A MINERAL RESOURCE ESTIMATE FOR THE LA INDIA GOLD PROJECT, NICARAGUA

Prepared For

CONDOR RESOURCES PLC

Report Prepared by

srk consulting

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UK4289

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EXECUTIVE SUMMARY
A MINERAL RESOURCE ESTIMATE FOR THE LA INDIA GOLD PROJECT, NICARAGUA

SRK Consulting (UK) Ltd (SRK) has produced an updated Mineral Resource estimate for the La India Gold Project dated 22 December 2011, comprising twelve individually modelled vein-hosted gold deposits. The deposits have been modelled and are described herein using the UTM coordinate system. The Mineral Resource estimate has been completed and reported in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code, 2004 Edition ("JORC").

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. 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. The concessions encompasses gold mineralised veins with a total strike length of over 18 km, including a significant area of historic underground mine workings. The veins extend over known strike lengths of 0.5 km – 2.5 km based on surface trenches, which confirm relatively continuous structures, within which, zones of higher and low grades can be found.

The focus of the technical report is to consolidate the Mineral Resource Estimates completed during 2011 on the three main Concessions completed by SRK Consulting. The Mineral Resource on the La India Project now stands at 8.94 Mt at 5.6 g/t for 1,620,000 oz gold, including 1.16 Mt at 7.1 g/t for 264,000 oz gold in the Indicated Mineral Resource category with the balance in the Inferred category

SRK has previously produced two Mineral Resource Estimates on the La India Concession, with the 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. An 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. SRK produced a Inferred Mineral Resource Estimate for the Cacao Vein of 0.59 Mt at 3.0g/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. All data used in these estimates has been utilised in this current update, in addition to the Company's 2011 exploration programme.

The consolidation of the three main concessions by the Company has increased the Mineral Resource for the Project by 630,000oz since the previous reported SRK statement (12 April 2011), which can be attributed to a combination of acquisition of the Espinito Mendoza Concession (0.98 Mt at 6.7 g/t for 209,000 oz), the 2011 exploration programme, and a review of the Cacao Project (0.59 Mt at 3.0 g/t for 58,000 oz) by SRK, using the same modelling criteria as applied on the La India Concession. The results of the 2011 exploration programme have increased the Mineral Resource on the La India Concession by 365,000oz.. The increased Mineral Resource is based on an additional 66 diamond core drill holes for 11,905 completed on the La India Concession

The estimate is based on some 28,800 m of diamond drilling, 4,700 m of trench sampling and over 10,000 underground channel sampling that covers over 4 km of strike length. All drilling has been completed from surface, intersecting the deposit largely from north-east and south-west orientations.

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

The modelled veins are geologically continuous along strike for up to 2.2 km, showing a down dip extent that ranges from 150 m to greater than 300 m, and a thickness that commonly varies between 0.5 to 1.5 m, reaching over 6 m in areas of significant swelling. Locally, the mineralised veins display anastomosing features, pinch and swell structures, hydro-fracture brecciation and fault gouge.

The Exploration History and data available for the project is complex with Soviet-sponsored exploration and resource evaluation carried out between 1986 and 1990, 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.

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.

During 2011 Condor has completed a diamond drilling programme of approximately 12,000 m, before completion of the current updated Geological Model and Mineral Resource Estimate.

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, using conventional diamond drilling techniques. As in with historical drilling the core recovery has been variable in areas of poor ground near to the main structures. The Company has taken measures to reduce the influence of potential poor recovery by using a pressure regulator (with one drilling contractor) 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 resulted in improved core recovery.

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 estimating and reporting 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.

The interpretation and modelling of the vein domains has used a 0.5 g/t Au cut-off, and has been undertaken by SRK, guided by 2D geological section interpretations provided by Condor. The initial interpretations were reviewed by Condor geological staff and subsequently amended (where required) and approved as providing an appropriate representation of the mineralisation.

SRK has imported all of the available sample data into Datamine Mining Software, and coded the vein hanging wall and footwall contacts for wireframe surface creation and subsequent 3D vein creation using the Leapfrog Modelling Software.

The grade estimation domains comprise the narrow vein zone wireframed approximating a 0.5 g/t assay cut off which, for the Tatiana and Buenos Aires veins a saprolite (oxidised) zone at the surface and a fresh (non-oxidised) zone at depth. The boundary between the saprolite and fresh is typically intersected at a depth of 20 – 25 m beneath the surface, as interpreted from 2D vertical longitudinal projections provided by Condor.

Due to the narrow nature of the deposit and the potential for misallocation of sampling information on the basis of wireframe selection alone and based on the methodologies applied, all assay values have been hard coded domain mineralisation codes in the database to identify vein samples. Based on the vein samples, SRK has completed a statistical analysis to determine a composite length of 2 m to be used for the subsequent statistical and Geostatistical studies and grade estimation, and has utilised tools within Datamine software in an attempt to ensure all mineralised samples are incorporated into the composite file. SRK has completed a statistical and geostatistical analysis on the coded/domained 2m composite data to determine the appropriate estimation methods and parameters.

Within the sample database, although relatively minor, sample gaps/nulls sometimes exist within the mineralised vein zones as a result of poor sample recovery which can be common in heavily faulted areas where fault gouge is prevalent. SRK has attempted to remove the influence of these samples by stopping or constraining the mineralised vein zones where the gaps exist.

SRK has produced a block model with block dimensions of 25x25x25 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. With the exception of the Escondido vein (where a soft estimation boundary is utilised with the previously continuous America-Escondido vein), 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. In general, further infill drilling is likely to improve the local block grade estimates.

SRK has considered quality of the digitised sample database, sampling density, distance of block estimates from samples and estimation quality in order to classify the deposit in accordance with The JORC Code. Data quality, drill hole spacing and the interpreted continuity of grades controlled by the veins have allowed SRK to classify portions of the veins in the Indicated and Inferred Mineral Resource categories.

It is SRK's opinion that in terms of the sample spacing and data quality, due to uncertainty of the true 3D location of a significant percentage of samples and (for the Tatiana vein) elevation and continuity of the oxidation surface, SRK has decided to classify a large proportion of Mineral Resource within the Inferred category. The Indicated Resource areas for the La India Concession remain unchanged from the previous SRK Resource Estimate during April 2011. Deeper parts of mineralised structures are unclassified due to a lack of sufficient data to satisfy the estimation criteria required for block grade estimates.

Exploration in the hanging wall of the La India vein has confirmed the presence of the California veins. Initial interpretations suggest parallel vein structures, merging into a mineralised central breccia zone at the intersection with the La India vein. Given the relatively wide drillhole spacing, early-stage interpretations of the 3D vein geometry and structural controls, and limited evidence for up and down-dip continuity, SRK have restricted the California veins to the Inferred Mineral Resource Category until further drilling has been completed.

Table 1-1 below presents SRK's JORC Compliant Mineral Resource Statement as at 22 December 2011, as signed off by Ben Parsons, a Competent Person as defined by the JORC Code The statement has been depleted for historical mining, discounted for areas falling outside of the La India concession area, and all remaining mineralised material within the SRK model reported at a cut-off grade of 1.5 g/t Au, which has been calculated using a gold price of USD 1200/oz, and appropriate benchmarked technical and economic parameters for underground mining and conventional gold mineralised material processing.

Table 1-1: SRK JORC Compliant Mineral Resource Statement as at 22nd December 2011 for the La India concession area

Area Name	SRK MINERAL RESOURCE STATEMENT as of 22nd December 2011 @1.5 g/t Au cut off									
	Vein Name	Indicated			Inferred			Total Indicated & Inferred		
		Tonnes (kt)	Au Grade (g/t)	Contained Au (koz)	Tonnes (kt)	Au Grade (g/t)	Contained Au (koz)	Tonnes (kt)	Au Grade (g/t)	Contained Au (koz)
La India veinset	La India	680	6.6	144	1,790	5.9	340	2,460	6.1	484
	California				1,300	3.5	146	1,300	3.5	146
	Arizona				430	4.2	58	430	4.2	58
	Teresa				70	12.4	29	70	12.4	29
	Agua Caliente				40	9.0	13	40	9.0	13
America veinset	America	280	8.0	73	540	5.6	99	830	6.5	172
	Escondido	90	4.7	13	90	4.6	13	180	4.6	26
	Constancia	110	9.8	34	240	7.2	56	350	8.0	90
	Guapinol				670	5.5	117	670	5.5	117
Mestiza veinset	Tatiana (LI)				510	7.6	125	510	7.6	125
	Tatiana (EM)				570	5.8	105	570	5.8	105
	Buenos Aires				210	8.0	53	210	8.0	53
	Espenito				200	7.7	50	200	7.7	50
San	San Lucas				330	5.6	59	330	5.6	59
Cristolito-Tatesca	Cristolito-Tatescame				200	5.3	34	200	5.3	34
El Cacao	El Cacao				590	3.0	58	590	3.0	58
Subtotal Areas	La India veinset	680	6.6	144	3,630	5.0	586	4,310	5.3	730
	America veinset	480	7.8	120	1,540	5.7	285	2,020	6.2	405
	Mestiza veinset				1,490	7.0	334	1,490	7.0	334
Grand	All veins	1,160	7.1	264	7,790	5.4	1,356	8,940	5.6	1,620

Mineral Resources are reported at a cut-off grade of 1.5 g/t. Cut-off grades are based on a price of US$1200 per ounce of gold and gold recoveries of 90 percent for resources, without considering revenues from other credit metals. Mineral Resources are not Ore Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimates. All composites have been capped where appropriate. The Concession is wholly owned by and exploration is operated by Condor Resources plc.

The current Mineral Resource statement represents a significant increase in Inferred tonnes and gold ounces when compared to the previous SRK JORC compliant Mineral Resource estimate, but a decrease in the overall grade from 6.4 g/t to 5.7 g/t Au. The increase in Inferred ounces is largely attributed to the modelling of the California veins and the addition of comparatively wider drillhole intersections within central portion of La India vein, as well as additional drilling down dip, whilst the overall drop in grade is predominantly as a result of the higher-tonnage, lower-grade nature of the California veins and recently drilled lower grade intersections at depth in the Teresa and Agua Caliente veins.

The current Mineral Resource also represents a reasonably significant (9%) decrease in the Indicated ounces, and an associated drop in grade. This decrease is largely attributed to the splitting of the Escondido vein from America, restricting the effect of higher grade samples from America estimating blocks in Escondido, and the modelling of recently drilled, reasonably narrow drillhole intercepts in the eastern strike extent of the Constancia vein, resulting in a thinning of the previously largely unconstrained and generally thicker wireframe.

In addition there is considered to be minor changes to the volume (and therefore tonnage) of the vein wireframes from the previous estimate, following on-going validation of selected samples by SRK and Condor geological staff (i.e. exclusion of anomalous hanging wall or footwall intersections).

The current Mineral Resource estimate also includes one additional mineralised structure, namely the California veins which were not included in the previous Mineral Resource estimate, which has been one of the focuses of the recent drilling programme prior to resource estimation. The California veins have thus far only been intersected by drilling and a single underground adit, and are not supported by trenching or significant underground channel sampling.

The mineralised veins included in the current 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 remain potential at depth where high-grade intersections have recently been drilled, and 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, such was identified during the work completed during 2011 on the California vein.

Infill drilling on a tighter grid than the existing 100x100 m grid to 50x50 m is warranted to increase the knowledge of the geological complexity of the veins, and gain a better understanding of the structural controls on the deposit. SRK recommends the following:

- In general, drill along strike and infill (50x50 m) current section lines to 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.
- Targeted drilling below and along strike from underground workings can be used in increase the portion of Indicated Mineral Resources in the project at La India.
- Targeted drilling within potential higher-grade ore shoots on Guapinol and Constancia to Increase the proportion of Indicated Mineral Resources within the America Veinsets.

- Drill up and down-dip of recently interpreted California veins, to add confidence to the continuity of these structures. Project the modelled California veins to surface and search for surface outcrops for trench sampling. Also infill the current drilling to better define the relationship between mineralised veins and the mineralised breccias intersected at the confluence of the California veins and La India vein, and specifically target the area where recent re-drilling has suggested very local-scale variation in the style of mineralisation.
- Shallow drilling programme to better define the modelled oxidation surface and further verify current surface trench sampling namely in Buenos Aires / Tatiana area.
- 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.
- Drill at depth to test potential depth extensions of known high-grade areas, with focus on the, La India and Espinito Mendoza Vein sets.
- Further validation of the 3D database to increase accuracy of vein geometry models.
- Plan a LIDAR Topographic survey of the entire project area including infrastructure

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

- Complete a Scoping Study of the project economics to assist in the requirement to 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.
- Collect routine density samples from within the mineralised intersections, and collect some density samples from the Saprolite in which there are none at present;
    - Undertake some independent sampling and verification work to support the existing QAQC data and add confidence to third-party project reviewers; and;
    - Develop structural models and theories to the origins and major controls on the mineralisation, particularly at depth.

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1 INTRODUCTION

1.1 Background

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 ("La India"), which comprises six Exploration Concessions ("Concessions"), in the La India Mining district located in Nicaragua. SRK considerd 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 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.

The report has been prepared under the current guidelines of The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore reserves, The JORC Code, 2004 Edition ("JORC").

The focus of the technical report is to consolidate the Mineral Resource Estimates completed during 2011 on the three main Concessions completed by SRK Consulting. The Mineral Resource on the La India Project now stands at 8.94 Mt at 5.6 g/t for 1,620,000 oz gold, including 1.16 Mt at 7.1 g/t for 264,000 oz gold in the Indicated Mineral Resource category with the balance in the Inferred category

SRK has previously produced two Mineral Resource Estimates on the La India Concession, with the 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, based on the historical database. An 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. SRK produced a Inferred Mineral Resource Estimate for the Cacao Vein of 0.59 Mt at 3.0g/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. All data used in these estimates has been utilised in this current update, in addition to the Company's 2011 exploration programme.

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. 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. Other 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.

The veins generally occurs as:

1. Steep narrow quartz and quartz-carbonate veins predominantly hosted by massive andesite such as at la India and Cacao and are typically less than 3 m in width.

2. 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 such as the Andrea Vein on the Rodeo Concession.

SRK was commissioned in August 2011 to review recent exploration data quantity and quality and to collate this with the historical information into a single electronic database and produce an updated independent Mineral Resource Estimate prepared under the JORC guidelines. SRK has historically produced two Mineral Resource Estimates for the project with the initial reported on 4th January 2011 based on a 2D methodology of 4.6 Mt at a grade of 5.9 g/t Au containing 868,000 oz Au. The company continued work on updating and validating the database during the 1st quarter of 2011 which enabled SRK to produce an updated Mineral Resource Estimate of 4.8 Mt at a grade of 6.4 g/t Au containing 988,000 oz on 12th April 2011 based on a 3D Geological Model of the 10 main veins.

The Mineral Resource on the La India Project now stands at 8.94 Mt at 5.6 g/t for 1,620,000 oz gold, including 1.16 Mt at 7.1 g/t for 264,000 oz gold in the Indicated Mineral Resource category with the balance in the Inferred category.

The increased Mineral Resource is based on an additional 66 diamond core drill holes for 11,905 completed on the La India Concession. The consolidation of the three main concessions by the Company has increased the Mineral Resource for the Project, which can be attributed to a combination of acquisition of the Espinito Mendoza Concession (0.98 Mt at 6.7 g/t for 209,000 oz), the 2011 exploration programme, and a review of the Cacao Project (0.59 Mt at 3.0 g/t for 58,000 oz) by SRK, using the same modelling criteria as applied on the La India Concession.The results of the 2011 exploration programme have increased the Mineral Resource on the La India Concession by 365,000 oz

The aim of the current project has been to review and validate the most recently updated geological database provided by the company and to estimate and report a Mineral Resource reported in accordance with the terms and definitions of the JORC Code and based on the current available information using 3D geological models.

The Company started a 12,000 metre drill programme on 30 January 2011, with the view of increasing the Mineral Resource and the confidence level in the Mineral Resource.

In addition to these database revisions and additions SRK has been commissioned to update the Mineral Resource on Condors 100% owned Cacao property, and the more recently acquired Espinito-Mendoza concessions, which the Company purchased on 24th August 2011, and was internal to the previously held La India Concessions and are therefore included with the Project.

This report summarises the exploration and technical work undertaken on the Project prior to the commencement of the Companies drilling programme, with comments on the data quantity and quality of the historical database, plus comments on the recent 2011 exploration programme completed by the Company all of which has been collated in the presented Mineral Resource estimates, and which has been prepared under JORC Guidelines.

1.2 Scope of Work

No formal terms of references/scope of work was supplied to SRK by Condor, however, discussions with Condor representative 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;
- Review of the data quantity and quality, including analysis of the raw Quality Assurance/Quality Control (QAQC) database, to include a detailed 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 Model 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 comparison study relating to the 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; and;
- Conclusions and recommendations.

1.3 Work Completed

Ben Parsons visited the La India Project between 25 - 29 October 2010, and between 10 - 13 October 2011. This included a cursory inspection of the deposit area, review of drill core, and a review of the sample preparation facility in Managua. Mr Parsons was accompanied by Mr Mark Child, (Condor's CEO), and Dr Luc English (Condor's Country Manager - Nicaragua), and Mr Armando Tercero Gamez (Condor's Chief Exploration geologist).

SRK was given full access to relevant data requested and available to Condor and conducted discussions with junior and senior project geologists regarding exploration procedures and geological interpretations.

SRK completed a detailed review of the geological database and converted all available data into 3D space based on historical maps and sections provided by the client, and verified sample locations.

Based on the reconstructed 3D sampling Database, SRK has constructed appropriate wireframes for each vein using a combination of technical Mining Software packages, which have formed the basis for domaining of the block grade estimates. The resultant block models have been classified in accordance with JORC based on the sample spacing, data quality and quantity, and estimation quality which has allowed classification into the Indicated and Inferred Mineral Resource categories.

All models have been depleted of existing workings, clipped to licence boundaries and clipped to the current topography and at depth to data limits, to ensure accurate volumes have been reported. Each block model has been validated statistically and visually to the block grade estimates to ensure it adequately represents with the raw sampling information.

1.4 Requirement, Structure and Compliance

The standard adopted for the reporting of Mineral Resources in this Technical Report is the JORC Code. This Technical Report has been prepared under the direction of Ben Parsons (the “Competent Person” or “CP”), as defined in the JORC guidelines 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 CPs and SRK: ‘all references to SRK mean the CP’s 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 the results presented. The report has been prepared under the current guidelines of JORC.

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

SRK has not undertaken any detailed investigations into the legal status of the Company or the Mineral Rights/concessions, or the environmental issues of the project. SRK has not undertaken any independent check sampling of material from the project during the course of the current investigation.

SRK is not aware of any other information that would materially impact on the findings and conclusions of the report.

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

This report includes technical information, which 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.

1.6 Qualifications of Consultants

SRK is an associate company of the international group holding company SRK Consulting (Global) Limited (the “SRK Group”). The SRK Group comprises over 1,400 professional staff in 45 offices in 21 countries on 6 continents, offering expertise in a wide range of engineering disciplines.

The SRK Group's independence is ensured by the fact that it holds no equity in any project. This permits the SRK Group to provide its clients with conflict-free and objective recommendations on crucial judgment issues.

The SRK Group has a demonstrated track record in undertaking independent assessments of resources and reserves, project evaluations and audits, Mineral Experts Reports, Independent Valuation Reports and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies and financial institutions worldwide. The SRK Group has also worked with a large number of major international mining companies and their projects, providing mining industry consultancy service inputs. SRK also has specific experience in commissions of this nature.

This work has been prepared based on input of a team of consultants sourced from SRK. These consultants are specialists in the fields of geology, and resource and reserve estimation and classification.

A site inspection to the Project site has been undertaken most recently between 10 - 13 October 2011 by Ben Parsons, Senior Resource Geologist with SRK, (a Competent Person "CP" as designated under JORC). SRK has previously visited the La India site between 25 to 29 October 2010, The individuals responsible for this report have extensive experience in the mining industry and are members in good standing of appropriate professional institutions.

Neither SRK nor any of its employees and associates employed in the preparation of this report has any beneficial interest in Condor or in the assets of Condor. SRK will be paid a fee for this work in accordance with normal professional consulting practice.

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 and detailed geological work, SRK has in part relied on the information provided by the Company, details included in a report by SRK Structural Geologist Dr Chris Bonson for the Company (2011), and 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. SRK has used the information related to the geological 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, LOCATION AND DESCRIPTION

3.1 Concession Location

The La India Gold Project is located in the municipalities of Santa Rosa del Peñon, Leon Department, and San Isidro in the Matagalpa Department. Geographically the project is located on the western flanks of the Central Highlands of Nicaragua (Figure 3-2), the concessions fall within the Santa Rosa del Peñon 2954-III 1:50,000 map sheets and cover a combined area of almost 167 km². The concession package comprises six contiguous concessions. Four of the concessions were awarded directly from the government between 2006 and 2010.

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

Figure 3-1: Project Location

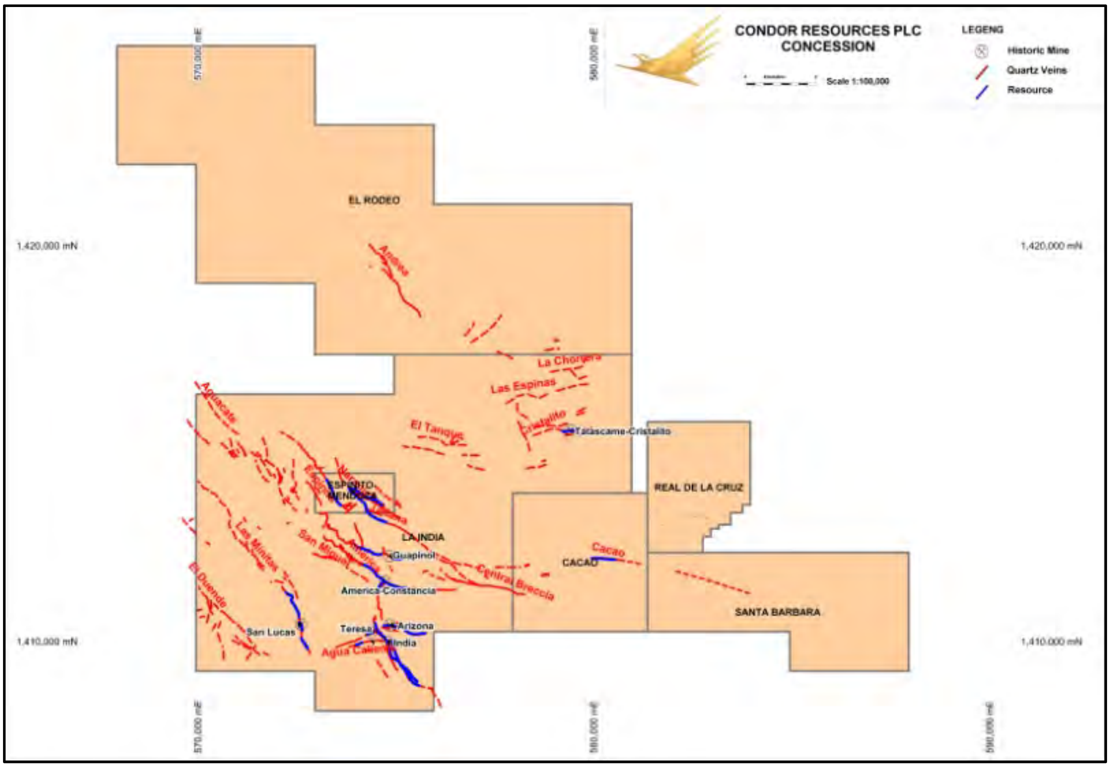

Figure 3-2: Concession Location

3.2 Concession 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 seven contiguous concessions (Figure 3-3). 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.

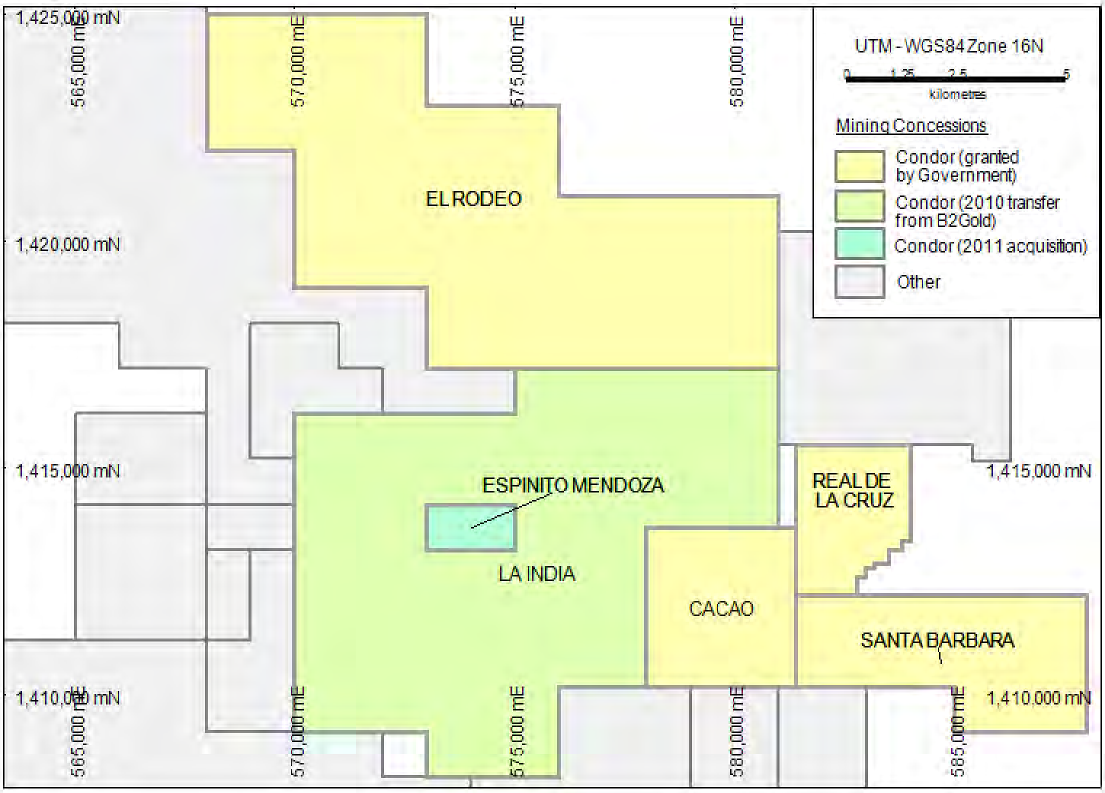

Figure 3-3: La India Project Concession boundaries

4 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

4.1 Accessibility

The La India Mining District 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 3-2).

The La India Mining District 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 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 Infrastructure

The village of La Cruz de La India is located within the La India concession, where the Condor offices are currently located. It is paved highway all the way to the village provideing excellent access to the concession. Transport within the concession consists mainly of un-surfaced roads of varying quality.

A 2003 report suggests that a 24.9 kV, 3-phase power supply is brought along the highway to the village.

The local water supply is derived from a well located 6 km from the La India village.

4.4 Physiography

The area is characterised by high relief, at altitudes typically varying between 350 m and 580 m altitude 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.

5 HISTORY

The La India project was mined historically 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 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 gold. Peak annual production was some 41,000 oz gold in 1953.

More recently, during the late 1980's, the La India mining district was explored extensively with Soviet government aid under the organisation Soviet-INMINE. The Company sampled underground workings, drilled additional holes and excavated numerous surface trenches.

