

**RED CRESCENT RESOURCES LIMITED**



**ANNUAL INFORMATION FORM**

**FOR THE YEAR ENDED  
DECEMBER 31, 2011**

**DATED MARCH 30, 2012**

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## ITEM 1 - PRELIMINARY NOTES

In this Annual Information Form ("AIF"), Red Crescent Resources Limited is referred to as the "**Corporation**". A glossary of non-technical terms and technical terms used in this AIF is located at "*Item 20 – Glossary of Non-Technical Terms*" and "*Item 21 – Glossary of Technical Terms*", respectively. Unless otherwise indicated, the information given herein is as at March 30, 2012. Unless otherwise indicated, all currency references in this AIF are to Canadian dollars.

## ITEM 2 - FINANCIAL STATEMENTS

This AIF should be read in conjunction with the Corporation's audited consolidated financial statements and management's discussion and analysis for the year ended December 31, 2011. The financial statements and management's discussion and analysis are available under the Corporation's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") website at [www.sedar.com](http://www.sedar.com). The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

## ITEM 3 - CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This AIF contains "forward-looking statements" which may include, but is not limited to, statements with respect to: the future financial or operating performance of the Corporation and its projects; plans for exploration and development of the Hakkari Zinc Project, the Tufanbeyli Zinc Project, the Sivas Copper Project (as such terms are hereinafter defined) and other projects, including the costs and timing of future exploration and expansion plans for existing properties, the mobilization of small mining and gravity concentrator beneficiation and the sale and shipment of ore; the Corporation's ability to meet its obligations under the Hakkari Definitive Agreement (as hereinafter defined), including the expectation of satisfying the requirement to establish a mine and beneficiation plant to process up to 60,000 tonnes ROM zinc ore per year, and the obligations under the Sivas Copper Agreement (as hereinafter defined) and other property agreements; the future price of base metal and ferrous metal prices; the estimation of mineral resources; the timing and amount of estimated future production; capital, operating and exploration expenditures; costs and timing of the development of new deposits; requirements for additional capital and future financing of projects; government regulation of mining operations; environmental risks; reclamation expenses; limitations of insurance coverage; and the timing and possible outcome of regulatory matters.

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

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

The estimates and assumptions of the Corporation contained or incorporated in this AIF which may prove to be incorrect, include, but are not limited to: there being no significant disruptions affecting operations on the Hakkari Zinc Project, the Tufanbeyli Zinc Project, the Sivas Copper Project and other properties,

whether due to labour disruptions, supply disruptions, damage to equipment, or otherwise; changes to the legislative and regulatory framework in Turkey proceeding on a basis consistent with the Corporation's current expectations; the exchange rate between applicable currencies being approximately consistent with current levels; certain price assumptions for zinc, lead, copper and other metal and mineral commodities; prices for and availability of natural gas, fuel, electricity, parts and equipment and other key supplies remaining consistent with current levels; production forecasts meeting expectations; labour and material costs increasing on a basis consistent with current expectations; and the Corporation's ability to access capital markets and to generate sufficient cash flow from projected operations to meet its future obligations.

Factors that could cause actual results or events to differ materially from those projected in the forward-looking statements include, but are not limited to: fluctuations in the currency markets; fluctuations in the price of zinc, lead, copper and other base and precious metal and mineral commodities or certain other commodities (such as diesel fuel and electricity); changes in interest rates; disruption to the credit markets and delays in obtaining financing; inflationary pressures; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada and Turkey, or other countries in which the Corporation may carry on business; business opportunities that may be presented to, or pursued by the Corporation; the Corporation's ability to successfully integrate acquisitions; actual results of exploration activities; the possibility of cost overruns or unanticipated expenses; employee relations; relationships with joint venture partners; the speculative nature of mineral exploration and development, including the risks of obtaining and renewing necessary licenses and permits; contests over title to properties; and the occurrence of natural disasters, hostilities, acts of war or terrorism. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formation, pressures, cave-ins, and flooding (and the risk of inadequate insurance, or inability to obtain insurance to cover these risks). The factors identified above are not intended to represent a complete list of the factors that could affect the Corporation. Additional factors are noted under the heading "*Item 13 - Risk Factors*".

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this AIF. These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking statements. The forward-looking information contained in this AIF and any documents incorporated by reference herein are expressly qualified by this cautionary statement. Forward-looking statements contained herein are made as of the date of this AIF unless otherwise noted, and the Corporation does not undertake any obligation to publicly update or revise any forward-looking information after the date of this AIF to conform such statements to actual results or to changes in the Corporation's expectations, except as otherwise required by applicable legislation.

#### **ITEM 4 - INFORMATION INCORPORATED BY REFERENCE**

The technical report entitled "NI 43-101 Technical Report on the Hakkari Zinc Project" authored by Mike Robertson, Dr. Brendan Clarke and Mike Hall of The MSA Group (Pty) Ltd. dated April 13, 2011 and filed on SEDAR at [www.sedar.com](http://www.sedar.com) on April 14, 2011 (the "**2011 Hakkari Zinc Technical Report**") is incorporated herein by reference.

The technical report entitled "NI 43-101 Technical Report on the Tufanbeyli Zinc Project, Turkey" authored by Mike Robertson and Mike Hall of The MSA Group (Pty) Ltd. dated July 25, 2011 and filed on SEDAR at [www.sedar.com](http://www.sedar.com) on August 3, 2011 (the "**2011 Tufanbeyli Zinc Technical Report**") is incorporated herein by reference.

## ITEM 5 - CORPORATE STRUCTURE

### 5.1 Name, Address and Incorporation

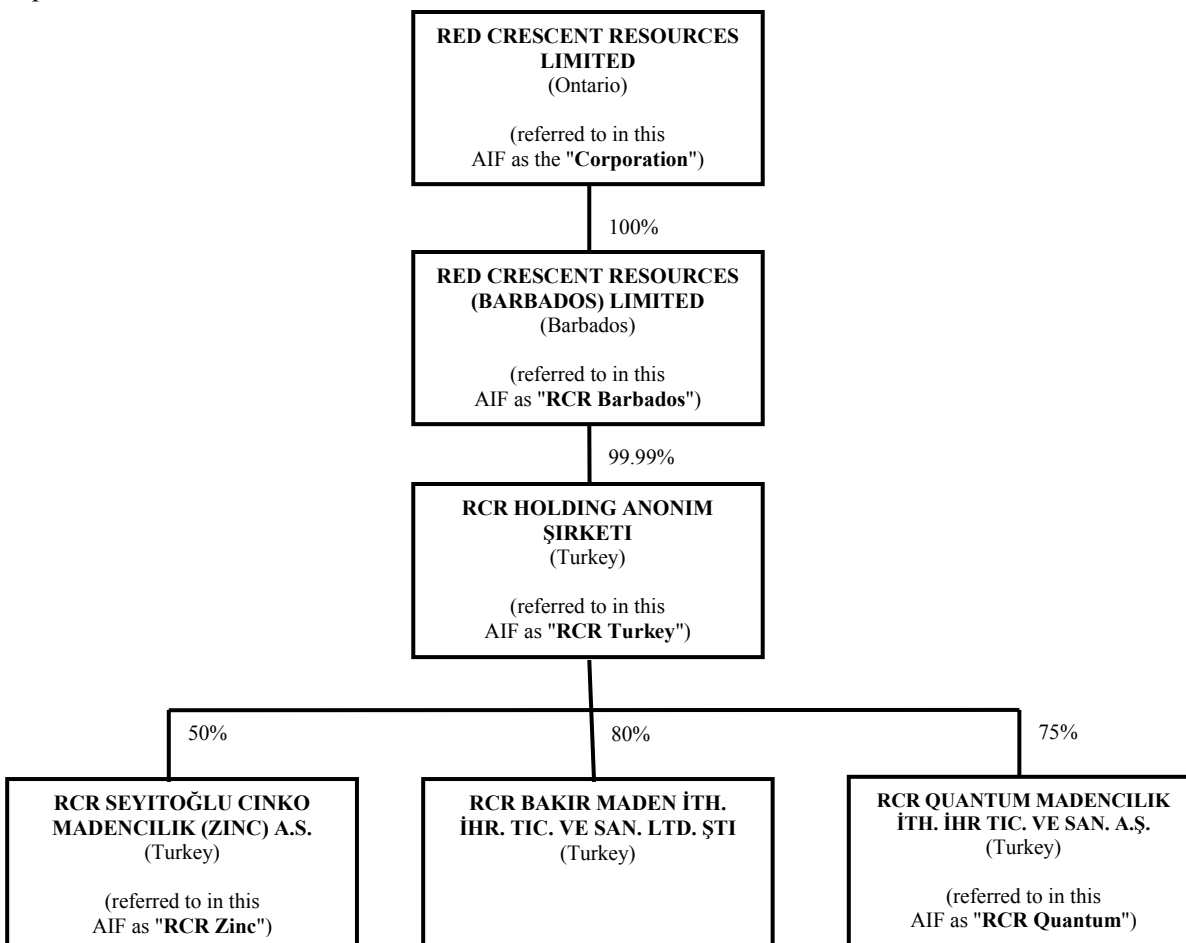
Red Crescent Resources Limited (the "**Corporation**") was incorporated pursuant to the provisions of the *Business Corporations Act* (Ontario) on June 17, 2005 under the name Sudbury Capital Corporation. The registered and head office of the Corporation is located at 2 Bloor Street West, Suite 1803, Toronto, Ontario, M4W 3E2.

In March 2008, the Corporation acquired all the issued and outstanding securities of NiCo Mining Corp, which was accounted for as a reverse takeover and constituted a qualifying transaction under the policies of the TSXV. By articles of amendment dated March 11, 2008, the Corporation changed its name to NiCo Mining Limited and consolidated the then issued Common Shares on a ten (10) for one (1) basis.

In November 2010, the Corporation completed the acquisition (the "**RCR Acquisition**") of all of the issued and outstanding shares of Red Crescent Resources (Barbados) Limited ("**RCR Barbados**"), a Barbados based holding company (see "*Item 6 - General Development of the Business – The RCR Acquisition*"). Pursuant to articles of amendment dated November 5, 2010, the Corporation changed its name to Red Crescent Resources Limited.

### 5.2 Inter-Corporate Relationships

The following diagram illustrates the Corporation's corporate structure, each of its direct and indirect subsidiaries, their respective jurisdictions of incorporation and the percentage of shares held by the Corporation.



## ITEM 6 - GENERAL DEVELOPMENT OF THE BUSINESS

### 6.1 History of the Corporation Prior to the Completion of the RCR Acquisition

Until September 2008, the Corporation was engaged in the exploration of nickel and cobalt on three large nickel cobalt concessions (the "**Lomie Concessions**"), totaling approximately 2,800 square kilometres in the Republic of Cameroon, Africa.

In September 2008, the Corporation decided to wind down its exploration activities in the Cameroon. An impairment charge in the amount of approximately \$1,000,000 for the full carrying value of the Lomie Concessions was recorded in 2010. The Corporation relinquished its rights to the Lomie Concessions in 2011.

In July 2009, the Corporation purchased from View 22 Technology Inc. ("**View 22**") a \$1,000,000 principal amount of 12% secured debenture of View 22 (the "**View 22 Debenture**"). The View 22 Debenture was repaid in full during 2011. See "*Item 6 - General Development of the Business – Other*".

In March, 2010, the Corporation entered into a letter agreement with RCR Holding Anonim Şirketi ("**RCR Turkey**") pursuant to which the Corporation agreed to acquire all of the issued and outstanding shares of RCR Turkey pursuant to the RCR Acquisition (see "*Item 6 – General Development of the Business - The RCR Acquisition*" below).

### 6.2 History of RCR Turkey Prior to the Completion of the RCR Acquisition

RCR Turkey is a private company which was registered on October 27, 2008 pursuant to the laws of the Republic of Turkey in order to acquire, explore and develop mineral properties in the Republic of Turkey.

On October 20, 2009, RCR Turkey entered into a Definitive Agreement (as subsequently amended and supplemented, including pursuant to an addendum signed March 1, 2012, the "**Hakkari Definitive Agreement**") with Abdülkadir Seyitoğlu, Kadri Seyitoğlu and Melal Kazar (collectively, "**Seyitoğlu Madencilik**") pursuant to which RCR Turkey and Seyitoğlu Madencilik formed RCR Seyitoğlu Cinko Madencilik (Zinc) A.S. ("**RCR Zinc**"), a 50:50 joint stock company, and Seyitoğlu Madencilik agreed to transfer 24 Licenses in the Hakkari region of south-eastern Turkey to RCR Zinc. The Licenses consisted of 13 Licenses focused upon zinc/lead exploration, 4 Licenses focused upon copper exploration, and the remaining 7 Licenses focused on manganese and chrome exploration. To date, all but one of such Licenses (being a zinc License) have been transferred to RCR Zinc, and this remaining License is expected to be transferred during 2012. Subsequently, during 2010 and early 2011, RCR Zinc entered into additional acquisition and exploration agreements with other License holders regarding the acquisition or exploration of additional zinc Licenses in the Hakkari region. These additional zinc Licenses, together with the zinc Licenses transferred to RCR Zinc pursuant to the Hakkari Definitive Agreement, are referred to as the Hakkari Zinc Project. The exploration of the Hakkari Zinc Project became the principal focus of RCR Turkey. For details regarding the Hakkari Zinc Project and the agreements related thereto, see "*Item 7 - Description of the Business – The Hakkari Zinc Project*".

From December 2009 to April 2010, RCR Turkey raised gross proceeds of approximately US\$2,252,500 through the sale of shares of RCR Turkey.

Pursuant to a share exchange agreement dated May 10, 2010 between RCR Barbados and the former security holders of RCR Turkey, the security holders of RCR Turkey exchanged 99.99% of the issued and outstanding shares of RCR Turkey for 24,998,000 shares of RCR Barbados, representing 99.99% of the issued and outstanding shares of RCR Barbados. See "*Item 5 – Corporate Structure - Inter-Corporate Relationships*" above. The 0.01% of the outstanding shares of RCR Turkey not held by RCR Barbados is

held by two companies and two individuals in order to comply with the requirement under applicable Turkish law that a joint stock company have at least five shareholders.

