NI43-101 MINERAL RESOURCE ESTIMATE ON THE LA INDIA GOLD PROJECT, NICARAGUA, 14 SEPTEMBER 2012

Prepared For

CONDOR GOLD PLC

Report Prepared by

SRK Consulting (UK) Limited
UK5233

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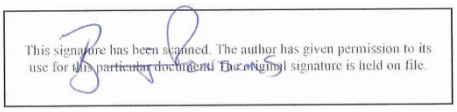

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NI43-101 MINERAL RESOURCE ESTIMATE ON THE LA INDIA GOLD PROJECT, NICARAGUA, 14 SEPTEMBER 2012 – EXECUTIVE SUMMARY

1 EXECUTIVE SUMMARY

1.1 INTRODUCTION

SRK Consulting (UK) Ltd ("SRK") has produced an updated Mineral Resource Estimate for Condor Gold Plc ("Condor" or the "Company") on the La India Project, dated 14 September 2012, comprising 12 individually modelled vein-hosted gold deposits. The deposits have been modelled and are described herein using the UTM coordinate grid.

The reporting standard adopted for the reporting of the Mineral Resources is that defined by the terms and definitions given in the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Standards on Mineral Resources and Mineral Reserves (December 2005) as required by NI 43-101. The CIM Code is an internationally recognised reporting code as defined by the Combined Reserves International Reporting Standards Committee.

The CIM Code, like the "The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"), 2004 Edition as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia", have been aligned with the Committee for Mineral Reserves International Reporting Standards ("CRIRSCO") reporting template. Accordingly, SRK considers the CIM Code to be an internationally recognised reporting standard which is recognised and adopted world-wide for market-related reporting and financial investment.

In terms of reporting, the CIM reporting code forms the basis for the terms of the standards of disclosure for Mineral Projects, for reporting within Canada, and can therefore be used to form the basis of a National Instrument 43-101 ("NI43-101") technical report on the project.

1.2 PROJECT DESCRIPTION

Condor holds 100% ownership of a 167 km^2 concession package covering 98% of the historic La India Gold Mining District, north of Managua, Nicaragua. The concession package comprises six contiguous concessions. The concessions encompasses gold mineralised veins with a total strike length of over 18 km (Figure 1-1), including a significant area of historic underground mine workings. The veins extend over known strike lengths of between 0.5 km to 2.5 km based on surface trenches, which confirm relatively continuous structures, within which, zones of higher and low grades can be found.

The mineralisation predominantly occurs in individual veins that follow a regional structural control. Infill drilling during 2012 has resulted in an updated mineralisation model for the La India and the California veins, which display coalescing and bifurcating forms, with an associated increase in thickness where the veins coalesce. The California Vein consist of a number of structures which range in thickness up to 20 m with an average width of 8.2m with the upper portion (open pit Mineral Resource), and 4.5m deeper down within the area considered to be underground Mineral Resources, based on the 2012 geological model. In zones where these structures coalesce reach a horizontal thickness of up to 20 to 25 m. The La India vein, as defined by historic underground sampling represents a single narrower (average 2.0 m) high grade core to the California structures, which typically represent lower-grade broader zones of mineralisation, which SRK considers may have potential for extraction using open pit methodologies, given a combined average thickness in the upper portions of the deposit of over 10m true width based on the 2012 geological model.

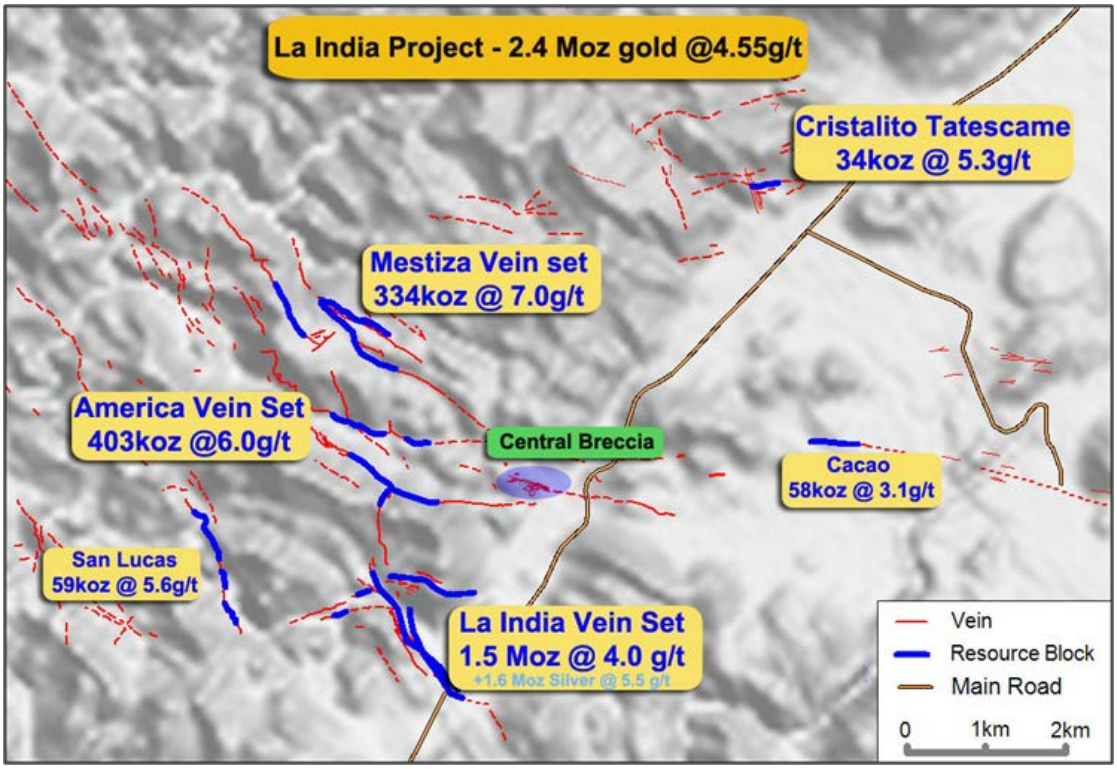

Figure 1-1: Plan showing La India Project and distribution of Mineral Resources, as reported September 2012

During 2012, the Company has focused exploration within the areas surrounding the historical La India mine, where the Company targeted the La India vein and associated hangingwall mineralisation ("California veins"). The focus of the exploration has been to increase the confidence in the current Mineral Resource estimate, and to test for up-dip extensions to the California veins. Drilling has been completed using both diamond drilling ("DD") and reverse circulation ("RC") methods, plus a trenching programme to test for surface exposure of the California Veins.

1.3 PROJECT GEOLOGY

The La India Licence area contains narrow high-grade low-sulphidation epithermal gold-silver mineralised veins hosted by Tertiary andesite and rhyodacite. Historical mining targeted higher-grade areas and veins within the district. La India Underground Mine, which is located on La India Concession, produced an estimated 1.7 Mt at 13.4 g/t for 576,000 oz Au between 1938 and 1956, which exploited portions of the La India vein, California vein, and the America-Constancia veins.

The modelled veins are geologically continuous along strike for up to 2.5 km, showing a down-dip extent that ranges from 150 m to greater than 350 m, and a thickness that commonly varies between 0.5 to 2.5 m, reaching over 20 m in areas of significant swelling. Locally, the mineralised veins display anastamosing and bifurcating features, pinch and swell structures, fault brecciation and fault gouge.

The La India and California veins modelled during the September 2012 have dimensions broadly comparable with other veins on the La India Concession. SRK estimates the historic La India mine workings to have an average thickness of approximately 2.0 m, while by comparison the aggregate remnant wall rock mineralisation and the California veins average 8.2 m within the upper portion (open pit), and 4.5 m at depth (underground), but can reach up to 25 m wide in areas where multiple veins coalesce (Figure 1-2).

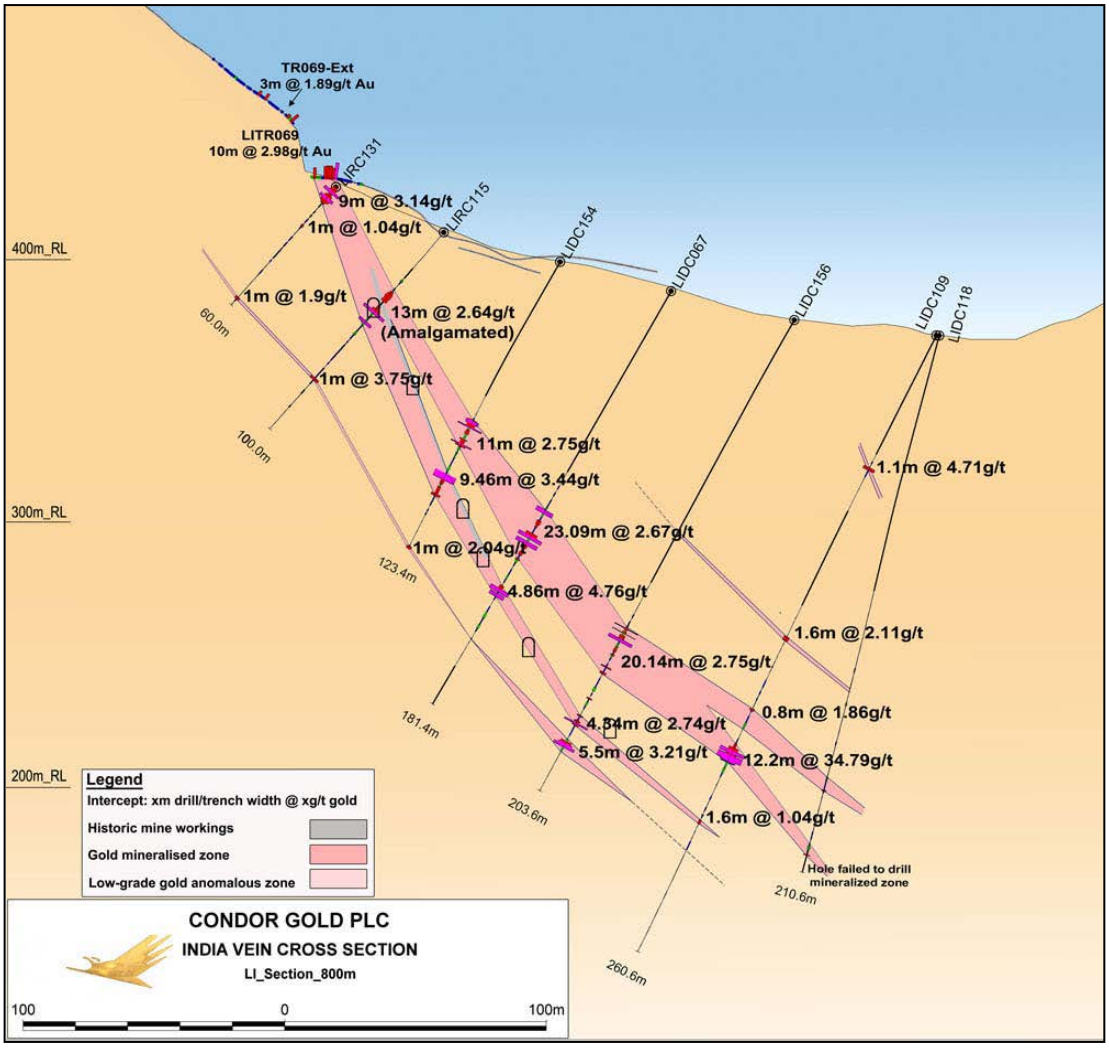

Figure 1-2: Cross Section 800 showing California Vein thickening (Source: Condor)

1.4 EXPLORATION DRILLING AND SAMPLING

The exploration history and data available for the project is complex with largely Soviet-sponsored exploration and resource evaluation carried out between 1986 and 2000. Condor has since undertaken a major data capture programme to collate all historic data from the numerous companies into a single database for all veins within the Condor-owned licence areas. The most up-to date version of the database for La India has been supplied to SRK for use in the current Mineral Resource Estimate.

The 2012 programme has comprised of selective infill drilling on the La India and California veins from surface to a spacing of 50 x 50 m. Drillholes, where regularly spaced, are orientated between -60 and -75º, predominantly orientated to the south west. Drilling has been completed using both DD and RC methods, plus a trenching programme to test for surface exposure of the California Veins.

All recent samples were sent for preparation to BSI-Inspectorate Laboratories sample preparation facility in Managua, and then dispatched to Reno Nevada (USA) or Vancouver (Canada) for analysis by fire assay.

The December 2011 SRK Mineral Resource Report documented a merging of parallel vein structures into a central brecciated zone, based on a few significant drillhole intersections. Subsequent drilling during 2011/2012 has confirmed this initial interpretation and further emphasised the presence of coalescing veins that bifurcate and re-join, most notably within the central region of mineralised structure, which SRK has modelled based on the initial interpretation provided by the Condor geological staff.

1.5 DATA QUALITY AND QUANTITY

The resource update is based on some 40,298 m of drilling, 7,200 m of trench sampling and over 9,000 original underground mine grade control channel samples on nine of the veins within the La India Project area. The 2012 exploration program (59 drillholes) has focused on the La India and California veins, providing an additional 4,426 m of diamond drilling, 2,675 m of reverse circulation drilling and 2,500 m of trenching. The programme was completed between mid-April and the end of July 2012 on the La India-California vein trend, with the aim of increasing the overall mineral resource at Indicated category by targeting areas considered to have open pit and underground mining potential.

In addition, limited drilling has been completed on the Guapinol and America veins as part of the recent program, namely 7 holes on Guapinol (1,474 m) and one hole on America (307 m). All samples taken during the 2011 and 2012 programme have been assayed for gold and silver.

A Quality Assurance/Quality Control (QAQC) programme has demonstrated that sample preparation and laboratory performance for the various drilling campaigns provided sample assays which are considered appropriate for the purpose of defining an Indicated and Inferred Mineral Resource. Density determinations have been obtained from the previous reports and work completed by the Soviets. SRK has not independently verified the sample and density data used for the estimates, however SRK has undertaken a site-visit and observed the geological setting and mineralisation.

During the 2012 exploration program, SRK requested that Condor twinned a portion of the RC drillholes with DD drillholes to investigate the presence of smearing of gold grades downhole. As part of the September 2012 resource evaluation, three twin holes were completed to compare DD and RC techniques. Due to the presence of historical mining being intersected in at least one of the holes, a direct comparison has not been easy; however, SRK is of the opinion that the DD holes appropriately support the distribution of mineralisation shown in the RC holes and thus RC is suitable for estimation and reporting of mineral resources. SRK recommends the Company continues with the programme of twinned DD and RC during the next phase to increase the size of the database for comparison.

All data has currently been verified by Senior staff onsite and is stored in a Micromine database. SRK has been supplied with a full copy of the database and while SRK notes a number of missing values in terms of descriptions, SRK has discussed any data issues directly with the Company's exploration manager during the site inspection and at meetings in Cardiff. Given the increase in the size of the database SRK recommend the Company consider migrating the current database into either a commercial geological database system, or into a customised Access or SQL based system, which would ensure data quality and provide an audit trail of any changes made to the data.

1.6 DATA VALIDATION

For the most recent iteration of the database, the Company has undertaken basic validation for all tabulated data.

In order to independently verify the information incorporated within the latest drill programme, SRK has:

- Completed a review of selected drill core for selected holes, to confirm both geological and assay values stored in the database show a reasonable representation of the project.
- Visited an underground adit and surface outcrops to check the presence of vein mineralisation at depth and at surface.
- Verified the quality of geological and sampling information and developed an interpretation of gold grade distributions appropriate to use in the resource model.
- Reviewed the QAQC database provided for the 2011/2012 drill programme, which show no overall bias is present.
- Reviewed the Company Database updated during the 2012 exploration programme, including validating against historical data, discussions with Senior Geologist related to any data related issues.
- Reviewed the Bulk Density measurements captured by the Company during the 2012 exploration programme.
- Refined the position of underground samples (originally based on historical level plans of mine development) using mining void data recorded in the borehole logs.

SRK is satisfied with the quality of assays returned from the laboratory used for the 2012 programme and that there is no evidence of bias within the current database which would materially impact on the estimate. Based on the validation work completed by SRK, the database has been accepted as provided by Condor's Exploration Geologist.

1.7 BULK DENSITY

During 2012, the Company has tested 1058 samples for bulk density determination to determine if the assumed (based on historical reports) 2.6 g/cm^3 applied in the previous model is applicable. The sampling has been completed using the water immersion method and was used on both full and half HQ and NQ core samples, where available, measuring over 10 cm in length.

SRK has reviewed the data provided and while SRK considers improvements could be made in the equipment and methods used, the results suggest a slight reduction in the bulk density should be applied at La India. In total, 519 bulk density measurements have been taken on the La India prospect. The Company completed a quality control check on the density by measuring the sample before and after the immersion in water. A total of 19 samples have reported values with greater than 10% difference and have been excluded from the analysis. The average density is in the order of 2.43 g/cm^3, but can vary between 1.57 g/cm^3 to 4.01 g/cm^3, based on the degree of weathering, with the current database skewed toward highly to moderately weathered zones. By comparison, historical reports indicate a density of between 2.55 – 2.70 g/cm^3.

While SRK notes improvements could be made to the current protocols in order to increase the confidence in the bulk density measurements, based on the recent analysis and the differences to the historical reports, SRK considers a reduction of the density from 2.6 g/cm^3 to 2.5 g/cm^3 to be acceptable for the vein updated Mineral Resource as part of the 2012 Mineral Resource Estimate.

SRK recommends improvements be made which would include drying all samples, use of high precision balance, introduction of calibration on balances, and checks at a commercial laboratory, to the density measurement protocol to ensure higher quality and hence confidence in the density measurements is completed during the next phase of the project.

1.8 GEOLOGICAL MODEL

The interpretation for the vein domains using a 0.5 g/t Au cut-off, was undertaken collectively by SRK and Condor, guided through 2D geological sections provided by Condor. The initial results from modelling were reviewed by Condor geological staff and subsequently amended (where required) and approved as providing an appropriate representation of the mineralisation.

For the September 2012 update, the underground sampling was re-projected to fit with the mining void data recorded in the borehole logs, enabling a more accurate positioning of the La India Vein in the upper levels of the La India Mine. The thickness data associated with the borehole mining voids has been used in combination with the current underground samples (and associated widths) to create a depletion volume (inside a 2D long-section depletion outline) in attempt to more accurately remove the mined areas from the mineralisation model.

SRK has imported all of the available sample data into Datamine Mining Software, and coded the vein hangingwall and footwall contacts for wireframe surface creation and subsequent 3D vein creation using the Leapfrog Modelling Software. The 3D depletion wireframe was created using the same coding technique as applied for the veins (Figure 1-3).

Due to the narrow nature of certain areas of the deposit and the potential for misallocation of sampling information on the basis of wireframe selection alone, based on the methodologies applied, all assay values have been hard coded in the database to identify vein samples.

Within the sample database, although relatively minor, sample gaps sometimes exist within the mineralised vein zones as a result of poor sample recovery. SRK has attempted to remove the influence of these samples (in areas poorly informed with data) by stopping or constraining the mineralised vein zones where the gaps exist.

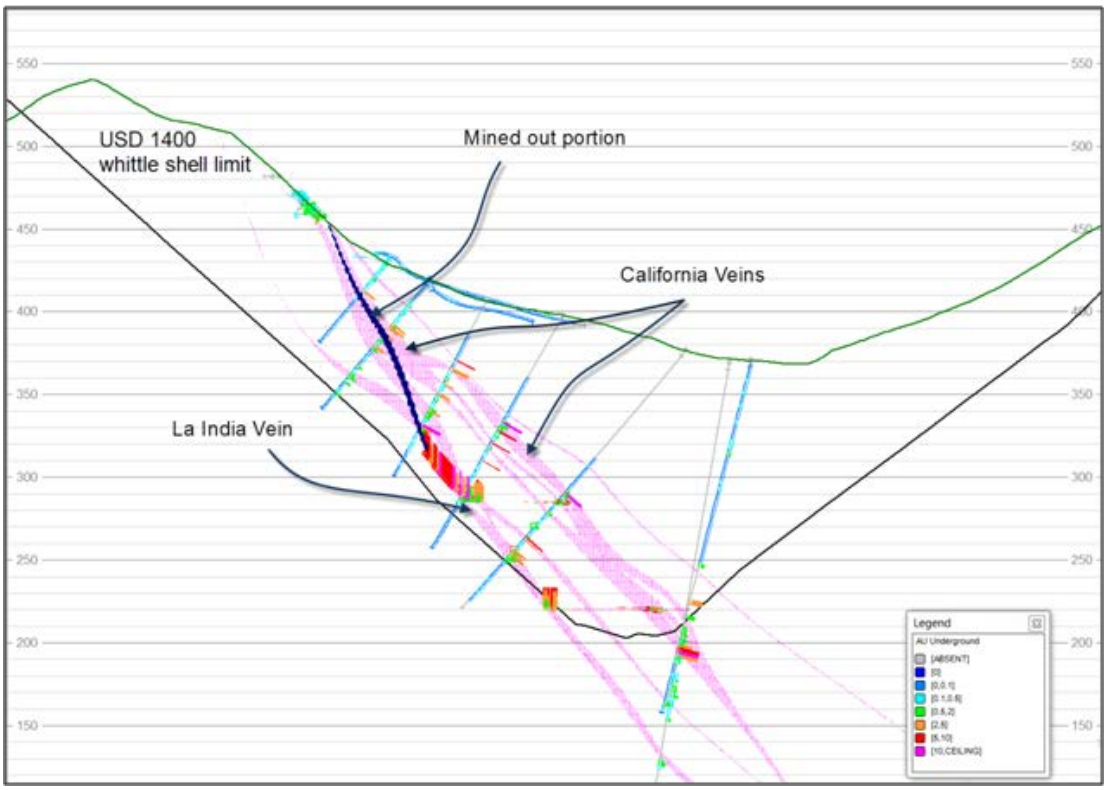

Figure 1-3: Cross Section (850) showing example of the La India and California veins showing the historical mining portion and limiting Whittle pit limit

1.9 GRADE INTERPOLATION

Based on the vein samples SRK has completed a statistical analysis to determine a composite length of 2 m to be used for the estimation, and has utilised tools within Datamine software in an attempt to ensure all ore samples are incorporated into the composite file. SRK completed a statistical and geostatistical analysis on the coded 2 m composite data to determine the appropriate estimation methods and parameters.

For the September 2012 update, with respect to the La India and California veins, SRK has produced a block model with a slightly reduced block dimension in the vertical orientation of 25 x 25 x 10 m (X,Y,Z) to improve the resolution of the potential for open pit extraction to be evaluated. Gold and silver grades have been interpolated using parameters appropriate to the geological and grade continuity, broadly comparable to the other veins on the La India Licence, but with an orientated search ellipse of 60 x 40 x 40 m, reduced from 112.5 x 75 x75 m, used in the previous model, and increased number of samples as a function the infill drilling (50 x 50 m) completed during the recent program. The adjustment in the search parameters has been completed improve the estimation on a local basis, and to reduce smoothing of grades between high and low grade areas, noted in previous estimates. SRK undertook a kriging sensitivity analysis (QKNA) to optimise and analyse the influence of the kriging parameters on the significantly wider mineralised zones of the California veins.

In the previous estimate (2011) for the veins which have not formed part of the current update, SRK has produced a series of block models with block dimensions of 25 x 25 x 25 m into which gold grades have been estimated using appropriate parameters related to the geological and grade continuity and sample spacing, using an ordinary kriging routine with a search ellipse that follows the typical orientation of the mineralised structures, and where appropriate aligned along potentially higher grade plunging features within the mineralised veins. SRK has treated all boundaries as hard boundaries in terms of the estimation process. The resultant block grade distribution is appropriate for the mineralisation style and noted continuity, which SRK consider to be an important feature of the deposit. In areas of limited sampling, the block grade estimates have been produced using expanded search ellipses which result in more smoothed global estimates. Localised comparisons of composite grades to block estimates will be less accurate in these areas. Further infill drilling is likely to improve the local block grade estimates.

1.10 CLASSIFICTAION AND REPORTING CRITERIA

SRK has considered geological continuity, grade continuity, quality of the digitised database, sampling density, distance of block estimates from samples and estimation quality in order to classify the deposit in accordance with The CIM Code. Data quality, drill hole spacing and the interpreted continuity of grades controlled by the veins has allowed SRK to classify portions of the veins in the Indicated and Inferred Mineral Resource categories. The resource statement has been depleted for historical mining.

For the September 2012 update, the La India and California Mineral Resource is constrained within a Whittle open pit shell, with SRK electing to use market consensus long term gold price forecasts from over 30 contributors, to which has then applied an uplift, resulting in a long term optimistic gold price of USD1400/oz; this approach is in line with other gold producing companies' reporting methods. For the other Whittle input parameters, SRK has briefly reviewed typical mining, processing, and administrative costs for a range of gold mines in the region. Based on the assumed costs and a recovery of 90% using conventional gold mineralised material processing. SRK has applied a cut-off grade of 1.0 g/t Au for the material with potential to be mined from surface, based on benchmarked parameters defined as part of an initial conceptual study; and a cut-off grade of 2.3 g/t Au for material with the potential to be mined underground.

Given the generally lower grade nature of the California veins, for the material beneath the pit, SRK has undertaken more rigorous economic assessments to determine which portion of the mineralisation modelled is contiguous and has reasonable prospects for economic extraction and is therefore reportable as a Mineral Resource. For the underground Mineral Resource, SRK has assumed an accumulated grade of 2.3 g/t required over the width of 1 m, to filter out areas of lower grade material within thinner portions of the vein.

In the case of veins not updated as part of the 2012 update, SRK has quoted the Mineral Resource as reported in the previous Mineral Resource Statement (dated 30 December 2011), using a cut-off grade of 1.5 g/t Au.

The latest Resource has established the La India Vein Set as the principal Resource area with wide zones of moderate to high-grade gold mineralisation on the India-California veins now recognised as having the potential for a large open-pit mine development and the potential for the discovery of additional resources with both open-pit and underground mining potential on the depth and strike extension of this vein trend.

SRK has produced the maiden silver Mineral Resource for the La India and California veins of 10.9 Mt at 6.5 g/t silver for 2,280,000 oz. The addition of the silver in the form of a gold equivalent increases the Mineral Resource for the La India and California veins from 1,386,000 oz to 1,420,000 oz, with a resultant increase in the grade from 3.9 g/t Au to 4.0 g/t Au equivalent; the Au equivalent has been calculated based on the formula gold equivalent = (gold g/t + 0.0148 * silver g/t).

Table 1-1 gives SRK's CIM Compliant Mineral Resource Statement sub-divided by vein as at 14 September 2012, as signed off by Ben Parsons, a Competent Person as defined by the CIM Code. Table 1-2 provides a summary of the Mineral Resource per veinset.

Table 1-1: SRK CIM Compliant Mineral Resource Statement as at 14 September 2012 for the La India licence area sub-divided by vein

SRK MINERAL RESOURCE STATEMENT as of 14 September 2012

Area Name	Vein Name	Cut-Off	Indicated					
			gold			silver		
			Tonnes (kt)	Grade Au (g/t)	Contained Au (Koz)	Tonnes (kt)	Grade Ag (g/t)	Contained Ag (Koz)
La India veinset (Gold and Silver Estimate)	La India/ California[1]	1.0 g/t (OP)	4220	3.9	534	4220	6.3	850
	La India[2]	2.3 g/t (UG)	200	7.1	45	200	7.0	45
	California[2]	2.3 g/t (UG)	370	4.3	52	370	5.9	70
La India veinset (Gold Only Estimate)	Arizona[3]	1.5 g/t						
	Teresa[3]	1.5 g/t						
	Agua Caliente[3]	1.5 g/t						
America veinset	America[3]	1.5 g/t	280	8.0	73			
	Escondido[3]	1.5 g/t	90	4.7	13			
	Constancia[3]	1.5 g/t	110	9.8	34			
	Guapinol[3]	1.5 g/t						
Mestiza veinset	Tatiana[3]	1.5 g/t						
	Buenos Aires[3]	1.5 g/t						
	Espenito[3]	1.5 g/t						
Other veins	San Lucas[3]	1.5 g/t						
	Cristolito-Tatescame[3]	1.5 g/t						
	El Cacao[3]	1.5 g/t						
	subtotal Indicated (gold and silver estimate)		**4790**	**4.1**	**631**	**4790**	**6.3**	**965**
	subtotal Indicated (gold only estimate)		**480**	**7.8**	**120**			
	SUBTOTAL INDICATED[6]		**5270**	**4.4**	**751**	**4790**	**5.7**	**965**

Area Name	Vein Name	Cut-Off	Inferred					
			gold			silver		
			Tonnes (kt)	Grade Au (g/t)	Contained Au (Koz)	Tonnes (kt)	Grade Ag (g/t)	Contained Ag (Koz)
La India veinset (Gold and Silver Estimate)	La India/ California[1]	1.0 g/t (OP)	3990	3.3	420	3990	5.6	724
	La India[2]	2.3 g/t (UG)	250	7.3	59	250	4.4	35
	California[2]	2.3 g/t (UG)	1950	4.4	276	1950	9.1	568
La India veinset (Gold Only Estimate)	Arizona[3]	1.5 g/t	430	4.2	58			
	Teresa[3]	1.5 g/t	70	12.4	29			
	Agua Caliente[3]	1.5 g/t	40	9.0	13			
America veinset	America[3]	1.5 g/t	540	5.6	99			
	Escondido[3]	1.5 g/t	90	4.6	13			
	Constancia[3]	1.5 g/t	240	7.2	56			
	Guapinol[3]	1.5 g/t	750	4.8	116			
Mestiza veinset	Tatiana[3]	1.5 g/t	1080	6.7	230			
	Buenos Aires[3]	1.5 g/t	210	8.0	53			
	Espenito[3]	1.5 g/t	200	7.7	50			
Other veins	San Lucas[3]	1.5 g/t	330	5.6	59			
	Cristolito-Tatescame[3]	1.5 g/t	200	5.3	34			
	El Cacao[3]	1.5 g/t	590	3.0	58			
	subtotal Inferred (gold and silver estimate)		**6190**	**3.8**	**756**	**6190**	**6.7**	**1328**
	subtotal Inferred (gold only veins)		**4770**	**5.7**	**868**			
	SUBTOTAL INFERRED [6]		**10960**	**4.6**	**1624**	**6190**	**3.8**	**1328**

(1) Open Pit Mineral Resources are reported within a conceptual whittle pit shell at a cut-off grade of 1.0 g/t. Cut-off grades are based on a price of US$1400 per ounce of gold and gold recoveries of 90 percent for resources, without considering revenues from other metals. Note optimised pit shells are based on Indicated and Inferred Mineral Resources

(2) Underground mineral resources beneath the open pit are reported at a cut-off grade of 2.3 g/t. Cut-off grades are based on a price of US$1400 per ounce of gold and gold recoveries of 90 percent for resources, without considering revenues from other metals.

(3) Mineral resources as previously quoted by SRK (22 December 2011) are reported at a cut-off grade of 1.5 g/t.

(4) Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. All composites have been capped where appropriate. The Concession is wholly owned by and exploration is operated by Condor Gold plc

(5) Silver grades only estimated for La India – California 2012 estimates all other estimates contain gold only estimates, due to limited confidence in historical silver assays

(6) Gold Mineral Resources reported Inclusive of Silver Mineral Resources, Silver grades only estimated for La India – California 2012 estimates all other estimates contain gold only estimates, due to limited confidence in historical silver assays.

Table 1-2: SRK CIM Compliant Mineral Resource Statement as at 14 September 2012 for the La India licence area summarised per veinset*

	Vein set Name	Cut-Off (g/t)	gold			silver		
			Tonnes (kt)	Grade Au (g/t)	Contained Au (Koz)	Tonnes (kt)	Grade Ag (g/t)	Contained Ag (Koz)
Subtotal Areas	La India vein set (gold and silver)	subtotal 1.0 g/t (OP)	4220	3.9	534	4220	6.3	850
		Subtotal 2.3 g/t (UG)	570	5.3	97	570	6.3	115
	La India vein set (gold only)	subtotal 1.5 g/t						
	America vein set	subtotal 1.5 g/t	480	7.8	120			
	Mestiza vein set	subtotal 1.5 g/t						
	Other veins	subtotal 1.5 g/t						
	subtotal Indicated (gold and silver estimate)		4790	4.1	631	4790	6.3	965
	subtotal Indicated (gold only estimate)		480	7.8	120			
	SUBTOTAL INDICATED		5270	4.4	751	4790	5.7	965
Subtotal Areas	La India vein set (gold and silver)	subtotal 1.0 g/t (OP)	3990	3.3	420	3990	5.6	724
		Subtotal 2.3 g/t (UG)	2200	4.7	336	2200	8.5	604
	La India vein set (gold only)	subtotal 1.5 g/t	540	5.8	100			
	America vein set	subtotal 1.5 g/t	1620	5.5	284			
	Mestiza vein set	subtotal 1.5 g/t	1490	7.0	333			
	Other veins	subtotal 1.5 g/t	1120	4.2	151			
	subtotal Indicated (gold and silver estimate)		6190	3.8	756	6190	6.7	1328
	subtotal Indicated (gold only estimate)		4770	5.7	868			
	SUBTOTAL INFERRED		10960	4.6	1624	6190	3.8	1328

*Open Pit Mineral Resources are reported within a conceptual whittle pit shell at a cut-off grade of 1.0 g/t. Cut-off grades are based on a price of US$1400 per ounce of gold and gold recoveries of 90 percent for resources, without considering revenues from other metals. Note optimised pit shells are based on Indicated and Inferred Mineral Resources

Underground mineral resources beneath the open pit are reported at a cut-off grade of 2.3 g/t. Cut-off grades are based on a price of US$1400 per ounce of gold and gold recoveries of 90 percent for resources, without considering revenues from other metals.

Mineral resources as previously quoted by SRK (22 December 2011) are reported at a cut-off grade of 1.5 g/t.

Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. All composites have been capped where appropriate. The Concession is wholly owned by and exploration is operated by Condor Gold plc.

Silver grades only estimated for La India – California 2012 estimates all other estimates contain gold only estimates, due to limited confidence in historical silver assays.

Gold Mineral Resources reported Inclusive of Silver Mineral Resources.

Figure 1-4 provides an example of SRK's resource classification, whilst Figure 1-5 shows an example of the gold grade distribution.

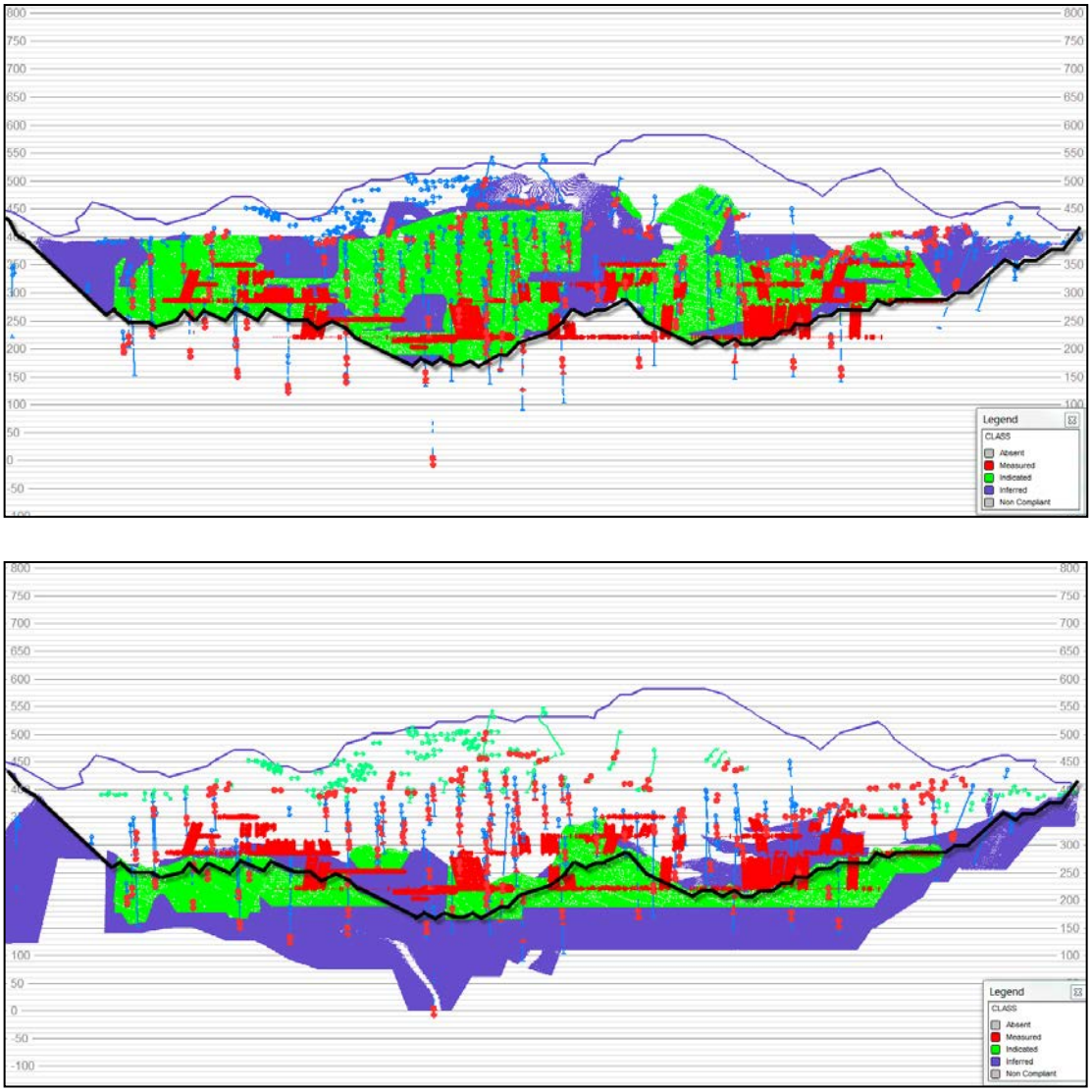

Figure 1-4: SRK's Resource Classification above the Whittle pit surface (top) and below (bottom)

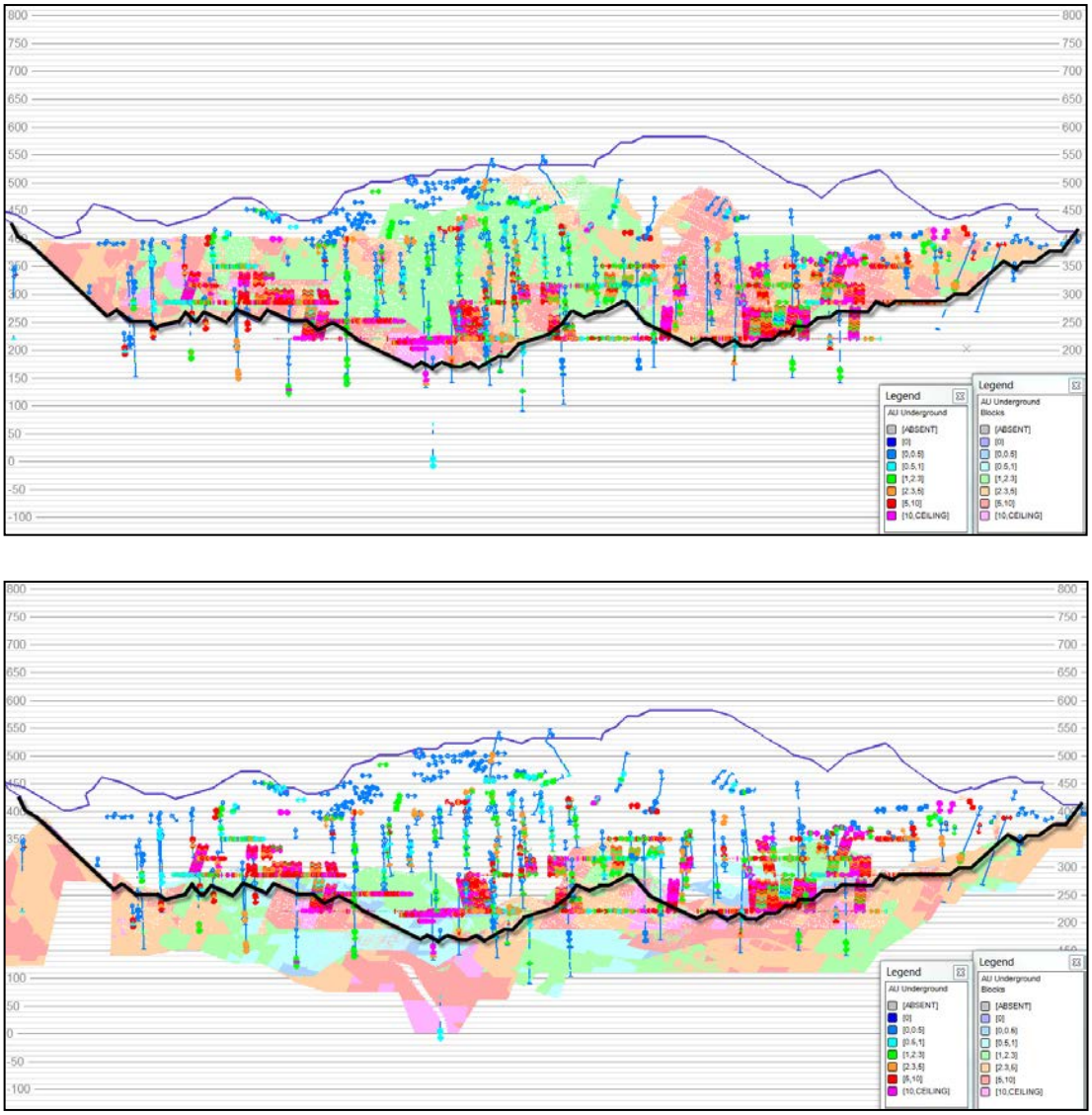

Figure 1-5: Gold grade distribution for the La India and California veins above the Whittle pit surface (top) and below (bottom)

1.11 COMPARISON WITH PREVIOUS ESTIMATE

The current Mineral Resource represents a significant increase in Inferred and Indicated Mineral Resource tonnes and ounces when compared to the previous SRK JORC compliant estimate, but a decrease in the overall grade from 5.6 g/t to 4.5 g/t (however, when comparing previous underground to updated underground, the grade drops only from 5.6 g/t to 5.5 g/t respectively).

The global numbers for the project have increased from 8.9 Mt at a grade of 5.6 g/t for 1.6 Moz, to 16.2 Mt at a grade of 4.5 g/t producing 2.4 Moz. The increase represents a 46% increase in the contained gold for the project, which is mainly due to the increased tonnage (82%) namely within the La India vein set, and which falls within the open-pit material reported at a lower cut-off grade.

The increase in tonnage and drop in grade can be attributed to the re-modelling of the La India and (lower grade, coalescing) California veins. The December 2011 SRK Mineral Resource Report documented a merging of parallel vein structures in to a central brecciated zone, based on a few significant drillhole intersections. Subsequent drilling during 2011/2012 SRK has confirmed and further emphasised the presence of coalescing veins, most notably within the 'central zone' of mineralised structure, which has significantly increase the modelled vein thickness.

The resultant model has increased the combined La India and California Mineral Resources from 3.7 Mt at a grade of 5.2 g/t for 630 koz, to 10.9 Mt at a grade of 3.9 g/t for 1.4 Moz of contained gold. Additional changes include the split of the Mineral Resource into a portion amenable to open pit mining, based on a gold price of USD1,400/oz, with an associated lower cut-off grade of 1.0 g/t Au, with the remaining Mineral Resource reported as a potential underground resource based on an increase cut-off grade of 2.3 g/t Au.

In addition, the addition of four drillholes on the Guapinol vein has acted to increase the overall tonnes (as a function of widening the modelled vein at depth); however, a single low-grade intercept has resulted in an associated drop in grade.

In summary, the current Mineral Resource estimate includes modelling updates to three of the veins, namely Guapinol, La India and California, with the latter two veins forming the focus of the recent drilling and trenching programme prior to resource estimation.

1.12 RECOMMENDATIONS

1.12.1 Introduction

The mineralised veins included in the current Mineral Resource Estimate are reasonably understood and the strike extents typically known from the current exploration. There still remains potential at depth on a number of veins where high-grade intersections were drilled historically and confirmed during 2011 by the Company, which could materially impact on the overall project form both a technical and economic perspective.

The other potential lies in the discovery of additional hanging wall or footwall veins which run parallel to the main structures, in a similar style to the lower grade zones of coalescing and bifurcating veins as interpreted during 2012 on the La India-California vein trend.

In general, SRK recommends the following which can be divided into further exploration, and work associated with data quality and quantity:

1.12.2 Data Quality And Quantity

- SRK recommend that the Company continues with the programme of twinned DD and RC during the next phase, and twinned drilling a portion of historical holes, where areas of low recovery have been noted.
- Given the increase in the size of the database SRK recommend the Company consider migrating the current database into either a commercial geological database system, or into a customised Access or SQL based system, which would ensure data quality and provide an audit trail of any changes made to the data.

- SRK recommends improvements be made to the density measurement protocol to ensure higher quality and hence confidence in the density measurements is completed during the next phase of the project.
- Undertake some independent sampling and verification work to support the existing QAQC data and add confidence to third-party project reviewers.

1.12.3 Strategy

The Company has currently commissioned the services of SRK to review potential mining aspects as part of a Preliminary Economic Assessment for the Project.

SRK recommends that if the budget is available, exploration work should continue at the La India Project in attempt to increase the confidence in the current estimate as outlined in Section 17.2.

1.12.4 PLANNED EXPLORATION PROGRAM

The Company's have defined two main priorities for the next phase exploration programme, which includes the conversion of the Inferred Mineral Resources within the currently defined whittle pit (on the La India-California vein trend) to an Indicated level to be able to provide future Mining Studies with reasonable levels of confidence, and secondly to test the potential for additional open pit material within the hangingwall structures of known mineralisation.

In terms of the conversion of Mineral Resources, SRK has defined a programme which places emphasis on further definition of some of the (less densely drilled) wider zones of mineralisation where multiple California veins have been interpreted to coalesce. It is recommended that the Company continues with the complete full QAQC procedures as defined by the Company guidelines.

The recommended spacing for the infill drilling programme is an approximate 50x50m grid, with targeted drilling within the existing database. The depth of the drilling is expected to range from 50 – 260 m within the infill portion of the deposit (specifically targeting the potential open pit material) and have an average depth of 135 m for a total of some 8,000 m, at an estimated contractor cost of USD225/m.

In terms of identification of additional open pit material through mapping the Company have identified an area above the historical America-Constancia Mine, where hangingwall features are present both at surface and from initial trench results. The Company plan to complete a series of mechanically cut trenches over the area on 50 m spacing with follow up drilling on potential targets. Based on the current strike length of 1,200m target and an estimated higher grade zone of approximately 400m for drilling to a grid spacing of 50x50m it is estimated 2,000m, at an estimated contractor cost of USD225/m, will be required to preliminary define any additional Mineral Resources. SRK recommend the Company continue with this programme during this current phase due to the proximity to the current La India Mineral Resource. Note SRK has not account for the cost of the trench programme as it is currently on-going and therefore discounted from any potential future costs.

SRK also recommend the Company define a trench programme for the Mestiza vein sets to target future exploration.

On completion of the exploration programme, SRK recommends the current Mineral Resource Estimate for the La India Project should be updated for use as the basis for more advanced technical studies.

1.12.5 TECHNICAL STUDY

SRK considers the current Mineral Resource Estimate to provide the Company with sufficient material and confidence to complete an initial technical study on the project in the form of a preliminary economic study for the project, with the focus on La India – California open pit. The study will assist the Company to focus the next phase of exploration to either increase the confidence within the current La India-California Mineral Resources for more advanced technical studies, or to focus on locating further Mineral Resources within the La India Project. To increase confidence in the La India-California area, SRK would recommend the current limiting Whittle shell to 50 x 50 m spacing.

SRK also comments at this stage that the other technical studies need to be advanced for more detail technical studies, such as:

- metallurgical;
- geotechnical;
- hydrogeological;
- environmental; and
- infrastructure.

In addition to the proposed work defined above, SRK recommend the following work be undertaken in order to fill in some gaps in the existing database:

- Plan a detailed (Lidar/Geo Eye/Quick Bird) Topographic survey of the entire project area including infrastructure;
- Complete a Preliminary Economic Assessment of the project economics to assist in key strategy decisions to either increase the current Mineral Resource base, or target conversion of Inferred to Indicated Mineral Resource;
- Ensure all drilling is orientated to enable quality geotechnical logging to be completed, which will be a requirement in more detailed technical mining studies in the future; and;
- Develop structural models and theories to the origins and major controls on the mineralisation, particularly at depth.

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NI43-101 MINERAL RESOURCE ESTIMATE ON THE LA INDIA GOLD PROJECT, NICARAGUA, 14 SEPTEMBER 2012

1 INTRODUCTION

SRK Consulting (UK) Limited ("SRK") is an associate company of the international group holding company, SRK Consulting (Global) Limited (the "SRK Group"). SRK has been requested by Condor Resources Plc ("Condor", hereinafter also referred to as the "Company" or the "Client") to prepare an updated Mineral Resource Estimate on the Mineral Assets of the Company comprising the La India Project. The La India Gold Project ("La India" or "the Project") is located on the western flanks of the Central highlands in the northwest of Nicaragua in the municipalities of Santa Rosa del Peñon and El Jicaral near the regional centre of Leon, approximately 140 km to the north of the capital city of Managua.

La India comprises six Exploration Concessions ("Concessions"), in the La India Mining district located in Nicaragua. SRK considered three concessions have sufficient exploration and sample data for the estimating and declaration of Mineral Resources, these include La India, Espinito Mendoza and Cacao concessions, while the three other concessions El Rodeo, Real de la Cruz and Santa Barbara offer potential exploration areas.

The reporting standard adopted for the reporting of the Mineral Resources is that defined by the terms and definitions given in the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (December 2005) as required by NI 43-101. The CIM Code is an internationally recognised reporting code as defined by the Combined Reserves International Reporting Standards Committee.

The CIM Code, like the "The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"), 2004 Edition as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia", have been aligned with the Committee for Mineral Reserves International Reporting Standards ("CRIRSCO") reporting template. Accordingly, SRK considers the CIM Code to be an internationally recognised reporting standard which is recognised and adopted world-wide for market-related reporting and financial investment.

In terms of reporting the CIM reporting code is forms the basis for the terms of the standards of disclosure for Mineral Projects, for reporting within Canada, and can therefore be used to form the basis of a National Instrument 43-101 ("NI43-101") technical report on the project.

This technical report documents a Mineral Resource statement for the La India Gold Project prepared by SRK. The report has been prepared according to the guidelines of the Canadian Securities Administrators' National Instrument 43-101 and Form 43-101F1 while the Mineral Resource statement reported herein has been prepared in conformity with generally accepted CIM "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines."

1.1 Background

SRK has previously produced three Mineral Resource Estimates on the La India Concession, listed as follows:

- January 2011 - initial Inferred Mineral Resource of 4.58 Mt at 5.9 g/t for 868,000 oz, reported in line with the guidelines of JORC reported on 4 January 2011.
- April 2011 - updated Mineral Resource of 4.82 Mt at 6.4 g/t for 988,000 oz on the Concession on 13 April 2011 based on further validation of historical data by the Company. In addition to this phase of work, SRK produced an Inferred Mineral Resource Estimate for the Cacao Vein of 0.59 Mt at 3.0 g/t for 58,000 oz of gold reported on 5 October 2011, based on historical exploration by Condor, and applying the same modelling methodology as the La India Concession.
- December 2011 – updated Mineral Resource on the La India Project of 8.94 Mt at 5.6 g/t for 1,620,000 oz gold on 22 December 2011, including 1.16 Mt at 7.1 g/t for 264,000 oz gold in the Indicated Mineral Resource category.

The updated Mineral Resource on the La India Project now stands at 16.2 Mt at a grade of 4.5 g/t producing 2.4 Moz.

Condor holds 100% ownership of a 167 km² concession package covering 98% of the historic La India Gold Mining District, north of Managua, Nicaragua. The concession package comprises six contiguous concessions. Four of the concessions were awarded directly from the government between 2006 and 2010. The remaining two concessions were acquired from other owners as follows:

- The La India Concession was added to Condor's portfolio in late 2010 through a concession swap agreement with Canadian miner, B2Gold.
- The Espinito Mendoza ("Espinito Mendoza") Concession was acquired from a private company in 2011.

The La India Deposit is mostly contained within the La India and Espinito-Mendoza Concessions with a small part, the Cacao Resource, contained within the Cacao Concession.

The La India Mining District is located within a broad belt of Tertiary volcanic rocks that forms the Central Highlands of Nicaragua. The La India deposit comprises mineralised veins hosted by thick sequences of massive andesite flows and rhyolite to dacite flows and domes. The volcanism in the region is associated to the subduction of the Cocos Plate beneath the Caribbean Plate and the associated extensional regime which has formed the Nicaraguan Graben. This tectonic history has resulted in an early set of southeast to east trending and more rarely north-south trending structures hosting the mineralised veins. Gold bearing structures in the area include those with a northeast-southwest strike (La India and Andreas Vein to the west and northwest), an east-west strike (Cacao and Real de la Cruz veins), and a north-south strike (San Lucas-Capulin).

Twenty-two epithermal veins are named in the area. The veins strike between north-south, northwest-southeast and east-west and dip steeply in either direction relative to their position within the graben structure.

The veins generally occur as:

- Steep narrow quartz and quartz-carbonate veins (and vein stacks) predominantly hosted by massive andesite such as at La India and Cacao and are typically less than 3 m in width.
- Hydrothermal breccia mineralisation occurring in both felsic and andesitic rocks and forming steeply dipping elongate structures with low grade mineralisation up to tens of metres in thickness and forming along vein and vein set trends.
- Hydrothermal breccia pipe mineralisation characterised by high-grade zones associated with argillic alteration and sulphide mineralisation within a very-low grade carbonate breccia halo recognised laterally over several hundred metres.

The 2012 exploration program (59 drillholes) has focused on the La India and California veins, providing an additional 4,426 m of diamond drilling ("DD"), 2,675 m of reverse circulation ("RC") drilling and 2,500 m of trenching. The programme has been completed between mid-April and the end of July 2012 on the La India-California vein trend with the aim of increasing the overall mineral resource at Indicated category by targeting areas considered to have open pit and underground mining potential.

Included in the current updated Mineral Resource are drill results received for the Guapinol and America veins, which totalled 7 holes on Guapinol (1,474 m) and one hole on America (307 m). SRK note that these holes were drilled at the end of the 2011 drilling programme, and not included in the December 2011 Mineral Resource estimate, and therefore have been included in the current update accordingly.

In addition, Condor completed 5 drill holes for 866m on the Central Breccia Prospect which was discovered in 2011. These holes were completed at the end of 2011 and early in 2012 but have not been included in the current mineral resource estimate due to the limited amount of drilling

This report summarises the exploration and technical work undertaken on the Project to date by the Company, with focus on the work completed since the previous estimate was reported.

1.2 Source of Information

SRK has been supplied with numerous technical reports and historical technical files. SRK's report is based upon:

- discussions with directors, employees and consultants of the Company;
- data collected by the Company from historical exploration on the project;
- access to key personnel within the Company, for discussion and enquiry; and
- a review of data collection procedures and protocols, including the methodologies applied in determining assays and measurements.
- Existing reports provided to SRK, as follows:
    - Ehrenborg, J. 1996. A new stratigraphy for the Tertiary volcanic rocks of the Nicaraguan Highland. GSA Bulletin, 108, 830-842.

  - Micon 1998. “Review of the Resources, Reserves and Business Plan for the La Mestiza Project, Nicaragua”, Technical report prepared for Diadem Resources Limited.
  - Weinberg, R.F. 1992. Neotectonic development of western Nicaragua. Tectonics, 11, 1010-1017.
  - Wilson, S.E. 2010. Technical Report: Hemco Nicaragua SA, Bonanza Mine, Raan. NI 43-101 Technical Report, p. 119.
- Data files provided by the Company to SRK as follows:
  - topographic grid data in digital format;
  - drillhole database, including collar, survey, geology, and assay; and
  - QAQC data including details on Duplicates, Blanks and Standards.

1.3 Scope of Work

No formal terms of references/scope of work was supplied to SRK by Condor, however, discussions with Condor representatives identified the following scope of work:

- Review of the regional and local scale geology, including mineralisation setting, deposit type, genetic model, geometry and controls of mineralisation, weathering, alteration and mineralogy.
- Update a site inspection to review drilling and sampling protocols and quality.
- Review of the data quantity and quality, including analysis of the raw Quality Assurance/Quality Control (QAQC) database, to include a review of the historical verses recently drilled holes, and collation of details relating to electronic data input validation, topographic/survey, sample collection/preparation/analysis and density analysis.
- Creation of a Mineral Resource Estimate for the La India, California and Guapinol Veins to include but not be limited to the following:
  - Importing of all the available data into Datamine Mining Software Package, which will include all sample data, topographic/survey data, string files.
  - Validation and reviewing of all of the electronic data.
  - Update 3D geological and mineralisation domains in consideration of the mineralisation, including selection of the appropriate modelling methodology to separate different mineralisation types.
  - Undertake statistical and geostatistical analysis of the domained data, including a comparison study relating to combining different data sampling campaigns, composite analysis, grade capping and density study and variogram modelling.
  - Undertake grade interpolation into an appropriately sized and coded block model using appropriate methodology and sensitivity analysis of estimation parameters to select the optimum parameters.
  - Validation of the block model using both statistical and visual methods, both locally and globally, and the production of validation plots through the block model.

  - Mineral Resource Classification applied in consideration of the geological and grade continuity, quantity and spatial distribution of data, quality of data and amendments made where considered necessary, and comments on SRK's opinion as to the required level of sampling for Measured, Indicated and Inferred categories of Mineral Resource.
  - Comparison of the estimate with historical estimates.

- Review and comment upon the exploration potential of the licence area, and commenting on the required exploration and drill spacing requirements to upgrade the classification of the Mineral Resource.
- Conclusions and recommendations.

1.4 Work Completed

The Mineral Resource statement reported herein is a collaborative effort between Condor and SRK personnel. The exploration database was compiled and maintained by Condor, and was audited by SRK. The geological model and outlines for the gold and silver mineralisation were constructed by SRK from a two-dimensional geological interpretation initially provided by Condor.

In the opinion of SRK, the geological model is a reasonable representation of the distribution of the targeted mineralisation given the information currently available. The updated geostatistical analyses, variography and grade models were completed by SRK during August and September 2012. The Mineral Resource statement reported herein was presented to Condor in a memorandum report on 14 September 2012 and disclosed publicly in a news release dated 18 September 2012. This news release was prepared in conformity with generally accepted CIM "Exploration Best Practices" and "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines. This technical report was prepared following the guidelines of the Canadian Securities Administrators National Instrument 43-101 and Form 43-101F1. The technical report was assembled by SRK during September and October 2012.

1.5 Compliance and reporting Structures

The standard adopted for the reporting of Mineral Resources in this Technical Report is the CIM Code. This Technical Report has been prepared under the direction of Ben Parsons (the "QP"), as defined in the Companion Policy and who assumes overall professional responsibility for the document. The Technical Report however is published by SRK, the commissioned entity, and accordingly SRK assumes responsibility for the views expressed herein. Consequently with respect to all references to QPs and SRK: 'all references to SRK mean the QPs and vice-versa'. SRK is responsible for this Technical Report and declares that it has taken all reasonable care to ensure that the information contained in this report is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. This Technical Report has been prepared in accordance with the requirements and guidelines as included in: NI 43-101, Form 43-101F1 and the Companion Policy. Details of Personal Inspections are included in Section 11.2.1 of this report.

1.6 Details of Personal Inspections

SRK's Ben Parsons visited the La India Project on 11 to 14 June 2012, accompanied by Mr Luc English (Condor's Country Manager - Nicaragua), and Mr Armando Tercero Gamez (Condor's Chief Exploration geologist).

The purpose of the site visit was to review exploration procedures, define geological modelling procedures, examine drill core, review the digitalization of the exploration database and validation procedures, interview project personnel and to collect all relevant information for the preparation of a revised Mineral Resource estimate and the compilation of a technical report. During the visit, particular attention was given to further investigating the nature of the mineralisation exposed within the drill core of the La India-California vein trend to aid the construction of three dimensional gold mineralisation domains.

The site visit also involved a preliminary review of the Central Breccia Prospect, an area which Condor understands to be representative of a zone gold mineralisation that formed under slightly different geological conditions to those noted elsewhere on the concession.

1.7 Limitations, Reliance on SRK, Declaration, Consent, Copyright and Cautionary Statements

SRK's opinion contained herein and effective **14 September 2012**, is based on information collected by SRK throughout the course of SRK's investigations, which in turn reflect various technical and economic conditions at the time of writing. Given the nature of the mining business, these conditions can change significantly over relatively short periods of time. Consequently, actual results may be significantly more or less favourable.

This report may include technical information that requires subsequent calculations to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material.

SRK is not an insider, associate or an affiliate of Condor, and neither SRK nor any affiliate has acted as advisor to Condor, its subsidiaries or its affiliates in connection with this project. The results of the technical review by SRK are not dependent on any prior agreements concerning the conclusions to be reached, nor are there any undisclosed understandings concerning any future business dealings.

Except as specifically required by law, SRK does not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this Technical Report or statements contained herein, required by and given solely for the purpose of complying with the mandate as outlined in this Technical Report and compliance with NI 43-101. SRK has no reason to believe that any material facts have been withheld by the Company.

2 RELIANCE ON OTHER EXPERTS

SRK's opinion is based on information provided to SRK by Condor throughout the course of SRK's investigations as described below, which in turn reflect various technical and economic conditions at the time of writing. SRK was reliant upon information and data provided by Condor. SRK has however, where possible, verified data provided independently, and completed a site visit to review physical evidence for the deposit.

In relation to the geological interpretation, detailed geological work and general background information, SRK has in part relied on:

- information provided by the Company;
- details included in a report by SRK Structural Geologist Dr Chris Bonson for the Company (2011);
- details included in a former report completed by Micon International Limited ("Micon") in 1998 which provides in-depth detail on the EM concession which now forms part of the La India Project; and
- discussions with SRK Technical specialists Ryan Freeman and Phillip Mohr in reference to potential mining and geotechnical aspects related to an internal Conceptual Mining Study completed by the Company.

SRK has used the information related to the geological and other associated descriptions and summarised the details where possible.

SRK has not performed an independent verification of land title and tenure as summarised in Section 3 of this report. SRK did not verify the legality of any underlying agreement(s) that may exist concerning the permits or other agreement(s) between third parties, but has relied on the Company and its legal advisor for land title issues.

SRK was informed by Condor that there are no known litigations potentially affecting the La India Project.

3 PROPERTY DESCRIPTION AND LOCATION

3.1 Concession Location

The La India Gold Project comprises six contiguous concessions located in the municipalities of Santa Rosa del Peñon and San Nicolas in the León Department, and San Isidro and Ciudad Dario in the Matagalpa Department of Nicaragua. Its geographical coordinates are 12° 44' 56" North, 86° 18' 9" West.

Geographically the project is located on the western flanks of the Central Highlands of Nicaragua (Figure 3-1) between UTM WGS84, Zone 16 North coordinates 568,000m E and 588,000m E, and 1,408,000m N and 1,425,000m N. The concessions fall within the Ciudad Dario 2954-II, Santa Rosa del Peñon 2954-III and San Nicolás 2954-IV 1:50,000 map sheets and cover a combined area of almost 167 km²

Figure 3-1: Project Location (Source: Condor)

3.2 Mineral Tenure

Condor holds 100% ownership of a 167 km² concession package covering 98% of the historic La India Gold Mining District, north of Managua, Nicaragua. The concession package comprises six contiguous concessions (Table 3-1 and Figure 3-2). Four of the concessions were awarded directly from the Government between 2006 and 2010. The remaining two concessions were acquired from other owners.

The La India Concession was added to Condor's portfolio in late 2010 through a concession swap agreement with Canadian miner, B2Gold, and the Espinito Mendoza Concession was acquired from a private company in 2011. The La India Deposit is mostly contained within the La India and Espinito-Mendoza Concessions with a small part, the Cacao Resource, contained within the Cacao Concession.

Table 3-1: Concession Details for the La India Project

Concession Name	Concession Number	Expiry Date	Area (km²)
La India	61-DM-308-2011	February 2027	68.5
Espinito Mendoza	004-DM-2012	November 2026	2
Cacao	685-RN-MC-2006	January 2032	11.9
Santa Barbara	55-DM-169-2009	April 2034	16.2
Real de la Cruz	105-DM-197-2009	January 2035	7.66
Rodeo	106-DM-198-2009	January 2035	60.4
Total			**166.66**

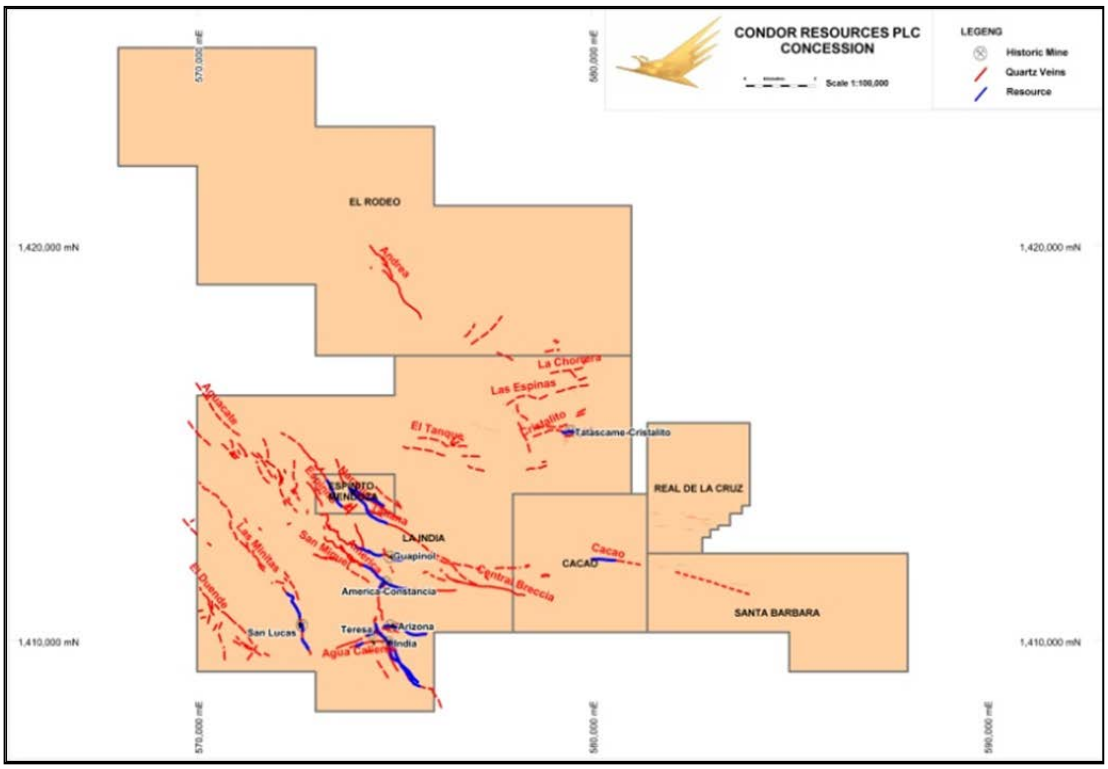


Figure 3-2: Concession Location

All concessions are renewable 25 year combined exploration and exploitation concessions. Under Nicaraguan law the concessions are subject to a surface tax based on the surface area and the age of the concession payable at six monthly intervals and a 3% government royalty on production. The La India and Espinito Mendoza concessions were granted under an earlier mining law and as such are subject to a tax exemption, whilst work undertaken on the newer concessions is subject to Nicaraguan tax.

The Espinito Mendoza Concession was purchased from a third party and is subject to ongoing payments valued at USD1,625,000 plus a bonus of 1% of the gold price of the JORC-compliant Ore Reserve calculated on the 18 August 2015. A total of USD625,000 has been paid to date. The agreement also includes a commitment to complete 5,000 m of drilling on the concession before the 18 August 2015 and a 2.25% net smelter return on gold extracted from that Concession. The seller owns the surface rights to a 3.1 km² area covering 80% of the Espinito Mendoza Concession, including all known gold mineralisation, and parts of the adjacent La India Concession. Under the agreement Condor has free and unimpeded access and use of these surface rights and will gain ownership on the 18 August 2015 subject to all obligations being met.

Condor also owns title to a further 30.4 km² of surface rights covering all the known Mineral Resource areas of the La India Concession. Under the original sale agreements, the original land owners were allowed to maintain possession at the Company's discretion. Elsewhere on La India project, access to explore is negotiated with the land owners.

3.3 Permits and Authorization

Environmental permits to carry out exploration activity are obtained from the Ministry of the Environment and Natural Resources (MARENA). Two types of permit are required, an initial authorisation for prospecting obtained from the Regional Authority which permits activities such as rock chip, soil sampling and trenching, and a permit to carry out exploration activity from the National Authority to allow drilling and other more extensive work. Table 3-2 details the current permits that have been obtained.

Table 3-2: Environmental Permits

Concession Name	Permit Category	Permit Number	Date Granted
La India	Exploration	DGCA-250-2003-CS037-2011	23/12/2011
Espinito Mendoza	Prospecting	LE-063191011	19/10/2011
Cacao	Exploration	23-2007	23/11/2007
Santa Barbara	Prospecting	DTM-030-09	03/06/2009
Real de la Cruz	Prospecting	DTM-007-10	12/03/2010
Rodeo	Exploration	DGCA-P0018-0510-001-2011	12/03/2010

3.4 Environmental Considerations

SRK has not completed a detailed study into the Environmental studies currently in place on the La India Project. SRK notes however that an Environmental study will be required as the project advances to more detailed technical studies.

3.5 Nicaraguan Mining Law

Three articles of legislation apply to exploration and mining activities in Nicaragua:

- Law No 387, Law for Exploitation and Exploration of Mines;
- Decree No. 119-2001, Regulation of Law No.387; and
- Decree No. 316, Law for Exploitation of Natural Resources.