6 GEOLOGICAL SETTING AND MINERALISATION

6.1 Regional Scale Geology

La India Mining District is located within a broad belt of Tertiary volcanic rocks that forms the Central Highlands of Nicaragua. The volcanic sequence is generally split 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.

Weinberg (1992) recognised three post-Oligocene phases of deformation in Nicaragua as follows:

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

6.2 Local Scale Geology

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.

It should be noted that, according to geological maps of the district, only rocks of the Lower Coyol Group outcrop locally and that all exposures visited are interpreted to be part of this package. According to geological maps and sections of the La India district, all of the outcropping rocks are those of the Lower Coyol Group, with rocks of the Matagalpa only exposed towards the northeast.

According to Ehrenborg (1996), the Oligo-Miocene volcanic rocks described above were deposited on top of an ill-defined group of volcanic rocks, regarded as Eocene in age, and metamorphic basement rocks of the Chortis Block, characterised by a strong NE-SW oriented structural fabric. The latter have been described elsewhere in Nicaragua as pre-Jurassic, low metamorphic grade phyllites and schists and are referred to as the Cacaguapa schist (Venable 1994). Areas of schistose basement have a very strong NE-SW oriented topographic grain, which SRK interprets as a manifestation of the principal structural fabric of the basement rocks.

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 and is interpreted to be a major crustal structure (Wilson, 2010).

6.3 Deposit Scale Geology

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. 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 vein-parallel normal faults. The similarity 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.

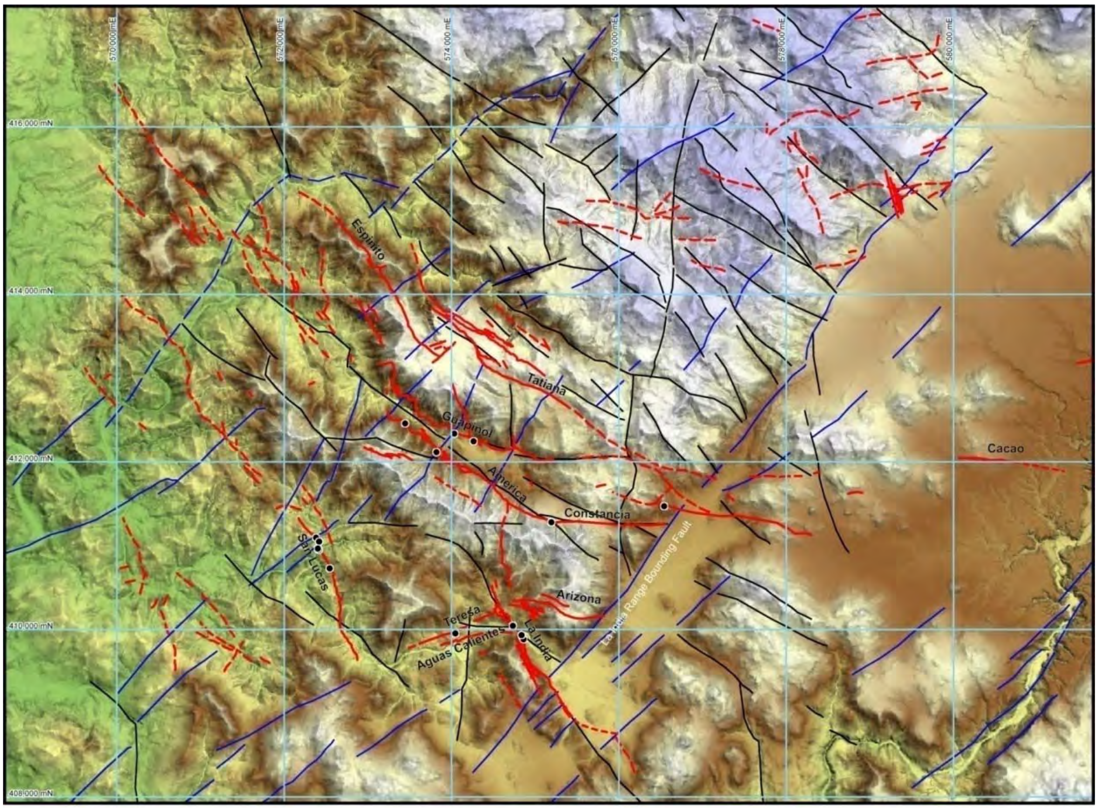

Figure 6-1: Interpretation of potential brittle structural features from the topography. Red lines are Condor's mapped and conjectured vein traces.

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.

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.

Condor informally divides the mineralised vein system into orientation classes, as follows:

- **WNW-ESE Veins:** these comprise relatively long, continuous veins sets (1 to 4.5 km) which trend WNW-ESE (e.g. 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.
- **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.

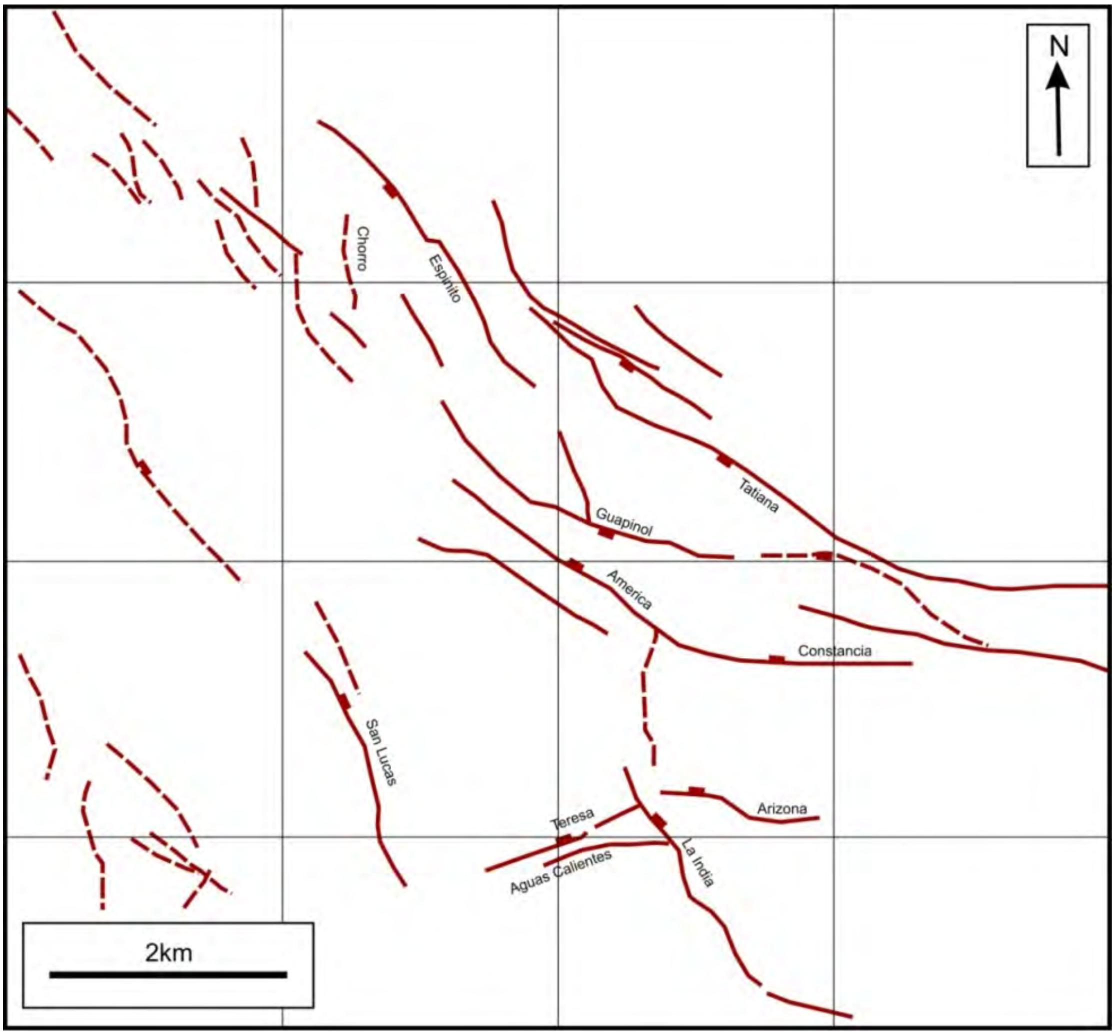

Figure 6-2: Simplified vein map of the La India district (excluding Tatascame-Cristalito and Cacao).

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.

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, i.e. after little displacement had accrued.

The dips of the veins are generally moderate to steep, with the exception of the shallow-dipping San Lucas vein. The dip polarity of the faults changes: veins southwest of America-Constancia dip towards the northeast and those northeast of Guapinol dip towards the southwest which defines a graben-like symmetry about the America-Constancia-Guapinol axis.

It has been reported previously by Micon (1998) during an investigation in the Mining Potential of the Espinito Mendoza Licence, that the major hosting structures and the veins are on average up to two metres wide and locally display anastomosing features, pinch and swell and hydrofracture brecciation. Areas where the Tatiana and Buenos Aires I veins exhibit jogs away from their predominant orientation, and where the Buenos Aires I and Jicaro veins appear to coalesce with the Tatiana vein might contain more extensive dilatant zones, which the Company believe are a target for open-pit potential (dependent on the relevant Mining Studies being completed).

The La Mestiza quartz veins do not form resistant ridges, and occur within intensely saprolitically weathered bedrock (reported to extend to a depth of approximately 20 m) and are themselves quite altered within this zone. 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.

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 per cent 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 oxyhydroxides.

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 6-3), indicating near surface leaching and basal enrichment within the zone. Silver is also present, but there are no detailed report describing its occurrence and character.

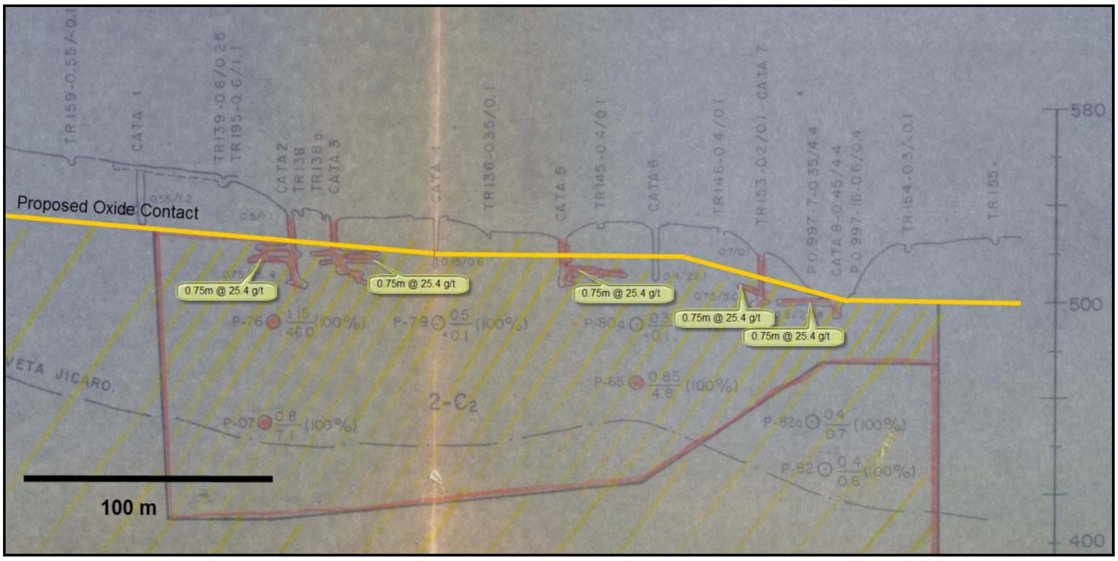

Figure 6-3: Historical Log Sections showing low grade sampling in Trench database, underlain by high-grade zones at transitional contact

7 DEPOSIT TYPE

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 are hosted within massive andesites, andesitic and felsic tuffs or felsic lava flow deposits and are typically less than 3 m in width. The grade of gold and silver within the veins can vary from a few grams per tonne to significant intersections with grades in excess of 30 grams per tonne (>1 ounce per tonne).

Gold mineralisation occurs as fine gold-silver amalgam with a gold to silver ratio of 1 to 1.5. 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).

Quartz veins, often including a brecciated component, vary in thickness and are 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 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

8 EXPLORATION

8.1 Mapping

The majority of the mapping information has been 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.

8.2 Surface Trenches

Surface Trenches were excavated to access and sample in situ rock beneath overburden which is typically less than 2.5 m in depth, however there are some sectors with thicker cover where trenching, which was by hand, failed to reach bedrock. In total almost 1021 trenches for approximately 9,900 m have been completed historically during exploration by the different Companies.

More recently Condor has 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 has been completed over the central portion of the vein-system in an area which was mapped as having breccia material. The resultant trenches have located a relatively wide breccias zone at surface (40 – 50 m wide) in two trenches 25 m apart. This provides the Company with an area for further follow-up investigation.

8.3 Underground Sampling

Historically 10,000 original underground mine grade control channel samples 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.

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 a 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 diamond 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), 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 diamond 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 Cristilitos-Tatascame using conventional diamond 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 Reverse-Circulation (“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 diamond 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. Diamond core 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.

Diamond core drilling at Cacao was all BQ drilling with core orientation attempted between each run using a ‘spear’ orientation tool. Poor recovery and broken runs through the mineralised zone made core reconstruction near impossible, limiting the usefulness of the successful core orientation marks.

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 a 40x25 cm cotton sample bag whilst the larger bulk sample was collected in an 80x40 cm plastic bag. 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 gold 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 diamond 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 ten veins: La India, La India Hangingwall (California), America, Constancia, Guapinol, Arizona, Teresa, Agua Caliente, San Lucas 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 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 have used a number of drilling contractors which included:

- 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 diamond 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 diamond core drilling rig to allow drilling using an RC pre-collar and diamond 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 diamond drilling techniques were used to complete the programme, with the exception of the R&R Diamond 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 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 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 the testwork confirm the initial results.

A total of 78 drillholes have been completed between January and December 2011 which includes 4 re-drills, and a number of holes where still awaiting assays at the time of modelling. A total of 68 holes have been completed and assayed and are available in the database for use in the 2011 model update. The total metres drilled for the programme based on the collar tables provided by the client is 12,013 m, but it is noted that assays have not been received for all holes in the programme at the time of modelling. 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 summary of the total metres drilled per programme and per vein are shown in Table 9-1.

Table 9-1: Summary of Drilling Statistics per Company and Deposit

		Data			
Company	**Prospect**	**Count**	**Sum Depth**	**Min Depth**	**Max Depth**
Soviet-INMINE	America	19	2,819.0	69.4	432.4
	Buenos Aires	12	1,126.6	60.0	143.4
	Espinito	6	1,043.6	146.0	201.2
	Guapinol	35	3,239.5	27.8	253.2
	Jicaro	1	108.6	108.6	108.6
	La India	6	1,805.8	233.6	396.1
	Tatiana	20	2,098.5	56.8	182.1
Soviet-INMINE Total		99	12,241.6	27.8	432.4
TRITON	Real de la Cruz	3	457.0	110.0	208.0
	Tatiana	3	619.1	180.0	253.5
TRITON Total		6	1,076.1	110.0	253.5
Triton Minera S	La India	8	1,509.0	131.0	215.0
Triton Minera S Total		8	1,509.0	131.0	215.0
TVX	Arizona	3	311.0	78.5	142.6
	La India	9	1,892.9	124.1	300.6
TVX Total		12	2,203.8	78.5	300.6
CONDOR	Cacao	22	2,170.5	47.0	185.1
CONDOR Total		22	2,170.5	47.0	185.1
Gold Ore	Tatescame	10	1,063.5	37.0	180.0
Gold Ore Total		10	1,063.5	37.0	180.0
La India Gold	America	5	368.3	58.4	94.1
	Arizona	6	1,135.8	102.1	239.3
	Constancia	9	1,281.0	46.9	265.7
	Guapinol	2	174.7	82.7	92.1
	La India	18	4,344.3	154.5	327.0
	La India Hangingwall	3	667.3	163.1	253.0
	San Lucas	8	1,422.0	97.5	303.0
	San Lucas-Capulin	4	363.8	47.3	115.5
	Tatiana	10	1,698.4	99.8	227.4
	Teresa	2	367.3	135.6	231.7
	Teresa/Aguas Caliente	1	190.5	190.5	190.5
La India Gold Total		68	12,013.3	46.9	327.0
Grand Total		225	32,277.8	27.8	432.4

Drill Core Sampling Procedure

Diamond 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 have attempted to select half the material.

9.3 Core Recovery

It has been reported previously of the difficult drilling conditions in various campaigns at the La India Project, which can be expected. The Company have made implemented a number of tests in an attempt to reduce any potential core loss, which included an investigation into triple tube diamond drilling techniques (no significant improvement), and use of a pressure regulator which limits the amount of water at the drill bit (water pressure is maintained at 350 Psi).

SRK has completed a study on the core recovery from the various drilling campaigns completed at La India. It is noted that core recovery has not been recorded for all samples (Figure 9-1). The analysis shows that for the majority of samples the core recovery has been in excess of 90% which relates to the country rock at the project. 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. The results indicated a mean recovery of 87.5 %, which includes in excess of 55% greater than 97% recovery.

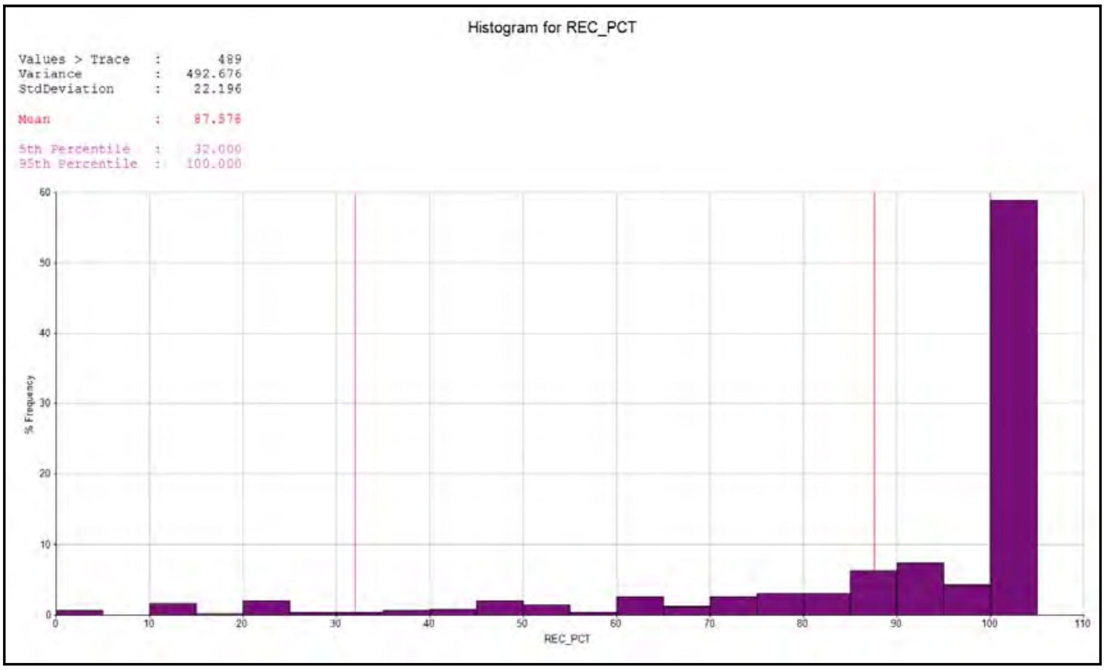

Figure 9-1: Histogram of Core Recovery in samples with gold grades in excess of 0.5 g/t Au.

To test for any possible bias in the resultant gold grades SRK has plotted a scatter plot showing Recovered percent versus gold grade (Figure 9-2). The resultant chart highlights 3 sample in which gold values of greater than 5 g/t were recorded but with core recovery of less than 20%. Further investigation indicated at least one of these holes had been redrilled. The analysis also highlighted that the best grades have been 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).

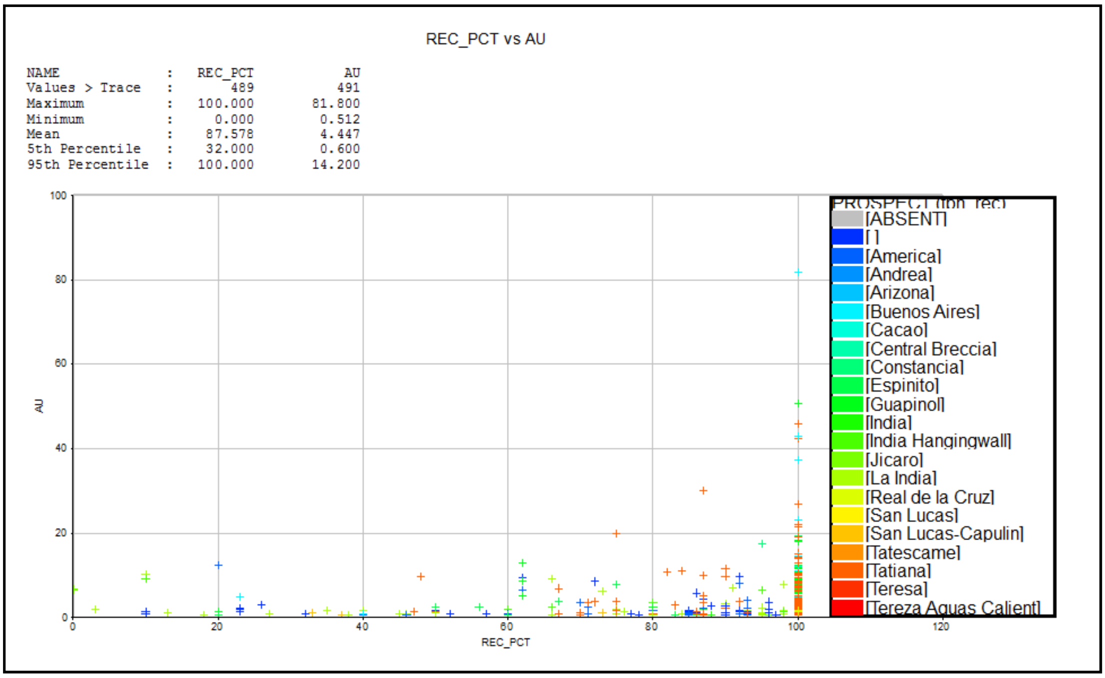

Figure 9-2: Scatter Plot of Gold grades versus core Recovery

10 SAMPLE PREPARATION, ANALYSIS, AND SECURITY

10.1 Introduction

The following section focuses on the Sample Preparation methods used during the Condor sampling programmes completed on the different Concessions. Samples have been prepared at different facilities/laboratories depending on the programme.

10.2 Historical Exploration

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 waspulverized;
- 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 2007/2008 (Cacao Submissions)

10.3.1 BSI Inspectorate

The early trench and drilling samples were prepared and assayed have been 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 twenty samples undergoing fire assay two repeats, a standard and a blank are analysed as a quality control.

It should be noted that C.A.S. laboratories were not accredited at the time, although they had initiated proceedings to gain accreditation.

10.4 2011 (La India Submissions)

Drilling and underground sampling completed during the 2011 Condor programme have been sent to BSI-Inspectorate Managua for Sample Preparation, and then dispatched to Reno Nevada (USA) or Vancouver (Canada) 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-analysed by fire assay with a gravimetric finish for a 0.34 ppm gold detection limit.

10.5 Density Analysis

In the previous estimate no details of the work completed to determine the density has been reviewed by SRK. Based on historical reports and work completed by Soviet-INMINE, a default density of 2.6 g/cm^3 has been used in the current estimate. SRK consider the information on the density to be sufficient for quoting Mineral Resources at intermediate and lower confidence levels (such as Indicated and Inferred), but do not consider the current level of accuracy to be sufficient for the quoting of Measured Mineral Resources. No further density work was completed during the 2011 work programme and therefore SRK has chosen to keep a fixed density of 2.6 g/cm^3 in all zones.

SRK recommend that Condor complete routine density measurements as part of the 2012 exploration phase to confirm the current value used in the study, and identify any local variation between different veins and geological zones (namely saprolite zones at Buenos Aires and Tatiana).

10.6 Core Storage

The Historical Diamond Drillcore has previously been stored at core storage facilities at El Limon Mine owned by B2Gold in October 2010. The storage facility was found to be in a poor state and therefore the Company has stored all new core currently at exploration office situated in the village of La India de La Cruz. The Company is currently in the process of constructing a new Core Storage facility.

10.7 Quality Assurance/ Quality Control (QAQC analysis)

10.7.1 Historical Database

SRK reviewed the historical QAQC programmes as part of the previous 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 below1.0 g/t gold during all three phases of checks. Above 1.0 g/t gold, 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%.

10.7.2 Condor Submissions (2007/2008 Cacao Programme)

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 mining'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.

10.7.3 Condor Submissions (2011 La India Programme)

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 standard reference samples (Internal Standards) were used; STD_7A, STD_11B and STD_11C which were prepared by Triton mining'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 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.

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

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

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

Table 10-1: 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 sent in 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. The duplicate sample has also been submitted to a second laboratory (uncertified El Limon Mine), which confirmed the orginal assays.

Table 10-2: 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

10.8 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 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.

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

SRK recommend that Condor complete routine density measurements as part of the 2012 exploration phase to confirm the current value used in the study, and identify any local variation between different veins and geological zones (namely saprolite zones at Buenos Aires and Tatiana).

SRK have reviewed the QAQC submissions for the 2007/2008 and 2011 drilling programmes and concluded that there is no evidence of any significant bias in the returned assay results from the laboratory. Based on the historical and current QAQC procedures followed, it is SRK's opinion that the due to a lack of consistent and detailed QAQC investigation, the data is of sufficient quality for the quoting of Inferred and Indicated Mineral Resources, using the current validated database, and not adequate in terms of data quality required for the reporting of Measured Mineral Resource.

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

- Purchase of Certified Reference Material (CRM's) – 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
- Round Robin Analysis on Internal Standards to get a better understanding of the acceptable limits for error
- Submission of more duplicate material, this could include resubmission of coarse and fine reject from the laboratory, in addition to quarter core field duplicates
- Completion of a Umpire Check analysis at a certified laboratory, this programme should include QAQC material.
- 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.

11 DATA VERIFICATION

11.1 Condor Verification

Condor complete 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 2011 on-going exploration programme. Checks completed on the historical database include but are 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 Escondio veins required; and;
- Plotting of 2011 3D database against georeferenced historical maps which indicated modification of underground sampling required at San Lucas, Agua Caliente, Escondio veins.

Checks on the Condor 2011 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 Geologist.

11.2 SRK Verification

11.2.1 Site Visit

Prior to the current commission, SRK has previously visited the La India site between 25 to 29 October 2010, with the aim of ascertaining the geological and geographical setting of the La India deposit, and review the historical data collected for the project.

In accordance with JORC requirements, SRK visited the La India project from 10 to 13 October 2011. The main purpose of the site inspection was to:

- ascertain the geological and geographical setting of the Cacao deposit;
- ascertain the geological and geographical setting of the Espinito Mendoza Concession;
- witness the extent of the exploration work completed to date;
- completed verification of sampling locations;
- inspect core logging and sample storage facilities;
- discuss geological interpretation and inspect drill core;
- review sample preparation methodology;
- Visit the sample preparation facility; and;
- assess logistical aspects and other constraints relating to the exploration property.

Given that the October 2010 site visit allowed a thorough overview of the historical exploration and initial data verification, the 2011 visit was focused on further investigating the geological relationships exposed within the drill core, underground workings and updated assay database, and holding related discussions with the Condor geologists.

