

A copy of this Amended and Restated Preliminary Prospectus has been filed with the securities regulatory authorities in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador but has not yet become final for the purpose of the sale of securities. Information contained in this Amended and Restated Preliminary Prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This Amended and Restated Preliminary Prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been registered under the United States Securities Act of 1933, as amended (the "1933 Act") and may not be offered or sold within the United States except pursuant to an exemption from the registration requirements of the 1933 Act.

Amended and Restated Preliminary Prospectus

Initial Public Offering

May 23, 2007



CDN\$●
● Shares

This prospectus (the "Prospectus") qualifies an offering (the "Offering") to the public through a syndicate of agents comprised of Haywood Securities Inc., RBC Dominion Securities Inc. and Dundee Securities Corporation (collectively, the "Agents"), on a commercially reasonable efforts basis, of ● common shares (the "Shares") in the capital of Coro Mining Corp. (the "Corporation"). The Shares are being offered at CDN\$● per Share (the "Offering Price"). The Offering Price was determined by negotiation between the Corporation and the Agents.

	Price to the Public	Agents' Commission ⁽¹⁾	Proceeds to the Corporation ⁽²⁾
Per Share	CDN\$●	CDN\$●	CDN\$●
Total Offering ⁽³⁾	CDN\$●	CDN\$●	CDN\$●

- (1) A 7% cash commission will be paid to the Agents. In addition, the Corporation has paid to Haywood Securities Inc. a corporate finance fee in the amount of CDN\$25,000 (plus GST). The Agents will also be granted non-transferable warrants (the "Agents' Warrants") to acquire common shares of the Corporation (the "Agents' Warrant Shares") in an amount equal to 7% of the Shares sold in the Offering at an exercise price equal to the Offering Price of the Shares for a period of 12 months from the Closing of the Offering. The distribution of the Agents' Warrants is qualified under this Prospectus. See "Plan of Distribution".
- (2) Before deducting estimated expenses of the Offering of CDN\$400,000.
- (3) The Corporation has agreed to grant the Agents an option (the "Over-Allotment Option") to sell an additional ● common shares (the "Over-Allotment Shares") exercisable until the date that is 30 days from and including the closing time of the Offering. If the Over-Allotment Option is exercised in full, the total Price to the Public, Agents' Commission and Proceeds to the Corporation (before deducting expenses of this Offering) will be \$●, \$● and \$●, respectively. The distribution of the Over-Allotment Option and the Over-Allotment Shares issuable upon exercise of the Over-Allotment Option is qualified under this Prospectus. See "Plan of Distribution".

The Agents, or registered sub-agents who assist the Agents in the distribution of the Shares, conditionally offer, on a commercially reasonable efforts basis, the Shares, subject to prior sale, if, as and when issued and delivered by the Corporation and accepted by the Agents in accordance with the terms and conditions contained in the Agency Agreement referred to under "Plan of Distribution". Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that closing of the Offering will take place on ●, 2007 or such other date as the Corporation and the Agents may agree (the "Closing Date") but no later than ●, 2007. Certificates representing the Shares will be available for delivery on the Closing Date. See "Plan of Distribution".

All references in this Prospectus to "\$" are to United States dollars, unless otherwise indicated.

The Corporation has received conditional approval to list the Shares distributed under this Prospectus on the Toronto Stock Exchange (the "TSX"). Listing will be subject to the Corporation fulfilling all of the requirements of the TSX, including distribution of the Shares to a minimum number of public securityholders on or before August 21, 2007.

Certain legal matters relating to the Offering will be passed upon on behalf of the Corporation by McCullough O'Connor Irwin LLP and on behalf of the Agents by Getz Prince Wells LLP.

INVESTMENTS IN NATURAL RESOURCE ISSUERS INVOLVE A SIGNIFICANT DEGREE OF RISK. THE DEGREE OF RISK INCREASES SUBSTANTIALLY WHERE THE CORPORATION'S PROPERTIES ARE ALL IN THE EXPLORATION AS OPPOSED TO THE DEVELOPMENT STAGE. THE PROPERTIES OF THE CORPORATION ARE IN THE EXPLORATION STAGE AND ARE WITHOUT KNOWN BODIES OF COMMERCIAL ORE. INVESTORS SHOULD NOT INVEST ANY FUNDS IN THE OFFERING UNLESS THEY CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. FOR FURTHER PARTICULARS, SEE "RISK FACTORS".

THERE IS CURRENTLY NO MARKET THROUGH WHICH THESE SECURITIES MAY BE SOLD AND PURCHASERS MAY NOT BE ABLE TO RESELL SECURITIES PURCHASED UNDER THIS PROSPECTUS.

NO PERSON IS AUTHORIZED BY THE CORPORATION TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES OFFERED PURSUANT TO THIS PROSPECTUS.

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CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Certain statements included in this prospectus constitute forward-looking statements, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend”, “may”, “should” and similar expressions to the extent they relate to the Corporation or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. This Prospectus contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

Information concerning the interpretation of drill results may also be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The risk factors described in this Prospectus are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Corporation’s forward-looking statements. In addition, any forward-looking statements represent the Corporation’s estimates only as of the date of this Prospectus and should not be relied upon as representing the Corporation’s estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in this Prospectus include: (a) execution of the Corporation’s existing plans or exploration programs for each of its properties, either of which may change due to changes in the views of the Corporation, or if new information arises which makes it prudent to change such plans or programs; and (b) the accuracy of current interpretation of drill and other exploration results, since new information or new interpretation of existing information may result in changes in the Corporation’s expectations. Readers should not place undue reliance on the Corporation’s forward-looking statements, as the Corporation’s actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Corporation’s business, or if the Corporation’s estimates or assumptions prove inaccurate. Therefore, the Corporation cannot provide any assurance that such forward-looking statements will materialize. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. For a description of material factors that could cause the Corporation’s actual results to differ materially from the forward-looking statements in this Prospectus, see “Risk Factors”.

THIRD PARTY INFORMATION

This prospectus includes market and foreign country data and industry forecasts, which were obtained from various publicly available sources and other sources believed to be true. Although the Corporation believes that these independent sources are generally reliable, the accuracy and completeness of such information are not guaranteed and has not been independently verified by the Corporation or the Agents.

EXCHANGE RATE INFORMATION

This Prospectus contains references to both U.S. dollars and Canadian dollars. All U.S. dollar amounts are referred to as “\$” and Canadian dollars are referred to as “CDN\$”. As at May 23, 2007, the noon buying rate as reported by the Bank of Canada was \$1.00 = CDN\$1.0818 or CDN\$1.00 = \$9244.

METRIC EQUIVALENTS

The following table sets forth the conversion from metric into imperial equivalents.

<u>To convert</u>	<u>To imperial measurement units</u>	<u>Multiply by</u>
Kilograms	Pounds	2.2046
Grams	Ounces (troy)	0.0353
Tonnes	Tons (short)	0.9072
Hectares	Acres	2.4711
Kilometers	Miles	0.6214
Meters	Feet	3.2808

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

An investment in the Corporation cannot be promoted in the United Kingdom to the general public. The promotion in the United Kingdom of common shares in the Corporation and the issue or distribution of this Prospectus if made by a person who is not an authorised person under the Financial Services and Markets Act 2000, as amended (“FSMA”) to carry on designated investment business in the United Kingdom, is being made, or directed at, only to the following persons: (i) persons who are “investment professionals” as defined in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”) and (ii) persons falling within any of the categories of persons described in article 49(2)(a) to (d) of the Financial Promotion Order and any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order (collectively referred to as “relevant persons”). Shares in the Corporation will only be available to relevant persons and this communication must not be acted upon by anyone who is not a relevant person.

Except as described above, any invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) in connection with, or relating to, the sale or purchase of any Shares, may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply. It is the responsibility of all persons under whose control or into whose possession this document comes to inform themselves about and to ensure observance of all applicable provisions of FSMA in respect of anything done in relation to an investment in the Corporation in, from or otherwise involving, the United Kingdom.

EUROPEAN ECONOMIC AREA

Shares in the Corporation will not be offered or sold, to the public in any Member State of the European Economic Area (including Members of the European Union plus Iceland, Liechtenstein and Norway) which has implemented Directive 2003/71/EC (the “Prospectus Directive”) except:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; or
- (b) to any legal entity that has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a balance sheet with a total balance of more than EUR 43,000,000; and (iii) an annual net turnover of more than EUR 50,000,000;

in the case of (ii) and (iii) as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances which do not require us to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

Applicants will be required to make certain representations relating to their status which will determine the suitability of the investor as a purchaser of Shares in the Corporation, which will survive the completion of the issuance of any Shares in the Corporation.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial data and statements contained elsewhere in this Prospectus.

The Corporation

The Corporation was incorporated under the *Business Corporations Act* (British Columbia) on September 22, 2004 under the name of Coro Mining Corp. The Corporation's registered and records office is located at Suite 1100 - 888 Dunsmuir Street, Vancouver, British Columbia, V6C 3K4 and its principal office is located Suite 1810 - 999 West Hastings Street, Vancouver, British Columbia, V6C 2W2.

The Corporation was founded with the goal of building a mining company focused on medium-sized base and precious metals deposits in Latin America. The Corporation intends to achieve this goal through the exploration for, and acquisition of, projects that can be developed and placed into production. It has established an experienced exploration and development team to undertake this. The Corporation has two material mineral properties which are located in Chile and Argentina, as well as other exploration properties which are located in Chile and Mexico.

The first material property is the Barreal Seco property (the "Barreal Seco Property"), an SX-EW copper project located on the boundary of Region II and Region III of Chile, 95 km northeast ("NE") of the town of Chañaral. See "Business and Properties of the Corporation – Chile Properties – Barreal Seco Property". Dependent on results of planned metallurgical testwork and additional exploration, the Corporation intends to initiate engineering studies on the Barreal Seco Property in late 2007. The Corporation continues to evaluate two potential satellite deposits, Salvadora and Celeste, within Region III southwest ("SW") of the Barreal Seco Property. See "Business and Properties of the Corporation – Chile Properties – Barreal Seco Satellites".

The second material property is the San Jorge property (the "San Jorge Property"), an SX-EW copper project located in the Province of Mendoza, 110 km northwest ("NW") of the city of Mendoza, Argentina. See "Business and Properties of the Corporation – Argentina Property". The Corporation has recently initiated engineering studies on the San Jorge Property, and is evaluating the potential for producing up to 50 million pounds of cathode copper per annum, via SX-EW processing.

The Offering

Issuer: Coro Mining Corp.

Offering: ● Shares.

Offering Price: CDN\$● per Share.

Offering Size: CDN\$●

Over-Allotment Option The Corporation has agreed to grant the Agents an option (the "Over-Allotment Option") to sell an additional ● common shares (the "Over-Allotment Shares") exercisable until the date that is 30 days from and including the closing time of the Offering. If the Over-Allotment Option is exercised in full, the gross proceeds, Agents' Commission and net proceeds to the Corporation (before deducting expenses of this Offering) will be \$●, \$● and \$●, respectively. This distribution of the Over-Allotment Option and the Over-Allotment Shares issuable upon exercise of the Over-Allotment Option is qualified under this Prospectus. See "Plan of Distribution".

Agents' Commission: A 7% cash commission will be paid to the Agents. In addition, the Corporation has paid to Haywood Securities Inc. a corporate finance fee in the amount of CDN\$25,000 (plus GST). The Agents will also be granted the Agents' Warrants to acquire the Agents' Warrant Shares in an amount equal to 7% of the Shares sold in the Offering at an exercise price of CDN\$● per Agents' Warrant Share for a period of 12 months from the Closing of the Offering. The distribution of the Agents' Warrants is qualified under this Prospectus. See "Plan of Distribution".

Use Of Proceeds: The estimated net proceeds of the Offering after deducting the Agents' commission and the expected costs of the offering of CDN\$400,000 will be CDN\$●. The Corporation intends to use the net proceeds of the Offering as follows (the amounts are expressed in thousands):

Exploration, Scoping Study and Pre-Feasibility Study on Barreal Seco Property	CDN\$3,750
Pre-Feasibility Study and Feasibility Study on San Jorge Property	CDN\$7,000
Remaining property option payments due in 2007	CDN\$875
Estimated general and administrative expenses	CDN\$1,500
General working capital	CDN\$●
TOTAL:	CDN\$●

See "Use of Proceeds" and "Risk Factors".

Risk Factors: **Investment in the Shares is highly speculative and involves a significant degree of risk.** Prospective investors should carefully consider and evaluate all risks and uncertainties involved in an investment in the Shares, including risks related to: operations, additional funding and dilution, foreign political risk, permits, governmental regulation, property interests, acquisition of additional mineral properties, environmental regulations, unknown environmental risks for past activities, dependence on key management, conflicts of interest, title to properties, repatriation of earnings, infrastructure, influence of third party stakeholders, uninsurable risks, commodity prices, competition, discretion in the use of net proceeds, limited business history and expected continued operating losses, no history of dividends, foreign currency risk, absence of a public trading market, and an arbitrary offering price. Investors should consult their own professional advisors to assess the investment. See "Risk Factors".

Summary Financial Information

The following table sets forth selected financial information for the Corporation for the periods indicated (expressed in thousands except where indicated). The following summary of selected financial information is derived from and should be read in conjunction with and is qualified in its entirety by reference to the Corporation's audited financial statements for the two financial years ended December 31, 2006, and the Corporation's unaudited financial statements for the three months ended March 31, 2007, including the notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Prospectus.

	Three Months Ended	Year Ended December 31	
(\$000's)	March 31, 2007	2006	2005
	(unaudited)		
Statement of Operations Data			
Revenues	0	0	0
Net Loss	1,429	4,870	740
Basic and Fully Diluted Loss per share	\$0.05	\$0.20	\$0.06
Balance Sheet Data			
Total Assets	13,172	15,080	5,587
Total Liabilities	1,415	1,997	87
Shareholders' Equity	11,757	13,083	5,500

CORO MINING CORP.

Name and Incorporation

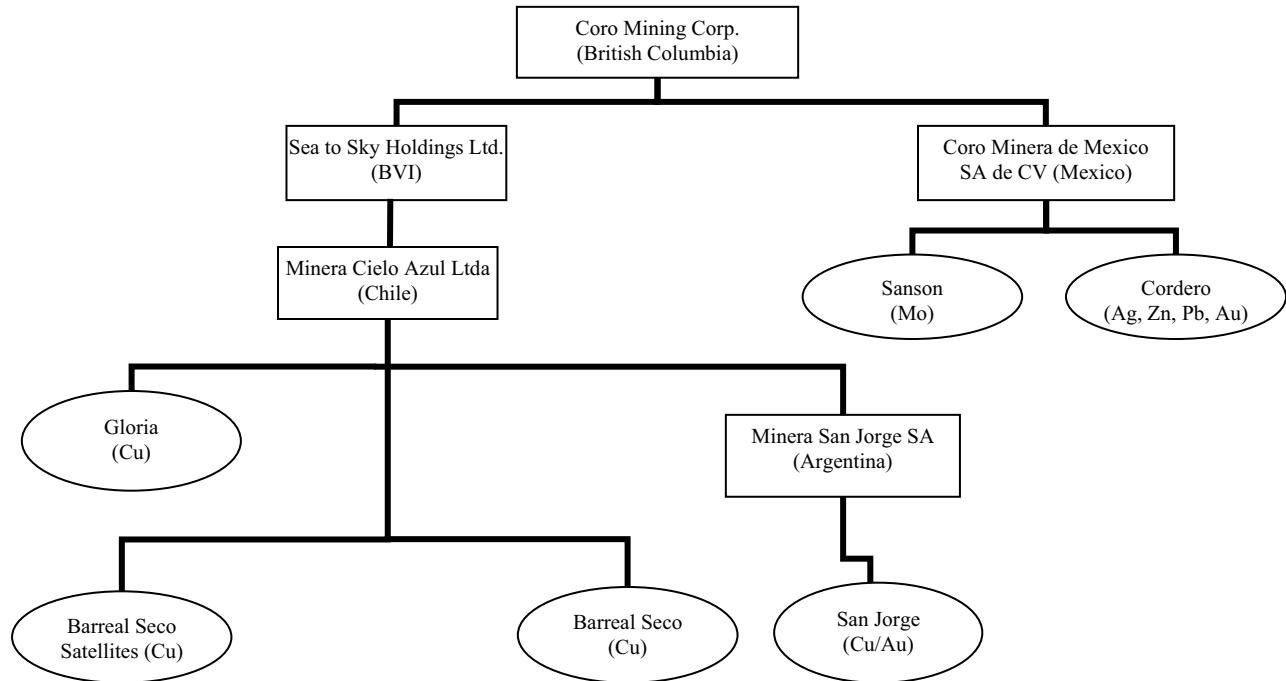
The Corporation was incorporated under the *Business Corporations Act* (British Columbia) on September 22, 2004 under the name Coro Mining Corp.

The Corporation's registered and records office is located at Suite 1100-888 Dunsmuir Street, Vancouver, British Columbia, V6C 3K4. The Corporation's principal office is located at Suite 1810 – 999 West Hastings Street, Vancouver, British Columbia, V6C 2W2. The Corporation is not currently a reporting issuer, but will become a reporting issuer upon the issuance of a receipt for the final Prospectus.

References in this Prospectus to the business of the Corporation include the business conducted by its wholly-owned subsidiaries. All of the subsidiaries of the Corporation are 100% beneficially owned by the Corporation and its subsidiaries. Sea to Sky Holdings Ltd. is the registered owner of 99.9% of the interests in Minera Cielo Azul Limitada ("MCAL") and 0.1% of the interests are registered to Pablo Mir Balmaceda (the Corporation's legal representative in Chile) and held in trust for the Corporation. MCAL carries on the business of the Corporation in Chile. MCAL is the registered owner of 95% of the shares of Minera San Jorge SA ("MSJ") and Pablo Mir Balmaceda is the registered owner of 5% of the shares of MSJ, held in trust for the Corporation. MSJ carries on the business of the Corporation in Argentina. The Corporation is the registered owner of 499 shares of Coro Minera de Mexico SA de CV ("Coromex") and Francisco Armenta Cruz (the Corporation's general manager in Mexico) is the registered owner of one share of Coromex, held in trust for the Corporation. Coromex carries on the business of the Corporation in Mexico.

Corporate Structure

The following is a diagram of the inter-corporate relationships among the Corporation and its subsidiaries.



MANAGEMENT OF THE CORPORATION

The key members of management of the Corporation are Alan Stephens, Juan Carlos Roman, Michael Philpot and Damian Towns.

Alan Stephens, President, Chief Executive Officer and Director of the Corporation, is a graduate of the Royal School of Mines (Imperial College of London) and is currently a fellow of both the Society of Economic Geologists (US) and of the Institute of Materials, Minerals and Mining (UK). Mr. Stephens is also a qualified person for the purposes of NI 43-101. Mr. Stephens has over 31 years of international mining experience, including having worked and lived in Chile for over eight years, in Mexico for three years and in Brazil for eight months. Prior to co-founding the Corporation, Mr. Stephens was the Vice-President of Exploration for First Quantum Minerals Ltd. from April 2000 to December 2004, and was international exploration manager for Cyprus Amax Minerals Company from March 1994 to January 2000 where he managed exploration teams in Latin America, Africa, Europe and Asia.

Juan Carlos Roman, Vice President of Operations and Development of the Corporation, is a graduate of the University of Chile (Business Engineering) and holds an MBA from ESADE Business School in Barcelona. Mr. Roman has over 15 years of mining experience in Chile. Prior to joining the Corporation, Mr. Roman was Vice-President of Mining Management of Antofagasta Minerals S.A. (“Antofagasta”) in Chile from January 2004 to May 2006 and was responsible for all the Chilean operations of Antofagasta. He has also held a number of other executive management positions with Antofagasta including being the General Manager at both the Minera Michilla from February 1996 to February 1998 and Minera El Tesoro from February 1998 to October 2004 mines in Chile. As the General Manager of Minera El Tesoro he was responsible for the development of El Tesoro from the feasibility stage to operation.

Michael Philpot, Executive Vice-President, Corporate Secretary and Director of the Corporation, is a graduate of the University of British Columbia (BSc Geology) and holds an MBA from the City University of Vancouver. Mr. Philpot has over 28 years of experience in the mining industry, including having worked on projects based in Chile for four years. Prior to co-founding the Corporation, Mr. Philpot held various executive positions with First Quantum Minerals Ltd., including Vice-President of Administration and Corporate Secretary from December 1997 to February 2005.

Damian Towns, Chief Financial Officer of the Corporation, is a graduate of the University of Otago in New Zealand (Bachelor of Commerce with Honors) and is a chartered accountant with the Institute of Chartered Accountants of New Zealand. Mr. Towns has over ten years experience in accounting and finance with six years experience in the mining industry. Prior to joining the Corporation, Mr. Towns was the Controller of First Quantum Minerals Ltd. from June 2002 to August 2006 and was an audit manager with PricewaterhouseCoopers LLP in Canada from July 2000 to June 2002. Mr. Towns has international mining and accounting experience in Africa and New Zealand.

See “Directors and Officers”.

Other Key Personnel

In addition to the key members of management described above, the following individuals are key personnel of the Corporation.

Jorge Tapia, Project Director, has 23 years experience in engineering, construction and maintenance of small to major mining projects, and was formerly with BHP Billiton in Chile responsible for the Spence Project engineering.

Jorge Irrarázaval, Manager of Engineering, has 18 years of experience in engineering process, and was formerly process manager for Aker Kvaerner Engineering.

Marcelo Cortés, Infrastructure and Environment Manager, has 20 years experience in engineering and construction of small to major mining projects, and was formerly manager of infrastructure with Antofagasta in Chile.

Angelo Peri, Exploration Manager Chile-Argentina, has over 22 years of experience in exploration and was formerly exploration manager for Phelps Dodge Exploration Corp. (“Phelps Dodge”) in Chile and Peru and business manager for CVRD in Chile.

Alejandro Palma, Geologist, has 18 years of exploration and exploitation experience in Argentina, and was formerly exploration manager of ARMINEX, a subsidiary of APAC Inc.

Ricardo Ardila, Geologist, has 19 years of exploration experience in Chile, and was formerly a senior geologist for Phelps Dodge Exploration Corp.

Cristian Chandia, Chief Financial Officer for Chile, has 11 years of experience in project economics, evaluation, strategic planning and management control of mining projects, and was formerly with Antofagasta.

CORPORATE HISTORY AND STRATEGY

The Corporation was founded with the goal of building a mining company focused on medium-sized base and precious metals deposits in Latin America. The Corporation intends to achieve this goal through the exploration for, and acquisition of, projects that can be developed and placed into production. An experienced exploration and development team has been established to undertake this.

The Corporation, through MCAL, has entered into option agreements in relation to the Barreal Seco Property, a copper deposit located on the boundary of Region II and Region III of Chile. The Corporation has also entered into an option agreement in relation to the Salvadora property (the “Salvadora Property”) and a rental agreement in relation to the Celeste property (the “Celeste Property”), both in close proximity to the Barreal Seco Property in Region III of Chile, which management believes are prospective for developing copper resources that could be exploited as satellites to the Barreal Seco Property. The Corporation, through MCAL, has also entered into option agreements in relation to three of the four claims comprising the Gloria property (the “Gloria Property”), a copper deposit located in Region III of Chile, and has acquired the fourth claim. See “Business and Properties of the Corporation – Chile Properties”.

On August 9, 2006, the Corporation entered into an agreement with Global Copper Corporation (“Global”) giving the Corporation an option to acquire a 100% interest in the San Jorge Property. Pursuant to the agreement, the shares of MSJ have been transferred to MCAL, and the Corporation, through MSJ, controls the San Jorge Property, a copper-gold deposit located in the Province of Mendoza, Argentina. In connection with the acquisition of MSJ, the Corporation acquired the land on which the San Jorge Property is located. See “Business and Properties of the Corporation – Argentina Property”.

The Corporation, through Coromex, has entered into option agreements to acquire the Cordero property (the “Cordero Property”), a polymetallic prospect located in the State of Chihuahua, Mexico. Coromex also owns the adjacent Sanson molybdenum prospect (the “Sanson Property”, and together with the Cordero Property, the “Cordero-Sanson Property”). See “Business and Properties of the Corporation – Mexico Properties”.

As at March 31, 2007, the Corporation had raised \$17.9 million through private placements of its common shares, and \$7.3 million was held in cash and cash equivalents. Prior to March 31, 2007, the Corporation had spent \$10.7 million on operating and investing activities focussed on the exploration of its properties, including \$3.0 million on property acquisition costs, \$2.0 million on property investigations, \$1.1 million on drilling and trenching programs and \$0.7 million on property, plant and equipment. As at April 30, 2007 the Corporation held \$6.0 million in cash and cash equivalents.

The Corporation’s strategy is to become a mid-tier copper producer within three to four years. It intends to do this by identifying, securing and developing resources containing a minimum of 200,000 tonnes of contained copper that are located in areas with established infrastructure. The projects should generate a return on investment of 15% or more at conservative pricing and have a minimum mine life of eight to ten years. The Corporation’s focus will be on low capital cost, open pit, heap leachable projects in politically stable jurisdictions. It intends to establish a pipeline of projects with the objective of developing a new mine every two to three years.

Key milestones to achieve the Corporation's strategy are: further exploration on the Barreal Seco Property to be completed by the beginning of 2008, a scoping study by the middle of 2008, and the initiation of a pre-feasibility study on the Barreal Seco Property by the end of 2008; the definition of resources at the Salvadora and Celeste Properties by the end of 2008; the completion of a pre-feasibility study at the San Jorge Property before the end of 2007 and a feasibility study by the end of the first quarter of 2008; and the completion of an initial exploration program at the Gloria Property by the middle of 2008. The Corporation will also seek further opportunities to expand its resource base through the exploration for, and acquisition of, projects meeting its minimum resource requirements.

COPPER INDUSTRY TRENDS AND FUNDAMENTALS

The price of copper has improved significantly from a low on the London Metal Exchange ("LME") of approximately \$0.60 per pound in November 2001 to a high of \$3.91 per pound on May 11, 2006. As at May 22, 2007, the LME spot price for copper was \$3.32. The Corporation believes that the current positive fundamentals for copper will remain in place for the foreseeable future.

Global economic growth is expected to be strong and drive demand for copper. Brook Hunt, an independent mining and metals industry consultancy, forecasts global industrial production to grow by 4.4% in 2007 and 4.1% in 2008, following a 5.2% increase in 2006. Over the five year period 2007-2011 Brook Hunt forecasts that industrial production will improve by 2.6% per year, as shown in the table below. The North American economy is forecast by Brook Hunt to grow by 2.3% in 2007, 2.5% in 2008 and 1.1% per year on average over the five year period ending 2011. Meanwhile industrial production in Western Europe is forecast by Brook Hunt to grow at the slightly lower annual rate of 0.9% per year over the period 2007 to 2011.

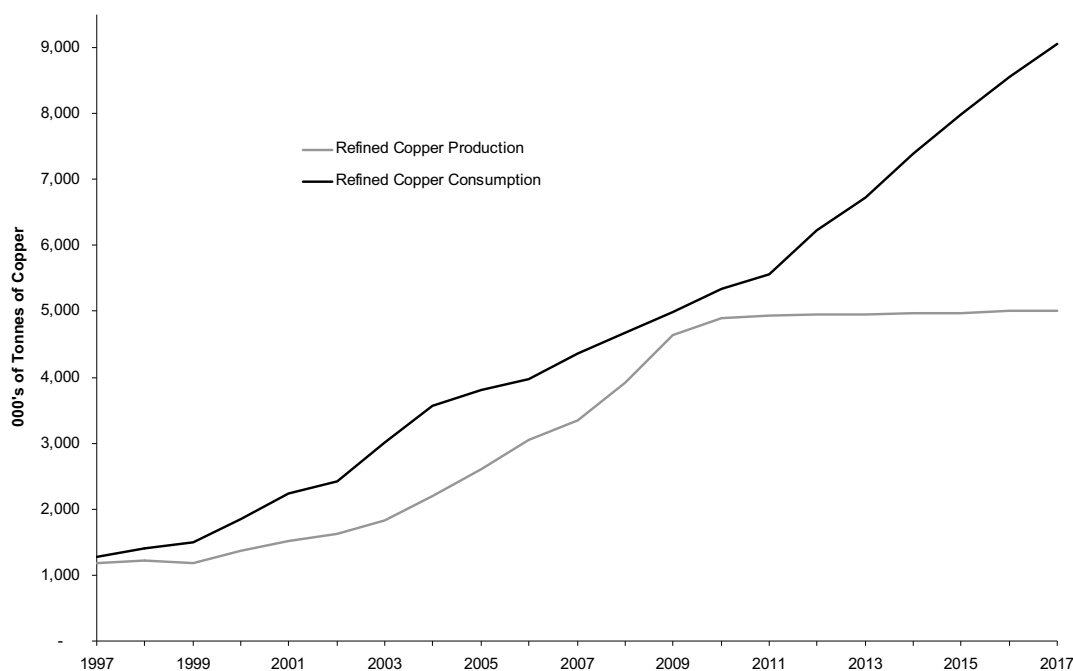
Estimated Annual Global Industrial Production Growth

	<u>2002 – 2006</u>	<u>2007</u>	<u>2008</u>	<u>2007 – 2011</u>
Global	3.4%	4.4%	4.1%	2.6%
North America	2.1%	2.3%	2.5%	1.1%
Western Europe	1.0%	2.7%	1.9%	0.9%
China	15.7%	16.0%	13.5%	10.3%

Source: Brook Hunt, May 2007.

China's strong demand for copper for infrastructure development, automobile manufacturing and electronic appliance exports is partly responsible for supporting high copper price levels. China leads all regions with industrial production forecast by Brook Hunt to grow at 16% in 2007, 13.5% in 2008 and 10.3% per year on average over the five year period ending 2011. China has historically been unable to meet its copper consumption requirements with domestic production and the resulting need for imports is expected to continue.

Estimated Copper Consumption Versus Domestic Production – China



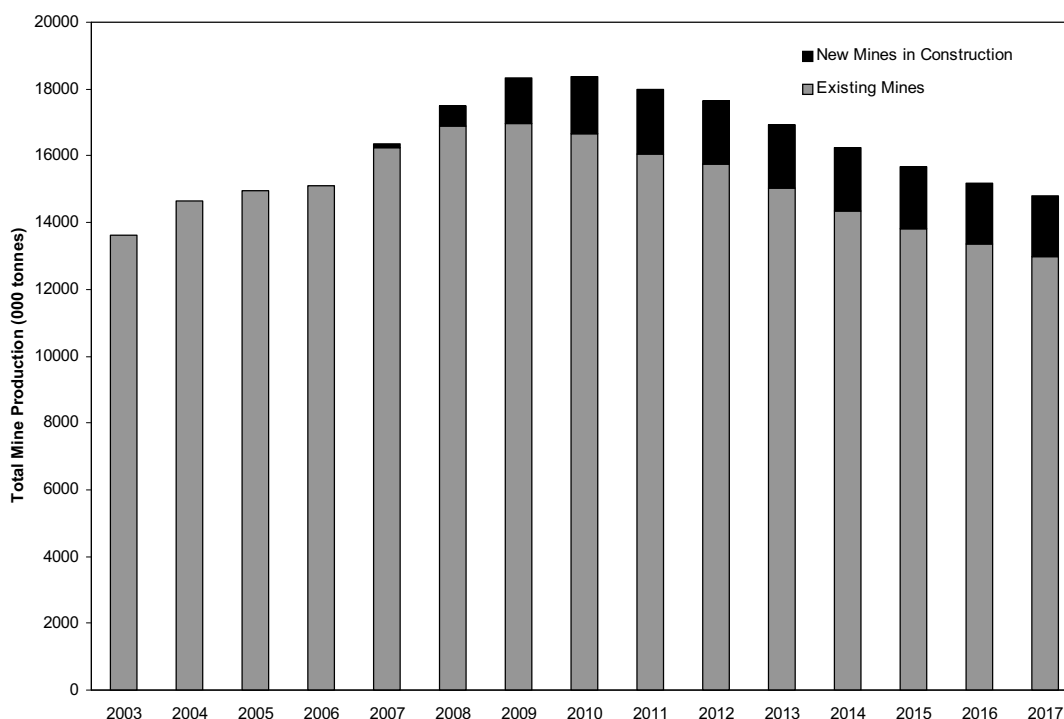
Source: Brook Hunt, May 2007

Brook Hunt also expects other countries such as India and Russia to demonstrate strong industrial production growth for the foreseeable future.

Under these global industrial production growth rates Brook Hunt forecasts global copper consumption of 18.2 million tonnes in 2007 and 18.9 million tonnes in 2008. The growth in copper consumption is forecast at 4.1% in 2007, 4.0% in 2008 and 3.0% per year on average over the five year period ending 2011.

The Corporation believes that historical supply increases in the 1990s, together with a period of weak economic growth in the late 1990s, resulted in an over-supply of copper and thus a significant drop in prices which persisted until late 2002. Due to such lower copper prices, exploration and development activities were reduced during this period. However, due to the recovery in prices since 2003, Brook Hunt believes that there is now sufficient mine capacity currently under construction to meet potential medium term demand through to 2011 although longer term supply shortages still exist. The copper industry also finds itself competing for labour at both the operating and project design level, with experienced personnel in heavy demand. Labour shortages have been particularly acute in the project engineering sector where high demand across a number of industries has created significant capacity constraints in the sector.

Global Copper Mine Production (Brook Hunt Base Case)



Source: Brook Hunt, May 2007

Based on current production plans, the transition from positive to negative growth in Brook Hunt's base case mine output is expected by 2011 as production is lost either to mine closures or grade attrition exceeding committed incremental expansion or committed new project capacity. Base case mine production is thus forecast to decline by 1.8% in 2011 with mine output falling to approximately 17.6 million tonnes, which is approximately equal to the forecast demand for mine output. However, from 2012 onwards demand for additional mine production to meet increased market requirements for refined metal is expected to create an implied shortfall in mine output. This shortfall is expected to be satisfied by the reactivation of closed mines, new ore discoveries at currently producing mines, incremental expansions, or the development of greenfield projects.

PROPERTIES OF THE CORPORATION

The Corporation owns, or has the right to acquire an interest in, mineral properties in Chile, Argentina and Mexico. The Corporation's material properties in each of these areas are described below.

Chile Properties

In Chile, the Corporation has an option to acquire a 75% interest in its material property, the Barreal Seco Property; and options to acquire the Salvadora/Flor de Lirio property, as well as a lease for the Celeste property, both of which are satellite properties to the Barreal Seco Property. The Corporation has options to acquire three of the four claims comprising the Gloria Property, and has acquired the fourth claim. The Corporation also owns the Cerro Colorado-Chacay property (the "Cerro Colorado-Chacay Property").

Barreal Seco Property

Acquisition of the Barreal Seco Property

MCAL acquired the Group II concessions which comprise part of the Barreal Seco Property pursuant to two agreements dated March 28, 2006 (the "Barreal Seco Agreements"). Pursuant to an agreement dated March 28, 2006

among MCAL and Sociedad Legal Minera Dalila uno de la Sierra Colmo and Sociedad Legal Minera Terasa Primaera de Sierra Colmo (on their own behalf and on behalf of others (together, the “Owners”)), MCAL has acquired an option to purchase a net 75% interest in a 1,540 ha portion of the Barreal Seco Property Group II concession area by paying to the Owners the aggregate amount of \$1,552,000 in cash as follows: \$100,000 on signing (paid), \$200,000 on March 28, 2007 (paid), \$400,000 on March 28, 2008 and \$852,000 on March 28, 2009. In addition, MCAL must make an aggregate of \$1,700,000 in exploration expenditures as follows: \$200,000 by March 28, 2007 (completed), \$500,000 by March 28, 2008 (completed) and \$1,000,000 by March 28, 2009. The Corporation must also conduct a feasibility study at its sole cost by March 28, 2009.

Once all of the payments and exploration expenditures have been made, MCAL has agreed to establish a contractual mining corporation (“CMC”) to which the Barreal Seco Property will be contributed. Payment of an additional amount of \$2,448,000 by the Corporation will be satisfied by the issuance to the Owners of shares in the CMC representing 25% of the capital stock of the CMC. MCAL and the Owners will then enter into a shareholders’ agreement providing for MCAL to appoint three of the four directors of the CMC, for MCAL to be the operator, for the expenditures incurred by MCAL for the benefit of the CMC to be treated as a loan from MCAL to the CMC, and that until commercial production, MCAL and the Owners will contribute to costs in accordance with their percentage interests, provided that MCAL will fund the Owner’s portion as a loan to be repaid from cash flow.

Pursuant to a second agreement dated March 28, 2006 and amended April 28, 2006 and October 2, 2006, between MCAL and Hagop Kazazian, MCAL has acquired an option to purchase a 100% interest in the remaining 300 ha of the Barreal Seco Property Group II concession area (the Tere I 1/10 and Tere II 1/20 claims) by paying the aggregate amount of \$460,000 in cash as follows: \$230,000 on signing (paid), \$57,500 in September 2006 (paid), \$161,000 on March 28, 2007 (paid) and \$11,500 on March 28, 2009.

