PANORO MINERALS LTD.

Independent Technical Report on the Mineral Exploration Properties of Cordillera de las Minas S.A.

Andahuaylas – Yauri Belt, Cuzco Region, Peru

Prepared for:

Panoro Minerals Ltd.
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Prepared by:

SRK Consulting
Engineers and Scientists

Project Reference No:
2CP011.001

March 9, 2007

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March 09, 2007

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Table of Contents

List of Tables

List of Figures

List of Appendices

1 Summary

The portfolio of thirteen mineral exploration properties of Cordillera de las Minas S.A. (CDLM) are located in the Andahuaylas – Yauri Belt of the Cuzco Region in Peru. Figure 1. provides an overview of the locations of all the properties.

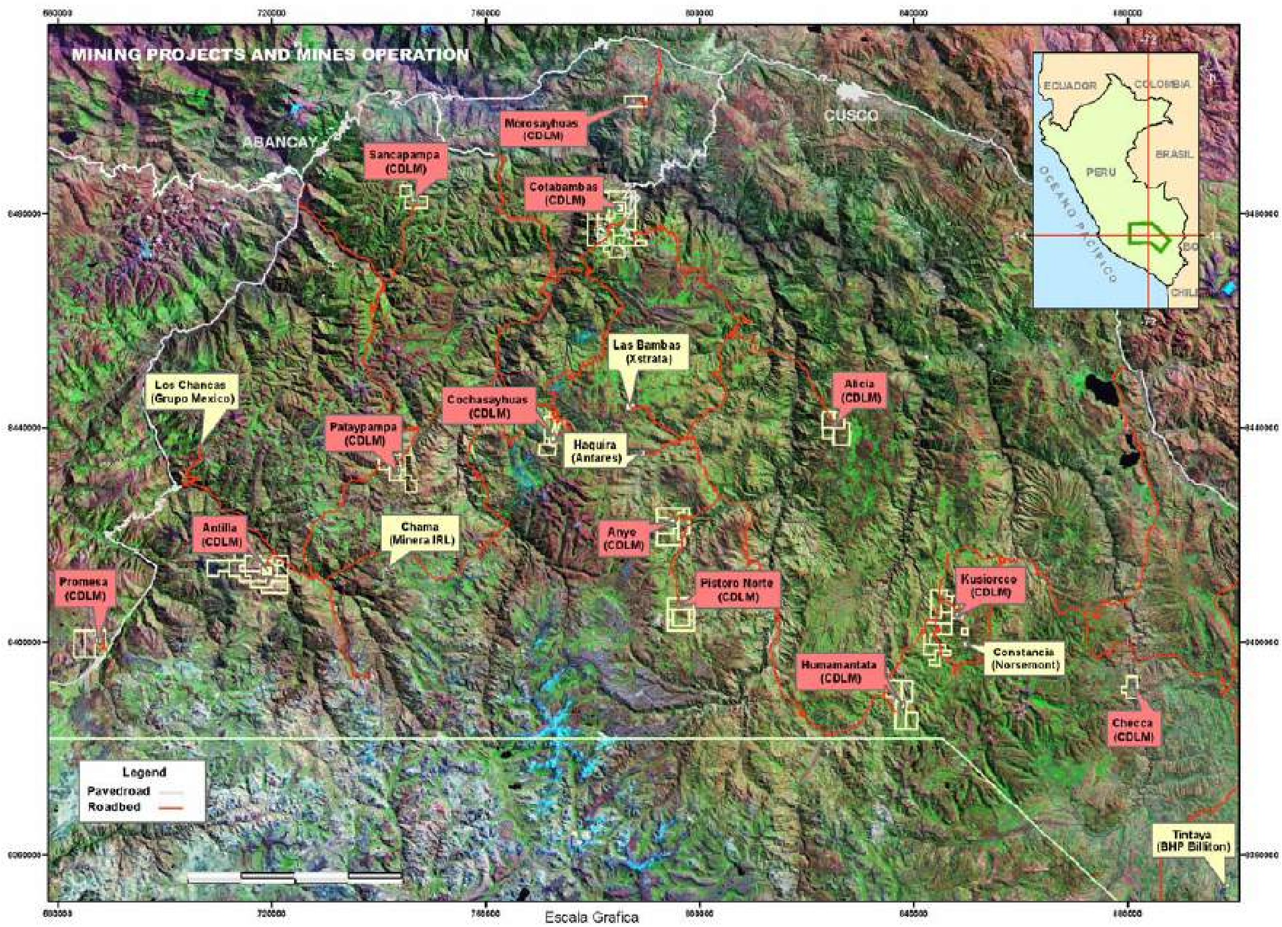


Figure 1: Location of the CDLM properties

The properties shown in red belong to the CDLM portfolio of properties. Panoro Minerals Ltd. is in the process of acquiring the entire portfolio.

The Andahuaylas-Yauri Belt in the Cuzco region of Peru is a rapidly emerging metallogenetic province of porphyry copper and copper - gold deposits of Early to Mid Tertiary age. The belt was earlier known for its iron-copper skarn deposits. By 2003 31 systems with porphyry style alteration and mineralization had been identified. The systems have the tendency to occur in clusters such as the Morosayhuas, Cotabambas, Las bambas, Katanga and Tintaya clusters. A number of deposits and/or deposit clusters are in varying stages of advanced exploration or pre-development. Unclassified resource estimates that do not meet the requirements of NI 43-101 guidelines have been reported both in the public domain as well as in internal company documents. Antilla, described in this report has since been added to the known systems. The following map (Figure 2) shows some of the mineral inventories that have been reported from the belt.

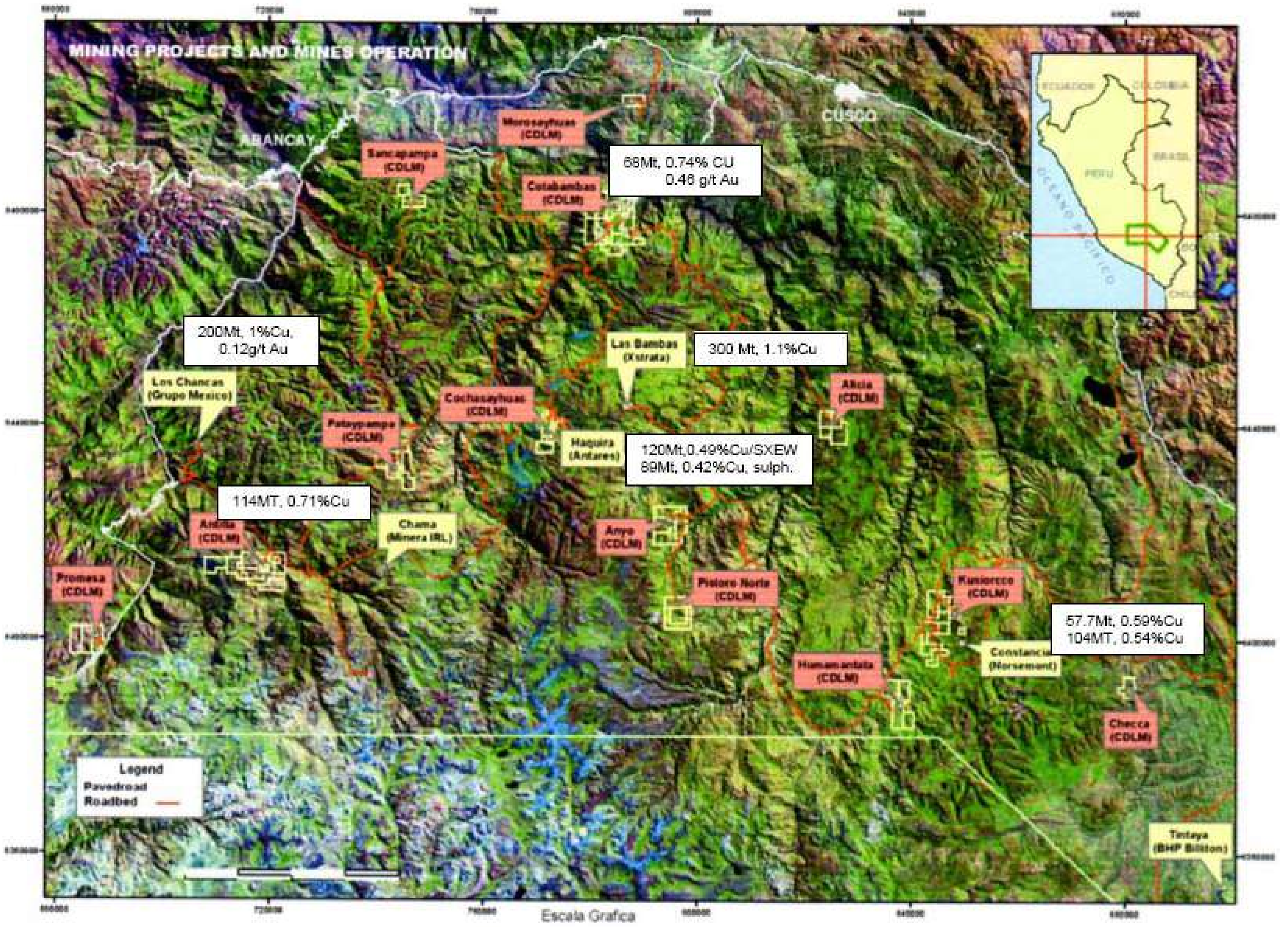


Figure 2: Andahuaylas _Yauri Belt

The CDLM portfolio comprises a total area of 43,792 hectares in 63 concessions. The most important projects of the portfolio are Cotabambas and Antilla. The status of the projects and prospects has been summarized in Table 1.

Table 1: Selective summary of work completed on various properties in the CDLM land package

Property	Licenses	Area (Ha)	Mapping	Sampling			Grounds Geophysics (kms)			Diamond Drilling		Mineral Potential	Exploration Potential / Comments
				Rock	Soil	Stream	Mag	TEM	IP	Meters	Holes		
Cotabambas	11	9,900	800 Ha @ 1:2,000; 3,000 Ha @ 1:10,000	846	329	341	68.5		30.8	11,7700	33	68 Mt @0.74% Cu, 0.46 g/t Au (0.3% Cu cut-off)*	Excellent opportunities to expand resource – see text
Antilla	9	6,800	4,000 Ha @ 1:5,000 + recon	1,172	1,727	495	214.2		43.6	4,012	19	114 Mt @ 0.71% Cu, 1 g/t Ag. 77 ppm Mo (0.3% Cu cut-off)*	Excellent opportunities to expand resource – see text
Anyo	4	4,000		13	33						12'		Historical mining: 'Cominco drilling 1995, porphyry style Cu (Au+Ag); drill targets defined
Kusiorcco	11	3,862	350 Ha @ 1:2,000	209	27		32.2		16.8				Porphyry Cu-Au: good geological/geophysical targets
Pataypampa	4	3,400		91	29								Porphyry-style Cu; skarn?; limited information
Humamantata	4	3,400		91	29								Epithermal-style Au-Cu (polymetallic); hydrothermal breccias; low grade samples
Promesa	3	3,00	1,200 Ha @ 1:10,000; 150 Ha @ 1:2,000	706	908	95		8	1,540		4		Porphyry Cu-Au, encouraging drilling results, unknown extents
Alicia	4	2,594		276			74	74		1,054	3	4.5 Mt @ 2.19% Cu, 0.23 g/t Au, 13 g/t Ag, 102 ppm Mo*	Porphyry system with Cu skarn; untested peripheral zones and adjacent stock
Pistoro Norte	4	2,100	1,000 Ha @ 1:5,000	224			22		18.8				Porphyry Cu-Au; encouraging geochem results; good geological/geophysical targets
Cochasayhuas	5	1,836		144	30								Historical Au-Ag vein producer (~0.5 Moz Au & 0.5 Moz Ag; 1912-52); ~150 current artisanal miners
Sancapampa	2	1,200		47	18		75		17				Epithermal-style Cu-Au; skarn?
Checca	1	900											Epithermal-style Cu-Au?
Morosayhuas	1	800		47	18				32				Porphyry-style (Au>>Cy(; drill targets defined
TOTALS	**63**	**43,792**		**3,728**	**3,101**	**836**	**580.9**	**74**	**167**	**18,376**	**59**		

* These estimates of mineral potential do not comply with the guidelines set forth in NI 43-101 for resource estimates and should not be relied upon. They are simply provided here as an indication of significant mineralization, and discussed in detail in later sections of this report.

Panoro's specific focus is on the two most advanced properties: Cotabambas and Antilla.

Mineralization in the Cotabambas deposit was initially estimated in 2001 by NCL Ingenierìa y Construcción S.A. (NCL), a Chilean Consulting Firm (Table 2). SRK Consulting (Canada) Inc. (SRK) validated the estimates for the Cotabambas deposit and considers that the methodology used by NCL and treatment of the available data are reasonable. SRK constructed a separate mineral resource model using larger search ellipse oriented down the plunge of the copper and gold mineralization. The SRK resource model at various cut-off grades (Table 3) indicates that the mineral resources may be larger than initially stated by NCL. In this context, SRK is of the opinion that the mineral resources for the Cotabambas deposit are appropriately classified as an Inferred Mineral Resource and reported at a cut-off of 0.4% Cu as indicated in Table 4. The reader is cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability.

The Exploration Target at Antilla was initially assessed in early 2005 by CDLM based on the drilling campaigns of 2003, 2004 and January 2005 (Table 5). The description of the work and the project are contained in CDLM's Annual Report of Exploration Work for 2004. Based on an assessment of the global grade average, SRK is of the opinion that the CDLM assessment is reasonable, and that the potential tonnage and span of grades at no cut-off is as presented in Table 6. Nevertheless, it should be emphasized that the CDLM's estimates are not CIM compliant and should not be relied upon. The limited verifications completed by SRK indicate substantial uncertainty on the global average grades within the evaluated area. In this context, SRK is uncomfortable in re-stating previous estimates for the Antilla deposit as a current mineral resource under the CIM Definition Standards for Mineral Resources and Mineral Reserves Guidelines (December 2005). SRK is however of the opinion that the historical mineral resource estimate prepared by CDLM is relevant. The reader is cautioned that the CDLM estimate should not be relied upon and that mineral resources are not mineral reserves and do not have demonstrated economic viability.

Table 2: NCL historical resource estimates in the Cotabambas deposit, 2001

Cut-off (%)	Tonnes (Millions)	Cu Grade (%)	Au Grade (g/t)
0.3	68	0.74	0.46
0.4	59	0.8	0.49

The resources estimate prepared by NCL Ingenieria predates CIM Best Practice Guidelines and their Definition Standards and are to be considered historic estimates only. SRK considers NCL Ingenieria to be a reputable engineering firm and that their resource estimate to be properly constituted based on the standards of the day; however, SRK is not treating the historical estimate as current Mineral Resources and the historical estimates should not be relied upon.

Table 3: Inferred resources for the Cotabambas deposit as estimated by SRK at various cut-off grades

Cut-off (%)	Tonnes (Millions)	Cu Grade (%)	Au Grade (g/t)
0.2	169	0.54	0.31
0.3	114	0.68	0.38
0.4	90	0.77	0.42
0.5	71	0.86	0.45
0.6	55	0.96	0.48

Table 4: Mineral Resource statement for the Cotabambas Cu-Au deposit, SRK Consulting, March 09, 2007

Mineral Resources*	Tonnes (Millions)	Cu Grade (%)	Au Grade (g/t)
Inferred	90	0.77	0.42

*All resources quoted at 0.4% Cu cut-off

Table 5: Exploration target assessment for the Antilla Cu deposit, Cordillera de las Minas S.A, 2005

Cut-off (%)	Tonnes (Millions)	Cu Grade (%)
0.3	114	0.71

Table 6: Potential ranges of grade within a defined volume on the Antilla property

Scenario	Tonnes (Millions)	Grade (%)
Pessimistic	135	0.61
Optimistic	135	0.75

The recommendations contained in this report foresee three separately managed programs and budgets. The programs for Cotabambas and Antilla include systematic drilling programs to confirm, define and expand the historical resources that have been identified to date.(Cotabambas 20,000m, Antilla 15,000m). The programs also include environmental and hydrological baseline studies and, most importantly, a sizeable allowance for community relations programs.

The program and budget on the remaining eleven properties includes drilling on three properties (Kusiorcco 1200m, Pistoro Norte 1200m and Morosayhuas 900m.), geophysical programs and the systematic data and field evaluation of each of the properties in the portfolio and a sizeable allowance for community relations programs. The following is a summary of the budgets recommended for the portfolio in this report. The individual budgets contain a 10% contingency:

COTABAMBAS	US$ 4,567,000
ANTILLA	US$ 3,831,000
“OTHER PROPERTIES”	US$ 2,218,400
SUBTOTAL	US$ 10,616,400
LIMA OFFICE, GENERAL OVERHEAD	US$ 383,600
GRAND TOTAL	**US$ 11,000,000**

2 Introduction

This report describes the mineral exploration properties of Cordillera De Las Minas S.A. ("CDLM"), a Peruvian Mining Company with offices at Paseo de La Republica 3245, Piso 3, San Isidro, Lima Peru.

The mineral exploration properties described in this report have been offered for sale to Panoro Minerals Ltd. ("Panoro"), a Vancouver based mineral exploration company whose shares are listed on the TSX-Venture Exchange under the Symbol PML with offices at Suite 912, 510 West Hastings Street, Vancouver V6B 1L8.

CDLM is, through wholly owned subsidiaries, beneficially owned in equal parts by Companhia Vale do Rio Doce of Brasil ("CVRD") and Antofagasta Minerals S.A. of Chile ("Antofagasta"). The corporate structure through which CVRD and Antofagasta each own a 50% beneficial ownership interest is complex and subject to a separate disclosure in the contemplated Purchase and Sale Agreement between Panoro as the purchaser and CVRD/Antofagasta, the selling parties.

Independent Peruvian counsel for Panoro has searched the records of the Ministry of Energy and Mines of Peru and has ascertained that all the mineral concessions described herein are registered in the name of CDLM. There will be a separate independent title opinion submitted to the TSX-V.

This report primarily deals with the two principal and core assets of the mineral properties of CDLM: Cotabambas and Antilla. Both Cotabambas and Antilla have been visited by one or two authors of this report. The description and assessment of the remaining properties is based on published literature and unpublished company reports of the owners of CDLM.

The principal authors of this report are Christpher Lee, P.Geo. and Marek Nowak P.Eng. of SRK Consulting (Canada) Inc. (SRK). Christopher Lee has visited the Cotabambas project in the field from August 23rd to August 25th 2006, examined selected diamond drill core from Cotabambas and at the same location has examined the diamond drill core of Antilla. Christopher Lee has in both cases compared the diamond drill records and assays with the examined core. Christopher Lee and Marek Nowak have developed independent models on the basis of the geological and drill hole data of Cotabambas and Antilla and carried out independent assessments of the historical mineral resources estimated by CDLM for Cotabambas and Antilla. As part of this exercise, SRK conducted independent estimates for each deposit. A Memorandum concerning these estimates was submitted to Panoro by SRK on September 11th, 2006.

Helmut H. Wober, P. Eng. Principal of MDE International, Mine Development Engineering Ltd. and President of Panoro has compiled the regional geological description, the general property data, the description of the concessions and their location and access based on government records, published and CDLM data, summarized the descriptions of the geology and mineralization of the projects from company and published records and has assembled various chapters of this report.

Christopher Lee and Marek Nowak of SRK have reviewed and verified the chapters written by H.Wober, including their content in light of the information available from all sources.

2.1 Report Structure

Each of the core projects Cotabambas and Antilla will be treated in more detail and in separate sections with all the relevant items required by NI 43-101.

In the case of the other exploration properties, their individual concessions, location and access, geology and mineralization will be treated separately. However, these properties are in much earlier stages of exploration and their assessment is based on CDLM data and published information only. None of the authors have visited the exploration properties besides Cotabambas and Antilla. The treatment of these properties in this report will therefore not contain the level of detail that the description of core projects contains.

3 Reliance on other Experts

The geology, alteration and mineralization of the Andahuaylas – Yauri Belt, within which all of the exploration projects are located, and the copper – gold porphyry mineralization of Cotabambas have been described in scientific publications of the Society of Economic Geologists in two comprehensive papers. (See List of References) Several of the principal authors (J. Perello, C. Neyra, H. Posso, A. Zárate, P. Ramos, A. Caballeros) or co-authors of the published literature were also employees of CDLM or Antofagasta.

The technical data on all projects is based on the work of the employees and contractors of CDLM, Antofagasta and Minera Anaconda Perú S.A. (Anaconda).

SRK's review of the CDLM package focused only on the technical documentation of CDLM's exploration properties and included: (i) a desktop review and analysis of digital data (8 GB) and reports, including a Gemcom database and block model for Cotabambas, (ii) a one day data room visit in Lima, and (iii) a 1.5 day site visit at Cotabambas, which included core from both Cotabambas and Antilla. The desktop review and analysis included detailed evaluations and re-estimations of the Cotabambas and Antilla data, and forms the basis of the bulk of this report. The data room visit included introductory presentations by the Standard Bank and Carlos Neyra, independent consultant. SRK reviewed hard copy data relevant to the quality of the two preliminary resource estimates (e.g. original assay certificates, geological and petrographic reports, sampling and analytical methods). The site visit included a half day core review for each project, and a half day property tour. Core was examined in conjunction with geological logs and assay results.

In regard to the geological and technical data provided to the examiner (C.Lee, SRK) pertaining both to the exploration projects and the advanced projects Cotabambas and Antilla SRK has concluded:

CDLM's geological database is of very high quality in terms of its comprehensiveness and organization. Their exploration methods are sound and provide an integrated, multi-disciplinary approach to each of the exploration properties. The geological mapping, descriptions and core logs are invariably very thorough and provide a solid base for future work. All of the sampling, including rock-chip, soils, stream sediments and drill core is well-documented and, in most cases, meets or exceeds industry standards.

All the geophysical surveys on the properties of CDLM have been carried out by Val d'Or Geophysics, an independent Canadian owned geophysical contracting and consulting firm with a Peruvian subsidiary, VDG del Peru S.A.C. in Lima Peru. The Principal of Val d'Or Geophysic and senior author of the reports submitted to CDLM is Rèjan Pineault, P.Eng. , registered in the Province of Quebec.

The chemical analyses for all sample materials were carried out by CIMM PERU, a joint-venture between the Centro de Investigación Minera y Metalúrgica (CIMM) de Chile and the Certificaciones del Perú (CERPER). CIMM PERU is an ISO 9002 certified laboratory in Callao, Peru, with preparation labs in Trujillo, Arequipa and Lima.

4 Geological Setting

The description of the regional geological setting is relevant to all the projects and properties described in this report. In the following sections dealing with the individual properties only the respective property geology will be described.

The Geology and mineralization of the Andahuaylas – Yauri Belt are best described in a recent publication by the Society of Economic Geology, Vol. 98, 2003: *"Porphyry – Style Alteration and mineralization of Middle Eocene to Early Oligocene Andahuaylas – Yauri Belt, Cuzco Region, Peru" by J. Perello, V. Carlotto, et al., 2003. The following is the taken from the Abstract of the Paper:*

"Originally known for its Fe-Cu skarn mineralization, the Andahuaylas-Yauri belt of southeastern Peru is rapidly emerging as an important porphyry copper province. Field work by the authors confirms that mineralization in the belt is spatially and temporally associated with the middle Eocene to early Oligocene (~8-32 Ma), calc-alkaline Andhuaylas-Yauri batholith, a composite body with an areal extent of ~300 x 130km emplaced in to clastic and carbonate strata (e.g., Yura Group and Ferrobamba Formation) of Jurassic to Cretaceous age. Batholith emplacement included early-stage, mafic, cumulate gabbro and diorite between ~48 and 43 Ma, followed by pulses of granodiorite and quartz monzodiorite at ~40 to 32 Ma. Coeval volcanic rocks make up the middle Eocene to early Oligocene Anta Formation, a sequence of >1,000 m of andesite lava flows and dacite pyroclastic flows with interbedded volcaniclastic conglomerate. Sedimentary rocks include the red beds of the Eocene to early Oligocene San Jerónimo Group and the post-mineralization late Oligocene to Miocene Punacancha and Paruro formations. Eocene and Oligocene volcanic and sedimentary rocks are interpreted to have accumulated largely in both transtensional and contractional syn-orogenic basins. New and previously published K-Ar and Re-Os ages show that much of the porphyry-style alteration and mineralization along the belt took place during the middle Eocene to early Oligocene (~42-30 Ma). Thus, batholitic magma emplacement, volcanism, and sedimentation are inferred to have accompanied a period of intense deformation, crustal shortening, and regional surface uplift broadly synchronous with the Incaic Orogeny. Supergene mineralization is inferred to have been active since the Pliocene on the basis of geomorphologic evidence and a single K-Ar determination (3.3 ± 0.2 Ma) on supergene alunite.

The belt is defined by 31 systems with porphyry-style alteration and mineralization, including 19 systems grouped in 5 main clusters plus 12 separate centers, and by hundreds of occurrences of magnetite-rich, skarn-type Fe-Cu mineralization. Porphyry copper stocks are dominated by calc-alkaline, biotite- and amphibole-bearing intrusions of granodioritic composition, but monzogranitic, monzonitic, quartz-monzonitic, and monzodioritic stocks occur locally. Hydrothermal alteration includes sercite-clay-chlorite, and potassic, quartz-sericitic, *and propylitic assemblages. Calcic-potassic and advanced argillic alteration associations are locally represented, and calc-silicate assemblages with skarn-type mineralization occur where carbonate country rocks predominate.*

Porphyry copper deposits and prospects of the belt range from gold-rich, molybdenum-poor examples (Cotabambas), through deposits carrying both gold and molybdenum (Tintaya, Los Chancas), to relatively molybdenum-rich, gold-poor end members (Lahuani). Gold-only porphyry systems are also represented (Morosayhuas). Gold-rich porphyry copper systems are rich in hydrothermal magnetite and display a positive correlation between Cu and Au in potassic alteration. The bulk of the hypogene Cu (-Au, -Mo) mineralization occurs in the form of chalcopyrite and bornite, in intimate association with early-stage potassic alteration which, in many deposits and prospects, is variably overprinted by copper-depleting sericite-clay-chlorite alteration.

Most porphyry coppes systems of the belt lack economically significant zones of supergene chalcocite enrichment. This is due primarily to their low pryrite contents, the restricted development of quartz-sericitic alteration, and the high neutralization capacities of both potassic alteration zones and carbonate country rocks as well as geomorphologic factors. Leached cappings are irregular, typically goethitic, and contain copper oxide minerals developed by in situ oxidation of low-pyrite, chalcopyrite (-bornite) mineralization. Porphyry copper-bearing stocks emplaced in the clastic strata of the Yura Group and certain phases of the Andahuaylas-Yauri batholith may develop appreciable supergene chalcocite enrichment in structurally and lithologically favourable zones. "

Regional geology and distribution of porphyry copper deposits in the region are shown in Figures 3 and 4.

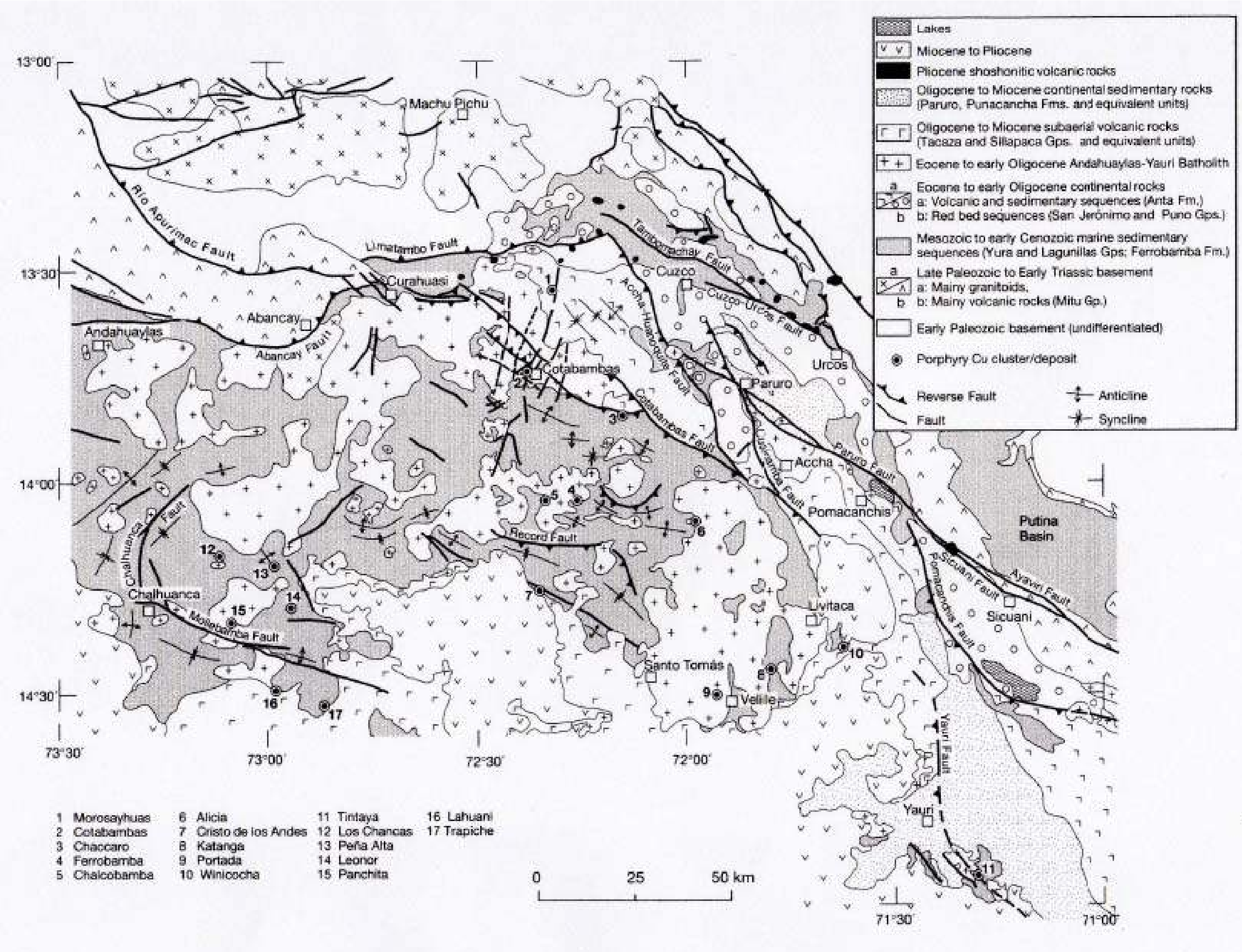


FIG. 2. Geologic map of the study area, modified and greatly simplified after Carlotto (1998), with additions after Pecho (1981) and this study.

Figure 3: Regional Geology of the Andahuaylas Yauri Belt (J.Perello,V.Carlotto et al., 2003)

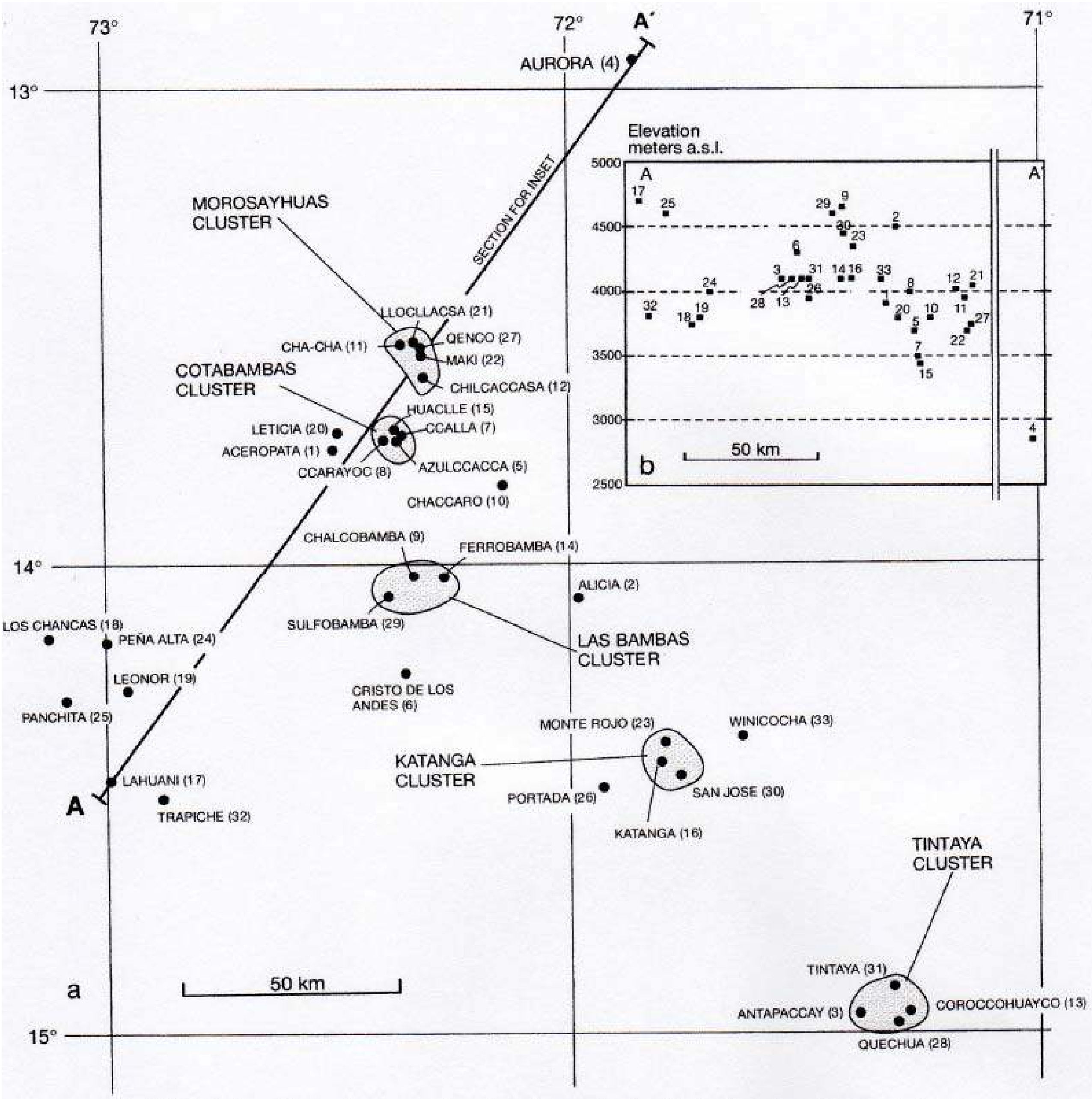


FIG. 7. Distribution of the porphyry copper deposits and prospects referred to in this study. a. Illustrates the location of the main clusters at Morosayhuas, Katanga, Cotabambas, Las Bambas, and Tintaya, together with other separate deposits and prospects. Numbers in parentheses are keyed to the section of Figure 7b. The Aurora prospect is also shown for reference. b. Simplified section A-A´ displaying the distribution of the systems relative to present-day elevation above sea level.

Figure 4: Distribution of porphyry copper deposits (J.Perello,V.Carlotto et al., 2003)

J. Perello, V. Carlotto et al. (2003) have pointed out that the Cotabambas cluster of porphyry copper gold centers are part of a larger province that may well be the northernmost extension of a belt of porphyry deposits that extends from southern Chile over a distance of some 27 degrees latitude (see Figure 5). The Andahuaylas –Yauri Belt, just south of the Abancay deflection appears to represent a substantial widening of this trend resulting in a multitude of porphyry deposits and deposit clusters.

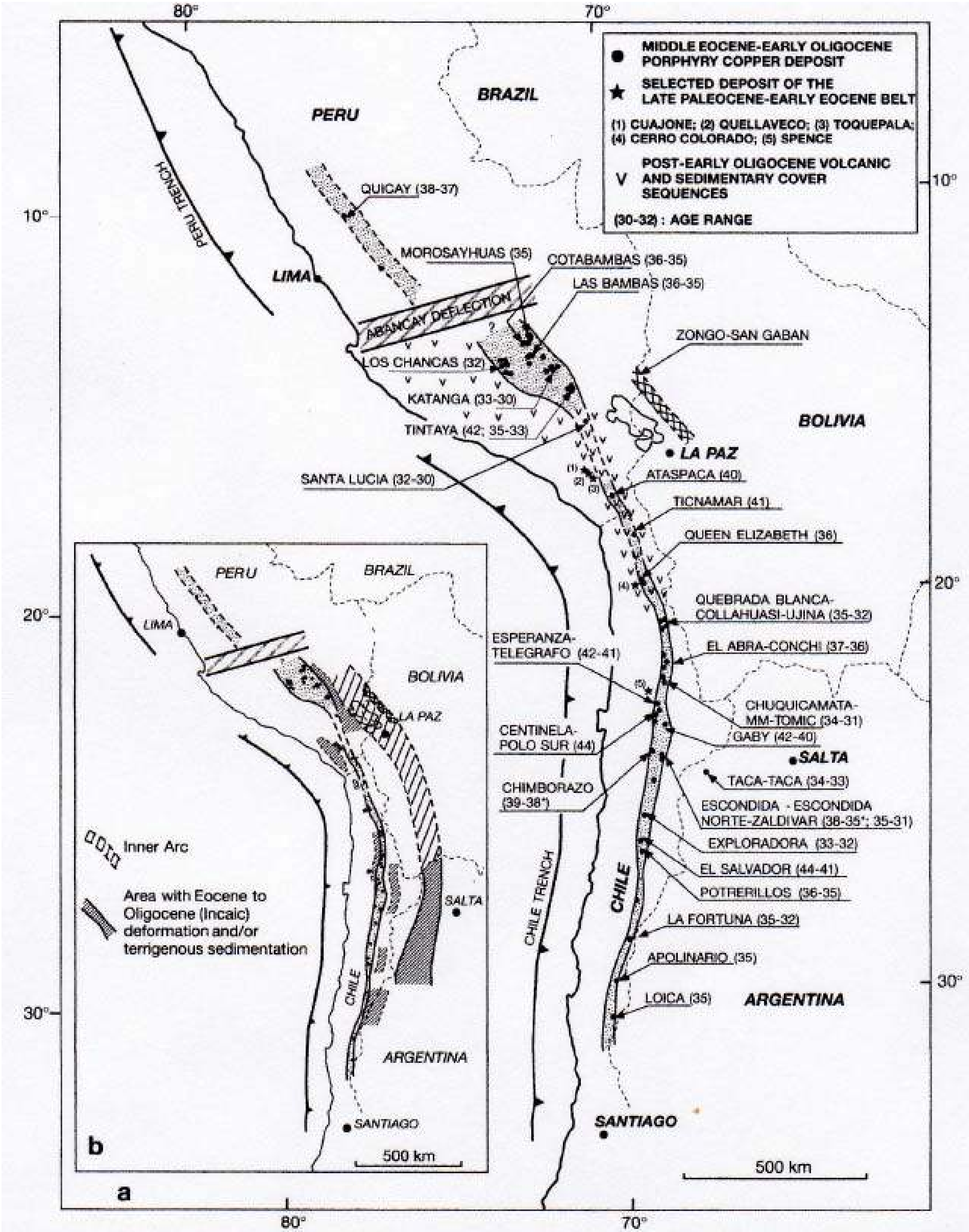


Figure 5: Distribution of porphyry copper deposits in the central Andes

Given its relatively recent history of systematic exploration the Andahuaylas – Yauri Belt may well be an emerging province of future producing porphyry copper gold deposits (see Table 7).

Table 7: Historical and Published Mineral Resources of the Main Deposits of the Andahuaylas – Yauri Belt

DEPOSIT	Tonnage x 106	Copper %	Gold g/t	Reference
Tintaya District				
Antapaccay	383	0.89	0.16	Jones et al.(2000) Fierro et al. (2002)
Coroccohuayco	155	1.57	0.16	BHP 1999
Ccatun Pucara	24	1.44	n/a	BHP 1999
Quechua	300	0.68	n/a	E.Tejada (pers.comm.Perello,2003
Tintaya	139	1.39	0.23	BHP Billiton (2003), corp.website
Cotabambas Area				
Azulccacca	24	0.42	0.39	Perrello et al.2002
Ccalla	112	0.62	0.36	Perello et al.2002
Las Bambas	>300	1.18	n/a	XSTRATA
Los Chancas	200	1.0	0.12	Grupo Mexico
Antilla	114	0.71	n/a	CDLM internal report
Constancia/San Jose	58	0.589	0.015%Mo	Indicated Resource
Norsemont Oct.2006	104	0.537	0.014%Mo	Inferred Resource

5 Cotabambas

5.1 Property Description and Location

The Cotabambas Project is located approximately 1 kilometer west of Cotabambas, District of Cotabambas and Province of Abancay, Department of Apurimac at an elevation of between 3200m and 3800m above sea level. The center of the project area lies at UTM coordinates 8,480,500 N and 785,500 E. The project consists of 11 exploration concessions covering a total area of 9,900 hectares (see Table 8 and Figures 6 and 7).