Since the previous visit, the Company has reopened 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 Hanging wall structures). The Company conducted a re-sampling programme and mapping to increase the knowledge of the structure, orientation and texture of the gold veins in the La India Hanging wall. In addition to the Zopolite Adit SRK also visited the “Mestiza” Adit on the Espinito Mendoza Concession. SRK has confirmed the presence of vein or fault gauge material in areas of elevated grades in the historical sampling and mapping. These veins are consistent with the orientation provided in the current geological model.

During 2011 SRK has also completed site visits by Dr Chris Bonson, Senior Structural Geologist at SRK UK visited Nicaragua between 16 and 23 June 2011 to review data and complete a structural review of the project, and by Ryan Freeman between 21 and 23 November 2011, to review potential mining aspects as part of an internal Mining Conceptual Study.

11.2.2 Sample Preparation

SRK visited the Sample Preparation facility in Managua, Nicaragua. The facility was 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.

SRK completed a check of the digital drilling database against the diamond drill core to confirm that both geological and assay values show a reasonable representation of the project. Based on the drilling and underground visit SRK is satisfied that the current geological interpretation represents a true reflection of the geological units at depth.

SRK was able to verify the quality of geological and sampling information and develop an interpretation of gold grade distributions appropriate to use in the resource model.

SRK has 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 database has been accepted as provided by Condor's onsite Resource Geologist, without any modifications.

11.2.3 Database Validation

SRK Completed a check of the digital drilling database against the latest diamond drill core to confirm that both geological and assay values show a reasonable representation of the project, and in addition:

- 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; and;
- Verified the quality of geological and sampling information and developed an interpretation of gold grade distributions appropriate to use in the resource model.

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 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 previous 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.

11.2.4 Topography

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 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 30 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 Digital Terrain Model (DTM) for use in the modelling exercise using Datamine Mining Software.

12 MINERAL RESOURCE ESTIMATE

12.1 Introduction

SRK considers there to be sufficient data and information for the definition of a Mineral Resource estimate for the La India Project prepared under the guidelines of The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore reserves, The JORC Code, 2004 Edition ("JORC"). The Mineral Resource estimate has been managed by SRK's Ben Parsons who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM), and has over 11 years of experience in estimation of gold deposits.

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 diamond drilling on a number of the main veins and minor veins to confirm existing grades, and test dip and strike extents on smaller veins. 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 database used by SRK in the current estimate contains some 229 drillholes for 33,200 m, over 1000 trenches for approximately 9,900 m and over 10,000 original underground mine grade control channel samples on eleven of the veins within the La India Project Concession area.

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 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. The most up-to date version of the database has been supplied to SRK for use in the current Mineral Resource Estimate. Underground sampling by TVX has been used to verify the historical sampling information.

This 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.

12.2 Approach

The drillhole, underground sampling and surface trench data were initially imported and validated in Datamine software, which was then used for the Mineral Resource modelling in conjunction with Leapfrog software. To reconstruct the underground sampling database, level plans of the underground sample data have been imported into Datamine and the vein location digitised. The vein 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 a true representation of the sampling locations in “real” space (3D) and the XYZ coordinates noted. This has been used to establish the underground sampling database and (in conjunction with drillhole and trench data) determine the hangingwall and footwall locations of each vein to create wireframe volumes of the individual veins. The statistics and basic geostatistics have been completed in Isatis and the parameters used in Datamine to interpolate the grade estimates and compilation of the final model.

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

Datamine software, in common with other mining software systems, relies on a block modelling approach to represent deposit as a series of 2D or 3D blocks to which grade attributes, and other attributes can be assigned. The software provides numerous means by which attributes can be assigned, and optimisation routines are provided that allow block splitting, such that complex deposit volumes are not lost or smoothed out by using regular size blocks. In generating the resource model, a series of sub-models were built and the approach is described briefly below.

To complete the block estimates, SRK created validated wireframes using Leapfrog software and then created a block model based on a 25x25x25 m block size which covers the extent of the project into which attributes have been estimated.

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 method 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 gm/t); and;
- maximum length of internal waste of 3 m.

To complete the estimation, only a single mineralised intersection per vein has been selected. SRK has therefore used the manually coded data to estimate grades into the final block estimates, which means 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 16).

The cut-off grade selected by SRK represents a drop in the criteria used by Soviet-INMINE during the estimation process where a minimum grade of 3 g/t was used. The resultant model therefore should contain more tonnes at a lower grade. It is SRK's view that a 0.5 g/t Au cut-off is reasonable and a review of the assay database suggest this forms a relatively hard grade contact at or near the vein-adjacent wall rock with 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.

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 diamond 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 and work to prove down-dip continuity to be modelled and estimated in line with the JORC 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;
- Espenito;
- Cristilito-Tatascame;
- Teresa; and;
- Cacao.

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

- Dos Armandos;
- Dos Hermanos;
- El Duende;
- El Jicaro (Buenos Aires Hanging wall but insufficient sample data);
- Mora;
- Natalia;
- San Miguel; and;
- San Pablo;

The veins extend over known strike lengths of 0.5-2.5 km from 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 300 m and, in places, the mineralisation remain 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.

Boreholes and trenches have initially been 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 a single intersection per vein for both diamond drilling and trench sample dataset. The historical records only detail the composite distance on the VLP and do not contain any coordinates of the individual sample points. Where underground sampling exists the data has been imported into Datamine and reconstructed into their 3D sampling location for use in the estimate.

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.

All the assays within the mineralised zones were composited across the width of the zone before undertaking statistical analyses on the gold grades. Histograms were generated from these to determine an appropriate grade top cut, and statistics and attempts at semi-variograms were calculated for the different mineralised zones using the composite gold grades.

SRK has produced a block model with block dimensions of 25x25x25 m into which gold grades have been estimated based on optimised ordinary kriging 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. 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.

The resultant model has been fully validated, checked and reported with economic criteria as required by JORC, and an Independent Mineral Resource Statement Reported.

12.3 Geological modelling

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 Hanging wall 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.

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 hanging wall and footwall contact within each mineralised vein, based on the underground sampling, diamond 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 and de-surveyed in Datamine using a method that generates the sample start point and end point (XYZ coordinates). For the underground sampling, mathematical equations were created to determine the start point and end point based on trigonometry and the recorded width. The same process has been used for the drive and raise sampling. For both methodologies, the definition of the hanging wall and footwall contact is dependent on the azimuth of the sampling and orientation of the vein (for example Guapinol and America dip in opposite directions).

SRK completed a number of manual checks to ensure the 3D co-ordinates and coding has been correctly assigned. It was highlighted during this exercise (through working with Condor geological staff) that in the June 2011 model a number of trench intersections were assigned to a given vein, which on review with the updated 3D vein models created in Leapfrog, 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. The resultant surfaces have then been combined into a single solid for each vein before exporting the final wireframes from Leapfrog to Datamine for verification.

Note that for Cacao more traditional solid 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.

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 12-1 illustrates 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.

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.

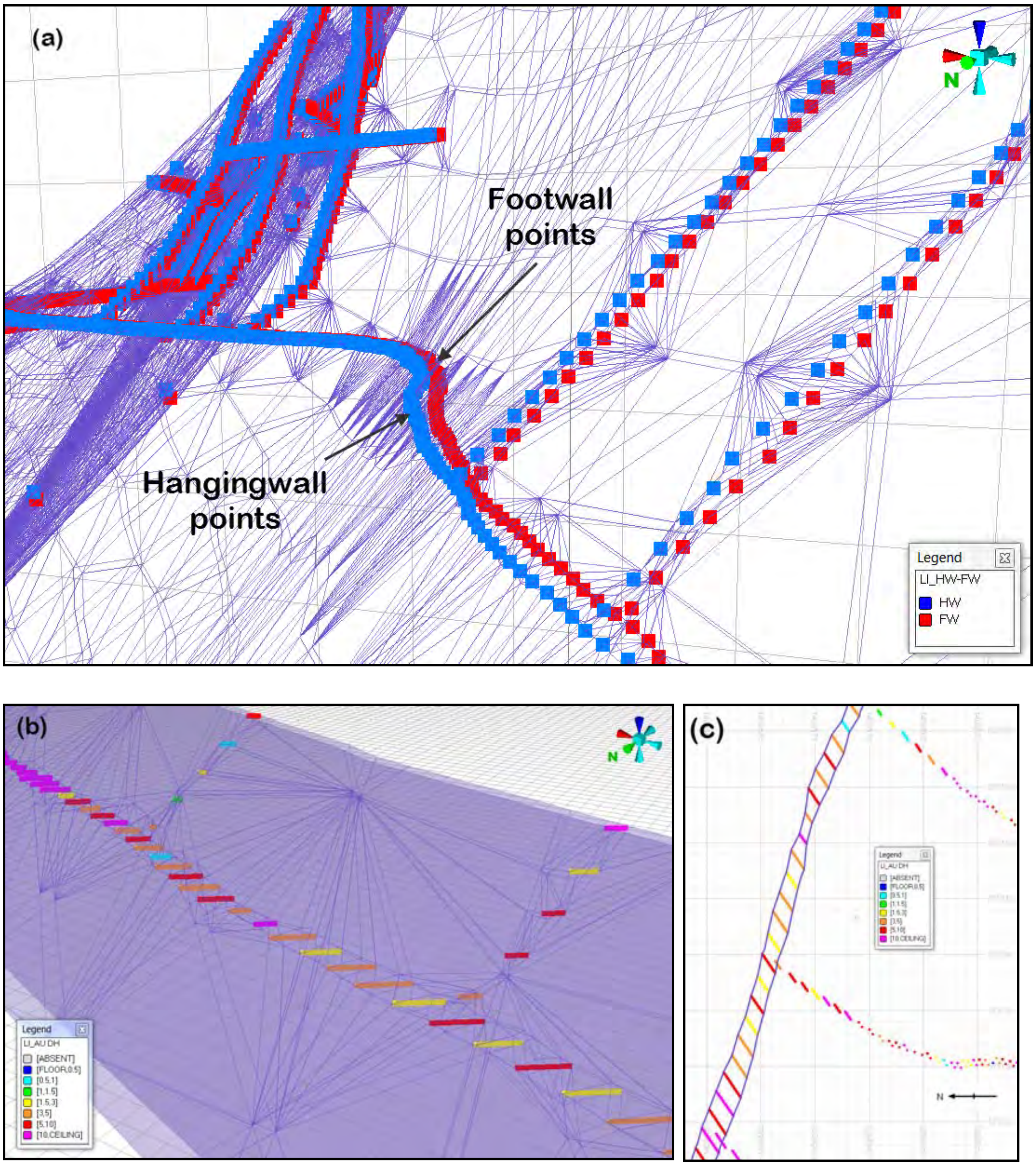

Figure 12-1: Level Plan and 3D Views Showing Modelled Hanging Wall and Foot Wall Contacts

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 during the Soviet-sponsored exploration and models. 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 12-2 shows the form of the oxide-fresh surface for the Buenos Aires vein.

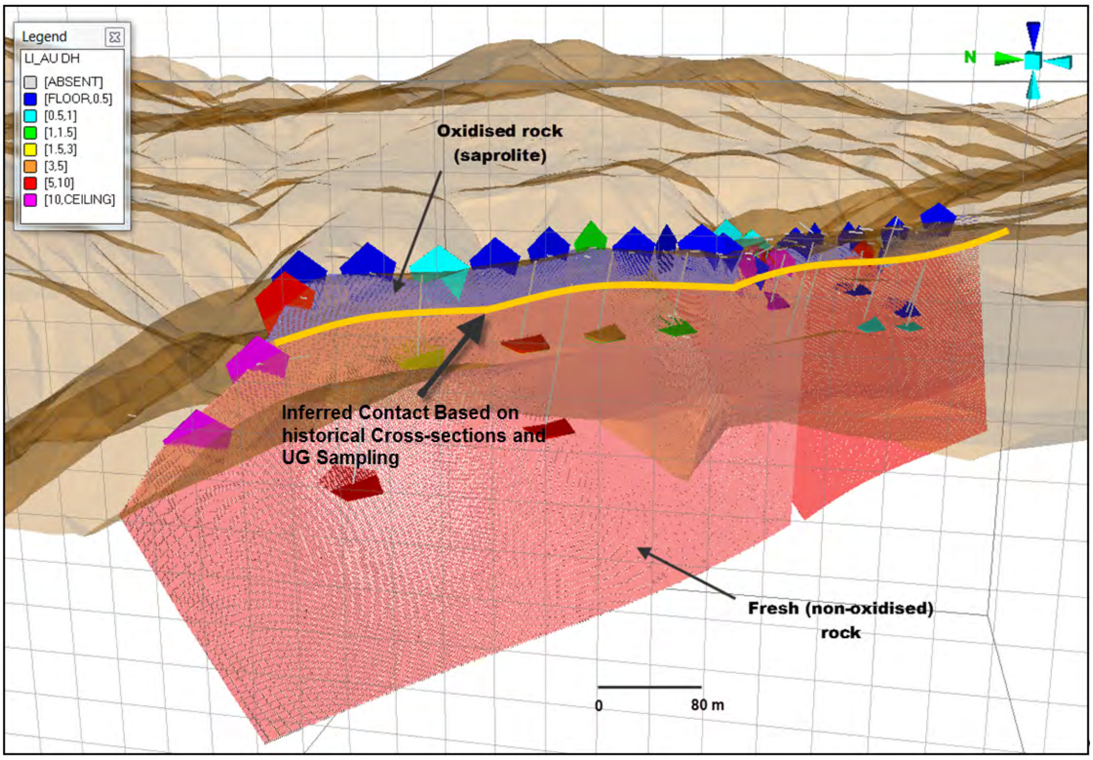

Figure 12-2 Nature of the modelled oxide-fresh surface for the Buenos Aires vein, La India Project, showing intersected sample gold grades (December 2011)

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

12.4 Statistical Analysis – Raw Data

Classical statistics have been calculated for all the veins considered in the current Mineral Resource update and length weighted statistics are presented in Table 12-1, 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 display 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 histograms produced for both real and logged data is shown in Figure 12-3.

Table 12-1: Raw Gold (Au g/t) Summary Statistics per Vein; December 2011

	Count	Min	Max	Mean	StdDev	COV
Agua Caliente	125	0.59	89.14	8.90	8.85	0.99
America	2622	0.00	161.70	8.08	10.87	1.34
Arizona	253	0.00	23.30	5.18	4.99	0.96
Buenos Aires	142	0.00	82.10	9.35	15.50	1.66
Cacao	545	0.01	99.70	1.06	2.50	2.35
California	94	0.05	65.86	2.57	4.02	1.56
Constancia	1287	0.00	566.00	11.25	18.81	1.67
Cristalito-Tatascame	283	0.01	258.1	11.48	638.66	25.27
Escondido	367	0.00	146.20	4.62	8.14	1.76
Espinito	508	0.03	62.77	9.20	9.13	0.99
Guapinol	571	0.01	60.65	7.10	7.46	1.05
La India	3157	0.00	143.10	7.62	9.00	1.18
San Lucas	885	0.00	73.70	6.03	7.36	1.22
Tatiana	182	0.05	45.80	5.09	6.30	1.24
Teresa	283	0.00	72.80	11.23	11.49	1.02

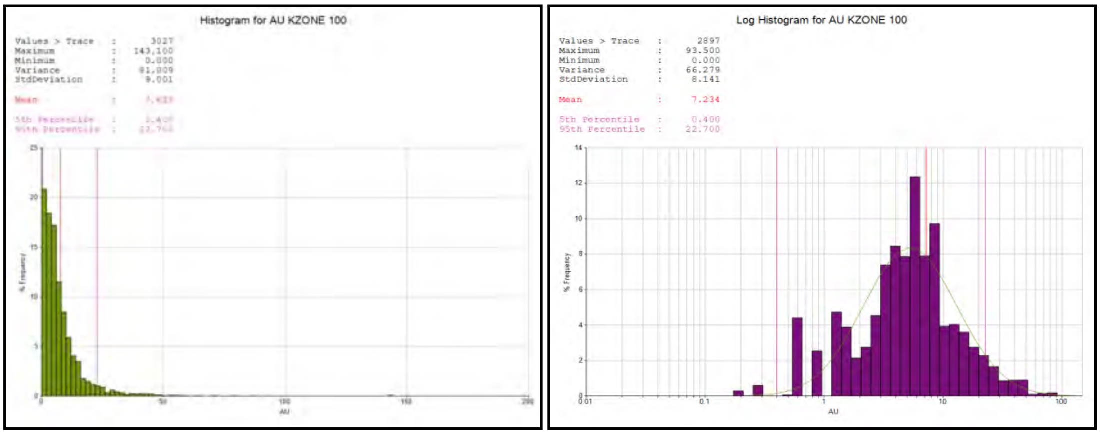

Figure 12-3: Histogram and Log Histogram of La India Vein Ore Samples (raw data); December 2011

The results of the analysis show that the mean grade of the raw sampling within the veins ranges between 2.6–11.5 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.

12.5 Statistical Analysis – Domain Data

12.5.1 Composite Length Analysis

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 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 15 December 2011) indicates that the composite parameters selected during the June 2011 resource estimate remain appropriate.

To ensure all sample information within the veins has been utilised 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 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.

12.6 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 types. Furthermore, log-probability plots (as illustrated in Figure 12-4), have been checked to ensure the capping applied is appropriate. Probability plots for gold were created from the uncut dataset in order 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.

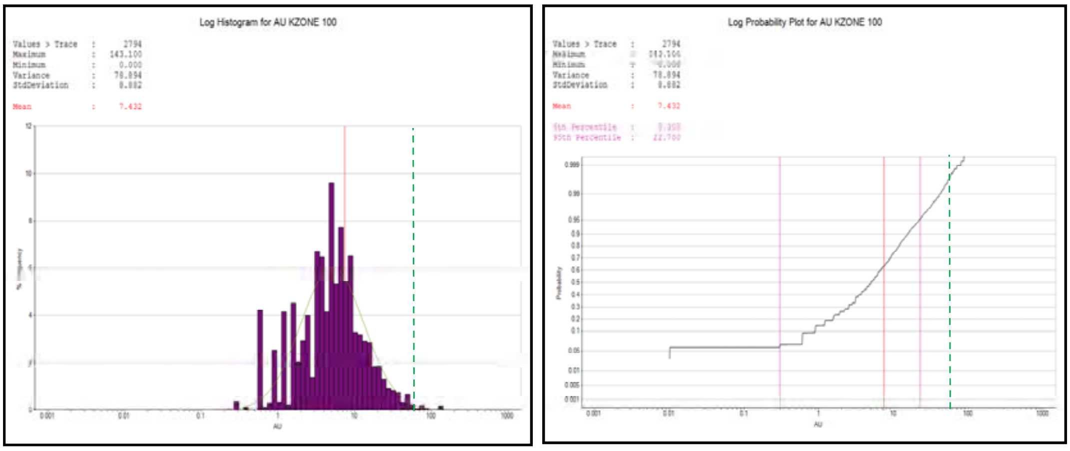

Figure 12-4: Log Histogram and Log Probability Plot for La India Vein Ore samples (composite data); December 2011

Based on this assessment, a series of high-grade cuts (or caps) were determined and applied to the resource estimation. Table 12-2 shows 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 grade is in the order of 0–2% with the exception of Constancia, Escondio, Cacao and Buenos Aires which have reductions of 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.

Table 12-2: Analysis of Mean Grades per Vein before and After Grade Capping; December 2011

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	8.90	60	78.36	8.85	0.99	-2.45	0.21
	AUCAP	125	0.59	60.00	8.69		50.39	7.10	0.82		
America	AU	2550	0.00	161.70	8.08	95	117.35	10.83	1.34	-1.08	0.09
	AUCAP	2550	0.00	95.00	8.00		98.26	9.91	1.24		
Arizona	AU	238	0.00	23.30	5.17	25	24.42	4.94	0.96	0.00	0.00
	AUCAP	238	0.00	23.30	5.17		24.42	4.94	0.96		
Buenos Aires	AU	76	0.00	59.50	9.03	30	115.23	9.11	1.01	-11.02	0.90
	AUCAP	76	0.00	30.00	8.13		70.79	7.25	0.89		
Cacao	AU	572	0.01	99.70	1.03	25	12.38	2.07	2.02	-11.04	0.10
	AUCAP	572	0.01	25.00	0.92		3.21	1.12	1.21		
California	AU	72	0.05	25.37	2.42	60	14.38	2.69	1.11	0.00	0.00
	AUCAP	72	0.05	25.37	2.42		14.38	2.69	1.11		
Constancia	AU	1275	0.00	566.00	11.25	110	354.05	18.82	1.67	-3.77	0.41
	AUCAP	1275	0.00	110.00	10.84		160.85	12.68	1.17		
Escondido	AU	367	0.00	146.20	4.62	45	66.32	8.14	1.76	-4.76	0.21
	AUCAP	367	0.00	45.00	4.41		33.55	5.79	1.31		
Espinito	AU	457	0.03	62.77	9.20	50	80.23	8.96	0.97	-0.51	0.05
	AUCAP	457	0.03	50.00	9.15		76.11	8.72	0.95		
Guapinol	AU	377	0.05	60.65	7.12	40	49.18	7.01	0.99	-1.47	0.10
	AUCAP	377	0.05	40.00	7.01		40.24	6.34	0.90		
La India	AU	3054	0.00	143.10	7.62	60	79.74	8.93	1.17	-1.03	0.08
	AUCAP	3054	0.00	60.00	7.55		66.69	8.17	1.08		
San Lucas	AU	839	0.00	73.70	6.03	50	53.02	7.28	1.21	-1.12	0.07
	AUCAP	839	0.00	50.00	5.97		45.79	6.77	1.13		
Tatiana	AU	68	0.05	45.80	4.84	30	26.13	4.67	0.97	-1.82	0.09
	AUCAP	68	0.05	30.00	4.76		20.75	4.24	0.89		
Teresa	AU	278	0.00	72.80	11.26	60	132.30	11.50	1.02	-0.62	0.07
	AUCAP	278	0.00	60.00	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.

12.7 Geostatistical Study

12.7.1 Introduction

Initially classical statistical analysis has been completed on the individual mineralisation domains to determine the population statistics and determine if the different domains have similar distributions. Geostatistical analysis was then completed on the selected and coded composite samples and for the various mineralisation zones. Firstly variographic analysis was completed to establish any directional anisotropy. Based on the results of the semi-variograms the search ellipse dimensions required for grade interpolation and the kriging parameters have been optimised.

A full geostatistical study per vein zone was undertaken during the previous SRK resource estimate, dated June 2011. The results of the geostatistical analysis have been reviewed with respect to the current database and it is concluded that the selected (variography-derived) parameters remain appropriate. Note that SRK have re-scaled the variograms per vein zone to the variance of the corresponding composite sample data.

The La India Project veins that are new additions to the resource model for December 2011, namely Espinito, Buenos Aires, Tatiana (Espinito Mendoza Concession) and Cacao, have undergone separate geostatistical 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.

12.7.2 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. Variography on the mineralisation domains has been completed. Initial semi-variograms have been completed on the capped gold 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 the influence of some of the variability and nuggetyness.

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 (i.e. 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 capped Au 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 of the omni-directional variogram. In all cases a double structure spherical variogram model has been fitted to the experimental pair-wise capped gold variograms.

Examples of modelled pairwise semi-variograms for a number of the veins at the La India Project are shown in Figure 12-5.

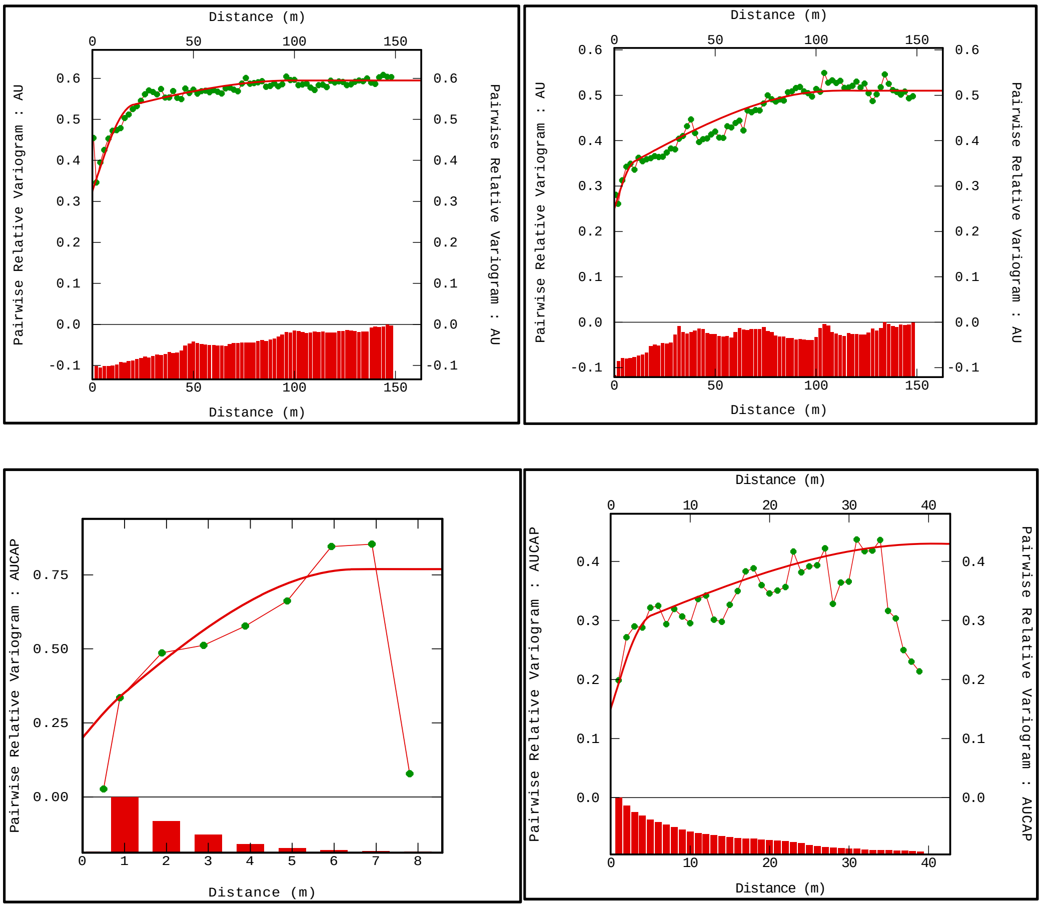

Figure 12-5: Examples of Modelled Pairwise Semi-variograms for selected veins at the La India Project (from top left to bottom right: America, Constancia, Tatiana and Cacao).

12.8 Grade Interpolation

12.8.1 Preparation of Sample data for grade interpolation

Prior to grade estimation of each vein, the associated drilling and sampling has been coded, composited and capped appropriately. Each vein (within a given vein-set area) has been assigned a unique code (Table 12-3) which has been used by SRK to determine the correct parameters to use within Datamine during the estimation process.

Table 12-3: List of Numeric Codes used within Datamine to define estimation zones

12.9 Vein sub-area for estimate	12.10 Vein	12.11 Deposit code	12.12 KZONE
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	La India	12	100
	California vein 1	13	110
	California vein 2	13	120
	California vein 3	13	130
	California vein 4	13	140
	California vein 5	13	150
	California vein 6	13	160
	California vein 7	13	170
	California vein 8	13	180
San Lucas	San Lucas	14	110
Tatiana	Tatiana main vein	15	120
	Tatiana splay vein	15	130

12.12.1 Prototype Block Model Creation

A block model of 25x25x25 m parent block size has been created in which to estimate the grades of the project. The model has used sub-blocking along the boundaries to a minimum sub-block size of 10 m along strike, 1.0 m across strike and 1.0 m in the vertical direction. SRK reviewed the use of smaller parent block dimensions in the across strike dimension but has taken the decision to use a larger block size in an attempt to maintain a constant grade across each vein width. SRK has determined the use of smaller blocks sizes to be sub-optimal and therefore a 25 m block has been selected. This is considered appropriate given the sample spacing.