3.5.1 Summary of the Law

The Nicaraguan Civil Code recognises the right of the owner of property to enjoy and dispose of it within the limitations established by law. Natural resources are property of the State and only the State is authorised to grant mining exploitation concessions and rights.

A concession holder's main legal obligations are to:

- obtain permission from the owner of the land;
- obtain an environmental permit;
- pay royalties and surface rents; and
- file annual reports.

3.5.2 Types of Mining Titles

Since 2001 all Nicaraguan mining activities have been governed by a single type of mining concession known as a concession for exploration and exploitation.

(a) Terms and Conditions governing grant

The Ministry of Development Industry and Commerce (Ministerio de Formento, Industria y Comercio - MIFIC) issues mining concessions to entities that file an application before the Natural Resources Directorate General (a division of MIFIC).

(b) Rights attached to Exploration Licence

Mining concession holders have the exclusive rights of exploitation, exploration and the establishment of facilities for collection and processing of minerals found in the area granted.

(c) Standard Conditions for Mining Concessions

Standard conditions apply to all Mining Concessions. In addition to those stated below in this item they include the obligation on the concession holder to:

- pay income taxes annually;
- provide an annual report on activities and if requested by the request of MIFIC;
- facilitate the inspections carried out by MIFIC representatives;
- comply with procedures issued for labour, security and environmental protection;
- within 30 days from the date the concession is issued, register it with the Public Registry and have it published in the official Gazette;
- obtain permission from the owners of the properties within the concession area prior to the commencement of activities;
- facilitate artisanal mining activities which will not exceed 1 per cent. of the total area of the concession.

(d) Surface rent

A concession holder is to pay surface rent in advance every six months. Payments per hectare or part thereof are shown in Table 3-3.

Table 3-3: Surface tax payments due per hectare per year on exploration concessions in Nicaragua

Year	Amount per hectare per annum (USD)
1	0.25
2	0.75
3,4	1.50
5,6	3.00
7,8	4.00
9,10	8.00
11+	12.00

3.5.3 Reporting Requirements

Mining concession holders must provide to MIFIC an annual report which includes the following information:

- personnel employed;
- industrial safety measures;
- mining activities conducted and their results;
- mining production;
- status of incorporation of the company, its accounts and any changes during the year; and
- detail of the investments and expenses incurred in relation to the mining concession during the year.

3.5.4 Royalties Payable

Concession holders pay a royalty on the value of the extracted substances. The value is determined by subtracting the transportation expenses from the sale value of the substance. The percentage that must be paid is 3% of the value of the mineral exploited. The royalty payment is considered an expense and can be deducted from Income Tax obligations. Royalties are to be paid monthly. If payment is three months overdue, the concession may be irrevocably cancelled.

3.5.5 Term

The mining concessions are granted for an initial 25 year period, renewable for a further term of 25 years.

3.5.6 Renewal

Application for renewal must be filed at least six months before the expiry date. Renewal may be refused if the concession holder does not comply with the Mining Law.

3.5.7 Transfer and assignment

The Mining Law states that concessions may be divided, assigned, totally or partially transferred or leased and also allows for concessions to be mortgaged.

3.5.8 Relations with landowners

A mining concession holder cannot commence its mining activities until it has authorisation from the owner of the property. The authorisation must set out the terms and compensation for the use of the private property and infrastructure. A mining concession holder who acts without authority commits a serious violation and will be fined an equivalent to USD10,000.00.

Conflict between surface property rights and mining rights must be taken into consideration at the time of considering a mining project, particularly in areas where other commercial projects may be developed on the surface of the land. The holder of the mining concession may need to acquire, lease or take easements over the surface property.

3.5.9 Environmental Issues

Any person who wishes to initiate mining-related activities (exploration and exploitation) must first obtain an environmental permit from the Ministry of Environment and Natural Resources. A failure to obtain a permit is a breach of a standard term of the mining title and the mining concession may be cancelled.

3.5.10 Applicable legislation

All rights and obligations derived from the mining concession must comply with Nicaraguan legislation and submit to the jurisdiction of Nicaraguan courts. Disputes arising over the title of a mining concession are heard by the Civil District Courts. The Natural Resources Directorate General may act as a mediator between the parties, if the parties agree.

4 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

4.1 Accessibility

The La India Project lies approximately 70 km due north of the capital city of Managua, and north of Lake Managua on the western flanks of the Central Highlands (Figure 3-1).

The Project is accessed from Managua either by the paved León-Esteli Road (Highway 26) at a distance of approximately 210 km, or by the Panamerican highway via Sebaco (approximately 130 km). The nearest town with banking service is Sebaco at a distance of 32 km.

The majority of the mineralised areas are accessible to within a few hundred metres of the paved highway via dirt tracks which require maintenance during the wet season between May and November, and the crossing of small rivers proves difficult during periods of high rainfall.

4.2 Climate

The climate of the region is a tropical savannah, with warm, dry winters and wet summers between May and November.

The La India Mining District is located in one of the drier areas in Nicaragua, with typical temperatures ranging between 20°C and 30°C. The wet season is characterised by intense afternoon rain storms between May and November. It is generally dry during the rest of the year.

4.3 Local Resources and Infrastructure

A major paved highway and power line runs northeast-southwest through the Project area providing excellent access to the Project. Transport within the concession consists mainly of un-surfaced roads of varying quality. A hydroelectric dam is located just beyond the eastern edge of the Project area, less than 10 km from the main deposits on the La India, America and Mestiza Vein Sets. Houses and communities located with a few kilometres of the highway are supplied with 220 V or 110 V mains electricity fed from a 24.9 kV, 3-phase power supply which runs along the highway.

Condor's office is located in the small town of La Cruz de La India, estimated population of 2,200, located between the highway and the main gold deposit on La India Vein Set. The office has a dedicated internet connection setup via wireless relay. There is good mobile phone coverage in Cacao, Real de la Cruz and Santa Barbara. Within El Rodeo, mobile phone coverage is restricted to some hilltops and absent in the main mineralised localities.

Domestic water supply is via waterbores and wells. The operators of the hydroelectric dam will allow a limited amount of water to be used for commercial purposes such as drilling all year round.

Nearby towns such as Santa Rosa del Peñon, San Isidro and Sebaco, all located less than a half hour drive away, can supply basic facilities. Most modern facilities can be found at the City of León, located approximately 100 km to the south or from the Capital City of Managua 180 km away by road..

4.4 Physiography

The area is characterised by high relief, at altitudes typically varying between 350 m and 580 m amsl in the areas of surface mineralisation. Altitude generally increases to the north where some hill summits reach almost 900 m altitude. The land is a mixture of rocky terrain covered by thorny scrub bushes and areas cleared for crops and grazing. Surface water is ephemeral with most watercourses dry for six months of the year.

5 HISTORY

5.1 History of Mining

The first evidence of mining activity was by an English company, the Corduroy Syndicate who operated a small mine on the Dos Hermanos Vein on the western edge of La India Concession sometime prior to the middle of the 20th Century.

Records exist for Industrial-scale gold mining centred on the La India Vein between 1936 and 1956. Mining was initiated at La India in 1936 by the Compania Minera La India. By 1938, Noranda Mines of Canada had acquired a 63.75% interest in the company and mining continued until 1956, when the mine closed following flooding of the mill and main workings during a severe storm. Between 1938 and 1956, Noranda's La India mill is estimated to have processed approximately 100,000 tonnes per annum ("tpa") for a estimated total production of some 575,000 oz gold from 1.73 Mt at 13.4 g/t Au. Peak annual production was some 41,000 oz gold in 1953. The bulk of production was from shrinkage stope mining on two areas, the La India - California Vein where some 2 km of strike length was exploited to a maximum depth of 200 m below surface, and the America-Constancia and part of the intersecting Escondido Vein where again approximately 2 km of strike length was exploited to a maximum depth of 250 m below surface.

There has been intermittent artisanal mining activity, concentrated on the old mine workings, in the district since that time. As part of the 2012 Mineral Resource Estimate, SRK has estimated grades into the historical mined out areas of the La India – California Mine. SRK estimate that a total of some 920,000 tonnes at 8.5 g/t gold for some 250,000 oz of gold has been mined from within the SRK defined depletion volume.

There is no record that the Central Breccia, which is located just over 1 km from the America-Constancia underground workings, had been discovered prior to 2011, and it is certain that it was not exploited by Noranda or by subsequent artisanal miners.

5.2 History of Exploration

The La India Mining District was explored extensively with Soviet government aid when mining in Nicaragua was state controlled (1986-1991). The organisation, INMINE, sampled the underground workings, drilled 90 holes, 59 on what is now La India-ESP Concession and excavated numerous surface trenches. They estimated that the entire District had the potential to host 2.4 Moz gold at a grade of 9.5 g/t Au (Soviet-GKZ classification C1+C2+P1) of which 1.8 Moz at 9.0 g/t Au falls within the La India-ESP Concession, including 2.3 Mt at 9.5 g/t Au for 709,000 oz gold at the within C1+C2 classification.

In 1994, the mining industry in Nicaragua was privatised and Canadian Company Minera de Occidente S.A. (subsequently renamed Triton Mining SA) obtained a large concession holding including the entire La India Project area excluding the Espinito San Pablo and Espinito Mendoza Concessions. The Espinito San Pablo Concession was subsequently sold to Minera de Occidente, and in 2011 was officially merged into the La India Concession. The Espinito Mendoza was held by a private Nicaraguan company until 2006 when it was temporarily sold to Triton Mining S.A. (“Triton”) until it was returned to the original owners and sold to Condor in 2012.

Exploration during this period, 1994-2009 was undertaken by a combination of the concession holders Occidente Minera/Triton Mining and by joint venture or option partners. It is worth noting that the owners of Nicaraguan registered Triton Mining have changed through time from a joint ownership by Triton Mining Corporation and Triton USA to Black Hawk Mining Inc (1998) to Glencairn Gold Corporation (2003) to Central Sun (2007) and finally to the current owners B2Gold Corporation (2009). The following outlines the principal periods of exploration undertaken on the La India Project during this period.

1996-1998

TVX Gold Inc (“TVX”, a Canadian listed mining company) evaluated the La India Concession and outlined a resource of 540,000 oz gold and 641,000 oz silver on the La India and America-Constancia veins. TVX re-opened a number of adits and collected approximately 500 underground channel samples. It also mapped the principal veins at between 1:500 and 1:1000 scale using tape and compass mapping and trench sampled over 500 trenches for over 800 channel samples. The UTM coordinates presented on the map sheets at the start of each traverse appear to be NAD27 format, but field verification by the Company has demonstrated that the coordinates are inconsistent with field locations and that no consistency in the error is present. The reason for the difference in coordinates is not known, however Condor has undertaken and continues to undertake a programme of relocating TVX maps and trenches on a systematic basis. Only verified trench locations have been included in the digital database provided to SRK. TVX also drilled 12 drillholes for 2,204 m into the La India Vein system, principally targeting the down dip extension of the India Vein below mine workings with a couple of shallow drillholes testing the perpendicular Arizona Vein.

2000-2001

Under an option agreement, Newmont Mining Ltd ("Newmont Mining") undertook regional mapping and some trench sampling in the district, targeting low grade bulk mineable stockwork zones. Its main area of focus was the north and east of the La India Project area.

1996-2010

Triton completed 8 drillholes for 1509 m on the India Vein testing mineralisation down-dip and along strike of the main mine workings. The assay results were not reported and the core was re-sampled by Condor in 2010/11 with the results incorporated in the most up to date exploration database.

2004-2005

In 2004-2005, Gold-Ore Resources Ltd ("Gold-Ore"), through a joint venture with Glencairn over the northeastern part of the La India Concession, conducted underground sampling and drilled 10 DD core holes for 1,063 m into the Cristalito-Tatescame Vein of La India Concession. Underground sampling of the 570m level returned a weighted average of 1.6 m at 21.7 g/t Au. The drilling confirmed mineralisation over a 200 m strike length to a depth of 150 m with best intersections of 5.3 m at 9.43 g/t Au from 94.6 m in drillhole DDT-09.

2006

In 2006, Triton completed a number of twin trenches, including at least 9 on the Tatiana Vein, which confirmed the Soviet intersections. It also completed three drillholes on the part of the Tatiana Vein that falls within the Espinito-Mendoza Concession, the results of which were disappointing and included twinning of a Soviet Drillhole PO74 which returned only 0.8 m at 6.94 g/t Au compared with the original Soviet intercept of 2.7 m at 11.25 g/t Au. It is noted that recovery through the mineralised zone was poor, typically less than 70%. This contrasts with the Soviet drilling which used short interval percussion drilling through the ore zone to avoid the recovery problem. It is speculated by the Company that the poor recovery in the DD drilling is the cause of the low grade, further verification work will be required to test this theory. In 2007, Triton published an NI43-101 Inferred Mineral Resource of 558 kt at 8.8 g/t Au for 158,600 oz gold for the part of the Tatiana Vein.

6 GEOLOGICAL SETTING AND MINERALISATION

6.1 Introduction

The following section has been taken from the December 2011 SRK Mineral Resource report entitled "A Mineral Resource Estimate for the La India Gold Project, Nicaragua", dated 13 April 2012, and revised by Condor during September 2012 to update and add material where appropriate. SRK has completed a site visit to verify the geological interpretation and is satisfied that the following section represent a true representation of the geological conditions of the La India Project.

6.2 Regional Scale Geology

La India Mining District is located near the southwestern margin of a broad belt of Tertiary volcanic rocks that forms the Central Highlands of Nicaragua. The Central Highland volcanic belt is bounded to the east by a major normal fault that marks the edge of the NW-SE orientated Nicaraguan Graben. The eastern boundary of the Central Highland volcanic belt is less well defined and consists of a more gradational topographic change to the lower topography where the surficial geology is mixed Eocene-aged volcanic (Ehrenborg 1996) and older basement rocks. The basement rocks are described as pre-Jurassic and include low metamorphic grade phyllites and schists, granites, ultramafics and carbonate sediments (Venable 1994).

The Central Highland volcanic sequence is generally divided into a lower widespread thick sequence of intermediate to felsic pyroclastic deposits and ignimbrites called the Matalgalpa Group. This is overlain by the Coyol Group which consists of basaltic, intermediate and felsic volcanic flow and pyroclastic rocks originating from numerous volcanic centres identified by felsic domes, basaltic to andesitic strato-shield volcanoes or caldera complexes.

The volcanic belt was originally formed by melt derived from the subduction of the Cocos Plate beneath the Caribbean Plate where they collide to the southwest of Nicaragua. Subsequent roll-back of the subduction zone has shifted the volcanic activity further southwest. Weinberg (1992) recognised three post-Oligocene phases of deformation in Nicaragua as follows:

- Late Miocene to Early Pliocene: NE-SW–directed compression and uplift in close temporal association with opening of NE-oriented fractures;
- Pliocene to Early Pleistocene: rollback of the subduction zone resulting in extension along NW-trending normal faults of the Nicaragua Graben; and
- Late Pleistocene to recent: dextral transcurrent deformation along NE-SW trending faults associated with the active volcanism in the Nicaragua Depression.

Areas of schistose basement to the north and east of the Central Highlands have a very strong NE-SW oriented topographic grain, which SRK interprets as a manifestation of the principal structural fabric of the basement rocks of the Chortis Block, In the Bonanza-Siuna-Rosita Mine district, 240 km northeast of La India, the principal structure is the Bonanza Lineament, a NE trending magnetic low which is traceable for 75 km which is interpreted to be a major crustal structure (Wilson, 2010). Such NE-SW structures appear to have been reactivated under tertiary subduction-related stresses as transform faults in the Central Highland Volcanic belt.

6.3 Local Scale Geology

The La India Mining District is located within a tertiary-aged strato-shield or caldera volcanic Complex (Ehrenborg 1996). The boundaries of the particular volcanic complex that hosts La India District are difficult to define due to the disruption along a series of NW-SE and NE-SW orientated faults (as illustrated in Figure 6-1), however topography suggests that the central caldera is located 5 km to the South-east of the district. Only 10 km to the southwest the Complex has been truncated by the major normal fault of the Nicaraguan Graben. The interpretation of major structural features within the La India Mining District is shown in Figure 6-2.

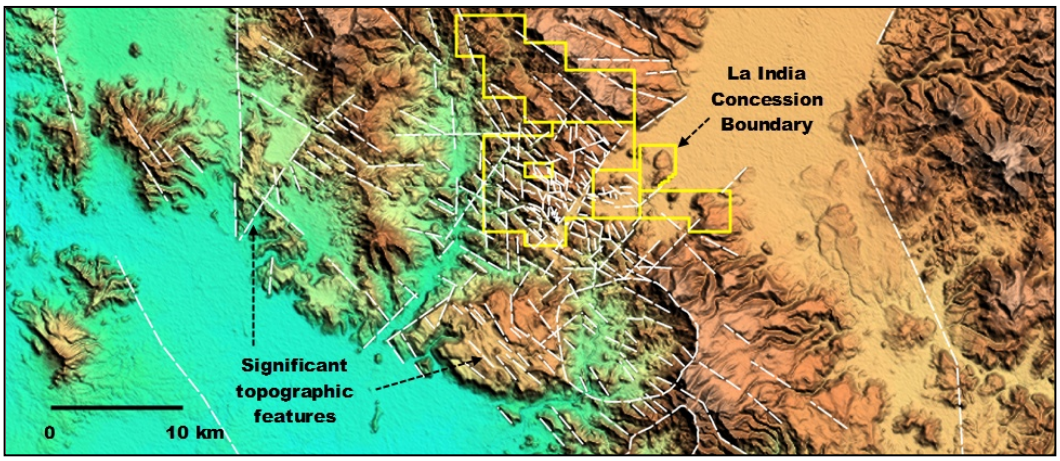


Figure 6-1: Significant topographic features within the La India Mining District highlighting major fault traces (September 2012) (Source: Condor)

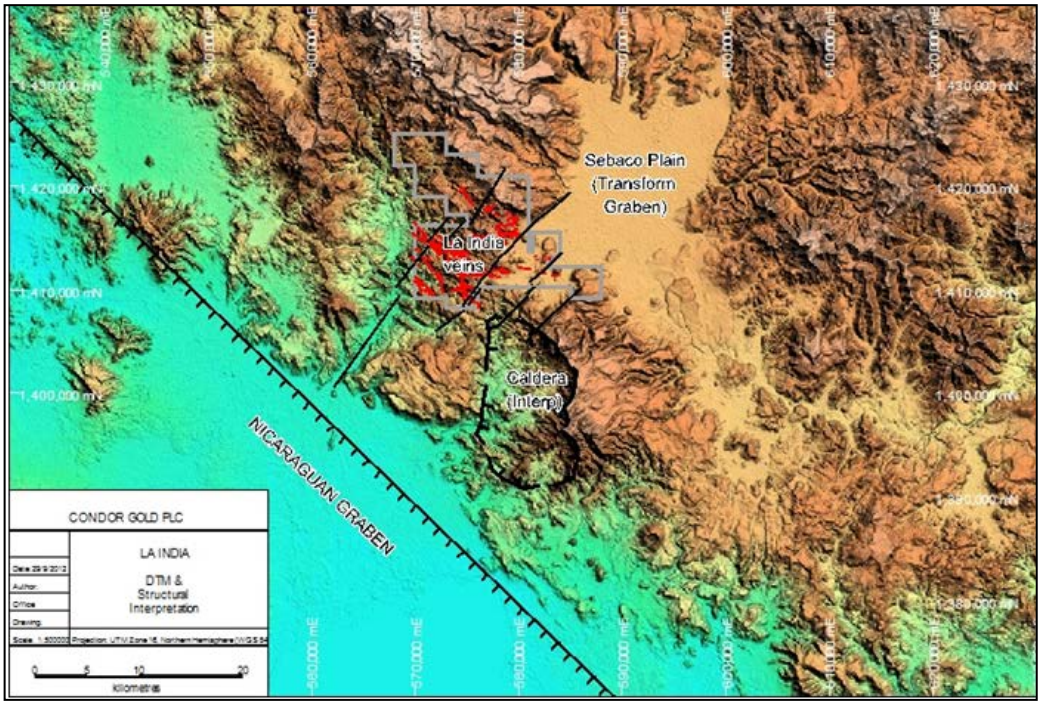


Figure 6-2: Interpretation of major structures and central caldera of the volcanic Complex hosting La India District gold mineralisation. Map shows La India Project concession boundary (grey), known vein traces (red) and major geological structures (black) (Source: Condor)

The stratigraphy of the La India district is dominated by a succession of Oligocene to Pliocene age volcanic rocks which may reach greater than 1,600 m in thickness. The volcanic rocks are basic to acid composition and are separated into three main subdivisions:

- Matagalpa Group: Oligo-Miocene age, sequence of intermediate to felsic pyroclastic deposits, ignimbrites and volcanogenic sediments.
- Lower Coyol Group: Miocene age sequence of basaltic-andesitic tuffs and pyroclastics dacitic and andesitic-dacitic flows which is locally thought to be approximately 700 m thick. This group hosts epithermal mineralisation in the La India District.

- Upper Coyol Group: Late Miocene to Early Pliocene age dacitic tuffs and lavas with lesser basaltic and andesitic flows, which exceeds 400 m in thickness within the La India District.

Only rocks of the Lower Coyol Group outcrop locally and all exposures visited are interpreted to be part of this package. Matagalpa rocks are only exposed towards the northeast.

6.4 Deposit Scale Geology

Introduction

The gold mineralision at La India Mining District are hosted by thick sequences of massive andesite flows, interbedded felsic and intermediate pyroclastic deposits including rhyolite to dacite flows and domes, welded ignimbrites and unwelded tuffs.

The principal structures that host the gold-silver mineralised epithermal veins at La India typically arc between a NS strike (Escondido Vein) a NE-SW strike (Andrea Vein on El Rodeo Concession) and an east-west strike (Cacao and Real de la Cruz veins). The more EW orientated structures truncate the more NS striking structures which have been interpreted by Bonson (2010) as linking structures. For example, the NS striking Escondido Vein is truncated in the north by the America-Constancia Vein and in the south by the EW striking Teresa-Arizona veins. The Teresa-Arizona veins also truncate the India Vein further to the south.

The structural relationship of the gold mineralised structures to the Nicaraguan Graben is apparent in the development of a graben-like structure along an axis running through the centre of the America Vein Set between the America-Constancia veins and the Guapinol Vein. All structures dip towards the Graben axis: those located to the north and east of the axis dip to the south and west (Guapinol, Tatiana, Las Lajitas, Buenos Aires and Andrea veins), whereas all structures located to the south and west dip in the opposite direction (America-Constancia, Teresa, Arizona, India and San Lucas veins).

Structural Interpretation

The topography of the La India district is incised by drainage systems which are interpreted to be controlled by geological structures, principally veins and fault zones (Figure 6-3, taken from SRK Structural Geology Review). Two primary structural systems operative are as follows:

- **NW or WNW-trending structures**: the most prominent of features oriented 110-290º to 140-320º with a modal orientation of 125-305º, sub-parallel to the main mineralised vein trend and most prominent as vein-parallel normal faults. The similarity in orientation and displacement to normal faults from the Nicaraguan graben system suggests such structures formed under the same tectonic episode.
- **ENE-trending structures**: a second set of structures trend NE or ENE, with the modal trace orientation being 045-215º. Two very prominent lineaments occur in the district and may represent basement controlled weaknesses which have been reactivated. However, they are not regarded as a major structural control on the mineralising system.

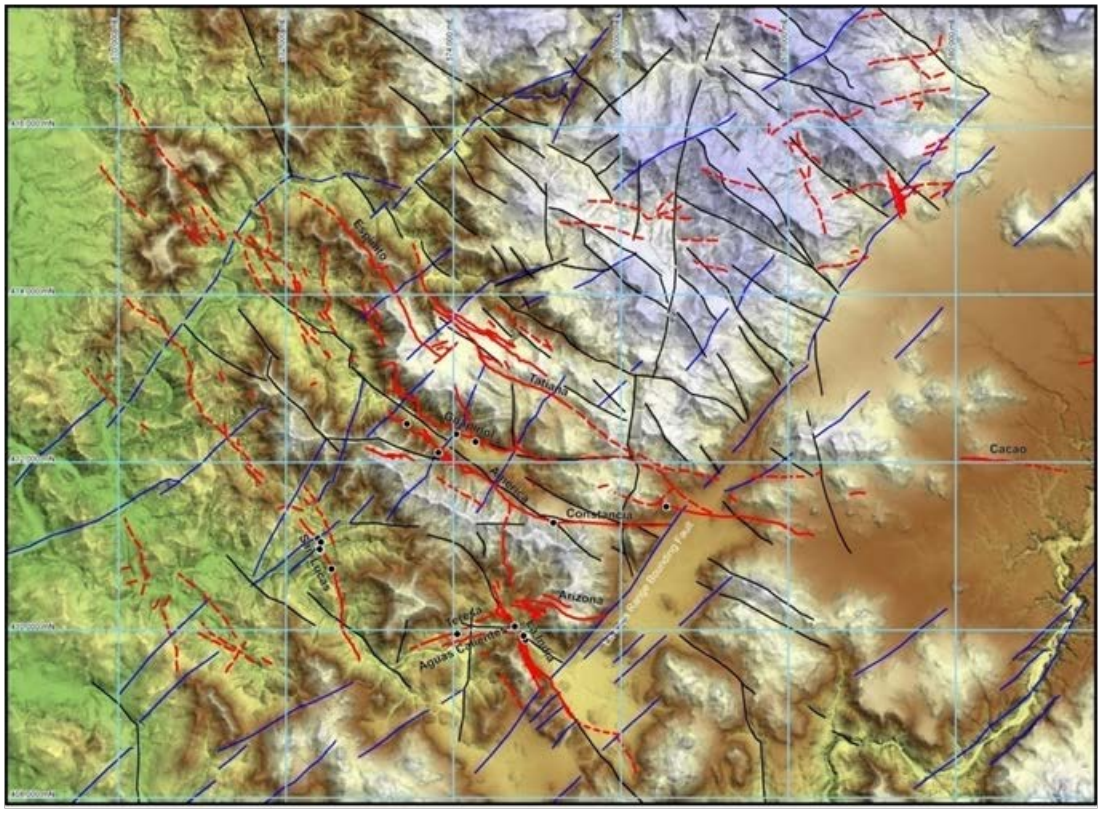


Figure 6-3: Interpretation of potential brittle structural features from the topography. Red lines are Condor's mapped and conjectured vein traces, blue lines are interpreted structures (Source: SRK)

The bulk of the gold mineralisation at La India is interpreted as forming in shallow, low sulphidation epithermal systems. Mineralisation associated with quartz vein systems and within well-confined hydrothermal breccias occurs. The exception is a recent discovery, the Central Breccia Prospect not included in the current Mineral Resource which appears to have been deposited near surface under higher sulphidation system.

Gold mineralisation occurs as fine gold-silver amalgam hosted by quartz and quartz-calcite veins with saccaroidal, chalcedonic and banded, vuggy and bladed textures; tectonically-brecciated quartz veins; and fault gouge and fault breccias.

According to Condor, the mineralised vein system can be broadly categorised into three continuous orientation trends, described as follows and shown in Figure 6-4:

- **WNW-ESE Veins**: these comprise relatively long, continuous veins sets (1 to 4.5 km) which trend WNW-ESE (for example, Constancia-America, Guapinol, Tatiana, Espinito, etc), but show a change in dip polarity across the district, with all veins dipping towards the Constancia-America-Guapinol axis.
- **NNW-SSE Veins**: these tend to comprise of shorter vein segments linked to the WNW-ESE vein set (for example, La India, San Lucas-Capulin).
- **ENE-WSW Veins**: This comprises of one vein set (Agua Caliente-Teresa) in the La India Vein Set and a few conjectured veins ENE of the area, including the Cristalito and Cacao prospect.

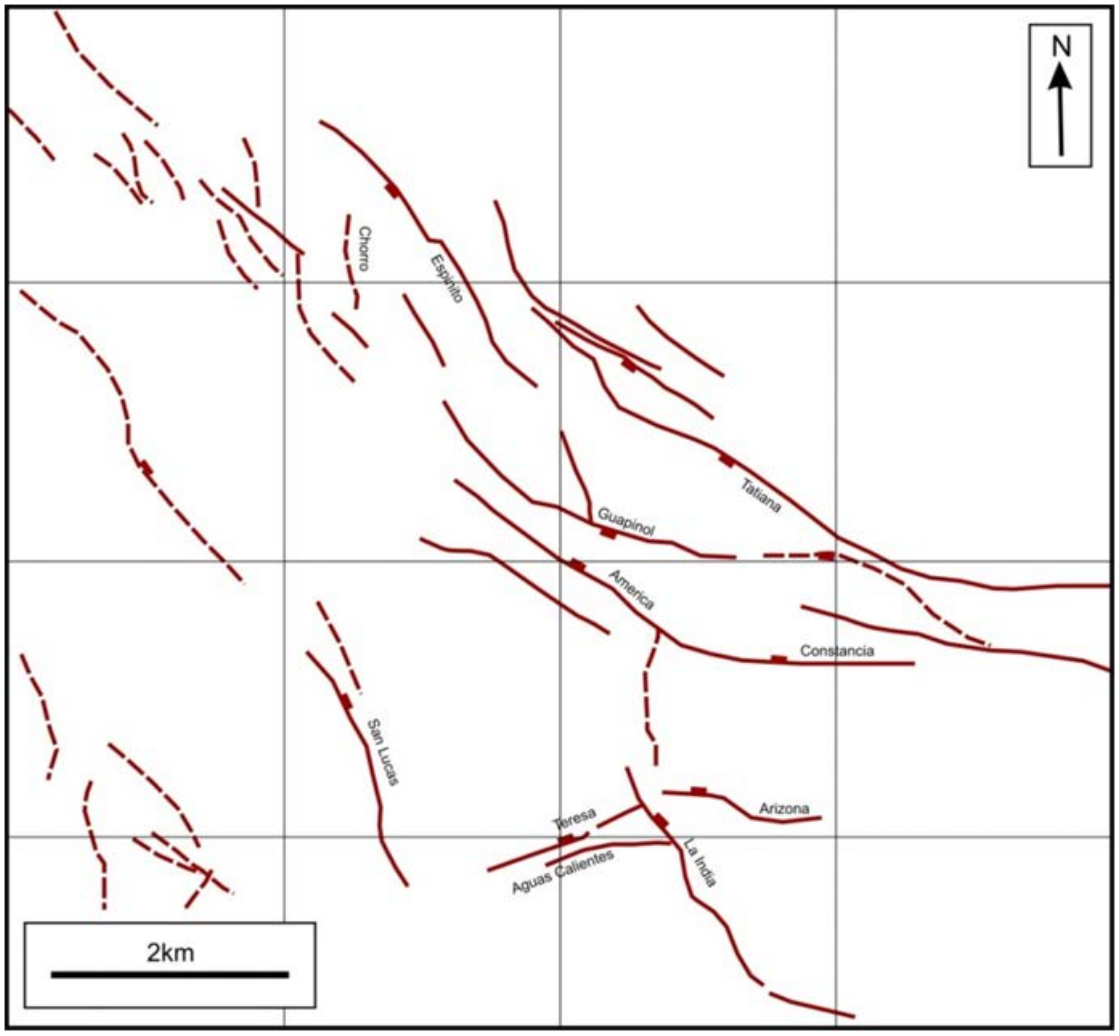


Figure 6-4: Simplified vein map of the La India district (excluding Tatascame-Cristalito and Cacao)

WNW-ESE trending elements have the longest traces and are interpreted to have formed as a response to a NE-SW oriented extensional regime which formed the Nicaraguan Graben during the Late Miocene to Early Pliocene. The veins in the district are interpreted as tensional veins or as fault-hosted shear veins.

NNW-SSE oriented vein structures are interpreted as linking structures which formed between the WNW-ESE vein systems, which relay displacement through the system as whole.

ENE-WSW to E-W trending veins are interpreted by Condor as the final stage of development in response to WSW-directed extension associated with the onset of the development of the later ENE-trending structures.

Deformation at La India is thought to have taken place at a very high crustal level. Together with the massive nature of rocks in the district, this suggests that any displacements on a fault had to be accommodated away from the fault by the creation of new fractures, therefore linkage between the veins is envisaged to have occurred at a relatively early stage in the development of the vein system; that is, after little displacement had accrued.

The dips of the veins are generally moderate to steep, although shallower dips are recognised such as the north end of La India Vein at 45° and the north end of the San Lucas vein where dips as shallow as 30° are recognised. The dip polarity of the faults changes: veins southwest of America-Constancia dip towards the NE and those NE of Guapinol dip towards the SW, which defines a graben-like symmetry about the America-Constancia-Guapinol axis.

Mineralogy

Gold is reported to consist of fine grained electrum and native gold ranging in size from 11 to 315 microns in length and from 6 to 300 microns in width. Metallurgical tests carried out by Lakefield Research show that 70% of the gold is in the 75 to +50 micron size fraction. A minor proportion of the gold was reported to be present as blebs within iron oxyihydroxides.

Vein Morphology

In most of the Project, including the La India and America vein sets, gold mineralised quartz veins and breccia zones form resistant ridges. In contrast some zones such as the La Mestiza and Tatescame-Cristalito areas, the gold mineralised structures occur within intensely saprolitically weathered bedrock (reported to extend to a depth of approximately 20 m) and are themselves quite altered within this zone. Within the saprolitic zone, gold values obtained from near surface vein material are only weakly anomalous, whereas samples from the base of the saprolitic zone are higher (Figure 6-5), indicating near surface leaching and basal enrichment within the zone. Silver is also present, but there are no detailed reports describing its occurrence and character.

In general, the veins consist of a complex mixture of fault breccias with vuggy stockwork veining, fissure like quartz veins with potassic (adularia sericite) altered wall rock fragments and selvages with varying amounts of clay gouge, feldspathic aggregates and, reportedly, alunite. Iron and manganese oxides are common as staining and aggregates within the veins and on veins and wall rocks.

Locally, the mineralised veins display anastamosing and bifurcating features, pinch and swell structures, fault brecciation and fault gouge. In areas where the veins diverge away from their predominant orientation (namely Tatiana and Buenos Aires), and where the veins appear to coalesce (namely California, Buenos Aires and Jicaro) there may be potential (in addition to the California veins) for more extensive dilatant zones, which the Company believe are be a target for open-pit potential (dependent on the relevant Mining Studies being completed). The Company need to conduct further investigation to test this potential during future exploration programmes.

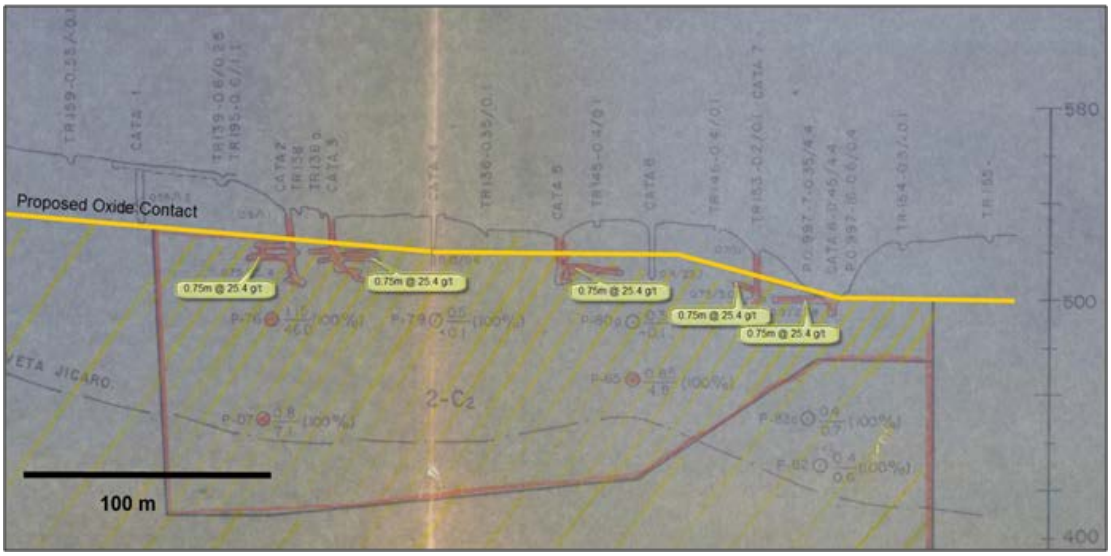


Figure 6-5: Historical Log Sections showing low grade sampling in Trench database, underlain by high-grade zones at transitional contact

2012 Exploration Programme Mineralisation and Results

The December 2011 SRK Mineral Resource Report documented a merging of parallel vein structures into a central brecciated zone, based on a few significant drillhole intersections. Subsequent drilling during 2011/2012 has confirmed this initial interpretation and further emphasised the presence of coalescing veins that bifurcate and re-join, most notably within the central region of mineralised structure, which SRK has modelled based on the initial interpretation provided by the Condor geological staff.

Figure 6-6 and Figure 6-7 illustrate the nature of the gold mineralised breccia zones that (particularly when in stacked sequences) are typical of some the wider mineralised zones encountered on the La India-California vein trend.

Figure 6-6: Gold Mineralised Breccia of the La India-California vein trend; image 1 (June 2012)

Figure 6-7: Gold Mineralised Breccia of the La India-California vein trend; image 2 (June 2012)

7 DEPOSIT TYPES

The gold mineralisation at La India is interpreted as forming in shallow, low sulphidation epithermal systems. The mineralisation has been noted to occur in two different styles:

- associated with quartz vein systems; and;
- within well-confined hydrothermal breccias.

The veins and stockwork zones are hosted within massive andesites, andesitic and felsic tuffs or felsic lava flow deposits. Veins are typically less than 3 m in width, but stockwork zones and stacked stockwork-vein zones can be up to 25 m wide.

Quartz veins, often including a brecciated component, vary in thickness and are most typically between 0.7 m and 2 m in thickness. In many areas, the wallrock hosts a breccia or stockwork zone with vuggy quartz veinlets up to 5 cm thick and accounting for up to 70% of the rock mass. The breccia/stockwork zone is typically up to 10 m thick and is associated with silica-haematite alteration. The quartz in the breccia zone may be gold mineralised, although the country rock component means that gold grades are diluted compared to the veins.

The grade of gold and silver can vary from a few grams per tonne to significant intersections with grades in excess of 30 g/t (>1 oz/t). The highest grade gold included in the resource is hosted by: (1) quartz and quartz-calcite veins characterised by epithermal features such as saccaroidal, chalcedonic and banded, vuggy and bladed textures; (2) tectonically-brecciated quartz veins characterised by vein quartz or polymict vein quartz and wall rock clasts in a silica-haematite matrix; and (3) fault gouge and fault breccias, often containing some finely ground silica (quartz). Gold mineralisation occurs as fine gold-silver amalgam with a gold to silver ratio of 1 to 1.5.

A recently discovered gold mineralised hydrothermal breccia, known as the “Central Breccia” Prospect, appears to represent gold mineralisation under higher sulphidation conditions. Low-grade gold mineralisation is associated with carbonate breccia cement and high-grade gold mineralisation is associated with argillic alteration and sulphide mineralisation. However, given the currently limited level of data and understanding, the Central Breccia is not included in the current Mineral Resource.

8 EXPLORATION

8.1 Mapping

8.1.1 Historical Mapping

A significant database was collated during the Soviet period between 1986-1988. Work completed during this period included geological mapping at 1:10.000 and 1:25.000 scales, geochemical prospecting at 1:10.000 scale, geophysics investigation (magnetic prospecting and electric exploration at 1:10.000 scale) and hydrogeological investigations, as well as land surveying work.

In 2000 – 2001, Newmont Mining completed an interpretative geological map of the area with the aim to define the extent of hydrothermal alteration, to locate and sample vein stockworks, and to identify bulk-mineable targets. Five areas with widespread hydrothermal alteration and encouraging surface gold values were identified, and a digital 1:50,000 scale geologic map and alteration overlay was produced. TVX also mapped the principal veins at between 1:500 and 1:1000 scale using tape and compass mapping and trench sampled over 500 trenches for over 800 channel samples.

8.1.2 Condor Gold Mapping

Condor is currently undertaking an on-going geological mapping programme at 1:5000 scale. To date, mapping has been completed over the main La India, America and Mestiza vein sets with ongoing expansion to the north and south and revision and refinement of the previously mapped areas. The mapping is supported by thin-section analysis. The 2012 geological mapping completed by Condor is shown in Figure 8-1.

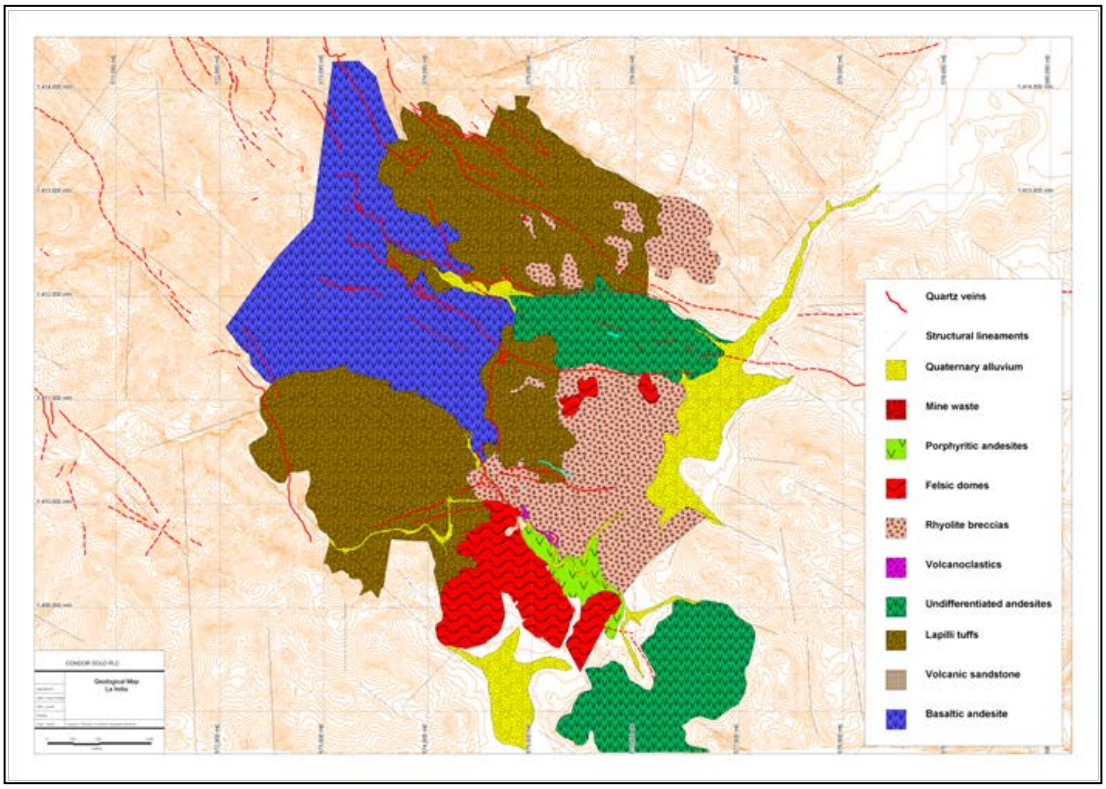


Figure 8-1: Geological mapping of the La India District for the La India, America and Mestiza Vein Sets (by Carlos Pullinger, Condor); September 2012

8.2 Surface Trenches

Surface trenches have been excavated to access and sample in situ rock beneath overburden, which is typically less than 2.5 m in depth.

Previous explorers trenching programmes and Condor's trenching prior to 2012 was confined to manual methods, and there are therefore some areas with thicker cover where trenching failed to reach bedrock (resulting in areas where no samples were taken). In total almost 1,021 trenches for approximately 9,900 m have been completed historically during exploration by the different companies.

The following trenching programs have been completed by Condor:

- During 2011, Condor completed a number of trenches to assist in the geological definition of certain veins by confirming the location of surface projections. An additional trench programme was completed over the central portion of the La India vein-system in an area which was mapped as having breccia material. The resultant trenches located a relatively wide breccias zone at surface (40 – 50 m wide) in two trenches 25 m apart, providing the Company with an area for further follow-up investigation. A 235m manual trenching programme was completed to follow-up a gold mineralised rock chip sample collected on the Central Breccia Prospect. A significant surface mineralisation zone was defined which was subsequently confirmed by drilling.
- In 2012, Condor successfully excavated a number of trenches using a mechanical excavator to sample bedrock beneath colluvial material that was between 2 m and 4 m deep on the hangingwall of the central portion of the La India Vein. The resulting mineralised intercepts which included some wide gold mineralised breccia zones were correlated with underlying drillhole samples to help guide the geological model to surface. Further infill and extension trenching using a combination of manual and mechanical trenching was completed on the Central Breccia to try and better constrain the surface gold mineralisation. A total of 1392m of trenching has been completed on the Central Breccia to date defining a 150m x 300m alteration zone and a 70m x 150m core containing zones of high-grade gold mineralisation.

8.3 Underground Sampling

Historically some 10,000 original underground mine grade control channel samples have been taken on eleven of the veins within the La India Project. The samples have been typically taken along the main development drives.

For recently collected underground mine sampling, separate samples have been taken horizontally from the hanging wall, vein and footwall in the side wall of the adits.

The protocol for mine sampling is summarised as follows:

- Samples taken horizontally across the wall due to the high angle dip of the veins.
- The sample lengths are measured horizontally and are not true widths measured perpendicular to the vein.
- Samples are taken by Condor samplers who work under the instructions of a Condor geologist.
- The samples are taken in a continuous channel by hand using a lump hammer and chisel.
- The sample is collected directly into the sample bag which is held open immediately below the sample channel.
- Some of the larger pieces of rock are broken by hammer during the quartering process.
- The sample is collected in a small bag of thin plastic which is sealed by tying a knot in the top. The sample weight is 3.0 to 4.0 kg.
- The sample location and sample type is written in a book of consecutively numbered assay tags and a tear-off numbered tag is placed in the sample bag. A geological description is made and recorded on the drilling logs.

- The mine samplers record the sample location by sample number on a 1:50 scale hand-drawn cross-sectional log and fill out a Microsoft Excel spreadsheet recording collar, survey, sample and geology in a format that is compatible with Micromine 3D mining Software.

8.4 SRK Comments

SRK has reviewed the sampling methods and sample quality for the La India project and is satisfied that the results are representative of the geological units seen and that no underlying sample biases have been identified. SRK does however comment that in some areas due to topographic constraints that it has been difficult to ensure/verify that full sample have been taken. The use of long trench sampling using a mechanical excavator to sample bedrock beneath colluvial material that was between 2 m and 4 m deep has been a useful exploration tool and identified surface exposures of the La India – California veins, previous defined as pinching out. The mechanical trenching has also been useful to delineate the surface limits of the more recently discovered Central Breccia, which displays potential for additional Mineral Resources for the project with further investigation, namely at depth.

It is SRK's overall view that the sampling intervals and density of samples are adequate for the definition of a compliant Mineral Resource Estimate.

9 DRILLING

9.1 Historical Exploration

This section will briefly describe the exploration drilling data currently available, summarising the work completed by Soviet-INMINE, TVX and Gold-Ore and Triton.

9.1.1 Soviet-INMINE

Soviet-INMINE drilling targeted six veins: La India, America, Guapinol, Espinito, Buenos Aires and Tatiana, with the objective of evaluating the mineralized zones in the deep levels.

The drilling work in general was conducted in two stages; the initial, generally unsuccessful drilling phase was aimed at testing the depth potential of the principal veins. The more extensive second phase was aimed at testing veins with little or no historic mining such as the Guapinol, Espinito, Tatiana and Buenos Aires veins with a 160-480 m grid spacing, with infill drilling on an 80-160 m grid.

The drilling direction was perpendicular to the strike of the structure or at a high angle to the vein. The holes were drilled with an angle of 67-81º with an interception angle of the mineralized body of not less than 30º, the depth of the drilled holes ranged between 40-80 m in shallow holes and up to 140-180 m for deeper intersections. The drilling was continued a satisfactory distance beyond the vein into the footwall of the silicified zone and into fresh rock.

During the initial exploration (1987-1988), 8 deep holes of 230-340 m were drilled using traditional DD drilling techniques, but reported poor sample recovery as no specialist drilling fluids/muds were used. During the 1988–1989 exploration drilling campaign, predominantly shallower targets were tested by drilling with a modified method using SSK-59 and KSSK-76 rigs, and specialist drilling fluids/muds (bentonite and caustic soda), and core recovery improved significantly. The core diameter in the intersections of the mineralised intervals ranges from 35 mm (SSK-59) up to 57 mm (76 mm crown ejector). The length of the run in the mineralized zone, with the SSK-59 and KSSK-76 drilling equipment was limited to 0.6 m, and as a rule, it did not exceed 1.0-1.3 m.

9.1.2 TVX

TVX, between 1996–1998, completed a data verification programme focused on the La India vein and veins in close proximity. A total of 12 holes (DH-LI-01 to DH-LI-10) were drilled using conventional DD drilling techniques, which included two re-drills of holes with difficult ground conditions. Limited information exists on the downhole surveys of the drillholes, with only the initial planned collar dip and azimuths recorded in the database. All data has been captured digitally in a series of graphical logs which have been reviewed by SRK.

9.1.3 Triton

Triton completed a series of 8 drillholes at La India vein in 2004 (LIT-11 to LIT-18). No assay results were available for these drillholes and therefore the Company undertook a core re-sampling programme during 2011, submitting half core samples to certified laboratory BSI-Inspectorate for assaying. The results were used in the estimation of block grades.

9.1.4 Gold-Ore

Gold-Ore completed 10 holes in 2004 at Cristalitos-Tatascame using conventional DD drilling techniques. SRK has been supplied with downhole survey information for the start and the end of each hole, with hole lengths varying from 37 to 180 m. The digital database provided included geology logs of major units and a total of 238 gold assays were completed during the programme.

9.2 Condor Drilling Campaigns

9.2.1 Cacao Concession (2007/2008 Campaign)

Of the 22 holes drilled at Cacao, 21 were drilled using a UDR650 multi-purpose drilling rig mounted on a six-wheel drive truck. The drilling rig was owned and operated by Honduras based R&R Drilling. All these drillholes were collared using the RC techniques, at which stage the drill rig's compressor was supported by a 650/350 compressor mounted on a twin axel commercial truck. The water table was generally intercepted between 40-70 m depth. Wet sample return always occurred at the water table and drilling was then converted to NQ DD core drilling.

The collared RC drilling used 3½ inch diameter rod string composed of 3 m rods coupled to a 4½ inch bit face sampling hammer. DD core (BQ) drilling proved very slow, with poor recovery, often less than 60% in the mineralised zone. Poor recoveries have led to trials of alternative drilling methods.

RC Sample Sampling Collection and Procedure

RC samples were collected in plastic buckets directly from a cyclone receiver and manually passed through a riffle splitter on site. The splitter was set to divide the samples into an approximate 20:80 ratio; the smaller sample was collected directly into 40 x 25 cm cotton sample bags, whilst the larger bulk sample was collected in 80 x 40 cm plastic bags. Both sample bags were labelled by drillhole ID and depth interval using a marker pen on the outside of the bag and with an aluminium tag placed inside the bag. Usually a composite sample of 4 m (or less where it coincided with the end of a hole) was collected from the larger bulk sample bags.

The composite sample was collected using the 'spear-sampling' method with a section of 5 cm diameter plastic pipe cut at a low angle to its long-axis at the sampling end. Composite samplers aimed to collect approximately 0.6 kg of sample from each metre interval to provide a composite sample weighing between 2-3 kg. Where mineralisation was suspected or composite samples had returned assay results exceeding 0.1 g/t Au, then the single metre original riffle split sample was submitted for assay. The bags were re-labelled with a unique sample number with both a marker pen on the outside of the bag and a new aluminium tag inside the bag and protected within a clear plastic bag to prevent damage and contamination during transport. Note that only single metre riffle split samples are considered valid for use in the resource calculation, composite samples are only used to provide evidence of the presence of gold.

Drill Core Sampling Procedure

The DD core was marked for metre intervals and orientation marks where possible, photographed and logged by a geologist at the drill site. Drill core was sampled at 1 m intervals except where geological boundaries, such as quartz vein contacts occurred. In such places the sample limits were adjusted to coincide with the geological contacts within a sample range of 0.2-1.5 m. Where drill core orientation surveying had been successful, the core was cut along the vertical axis and the right hand side of the drill core was submitted for assay. If no orientation was possible, as was the case for the majority of the core, the core was orientated with the dominant foliation approximately perpendicular to the core axis, the core cut vertically and the right hand side submitted for assay. Half core samples were submitted for assay throughout the length of core recovered. A bulk density measurement was made on all samples of core exceeding 10 cm in length.

9.2.2 La India Concession (2011 Campaign)

Condor commenced drilling on the 28 January 2011 as part of a 5,000 m drilling campaign with the aim of increasing the current levels of Inferred Mineral Resources along strike of known mineralisation. An initial programme of 5,000 m was planned, but based on positive results this was increased to approximately 12,000 m, before completion of the current updated Geological Model and Mineral Resource Estimate.

Condor drilled a total of 10 veins: La India, America, Constancia, Guapinol, Arizona, Teresa, Agua Caliente, San Lucas, Tatiana. In addition to the veins the Company has completed an initial drilling programme on the Central Breccia with the objective of evaluating the orientation of the orebody and to test the mineralized zones at depth, based on the results of the trench programme.

The drilling work in general was conducted in two stages; the initial drilling phase was aimed at confirming vein potential with a 100 m along strike and 50-80 m down-dip grid spacing.

During the programme, Condor used a number of drilling contractors:

- Nicaraguan company United Worker Drilling with a Longyear 38 drilling rig powered by a diesel motor and capable of drilling HQ and NQ core. This drilling rig proved capable of drilling to a maximum depth of approximately 200 m and was mostly used for drilling holes less than 150 m depth.
- E Global Drilling Corporation of Canada through local subsidiary Energold Drilling with a portable, diesel-powered all-hydraulic drilling rig fitted to install NW casing to 50 m and to drill HQ, NTW, and if required BTW core using 5-foot long (1.52 m) thin-wall drilling rods.
- R&R Drilling of Hondurus using two conventional DD core drilling rigs. A Longyear 38 powered by a diesel motor and a Boyles 56. Both rigs were capable of installing NW casing and drilling HQ and NQ core. The Boyles 56 was fitted with heavier drilling head and was utilised as the first choice rig for drillholes of over 250 m depth.
- Rodio-Swissboring of Guatemala using a track-mounted Christensen CS-1000 dual purpose RC and DD core drilling rig to allow drilling using an RC pre-collar and DD core tail. The RC drilling employed a 4" face sampling hammer equipped with 5" to 4 ¾" button type bits and 4 ¾" to 4 ½" tricone roller bits and fed by a trailer-mounted diesel powered Ingersoll Rand XHP 1070 CFM 350 psi air compressor. Core drilling used NW casing and conventional HQ and NQ tools.

Conventional DD drilling techniques were used to complete the programme, with the exception of the R&R DD drill rigs which have also utilised a pressure regulator which limits the amount of water at the drill bit. The method has been employed in an attempt to limit the potential washing away of high-grade fine material and has also resulted in improved core recovery. The majority of the holes have been drilled using HQ down to 200 m before stepping down to NQ.

SRK reviewed the drilling procedures during the site visit and is satisfied they meet Industry Best Practice guidelines. SRK noted the improved core recovery in the R&R drilling and recommends this methodology to be used as standard should further testwork confirm the initial results of improved recovery.

A total of 78 drillholes have been completed between January and December 2011, which included four re-drills. The minimum hole length within the programme was recorded at 92.1 m (Guapinol), with the longest recorded as reaching 327.0 m (La India). A total of 68 holes had been completed and assayed and were available in the database for use in the 2011 Mineral Resource update. The total metres drilled for the programme based on the digital database provided by the client for 2011 was 12,013 m, but it is noted that assays had not been received for all holes in the programme at the time of the December 2011 Mineral Resource estimate, namely on the Guapinol and America veins.

9.2.3 La India Concession (2012 Campaign)

Sample Density

Condor completed 59 drill holes for 7,101 m (including 2,675 m RC drilling and 4,426 m of DD drilling) between mid-April and the end of July 2012, on the La India-California vein trend with the aim of increasing the portion of the overall Mineral Resource within the Indicated category, namely in areas considered to have open pit and underground mining potential.

Drill results have been received for the Guapinol and America veins, which totalled 7 holes on Guapinol (1,474 m) and one hole on America (307 m). SRK note that these holes were drilled at the end of the 2011 drilling programme, and not included in the December 2011 Mineral Resource estimate.

A summary of the additional La India Concession holes and locations is shown in Table 9-1, Figure 9-1 and Figure 9-2.

Table 9-1: Summary of 2012 La India Project Drilling

Deposit	No. Holes	Total Metres	Min Length	Max Length
La India-California	59	7,101.0	32.0	260.6
Guapinol	7	1,474.0	40.5	413.2
America	1	307.0	307	307.0

In addition, Condor completed 5 drill holes for 866m on the Central Breccia Prospect which was discovered in 2011 along the America Vein Set trend (Figure 9-2). These holes were completed at the end of 2011 and early in 2012 but have not been included in the current mineral resource estimate due to the limited amount of drilling

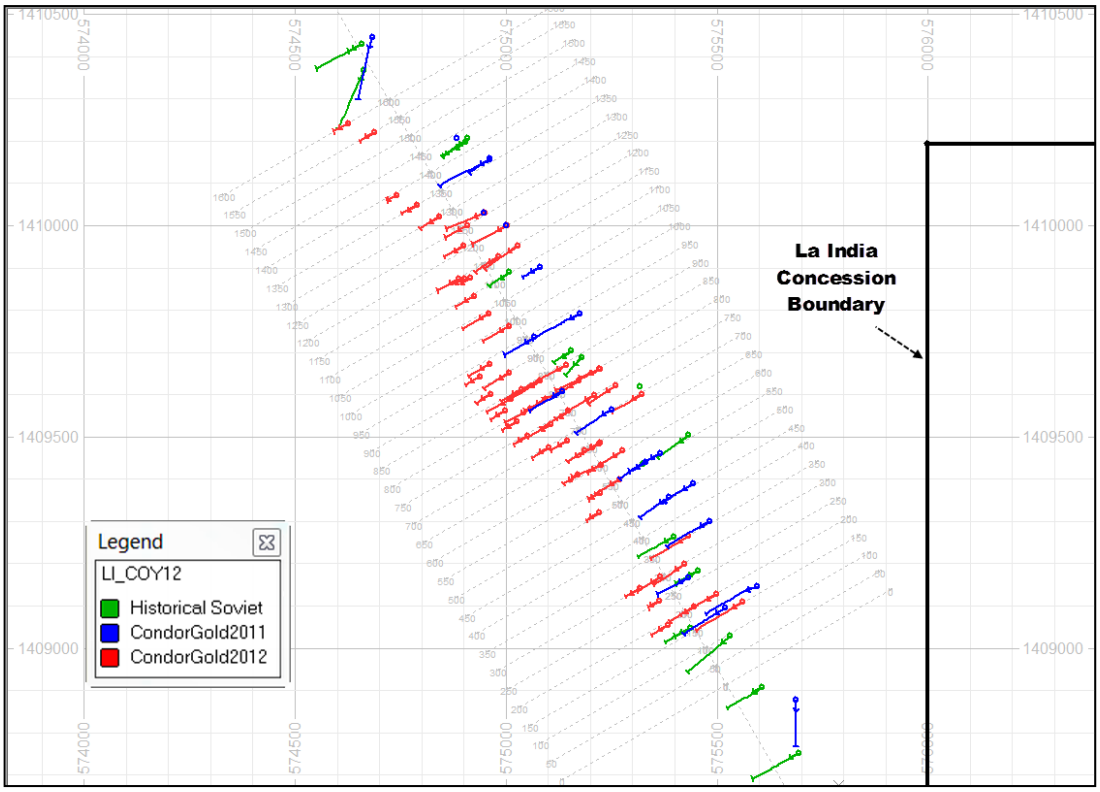


Figure 9-1: Plot showing location of new drilling (2012) and previous drilling phases (by company) on the La India-California vein trend (new holes shown in red) (Source: SRK)

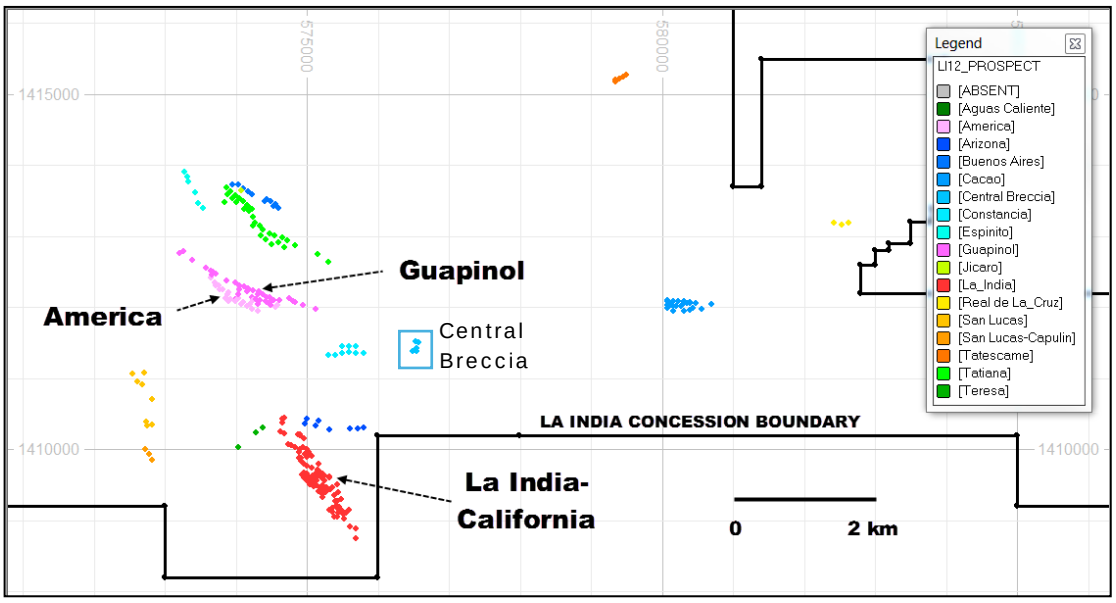


Figure 9-2: Location (collar plot) of Veins updated during the 2011/ 2012 La India Project Drilling Program (September 2012) (Source: SRK)

The predominant drilling direction at the La India-California veins has been to the southwest which is perpendicular to the main orientation of the veins. The drilling has been completed from surface using DD and RC drilling techniques (Figure 9-3), using the drilling contractors listed below:

- E Global Drilling Corporation of Canada through local subsidiary Energold Drilling with a portable, diesel-powered all-hydraulic drilling rig fitted to install NW casing to 50 m and to drill HQ, NTW, and if required BTW core using 5 foot long (1.52 m) thin-wall drilling rods.
- R&R Drilling of Hondurus using two conventional Boyles 56 DD core drilling rigs. capable of installing NW casing and drilling HQ and NQ core.
- Rodio-Swissboring of Guatemala using a track-mounted Casagrande C-8 reverse circulation (RC) drilling rig cabable of drilling up to 120m depth. The RC drilling employed a 4" face sampling hammer equipped with 5" to 4 ¾" button type bits fed by a trailer-mounted diesel powered Ingersoll Rand 900CFM 350 psi air compressor.
- Canchi Perforaciones de Nicaragua S.A. from Panama employed a track-mounted CANCHI JS 1500 drilling rig using a hydraulic system capable of drilling PQ, HQ and NQ core and powered by a 6 cylinder turbo diesel motor. They were employed at the end of the programme to drill two trial holes using PQ starter in an attempt to improve recovery and penetration for deeper drill holes.

Figure 9-3: Rodio-Swissboring RC Drill Rig being set up during the 2012 Drill Program; June 2012

SRK conducted a site visit to a drilling rig during the June 2012 site visit which was found to be in good working order and following industry best practice. The Company employ geologists who are assigned to each drillhole, and core logging was conducted by the Company geologists.

Sample Integrity

During the drilling campaigns and sample preparation phases, several procedures are in place to ensure sample integrity, including:

- DD core has initially been measured at the rig to determine geotechnical parameters, which are limited to core recovery and the rock quality designation (RQD). This is completed at the drilling rig by the assigned geologist. Once completed, the drill core is transported back to the core shed for further work.
- The core is initially photographed (both wet and dry) and logged by a geologist at the core shed, marked for metre intervals and orientation marked where possible.
- Drill core was sampled based on geological boundaries, such as quartz vein contacts, with sampling completed into the hangingwall and footwall for 2-3 m above and below the vein, no sampling was carried out for intervening rock. In such places the sample limits were adjusted to coincide with the geological contacts within a sample range of 0.2-1.5 m.

- Where drill core orientation surveying had been successful the core was cut along the vertical axis and the right hand side of the drill core was submitted for assay. If no orientation was possible, as was the case for the majority of the core, the core was orientated with the dominant foliation approximately perpendicular to the core axis, the core has been cut vertically and the right hand side submitted for assay. Half core samples were submitted for assay throughout the length of core recovered. In zones of poor recovery or broken core the Company has attempted to select half the material.

Hole Orientation

The 2012 programme has comprised of selective infill drilling on the La India and California veins from surface to a spacing of 50 x 50 m. Drillholes, where regularly spaced, are orientated between -60 and -75º predominantly orientated to the SW.

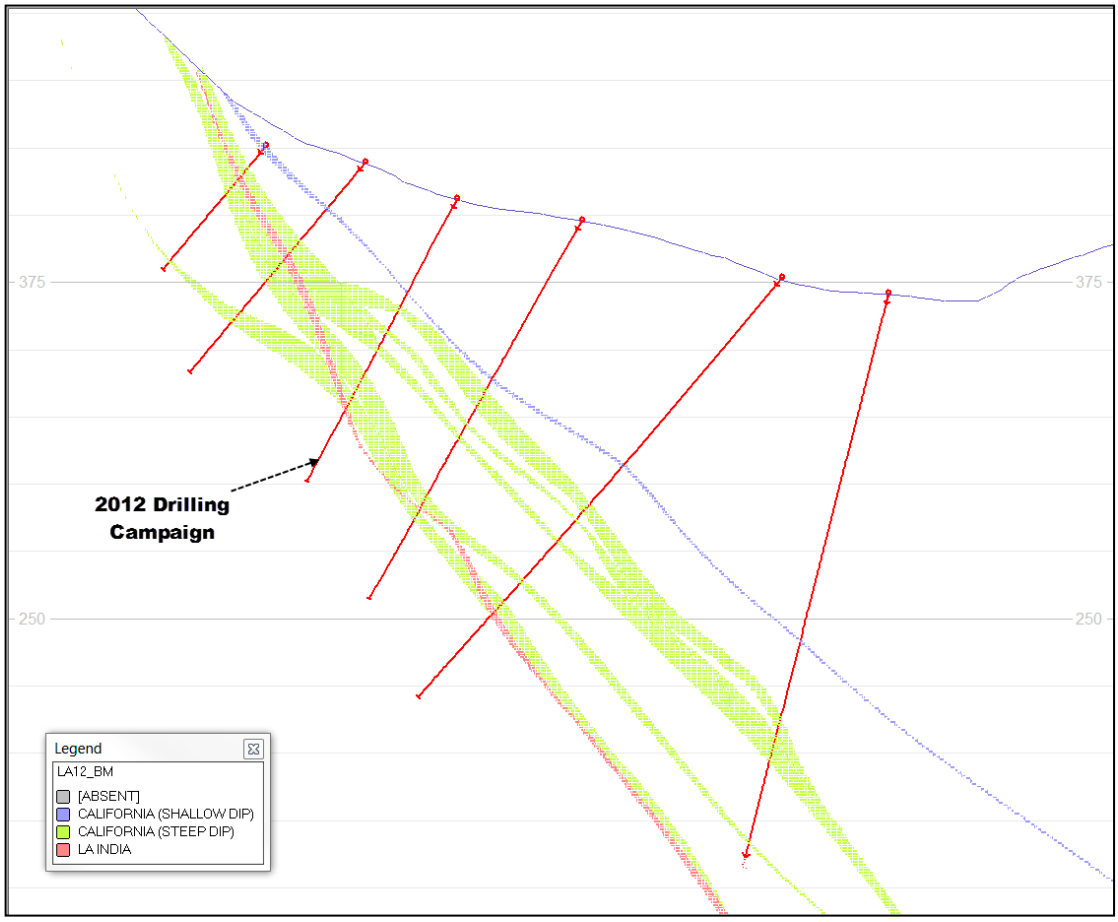


Figure 9-4: Cross section (Section Line - 850) through the La India-California veins showing holes drilled to the SW, confirming the width of ore zones (September 2012); red = new drilling (Source: SRK)

Collar Survey

All hole collars have been surveyed using a differential GPS and have been surveyed to a high degree of confidence in terms of the XY location. Data has been provided to SRK in digital format using both UTM grid coordinates.

Drillhole collar elevations have been adjusted for errors based on projections on a digital terrain model (”DTM”) survey, which gives contour levels every 2 m. It is SRK’s view that the collar locations are located with a high degree of confidence. Collar locations are marked on completion with a cemented block detailing key hole information including, borehole name, dip and azimuth.

Downhole Surveys

SRK has been supplied with downhole survey information for the start and the end of each hole, with readings at approximately every 30 m using either a clockwork Tropari or a Reflex EZ-shot digital single shot downhole survey measurement.

SRK noted during the site inspection that the Company had difficulty in completing downhole surveys on the RC drillholes, with only the upper portion of the holes recorded. SRK recommends the Company investigate the use of specialist equipment or specialist surveyors to verify the downhole surveys in future programmes.

Core Storage

All of Condor’s core from the La India and Cacao concessions is stored at the Company’s core storage facility at in the village of La India de La Cruz. The core sheds are purpose-built covered and ventilated structures with individual core box racks for ease of access and improved ventilation to reduce the dangers of rotting of the core boxes (Figure 9-5 and Figure 9-6).

