

BRIDGEPORT VENTURES INC.

**ANNUAL INFORMATION FORM
FOR THE FISCAL YEAR ENDED APRIL 30, 2010**

JULY 29, 2010

TABLE OF CONTENTS

GENERAL	2
STATEMENT REGARDING FORWARD LOOKING STATEMENTS	2
CORPORATE STRUCTURE	3
GENERAL DEVELOPMENT OF THE BUSINESS.....	3
RISK FACTORS	31
DIVIDENDS	41
DESCRIPTION OF CAPITAL STRUCTURE	41
MARKET FOR SECURITIES.....	41
ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER.....	41
DIRECTORS AND OFFICERS.....	42
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.....	44
LEGAL PROCEEDINGS.....	44
TRANSFER AGENT AND REGISTRAR.....	44
MATERIAL CONTRACTS.....	44
AUDIT COMMITTEE DISCLOSURE.....	45
EXPERTS.....	46
ADDITIONAL INFORMATION	47
APPENDIX A	1

GENERAL

Reference is made in this annual information form (the “Annual Information Form” or “AIF”) to the audited financial statements (the “Financial Statements”) and management’s discussion and analysis for Bridgeport Ventures Inc. (the “Company”) for the fiscal years ended April 30, 2010 and April 30, 2009 together with the auditors’ report thereon.

The Financial Statements are available for review on the SEDAR website located at www.sedar.com. All financial information in this Annual Information Form is prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”).

Unless otherwise noted herein, information in this Annual Information Form is presented as at April 30, 2010.

STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain information contained in this Annual Information Form constitutes “forward-looking information” under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company’s properties; the future price of gold and other minerals; success of exploration activities; cost and timing of future exploration and development; the estimation of mineral resources; conclusions of economic evaluations; requirements for additional capital and other statements relating to the financial and business prospects of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to:

- the Company’s goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic gold deposits;
- future plans for the Rio Condor Properties (as defined herein) and other property interests held by the Company or which may be acquired on a going forward basis, if at all;
- management’s outlook regarding future trends; and
- governmental regulation and environmental liability.

In addition, all disclosure contained herein concerning future plans for the Rosario and Tamara properties as set forth under the heading “Material Properties” is subject to the assumptions and qualifications set forth in the Rosario Report (as defined herein), which is incorporated herein by reference.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting; the possibility that future exploration results will not be consistent with the Company’s expectations; timing and availability of external financing on acceptable terms and in light of

the current decline in global liquidity and credit availability; uncertainty of mineral resource estimates; future prices of gold and other minerals; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in mineral exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations; and uncertain political and economic environments. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

CURRENCY AND EXCHANGE RATES

In this AIF, references to “US\$” are to United States dollars, and references to “\$” or “Cdn\$” are to Canadian dollars. The Bank of Canada noon buying rate on July 28, 2010, for the purchase of one United States dollar using Canadian dollars, was \$1.0357 (one Canadian dollar equaled US\$0.9655).

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated pursuant to the *Business Corporations Act* (Ontario) (the “OBCA”) on May 10, 2007. The registered office is located at 36 Toronto Street, Suite 1000, Toronto, Ontario M5C 2C5 and the principal office of the Corporation is located at 36 Toronto Street, Suite 1000, Toronto, Ontario, M5C 2C5.

The Company is a reporting issuer under applicable securities legislation in the provinces of Alberta, British Columbia and Ontario, and the common shares of the Company (the “Common Shares”) are listed on the Toronto Stock Exchange (the “TSX”) under the symbol “BPV”.

The Company has one subsidiary, Rio Condor Resources S.A. (“Rio Condor”), which exists under the laws of Chile. The Company holds all of the issued and outstanding shares of Rio Condor other than one common share of Rio Condor that is held by a local individual, as required under Chilean law. References to “Bridgeport” in this AIF refer to the Company and Rio Condor taken as a whole.

GENERAL DEVELOPMENT OF THE BUSINESS

General

The Company is a Canadian-based mineral exploration and development company primarily focused on the acquisition, exploration and development of gold and copper deposits in Chile and Ontario. The Company currently has one material project comprised of the properties known as the Rosario, Tamara, Soesmi and Simonetta properties together with certain other concessions specified in Figure 1 under the heading “Material Properties” below (collectively, the “Rio Condor Properties”), all as further described below.

Bridgeport (through Rio Condor) holds its interest in the Rio Condor Properties as described under the heading “Material Properties” below, and in particular as follows:

- (i) Rio Condor has an option to pay US\$10.4 million over a four year period (of which US\$265,000 has been paid to date) to acquire a 100% interest in the properties known as

the Rosario and Tamara properties. The Rosario property is subject to a 2% net smelter royalty (“NSR”), which may be purchased for US\$2,000,000;

- (ii) Rio Condor has an option to pay US\$1 million over a four year period (of which US\$125,000 has been paid to date) to acquire a 100% interest in the property known as the Soesmi property, subject to a 2% NSR which may be purchased for US\$1 million; and
- (iii) Rio Condor has an option to pay US\$1 million over a four year period (of which US\$30,000 has been paid to date) to acquire a 100% interest in the Simonetta property.

The Rio Condor Properties are located approximately 40 kilometres south-southeast of the mining city of Copiapo, which has a population of approximately 110,000. According to the Rosario Report (as defined below), the Rosario-Tamara properties host copper-gold mineralization, which is currently being exploited by local residents via open pit mining of both oxide and sulphide ores at several localities, as well as underground mining via spiral decline on the Rosario concession. Based upon the Rosario Report (as defined below), the sulphide ore being mined at Rio Condor’s Rosario property typically grades between 1.5-2.0% Cu and 0.5-1.0 g/tAu. Reconnaissance sampling of the decline also showed anomalous molybdenum contents of between 100-300 g/t, associated with this grade of copper gold mineralization. Potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a mineral resource at the Rosario property and it is uncertain if further exploration will result in the target being defined as a mineral resource.

As well as in the declines at the Rosario concession, disseminated copper-gold mineralization is seen at the base of several copper oxide open pits over the area of certain of the Rio Condor Properties, stretching over a distance of about five kilometres from the Soesmi property to the Simonetta property. Bridgeport regards this widespread distribution of disseminated copper-gold mineralization as very encouraging and an indication that there may be a significant mineralized system beneath the Rio Condor Properties. See “Material Properties”.

In addition to the Rio Condor Properties, Bridgeport has also entered into a letter of intent pursuant to which it may acquire an option to pay US\$1,500,000 over a four year period to acquire a 100% interest in the Trillador property, located in the vicinity of the Rio Condor Properties. The entering into of a definitive option agreement is to take place following a 30 day diligence period.

The Company also holds a 100% interest, subject to a NSR ranging between 1% and 2%, in the property known as the McCart property comprised of five mineral claims covering an area of approximately 534 hectares located near Timmins, Ontario (the “McCart Property”). On May 21, 2010, the Company entered into a letter agreement with China Opportunity Inc. (“COI”) pursuant to which the Company has granted to COI an option to acquire up to a 70% interest in the McCart Property. Under the terms of the letter agreement, COI may earn an initial 50% interest in the McCart Property by:

- (i) making an initial cash payment to the Company in the amount of \$20,000;
- (ii) issuing an aggregate of 1,050,000 common shares of COI to the Company in tranches over a three year period; and
- (iii) incurring an aggregate of \$400,000 in exploration expenditures on the McCart Property in tranches over a three year period.

The letter agreement provides that COI shall earn an additional 20% interest in the McCart Property (for a total 70% interest) in the event it completes a bankable feasibility study within three years of earning its

50% interest. The letter agreement remains subject to receipt of TSX Venture Exchange approval and the entering into of a definitive option agreement between the parties.

See also “Description of Business”.

Three Year History

On December 11, 2009, the Company completed its acquisition of Rio Condor, a private Chilean corporation, for a purchase price of US\$2,000 and the issuance of 1,200,000 Common Shares. At the time of acquisition, Rio Condor’s principal asset consisted of its option to acquire a 100% interest in the Rosario and Tamara properties, subject to a 2% NSR on the Rosario property, held pursuant to five separate option agreements each dated November 6, 2009 between Rio Condor and Sociedad Legal Minera Rosario Una de la Sierra Marcos (collectively, the “Rosario Option Agreements”). In addition, (i) Rio Condor entered into the option agreement to acquire its 100% interest, subject to a 2% NSR, in the Soesmi property on December 3, 2009 (the “Soesmi Option Agreement”); (ii) Rio Condor entered into the option agreement to acquire its 100% interest in the Simonetta property on January 23, 2010 (the “Simonetta Option Agreement”, and collectively with the Rosario Option Agreements and Soesmi Option Agreement, the “Option Agreements”); and (iii) Bridgeport entered into a letter of intent to acquire its 100% interest in the Trillador property on July 5, 2010. See “*General Development of the Business – General*” above.

The Company closed a non-brokered private placement on December 1, 2009, pursuant to which it issued an aggregate of 12,590,000 units at a price of \$1.00 per unit to raise aggregate gross proceeds of \$12,590,000. Each unit consisted of one Common Share and one share purchase warrant. Each whole share purchase warrant entitles the holder thereof to acquire one additional Common Share at an exercise price of \$1.50 per share at any time on or before December 1, 2012. In connection with the private placement, the Company paid finder’s fees in the aggregate amount of \$503,400 to certain qualified registrants assisting in the offering, and issued an aggregate of 521,200 compensation warrants (“Compensation Warrants”) to such finders. Each Compensation Warrant entitles the holder to acquire one Common Share at an exercise price of \$1.00 per share for a period of one year from the date of issuance.

On October 7, 2009, the Company completed its initial public offering pursuant to which it issued an aggregate of 6,000,000 units at \$0.20 per unit (“Unit”), for gross proceeds of \$1,200,000. Each Unit consisted of one Common Share and one share purchase warrant (a “Warrant”). Each Warrant entitles the holder thereof to acquire one additional Common Share at an exercise price of \$0.50 per share at any time on or before October 7, 2014. Toll Cross Securities Inc. acted as agent of the Company in connection with its initial public offering, in connection with which it received an aggregate of 420,000 compensation warrants, each such compensation warrant entitling the holder to acquire one Unit at an exercise price of \$0.20 per Unit until April 7, 2011. Toll Cross Securities Inc. also elected to receive an aggregate of 180,000 Units in satisfaction of \$36,000 of commission to which it was entitled in connection with the initial public offering, with the balance of \$48,000 of such commission payable in cash. In connection with the initial public offering, the Common Shares and Warrants commenced listing on the TSX Venture Exchange on October 9, 2009, and subsequently graduated to list on the TSX effective as of April 16, 2010.

The Company acquired the claims comprising the McCart Property from Mr. William Brereton as follows: (i) pursuant to an agreement dated November 11, 2008 between the Company and Mr. William Brereton, a 100% interest in claim numbers 4220800 and 4243370 was transferred to the Company subject to a 2% NSR, one-half of which NSR (ie. a 1% NSR) may be purchased by the Company at any time on or after the commencement of commercial production, for \$1,000,000; and (ii) pursuant to an agreement dated July 30, 2009 between the Company and Mr. William Brereton, a 100% interest in claim

numbers 4244894, 4244895 and 4244896 was transferred to the Company subject to a 1% NSR, one-half of which NSR (ie. a 0.5% NSR) may be purchased by the Company at any time for \$1,000,000.

The Company also previously entered into an option agreement dated as of December 18, 2007 with Goldeye Explorations Limited, as amended, pursuant to which the Company acquired an option to earn up to a 100% interest, subject to a 3% NSR, in the property known as the Gold Rock property comprised of eight mineral claims totalling approximately 512 hectares located in the vicinity of Boyer Lake, Ontario (the "Gold Rock Property"). In March, 2008, the Company completed 14.5 line-km of magnetometer surveying on the Gold Rock Property and ten lines of IP surveying over the same grid surveyed with the magnetometer. Three drill targets with chargeability anomalies were delineated. The Company has since terminated its option with respect to the Gold Rock Property and accordingly, no future exploration is planned on the Gold Rock Property.

DESCRIPTION OF BUSINESS

General

The Company is a Canadian-based mineral exploration and development company primarily focused on the acquisition, exploration and development of copper and gold deposits in Chile and Ontario. As of July 29, 2010, the Company holds (i) the option to earn up to 100% interest in the Rio Condor Properties, subject to a 2% NSR on certain of the properties including those known as the Rosario and Soesmi properties, all as further described under the heading "Material Properties" below; and (ii) a 100% interest, subject to a NSR ranging between 1% and 2%, in the McCart Property, subject to the right of COI to earn up to a 70% interest therein. Bridgeport has also entered into a letter of intent pursuant to which it may acquire an option to earn a 100% interest in the Trillador property. See "Material Properties" and "General Development of the Business".

The Company continues to search for economic copper and gold properties.

Employees

As at April 30, 2010, Bridgeport had eight full-time employees.

Bridgeport is dependent on the services of key executives, including the Chairman and Chief Executive Officer of the Company and a small number of highly skilled and experienced executives and personnel. See "Risk Factors – Key Executives".

Environmental Protection

All phases of Bridgeport's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Currently, there are no known material environmental liabilities to which the Rio Condor Properties, the Trillador property or the McCart Property are subjected. Numerous environmental studies and permits will be required prior to any project development.

To date, applicable environmental legislation has not had any material financial or operational impact upon Bridgeport. See also "Risk Factors – Environmental Risks and Hazards".

Foreign Operations

A significant proportion of the current operations of Bridgeport are presently conducted in Chile. See “Risk Factors – Political Risks”.

The Corporation’s interests in the Rio Condor Properties are (and its proposed interest in the Trillador property is expected to be) held by Rio Condor, a Chilean subsidiary of the Company. Currently, Rio Condor holds its interests in the mining concessions which comprise the Rio Condor Properties in Chile as set forth above under the heading “General Development of the Business – General”.

The property rights of a concessionary (ie. the holder of a mining concession) in Chile are protected by Chilean constitutional law, as a consequence of which its rights over the concession title and rights to initiate and continue development, exploration and/or exploitation activities with regard to the minerals which are the subject of the concession, are guaranteed by the Chilean government. Such constitutional protection provides full access to the economic benefits that may be obtained from the exploitation of such minerals.

Once a Chilean mining concession is constituted for conducting exploration and/or exploitation activities, its titleholder must obtain written permission from the titleholders of surface lands and additionally, if applicable, from administrative authorities if the performance of the work affects or can affect populated places, or places of public interest or of national security, as detailed in the Chilean Mining Code (the “MC”). If the permission of the titleholders of surface lands is not obtained, then the titleholder of the mining concession has the right to impose special mining easements upon the surface lands after a determination of the compensation to be paid to the owner of the land. Such mining easements can be with respect to traffic or access, electric services and occupation, all subject to and as determined in accordance with the MC. Such mining easements cannot be imposed on land where permanent construction exists or which are covered by plantations of forests, vineyards or fruits, in respect of which lands only a permit obtained from the surface owner would provide the require access.

The interest of Bridgeport in the Rio Condor Properties is also subject to Bridgeport continuing to make payment of applicable annual charges to the Chilean government.

Each of the Option Agreements is currently being registered with the Register of Mines of Copiapó (which is the Chilean borough where the Rio Condor is located). As a consequence of such registration: (i) any person to whom any portion of the Rosario, Tamara, Soesmi and/or Simonetta properties may be transferred or conveyed, shall be bound to execute the sale under the terms and conditions of the respective Option Agreement(s); and (ii) if any act or agreement is executed which may limit or affect the ownership, possession or tenure of any portion of any of the Rosario, Tamara, Soesmi or Simonetta properties, such act or agreement will be voided ipso facto once the option granted under the applicable Option Agreement is exercised.