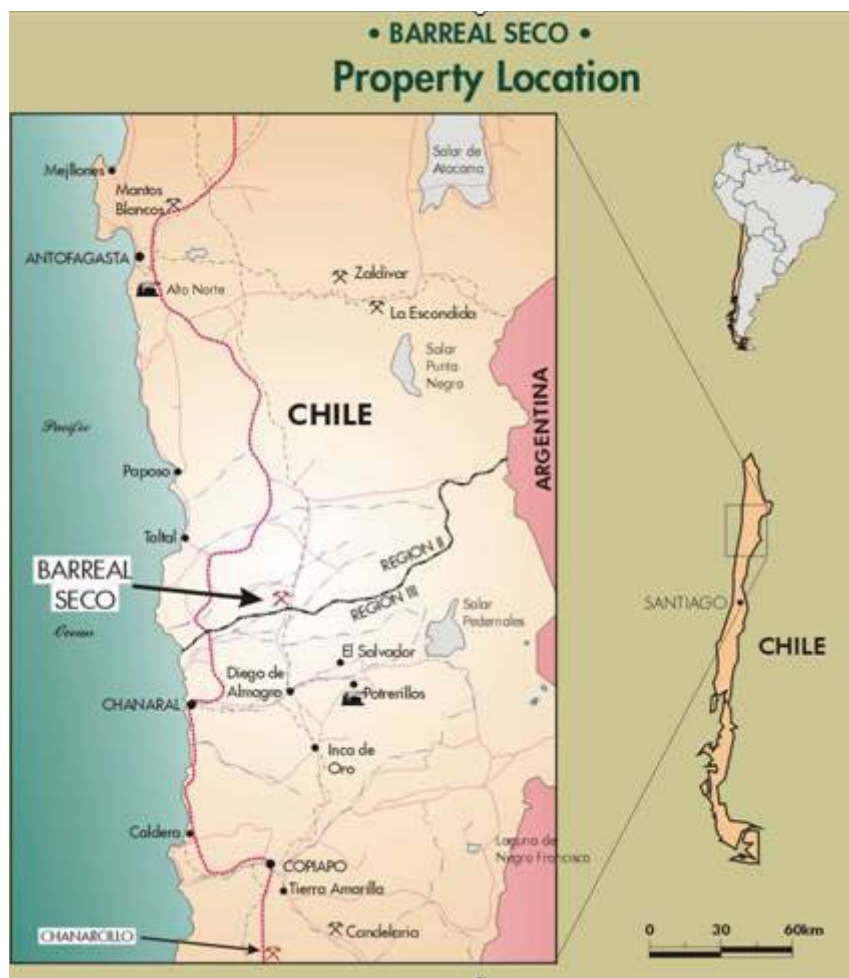
MCAL acquired the Group I concessions which comprise part of the Barreal Seco Property from Rio Tinto Mining and Exploration Limited Agencia en Chile (“RioMinEx”) at no cost pursuant to a public deed dated November 28, 2006.

Information in this section is summarized or extracted from the “Technical Report on the Barreal Seco Property” dated February 2007 (the “Barreal Seco Technical Report”) and prepared by AMEC Americas Limited in accordance with the requirements of NI 43-101.

Portions of the following information are based on assumptions, qualifications and procedures, which are set out only in the full Barreal Seco Technical Report. For a complete description of the assumptions, qualifications and procedures associated with the following information, reference should be made to the full text of the Technical Report which is available for review on the System for Electronic Document Analysis and Retrieval (“SEDAR”) website at www.sedar.com. Alternatively, the Barreal Seco Technical Report may be inspected during normal business hours at the Corporation’s head office in Vancouver, British Columbia, during the period ending 30 days after the closing of the Offering.

Property Description and Location

The Barreal Seco Property is located in the Antofagasta Province, Region II, Northern Chile, at the approximate latitude 25°50’S and longitude 69°52’W, near the border with the Chañaral Province, Region III, and immediately north of Quebrada Carrizalillo. It is situated approximately 890 km north of Santiago, 173 km north northeast (“NNE”) of Copiapó, and 80 km southeast (“SE”) and 95 km NE, respectively, of the coastal ports of Taltal and Chañaral. The Universal Transverse Mercator (“UTM”) coordinates of the centre of the Barreal Seco Property are approximately 394,000 E and 7,132,000 N, UTM Zone 19-J, Provisional South American 1956 datum.



The Barreal Seco Property is comprised of three groups of concessions:

Group I: Nine registered mining concessions, covering 2,700 ha. The properties are not affected by the payment of royalties or other types of obligations in favor of third parties, however there are currently unpaid mining license fees owing to the Chilean mining authority in respect of these concessions.

Group II: 11 optioned concessions, covering 1,540 ha, and two other properties, Tere I 1/10 and Tere II 1/20, covering 100 ha and 200 ha, respectively.

Group III: 32 registered exploration concessions, covering in total 8,900 ha, partially covering the Group I and Group II concessions. The purpose of staking these concessions is to establish a second layer of protection to the Group I and II concessions, and to secure some free areas. Some of these concessions are overlapping other third party concessions, which retain priority according to Chilean law.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Accessibility

The Barreal Seco Property can be accessed by road from Santiago via Copiapó-Chañaral-Las Bombas through the Pan American highway (1,035 km). A good gravel road connects Las Bombas with the Barreal Seco Property (55 km). Other internal gravel roads through the desert link the Barreal Seco Property with Agua Verde (75 km) and Diego de Almagro (85 km).

Physiography

The topography is characterized by rolling hills, gentle slopes and extensive overburden cover, with the exception of the outcropping mineralized area. The highest elevation in the area corresponds to the Buena Esperanza hill, with a height of 1,868 m, located north of the project area. The elevation on the Barreal Seco Property varies between 1,080 m and 1,260 m. No permanent water flows exist in the area.

Climate, Vegetation and Fauna

The Barreal Seco Property is located in the intermediary depression of the Chilean Atacama Desert. The normal desert climate, present in areas between 1,000 m and 2,000 m, is characterized by a very low relative humidity, virtual lack of precipitation, practically no oceanic influence and clear skies during the whole year. The average annual precipitation and evapotranspiration rates do not exceed 10 mm/yr. Due to the extreme aridity, there is practically no natural vegetation or fauna in the area, with the exception of occasional insects, lizards and small mammals. The average air temperature was 16.5°C (maximum 37.9°C, and minimum -5.7°C). Winds averaged a few meters per second, with strong winds coming from the west exceeding 12 m/s.

Local Resources and Infrastructure

Chañaral, Diego de Almagro, and Taltal are small towns (populations ranging from 12,000 to 20,000), which mostly provide labour for the fishing or mining industry. These towns are able to support basic needs (food, accommodations, communications, fuel, hardware, labour) for early stages of exploration. More advanced projects must be serviced from Copiapó, Antofagasta, La Serena or Santiago.

A power line linking Taltal to Diego de Almagro is 35 km to the west of the Barreal Seco Property. Cellular communication is possible from various high points in the vicinity of the Barreal Seco Property. A narrow-gauge rail line from Copiapo to Antofagasta passes 6 km to the east of the Barreal Seco Property. The closest port facility is at Barquito, adjacent to the town of Chañaral, 95 km southwest (“SW”) of the Barreal Seco Property, which is used by Cochilco’s Salvador mine for exporting its concentrates.

History of Barreal Seco Property

The Barreal Seco Property appears in claim maps starting from 1919. It belonged for decades to various Chilean individuals, and was mined irregularly by *pirquineros*, using selective underground mining methods through small vertical shafts. No records were available to AMEC regarding past production figures.

Empresa Nacional de Minería (National Mining Company of Chile) (“ENAMI”) acquired the Barreal Seco Property in the early 1970s, and organized the small-scale production. ENAMI sank a deep shaft to access the supergene zone, whereas a shallower shaft served extraction in some high-grade structures within the oxide zone. Between 1970 and 1974, ENAMI conducted an exploration campaign in the Barreal Seco Property consisting of RC drilling of 34 holes to 70 m average depth, totaling 2,304 m. In addition, ENAMI drilled 103 shallow RC holes to 5 m depth, totaling 659 m, on an approximately 50 m x 50 m grid (locally 25 m x 25 m) over the deposit and in adjacent areas.

In 1992, RioMinEx optioned the Barreal Seco Property. During the following years, RioMinEx conducted extensive exploration, consisting initially of airborne and ground geophysical surveys, geological and geochemical studies and bulldozer trenching. RioMinEx also drilled 17,700 m in 163 holes (shallow hole percussion drilling, RC and

diamond drilling). On the basis of those studies, RioMinEx completed resource estimations on the oxide and sulphide parts of the deposit. The oxide resource totaled 17 Mt at 0.70% Cu to a 0.30% Cu cut-off, whereas the sulphide resource totaled 54 Mt at 0.65% Cu, using a 0.40% Cu cut-off. The resources are historic in nature, are not CIM (2005)-compliant, are not to be relied upon, and are included for information purposes only.

In May 1999, EGM Servicios Limitada drilled four holes, totaling 906 m, on behalf of Compañía Minera Las Luces. RioMinEx returned the Barreal Seco Property to the owners in 2000.

In June 2001, Minera Atna Chile Ltda. (“Atna”) entered into an option agreement to earn a 100% interest on the Barreal Seco Property. Atna conducted a property inspection, including surface and limited underground sampling, and a core and RC drilling program totaling 3,152 m in 28 holes. On the basis of the available information, Atna prepared a resource estimate with assistance from Snowden Mining Industry Consultants (“Snowden”), and obtained results that were in general agreement with the previous resource estimate by RioMinEx. After obtaining additional material and conducting metallurgical tests, Atna prepared a second resource estimate. The total resource at the 0.30% Cu cut-off grade was 21.7 Mt grading 0.60% Cu. However, the resources are historic in nature, are not CIM (2005)-compliant, are not to be relied upon, and are included for information purposes only.

On the basis of this resource block model, Snowden undertook a preliminary pit optimization study in 2002 for Atna, followed by a scoping study completed by Jacobs Engineering Chile. An optimized base case economic analysis using a \$0.85 per pound copper price yielded a 0.4% internal rate of return (“IRR”) and a net present value (“NPV”) at a discount rate of 10% of \$8.4 million. Based on the near term economic environment the report concluded that the project did not warrant further development. Sensitivity analyses indicated that the project may become economically viable if the resource could be increased, metallurgical performance improved, and it was possible to combine the project with others in the region.

In 2006 MCAL conducted a core and RC drilling program totaling 1,832 m in 13 core holes, and 6,758 m in 38 RC holes. AMEC completed a CIM compliant resource estimate in May, 2007.

Geological Setting

Regional Geology

The Regions II and III in Northern Chile extend, from west to east, over the Coastal Range, the Central Valley, the Domeyko Cordillera, and the western slopes of the main Andean Cordillera. The Barreal Seco Property is located on the eastern segment of the Coastal Range, which comprises a Paleozoic metamorphic basement and Upper Paleozoic and Upper Triassic-Middle Jurassic sedimentary, volcanic and plutonic rocks. These older formations are overlain by a thick sequence of Lower Cretaceous, mostly subaerial, volcanic rocks, intruded by medium-grained granodioritic to dioritic stocks and andesitic to aplitic dykes, which form part of the Coastal Batholith. Radiometric ages of 124 ± 4 Ma (K-Ar, biotite) to 112 ± 4 Ma (40Ar-39Ar, biotite) are reported for these latter intrusives at Cerro del Pingo, approximately 16 km west-northwest of the Barreal Seco mine.

Local Geology

The Barreal Seco deposit is located in a gently-dipping, intermediate composition volcanic and sedimentary sequence assigned to the Lower Cretaceous Aeropuerto Formation. The Aeropuerto Formation at Barreal Seco is represented by porphyritic andesites, andesitic breccias, conglomerates and sandstones. Andesite textures vary from aphanitic to porphyritic. The volcanic-sedimentary sequence is intruded by medium-grained granodioritic to dioritic stocks and andesitic to aplitic dykes. An evaporitic marine sequence over 200 m thick, underlying the Aeropuerto volcanics, composed of alternating layers of calcium carbonates and sulphates with fine silicate-bearing intercalations, has been identified in drill holes.

Hydrothermal breccias cutting the volcano-sedimentary sequence host the Fe-Cu mineralization at Barreal Seco. At least two breccia bodies have been identified in drill holes. Geological mapping of trenches in the Barreal Seco Property indicates a close spatial relationship between the coarser porphyritic facies and the Fe-Cu mineralization. The volcano-sedimentary Aeropuerto Formation strikes northwest (“NW”) to north northwest (“NNW”) and dips 30

degrees to 60 degrees NE to east northeast (“ENE”), averaging 45 degrees. Extensive faulting and rapid facies changes make short-distance correlation of the volcanic units difficult. NW-SE to north-south striking, steeply-dipping faults have offset the layered rock units, as well as mineralization, at the Barreal Seco Property. Landsat imagery shows that the Barreal Seco deposit is located in an anastomosed belt comprising these two sets of trending faults, with the main breccia body bounded on surface by two main northwest fault. According to previous studies the structural block where the Barreal Seco breccia is emplaced has experienced a downwards collapse during and after copper mineralization.

Mineralization

Barreal Seco is a variant of the hematite/chalcopyrite rich, Iron Oxide Copper-Gold (“IOCG”) deposit type. These deposits are emplaced as fault-controlled breccia-chimneys or veins, exhibiting breccia textures comprised of chalcopyrite-bearing, coarsely bladed and micaceous hematite. The presence of vuggy, open-space textures and brecciated host rocks suggests that these deposits have a hydrothermal origin, and that they were emplaced at shallow depths.

The deposit consists of a clast- to matrix-supported hydrothermal crackle breccia, which cuts the volcano-sedimentary units and is developed within the andesitic flows, the volcano-clastic sequences and, possibly, andesite or diorite intrusions. These crackle breccias form irregular zones with gradual to sharp breccia-wallrock boundaries.

At the drill core level, the breccias and veins have a random distribution. Although there is no significant difference in results between vertical and inclined drill holes, the latter provide a more precise location of mineralization-bounding faults. Within the limits of the interpretation allowed by the current drilling grid, at least two roughly parallel breccia bodies, with a broad NE-SW orientation and 70 degrees to 80 degrees NW average plunge, have been identified as follows:

Main Body: This extremely irregular breccia body, with numerous protuberances, entries, voids and root zones, has been outlined over more than 450 m in the NE-SW direction, 350 m in the NW-SE direction, and for a vertical extent which exceeds 230 m (between 1,125 m and 895 m elevation).

Northeast Body: This breccia body forms a flattened column, about 220 m in length (NE-SW), 60 m in width (NW-SE), and having a vertical extension of nearly 210 m. The Northeast body occurs in the footwall of the Main body, from which it is separated by nearly 100 m of non-mineralised material.

Southwest Body: This boot-shaped body extends for about 110 m length (NE-SW) and 70 m width (NW-SE), with a vertical extension of nearly 90 m. The Southwest body also occurs in the footwall of the Main body, from which it is separated by nearly 100 m of non-mineralised material.

East Body: This body forms a roughly isometric column, with about 60 m length (NE-SW) and 50 m width (NW-SE), and a vertical extension of nearly 220 m. The East body is located east of the Northeast body.

Hydrothermal breccia is composed of angular clasts of hematitized, chloritized and silicified andesites and a micaceous specularite matrix, containing disseminated chalcopyrite and pyrite, and minor bornite and chalcocite. Most breccia clasts exhibit little evidence for clast mixing. However, clasts can be of porphyritic and micro-porphyritic andesites, as well as andesites with trachytic textures and diorites. Specularite forms the breccia matrix, and sometimes disseminations and veinlets in the breccia clasts and the wallrocks, varying in width from millimeter-to centimeter-scale.

Chalcopyrite and pyrite occur as medium to coarse euhedral crystals, crystal aggregates and thin veinlets, primarily within the specularite. Total sulphide content is low, rarely exceeding 2%, chalcopyrite being more common than pyrite. The chalcopyrite to pyrite ratio varies from 5:1 in the core of the deposit to 1:1 on the margins. Copper oxide minerals usually appear in fractures and slip-surfaces within the breccia, and are mainly represented by atacamite, malachite, chrysocolla and cuprite.

Copper grades range from 0.01% to 5.72% (averaging 0.42%) in the primary sulphide zone, and between 0.01% and 5.50% (averaging 0.47%) in the oxide zone. Copper grades within both the oxide and sulphide zones are generally greater than visually estimated in drill hole logs, suggesting that some of the contained copper may be tied up in the specularite, either as thin coatings, inclusions, or possibly at the atomic level.

The Barreal Seco breccia has been heavily oxidized to varying depths (70 m to 200 m), resulting in vertical zonation from oxide to sulphide in the deposit. There is usually a mixed zone, where sulphide and oxide minerals coexist; fresh sulphides can be encountered at depths as shallow as 1,130 m elevation. Secondary enrichment processes appear to be weak and irregular. An erratic and discontinuous secondary enrichment zone characterized by the presence of chalcocite and covellite, up to 10 m thick and locally thicker in the proximity of fault zones, has been identified at the bottom of the oxidation zone.

Exploration

The Barreal Seco Property was mined by local miners until the early 1970s when modern exploration started after ENAMI acquired the property.

ENAMI Exploration (1970-1974?)

ENAMI completed surface & underground geological mapping, geochemical sampling, bulldozer trenching and RC drilling.

RioMinEx Exploration (1992 to 1995)

RioMinEx completed airborne magnetics, ground gravity & induced polarization (“IP”) surveys, bulldozer trenching, short-hole percussion drilling, RC and diamond drilling, in addition to topographic & geological mapping and geochemistry surveys. Mineralisation was shown to be coincident with a 0.60 mgal anomaly. A second smaller anomaly (0.15 mgal), coincident with a narrow high IP/low resistivity anomaly, was identified about 400 m west of the main mineralised zone, suggesting the possible presence of further sulphide mineralization. An additional gravity high anomaly was found west southwest of the main mineralised zone. Two well defined, high-phase IP chargeability anomalies were located over the old mine workings, extending north and south of the mine.

MCAL Exploration (2006)

MCAL completed bulldozer trenching, RC & diamond drilling, ground magnetics and gravity surveys, grid soil geochemistry. The Barreal Seco deposit coincides with >200 ppm Cu in soils and is located within a large >120 ppm Cu in soils anomaly that extends over an area of 3000x1000 m, despite extensive caliche cover.

In December 2006, Zonge Ingeniería y Geofísica Chile S.A. (“Zonge”) conducted ground magnetic and gravimetry surveys in the Barreal Seco area, consisting of 62.8 line-km of ground magnetic data, and 341 stations of gravity data. The magnetic survey revealed dominant northwest-trending strike with a number of clearly defined lineaments. The pole-reduced magnetic intensity shows an overall high in the central portion of the grid area. Two moderate amplitude residual gravity anomalies were interpreted, although these do not correlate to any clear discrete magnetic anomalies.

Zonge compiled and integrated the ground magnetic and gravity data from RioMinEx and MCAL and concluded that the Barreal Seco breccia appears to be the only consistently anomalous zone in all datasets; giving rise to positive anomalies in ground magnetic, gravity and IP survey results. Other coherent anomalous zones exist in the study area though not to the same tenor as the Barreal Seco breccia. Nonetheless, different alteration styles could cause more subtle responses in both magnetic and gravity data and zones of deep oxidation of potentially economic copper mineralization would temper the observed IP response. They recommended that all available information be consulted before considering any of the targets suggested, given that some or all of them may be discarded on the basis of geological evidence.

Drilling

A total of 33,130 m in 383 exploration holes have been reportedly drilled on the Barreal Seco Property since 1972. Of these, 41 holes are core (11,157 m) and 342 holes (21,973 m) are RC. The drilling history of the property is shown in the table below.

Barreal Seco Drilling History								
Company	Period	Prefix	Total holes	Total meters	min	length max	average	Type
ENAMI	1972	CTL	34	2,304	56	70	67.8	RC
ENAMI	1972	CTS	103	659	5	7	6.4	RC
RioMinEx	1992 - 1995	CBD	20	8,450	365	490	422.5	Core
RioMinEx	1992 - 1995	TCP	20	8,110	212	504	405.5	RC
RioMinEx	1992 - 1995	CBC	123	1,140	9	19.5	9.3	RC
Las Luces	1999	TC	4	906	198	354	226.5	RC
Atna	2001	DDH	8	875	90	120	109.4	Core
Atna	2001	RC	20	2,276	56	120	113.8	RC
MCAL	2006	DBS	13	1,832	95.2	230	140.9	Core
MCAL	2006	RBS	38	6,578	100	200	173.1	RC
Total			383	33,130			86.5	

Sampling, Analysis and Data Verification

Sampling Methodology

ENAMI Exploration

Documentation regarding the sample collection protocol in place during the ENAMI exploration program is not available.

RioMinEx Exploration

DDH Drilling: Sample lengths ranged between 3.0 m and 0.3 m, averaging 2.0 m and respecting major lithological contacts. Core was cut in half with a diamond saw. RC Drilling: RC samples were collected from the cyclone every 3 m.

Las Luces Exploration

RC Drilling: Two-meter RC samples were taken by direct splitting at the drill site, and were submitted for analysis to the Las Luces laboratory near Taltal. Other information regarding the detailed sampling protocol in place during the Las Luces exploration program is not available.

Atna Exploration

RC Drilling: RC samples were collected on 2 m intervals. DDH Drilling: Drill core was sampled and split on site with a diamond saw, using a 2 m average sampling interval.

MCAL Exploration

RC Drilling: RC holes were continuously sampled on site over their entire length using a 2 m sample interval. Samples were weighed to estimate weight recovery. An additional small sample was collected in chip trays for

geological logging on site. DDH Drilling: Drill core was sampled and split in a MCAL core shed with a diamond saw, using a 2 m average sampling interval.

Sample Preparation, Analysis and Security

ENAMI Exploration

Trench and core samples were shipped to the ENAMI laboratory at Paipote, Copiapó, and assayed for Cu. Documentation regarding the sample security, submission, preparation or assaying protocols in place during the ENAMI exploration program is not available. Original assay certificates, sample rejects and pulps are no longer available.

RioMinEx Exploration

RioMinEx used Bondar Clegg (Copiapó) for sample preparation. RioMinEx randomized the sample numbers prior to submitting the samples to the laboratory.

RioMinEx used Bondar Clegg (La Serena) as the primary laboratory. Cu and Fe were determined by Atomic Absorption Spectrometry ("AAS") with multiacid (HCl, HNO₃ and HClO₃) digestion; Au was determined by fire assay. In addition, Bondar Clegg (Canada) was used for Inductively Coupled Plasma ("ICP") determination of 28 to 33 elements. IDICTEC, from the University of Atacama Copiapó, may have been used as a secondary laboratory. No information regarding sample security and sample submission protocols in place during the RioMinEx exploration program was available to AMEC. No other details about the assay protocols used during the RioMinEx exploration program are available. The RioMinEx original assay certificates, sample rejects and pulps are no longer available.

Las Luces Exploration

Samples were submitted for analysis to the Las Luces laboratory near Taltal. No other information regarding sample security, submission, preparation or assaying protocols in place during the Las Luces exploration program are available. Original assay certificates, sample rejects and pulps are no longer available.

Atna Exploration

Samples were collected every three or four days by a truck from ALS Chemex and transported to their laboratory in Antofagasta. Atna used ALS Chemex (Antofagasta) as the primary laboratory and CIMM (La Serena) as the secondary laboratory. The original sample preparation procedure is not known, but samples were probably prepared using ALS Chemex standard preparation protocols (drying, crushing to 70% passing 2 mm, splitting, pulverizing to 85% passing 0.075 mm). All samples were assayed for Cu, copper soluble in H₂SO₄ ("CuSol") and H₂SO₄ consumption by the A100, G104 and G031 methods, respectively. Photocopies of the original signed assay certificates are available, but sample rejects and pulps are not.

MCAL Exploration

MCAL used ALS Chemex (La Serena) as the primary laboratory, and ACME (Santiago) as the secondary laboratory. Core and RC samples were regularly collected at Chañaral by a truck belonging to ALS Chemex and transported to La Serena. Samples were prepared using the following standard protocol: drying, crushing to better than 95% passing 2 mm, splitting and pulverizing a 200 g subsample to 95% passing 0.106 mm. All samples were analyzed for Cu, using the Cu-AA62a method and sequential Cu (CuSol; Cu soluble in NaCN (CuCN), and residual Cu (CuR)) using the AN06 method.

Quality Assurance/Quality Control (“QA/QC”)

ENAMI Exploration

AMEC is not aware of any QA/QC program put in place (including the insertion of duplicate, blank, or standard samples) during the ENAMI exploration program.

RioMinEx Exploration

The QA/QC protocol in place during the RioMinEx exploration program consisted of the insertion of a Cu-Au standard sample, pulp blanks, and pulp duplicates. AMEC is of the opinion that the RioMinEx Cu assays appear to have had acceptable precision and accuracy.

Las Luces Exploration

AMEC is not aware of any QA/QC program put in place (including the insertion of duplicate, blank, or standard samples) during the Las Luces exploration program.

Atna Exploration

ALS Chemex acted as primary laboratory, and Centro de Investigaciones Mineras y Metalurgicas (“CIMM”) as secondary laboratory. During the exploration campaigns, Atna implemented a QA/QC protocol, which consisted of the insertion of 32 coarse blank samples, and the submission of 54 field duplicates and 94 check samples to CIMM for re-assay. In addition, 160 RioMinEx pulps were reassayed at ALS Chemex. Standard samples were not available for the RC program, but were inserted during the diamond drilling program. AMEC reviewed the tables and plots presented by Atna for blanks, duplicates and standards, processed the field duplicate and check sample data and the standard data, and concluded that: significant Cu cross-contamination during preparation and assaying did not occur at ALS Chemex; sampling precision for Cu and CuSol was probably within acceptable limits; analytical precision for Cu and CuSol at both laboratories was probably within acceptable limits; and the Cu accuracy at ALS Chemex was acceptable.

MCAL Exploration (2006)

A QA/QC program was designed by AMEC in May 2006 and immediately implemented by MCAL. Twin, duplicate, standard and blank samples were inserted in the sample sequence with the normal core and RC samples to monitor sampling and sub-sampling variances, analytical precision and accuracy, to identify problems caused by poor sampling, preparation and assaying practices, possible sample cross-contamination and swapping, and several other parameters. AMEC concluded that all MCAL’s core, RC, subsampling, and analytical variances were satisfactory and that Cu assay accuracy was acceptable.

Data Verification

AMEC reviewed on site the surface geology, as well as the drilling, core handling, logging and sampling procedures, drillhole surveying, and sample security issues. An assessment was made of the quality of these data and procedures relative to industry standard practices.

Drill Collar Review; AMEC reviewed in the field the collars of 20 holes from RioMinEx, Atna and MCAL campaigns. AMEC also compared the surveyed elevations against the elevations of 15 holes estimated by interpolation from adjoining contour lines in a 1 m contour surface map provided by MCAL, where all drill holes were plotted with the corresponding collar elevation. As a result of these tests, AMEC is of the opinion that the collar locations have been properly determined.

Original Logs versus Database Entries; AMEC attempted to verify the correspondence between original logs and the project database, but no original logs from the ENAMI and Las Luces campaigns, and only few original logs from

the RioMinEx and Atna campaigns were available for examination. The MCAL original logs were properly filed and available for review.

Downhole Surveys; There were no primary downhole survey records from the ENAMI, RioMinEx and Atna campaigns. All downhole surveys were digitally entered into the MCAL database. AMEC visually reviewed and cross-checked the information from various cells using simple formulae, and did not observe any significant discrepancies between collar survey data and downhole survey data, or between the down hole survey data for consecutive intervals. The average deviation in azimuth was 3.1 degrees per 100 m, and the average deviation in dip was 1.5 degrees per 100 m, which are considered reasonable.

Original Certificates; There were no original assay certificates from the ENAMI and RioMinEx campaigns. A selection of Cu assay results from certificates belonging to the Atna and MCAL campaigns, were visually cross-checked with the digital database. A 0% error rate was found.

Drill Core versus Original Logs; AMEC reviewed selected core intervals and compared the core with the original logs from one MCAL DDH drill hole. No discrepancies were found.

Geological Interpretation; AMEC reviewed in detail all the existing geological sections from Barreal Seco. AMEC reviewed the geometry of the interpreted geological shapes in the geological sections, and found them to be an acceptable representation of the deposit. Taken as a whole, the geologic interpretation respects the data recorded in the logs and the sections, as well as the interpretation from adjoining sections, and is consistent with the known characteristics of this deposit type. The lithologic model has been diligently constructed in conformance to industry standard practices.

Downhole Contamination Analysis; AMEC investigated the possibility of RC down-hole contamination at Barreal Seco during the RioMinEx, Atna and MCAL drilling campaigns. This study was concerned with two specific down-hole contamination problems that can occur in RC drilling: decay and cyclicity. AMEC determined that no significant decay or cyclicity related downhole contamination occurred during the RioMinEx, Atna and MCAL campaigns.

Twin Holes; MCAL twinned two Atna RC holes with core drilling. A visual review of these two drill hole pairs indicates an approximate similar grade profile in terms of the magnitude of the mineralized intervals; however, the differences between Cu grades and spatial locations are significant. This is reflected in the substantially different cumulative grade-thickness profiles, where a tendency for RC holes to have higher grades and metal contents than core holes is apparent. There could be various alternative explanations for this behaviour, among them the complex and unpredictable shape of the breccia body, the extreme variability of the copper distribution, and the removal of copper minerals during diamond drilling.

AMEC Independent Resampling; AMEC conducted an independent sampling program, which consisted of preparing a random selection of MCAL core and RC samples, which were submitted to ACME in Santiago, to obtain an independent confirmation of the assay values. Material from previous campaigns (ENAMI, RioMinEx, Atna) was not available for resampling. On the basis of these checks, AMEC concluded that the CuT, CuSol and CuR accuracy and precision of ACME during the assay of AMEC's resampling batch were appropriate. No contamination was observed during assaying.

Bulk Density Review; MCAL conducted a comprehensive bulk density sampling program on the Barreal Seco project, including 57 samples from 12 diamond drill holes (of 13 available holes) and five main lithologies. AMEC concluded that the bulk density values are suitable to support resource estimates at this stage.

Exclusions and Limitations; Due to the lack of material information regarding the ENAMI and Las Luces drilling, sampling, assaying and QA/QC, including the actual collar positions, AMEC has excluded the ENAMI and Las Luces assay data from the resource estimation database. Due to limitations in the verification of RioMinEx data, AMEC is of the opinion that the RioMinEx data should not be used to classify resources as Measured, but can be used to classify resources as Indicated.

Metallurgical Testing

Only limited metallurgical testwork has been carried out to date at Barreal Seco.

Oxide Testwork

Metallurgical testwork was carried out on two oxide samples in 1994 by Anamet for RioMinEx to evaluate the leaching characteristics of the oxide material. The samples had head grades of 1.67% Cu and 1.53% Cu and recoveries from 24 hour bottle roll tests were 86.1% to 88.5% and 82.7% to 88.3% with acid consumptions of 37.7 to 42.8 kg/t and 54.5 to 60.6 kg/t respectively. The oxide samples suffered considerable degradation during the bottle roll tests, which may have implications on percolation in a heap leach operation. The head grades of these two samples are significantly higher than the average grade of the deposit.

Atna diamond drill hole samples were composited for preliminary metallurgical short column testwork carried out by Lakefield Research in Santiago, Chile, with results summarized in a report by Jacobs Engineering in 2002. The results confirmed that the mineralisation has a high acid consumption and indicated that a substantial amount of copper is apparently included in the hematites and/or clays as “non-visible copper”. This requires a strong acid dose in the agglomeration step to make it available for the leaching action. Typical acid consumptions of 40 kg/t were required to obtain 65% recovery of the total copper content. The Barreal Seco deposit contains iron and copper minerals. The main iron mineral present is hematite with minor amounts of limonite and magnetite. The copper minerals are primarily oxide species suitable for leaching with sulfuric acid solutions. The majority of the copper is present as brochantite with minor amounts of chrysocolla and copper wad.

The Jacobs Engineering report does not comment on degradation of the material in the column testwork, and this may warrant further investigation. The report recommends further testwork to balance the acid dosage during agglomeration and the acid content of the irrigation solution. Acid consumption was high in the acid consumption tests but lower in the column tests.

MCAL plans to undertake additional column testwork to determine optimum crush size, curing parameters, leach times, and solution flow rates. In addition, detailed mapping is required to establish the distribution of leachable ore types with differing grade and metallurgical responses.

Sulphide Testwork

Anamet also carried out two flotation tests for RioMinEx in 1994. The two sulphide samples were identified as being chemically different and had head grades of 2.27% Cu and 1.11% Cu. Non-sulphide copper was very low and no oxide flotation was attempted. The best flotation result for the higher grade sample was 31.0% Cu at a recovery of 90.2%, representing 6.4% of the feed by weight. There was little change in results with grind size. The best flotation result for the lower grade sample was 21.3% Cu at a recovery of 73.9%, representing 3.7% of the feed by weight. It was stated that there was considerable potential to improve the grade and recoveries particularly for the lower grade sample. The head grades of these two samples are significantly higher than the average grade of the deposit.

Mineral Resource Estimates

MCAL prepared two sets of orthogonal vertical sections for all lithological units and additionally interpreted the breccia unit in benches every 10 meters from level 900 to 1120. Based on this information AMEC built the geological model and prepared the resources estimation. Level 900 was defined by MCAL as the bottom limit for this resources estimation based on the information available.

Geological Interpretation, Modeling & Domain Definition

The oxide, leached, mixed and primary zones were defined for modeling. Individual lithologies were not separated within the oxide and mixed zones, but within the primary zone, the breccia unit, was interpreted and modeled as a separate domain, with all other lithologies being grouped as a second domain for purposes of resources estimation.

Ordinary kriging was the interpolation method used for estimation of total copper for all domains, except for the mixed zone, which was done by inverse distance method.

Oxide Domain; MCAL interpreted the oxide domain mainly based on the CuSol grades being greater than 0.1%, with the interpretation completed by vertical sections following drillhole intervals, AMEC reviewed this interpretation and found it to be representative overall, and constructed a solid for the oxide domain.

Mixed Zone Domain; The mixed zone is represented by a transition of sulphide to oxide, contains secondary copper sulphides, and is not clearly defined. MCAL interpreted the top and bottom of this zone for the sections oriented NE and NW and AMEC built surfaces using both sets of sections.

Breccia Domain; This domain represents the principal primary mineralized zone. MCAL interpreted the breccia contacts in horizontal or bench plans every 10 m, according to the intersections of the vertical sections with each level.

Primary Zone Domain (outside breccia); AMEC defined the primary rock domain as consisting of all other lithologies below the bottom of the mixed zone that were not interpreted as breccia. This domain is limited laterally by the extensions of the interpretation made by MCAL and AMEC considered this limit to be not well defined. AMEC recommended further evaluation of the mineralization halo around the breccia to better define the limits for grade estimation of this zone.

Leached Domain; The leached domain includes all material above the fresh rock or primary domain that was not classified as oxide or mixed.

Resources Classification and Parameterization

Using a visual analysis of grade continuity and supported by the correlogram models, AMEC defined a resource classification methodology based on three incremental radii search ellipsoids. In addition to different estimation parameters, such the minimum number of composites, octants used and maximum composites per drill hole, the ellipsoids are used to classify resources into Measured, Indicated and Inferred. This methodology guarantees that all blocks are estimated with at least two drill holes and a minimum of five composites. Measured and Indicated resources require composites coming from at least three different octants. Mineral Resources are an inventory of mineralization that under realistically assumed and justifiable technical and economic conditions might become economically extractable: therefore, in addition to the restrictions applied above to classifying Mineral Resources, AMEC defined costs and prices for pit optimization to determine material which could have reasonable prospects of economic extraction.

More extensive and representative metallurgical testwork has still to be completed in order to support a better definition of process recovery and process cost (acid consumption is the most important variable). Recoveries were estimated according to the material type and destination (dump leaching or heap leaching). Material going to heap leach would require a minimum of CuT grade of 0.25%; material that is envisaged as being dump leached would be below that grade.

The parameters used for the pit optimization were defined based on AMEC's experience in similar deposits, and long-term market values were assumed for metal price. Copper price used follows the market long term value of \$1.25/lb plus an approximation of 10% allowance for resource optimization. AMEC calculated tonnages and grades for the blocks inside the pit limits and reported resources using variable cutoff values.

Different economical cutoffs can be applied depending on the destination route and type of material; however AMEC calculated a breakeven cutoff that represents an average for all materials and routes of destination. This cutoff is 0.27% CuT and AMEC rounded it to 0.3% for reporting mineral resources.