Table 8: Concessions on the Cotabambas property

Concession Code	Map Sheet	Concession	Zone	Hectares
010230704	28-R	COTABAMBAS 2004	18	200
010077493	28-R	MARIA CARMEN-1993	18	1000
010214793	28-R	MARIA CARMEN 1993-DOS-	18	700
010221295	28-R	MARIA CARMEN 1995	18	1000
010128796	28-R	MARIA CARMEN 1996	18	1000
010142696	28-R	MARIA CARMEN 1996 CUATRO	18	1000
010142496	28-R	MARIA CARMEN 1996 DOS	18	1000
010142596	28-R	MARIA CARMEN 1996 TRES	18	1000
010087098	28-R	MARIA CARMEN 98	18	1000
010086398	28-R	MARIA CARMEN 98 DOS	18	1000
010086898	28-R	MARIA CARMEN 98 UNO	18	1000

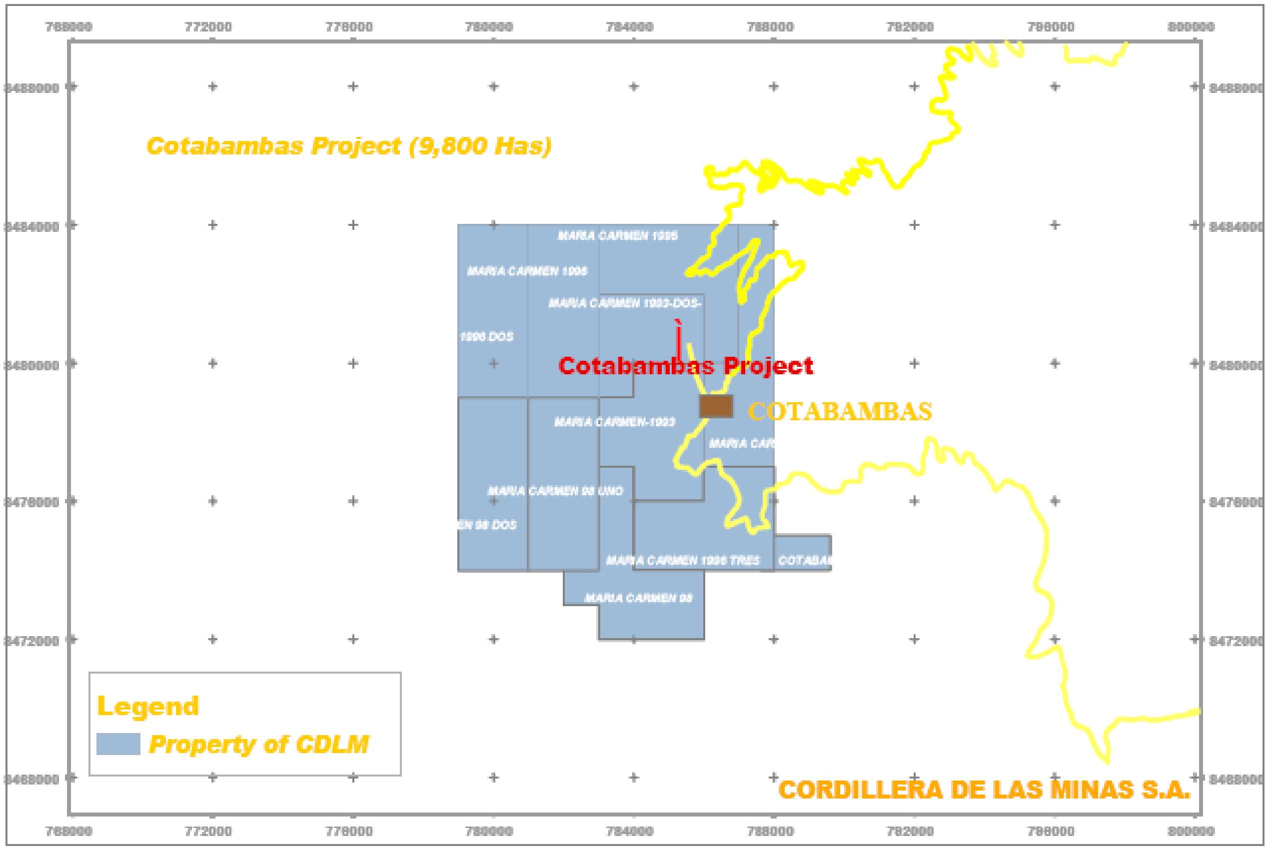


Figure 6: Map showing the Cotobambas concessions

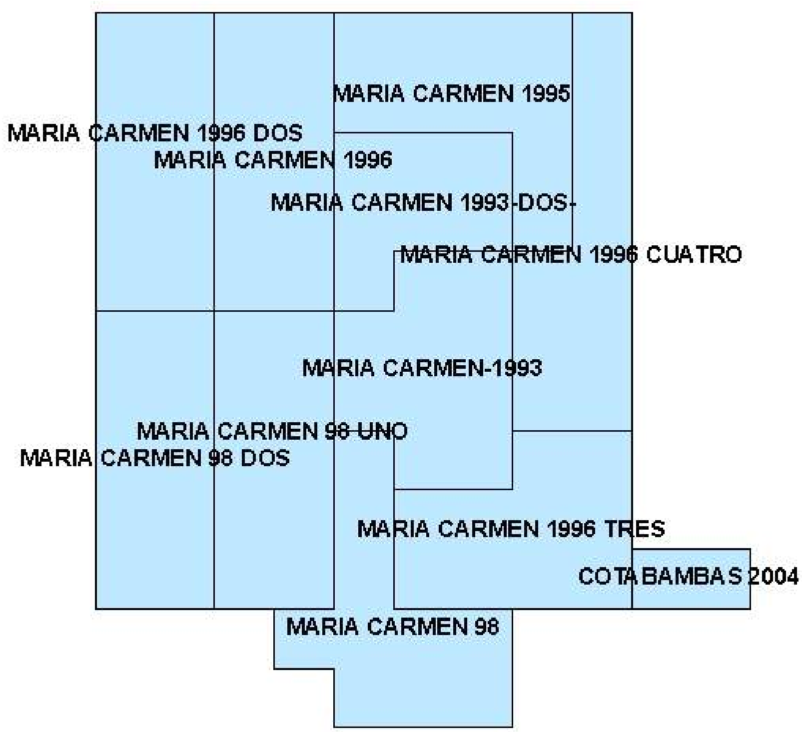


Figure 7: Detailed view of the Cotobambas concessions

5.2 Property Title

All concessions are registered in the name of CDLM. The annual rental for the year 2006 is payable on or before June 30, 2007. For further details see the separate Title Opinion by Dr. Enrique Uceda. SRK has not reviewed any documents relating to legal title of the properties. However, Panoro has in its possession all necessary documentation.

5.3 Accessibility, Climate, Infrastructure, Physiography

The Cotabambas Project is located between the rural communities of Ccalla and Ccochapata, in the district of Cotabambas. Access is from Cuzco by asphalt highway to Anta (32km) and then by all weather gravel road to the small town of Cotabambas (+ 100km), using the Huallpachaca bridge across the Apurimac River.

The area is characterized by a relatively moderate topographic relief, with deep canyons in its lower portions that contain the larger Rivers like the Apurimac and its principal tributaries such as the Ccalla, Pisonay and Duraznomayo. The region’s climate is of the moderate rainy type, characterized by dry winters and abundant rain from December to March. The average annual precipitation in the area is close to 1000 mm, with an average temperature of 13^{o} C. The vegetation is of a mountainous steppe type with subtropical humid mountain forests, consisting of small shrubs, scrub and scrublands of upper Andean grass. The original vegetation was modified and replaced by local agriculture and the planting of eucalyptus forests. (Perelló, 2001 Report)

5.4 History

Work on the Cotabambas project started with detailed geophysical, geochemical (soil and rock) and geological studies in 1995. The first diamond drilling campaign was carried out in 1996, followed by diamond drill programs in 1999, 2000 and 2003. By the end of the year 2000 program 24 core holes had been drilled with a total of 8537.85 meters (CB01 to CB24). These programs were carried out in the Ccalla_Cochapata, Azulccacca and Guacle sectors. The results of these campaigns were reported by Zarate (1996), C.Neyra (1995), Val d’Or (1996) and J. Perelló, C. Neyra and H. Posso (2001).

Exploration work was resumed in 2003. Initially three diamond drill holes were drilled in the Ccalla-Cotabambas sector (CB-25 to CB-28) based on 1996 geophysical surveys. Between July and August 2003 VDG del Peru (Val d’Or) carried out a further geophysical survey (10.5km of IP at 200m line spacing and 48.2km of magnetometric surveys) in the CCayrayoc sector. In addition 100 x 100m soil geochemical surveys were carried out in the Guacclle sector yielding high values in copper, molybdenum and gold. Three diamond drill holes (CB-31 to CB-33) were targeted on these results.

All together 9 diamond drill holes were completed in 2003 for a total of 3,251.65m.

In 2001 NCL Ingenierìa y Construcción S.A., a Chilean Consulting Firm, carried out an estimate of the mineral resources indicated by the drilling programs up to and including drill hole CB-24. The estimate was based on a Gemcom- based block model and applied geostatistical estimating techniques.

An independent estimate of the historical resources was carried out by SRK in September 2006, using the same data set as NCL in 2001. This is described in more detail in Section 5.15 below.

5.5 Geology of the Cotabambas Project

The geology of the Cotabambas project area has been described comprehensively in Special Publication 11, 2004 of the Society of Economic Geology: “Cotabambas: Late Eocene Porphyry Copper-Gold mineralization Southwest of Cuzco, Peru” by J. Perello, et al. The following are excerpts from this Paper:

“The Cotabambas porphyry cluster is dominated by two plutons of diorite and granodiorite, together with numerous dikes and stocks of andesite and microdiorite, all belonging to the Andahuaylas-Yauri batholith. Field evidence indicates that diorite is introduced by andesite and microdiorite and that both, in turn, are intruded by granodiorite (Perelló et al., 2002, 2003a; Fig.5).

Diorite is characteristically dark gray, with a fine- to medium-grained hypidiomorphic inequigranular texture made up of tabular calcic plagioclase and ferromagnesian minerals, defining an overall meso-cumulate texture. Biotite, hornblende, and subordinate augitic pyroxene are the main ferromagnesian components. Accessory minerals include apatite, titanite, and zircon. The unit also includes quartz diorite, tonalite, and monzodiorite, but these are not distinguished in the geologic map (Fig. 5). Microdiorite and andesite stocks and dikes are similar in composition to the main diorite pluton, but grain size and textures differ. Granodiorite is light gray and has a coarse-grained, slightly porphyritic texture with intermediate-composition plagioclase and large hornblende grains in a groundmass consisting mainly of quartz and K-feldspar. Monzogranite has also been identified.

All units described above constitute the country rocks to the porphyry systems. The Cotabambas cluster is composed of four main centers at Ccalla, Azulccacca, Huaclle, and Ccarayoc, plus smaller centers at Ccochapata Norte, Huaclle Este, and Ccalla Sur (Fig. 5). All centers are associated with structurally controlled, multiphase porphyritic intrusions of intermediate composition, with Ccalla and Azulccacca being the best known to date. Much of the description that follows is based on these two systems. “

Figure 8 shows a geological map of the Cotabambas deposit as shown in Perello, et al, 2003, and discussed above.

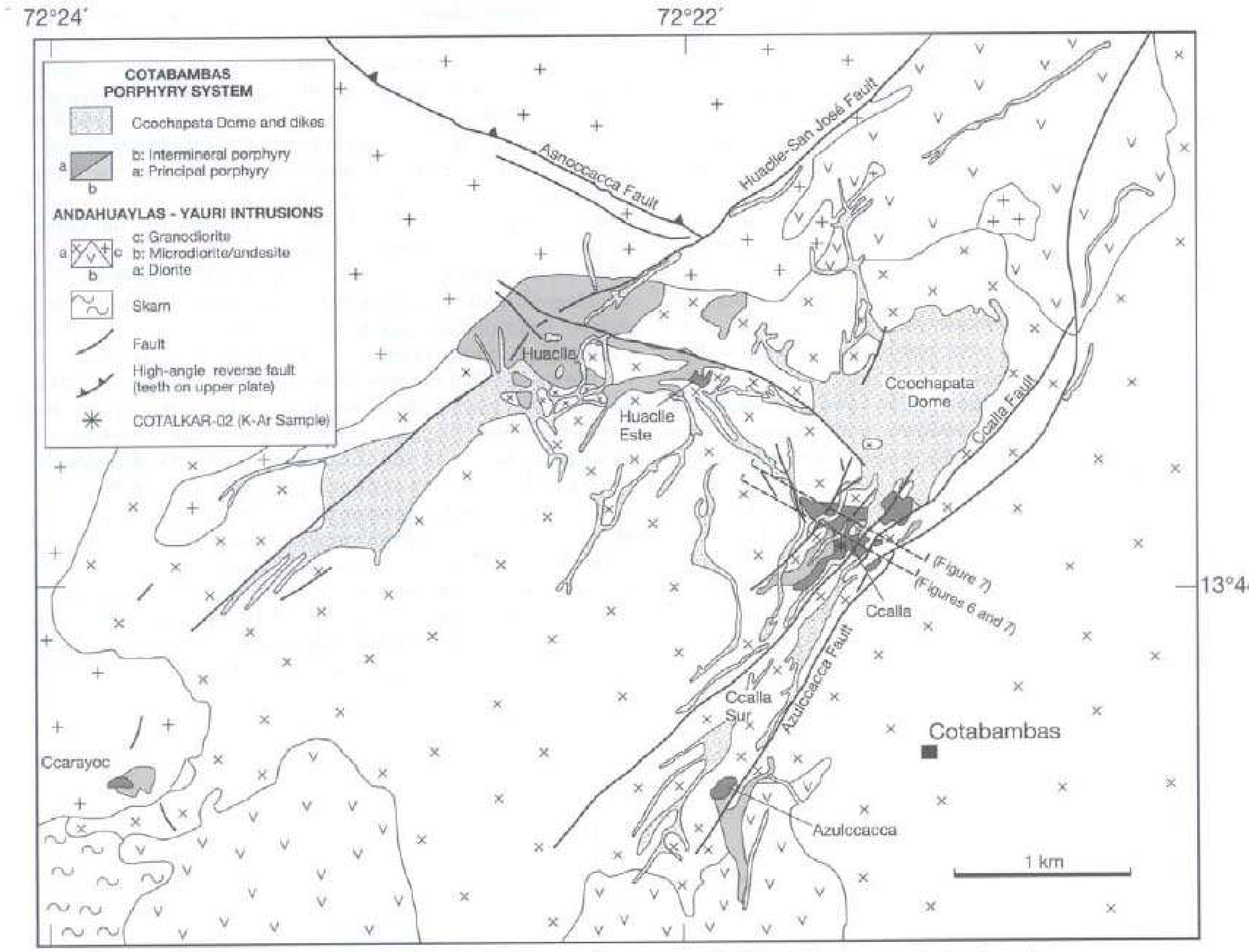


FIG. 5. Geologic map of the Cotabambas porphyry copper-gold cluster. Based on mapping by the authors.

(from J.Perello, V.Carlotto et al. 2003)

Figure 8: Geological map of the Cotabambas deposit setting

In the 2003 Year End Report by the staff of CDLM the lithology and structural geology of the Cotabambas copper–gold porphyry cluster is summarized as follows:

"The Cotabambas porphyry is a system with multiple pulses of smaller dikes and stocks distinguishing two principal phases, the Main Porphyry and the Late Porphyry. Both phases are located in diorite and are cut by a set of late dacitic dikes related to the Ccochapata Dome.

The diorite (x), presents a hypidiomorphic inequigranular texture of fine to medium grain, with abundant plagioclase calcic and ferromagnesian mineral accumulations. The ferromagnesian is dominated by biotite and amphibole (hornblend). Accessory mineralogy includes apatite, titanite and zircon.

The Main Porphyry (Xm) and Late Porphyry (Xl) are of similar texture and composition, differing in the intensity of their quartz veins (stockworks). The Main Porphyry presents a good multidirectional development of veins that are absent in the Late Porphyry bodies. Both are *characterized by presenting a porphyritic texture of medium to thick grain (phenocrysts of up to 2 cm) with abundant (30-35%) plagioclase phenocrysts and amphibole (hornblende) and biotite ferromagnesian, in amounts less than 10%, a fundamental felsitic mass composed by a fine aggregate of potassium feldspar and quartz with smaller amounts of ferromagnesian.*

Domes and dacitic dikes (Xp): the final stage of the Ccalla system includes a set of dacitic dikes that intrude in all the previous units. In general, they present porphyritic textures of medium to thick grain (phenocrysts of up to 1 cm) with pagioclase phenocrysts (35-40%), potassium feldspar (1-3%) and amphibole ferromagnesian (hornblende) and little biotite, that does not altogether exceed 5%. The fundamental mass is microfelsitic, with fine pilotaxitic texture with fluidity characteristics (Perelló, Internal report 2001).

The structure represented by the Ccalla, Azulccacca and Guaclle-San José faults of a general NE course and parallel bars moving to the gorges of the same name. This set of structures defines a corridor of about 200 to 600m of width, with individual structures of metre(s) width and kilometre scale runs (>6km) interlaced, with evidence of sinistral movement and, very locally, reactivations of inverse type with planes inclined toward the west. The dacitic composition (Xp) dikes seem to be located throughout NE faults.

5.6 Deposit Types

The principal deposit type in the Cotabambas area are copper-gold-(minor molybdenum) porphyry systems and rare skarns. Only the porphyry type is considered to be of economic interest at Cotabambas.

5.7 Alteration and Mineralization

Types of alteration and styles mineralization are also best summarized in the 2003 Year End Report of CDLM:

"In the scope of the Cotabambas porphyry, the potassium alteration is characterized mainly by the presence of potassium, biotite feldspar and quartz; the potassium alteration is presented in veins of millimetr to centimetre thickness.

The intermediate argillic alteration is characterized by an association of greenish tones with chlorite, illite, smectite and smaller amounts of soapy green sericite, epidote and calcite. Plagioclase typically presents replacement by calcite, sericite, illite and a bit of epidote, the amphibole and biotite preferably to chlorite, smectite, illite and green sericite are altered.

The sericitic alteration is characterized by an association of sericite and illite with abundant calcite and subordinate amounts of chlorite generally related to late dacitic dikes.

The propylitic alteration is distributed like a halo around all the previous associations and is characterized by an association, non-destructive of texture, rich in chlorite, epidote and calcite.

The mineralization of oxides is presented in the surface and is compound mainly of crisocola, malachite and neotocite, in association with goetitic limonite and to a lesser extent jarositic. The supergene mineralization consists of a thin, irregular blanket of rich secondary enrichment in calcosine. The hypogene mineralization is associated with a stockwork of type A, B and M veins in intimately related stable potassium alteration to the Main Porphyry bodies; the rand of stockwork intensity is typically from 3 to 4. The following types are observed, associated by biotite, potassium feldspar and/ or actinolite: 1) quartz-magnetite; 2) quartz-magnetite-chalcopyrite; 3) quartz-magnetite-chalcopyrite-bornite; 4) quartz-pyrite; 5) quartz-chalcopyrite-pyrite; 6) quartz-magnetite-chalcopyrite-pyrite; 7) hairline trails of chalcopyrite-bornite (Perelló. Internal Report 2001)

CCalla-Cotabambas sector: The mineralization found in the adamantine drill holes, specifically in the CB-25 mineralized porphyry drill hole, consists of: in the first sections oxides (hematine, limonite and jarosite) and supergene alteration, in depth the hypogene sulfides are constituted by veins of quartz type stockwork intensity 3-4 (veins A and B) and the predominant alteration is potassium biotitic associated with chalcopyrite-pyrite-magnetite-weak bornite.

Ccayrayoc Sector: the oxidation is weak in this sector, observing sporadic weak copper oxides and limonite-hematite, the hypogene mineralization is constituted by sporadic quartz veins (intensity < 1, > veins B and D) associated with weak chalcopyrite-pyrite-magnetite, very weak potassium alteration and greater sericite-propilite alteration.

Guacclle Sector: the hypogene mineralization in the porphyry constitutes sporadic quartz veins (B type), associated with weak chalcopyrite-pyrite-magnetite, with weak potassium alteration and moderate sericitic and propilitic alteration; in the Skarn the mineralization is constituted by veinlets and weak dissemination of pyrite-chalcopyrite and magnetite.

5.8 Exploration

As described in section 5.4, exploration on the project has been carried out in several phases and campaigns using a multitude of exploration methods and techniques. The last intensive phase of exploration work was carried out in 2003. Results of earlier geophysical surveys by Val d'Or in 1996 in the Ccalla sector were used in 2003 to locate four diamond drill holes (CB-25 to CB28).

Further geophysical surveys were carried out by VDG del Per SAC in the Ccayrayoc sector consisting of 10.5km of IP and 48.2km of magnetometric surveys. Apparent chargeability values of between 5.0 and 21.00 mV/V were obtained. Rock geochemical sampling of a trench in this sector yielded anomalous values of 1000 to 2500 ppm.

In the Guacclle sector a 100m x 100m mesh soil grid had been sampled 1996 which yielded highly anomalous values in copper, gold and molybdenum. These results were the basis for targeting diamond drill holes CB-31 to CB-33) in 2003.

Figures 9 and 10 provide detailed information on the geology and distribution of the drill holes in the Ccalla and Azulccacca sectors of the Cotabambas porphyry cluster.

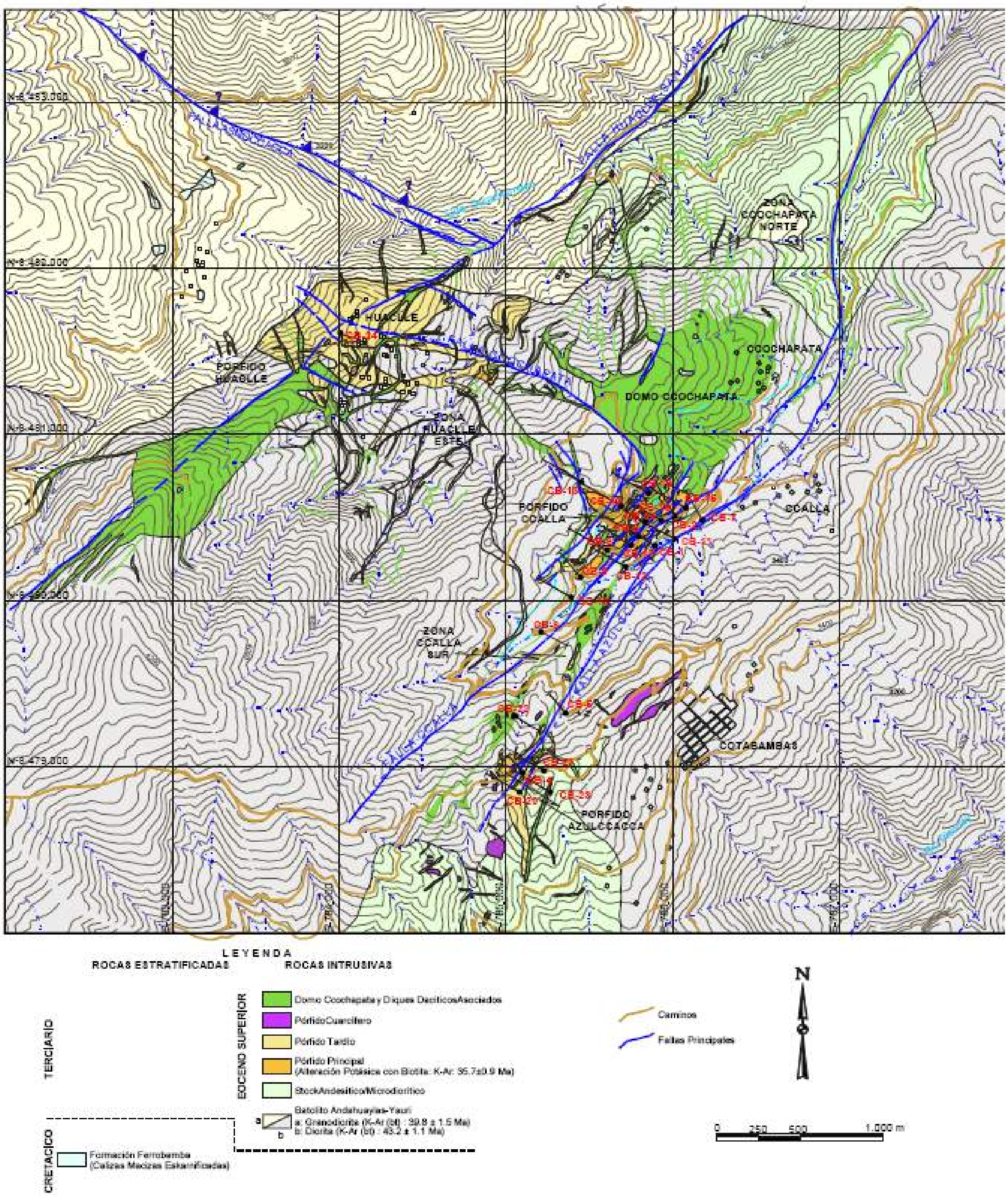


Figure 9: Geology of the Cotabambas Project below the quarternary cover

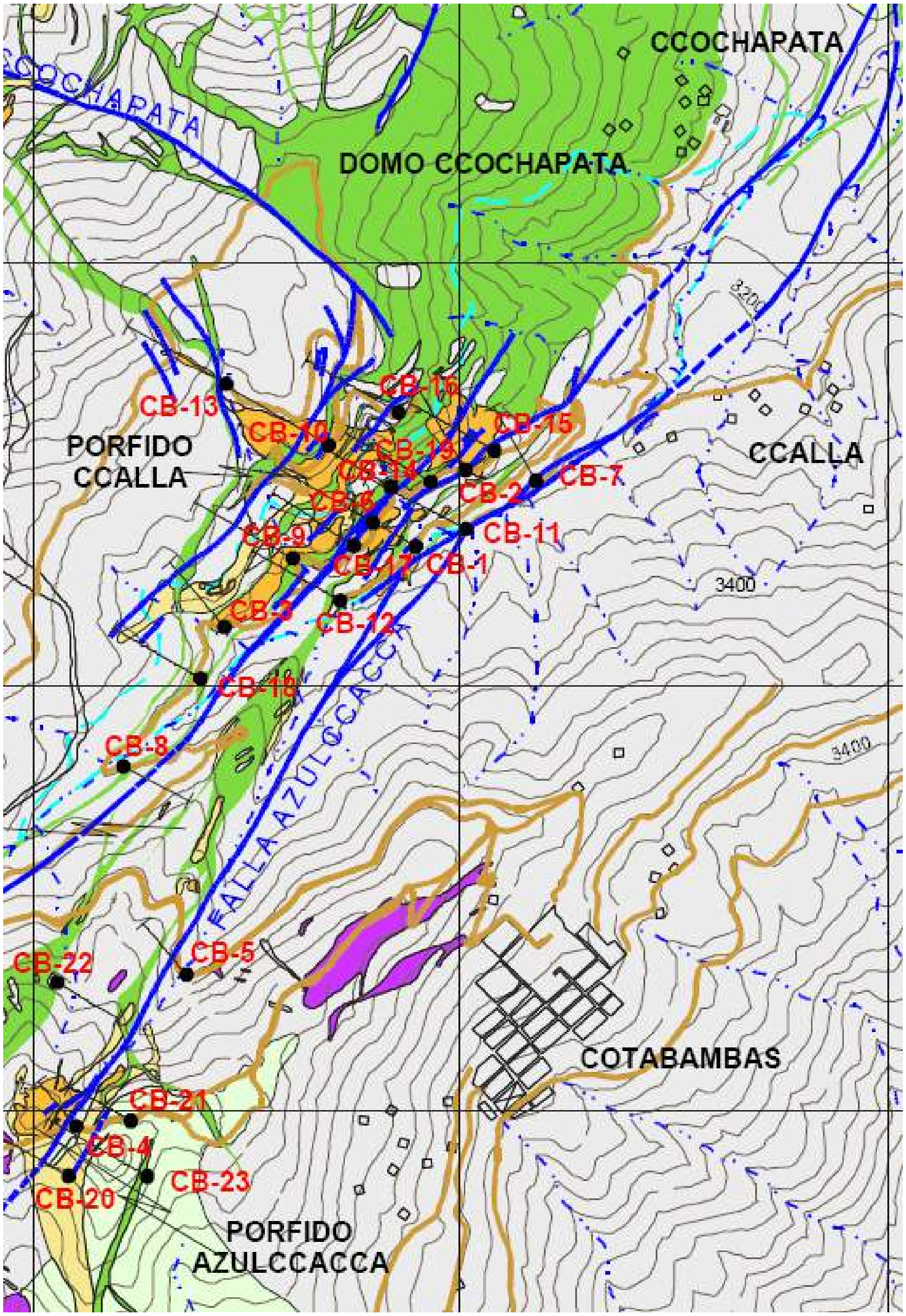


Figure 10: Detailed geological map showing location of Cotabambas drill holes

5.9 Drilling

The main drilling campaigns took place in 1996, 1998 to 2000 and in 2003. All drilling operations were in the form of diamond core holes. Until the year 2000 24 drill holes had been completed for a total of 8,537.85m. An additional 9 drill holes completed in 2003 (CB-25 to CB-33) added 3,251.65m to the data base. All resource estimates, however, have been based on the first 24 drill holes.

Table 9 contains collar coordinates, depth, azimuth and dip at the collar of all drill holes and the year that each hole was drilled:

Table 9: Locations of the Cotabambas drill holes

Drillhole	UTM-East	UTM-North	Collar-El.M	Depth M	Azimuth	Dip	Yr Drilled
CB-1	785895	8480331	3289	400.00	300	60	1996
CB-2	786011	8480511	3336	337.00	330	45	1996
CB-3	785447	8480141	3388	300.00	320	45	1996
CB-4	785100	8478964	3729	300.00	320	50	1996
CB-5	785358	8479323	3542	250.00	320	45	1996
CB-6	785795	8480387	3365	400.00	300	45	1996
CB-7	786177	8480486	3248	401.00	330	60	1998
CB-8	785210	8479813	3425	269.90	118	50	1998
CB-9	785607	8480303	3379	403.30	300	45	1998
CB-10	785691	8480570	3482	433.90	300	45	1998
CB-11	786012	8480372	3266	405.85	300	45	1998
CB-12	785718	8480203	3335	379.95	300	50	1998
CB-13	785451	8480714	3531	396.05	300	45	1998
CB-14	785837	8480472	3360	271.85	300	45	1998
CB-15	786079	8480557	3326	353.90	300	45	1998
CB-16	785855	8480646	3456	400.10	300	45	1998
CB-17	785750	8480333	3373	356.15	300	45	1998
CB-18	785391	8480020	3399	400.00	300	45	1998
CB-19	785930	8480484	3348	377.95	300	45	1998
CB-20	785082	8478848	3701	373.95	300	50	1999
CB-21	785228	8478978	3721	397.00	300	60	1999
CB-22	785056	8479304	3612	300.00	120	50	1999
CB-23	785266	8478847	3701	470.00	300	50	1999
CB-24	784007	8481613	3461	160.00	195	50	1999
CB-25	786050	8480240	3280	512.40	300	60	2003
CB-26	785050	8479650	3480	304.80	300	60	2003
CB-27	786375	8480531	3240	400.00	300	70	2003
CB-28	785556	8479995	3350	328.25	120	75	2003
CB-29	781703	8479155	4060	363.30	210	60	2003
CB-30	781703	8479155	4060	348.50	85	50	2003
CB-31	784145	8481400	3800	353.20	80	65	2003
CB-32	783713	8481570	3385	271.95	90	50	2003
CB-33	784732	8481450	3250	349.50	120	45	2003

Azimuth and dip were set at the collar with a Brunton Compass. Down the hole surveys were carried out in all holes with an Eastman instrument to hole CB – 24, with the exception of CB -20 and CB-21 which were tested by acid tube, or with a Sperry sun instrument in holes CB-25 to CB – 33. The holes showed a general tendency towards steeper dips with depth. Down hole survey data were incorporated in the database for the block models.

5.10 Sampling Methods, Core Logging and Approach

During the visit to Cotabambas in August of 2006 the senior author of this report Christopher Lee, P. Geo. reviewed the sampling and core logging procedures applied by the staff of CDLM.

Drill core from holes CB-10, CB-23 and CB-25 were examined in conjunction with the geology logs and assay data. The geology logs are of excellent quality and include graphical illustrations of lithological contacts, vein patterns and density, and other described features.

Core was generally sampled at 2 metre intervals regardless of lithology or intensity of mineralization. This locally results in dilution of the grades where samples overlap contacts with 'barren' dykes (e.g. 'XP'). Since these 'barren' dykes are treated with hard boundaries in the resource model, this sampling strategy results in a loss of estimated metal content in these areas.

The data and results from CB-25 were not included in any of the resource estimates carried out by NCI, CDLM or SRK.

5.11 Sample Preparation, Analysis and Security

The sampling procedure involves the following steps: (i) marking of the sample intervals by the geologist logging the core, as it sits in the wooden core boxes retrieved from the drill site, (ii) a geology technician splits the core with a diamond saw, and places half the core into pre-prepared, numbered sample bags, and moves the remaining half core, along with the driller's blocks, into new plastic core boxes, (iii) the wooden core boxes are returned to the drill to retrieve subsequent batches of core, and (iv) plastic core boxes are moved into storage.

Three sampled intervals in hole CB-25, with recorded grades between 0.4-0.7% Cu (Samples 61504, 61529, 61531), had no obvious expression of mineralization in the core. These intervals are all from the same batch shipment, and are believed to have been inadvertently mixed up during the sampling process, described above. While the three samples are all from the same shipment, no identifiable pattern of mixing of the sample order could be identified to correct the error, and it is unknown to what extent this type of error occurred. It is recommended that a check assay program be implemented on all of the core (i.e. re-assay random ~10% of each drill hole) to ensure that this type of error is not widespread.

5.12 Data Verification

Approximately 500 assays in the Cotabambas drill hole database were checked against their original assay certificates in the data room. No errors were found; however, this type of data verification cannot detect sampling mix-ups such as those described above.

Drillhole collar surveys for CB-1 to CB-6 in the Gemcom database were checked against the original hardcopy survey report. No errors were found.

CDLM reportedly implemented regular QC checks on their data during analysis, including 3 duplicates and 1 Cu and Au standard in every assay batch (C. Neyra, pers. comm.); however, no QAQC data for Cotabambas were available at the time of writing, and no comment can therefore be made on the QAQC program.

5.13 Adjacent Properties

A review of the government claim map for the Cotabambas area indicates that the Cotabambas concessions are not directly adjoined by any other concessions. However a large block of multiple concessions is located 1.2km to the west of the western boundary of the Cotabambas block. This block extends for about 4km EW and 5km NS and belongs to Minera del Suroeste SA (Southwestern). 5km to the north of the Cotabambas block is the Morosayhuas property of CDLM, described in Section 8. of this report. Smaller claim blocks (formerly) belonging to CDLM lie to the southeast of the Cotabambas block. A larger block of Minera Empresa del Peru SA starts about 5.3km to the south of the Cotabambas block.

5.14 Mineral Processing and Metallurgical Testing

There have been no reports of metallurgical testing at the Cotabambas project. However, considering the simple and common mineralogy and styles of mineralization, no difficulties with standard concentration method such as flotation are anticipated.

5.15 Mineral Resource Estimates

The first historical estimate of the mineral resources at the Cotabambas porphyry cluster were carried out by Hector Flores of Anaconda Chile in September 1999 after the second drilling phase on the Ccalla sector only. This was also the first geostatistical estimate of the resources at Cotabambas.

A sectional resource estimate was carried out by J. Perello, H.Posso and C.Neyra in February 2001. This was followed by a second geostatistical resource estimate by the Chilean engineering firm NCL Ingeneria y Construccion SA (NCL). Neither of these estimates are compliant with the guidelines set forth in NI 43-101. The latter estimate, covering both the Ccalla and Azulccacca sectors used the information and data from diamond drill holes CB-1 to CB-24. The estimate was based on a block model after the data had been entered into a Gemcom database. This database was used by SRK in September 2005 to develop a modified block model, geological and geostatistical parameters of its own to carry out an independent estimation of the target resources and to compare the results with the projections of NCL.

The following is a description of the estimate carried out by SRK, including a comparison with the projections made by NCL:

5.15.1 Cotabambas Resource Validation

Geology

The Cotabambas deposit consists of Cu-Au stockwork veins hosted by a suite porphyritic granodiorite dykes in a large, porphyritic diorite pluton. The deposit is spread over 3 main centers: Ccalla, Azulccacca and Guacclle, but the existing resource model covers only the first two areas. These two areas occur at either end of a NE trending corridor (~2 x 0.5km) defined by an anastomosing network of sub-vertical dykes, ranging in thickness from 10-100 metres. Cu-Au stockwork veinlets and associated mineralization are largely confined to the ‘Pórfido Principal’. This unit, and its contained stockwork mineralization, is interpreted to have been cut by two subsequent porphyritic intrusions: ‘XL’ and ‘XP’, although both units contain varying degrees of Cu mineralization. The host diorite is also locally well-mineralized in the vicinity of the Pórfido Principal.

Chalcopyrite is the primary ore mineral in the dominant sulphide zone. It occurs in association with pyrite as disseminated grains and in narrow quartz stockwork veinlets, and is partially to completely replaced by chalcocite in an upper oxide zone at surface. The oxide zone ranges in thickness from 0-200 metres.

Geology Model

The geology model was constructed using 24 drillholes (8,530 metres); 4 at Azulccacca, 16 at Ccalla, and 4 in the intervening corridor between the two areas, and comprises 6 principal units (XM, XL, XP, Delta, DeltaM and Diorite), and their oxidized equivalents.

The geology is interpreted using polylines to define each unit on a section by section basis (3 sections at Azulccacca, 12 sections at Ccalla). The complexity of the dyke network makes it very difficult to confidently correlate individual units between sections, so individual sectional polylines were extruded perpendicular to the sections to form geology solids (Figure 11). Polyline extrusions range from 50 to 300 metres depending on the drillhole spacing. This style of geology model obviously carries a significant degree of uncertainty, and changes dramatically from section to section (Figure 12). Using the same limited dataset, this model could be changed significantly, by assigning a greater or lesser volume to the principal ore-bearing units, and because the mineralization is so strongly lithologically dependent, any significant changes in the model would be expected to have a commensurate impact on the resource estimate. The principal ore bearing unit (XM) accounts for approximately 30% of the main porphyry units (XM+XL+XP) found in core; however, in the current geology model, it amounts to only 16% (by volume) of the same units. While the correlation between the proportion of core and the relative volume of interpreted geology solids is strongly influenced by the geometry of the units and the relative drillhole distribution, there is a chance that the XM unit may be somewhat under-represented by the current model, and the current resource estimate may be similarly conservative. It is recommended that any future estimates should be based on a revised geological model that attempts to delineate greater geological continuity between sections.

In the existing geological interpretation, the XL porphyry unit is interpreted as a late- to post-mineral phase, with minor to negligible mineralization, and the XP unit is post-mineral and barren. Outcrops and core observed by SRK during the site visit confirmed the sharp contacts between XP and other units, and its predominantly barren appearance. The XL unit, on the other hand, is difficult to distinguish from XM purely on the basis of the host material, and no obvious intrusive contacts were observed. It is possible that CDLM geologists were making the distinction purely on the basis of their relative degrees of mineralization. Nevertheless, geostatistical comparisons between the two units support their treatment as independent mineralized domains.