Competition

The mineral industry is intensely competitive in all its phases. Bridgeport competes with many other mineral exploration companies who have greater financial resources and experience. The market price of precious metals and other minerals is volatile and cannot be controlled. See “Risk Factors – Competition May Hinder Corporate Growth”.

MATERIAL PROPERTIES

Dr. Matthew D. Gray, a consulting exploration geologist, prepared a technical report with respect to the Rosario and Tamara properties entitled “Summary Report on the Rosario Copper-Gold Project, Region III, Atacama, Chile Prepared for Bridgeport Ventures Inc.” dated November 27, 2009 as amended on December 4, 2009 (the “Rosario Report”). Dr. Gray is a qualified person under National Instrument 43-101 (“NI 43-101”), and is independent of Bridgeport.

The following description is an extract of the “Summary” section of the Rosario Report, as updated to reflect material developments and acquisitions since the date of the Rosario Report, and is included herein with the consent of Dr. Gray. Readers should consult the Rosario Report to obtain further particulars regarding certain of the properties discussed below. The Rosario Report is incorporated herein by reference, and available for review on the SEDAR website located at www.sedar.com under the Company’s profile. Readers are cautioned that the summary of technical information in this AIF should be read in the context of the qualifying statements, procedures and accompanying discussion within the complete Rosario Report and the summary provided herein is qualified in its entirety by the Rosario Report. Capitalized and abbreviated terms appearing in the following summary and not otherwise defined herein shall have the meaning ascribed to such terms in the Rosario Report. See also “Risk Factors”.

Summary

PROPERTY DESCRIPTION AND LOCATION

The Rosario project (which term, when used in this AIF, refers to the Rio Condor Properties) comprises 551 hectares of mining concessions and is located in the Provincia of Copiapó, Region III, Atacama, Chile, approximately 38 kilometres S-SE of the city of Copiapó. The center of the project area is located at UTM Zone 19 J, Southern Hemisphere, 384,900E 6,937,900N, Datum World Geodetic System (“WGS”) 84, or South Latitude 27o 40’ 41” West Longitude 70o 10’ 03”, Datum WGS 84. All geographic references in this summary utilize UTM Zone 19 J Southern Hemisphere and datum WGS 84 unless otherwise stated.

Claims and Title

Mining and exploration rights in Chile are controlled by the federal government. Private parties can obtain mineral rights via solicitation of an exploration concession (“pedimento”) and prior to exploitation, converting the exploration pedimento to an exploitation concession. The mining concessions are administered by the Servicio Nacional de Geología y Minería (“SERNAGEOMIN”), a federal agency. To maintain concessions in good legal standing, concession holders are obligated to pay annual tax payments. The Rosario project consists of 7 concession groups covering in aggregate 551 hectares and one application for a mining concession currently under review for issuance of title. The titled mining concessions are shown in Figure 1 and concession information is summarized in the embedded table. The legal standing of these claims has been verified by the Company’s legal counsel in Chile, Lic. Cristian Quinzio of Quinzio y Vergara in Santiago, Chile. Quinzio has also reviewed and confirmed the validity of the purchase option contracts by which Rio Condor may obtain ownership of the mining concessions.

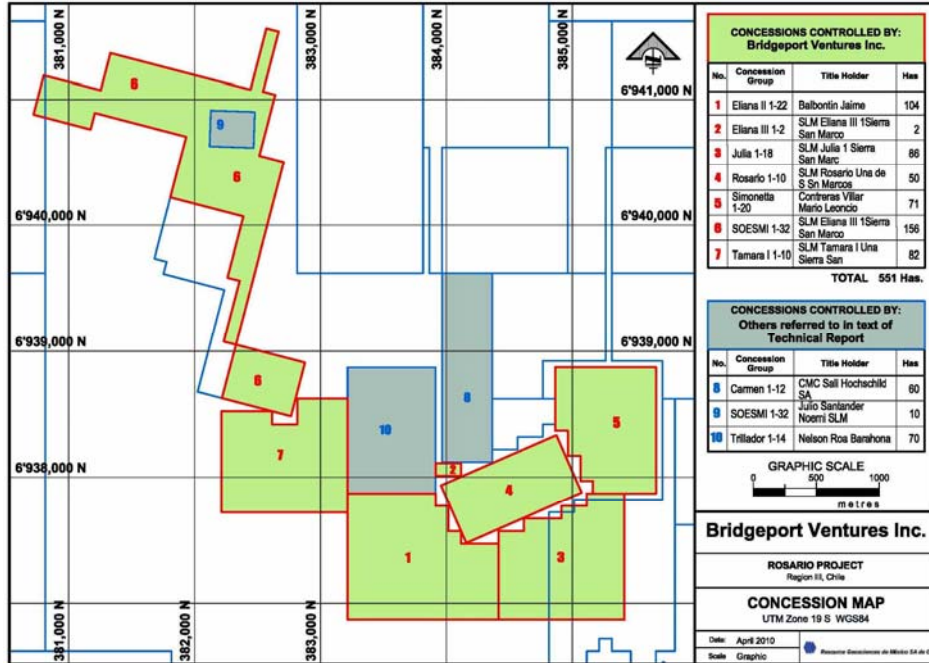


Figure 1. Rosario project mining concession map.

As specified in Article 74 of the Chilean Mining Code (Código de Minería), the location of concession boundaries are marked in the field with survey monuments placed by a registered engineer or minerals landman (“perito minero”) at the vertices of each claim group. During the site visit to the project, Mr. Gray located several survey monuments and obtained UTM coordinates for them using a Garmin GPS model Map60 CSX. The survey monuments matched the concession vertices indicated on the mineral claims land maps.

The seven mining concessions and the claim application which cover the project area are currently controlled by Rio Condor by means of seven separate Option Agreements whereby Rio Condor can earn a 100% interest in the mining concessions and applications, subject to a 2% NSR on certain of the properties which may be purchased for US\$3 million, by making annual cash payments over a four year period totalling US\$12.4 million. Also, during the same period, Rio Condor must pay a total commission or management fee of US\$500,000.

The main features of the seven Options Agreements are as follows:

Rio Condor may obtain from SLM Rosario Una de la Sierra San Marcos, a 100% interest in the Rosario 1 to 10 concessions, subject to a 2% NSR which may be purchased for US\$534,200, under terms of a purchase option agreement executed on November 5, 2009. Rio Condor may exercise the purchase by making cash payments totalling US\$2,670,589 over a four year period. An initial payment of US\$66,765 has been made, and the next payment is due on November 5, 2010 in the amount of US\$200,294. Up until such time that Rio Condor exercises the purchase option, SLM Rosario Una de la Sierra San Marcos is permitted to continue exploitation activities up to 6,000 tonnes per month. SLM Rosario Una de la Sierra San Marcos, operating as Minera y Transportes Barahona, is currently producing approximately 2,000 tonnes per month of ores from the Rosario concession, as discussed in the section “Active Mines and Exploration Areas within Rosario Project” below.

Rio Condor may obtain from SLM Julia Una de la Sierra San Marcos, a 100% interest in the Julia 1 to 18 concessions, subject to a 2% NSR which may be purchased for US\$205,800, under terms of a purchase option agreement executed on November 5, 2009. Rio Condor may exercise the purchase by making cash

payments totalling US\$1,029,412 over a four year period. An initial payment of US\$25,735 has been made, and the next payment is due on November 5, 2010 in the amount of US\$77,206.

Rio Condor may obtain from SLM Eliana II Una de la Sierra San Marcos and SLM Eliana III Una de la Sierra San Marcos, a 100% interest in the Eliana II 1 to 22 and Eliana III 1 to 2 concessions, subject to a 2% NSR which may be purchased for US\$203,600, under terms of a purchase option agreement executed on November 5, 2009. Rio Condor may exercise the purchase by making cash payments totalling US\$1,017,646 over a four year period. An initial payment of US\$25,441 has been made, and the next payment is due on November 5, 2010 in the amount of US\$76,323.

Rio Condor may obtain from SLM Eliana I Una de la Sierra San Marcos a 100% interest in the Eliana I 1 to 20 concessions, subject to a 2% NSR which may be purchased for US\$1,056,400, under terms of a purchase option agreement executed on November 5, 2009. Rio Condor may exercise the purchase by making cash payments totalling US\$5,282,353 over a four year period. An initial payment of US\$132,059 has been made, and the next payment is due on November 5, 2010 in the amount of US\$396,176. Up until such time that Rio Condor exercises the purchase option, SLM Eliana I Una de la Sierra San Marcos is permitted to continue exploitation activities up to 4,000 tonnes per month. SLM Eliana I Una de la Sierra San Marcos is not currently producing any ores from the Eliana I 1 to 20 concessions. The Eliana I 1 al 20 Manifestacion (i.e., claim application) is currently under review by SERNAGEOMIN and the total hectares that will be awarded to this concession is not yet determined. The application covers ground that is east of, and not contiguous with, the Julia concession block. The Eliana I 1 al 20 application is physically separated from the core of the project area.

Rio Condor may obtain from SLM Tamara I Una de la Sierra San Marcos a 100% interest in the Tamara 1 to 9 concessions, under terms of a purchase option agreement executed on November 5, 2009 and modified on November 11, 2009. Rio Condor may exercise the purchase by making cash payments totaling US\$400,000 over a four year period. An initial payment of US\$15,000 has been made, and the next payment is due on November 5, 2010 in the amount of US\$35,000. This option agreement does not contain a NSR payment.

Under terms of the option agreements, Rio Condor may only waive all together the option agreements comprising the Rosario, Julia, Eliana I, Eliana II and Eliana III agreements and does not have the right to waive one or more of these agreements independently. This means that the option granted by each option agreement must be exercised collectively with all option agreements. The Rosario 1/10, Julia 1/18, Eliana I 1/20, and Eliana II 1/22 – Eliana III option agreements contemplate that should the option be exercised then from the beginning of commercial production of each mining property, a NSR royalty of 2% must be paid by Rio Condor on a quarterly basis. Rio Condor may acquire the NSR royalty by paying to all the vendors a purchase price of US\$2,000,000. The NSR royalty payments and, if applicable, the purchase price, is to be distributed among the four vendors according to the following percentages: Rosario, 26.71%; Julia, 10.29%; Eliana I, 52.82%; Eliana II, 5.09% and Eliana III, 5.09%. Pursuant to the agreements for Rosario, Julia, Eliana I, Eliana II - Eliana III, and Tamara I concessions US\$265,000 was paid on closing and a total of US\$785,000 is payable at or before November 5, 2010.

Rio Condor may obtain from Julio Santander Noemi a 100% interest in the SOESMI 1 to 32 concessions under terms of an agreement entered into on December 3, 2009. The Company will pay US\$1,000,000 over three years to acquire the SOESMI Property, subject to a 2% NSR fee. The royalty may be purchased for US\$1,000,000. US\$75,000 (\$79,020) was paid on closing. The next payment is due on June 3, 2010 in the amount of US\$50,000 followed by US\$50,000 due on December 3, 2010.

Rio Condor may obtain from Mario Leoncio Contreras Villar a 100% interest in the Simonetta 1 to 20 concessions under terms of an agreement entered into on January 23, 2010. The Company will pay US\$1,000,000 over four years to acquire a 100% interest in the Simonetta Property. US\$30,000 (\$30,782)

was paid on closing. The next payment is due on July 23, 2010 in the amount of US\$10,000 followed by payment of US\$65,000 due on January 23, 2011. The option agreement does not contain a NSR payment.

“Demasías”

Under current Chilean mining law, a mining concession must be a square or rectangle with minimum dimensions of 100 x 100 metres, positioned such that sides are oriented due North-South and East-West. Because of this restriction, the ground shown in white in a stair step pattern surrounding the Rosario 1 to 10 concessions and the corridor between Trillador 1 to 14 and Carmen 1 to 12 cannot be claimed by any person as an independent and individual mining concession because none of such stair steps considered individually comply with the minimum dimensions and position requirements already referred to. Under Chilean mining law, at such time that this ground is completely enclosed by other valid mining concessions, these open fractions automatically convert to irregularly shaped concession blocks (i.e., demasias) with rights assigned to the senior contiguous concession. In this case, the Rosario concession block is the senior concession group with rights to this ground. Rio Condor's legal counsel has advised that it is convenient to produce the demasias that will favor the Rosario concessions by applying for a mining concession that, aside from overlapping areas already comprehended by some of the Rosario project concessions, would take part of the open areas and confine the Rosario property with two other neighboring exploitation mining claims, therefore producing the demasias, thus triggering the eventual assignment of this ground to the Rosario concession. Once the demasias is triggered by the ground being completely enclosed by other valid mining concessions, the demasias will belong to Rio Condor by operation of law. Out of an abundance of caution, Rio Condor has executed an agreement with the title holder of the Rosario concessions that explicitly guarantees that these demasias will be assigned to Rio Condor.

Surface Rights

The ownership of surface rights has been investigated by Rio Condor and by a minerals landman and no record of private surface rights has been found in the public record thus the lands are interpreted to be held federally. Rio Condor has requested confirmation of Fiscal surface rights from the Chilean lands bureau. Chilean mining law allows exploration activities to proceed on undeveloped lands without requirement of a surface access agreement. The legal ownership of surface rights has not been verified by Mr. Gray or Resource Geosciences de Mexico SA de CV (“RGM”).

Mineralization

Numerous active small mines and exploration workings of exposed mineralized zones are present within the property area. Nearly all are developed on zones of supergene Cu mineralization, and are easily identified in the field by the distinctive blue, green, and blue-green coloration of the rock caused by the presence of Cu oxides, carbonates, sulfates, silicates, and halides, accompanied by varying amounts of Fe-oxide staining. Controls on mineralization include high angle structural zones, volcanic stratigraphic contacts, and intrusive and/or hydrothermal breccias. The metals currently produced are Cu and Au. The principal mineralized occurrences and mines in the district that have thus far been explored are described below.

Environmental Liability

Potential environmental liabilities associated with the active and historic mining at the Rosario project have not been investigated or verified by Mr. Gray or RGM, but no significant environmental liabilities are apparent. Small abandoned mines and unmineralized rock piles are present but are not generating acid drainage. There are no plant facilities or tailings piles present within the Rosario project area.

Permits

Exploration and mining activities in Chile are subject to control by the Comisión Nacional de Medioambiente. A review of environmental compliance and permitting issues was not within the scope of the present study. Because the Rosario project is within an active mining district, and the project itself hosts an active mining operation, it is presumed that additional exploration activities at the Rosario project will not be prohibited by environmental regulations. Chilean mining law grants a mining concession holder the right to conduct basic exploration activities, including drilling, without the need for prior federal approval.

ACCESS, CLIMATE, INFRASTRUCTURE, AND PHYSIOGRAPHY

The Rosario project is located approximately 38 kilometres east-southeast of the city of Copiapó, in the Provincia of Copiapó, comuna of Tierra Amarilla, Region III, Atacama, Chile (Figure 2). Access is by road from Copiapó and requires approximately 1 hour of travel time. The first 26 kilometres is via paved federal highway 35, heading south to the electrical substation at the COEMIN mineral processing plant, thence turning east on unpaved highway C401. Beginning at highway C401 the remaining distance (approximately 20 kilometres) is on unpaved but well maintained high speed roads. From the COEMIN plant one travels east 7 kilometres on Highway 401 and then turns south on road C405 continuing 12 kilometres, then west onto the access road to the Rosario mine for a distance of 1.5 kilometres to arrive at the mine area. Road C405 passes directly through the project area. Electric transmission lines follow highway C401 and are as close as 11 kilometres to the Rosario project. All basic services are available in Copiapó and Tierra Amarilla, both of which are important mining centers. The project area is unpopulated, except for the camps of the miners currently exploiting the Cu deposits. Most of the inhabitants of the region depend on mining and agriculture (e.g., grapes) for economic sustenance. An adequate supply of experienced labor for mining operations can be drawn from the region. The nearest commercial airport is located 46 kilometres west of Copiapó and is served by daily flights from Santiago and other Chilean cities.