These resources, at a 0.30% CuT cutoff, are subdivided by ore zones and resource categories in the tables below.

Mineral Resources for Oxide Domain above Cutoff 0.3% CuT

	Tonnage (t)	CuT (%)	Cu Metal (lb)	CuS (%)	CuS Metal (lb)
Measured	6,535,316	0.617	88,865,851	0.359	51,777,274
Indicated	19,754,055	0.542	236,169,804	0.319	139,098,487
Measured + Indicated	26,289,372	0.561	325,035,655	0.329	190,875,761
Inferred	3,167,888	0.427	29,842,011	0.266	18,567,573

Mineral Resources above Cutoff 0.3% CuT, All Other Domains

Domain		Tonnage (t)	CuT (%)	Cu Metal (lb)
Mixed	Indicated	1,429,912	0.551	17,355,338
	Inferred	426,631	0.458	4,303,130
Breccia	Indicated	1,283,977	0.708	20,022,255
	Inferred	15,636,464	0.621	214,095,078
Primary	Indicated	145,494	0.591	1,894,918
	Inferred	7,852,790	0.463	80,187,670
Leached	Indicated	1,036,303	0.381	8,712,955
	Inferred	459,305	0.350	3,544,285
Totals	Indicated	3,895,687	0.559	47,985,467
	Inferred	24,375,190	0.562	302,130,162

Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Exploration Potential

In spite of the dense drilling grid existing in the deposit, the sulphide mineralization still remains open or not delimited in various areas, particularly in depth to the southeast and northeast. There are other open or not delimited areas to the northwest and southeast. Approximately 2 km southwest of the main deposit area is the Teresa Chica zone, where a 15 m to 40 m wide specularite breccia extends for a strike length of 800 m, as indicated by historical workings. Limited drilling to date in the Teresa Chica zone has yielded low copper values but additional drilling is required to fully evaluate this zone.

Additional geophysical work has been conducted by MCAL during late 2006. AMEC has recommended that further drilling should be programmed in order to define the Barreal Seco deposit, and to test new targets in the area, which could increase the economic potential of the Barreal Seco Property, and that MCAL continue the proper compilation and interpretation of the available geological, geophysical and geochemical data in order to identify new exploration targets.

Surface Rights

MCAL does not currently have any surface land rights in the Barreal Seco project area. However, in accordance with the Chilean Mining Code, any titleholder of a mining concession, whether for exploration or exploitation, shall have the right to establish an occupation easement over the surface land, as required for the comfortable exploration or exploitation of its concession.

Water Rights

MCAL is currently carrying out exploration work aimed to discover and extract subterranean water. For this purpose, MCAL has requested a survey of the subterranean water use rights held by third parties located within the

area of influence of the Barreal Seco project area. Once the existing water use rights and their owners have been determined, MCAL will try to negotiate the acquisition of the some of these rights, but there can be no assurance that MCAL will be successful in negotiating such rights (see “Risk Factors – Infrastructure”).

Permitting

In accordance with Chilean environmental regulations, MCAL will retain the services of a consultant to prepare a DIA (Environmental Impact Statement) for the Property.

Conclusions

AMEC reviewed the available geological, metallurgical and resource estimation information for the Barreal Seco Property. AMEC’s general conclusions included the following:

- The geology of the Barreal Seco deposit is reasonably well understood. Main mineralization controls (lithological and structural controls) have been identified, and have been used in domaining for grade estimation.
- Drilling and sampling procedures, sample preparation and assay protocols for the RioMinEx, Atna and MCAL drilling campaigns were generally acceptable.
- Verification of historical data regarding drill hole surveys, assays, and drill hole logs is problematic in some cases due to missing records, protocols, core and sample backup.
- The drillhole coordinates are sufficiently accurate for resource estimation purposes.
- QA/QC protocols and results vary significantly depending on the drilling campaign.
- On the basis of the reviewed information, the ENAMI and Las Luces data were not used in resource estimation, the RioMinEx data were not used to classify resources as measured, but were used to classify resources as indicated. The Atna data appear to have been satisfactory for resource estimation purposes, and were used to classify resources as measured and indicated. The MCAL data are sufficiently precise and accurate for resource estimation purposes, and were used to classify resources as measured and indicated.
- MCAL is currently assessing the surface and water rights on the Barreal Seco Property, but to date no surface or water rights have been acquired.
- It appears that the mineralization, although low grade, can be treated successfully by heap leaching for oxide material and by flotation for sulphide material. Further testwork and pilot plant testwork are necessary to prove the economic viability of processing. The effect of possible degradation in the heaps should also be investigated.
- Resource estimates are supported with results from 219 RC and core drill holes totalling 23,403.9 m and 20 trenches that add another 6,038 m of data.

Recommendations

On the basis of the review and verifications conducted during the preparation of the Barreal Seco Technical Report, AMEC has the following recommendations:

- Further drilling should be programmed in order to define the Barreal Seco deposit, and to test new targets in the area, which could increase the economic potential of the Barreal Seco Property.
- MCAL should continue the proper compilation and interpretation of the available geological, geophysical and geochemical data in order to identify new exploration targets.

- MCAL should evaluate the availability of surface and water rights in the Barreal Seco area.
- It is essential that MCAL conducts laboratory-scale and pilot plant metallurgical testwork, to confirm the economic viability of the process.

AMEC recommends a multi-phase approach to advance the Barreal Seco Property towards the completion of a feasibility study. The program would consist of two phases:

Phase I

The Barreal Seco Technical Report and the resource estimate are part of the Phase I activities.

The remaining Phase I activities include:

- Additional drilling: \$650,000
 - Drilling in additional targets in the area
 - Completion of the orebody delineation, where it remains open
- Preliminary Metallurgical Tests: \$150,000
 - Including mini-column tests of different mineral types
- Scoping Study: \$400,000
 - Environmental Baseline
 - Water Supply Study
 - Power Supply Study
 - Mining Engineering
 - Other Consultants

The total Budget to complete Phase I activities is approximately \$1,200,000.

Phase II

The main activities to be carried out during this phase are:

- Infill geological drilling (the number of holes and total meterage will be determined following completion of the Scoping Study): \$700,000
- Pre-feasibility study: \$1,500,000
 - Geotechnical field work, borrow pits, surveying and drilling
 - Hydrogeological investigations and drilling
 - Mine engineering: pit optimization and production plan
 - Metallurgical testwork: follow up from previous testing (mineralisation type variability studies, bench scale testing, additional grindability testwork, thickening and filtration testwork, mass balances)
 - Plant design, based on metallurgical testwork results
 - Preliminary facilities layout
 - Preliminary determination of capital and operating costs
 - Preliminary infrastructure studies: access roads, power, water requirements

- Preparation of EIA
- Tailings containment system design
- Socio-economic assessment.

The total budget for the Phase II activities is estimated at approximately \$2,200,000, but is dependent on conclusions and recommendations of the Phase I work.

Barreal Seco Satellites

The Corporation has obtained rights to two properties in close proximity to the Barreal Seco Property which are referred to as the Barreal Seco satellites.

Salvadora/Flor de Lirio Property

The Salvadora/Flor de Lirio Property comprises two separate small claim blocks, totalling 251 ha located 17 km and 12 km respectively, to the southwest of Barreal Seco. The Salvadora Property is located in Region III, 58 km NE of the port of Chanaral, and 58 km west of the Cochilco mine town of El Salvador. The Flor de Lirio property is located 6 km north of Salvadora. Both properties are owned by the Flores family, and have been optioned by MCAL.

MCAL has obtained an option to acquire a 100% interest in the Salvadora IV & V mineral concessions from Karen Flores through a Purchase Agreement for Mineral Concessions dated January 25, 2006. To purchase the mineral concessions, which cover a total of 154 ha, MCAL must make a series of escalating payments to the owner totalling \$1,350,000 with the final payment due on or prior to the third anniversary of the agreement in the following schedule: \$45,000 on signing (paid); \$45,000 on or before October 25, 2006 (paid); \$90,000 on or before July 25, 2007; \$180,000 on or before April 25, 2008; and \$990,000 on or before January 25, 2009. A 1.5% net smelter royalty ("NSR") is payable on production from the property, which NSR may be acquired for a period of 10 years upon payment of \$1,350,000.

MCAL has obtained an option to acquire a 100% interest in the Salvadora 1-14, Flor de Lirio 1-15, and the Nortino 1-14 mineral concessions from Cesar Flores, through a Purchase Agreement for Mineral Concessions dated January 25, 2006. To purchase the mineral concessions, which cover a total of 97 ha, MCAL must make a series of escalating payments to the owners totalling \$150,000 with the final payment due on, or prior to the third anniversary of the agreement in the following schedule: \$5,000 on signing (paid); \$5,000 on or before October 25, 2006 (paid); \$10,000 on or before July 25, 2007; \$20,000 on or before April 25, 2008; and \$110,000 on or before January 25, 2009. A 1.5% NSR is payable on production from the property, which NSR may be acquired for a period of 10 years upon payment of \$150,000.

Each of these option agreements references the other and provides that it will be exercised or abandoned jointly with the other.

In addition to the optioned properties, MCAL has staked in its own name seven registered exploration concessions comprising 2000 ha surrounding the optioned mineral concessions. MCAL has staked these concessions in order to establish a second layer of protection around the optioned concessions, and to secure areas that may become free if certain underlying third party exploration concessions, which would otherwise have priority under Chilean law, expire.

The Salvadora Property hosts small artisanal mine workings, from which the claim owner has extracted small amounts of copper oxide in the past 10 years. In 2001, a local Chilean mining company, Minera Las Cenizas, conducted a short mapping and sampling program, and subsequently drilled one RC hole. The region surrounding the property has been the object of generative exploration by several major companies over the past two decades, but no significant mineralization has been reported.

The Flor de Lirio property hosts a small scale underground copper mine that has been operated more or less continuously for the past several decades on an artisanal scale, and is currently operated by the claim owner. At some unknown date, ENAMI drilled three drillholes on the property as part of its technical assistance program to small miners. In 1998 and 1999, Minera Las Cenizas conducted an evaluation of the deposit, which included the drilling of four RC holes for 792 m. This confirmed the vein style of the mineralization and concluded with a non NI 43-101 compliant resource estimate of 640,000 tonnes at 1.4% Cu, as potentially underground mineable material. No exploration work has been done on the property since then.

Exploration Summary

Since entering into the Salvadora and Flor de Lirio option agreements, the Corporation has completed various evaluation activities of the Salvadora Property, including geological mapping, soil geochemistry, ground-based geophysics, sampling of old surface workings, bulldozer trenching and RC drilling. The Qualified Person for the work carried out at the Salvadora Property is Alan Stephens, BSc (Hons.) ARSM, FIMMM. Mr. Stephens is President and Chief Executive Officer of the Corporation.

Salvadora is an IOCG type deposit, where mineralization is principally developed in the contact zones of diorite porphyry bodies. Copper mineralization, which extends to depths of 60 to 80 m, is dominated by malachite and lesser chrysocolla & brochantite, and is associated with moderate specularite, with both occurring as veinlets and in the matrix of intrusion breccias.

A total of 141 soil samples were taken on a 200 m x 100 m grid, much of the grid area being underlain by caliche salt crust, with all samples assayed for Cu, Au and Ag at ALS Chemex in La Serena. Anomalous Cu (>100 ppm) values correlated well with subcropping mineralization and its interpreted extensions.

A ground magnetics survey was completed over the entire Salvadora Property in February 2006 by Geodatos SA, Santiago Chile, an independent geophysical contractor.

The walls of two old pits on the Salvadora Property were sampled and assayed for total copper and gold. Pit 1 returned 40.5 m at 0.85% TCu, while pit 2 returned 23.3 m at 0.75% TCu.

A total of eight trenches for 2144 m were completed with a D9 bulldozer; these were mapped and sampled. However, much of the southern and western parts of the property are covered by alluvium, in turn covered by caliche, which precluded trenching. Caliche salt crust thicknesses were shown to average 1-2 m over most of the area, where developed on bedrock. Duplicate samples from trench samples were inserted on a 1 duplicate for 20 samples basis. Results are within acceptable limits, given the expected variability of trench sampling. Significant copper mineralization intersects are shown on the following table;

Salvadora Trenching 2006						
Trench	From	To	m	%TCu	%AsCu	Type
1	12	26	14	0.43	0.29	oxide
1	36	64	28	0.51	0.37	oxide
1	74	102	28	0.80	0.64	oxide
1	110	168	58	0.57	0.44	oxide
2	0	4	4	1.24	1.08	oxide
2	14	30	16	0.21	0.05	oxide
3	2	8	6	0.32	0.20	oxide
3	92	98	6	0.61	0.39	oxide
3	114	146	32	0.38	0.22	oxide
3	202	210	8	0.42	0.33	oxide
4	76	94	18	0.54	0.36	oxide

Salvadora Trenching 2006						
Trench	From	To	m	%TCu	%AsCu	Type
4	104	118	14	0.30	0.15	oxide
4	204	228	24	0.40	0.32	oxide
4	242	248	6	0.44	0.39	oxide
4	310	330	20	0.54	0.47	oxide
5	38	56	18	0.32	0.25	oxide
5	74	82	8	0.34	0.27	oxide
6			did not reach bedrock			
7	6	20	14	0.42	0.24	oxide
8	102	122	20	0.33	0.24	oxide
8	134	178	44	0.35	0.24	oxide
8	196	250	54	0.56	0.40	oxide
8	290	340	50	0.78	0.64	oxide

A total of 3064 m in 26 RC holes were completed by PerfoChile SA in two separate campaigns in August and December 2006. All RC holes were sampled on a 2 m continuous basis, with samples riffle split on site and one quarter sent to the laboratory. A second quarter was stored at a MCAL facility for reference. Samples were regularly collected at Chañaral by a truck belonging to ALS Chemex and transported to La Serena. Samples were prepared using the following standard protocol: drying, crushing to better than 95% passing 2 mm, splitting and pulverizing a 200 g subsample to 95% passing 0.106 mm. All samples were analyzed for CuSol; some samples were assayed for Au. In the first drilling campaign (holes SAL-RC-01 to 12), duplicate samples from drill chip samples were inserted on a 1 duplicate for 20 samples basis. Results, with one exception, are within acceptable limits. In second drilling campaign, (holes SAL-RC-13 to 25) a full QA/QC program, involving insertion of appropriate blanks, standards and duplicates was employed with acceptable results.

Salvadora RC Drilling 2006						
Hole	From	To	m	%TCu	%AsCu	Type
SAL-RC-01			no significant mineralization			
SAL-RC-02	22	70	48	0.38	0.23	oxide
SAL-RC-02	84	90	6	0.56		sulphide
SAL-RC-03	56	76	20	0.41	0.22	oxide
SAL-RC-04			no significant mineralization			
SAL-RC-04a	8	120	112	0.44	0.27	oxide
SAL-RC-05			no significant mineralization			
SAL-RC-06			no significant mineralization			
SAL-RC-06a			no significant mineralization			
SAL-RC-06b			no significant mineralization			
SAL-RC-09	12	62	50	0.24	0.18	oxide
SAL-RC-10	28	54	26	0.72	0.38	oxide
SAL-RC-11	22	60	38	0.36	0.15	oxide
SAL-RC-12	30	36	6	0.52	0.44	oxide
SAL-RC-13	8	24	16	0.51	0.41	oxide
SAL-RC-13	70	82	12	0.22	0.13	oxide

Salvadora RC Drilling 2006						
Hole	From	To	m	%TCu	%AsCu	Type
SAL-RC-14	14	84	70	0.32	0.15	oxide
SAL-RC-15	46	70	24	0.45	0.26	oxide
SAL-RC-15	70	162	92	0.56		sulphide
SAL-RC-16	16	32	16	0.23	0.13	oxide
SAL-RC-17	8	136	128	0.57	0.52	oxide
SAL-RC-17	154	200	46	0.32		sulphide
SAL-RC-18			no significant mineralization			
SAL-RC-19	18	40	22	0.22	0.13	oxide
SAL-RC-19	84	92	8	0.22		sulphide
SAL-RC-20	10	18	8	0.58	0.49	oxide
SAL-RC-20	50	88	38	0.23	0.19	oxide
SAL-RC-21	18	62	44	0.29	0.23	oxide
SAL-RC-22			no significant mineralization			
SAL-RC-23	62	112	50	0.88	0.55	oxide
SAL-RC-23	124	136	12	0.39	0.21	oxide
SAL-RC-24	0	40	40	0.26	0.15	oxide
SAL-RC-24	52	118	66	0.34	0.26	oxide
SAL-RC-24	118	132	14	0.49		sulphide
SAL-RC-25			no significant mineralization			
Las Cenizas RC Hole						
SB-02-01	20	95	75	0.45	0.36	oxide

More drilling is required to determine a resource at the Salvadora Property. The Corporation has developed a 12 month preliminary exploration budget of \$0.8 million that provides for the continued exploration and evaluation of the Salvadora Property.

No exploration has been conducted by MCAL on the Flor de Lirio property, but some limited work may be carried out in 2007, the budget for which is included in the budget for the work of the Salvadora Property.

Celeste Property

The Celeste Property is located 28 km to the southwest of the Barreal Seco Property and approximately 10 km south west of the Salvadora Property, and comprises a 2876 ha claim block, contiguous with and along strike to the northeast from, the ENAMI owned Cerro Negro IOCG deposit.

MCAL is leasing the Celeste Property from Atna Resources Limited ("Atna") with the following payment schedule: \$10,000 on signing (paid); \$10,000 in April 2007 (paid); \$25,000 in April 2008; and \$50,000 per year thereafter for a term of 20 years, or \$100,000 per year if property enters production. A 2.5% NSR is payable on production from the property, of which 2% is payable to Teck Cominco.

Exploration Summary

Small scale artisanal copper mining activity has been carried out in the Celeste area since the early 1900's. In the period 1994 to 2002, Cominco, (later Teck Cominco Limited), Phelps Dodge and Atna conducted exploration

activities at the Celeste Property, including the drilling of 18 RC holes for 4161 m and 16 DD holes for 4639 m. No resource estimates were completed.

Mineralization at Celeste is of IOCG type, and occurs as disseminations of copper oxides and sulphides within favourable units with thicknesses of 2 to 30 m, particularly volcanoclastic sandstones, vesicular andesites, and volcanic breccia units as well as structurally controlled swarms of veins and veinlets. As defined by previous drilling, oxidation extends to depths of 50 to 100 m, and locally deeper in zones of fracturing.

Drill hole information from previous activity has been utilised in MCAL's interpretations but no details of previous QA/QC or assay certificates are available, nor are drill core or RC chips preserved. Only TCu assays are available for the Cominco and Phelps Dodge holes, while TCu, AsCu and Au assays are available from the three Atna holes.

Significant intersections >0.25% TCu and > 10 m are shown on the table below.

Celeste Drilling 2006

Hole	From	To	m	%TCu
CE03-RC01	6	128	122	0.28
CE03-RC01	146	212	66	0.37
CE03-RC03	72	134	62	0.32
DLE-020	8	77	69	0.60
DLE-020	86	163	77	1.03
DLE-021	146	158	12	0.53
DLE-022	146	159	13	0.96
DLE-022	167	237	70	1.01
DLE-023	38	82	44	0.31
DLE-023	94	99	5	0.63
DLE-025	30	146	116	0.34
DLE-025	231	257	26	0.61
DLE-027	0	125	125	0.41
DLE-027	152	176	24	0.25
DLE-029	142	174	32	0.36
DLE-029	194	244	50	0.65
DLE-030	26	42	16	0.55
DLE-030	273	284	11	0.48
DLE-034	257	290	33	0.55
DLE-035	248	258	10	0.30
DLE-035	322	392	70	0.25
DLE-010	12	52	40	0.47
DLE-010	68	112	44	0.32
DLE-010	138	220	82	0.25
DLE-018	110	172	62	0.54

Surface exploration at the Celeste Property by MCAL has comprised grid soil sampling, bulldozer trenching, and geological mapping. The qualified person under NI 43-101 for the work carried out at the Celeste Property is Alan Stephens.

A total of 439 samples were taken on a 200 m x 50 m grid, with all samples assayed for Cu, Au and Ag at ALS Chemex in La Serena. The soil sampling generated several anomalies, the most significant of which is a NNE oriented, 1600 m long, 250 m wide, > 200 ppm Cu anomaly.

This was evaluated with total of 6 trenches for 2650m which were mapped and sampled for a total of 1427 samples.

Significant results from the trenching are as follows:

- Trench 6: 84 m @ 1.13% TCu / 0.86% CuSol
- Trench 5: 26 m @ 1.17% TCu / 0.84% CuSol
- Trench 5: 76 m @ 0.52% TCu / 0.36% CuSol
- Trench 4: 10 m @ 1.19% TCu / 1.00% CuSol

No significant mineralization was intersected in Trench 3 and the remaining trenches failed to reach bedrock.

More drilling is required to determine a resource at the Celeste Property. The Corporation has developed a 12 month preliminary exploration budget of \$0.7 million that provides for the continued exploration and evaluation of the property.

Gloria Property

The Gloria Property is located in Region III in Northern Chile, 28 km SE of the town of Copiapó, capital of Region III of Chile, 15 km east of the Candelaria Cu-Au mine, operated by Phelps Dodge and 6 km east of the Punta del Cobre district, which is host to several medium scale underground copper mines. The property comprises four separate claims, Pasaje Freire, Delicia, Petisa & Manto Gloria. MCAL has entered option agreements to acquire the first three of them and has purchased the fourth outright. Discussions with the owners of the surrounding claims are in progress.

Mineral title to the Pasaje Freire claim is represented by the Pasaje Freire 1-5 exploitation concession that covers 25 ha, owned by Sociedad Minera Pasaje Freire Primera de Ladrillos on behalf of its shareholders. MCAL has obtained an option to acquire a 100% interest in the mineral concession pursuant to an option agreement dated May 26, 2006. To purchase the mineral concession MCAL must make a series of escalating payments to the owners totaling \$1,730,000 with the final payment due on or prior to the third anniversary of the agreement as follows: \$86,000 on signing (paid); \$260,000 on or before May 26, 2007; \$500,000 on or before May 26, 2008; and \$884,000 on or before May 26, 2009.

A tenant of the Pasaje Freire claim is currently extracting copper oxide ore on an artisanal scale, which after hand sorting, is trucked to a custom mill in Copiapo. The agreement between MCAL and Sociedad Minera Pasaje Freire allows for this small production to continue, with a limit of 1,500 tonnes per month, until such time as the purchase option is exercised.

Mineral title to the Delicia claim is represented by the Mantos Delicia 1-5 exploitation concession that covers 19 hectares, owned by Adelina Aides Zamora. MCAL has obtained an option to acquire a 100% interest in the mineral concession through an option agreement dated May 26, 2006. To purchase the mineral concession MCAL must make a series of escalating payments to the owners totaling \$178,000 with the final payment due on or prior to the second anniversary of the agreement as follows: \$17,000 on signing (paid); \$53,000 on or before May 26, 2007; and \$108,000 on or before May 26, 2008.

Mineral title to the Petisa claim is represented by the Petisa 1-6 exploration concession that covers 6 ha, owned by Peter Guggiana Guaita. MCAL has obtained an option to acquire a 100% interest in the mineral concession through an option agreement dated May 26, 2006. To purchase the mineral concession MCAL must make a series of escalating payments to the owners totaling \$100,000 with the final payment due on or prior to the second anniversary of the agreement as follows: \$10,000 on signing (paid); \$20,000 on or before February 26, 2007 (paid); and \$70,000 on or before November 26, 2007.

Mineral title to the Manto Gloria claim is represented by the Manto Gloria 1-5 exploitation concession that covers 25 ha, which was acquired by MCAL on November 8, 2006 for \$350,000.

Exploration Summary

The Gloria Property has been mined at an artisanal scale sporadically, probably for the past century or more, and the owners of the Pasaje Freire claim group continue to small amounts of ore from their mechanised artisanal underground operation. In 2002 ENAMI drilled 12 RC holes at the Pasaje Freire mine, as part of technical assistance

program to the property owners. These holes, which varied from 60 to 120 m in length, were aimed at defining high grade, structurally controlled, underground mineable, sulphide mineralization, and, as is typical in these circumstances, were not assayed in their entirety. MCAL has obtained only summarized information for these holes, and based on the area drill tested, drilling technique used, and the incomplete sampling, does not consider that the results are relevant for the target sought at the Gloria Property.

Surface exploration at the Gloria Property by MCAL has comprised grid soil sampling, preliminary rock chip sampling, geological mapping and an IP survey. The qualified person under NI 43-101 for the work carried out at the Gloria Property is Alan Stephens.

Mineralization encountered on the Gloria Property is considered by MCAL to be of stratabound, epigenetic, volcanic hosted, manto copper type, very similar in style to that at the Anglo American PLC El Soldado deposit which is located in the coastal range, about 120 km NW of Santiago. At least four mantos have been identified, extending over approximately 1200 m within the Gloria Property and continuing for an additional 300 m to the south onto the surrounding claims. These mantos are largely coincident with copper anomalies outlined by MCAL'S grid soil geochemical sampling. Mantos are characterized by the presence of chrysocolla and malachite in fractures and disseminations, while bornite-chalcopryrite-bitumen predominately occur filling vesicles in andesitic volcanics, particularly towards the base of the volcanic sequence.

In general, these mantos are conformable with the host stratigraphy, and strike NNW, with a ± 30 degree dip to the east. Based on the Corporation's current understanding, they vary in thickness from 10 to 40 m, and at least in the oxide zone, appear to have an accompanying halo of low grade mineralization. At depth, as observed in the old workings and reported in the ENAMI drilling, NNW oriented, structurally controlled, IOCG type mineralization consisting of disseminated to semi massive chalcopryrite and subordinate bornite, associated with massive magnetite, is present. This high grade IOCG style mineralization appears to be related to structures which possibly acted as conduits for the manto-type mineralization.

Current artisanal mining activity at the Pasaje Freire operation is focused on the oxide portions of one of these structures, which varies in width from 5 to 30 m. The previous drilling by ENAMI was also concentrated on the definition of this structure.

The intersection of the structurally controlled mineralization with favourable units within the volcanic succession is anticipated to give rise to irregular zones of higher grade mineralization.

A total of 923 samples were taken on a 100 m x 50 m grid, with all samples assayed for Cu, Au and Ag at ALS Chemex in La Serena. The soil cover on the property is not well developed, and the sampled medium comprised thin residual desert soil and talus, containing weathered bedrock fragments. As a result, Cu values are considerably higher than would be normally anticipated in a soils survey. Anomalous Cu (>1000 ppm) values correlate well with subcropping mineralization and its interpreted extensions.

A total of 64 reconnaissance rock chip samples were taken on the Gloria claim block and immediate surroundings, with all samples assayed for TCu, CuSol, Au and Ag at ALS Chemex in La Serena. No duplicates were taken and no standards or blanks were inserted. MCAL personnel were responsible for the transport of samples from their sites to the laboratory. Samples were taken at outcrop, within old workings, from prospect pits and from old small mine dumps. The average of these 64 samples was 1.55% TCu (1.28% AsCu), with a minimum of 0.02% TCu and a maximum of 5.33% TCu. A total of 40 out of the 64 samples assayed greater than 1% TCu.

The results of this preliminary rock chip sampling are very encouraging, and indicate the presence of greater than 1% TCu values over significant widths. It is particularly encouraging that many of the better values were taken from outcrop where there was no evidence of prior mining activity. This lack of activity is ascribed to the thin soil and talus cover described above.

A dipole - dipole IP survey was completed in November 2006 by Zonge Geophysics on behalf of MCAL. The survey comprised 12 1000 m long lines, spaced 200 m apart for a total of 12,900 m, with readings taken on 100 m centres. Results of this survey were encouraging in that moderate amplitude chargeability anomalies, (greater than

7.5 mrads), and resistivity lows (less than 200 ohm m) consistent with known percentages of disseminated copper sulphides, were encountered, largely coincident with the interpreted mineralised manto bodies. Higher chargeabilities (greater than 10 mrads) appear to coincide with more structurally controlled mineralization.

Further exploration work, involving bulldozer trenching and drilling, is required to assess the potential of the project. The Corporation has developed a 12 month preliminary exploration budget of \$0.9 million that provides for the continued exploration and evaluation of the property.

Cerro Colorado-Chacay Property

The Cerro Colorado-Chacay Property is located in Region III in Northern Chile, 50 km E of the town of Vallenar and 12 km SE of the Relincho copper project owned by Global Copper. The Corporation controls the Cerro Colorado-Chacay Property through MCAL's ownership of 10 exploration concessions totalling 2,900 ha, 1,600 ha of which are in the process of being converted to exploitation concessions. The Cerro Colorado-Chacay Property is subject to a 2% net profits interest on any production, to a maximum of \$2,000,000, payable to First Quantum Minerals Ltd. The Corporation does not currently plan to conduct any work on this property.

Phelps Dodge Agreement

The Corporation has entered into a Data Use Agreement (the "Phelps Dodge Data Use Agreement – Chile") with Phelps Dodge dated September 19, 2005, as amended January 31, 2007, pursuant to which Phelps Dodge has granted the Corporation access to its database of proprietary geophysical, geologic, geochemistry, maps, data reports and other files on various properties in Chile for a period of 36 months. In consideration for the information, the Corporation issued 200,000 common shares to Phelps Dodge. Pursuant to the Phelps Dodge Data Use Agreement – Chile, Phelps Dodge has a back-in right to acquire an undivided 70% of the Corporation's interest in any property which the Corporation may acquire within the areas of Chile covered by the Phelps Dodge Data Use Agreement – Chile and which has a minimum of 2 million tonnes of contained copper, of which a minimum of 1 million tonnes must be in the measured mineral resource or indicated mineral resource categories. The back-in right will expire on September 19, 2009. If Phelps Dodge exercises its back-in right, Phelps Dodge and the Corporation have agreed to enter into a joint venture agreement for the development of the particular property. None of the Corporation's current properties in Chile are subject to Phelps Dodge's back-in right.

The Corporation has also granted Phelps Dodge a right of first refusal to participate in each future equity financing in order to maintain the percentage interest in the shares of the Corporation which Phelps Dodge may have prior to that financing. As of the date of this Prospectus, Phelps Dodge owns less than 0.1% of the issued and outstanding common shares of the Corporation.

Argentina Property

In Argentina, the Corporation has an option to acquire a 100% interest in the San Jorge Property.

San Jorge Property

Acquisition of the Property

Pursuant to an agreement dated August 9, 2006, as amended October 18, 2006 (the "San Jorge Agreement") among the Corporation, MCAL, Global and Minera Global Copper Chile S.A. ("Minera Global", a subsidiary of Global), the Corporation, through MCAL, acquired a 100% interest in the shares of MSJ (the "MSJ Shares") from Minera Global for an aggregate purchase price of \$1.0 million in cash and the issuance of 1,000,000 common shares to Minera Global. The Corporation paid Minera Global \$300,000 and issued 333,333 common shares on August 9, 2006 and is required to: (i) pay \$300,000 and issue 333,333 common shares on May 10, 2007 (paid and issued); (ii) pay \$400,000 and issue 333,334 common shares on May 10, 2008; (iii) and upon the completion of a bankable feasibility study on the leachable copper resources at the San Jorge Property, on or before May 10, 2009, pay to Minera Global \$0.025 per pound of contained leachable copper in the proven and probable reserve category defined by the feasibility study less the aggregate deemed price of the 1,000,000 common shares previously issued, of which

one-half of the final payment may be payable, at Global's option, by the issuance of common shares of the Corporation. The Corporation has the right to require Global and Minera Global to enter into a voting trust agreement in respect of the common shares owned by Global or Minera Global, pursuant to which Global and Minera Global will agree to vote their common shares as may be directed by the Corporation, but no such agreement has been entered into as of the date of this Prospectus.

If the Corporation commences commercial production from the mineable, proven and probable sulphide copper reserves, the Corporation will pay to Global \$0.02 per pound of contained sulphide copper in the proven and probable reserve category defined by the feasibility study. The Corporation has also agreed to pay to Global an annual royalty of \$0.02 per pound of contained leachable copper not defined in the leachable copper feasibility study and \$0.015 per pound of contained sulphide copper for any additional material not defined in the sulphide copper feasibility study. The Corporation has a right of first refusal to acquire the royalty if Global assigns its rights under the San Jorge Agreement to a third party.

In connection with the acquisition of MSJ and the San Jorge Property, the Corporation paid to Global \$1,096,000 in respect of an assignment of an indemnity and release agreement which Global entered into with the former owner of the real property on which the San Jorge Property is located, and also indirectly acquired the real property effective September 7, 2006 in consideration for the payment of ARS\$1,550,000. The land was transferred to MSJ on December 31, 2006, and the transfer will be formally registered once MSJ receives approval of the Frontier Security Zone Commission of Argentina.

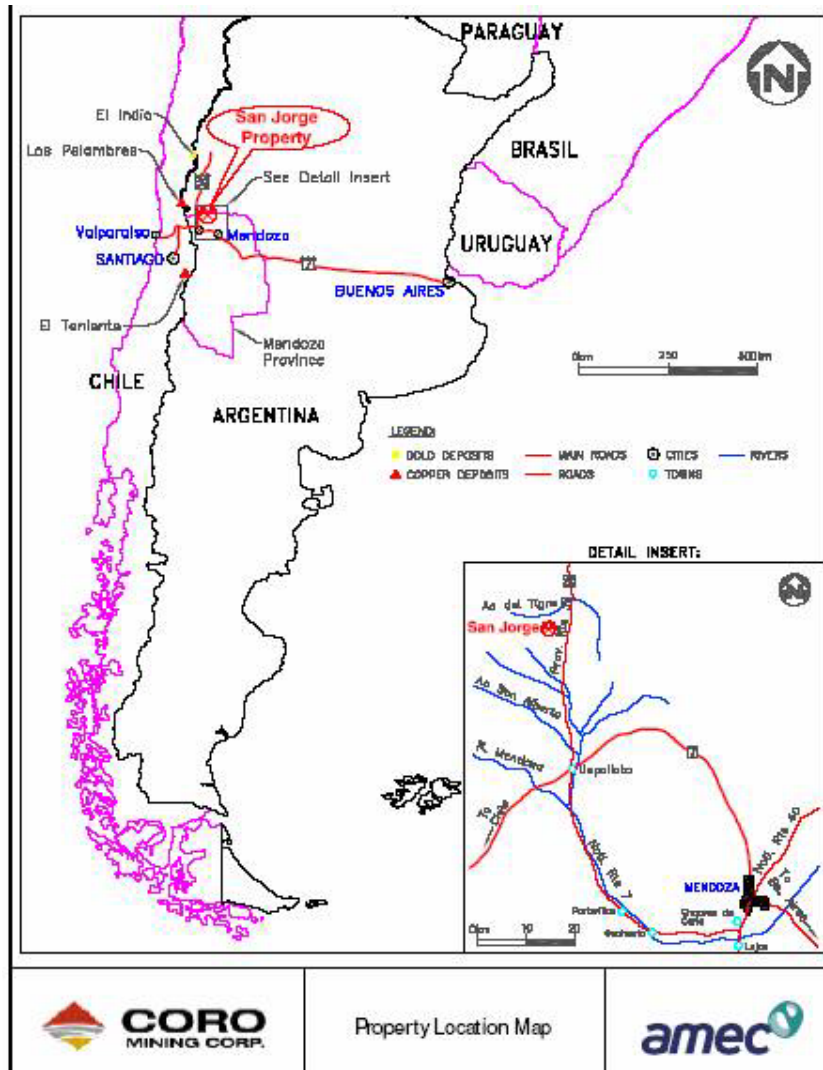
Although the MSJ Shares have been transferred to the Corporation, the Corporation has no obligation to satisfy the consideration not yet paid under the terms of the San Jorge Agreement. If the Corporation determines not to proceed with completing the acquisition of MSJ, the MSJ Shares, and therefore the San Jorge Property, will be returned to Minera Global with no further obligations by the Corporation, and the indemnity and release agreement and the real property will be purchased from the Corporation by Global or Minera Global.

The following information in this section is summarized or extracted from the "Mineral Resources Technical Report for the San Jorge Copper-Gold Property" dated April 2007 (the "San Jorge Technical Report") and prepared by AMEC Americas Limited in accordance with the requirements of NI 43-101. Portions of the following information are based on assumptions, qualifications and procedures which are set out only in the full San Jorge Technical Report. For a complete description of the assumptions, qualifications and procedures associated with the following information, reference should be made to the full text of the San Jorge Technical Report which is available for review on the SEDAR website at www.sedar.com. Alternatively, the San Jorge Technical Report may be inspected during normal business hours at the Corporation's head office in Vancouver during the period ending 30 days after the closing of the Offering.