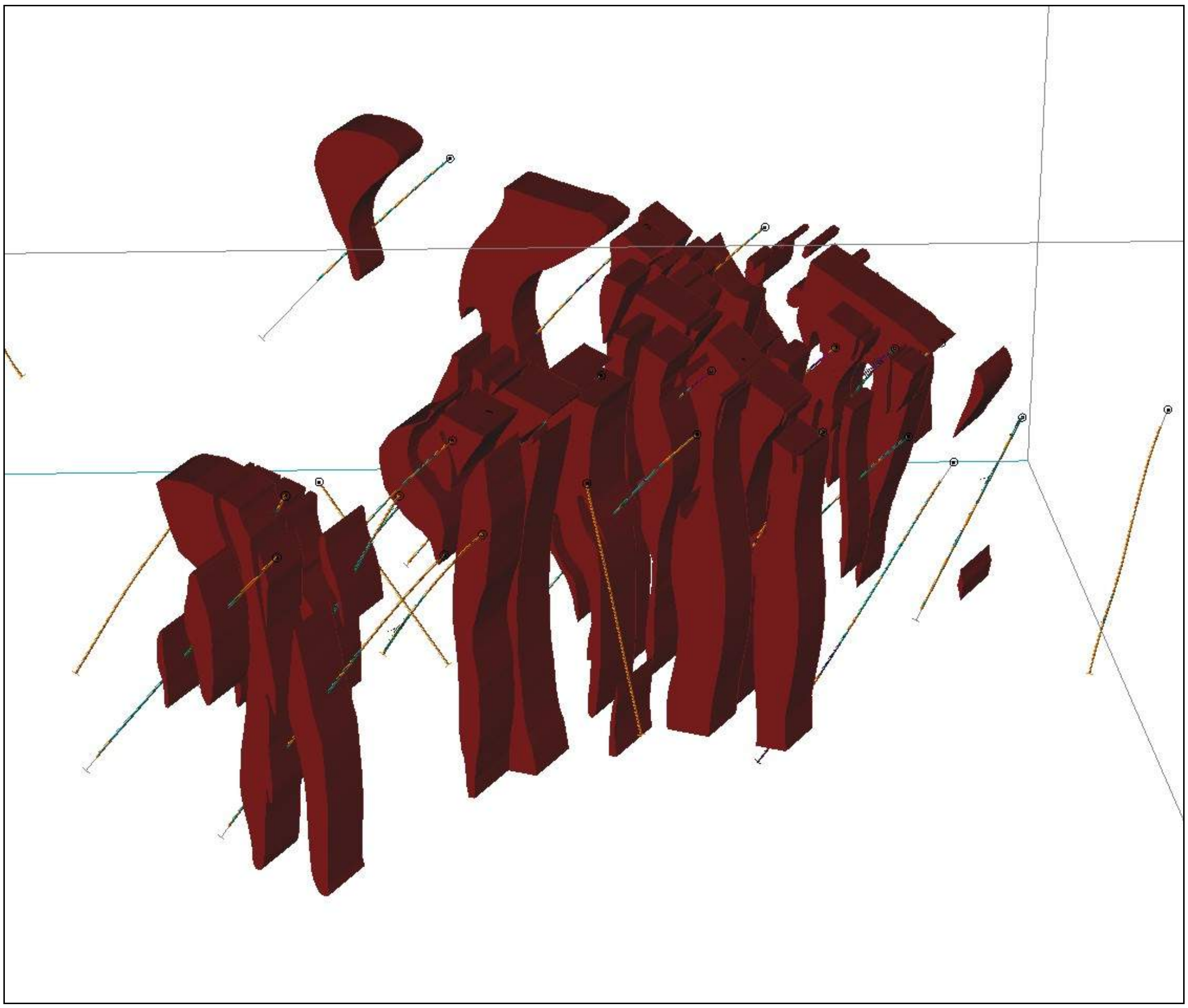


Figure 11: 3D view of the pórfido principal (XM) interpretation, looking north

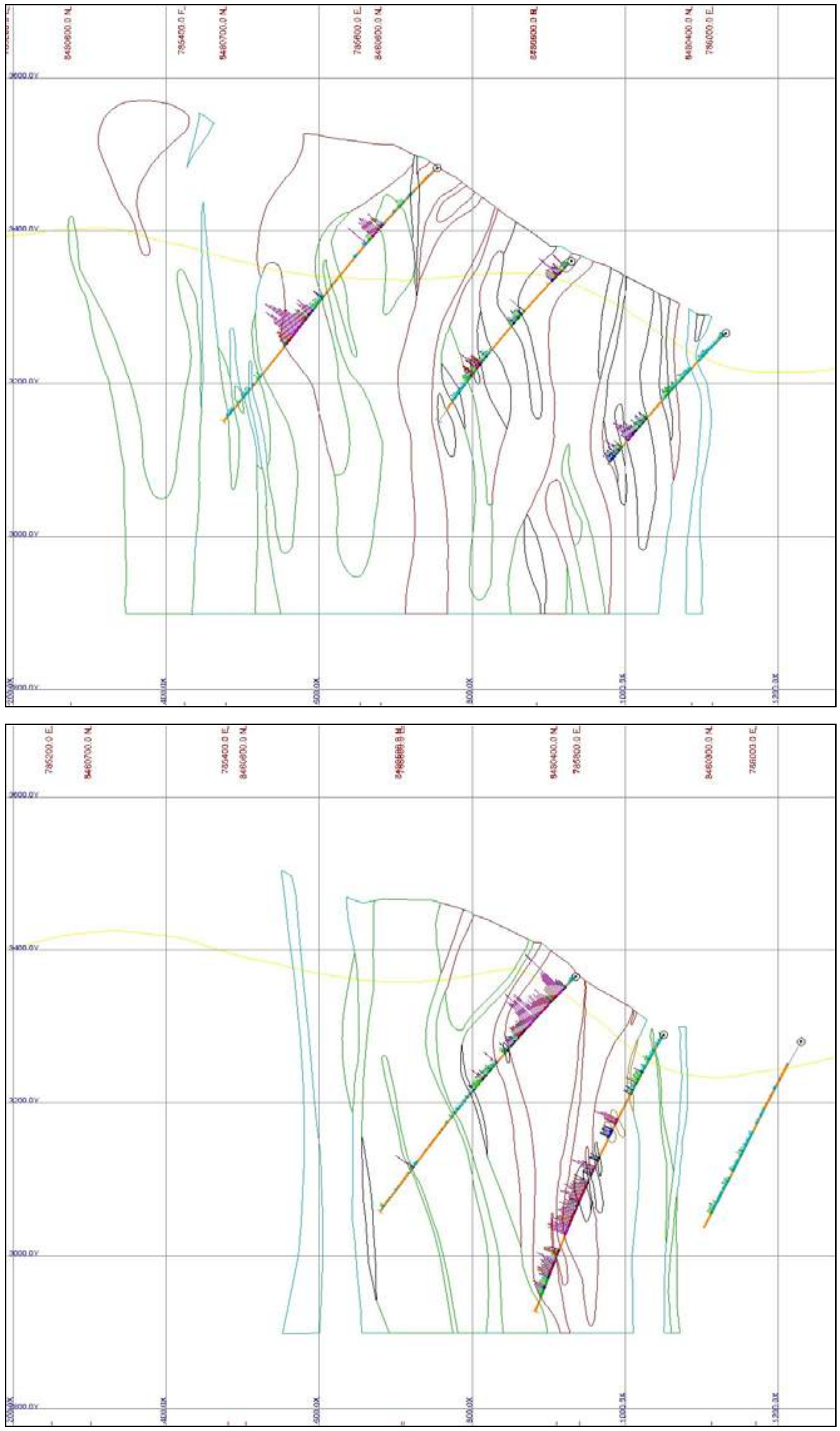


Figure 12: Adjacent sections from the Ccalla area, showing all units in the Cotabambas resource model. Yellow line shows limit of oxidized zone.

The geological model includes a separate zone for the oxidized, near surface material, which accounts for approximately 10% of the volume of the geology solids.

The most recent drillhole at Cotabambas, CB-25, contains three significant intercepts that occur outside of the current geology model and block model. The hole bottoms in high grade mineralization below mineralized material in the block model above (Figure 12). This hole was not used in either the NCL or SRK estimates, but demonstrates greater depth potential than that which is incorporated by the current model. Cu and Au assays within broad mineralized intervals crossed by drill holes shown in Figure 13 are presented in Appendix A.

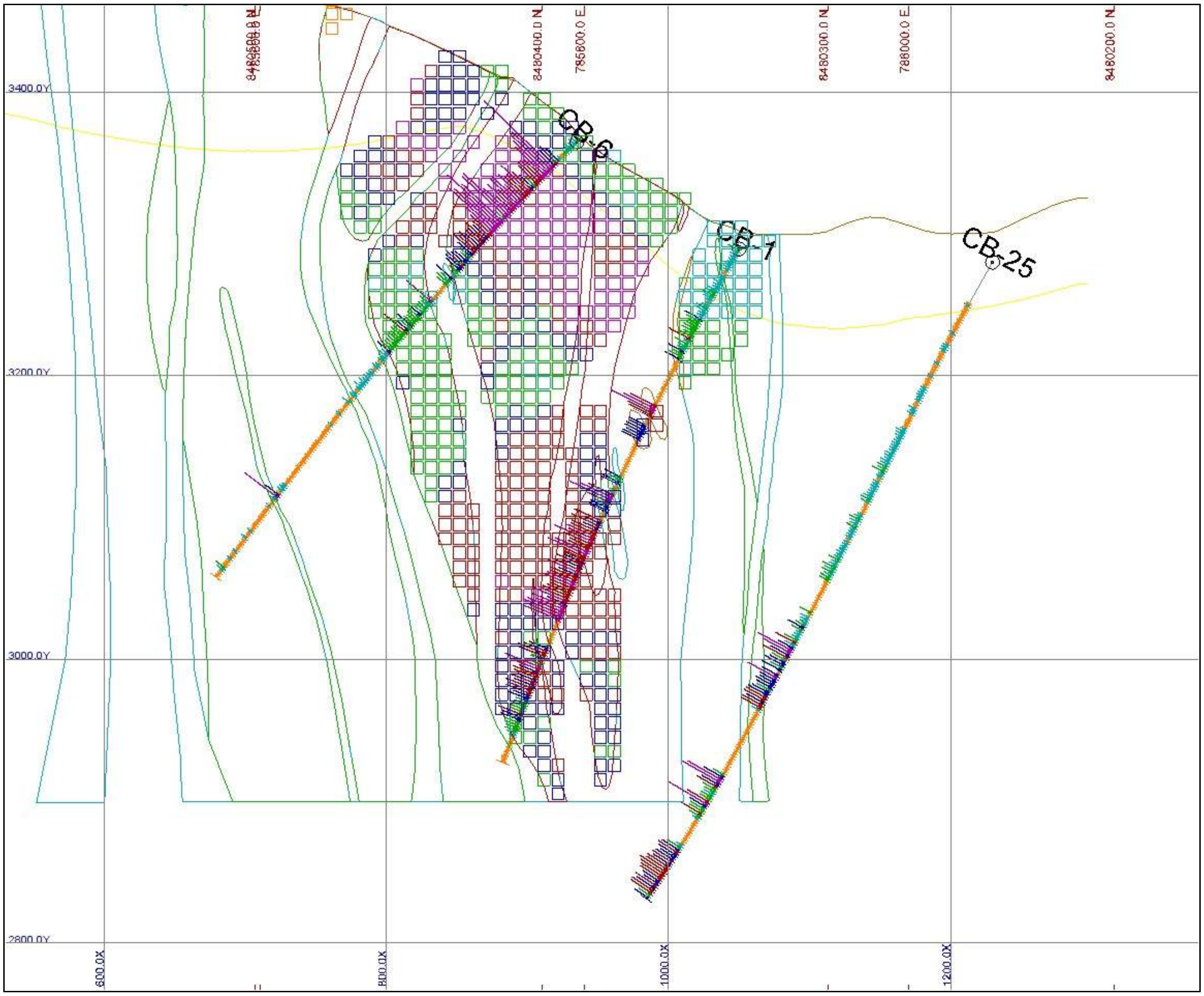


Figure 13: Cross-section through drillholes CB-1, -6, and -25, showing drillhole grades against the NCL resource block model

Block Model Validation

NCL's block model comprises 2,485,200 blocks with dimensions of 10x10x10 metres, extending from 2850 to 3850 metres in elevation. The model is rotated 29.5 degrees in a clockwise direction in order to align with the dominant structural trend of the deposit.

SRK conducted the following validation exercises on the NCL block model:

- Comparison of local “well-informed” block grades with composites contained within those blocks.
- Comparison of average assay grades with average block estimates along different directions – swath plots.
- Comparison of block grades with composites.

Figure 14 shows a comparison of the local “well-informed” Cu estimated block grades with composites contained within those blocks, for the two principal mineralized units. The thick white line that runs through the middle of the cloud is the result of a piece-wise linear regression smoother. The smoother the estimates, the more the thick white line will deviate from the x=y line. On average, the estimated block grades are similar to the composite assays. In addition, there is a high correlation between the estimated block grades and their neighbouring composites, suggesting a strong influence of the nearest composite grades on the block estimates. Very similar results can be shown for the Au estimates (see Figure 15).

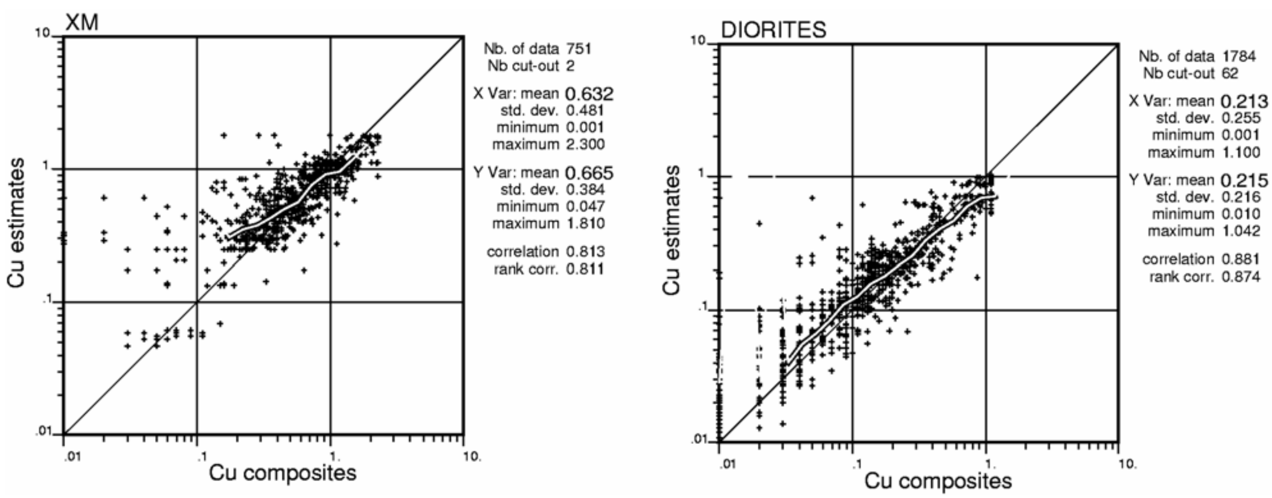


Figure 14: Comparison of Cu block estimates with composite assays in XM and Diorite domains

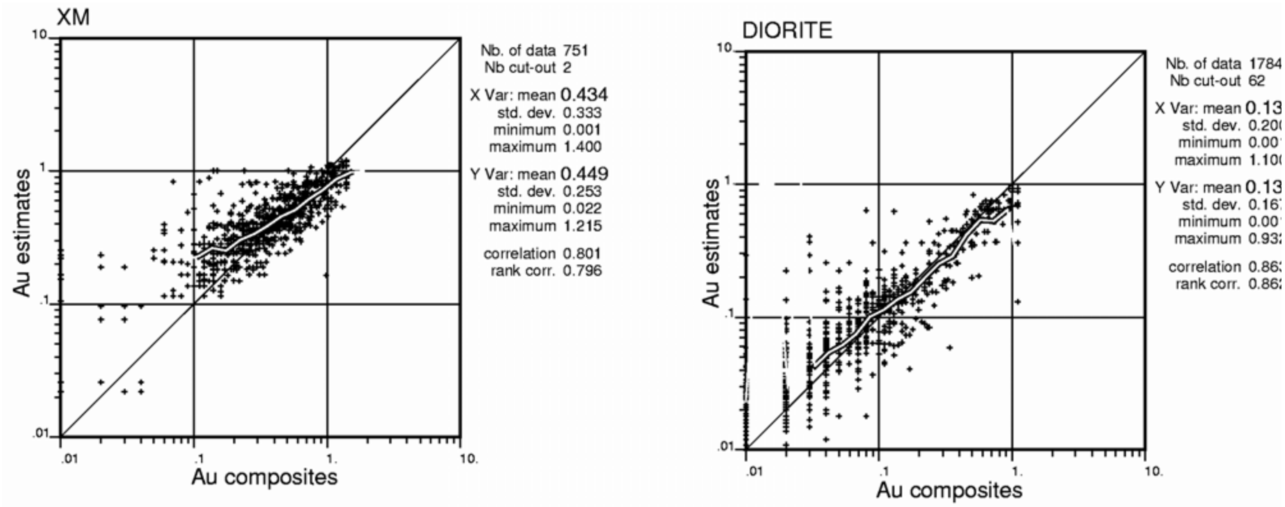


Figure 15: Comparison of Au block estimates with composite assays in XM and Diorite domains

Swath plots

The next check involved calculating declustered average assay grades of the composites and comparing them with the average block estimates along east-west, north-south, and horizontal oriented swaths. As shown in Figure 16, the average Cu composite assay grades and the average Cu estimated block grades are quite similar, although some deviations are locally apparent. Similar behaviour is shown for Au in Figure 17.

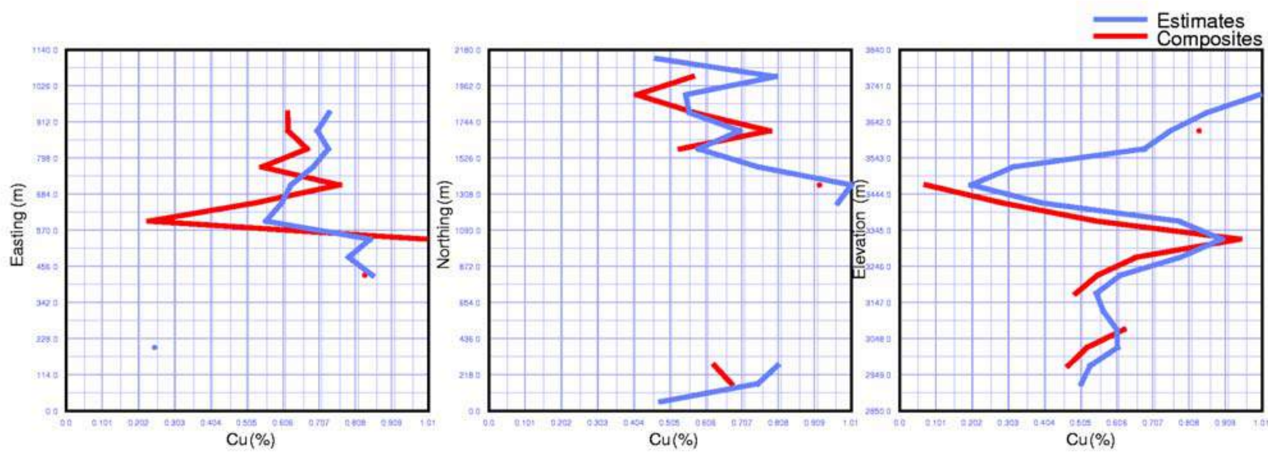


Figure 16: Declustered average Cu composite grades compared to Cu block estimates in the XM unit

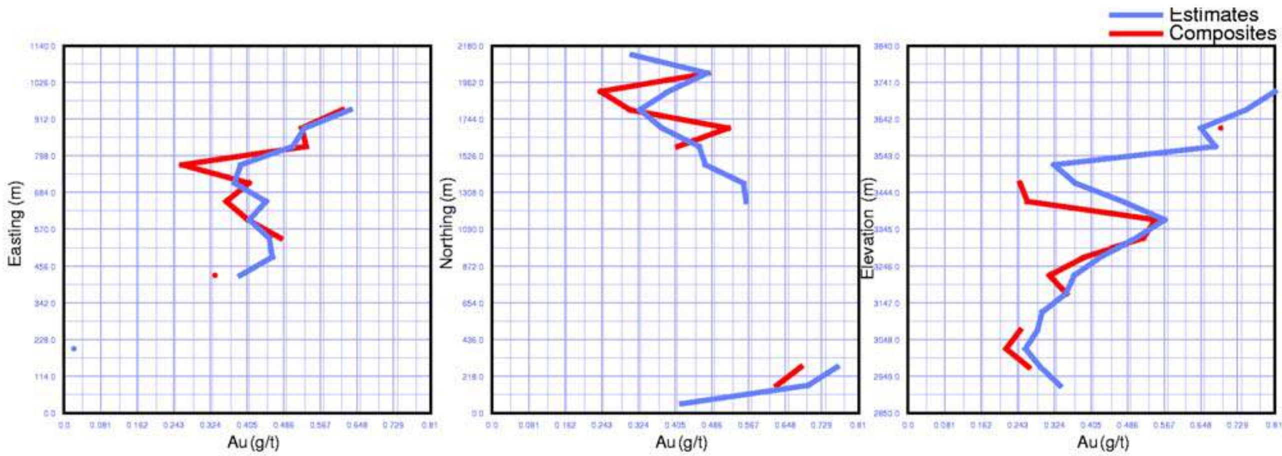


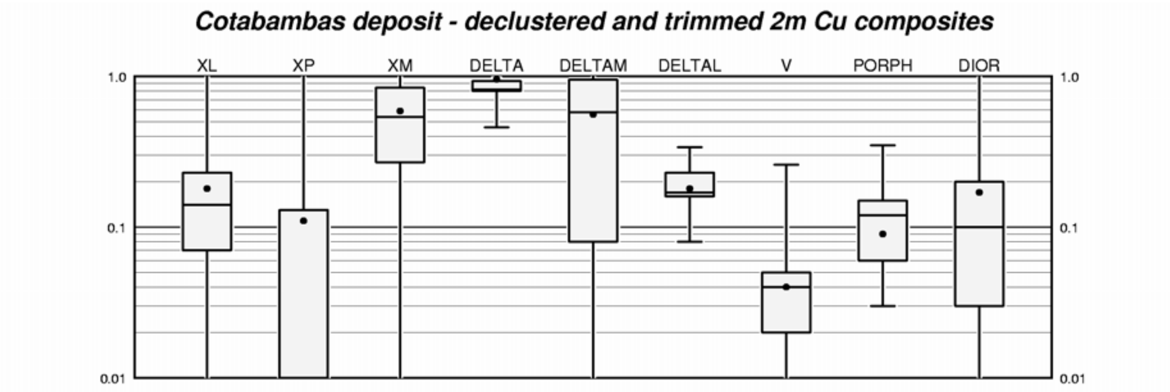
Figure 17: Declustered average Au composite grades compared to Au block estimates in the XM unit

5.15.2 SRK Resource Estimate at Cotabambas

The Cotabambas block model was re-estimated using the same data, block model and geological solids in order to compare the impact of altering certain parameters described herein. While still based on a poor geological model (i.e. extruded polyline sections), we are presenting this estimate as an indication of the potential upside that results from the use of, in SRK's opinion, more appropriate parameters.

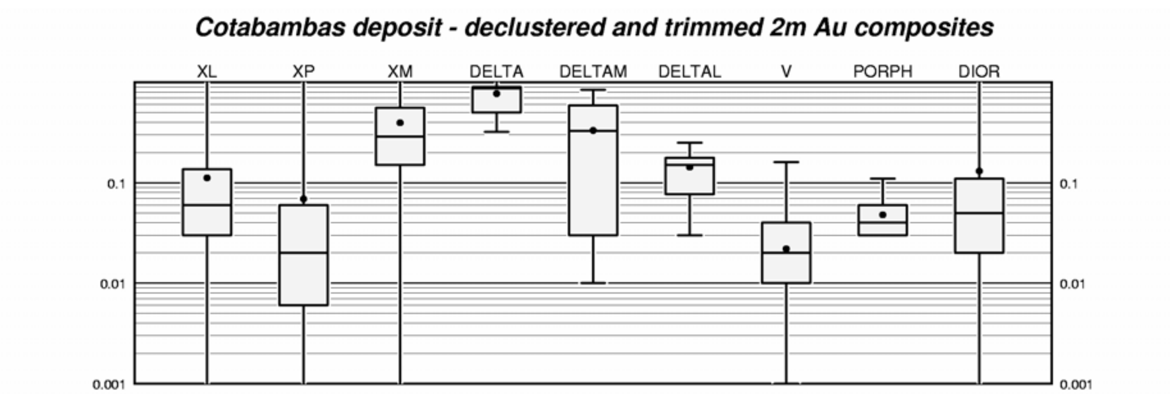
Data statistics

Figure 18 and Figure 19 show the basic statistics of declustered Cu and Au data in all of the NCL geological domains. Note that while the XL and XP units are considered to be late- to post-mineral and low grade to barren, they both contain some high grade material (>1% Cu) and average grades above 0.1% Cu. While it is unclear why this might be (entrained xenoliths of mineralized material, or incorrect litho coding in the geology logs), these units comprise a large component of the data and we felt they should be included in the estimate.



	XL	XP	XM	DELTA	DELTAM	DELTAL	V	PORPH	DIOR	
Number of data	643	800	738	16	34	12	108	20	1963	Number of data
Mean	0.18	0.11	0.59	0.96	0.56	0.18	0.04	0.09	0.17	Mean
Std. Dev.	0.18	0.21	0.44	0.32	0.41	0.06	0.02	0.06	0.23	Std. Dev.
Coef. of Var.	0.98	1.97	0.74	0.33	0.73	0.36	0.63	0.73	1.31	Coef. of Var.
Maximum	1.37	1.99	2.3	1.82	1.61	0.34	0.26	0.35	2.17	Maximum
Upper quartile	0.23	0.13	0.84	0.93	0.95	0.23	0.05	0.15	0.2	Upper quartile
Median	0.14	0.01	0.54	0.82	0.58	0.17	0.04	0.12	0.1	Median
Lower quartile	0.07	0.0	0.27	0.8	0.08	0.16	0.02	0.06	0.03	Lower quartile
Minimum	0.0	0.0	0.0	0.46	0.0	0.08	0.0	0.03	0.0	Minimum

Figure 18: Cu statistics of 2m composite grades



	XL	XP	XM	DELTA	DELTAM	DELTAL	V	PORPH	DIOR	
Number of data	644	802	740	16	34	12	108	20	1969	Number of data
Mean	0.112	0.069	0.396	0.774	0.332	0.143	0.022	0.048	0.131	Mean
Std. Dev.	0.143	0.153	0.322	0.226	0.284	0.065	0.018	0.022	0.231	Std. Dev.
Coef. of Var.	1.273	2.206	0.813	0.291	0.856	0.453	0.846	0.461	1.761	Coef. of Var.
Maximum	1.4	1.31	1.4	1.18	0.84	0.25	0.16	0.11	1.4	Maximum
Upper quartile	0.136	0.06	0.56	0.902	0.587	0.178	0.04	0.06	0.11	Upper quartile
Median	0.06	0.02	0.29	0.868	0.33	0.151	0.02	0.04	0.05	Median
Lower quartile	0.03	0.006	0.15	0.5	0.03	0.077	0.01	0.03	0.02	Lower quartile
Minimum	0.0	0.0	0.0	0.32	0.01	0.03	0.001	0.03	0.0	Minimum

Figure 19: Au statistics of 2m composite grades

SRK's estimation was conducted by ordinary kriging in the XM, XL, XP, Delta, DeltaM, and Diorite domains. Based on the low assay grades in the XL and the XP domains NCL chose to exclude these domains from their estimation.

Variography

A significant difference between SRK's variogram models and those of NCL is that the SRK models are anisotropic, as opposed to isotropic. Given the obvious tabular dimensions of the dykes and their strong northeast-trending, vertical attitude, SRK believes this anisotropy should be reflected in the estimation.

Separate variogram models were designed for Cu and Au and the two dominant lithological domains, XM and Diorite (Table 10 and Table 11). All other domains (i.e. XL, XP, Delta, and DeltaM) have been assigned the same variogram model parameters as the XM domain.

Table 10: Cu variogram models

Domain	Nugget effect C_0	Sill	C_1	Rotations			Ranges $a_{1,}a_2$		
				around Z	around X	around Y	X	Y	Z
XM	0.3		0.70	30	0	0	45	90	70
Diorite	0.2		0.80	30	45	0	50	180	100

Table 11: Au variogram models

Domain	Nugget effect C_0	Sill	C_1	Rotations			Ranges $a_{1,}a_2$		
				around Z	around X	around Y	X	Y	Z
XM	0.2		0.80	30	0	0	35	70	50
Diorite	0.25		0.75	30	45	0	40	170	60

Estimates

Table 12 presents the estimation parameters used to estimate resources at Cotabambas. Search radii were designed large enough to estimate blocks between drill holes that may on section be more than 200m apart. The calculated resources are strongly dependent on the magnitude of the search radii. For example, if the major search radius is increased from 150m to 180m, the estimated Cu content at a 0.3% cut-off is increased by 6%.

Table 12: Estimation Parameters

Parameters	Cu XM	Au XM	Cu Porph	Au Porp
Major search radius (m)	150	150	150	150
Semi-major horizontal search radius (m)	75	75	42	42
Vertical search radius (m)	115	115	85	85
Min data	2	2	2	2
Max data	16	16	16	16
Maximum number of samples per dh	4	4	4	4
Minimum number of holes	1	1	1	1

Soft boundaries were used between the XM, Delta, DeltaM, and Diorite domains; whereas, the XL and XP domains were estimated with hard boundaries due to predominantly sharp drops in grade across these boundaries. Hard boundaries were also applied between the oxide and the sulphide zones.

The SRK and NCL estimates are shown in Table 13 and Table 14. At a 0.3% cut-off, the SRK estimates return lower Cu and Au grades at much higher tonnage, primarily due to increase in the search radii compared to the NCL estimates. The result is an increase of 50% Cu metal content in the SRK estimates. Furthermore, at a 0.4% Cu cut-off, the SRK estimate still returns higher tonnes and at a better average grade than NCL's original estimate at 0.3% Cu. However, given the poor quality of the geological model, and the lack of QAQC support for the assay data, both the SRK and NCL resource models remain relatively conceptual in nature and carry substantial uncertainty. For this reason, SRK is of the opinion that the Mineral Resources for the Cotabambas deposit are appropriately classified as an Inferred Mineral Resource and reported at a cut-off of 0.4% Cu as indicated in Table 13.

Table 13: SRK inferred resource estimates in the Cotabambas deposit

Cut-off (%)	Tonnes (Millions)	Cu Grade (%)	Au Grade (g/t)
0.3	114	0.68	0.38
0.4	90	0.77	0.42

Table 14: NCL historical resource estimates in the Cotabambas deposit, 2001

Cut-off (%)	Tonnes (Millions)	Cu Grade (%)	Au Grade (g/t)
0.3	69	0.74	0.46
0.4	59	0.8	0.49

The resources estimate prepared by NCL Ingenieria predates CIM Best Practice Guidelines and their Definition Standards and are to be considered historic estimates only. SRK considers NCL Ingenieria to be a reputable engineering firm and that their resource estimate to be properly constituted based on the standards of the day; however, SRK is not treating the historical estimate as current Mineral Resources and the historical estimates should not be relied upon.

A comparative example of block estimates from SRK and NCL is presented in Figure 20. The large increase in estimated blocks in the SRK estimate, compared to NCL, may be largely attributed to: (i) much bigger search radii, and (ii) anisotropic search ellipsoid radii, and (iii) block estimates in the XL and XP domains.

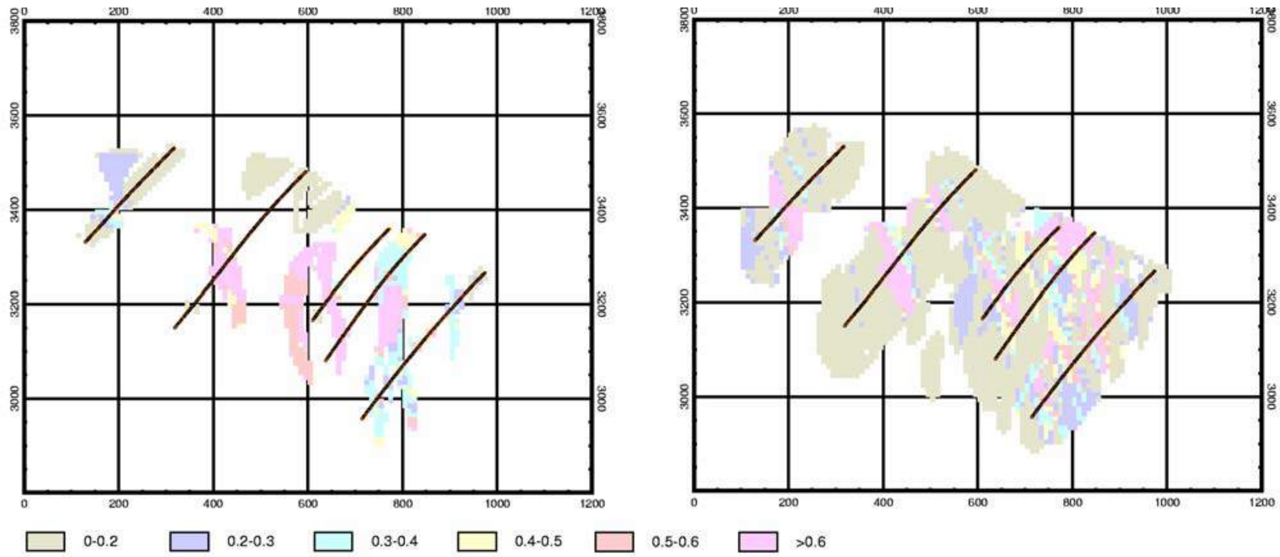


Figure 20: Comparison of NCL (left) and SRK estimates (right)

5.16 Other Relevant Data and Information

The published literature, unpublished company reports from each stage and phase of exploration, reports by geophysical contractors from the early stages of the project, the data from a large regional geochemical stream sediment survey all represent a large amount of data and information. All the above mentioned information is in the hands of Panoro. It would be beyond the scope of this report to describe, analyse and discuss all this information. All the data obtained by the property owners have ultimately led to the design of the drill programs and estimates of mineral potential described above. It is felt that the geological information and data presented and summarized in this report are relevant and sufficient to form the basis of the assessment of the value and further potential of this project and for the interpretation, conclusions and recommendations to follow next in this report.

5.17 Interpretation and Conclusions, Recommendations

The Cotabambas cluster of porphyry centers is part of and lies at the hart of an emerging prolific porphyry copper gold province, the Andahuaylas – Yauri Belt. Several deposits in the belt are currently in the state of intensive pre-development and feasibility work (Las Bambas by Xstrata, Los Chancas by Grupo Mexico, Constancia by Norsemont). Tintaya at the southeastern end of the belt has been and is an important producing district.

The Cotabambas project exhibits strong potential for substantial mineral resources with grades that are of economic interest at current and lesser metal prices. The greatest uncertainty in the resource estimate is derived from the lack of a coherent geological model to constrain the grade interpolations. The current model is based entirely on extrusions of 2D sectional polylines that do not hang together in three dimensions. While the relative proportions of different rock types appear reasonable, the use of different estimation parameters by rock type introduces significant uncertainties in the grade interpolations. Subsequent efforts to upgrade the resource classification should focus on better definition of the principal mineralized units to more confidently constrain the resource estimates.

In conclusion the Mineral Resources for the Cotabambas deposit is appropriately classified as an Inferred Mineral Resource and stated at a cut-off 0.4% Cu cut-off in Table 15. The reader is cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability. A comparative analysis between the CDLM and the SRK estimates is presented in Table 16.

Table 15: Mineral Resource statement for the Cotabambas Cu-Au deposit, SRK Consulting, March 09, 2007

Mineral Resources*	Tonnes (Millions)	Cu Grade (%)	Au Grade (g/t)
Inferred	90	0.77	0.42
*All resources quoted at 0.4% Cu cut-off			

Table 16: Comparative analysis between CDLM estimates and SRK evaluations – Cotabambas

	CDLM	SRK
Cotabambas		
Estimates		
0.3% Cu cut-off	68 MT @ 0.74% Cu, 0.46 ppm Au	114 MT @ 0.68% Cu, 0.38 ppm Au (~20% metal in oxidized material)
0.4% Cu cut-off	59 MT @ 0.80% Cu, 0.49 ppm Au	90 MT @ 0.77% Cu, 0.42 ppm Au
Parameters		
Geology Model	Extruded sectional polyline interpretation	Unchanged
Lithologies	XM & Diorite only (Oxide and Sulphide zones)	XM, XL, XP, Delta, DeltaM, Diorite (Ox & Sul zones)
Litho Domain Boundaries	Unknown	XM, Delta, DeltaM, Diorite = Soft; XL, XP, Ox/Sul = Hard
Block Model	10x10x10, 29.54 degree clockwise rotation	Unchanged
Trimming	XM: 2.3% Cu, 1.4ppm Au; Diorite: 1.1% Cu, 1.1 ppm Au	Unchanged
Density	2.64 (global average)	Unchanged
Kriging		
Search ellipses	Isotropic, ~12-35 metres	Anisotropic, ~210/90, w/ 45-->210 plunge in Diorite; 42-150 metres
Variograms	Isotropic; 12-35 metre ranges	Anisotropic, ~210/90, w/ 45-->210 plunge in Diorite; 45-180 metre ranges

The Cotabambas project has excellent potential to increase its known extents, both towards depth, within the current drill hole coverage and laterally in the areas between the identified centres that have not received any drilling to date.

The following program (see Table 17) is recommended to further advance this project to the stage of pre-development:

Table 17: Cotabambas recommended program and budget

Diamond Drilling: (where possible with man-portable rigs)	**US$**
10,000 m of definition and extension drilling at Ccalla-Aculccacca	1,000,000
4,000 m of exploration drilling between Ccalla and Huacle	400,000
4,000 m of exploration drilling in the triangle between Ccarayoc Huaccle Este and Azulcacca	400,000
2,000 m of exploration drilling east of the Azulccacca fault, east of Ccalla and east of Azulccacca	200,000
Mobilization, demobilization, 4-5 drill rigs	100,000
Indirect drilling costs, drilling fluids, mud	200,000
Logistics and camp support for drilling operation	180,000
Drill hole surveying, 50 holes @ US$ 1000/hole	50,000
Access Trails, drill pads, road construction and maintenance	250,000
Assaying	
Check assaying of prior drill core or rejects, 500samples, US$25/samle	12,500
New core at 2m intervals, 95%, 9,500 samples, US$ 25/sample	237,500
Base Line studies: Weather, hydrology, flora, fauna	25,000
Geochemistry of water courses, soils	25,000
Surface rights, agricultural land holdings	25,000
Surveying: 1 surveyor, 1 year	36,000
2 surveyor assistants, 1 year	24,000
Field geologists: 4 Peruvian geologists, core logging, 1 year	160,000
2 Peruvian geologists mapping, 1 year	80,000
Field assistants: core sawing, core samples, 6 men, 1 year (300 days)	36,000
Project manager:	72,000
Chief Geologist	60,000
Field Accountants & Expeditors, 3@ $1000/mo	36,000
Secretarial staff 2@ 600/mo	12,000
4 Pickup trucks, 4x4	160,000
Vehicle Operating Costs, fuel, insurance, repairs, tires	
US$ 1000/truck/month	48,000
Travel and freight	50,000
Camp/food 25 persons/day US$ 15/manday 300 days	112,500
Concessions, Vigencias, 9,900 hectares, $ 6/hectare + filing	60,000
Community Relations	100,000
Subtotal	**4,151,500**
Contingency 10%	415,500
TOTAL	**4,567,000**

6 Antilla

6.1 Property Description and Location

The Antilla Project is located near the small town of the same name, in the District of Sabaino, Province of Antabamba, Department of Apurimac, at an elevetiaon between 3,300 and 4,100m a.s.l.

The centre of the area of interest on the property lies at UTM coordinates 8,414,000N and 718,500E

The project area is covered by 9 exploration concessions see Table 18 and Figures 21, 22) with a total area of 6,700 hectares.

Table 18: Antilla concessions

Concession Code	Map Sheet	Concession	Zone	Hectares
010170402	29-Q	ALUNO CINCO 2002	18	100
010170302	29-Q	ALUNO CUATRO 2002	18	800
010200202	29-Q	ALUNO QUINCE 2002	18	900
010344303	29-P	ANTILLANA 2003	18	1000
010344203	29-Q	ANTILLANA UNO 2003	18	800
010043903	29-P	VALERIA DIECISEIS 2003	18	900
010043803	29-P	VALERIA QUINCE 2003	18	1000
010166404	29-P	VALERIA SESENTAIUNO 2004	18	400
010329903	29-Q	VALERIA TREINTAIDOS	18	800

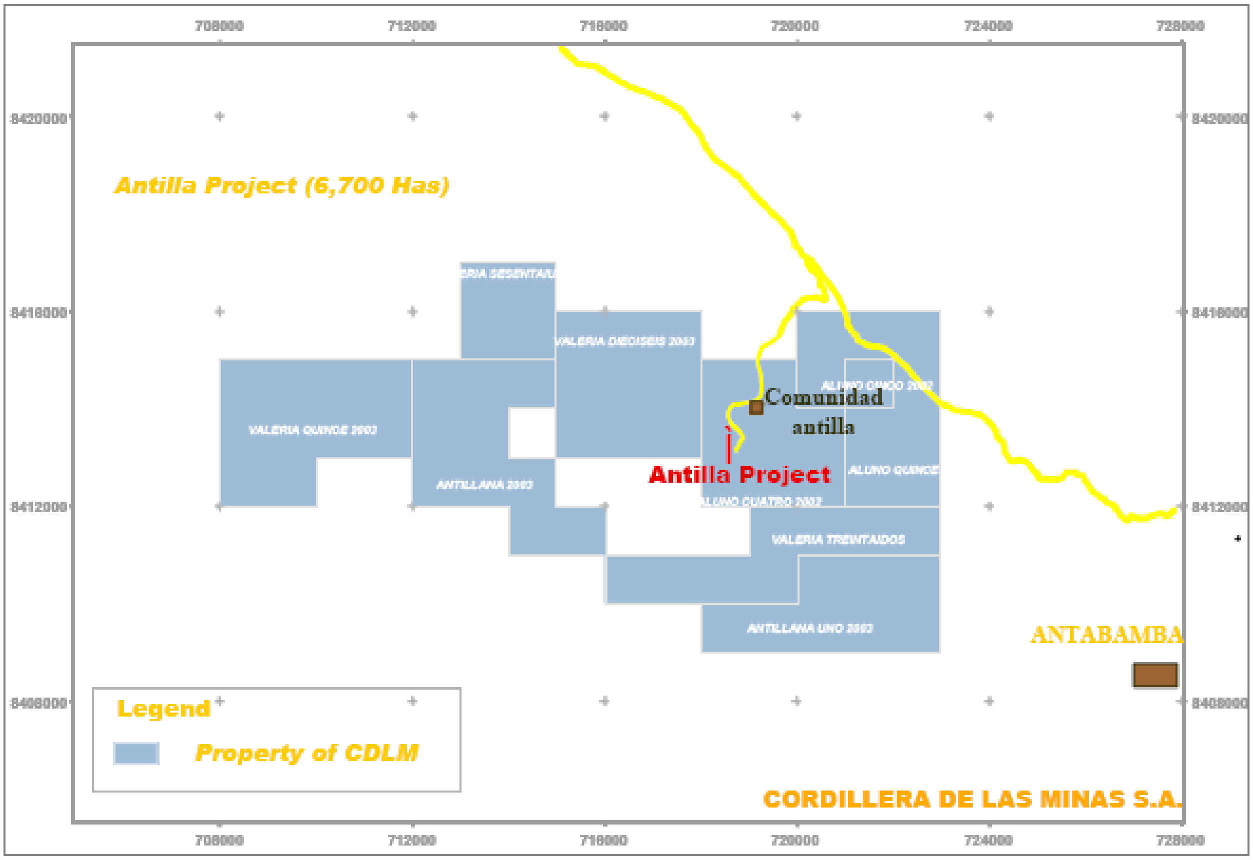


Figure 21: Map showing distribution of Antilla claims

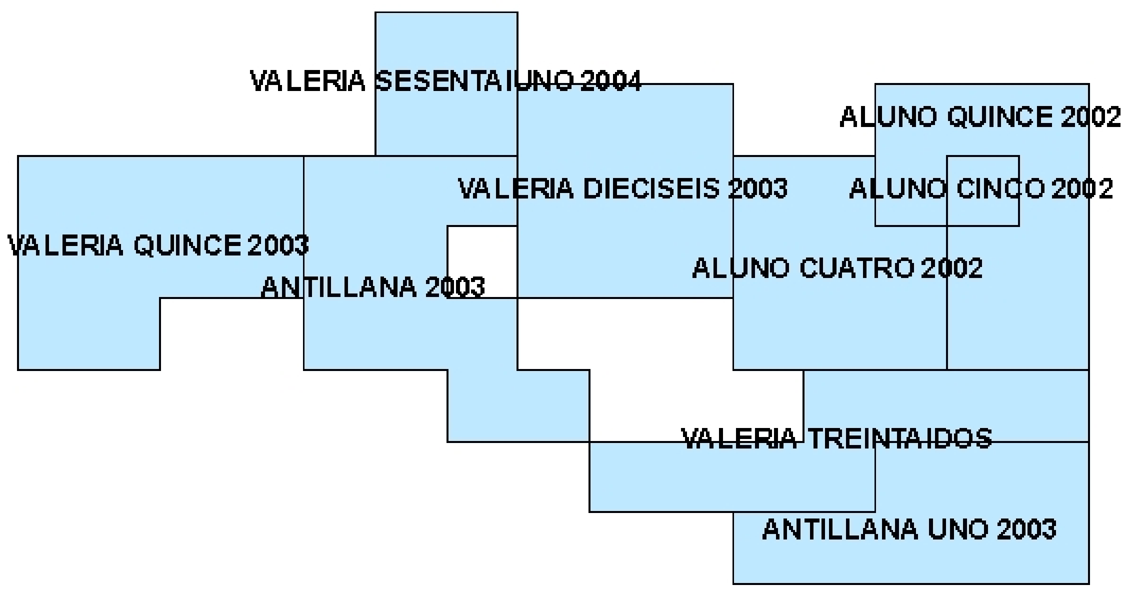


Figure 22: Detailed map of the Antilla concessions

6.2 Property Title

All concessions are registered in the name of CDLM. The annual rental for the year 2006 is payable on or before June 30, 2007. For further details see the separate Title Opinion by Dr. Enrique Uceda.