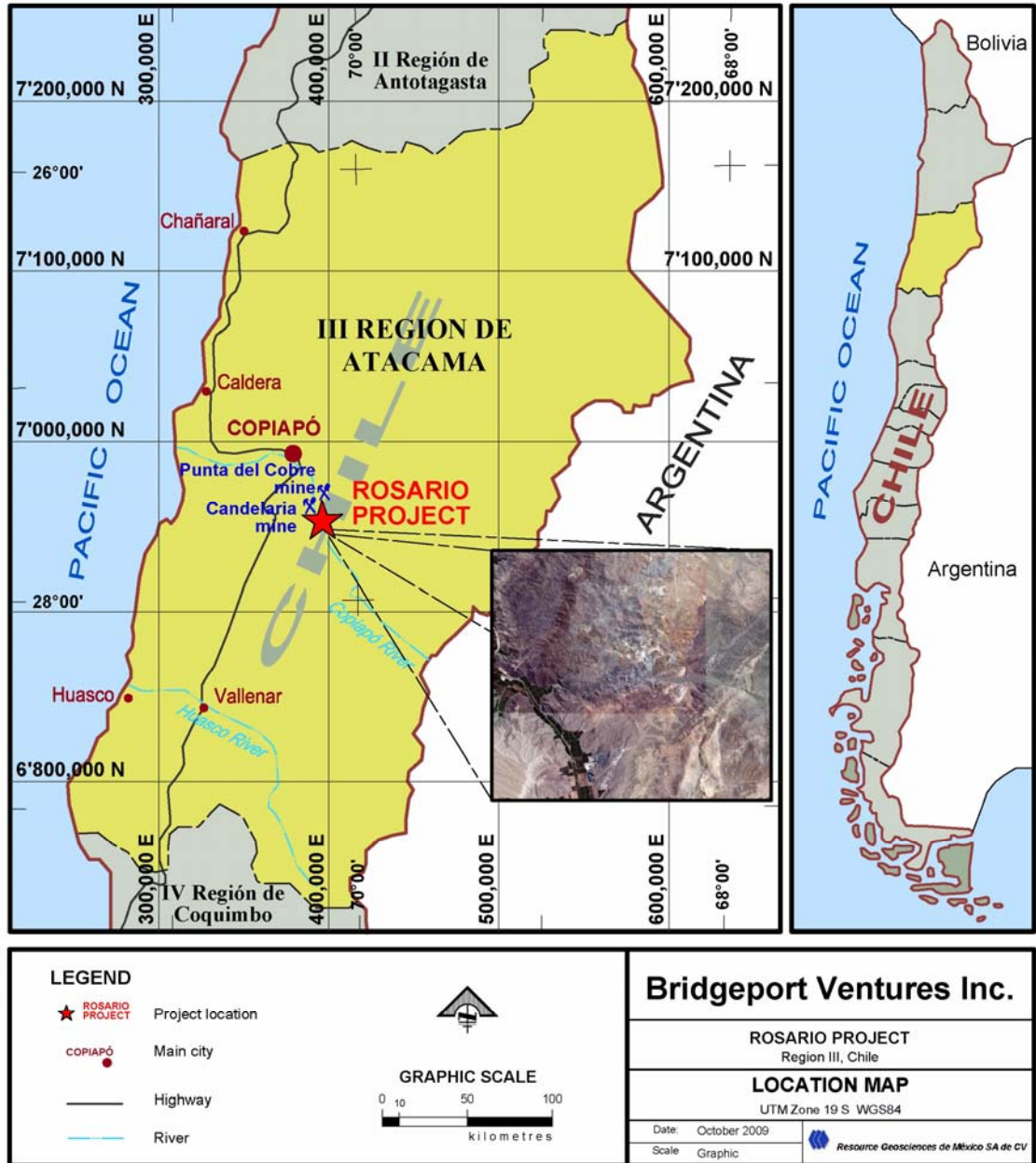


Figure 2. Rosario project location map.

The Rosario project is in the southern portion of the Atacama Desert, west of the Andean Cordillera. The topography consists of gentle mountain ranges separated by narrow valleys. Elevations in the Rosario project area range from 1,050 metres above sea level to over 1,460 metres above sea level. Areas of low relief in the southern portion of the project area are suitable locations for mill sites, leach pads, waste dumps, and other mine related infrastructure.

The climate in the area is arid with seasonal temperatures ranging from an average annual high of 28°C in January and an average annual low temperature of 5°C in July, as measured at meteorological station Copiapó-Chamonate located at 27°18' S, 70°25' W, 291 metres above sea level (Dirección Meteorológica de Chile, 1991, Normales de precipitación, temperatura media, temperatura mínima media y temperatura máxima media, 1961-1990, Estación Meteorológica Copiapó-Chamonate, data available through the

Departamento de Geofísica de la Facultad de Ciencias Físicas y Matemáticas de la Universidad de Chile, at <http://www.atmosfera.cl/>). Average annual precipitation is 12 millimetres. Exploration activities may be conducted year round. Vegetation in the area is sparse to absent, consisting only of small scrub in the valley floors along temporal river or stream channels.

HISTORY

The date of the earliest exploration and mining activity in the San Marcos district is undocumented. Early exploration of the district probably occurred in the late 1700's concurrent with the early exploitation of mines in the nearby Punta del Cobre and Pampa Larga mining districts (Ortiz, F., Araya, R., Franquesa, F., Moraga, A., and Zentilli, M., 1966, Informe geológico del distrito minero Punta del Cobre, Provincia de Atacama, Instituto de Investigaciones Geológicas, Boletín No. 14, 46p., Santiago).

Modern exploration of the district consists of direct mining of Cu oxide showings exposed in outcrop using tracked excavators. Small scale exploitation of mineralized zones exposed in outcrop commenced in the early 1990's with ores produced sold directly to the federally controlled mining company, Empresa Minera Nacional SA ("ENAMI"), operator of a mill and floatation concentration plant located adjacent to Copiapó.

The only drilling known to have been completed in the district are shallow (i.e., less than 100 metres) diamond core holes completed within or adjacent to small surface cuts and pits at the SOESMI, Trillador and Simonetta properties. In the case of the SOESMI property, the claimant reports that Sociedad Punta del Cobre SA ("Pucobre") completed a 916 metre drill campaign in the first semester of 2009, and in the case of the Trillador property, ENAMI completed an unknown number of drillholes targeting the extensions of Cu oxide mineralization exposed in surface cuts and open pits. During field review of the Simonetta area Mr. Gray noted an uncapped and uncased abandoned drillhole, apparently an exploration drillhole targeting a zone of Cu oxide mineralization exposed in a small surface cut. The entity responsible for this drilling and the results are unknown to Mr. Gray and to the Company.

During the field review ground electrode stations for induced polarization geophysical surveys ("IP surveys") were noted in the Simonetta and Rosario concessions. The claimant of the Simonetta concession advises that Freeport conducted the IP survey in the area in 2008. Minera Barahona has been mining oxide and sulfide ores at the Rosario concession from surface cuts, open pits, and a spiral decline, and currently is selling approximately 2,000 tonnes per month of sulfide ores to ENAMI, delivered to the ENAMI mill and concentration plant outside of Copiapó.

In April 2010, the Company commenced an exploration drilling program at the Rosario project. As of June 30, 2010, a total of 2,383 meters of diamond drilling had been completed in 10 drillholes.

GEOLOGICAL SETTING

Regional Geology

The Rosario project is within the San Marcos Mining District, hosted by the Cretaceous Cerillos Formation, a 6,000 metre thick sequence of dominantly clastic sedimentary strata which crops out continuously in an 8 kilometres wide, 70 kilometres long, N-NE trending swath (Arevalo, C., 2005, Carta Los Loros, Región de Atacama, Carta Geológica de Chile Serie Geología Básica No. 92, Escala 1:100,000, Servicio Nacional de Geología y Minería, Subdirección Nacional de Geología), as shown in Figure 3. The upper 3,500 metres of the sequence hosts conglomerates and volcanic breccias intercalated with sandstones and andesite and basaltic andesite lavas and autoclastic breccias. Diaz, A., Lledo, H., Vivallo, W., 1998, Yacimientos metalíferos de la hoja Los Loros, Region de Atacama, Mapa de Recursos Minerales de Chile, No. 2, Servicio Nacional de Geología y Minería, Subdirección Nacional de Geología, described irregular manto, chimney, and vein Cu deposits hosted by andesitic lavas of the Cerrillos

Formation where they were intruded by dikes and small stocks of andesitic and dioritic composition. The deposits described by Diaz, et al. (1998) contain specularite and/or magnetite as characteristic gangue minerals. The Cerrillos Formation lacks chronostratigraphic fossils but paleontological and radiometric age dates of underlying strata and cross cutting intrusives fix the age of the Cerrillos Formation within the range 89 to 125 millions of years ago (Aptian – Turonian). Geologic and metallogenic maps (Diaz et al., 1998, Arevalo, C., 2005, Carta Los Loros, Región de Atacama, Carta Geológica de Chile Serie Geología Básica No. 92, Escala 1:100,000, Servicio Nacional de Geología y Minería, Subdirección Nacional de Geología) published by the Chilean Geological Survey (SERNAGEOMIN) demark an extensive zone of hydrothermal alteration (mineral assemblage not specified) that partly covers the Rosario project area. The Cerillos Formation overlies and is separated from the Jurassic-Cretaceous Chanarcillo Group and the Punta del Cobre Formation by an erosional disconformity.

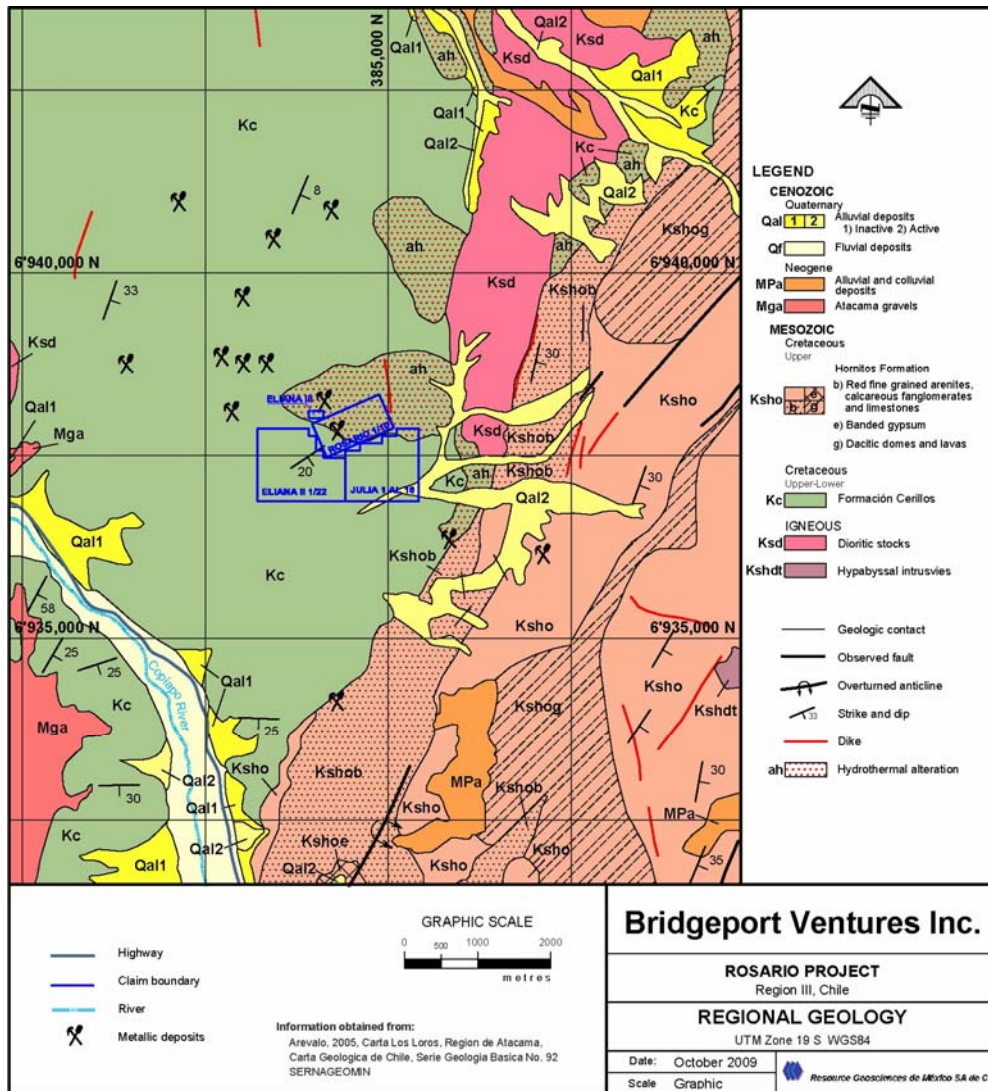


Figure 3. Regional geology map, Rosario project.

Local Geology

The following discussion of project geology is based upon 6 days of field examinations by Mr. Gray. The project area is underlain by a compositionally monotonous sequence of andesitic volcanic and volcanoclastic strata. A lack of compositionally or texturally distinct marker units hinders mapping of the

area. Andesites observed include dark, magnetic, fine grained, sparsely porphyritic aphanitic andesites in which fine grained plagioclase phenocrysts are the only megascopically observable mineral, and course grained, plagioclase phenocrystic, porphyritic-aphanitic, non-magnetic andesites. Breccia textures interpreted to be autoclastic flow breccias were observed but many of the andesites lack textural evidence that would indicate a subaerial rather than shallow subvolcanic origin. Fine grained volcanoclastic arenites and siltstones are interpreted to be intercalated with the andesites. The volcanoclastic strata recessively weather and are generally only exposed in road cuts. Where primary volcanic stratification was observed and measured, it consistently had northeast strike with dip to the southeast at 25 to 45 degrees. Many volcanic lithologic contacts exhibit some degree of structural dislocation, but the contacts are interpreted to reflect primary volcanic contacts that served as zones of weakness that localized later small scale displacements as a result of post-depositional stress. Displacement along the primary contacts is unquantified but is interpreted to be a result of relatively minor bedding plane slip.

Reconnaissance mapping indicates that the andesitic sequence has been intruded by dikes, sills, and small stocks of diorite and andesitic subvolcanic intrusives. Three compositionally similar but texturally different types of intrusive are recognized: dark colored, fine grained, magnetic, plagioclase bearing dikes and sills; equigranular, fine grained, dioritic intrusions present as sills, dikes and irregular plugs; and course grained, plagioclase phenocrystic, porphyritic-phaneritic dioritic intrusive. The intrusives are compositionally similar to the strata they intrude, and in many cases are difficult to distinguish from their host rocks where the textural contrast is slight and intrusive contacts are not exposed. Pervasive hydrothermal alteration further obscures the nature of the intrusives. Where they are intensely hydrothermally altered, they are not distinguishable from their altered host rocks. Even where not intensely altered, conformable sills are not readily distinguishable from the volcanic strata.