Property Description and Location

The San Jorge Property is located in west-central Argentina in the Las Heras Department, of the Province of Mendoza. The Property is approximately 45 km north of the town of Uspallata, 110 km NW of the provincial city of Mendoza and 250 km NE of Santiago in Chile. The property falls partly on the Yalguaraz Ranch, which covers approximately 115,000 ha. The Property comprises two mining concessions and 44 mining estacas. These concessions and estacas cover a total of 445 ha in two groups that are 4 km apart. The first group is known as San Jorge and is centred at the approximate UTM co-ordinates of 2,453,577 E, 6,431,962 N. The second, which is referred to as San Jorge Segunda, is centred to the east of San Jorge at the approximate UTM co-ordinates of 2,458,769 E, 6,432,802 N. The San Jorge Segunda concessions host the mineralization described in the San Jorge Technical Report.

An additional eight mining concessions and 24 mining estacas were held by Argentine Mineral Development ("AMD") and were acquired by MSJ, at the time a 100% owned subsidiary of Global Copper, on September 26, 2005. These concessions and estacas cover a total of 10,127.4 ha.



Accessibility, Climate, Local Resources, Infrastructure and Physiography

Accessibility

Access to the San Jorge Property is from the city of Mendoza, via an all-weather paved road (Route 7) to Uspallata, where the route turns north onto a well-maintained, dirt road (Route 149) for 40 kms. The final 7 km to the San Jorge Property is along a dirt road, over gently undulating terrain. The total driving time is approximately 2 hours for the 157 km distance from Mendoza to the San Jorge Property.

Climate

The climate in the region is regarded as dry, continental desert, with a high rate of evaporation. The average annual temperature is 12.4°C. Minimum and maximum temperatures recorded are -15°C and 37.8°C, respectively. Torrential, periodic rainfalls of limited duration are common during the afternoons in the summer months. Total annual average precipitation is approximately 174.3 mm. Light snowfall is not uncommon in the winter months. The mean annual relative humidity is 49%.

In the open valley, strong winds are common in the spring months and the annual average wind velocity is 25 km/hour.

Vegetation & Fauna

Sparse, low-lying brush, cactus and patches of thick-bladed grasses typify the vegetation. Wild fauna is reported to consist of nandu (a type of ostrich), guanaco, fox, puma and field mice.

Local Resources

The San Jorge Property contains very little developed infrastructure apart from the roads constructed for drill rig access, and a semi-permanent exploration camp installed in the early 1970s. Uspallata is located on Route 7 and is only 50 km from the Chilean border and 150 km from Santiago. It would be the point of access for equipment and consumables for any planned mining operation.

Infrastructure

The city of Mendoza, which has a population of approximately one million people, is the closest major settlement. The closest port facility is Valparaiso in Chile, located 156 km to the southwest of the San Jorge Property. The railroad from Argentina to Chile is currently not operable. The nearest current rail head to the Project site is in Mendoza.

Local water sources are the Arroyo del Tigre drainage located 5 km north of San Jorge Property, and the floor of the Uspallata Valley to the east and south of the San Jorge Property. Power is not locally available and would have to be either produced by gensets or brought in from the existing grid to the south of the San Jorge Property.

Physiography

The San Jorge Property lies along the western margin of the Uspallata Valley, a 200 km long graben that is flanked by the Cordillera Frontal to the west and the Pre-Cordillera to the east. Elevation on the San Jorge Property varies from 2,600 to 2,700 meters above sea level ("masl"), whereas the base of the Uspallata valley floor is at 2,200 to 2,300 masl. The principal geomorphological features in the area are alluvial fans cut by drainage channels, and the pediment associated with the Cordillera Frontal. Drainage is from the Cordillera Frontal, flowing east and then south into the Rio Uspallata, or into the enclosed basin of the Cienaga de Yalguaraz to the north of the San Jorge Property.

History of the San Jorge Property

The first recorded exploration in the area of the San Jorge Property took place in the 1960s, when prospector Valeziano Martínez dug a number of pits at San Jorge. In 1964 Minera Aguilar S.A. ("Aguilar") optioned the San Jorge Property and completed a program that included mapping, pitting, trenching, surface sampling, geophysics and diamond drilling, before dropping the San Jorge Property in 1968.

Exploraciones Falconbridge Argentina S.A. ("Falconbridge") optioned the San Jorge Property in 1973 and carried out a program that included detailed geological mapping, re-interpretation of regional geophysics, diamond drilling and metallurgical testing.

In 1992, Recursos Americanos Argentinas ("RAA") optioned the San Jorge Property from Pedro Natalio Aldave. From 1992 to 1996, RAA carried out an exploration program that included geological mapping, surface sampling, re-evaluation of existing induced polarisation (I.P.) geophysical data, RC drilling, limited diamond drilling and metallurgical testing. A resource was also estimated, and a preliminary scoping study completed.

In 1994, Grupo Minero Aconcagua S.A. ("GMA"), a subsidiary of Northern Orion Resources Inc. ("Northern Orion"), entered into a deal with RAA to continue exploration on the San Jorge Segunda Property and in June 1995 Northern Orion purchased RAA. From 1994 to 1998 GMA carried out a program of mapping, re-sampling of trenches, RC and diamond drilling, and metallurgical testing. During this time, resource estimates by Simmerman in 1996 & Cobre Mantua S.A. in 1998, hydrological and environmental work by Hydro-Search in 1996 & Dames and Moore in 1997, and an initial feasibility study by Fluor Daniel Wright in 1997 were completed.

In the 1990s AMD acquired a number of mining concessions surrounding the San Jorge Segunda Concession. In March 1999 an agreement was reached between GMA and AMD to jointly explore and develop the project. However, the joint venture agreement did not proceed and MSJ was formed by Northern Orion, and was designated as the holder of the San Jorge mining concessions on August 1, 2000.

In 2005, Lumina Copper Corporation ("Lumina") acquired MSJ from Northern Orion. On May 18, 2005, Lumina completed a plan of arrangement whereby Lumina transferred its holdings in MSJ to Global. Global formally terminated the joint venture agreement between MSJ and AMD on July 27, 2005. MSJ acquired the AMD concessions on September 25, 2005.

Since acquiring the San Jorge Property in August 2006, the Corporation completed re-logging and re-assaying of remaining drill core, and a 31 hole diamond drilling program which twinned previous drill holes. Utilizing all historical and recent drilling information, AMEC completed a CIM compliant resource estimate on behalf of the Corporation in April 2007. The Corporation has initiated phased engineering studies aimed at assessing the economic validity of the project.

Geological Setting

Regional Geology

The San Jorge Property is located on the western periphery of a regional, north-south trending structure known as the Uspallata Graben.

The oldest rocks known to outcrop in this area are Devonian-aged marine greywackes, siltstones and shales that comprise the Cienaga de Medio Formation. Overlying the Cienaga de Medio Formation sediments are Carboniferous-aged sediments of the Yalguaraz Formation. The Yalguaraz Formation comprises a heterogeneous group of lithologies ranging from pelites to impure sandstones, quartzites, sandstones, conglomerates and intraformational breccias. These sediments were folded and faulted during the late Palaeozoic. Fold axes trend north to south, while fault movement was reportedly transcurrent.

Permo-Triassic-aged intrusive activity was located along the margins of the graben. The intrusives are characteristically small, porphyritic to aphanitic quartz-diorites and diorites to granodiorites that have produced hornfelsing of the sediments along their contacts. In general, the intrusives are not mineralized.

To the west in the Cordillera Frontal, a thick sequence of Permo-Triassic aged felsic and andesitic volcanics known as the Choiyoi Formation are in angular unconformable contact with the Yalguaraz Formation. The volcanics are intruded by a series of contemporaneous hypabyssal dykes and stocks.

During the Tertiary period, the rapid Andean uplift of the Cordillera Frontal and the Pre-Cordillera produced significant alluvial deposits, which partially infilled the Uspallata Graben. In the central areas of the graben the alluvial deposits may reach a thickness of over 200 m. In some areas these deposits are now dissected by younger drainages.

The regional structural fabric is principally north-south and parallel to the graben. Also important are north-northwest, northeast, northwest and east-west striking fault systems.

Local Geology

At San Jorge, the Carboniferous sediments of the Yalguaraz Formation comprise: matrix-supported conglomerates, medium grey to grey-red in colour; variably thin to thick-bedded, fine to coarse-grained, poor to well-sorted arenites and sub-arenites; sandstones, medium grey to grey-red in colour; thinly bedded, darker grey siltstones; and thinly bedded, grey-green shales.

Granite-porphyry and dacitic stocks and dykes of Permo-Triassic age intrude the sediments. The granite porphyry outcrops in the southeast sector of the San Jorge hill forming a tongue in the hanging-wall side of Falla Gorda, a

major north-south trending fault immediately east of the San Jorge hill. The contact of the granite porphyry with the sediments is near vertical and irregular, with localized brecciation, fracturing and veining. The dacite porphyry has been observed in drill holes in the southwest and northeast sectors of the deposit in the form of dykes crosscutting both the granite porphyry and the sediments.

Tourmaline breccias occur in scattered small outcrops along the western perimeter of the granite porphyry. These breccias are dominantly crackle- to occasionally mosaic textured, and consist of sub-angular to angular clasts of sediments within a tourmaline quartz matrix.

The sediments are gently folded around the axis of a monocline which strikes 35 degrees, and dips 15 to 40 degrees to the west.

The San Jorge Property is affected by several faults, the most important of which strike north south and north-northeast while secondary structures strike northwest and east-northeast. Net fault displacement is normal and is considered to have preceded any strike-slip and reverse movement.

The mineralized stockwork in the San Jorge system is much stronger and better developed within the sediments than in the granite porphyry. Within the sedimentary sequence the vein density decreases from the sandstones, to the conglomerates, to the siltstones and finally to the shales.

Mineralization

Mineralization at the San Jorge Property is considered to be an Andean example of a porphyry copper-gold deposit. The porphyry system shows a vertical zonation from hypogene mineralization at depth, passing upwards into a supergene enriched zone, which is overlain by a zone of oxide mineralization and finally by a poorly developed leached cap. Superimposed on this basic zonation are lateral variations in the distribution of the mineralization types that relate to the main north to south and NNE striking fault zones. The porphyry system is ovoid in shape and covers an area of 1100 m NNE by 700 m north NW.

The mineralization is largely hosted by a stockwork which comprises a mixture of hairline fractures and quartz and/or calcite veins up to 3 cm wide. The veins are generally sulphide-sericite-quartz, quartz-sulphide, quartz-potassium feldspar, quartz-calcite, tourmaline, tourmaline sulphide or calcite. In the coarser sediments the vein density is described as 60 veins/metre, and in the porphyry as 40 veins/metre.

The alteration system associated with the San Jorge porphyry trends north-south. Although potassic, phyllic, propylitic and clay alteration styles have all been reported the alteration does not have a 'classic' concentric zoned distribution around a central intrusive body. Rather, the distribution of the alteration zones is influenced by the principal faults, and to a lesser extent by the intrusive bodies.

- Potassic alteration is characterized at San Jorge by the presence of potassium feldspar and biotite.
- Phyllic alteration is typified by variable amounts of silica and sericite. The most abundant alteration observed is silicification, which affects all rock types and may obliterate the original rock texture. In addition, silicification also occurs as quartz, quartz-sulphide and quartz-calcite veins, and as halos to quartz-sulphide veins. Sericite may be both spatially and temporally associated with the silicification.
- Propylitic alteration is only weakly and patchily developed and manifests itself as chlorite and/or epidote and/or calcite. It occurs sporadically in the hypogene zone rather than as an external alteration halo.
- Clay alteration is typified by kaolinite, which is found in both the leached cap and in the fault gouge zones, and montmorillonite whose occurrence is restricted to fault gouge ones. Kaolinite replacing sericite has also been observed in the granite porphyry.

- Tourmaline is a ubiquitous component throughout the system. It occurs with sulphides in the matrix of hydrothermal breccias, as veinlets with or without sulphides, in the sediments most commonly proximal to the breccias, in the granite porphyry, and as disseminated rosettes in all rock types.

Copper Mineralization

Hypogene mineralization: Sulphides occur as both disseminations and in veins and comprise both low and high grade types. Chalcopyrite and pyrite, along with cubanite, mackinawite and marcasite, are the principal sulphide minerals. They occur with lesser pyrrhotite, arsenopyrite, sphalerite, molybdenite, and minor galena and bornite. Gold has only been observed in thin section in a siliceous matrix and not as inclusions in sulphides. Early low-grade hypogene copper mineralization is hosted primarily in sediments, and to a lesser extent by the intrusives as disseminations and in veins. High grade hypogene copper mineralization is hosted by the sediments and not the granite porphyry, and the higher-grade intervals can exceed 1.0% Cu. The higher grades of hypogene copper mineralization (>0.5%) trend north to north northeast before making a pronounced bend to trend to the northeast. Although the reasons for this are unclear there would appear to be a strong structural control, possibly accompanied by a blind intrusion component.

Supergene mineralization: The enriched secondary sulphide zone extends over an area of 800 m by 400 m trending north-northeast, and extends to the west beyond the edge of the oxide mineralization. The enrichment is not well developed in the granite porphyry. North to northeast and east-west trending fault zones appear to have a strong control on the distribution of the mineralization. The thickest sections of supergene enrichment occur in the north-central and northeast sectors, whereas the highest grades are found in the southwest sector. Higher grade supergene-enriched mineralization, grading >0.5% Cu, is in general found overlying or proximal to zones of enriched hypogene mineralisation. Typical minerals of the enriched secondary sulphide zone are chalcocite, digenite and covellite. The chalcocite is described as 'sooty' in the southern area of the deposit, and 'steely' in the northern sector. Cuprite and native copper appear to have only a limited distribution.

Oxide Mineralization: the copper 'oxide' zone extends over an area of 800 m by 400 m, trends north-northeast and is open to the east under gravels. In general, oxide copper grades range between 0.22% and 1.43% Cu. The average thickness of the zone is 60 to 90 m, although in certain localized areas it may be thicker. Copper minerals contained in the 'oxide' zone are in descending order of abundance: malachite, chrysocolla, pitch limonite, tenorite and bronchantite. They occur lining fractures, as disseminations and as coatings on plagioclase grains. Minor sporadic limonites also occur in the oxide zone.

Exploration

Five exploration programs have been completed over the San Jorge Property by five different exploration companies namely Aguilar, Falconbridge, RAA, GMA and the Corporation. The exploration campaigns associated with the five companies were completed between 1964 and 2007, and consisted of geological mapping, trenching, geophysics and both diamond and reverse circulation drilling.

Between 1964 and 1998 several geophysical surveys were completed over the San Jorge Property, including IP and ground magnetics. The deposit coincides with a pronounced chargeability high, and a resistivity and magnetic low. Additional exploration targets were indicated in areas covered by alluvium.

Drilling

An approximate total of 24,795 m, in a minimum 148 drill holes has been drilled on the San Jorge Property, between 1964 and 2007, by five different companies. This includes 16,424 m of diamond drilling in 88 drill holes, and 8,371 m of RC drilling in 60 drill holes. An additional 6 RC holes were drilled peripheral to the deposit prior to 1999 by AMD. Over the main part of the deposit holes were drilled on lines spaced roughly 100 to 50 m apart, at 50 m stations widening up to 180 m spacing in the more peripheral areas. No core remains for any of the diamond drilling except that completed by GMA in 1995-1996 and by the Corporation in 2006-2007. No RC sample rejects from any of the campaigns remain.

The drilling history of the property is shown in the table below.

San Jorge Drilling History						
Company	Year	Type of DH	Number of Holes	Meters Drilled	Hole Numbering	Hole Diameter
Minera Aguilar SA	1964-68	Diamond	32	4,894.50	DDH-01 to 32	AQ,BQ,AX
Exploraciones Falconbridge SA	1973-74	Diamond	5	1,215.15	DDH-33 to 39	NX,BQ,NQ
Recursos Americanos Argentinos SA (RAA)	1993-95	Reverse Circulation	45	5,358.00	AR-01 to 74	
RAA	1994	Diamond	1	140.00	DDH-41	NQ
RAA & Grupo Minera Aconcagua SA (GMA)	1995-96	Diamond	19	5,672.00	SJD-01 to 19	HQ,PQ
GMA	1994-96	Reverse Circulation	15	3,013.00	SJC 01 to 15	
Coro	2006-07	Diamond	31	4,592.55	SJT 01 to 15 SJM 01 to 16	NQ
Total			148	24,795.20		

Sampling, Analysis and Data Verification

Sampling Methodology

Only limited data is available regarding sampling procedures employed for the RC and diamond drill hole programs. The drill chip samples from drill holes AR- 56 through to AR-74, and SJC-01 to SJC-15 were weighed and quartered on site. It is also recorded that for drill core from the diamond drill holes SJD-01 to SJD-05, half-core samples were taken, while for diamond holes SJD-06 through to SJD-19 quarter-core samples were collected.

As part of its due diligence process in March 2006, the Corporation completed a re-assay of half core of the leachable portions of SJD-10 and SJD-14. During August to September 2006, the Corporation commissioned consultants to conduct a re-logging and sampling program of the remaining SJD drill core. In general and despite the poor state of the core after being re-handled several times, both the due diligence sampling and the re-logging/re-assaying programs demonstrated acceptable correlations between original and check Cu assays. The Au assays demonstrated more scatter, commensurate with the sampling method (separate half core samples rather than splits of rejects or pulps) and original Au distribution.

Sample Preparation

No data is available pertaining to the laboratory protocols with regard to the preparation of samples for the historical drill hole and trench sampling campaigns. Samples from the Corporation's program were analyzed at the Alex Stewart laboratory located in Mendoza. AMEC visited this lab during its first site visit and concluded that the lab was operated in a professional manner with adequate checks in place.

Sample Analyses

No documentation is available for which laboratory was used by Aguilar, but it is likely that they analyzed all their trench and drill samples at their laboratory in Mendoza. No records or certificates relating to these analyses are known to exist. Every sample was analysed for Cu, and composite samples taken over 5 to 63 m intervals were analysed for Au, Ag, Ni and Mo and occasionally for Zn and Pb.

Falconbridge analyzed all drill hole samples from holes DDH-33 to DDH-39 at their laboratory in Buenos Aires. Every sample interval was analyzed for Cu by AAS. In addition, selected zones were analyzed for Au, Mo and As, however, none of these results can be located. No quality control sample data was reported.

Samples from the forty-five RC drill holes AR-01 to AR-74 and diamond drill hole DDH-41 drilled by RAA were analyzed at both the Aguilar and the SERCOC S.L. laboratories. Every one-meter sample was analyzed for CuT, oxide Cu and Au. SERCOC S.L. (now American Assay ("AA")) used citric acid while the Aguilar laboratory used sulphuric acid during the determination of the oxide Cu content of the samples. Although check samples are referred to in various reports, this data has not been located.

Samples from 19 diamond holes SJD-01 to SJD-19, drilled by RAA and GMA were analyzed at the SGS laboratory in Chile ("SGS") All the samples were analyzed for total Cu and Au every 2 m, for oxide Cu and CuS where relevant, and for Ag and Mo every 40 m or approximately every twentieth sample. Although samples for trace element analyses were submitted to AA, the analyses were actually performed by ACME under a contractual agreement between the two laboratories. This trace element data is not available, neither is any check sample data or quality assurance and quality control data for this drilling.

Samples from the final reverse circulation drill holes, SJC-01 to SJC-15, drilled by GMA were analysed at both the Bondar Clegg and SGS laboratories in Chile. Each 1 m sample interval from drill holes SJC-01 to SJC-05 was analyzed for total Cu, Au and Ag. For drill holes SJC-06 to SJC-15, total Cu and Au, and where relevant, oxide Cu were obtained for each 2 m sample interval. Trench samples taken by GMA were analyzed at SGS. No check samples were included in either the reverse circulation or trench sample sequence.

Samples from all of the Corporation's drilling were assayed at Alex Stewart laboratory in Mendoza for sequential copper (CuT, CuSol, and CuCN) and gold to industry standards with the insertion of all appropriate standards, blanks and duplicates.

Sample Security

No information is available as to sample security during transportation, or what (if any) procedures were in place to ensure a 'chain of custody' for either the samples from the pre 2006 drillhole or the trench sampling campaigns. The Corporation's samples were taken and transported to the laboratory by independent consultants working under the Corporation's supervision.

Data Verification

At present the historic drillhole database cannot be completely verified and reliability cannot be established. For the 37 diamond drill holes completed by Aguilar and Falconbridge there is no sample remaining, incomplete analytical data, no quality control information and no analytical certificates. For the 19 diamond drill holes drilled by RAA and GMA there is a complete set of drill logs and a near complete set of certificates for the principal elements. However no QAQC data is available. AMEC reviewed 10 of the SJD series drill logs and concluded that the logging and description of the lithologies, alteration and mineralization is thorough.

In total, 60 RC drill holes have been drilled by RAA and GMA Although some of the analytical certificates are present, all analyses were apparently done without any quality control samples.

The trench sample database cannot be verified as there are no remaining reject or pulp samples. The samples were analyzed without any quality control samples being inserted into the sample stream, and no analytical certificates for these samples are available.

Metallurgical Testing

Various mineral processing and metallurgical studies have been completed on samples of San Jorge mineralization. The most recent and comprehensive of these was completed by Lakefield Research Chile SA in 1996-1997 on behalf of Northern Orion. Two oxide composites and six secondary sulphide samples were tested by both the bottle leach and the column leach methods. Two primary sulphide and two secondary sulphide composites, were subjected to flotation testwork, and one each of these also subjected to gravity testwork for gold recovery. This testing was not intended to generate engineering data for design but to establish whether the ore is amenable to the selected technology, and to provide an indication of the variability of the ore.

Sample composites were constructed from drill hole samples and were characterized for acid soluble, cyanide soluble, and total copper, as a means of differentiating the proportions of oxide, secondary sulphide (enriched), and primary sulphide copper. These were the measurements that were used by Fluor Daniel Wright Ltd. (1997) as part of their pre-feasibility study, to predict the ultimate extractions.

Oxide Testwork

Bottle Roll Testwork: The two oxide composites were first treated by bottle roll tests. A total of 12 leaches (24 hour duration) were executed with varying acidity levels. The results obtained are considered to be reasonable. The fine material gave the better extractions, ranging between 70% to 74.1% total copper extraction, but consumed a greater amount of acid. The coarser material gave 33.8% to 51.6% total copper extraction. Acid consumptions and copper extractions generally increased with higher acidity.

Column Testwork: Composite oxide samples were subjected to column leach test work. This type of leach is intended to simulate the percolation leaching that is practiced in heap leaching operations. In these experiments columns of 70 mm by 970 mm were used. The material was crushed to -3/8" and agglomerated for 24 hours. The composite makeup and the operating pH were varied, and the batch included one duplicate. The leach durations were 45 days. Recoveries of 75% to 87% of total copper were achieved. In general the leach results improved at a lower pH and higher acid consumptions.

Secondary Sulphide Testwork

Bottle Roll Testwork: Six bottle roll leach tests were performed on the secondary sulphide samples after they had been crushed to -200 mesh. As would be expected for acid leaching of sulphides in the absence of an oxidant, poor extractions, ranging between 15% and 27% of total copper, were obtained.

Column Testwork: Bacterial leach column test work was also carried out on the sulphides. The test set-up was similar to that used for the oxide columns. Eight 70 mm x 970 mm columns were charged with ore crushed to -3/8", and subject to an acid cure and to agglomeration for a 24 hour period. The columns were then acid leached for 14 days, subsequently inoculated and allowed to rest 7 days for bacterial acclimatization. After a total 74 days of leaching these columns gave a 45% to 79% extraction. This test work had not been completed when the results were reported. As such the extractions were calculated based on head and solution assay data, which may not have provided the best accuracy.

Flotation Testwork: Two secondary and two primary sulphide composites were tested for standard flotation response. Copper recoveries were variable, from 55.1% to 92.1%, giving concentrates ranging from 16.6% to 42.2% copper. Gold recoveries were 38.2% to 74.4%. One of the concentrates assayed 3.25% arsenic. Further testwork is needed to optimize this flotation performance.

Mineral Processing

Fluor Daniel Wright (“FDW”) completed a pre-feasibility evaluation on the San Jorge Property in 1997, further details of which are below. A two-phase approach to project development is suggested in the report. In Phase I the oxides and secondary sulphides were to be treated by heap leaching, and in Phase II a sulphide concentrator would be established to treat the primary sulphide mineralization.

In Phase I, the heap leach operation was to be set up to treat 57 million tonnes over a seven year period. The average head grade to the heap leach was predicted to be 0.55% total copper. An evaluation of all previous test work in support of the selected heap leach design criteria is not provided in the FDW report. However, the design criteria are known to have been at least partially based on the Lakefield test work, which was in progress at the time the report was compiled. The observed test extractions exceed those that had been predicted from knowledge of the mineralogy and probable leaching chemistry. The difference is attributed to leaching of primary sulphides. This is a reasonable explanation as the primary sulphides are not totally refractory to hydrometallurgical attack; however, leach rates and ultimate extractions are unacceptably low. An alternative explanation could be related to the fact that the reported extractions were not calculated based on a complete metallurgical balance, as the tests were still in progress at the time of reporting.

It was proposed by FDW that the heap leach process would treat mineralization crushed to –19 mm, and agglomerated with sulphuric acid. This design does not provide for aeration, which is now believed to be necessary in order to optimize the leaching of the secondary sulphide content. The assumed oxide copper recovery was 85% and the sulphide leach recovery 70%.

A notable absence from the design criteria is the duration period for the leach cycle. The duration period has to be known in order that the size of the heap leach system can be defined. The leach design criteria appear reasonable, other than the fact that details regarding the size of the leach system are not provided. The process description does not detail whether solution stacking or sequenced leaching was proposed. The use of a rinse is mentioned so it may be supposed that sequenced leaching was favoured.

For Phase II a conventional copper sulphide concentrator with the capacity to process 30,000 million tones per day was proposed. Synergy with the Phase I heap leach operation is attained through the continued use of the primary crusher, as well as the established infrastructure. The process assumes simple metallurgy producing a concentrate containing 28% copper, and no by-products.

AMEC concluded that the previously completed metallurgical test work and studies established the amenability of the oxide mineralization to a heap leaching approach and the primary sulphides to flotation concentration. The testing indicates that the secondary sulphides would probably be amenable to bacterial heap leaching, but excessively long leach durations would be necessary to achieve total copper extractions greater than 80%.

Mineral Resources and Reserves

AMEC reviewed two historic mineral resource estimates completed by a consultant, Gary Simmerman, in 1996 and Cobre Mantua S.A. in 1998, for the San Jorge Property. These estimates were considered relevant given that: they were appropriate for the model type; sufficient geologic interpolation was completed; and the range of cut-off grades includes possible current parameters and metal prices. AMEC could not confirm their reliability due to the lack of QA/QC and bulk density information. AMEC considered them to be historic mineral resource estimates.

AMEC April 2007 Resource Estimate

Geological Interpretation, Modeling & Domain Definition

Personnel of the Corporation and AMEC interpreted lithological and oxidation units in two sets of orthogonal vertical sections (15 N-S and 16 E-W sections). Using these two sets of sections simultaneously, AMEC prepared a geological model that represents the following domains: gravels, leach cap, oxide, enriched and primary sulphide domains. This model is the basis for the mineral resource estimate prepared and documented in the San Jorge

Technical Report. All 31 holes from the Corporation's drilling campaign were drilled as twin holes and AMEC used them in place of the old campaign holes. AMEC did a twin hole analysis to verify how the new holes correlate to the old ones and the results are overall acceptable with minor differences in a few drill holes.

Gravels Domain: This unit of unconsolidated sediments is found in virtually all sections as a thin layer at the top of the geological profile. It averages 20 m in thickness, reaching a maximum of almost 85 m to the S of the deposit area. In general, this domain is not significantly mineralized in copper or gold, but eroded grains of oxide can give copper grades up to 0.51% CuT; however, the domain average is 0.07% CuT.

Leached Domain: This unit is defined by composited intervals with CuT grades lower than 0.20%, above the top of primary sulphides. It comprises a cap of leached material of variable thickness, and is generally unmineralized; however, individual intervals may present grades up to 1.57% CuT. This domain is present more consistently on the west edge of the deposit.

Oxide domain: This unit is defined as mineralization with CuT assays being greater than 0.20% and the ratio of solubility being greater than 0.3. The domain is interpreted as a very consistent body throughout the geological sections, but its thickness may vary significantly from one drill hole to the next, being affected by the occurrence of faulting or fractured zones.

Enriched Domain: This unit is defined as mineralization with a ratio of solubility being greater than 0.3, and with CuCN assays greater than CuS, and is characterized by the presence of secondary sulphides. Where insufficient assays results were available to calculate the solubility ratio, the presence of chalcocite in drill logs was utilized. The enriched domain has a very similar shape to the oxide domain, with the main difference being that the thickness of enriched intervals is greater in the north part of the deposit than in the central and south parts, where oxide is more predominant.

Primary Domain: This unit is defined as primary sulphide mineralization with a solubility ratio of less than 0.3.

Based on a contact analysis study, AMEC determined that the Oxide and Enriched Domains could be added together for geostatistical analysis, as could the Gravels and Leached Domains.

Resources Classification and Parameterization

Using a visual analysis of grade continuity and supported by the correlogram models, AMEC defined a resource classification methodology based on three incremental radii search ellipsoids. In addition to various estimation parameters, such as the minimum number of composites, octants used and maximum composites per drill hole, the ellipsoids are used to classify resources into Measured, Indicated and Inferred.

Mineral Resources are an inventory of mineralization that under realistically assumed and justifiable technical and economic conditions might become economically extractable: therefore, in addition to the restrictions applied above to classifying Mineral Resources, AMEC defined costs and prices for pit optimization to determine material which could have reasonable prospects of economic extraction.

Metallurgical recoveries were extracted from the Pre-Feasibility study done by FWD in 1997. Two destination routes were considered for treating ore. The first is a heap leach process to recover copper from oxide, leached and enriched materials; no gold is assumed to be recovered in this process. The second route is a concentration plant that recovers copper and gold from primary type ore.

The parameters used for the pit optimization were defined based on AMEC's experience in similar deposits, and long-term market values were assumed for metal price. Copper price used follows the market long term value of \$1.30 per pound and gold price is assumed to be \$500 per ounce.

AMEC used only blocks classified as Measured and Indicated categories to generate revenues during the optimization process, since AMEC is of the opinion that the lateral limits for the mineralization are not currently well defined. Grade extrapolation outside the external drill hole lines, could drive the pit using only blocks with very

low confidence based on geological controls and grade continuity. Also, gold mineralization controls have to be better defined since this metal has an important contribution to the total revenue of the blocks.

The following table summarizes the in-pit mineral resources for all materials above a 0.30%CuT cutoff, subdivided by ore zones and resource categories.

Domain	Category	Tonnes (kt)	CuT (%)	CuT Metal (klb)	CuS (%)	CuS Metal (klb)	CuCN (%)	CuCN Metal (klb)	Au (g/t)	Au (ozs)
Oxide	Measured	5,118	0.613	69,189	0.476	53,725	0.055	6,251	0.207	33,991
	Indicated	19,158	0.534	225,571	0.377	159,195	0.066	27,823	0.170	104,508
	Measured + Indicated	24,276	0.551	294,760	0.398	212,921	0.064	34,073	0.177	138,500
	Inferred	2,486	0.412	22,569	0.290	15,880	0.046	2,533	0.079	6,276
Enriched	Measured	2,679	0.620	36,594	0.164	9,661	0.236	13,953	0.209	17,960
	Indicated	17,888	0.627	247,296	0.152	59,995	0.275	108,492	0.189	108,796
	Measured + Indicated	20,567	0.626	283,890	0.154	69,657	0.270	122,444	0.192	126,755
	Inferred	563	0.461	5,717	0.118	1,467	0.111	1,375	0.077	1,391
Primary	Measured	13,100	0.483	139,532	0.028	8,205	0.043	12,305	0.205	86,548
	Indicated	57,133	0.444	559,042	0.023	28,903	0.041	51,874	0.112	206,486
	Measured + Indicated	70,232	0.451	698,563	0.024	37,107	0.041	64,179	0.130	293,029
	Inferred	16,112	0.428	152,047	0.019	6,817	0.032	11,490	0.032	16,815
Gravels	Inferred	61	0.399	536	0.359	482			0.157	308
Leached	Inferred	159	0.365	1,279	0.069	241	0.013	45	0.156	797
Totals	Measured	20,898	0.533	245,327	0.155	71,599	0.071	32,511	0.206	138,506
	Indicated	94,178	0.497	1,031,898	0.120	248,090	0.091	188,186	0.139	419,785
	Measured + Indicated	115,076	0.504	1,277,225	0.126	319,689	0.087	220,697	0.151	558,289
	Inferred	19,381	0.426	182,147	0.058	24,887	0.036	15,442	0.041	25,486

For purposes of evaluating the potential for additional resources, AMEC estimated the resources that were not considered in the actual pit limits but have economical potential to be mined, once more drilling is done.

At a cutoff of 0.3% CuT, AMEC estimated a possible resource upside of 60 Mt of Inferred resources @ 0.4% CuT.

Fluor Daniel Wright Pre-Feasibility Study 1997

In 1997 Fluor Daniel Wright Engineers (FDW) were requested by Northern Orion to carry out a pre-feasibility study on the San Jorge Property. FDW used a series of pit optimizations on the San Jorge Project considering various mining and processing scenarios. Only two scenarios were evaluated in detail:

- A Heap Leaching Operation where only the leached, the oxide and the enriched zones would be mined.
- An initial Heap Leach Operation (Phase I) for the leached, the oxide and the enriched mineralization, followed by a Sulphide Milling Operation (Phase II), for the primary and the enriched sulphide.

The latter was considered to be the more favourable scenario and more attention was paid to the Phase I of the second scenario.

Phase I included the development and operation of a heap leach operation that would run for seven years, whereas Phase II was to include a 30,000 t/d concentrator operation that would run for 15 years. The total projected mine life was 23 years.

FDW concluded for the Phase I Heap Leach Operation, based on a copper price of \$1.00 per pound:

- The pre-tax Internal Rate of Return (IRR) was 20.6%. This was based on a seven year operation, an average production of 71.5 million pounds of cathode copper per year.
- An estimated total capital cost of \$94.5 million, including \$90.7 million for plant capital and \$3.8 million for working capital.
- The operating costs were in the range of \$5.55 per tonne of ore, and \$3.16 per tonne of ore mine.
- The projected Project profit averaged \$0.38 per pound of cathode copper over the seven year life.
- The processing of the oxide and enriched sulphide ore would include conventional crushing, agglomeration, heap leach and SXEW.

FDW concluded for the Phase II Milling Operation, based on a copper price of \$1.00 per pound and a gold price of \$390 per ounce:

- The estimated additional capital cost for the mill and tailings pond was \$165.2 million.
- The operating costs were in the range of \$5.49 per tonne of ore, and \$2.22 per tonne of ore mined.
- The average NSR for the concentrate was approximately \$6.66 per tonne of ore.
- The projected Project profit averaged \$1.44 per tonne of ore.
- The processing of the sulphide ore would require conventional crushing including primary crushing, SAG and ball milling, flotation and pressure filtration to produce a copper concentrate averaging 28% Cu.
- The overall pre-tax IRR for the Project (Phases I and II) was estimated at 11.6%, when the 30,000 tpd milling operation was started in year eight.

AMEC considers that the study summarized above is pertinent for the San Jorge project but the conclusions drawn are no longer relevant due to changes in metal prices, mineral processing technology and resource reporting requirements.

Conclusions

AMEC arrived at the following conclusions from its review of all available technical data for the San Jorge Property:

- The San Jorge Property is host to a significant sized copper-gold porphyry system, which is considered to be an advanced-stage exploration property.
- Resource estimates were completed on this mineralized system by both Simmerman in 1996 and Cobre Mantua S.A. in 1998. Both of these estimates are considered by AMEC to be noncompliant to current CIM Best Practice standards, and are therefore not NI 43-101 compliant. Because of the validation work undertaken by the Corporation in 2006 and 2007, AMEC is comfortable in using the historic data for resource estimation purposes.
- Based on the information reviewed by AMEC, the drilled portion of the San Jorge porphyry system has been relatively well-defined although the system has not been closed in all directions. There are also a number of regional geophysical targets that require further evaluation and follow-up exploration.
- AMEC believes that the structural geology of the deposit requires further definition as the mineralization appears to follow structural trends. Although the general hypogene grade of the deposit is low, there are discrete areas of higher-grade hypogene material, which appear to be associated with faulting. Superimposed on the hypogene mineralization is a supergene-enriched zone, an oxide zone and a poorly-developed leached cap. The supergene-enriched zone, is characterized by chalcocite, digenite and covellite,

and like the hypogene-enriched zones, is better developed in, and proximal to, the main fault zones. The oxide zone, which is dominated by malachite and chrysocolla mineralization, and the leached zone have a greater lateral persistency.