To ensure the volumes have been modelled accurately SRK has updated the sub-blocking routine to allow unlimited sub-blocking in the plane perpendicular to strike. The aim in completing this exercise is produce a block model with single blocks perpendicular to strike and to minimise the potential of split blocks or poor volumetric representations. Initial reconciliations between wireframe volumes and the enclosed model volumes reported within ± 0–1% over a given wireframe and therefore considered this resolution of sub-blocking acceptable.

Details of the final block model dimensions for the geological model are illustrated in Table 12-4.

Table 12-4: Details of Block Model Dimensions for Geological Model

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	None
	Y	1408600	25	84	1
	Z	-200	25	36	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	None
	Y	1408600	25	84	1
	Z	-200	25	36	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

12.12.2 Grade Interpolation Parameters

Grade Estimation was performed using Ordinary Kriging routines within the Datamine and Isatis software packages. A Quantitive Kriging Neighbourhood Analysis (QKNA) exercise has been completed in order to optimise the parameters used in the kriging calculations. The QKNA exercise has been completed largely within the Datamine software package.

To complete the exercise a number of estimation scenarios were tested using various kriging parameters. Input parameters have been changed and the respective differences in the slope of regression, kriging weights, kriging variances, and block estimates recorded.

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

- Search ellipse sizes;
- Minimum number of samples;
- Maximum number of samples; and;
- Changing the limits of the number of samples used per borehole per block estimate.

In order to assess the optimal grade estimate, the following estimation quality data indicators fields were analysed:

- Slope of regression;
- Kriging Variance;
- The resultant grade in comparison with the input sample data; and;
- The average number of samples used per estimate.

Additional checks were made to note the percentage of blocks estimated during the first search ellipse, and the second and third dynamic search volumes required in order for a block to receive an interpolated grade. 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.

12.12.3 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 12-6).

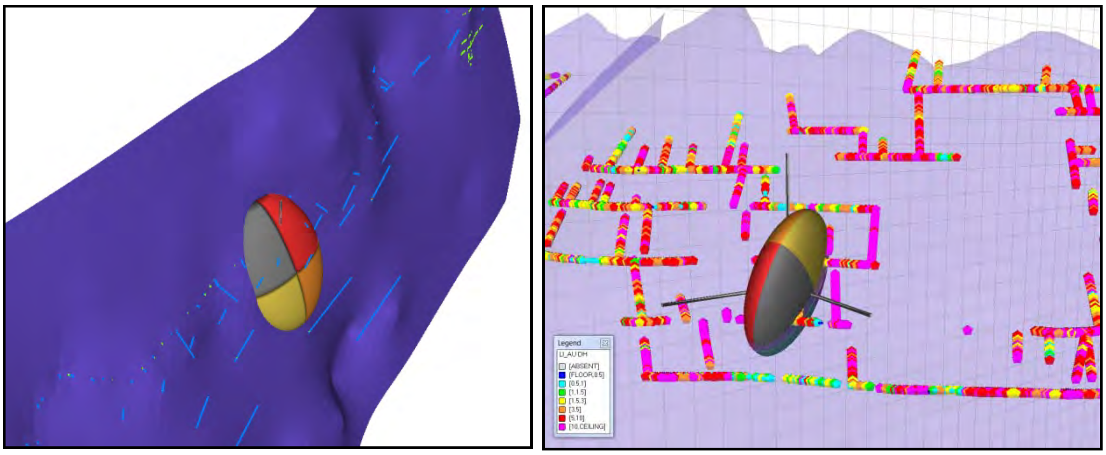

Figure 12-6: Examples of 3D search orientation study completed

12.12.4 Final Kriging Parameters

Ordinary Kriging (OK) was used for the grade interpolation for all zones. With the exception of the Escondido vein (where a soft boundary is utilised with the previously continuous America-Escondido vein), SRK has treated the outer limits of the geological zones as hard boundaries in terms of the estimation process. Each vein has been estimated independently. The final Kriging parameters selected are presented in Table 12-5. A discretisation grid of 5x5x5 has been used in all cases.

Table 12-5: Summary of final Kriging Parameters; December 2011

	Rotation Axis						Search Range			Number Samples			Second Range				Third Range				Disc
KZONE	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 (KZONE 120)*	50	3	55	1	80	3	112.5	75	75	6	16	0	1.33	4	24	0	3	2	32	-	5x5x5
California	50	3	55	1	80	3	112.5	75	75	6	16	0	1.33	4	24	0	1.66	2	32	-	5x5x5
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	50	3	55	1	80	3	60	40	100	15	20	20	2	5	30	20	4	2	25	20	5x5x5
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

	Rotation Axis						Search Range			Min	Max	Second Range			Min	Max	Third Range			Min	Max	Max Per Hole (SVOL2+3)	Disc
Cacao**	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

*Note that whilst optimised search parameters have been used for the California veins, in order to satisfy reasonable block estimates in (the sparsely data populated) KZONE 120 the third search is appropriately increased to an axis factor of 3.

**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.

12.13 Block 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; and;
- Sectional interpretation of the mean block and sample grades.

12.13.1 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 12-7 shows an example of the visual validation checks and highlights the overall block grades corresponding with raw samples grades. Sections showing the distribution of gold grades against the composite values can be found in Appendix C. The resultant block grades display an acceptable degree of smoothing which is a result from the low number of borehole intersections at depth and along strike from more established underground sampling. In these areas the reconciliation between the local sample intersection and block grades are more notable. 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. A review of this distribution should be completed during the next Mineral Resource update on the completion of the next phase of exploration.

Selected long sections of the visual validation per vein are shown in Appendix C.

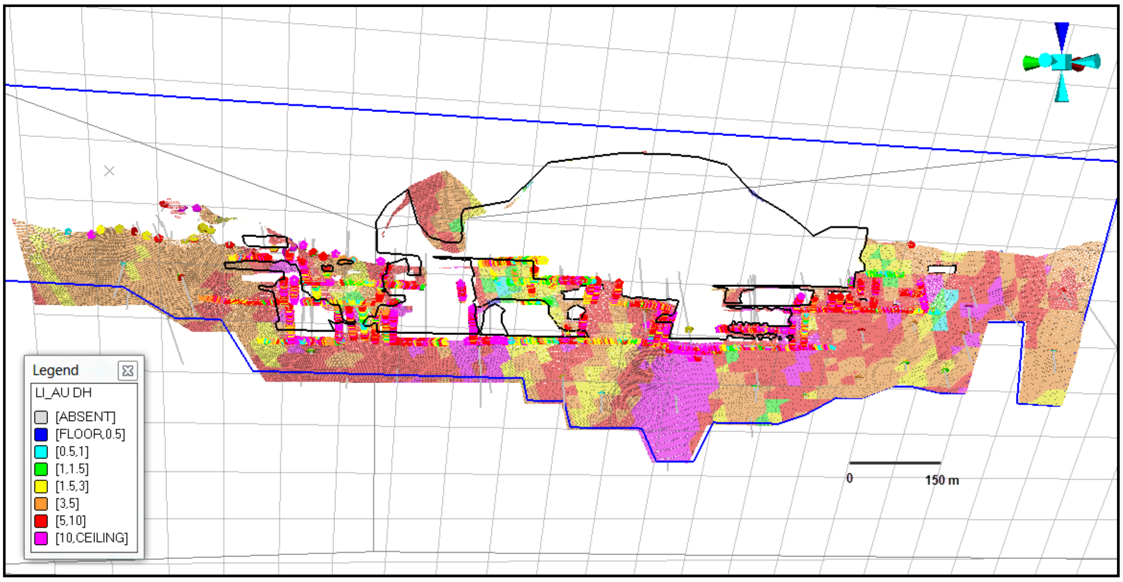

Figure 12-7: Section showing Block Grades versus sample composites

12.13.2 Statistical Validation

SRK has completed a statistical validation of the block estimates (Ordinary Kriging) versus the de-clustered mean of the raw samples per zone. In general, the results indicate a reasonable comparison (Table 12-6) 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 from a limited number of samples have had a significant impact. 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 12-6: Statistical Validation Block Model to Declustered Mean

Vein	Count	Raw Mean	Declust. Mean	Declust. St.Dev	Block Mean	% Difference AU	Absolute Difference AU (g/t)
Agua Caliente	125	8.69	5.8	8.0	5.8	-0.1	0.01
America	2550	8.00	6.3	8.6	6.3	0.2	0.01
Arizona	238	5.17	3.9	3.8	4.2	5.9	0.24
Buenos Aires	76	8.13	6.1	6.8	6.0	-1.4	0.08
Cacao	572	0.92	0.8	1.1	1.0	21.8	0.22
California	72	2.42	1.8	4.1	2.4	25.0	0.60
Constancia	1275	10.84	8.9	10.8	6.7	-33.8	2.26
Escondido	367	4.41	5.5	7.8	4.4	-25.5	1.12
Espinito	457	9.15	6.2	7.3	6.1	-1.3	0.08
Guapinol	377	7.01	5.5	6.0	5.3	-4.0	0.21
La India	3054	7.55	5.5	7.7	5.3	-5.1	0.27
San Lucas	839	5.97	4.0	5.0	4.0	0.9	0.04
Tatiana	68	4.76	4.3	4.3	6.1	29.1	1.78
Teresa	278	11.19	7.4	8.5	7.8	5.3	0.42

12.13.3 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 12-8 shows the results for the capped Au grades for the America vein 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).

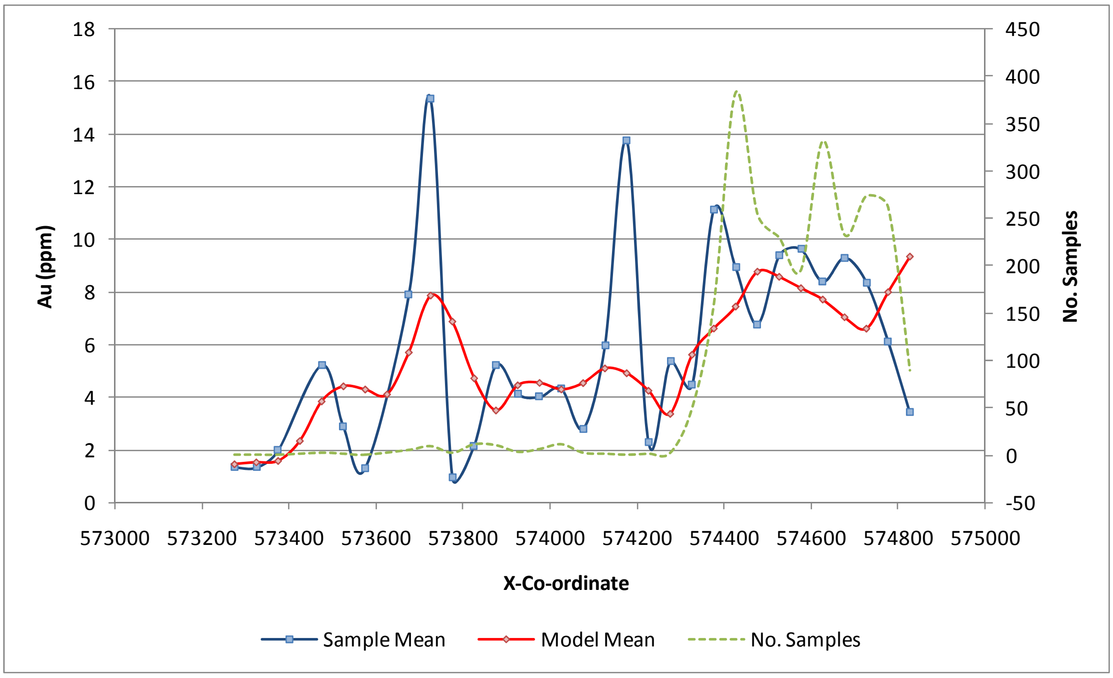

Figure 12-8: Validation Plot showing America Vein Sample Grades versus Block Model mean (50m sections - Easting)

The resultant plots (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 generally confirm no indication of any significant bias introduced during the estimation process and generally display an adequate degree of smoothing, and that the estimates are representative of the raw 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 smooth grade indicates globally the gold grades are consistent down dip, but the resultant charts 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 samples 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 results of the analysis, SRK has accepted the grades in the block model as being valid.

12.14 Classification

The Mineral Resource statement presented in Section 13 has been classified following the definitions and guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code, 2004 Edition ("JORC Code"). The following section is taken from the JORC code.

Inferred Mineral Resources: Grade, tonnage and continuity can be calculated and assumed to a low level of confidence. Information may be of uncertain quality and reliability. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability. Inferred Resources cannot be used for detailed planning. Usually upgraded to 'Indicated Resources' with continued exploration

Indicated Resources: Grade, tonnage, densities, shape, and characteristics can be estimated with a reasonable level of confidence. Geological and grade continuity can only be assumed.

Measured Resources: as 'Indicated Resources', with closely spaced sample locations to confirm grade/geological continuity and reliable/detailed sampling. Grade and tonnage can be estimated to within close limits and any variation in the estimate would not affect potential economic viability. Geological and grade continuity is relatively well understood.

12.14.1 SRK Classification Methodology

Based on these JORC guidelines SRK has classified the La India Mineral Resource estimates in the Indicated and Inferred Mineral Resource categories based on the current data, information and understanding of the deposit. In determining the appropriate classification criteria for the Project, several factors were considered:

- JORC requirements and guidelines;
- observations from the site visit in 2010 and 2011;
- 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.

12.14.2 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 JORC guidelines, with no current information available for the results from blanks or certified reference material (CRM), 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 assays 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 any significant bias has been introduced into any period of analysis assuming sampling protocols that have been provided were followed.

Based on the historical and current QAQC procedures followed, it is SRK's opinion that the due to a lack of consistent and detailed QAQC investigation, the data is of sufficient quality for the quoting of Inferred and Indicated Mineral Resources, using the current validated database, and not adequate in terms of data quality required for the reporting of Measured Mineral Resource.

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 is further improved confidence spatial location of all sampling in the current estimate. Based on the current status of the data it is SRK's view that the data is of a sufficient quality for the quoting of Inferred and Indicated Resources at the La India Project based on the current drill spacing and underground sampling database.

12.14.3 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 it 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 June 2011 Mineral Resource model, a number of additional veins have been selected for inclusion as Mineral Resources. These additional veins have been quoted partly as a function of increased sample information (relating to an increase in geological confidence) but largely as a result of licence acquisition, namely the Espinito Mendoza Concession. 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.

12.14.4 Results of the geostatistical analysis

The sample data used in the geostatistical analysis results in relatively good pairwise semi-variograms with relatively high nugget variances (>50%) on the raw datasets. The use of a pairwise variogram compared to regular semi-variograms has some degree of smoothing and can increase the ranges. SRK is satisfied that the resultant estimates have a reasonable level of confidence based on the grade continuity displayed in the Geostatistical assessment. It is SRK's view that Measured Resources cannot be classified based on the current geostatistical study, as further work is require to test and confirm the quality of estimates to increase the confidence.

The high nugget effect means the slope of regression and therefore confidence in the geostatistical parameters is too low at present to define Measured Mineral Resources. To increase the confidence further some form of reconciliation work between the current estimates and mined out portions of the deposit would be beneficial, but given the historical nature of the mining and lack of 3D volumes of mined out areas there will always be a degree of uncertainty in any potential reconciliation study. The resultant block grades commonly display a degree of smoothing which is a result of the low number of borehole intersections at depth and along strike from more established and closer-spaced underground sampling. The degree of smoothing has resulted in more averaged grades for the individual veins, which potentially on further infill drilling will display more variable grade distributions with more distinct high and low grade zones.

12.15 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 diamond drilling or underground sampling will be required by the company before it is considered possible to declare Measured Mineral Resources.
- Indicated Mineral Resources are those kriged blocks, which have been interpolated by underground and drillhole data, with more than three boreholes/channels within 20x 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 La India, America and Constancia. To define the limits of the Indicated Mineral Resource SRK has constructed a series of wireframes for each vein.
- 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 have 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 have 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.

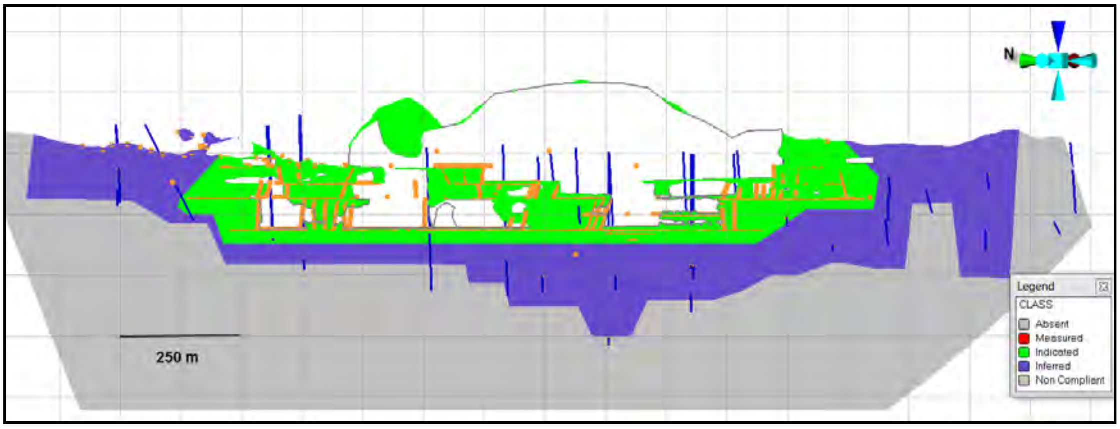

Figure 12-9: Example of SRK Classification, showing La India Vein, highlighting Indicated surround underground development and sampling

13 MINERAL RESOURCE STATEMENT

13.1 Cut-off Grade Derivation

For the June 2011 Mineral Resource Estimate SRK determined an appropriate cut-off grade of 1.5 g/t gold (equating to 1.5 gm/t over a 1 m mean vein width), which has been calculated using a gold price of USD1200/oz, and suitable benchmarked technical and economic parameters for underground mining and conventional gold mineralised material processing. SRK considers this cut-off grade to remain appropriate for quoting of the current Mineral Resource.

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 13-1 gives SRK's Mineral Resource statement reported at a cut-off grade of 1.5 g/t gold.

Table 13-1: La India Project Mineral Resource Statement as of 22nd December 2011 using a 1.5 g/t Au cut-off grade*

Area Name	Vein Name	SRK MINERAL RESOURCE STATEMENT as of 22nd December 2011 @1.5 g/t Au cut off								
		Indicated			Inferred			Total Indicated & Inferred		
		Tonnes (kt)	Au Grade (g/t)	Contained Au (koz)	Tonnes (kt)	Au Grade (g/t)	Contained Au (koz)	Tonnes (kt)	Au Grade (g/t)	Contained Au (koz)
La India veinset	La India	680	6.6	144	1,790	5.9	340	2,460	6.1	484
	California				1,300	3.5	146	1,300	3.5	146
	Arizona				430	4.2	58	430	4.2	58
	Teresa				70	12.4	29	70	12.4	29
	Agua Caliente				40	9.0	13	40	9.0	13
America veinset	America	280	8.0	73	540	5.6	99	830	6.5	172
	Escondido	90	4.7	13	90	4.6	13	180	4.6	26
	Constancia	110	9.8	34	240	7.2	56	350	8.0	90
	Guapinol				670	5.5	117	670	5.5	117
Mestiza veinset	Tatiana (LI)				510	7.6	125	510	7.6	125
	Tatiana (EM)				570	5.8	105	570	5.8	105
	Buenos Aires				210	8.0	53	210	8.0	53
	Espenito				200	7.7	50	200	7.7	50
San Lucas	San Lucas				330	5.6	59	330	5.6	59
Cristolito-Tatescame	Cristolito-Tatescame				200	5.3	34	200	5.3	34
El Cacao	El Cacao				590	3.0	58	590	3.0	58
Subtotal Areas	La India veinset	680	6.6	144	3,630	5.0	586	4,310	5.3	730
	America veinset	480	7.8	120	1,540	5.7	285	2,020	6.2	405
	Mestiza veinset				1,490	7.0	334	1,490	7.0	334
Grand total	All veins	1,160	7.1	264	7,790	5.4	1,356	8,940	5.6	1,620

*Mineral Resources are reported at a cut-off grade of 1.5 g/t. Cut-off grades are based on a price of US$1200 per ounce of gold and gold recoveries of 90 percent for resources, without considering revenues from other metals. 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. All composites have been capped where appropriate. The Concession is wholly owned by and exploration is operated by Condor Resources plc.

14 COMPARISON WITH PREVIOUS ESTIMATE

SRK has previously produced two Mineral Resource Estimates on the La India Concession, with the 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. An 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. SRK produced a Inferred Mineral Resource Estimate for the Cacao Vein of 0.59 Mt at 3.0g/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. All data used in these estimates has been utilised in this current update, in addition to the Company's 2011 exploration programme.

The Mineral Resource on the La India Project now stands at 8.94 Mt at 5.6 g/t for 1,620,000 oz gold, including 1.16 Mt at 7.1 g/t for 264,000 oz gold in the Indicated Mineral Resource category with the balance in the Inferred category. The increased Mineral Resource is based on an additional 66 diamond core drill holes for 11,905 completed on the La India Concession. The consolidation of the three main concessions by the Company has increased the Mineral Resource for the Project by 630,000oz since the previous reported SRK statement (12 April 2011), which can be attributed to a combination of acquisition of the Espinito Mendoza Concession (0.98 Mt at 6.7 g/t for 209,000 oz), the 2011 exploration programme, and a review of the Cacao Project (0.59 Mt at 3.0 g/t for 58,000 oz) by SRK, using the same modelling criteria as applied on the La India Concession.The results of the 2011 exploration programme have increased the Mineral Resource on the La India Concession by 365,000oz

The current Mineral Resource represents a significant increase in Inferred Mineral Resource tonnes and ounces when compared to the previous SRK Mineral Resource estimate, but an overall decrease in the grade from 6.4 g/t to 5.6 g/t.

The increase in Inferred gold ounces is largely attributed to the modelling of the California, Espinito Mendoza and Cacao veins and addition of comparatively wider drillhole intersections within the central portion of La India vein, as well as additional drilling down-dip. The overall drop in grade is predominantly as a result of the higher-tonnage, lower-grade nature of the California veins and recently drilled lower-grade intersections at depth in the Teresa and Agua Caliente veins. The current Mineral Resource also represents a reasonably significant (9%) decrease in the Indicated gold ounces, and an associated drop in grade. This decrease is largely attributed to the splitting of the Escondido vein from America, restricting the effect of higher-grade samples from America estimating blocks in Escondido, and the modelling of recently drilled, reasonably narrow drillhole intercepts in the eastern strike extent of the Constancia vein, resulting in a thinning of the previously largely unconstrained wireframe.

In addition, there is considered to be minor changes to the volume (and therefore tonnage) of the vein wireframes from the previous estimate following on-going validation of selected samples by SRK and Condor geological staff (i.e. exclusion of anomalous hanging wall or footwall intersections).

In summary, the current Mineral Resource estimate includes five additional mineralised veins which were not included in the previous estimate, and are listed as follows:

- California veins, which have been one of the focuses of the recent drilling programme prior to resource estimation. The California veins have thus far only been intersected by drilling and a single underground adit, and are not supported by trenching or significant underground channel sampling;
- Cacao vein; and;
- The Espinito Mendoza veins, including Buenos Aires, a portion of Tatiana and Espinito.

15 CONCLUSIONS

The Company has completed work in a number of different areas since the previous Mineral Resource Estimate for the project.

During 2011 the Company has completed the following tasks:

- Acquisition of the Espinito-Mendoza (“Espinito Mendoza”) Concession;
- Capture of all the relevant data for the Espinito Mendoza Concession to enable creation of 3D geological models;
- Integration/re-estimation of Cacao vein in line with procedures used at La India;
- Opening of adits and re-sampling; and;
- Discovery of Central Breccia Zone, located between the America-Constancia and Guapinol deposits, through geological mapping and trench sampling.
- Completion of a structural review by SRK detailed in an internal technical report titled “La India Structural Geology Report 12 September 2011”
- Completion of a Mining Concept Study by SRK in an internal technical report titled “A Mining Concept Study on the La India Deposit, Nicaragua”

SRK was provided with a comprehensive set of historical reports and data which have been collated and used in conjunction with 2011 data collected more recently by the Company, in order 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 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 theory.

The coverage of the drillholes in the database over the deposit area, at a spacing of around 70-100 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 oreshoots within the different veins.

Sampling, sample preparation and analysis of samples during the 2011 exploration programme have been undertaken using standard and appropriate methodologies with quality control and quality assurance (QAQC) procedures followed. Historical data with relatively unknown quality has to some degree been validated by recent exploration supported by QAQC information.

Limited 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.

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 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, however some of the individual hanging wall veins at La India lack sufficient quantity of samples to demonstrate this. High grade statistical outliers have been controlled in the estimation through grade capping.

SRK has undertaken a geostatistical study to investigate the grade continuity which showed a 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 with only pair-wise variogram models possible in most cases.

SRK has interpolated gold grade data using Ordinary Kriging into a block model of dimensions 25x25x25 m, 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 (16%) and Inferred (84%) 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 current Mineral Resource represents a significant increase in Inferred tonnes and gold ounces when compared to the previous SRK JORC compliant estimate, but a decrease in the overall grade from 6.4 g/t to 5.7 g/t. The increase in Inferred gold ounces is largely attributed to the modelling of the California veins and addition of comparatively wider drillhole intersections within central portion of La India vein, as well as additional drilling down-dip, whilst the overall drop in grade predominantly as a result of the high-tonnage, lower-grade nature of the California veins and recently drilled lower-grade intersections at depth in the Teresa and Agua Caliente veins. The current Mineral Resource also represents a reasonably significant (9%) decrease in the Indicated gold ounces, and an associated drop in grade. This decrease is largely attributed to the splitting of the Escondido vein from America, restricting the effect of higher grade samples from America estimating blocks in Escondido, and the modelling of recently drilled, reasonably narrow drillhole intercepts in the eastern strike extent of the Constancia vein, resulting in a thinning of the previously largely unconstrained wireframe.

In addition, there is considered to be minor changes to the volume (and therefore tonnage) of the vein wireframes from the previous estimate, following on-going validation of selected samples by SRK and Condor geological staff (i.e. exclusion of anomalous hanging wall or footwall intersections).

In summary, the current Mineral Resource estimate includes addition of the Cacao and Espinito-Mendoza Concessions into the larger La India Project, plus one additional mineralised structure, namely the California veins which were not included in the previous estimate, and have been one of the focuses of the recent drilling programme prior to resource estimation. The California veins have thus far only been intersected by drilling and a single underground adit, and are not supported by trenching or significant underground channel sampling.

16 RECOMMENDATIONS

The mineralised veins included in the current 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 remain potential at depth where high-grade intersections have recently been drilled, and 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, such was identified during the work completed during 2011 on the California vein.

Infill drilling on a tighter grid than the existing 100x100 m grid to 50x50 m is warranted to increase the knowledge of the geological complexity of the veins, and gain a better understanding of the structural controls on the deposit. SRK recommends the following:

- In general, drill along strike and infill (50x50 m) current section lines to 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.