### **6.3 The RCR Acquisition**

On November 5, 2010, the Corporation completed the acquisition of RCR Barbados pursuant to a securities exchange agreement (the "**Securities Exchange Agreement**") dated September 7, 2010 between the Corporation, RCR Barbados, Alan Clegg and the security holders of RCR Barbados. The acquisition was accomplished through an exchange of securities under which the Corporation acquired all the issued and outstanding shares of RCR Barbados in exchange for the issuance to former security holders of RCR Barbados of 73,300,391 Common Shares, 6,850,597 common share purchase warrants of the Corporation, 5,746,784 exchange receipts of the Corporation ("**Exchange Receipts**") and 1,383,419 broker warrants and options of the Corporation. The RCR Acquisition resulted in the former shareholders of RCR Barbados acquiring approximately 90% of the issued and outstanding Common Shares upon completion of the RCR Acquisition. Each Exchange Receipt entitled the holder thereof, without additional consideration, to acquire 0.80 of a Common Share in the event that the View 22 Debenture held by the Corporation was not fully repaid by August 15, 2011, subject to adjustment for amounts paid down on the Debenture on or prior to such date.

Prior to completion of the RCR Acquisition, RCR Barbados sold on September 7, 2010, by way of a brokered private placement (the "**RCR Barbados Private Placement**"), 5,746,784 subscription receipts of RCR Barbados (the "**RCR Barbados Subscription Receipts**") at \$1.04 per RCR Barbados Subscription Receipt for aggregate gross proceeds to RCR Barbados of \$5,976,655. Concurrently with the closing of the RCR Acquisition on November 5, 2010, each RCR Barbados Subscription Receipt automatically converted (for no additional consideration) into one unit of RCR Barbados, which units were then immediately exchanged into units of the Corporation at the applicable exchange ratio pursuant to the terms of the RCR Acquisition. Haywood Securities Inc. acted as agent and Optiva Securities Limited acted as a finder on the private placement.

On November 11, 2010, following the completion of the RCR Acquisition, the Corporation graduated from TSXV to TSX and the Common Shares commenced trading on TSX under its new trading symbol "RCB".

### **6.4 Events Subsequent to the Completion of the RCR Acquisition**

#### *Exploration and Development Activities*

Subsequent to the RCR Acquisition, the Corporation focused on its core business strategy of developing base metals projects in Turkey with its initial focus being the continued exploration of the Hakkari Zinc Project.

The Corporation also implemented a strategy of asset consolidation and business risk diversification of its portfolio through the acquisition in 2011 of an interest in the Sivas Copper Project and the Tufanbeyli Zinc Project.

See "*Item 7 - Description of the Business*" for a description of the Hakkari Zinc Project, the Tufanbeyli Zinc Project and the Sivas Copper Project and the agreements related thereto.

#### *Agreements with Link Investment and Consulting LLP*

On July 4, 2011, the Corporation entered into an agreement for all its attributable production of direct shipping ore ("**DSO**") and concentrates with Link Investment and Consulting LLP ("**Link Investment**"),

a London-based company specializing in the trading, investment and marketing of non-ferrous ores and concentrates, and SAT Enerji A.S. ("**SAT**"), a major shareholder of the Corporation indirectly controlled by Alan M. Clegg, Chairman and CEO of the Corporation (see "*Officers and Directors of the Corporation – Name, Occupation, and Security Holdings*"). Pursuant to the terms of such agreement:

- Link Investment acquired 3,086,734 Common Shares of the Corporation from SAT at a price of \$0.45 per share.
- The Corporation and Link Investment entered into a shareholder loan agreement dated June 30, 2011 (as subsequently amended or supplemented, the "**Loan Agreement**"), under which Link Investment granted the Corporation an initial loan facility of US\$1.8 million (the "**Loan**") to be used for the purchase of equipment and production of ore and concentrates at its Hakkari Zinc Project and Tufanbeyli Zinc Project. The Loan carries interest at the rate of 4.50% per annum. The principal amount of the Loan is repayable in 24 equal instalments of US\$75,000 monthly, commencing in February 2012. The maturity date of the Loan is the 900<sup>th</sup> day following the date the Loan is drawn down.

The Loan has been fully drawn down. The Corporation has not paid the first two instalments of principal loan repayments in the amount of US\$75,000 each, due on February 2 and March 2, 2012, and has not paid interest payments since November 2, 2011. Link Investment has agreed to defer the payment of the principal amount under the Loan until March 31, 2013, provided, among other things, that the Corporation pays Link approximately \$64,000 in outstanding interest and other charges as soon as funds are available from the anticipated sale of the Corporation's semi-mobile concentrator unit (see "*Item 7 - Description of the Business – The Hakkari Zinc Project – Recent Developments Regarding the Hakkari Zinc Project*").

As security for the Loan, SAT pledged 3,087,374 Common Shares in favour of Link Investment. Furthermore, the Corporation and Link Investment have agreed that RCR Turkey will provide additional security for the Loan in the form of a commercial enterprise pledge under Turkish law over certain assets of RCR Turkey, including, without limitation, equipment and intangible rights relating to the commercial enterprise at the Hakkari Zinc Project and the Tufanbeyli Zinc Project.

- Subject to the repayment in full of the initial Loan and successful operation of DSO and concentrate supplies, Link Investment will grant to the Corporation a second loan facility of up to US\$1.8 million to be used for the increase of production of ores and concentrates at its Hakkari Zinc Project and Tufanbeyli Zinc Project, which facility Link Investment may increase to up to US\$4.0 million.
- SAT granted Link Investment an exclusive anytime option to acquire Common Shares held by SAT, by means of a conversion of the outstanding principal balance of the Loan, at a price of C\$0.50 per share until June 30, 2012 and at a price of C\$1.00 per share until June 30, 2013.
- The Corporation and Link Investment entered into a marketing agreement dated December 2, 2011, pursuant to which Link Investment has been appointed as the Corporation's exclusive agent for the marketing and sales of the Corporation's attributable production of DSO and concentrates from the Hakkari Zinc Project, Tufanbeyli Zinc Project and the Sivas Copper Project for a three year term following the start of production of all mines. The Corporation agreed to remunerate Link Investment for its services at 2.50% of the final agreed invoice value of a dry metric ton of ores/concentrates (for each final invoice), provided that such remuneration shall be a minimum of US\$120,000 per calendar year.

Mr. Cem Elmastas, who is a director of and owns or controls Link Investment, was appointed as a director of the Corporation in January of 2012.

#### *Agreements with Petmin Limited*

On August 4, 2011, the Corporation and RCR Turkey entered into an agreement (the "**Petmin Farm-In Agreement**") with Petmin Limited ("**Petmin**"), a South African multi-commodity mining company, pursuant to which Petmin agreed, subject to the completion of certain milestones, to advance up to \$17 million toward the Sivas Copper Project in order to acquire from the Corporation up to a 37.5% interest in the Sivas Copper Project. See "*Description of the Business – Sivas Copper Project – Petmin Farm-In Agreement*" for a description of the Petmin Farm-In Agreement.

The Corporation and Petmin also entered into two subscription agreements pursuant to which Petmin purchased from the Corporation, on a private placement basis, an aggregate of 9,280,000 Common Shares (representing approximately 10.1% of the then issued and outstanding Common Shares of the Corporation) at a price of \$0.50 per share for aggregate gross proceeds of \$4,640,000. Petmin was also granted the right to nominate one individual to the board of directors of the Corporation (the "**Board**") conditional upon maintaining a minimum 5% shareholding in the Corporation and the right of first refusal with respect to certain financings of the Corporation for a period of 12 months from August 2011. As of the date hereof, Petmin does not have a nominee on the Board.

#### *Other*

In August 2011, the Corporation received \$700,000 in partial payment of the \$1,000,000 principal amount of the View 22 Debenture. The remaining \$300,000 principal amount of the View 22 Debenture was repaid as to \$200,000 in October 2011 and \$100,000 in November 2011. Since the View 22 Debentures was not fully repaid by August 15, 2011, in accordance with the terms of the Exchange Receipts previously issued to investors (see "*Item 6 - General Development of the Business – the RCR Acquisition*" above), the Corporation was required to issue 1,379,228 Common Shares, for no additional consideration, to holders of all outstanding Exchange Receipts.

On January 30, 2012, the Corporation announced that it had completed a non-brokered private placement by issuing 1,119,380 units of the Corporation at a price of \$0.25 per unit for gross proceeds of \$279,845. Each such unit consisted of one Common Share and one Common Share purchase warrant (each, a "**Warrant**"). Each such Warrant entitles the holder to acquire an additional Common Share at a price of \$0.40 per share for a period of 24 months from the date of issuance; provided that, if the Common Shares trade on the TSX at or above a closing market price of \$0.40 per share on any 15 trading days during the period from the date of issuance of the Warrants to the 180<sup>th</sup> day after the date of issuance of the Warrants, the exercise price of each Warrant will automatically adjust to \$0.52 per share for the remainder of the exercise term of such Warrant. The Corporation issued on closing 5,400 finder's warrants, which carry the same terms as the Warrants.

On January 13, 2012, the Corporation announced the resignation of Peter Jones as a director of the Corporation and the appointment of Messrs. Cem Elmastas and Robert Perry as directors of the Corporation. In addition, the Corporation also announced the appointment of Dr. Selahaddin Anaç as Chief Operating Officer of the Corporation and Chief Executive Officer of RCR Turkey. See "*Item 12 - Officers and Directors of the Corporation - Name, Occupation, and Security Holding*".

## ITEM 7 - DESCRIPTION OF THE BUSINESS

### 7.1 General

The Corporation is a mineral exploration and development company focused on securing, consolidating and growing its portfolio of base metal opportunities in the Republic of Turkey, including zinc and lead, copper and manganese, and progressing these up the value curve to production. The Corporation's business and risk management strategy is to diversify and hold geographically spread mineral properties with different commodities in Turkey.

The principal focus of the Corporation is the continued exploration and development of its principal zinc project located in the Hakkari region of south-eastern Turkey, the Hakkari Zinc Project, in which the Corporation is earning a 50% interest (see "*The Hakkari Zinc Project*" below). The Corporation is also exploring and developing the Tufanbeyli Zinc Project, in which the Corporation owns a 100% interest, and the Sivas Copper Project, in which the Corporation has a 75% interest (see "*Tufanbeyli Zinc Project*" and "*Sivas Copper Project*" below).

Alan Clegg, a Qualified Person under NI 43-101, has reviewed and verified the technical information contained in Item 7 of the AIF. Alan Clegg is the Chairman and Chief Executive Officer of the Corporation, and his beneficial ownership of securities of the Corporation is set out under "*Item 12 - Officers and Directors of the Corporation - Name, Occupation, and Security Holding*".

### 7.2 The Hakkari Zinc Project

#### *Overview*

Pursuant to the Hakkari Definitive Agreement, RCR Turkey and Seyitoğlu Madencilik formed RCR Zinc, a 50:50 joint company held equally by RCR Turkey and Seyitoğlu Madencilik. RCR Turkey's 50% interest in RCR Zinc is subject to the satisfaction of certain milestones set out in the Hakkari Definitive Agreement (see "*Principal Terms of the Hakkari Definitive Agreement*" below).

RCR Turkey and Seyitoğlu Madencilik agreed that the initial focus of RCR Zinc would be the exploration, pre-feasibility study ("**PFS**") and bankable feasibility study ("**BFS**") with respect to the high potential Zinc/Lead Licenses within the Hakkari region of south-eastern Turkey, referred to herein as the "**Hakkari Zinc Project**".

The Hakkari Zinc Project consists of 17 Licenses focused on zinc/lead, 13 of which are exploration Licenses and 4 of which are operational Licenses. RCR undertook systematic exploration programs in 2010 on two of such Licenses (known as License 5 and the Pentagon License), the results of which are reported in the 2011 Hakkari Zinc Technical Report and were used to formulate the maiden mineral resource estimate for License 5 and a non-compliant mineral resource estimate for the Pentagon License (see "*The 2011 Hakkari Zinc Technical Report*" below).

RCR Zinc acquired an interest in, or acquired the right to explore, the 17 Licenses comprising the Hakkari Zinc Project as follows:

- 12 Licenses (including License 5), which were originally owned or controlled by Seyitoğlu Madencilik, were transferred to RCR Zinc pursuant to the Hakkari Definitive Agreement. See "*Principal Terms of the Hakkari Definitive Agreement*" below.
- 3 Licenses were acquired by RCR Zinc pursuant to a sale agreement dated September 15, 2010 between RCR Zinc and Giyasettin Seyitoğlu ("**GS**") for a purchase price of US\$360,000. As of

the date of this AIF, US\$240,000 of the purchase price has been paid. The final payment of US\$120,000 was due on December 31, 2011 and remains unpaid as a result of the arising of unpaid historical dues by the previous owner and currently being accounted for by the Turkish mining department. RCR Zinc expects to deduct such outstanding historical dues from the remaining final payment when such payment is made. Such Licenses have not yet been transferred to RCR Zinc. GS is entitled to receive a 5% net profit royalty for any production and sale of zinc ROM at market related prices.

- 2 Licenses (known as the Pentagon License and License 26) were transferred to RCR Zinc pursuant to operational and exploration agreements with certain owners and operators. See "*Principal Terms of the Agreements Relating to the Pentagon License and License 26*" below for a summary of such agreements. Copies of such agreements are attached as an appendix to the 2011 Hakkari Zinc Technical Report, which report is available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### *Principal Terms of the Hakkari Definitive Agreement*

RCR Turkey is responsible for managing and sourcing the funding for the exploration, PFS, BFS, project construction, operation and marketing relating to the proposed exploitation of zinc and associated lead resources in the Hakkari region.

RCR Turkey is also to source funding for and establish a mine and beneficiation plant to process up to 60,000 tonnes ROM zinc ore per year within a two year period of the transfer of all Licenses under the Hakkari Definitive Agreement, failing which the Licenses originally held by Seyitoğlu Madencilik will be transferred back to Seyitoğlu Madencilik, unless the parties otherwise agree. RCR Turkey intends to mobilise a small mining and gravity concentrator beneficiation plant with a design capacity of 90,000 tonnes ROM zinc ore per year during 2012, which the Corporation expects will satisfy the aforementioned condition in the Hakkari Definitive Agreement (see "*Recent Developments Regarding the Hakkari Zinc Project*" below).

In addition to the above condition, under the Hakkari Definitive Agreement, RCR Turkey also committed to expend at least the historical costs incurred by Seyitoğlu Madencilik in respect of the property (stated to be US\$4.5 million and accepted by RCR Turkey unaudited), which condition was satisfied in 2011. Any expenditure above the aforementioned historical costs ("**Additional Expenditure**") will be the responsibility of RCR Zinc (i.e., shared equally between RCR Turkey and Seyitoğlu Madencilik). Any amounts that RCR Turkey advances to RCR Zinc on account of Additional Expenditure (including amounts advanced by RCR Turkey on behalf of Seyitoğlu Madencilik) will be treated as a loan account in favour of RCR Turkey which will be subject to interest at a defined rate.