The fine grained, magnetic, plagioclase phenocrystic, porphyritic-aphanitic intrusives often are not intensely hydrothermally altered and appear to post date the mineralizing event. These intrusions are often erosionally resistant and cap hills or form dip slopes, giving a misleading impression of a wide distribution. The equigranular, fine grained, dioritic intrusives appear to be present as both sills conformable with volcanic bedding and as dikes or plugs that transect the volcanic stratigraphy. The coarse grained, plagioclase phenocrystic, porphyritic-phaneritic intrusive is observed in the western portion of the project area where its outcrop pattern suggests it is present as small stocks. It is seen in razor sharp contact with the country rock andesites and it is crosscut by fine grained to aphanitic andesitic dikes. A fine grained, equigranular dioritic intrusion outcrops in the eastern portion of the project area and the Rosario mine decline is developed in this intrusive. Exposures in the Rosario decline are consistent with the dioritic intrusion(s) being present at least in part as sills conformable to the volcanic stratigraphy.

Outcrops of matrix-supported, rounded to subangular breccias comprised of dioritic clasts in a dioritic matrix are interpreted as intrusive breccias associated with emplacement of diorite. Breccias with similar texture that exhibit pervasive hydrothermal alteration of both clasts and matrix may represent altered intrusive breccias or may be hydrothermal breccias cutting diorite. These breccias are often associated with mineralization as discussed in this summary.

A lack of distinctive mappable marker units precludes inference of large scale structures by offsets, termination, or repeats of outcrop patterns. Numerous north azimuth ("NA") 265 to 315 striking, steeply SW dipping to vertical, fault planes were noted in mine workings and prospects throughout the project area, and in one case a mapped fault correlates with a linear feature observable on satellite images with an apparent strike length of greater than 600 metres, however in most cases faults observed cannot be confidently projected beyond the immediate area of exposure. The inferred northeast striking fault is not directly observed but is inferred on the basis of the linear termination of outcrops of intrusive and breccias. High angle, sheeted fractures and joints were observed at every azimuth and at the level of reconnaissance mapping completed thus far, no dominant structural fabric is apparent.

DEPOSIT TYPES

The exploration target recognized at the Rosario project is an intrusive related Cu-Au deposit, with ore metal distribution controlled by both lithology and structure. The Rosario mineralized system shares some common traits with iron oxide copper gold (“IOCG”) deposits including an association with sodium (“Na”)-metasomatism and ore mineralogy dominated by chalcopyrite, and the deposit is located within a productive IOCG mineral belt, however hypogene specularite and/or magnetite, which are an essential component of IOCG deposits, were not observed to be present. The Rosario deposit has traits in common with Chilean manto type Cu deposits including andesitic host rocks, stratigraphic control to metal distribution, association with dioritic intrusions, and albitic alteration, however the Rosario system’s elevated Au content contrasts sharply with typical Chilean manto deposits that are Au deficient, Cu-Ag systems. The Rosario system is classified by Mr. Gray as intrusive related. Thus far, phyllic (quartz-sericite-pyrite) alteration zones and stockwork veinlets, which are characteristic of porphyry systems, have not been observed at the Rosario project, but potassic alteration zones are coincident with some mineralized zones.

Three partially overlapping mineralized environments are present at the prospect, and all are interpreted to be genetically related:

1. Manto Cu deposits, in which the host rocks are andesitic volcanic strata and primary Cu sulfide mineralization is present in conformable stratiform zones.
2. Intrusive and breccia hosted Cu deposits, in which the host rock is dioritic intrusion and/or related breccias.
3. Structurally controlled Cu deposits, in which distribution of Cu mineralization is related to high angle faults and structural zones.

Any one or all three mineralization styles may be present at a particular target area. High angle structures may control the distribution of mantos, with mantos preferentially developed adjacent to them, and the structures may also influence emplacement of intrusions, intrusive breccias, and hydrothermal breccias, thus the intrusive and breccia related Cu occurrences may be cospatial with or independent of manto and high angle mineralized zones.

The Rosario system exhibits some similarities to both Chilean manto and IOCG deposits.

MINERALIZATION

General

Numerous Cu occurrences and zones of hydrothermal alteration are exposed in outcrop, small active mines, and exploration workings throughout a 3 square kilometers area centered upon the Rosario property. Host rocks to Cu mineralization include andesitic volcanic strata, andesitic porphyritic intrusions, dioritic intrusions, and intrusive and/or hydrothermal breccias. Both high angle structural and low angle stratigraphic controls are observed. Mineralized zones are characterized by alteration mineral assemblages which include albite, tourmaline, actinolite/tremolite, sericite, clay minerals, and a mineral tentatively identified as sphene. The mineralized area that has been the focus of exploration and exploitation is within the Rosario concession. Other mines and exploration workings in the project area include the Simonetta, Tamara, and SOESMI concessions. All are part of a single large mineralizing

system and share some characteristics in common, but some differences are also observed between the different areas, as described in Mr. Gray's report.

All of the prospects and small mines were developed on zones of outcropping Cu mineralization comprised of Cu carbonates, sulfates, silicates, and halides, principally malachite, chrysocolla, and chalcantite, with or without accompanying atacamite. For simplicity of use, this supergene mineral assemblage, formed by the oxidation of primary Cu sulfide minerals, will hereafter be referred to as "oxide Cu" or "Cu oxide" mineralization. Primary Cu sulfides are present at depths of 2 to 20 metres below the present topographic surface. The most important mines and showings visited by Mr. Gray are herein described.

Active Mines and Exploration Areas within Rosario Project

Rosario Decline

The Rosario mine is the principal producer in the district. SLM Rosario Una de la Sierra San Marcos, operating through its production company Minera y Transportes Barahona, is currently mining 2,000 tonnes per month of sulfide Cu ores grading ~2 % Cu and 0.8 gpt Au. Ores are sold to the ENAMI plant in Copiapó. Initial production was from small pits and surface cuts developed directly on outcropping zones of oxide Cu mineralization but current production is exclusively of sulfide ores mined via underground methods and accessed by a spiral decline. The Rosario mine, like all mines in the district, does not have any defined mining reserves or mineral resources. The mine operates by direct mining of mineralized zones exposed in surface outcrop, and in the case of the Rosario decline, mining has continued to depths beyond those attainable in open cuts by development of an underground mine accessed by a spiral decline.

At the Rosario underground mine, primary Cu mineralization is hosted by a fine grained, equigranular dioritic intrusion and related intrusive and or hydrothermal breccias (Figure 4). The intrusive is present as both conformable sills and as discordant small plugs or stocks. The mineralized area is characterized by albite alteration, which locally is pervasive and intense, of both the intrusion and the host volcanic strata, often accompanied by tourmaline in the form of fine grained disseminated black grains, and by chlorite and actinolite/tremolite replacement of mafics. Elevated sodium oxide (Na₂O) contents of as much as 10.5% (7.8% on an elemental Na basis) indicate the altered rocks were affected by Na metasomatism. Both mineralized and unmineralized intrusive are albite and tourmaline altered. A fine grained, translucent, pale yellow green mineral with adamantine luster is present as disseminations in intensely albitized rock and has been tentatively identified as sphene, and comprises a minor component of the alteration mineral assemblage. In breccias zones both clasts and matrix are tourmalinized. It is not clear if these breccias are altered intrusive breccias or hydrothermal breccias. The albite alteration zone lies within a broader zone of pervasive hydrothermal alteration which is expressed as bleaching and clay-sericite alteration of the host rocks, locally accompanied by primary sulfides that form Fe-oxide color anomalies in weathered exposures.



Figure 4. Mineralized hydrothermal breccia exposed in Rosario mine decline.

The morphology of the mineralized zones is undetermined. Stopes on the ore are unordered and indicate no preferred orientation, which is consistent with observations made at the mine, where high grade mineralized diorite was observed in razor sharp but irregular contact with altered but unmineralized diorite (Figure 5). Mineralized breccias also exhibit razor sharp irregular contacts with the host diorite. Mined zones exposed are as much as 20 metres high with horizontal dimensions measured in the tens of metres. Since September of 2007, SLM Rosario Una de la Sierra San Marcos, operating as Minera y Transportes Barahona, has produced over 15,000 tonnes of sulfide ores from the Rosario decline with average grade of 2.05% Cu and 0.79 gpt Au. Ores have been exploited over a vertical interval of greater than 40 metres. Mr. Gray's independent sampling yielded 0.86% Cu and 0.23 gpt Au at the deepest level of the Rosario decline, indicating that mineralization continues to at least the deepest level currently developed. The ore mineral assemblage consists of chalcopyrite with or without subordinate bornite. Pyrite is sparsely present as a gangue mineral. The chalcopyrite, and bornite when present, occur as fine grains evenly disseminated throughout the host rock. Veinlets of any scale are absent, and no fracture or microfracture control was observed. In some cases the Cu sulfides were clearly observed to be replacing chloritized mafic minerals. Molybdenum minerals were not observed in hand specimens, but

molybdenum is present in the Cu-Au mineralized zones in amounts of as much as 0.04%, suggesting the presence of molybdenite.



Figure 5. Mineralized intrusive in sharp contact (dotted red line) with unmineralized intrusive.

Manto Pit

The manto pit is located 850 metres west-southwest of the Rosario decline and was developed as a series of open cuts on oxidized zones of primary sulfide Cu mineralization. The oxidized mineral assemblage consists of malachite, chrysocolla, chalcantite, and possibly atacamite. In contrast to the Rosario decline, the main host rock appears to be the southeast dipping andesitic volcanic strata, although the intense alteration may be masking the presence of conformable sills of similar composition. The deepest portions of the surface cuts expose primary sulfide mineralization, present as disseminated chalcopyrite in the andesitic volcanic host. A two metre vertical representative sample, ROS-014, was collected across the lowermost exposed portion of the zone where it hosts disseminated chalcopyrite. Sample ROS-014 yielded 1.79% Cu and 0.01 gpt Au. The mineralized zone appears to follow the primary volcanic stratigraphy and dips 45° to the southeast, and is coincident with a planar fault zone interpreted to be a result of bedding plane slip (Figure 6). As exposed in the surface cuts, the mineralized zone is 12 metres thick, and possibly greater, but mineralization intensity varies across the exposed thickness. The mineralized zone lies within an extensive zone of pervasive hydrothermal alteration manifested by bleaching and clay-sericite alteration of the andesitic volcanics, accompanied by pyritization of the footwall to the mineralized zone, which is well expressed as an Fe-oxide color anomaly at surface. Some of the pyritic zone appears to be composed of a pyritic dioritic sill intruded into the andesite sequence. Cu oxide showings in pervasively bleached and sericite-clay altered volcanics located northeast of the main manto pit are interpreted to be part of the same mineralized zone, and if so, indicate a mineralized strike length of 175 metres. Sample ROS-015, a 2 metre representative sample over a 4 square meters area, was collected from an open cut on a Cu showing northeast of the Manto pit, and yielded 3.85% Cu and 0.08 gpt Au. Cu oxide showings beyond the hill crest east of the manto pits indicate that at least a 115 metre stratigraphic thickness of the andesites has at least been locally mineralized, assuming that the dip projection of the volcanic strata is constant to the southeast and that no structural offsets are present between the Cu showings.



**Figure 6. View looking southwest at Manto Pit.
Mineralized zone dips to the southeast, to the left in the photo.**

Tamara

Cu mines and prospects visited in the Tamara concession are hosted in coarse grained, plagioclase phenocrystic, porphyritic rocks, some of which are porphyritic-phaneritic and appear to be intrusive, whereas others are porphyritic-aphanitic and may be extrusive or of shallow subvolcanic origin. Cu mineralization is also present in andesitic volcanics near the contact with the porphyritic unit. In contrast to other mineralized occurrences in the area, at Tamara a clear structural control is observed for some mineralized zones. A north-northeast striking vertical fracture zone controls Cu mineralization over at least a 200 metre strike length as exposed in various workings and prospects in the northern portion of the concession. The northeast structure is interpreted to control the distribution of primary Cu sulfides, but oxidation of them results in malachite and chrysocolla occurring as coatings on fractures of diverse orientations, a reflection of local small scale remobilization and precipitation of Cu. Primary Cu sulfide mineralization is exposed in both the coarse porphyritic unit and host rock andesite where it occurs as disseminations in the coarse porphyry and as vug filling clots in the andesite. A poorly defined breccia texture is developed in the andesite, possibly a result of autoclastic brecciation at a flow top, or possibly a result of variable pervasive bleaching and albitization of the host rock. The contact between the coarse grained porphyry and the underlying andesite is conformable with the regional dip of the volcanic strata, and this porphyry may be an extrusive volcanic. The Cu mineralized zone follows the contact and the volcanic stratigraphy

Simonetta

The Simonetta area is adjacent to and east of the Rosario property area. The diorite intrusion and intense alteration observed at the Rosario property extends onto the Simonetta ground where tourmalinization and pervasive bleaching of diorite and andesite country rock was observed (Figure 7). Exploration of surface Cu showings with a tracked excavator has revealed both irregular zones of oxidized Cu mineralization and zones of primary chalcopyrite at shallow depths. The control of Cu distribution is unclear. Transported supergene Cu mineralization occurs as coatings on fractures and fault planes of diverse orientations, but these structures appear to be local controls of transported Cu and do not necessarily reflect the controls of the hypogene Cu sulfide distribution.



Figure 7. Bleached and tourmalinized diorite in outcrop at the Simonetta claim.

During field review of the Simonetta area, Mr. Gray noted an uncapped and uncased abandoned drillhole, apparently an exploration drillhole targeting a zone of Cu oxide mineralization exposed in a small surface cut. The entity responsible for this drilling and the results are unknown to Mr. Gray.

SOESMI

The SOESMI claims cover the westernmost known Cu occurrences in the district. As at the adjacent Tamara concession, the coarse grained plagioclase phenocrystic porphyry is an important host of Cu mineralization at SOESMI. Numerous surface cuts and pits are developed in zones where Cu oxides are abundant. In some cases, the Cu oxides are present only as fracture coatings and the host rock is not significantly altered nor does it show evidence of ever having hosted primary sulfide. In these cases, the oxide Cu is interpreted to be purely exotic transported Cu. In cases where the host rock is pervasively and penetratively stained by Cu oxides, in-situ oxidation of primary Cu sulfides is implied.

Precipitation of supergene Cu oxides was at least in part controlled by lithology. In several instances, gaudy fracture coatings of Cu oxides are entirely restricted to fractures in fine grained andesitic dikes that crosscut the coarse grained plagioclase porphyry. Fractures are Cu oxide encrusted when in the fine grained andesite but barren when in porphyry. Xenoliths of andesite within the porphyry exhibit the same control on Cu oxide precipitation. In these cases it is clear that the observed Cu oxides are not the result of in situ oxidation of Cu sulfide minerals and the source of the Cu is unknown. The claimant of the SOESMI concessions reported that Pucobre optioned and explored the SOESMI concessions in 2009 and drilled 10 shallow diamond core holes totaling 916 metres, in and around the surface pits. During field review of the SOESMI concession Mr. Gray noted in the field 10 drillhole collars and monuments. .

Other Cu Occurrences

Numerous small cuts and prospects are developed on oxide Cu showings throughout the Rosario claim. In most cases, no clear structural or stratigraphic control to Cu distribution is noted. In most prospects, Cu oxides are present as fracture coatings and as pervasive stains or impregnations. The former result from precipitation of transported Cu and the host rock to the fracture coating Cu oxides may not have been a host to primary mineralization, however the pervasive impregnations of Cu oxides clearly correlate with the former presence of disseminated Cu sulfide and result from in-situ oxidation.