6.3 Accessibility, Climate, Infrastructure, Physiography

The area is at present accessible from Cuzco via the Cuzco-Abancay-Antilla road, a total of 366km by the following route:

Segment	**Distance (km)**	**Travel Time (hrs)**	**Type of road**
Cuzco – Abancay	202	4:20	Paved
Abancay – Sta. Rosa	92	1:40	Paved
Fta.Rosa – Antilla	72	2:40	Gravel
Total	366	8:40	

Future access is most likely to be provided by a 6-8km link to the southwest to the road between Antabamba and paved highway between Lima and Cuzco (via Nasca-Puquio and Abancay).

The total road distance between the Antilla project and the Lima-Cuzco highway would be approximately 33km. Figure 23 provides a picture of the infrastructure and the location of the nearest harbour at Marcona and the nearest smelter at Ilo.

See the kilometres on the map for scale.

Physiographically the area is characterized by steep terrain with deeply incised valleys. The intense runoff drains to the Atlantic Ocean via the two principal rivers, the Chalhuanca and the Antabamba.

The climate is mild and moderately rainy, characterized by long winters between June and November and abundant summer rains from December to March. Geomorphologically the area lies east of the continental divide on the eastern slope of the Western Cordillera of the Andes marked by the Huanzo Cordillera.

6.4 History

Prior to CDLM Southern Peru Copper S.A. (SPCC) carried out exploration work in 1999 including drilling on an optioned property immediately to the east of what became the Antilla block. Poor result caused SPCC to abandon the property. After Anaconda briefly looked at the same property in 2000, CDLM carried out geochemical exploration in 2002 and following up anomalous responses to the west of Calvario Hill, where SPCC had worked, staked the first 2800 hectares. Geological mapping and geophysical surveys in 2003 led to a drilling program in September 2003 that extended into 2004. The drill holes ANT-1 to ANT-10A outlined the zone of secondary enrichment of Antilla. Geological modelling followed in 2004 and 2005.

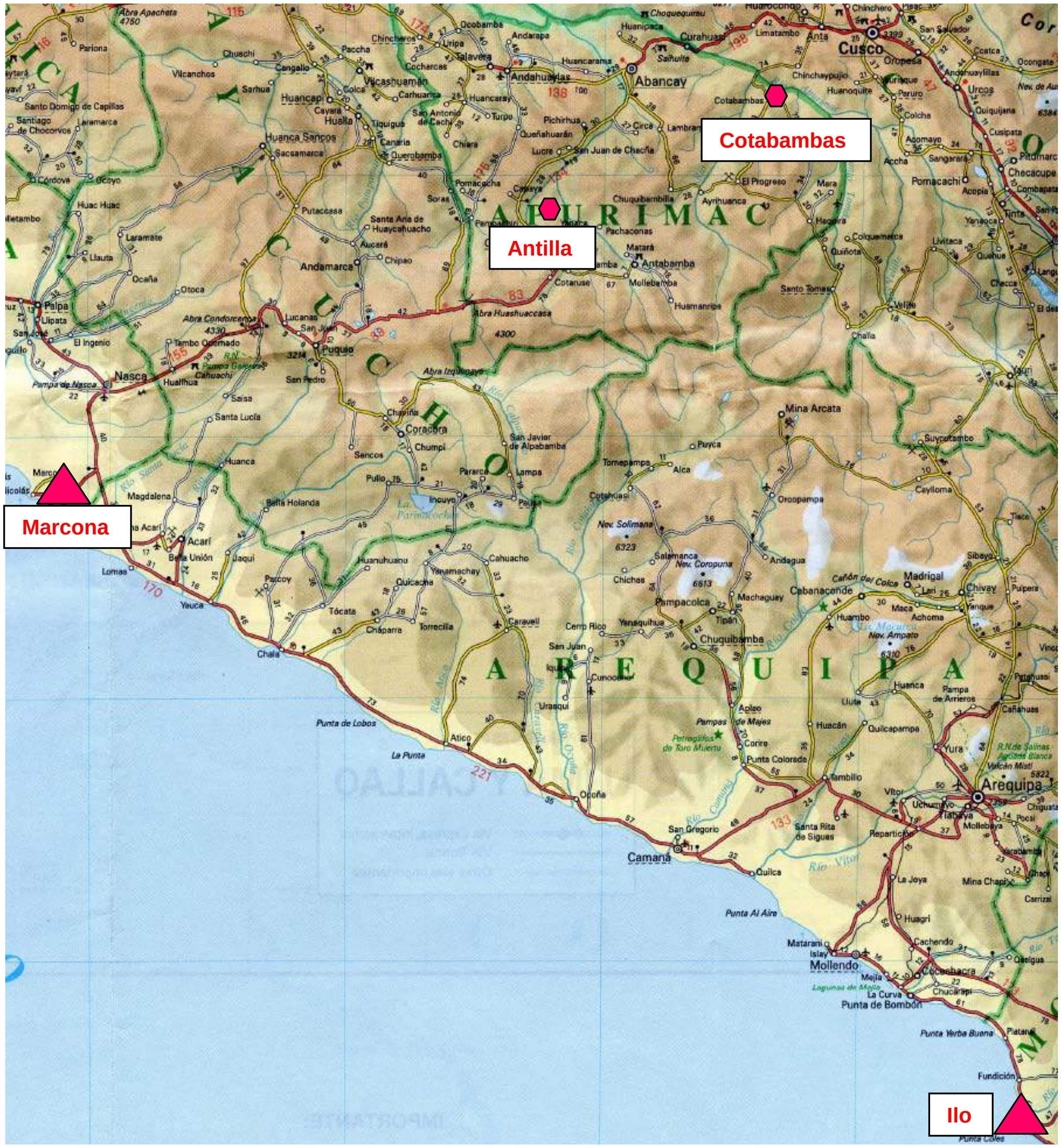


Figure 23: Location and infrastructure of Antilla and Cotabambas

6.5 Geology of the Antilla Project

The Geology of the Antilla project is described in detail in the 2004 Annual Report of CDLM, written at a time when most of the field work and all of the diamond drilling had been completed. The following is quoted from the English version of the 2004 Annual report:

The Antilla project constitutes a Cu-Mo porphyry system with formation of secondary enrichment. The geology and stratigraphy of the project area is shown in Figures 7 and 8, respectively.

Lithologic Units

Stratified Rocks

Geologically, the Antilla project is located within clastic sequences of the Chuquibambilla and Soraya formations, which make up the Yura Group. Bottom up, the sequence of the Antilla porphyry system country rock is as follows:

Chuquibambilla Formation

In the prospect area, it is essentially constituted by dark-gray siltstones intercalated with fine- to medium-grained gray sandstones, in horizons up to 0.5 m thick and local layers of calcareous siltstones. This formation has been dated to Late Jurassic (Pecho, 1984.) A characteristic of these horizons is the local presence of cubic, finely laminated, autigenic pyrite, as well as intercalated horizons of carbonaceous material.

The transition from this formation to the overlying Soraya Formation is concordant and transitional, defined by the recurrence of and occasional predominance of white and brown quartzite horizons. The best outcrops of this sequence are found right at the north of the Antilla community and the west zone of the project.

Soraya Formation

Based on fieldwork observations and similarities with other prospects surveyed in the region (for example, the Chalhuanca quadrangle; Posso and Torres, 2003), three main members of this formation have been distinguished (Cerpa and Acosta, 2003): a basal member made up of intercalations of whitish-gray medium- to fine-grained quartzites with gray quartzite sandstones and, to a lesser extent, black-gray sandstone horizons where quartzite sequences predominate (in banks up to 10 m thick) in the upper part of this member. It is estimated to be 600 m thick in the project area. An intermediate member, about 150 m thick, is made up of intercalations of grayish-brown limonites and gray sandstones exhibiting smoother topographic traits, without the formation of large outcrops, and an upper member exposed south of the project, where thin medium-grained, 200-m-thick sandstone horizons predominate.

The bulk of the Antilla supergene mineralization occurs in the middle part of the basal member, which also constitutes the country rock of the Chalhuani porphyry, described below, with the formation of Cu porphyry alteration.

Intrusive Rocks

Survey and supplementary geological surface mapping fieldwork distinguished at least five types of porphyries. The contact relationships between them, in some cases, have not yet been identified. A tentative sequence, from oldest to newest, follows below:

Main Porphyry

Formerly called Chalhuani porphyry (Annual Exploration Report, 2003) constitutes the main phase of the porphyry currently identified as the source of great part of hypogenic mineralization identified in Antilla. Within this name at least two of the porphyries mapped in the surveyed area have been grouped, naming them main porphyry A and B.

In general, Main Porphyry A has a medium-to coarse-grained porphyritic texture, with euhedral to subhedral plagioclase phenocrystals (25 – 30% vol; 0.1 – 0.3 cm), rounded quartz (5% vol., 0.3 – 0.5 cm), with reabsorption edges, biotite (6% vol), orthoclase (1% vol., 0.2 cm) and amphibole (3% vol.), in a country made up of microcrystalline aggregates of quartz and potassium feldspar, with interstitial biotite, plagioclases (0.5 mm), apatite crystals and sulfide granules. Plagioclase phenocrystals are variable altered to sericite-illite. The amphibole is a hornblende, in prismatic crystals and rhomboidal sections, strongly replaced by biotite. Biotite phenocrystals are tabular, brown in color, with irregular edges, partially replaced by chlorite and titanite.

The best outcrops are focalized around the intersection of the Huancaspaco River and the Chalhuani stream, covering a 750 m × 600 m area, with a predominantly N-W strike and locally N-S in all lateral terminations.

Main Porphyry B is scarcely exposed on the surface, and is restricted to small metric dikes and centimetric sills in the west part of the project (Figure 7) where it exhibits a characteristic brownish gray color. It has medium-grained porphyry texture with euhedral to subhedral plagioclase phenocrystals (30 – 60% vol; 0.1 – 0.3 cm), amphibole (5% vol.) and biotite (15% vol.) in a country made up of microcrystalline aggregates of quartz and potassium feldspar, plagioclase and minor amounts of ferromagnesians.

Intermineral Porphyry

Intrusive of porphyritic texture, with plagioclase phenocrystals (25% vol; 0.2 – 0.6 cm), quartz (6 – 8% vol, 0.8 cm), and biotite (4% vol; 0.05 – 0.15 cm) with country rock of plagioclase (20% vol.; 0.05 – 0.1 cm), quartz aggregate (30%) and potassium feldspar (15% vol.; 0.03 – 0.06 cm.) There is a minor formation of sericite, chlorite over feldspars. Accessory minerals include abundant zircons, apatite, and relicts of magnetite with rutile.

The plagioclase is oligoclase with weak illite-sericite alteration and subordinate superimposition of calcite.

This porphyry was explored by Southern Peru Copper Corporation S.A. and intrudes into Main Porphyry A. Mineralogic compositions of both are similar, differing only as to quartz veining, scantier in this granodiorite intermineral porphyry.

<u>Late Porphyry</u>

Of medium-grained porphyritic texture, generally with cooled edges, finer and fluidal texture, gray to dark-gray in color.

It has plagioclase phenocrystals, specifically oligoclase-andesine (20 – 25% vol.; 0.05 – 0.3 cm) and, as mafic minerals, biotite (6%) with apatite inclusions, and abundant amphibole (5 – 6% vol.; 0.05 – 0.2 cm) particularly hornblende with apatite and magnetite inclusions.

Quartz eyes (up to 3 mm in diameter) are local. The country rock exhibits devitrified trachytic or hyalopilitic texture, with plagioclase microliths altered into smectite, interstitial quartz and calcic zeolites (laumontite – mesolite.)

The late porphyry of dacitic composition appears as minor dikes occupying structures striking E-W and does not affect the mineralized deposit significantly –based on drilling findings and ground magnetometry studies.

In general, all these porphyries lie in the form of dipping sills and/or dikes along a structural corridor made up of the Huancaspaco lineament (Figure 7.)

<u>Trachyte-Dacite Porphyry</u>

Intrusive of fine fluidal porphyritic texture, constituted by plagioclase phenocrystals (15% vol.; 0.01 – 0.02 cm), sanidine crystals (3% vol), amphiboles (4 – 5% vol.) and small quartz eyes (4% vol.) with apatite needles.

The country rock is felsitic microcrystalline, quartz-free and made up of plagioclase and mafics, with altered magmatic magnetite with titanite and rutile formation.

This set is strongly altered into sericite, illite, chlorite and calcite, with whitish coloration on the surface.

Spatially, it covers the external and peripheral NNE part of the mining property and has no direct relationship with the Antilla hydrothermal system. It is rather thought to be part of the hydrothermal system of the Leonor porphyry, located out of the survey area."

Figure 24 shows a geological map of the Antilla property, Figure 25 shows a typical geological cross-section A-B, and Figure 26 shows a stratigraphic section of the property.

A clearer picture, including the location of two cross sections is provided by Figure 11 of the same report.

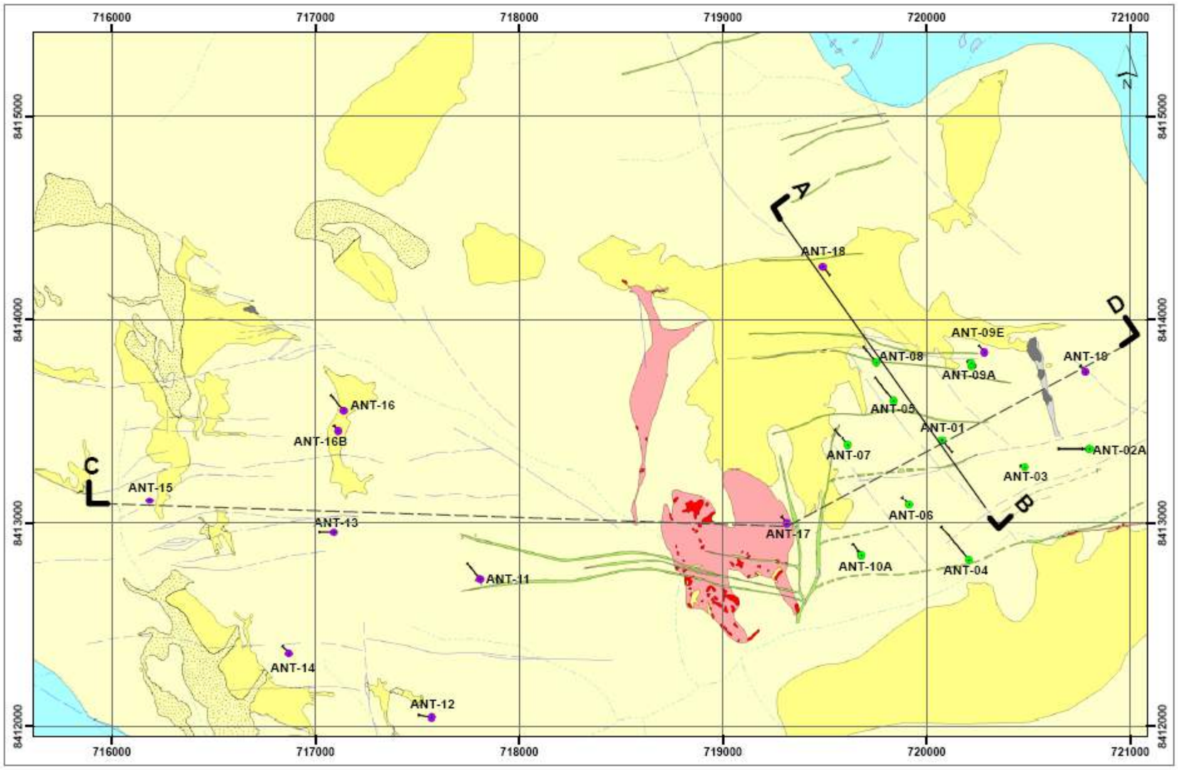


FIGURA 40C11A; Mapa geologico mostrando secciónes simplificadas

Figure 24: Geological map of the Antilla property showing the location of cross-section A-B, shown in the following figure

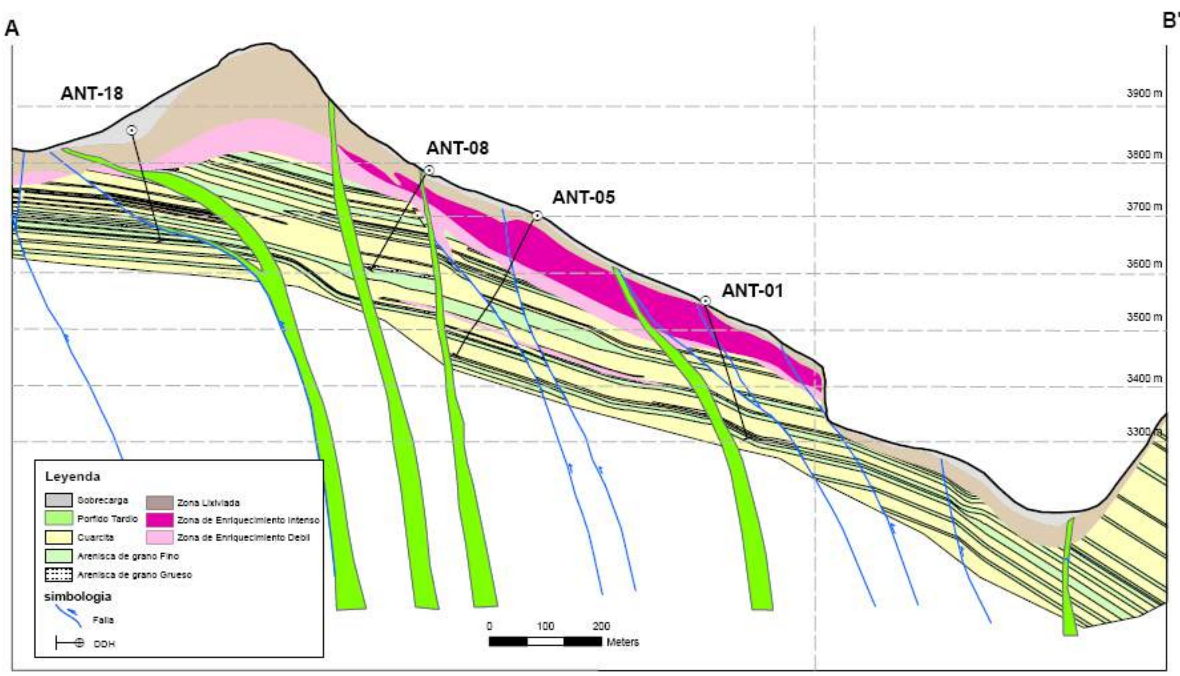


FIGURA 40C11; Sección simplificada del Blanket de Calcosina mirando al NE

Figure 25: Geological cross-section A-B

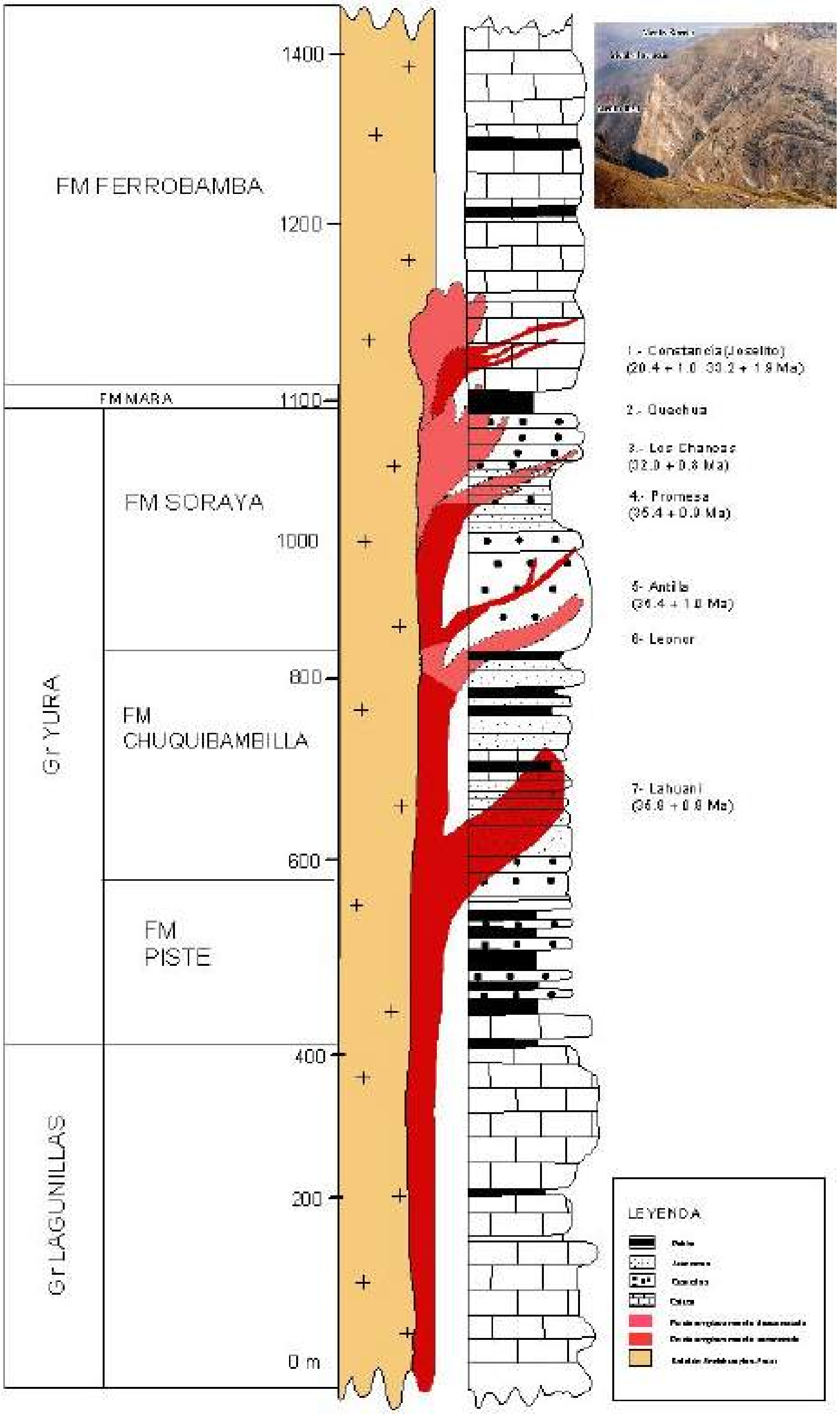


Figure 26: Stratigraphic section of the Antilla deposit setting (from CDLM 2004 Annual report)

"5.5.2 Structure

It has a complex structure and we are not even close to understood it entirely. It includes two main systems, one with strike N65°W, called Piste Fault, located West of the project area and the other belonging to the Matara Fault which strikes E-W, located on the southern end of the survey area, both faults being over 10km long. Detailed observations of fault planes of the Matara structure provide evidence of inverted movement.

Other subordinate fault fabrics and genetically closely related to the main system are represented by strike-slip structures with strike N50°W and dip 80°SW with clockwise movement according to recorded cinematic indicators, N50°E faults and subvertical N-S structures.

In section, the structures have centimetric to metric thicknesses, with abundant rock dust, selvage and indicators of compressive strain (mortar texture) with apparently minor displacement.

Locally, soft folds of the quartzitic sequence have been identified. Particularly apparent is the layout adopted by the dacitic porphyry along the E-W fault."

6.6 Deposit Types

The Antilla project contains the upper distal portion of a porphyry copper deposit, with porphyry style mineralization and alteration present in the overlying quartzites and sandstones. The porphyry style mineralization has been enriched by meteoric processes into a zone of secondary enrichment which constitutes the deposit type of interest on the property. While primary porphyry style mineralization has been intersected in drill hole ANT-13 outside the areas of secondary enrichment, the depth and location of the primary porphyry deposit underlying the secondary enriched zone are thought to be unknown at this time.

6.7 Alteration and Mineralization

The Antilla deposit is described as a supergene chalcocine blanket hosted by a package of gently dipping siltstones, sandstones, and medium to fine grained quartzites and sandstones (Figure 27). It is believed to be associated with a system of porphyry intrusions occurring as dykes and laccolithic sills; however, apart from one drillhole (ANT-17), limited amounts of intrusive rock have been encountered in the immediate vicinity of the deposit. Despite this lack of intrusives, a large halo of secondary biotite alteration has been identified beneath the blanket (Figure 27), and the mineralization exhibits many features typical of porphyry related mineralization and alteration.

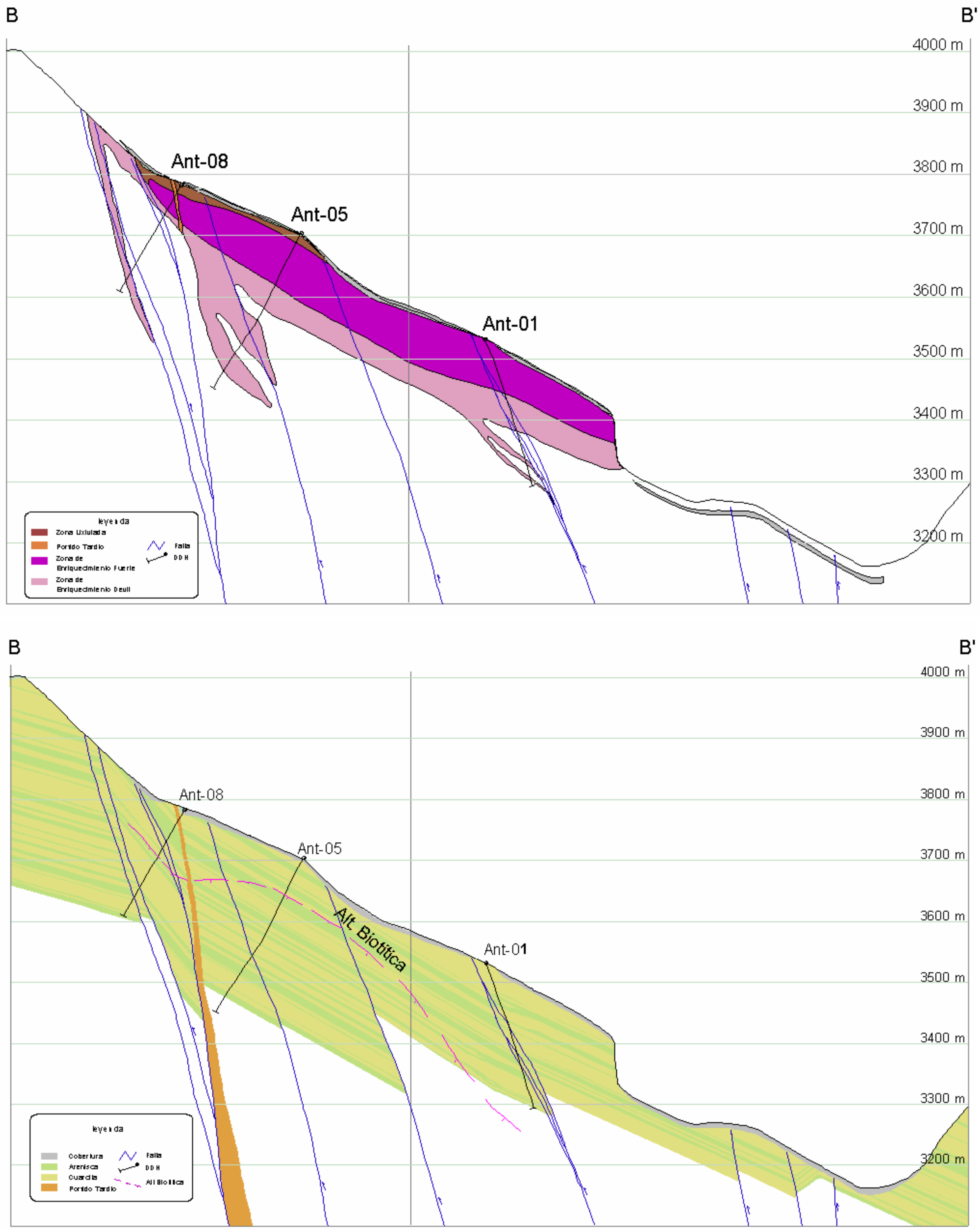


Figure 27: Cross sections through Antilla drillholes Ant-01, -05, and -08, showing interpreted chalcocite blanket (top) and geology (bottom)

Primary Cu-Mo mineralization consists of disseminated and fracture and/or vein-hosted chalcopyrite, minor bornite and molybdenite, and is accompanied predominantly by potassic and sericitic alteration. A characteristic trait of hypogene mineralization is its close relationship with certain horizons of the sedimentary country rock sequence, indicating an intense lithological control on mineralization.

Supergene mineralization is defined by the presence of pulverulent (sooty) chalcocine and, to a lesser extent, covelline. Both appear as coatings over scattered pyrite and chalcopyrite grains. The supergene 'blanket' is defined by markedly higher grades within near surface intervals up to 80 metres thick (Figure 28).

The Antilla deposit occurs near the intersection of two regional scale (>10km) reverse faults: the northeast trending Piste Fault to the west, and the east-west trending Matara Fault to the south. The deposit itself is transected by a dominant northwest trending set of dextral strike slip faults, northeast trending faults and sub-vertical, north-south structures. The dominant northwest trending structures are parallel to the drill sections and therefore poorly represented in the core. The relationships between the different faults and the mineralization is unknown, however, many of the highest grade intervals in drill core observed by SRK are clearly associated with narrow fractures and faults with slickensided surfaces and minor gouge. These structures are commonly sub-parallel to the core axes (especially, ANT-01) and, as such, they may belong to the northwest trending fault system. In some holes, (especially ANT-04 – not used in either estimate) a good correlation can be seen between poor core recoveries and grade, either indicating biased recovery of mineralized material, or preferential mineralization in strongly fractured rock.

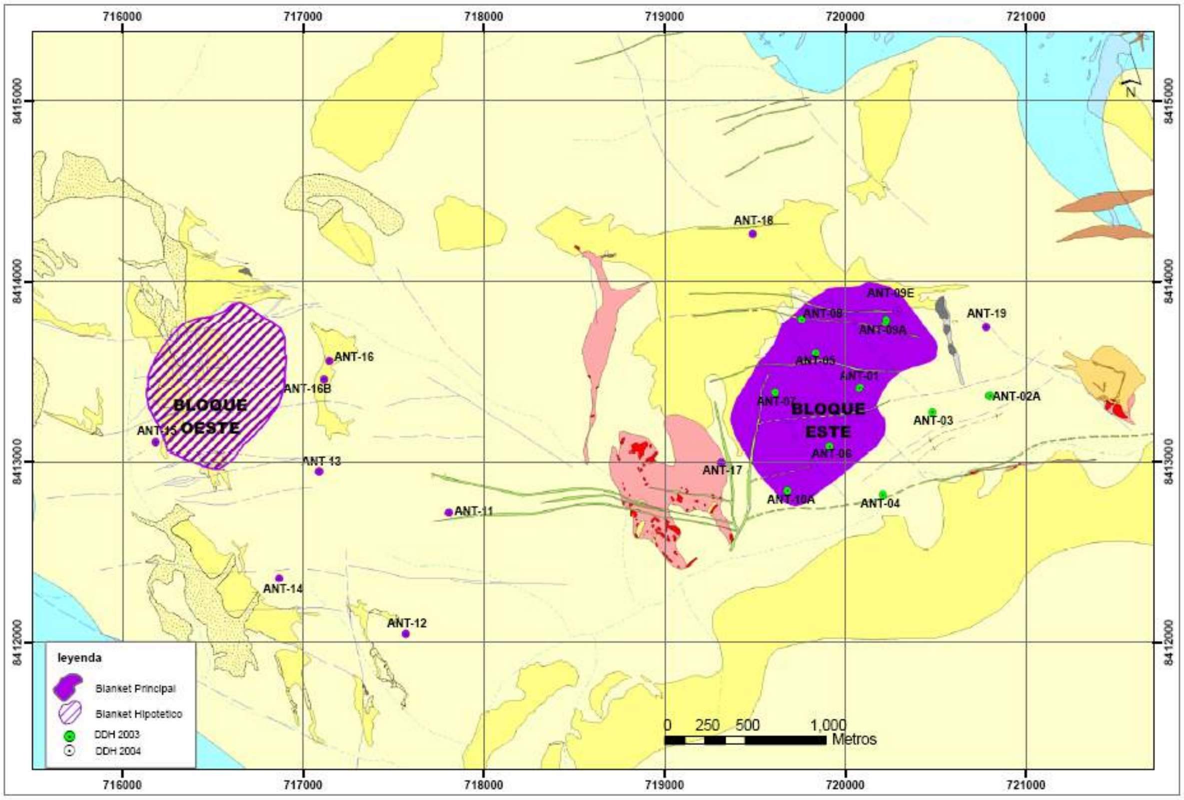


FIGURA 40C10; Ubicación del blanket de Calcosina

Figure 28: Figure 10 of the 2004 Annual report of CDLM shows the area of secondary enrichment that has been subject to the the historical resource estimate of CDLM and SRK's independent evaluation (Bloque Este or Block East) as well as a potential ("hypothetical") second area (Bloque Oeste or Block West) that is recommended for future exploration drilling.

6.8 Exploration

Geological mapping at 1:5,000 scale has been concentrated on the central 4000 hectares of the property. Reconnaissance mapping has been carried out on the remainder of the property and on adjacent third party claims. Systematic rock – and soil – geochemical sampling has been carried out on a 100m x 50m line grid across the western zone of the project. A total of 2461 samples were taken, including 734 rock samples and 1727 soil sample.

The geophysical surveys carried out in 2003 and 2004 comprised 214.2 line km of magnetometer surveys and 43.6km of Induced Polarization/ Resistivity surveys. The geophysical surveys in both years were carried out by VDG del Peru S.A.C. and the reports were authored by Rejan Pineault, General Manager Chief geophysicist and General Manager and Gloria Fernandez, Project Geophysicist.

6.9 Drilling

Between September 2003 and February 2005 19 diamond drill hole were drilled for a total of 4,012m. Drill hole collar coordinates with azimuths and dips are shown in Table 19.

Table 19: Antilla drill hole collar coordinates

Drill Hole	UTM East	UTM North	Collar El.m	Depth	Azimuth	Dip	Year drilled
ANT-01	720079	8413410	3,535	250.15	142	70	2003
ANT-02	720800	8413366	3,380	67.35	270	60	2003
ANT-02A	720803	8413367	3,380	305.00	270	60	2003
ANT-03	720485	8413278	3,405	57.95	290	65	2003
ANT-04	720210	8412817	3,266	299.80	320	45	2003
ANT-05	719841	8413605	3,700	291.05	320	60	2003
ANT-06	719917	8413087	3,475	165.55	320	70	2003
ANT-07	719616	8413386	3,757	200.8	320	60	2003
ANT-08	719756	8413792	3,810	200.1	320	60	2003
ANT-09	720227	8413775	3,726	29.15	320	60	2003
ANT-09A	720224	8413774	3,725	71.25	320	63	2003
ANT-09B	720222	8413788	3,670	44.95	320	70	2003
ANT-10	719682	8412840	3,480	54.15	320	62	2003
ANT-10A	719683	8412840	3,480	150.2	321	63	2003
ANT-09C	720287	8413840	3,680	8.05	322	64	2004
ANT-09D	720287	8413840	3,680	32.10	320	59	2004
ANT-11	717812	8412721	3,740	200.00	318.6	60	2004
ANT-12	717574	8412044	3,820	130.80	282.9	60.4	2004
ANT-13	717094	8412951	4,053	208.40	270	60	2004
ANT-14	716873	8412357	4,075	96.45	320	60	2004
ANT-15	716190	8413110	4,280	112.40	0	90	2004
ANT-16	717143	8413555	4,187	97.75	320	60	2004
ANT-16A	717115	8413457	4,185	117.85	320	75	2004
ANT-09E	720287	8413840	3,677	170.70	320	75	2005
ANT-16B	717114	8413457	4,185	129.15	320	75	2005
ANT-17	719317	8412997	3,662	160.55	320	75	2005
ANT-18	719493	8414262	3,853	196.90	140	75	2005
ANT-19	720782	8413747	3,542	163.45	320	75	2005

Azimuth and dip were set at the collar with a Brunton Compass. Down the hole surveys were carried out in all holes with a Sperry Sun instrument to hole ANT-05. Down the hole surveys were also carried ou with a Flexit instrument in holes ANT–11 to ANT-13.

6.10 Sampling Methods, Core Logging and Approach

The sampling and analytical protocols for Antilla were the same as at Cotabambas.

6.11 Sample Preparation, Analysis and Security

The sampling and analytical protocols for Antilla were the same as at Cotabambas. All core from Antilla was transported to the core logging and storage facility at Cotabambas where it is stored under lock and key and where the authors examined the core from the project.

6.12 Data Verification

Approximately 300 assays in the drillhole database were compared with the original hardcopy assay certificates during the Data Room visit. No errors were found.

In the process of constructing the Gemcom database, topographic data were imported from the Arcview shape files. Several of the drill hole collars were found to lie significantly above or below this surface, four of which (ANT-02, -02A, -07, and -09: all from 2003 drilling) had to be adjusted by more than 50 metres. Of these four, only ANT-07 was used in the SRK model and estimate.

CDLM reportedly included 3 duplicates and 2 standards (one Cu and one Au standard) in every sample batch (C. Neyra, pers. comm.); however, no independent QAQC data for these analyses were available to the author at the time of writing. CDLM did provide digital copies of the laboratory analytical data, which include 1 lab repeat in every batch of 22 pulp samples. Some batches contain explicitly marked (by the lab) blanks, and other batches contain samples which appear to have been independently submitted blanks, but cannot be confirmed as such. The internal laboratory repeats show fair repeatability (generally better than 10%) for pulps, and the explicit and implicit blanks indicate little or no contamination. However, the lack of information on independent standards, whether they were submitted or not, prohibits an evaluation of the accuracy of the analyses.

6.13 Adjacent Properties

There are no adjacent properties relevant to this project.

6.14 Mineral Processing and Metallurgical Testing

A very limited amount of metallurgical testing has been carried out by Antofagasta labs, testing the applicability of the Cuprochlor process that Antofagasta is using at its Michilla mine in Chile.

Panoro has commissioned a preliminary evaluation of other process option on the basis of the mineralogy of the supergene enriched mineralization at Antilla. The evaluation by Laurion Consulting Inc., JRW Fox, P.Eng., indicated that flotation should be investigated as a possible viable alternative to the Coprochlor process, given the mineralogy of the material that is predominantly composed of both primary chalcopyrite and chalcocite, both sulphides, that should be amenable to concentration by froth flotation.

None of the metallurgical test work or of the evaluation of other process options can be considered conclusive at this time and the full spectrum of process options should be investigated by a comprehensive metallurgical test program during the next phase of work.

It is believed, however, that the optimization of recovery, processing costs and net revenue per tone of ore will have a significant impact on potential economics of an operation at Antilla.

6.15 Mineral Resource Estimates

In September 2006 Panoro commissioned SRK to carry out an independent evaluation of the Antilla supergene enriched zone of mineralization. The purpose of the estimate was to compare the results with the projected exploration target assessment presented by CDLM in 2005. CDLM's assessment for Antilla is 114 million tonnes at 0.71% Cu, at a 0.3% Cu cut-off. No geological model was used by CDLM for the Antilla estimate. This estimate does not conform to current CIM Standards of Disclosure.

The exploration target assessment at Antilla is based on two simple rectangular blocks defined by the crudely interpreted extents of the mineralized horizon (Table 20), and the average thickness and grade of chosen intervals in the contained drillholes (Table 21). Intervals were picked using 0.3% cut-off.

It is unknown why CDLM did not use drillholes ANT-03, and -10, as these holes are found within the limits defined by the other holes (c.f. Figure 29). Hole ANT-03 is very low grade, but ANT-10 contains good mineralization, comparable to the data that were used. The specific gravity assigned to the blocks is an average value obtained from measurements within the zone.

Table 20: Exploration target assessment for Antilla 0.3% Cu cut-off

	Length (m)	Width (m)	Thickness (m)	Sp. gr.	Tonnage
Block 1	850	730	50	2.5	77,562,500
Block 2	650	450	50	2.5	36,562,500
Total					**114,125,000**

Table 21: Drillholes used in CDLM's estimate of Antilla resources

Hole ID	Interval (m)	Cu (%)	Ag g/t	Mo (ppm)
ANT-1	50	0.81	0.98	30
ANT-5	66	0.67	0.91	78
ANT-6	64	0.91	0.73	131
ANT-7	74	0.72	0.82	81
ANT-8	32	0.53	1.59	63
ANT-9E	36	0.65	0.79	13
ANT-10A	26	0.44	1.23	108
Average	50	0.71	0.94	76

6.16 SRK Verifications

As a validation check on CDLM’s Antilla estimate SRK conducted a similar estimate using a modified geological model and different assessment of the average grade.