According to the Hakkari Definitive Agreement, Seyitoğlu Madencilik is entitled to produce Zinc ROM for its sole benefit up until RCR Turkey has established a mine with a capacity of at least 25,000 tonnes ROM ore per annum, after which RCR Zinc and Seyitoğlu Madencilik will share in the profits equally.

RCR Turkey has a right of first refusal to purchase all or a portion of the shares of RCR Zinc currently held by Seyitoğlu Madencilik in the event that Seyitoğlu Madencilik desires to sell such shares to a third party.

RCR Turkey has the right to exit from the Hakkari Zinc Project at any time, at its sole discretion, subject to RCR Turkey providing Seyitoğlu Madencilik with all information obtained on the project and RCR Zinc transferring the Licenses originally owned by Seyitoğlu Madencilik back to Seyitoğlu Madencilik. RCR Turkey has the right to involve other parties to support it in progressing the project up the value curve to production.

*Principal Terms of the Agreements Relating to the Pentagon License and License 26*The Pentagon License

Pursuant to an agreement dated July 9, 2010 among RCR Zinc, a local license owner ("HU") and a Turkish mining company ("MM"), the parties agreed to cooperate and evaluate the potential of a lease agreement between MM and a third party Turkish mining company ("BR") relating to a zinc operating License in the Hakkari region that is contiguous and adjacent to the Pentagon area. Under such agreement, RCR Zinc has paid US\$85,000 to MM/HU to date, and the remaining payment of \$50,000 is due on or about December 12, 2012. Subject to and in accordance with the lease agreement between MM and BR, RCR Zinc will manage the exploration, requisite studies and mine establishment and production with respect to the License, and RCR Zinc and MM/HU will be entitled to 80% and 20%, respectively, of any future ore production on the License. RCR Zinc has the right of first refusal to match a bona fide cash offer by a third party to MM/HU for its 20% portion of the ore production on the License.

Pursuant to an agreement dated March 22, 2011 between RCR Zinc and a Turkish mining company ("CM"), the parties agreed that RCR Zinc will explore, evaluate and develop the southern portion of an operating License in the Hakkari region referred to as the Pentagon License. Pursuant to the agreement, CM transferred the Pentagon License to RCR Zinc in May of 2011, and RCR Zinc paid a total of US\$200,000 to CM. RCR Zinc will source the funding for exploration and, pending positive exploration results, progressing the Project to completion of a feasibility study. Pending a positive feasibility study, at RCR Zinc's discretion, RCR Zinc will source the funding for the an operating mine only. RCR Zinc and CM are entitled to 82% and 18%, respectively, of: (a) any future saleable high grade ROM ore (i.e., ore grading +23% Zn) produced in the southern part of the Pentagon License; and (b) net profit of any concentrated product produced by processing low grade ROM ore (8% to 20% Zn) from the southern part of the Pentagon License. CM is entitled to sell its 18% interest to any third party, subject to RCR Zinc having the right of first refusal to match a bona fide written cash offer by the third party. RCR Zinc has the right, at its sole discretion, to exit from the project at any time subject to providing all information obtained on the project to, and transferring the Pentagon License back to, CM at no cost. In addition, the agreement provides that, in the event that RCR Zinc does not proceed with the commissioning of a heavy media separation plant in the region, CM will have the option of cancelling this agreement and RCR Zinc will transfer the Pentagon License back to CM.

License 26

Pursuant to a sale agreement dated April 2011 among RCR Zinc and group of local license holders in Hakkari (collectively referred to as "KC"), KC agreed to arrange for the transfer of a mining and operating License in Hakkari (referred to as License 26) from a third party registered owner to RCR Zinc, at the cost of transfer only (being approximately US\$30,000). License 26 was transferred to RCR Zinc in June of 2011. Pursuant to the agreement, RCR Zinc will source the funding for the exploration and requisite studies on License 26 and, should these be positive, at RCR Zinc's discretion, RCR Zinc will commence mining. KC is entitled to 17% of the ROM ore produced, and RCR Zinc will have the first option to purchase the 17% share of the ROM production from KC at a market related price. RCR Zinc will have the right, at its sole discretion, to exit from the project at any time subject to RCR Zinc providing all information obtained on the project to KC and transferring License 26 to KC at no cost.

*The 2011 Hakkari Zinc Technical Report*

For the purposes of the disclosure required under section 5.4 of Form 51-102F2 – Annual Information Form, the "Summary" from the 2011 Hakkari Zinc Technical Report is reproduced below, and the Corporation incorporates by reference into this AIF the detailed disclosure contained in the 2011 Hakkari

Zinc Technical Report. **The technical information contained below is summarized or extracted from some of the main conclusions reached in the 2011 Hakkari Zinc Technical Report. Readers are directed to the 2011 Hakkari Zinc Technical Report which can be reviewed in its entirety by accessing the SEDAR database at [www.sedar.com](http://www.sedar.com) and which qualifies the disclosure contained below. The summary below is not exhaustive. The 2011 Hakkari Zinc Technical Report is intended to be read as a whole and sections should not be read or relied upon out of context. The 2011 Hakkari Zinc Technical Report contains the expression of the professional opinions of the Qualified Person who authored the report based upon information available at the time of preparation of the 2011 Hakkari Zinc Technical Report. The disclosure contained below, which is derived from the 2011 Hakkari Zinc Technical Report, is subject to the assumptions and qualifications contained in the 2011 Hakkari Zinc Technical Report.**

The Hakkari Zinc Project is located in the Hakkari and Sirnak Provinces of south-eastern Turkey, close to the borders with Iraq and Iran. The Hakkari Zinc Project comprises 4 operating Licenses and 13 exploration Licenses covering a cumulative area of 264.63 km<sup>2</sup> and is located within a broad 60 km long east-west belt extending westwards from approximately 10 km west of the town of Hakkari.

RCR Turkey has a 50% interest in 15 of the Licenses through the Hakkari Definitive Agreement with Seyitoğlu Madencilik, the original holder of the Licenses, now held in RCR Zinc. RCR Zinc has also formalized mining and exploration agreements with the current operating License holders on two operating Licenses (The Pentagon and License 26), which, as at the date of the 2011 Hakkari Zinc Technical Report, had not yet been transferred to RCR Zinc (but were subsequently transferred to RCR Zinc during 2011).

The project area is situated within the northern margins of the Arabian Platform within a north facing fold and thrust belt known as the Border Folds region. The fold and thrust belt comprises a sequence of marine platform carbonate dominated rocks and interbedded subordinate clastic units.

Non-sulphide zinc-lead mineralization appears to be restricted to a sequence of Triassic to Cretaceous shallow water "reef-type" limestones, with subordinate interbedded fine-grained rocks having a variable clastic component. Mineralization outcrops within a series of thrust packages that have a general east-west trend and lie within a district of at least 60 km strike length. Mineralization is dominated by smithsonite and hemimorphite with variable amounts of iron oxide and subordinate hydrozincite and cerrusite in a matrix of calcite, barite and quartz. Mineralization varies in style from tabular zones of variable thickness (<0.5 m to 13 m) to cross cutting breccia zones to disseminated mineralization occupying pore spaces and fracture planes.

The presence of multiple mineralized zones, separated by metres to tens of metres, was confirmed during the 2010 exploration program and correlates with observations on adjacent Licenses. The non-sulphide zinc-lead deposits and occurrences within the Hakkari project area are considered to represent supergene weathered derivatives of primary Mississippi Valley Type (MVT) zinc-lead sulphide deposits. Up to 6% sphalerite has been observed in samples from various stockpiles, while lead occurs as both cerrusite and galena. Sulphide-dominant mineralization has also been reported by small-scale mining operators in the district.

Although no modern systematic exploration has been historically carried out in this district prior to 2009, small-scale informal mining of high grade non-sulphide zinc-lead mineralized zones has been ongoing for a long time. Old Roman workings testify to the exploitation of lead in the upper parts of these zones. Small-scale mechanized mining (hydraulic excavators and dump trucks) has seen increased activity over the last five years in line with increased zinc demand from China. In excess of 600,000 tonnes of zinc-lead material have been officially recorded as sold under contracts through traders with typical grades

(certified by SGS Laboratories and Alfred Knight Laboratories) ranging from 25% to 40% Zn and 4% to 8% Pb. A significant proportion of this material has been mined from areas adjacent to and between the Licenses held by RCR Zinc.

During 2010, the Corporation executed a systematic exploration program geared at defining maiden, code-compliant mineral resources on two of its Licenses. The exploration program comprised mapping, grab and trench (channel sampling) and diamond core drilling and resulted in the issuing of a maiden Inferred Mineral Resource of 2.41 Mt at 1.92% Zn, 0.54% Pb and 1.67 g/t Ag at a cut-off grade of 0.5% for License 5. A non-compliant estimation for the Pentagon of 198.2 kt at 10.53% Zn, 1.11% Pb and 14.73 g/t Ag (at a cut-off grade of 0.5% Zn) was also stated.

Preliminary metallurgical test work conducted on samples from stockpiles associated with adjacent small-scale mining operations has indicated that this material is amenable to direct acid leaching and the Corporation has demonstrated through gravitational concentrator testwork that concentration of ores by gravitational upgrading is feasible, with a 7.5% Zn feed being upgradeable to 22.5% Zn.

The potential for defining additional new resources and upgrading currently-defined resources is regarded as significant, particularly given that significantly less than 1% of RCR Zinc's mineral tenure holdings have been tested through systematic exploration. Higher grade zones have been identified on both The Pentagon and in other areas on License 5. The latter are however subject to systematic sampling to establish bulk grades and will be tested systematically during the forthcoming year. Additionally, License 26 has been historically mined and a fast-tracked exploration program will be implemented in order to define a maiden mineral resource on License 26.

#### *Recent Developments Regarding the Hakkari Zinc Project*

During the 2011 exploration season, the Corporation determined that given the terrain of the area, it was impractical to construct roads to enable drills to reach desired locations for drilling. Some surface drilling continued in areas where terrain offers efficient access, but poor performance by the drilling contractor and the deployed equipment compounded by very broken ground conditions resulted in relatively low drilled meterage development and, accordingly, exploration was shifted to focus on underground exploration and development activities.

As part of this revised strategy, the Corporation opened up and is rehabilitating old underground workings, believed to encompass over 500 metres of tunnel, within its operating Pentagon License and Licence 8. As stated in the press release of the Corporation dated November 17, 2011 and in the management's discussion and analysis of the Corporation for the period ended September 30, 2011, approximately 2,000 tonnes of ROM ore was recovered during the aforementioned process, which ore was expected to be sold and shipped during 2011. However, subsequent to such announcements, the completion of the sale and shipment of the ore was delayed due to exceptional inclement weather affecting the final ore preparation and shipping logistics and due to the development of an issue as to the ownership of such ore. Such ownership issue has since been resolved, and the ore is expected to be shipped during the second quarter of 2012 with the profits being attributable to RCR Zinc and split equally between the Corporation and Seyitoğlu Madencilik. Seyitoğlu Madencilik's portion of any such profits is expected to be applied toward the reduction of their loan account owing to the Corporation.

During 2011, the Corporation sourced and validated with mineral samples taken from both the Hakkari and Tufanbeyli sites the viability of producing Zinc concentrate with the use of mobile concentrator plants manufactured in South Africa. In March 2011, the Corporation placed orders for two semi-mobile concentrator units for 20tph feed per concentrator (90,000 tonnes per annum per concentrator), one intended to be employed in the Hakkari region, the second intended to be employed in the Tufanbeyli

region (although the Corporation has subsequently determined to sell the second unit, as described further below). The total purchase price for the two units was approximately US\$1.3 million (equipment cost only). During 2011, the Corporation made deposits amounting to approximately US\$1.2 million with respect to the purchase price for both concentrator units and spare parts, with the balance due by the time of shipping.

The Corporation had expected that such concentrator units would be shipped to the project sites in Turkey during 2011; however, funding shortfalls and certain other factors delayed the shipping and deployment of the concentrator units, which currently remain in South Africa to be shipped once payment of the final instalment is made. The Corporation has instructed the manufacturer, on behalf of the Corporation, to sell the second concentrator unit (originally scheduled to be employed at the Tufanbeyli region) to prospective purchasers so as to allow the Corporation to accelerate satisfaction of the remaining instalment for the other concentrator unit and its deployment to the Hakkari region. The Corporation currently anticipates deployment of the concentrator unit to the Hakkari region during 2012.

Provided that the mobile concentrator performs according to specifications, the Corporation expects that the installation of the mobile concentrator in Hakkari will fulfill the remaining condition of the Hakkari Definitive Agreement (to establish early mining and a beneficiation plant to process up to 60,000 tonnes ROM zinc ore per year) for RCR Turkey to earn the 50% interest in RCR Zinc. However, there can be no assurance that the Corporation will be successful in deploying the mobile concentrator at the Hakkari Zinc Project, that such deployment will satisfy the condition in the Hakkari Definitive Agreement, and that such deployment will produce direct shippable ore and generate cash flow from zinc/lead concentrate sales to the international market. See "*Item 13 - Risk Factors*".

It is expected that, during 2012, the drilling program at the Hakkari Zinc Project will consist of the deployment of surface and underground drill rigs which are owned and operated by the Corporation with in-house employed professional crews. Two surface rigs are expected to operate in the Zinc/Lead mineralised properties in the Licence 5 and License 11A areas targeting 6,000 metres of diamond core drilling. In addition, it is anticipated that a total of 5 underground diamond drill rigs will be targeting 6,000 metres to 8,000 metres of core drilling for resource development from within the mineralised zones on the north and south of the Pentagon License and on the Licence 26 underground mine portal and access tunnel development areas. During 2012, the Corporation expects to undertake a feasibility study on an optimized process engineering solution utilizing the Alexander Mining plc proprietary technology AmmLeach® for Hakkari's primary zinc and lead metal production.

#### *Hakkari Copper, Manganese and Chrome*

In addition to the transfer to RCR Zinc of certain zinc/lead Licenses comprising the Hakkari Zinc Project, the Hakkari Definitive Agreement also provided for the transfer to RCR Zinc of a number of copper, manganese and chrome Licenses in the Hakkari region, which Licenses could in the future be transferred to other proposed commodity-focused subsidiaries of the Corporation on terms and conditions to be agreed to with Seyitoğlu Madencilik. To date, little work of significance has been done on these Licenses, with the exception of the manganese Licenses, which have received some attention. In 2012, the Corporation expects to operate a surface rig in the manganese Licenses area (in the Şemdimli area of the Hakkari region) targeting 3,000 metres of diamond core drilling.

