



**OBAN MINING CORPORATION
(FORMERLY BRAEVAL MINING CORPORATION)**

ANNUAL INFORMATION FORM
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2014

March 10th, 2015

TABLE OF CONTENTS

INTRODUCTORY NOTES	3
Cautionary Statement Regarding Forward-Looking Information	3
Currency and Exchange Rate Information	4
Technical Abbreviations	5
CORPORATE STRUCTURE	6
The Corporation	6
Intercorporate Relationships	6
DESCRIPTION OF THE BUSINESS	7
Introduction	7
Three Year History	7
MINERAL PROJECTS	10
Marcahui Project	10
Lithocaps Project	27
Antamayo Project	39
PERUVIAN MINING LAW	39
Mineral Tenure	40
Environmental Obligations	42
Surface Rights and Surface Tenure	43
Ownership of Mining Rights	44
Taxes	44
Royalties	44
Minimum Production Obligations	45
Mine Closure and Remediation	45
RISK FACTORS	46
DIVIDENDS OR DISTRIBUTIONS	54
DESCRIPTION OF CAPITAL STRUCTURE	54
MARKET FOR SECURITIES	55
Trading Price and Volume	55
Prior Sales	55
DIRECTORS AND OFFICERS	55
PROMOTER	59
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	59
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	60
TRANSFER AGENT AND REGISTRAR	60
MATERIAL CONTRACTS	60
AUDIT COMMITTEE	60
The Audit Committee's Charter	60
Composition of the Audit Committee	61
Relevant Education and Experience	61
Pre-Approval Policies and Procedures	62
External Auditor Service Fees	62
INTERESTS OF EXPERTS	62
ADDITIONAL INFORMATION	63
SCHEDULE "A" – AUDIT COMMITTEE CHARTER	1

INTRODUCTORY NOTES

Cautionary Statement Regarding Forward-Looking Information

This annual information form (this "AIF") contains or incorporates by reference forward-looking statements and forward-looking information within the meaning of applicable Canadian securities laws, which are based on expectations, estimates and projections as of the date hereof. This forward-looking information includes, or may be based upon, without limitation, estimates, forecasts and statements as to management's expectations with respect to, among other things, the generation of revenues by Oban Mining Corporation (formerly Braeval Mining Corporation) (the "**Corporation**" or "**Oban**"), the timing and amount of funding required to execute the Corporation's exploration, development and business plans; capital and exploration expenditures; the effect on the Corporation of any changes to existing legislation or policy; government regulation of exploration, development and mining operations; the length of time required to obtain permits, certifications and approvals; the success of exploration, development and mining activities; the geology of the Corporation's properties; environmental risks; the availability of labour; the focus of the Corporation in the future; the future payment by the Corporation of dividends; demand and market outlook for precious metals and the prices thereof; progress in development of mineral properties; the Corporation's ability to raise funding privately or on a public market in the future; the Corporation's future growth; results of operations and performance; and business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expect", "intend", "may", "plan" and similar expressions have been used to identify such forward-looking information. Forward-looking information is based on the opinions and estimates of management at the date the information is given, and on information available to management at such time. Forward-looking information involves significant risks, uncertainties, assumptions and other factors that could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking information. These factors, including, but not limited to, those factors discussed herein under "*Description of the Business - Risk Factors*", include fluctuations in currency markets, fluctuations in commodity prices, the ability of the Corporation to access sufficient capital on favourable terms or at all, changes in national and local government legislation, taxation, controls and regulations, political or economic developments in Canada, Peru, or other countries in which the Corporation does business or may carry on business in the future, operating or technical difficulties in connection with exploration or development activities, employee relations, the speculative nature of mineral exploration and development, obtaining necessary licenses and permits, diminishing quantities and grades of mineral reserves (if any), contests over title to properties, especially title to undeveloped properties, the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drill results and other geological data, environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding, limitations of insurance coverage and the possibility of project cost overruns or unanticipated costs and expenses, and should be considered carefully. Many of these uncertainties and contingencies can affect the Corporation's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Corporation. Prospective investors should not place undue reliance on any forward-looking information. Although the forward-looking information contained in this AIF is based upon what management believes, or believed at the time, to be reasonable assumptions, there can be no assurance that actual results will be consistent with such forward-looking information, as there may be other factors that cause results not to be as anticipated, estimated or intended. Neither the Corporation nor any other person assumes responsibility for the accuracy and completeness of any such forward-looking information. The Corporation does not undertake, and assumes no obligation, to update or revise any such forward-looking statements or forward-looking information contained herein to reflect new events or circumstances, except as may be required by securities laws.

Currency and Exchange Rate Information

In this AIF, unless otherwise indicated, all references to "\$" or "dollars" refer to Canadian dollars, all references to "US\$" refer to United States dollars and all references to "PEN\$" refer to Peruvian nuevo soles.

The high, low and average exchange rates for the United States dollar (US\$) in terms of Canadian dollars for each of the years ended December 31, 2014, 2013 and 2012, as reported by the Bank of Canada (www.bankofcanada.ca), were as follows:

	Year Ended December 31, 2014 (\$)	Year Ended December 31, 2013 (\$)	Year Ended December 31, 2012 (\$)
Average	1.1042	1.0299	0.9996
High	1.1617	1.0697	1.0418
Low	1.0655	0.9839	0.9710

As at March 09th, 2015 the Bank of Canada closing exchange rate was US\$1.00 = \$1.2596 or \$1.00 = US\$0.7939.

The high, low and average exchange rates for the Peruvian nuevo sol (PEN\$) in terms of Canadian dollars for each of the years ended December 31, 2014, 2013 and 2012, as reported by the Bank of Canada (www.bankofcanada.ca), were as follows:

	Year Ended December 31, 2014 (\$)	Year Ended December 31, 2013 (\$)	Year Ended December 31, 2012 (\$)
Average	0.3834	0.3814	0.3789
High	0.3912	0.3985	0.3902
Low	0.3731	0.3679	0.3683

As at March 10th, 2015 the Bank of Canada noon exchange rate was PEN\$1.00 = \$0.4075 or \$1.00 = PEN\$2.4540.

Technical Abbreviations

Unless the context otherwise requires, technical terms or abbreviations not otherwise defined in this AIF shall have the following meanings:

Abbreviation	Definition
Ag	Silver
As	Arsenic
Au	Gold
Bi	Bismuth
CIM	Canadian Institute of Mining, Metallurgy and Petroleum
Cu	Copper
°	Degree(s)
DEM	Digital Elevation Model
GPS	Global Positioning System
g	Gram(s)
g/t	Gram(s) per tonne
> , <	Greater than, less than
ha	Hectare(s)
63.5 mm	HQ – diameter of drill core
ISO	International Organization for Standardization
K	Potassium
kg	Kilogram(s)
km	Kilometre(s)
m	Metre(s)
Ma	Million Years
masl	Metre(s) above sea level
mm	Millimetre(s)
' , "	Minutes, seconds
Mo	Molybdenum
Mt	Million tonnes
NSR	Net smelter return
'ore'	Ore – gold-bearing material mined by artisanal workers ⁽¹⁾
Oreas	Ore assay standards
oz	Ounce(s)
Pb	Lead
ppb	Parts per billion
ppm	Parts per million
%	Percent(age)
QA/QC	Quality Assurance / Quality Control
UTM	Universal Transverse Mercator
WGS-84 Datum	Coordinate System
Zn	Zinc

Note:

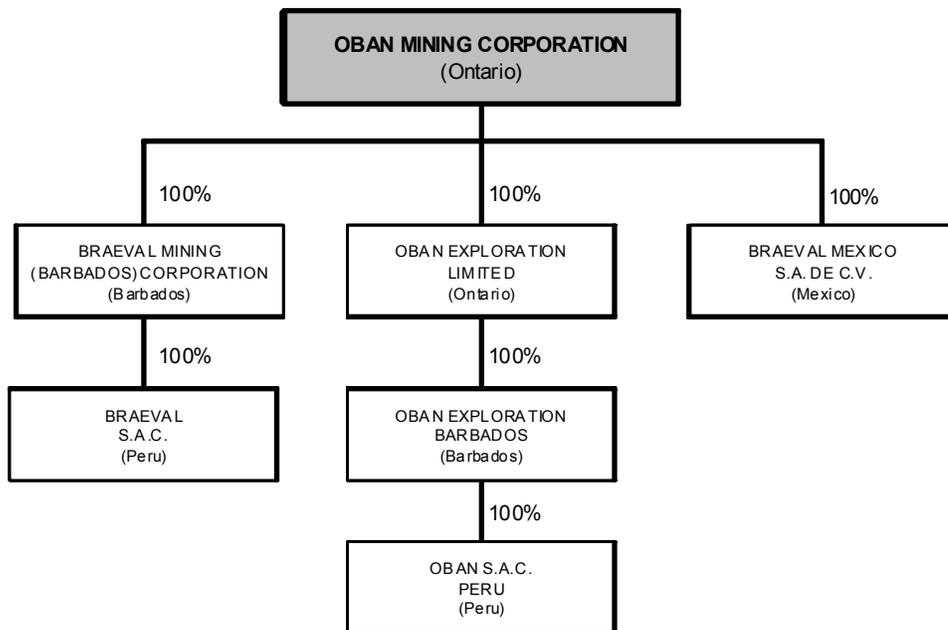
- (1) Ore in the context of past and present artisanal mining does not imply economic value in the context of commercial mining.

CORPORATE STRUCTURE

The Corporation

The Corporation was registered and incorporated under the *Business Corporations Act* (Ontario) on February 26, 2010 under the name "Braeval Mining Corporation". Pursuant to Articles of Amendment dated June 9, 2011, the Corporation increased the minimum number of directors from one to three, removed restrictions on the transfer of Common Shares, and removed the limit on the number of shareholders. In connection with the Business Combination, the Corporation filed Articles of Amendment to consolidate the Common Shares on the basis of one post-consolidation Common Share for each 3.14 pre-consolidation Common Shares and filed Articles of Amendment to change the name of the Corporation to "Oban Mining Corporation". The Corporation's registered and head office is located at 150 York Street, Suite 410, Toronto, Ontario M5H 3S5.

Intercorporate Relationships



Set out below is the corporate structure of the Corporation and its subsidiaries, including the jurisdiction in which each subsidiary was formed and the percentage of shares of each of the subsidiaries owned, controlled or directed by its parent company.

The Corporation has two wholly-owned subsidiaries incorporated in Barbados. Braeval Mining (Barbados) Corporation ("**Braeval Barbados**") and Oban Exploration Barbados ("**Oban Barbados**") were incorporated on February 2, 2011.

Braeval S.A.C., an indirect subsidiary of the Corporation wholly-owned by Braeval Barbados, was incorporated in Peru on September 2, 2011. The Corporation's Mexican subsidiary, Braeval Mexico S.A. de C.V. ("**Braeval Mexico**"), was incorporated on August 25, 2011.

On April 14, 2014 the Corporation completed the Business Combination (as hereinafter defined) with Oban Exploration Limited ("**OEL**") and 2407574 Ontario Inc. ("**Braeval Subco**"), a wholly-owned subsidiary of the Corporation, pursuant to which Braeval Subco amalgamated with OEL and the holders of common shares of OEL acquired 0.914 of a Common Share for each common share of OEL so held. In connection with the completion of the Business Combination, the Corporation changed its name to "Oban Mining Corporation" and consolidated the Common Shares on the basis of one post-consolidation Common Share for every 3.14 pre-consolidation Common Shares (see "*Description of the Business – Three Year History – 2014*").

DESCRIPTION OF THE BUSINESS

Introduction

The Corporation is a junior mineral exploration company focused on the exploration and development of precious metals resource properties in the Americas. The Corporation is actively engaged in the identification, acquisition, evaluation and exploration of mineral properties in this region.

The Corporation currently holds interests in several properties, including the Lithocaps Project in Peru, which includes the Arcopunco, Terciopelo, and Retazos prospects (see "*Mineral Projects – Lithocaps Project*") and holds options to acquire four mining concessions covering a total surface area of 1,200 hectares comprising the Marcahui Project, also located in Peru (see "*Mineral Projects – Marcahui Project*"). The Marcahui Project and Lithocaps Project are Oban's primary assets and its two material mineral projects. Oban's primary current objective is to focus on the exploration of the Marcahui Project.

The Corporation also held options to acquire a 100% interest in twenty-three mining concessions covering a total surface area of 16,700 hectares comprising the Antamayo Project. However, on October 14, 2014, the Corporation terminated the option agreement with the titleholder. See "*Mineral Projects – Antamayo Project*".

The Corporation also previously had the right to acquire an interest in four adjacent mineral concessions covering 2,643.23 ha in Colombia which comprise the Snow Mine Project; however, in July 2013, the Corporation gave cancellation notices to the respective owners of the titles covering the Snow Mine Project, cancelling each of the option agreements in relation to the project. On January 14, 2014, the Corporation also terminated the option agreement through which its interest in the Guaynopa Project in Mexico was held.

Three Year History

The Corporation was incorporated on February 26, 2010, and its primary focus has since been to acquire, explore and, if appropriate, develop precious metals properties in the Americas.

2012

On September 6, 2011, the Corporation, through a wholly-owned Colombian subsidiary ("**Cummings**"), entered into the Las Nieves Option Agreement. On November 23, 2011, Cummings entered into the Mina Seca Option Agreement. On July 26, 2012, Cummings entered into the Casa de Barro Option Agreement. On October 18, 2012, Cummings entered into the La Nevera Option Agreement. On July 23, 2013, the

Corporation gave cancellation notice to the respective owners of the titles covering the Snow Mine Project, cancelling each of the Las Nieves Option Agreement, the Mina Seca Option Agreement, the Casa de Barro Option Agreement and the La Nevera Option Agreement, each of which was held through Cummings.

On January 18, 2012, Braeval Mexico entered into an option agreement in respect of certain concessions comprising the Guaynopa Project in Mexico. On January 14, 2014, following the results obtained from the reconnaissance work and preliminary drilling performed, the Corporation decided to terminate the option agreement, returning its interest in the property to the owner.

On January 31, 2012, the Corporation completed a private placement consisting of the sale of 6,000,000 Common Shares at a price of \$0.50 per Common Share for gross proceeds of \$3,000,000. On April 27, 2012, the Corporation completed a private placement consisting of the sale of 10,115,786 Common Shares at a price of \$0.60 per Common Share for gross proceeds of \$6,069,472, and on May 16, 2012, the Corporation completed another private placement of 250,000 Common Shares at a price of \$0.60 per Common Share for gross proceeds of \$150,000.

On August 9, 2012, Braeval S.A.C. entered into Arcopunco Agreement #1 and Arcopunco Agreement #2. See "*Mineral Projects – Lithocaps Project – Project Description and Location – Arcopunco*" below.

On September 12, 2012, Braeval S.A.C. entered into the Terciopelo Agreement. See "*Mineral Projects – Lithocaps Project – Project Description and Location – Terciopelo*" below

On December 20, 2012, the Corporation completed the Initial Public Offering. The Common Shares were listed for trading on the TSX under the symbol "BVL" until the Common Shares began trading under the symbol "OBM" in connection with the completion of the Business Combination. See "*Market for Securities*".

2013

On January 10, 2013, Braeval Mexico entered into an option agreement in respect of two Santa Elvira concessions, which agreement was subsequently terminated by the Corporation, following the results obtained from the reconnaissance and preliminary drilling performed.

On January 17, 2013, the Corporation appointed Robert Wares to the board of directors.

On March 12, 2013, the Corporation announced the appointment of an advisory committee to the board of directors in order to provide technical advice on an as needed basis to the board of directors. The committee is comprised of Mr. Sean Roosen, then President and CEO of Osisko Mining Corporation and now Chair and CEO of Osisko Gold Royalties Ltd, Mr. Chris Lodder, Principal of Talisker Exploration Services Inc., Mr. Ruben Padilla, Principal and Economic Geologist of Talisker Exploration Services Inc., and Mr. Terry Harbort, Principal, Generative Database Manager and Chief Structural Geologist of Talisker Exploration Services Inc.

On September 10, 2013, through Braeval Mexico, the Corporation entered into a memorandum of understanding with Minera Fumarola, S.A. de C.V., a subsidiary of Prospero Silver Corporation ("**Prospero**"), in relation to certain mining concessions known as the Plomosa lot, which claims a project area in the State of Hidalgo known as El Petate Project (the "**Fumarola MOU**"). Pursuant to the Fumarola MOU, the Corporation and Prospero agreed, subject to TSX and other regulatory approvals, to execute a definitive agreement whereby the Corporation will have exclusive rights to exploration at the El Petate Project and an option to incorporate a joint venture company over El Petate following the

completion of a 48 month earn in through cash payments totalling US\$1,415,000, 2,000,000 Common Shares and the completion of a defined work program. Upon signing, the Corporation made a minimum commitment of US\$50,000 and agreed to drill at least 2,500 metres. The Fumarola MOU provided the Corporation with an initial interest of 58% in the El Petate Project and an option, contingent on Prospero not maintaining its 42% interest, to acquire up to a 75% interest. The Corporation conducted a reconnaissance program and, in January 2014, after obtaining preliminary results, decided not to pursue this project by terminating the Fumarola MOU.

2014

On April 14, 2014, the Corporation completed a business combination (the "**Business Combination**") pursuant to a business combination agreement (the "**Business Combination Agreement**") dated February 21, 2014 between the Corporation, OEL and a wholly-owned subsidiary of the Corporation. The Business Combination was effected by way of a three-cornered amalgamation, whereby OEL amalgamated with Braeval Subco, a wholly owned subsidiary of the Corporation, resulting in the Corporation acquiring all of OEL's assets. Approximately 70% of the Common Shares following the completion of the Business Combination were held by former shareholders of OEL and approximately 30% were held by former shareholders of the Corporation.

In connection with the completion of the Business Combination, the Common Shares were consolidated on the basis of one post-consolidation Common Share for each 3.14 pre-consolidation Common Shares and the Corporation changed its name to "Oban Mining Corporation". The Common Shares began trading on the TSX under the symbol "OBM" following the completion of the Business Combination and Bernardo Calderon, a director of OEL, was added to the board of directors of the Corporation, increasing the size of the board of directors to six. In connection with the Business Combination, holders of options to acquire common shares of OEL received options to acquire Common Shares and the OEL options were terminated. As a result, an aggregate of 7,040,000 such replacement options were issued.

The Business Combination was a "related party transaction" for the purposes of Multilateral Instrument 61-101 ("**MI 61-101**"), as Jose Vizquerra and John Burzynski, directors of the Corporation were also directors and shareholders of OEL and Jose Vizquerra, Blair Zaritsky, and Gernot Wober, the executive officers of the Corporation, were also executive officers of OEL. The Corporation received the approval of disinterested shareholders in respect of the Business Combination, as required by MI 61-101.

On August 5, 2014, the Corporation announced that Teck Peru S.A. ("**Teck**") decided to terminate its option agreement (the "**Teck Agreement**") with respect to the Marcahui property (the "**Marcahui Project**"). Pursuant to the Teck Agreement, Teck had the option to acquire a 75% interest in the Marcahui Project by incurring an aggregate of USD\$6,000,000 in exploration expenditures. Teck had completed their initial drilling campaign and advised the Corporation of its termination of the Teck Agreement. The Corporation re-negotiated an extension of the remaining option payment on the property with the titleholder for one year, now due on September 6, 2015.

On October 21, 2014, the Corporation announced that it will take steps to formally terminate its option agreement with Mitsui Mining & Smelting Co. Ltd ("**Mitsui**") with respect to the Antamayo Project (see "*Mineral Projects – Antamayo Project*").

Events Subsequent to 2014

On February 2, 2015, the Corporation signed an agreement with a non-related company to acquire the undivided 100% interest of the Kirkland Lake property, located in northern Ontario, for an aggregate payment of \$130,000. The Corporation made a first option payment of \$65,000 upon signing, with an

additional option payment of \$65,000 due on the first anniversary date upon signing. The agreement is also subject to an existing royalty granted to a third party for certain claims, which can be purchased for \$500,000, and also a 2% net smelter royalty, (“NSR”) granted to another entity.

On February 4, 2015, the Corporation signed an agreement with a non-related company to acquire the undivided 100% interest of the Hunter property, located in northern Ontario, for an aggregate payment of \$150,000. The Corporation made a first option payment of \$20,000 upon signing, with additional option payments due of \$30,000 on the first anniversary date upon signing, \$45,000 on the second anniversary date upon signing, and \$55,000 on the first anniversary date upon signing. The agreement is also subject to a 2% NSR, which can be purchased for \$1,000,000 per 1% NSR.

On February 22, 2015, the Corporation signed an agreement with a non-related company to acquire up to 70% undivided interest of the Miller property, located in north-eastern Ontario. Under the terms of the agreement, the Corporation can earn up to a 51% interest in the Property by subscribing for \$300,000 in common shares of Northstar Gold Corporation (“**Northstar**”) at \$0.10 per share, and making payments of \$510,000 and incurring expenditures of \$2,490,000 over three years. The Corporation can earn a further 9% interest by making a payment of \$300,000 and incurring expenditures equal to \$1,700,000 by the fifth anniversary, and a further 10% by the sixth anniversary for payment of \$700,000 and expenditures equal to a further \$1,300,000 and at the option of the Corporation, make either a \$1,300,000 payment or commitment to fund the Miller property through to completion of a pre-feasibility study. The Corporation can form a joint venture at anytime after it has acquired 51% interest in the Property. Once the joint venture is formed simple dilution will take place until one party has been diluted to 10% or less, at which time the remaining 10% interest will be converted to a 2% NSR of which 1% can be purchased for \$2,000,000 and the remaining 1% will have the right of first refusal to purchase. The Corporation completed the acquisition of Northstar shares on March 03, 2015.

On February 23, 2015, the Corporation signed an agreement with a non-related company to acquire the undivided 100% interest of the Olsen property, located in northern Ontario, for an aggregate payment of \$50,000, which was completed upon signing. The agreement is also subject to a 1% NSR, which can be purchased for \$500,000 for each of the patented land that conforms the property.

MINERAL PROJECTS

Marcahui Project

The following disclosure relating to the Marcahui Project has been derived from the report on the Marcahui Project prepared for the Corporation and OEL by Stewart D. Redwood, PhD, FIMMM titled "NI 43-101 Technical Report for the Marcahui Porphyry Copper Project, Province of Caraveli, Department of Arequipa, Peru" and with an effective date of August 3, 2012 (the "**Marcahui Technical Report**"). Dr. Stewart D. Redwood, PhD, FIMMM is a "qualified person" within the meaning of National Instrument 43-101 ("**NI 43-101**") and is independent of the Corporation. Dr. Stewart D. Redwood has reviewed and approved the technical information contained in this AIF relating to the Marcahui Project.

The Marcahui Technical Report may be reviewed under the Corporation's profile on SEDAR at www.sedar.com.