- Targeted drilling below and along strike from underground workings can be used in increase the portion of Indicated Mineral Resources in the project at La India (Figure 16-1).

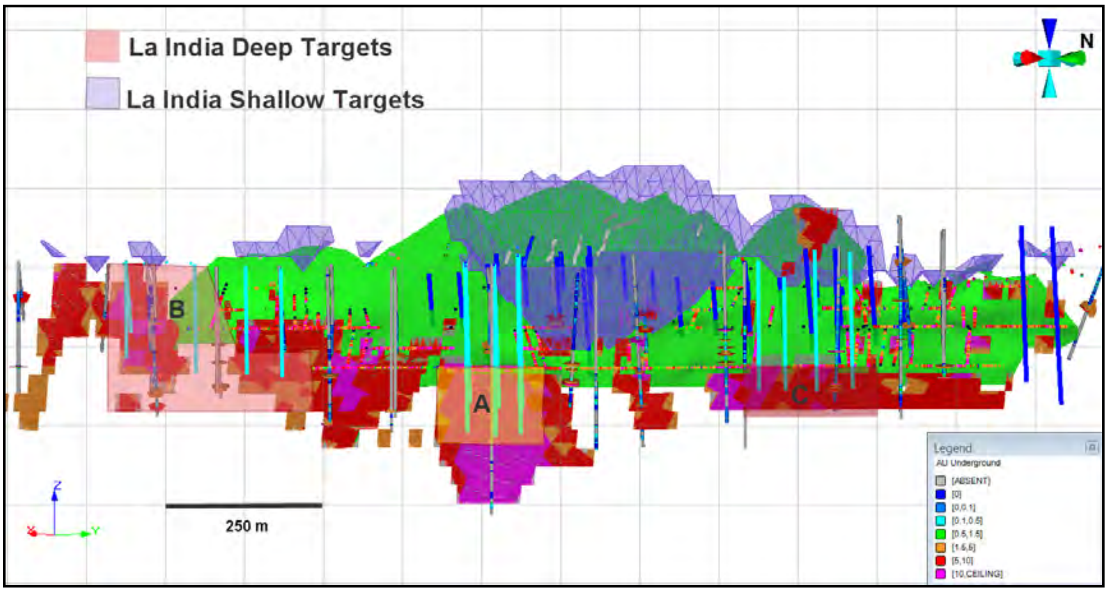

Figure 16-1: 3D View showing La India Exploration Targets - Dark Blue Holes show shallow drilling targeting up-dip extension of California Vein, Light Blue indicate Deeper drilling to increase the confidence in estimates at depth

- During the 2011 drill programme the Company have intersected a number of wider intersections (greater than 10m) in the proximity of the La India vein and the hangingwall California vein. To date the California vein has only been intersected at depth and therefore there remains potential increase the mineral resource by Drilling up dip of the current limits (Figure 16-2).
- SRK notes that the Company have recently identified the possible surface exposure of the California vein and therefore should complete a drill programme to project the modelled California veins to surface and test possible surface outcrops via trench sampling (Figure 16-1), this would allow further evaluation of the potential for Open Pitable Mineral Resources at La India (Figure 16-2)
- The Company should infill the current drilling to better define the relationship between mineralised veins and the mineralised breccias intersected at the confluence of the California veins and La India vein, and specifically target the area where recent re-drilling has suggested very local-scale variation in the style of mineralisation.

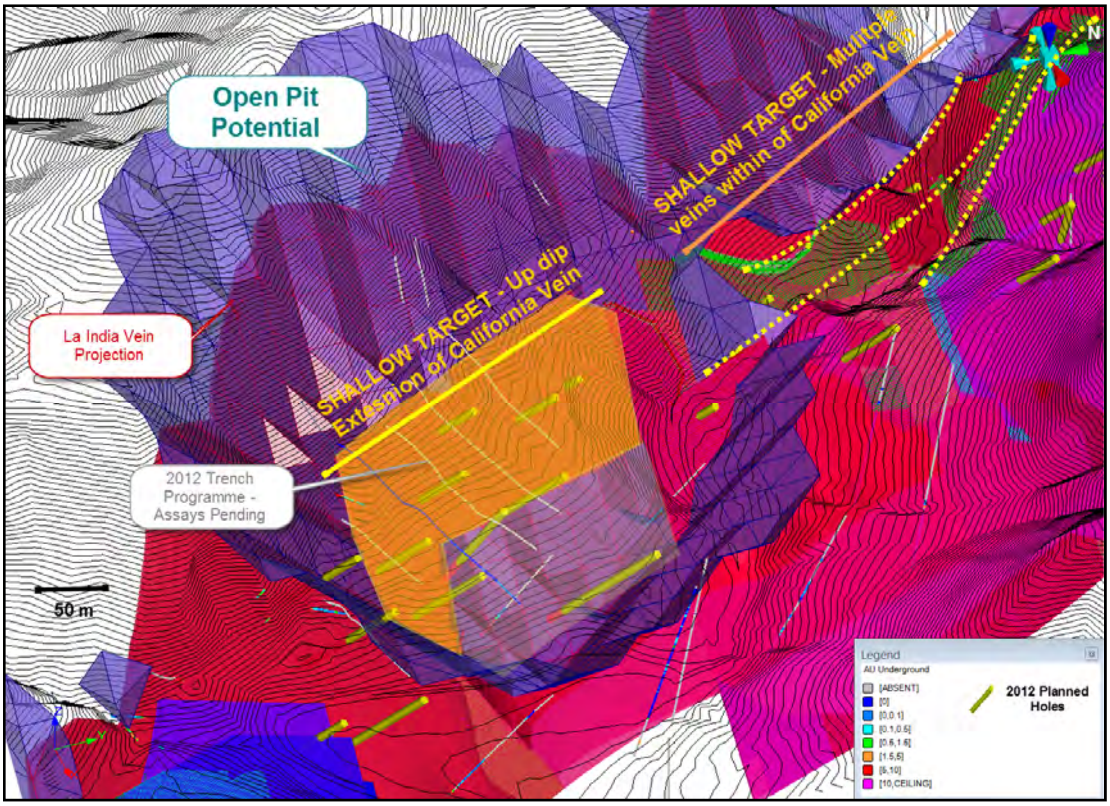

Figure 16-2: 3D view showing shallow La India Targets, focusing on shallow up dip California extensions to current Mineral Resource

- Targeted drilling within potential higher-grade ore shoots on Guapinol and Constancia to Increase the proportion of Indicated Mineral Resources within the America Veinsets.

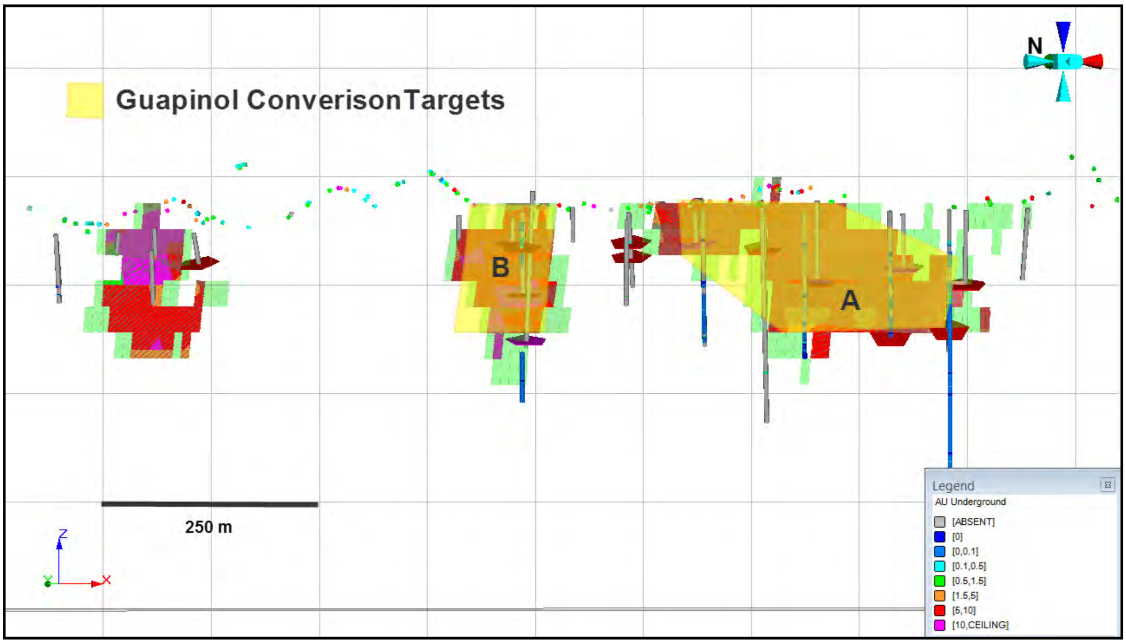

Figure 16-3: 3D Long Section showing most prospective areas of Guapinol to target for Infill drilling to increase confidence in Mineral Resource Estimates

- Shallow drilling programme to better define the modelled oxidation surface and further verify current surface trench sampling namely in Buenos Aires / Tatiana area.
- 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.
- Drill at depth to test potential depth extensions of known high-grade areas, with focus on the, La India and Espinito Mendoza Vein sets (Figure 16-4).

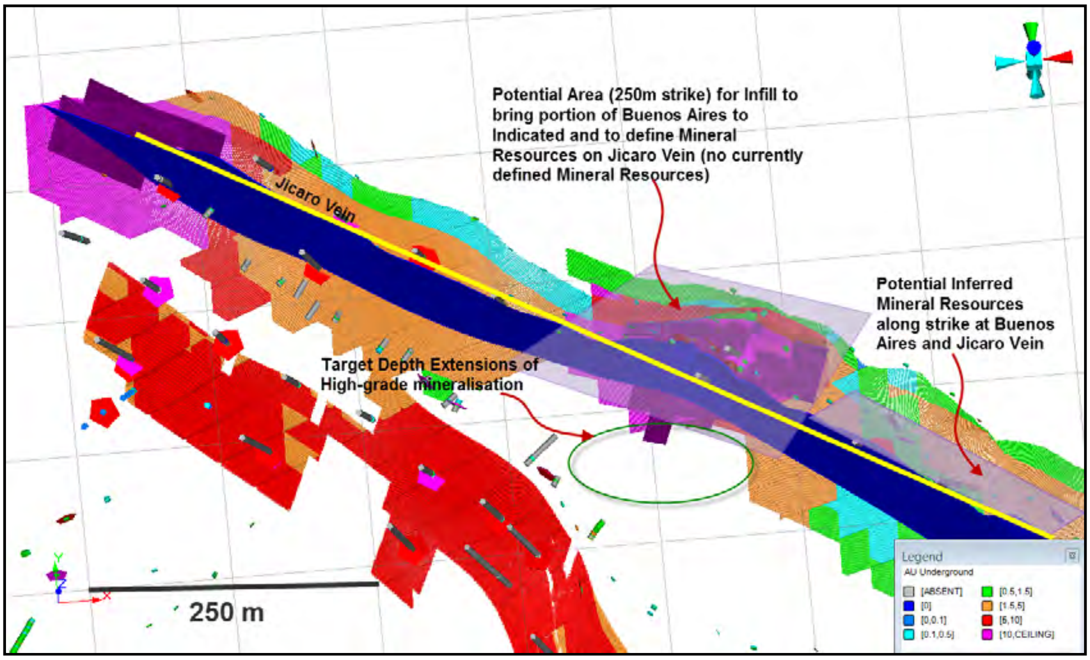

Figure 16-4: 3D Plan of Buenos Aires and Jiraco Vein drilling targets

- Further validation of the 3D database to increase accuracy of vein geometry models.
- Plan a LIDAR Topographic survey of the entire project area including infrastructure.

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

- Complete a Scoping Study of the project economics to assist in the requirement to 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.
- Collect routine density samples from within the mineralised intersections, and collect some density samples from the Saprolite in which there are none at present;
- Undertake some independent sampling and verification work to support the existing QAQC data and add confidence to third-party project reviewers; and;
- Develop structural models and theories to the origins and major controls on the mineralisation, particularly at depth.

17 REFERENCES

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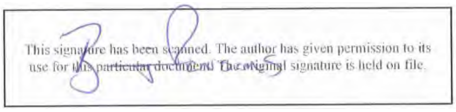
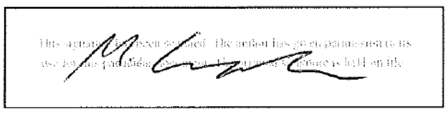
Wilson, S.E. 2010. Technical Report: Hemco Nicaragua SA, Bonanza Mine, Raan. NI 43-101 Technical Report, p. 119.

For and on behalf of SRK Consulting (UK) Limited



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



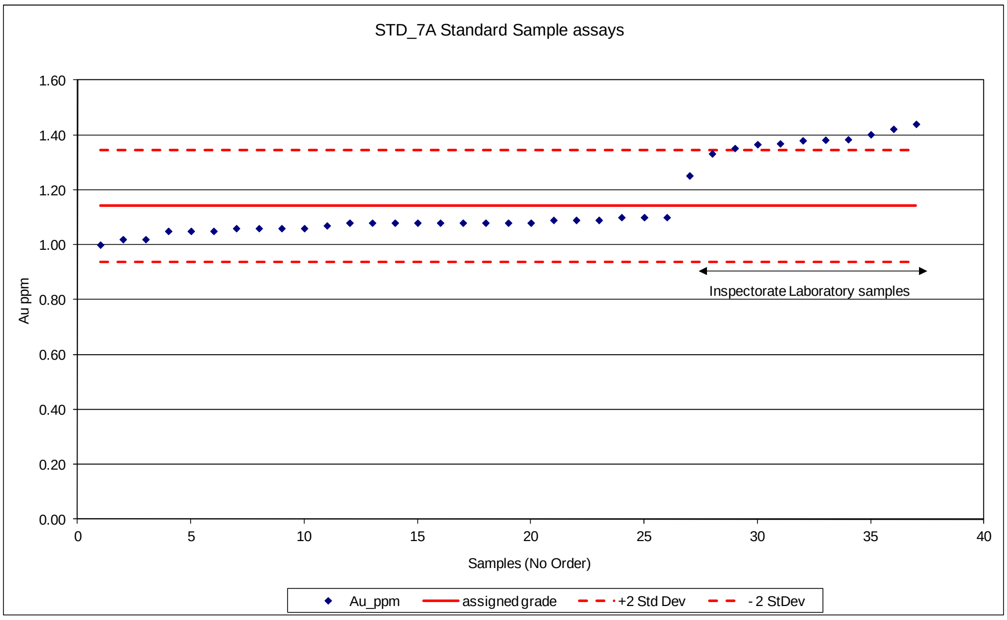
Mark Campodonic
Principal Consultant (Resource Geology),
SRK Consulting (UK) Limited

APPENDIX

A QAQC

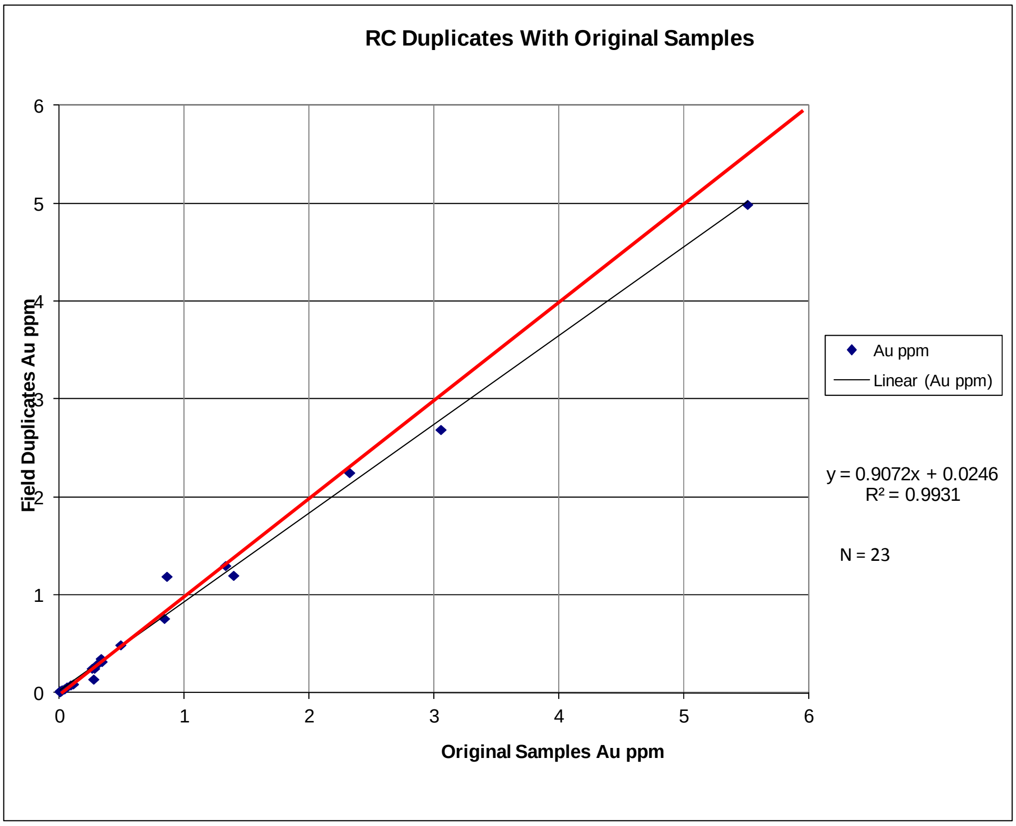
2007/2008 (Cacao) Programme

Standard Reference Material

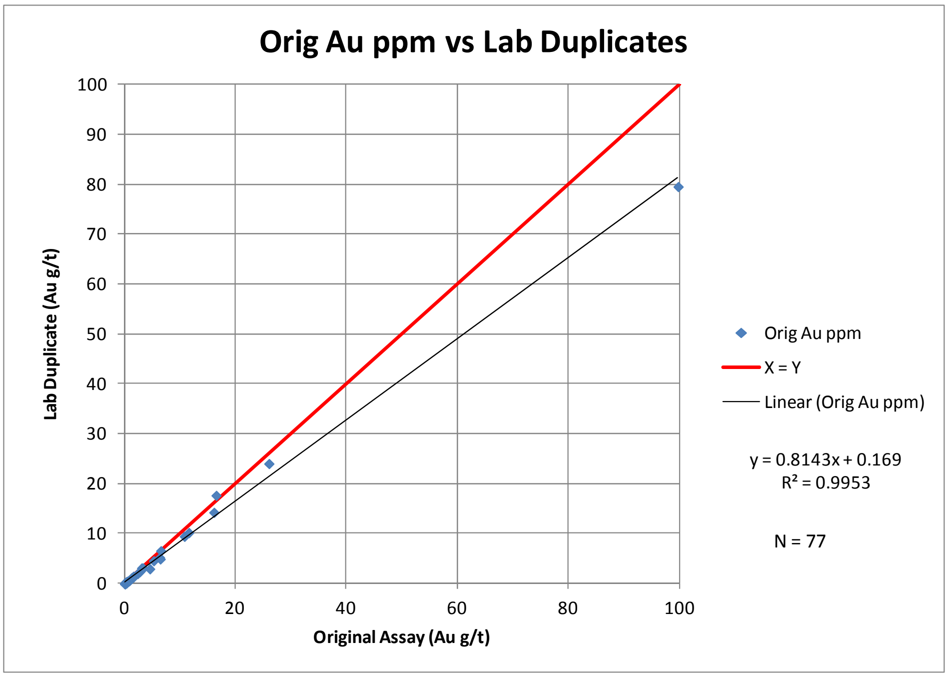


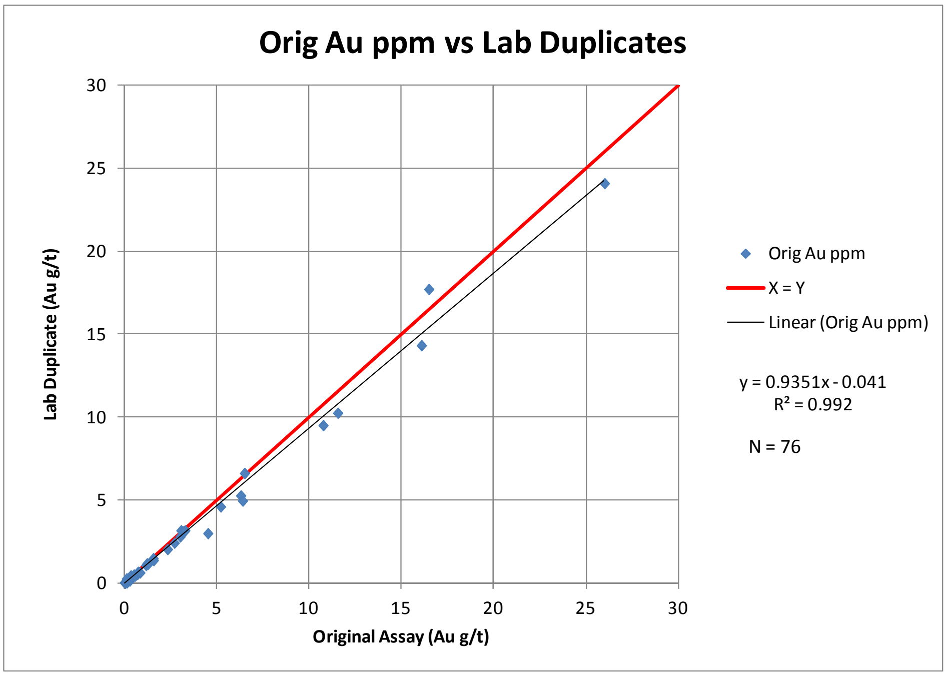
Std ID	No. samples	Mean Au (ppm)	Std Dev	Minimum Au (ppm)	Maximum Au (ppm)	Comments
STD_7A	26.00	1.07	0.03	1.00	1.10	
STD_7A	11.00	1.37	0.05	1.25	1.44	Inspectorate

Field Duplicates

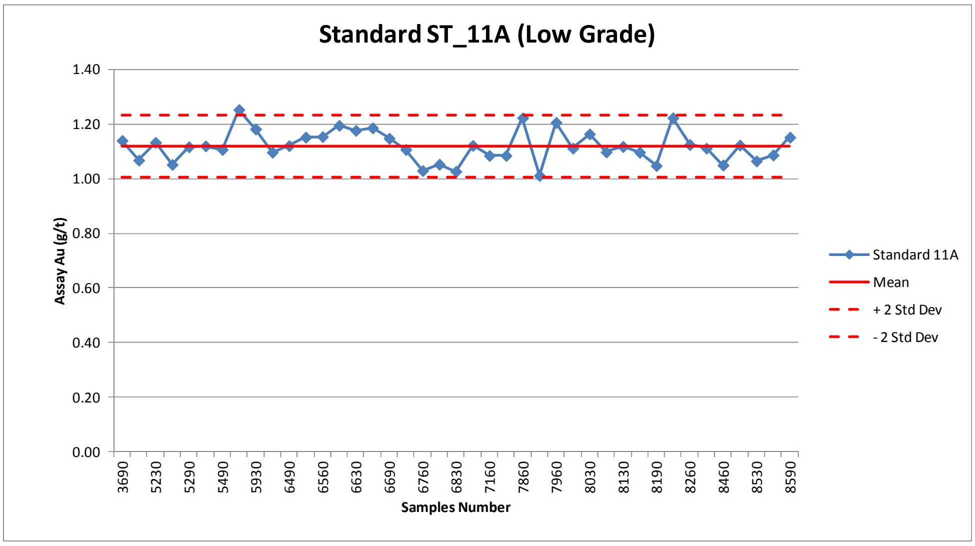


Laboratory Pulp Duplicates

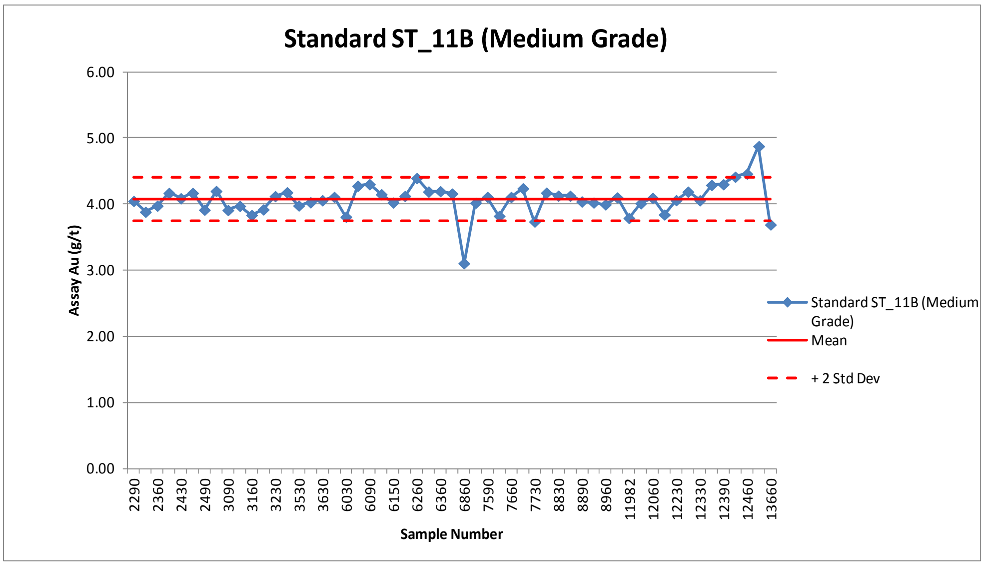




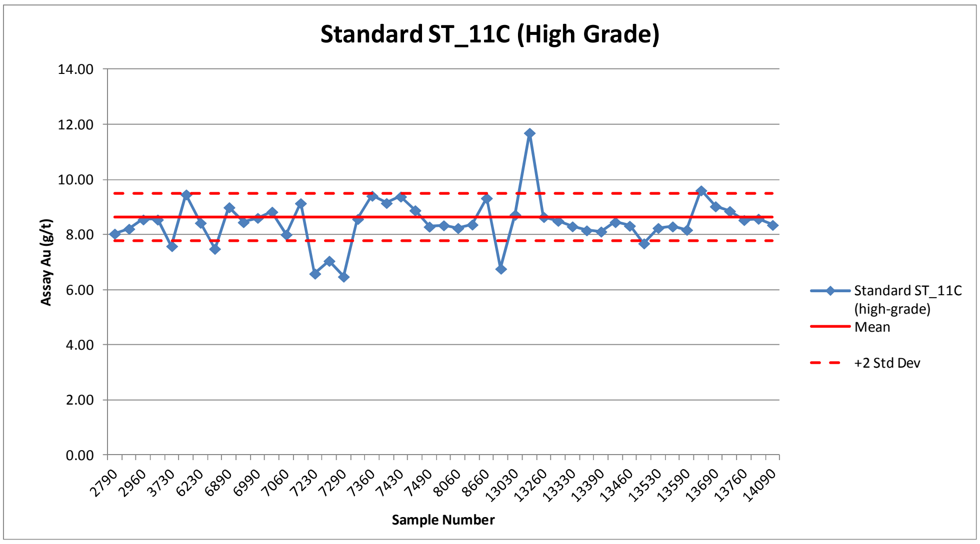
2011 (La India) Programme



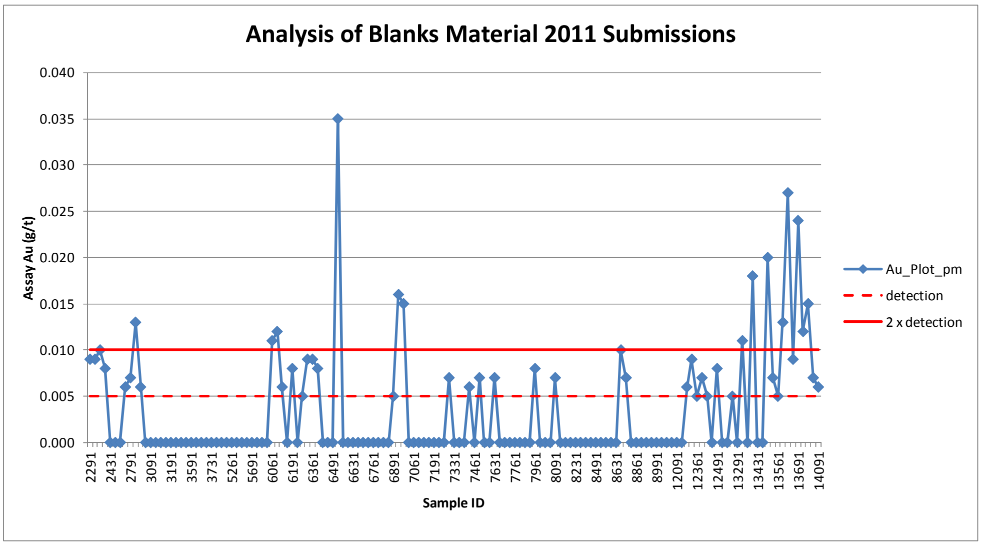
Std ID	No. samples	Mean Au (ppm)	Std Dev	Minimum Au (ppm)	Maximum Au (ppm)	Comments
STD_11A	41	1.12	0.057	1.012	1.253	No outliers