Geology Model

SRK used the interpreted extents of the enriched blanket found in one of the plan maps provided by CDLM to constrain the estimated volume of the resource (Figure 29). Intervals from each of the drillholes were captured in section, using a 0.3% Cu modeling cut-off grade, and were used to constrain the thickness of the blanket in different areas (Figure 30). Cu and Au assays within broad mineralized intervals crossed by drill holes shown in Figure 30 are presented in Appendix A. All data contained within this solid were then extracted for geostatistical analysis.

The resulting model differs from the CDLM interpretation in that the mineralized envelope conforms to a flat, tabular sheet as opposed to mimicking the surface topography. The top of the envelope dips down to a depth of 130 metres in the northeast (ANT-9E). As such, it appears likely that the mineralized horizon is stratigraphically controlled, rather than simply a near surface enrichment. This results in higher stripping ratios in some areas, but may also open up untested areas along strike and up-dip.

Given the apparent correlation between higher grades and minor faults, as observed in the core, there may be some potential to define structural corridors of higher grade material within this simplistic mineralized envelope. At present, the data are too limited to produce this type of domain with any confidence; however, the model is presented with the caveat that it may be mixing different grade populations within the estimated average grade. Due to the lack of information it is unknown whether this would represent too high or too low an average grade.

Figure 29: Plan view of Antilla deposit showing extents of supergene blanket used in SRK estimate against 10 m contour intervals

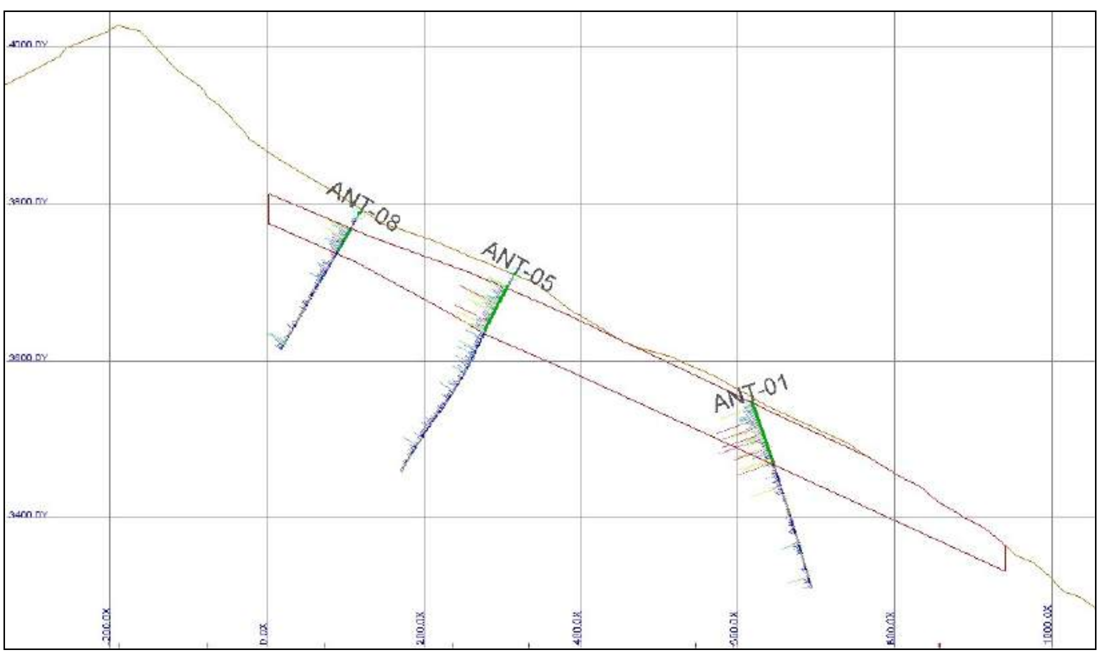


Figure 30: Cross section through Antilla drillholes Ant-01, -05, and -08, showing SRK interpreted supergene blanket

Data

There are 221 2m composite samples from eight drill holes within the designed mineralized envelope. These drillholes are slightly different from those used by CDLM – SRK included ANT-10.

Based on the composite assay grades, SRK assessed the global average grade within the envelope using the following steps:

1. Composite grades were polygonally declustered
2. The Cu composite grades were trimmed to 1.5%
3. A potential for fitting a lognormal distribution was checked on a probability plot
4. Uncertainty on the global average was assessed from bootstrapping

Apart from establishing the unbiased average grade, Panoro requested a rough assessment of recoverable tonnage and grade at a 0.4% Cu cut-off grade.

Assessment of Global Average

Distributions of declustered and trimmed/not-trimmed composite grades are shown in a log-probability plot in Figure 31. The plot indicates a mixture of populations that, when combined, clearly cannot be considered as log-normally distributed. The higher grade population may be that of the fracture-controlled mineralization referred to above. <u>A declustered not-trimmed global Cu average is 0.70% and trimmed global average is 0.68%</u>. Note that a total of 14 composite were trimmed which resulted in approximately 4% loss of metal.

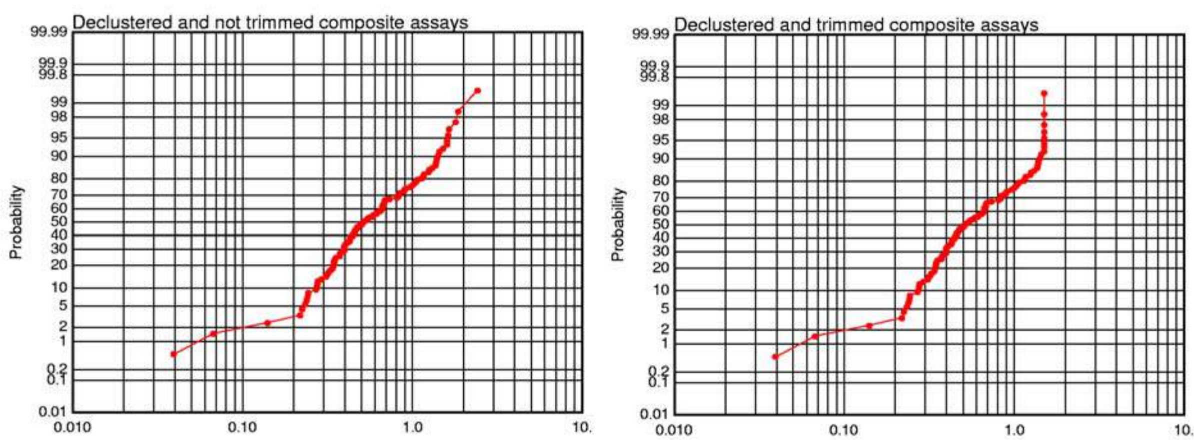


Figure 31: Log-probability plots of Cu composite grades

Due to the paucity of data, there is substantial uncertainty in the value of the actual in-situ average grades. To assess this uncertainty a 'bootstrapping' methodology was used. Bootstrapping enables the estimation of confidence intervals of a population mean by re-sampling a data set with replacement to form new data sets (bootstrap samples) with same sample size as the original data set.

An arithmetic mean is calculated from each new data set. If 1000 bootstrapped average values are sorted from lowest to highest then the 95% upper confidence limit represents an average at the 950th position of the sorted bootstrapped average values. This average will represent an optimistic average. Figure 32 shows the distributions of potential global average grades derived from the bootstrapping. In the not-trimmed data, there is a 90% chance that the average grade will be between 0.63% and 0.79% Cu. In the trimmed data, there is a 90% chance that the average grade will be between 0.61% and 0.75% Cu. Note that these calculations assume the data are not spatially correlated. Because, in reality, the data are spatially correlated, the uncertainty on the average is higher than indicated.

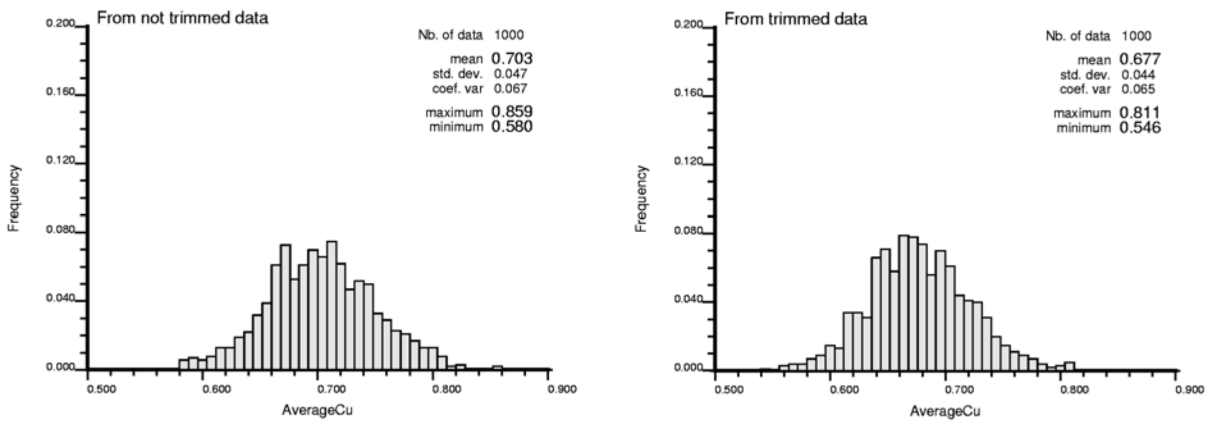


Figure 32: Distribution of global average grades

Assessment of Potential Recoverable Tonnage and Grade

The assessment of the potentially ‘recoverable’ grade and tonnage is based on the distribution of the composite grades and the volume of the mineralized envelope with a specific gravity of 2.5. The resulting tonnage and grade are presented in Table 22. It should be noted that these results are only optimistic approximations of the mineral potential. In all likelihood, assuming that a similar assay distribution will be established from more drilling, the results are biased in a fashion similar to polygonal estimates – in other words, the ‘recoverable’ grade is too high and the tonnage too low. Based on calculations of tonnage within the mineralized envelope and based on the range of average grades from bootsrapping potential average grades in the property span as presented in Table 23.

Table 22: SRK estimate of Antilla geologic potential

Cut-off (%)	Data	Tonnes (Millions)	Grade (%)
0	Not trimmmed	135	0.7
0	Trimmed	135	0.68
0.3	Not trimmmed	108	0.78
0.3	Trimmed	108	0.75
0.4	Not trimmmed	85	0.89
0.4	Trimmed	85	0.86

Table 23: Potential ranges of grade within a defined volume at the Antilla property

Scenario	Tonnes (Millions)	Grade (%)
Pessimistic	135	0.61
Optimistic	135	0.75

Given the simplicity of the geological setting at Antilla, the tabular geological model presented here is considered a reasonable, albeit simplified, representation of reality. Based on core observations, the sequence is likely to be significantly dissected by minor faults; however, displacements are not likely to be discernable at the scale of observation. The greatest uncertainties in the Antilla estimates arise from the estimates of the 'average' grade. Observations in core indicate the potential for at least two grade populations within the deposit – a high grade population associated with minor faults, and a low grade, background population. The lack of sufficient data to adequately evaluate the potential impact of this grade distribution is considered a significant risk to any generalized estimate of average grade in the deposit.

In this context, SRK is uncomfortable in re-stating the CDLM estimate for the Antilla deposit as a current mineral resource under the CIM Definition Standards for Mineral Resources and Mineral Reserves Guidelines (December 2005). SRK is however of the opinion that the CDLM estimate is relevant. The reader is cautioned that the CDLM estimate should not be relied upon and that mineral resources are not mineral reserves and do not have demonstrated economic viability. For this reason, the estimates provided in Tables 22 & 23, may be considered a conceptual target potential for the metal content at Antilla.

6.17 Other Relevant Data and Information

The published literature, unpublished company reports from each stage and phase of exploration, reports by geophysical contractors from the early stages of the project, the data from a large regional geochemical stream sediment survey all represent a large amount of data and information. All the above mentioned information is in the hands of Panoro. It would be beyond the scope of this report to describe, analyse and discuss all this information. All the data obtained by the property owners have ultimately led to the design of the drill programs and resource estimates described above. It is felt that the geological information and data presented and summarized in this report are relevant and sufficient to form the basis of the assessment of the value and further potential of this project and for the interpretation, conclusions and recommendations to follow next in this report.

6.18 Interpretation and Conclusion Recommendations

The Antilla project and supergene enriched zone of chalcocite and chalcopyrite and pyrite mineralization are part of the Andahuaylas – Yauri belt and province of multiple porphyry copper deposits. While the mineralization and alteration of the Antilla enriched zone are clearly part of a porphyry copper molybdenum system, the host to the zone of mineralization tested by drilling to date are quartzites, sandstones and lesser siltstones. However, the primary mineralization within this zone exhibits porphyry styles of mineralization in the form of sulphides in quartz stock works and disseminated interstitially in the clastic sediments. Secondary biotite and a halo of quartz sericite mineralization indicate a zone system at depth that has yet to be located.

The supergene enriched zone at Antilla East, clearly of potential economic interest, lends itself to further expansion and further exploration potential exist in the form of the interpreted possible Antilla West Zone. The presence of a primary porphyry system hosted by an intrusion at depth and below the Antilla east zone is tenuous and speculative at best at this time. It does, however, represent a hypothesis and compelling target that requires testing.

CDLM estimates on the Antilla property compared with SRK evaluations are presented in Table 24.

Table 24: Comparative analysis between CDLM estimates and SRK evaluations – Antilla.

	CDLM	SRK
Antilla		
Estimates		
0.3% Cu modelling cut-off	114 MT @ 0.71% Cu, 0.94 ppm Ag, 76 ppm Mo	140 MT @ 0.68% Cu[5] (0.7% untrimmed), 0.94 ppm Ag, 91 ppm Mo
0.4% Cu cut-off		89 MT @ 0.86% Cu[5] (0.89% untrimmed)
Parameters		
Geology model	2 rectangular blocks (1000x290x30m, 300x250x30m)	Irregular solid digitized from CDLM shape and thickness modelled with 0.3% cut-off (avg thickness ~50m)
Grade	Arithmetic mean of assays within blocks	Arithmetic mean of declustered assays within solid
Density	2.5 (global average)	Unchanged

Notes:
1- Estimates are preliminary in nature and are based on 24 (Cotabambas) and 7 (Antilla) drillholes
2- No QAQC data for these data have been reviewed
3- Estimates represent optimistic range of target potential, as currently defined, and are not CIM compliant.
4- There is no guarantee that any of these resources will prove to be economic.
5- High grade Antilla samples were trimmed to a maximum value of 1.5% Cu (this results in a loss of approximately 4% of metal content)

The following program is designed to further define and expand the Antilla East Zone and to upgrade the deposit to a classified mineral resource, suitable for conversion into reserves in a feasibility or pre-feasibility study. Drilling should in this phase cover the zone at 100m x 100m spacing.

More widely spaced exploration drilling is aimed at further exploring the area between the Antilla East and the Antilla West Zone. Preliminary exploration holes are to test the presence, grade and extent of the postulated Antilla West Zone.

The potential of the project, indicated by the results of the exploration work to date justifies a comprehensive program of resource definition and exploration, including preliminary metallurgical investigations that will, last not least, have a bearing on the next stage of pre-development and exploration. The identification of viable process options will have a significant bearing on further work, given the influence of the topography of the area on a conceptual project design, the suitability of the terrain for heap leach operation and alternatives for the development of the access infra-structure to the project site, if the transport of concentrates from the site is contemplated.

6.18.1 Recommended Program

Diamond Drilling: (where possible with man-portable rigs)	**US$**
7,500 m (50ddh@150m ea) definition and extension drilling at Antilla East	750,000
2,500 m of exploration drilling between Antilla East and Antilla West	250,000
3,000 m (20ddh@150m ea) exploration/definition drilling on Antilla East	300,000
2,000 m of deep exploration drilling below Antilla East,	200,000
Mobilization, demobilization, 3-4 drill rigs	100,000
Indirect drilling costs, drilling fluids, mud	150,000
Logistics and camp support for drilling operation	140,000
Drill hole surveying, 10 holes @ US$ 1000/hole	10,000
Access Trails, drill pads, road construction and maintenance	250,000
Assaying	
Check assaying of prior drill core or rejects, 500samples, US$25/samle	12,500
New core at 2m intervals, 95%, 7,500 samples, US$ 25/sample	187,500
Metallurgical Studies	100,000
Base Line studies: Weather, hydrology, flora, fauna	25,000
Geochemistry of water courses, soils	25,000
Surface rights, agricultural land holdings	25,000
Surveying: 1 surveyor, 1 year	36,000
2 surveyor assistants, 1 year	24,000
Field geologists: 4 Peruvian geologists, core logging, 1 year	160,000
2 Peruvian geologists mapping, 1/2 year	40,000
Field assistants: core sawing, core samples, 6 men, 1 year (300 days)	36,000
Project manager:	72,000
Chief Geologist	60,000
Field Accountants & Expeditors, 2@ $1000/mo	24,000
Secretarial staff 2@ 600/mo	12,000
4 Pickup trucks, 4x4	160,000
Vehicle Operating Costs, fuel, insurance, repairs, tires	
US$ 1000/truck/month	48,000
Travel and freight	50,000
Camp/food 25 persons/day US$ 15/manday 300 days	112,500
Concessions, Vigencias, 6,700 hectares, $ 3/hectare + filing	21,000
Community Relations	100,000
Subtotal	3,480,500
Contingency 10%	350,500
TOTAL	**3,831,000**

7 Other Exploration Properties

7.1 Introduction

The “other” exploration properties consist if eleven (11) additional claim blocks in the same region as Cotabambas and Antilla. Listed in a preliminary ranking order of exploration stage and/r importance they are:

- Alicia
- Kusiorcco
- Pistoro Norte
- Promesa
- Morosayhuas
- Sancapampa
- Humanantata
- Cochasayhuas
- Anyo
- Checca
- Pataypampa

The description of the other exploration properties in the portfolio (See Figure1) are based on the reports and records of CDLM, including the geophysical reports of the various properties by VDG del Peru S.A.C. (Val d’Or Geophysica) and public information in the literature on the geology and ore deposits of Peru and/or the Andahuaylas Yauri Belt. All these properties are, like Cotabambas and Antilla, located in the Andahuaylas Yauri Belt. For the regional geology and setting of the porphyry deposits of the Andahyaulas Yauri belt see Chapter 5 of this report.

The properties listed above have not been visited by any of the authors. These properties will be treated in a more condensed form, with recommendations for exploration programs and budgets for the entire group, yet with property specific programs and budget items identified in the budget. The Alicia, Kusiorcco, Pistoro Norte and Promesa Properties will be treated and described individually, while the remaining properties will be treated and described collectively.

7.2 Alicia

7.2.1 Property Description, Location and Title

The Alicia project consist of a block of four concessions, covering 2,593 hectares, located approximately 60km south of Cuzco, in the District of Capacmarca, Province Chumbivilcas, Department of Cuzco, at an elevation of between 4,200m and 4,400m. The claim block is centered on UTM coordinates 8,440,000 N and 178,000 E. Concession names and their locations are presented in Table 25 and Figure 34. (Helmut I think we should either remove Figure 33 or 34).

Table 25: List of Alicia Concessions

Concession Code	Map Sheet	Concession	Zone	Hectares
010235899	29-S	ALICIA 3	19	600.000
010087301	29-R	ALICIA 4	18	389.731
010043003	29-S	VALERIA SIETE 2003	19	1000.000
010014903	29-R	VALERIA UNO 2003	18	603.729

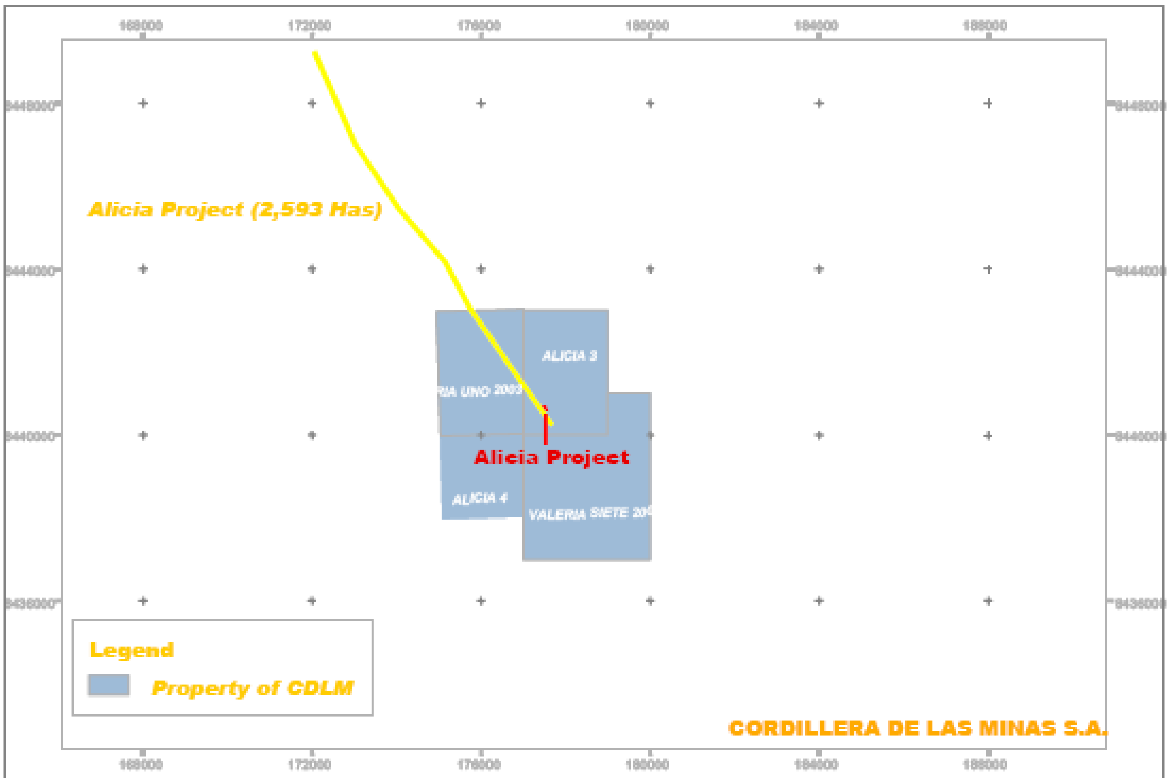


Figure 33: Location of Alicia Concessions

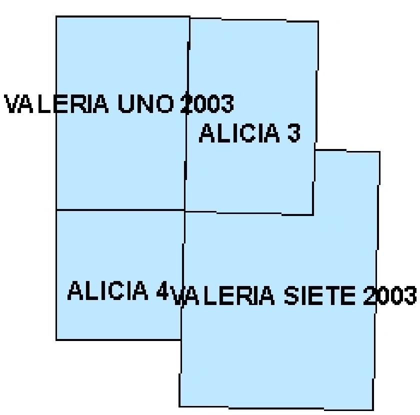


Figure 34: Detailed Layout of Alicia Concessions

Like all other concessions the claims are registered in the name of Cordillera de las Minas.

7.2.2 Accessibility, Climate, Infrastructure, Physiography

Access from Cuzco is on a paved highway for the first 100km to Pte. Tinccoc, with an estimated travel time of 3.5 hours and from Pte. Tinccocc to the project on 66km dirt road with an estimated travel time of 2 hours.

The physiography of the area is dominated by a relatively gentle topographic relief with many hills and valleys. The drainage on this eastern flank of the Cordillera Occidental is towards the Atlantic Ocean and the principal rivers like the Velille and Apurimac, among others, are controlled by regional faults.

The climate is a moderate rain climate, characterized by dry winters with abundant rains and snow from December to March.

7.2.3 History, Exploration Work to Date

Early exploration by Cerro de Pasco Copper Corporation in the sixties and seventies included the construction of access roads and trenching on the higher grade areas of the skarn mineralization. In the early nineties Cambior is reported to have carried out geological and geophysical surveys with presumably discouraging results, having abandoned the property in the following years. Anaconda Peru started work in 2000 and reported the presence of a skarn with considerable dimensions, without identifying any relationship to a porphyry system. Thereafter A. Zarate recognized the presence of a large porphyry intrusive stock with weak quartz veining on the basis of which more detailed work was initiated. The exploration work consisted of surface mapping, trenching, geophysical surveys and culminated in a program of three diamond drill holes in 2003. (CDLM Annual Report, 2003).

In 2001 12 new trenches on outcrops of skarn mineralization with a total length of 608m were systematically sampled in 101 samples and from16 older trenches with a total length of 758m 139 samples were taken for a total of 240 samples. The sample length was 4m in skarn and 10m in porphyry intrusive.

From October 30 to November 8 2002 a geophysical survey was carried out consisting of 110 TEM-soundings and 74 line kilometers of magnetometer surveys.

The 2003 drilling program consisted of three diamond drill holes with the following locations and specifications (see Table 26):

Table 26: Alicia Diamond Drill Hole Locations

DDH	UTM East	UTM North	Collar Elev.	DIP	Depth
AL-01	177500	8440200	4485	- 60	300.00
AL-02	177800	8440600	4520	-70	585.60
AL-03	177200	8441200	4390	- 60	195.10
Total meters drilled					1,053.70

The work carried out to date was largely restricted to the Alicia 3 claim.

7.2.4 Geology and Mineralization

The following is a summary description of the geology and mineralization at Alicia from the Information Memorandum compiled by Standard Bank, London, on the basis of internal company reports of CDLM:

"The porphyry skarn system at Alicia is associated with the intrusion of at leat two cylindrical, quartz eye-, biotite-,and hornblende bearing porphyry stocks of granodioritic composition that intrude a sequence of thickly bedded and folded limestones assigened to the cretaceous Ferrobamba Formation.

Copper – gold mineralization at Alicia is mainly of skarn-type at the contact between the porphyry stocks and the Carbonate country rocks. Mineralization occurs as replacement zones along the contact and as densely veined bornite–rich, quartz- poor stockworks thatcut across earlier formed garnet skarn. Porphyry-style mineralization contained in the main mass of granodiorite porphyry is associated with sparse stockworks dominated by pyrite and local minor chalcopyrite."

Geology and drill hole locations are presented in Figure 35.

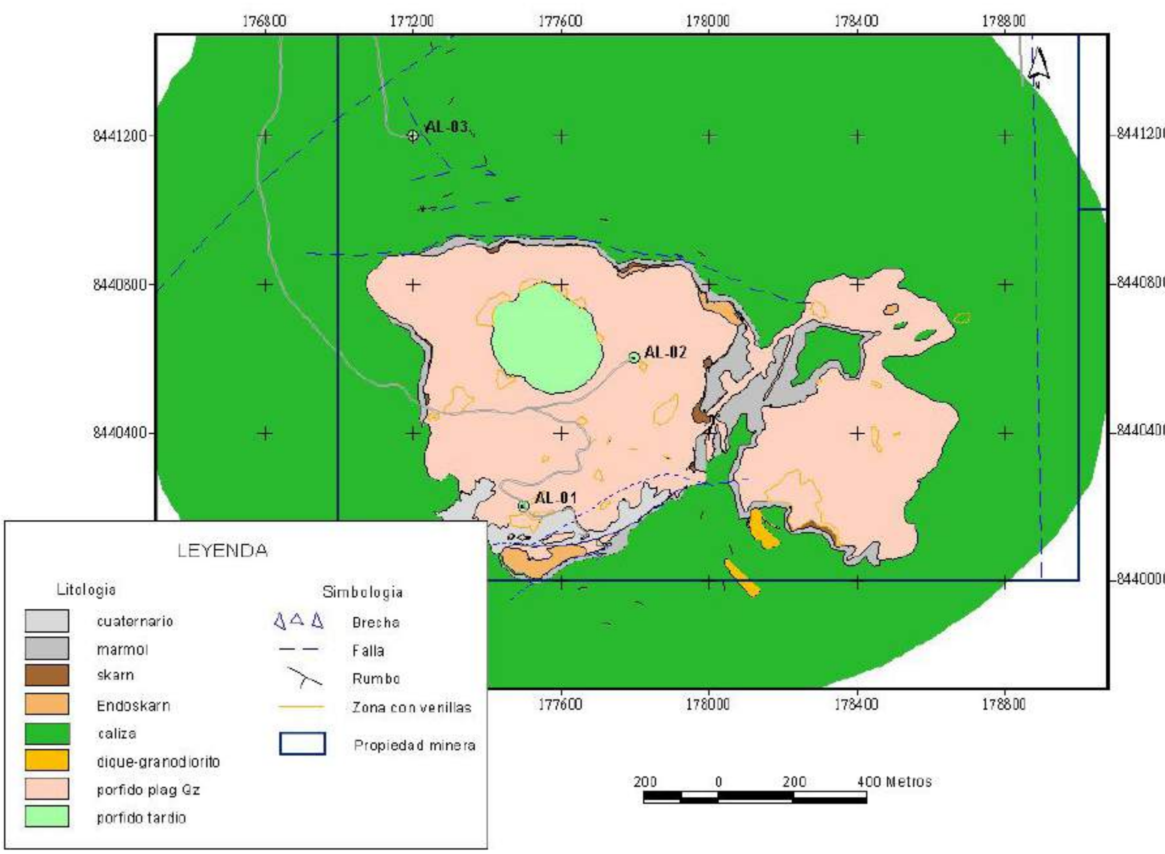


Figure 35: Geology and drill hole Locations Alicia Prospect

A historical estimate of the geological potential of the skarn type mineralization in nine discrete zones, based on the 240 trench samples described earlier, with the mineralization projected to an area weighted average depth of 80m, resulted in a projection of 4.5 Million tonnes with an average grade of 2.19% copper, 0.23g/t gold, 13g/t silver and 102ppm molybdenum.

Table 27 is taken from the 2001 annual exploration report of CDLM, whereby:

“profound.” means depth, “Pe” means specific weight, “Tm” means metric tonnes, and “Estructura” the structure or type of host rock to the mineralization.

Table 27: Alicia Trenches and Geological Mineral Inventory

Nº	Area m^2	Profund. m	Pe	Tm	% Cu T	Au g/tn	Estructura
I	8819	100	2.8	2469320	1.58	0.14	Skarn-Endoskarn
II	509	20	2.8	28500	1.47	0.20	Skarn-Endoskarn
III	1488	50	2.8	208320	1.01	0.32	Skarn-Endoskarn
IV	1244	50	2.8	174160	2.53	0.94	Skarn-Endoskarn
V	822	50	2.8	115080	1.97	0.29	Skarn-Endoskarn
VI	703	50	2.8	98420	2.03	0.39	Skarn-Endoskarn
VII	1662	50	2.8	232680	0.50	0.06	Skarn-Endoskarn
VIII	3672	100	2.8	1028160	4.31	0.31	Skarn-Endoskarn
IX	1634	50	2.8	228760	2.22	0.26	Skarn-Endoskarn
TOTAL	**20553**	**550**	**2.8**	**4583400**	**2.19**	**0.23**	

While drill hole AL-03 was entirely in carbonate rocks of the Ferrobamba Formation, drill holes AL-01 and AL-02 intersected weak porphyry style mineralization (see Table 28) in a quartz-plagioglase porphyry, the Principal porphyry, with biotite and or chlorite alteration.

Table 28: Best intersections in AL-01 and AL-02 drill holes

DDH	From	To	Length	%Cu	Au (g/t)	Mo (ppm)
AL-01	66	76	10	0.46	0.10	48
AL-02	126	134	8	0.56	0.17	48

7.2.5 Recommendation

It is recommended to intensify the geological mapping on Alicia 3 claim with particular attention to the types of intrusive and their phases, alteration and intensity of quartz veining. The rest of the claim block requires reconnaissance style mapping and prospecting, combined with geochemical surveys of rocks and soils.

The skarn occurrences on Alicia 3 should be check sampled in sufficient numbers to verify the grades and tonnage estimates projected by previous workers and newly discovered occurrences of skarn mineralization on the remaining claims should be trenched and sampled.

The existing geophysical data should be re-evaluated after the detailed mapping on Alicia 3.

After the completion of the reconnaissance mapping program the property should be assessed for the applicability and type of further geophysical surveys.

The cost estimate for the recommended program will be incorporated in the cost estimate for exploration work on all the "Other Properties" beside Cotabambas and Antilla.

7.3 Kusiorcco

7.3.1 Property Description, Location and Title

The Kusiorcco project consists of an irregular array of 11 exploration concessions covering a total area of 3,862 hectares net of overlaps with older concessions. The property is located approximately 100km south of Cuzco, District of Chamaca, Province of Chumbivilcas, Department of Cuzco, at an elevation of about 4,500m asl. The Kusiorcco concessions (see Table 29 and Figures 36, 37) are in close proximity to the Constancia project of Norsemont Mining and Rio Tinto as well as the former producer Katanga which was owned and operated by Mitsui. The centre of the property is at approximate UTM coordinates 8404000N and 198000E.

Table 29: Kusiorcco List of Concessions

Code	Map sheet	Concession	Zone	Hectares
010170502	29-S	ALUNO DOS 2002	19	300
010170802	29-S	ALUNO TRES 2002	19	100
010166804	29-S	VALERIA SESENTAICINCO 2004	19	600
010166704	29-S	VALERIA SESENTAICUATRO 2004	19	400
010166504	29-S	VALERIA SESENTAIDOS 2004	19	800
010167204	29-S	VALERIA SESENTAINUEVE 2004	19	100
010167104	29-S	VALERIA SESENTAIOCHO 2004	19	500
010166904	29-S	VALERIA SESENTAISEIS 2004	19	600
010167004	29-S	VALERIA SESENTAISIETE 2004	19	1000
010166604	29-S	VALERIA SESENTAITRES 2004	19	600
010269204	29-S	VALERIA SETENTAICUATRO 2004	19	200

All concessions are registered in the name of Cordillera de las Minas.

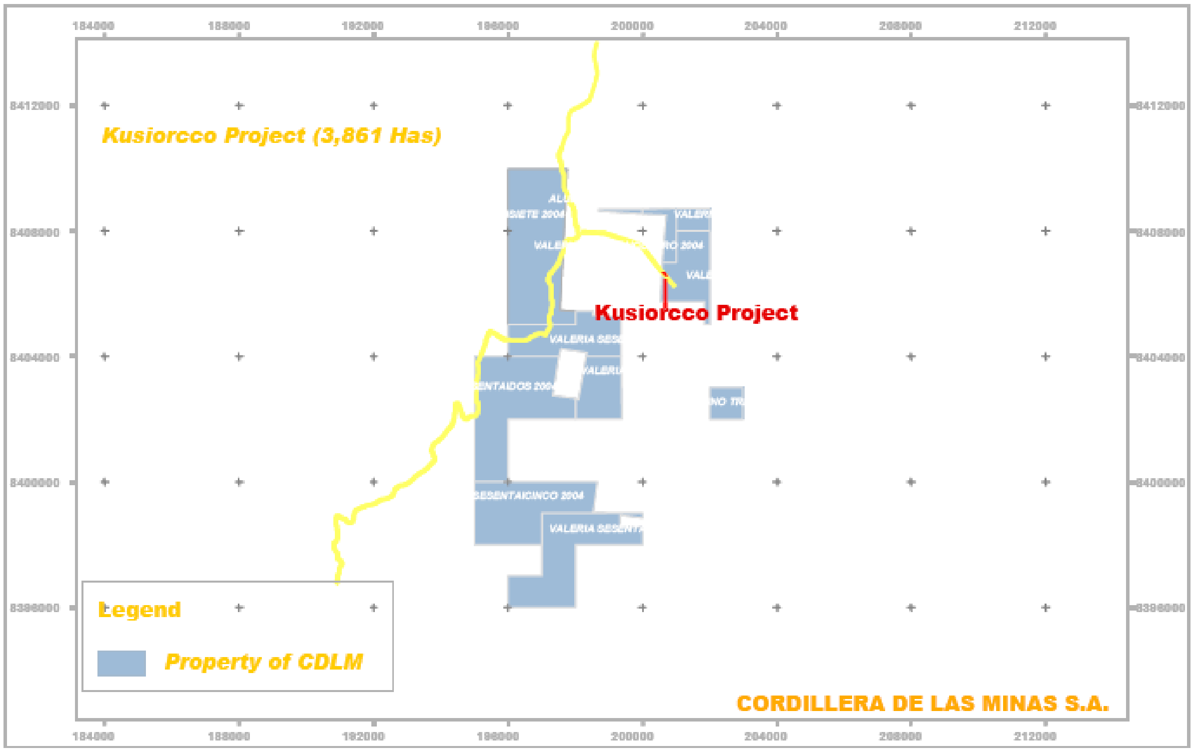


Figure 36: Location of Kusiorcco Concessions

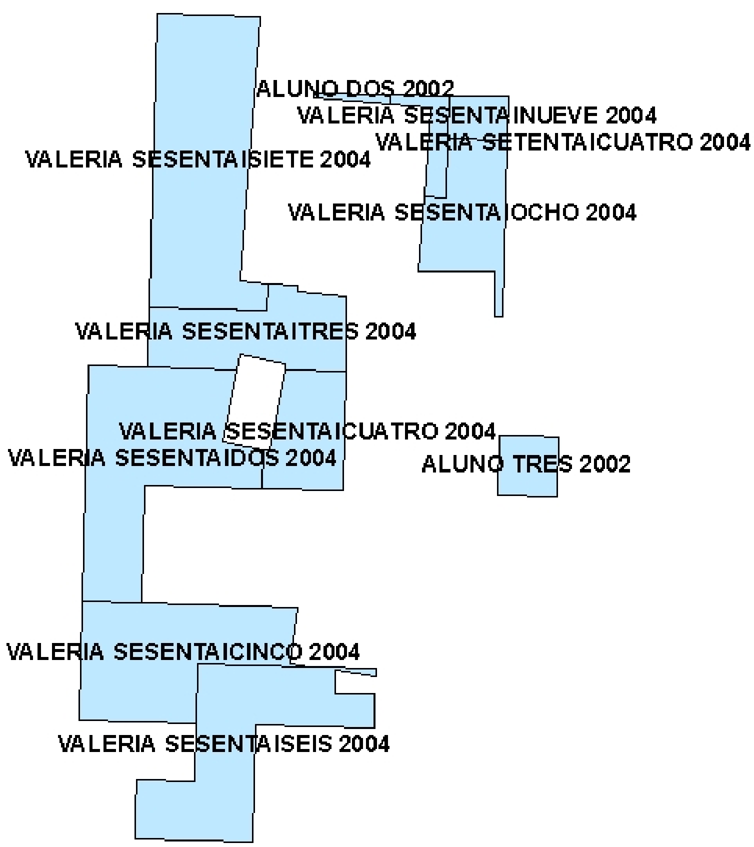


Figure 37: Detailed Layout of Kusiorcco Concessions

The concessions of the Kusiorcco property are intertwined with concessions of Compañia Minera Maria Reyna, with Mitsui concessions adjoining to the south and Rio Tinto cocessions to the west.

The concession that covers the Kusiorcco porphyry corresponds to the "Valeria Setentaiocho 2004" concession of about 500 hectares. The area of the concession is reduced by the existence of 2 older mineral claims. CDLM owns an area of effectively 288.4 hectares that protects approximately 60% of the outcrop area of the Kusiorcco porphyry intrusive.

7.3.2 Accessibility, Climate, Infrastructure, Physiography

The property is road accessible from Cuzco via Combapata and Yanaocca (120km asphalt) and via Livitaca – Añahuichi – Uchucarco to Kusiorcco on 141km of gravel and dirt roads.

The physiography and climate of the area is similar to that of Alicia, dominated by a relatively gentle topographic relief. The drainage on this eastern flank of the Cordillera Occidental is towards the Atlantic Ocean and the principal rivers like the Velille and Apurimac, among others, are controlled by regional faults.

The climate is a moderate rain climate, characterized by dry winters with abundant rains and snow from December to March.

7.3.3 History, Exploration Work to Date

Exploration work for CDLM started in 2004 with reconnaissance exploration in the general area of the Katanga Mine. This resulted in the discovery of extensive outcrops of porphyry style characteristics. This was followed by geological mapping at the scale of 1:2000 of an area of about 288 hectares, while at the same time a geophysical survey consisting of 32.2km of magnetometer surveys and 16.8km of Induced Polarization surveys were initiated. 80 selected rock samples were taken in the area of geological mapping.

7.3.4 Geology and Mineralization

The Kusiorcco property and target area lies at the same periphery of a circular feature visible on satellite imagery that also contains the Katanga Mine and Norsemont's Constancia project (see Figure 38).