Marcahui Project Agreements

Marcahui Underlying Option Agreement

On June 30, 2011, OEL (acquired by the Corporation in connection with the Business Combination), through its subsidiary Oban S.A.C. ("**Oban SAC**"), and Saleh Acevedo entered into a Transfer Option and Mining Assignment Agreement (the "**Marchui Project Agreement**") whereby Saleh Acevedo ("**SA**") granted Oban an initial option (the "**Marchui First Option**") to acquire an 80% interest in the Letizia and Letizia I concessions (together the "**Letizia Concessions**"), with a second option (the "**Marchui Second Option**") to acquire the remaining 20% interest in the Letizia Concessions, subject to certain terms and conditions set out in the Marchui Project Agreement. In order to exercise the Marchui First Option and thus to acquire an 80% interest in the Letizia Concessions, Oban must make non-refundable payments totalling US\$2,360,000 to Saleh Acevedo, of which US\$2,000,000 remains to be paid. This amount was required to be paid prior to September 6, 2014. However, on August 5th, 2014 Oban negotiated an extension of the remaining option payment of US\$2,000,000 until September 6th, 2015.

Under the terms of the Marchui Project Agreement, within 120 days of the exercise of the Marchui First Option by Oban, Oban may decide whether to exercise the Marchui Second Option. In order to do so, and thereby to acquire the remaining 20% interest in the Letizia Concessions, Oban must (a) pay Saleh Acevedo US\$3,000,000; and (b) create a 1.5% annual NSR in favour of SA.

If the Marchui First Option is exercised but Oban does not exercise the Marchui Second Option, each party shall contribute to the future funding of activities on the Letizia Concessions on a pro-rata basis. Should SA fail to contribute his pro rata share, his 20% interest will be diluted relative to the amounts invested by each party. If SA's interest is thereby reduced to 5% or less, his interest will be automatically substituted with an annual NSR of 1.5% and Oban will acquire a 100% interest in the Letizia Concessions.

Teck Option Agreement

On September 6, 2013, OEL (acquired by the Corporation in connection with the Business Combination) entered into an option agreement with Oban SAC, Teck and Teck Peru, a wholly-owned subsidiary of Teck ("**Teck Option Agreement**"). Pursuant to the Teck Option Agreement, Oban SAC granted to Teck an option (the "**Initial Option**") to earn an initial undivided 75% right, title and indirect interest in the Irina Concessions, through 75% ownership of a joint venture corporation ("**Holdco**"). To exercise the Initial Option, Teck was required to make cumulative expenditures in the amount of \$1,000,000 by August 31, 2014 and of \$6,000,000 by August 31, 2017. Such expenditures may be made on any of the Letizia Concessions or Irina Concessions, in such proportions as Teck considers warranted. In addition, Teck shall also carry out 1,500 metres of drilling by August 31, 2014. However, on August 5th, 2014, Teck terminated the option with Oban.

Teck made a cash payment to SA in the amount of \$200,000 on September 6, 2013 and was required to pay to SA the remaining \$2,000,000 relating to the Marchui First Option prior to September 6, 2014. Such aggregate \$2,200,000 in payments contribute to the \$6,000,000 in expenditures required of Teck under the Teck Option Agreement.

Property Description and Location

Property Location

The Marchui Project is located in the District of Quicacha, Province of Caravelí, Department of Arequipa, Republic of Perú (see figure below). The latitude and longitude for the central part of the project is 15° 30' 57" S, 73° 40' 54" W. The datum used in Peru is Provincial South America 1956 (PSAD

56). Altitudes in the project are between 2,575 m and 3,225 m above mean sea level, with nearby peaks up to 3,675 m altitude.



Location map of Marcahui Project, Department of Arequipa, Peru

Map prepared by S. Redwood, July 2012.

Property Description

Mining Concessions

The Marcahui Project comprises two mining concessions under option to Oban SAC with a total area of 600 ha, one concession of 500 ha owned by Oban SAC, and one application of 100 ha made by Oban SAC, for a total area of 1,200 ha.

Legal Framework

For a brief overview relating to mineral tenure under Peruvian law, see "*Peruvian Mining Law – Mineral Tenure*".

Royalties & Taxes

For a brief overview relating to royalties and taxes under Peruvian law, see "*Peruvian Mining Law – Royalties*" and "*Peruvian Mining Law – Taxes*".

Environmental Permits and Liabilities

For a brief overview relating to environmental obligations under Peruvian law, see "*Peruvian Mining Law – Environmental Obligations*".

Oban SAC presented an EID for the Marcahui Project on November 14, 2011. This was approved by administrative silence on November 25, 2011. Oban has no environmental liabilities at the Marcahui Project. There are no natural parks, forest reserves or other types of natural protected areas or indigenous reserves within the project area.

The Ministry of Culture has not defined any archaeological zones in the project area, and thus a Certificate of Non-Existence of Archaeological Remains (*Certificado de Inexistencia de Restos Arqueologicos*) is not required.

Legal Access and Surface Rights

The granting of a mining concession in Peru specifically does not include a legal right of access, for which permission has to be sought from the land owners or community. The surface land in the Marcahui Project area is owned by natural persons, and Oban has signed an agreement with these persons to give it the right of legal access to the concessions. Oban does not own any surface rights in the Marcahui Project area. See also "*Peruvian Mining Law – Surface Rights and Surface Tenure*".

Water Rights

Oban has signed a contract with one of the surface land owners for the use of water for drilling. The water source is defined in the DIA. Due to the lack of permanent water in the area, Oban SAC bought water for the first phase of drilling from the owner of a spring, which water was transported by a water truck. This is a common practice in the desert of southern Peru.

Other

There are no other known significant factors or risks that may affect access, title or the right or ability to perform work on the Marcahui Project.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Accessibility

The Marcahui Project is located 525 km southwest of Lima, the capital of Peru, and 250 km west-northwest of Arequipa, the capital of the Department of Arequipa. Access to the project is by road from Lima, a distance of 725 km that takes about 10 hours to drive. The final 8 km section of the road from Pampa Colorada to the project is a trail cleared by bulldozer along river beds. These rivers are dry for most of the year, but at the time of the field inspection in April 2012, the trail had been washed out by

unseasonal, heavy floods. The project was accessed on foot from a road on the plateau to the south, and a walk out along the river bed and valley side to Pampa Colorada. The trail was subsequently rebuilt for the second stage of drilling.

Climate

The climate is semi-arid and temperate, with an average annual temperature of 10 to 15°C. Precipitation is up to 300 millimetres per year between December and March, and the other months are dry.

The Holdridge life zone is lower montane desert scrub and the vegetation comprises bunch grasses, shrubs and cacti.

Local Resources and Infrastructure

The region is sparsely populated. The District of Quicacha has a population of 1,885 (2007). The town of Quicacha, 18 km southwest of the project, has basic services including water, electricity, telephone, cell phone reception, internet access, a clinic and primary and secondary schools. There are several other small towns and villages in the Chaparra valley. Employment is mostly in artisanal gold mining, and a small percentage in agriculture. There are no permanent inhabitants on the Marcahui Project itself, but downstream there are some isolated houses whose inhabitants are dedicated to subsistence agriculture on marginal plots of land in the valley. Public transport in the district is provided by locally-owned 4 x 4 vehicles which run fixed services or which can be hired.

The nearest large town is Chala, located on the coast 73 km southwest of the project (population of the Chala District was 5,194 in 2007). Chala has hotels and restaurants and bus services to Lima and Arequipa.

Labour is hired locally for exploration of the Marcahui Project. It is expected that most labour for a mining operation could be hired in the district as there are a large number of artisanal miners.

There is no significant agriculture or grazing in the area due to the semi-arid climate and steep topography. Small areas are cultivated on the valley bottom and sides for maize, potatoes, beans, grass and minor grazing.

Access to the Marcahui Project from the PanAmerican Highway, which runs along the coast for the entire length of Peru, is by road up the Chaparra valley. The final 8 km was bulldozed in the river bed by the company and is susceptible to being washed out in the rainy season. Access is by 4 x 4 vehicle.

The project is 62 km from the Pacific Ocean. The nearest port is Chala, a small fishing port, and the nearest industrial ports are San Juan de Marcona and San Nicolás, 160 km and 170 km west of the Marcahui Project, respectively, and Islay at Mollendo, 235 km southeast of the Marcahui Project.

The nearest airports with scheduled international and domestic flights are in Lima and Arequipa. The nearest airstrips are at San Juan de Marcona, 160 km west of the Marcahui Project, and at Nazca, used for tourist flights, 150 km west-northwest of the Marcahui Project. An airstrip is currently being built at Chala.

Water is available from the Viuco River in the rainy season between December and March. It is dry for the rest of the year and water has to be obtained from springs or wells.

Physiography

The Marcahui Project is located on the western slope of the Western Cordillera at an altitude of between 2,575 m and 3,225 m above mean sea level. It lies between the coastal desert to the west and the peaks of the Western Cordillera to the east which have altitudes of up to 5,522 m on the Sara Sara volcano, 32 km northeast of the project.

The Marcahui Project is in the Chaparra River basin, a southeast trending hydrographic basin with an area of 2,450 km² and a length of 57 km which rises at 3,950 m altitude and flows into the Pacific Ocean. The Marcahui Project is in the valley of the Viuco River, a west-trending tributary in the upper part of the Chaparra basin. The rivers flow irregularly in the rainy season between December and March, and are dry for the rest of the year. Heavy rainfall in the upper parts of the valleys can cause flash floods and wash out roads as happened in early 2012. The topography is rugged with steep slopes. There is extensive cover of colluvial and alluvial gravel deposits.

History

The Marcahui Project was discovered by a copper anomaly in a regional stream sediment geochemical survey carried out in 1970-72 by the National Geological Survey of Peru (*Servicio Nacional de Geología*).

The anomaly was followed up by INGEMMET and a Spanish Government Mission in 1978-80. They carried out more detailed geochemical exploration, geological mapping at 1:2,000 scale, resistivity and induced polarization geophysical surveys, and 1,355.9 m of diamond drilling in 10 holes. Oban has copies of most of these reports but does not have the results of the geophysics. Oban has been able to locate six of the drill collars in the field by drill steel or concrete platforms, and to identify the approximate location of the others. Holes DDH-04 and 06 lie outside of Oban's concessions.

The core was analyzed for Cu and Mo by colorimetry, a wet-chemical technique which is not used for exploration nowadays, with the exception of holes DDH-01, 08 and 10 which were sent to a commercial laboratory but for which no assays survive. Six of the seven holes with assays have intervals of anomalous copper and molybdenum, with the best hole being DDH-07 with 141.0 m grading 0.49% Cu, including 99.0 m grading 0.53% Cu. There are petrographic reports for some holes, but there are no assay certificates or quality assurance and quality control, and the reliability of the data is not known. The drilling, sampling and analysis were carried out prior to the introduction of NI 43-101 standards and do not conform to these standards.

The Marcahui Project was mapped and sampled by Buenaventura Ingenieros S.A. for Compañía de Minas Buenaventura S.A. in 1997-98.

The project has been reviewed by other companies in recent years, with evidence for surface sampling and sample numbers painted on rocks, but no drilling was carried out.

Geological Setting and Mineralization

Regional Geology

The Marcahui Project is located within a belt of porphyry copper-molybdenum deposits of Upper Cretaceous age, dated between 80-68 million years old ("**Ma**"), that are related to the Coastal Batholith.

The Marcahui Project is also located within the Nazca-Ocoña gold belt of mesothermal, quartz-gold vein deposits hosted by the Coastal Batholith. There are hundreds of artisanal gold miners in the Quicacha and Chala Districts mining quartz veins, with several gravity and cyanide plants, but there are no miners in the Marcahui Project licences.

The Marcahui Project is near the north-eastern edge of the Coastal Batholith of gabbro to granite composition, dated at 102 to 37 Ma and described further in the Marcahui Technical Report. The Marcahui Project is in the Tiabaya Super Unit of the Arequipa Segment of the batholith, dated at 80 Ma. This is comprised of three groups of intrusive rocks: an early melanocratic to mesocratic phase of gabbro-diorite to quartz diorite, a second mesocratic to leucocratic phase of tonalite with some granodiorite, and a third, much lighter colored phase of monzogranite.

The batholith intrudes Lower Jurassic volcano-sedimentary rocks of the Chocolate Formation which outcrop north of the Marcahui Project. These have a Lower Member of sandstones, conglomerates and andesitic breccias, and an Upper Member of porphyritic andesite.

Young volcanic rocks of the Mid Pliocene Sencca Formation form horizontal to sub-horizontal plateaux on the high ground to the south and east of the Marcahui Project. The Sencca Formation is unconformable on the Chocolate Formation and lies on a sub-horizontal erosional surface on the plutonic rocks. The volcanic rocks are tuffs of dacite to rhyolite composition.

Project Geology

The country rock is an equigranular quartz diorite (QDi) of the Coastal Batholith. This has dikes of pegmatite and aplite, which can be quite extensive in outcrop. It has pervasive potassic alteration with a stockwork of quartz veinlets, and is cut by an early intermineral intrusion breccia (BxPQP) with a quartz-plagioclase-biotite porphyry matrix, which may also form dikes (PQP), and by a magmatic-hydrothermal breccia (BxQDi and BxPm where polymict), which is generally a clast-supported crackle breccia but which can vary to a matrix-supported, fluidized breccia. There are several types of intermineral to late mineral porphyry dikes or small stocks, including an intermineral plagioclase-biotite porphyry with biotite alteration (PPB1), a late mineral, plagioclase-biotite porphyry with weak mineralization (PPB2), a quartz-biotite porphyry (PQB). and a plagioclase-hornblende porphyry (PPH). Minor clastic phreatic dikes also cut quartz diorite.

The principal structural directions are E-W, N-S and northwest. The east-west trending Marcahui fault controls the location of the Viuco river and is mapped as pre-mineral in age. The fault dips at 60° to 80° north and appears to be a normal fault with downthrow to the north.

Potassic alteration is exposed in low cliffs on the south side of the Viuco river for a distance of 600 m east-west, and in stream cuttings for up to 600 m to the south. It is exposed where there has been erosion of the overprinting cap of supergene argillic alteration, which is mapped over an area of about 1800 m east-west by 800 m. These zones are surrounded by propylitic alteration to the south (chlorite-epidote-calcite-pyrite).

The alteration zones form a semi-circle that terminates at the Viuco River and may represent half of a concentrically zoned alteration system with a potassic core and peripheral propylitic zone. The other half may continue north of the river, or be displaced. No surface exploration has been carried out north of the river yet and the area is covered by landslide deposits. Drilling shows that alteration and mineralization continues below and north of the river without any faulting or apparent offset. The most northerly hole, MCD-12-05, is still in potassic alteration, albeit with a very low chalcopyrite:pyrite ratio and no significant grade.

Phyllic alteration (quartz-sericite-pyrite) is related mainly to dikes of plagioclase-biotite porphyry (PPB), quartz-biotite porphyry (PQB) and faults. It can form irregular bodies of massive quartz which are intensely fractured. It overprints potassic alteration and has barren irregular vuggy quartz-calcite veinlets with minor pyrite, or quartz-pyrite-minor hematite veinlets with pervasive sericite wall rock alteration (D veinlets).

The supergene argillic alteration has clays, gypsum and iron oxides. Drilling shows that this extends to a depth of about 30 m.

The sequence of intrusions, alteration and mineralization observed by cross-cutting relationships in the drill core is as follows:

1. Quartz diorite (QDi) batholith country rock with primary disseminated magnetite, and cut by aplite and pegmatite dikes.
2. Pervasive biotite and biotite-chlorite alteration with A and B-type quartz veinlets, with pyrite, chalcopyrite and molybdenite. Total sulfides up to 4%. Weaker biotite alteration and quartz veining continued up to the late intermineral dike phase.
3. Intrusion breccia with a porphyry matrix (BxPQP) with grades of 0.3-0.5% Cu.
4. Hydrothermal crackle breccia (BxQDi), in places matrix-supported. This has a matrix (forms veinlets outside of breccias) of chlorite-biotite-sulfides-(quartz-potassium feldspar-epidote), grading to phlogopite-albite alteration which destroys magnetite (sodic-potassic alteration) with chalcopyrite>pyrite and a high percentage of disseminated sulfides, with grades up to 0.7-1.2% Cu. Total sulfides 5-10%.
5. Veinlets of green sericite-albite-sulfides.
6. Several different types of late intermineral porphyry dikes, some of which are brecciated.
7. Very late mineral porphyry dikes.
8. Late stage white sericite and pyrite in faults and dikes.

Primary magnetite in quartz diorite is destroyed by the sodic-potassic alteration. Thus, low magnetic susceptibility and anomalies can be used as a guide to high grade mineralization.

Important conclusions are:

1. The early porphyry responsible for the first phase of potassic alteration and mineralization has not been encountered and is thus an exploration target for possible higher grade mineralization.
2. High grade zones of 0.7-1.2% Cu occur and are related to sodic-potassic alteration from a deep fluid which overprints early potassic alteration. These zones may widen with depth.

Mineralization

Copper mineralization is related to potassic alteration of the quartz diorite, intrusion breccias and hydrothermal crackle breccias. The sulfide minerals are chalcopyrite, pyrite and minor molybdenite. These occur in the matrix of breccias, in quartz veinlets, in mica veinlets, and as disseminations in altered rock. No bornite has been encountered yet but may be expected at greater depths. From south to north, there is an increase in the chalcopyrite:pyrite ratio, accompanied by a decrease in the amount of pyrite, the appearance and increase in the amount of chalcopyrite, and an increase in copper grades. This trend reverses north of the river in hole MCD-12-05. The chalcopyrite:pyrite ratio also increases with depth. The breccias generally host the best grades. High grade hypogene zones of 0.7-1.2% copper occur in the deposit and could significantly enhance the economics.

Molybdenum grades are low, with the best interval being 59 ppm (0.006%) over 22.0 m (MCD-11-02). Gold and silver grades are low, with the best intersections being 0.1 ppm Au over 141.4 m (MCD-12-03), and 2.0 ppm Ag over 37.90 m (MCD-12-03).

The oxide cap is jarositic in areas where pyrite predominates, and goethitic in areas with low pyrite. Drilling shows a depth of oxidation of 20 to 30 m. The thickness may increase to the south as the elevation increases away from the river, and it is expected to be thicker in zones of strong sericite-pyrite alteration and in fault zones. The goethite zones have pitch limonite and copper-bearing goethite, with no depletion of copper grades and, in some cases, enrichment. The jarosite and mixed jarosite-goethite zones are leached in the upper part above a thin enrichment zone of copper oxides and covellite.

An exotic copper oxide zone several meters thick outcrops in a cliff on the south side of the Viuco River at the west end of the alteration zone. Copper oxide minerals including tenorite and chalcantite cement colluvial gravels. A grab check sample gave 2.3% Cu. The extent of the exotic mineralization is unknown and requires mapping. It formed by surface precipitation of copper that was leached in the oxide zone.

Deposit Types

Mineralization at the Marcahui Project is of the porphyry copper type. Porphyry copper systems were reviewed in the Marcahui Technical Report. Porphyry copper systems may contain porphyry Cu \pm Mo \pm Au \pm Ag deposits of various sizes ranging from a few million tonnes to giant, multi-billion tonne deposits. Typical primary porphyry copper deposits have average grades of 0.5 to 1.5% Cu, <0.01 to 0.04% Mo, and 0.01 to 1.5 g/t Au, and a few gold-only deposits have grades of 0.9 to 1.5 g/t gold but little Cu (<0.1 %), as per the Marcahui Technical Report.

The alteration and mineralization in porphyry copper systems can have a volume of many cubic kilometres of rock and are zoned outward from stocks or dike swarms, which typically comprise several generations of intermediate to felsic porphyry intrusions as stated in the Marcahui Technical Report. Porphyry deposits are centered on the intrusions. Alteration and mineralization in porphyry copper deposits is zoned upward from barren, early sodic-calcic through potentially ore-grade potassic, chlorite-sericite, and sericitic, to advanced argillic, the last of these constituting the lithocaps, which may attain greater than 1 km in thickness if not eroded. Low sulfidation-state chalcopyrite \pm bornite assemblages are characteristic of potassic zones, whereas higher sulfidation-state sulphides are generated progressively upward together with temperature decline and greater degrees of hydrolytic alteration, culminating in pyrite \pm enargite \pm covellite in the shallow parts of the lithocaps. The porphyry copper mineralization occurs in a distinctive sequence of quartz-bearing veinlets as well as in disseminated form in the altered rock between them. Magmatic-hydrothermal breccias may form during porphyry intrusion, with some of them containing high-grade mineralization because of their intrinsic permeability. In contrast, most phreatomagmatic breccias, constituting maar-diatreme systems, are poorly mineralized at both the porphyry Cu and lithocap levels, mainly because many of them formed late in the evolution of such systems.

The mineralization at the Marcahui Project is at a relatively deep level of the porphyry system and is hosted by the precursor pluton and minor intermediate to felsic porphyry intrusions. The early mineral porphyry related to the mineralization has not yet been encountered. Early intermineral intrusion breccias and magmatic-hydrothermal breccias are important and contain higher copper grades. Alteration is potassic and sodic-potassic, the latter associated with high-grade copper, with later fracture-controlled, green sericite-albite-sulfides. Late phyllic alteration is structurally controlled and is of minor importance. There is an oxide zone up to 30 m thick with enrichment of copper grades in parts.

An example of a porphyry deposit dominated by breccias is the Los Bronces – Rio Blanco district, Chile, as described further in the Marcahui Technical Report. Los Bronces has at least seven different copper-bearing tourmaline breccias that form one large body about 2 km long and 0.7 km wide. The new Los Sulfatos deposit was recently discovered in the district and has an inferred mineral resource of 1,200 Mt at 1.46% Cu and 0.02% Mo, as stated in the Marcahui Technical Report. The endowment of the district exceeds 200 million tonnes of contained copper, and in 2009 it produced 448,000 tonnes of copper from two mines. This information has not been verified by the qualified person, and the information is not necessarily indicative of the mineralization on the Marcahui Project.

Exploration

All of Oban's exploration work on the Marcahui Project in 2011-12 was carried out through a service contract with Cumbrex, which is independent of Oban.

Oban started exploration at the Marcahui Project in July 2011. Geological mapping at 1:5,000 scale was carried out and 189 rock chip samples were taken and analyzed for a suite of multielements. These show an increase in copper grades from south to north to the Viuco River. No mapping or sampling has been carried out north of the river yet. The Cu grades are between 16 and 32,000 ppm (3.20%), Mo is between 1 and 530 ppm, and Au is between <5 and 89 ppb. One sample from an old mine working outside the concession reported 1.07 ppm Au and 45.6 ppm Ag.

No soil sampling, trenching or geophysics has been carried out by Oban.

The results of exploration carried out to date, including drilling, are interpreted to show the presence of copper mineralization in a porphyry system with area, grades and widths indicative of a potentially economic deposit.

Drilling

INGEMMET carried out 1,355.9 m of diamond drilling in 10 holes at the Marcahui Project in 1978-80. The average hole length was 136 m. Holes DDH-04 and 06 lie outside of Oban's concessions. This program is described above under the subheading "*History*". The drilling, sampling and analysis were carried out prior to the introduction of NI 43-101 standards and do not conform to these standards, and are included here for historical information only. The information has been used by Cumbrex as a guide to exploration at the Marcahui Project.

Oban has drilled six diamond holes at the Marcahui Project for a total of 2,605.75 m, with an average hole length of 434 m. The first three holes were drilled between November 2011 and February 2012, when the program was stopped due to heavy rain and flooding and to await results. Three more holes were drilled between May and June 2012. Drilling was carried out by Terranova Drilling SAC, Lima using a portable, hydraulic Hydracore 2000 drill rig, with two rigs for the second phase. Downhole measurements of azimuth and inclination were made every 50 m by a Reflex instrument. The collars were surveyed by hand-held Garmin 60CSx global positioning system unit ("**GPS**").