- AMEC believes that the north-northeast-trending fault systems were the main influence on the distribution of mineralization, and were the principal conduits for the hydrothermal fluids. However, the interplay between the north-northeast, east-west and northwest systems also appears to have had a significant influence on the distribution of mineralization. Associated with the main fault zones and the regions where interplay occurs are the zones of higher-grade hypogene, supergene-enriched and often oxide mineralization.
- AMEC estimated NI 43-101 compliant Measured, Indicated and Inferred mineral resources. The measured and indicated resources estimated by AMEC, using a 0.3% TCu cut-off grade are: 115,076,000 tonnes grading 0.504% TCu and 0.204 ppm Au, for all ore types.
- The previously completed metallurgical test work and studies establish the amenability of the oxide mineralization to a heap leaching approach and the primary sulphides to flotation concentration. The testing indicates that the secondary sulphides would probably be amenable to bacterial heap leaching, but excessively long leach durations would be necessary to achieve total copper extractions greater than 80%. Heap leaching of the copper would not allow recovery of the gold mineralization.
- The processing concepts advanced by FDW in their 1997 pre-feasibility study provides a basis for an overall project concept, and a point from which to move forward. AMEC has further reviewed the 1997 pre-feasibility data and suggested that the use of heap aeration, which is a development in both mixed ore and sulphide leaching, should be integrated into future testing and design studies. Furthermore, testing for heap leaching should be designed to better define copper production rates and acid consumptions from the various ore types. Potential copper losses in solution stacking should also be investigated. Optimization of copper extractions, based on various crushing sizes will also be important. Larger scale leach tests will be needed to permit industrial scale design criteria to be formulated.
- Only limited testing has been completed for a second phase of development, where primary sulphides would be concentrated by flotation for sale to a smelter. Full process development for a flotation plant design would require a much more extensive investigation covering both variability in ore types and development of metallurgical solutions.
- Several untested I.P. and resistivity geophysical targets occur in the vicinity of the San Jorge porphyry and these should be further reviewed to establish their potential as a drill target.

Recommendations

AMEC recommends that the San Jorge porphyry copper system be evaluated in a phased, results driven program. This approach would allow the Corporation to fully assess the San Jorge Property in stages, before committing to subsequent expenditures. AMEC considers that the San Jorge Property is of sufficient merit to warrant at least Phase I of the evaluation.

Phase I

The main objective of Phase I is to update the FDW 1997 pre-feasibility study utilizing the April 2007 resources and current market conditions. Phase I also includes the provision for a significant in-fill and step-out drill program targeting the existing and potential oxide and enriched resources, as well as conducting hydrogeological and geotechnical studies. It is envisioned that the necessary work to advance the Environmental Impact Study (EIS) will also commence. AMEC recommends infill drilling for detailing primary domain areas and an extensive study to better define the mineralization controls for copper and gold. AMEC believes the potential exists to upgrade 60 Mt of inferred resources to indicated or measured categories.

The estimated cost of the Phase 1 program is approximately \$3,930,000.

Corporation's costs:	\$815,000
Baseline Study:	\$75,000
- Archaeological assessment - Socio economic assessment - Environmental assessment (flora, fauna, hydrology, etc.).	
Waste Acid Generation Assessment:	\$15,000
Preliminary Feasibility Study:	\$1,400,000
- Mine Engineering: pit optimization and production plan - Metallurgical Testwork: column testwork for oxides and enriched material - Engineering Studies - Plant Design - Initial Facilities Layout - Determination of Capital and Operating costs - Infrastructure Studies: access roads, power, acid supply, and water requirements	
Geotechnical: field work, surveying and drilling:	\$300,000
Hydrogeological Investigations and Drilling:	\$425,000
Environmental Impact Study:	\$200,000
Infill Drilling, oxide and enriched resources only:	\$700,000
- Including condemnation and exploration drilling	
Total:	\$3,930,000

Phase II

Contingent upon the results of Phase I, a second work phase may or may not have to be implemented. If Phase I indicates that the project is economically viable and substantiates and expands upon the current resources, then an updated mineral resource and mineral reserve estimate which complies with both the CIM definitions as incorporated by reference in NI 43-101 and the requirements of NI 43-101 reporting would be prepared, subsequent to, or in conjunction with the preparation of the final feasibility study.

The estimated cost of the Phase II program is approximately \$2,375,000.

Corporation's costs:	\$1,050,000
Infill Drilling, oxide and enriched resources only:	\$200,000
(including condemnation and exploration drilling)	
Final Pit Optimization and Production Plan:	\$75,000
Additional Metallurgical Testwork:	\$250,000
(feasibility scale column testwork for oxides and enriched material)	
Environmental Impact Study:	\$250,000

Feasibility Study for Cathode Production: \$550,000

- Final Plant Design
- Final Facilities Layout
- Determination of Capital and Operating costs

Total: \$2,375,000

Mexico Properties

The Corporation has options to acquire two non-material properties in Mexico.

Cordero-Sanson Property

The Cordero-Sanson Property is located approximately 220 km south of the city of Chihuahua, and approximately 40 km northeast of the town of Hidalgo de Parral. Cordero comprises a 332 ha claim block that has been optioned by Coromex, and which contains the Cordero polymetallic prospect, from which historic artisanal underground mining has taken place; and a surrounding, wholly Coromex owned claim block, which contains the Sanson porphyry molybdenum prospect. The optioned property comprises the Herrera claims and the Jandrina claims covering the Cordero Property.

Coromex has obtained an option to acquire a 100% interest in the Herrera claims from a Mexican individual, Mr. Eloy Herrera through a Purchase Agreement for Mineral Concessions dated February 21, 2006. To purchase the mineral concessions, which cover 277 ha, Coromex must make a series of escalating payments to the owners totaling \$990,781 with the final payment due on, or prior to the fourth anniversary of the agreement in the following schedule: \$20,781 on signing (paid); \$30,000 on or before August 22, 2006 (paid); \$50,000 on or before February 22, 2007 (paid); \$200,000 on or before February 22, 2008; \$220,000 on or before February 22, 2009; and \$470,000 on or before February 22, 2010. A 1.0% NSR is payable on production from the property.

Coromex has obtained an option to acquire a 100% interest in the Jandrina claims from a private Mexican company Jandrina S. De R.L. through a Purchase Agreement for Mineral Concessions dated February 21, 2006. To purchase the mineral concessions, which cover 390 ha, Coromex must make a series of escalating payments to the owners totaling \$2,000,000 with the final payment due on, or prior to the fourth anniversary of the agreement in the following schedule: \$25,000 on signing (paid); \$37,500 on or before August 22, 2006 (paid); \$37,500 on or before February 22, 2007 (paid); \$200,000 on or before February 22, 2008; \$250,000 on or before February 22, 2009; and \$1,450,000 on or before February 22, 2010. A 2.0% NSR is payable on production from the property, out of which 1% may be acquired for \$1,000,000.

On both the Herrera and Jandrina claim groups, the owners are permitted to continue their existing artisanal scale mining activities in the amount of 200 tonnes per day for the period of the option (with an ability to continue thereafter in certain circumstances), and with penalties payable by Coromex to them in the event of early exercise of the option.

A small internal claim, covering part of the known mineralization at Cordero, is owned by a third party.

Coromex has staked the 100% owned Sanson mining claim, covering 9210 ha, surrounding the Herrera and Jandrina claim groups.

Mining activity in the Cordero Property commenced in the 17th century as small scale artisanal mining of bonanza grade silver. Estimated historical production amounts to some 250,000 tonnes of high grade silver, lead, zinc and minor gold and copper from narrow veins mined to shallow depths. Between 1978 and 1980, SEDEMEX a Mexican/French government assistance company completed surface exploration and two DD holes. The Consejo de Recursos Minerales, a Mexican governmental institution conducted several visits to the property in the past three decades in order to provide technical assistance to the owners. This work included underground sampling and limited resource estimates for individual veins. In 1998, Apex Silver Mines Limited ("Apex") optioned the Herrera

and Jandrina claim groups, completed surface exploration and drilled 12 DD holes and six RC holes. Apex relinquished their option in 2001.

SEDEMEX carried out surface exploration on the Sanson Property and reportedly drilled 8 DDHs. The collars of seven of the holes have been located in the field and core for seven holes has been re-logged by Coromex. Unfortunately, it has not proved possible to relate drill core to drill collars, and Coromex's attempts to locate the results of the SEDEMEX work in France and Mexico have been unsuccessful. In 2000, Penoles staked the area covering the Sanson Property, reportedly for precious metals. They drilled seven drillholes, but results of this work have not been published. Penoles' claims lapsed in 2003.

Exploration Summary

Since entering into the agreements to acquire the Cordero-Sanson Property, the Corporation has completed various evaluation activities of the Cordero-Sanson Property, including geological mapping, soil geochemistry, IP surveying, bulldozer trenching, and re-assaying of drill core and RC reject samples. The qualified person under NI 43-101 for the work carried out at the Cordero-Sanson Property is Alan Stephens.

Mineralization at Cordero comprises disseminated and veinlet pyrite, sphalerite, galena and argentite developed in several east north east oriented calcite vein swarms, hosted by a dacite porphyry intrusive. Each of these swarms has been shown to be up to several hundred meters in length. The orebodies worked historically and up to the present day are developed on the higher grade portions of these vein swarms, where high to bonanza grade silver was the only recovered metal. Sanson consists of a 1500 m diameter dome that was formed by the diapiiric intrusion of a single quartz monzonite porphyry into (and uplifted) the host sediments. The metasomatically altered sediments are partially eroded such that they are frequently less than 30 m thick but form an almost complete roof pendant over the intrusive. Weak to moderate quartz MoS₂ stockwork mineralization was encountered in three of the unlocatable SEDEMEX holes, and weak to moderate quartz stockworking with partially leached Mo mineralization, has been uncovered in MCAL trenching on the south side of the interpreted intrusive centre.

A total of 543 grid soil samples were taken on a 100 m x 100 m grid at Cordero and a 200 m by 100 m at Sanson. Samples were taken by Coromex personnel, who also supervised the chain of custody to the laboratories. All Cordero prospect samples were assayed by ICP at ALS Chemex in North Vancouver, Canada, while Sanson Property samples were assayed for Au, Ag, Cu, Mo, Pb, & Zn by atomic absorption spectrometry at Geoquímica de México, Chihuahua, México.

Well defined Ag (>8 ppm) and Pb (>1000 ppm) anomalies characterise the ENE oriented vein swarms at Cordero while a plus 40 ppm Mo anomaly characterises the central portion of Sanson.

A total of eight IP lines were run on the property, 4 each at Cordero and Sanson, by Seismocontrol SA de CV, an independent Mexican geophysical contractor in late 2006. A final report from the contractor is expected shortly, and this will then be sent for review by an experienced consultant.

A total of four trenches for 3128 m were completed at the Cordero Property and four trenches for 940 m at Sanson. Some samples were prepared at SGS Durango and assayed at SGS Toronto, while the remainder were prepared at Geoquímica de México and assayed at ALS Chemex, La Serena, Chile by ICP. Coromex personnel, supervised the chain of custody from the sample site to the laboratory. One in 10 samples were re-assayed at third party labs and results are awaited. No standards or blanks were employed. Assay results are available for three of the four Cordero trenches, and significant intersections are included below.

Cordero Trenches Intersections >15m and >\$10/t in situ value (\$0.65/lb Zn, \$0.40/lb Pb, \$10/oz Ag, \$550/oz Au)										
Hole	From	To	m	%Zn	%Pb	%Zn + Pb	g/t Ag	g/t Au	\$/t	Type
Trench 1	30.0	52.0	22.0	0.44	0.06	0.50	13	0.10	\$12.78	Trench
Trench 3	56.0	70.0	14.0	0.31	0.17	0.48	47	0.02	\$21.26	Trench
Trench 3	180.0	234.0	54.0	0.10	0.15	0.25	81	0.06	\$30.02	Trench
Trench 3	274.0	298.0	24.0	0.03	0.22	0.25	51	0.04	\$19.21	Trench
Trench 3	926.0	1058.0	132.0	0.55	0.23	0.78	18	0.05	\$16.52	Trench
Weighted Average			49.2	0.38	0.19	0.57	36	0.05	\$19.68	

The Sanson trenches returned only weak to insignificant molybdenum mineralization, but the area trenched is now interpreted to be peripheral to the centre of the system.

At Cordero, a total of ten DDH's (eight Apex and two SEDEMEX) for 780 samples, as well as six RC holes for 983 samples, were re-sampled and re-assayed. Two DD holes were not re-assayed as original Apex assays were available, and no core was available for the other two DD holes. At Sanson, 2 of the Sedemex holes were re-sampled and re-assayed. Due to laboratory congestion, some samples were prepared at SGS Durango and assayed at SGS Toronto by ICP, some were prepared and assayed at Geoquímica de México by AAS for selected elements, and the remainder prepared at Geoquímica de México and assayed at ALS Chemex, La Serena, Chile by ICP. One in 10 samples were re-assayed at third party labs and results are awaited. No standards or blanks were employed. Coromex personnel, supervised the chain of custody from the sample site to the laboratory, and conducted all re-sampling of prior drill core and RC reject chips. Mineralized sections of existing half core from the Apex drilling were split with a guillotine, and continuous samples taken every 2 m. Existing RC rejects from the Apex drilling were carefully cone and quartered by Coromex staff at site, in order to homogenise samples and avoid sulphide settling issues; a split was then sent for re-assay, as per their original assay intervals, (with those few sample bags that had deteriorated being re-bagged as necessary, and care being taken to avoid cross contamination). All core and remaining RC rejects have been stored and inventoried at a padlocked storage facility at the Cordero site. Significant intersections, greater than 15 m width, obtained from this re-assaying program are shown in the table below.

Cordero Re-assaying Intersections >15m and >\$15/t in situ value (\$0.65/lb Zn, \$0.40/lb Pb, \$10/oz Ag, \$550/oz Au)										
Hole	From	To	m	%Zn	%Pb	%Zn + Pb	g/t Ag	g/t Au	\$/t	Type
COR-09	121.5	229.5	108.0	0.42	0.44	0.85	40	0.18	\$26.10	RCH
COR-16	195.7	281.2	85.5	1.14	0.10	1.24	10	0.07	\$21.74	DDH
COR-06	172.5	247.5	75.0	0.32	0.47	0.79	47	0.09	\$25.57	RCH
COR-01	165.1	229.0	63.9	0.99	1.21	2.19	70	0.15	\$49.83	DDH
COR-10	124.5	165.0	40.5	0.74	0.52	1.25	51	0.08	\$32.83	RCH
COR-17	79.7	116.5	36.8	0.44	0.29	0.73	19	0.04	\$16.00	DDH
Sedemex2	28.8	64.8	36.0	0.16	0.16	0.32	54	0.02	\$21.52	DDH
COR-08	199.5	234.0	34.5	0.35	0.49	0.84	40	0.12	\$24.41	RCH
COR-01	120.1	150.1	30.0	2.10	0.08	2.18	12	0.11	\$36.41	DDH
COR-07	151.5	174.0	22.5	0.72	0.29	1.01	20	0.05	\$20.01	RCH
COR-11	72.0	91.5	19.5	0.55	0.43	0.98	37	0.06	\$24.65	RCH
COR-17	204.5	224.0	19.5	0.84	0.57	1.41	37	0.05	\$29.85	DDH
COR-06	28.5	46.5	18.0	0.06	0.38	0.44	57	0.05	\$23.38	RCH
COR-08	129.0	147.0	18.0	0.33	0.42	0.75	36	0.15	\$22.57	RCH
Sedemex1	211.9	228.1	16.2	0.59	0.10	0.69	20	0.05	\$16.57	DDH
COR-08	97.5	112.5	15.0	0.40	0.66	1.06	35	0.19	\$26.29	RCH
Weighted Average			39.9	0.66	0.43	1.09	38	0.10	\$27.25	All

The results of this re-assaying program at Cordero, together with the soil sampling, mapping and trenching results, indicate that potentially interesting polymetallic mineralization is present in the vein swarms. Higher silver values are associated with lead whereas zinc dominant mineralization is usually silver poor.

The two most visually mineralised of the unlocatable Sanson Sedemex drillcores were re-sampled and re-assayed at ALS Chemex North Vancouver, Canada by ICP61. These returned the following results: Hole S1; 67.0 to 142.15 m, 75.15 m at 0.031% Mo; and Hole S4: 19.4 to 93.7 m, 74.3 m at 0.033% Mo.

In combination with the mapping, soil sampling and trenching, these results indicate that potentially interesting molybdenum porphyry style mineralization may be present at the Sanson Property.

Further exploration work, involving drilling, is required to assess the potential of the Cordero-Sanson Property. The Corporation has developed a 12 month preliminary exploration budget of \$0.4 million that provides for the continued exploration and evaluation of the property.

Phelps Dodge Agreement

The Corporation has entered into a Data Use Agreement (the "Phelps Dodge Data Use Agreement – Mexico") with Phelps Dodge dated May 20, 2005, pursuant to which Phelps Dodge has granted the Corporation access to its database of proprietary geophysical, geologic, geochemistry, maps, data reports and other files on various properties in Mexico and Central America for a period of 36 months. Pursuant to the Phelps Dodge Data Use Agreement – Mexico, Phelps Dodge has a back-in right to acquire an undivided 70% of the Corporation's interest in any property which the Corporation may acquire within the areas of Mexico and Central America covered by the Phelps Dodge Data Use Agreement – Mexico which has a minimum of 2 million tonnes of contained copper, of which a minimum of 1 million tonnes must be in the measured mineral resource or indicated mineral resource categories. The back-in right will expire on May 20, 2009. If Phelps Dodge exercises its back-in right, Phelps Dodge and the Corporation have agreed to enter into a joint venture agreement for the development of the particular property.

The Corporation's Cordero-Sanson Property in Mexico is subject to Phelps Dodge's back-in right.

Mining in Chile and Argentina

Chile

Overview

Mining is by far the most important economic sector in Chile, with exports of all minerals accounting for an estimated 63.7% of its total exports on an annual basis in 2006. Copper alone accounted for 56.5% of the total. Chile is the world's largest producer of copper, accounting for 36% of world copper production at 5.45 million tonnes in 2006. Production is forecast at 5.7 million tonnes in 2007 according to Brook Hunt. In 2006, three of the five largest copper mines in the world, and six of the 10 largest, were located in Chile.

Management of the Corporation believes that Chile's strategic location, strong mining code, progressive taxation regime, excellent infrastructure and experienced and knowledgeable workforce make it a favourable mining location for copper production.

Regulatory and Legal Environment

Chile enacted provisions in its 1980 Constitution to stimulate the development of mining, while at the same time guaranteeing the property rights of both local and foreign investors. While the state owns all mineral resources, exploration and exploitation of these resources is allowed via mining concessions, which are granted by the courts. A Constitutional Organic Law, enacted in 1982, sets out that certain rights and obligations may attach to concessions, such as the right to mortgage or transfer concessions and the entitlement of the holder to explore (pedimentos) as well as to exploit (pertenencias). A concession is obtained by filing a claim and includes all minerals that may occur within the area covered by the concession. The holder of a concession also has the right to defend its interest against the state and third parties.

The Chilean foreign investment and taxation regime applicable to mining companies is one of the most progressive in Latin America. Mining investment by foreign companies is protected by either the Foreign Investment Statute or the Foreign Exchange Regulations, both of which set forth the rights of foreign companies investing in Chile, including the right to repatriate capital free of levies to home jurisdictions. Mining companies pay an income tax of 17% at the time that income is earned and a further 18% tax upon remittance of income. On May 27, 2005, the former Chilean government enacted a royalty regime which applied a graduated royalty tax based on the taxable operating income of a mineral producer, based on the following scale.

<u>Annual Production of Copper (Tonnes)</u>		<u>Applicable Royalty Rate</u>
<u>From</u>	<u>To</u>	
0	12,000	0.0%
12,000	15,000	0.5%
15,000	20,000	1.0%
20,000	25,000	1.5%
25,000	30,000	2.0%
30,000	35,000	2.5%
35,000	40,000	3.0%
40,000	50,000	4.5%
50,000	and above	5.0%

Environmental Regulation

The following summary is based upon Chile's Environmental Law and the regulations regarding environmental impact studies. Chile's Environmental Law N° 19,300, which regulates all environmental activities in the country,

was first published on March 9, 1994 (CONAMA, 1994). This is documented in Article 8 of the environmental law and is referred to as the *Sistema de Evaluación de Impacto Ambiental* (“SEIA”).

The SEIA is administered and co-ordinated on both regional and national levels by the *Comisión Regional del Medio Ambiente* (“COREMA”) and the CONAMA, respectively. The initial application is generally made to COREMA, in the corresponding region where the property is located; however, in cases where the property might affect various regions, the application is made directly to the CONAMA. Various other Chilean government organizations are also involved with the review process, although most documentation is ultimately forwarded to CONAMA, who are the final authority on the environment and are the organization that issues the final environmental permits. There are two types of environmental reviews: an Environmental Impact Statement (*Declaración de Impacto Ambiental*, or “DIA”), and an Environmental Impact Assessment (*Evaluación de Impacto Ambiental*, or “EIA”). As defined in the SEIA, one of these must be prepared prior to starting any mining and/or development project (including coal, building materials, peat or clays) or processing and disposal of tailings and waste. However, in the new regulations for SEIA, published on December 7, 2002, an amendment to the law was passed (Article 3, section i) whereby work described as exploration for minerals was exempted from the filing of either a DIA or an EIA (MSGPR, 2002). The definition of exploration for minerals in the context of this regulation is, “actions or works leading to the discovery, characterization, delimitation and estimation of the potential of a concentration of mineral substances which may eventually lead to a mine development project”.

A DIA is prepared in cases when the applicant believes that there will be no environmental impact as a result of the proposed activities. Areas of potential impact include health risks, contamination of soils, air and/or water, relocation of communities or alteration of their ways of life, proximity to endangered areas or archaeological sites, alteration of the natural landscape, and/or alteration of cultural heritage sites. The DIA will include a statement from the applicant declaring that the project will comply with the current environmental legislation, and a detailed description of the type of planned activities, including any voluntary environmental commitments that might be completed during the project.

An EIA will be required if any one of the above potential impact areas is actually affected. The EIA report is much more detailed and includes a table of contents, an executive summary, a detailed description of the upcoming exploration program or study, a program for compliance with the environmental legislation, a detailed description of the possible impacts and an assessment of how they would be dealt with and repaired, a baseline study, a plan for compensation (if required), details of a follow-up program and a description of the EIA presentation made to COREMA or CONAMA.

Once an application is made, the review process by COREMA or CONAMA will take a maximum of 120 days. During this time, the public may make comments or observations in respect of EIA applications. No similar public review process applies to DIA. If the application is approved, an environmental permit is awarded and the exploration or development can commence. However, if COREMA or CONAMA comes back with additional questions or deficiencies, an equal period of time is granted to the applicant to make the appropriate corrections or additions. Once re-submitted, if no further notification from COREMA or CONAMA is received after 60 days, the application is assumed to be approved.

Argentina

Overview

Management of the Corporation believes that Argentina’s strategic location, strong mining code, progressive taxation regime, excellent infrastructure and experienced and knowledgeable workforce make it a favourable mining location for copper production. Notwithstanding the foregoing, in December 2006 legislation was proposed, but not passed, in the Province of Mendoza, Argentina which would have had the result of suspending the granting of new prospecting, exploration and mining licences, pending the drafting and approval of an environmental plan in accordance with the requirements of 14-year old provincial legislation (see “Risk Factors – Foreign Political Risk – Argentina”).

Mining Code

The rights, obligations, and procedures for the acquisition, exploration, exploitation, and use of mineral substances in Argentina are regulated by the National Mining Code (the “Mining Code”). The Mining Code establishes three classes of minerals, two of which are: (i) the main metalliferous substances such as gold, silver, copper, lead, etc. whose ownership is vested in the government, which in turn grants exploitation concessions to private companies; and (ii) the other metalliferous substances, earthy minerals, industrial minerals, etc. that belong to the land owner. Creek bed and placer deposits, as well as abandoned tailings and mine waste rock deposits, are included in the latter mineral class.

Exploration

Among other functions, the Mining Code constitutes the system to obtain exploration rights or concessions. Characteristics of an exploration concession, referred to as a *cateo*, include:

Exclusivity – the holder of the claim (“*cateo*”) has rights to any mineral discoveries made by a third party within the boundaries of the *cateo*.

Extent – *cateos* are measured in 500 ha units, or fractions thereof. No single *cateo* may exceed 10,000 ha (20 units), and no person may hold more than 200,000 ha (20 *cateos*) in a single province. The exploration area between *cateos* may be contiguous or separated.

Time – the holder of a *cateo* must assess the mineral potential within his exploration boundary and apply for an exploitation right within a time period based on the size of the *cateo*. The exploration term is 150 days for the first 500 ha (1 unit) or fraction thereof, and an additional 50 days for each additional unit or fraction thereof within the *cateo*. After 300 days, 50% of the exploration area over 2,000 ha (4 units) within the *cateo* must be relinquished. At 700 days, 50% of the remaining area must be dropped. Time extensions may be granted to allow for inclement weather, difficult access, etc.

Work – the holder of a *cateo* must present to the mining authority a minimum exploration work program and schedule. The *cateo* may be revoked if the requirements of the work program and schedule are not met. A single-time fee of ARS\$400 (400 Argentina Pesos) per 500 ha (1 unit) must be paid upon application for a *cateo*.

Exploitation

The Mining Code also regulates exploitation rights (mining concessions). Priority for receiving a mining concession is given to the registered discoverer of the mine, i.e., the holder of the *cateo*. A mining concession unit area, or *pertenencia*, is 6 ha for common mineral deposits and 100 ha for disseminated mineral bodies; each mining concession may consist of one or more *pertenencias*. The application to the mining authority must include official cartographic coordinates of the mine location and of the reconnaissance area, and a sample of the mineral discovered. The reconnaissance area, which may be as much as twice the surface area projection of the mine, is intended to allow for the geological extent of the ore body and for site layout and development. Excess area is released once the survey plans are approved by the mining authority.

Once the application for a mine has been submitted, the holder of the exploitation concession may commence the mining operation. Any person opposed to the mine operation, whether a holder of an overlapping *cateo*, a land owner disputing the existence of the ore deposit or the class of the economic mineral, or a partner in the discovery who claims to have been neglected, must publicly register his opposition to the operation in the *Boletín Oficial* or official publication of the mining authority. Within 100 days of officially registering his opposition, the person opposed to the mining operation must present the legal work to support his claim against the location, nature, or assignment of the exploitation concession.

Within 30 days after the resolution of any dispute against the location, nature, or assignment of the mining concession, the holder of the exploitation concession must submit a legal survey of the properties (lots) requested for the mine, within the maximum property limits allowed by the Mining Code. The request is published in the *Boletín*

Official and may also be subject to dispute. Approval and registration of the legal survey request by the mining authority constitutes formal title of the mining property.

New exploitation concessions may also be awarded for mines that were abandoned or for which their original exploitation concessions were declared to have expired. In such cases, the first person claiming interest in the property will have priority. A new exploitation concession will be awarded, for the mine in the condition left by the previous holder, after payment of the royalties owed since abandonment or expiry of the previous concession.

The mining operation must fulfill three conditions as part of its exploitation concession: (i) payment of mining canons; (ii) provision of minimum investment; and (iii) reactivation of the mine if it is shut down for more than four years, if so demanded by the mining authority.

Mining canons are paid to the state (national or provincial) under which the exploitation concession is registered, and are paid in equal instalments twice yearly. A mining operation that has not paid its canons within two months of the due date will be served a notice by the mining authority. The exploitation concession under which the mine operates will expire if the overdue canon has not been paid within 45 days of the notice. The canon is set by national law (presently Law No. 24.224 of the Mining Reorganization) according to the category of the mine. In general, the canon due per year is ARS\$80 per 6 ha *pertenencia* for common ore bodies held by the exploitation concession, or ARS\$800 per 100 ha *pertenencia* for disseminated ore bodies. The discoverer of the mine is exempt from paying canons for three years from the date on which formal title was awarded to the mine.

The holder of the exploitation concession must also commit to investing in the fixed assets of the property to a minimum of at least 300 times the value of the annual mining canon, over a period of five years. In the first two years, 20% of the total required investment value must be made each year. For the final three years, the remaining 60% of the total required investment may be distributed in another manner. The exploitation concession expires if the minimum required investment schedule is not met. If the exploration or exploitation works at the mine are suspended for more than four years in a row, the mining authority can require the holder of the concession to prepare and undertake a plan to activate or reactivate work. Such work must be completed on the property within five years. Failure to present or complete the plan will result in the expiration of the mining concession.

A new mining operation is entitled to national, provincial, and municipal tax exemptions for five years. The exemptions commence with the awarding of formal title to the mine. Mining Investment Law N° 24.196 has established a 30-year guarantee of fiscal stability for new mining projects and/or extension of existing projects which applies retroactively, once approved, to the date of presentation of the feasibility study for the project. This law was enacted in an effort to draw foreign investors into the country following the economic crisis. The law allows for accelerated depreciation of capital goods, deductions in exploration costs, and access to machinery and equipment at international prices. Depreciation of infrastructure occurs over a three year time period (60% depreciation in the first year, 20% in the second and 20% in the third) while all other depreciation occurs in a straight line method of 33.33%. The major taxes that affect the mining sector are National Income Tax (35%), Gross Revenue Tax (1% of revenue (depending on province)) and Mining Royalties (3% net smelter return (depending on province)).

Environmental Regulation

The Environmental Protection Mining Code of Argentina, enacted in 1995, requires that each Provincial government monitor and enforce the laws pertaining to sustainable development and protection of the environment. A party wishing to commence or modify any mining-related activity as defined by the Mining Code, including prospecting, exploration, exploitation, development, preparation, extraction, and storage of mineral substances, as well as property abandonment or mine closure activity, must prepare and submit to the Provincial Environmental Management Unit ("PEMU") an *Informe de Impacto Ambiental* or Environmental Impact Assessment ("EIA") prior to commencing the work. Each EIA must describe the nature of the proposed work, its potential risk to the environment, and the measures that will be taken to mitigate that risk. The PEMU has a 60-day period to review and either approve or reject the EIA. However, the EIA is not considered to be automatically approved if the PEMU has not responded within that period. If the PEMU deems that the EIA does not have sufficient content or scope, the party submitting the EIA is granted a 30-day period in which to resubmit the document.

If accepted by the PEMU, the EIA is used as the basis to create a *Declaración de Impacto Ambiental* or Declaration of Environmental Impact (“DEI”) to which the party must swear to uphold during the mining-related activity in question. The DEI must be updated at least once every six months. Sanctions and penalties for non-compliance to the DEI are outlined in the Environmental Protection Mining Code, and may include warnings, fines, suspension of environmental Quality Certification, restoration of the environment, temporary or permanent closure of activities, and removal of authorization to conduct mining-related activities.

USE OF PROCEEDS

The net proceeds to the Corporation from the Offering after deducting the Agents’ Commission of CDN\$● and the expected costs of the offering of CDN\$400,000 will be CDN\$●. The Corporation intends to spend the net proceeds as follows (the amounts are expressed in thousands):

Exploration, Scoping Study and Pre-Feasibility Study on Barreal Seco property ⁽¹⁾	CDN\$3,750
Pre Feasibility Study and Feasibility Study on San Jorge Property ⁽²⁾	CDN\$7,000
Remaining property option payments due in 2007	CDN\$875
General and administrative expenses	CDN\$1,500
General working capital	CDN\$●
TOTAL:	CDN\$●

- (1) See “Business and Properties of the Corporation – Chile Properties – Barreal Seco Property – Recommendations”. The proceeds allocated are sufficient to complete Phase I and Phase II of the work program recommended by AMEC in the Barreal Seco Technical Report.
- (2) See “Business and Properties of the Corporation – Argentina Property – San Jorge Property – Recommendations”. The proceeds allocated are sufficient to complete Phase I and Phase II of the work program recommended by AMEC in the San Jorge Technical Report.
- (3) See “Business and Properties of the Corporation – Chile Properties – Barreal Seco Satellites – Salvadora/Flor de Lirio Property”, “Business and Properties of the Corporation – Chile Properties – Barreal Seco Satellites – Celeste Property”, “Business and Properties of the Corporation – Chile Properties – Gloria Property”, and “Business and Properties of the Corporation – Mexico Properties”.

Over the 12 months following completion of the Offering, the Corporation expects to incur approximately CDN\$1,500,000 in general and administration costs. An estimated breakdown of these costs (in thousands of dollars) is as follows:

Management consulting fees	CDN\$500
Legal	CDN\$100
Accounting and Audit costs	CDN\$100
Investor relations and shareholder communications	CDN\$100
Transfer agent and regulatory fees	CDN\$75
Office costs	CDN\$250
Travel	CDN\$200
Other	CDN\$175
Total	CDN\$1,500

The Corporation intends to spend the funds available to it as stated in this Prospectus; however, there may be circumstances where, for sound business reasons, including a determination by the Corporation not to proceed with

the Phase II work program on either of the Barreal Seco Property or the San Jorge Property, a reallocation of the funds may be necessary in order for the Corporation to achieve its stated business objectives. The actual use of net proceeds of the Offering will vary depending on the Corporation's operating and capital needs from time to time, and will be subject to the discretion of management of the Corporation.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following discussion and analysis should be read in conjunction with the consolidated financial statements and the related notes thereto which appear elsewhere in this Prospectus. The summary financial information for the Corporation for the past two financial periods ended December 31, 2006 included in this discussion is derived from and should be read in conjunction with and is qualified in its entirety by reference to the Corporation's audited consolidated financial statements, including the notes thereto, included elsewhere in this Prospectus.

The summary financial information for the Corporation for the three months ended March 31, 2007 included in this discussion is derived from and should be read in conjunction with and is qualified in its entirety by reference to the Corporation's unaudited consolidated financial statements, including the notes thereto, included elsewhere in this Prospectus.

For further information regarding the properties of the Corporation and the exploration conducted thereon which are included in this discussion and analysis, refer to "Business and Properties of the Corporation" elsewhere in this Prospectus.

1. Overview

Year to Date 2007 Highlights:

- Preliminary Prospectus filed March 29, 2007.
- Completion of NI 43-101 technical report for the San Jorge Property with a compliant resource statement (May 2007).
- Completion of an updated NI 43-101 technical report for the Barreal Seco Property incorporating updating the previous compliant resource statement (May 2007).
- Completed the assembly of an integrated mine team with proven track records in exploration, project development and operations supported by a strong independent Board of Directors.

Full Year 2006 Highlights:

- Entered into an option agreement to purchase the San Jorge Property in Argentina.
- Established a NI 43-101 technical report for the Barreal Seco Property and NI 43-101 technical report for the San Jorge Property, with a historical resource statement.
- Raised \$12.1 million in 2006 through private equity placements.
- Progressed towards establishing a pipeline of exploration projects in Chile & Mexico.

2. A Year in Review

First Quarter 2007 Review:

The primary focus in the first quarter of 2007 was to complete a NI 43-101 compliant resource statement for the San Jorge Property and to incorporate the additional drilling undertaken at the Barreal Seco Property, in the fourth

quarter of 2006, into a NI 43-101 amended technical report. Both of these resource statements were completed in the second quarter and these results have been incorporated elsewhere in this prospectus.

During the first quarter of 2007, the Corporation's development and operation team was augmented by the appointment of Jorge Tapia, Project Director (formerly with BHP Billiton in Chile); Jorge Irrazaval, Manager of Engineering (formerly with Aker Kvaerner Engineering); and Marcelo Cortes, Infrastructure and Environmental Manager (formerly with Antofagasta Minerals).

Twelve Months ended December 31, 2006 Review:

In 2006, the focus was to start to establish a mine development team. Juan Carlos Roman was hired as the Vice-President of Operations and Development. Mr. Roman was formerly the Vice President of Mining Management at Antofagasta Minerals and he has significantly enhanced the Corporation's mine development and operational capability in Chile.

The operational expertise of the Board of Directors was also enhanced with the appointment of Rod Webster, as an Independent Director. Mr. Webster brings over 30 years of operational mining expertise to the Board, and is currently the Chief Executive Officer of Weatherly International Plc. In addition, the Corporation fortified its exploration team with the hiring of Angelo Peri, Exploration Manager Chile-Argentina, formerly with CVRD and Phelps Dodge. With the aforementioned additions to the Corporation, the Corporation believes that it now has the internal capability of bringing a mineral resource project from "drill bit to production".

In Chile, the Corporation's exploration program resulted in formal option agreements being entered into on a number of properties of interest, including the Barreal Seco Property, the Salvadora and Celeste Properties and the Gloria Property. The Corporation also entered into an option agreement with Global to acquire the San Jorge Property. These option agreements are discussed in detail throughout this prospectus, as well as the Corporation's rights to the Cordero-Sanson Property in Mexico.

3. Expenditures

The following table details the Corporation's expenditures by quarter and year.