EXPLORATION

General

Prior to the Company's acquisition of the Rosario project, exploration at the project consisted predominantly of direct mining of exposed mineralized zones by the mining concession owners or lessees. The claimants of the district utilize tracked excavators and bulldozers to expose bedrock in areas where Cu oxide staining is observed at surface. Shallow exploration drillholes are reported to have been completed within or immediately adjacent to some of the small oxide Cu pits at the SOESMI property as described in this summary. None of the Company, RGM, or Mr. Gray has access to original data for these drill campaigns. During his reconnaissance, Mr. Gray observed in the field IP electrode stations at the Simonetta and Rosario concessions. The owner of the Rosario concession reported that Freeport completed IP studies in the area prior to making an unsuccessful offer to option the Rosario project. Since the date of the Rosario Report, the Company has obtained directly from Freeport the data from the IP survey that it conducted on the Rosario and Simonetta properties. The results indicate that the Rosario and Simonetta concessions are underlain by a weak chargeability anomaly, consistent with the presence of disseminated sulfides at depth.

Upon execution of the purchase option agreements for the seven concessions that comprise the Rosario project, the Company's Chilean subsidiary, Rio Condor, obtained explorations rights for the concessions. The Company's exploration of the property commenced in October 2009 when Mr. Gray conducted reconnaissance studies of the district geology and the operating mines. In January 2010, the Corporation commenced detailed geologic mapping of the project leading to definition of drill targets. In the first quarter of 2010, the Company completed geologic mapping and reconnaissance sampling of the Rosario and Simonetta concessions, identifying alteration zones associated with Cu-Au mineralization and possible structural and stratigraphic controls to Cu and Au distribution. In April 2010, the Company commenced a Phase 1 exploration drill program comprising 3,000 meters of diamond core drilling in 14 drill holes. As of June 30, 2010, a total of 2,383 meters in 10 drillholes had been completed. Drillholes completed, as discussed subsequent sections of this excerpt.

Geologic Mapping and Geochemical/Mineralogical Sampling

Reconnaissance mapping was completed over a 6 day period in October 2009, using 1:50,000 scale topographic maps and public domain satellite images as a mapping base. A Garmin GPS Map60CSX was used for survey control. All known small mines and significant Cu showings in the district were reviewed, but efforts were concentrated on the Rosario concession group. Concurrent with the reconnaissance mapping, Mr. Gray collected representative rock chip samples of specific mineralized and hydrothermally altered zones. The objective of the sampling was to determine the metal contents of particular alteration mineral associations and to verify the ranges of metal contents present in the orebodies being exploited at the Rosario mine.

Detailed geologic mapping with concurrent rock chip sampling commenced in January 2010 and is ongoing to the present. Thus far, the Company completed 1:5000 scale geologic mapping of the Rosario and Simonetta concessions and conducted systematic sampling of mineralized exposures in mine workings, prospects, and surface outcrops.

DRILLING

In April 2010, the Company commenced an exploration drill program at the project. As of June 30, 2010, 10 drillholes totalling 2,383m of drilling were completed. Drillhole locations and a summary of the most significant mineralized intercepts are provided in Tables 1 and 2 below. Previous operators are reported to have conducted exploration drilling in the SOESMI, Trillador, and Simonetta concessions, as discussed

in this summary. Drillcore, original drillhole logs, and original assay certificates for these historical drill programs are not available to Mr. Gray or to the Company.

Table 1. Drillholes completed as of 30 June 2010, Locations and Orientations

Drillhole ID	Easting UTME WG S84	Northing UTMN WG S84	Elevation m	Azimuth	Dip	Depth m	Objective
RDDH20 10-001	384,797	6,937,949	1389	0	-90	386	Determine morphology of mineralized intrusive and breccias currently being mined at Rosario decline; test vertical extent.
RDDH20 10-002	384,934	6,937,886	1370	0	-90	230	Determine morphology of mineralized intrusive and breccias currently being mined at Rosario decline.
RDDH20 10-003	384,933	6,937,892	1370	0	-60	302	Determine morphology of mineralized intrusive and breccias currently being mined at Rosario decline.
RDDH20 10-004	384,840	6,937,833	1365	0	-90	142	Determine morphology of mineralized intrusive and breccias currently being mined at Rosario decline.
RDDH20 10-005	384067	6937604	1307	0	-90	299	Test projection of mineralized zone exposed in Manto Pit and test for presence of stacked mantos.
RDDH20 10-006	384306	6937668	1279	0	-90	200	Test projection of mineralized zone exposed in Manto Pit.
RDDH20 10-007	382703	6938853	1258	0	-90	218	Test zone of sulfide mineralization at SOESMI claim.
RDDH20 10-008	383113	6938353	1178	0	-90	200	Test mineralized andesite flow breccia exposed in decline at Tamara concession and test for stacked mantos.
RDDH20 10-009	383089	6938463	1203	270	-60	206	Test high angle mineralized structure at Tamara concession.
RDDH20 10-010	384771	6937663	1283	0	-90	200	Test breccia at margin of dioritic intrusion in area of pervasive alteration and copper shows, Rosario claim.

Table 2. Summary of most significant mineralized drillhole intercepts.

Drill Hole #	Interval From (m)	Interval To (m)	Interval Length (m)	Copper %	Gold g/t
RDDH2010-002	52	82	30	.79	.22
RDDH2010-003	14	54	40	.76	.30
RDDH2010-008	02	64	62	.25	<0.1
RDDH2010-010	82	128	46	.74	<0.1

SAMPLING METHOD AND APPROACH

Sampling Method, Nature, and Spacing

Concurrent with reconnaissance review of the main Rosario sulfide and oxide workings, Mr. Gray collected representative rock chip samples of distinct mineralized and altered zones. Samples were collected from rock exposed in underground mine workings and open cuts. The objective of the sampling was to determine Cu contents and geochemical characteristics of particular zones of interest, and to verify the produced grades reported by the underlying claimant of the Rosario concessions. All samples were collected by Mr. Gray, and remained exclusively in the possession of Mr. Gray until such time that they were sent by courier to the ALS Chemex laboratory in La Serena, Chile.

Samples collected were representative grab samples, 1.5 to 2 metres in length, oriented perpendicular to the structural fabric of the feature of interest being sampled. All samples were collected by hand, using hardened steel geological hammers. Samples were placed in plastic sample bags and sealed. Sample weights varied from 1.5 to 2.0 kilograms. Sample spacing was variable, and was a function of exposure of mineralized or altered rock. Sample locations were marked in the field on the outcrop or mine working face.

Beginning in January 2010, the Company began systematic sampling of mine workings and prospects, using the same protocols and methods previously described.

Drill core from the Phase 1 drill program was sampled in continuous 2m intervals. All drill core was halved using a diamond disk saw, with one half being sent for assay and the other being retained in a core library.

Recovery Factors

No factors were identified that materially impact the accuracy or reliability of the sample results. Surface rock chip samples were collected manually and recovery was 100%.

Sample Quality and Representativity

In the opinion of Mr. Gray, samples collected are of high quality and representative of the mineralized areas being evaluated.

Surface sample locations were selected to be representative of the geologic feature being investigated. Representative sample was collected by chipping and collecting rock along a line perpendicular to the orientation of the structure or feature being sampled. Industry standard methods and best professional judgment were used in collection of the rock chip samples, however, by nature, manually collected rock chip samples are of lesser quality than mechanically collected continuous samples (i.e., cored or cut samples). The surface rock chip samples are of sufficient quality and confidence to be used for preliminary assessments of the project's mineral potential but were not designed to provide detailed or reliable information of true mineralized dimensions and grades.

Drill core recovery exceeded 95% and samples collected are representative of the features being drill tested. Control samples, comprised of blanks, standards, and duplicates, were included in the sample stream as part of a quality assurance/quality control protocol. Mr. Gray reviewed the control sample data and concluded the drillhole data is reliable and meets industry standards for data quality.

SAMPLE PREPARATION, ANALYSES, AND SECURITY

It is Mr. Gray's opinion that sample preparation, security, and analytical procedures used were adequate to insure the integrity and reliability of the sample data base.

Personnel

Surface and underground rock chip samples collected in 2009 were collected exclusively by Mr. Gray. Employees, officers, directors, or associates of the Company were not involved in sample collection or preparation. Samples collected in 2010 were collected by geologists contracted by Rio Condor working under the supervision of a senior geologist from Resource Geosciences de Mexico.

Bridgeport Resources Sampling Program

Geologic descriptions of the sample, including nature of the sample, length of sample, lithology, alteration, and mineralization, were captured in geologic field books. Samples were sealed in plastic sample bags with zip closures or ties. Samples were stored in Gray's locked vehicles or in a rented house in Copiapo until such time that they were delivered directly to a commercial cargo carrier for shipment to the ALS Chemex laboratory in La Serena, Chile.

Analytical work was performed by ALS Chemex, an ISO 9001:2000 certified international provider of analytical services to mining and exploration companies. Sample preparation and analyses was conducted at the ALS Chemex facility in La Serena (Coquimbo), Chile.

ALS Chemex reports the following preparation method: Each sample was dried and the entire sample was crushed to better than 70% passing a 2 millimetre (Tyler 10 mesh) screen. Using a riffle splitter, a split of up to 250 grams was taken and pulverized to better than 85% passing a 75 micron (Tyler 200 mesh) screen. Au content was first analyzed utilizing standard fire assay fusion, followed by Inductively Coupled Plasma Atomic Emission Spectroscopy ("ICPAES") (ALS Chemex procedure Au ICP21), with a detection limit of 0.001 ppm and upper limit of 10 ppm. All other elements listed below were analyzed utilizing four acid digestion (HFHNO₃-HClO₄ acid digestion and HCl leach) and ICPAES methods (ALS Chemex procedure ME-ICP61).

DATA VERIFICATION

Prior Exploration Campaigns

No data is available from exploration programs conducted prior to Bridgeport's involvement with the Rosario project, except for a photocopy of a report attributed to Pucobre summarizing drilling at the SOESMI claims. The Pucobre drill collar monuments were located and confirmed in the field, but the drillcore was not available for review or re-assay thus assay data for the drillholes was not confirmed and the results reported by the SOESMI claimant should be regarded as historical in nature, are not CSA NI 43-101 compliant, and should not be used for economic assessments of the project. The Company has not yet commenced an exploration program at the project beyond the work completed as part of the Rosario Report, thus there is no prior data to be verified.

Production Data

SLM Rosario Una de la Sierra San Marcos, operating as Minera y Transportes Barahona, provided copies of ENAMI ore purchase receipts documenting production and grade of material shipped from the Rosario mine to the ENAMI mill in Copiapó. Mr. Gray reviewed the ENAMI sales receipts which confirmed that Minera y Transportes Barahona's verbal representations of production sulfide ores at grades of ~2% Cu and >0.5 gpt Au were accurate. The receipts indicate that in the 31 month period from December 2006 to June 2009, Minera y Transportes Barahona produced: - 59,328 tonnes of oxide ores with average grade of 1.52% Cu, -15,110 tonnes of sulfide ores with average grade of 2.05% Cu, 3.3 gpt Ag, and 0.79 gpt Au. The average production rate of both oxide and sulfide ores, over the 31 month period was 2,401 tonnes per month, and the first semester 2009 production rate of sulfide ores was 1,920 tonnes per month. Mr. Gray was present to observe the daily production from the Rosario decline during the period spent on site in October 2009 and a random grab of ore being shipped to ENAMI on October 5, 2009 was collected for assay, sample ROS-006. This sampled assayed 3.39% Cu and 0.78 gpt Au, consistent with the

representations made by Minera y Transportes Barahona. Mr. Gray collected 15 samples from the Rosario mine workings, both underground and surface cuts. Samples collected from ore zones currently being mined or previously mined yielded Cu contents of 0.67 to 4.36% Cu with Au contents ranging from 0.30 to 1.01 gpt Au, consistent with the grades indicated on the ENAMI sales receipts.

Under terms of the purchase option contract granting Rio Condor rights to acquire 100% interest in the Rosario mining concessions, until the purchase option is fully exercised, the vendor, SLM Rosario Una de la Sierra San Marcos, has the right to mine up to 6,000 tonnes per month of ores from the Rosario concessions. SLM Rosario Una de la Sierra San Marcos, operating as Minera y Transportes Barahona, is currently mining up to 2,000 tonnes per month of copper oxide ores from the property. There is no relationship between the Company and SLM Rosario Una de la Sierra San Marcos or between the Company and Minera y Transportes Barahona. At the maximum contractually allowable production rate of 6,000 tonnes per month, mining by SLM Rosario Una de la Sierra San Marcos, prior to the Corporation's exercise of its purchase option, could deplete mineral resources at the Rosario concession by as much as 288,000 tonnes, consequently diminishing the economic value of the concession. The Company's objective is to discover and develop mineral resources orders of magnitude greater than 288,000 tonnes, thus in consideration of the size of the mineral deposit being sought by the Company, this depletion and diminishment of economic value is not considered significant.

SLM Eliana I Una de la Sierra San Marcos is permitted to continue exploitation activities up to 4,000 tonnes per month from the Eliana I 1 to 20 concessions. SLM Eliana I Una de la Sierra San Marcos is not currently producing any ores. There is no relationship between the Company and SLM Eliana I Una de la Sierra San Marcos. At the maximum contractually allowable production rate of 6,000 tonnes per month, mining by SLM Eliana I Una de la Sierra San Marcos, prior to the Company's exercise of its purchase option, could deplete mineral resources at the Eliana I 1 to 20 concessions by as much as 192,000 tonnes, consequently diminishing the economic value of the concession. The Company's objective is to discover and develop mineral resources orders of magnitude greater than 192,000 tonnes, thus in consideration of the size of the mineral deposit being sought by the Company, this depletion and diminishment of economic value is not considered significant.

METALLURGICAL TESTING

No metallurgical studies have been conducted by the Company. The current operators of the mines in the district sell their production directly to ENAMI where sulfide ores are processed via conventional milling and floatation methods. Oxide ores are processed via solvent extraction and electro-winning "SX-EW" methods. Recoveries obtained by ENAMI are unknown to Mr. Gray.

MINERAL RESOURCE ESTIMATE

Data is insufficient to permit estimation of a mineral resource. None of the operating mines in the district, including the Rosario mine, have mining reserves or mineral resources. These mines operate by direct mining of mineralized material exposed at surface.

INTERPRETATION AND CONCLUSIONS

The Rosario project is part of a significant Cu-Au mineralized system that merits drill testing. The system as currently exposed within the Rosario project is at least 1.4 square kilometres in extent, as defined by distribution of Cu showings and hydrothermal alteration. The most intense hydrothermal alteration and the most significant mineralized zones thus far discovered in the district lie within the Rosario concessions. Cu mineralization in the district is present as mantos, mineralized intrusions, mineralized breccias, and as mineralized high angle structures. Cu is present as mantos in the sense that the Cu distribution follows the primary volcanic stratification. The thickest manto zones currently known are only 12-15 metres thick but manto type mineralization appears to be present over at least a 115 metre, and

perhaps as much as a 300 metre, stratigraphic thickness of the volcanic sequence, thus lending credence to a hypothesis that stacked mantos may be discovered.

Separate from the mantos, Cu mineralization is hosted by a dioritic intrusion, and intrusive and/or hydrothermal breccias. The Rosario mine decline into the 2% Cu sulfide zone is developed in such a zone. The morphology and dimensions of the Cu mineralization exposed in the decline are irregular and not understood, but even if the mineralized zone at the Rosario decline is small, its presence lends support for a significant target at the project comprised of a concealed mineralized intrusive and related breccias.

Cu mineralization also occurs as structurally controlled, high angle, tabular or vein-like zones. The structurally controlled mineralized zones currently exposed do not have dimensions of economic significance, however mineralized structural zones are probably related to the manto mineralization and they may control distribution of the latter. Structural intersections and intersections of mineralized faults and favorable volcanic strata may be important exploration targets at the project.