Condor states the following in terms of its storage of historical drillcore:

- The historical DD drillcore has previously been stored at core storage facilities at El Limon Mine owned by B2Gold in October 2010.
- The historical core drilled by TVX (1996-97) and Triton (19) was moved to core racks within a vacant warehouse at the El Limon Mine.
- All historical core drilled on the Espinito Mendoza Concession (three drillholes) and Real de la Cruz Concession (three drillholes) was moved to the Company’s core storage facility at La India.

Figure 9-5: Core Storage Facility at the La India Project Site (June 2012)

Figure 9-6: Core Laydown Facility at the La India Project Site (June 2012)

9.2.4 Summary of Drilling Metres per Company

A summary of the total metres drilled per program and per vein are shown in Table 9-2.

Table 9-2: Summary of Drilling Statistics per Company and Deposit (September 2012)*

		Data			
Company	**Prospect**	**Count**	**Sum Depth**	**Min Depth**	**Max Depth**
Soviet-INMINE	America	19	2,819.00	69.4	432.4
	Buenos Aires	12	1,126.60	60	143.4
	Espinito	6	1,043.60	146	201.2
	Guapinol	35	3,239.60	27.8	253.2
	Jicaro**	1	108.6	108.6	108.6
	La India	6	1,805.80	233.6	396.1
	Tatiana	20	2,103.70	56.8	182.1
Soviet-INMINE Total		99	12,246.90	27.8	432.4
Triton Minera	La India[1]	7	1,323.00	131	215
	Tatiana	3	619.1	180	253.5
Triton Minera Total		14	1,942.10	110	253.5
TVX	Arizona	3	311	78.5	142.6
	La India***	9	1,681.90	28.1	300.6
TVX Total		12	1,992.90	28.1	300.6
Gold Ore	Cristalitos-Tatascame	10	1,063.50	37	180
Gold Ore Total		10	1,063.50	37	180
Condor	America	6	871.8	58.4	307
	Arizona	6	1,135.80	102.1	239.3
	Cacao	22	2,170.50	47	185.1
	Constancia***	10	1,306.40	46.9	241.4
	Guapinol	9	1,648.60	40.5	413.2
	La India***[2]	81	11,896.00	32	327
	San Lucas-Capulin	12	1,785.80	47.3	303
	Tatiana***	11	1,680.50	94.1	227.4
	Teresa/Aguas Caliente	3	557.8	135.6	231.7
Condor Total		166	23,053.20	32	413.2
Grand Total		**301**	**40,298.60**	**27.8**	**432.4**

* Summary of drilling used as the basis for the 2012 Mineral Resource Estimate

** Not included in current Mineral Resource.

*** Includes wedged holes with depth counted from deviation from parent drill hole

[1] LIT-18 for 186m discounted subject to further drilling

[2] LIRD081 for 287.7m discounted due to poor recovery.

Note in addition to the drilling summarised in Table 9-2, Triton completed an additional three preliminary exploration holes on the Real de la Cruz, and Condor has completed five holes on the Central Breccia target. At present no Mineral Resources have been declared on either of these targets.

9.3 Core Recovery

Difficult drilling conditions have been reported during the various campaigns at the La India Project. The Company have implemented a number of tests in an attempt to reduce any potential core loss, which included an investigation into triple tube DD drilling techniques (which revealed no significant improvement), and use of a pressure regulator which limits the amount of water at the drill bit (where water pressure is maintained at 350 Psi), and most recently drilling using wide PQ bits and rods.

SRK has completed a study on the core recovery from the various drilling campaigns completed at La India. Whilst it is noted that core recovery has not been recorded for all samples, the analysis shows that for the majority of samples the core recovery has been in excess of 90% (reported as 92% during the 2012 campaign), which largely relates to the country rock at the project (Figure 9-7).

To review the core recovery within the different veins and associated alteration zones SRK has copied out of the database all samples with gold grades greater than 0.5 g/t Au. The results indicated a mean recovery of 86.0%, which includes in excess of 60% greater than 97% recovery.

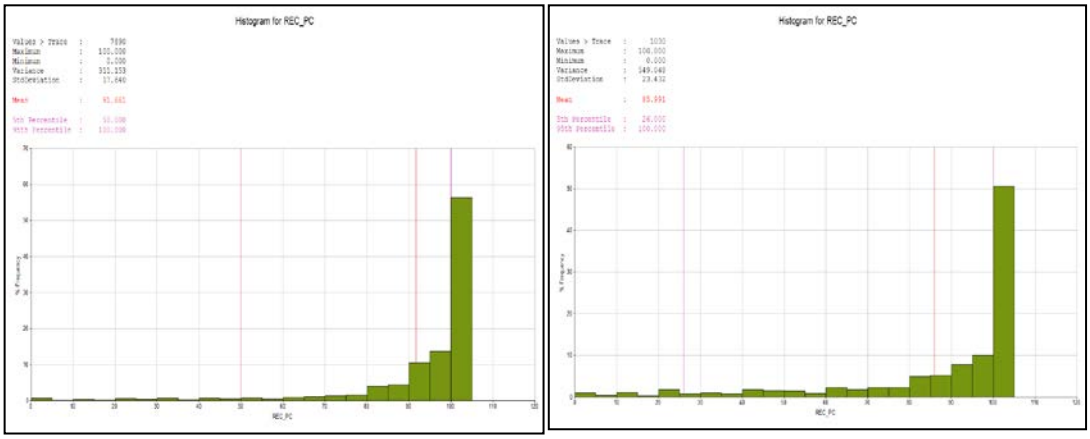


Figure 9-7: Histogram of Core Recovery for all samples (left) and in samples with gold grades in excess of 0.5 g/t Au (right); September 2012

To test for any possible bias in the resultant gold grades SRK plotted a scatter plot showing percent recovered versus gold grade (Figure 9-8). The resultant chart highlights 7 samples in which gold values of greater than 5 g/t Au were recorded, but with core recovery of less than 20%. Further investigation indicated at least one of these holes had been redrilled, and two of the holes relate to instances where mining voids (on the historic La India Mine) have been intersected on the La India vein, which are subsequently depleted from the geological model.

The analysis also highlighted that the best grades are typically recorded in samples with 100% recovery. SRK has concluded that while a number of high-grade intersections have been recorded for samples with low recovery, there is potential for low recoveries to report lower grades. It is possible this could be related to the loss of fines during the drilling process, and therefore all efforts should be made to maximise the core recovery (such as the pressure regulator used by R&R drilling).

In summary, SRK has noted the difficult ground conditions for DD drilling and sampling at La India but is satisfied that the Company is taking appropriate measures where possible to ensure core recovery is maximised.

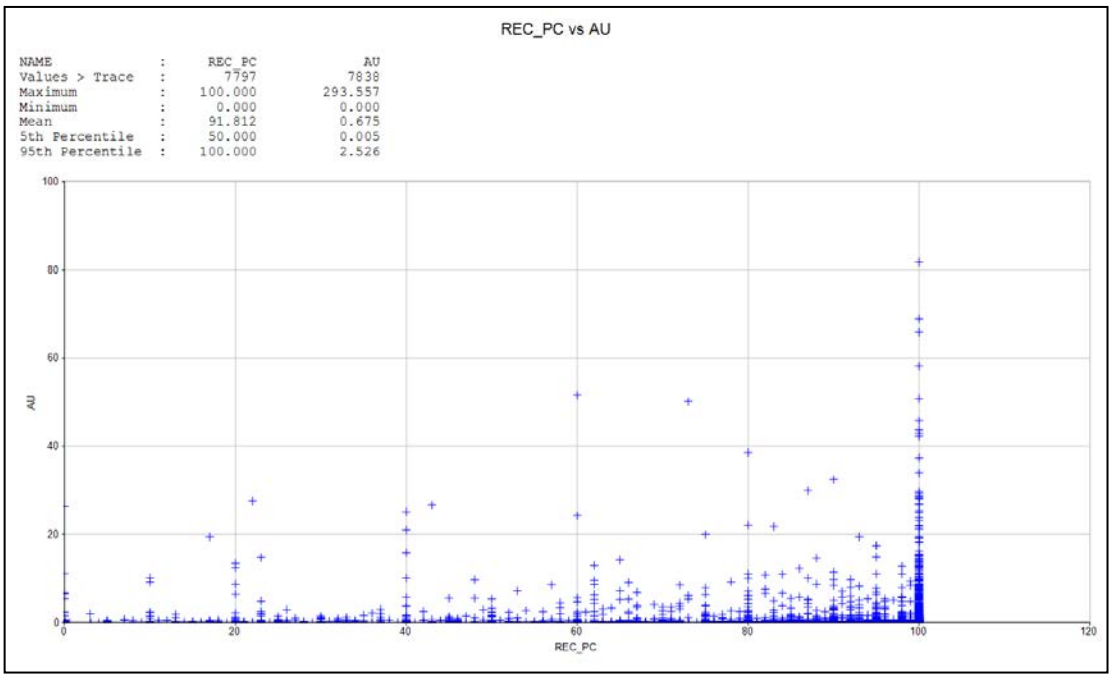


Figure 9-8: Scatter Plot of Gold grades versus core Recovery

9.3.1 SRK Comments

SRK has reviewed the sampling methods and sample quality for drilling database for the La India project and is satisfied that the results are representative of the geological units seen. Furthermore, no underlying sample biases have been identified. SRK has reviewed the core handling and logging and sampling procedures employed by the Company during the site visit which showed clearly marked sampling intervals. It is SRK's view that the sampling intervals and density of samples are adequate for the definition of the Mineral Resource Estimate presented herein.

10 SAMPLE PREPARATION, ANALYSES, AND SECURITY

10.1 Introduction

During the site visit SRK was able to visit the core shed facilities to review the methods currently employed by the Company. In terms of the historical sampling methods SRK has relied on the work documented within historical (INMINE) reports provided by the Company.

It is SRK's view that the current sampling methods and approach are in line with industry best practice and should not lead to any bias in the sampling and assay results. The following section focuses on the Sample Preparation and Analysis methods used during the Condor sampling programmes completed on the different Concessions. Samples have been prepared at different facilities/laboratories depending on the programme.

The Company has (during the course of the 2011/2012 drilling programs) completed check sampling on selected historical drillholes. SRK has not completed any further studies but has reviewed the results of the work as completed by Condor and agrees in general that the historical data is appropriately supported by the recent verification sampling. SRK has accepted the validated database as presented by the Company, however would recommend that the Company continues with verification sampling during the next phase to increase the size of the database for comparison.

10.1.1 Sample Security and Chain of Custody

The current Chain of Custody procedures for sample security are outlined as follows:

- At the drill rig the drilling contractors are responsible for removing the core from the bore barrel (using manual methods), and place the core in prepared core trays (3 m length). RC samples are split using a riffle splitter at the rig, and the material retained for sample analysis is packed in to sample bags. The drill core is transported to the core shed for selection of sampling intervals and initial sample preparation. Once completed and the half core has been photographed the core boxes are stored in the core storage facility on site.
- Sample shipments were accompanied with the laboratory submittal forms and were transported to Managua. The samples have been transported by Condor employees to the preparation facilities. Upon reception at the sample preparation facility, the laboratory company checked that the samples received matched the work order and signed that it had accepted the samples.
- Once the sample preparation was completed, the laboratory dispatched the sample pulps by courier to selected overseas laboratories.

The coarse sample rejects and sample pulps from the preparation facilities in Managua were picked up by Condor technicians during routine sample shipments to the preparation facilities. The coarse rejects and pulps were returned to the Condor core shed at La India for long-term storage.

10.2 Historical Preparation and Analysis

The laboratory investigations have been completed using fire assay for gold and silver with atomic absorption analysis. In some cases, semi-quantitative spectral analysis has been conducted for 23 elements. Other tests completed include ore mineralogical analysis, silica rock analysis, petrography and mineralogical analysis.

For the fire assay, all the channel and core samples were sent. The preparation and analysis for gold and silver was conducted at the INMINE Laboratory, as per the Swedish methodology used by all the geological and mining companies in Nicaragua:

- the sample material was crushed down to 3-5 mm with a weight of 150-200 g which was passed through a 200 mesh;
- the rest of the material of the 3-5 mm fraction was returned to the customer;
- the split for analysis was pulverized;
- 25 g was taken for analysis; and
- the remainder of the material remains at the laboratory as a duplicate.

The time taken between the sending of the sample to the laboratory and receiving the results was approximately one month although; some results were received after 2-4 months.

10.3 Cacao Preparation and Analysis (2007/ 2008)

10.3.1 BSI Inspectorate

The early trench and drilling samples were sent to BSI-Inspectorate Guatemala for sample preparation, and then dispatched to Reno Nevada (USA) for analysis.

Samples were oven dried where required and crushed such that >80% passed a 2 mm (-10) mesh screen. The sample was then split to a 250-300 g sample which was pulverised in a ring and puck mill such that 95% passed a 106 µm (150) mesh screen. Samples were analysed by fire assay with AAS finish with a 5 ppb detection limit. Samples returning over 3 ppm gold were re-run by fire assay with a gravimetric finish for a 0.34 ppm gold detection limit.

10.3.2 CAS Honduras

Drilling and trench samples collected from the end of October 2007 were prepared and analysed by CAS Laboratories of Honduras in their laboratory in Tegulcigalpa. Samples were oven dried in stainless steel trays at less than 60°C and crushed such that 90% of material passed a 6.3 mm mesh screen. The material is split down to a 250 g sub-sample which is pulverised in a ring and puck mill such that 95% passes a 106 µm (150) mesh screen. Then 30 g samples were fused at 1100°C with a 100 g pre-mixed flux of 62% PbO, soda ash, borax and silica, with flour added to achieve a 30 g button. Cupellation was achieved at 900°C with a 2 mg Ag liquid inquart. The gold was analysed with AAS with a 3 ppb detection limit. Samples returning over 1 ppm gold are re-run by fire assay with a gravimetric finish. For each 20 samples undergoing fire assay, two repeats, a standard and a blank are analysed as a quality control.

It should be noted that CAS Laboratories were not accredited at the time, although they had initiated proceedings to gain accreditation.

10.4 La India Preparation and Analysis (2011/ 2012)

Drilling and underground sampling completed during the 2011 and 2012 Condor programmes have been sent to BSI-Inspectorate Managua for sample preparation, and then dispatched to Reno Nevada (USA) or Vancouver (Canada) for analysis.

10.4.1 Sample Preparation

Samples were oven dried where required and crushed such that >80% passed a 2 mm (-10) mesh screen. The sample was then split to a 250-300 g sample which was pulverised in a ring and puck mill such that 95% passed a 106 µm (150) mesh screen.

10.4.2 Sample Analysis

Samples were analysed by fire assay with AAS finish with a 5 ppb detection limit. Samples returning over 3 ppm gold were re-analysed by fire assay with a gravimetric finish for a 0.34 ppm gold detection limit.

10.5 Density Analysis

During 2012, the Company has tested 1058 samples for bulk density determination to determine if the assumed (based on historical reports) 2.6 g/cm^3 applied in the previous model, remains applicable. The sampling has been completed using the water immersion method and was used on both full and half HQ and NQ core samples, where available measuring over 10 cm in length.

SRK has reviewed the data provided and, while SRK considers improvements could be made in both the equipment and methods. SRK recommends improvements be made which would include drying all samples, use of high precision balance, introduction of calibration on balances, and checks at a commercial laboratory. The results suggest a slight reduction in the bulk density should be applied at La India. In total, 519 bulk density measurements have been taken on the La India prospect. The Company completes a quality control check on the density by measuring the sample before and after the immersion in water. A total of 19 samples have reported values with greater than 10% difference and have been excluded from the analysis. The average density is in the order of 2.43 g/cm^3, but can vary between 1.57 g/cm^3 to 4.01 g/cm^3, based on the degree of weathering, with the current database skewed toward highly to moderately weathered zones. In comparison historical reports indicate a density of between 2.55 – 2.70 g/cm^3.

While SRK notes improvements could be made to the current protocols to increase the confidence in the bulk density measurements, based on the recent analysis and the differences to the historical reports, SRK considers a reduction of the density from 2.6 g/cm^3 to 2.5 g/cm^3 to be acceptable for the vein updated Mineral Resource as part of the 2012 Mineral Resource Estimate.

SRK recommends improvements be made to the density measurement protocol to ensure higher quality and hence confidence in the density measurements is completed during the next phase of the project. SRK also recommend that work should be undertaken to identify whether any local variations exist in density value between different veins and geological zones (namely saprolite zones at Buenos Aires and Tatiana).

10.6 SRK Comments

It is SRK's opinion that while the drilling, channel sampling and assaying procedures utilised prior to 2011 are not, on their own, considered adequate for robust technical reporting to high levels of confidence (Measured Mineral Resources), they have subsequently been validated as part of the 2011/2012 sampling preparation, security and analytical procedures implemented by Condor which is consistent with generally accepted industry best practices and are therefore considered by SRK to be sufficiently reliable to be used to derive Mineral Resource Estimates.

11 DATA VERIFICATION

11.1 Verifications by Condor

11.1.1 General Verification

Condor completes routine data verification as part of the on-going exploration programme. The data verification can be sub-divided into two main types, which are verification of historical database and internal verification of Condor's 2012 on-going exploration programme. Checks completed on the historical database include but are not limited to:

- re-opened adits, checked mapping and re-sampling (database not available at time of modelling);
- continual Validation of historical Trench Locations in the field using DGPS measurements;
- update geo-referenced historical maps which indicated modification of surface exposure America and Escondido veins required; and
- plotting of 2012 3D database against georeferenced historical maps which indicated modification of underground sampling required at San Lucas, Agua Caliente, Escondido veins.

Routine checks on the Condor 2012 exploration programme included:

- validation of assays using Standards and Blanks inserted routinely into each batch submitted to the laboratory; and
- validation of geological logs and sampling intervals by Senior Geologists.

11.1.2 DD vs RC Sample Verification 2012

During the 2012 exploration program, SRK requested that Condor twinned a portion of the RC drillholes with DD holes to investigate the presence of possible smearing of gold grades downhole. As part of the September 2012 resource evaluation, three twin holes were completed to compare DD and RC techniques. Due to the presence of historical mining being intersected in at least one of the holes a direct comparison has not been easy, however SRK is of the opinion that the DD holes appropriately support the distribution of mineralisation shown in the RC holes and thus RC are suitable for estimation and reporting of mineral resources.

Figure 11-1 illustrates the comparison study undertaken for two of the RC vs DD twin holes drilled within 3 m, highlighting the general correlation between the RC and DC series holes, and the issues associated with comparison in the vicinity of the mining voids, namely the loss of material through cracks connected with the mine workings.

SRK recommends the Company continue with the programme of twinned DD and RC during the next phase in increase the size of the database for comparison.

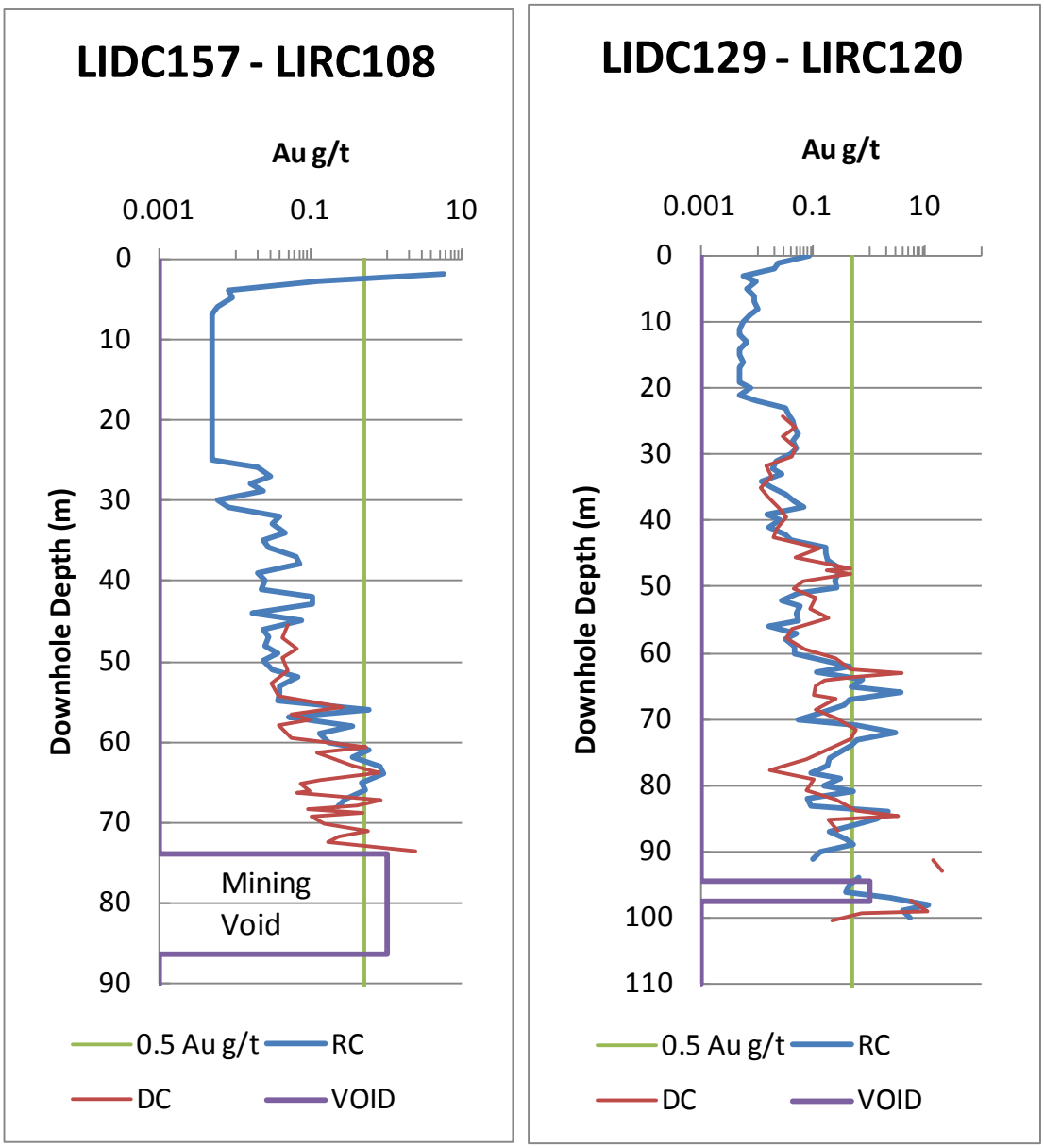


Figure 11-1: Twin Drilling Comparison between RC and DD holes completed during the 2012 Condor Drilling Program (September 2012)*

*Note the mining voids shown on the graph are not intended to show a grade profile, but rather the downhole depth interval over which mining voids have been intersected.

11.2 Verifications by SRK

11.2.1 Site Visit

Site Visit 2010

SRK initially visited the La India site during October 2010 when the Company acquired the exploration concession, with the aim of ascertaining the geological and geographical setting of the La India deposit, and review the historical data collected for the project.

Site Visit 2011

SRK visited the La India site during October 2011, with the aims of ascertaining the geological and geographical setting of the Cacao deposit and Espinito Mendoza concession, and witnessing the extent of the exploration work completed to date on the La India concession. The following objectives were achieved during the 2011 site visit:

- Investigation in to the geological relationships exposed within the drill core, underground workings and updated assay database.
- Inspection of a re-sampling programme and mapping aimed at increasing the knowledge of the structure, orientation and texture of the gold veins in the La India hangingwall.
- Visit to the sample preparation facility; the facility was found to be well organised and well ventilated. SRK has reviewed the sample procedures employed by the laboratory and deem them appropriate for the style and nature of the mineralisation at La India.
- Visit to the Zopilote Adit which was driven perpendicular to the La India Vein and intersects a number of smaller gold veins over a length of 400 m (La India hangingwall structures)
- Visit to the “Mestiza” Adit on the Espinito Mendoza Concession and confirmation the presence of vein or fault gauge material in areas of elevated grades in the historical sampling and mapping.

During 2011, Dr Chris Bonson, Principal Structural Geologist at SRK UK also visited the Project between 16 and 23 June 2011 to review data and complete a structural review of the project, and Ryan Freeman, Senior Mining Engineer, between 21 and 23 November 2011, to review potential mining aspects as part of a .

Site Visit 2012

In accordance with National Instrument 43-101 guidelines, SRK most recently visited the La India project from 11 to 14 June 2012. The main purpose of the site visit was to:

- witness the extent of the exploration work completed to date;
- complete verification of sampling locations;
- inspect core logging and sample storage facilities;
- discuss the geological interpretation and inspect drill core in relation to new results along the La India California Vein trend;
- review sample preparation methodology;
- assess logistical aspects and other constraints relating to the exploration property.

The 2012 visit was focused on further investigating the nature of the mineralisation exposed within the drill core along the La India-California vein trend and in the updated assay database, in addition to holding related discussions with the Condor geologists. SRK also visited the Central Breccia Prospect, an area which Condor understands to be representative of a zone gold mineralisation that formed under higher sulphidation conditions. Given the currently limited level of data and understanding, the Central Breccia is not included in the current Mineral Resource.

SRK did not complete an independent visit to the BSI-Inspectorate sample preparation facility during the current site visit, but visited the facility previously during the October 2011 site visit also completed by Ben Parsons. SRK has not completed an independent check on the assay facilities utilised by the Company as they lie outside of the country and therefore could not practically be visited as part of the Scope of Work. SRK is satisfied with the quality of the laboratories used and based on the quality control investigations that there is no evidence of bias within the current database, which would materially impact on the estimate.

11.2.2 Verifications Data Quality

Sample Database Verification

In order to independently verify the information incorporated within the Condor and historical programmes, SRK has:

- Checked the location of drilling and trench sampling versus mapped vein outcrops. This highlighted an issue with the location of samples at Buenos Aires which the Company subsequently resurveyed to correct,
- Completed a review of digital drilling database against the latest DD drill core, to confirm both geological and assay values stored in the database show a reasonable representation of the project,
- Verified the quality of geological and sampling information and developed an interpretation of gold grade distributions appropriate to use in the resource model.
- Reviewed the QAQC database provided for the 2011/2012 drill programme, which show no overall bias is present.
- Reviewed the Bulk Density measurements captured by the Company during the 2012 exploration programme.
- Refined the position of underground samples (originally based on historical level plans of mine development) using mining void data recorded in the borehole logs.
- Reviewed the collar locations for all drill holes used in the Mineral Resource estimation and checked the collar RLs to assess any possible impact on the interpretation and wireframes based on the desurveyed holes.

Based on the validation work completed by SRK, the majority of the database has been approved and validated for use in the current estimate. The data accepted included:

- drilling information from all holes (historical and 2011/ 2012 programme);
- Soviet-INMINE trench information based where original logging sheets could be verified;
- Soviet-INMINE Underground sampling data from including development drives and raise data;
- TVX verification trenches excluded from the April 2011 estimate; and
- Condor Drilling Information.

Excluded data has been limited to the TVX underground sampling database which has been imported but only used for visual validation of the Soviet-INMINE underground database.

Three holes at Tatiana completed by Triton Exploration (TAT001 – TAT002) have been excluded, where SRK was not satisfied in the quality of the historical records and potential low recovery.

Topography Verification

The Company has been provided with a topographic survey of the region in the form of contour intervals at 2 m resolution (WGS84 coordinates). In discussion with the Company's geologist, the contours have been calculated based on a technique using aerial photography and therefore SRK has completed a validation check to ensure accuracy using data from the Shuttle Radar Topography Mission (SRTM) database. The SRTM database gives accuracy to a 90 m grid resolution and can be used to validate against peaks and valleys at La India. The result checks showed an acceptable correlation but due to the relatively sharp changes in terrain over short distances the 2 m resolution data provided a more accurate dataset and has therefore been accepted by SRK. Using the 2 m resolution data, SRK has created a DTM for use in the modelling exercise using Datamine Mining Software.

11.3 Quality Assurance and Quality Control ("QAQC") Programs

11.3.1 Introduction

The following section focuses on the QAQC programs implemented during the Condor drilling campaigns, with the greatest detail shown for the 2012 drilling program. The QAQC analytical programs are summarised per Concession area.

11.3.2 Historical Database

SRK reviewed reports detailing the historical QAQC programmes as part of the April 2011 Mineral Resource Update. During the exploration programmes, a series of internal control analysis for the gold and silver assays has been completed. The QAQC programme was designed using two methods:

- laboratory duplicate sample analysis was repeated (the material was milled until it reached mesh 200); and
- exploration duplicate sample analysis was repeated (the material was crushed down to 3-5 mm).

The laboratory duplicates were designed to test for error of the same analysis during the fire assays process, while the exploration duplicate tested the sample preparation methodology error.

The results indicate a reasonably high level of error between the original and duplicate assay in samples below 1.0 g/t Au during all three phases of checks. Above 1.0 g/t Au, the results for gold display acceptable levels of error for a gold project of this mineralisation style, with the percentage error typically less than 20%.

11.3.3 Condor Submissions (2007/2008 Cacao Program)

Data use in the resource model was subject to the following quality control procedures designed to test both the accuracy and precision of analytical results. The condor QA/QC protocol utilized in Cacao is described below and the charts shown in Appendix A:

- Duplicates of single metre riffle split RC samples were selected at a frequency of approximately 5% with a minimum of one per drillhole. The samples included a duplicate split from the mineralised zone where possible which was collected after the composite sample results had been returned.
- Standards were inserted into all drilling and all later trench sample series at a frequency of approximately 1 in 30. The standards were usually inserted on sample numbers with a suffix 30, 60 and 90.
- Blanks were inserted into all drilling and all later trench sample series at a frequency of approximately 1 in 30. The blanks were usually inserted after every standard on sample numbers with a suffix 31, 61 and 91.
- All assays for the first phase of drilling and the majority of the trenching was undertaken by BSI Inspectorate Laboratory. The second phase of drilling and the latter trenching was analysed by CAS Honduras. In order to establish consistency the pulps of 10% of the Inspectorate assayed samples were check assayed by CAS Honduras using samples selected to represent the full range of assay values from each of the core, single metre riffle-split RC and trench channel samples. Similarly, 10% of the pulps samples analysed by CAS Honduras were check assayed by BSI Inspectorate to ensure validation of CAS results by a certified laboratory.
- One standard reference sample was used; STD_7A, which was prepared by Triton's El Limon Gold Mine Laboratory, Nicaragua. The standards were all submitted with the original trench and drill samples at a frequency of approximately 1 in every 30 samples during the exploration programme.

11.3.4 Condor Submissions (2011 La India Program)

Condor conducts QAQC checks for drill and trench sampling and assaying by including field, blanks and reference standards in the sample sets submitted to a Certified Laboratory for assay. These QAQC samples have been designed to test both the effectiveness of the sampling techniques and the quality of the laboratory assays.

SRK notes that no certified reference material has been included as part of the 2011 programme, but that the Company has utilised three internal standard reference samples; STD_7A, STD_11B and STD_11C which were prepared by Triton's El Limon Gold Mine Laboratory, Nicaragua (Table 11-1). The standards were all submitted with the original trench and drill samples at a frequency of approximately 1 in every 30 samples over the period of drilling and trenching.

Standard STD_11A (which is the same as Standard_7A) has been check sampled at four independent certified assay laboratories and the results are presented below. Validation of standards STD_11B and STD_11C is in progress.

tandards were submitted on every sample number ending in the numbers 30, 60 or 90 to maintain an even insertion frequency. The drilling Database contains 143 assay standards with three different grades;

- a 'low-grade' standard averaging 1 g/t Au;
- a 'moderate-grade' standard averaging 4 g/t Au; and
- a 'high-grade standard averaging 8.5 g/t Au.

The Company reported during the investigation a total of 10 samples reporting as outliers, and the charts shown in Appendix A.

Table 11-1: Analysis of Standard reference material during 2011 submissions

Std ID	No. samples	Mean Au (ppm)	Std Dev	Minimum Au (ppm)	Maximum Au (ppm)	Comments
STD_7A	41	1.120	0.057	1.012	1.253	No outliers
STD_11B	55	4.074	0.237	3.107	4.880	Including 2 outliers
STD_11B	53	4.077	0.167	3.693	4.461	Excluding outliers
STD_11C	47	8.463	0.847	6.486	11.700	Including 8 outliers
STD_11C	39	8.625	0.429	8.011	9.613	Excluding outliers

A total of 145 blank samples were submitted at a ratio of approximately 1 in 30 to the laboratory to check for contamination during the sampling or assaying procedures. Blanks have been inserted at routine intervals and not at random or following potential ore grade material. The results indicate that over 70% of blanks submitted reported below detection limits, while less than 10% have reported above double the detection limit. SRK concludes from the analysis that there is no evidence of any significant contamination at the sample preparation facility.

A single high-grade field duplicate (quarter core) has been taken during the 2011 programme, with the result returning higher grades than the original (Table 11-2). The duplicate sample has also been submitted to a second laboratory (uncertified El Limon Mine), which confirmed the original assays.

Table 11-2: Result of Field Duplicate submission 2011

Hole_ID	From (m)	To (m)	Interval	Original Au (ppm)	Duplicate Au ppm	Difference Au (ppm)	Difference Au (%)
LIDC023	63.90	65.30	1.40	17.431	36.683	19.252	210
	65.30	66.90	1.60	0.136	0.142	0.006	104

11.4 Condor Submissions (2012 La India Program)

The 2012 QAQC procedures for the project were set up by Condor personnel. The same QAQC procedures were used for the drilling program and the trench sampling programme, with the focus of the following section on the drilling QAQC analysis.

The programme comprised of inserting field blanks, reference standards and field duplicates in addition to routine submissions to a Certified Laboratory for assay. These QAQC samples have been designed to test both the effectiveness of the sampling techniques and the quality of the laboratory assays.

The following are QAQC materials are inserted into sample batches prior to dispatch:

- Three standards materials, including one certified reference material (CRM) sourced from Geostats Pty Ltd of Australia (G909-5) and two which were prepared by Triton's El Limon Gold Mine Laboratory, Nicaragua (STD-11B and STD-11C). SRK note that STD-11B and STD-11C have been check sampled at four independent certified assay laboratories. The standards were submitted with the original trench and drill samples at a frequency of approximately 1 in every 30 samples over the period of drilling and trenching;
- One field blank inserted at a frequency of approximately 1 in every 30 samples;
- Field duplicates of single metre riffle split RC samples inserted at a frequency of approximately 5% of total sample submission, with a minimum of one per drillhole. Field duplicates were not normally taken from the drill core in order to preserve the half core.
- In total there are approximately 7 samples per 100 samples submitted to the laboratory.

168 standards (13 CRM), 168 blanks and 132 field duplicates, representing 6.6% of total sample submissions for the Condor 2012 drilling programme at the La India Project, were inserted at regular intervals within the sample suite. Table 11-3 provides a summary of analytical quality control data used for the La India Project.

Table 11-3: Summary of Analytical Quality Control Data Produced By Condor for the La India Project (September 2012)

DH SAMPLES			
Sampling Program	**Count**	**Total (%)**	**Comment**
Sample Count	7,101		
Blanks	168	2.37%	
QC Samples			
ST-11B	118	1.66%	Internal Standard Material from Trition Mining
ST-11C	37	0.52%	Internal Standard Material from Trition Mining
G909-5	13	0.18%	Sourced from Geostats Pty Ltd of Australia
Field Duplicates	132	1.86%	
Total QC Samples	**468**	**6.59%**	

11.4.1 Insertion of Standard Materials

Standards were submitted on every sample number ending in the numbers 30, 60 or 90 to maintain an even insertion frequency. The drilling Database contains 168 assay standards with three different grades;

- two 'moderate-grade' standard averaging 4 g/t Au (STD-11B) and 2.6 g/t Au (G909-5) respectively; and
- a 'high-grade standard averaging 8.5 g/t Au (STD-11C).

A list of the standards used during the current study and the assigned grades are contained within Table 11-4 and summarised in terms of performance Figure 11-2.

Table 11-4: Standards used during submission of La India Samples

Standard ID	Supplier	Standard Value	Standard Deviation
ST-11B	Internal Standard Material from Trition Mining SA	3.080	0.280
ST-11C		8.230	0.700
G909-5	Geostats Pty Ltd of Australia	2.630	0.100

CRM results are monitored by the Company on a routine basis as each batch is reported from the laboratory. The internal guidelines used by the Company are that standards reporting within the range of two times the standard deviation from the mean value are acceptable, whilst those reporting outside of this range are rejected and (where significant) requested for reanalysis.

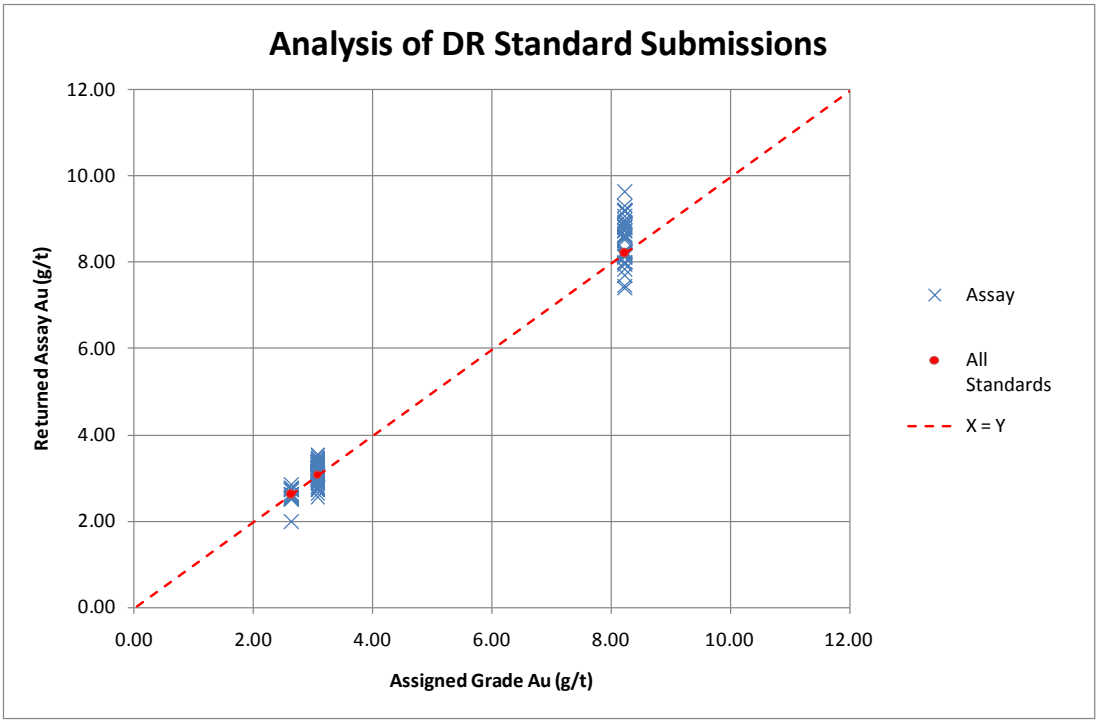


Figure 11-2: Summary of the Standard submissions during routine assays of La India Samples (September 2012)

The Company reports that from the 168 standards analysed within the submitted batches only two samples were outside of the acceptable range, as illustrated in the graphical analyses in Appendix A. Sample 23760 (type G909-5), which plotted outside of three times the standard deviation has been requested for re-analysis; however, it was noted that other standards in the same batch were consistently within the acceptable limits.

SRK has reviewed the standard results and is satisfied that they demonstrate a reasonable degree of accuracy at the assaying laboratory and hence sufficient confidence to report the Mineral Resource. Table 11-5 summarises the statistical results of the programme.

Table 11-5: Statistical results of the QAQC Standard Programme

Standard ID	Count	Standard Value	Minimum Value	Maximum Value	Mean Value
ST-11B	118	3.08	2.55	3.53	3.13
ST-11C	37	8.23	7.39	9.64	8.53
G909-5	13	2.63	1.97	2.83	2.59

In general, SRK has determined there to be no significant issues with the accuracy of the laboratory, and therefore no material bias is believed to have been introduced.

11.4.2 Insertion of Blank Material

A total of 168 Blank samples were sent in a ratio of approximately 1 in 30 to the laboratory to check for contamination during the sampling or assaying procedures. Blanks were submitted on every sample number ending in the numbers 31, 61 or 91 to maintain an even insertion frequency.

The results indicate that approximately 60% of blanks submitted reported below or at the detection limits, while less than 10% have reported above double the detection limit. No blanks material reported outside of the range of five times the detection limit, with the maximum value of 0.019 g/t Au.

It is SRK's view, based on the review of the submission of blank material, that there is no major evidence of sample contamination at the preparation facility in Managua.

Graphical analysis for the blank material assayed is shown in Figure 11-3.

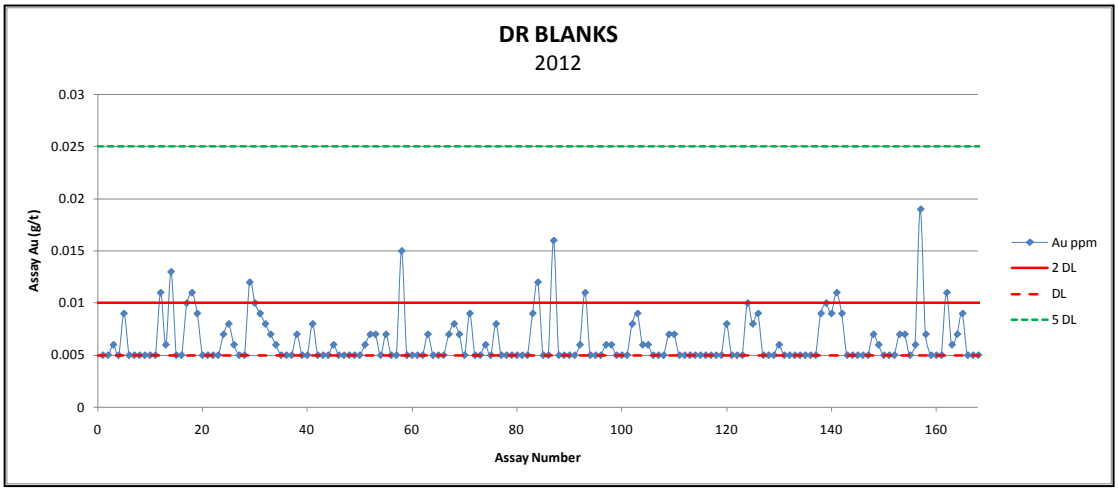


Figure 11-3: Summary of the blank submissions during routine assays of La India Samples (September 2012)

11.4.3 Insertion of Duplicate Material

Field duplicates were inserted to monitor the overall sampling, preparation and analytical precision. The duplicates were selected from samples that were expected to contain gold mineralisation and collected as a second riffle split from the bulk sample on site upon completion of a drillhole. In total, 132 RC field duplicates have been submitted for the 2012 drill programme, this represents 1.9 % of total sample submissions for Condor (2012) holes on the La India Project.

SRK has reviewed the duplicate data available from the 2011 drilling database to date and has found the following:

- Field duplicates for gold show a reasonable correlation (Figure 11-4) with an average difference of 0.1 g/t Au in the mean grades and a correlation coefficient in excess of 0.85. The absolute percentage difference between the original and duplicate samples is in the order of 26% (duplicate reporting lower). Note that SRK removed two samples from the numerical analysis which originally reported 37.5 g/t Au and 0.1 g/t Au and re-assayed 5.0 g/t Au and 3.2 g/t Au respectively.

- It is SRK's opinion that the duplicate analysis suggests an appropriate level of precision. SRK recommends, however, that an external laboratory check is introduced to further verify the observations relating to differences between the original and duplicate assays. SRK understands that this is currently being implemented by Condor, namely for pulp duplicate analysis.

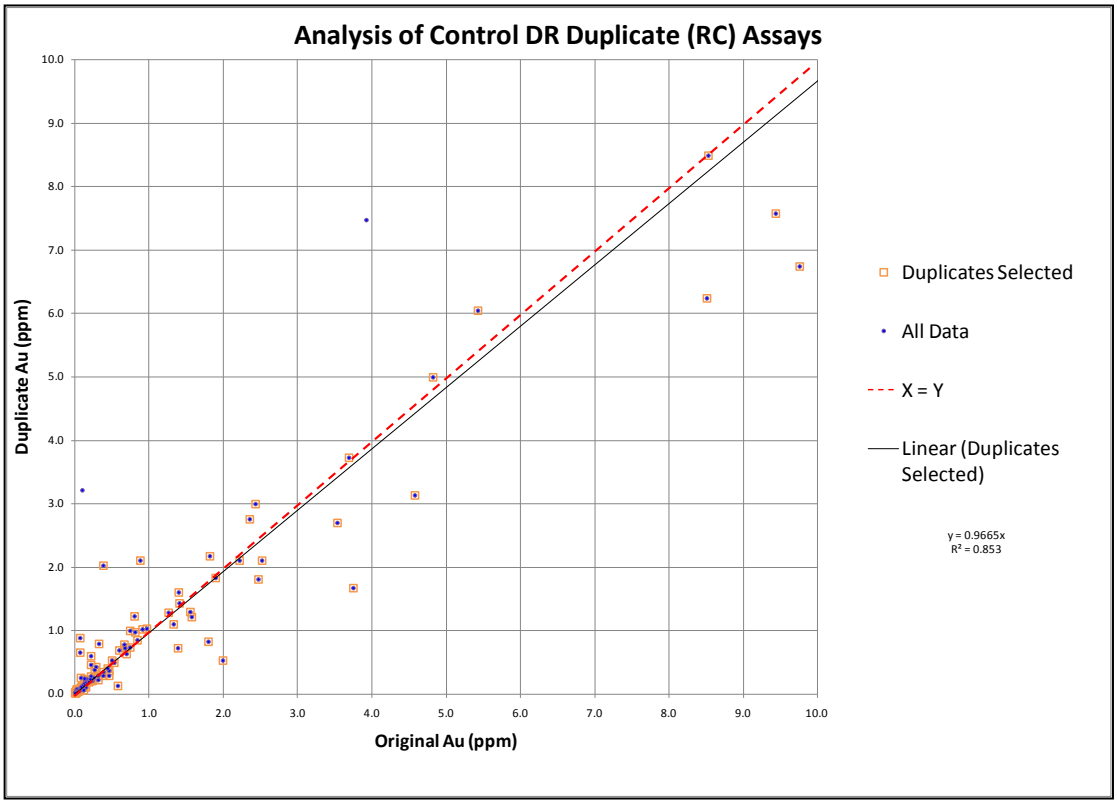


Figure 11-4: Analysis of Field Duplicate Samples as part of routine La India submissions

The difference in the mean grades for the field duplicates indicates a high geological variability and the potential of a nugget effect that is not resolved by sample preparation. The current database is limited by the data population (132 samples) and the distribution of samples on which field duplicates have been taken, with the majority of sample reporting grades of less than 5.0 g/t Au. The Company should continue to monitor the results of field duplicates during future exploration to confirm the presence of a nugget effect.

11.4.4 QAQC for Trench Sampling Program

The results of the QAQC procedure for Condor's 2012 trenching program revealed similarly acceptable results as indicated for the drilling program, with the exception of standard G909-5 where three of the five submissions reported outside of two times the standard deviation from the mean. Whilst (in relative terms) there is insufficient data to draw meaningful conclusions from the G909-5 anomalous results, SRK would recommend that the Company closely monitors all future results pertaining to the G909-5 standard to ensure that analytical quality remains sufficiently high.

Taking into account the majority of results of the standards, blanks and duplicates submitted into the sample stream, SRK considers the exploration trench data collected suitable for use in defining Mineral Resources.

Graphical analysis of the QAQC program undertaken for the trench samples is provided in Appendix A.

11.5 SRK Comments

SRK is of the opinion that the QAQC insertion programme detailed above is sufficient for the reporting of CIM compliant Mineral Resource but has made a number of suggestions to better refine this programme.

SRK has reviewed the QAQC submissions for the 2007/2008, 2011 and 2012 drilling programmes and concluded that there is no evidence of any significant bias in the returned assay results from the laboratory. It is SRK's opinion that the with the increased and more detailed QAQC investigation within the 2012, on the La India and California veins are broadly in line with generally accepted Industry best practice.

SRK considers that the Company could implement a number of changes to the QAQC programme to bring it further into line with generally considered industry best practice. These improvements would include:

- Purchase of additional Certified Reference Materials (CRM) – which are readily available through companies such as Rocklabs, Geostats. These samples have been tested to a high degree of accuracy and come with certification which provides guidance on the expected mean grades and standard deviations, on which acceptable levels of error can be defined.
- Regular submission of duplicate core material (quarter core), in addition to RC material, to identify whether the possible presence of a nugget effect is similarly evident in both sample types. The use of pulp duplicates is also recommended to test the precision of the laboratory.
- QAQC samples should be inserted at random to limit the chance of the laboratory quickly identifying the QAQC and treating with more care than routine samples submissions.

12 MINERAL PROCESSING AND METALLURGICAL TESTING

Metallurgical testwork was carried during 2012 out on two samples of high-grade ore collected from artisanal mine workings on the La India and Cristalito-Tatescame veins respectively. The samples achieved best recoveries of between 90% and 96% from a combination of gravity concentration and cyanidation of the gravity tails.

The testwork was carried out by Met-Solve Laboratories Incorporated ("Met-Solve") of Langley, British Columbia, Canada, where two 25kg samples were tested using a combination of gravity separation, cyanide leach, flotation, gravity concentration followed by cyanide leach, and gravity concentration followed by flotation. The results are detailed in Table 12-1 below.

Table 12-1: Summary of the Metallurgical Testwork on La India Project.

Sample	Location	Calculated Head Grade (g/t)	Overall Recoveries (%)				
			Gravity only	Cyanide only	Flotation only	Gravity + Cyanide	Gravity + Flotation
1	La India	13.9	44.9	79	63.8	90.4	61.6
2	Cristalito-Tatescame	17.2	60.3	91.4	76.9	95.9	75.2

The results demonstrate that gold mineralisation at La India is amenable to gravity concentration with moderate recoveries achieved using a Falcon gravity concentrator. Flotation of the gravity concentrate did not effectively recover more gold. Cyanidation proved to be an effective method of gold extraction for both samples with the best recoveries of over 90% achieved for both samples using a combination of gravity concentration followed by cyanidation. The Company note that the bulk samples are from artisanal miners ore and therefore not necessarily representative of the ore feed of a large commercial mill.

Further work will be required by the Company to advance the project to more detail technical studies.

13 MINERAL RESOURCE ESTIMATES

13.1 Introduction

The Mineral Resource Statement presented herein represents the latest mineral resource evaluation prepared for the La India Project reported in accordance with the standard adopted for the reporting of Mineral Resources of the CIM Code, and with the Canadian Securities Administrators' National Instrument 43-101

The estimate is based on some 40,298 m of drilling, 7,200 m of trench sampling and over 9,000 original underground mine grade control channel samples on 9 veins within the La India Project area. The 2012 exploration program (fifty-nine drillholes) has focused on the La India and California veins, providing an additional 4,426 m of DD drilling, 2,675 m of RC drilling and 2,500 m of trenching. In addition, limited drilling has been completed on the Guapinol and America veins as part of the recent program, namely 7 holes on Guapinol (1,474 m) and one hole on America (307 m).

The resource estimation work was completed by Ben Parsons, MSc (MAusIMM(CP), Membership Number 222568) an appropriate "independent qualified person" as this term is defined in National Instrument 43-101. The Effective Date of the resource statement is 14 September 2012.

This section describes the resource estimation methodology and summarises the key assumptions considered by SRK. In the opinion of SRK, the resource evaluation reported herein is a reasonable representation of the global gold and silver Mineral Resources found in the La India Project at the current level of sampling. The Mineral Resources have been estimated in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines and are reported in accordance with the Canadian Securities Administrators' National Instrument 43-101. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into mineral reserve.

The database used to estimate the La India Project Mineral Resources was audited by SRK. SRK is of the opinion that the current drilling information is sufficiently reliable to interpret with confidence the boundaries for gold and silver mineralisation and that the assay data are sufficiently reliable to support Mineral Resource estimation.

Datamine Studio Version 3 was used to construct the geological solids, calculate statistics, prepare assay data for geostatistical analysis, construct the block model, estimate metal grades and tabulate Mineral Resources. Leapfrog Software was used to assist in the construction of geological solids and Isatis software has also been utilised for the geostatistical analysis and variography.

13.2 Resource Database

13.2.1 Database Development

The exploration history and data available for the project is complex with Soviet-sponsored exploration and resource evaluation carried out between 1986 and 1990, and annual and technical reports released by TVX Resources between 1997 and 2000 and more recently by Gold-Ore Resources and Glencairn-Central Sun-B2Gold as the company went through various take-overs and name changes.

During 2010, Condor undertook a major data capture programme to collate all historic data from the numerous companies into a single database for all veins within the licence areas. During 2011, Condor commenced an exploration programme consisting of DD drilling on a number of the main veins and minor veins to confirm existing grades, and test dip and strike extents on smaller veins.

SRK initially reviewed all the information available and based on a degree of uncertainty on the true 3D location of the underground sampling information, decided to complete the estimation in 2D for the JORC estimate announced on the 4 January 2011. Condor subsequently added additional data as well as refining and verifying the 3D location of the underground data. Underground sampling by TVX has been used to verify the historical sampling information.

The most up-to date version of the database for La India (inclusive of 2012 drilling) has been supplied to SRK for use in the current Mineral Resource Estimate.

The data capture process is on-going, but at present over 90% of the available historical data has been located in the field for use in the estimate. The potential omissions from the current database are considered to be immaterial to the Mineral Resource estimate presented herein.

13.2.2 Database September 2012

For the 2012 Resource Update, SRK was supplied with a Microsoft Excel Database. The files supplied had an effective cut-off date of 21 August 2012. Separate files were supplied for the drilling database, trench and underground sampling programmes.

All data has currently been verified by Senior staff onsite and is stored in a Micromine database. SRK has been supplied with a full copy of the database and while SRK notes a number of missing values in terms of descriptions, SRK has discussed any data issues directly with the Company's exploration manager during the site inspection and at meetings in Cardiff. The main issue related to missing assays in the database and the related logging codes which described mining voids or core loss. In the case of any issues SRK and the Company have reviewed digital photographs to confirm where missing values are appropriate.

Given the increase in the size of the database SRK recommend the Company consider migrating the current database into either a commercial geological database system, or into a customised Access or SQL based system, which would ensure data quality and provide an audit trail of any changes made to the data.

The database provided and reviewed by SRK and imported into Datamine to complete the Mineral Resource Estimate. SRK is satisfied with the quality of the database for use in the construction of the geological block model and associated Mineral Resource Estimate.

13.3 Geological Modelling

13.3.1 Approach

Drillhole and Trench data

The drillhole and trench data has been coded by SRK according to each vein based on grade intersections and in places of no significant intersections at representative depths where the drilling intersects the modelled vein. To select the mineralised intervals, SRK has tested a number of routines using manual coding, which have then been reviewed against the 3D interpretation to avoid any obvious misallocations of veins and excessive changes in dip and strike before the final composite has been selected. The broad definition for mineralised composites is as follows:

- gold cut off grade is 0.5 g/t;
- minimum thickness of the mineral body – 0.5 m (producing a cut-off grade of 0.25 g/t Au); and;
- maximum length of internal waste of 3 m.

It is SRK's view that a 0.5 g/t Au cut-off is reasonable and a review of the assay database suggests this forms a relatively hard grade contact at or near the vein-adjacent wall rock with typically only limited low-grade mineralisation in the order of 0.2-0.3 g/t Au over lengths of 1-2 m in the hanging wall and footwall mineralisation.

Boreholes and trenches are initially coded according to the vein names. The data has then been coded according to the mineralisation zones as defined by the manual sample coding to ensure (where appropriate) a single intersection per vein for both DD drilling and trench sample dataset. SRK has subsequently used the manually coded data to estimate grades into the final block model.

SRK notes that there is some potential upside where additional hanging wall and footwall intersections have been made within some drillholes, but SRK has not yet been able to construct a geological model due to lack of information (discussed in more detail in Section 0).

Underground Sample Database

To reconstruct the underground sampling database, level plans of the underground sample data have been imported into Datamine and the vein location digitised. The mine level plans, in conjunction with the drilling and sampling information, have been imported into Leapfrog to recreate the centre point of each vein / underground development. All the underground sampling data has then been projected onto the surface to give an accurate representation of the sampling locations in "real" space (3D) and the XYZ coordinates noted. This has been used to establish the underground sampling database which in conjunction with drillhole and trench data, are used to determine the hangingwall and footwall locations of each vein to create wireframe volumes of the individual veins.

SRK has imported all of the available sample data into Datamine, and has transformed and projected the 2D database into 3D space. The resultant transformation has been validated against historical long sections to check for accuracy.

The historical underground records only detail the composite distance on the VLP and do not contain any coordinates of the individual sample points. To ensure the database was appropriate to be used in the Mineral Resource estimate, SRK has created an import routine in which the individual samples have been spread evenly across the sample composite lengths. A detailed description of the SRK methodology used to convert 2D underground sampling in to 3D space is documented in the SRK resource estimation report titled "JORC Mineral Resource Estimate of La India Gold Project, Nicaragua" dated July 2011.

In summary, SRK is satisfied that the methods involved are valid and any errors will not have a material impact on the resultant Mineral Resource Estimate.

Vein Selection

The current quantity of exploration on the different veins varies considerably depending on the scale of the vein and the proximity to the historical mining area (La India Vein). Sampling quantities can vary between surface trenching, to initial underground definition via a single adit, to multiple levels of underground development all combined with DD drilling from surface. SRK has completed an initial review of the data levels per vein and only modelled veins in the current estimate which have a combination of surface sampling (trench data) and proven down-dip geological and grade continuity either via drilling information or underground development. It is SRK's opinion that veins excluded from the current estimate require further exploration to prove down-dip continuity to be modelled and estimated in line with the CIM code.

The veins selected by SRK for inclusion in the current Mineral Resource Estimate are:

- Agua Caliente;
- Arizona;
- La India – California;
- America – Constancia - Escondido;
- Guapinol;
- San Lucas;
- Tatiana;

- Buenos Aires;
- Espinito;
- Cristalitos-Tatascame;
- Teresa; and
- Cacao.

Currently, the veins excluded from the current SRK Mineral Resource estimates include:

- Central Breccia
- Dos Armandos;
- El Duende;
- Dos Hermanos;
- El Jicaro (Buenos Aires hangingwall, but insufficient sample data);
- Mora;
- Natalia;
- San Miguel; and
- San Pablo;

The veins extend over known strike lengths of 0.5-2.5 km based on surface trenches, which confirm relatively continuous structures, within which zones of higher and low grades can be found. Modelled down-dip extents have been recorded to up to 350 m and, in places, the mineralisation remains open at depth and deep drilling will be required to test for grade extents. Previous explorer's exploration models assumed that the mineralisation does become weaker in the south and north strike extents and at depth as you move below what is referred to as the "boiling zone" which is prospective for mineralisation. Further work is required to verify this theory and to test potential strike extents.

13.3.2 Methodology

Introduction

To create the geological model the reconstructed database was plotted in plan and in section, initially as a means of data validation and secondly for geological and mineralisation interpretation.

SRK has been provided with a series of geological maps and level plans which provide details of where vein mineralisation has been intersected in a series of files in ".dwg" (AutoCAD) format detailing the geological interpretation. SRK has reviewed the geological data and concluded that the following geological factors should be considered during interpretation.

The main geological units and entities modelled for the resource were:

- definition of hangingwall and footwall contacts;
- position of veins in relation to each other; and

- there appears to be evidence that there may be some structural influence on the different veins which is as yet undefined. SRK would recommend further work on building a structural model to understand its potential influence on the current interpretation and resultant Block Model. The presence of any faulting is noted, but due to the orientation of these faults, SRK has taken the decision not to model these at this time as they are not thought to materially impact the estimates at the present time.

Modelling Procedure - Mineralisation

Using ".dwg" string files, supplied by the Company, SRK firstly reset the elevation of the geological interpretation based on either the underground sampling level elevation, or in the case of surface mapping by projecting the interpretation to the topographic surface. The strings created have been imported into Datamine and used as initial guidelines for the vein locations.

The next stage of the process has been to define the hangingwall and footwall contact within each mineralised vein, based on the underground sampling, DD drilling and trench sampling. To calculate the coordinates of the points a combination of methods has been applied. For drillhole and trench data, samples were composited across the vein interval using Datamine Mining Software the XYZ coordinates of the contact points extracted.

SRK completed a number of manual checks to ensure the 3D co-ordinates and coding has been correctly assigned. The review also includes a review with the updated 3D vein models created in Leapfrog to ensure the veins have been correctly named, as some intersections could potentially be on smaller parallel features or splays of the main vein. Working closely with the Company's geological staff, has allowed SRK to be more subjective in the selection of trench data than in the previous model and resulted in (in the view of SRK and Condor) an interpretation that better reflects the mineralisation.

To create the geological model, the sampling information including the hanging wall and footwall contacts have been exported from Datamine to Leapfrog to create separate surfaces using more advanced implicit modelling techniques. For the September 2012 update, Boolean tools within Leapfrog have been applied to the appropriate surfaces to achieve the coalescing geometry of the California veins. The resultant surfaces have then been combined into a single solid for each vein before exporting the final wireframes and associated true thickness data from Leapfrog to Datamine for verification.

Figure 13-1 provides an example of the coded vein hanging wall and footwall points, and shows a level plan through underground sampling and the associated pinching and swelling of the modelled veins exported from Leapfrog. SRK completed visual checks to ensure the accuracy of the geological models was acceptable and that the volumes were representative of the underlying sampling data. Figure 13-2 shows the coalescing form of the California vein geological model, representing a key focus of the September 2012 update.

Once validated the final stage of the process has been to crop each vein to the topography or at depth if intersected by a larger vein using wireframe Boolean tools within Datamine.

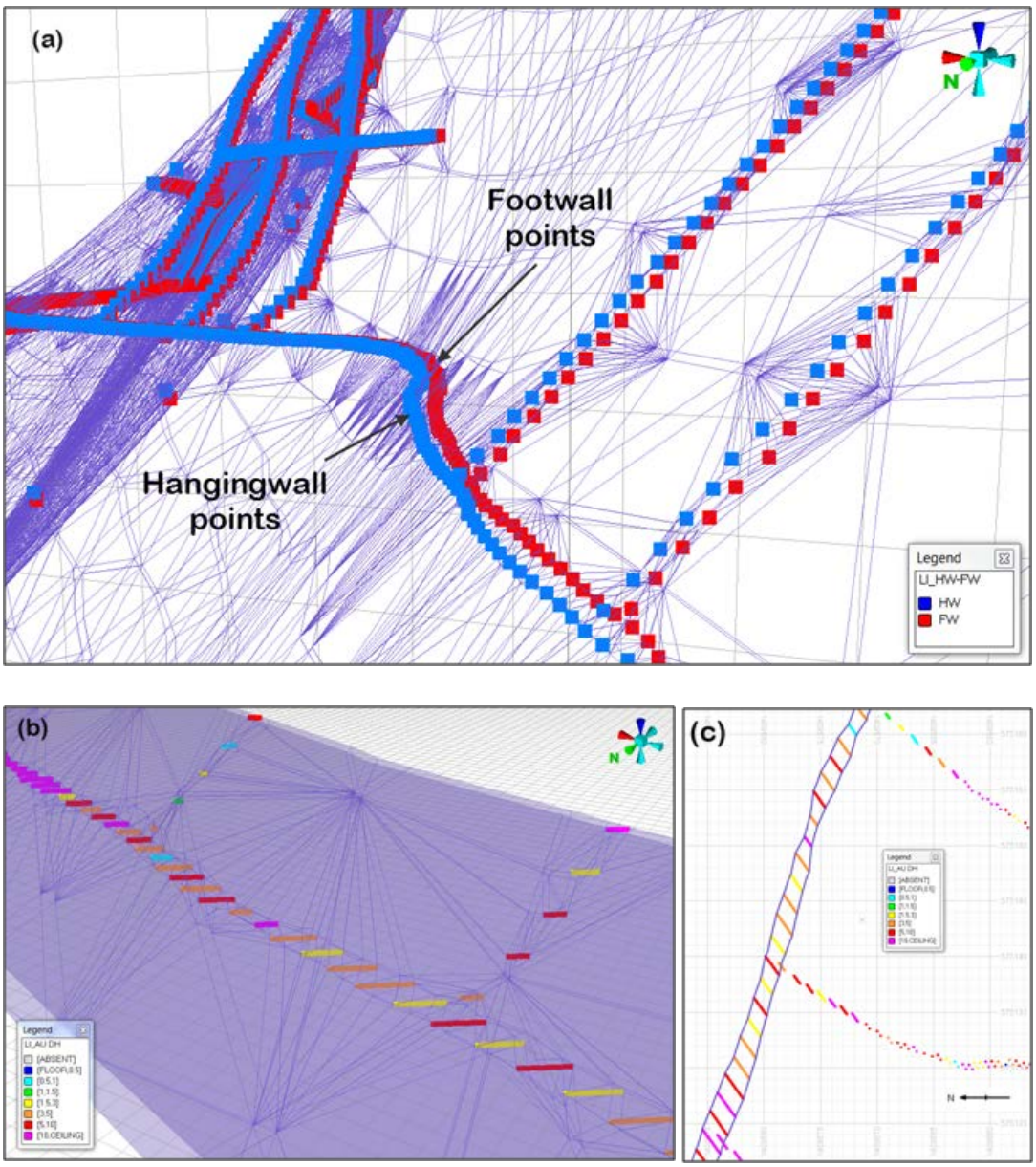


Figure 13-1: Level Plan and 3D Views Showing Modelled Hanging Wall and Foot Wall Contacts

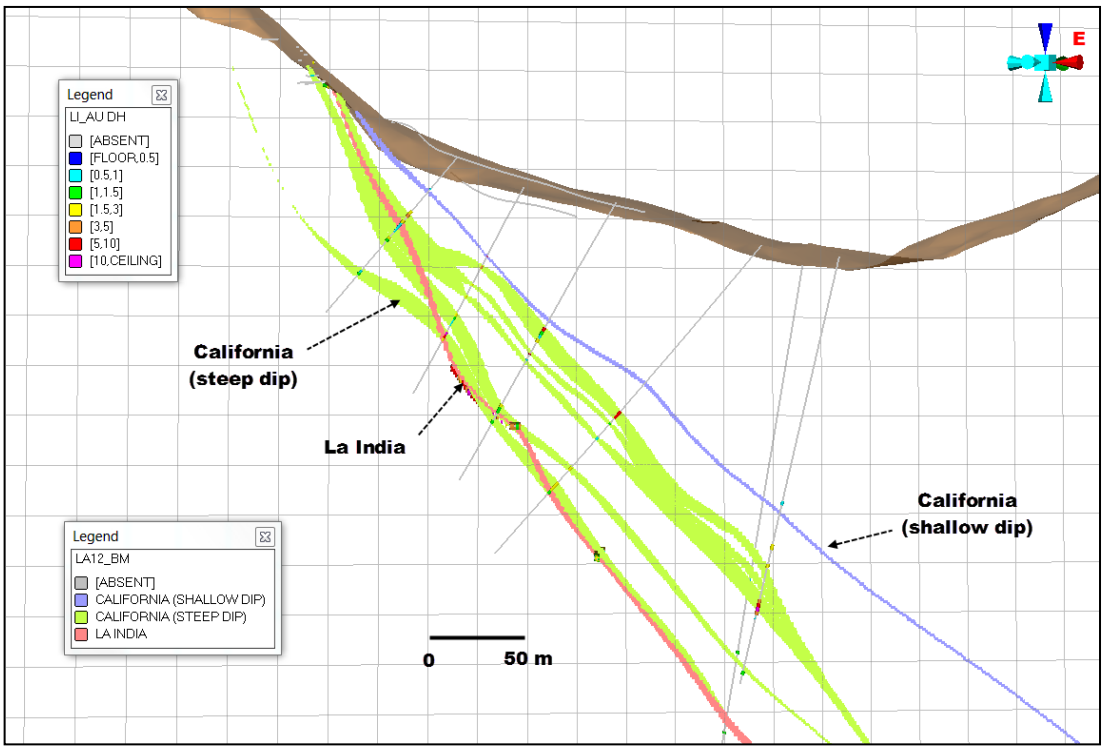


Figure 13-2: La India-California Vein Geological Model; Section Line 850 (September 2012)

Modelling Procedure – Geological Contacts

The construction of a number of the Espinito Mendoza vein wireframes, namely Tatiana and Buenos Aires, involved an additional phase of modelling to domain out the surface oxide material from higher grade fresh material at depth. Initial single zone models for these veins revealed significantly lower mean grades than the historic polygonal estimates completed by INMINE. Further analysis in to previous explorer's exploration models identified a shallow surface that separates the oxidised from fresh rock for the given veins, which (once modelled) elevates the global mean grades closer to that of the historic models. Interpretation using 2D vertical longitudinal projections provided by Condor has allowed SRK to construct a relatively continuous oxidation surface at a depth of 20–25 m beneath the surface. Figure 13-3 shows the form of the oxide-fresh surface for the Buenos Aires vein.

Condor geological staff reviewed the final vein models, and (following amendment) subsequently approved the interpretations as providing appropriate representations of the mineralisation.

Note that for Cacao more traditional sectional modelling techniques were used to create the vein wireframes. A high grade vein zone and lower grade halo ('grade shell') was modelled to reflect consistent low grade mineralisation occurring outside of the main mineralised structure. The reasonably wide, uniformly spaced sample data allowed for the digitising of 2D strings around vein intersections on a number of section lines, which were subsequently linked together to form a 3D solid model.