Table 1: Expenditures (\$000's)	Quarterly					Full Year	
	Q106	Q206	Q306	Q406	Q107	2005	2006
Gross exploration costs	\$737	\$545	\$4,094	\$3,003	\$1,935	\$644	\$8,379
Exploration costs capitalized	-	-	(2,790)	(1,234)	(706)	-	(4,024)
Net exploration costs expensed	737	545	1,304	1,769	1,229	\$644	4,355
Corporate costs	85	111	179	202	209	173	577
Depreciation and amortization	11	11	11	17	17	18	50
Interest income	(40)	(42)	(100)	(108)	(81)	(96)	(290)
Other expenses	18	29	20	(12)	-	1	55
Stock-based compensation	13	30	33	47	55	-	123
Net Loss	\$824	\$684	\$1,447	\$1,915	\$1,429	\$740	\$4,870

First Quarter 2007 Expenditures:

Gross exploration costs were significantly lower than the fourth quarter of 2006, due to the reduced exploration activity occurring at the San Jorge Property and the Barreal Seco Property. In the fourth quarter 2006, an extensive twinning drill program was undertaken at the San Jorge Property and drilling was ongoing at the Barreal Seco Property. In the first quarter of 2007, the Corporation's focus was on completing NI 43-101 technical reports with compliant resource statements for both the San Jorge Property and the Barreal Seco Property.

Reference should be made to the subsections 3.1 to 3.5 of this MD&A for a more detailed understanding of exploration costs. Consistent with twelve months ended December 31, 2006, the Corporation is only capitalizing costs associated with the San Jorge Property.

Corporate costs and depreciation are consistent with the fourth quarter of 2006. The reduction in interest income is consistent with the lower cash position during the first quarter of 2007 as a result of funding the Corporation's exploration activities. Other expenses are comprised predominantly of foreign exchange losses in Chile on revaluation of the Chilean Peso. Stock-based compensation has increased from the 2006 quarters as a result of options being issued to key members of the Corporation's development team.

Twelve Months ended December 31, 2006 Expenditures:

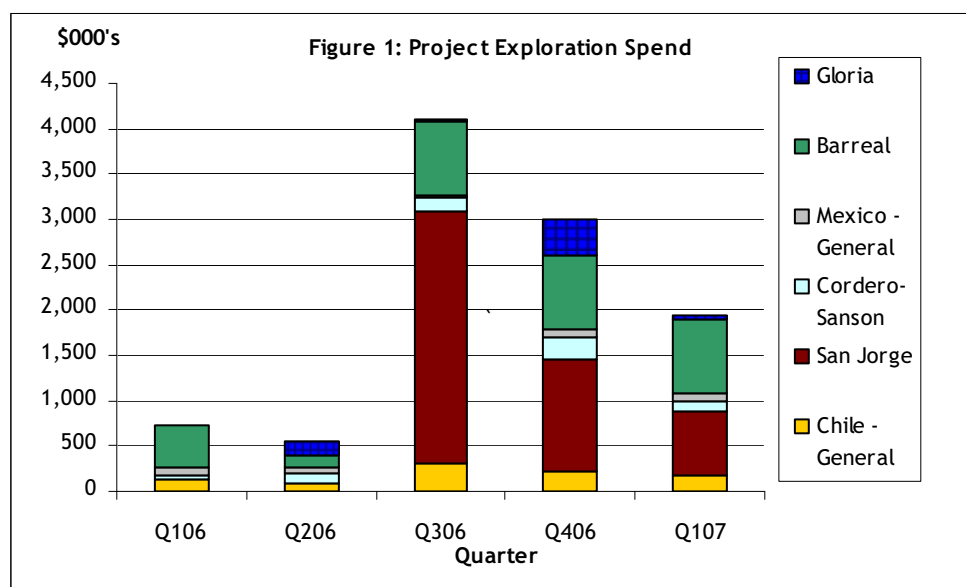
Exploration costs are discussed in more detail from subsection 3.1 onwards and reference should be made to these sections. Corporate costs increased in 2006, to \$0.6 million (2005: \$0.2 million) as a result of a full twelve months of corporate activity, and the compensation incurred for two additional officers of the Corporation (the Chief Financial Officer and Executive Vice President / Secretary). The granting of stock options commenced in 2006 to Directors, Officers and certain key employees. As a result, accounting charges associated with options were \$0.1 million. A full year activity coupled with increased exploration activities has resulted in depreciation increasing to \$50,000 in 2006 (2005: \$18,000).

The equity financings that occurred during 2006 (refer to section 5.3) resulted in an increased average cash balance year on year, which increased interest income to \$0.3 million (2005: \$0.1 million).

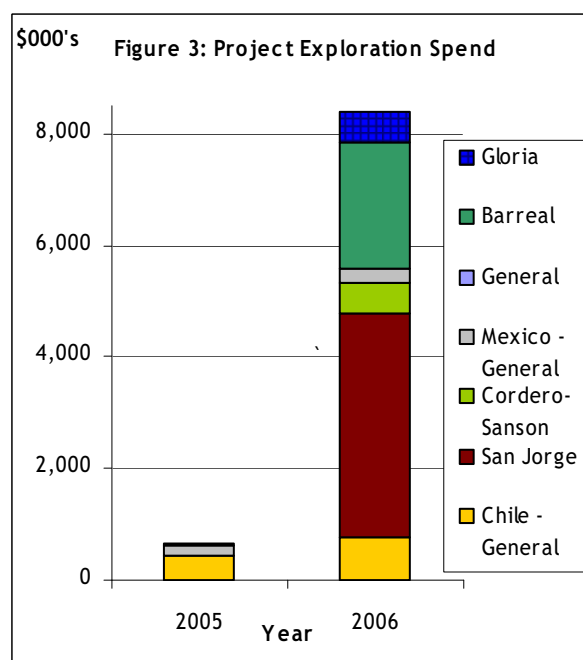
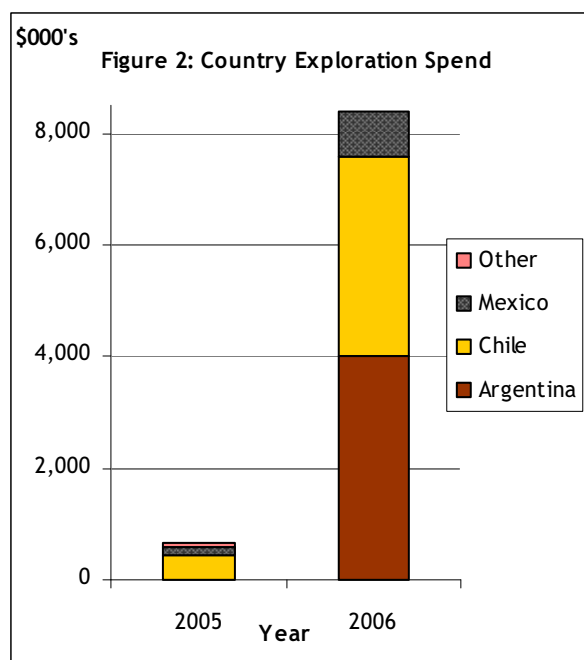
Other expenses increased to \$55,000 in 2006 and are predominantly comprised of the foreign exchange loss from Chile. This foreign exchange loss arises from the method of translation of the Chilean peso denominated expenses into the Corporation's U.S. dollar reporting currency and from a practical perspective should be viewed as an exploration expense.

3.1 Exploration Expenditures

Project Exploration Spend By Quarter:



Country and Project Exploration Spend by Year:



In 2006, exploration expenditures increased to \$8.4 million (2005: \$0.6 million). Of the total exploration spend, \$4.0 million (2005: \$0) of costs were capitalized in association with the San Jorge Property (optioned in August 2006), with the remaining \$4.4 million being expensed. In 2006, mineral property acquisition and option costs represented 45% of the total exploration expenditures.

3.2 San Jorge, Argentina

On August 9, 2006 the Corporation entered into an option agreement to purchase the San Jorge Property. The following table summarizes the quarter by quarter spend, annual spend and indicates the life to date ("LTD") spend on the project by the Corporation.

Table 2: San Jorge (\$000's)	Quarterly			Full Year	
	Q306	Q406	Q107	2006	LTD
Administration costs	\$43	\$ 162	\$223	\$205	\$428
Drilling & trenching	-	489	25	489	514
Labour costs	9	79	129	88	217
Property investigations	64	491	313	555	868
Property acquisition costs	2,669	-	-	2,669	2,669
Travel & accommodation	5	13	16	18	34
Gross exploration costs	2,790	1,234	706	4,024	4,730
Capitalized costs	(2,790)	(1,234)	(706)	(4,024)	(4,730)
Net Exploration Costs	\$ -	\$ -	\$ -	\$-	\$ -

First Quarter 2007 San Jorge Expenditures:

During the first quarter of 2007, the results from the 16 hole twin diamond drilling program undertaken at the San Jorge Property in 2006, were incorporated into the NI 43-101 compliant resource statement and technical report, discussed elsewhere in this prospectus.

Included within the \$0.7 million of costs for the San Jorge Property in the first quarter of 2007 are hydrological drilling costs associated with the baseline Environmental Impact Assessment. The Corporation also incurred \$0.3 million in property investigation costs which include costs associated with preparation of the NI 43-101 resource statement. Included within labour the costs are salary costs of the recently assembled development team.

The Corporation is maintaining contact with ministers and senior officials in the Province of Mendoza and Department of Las Heras. Subsequent to year end, opponents to mining in the Province attempted to place a moratorium on the issuance of new mining related permits, until a new environmental code governing this activity was passed by the legislature. This moratorium was vetoed by the Governor due to its unconstitutional nature. It is anticipated that a new environmental code will be enacted later this year, in all probability after the provincial elections, scheduled for October 2007. As the San Jorge Property is located in an area with no significant environmental issues and remote from any conflicting agricultural activities, management believes that the project, if shown to be viable in the feasibility study, will receive its operating permits.

It is the Corporation's intention to submit its Environmental Impact Study (EIS) subsequent to the elections and complete a Feasibility Study by early 2008. In the interim, the Corporation is being proactive in its approach to mitigating any permitting risk by continuing to communicate with local communities; closely working with both the Provincial and Departmental authorities to ensure all environmental and social concerns are addressed; maintaining contact with interested non-governmental organizations and adopting an open and transparent attitude with respect to the project development and its impact on the community.

Twelve Months ended December 31, 2006 San Jorge Expenditures:

During 2006, the Corporation incurred costs of \$4.0 million on the San Jorge Property, which have been capitalized. The total of \$4.0 million primarily includes option and acquisition costs of \$2.7 million, drilling and trenching costs of \$0.5 million and property investigation costs of \$0.6 million.

Acquisition payments were comprised of cash payments of \$0.3 million, the deemed value of the shares issued of \$0.4 million, the assumption of a future income tax liability of \$0.4 million, an accrual for the settlement of a legal dispute of \$0.4 million and \$1.1 million for an Indemnity and Release Agreement. Not included within the exploration expenses for the San Jorge Property is the purchase cost of the ranch (surface rights) surrounding the San Jorge Property, which has been recorded as land under property, plant and equipment.

During the fourth quarter of 2006, a 16 hole twin diamond drilling program was undertaken at the San Jorge Property to bring the historical resource into NI 43-101 compliance. An additional 15 hole drilling program was also undertaken to gather metallurgical samples for feasibility level column testing.

3.3 Barreal Seco and satellite properties, Chile

The following table summarizes the quarter by quarter spend, annual spend and indicates the life to date spend on the project by the Corporation.

Table 3: Barreal Seco (\$000's)	Quarterly					Full Year	
	Q106	Q206	Q306	Q406	Q107	2006	LTD
Administration costs	\$3	\$3	\$6	\$36	\$9	\$48	\$57
Drilling & trenching	-	19	617	292	13	928	941
Labour costs	1	54	47	137	101	239	340
Property investigations	40	67	58	264	316	429	745
Property acquisition costs	430	-	58	50	361	538	899
Travel & accommodation	3	7	29	29	8	68	76
Gross exploration costs	477	150	815	808	808	2,250	3,058
Capitalized costs	-	-	-	-	-	-	-
Net Exploration Costs	\$477	\$150	\$815	\$808	\$808	\$2,250	\$3,058

First Quarter 2007 Barreal Seco Expenditures:

During the first quarter of 2007 the Corporation incurred \$0.8 million in exploration expenses associated with the Barreal Seco Property and its satellite properties. Of these costs \$0.4 million was spent on continuing property option payments. Included within property investigation costs were the payment of property taxes.

During the first quarter of 2007, the Corporation updated its NI 43-101 compliant resource statement at the Barreal Seco Property by incorporating the most recent 26 holes that were drilled in late 2006, the amended resource statement is included elsewhere in this prospectus.

Twelve Months ended December 31, 2006 Barreal Seco Expenditures:

During 2006, the Corporation incurred exploration costs of \$2.3 million associated with these properties, of which \$0.9 million was spent on drilling and trenching, property acquisition costs of \$0.5 million (including the dropped property option of Carrizo) and \$0.4 million on property investigation costs including geophysics and sampling.

At the Barreal Seco Property, the Corporation drilled a total of 51 holes (13 DD holes and 38 RC holes) for approximately 8,400 meters of drilling. This work was undertaken in preparation for a NI 43-101 compliant resource statement that was completed in February 2007. The Corporation also undertook approximately 1,400 meters of trenching and performed soil geochemistry work at the Barreal Seco Property.

The Corporation also drilled the Salvadora Property (26 holes for 3,064 meters). Of the 26 holes, 17 holes intersected oxide copper mineralization. The Corporation also undertook approximately 2,144 m of trenching at the Salvadora Property.

The Corporation also entered into an option agreement on the Carrizo property in the same region and drilled approximately 600 meters during 2006. This property was dropped in October 2006, as it was discovered that the only mineralization present was transported exotic copper.

The Celeste Property was extensively trenched during the year (2,650 meters), but no drilling occurred as the Corporation's drilling efforts were focused on properties with a higher property option cost (Celeste is a leased property).

3.4 Other Exploration, Chile

The following table summarizes the quarter by quarter spend, annual and the life to date spend by the Corporation on the Corporation's other exploration properties in Chile. The costs associated with the Gloria Property are also incorporated in the following table.

Table 4: Other exploration Chile (\$000's)	Quarterly					Full Year		
	Q106	Q206	Q306	Q406	Q107	2005	2006	LTD
Administration costs	\$33	\$45	\$228	160	\$70	\$40	\$466	\$576
Drilling & trenching	-	-	-	-	-	36	-	36
Labour costs	92	51	64	61	87	230	268	585
Property investigations	12	19	9	53	23	94	93	210
Property acquisition costs	-	111	-	348	20	-	459	479
Travel & accommodation	6	8	6	9	7	26	29	62
Gross exploration costs	143	234	307	631	207	426	1,315	1,948
Capitalized costs	-	-	-	-	-	-	-	-
Net Exploration Costs	\$143	\$234	\$307	\$631	\$207	\$426	\$1,315	\$1,948

First Quarter 2007 Other Chilean Exploration Expenditures:

During the first quarter of 2007, the exploration spend on other properties in Chile was limited, with the Corporation's focus being on advancing the 43-101 compliant resource statements for the Barreal Seco Property.

Twelve Months ended December 31, 2006 Other Chilean Exploration Expenditures:

During 2006, the Corporation incurred exploration costs of \$0.6 million on the Gloria Property, principally comprising property acquisition costs of \$0.5 million, which included a one time payment of \$0.4 million to acquire one of the claims. During the year, the Corporation has completed preliminary mapping, grid soil geochemistry, rockchip sampling and an IP survey on the property. The results of this preliminary rockchip sampling indicated the presence of plus 1% TCu values over significant widths.

General exploration spend in Chile was \$0.8 million (2005: \$0.4 million) which was predominantly comprised of administration costs of \$0.5 million and labour costs of \$0.2 million. Included within these administration costs is a \$0.3 million provision against value added taxes ("VAT") in Chile. Chilean VAT is not cash refundable, and can only be recovered through offsets against payables. The Corporation has elected to fully provide for this amount due to the uncertainty surrounding future revenue streams that would be available to offset this receivable.

3.5 Exploration, Mexico

The following table summarizes the quarter by quarter spend, annual spend and the life to date spend on exploration properties in Mexico. This table includes the costs associated with the Cordero-Sanson Property.

Table 5: Exploration, Mexico (\$000's)	Quarterly					Full Year		LTD
	Q106	Q206	Q306	Q406	Q107	2005	2006	
Administration costs	\$37	\$20	\$26	\$42	\$29	\$66	\$125	\$220
Drilling & trenching	-	-	4	34	-	-	38	38
Labour costs	33	50	53	65	54	70	201	325
Property investigations	36	25	22	174	31	34	257	322
Property acquisition costs	-	50	63	-	88	6	113	207
Travel & accommodation	11	16	13	16	12	2	56	70
Gross exploration costs	117	161	181	331	214	178	790	1,182
Capitalized costs	-	-	-	-	-	-	-	-
Net Exploration Costs	\$117	\$161	\$181	\$331	\$214	\$178	\$790	\$1,182

In Mexico, the Corporation has the Cordero-Sanson Property which is comprised of two claims groups located 45 kilometres northeast of Parral. During the year, the Corporation incurred exploration costs of \$0.5 million on the Cordero-Sanson Property, with property costs of \$0.1 million and property investigation costs of \$0.2 million.

At Cordero, the Corporation re-assayed prior Apex Silver drilling. Bulldozer trenching and an IP survey were also completed over the property.

At Sanson, field work identified an early stage porphyry molybdenum deposit located immediately adjacent to Cordero. Trenching on the southeast margin of the system has confirmed the presence of partly oxidized molybdenum stockwork mineralization. An IP survey over the property was completed and the core of the Sanson system is now believed to be well defined and untested by previous drilling.

4. Discussion on Cashflow

First Quarter 2007 Cashflow Discussion:

In the first quarter of 2007, cash outflow for operations, after non-cash working capital movements, was \$1.7 million (Q1 2006: \$0.8m) which is consistent with the loss for the period coupled with a \$0.4 million outflow from non-cash working capital items. Cash outflow from investing activities was \$1.1 million (Q1 2006: \$0.0 million) which were comprised of deferred exploration costs of \$0.7 million and payments for accrued deferred development costs relating to 2006 of \$0.3 million.

As at March 31, 2007, the Corporation had \$7.3 million (Dec 31, 2006: \$10.1 million) (Dec 31, 2005: \$5.4 million) in cash and cash equivalents.

Twelve Months ended December 31, 2006 Cashflow Discussion:

In 2006, cash outflow for operations, after non-cash working capital movements, was \$4.3 million (2005: \$0.7 million) as the Corporation continued its focus on exploration activities. During 2006, the activities of the Corporation were financed via private equity placements that resulted in a net increase of \$12.2 million to supplement the Corporation's existing cash resources.

Cash outflow from investing activities was \$2.9 million (2005: \$0.1 million) which were comprised of the cash purchase of the San Jorge Property ranch (\$0.5 million) and deferred exploration costs (\$2.3 million). The cash balance declined in U.S. dollar terms with \$0.2 million resulting in a loss on holding Canadian Dollars and this amount is recorded as the "effect of exchange rate changes on cash and cash equivalents" in the cash flow statement.

5. Discussion of Financial Position and Liquidity

5.1 Assets

The following table comprises the total assets of the Corporation as at March 31, 2007 and December 31, 2006 and 2005.

Table 6: Assets (\$000's)	Dec 31, 2005	Dec 31, 2006	Mar 31, 2007
Cash and cash equivalents	\$5,378	\$10,074	\$7,250
Accounts receivable and prepaids	81	266	305
Deferred financing costs	-	-	165
Total current assets	5,459	10,340	7,720
Property, plant & equipment	56	672	685
Mineral property interests	-	4,024	4,730
Other assets	72	44	37
Total Assets	\$5,587	\$15,080	\$13,172

First Quarter 2007 - Discussion of Assets:

Accounts receivable and prepaids were \$0.3 million (Dec 31, 2006: \$0.3 million) with the main component relating to interest accrued on short term deposits. Deferred financing costs represent costs incurred in preparing the Corporation's preliminary prospectus and working towards its listing on the Toronto Stock Exchange ("TSX"). Property, plant and equipment is consistent with year end, with the major component being the San Jorge Property surface rights that were acquired in 2006. The purchase is still subject to final approval by the Argentine authorities.

Mineral property interests were \$4.7 million by March 31, 2007 (Dec 31, 2006: \$4.0 million), as the Corporation continued to capitalize its development and exploration spend at the San Jorge Property.

Twelve Months ended December 31, 2006 - Discussion of Assets:

Cash and cash equivalents were \$10.1 million (2005: \$5.4 million) as at December 31, 2006, as private equity placements during the year exceeded exploration expenditures. Accounts receivable and prepaids were \$0.3 million (2005: \$81,000) with the main component relating to interest accrued on short term deposits. Property, plant and equipment rose \$0.6 million, principally as a result of the acquisition of the 120,000 hectare ranch surrounding the San Jorge Property (\$0.5 million).

Mineral property interests were \$4.0 million by year end as the Corporation capitalized its property option and acquisition costs and exploration spend relating to the San Jorge Property. The \$4.0 million capitalized is comprised of acquisition costs of \$2.7 million and deferred development costs of \$1.3 million.

The property option and acquisition costs are comprised of the assumption of an Indemnity and Release Agreement on the mineral rights for \$1.1 million, the initial cash payments due to Global of \$0.3 million, the deemed value of the 333,333 shares issued of \$0.4 million; and the accrual of settlement costs of a legal dispute of \$0.4 million and an assumed future income tax liability of \$0.4 million, associated with acquisition costs paid to Global (as no tax base exists for these payments in Argentina, a future income tax liability arises).

5.2 Liabilities and Equity

The following table summarizes the liabilities and equity of the Corporation as at March 31, 2007 and December 31, 2006 and 2005.

Table 7: Liabilities and Equity (\$000's)	Dec 31, 2005	Dec 31, 2006	Mar 31, 2007
Accounts payable and accruals	\$87	\$1,591	\$1,009
Future income tax liability	-	406	406
Total liabilities	87	1,997	1,415
Common shares	5,841	18,417	18,417
Contributed surplus	-	126	199
Accumulated other comprehensive income (losses)	399	150	180
Deficit	(740)	(5,610)	(7,039)
Total Liabilities and Equity	\$5,587	\$15,080	\$13,172

First Quarter 2007 - Discussion of Liabilities and Equity:

In the first quarter of 2007, the decrease in accounts payable and accruals is a result of the payment for the San Jorge Property drill program that was outstanding, at year end. Included within accruals is an amount of \$0.4 million from year end to settle an outstanding legal dispute relating to the San Jorge Property. This amount was paid in the second quarter of 2007.

The increase in contributed surplus is due to the accounting costs recorded for stock-based compensation for the first quarter of 2007.

The movement in other accumulated comprehensive losses is due to foreign exchange movements between the Canadian dollar and the United States reporting currency.

Twelve Months ended December 31, 2006 - Discussion of Liabilities and Equity:

In 2006, the increase in accounts payable and accrued liabilities is as a result of the inclusion of the San Jorge Property and the costs associated with its drill program that remained outstanding on normal business terms, at year end. Also included with accruals was an amount of \$0.4 million to settle an outstanding legal dispute associated with the mining claims of the San Jorge Property (subsequently paid in the second quarter of 2007).

The Corporation also recognized a future income tax liability associated with its payments to Global for the San Jorge Property, in Argentina, as the project was already owned by the Argentinean Subsidiary, the payments made to Global have no tax base and therefore give rise to a future income tax liability.

The equity accounts increased during the year as a result of the three private placements that occurred during 2006 (refer to section 5.3). Contributed surplus increased as a result of issuing stock options during the course of 2006. The currency translation adjustment decreased by \$0.2 million due to unrealized losses on holding Canadian dollars and reporting in U.S. dollars.

5.3 Financings

As at May 9, 2007 the Corporation had 30,129,439 (March 31, 2007 and December 31, 2006: 29,796,106) shares outstanding.

Table 8 – Equity Financing – As March 31, 2007

Private Placements			Total Proceeds (\$000's)		
Shares Issued	Date	Issue Price	Cash	Non-Cash	Total
7,700,769	Apr-05	CDN\$0.15	\$931	\$-	\$931
10,425,554	May-05	CDN\$0.50	4,151	-	4,151
1,680,000	Jun-05	CDN\$0.50	674	-	674
200,000	Sep-05	CDN\$0.50	-	85	85
550,000	Apr-06	CDN\$0.50	246	-	246
333,333	Aug-06	CDN\$1.50	-	446	446
8,906,450	Aug-06	CDN\$1.50	11,884	-	11,884
29,796,106			\$17,886	\$531	\$18,417

Since the initial founders shares were issued in April 2005, the Corporation has managed to conduct each subsequent equity offering at a share price greater than or equal to the previous share price. To date, the Corporation has been successful in raising private equity and therefore has not incurred any share issuances costs.

It is the Corporation's intention to undertake its initial public offering ("IPO") in the second quarter of 2007, to provide both liquidity to its existing shareholders and provide access to the financial markets through further potential equity offerings. The full details of this IPO are described elsewhere in this prospectus.

Working capital and liquidity

As at March 31, 2007, the Corporation had working capital of \$6.7 million (Dec 31, 2006: \$8.7 million) (Dec 31, 2005: \$5.4 million).

It is the Corporation's intention to fund its existing exploration and development program through its existing treasury and the aforementioned IPO. Part of the proceeds from the IPO will be used to provide for the costs laid out in the AMEC San Jorge technical report (\$6.3 million) and the AMEC Barreal Seco technical report (\$3.4 million).

5.4 Commitments and contingencies

Property option payments

The following table summarizes the property option payments that are payable and have been paid:

Table 9: Property Option Payments (\$000's) – March 31, 2007					
Year	Argentina	Chile	Chile	Mexico	Total
	San Jorge \$	Barreal \$	Gloria \$	Cordero-Sanson \$	\$
2006 (paid)	\$300	\$538	\$463	\$113	\$1,414
2007 (paid)	-	361	20	88	469
2007 (unpaid)	300	100	383	-	783
2008	400	600	608	400	2,008
2009	-	1,963	884	470	3,317
2010	-	-	-	1,920	1,920
	\$1,000	\$3,562	\$2,358	\$2,991	\$9,911

San Jorge, Argentina:

An option agreement was entered into on the San Jorge Property in 2006. Under this agreement, the Corporation has agreed to pay a total of \$1.0 million in cash (\$0.3 million paid in 2006, \$0.3 million paid in May 2007) and issue a total of 1,000,000 shares (333,333 issued in 2006, 333,333 issued in May 2007). In addition, upon completion of a bankable feasibility study of the leachable ore, the Corporation agreed to pay \$0.025 per pound of copper contained in the mineable, proven and probable heap leach reserves, less the aggregate deemed share price of the 1,000,000 shares noted above, of which up to one half of such amount may be payable, at the seller's option, in shares. Upon commencement of commercial production from any mineable, proven and probable sulphide reserves, the Corporation agreed to pay \$0.02 per pound contained in the mineable, proven and probable sulphide reserves. For any production of copper in excess of that derived from the total mineable, proven and probable heap leachable reserves and mineable, proven and probable sulphide reserves the Corporation agreed to pay; (i) \$0.02 per pound of copper contained in ore placed on leach pads, in excess of the total pounds of copper contained in the mineable, proven and probable heap leachable reserves; and (ii) \$0.015 per pound of copper contained in ore processed by a mill, in excess of the total pounds of copper contained in the mineable, proven and probable sulphide reserves.

The Corporation was also able to obtain an Indemnity and Release Agreement from a previous owner of the San Jorge Property, to ensure unrestricted and unencumbered access to the San Jorge Property, which was achieved for a cost of \$1.1 million. The signing of this Indemnity and Release Agreement meant that there was only one legal dispute outstanding in respect of the San Jorge Property. The Corporation has accrued \$0.4 million for the resolution of the legal dispute which was settled and paid in May 2007.

Barreal Seco Property, Chile:

The Barreal Seco property has total property option payments of \$2.0 million (2007: \$0.4 million, 2008: \$0.4 million, 2009: \$0.9 million).

The Salvadora Property has total option payments of \$1.5 million (2007: \$0.1 million, 2008: \$0.2 million, 2009: \$1.1 million) and includes a 1.5% net smelter return royalty that can be purchased for \$1.4 million.

Other properties, Chile and Mexico:

The Gloria Property comprises two separate properties, one which has been purchased and the other that requires total option payments of \$2.4 million (2007: \$0.4 million, 2008: \$0.6 million, 2009: \$0.9 million). The Cordero-Sanson Property requires total option payments of \$2.9 million and also requires a net smelter return royalty of between 1% and 2%.

6. Critical Accounting Estimates and Policies and Other Matters

Changes in accounting policy

Effective January 1, 2007, the Company adopted CICA Handbook sections 1530, Comprehensive Income, section 3855, Financial Instruments – Recognition and Measurement, and section 3865, Hedges. These standards require the presentation of a statement of comprehensive income and its components, which is included in the consolidated financial statements starting this period. Comprehensive income includes both net earnings and other comprehensive income. Other comprehensive income includes holding gains and losses on available for sale investments, gains and losses on certain derivative instruments and foreign currency gains and losses relating to self-sustaining foreign operations, all of which are not included in the calculation of net earnings until realized. The only impact on the Company of adopting these new standards was the reclassification of the “Currency translation adjustment” account that was included as a separate component of shareholders’ equity to “Accumulated other comprehensive income (loss)”.

Estimates, risks and uncertainties

The preparation of the financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported, and disclosed in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Realization of the Corporation’s assets and liabilities is subject to risks and uncertainties, including reserve and resource estimation: future copper and other base and precious metal prices; estimated costs of future production; changes in government legislation and regulations; estimated future income taxes; and the availability of financing and various operational factors.

In determining the stock-based compensation expense management had to estimate both the volatility and vesting provisions of the options issued. In estimating the volatility management considered the volatility of mining companies of similar size and stage of development. As the vesting provisions of the options are from the date of the IPO, management also had to estimate both the probability of an IPO occurring and its timing.

The determination of when to capitalise costs in respect of the Corporation’s development is also a critical accounting estimate. As at December 31, 2006, the Corporation has capitalized its costs associated with the San Jorge Property, from the date of the option grant, as it believes that sufficient information is available, to that a resource exists and that this resource may be economically recoverable.

Mineral properties and deferred exploration costs

Exploration and associated costs relating to non-specific projects or properties are expensed in the period incurred. When management has established that a resource exists, significant property acquisition, exploration and development costs relating to specific properties are deferred until the project to which they relate is sold, abandoned, impaired or placed into production.

Asset impairment

The Corporation performs impairment tests on property, plant and equipment and mineral properties when events or circumstances occur which indicate the assets may not be recoverable. Where information is available and conditions suggest impairment, estimated future net cash flows for each project are calculated using estimated future prices, proven and probable reserves and resources, and operating, capital and reclamation costs on an undiscounted basis. When estimated future cash flows are less than the carrying value, the project is considered impaired. Reductions in the carrying value of each project would be recorded to the extent the net book value of the investment exceeds the discounted estimated future cash flows.

Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses whether the carrying value can be recovered.

Income taxes

The Corporation uses the asset and liability method of accounting for future income taxes. Under this method, future income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years. The amount of future tax assets recognized is limited to the amount that is more likely than not to be realized.

Stock-based compensation

The Corporation applies the fair value method of accounting for stock options. The fair value of the options are determined using an option pricing model that takes into account, as of the grant date, the exercise price, the expected life of the option, the current price of the underlying stock and its expected volatility, expected dividends on the stock, and the risk-free interest rate over the expected life of the option. Cash consideration received from employees on exercise of options is credited to capital stock along with the original grant date fair value of the options exercised. The Corporation expenses the fair value of stock options granted over the vesting period with the corresponding credit to contributed surplus.

Related party transactions

During the year the Corporation paid \$75,000 in expenses (on a cost recovery basis) to a private company with a common director. Certain executive director's fees are paid to private companies with common directors.

Forward Looking Statements

Certain statements included in this "MD&A" constitute forward-looking statements, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend", "may", "should" and similar expressions to the extent they relate to the Corporation or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

Information concerning the interpretation of drill results also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The estimates, risks and uncertainties described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Corporation's forward-looking statements. In addition, any forward-looking statements represent the Corporation's estimates only as of the date of this MD&A and should not be relied upon as representing the Corporation's estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in this MD&A include: (a) execution of the Corporation's existing plans or exploration programs for each of its properties, either of which may change due to changes in the views of the Corporation, or if new information arises which makes it prudent to change such plans or programs; and (b) the accuracy of current interpretation of drill and other exploration results, since new information or new interpretation of existing information may result in changes in the Corporation's expectations. Readers should not place undue reliance on the Corporation's forward-looking statements, as the Corporation's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Corporation's business, or if the Corporation's estimates or assumptions prove inaccurate. Therefore, the Corporation cannot provide any assurance that forward-looking statements will materialize. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

7. Summary of Financial Results

Table 10: Summary of Financial Position and Performance: (\$000's)							
	Quarterly					Full Year	
	Q106	Q206	Q306	Q406	Q107	2005	2006
Statement of Loss and Deficit							
Exploration							
Administration costs	\$73	\$68	\$304	\$399	\$331	\$106	\$844
Drilling and trenching	-	18	621	816	38	36	1,455
Labour costs	126	155	173	342	371	300	796
Property investigations	88	111	153	982	683	168	1,334
Property acquisition costs	430	161	2,790	398	469	6	3,779
Travel & accommodation	20	32	53	66	43	28	171
Total Incurred Exploration Costs	737	545	4,094	3,003	1,935	644	8,379
Costs capitalized	-	-	(2,790)	(1,234)	(706)	-	(4,024)
Net Exploration Costs Expensed	737	545	1,304	1,769	1,229	644	4,355
Corporate costs	85	111	179	202	209	173	577
Depreciation	11	11	11	17	17	18	50
Interest income	(40)	(42)	(100)	(108)	(81)	(96)	(290)
Other expenses	18	29	20	(12)	-	1	55
Stock-based compensation	13	30	33	47	55	-	123
Net loss	824	684	1,447	1,915	1,429	740	4,870
Basic and diluted loss per share	\$0.04	\$0.03	\$0.06	\$0.06	\$0.05	\$0.06	\$0.20
Financial Position							
Assets							
Cash	\$4,588	\$4,418	\$12,967	\$10,074	\$7,250	\$5,378	\$10,074
Accounts receivable and prepaids	91	74	192	266	305	81	266
Deferred financing costs	-	-	-	-	165	-	-
Total current assets	4,679	4,492	13,159	10,340	7,720	5,459	10,340
Property, plant and equipment	62	61	637	672	685	56	672
Mineral property interests	-	-	2,791	4,024	4,730	-	4,024
Other assets and deferred charges	65	58	51	44	37	72	44
Total Assets	4,806	4,611	16,638	15,080	13,172	5,587	15,080
Liabilities							
Accounts payable and accruals	120	167	778	1,591	1,009	87	1,591
Future income tax liability	-	-	406	406	406	-	406
Total liabilities	120	167	1,184	1,997	1,415	87	1,997
Shareholders' Equity							
Common Shares	5,841	6,087	18,417	18,417	18,417	5,841	18,417
Contributed Surplus	13	42	77	126	199	-	126
Accumulated Other Comprehensive Income	396	563	655	150	180	399	150
Deficit	(1,564)	(2,248)	(3,695)	(5,610)	(7,039)	(740)	(5,610)
Total Shareholders' Equity	4,686	4,444	15,454	13,083	11,757	5,500	13,083
Total Liabilities and Equity	\$4,806	\$4,611	\$16,638	\$15,080	\$13,172	\$5,587	\$15,080
Weighted average # of shares (000's)	20,006	20,387	25,779	29,796	29,796	12,973	24,024
Working Capital	\$4,559	\$4,325	\$12,381	\$8,749	\$6,711	\$5,372	\$8,749
Cash flows from:							
Operating activities	(831)	(580)	(1,351)	(1,540)	(1,715)	(652)	(4,302)
Financing activities	54	246	11,884	-	(88)	5,702	12,184
Investing activities	(10)	(3)	(2,075)	(849)	(1,051)	(71)	(2,937)
Effect of exchange rate movements on cash	(3)	167	91	(504)	30	399	(249)
Net increase (decrease) in cash	\$(790)	\$(170)	\$8,549	\$(2,893)	(2,824)	\$5,378	\$4,696

The following table summarizes the exploration spend by project:

Table 11: Summary Exploration Breakout							
	Quarterly					Full Year	
	Q106	Q206	Q306	Q406	Q107	2005	2006
Chile:							
Barreal Seco	\$477	\$150	\$815	\$808	\$808	\$-	\$2,250
Gloria	-	142	9	400	36	-	551
General	143	92	298	231	171	426	764
	620	384	1,122	1,439	1,015	426	3,565
Argentina:							
San Jorge	-	-	2,790	1,234	706	-	4,024
Mexico:							
Cordero-Sanson	24	116	150	232	120	-	522
General	93	45	32	98	94	178	268
	117	161	182	330	214	178	790
Other	-	-	-	-	-	40	-
Total exploration	\$737	\$545	\$4,094	\$3,003	\$1,935	\$644	\$8,379

PLAN OF DISTRIBUTION

Pursuant to an agreement (the “Agency Agreement”) dated ● between the Corporation and the Agents, the Corporation has appointed the Agents to offer for sale ● Shares at a price of CDN\$● per Share for gross proceeds of CDN\$● on a “commercially reasonable efforts” basis, upon the terms and subject to the conditions contained in the Agency Agreement. It is expected that closing of the Offering will take place on ●, 2007 or such other date as the Corporation and the Agents may agree, but no later than ●, 2007. The Offering Price was determined by negotiation between the Corporation and the Agents. The Corporation has received conditional approval to list the Shares distributed under this Prospectus on the TSX. Listing will be subject to the Corporation fulfilling all of the requirements of the TSX, including distribution of the Shares to a minimum number of public securityholders on or before August 21, 2007.