Hole MCD-11-01

Hole MCD-11-01 intersected quartz diorite breccia which gave 49.85 m at 0.50% Cu from 4.15 m to 54.0 m (mixed oxide-supergene-hypogene zone), followed by an intermineral plagioclase-biotite porphyry to 99.7 m with grades mostly below 0.1% Cu, and then by quartz-plagioclase porphyry breccia and polymict breccia which returned 135.5 m grading 0.22% Cu from 99.7 m to 235.3 m. The mineralization is hosted by the breccias. At 235.3 m the hole passes into a late mineral plagioclase-quartz porphyry with phyllic

alteration and no significant grades, and from 259.5 m to the end of the hole at 326.6 m it is in quartz diorite with propylitic alteration and no significant mineralization.

Sample grades in the hole vary from 65.1 to 25,900 ppm (2.59%) Cu, <1 to 398 ppm Mo, <0.005 to 0.158 ppm Au, and <0.2 to 4.7 ppm Ag.

The hole has a depth of oxidation of 29.95 m, with jarosite and leached copper grades in the upper part, followed by green copper oxides with remnant sulfides from 19.30 m, and supergene covellite at the base, with enrichment to 1.3% Cu over 10.9 m from 19.10 m to 30.0 m, and individual samples grades up to 2.59% Cu.

The hole was designed to check INGEMMET hole DDH-07 which returned 141 m from 9.0 m at 0.49% Cu, including 99.0 m from 22.0 m at 0.53 % Cu, and to test surface rock sample grades of up to 10,000 ppm Cu. Hole MCD-11-01 returned similar copper grades to DDH-07. The holes are not twins as DDH-07 was drilled vertically and MCD-11-01 was inclined at -70°.

Hole MCD-11-02

Hole MCD-11-02 was drilled in quartz diorite with potassic alteration and zones of crackle breccia and returned 230.2 m grading 0.23% Cu from 1.0 m to 231.2 m, including 22.0 m from 24.0 m grading 0.41% Cu. The hole crosses a fault at 231.2 m and enters a crackle to matrix-supported quartz diorite breccia with a fine grained, black, hematite-pyrite matrix and no potassic alteration, with a significant drop in copper grades to below 600 ppm. This appears to be a post-mineral fault. From 302 m to the end of the hole at 433.25 m there is quartz diorite with propylitic alteration and no significant grades.

Sample grades in the hole vary from 143 to 6,300 ppm Cu, 1 to 321 ppm Mo, <0.005 to 0.058 ppm Au, and <0.2 to 1.2 ppm Ag.

The oxide zone is to 30.0 m depth with jarosite and pitch limonite and with no leaching of copper grades.

The hole was planned to test INGEMMET hole DDH-09 which returned 122.0 m from 4.0 m at 0.28% Cu, including 31.0 m from 6.0 m grading 0.44% Cu, and to test rock chip anomalies up to 5,000 ppm Cu. The grades in MCD-11-02 are similar to those in DDH-09. The holes are not twins as DDH-09 was vertical and MCD-11-02 was inclined at -60°.

Hole MCD-12-03

Hole MCD-12-03 intersected quartz diorite from 5.3 m with narrow pegmatite dikes and late-mineral, plagioclase-biotite porphyry dikes. The oxide zone has Cu-bearing goethite from 5.3 m to 22.9 m with no depletion of copper grades, followed by a mixed zone of pyrite with green malachite and cuprite to 29.0 m, with two-times enrichment to give 0.46% Cu over 6.70 m from 22.9 m.

There are quartz diorite crackle breccias with potassic alteration from 238 m. The crackle breccia has up to 5% pyrite plus chalcopyrite, and the chalcopyrite:pyrite ratio increases downhole, with an increase in copper grades downhole and towards the north. Sample grades are from 292 to 11,000 ppm (1.1%) Cu, <1 to 506 ppm Mo, <0.005 to 0.294 ppm Au, and <0.2 to 4.9 ppm Ag. The entire hole has an average grade of 0.32% Cu and 20.2 ppm Mo over 461.1 m. This includes deeper, higher grade intervals of 37.9 m from 258.0 m grading 0.51% Cu, and 141.4 m from 326.0 m to the end of the hole grading 0.51% Cu. The higher copper grades are accompanied by an increase in gold and silver grades to 0.10 g/t Au and 1.8 g/t Ag over the 141.4 m interval, compared with an average of 0.05 g/t Au and 1.1 g/t Ag for the entire hole.

The hole was planned to test the continuity of outcropping breccias with grades of up to 10,000 ppm Cu in rock chip samples on the south side of the Viuco River.

This hole is significant in showing that mineralization continues north beneath the Viuco River, and in showing an increase in grade and in the chalcopyrite:pyrite ratio at depth and to the north, indicating a vector towards the central part of the mineralizing system.

Hole MCD-12-04

Hole MCD-12-04 was planned as a step-out 150 m east of hole MCD-12-03.

Sample grades range from 85.1 to 14,400 ppm (1.44%) Cu, <1 to 283 ppm Mo, <0.005 to 1.571 ppm Au and <0.2 to 2.2 ppm Ag. The entire hole (including barren zones) averaged 0.17% Cu over 588.30 m from 13.00 m. This includes several higher grade intervals including 0.41% Cu over 112.00 m from 412.00 m, and 0.73% Cu over 50.45 m from 498.45 m.

The hole intersected quartz diorite with aplite dikes after 13.0 m of overburden. There is jarositic oxidation to a depth of 24.5 m, with minor secondary chalcocite and malachite at 17-19 m, hosted in a weakly mineralized, late intermineral porphyry dike. There is initial leaching of Cu grades, followed by localized enrichment with individual sample grades up to 0.61% Cu.

The quartz diorite has pervasive biotite alteration with A and B quartz veinlets with chalcopyrite, pyrite and molybdenite. The early porphyry responsible for the mineralization was not cut and has yet to be found. There is an early intermineral crackle breccia with chlorite ± biotite alteration + sulfides in the matrix and in veinlets outside the breccia. This has copper grades >0.3% Cu. Zones of biotite + albite alteration within the breccia have higher grade mineralization of >0.5% Cu, such as 0.73% Cu over 50.45 m from 498.45 m, and include short zones of >1% Cu (such as 1.22% Cu over 6.00 m from 464.00 m). The sodic-potassic alteration and higher copper grades indicate a deeper porphyry source which has yet to be found. There are late intermineral dikes of plagioclase-biotite porphyry and quartz-plagioclase porphyry which have low copper grades. There is a zonation from chlorite veinlets to green sericite-albite-sulfide veinlets. There is late, very restricted white sericite plus pyrite in faults. The top of anhydrite was logged at 134.7 m, with gypsum from 130.0 m.

Hole MCD-12-05

Hole MCD-12-05 was a step-out hole 300 m north of MCD-12-03 under gravel cover on the valley slope on the north side of the river. Sample grades range from 83.0 to 537 ppm Cu, <1 to 27 ppm Mo, <0.005 to 0.010 ppm Au and <0.2 to 0.6 ppm Ag. The hole gave no significant copper intersections.

The first 39 m of the hole cut unconsolidated landslide deposits comprising mud and boulders which include skarn, hornfels, limestone, porphyry and granodiorite. These indicate a non-exposed zone above and to the north of skarn alteration at the contact of the granodiorite or porphyry with sediments of the Chocolate Formation. The hole cut quartz diorite from 39 m to the end of the hole. It has jarositic oxidation to 46 m, or 7 m below the bedrock surface. The diorite has biotite alteration and a low density of quartz-pyrite B veinlets with traces of chalcopyrite and molybdenite, cut by veinlets of green sericite-pyrite, with a high pyrite:chalcopyrite ratio, and very low copper values. Enhanced copper values, albeit well below 0.1%, are related to zones of carbonate-phlogopite alteration and demagnetization. There are abundant aplite dikes, and two late intermineral quartz-plagioclase-biotite porphyry and plagioclase porphyry dikes. There are a number of faults sub-parallel to the core axis with horizontal slickensides, indicating strike slip movement along a fault dipping 70°N, although it cannot be determined whether movement was left- or right-lateral as the core is not oriented.

In summary, the hole cut weak potassic alteration with a high pyrite:chalcopyrite ratio and no significant grades.

Hole MCD-12-06

Hole MCD-12-06 was drilled to test the continuity of grades west of hole MCD-12-03 under the river gravels.

Sample grades range from 84 to 9,650 ppm Cu, <1 to 371 ppm Mo, <0.005 to 0.139 ppm Au and <0.2 to 3.7 ppm Ag. The hole returned 0.26% Cu over 429.80 m from 13.90 m, including 0.48% Cu over 66.40 m from 137.60 m, and 0.40% Cu over 86.00 m from 262.00 m.

After 13 m of overburden, the hole cut quartz diorite from 13 m to the end of the hole. There is partial oxidation to jarosite and goethite to 24.5 m, with two-times enrichment of copper to give 0.33% Cu over 8.0 m from 16.0 m.

The hole cut quartz diorite with an intrusion breccia with an early mineral plagioclase porphyry matrix from 188.0 to 201.5 m and 232.5 to 375.0 m. Crackle breccias with a chlorite-biotite-sulfide matrix cut the quartz diorite and the intrusion breccias. The highest copper grades are associated with the breccias. The quartz diorite has chlorite-biotite alteration, disseminated chalcopyrite-pyrite, and quartz A and B veinlets. These are cut by veinlets of green sericite-pyrite-chalcopyrite. There are zones of albite-biotite-sulfides. There are intermineral biotite-plagioclase and plagioclase porphyry dikes. Following a fault at 449 m, the hole enters unaltered diorite with no significant grades to the end of the hole.

Sample Preparation, Analysis and Security

Sample Collection and Security

Oban has a detailed written protocol manual for core sample collection and Quality Analysis – Quality Control ("QA-QC") as stated in the Marcahui Technical Report.

Rock chip samples were collected in a cloth or plastic bag, a sample tag inserted and the sample number written on the outside in permanent marker. The bags were sealed with a draw cord in the case of cloth bags, or a cable tie for plastic bags. The sample location was recorded by hand-held global GPS and the sample description was written on a sample card.

Core samples were placed in wooden core boxes by the drillers with the runs marked by wooden blocks. The Cumbrex geologists collected the core boxes from the drill rig and took them to the field camp nearby. First the core was washed and the boxes marked with the interval in indelible marker pen. The core was then photographed, and then geological and geotechnical logs were made and sample intervals marked. Core was sampled at 2.0 m intervals, but priority was given to contacts or variations in geology, alteration or mineralization, so that some intervals were longer or shorter. The core was then moved to the sampling area where it was cut lengthwise with a diamond electric saw. One half of the cut core was put in a sample bag, numbered and sealed. The other half of the core was returned to the core box for reference.

Magnetic susceptibility measurements were subsequently made of the half-core in the boxes. The protocol and results are described in the Marcahui Technical Report.

Samples, in groups of five, were put into sacks for transport. Samples were kept in the custody of the Cumbrex geologists in the field, then sent by company vehicle to the company office in Lima, and from there they were collected by the laboratory with a sample submittal form.

The core boxes were removed from the Marcahui Project and are stored in a secure storage area in the town of Mala, south of Lima. It is within the large yard of a soft-drinks distributor and is surrounded by a wall with a electric fence and with a permanent security guard at the entrance. The boxes are stored on wooden pallets in the open under an awning, as there is no rainfall. This is a temporary store until Cumbrex obtains a permanent core warehouse in Lima.

The drill collars are marked with plastic pipe and a cement base with the hole number.

Sample Preparation and Analysis

Oban's rock chip samples and the core samples from holes MCD-11-01 to MCD-12-04 were prepared and analyzed by CERTIMIN S.A. ("**CERTIMIN**"), Lima, which was previously called CIMM PERU S.A. until December 2011. The laboratory is ISO 9001:2008 certified and is independent of Oban and Cumbrex.

The samples were prepared by drying at 100°C and crushing the entire sample to >90% passing -1.7 mm (10 mesh), then making a 250 g split using a riffle splitter, and pulverizing the split to >85% passing -75 microns (-200 mesh) (lab code G0634, method IC-PMM-01).

CERTIMIN analyzed gold by fire assay with an atomic adsorption spectrometer ("**AAS**") finish on a 50 g sample (code G0107, method IC-EF-01). Multielement analyses of rock samples and the first batch of core samples were done by an aqua regia digestion (3:1 hydrochloric acid: nitric acid) with detection by inductively coupled plasma atomic emission spectrometer ("**ICP-AES**") and inductively coupled plasma mass spectrometer ("**ICP-MS**") for 52 elements in a trace and ultra-trace package (code G0587, method IC-VH-88). Multielement geochemical analyses for the rest of the core samples were done by an aqua regia digestion and ICP-AES analysis for 36 elements in a trace package (code G0145, method IC-VH-33). This is a partial digestion technique and the laboratory advised that digestion and analysis may not be complete for some elements (Al, Ba, Be, Ca, Cr, Ga, K, La, Mg, Na, S, Sc, Sn, Sr, Ti, Tl, W and Zr). Samples above 1% copper were repeated by aqua regia digestion and AAS (code G0038, method IC-VH-15).

The core samples from holes MCD-12-05 and MCD-12-06, and re-analysis of MCD-11-02, were prepared and analyzed by ALS Minerals in Lima. The company is ISO 9001:2008 registered and uses ISO 17025:2005 accredited methods, and is independent of Oban and Cumbrex.

Sample preparation was to crush the sample to 70% passing -2 mm or better (code CRU-31), split the sample using a riffle splitter, and pulverize a 250 g split to 85% passing 75 microns or better (code PUL 31).

Gold was analyzed by fire assay on a 50 g sample and AAS finish (method Au-AA24). Multielements were analyzed by aqua regia digestion of a 1 g sample with detection by ICP-AES for 35 elements (Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, Hg, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W, Zn) (method ME-ICP41). This method is designed for first pass exploration geochemistry. ALS Minerals cautions that "although some base metals may dissolve quantitatively in the majority of geological matrices, data reported from an aqua regia leach should be considered as representing only the leachable portion of the particular analyte."

For future drilling a different method is recommended such as ME-ICP61a with four acid "near-total" digestion which is designed for low grade mineralized materials and provides improved accuracy and precision over other multielement ICP methods.

Quality Assurance & Quality Control (QA-QC)

Oban has a detailed written protocol manual for QA-QC which meets standard industry practice as per the Marcahui Technical Report.

QA-QC samples were inserted for rock and drill core samples at the rate of 1 certified standard reference material ("**CSRM**") per 20 samples and 1 blank per 20 samples. Field duplicates were inserted in the core samples at irregular intervals. The CSRM and blanks are inserted at regular intervals rather than at random. Sample batches that failed QA-QC were repeated, and the final accepted results are plotted herein.

CSRM

The CSRM used were:

- Cu 177 certified by WCM Minerals Ltd, Canada for Cu (1.17%), Mo (0.174%), Ag (66 g/t) and Au (0.79 g/t).
- Oreas 152a certified by Ore Research & Exploration Pty. Ltd., Australia for Cu (0.385%), Mo (80 ppm), Au (0.116 ppm) and S (0.921%).
- Oreas 503 certified by Ore Research & Exploration Pty. Ltd., Australia fire assay Au (0.687 ppm); 4-acid digestion Cu (0.566%), Mo (390ppm) and S (0.732%); and aqua regia digestion Cu (0.563%), Au (0.658 ppm), Mo (382 ppm) and S (0.716%).

The certificates of the CSRM can be downloaded from these companies' websites. The CSRM check analytical precision and accuracy and sample switches. The CSRM are monitored by performance gates which are graphs with sample number or time on the x-axis and values on the y-axis. There are horizontal lines for the recommended value, ± 2 standard deviations (SD) and ± 3 SD. CSRM values within ± 2 SD are accepted; an isolated sample above ± 2 SD but below ± 3 SD is acceptable but is a warning; two consecutive samples above ± 2 SD are rejected; and any sample above ± 3 SD is rejected.

Plots of Cu, Au and Mo results for CSRM Cu 177 show good results. This was used for holes MCD-11-01 and MCD-12-03.

Plots of results for Cu, Au and Mo for CSRM Oreas 503 show acceptable results, except for two molybdenum analyses which are below -3SD and should be rerun.

Blanks

The blank sample used for the rock samples was a non-certified grab sample from an outcrop on a hill behind Oban's office in Lima, submitted as coarse chips. The results gave values of 11.3 to 125 ppm Cu, 3.7 to 7 ppm Mo and <5 to 56 ppb Au. The material is not suitable as a blank and its use was discontinued.

A new blank called A11-9609 was obtained from Target Rocks, Lima ("**Target Blank**") in 2011. This was prepared from coarse vein quartz and was accompanied by an assay certificate for 20 samples, assayed by Activation Laboratories Ltd, Ancaster, Ontario, Canada for gold and multielements, to certify the sample. The average values are <2 ppb Au, 15.75 ppm Cu (SD 4 ppm) and 1.7 ppm Mo (SD 1.9 ppm).

The values for Mo are anomalous and are not acceptable for a blank. This was used for the first three drill holes and was submitted as coarse gravel.

All gold values in the Target Blank are <5 ppb. The values for Cu are plotted with reference to the average value, the average plus 2 SD and the average plus 3 SD. The values for Mo are plotted with reference to the lower limit of detection (DL), with warning and fail lines at 3 times DL and 5 times DL. The copper values show considerable variation including two values at the +3SD limit. The molybdenum values are all above the 5DL limit. Reanalysis of the blank samples returned scattered, high values that show little correlation with the original analyses. It is concluded that the high values may represent sample contamination during the sample preparation process, and check assays replicated the problem because contamination happened at the sample preparation stage (use of a fine blank would have confirmed this). Use of the Target Blank was discontinued. Replicate analyses of samples including Target Blanks give acceptable results, with one Target Blank just above +3SD (see below). However, it is recommended that the sample batches that used the Target Blank be re-analyzed on new sample pulps prepared from the coarse rejects, and with the use of a new blank.

Cumbrex prepared two of their own blanks in 2012. The protocol is described as stated in the Marcahui Technical Report. One blank is a granite and the other a limestone. They were certified by analyzing 20 samples of each at two laboratories, CERTIMIN and ALS Minerals, Lima. The samples were submitted as coarse chips. They were used for holes MCD-12-04 to MCD-12-06, and for repeat analyses of hole MCD-11-02. Copper was plotted with reference to the average value, the average plus 2 SD and the average plus 3 SD (using the higher of the granite and limestone values). The Cu results are within acceptable limits except for two samples above +3SD in the final batch, which should be re-analyzed. The values for Mo are plotted with reference to the lower limit of detection, with warning and fail lines at 3 times DL and 5 times DL. The data are within the acceptable limits.

The following recommendations are made regarding the use of blanks:

- The sample batches that used the Target Blank should be re-analyzed on new sample pulps prepared from the coarse rejects, and a new blank should be used.
- The type of Cumbrex coarse blank should be recorded on the sample sheets (granite or limestone).
- Only the coarse granite blank should be used for the Marcahui Project as the matrix is similar to the host rocks, compared with a limestone.
- A fine blank should also be used.

Field Duplicates

Field duplicates of core were prepared by cutting the remaining half-core in half again, sampling one quarter, and leaving one quarter in the box for reference. This is half the weight of the original sample so the method introduces a sample size variance. Field duplicate samples were taken at random and the duplicate inserted at a different place in the sample sequence rather than consecutively. Forty duplicates were taken. Plots of the results of the original versus duplicate samples for Cu, Au and Mo show a good correlation.

Replicate Analyses

Replicate analyses are made at a second laboratory on the same pulp and check analytical precision and accuracy. A batch of 10% of the core sample pulps above a cut-off of 2,000 ppm Cu (63 samples) from the first three drill holes was sent to ALS Minerals in Lima for replicate analyses. Gold was analyzed by fire assay on a 50 g sample and AAS finish (method Au-AA24). Multielements were analyzed by aqua

regia digestion of a 1 g sample with detection by ICP-AES for 35 elements (method ME-ICP41). QA-QC samples were inserted. The four coarse Target Blank samples are acceptable, with one sample just over +3SD. The CSRM give acceptable results.

A plot of the replicate results for Cu shows a good correlation between the two laboratories. The average of all samples of ALS Minerals is 4.8% higher than CERTIMIN.

Conclusions

Oban has a QA-QC program that meets standard industry practise. The QA-QC results for the drill core analyses are generally acceptable, with the exception of the batches that used the Target Blank. The following recommendations are made:

- The sample batches that used the Target Blank should be re-analyzed on new sample pulps prepared from the coarse rejects, and a new blank should be used.
- The type of Cumbrex coarse blank should be recorded on the sample sheets (granite or limestone).
- Only the coarse granite blank should be used for the Marcahui Project as the matrix is similar to the host rocks, compared with a limestone.
- A fine grained blank should also be used.
- Preparation duplicates should be inserted.
- Replicate analyses should be carried out on a regular basis.
- Check analyses (preparation of a second pulp from the coarse reject) should also be carried out at a second laboratory on a regular basis.

Magnetic Susceptibility

Magnetic susceptibility measurements were made of the half-core in the boxes after geological logging, core-cutting and sampling had been carried out. The magnetic susceptibility measures the amount of magnetism in the core, which may be related to rock type, alteration or mineralization. It is a dimensionless proportionality constant that indicates the degree of magnetization of a material in response to an applied magnetic field, and is reported in the International System of Units (SI). Oban's protocol and results are described in the Marcahui Technical Report. Readings were taken with a hand-held, UM-02 Magnetic Susceptibility KT-10 instrument. Three readings were taken over each sample interval and the average value recorded. Readings are recorded in units of 10^{-3} SI. Readings vary from 0.1×10^{-3} SI to 307×10^{-3} SI. The results are plotted graphically. The results show an inverse correlation of magnetic susceptibility with copper grade. Values of less than 50×10^{-3} SI correspond to greater than 3,500 ppm Cu, while values of about 100×10^{-3} SI correlate to values of copper below 500 ppm. The reason for this correlation is that sodic-calcic alteration associated with higher copper grades has destroyed primary magnetite in the igneous host rocks. There is very little hydrothermal magnetite associated with the mineralization. This tool logs alteration and zones of high grade copper mineralization. The results also show that a ground magnetic survey will be useful to map zones of mineralization and prioritize drill holes, and the results can be used to interpret such a survey.

Data Verification

The data used in the Marcahui Technical Report was verified by visiting the Marcahui Project; revising all of Oban's drill cores to confirm the geology and mineralization; carrying out independent check sampling, and revising the QA-QC and assay certificates.

Six chip and grab samples were taken of mineralization exposed on the surface at several locations at the Marcahui Project. The samples were collected in plastic bags, sample numbers were inserted, and the bags were sealed with cable ties. The samples were kept in Dr. Redwood's custody, and were collected by ALS Minerals laboratory in Lima for preparation and analysis. At the time of the Marcahui Technical Report, ALS Minerals was the secondary laboratory for Oban's samples. One coarse blank (Target Blank) and one CSRM were inserted for QA-QC and returned acceptable results.

Sample preparation was by fine crushing of the sample to 70% passing -2 mm or better (code CRU-31), sample splitting using a riffle splitter, and pulverizing a 250 g split to 85% passing 75 microns or better (code PUL 31).