Figure 38: Satellite image of the Kusiorcco-Katanga-Constancia area. (CDLM Annual Exploration Report, 2004)

The geology, mineralization and alteration features of the Kusiorcco property are described in a summary report prepared for the Information Memorandum of Standard Bank as follows:

> *"A subcircular, quartz-, K feldsapar-, ferromagnesian-bearing porphyry stock of roughly 1x2km intrudes the contact between a large quartz diorite pluton of the Eocene Andahuaylas-Yauri batholith and massive limestone of the Cretaceous Ferrobamba Formation. (Figure [39]). The principal facies of the porphyry stock contains abundant megacrysts of K-feldspar (orthoclase), in common with the mineralising stocks at the nearby Katanga, Monterojo and San Jose (Constancia) prospects. A circular, 300m diameter, fresh-looking late-mineral porphyry of dacitic composition occurs in the central part of the main stock and truncates its associated Quartz –stockworks."*

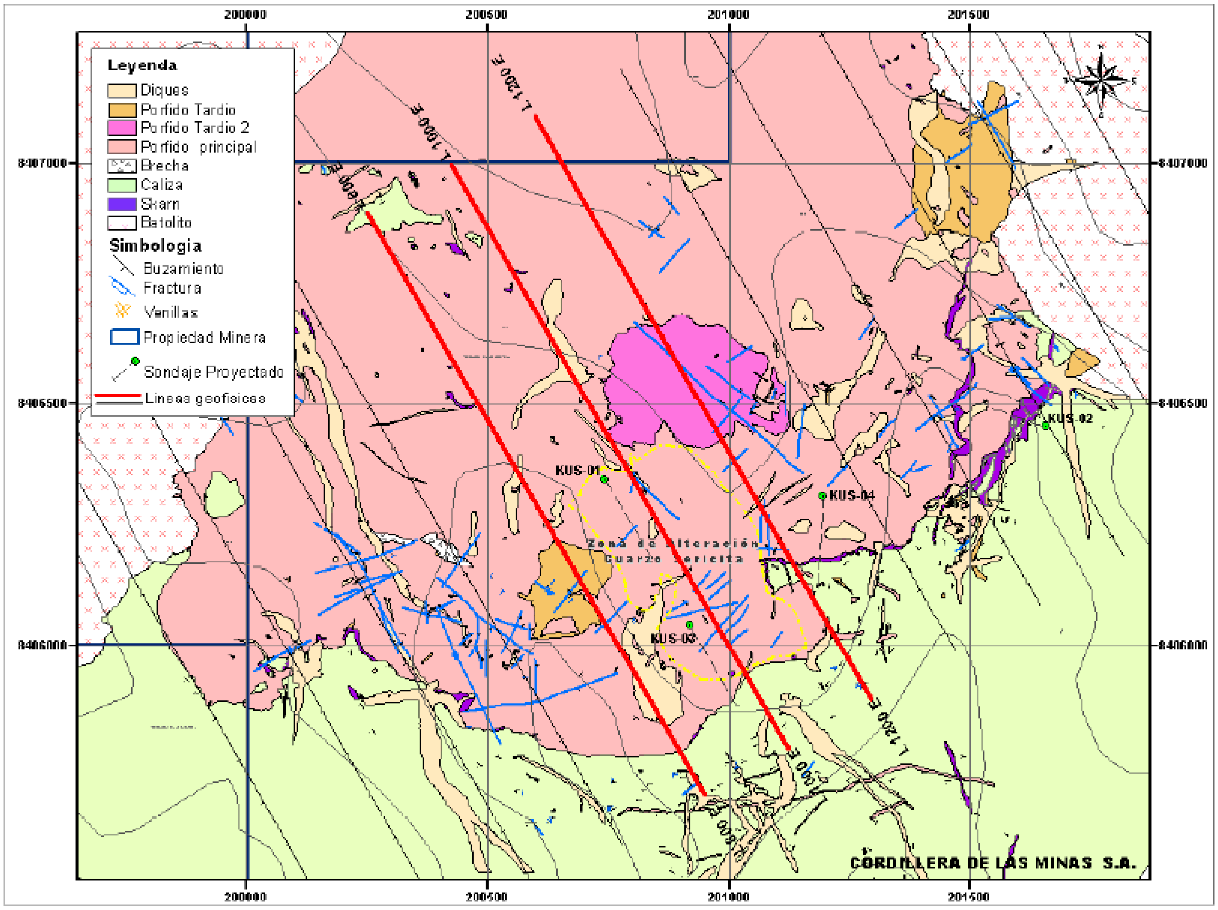


Figure 39: Kusiorcco Geology

"Hydrothermal alteration includes weakly to moderately preserved potassic alteration as veinlet haloes and seams and quartz-sericitic assemblages are locally well developed. An outstanding feature of the system is the intensity of quartz-K feldspar veinlets of A-type, with both stockworks and linear arrays of sub-parallel veinlets being common. Calc-silicate skarns dominated by massive, coarse-grained red garnet are developed along narrow zones at the contact between the main porphyry mass and Ferrobamba limestone.

Copper mineralization on surface exposures is low-grade, judging by the very low contents returned by the rock-chips, up to 270ppm CU, in centrally located stockworks. The peripheral skarns develop local copper oxide stains and goehitic gossans, some returning up to 0.2% Cu and anomalous Au and Mo values. There is a general spatial coincidence between ground magnetic highs and the occurrence of skarns, suggesting that the magnetic survey is mapping a greater extension of skarn at depth. Similarly, a chargeability anomaly coincides with the quartz-sericite alteration zone and may represent important sulphide volumes in depth."

Figures 40-43 present the results of geophysical surveys from the 2004 Report by VDG del Peru S.A.C.

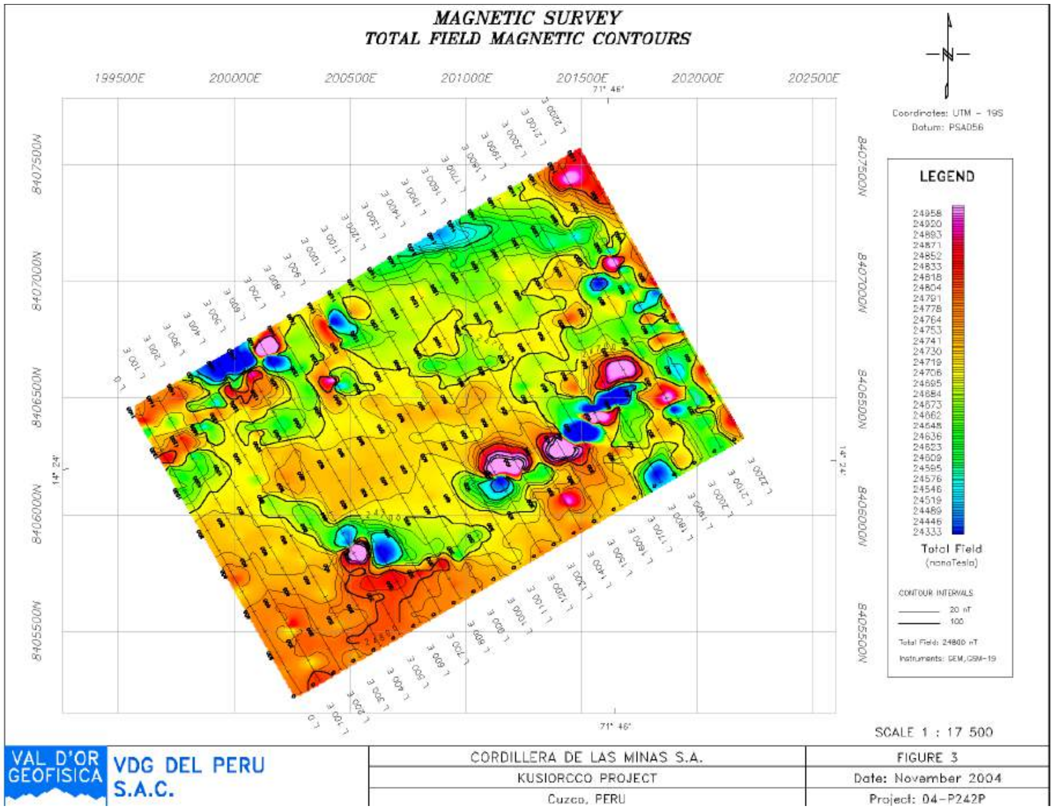


Figure 40: Kusiorcco Total Magnetic Field Map

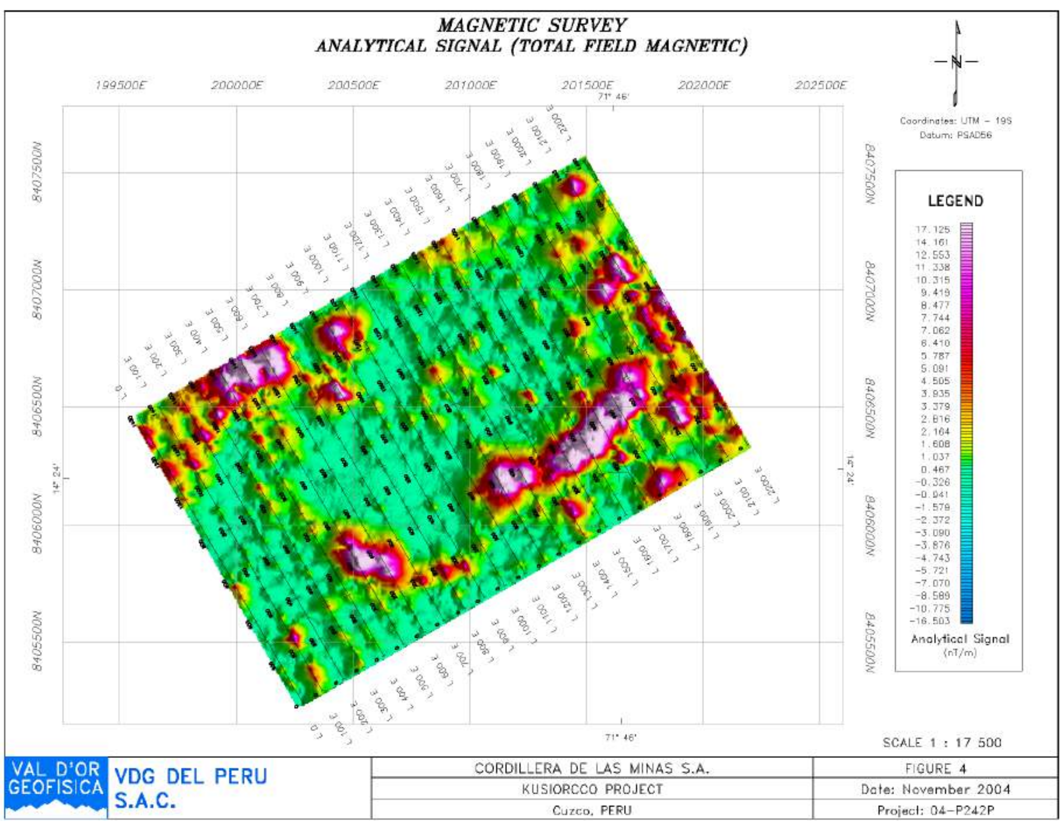


Figure 41: Kusiorcco Total Magnetic Field Analytical Signature Map

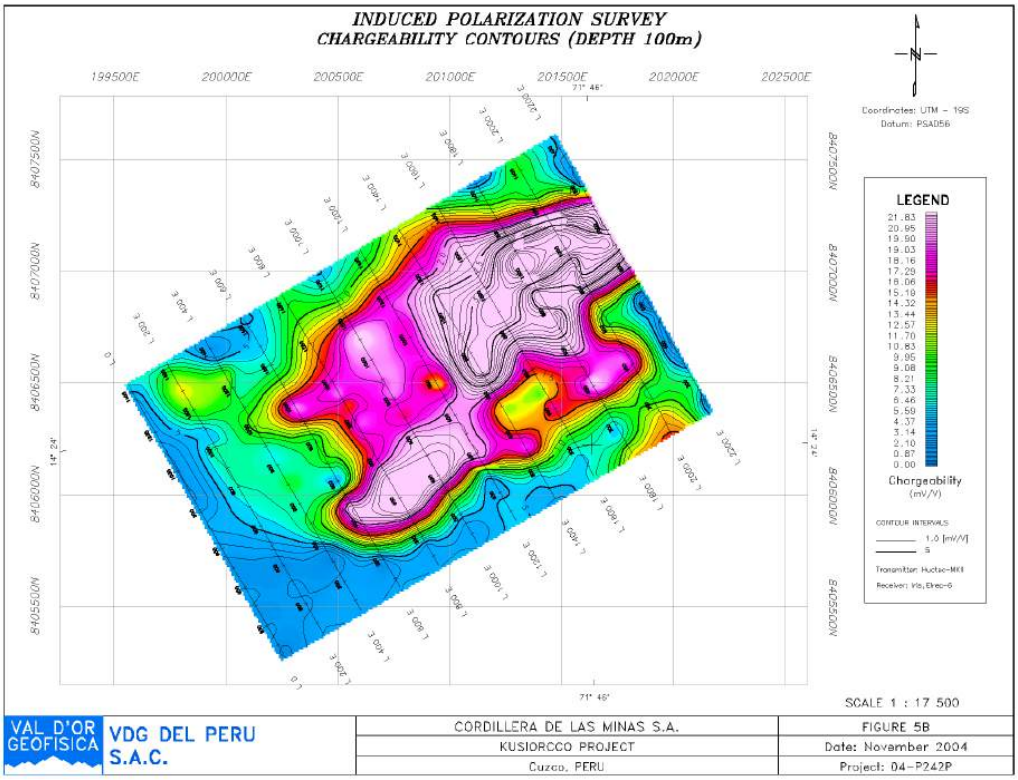


Figure 42: Kusiorrco I.P. Chargeability Contours, 100m Depth

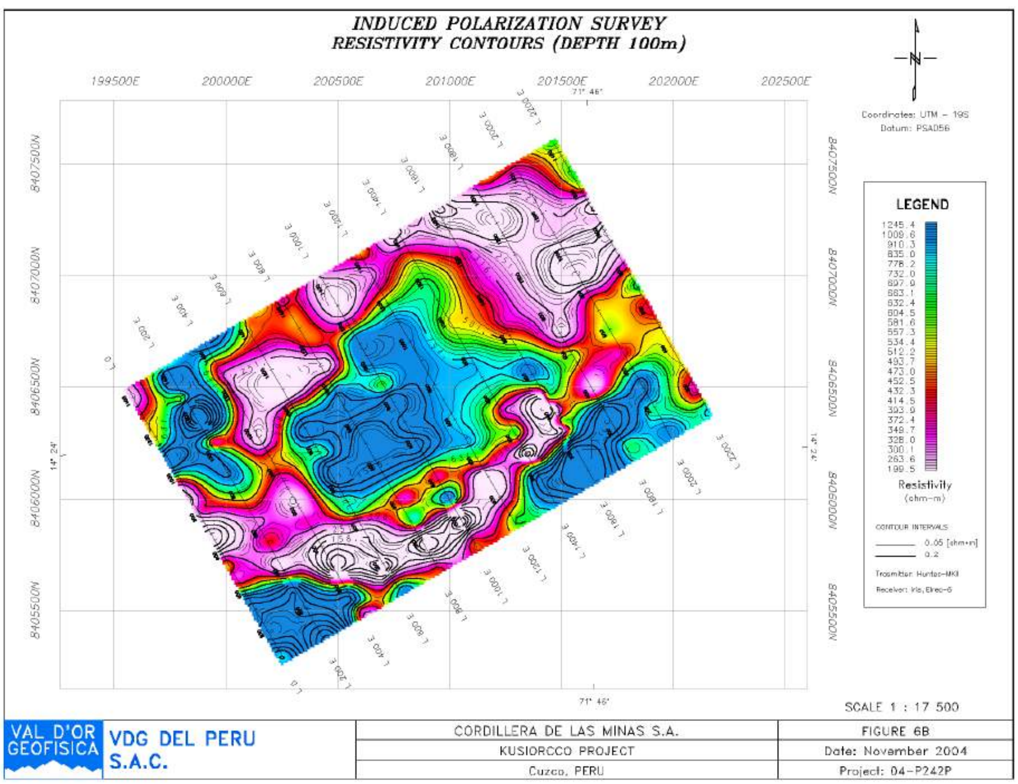


Figure 43: Kusiorcco I.P. Resistivity Map, 100m Depth

The responses and configurations shown above persist in close to identical form at the 200m and 300m depth levels.

7.3.5 Recommendation

The geological staff of CDLM in their 2004 report recommended the following four diamond drill holes to test the surface indication in combination with the geophysical targets at depth (see Table 30).

Table 30: Kusiorcco Recommended Drill Hole Specifications

DDH	Collar Coordinates	Azimuth	Dip	length	Target
KUS-1	200744E-8406345N	N150	-50^o	300m	Main Porphyry
KUS-2	201654E-8406450N	N290	-55^o	250m	Porphyry
KUS-3	201164E-8406343N	N150	-50^o	300m	Porphyry + Skarn
KUS-4	201193E-8406308N	N185	-60^o	300m	Porphyry + Skarn

7.4 Pistoro Norte

7.4.1 Property Description, Location and Title

Concession names and their locations on the Pistoro Norte property are shown in Table 31 and on Figures 44, 45. All concessions are registered in the name of Cordillera de las Minas.

Table 31: Pistoro Norte List of Concessions

Code	Map Sheet	Concession	Zone	Hectares
010182202A	29-R	ALUNITO UNO 2002	18	200
010182302	29-R	ALUNO OCHO 2002	18	700
010182102	29-R	ALUNO SEIS 2002	18	1000
010182202	29-R	ALUNO SIETE 2002	18	200

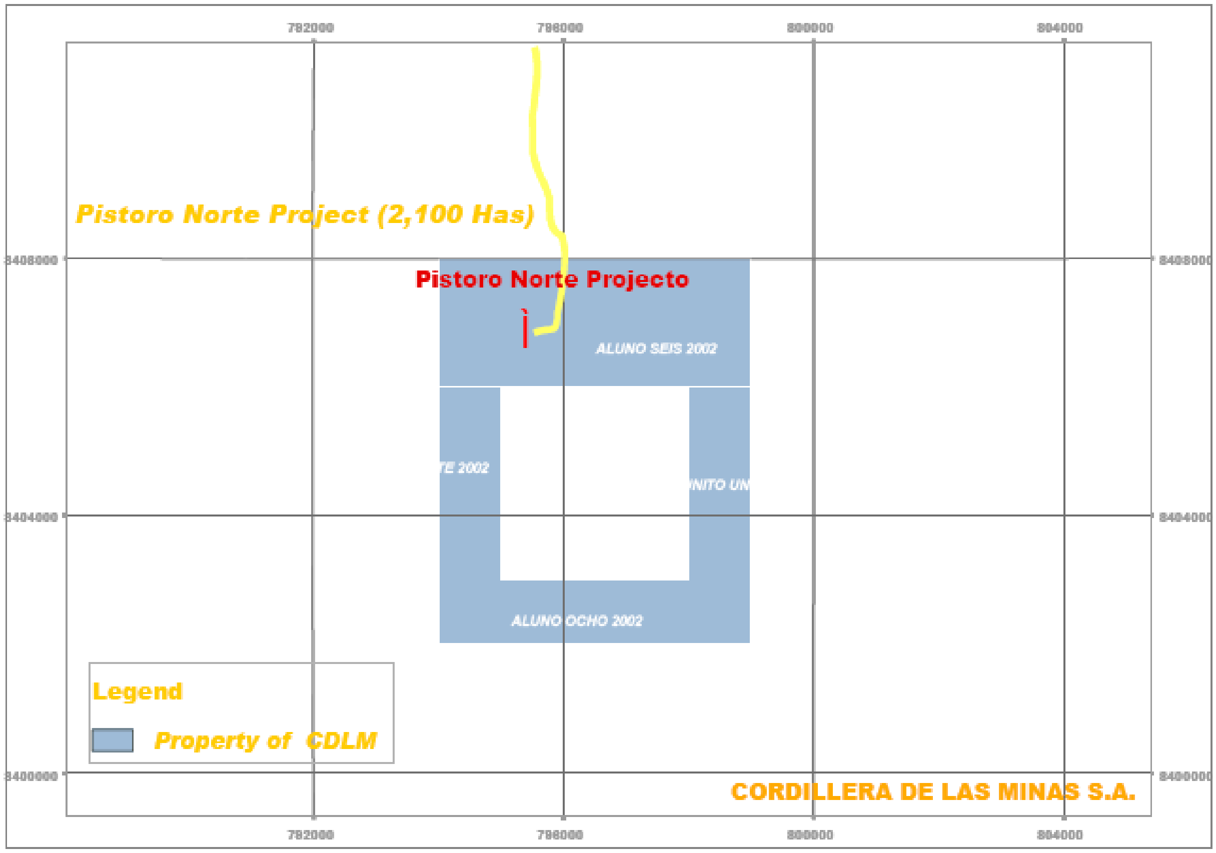


Figure 44: Pistoro Norte Location of Concessions

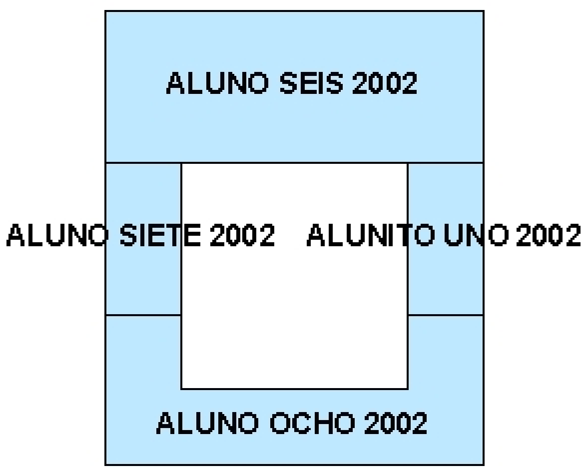


Figure 45: Pistoro Norte Detailed Concession Layout

7.4.2 Accessibility, Climate, Infrastructure, Physiography

The Pistoro Norte property can be reached from Cuzco via Cotabambas – Tambobamba – Haquira – Pistoro, a total distance of 312km by road, of which the first 32km to Anta are on asphalt.

The climate is similar to that of the Alicia and Kusiorcco projects described above. A description of the physiography is provided by the authors of the geophysical report by VDG del Peru S.A.C.:

"The topography is rather smooth and gently rolling, typical of the Andean Altiplano. Elevations throughout the line grid range between 4071 to 4393 m asl. The general relief shows a large topographic depression in the center part of the grid forming a large basin entirely covered in quarternary material."

7.4.3 History, Exploration Work to Date

The exploration work started with a follow up on a stream copper - molybdenum sediment anomaly in 2002. During a quick reconnaissance at that time extensive zones of porphyritic rocks with argillic alteration and an outcrop with pervasive and stock work silicification were identified, as well as abundant copper oxides in its northern part. Unfortunately only a part of the area could be covered by concessions for CDLM due to an earlier application by Peñoles, therefore only 2100 hectares could be secured for CDLM. In the central part of the prospect a zone of argillic alteration could be observed that had been drilled by Southwestern (Minera del Suroeste), while the northern part shows evidence of porphyry type alteration an copper mineralization. The northern part is considered to have the better potential due to its intensive hydrothermal alteration, cooper mineralization (up to 0.47% copper and 0.31 g/t gold in a chip sample) and because of the possibility of the mineralization extending under recent sedimentary cover.

Geological mapping was carried out at a scale of 1: 5000 over 1000 hectares of the most prospective area, accompanied by channel and rock-chip geochemical sampling (224 samples), and in 2003 22 line-km of ground magnetic and 18.8 line-km of Induced Polarization surveys. 1:20,000 scale geological mapping was carried out over the rest of the concession.

7.4.4 Geology and Mineralization

The geology of the Pistoto Norte Property has been summarized for the Information Memorandum of Standard Bank as follows:

"The Pistora Norte system is associated with miniature hornblende-bearing stocks and northwest trending dikes of dacitic composition that intrude a volcano-sedimentary sequence composed of pyroclastic flows and debris of andesitic composition (Figure 33). Laterally, the geology shows a swarm of northwest-trending dikes of similar composition, but that lack porphyry-style alteration and are considered as post-mineral in timing.

Hydrothermal alteration displays a broad concentric geometry in which a core of poorly preserved, magnetite rich potassic assemblages, with biotite and local actinolite, is overprinted and surrounded by chlorite-rich intermediate argillic alteration. This halo is, in turn, surrounded by chlorite and epidote alteration defining a propylitic envelope.

Copper-gold mineralisation at Pistoro Norte is preferentially contained in the potassic zone in the form of minuscule veinlets and hairline fractures with quartz, magnetite, and chalcopyrite, which have returned up to 0.53% Cu and 0.63 g/t Au in rock-chip samples. Copper oxides are locally present and represent in-site oxidation of chalcopyrite under near-neutral conditions with low pyrite contents. Laterally, several kilometres to the southeast, quartz-alunite advanced argillic alteration is telescoped onto porphyry-style quartz-stockwork veinlets which, together with nearby similar occurrences, define a northwest trending corridor of hydrothermal systems."

The results of the exploration work are described in more detail in the 3003 Annual Exploration Report of CDLM and are summarized from its Spanish text as follows:

"The better geochemical results correspond to the northern part, where a grid with 21 rock geochemical samples was established. In spite of the stage of argillization of the greater part of the samples and the small quantity if visible copper minerals, and aberage of 0.12% Cu and 900ppb Au over the entire grid was obtained. This configures a geochemical anomaly of 300x300m with more than 1000ppm copper, open to the NW (an area covered by alluvials and Moraine material).Values of greater than 0.1 g/t gold roughly coincide with this anomaly. The highest values of the grid were 0.74% Cu and 0.41 g/t Au and were obtained in the western part (with sericite-silica alteration) and eastern part (in microdikes of breccia with a matrix of magnetite in argillized rocks) respectively.

The molybdenum values are low, with a maximum of 30ppm, indicating that we are dealing with a copper-gold porphyry.

The IP survey has confirmed the original Hypothesis that the alteration (and mineralization?) continues to the NW underneath the alluvials and moraines, however, the anomalies do not coincide with the outcrop area where the rock samples were taken, but appear to border its flank to the NE. The magnetometer survey, on the other hand, produced a strong anomalywhich corresponds to the W-flank of the mountain where rocks with k-silica with a great amount of copper oxides are outcropping.

The IP-survey clearly indicates a corridor with a N20oE direction, a width of 200 to 400m and over 1400m long, with chargeability values greater than 30mV/V. The zone with the highest chargeability appears to start close to the area where silicified belts in the fine grained intrusive occur, and are plunging to the NNW. This trend is accompanied by low resistivity values. The anomaly is open around the northern boundary of the CDLM property and a probable body of mineralization should continue at depth (below 100m) to the NNW…"

Figure 46 presents the geology at Pistoro Norte, described and referred to as Figure 33 in a quotation above. Figures 47-51 show geophysical grid and geophysical survey results on Pistoro Norte.

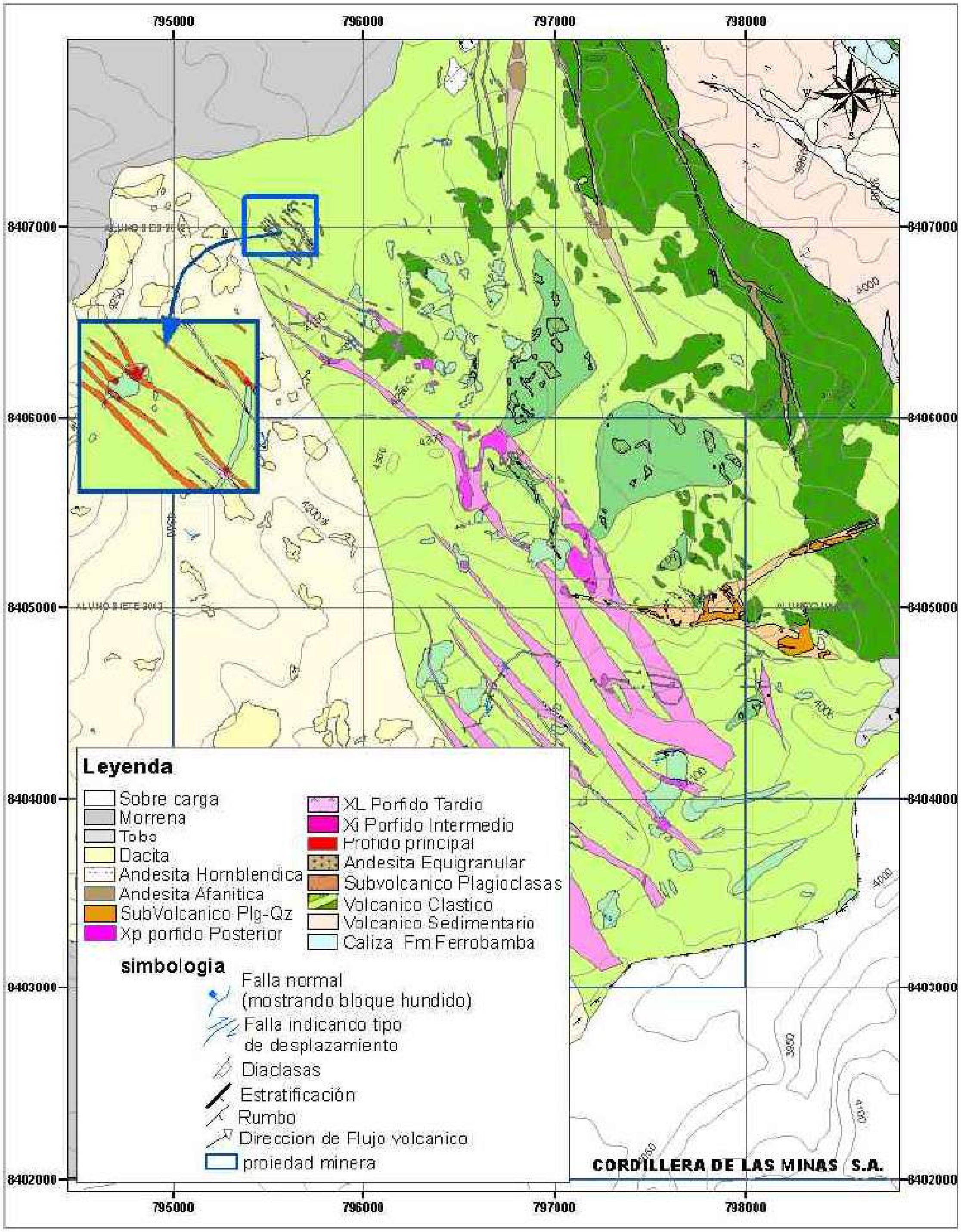


Figure 46: Pistoro Norte Geology (Fig.33 of Standard Bank Information Memorandum)