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

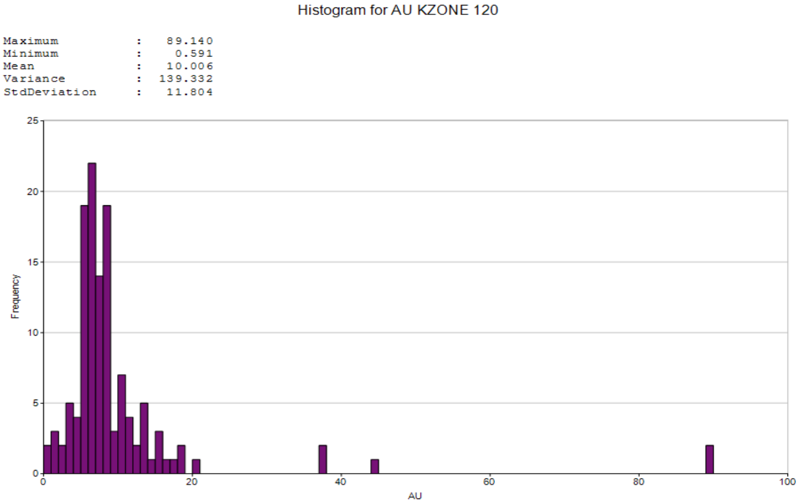


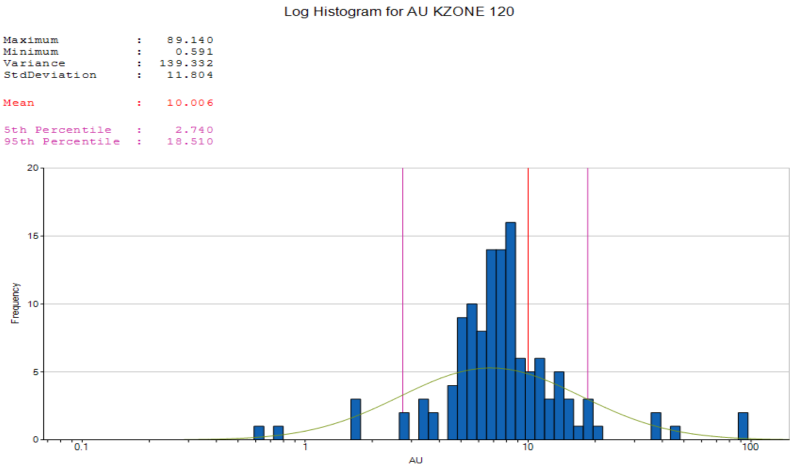
COUNT	AVERAGE	STANDARD DEVIATION	MAXIMUM	MINIMUM	>0.005ppm	>0.01ppm
145	0.003	0.006	0.035	0	42	14

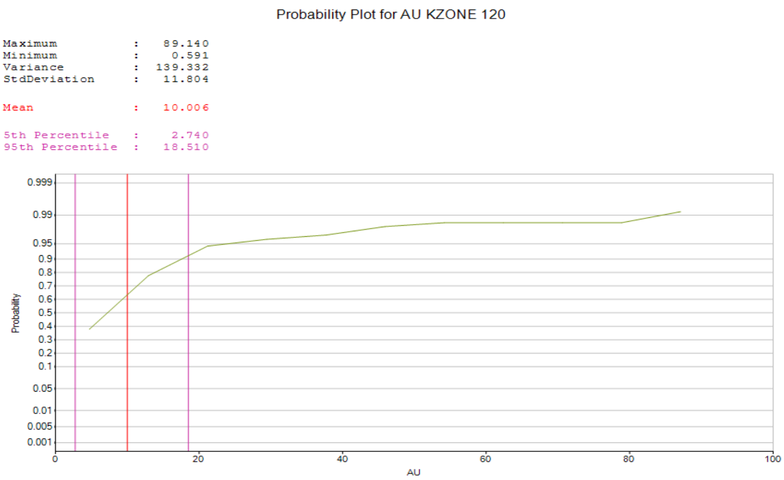
APPENDIX

B HISTOGRAMS AND SAMPLE STATISTICS

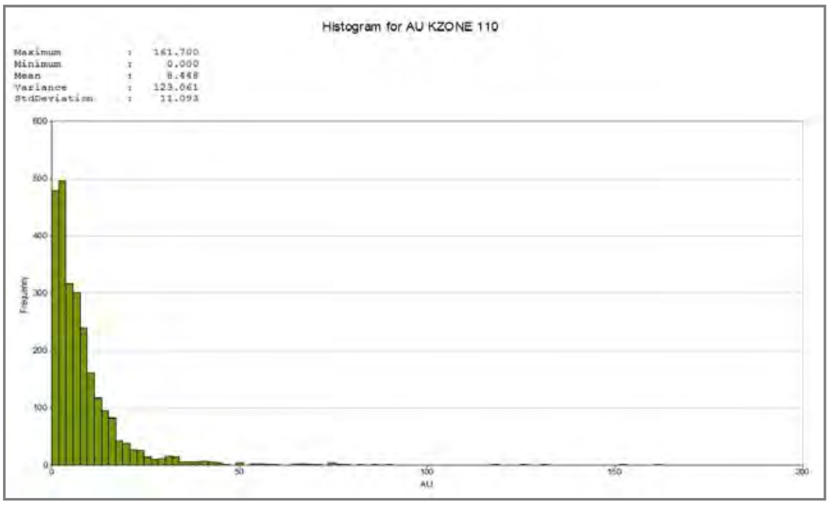
AGUA CALIENTE

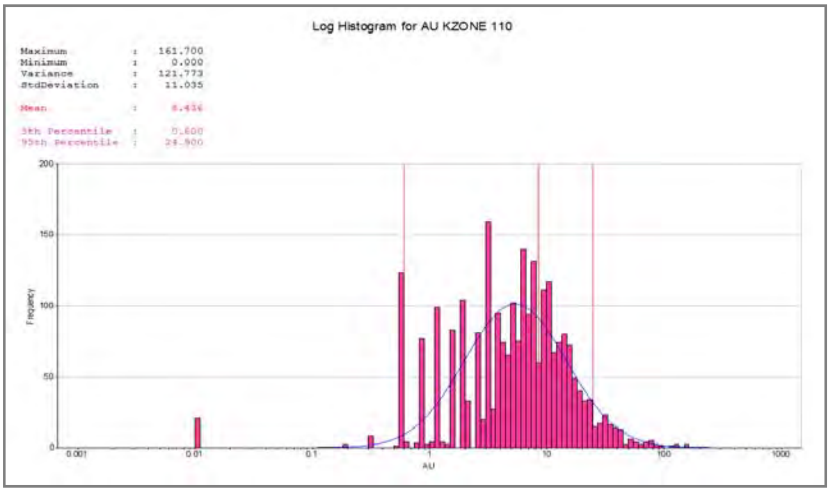


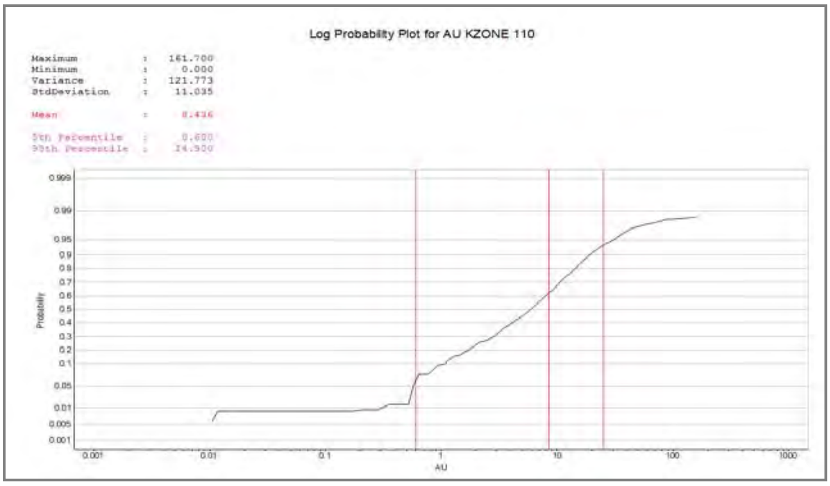




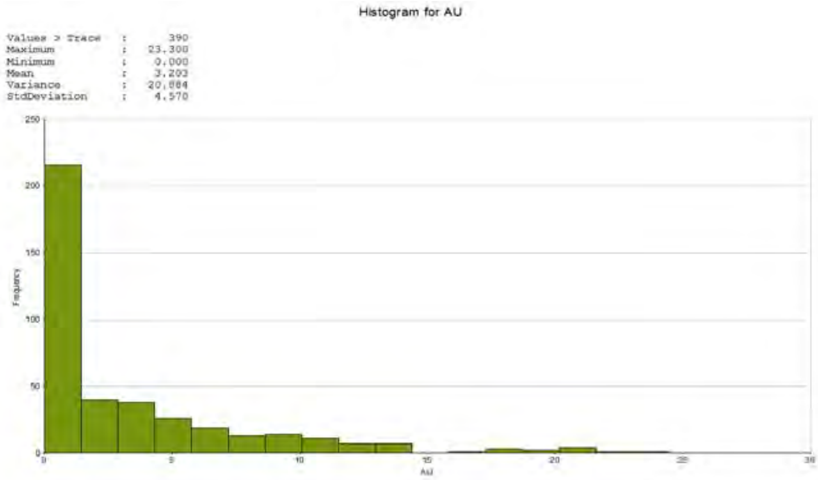
AMERICA

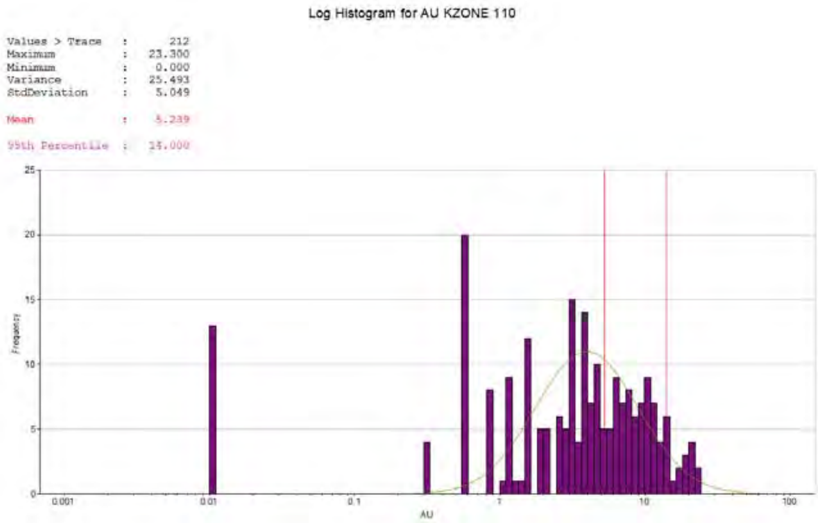

Histogram for AU KZONE 110
Maximum : 161.700
Minimum : 0.000
Mean : 8.448
Variance : 123.061
StdDeviation : 11.093
Frequency
AU


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


Histogram for AU
Values > Trace : 390
Maximum : 23.300
Minimum : 0.000
Mean : 3.203
Variance : 20.884
StdDeviation : 4.570
Frequency
AU


Log Histogram for AU KZONE 110
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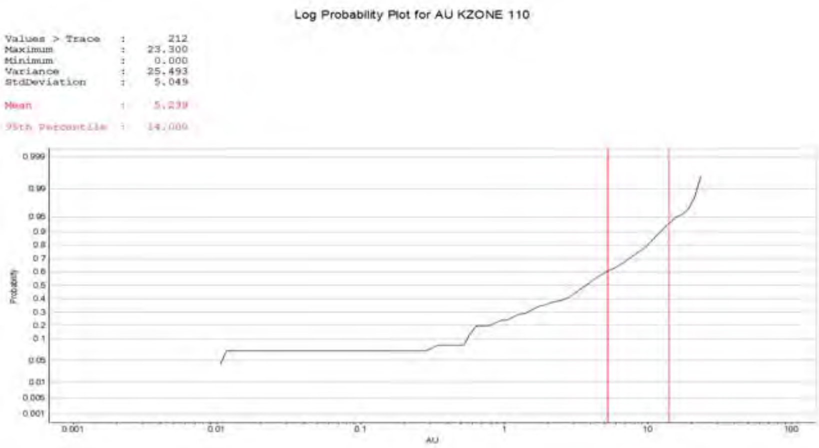
Maximum : 23.300
Minimum : 0.000
Variance : 25.493
StdDeviation : 5.049
Mean : 5.239
95th Percentile : 14.000
Frequency
AU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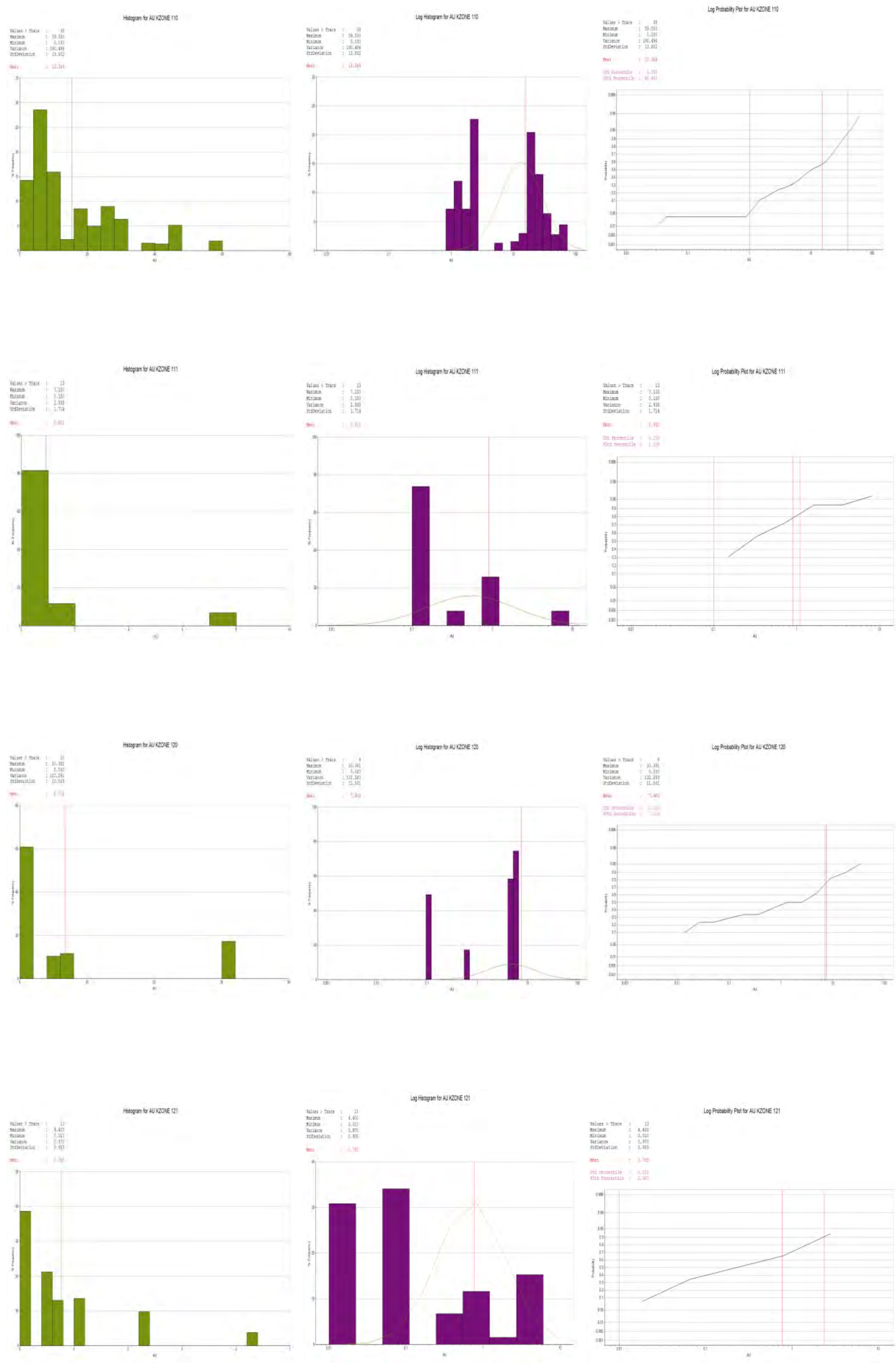
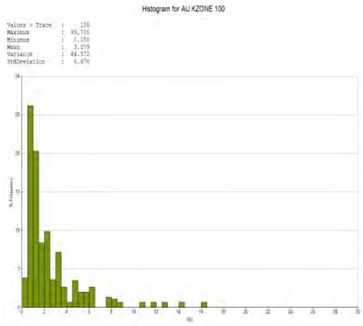
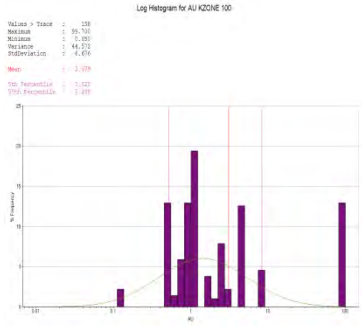
Mean : 5.239
95th Percentile : 14.000
Probability
AU

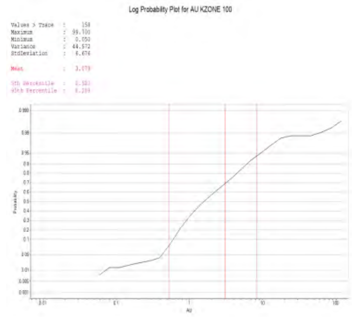
BUENOS AIRES

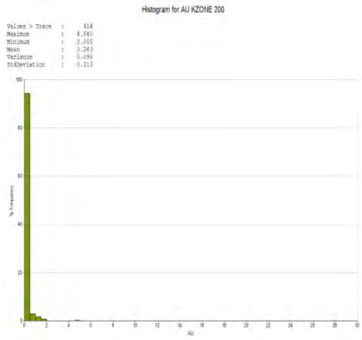


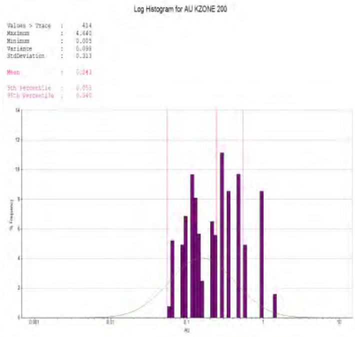
CACAO

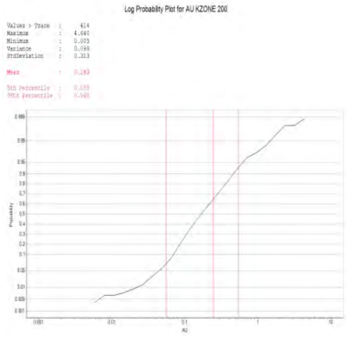




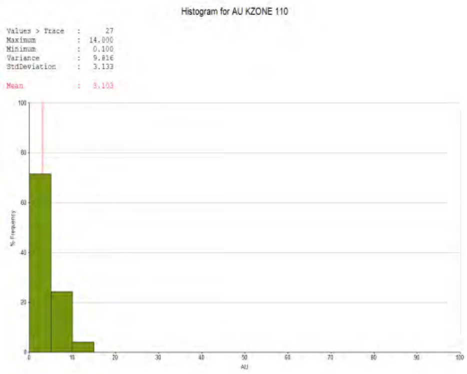


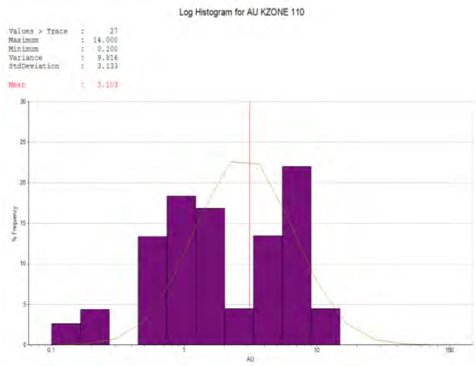


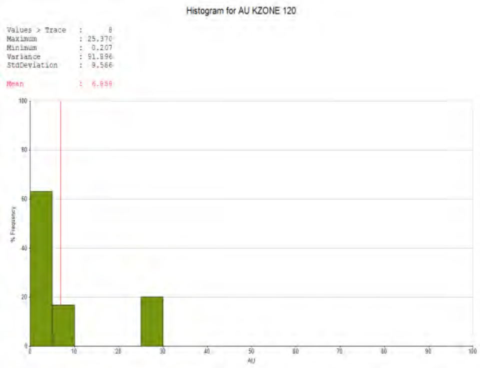


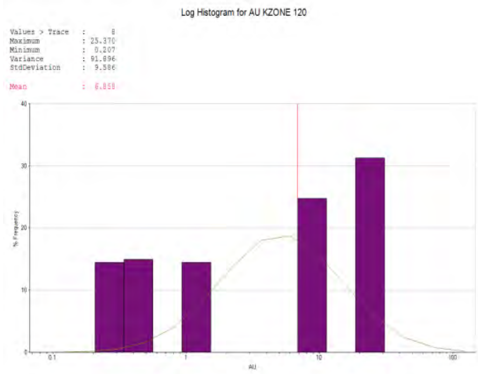


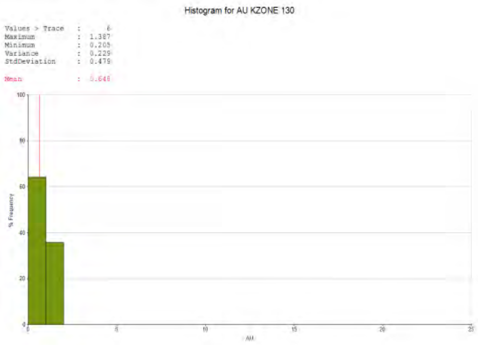
CALIFORNIA







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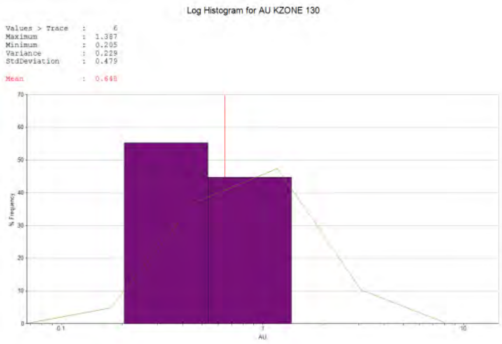
Mean : 0.648
% Frequency
AU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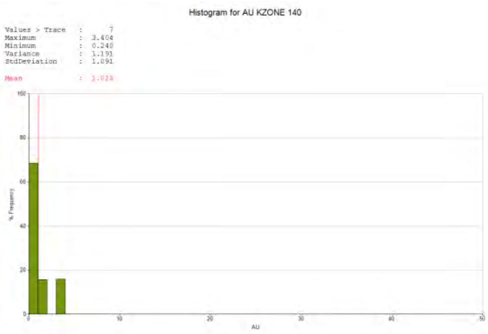
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Maximum : 3.404
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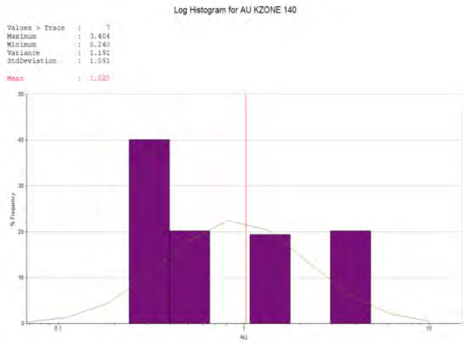
% Frequency
AU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Mean : 1.025
% Frequency
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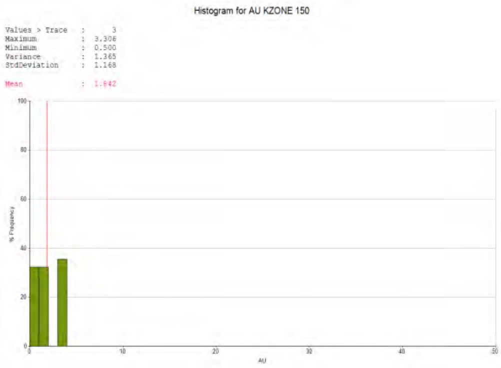
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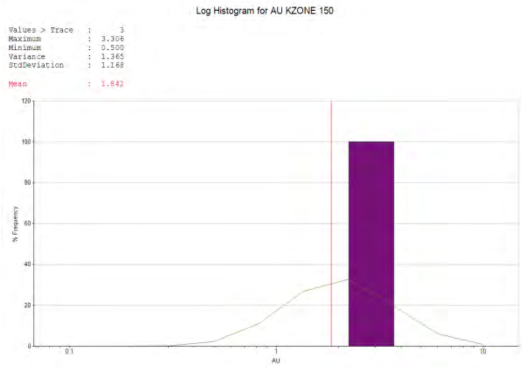
Mean : 1.842
% Frequency
AU


Log Histogram for AU KZONE 150
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Variance : 1.365
StdDeviation : 1.168
Mean : 1.842
% Frequency
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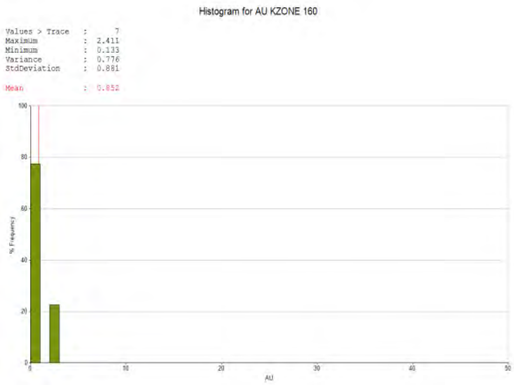
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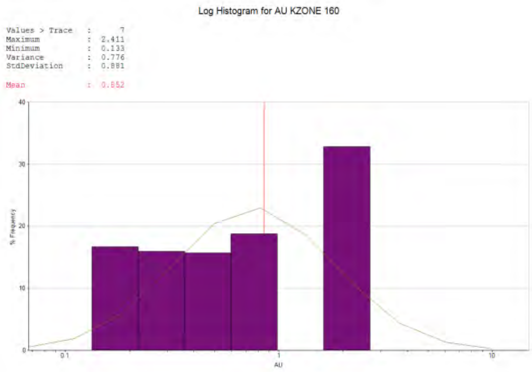
Mean : 0.852
% Frequency
AU