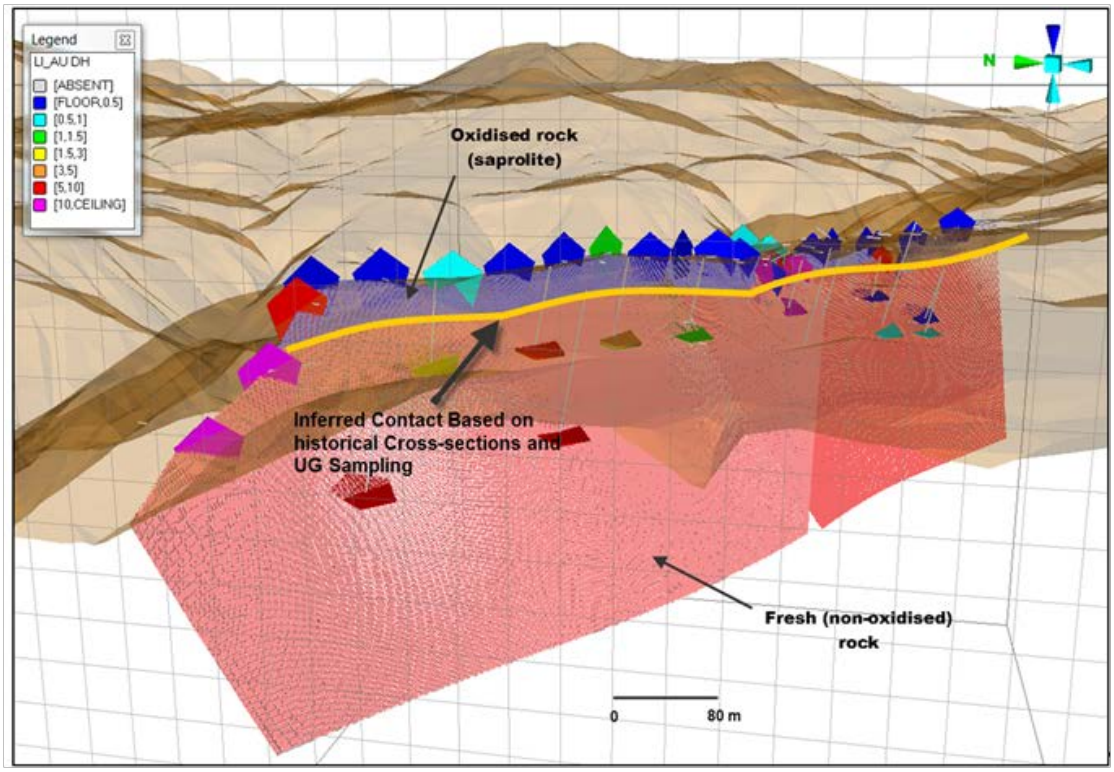


Figure 13-3: Nature of the modelled oxide-fresh surface for the Buenos Aires vein, La India Project, showing intersected sample gold grades (December 2011)

13.3.3 Mine Depletion

For the September 2012 update, the underground sampling was re-projected to fit with the mining void data recorded in the borehole logs, enabling a more accurate positioning of the La India Vein in the upper levels of the La India Mine. The thickness data associated with the borehole mining voids has been used in combination with the current underground samples (and associated widths) to create a depletion volume (inside a 2D long-section depletion outline) in an attempt to accurately remove the mined areas from the mineralisation model. Figure 13-4 shows the 3D form of the La India Vein depletion volume.

Based on the current work by SRK it is estimated that a total of some 920,000 tonnes at 8.5 g/t gold for some 250,000 oz of gold has been mined from within the SRK defined depletion volume.

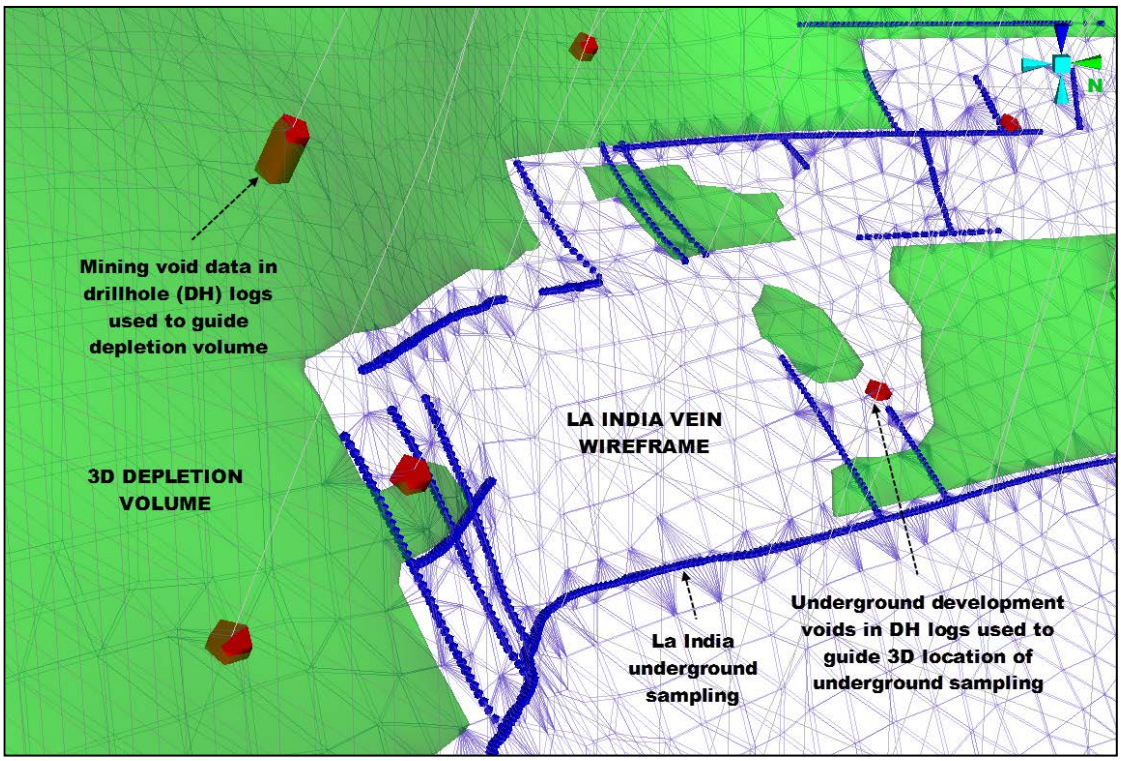


Figure 13-4: Use of Mining and Development Voids in Drillhole Logs to guide Underground Sampling location and 3D Depletion Volume (September 2012)

13.4 Geological Domains

SRK has coded the drilling and block model information into domains which are stored in the block model under the field “KZONE” and “GROUP” to distinguish between deposit area and (with respect to the California Veins) mineralisation style. A list of the domains used is shown in Table 13-1).

Note that the California veins are split by statistical “GROUP” to distinguish between the more steeply dipping coalescing veins (GROUP 3000) from the shallower dipping veins (GROUP 1000), as illustrated in Figure 13-2.

The modelled veins at La India are geologically continuous along strike for up to 2.5 km, showing a down-dip extent that ranges from 150 m to greater than 350 m, and a thickness that commonly varies between 0.5 to 2.5 m, reaching over 20 m in areas of significant swelling. Locally, the mineralised veins display anastamosing and bifurcating features, pinch and swell structures, fault brecciation and fault gouge.

The La India and California veins modelled during the September 2012 have dimensions broadly comparable with other veins on the La India Concession. SRK estimates the historic La India mine workings to have an average thickness of approximately 2.0 m, while by comparison, the aggregate remnant wall rock mineralisation and the California veins can average between 2.5 and 10.0 m in different portions of the deposit, and reaching up to 25 m wide in areas where multiple veins coalesce.

Table 13-1: List of Geological/ Mineralisation Domains (September 2012)

Vein sub-area	Vein	Deposit code	KZONE	GROUP
Agua Caliente-Teresa	Teresa	1	110	-
	Agua Caliente	2	120	-
America-Constancia-Escondido	America	3	110	-
	Constancia	4	120	-
	Escondido	5	1101	-
Arizona	Arizona	6	110	-
Buenos Aires	Buenos Aires 1	7	110	-
	Buenos Aires 2	7	120	-
Cacao	Cacao vein	8	100	-
	Cacao grade shell	8	200	-
Cristalito-Tatascame	Cristalito-Tatascame	9	(June 2011 estimate)	-
Espinito	Espinito	10	100	-
Guapinol	Guapinol	11	110	-
La India	California (shallow dip)	12	1	1000
	California (steep dip)	12	2	3000
	California (shallow dip)	12	3	1000
		12	5	1000
		12	6	1000
	California (steep dip)	12	8	3000
	California (shallow dip)	12	9	1000
		12	10	1000
	California (steep dip)	12	11	3000
	La India	13	14	4000
San Lucas	San Lucas	14	110	-
Tatiana	Tatiana main vein	15	120	-
	Tatiana splay vein	15	130	-

13.5 Statistical Analysis – Raw Data

The La India samples analysed comprise both gold and in some cases silver assays. For the September 2012 update, in light of a significant increase in size of the silver database for the La India-California veins, SRK has incorporated both in to the resource modelling procedure. In the previous estimate (2011) for the veins which have not formed part of the current update, silver was not considered (as a function of limited sample population and poor levels of assays accuracy) and hence all references to silver throughout the report are currently restricted to the La India-California veins.

Classical statistics have been calculated for all the veins considered in the current Mineral Resource update and length weighted statistics are presented for gold and silver in Table 13-2 and Table 13-3 respectively, based on the sampling information available at the time of modelling. Each vein has been considered to be independent and therefore presented independently. Note that in areas of underground sampling where no assay has been collected (due to the lack of mineralisation), SRK has assigned a default grade of below detection limits.

The statistical distributions for each of the individual zones display similar properties and show log-normal distributions. The distributions tend towards log-normal where sufficient data populations exist and show evidence of skewed (largely positive) distributions. Histograms have been calculated in both normal and log space, with the cumulative percentage plotted accordingly. Descriptive statistics were calculated and statistical graphs produced in both real and log space as a measure of confirmation of the statistical domains, and possible combining of zones for geostatistics.

Histograms have been produced for each zone and can be found in Appendix B, and an example of the gold histograms produced for both real and logged data is shown in Figure 13-5.

Table 13-2: Raw Gold (Au g/t) Summary Statistics per Vein; September 2012

	Count	Min	Max	Mean	StdDev	COV
Agua Caliente	125	0.59	89.14	8.90	8.85	0.99
America	2622	0	161.70	8.08	10.87	1.34
Arizona	253	0	23.30	5.18	4.99	0.96
Buenos Aires	142	0	82.10	9.35	15.50	1.66
Cacao	545	0.01	99.70	1.06	2.50	2.35
California (shallow dip)	345	0.005	93.50	2.80	8.00	2.86
California (steep dip)	964	0.015	293.56	3.70	12.56	3.40
Constancia	1287	0	566.00	11.25	18.81	1.67
Cristalito-Tatascame	283	0.01	258.10	11.48	638.66	25.27
Escondido	367	0	146.20	4.62	8.14	1.76
Espinito	508	0.03	62.77	9.20	9.13	0.99
Guapinol	579	0.01	60.65	6.91	7.20	1.04
La India	2827	0.30	143.10	7.91	9.02	1.14
San Lucas	885	0	73.70	6.03	7.36	1.22
Tatiana	182	0.05	45.80	5.09	6.30	1.24
Teresa	283	0	72.80	11.23	11.49	1.02

Table 13-3: Raw Silver (Ag g/t) Summary Statistics per Vein; September 2012*

	Count	Min	Max	Mean	StdDev	COV
California (shallow dip)	338	0.10	88.20	4.78	10.40	2.18
California (steep dip)	955	0.10	1250	8.05	43.25	5.38

*Note no silver assays exist for UG samples that define the La India vein

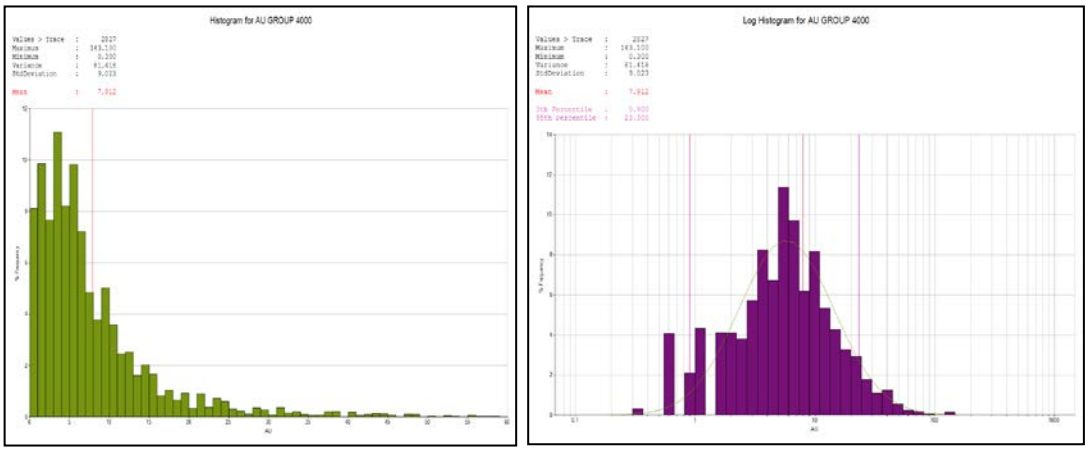


Figure 13-5: Histogram and Log Histogram of La India Vein Ore Samples for Gold (raw data); September 2012

The results of the analysis show that the mean grade of the raw sampling within the veins ranges between 1.1–11.5 g/t Au, with the highest mean grades seen within Cristalito-Tatascame, Constancia and Teresa veins. The highest individual grade has been recorded within the Constancia vein at a grade of 566.0 g/t Au. A study of the coefficient of variation which gives a normalised indication of the dispersion of any given distribution are relatively low and typically in the order of between 1.0-2.0, indicating the validity of using geostatistical techniques.

13.6 Compositing

Prior to the undertaking of a statistical analysis, samples are required to be composited to equal lengths for constant sample volume, honouring sample support theories.

During the June 2011 resource estimate, SRK completed a sample composite analysis for gold in order to determine the optimal sample composite length for grade interpolation which investigated both changes in composite length and minimum composite lengths for inclusion, analysing the results by comparing the resultant mean grade against the length weighted raw sample mean grades, and the percentage of samples excluded applying the minimum composite length.

The results of the study indicated that a 2.0 m composite length, using a minimum sample length of 25% of the composite length (0.50 m) provides a reasonable reconciliation to the raw data mean grade, while reducing the variance sufficiently and minimising the exclusion of samples where they don't meet the 0.50 m minimum composite length. The results indicate by increasing the composite length to 2.0 m the coefficient of variation can be improved with limited impact on the overall mean grade. Full results of the composite length analysis study are documented in the SRK resource report titled "JORC Mineral Resource Estimate of La India Gold Project, Nicaragua, dated July 2011.

Sample composite length analysis undertaken for the current database (updated as of 21 August 2012) indicates that the composite parameters selected during the June 2011 resource estimate remain appropriate. Tabulated results of the sample composite analysis are shown in Appendix C.

To ensure all sample information within the veins has been incorporated in the estimate, SRK has utilised a method within Datamine which forces all samples to be included in one of the composites by adjusting the composite length, while keeping it as close as possible to the sample interval length (INTERVAL). The maximum possible composite length will then be 1.5*INTERVAL. This method is deemed appropriate by SRK due to the narrow nature of the veins and the possibility of higher grades over shorter sample lengths near the hanging wall or footwall contact which may have been lost using more standard compositing methods.

The selected intervals have also been checked against histograms and cumulative frequency plots to ensure they included a representative portion and to avoid a large number of assays being split into smaller composites which may skew the results of a statistical analysis.

In summary, SRK has used 2.0 m composites (with a minimum composite length of 0.5 m) within the gold and silver mineralisation model for all subsequent statistical, geostatistical and grade interpolation. In the case of the underground sampling the sample lengths have been assumed to be the width measurement recorded in the database and have been maintained. The resultant study has been limited to the borehole and trench sampling database, with separate studies completed per domain.

Note that for the Cacao vein, a 1.0 m composite has been selected to account for the increased variability in grade across the mineralised structure related to the high grade vein and surrounding lower-grade grade shell.

13.7 High-grade Capping

The statistical analysis of the different sample domains indicated the databases to be highly skewed with potential high-grade outliers in the sample distribution. High-grade capping for gold was applied based on a combination of log probability plots and raw and log histogram information, plotted per vein domain.

The plots are used to distinguish the grades which are considered statistical outliers to the normal (or log-normal) distribution, and which may have significant impact on the resultant local estimation and whose affect is considered extreme. Using this methodology, top-cuts have been defined for each domain by reviewing the information from the different sample domains. Furthermore, log-probability plots (as illustrated in Figure 13-6), have been checked to ensure the capping applied is appropriate. Probability plots for gold and silver were created from the uncut dataset to determine the top cut values, supported by a statistical analysis of the resulting plot lines; the top cut value is determined by looking at the consistent lognormal distributed populations and the point at which those populations break down.

Log histograms and probability plots for all domains are shown in Appendix B.

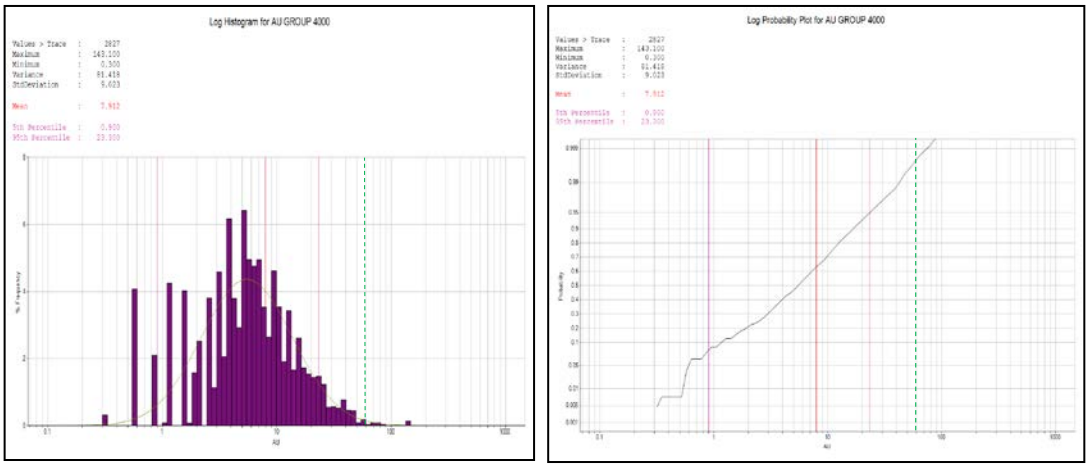


Figure 13-6: Log Histogram and Log Probability Plot for La India Vein Ore samples for Gold (composite data); September 2012

Based on this assessment, a series of high-grade cuts (or caps) were determined and applied to the resource estimation. Table 13-4 and Table 13-5 show a comparison of the mean grades within each zone based on the grade capping applied after compositing. It is noted that relatively little difference is observed in the mean grade pre and post application of the high grade capping, hence little reduction in metal. Further sample search restriction of the data during estimation has been implemented to mitigate possible extrapolation of higher grades into regions of low grade.

The results show in general the reduction in gold grade is in the order of 0–2% with the exception of California (steep dip), Constancia, Escondido, Cacao and Buenos Aires which have reductions of 6.8%, 3.7%, 4.8%, 11.0% and 10.9% respectively. These reductions are caused by the skewed raw data population with isolated outlier high-grade samples. The large drop in grade at Buenos Aires is also influenced by the relatively small sample population. In terms of the contained silver, whilst there is a discrepancy in percentage terms, the corresponding differences in mean grade can be attributed to a few isolated outlier high-grade samples. Overall, SRK deems the global reduction in the grade to be within acceptable margins.

Table 13-4: Analysis of Mean Gold Grades per Vein before and After Grade Capping; September 2012

Vein	Field	Count	Min	Max	Mean (g/t)	Cap (g/t)	Var	Std Dev	Cov	% Diff	Abs Mean Diff
Agua Caliente	AU	125	0.59	89.14	8.9	60	78.36	8.85	0.99	-2.45	0.21
	AUCAP	125	0.59	60	8.69		50.39	7.1	0.82		
America	AU	2550	0	161.7	8.08	95	117.35	10.83	1.34	-1.08	0.09
	AUCAP	2550	0	95	8.00		98.26	9.91	1.24		
Arizona	AU	238	0	23.3	5.17	25	24.42	4.94	0.96	0.00	0.00
	AUCAP	238	0	23.3	5.17		24.42	4.94	0.96		
Buenos Aires	AU	76	0	59.5	9.03	30	115.23	9.11	1.01	-11.02	0.9
	AUCAP	76	0	30	8.13		70.79	7.25	0.89		
Cacao	AU	572	0.01	99.7	1.03	25	12.38	2.07	2.02	-11.04	0.1
	AUCAP	572	0.01	25	0.92		3.21	1.12	1.21		
California (shallow dip)	AU	227	0.005	52.5	2.80	60	43.65	6.61	2.36	0.0%	0.00
	AUCAP	227	0.005	52.5	2.80		43.65	6.61	2.36		
California (steep dip)	AU	542	0.015	177.19	3.69	60	93.08	9.65	2.62	-6.8%	0.25
	AUCAP	542	0.015	60	3.43		36.68	6.06	1.76		
Constancia	AU	1275	0	566	11.25	110	354.05	18.82	1.67	-3.77	0.41
	AUCAP	1275	0	110	10.84		160.85	12.68	1.17		
Escondido	AU	367	0	146.2	4.62	45	66.32	8.14	1.76	-4.76	0.21
	AUCAP	367	0	45	4.41		33.55	5.79	1.31		
Espinito	AU	457	0.03	62.77	9.2	50	80.23	8.96	0.97	-0.51	0.05
	AUCAP	457	0.03	50	9.15		76.11	8.72	0.95		
Guapinol	AU	388	0.05	60.65	6.93	40	45.64	6.76	0.97	-1.4%	0.10
	AUCAP	388	0.05	40	6.84		37.13	6.09	0.89		
La India	AU	2827	0.3	143.1	7.91	60	81.42	9.02	1.14	-1.0%	0.08
	AUCAP	2827	0.3	60	7.83		67.58	8.22	1.05		
San Lucas	AU	839	0	73.7	6.03	50	53.02	7.28	1.21	-1.12	0.07
	AUCAP	839	0	50	5.97		45.79	6.77	1.13		
Tatiana	AU	68	0.05	45.8	4.84	30	26.13	4.67	0.97	-1.82	0.09
	AUCAP	68	0.05	30	4.76		20.75	4.24	0.89		
Teresa	AU	278	0	72.8	11.26	60	132.3	11.5	1.02	-0.62	0.07
	AUCAP	278	0	60	11.19		124.83	11.17	1.00		

*Note that the Cristolito-Tatascame vein has not been updated from the previous SRK resource estimate (dated June 2011), given no changes to the sample database. It is therefore excluded from the December 2011 grade capping summary statistics. Full statistics for Cristolito-Tatascame are provided in the SRK June 2011 Resource Report.

Table 13-5: Analysis of Mean Silver Grades per Vein before and After Grade Capping; September 2012*

Vein	Field	Count	Min	Max	Mean (g/t)	Cap (g/t)	Var	Std Dev	Cov	% Diff	Abs Mean Diff
California (shallow dip)	AG	222	0.10	56.44	4.78	100	88.14	9.39	1.96	0.0%	0.00
	AGCAP	222	0.10	56.44	4.78		88.14	9.39	1.96		
California (steep dip)	AG	532	0.10	626.05	7.97	100	897.73	29.96	3.76	-14.1%	1.12
	AGCAP	532	0.10	100.00	6.85		123.78	11.13	1.62		

*Note no silver assays exist for UG samples that define the La India vein

13.8 Geostatistical Analysis

13.8.1 Introduction

A full geostatistical study for gold per vein zone was undertaken during the SRK resource estimates dated June 2011 and (for more recent additions to the La India model) December 2011. The results of the geostatistical analysis have been reviewed with respect to the current database for the La India-California and Guapinol veins and it is concluded that the selected (variography-derived) parameters remain appropriate. Note that SRK has re-scaled the variograms per vein zone to the appropriate variance of the corresponding composite sample data.

For the September 2012 resource update, geostatistical studies for silver have been completed for the La India-California veins and the associated analyses and have been modelled using the derived parameters, following an approach consistent with the other vein zones.

A summary of the geostatistical study undertaken is outlined as follows.

13.8.2 Variography

Variography is the study of the spatial variability of an attribute (such as Au grade). The composite drillhole database was imported into ISATIS software for the geostatistical analysis. Initial semi-variograms have been completed on the capped gold and (for the La India-California veins) silver grades. The resultant experimental semi-variogram models produced were poor in terms of definition to fit a variogram model. In order to define variograms of sufficient clarity to be modelled, the models were re-calculated using a pairwise relative variogram algorithm, which removes some of the noise within the experimental semi-variogram.

Following the pairwise transformation, the next stage was to define the nugget effect from down-hole omni-directional variograms and then to model the longer (strike, dip and plunge) variogram ranges from longer lag directional variograms in the three principle directions, down-dip, along-strike and perpendicular to the bedding plane. In completing the analysis the following has been considered:

- Determined the mean azimuth and dip (that is, azimuth 310° and dip 70°) of the orebody and any potential plunge and compare the results to the semi-variograms established.
- Calculate and model the down-hole variogram of the composite capped gold values to characterise the nugget effect.
- Calculate experimental semi-variograms within the plane of maximum continuity in an attempt to determine the directional variograms for the strike, cross strike and down-dip directions (using pairwise relative data).
- Model the directional variogram for the trend of maximum continuity and its orthogonal direction.
- Re-scale the variogram results to the variance of the individual mineralisation zone/domains to obtain the final parameters for Ordinary Kriging grade estimation.

Directional Pairwise Relative variograms were attempted for all vein zones. The resultant experimental semi-variograms were in general poorly defined and therefore pairwise omni-directional structures were selected for fitting of the final variogram models. Where a distinct long-range structure was identified from directional anisotropy, local anisotropy was applied to the relevant orientation for the variogram model. In all cases a two or three structure spherical variogram model has been fitted to the experimental pair-wise variograms, and the results for the La India-California veins (representing the focus of the September 2012 update) are illustrated for gold and silver in Table 13-6 and Table 13-7 respectively.

Examples of modelled pairwise gold semi-variograms for a number of the veins at the La India Project are shown in Figure 13-7, whilst variogram models for silver are shown in Figure 13-8.

Table 13-6: Summary of pairwise relative gold semi-variogram parameters for the La India-California veins (September 2012)

Variogram Parameter	KZONE 1	KZONE 2	KZONE 3	KZONE 5	KZONE 6	KZONE 8	KZONE 9	KZONE 10	KZONE 11	KZONE 14
Co	30.73	23.953	0.251	0.558	0.357	15.425	0.049	2.13	5.10	31.88
C1	11.68	9.10	0.10	0.21	0.14	5.86	0.02	0.81	1.94	12.11
A1 – Along Strike (m)	11	11	11	11	11	11	11	11	11	11
A1 – Down Dip (m)	11	11	11	11	11	11	11	11	11	11
A1 – Across Strike (m)	11	11	11	11	11	11	11	11	11	11
C2	14.75	11.50	0.12	0.27	0.17	7.40	0.02	1.02	2.45	15.30
A2 – Along Strike (m)	42	42	42	42	42	42	42	42	42	42
A2 – Down Dip (m)	42	42	42	42	42	42	42	42	42	42
A2 – Across Strike (m)	42	42	42	42	42	42	42	42	42	42
C3	7.99	6.23	0.07	0.15	0.09	4.01	0.01	0.55	1.33	8.29
A3 – Along Strike (m)	105	105	105	105	105	105	105	105	105	105
A3 – Down Dip (m)	105	105	105	105	105	105	105	105	105	105
A3 – Across Strike (m)	105	105	105	105	105	105	105	105	105	105
Nugget Effect (%)	47%	47%	47%	47%	47%	47%	47%	47%	47%	47%

Table 13-7: Summary of pairwise relative silver semi-variogram parameters for the La India-California veins (September 2012)*

Variogram Parameter	KZONE 1	KZONE 2	KZONE 3	KZONE 5	KZONE 6	KZONE 8	KZONE 9	KZONE 10	KZONE 11
Co	35.872	46.687	3.226	1.040	0.135	68.669	1.944	0.482	31.160
C1	37.83	42.02	3.40	1.10	0.14	61.80	2.05	0.51	28.04
A1 – Along Strike (m)	20	23	20	20	20	23	20	20	23
A1 – Down Dip (m)	20	23	20	20	20	23	20	20	23
A1 – Across Strike (m)	20	23	20	20	20	23	20	20	23
C2	14.97	8.40	1.35	0.43	0.06	12.36	0.81	0.20	5.61
A2 – Along Strike (m)	54	80	54	54	54	80	54	54	80
A2 – Down Dip (m)	54	80	54	54	54	80	54	54	80
A2 – Across Strike (m)	54	80	54	54	54	80	54	54	80
C3	39.62	15.10	3.56	1.15	0.15	22.20	2.15	0.53	10.07
A3 – Along Strike (m)	133	150	133	133	133	150	133	133	150
A3 – Down Dip (m)	133	150	133	133	133	150	133	133	150
A3 – Across Strike (m)	133	150	133	133	133	150	133	133	150
Nugget Effect (%)	28%	42%	28%	28%	28%	42%	28%	28%	42%

*Note no silver assays exist for UG samples that define the La India vein (KZONE 14)

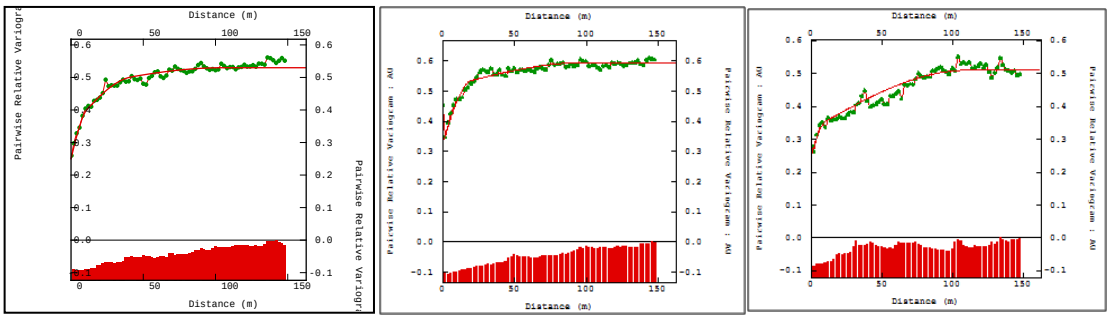


Figure 13-7: Examples of Modelled Pairwise Gold Semi-variograms for selected veins at the La India Project (from left to bottom right: La India, America and Constancia)

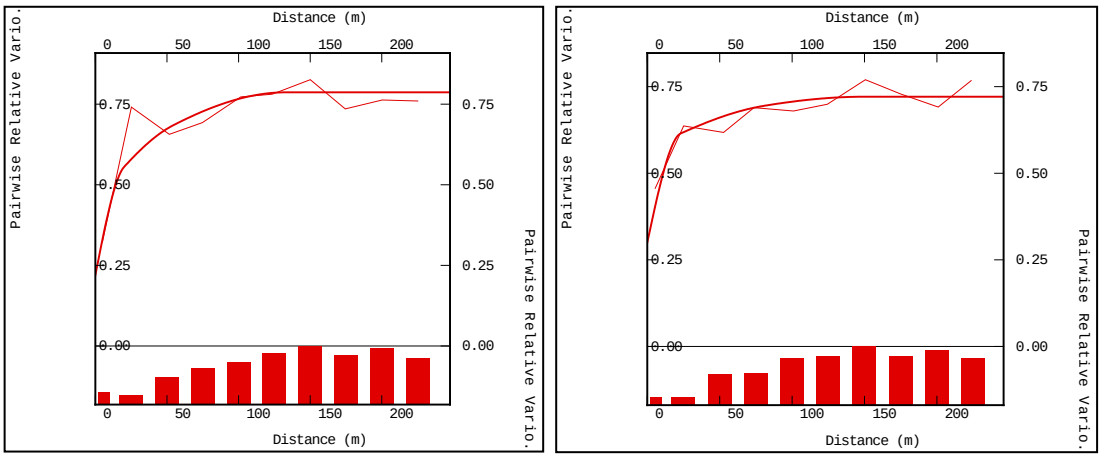


Figure 13-8: Modelled Pairwise Silver Semi-variograms for the La India-California veins at the La India Project (from left to bottom right: California (steep dip) and California (shallow dip))

13.9 Block Model

13.9.1 Block Model Setup

Prototype Definition

SRK has produced a parent block model with block dimensions of 25 x 25 x 25 m (X,Y,Z), as a function of the sample spacing. During the June 2011 SRK Resource Estimate, the use of smaller parent block dimensions in the across strike dimension was reviewed; however, SRK has determined the use of smaller blocks sizes to be sub-optimal. Sub-blocking has been allowed initially to a resolution 1.0 m along strike, 1.0 m across strike and 1.0 m in the vertical direction to provide an appropriate geometric representation. Where appropriate, SRK has updated the sub-blocking routine to allow unlimited sub-blocking in the plane perpendicular to strike to ensure the volumes have been modelled accurately.

For the September 2012 update, with respect to the La India-California veins, SRK has produced a block model with a slightly reduced block dimension in the vertical orientation of 25 x 25 x 10 m (X,Y,Z) to improve the resolution for the potential for open pit extraction to be evaluated.

Details of the final block model dimensions for the geological model are illustrated in Table 13-8.

Table 13-8: Details of Block Model Dimensions for Geological Model (September 2012)

Deposit	Dimension Axis*	Origin Co-ordinate	Block Size (m)	Number of Blocks	Minimum Subcell size (m)
Agua Caliente	X	573400	25	58	1
	Y	1409600	25	36	None
	Z	-50	25	30	1
America	X	572950	25	132	1
	Y	1410700	25	92	None
	Z	-50	25	30	1
Arizona	X	574550	25	58	1
	Y	1409900	25	28	None
	Z	-50	25	30	1
Buenos Aires	X	573850	25	46	1
	Y	1413250	25	30	None
	Z	0	25	28	1
Cacao	X	579950	25	26	1
	Y	1411950	25	8	None
	Z	150	25	17	1
California	X	574250	25	66	0.5
	Y	1408600	25	84	1
	Z	-200	10	90	1
Constancia	X	572950	25	132	1
	Y	1410700	25	92	None
	Z	-50	25	30	1
Cristalito-Tatascame	X	579000	25	32	1
	Y	1415100	25	12	None
	Z	-50	25	30	1
Escondido	X	572950	25	132	None
	Y	1410700	25	92	1
	Z	-50	25	30	1
Espinito	X	572400	25	84	None
	Y	1412000	25	122	1
	Z	-50	25	30	1
Guapinol	X	572900	25	102	1
	Y	1411800	25	66	None
	Z	-50	25	30	1
La India	X	574250	25	66	0.5
	Y	1408600	25	84	1
	Z	-200	10	90	1
San Lucas	X	572100	25	42	None
	Y	1409450	25	78	1
	Z	-50	25	30	1
Tatiana	X	573000	25	116	1
	Y	1412150	25	86	None
	Z	-150	25	54	1
Teresa	X	573400	25	58	1
	Y	1409600	25	36	None
	Z	-50	25	30	1

*Where X=Easting, Y=Northing and Z= Evelation

Block Model Codes

Using the wireframes created and described in Section 13.3.2, several codes have been developed to describe each of the major geological properties of the rock types.

Table 13-9 summarises geological fields created within the geological model and the codes used.

Table 13-9: Summary of Fields used for flagging different geological properties

Field Name	Description
SVOL	Search Volume reference (range from 1 - 3)
KV	Kriging Variance
NSUM	Number of samples used to estimate the block
AG	Kriged silver value
AU	Kriged gold value
CLASS	Classification
GROUP	Mineralised structures grouped by domain (September 2012 update only)
KZONE	Kriging zone for estimation
DENSITY	Density of the rock
DEPL	Mined out areas
TTHK	True thickness value (m)

13.10 Grade Interpolation

13.10.1 Introduction

Gold and silver grades have been estimated (using parameters appropriate to the geological and grade continuity) based on optimised Ordinary Kriging ("OK") routines, with a variably oriented search ellipse to follow the differences in geometry and orientation of the veins, and to highlight possible plunging features or oreshoots within the mineralised veins. A Quantitive Kriging Neighbourhood Analysis ("QKNA") exercise has been completed in order to optimise the parameters used in the kriging calculations.

For the September 2012 update, the interpolation parameters selected for the La India-California veins are broadly comparable to the other veins on the La India Licence, but with a reduced orientated search ellipse (radii 60 x 40 x 40 m) and increased number of samples as a function the infill drilling (50 x 50 m) completed during the recent program. The resultant block grade distribution in areas of informed sampling information reflects the gold distributions that Condor and SRK consider to be an important feature of the deposit.

In areas of limited sampling, the block grade estimates have been produced using expanded search ellipses which result in more smoothed global estimates. Localised comparisons of composite grades to block estimates will be less accurate in these areas. Further infill drilling is likely to improve the local block grade estimates.

SRK has treated the outer limits of the geological zones as hard boundaries in terms of the estimation process, and each vein has been estimated independently, with the exception of the following:

- the Escondido vein, where a soft boundary is utilised with the formerly continuous America-Escondido vein; and
- the California veins at the La India-California deposit whereby selected coalescing veins share the influence of certain mineralised sample intervals where veins interact within one another.

13.10.2 Search Ellipse Orientation

SRK has completed an exercise of defining optimised search definitions based on orientated ellipsoids. To select the best orientations, SRK has used Datamine's Ellipse function to create 3D shells defining the orientations based broadly on the semi-variogram ranges and any observed grade anisotropy. These volumes are then rotated through up to three planes to create search volumes which account for the dip and the strike of the orebody plus any potential plunging features. The identification of any plunging features has been completed by looking at the exploration data along strike and identifying and trends of high and low grades which may be present. All search orientations have been validated against the drilling database and geological model to ensure they are reasonable and representative of each respective vein (Figure 13-9).

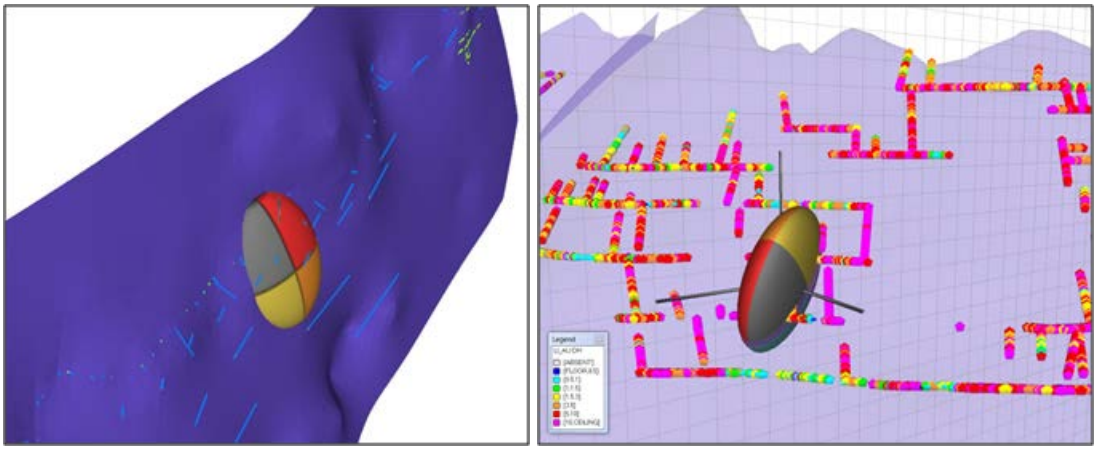


Figure 13-9: Examples of 3D search orientation study completed

13.10.3 Sensitivity on Kriging Parameters

A QKNA exercise has been completed for gold in order to optimise the parameters used in the estimation and OK calculations. Initial grade estimation was undertaken in Datamine. To complete the exercise a number of scenarios were tested using various estimation and OK parameters. Different input parameters have been applied and the differences in the slope of regression, kriging variances, number of samples used per search volume, and block estimates recorded.

To complete the analysis, SRK ran different estimates for gold, changing the following parameters:

- search ellipse sizes;
- minimum and maximum number of samples; and
- maximum number of samples per drillhole per block estimate.

In order to assess the best grade estimate, the following data fields were analysed in most detail: slope of regression, proportion of blocks estimated in each search volume and average number of samples used per estimate. Additional fields monitored included: negative Kriging weights, the resultant grade in comparison with the sample data and the kriging variance.

In the cases tested, SRK has limited the across strike influence on the estimate by either varying the search ellipse or by limiting the number of samples per hole used in each estimate.

For the September 2012 update, SRK has focused QKNA on the California veins, to optimise and analyse the influence of the kriging parameters on the significantly wider zones of mineralisation not encountered on the veins modelled for the previous estimate (December 2011). The following sensitivity analysis pertains to the California veins:

Search Volume

To test the optimum search volume to be used, SRK has selected a first pass minimum and maximum number of samples and adjusted the expansion factor of the semi-variogram range used per estimate per zone.

The optimum parameters selected allowed an appropriate proportion of block estimates in the initial search volumes, ensuring that a sufficient minimum number of drillholes are utilised (without exceeding the variogram range), and achieving a relative increase in slope (in SVOL 1 and 2) without excessive smoothing. The QKNA results for search volume at the La India California veins (steep dip domain) are displayed in Figure 13-10, and shown as grade tonnage curves in Figure 13-11 to illustrate an overall low sensitivity. SRK notes that in general low slopes of regression have been noted across all estimates but SRK has utilised the parameter as a relative measure of confidence for the QKNA exercise.

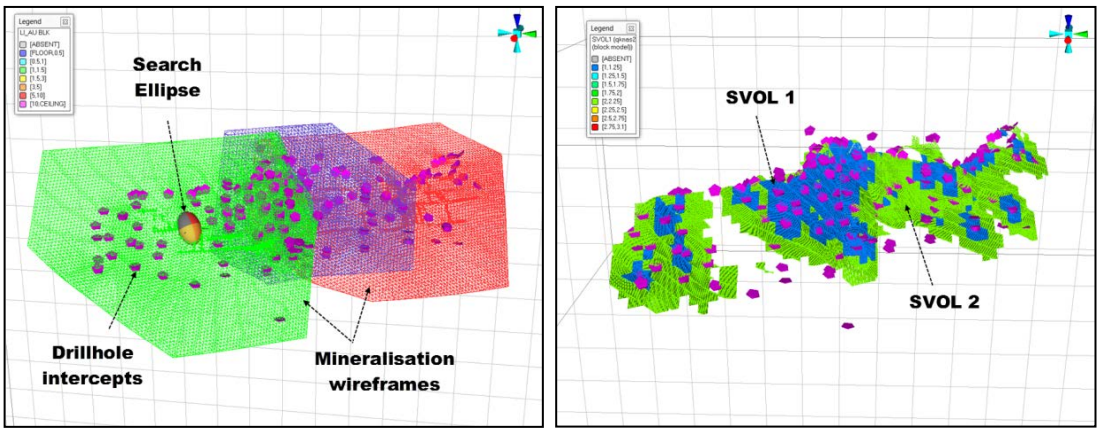
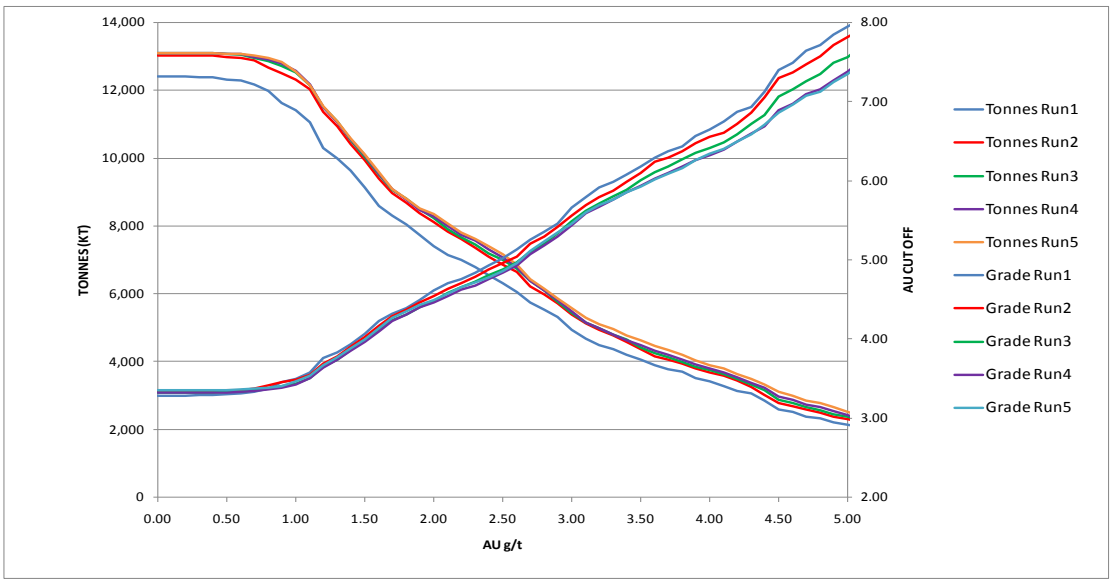


Figure 13-10: QKNA Search Volume at La India; California Veins (steep dip); September 2012

Table 13-10: QKNA Search Volume at La India; California Veins (steep dip); September 2012

DETERMINE SEARCH RADIUS						GRADE			
RUN	Min	Max	Search	SVOL	AUOK	AUIDW	SLOPE	NUM	% Fill
1	6	16	60x40x40	1	3.17	3.30	0.37	11	43.0%
	4	24	60x40x40	2	3.30	3.31	0.22	8	26.5%
	2	32	60x40x40	3	3.43	3.39	0.10	16	30.4%
2	6	16	90x60x60	1	3.28	3.30	0.35	13	64.4%
	4	24	90x60x60	2	3.35	3.32	0.14	9	18.6%
	2	32	90x60x60	3	3.68	3.44	0.04	19	17.0%
3	6	16	110x75x75	1	3.26	3.29	0.33	14	74.3%
	4	24	110x75x75	2	3.37	3.51	0.09	9	14.5%
	2	32	110x75x75	3	3.69	3.50	0.02	24	11.2%
4	6	16	130x90x90	1	3.27	3.30	0.32	14	81.2%
	4	24	130x90x90	2	3.36	3.51	0.05	9	11.8%
	2	32	130x90x90	3	3.86	3.61	0.01	28	7.0%
5	6	16	150x100x100	1	3.31	3.39	0.31	15	85.2%
	4	24	150x100x100	2	3.43	3.57	0.04	10	9.9%
	2	32	150x100x100	3	4.03	3.88	0.01	31	4.9%



*Note reduced tonnage shown for "Tonnes Run 1" represents a more restrictive fill of the strike and dip extensive geological wireframes.

Figure 13-11: QKNA Grade Tonnage Curves for Search Volume at La India; California Veins (steep dip); September 2012*

Number of Samples

To test the optimum minimum and maximum number of samples, SRK selected criteria for search volume (SVOL 1) and adjusted both the minimum number of samples and maximum samples used per estimate. The optimum parameters selected allowed an appropriate proportion of blocks to be estimated in the initial search volumes, whilst ensuring that a sufficient minimum and maximum number of samples are utilised per drillhole, and achieving a reasonable slope (in SVOL 1 and 2) without excessive smoothing. The selected parameters showed an ordinary kriged gold grade closely comparable to the IDW grade at a zero cut-off.

The QKNA results for sample number at the La India California veins (steep dip domain) are displayed in Table 13-11, and shown as grade tonnage curves in Figure 13-12 to illustrate an overall low sensitivity.

Table 13-11: QKNA Number of Samples at La India; California Veins (steep dip); September 2012

DETERMINE SAMPLE NUMBER						GRADE			
RUN	Min	Max	Search	SVOL	AUOK	AUIDW	SLOPE	NUM	% Fill
1	4	16	60x40x40	1	3.20	3.32	0.34	10	52.5%
	4	24	60x40x40	2	3.34	3.26	0.18	9	17.0%
	2	32	60x40x40	3	3.43	3.39	0.10	16	30.4%
2	6	16	60x40x40	1	3.17	3.28	0.37	11	43.0%
	6	24	60x40x40	2	3.45	3.44	0.24	11	17.4%
	2	32	60x40x40	3	3.33	3.30	0.14	18	39.6%
3	6	24	60x40x40	1	3.13	3.28	0.38	13	43.0%
	4	24	60x40x40	2	3.30	3.31	0.22	8	26.5%
	2	32	60x40x40	3	3.43	3.39	0.10	16	30.4%
4	8	24	60x40x40	1	3.09	3.24	0.42	14	34.0%
	6	24	60x40x40	2	3.36	3.42	0.26	11	26.4%
	2	32	60x40x40	3	3.33	3.31	0.14	18	39.6%
5	10	24	60x40x40	1	3.17	3.36	0.43	15	27.7%
	8	24	60x40x40	2	3.16	3.19	0.32	14	24.6%
	32	302	60x40x40	3	3.38	3.50	0.18	20	47.7%

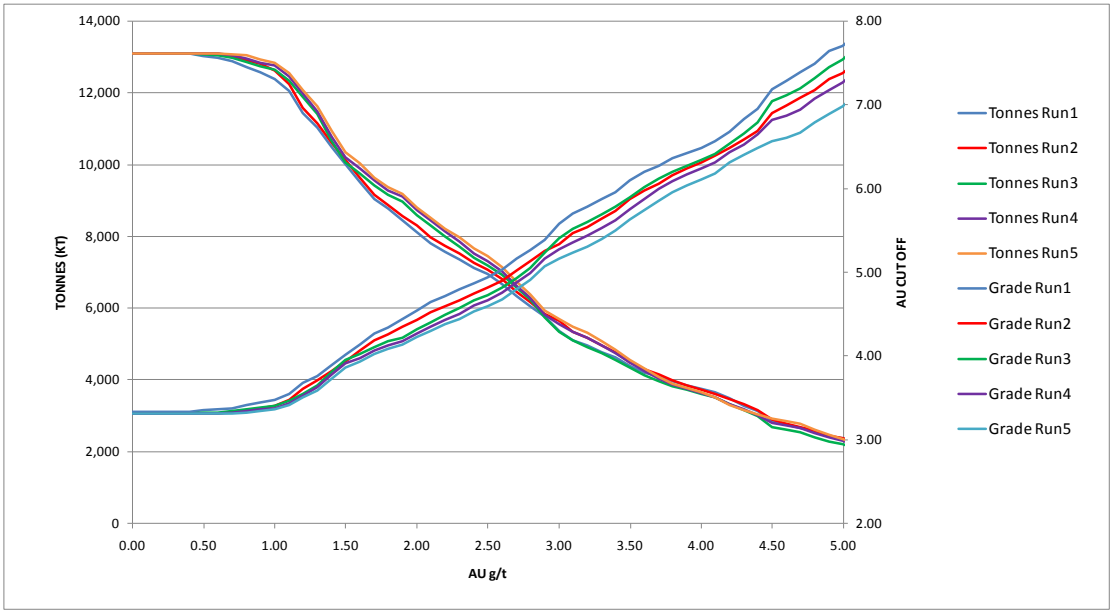


Figure 13-12: QKNA Grade Tonnage Curves for Number of Samples at La India; California Veins (steep dip); September 2012

13.10.4 Selected Number of Samples (California Veins)

For the primary search the minimum number of samples for a block estimate was six and the maximum 24. A minimum of six samples per search with an unrestricted number of samples per drillhole was selected to ensure that the interpolation utilised all available information from across the mineralised zone, and that in less densely sampled areas that a minimum of two or three drillholes were used per block estimate (based on an average of two mineralised composites per drillhole).

The maximum number of samples however has been set to 24 to ensure that where significantly thicker drillhole intercepts exist, in areas of coalescing veins (showing up to 17 mineralised composites per drillhole), at least two drillholes were utilised.

13.10.5 Selected Search Range Expansion (California Veins)

In addition to varying the number of samples, second and third radius factored search volumes have been used for the estimation. The first search represents an optimised search distance (selected from a kriging sensitivity analysis), ensuring that block estimates use an appropriate number of drillholes, whilst the second and third search volumes use expansion factors (of 2 and 4 respectively) that produce more smoothed block estimates, relating to areas of lower data density.

The third expansion volume was sufficient to ensure that all appropriate blocks (in areas with reasonable geological confidence) were assigned grade values. These blocks are generally classified with lower confidence.

13.10.6 Selected Kriging Parameters per Vein

Details of the kriging parameters selected for gold and silver are presented in Table 13-12.

A discretisation grid of 5 x 5 x 5 (and 5 x 5 x 2 for the La India and California veins) has been used within each parent block during the estimation. The discretisation grid ensures that single blocks near the edge of each estimation zone are assigned a grade that is characteristic of the modelled domain and not just those values at the block midpoint.

Table 13-12: Summary of final Kriging Parameters; September 2012

	Rotation Axis						Search Range			Number Samples			Second Range				Third Range				Disc
Vein	Angle 1	Axis**	Angle 2	Axis**	Angle 3	Axis**	Along Strike	Down Dip	Across Strike	Min	Max	Max Per Hole	Axis Factor	Min	Max	Max Per Hole	Axis factor	Min	Max	Max Per Hole	
Agua Caliente	70	3	55	2	0	2	55	40	100	15	30	20	2	3	10	20	3	2	10	20	5x5x5
America	35	3	60	1	-65	3	60	25	100	15	30	20	2	5	30	20	4	2	25	20	5x5x5
Arizona	5	3	60	1	-65	3	80	40	100	15	30	20	1.5	4	10	20	5	2	10	20	5x5x5
Buenos Aires	-55	3	60	2	0	3	67.5	67.5	100	6	18	25	1.5	4	24	25	2	2	24	25	5x5x5
California (shallow)	60	3	45	1	80	3	60	40	40	6	24	-	2	6	24	-	4	2	32	-	5x5x2
California (steep)	60	3	55	1	80	3	60	40	40	6	24	-	2	6	24	-	4	2	32	-	5x5x2
Constancia	20	3	60	1	80	3	120	80	100	15	30	20	1.5	5	30	20	4	2	25	20	5x5x5
Escondido	85	3	50	1	-65	3	60	25	100	15	30	20	2	5	30	20	4	2	25	20	5x5x5
Espinito	-15	3	70	2	0	3	45	45	100	25	30	25	1.5	5	25	25	2.5	2	25	25	5x5x5
Guapinol	-70	3	65	2	-5	3	60	40	100	4	16	20	1.5	3	10	20	3	2	10	20	5x5x5
La India	60	3	55	1	80	3	60	40	100	15	20	20	2	5	30	20	4	2	25	20	5x5x2
San Lucas	-25	3	-75	2	15	3	50	25	100	15	20	20	2	5	30	20	4	2	25	20	5x5x5
Tatiana	215	3	63	1	0	3	112.5	75	75	6	16	0	1.33	4	24	0	1.66	2	32	-	5x5x5
Teresa	70	3	80	2	0	2	55	40	100	15	30	20	2	3	10	20	3	2	10	20	5x5x5
Cacao*	Rotation Axis						Search Range			Min	Max	Second Range			Min	Max	Third Range			Min	Max	Max Per Hole (SVOL2+3)	Disc
	180	3	84	1	0	3	40	20	10	All samples in target block		40	20	10	4	18	100	70	20	4	18	2	5x5x5

*The format for the final kriging parameters for Cacao differs slightly from the other veins, given estimation using the Isatis software. In this case the Isatis option of using all samples within the target block (for SVOL1 only) has been utilised to allocate an appropriate degree of confidence to local block estimates. QKNA has shown that removing this option has only minor sensitivity on the global mean grade and tonnage.

**The numerical references used to determine the Axis are converted as follows: 1 = X, 2 = Y and 3 = Z

13.11 Model Validation

SRK has undertaken a thorough validation of the resultant interpolated model in order to confirm the estimation parameters, to check that the model represents the input data on both local and global scales and to check that the estimate is not biased. SRK has undertaken this using a using a combination of different validation techniques, including:

- Inspection of block grades in plan and section and comparison with drill hole grades;
- Statistical validation of de-clustered means versus block estimates;
- Sectional interpretation of the mean block and sample grades.

13.11.1 Visual Validation

Visual validation provides a validation of the interpolated block model on a local block scale, using visual assessments of sample grades verses estimated block grades. A visual inspection of cross-sections, long-sections and bench/level plans, comparing the sample grades with the block grades using the same display legends has been undertaken, which in general demonstrates good comparison between local block estimates and nearby samples, without excessive smoothing in the block model. Figure 13-13 and Figure 13-14 show examples of the visual validation checks and highlights the overall block grades corresponding with composite samples grades.

Sections showing the distribution of gold grades against the composite values can be found in Appendix D. SRK notes that in places the resultant block grades display a degree of smoothing which is a result from the low number of borehole intersections at depth and along strike from more established underground sampling. The degree of smoothing has resulted in more averaged grades for the individual veins with more limited data, which potentially on further infill drilling will display more variable grade distributions with notable high and low grade zones. In the areas of greater sampling density the reconciliation between the local sample intersection and block grades are improved.

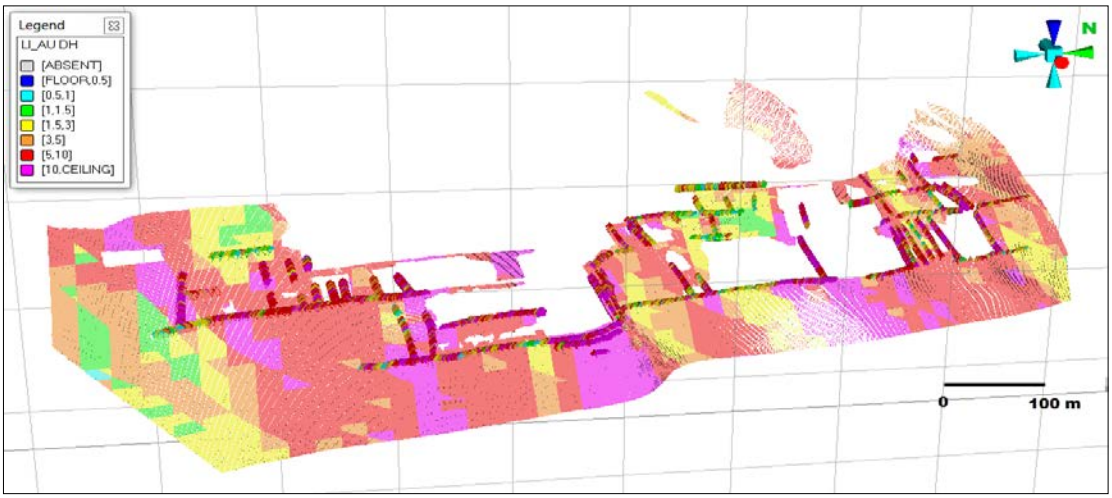


Figure 13-13: Section showing Block Grades versus sample composites (La India Vein); September 2012

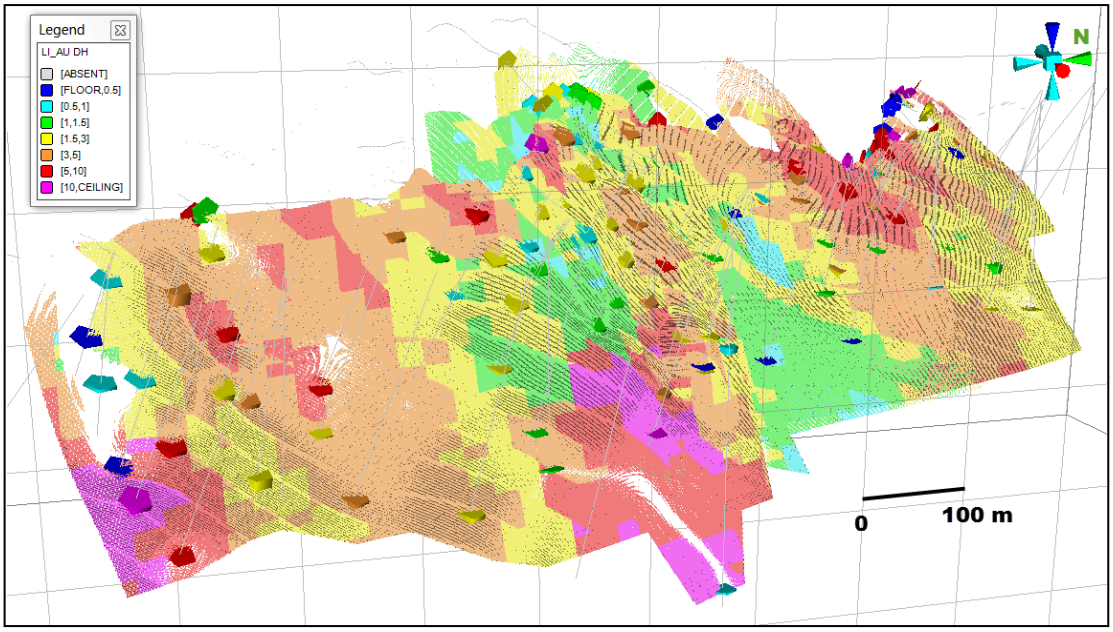


Figure 13-14: Section showing Block Grades versus vein sample composites (California Veins GROUP 3000); September 2012

13.11.2 Statistical Validation

SRK has completed a statistical validation of the block estimates (OK) versus the de-clustered mean of the composite samples per zone. In general, the results indicate a reasonable comparison (Table 13-13 and Table 13-14) between the de-clustered mean grades and the block estimates.

The results indicate an acceptable degree of grade variability, however some of the veins display higher variability, in particular at Constancia and Escondido where low-grade estimates where the majority of the sampling has been taken from underground samples and therefore is likely to represent a higher value, when compared to limited lower grade drilling intercepts at depth. Tatiana also displays a higher variability and this is largely attributed to a relatively limited sample population. Based on the results of the analysis, SRK has accepted the grades in the block model.

Table 13-13: Statistical Validation Block Model to Declustered Mean Gold Grade (September 2012)

Vein	Count	Composite Mean	Declust. Mean	Block Mean	% Difference AU	Absolute Difference AU (g/t)
Agua Caliente	125	8.69	5.8	5.8	-0.1	0.01
America	2550	8	6.3	6.3	0.2	0.01
Arizona	238	5.17	3.9	4.2	5.9	0.24
Buenos Aires	76	8.13	6.1	6.0	-1.4	0.08
Cacao	572	0.92	0.8	1.0	21.8	0.22
California (shallow)	227	2.8	2.0	2.3	17.4	0.35
California (steep)	542	3.4	3.2	3.2	-1.1	0.04
Constancia	1275	10.84	8.9	6.7	-33.8	2.26
Escondido	367	4.41	5.5	4.4	-25.5	1.12
Espinito	457	9.15	6.2	6.1	-1.3	0.08
Guapinol	377	7.01	5.5	5.3	-4	0.21
La India	2827	7.8	7.6	6.7	-11.8%	0.9
San Lucas	839	5.97	4.0	4.0	0.9	0.04
Tatiana	68	4.76	4.3	6.1	29.1	1.78
Teresa	278	11.19	7.4	7.8	5.3	0.42

Table 13-14: Statistical Validation Block Model to Declustered Mean Silver Grade (September 2012)

Vein	Count	Composite Mean	Declust. Mean	Block Mean	% Difference AU	Absolute Difference AU (g/t)
California (shallow)	222	4.8	3.4	3.6	5.8%	0.20
California (steep)	542	3.4	3.2	3.2	-1.1%	0.04

13.11.3 Sectional Validation

As part of the sectional validation process, the input composite samples are compared to the block model grades within a series of coordinate slices. The results of which are then displayed on graphs to check for visual discrepancies between grades with orientation slices through the deposit. Figure 13-15 shows the results for the capped Au grades for the California (steep dipping) veins based on the X-Coordinate (which represents the longest strike length). The graph shows the block model grades (red line) and the composite grades (blue line).

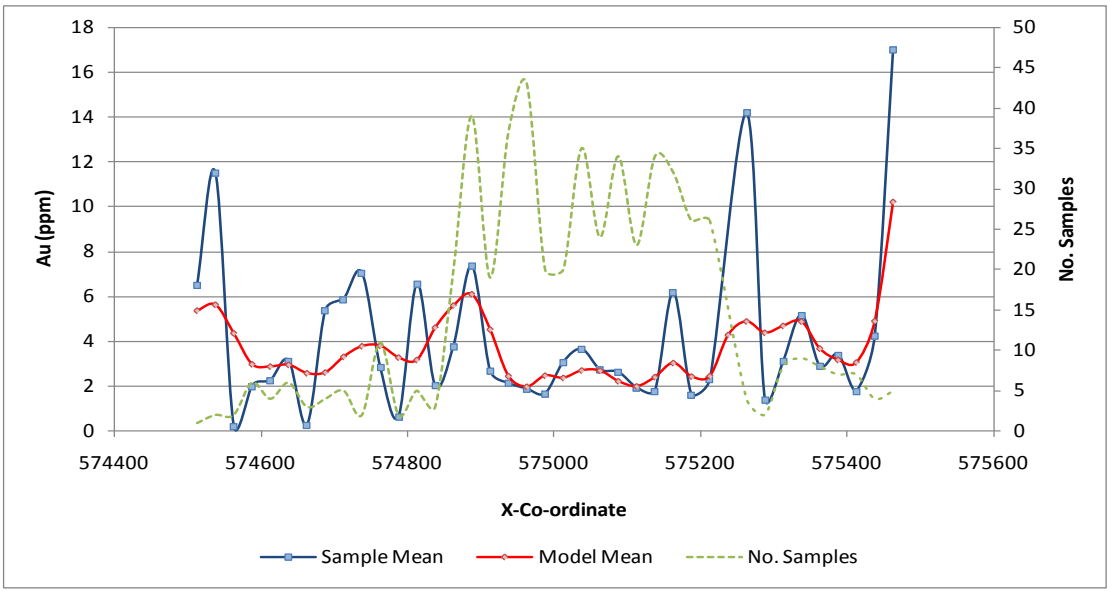


Figure 13-15: Validation Plot showing California (steep dip) Vein Sample Grades versus Block Model mean (25m sections - Easting); Classified Material Only (September 2012)

The resultant plots (shown in Appendix D) show a reasonable correlation between the block model grades and the composite grades, with the block model showing a slightly smoothed profile compared to the composite, as would be expected.

The plots for capped gold confirm no indication of any significant bias introduced during the estimation process and display an adequate degree of smoothing in SRK's opinion, and that the estimates are therefore representative of underlying composite sampling data. The results indicate a higher degree of smoothing in the vertical direction, with limited variability down dip over the entire length of the mineralisation. The smoothed grade indicates globally the gold grades are consistent down dip, but the resultant charts (unless otherwise stated) have yet to be limited by classification to limit the Mineral Resource at depth. Large variability at depth between sampling or areas of limited drilling information confirm the requirement for limiting the depth extent of the Inferred Mineral Resource in areas of limited or no down-dip information, and the requirement for further drilling to improve the correlation between block estimates and sample grades at depth.

The veins which show the greatest variance between the sample means and the block estimates are Agua Caliente, Constancia and Tatiana. Agua Caliente indicates a low bias (most notably in the X-axis orientation) whereby low-grade block estimates from a single isolated drillhole sample have had a significant volume impact on the mean grade at depth. The results of the Constancia analysis also indicate a low bias in the block estimates, attributed to where low-grade estimates from a limited number of drilled composites have had a significant volume impact. The differences seen in the Tatiana analysis are a result of the relatively low data population with higher grades occurring in areas of larger sample numbers and therefore have more weight on the estimates (within the levels of de-clustering assigned).

Based on the validation plots, the Guapinol vein (updated during September 2012) is noted as showing increased smoothing in the Y-axis orientation, most notably where the model has been updated to include two additional low grade vein intercepts at depth. Whilst SRK has adjusted the classification boundary with respect to these holes (to honour the identification of the geological vein structure in these areas), SRK would not currently recommend additional infill drilling (in an attempt to improve local grade estimates) given the lower grades intersected as part of the recent drill program.

Overall, based on the results of the analysis, SRK has accepted the grades in the block model as being valid.

13.12 Mineral Resource Classification

Block model quantities and grade estimates for the La India Project were classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (December 2005).

Mineral Resource classification is typically a subjective concept, industry best practices suggest that resource classification should consider both the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. Appropriate classification criteria should aim at integrating both concepts to delineate regular areas at similar resource classification.

SRK is satisfied that the geological modelling honours the current geological information and knowledge. The location of the samples and the assay data are sufficiently reliable to support resource evaluation. The sampling information was acquired by a combination of trenching, reverse circulation and DD drilling on sections typically spaced at 50 – 100 m, and from (historic) underground development drives.

13.12.1 SRK Classification Methodology

In determining the appropriate classification criteria for the Project, several factors were considered:

- CIM requirements and guidelines;
- observations from the site visits in 2010, 2011 and 2012;
- quality of data used in the estimation;
- geological analysis and geological interpretation;
- quality of the estimated block model; and
- experience with other deposits of similar style.

Quality of Data used in the estimation

SRK has reviewed the current collated database made available by the Company.

It is SRK's view that in the TVX and Gold-Ore drilling the QAQC programme was not in line with current best-practices or CIM guidelines, with no current information available for the results from blanks or CRM's submitted during analysis to the primary laboratory. Results from the checks that were undertaken indicate acceptable assays in terms of precision but knowledge of the laboratory accuracy is unknown due to the lack of CRM submissions.

During the routine submission of the Soviet-INMINE samples which form a considerable portion of the database, a basic QAQC programme was completed. The QAQC programme follows typical Russian guidelines and consists of duplicate assay checks at various grade ranges. The results of the investigations displayed reasonable results. One period of results indicated a low bias.

For the latest exploration, improved QAQC guidelines have been implemented, but an improved QAQC protocol will still be required in future submissions to confirm the quality in the assays in terms of accuracy and precision using CRM, blanks and duplicate analysis.

SRK does not consider that any significant bias has been introduced into any period of analysis assuming sampling protocols that have been provided were followed.

Based on the current QAQC procedures followed, it is SRK's opinion that with the increased and more detailed QAQC investigation within 2012, on the La India and California veins that the data is of sufficient quality for the reporting of a Mineral Resource, using the current validated database.

Continued work on the validation of the database and the location of additional underground sampling in its "true" 3D location has been completed by the Company since the previous model. The result of the work completed has further improved the confidence in the spatial location of all sampling used in this update. Based on the current status of the data it is SRK's view that the data is of a sufficient quality for the quoting Mineral Resources at the La India Project based on the current drill spacing and underground sampling database.