Many, but not all, oxide Cu occurrences (i.e., oxide, carbonate, sulfate, silicate and halide) in the district are developed from in-situ oxidation of chalcopyrite, thus many of the small prospects and mines on Cu oxide showings are indicating the shallowly concealed presence of primary Cu mineralization. Sulfide mineralization is encountered at shallow depths (less than 20 metres from the surface), thus the project is not prospective to host significant tonnages in an oxide Cu deposit. The system is pyrite poor, which means the project is not prospective for an enriched chalcocite zone. For the aforementioned reasons, the project is not prospective for a leachable (SX-EW) target. Primary mineralization is comprised of altered andesitic volcanic rocks, dioritic intrusive rocks, and related intrusive and hydrothermal breccias that host disseminated chalcopyrite, bornite, and subordinate pyrite. Hydrothermal alteration minerals associated with Cu mineralization include albite, tourmaline, actinolite/tremolite, sphene, sericite and/or clay minerals. In contrast to many hydrothermal deposits, quartz veining at any scale is not present at Rosario. The distribution of primary sulfide minerals is truly disseminated, lacking any visible microfracture or veinlet control. The system shares some common traits with IOCG deposits including Na-metasomatism, alteration mineral associations, and ore mineralogy dominated by chalcopyrite. The deposit is located within a productive IOCG mineral belt, however hypogene Fe oxides (specularite and/or magnetite), which are an essential component of IOCG deposits, were not observed to be present. The Rosario system also has traits in common with Chilean manto type deposits including andesitic host rocks, stratigraphic control to metal distribution, association with dioritic intrusions and hydrothermal breccias, and albitic alteration, however the Rosario system's elevated Au content contrasts sharply with typical Chilean manto deposits that are Au deficient, Cu-Ag systems. The system is classified by Mr. Gray as intrusive related. The system as currently exposed, lacks phyllic (quartz-sericite-pyrite) alteration zones and stockwork veinlets, which are characteristic of porphyry systems, but potassic alteration zones are coincident to some mineralized zones, suggestive of a possible link to a porphyry system.

The concessions have not been evaluated in their entirety, and known zones of hydrothermal alteration have thus far not been mapped or sampled, thus the project remains highly prospective for discovery of additional exploration targets. Continued mapping and geochemical sampling of the concessions is required to define the number and quality of the new exploration targets contained therein.

RECOMMENDATIONS

Target Concepts

Exploration results for the Rosario project clearly demonstrate that it is prospective for bulk mineable Cu-Au deposits. Numerous mineralized occurrences have been identified, but existing data is insufficient to determine the extent and metal content of these zones. Existing data validates at least two important target concepts for the project: (i) stacked mantos, and (ii) mineralized intrusive and related breccias.

Andesite hosted Cu mineralization that appears to be stratiform is exposed in the manto pit at the Rosario concession. Similar Cu mineralization is seen in small prospects and volcanic rocks in the hangingwall of the main mineralized zone at the manto pit. The exposed thickness of the mineralized manto at the manto pit is as much as 12 metres, but evidence suggests that a much thicker zone of andesite strata may be a favorable host of manto Cu mineralization. The morphology of the hangingwall Cu occurrences above the manto pit is unclear, but no structural control to these occurrences was observed and they are interpreted to be stratiform conformable zones, similar to that seen in the manto pit. If this is true and if the mineralized zone at the manto pit is projected along the dip of the strata to a point beneath the hangingwall occurrences, then a simple stratigraphic reconstruction, assuming no structural offsets between the manto pit and the hangingwall occurrences, indicates that Cu mineralization occurs within a 115 metre stratigraphic thickness of the andesite sequence. If Cu occurrences exposed in workings further south of the manto pits are likewise related to stratigraphically conformable zones, and structural offset is not present, then Cu mineralized mantos are demonstrated to be present within a 300 metre stratigraphic thickness of the andesites, and a stacked manto concept is valid. The stacked manto target comprises gently dipping tabular mineralized mantos that overlay one another, separated by variable thicknesses of unmineralized or weakly mineralized rock. The Rosario mine produces sulfide ores containing 2% Cu and 0.78 gpt Au. Production is from mineralized zones developed in a diorite intrusion and related breccias, hosted within a large zone of pervasive hydrothermal alteration that is manifested by broad zones of bleaching and sericite-clay alteration. Restrictive zones of albite and tourmaline alteration appear to be closely spatially related to mineralized zones. The intensity of the alteration and the alteration mineral assemblage, particularly tourmaline, are permissive of a genetic relationship to a magmatic system. Similarly the angular breccias, both intrusive and explosive hydrothermal in origin, suggest proximity to a dynamic intrusive center. The morphology of the intrusion- and breccias-hosted mineralized zones currently being mined is unknown, but their presence lends support for a significant target at the project comprised of a concealed mineralized intrusive and related breccias. The entirety of the broad pervasive alteration zone and the diorite intrusion(s) and immediate zone are prospective for hosting Cu mineralization. A similarly prospective intrusion that hosts Cu occurrences crops out to the southwest of the Rosario decline. Drilling is required to define the limits of the currently exploited mineralized zone and to test for the presence of others within the alteration halo. Reconnaissance mapping has demonstrated that the color anomaly visible on satellite imagery is related to hydrothermal alteration, and exploration that post dates the date of acquisition of the satellite imagery proves that some of this hydrothermal alteration is directly associated with primary Cu sulfide mineralization. The empirical evidence is clear that the alteration zones exposed throughout the district are prospective for discovery of additional Cu sulfide mineralized zones. The manto pit at the Rosario concession is developed at the edge of an Fe-oxide color anomaly related to oxidation of sulfide bearing volcanic rocks.

Exploration Program and Budget

A 3,000 metre exploration diamond drilling program is recommended as an initial evaluation of the target concepts thus far developed, and if results are positive, an additional 6,000 metres of resource definition drilling is recommended to establish the morphology and metal contents of the mineralized zones discovered. Phase 1 drillholes are summarized in Figure 8 and Table 1. Initial emphasis should be placed on drill testing the mineralized intrusion and breccias at the Rosario mine, exploring for stacked mantos in the manto pit area, and testing of the mineralized plagioclase porphyry at the Tamara prospect. Because the favorable andesite sequence may be as much as 300 metres thick, drillholes of at least this length will be required in some areas. Location of Phase 2 drillholes is dependent upon results obtained in Phase 1. A two stage, US\$2.3 million budget for the recommended work, including 9,000 metres of diamond core drilling, is presented. The first stage comprises 3,000 metres of diamond core drilling with a total budget of US\$776,000. The second stage is contingent upon positive results from the first and includes 6,000 metres of diamond core drilling at a total cost of US\$1.6M. The proposed exploration budget is summarized in Table 3.

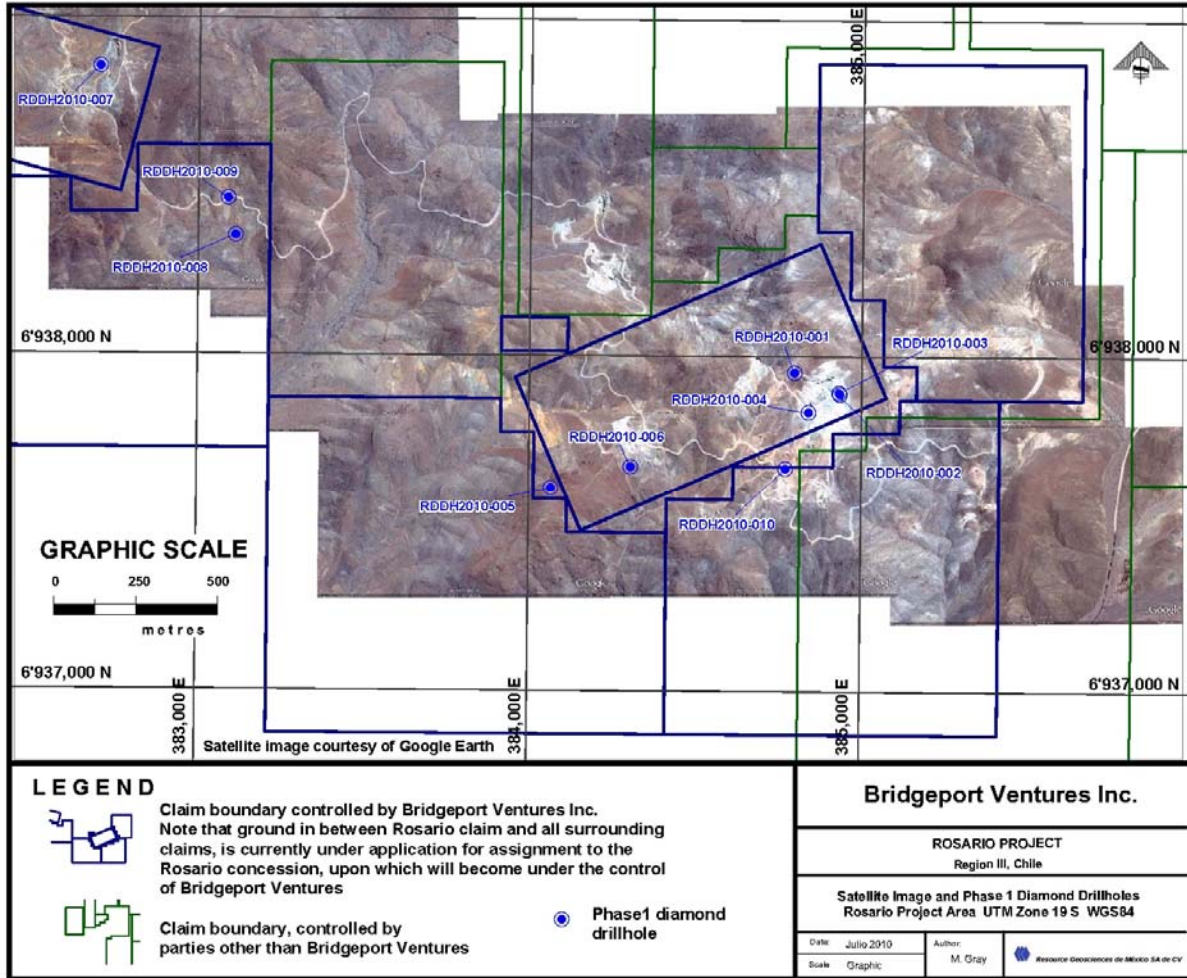


Figure 8. Phase 1 exploration drillholes, Rosario Project.

Table 3. Recommended Two-phase exploration budget.

Phase 1 Budget - Rosario Project, Region III, Chile			
PHASE 1 DRILLING PROGRAM			
Item	Units	Unit Cost USD	Total Cost USD
Lodging/Meals/Communications	3 months	7,500	22,500
Roads and Drill Pads	1	40,000	40,000
Drilling - Diamond Core	3000 meters	150	450,000
Assays	3300 samples	25	82,500
Senior Geologist	36 days	800	28,800
Project Geologists	72 man-days	350	25,200
Technicians/Samplers	144 man-days	100	14,400
Vehicles and Fuel	72 vehicle-days	110	7,920
Permits	1 permit	15,000	15,000
Field Supplies	1	20,000	20,000
Travel Costs	1	20,000	20,000
Environmental Costs/Reclamation	1	50,000	50,000
		Total	\$776,320
		Grand Total Phase 1	\$776,320 USD
Phase 2 Budget -Conditional upon positive results from Phase 1 Program			
PHASE 2 RESOURCE MODELING AND INFILL DRILLING PROGRAM			
Item	Units	Unit Cost USD	Total Cost USD
Lodging/Meals/Communications	6 months	7,500	45,000
Roads and Drill Pads	1	75,000	75,000
Resource Modeling	1	75,000	75,000
Drilling - Diamond Drill Core	6000 meters	150	900,000
Assays	6600 samples	20	132,000
Senior Geologist	126 days	800	100,800
Project Geologists	252 man-days	350	88,200
Technicians/Samplers	252 man-days	100	25,200
Vehicles and Fuel	126 vehicle-days	110	13,860
Permits	1 permit	25,000	25,000
Field Supplies	1	10,000	10,000
Travel Costs	1	30,000	30,000
Reclamation	1	50,000	50,000
		Total	\$1,570,060
		Grand Total Phase 2	\$1,570,060 USD
		Grand Total, Phase 1 and Phase 2	\$2,346,380 USD

The Company intends to follow the above recommended program. In April 2010, the Company commenced the exploration drill program at the Rosario project. As of May 31, 2010, approximately one-third of the 3,000 meter planned drill program was completed.

RISK FACTORS

The following discussion summarizes the principal risk factors that apply to Bridgeport's business and that may have a material adverse effect on Bridgeport's business, financial condition and results of operations, or the trading price of the Common Shares.

Exploration, Development and Operating Risks

Mining operations generally involve a high degree of risk. Bridgeport's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, including

unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by Bridgeport will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Bridgeport not receiving an adequate return on invested capital.

Resource exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by Bridgeport may be affected by numerous factors that are beyond Bridgeport's control and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environment protection. Any one or a combination of these factors may result in Bridgeport not receiving an adequate return on its investment capital.

There is no certainty that the expenditures made by Bridgeport towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore.

Permit and Licensing Matters

Bridgeport's operations are subject to receiving and maintaining permits and licenses from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary permits and licenses for all future planned operations (or renewals thereof, as applicable). Prior to any development on any of its properties, Bridgeport must receive permits and licenses from appropriate governmental authorities. There can be no assurance that Bridgeport will obtain and continue to hold all permits, licenses and access necessary to develop or continue operating at any particular property, or that any such licenses or permits awarded will not be cancelled pursuant to applicable legislation. See also "- Exploration, Development and Operating Risks" above.

Insurance and Uninsured Risks

Bridgeport's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage

to Bridgeport's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

The Company currently maintains only general liability and director and officer insurance but no insurance against its properties or operations. Accordingly, Bridgeport's operations contain significant uninsured risks which could negatively impact future profitability. The Company may decide to take out such insurance in the future if such insurance is available at economically viable rates. The Company may be unable to obtain or maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Bridgeport or to other companies in the mining industry on acceptable terms. Bridgeport might also become subject to liability for pollution or other hazards which may not be insured against or which Bridgeport may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Bridgeport to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Impact of Market Forces

Mineral operations are subject to market forces outside of Bridgeport's control, which could negatively impact Bridgeport's operations. The marketability of minerals is affected by numerous factors beyond the control of the entity involved in their mining and processing. These factors include market fluctuations, government regulations relating to prices, taxes, royalties, allowable production, import, exports and supply and demand. One or more of these risk elements could have an impact on costs of an operation and if significant enough, reduce the profitability of the operation and threaten its continuation.

Environmental Risks and Hazards

Bridgeport is subject to substantial environmental requirements, which could cause a restriction or suspension of its operations. The current and anticipated future operations of Bridgeport require permits from various governmental authorities and such operations are and will be governed by laws and regulations governing various elements of the mining industry. Bridgeport's exploration activities are subject to various federal, provincial and local laws governing land use, the protection of the environment, prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, and other matters. Such operations and exploration activities are also subject to substantial regulation under these laws by governmental agencies and may require that Bridgeport obtain permits from various governmental agencies. Exploration generally requires one form of permit while development and production operations require additional permits. There can be no assurance that all permits that Bridgeport may require for future exploration or possible future development will be obtainable on reasonable terms. In addition, future changes in applicable laws or regulations could result in changes in legal requirements or in the terms of existing permits applicable to Bridgeport or its properties. This could have a negative effect on Bridgeport's exploration activities or its ability to develop its properties. Bridgeport is also subject to environmental regulations, which require Bridgeport to minimize impacts upon air, water, soils, vegetation and wildlife, as well as historical and cultural resources, if present. In Chile, exploration activities require an environmental declaration, while mining activities require an environmental evaluation. These documents are presented to the government entity (Conama or Corena) before activities begin. As Bridgeport is at the exploration stage, the disturbance of the environment is limited and the costs of complying with environmental regulations are minimal. However, if operations result in negative effects upon the environment, government agencies will usually require Bridgeport to provide remedial actions to correct the negative effects. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed,

and may include corrective measures requiring capital expenditures, installation of additional equipment or other remedial actions.