### **7.3 The Tufanbeyli Zinc Project**

Pursuant to an agreement (the "**Tufanbeyli Agreement**") entered into on October 20, 2010 between RCR Turkey and Yeni Anadolu Min. Mad. San. ve Tic. Ltd. Sti ("**YAMAS**"), RCR Turkey acquired two mining Licenses in south-central Turkey within the Adana Province (the "**Tufanbeyli Zinc Project**") for

US\$236,000 (including applicable taxes). Included in the transaction is all historical information which includes data from the approximate 160 holes for 12,700 metres drilled over five different locations on the property. The two mining Licenses were transferred to RCR Turkey in 2011.

RCR Turkey was able to secure the Tufanbeyli Zinc Project through the assistance of two Turkish industry professionals, Messrs. Saracoglu and Yuksel (referred to herein collectively as "SY") pursuant to an agreement (the "**SY Agreement**") dated October 20, 2010 between RCR Turkey and SY. The SY Agreement contains the following terms and conditions, among others:

- RCR Turkey will pay to SY an interim royalty of US\$21,000 every 180 days from the date the Licenses were transferred to RCR Turkey (except that no royalty will be paid to SY in any year in which the 5% net profit interest after taxation (the "**5% NPIAT**") payable to SY exceeds the value of the annual royalty).
- SY are entitled to a 5% NPIAT subject to RCR Turkey first recouping all of its capital expenditure on the Tufanbeyli Zinc Project.
- SY will be entitled to sell their 5% NPIAT in the Project to a third party at any time after 12 months from the conclusion of the Agreement, subject to RCR Turkey having a right of first refusal to match a bona fide cash offer by any third party.

On August 3, 2011, the Corporation filed on SEDAR the 2011 Tufanbeyli Zinc Technical Report, which defined an initial compliant zinc oxide inferred mineral resource (see "*The 2011 Tufanbeyli Zinc Technical Report*" below). Subsequently, access infrastructure was rehabilitated and a limited amount of infill drilling was planned to enable the incorporation of previously drilled but disconnected mineralized zones. In 2012, the Corporation is expecting to complete a surface infill diamond core drilling program at the Tufanbeyli Zinc Project, targeting at least 1,500 metres, for the purpose of confirming the assumed strike continuity of the mineralised zones between the currently identified mineralised areas and updating the 2011 Tufanbeyli Zinc Technical Report, as well as providing further input to the current concept open pit(s) mine design.

#### *The 2011 Tufanbeyli Zinc Technical Report*

The "Summary" from the 2011 Tufanbeyli Zinc Technical Report is reproduced below, and the Corporation incorporates by reference into this AIF the detailed disclosure contained in the 2011 Tufanbeyli Zinc Technical Report. **The technical information contained below is summarized or extracted from some of the main conclusions reached in the 2011 Tufanbeyli Zinc Technical Report. Readers are directed to the 2011 Tufanbeyli Zinc Technical Report which can be reviewed in its entirety by accessing the SEDAR database at [www.sedar.com](http://www.sedar.com) and which qualifies the disclosure contained below. The summary below is not exhaustive. The 2011 Tufanbeyli Zinc Technical Report is intended to be read as a whole and sections should not be read or relied upon out of context. The 2011 Tufanbeyli Zinc Technical Report contains the expression of the professional opinions of the Qualified Person who authored the report based upon information available at the time of preparation of the 2011 Tufanbeyli Zinc Technical Report. The disclosure contained below, which is derived from the 2011 Tufanbeyli Zinc Technical Report, is subject to the assumptions and qualifications contained in the 2011 Tufanbeyli Zinc Technical Report.**

The Tufanbeyli Zinc Project is located in south-central Turkey within Adana Province and comprises two Operation Licenses, IR 944 and IR 8114, held 100% by the Corporation through an agreement with YAMAS, a wholly owned Turkish subsidiary of Anatolia Minerals Development Limited.

This assessment of the Tufanbeyli Zinc Project is based on a review of information supplied by the Corporation and YAMAS, as well as observations gathered during a site visit from 14-18 April 2011 by the primary author.

The Tufanbeyli Zinc Project represents a cluster of oxidized Mississippi Valley Type (MVT) zinc – lead deposits hosted by dolomitized Devonian-age limestones. Many of the characteristics of typical MVT type deposits are observed at Tufanbeyli, however zinc mineralization is mainly in the form of smithsonite with no sulphides observed to date. There is a possibility of sulphide mineralization below the zone of oxidation.

Geochemically anomalous zinc and lead are observed over a northeast-southwest trending strike of 40 km, based on the General Directorate of Mineral Research and Exploration, Maden Tetkik ve Arama (MTA) exploration in the district. A soil geochemical survey undertaken by Silvermet has demonstrated anomalous zinc and lead over a 15 km strike within the two license areas.

The two licenses host five prominent zinc prospects of which two (Akçal and Belbaşı) were mined on a small-scale between 1985 and 1998, producing an estimated 210,000 tonnes of ore with grades in the range 20% to 40% Zn. Significant potential exists to define multiple deposits with lower grade but higher tonnage. Potential also exists to define sulphide resources at depth.

Drilling has tested most of the zinc prospects; however the extensive zinc and lead soil geochemical anomalies to the southeast of these showings have not yet been tested by drilling. This anomalous geochemistry straddling the two licenses indicate that the mineralized system may extend further than is currently known.

A significant amount of drilling has been completed in the project area (11,997.5 metres in 168 holes). A verification program was undertaken by the author and included site inspection of drill hole collars, re-logging of selected drill holes, and re-assay of randomly selected preserved pulps. The results of this study provide a measure of confidence in the data and it is concluded that the historical data are acceptable for use in a mineral resource estimate.

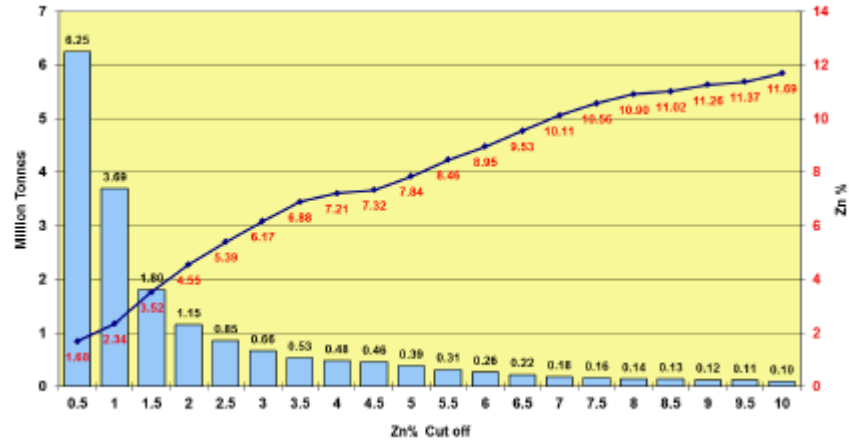
The current estimation exercise has produced the following, combined in-situ Inferred Mineral Resources at the five prospects at a 0.5% Zn cut off:

Combined In-situ, Inferred Mineral Resources at a 0.5% Zn Cut Off					
Zone	Million Tonnes	Density	Zn%	Pb%	Ag ppm
Akçal South-West	1.42	2.78	2.47	0.005	2.33
Akçal North-East	1.46	2.82	1.01	0.013	1.08
Belbaşı	1.10	2.80	1.82	0.001	0.89
Camlik	1.00	2.85	1.74	0.003	2.54
Kucuk-Teknecik	0.78	2.84	1.27	0.002	0.73
Meselik	0.49	2.83	1.58	0.001	1.17
<b>Total</b>	<b>6.25</b>	<b>2.82</b>	<b>1.68</b>	<b>0.005</b>	<b>1.53</b>

Each of these prospects is limited in strike and down-dip extents and the existing historical drilling programs are considered to have not been optimally designed to identify potential extensions. There are significant un-drilled strike lengths between these resource blocks at surface and down-dip, to the south-east which could yield additional resources.

A grade-tonnage curve for the combined mineral resource base at Tufanbeyli is shown below. Higher grade zones are patchy and limited in extent, as defined by previous drilling. Systematic drilling is

recommended to delineate the strike and dip extent of these zones and to potentially increase the higher grade component of the mineral resource base. It is considered that the combined project area has potential for the delineation of additional resources which should be tested using an integrated approach based on all exploration techniques previously adopted.



A phased work program is recommended as follows:

- Phase 1: Infill and step-out drilling to potentially increase resource size and confidence and specifically to identify and delineate higher grade mineralised zones. Revised mineral resource estimate.
- Phase 2: Test geochemical anomalies to the southeast to assess the potential for a sub-parallel mineralised system. Ongoing drill testing and mineral resource definition.

Phases 1 and 2 can run in parallel. The quantum of drilling required has been estimated, but can only be confirmed following other work. A total exploration budget of \$4.52 million is proposed for the two phases.

## 7.4 Sivas Copper Project

### *Sivas Copper Agreement*

Pursuant to an agreement (as subsequently amended and supplemented, the "**Sivas Copper Agreement**") dated April 26, 2011 between RCR Turkey and Gensay Mad. San Ve. Tic. Ltd. Sti ("**Gensay**"), a Turkey-based company, RCR Turkey acquired a 75% interest in the rights to three contiguous and adjacent mining Licenses (the "**Sivas Copper Licenses**") covering an area of approximately 5,240 hectares in the Sivas Region of east Central Turkey, being approximately 650km north west of the Corporation's other base metal assets (the "**Sivas Copper Project**").

Pursuant to the terms of the Sivas Copper Agreement:

- RCR Turkey made an initial cash payment of US\$200,000 to Gensay.
- A joint venture company ("**RCR Quantum**") was established, with RCR Turkey having a 75% interest and Gensay having a 25% interest, and the three Sivas Copper Licenses were transferred to RCR Quantum in July of 2011 (the date of such transfer being the "**License Transfer Date**").

- RCR Turkey made payments amounting to US\$1,450,000 to Gensay in accordance with the agreement upon registration of, and the transfer of the Sivas Copper Licenses to, RCR Turkey.
- RCR Turkey is to pay Gensay US\$500,000 on the second anniversary, and on each subsequent anniversary, of the License Transfer Date until completion of a positive BFS or the determination that a positive BFS is not achievable.
- Within 90 business days after completing a positive PFS, RCR Turkey is to pay Gensay US\$2,000,000, and within 90 business days after completing a positive BFS, RCR Turkey is to pay Gensay a final payment of US\$4,000,000.
- RCR Turkey's minimum commitment to investment and development funding for the Sivas Copper Project in the first year from the License Transfer Date is US\$3,000,000, inclusive of all amounts paid to Gensay referenced above and any related costs and taxes thereto. This commitment has been met.
- Upon the completion of a BFS and subject to the approval of the board of RCR Quantum to proceed with the execution of the project, Gensay has the option of electing: (i) to contribute its proportionate share to the capital requirements of the Sivas Copper Project (including construction of the Sivas Copper Project) in order to retain its 25% interest in RCR Quantum or, alternatively, (ii) not to contribute to the aforementioned capital requirements and transfer to RCR Turkey 10% of RCR Quantum held by it, such transfer to occur at the time of commencement of construction of the Sivas Copper Project, and retain 15% RCI (Repayable Carried Interest) at cost of capital plus 5% to be recouped from 75% of Gensay's attributable portion of Net Profit After Tax ("NPAT") generated by the Sivas Copper Project.
- RCR Turkey has the option of exiting from this project at its sole discretion and at any time after expending US\$3,000,000 on the Sivas Copper Project. If RCR Turkey elects to exit the Sivas Copper Project, should a PFS have been completed prior to such exit, RCR Turkey will be entitled to a 1.5% NPAT royalty on any further execution of the Sivas Copper Project by Gensay or from any proceeds of any sale of the Sivas Copper Project, and should a BFS have been completed prior to such exit, RCR Turkey will be entitled to a 3% NPAT royalty on any further execution of the Sivas Copper Project by Gensay or from any proceeds of any sale of the Sivas Copper Project.

#### *Petmin Farm-In Agreement*

Under the terms of the Petmin Farm-In Agreement dated August 4, 2011 between the Corporation and Petmin, Petmin agreed to advance up to \$17 million, in four tranches, to acquire up to a 37.5% interest in the Sivas Copper Project. Under the terms of this agreement:

- Petmin will acquire an initial 5% interest in RCR Quantum from RCR Turkey for a purchase price of \$500,000 and loaning to RCR Quantum \$500,000 ("**Tranche 1**"). The completion of Tranche 1 is conditional on RCR Quantum having proved an inferred resource of copper of not less than 20 million tons at more than 1% contained copper per ton by no later than October 30, 2011. The parties subsequently extended this date until June 30, 2012, subject to amendment by the parties.
- Petmin will acquire an additional 10% interest in RCR Quantum from RCR Turkey for a purchase price of \$1,500,000 and loaning to RCR Quantum \$1,500,000 ("**Tranche 2**"). The completion of Tranche 2 is conditional on RCR Quantum having proved an inferred resource of

copper of not less than 30 million tons at more than 1% contained copper per ton by no later than December 31, 2011, unless further extended by Petmin. The parties have not yet discussed an extension of this date given that Tranche 1 has not yet been completed.

- Petmin will acquire an additional 16% interest in RCR Quantum from RCR Turkey for a purchase price of \$4,000,000 and loaning to RCR Quantum \$4,000,000 ("**Tranche 3**"). The completion of Tranche 3 is conditional on RCR Quantum having proved an inferred resource of copper of not less than 75 million tons at more than 1% contained copper per ton (of which, 10% is designated as measured resource; 30% is designated as indicated resource; and 60% is designated as inferred resource) by no later than October 31, 2012, unless further extended by Petmin and subject to Petmin electing in its sole discretion to proceed with Tranche 3.
- Petmin will acquire an additional 6.5% interest in RCR Quantum from RCR Turkey for a purchase price of \$2,500,000 and loaning to RCR Quantum \$2,500,000 ("**Tranche 4**"). The completion of Tranche 4 is conditional on RCR Quantum having proved an inferred resource of copper of not less than 150 million tons at more than 1% contained copper per ton (of which, 20% is designated as measured resource; 40% is designated as indicated resource; and 40% is designated as inferred resource) by no later than December 31, 2013, unless further extended by Petmin and subject to Petmin electing in its sole discretion to proceed with Tranche 4.
- The funds advanced under each tranche must be expended on the Sivas Copper Project in accordance with mining works programs agreed to between the parties. Upon completion of Tranche 4, Petmin may elect, during a certain period of time and subject to necessary approvals, to require the Corporation to purchase all of the shares of RCR Quantum that Petmin then holds in exchange for the issuance to Petmin of Common Shares at an exchange ratio to be negotiated in good faith between the parties.