Geological Complexity

It has been highlighted in the report that the gold mineralisation within the La India area is relatively simple in terms of defining the outer limits of the mineralisation within the veins and host rocks, but the more local-scale continuity is far more complex and not yet completely understood. The historical Russian review of the project place the veins within the La India project as Type III complexity, which indicates highly complex structures maybe present. This is often a good guideline to benchmark complexity.

The basic geological knowledge and interpretation of the deposit are well developed, however the data density, data reliability and quality, and continuity of the mineralisation in the different veins are variable.

In comparison to the December 2011 Mineral Resource model, the interpretation for the California veins has been modified (based on a significant increase in drilling during 2011/2012) to form a series of coalescing veins that bifurcate and re-join, most notably within the central region of La India-California mineralised structure, with the La India vein, as defined by historic underground sampling representing a single narrower (average 2.0 m) high grade core to the California structures.

For the September 2012 update, no additional veins have been selected for inclusion as Mineral Resources. Within the other areas of the deposit it is SRK's view that more information is required to improve the confidence in the current geological and mineralisation interpretation. SRK note the existence of known veins which have not been included in the current estimate due to limited exploration or a lack of drilling to establish down-dip continuity.

Results of the Geostatistical Analysis

The sample data used in the geostatistical analysis has been used to produce pairwise semi-variograms with relatively high nugget variances (>50%) on the raw datasets. SRK is satisfied that the resultant estimates have a reasonable level of confidence based on the grade continuity displayed in the Geostatistical assessment.

13.12.2 SRK Classification Rules

The classification has been carried out using a combination of data quality, drillhole spacing, search volume definition, kriging variance and wireframe confidence and was applied to the model using a combination of a digitised wireframe volume and a number of criteria including the number of composites used in estimating the block grade and variogram models and ranges of the first structure of the variogram models.

In SRK's classification:

- No Measured Mineral Resources have been reported due to the variability between section lines of the geological continuity of the veins, and the relatively high nugget variance seen in the semi-variogram. The high nugget variance means the slope of regression and therefore confidence in the geostatistical parameters is not sufficient for the declaration of Measured Resources. In addition, a significant proportion of the block estimates are reliant on information from historical drilling or sampling campaigns with poor recovery noted in a number of holes. Further work via DD drilling or underground sampling will be required by the Company before it is considered possible to declare Measured Mineral Resources.
- Indicated Mineral Resources are classified as follows:
    - For the September 2012 update, in light of a significantly larger drilling database for the La India-California veins, Indicated Mineral Resources (on the California veins) are those kriged blocks interpolated by drilling data with more than two boreholes within 50 x 50 m of the estimated block, within domains which are deemed to have good geological continuity and block estimates of an appropriately robust quality, sufficiently supported by high sample recoveries.
    - In the previous estimate (December 2011) for veins which have not formed part of the current update, Indicated Mineral Resources are those, which have been interpolated by underground and drillhole data, with more than three boreholes/channels within 20 x 20 m of the estimated block, within domains which are deemed to have sufficient geological continuity. To ensure continuity in the grade down-dip, the reporting of Indicated Mineral Resource has been limited to veins with sufficient underground exploration over multiple levels. The veins considered to satisfy the criteria are America, Constancia and La India. To define the limits of the Indicated Mineral Resource, SRK has constructed a series of wireframes for each vein.

- The QAQC included in the 2012 drilling programme are considered sufficient for the declaration of Indicated Mineral Resources.

- Inferred Mineral Resources are model blocks lying outside the Indicated wireframes which still display reasonable strike continuity and down-dip extension based on the current underground or borehole intersections. The majority of these blocks have been estimated within search volumes 2 or 3 and therefore require infill drilling to improve the quality of the geological interpretation and grade estimate. SRK has limited the extents of the Inferred Mineral Resource to between 75-100 m beyond data samples where there is proven up-dip and down-dip and along-strike continuity with drillhole and/or underground sample data. SRK has only allowed extrapolation of the Inferred Mineral Resource below trenches where the down-dip continuity is supported adjacent to them on the same vein, and here extrapolated the Inferred boundary down-dip to 50 m.

An example of SRK's Mineral Resource classification is shown in Figure 13-16.

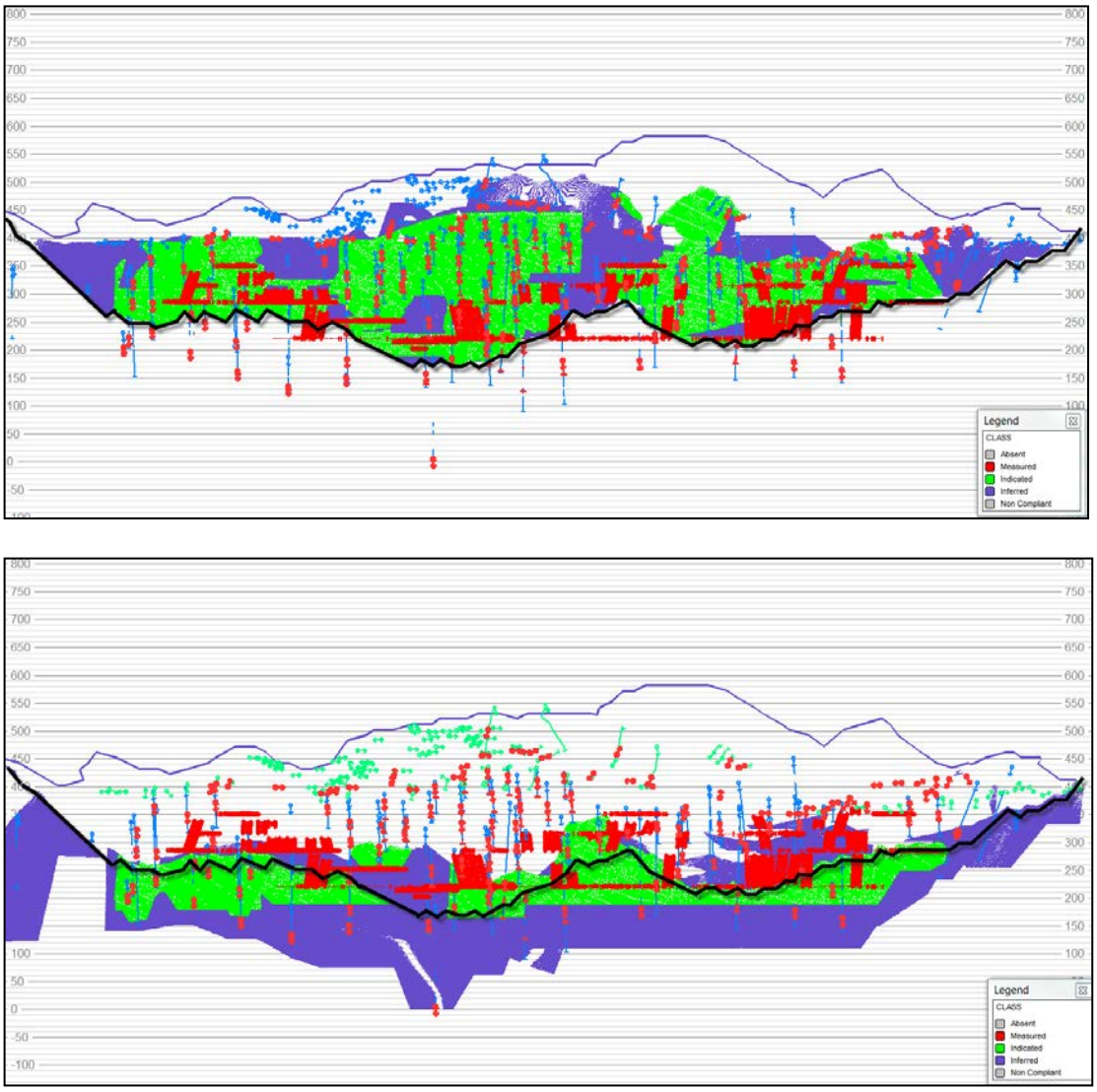


Figure 13-16: SRK's Resource Classification for the La India-California Veins above the whittle pit surface (top) and below (bottom); September 2012

13.13 Mineral Resource Statement

CIM Definition Standards for Mineral Resources and Mineral Reserves (December 2005) defines a mineral resource as:

"(A) concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge".

The "reasonable prospects for eventual economic extraction" requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the mineral resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries.

13.13.1 Reporting Criteria and Cut-off Derivation

For the September 2012 update, to define the economic portion of the Mineral Resource the La India and California Mineral Resource is constrained within a Whittle open pit shell, with SRK electing to use market consensus long term gold price forecasts from over 30 contributors, to which has then applied an uplift, resulting in a long term optimistic gold price of USD1400/oz; this approach is in line with other gold producing companies' reporting methods. For the other Whittle input parameters, SRK has briefly reviewed typical mining, processing, and administrative costs for a range of gold mines in the region. Based on the assumed costs and a recovery of 90% using conventional gold mineralised material processing. SRK has applied a cut off grade of 1.0 g/t Au for the material with potential to be mined from surface, based on benchmarked parameters defined as part of an initial conceptual study and a cut-off grade to 2.3 g/t Au material with the potential to be mined underground.

The assumptions considered for conceptual open pit optimisation and underground resource reporting for the September 2012 update are provided in Table 13-15 and Table 13-16 respectively.

In the case of veins not updated as part of the 2012 update SRK has quoted the Mineral Resource as reported in the previous Mineral Resource Statement (dated 30 December 2011), using a cut-off grade of 1.5 g/t Au. These zones have been not been updated as part of the current Scope of work, and represent initial estimates for each vein. At the time of reporting no detail mining considerations have been applied to split each of these zones into an open pit or underground portion. SRK therefore quoted the previous Mineral Resource based on a nominal 1.5 g/t Au.

Given the generally lower grade nature of the California veins, for the material beneath the pit, SRK has undertaken more rigorous economic assessments in order to determine which portion of the mineralisation modelled are contiguous and has reasonable prospects for economic extraction and is therefore reportable as a Mineral Resource. For the underground Mineral Resource SRK has assumed an accumulated grade of 2.3 g/t Au required over the width of 1 m, to filter out areas of lower grade material within thinner portions of the vein.

Table 13-15: Assumptions Considered for Conceptual Open Pit Optimization (September 2012)

Parameter	Value	Unit
Mining Cost	2.2	USD/t
Processing Cost	25	USD/t
G&A Cost	10	USD/t
Total Cost	37.2	USD/t
Gold Price	1400	USD/oz
Recovery	90%	
Royalty	3%	
Cut-off Grade	1.0	g/t

Table 13-16: Conceptual Assumptions Considered for Underground Resource Reporting (September 2012)

Parameter	Value	Unit
Mining Cost	50	USD/t
Processing Cost	25	USD/t
G&A Cost	10	USD/t
Total Cost	85	USD/t
Gold Price	1400	USD/oz
Recovery	90%	
Royalty	3%	
Cut-off Grade	2.3	g/t

13.13.2 SRK Mineral Resource Statement

The Mineral Resource Statement has been reported from the Block Model generated in Datamine. Data quality, drillhole spacing and the interpreted continuity of geology and grades have allowed SRK to classify a portion of the deposit as Indicated Mineral Resource, while deeper parts and the fringes of the deposit have been classified as Inferred Mineral Resource. In areas of limited sampling where there is potential for over-smoothing of the high-grades from a given hole the Inferred Mineral Resource category has been applied. All mined out areas from the historical mining and exploration have been depleted from the current Mineral Resource based on the depletion limits provided by the Company.

Table 13-17 gives SRK's Mineral Resource Statement as at 14 September 2012, as signed off by Ben Parsons MAusIMM (CP), a Competent Person as defined by the CIM Code. SRK has applied the following cut-off grades to define Resources:

- 1.0 g/t Au for the material it considers has potential to be exploited from an open pit;
- 2.3 g/t Au for the material it considers has potential to be mined underground from the La India-California veins (modelled during the September 2012 update); and
- 1.5 g/t Au for the material it considers has potential to be mined underground from the veins not updated as part of the 2012 update.

Table 13-17 provides a summary of the Mineral Resource per veinset, whilst Table 13-19 gives the overall Mineral Resource sub-totalled according to Resource Category.

The latest Resource has established the La India Vein Set as the principal Resource area with wide zones of moderate to high-grade gold mineralisation on the La India-California veins now recognised as having the potential for a large open-pit mine development and the potential for the discovery of additional resources with both open-pit and underground mining potential on the depth and strike extension of this vein trend.

SRK has produced the maiden silver Mineral Resource for the La India and California veins of 10.9 Mt at 6.5 g/t Ag for 2,280,000 oz. The addition of the silver in the form of a gold equivalent increases the Mineral Resource for the La India and California veins from 1,386,000 oz to 1,420,000 oz, with a resultant increase in the grade from 3.9 g/t Au to 4.0 g/t Au equivalent.

Gold equivalent have been calculated based on the formula:

Gold equivalent = (gold g/t + 0.0148 * silver g/t).

Table 13-17: SRK CIM Compliant Mineral Resource Statement as at 14 September 2012 for the La India licence area sub-divided per vein

SRK MINERAL RESOURCE STATEMENT as of 14 September 2012

Area Name	Vein Name	Cut-Off	Indicated					
			gold			silver		
			Tonnes (kt)	Grade Au (g/t)	Contained Au (Koz)	Tonnes (kt)	Grade Ag (g/t)	Contained Ag (Koz)
La India veinset (Gold and Silver Estimate)	La India/ California[1]	1.0 g/t (OP)	4220	3.9	534	4220	6.3	850
	La India[2]	2.3 g/t (UG)	200	7.1	45	200	7.0	45
	California[2]	2.3 g/t (UG)	370	4.3	52	370	5.9	70
La India veinset (Gold Only Estimate)	Arizona[3]	1.5 g/t						
	Teresa[3]	1.5 g/t						
	Agua Caliente[3]	1.5 g/t						
America veinset	America[3]	1.5 g/t	280	8.0	73			
	Escondido[3]	1.5 g/t	90	4.7	13			
	Constancia[3]	1.5 g/t	110	9.8	34			
	Guapinol[3]	1.5 g/t						
Mestiza veinset	Tatiana[3]	1.5 g/t						
	Buenos Aires[3]	1.5 g/t						
	Espenito[3]	1.5 g/t						
Other veins	San Lucas[3]	1.5 g/t						
	Cristolito-Tatescame[3]	1.5 g/t						
	El Cacao[3]	1.5 g/t						
	subtotal Indicated (gold and silver estimate)		**4790**	**4.1**	**631**	**4790**	**6.3**	**965**
	subtotal Indicated (gold only estimate)		**480**	**7.8**	**120**			
	SUBTOTAL INDICATED[6]		**5270**	**4.4**	**751**	**4790**	**5.7**	**965**

Area Name	Vein Name	Cut-Off	Inferred					
			gold			silver		
			Tonnes (kt)	Grade Au (g/t)	Contained Au (Koz)	Tonnes (kt)	Grade Ag (g/t)	Contained Ag (Koz)
La India veinset (Gold and Silver Estimate)	La India/ California[1]	1.0 g/t (OP)	3990	3.3	420	3990	5.6	724
	La India[2]	2.3 g/t (UG)	250	7.3	59	250	4.4	35
	California[2]	2.3 g/t (UG)	1950	4.4	276	1950	9.1	568
La India veinset (Gold Only Estimate)	Arizona[3]	1.5 g/t	430	4.2	58			
	Teresa[3]	1.5 g/t	70	12.4	29			
	Agua Caliente[3]	1.5 g/t	40	9.0	13			
America veinset	America[3]	1.5 g/t	540	5.6	99			
	Escondido[3]	1.5 g/t	90	4.6	13			
	Constancia[3]	1.5 g/t	240	7.2	56			
	Guapinol[3]	1.5 g/t	750	4.8	116			
Mestiza veinset	Tatiana[3]	1.5 g/t	1080	6.7	230			
	Buenos Aires[3]	1.5 g/t	210	8.0	53			
	Espenito[3]	1.5 g/t	200	7.7	50			
Other veins	San Lucas[3]	1.5 g/t	330	5.6	59			
	Cristolito-Tatescame[3]	1.5 g/t	200	5.3	34			
	El Cacao[3]	1.5 g/t	590	3.0	58			
	subtotal Inferred (gold and silver estimate)		**6190**	**3.8**	**756**	**6190**	**6.7**	**1328**
	subtotal Inferred (gold only veins)		**4770**	**5.7**	**868**			
	SUBTOTAL INFERRED [6]		**10960**	**4.6**	**1624**	**6190**	**3.8**	**1328**

(1) Open Pit mineral resources are limited with a conceptual whittle pit shell and reported at a cut-off grade of 1.0 g/t Au. Cut-off grades are based on a price of USD1400/oz of gold and gold recoveries of 90% for resources, without considering revenues from other metals. Note optimised pit shells are based on Indicated and Inferred Mineral Resources

(2) Underground mineral resources beneath the open pit are reported at a cut-off grade of 2.3 g/t. Cut-off grades are based on a price of USD1400/oz of gold and gold recoveries of 90% for resources, without considering revenues from other metals.

(3) Mineral resources as previously quoted by SRK (22 December 2011) are reported at a cut-off grade of 1.5 g/t Au.

(4) Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. All composites have been capped where appropriate. The Concession is wholly owned by and exploration is operated by Condor Gold plc

(5) Silver grades only estimated for La India – California 2012 estimates all other estimates contain gold only estimates, due to limited confidence in historical silver assays

(6) Gold Mineral Resources reported Inclusive of Silver Mineral Resources, Silver grades only estimated for La India – California 2012 estimates all other estimates contain gold only estimates, due to limited confidence in historical silver assays.

Table 13-18: SRK CIM Compliant Mineral Resource Statement as at 14 September 2012 for the La India licence area summarised per veinset*

	Vein set Name	Cut-Off (g/t)	gold			silver		
			Tonnes (kt)	Grade Au (g/t)	Contained Au (Koz)	Tonnes (kt)	Grade Ag (g/t)	Contained Ag (Koz)
Subtotal Areas	La India vein set (gold and silver)	subtotal 1.0 g/t (OP)	4220	3.9	534	4220	6.3	850
		Subtotal 2.3 g/t (UG)	570	5.3	97	570	6.3	115
	La India vein set (gold only)	subtotal 1.5 g/t						
	America vein set	subtotal 1.5 g/t	480	7.8	120			
	Mestiza vein set	subtotal 1.5 g/t						
	Other veins	subtotal 1.5 g/t						
	subtotal Indicated (gold and silver estimate)		4790	4.1	631	4790	6.3	965
	subtotal Indicated (gold only estimate)		480	7.8	120			
	SUBTOTAL INDICATED		5270	4.4	751	4790	5.7	965
Subtotal Areas	La India vein set (gold and silver)	subtotal 1.0 g/t (OP)	3990	3.3	420	3990	5.6	724
		Subtotal 2.3 g/t (UG)	2200	4.7	336	2200	8.5	604
	La India vein set (gold only)	subtotal 1.5 g/t	540	5.8	100			
	America vein set	subtotal 1.5 g/t	1620	5.5	284			
	Mestiza vein set	subtotal 1.5 g/t	1490	7.0	333			
	Other veins	subtotal 1.5 g/t	1120	4.2	151			
	subtotal Indicated (gold and silver estimate)		6190	3.8	756	6190	6.7	1328
	subtotal Indicated (gold only estimate)		4770	5.7	868			
	SUBTOTAL INFERRED		10960	4.6	1624	6190	3.8	1328

*Open Pit Mineral Resources are reported within a conceptual whittle pit shell at a cut-off grade of 1.0 g/t. Cut-off grades are based on a price of US$1400 per ounce of gold and gold recoveries of 90 percent for resources, without considering revenues from other metals. Note optimised pit shells are based on Indicated and Inferred Mineral Resources

Underground mineral resources beneath the open pit are reported at a cut-off grade of 2.3 g/t. Cut-off grades are based on a price of US$1400 per ounce of gold and gold recoveries of 90 percent for resources, without considering revenues from other metals.

Mineral resources as previously quoted by SRK (22 December 2011) are reported at a cut-off grade of 1.5 g/t.

Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. All composites have been capped where appropriate. The Concession is wholly owned by and exploration is operated by Condor Gold plc

Silver grades only estimated for La India – California 2012 estimates all other estimates contain gold only estimates, due to limited confidence in historical silver assays

Gold Mineral Resources reported Inclusive of Silver Mineral Resources, Silver grades only estimated for La India – California 2012 estimates all other estimates contain gold only estimates, due to limited confidence in historical silver assays.

Table 13-19: SRK CIM Compliant Mineral Resource Statement as at 14 September 2012 for the La India licence area sub-totalled per Resource Category*

SRK MINERAL RESOURCE STATEMENT as of 14 September 2012									
Category	Area Name	Vein Name	Cut-Off	gold			silver		
				Tonnes (kt)	Grade Au (g/t)	Contained Au (koz)	Tonnes (kt)	Grade Ag (g/t)	Contained Ag (koz)
Indicated	Grand total	All veins	1.0 g/t (OP)	4220	3.9	534	4220	6.3	850
			2.3 g/t (UG)	570	5.3	97	570	6.3	115
			1.5 g/t	480	7.8	120			
Inferred	Grand total	All veins	1.0 g/t (OP)	3990	3.27	420	3990	5.6	724
			2.3 g/t (UG)	2203	4.74	336	2200	8.5	604
			1.5 g/t	4771	5.66	868			

*Open Pit mineral resources are limited with a conceptual whittle pit shell and reported at a cut-off grade of 1.0 g/t Au. Cut-off grades are based on a price of USD1400/oz of gold and gold recoveries of 90% for resources, without considering revenues from other metals. Note optimised pit shells are based on Indicated and Inferred Mineral Resources
Underground mineral resources beneath the open pit are reported at a cut-off grade of 2.3 g/t Au. Cut-off grades are based on a price of USD1400/oz of gold and gold recoveries of 90% for resources, without considering revenues from other metals.
Mineral resources as previously quoted by SRK (22 December 2011) are reported at a cut-off grade of 1.5 g/t Au.
Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material. All composites have been capped where appropriate. The Concession is wholly owned by and exploration is operated by Condor Gold plc

13.14 Grade Sensitivity Analysis

13.14.1 La India-California Veins

In reference to the La India-California veins (the focus of the September 2012 update), the Mineral Resource reported given above is sensitive to the selection of the reporting cut-off grade.

To illustrate the sensitivity the block model quantities and grade estimates within and beneath the conceptual pit used to constrain the Mineral Resources are presented in Table 13-20 and

Table 13-21 at different cut-off grades.

The reader is cautioned that the figures presented in the tables should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade. Figure 13-17 and Figure 13-18 represents this sensitivity as grade tonnage curves for the open pit and underground Mineral Resources respectively, based on the USD1,400 Whittle shell limit.

Table 13-20: Global Block Model Quantities and Grade Estimates*, La India-California Vein Open Pit at Various cut-off Grades

Cut-off Grade	Quantity	Grade	Gold Content	Grade	Silver Content
Gold (g/t)	(kt)	Gold (g/t)	(000' oz)	Silver (g/t)	(000' oz)
0.20	9,220	3.3	975	5.5	1,618
0.40	9,050	3.3	973	5.5	1,614
0.60	8,760	3.4	969	5.7	1,602
0.80	8,540	3.5	963	5.8	1,592
1.00	8,210	3.6	954	6.0	1,574
1.20	7,440	3.9	926	6.3	1,515
1.40	6,820	4.1	900	6.6	1,456
1.60	6,060	4.4	864	7.1	1,373
1.80	5,540	4.7	835	7.4	1,309
2.00	5,130	4.9	811	7.6	1,250

Table 13-21: Global Block Model Quantities and Grade Estimates*, La India-California Vein Underground at Various cut-off Grades

Cut-off Grade	Quantity	Grade	Gold Content	Grade	Silver Content
Gold (g/t)	(kt)	Gold (g/t)	(000' oz)	Silver (g/t)	(000' oz)
1.30	3,550	4.2	477	7.6	868
1.50	3,310	4.4	466	7.7	821
1.70	3,190	4.5	460	7.8	799
1.90	3,080	4.6	454	7.9	779
2.10	2,950	4.7	445	7.9	752
2.30	2,770	4.9	432	8.1	719
2.50	2,630	5.0	421	8.2	693
2.70	2,400	5.2	402	8.3	636
2.90	2,110	5.5	376	8.2	554
3.10	2,000	5.7	365	8.4	536

*The reader is cautioned that the figures in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

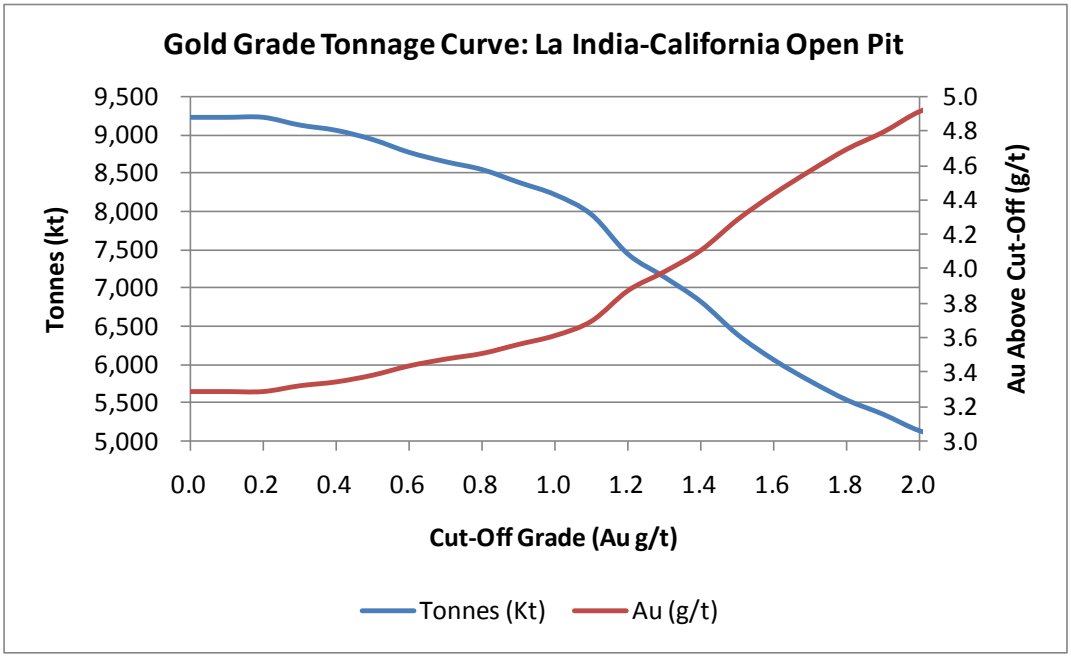


Figure 13-17: Open Pit Grade Tonnage Curve for Gold for the La India-California Veins

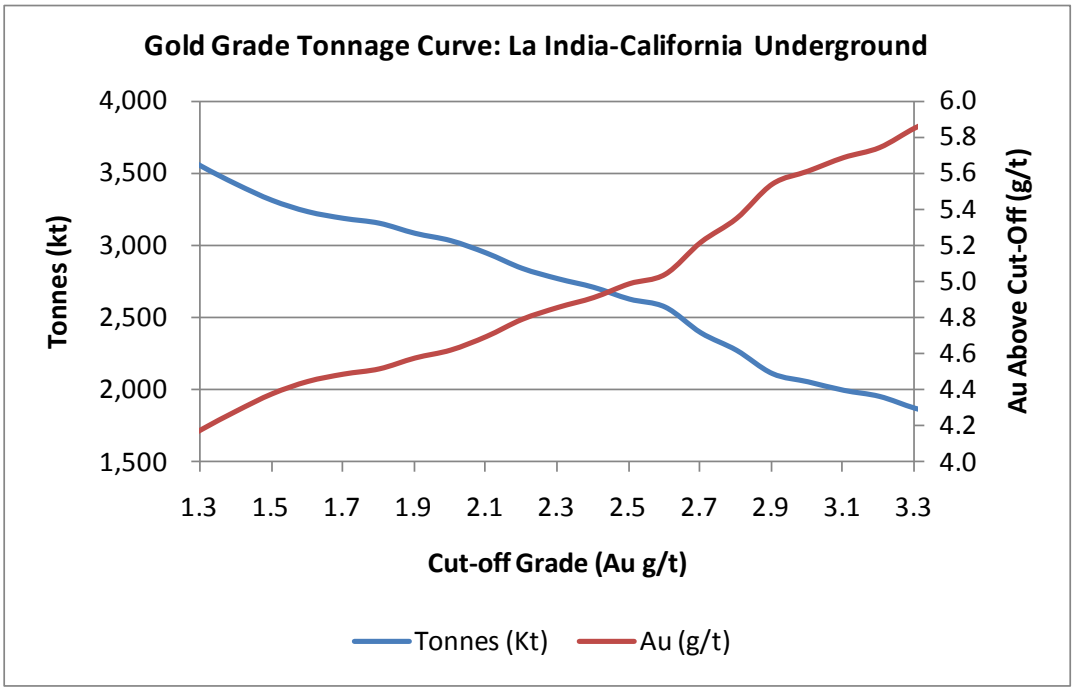


Figure 13-18: Underground Grade Tonnage Curves for Gold for the La India-California Veins

13.15 Vein Thickness Variability

A summary of the average true thickness per vein on the La India Project is illustrated in Table 13-22. The reported thickness data has been restricted to areas of appropriate geological confidence and is shown sub-divided by open pit and underground resource categories.

Table 13-22: Summary of Average True Thickness Per Vein on the La India Project (September 2012)

Type	Vein	Average True Thickness (m)
Underground Resource	America	0.96
	Constancia	0.85
	Escondido	0.95
	Arizona	1.98
	Buenos aires	0.93
	Espinito	0.78
	Guapinol	1.52
	San lucas	1.60
	Tatiana	2.42
	Teresa	1.26
	Agua caliente	1.42
	La india	1.44
	California	4.52
Open Pit Resource	La india	2.07
	California	8.20

*Note that the Cacao and Cristalitos-Tatascame veins were modelled using techniques that excluded vein thickness data, and hence these veins are not shown in the summary table.

13.16 Comparison to Previous Mineral Resource Estimates

SRK has previously produced three Mineral Resource Estimates on the La India Concession, listed as follows:

- **January 2011** - initial Inferred Mineral Resource of 4.58 Mt at 5.9 g/t Au for 868,000 oz, reported in line with the guidelines of JORC reported on 4 January 2011.
- **April 2011** - updated Mineral Resource of 4.82 Mt at 6.4 g/t Au for 988,000 oz on the Concession on 13 April 2011 based on further validation of historical data by the Company. In addition to this phase of work, SRK produced an Inferred Mineral Resource Estimate for the Cacao Vein of 0.59 Mt at 3.0 g/t Au for 58,000 oz of gold reported on 5 October 2011, based on historical exploration by Condor, and applying the same modelling methodology as the La India Concession.
- **December 2011** – updated Mineral Resource on the La India Project of 8.94 Mt at 5.6 g/t Au for 1,620,000 oz gold on 22 December 2011, including 1.16 Mt at 7.1 g/t Au for 264,000 oz gold in the Indicated Mineral Resource category.

The Mineral Resource on the La India Project now stands at 16.2 Mt at a grade of 4.5 g/t Au producing 2.4 Moz. The increase represents a 46% increase in the contained gold for the project, which is mainly due to the increased tonnage (82%), namely within the La India vein set, and which falls within the open-pit material reported at a lower cut-off grade.

The current Mineral Resource represents a significant increase in Inferred and Indicated Mineral Resource tonnes and ounces when compared to the previous SRK JORC compliant estimate, but a decrease in the overall grade from 5.6 g/t to 4.5 g/t Au (however, when comparing previous underground to updated underground, the grade drops only from 5.6 g/t to 5.5 g/t Au respectively).

The increase in tonnage and drop in grade can be attributed to the re-modelling of the La India and (lower grade, coalescing) California veins. The December 2011 SRK Mineral Resource Report documented a merging of parallel vein structures in to a central brecciated zone, based on a few significant drillhole intersections. Subsequent to drilling during 2011/2012 SRK has confirmed and further emphasised the presence of coalescing veins, most notably within the 'central zone' of mineralised structure, which has significantly increased the modelled vein thickness.

The resultant model has increased the combined La India and California Mineral Resources from 3.7 Mt at a grade of 5.2 g/t Au for 630 koz, to 10.9 Mt at a grade of 3.9 g/t Au for 1.4 Moz of contained gold. Additional changes include the split of the Mineral Resource into portion amenable to open pit mining based on a gold price of USD1,400/oz, with an associated lower cut-off grade of 1.0 g/t Au, with the remaining Mineral Resource reported as a potential underground resource based on an increase cut-off grade of 2.3 g/t Au.

In addition, the addition of four drillholes on the Guapinol vein has acted to increase the overall tonnes (as a function of widening the modelled vein at depth), however a single low-grade intercept has resulted in an associated drop in grade.

In summary, the current Mineral Resource estimate includes modelling updates to three of the veins, namely Guapinol, La India and California, with the latter two veins forming the focus of the recent drilling and trenching programme prior to resource estimation.

14 ADJACENT PROPERTIES

Whilst SRK understand there are no other properties adjacent to the La India Project with NI43-101 compliant Mineral Resources, the Company have provided the following information:

- HEMCO, the owners of the Bonanza Gold Mine in the Northeast of Nicaragua hold two concessions to the Northeast and Northwest of La India Project. Condor is not aware of any known publically reported gold mineralisation on these concessions.
- A private company, Columbia Mining SA holds a 6 km² concession to the northwest over the projected extension of the America and Mestiza Vein Set strike trend.
- To the west a cooperative of artisanal miners holds a concession over the El Pilar vein which contained a Soviet GKZ-Resource of 75 kt at 17.6 g/t Au for 43,000 oz gold at the P category. The El Pilar Vein, which is currently being exploited by artisanal miners, is the only recognised gold mineralisation in La India Mining District not held by Condor.
- Private individuals hold the concessions to the SE of the project area, and a large concession package to the SW was recently acquired by Fortress of Canada. Subsequent to the September 2012 resource estimate, the 27 km² La Mojarra Concession, located adjacent and to the South of the La India and Cacao concessions

was purchased by the Company (Refer to RNS announcement dated 11th October 2012) to bring the La India Project to a total area to 194 km².

- The nearest operating mine is B2Gold El Limon Mine which is located approximately 80 km to the west via the NIC 26 highway.

A map of the adjacent properties that bound Condor's La India Concession boundaries is illustrated in Figure 14-1.

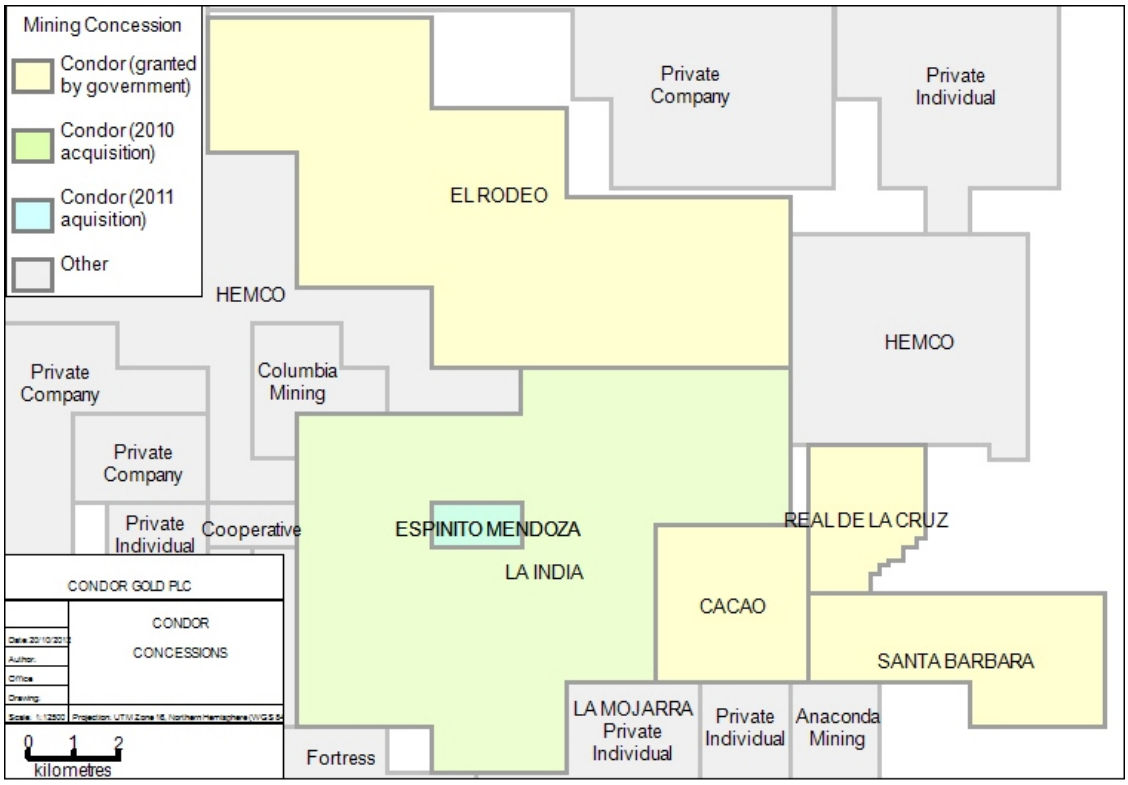


Figure 14-1: Adjacent Properties in relation to Condor's La India Concession (September 2012)

15 OTHER RELEVANT DATA AND INFORMATION

There is no other relevant data available for the La India Project.

16 INTERPRETATION AND CONCLUSIONS

During 2012, the Company focused exploration within the areas surrounding the historical La India Mine, where the Company targeted the La India vein and associated hangingwall mineralisation (California veins). The focus of the exploration has been to increase the confidence in the December 2011 Mineral Resource estimate, and to test for up-dip extensions to the California veins.

In SRK's opinion, the Condor sampling method and approach meet general accepted industry standards. The observed QAQC are sufficient for the declaration of Mineral Resources, but SRK has made recommendations for improvements, which included the purchase of certified reference material (CRM).

The 2012 Mineral Resource update is based on some 40,298 m of drilling, 7,200 m of trench sampling and over 9,000 original underground mine grade control channel samples on nine of the veins within the La India Project area. In comparison to the December 2011 Mineral Resource estimate, an additional 4,426 m of DD drilling, 2,675 m of RC drilling and 2,500 m of trenching is now available. The programme has been completed between mid-April and the end of July 2012 on the La India-California vein trend with the aim of increasing the overall mineral resource at Indicated category by targeting areas considered to have open pit and underground mining potential.

SRK verifies that this statement of Mineral Resources for La India is in accordance with Canadian National Instrument 43-101, as set forth in the CIM Standards on Resources and Reserves, Definitions and Guidelines (2005). Notably:

16.1 Database Verification

- SRK was provided with a comprehensive set of historical reports and data which have been collated and used in conjunction with 2011/ 2012 data collected more recently by the Company, to estimate and report the Mineral Resource for the La India Project.
- Historical data provided included technical reports collected up to the present day, which have been reviewed and found to contain information that has been collated and interpreted in a professional manner and provide support to the electronic database for the project.
- SRK has relied heavily upon the information provided by the Company and, in particular, that all of the information available has been provided and none held back; however, SRK has, where possible, verified data provided independently during the site visit.
- SRK was able to overlay licence information on the Mineral Resource estimate area to confirm that the deposit lies within the Company's concession. SRK has not undertaken a legal review of the licences and assume that all the required licences are in place.
- The geology of the deposit was historically reasonably well understood, with recent exploration focusing on previously known areas of mineralisation. Previous models presented during the Soviet exploration (INMINE) suggest the veins have a limited depth extent with mineralisation limited to a "boiling zone"; however, deep holes have not been completed to confirm this hypothesis.
- The Company has (during the course of the 2011 exploration programs) completed check sampling on selected historical drillholes. In 2012 the Company has also drilled confirmation drilling in proximity to INMINE samples to confirm the assays and interpretations shown on historical longsections. SRK has not completed any further studies but has reviewed the results of the work as completed by Condor, and agrees in general that the results to date confirm the historical data is appropriately supported by the recent verification sampling. SRK would recommend that the Company continues with verification sampling during the next phase to increase the size of the database for comparison.

16.2 Data Quality and Quantity

- The coverage of the drillholes in the database over the deposit area, at a spacing of around 50-100 m, gives a relatively good spatial coverage of the deposit, sufficient to confirm the geological continuity of the mineralised structures, but at a local-scale more complex and closer spaced drilling will be required to improve the understanding of any potential higher-grade ore-shoots within the different veins.
- Sampling, sample preparation and analysis of samples during the 2011/2012 exploration programmes have been undertaken using standard and appropriate methodologies with QAQC procedures followed. Historical data with relatively unknown quality has to some degree been validated by recent exploration supported by QAQC information.
- During the 2012 exploration program, SRK requested that Condor twinned a portion of the RC drillholes with DD holes to investigate the presence of bias introduced by the different drilling techniques. As part of the September 2012 resource evaluation, three twin holes were completed to compare DD and RC techniques. Due to the presence of historical mining being intersected in at least one of the holes a direct comparison has not been easy; however, SRK is of the opinion that the DD holes appropriately support the distribution of mineralisation shown in the RC holes and thus RC are suitable for estimation and reporting of mineral resources. SRK recommends the Company continues with the programme of twinned DD and RC during the next phase in increase the size of the database for comparison.
- SRK has been supplied with a full copy of the database and while SRK notes a number of missing values in terms of descriptions, SRK has discussed any data issues directly with the Company's exploration manager during the site inspection and at meetings in Cardiff. The main issue related to missing assays in the database and the related logging codes which described mining voids or core loss. In the case of any issues SRK and the Company have reviewed digital photographs to confirm where missing values are appropriate. Analysis of the non sampled assays accounted for less than 2% of the sampling within the defined geological wireframes.
- Upon validation of the queries SRK accepted the database as presented by the client for use in the Mineral Resource Estimate.
- Only preliminary work to date has been completed on the metallurgical and processing properties of the mineralisation to date, and therefore further work will be required by the Company to advance the project to more detail technical studies.

16.3 Mineral Resource Estimates

- SRK has constructed mineralisation models for the deposit, based upon all of the available drilling, trenching and underground information. Modelling has initially been completed in Leapfrog by modelling the hanging wall and footwall contacts of the different veins.
- SRK has undertaken a statistical study of the data, which demonstrates adequate splitting/domaining of the data into single populations per vein. High grade statistical outliers have been controlled in the estimation through grade capping.

- SRK has undertaken a geostatistical study to investigate the gold and silver grade continuity which showed gold nugget variances range from approximately 25% to relatively high nugget variances of around 55% and relatively short ranges of around 45 m, but in the case of La India reaching a maximum range of 110 m.
- For the September 2012 update, SRK has interpolated gold grade data using OK into a block model of dimensions 25 x 25 x 10 m (and 25x25x25 m for the veins which have not formed part of the current update), using appropriate search and estimation parameters tested using QKNA. The resultant block model has been fully validated and no material bias identified.
- SRK has classified the Mineral Resource in the Indicated (32%) and Inferred (68%) Mineral Resource categories, mainly on the basis of the geological and grade continuity and structural complexity displayed by the deposit, and the relatively wide drillhole spacing of up to 100 m on average. The increase in the proportion of Indicated material for September 2012 is derived from selected areas of 50 x 50 m infill on the La India-California vein trend.

16.4 Comparison with Previous Estimate

- The current Mineral Resource represents a significant increase in Inferred and Indicated Mineral Resource tonnes and ounces when compared to the previous SRK Mineral Resource estimate, but a decrease in the overall grade from 5.6 g/t to 4.5 g/t (however when comparing previous underground to updated underground the grade drops from 5.6 g/t Au to 5.5 g/t Au respectively).
- The increase in tonnage and drop in grade can be attributed to the modelling of the La India and (lower grade, coalescing) California veins. The December 2011 SRK Mineral Resource Report documented a merging of parallel vein structures in to a central brecciated zone, based on a few significant drillhole intersections. Subsequent drilling during 2012 confirmed the presence of coalescing veins, most notably within the ‘central zone’ of mineralised structure, which has significantly increased the modelled vein thickness.
- The resultant model has increased the combined La India and California Mineral Resources from 3.7 Mt at a grade of 5.2 g/t Au for 630 koz, to 10.9 Mt at a grade of 3.9 g/t Au for 1.4 Moz of contained gold. Additional changes include the split of the Mineral Resource into portion amenable to open pit mining based on a gold price of USD1,400/oz, with an associated lower cut-off grade of 1.0 g/t Au, with the remaining Mineral Resource reported as a potential underground resource based on an increase cut-off grade of 2.3 g/t Au.
- In addition, the addition of four drillholes on the Guapinol vein has acted to increase the overall tonnes (as a function of widening the modelled vein at depth), however a single low-grade intercept has resulted in an associated drop in grade.
- In summary, the current Mineral Resource estimate includes modelling updates to three of the veins, namely Guapinol, La India and California, with the latter two veins forming the focus of the recent drilling and trenching programme prior to resource estimation.

16.5 Exploration Potential

SRK considers there potential to increase the current Mineral Resources with some targeted exploration programmes. The main focus of any future drilling would be to either increase the confidence within the potential open pittable Mineral Resource at La India, or to test for similar structures within the larger La India Project within the hangingwall of known mineralisation. Analysis of the current geological information by SRK and the Company have identified the following areas for exploration potential which require further exploration to define additional Mineral Resources, these include:

- In general, potential exists along strike and to some extent down-dip of the current defined limits, namely in the north of the deposit.
- Infill (50 x 50 m) between the current section lines on the La India Project Veins would increase confidence in the current data and the data quantity of the assay database. Closer spaced drilling may warrant a smaller block size in which to estimate grades into, which will help to build more confidence in the local block estimates.
- Infill drilling to 50 x 50 m spacing in areas of wider sample spacing on the La India and California veins to increase geological confidence, and prioritise drilling in the thicker zones at depth to further prove the (currently less well known) down-dip grade and geological continuity.
- Investigate whether similar lower grade zones of coalescing and bifurcating veins (as shown on the La India California vein trend) exist elsewhere on the La India Concession.
- Build on prospective drilling results recently indentified on the India South and Central target zones, to further define the geological and grade continuity and potentially add to the current resource.
- Targeted drilling within potential higher-grade ore shoots on Constancia to Increase the proportion of Indicated Mineral Resources within the America Veinsets.
- Targeted drilling within America-Constancia historical mined area to determine the proportion of material which remains within the hangingwall and footwall of the historical mine.
- Completion of a trench programme within the Mestiza vein sets where veins are within relative close proximity (Figure 16-1).
- Shallow drilling programme to better define the modelled oxidation surface and further verify current surface trench sampling namely in Buenos Aires / Tatiana area.
- Drill at depth to test potential depth extensions of known high-grade areas, with focus on the, Mestiza Vein sets (Figure 16-1).
- Drilling up-dip of underground sampling at the Espinito Mineral Resource to increase the confidence in the Mineral Resource to Indicated. Additional Inferred material could potentially exist along-strike, with focus on the areas below higher grade trench intercepts.

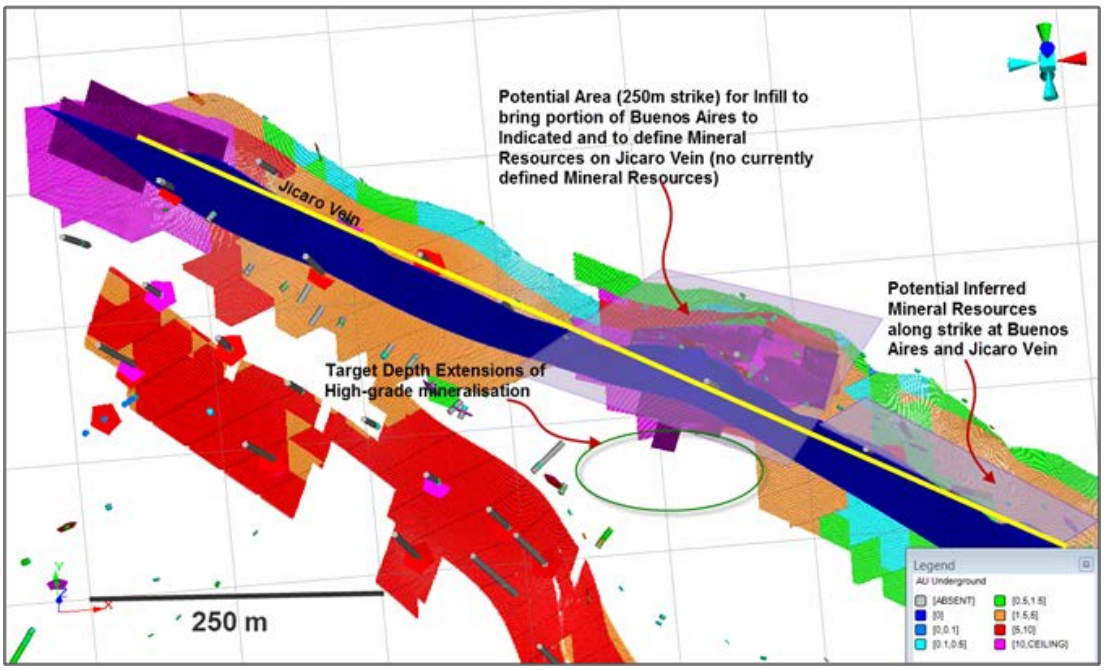


Figure 16-1: 3D Plan of Buenos Aires and Jiraco Vein drilling targets

The Central Breccia zone represents a zone of near surface mineralisation which demonstrates potential for additional Mineral Resources. The Company have reported (RNS "High Grade Drilling Results on Central Breccia, La India Project Nicaragua", dated 28 May 2012) through trenching and drilling a broadly defined hydrothermal breccia zone known as the Central Breccia extending over an area of at least 300m East-West by 150m North-South, which displays anomalous values. The current trench results suggest the surface anomaly has been closed at the edges. The Central Breccia is located in the structural centre of La India gold mining District within an east-west to northwest-southeast orientated graben-like axis, a likely location of the heat source and "feeder zone" for the gold bearing fluids that transported and deposited the gold.

Within this broad anomalous envelope a number of zones of high grade gold mineralisation are recognised (three to date), over a strike length of 120m East-West by 70m North-South, which have been confirmed via drilling to extend at depth, over a strike length of approximately 100m. SRK consider that with additional drilling to improve the geological continuity at depth there is potential to convert the "Central Breccia" to a Mineral Resource in future updates.

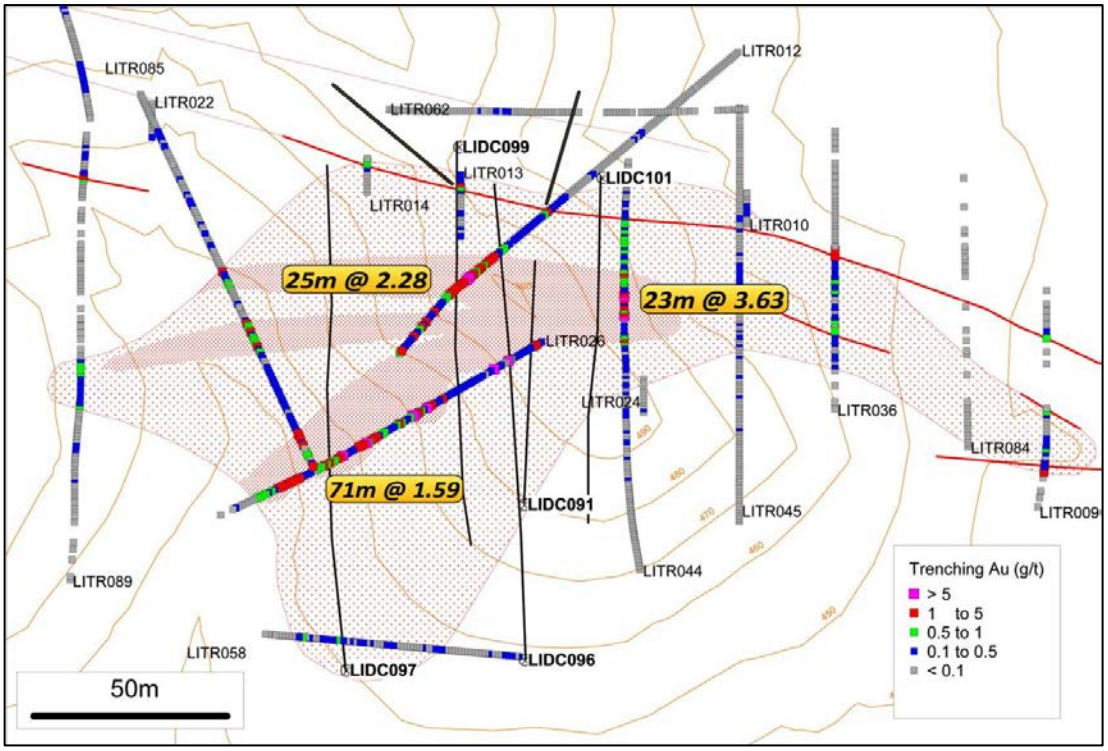


Figure 16-2: Trenching and Drilling Results of the Central Breccia as of October 2012, highlighted results show intercept width and composite gold grade in g/t (Source: Condor)

In addition to the proposed drilling targets SRK has also recommended to the Company to continue with the current surface mapping programme, and to investigate possible geophysical study to indentify key structures for follow-up drilling and sampling. Potential targets would include hangingwall structures or near surface breccia zones, such as the recently discovered “Central Breccia” reported.

17 RECOMMENDATIONS

17.1 Introduction

The mineralised veins included in the current Mineral Resource Estimate are reasonably understood and the strike extents typically known from the current exploration. It is not anticipated that the strike extents near surface are likely to increase materially, with the exception of the Espinito vein on which only the southern extent has been investigated to date, while the northern extent has a number of potentially economic trench results. There still remains potential at depth on a number of veins where high-grade intersections were drilled historically and confirmed during 2011 by the Company, which could materially impact on the overall project form both a technical and economic perspective.

The other potential lies in the discovery of additional hanging wall or footwall veins which run parallel to the main structures, in a similar style to the lower grade zones of coalescing and bifurcating veins as interpreted during 2012 on the La India-California vein trend.

Continuation of infill drilling on a tighter grid than the existing 100 x 100 m grid to 50 x 50 m is warranted to further increase the knowledge of the geological complexity of the veins, and gain a better understanding of the structural controls on the deposit.

In general, SRK recommends the following which can be divided into further exploration, and work associated with data quality and quantity:

17.2 Data Quality and Quantity

- SRK would recommend that the Company continues with verification sampling of historic drilling and with the programme of twinned DD and RC during the next phase to increase the size of the database for comparison.
- Given the increase in the size of the database SRK recommend the Company consider migrating the current database into either a commercial geological database system, or into a customised Access or SQL based system, which would ensure data quality and provide an audit trail of any changes made to the data. System in place should provide the Company with tighter control on data entry and provide an audit trail of data entry or adjustments to the database.
- SRK recommends improvements be made to the density measurement protocol to ensure higher quality and hence confidence in the density measurements is completed during the next phase of the project. SRK also recommend that work should be undertaken to identify whether any local variations exist in density value between different veins and geological zones (namely saprolite zones at Buenos Aires and Tatiana).
- Undertake some independent sampling and verification work to support the existing QAQC data and add confidence to third-party project reviewers.

In addition to the proposed verifications for data quality, SRK recommend the following work be undertaken in order to fill in some gaps in the existing database:

- Plan a detailed (Lidar/Geo Eye/Quick Bird) Topographic survey of the entire project area including infrastructure;
- Complete a Preliminary Economic Assessment of the project economics to assist in key strategy decisions to either increase the current Mineral Resource base, or target conversion of Inferred to Indicated Mineral Resource.
- Ensure all drilling is orientated to enable quality geotechnical logging to be completed, which will be a requirement in more detailed technical mining studies in the future.
- Develop structural models and theories to the origins and major controls on the mineralisation, particularly at depth.

17.3 Strategy

The Company has currently commissioned the services of SRK to review potential mining aspects as part of a Preliminary Economic Assessment of the Project.

SRK recommends that if the budget is available, exploration work should continue at the La India Project in attempt to increase the confidence in the current estimate as outlined in Section 17.2.

17.4 Planned Exploration Program

The Company's have defined two main priorities for the next phase exploration programme, which includes the conversion of the Inferred Mineral Resources within the currently defined whittle pit (on the La India-California vein trend) to an Indicated level to be able to provide future Mining Studies with reasonable levels of confidence, and secondly to test the potential for additional open pit material within the hangingwall structures of known mineralisation.

In terms of the conversion of Mineral Resources, SRK has defined a programme which places emphasis on further definition of some of the (less densely drilled) wider zones of mineralisation where multiple California veins have been interpreted to coalesce. It is recommended that the Company continues with the complete full QAQC procedures as defined by the Company guidelines.

The recommended spacing for the infill drilling programme is an approximate 50x50m grid, with targeted drilling within the existing database. The depth of the drilling is expected to range from 50 – 260 m within the infill portion of the deposit (specifically targeting the potential open pit material) and have an average depth of 135 m for a total of some 8,000 m, at an estimated contractor cost of USD225/m.

In terms of identification of additional open pit material through mapping the Company have identified an area above the historical America-Constancia Mine, where hangingwall features are present both at surface and from initial trench results. The Company plan to complete a series of mechanically cut trenches over the area on a 50 m spacing (Figure 17-1), with follow up drilling on potential targets. Based on the current strike length of 1,200m target and an estimated higher grade zone of approximately 400m for drilling to a grid spacing of 50x50m it is estimated 2,000m, at an estimated contractor cost of USD225/m, will be required to preliminary define any additional Mineral Resources. SRK recommend the Company continue with this programme during this current phase due to the proximity to the current La India Mineral Resource. Note SRK has not account for the cost of the trench programme as it is currently on-going and therefore discounted from any potential future costs.

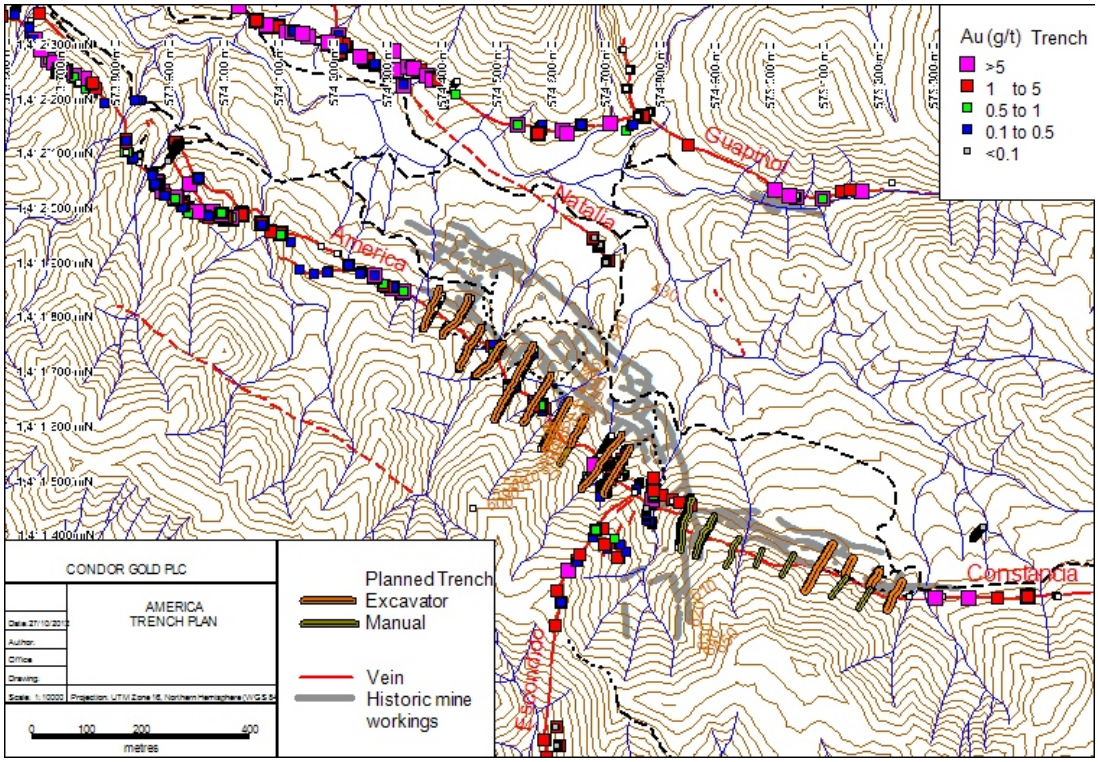


Figure 17-1: Proposed Trench Programme for the America-Constancia hangingwall structures for the next phase of exploration (Source: Condor)

SRK also recommend the Company define a trench programme for the Mestiza vein sets to target future exploration.

On completion of the exploration programme, SRK recommends the current Mineral Resource Estimate for the La India Project should be updated for use as the basis for more advanced technical studies.

In summary, SRK recommends using the current Mineral Resource Estimate the Company completes an initial technical study on the project in the form of a preliminary economic study for the project, with the focus on La India – California open pit. The study will assist the Company to focus the next phase of exploration to either increase the confidence within the current La India-California Mineral Resources for more advanced technical studies, or to focus on locating further Mineral Resources within the La India Project. To increase confidence in the La India-California area, SRK would recommend the current limiting Whittle shell to 50 x 50 m spacing.

SRK also comments at this stage that the other technical studies need to be advanced for more detail technical studies, such as:

- metallurgical;
- geotechnical;
- hydrogeological;
- environmental; and
- infrastructure.

Estimated costs for the Engineering Studies and Exploration Program as proposed by SRK are illustrated in Table 17-1.

Table 17-1: Estimated Cost for the Engineering Studies and Exploration Program Proposed for the La India Project (October 2012)

Description	Total Cost (USD)
Engineering Studies (Scoping Study)	
Preparation of PEA technical report	60000
Sub-total	
Engineering Studies	**60000**
Geological Studies	
Delineation Drilling (infill and step out)	
Purchase Detail Topography Data	10000
DD drilling (all inclusive)	2250000
Updated Mineral Resource	60000
Sub-total	
Geological Studies	**2320000**
Total	
Contingency (10%)	240000
Total	**2620000**

18 REFERENCES

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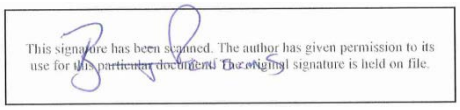
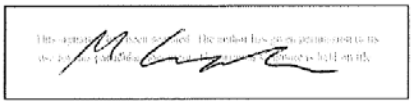
Wilson, S.E. 2010. Technical Report: Hemco Nicaragua SA, Bonanza Mine, Raan. NI 43-101 Technical Report, p. 119.

For and on behalf of SRK Consulting (UK) Limited





Ben Parsons,
Principal Consultant (Resource Geology)
SRK Consulting (UK) Limited

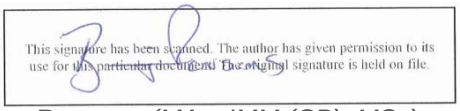
Mark Campodonic,
Principal Consultant (Resource Geology)
SRK Consulting (UK) Limited

CERTIFICATE AND CONSENT

To Accompany the report entitled: NI43-101 MINERAL RESOURCE ESTIMATE ON THE LA INDIA GOLD PROJECT, NICARAGUA, 14 SEPTEMBER 2012 effective 14 September 2012

I, Ben Parsons, residing at 3 Erw Las Whitchurch, Cardiff CF14 1NL, Wales, United Kingdom do hereby certify that:

1) I am a Principal Consultant with the firm of SRK Consulting (UK) Ltd ("SRK") with an office at Level 5 Churchill House, 17 Churchill Way, Cardiff, CF10 2HH, Wales, United Kingdom;
2) I graduated with a degree in Exploration Geology from Cardiff University, UK in 1999. In addition, I have obtained a Masters degree (MSc) in Mineral Resources from Cardiff University, UK in 2000 and have worked as a geologist for a total of 12 years since my graduation from university;
3) I am a Chartered Professional and Member of the Australasian Institute of Mining and Metallurgy (MAusIMM CP (Geology), Membership Number 222568);
4) I have personally inspected the subject project 11 to 14 June 2012;
5) I have read the definition of "qualified person" set out in National Instrument 43-101 and certify that by virtue of my education, affiliation to a professional association and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of National Instrument 43-101;
6) I am responsible for the preparation of the Marmato Mineral Resource estimate dated 17 September 2012, included in the report, and take overall responsibility for the resource estimate;
7) I, as a qualified person, I am independent of the issuer as defined in Section 1.5 of National Instrument 43-101;
8) I have previously been involved in authoring the Mineral Resource Estimate for the authoring of the previous Mineral Resource Estimate dated 22 December 2011 and accompanied technical report;
9) I have read National Instrument 43-101 and confirm that this technical report has been prepared in compliance therewith;
10) SRK Consulting (UK) Ltd was retained by Condor Gold Plc to prepare a technical audit of the La India project. In conducting our audit a gap analysis of project technical data was completed using CIM "Best practices" and Canadian Securities Administrators National Instrument 43-101 guidelines. The preceding report is based on a site visit, a review of project files and discussions with Condor Gold Plc personnel;
11) I have not received, nor do I expect to receive, any interest, directly or indirectly, in the La India Project or securities of Condor Gold Plc;
12) That, as of the date of this technical report, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading;
13) I consent to the filing of the technical report with any stock exchange and other regulatory authority and any publication for regulatory purposes, including electronic publication in the public company files on their websites accessible to the public of extracts from the technical report; and
14) I confirm that I have read the news release dated 18 September 2012 in which the findings of the technical report have been disclosed publically and have no reason to believe that there are any misrepresentations in the information derived from the report or that the press release dated 18 September 2012 contains any misrepresentations of the information contained in the report.