The Corporation has agreed to pay to the Agents a cash commission equal to 7% of the gross proceeds of the Offering in consideration for its services in connection with the Offering. Such fee, together with all other expenses of the Offering, will be paid by the Corporation out of the proceeds of the Offering. As additional compensation, on the Closing Date the Corporation has agreed to grant to the Agents the Agents’ Warrants exercisable to acquire that number of Agents’ Warrant Shares as is equal to 7% of the number of Shares sold pursuant to this Offering, subject to certain adjustments, at the Offering Price for the Shares for a period of 12 months from the Closing Date. In addition, the Corporation has paid to Haywood Securities Inc. a corporate finance fee in the amount of CDN\$25,000 (plus GST).

The Corporation has agreed to grant the Agents an Over-Allotment Option to sell an additional ● Shares at the Offering Price exercisable until the date that is 30 days from and including the closing time of the Offering. If the Over-Allotment Option is exercised in full, the total Price to the Public, Agents’ Commission and Proceeds to the Corporation (before deducting expenses of this Offering) will be \$●, \$● and \$●, respectively.

This Prospectus also qualifies the distribution of the Agents’ Warrants, Over-Allotment Option and the Over-Allotment Shares issuable upon exercise of the Over-Allotment Option.

The Corporation has granted to the Agents a right of first refusal to act as agents on any equity financing the Corporation may undertake for a period of 12 months from the date of the closing of this Offering.

The Corporation has agreed to indemnify the Agents and their directors, officers, employees, shareholders and agents against all liabilities arising directly or indirectly from the Agency Agreement, subject to certain exceptions.

The Corporation has agreed to not, directly or indirectly, without the prior consent of the Agents, such consent not to be unreasonably withheld, offer to sell, grant any option for the sale of, or otherwise dispose of, or announce any intention to do so, in a public offering or by way of private placement or otherwise, any Common Shares or any securities convertible or exchangeable into Common Shares for a period of 180 days after the Closing Date, excluding an issuance of securities pursuant to the Corporation's stock option plan or pursuant to property acquisition agreements.

Subscriptions for Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the certificates representing the Shares sold pursuant to the Offering will be available for delivery on the Closing Date.

There is currently no market through which any of the securities of the Corporation, including the Shares, may be sold and purchasers and holders thereof may not be able to resell or dispose of any of the securities purchased, distributed or qualified under this Prospectus.

Pursuant to rules and policy statements of certain Canadian provincial securities commissions, the Agents may not, throughout the period of distribution, bid for or purchase Common Shares for their own account or for accounts over which they exercise control or direction. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include bids or purchases permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by Market Regulation Services Inc. relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing, the Agents may over-allot or effect transactions in Canada that stabilize or maintain the market price of the Common Shares at levels other than those that might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

U.S. Considerations

The securities offered under this prospectus have not been and will not be registered under the 1933 Act or the securities laws of any state of the United States. Such securities may not be offered or sold or otherwise transferred or disposed of within the United States without registration under the 1933 Act and all applicable state securities laws, unless an exemption from such registration requirements is available. Accordingly, such securities may only be offered and sold within the United States to "accredited investors" pursuant to Regulation D under the 1933 Act, and outside the United States in compliance with Regulation S under the 1933 Act, and thereafter may only be reoffered or resold in the United States or to a U.S. person (as defined in Regulation S under the 1933 Act) pursuant to the registration requirements of the 1933 Act and applicable state securities laws or an exemption therefrom. The Agents have agreed not to offer or sell the securities offered under this prospectus without registration under the 1933 Act and applicable state securities laws, except as set forth above.

In addition, until 40 days after the commencement of the Offering, an offer or sale of Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the 1933 Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the 1933 Act.

DESCRIPTION OF SHARE CAPITAL

Common Shares

The Corporation is authorized to issue an unlimited number of common shares without par value of which, as of the date hereof, 30,129,439 common shares are issued and outstanding. See "Prior Sales". The common shares carry no rights of redemption, retraction, conversion or exchange.

The holders of the common shares are entitled to: (i) notice of and to one vote per share at any meeting of shareholders of the Corporation; (ii) dividends, if as and when declared by the Board of the Directors; and (iii) upon liquidation or dissolution, to receive such assets of the Corporation as are distributable to the holders of the common shares. All of the common shares to be outstanding on completion of this Offering will be fully paid and non-assessable.

Agents' Warrants

The Corporation is authorized to issue the Agents' Warrants entitling the Agents to acquire that number of common shares as is equal to 7% of the number of Shares sold pursuant to the Offering at a price of CDN\$● per share for a period of 12 months from the Closing Date. A total of up to ● common shares are reserved for issuance by the Corporation pursuant to the Agents' Warrants. The terms governing the Agents' Warrants will be set out in the certificates representing the Agent's Warrants.

Phelps Dodge Right of First Refusal

Pursuant to the Phelps Dodge Data Use Agreement – Chile, the Corporation has granted Phelps Dodge a right of first refusal to participate in each future equity financing in order to maintain the percentage interest in the common shares of the Corporation which Phelps Dodge may have prior to that financing. As of the date of this Prospectus, Phelps Dodge owns less than 0.1% of the issued and outstanding common shares of the Corporation.

OPTIONS TO PURCHASE SECURITIES

The Corporation has established a stock option plan (the "Stock Option Plan") for the benefit of full-time and part-time employees, officers, directors and consultants of the Corporation and its affiliates. The purpose of the Stock Option Plan is to attract, retain and motivate directors, officers, employees and consultants by providing them with the opportunity, through the exercise of share options, to acquire a proprietary interest in the Corporation. Subject to the requirements of the Stock Option Plan, the board of directors has the authority to select those directors, officers, employees and consultants to whom options will be granted, the number of options to be granted to each person and the price at which common shares may be purchased.

The following table sets out details of the Corporation's stock options outstanding as of the date of this Prospectus.

Holders	No. of Shares	Exercise Price	Expiry Dates
Officers of the Corporation:	400,000	CDN\$0.75	February 14, 2011
	250,000	CDN\$0.50	July 11, 2011
	100,000	CDN\$1.50	February 13, 2012
Directors of the Corporation (who are not also Officers):	600,000	CDN\$0.75	February 14, 2011
	200,000	CDN\$1.50	October 18, 2011
Employees of Subsidiaries of the Corporation	300,000	CDN\$0.50	February 14, 2011
	80,000	CDN\$1.50	September 25, 2011
	390,000	CDN\$1.50	February 13, 2012
Consultants of the Corporation:	100,000	CDN\$0.50	February 14, 2011
	50,000	CDN\$0.50	May 2, 2011
Total Options:	<u>2,470,000</u>		

The options are subject to vesting provisions whereby they vest in one-third increments over three years after the date on which the common shares of the Corporation are listed on a stock exchange. The Stock Option Plan provides that the aggregate number of securities reserved for issuance and set aside and made available for issuance under the

Stock Option Plan will be 10% of the number of common shares of the Corporation issued and outstanding, from time to time. The Stock Option Plan includes the following:

- (a) the exercise price of options cannot be less than the closing price of the shares on a stock exchange on which the common shares may be listed, and if not listed, the last price at which common shares were issued prior to the date of grant;
- (b) a condition that options are non-assignable and non-transferable;
- (c) the term of an option cannot exceed five years from the date of grant;
- (d) if an option holder ceases to be a director of the Corporation or ceases to be employed by the Corporation (other than by reason of death), or ceases to be a consultant of the Corporation as the case may be, then the option granted shall expire on no later than the 90th day (for directors) or the 60th day (for employees or consultants) following the date that the option holder ceases to be a director, ceases to be employed by the Corporation or ceases to be a consultant of the Corporation, subject to the terms and conditions set out in the Stock Option Plan. If the option holder ceases to be a director of the Corporation, ceases to be employed by the Corporation or ceases to be a consultant of the Corporation by reason of death, the options terminate on the earlier of one year of the option holder's death and the expiration date of the options;
- (e) if an option holder ceases to be a director of the Corporation by reason of ceasing to meet the qualifications set forth in the *Business Corporations Act* (British Columbia), a resolution having been passed by the shareholders of the Corporation pursuant to the *Business Corporations Act* (British Columbia) removing the Director, or by order of any securities commission, stock exchange or any other regulatory body having jurisdiction to so order, or if an option holder ceases to be an employee or consultant of the Corporation by reason of termination for cause (or breach of contract in the case of a consultant) or by order of any securities commission, stock exchange or any other regulatory body having jurisdiction to so order, the options will terminate on the date on the which the option holder ceases to be a director, employee or consultant of the Corporation; and
- (f) if a *bona fide* offer for common shares is made to an option holder or to shareholders of the Corporation generally or to a class of shareholders which includes the option holder, which offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Corporation, all common shares subject to options will become vested and the options may be exercised in whole or in part by each option holder so as to permit each option holder to tender the common shares received upon exercise of the options, pursuant to the offer. However, if the offer is not completed within the time specified therein; or all of the common shares acquired by the option holder on the exercise of the option and tendered pursuant to the offer are not taken up or paid for by the offeror in respect thereof, then the common shares received upon the exercise of such options, or the common shares that are not taken up and paid for, as applicable, may be returned by to the Corporation and reinstated as authorized but unissued common shares and the options reinstated as if they had not been exercised.

PRIOR SALES

The following table contains details of the common shares issued by the Corporation in the 12 months preceding the date of this Prospectus.

Date	Number of Shares	Issue Price per Share
August 9, 2006	333,333	CDN \$1.50 ⁽¹⁾
August 9, 2006	8,906,450 ⁽²⁾	CDN \$1.50
May 8, 2007	333,333	CDN \$1.50 ⁽¹⁾

- (1) Deemed value per share. The common shares were issued pursuant to the San Jorge Agreement.
- (2) The common shares were issued on the exercise of 8,906,450 subscription receipts which were issued by the Corporation on July 12 and 29, 2006.

Up to an additional ● common shares are reserved for issuance pursuant to the Agents' Warrants and 2,470,000 common shares are reserved for issuance pursuant to directors', officers' and consultants' options issued under the Stock Option Plan.

PRINCIPAL SHAREHOLDERS

To the best of the Corporation's knowledge, as of the date of this Prospectus, no person or company beneficially owns, directly or indirectly, or exercises control over, more than 10% of the issued and outstanding Common Shares before giving effect to this Offering.

DIRECTORS AND OFFICERS

Directors and Officers

Each director of the Corporation holds office until the next annual meeting of the shareholders of the Corporation or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the articles of the Corporation or he becomes disqualified to act as a director. The name, municipality of residence and the principal occupation within the five preceding years for each of the directors and officers of the Corporation are set out in the following table:

Name, Municipality of Residence and Position with the Corporation	Director Since	Principal Occupation or Employment for the Last Five Years	Number of Shares Beneficially Owned or Controlled
Alan J. Stephens West Sussex, United Kingdom <i>President, Chief Executive Officer and Director</i>	January 5, 2005	President and Chief Executive Officer of the Corporation since January 2005; Vice President Exploration of First Quantum Minerals Ltd. from April 2000 to December 2004	1,733,434 ⁽⁴⁾
Michael D. Philpot Surrey, British Columbia <i>Executive Vice-President, Corporate Secretary and Director</i>	February 15, 2005	Corporate Secretary of the Corporation since February 2005; Executive Vice President of First Quantum Minerals Ltd. from December 1997 to February 2005	1,396,934 ⁽⁵⁾

Name, Municipality of Residence and Position with the Corporation	Director Since	Principal Occupation or Employment for the Last Five Years	Number of Shares Beneficially Owned or Controlled
Robert A. Watts ⁽¹⁾⁽³⁾ Victoria, British Columbia <i>Director and Chairman</i>	April 1, 2005	Corporate Director, President, Wattline Management Ltd. (financial consultant to mining industry)	60,000
R. Stuart Angus ⁽¹⁾⁽²⁾⁽³⁾ Sechelt, British Columbia <i>Director</i>	April 1, 2005	Corporate Director; Managing Director, Mergers and Acquisitions, Endeavour Financial Corporation from November 1, 2003 to December 2005; Barrister and Solicitor, Fasken Martineau DuMoulin LLP from February 2001 to November 2003	600,000
Alvin W. Jackson ⁽¹⁾⁽²⁾⁽³⁾ West Vancouver, British Columbia <i>Director</i>	August 31, 2005	Consulting Geologist (self-employed from September 1992 to January 2007); Chief Executive Officer and Chairman of Red Dragon Resources Corp. since October 2005 and Director since May 2005; Chairman and Director of Nordic Diamonds Ltd. since November 2003; President and Director of EuroZinc Mining Corp. from April 1999 to July 2005	50,000
Roderick J. Webster ⁽²⁾ Perth, Western Australia <i>Director</i>	October 18, 2006	Chief Executive Officer of Weatherly International PLC since July 2005; Chief Executive Officer of subsidiaries of First Quantum Minerals Ltd. from April 2000 to June 2005	Nil
Damian J. Towns North Vancouver, British Columbia <i>Chief Financial Officer</i>	Not Applicable	Chief Financial Officer of the Corporation; Controller of First Quantum Minerals Ltd. from July 2002 to August 2006; Audit Manager, PricewaterhouseCoopers LLP from July 2000 to July 2002	Nil
Juan Carlos Roman Santiago, Chile <i>Vice President Operations & Development</i>	Not Applicable	Vice President, Mining of Antofagasta Minerals from October 2004 to May 2006; General Manager of Minera Tesoro from February 1998 to October 2004	Nil

- (1) Member of the Corporation's audit committee.
- (2) Member of the Corporation's compensation committee.
- (3) Member of the Corporation's corporate governance and nominating committee.
- (4) Includes 66,667 common shares owned by Alan Stephens' wife.

- (5) Includes 138,667 common shares held by Michael Philpot in trust for his minor children.

As of the date of this prospectus, the directors and executive officers of the Corporation and its subsidiaries as a group beneficially owned, directly or indirectly, or exercised control or direction over 3,840,368 common shares of the Corporation, representing 12.7% of the issued and outstanding common shares, and options to acquire 1,550,000 common shares.

Corporate Cease Trade Orders or Bankruptcies

None of the directors, officers or promoters of the Corporation is, or within the past five years prior to the date hereof has been, a director, officer, or promoter of any other issuer that, while that person was acting in that capacity:

- (a) was subject to a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days; or
- (b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the person.

Penalties or Sanctions

None of the directors, officers or promoters of the Corporation has, within the ten years prior to the date hereof, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to the trading in securities, promotion or management of a publicly traded issuer, or theft or fraud.

Individual Bankruptcies

None of the directors, officers or promoters of the Corporation has, within the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangements, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

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

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

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Compensation of Executive Officers

The following table discloses, for the 2006 fiscal year, total compensation earned by (i) the Corporation's Chief Executive Officer; (ii) the Corporation's Chief Financial Officer; and (iii) the three current executive officers, if any, of the Corporation who had a total salary and bonus which exceeded CDN\$150,000 in the fiscal year ended December 31, 2006 (collectively, the "Named Executive Officers").

Name and Principal Position	Year ⁽¹⁾	Annual Compensation			Long Term Compensation			All Other Compensation (\$)
					Awards		Payouts	
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Securities Under Options/SARs Granted (#) ⁽²⁾	Restricted Shares or Units Subject to Resale Restrictions (\$)	LTIP ⁽³⁾ Payouts (\$)	
Alan J. Stephens President and Chief Executive Officer	2005	\$72,163	Nil	Nil	Nil	Nil	Nil	Nil
	2006	\$113,639	Nil	Nil	200,000	Nil	Nil	Nil
Damian Towns Chief Financial Officer ⁽⁴⁾	2005	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2006	\$33,222	Nil	Nil	100,000	Nil	Nil	Nil

(1) The reference to Fiscal 2006 refers to the period from January 1, 2006 to December 31, 2006.

(2) "SARS" or "Stock appreciation right" means a right granted by the Corporation, as compensation for services rendered, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of publicly traded securities of the Corporation.

(3) "LTIP" or "long term incentive plan" means any plan which provides compensation intended to serve as incentive for performance to occur over a period longer than one financial year, but does not include option or stock appreciation right plans or plans for compensation through restricted shares or restricted share units.

(4) Damian Towns was appointed Chief Financial Officer on October 1, 2006.

Stock Option Grants

The following table sets forth the stock options granted to Named Executive Officers during the most recently completed financial year.

Option/SAR grants during the most recently completed financial year

Name	Securities Under Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees ⁽¹⁾	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security)	Expiration Date
Alan Stephens	200,000	10%	CDN\$0.75	n/a	February 14, 2011
Damian Towns	100,000	5%	CDN\$0.50	n/a	July 11, 2011

(1) Percentage of all options granted by the Corporation during the year.

Executive and Employee Incentive Compensation Programs

Pursuant to the Stock Option Plan the Corporation may grant non-transferable options to the officers, directors, employees and consultants of the Corporation. See “Directors’ and Officers’ Stock Options”. As of the date of this Prospectus there were no options granted to or exercised by any Named Executive Officer since the date of incorporation of the Corporation.

Long-term Incentive Plans

The Corporation has never had any long term incentive plans.

Stock Appreciation Rights (“SAR”) and Restricted Shares

No stock appreciation rights or restricted shares were granted by the Corporation to, or exercised by, any Named Executive Officer during the Corporation’s last financial year.

Pension and Retirement Plans and Payments made upon Termination of Employment

The Corporation does not have in place any pension or retirement plan. The Corporation has not provided compensation, monetary or otherwise, since incorporation, to any person who now acts or has previously acted as an officer of the Corporation, in connection with or related to the retirement, termination or resignation of such person and the Corporation has provided no compensation to such persons as a result of a change of control of the Corporation or affiliates. The Corporation is not party to any compensation plan or arrangement with any Named Executive Officer resulting from the resignation, retirement or the termination of employment of such persons.

Employment and Consulting Contracts

The Corporation has entered into agreements with Mill House Mining Ltd., in respect of the services of Alan Stephens, and with Otago Financial Consultants Ltd., in respect of the services of Damian Towns. The agreements have the following terms.

- (a) Each agreement will automatically renew upon the expiry of each one year term of the agreement, unless otherwise terminated in accordance with the agreement.
- (b) The Corporation may terminate the agreement for cause following five days written notice, and all compensation and benefits shall cease accruing on the termination date. In this instance “cause” is defined

to mean any breach of the agreement, or inadequate performance of the executive officer's duties that is not cured within five days following written notice by the Corporation; unethical practices; intentional disloyalty; repeated insobriety on or off duty; or commission of a civil or criminal offence which may adversely affect the Corporation's reputation or interests.

- (c) The Corporation may terminate the agreement at any time without cause following six months written notice, or payment of six months salary in lieu of such notice; provided, however, that the Corporation shall not be entitled to terminate the agreement without cause or provide notice of termination without cause within one year of a change in control of the Corporation. There is no obligation to mitigate any damages that may be suffered by reason of the termination without cause by the Corporation.
- (d) Either of Mill House Mining Ltd. or Otago Financial Consultants Ltd. may terminate its agreement for cause following five days written notice to the Corporation. In this instance, "cause" is defined to mean any material breach of the agreement by the Corporation, which is not cured within 30 days following written notice by the executive; repeated bad faith attempts to induce the executive's resignation; or any change in control of the Corporation, but only if, following the change in control, the authority or duties of the executive are changed substantially. In such circumstances, the Corporation shall continue to pay the compensation provided for under the agreement for a period of 30 months after such termination.
- (d) Mill House Mining Ltd. may terminate its engagement without cause only with 120 days advance written notice to the Corporation, or upon not more than 90 days or not less than 30 days notice prior to the expiry of any one year term of the agreement that the agreement will not be renewed. Otago Financial Consultants Ltd. may terminate its engagement without cause only with 60 days advance written notice to the Corporation. All compensation shall cease accruing upon the termination date for any such termination without cause.

Directors' and Officers' Liability Insurance

The Corporation currently has a CDN\$10 million limit of liability directors' and officers' insurance coverage for officers and directors of the Corporation and its subsidiaries. In addition, the Corporation has entered into indemnity agreements with each of the directors and officers of the Corporation pursuant to which the Corporation has agreed to indemnify the directors and officers in respect of claims to which they may be subject as a result of serving as a director or officer of the Corporation, provided that the Corporation has no obligation to indemnify the directors and officers to the extent of any applicable insurance.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Corporation's directors or officers or any other member of management, nor any associate of such director, officer or members of management, during the financial year ended December 31, 2006, were indebted to the Corporation. In addition, none of the indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Corporation.

ESCROWED SHARES

Escrow Agreement

In accordance with National Policy 46-201 - *Escrow for Initial Public Offerings* ("NP 46-201"), all common shares of an issuer owned or controlled by its principals are required to be placed in escrow at the time of the issuer's initial public offering, unless the shares held by the principal or issuable to the principal upon conversion of convertible securities held by the principal collectively represent less than 1% of the voting rights attaching to the total issued and outstanding securities of the issuer after giving effect to the initial public offering. At the time of an initial public offering, an issuer is classified for the purposes of NP 46-201 escrow as either an "exempt issuer", an "established issuer" or an "emerging issuer". Uniform terms of automatic timed-release escrow apply to the principals of issuers carrying out initial public offerings, differing only according to the classification of the issuer. The Corporation will be classified as an "established issuer" by virtue of being listed on the Exchange and not being classified by the Exchange as an exempt issuer.

The following Common Shares of the Corporation (the “Escrowed Shares”) held by, and are subject to the terms of an agreement to be dated the Closing Date between the Corporation, the holders of Escrowed Shares and Computershare Investor Services Inc., as escrow agent (the “Escrow Agreement”).

<u>Designation of Class</u>	<u>Number of Escrowed Shares</u>	<u>Percentage of Class After Offering</u>
Common Shares	●	●

Pursuant to the terms of the Escrow Agreement, unless expressly permitted by the Escrow Agreement, the Escrowed Shares may not be sold, transferred, assigned, mortgaged or traded in any way while in escrow. 25% of the Escrowed Shares will be released from escrow on each of the date on which the Common Shares are listed on the Exchange (the “Listing Date”) and each of the six, twelve and eighteen month anniversaries of the Listing Date.

The Escrowed Shares cannot generally be transferred or otherwise dealt with while in escrow. Permitted transfers or dealings within escrow include: (i) transfers to continuing or, upon their appointment, incoming directors and senior officers of the Corporation or of a material operating subsidiary, with approval of the Corporation’s board of directors; (ii) transfers to a person or company that, before the transfer, holds more than 20% of the Common Shares; (iii) transfers to a person or company that, after the transfer, holds more than 10% of the Common Shares and has the right to elect or appoint one or more directors or senior officers of the Corporation or any of its material operating subsidiaries; (iv) transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor’s spouse, children or parents; (v) transfers upon bankruptcy to the trustee in bankruptcy; and (vi) pledges to a financial institution as collateral for a bona fide loan, provided that upon a realization the securities remain subject to escrow. Tenders of Escrowed Shares to a take-over bid would be permitted provided that, if the holder of the Escrowed Shares is a principal of the successor issuer upon completion of the take-over bid, securities received in exchange for tendered Escrowed Shares are substituted in escrow on the basis of the successor issuer’s escrow classification.

Voluntary Pooling Agreement

In addition to the escrow of the Escrowed Shares pursuant to the Escrow Agreement, the directors and officers of the Corporation have agreed with the Agents to place their Common Shares into a voluntary pooling agreement (the “Voluntary Pooling Agreement”) pursuant to which they will not be permitted to sell, transfer, assign, mortgage or trade their shares for a period of one year from the Closing Date. The Corporation has agreed to use commercially reasonable efforts to: (i) obtain the agreement of all of the shareholders who acquired Common Shares at a price of CDN\$0.15 per Common Share to similar restrictions for a period of six months; and (ii) obtain the agreement of those shareholders holding 100,000 or more Common Shares acquired at a price of CDN\$0.50 per Common Share to similar restrictions for six months from the Listing Date, with a release from the pooling agreement on the basis of one-third on the Listing Date, one-third on the date which is three months from the Listing Date and the balance on the date which is six months from the Listing Date.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the directors or senior officers of the Corporation and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the incorporation of the Corporation or in any proposed transaction that has materially affected or will materially affect the Corporation or any of its subsidiaries.

RISK FACTORS

There are certain risks associated with the Shares offered hereby that investors should carefully consider. This is a speculative offering. The risks and uncertainties below are not the only risks and uncertainties facing the Corporation. Additional risks and uncertainties not presently known to the Corporation or that the Corporation currently considers immaterial may also impair the business, operations and future prospects of the Corporation and cause the price of the Shares to decline. If any of the following risks actually occur, the business of the Corporation may be harmed and its financial condition and results of operations may suffer significantly. In that event, the trading price of the Shares could decline, and purchasers of the Shares may lose all or part of their investment. In addition to the risks described elsewhere and the other information contained in this prospectus, prospective investors should carefully consider each of, and the cumulative effect of all of, the following risk factors:

Operational Risks

The Corporation's operations are subject to all of the risks normally incident to the exploration for and the development and operation of mineral properties. The Corporation has implemented comprehensive safety and environmental measures designed to comply with or exceed government regulations and ensure safe, reliable and efficient operations in all phases of its operations. The Corporation maintains liability and property insurance, where reasonably available, in such amounts it considers prudent. The Corporation may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons. All of the Corporation's properties are still in the exploration or advanced exploration stage. Mineral exploration and exploitation involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities.

The Corporation has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. The Corporation believes that those consultants are competent and that they have carried out their work in accordance with internationally recognized industry standards. However, if the work conducted by those consultants is ultimately found to be incorrect or inadequate in any material respect, the Corporation may experience delays or increased costs in developing its properties.

Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. There can be no assurance that commercial quantities of ore will be discovered. There is also no assurance that even if commercial quantities of ore are discovered, that the properties will be brought into commercial production or that the funds required to exploit mineral reserves and resources discovered by the Corporation will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of the above factors are beyond the control of the Corporation. There can be no assurance that the Corporation's mineral exploration activities will be successful. In the event that such commercial viability is never attained, the Corporation may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

Estimates of Mineral Resources

The mineral resource estimates contained in this prospectus are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally or commercially exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. The estimates of mineral resources described in this prospectus should not be interpreted as assurances of mine life or of the profitability of future operations.

Additional Funding and Dilution

If the Corporation's exploration programs are successful, additional funds will be required in order to complete the development of its properties. The only source of future funds presently available to the Corporation are the sale of additional equity capital or the entering into joint venture arrangements or other strategic alliances in which the funding sources could become entitled to an interest in the properties or the projects. In addition, the status of Argentina, Chile and Mexico, where the Corporation operates, as developing countries may make it more difficult for the Corporation to obtain any financing for its projects. Issuances of additional securities will result in a dilution of the equity interests of any person who may become a holder of Common Shares as a result of or subsequent to the Offering. There is no assurance that the Corporation will be successful in raising sufficient funds to meet its obligation or to complete all of the currently proposed exploration programs. If the Corporation does not raise the necessary capital to meet its obligations under current contractual obligations, the Corporation may have to forfeit its interest in properties or prospects earned or assumed under such contracts. In addition, if the Corporation does not raise the funds to complete the currently proposed exploration programs, the viability of the Corporation could be jeopardized.

Foreign Political Risk

The Corporation's material properties are currently located in Argentina, Chile and Mexico and, as such, a substantial portion of the Corporation's business is exposed to various degrees of political, economic and other risks and uncertainties. The Corporation's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws and policies of Canada affecting foreign trade, investment and taxation.

In addition to the risks noted above, in December 2006 legislation was proposed, but was not passed in the Province of Mendoza, Argentina which would have had the result of suspending the granting of new prospecting, exploration and mining licences, pending the drafting and approval of an environmental plan in accordance with the requirements of 14-year old provincial legislation. The Ministry of Environment in Mendoza is in the process of finalizing an environmental management plan which is expected to designate various areas of the Province for different uses, such as parks, agriculture and exploration and mining. Although the Corporation believes that the area of the San Jorge Property will not be affected, there can be no assurance that the granting of the prospecting, exploration and mining licences will not be suspended in the future, or that the San Jorge Property will not be in an area designated for a use other than mining.

Permits

The operations of the Corporation will require licenses and permits from various governmental authorities to carry out exploration and development at its projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Corporation will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Corporation from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that the Corporation will have the resources or expertise to meet its obligations under such licenses and permits.

Government Regulation

The mineral exploration activities of the Corporation are subject to various laws governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances

and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment, historical and archaeological sites and endangered and protected species of plants and animals. Although the exploration activities of the Corporation are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Corporation or more stringent implementation thereof could have a substantial adverse impact on the Corporation.

Property Interests

The Corporation has the right to earn a 100% interest in certain of its properties (75% interest in the Barreal Seco Property). To earn its 100% interest in each property, the Corporation is required to make certain cash payments. If the Corporation fails to make these payments, the Corporation may lose its right to such properties and forfeit any funds expended to such time.

Acquisition of Additional Mineral Properties

If the Corporation loses or abandons its interest in one or more of its properties, there is no assurance that it will be able to acquire other mineral properties of merit, whether by way of option or otherwise, should the Corporation wish to acquire any additional properties.

Environmental Regulations

The Corporation's activities are subject to foreign environmental laws and regulations which may materially adversely affect its future operations. These laws and regulations control the exploration and development of mineral properties and their effects on the environment, including air and water quality, mine reclamation, waste handling and disposal, the protection of different species of plant and animal life, and the preservation of lands. These laws and regulations will require the Corporation to acquire permits and other authorizations for certain activities. There can be no assurance that the Corporation will be able to acquire such necessary permits or authorizations on a timely basis, if at all.

Unknown Environmental Risks for Past Activities

Exploration and mining operations involve a potential risk of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. Companies may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties. However, no assurance can be given that potential liabilities for such contamination or damages caused by past activities at these properties do not exist.

Key Management

The success of the Corporation will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The success of the Corporation is largely dependent on the performance of its key individuals. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Corporation's success. The Corporation has not purchased any "key-man" insurance with respect to any of its directors, officers or key employees and has no current plans to do so.

Conflicts of Interest

Certain directors and officers of the Corporation are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the *Business Corporations Act* (British Columbia), directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Corporation are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Corporation. The directors and officers of the Corporation have either other full-time employment or other business or time restrictions placed on them and accordingly, the Corporation will not be the only business enterprise of these directors and officers.

Title to Properties

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Corporation has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Corporation cannot give an assurance that title to such properties will not be challenged or impugned. The Corporation can never be certain that it or its option partners will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex. The Corporation does not carry title insurance on its properties. A successful claim that the Corporation or its option partner does not have title to a property could cause the Corporation to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property.

Repatriation of Earnings

There is no assurance that any countries other than Canada in which the Corporation carries on business or may carry on business in the future will not impose restrictions on the repatriation of earnings to foreign entities.

Infrastructure

Development and exploration activities depend on adequate infrastructure, including reliable roads and water and power sources. In particular, the Corporation's activities in Regions II and III of Chile will depend on adequate water supply. The Corporation's inability to secure adequate water and power resources, as well as other events outside of its control, such as unusual weather, sabotage, government or other interference in the maintenance or provision of such infrastructure, could adversely affect the Corporation's operations and financial condition. The Corporation is currently trying to secure adequate water resource, but there can be no assurance that it will be successful in obtaining such resources.

Influence of Third Party Stakeholders

The properties in which the Corporation holds an interest, or the exploration equipment and roads or other means of access which the Corporation intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Corporation's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Corporation.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions, including rock bursts, cave-ins, fires, flooding, earthquakes and other environmental occurrences may occur. It is not always possible to fully insure against such risks and the Corporation may decide not take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Corporation.

Commodity Prices

The profitability of the Corporation's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Corporation. The level of interest rates, the rate of inflation, world supply of mineral commodities, consumption patterns, forward sales by producers, production, industrial demand, speculative activities and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Corporation's revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of copper or gold. The prices of these commodities are affected by numerous factors beyond our control.

In particular, copper prices have historically been subject to such cyclical fluctuations. The volatility of copper prices is illustrated in the following table which sets forth the average of the daily cash settlement prices on the LME of copper (per lb.) for 1980, 1985, 1990, 1995, 2000 and each year thereafter until 2006.

<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$0.99	\$0.64	\$1.21	\$1.33	\$0.82	\$0.72	\$0.71	\$0.81	\$1.30	\$1.67	\$3.05

Competition

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

Discretion in the Use of Net Proceeds

The Corporation intends to use the net proceeds from this Offering as set forth under the heading "Use of Proceeds". The Corporation maintains broad discretion to spend the proceeds in ways that it deems most efficient. The application of the proceeds to various items may not necessarily enhance the value of the Common Shares. The failure to apply the net proceeds in accordance with the "Use of Proceeds" and other financings could adversely affect the Corporation's business and consequently, could adversely affect the price of the Common Shares on the open market.

Limited Business History and Expected Continued Operating Losses

The Corporation has only recently commenced operations and has no history of operating earnings. The likelihood of success of the Corporation must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. The Corporation has experienced losses from operation for each of the years ended December 31, 2006 and 2005. The Corporation expects to incur losses, and will likely incur increased losses, for the foreseeable future.

No History of Dividends

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

Foreign Currency Risk

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

Absence of Public Trading Market

Currently, there is no public market for the Shares, and there can be no assurance that an active market for the Shares will develop or be sustained after this Offering. If an active public market for the Shares does not develop, the liquidity of a purchaser's investment may be limited and the share price may decline below its initial public offering price.

Arbitrary Offering Price

The Offering Price of the Shares was determined by the Corporation in negotiation with the Agents. The Offering Price is not an indication of the value of the Shares or that any of the Shares could be sold for an amount equal to the offering price or for any amount.

LEGAL PROCEEDINGS

The Corporation is not a party to any pending legal proceedings the outcome of which would have a material adverse effect on the Corporation.

MATERIAL CONTRACTS

The only material contracts entered into by the Corporation within two years prior to the date hereof or which will be entered into in connection with the Offering, other than in the ordinary course of business, are as follows:

1. The Agency Agreement referred to under "Plan of Distribution";
2. The San Jorge Agreement referred to under "Business and Properties of the Corporation – San Jorge Property";
3. The Barreal Seco Agreements referred to under "Business and Properties of the Corporation – Barreal Seco Property";
4. Transfer Agency and Registrar Agreement between the Corporation and Computershare Investor Services Inc., the registrar and transfer agent of the Corporation;
5. Escrow Agreement referred to under "Escrowed Securities"; and
6. Voluntary Pooling Agreement referred to under "Escrowed Securities".

Copies of these agreements will be available for inspection at the registered and records office of the Corporation, 1100 – 888 Dunsmuir Street, Vancouver, British Columbia, V6C 3K4, during ordinary business hours while the securities offered by this Prospectus are in the course of distribution and for a period of 30 days thereafter.

INTERESTS OF EXPERTS

None of McCullough O'Connor Irwin LLP (counsel to the Corporation), Getz Prince Wells LLP (counsel to the Agents) or any employee or partner thereof received or has received a direct or indirect interest in the property of the Corporation or of any associate or affiliate of the Corporation. As at the date hereof, none of the aforementioned parties, nor any of the employees and partners thereof, beneficially own, directly or indirectly, any securities of the Corporation. In addition, none of the foregoing persons, and no employee or partner of McCullough O'Connor Irwin LLP or Getz Prince Wells LLP is, or is expected to be elected, appointed or employed as a director, senior officer, or employee of the Corporation or of an associate or affiliate of the Corporation.

PricewaterhouseCoopers LLP, the Corporation's current auditors, who have prepared an audit report dated March 26, 2007 in respect of the Corporation's consolidated financial statements with accompanying notes as at and for the year ended December 31, 2006, report that they are independent of the Corporation in accordance with the Professional Rules of Conduct of the Institute of Chartered Accountants of British Columbia. Staley, Okada & Partners, Chartered Accountants, the Corporation's former auditors, who have prepared an audit report dated May 24, 2006, except as to Note 2 which is as of January 10, 2007, in respect of the Corporation's consolidated financial statements with accompanying notes as at and for the year ended December 31, 2005, report that they are independent of the Corporation in accordance with the Professional Rules of Conduct of the Institute of Chartered Accountants of British Columbia.