Gold was analyzed by fire assay of a 30 g sample split with detection by ICP-AES with a detection range of 0.001 to 10 ppm (code Au-ICP21).

Multielements were analyzed by a four acid "near-total" digestion with detection by ICP-AES for 33 elements (Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W, Zn) (code ME-ICP61a). This method is designed for low grade mineralized materials and provides improved accuracy and precision over other multielement ICP methods.

The independent check samples have grades of 230 to 23,100 ppm (0.023 to 2.31%) copper and confirm the presence of anomalous amounts of copper at the Marcahui Project. A comparison of the check samples with the original samples shows a close similarity in grade of copper and other selected elements. Variations in grade are the result of geological heterogeneity as a result of being chip samples that were not necessarily taken in exactly the same place as the original samples, since they are not well marked in the field.

The Marcahui Technical Report concludes that:

- Sampling, sample preparation, assaying and analyses have been carried out in accordance with best current industry standard practices and are suitable to plan further exploration;
- The exploration programs are well planned and executed and supply sufficient information to plan further exploration; and
- Sampling, assaying and analyses includes quality assurance and quality control procedures.

Mineral Resource Estimates

There are no mineral resource estimates for the Marcahui Project that are compliant with the current CIM standards and definitions required by NI 43-101.

Exploration and Development

Oban is continuing exploration activities on the Marcahui Project in the near future and will conduct a small drill campaign of 1,200 m in the upcoming year.

Lithocaps Project

The information, tables and figures that follow relating to the Lithocaps Project are derived from, and in some instances are extracts from, the independent technical report prepared for the Corporation by consulting geologist Stewart D. Redwood, B.Sc. (Hons.), Ph.D., FIMMM, FGS, titled "NI 43-101

Technical Report for the Huancavelica Lithocaps Project, Department of Huancavelica, Peru" and with an effective date of January 14, 2013 (the "**Lithocaps Technical Report**").

Stewart D. Redwood, B.Sc. (Hons.), Ph.D., FIMMM, FGS, the Corporation's consulting geologist and the author of the Lithocaps Technical Report, is a "qualified person" within the meaning of NI 43-101, is independent of the Corporation, and he has also reviewed and approved the technical information contained in this AIF relating to the Lithocaps Project.

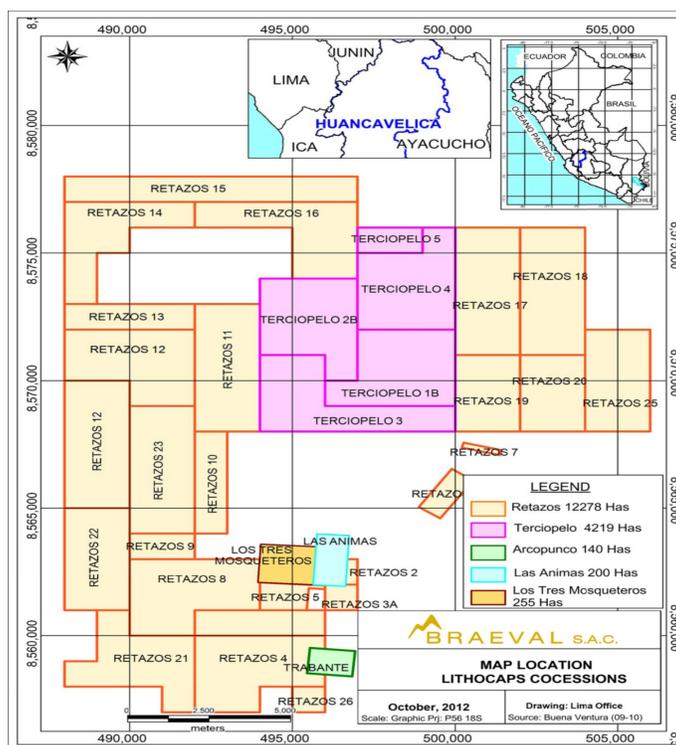
Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Lithocaps Technical Report, which has been filed with the applicable Canadian securities regulatory authorities and which is available for review under the Corporation's profile on SEDAR at www.sedar.com.

Property Description and Location

The Lithocaps Project is located in the Provinces of Huancavelica and Castrovirreyna, Department of Huancavelica, Republic of Peru. The latitude and longitude for the Arcopunco prospect is 13° 2' 18" S, 75° 2' 19" W, and the Terciopelo prospect is at 12° 56' 4"S, 75° 2' 26"W. Altitudes in the Lithocaps Project are between 3,600 and 5,298 masl. Arcopunco is 245 km southeast of Lima, and Terciopelo is 240 km southeast of Lima. The datum used in Peru is Provincial South America 1956 (PSAD 56).

The Corporation owns or has the right to acquire 100% of 35 mining concessions and applications with a total area of 23,290 ha that comprise the Lithocaps Project. These concessions are divided into three groups: the Arcopunco prospect, which is under option, the Terciopelo prospect, also under option, and the 100% owned Retazos prospect. The mining concessions comprising each prospect are shown in the figure below, and are also described in greater detail below.

Plan of Mining Concessions at the Lithocaps Project



Arcopunco

The Arcopunco prospect is comprised of three mining concessions with a total area of 595ha (collectively, the "**Arcopunco Prospect**"). These are listed in the table below and shown in the figure above. The Corporation has an option to acquire 100% of these three mining concessions.

List of Mining Concessions Comprising the Arcopunco Prospect, Part of the Lithocaps Project

	Code	Name	Area (ha)	Owner	Date Staked	Date of Title
1	06006717X 01	Las Animas	200.00	Juan Said Saleh Vergara and others	27/03/1979	12/07/1996
2	06007940X 01	Los Tres Mosqueteros	255.00	Juan Said Saleh Vergara and others	08/09/1981	19/08/1996
3	06003484X 01	Trabante	140.00	SMRL	14/11/1957	31/12/1962
		Total	595.00			

The Corporation, through its indirect subsidiary Braeval S.A.C., signed two transfer option and mining assignment agreements to acquire the concessions comprising the Arcopunco Prospect on August 9, 2012, as follows:

- a) the first agreement covers the Trabante mining concession, signed with SMRL (the "**Arcopunco Agreement #1**"); and
- b) the second agreement covers the Las Animas and Los Tres Mosqueteros mining concessions, signed with the owners Juan Said Saleh Vergara and his relatives, Hassan Said Saleh Retamozo, Zarik Josua Saleh Retamozo and Faride Fatima Saleh Retamozo, and includes the mining royalty transfer option agreement signed with Juan Said Saleh Vergara on August 11, 2012 (collectively, the "**Arcopunco Agreement #2**").

Unless stated otherwise, the Corporation and Braeval S.A.C. are considered to be a single party for purposes of the following discussion. The Corporation can acquire 100% of the three mining concessions at the Arcopunco Prospect for staggered payments totaling US\$5,360,000. The Corporation has a first option to acquire 80% for a series of payments totalling US\$2,360,000, payable as follows:

- a) US\$60,000 upon signing the Arcopunco Agreement #1 and the Arcopunco Agreement #2 (US\$40,000 for Las Animas and Los Tres Mosqueteros, and US\$20,000 for Trabante), which amount has been paid;
- b) US\$100,000 due on August 9, 2013 (US\$66,666.66 for Las Animas and Los Tres Mosqueteros, and US\$33,333.34 for Trabante) which amount has been paid;
- c) US\$200,000 due on February 22, 2016 (US\$133,333.32 for Las Animas and Los Tres Mosqueteros, and US\$66,666.68 for Trabante); and
- d) US\$1,000,000 due on February 22, 2016 and US\$1,000,000 due on February 22, 2017.

The Corporation has a second option, exercisable within 90 days following the exercise of the first option, to acquire the remaining 20% (and thus 100% ownership) of the Arcopunco Prospect for payment of US\$3,000,000 plus the granting of an NSR royalty of 1.5%. Arcopunco Agreement #1 states that the

Corporation cannot exercise its second option on the Trabante concession without simultaneously exercising its second option on the Las Animas and Los Tres Mosqueteros concessions. The payments to be made upon exercise of the second options are as follows:

- a) US\$2,000,000 for Las Animas and Los Tres Mosqueteros; and
- b) US\$1,000,000 for Trabante.

The applicable NSR royalty is 1.5% under each agreement. Within 90 days of acquiring 100% ownership of the Arcopunco prospect, the Corporation can purchase the NSR royalty on Las Animas and Los Tres Mosqueteros for US\$10,000,000, and can purchase the NSR royalty on Trabante for US\$5,000,000. The agreements further provide that the Corporation can only acquire the NSR royalty under one agreement if simultaneously acquiring the NSR royalty under the other agreement.

If the Corporation does not exercise the second option, then each party will contribute to future expenditures on a pro rata basis. If the vendors do not contribute, their 20% interest will be reduced, and should it be diluted to 5% or less, it will automatically be converted into a 1.5% NSR royalty and the Corporation will acquire 100% of the mining rights. Alternatively, the Corporation may unilaterally terminate either or both agreements at any time.

Terciopelo

The Terciopelo prospect (the "**Terciopelo Prospect**") is governed by a mining assignment and option agreement between the Corporation's subsidiary Braeval S.A.C. and Compañía De Exploraciones, Desarrollo e Inversiones Mineras S.A.C. ("**CEDEMIN**"), which is owned by Compañía de Minas Buenaventura S.A.A. ("**Buenaventura**"), a mining company registered in Peru that is listed on the Lima Stock Exchange and the New York Stock Exchange (NYSE: BVN).

The Terciopelo Prospect is comprised of five mining concessions with a total area of 4,200 ha. These are listed in the table below and are shown in the above figure (entitled "*Plan of Mining Concessions at the Lithocaps Project*").

List of Mining Concessions Comprising the Terciopelo Prospect, Part of the Lithocaps Project

	Code	Name	Area (ha)	Owner	Date Staked	Date of Title
1	010014407	Terciopelo 1B	1,000.00	CEDEMIN	03/01/2007	29/05/2007
2	010015007	Terciopelo 2B	1,000.00	CEDEMIN	03/01/2007	13/07/2007
3	010016807	Terciopelo 3	1,000.00	CEDEMIN	03/01/2007	17/05/2007
4	010016707	Terciopelo 4	1,000.00	CEDEMIN	03/01/2007	09/04/2007
5	010016507	Terciopelo 5	200.00	CEDEMIN	03/01/2007	04/05/2007
		Total	4,200.00			

Unless stated otherwise, the Corporation and Braeval S.A.C. are considered to be a single party for purposes of the following discussion. The agreement with CEDEMIN was signed on September 12, 2012 (the "**Terciopelo Agreement**"). The terms to acquire 100% of the Terciopelo prospect are to carry out a diamond drill program of 5,000 m within three years of executing the Terciopelo Agreement, of which 1,000 m should be carried out within the first 18 months. In order to exercise the transfer option, the Corporation must make a payment of US\$25,000 to CEDEMIN within 60 days of completion of the drilling program. In addition, an NSR royalty of 1.5% is payable to CEDEMIN, which royalty may be

repurchased by the Corporation for US\$5,000,000. On completion of the earn-in, the concessions will be transferred to a new company owned by the Corporation. CEDEMIN will have a 'return option' for one year following the completion of the aforementioned drilling program whereby it may acquire 70% of the shares of the new company by paying 2.5 times the value of the qualified expenses incurred by the Corporation at the Terciopelo Prospect, at which time the NSR royalty shall be rendered null and void.

Retazos

The Retazos prospect comprises claims around the Arcopunco and Terciopelo prospects that were staked in 2011. The claims were originally staked in the name of Dardo de Plata S.A.C. (now called Oban S.A.C.), a subsidiary of OEL. The concessions were transferred from Dardo de Plata S.A.C. to Braeval S.A.C. by notarized deed on January 5, 2012, which was inscribed in the Public Records on March 8, 2012, and subsequently amended on June 25, 2012 to correct certain errors. Retazos 26 was staked directly by Braeval S.A.C. on December 20, 2011. The total staked area was 18,495.42 ha.

The claims staked on February 1, 2011 were made at the same time as applications by third party companies. In this situation, the Geological, Mining & Metallurgical Institute (INGEMMET) organized an auction process for disputed areas. The Corporation won 867.93 ha of claims at the auction, and lost 2,100 ha. The result is that the Retazos prospect currently comprises 16,395.42 ha in 26 claims, which are listed in the table below and shown in the above figure entitled "*Plan of Mining Concessions at the Lithocaps Project*".

List of Mining Concessions Comprising the Retazos Prospect, Part of the Lithocaps Project

	Code	Name	Area (ha)	Owner	Date Staked	Date of Title
1	10101811	Retazos 2	100.0000	Braeval S.A.C.	01/02/2011	In process
2	10101711	Retazos 3	400.0000	Braeval S.A.C.	01/02/2011	In process
3	010101711A	Retazos 3A	100.0000	Braeval S.A.C.	01/02/2011	In process
4	10099511	Retazos 4	1000.0000	Braeval S.A.C.	01/02/2011	In process
5	10099411	Retazos 5	227.4864	Braeval S.A.C.	01/02/2011	27/07/2011
6	10099311	Retazos 6	144.0000	Braeval S.A.C.	01/02/2011	In process
7	10099611	Retazos 7	23.9377	Braeval S.A.C.	01/02/2011	27/04/2012
8	10460811	Retazos 8	1000.0000	Braeval S.A.C.	14/09/2011	28/06/2012
9	10460911	Retazos 9	200.0000	Braeval S.A.C.	14/09/2011	24/04/2012
10	10461011	Retazos 10	400.0000	Braeval S.A.C.	14/09/2011	25/04/2012
11	10461111	Retazos 11	1000.0000	Braeval S.A.C.	14/09/2011	24/04/2012
12	10461211	Retazos 12	1000.0000	Braeval S.A.C.	14/09/2011	24/04/2012
13	10461311	Retazos 13	400.0000	Braeval S.A.C.	14/09/2011	24/04/2012
14	10461411	Retazos 14	800.0000	Braeval S.A.C.	14/09/2011	24/04/2012
15	10461511	Retazos 15	900.0000	Braeval S.A.C.	14/09/2011	20/04/2012
16	10461611	Retazos 16	900.0000	Braeval S.A.C.	14/09/2011	20/04/2012
17	10461711	Retazos 17	1000.0000	Braeval S.A.C.	14/09/2011	31/07/2012
18	10461811	Retazos 18	1000.0000	Braeval S.A.C.	14/09/2011	20/04/2012
19	10461911	Retazos 19	600.0000	Braeval S.A.C.	14/09/2011	24/04/2012
20	10462011	Retazos 20	600.0000	Braeval S.A.C.	14/09/2011	24/04/2012
21	10463011	Retazos 21	900.0000	Braeval S.A.C.	15/09/2011	27/04/2012

22	10462911	Retazos 22	800.0000	Braeval S.A.C.	15/09/2011	20/04/2012
23	10462811	Retazos 23	1000.0000	Braeval S.A.C.	15/09/2011	25/04/2012
24	10462711	Retazos 24	1000.0000	Braeval S.A.C.	15/09/2011	27/04/2012
25	10462611	Retazos 25	800.0000	Braeval S.A.C.	15/09/2011	31/05/2012
26	10574211	Retazos 26	100.0000	Braeval S.A.C.	20/12/2011	27/04/2012
		Total	16,395.4241			

Mineral Tenure and Permits

There is no defined number of years for mining concessions as they are irrevocable and can be held ad infinitum if maintained, but minimum annual production must be achieved by Year 15 or the concession will be cancelled, or by Year 20 in the case of force majeure.

There are several requirements for maintaining mining concessions, including the payment of an annual concession tax (*derecho de vigencia*) of US\$3.00 per ha per year, the annual presentation of a Consolidated Annual Declaration (DAC, or *Declaración Anual Consolidada*) to the mining authority, and the payment of certain penalties if minimum production is not achieved by certain deadlines. In addition, mining royalties are payable to the state, calculated based on the value of concentrates or their equivalents according to the following scale: up to US\$60,000,000 annually, a 1.0% royalty is payable; between US\$60,000,000 and US\$120,000,000 annually, a 2.0% royalty is payable; and above US\$120,000,000 annually, a 3.0% royalty is payable. Refer to the Lithocaps Technical Report for further details regarding minimum production, other state levies, and income tax rates. See also "*Peruvian Mining Law*".

There is one type of mining concession (*concesión minera*) which gives the owner the right to explore and exploit. The granting of a mining concession in Peru specifically does not include a legal right of access, for which permission has to be sought from the land owners or community.

An Environmental Impact Declaration (DIA, or *Declaración de Impacto Ambiental*) has to be presented for drill programs with up to 20 platforms or disturbance of surface areas of up to 10 ha. A semi-detailed Environmental Impact Study (EIA, or *Estudio de Impacto Ambiental Semi-Detallada*) has to be presented for drill programs with 21 or more platforms or a surface disturbance of more than 10 ha. A full Environmental Impact Study has to be presented for mine construction projects. The exploration work carried out on Retazos by the Corporation in 2012 did not require a DIA as it was a program of surface reconnaissance exploration and prospecting. The Corporation has no environmental liabilities at the Lithocaps Project.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Arcopunco Prospect and Terciopelo Prospect are on the Caudalosa Chica Mine Road to Huancavelica from Ayacocho Road and can be accessed en route, before continuing to Huancavelica. The Retazos prospect covers a large area and access is from main roads and project access roads.

The climate is alpine and is cold and semi-arid. The nearest climatic data is for the city of Huancavelica, located in a high valley at 3,670 m altitude, which has an annual average temperature range of 15.4°C to 2.8°C (average maximum and minimum for the period from 1963-1980). The average annual rainfall is 830 mm (average for the period from 1963-1980). Above 4,000 m in the so-called Puna, the climate is very cold with temperatures between <0°C and 6°C, and annual precipitation between 500 and 1000 mm. Above 4,500 m precipitation is usually experienced as hail and snow. There is a rainy season from November to April when skies are cloudy and the temperature is milder, and a dry season for the rest of the year with clear skies, sunny days and freezing nights. Temperature decreases with altitude and there is

permanent snow in the highest parts of the Lithocaps Project, which reach altitudes of almost 5,300 m. The Holdridge life zone is rain tundra to desert at high altitude.

The nearest major town to the Lithocaps Project is the city of Huancavelica (population 447,000 in 2005), capital of the Department of Huancavelica, located 29 km north of Arcopunco (57 km by road), and 18 km north of Terciopelo (38 km by road plus 3-4 km walk). From Huancavelica there is a branch transmission line (between 33 and 66 kilovolts) along the western side of the Lithocaps Project to a substation at Ingenio (Santa Inés) and west to the Caudalosa mine. A natural gas pipeline from the Camisea field runs south of the Lithocaps Project across the Andes through Ayacucho to Pisco and Lima. A branch pipeline is planned from Ayacucho to Huancavelica and Tarma, which will pass through the Lithocaps Project.

The Lithocaps Project is located in the Andes mountains, 134 km east of the Pacific Ocean. The topography is mountainous with a maximum altitude of 5,298 m on Nevado Huamanraza (adjacent to Terciopelo), down to elevations of 3,600 m in valleys. The Lithocaps Project is situated on the north side of a regional high that forms a drainage divide, with high mountain passes on the road from Rumichaca to Huancavelica at the Chonta Pass at about 4,840 m, and nearby at the Huayraccasa Pass at about 4,950 m on the road to Huachucolpa, both just south of Arcopunco. Arcopunco and Terciopelo are located on eroded volcanoes with altitudes of 5,298 m and about 5,060 m respectively, with craggy bare rock outcrop and extensive talus slopes. On the lower slopes there is bunch grass vegetation, and the upper parts of glacial valleys often have extensive marshes.

History

Arcopunco was explored in 1997-98 by Buenaventura, who carried out programs of rock sampling, mapping and two phases of diamond drilling totalling 3,581 m in 14 holes. Based on drilling results, Buenaventura estimated a mineral resource of 2.66 Mt at 0.39 g/t Au containing 33,400 oz at a cut-off of 0.3 g/t. Note that this is a historical resource estimate and was not made to CIM / NI 43-101 standards, and is included for information only. A qualified person (within the meaning of NI 43-101) has not done sufficient work to classify the historical estimate as current mineral resources and the Corporation is not treating this historical estimate as a current mineral resource estimate. The Corporation optioned Arcopunco in 2012 and has carried out rock sampling, as well as re-logging and check sampling of drill core. The work performed on Arcopunco is described in greater detail in the Lithocaps Technical Report.

Terciopelo was explored in 2009-10 by Buenaventura, who carried out programs of geological mapping, rock and soil sampling, ground geophysics (magnetic and induced polarization surveys), and diamond drilling in two phases totaling 2,883 m in 10 holes. The drilling program was conducted to test porphyry and high sulfidation epithermal targets. Based on drilling results, Buenaventura estimated a mineral resource of 4.5 Mt at 0.2 g/t Au containing 22,000 oz at a cut-off of 0.2 g/t. Note that this is a historical resource estimate and was not made to CIM / NI 43-101 standards, and is included for information only. A qualified person (within the meaning of NI 43-101) has not done sufficient work to classify the historical estimate as current mineral resources and the Corporation is not treating this historical estimate as a current mineral resource estimate. The Corporation signed an option to acquire Terciopelo in September 2012 and has carried out no exploration yet. The historical work performed on Terciopelo is described in greater detail in the Lithocaps Technical Report.

Retazos is a large land package surrounding Arcopunco and Terciopelo that was assembled by the Corporation in 2011. The Corporation carried out a program of reconnaissance exploration in 2012 including rock sampling and geological mapping.

Geological Setting and Mineralization

Regional Geology

The region has folded Paleozoic to Mesozoic sedimentary rocks of the Devonian Excelsior Group, Carboniferous Ambo, Tarma and Copacabana Groups, Permian Mitu Group, Triassic-Jurassic Pucará Group, Jurassic-Cretaceous Cercapuquio Formation, Chunumayo Formation, Goyllarisquizga Group, Chulec, Pariatambo, Jumasha and Casapalca Formations, which include continental and marine siliciclastic sediments and carbonates. These outcrop west of the NW-trending Chontas Fault and east of the N-S trending Jatumpata-Huachocolpa Fault, and have been folded into N-S to NW trends.

These are overlain unconformably by late Paleocene to Neogene volcanic rocks of the Eocene Tantará Formation, Oligocene Sacsaquero Formation, Miocene Castrovirreyna, Caudalosa, Auquivilca and Huichinga Auquivilca Formations. The youngest volcanic rocks are the Late Miocene to Pliocene Astobamba Formation which form eroded stratovolcanoes. The volcanic rocks are of intermediate to felsic, high-K calc alkaline composition. Intrusive rocks are plutons of granodiorite and quartz monzonite, and stocks and domes of andesite to dacite.

The NW-trending Chonta Fault is an important control on mineralization. It marks the contact between Precambrian Amazonian basement and Paracas basement. In the Jurassic-Cretaceous it acted as normal fault and controlled sedimentary basins. In the Upper Miocene to Pliocene it had inverse vertical movement bringing Late Cretaceous Casapalca Formation, red-bed sediments and overlying Paleogene-Neogene up on the west side with dip to the west. This was associated with sinistral transcurrent movement, with veins and stocks controlled by E-W to WNW tension and Riedel shears. The sense of movement was dextral after 3.7 Ma, which closed the mineralized dilational zones.