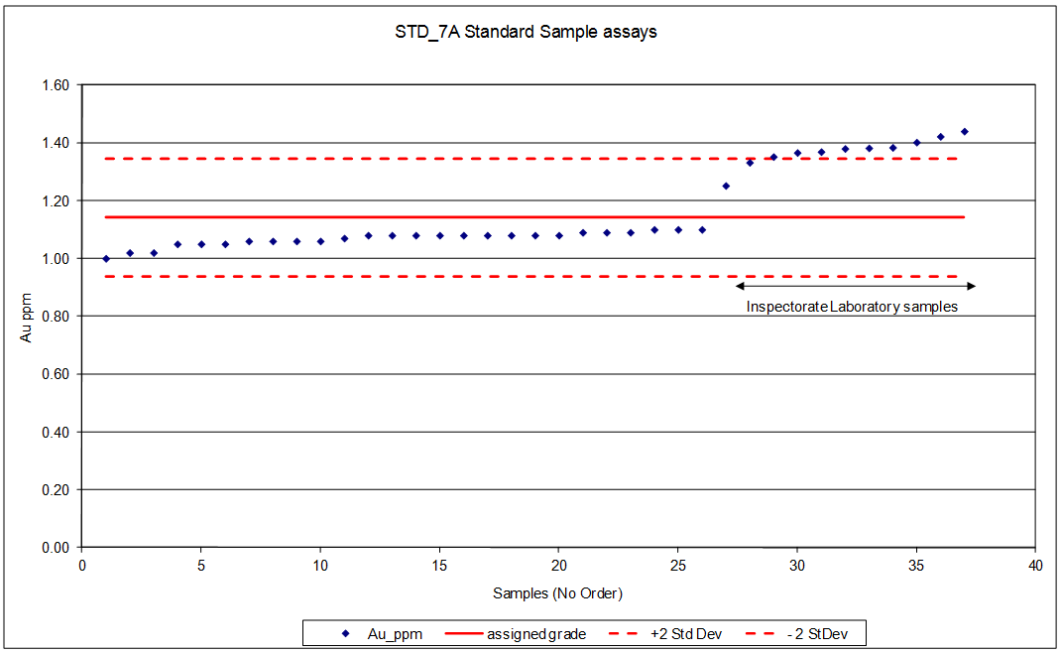
Ben Parsons *(MAusIMM (CP), MSc)*
Principal Consultant (Resource Geology)

APPENDIX

A QA/QC

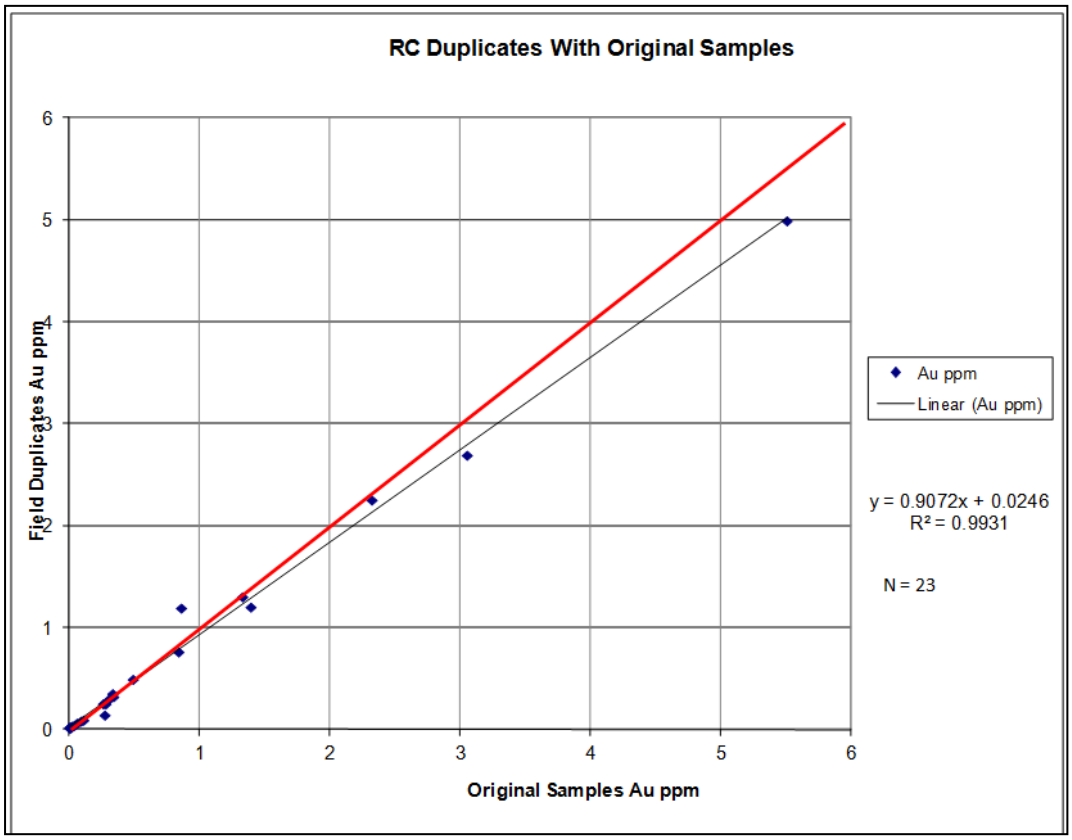
2007/2008 (Cacao) Programme

Standard Reference Material

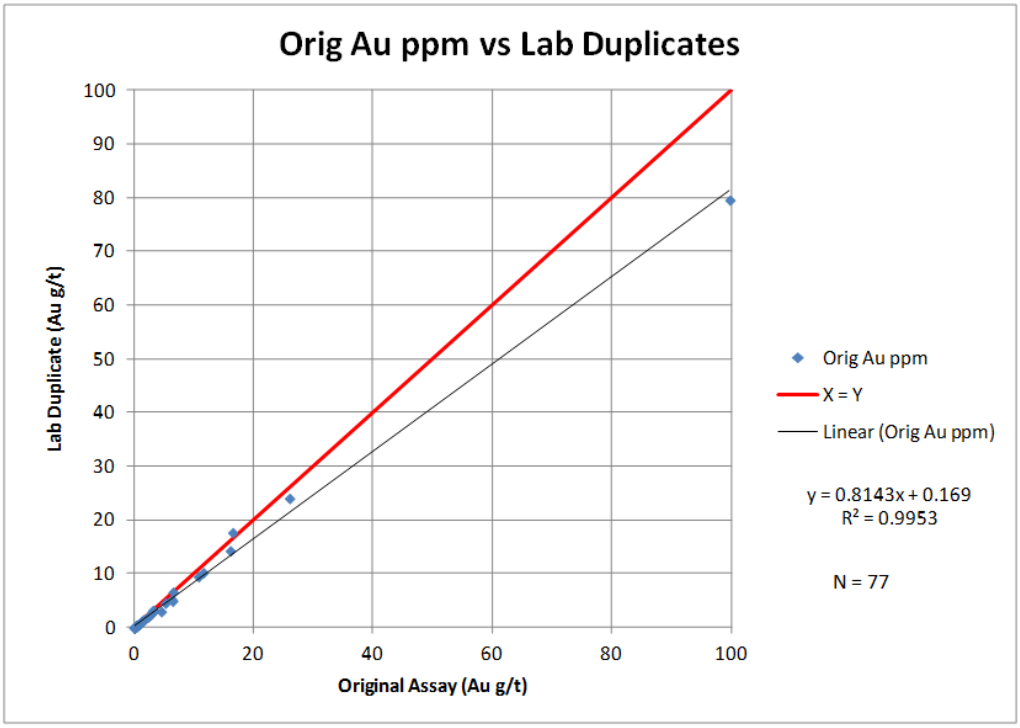


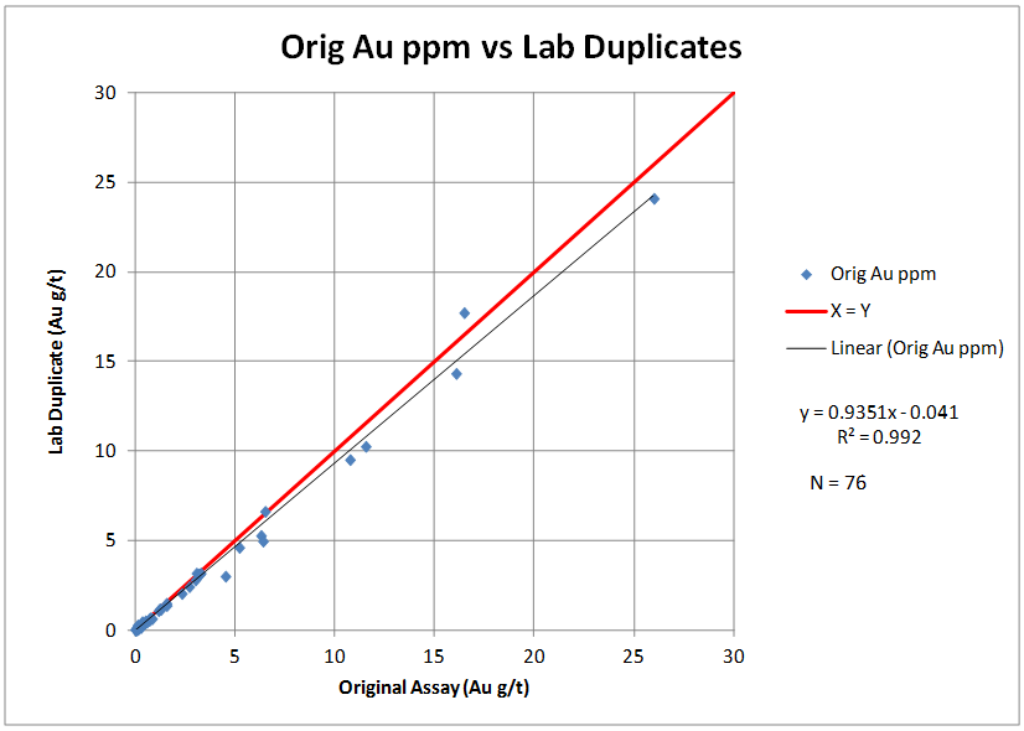
Std ID	No. samples	Mean Au (ppm)	Std Dev	Minimum Au (ppm)	Maximum Au (ppm)	Comments
STD_7A	26.00	1.07	0.03	1.00	1.10	
STD_7A	11.00	1.37	0.05	1.25	1.44	Inspectorate

Field Duplicates

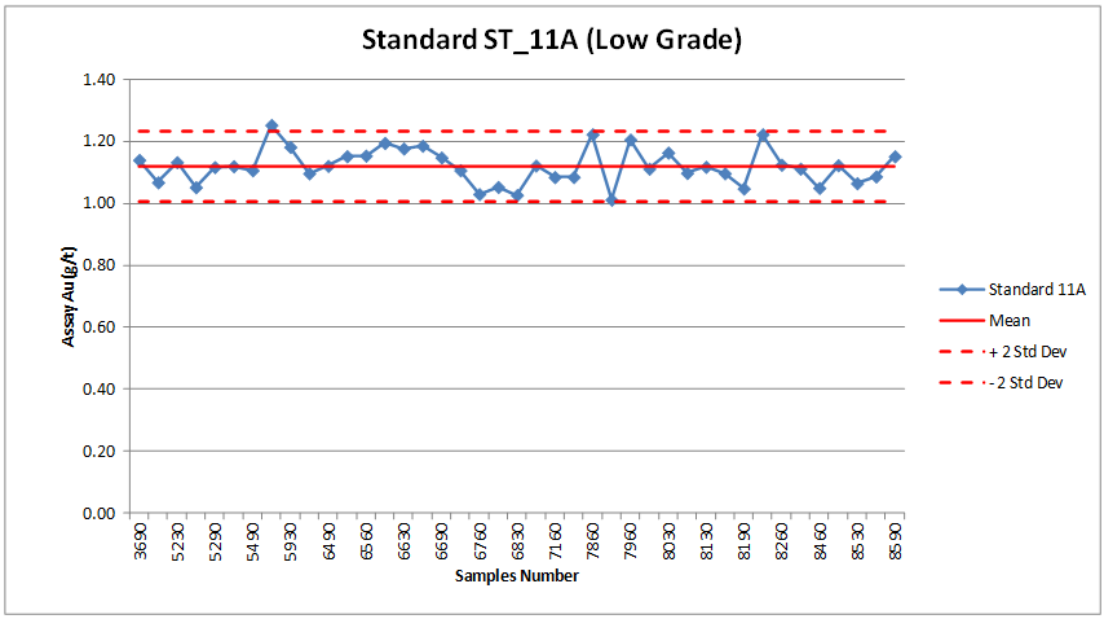


Laboratory Pulp Duplicates

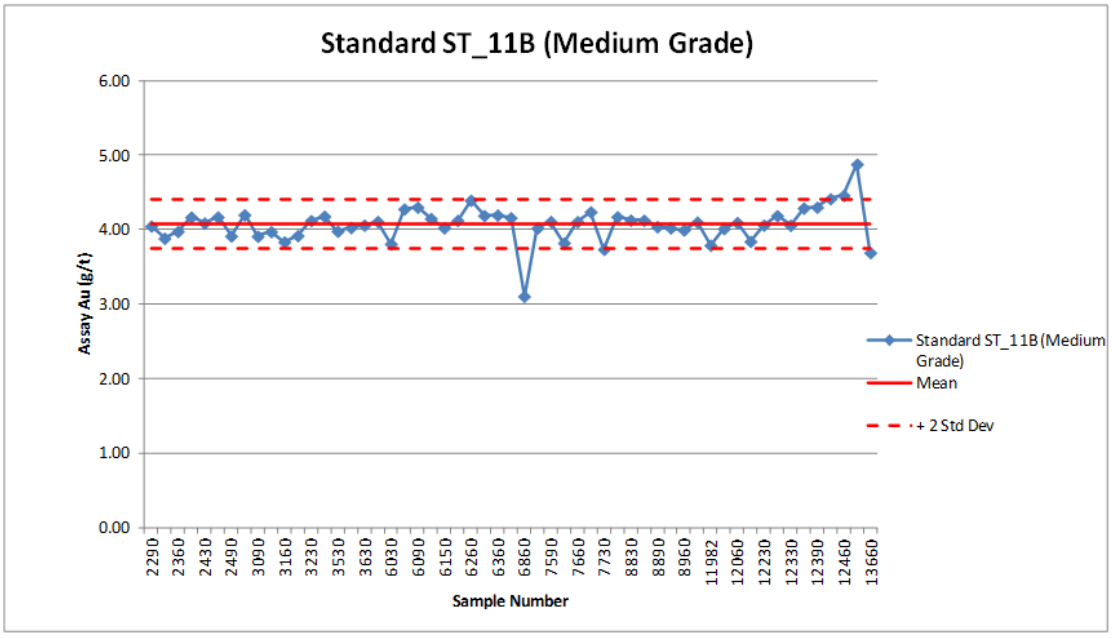




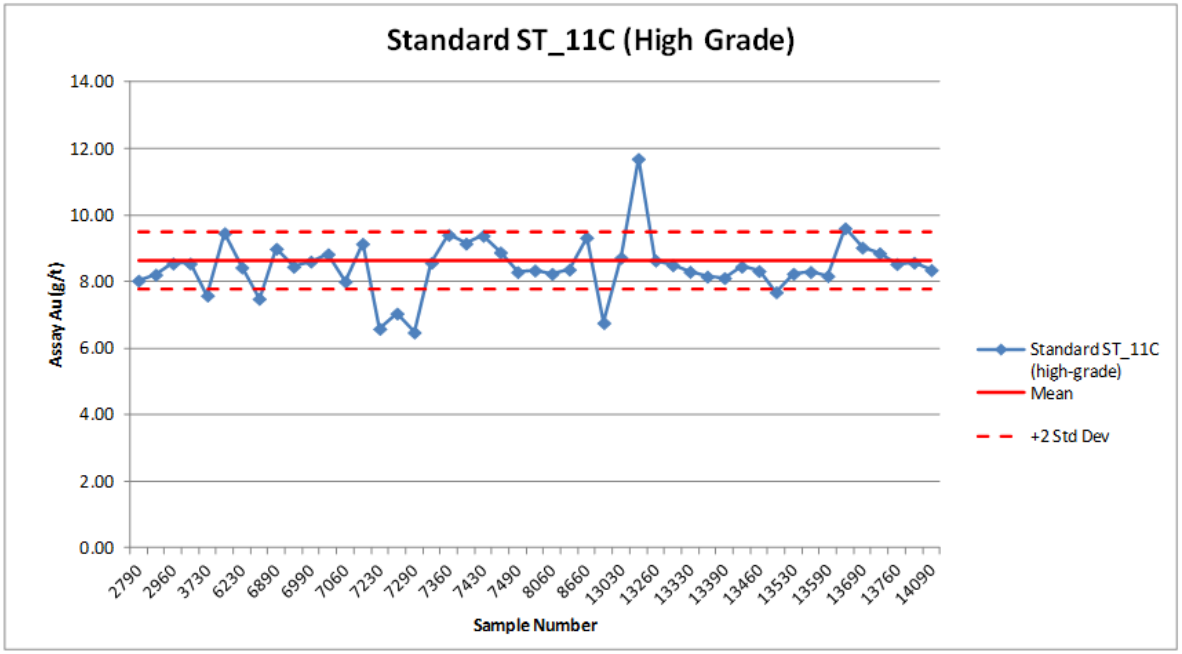
2011 (La India) Programme



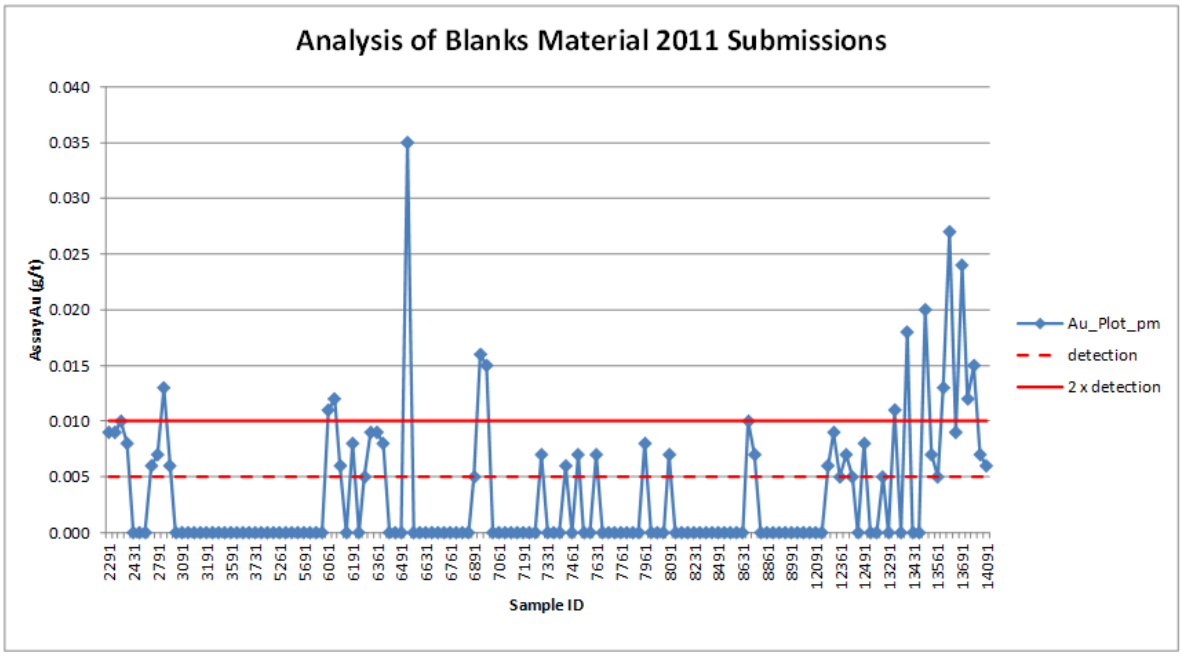
Std ID	No. samples	Mean Au (ppm)	Std Dev	Minimum Au (ppm)	Maximum Au (ppm)	Comments
STD_11A	41	1.12	0.057	1.012	1.253	No outliers



Std ID	No. samples	Mean Au (ppm)	Std Dev	Minimum Au (ppm)	Maximum Au (ppm)	Comments
STD_11B	55	4.074	0.237	3.107	4.88	Including 2 outliers
STD_11B	53	4.077	0.167	3.693	4.461	Excluding outliers

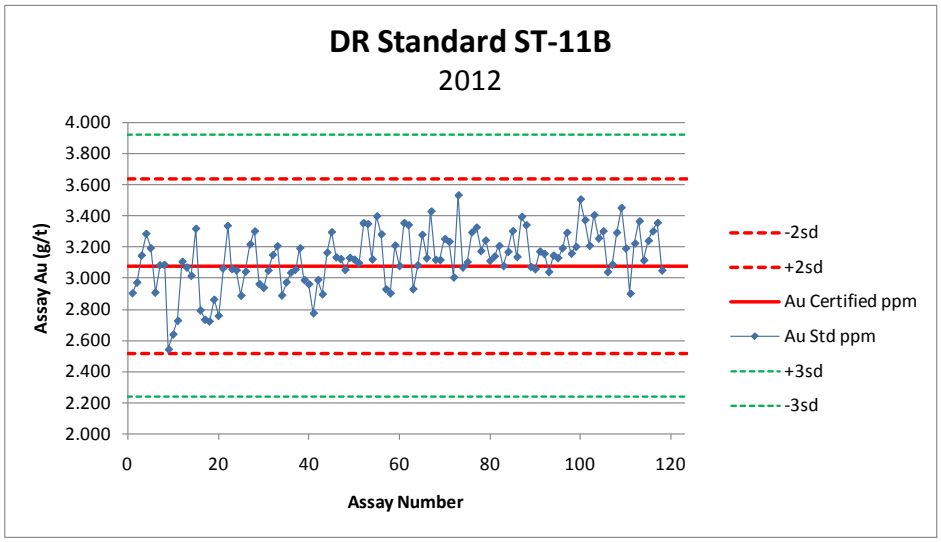


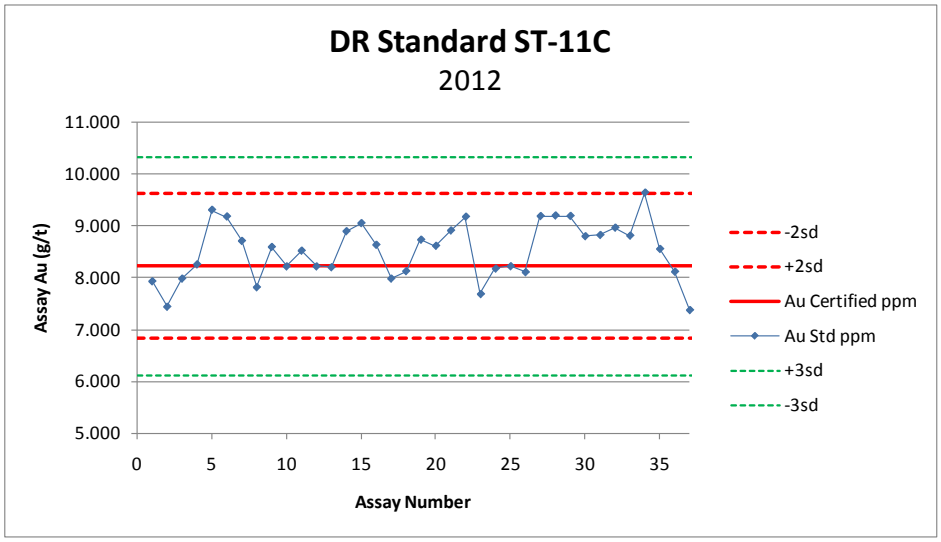
Std ID	No. samples	Mean Au (ppm)	Std Dev	Minimum Au (ppm)	Maximum Au (ppm)	Comments
STD_11C	47	8.463	0.847	6.486	11.7	Including 8 outliers
STD_11C	39	8.625	0.429	8.011	9.613	Excluding outliers

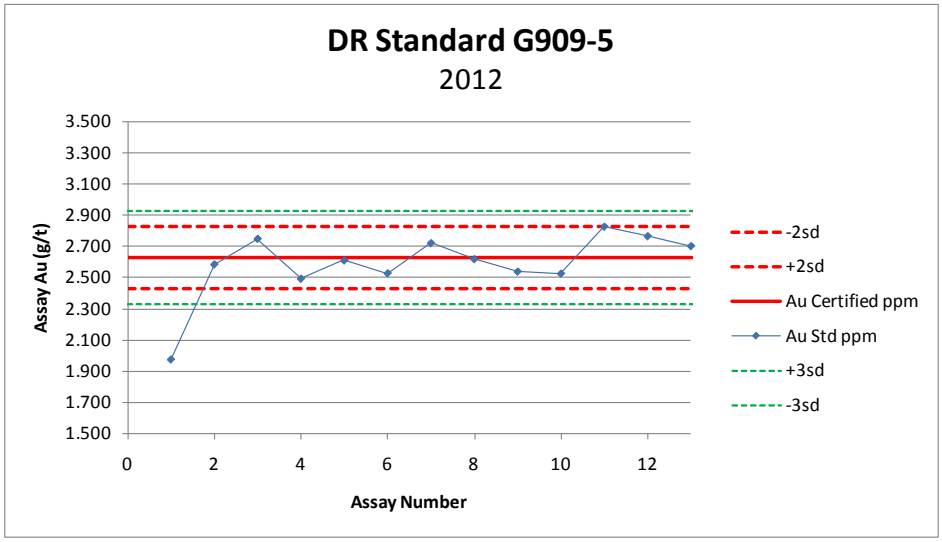


COUNT	AVERAGE	STANDARD DEVIATION	MAXIMUM	MINIMUM	>0.005ppm	>0.01ppm
145	0.003	0.006	0.035	0	42	14

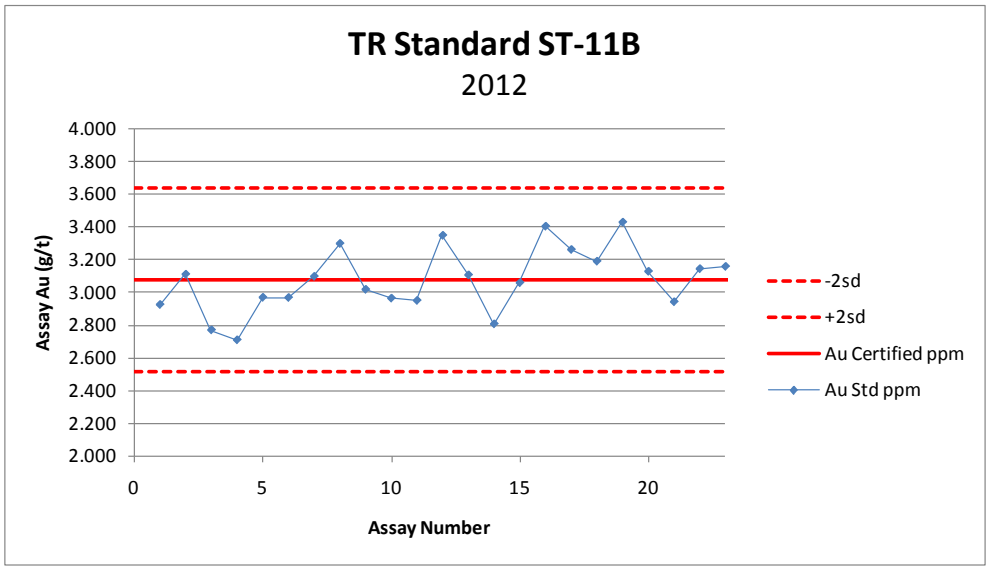
2012 (La India) Drill Programme

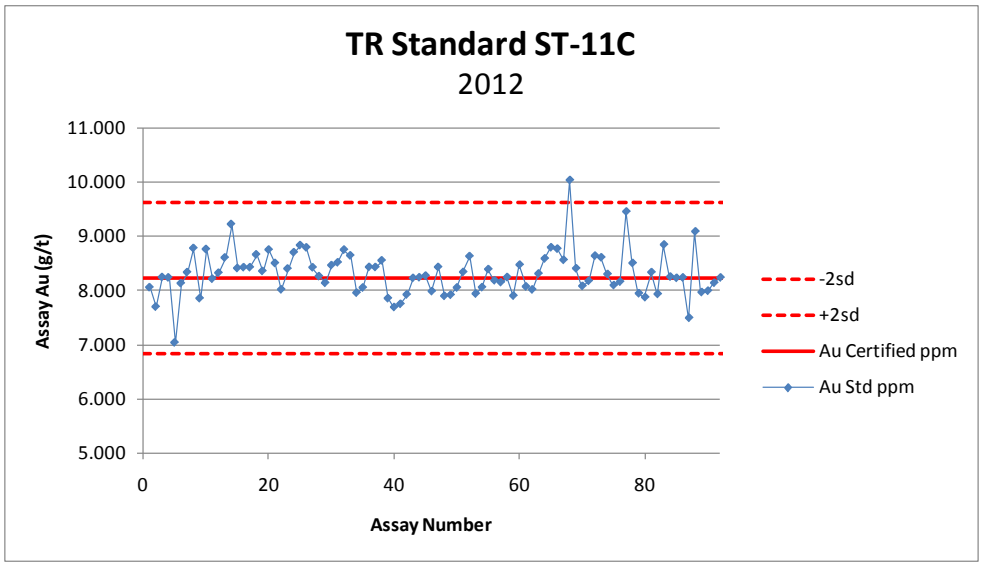


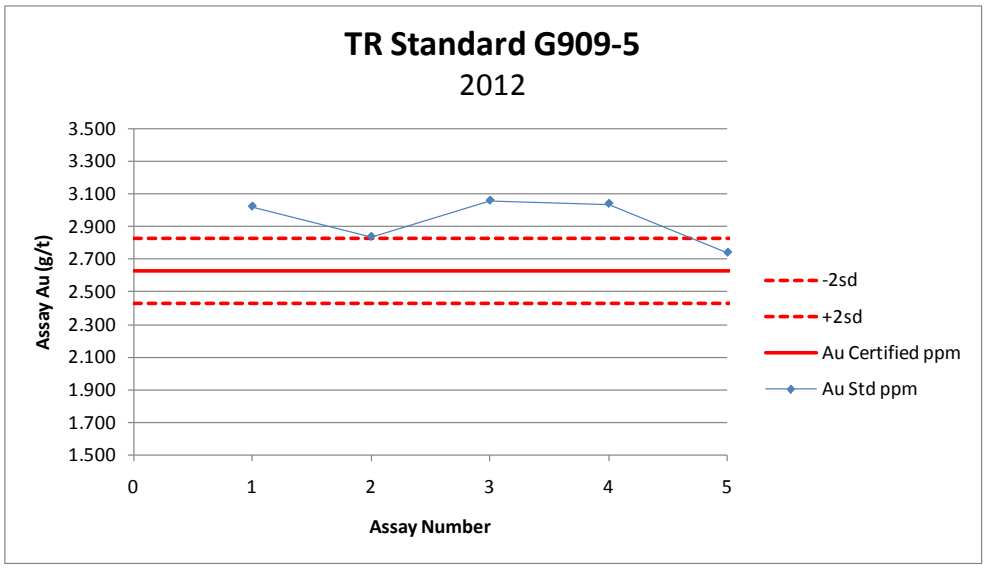


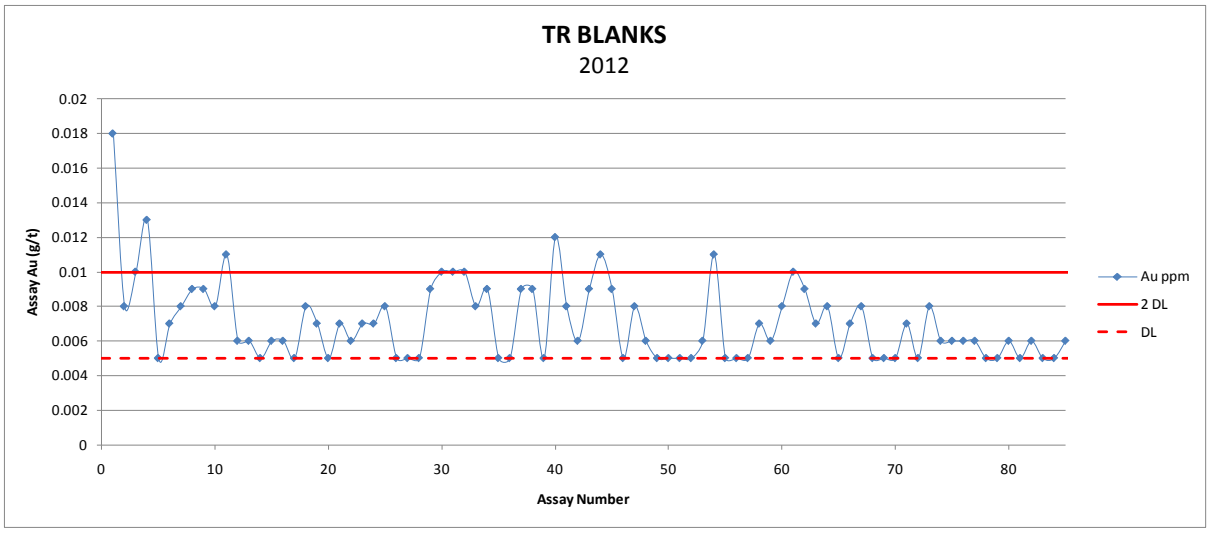


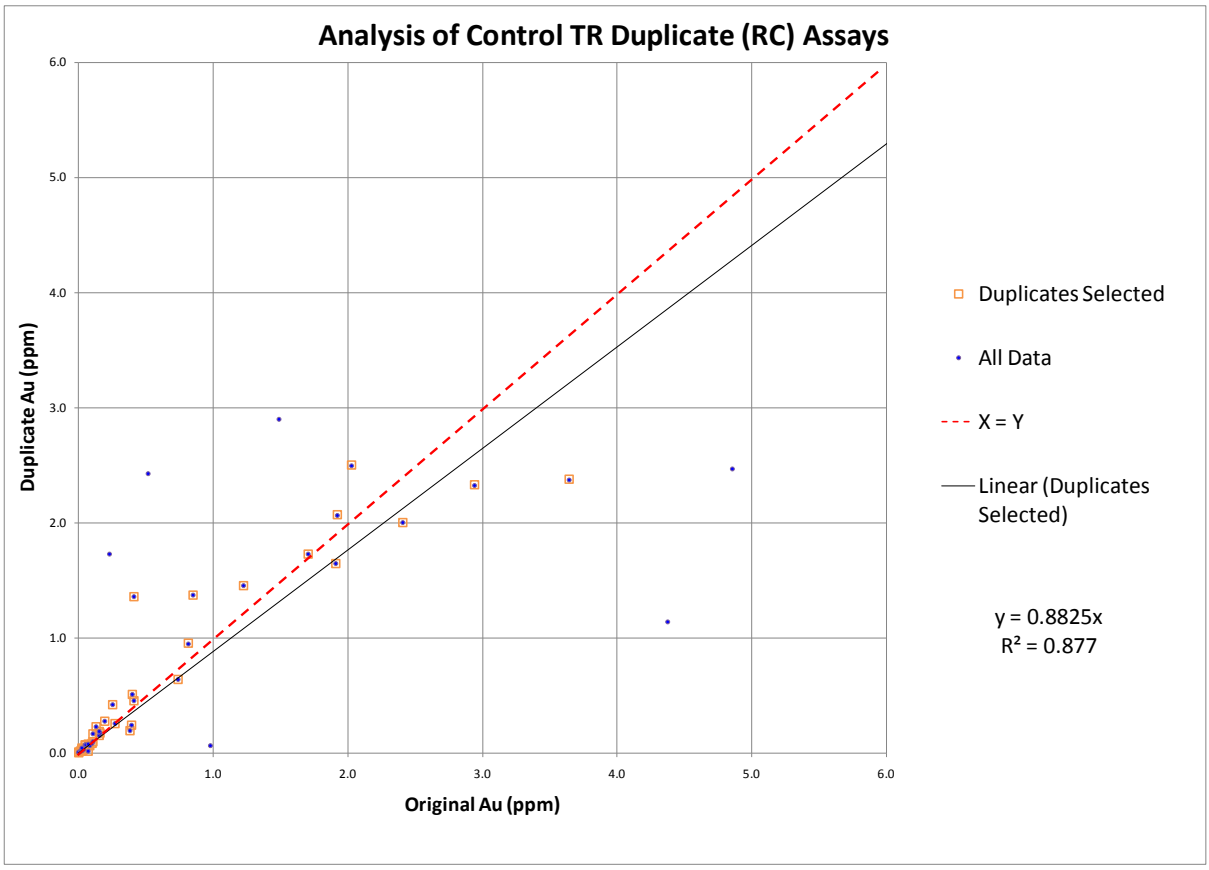
2012 (La India) Trenching Programme








TR BLANKS
2012
Assay Au (g/t)
Assay Number
Au ppm
2 DL
DL

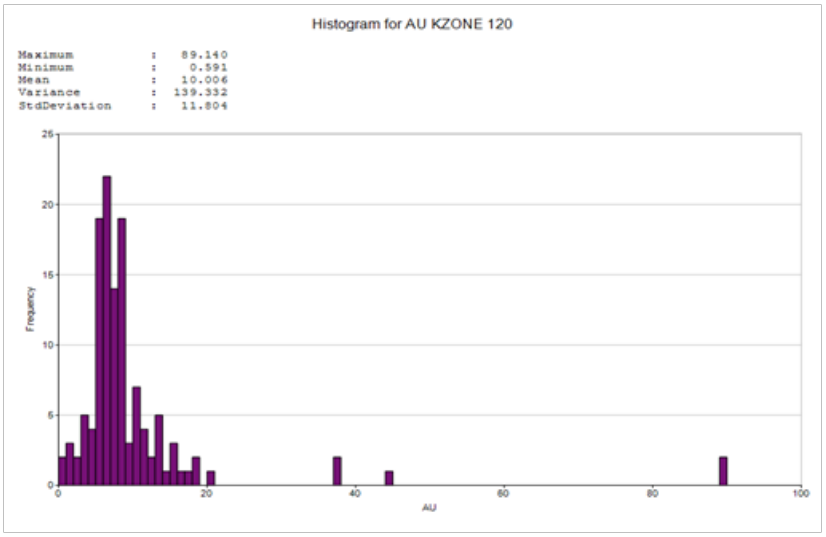

Analysis of Control TR Duplicate (RC) Assays
Duplicate Au (ppm)
Original Au (ppm)
Duplicates Selected
All Data
X = Y
Linear (Duplicates Selected)
y = 0.8825x
R² = 0.877

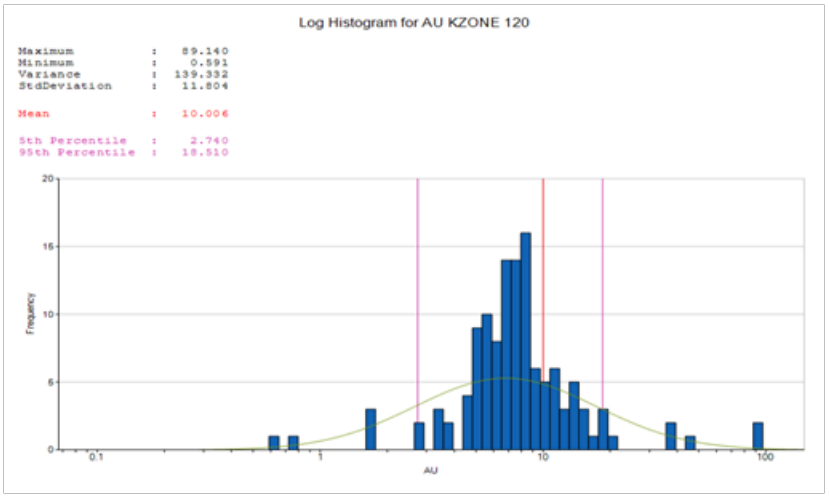
APPENDIX

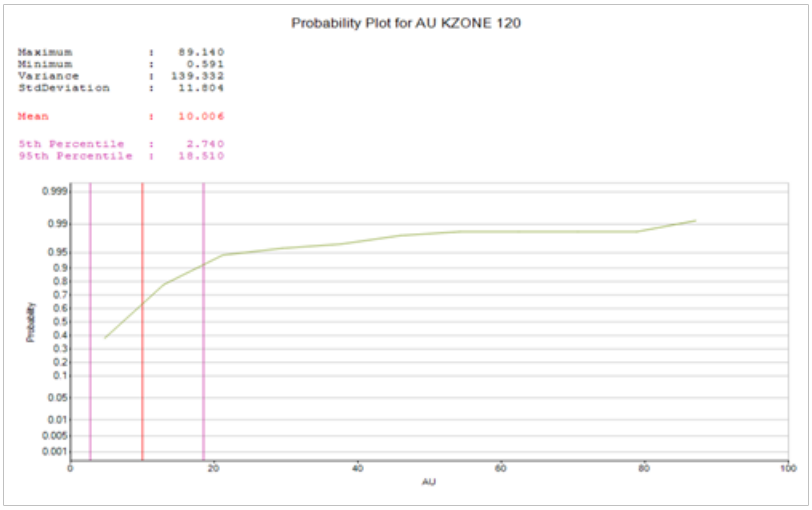
B HISTOGRAMS AND SAMPLE STATISTICS

HISTOGRAMS AND STATISTICS FOR GOLD

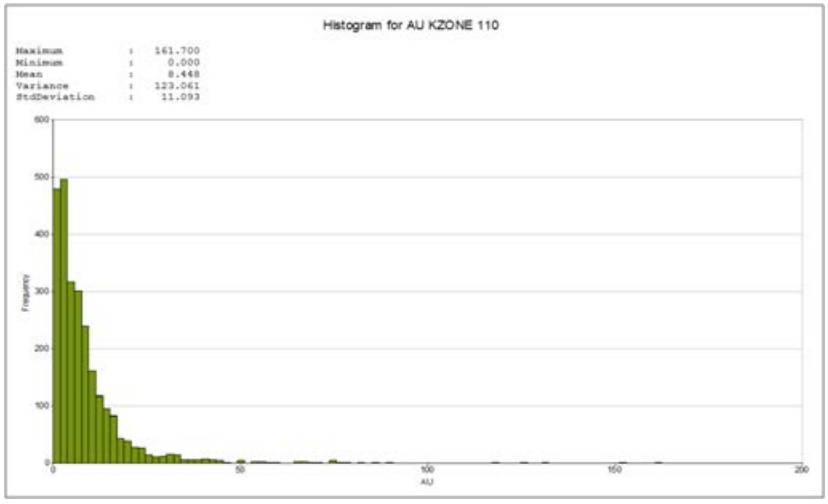
AGUA CALIENTE

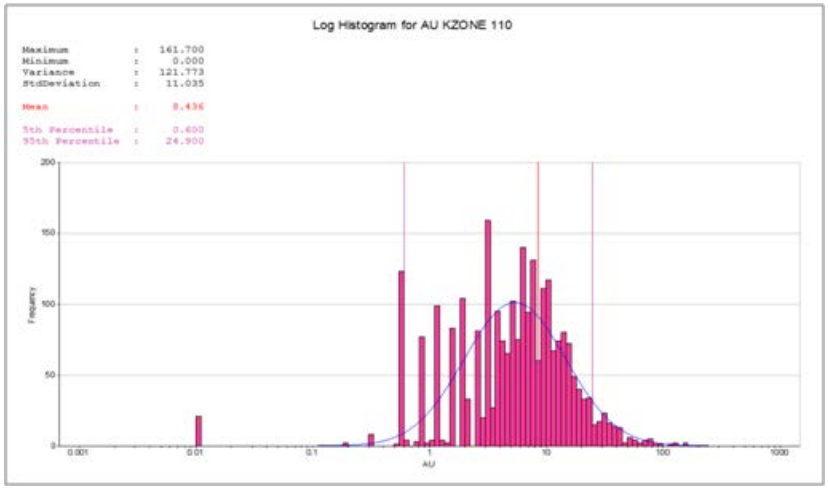


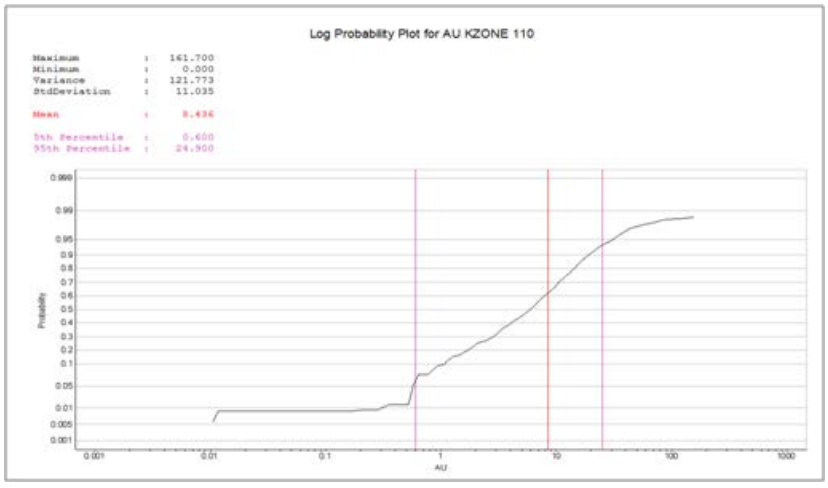




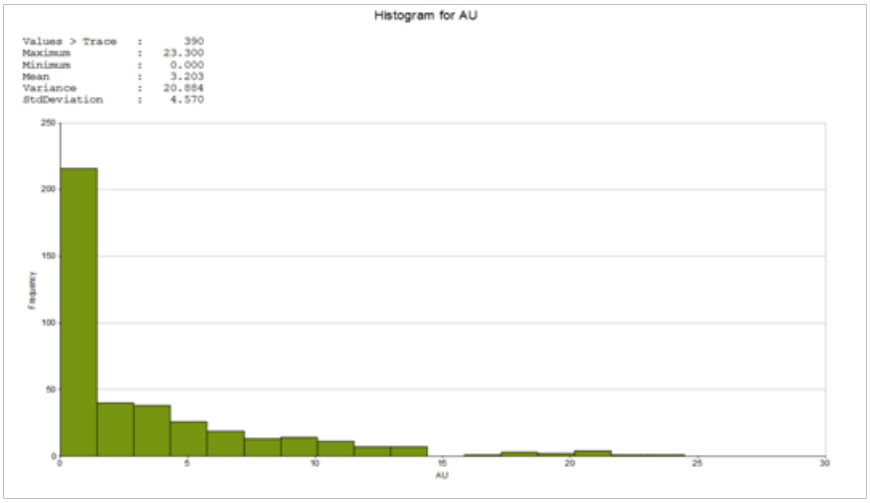
AMERICA


Histogram for AU KZONE 110
Maximum : 161.700
Minimum : 0.000
Mean : 8.448
Variance : 123.061
StdDeviation : 11.093
Frequency
AU


Log Histogram for AU KZONE 110
Maximum : 161.700
Minimum : 0.000
Variance : 121.773
StdDeviation : 11.035
Mean : 8.436
5th Percentile : 0.600
95th Percentile : 24.900
Frequency
AU


Log Probability Plot for AU KZONE 110
Maximum : 161.700
Minimum : 0.000
Variance : 121.773
StdDeviation : 11.035
Mean : 8.436
5th Percentile : 0.600
95th Percentile : 24.900
Probability
AU

ARIZONA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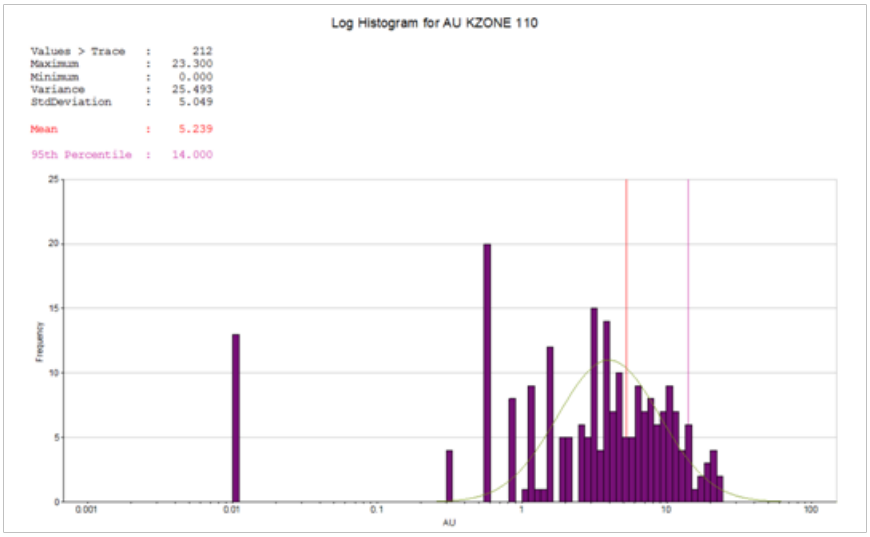
Frequency
AU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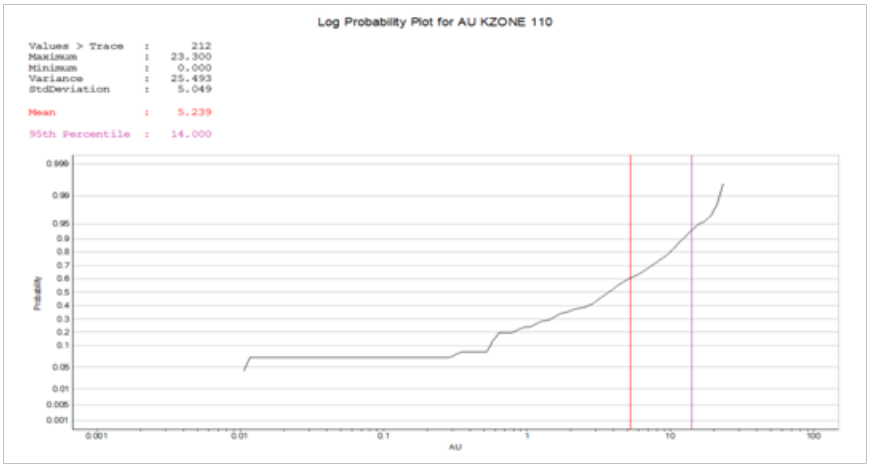
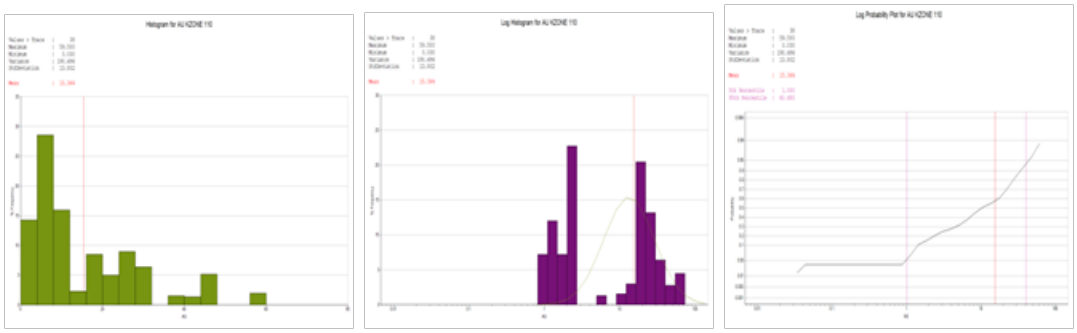
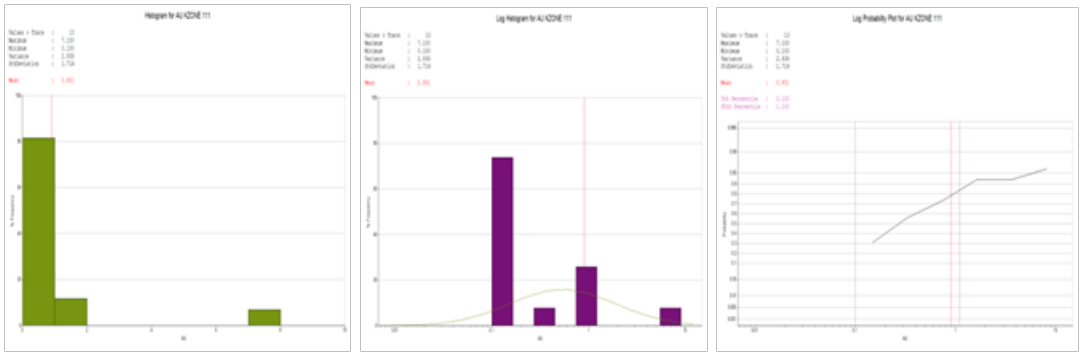
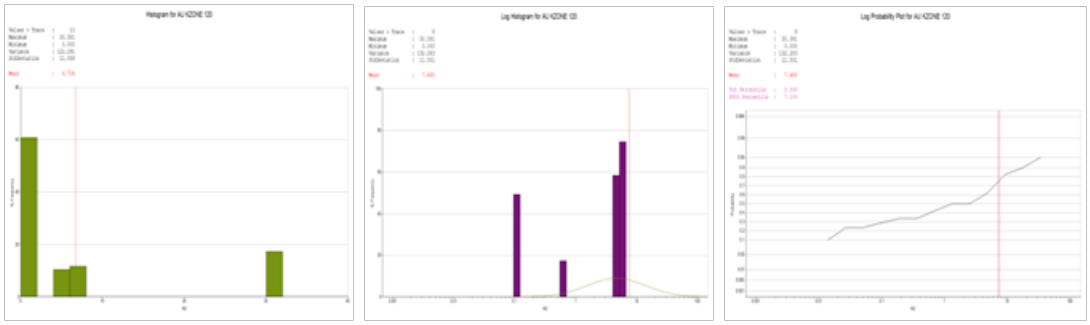
StdDeviation : 5.049
Mean : 5.239
95th Percentile : 14.000
Frequency
AU

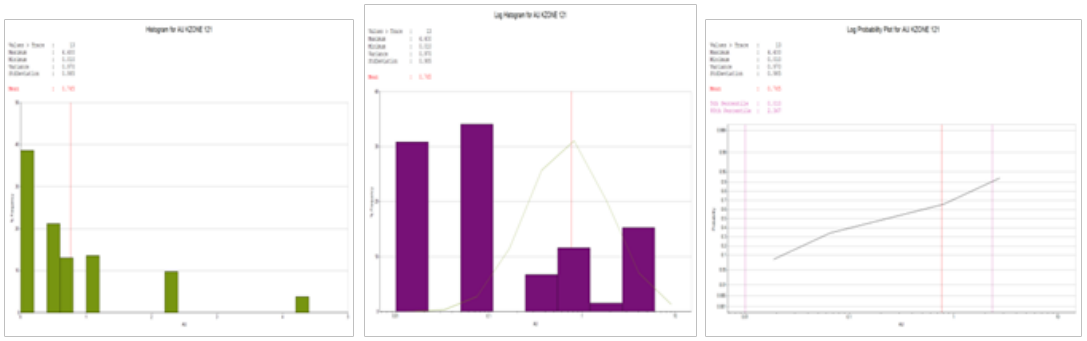

Log Probability Plot for AU KZONE 110
Values > Trace : 212
Maximum : 23.300
Minimum : 0.000
Variance : 25.493
StdDeviation : 5.049
Mean : 5.239
95th Percentile : 14.000
Probability
AU

BUENOS AIRES

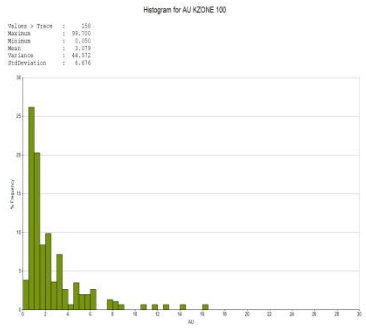


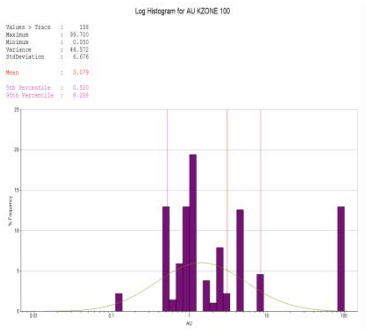


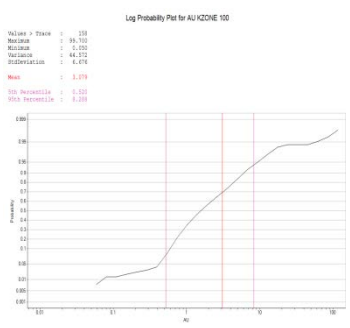


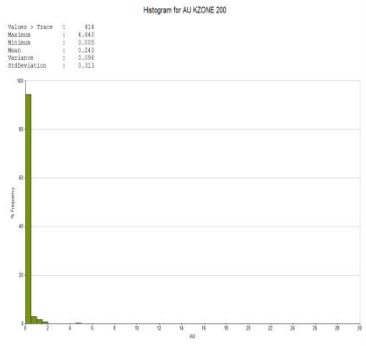


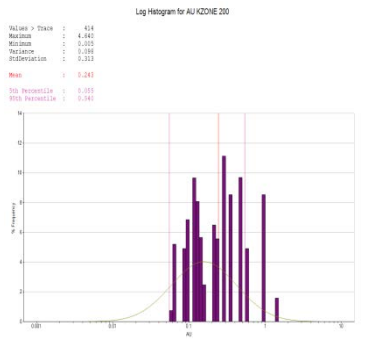
CACAO

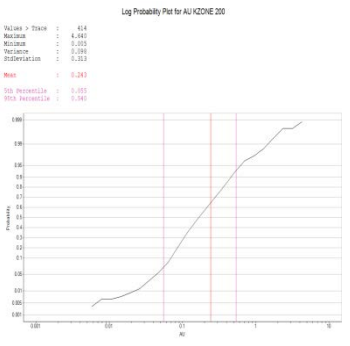

Histogram for AU KZONE 100
Values > Trace : 158
Maximum : 99.700
Minimum : 0.050
Mean : 3.079
Variance : 44.572
StdDeviation : 6.676
% Frequency
AU


Log Histogram for AU KZONE 100
Values > Trace : 158
Maximum : 99.700
Minimum : 0.050
Variance : 44.572
StdDeviation : 6.676
Mean : 3.079
5th Percentile : 0.520
95th Percentile : 8.288
% Frequency
AU


Log Probability Plot for AU KZONE 100
Values > Trace : 158
Maximum : 99.700
Minimum : 0.050
Variance : 44.572
StdDeviation : 6.676
Mean : 3.079
5th Percentile : 0.520
95th Percentile : 8.288
Probability
AU


Histogram for AU KZONE 200
Values > Trace : 414
Maximum : 4.640
Minimum : 0.005
Mean : 0.243
Variance : 0.098
StdDeviation : 0.313
% Frequency
AU

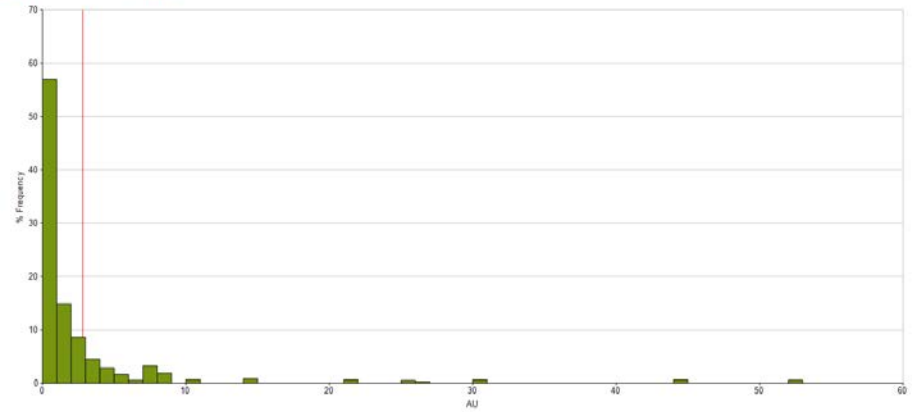

Log Histogram for AU KZONE 200
Values > Trace : 414
Maximum : 4.640
Minimum : 0.005
Variance : 0.098
StdDeviation : 0.313
Mean : 0.243
5th Percentile : 0.055
95th Percentile : 0.940
% Frequency
AU


Log Probability Plot for AU KZONE 200
Values > Trace : 414
Maximum : 4.640
Minimum : 0.005
Variance : 0.098
StdDeviation : 0.313
Mean : 0.243
5th Percentile : 0.055
95th Percentile : 0.940
Probability
AU

CALIFORNIA (GROUP1000)

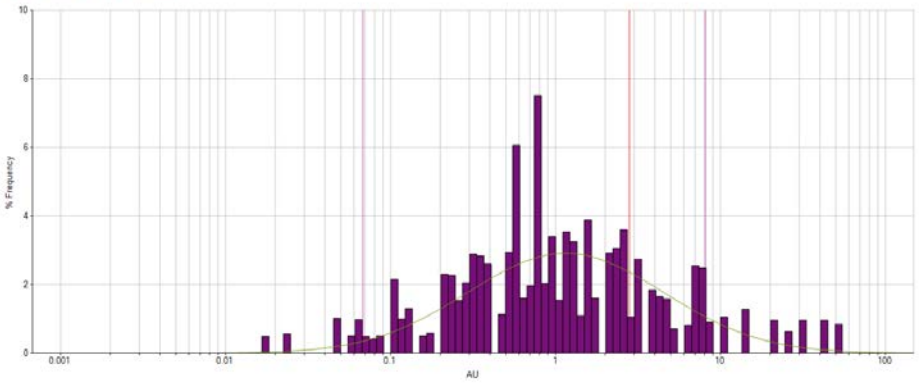
Histogram for AU GROUP 1000

Values > Trace	:	227
Maximum	:	52.500
Minimum	:	0.005
Variance	:	43.651
StdDeviation	:	6.607
Mean	:	2.804



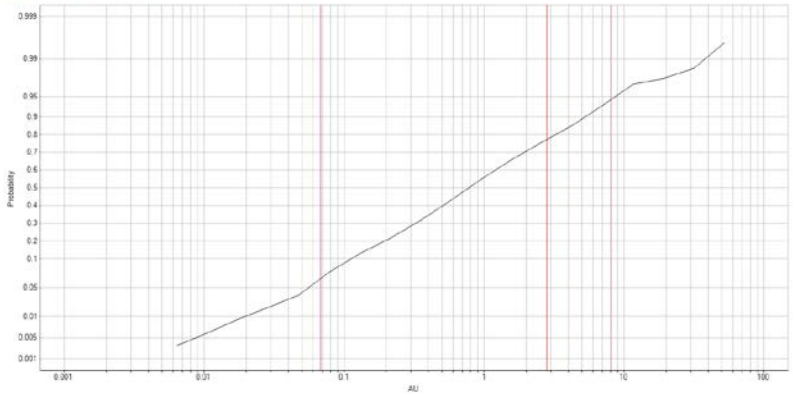
Log Histogram for AU GROUP 1000

Values > Trace	:	227
Maximum	:	52.500
Minimum	:	0.005
Variance	:	43.651
StdDeviation	:	6.607
Mean	:	2.804
5th Percentile	:	0.068
95th Percentile	:	8.112



Log Probability Plot for AU GROUP 1000

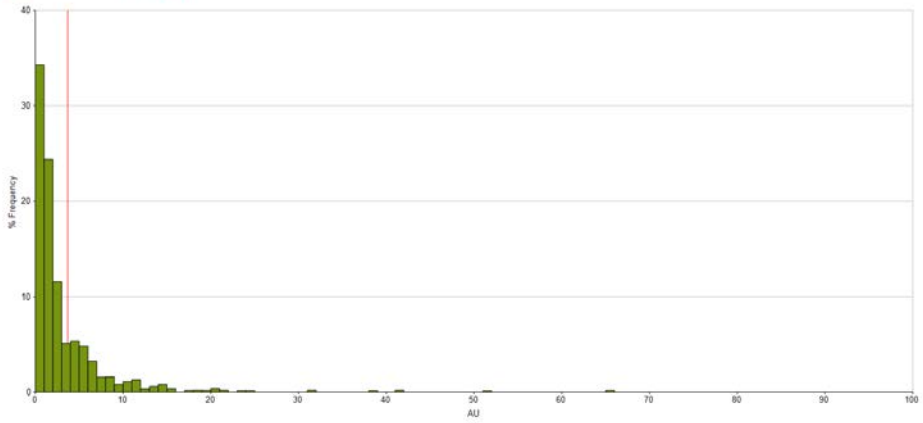
Values > Trace	:	227
Maximum	:	52.500
Minimum	:	0.005
Variance	:	43.651
StdDeviation	:	6.607
Mean	:	2.804
5th Percentile	:	0.068
95th Percentile	:	8.112



CALIFORNIA (GROUP 3000)

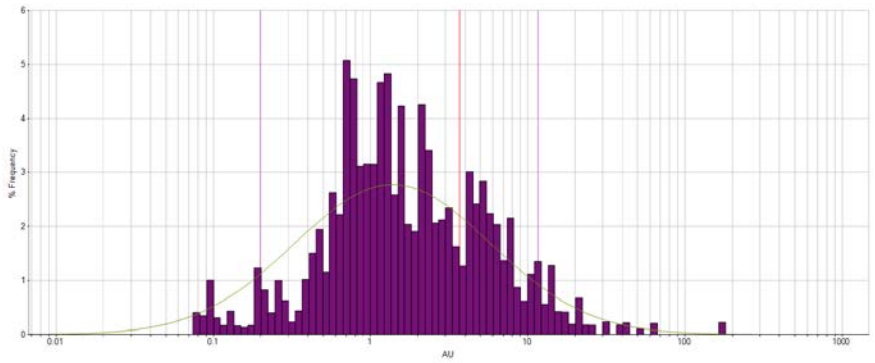
Histogram for AU GROUP 3000

```
Values > Trace   :      542
Maximum          :  177.192
Minimum          :    0.015
Variance         :   93.083
StdDeviation     :    9.648

Mean             :    3.685
```



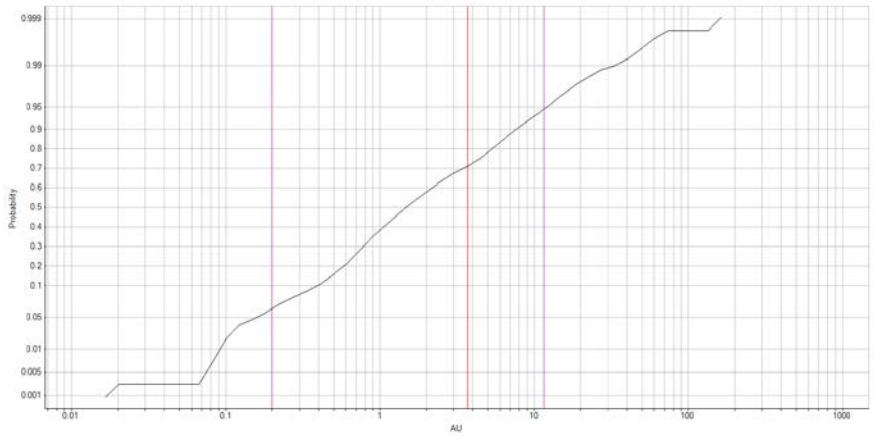
Log Histogram for AU GROUP 3000

```
Values > Trace   :      542
Maximum          :  177.192
Minimum          :    0.015
Variance         :   93.083
StdDeviation     :    9.648

Mean             :    3.685

5th Percentile   :    0.200
95th Percentile  :   11.620
```

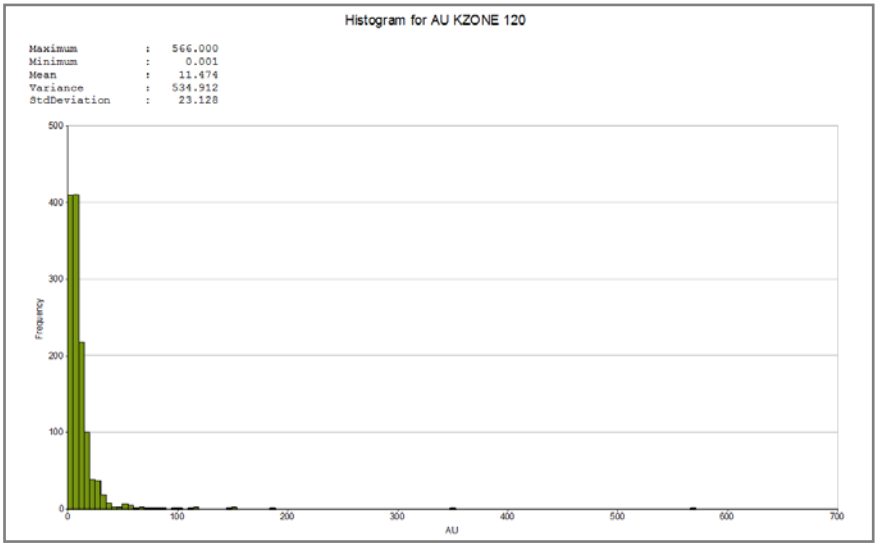


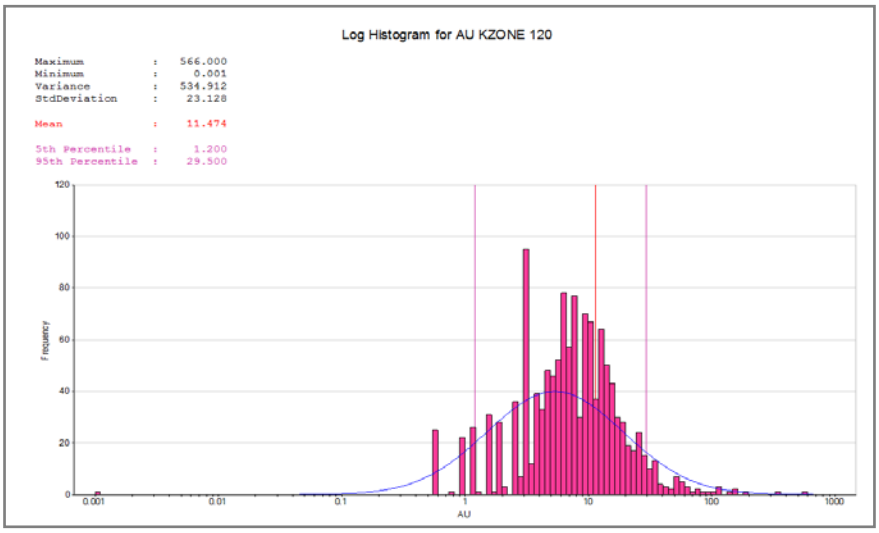
Log Probability Plot for AU GROUP 3000

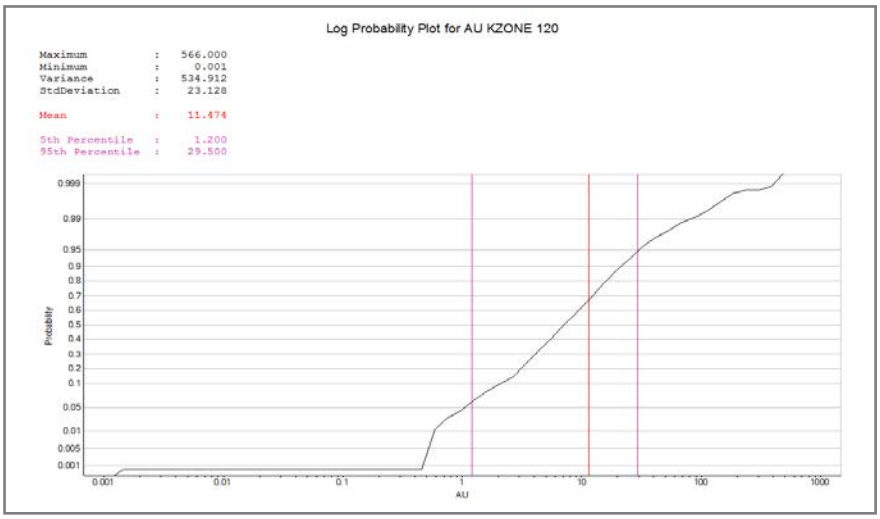
```
Values > Trace   :      542
Maximum          :  177.192
Minimum          :    0.015
Variance         :   93.083
StdDeviation     :    9.648

Mean             :    3.685

5th Percentile   :    0.200
95th Percentile  :   11.620
```



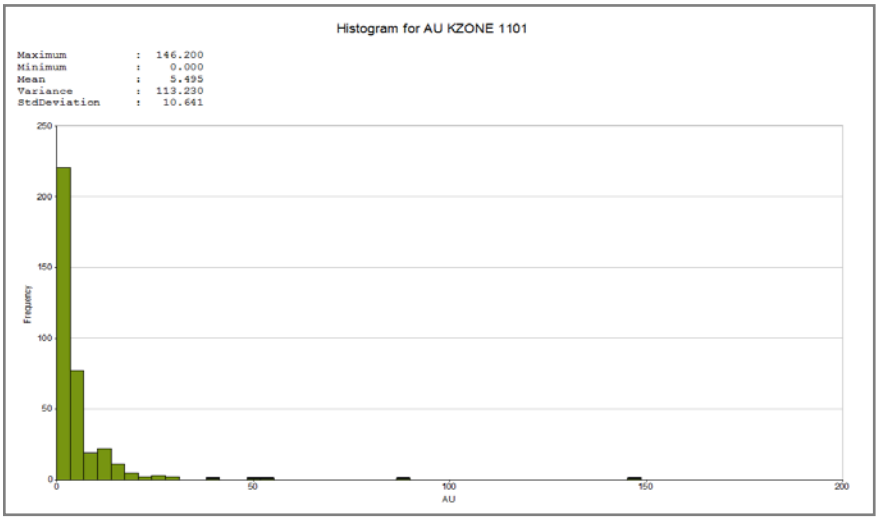
CONSTANCIA

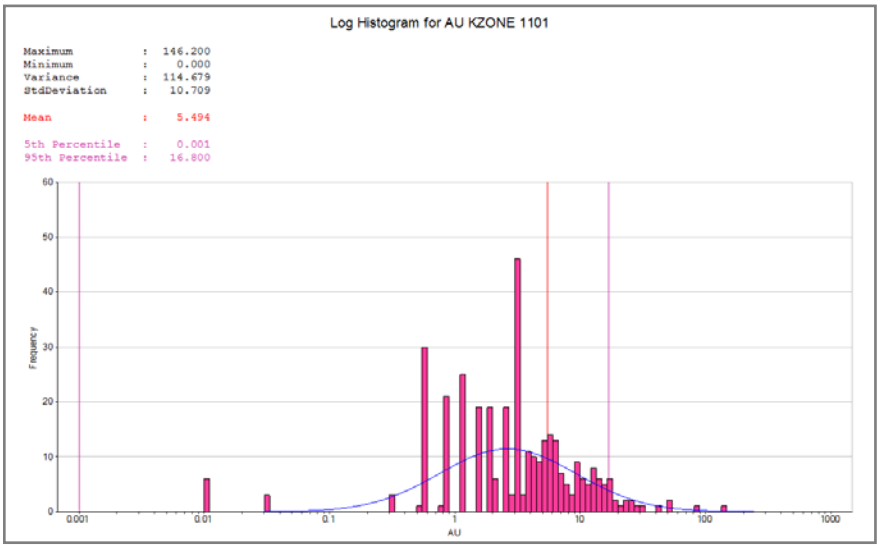

Histogram for AU KZONE 120
Maximum : 566.000
Minimum : 0.001
Mean : 11.474
Variance : 534.912
StdDeviation : 23.128
Frequency
AU