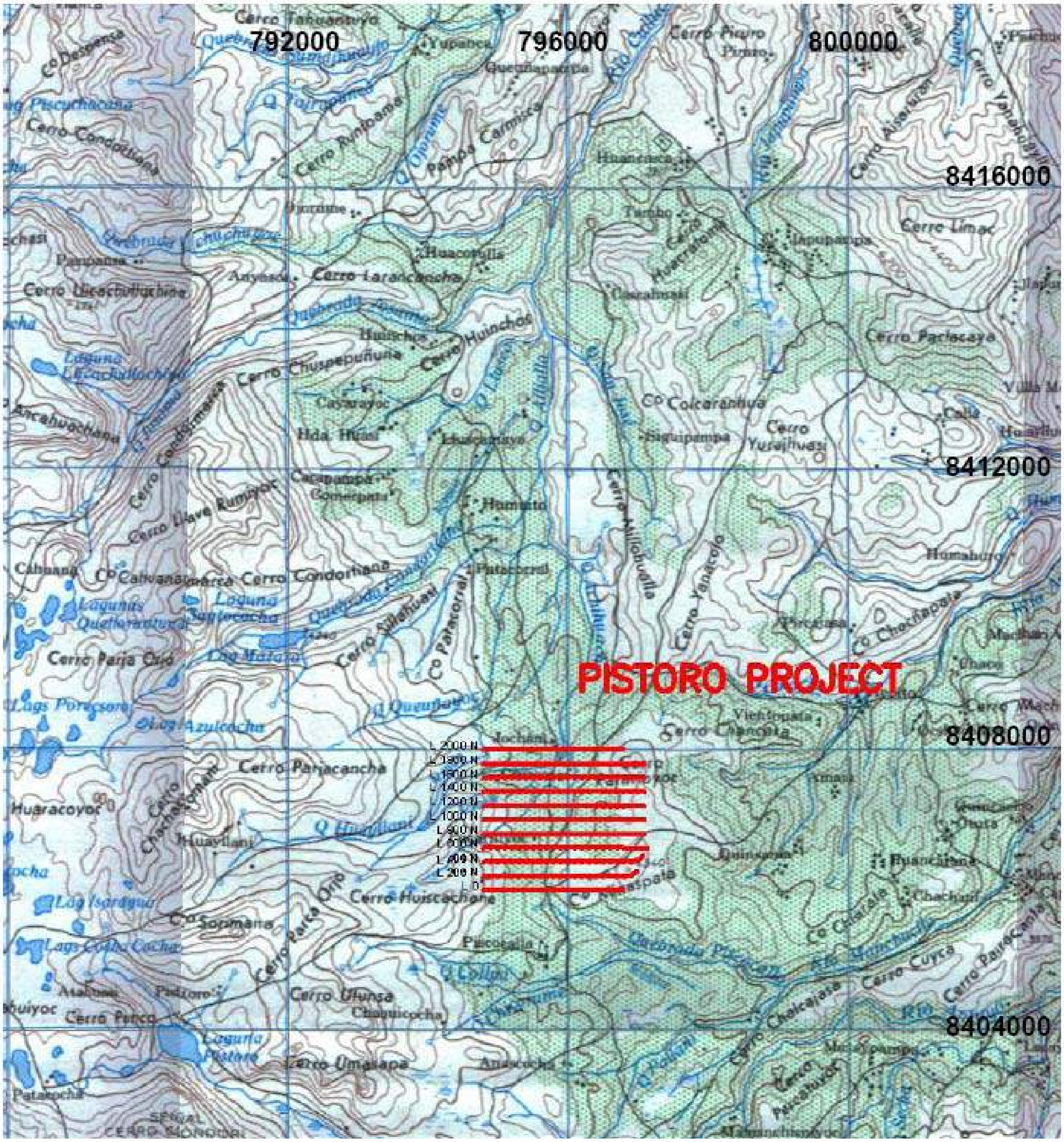


Figure 47: Location of the Pistorro Norte geophysical Grid

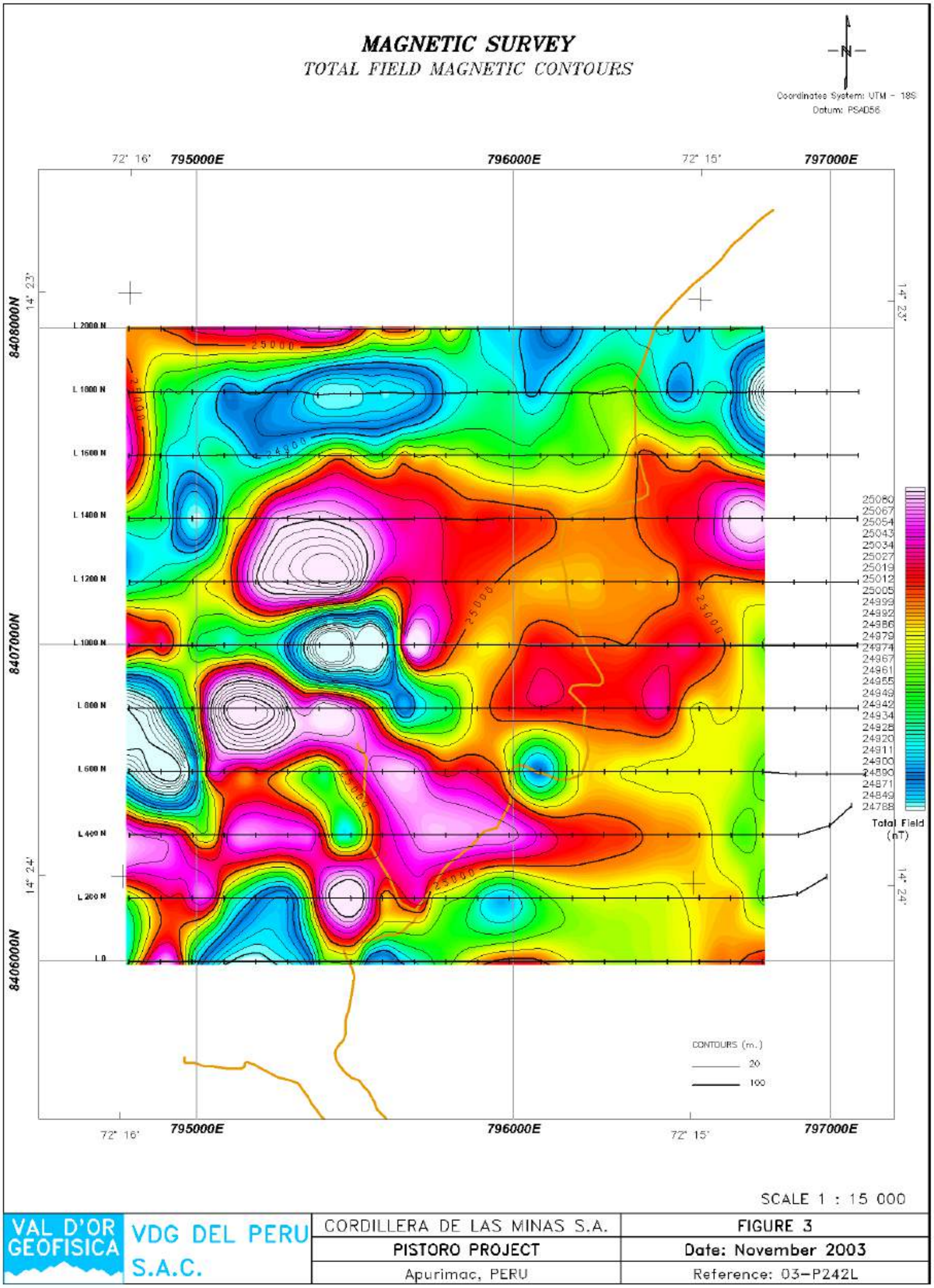


Figure 48: Pistoro Norte Total Magnetic Field Contours

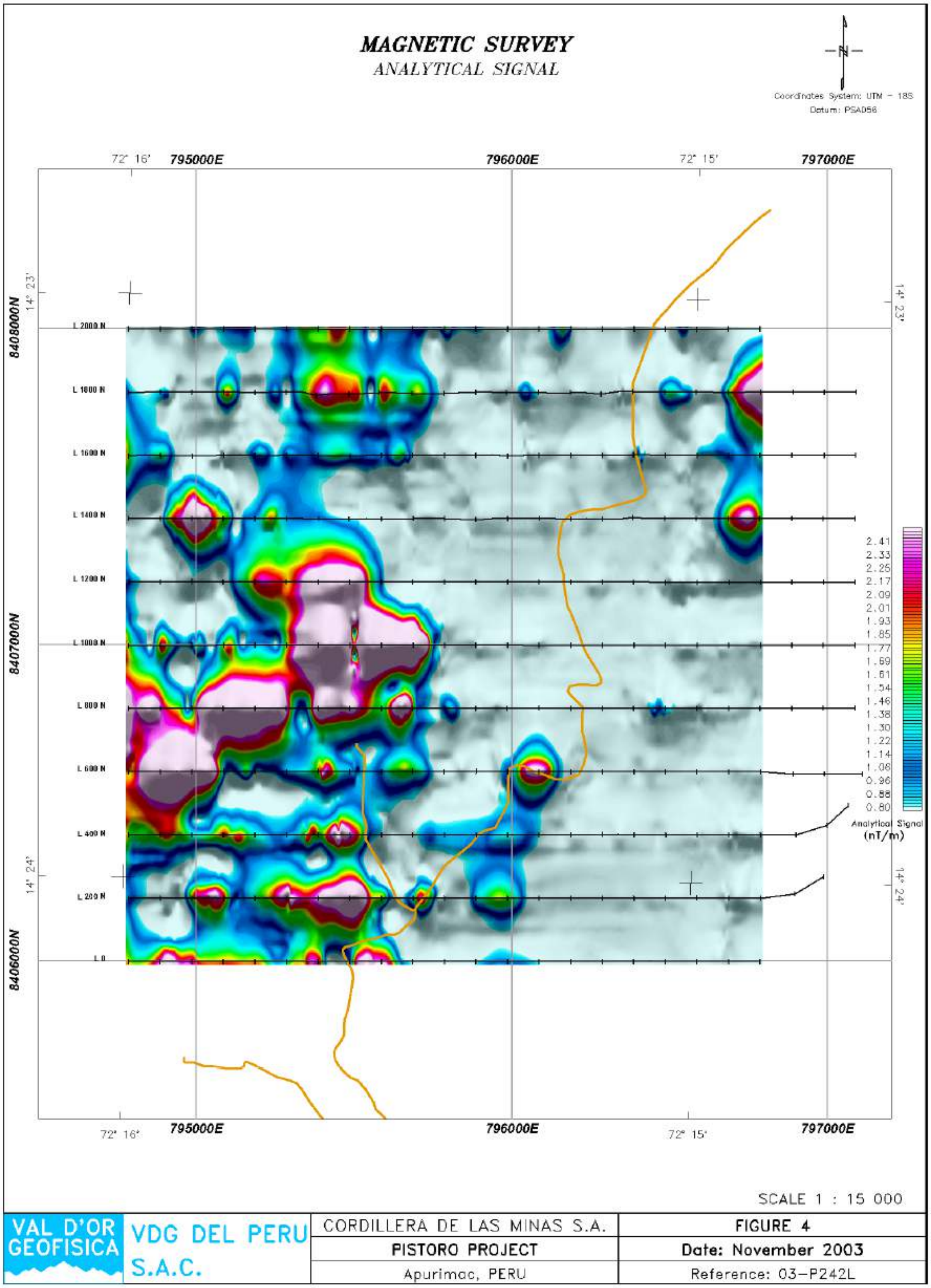


Figure 49: Pistoro Norte Total Magnetic Field Analytical Signature Map

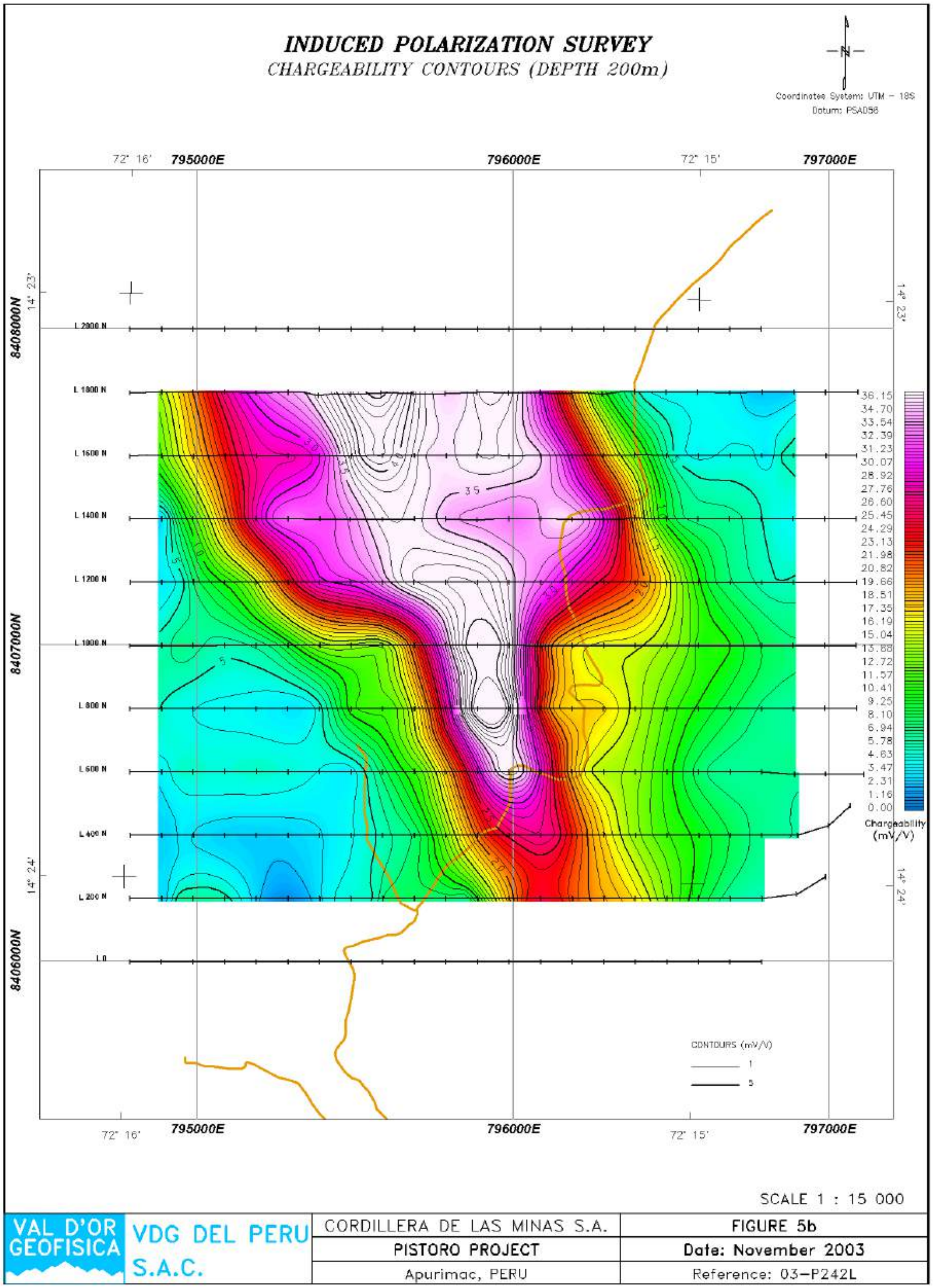


Figure 50: Pistoro Norte I.P. Chargeability Contours at 200m Depth

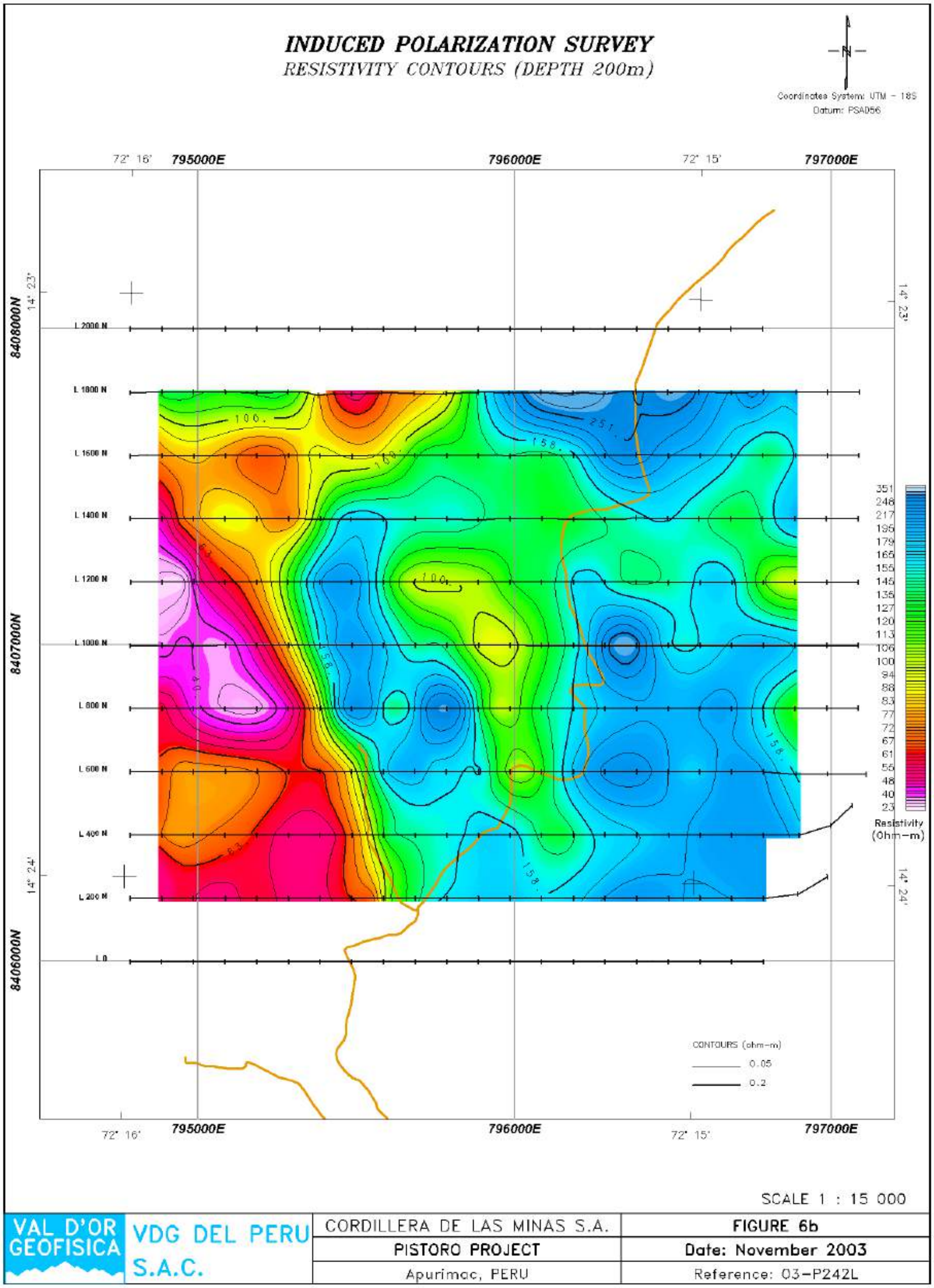


Figure 51: Pistoro Norte I.P. Chargeability Contours at 200m Depth

7.4.5 Recommendation

An initial program of field mapping and sampling to confirm and enlarge on the information collected by CDLM is recommended, followed by a contingent drill program to test the combination of geological, alteration, mineralization and geophysical targets with a minimum of four diamond drill holes of approximately 300m depth at locations to be determined after the initial field program.

7.5 Promesa

7.5.1 Property Description, Location and Title

The Promesa property consists of a rectangular block of three concessions (see Table 32 and Figures 52, 53) covering 3,000 hectares near the town of Promesa and 19km south of Chalhuanca, District of Cotaruse, Province of aymaraes, Department of Apurimac, at an elevation of between 3,800 and 4,400m asl. The total distance from Cuzco by road is 360km. The centre of the property lies at approximate UTM coordinates 8,399,000N and 686,000E. All concessions are registered in the name of Cordillera de las Minas.

Table 32: Promesa List of Concessions

Code	Map Sheet	Concession	Zone	Hectares
010043303	29-P	VALERIA DIEZ 2003	18	1000
010043203	29-P	VALERIA NUEVE 2003	18	1000
010043403	29-P	VALERIA ONCE 2003	18	1000

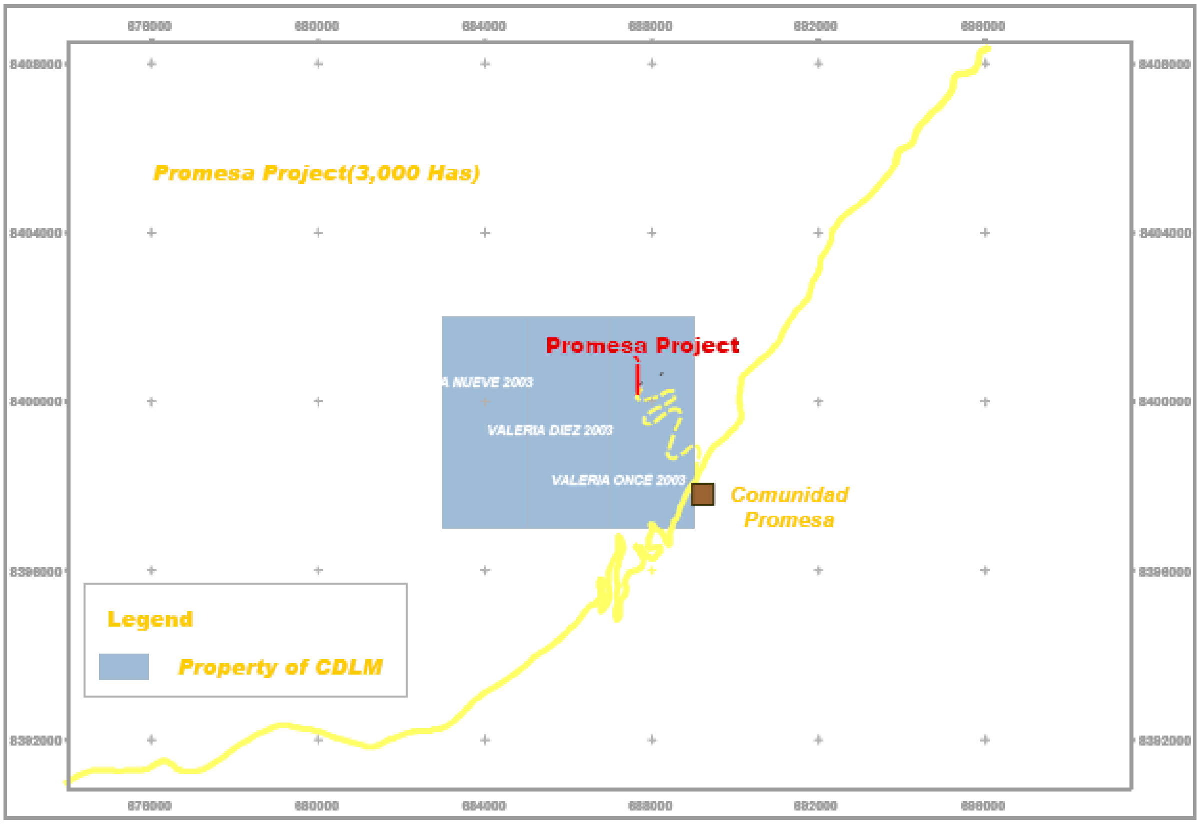


Figure 52: Promesa Location Map of Concessions

Figure 53: Promesa Detailed Layout of Concessions

7.5.2 Accessibility, Climate, Infrastructure, Physiography

The access from Cuzco is for its greatest part on paved highway. The distance on the Cuzco to Lima highway via Abancay – Chalhuanca – and the turn-off to Promesa is 356.4km and from the turn-off a further 7.2km to the property.

The overall physiography of the property is reported to be relatively gentle glacial topography with mountain chains and deep valleys. The drainage is towards the Atlantic Ocean and the principal rivers of the area are the Chalhuanca and Antabamba. However, the geophysical report describes rugged and rough topography for the area of the geophysical grid with steep talus slopes and deep ravines.

The climate of the region is moderately rainy, characterized by dry winters and abundant rains between December and March.

7.5.3 History, Exploration Work to Date

The property was acquired in 2003 on the basis of the results of a stream sediment survey in 2002. Work to date has been concentrated on the northern portion of the Valeria Once 2003 concession. Geological mapping was carried out at a scale of 1:10,000 over approximately 1,200 ha and detailed mapping at a scale of 1: 2,000 over an area of 150 ha. Mapping was accompanied by grid controlled soil (908 samples) and rock (706 samples) geochemistry. Ground geophysical surveys consisted of 95.3km of magnetometer surveys and 8.2km of Induced polarization.

Between July and August 4 core holed were drilled for a total of 1540.4m (see Table 33).

Table 33: Promesa Diamond Drill Hole Specifications

DDH	East	North	Elev.m asl.	DIP	DEPTH (m)
PRO-01	687545	8400224	4150	-50°	450.00
PRO-02	687418	8400494	4160	-50°	385.00
PRO-03	686795	8400154	4130	-70°	255.30
PRO-04	687432	8400200	4110	-50°	450.10
				Total meters drilled	**1540.40**

7.5.4 Geology and Mineralization

The geology of the Promesa property for the area where most of the exploration work has been carried out has been summarized in the Information Memorandum of Standard Bank as follows:

"At Promesa, a composite, north-oriented, hornblende and quartz-eye bearing porphyry stock of granodiorite composition intrudes a dominantly clastic sequence of Quartz-arenite and pelite of the Early Cretaceous Soraya Formation. (Figure 29.)

Hydrothermal alteration is dominated by biotite- and Kfeldspar bearing potassic assemblages that affect the intrusive units and certain politic horizons of the country rock, whereas quartz-sericitic alteration is locally present in transgressive veins of D-type and more commonly occupies a peripheral position in quartz-arenite country rock.

Copper mineralization accompanies moderate to weak quatz-stockworks with chalcopyrite primarily hosted by the composite porphyry stock near its contact with the host sedimentary sequence. Minor supergene chalcocite is present at the redox front in quarz sericite altered country rock."

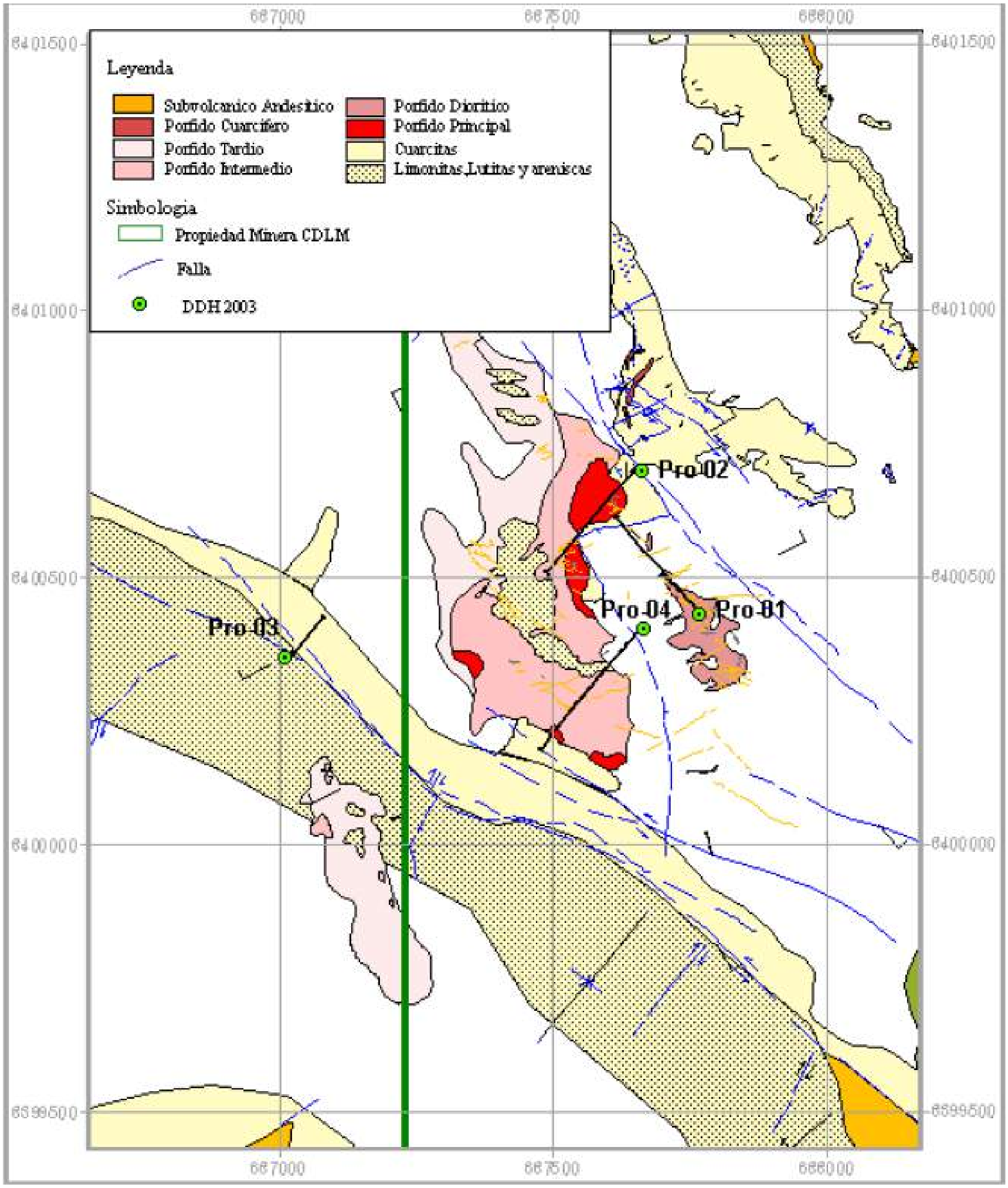


Figure 54: Promesa Geology (Fig.29 of Standard Bank Information Memorandum)

While the magnetometer survey covered a large portion of the area of interest only a small area of more intensive magnetic response was covered by the Induced polarization Survey, whereas the magnetic response in the southwestern part of the magnetometer survey remained without IP-coverage. Figures 55-57 show results of geophysical surveys as presented in the report by VDG Peru S.A.C. that carried out the geophysical surveys in May and the beginning of June 2003.

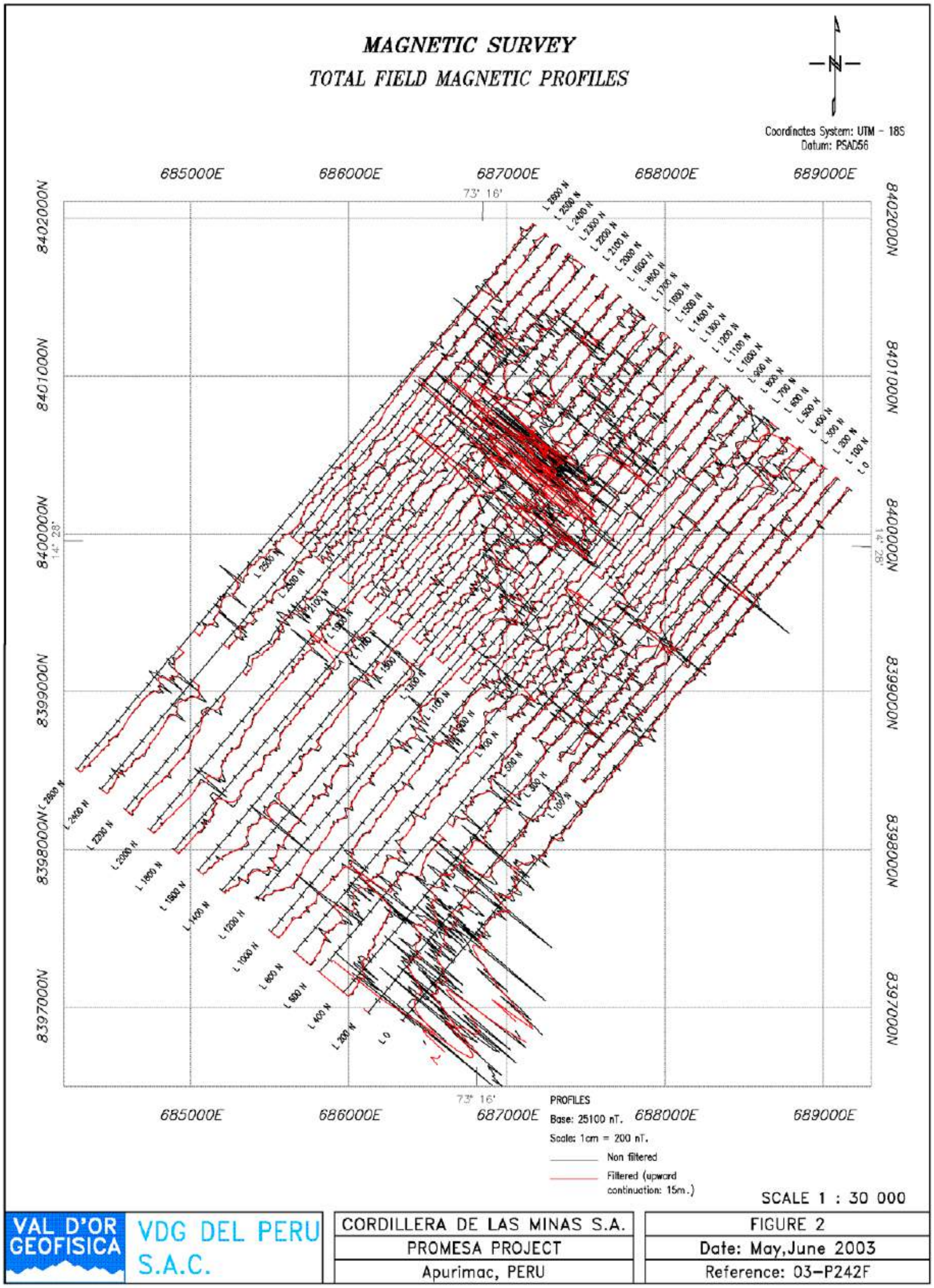


Figure 55: Promesa Total Magnetic Field Profiles

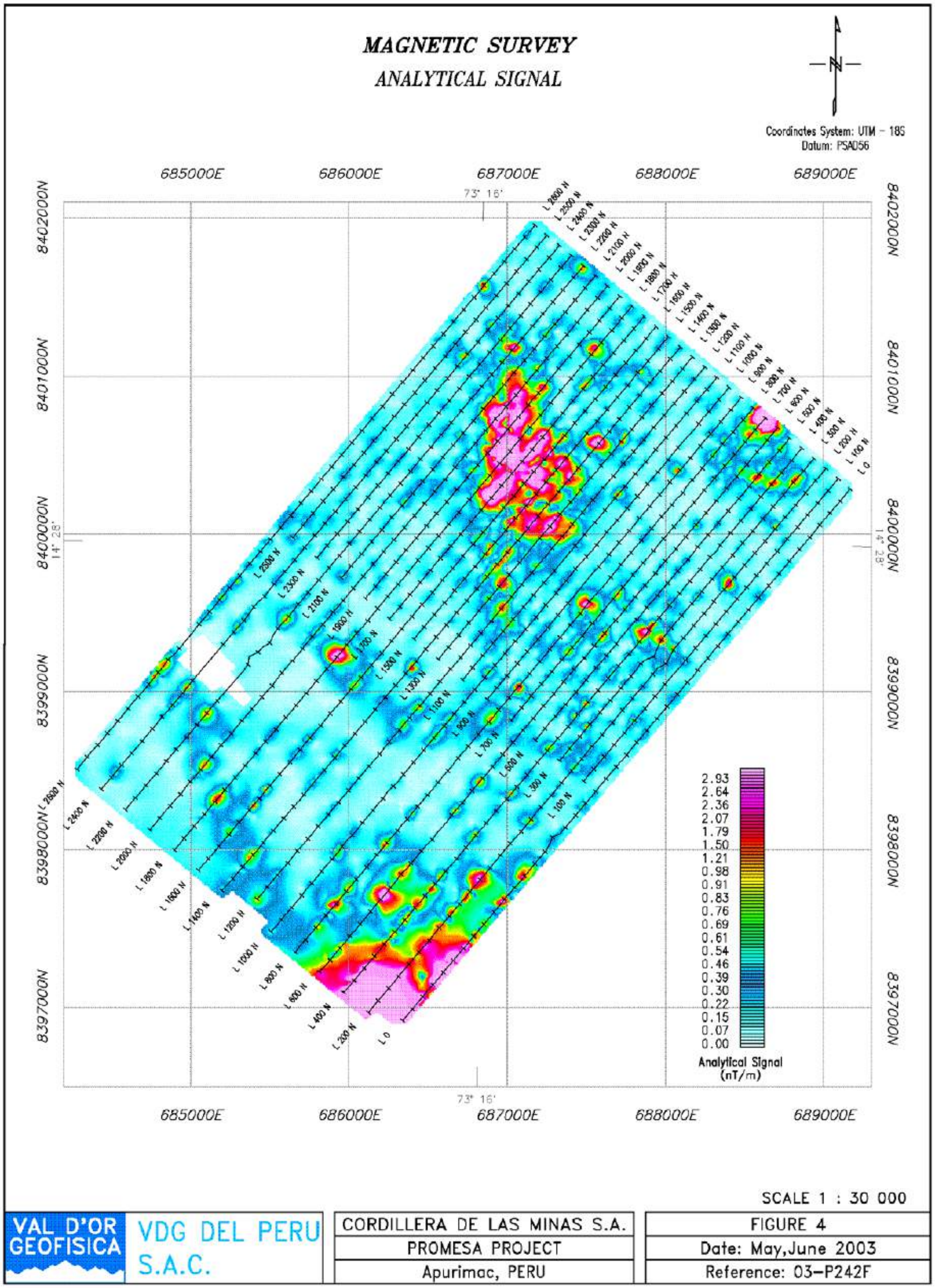


Figure 56: Promesa Total Magnetic Field Analytical Signature Map

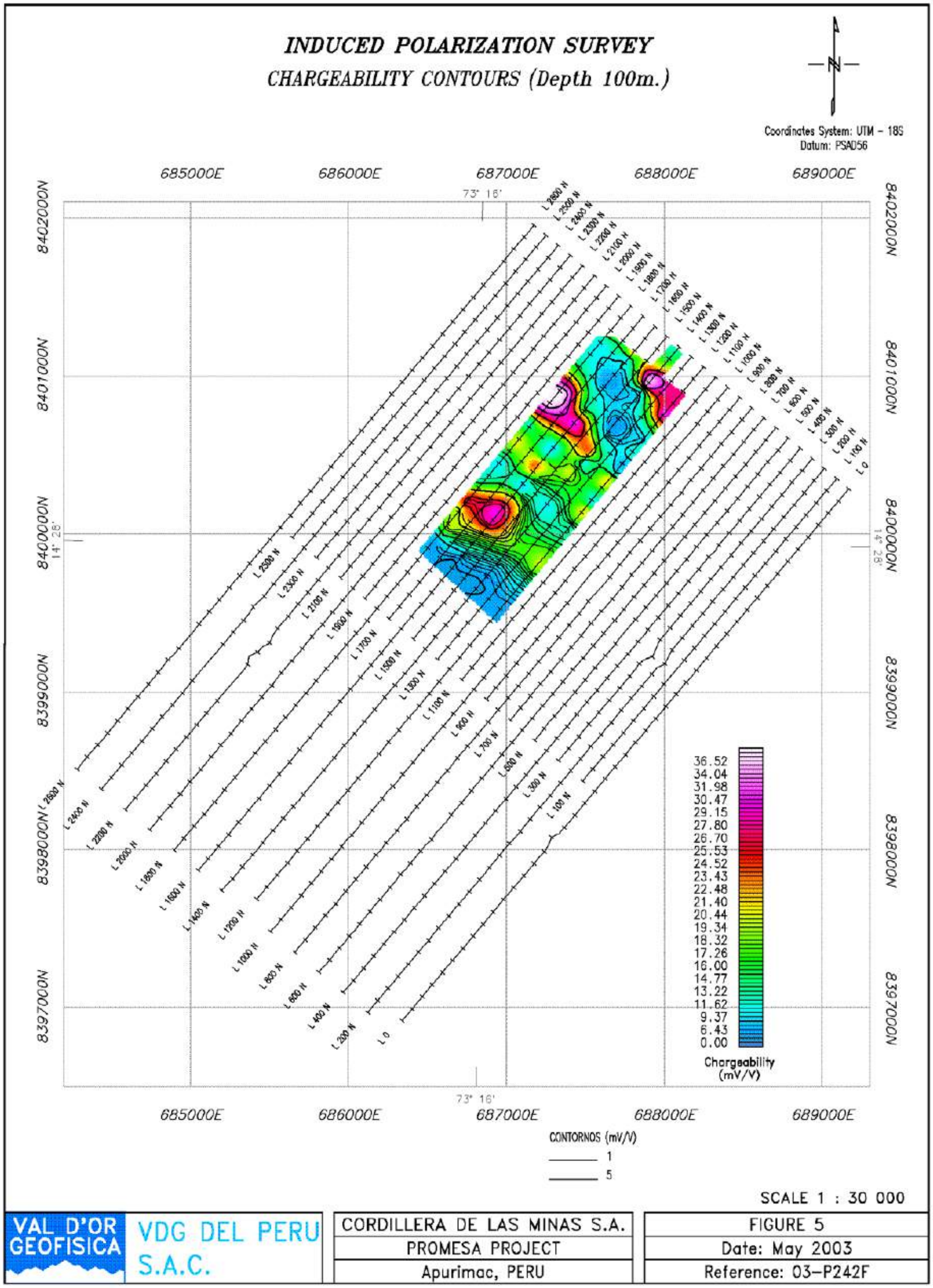


Figure 57: Promesa I.P. Chargeability Contours at 100m Depth

Table 34 show assays from mineralized intersections from four drill holes on the property.

Table 34: Promesa – assays from mineralized intersections

DDH	From	To	Length (m)	%Cu	Au(g/t)	Mo(ppm)
PRO-01	242	250	8	0.39	0.09	102
PRO-01	368	384	16	0.49	0.14	97
PRO-02	12	28	16	0.54	0.03	58
PRO-02	314	376	62	0.43	0.09	55
PRO-03	236	244	8	0.40	0.07	97
PRO-03	250	252	2	2.15	0.42	126
PRO-04	164	188	24	0.52	0.12	50
PRO-04	234	238	4	0.50	0.22	64

While no intersection of potential economic length and grade has been encountered in the drill holes to date, the presence of this style of mineralization and an incipient chalcocite enrichment encountered in the first intersection in PRO-02 indicate that the environment and potential for porphyry copper gold deposits exists on the property. A larger accumulation of this type of mineralization may well be present in a structurally more favourable configuration elsewhere on the property which is located well within the prolific Andahuaylas-Yauri Porphyry Copper Belt and close to the deposits of Antilla, Los Chancas and Chama.

7.5.5 Recommendation

The staff of CDLM who has worked on the Promesa property recognized this potential and submitted the following recommendations that the authors of this report are in agreement with:

- Complement the structural mapping on the district scale in order to understand the special position and correlation with other prospects of the company in the district.
- Revisit the stream sediment anomalies to the west of the area of the drill holes.
- Revisit the magnetic anomaly at the extreme south end of the project.

Further work should be based on the results of the work recommended above.

The estimated costs for this program will be incorporated in the overall budget for the “Other Properties”.

7.6 Other Prospects

The properties and projects described above constitute the most important prospects and the greater part of the value of the portfolio as it is known at this time.

The remaining properties in the portfolio are listed below. Panoro has in its possession the status, details and ownership of their concessions.

In the following each of the remaining prospects and/or properties will be given an encapsulated synopsis of their respective features and merits. The following table, compiled by SRK provides a summary overview over the entire portfolio, including the "OTHER PROSPECTS" listed below:

Table 35: Selective summary of work completed on various properties in the CDLM land package

Property	Licenses	Area (Ha)	Mapping	Sampling			Grounds Geophysics (kms)			Diamond Drilling		Mineral Potential	Exploration Potential / Comments
				Rock	Soil	Stream	Mag	TEM	IP	Meters	Holes		
Cotabambas	11	9,900	800 Ha @ 1:2,000; 3,000 Ha @ 1:10,000	846	329	341	68.5		30.8	11,7700	33	68 Mt @0.74% Cu, 0.46 g/t Au (0.3% Cu cut-off)	Excellent opportunities to expand resource – see text
Antilla	9	6,800	4,000 Ha @ 1:5,000 + recon	1,172	1,727	495	214.2		43.6	4,012	19	114 Mt @ 0.71% Cu, 1 g/t Ag. 77 ppm Mo (0.3% Cu cut-off)	Excellent opportunities to expand resource – see text
Anyo	4	4,000		13	33						12'		Historical mining: 'Cominco drilling 1995, porphyry style Cu (Au+Ag); drill targets defined
Kusiorcco	11	3,862	350 Ha @ 1:2,000	209	27		32.2		16.8				Porphyry Cu-Au: good geological/geophysical targets
Pataypampa	4	3,400		91	29								Porphyry-style Cu; skarn?; limited information
Humamantata	4	3,400		91	29								Epithermal-style Au-Cu (polymetallic); hydrothermal breccias; low grade samples
Promesa	3	3,00	1,200 Ha @ 1:10,000; 150 Ha @ 1:2,000	706	908	95		8	1,540		4		Porphyry Cu-Au, encouraging drilling results, unknown extents
Alicia	4	2,594		276			74	74		1,054	3	4.5 Mt @ 2.19% Cu, 0.23 g/t Au, 13 g/t Ag, 102 ppm Mo	Porphyry system with Cu skarn; untested peripheral zones and adjacent stock
Pistoro Norte	4	2,100	1,000 Ha @ 1:5,000	224			22		18.8				Porphyry Cu-Au; encouraging geochem results; good geological/geophysical targets
Cochasayhuas	5	1,836		144	30								Historical Au-Ag vein producer (~0.5 Moz Au & 0.5 Moz Ag; 1912-52); ~150 current artisanal miners
Sancapampa	2	1,200		47	18		75		17				Epithermal-style Cu-Au; skarn?
Checca	1	900											Epithermal-style Cu-Au?
Morosayhuas	1	800		47	18				32				Porphyry-style (Au>>Cy(; drill targets defined
TOTALS	**63**	**43,792**		**3,728**	**3,101**	**836**	**580.9**	**74**	**167**	**18,376**	**59**		

7.6.1 Morosayhuas

The Morosayhuas property is the one closest to Cuzco, 80km by road.

Porphyry style mineralization and alteration has been identified in a relatively small area of 80x80m on surface with a pyrite halo of 150x300m. For this reason and the prospect has been assigned a modest geological tonnage potential for that reason (see Figure 58).

As shown in Figures 59-61, the geophysical Induced Polarization anomaly indicates the possibility of a much larger target at depth.

While CDLM staff has recommended a drill program comprising three drill holes of 300m each, an analysis of all the data acquired to date and a re-evaluation of the evidence in the field is recommended prior to planning any further fieldwork or drilling. Morosayhuas has not received any magnetometer surveys. Such a survey may provide further diagnostic information in regard to the IP-response and aid in the planning of the location of the diamond drill holes.

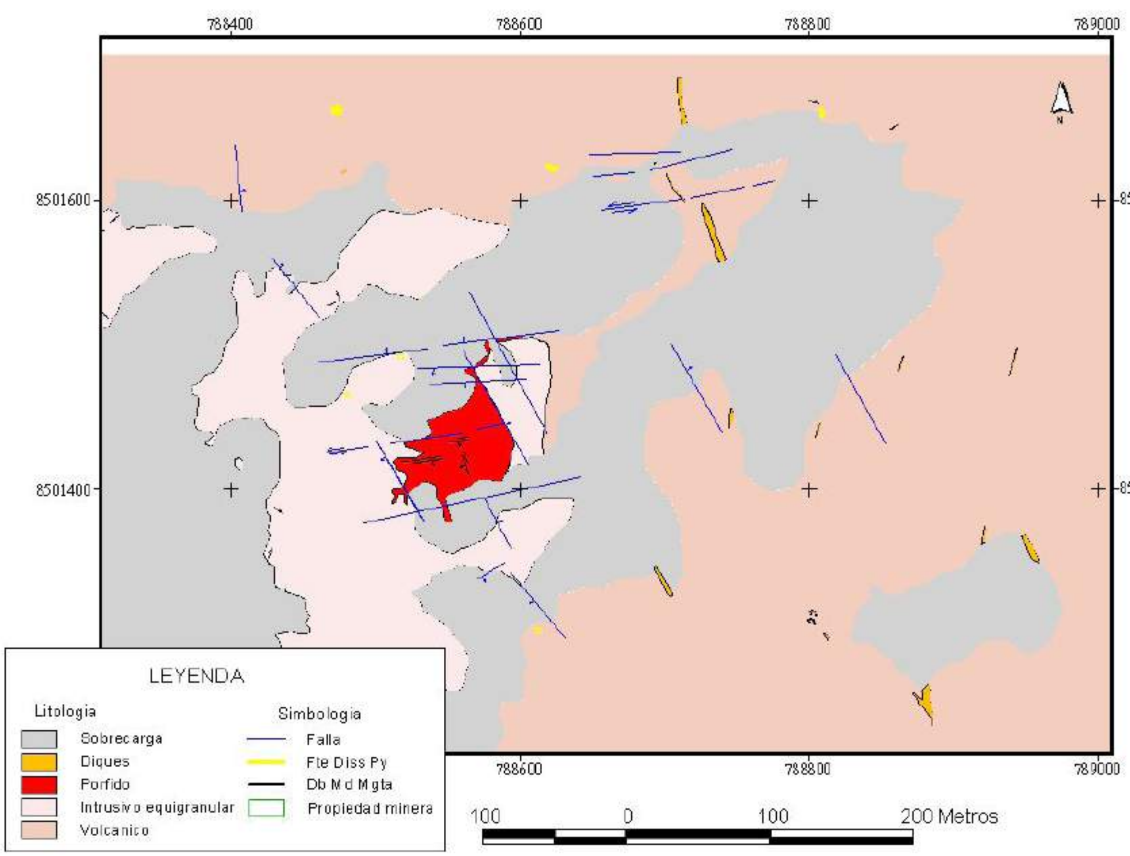


Figure 58: Geology of Morosayhuas area of porphyry outcrop

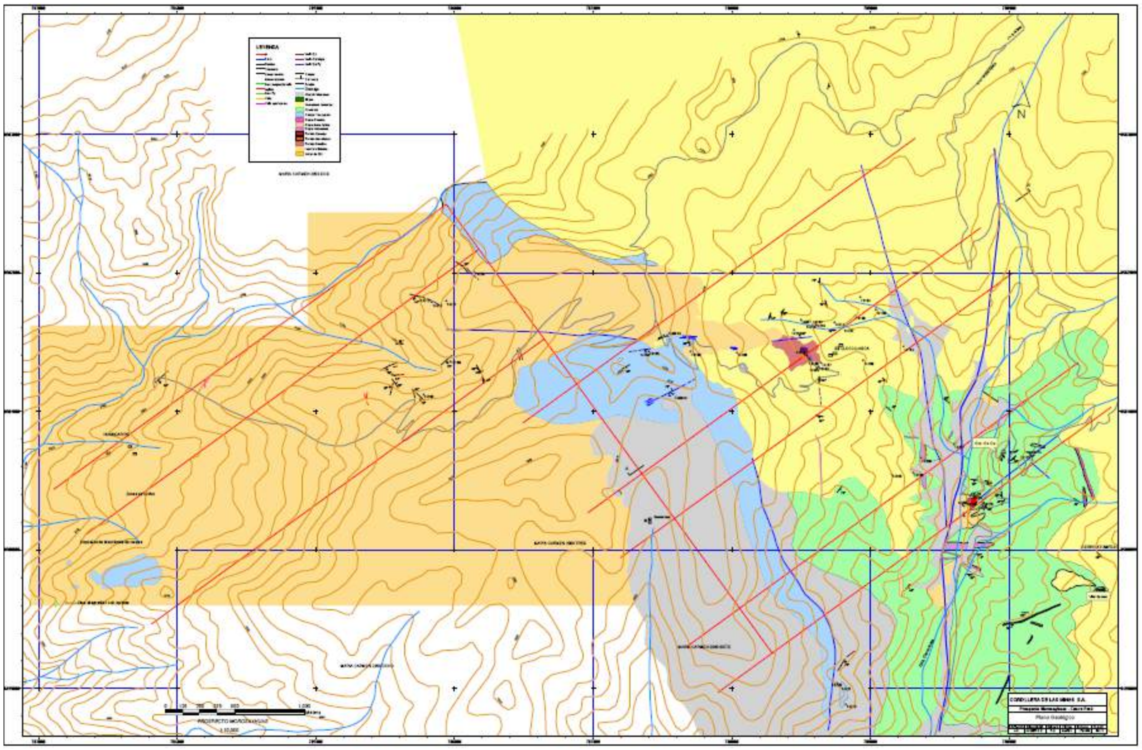


Figure 59: Geology and geophysical grid, Morosayhuas

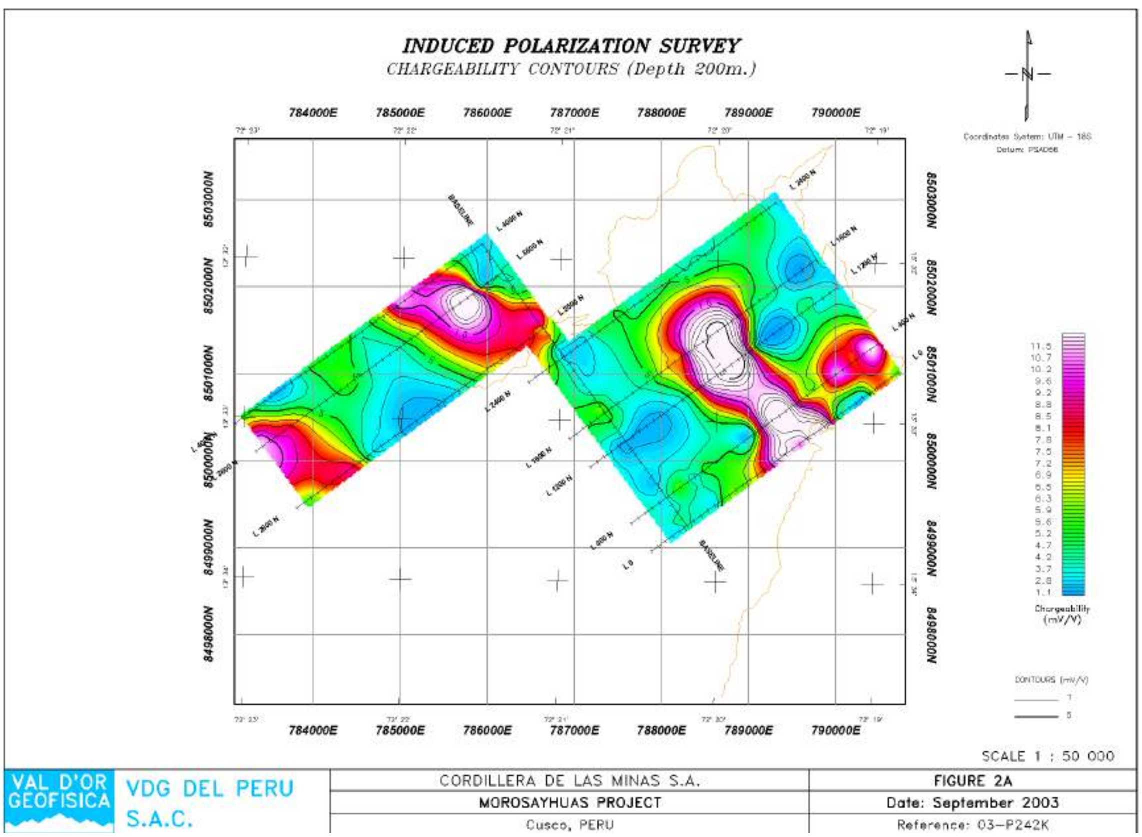


Figure 60: Morosayhuas I.P. Chargeability Comtours at 200m Depth

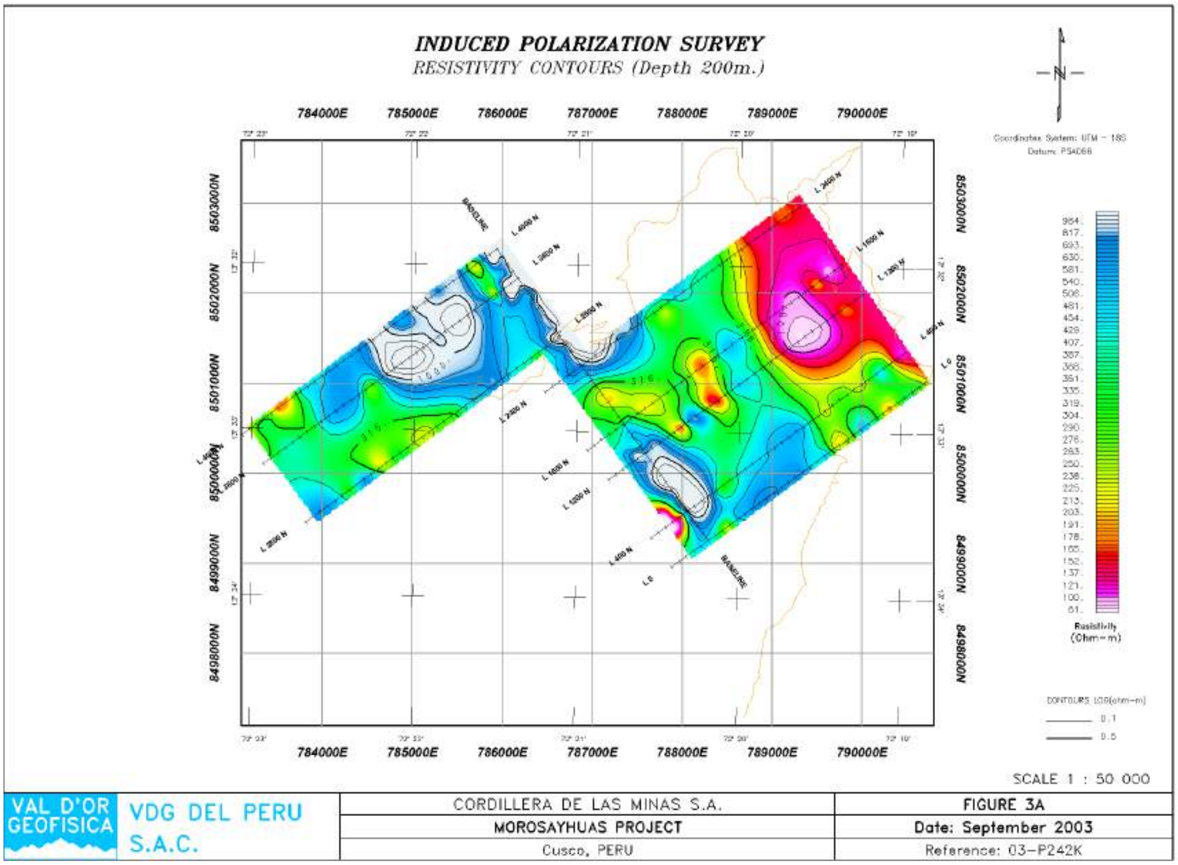


Figure 61: Morosayhuas I.P. Resistivity Contours at 200m Depth

7.6.2 Sancapampa

This property is located east of Abancay and is only accessible on horseback 4 hours from the end of a dirt road leading out of Abancay (2:30 hrs by 4x4 truck).