The Petmin Farm-in Agreement contains other terms and conditions typical of a transaction of this nature. In addition, in connection with the Petmin Farm-In Agreement, Petmin, Gensay and RCR Turkey entered into an addendum to the Sivas Copper Agreement dated August 1, 2011 whereby Petmin became bound by the terms of the Sivas Copper Agreement.

### *Exploration*

Prior to the Corporation's acquisition of its interest in the Sivas Copper Project, extensive historical work had been performed on the Sivas property by prior owners or operators, most recently by Falconbridge/Noranda in 2001 and 2002. As part of this transaction, RCR Turkey has obtained an extensive amount of historical previously compiled data that has significantly enhanced the ability of RCR Quantum to identify drill targets.

The 2011 exploration program targeted the massively surface outcropping listvenite mineralise zones known as the Main Zone ("**MZ**") and South East Zone ("**SEZ**") within which mineralise areas of copper, nickel and to a lesser extent gold are known to occur. RCR Quantum completed approximately 1,150 metres of drilling to date at the Sivas Copper Project, including two bore holes in the MZ (one of which returned promising copper results) and eight in the SEZ (two of which returned promising copper results). The holes drilled were part of a systematic program to test listvenite units on the MZ and SEZ. Approximately 3.5 km of road construction has been completed to reach desired drill sites. This construction is expected to provide some areas for systematic sampling in the new road cuts.

RCR Quantum expects to undertake in 2012 a structural geology study and further geochemical studies with rock, soil and trench sampling. It is expected that approximately 3,000 metres of drilling (15 bore

holes) will need to be completed in 2012 to better determine the potential for the Sivas Copper Project, with an additional 7,000 metres of drilling to follow if deemed appropriate.

## **7.5 Employees**

The Corporation, including all subsidiaries, had 40 employees as at December 31, 2011 and 44 employees as at March 30, 2012. All remaining services for the Corporation are currently performed by independent contractors.

## **7.6 Competitive Conditions**

The mining industry is intensely competitive in all of its phases. The Corporation competes with other mining companies and individuals for mining claims, leases on exploration properties and the acquisition of exploration and mining assets. The Corporation also competes with other exploration companies to attract and retain skilled and experienced executives. See "*Item 13 – Risk Factors – Competition*".

The Corporation believes that its relative competitive position in the region is strong based upon both its physical land holdings in the areas of its material projects and the relationship based ring fencing of areas and operational control within extensive radii surrounding its projects.

Additionally, in response to market critique and perceived risk emanating from the geographical positioning of its core project in the Hakkari region of south-east Turkey, RCR Turkey has significantly diversified its business area of operations through acquisitions and localised asset consolidations.

## **7.7 Environmental Regulation and Protection**

The Corporation's activities are subject to government regulation related to environmental impact. Government regulation of the industry requires certain monitoring and reporting activities. To the Corporation's knowledge, its activities have, and continue to be, in compliance in all material respects with applicable environmental legislation.

RCR Turkey has to date completed and reported required studies for its Hakkari operations and no material impediments to its continuing operations as a going concern are known at this time. Additional work related to minor permitting for the deployment of its mobile concentrators is underway with no expected material regulatory impediments arising to interrupt the business planning as it has been reported.

## **7.8 Social and Environmental Policies**

The Corporation has a "Sustainable Development Policy" which encompasses all aspects of social and environmental reasonable requirements for operation of its business in a sustainable manner, as summarized below.

The Corporation has adopted the Equator Principles in order to ensure that the projects it owns are developed in a manner that is socially responsible and reflect sound environmental management practices.

By doing so, negative impacts on project-affected ecosystems and communities should be avoided where possible, and if these impacts are unavoidable, they should be reduced, mitigated and/or compensated for appropriately. The Corporation believes that adoption of and adherence to these principles offers significant benefits to the Corporation, its shareholders and local stakeholders through the Corporation's engagement with locally affected communities.

The Corporation therefore recognises that its role as a developer of sustainable mining and mineral resources projects affords the Corporation opportunities to promote responsible environmental stewardship and socially responsible development. As such, the Corporation will consider reviewing its adherence and implementation of these principles from time-to-time based on implementation experience, and in order to reflect ongoing learning and emerging good practice.

The Equator Principles are intended to serve as a common baseline and framework for the implementation by the Corporation of its own internal social and environmental policies, procedures and standards related to its project development and financing activities over time.

The Corporation has and will continue to engage suitably qualified staff and independent advisors to ensure that all of its projects meet the requirements of the principles it has adopted.

## **ITEM 8 - DIVIDENDS**

No dividends have been paid by the Corporation since incorporation. The future payment of dividends will be dependent upon the financial requirements to fund future growth, the financial condition of the Corporation and other factors the Board may consider appropriate in the circumstances. The Corporation does not expect to pay dividends in the immediate or foreseeable future.

## **ITEM 9 - DESCRIPTION OF CAPITAL STRUCTURE**

### **9.1 Common Shares**

The Corporation is authorized to issue an unlimited number of Common Shares. As at March 30, 2012, the Corporation had 94,377,182 Common Shares issued and outstanding on a non-diluted basis, of which 11,844,520 Common Shares are currently subject to escrow as more particularly described under the heading "*Item 11 - Escrowed Shares*" below.

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Corporation and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Corporation. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Corporation, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Corporation, the remaining property and assets of the Corporation.

### **9.2 Options**

In addition to the Common Shares, the Corporation also has 1,760,000 stock options issued and outstanding as at the date of this AIF. The stock options were issued pursuant to the Corporation's stock option plan. The following table sets forth a summary of the options outstanding as at the date of this AIF:

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
250,000	\$0.30	November 24, 2012
785,000	\$0.45	December 21, 2012
500,000	\$0.72	November 18, 2013

Number of Options	Exercise Price	Expiry Date
75,000	\$0.35	December 31, 2012
150,000	\$0.70	December 31, 2013

### 9.3 Other Convertible Securities

In addition to stock options, the Corporation also has the following convertible securities issued and outstanding as at the date of this AIF:

Type of Security	Aggregate Number	Exercise Price	Expiry Date
Common Share Purchase Warrants <sup>(1)</sup>	6,925,637	\$0.56	September 7, 2012
	1,029,380	\$0.40 <sup>(2)</sup>	January 17, 2014
	50,000	\$0.40 <sup>(2)</sup>	January 24, 2014
	40,000	\$0.40 <sup>(2)</sup>	January 27, 2014
Broker Warrants <sup>(1)</sup>	144,122	\$0.44	April 30, 2012
Broker Compensation Warrants <sup>(3)</sup>	671,988	\$0.44	September 7, 2012
Finder Warrants <sup>(1)</sup>	5,400	\$0.40 <sup>(2)</sup>	January 27, 2014

**Notes:**

- (1) Each such convertible security is exercisable into one (1) Common Share.
- (2) If the Common Shares trade on the TSX at or above a closing market price of \$0.40 per share on any 15 trading days during the period from the date of issuance of such warrants to the 180th day after the date of issuance of such warrants, the exercise price of each such warrant will automatically adjust to \$0.52 per share for the remainder of the exercise term of such warrant.
- (3) Each such broker compensation warrant is exercisable into one unit of the Corporation at an exercise price of \$0.44 per such unit until September 7, 2012, with each such unit being comprised of one Common Share and one-half of one Common Share purchase warrant (each such whole Common Share purchase warrant exercisable at \$0.56 per share until September 7, 2012).

## ITEM 10 - MARKET FOR SECURITIES

### 10.1 Price Range and Trading Volume

The Common Shares are listed for trading on the TSX under the trading symbol "RCB".

The following table sets forth the reported high and low sale prices and the trading volumes for Common Shares on TSX during the year ended December 31, 2011.

Period (2011)	High (\$)	Low (\$)	Volume Traded (Shares)
January	0.81	0.58	400,696
February	0.60	0.41	1,096,741
March	0.54	0.37	934,236
April	0.47	0.31	979,199
May	0.46	0.35	324,125
June	0.40	0.25	1,005,743
July	0.48	0.37	192,885
August	0.45	0.30	42,600
September	0.54	0.24	569,000
October	0.35	0.20	231,300
November	0.42	0.24	409,135
December	0.30	0.23	96,350

Source: TSX Market Data

## ITEM 11 - ESCROWED SHARES

To the knowledge of the Corporation, the following tables sets out the securities of the Corporation that are currently held in escrow.

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class <sup>(1)</sup>
Common Shares	11,844,520	12.55%

**Notes:**

- (1) Calculated as at March 30, 2012 based on there being 94,377,182 Common Shares issued and outstanding.
- (2) The Common Shares set out in the table above are held in escrow pursuant to the terms and conditions of an escrow agreement (the "Escrow Agreement") dated November 5, 2010 among certain principals of the Corporation, the Corporation and Equity Financial Trust Company ("Equity") as escrow agent. The Escrow Agreement was entered into in connection with the RCR Acquisition and the listing of the Common Shares on the TSX.
- (3) In accordance with the Escrow Agreement, the remaining 11,844,520 Common Shares will be released from escrow on May 11, 2012.

## ITEM 12 - OFFICERS AND DIRECTORS OF THE CORPORATION

### 12.1 Name, Occupation, and Security Holding

The following table sets forth the names, the municipalities of residence, the positions held with and the principal occupations of each of the Corporation's current directors and executive officers. Each director holds office until the next annual general meeting of shareholders or until a successor is elected or appointed. As of March 30, 2012, an aggregate of 48,572,528 Common Shares (representing 51.47% of the issued and outstanding Common Shares) are beneficially owned or controlled or directed, directly or indirectly, by all directors and executive officers of the Corporation, as a group <sup>(1)</sup>.

Name and Location of Residence	Position(s) and Office(s) Held	Principal Occupation During Past 5 Years	Director of the Corporation Since	Common Shares Beneficially Owned Directly or Indirectly or Controlled <sup>(1)</sup>
Alan M. Clegg <sup>(3)</sup> (Istanbul, Turkey)	Director, Chairman and CEO of the Corporation	Chairman and CEO of the Corporation (November 2010 to present) and CEO of RCR Turkey (May 2010 to January 2012); Chairman of RCR Turkey (2008 to May 2010); Chairman and CEO of TWP Eurasia & Afrasia Mining Consulting A.S. (2007 to 2008); Director, Mining Engineering at TWP Consulting PTY Ltd. (2000 to 2007).	Nov 2010	30,169,300
Douglas J. Taylor (Ankara, Turkey)	(Executive) Director of the Corporation Director and General Manager, Sivas Copper Project	Director and General Manager of the Sivas Copper Project (since 2011); Executive Director of the Corporation (since November 2010) and RCR Turkey (May 2010 to May 2011); Chief Executive Officer of RCR Turkey (2008 to May 2010); General Manager, Business Development at Kumba Resources Limited/Exxaro Resources Limited (2003 to 2008).	Nov 2010	14,122,034
Dr. K. Sethu Raman <sup>(2)* (4)*</sup> (Toronto, Ontario, Canada)	Director of the Corporation	Independent Mining Consultant (1995 to present); Director, Lake Shore Gold Corp. (December 1994 to May 2010); President & CEO, Holmer Gold Mines Limited (1986 to 1994).	Aug 2009	250,000
Christian Schaffalitzky de Muckadell <sup>(2)(4)</sup> . (Dublin, Ireland)	Director of the Corporation	Managing Director, Eurasia Mining plc. (2002 to present).	Nov 2010	138,280
Robert Perry <sup>(2) (3)*</sup> (Toronto, Ontario, Canada)	Director of the Corporation	Retired. Prior to September 30, 2011, Manager, Listed Issuer Services, Toronto Stock Exchange.	Jan 2012	Nil
Cem Elmastas <sup>(3)(4)</sup> (Geneva, Switzerland)	Director of the Corporation	Link Investment & Consulting LLP (2010 to present), a firm specializing in trading, investment and marketing of non-ferrous ores and concentrates; Transamine S.A., international trader of raw materials, (1990 to 2010).	Jan 2012	3,816,114
Dr. Selahaddin Anac (Ankara, Turkey)	Chief Operating Officer of the Corporation; Chief Executive Officer of RCR Turkey	Chief Operating Officer of the Corporation and Chief Executive Officer of RCR Turkey (January 2012 to present). Prior to October 2011, Chairman of the Board and General Director of the Turkish State Coal Company, TKI.	N/A	Nil
Richard Giel (Toronto, Ontario, Canada)	Chief Financial Officer of the Corporation	Chief Financial Officer of the Corporation	N/A	8,500
Grant V. Sawiak (Toronto, Ontario, Canada)	Secretary of the Corporation	Partner of the law firm Fogler, Rubinoff LLP	N/A	68,300

**Notes:**

- (1) The information as to Common Shares beneficially owned or over which they exercise control or direction has been furnished by the respective directors and officers individually.
- (2) Member of the Audit Committee of the Board.
- (3) Member of the Corporate Governance Committee of the Board.
- (4) Member of the Compensation Committee of the Board.

\* Denotes the chair of the committee.

## **12.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Dr. Sethu Raman was a director of Visa Gold Explorations Inc., a TSX listed company, from October 2000 to June 2003. Trading in Visa Gold Explorations Inc. was halted in June 2003 for failure to file financial statements for the period ending December 31, 2002. On June 20, 2003, Dr. Raman resigned as a director. On January 13, 2004, the British Columbia Securities Commission issued a cease trade order against the company.

Other than as set out above, no director or executive officer of the Corporation is, as at the date of this AIF or has been, within the 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Corporation), that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to a cease trade order, an order similar to a cease trade, or an order that denied the relevant company access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as set out above, no director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

- (a) is, as at the date of this AIF or has been, within the 10 years before the date of this AIF, 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 any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of the AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the best of the Corporation's knowledge, no director or executive officer of the Corporation, or a 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 legislation 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 making an investment decision.

### 12.3 Conflicts of Interest

The directors are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interests that they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Corporation's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Corporation, its promoters, directors and officers or other members of management of the Corporation or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Corporation and their duties as a director or officer of such other companies.

### 12.4 Promoters

Alan M. Clegg and Douglas J. Taylor can be considered promoters of the Corporation and the subsidiaries of the Corporation. Messrs. Clegg and Taylor beneficially own, or control or direct, directly or indirectly, an aggregate of 30,169,300 Common Shares and 14,122,034 Common Shares, respectively, representing 31.97% and 14.96% of the issued and outstanding Common Shares.

On closing of the RCR Acquisition, Alan Clegg and Douglas Taylor received, directly or indirectly, 33,256,034 Common Shares and 14,122,034 Common Shares, respectively, in exchange for the shares of RCR Barbados then held by them. See "*Item 6 – General Development of the Business – The RCR Acquisition*".

Messrs. Clegg and Taylor have received consideration from the Corporation and/or RCR Turkey in their roles as officers and directors of the Corporation and RCR Turkey.