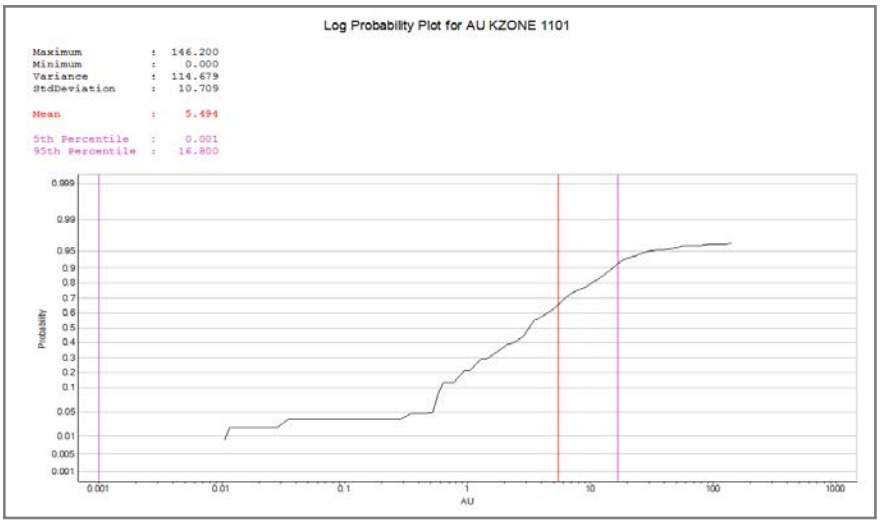

Log Histogram for AU KZONE 120
Maximum : 566.000
Minimum : 0.001
Variance : 534.912
StdDeviation : 23.128
Mean : 11.474
5th Percentile : 1.200
95th Percentile : 29.500
Frequency
AU


Log Probability Plot for AU KZONE 120
Maximum : 566.000
Minimum : 0.001
Variance : 534.912
StdDeviation : 23.128
Mean : 11.474
5th Percentile : 1.200
95th Percentile : 29.500
Probability
AU

ESCONDIDO


Histogram for AU KZONE 1101
Maximum : 146.200
Minimum : 0.000
Mean : 5.495
Variance : 113.230
StdDeviation : 10.641
Frequency
AU

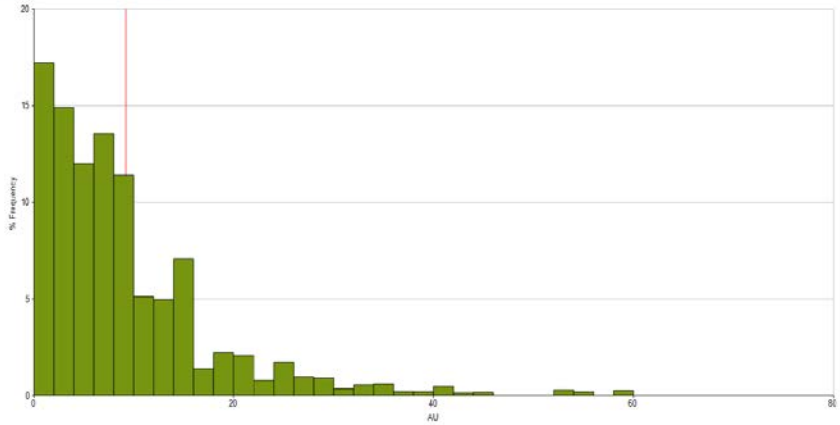

Log Histogram for AU KZONE 1101
Maximum : 146.200
Minimum : 0.000
Variance : 114.679
StdDeviation : 10.709
Mean : 5.494
5th Percentile : 0.001
95th Percentile : 16.800
Frequency
AU


Log Probability Plot for AU KZONE 1101
Maximum : 146.200
Minimum : 0.000
Variance : 114.679
StdDeviation : 10.709
Mean : 5.494
5th Percentile : 0.001
95th Percentile : 16.800
Probability
AU

ESPINITO

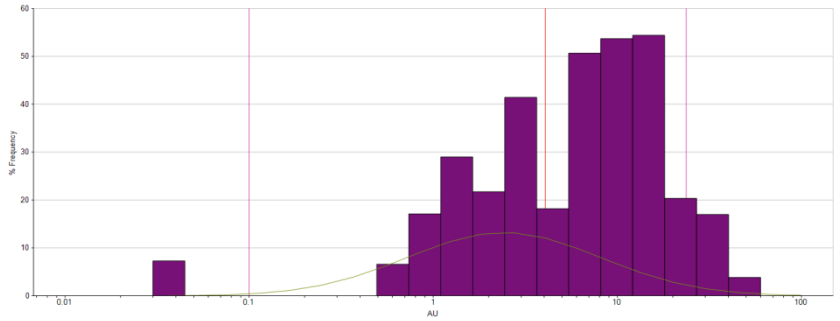
Histogram for AU KZONE 100

Values > Trace	:	457
Maximum	:	62.770
Minimum	:	0.030
Variance	:	80.233
StdDeviation	:	8.957
Mean	:	9.196



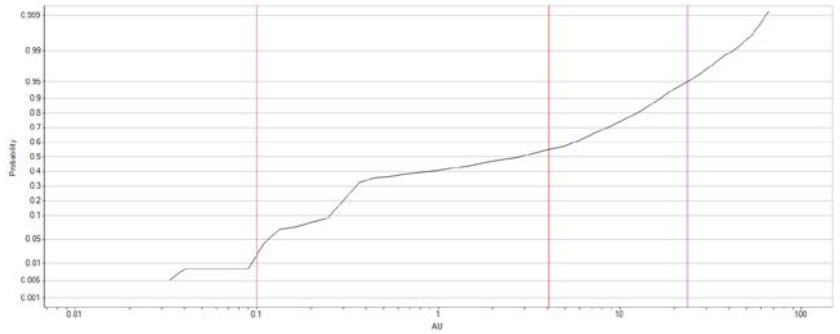
Log Histogram for AU

Values > Trace	:	701
Maximum	:	62.770
Minimum	:	0.030
Variance	:	53.095
StdDeviation	:	7.287
Mean	:	4.064
5th Percentile	:	0.100
95th Percentile	:	23.640



Log Probability Plot for AU

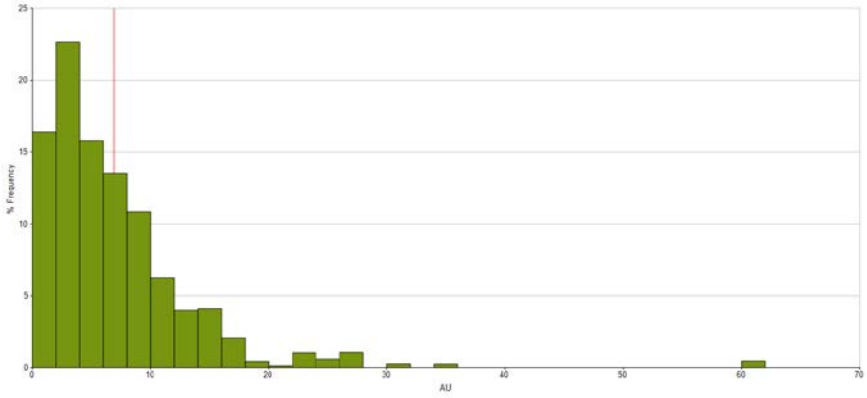
Values > Trace	:	701
Maximum	:	62.770
Minimum	:	0.030
Variance	:	53.095
StdDeviation	:	7.287
Mean	:	4.064
5th Percentile	:	0.100
95th Percentile	:	23.640



GUAPINOL

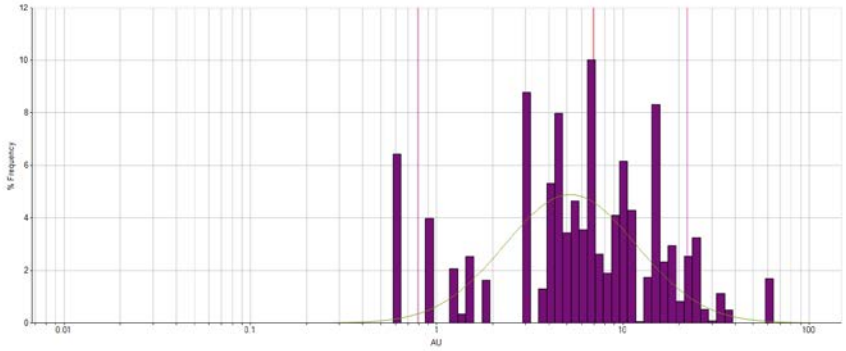
Histogram for AU KZONE 110

Values > Trace	:	388
Maximum	:	60.650
Minimum	:	0.048
Variance	:	45.640
StdDeviation	:	6.756
Mean	:	6.933



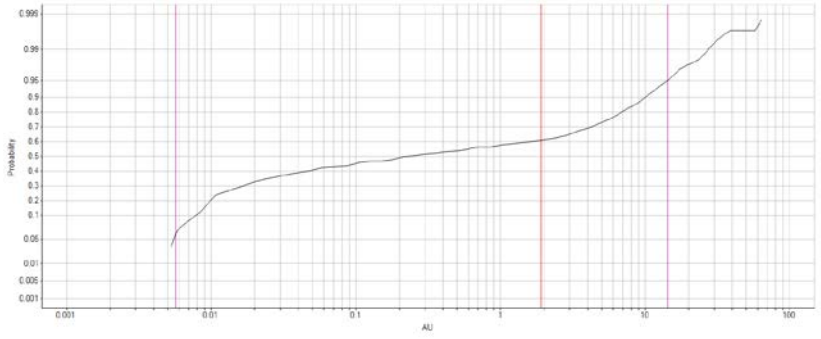
Log Histogram for AU KZONE 110

Values > Trace	:	388
Maximum	:	60.650
Minimum	:	0.048
Variance	:	45.640
stdeviation	:	6.756
Mean	:	6.933
5th Percentile	:	0.790
95th Percentile	:	22.080

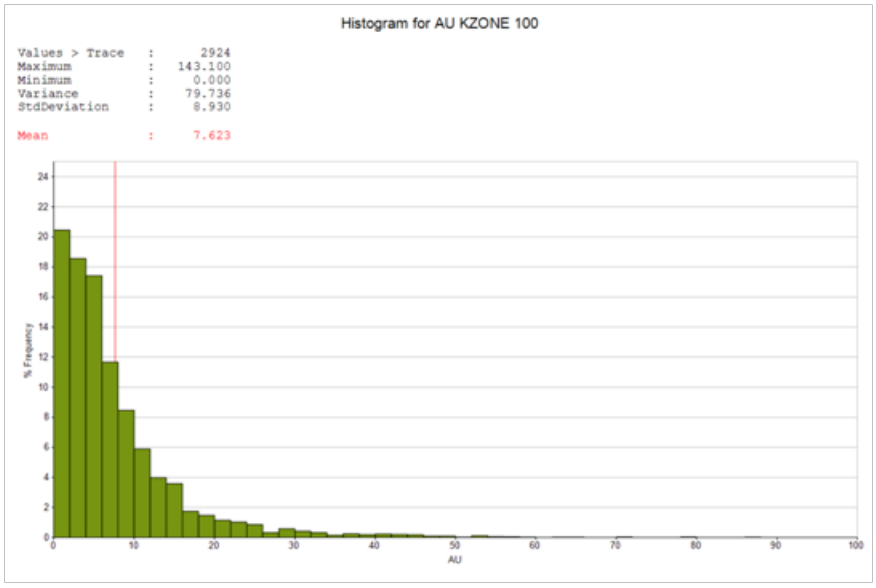


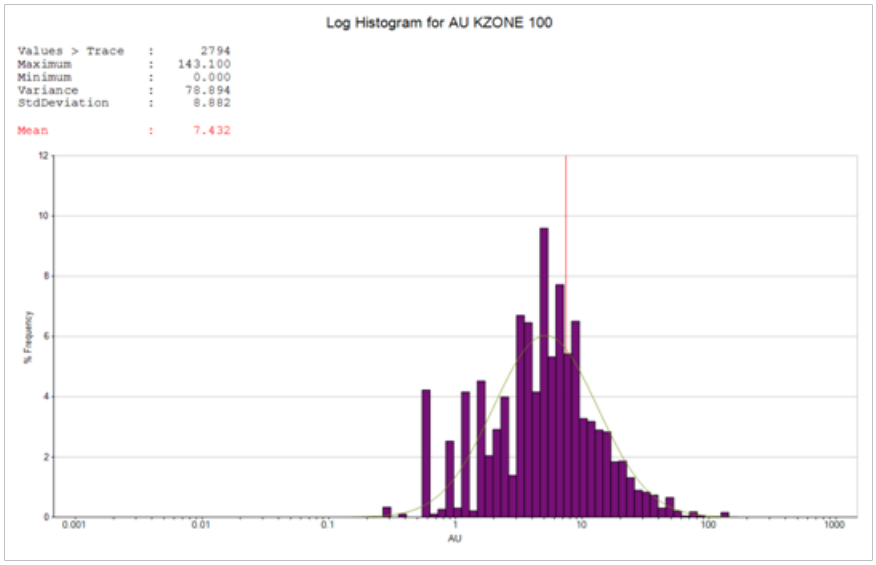
Log Probability Plot for AU

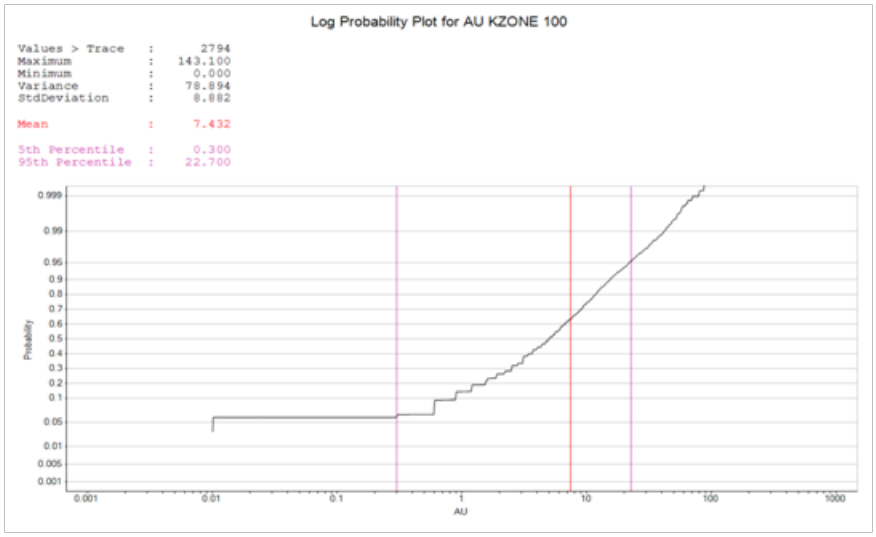
Values > Trace	:	962
Maximum	:	60.650
Minimum	:	0.005
Variance	:	20.958
stdeviation	:	4.578
Mean	:	1.907
5th Percentile	:	0.006
95th Percentile	:	14.310



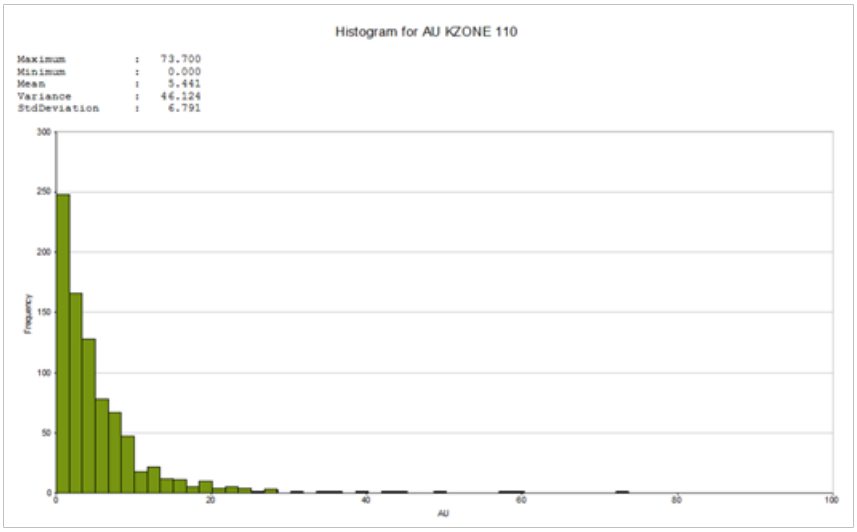
LA INDIA

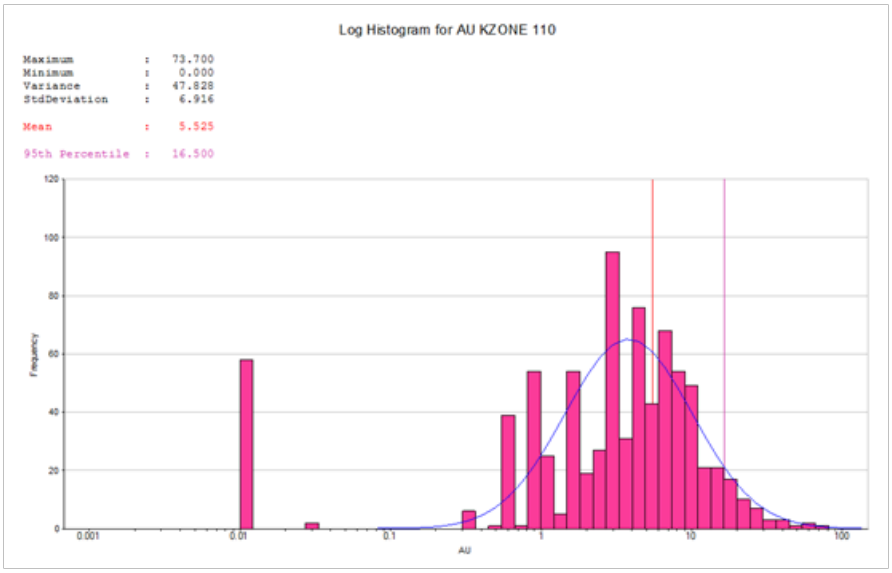

Histogram for AU KZONE 100
Values > Trace : 2924
Maximum : 143.100
Minimum : 0.000
Variance : 79.736
StdDeviation : 8.930
Mean : 7.623
% Frequency
AU

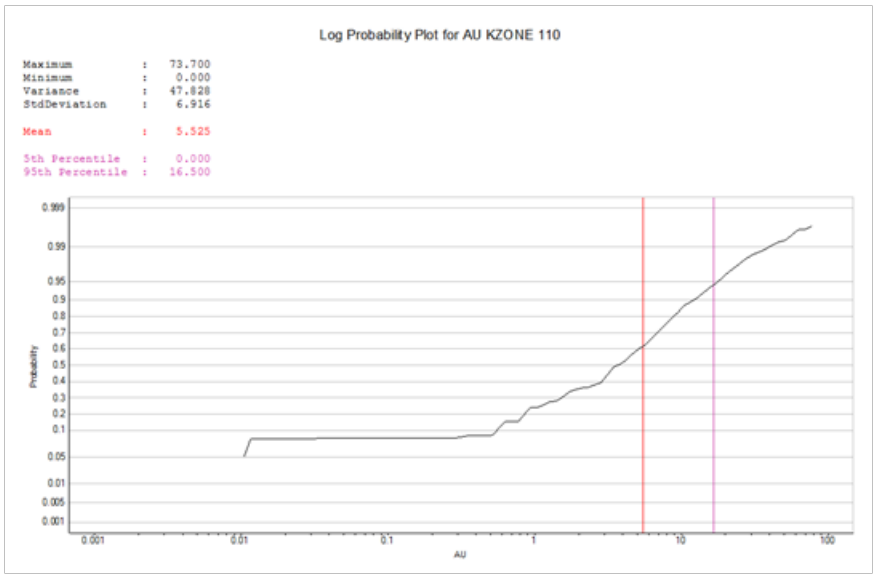

Log Histogram for AU KZONE 100
Values > Trace : 2794
Maximum : 143.100
Minimum : 0.000
Variance : 78.894
StdDeviation : 8.882
Mean : 7.432
% Frequency
AU


Log Probability Plot for AU KZONE 100
Values > Trace : 2794
Maximum : 143.100
Minimum : 0.000
Variance : 78.894
StdDeviation : 8.882
Mean : 7.432
5th Percentile : 0.300
95th Percentile : 22.700
Probability
AU

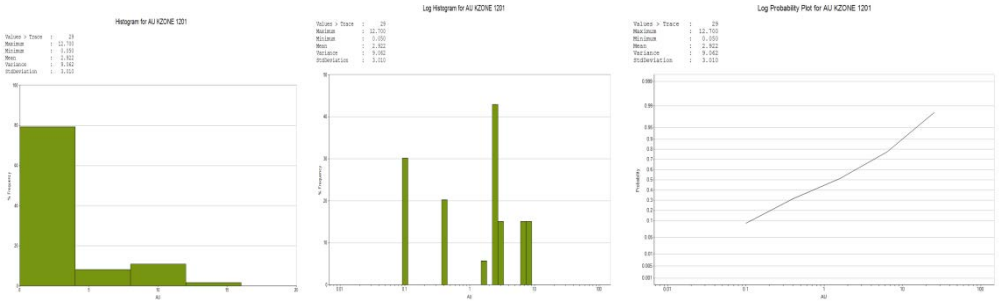
SAN LUCAS

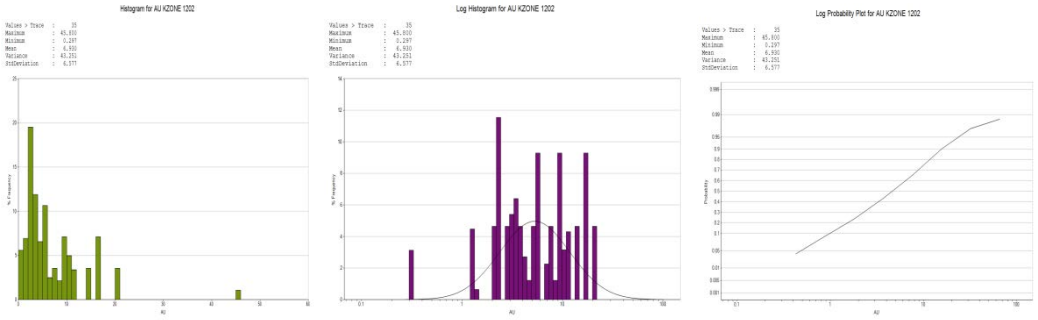

Histogram for AU KZONE 110
Maximum : 73.700
Minimum : 0.000
Mean : 5.441
Variance : 46.124
StdDeviation : 6.791
Frequency
AU

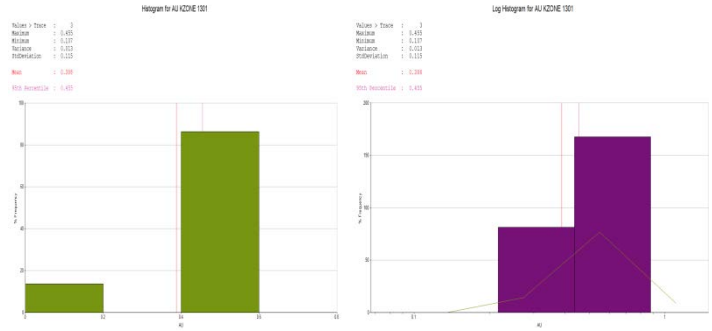

Log Histogram for AU KZONE 110
Maximum : 73.700
Minimum : 0.000
Variance : 47.828
StdDeviation : 6.916
Mean : 5.525
95th Percentile : 16.500
Frequency
AU

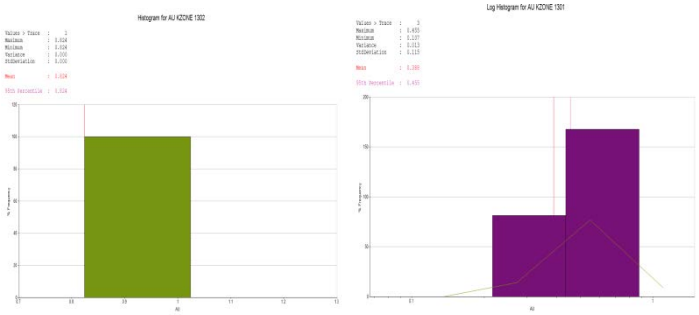

Log Probability Plot for AU KZONE 110
Maximum : 73.700
Minimum : 0.000
Variance : 47.828
StdDeviation : 6.916
Mean : 5.525
5th Percentile : 0.000
95th Percentile : 16.500
Probability
AU

TATIANA


Histogram for AU KZONE 1201
Log Histogram for AU KZONE 1201
Log Probability Plot for AU KZONE 1201


Histogram for AU KZONE 1202
Log Histogram for AU KZONE 1202
Log Probability Plot for AU KZONE 1202

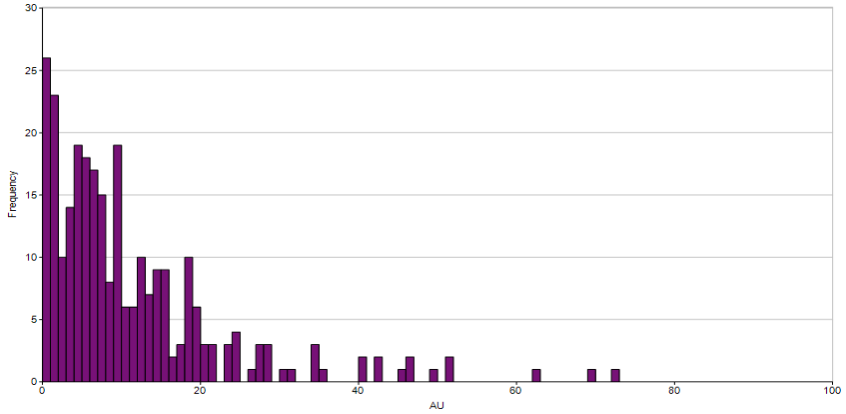

Histogram for AU KZONE 1301
Log Histogram for AU KZONE 1301


Histogram for AU KZONE 1302
Log Histogram for AU KZONE 1301

TERESA

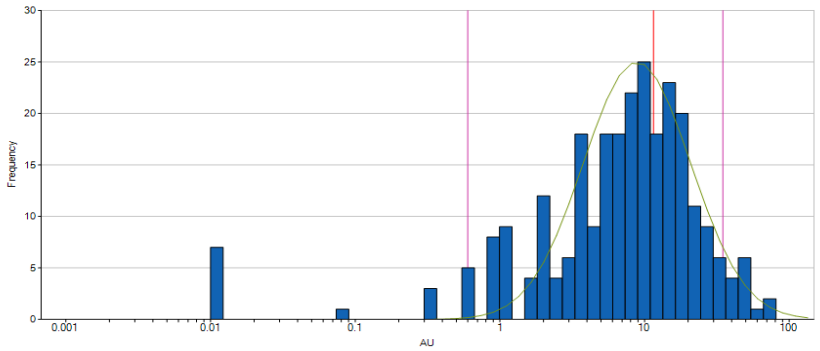
Histogram for AU KZONE 110

```
Maximum          :   72.800
Minimum          :    0.000
Mean             :   11.333
Variance         :  140.765
StdDeviation     :   11.864
```



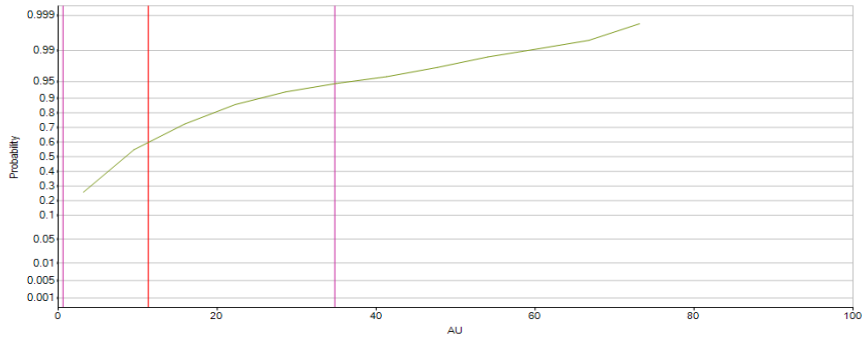
Log Histogram for AU KZONE 110

```
Maximum          :   72.800
Minimum          :    0.000
Variance         :  142.510
StdDeviation     :   11.938

Mean             :   11.531

5th Percentile   :    0.600
95th Percentile  :   34.800
```



Probability Plot for AU KZONE 110

```
Maximum          :   72.800
Minimum          :    0.000
Variance         :  140.765
StdDeviation     :   11.864

Mean             :   11.333

5th Percentile   :    0.600
95th Percentile  :   34.800
```

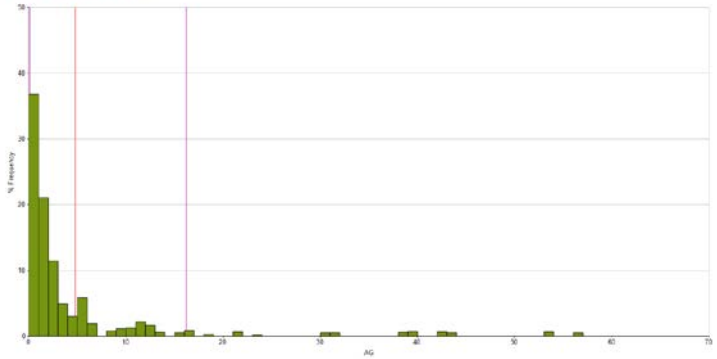


HISTOGRAMS AND STATISTICS FOR SILVER

CALIFORNIA (GROUP 1000)

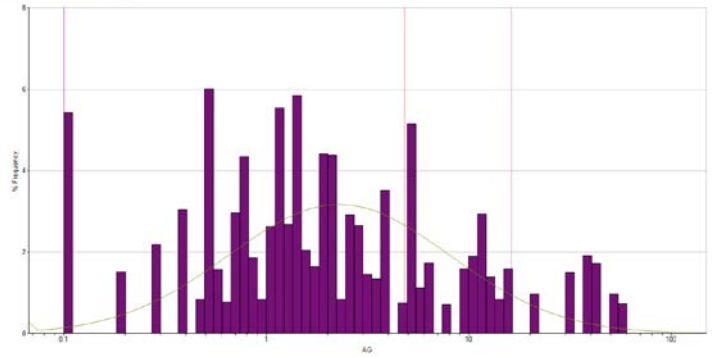
Histogram for AG GROUP 1000

Values > Trace	:	222
Maximum	:	56.438
Minimum	:	0.100
Variance	:	88.138
StdDeviation	:	9.388
Mean	:	4.785
5th Percentile	:	0.100
95th Percentile	:	16.200



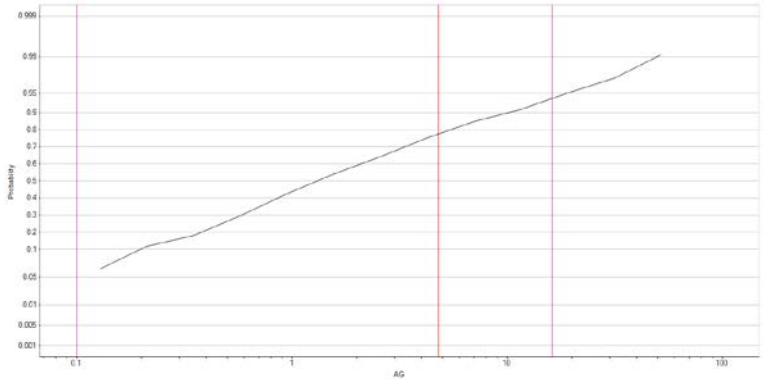
Log Histogram for AG GROUP 1000

Values > Trace	:	222
Maximum	:	56.438
Minimum	:	0.100
Variance	:	88.138
StdDeviation	:	9.388
Mean	:	4.785
5th Percentile	:	0.100
95th Percentile	:	16.200



Log Probability Plot for AG GROUP 1000

Values > Trace	:	222
Maximum	:	56.438
Minimum	:	0.100
Variance	:	88.138
StdDeviation	:	9.388
Mean	:	4.785
5th Percentile	:	0.100
95th Percentile	:	16.200



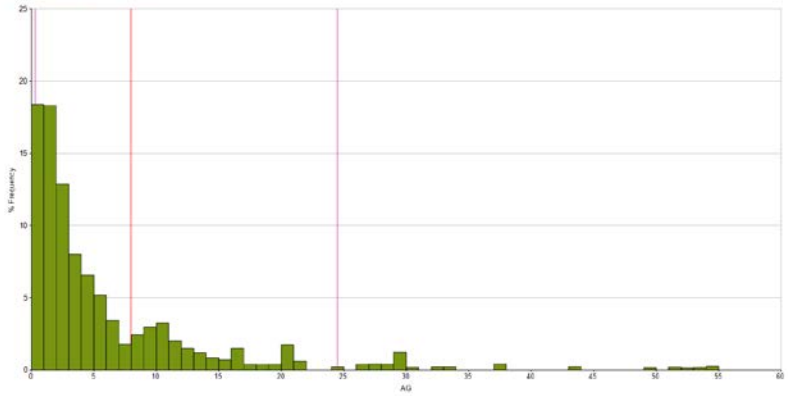
CALIFORNIA (GROUP 3000)

Histogram for AG GROUP 3000

Values > Trace : 532
Maximum : 626.050
Minimum : 0.100
Variance : 897.727
StdDeviation : 29.962

Mean : 7.972

5th Percentile : 0.300
95th Percentile : 24.500

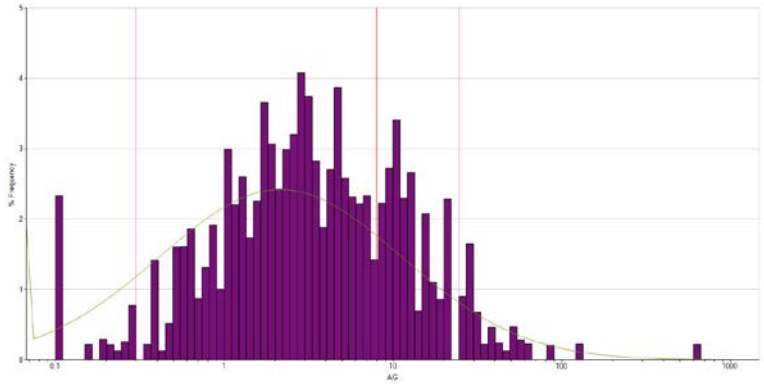


Log Histogram for AG GROUP 3000

Values > Trace : 532
Maximum : 626.050
Minimum : 0.100
Variance : 897.727
StdDeviation : 29.962

Mean : 7.972

5th Percentile : 0.300
95th Percentile : 24.500

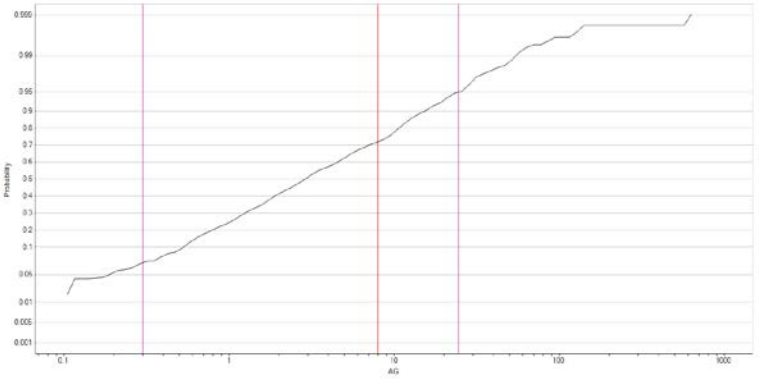


Log Probability Plot for AG GROUP 3000

Values > Trace : 532
Maximum : 626.050
Minimum : 0.100
Variance : 897.727
StdDeviation : 29.962

Mean : 7.972

5th Percentile : 0.300
95th Percentile : 24.500



APPENDIX

C COMPOSITE LENGTH ANALYSIS

COMPOSITE LENGTH ANALYSIS FOR GROUP 3000

(CALIFORNIA VEINS; STEEP DIP)

1M COMPS	FIELD	NSAMPLES	MIN	MAX	MEAN	VARIANCE	STANDDEV	COVAR	% DIFF FROM MEAN	% SAMPLE REDUCTION
RAW	AUGT	964	0.015	293.56	3.70	157.68	12.56	3.40		
0% OF COMP	AUGT	1007	0.015	293.56	3.72	124.46	11.16	3.00	0.65%	0.00%
25% OF COMP	AUGT	991	0.015	293.56	3.72	126.24	11.24	3.02	0.74%	1.59%
50% OF COMP	AUGT	968	0.015	293.56	3.67	126.60	11.25	3.07	-0.70%	3.87%
75% OF COMP	AUGT	923	0.015	293.56	3.74	131.85	11.48	3.07	1.30%	8.34%
100% OF COMP	AUGT	893	0.015	293.56	3.75	135.44	11.64	3.10	1.52%	11.32%

1.5M COMPS	FIELD	NSAMPLES	MIN	MAX	MEAN	VARIANCE	STANDDEV	COVAR	% DIFF FROM MEAN	% SAMPLE REDUCTION
RAW	AUGT	964	0.015	293.56	3.70	157.68	12.56	3.40		
0% OF COMP	AUGT	752	0.015	225.91	3.58	96.55	9.83	2.74	-3.11%	0.00%
25% OF COMP	AUGT	714	0.015	225.91	3.62	101.15	10.06	2.78	-2.03%	5.05%
50% OF COMP	AUGT	655	0.015	225.91	3.74	109.56	10.47	2.80	1.32%	12.90%
75% OF COMP	AUGT	581	0.073	225.91	3.89	120.69	10.99	2.82	5.30%	22.74%
100% OF COMP	AUGT	568	0.073	225.91	3.84	119.26	10.92	2.85	3.85%	24.47%

2M COMPS	FIELD	NSAMPLES	MIN	MAX	MEAN	VARIANCE	STANDDEV	COVAR	% DIFF FROM MEAN	% SAMPLE REDUCTION
RAW	AUGT	964	0.015	293.56	3.70	157.68	12.56	3.40		
0% OF COMP	AUGT	576	0.015	170.42	3.59	79.66	8.93	2.49	-2.85%	0.00%
25% OF COMP	AUGT	559	0.015	170.42	3.56	81.53	9.03	2.53	-3.55%	2.95%
50% OF COMP	AUGT	529	0.015	170.42	3.59	84.83	9.21	2.57	-2.96%	8.16%
75% OF COMP	AUGT	444	0.078	170.42	3.75	93.56	9.67	2.58	1.50%	22.92%
100% OF COMP	AUGT	399	0.078	170.42	3.91	102.43	10.12	2.59	5.82%	30.73%

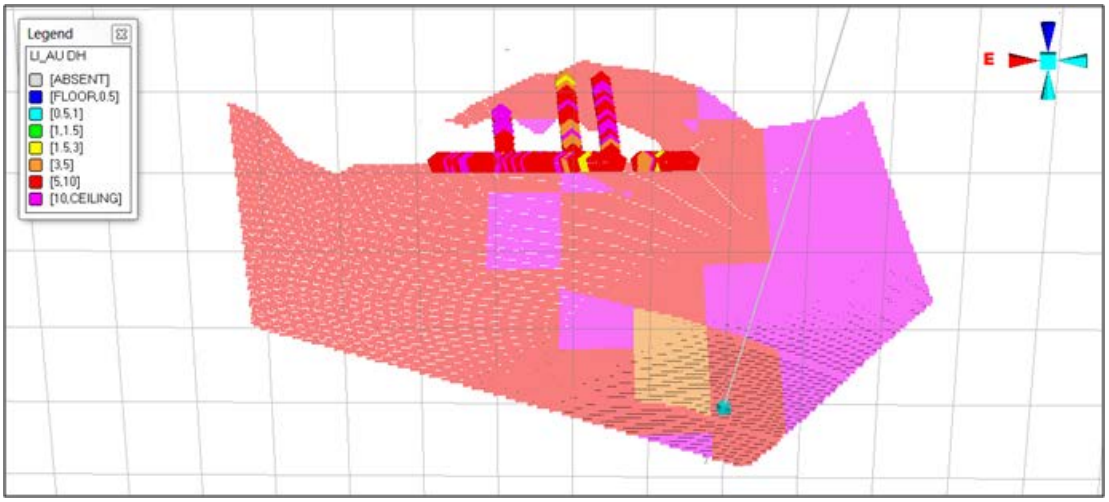
3M COMPS	FIELD	NSAMPLES	MIN	MAX	MEAN	VARIANCE	STANDDEV	COVAR	% DIFF FROM MEAN	% SAMPLE REDUCTION
RAW	AUGT	964	0.015	293.56	3.70	157.68	12.56	3.40		
0% OF COMP	AUGT	437	0.015	118.03	3.53	55.16	7.43	2.11	-4.55%	0.00%
25% OF COMP	AUGT	414	0.015	118.03	3.50	57.62	7.59	2.17	-5.18%	5.26%
50% OF COMP	AUGT	344	0.081	118.03	3.65	59.64	7.72	2.12	-1.22%	21.28%
75% OF COMP	AUGT	258	0.093	118.03	4.11	75.38	8.68	2.11	11.27%	40.96%
100% OF COMP	AUGT	242	0.093	118.03	4.08	77.75	8.82	2.16	10.46%	44.62%

4M COMPS	FIELD	NSAMPLES	MIN	MAX	MEAN	VARIANCE	STANDDEV	COVAR	% DIFF FROM MEAN	% SAMPLE REDUCTION
RAW	AUGT	964	0.015	293.56	3.70	157.68	12.56	3.40		
0% OF COMP	AUGT	366	0.015	85.95	3.36	42.75	6.54	1.95	-9.22%	0.00%
25% OF COMP	AUGT	336	0.015	85.95	3.40	45.69	6.76	1.99	-8.13%	8.20%
50% OF COMP	AUGT	243	0.095	85.95	3.79	50.44	7.10	1.88	2.48%	33.61%
75% OF COMP	AUGT	207	0.095	85.95	3.92	55.17	7.43	1.90	5.95%	43.44%
100% OF COMP	AUGT	172	0.095	85.95	4.11	61.30	7.83	1.90	11.24%	53.01%

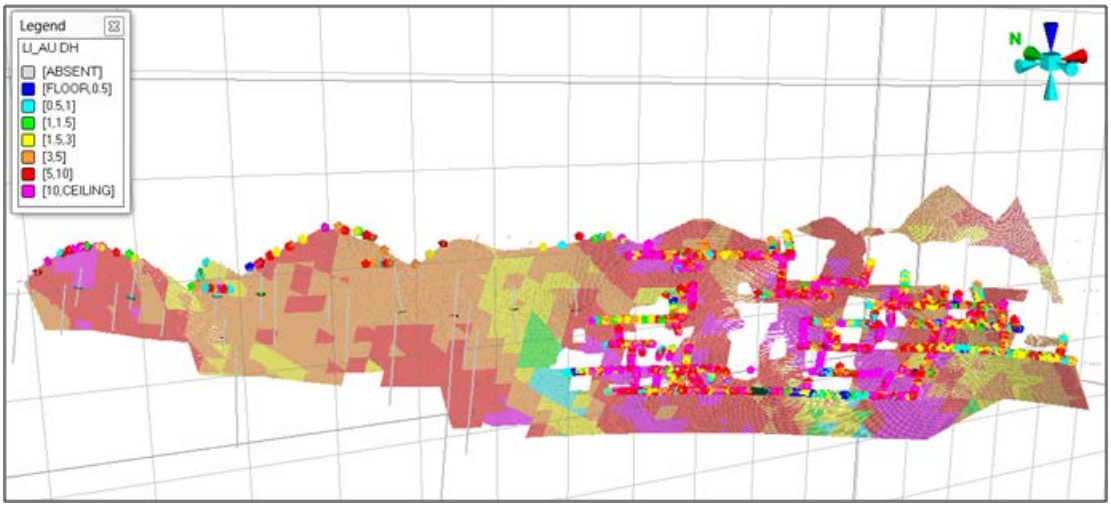
APPENDIX

D GRADE SECTIONS

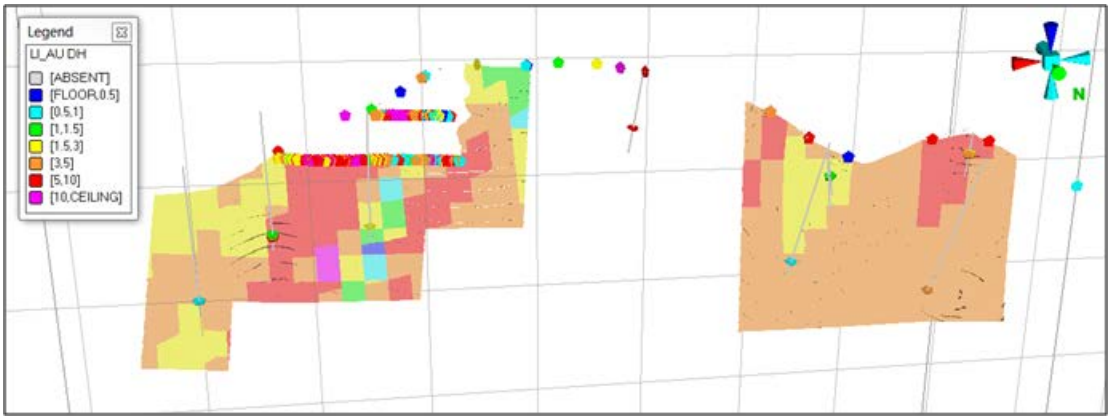
Agua Caliente



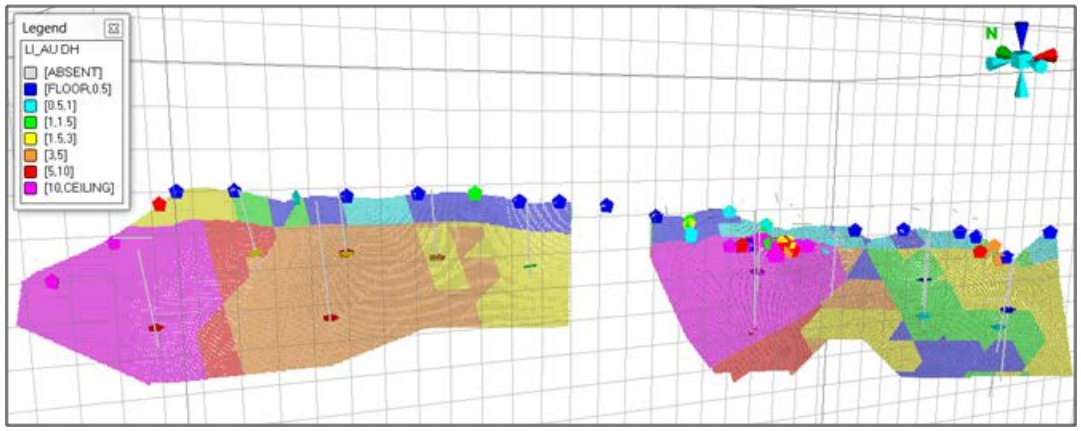
America



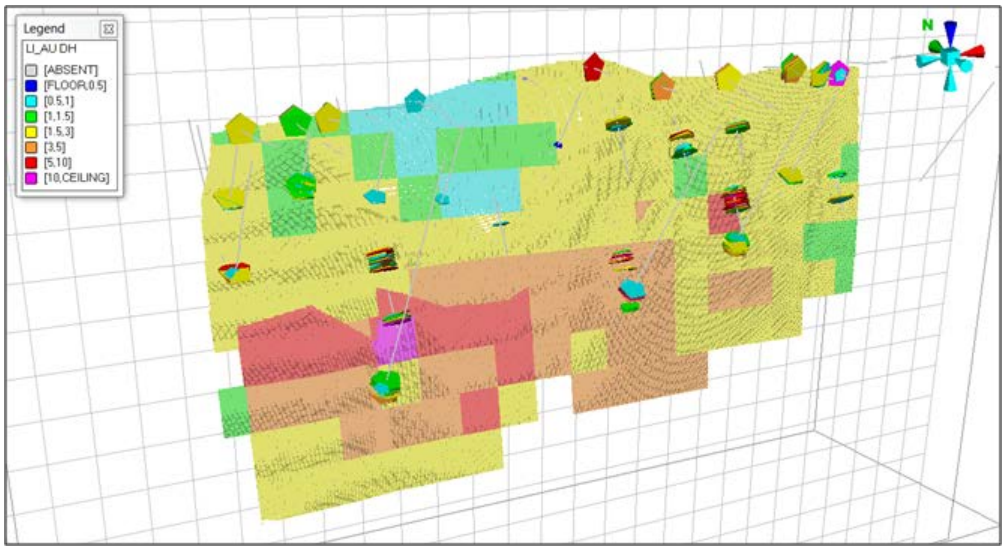
Arizona



Buenos Aires



Cacao (vein domain)



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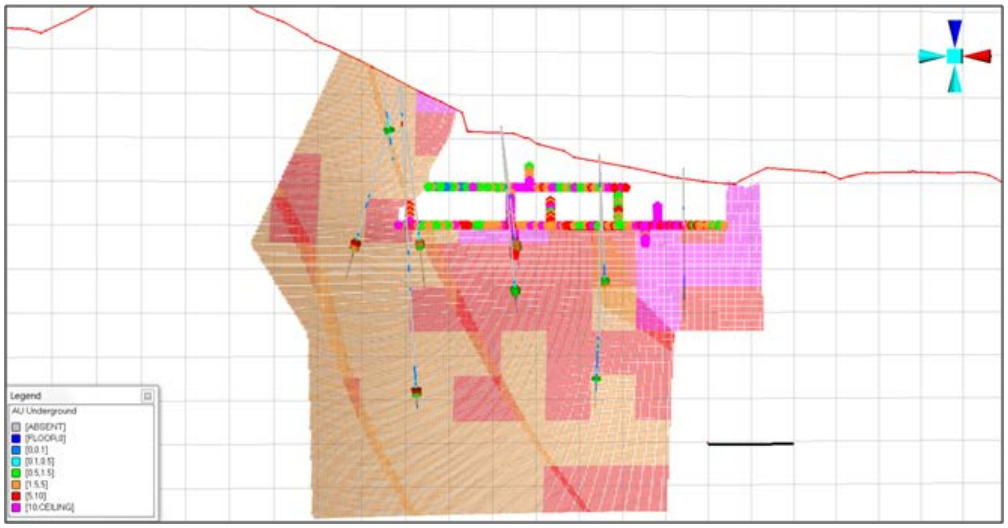
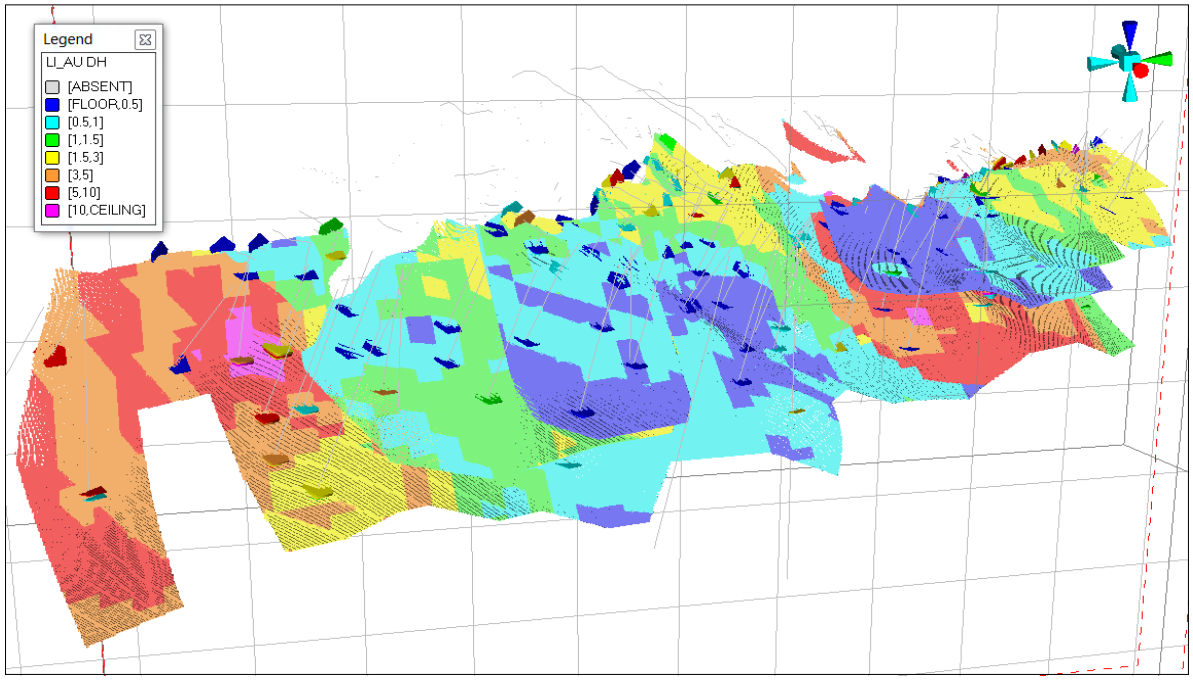
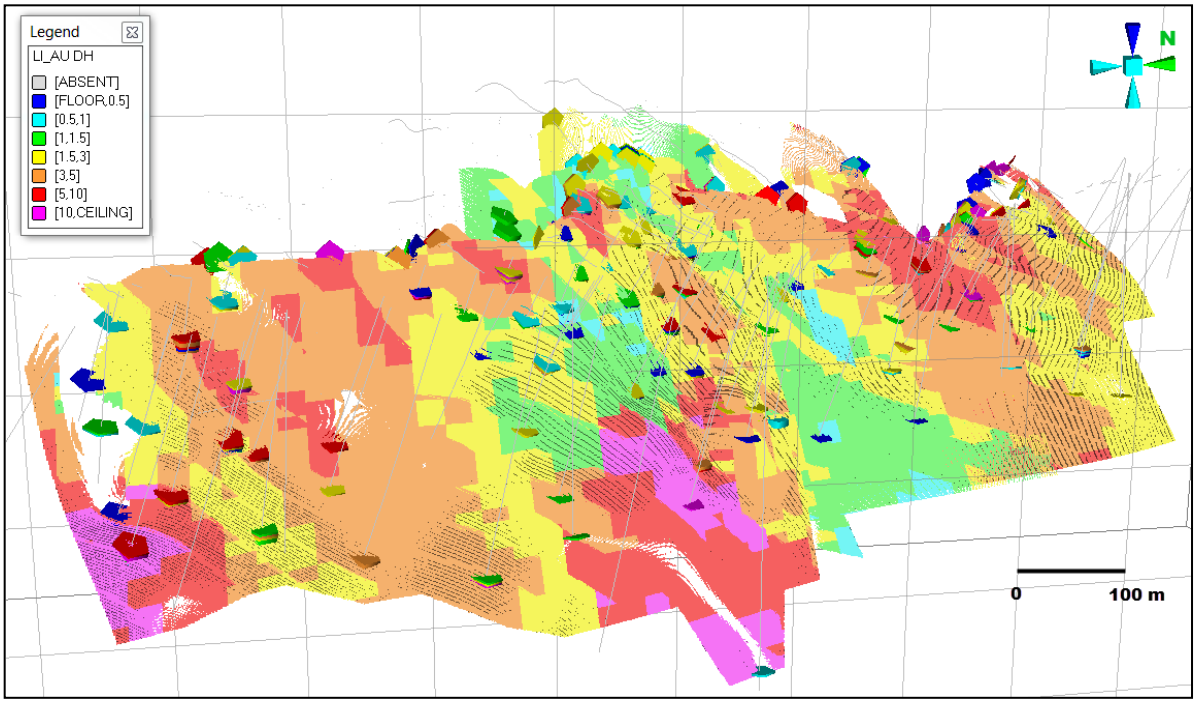


California (GROUP 1000)



California (GROUP 3000)



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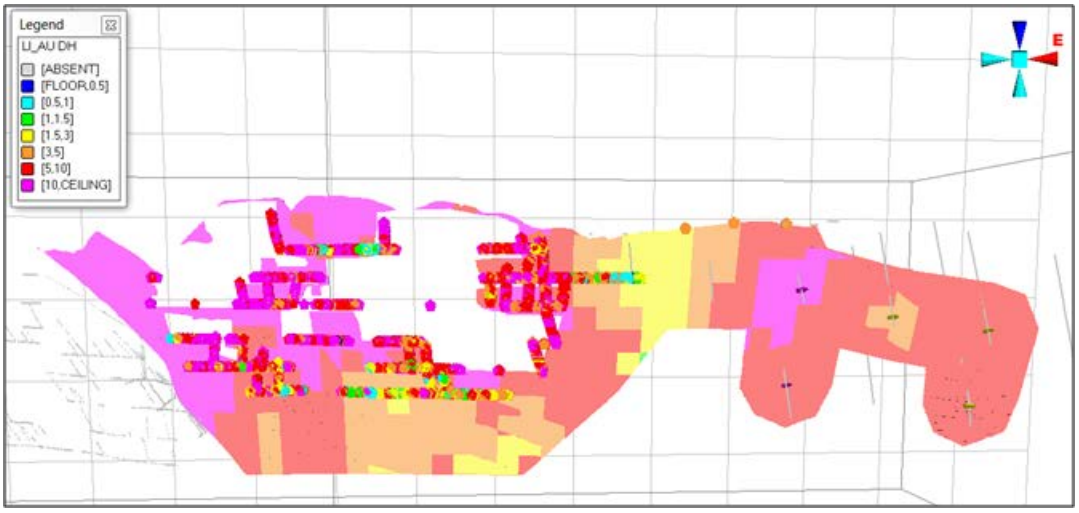

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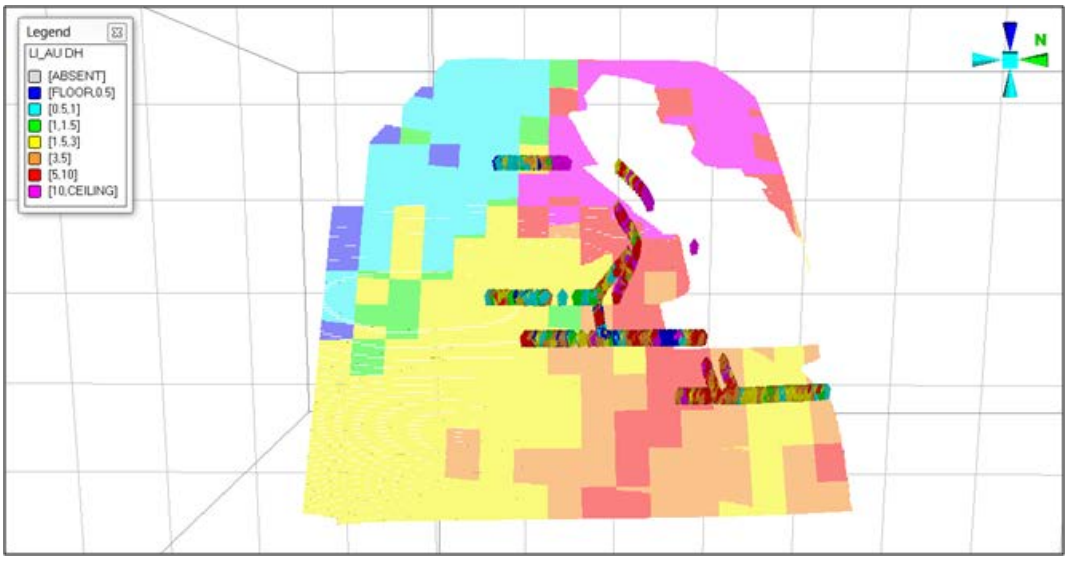
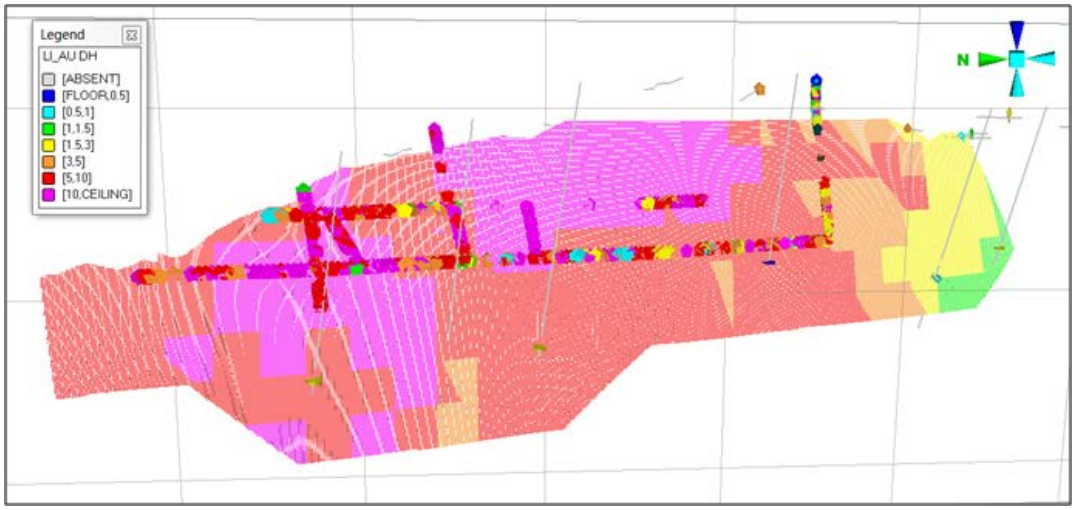
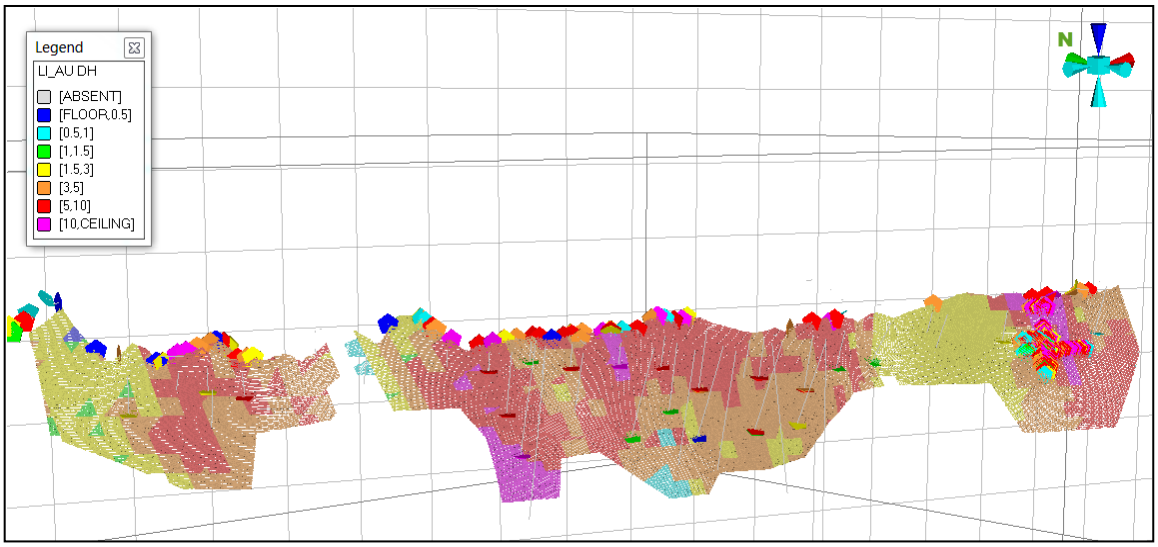


Espinito



Guapinol



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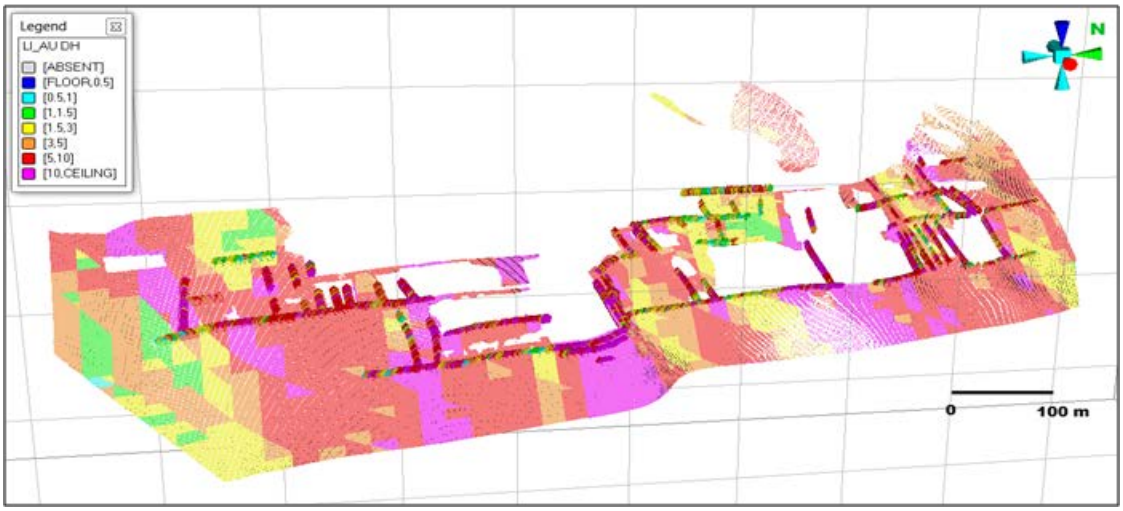
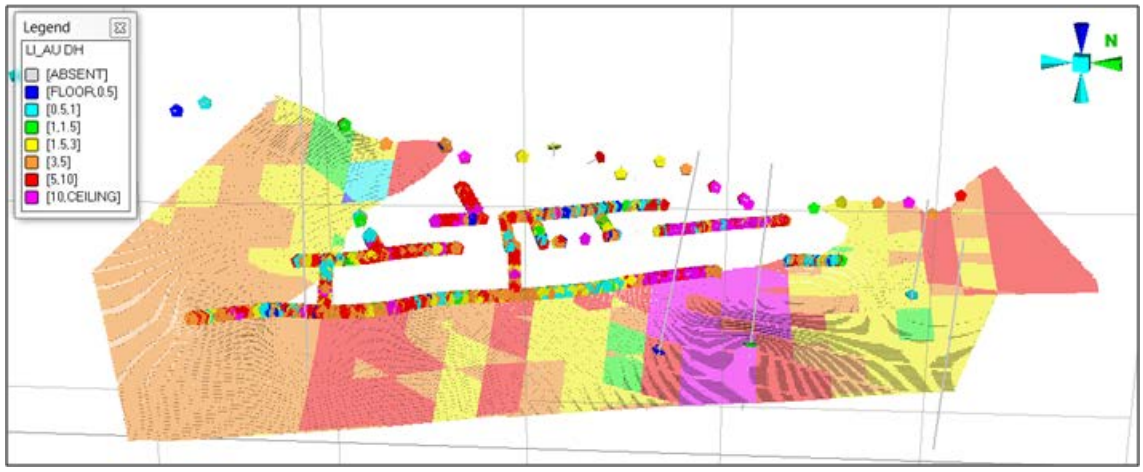


San Lucas



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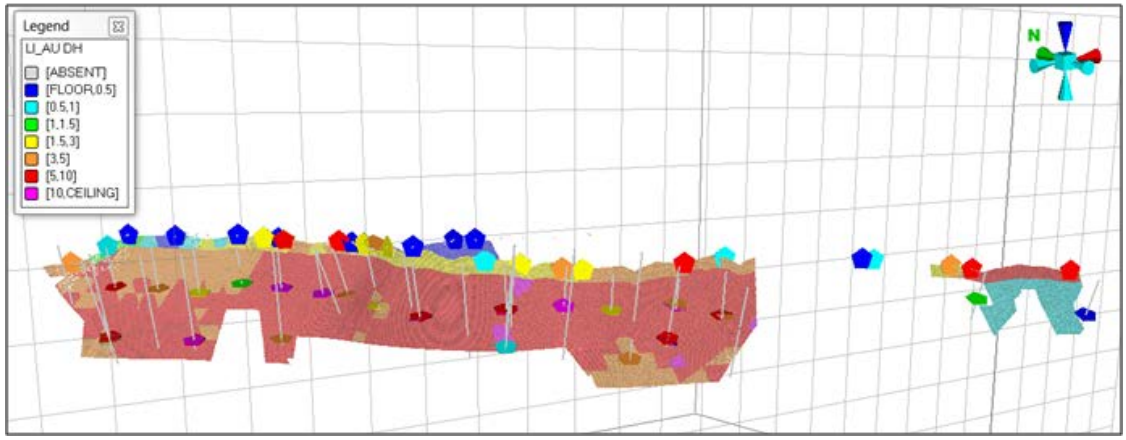
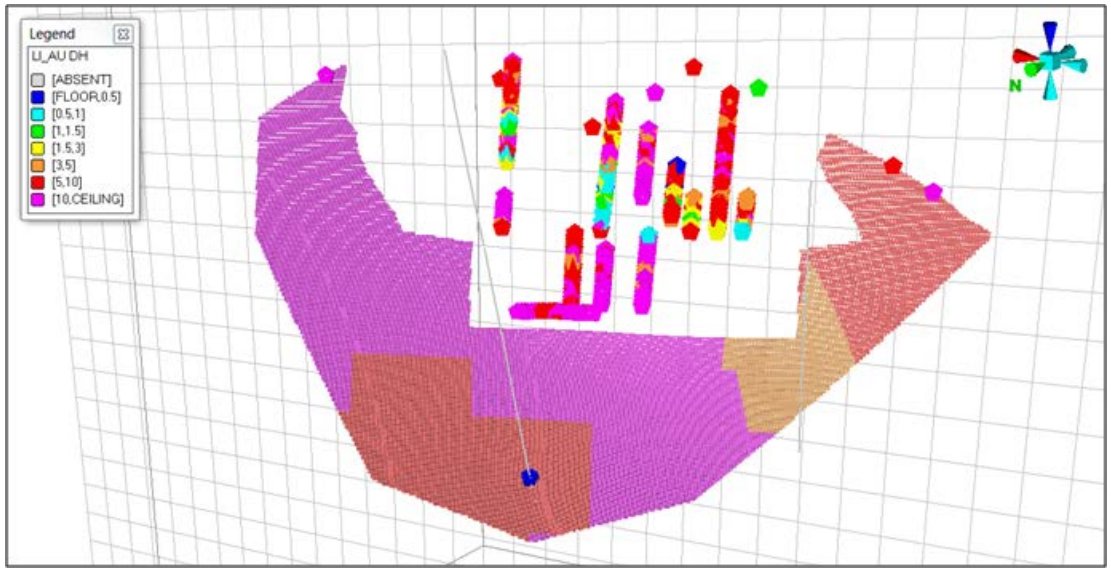