Property Geology and Mineralization

Arcopunco

The Arcopunco prospect is hosted by volcanic rocks of the Miocene Huichinga and Castrovirreyna Formations, with minor stocks in the area. The volcanic rocks are andesitic. There is no volcanic edifice preserved, indicating a fairly deep level of erosion. There is extensive advanced argillic and silicic alteration forming a lithocap. The silica is residual vuggy and granular quartz, and there is also quartz deposition as fine grained silicification. Hydrothermal breccias are abundant with a matrix of alunite, kaolinite and dickite. There are late stage chalcedony and smectite veinlets deposited at a lower temperature from a less acid fluid. The Lithocaps Technical Report describes three types of intrusive rock based on mapping and drilling: a coarse grained, feldspar-biotite-hornblende porphyry in the center of the system; finer grained andesite dikes with quartz veins; and a small andesite porphyry stock east of the summit. The principal structural trend of breccias and mineralization is NW-SE.

Mineralization on surface is orpiment, realgar, possible cinnabar, minor sulfur, and relics of late stage pyrite as breccia fill and veinlets, mostly oxidized to jarosite. On the north west side of the mountain there is patchy to wormy texture advanced argillic alteration underlain by quartz veinlets with banded edges, a center line, straight to wavy, with some pyrite infill. The veinlets have characteristics of porphyry gold systems. Quartz veinlets also occur in clasts in a breccia of andesite porphyry exposed at lower elevation to the south east on the road to Tinquí Corral, and to the east at Tinquí Corral in a plagioclase-biotite andesite porphyry stock with phyllic alteration containing silver-rich intermediate sulfidation mineralization in structurally controlled tectonic breccias. The distribution of quartz veining indicates the possibility of up to three porphyry centers. The outcropping alteration and mineralization at Arcopunco is

interpreted to be the deep part of a lithocap with high sulfidation gold mineralization, which overprints the top part of a porphyry system.

Terciopelo

The Terciopelo prospect is hosted by the Pliocene Astobamba Formation. According to the Lithocaps Technical Report, mapping by Buenaventura has defined a volcanic stratigraphy at of andesite autobreccia, porphyritic andesite lava, aphyric andesite lava and aphyric "vitriophyre" (rhyolite), with a feldspar porphyry stock cutting the first three units.

Observations recorded in the Lithocaps Technical Report show that the outer edges of a stratovolcano edifice are preserved, as shown by outward dipping flows on surrounding mountains. Terciopelo is formed of andesite volcanic breccias and maroon, flow banded rhyolite lavas. There is pervasive argillic, advanced argillic and silicic alteration of the volcanic rocks to the edge of the pampa. On the Terciopelo ridge there is structurally controlled (125°) alteration of silicification and residual silica (vuggy silica), which zones outwards to advanced argillic alteration (pyrophyllite, dickite, kaolinite, diaspore) with patchy to wormy texture, and zones further outwards to argillic alteration and to unaltered. The Jacucucho zone has patchy to wormy texture advanced argillic alteration with a coincident chargeability anomaly. Rhyolite flows or domes with flow banding and autobrecciation form rocky ridges. These have very strong parallel fracturing trending 125° and residual silica alteration to vuggy quartz and granular quartz, with native sulfur infill. They thus have hydrothermal and structural porosity. There are rhyolite dikes with vuggy silica alteration on the ridge slopes also. The altered volcanic rocks are cut to the south by a non-altered, younger, post-alteration volcanic cone.

There are two targets at Terciopelo: high sulfidation epithermal gold mineralization in a lithocap, and porphyry style mineralization overprinted by the deep part of the lithocap.

The high sulfidation epithermal mineralization was drilled on the north side of the Terciopelo ridge at an elevation of about 4,900 m. The principal sulfide reported is pyrite, with minor orpiment, realgar, rutile, leucoxene, sulfur and traces of chalcocite and covellite. The latter two are interpreted to be high sulfidation minerals rather than the product of supergene enrichment. There are structural zones with up to 0.55% Cu (TER10-07). Hole TER10-07 has been examined and cuts volcanic andesite breccias with minor hydrothermal or phreatic breccias with silicic alteration (often black with fine pyrite) and broad zones of intermediate argillic alteration (smectite and illite). The hydrothermal breccias have cement of alunite, white silica, sulfur, orpiment and scorodite. There are some narrow zones of residual vuggy silica alteration of volcanic breccia which have the highest gold grades due to the enhanced porosity. Zones with >1% As are related to pale blue-green scorodite, oxidized after orpiment (seen as remnants). There is deep oxidation to jarosite oxidation to end of hole. The alteration and mineralization is structurally controlled, as seen on surface.

Mineralization in the porphyry and lithocap is reported as pyrite with minor molybdenite and magnetite. The porphyry target was tested by only one hole, TER-01, while the other four holes drilled in this zone did not get through the advanced argillic alteration zone. Hole TER-01 shows a good alteration profile downhole from advanced argillic (patchy and wormy texture) to intermediate argillic to phyllic to potassic (biotite) over its 503 m length (436 m vertical). Low grade gold mineralization with anomalous Cu and Mo occurs in parts of the advanced argillic zone, but there are no significant copper, gold and molybdenum grades in the phyllic and potassic zones, which are pyritic with only traces of chalcopyrite. Alteration and mineralization are hosted by a plagioclase porphyry andesite cut (at 420.3 m) by an inter-mineral diorite porphyry. The andesite porphyry is in faulted contact with volcanic rocks, with patchy texture advanced argillic alteration in the upper part of the hole. The fault zone is very wide from 257-314 m in texture-destructive phyllic alteration with remnant patchy texture.

The interpreted sequence of alteration and mineralization events shown by the hole is described in greater detail in the Lithocaps Technical Report.

Retazos

Mineralization identified in the Retazos prospect by reconnaissance exploration comprises polymetallic intermediate sulfidation vein, breccia and replacement to possible skarn styles of mineralization.

Retazos is comprised of 16,395 ha of mining concessions around Arcopunco and Terciopelo. The geology comprises Neogene volcanic rocks overlying folded Paleozoic to Mesozoic sedimentary rocks, which outcrop west of the Chonta Fault and east of the Jatumpata-Huachocolpa Fault.

As described in greater detail in the Lithocaps Technical Report, reconnaissance mapping and sampling by the Corporation in 2012 has focused on four areas, namely Astobamba, Hornopampa, Arcopunco, and Miguelplata. There are several small mines located at Hornopampa, and the Las Animas mine is located to the north of the Las Animas and Los Tres Mosqueteros concessions.

Exploration

The Corporation carried out exploration at Arcopunco in 2011-12, including rock sampling (27 samples), re-logging and check sampling of drill core, and PIMA analyses of alteration in core. The Corporation's geologists also visited Arcopunco in 2011.

Geochemical plots of the Corporation's rock samples, as well as those previously taken by Buenaventura, were made by the Corporation for Au, Ag, Cu, Mo, Pb and Zn. The geochemistry shows anomalous Au, Cu, Mo and Pb on Cerro Arcopunco, related to the high sulfidation epithermal zone and top of porphyry, and highly anomalous Ag, Pb and Zn, with some Au and Cu, in the veins to the east, interpreted as intermediate sulfidation epithermal veins peripheral to the porphyry-epithermal center.

The Corporation has not yet carried out any exploration at Terciopelo. In 2012, the Corporation carried out a program of reconnaissance exploration at Retazos, including reconnaissance mapping, prospecting, and the collection of 225 rock chip samples. This exploration program is described in greater detail in the Lithocaps Technical Report.

Drilling

The Corporation has not carried out any drilling itself. The Arcopunco and Terciopelo prospects have been drilled by Buenaventura. To the Corporation's knowledge, no drilling has been carried out on the Retazos prospect.

Arcopunco

Buenaventura carried out two programs of diamond drilling at Arcopunco in 1997-98. Phase 1 comprised 2,159 m in nine holes, and Phase 2 comprised 1,422 m in five holes, for a total of 3,581 m in 14 holes with an average length of 256 m and at low angles of inclination of -20° to -45°. The drilling was carried out on ground covered by the present Trabante and Retazos 4 concessions. Both phases of drilling are described in greater detail in the Lithocaps Technical Report.

The most significant intersections were 0.53 g/t Au over 30.5 m (DDH-A4), 0.52 g/t Au over 9.5 m (DDH-A4), and 0.40 g/t Au over 62.0 m (DDH-A12). The maximum gold value was 1.07 g/t over 1.05 m (DDH-A4). Gold mineralization is associated with anomalous Mo, Zn, Pb, As and Cu.

The author of the Lithocaps Technical Report was able to identify several of the drill platforms in the field. The drill core was stored in corrugated plastic core boxes in a locked office at the nearby Recuperada Mine, owned by Buenaventura. The mine camp is a secure area. The author of the Lithocaps Technical Report visited the core store and examined core from holes DDH-A4, A6 and A14. The boxes and the core were in good condition, although the boxes were poorly labelled, some intervals were incorrectly sampled (from bottom to top of the box instead of top to bottom), and some boxes of the best grade intervals were missing.

As described in the Lithocaps Technical Report, the Corporation re-logged 10 of the 14 holes in 2012, including check sampling by taking core duplicates, short wave infra-red analyses of alteration minerals with a PIMA field spectrometer of 276 samples from the same interval as the core duplicates, and thin section petrography of four samples. Six drill sections were made with interpreted lithology, alteration and geochemistry for Au, Ag, Cu and Mo.

Terciopelo

Terciopelo was drilled by Buenaventura in 2009-10 with a total of 2,883 m in ten holes. Phase 1 was carried out between November 2009 and January 2010 and drilled a porphyry target called the Jacucucho anomaly, with five holes totaling 1,903 m, called TER09-01 to TER10-05. The maximum hole length was 503 m, and the average length was 380 m.

Phase 2 of the program tested a high sulfidation epithermal gold target at higher altitude on the ridge of Cerro Terciopelo in a zone called the Andrea Target, with five holes totalling 979 m. The maximum hole length was 283 m and the average length was 196 m. Hole TER10-06 was drilled in June 2010, and holes TER10-07 to TER10-10 were drilled in October to December of 2010. Certain of the holes are described further in the Lithocaps Technical Report.

Some significant intervals showed grades up to 0.53 g/t Au over 12.4 m (TER10-09), and lengths up to 81.6 m at 0.20 g/t Au, 0.06% Cu and 0.01% Mo (TER09-01). Copper grades are anomalous in the gold intervals in the holes in the porphyry and lithocap (TER09-01 to TER09-04), and in structures in the high sulfidation epithermal zone, with up to 0.55% Cu over 3.8 m (TER10-07). Molybdenum is strongly anomalous in the porphyry-lithocap zone in the first four holes, with up to 365 ppm (0.037%) Mo over 39.4 m (TER09-01).

The drill core is stored by Buenaventura in a secure, commercial, multi-client core and sample storage warehouse at Independencia in north Lima, run by ABIL Corporación, a Peruvian logistics company, which is independent of the Corporation. The author of the Lithocaps Technical Report visited the core store and examined core from holes TER09-01 and TER10-07.

Sampling and Data Verification

There is no description of the core sampling protocol, sample preparation, analysis or QA/QC in the Buenaventura drill reports, as per the Lithocaps Technical Report. Based on core observations and assay sheets, it can be seen that the Arcopunco core was cut lengthwise by diamond core saw and one half sampled with consecutive sample numbers, with one half remaining in the box. The core was sampled in different intervals in different holes of 1.00 m, 1.50 m or 2.00 m, and varied from 0.32 m to 4.00 m for recovery and geological reasons. The average length was 1.58 m. Analyses were carried out by Bondar

Clegg Bolivia Ltda., of Oruro, Bolivia, part of Intertek Testing Services. This was an international laboratory that was bought by ALS Chemex (now ALS Minerals) in 2001.

According to the Lithocaps Technical Report, there is no description of core sampling protocol, sample preparation, analysis and QA/QC in the Buenaventura drill reports for Terciopelo. Buenaventura provided an Excel spreadsheet of QA/QC sample results to the Corporation, but there are no QA/QC samples. Based on core observations and assay sheets, it can be seen that the core was cut lengthwise by diamond core saw and one half sampled with consecutive sample numbers prefixed by SD, with one half remaining in the box. The core was sampled in 1.5 m or 2.0 m intervals, but varied from 0.3 m to 5.3 m for recovery and geological reasons. The average length was 1.96 m. Core from two holes was examined at the core store. One of the holes, TER10-07, was incorrectly sampled from 131.25 m to 194.9 m, where only about 10% of each sample was taken, even though the core was cut and marked for sampling in widths of up to 3 m.

Core samples from Phase 1 of the Terciopelo drill program were prepared and analyzed by ALS Chemex (now called ALS Minerals) of Lima. The company is ISO 9001:2008 registered and uses ISO 17025:2005 accredited methods, and is independent of the Corporation. Refer to the Lithocaps Technical Report for further details with respect to sample preparation and analysis methods.

Core samples from Phase 2 of the Terciopelo drill program were prepared and analyzed by SGS de Peru S.A.C. of El Callao, Lima. The company is part of the SGS Minerals Group, is ISO 9001:2008 registered and uses ISO 17025:2005 accredited methods, and is independent of the Corporation. The sample preparation method is not stated on the assay certificates.

Although the sampling and analyses for Arcopunco and Terciopelo were carried out by reputable companies, the lack of documentation of sampling protocols, preparation and analytical procedures, QA/QC, and certificates mean that the data do not comply with best industry practices or CIM / NI 43-101 standards. For this reason, the Corporation carried out a program of check sampling on its samples from Arcopunco to validate the data; further details of such program can be found in the Lithocaps Technical Report. The check sampling of the Arcopunco core by the Corporation shows that the original analyses are reliable. The Lithocaps Technical Report recommends that the Corporation carry out a program of check and replicate analyses of core sample pulps and coarse rejects from Terciopelo in order to validate the data.

Rock chip samples were collected in a cloth or plastic bag, a sample tag was inserted, and the sample number was written on the outside in permanent marker pen. The bags were sealed with a draw cord in the case of cloth bags, or a cable tie for plastic bags. The sample location was recorded by hand-held global GPS and the sample description was written on a sample card. Samples were put in groups of five into sacks for transport. Samples were kept in the custody of geologists from the Corporation's independent contractor Cumbres Exploraciones S.A.C., of Peru, while in the field; were then sent by company vehicle to the company office in Lima; and from there the samples were collected by the laboratory with a sample submittal form. The Corporation's samples were prepared and analyzed by CERTIMIN S.A. of Lima. The laboratory is ISO 9001:2008 certified and is independent of the Corporation. Refer to the Lithocaps Technical Report for further details with respect to sample preparation and analysis methods, as well as a description of the QA/QC program.

The author of the Lithocaps Technical Report verified the data used therein by visiting the Lithocaps Project and revising drill core from Arcopunco and Terciopelo to confirm the geology and mineralization; by carrying out independent check sampling; and by revising the QA/QC and assay certificates. The data verification procedures are described in greater detail in the Lithocaps Technical Report.

Exploration and Development

A two stage exploration program is recommended for the Lithocaps Project. Stage 1 is surface exploration to define drill targets and Stage 2 is drilling. The Stage 2 program is not dependent on the results of the Stage 1 program for Arcopunco and Terciopelo, but is dependent on the Stage 1 program for Retazos. Environmental permitting for Stage 2 should be started during Stage 1. A more detailed description of the Stage 1 and Stage 2 programs can be found in the Lithocaps Technical Report.

The estimated costs for the Stage 1 program are US\$766,000, and the estimated time to carry out the program is 12 months. The estimated costs for the Stage 2 exploration program are US\$9,896,000, and the estimated time to carry out the program is 16 months, including 12 months of drilling. The drilling programs can be done sequentially on the three prospects (i.e. Arcopunco, Terciopelo, and Retazos). The total cost of the Stage 1 and Stage 2 exploration programs is US\$10,662,000, and the estimated time to completion is 24 months, based on carrying out Stage 1 and applying for the environmental permit for drilling at the same time, followed by execution of the Stage 2 program.

Antamayo Project

On August 15, 2011, Mitsui and Cumbres Exploraciones S.A.C. ("**Cumbrex**") entered into a transfer option and mining assignment agreement (the "**Antamayo Project Agreement**") whereby Mitsui granted Cumbrex an initial option (the "**Antamayo First Option**") to acquire a 70% interest in the Naomi F, Naomi No. 5, Naomi No. 6, Naomi No. 7, Naomi No. 8, Naomi No. 9, and Naomi No. 10 concessions (collectively, the "**Naomi Concessions**"), with a second option (the "**Antamayo Second Option**") to acquire the remaining 30% interest in the Naomi Concessions, subject to certain terms and conditions set out in the Antamayo Project Agreement. On June 1, 2012, Cumbrex assigned the Antamayo Project Agreement to Oban SAC, a subsidiary of Oban. For the purposes of the discussion below, Oban and Mitsui shall be collectively referred to as the "parties" and each individually referred to as a "party". Unless stated otherwise, Oban and Oban SAC are considered to be a single party.

Under the terms of the Antamayo Project Agreement, Oban had three years from the date of execution of the Antamayo Project Agreement to exercise the Antamayo First Option. In order to exercise the Antamayo First Option and thus to acquire a 70% interest in the Naomi Concessions, Oban was required to make non-refundable payments totalling US\$1,000,000 to Mitsui. However, on October 21, 2014, prior to making the last US\$600,000 in payments, Oban announced that it will take the steps to formally terminate its option agreement with Mitsui Mining & Smelting Co. Ltd.

Under the terms of the Antamayo Project Agreement, within 90 days of the exercise of the Antamayo First Option by Oban it was to be permitted to decide whether to exercise the Antamayo Second Option. In order to do so, and thereby to acquire the remaining 30% interest in the Naomi Concessions, Oban would have been required to pay Mitsui US\$9,000,000. In connection with its decision to terminate activities at the Antamayo Project the Antamayo Second Option formally terminated.

PERUVIAN MINING LAW

Mining activities in Peru are subject to the provisions of the Uniform Text of General Mining Law (the "**Uniform Text**"), which was approved by Supreme Decree No. 14-92-EM on June 4, 1992 and enacted into law on October 10, 1992, as supplemented by several subsequent amendments and regulations, as well as other related laws. The competent mining authority is the General Mining Directorate (DGM – Dirección General de Minería) of the Ministry of Energy & Mines (www.minem.gob.pe). The mining law is administered by INGEMMET (Instituto Geológico Minero y Metalúrgico or the Geological, Mining & Metallurgical Institute).

Under Peruvian law, the Peruvian State is the owner of all mineral resources, and it grants the right to explore for and exploit minerals by way of awarding mining concessions. The right derived from the mining concession is distinct and independent from the ownership of the surface land on which it is located. With the exception of mineral concessions located on urban expansion areas, the term of a concession is indefinite, provided that annual license fees are paid in a timely manner, any penalties are paid, and Minimum Production (as defined below) is attained when due.

Buildings and other permanent structures used in a mining operation are considered real property accessories to the concession on which they are situated.

The rights included in a mining concession are protected against third parties, are transferable, may be granted as collateral and, in general, may be the subject of any transaction or contract not specifically forbidden by law without a minimum state participation requirement. Mining rights of concession holders may be forfeited in limited circumstances provided for by law.

Mineral Tenure

There is one type of mining concession (*concesión minera*) which gives the owner the right to explore and exploit. The application has to define whether it is for metallic or non-metallic minerals. The descriptions that follow in this section refer to metallic minerals. There are different costs for non-metallic minerals and for small miners which are not relevant to this project.

Being a holder of a mining concession involves the obligation to work such concession. This obligation consists of investing for the production of mineral substances. This implies that the mining concessions are granted under the commitment that they will be operated in a specific time and for at least minimum quantities.

The basic unit of the mining concession is 100 hectare squares (1 km by 1 km) based on UTM 1 km grid squares. The maximum size of a concession is 1000 hectares (10 units) in adjoining blocks. The concession sides have to be defined by UTM coordinates for every corner or 1 km grid intersection, but no map is necessary, and no reference or marker points need to be defined in the field or on paper. There is no defined number of years for mining concessions as they are irrevocable and can be held *ad infinitum* if maintained, but minimum annual production must be achieved by Year 15 or the concession will be cancelled, or after 20 years in the case of *force majeure*.

The procedure for making an application for a mining claim (*petitorio minero*) is as follows:

1. Application is made to the Mining Concessions Office of the Public Mining Registry (*Oficina de Concesiones Mineras del Registro Publico de Minería*) with the following documents:
 - a. UTM coordinates to define the concession.
 - b. Receipt for property tax (*derecho de vigencia*) for Year 1 (US\$3.00 per hectare per year).
 - c. Receipt for staking fee (*derecho de petitorio*) defined as 10% of the UIT (Unidad Impositiva Tributario or Tax Unit = 3650 Peru Nuevos Soles in 2012) and is currently 365 Peru Nuevos Soles (about US\$137.45).
2. Within 7 days of application, the Mining Registry Office will advise the claimant to collect the notices for publication of the application.
3. Within 30 days of receiving the publication notices, the application is published once in the official newspaper "El Peruano" and at the same time in the relevant provincial newspaper which publishes legal notices. The actual pages then have to be given to the Public Mining Registry within 60 days of publication.

4. There is a 30 day period after publication for the owners of existing properties to oppose the application. In the case of opposition, there is a 7 day waiting period followed by 30 days of investigation. The Chief of the Public Mining Registry then has 30 days to issue its resolution after receiving the decree of the Legal and Technical Offices.
5. If there is no opposition, the Chief of the Mining Concessions Office issues the technical and legal decrees and passes them to the Chief of the Public Mining Registry within 5 days for the issue of the title.
6. A list of new mining concession titles is published every month in the official newspaper "El Peruano".

The requirements for maintaining mining concessions are as follows:

- An annual concession tax (*derecho de vigencia*) of US\$3.00 per hectare per year, payable by June 30th. The payment for the first year is made at the time of the application for the concession. For the second and subsequent years, payment is made by calendar year.
- Present a Consolidated Annual Declaration (DAC - *Declaración Anual Consolidada*) every year to the DGM.
- For applications made before 2008, production must start in Year 7 or a penalty is payable, or there must be annual investment from Year 6 onwards of 10 times the penalty amount, calculated from the year the application was made. The minimum production level is defined as one UIT per hectare per year, which is 3650 Peru Nuevos Soles in 2012 (about US\$1,374). The penalty amount is US\$6.00 per hectare from Years 7 to 11, and US\$20.00 per hectare from Year 12. The corresponding annual investments are thus US\$60.00 per hectare from Years 7 to 11, and US\$200.00 per hectare from Year 12 onwards. From the year 2019 onwards, new regulations will apply (see below).
- A new regulation (Legislative Decrees No. 1010 of May 9, 2008, No. 1054 of June 26, 2008 and Supreme Decree No. 054-2008-EM of October 10, 2008) was introduced in 2008. For applications made from 2009 onwards, there are 10 years for exploration, calculated from the year after the title was granted. Minimum production must start by Year 11 or a penalty is payable. The minimum production is defined as one UIT per hectare per year, which is 3650 Peru Nuevos Soles in 2012 (about US\$1,374). The annual penalty for Years 11 to 15 is 10% of a UIT per hectare. If minimum annual production is not achieved by Year 15 the concession will be cancelled by caducity, except for cases of force majeure up to a maximum of 5 years (Years 15 to 20). In this case after Year 20 the mining concession will be cancelled by caducity.