See also "*Item 15 - Interest Of Management And Others In Material Transactions*".

### 12.5 Audit Committee Disclosure

National Instrument 52-110 – Audit Committees ("**NI 52-110**") requires a reporting issuer to disclose annually in its annual information form certain information concerning the constitution of its audit committee and its relationship with its independent auditor.

The board of directors of the Corporation has an Audit Committee (referred to herein as the "**Audit Committee**"). The Audit Committee provides review and oversight of the Corporation's accounting and financial reporting process and the audit process, including the selection, oversight and compensation of the Corporation's external auditor, all as more particularly set out in the charter of the Audit Committee the full text of which is appended as Appendix "A" to this AIF (the "**Charter of the Audit Committee**").

### *Composition of the Audit Committee*

The Audit Committee is currently comprised of Christian Schaffalitzky de Muckadell, Robert Perry and Dr. Sethu Raman. Each member is "independent" and "financially literate" within the meaning of such terms in National Instrument 52-110 - *Audit Committees* ("**NI 52-110**").

### *Relevant Education and Experience*

**Christian Schaffalitzky de Muckadell** is a senior metals exploration and development geologist with extensive executive experience of budgeting, project evaluation, contract negotiation, and the preparation and execution of exploration programmes and exploration strategy. He has thirty-four years' operational experience in North and Central Africa, North America, Australia, Europe and Asia, with particular experience in Russia. He has completed independent valuations of mineral companies to meet stock exchange listing requirements in London, Dublin, Vancouver and Luxembourg, and has also completed projects for the European Commission, the United Nations and the World Bank. Mr. Schaffalitzky has corporate experience as an executive and independent director of public companies under London and Dublin Stock Exchanges, both AIM and main board regulations, as well as Moscow. Mr. Schaffalitzky obtained a B.A. Mod. in Geology from Trinity College Dublin in 1976, and he holds a number of professional memberships or designations, including European Geologist, Chartered Engineer, Fellow of the Institute of Materials, Metals and Mining and a member of the Institute of Directors.

**Robert Perry** retired from TSX in 2011 after thirty years experience as Manager, performing all functions in TSX's listings department, including analyzing applicants for the original listing of their securities, and processing all required listed issuer transactions such as private and public financings, mergers and acquisitions, workouts, etc. To perform his functions at TSX, Mr. Perry was regularly required to understand companies', and other issuers', financial statements and projections, and to communicate with all required parties to become thoroughly knowledgeable about each issuer's affairs, with a view to making decisions regarding each request made of TSX. Mr. Perry graduated in 1974 from the University of Western Ontario with an Honours B.Sc. Degree in geology and spent the first seven years of his career working in underground precious metal, base metal, and uranium mines in Quebec and Ontario, as mine geologist, underground miner, ventilation engineer, and draftsman. Mr. Perry has completed the Canadian Securities Course.

**Dr. K. Sethu Raman** is a professional geologist with over 40 years of international experience in all phases of exploration and development and has held senior executive positions in several public mining companies. He spent 13 years with Campbell Chibougamau Mines, Campbell Resources and Royex Gold Group of companies (now Barrick Gold) in various management positions including Vice President (1980-86) where he played a key role in gold discovery and development of six operating gold mines and major acquisitions including Hemlo Gold Mine and the Nickel Plate Gold Mine. From 1986 to 2004, Dr. Raman was President and CEO of Holmer Gold Mines Limited which over the years discovered and developed the Timmins Gold deposit. On December 31, 2004, Lake Shore Gold Corp., a TSX listed company, acquired all of the issued and outstanding shares of Holmer. Dr. Raman is currently a director of Moneta Porcupine Mines (TSX: ME) and Altai Resources Inc. (TSXV: ATI). Dr. Raman holds a Ph.D (1970) in geology from Carleton University, Ottawa and a UNESCO Post-Graduate Diploma (1965) from University of Vienna, Austria.

### *Audit Committee Oversight*

At no time since the commencement of the financial year ended December 31, 2011 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

*Pre-Approval Policies and Procedures*

Under the Charter of the Audit Committee, the Audit Committee is required to approve in advance any retainer of the auditors to perform any non-audit service to the Corporation that it deems advisable in accordance with applicable legal and regulatory requirements and Board approved policies and procedures.

*External Auditor Service Fees (By Category)*

PricewaterhouseCoopers LLP ("**PWC**"), Licensed Public Accountants, is the current auditor of the Corporation. The Corporation appointed PWC as auditor of the Corporation in November 2010 in connection with the completion of the RCR Acquisition. The Corporation's former auditor was Deloitte & Touche LLP ("**Deloitte**"), Chartered Accountants and Licensed Public Accountants, who served as the auditor of the Corporation from June 2008 until their resignation in November 2010.

Aggregate fees paid to the Corporation's current auditor, PWC, during the financial years ended December 31, 2011 and 2010 were as follows:

	<b>Financial Year Ended December 31, 2011 CDNS</b>	<b>Financial Year Ended December 31, 2010 CDNS</b>
Audit Fees	124,370	105,870
Audit-related Fees <sup>(1)</sup>	6,825	-
Tax Fees <sup>(2)</sup>	2,285	8,586
All Other Fees <sup>(3)</sup>	-	94,500
<b>Total</b>	<b>133,480</b>	<b>208,956</b>

**Notes:**

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other row, including fees related to the review of Corporation's Management Discussion & Analysis and other securities commissions filings (such as comfort letters and consents). Other fees includes work performed in relation to the RCR Acquisition and related securities filings.

Aggregate fees paid to the Corporation's former auditor, Deloitte, during the financial years ended December 31, 2010 and 2009 were as follows:

	<b>Financial Year Ended December 31, 2010 CDNS</b>	<b>Financial Year Ended December 31, 2009 CDNS</b>
Audit Fees	34,702	32,400
Audit-related Fees <sup>(1)</sup>	-	-
Tax Fees <sup>(2)</sup>	-	-
All Other Fees <sup>(3)</sup>	31,962	-
<b>Total</b>	<b>66,664</b>	<b>32,400</b>

**Notes:**

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".

- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other row, including fees related to the review of Corporation's Management Discussion & Analysis and other securities commissions filings (such as comfort letters and consents). Other fees includes work performed in relation to the RCR Acquisition and related securities filings.

### **ITEM 13 - RISK FACTORS**

An investment in the securities of the Corporation is subject to a number of risks. A prospective purchaser of such securities should carefully consider the information and risks faced by the Corporation described in this AIF. The risks described herein are not the only risk factors facing the Corporation and should not be considered exhaustive. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently considers immaterial, may also materially and adversely affect the business, operations and financial condition of the Corporation. Please also refer to "*Item 3 – Cautionary Statement on Forward-Looking Information*".

#### **Ongoing Need for Financing; Going Concern**

The Corporation requires additional financing to continue its exploration and development activities, and thus, may be reliant on its continued attractiveness to equity and/or debt investors. The Corporation will incur operating losses as it continues to expend funds to explore and develop the Hakkari Zinc Project, the Tufanbeyli Zinc Project, the Sivas Copper Project and any other properties it holds or acquires. Even if the Corporation has or secures financial resources that are sufficient to fund its material and immediate exploration and development programs (which will allow the Corporation to arrive at conclusions regarding commercial viability of the resources and reserves on such projects), there is no guarantee that the Corporation will be able to develop them in a profitable manner. The Corporation's ability to arrange financing in the future will depend in part upon prevailing capital market conditions, as well as the Corporation's business success. There can be no assurance that the Corporation will be successful in its efforts to arrange additional financing on terms satisfactory to the Corporation, and failure to raise such capital could result in the Corporation forfeiting its interest in the Hakkari Zinc Project and/or other projects, missing certain acquisition opportunities or going out of business.

The Corporation has not yet generated significant revenues or cash flows from operations and has an accumulated deficit of US\$8,416,870 as at December 31, 2011, and a cash balance of US\$432,784 and a negative working capital balance of US\$1,535,403. These conditions indicate the existence of a material uncertainty that may cast doubt about the Corporation's ability to continue as a going concern. For additional details, see note 1 to the financial statements of the Corporation for the year ended December 31, 2011.

As a result of liquidity issues, the Corporation has not paid the first two instalments of principal repayments under the Loan in the amount of US\$75,000 each, due on February 2 and March 2, 2012, and has not paid interest payments since November 2, 2011. Although the Corporation has obtained a deferral of principal repayments of the Loan under the Loan Agreement, there is no assurance that the Corporation will meet the terms and conditions of the Loan in order to keep the Loan in good standing. See "*Item 6 – General Development of the Business – Events Subsequent to the Completion of the RCR Acquisition - Agreements with Link Investment and Consulting LLP*".

#### **Issuance of Debt**

From time to time, the Corporation may enter into transactions to acquire the assets or shares of other corporations. These transactions may be financed wholly or partially with debt. The level of the Corporation's indebtedness from time to time could impair its ability to obtain additional financing in the future, on a timely basis, and to take advantage of business opportunities that may arise.

### **Exploration, Development and Production Risks**

There are inherent risks and speculation due to the expected nature of the Corporation's involvement in the evaluation, acquisition, exploration and if warranted, development and production of base metals. Mineral exploration involves a high degree of risk and there is no assurance that expenditures made on future exploration by the Corporation will result in discoveries of commercial grade and/or quantities. While the Corporation has a limited number of specific identified exploration or development prospects within the Hakkari Zinc Project, the Tufanbeyli Zinc Project and the Sivas Copper Project, management will continue to evaluate prospects on an ongoing basis in a manner consistent with industry standards. The long-term commercial success of the Corporation depends on its ability to find, acquire, develop and commercially produce reserves. No assurance can be given that the Corporation will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Corporation may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. The Corporation and its subsidiaries have no history of earnings and the Corporation currently has no producing resource properties (except as otherwise noted in this AIF). There is no assurance that the Corporation will be successful in deploying mobile concentrators, establishing mines or plants or achieving any production of direct shippable ore at any of the Corporation's properties, including the Hakkari Zinc Project.

### **Uninsurable Risks from Operations**

The Corporation's involvement in the exploration for and development of natural resource properties may result in the Corporation becoming subject to liability for certain risks, and in particular unexpected or unusual geological operating conditions including rock slides, cave-ins, fires, floods, earthquakes, pollution, blow-outs, property damage, personal injury or other hazards. Although the Corporation will obtain insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not be insurable or, in certain circumstances, the Corporation may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Corporation. The occurrence of a significant event that the Corporation is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Corporation's financial position, operations or prospects.

No assurance can be given that insurance to cover the risks to which the Corporation's activities will be subject will be available at all or at economically feasible premiums. Insurance against environmental risks (including potential for pollution or other hazards as a result of the disposal of waste products occurring from production) is not generally available to the Corporation or to other companies within the industry. The payment of such liabilities would reduce the funds available to the Corporation. Should the Corporation be unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy.

### **Prices, Markets Conditions and Marketing of Mineral Resources**

The Corporation's ability to fund its exploration and development activities, and possible future profitability, will be directly related to the demand for the mineral resources found on its properties and their related market prices. Mineral prices are determined based on world demand, supply and other factors, all of which are beyond the control of the Corporation. Market prices for various minerals have fluctuated widely in recent years. No assurance can be given that mineral resource prices will be sustained at levels which will enable the Corporation to operate profitably.

The Corporation must also successfully sell its mineral resources to prospective buyers. The marketability and price of natural resources which may be acquired or discovered by the Corporation will be affected by numerous factors beyond its control. These factors include market fluctuations, the proximity and capacity of natural resource markets, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of natural resources and environmental protection. The exact effect of these factors cannot be accurately predicted, but any one factor or a combination of these factors could result in the Corporation not receiving an adequate return for shareholders. The Corporation has limited experience in the marketing of mineral resources. The Corporation has entered into marketing agreements with firms who specialize in marketing of ores and concentrates, but there is no assurance that such engagements will meet expectations.

## **Resources**

The Corporation's future cash flows and earnings will be highly dependent upon the Corporation discovering and developing mineral resources from its properties. Any mineralization figures or descriptions presented in the Corporation's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are and will be based on descriptions and estimates made by the Corporation's personnel and independent consultants. These descriptions and estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. Initial mineral resource estimates have been completed for the Hakkari Zinc Project and the Tufanbeyli Zinc Project and reported in the 2011 Hakkari Zinc Technical Report and 2011 Tufanbeyli Zinc Technical Report, respectively. However, systematic drilling and modelling are required in order to better understand the mineralised systems and to identify and delineate higher grade zones. There can be no assurance that such estimates and future estimates will be accurate, or reserves, resource or other mineralization figures will be accurate. There can be no assurance that the Corporation's future exploration and development efforts will result in the discovery of commercial accumulations of natural or mineral resources that the Corporation can develop at economically feasible costs. There is a significant degree of uncertainty attributable to the calculation of mineral deposit estimates and corresponding mineralization grades. Until the mineralized material is actually mined and processed, mineral deposit estimates, mineralization grades and recovery rates must be considered as estimates only.

## **Regulatory Matters**

The exploration, development or mining operations carried on by the Corporation will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. The exercise of discretion by governmental authorities under existing regulations, the implementation of new regulations or the modification of existing regulations affecting the natural resources industry are beyond the control of the Corporation and could reduce demand for mineral resources, increase the Corporation's costs and have a material adverse impact on the Corporation. Before proceeding with a project, the participants in the project must obtain all required regulatory approvals. Failure to obtain regulatory approvals, or failure to obtain them on a timely basis, could result in delays and abandonment or restructuring of the projects undertaken by the Corporation and increased costs, all of which could have a material adverse affect on the Corporation. In addition, the profitability of any mining prospect is affected by the markets for metals which are influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing companies, the political environment and changes in industry investment patterns.

**Potential Conflicts of Interest**

Certain directors or officers of the Corporation are also directors, officers, shareholders and/or promoters of other reporting and non-reporting issuers, including those engaged in the business of acquiring, developing and exploiting mineral resource properties. Such associations may give rise to conflicts of interest from time to time. The directors and officers of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interest which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

**Title to Properties; Investments in Properties**

There can be no certainty that an unforeseen defect in the chain of title in the Corporation's mineral properties will not arise to defeat the claim of the Corporation which could result in a reduction of any future revenue received by the Corporation. The possibility exists that title to properties of the Corporation might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims or concessions. No assurances can be given that there are not title defects or other interests conflicting with the mining claims and interests subject to the property of the Corporation, and such properties may be subject to prior unregistered liens, agreements or transfers, native land claims or other undetected title defects.