Log Histogram for AU KZONE 160
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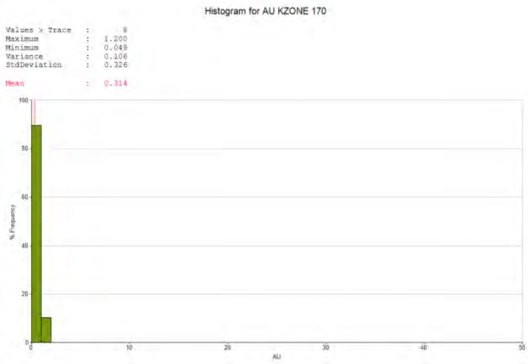
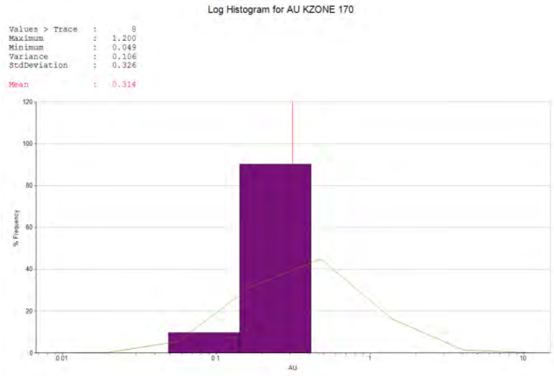
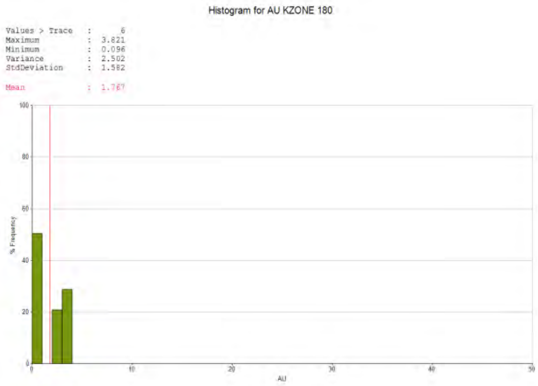
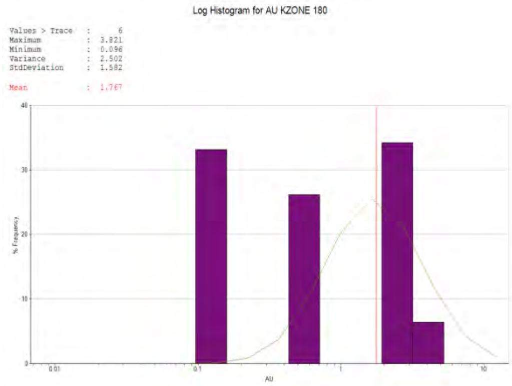
Maximum : 2.411
Minimum : 0.133
Variance : 0.776
StdDeviation : 0.881
Mean : 0.852
% Frequency
AU

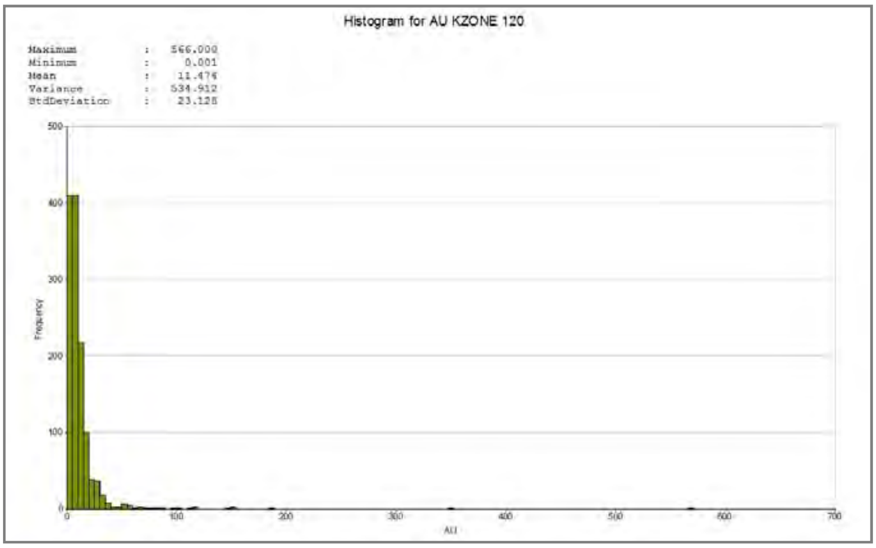

Histogram for AU KZONE 170
Values > Trace : 8
Maximum : 1.200
Minimum : 0.049
Variance : 0.106
StdDeviation : 0.326
Mean : 0.314
% Frequency
AU

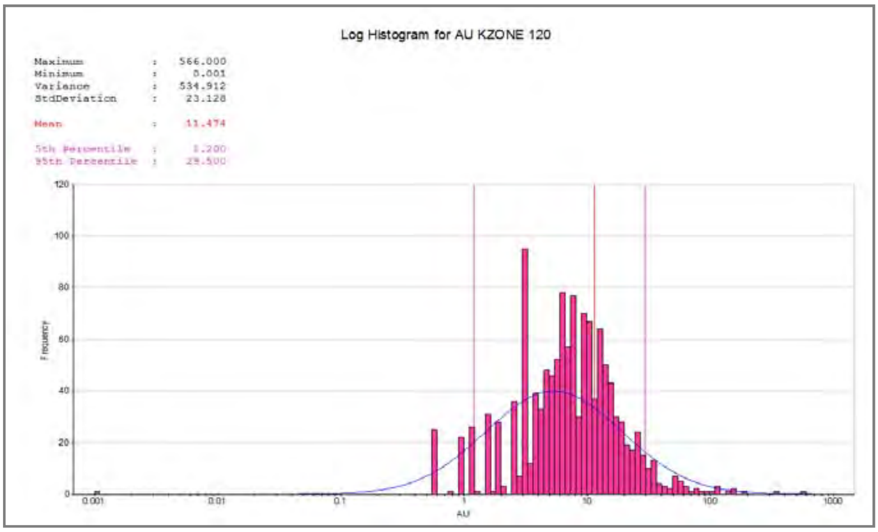

Log Histogram for AU KZONE 170
Values > Trace : 8
Maximum : 1.200
Minimum : 0.049
Variance : 0.106
StdDeviation : 0.326
Mean : 0.314
% Frequency
AU

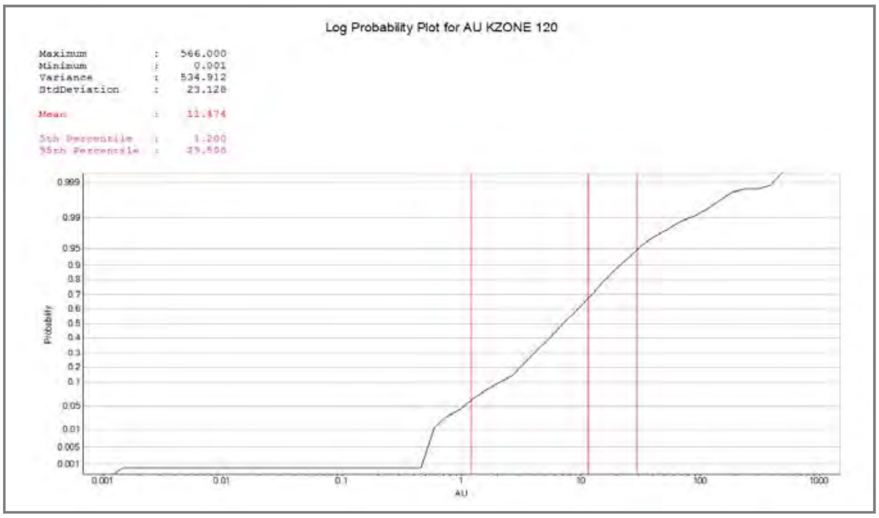

Histogram for AU KZONE 180
Values > Trace : 6
Maximum : 3.821
Minimum : 0.096
Variance : 2.502
StdDeviation : 1.582
Mean : 1.787
% Frequency
AU


Log Histogram for AU KZONE 180
Values > Trace : 6
Maximum : 3.821
Minimum : 0.096
Variance : 2.502
StdDeviation : 1.582
Mean : 1.787
% Frequency
AU

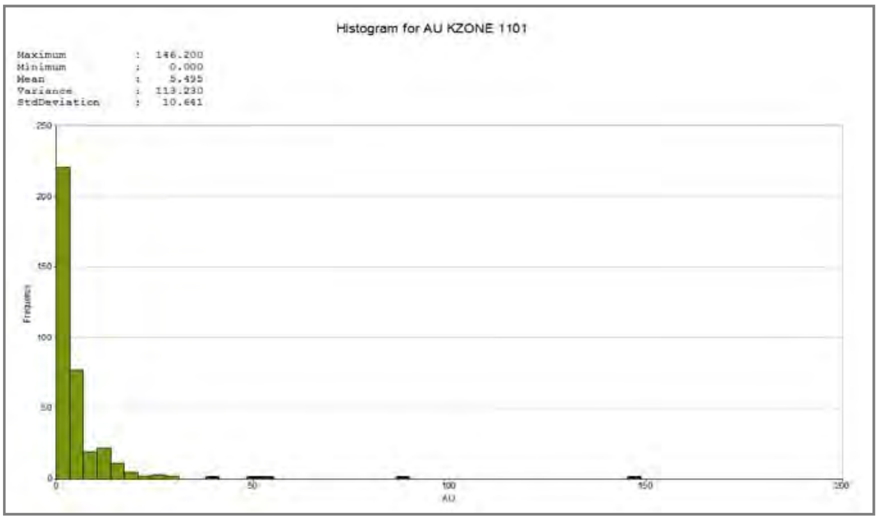
CONSTANCIA

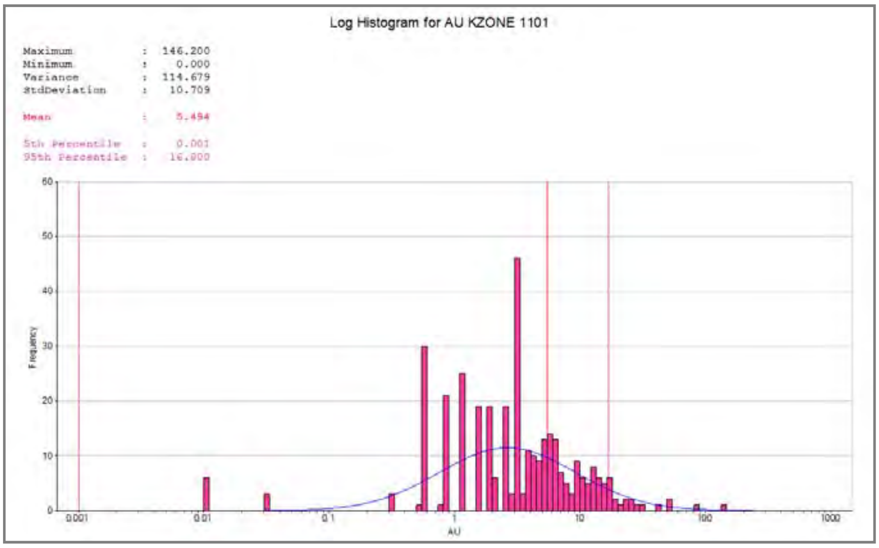

Histogram for AU KZONE 120
Maximum : 566.000
Minimum : 0.001
Mean : 11.474
Variance : 534.912
StdDeviation : 23.128
Frequency
AU

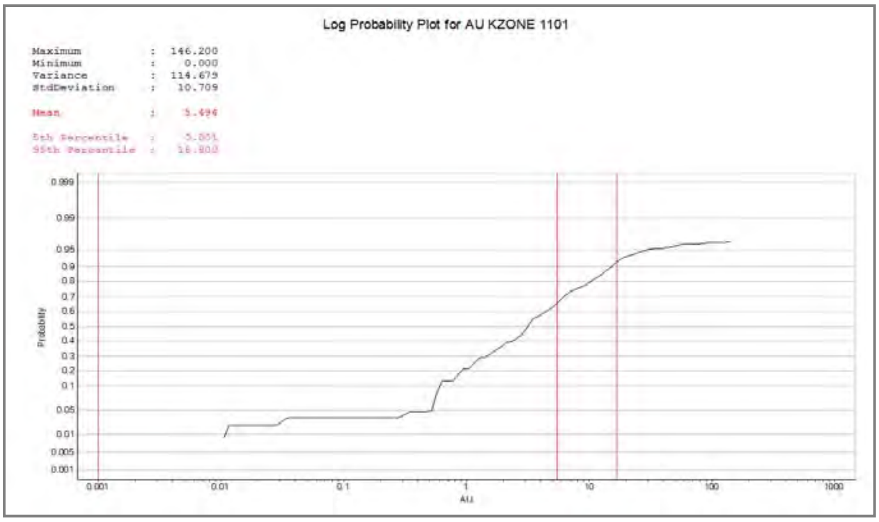

Log Histogram for AU KZONE 120
Maximum : 566.000
Minimum : 0.001
Variance : 534.912
StdDeviation : 23.128
Mean : 11.474
Frequency
AU


Log Probability Plot for AU KZONE 120
Maximum : 566.000
Minimum : 0.001
Variance : 534.912
StdDeviation : 23.128
Mean : 11.474
Probability
AU

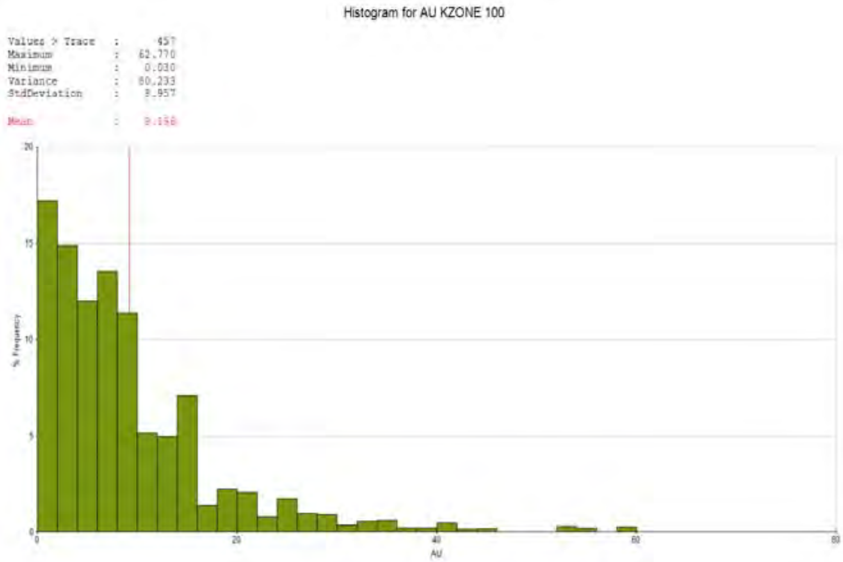
ESCONDIDO

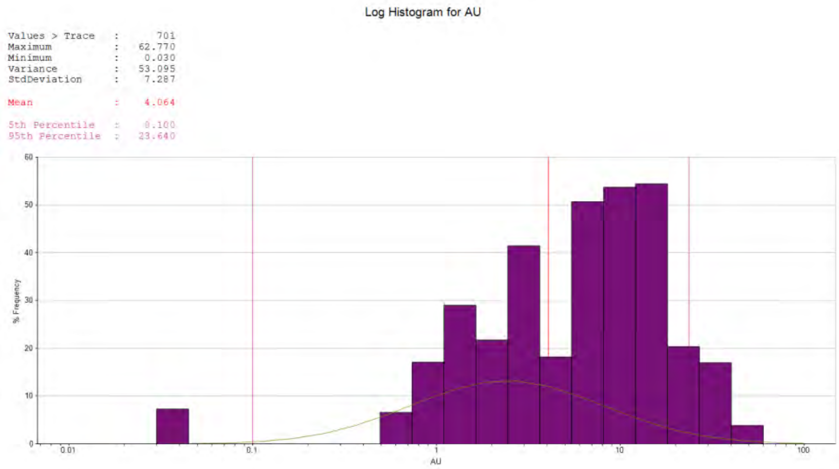

Histogram for AU KZONE 1101
Maximum : 146.200
Minimum : 0.000
Mean : 5.495
Variance : 113.230
StdDeviation : 10.641
Frequency
AU

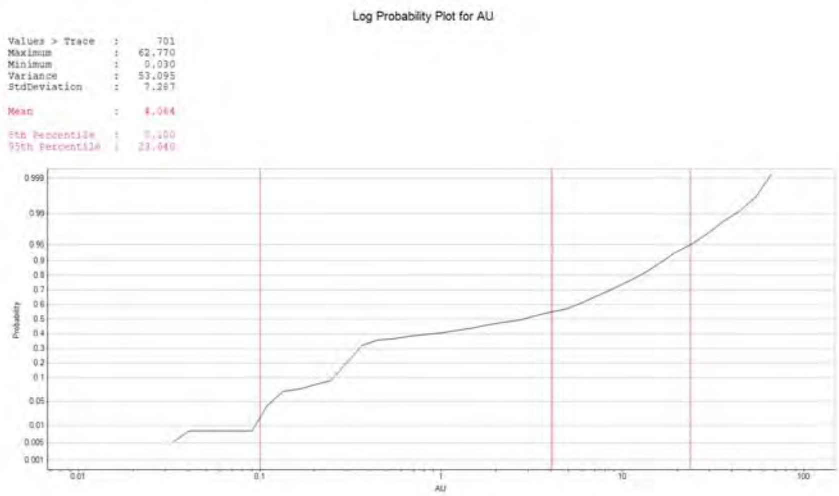

Log Histogram for AU KZONE 1101
Maximum : 146.200
Minimum : 0.000
Variance : 114.679
StdDeviation : 10.709
Mean : 5.494
95th Percentile : 16.800
Frequency
AU


Log Probability Plot for AU KZONE 1101
Maximum : 146.200
Minimum : 0.000
Variance : 114.679
StdDeviation : 10.709
Probability
AU

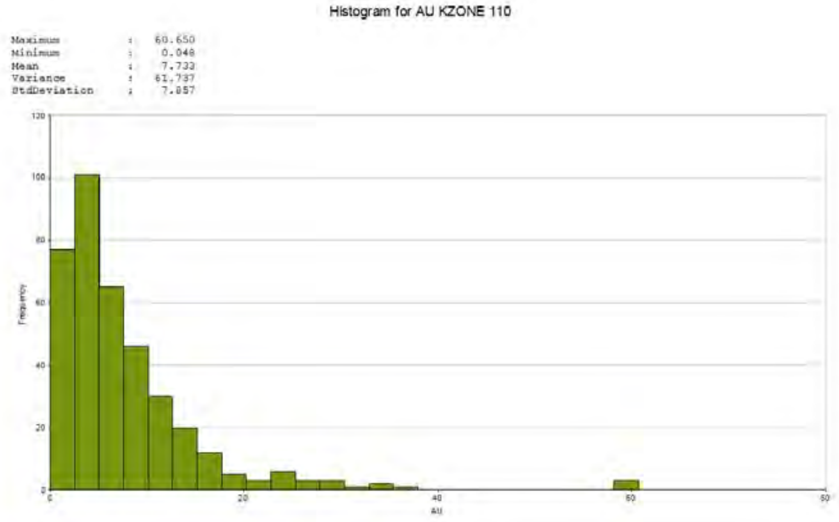
ESPINITO

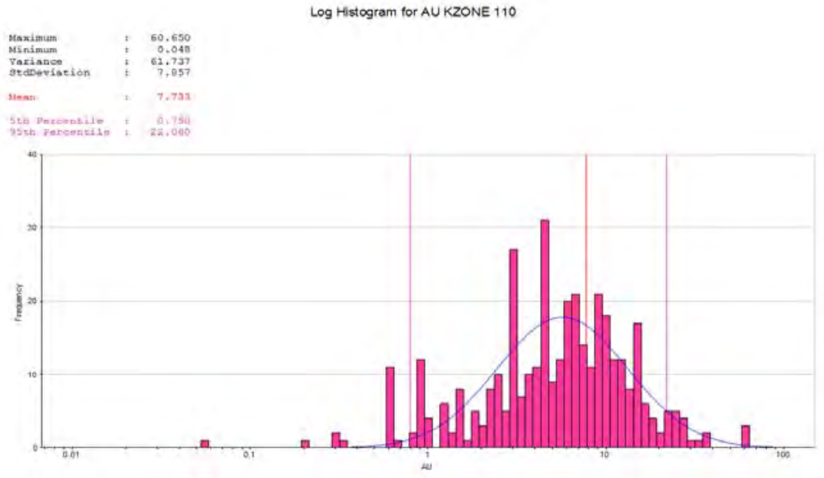

Histogram for AU KZONE 100
Values > Trace : 457
Maximum : 62.770
Minimum : 0.030
Variance : 80.233
StdDeviation : 8.957
Mean
% Frequency
AU

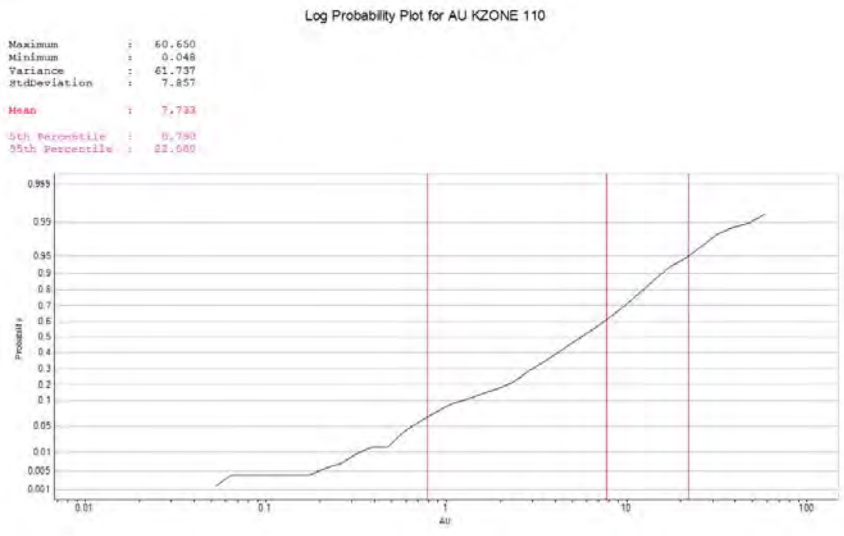

Log Histogram for AU
Values > Trace : 701
Maximum : 62.770
Minimum : 0.030
Variance : 53.095
StdDeviation : 7.287
Mean : 4.064
5th Percentile : 0.100
95th Percentile : 23.640
% Frequency
AU


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
95th Percentile
Probability
AU

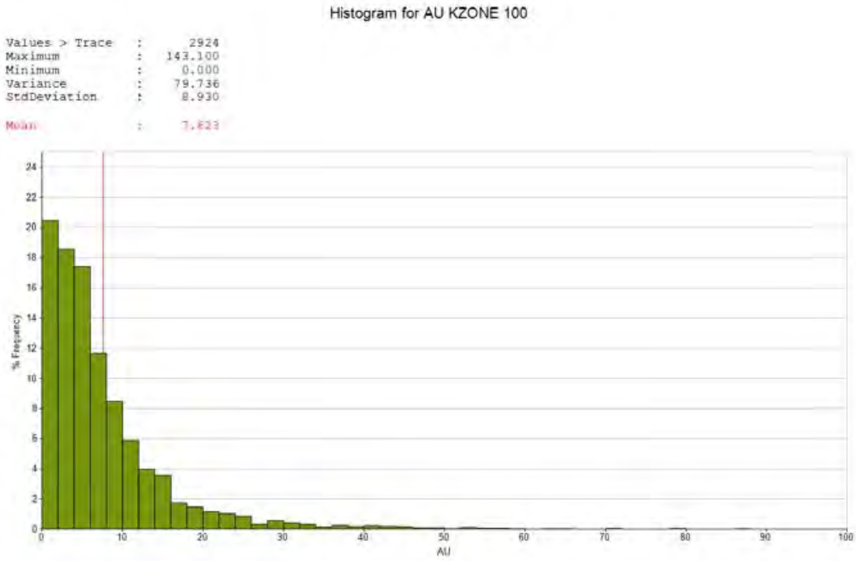
GUAPINOL

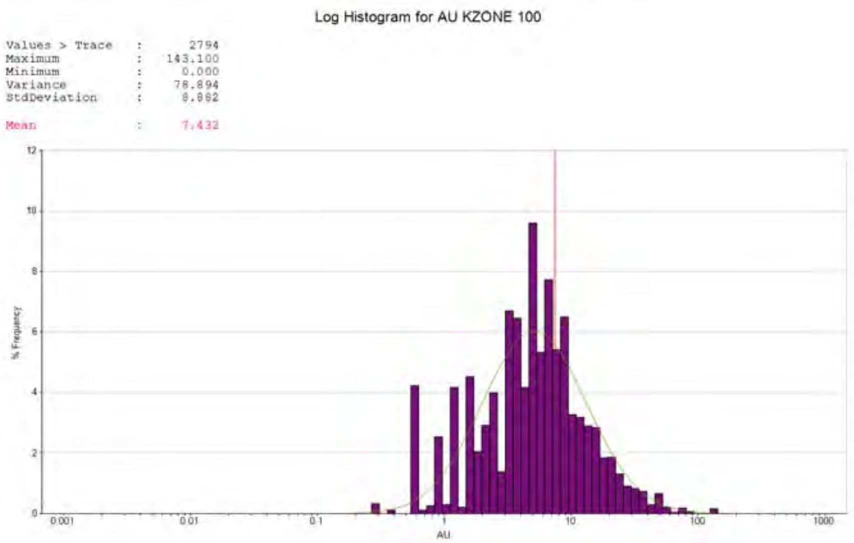

Histogram for AU KZONE 110
Maximum : 60.650
Minimum : 0.048
Mean : 7.733
Variance : 61.737
StdDeviation : 7.857
Frequency
AU

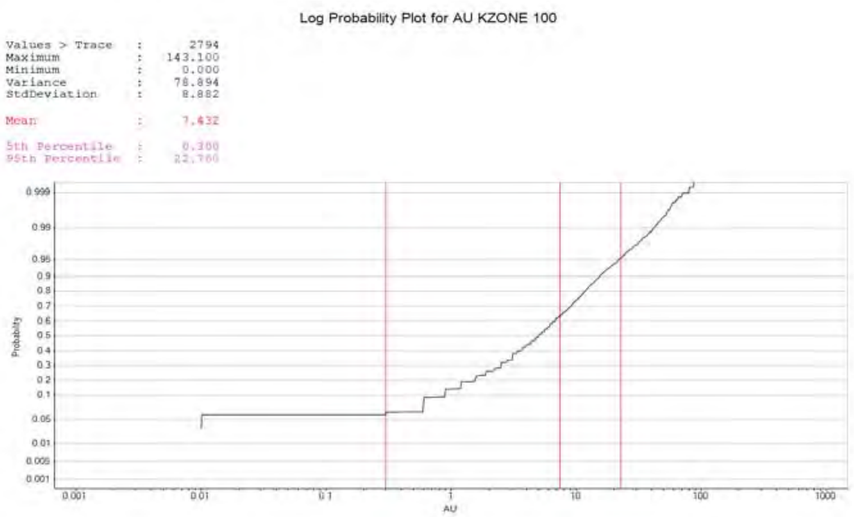

Log Histogram for AU KZONE 110
Maximum : 60.650
Minimum : 0.048
Variance : 61.737
StdDeviation : 7.857
Mean : 7.733
5th Percentile : 0.790
95th Percentile : 22.080
Frequency
AU


