer agent and registrar for OMI's common shares.

ITEM 13: MATERIAL CONTRACTS

Below is a list of material contracts entered into by the Corporation, including certain contracts entered into in the ordinary course of business, within the last financial year or before the last financial year but still in effect:

a) On January 10, 2008, Fortune Valley Resources Inc., now a wholly owned subsidiary of the Corporation, signed an option agreement (the "Anillo Option Agreement") with Corporacion Nacional del Cobre de Chile ("Codelco") to acquire a 65% interest in the Anillo property located Region II of Chile. The Corporation must spend \$US 3,000,000 over four years and complete a bankable feasibility study

within a further two years in order to earn a 65% interest in the property. To date \$US 3,971,000 has been spent.

Following the completion of the bankable feasibility study, Codelco and the Corporation would establish a joint venture company. The Anillo Option Agreement includes an option for Codelco to place up to 20% of the capital stock in the new joint venture company with the public, provided that the Corporation retains the right to maintain its ownership interest. In the event the Corporation discovers a copper deposit on the Anillo property, Codelco will have a back-in right to increase its ownership interest by up to 35% to 70% by reimbursing the Corporation for its expenditures.

b) In October 2009, Fortune Valley Resources Inc, signed an option agreement with Anglo American Norte S.A. a subsidiary of Anglo American plc. To acquire an interest in the Pantanillo property (the "Pantanillo Option Agreement") Under the Pantanillo Option Agreement, the Corporation must spend \$US 4,000,000 on development work and make cash payments of \$US 850,000 over a period of three years to acquire 100% interest in the Pantanillo property, located in Region III of Chile. The vendor will receive a 3.5% net smelter return royalty on future production from the property. An annual minimum royalty of \$US 300,000 is payable in years four and five, increasing to \$US1,000,000 from year six. To date \$US 550,000 have been paid and the Corporation has incurred in \$US 8,989,000 in exploration expenditure including over 12.815 meters of drilling.

c) In January, 2010 the Corporation acquired all of the issued and outstanding common shares of Fortune Valley. The acquisition was satisfied through the issue of common shares in OMI at an exchange ratio of 0.4534 OMI shares plus \$C 0.001 in cash for every one Fortune Valley share, representing a purchase price of approximately \$C 0.23 per Fortune Valley share.

d) In January 2010, the Corporation entered into an option agreement with Gladiator Resources Limited ("**Gladiator**") which grants Gladiator the right to earn up to an 80% interest in the iron ore, manganese ore and base metals potential in OMI's project area in the Isla Cristalina Belt. Upon the execution of the Agreement Gladiator issued to OMI AUD 100,000 worth of fully paid shares in Gladiator at market value. Gladiator has now earned 51% interest in the properties as it has spent over \$US 5,000,000 on work programs. Gladiator may now elect to earn a further 29% taking its interest to 80% by producing a bankable feasibility study on or before December 31, 2015.

e) On June 3, 2010 the Corporation entered into a Farm in Agreement with Minerales Cala S.A. ("**MC**") whereby MC has the right to earn up to 80% interest on the Corporation's Chamizo Gold project in Southern Uruguay (the "Assets"). MC is committed to spend US\$ 150,000 in exploration work within a period of twenty four months to earn 51% interest in the Assets, which has been extended for six months. Subsequently, MC will have the right to earn a further 29% by incurring in a further US\$ 350,000 in exploration expenditure. After MC has completed US\$ 500,000 expenditure and consequently has earned an 80% interest in the Assets, OMI will have the option to contribute its 20% proportionate share of expenditure. Should the Corporation choose not to contribute, dilution shall apply and if the Corporation's interest falls below 10%, its interest will convert to a net smelter royalty of 2%.

f) On August 26, 2011 the Corporation signed the Definitive Acquisition Agreement to acquire 100 percent interest of Talca gold property ("**Talca**") in Chile's Region IV. Acquisition payments consist of US\$3.84 million over approximately 20 months for a 25 per cent interest in Talca with an option to acquire the remaining 75 per cent for US\$3.78 million over a five year period and 1 per cent net smelter royalty on production. At present OMI has gained the first 25 per cent interest in the project.

g) In October 2011, OMI signed a contract (the "**Contract**") with LUMAX S.A. and other two partners to form a consortium (the "**Consortium**") to explore for water in the Cienaga Redonda basin close to OMI's Pantanillo project. LUMAX S.A. and the partners, companies that are in the lithium mining business had requested water exploration rights over the same area as OMI. According to the Contract, both companies will share water rights equally up to a rate of 120 litres per second. If available water exceeds that number, OMI will retain 60 litres per second. Exploration costs are split proportional to the amount of water retained by each company. The 60 litres per second flow rate is expected to support a heap leach project of approximately 15 million tonnes per annum. Following execution of the Contract, the Chilean Government Water Administration granted the Consortium authorization for water exploration on a 4.98 hectare land package in the Cienaga Redonda basin.