The annual concession tax is distributed 75% to the municipality or municipalities where the concession is located, 10% to INGEMMET, 5% to the Ministry of Energy & Mines, and 10% to the National Institute of Concessions and Mining Cadaster (*Instituto Nacional de Concesiones y Catastro Minero*).

The following are grounds for the extinction of mining concessions:

- Rejected when an application is not complete or is rejected by the district and provincial municipality.
- Inadmissible when the coordinates are not correct or the area is outside the minimum and maximum sizes allowed.
- Nullity due to staking by non-eligible persons.
- Cancellation when an application is completely superimposed on an existing concession or a restricted area.
- Abandonment by non-completion of the mining concession title.

- Caducity by non-payment of the annual concession tax and penalties, if applicable, for 2 consecutive years, or if minimum annual production is not achieved after 15 years, or after 20 years in cases of force majeure.
- Renouncement. All or part of a concession can be renounced, leaving a minimum of 100 hectares.
- Extinction needs to be registered. Extinct concession areas cannot be restaked until they are published in "El Peruano" as being open ground.

The mining cadastral system can be consulted on the internet at INGEMMET's website (www.ingemmet.gob.pe).

Environmental Obligations

The General Environmental Law, and particularly the Environmental Regulations for Mining Exploration Activities, regulates mining exploration in Peru. According to the General Environmental Law and related regulations, mining companies are responsible for the control of emissions, effluent discharges and disposal of all by-products resulting from their operations, and for the control of substances that may impose any hazard, either due to excessive concentrations or prolonged exposure.

The Peruvian Ministry of the Environment is responsible for the design, implementation and enforcement of the national environmental policy. It also oversees the national environmental management system, designs the environmental quality standards and sets the maximum permissible levels in accordance with each relevant sector. The Peruvian Ministry of Energy and Mines regulates environmental affairs in the mining sector, which include establishing an environmental protection policy, signing environmental administrative stability agreements, overseeing the impact of mining operations and imposing administrative sanctions.

The Environmental Regulations for Mining Exploration Activities have divided exploration into two different categories, Category I and Category II, according to the magnitude and impact that the activities to be carried out could have on the environment. Projects classified as Category I are those projects with a maximum of 20 drilling platforms, an actual disturbed area of less than 10 hectares and tunnels no more than 50 meters long. Projects exceeding any of these parameters are classified as Category II.

No environmental assessment needs to be approved prior to carrying out exploration and prospecting activities that do not impact or that only slightly impact the surface (geological, geophysical and geochemical studies, topographic surveys, gathering of small rock and surface ore samples, etc.), provided that hand-held instruments or equipment are used and there is no impact other than the impact caused by the regular transit of people.

Projects classified as Category I require the filing of an Environmental Impact Declaration ("**EID**"), which is automatically approved upon its filing with the competent authority, except in certain exceptional cases where exploration activities are carried out in environmentally sensitive or vulnerable areas, in which case the EID will be subject to evaluation and prior approval. The EID contains, among other things, information related to the mining activities to be performed, a description of the environmental and social aspects of the area where mining activities will be carried out, and the mitigation and recovery plans designed to address the environmental impacts.

Concession holders that have completed the exploration stage must submit an Environmental Impact Assessment ("**EIA**") to the Peruvian Ministry of Energy and Mines for approval prior to commencement of development and exploitation activities. Preparation and review of the EIA is subject to public participation rules. The review and approval process for an EIA can take approximately one year, subject to the particular circumstances of the proposed project.

For Category II activities, a Semi-Detailed Environmental Impact Assessment ("EIA_{sd}") must be filed with and approved by the relevant authority prior to the start of any activity. The EIA_{sd} contains, among other information, detailed environmental and social information on the area where exploration activities will be carried out, information on the project and the work to be performed, and the measures to be taken to control and mitigate the environmental impacts caused. The environmental authority has 45 working days to make observations, and if there are none the study is automatically approved by administrative silence. The total process including preparation of the study by a registered environmental consulting company takes about 6 months.

A full Environmental Impact Study has to be presented for mine construction projects.

Surface Rights and Surface Tenure

The mining title-holder should observe pre-existing rights (of any kind) within the mining concession area granted. This is why implementing a mining project requires certain basic permits, rights and consents. It is important to bear in mind that a mining concession does not grant the sectorial titles that could be required to implement the mining project; therefore, the holder should determine the permits or consents that may be requested by sectorial authorities.

The mining title-holder shall obtain the rights that provide access to the area of interest. A title-holder may gain access to surface properties in various ways, which will depend on the nature of such properties. An analysis of the land on the mining concessions where exploration and/or development is intended should be conducted.

If a mining concession is located on an area where archaeological areas or sites are located, the concession holder shall be required to obtain the permits necessary to conduct its activities in such area without disrupting archaeological heritage.

Applicable laws provide the procedures to determine the existence of archaeological remains or sites and, if found, mechanisms to make the project viable. The existence of these remains must be determined as their existence could in some cases jeopardize the possibility of conducting mining activities in certain areas.

Likewise, if a mining concession overlaps a Protected Natural Area (ANP), the concession holder must obtain the applicable governmental consent to conduct activities on the overlapping area.

Under applicable laws and regulations (Ley N° 26834 – Law on Protected Natural Areas (*Ley de Áreas Naturales Protegidas*); Supreme Decree N° 038-2001-AG –Regulations to Law N° 26834 and Supreme Decree N° 004-2010- MINAM – Obligation to Request a Binding Prior Technical Opinion to Safeguard the Natural Heritage of Protected Natural Areas (*Obligación de Solicitar Opinión Técnica Previa Vinculante en Defensa del Patrimonio Natural de las Áreas Naturales Protegidas*)), an ANP may be classified to allow the development of natural resource exploitation within its area, or may restrict and exclude development of extractive projects.

The area where a mining concession is planned could also include water bodies (rivers, lakes, streams, among others), urban expansion areas, agricultural areas, roads and/or access roads, whether national, regional or local roads. In such cases, if implementing a mining project could affect these assets, a prior consent from the respective authority will be required.

Ownership of Mining Rights

Pursuant to the Uniform Text:

- no restrictions are placed on the remittance of dividends, depreciation and royalties outside of Peru;
- mining rights may be forfeited due to a number of enumerated circumstances (for example, the negligence of the title holder in carrying out operations);
- equal rights to explore for and exploit minerals by way of concession may be granted to either Peruvian nationals or foreigners; and
- the right to sell mining production freely in world markets is established.

Peru has become party to agreements with the World Bank's Multilateral Investment Guarantee Agency and with the Overseas Private Investment Corporation.

Taxes

Corporate net income is taxed at a rate of 30% of annual net income, subject to an additional 4.1% tax if profits are distributed to shareholders. Advance monthly payments are required on a percentage of gross income, subject to a final settlement in March of the following business year (January 1st through December 31st). 50% of the corporate net income tax is distributed by the National Government to the regional and local governments in the area directly and indirectly influenced by the mine. This distribution of taxes is called the Mining Canon (*Canon Minero*) and is defined by Law No. 27506 (June 9, 2000) and subsequent modifications. The Mining Canon is distributed as follows:

- 10% to municipality where the mine is located;
- 25% to the district and provincial municipalities where the mine is located;
- 40% to the departmental governments where the mine is located; and
- 25% to the regional government where the mine is located.

A special windfall profits mining tax (*Impuesto Especial a la Minería*) was introduced in 2011 (Law 29789, September 23, 2011). It has 17 operational margin brackets with payments ranging from 2.00% to 8.40%. Miners with a 0 to 10% operational margin will pay the least while those with an operational margin of 85% and more will be at the top end of the scale.

There are currently no restrictions on the ability of a company operating in Peru to transfer foreign currency to or from Peru to other countries or to convert Peruvian currency into foreign currency.

Royalties

In June 2004, Peru's congress approved a new bill that would allow royalties to be charged on mining projects. The royalties are payable on Peruvian mine production at the following rates: (i) 1.0% for companies with sales up to US\$60 million; 2.0% for companies with sales between US\$60 million and US\$120 million; and 3.0% for companies with sales greater than US\$120 million. In the case of copper, the percentage royalty is a net smelter returns royalty, which cost will be deductible for income tax purposes.

The mining royalty is distributed in the following manner:

- 20% to the municipal authority where the mine is located;
- 20% to the provincial government where the mine is located;

- 40% to the departmental government where the mine is located;
- 15% to the regional government where the mine is located; and
- 5% to the national universities in the region where the mine is located.

In August 2004, a further bill was signed relating to the new royalties law, which provided that mining projects which contracted to pay mining royalties prior to the enactment of the new royalties law (which is the case for the Corporation) will be governed by such contracts and will not be subject to the royalties payable under the new royalties law. The aforementioned bills were enacted into law in 2005.

Minimum Production Obligations

For mineral concessions for which title was granted on or after October 11, 2008, the Minimum Production will be equivalent to one tax unit per year (approximately US\$1,240) per hectare granted for metallic substances, and 10% of one tax unit per year per hectare granted for non-metallic substances. Under this new penalty regime, the Minimum Production must be attained no later than the 10th year following the year title to the mineral concession was granted. Failure to attain the Minimum Production by the 10th year will trigger the obligation to pay a penalty equivalent to 10% of the Minimum Production per year per hectare, until the year in which the Minimum Production is attained.

If the Minimum Production is not attained until the 15th year following the year title to the mineral concession was granted, the mineral concession will be terminated, unless certain limited circumstances arise. If the Minimum Production is not attained until the 20th year following the year title to the mineral concession was granted, the mineral concession will be terminated. Failure to pay applicable penalties for two consecutive years will result in the forfeiture of the holder's mineral concessions.

Concession holders must pay an annual rent fee by June 30 of each year. The annual fee is currently US\$3 per hectare. For mineral concessions for which title was granted on or before October 10, 2008, the new penalty regime will take effect starting in 2018. In the meantime, concession holders must reach a minimum level of annual production of at least US\$100 per hectare in gross sales (the "**Minimum Production**") within six years commencing as of January 1st of the year following the date the title to the concession was granted. If the concession has not commenced production within that period, then the concession holder must make an additional payment, referred to as a "penalty", of US\$6 per hectare, for the 7th through 11th years following the granting of title, and of US\$20 per hectare thereafter. The concession holder will be exempt from the penalty if the exploration expenditures incurred during the previous year was 10 times the amount of the applicable penalty. Failure to pay the penalties for two consecutive years will result in the forfeiture of the holder's mineral concessions.

Mine Closure and Remediation

In October 2003 the Peruvian government passed laws establishing provisions relating to mine closure plans. The principal objective of the laws is to prevent, minimize and control the risks to and effects on health, personal safety, the environment and property that can result from the closing of a mine's operations.

Concession holders conducting mining activities in the development or production stage are required to prepare, file and implement a mine closure plan, which must consist of a study that establishes and describes the measures that must be adopted in order to rehabilitate the area used or disrupted by the mining activity, as well as the cost, timing and methods for control and oversight of compliance with the mine closure plan. Rehabilitation measures must be carried out before, during and after the permanent closure of operations. The mine closure plan must be filed with the Ministry of Energy and Mines for its approval within one year following the approval of the EIA.

There is also an obligation to grant environmental guarantees in favour of the Ministry of Energy and Mines to cover the estimated costs of the rehabilitation works to be conducted under a mine closure plan. Mine closure provisions and financial guarantees would typically apply to underground exploration activities which result in the removal of materials with tonnage in excess of 10,000 tonnes. However, if such materials contain elevated levels of acidity in the effluent waters coming out of the disturbed rock mass, mine closure provisions and financial guarantees would apply to underground exploration activities which result in the removal of materials with tonnage in excess of 1,000 tonnes. Outstanding environmental closure obligations survive the termination of mineral rights.

RISK FACTORS

The Corporation's business, being the acquisition, exploration, and development of mineral properties in the Americas, is speculative and involves a high degree of risk. The risk factors listed below could materially affect the Corporation's financial condition and/or future operating results, and could cause actual events to differ materially from those described in forward-looking statements made by or relating to the Corporation.

Nature of Mineral Exploration and Mining

The Corporation's future is dependent on its exploration and development programs. The exploration and development of mineral deposits involves significant financial risks over a prolonged period of time, which may not be eliminated even through a combination of careful evaluation, experience and knowledge. Few properties that are explored are ultimately developed into economically viable operating mines. Major expenditures on the Corporation's exploration properties may be required to construct mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary or full feasibility studies on the Corporation's projects, or the current or proposed exploration programmes on any of the properties in which the Corporation has exploration rights, will result in any profitable commercial mining operations. The Corporation cannot give any assurance that its current and future exploration activities will result in a discovery of mineral deposits containing mineral reserves.

Estimates of mineral resources and any potential determination as to whether a mineral deposit will be commercially viable can also be affected by such factors as: the particular attributes of the deposit, such as its size and grade; unusual or unexpected geological formations and metallurgy; proximity to infrastructure; financing costs; precious metal prices, which are highly volatile; and governmental regulations, including those relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of metal concentrates, exchange controls and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of any or all of these factors may result in the Corporation not receiving an adequate return on its invested capital or suffering material adverse effects to its business and financial condition. Exploration and development projects also face significant operational risks including but not limited to an inability to obtain access rights to properties, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes), and other unanticipated interruptions.

Exploration, Development and Operations

The long term profitability of the Corporation's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors, including the Corporation's ability to extend the permitted term of exploration granted by the underlying concession contracts. Substantial expenditures are required to establish reserves through drilling, to develop

processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that any such deposit will be commercially viable or that the funds required for development can be obtained on a timely basis.

Liquidity and Additional Financing

The Corporation's ability to continue its business operations is dependent on management's ability to secure additional financing. The Corporation's only source of liquidity is its cash and cash equivalent balances. Liquidity requirements are managed based upon forecasted cash flows to ensure that there is sufficient working capital to meet the Corporation's obligations.

The Corporation's main funding requirements are for its corporate overhead and satisfaction of its mineral exploration, property and project obligations. The advancement, exploration and development of the Corporation's properties, including continuing exploration and development projects, and, if warranted, construction of mining facilities and the commencement of mining operations, will require substantial additional financing. As a result, the Corporation may be required to seek additional sources of equity financing in the near future. While the Corporation has been successful in raising such financing in the past, its ability to raise additional equity financing may be affected by numerous factors beyond its control including, but not limited to, adverse market conditions, commodity price changes and economic downturns. There can be no assurance that the Corporation will be successful in obtaining any additional financing required to continue its business operations and/or to maintain its property interests, or that such financing will be sufficient to meet the Corporation's objectives or obtained on terms favourable to the Corporation. Failure to obtain sufficient financing as and when required may result in the delay or indefinite postponement of exploration and/or development on any or all of the Corporation's properties, or even a loss of property interest, which would have a material adverse effect on the Corporation's business, financial condition and results of operations.

No Earnings and History of Losses

The business of developing and exploring resource properties involves a high degree of risk and, therefore, there is no assurance that current exploration programs will result in profitable operations. The Corporation has not determined whether any of its properties contains economically recoverable reserves of ore and currently has not earned any revenue from its projects; therefore, the Corporation does not generate cash flow from its operations. There can be no assurance that significant additional losses will not occur in the future. The Corporation's operating expenses and capital expenditures may increase in future years with advancing exploration, development and/or production from the Corporation's properties. The Corporation does not expect to receive revenues from operations in the foreseeable future and expects to incur losses until such time as one or more of its properties enters into commercial production and generates sufficient revenue to fund continuing operations. There is no assurance that any of the Corporation's properties will eventually enter commercial operation. There is also no assurance that new capital will become available, and if it is not, the Corporation may be forced to substantially curtail or cease operations.

Political, Economic and Country-Specific Risks

The Corporation conducts its activities in Peru, among other foreign jurisdictions. These operations are potentially subject to a number of political, social, economic and other risks and uncertainties, including the risk of expropriation, nationalization, renegotiation or nullification of existing contracts, mining licenses, mining permits or other agreements, changes in laws or taxation policies, currency exchange restrictions, changing political conditions, international monetary fluctuations, civil unrest, acts of war,

insurrection and terrorism. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important facilities such as mines could have a significant effect on the Corporation. Any changes in regulations or shifts in political attitudes are beyond the Corporation's control and may adversely affect its business. Exploration may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, earnings repatriation, income and/or mining taxes, expropriations, the environment, and mine and/or site safety. Such risks could potentially arise in any country in which the Corporation operates.

The Corporation's operations may also be adversely affected by laws and policies of Canada affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with the Corporation's operations in another country, the Corporation may be subject to the exclusive jurisdiction of foreign courts or tribunals, or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Corporation may also be hindered or prevented from enforcing its rights with respect to a governmental body because of the doctrine of sovereign immunity. Accordingly, the Corporation's exploration and development activities in Peru and other jurisdictions could be substantially affected.

Market Price of the Common Shares

The Common Shares trade on the TSX under the symbol "OBM". The market prices of securities of many companies, particularly exploration and development stage mining companies, experience wide fluctuations that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that an active market for the Common Shares will develop or be sustained, nor that fluctuations in the price of the Common Shares will not occur. The market price of the Common Shares at any given point in time may not accurately reflect the Corporation's long-term value. Securities class action litigation has often been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Volatility of Commodity Prices

The development of the Corporation's properties is dependent on the future prices of minerals and metals. As well, should any of the Corporation's properties eventually enter commercial production, the Corporation's profitability will be significantly affected by changes in the market prices of minerals and metals.

Precious metals prices are subject to volatile price movements, which can be material and occur over short periods of time and which are affected by numerous factors, all of which are beyond the Corporation's control. Such factors include, but are not limited to, interest and exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of precious metals production, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the U.S. dollar (the currency in which the prices of precious metals are generally quoted), and political developments.

The effect of these factors on the prices of precious metals, and therefore the economic viability of any of the Corporation's exploration projects, cannot be accurately determined. The prices of commodities have historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) the Corporation's properties to be impracticable or uneconomical. As such,

the Corporation may determine that it is not economically feasible to commence commercial production at some or all of its properties, which could have a material adverse impact on the Corporation's financial performance and results of operations. In such a circumstance, the Corporation may also curtail or suspend some or all of its exploration activities.

Acquiring Title

The acquisition of title to mineral properties is a very detailed and time-consuming process. The Corporation may not be the registered holder of some or all of the concessions comprising the Lithocaps Project and the Marcahui Project. These concessions may currently be registered in the names of other individuals or entities, which may make it difficult for the Corporation to enforce its rights with respect to such concessions. There can be no assurance that proposed or pending transfers will be effected as contemplated. Failure to acquire title to any of the concessions at one or more of the Corporation's projects may have a material adverse impact on the financial condition and results of operation of the Corporation.

Title Matters

Once acquired, title to, and the area of, mineral properties may be disputed. There is no guarantee that title to one or more concessions at the Corporation's projects will not be challenged or impugned. There may be challenges to any of the Corporation's titles which, if successful, could result in the loss or reduction of the Corporation's interest in such titles. The Corporation's properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Corporation may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or to carry out and file assessment work, can lead to the unilateral termination of concessions by mining authorities or other governmental entities.

Political and Social Situation in Peru

The Peruvian government has effective stabilization policies in place and over the last ten years has demonstrated support for the development of their natural resources by foreign companies. However, political risk is a structural issue in Peru and there is no assurance the government will not adopt different policies on resource nationalism that negatively impact foreign ownership of mineral resources and the taxation of mining revenues, among other things.

Social protest at the local community level is a risk for the Corporation's operations in Peru. Peru has recently experienced protests in smaller communities alleging that extractive industries are causing environmental damage and that mining companies are not investing enough in corporate social responsibility programs to benefit the communities in which they operate. The first law signed by President Humala, who formally entered office in 2011, required the government to consult with local communities before approving extractive projects. Further policy changes or social pressures could adversely impact the Corporation's operations in Peru, including the Lithocaps Project and the Marcahui Project.

Term and Extension of Concession Contracts

Non-compliance with concession contracts may lead to their early termination by the relevant mining authorities or other governmental entities. A company whose concession contracts were subject to termination could be prevented from being issued new concessions or from keeping the concessions that

it already held. The Corporation is not aware of any cause for termination or any investigation or procedure aimed at the termination of any of its concession contracts.

Governmental Regulation

The mineral exploration and development activities of the Corporation are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters in local areas of operation, including Peru. Although the Corporation's exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Amendments to current laws and regulations governing the Corporation's operations, or more stringent implementation thereof, could have an adverse impact on the Corporation's business and financial condition.

The Corporation's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of the Corporation's future operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities that could cause operations to cease or be curtailed. Other enforcement actions may include corrective measures requiring capital expenditures, the installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of such mining activities and may have civil or criminal fines or penalties imposed upon them for violations of applicable laws or regulations.

Permitting

The operations of the Corporation require licenses and permits from various governmental authorities. The Corporation will use its best efforts to obtain all necessary licenses and permits to carry on the activities which it intends to conduct, and it intends to comply in all material respects with the terms of such licenses and permits. However, there can be no guarantee that the Corporation will be able to obtain and maintain, at all times, all necessary licenses and permits required to undertake its proposed exploration and development, or to place its properties into commercial production and to operate mining facilities thereon. In the event of commercial production, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of the Corporation's properties.

With respect to environmental permitting, the development, construction, exploitation and operation of mines at the Corporation's projects may require the granting of environmental licenses and other environmental permits or concessions by the competent environmental authorities. Required environmental permits, licenses or concessions may take time and/or be difficult to obtain, and may not

be issued on the terms required by the Corporation. Operating without the required environmental permits may result in the imposition of fines or penalties as well as criminal charges against the Corporation for violations of applicable laws or regulations.

Surface Rights

The Corporation does not own all of the surface rights at its properties and there is no assurance that surface rights owned by the government or third parties will be granted, nor that they will be on reasonable terms if granted. Failure to acquire surface rights may impact the Corporation's ability to access its properties, as well as its ability to commence and/or complete construction or production, any of which would have a material adverse effect on the profitability of the Corporation's future operations.

Expropriation

In certain countries in which the Corporation operates, the national government may be able to exercise eminent domain powers in respect of the Corporation's assets (including the Corporation's mining concessions) in certain situations. Generally, the Corporation would be entitled to a fair indemnification for the expropriated assets. However, in some cases indemnification may be paid years after the asset is effectively expropriated, if at all, and the indemnification may be lower than the price for which the expropriated asset could be sold in a free market sale or valued as part of an ongoing business.

Dependence on Key Personnel

The Corporation currently has a small senior management group sufficient for its present stage of exploration and development activity. The Corporation's future growth and its ability to develop depend, to a significant extent, on its ability to attract and retain highly qualified personnel. The Corporation relies on a limited number of key employees, consultants and members of senior management, and there is no assurance that the Corporation will be able to retain such personnel. The loss of one or more key employees, consultants or members of senior management, if such persons are not replaced, could have a material adverse effect on the Corporation's business, financial condition and prospects. The Corporation currently does not have key person insurance on these individuals.

To operate successfully and manage its potential future growth, the Corporation must attract and retain highly qualified engineering, managerial and financial personnel. The Corporation faces intense competition for qualified personnel in these areas, and there can be no certainty that the Corporation will be able to attract and retain qualified personnel. If the Corporation is unable to hire and retain additional qualified personnel in the future to develop its properties, its business, financial condition and operating results could be adversely affected.