The feature of interest at Sancapampa is a 3km x 1km silica cap which may represent the top of an epithermal system. The property is underlain by granodiorites of the Andahuaylas batholith and younger volcanic and subvolcanic rocks. The silica cap was discovered during work following up on geochemically anomalous gold values in Quebrada Jachilpa (425 and 215 ppb gold).

The property was acquired in 2004, followed by 75.75km of magnetometer and 16.9km of Induced polarization surveys.

More geological field work, including systematic rock-geochemical sampling over the target area is required before the geophysical data can be further interpreted and before a possible drill program can be planned.

7.6.3 Humanantata

The 3,400 hectare Huamantata property is located southwest of Kusiorcco and the Constancia project of Norsemont. The property is road accessible from Cuzco over a total distance of 344km.

Early stage mapping and sampling has indicated the uppermost level of a low sulphidation epithermal system with barite and galena in hydrothermal breccias in limestone that have been intruded by granodiorites of the Andahuaylas-Yauri batholith. The breccias developed on NW-SE and N-S structures and their intersections. Two types of mineralization have been observed in the limestones: 1) copper in old workings and 2) barite, disseminated chalcopyrite and galena with silver values up to 26 to 78 g/t, low gold values that reach a maximum of 0.18g/t and maximum copper values of 0.18%.

At this time the principal geological potential is represented by the breccia bodies in limestone, with the hypothetical possibility of their relationship to a porphyry system at depth.

After a renewed phase of field examination, prospecting and mapping, a program of ground magnetometer and Induced polarization surveys should be taken into consideration to test the potential presence of a porphyry system at depth.

7.6.4 Cochasayhuas

The 2,105 hectare Cochasayhuas propert is located at the centre of the properties constituting the CDLM-portfolio, just north of the Haquira project of Antares.

The most recent information on the Cochasayhuas property is contained in a Report for Anaconda Peru of the year 2000. (Guillermo Barba Ruidias, 2000).

The property contains the historical San Fernando mine which was in continuous production from 1912 to 1952 and produced 401,000 ounces of gold and 480,000 ounces of silver from a system of veins in a cymoidal loop structure. The main host is granodiorite intruding Ferrobamba limestone. The younger volcanic cover has been largely eroded. The “Cochasayhuas Horse” structure which is bounded by the vein systems trends N40E and is 7km long. Three small diameter collapse features are also present. Precious and base metals are contained in quartz veins, forming cymoid loops. There is room to find additional tonnage of high grade material but with limited tonnage potential.

7.6.5 Anyo

The 4000 hectare Anyo property is located 15km north of Pistorro Norte and is road accessible on the way to Pistorro Norte.

The information below has been excerpted from the 2003 Annual Exploration Report of CDLM. The actual geophysical, geochemical and drill hole data were not available to the authors.

The area was claimed by CDLM at the beginning of 2003 on the basis of strong geochemical values in stream sediments for gold, copper and molybdenum. The area had been abandoned by Southwestern. The area was worked in joint venture with Cambior in 1993 -1994 and with Cominco in 1995. The work consisted of grid sampling, 41km IP-surveys and 51km of magnetometer surveys, 29 drill holes by Cambior on the Yana Orjo gossan and 12 drill holes by Cominco, with emphasis on porphyry targets Cristo de los Andes, Yana Orjo and Patario in the western part, and Oscollo and Anyo in the eastern part.

At Oscollo Southwestern and Cominco defined a geochemical anomaly 1300m x 600m in dimension, with values >200ppm Cu, associated with a porphyry stock of dioritic composition. The area was tested by 6 drill holes. In the southeastern part of the anomaly a > 30mV/V IP-anomaly occurs which was interpreted by Southwestern as a pyrite halo. Cambior drilled this anomaly.

All the (Cominco) drill holes are located on the geochemical anomaly. Four holes cut long intersections of low grade copper mineralization (0.1-0.2% Cu). The best drill hole intersected 200m of 0.2% Cu.

The drill hole data of Cambior at Oscollo were not available to CDLM.

The IP-anomaly in the southwestern part of the geochemical anomaly may represent a skarn zone in Chuquibambilla formation. It corresponds to a pronounced magnetometric high, indicating a body with significant dimensions. This zone was not drilled by Southwestern and may represent a future drill target.

It is recommended that the property be retained and the available data in the records of CDLM be reviewed and analysed, followed by a field examination, before any further work is planned.

7.6.6 Checca

This property is the furthest to the southeast in the CDLM portfolio. No technical data are available to the authors at this time.

The Information Memorandum of Standard Bank makes reference to a kilometer long silicified structure transecting Tacaza Group volcanic rocks that containspyrite plus anomalous gold and silver values.

7.6.7 Pataypampa

The 3,400 hectare Pataypampa property is located to the west of the Chasayhuas property and north of the Chama project of Minera IRL. The property is road accessible from Cusco via Abancay (202km on pavement) and Chuquibambilla-Capimarca (72km all weather gravel road).

The property was claimed on the basis of stream sediment values that were anomalous in copper molybdenum and gold.

Reconnaissance field work identified a small intrusive of quartz diorite with weak potassic alteration (K – feldspar) and incipient chloritic alteration. Small zones of garnet – magnetite skarns (2m wide) with copper oxide and chalcopyrite mineralization have been observed at the contact of the stock with the Chuquibambilla formation. The anomalous stream sediment values could not be explained by the mineralization in the intrusive and are thought to be caused by smaller point-like sources of mineralization.

At this time CDLM had not planned any further work for Pataypampa.

7.6.8 Recommended Program and Budget for "Other Properties"

The program and budget for the properties other than Antilla and Cotabambas is combined in one unit for reasons of the organization and management of this work. It is envisioned that a separate team will be engaged in the exploration of the properties outside of Antilla and Cotabambas and that this team will provide a common approach, expertise and continuity to all work programs on these properties. It is anticipated that this team will be engaged for one year in the activities involved and that this team may be augmented with additional personnel from time to time and as required by operational demands.

Recommended Program

Diamond Drilling: (where possible with man-portable rigs)	**US$**
Kusiorcco: 1200m , 4 holes	120,000
Pistoro Norte: 1200m, 4 holes	120,000
Morosayhuas: 900m, 3 holes	90,000
Mobilization, demobilization, 3 drill rigs	60,000
Indirect drilling costs, drilling fluids, mud	50,000
Logistics and camp support for drilling operation	60,000
Drill hole surveying, 12holes @ US$ 1000/hole	12,000
Access Trails, drill pads, road construction and maintenance	60,000
Assaying	
Core at 2m intervals, 1200 samples, US$ 25/sample	30,000
Other rock and geochemical samples, 1200 samples, US$ 25/sample	30,000
Geophysical Surveys:	
50km magnetometer survey Morosayhuas	10,000
20km magnetometer survey, Huamantata	4,000
10km Induced Polarization, Huamantata	15,000
Mobilization, demobilization, travel	20,000
Field support labour	10,000
Reports, data reduction and modeling	10,000
Camp, Food and lodging	12,000
Environmental studies: Weather, hydrology, flora, fauna	25,000
Geochemistry of water courses, soils	25,000
Surface rights, agricultural land holdings	25,000
Surveying: 1 surveyor, 1 year	36,000
2 surveyor assistants, 1 year	24,000
Field geologists: 4 Peruvian senior geologists, 1 year	200,000
2 Peruvian junior geologists, 1 year	72,000
Field assistants: 6 men, 1 year (300 days)	54,000
Casual Labour: 12 man years (300 days)	72,000
Project manager:	72,000
Chief Geologist	60,000
Field Accountants & Expeditors, 2@ $1000/mo	24,000
Secretarial staff 2@ 600/mo	12,000
4 Pickup trucks, 4x4	160,000
4 drivers, 1 year	
Vehicle Operating Costs, fuel, insurance, repairs, tires	
US$ 1000/truck/month	48,000
Travel and freight	100,000
Camp/food 25 persons/day US$ 15/manday 300 days	112,500
Concessions, Vigencias, 37,300 hectares, $ 3/hectare + filing	111,900
Penalties, increased vigencias, on 10,000 hectares	30,000
Community Relations	100,000
Subtotal	**2,016,400**
Contingency 10%	202,000
TOTAL	**2,218,400**

8 Conclusions

The following conclusions apply to both Cotabambas and the Antilla projects:

CDLM's geological database is of very high quality in terms of its comprehensiveness and organization. Their exploration methods are sound and provide an integrated, multi-disciplinary approach to each of the exploration properties. The geological mapping, descriptions and core logs are invariably very thorough and provide a solid base for future work. All of the sampling, including rock-chip, soils, stream sediments and drill core is well-documented and, in most cases, meets or exceeds industry standards. Despite the quality of the work that has been reviewed, no comment can be made regarding the veracity of the data as no independent QAQC data have been provided. Internal laboratory checks show good repeatability, but the lack of standards and paucity of blanks prohibits evaluation of the accuracy of the data.

Earlier estimates of the mineral potential at Cotabambas and Antilla were found to be reasonable treatments of the data available. However, some modifications employed by SRK to improve the quality of the estimates resulted in considerable increases in the estimated mineral resources at Cotabambas. SRK estimates for the Cotabambas deposit are presented in Table 36. The SRK assessed potential ranges of grades for Antilla are tabulated in Tables 37. The reader is cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability. The reader is also cautioned that neither the CDLM or SRK estimates of the mineral potential of the Antilla Deposit are NI 43-101 compliant, and therefore should not be relied upon.

Table 36: Mineral Resource statement for the Cotabambas Cu-Au deposit, SRK Consulting, March 09, 2007

Mineral Resources*	Tonnes (Millions)	Cu Grade (%)	Au Grade (g/t)
Inferred	90	0.77	0.42

*All resources quoted at 0.4% Cu cut-off

Table 37: Potential ranges of grade within a defined volume on the Antilla property

Scenario	Tonnes (Millions)	Grade (%)
Pessimistic	135	0.61
Optimistic	135	0.75

8.1 Risks

- No independent QAQC data were available for review at the time of writing this report, and as such, none of the data have been validated.
- Sample mix-ups were identified in one of three inspected drillholes from Cotabambas, and general core sampling procedures were found to be vulnerable to mix-ups. The drill hole in which the mix-ups occurred was CB 25, which was not used in the resource estimate for Cotabambas
- The geological model for Cotabambas, constructed from extruded polylines, carries a high degree of uncertainty in the interpreted volume of mineralized domains (may also be an opportunity).
- The estimates of mineral potential at Antilla are conceptual in nature and require substantial additional work for confirmation of a classifiable NI 43-101 compliant resource.

8.2 Opportunities

Filling gaps in the Cotabambas block model by using larger search radii increased the metal content by 50% in the SRK re-estimate. Gaps still remain within the block model and at depth – as indicated by CB-25, which bottoms in high grade material and was not included in our estimate as it occurs below the existing block model. Considerable potential exists for augmenting the resource with: (i) infill drilling, (ii) drilling extensions at depth, and (iii) re-interpreting the geological resource model to provide continuity between sections.

Preliminary drill testing of the supergene copper mineralization at Antilla has returned very encouraging results. While the data are insufficient to support a NI 43-101 compliant resource estimate, they do provide a strong indication of the presence of oxide copper mineralization at potentially economic grades and tonnages at mineable depths. Indirect evidence of porphyry style potassic alteration (e.g. secondary biotite) also provides a compelling target for hypogene copper mineralization nearby or at depth.

8.3 Summary of Recommended Budgets

COTABAMBAS	US$ 4,567,000
ANTILLA	US$ 3,831,000
“OTHER PROPERTIES”	US$ 2,218,400
SUBTOTAL	US$ 10,616,400
LIMA OFFICE, GENERAL OVERHEAD	US$ 383,600
GRAND TOTAL	**US$ 11,000,000**

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10 Glossary of Spanish Terms

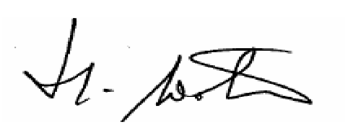
Alteracion potasica	Potassic Alteration
Arenisca	Arenite
Batolito	Batholith
Brecha	Breccia
Buziamento	Dip
Calcosina	Chalcocite
Caliza	Limestone
Camino	Road
Covellina	Covellite
Cuarcifero	Quartz bearing
Cuarcita	Quartzite
Debil	Weak
Desplazamiento	Displacement
Dique	Dike
Enriquecimiento	Enrichment
Falla	Fault
Fuerte	Strong
Granate	Garnet
Hundido (bloque)	Down thrown (Fault block)
Indicado	Indicated
Inferido	Inferred
Limolita	Siltstone
Lixivado, lixivada	Leached
Lutitas	Shales
Marmol	Marble
Pliege	Fold
Porfido	Porphyry
Porfido Principal	Main Porphyry
Porfido Tardio	Late Porphyry
Propriedad Minera	Mining property
Recursos	Resources
Relleno	Fill
Rumbo	Strike
Sobrecarga	Overburden
Sobrescurrimiento	Overthrust, Thrust
Sondaje (propuesta)	Drill hole (proposed)
Trinchera	Trench
Trocha	Track, dirtroad
Venilla(s)	Veinlet(s)
Veta	Vein
Zona Silicificada	Silicified zone

CERTIFICATE OF QUALIFICATIONS

To Accompany the Independent Technical Report on the Mineral Exploration Properties of Cordillera de las Minas S.A., Andahuaylas-Yauri Belt, Cuzco Region, Peru, dated March 9, 2007

1) I, Helmut H.Wober, of 126 Parkside Drive, Port moody, B.C., V3H 4W8, have been a member in good standing of the Association of Professional Engineers and Geoscientists since 1966, with License # 6027.
2) I graduated from the Mining University of Leoben, Austria in 1963 with a degree of Diplom Ingenieur (M.E. – equivalent) in mining engineering cum economic geology.
3) I have practiced my profession for over 43 years and have held senior positions of responsibility in mineral exploration, mine production geology, engineering and mine development in Canada, Australia and the United States. I have also worked on projects in Europe, Greenland, Peru, Chile, Bolivia, Venezuela, Uruguay, the Philippines and Tanzania.
4) I have practiced as an independent consultant since 1990 and as principal of MDE International, Mine Development Engineering Ltd., in Canada since 1992.
5) The information, opinions and recommendations contained in this report are based upon two site visits, discussions with project personnel, the study of published scientific papers on the district and on Cotabambas, reports and unpublished data provided by Cordillera de las Minas.
6) Since the year 2003 I have been President and CEO of Panoro Minerals Ltd. and from 1999 to 2003 of its predecessor company, Panoro Resources Ltd. In this capacity I am a major share holder in Panoro Minerals Ltd. as disclosed on the System for Electronic Disclosure of Insiders (SEDI).
7) This report on the CDLM portfolio of properties has been prepared solely for the use by Panoro Minerals Ltd. (Panoro) and may be used by Panoro as appropriate, in whole or in part, to accompany or form part of submissions to regulatory authorities and/or financial institutions in support of corporate financings.

Signed in Vancouver, British Columbia, this 9th day of March, 2007.



Helmut H.Wober, P.Eng.

CERTIFICATE AND CONSENT

To Accompany the Independent Technical Report on the Mineral Exploration Properties of Cordillera de las Minas S.A., Andahuaylas-Yauri Belt, Cuzco Region, Peru, dated March 9, 2007

I, Christopher Lee, residing at 303-141 Water Street, Vancouver, BC, do hereby certify that:

8) I am the Chief Geoscientist of Fronteer Development Group Ltd. and Aurora Energy Ltd., with an office at Suite 1650, 1055 West Hastings Street, Vancouver, Canada. I conducted the work described in this report while employed as a Principal Geology Consultant with the firm of SRK Consulting (Canada) Inc. (SRK) with an office at Suite 800-1066 West Hastings Street, Vancouver, Canada;
9) I am a graduate of the University of Waterloo, with an Honours B.Sc. Co-op in Geology, 1991, and I obtained a M.Sc. in Geology from Memorial University of Newfoundland in 1994. I have practiced my profession continuously since 1991;
10) I am a member of the Geological Association of Canada, the Society of Economic Geologists and a Professional Geoscientist registered with the Association of Professional Engineers and Geoscientists of British Columbia (#29049);
11) I have not received, nor do I expect to receive, any interest, directly or indirectly, in the subject property or securities of Panoro Minerals Ltd.;
12) That, as of the date of this certificate, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading;
13) I have read National Instrument 43-101 and Form 43-101F1 and I am a Qualified Person for the purpose of NI 43-101 and this technical report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1;
14) I, as the qualified person, am independent of the issuer as defined in Section 1.4 of National Instrument 43-101;
15) I am responsible for all sections of this report, entitled "Independent Technical Report on the Mineral Exploration Properties of Cordillera de las Minas S.A., Andahuaylas-Yauri Belt, Cuzco Region, Peru", dated March 9, 2007, with the exception of Sections 5.15 and 6.15, for which I am only responsible for the geology and geology models.
16) I personally inspected the Cotabambas project site, core logging, sampling and storage facilities in Cotabambas, Peru, during a 2-day site visit from August 23rd to 25th, 2006. I examined selected diamond drill core from both the Cotabambas and Antilla projects at this same location, and reviewed project documentation in Lima, Peru.
17) SRK Consulting (Canada) Inc. was retained by Panoro Minerals Ltd. to conduct a due diligence review of the project for potential acquisition, then subsequently requested to prepare this NI 43-101 report. This report is based on our review of project files and discussions with Panoro Minerals Ltd and Cordillera de las Minas S.A. representatives;
18) I hereby consent to use of this report for submission to the TSX Venture exchange and the British Columbia Securities Commission, and publication on the SEDAR website.

Vancouver, Canada
March 9, 2007

Christopher Lee, M.Sc., P.Geo.

CERTIFICATE AND CONSENT

To Accompany the Independent Technical Report on the Mineral Exploration Properties of Cordillera de las Minas S.A., Andahuaylas-Yauri Belt, Cuzco Region, Peru, dated March 9, 2007

I, Marek Nowak, hereby certify that:

19) I reside at 1307 Brunette Ave. Coquitlam, BC V3K 1G6, Canada;
20) I am a Principal Geostatistician with the firm of SRK Consulting (Canada) Inc. (SRK) with an office at Suite 800-1066 West Hastings Street, Vancouver BC, Canada;
21) I have a Master of Applied Science degree from the University of Mining and Metallurgy, Cracow, Poland, and a Master of Applied Science degree from the University of British Columbia, Vancouver, Canada;
22) I am a member in good standing of The Association of Professional Engineers and Geoscientists of the Province of British Columbia, Canada, Reg. No. 16985;
23) I have not received, nor do I expect to receive, any interest, directly or indirectly, in the subject property or securities of Panoro Minerals Ltd.;
24) As of the date of this certificate, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report is not misleading;
25) I have read National Instrument 43-101 and Form 43-101F1 and I am a Qualified Person for the purpose of NI 43-101 and this technical report has been prepared in compliance with National Instrument 43-101;
26) I am responsible for resource estimates described in Sections 5.15 and 6.15;
27) I hereby consent to use of this report for submission to TSX Venture exchange and the British Columbia Securities Commission, and publication on the SEDAR website.

Vancouver, Canada
March 09, 2007

Marek Nowak, M.A.Sc., P.Eng.
Principal Geostatistician

Appendix A

Selected examples of drill hole assays for Cotabambas and Antilla

APPENDIX A

Cotabambas: Assays from three drill holes (see Figure 13) in higher mineralized areas

DHID	From	To	Cu (%)	Au (g/t)
CB-1	124.7	126.7	0.95	0.57
CB-1	126.7	128.7	1.16	0.52
CB-1	128.7	130.7	1.61	0.84
CB-1	130.7	131.9	0.89	0.8
CB-1	131.9	133.9	0.81	0.43
CB-1	133.9	134.5	0.62	0.33
CB-1	134.5	136.5	0.01	0.37
CB-1	136.5	138.5	0.01	0.05
CB-1	138.5	140.5	0.01	0.06
CB-1	140.5	141.6	0.59	0.06
CB-1	141.6	143.6	0.56	0.37
CB-1	143.6	145.6	0.64	0.32
CB-1	145.6	147.6	0.64	0.4
CB-1	147.6	149.6	0.52	0.33
CB-1	149.6	151.6	0.63	0.34
CB-1	151.6	152.9	0.63	0.43
CB-1	152.9	154.9	0.08	0.04
CB-1	154.9	156.9	0.00	0.02
CB-1	156.9	158.9	0.00	-0.01
CB-1	158.9	160.9	0.00	-0.01
CB-1	160.9	162.9	0.00	0.01
CB-1	162.9	164.9	0.00	0.02
CB-1	164.9	166.9	0.00	-0.01
CB-1	166.9	168.9	0.00	0.03
CB-1	168.9	170.9	0.00	0.02
CB-1	170.9	172.9	0.00	0.04
CB-1	172.9	174.9	0.00	0.03
CB-1	174.9	176.9	0.00	0.02
CB-1	176.9	178.9	0.00	0.05
CB-1	178.9	180.65	0.00	-0.01
CB-1	180.65	182.65	0.59	-0.01
CB-1	182.65	184.65	0.34	0.23
CB-1	184.65	186.65	0.56	0.48
CB-1	186.65	187.39	0.59	0.38
CB-1	187.39	189.39	0.02	-0.01
CB-1	189.39	191.39	0.00	-0.01
CB-1	191.39	193.4	0.00	-0.01
CB-1	193.4	194.4	0.12	0.03
CB-1	194.4	196.4	0.90	0.5
CB-1	196.4	198.4	1.16	0.75
CB-1	198.4	200.4	1.53	0.77
CB-1	200.4	202.4	0.81	0.44
CB-1	202.4	204.4	0.44	0.21
CB-1	204.4	206.4	0.59	0.45
CB-1	206.4	208.65	0.59	0.42
CB-1	208.65	210.65	0.05	0.03
CB-1	210.65	212.65	0.00	0.01
CB-1	212.65	214.65	0.00	-0.01
CB-1	214.65	216.65	0.98	0.3

DHID	From	To	Cu (%)	Au (g/t)
CB-1	216.65	218.65	0.52	0.25
CB-1	218.65	220.65	0.99	0.42
CB-1	220.65	222.65	0.50	0.27
CB-1	222.65	224.65	0.92	0.64
CB-1	224.65	226.65	0.90	0.76
CB-1	226.65	228.65	1.00	0.57
CB-1	228.65	230.65	0.91	0.62
CB-1	230.65	232.65	1.39	0.79
CB-1	232.65	234.65	0.99	0.82
CB-1	234.65	236.65	0.72	0.54
CB-1	236.65	238.65	0.74	0.51
CB-1	238.65	240.65	1.20	0.75
CB-1	240.65	242.65	1.44	0.55
CB-1	242.65	244.65	0.75	0.52
CB-1	244.65	246.65	0.73	0.24
CB-1	246.65	248.65	0.66	0.22
CB-1	248.65	250.65	0.93	0.17
CB-1	250.65	252.65	0.70	0.27
CB-1	252.65	254.65	0.90	0.28
CB-1	254.65	256.65	1.17	0.5
CB-1	256.65	258.65	0.66	0.32
CB-1	258.65	260.65	0.90	0.34
CB-1	260.65	262.65	0.89	0.33
CB-1	262.65	264.65	1.00	0.44
CB-1	264.65	266.65	1.05	0.39
CB-1	266.65	268.65	0.75	0.26
CB-1	268.65	270.65	0.74	0.41
CB-1	270.65	272.65	0.81	0.3
CB-1	272.65	274.65	0.95	0.4
CB-1	274.65	276.65	0.89	0.41
CB-1	276.65	278.65	1.17	0.47
CB-1	278.65	280.65	0.65	0.37
CB-1	280.65	282.65	1.20	0.34
CB-1	282.65	284.65	1.00	0.3
CB-1	284.65	286.65	1.27	0.63
CB-1	286.65	288.65	1.34	0.57
CB-1	288.65	290.65	1.10	0.25
CB-1	290.65	292.65	1.27	0.12
CB-1	292.65	294.65	0.04	0.01
CB-1	294.65	296.65	0.02	0.01
CB-1	296.65	298.65	0.02	-0.01
CB-1	298.65	300.65	0.01	-0.01
CB-1	300.65	302.65	0.00	-0.01
CB-1	302.65	304.65	0.00	-0.01
CB-1	304.65	306.65	0.00	-0.01
CB-1	306.65	308.65	0.00	-0.01
CB-1	308.65	310.65	0.00	-0.01
CB-1	310.65	312.65	0.00	-0.01
CB-1	312.65	314.65	0.62	0.28
CB-1	314.65	316.65	0.80	0.3
CB-1	316.65	318.65	0.97	0.21
CB-1	318.65	320.65	0.94	0.26
CB-1	320.65	322.65	0.40	0.12
CB-1	322.65	324.65	0.13	0.05
CB-1	324.65	326.65	0.30	0.06
CB-1	326.65	328.65	1.30	0.23
CB-1	328.65	330.65	1.00	0.24

DHID	From	To	Cu (%)	Au (g/t)
CB-1	330.65	332.65	0.68	0.53
CB-1	332.65	334.65	0.87	0.68
CB-1	334.65	336.65	0.77	0.49
CB-1	336.65	338.65	0.61	0.35
CB-1	338.65	340.65	0.79	0.2
CB-1	340.65	342.65	0.67	0.2
CB-1	342.65	344.65	0.93	0.44
CB-1	344.65	346.65	0.83	0.55
CB-1	346.65	348.65	0.87	0.54
CB-1	348.65	350.65	0.53	0.53
CB-1	350.65	352.65	0.69	0.37
CB-1	352.65	354.65	0.35	0.13
CB-1	354.65	356.65	0.38	0.17
CB-1	356.65	358.65	0.40	0.2
CB-1	358.65	360.65	0.46	0.28
CB-1	360.65	362.65	0.41	0.3
CB-1	362.65	364.65	0.83	0.64
CB-1	364.65	366.65	0.64	0.49
CB-1	366.65	368.65	0.67	0.41
CB-1	368.65	370.65	0.48	0.33
CB-6	18	20	0.60	0.17
CB-6	20	22	0.78	0.82
CB-6	22	24	0.69	1.43
CB-6	24	26	3.33	1
CB-6	26	28	1.85	0.73
CB-6	28	30	1.81	0.62
CB-6	30	32	1.60	0.19
CB-6	32	34	1.39	0.22
CB-6	34	36	0.88	0.13
CB-6	36	38	0.94	0.16
CB-6	38	40	0.94	0.12
CB-6	40	42	0.86	0.23
CB-6	42	44	0.46	0.14
CB-6	44	46	0.61	0.33
CB-6	46	48	0.87	0.13
CB-6	48	50	1.30	1.32
CB-6	50	52	0.95	0.64
CB-6	52	54	0.93	0.31
CB-6	54	56	1.17	0.26
CB-6	56	58	0.75	0.47
CB-6	58	60	1.30	0.94
CB-6	60	62	1.31	1.07
CB-6	62	64	0.82	0.54
CB-6	64	66	1.20	0.53
CB-6	66	68	0.76	0.66
CB-6	68	70	1.22	0.97
CB-6	70	72	2.11	0.66
CB-6	72	74	2.05	0.58
CB-6	74	76	0.41	0.45
CB-6	76	78	1.89	0.34
CB-6	78	80	2.48	0.67
CB-6	80	82	1.63	0.75
CB-6	82	84	1.97	0.78
CB-6	84	86	2.12	0.77
CB-6	86	88	1.29	0.67
CB-6	88	90	0.92	0.44
CB-6	90	92	0.74	0.28

DHID	From	To	Cu (%)	Au (g/t)
CB-6	92	94	0.65	0.32
CB-6	94	96	0.83	0.44
CB-6	96	98	0.66	0.35
CB-6	98	100	0.73	0.3
CB-6	100	102	0.62	0.3
CB-6	102	104	0.83	0.41
CB-6	104	106	0.75	0.33
CB-6	106	108	0.92	0.37
CB-6	108	110	0.62	0.33
CB-6	110	112	0.43	0.24
CB-6	112	114	0.32	0.18
CB-6	114	116	0.50	0.24
CB-6	116	118	0.57	0.34
CB-6	118	120	0.72	0.31
CB-6	120	122	0.66	0.26
CB-6	122	124	0.58	0.12
CB-25	306	308	0.52	0.54
CB-25	308	310	1.28	0.98
CB-25	310	312	1.03	0.98
CB-25	312	314	0.66	0.5
CB-25	314	316	0.93	0.53
CB-25	316	318	0.50	0.35
CB-25	318	320	0.52	0.37
CB-25	320	322	0.68	0.23
CB-25	322	324	0.41	0.17
CB-25	324	326	0.70	0.077
CB-25	326	328	0.01	0.008
CB-25	328	330	0.59	0.19
CB-25	330	332	1.10	0.5
CB-25	332	334	0.57	0.33
CB-25	334	336	0.51	0.3
CB-25	336	338	0.61	0.29
CB-25	338	340	0.54	0.38
CB-25	340	342	0.48	0.34
CB-25	342	344	0.59	0.36
CB-25	344	346	0.70	0.35
CB-25	346	348	0.74	0.52
CB-25	348	350	0.78	0.26
CB-25	350	352	0.60	0.28
CB-25	352	354	0.73	0.34
CB-25	354	356	0.72	0.55
CB-25	356	358	0.25	0.14
CB-25	358	360	0.01	0.018
CB-25	360	362	0.01	0.007
CB-25	362	364	0.00	0.006
CB-25	364	366	0.01	0.013
CB-25	366	368	0.00	0.011
CB-25	368	370	0.00	0.009
CB-25	370	372	0.00	0.006
CB-25	372	374	0.00	0.006
CB-25	374	376	0.00	-0.005
CB-25	376	378	0.00	0.006
CB-25	378	380	0.00	0.032
CB-25	380	382	0.00	0.016
CB-25	382	384	0.03	0.043
CB-25	384	386	0.02	0.032
CB-25	386	388	0.00	0.013

DHID	From	To	Cu (%)	Au (g/t)
CB-25	388	390	0.01	0.016
CB-25	390	392	0.00	0.012
CB-25	392	394	0.01	0.041
CB-25	394	396	0.00	0.075
CB-25	396	398	0.01	0.017
CB-25	398	400	0.00	0.015
CB-25	400	402	0.00	0.017
CB-25	402	404	0.00	0.012
CB-25	404	406	0.00	0.005
CB-25	406	408	0.01	0.008
CB-25	408	410	0.37	0.24
CB-25	410	412	0.69	0.44
CB-25	412	414	1.29	0.99
CB-25	414	416	1.45	0.78
CB-25	416	418	0.63	0.78
CB-25	418	420	0.75	0.55
CB-25	420	422	0.45	0.25
CB-25	422	424	0.32	0.12
CB-25	424	426	0.28	0.2
CB-25	426	428	0.36	0.34
CB-25	428	430	0.36	0.27
CB-25	430	432	0.80	0.27
CB-25	432	434	1.52	0.39
CB-25	434	436	0.60	0.33
CB-25	436	438	0.49	0.37
CB-25	438	440	0.47	0.26
CB-25	440	442	0.74	0.43
CB-25	442	444	0.37	0.28
CB-25	444	446	0.19	0.13
CB-25	446	448	0.01	0.021
CB-25	448	450	0.01	0.008
CB-25	450	452	0.01	0.007
CB-25	452	454	0.01	0.035
CB-25	454	456	0.02	0.006
CB-25	456	458	0.01	0.007
CB-25	458	460	0.01	0.005
CB-25	460	462	0.01	-0.005
CB-25	462	464	0.01	0.005
CB-25	464	466	0.01	-0.005
CB-25	466	468	0.19	0.12
CB-25	468	470	0.49	0.2
CB-25	470	472	0.64	0.28
CB-25	472	474	0.75	0.61
CB-25	474	476	0.66	0.32
CB-25	476	478	0.52	0.2
CB-25	478	480	0.65	0.47
CB-25	480	482	0.72	0.54
CB-25	482	484	0.64	0.35
CB-25	484	486	0.81	0.36
CB-25	486	488	0.80	0.38
CB-25	488	490	0.99	0.74
CB-25	490	492	0.91	0.62
CB-25	492	494	0.84	0.45
CB-25	494	496	0.80	0.53
CB-25	496	498	0.62	0.36
CB-25	498	500	0.52	0.27
CB-25	500	502	0.81	0.57

DHID	From	To	Cu (%)	Au (g/t)
CB-25	502	504	0.68	0.52
CB-25	504	506	0.81	0.62
CB-25	506	508	0.81	0.61
CB-25	508	510	0.42	0.23
CB-25	510	512.4	0.52	0.31

Antilla: Assays from three drill holes (see Figure 30) in higher mineralized areas

DHID	From	To	Cu (%)	Au g/t
ANT-01	2	4	0.35	0.01
ANT-01	4	6	0.40	0.01
ANT-01	6	8	1.49	0.02
ANT-01	8	10	0.50	0.01
ANT-01	10	12	0.26	0.01
ANT-01	12	14	0.39	0.01
ANT-01	14	16	0.67	0.01
ANT-01	16	18	0.74	0.01
ANT-01	18	20	0.68	0.01
ANT-01	20	22	0.36	0.01
ANT-01	22	24	1.81	0.02
ANT-01	24	26	0.56	0.01
ANT-01	26	28	0.41	0.01
ANT-01	28	30	0.37	0.01
ANT-01	30	32	0.65	0.02
ANT-01	32	34	1.66	0.02
ANT-01	34	36	1.31	0.02
ANT-01	36	38	0.44	0.01
ANT-01	38	40	0.31	0.01
ANT-01	40	42	0.36	0.01
ANT-01	42	44	1.80	0.02
ANT-01	44	46	0.81	0.01
ANT-01	46	48	1.13	0.01
ANT-01	48	50	2.03	0.03
ANT-01	50	52	0.89	0.01
ANT-01	52	54	0.27	0.01
ANT-01	54	56	0.19	0.01
ANT-01	56	58	0.14	0.01
ANT-01	58	60	0.22	0.01
ANT-01	60	62	1.31	0.03
ANT-01	62	64	1.51	0.03
ANT-01	64	66	0.23	0.01
ANT-01	66	68	0.38	0.01
ANT-01	68	70	0.73	0.02
ANT-01	70	72	0.20	-0.005
ANT-01	72	74	0.27	-0.005
ANT-01	74	76	0.25	0.01
ANT-01	76	78	1.38	0.04
ANT-01	78	80	1.36	0.04
ANT-01	80	82	0.45	-0.005

DHID	From	To	Cu (%)	Au g/t
ANT-01	82	84	1.61	0.01
ANT-01	84	86	0.20	0.01
ANT-01	86	88	0.09	-0.005
ANT-01	88	90	0.06	-0.005
ANT-01	90	92	0.10	0.01
ANT-01	92	94	0.08	0.01
ANT-01	94	96	0.18	0.01
ANT-01	96	98	0.20	0.01
ANT-01	98	100	0.47	0.02
ANT-01	100	102	0.16	0.01
ANT-01	102	104	0.16	0.01
ANT-01	104	106	0.24	0.01
ANT-01	106	108	0.22	0.01
ANT-01	108	110	0.08	-0.005
ANT-01	110	112	0.11	0.01
ANT-01	112	114	0.34	0.01
ANT-01	114	116	1.31	0.04
ANT-01	116	118	0.19	0.01
ANT-01	118	120	0.34	0.01
ANT-05	18	20	0.84	0.01
ANT-05	20	22	0.94	0.02
ANT-05	22	24	0.22	0.01
ANT-05	24	26	0.85	0.01
ANT-05	26	28	0.28	0.01
ANT-05	28	30	0.39	-0.005
ANT-05	30	32	0.51	0.01
ANT-05	32	34	0.47	0.01
ANT-05	34	36	0.22	0.01
ANT-05	36	38	0.23	-0.005
ANT-05	38	40	0.54	0.01
ANT-05	40	42	0.52	0.03
ANT-05	42	44	0.84	0.01
ANT-05	44	46	1.80	0.03
ANT-05	46	48	1.27	0.02
ANT-05	48	50	0.51	0.01
ANT-05	50	52	0.66	0.01
ANT-05	52	54	0.39	0.01
ANT-05	54	56	1.21	0.02
ANT-05	56	58	0.91	0.01
ANT-05	58	60	0.40	0.01
ANT-05	60	62	0.40	0.01
ANT-05	62	64	0.46	0.01
ANT-05	64	66	0.35	0.01

DHID	From	To	Cu (%)	Au g/t
ANT-05	66	68	0.16	0.01
ANT-05	68	70	1.60	0.02
ANT-05	70	72	0.43	0.01
ANT-05	72	74	0.52	0.01
ANT-05	74	76	1.39	0.02
ANT-05	76	78	0.49	0.01
ANT-05	78	80	0.46	0.01
ANT-05	80	82	0.68	0.01
ANT-05	82	84	1.26	0.02
ANT-05	84	86	0.24	0.01
ANT-08	3.35	6	0.00	-0.005
ANT-08	22	24	0.16	-0.005
ANT-08	24	26	0.69	0.01
ANT-08	26	28	1.16	0.04
ANT-08	28	30	0.73	0.01
ANT-08	30	32	0.41	0.01
ANT-08	32	34	0.32	-0.005
ANT-08	34	36	0.31	-0.005
ANT-08	36	38	1.04	-0.005
ANT-08	38	40	0.52	0.01
ANT-08	40	42	0.24	-0.005
ANT-08	42	44	0.48	0.01
ANT-08	44	46	0.29	0.01