ITEM 14: INTEREST OF EXPERTS

14.1 Name of Experts

Unless stated for each specific section, this AIF has also been updated by the Corporation to the date by its General Manager Operations, Francisco Castillo and Walter Muehlebach, General Manager Exploration, both “qualified persons” under NI 43-101.

Armando Simón, Ph.D., P.Geo (APGO), Paula Larrondo, Member, (AusIMM) and Joyce Maycock, P.Eng. (APEGBC), all of AMEC and each of whom is a “qualified person” as that term is defined in NI 43-101, authored the 2010 release of the Pantanillo Technical Report.

Dr. Armando Simon, MAIG, R.P. Geo, Ms María-Angélica González, RM CMC, Mr Marcelo Hernando, RM CMC, Ms Joyce Maycock, P.Eng, Mr Hans Göpfert, RM CMC. And Mr Dan Russell, P.Geo.all from AMEC International Ingeniería y Construcción Limitada authored the 2012 version of the Pantanillo Technical Report.

QP for Mineral Resources and Reserves, please refer to keynotes on the tables.

14.2 Interest of Experts

PricewaterhouseCoopers LLP report that they are independent of the Corporation in accordance with the Rules of Professional Conduct of The Institute of Chartered Accountants of Ontario.

None of the other experts named in the foregoing section, or any designated professionals (as defined in Form 51-102F2) of MDA or AMEC, received or held any securities of the Corporation at the time that the respective report was prepared, or will receive any securities of the Corporation.

ITEM 15: ADDITIONAL INFORMATION

Additional information on the Corporation can be found on SEDAR at www.sedar.com.

Additional information including directors' and officers' remuneration and indebtedness, principal holders of OMI's securities and options to purchase securities, where applicable, will be contained in OMI's Management Information Circular to be prepared for the Annual General Meeting of the shareholders of OMI. Additional financial information is provided in OMI's comparative financial statements and management discussion and analysis for the year ended May 31, 2013.

ANNEXURE 1 – AUDIT COMMITTEE CHARTER

Composition

1. The Committee will be comprised of no less than three directors of the Corporation, all of whom must be independent. Unless waived, 24 hour notice must be given. Quorum of meetings shall be a majority of members. Meetings may be by telephone or in person.
2. The length of term to be served by directors on the Committee will be determined by the Board of Directors of the Corporation (the "Board"), giving consideration to the benefits of periodic rotation of committee membership.
3. One of the members will be appointed Chairman of the Committee by the Board.
4. A secretary to the Committee will be appointed by the Chairman of the Committee. The Secretary of the Committee may or may not be a member of the Committee.
5. With the approval of the Board, the Committee may retain persons having special expertise to assist the Committee in fulfilling its responsibilities.

Responsibilities

The responsibilities which the Committee is required to satisfy itself of, on behalf of the Board, are to:

1. recommend to the Board:
 - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditors report or performing other audit, review or attest services for the Corporation; and
 - (ii) the compensation of the external auditor.
2. oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditors report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between the management and external auditor regarding financial reporting;
3. pre-approve all non-audit services to be provided to the Corporation or to its subsidiaries by the Corporation's external auditor;
4. ensure that the Corporation's annual financial statements are fairly presented in accordance with generally accepted accounting principles and to recommend to the Board whether the annual financial statements should be approved;
5. ensure that the information contained in the following financial publications is not significantly incomplete, misleading or erroneous:
 - (i) Annual Report to Shareholders
 - (ii) Management Discussion and Analysis ("MD&A")
 - (iii) Annual Information Form ("AIF")
 - (iv) Quarterly Financial Information
 - (v) Prospectuses
6. review the Corporation's financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information;
7. ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection (e), and must periodically assess the adequacy of those procedures.

8. ensure that there are established procedures for:
9. the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
 - (i) review and approves the Corporation's policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.
10. ensure that the Corporation has implemented appropriate systems of internal control over financial reporting, and appropriate systems of internal control to ensure compliance with legal, regulatory and ethical requirements; and

Meetings

1. The Committee will meet at least four times per year. The meetings will be scheduled to permit timely review of the interim and annual financial statements and for meetings with the external auditors, prior to a submission of observation and recommendations to the Board. Additional meetings may be held as deemed necessary by the Chairman of the Committee or as requested by any member or the external auditors.

Reporting

1. The minutes of all meetings of the Committee, signed by the Chairman of the Committee and the Secretary to the Committee, are to be provided to the Board. Oral reports on recent matters not yet minuted are to be provided to the Board by the Chairman of the Committee.
2. Supporting schedules and information reviewed by the Committee will be available for examination by any director upon request to the Secretary to the Committee.