Uninsurable Risks

Mining operations generally involve a high degree of risk. Exploration, development and production operations on mineral properties involve numerous risks, including but not limited to unexpected or unusual geological operating conditions, seismic activity, rock bursts, cave-ins, fires, floods, landslides, earthquakes and other environmental occurrences, risks relating to the shipment of precious metal concentrates or ore bars, and political and social instability, any of which could result in damage to, or destruction of, the mine and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although the Corporation believes that appropriate precautions to mitigate these risks are being taken, operations are subject to hazards such as equipment failure or failure of structures, which may result in environmental pollution and consequent liability. It is not always possible to obtain insurance against all such risks and the Corporation may decide not to insure against certain

risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate the Corporation's future profitability and result in increasing costs and a decline in the value of the Common Shares. The Corporation does not maintain insurance against title, political or environmental risks.

While the Corporation may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or be excluded from coverage. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, thereby adversely affecting the Corporation's business and financial condition.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility, and access to public financing, particularly for junior resource companies, has been negatively impacted. These factors may impact the ability of the Corporation to obtain equity or debt financing in the future and, if obtained, such financing may not be on terms favourable to the Corporation. If increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted and the value and price of the Common Shares could be adversely affected.

Competition

The mineral exploration and mining business is competitive in all of its phases. In the search for and acquisition of attractive mineral properties, the Corporation competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources. The Corporation's ability to acquire properties in the future will depend on its ability to select and acquire suitable producing properties or prospects for mineral exploration. There is no assurance that the Corporation will continue to be able to compete successfully with its competitors in acquiring such properties or prospects, nor that it will be able to develop any market for the raw materials that may be produced from its properties. Any such inability could have a material adverse effect on the Corporation's business and financial condition.

Option and Joint Venture Agreements

The Corporation has and may continue to enter into option agreements and/or joint ventures as a means of gaining property interests and raising funds. Any failure of any partner to meet its obligations to the Corporation or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a negative impact on the Corporation. Pursuant to the terms of certain of the Corporation's existing option agreements, the Corporation is required to comply with exploration and community relations obligations, among others, any of which may adversely affect the Corporation's business, financial results and condition.

Under the terms of such option agreements the Corporation may be required to comply with applicable laws, which may require the payment of maintenance fees and corresponding royalties in the event of exploitation/production. The costs of complying with option agreements are difficult to predict with any degree of certainty; however, were the Corporation forced to suspend operations on any of its concessions or pay any material fees, royalties or taxes, it could result in a material adverse effect to the Corporation's business, financial results and condition.

The Corporation may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying concessions.

Foreign Currency Fluctuations

The Corporation's current and proposed exploration operations in Peru, as well as in other countries, render it subject to foreign currency fluctuations, which may materially affect its financial position. The Corporation holds Canadian and U.S. dollars and sends funds to Peru in U.S. dollars, which are then converted into the local currencies. The important exchange rates for the Corporation are those for the U.S. dollar, Canadian dollar and Peruvian nuevo sol. While the Corporation is funding work in foreign jurisdictions, its results could be impaired by adverse changes in the U.S. dollar and Canadian dollar relative to the applicable foreign exchange rates. Future equity financings will result in the generation of Canadian dollar proceeds to fund the Corporation's activities, which are mostly incurred in U.S. dollars and Peruvian nuevo soles. To the extent funds from such financings are maintained in Canadian dollars, the Corporation's results can be significantly impacted by adverse changes in exchange rates between the Canadian dollar, the U.S. dollar, Peruvian nuevo sol and other foreign currencies.

Enforcement of Civil Liabilities

Substantially all of the Corporation's non-cash assets are located outside of Canada. As a result, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Corporation. In the event of a dispute arising in connection with the Corporation's operations in Peru or any other foreign jurisdiction, the Corporation may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions.

Third Party Interventions

The Corporation's relationships with the communities in which it operates are critical to ensure the future success of its existing operations and the construction and development of its projects. A number of non-governmental organizations are becoming increasingly active in South America as local communities perceive an increase in the security and safety risks they face as a result of mining activities. These organizations may create or inflame public unrest and anti-mining sentiment among the inhabitants in areas of mineral development. Such organizations have been involved in mobilizing sufficient local anti-mining sentiment to delay and/or prevent the issuance of permits required for the exploration and development of other mineral projects, or in the organization of class action lawsuits. While the Corporation is committed to operating in a socially responsible manner, there is no guarantee that its efforts to mitigate this potential risk will be successful, in which case any such interventions by third parties could have a material adverse effect on the Corporation's business, financial position and operations.

Reliability of Geological Estimates

All of the Corporation's properties are in the early exploration stage and do not contain a known body of economically extractible ore. Exploration plans may change as work progresses, and there is the potential for delays in exploration and/or development activities or the completion of feasibility studies. Unless otherwise indicated, mineralization figures presented herein and in the Marcahui Technical Report and the Lithocaps Technical Report are based upon estimates made by geologists and the Corporation's personnel. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, all of which may prove to be unreliable. Furthermore, there are risks

related to the reliability of analytical results and unforeseen possible variations in grade or thickness of the veins.

Conflicts of Interest

Certain of the directors and officers of the Corporation also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation, and to disclose any interest they may have in any project or opportunity of the Corporation. In addition, each of the directors is required by law to declare his or her interest in and refrain from voting on any matter in which he or she may have a conflict of interest, in accordance with applicable laws.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supplies, as well as the location of population centres and pools of labour, are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could impact the Corporation's ability to explore its properties, thereby adversely affecting its business and financial condition.

Legal Systems

Peru has a legal system that is different from the common law jurisdictions of Canada. There can be no assurance that options, licenses, license applications or other legal arrangements will not be adversely affected by changes in governments, the actions of government authorities or others, or the effectiveness and enforcement of such arrangements. See "*Peruvian Mining Law*".

DIVIDENDS OR DISTRIBUTIONS

There are no restrictions in the Corporation's articles or by-laws or pursuant to any agreement or understanding which could prevent the Corporation from paying dividends. The Corporation has never declared or paid any dividends on any class of securities. The Corporation currently intends to retain future earnings, if any, to fund the development and growth of its business, and does not intend to pay any cash dividends on the Common Shares for the foreseeable future. Any decision to pay dividends on the Common Shares in the future will be made by the Board on the basis of earnings, financial requirements and other conditions existing at the time.

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation's authorized capital stock consists of an unlimited number of Common Shares, of which **99,881,561** Common Shares are issued and outstanding as of the date of this AIF.

All Common Shares rank equally as to dividends, voting powers and participation in the distribution of assets. All holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Corporation, and to attend and cast one vote per Common Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Board at its discretion from funds legally available therefor, and upon the liquidation, dissolution or

winding up of the Corporation are entitled to receive on a pro rata basis the net assets of the Corporation after payment of liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares trade on the TSX under the symbol "OBM". The following table sets out the high and low trading prices, as well as the trading volume, for the Common Shares on the TSX for each month of the fiscal year ended December 31, 2014.

Month	Price Range (\$)		Total Volume
	High	Low	
January 2014	0.09	0.06	922,100
February 2014	0.09	0.07	1,105,900
March 2014	0.09	0.06	1,756,000
April 2014	0.27	0.06	192,900
May 2014	0.35	0.16	1,929,800
June 2014	0.22	0.17	909,800
July 2014	0.22	0.16	571,200
August 2014	0.17	0.12	152,400
September 2014	0.17	0.13	1,780,800
October 2014	0.15	0.09	823,900
November 2014	0.11	0.06	4,602,000
December 2014	0.12	0.09	1,125,300

Prior Sales

During the financial year ended December 31, 2014, the Corporation issued options to purchase Common Shares ("**Options**") under the Corporation's stock option plan (the "**Plan**"). The Options are not listed on the TSX or any other marketplace. The following Options were granted under the Plan during the financial year ended December 31, 2014 as replacement options for the options to acquire common shares of OEL in connection with the Business Combination:

Date of Grant	Number of Options	Exercise Price (\$)	Expiry Date
April 14, 2014	7,040,000	0.22	April 22, 2019

DIRECTORS AND OFFICERS

The following table sets forth the name and residence of each director and executive officer of the Corporation, as well as such individual's age, position with the Corporation, period of service as a director and/or officer (as applicable), and principal occupation(s) within the five preceding years. Each of the directors of the Corporation will hold office until the close of the next annual meeting of shareholders or until the director's successor is elected or appointed.

Name, Province and Country of Residence	Position(s) with Corporation	Date of Appointment as Director	Principal Occupation(s) for Five Preceding Years
Jose Vizquerra Ontario, Canada	President and CEO and Director	December 2011	Currently, President and CEO of the Corporation; formerly, President and CEO of Oban Exploration Limited; Head of Project Evaluations, Cia. de Minas Buenaventura S.A.A; Exploration Geologist, Goldcorp Canada Ltd.
Blair Zaritsky Ontario, Canada	CFO and Corporate Secretary	--	Currently CFO of the Corporation; formerly CFO of Oban Exploration Limited; Corporate Controller, INV Metals Inc.; Senior Manager, Smith Nixon LLP.
Gernot Wober Ontario, Canada	Vice President, Exploration	--	Currently, Vice President, Exploration of the Corporation; formerly, Vice President, Exploration of Oban Exploration Limited; Director of Site Operations, Pebble Limited Partnership.
John Burzynski ⁽¹⁾⁽²⁾ Ontario, Canada	Chairman and Director	February 2010	Senior Vice President, New Business Development and Director, Osisko Gold Royalties Ltd since June 2014; prior thereto, Vice President, Corporate Development, Osisko Mining Corporation.
Patrick Anderson ⁽¹⁾⁽²⁾ Ontario, Canada	Director	August 2012	Chief Executive Officer, Dalradian Resources Inc.; prior thereto, President and Chief Executive Officer, Aurelian Resources Inc.
Keith McKay ⁽²⁾ Ontario, Canada	Director	August 2012	Chief Financial Officer and Corporate Secretary, Dalradian Resources Inc.; prior thereto, Chief Financial Officer, Continental Gold Limited; Chief Financial Officer, Andina Minerals Inc.; Vice President and Chief Financial Officer, Aurelian Resources Inc.
Robert Wares ⁽¹⁾ Québec, Canada	Director	January 2013	President and Chief Executive Officer, NioGold Mining Corporation; prior thereto, Senior Vice President, Exploration and Resource Development, Osisko Mining Corporation.
Bernardo Alvarez Calderon ⁽¹⁾⁽²⁾⁽³⁾ Lima, Peru	Director	April 2014	President and Chief Executive Officer, Analytica Mineral Services.

Notes:

- (1) Member of the Corporate Governance and Compensation Committee. Mr. Wares is the Chair.
- (2) Member of the Audit Committee. Mr. McKay is the Chair.
- (3) Mr. Calderon was appointed as a director on April 14, 2014.

Set forth below is a brief description of the background of the directors and executive officers of the Corporation, including a description of each individual's principal occupation(s) within the past five years.

Jose Vizquerra, President, Chief Executive Officer and Director

Mr. Vizquerra was appointed President and Chief Executive Officer of the Corporation in August 2011. He was previously the Head of Project Evaluations for Cia. de Minas Buenaventuras S.A.A. Peru's largest publicly-traded precious metals company, and before that was Exploration Geologist for Goldcorp Canada Ltd., a large Canadian gold producer. Prior to the Business Combination, he was also the President, Chief Executive Officer and a director of OEL. Mr. Vizquerra Benavides has a Bachelors degree in Civil Engineering from the Universidad Peruana de Ciencias Aplicadas, a Masters of Science in mineral exploration from Queen's University, and a Diploma in Finance from Universidad del Pacifico.

Blair Zaritsky, Chief Financial Officer and Corporate Secretary

Mr. Zaritsky was appointed Chief Financial Officer of the Corporation in June 2011 and Corporate Secretary of the Corporation in September 2012. Prior to the Business Combination, he was also the Chief Financial Officer and a director of OEL. He was previously the Corporate Controller for INV Metals Inc., a Canadian mineral resource company focused on base and precious metal projects, and before that a Senior Manager for accounting firm Smith Nixon LLP (now Collins Barrow Toronto LLP). Mr. Zaritsky possesses over nine years of Canadian public practice experience with exposure to various types of engagements and clients, gained through managing audit engagements of publicly listed companies traded on the TSX, TSX Venture Exchange and Canadian National Stock Exchange ("CNSX"). Mr. Zaritsky is currently also a director of Gungnir Resources Inc. formally, Anglo Swiss Resources Inc. He obtained his Chartered Professional Accountant designation in 2003 and holds dual Bachelor of Arts degrees in accounting and economics from Brock University and Western University, respectively.

Gernot Wober, Vice President, Exploration

Mr. Wober was appointed Vice President, Exploration of the Corporation in June 2012. He was previously employed by the Pebble Limited Partnership and worked as Director of Site Operations at the Pebble Project in Iliamna, Alaska. Mr. Wober has 29 years of exploration and development experience including working on projects in Canada (British Columbia, Yukon Territories, Northwest Territories, and Manitoba), USA (Alaska and Nevada), Mexico, Uruguay, Brazil, Eritrea, Mali, Burkina Faso, Ghana, Ivory Coast, Sudan, Mozambique and South Africa. He has excellent technical, logistical and management skills and has worked extensively on advanced projects through feasibility stages. He was also the Vice President, Exploration of OEL prior to the Business Combination. Mr. Wober attended the University of British Columbia, where he obtained a Bachelor of Science degree, and obtained a P.GeO. designation in 1996.

John Burzynski, Chairman and Director

Mr. Burzynski currently serves as Chairman and a director of the Corporation. His current principal occupation is Senior Vice President, New Business Development and director of Osisko Gold Royalties Ltd since June 2014. From 2006 to 2014, Mr. Burzynski was the Vice President, Business Development of Osisko Mining Corporation. He is one of the three founders of Osisko Mining Corporation. Mr. Burzynski holds a Bachelor of Science (Honours) degree in geology from Mount Allison University, and a Master of Science in exploration and mineral economics from Queen's University. He is a registered P.GeO. in the province of Québec, and has over 25 years experience as a professional geologist on international mining and development projects. He currently serves as a Director with Condor Petroleum Inc. (CPI:TSX). Mr. Burzynski is also a founding member of EurAsia Resource Holdings AG, a private resource fund based in Europe.

Patrick Anderson, Director

Mr. Anderson currently serves as a director of the Corporation. His current principal occupation is Chief Executive Officer of Dalradian Resources Inc., an exploration-stage gold mining company active in Northern Ireland and Norway. He is an exploration geologist, entrepreneur, and business executive with over 16 years of experience working in the resource sector. Since the start of his career, Mr. Anderson has been a consulting geologist on gold, base metals and diamond projects for junior explorers, major producers and mineral industry consulting firms in South America, North America and Europe. Mr. Anderson was a director, President, Chief Executive Officer and co-founder of Aurelian Resources Inc., which discovered a 13.7 million ounce gold deposit in 2006 and was acquired by Kinross Gold Corp. in

2008. He was named "Mining Man of the Year" by The Northern Miner in 2009 and received the Prospectors and Developers Association of Canada's Thayer Lindsley award for international discovery in 2008. He holds a Bachelor of Science degree in geology from the University of Toronto.

Keith McKay, Director

Mr. McKay currently serves as a director of the Corporation. His current principal occupation is Chief Financial Officer and Corporate Secretary of Dalradian Resources Inc., an exploration-stage gold mining company active in Northern Ireland. Mr. McKay was previously the Chief Financial Officer of Continental Gold Limited; Chief Financial Officer of Andina Minerals Inc.; and Vice President and Chief Financial Officer of Aurelian Resources Inc. He obtained his Chartered Professional Accountant designation with Coopers & Lybrand (now PricewaterhouseCoopers LLP).

Robert Wares, Director

Mr. Wares was appointed as a director of the Corporation on January 15, 2013. His current principal occupation is President and Chief Executive Officer for NioGold Mining Corporation. He is also Chief Geologist for Osisko Gold Royalties Ltd. Mr. Wares is a professional geologist with over 35 years experience in mineral exploration and development. He was responsible for the discovery of the Canadian Malartic bulk tonnage gold deposit, and is one of the three founders of Osisko Mining Corporation which subsequently developed the mine into one of Canada's largest gold producers. Mr. Wares is also the President and Director of the Ordre des Géologues du Québec, and sits on the Board of Directors of the following public companies: NioGold Mining Corporation, Bowmore Exploration Inc., Komet Resources Inc., Oban Mining Corporation and Wildcat Silver Inc. Mr. Wares has a BSc. and an Honorary Doctorate in Earth Sciences from McGill University.

Bernardo Alvarez Calderon, Director

Mr. Calderon was appointed as a director of the Corporation on April 14, 2014. His current principal occupation is Chief Executive Officer of Analytica Mineral Services since January 2005. Mr. Alvarez Calderon has taken the Owners/President Management Program at the Harvard Business School and holds a Bachelor of Science in geological engineering from the Colorado School of Mines.

Based on the disclosure available on the System for Electronic Disclosure by Insiders ("**SEDI**") as of the date of this AIF, the directors and executive officers of the Corporation, as a group, beneficially owned, or controlled or directed, directly or indirectly, a total of **9,560,260** Common Shares, representing approximately **9.57%** of the total number of Common Shares outstanding.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No individual set forth in the above table is, as at the date hereof, or was, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days and that was issued while such individual was acting in the capacity as director, chief executive officer or chief financial officer; or

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

No individual set forth in the above table or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, nor any personal holding company of any such individual:

- a) is, as of the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while such individual was acting in that capacity, or within a year of such individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such individual; or
- c) has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Certain of the officers and directors of the Corporation also serve as directors and/or officers of other companies involved in the mineral exploration and development business, and consequently there exists the possibility for such officers or directors to be in a position of conflict. Any decision made by any such officers or directors involving the Corporation will be made in accordance with their duties and obligations under the laws of the Province of Ontario and Canada.

PROMOTER

John Burzynski may be considered a promoter of the Corporation within the meaning of relevant Canadian securities legislation. As of the date hereof, Mr. Burzynski beneficially owns, controls or directs, directly or indirectly, **6,147,951** Common Shares, comprising **6.2%** of the issued and outstanding Common Shares as of the date hereof. Mr. Burzynski is paid \$30,000 in annual cash compensation for serving as Chairman of the Board. In 2014, Mr. Burzynski was also granted 290,000 stock options entitling him to purchase 290,000 Common Shares at an exercise price of \$0.22 per Common Share until April 22, 2018. See "*Directors and Officers*".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Corporation is not and was not a party to, and none of its property is or was the subject of, any legal proceedings during the Corporation's most recently completed financial year, nor does the Corporation contemplate any such legal proceedings.

No penalties or sanctions have been imposed against the Corporation (i) by a court relating to securities legislation or (ii) by a securities regulatory authority, nor has the Corporation entered into any settlement agreements (a) before a court relating to securities legislation or (b) with a securities regulatory authority, during the Corporation's most recently completed financial year, nor has a court or regulatory body imposed any other penalties or sanctions against the Corporation.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere in this AIF, no (a) director or executive officer, (b) person or company that beneficially owns, controls or directs, directly or indirectly, more than 10% of the Common Shares, nor (c) associate or affiliate of any of the persons or companies referred to in (a) or (b) has, or has had within the three most recently completed financial years before the date hereof, any material interest, direct or indirect, in any transaction that has materially affected or is reasonably expected to materially affect the Corporation or any of its subsidiaries.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Corporation is Equity Financial Trust Company, and the register of Common Shares and register of transfers are maintained at its Toronto office.

MATERIAL CONTRACTS

The only material contracts that the Corporation has entered into (i) since the beginning of its most recently completed financial year or (ii) before the beginning of its most recently completed financial year and that are still in effect, other than contracts entered into in the ordinary course of business, are as follows (copies of which are available under the Corporation's SEDAR profile at www.sedar.com):

- a) Arcopunco Agreement #1 (see "*Mineral Projects – Lithocaps Project – Project Description and Location – Arcopunco*");
- b) Arcopunco Agreement #2 (see "*Mineral Projects – Lithocaps Project – Project Description and Location – Arcopunco*");
- c) Terciopelo Agreement (see "*Mineral Projects – Lithocaps Project – Project Description and Location – Terciopelo*");
- d) Business Combination Agreement (see "*Description of the Business – Three Year History – 2014*"); and
- e) Marcahui Project Agreement (see "*Mineral Projects – Marcahui Project – Marcahui Project Agreements – Marcahui Underlying Option Agreement*").

AUDIT COMMITTEE

The Audit Committee's Charter

The Board has adopted a Charter for the Audit Committee, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The full text of the Audit Committee Charter is attached hereto as Schedule "A".

Composition of the Audit Committee

The members of the Audit Committee are Keith McKay (Chair), John Burzynski, Patrick Anderson and Bernardo Alvarez Calderon. All of the members of the Audit Committee are 'independent' and all of the members of the Audit Committee are considered 'financially literate' (as such terms are defined in National Instrument 52-110).

Name of Member	Independent ⁽¹⁾	Financially Literate ⁽²⁾
Keith McKay (Chair)	Yes	Yes
John Burzynski	Yes	Yes
Patrick Anderson	Yes	Yes
Bernardo Alvarez Calderon	Yes	Yes

Notes:

- (1) To be considered independent, a member of the Audit Committee must not have any direct or indirect "material relationship" with the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment.
- (2) To be considered financially literate, a member of the Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

Relevant Education and Experience

Keith McKay (Chair): Mr. McKay brings approximately 30 years of financial management and risk assessment experience to the Audit Committee. Mr. McKay is currently the Chief Financial Officer of Dalradian Resources Inc., and has also been Chief Financial Officer of the following other public companies: Continental Gold Limited, Andina Minerals Inc. and Aurelian Resources Inc. Mr. McKay is currently a director of the Corporation and Dalradian Resources Inc., and has also been a director of Noront Resources Ltd. He also previously served in a variety of other financial roles across the mining, engineering, and banking industries. Mr. McKay obtained his Chartered Professional Accountant designation at Coopers & Lybrand (now PricewaterhouseCoopers LLP) and, as a Chartered Professional Accountant, he has experience in preparing, auditing, analyzing and evaluating financial statements; understanding internal controls and procedures for financial reporting; and evaluating the accounting principles used by the Corporation to prepare its financial statements.

John Burzynski: Mr. Burzynski has acquired, through education and experience, an understanding of how to help mining companies be cost-competitive and profitable. He is a graduate of Mount Allison University, where he obtained his Bachelor of Science (Honours) degree in geology, and of Queen's University, where he obtained a Masters of Science degree in exploration and mineral economics. He is also a registered P.Geol. in the Province of Québec. He has worked as a project and country manager on mining projects around the world and has been recognized multiple times by industry trade groups and publications for his accomplishments. He has extensive corporate governance experience, sitting on the board of directors and various board committees of several other public and private companies.