As well, the Corporation may be required by its exploration and production contracts to make regular ongoing investments on its properties and perform minimum exploration work in order to maintain its exploration and production contracts and to be eligible for further extensions. If the Corporation is unable to meet those minimum requirements, it may impede the extension of its contracts. The Corporation's properties will have been acquired from third parties and the terms for exploration and investment requirements pursuant to the contracts governing its interest in each property may vary significantly. For a description of certain obligations of the Corporation under property agreements, see "*Item 7 – Description of the Business*".

**Licensing and Permitting Delays**

The operations of the Corporation will require licenses and permits from various governmental authorities. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits that may be required to carry out the exploration and development of its projects in a timely manner or at all.

**Disruptions in Exploration and Production**

Other factors affecting the exploration and development of mineral resources that could affect future profitability include: (i) expiration or termination of leases, permits or licenses, or changes in market prices for commodities or suspension of deliveries; (ii) future litigation; (iii) the timing and amount of insurance recoveries; (iv) work stoppages or other labour difficulties; (v) worker vacation schedules and related maintenance activities; and (vi) changes in the market and general economic conditions as well as political environment and military or terrorist conflict. Weather conditions, equipment replacement or repair, fires, amounts of natural materials and other geological conditions can have a significant impact on operating results.

The Corporation's operations are directly affected by the weather and geological conditions in the region where its operations are conducted. Because the Corporation's operations are in Turkey, the Corporation

is particularly susceptible to risks posed by natural occurrences such as earthquakes. Unusually severe weather or earthquakes or other natural occurrences could curtail the Corporation's operations, including drilling and other exploration and production activities. The Corporation's business, financial condition and its results of operations could be adversely affected depending on the severity of the weather or earthquakes or other natural occurrences in Turkey. Seasonal factors and unexpected weather patterns may lead to declines in exploration and production activity and corresponding declines in demand for commodities of the Corporation. For example, during 2011, the Corporation experienced delays in its exploration programs and other activities at its projects in Turkey due to adverse weather conditions.

### **Environmental Legislation**

All phases of the mineral resource business present environmental risks and hazards and are subject to environmental laws and regulation pursuant to a variety of governmental authorities. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with operations. The legislation also requires that facility sites and mines be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of tailings or other pollutants into the air, soil or water may give rise to liabilities to third parties and may require the Corporation to incur costs to remedy such discharge. No assurance can be given that environmental laws, today or in the future, will not result in a curtailment of production or a material increase in the costs of productions, development or exploration activities or otherwise adversely affect the Corporation's financial condition, results of operations or prospects.

Companies engaged in the exploration and development of mineral properties generally experience increased costs, and delays as a result of the need to comply with applicable laws, regulations and permits. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties, such as the Corporation, engaged in natural resource exploration and development activities may be required to compensate those suffering loss or damage by reason of its activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of natural resource companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in capital expenditures or production costs or a reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

### **Reliance on Others and Key Personnel**

The success of the Corporation will be largely dependent upon the performance of its management and key employees, as well as the talents of its outside consultants and suppliers. The Corporation may not have any "key man" insurance policies, and therefore there is a risk that the death or departure of any one or more members of management or any key employee could have a material adverse effect on the Corporation. The Corporation also faces intense competition for qualified personnel and there can be no assurance that the Corporation will be able to attract and retain the employees, personnel and/or consultants necessary to successfully carry out its activities. This is especially true today, as competition for qualified geological, technical and mining personnel and consultants is particularly intense.

### **Shortages of Equipment and Access Restrictions**

Mineral exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited supply of equipment or access restrictions may adversely affect the availability of such equipment to the Corporation for the Hakkari Zinc Project, the Tufanbeyli Zinc Project, the Sivas Copper Project or other properties that it may acquire and may delay exploration and development activities, which could in turn adversely affect its continued operations.

### **Significant Capital Requirements**

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The discovery of mineral deposits is dependent upon a number of factors. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade and proximity to infrastructure, and some of which are more general factors, such as metal prices and government regulations. Most of these factors are beyond the Corporation's control. In addition, because of these risks, there is no certainty that the expenditures to be made by the Corporation on the exploration of the Hakkari Zinc Project, the Tufanbeyli Zinc Project, the Sivas Copper Project or other properties that it may acquire, as described herein, will result in the discovery of commercial quantities of ore.

### **Instability of Political and Economic Environments**

The mining interests of the Corporation may be affected in varying degrees by political or economic stability. Associated risks include, but are not limited to: terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Any change in regulations or shifts in political attitudes are beyond the control of the Corporation and may materially adversely affect its business, financial condition and results of operations. Operations may also be affected in varying degrees by such factors as government regulations (or changes thereto) with respect to the restrictions on production, export controls, income taxes, expropriation of property, repatriation of profits, land use, environmental legislation, water use, land claims of local people, and mine safety. The effect of these factors cannot be accurately predicted.

The Corporation's material properties are currently located in Turkey and, as such, a substantial portion of the Corporation's business is exposed to various degrees of political, economic and other risks and uncertainties. Specifically, the Hakkari Zinc Project, the Corporation's flagship property, is located in the south-eastern area of Turkey, which area has historically experienced political, social or economic problems, terrorist attacks, insurgencies or civil unrest. If any of these events or conditions occurs, access to operating locations may be precluded. In those locations where the Corporation has operations, the operator may incur substantial costs to maintain the safety of personnel and operations. Despite these precautions, the safety of operator personnel or the Corporation's personnel and operations in these locations may continue to be at risk, and the Corporation may in the future suffer loss of personnel and disruption of operations, any of which could have a material adverse effect on the Corporation's business and results of operations.

Although Turkey has a mature and stable political system and enjoys one of the best country risk ratings of the region, there is always the potential for changes in mining policies or shifts in political attitude

towards foreign investment in natural resources. Changes, even minor in nature, may adversely affect the Corporation's operations.

### **Dilution to Existing Shareholders**

The Corporation expects to complete additional equity financings in the future. The Corporation may be required to issue securities on less than favourable terms in order to raise sufficient capital to fund its business plan in a timely manner. Any future transaction involving the issuance of equity securities or securities convertible into Common Shares would result in dilution, possibly substantial, to shareholders of the Corporation.

### **Dividends**

To date, the Corporation has not paid any dividends on its outstanding securities and the Corporation does not expect to do so in the foreseeable future. Any decision to pay dividends on the Common Shares will be made by the Board at its discretion.

### **Infrastructure**

Development and exploration activities depend on adequate infrastructure, including reliable roads, power, power sources and water supply. The Corporation's inability to secure adequate power and other resources, as well as other events outside of our control, such as unusual weather, sabotage, government or other interference in the maintenance or provision of such infrastructure, could adversely effect the Corporation's operations and financial condition.

### **Currency**

The Corporation's operations will incur most expenditures in Canadian and US dollars but also in the local currency of Turkey. As a result of the use of these different currencies, the Corporation will be subject to foreign currency fluctuations, which may materially affect the financial position and results of the Corporation. The Corporation may not engage in currency hedging to offset any risk of currency fluctuations.

### **Properties without Known Mineable Reserves**

The activities of the Corporation will continue to be directed towards the search for, evaluation of and development of mineral deposits. There is no assurance that the expenditures of the Corporation will result in discoveries of presently commercially viable ore bodies. Furthermore, there can be no assurance that the Corporation's estimates of future exploration expenditures will prove accurate, and actual expenditures may be significantly higher than currently anticipated.

### **No History of Profitability**

The Corporation is an exploration and development stage company with no history of profitability. There can be no assurance that the operations of the Corporation will be profitable in the future. The Corporation has limited financial resources and will require additional financing to further explore, develop, acquire and retain its property interests and if financing is not available for any reason, the Corporation may become unable to acquire and retain its mineral concessions and carry out its business.

**Competition**

The mining industry is intensely competitive in all of its phases and the Corporation will compete with many companies possessing greater financial and technical resources than itself. Competition in the base and precious metals mining industry is primarily for: mineral rich properties which can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and, the capital for the purpose of funding such properties. Many competitors not only explore for and mine base and precious metals, but also conduct refining and marketing operations on a world-wide basis. Such competition may result in the Corporation being unable to acquire desired properties (due to the auction process involved in property acquisition), to recruit or retain qualified employees or to obtain the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect the Corporation's prospects for mineral exploration and success in the future. An inability to obtain the capital necessary to fund its operations and develop its properties may cause the Corporation to fail to satisfy the requirements under the Hakkari Definitive Agreement and other property agreements.

**Repatriation of Earnings**

There is no assurance that Turkey or any other foreign country in which the Corporation may operate in the future will not impose restrictions on the repatriation of earnings to foreign entities.

**Potential Volatility of Market Price of the Common Shares**

The TSX has, from time to time, experienced significant price and volume fluctuations unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of the Common Shares. In addition, the market price of the Common Shares is likely to be highly volatile and will be drastically affected by the success of exploration and test results. Factors such as the price of zinc and other minerals, the average volume of shares traded, announcements by competitors, changes in stock market analyst recommendations regarding the Corporation, and general market conditions and attitudes affecting other exploration and mining companies may have a significant effect on the market price of the Common Shares. The Corporation cannot predict the results of its exploration activities expected to take place in the future. The results of these tests will inevitably affect the Corporation's decisions related to further exploration and/or production on the Hakkari Zinc Project or other properties that the Corporation may explore in the future and will likely trigger major changes in the trading price of the Common Shares. In the past, securities class action litigation has often been initiated following periods of volatility in the market price of a company's securities. Such litigation, if brought against the Corporation, could result in substantial costs and a diversion of management's attention and resources, which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

**ITEM 14 - LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

There are no legal proceedings material to the Corporation to which the Corporation or any of its subsidiaries is (or was during the most financial year ended December 31, 2011) a party or of which any of their respective property is (or was during the financial year ended December 31, 2011) the subject matter, and, to the knowledge of the Corporation, there are no such proceedings currently contemplated.

To the knowledge of the Corporation, there are no:

- (a) penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2011;
- (b) any other 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; and
- (c) settlement agreements that the Corporation has entered into before a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2011.

#### **ITEM 15 - INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Except as disclosed below and elsewhere in this AIF, there are no material interests, direct or indirect, of any director of the Corporation, executive officer of the Corporation, or any shareholder who beneficially owns, directly or indirectly, more than 10% of any class or series of the outstanding Common Shares or any known associate or affiliate of such persons, in any transaction during the three most recently completed financial years or during the current financial year which has materially affected or would materially affect the Corporation or a subsidiary of the Corporation.

On November 5, 2010, the Corporation completed the RCR Acquisition pursuant to which it acquired all of the issued and outstanding securities of RCR Barbados in exchange for the issuance, among other things, of 73,300,391 Common Shares to the then securityholders of RCR Barbados. On closing of the RCR Acquisition, Alan Clegg and Douglas Taylor, current directors and officers of the Corporation, received, directly or indirectly, 33,256,034 Common Shares and 14,122,034 Common Shares, respectively, in exchange for the shares of RCR Barbados then held by them. "*See Item 6 – General Development of the Business – The RTO Acquisition*".

Cem Elместas was appointed a director of the Corporation in January 2012. Mr. Elместas is a director of, and owns or controls, Link Investment. The Corporation and Link Investment entered into loan and marketing agreements during 2011, all as more particularly described under "*Item 6 – General Development of the Business - Events Subsequent to the Completion of the RCR Acquisition - Agreements with Link Investment and Consulting LLP*". In addition, pursuant to such agreements, SAT, a major shareholder of the Corporation indirectly controlled by Alan M. Clegg, Chairman and CEO of the Corporation (see "*Officers and Directors of the Corporation – Name, Occupation, and Security Holdings*"), sold 3,086,734 Common Shares held by SAT to Link Investment at a price of \$0.45 per share. Link Investment subscribed for 629,380 units of the Corporation at a price of \$0.25 per unit under the private placement of the Corporation completed in January 2012 (see "*Item 6 – General Development of the Business - Events Subsequent to the Completion of the RCR Acquisition - Other*").

Afrasia Mining & Energy Investment Holding Ltd., a company controlled by the Chairman and CEO of the Corporation, provides RCR Turkey and its subsidiaries and joint ventures with technical and non-technical services under a technical services agreement (amounting to US\$275,083 for the financial year ended December 31, 2011). See the financial statements of the Corporation for the year ended December 31, 2011.

#### **ITEM 16 - TRANSFER AGENT AND REGISTRAR**

Equity Financial Trust Company at its office located at 200 University Ave., Suite 400, Toronto, Ontario, M5H 4H1 is the transfer agent and registrar for the Common Shares.

### ITEM 17 - MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the material contracts entered into by the Corporation within the most recently completed financial year or entered into prior to such year that are currently in effect:

- (a) the Escrow Agreement (see "*Item 11 - Escrowed Shares*");
- (b) the Hakkari Definitive Agreement (see "*Item 6 – General Development of the Business - History of RCR Turkey Prior to the Completion of the RCR Acquisition*" and "*Item 7 - Description of the Business –The Hakkari Zinc Project*");
- (c) the Petmin Farm-In Agreement (see "*Item 7 - Description of the Business – The Sivas Copper Project*"); and
- (d) the Loan Agreement (see "*Item 6 – General Development of the Business - Events Subsequent to the Completion of the RCR Acquisition - Agreements with Link Investment and Consulting LLP*").

### ITEM 18 - INTERESTS OF EXPERTS

The MSA Group (Pty) Ltd. was retained by RCR Turkey to review the Hakkari Zinc Project and the Tufanbeyli Zinc Project and document the results in the 2011 Hakkari Zinc Technical Report and the 2011 Tufanbeyli Zinc Technical Report, respectively, which are independent technical reports prepared in compliance with NI 43-101 standards and guidelines and are incorporated in this AIF by reference. Neither the MSA Group (Pty) Ltd. nor any of its directors, officers or employees (including the primary authors of the technical reports, Mike Robertson and Mike Hall, each a Qualified Person under NI 43-101) beneficially own, directly or indirectly, any securities, nor do they have any interest in the property of the Corporation, as at the date of the statements, reports or valuations in question or thereafter, and none of its directors, officers or employees is, or expects to be, elected, appointed or employed as a director, officer or employee of the Corporation or its associates or affiliates.

Alan Clegg, a Qualified Person under NI 43-101, has reviewed and verified certain technical information contained in this AIF (where indicated). Alan Clegg is the Chairman and Chief Executive Officer of the Corporation, and his beneficial ownership of securities of the Corporation is set out under "*Item 12 - Officers and Directors of the Corporation - Name, Occupation, and Security Holding*".