LEGAL MATTERS

Certain legal matters relating to the distribution of the Shares will be passed upon by McCullough O'Connor Irwin LLP on behalf of the Corporation and Getz Prince Wells LLP on behalf of the Agents.

RELATIONSHIP BETWEEN THE CORPORATION AND THE AGENT

The Corporation is neither a "related issuer" nor a "connected issuer", as those terms are defined in Multilateral Instrument 33-105 (Underwriting Conflicts), of the any of the Agents.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are PricewaterhouseCoopers LLP, Vancouver, British Columbia.

The transfer agent and registrar of the common shares of the Corporation is Computershare Investor Services Inc. located at its principal offices in Vancouver, British Columbia and Toronto, Ontario.

PURCHASER'S STATUTORY RIGHTS

Securities legislation in certain provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of his or her province or territory. The purchaser should refer to any applicable provisions of the securities legislation of his or her province or territory for the particulars of these rights or consult with a legal advisor.

GLOSSARY OF TECHNICAL TERMS

In this Prospectus, the terms set forth below have the following meanings:

“Ag” means silver;

“Au” means gold;

“CIM” means Canadian Institute of Mining, Metallurgy and Petroleum;

“Cu” means copper;

“CuCN” means cyanide soluble copper;

“CuR” means residual copper;

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

“CuT” and “TCu” mean total copper content;

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

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

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

“Fe” means iron;

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

“g/t” means grams per tonne;

“heap leaching” means a process used for the recovery of gold or metals which relies upon the dissolution of metal into a solution;

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

“host rock” means a body of rock in which mineralization of economic interest occurs;

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

“inferred mineral resource” means that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified

geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes;

“kg” means one kilogram;

“km” means one kilometre;

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

“m” means one metre;

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

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

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

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

“Mo” means molybdenum;

“NI 43-101” means National Instrument 43-101, Standards of Disclosure for Mineral Projects, of the Canadian Securities Administrators;

“Ni” means nickel;

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

“ounces” or “oz” means troy ounce;

“oz/ton” means troy ounces per short ton;

“Pb” means lead;

“pre-feasibility study” means a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial

analysis based on reasonable assumptions of technical, engineering, operating, economic factors and the evaluation of other relevant factors which are sufficient for a qualified person, acting reasonably, to determine if all or part of the mineral resource may be classified as a mineral reserve;

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

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

“Region II” means Region II of Chile, an administrative subdivision of Chile;

“Region III” means Region III of Chile, an administrative subdivision of Chile;

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

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

“SX-EW” means “solvent extraction/electrowinning”, a process that takes copper-bearing aqueous solutions (usually generated by heap leaching copper-bearing ores), selectively removes copper from solution through the use of organic reagents, and then electroplates copper cathode;

“ton” means a short ton, 2,000 pounds;

“tonne” or “t” means 1,000 kilograms;

“Zn” means zinc.

AUDITORS' CONSENT

We have read the prospectus of Coro Mining Corp. (the "Corporation") dated ● relating to the sale and issue of ● common shares of the Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the shareholders of the Corporation on the consolidated balance sheet of the Corporation as at December 31, 2006 and the consolidated statements of loss and deficit and cash flows for the year ended December 31, 2006. Our report is dated March 26, 2007.

Chartered Accountants
Vancouver, British Columbia

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AUDITORS' CONSENT

We have read the prospectus of Coro Mining Corp. (the "Corporation") dated ● relating to the sale and issue of ● common shares of the Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the shareholders of the Corporation on the consolidated balance sheet of the Corporation as at December 31, 2005 and the consolidated statements of loss and deficit and cash flows for the years ended December 31, 2005. Our report is dated May 24, 2006, except as to Note 2 which is as of January 10, 2007.

Chartered Accountants
Vancouver, British Columbia

●



CORO
MINING CORP.

Coro Mining Corp.

(A Development Stage Company)

Consolidated Financial Statements

March 31, 2007 and 2006 (unaudited) and

December 31, 2006 and 2005 (audited)

(expressed in thousands of U.S. dollars, except where indicated)

Independent Auditors' Report

To the Shareholders of Coro Mining Corp.

We have audited the consolidated balance sheet of **Coro Mining Corp.** as at December 31, 2006 and the consolidated statements of loss and deficit and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at December 31, 2005 and for the year then ended were audited by other auditors, who expressed an opinion without reservation on those statements in their report dated May 24, 2006, except as to note 2, which is as of January 10, 2007.

(signed) PricewaterhouseCoopers LLP

Chartered Accountants

Vancouver, British Columbia
March 26, 2007

AUDITORS' REPORT

To the Shareholders of Coro Mining Corp.:

We have audited the consolidated balance sheet of Coro Mining Corp. (the "Company") (A Development Stage Company) as at 31 December 2005 and the consolidated statements of operations, shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit report date 24 May 2006 relating to the financial statements of Coro Mining Corp. has been withdrawn and revised 10 January 2007. The explanation of the revision has been disclosed in Note 2 to the financial statements.

"Staley, Okada & Partners"

Vancouver, BC
24 May 2006, *except as to Note 2 which is as of 10 January 2007*

STALEY, OKADA & PARTNERS
CHARTERED ACCOUNTANTS

Coro Mining Corp.

Consolidated Balance Sheets

(expressed in thousands of U.S. dollars, except where indicated)

	March 31, 2007	December 31, 2006	December 31, 2005
	\$	\$	\$
	(unaudited)		
Assets			
Current assets			
Cash and cash equivalents (note 13)	7,250	10,074	5,378
Accounts receivable and prepaid expenses	305	266	81
Deferred financing costs	165	-	-
	<u>7,720</u>	<u>10,340</u>	<u>5,459</u>
Property, plant and equipment (note 5)	685	672	56
Mineral property interests (note 6)	4,730	4,024	-
Other assets	37	44	72
	<u>13,172</u>	<u>15,080</u>	<u>5,587</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	1,009	1,591	87
	<u>1,009</u>	<u>1,591</u>	<u>87</u>
Future income tax liability (note 10)	406	406	-
	<u>1,415</u>	<u>1,997</u>	<u>87</u>
Shareholders' Equity			
Equity accounts (note 7)	18,616	18,543	5,841
Accumulated other comprehensive income (note 9)	180	150	399
Retained deficit	(7,039)	(5,610)	(740)
	<u>11,757</u>	<u>13,083</u>	<u>5,500</u>
	<u>13,172</u>	<u>15,080</u>	<u>5,587</u>

Commitments and contingencies (note 4)

Related party transactions (note 11)

Approved by the Board of Directors

(signed) Alan Stephens
Director

(signed) Michael Philpot
Director

The accompanying notes are an integral part of these consolidated financial statements.

Coro Mining Corp.

Consolidated Statements of Loss and Deficit

(expressed in thousands of U.S. dollars, except where indicated)

	For the three months ended March 31, 2007 \$ (unaudited)	For the three months ended March 31, 2006 \$ (unaudited)	For the year ended December 31, 2006 \$	For the year ended December 31, 2005 \$
Expenditures				
Exploration Expenditures (note 4)				
Administration costs	331	73	844	106
Drilling & trenching costs	38	-	1,455	36
Labour costs	371	126	796	300
Property investigations	683	88	1,334	168
Property acquisition costs	469	430	3,779	6
Travel & accommodation	43	20	171	28
Costs capitalized	(706)	-	(4,024)	-
	<u>1,229</u>	<u>737</u>	<u>4,355</u>	<u>644</u>
Other Expenses (Income)				
Corporate costs	209	85	577	173
Depreciation and Amortization	17	11	50	18
Interest income	(81)	(40)	(290)	(96)
Other expenses	-	18	55	1
Stock-based compensation	55	13	123	-
	<u>200</u>	<u>87</u>	<u>515</u>	<u>96</u>
Loss for the period	<u>1,429</u>	<u>824</u>	<u>4,870</u>	<u>740</u>
Deficit – beginning of period	5,610	740	740	-
Deficit – end of period	<u>7,039</u>	<u>1,564</u>	<u>5,610</u>	<u>740</u>
Basic and diluted loss per share	\$0.05	\$0.04	\$0.20	\$0.06
Weighted average shares outstanding (000's)	29,796	20,006	24,024	12,973

Coro Mining Corp.

Consolidated Statements of Comprehensive Loss (unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

	For the three months ended March 31, 2007 \$	For the three months ended March 31, 2006 \$	For the year ended December 31, 2006 \$	For the year ended December 31, 2005 \$
Loss for the period	<u>1,429</u>	<u>824</u>	<u>4,870</u>	<u>740</u>
Other Comprehensive Loss (income)				
Net loss (gain) on translation to reporting currency	30	(3)	(249)	399
Total Comprehensive Loss	<u>1,459</u>	<u>821</u>	<u>4,621</u>	<u>1,139</u>

Coro Mining Corp.

Consolidated Statements of Cash Flows

(expressed in thousands of U.S. dollars, except where indicated)

	For the three months ended March 31, 2007 \$ (unaudited)	For the three months ended March 31, 2006 \$ (unaudited)	For the year ended December 31, 2006 \$	For the year ended December 31, 2005 \$
Cash flows from operating activities				
Net loss for the period	(1,429)	(824)	(4,870)	(740)
Items not affecting cash				
Depreciation and amortization	17	11	50	18
Stock-based compensation expense	55	13	123	-
	<u>(1,357)</u>	<u>(800)</u>	<u>(4,697)</u>	<u>(722)</u>
Change in non-cash operating working capital				
Increase in accounts receivable and prepaid expenses	(40)	(66)	(238)	(4)
Increase in accounts payable and accrued liabilities	<u>(318)</u>	<u>35</u>	<u>633</u>	<u>74</u>
	<u>(1,715)</u>	<u>(831)</u>	<u>(4,302)</u>	<u>(652)</u>
Cash flows from financing activities				
Issuance of common shares (net of issue costs)	<u>(88)</u>	<u>54</u>	<u>12,184</u>	<u>5,702</u>
	<u>(88)</u>	<u>54</u>	<u>12,184</u>	<u>5,702</u>
Cash flows from investing activities				
Property, plant and equipment	(22)	(10)	(639)	(53)
Investments	-	-	-	(18)
Deferred exploration costs	<u>(1,029)</u>	<u>-</u>	<u>(2,298)</u>	<u>-</u>
	<u>(1,051)</u>	<u>(10)</u>	<u>(2,937)</u>	<u>(71)</u>
Effect of exchange rate changes on cash	30	(3)	(249)	399
Increase (decrease) in cash and cash equivalents	(2,824)	(790)	4,696	5,378
Cash and cash equivalents - Beginning of period	<u>10,074</u>	<u>5,378</u>	<u>5,378</u>	<u>-</u>
Cash and cash equivalents - End of period	<u>7,250</u>	<u>4,588</u>	<u>10,074</u>	<u>5,378</u>

Supplemental cash flow information (note 13)

Coro Mining Corp.

Notes to Consolidated Financial Statements

March 31, 2007 (unaudited) and December 31, 2006 and 2005 (audited)

(expressed in thousands of U.S. dollars, except where indicated)

1 Nature of operations

Coro Mining Corp. (the “Company” or “Coro”) and its subsidiaries are engaged in the exploration and development of base and precious metal projects in the Latin American countries of Chile, Argentina, and Mexico. The Company was incorporated on September 22, 2004 and commenced activities in 2005.

2 Changes in accounting policy

Effective January 1, 2007, the Company adopted CICA Handbook sections 1530, Comprehensive Income, section 3855, Financial Instruments – Recognition and Measurement, and section 3865, Hedges. These standards require the presentation of a statement of comprehensive income and its components, which is included in the consolidated financial statements starting this period. Comprehensive income includes both net earnings and other comprehensive income. Other comprehensive income includes holding gains and losses on available for sale investments, gains and losses on certain derivative instruments and foreign currency gains and losses relating to self-sustaining foreign operations, all of which are not included in the calculation of net earnings until realized. The only impact on the Company of adopting these new standards was the reclassification of the “Currency translation adjustment” account that was included as a separate component of shareholders’ equity to “Accumulated other comprehensive income (loss)”.

3 Significant accounting policies

Principles of consolidation

The consolidated financial statements include the assets, liabilities and results of all entities controlled by Company. The effect of all transactions between entities in the consolidated group are eliminated in full. Where control of an entity is obtained during a financial year, its results are included in the consolidated statements of loss and deficit from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control exists.

Estimates, risks and uncertainties

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported, and disclosed in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Realization of the Company’s assets and liabilities is subject to risks and uncertainties, including reserve and resource estimation; future copper and other base and precious metal prices; estimated costs of future production; changes in government legislation and regulations; estimated future income taxes; and the availability of financing and availability of financing and various operational factors.

Coro Mining Corp.

Consolidated Balance Sheets

(expressed in thousands of U.S. dollars, except where indicated)

3 Significant accounting policies (continued)

Foreign currency translation

The temporal method of translation is used to translate foreign currency transactions and the financial statements of foreign subsidiaries, which are considered financially and operationally integrated, into the Company's functional currency. The temporal method is applied as follows:

- (i) Monetary assets and liabilities are translated at the rate of exchange in effect at the balance sheet date;
- (ii) Non-monetary assets and liabilities, and equity are translated at historical rates; and
- (iii) Revenue and expense items are translated at the rate of exchange prevailing at the time of the transaction or at average exchange rates during the period as appropriate.

Gains and losses on re-measurement to the functional currency are included in determining net income for the period.

The Company has selected a U.S. dollar reporting currency. Where the functional currency differs from the reporting currency, the current rate method of translation is used. The current rate method is applied as follows:

- (i) Assets and liabilities are re-measured at the rate of exchange in effect at the balance sheet date;
- (ii) Equity is measured at historical rates; and
- (iii) Revenue and expense items are translated at the rate of exchange prevailing at the time of transaction or at average exchange rates during the period as appropriate.

The translation adjustments resulting to the reporting currency are accumulated as a separate component of shareholders' equity called Accumulated other comprehensive income (loss).

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and cash on hand and other short-term investments with initial maturities of less than three months.

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and amortization and are depreciated over the estimated lives of the assets on a straight-line basis as appropriate.

Mineral properties and deferred exploration costs

Exploration and associated costs relating to non-specific projects or properties are expensed in the period incurred. When management has established that a resource exists, significant property acquisition, exploration and development costs relating to those specific properties are deferred until the project to which they relate is sold, abandoned, impaired or placed into production.

Coro Mining Corp.

Notes to Consolidated Financial Statements

March 31, 2007 (unaudited) and December 31, 2006 and 2005 (audited)

(expressed in thousands of U.S. dollars, except where indicated)

3 Significant accounting policies (continued)

Asset impairment

The Company performs impairment tests on property, plant and equipment and mineral properties when events or circumstances occur which indicate the assets may not be recoverable. Where information is available and conditions suggest impairment, estimated future net cash flows for each project are calculated using estimated future prices, proven and probable reserves and resources, and operating, capital and reclamation costs on an undiscounted basis. When estimated future cash flows are less than the carrying value, the project is considered impaired. Reductions in the carrying value of each project would be recorded to the extent the net book value of the investment exceeds the discounted estimated future cash flows. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses whether the carrying value can be recovered.

Loss per share

Loss per share is calculated using the weighted average number of shares outstanding during the year. Diluted loss per share is calculated using the treasury stock method whereby all "in the money" options and warrants are assumed to have been exercised at the beginning of the period and the proceeds from the exercise are assumed to have been used to purchase common shares at the average market price during the period. Basic and diluted loss per share is the same as the affect of the exercise of outstanding options and warrants would be anti-dilutive.

Income taxes

The Company uses the asset and liability method of accounting for future income taxes. Under this method, future income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years. The amount of future tax assets recognized is limited to the amount that is more likely than not to be realized.

Stock-based compensation

The Company applies the fair value method of accounting for stock options. The fair value of the options are determined using an option pricing model that takes into account, as of the grant date, the exercise price, the expected life of the option, the current price of the underlying stock and its expected volatility, expected dividends on the stock, and the risk-free interest rate over the expected life of the option. Cash consideration received from employees on exercise of options is credited to capital stock along with the original grant date fair value of the options exercised. The Company expenses the fair value of stock options granted over the vesting period with the corresponding credit to contributed surplus.

Currency

All references to dollars (\$) are to thousands of U.S. dollars unless otherwise noted. CA\$ refers to Canadian dollars.

Coro Mining Corp.

Notes to Consolidated Financial Statements

March 31, 2007 (unaudited) and December 31, 2006 and 2005 (audited)

(expressed in thousands of U.S. dollars, except where indicated)

4 Exploration expenditures

Exploration expenditures for the three months ended March 31, 2007				
Exploration expenditure - By Country	Argentina \$	Chile \$	Mexico \$	Total \$
Administration costs	\$223	\$79	\$29	\$331
Drilling & trenching	25	13	-	38
Labour costs	129	188	54	371
Property investigations	313	339	31	683
Property acquisition costs	-	381	88	469
Travel & accommodation	16	15	12	43
Costs capitalized	(706)	-	-	(706)
Total exploration expenditures – By Country	\$-	\$1,015	\$214	\$1,229

Exploration Expenditures - Chile	Barreal \$	Gloria \$	General \$	Total \$
Administration costs	\$9	\$1	\$69	\$79
Drilling & trenching	13	-	-	13
Labour costs	101	6	81	188
Property investigations	316	8	15	339
Property acquisition costs	361	20	-	381
Travel & accommodation	8	1	6	15
Cost capitalized	-	-	-	-
Total exploration expenditure - Chile	\$808	\$36	\$171	\$1,015

Exploration expenditure – Other Countries	Argentina \$ San Jorge	Mexico \$ Cordero-Sanson	Mexico \$ Other	Total \$
Administration costs	\$223	\$-	\$29	\$252
Drilling & trenching	25	-	-	25
Labour costs	129	8	46	183
Property investigations	313	24	7	344
Property acquisition costs	-	88	-	88
Travel & accommodation	16	-	12	28
Costs capitalized	(706)	-	-	(706)
Total exploration expenditures – Other Countries	\$ -	\$120	\$94	\$214

Coro Mining Corp.

Notes to Consolidated Financial Statements

March 31, 2007 (unaudited) and December 31, 2006 and 2005 (audited)

(expressed in thousands of U.S. dollars, except where indicated)

4 Exploration expenditures (continued)

Exploration expenditures for the three months ended March 31, 2006				
Exploration expenditure - By Country	Argentina \$	Chile \$	Mexico \$	Total \$
Administration costs	\$-	\$36	\$37	\$73
Drilling & trenching	-	-	-	-
Labour costs	-	93	33	126
Property investigations	-	52	36	88
Property acquisition costs	-	430	-	430
Travel & accommodation	-	9	11	20
Costs capitalized	-	-	-	-
Total exploration expenditures – By Country	\$-	\$620	\$117	\$737

Exploration Expenditures - Chile	Barreal \$	Gloria \$	General \$	Total \$
Administration costs	\$3	\$-	\$33	\$36
Drilling & trenching	-	-	-	-
Labour costs	1	-	92	93
Property investigations	40	-	12	52
Property acquisition costs	430	-	-	430
Travel & accommodation	3	-	6	9
Cost capitalized	-	-	-	-
Total exploration expenditure - Chile	\$477	\$-	\$143	\$620

Exploration expenditure – Other Countries	Argentina \$ San Jorge	Mexico \$ Cordero-Sanson	Mexico \$ Other	Total \$
Administration costs	\$-	\$1	\$36	\$37
Drilling & trenching	-	-	-	-
Labour costs	-	8	25	33
Property investigations	-	14	22	36
Property acquisition costs	-	-	-	-
Travel & accommodation	-	1	10	11
Costs capitalized	-	-	-	-
Total exploration expenditures – Other Countries	\$-	\$24	\$93	\$117

Coro Mining Corp.

Notes to Consolidated Financial Statements

March 31, 2007 (unaudited) and December 31, 2006 and 2005 (audited)

(expressed in thousands of U.S. dollars, except where indicated)

4 Exploration expenditures (continued)

Exploration expenditure for the year ended December 31, 2006				
Exploration expenditure - By Country	Argentina \$	Chile \$	Mexico \$	Total \$
Administration costs	\$205	\$514	\$125	\$844
Drilling & trenching	489	928	38	1,455
Labour costs	88	507	201	796
Property investigations	555	522	257	1,334
Property acquisition costs	2,669	997	113	3,779
Travel & accommodation	18	97	56	171
Costs capitalized	(4,024)	-	-	(4,024)
Total exploration expenditure – By Country	\$ -	\$3,565	\$790	\$4,355

Exploration expenditure - Chile	Barreal \$	Gloria \$	General \$	Total \$
Administration costs	\$48	\$5	\$461	\$514
Drilling & trenching	928	-	-	928
Labour costs	239	38	230	507
Property investigations	429	43	50	522
Property acquisition costs	538	459	-	997
Travel & accommodation	68	6	23	97
Total exploration expenditure - Chile	\$2,250	\$551	\$764	\$3,565

Exploration expenditure – Other Countries	Argentina \$		Mexico \$	Total \$
	San Jorge	Cordero-Sanson	Other	
Administration costs	\$205	\$9	\$116	\$330
Drilling & trenching	489	38	-	527
Labour costs	88	152	49	289
Property investigations	555	169	88	812
Property acquisition costs	2,669	113	-	2,782
Travel & accommodation	18	41	15	74
Costs capitalized	(4,024)	-	-	(4,024)
Total exploration expenditure – Other Countries	\$ -	\$522	\$268	\$790

Coro Mining Corp.

Notes to Consolidated Financial Statements

March 31, 2007 (unaudited) and December 31, 2006 and 2005 (audited)

(expressed in thousands of U.S. dollars, except where indicated)

4 Exploration expenditures (continued)

Exploration expenditure for the year ended December 31, 2005				
Exploration expenditure – By Country	Chile \$	Mexico \$	Other \$	Total \$
Administration costs	\$40	\$66	\$-	\$106
Drilling & trenching	36	-	-	36
Labour costs	230	70	-	300
Property investigations	94	34	40	168
Property acquisition costs	-	6	-	6
Travel & accommodation	26	2	-	28
Total exploration expenditure – By Country	\$426	\$178	\$40	\$644

Barreal Seco and satellite properties, Chile:

The Barreal Seco and satellite copper properties comprise the Barreal Seco, Salvadora and Celeste properties. Barreal Seco is located on the boundary of Region II and Region III, in Chile and the satellite properties are located in the northern part of Region III in Chile. Barreal Seco is an advanced heap leach project located approximately 60-80km northeast of the coastal port of Chañaral and 30-50km northwest of Codelco's El Salvador smelter/mine complex. The Company may acquire a 75% interest in the property for total property option payments of \$2,012 (2007: \$361(paid), 2008: \$400, 2009: \$863).

The Salvadora copper property is located approximately 17km southwest of Barreal Seco. The Company may acquire a 100% interest in the property for total option payments of \$1,500 (2007: \$100, 2008: \$200, 2009: \$1,100) and includes a 1.5% net smelter return royalty that can be purchased for \$1,350. The Company is currently leasing the Celeste property which is located 28km southwest of Barreal Seco. The payments for 2006 include a payment for a property that was dropped during the year.

All three properties are IOCG (iron oxide copper gold) type deposits and both Salvadora and Celeste properties could provide additional sources of copper ore to a central mine facility, if deemed feasible, located near the Barreal Seco property.

Gloria, Chile:

The Gloria copper property comprises a small claim group, situated approximately 28km southeast of Copiapo, in Region III in Chile. It is also situated approximately 15km east of the Candelaria Mine. The Gloria property comprises two separate but adjacent properties. The Company has acquired 100% of one of these properties and may acquire 100% of the other, for total option payments of \$2,358 (2007: \$403(\$20 paid), 2008: \$608, 2009: \$884).

General, Chile:

General exploration activity in Chile includes the Cerro Blanco Silica property, located 55km north of Santiago and adjacent to the Pan-American Highway.

Coro Mining Corp.

Notes to Consolidated Financial Statements

March 31, 2007 (unaudited) and December 31, 2006 and 2005 (audited)

(expressed in thousands of U.S. dollars, except where indicated)

4 Exploration expenditures (continued)

San Jorge, Argentina:

The San Jorge copper-gold project is located in Argentina, approximately 110km northwest from Mendoza, and approximately 250km northeast of Santiago, Chile. The San Jorge project is a heap leachable copper oxide deposit.

The Company entered into an option agreement to purchase 100% of the project, by acquiring the outstanding shares of Minera San Jorge, from Global Copper Corp. ("Global"). At the time of the option agreement, Global Copper entered in an Indemnity and Release agreement with a previous owner of the mineral rights. This indemnity and release agreement was provided for the consideration of \$1,096. The Company has also provided for the settlement of an outstanding legal dispute associated with the San Jorge project for \$400, which has subsequently been paid.

Under the option agreement, the Company has agreed to pay a total of \$1,000 in cash (\$300 paid in 2006, \$300 paid in May 2007) and grant a total of 1,000,000 shares (333,333 granted in 2006, 333,333 granted in May 2007). In addition, upon completion of a bankable feasibility study on the leachable ore, the Company agreed to pay \$US0.025 per pound of copper contained in the mineable, proven and probable heap leach reserves, less the aggregate deemed share price of the 1,000,000 shares noted above, of which up to one half of such amount may be payable, at the seller's option, in shares. Upon commencement of commercial production from any mineable, proven and probable sulphide reserves, the Company agreed to pay \$US0.02 per pound contained in the mineable, proven and probable sulphide reserves. For any production of copper in excess of that derived from the total mineable, proven and probable heap leachable reserves and mineable, proven and probable sulphide reserves the Company agreed to pay; (i) \$US0.02 per pound of copper contained in ore placed on leach pads, in excess of the total pounds of copper contained in the mineable, proven and probable heap leachable reserves; and (ii) \$US0.015 per pound of copper contained in ore processed by a mill, in excess of the total pounds of copper contained in the mineable, proven and probable sulphide reserves.

Cordero-Sanson, Mexico:

In Mexico, the Company has the Cordero-Sanson property comprised of two claim groups. The Cordero claim group is an option on early stage polymetallic porphyry related property located 45km northeast of Parral, in the southern Chihuahua state. The Company may acquire a 100% interest in the Cordero claim group for total option payments of \$2,991 and a net smelter return royalty of between 1% and 2%.

The neighbouring Sanson claim group includes a 10,000 hectare claim to cover potential extensions to the Cordero system. The Company owns 100% of the Sanson claim group.

Coro Mining Corp.

Notes to Consolidated Financial Statements

March 31, 2007 (unaudited) and December 31, 2006 and 2005 (audited)

(expressed in thousands of U.S. dollars, except where indicated)

4 Exploration expenditures (continued)

Summary of property option payments – March 31, 2007

Year	Argentina San Jorge \$	Chile Barreal \$	Chile Gloria \$	Mexico Cordero-Sanson \$	Total \$
2006 (paid)	\$300	\$538	\$463	\$113	\$1,414
2007 (paid)	-	361	20	88	469
2007 (unpaid)	300	100	383	-	783
2008	400	600	608	400	2,008
2009	-	1,963	884	470	3,317
2010	-	-	-	1,920	1,920
	\$1,000	\$3,562	\$2,358	\$2,991	\$9,911

5 Property, plant and equipment

	March 31, 2007			December 31, 2006			December 31, 2005		
	Cost	Accumulated amortization	Net \$	Cost	Accumulated amortization	Net \$	Cost	Accumulated amortization	Net \$
Equipment	\$186	\$(38)	\$148	\$163	\$(28)	\$135	\$61	\$(5)	\$56
Land	537	-	537	537	-	537	-	-	-
Total	\$723	\$(38)	\$685	\$700	\$(28)	\$672	\$61	\$(5)	\$56

In 2006, the Company purchased a 115,000 hectare ranch providing surface land rights covering the San Jorge project. The ranch was acquired for a total cost of \$537. This purchase is still subject to approval by the Argentine authorities.

6 Mineral property interests

Description	Total San Jorge \$
Opening balance - January 1, 2006	\$-
Acquisition costs / options payments 2006	2,669
Deferred exploration & development costs (note 4)	1,355
Closing balance - December 31, 2006	4,024
Deferred exploration and development costs (note 4)	706
Closing balance - March 31, 2007	\$4,730

Included within the 2006 acquisition costs for Minera San Jorge is the assumption of a future income tax liability of \$406. Refer to note 10 (income taxes).

Coro Mining Corp.

Notes to Consolidated Financial Statements

March 31, 2007 (unaudited) and December 31, 2006 and 2005 (audited)

(expressed in thousands of U.S. dollars, except where indicated)

7 Equity accounts

The Company has an unlimited amount of authorized common shares without par value.

	Number of shares(000's)	Shares \$	Contributed Surplus	Total \$
Opening balance - January 1, 2005	-	\$-	\$-	\$-
Share issuance - 2005:				
Cash	19,806	5,756	-	5,756
Non-cash	200	85	-	85
Closing balance - December 31, 2005	20,006	5,841	-	5,841
Share issuances - 2006:				
Cash	9,457	12,130	-	12,130
Non-cash	333	446	-	446
Compensation expense - 2006			126	126
Closing balance - December 31, 2006	29,796	18,417	126	18,543
Compensation expense - 2007			73	73
Closing Balance - March 31, 2007	29,796	\$18,417	\$199	\$18,616

Share issuances

In April 2005, the Company issued 7.7 million shares, via a private equity placement, at CA\$0.15 per share for proceeds of \$931. In May 2005, the Company issued 10.4 million shares, via a private equity placement, at CA\$0.50 per shares for proceeds of \$4,151.

In June 2005, the Company issued 1.7 million shares, via a private equity placement, at CA\$0.50 per share, for proceeds of \$674. In September 2005, the Company issued 0.2 million shares to Phelps Dodge Exploration Corporation at a deemed price of CA\$0.50 per share for access to geological information.

In April 2006, the Company issued 0.55 million shares, via a private equity placement, at CA\$0.50 per share for proceeds at \$246. In August 2006, the Company issued 8.9 million shares, via a private equity placement at CA\$1.50 per share for proceeds at \$11,884.

In August 2006, the Company issued 333,333 shares at CA\$1.50 per share in conjunction with the option agreement on San Jorge (refer note 4).

As at March 31, 2007 the weighted average number at shares outstanding was 29,796,106 (December 31, 2006: 24,023,799; December 31, 2005: 12,973,267).

Subsequent to March 31, 2007, the Company issued 333,333 shares in conjunction with the option agreement on San Jorge (refer to note 4).

Coro Mining Corp.

Notes to Consolidated Financial Statements

March 31, 2007 (unaudited) and December 31, 2006 and 2005 (audited)

(expressed in thousands of U.S. dollars, except where indicated)

8 Share stock options

The Company has a stock option plan that permits the Company to grant incentive stock options to directors, officers, key employees and consultants of the Company. Terms and pricing of options are determined by management at the date of grant. Under the stock option plan a total of 10% of the issued and outstanding common shares of the Company may be allotted and reserved for issuance under the plan.

	Number of shares (000's)	Weighted average exercise price CA\$
Outstanding, January 1, 2006	-	-
Granted	2,060	0.76
Cancelled	-	-
Exercised	-	-
Outstanding, December 31, 2006	2,060	0.76
Granted	490	1.50
Cancelled	(80)	0.50
Exercised	-	-
Outstanding, March 31, 2007 (unaudited)	2,470	0.91

At March 31, 2007, the following stock options were outstanding:

Number of Shares Outstanding (000's)	Exercise price CA\$	Expiry Date
400	0.50	Feb 14, 2011
50	0.50	May 2, 2011
250	0.50	Jul 11, 2011
1,000	0.75	Feb 14, 2011
80	1.50	Sep 25, 2011
200	1.50	Oct 18, 2011
490	1.50	Feb 13, 2012
Total	0.91	

Stock options vest over a three year period, from the date the Company complete its initial public offering. At March 31, 2007, no stock options were vested and exercisable.

Option pricing models require the input of highly subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options. The following assumptions were used in the Black-Scholes option pricing model to calculate the compensation expense:

Coro Mining Corp.

Notes to Consolidated Financial Statements

March 31, 2007 (unaudited) and December 31, 2006 and 2005 (audited)

(expressed in thousands of U.S. dollars, except where indicated)

8 Share stock options (continued)

Risk-free interest rate	4.0% to 4.2%
Options expected life	3.5 to 4.5 years
Expected volatility	75%
Expected dividend	0%

For the three months ended March 31, 2007, total stock-based compensation was \$73 (December 31, 2006: \$126). The Company has recognized a compensation expense as it considers there is a high probability of completing its initial public offering.

9 Accumulated other comprehensive income

	Total
	\$
Opening balance - January 1, 2005	\$-
Other comprehensive income(loss)	399
Closing balance - December 31, 2005	399
Other comprehensive income (loss)	(249)
Closing balance - December 31, 2006	150
Other comprehensive income (loss)	30
Closing balance - March 31, 2007 (unaudited)	\$180

10 Income taxes

	Three months ended March 31, 2007 (unaudited)		Year ended December 31, 2006		Year ended December 31, 2005	
	\$	%	\$	%	\$	%
Losses	\$1,429		\$4,870		\$740	
Income taxes at statutory rates	487	34	1,661	34	258	35
Difference in foreign tax rates	0	0	(2)	0	(5)	(1)
Non-deductible expenses	82	6	135	3	14	2
Unrecognized tax losses	(569)	(40)	(1,794)	(37)	(267)	(36)
Taxation expense	\$-		\$-		\$-	

The significant components of the Company's future income tax liability are as follows:

	March 31, 2007 \$ (unaudited)	Year ended December 31, 2006 \$	Year ended December 31, 2005 \$
Mineral property interest	\$406	\$406	\$-
Operating losses carried forward	(2,630)	(2,061)	(267)
Valuation allowance	2,630	2,061	267
Net future income tax liability	\$406	\$406	\$-

Coro Mining Corp.

Notes to Consolidated Financial Statements

March 31, 2007 (unaudited) and December 31, 2006 and 2005 (audited)

(expressed in thousands of U.S. dollars, except where indicated)

10 Income taxes (continued)

As at March 31, 2007, the Company has incurred non-capital losses for income tax purposes of \$8,108 (December 31, 2006: \$6,924). They may be carried forward and used to reduce taxable income of future years in the countries indicated. These losses will expire as follows:

	Argentina	Canada	Chile	Mexico	Total
	\$	\$	\$	\$	\$
Expiry Date					
2012	\$-	\$286	\$-	\$-	\$286
2013	-	297	-	-	297
2014	-	121	-	-	121
Thereafter	-	-	6,620	784	7,404
Total	\$-	\$704	\$6,620	\$784	8,108

As the Company only has an option to acquire Minera San Jorge any tax losses incurred prior to the option agreement being entered into have not been recognized.

11 Related party transactions

For the three months ended March 31, 2007 paid \$22 (December 31, 2006: \$75) in expenses (on a cost recovery basis) to a private company with a common director. Certain executive directors' fees are paid to private companies with common directors.

12 Geographic segmented information

	ARG	CAD	CHI	MEX	TOTAL
	\$	\$	\$	\$	\$
Total assets - December 31, 2005	\$-	\$5,397	\$137	\$53	\$5,587
Total assets - December 31, 2006	5,443	9,091	457	89	15,080
Total assets - March 31, 2007	\$5,427	\$7,021	\$578	\$146	\$13,172

Coro Mining Corp.

Notes to Consolidated Financial Statements

March 31, 2007 (unaudited) and December 31, 2006 and 2005 (audited)

(expressed in thousands of U.S. dollars, except where indicated)

13 Supplemental cash flow information

In 2006, the Company conducted certain non-cash financing and investing activities which included the issuance of shares under the San Jorge option agreement for a deemed value of \$446 (note 7). In 2005, the Company issued shares for geological information for a deemed value of \$85 (note 7).

Cash and cash equivalents comprise the following:

	Three month ended March 31, 2007 \$ (unaudited)	Year ended December 31, 2006 \$	Year ended December 31, 2005 \$
Cash on hand and balances in bank	\$755	\$1,304	\$185
Short term deposits	6,495	8,770	5,193
	\$7,250	\$10,074	\$5,378

14 Financial instruments

Fair Values

As at March 31, 2007 and 2006 and December 31, 2006 and 2005, the Company's carrying values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

Credit Risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable. The Company deposits cash and cash equivalents with high credit quality financial institutions.

CERTIFICATE OF THE ISSUER

DATED: **May 23, 2007**

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

(signed) Alan Stephens

Alan Stephens,
President and Chief Executive Officer

(signed) Damian Towns

Damian Towns,
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) Michael Philpot

Michael Philpot,
Director

(signed) Robert Watts

Robert Watts,
Director

CERTIFICATE OF THE AGENTS

DATED: **May 23, 2007**

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

HAYWOOD SECURITIES INC.

RBC DOMINION SECURITIES INC.

 (signed) Keith Peck
Keith Peck

 (signed) Lance Rishor
Lance Rishor

DUNDEE SECURITIES CORPORATION

 (signed) Richard Cohen
Richard Cohen