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Bridgeport's operations. Environmental hazards may exist on the properties on which Bridgeport holds interests which are unknown to Bridgeport at present and which have been caused by previous or existing owners or operators of the properties.

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

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on Bridgeport and cause increases in exploration expenses or capital expenditures or require abandonment or delays in development of new mining properties.

Global Financial Conditions

Global financial conditions have been subject to increased volatility and numerous financial institutions have recently either gone into bankruptcy or have had to be rescued by governmental authorities. Such events may impact the ability of the Company to obtain equity or debt financing in the future or on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the value and the price of the Common Shares and other securities could also be adversely affected. See also “- No History of Mineral Production or Earnings” below.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. In addition, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect Bridgeport's operations, financial condition and results of operations.

Reliability of Resource Estimates

There is no certainty that any mineral resources identified on any of Bridgeport's properties in the future, if any, will be realized. Until a deposit is actually mined and processed the quantity of mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral resources may vary depending on, among other things, metal prices. Any material change in quantity of mineral resources, grade or stripping ratio may affect the economic viability of any project undertaken by Bridgeport. In addition, there can be no assurance that gold recoveries or other metal recoveries in small scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production.

Fluctuations in copper, gold and other base or precious metals prices, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources could have a material adverse effect on Bridgeport's results of operations and financial condition.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may attach to mineral resources, there is no assurance that any mineral resources identified on any of Bridgeport's properties in the future, if any, will be upgraded to mineral reserves as a result of continued exploration.

No History of Mineral Production or Earnings

Bridgeport has never had any interest in mineral producing properties. There is no assurance that commercial quantities of minerals will be discovered at any of the properties of Bridgeport or any future properties, nor is there any assurance that the exploration programs of Bridgeport thereon will yield any positive results. Even if commercial quantities of minerals are discovered, there can be no assurance that any property of Bridgeport will ever be brought to a stage where mineral resources can profitably be produced thereon. Factors which may limit the ability of Bridgeport to produce mineral resources from its properties include, but are not limited to, the price of the mineral resources which are currently being explored for, availability of additional capital and financing and the nature of any mineral deposits.

Bridgeport has a history of losses and expects losses to continue for the foreseeable future. As a result, it will require additional equity financings, which will cause dilution to the interests of existing shareholders. See also "- Additional Capital" below. Bridgeport has limited financial resources and has no operating cash flow. As of April 30, 2010, Bridgeport had incurred accumulated losses totaling \$2,111,303. The continued exploration efforts will require additional capital to help maintain and expand exploration on Bridgeport's principal exploration properties. Additionally, if Bridgeport decides to proceed with a feasibility study on any of its primary properties, substantial additional funds will be required to complete the study as well as to complete the acquisition of the projects held under option agreements. See "- Option Interests" below. Late in fiscal year 2008, resulting from the on-going credit crisis centered in the United States, many economies including that of Canada went into a recession. This recession has impacted investor confidence and this has effectively reduced the availability of risk capital. See "- Global Financial Conditions" above. The Company has traditionally been required to raise funds through the sale of its Common Shares and has no current plans to obtain financing through means other than equity financing. However, due to the current economic conditions, Bridgeport may not be able to

obtain additional equity financing on reasonable terms, if at all. If Bridgeport is unable to obtain sufficient financing in the future, it might have to dramatically slow exploration efforts and/or lose control of its projects. If equity financing is required, then such financings could result in significant dilution to the interests of existing or prospective shareholders. These financings may be on terms less favourable to Bridgeport than those obtained previously.

Land Title

Although Bridgeport has obtained legal opinions from local counsel confirming that Rio Condor will acquire valid and legal title to certain of Rio Condor's properties in the event that it exercises the applicable options in respect thereof, there are no guarantees that title to the properties will not be challenged from time to time. The possibility exists that Bridgeport could lose title and ownership to any of Rio Condor's properties even if the options it holds are validly exercised, which would have a negative effect on its operations and valuation. Bridgeport's Chilean legal counsel has reviewed documents pertaining to certain of Rio Condor's properties and has opined that title to these is current and that the agreements entered into between Rio Condor and the underlying vendors is appropriate. Bridgeport has only completed a preliminary legal survey of the boundaries of some of its properties, and therefore, in accordance with the laws of the jurisdictions in which these properties are situated, their existence and area could be in doubt. If title is disputed, Bridgeport will have to defend its ownership through the courts. In the event of an adverse judgment, Bridgeport could lose its property rights which would have a material adverse effect on the Company.

Competition May Hinder Corporate Growth

The mining industry is competitive in all of its phases. Bridgeport faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than Bridgeport. As a result of this competition, Bridgeport may be unable to maintain, explore or acquire attractive mining properties on terms it considers acceptable or at all. Other companies could outbid Bridgeport for potential projects or produce minerals at lower costs. Consequently, Bridgeport's revenues, operations and financial condition could be materially adversely affected.

Additional Capital

Bridgeport has a lack of cash flow sufficient to sustain operations and does not expect to begin receiving operating revenue in the foreseeable future. None of Bridgeport's properties has advanced to the commercial production stage and Bridgeport has no history of earnings or cash flow from operations. The Company has paid no dividends on its Common Shares since incorporation and does not anticipate doing so in the foreseeable future. Historically, the only source of funds available to Bridgeport has been through the sale of its Common Shares. Any future additional equity financing would cause dilution to current shareholders. If Bridgeport does not have sufficient capital for its operations, management would be forced to reduce or discontinue its activities, which would have a negative effect on the value of its securities.

The development and exploration of Bridgeport's properties will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of Bridgeport's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to Bridgeport.

See also “- No History of Mineral Production or Earnings” above.

Commodity Prices

The price of the Common Shares, Bridgeport's financial results and exploration, development and mining activities may in the future be significantly adversely affected by declines in the price of gold and copper. Gold and copper prices fluctuate widely and are affected by numerous factors beyond Bridgeport's control such as the sale or purchase of gold by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major copper and gold producing countries throughout the world. The price of gold and copper has fluctuated widely in recent years, and future serious price declines could cause continued development of Bridgeport's properties to be impracticable. Future production, if any, from Bridgeport's properties is dependent on copper and gold prices that are adequate to make these properties economic.

In addition to adversely affecting Bridgeport's resource estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Exchange Rate Fluctuations

Bridgeport operates in foreign countries and is subject to currency fluctuations which could have a negative effect on its operating results. A substantial portion of Bridgeport's operations are located in Chile, which makes it subject to other foreign currency fluctuations. The Company's accounts are maintained in Canadian dollars while certain expenses are numerated in US dollars and Chilean pesos. Such fluctuations may adversely affect Bridgeport's financial position and results. Management may not take any steps to address foreign currency fluctuations that would eliminate all adverse effects and, accordingly, Bridgeport may suffer losses due to adverse foreign currency fluctuations.

Operating History

The Company has a very limited history of operations, is in the early stage of exploration and must be considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

No Mineral Resources

Bridgeport has no known resources or reserves and no economic resources or reserves may exist on its properties, which would have a negative effect on Bridgeport's operations and valuation. Despite exploration work on its mineral claims, no known bodies of commercial ore or economic deposits have been established on any of Bridgeport's mineral properties. In addition, Bridgeport is at the exploration stage on all of its properties and substantial additional work will be required in order to determine if any economic deposits exist on its properties. Bridgeport may expend substantial funds in exploring its properties only to abandon them and lose its entire expenditure on the properties if no commercial or economic quantities of minerals are found. Even in the event that commercial quantities of minerals are discovered, the exploration properties might not be brought into a state of commercial production. Finding mineral deposits is dependent on a number of factors, not the least of which is the technical skill of exploration personnel involved. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size,

grade and proximity to infrastructure, as well as metal prices. Most of these factors are beyond the control of the entity conducting such mineral exploration. Bridgeport is an exploration stage company with no history of pre-tax profit and no income from its operations. There can be no assurance that Bridgeport's operations will be profitable in the future. There is no certainty that any expenditures to be made by Bridgeport in the exploration of its properties will result in discoveries of mineralized material in commercial quantities. Most exploration projects do not result in the discovery of commercially mineable deposits and no assurance can be given that any particular level of recovery of mineral reserves will in fact be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) mineral deposit that can be legally and economically exploited. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production. If Bridgeport is unsuccessful in its exploration efforts, it may be forced to acquire additional projects or cease operations.

Option Interests

Bridgeport does not own certain of its properties but is required to make payments to earn its interest. If Bridgeport is unable to make the required outlays, its entire investment could be lost. Certain of Bridgeport's properties, including the Rio Condor Properties, are currently held under option. Bridgeport has no ownership interest in these properties until it meets, where applicable, all required cash payments. If Bridgeport is unable to fulfill the requirements of these option agreements, it is likely that it would be considered in default of the agreements and the option agreements could be terminated, resulting in the complete loss of all expenditures including the payments made on the properties to that date.

Government Regulation

The mining, processing, development and mineral exploration activities of Bridgeport are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Various governmental economic, fiscal, monetary and political policies, such as those related to inflation or foreign exchange, may affect the economic conditions prevailing in Bridgeport's countries of operation, which may, in turn, impact its business. These government policies may also affect investments by the Company's shareholders. In particular the Chilean government has exercised and continues to exercise substantial influence over many aspects of the private sector. Bridgeport's financial condition and results of operations could be adversely affected by political or economic developments in Chile, as well as regulatory changes or administrative practices of Chilean authorities, over which Bridgeport has no control. See also "- Political Risks" below.

Exploration may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration and production, price controls, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, limitations on mineral exports, high rates of inflation, increased financing costs, and site safety. This may affect both Bridgeport's ability to undertake exploration and development activities in respect of present and future properties in the manner contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date.

Although Bridgeport believes that its exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and

regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development or future potential production. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on Bridgeport.

Political Risks

A significant proportion of Bridgeport's current operations are presently conducted in Chile and as such, Bridgeport's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, currency exchange rates; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange; and changing political conditions; currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political actions cannot be predicted and may adversely affect Bridgeport. Changes, if any, in mining or investment policies or shifts in political attitude in the country of Chile may adversely affect the Company's business, results of operations and financial condition. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The possibility that future governments may adopt substantially different policies, which may extend to the expropriation of assets, cannot be ruled out.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's consolidated business, results of operations and financial condition.

See also "- Government Regulation" above.

Labour and Employment Matters

While Bridgeport has good relations with its employees and consultants, these relations may be impacted by changes in the scheme of labour relations which may be introduced by the relevant governmental authorities in whose jurisdictions Bridgeport carries on business. Adverse changes in such legislation may have a material adverse effect on Bridgeport's business, results of operations and financial condition.

Subsidiaries

The Company conducts certain of its operations through its subsidiary, and holds certain of its assets through its subsidiary. Accordingly, any limitation on the transfer of cash or other assets between the Company and its subsidiary could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

Market Price of Common Shares

The market for the Common Shares has been subject to volume and price volatility, which could negatively affect a shareholder's ability to buy or sell Common Shares. Securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating

performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Common Shares and the warrants of the Company.

Securities of micro- and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The Company's share price is also likely to be significantly affected by short-term changes in gold and copper prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to Bridgeport's performance that may have an effect on the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning Bridgeport's business may be limited if investment banks with research capabilities do not continue to follow the Company; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Company's securities to be delisted from the exchange on which they trade, further reducing market liquidity.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect Bridgeport's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares. Bridgeport has previously completed private placements at prices per share which are, from time to time, lower than the market price of the Common Shares. Accordingly, a significant number of shareholders of the Company may, from time to time, have an investment profit in the Common Shares that they may seek to liquidate.

Key Executives

Bridgeport is dependent on the services of key executives, including the Chairman and Chief Executive Officer of the Company and a small number of highly skilled and experienced executives and personnel. There is little possibility that this dependence will decrease in the near term. Due to the relatively small size of Bridgeport, the loss of these persons may adversely affect its business and future operations. As Bridgeport's operations expand, additional general management resources will be required. Bridgeport may not be able to attract and retain additional qualified personnel and this would have a negative effect on Bridgeport's operations. Bridgeport maintains no "key man" life insurance on any members of its management or directors.

Conflicts of Interest

Certain of the directors and officers of the Company may have conflicts of interest, which could have a negative effect on Bridgeport's operations. Certain of the directors and officers of the Company are also directors and/or officers and/or shareholders of other natural resource companies. While Bridgeport is engaged in the business of exploiting mineral properties, such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to uphold the best interests of the Company and to disclose any interest that they may have in any project or opportunity of Bridgeport. If a conflict of interest arises at a meeting of the Board

of Directors, any director in a conflict must disclose his interest and abstain from voting on such matter. In determining whether or not Bridgeport will participate in any project or opportunity, the directors will primarily consider the degree of risk to which Bridgeport may be exposed and its financial position at the time.

DIVIDENDS

The Company has never declared or paid cash dividends on the Common Shares. Any future dividend payment will be made at the discretion of the board of directors, and will depend on the Company's financial needs to fund its exploration programs and its future growth, and any other factor that the board deems necessary to consider in the circumstances.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of Common Shares, of which as at July 29, 2010 there were 28,041,000 issued and outstanding Common Shares. Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Company, and to attend and to cast one vote per Common Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive on a pro rata basis such dividends on the Common Shares, if any, as and when declared by the Company's board of directors at its discretion from funds legally available therefor, and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

MARKET FOR SECURITIES

The Common Shares are listed and traded on the TSX under the symbol "BPV". The following table indicates the high and low values and volume with respect to trading activity for the Common Shares on a monthly basis during the fiscal year ended April 30, 2010.

Month	High	Low	Volume
April 2010 ⁽²⁾	\$2.40	\$2.00	2,036,120
March 2010	\$2.60	\$2.20	162,730
February 2010	\$2.75	\$2.40	419,940
January 2010	\$2.50	\$1.90	1,041,648
December 2009	\$1.90	\$1.30	861,190
November 2009	\$1.40	\$1.10	774,400
October 2009 ⁽¹⁾	\$1.80	\$0.20	1,234,900

(1) The Common Shares commenced trading on the TSX Venture Exchange on October 9, 2009.

(2) The Common Shares ceased trading on the TSX Venture Exchange and commenced trading on the TSX effective April 16, 2010.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

To the knowledge of the Company, no securities of the Company are subject to any contractual restriction on transfer other than the securities of the Company set forth below which are held in escrow pursuant to an escrow agreement between the Corporation, Valiant Trust Company as escrow agent and REI Capital Canada Ltd. (the "**Escrow Agreement**"):

Designation of Class	Number of Securities Held in Escrow	Percentage of Class
Common Shares	250,000 ⁽¹⁾	4.2%

Notes

(1) These securities are held in escrow by Valiant Trust Company as escrow agent and shall be released as follows: one-half will be released on October 9, 2010; and the remaining securities will be released on April 9, 2011.

DIRECTORS AND OFFICERS

The following table sets forth the name and province and country of residence of each director and executive officer of the Company, as well as such individual's position with the Company, principal occupation within the five preceding years and period of service as a director (if applicable). Each of the directors of the Company will hold office until the next annual meeting of shareholders and until such director's successor is elected and qualified, or until the director's earlier death, resignation or removal. As of July 29, 2010, an aggregate of 2,575,000 Common Shares (representing approximately 9.2% of all issued and outstanding Common Shares as of July 29, 2010) are beneficially owned or controlled or directed (directly or indirectly) by all of the directors and executive officers of the Company, as a group.