PricewaterhouseCoopers LLP, Licensed Public Accountants, provided the auditors' report on the consolidated financial statements of the Corporation for the financial years ended December 31, 2011 and 2010. PricewaterhouseCoopers LLP, Licensed Public Accountants, is independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

In August 2011, the Corporation commissioned MineRP Eurasia, a subsidiary of GijimaAst Americas Incorp., to conduct an independent data set review on the tonnage and grades estimation at the Tuffanbeyli Zinc Project. MineRP Eurasia prepared a document entitled "Tufanbeyli - Tonnes & Grades Evaluation" dated August 30, 2011 and authored by Christophe Lemieux and a document entitled "Conceptual Mine Design Scheduling Study for Tufanbeyli Zn Deposits" dated October 20, 2011 and authored by Christophe Lemieux, which documents were filed on SEDAR at [www.sedar.com](http://www.sedar.com) on November 21, 2011. To the knowledge of the Corporation, neither MineRP Eurasia nor any of its directors, officers or employees (including the primary authors of the aforementioned documents) beneficially own, directly or indirectly, any securities, nor do they have any interest in the property of the Corporation, as at the date of the statements, reports or valuations in question or thereafter, and none of its

directors, officers or employees is, or expects to be, elected, appointed or employed as a director, officer or employee of the Corporation or its associates or affiliates.

### ITEM 19 - ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional information, including regarding directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, is contained in the Corporation's management information circular dated May 2, 2011 and filed on SEDAR under the Corporation's profile on May 6, 2011, in respect of the annual general and special meeting of shareholders of the Corporation held on June 2, 2011. Additional financial information is also provided in the Corporation's financial statements and management's discussion & analysis for its most recently completed financial year.

### ITEM 20 - GLOSSARY OF NON-TECHNICAL TERMS

The following is a glossary of certain definitions used in this AIF. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

**"2011 Hakkari Zinc Technical Report"** has the meaning ascribed to it under the section of the AIF entitled "*Item 4 – Information Incorporated By Reference*" (see also "*Item 7 – Description of the Business – The Hakkari Zinc Project – The 2011 Hakkari Zinc Technical Report*").

**"2011 Tufanbeyli Zinc Technical Report"** has the meaning ascribed to it under the section of the AIF entitled "*Item 4 – Information Incorporated By Reference*" (see also "*Item 7 – Description of the Business – The Tufanbeyli Zinc Project – The 2011 Tufanbeyli Zinc Technical Report*").

**"Board"** means the board of directors of the Corporation.

**"Common Shares"** means the common shares in the capital of the Corporation.

**"Gensay"** means Gensay Mad. San Ve. Tic. Ltd. Sti, a company incorporated under the laws of Turkey.

**"Hakkari Definitive Agreement"** has the meaning ascribed to it under the section of this AIF entitled "*Item 6 - General Development of the Business – History of RCR Turkey and RCR Barbados Prior to Completion of the RCR Acquisition*".

**"Hakkari Zinc Project"** means the 13 Licenses located in the Hakkari region of south-eastern Turkey (see "*Item 7 - Description of the Business – The Hakkari Zinc Project*").

**"License"** means an exploration and/or mining license issued under applicable Turkish legislation.

**"Link Investment"** means Link Investment and Consulting LLP, an entity with its principal office in London, United Kingdom.

**"Loan"** has the meaning ascribed to it under the section of the AIF entitled "*Item 6 – General Development of the Business - Events Subsequent to the Completion of the RCR Acquisition - Agreements with Link Investment and Consulting LLP*".

"**Loan Agreement**" has the meaning ascribed to such terms under the section of the AIF entitled "*Item 6 – General Development of the Business - Events Subsequent to the Completion of the RCR Acquisition - Agreements with Link Investment and Consulting LLP*".

"**MD&A**" has the meaning ascribed thereto in National Instrument 51-102 – *Continuous Disclosure Obligation*.

"**NI 43-101**" means National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

"**Qualified Person**" means a "Qualified Person" as such term is defined in NI 43-101.

"**Petmin**" means Petmin Limited, a company incorporated under the laws of South Africa.

"**Petmin Farm-In Agreement**" means the agreement dated August 4, 2011 between the Corporation, RCR Turkey and Petmin, as more particularly described under "*Item 7 - Description of the Business – The Sivas Copper Project*".

"**RCR Acquisition**" means the acquisition by the Corporation of all the issued and outstanding securities of the Corporation completed on November 5, 2010, as more particularly described under "*Item 6 - General Development of the Business – The RCR Acquisition*".

"**RCR Barbados**" means Red Crescent Resources (Barbados) Limited, a company incorporated under the laws of Barbados.

"**RCR Copper**" means RCR Bakir Maden İth. İhr. Tic. ve San. Ltd. Şti, a company incorporated under the laws of the Republic of Turkey.

"**RCR Quantum**" means RCR Quantum Madencilik İthalat İhracat Tic. ve San. A.Ş., a company incorporated under the laws of Turkey.

"**RCR Turkey**" means RCR Holding Anonim Şirketi, a company incorporated under the laws of the Republic of Turkey.

"**RCR Zinc**" means RCR Seyitoğlu Cinko Madencilik (Zinc) A.S., a company incorporated under the laws of the Republic of Turkey.

"**SAT**" has the meaning ascribed to it under the section of the AIF entitled "*Item 6 – General Development of the Business - Events Subsequent to the Completion of the RCR Acquisition - Agreements with Link Investment and Consulting LLP*".

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval which is accessed at [www.sedar.com](http://www.sedar.com).

"**Sivas Copper Agreement**" has the meaning ascribed to it under the section of the AIF entitled "*Item 7 – Description of the Business – the Sivas Copper Project*".

"**Sivas Copper Licenses**" has the meaning ascribed to it under the section of the AIF entitled "*Item 7 – Description of the Business – the Sivas Copper Project*".

"**Sivas Copper Project**" means three contiguous and adjacent mining Licenses covering an area of approximately 5,240 hectares in the Sivas Region of east central Turkey (see "*Item 7 – Description of the Business – the Sivas Copper Project*").

"TSX" means the Toronto Stock Exchange.

"TSXV" means the TSX Venture Exchange.

"**Tufanbeyli Agreement**" has the meaning ascribed to it under the section of the AIF entitled "*Item 7 – Description of the Business – the Tufanbeyli Zinc Project*".

"**Tufanbeyli Zinc Project**" means two mining Licenses in south-central Turkey within the Adana Province (see "*Item 7 – Description of the Business – the Tufanbeyli Zinc Project*").

## ITEM 21 - GLOSSARY OF TECHNICAL TERMS

This glossary comprises a general list of common technical terms that are typically used by geologists. The list has been edited to conform in general to actual usage in the body of the AIF. For a more complete glossary, readers should refer to the glossary contained in the 2011 Hakkari Technical Report, the 2011 Tufanbeyli Technical Report or dictionaries of geology in printed form or available on the internet.

"**Ag**" means Silver.

"**Arabian Platform**" means the northern extent of the Arabian-Nubian shield, comprising predominantly platform (shallow marine) carbonates.

"**Beneficiation**" means the process by which material is upgraded to achieve higher concentrations.

"**BFS**" means Bankable Feasibility Study: a comprehensive financial assessment of a planned mining operation, carried out to levels required to obtain financing for the operation.

"**Border Folds region**" means the deformed northern margin of the Arabian Platform.

"**Breccia**" means a rock composed of angular rock fragments cemented within a fine-grained matrix.

"**Ca**" means Calcium.

"**Cerrusite**" (also known as lead carbonate) means a mineral consisting of lead carbonate (PbCO<sub>3</sub>) and an important lead ore.

"**Clastic**" means composed of mineral grains or fragments derived from pre-existing rock and transported from their place of origin.

"**Cretaceous**" means the geological period dating 145.5 ± 4 to 65.5 ± 0.3 million years ago. The end of the Cretaceous marks the end of the Mesozoic era and the commencement of the Cenozoic era.

"**Devonian-age**" means the period which lasted from 417 million years ago to 354 million years ago.

"**Dolomitized**" means a process by which limestone is altered into dolomite when limestone comes into contact with magnesium rich water resulting in calcium magnesium carbonate (CaMg CO<sub>3</sub>).

"**Fold**" means when originally flat and planar surfaces, such as sedimentary strata, are bent or curved as a result of plastic (ductile) deformation.

"**Galena**" means lead-sulphide (PbS).

"**g/t**" means grams per metric ton (one thousand kilograms).

"**Hemimorphite**" means a hydrous zinc-silicate with the formula  $Zn_4Si_2O_7(OH)_2 \cdot H_2O$ .

"**Hydrozincite**" means a zinc-carbonate-hydroxide compound with the formula  $Zn_5(CO_3)_2(OH)_6$ .

"**kt**" means one thousand kilograms or one metric ton.

"**Mesozoic**" means a period of geological history dating from about 225 to 65 million years ago.

"**Mineralization**" means the process by which minerals are introduced into a rock resulting in the formation a mineral deposit.

"**Mississippi Valley Type (MVT)**" means carbonate-hosted lead-zinc deposits, named after the Mississippi River Valley where many such deposits are found.

"**Mt**" means a million tonnes.

"**Oxide**" means a mineral comprising oxygen and additional, usually metallic, element/s.

"**Pb**" means Lead.

"**PFS**" means a prefeasibility study: investigation of several scenarios to investigate the potential financial returns of a planned mine.

"**ROM**" means run-of-mine i.e. the unbeneficiated ore extracted from a mine.

"**Sedimentary**" refers to sedimentary rock, a type of rock that is formed by sedimentation of material at the Earth's surface and within bodies of water. Sedimentation is the collective name for processes that cause mineral and/or organic particles (detritus) to settle and accumulate or minerals to precipitate from a solution.

"**Shear**" means deformation resulting from stresses that cause surfaces to slide against each other parallel to their plane of contact.

"**Smithsonite**" means Zinc carbonate:  $ZnCO_3$ .

"**Sphalerite**" means Zinc sulphide:  $ZnS$ .

"**Stratigraphy**" means the layering of successive rock units due to sedimentary or volcanic processes.

"**Sulphide**" means mineral containing sulphur with a metal or semi-metal, e.g. pyrite.

"**Supergene**" means the alteration (and frequent enrichment) of a mineral deposit due to the infiltration of meteoric waters and associated oxidation and chemical weathering.

"**Thrust/ed**" means a shallow-dipping reverse fault, where the hangingwall is transported over the footwall due to compressional tectonic forces.

"**Triassic**" means the geologic period that extended from about 250 to 200 million years ago and was the first period of the Mesozoic Era.

"**Vein**" means a filled fracture in a rock, resulting from the precipitation of quartz or carbonate minerals from a fluid.

"**Zn**" means Zinc.



**APPENDIX "A"**

**RED CRESCENT RESOURCES LIMITED**

**AUDIT COMMITTEE CHARTER**

**1. Introduction**

The Audit Committee (the "Committee") of Red Crescent Resources Limited ("RCR" or the "Company") is a committee of the Board of Directors (the "Board"). The Committee shall oversee the accounting and financial reporting practices of the Company and the audits of the Company's financial statements and exercise the responsibilities and duties set out in this Charter.

**2. Membership**

*Number of Members*

The Committee shall be composed of three or more members of the Board.

*Independence of Members*

Each member of the Committee must be independent. "Independent" shall have the meaning, as the context requires, given to it in Multilateral Instrument 52-110 *Audit Committees*, as may be amended from time to time.

*Chair*

At the time of the annual appointment of the members of the Committee, the Board shall appoint a Chair of the Committee. The Chair shall be a member of the Committee, preside over all Committee meetings, coordinate the Committee's compliance with this Charter, work with management to develop the Committee's annual work-plan and provide reports of the Committee to the Board.

*Financial Literacy of Members*

At the time of his or her appointment to the Committee, each member of the Committee shall have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

*Term of Members*

Each member of the Committee shall serve at the pleasure of the Board or until the member resigns, dies, is removed or ceases to be a member of the Board for any reason. The Board may fill a vacancy in the membership of the Committee.

**3. Meetings**

*Number of Meetings*

The Committee may meet as many times per year as necessary to carry out its responsibilities.

***Quorum***

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

***Minutes; Reporting to the Board***

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair may report orally to the Board on any matter requiring, in his or her view, the immediate attention of the Board.

***Attendance of Non-Members***

The external auditors are entitled to attend and be heard at each Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. At least once per year, the Committee shall meet with management in separate sessions to discuss any matters that the Committee or such individuals consider appropriate.

***Meetings without Management***

The Committee shall hold unscheduled or regularly scheduled meetings, or portions of meetings, at which management is not present.

***Access to Management***

The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.

**4. Duties and Responsibilities**

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "Applicable Requirements").

***Financial Reports***

**(a) General**

The Committee is responsible for overseeing the Company's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company.

**(b) Review of Annual and Interim Financial Reports**

The Committee shall review the Company's financial statements, management's discussion and analysis of the Company's financial condition and results of operation ("MD&A") and annual and interim profit or

loss press releases before the Company publicly discloses this information. After completing its review, if advisable, the Committee shall approve and recommend for Board approval the financial statements and the related MD&A.

**(c) Review of Public Disclosure of Financial Information**

The Committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than public disclosure referred to in the preceding paragraph, and shall periodically assess the adequacy of such procedure.

***Auditors***

**(a) General**

The Committee shall be responsible for overseeing the work of the auditors engaged for the purpose of preparing or issuing an audit report or performing other audit review or attest services for the Company.

**(b) Appointment and Compensation**

The Committee shall recommend to the board of directors:

- (i) the auditors to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- (ii) the compensation of the auditors.

**(c) Resolution of Disagreements**

The Committee shall resolve any disagreements between management and the auditors as to financial reporting matters brought to its attention.

**(d) Discussions with Auditors**

At least annually, the Committee shall discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Audit Committee.

**(e) Requirement for Pre-Approval of Non-Audit Services**

The Committee shall approve in advance any retainer of the auditors to perform any non-audit service to the Company that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures.

**(f) Financial Executives**

The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

***Internal Controls***

**(a) General**

The Committee shall review the Company's system of internal controls.

**(b) Establishment, Review and Approval**

The Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Committee shall consider and review with management and the auditors:

- (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
- (ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
- (iii) any material issues raised by any inquiry or investigation by the Company's regulators;
- (iv) the Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
- (v) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

***Compliance with Legal and Regulatory Requirements***

The Committee shall review reports from the Company's Corporate Secretary and other management members on: legal or compliance matters that may have a material impact on the Company; the effectiveness of the Company's compliance policies; and any material communications received from regulators. The Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

***Committee Disclosure***

The Committee shall prepare, review and approve any audit committee disclosures required by Applicable Requirements in the Company's disclosure documents.

**5. No Rights Created**

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Committee, functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

**6. Charter Review**

The Committee shall review and update this Charter annually and present it to the Board for approval.

Adopted: March 27, 2012