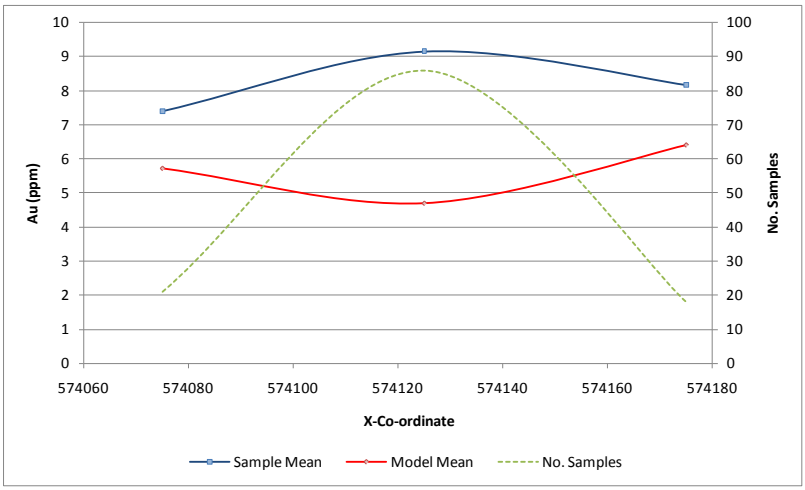
Teresa

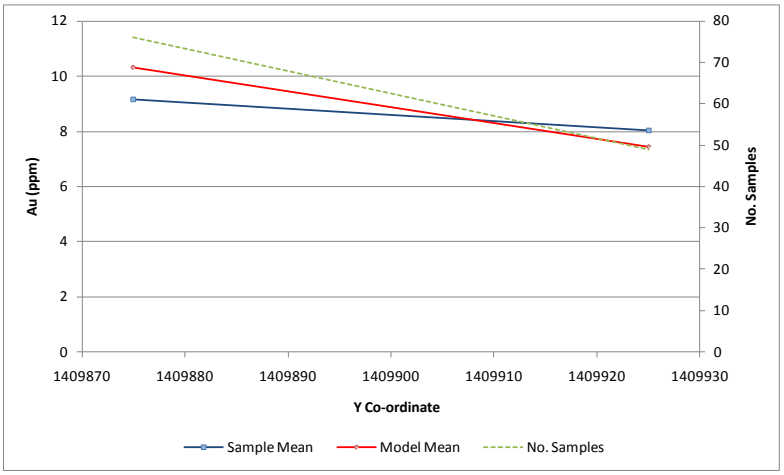


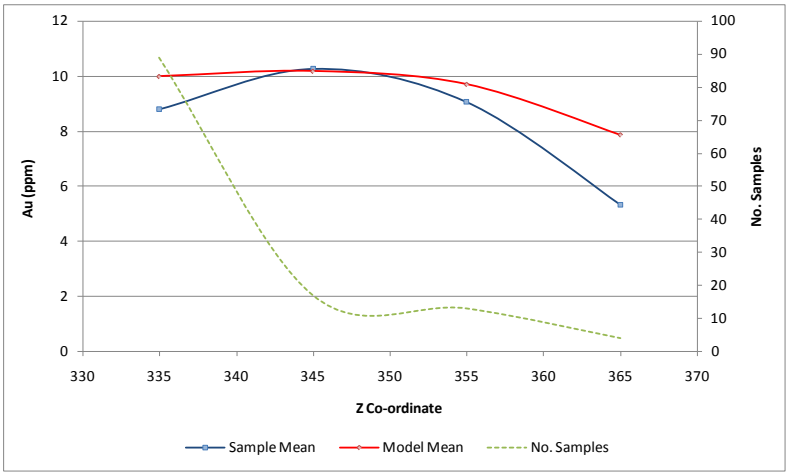
APPENDIX

E VALIDATION PLOTS

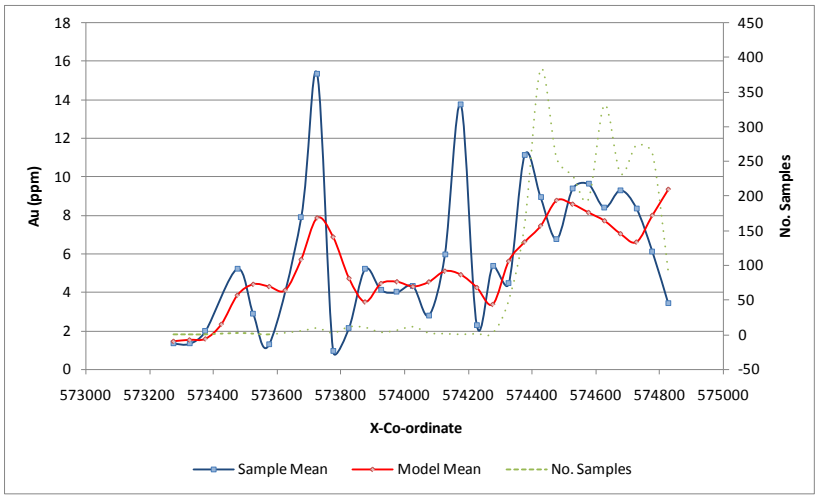
AGUA CALIENTE







AMERICA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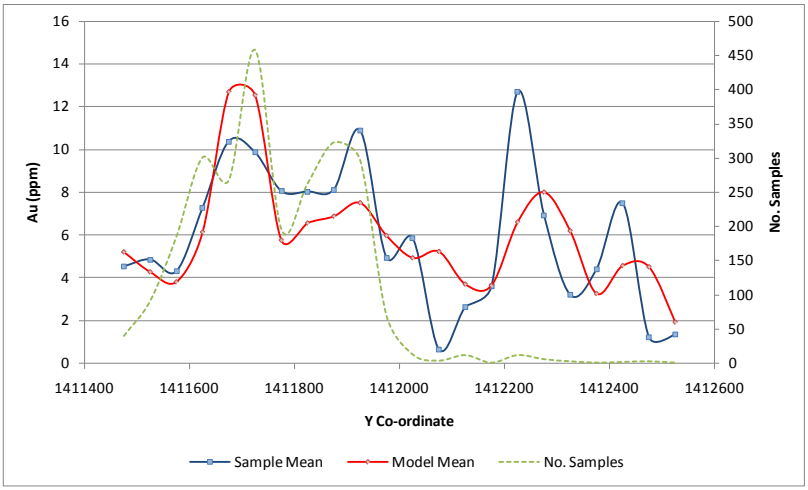
X-Co-ordinate
Sample Mean
Model Mean
No. Samples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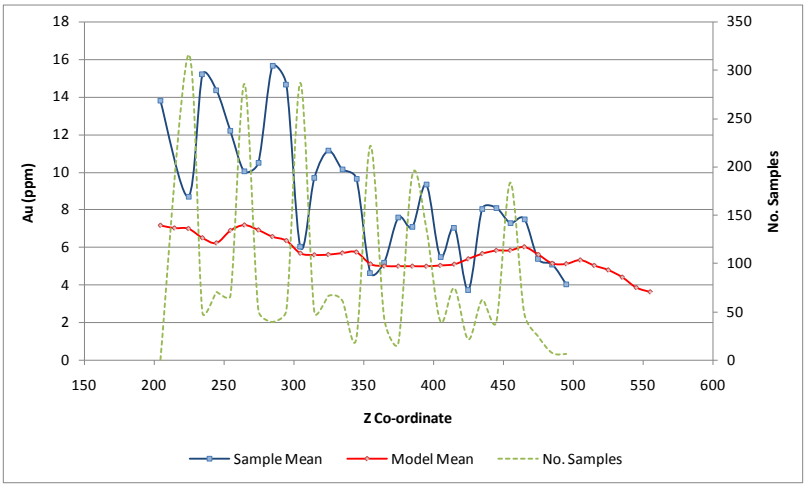
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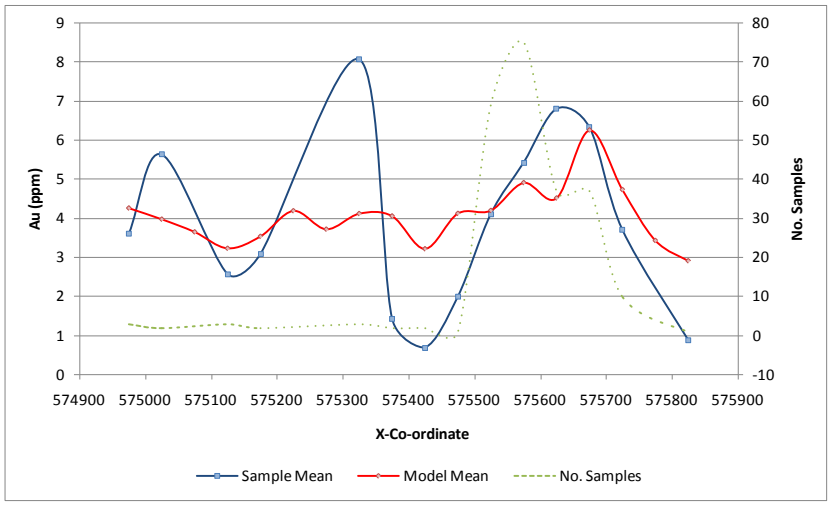
Model Mean
No. Samples

ARIZONA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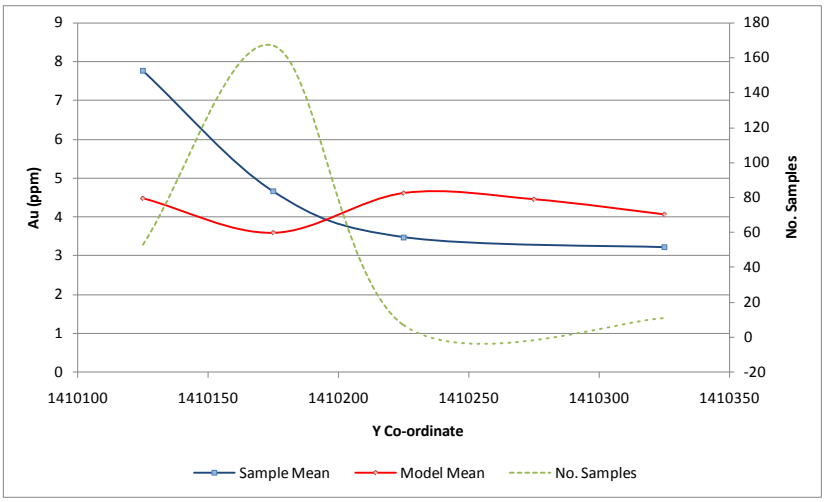
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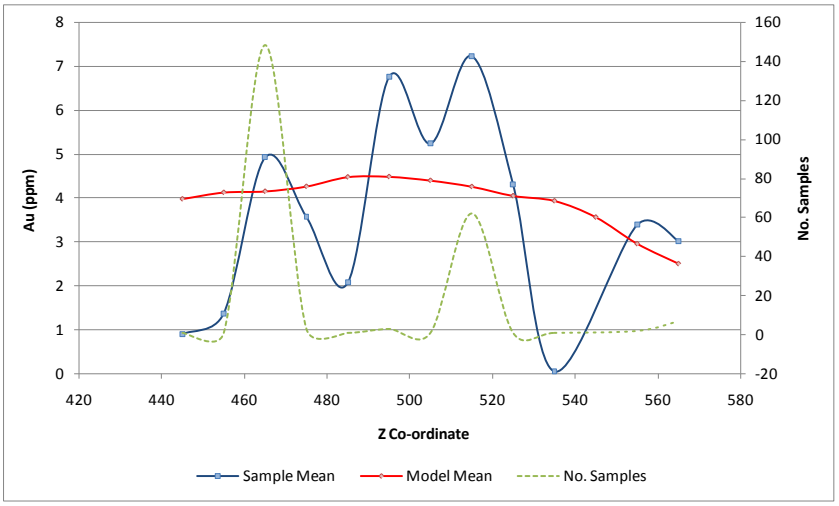
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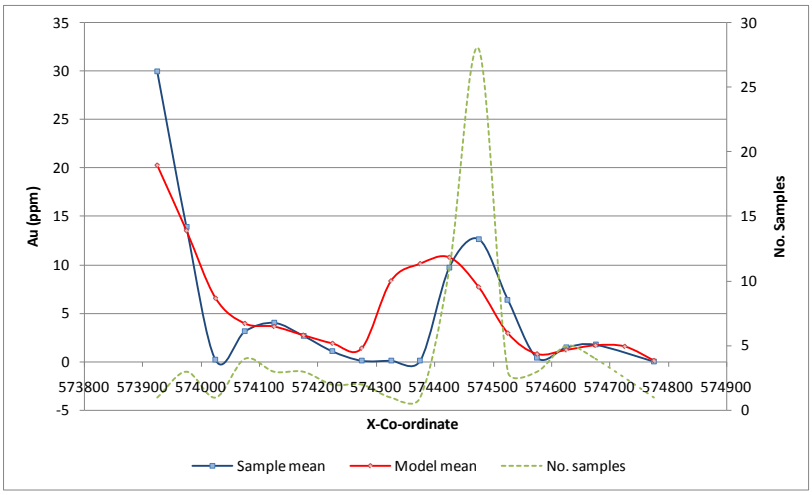
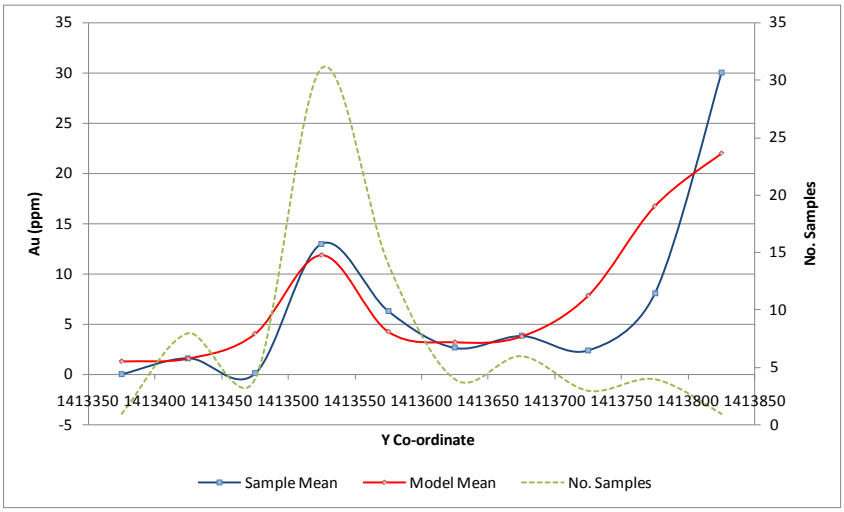
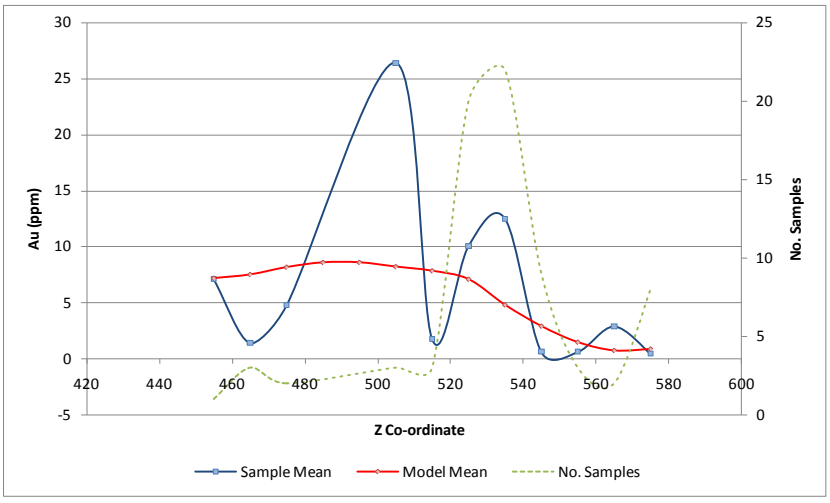
Sample Mean
Model Mean
No. Samples

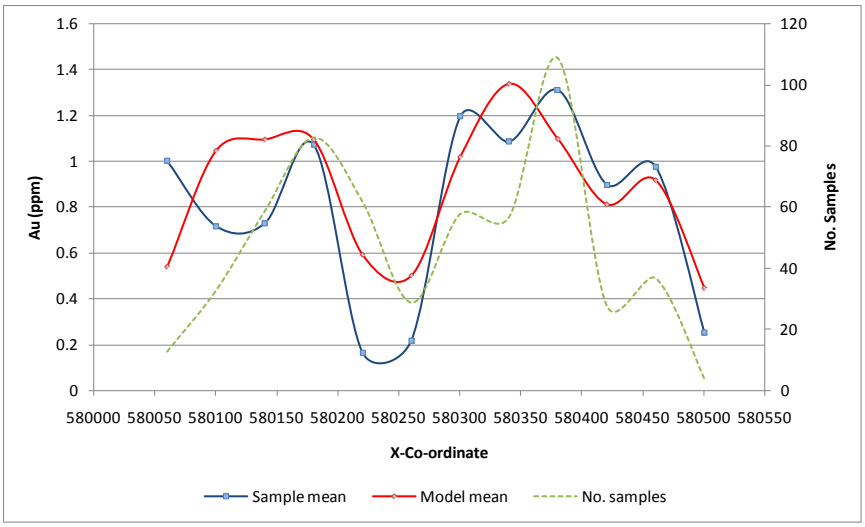
BUENOS AIRES

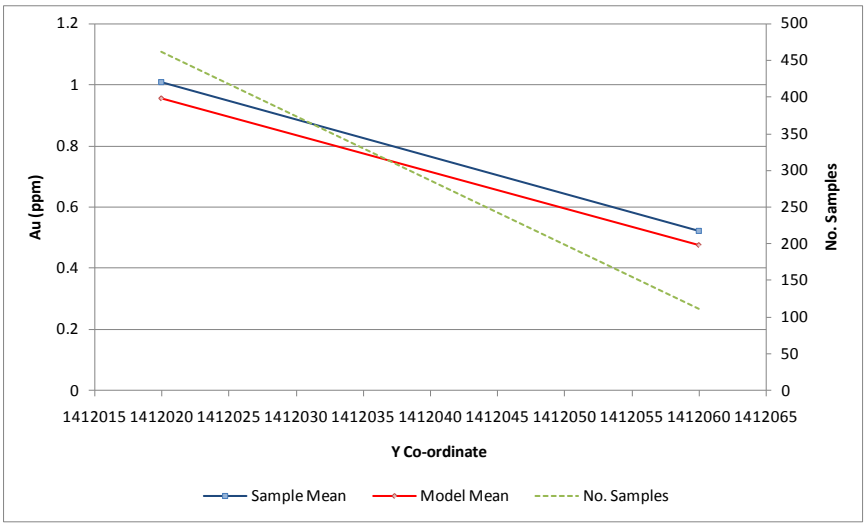


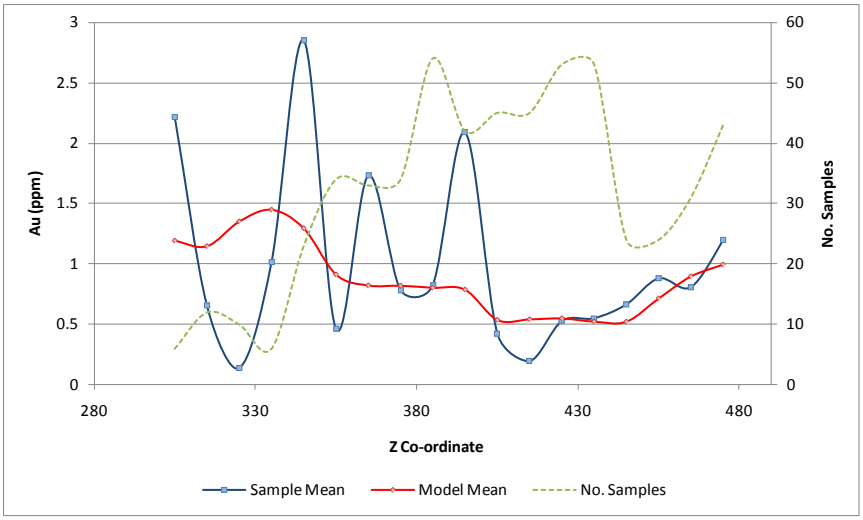




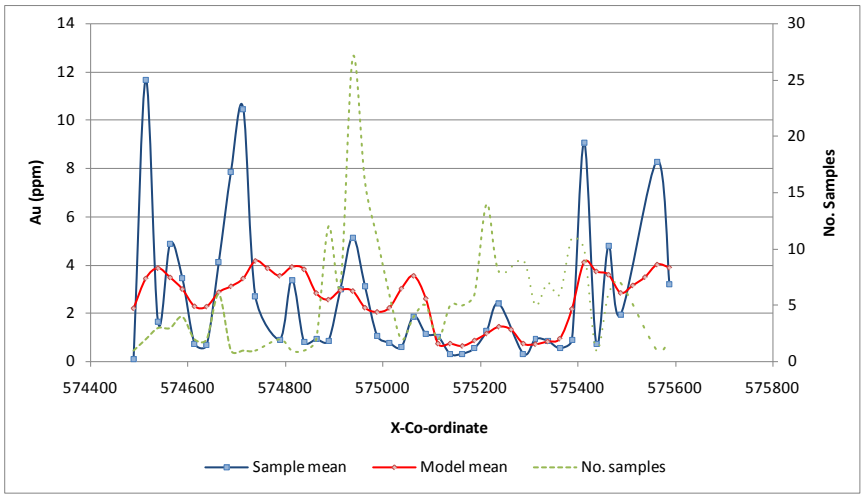
CACAO

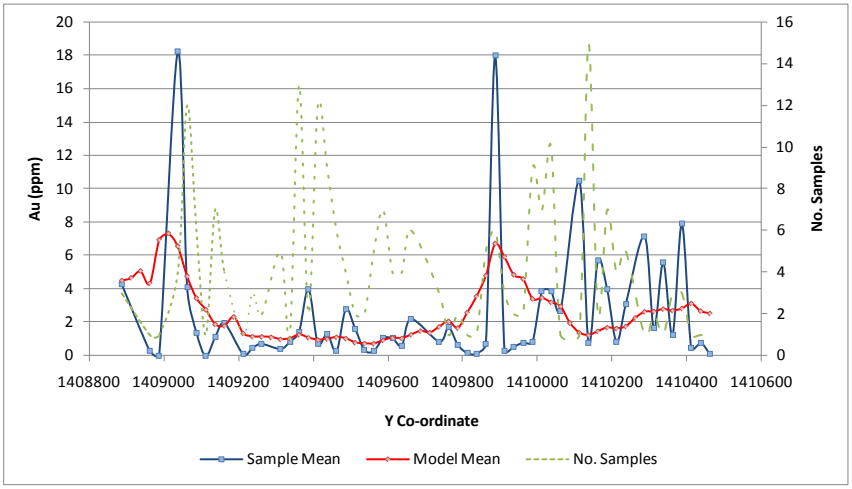

Au (ppm)
No. Samples
X-Co-ordinate
Sample mean
Model mean
No. samples

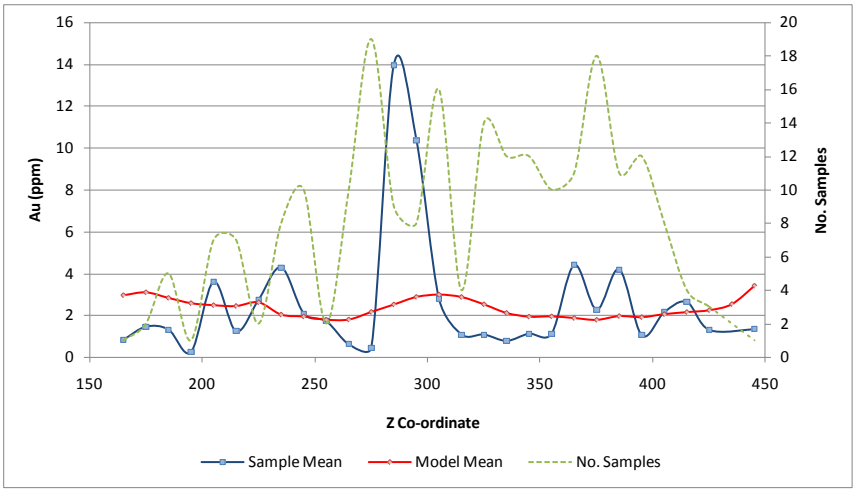

Au (ppm)
No. Samples
Y Co-ordinate
Sample Mean
Model Mean
No. Samples


Au (ppm)
No. Samples
Z Co-ordinate
Sample Mean
Model Mean
No. Samples

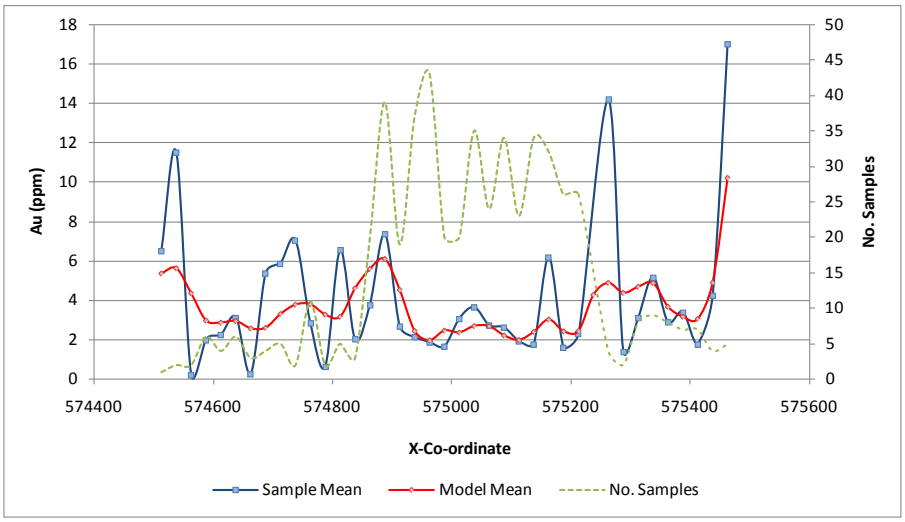
CALIFORNIA (GROUP 1000)

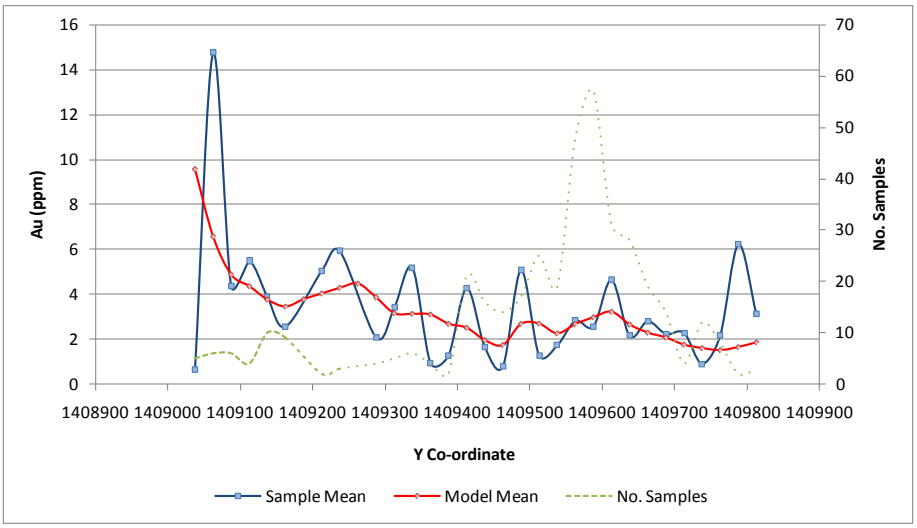


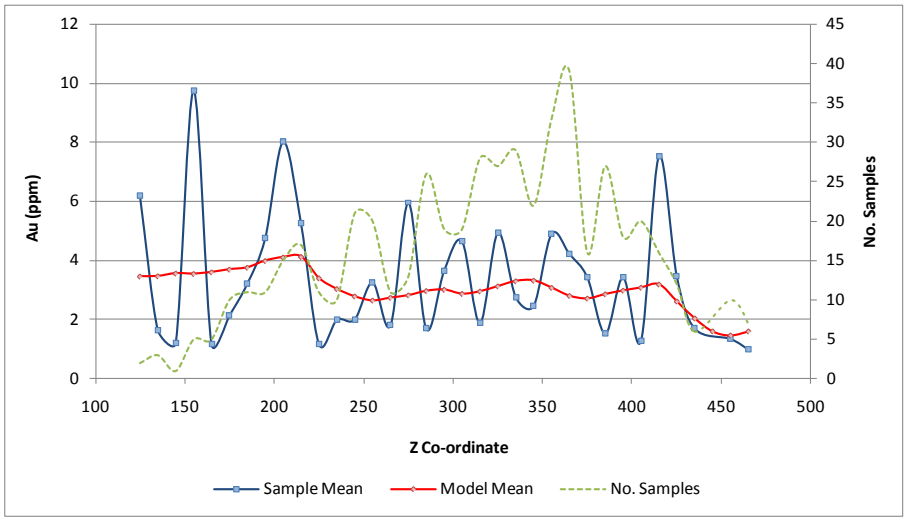




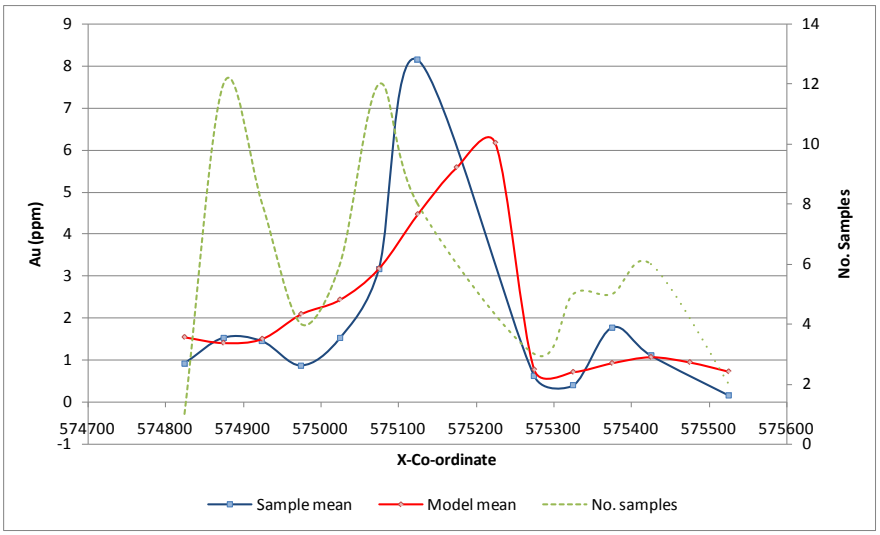
CALIFORNIA (GROUP 3000)







CONSTANCIA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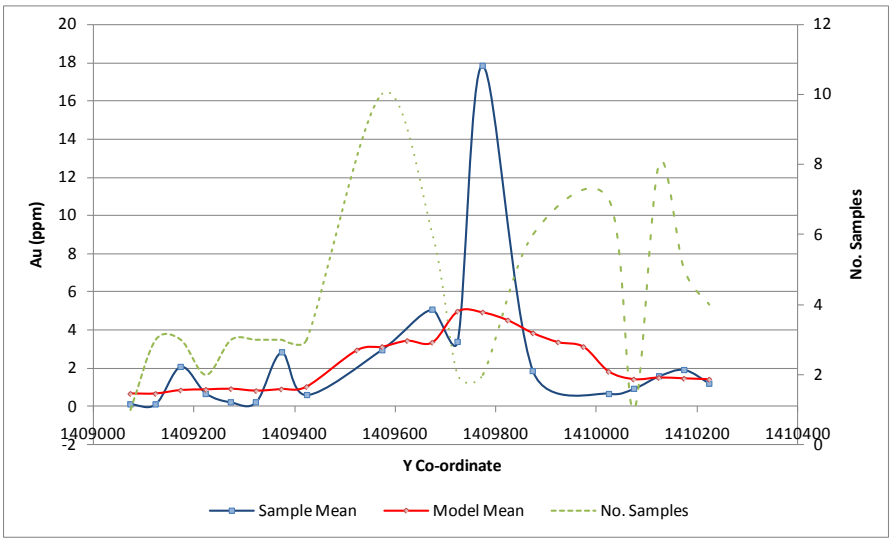
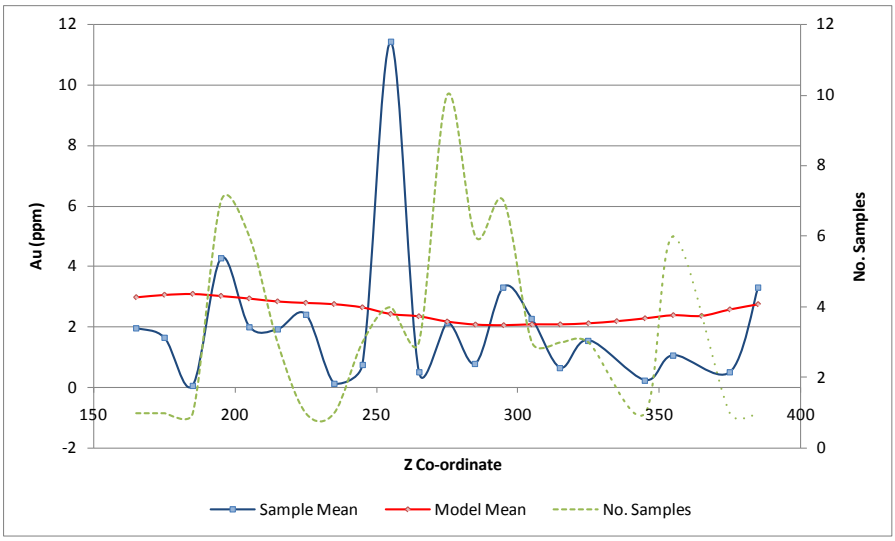
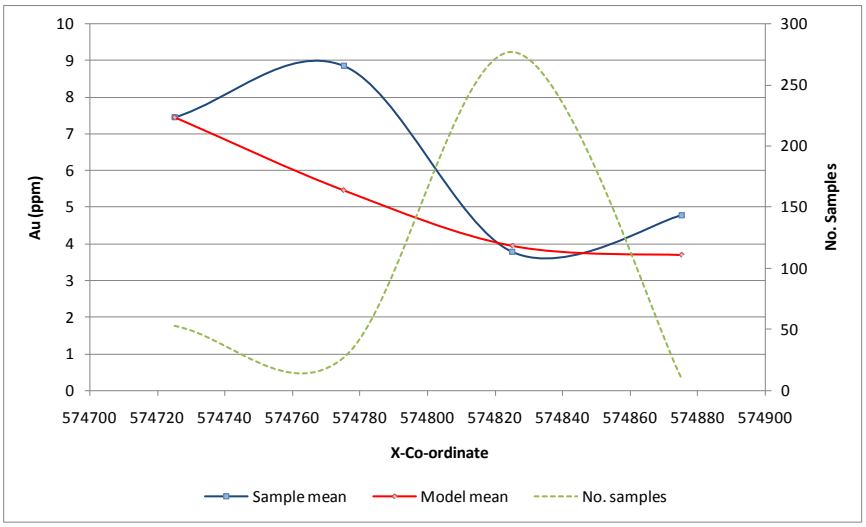
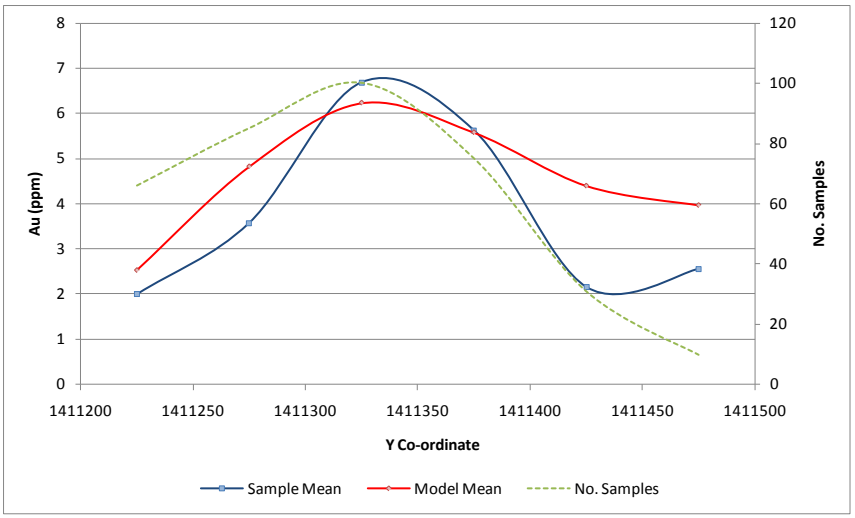
No. Samples
X-Co-ordinate
Sample mean
Model mean
No. samples

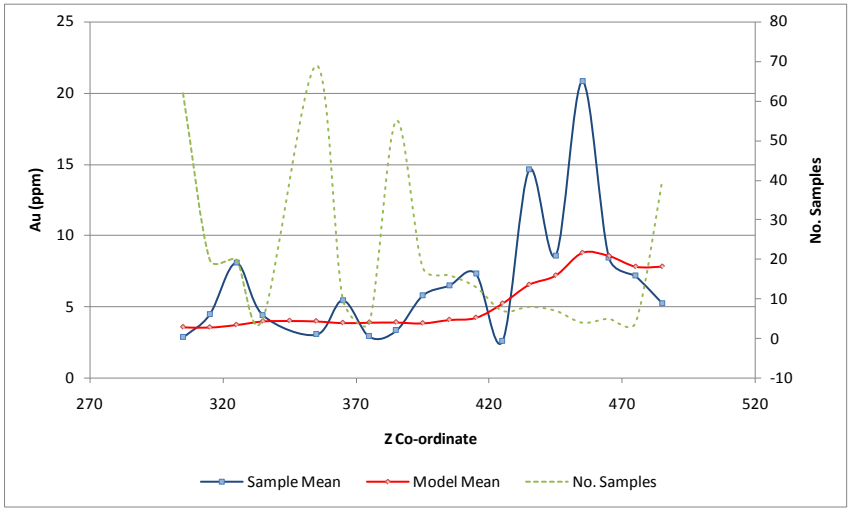

Au (ppm)
No. Samples
Y Co-ordinate
Sample Mean
Model Mean
No. Samples


Au (ppm)
No. Samples
Z Co-ordinate
Sample Mean
Model Mean
No. Samples

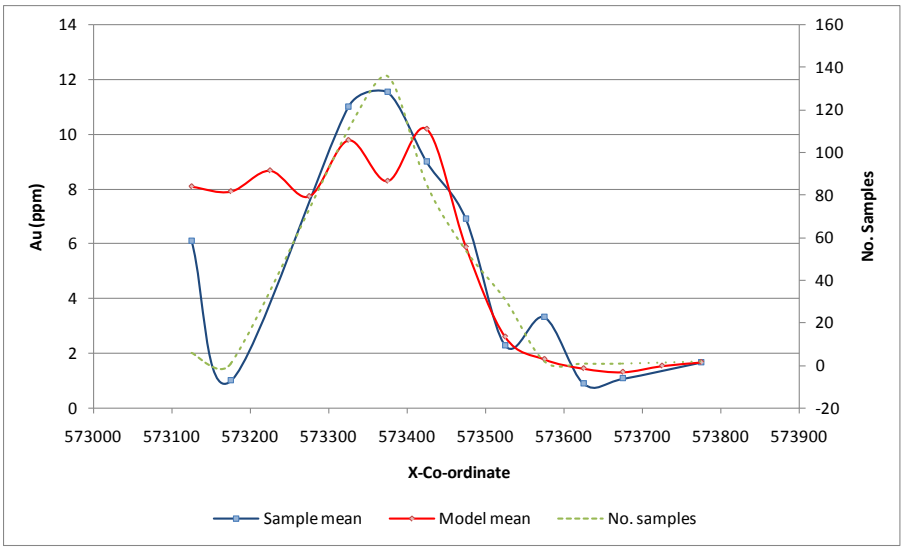
ESCONDIDO

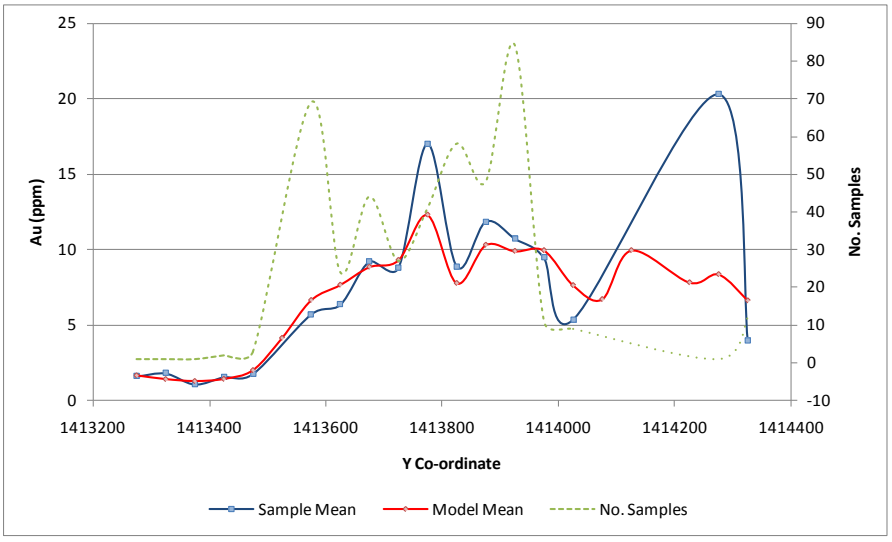

Au (ppm)
No. Samples
X-Co-ordinate
Sample mean
Model mean
No. samples

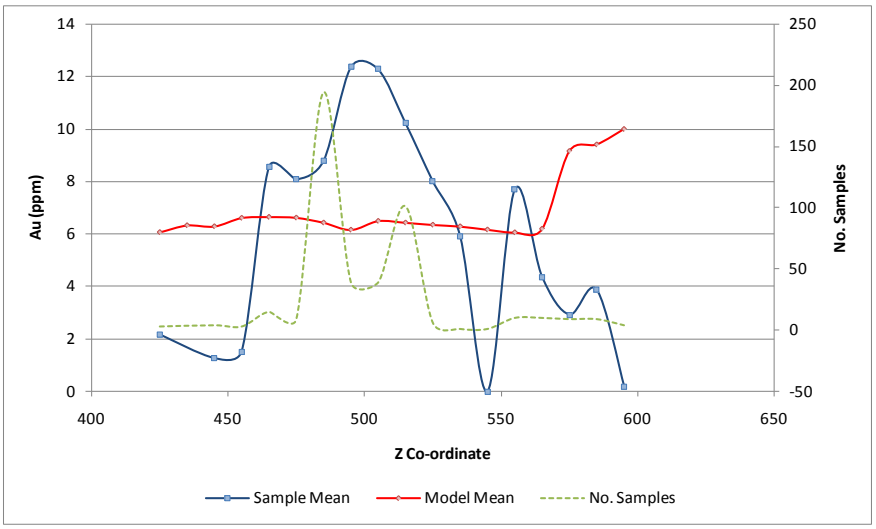

Au (ppm)
No. Samples
Y Co-ordinate
Sample Mean
Model Mean
No. Samples


Au (ppm)
No. Samples
Z Co-ordinate
Sample Mean
Model Mean
No. Samples

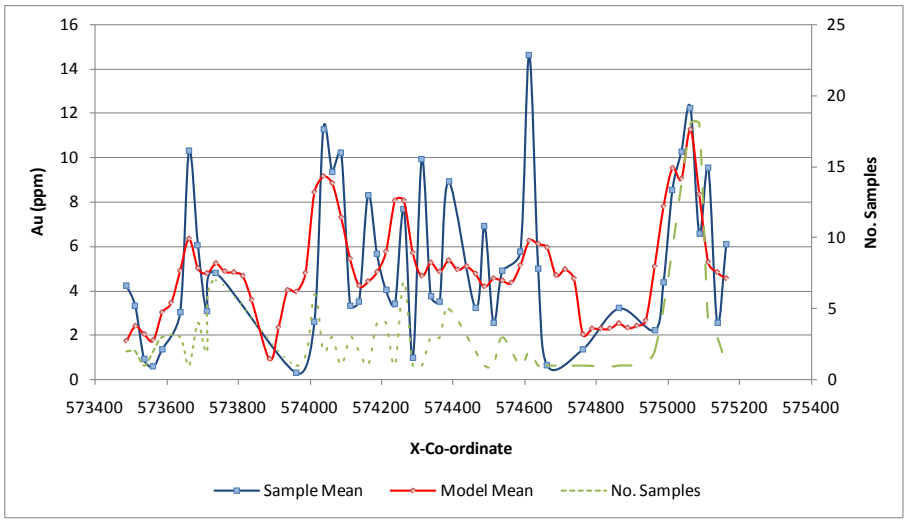
ESPINITO

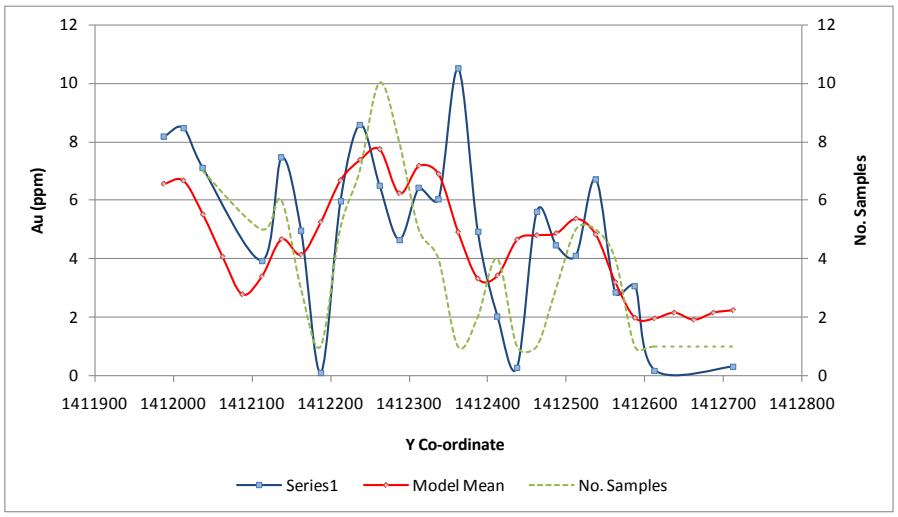

Au (ppm)
No. Samples
X-Co-ordinate
Sample mean
Model mean
No. samples

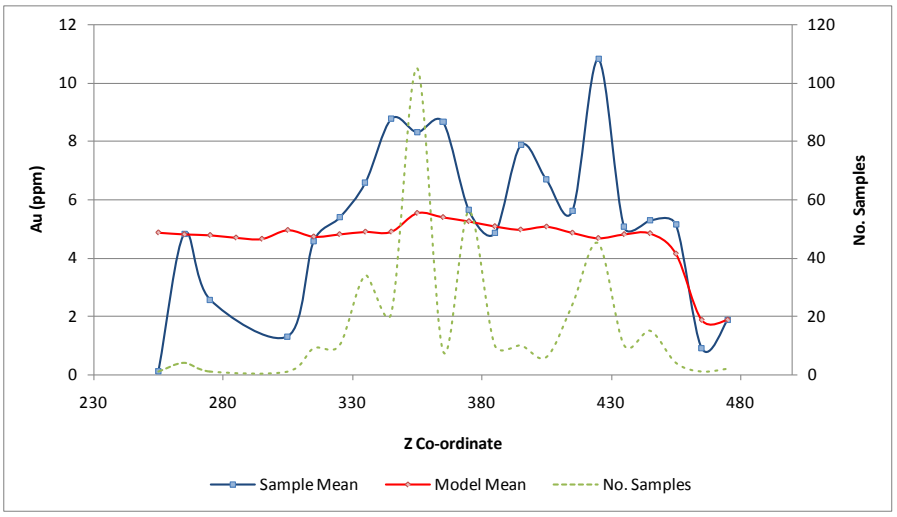

Au (ppm)
No. Samples
Y Co-ordinate
Sample Mean
Model Mean
No. Samples


Au (ppm)
No. Samples
Z Co-ordinate
Sample Mean
Model Mean
No. Samples

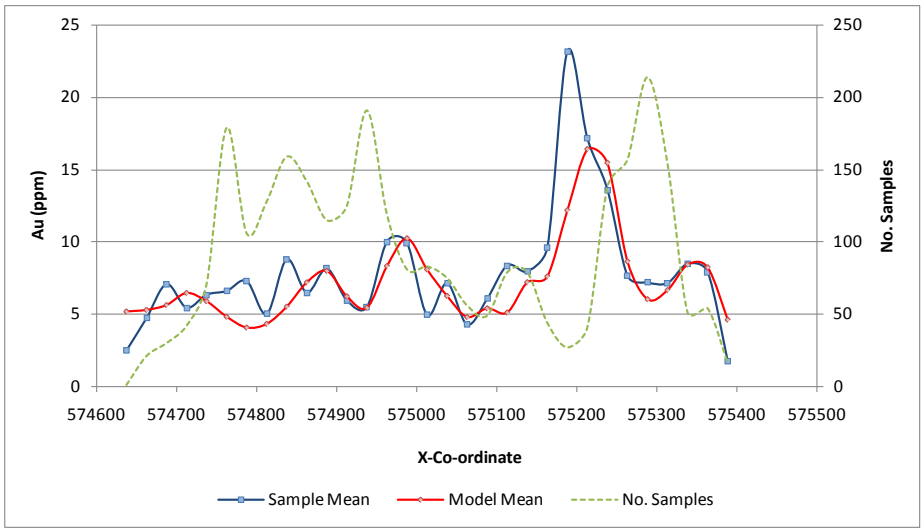
GUAPINOL

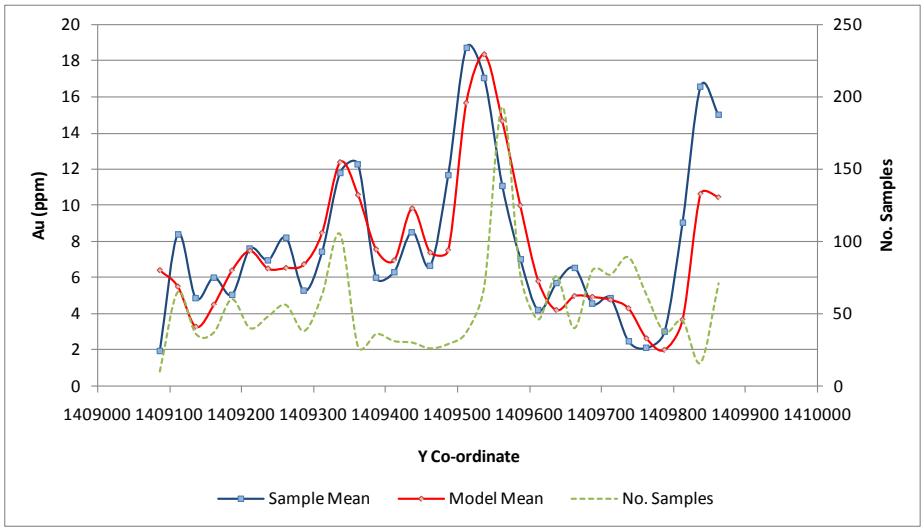

Au (ppm)
No. Samples
X-Co-ordinate
Sample Mean
Model Mean
No. Samples

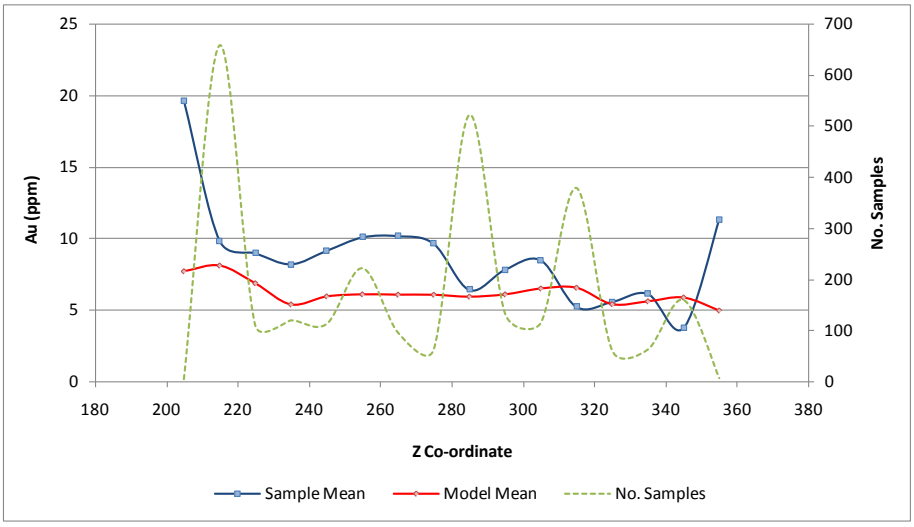

Au (ppm)
No. Samples
Y Co-ordinate
Series1
Model Mean
No. Samples


Au (ppm)
No. Samples
Z Co-ordinate
Sample Mean
Model Mean
No. Samples

LA INDIA

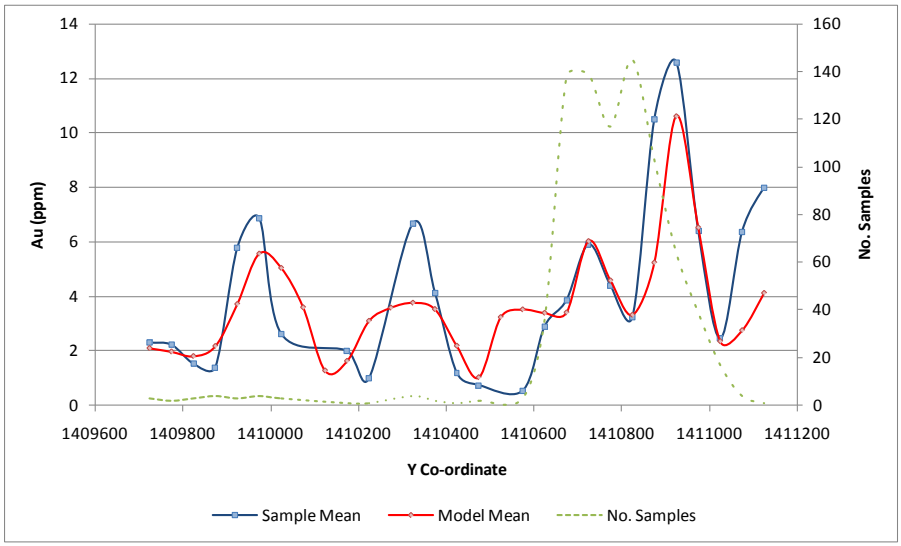

Au (ppm)
No. Samples
X-Co-ordinate
Sample Mean
Model Mean
No. Samples

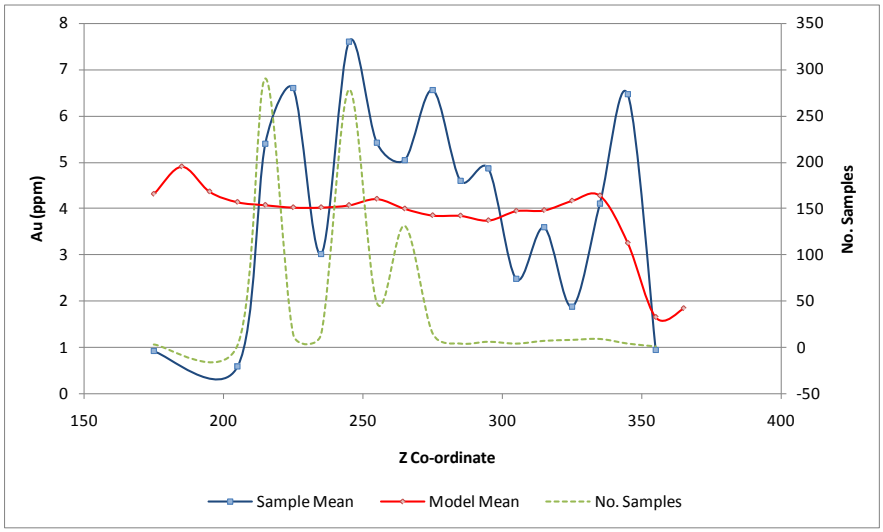

Au (ppm)
No. Samples
Y Co-ordinate
Sample Mean
Model Mean
No. Samples


Au (ppm)
No. Samples
Z Co-ordinate
Sample Mean
Model Mean
No. Samples

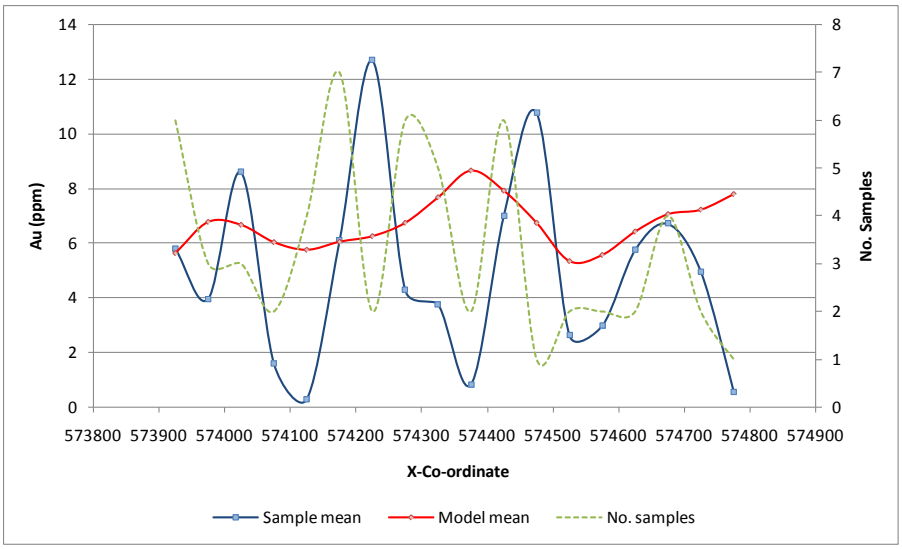
SAN LUCAS

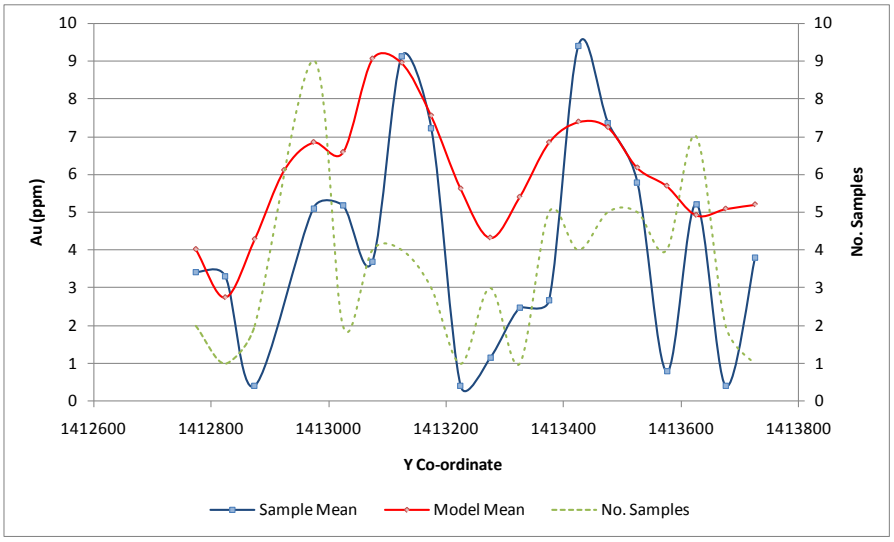

Au (ppm)
No. Samples
X-Co-ordinate
Sample mean
Model mean
No. samples

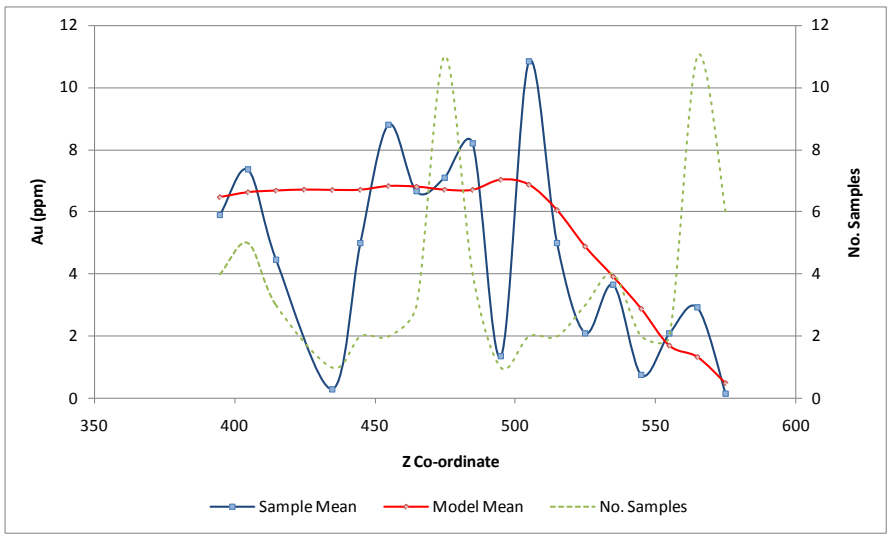

Au (ppm)
No. Samples
Y Co-ordinate
Sample Mean
Model Mean
No. Samples


Au (ppm)
No. Samples
Z Co-ordinate
Sample Mean
Model Mean
No. Samples

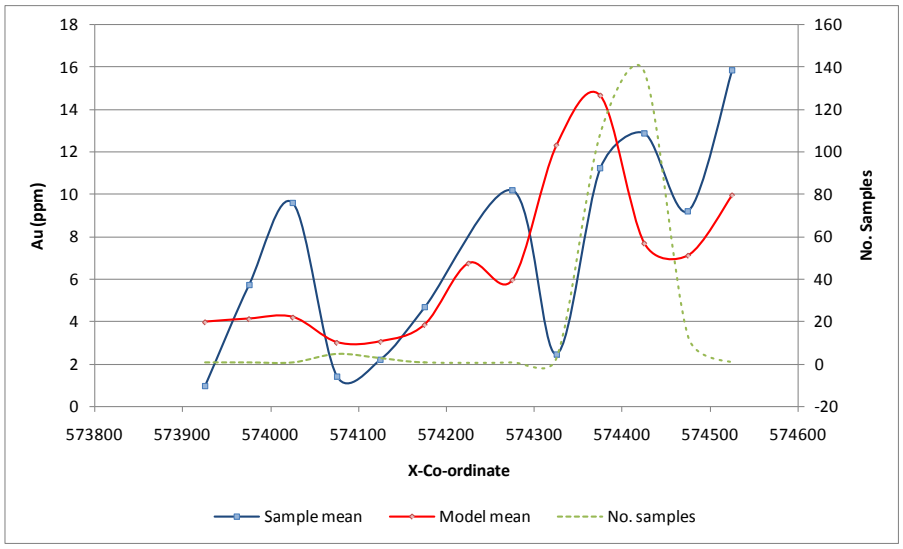
TATIANA

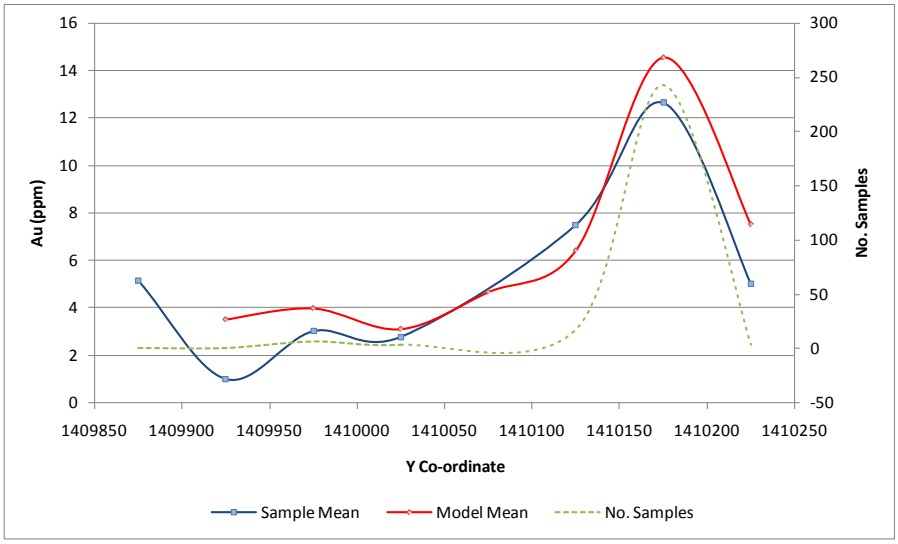

Au (ppm)
No. Samples
X-Co-ordinate
573800 573900 574000 574100 574200 574300 574400 574500 574600 574700 574800 574900
Sample mean
Model mean
No. samples

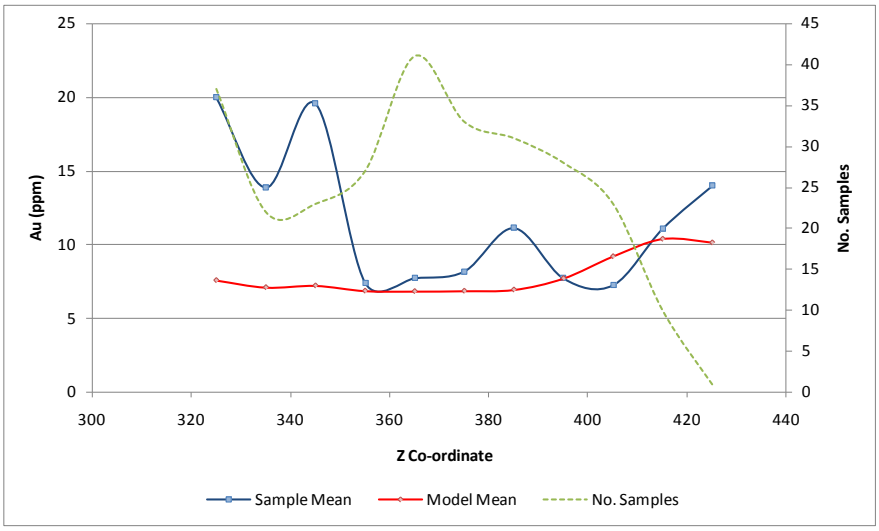

Au (ppm)
No. Samples
Y Co-ordinate
1412600 1412800 1413000 1413200 1413400 1413600 1413800
Sample Mean
Model Mean
No. Samples


Au (ppm)
No. Samples
Z Co-ordinate
350 400 450 500 550 600
Sample Mean
Model Mean
No. Samples

TERESA


Au (ppm)
No. Samples
X-Co-ordinate
Sample mean
Model mean
No. samples


Au (ppm)
No. Samples
Y Co-ordinate
Sample Mean
Model Mean
No. Samples


Au (ppm)
No. Samples
Z Co-ordinate
Sample Mean
Model Mean
No. Samples

Project number: U5233

Cardiff, Wales, October 31, 2012

To:
Securities Regulatory Authorities
B. C. Securities Commission (BCSC)
Alberta Securities Commission (ABC)
Ontario Securities Commission (OSC)
L'Autorité des marchés financiers (AMF)
Toronto Stock Exchange (TSX)

CONSENT of AUTHOR

I, Ben Parsons, do hereby consent to the public filing of the technical report entitled "[NI43-101 MINERAL RESOURCE ESTIMATE ON THE LA INDIA GOLD PROJECT, NICARAGUA, 14 SEPTEMBER 2012]," (the "Technical Report") and dated September 14 2012 and any extracts from or a summary of the Technical Report under the National Instrument 43-101 disclosure of Condor Gold PLC and to the filing of the Technical Report with any securities regulatory authorities.

I further consent to the company filing the report on SEDAR and consent to press releases made by the company with my prior approval. In particular, I have read and approved the press release of Condor Gold PLC dated 18 September 2012 (the "Disclosure") in which the findings of the Technical Report are disclosed.

I also confirm that I have read the Disclosure and that it fairly and accurately represents the information in the Technical Report that supports the Disclosure.

Dated this 31 day of October 2012

Ben Parsons, *(MAusIMM (CP), MSc)*
Principal Consultant (Resource Geology)