Name and Province and Country of Residence	Position	Principal Occupation Within Five Preceding Years	Director Since
Hugh Snyder Ontario, Canada	Chairman, Chief Executive Officer and Director	President, H.R. Snyder Consultants, a consulting firm	2009
John McBride ⁽¹⁾ Ontario, Canada	Director	Managing Director, CC Capital Partners Group, private investment company (1987 to present)	2007
Jon North ⁽¹⁾ Ontario, Canada	Director	President, Northquest Ltd., mineral exploration company (2008 to present) President and Chief Executive Officer, North Atlantic Resources Ltd. (formerly North Atlantic Nickel Corp.), mineral exploration company (1997 to 2007)	2007
Wolf Seidler ⁽¹⁾ Ontario, Canada	Director	Consultant/project manager for French Nuclear Waste Agency (Andra)	2010
Carmelo Marrelli Ontario, Canada	Chief Financial Officer	President, Marrelli Support Services Inc., corporate services firm (2008 to present) Partner, Marrelli & Drake Corporate Services, corporate services firm (2004 to 2008)	N/A

(1) Member of the Audit Committee of the Company.

Hugh Snyder was appointed as the Company's Chief Executive Officer effective January 11, 2010 and as Chairman and a director of the Company effective November 11, 2009. Mr. Snyder received a B.Sc. (Eng.) from the University of Witwatersrand, Johannesburg, South Africa, in 1958 and completed the P.M.D. from Harvard Business School in 1969. Mr. Snyder has served as a director and officer of a number of publicly traded junior mining companies, including as a former director and Chairman of Fronteer Development Group Inc. (now Fronteer Gold Inc.) (TSX:FRG) and as a director of Frontera Copper Corp. (TSX:FCC). Mr. Snyder has also served as Chairman of Greenstone Resources Ltd. (TSX:GRE) and as a director of Rio Narcea Gold Mines Ltd. Mr. Snyder has not entered into any non-competition or non-disclosure agreement with the Company.

John McBride serves as a director of the Company. Mr. McBride has been engaged as Managing Director of CC Capital Partners Group, a private investment company and merchant banking group since 1987. Mr. McBride has been a significant shareholder, director, or played an advisory role in several private and public companies during his career, including SOFTIMAGE INC., Northfield Capital Corporation (TSXV:NFD.A), Hosted Data Transactions Solutions Inc. (formerly Dexit Inc.) (TSX:HDX), Phoenix Coal Corporation (TSX:PHC), Anaconda Mining Inc. (TSX:ANX), Andina Minerals Inc. (TSXV:ADM), Moto Goldmines Limited (TSX:MGL), Katanga Mining Limited (TSX:KAT), Normabec Mining Resources Ltd. (TSXV:NMB), Merc International Mining Inc. (TSXV:MRK), Quest Oil and Gas Inc. (CDNX:Q), Pearl Exploration and Productions Ltd., (formerly Pan Global Energy Ltd.), Caspian Energy Inc. (TSX:CEK), Costa Energy Inc. (NEX:CEQ), INI Power Systems Inc., Mightex Inc. and B.F. Realty Inc. Prior to forming CC Capital Partners Group, he was a financial consultant with Merrill Lynch Canada Inc. Mr. McBride has not entered into any non-competition or non-disclosure agreement with the Company.

Jon North serves as a director of the Company. Dr. North is a professional exploration geologist with 25 years of experience in mineral exploration with certain major and junior mining companies world-wide including Western Mining Corp. (WMC) International, BHP Minerals International and Agip Mining Zambia Ltd. Dr. North holds a B.Sc. (1984) from the University of Western Ontario, an M.Sc. (1988) from Memorial University of Newfoundland and a Ph.D. (1993) from the University of Western Ontario. Dr. North's industry experience is primarily in area selection and target evaluation in the exploration for a wide variety of mineral deposits including Proterozoic Ni-Cu deposits and IOCG deposits. Dr. North currently serves as President of Northquest Ltd., a private mineral exploration company, and previously served as President and a director of North Atlantic Resources Ltd. (formerly North Atlantic Nickel Corp.) from 1997 to 2007. Dr. North was a director of Grange Gold Corporation which was the subject of a cease trade order issued in June, 2003 for failure to file financial statements. The cease trade order was subsequently revoked in July, 2003. Dr. North is also currently a director of Continental Nickel Limited (TSXV:CNI) and New Dawn Mining Corp. (TSX:ND). Dr. North has not entered into any non-competition or non-disclosure agreement with the Company.

Wolf Seidler was appointed as a director of the Company effective January 11, 2010. Mr. Seidler is currently a director of Inmet Mining Corp. (TSX: IMN). Mr Seidler has over 35 years of international experience as a mining engineer and has held senior executive positions at Normandy LaSource SAS (TSX:NDY), Quebec Cartier Mining (U.S. Steel), Inmet Mining Corp., J.S. Redpath Ltd., Teck Corporation and Gold Fields Mining Corp. Mr. Seidler has not entered into any non-competition or non-disclosure agreement with the Company.

Carmelo Marrelli serves as the Company's Chief Financial Officer. Mr. Marrelli holds a Bachelor of Commerce degree from the University of Toronto and is qualified as a Chartered Accountant and as a Certified General Accountant in Canada. Since February 1, 2009, Mr. Marrelli has been a principal of Marrelli Support Services Inc., a bookkeeping firm. From 2004 to 2009, Mr. Marrelli was a partner with Marrelli & Drake Corporate Services, a firm which provided administration services to public companies in Canada. Mr. Marrelli also currently serves as Chief Financial Officer of several publicly listed junior mining companies, and as a director of Odyssey Resources Limited (TSXV:ODX). Mr. Marrelli has not entered into any non-competition or non-disclosure agreement with the Company.

Committees of the Board of Directors

The Board of Directors discharges its responsibilities directly, as well as indirectly through the Audit Committee and a Technical Committee. The Board of Directors has no standing committees other than the Audit Committee and Technical Committee.

Audit Committee

The mandate of the Audit Committee is formalized in a written charter. The members of the Audit Committee are Messrs. Jon North, John McBride and Wolf Seidler. The Audit Committee's primary duties and responsibilities are to serve as an independent and objective party to monitor the Company's financial reporting process and control systems, review and appraise the audit activities of the Company's independent auditors, financial and senior management, and to review the lines of communication among the independent auditors, financial and senior management, and the Board of Directors for financial reporting and control matters. See "Audit Committee Disclosure" below.

Technical Committee

The Board of Directors has also established a Technical Committee, the members of which are Messrs. Jon North, Hugh Snyder and Wolf Seidler.

Conflicts of Interest

In the future, circumstances may arise where officers or members of the Board of Directors of the Company are directors or officers of corporations which are in competition to the interests of the Company. No assurances can be given that opportunities identified by such board members will be provided to the Company. Pursuant to the OBCA, directors who have an interest in a proposed transaction upon which the Board of Directors is voting are required to disclose their interests and refrain from voting on the transaction. See also "Risk Factors – Conflicts of Interest".

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or principal shareholder of the Company, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this AIF that has materially affected or will materially affect the Company.

LEGAL PROCEEDINGS

There are no material pending legal proceedings or regulatory actions to which the Company is a party or of which any of the Company's properties are subject, nor are any such proceedings or actions currently known by the Company to be contemplated.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is Valiant Trust Company, Suite 2950 - 130 King Street West, Toronto, Ontario M5X 1A9.

MATERIAL CONTRACTS

There are no contracts of the Company, other than contracts entered into in the ordinary course of business, that are material to the Company and that were entered into by the Company within the most recently completed financial year or were entered into since January 1, 2002 and are still in effect, other than as set forth below:

- (i) the Purchase Agreement dated November 10, 2009 between the Company, Rio Condor and Francisco Schubert Seiffert pursuant to which the Company acquired its interest in Rio Condor – See "General Development of the Business";
- (ii) Amended and Restated Warrant Indenture between the Company and Valiant Trust Company dated September 25, 2009 providing for the issuance of up to 6,600,000 share purchase warrants of the Company in connection with its initial

public offering – See “General Development of the Business – Three Year History”; and

- (iii) Warrant Indenture between the Company and Valiant Trust Company dated December 1, 2009 providing for the issuance of up to 12,800,000 share purchase warrants of the Company in connection with private placement completed on December 2, 2009 – See “General Development of the Business – Three Year History”.

AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 - Audit Committees (“**NI 52-110**”) requires the Company to disclose annually in its AIF certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

Audit Committee Charter

The Company’s Audit Committee is governed by an Audit Committee charter, the text of which is included in this AIF as Appendix A.

Composition of the Audit Committee

The Company’s Audit Committee is comprised of Mr. Wolf Seidler, Mr. John McBride and Dr. Jon North. As defined in NI 52-110, each of these individuals are considered to be “independent” of the Company, and each of the individuals are considered to be “financially literate”.

Mr. Seidler has acted as a director and/or senior executive of numerous other publicly traded companies, including Inmet Mining Corp. (TSX: IMN) and Normandy LaSource SAS (TSX:NDY), thereby providing him with the relevant experience to serve as a member of the Audit Committee.

Dr. North has acted as a director and/or officer of numerous publicly traded companies including Continental Nickel Limited (TSXV:CNI) and New Dawn Mining Corp. (TSX:ND), and is currently President, Chief Executive Officer and Director of Northquest Ltd. (TSXV:NQ), thereby providing him with the relevant experience to serve as a member of the Audit Committee.

Mr. McBride has been a significant shareholder, director, or played an advisory role in several private and public companies during his career, including SOFTIMAGE INC., Northfield Capital Corporation (TSXV:NFD.A), Hosted Data Transactions Solutions Inc. (formerly Dexit Inc.) (TSX:HDX), Phoenix Coal Corporation (TSX:PHC), Anaconda Mining Inc. (TSX:ANX), Andina Minerals Inc. (TSXV:ADM), Moto Goldmines Limited (TSX:MGL), Katanga Mining Limited (TSX:KAT), Normabec Mining Resources Ltd. (TSXV:NMB), Merc International Mining Inc. (TSXV:MRK), Quest Oil and Gas Inc. (CDNX:Q), Pearl Exploration and Productions Ltd., (formerly Pan Global Energy Ltd.), Caspian Energy Inc. (TSX:CEK), Costa Energy Inc. (NEX:CEQ), INI Power Systems Inc., Mightex Inc. and B.F. Realty Inc. , thereby providing him with the relevant experience to serve as a member of the Audit Committee.

Pre-Approval Policies and Procedures

The Audit Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the independent auditors of the Company.

Audit Fees

The following chart summarizes the aggregate fees billed by the external auditors of the Company for professional services rendered to the Company during the fiscal years ended April 30, 2010 and 2009 for audit and non-audit related services:

Type of Work	Fiscal Year Ended April 30, 2010	Fiscal Year Ended April 30, 2009
Audit fees ⁽¹⁾	\$22,800	Nil
Audit-related fees ⁽²⁾	Nil	Nil
Tax advisory fees ⁽³⁾	\$1,200	\$1,500
All other fees	Nil	Nil
Total	\$24,000	\$1,500

Notes

- (1) Aggregate fees billed for the Company's annual financial statements and services normally provided by the auditor in connection with the Company's statutory and regulatory filings.
- (2) Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported as "Audit fees", including: assistance with aspects of tax accounting, attest services not required by state or regulation and consultation regarding financial accounting and reporting standards.
- (3) Aggregate fees billed for tax compliance, advice, planning and assistance with tax for specific transactions.

EXPERTS

Names of Experts

Following are the names of each person or company who is named as having prepared or certified a report, valuation, statement or opinion described, included or referred to in a filing made under National Instrument 51-102 by the Company during or relating to the financial year ended April 30, 2010, whose profession or business gives authority to such report, valuation, statement or opinion:

1. McGovern, Hurley, Cunningham, LLP (regarding the Financial Statements and auditor's report thereon).
2. Dr. Matthew D. Gray (regarding the Rosario Report).
3. Mr. Kevin Montgomery M.Sc.(A), P.Geo. (regarding the technical report dated July 20, 2009 entitled "A Report to NI 43-101 Standards on the McCart Property, Ontario, Canada for Bridgeport Ventures Inc." concerning the McCart Property (the "McCart Report")).

Interests of Experts

McGovern, Hurley, Cunningham, LLP has advised the Company that it is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants.

Both (i) as of July 29, 2010; and (ii) at all times from the date of the Rosario Report to July 29, 2010, Dr. Matthew D. Gray has reported that he not held any held Common Shares.

Both (i) as of July 29, 2010; and (ii) at all times from the date of the McCart Report to July 29, 2010, Mr. Kevin Montgomery has reported that he not held any held Common Shares.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Additional information, including information concerning directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, where applicable, will be contained in the management proxy circular of the Company for its next annual shareholders meeting.

Additional financial information is provided in the Company's Financial Statements and Management's Discussion & Analysis for the financial year ended April 30, 2010, also available on SEDAR at www.sedar.com.

APPENDIX A

Charter of the Audit Committee of the Board of Directors

II PURPOSE

The Audit Committee (the "Committee") will consist of a majority of independent directors and is appointed by the Board of Directors (the "Board") of Bridgeport Ventures Inc. (the "Corporation") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee's primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the independent auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the quarterly and annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Corporation's outside auditors (the "Independent Auditors"), including attending at private meetings with the Independent Auditors and reviewing and approving all renewals or dismissals of the Independent Auditors and their remuneration; and
- provide oversight to related party transactions entered into by the Corporation.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

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

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

III AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and

- (c) communicate directly with the internal and external auditors.

IV COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal and listing requirements, including, without limitation, those of the TSX Venture Exchange ("TSXV"), the *Business Corporations Act* (Ontario) and all applicable securities regulatory authorities.
2. The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
3. Each member of the Committee shall be "financially literate" (as defined by applicable securities laws and regulations).
4. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two of the members of the Committee present either in person or by telephone shall constitute a quorum.
5. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
6. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
7. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
8. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
10. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it may see fit, from time to time, to attend at meetings of the Committee.

11. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

12. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Audit Committee shall require the approval of the Board prior to implementation.

V RESPONSIBILITIES

A Financial Accounting and Reporting Process and Internal Controls

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable Canadian accounting standards and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review and approve the interim financial statements. With respect to the annual and interim audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.

2. The Committee shall review management's internal control report and the evaluation of such report by the Independent Auditors, together with management's response.

3. The Committee shall review the financial statements, management's discussion and analysis relating to annual and interim financial statements, annual and interim earnings press releases and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.

4. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection (3), and periodically assess the adequacy of these procedures.

5. The Committee shall meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, deems appropriate.

6. The Committee shall inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.

7. The Committee shall review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses.

8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
9. The Committee shall establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
10. The Committee shall provide oversight to related party transactions entered into by the Corporation.

B Independent Auditors

1. The Committee shall be directly responsible for the selection, appointment, compensation and oversight of the Independent Auditors and the Independent Auditors shall report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the Independent Auditors.
4. The Committee shall monitor and assess the relationship between management and the Independent Auditors and monitor, confirm, support and assure the independence and objectivity of the Independent Auditors. The Committee shall establish procedures to receive and respond to complaints with respect to accounting, internal accounting controls and auditing matters.
5. The Committee shall review the Independent Auditor's audit plan, including scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit, and receive and review the auditor's interim review reports.
7. The Committee shall obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within applicable Canadian accounting principles that were discussed with management, their ramifications, and the Independent Auditors' preferred treatment and material written communications between the Corporation and the Independent Auditors.
8. The Committee shall review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.

10. The Committee shall monitor and assess the relationship between management and the external auditors, and monitor and support the independence and objectivity of the external auditors.

C Other Responsibilities

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