Patrick Anderson: Mr. Anderson has significant public company experience in the junior mining industry, and as such he has a comprehensive understanding of the accounting principles used by such companies to prepare financial statements. He currently serves as Chief Executive Officer of Dalradian Resources Inc., an exploration-stage gold mining company. Mr. Anderson holds a Bachelor of Science degree in geology from the University of Toronto and is an exploration geologist, entrepreneur, and business executive with over 17 years of experience working in the resources sector. Previously, he co-founded Aurelian Resources Inc. and served as its President and Chief Executive Officer until its acquisition by Kinross Gold Corporation. Mr. Anderson is well-versed in corporate governance matters, currently serving as a director of numerous publicly-traded mineral exploration companies.

Bernardo Alvarez Calderon: Mr. Calderon has served as Chief Executive Officer of Analytica Mineral Services since January 2005. Mr. Alvarez Calderon has also taken the Owners/President Management Program at the Harvard Business School and holds a Bachelor of Science in geological engineering from the Colorado School of Mines. Through his education and experience he has a broad based understanding of the accounting principles used by such companies to prepare financial statements. He is well-versed in mining and community issues as well as business risks.

For more information see "*Directors and Officers*".

Pre-Approval Policies and Procedures

In the event that the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance, tax advice or tax planning, the chief financial officer of the Corporation shall consult with the Chair of the Audit Committee, who shall have the authority to approve or disapprove such non-audit services on behalf of the Audit Committee. All other non-audit services shall be approved or disapproved by the Audit Committee as a whole.

The chief financial officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Audit Committee or the Audit Committee for each financial year, and shall provide a report to the Audit Committee no less frequently than on a quarterly basis.

External Auditor Service Fees

The following table discloses the fees charged to the Corporation by its external auditor during the last two financial years:

Financial Year Ending	Audit Fees⁽¹⁾	Audit-Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees
December 31, 2014	\$79,200	\$15,700	\$17,346	Nil
December 31, 2013	\$107,000	Nil	\$11,413	Nil

Notes:

- (1) The aggregate fees charged for professional services rendered by the auditor for the audit of the Corporation's annual financial statements and interim reviews of the Corporation's quarterly financial statements.
- (2) The aggregate fees charged for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and that are not disclosed in the "Audit Fees" column, including fees billed for due diligence and review related to the Business Combination.
- (3) The aggregate fees charged for tax compliance, tax advice, and tax planning services.

INTERESTS OF EXPERTS

The independent author of the Lithocaps Technical Report and the Marcahui Technical Report is consulting geologist Stewart D. Redwood, B.Sc. (Hons.), Ph.D., FIMMM, FGS. To the knowledge of the Corporation, Dr. Redwood has no beneficial interest in the securities of the Corporation or any of its subsidiaries or in the assets of the Corporation or any of its subsidiaries.

KPMG LLP, Chartered Professional Accountants, the auditors of the Corporation, prepared an auditors' report to the shareholders of the Corporation on the statements of financial position of the Corporation as of December 31, 2014 and 2013, and the statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the years ended December 31, 2014 and 2013. KPMG LLP, Chartered Professional Accountants has advised that they are independent with respect to the Corporation within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, as applicable, is contained in the Corporation's management information circular dated May 14, 2014 filed under the Corporation's issuer profile on SEDAR at www.sedar.com. Additional financial information is provided in the Corporation's financial statements and management's discussion and analysis for the Corporation's most recently completed financial year. Additional information relating to the Corporation may also be found under the Corporation's issuer profile on SEDAR at www.sedar.com.

SCHEDULE "A"
AUDIT COMMITTEE CHARTER

MANDATE

The Audit Committee ("Committee") is a committee of the Board of Directors ("the Board"). Its primary function shall be to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting and disclosure requirements, the overall maintenance of the systems of internal controls that management has established and the overall responsibility for the Corporation's external and internal audit processes. The Committee's primary duties and responsibilities are to:

- a) conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- b) assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- c) review the quarterly and annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and in the case of the annual financial statements and related management's discussion and analysis, report thereon to the Board for approval of same;
- d) select and monitor the independence and performance of the Corporation's external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and
- e) provide oversight of all disclosure relating to, and information derived from, financial statements, management's discussion and analysis and information.

The Committee shall have the power to conduct or authorize investigations appropriate to its responsibilities, and it may request the external auditors, as well as any officer or employee of the Corporation, its external legal counsel or external auditor to attend a meeting of the Committee or to meet with any member(s) or advisors of the Committee.

The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall be accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Committee shall maintain an open communication between the Corporation's outside auditor and the Board. The responsibilities of a member of the Committee shall be in addition to such member's duties as a member of the Board.

The Committee has the duty to determine whether the Corporation's financial disclosures are complete, accurate, are in accordance with international financial reporting standards ("IFRS") and fairly present the financial position and risks of the organization. The Committee should, where it deems appropriate, resolve disagreements, if any, between management and the external auditor, and review compliance with laws and regulations and the Corporation's own policies.

The Committee will provide the Board with such recommendations and reports with respect to the financial disclosures of the Corporation, as it deems advisable.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in this Charter.

AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

- a. engage independent counsel and other advisors as it determines necessary to carry out its duties;
- b. set and pay the compensation for advisors employed by the Committee; and
- c. communicate directly with the internal and external auditors.

MEMBERSHIP AND COMPOSITION

The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission (“OSC”), the Toronto Stock Exchange, the *Business Corporations Act* (Ontario) and all applicable securities regulatory authorities.

- a) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. Unless a Chair is elected by the Board, the members of the Committee shall designate from amongst themselves by majority vote of the full Committee a member who shall serve as Chair. The position description and responsibilities of the Chair are set out in Schedule “A” attached hereto.
- b) Each member of the Committee shall be “independent” and “financially literate”, concept as otherwise permitted under the limited exceptions under National Instrument 52-110 – Audit Committees. An “independent” director is a director who has no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which, in the view of the Board, could be reasonably expected to interfere with the exercise of the director’s independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of National Instrument 52-110 — Audit Committees, as set out in Schedule “B” hereto. A “financially literate” director is a director who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the accounting issues that can be reasonably expected to be raised in the Corporation’s financial statements.
- c) Each member of the Committee shall sit at the pleasure of the Board, and in any event, only so long as he or she shall be independent. The Committee shall report to the Board.
- d) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. At least 50% of the members of the Committee present, either in person or by telephone, shall constitute a quorum.
- e) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following

the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present (a "Reduced Quorum").

- f) If, and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office or, if applicable, a Reduced Quorum is present in respect of a specific Committee meeting.
- g) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours' notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
- h) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- i) The Committee shall keep minutes of its meetings, which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
- j) Any director of the Corporation may attend meetings of the Committee, and the Committee may invite such officers and employees of the Corporation and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.
- k) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation, other than those relating to non-audit services and annual audit fees which do not require the approval of the Board.
- l) The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.
- m) The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

RESPONSIBILITIES

a) Financial Accounting and Reporting Process and Internal Controls

- i) The Committee shall review the annual audited and interim financial statements and related management's discussion and analysis before the Corporation publicly discloses

this information to satisfy itself that the financial statements are presented in accordance with applicable accounting principles and in the case of the annual audited financial statements and related management's discussion and analysis, report thereon and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall consider whether the Corporation's financial disclosures are complete, accurate, prepared in accordance with International Financial Reporting Standards and fairly present the financial position of the Corporation. The Committee shall also satisfy itself that, in the case of the annual financial statements, the audit function has been effectively carried out by the auditors and, in the case of the interim financial statements that the review function has been effectively carried out.

- ii) The Committee shall ensure internal control procedures are reviewed at least twice annually.
- iii) The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, management's discussion and analysis and annual and interim earnings press releases, and periodically assess the adequacy of these procedures in consultation with any disclosure committee of the Corporation.
- iv) The Committee shall review any press releases containing disclosure regarding financial information that are required to be reviewed by the Committee under any applicable laws or otherwise pursuant to the policies of the Corporation (including before the Corporation publicly discloses this information).
- v) The Committee shall meet no less than annually with the external auditors and the Chief Financial Officer (the "CFO") or, in the absence of a CFO, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, CFO or, in the absence of a CFO, the officer of the Corporation in charge of financial matters, deem appropriate.
- vi) The Committee shall inquire of management and the external auditors about significant financial and internal control risks or exposures and assess the steps management has taken to minimize such risks.
- vii) The Committee shall review the post-audit or management letter, if any, containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
- viii) The Committee shall periodically review and make recommendations regarding the Code of Business Conduct and Ethics adopted by the Board;
- ix) The Committee shall follow procedures established as set out in the Whistleblower Policy of the Corporation, for:
 - the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, auditing matters or violations to the Corporation's Code of Business Conduct and Ethics; and

- the submission by employees, consultants, contractors, directors or officers of the Corporation, on a confidential and anonymous basis, of concerns regarding questionable accounting, auditing matters or violations to the Corporation's Code of Business Conduct and Ethics.
- x) The Committee shall ensure that management establishes and maintains an appropriate budget process, which shall include the preparation and delivery of periodic reports from the CFO to the Committee comparing actual spending to the budget. The budget shall include assumptions regarding economic parameters that are well supported and shall take into account the risks facing the Corporation.
 - xi) The Committee shall have the authority to adopt such policies and procedures, as it deems appropriate to operate effectively.

b) Independent Auditors

- i) The Committee shall recommend to the Board the external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors' report directly to the Committee.
- ii) The Committee shall ensure that procedures are in place to assess the audit activities of the independent auditors and the internal audit functions.
- iii) The pre-approval of the Committee shall be required as further set out in Schedule "C" prior to the undertaking of any non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.
- iv) The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors and attempt to resolve disagreements between management and the external auditors regarding financial reporting.
- v) The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
- vi) The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
- vii) The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within International Financial Reporting Standards that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Corporation and the external auditors.
- viii) The Committee shall review fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
- ix) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.

- x) The Committee shall have the authority to engage the external auditors to perform a review of the interim financial statements.

c) Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

As of March 10, 2015.

Schedule "A"
OBAN MINING CORPORATION
POSITION DESCRIPTION FOR THE CHAIRMAN OF THE AUDIT COMMITTEE

PURPOSE

The Chairman of the Committee shall be an independent director who is elected by the Board or designated by majority vote of the Committee to act as the leader of the Committee in assisting the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Corporation.

WHO MAY BE CHAIRMAN

The Chairman will be selected from amongst the independent directors of the Corporation who have a sufficient level of financial sophistication and experience in dealing with financial issues to ensure the leadership and effectiveness of the Committee.

The Chairman will be selected annually at the first meeting of the Board following the annual general meeting of shareholders or designated by majority vote of the Committee.

RESPONSIBILITIES

The following are the primary responsibilities of the Chairman:

- a) chair all meetings of the Committee in a manner that promotes meaningful discussion;
- b) ensure adherence to the Committee's Charter and that the adequacy of the Committee's Charter is reviewed annually;
- c) provide leadership to the Committee to enhance the Committee's effectiveness, including:
 - i) act as liaison and maintain communication with the Board to optimize and coordinate input from directors, and to optimize the effectiveness of the Committee. This includes ensuring that Committee materials are available to any director upon request and reporting to the Board on all decisions of the Committee at the first meeting of the Board after each Committee meeting and at such other times and in such manner as the Committee considers advisable;
 - ii) ensure that the Committee works as a cohesive team with open communication, as well as to ensure open lines of communication among the independent auditors, financial and senior management and the Board for financial and control matters;
 - iii) ensure that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner;
 - iv) ensure that the Committee serves as an independent and objective party to monitor the Corporation's financial reporting process and internal control systems, as well as to monitor the relationship between the Corporation and the independent auditors to ensure independence;

- v) ensure that procedures as determined by the Committee are in place to assess the audit activities of the independent auditors and the internal audit functions; and
- vi) ensure that procedures as determined by the Committee are in place to review the Corporation's public disclosure of financial information and assess the adequacy of such procedures periodically, in consultation with any disclosure committee of the Corporation;
- d) ensure that procedures as determined by the Committee are in place for dealing with complaints received by the Corporation regarding accounting, internal controls and auditing matters, and for employees to submit confidential anonymous concerns;
- e) manage the Committee, including:
 - i) adopt procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
 - ii) prepare the agenda of the Committee meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
 - iii) ensure meetings are appropriate in terms of frequency, length and content;
 - iv) obtain a report from the independent auditors on an annual basis, review the report with the Committee and arranging meetings with the auditors and financial management to review the scope of the proposed audit for the current year, its staffing and the audit procedures to be used;
 - v) oversee the Committee's participation in the Corporation's accounting and financial reporting process and the audits of its financial statements;
 - vi) ensure that the auditor's report directly to the Committee, as representatives of the Corporation's shareholders; and
 - vii) annually review with the Committee its own performance, report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the effectiveness of the Board; and
 - viii) together with the Board, oversee the structure, composition and membership of, and activities delegated to, the Committee from time to time; and
- f) perform such other duties as may be delegated from time to time to the Chairman by the Board.

Schedule "B"
OBAN MINING CORPORATION
NATIONAL INSTRUMENT 52-110 AUDIT COMMITTEES ("NI 52-110")

Section 1.4 — Meaning of Independence

- (1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- (2) For the purposes of subsection (1), a "material relationship" is a relationship, which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
 - (c) an individual who:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and
 - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because:

- (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or
 - (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
- (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- (6) For the purposes of clause (3)(f), direct compensation does not include:
- (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
- (7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
- (a) has previously acted as an interim chief executive officer of the issuer, or
 - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
- (8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Section 1.5 — Additional Independence Requirements for Audit Committee Members

- (1) Despite any determination made under section 1.4 of NI 52-110, an individual who
- (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
 - (b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.
- (2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
- (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
 - (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and

which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

- (3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

Schedule "C"
OBAN MINING CORPORATION
WHISTLE BLOWER POLICY

INTRODUCTION

Oban Mining Corporation (the "Corporation") is committed to maintaining the highest standards of business conduct and ethics, as well as full compliance with all applicable government laws, rules and regulations, corporate reporting and disclosure, accounting practices, accounting controls, auditing practices and other matters relating to fraud against shareholders (collectively "Accounting Concerns").

Pursuant to its charter, the Audit Committee (the "Committee") of the Board of Directors of the Corporation is responsible for ensuring that a confidential and anonymous process exists whereby persons can report any Accounting Concerns relating to the Corporation and any subsidiaries. In order to carry out its responsibilities under its charter, the Committee has adopted this Whistleblower Policy (the "Policy").

For the purposes of this Policy, "Accounting Concerns" is intended to be broad and comprehensive and to include any matter, which in the view of the complainant, is illegal, unethical, contrary to the policies of the Corporation or in some other manner not right or proper.

PURPOSE OF THIS POLICY

The purpose of this policy is to establish procedures for:

- a. the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, auditing matters or violations to the Corporation's Code of Business Conduct and Ethics, any other policy, charter or mandate of the Corporation, or applicable laws, rules and regulations; and
- b. the submission by employees, consultants, contractors, directors or officers of the Corporation (each, a "Protected Party"), on a confidential and anonymous basis, of concerns regarding questionable accounting, auditing matters or violations to the Corporation's Code of Business Conduct and Ethics, any other policy, charter or mandate of the Corporation, or applicable laws, rules and regulations.

The purpose of this policy is also to state clearly and unequivocally that the Corporation prohibits discrimination, harassment and/or retaliation against any person who (i) reports complaints to the Audit Committee regarding accounting, internal controls, auditing matters or violations of the Code of Business Conduct and Ethics or (ii) provides information or otherwise assists in an investigation or proceeding regarding any conduct that he or she reasonably believes to be a violation of employment or labour laws; securities laws (including the rules or regulations of the Ontario Securities Commission (the "OSC"), securities regulatory authorities in other provinces of Canada and the Toronto Stock Exchange), laws regarding fraud or the commission or possible commission of a criminal offence. Everyone at the Corporation is responsible for ensuring that the workplace is free from all forms of discrimination, harassment and retaliation prohibited by this policy. No Protected Party has the authority to engage in any conduct prohibited by this policy.

This policy protects:

- i. any Protected Party who legitimately and in good faith discloses an alleged violation of employment or labour laws, securities laws, laws regarding fraud or the Criminal Code of Canada or applicable criminal code in a local jurisdiction by any person with supervisory

authority over the Protected Party, or any other person working for the Corporation who has the authority to investigate, discover or terminate conduct prohibited by this Policy;

- ii. any Protected Party who legitimately and in good faith files, causes to be filed, testifies, participates in, or otherwise assists in a proceeding filed under employment or labour laws, securities laws or laws regarding fraud;
- iii. any Protected Party who legitimately and in good faith provides information, causes information to be provided, or otherwise assists in an investigation, regarding any conduct that the Protected Party reasonably believes constitutes fraud when the information or assistance is provided to or the investigation is conducted by law enforcement, regulatory authorities, a legislature, or the Corporation; or
- iv. any Protected Party who in good faith submits any complaint to the Audit Committee regarding financial statements disclosures, accounting, internal accounting controls, auditing matters or violations to the Corporation's Code of Business Conduct and Ethics, any other policy, charter or mandate of the Corporation, applicable laws, rules and regulations, discrimination, harassment or retaliation in accordance with the procedures set out herein.

If a Protected Party legitimately and in good faith makes a complaint regarding any of the activities listed above, the Corporation will not discharge, demote, suspend, threaten, harass or otherwise discriminate or retaliate against him or her in the terms or conditions of employment or provision of services because of that activity. However, since such allegation of impropriety may result in serious personal repercussions for the target person or entity, the Protected Party making the allegation of impropriety should have reasonable and probable grounds before reporting such impropriety and should undertake such reporting in good faith, for the best interests of the Corporation and not for personal gain or motivation.

COMPLAINT PROCEDURES

- a. Any Protected Party who legitimately and in good faith believes that he or she may have been the subject of prohibited discrimination, harassment and/or retaliation or is aware of any conduct that may be prohibited by this policy is strongly encouraged to report such belief to the Chairman of the Audit Committee. Any Protected Party who receives such a complaint or witnesses any conduct that he or she legitimately and in good faith believes may be prohibited by this policy must immediately notify his or her supervisor and/or the Chairman of the Audit Committee of the Corporation. Such concerns and/or complaints may be communicated anonymously if desired.
- b. Upon receiving a complaint, the Audit Committee will promptly conduct a thorough investigation. The Audit Committee shall notify the Board of Directors and the Chief Executive Officer of such investigations. It is the obligation of all Protected Parties to cooperate in such investigation. Those responsible for the investigation will maintain the confidentiality of the allegations of the complaint and the identity of the persons involved, subject to the need to conduct a full and impartial investigation, remedy any violations of the Corporation's policies, or monitor compliance with or administer the Corporation's policies.
- c. The investigation will generally include, but will not be limited to, discussion with the complainant (unless the complaint was submitted on an anonymous basis), the party against whom allegations have been made, and witnesses, as deemed appropriate.
- d. In the event an investigation establishes that a person has engaged in conduct or actions constituting a violation of the Corporation's Code of Business Conduct and Ethics, any other policy, charter or mandate of the Corporation, applicable laws, rules or regulations; discrimination; harassment and/or retaliation in violation of this policy, the Corporation will take

immediate and appropriate corrective action up to and including termination of the person's employment, provision of services, position as an officer of the Corporation, or in the case of a director, a request for the director's resignation.

- e. In the event that the investigation reveals that the complaint was frivolously made, or undertaken for improper motives, made in bad faith or without a reasonable and probable basis, the complainant's supervisor will take whatever disciplinary action may be appropriate in the circumstances.

AUDIT COMMITTEE PROCEDURES

The Audit Committee has adopted the following procedures:

- a. Management of the Corporation shall promptly forward to the Audit Committee any complaints that it has received regarding financial statement disclosures, accounting, internal accounting controls or auditing matters.
- b. Any Protected Party may submit, on a confidential or anonymous basis if the Protected Party so desires, any concerns regarding financial statement disclosures, accounting, internal accounting controls, auditing matters or violations of the Corporation's Code of Business Conduct and Ethics, any other policy, charter or mandate of the Corporation, applicable laws, rules and regulations, discrimination, harassment or retaliation. All such concerns shall be set forth in writing and forwarded in a sealed envelope to the Chairman of the Audit Committee labeled with a legend such as "To be opened by the Audit Committee only, being submitted pursuant to the Whistleblower Policy adopted by the Corporation." If a Protected Party would like to discuss any matter with the Audit Committee, the Protected Party should indicate this in the submission and include a telephone number at which he or she might be contacted if the Audit Committee deems it appropriate. If management receives any such envelope, it shall be forwarded promptly and unopened to the Chairman of the Audit Committee. The Chairman of the Audit Committee can be reached as follows:

PRIVATE AND CONFIDENTIAL

**Attn: Mr. Keith McKay, Chairman of the Audit Committee, Oban Mining Corporation
155 Wellington Street West, Suite 2920
Toronto, ON M5V 3H1**

- c. Following the receipt of any complaints submitted hereunder, the Audit Committee will investigate each matter so reported and take corrective and disciplinary actions where appropriate, which may include, alone or in combination, a warning or letter of reprimand, demotion, loss of merit increase, bonus or stock options, suspension without pay or termination of employment. The Audit Committee shall notify the Board of Directors and the Chief Executive Officer of such investigations.
- d. During investigations, the Audit Committee shall endeavor to act in a prudent and reasonable manner, with minimal disruption to the business and affairs of the Corporation and with sensitivity to the personal circumstances of the individual being investigated.
- e. In circumstances of impropriety alleged against the Board of Directors, as a whole or any member thereof, the Chief Executive Officer shall be responsible to investigate such allegations and the Chief Executive Officer shall report his or her findings to the Board of Directors.
- f. The Audit Committee may enlist employees of the Corporation and/or outside legal, accounting or other advisors, as appropriate, to conduct any investigation or address complaints regarding

financial statement disclosures, accounting, internal accounting controls, auditing matters or violations of the Corporation's Code of Business Conduct and Ethics, any other policy, charter or mandate of the Corporation, applicable laws, rules and regulations, discrimination, harassment or retaliation. In conducting any investigation, the Audit Committee shall use reasonable efforts to protect the confidentiality and anonymity of the complainant.

- g. The Audit Committee shall retain as a part of the records of the Audit Committee any such complaints or concerns for a period of no less than seven (7) years.
- h. The Audit Committee will review and evaluate this Policy periodically to determine whether the Policy is effective in providing appropriate procedures to report violations or complaints regarding accounting standards, the Corporation's Code of Business Conduct & Ethics, any other policy, charter or mandate of the Corporation, applicable laws, rules and regulations, discrimination, harassment or retaliation. The Audit Committee will submit recommended changes to the Board of Directors for approval.

As of March 10, 2015.

Schedule "D"
OBAN MINING CORPORATION
PROCEDURES FOR APPROVAL OF NON-AUDIT SERVICES

1. The Corporation's external auditors shall be prohibited from performing for the Corporation the following categories of non-audit services:
 - (a) bookkeeping or other services related to the Corporation's accounting records or financial statements;
 - (b) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (c) actuarial services;
 - (d) internal audit outsourcing services;
 - (e) management functions;
 - (f) human resources;
 - (g) broker or dealer, investment adviser or investment banking services;
 - (h) legal services; and
 - (i) any other service that the Canadian Public Accountability Board or International Accounting Standards Board or other analogous board which may govern the Corporation's accounting standards, from time to time determines is impermissible.

2. In the event that the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Corporation shall consult with the Chair of the Committee, who shall have the authority, subject to confirmation that such services will not compromise the independence of the Corporation's external auditors, to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.

The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.