Log Probability Plot for AU KZONE 110
Maximum : 60.650
Minimum : 0.048
Variance : 61.737
StdDeviation : 7.857
Mean : 7.733
5th Percentile : 0.790
95th Percentile : 22.080
Probability
AU

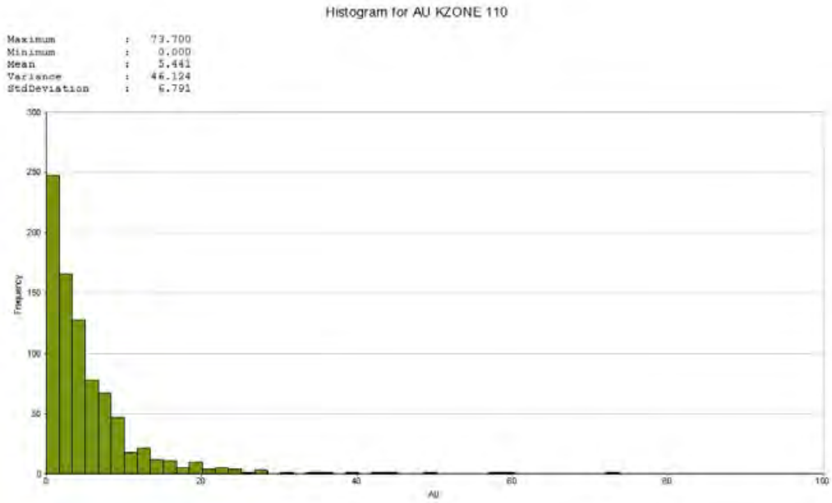
LA INDIA

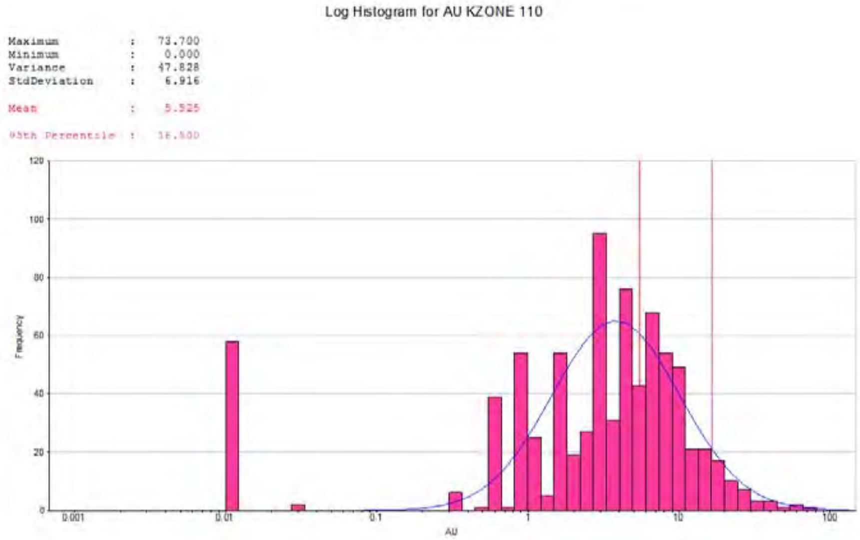

Histogram for AU KZONE 100
Values > Trace : 2924
Maximum : 143.100
Minimum : 0.000
Variance : 79.736
StdDeviation : 8.930
Mean : 7.623
% Frequency
AU

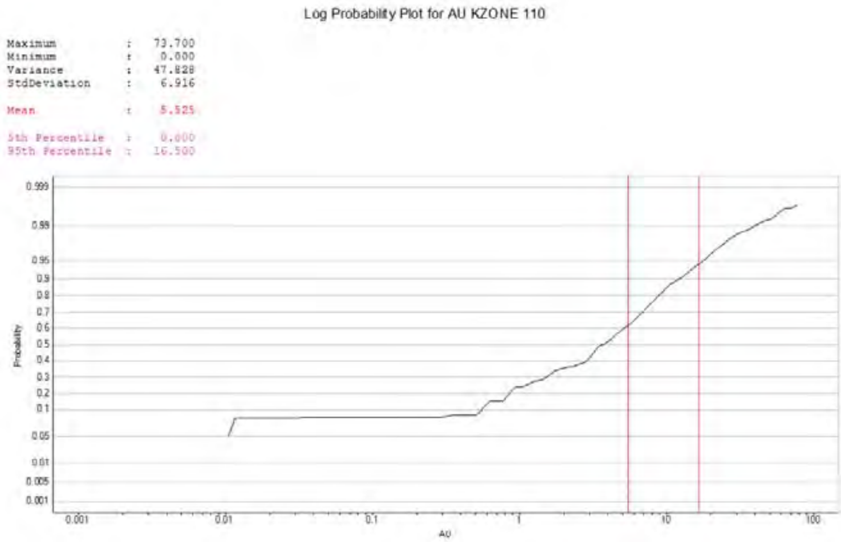

Log Histogram for AU KZONE 100
Values > Trace : 2794
Maximum : 143.100
Minimum : 0.000
Variance : 78.894
StdDeviation : 8.882
Mean : 7.432
% Frequency
AU


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

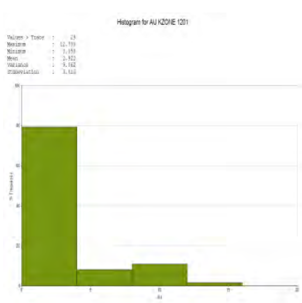
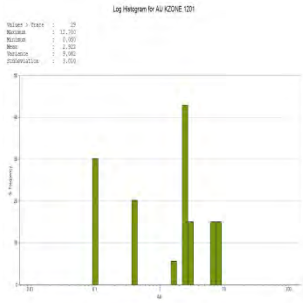
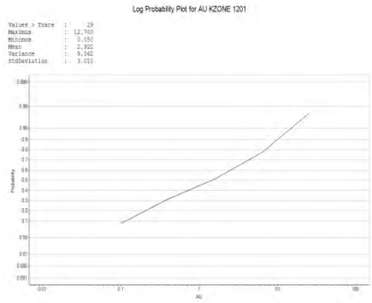
SAN LUCAS

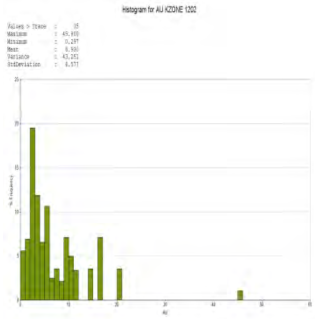
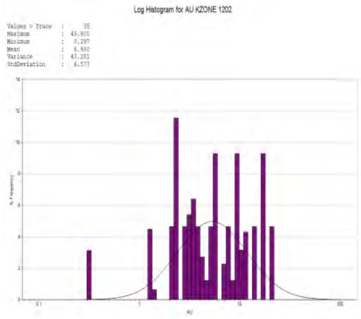
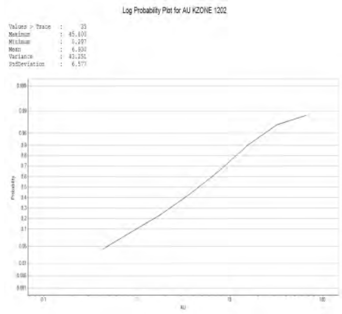

Histogram for AU KZONE 110
Maximum : 73.700
Minimum : 0.000
Mean : 5.441
Variance : 46.124
StdDeviation : 6.791
Frequency
AU

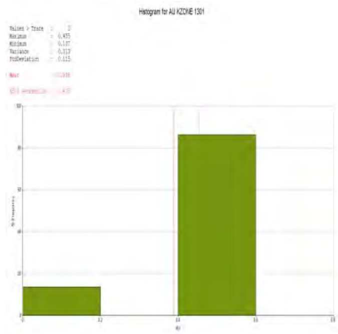
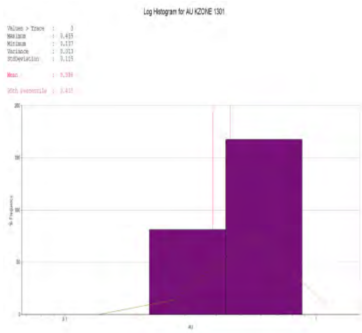

Log Histogram for AU KZONE 110
Maximum : 73.700
Minimum : 0.000
Variance : 47.828
StdDeviation : 6.916
Mean : 5.525
95th Percentile : 16.500
Frequency
AU

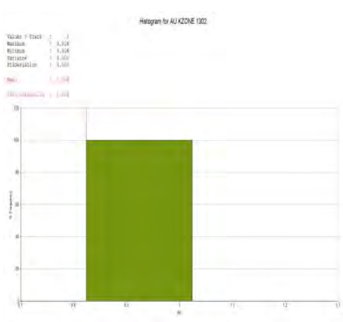
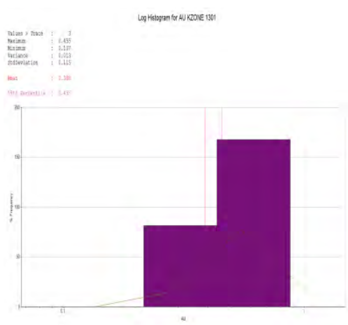

Log Probability Plot for AU KZONE 110
Maximum : 73.700
Minimum : 0.000
Variance : 47.828
StdDeviation : 6.916
Mean : 5.525
5th Percentile : 0.000
95th Percentile : 16.500
Probability
AU

TATIANA

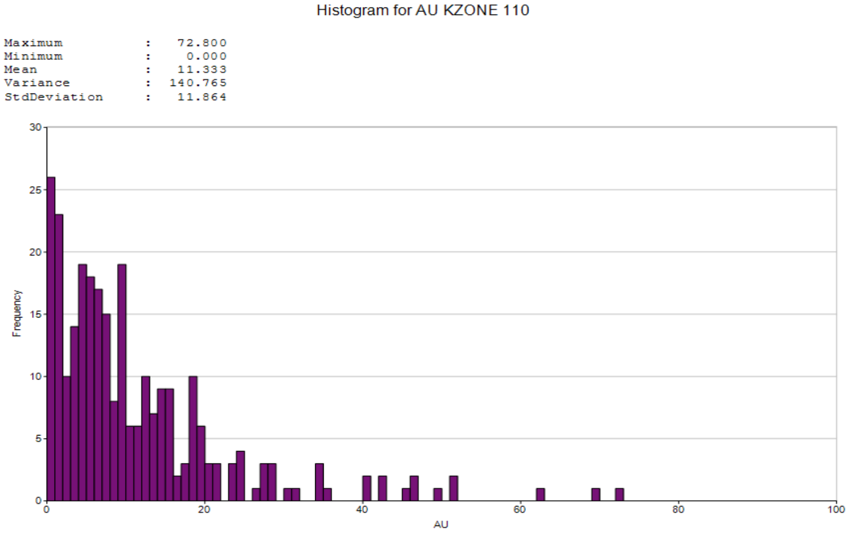




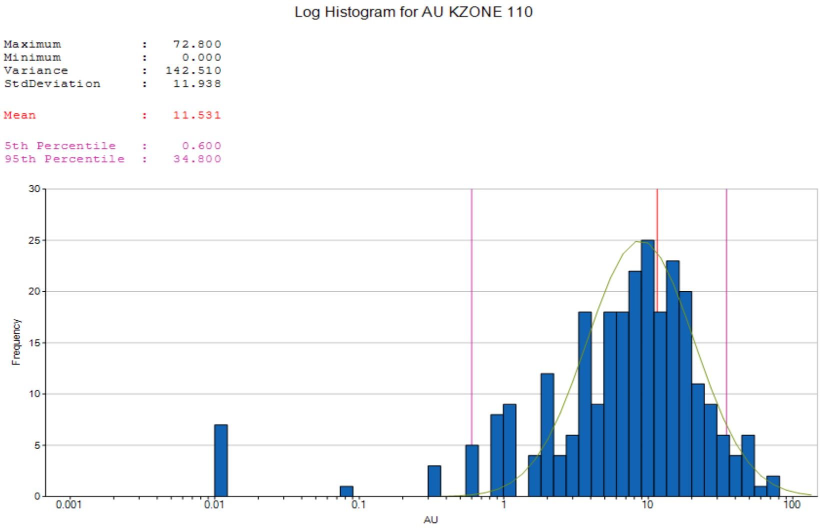




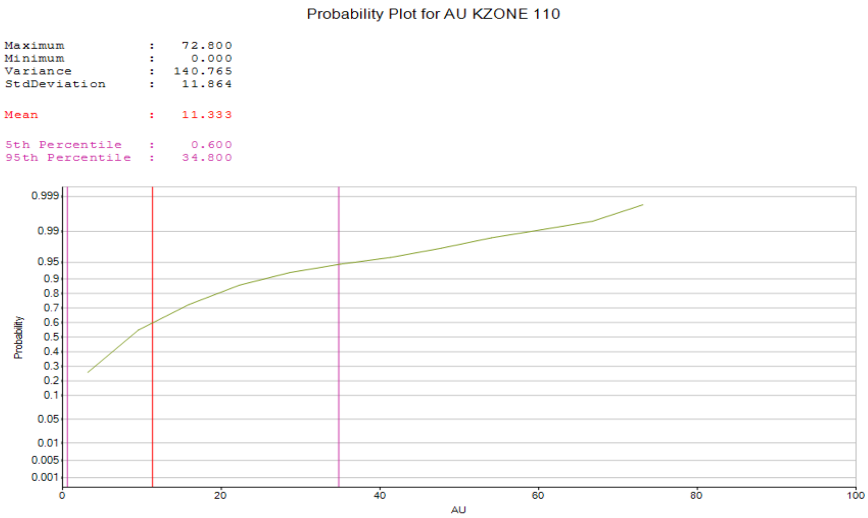



TERESA


Histogram for AU KZONE 110
Maximum : 72.800
Minimum : 0.000
Mean : 11.333
Variance : 140.765
StdDeviation : 11.864
Frequency
AU

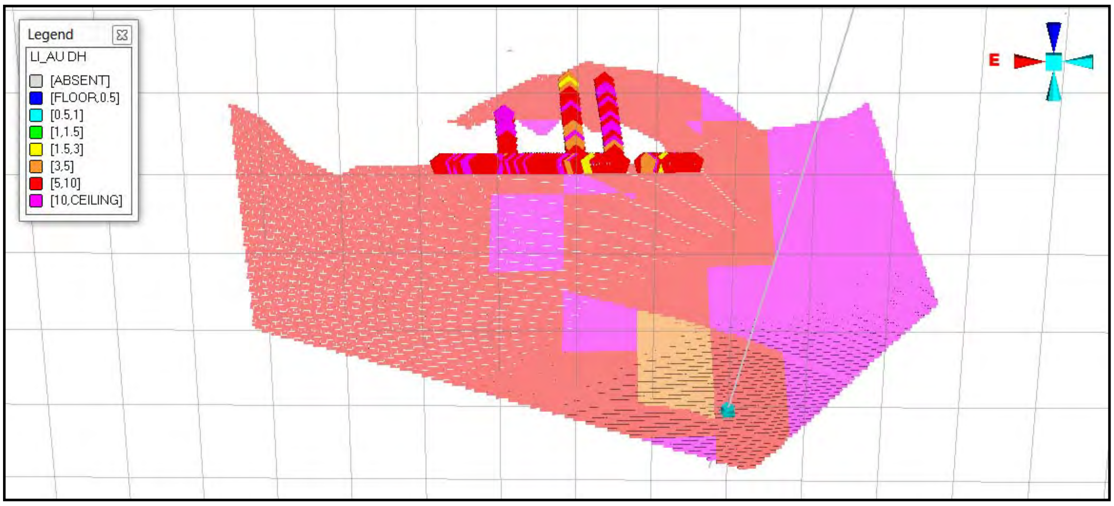

Log Histogram for AU KZONE 110
Maximum : 72.800
Minimum : 0.000
Variance : 142.510
StdDeviation : 11.938
Mean : 11.531
5th Percentile : 0.600
95th Percentile : 34.800
Frequency
AU


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
Probability
AU

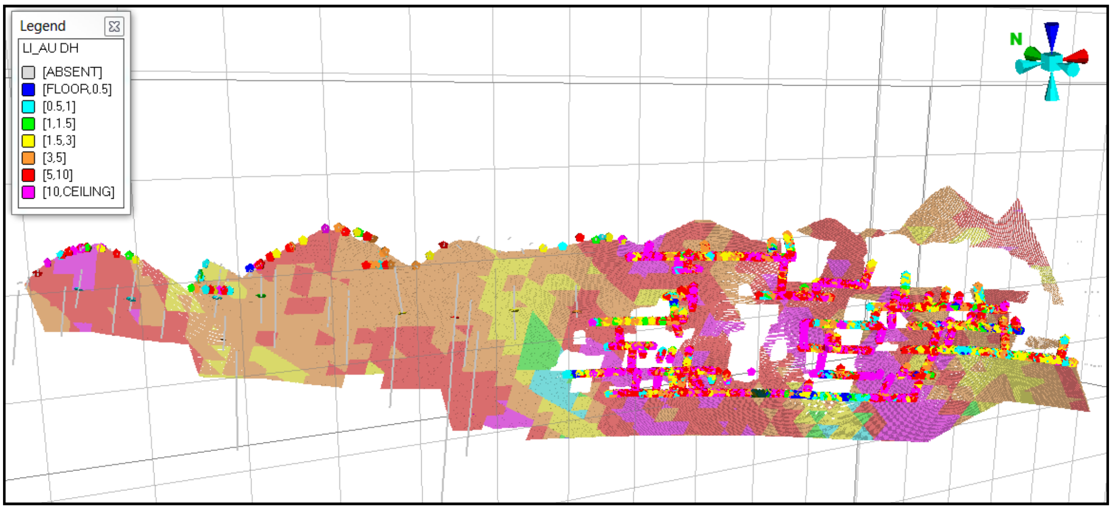
APPENDIX

C GRADE SECTION

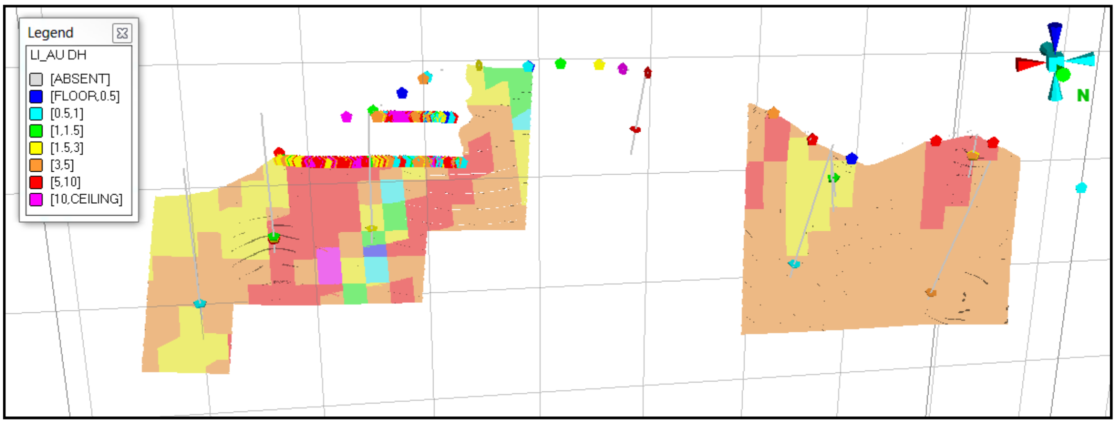
Agua Caliente



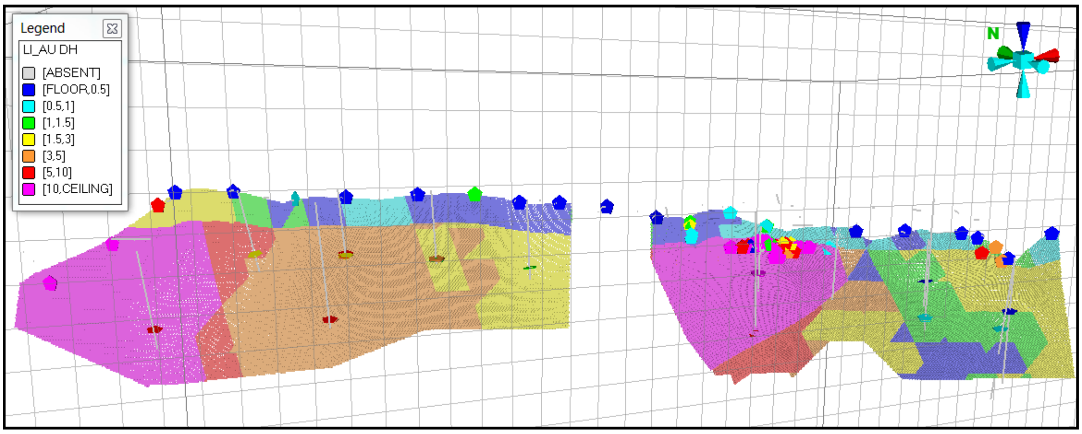
America



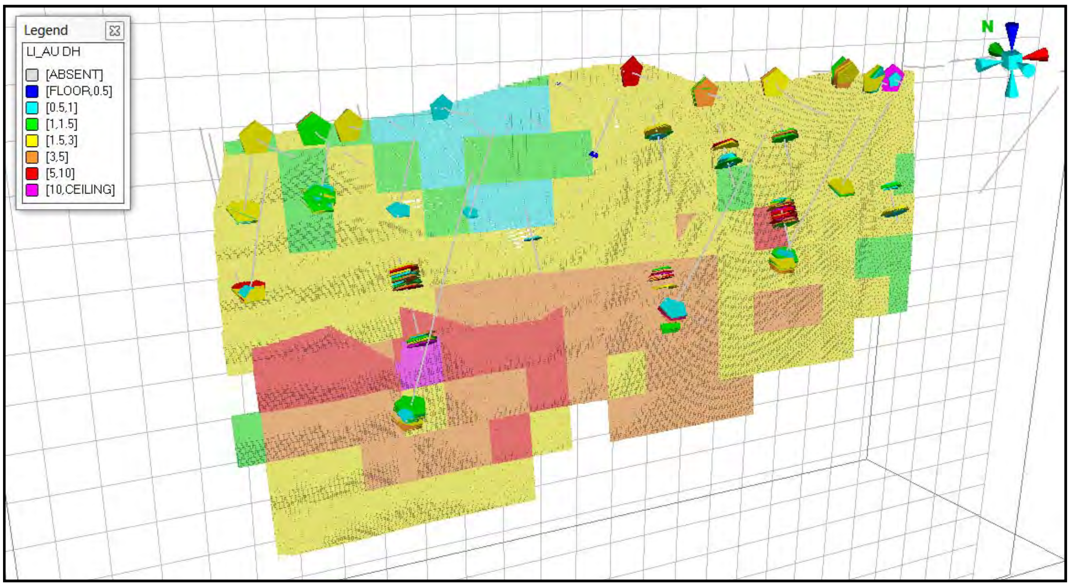
Arizona



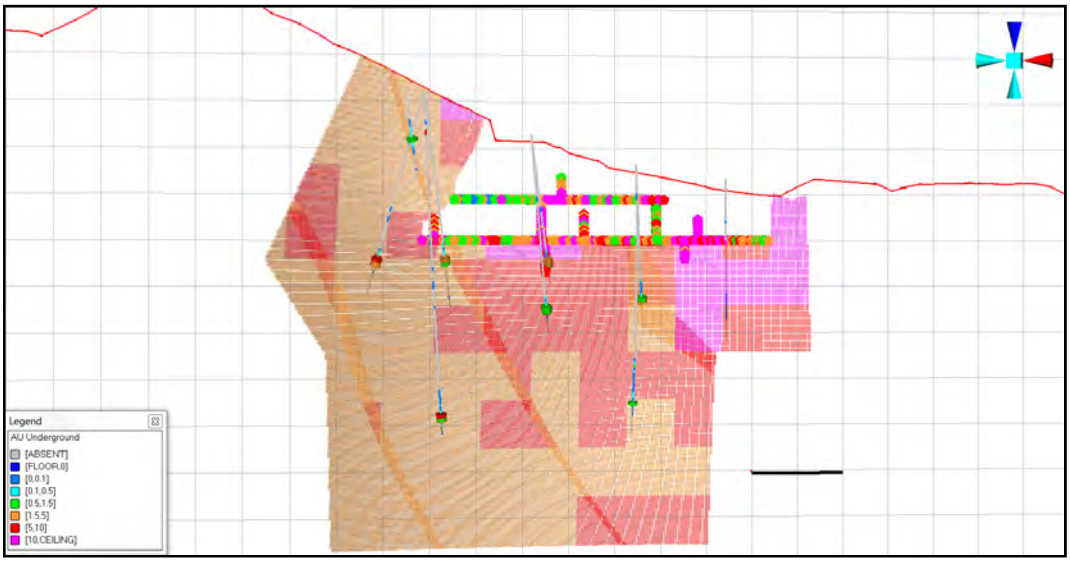
Buenos Aires



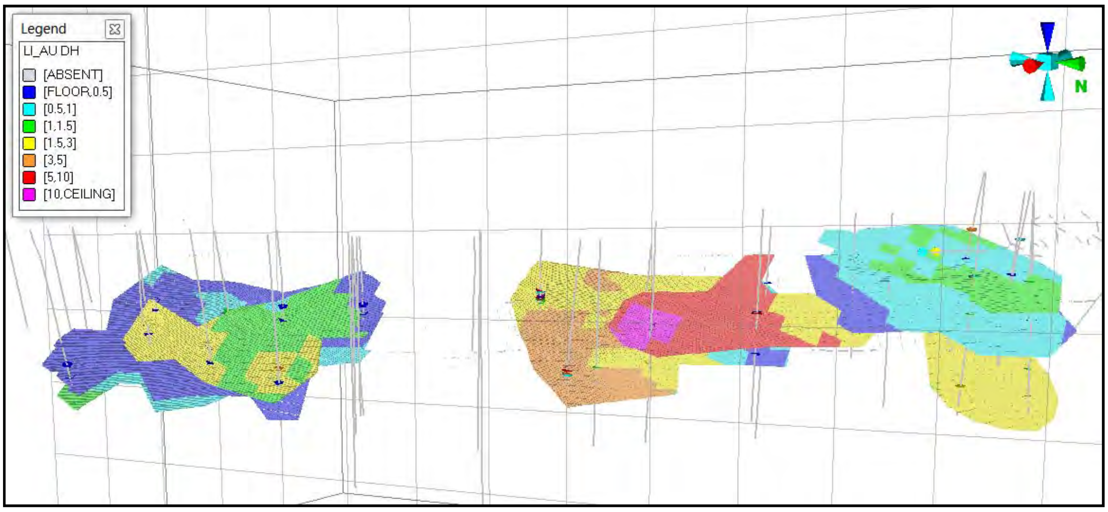
Cacao (vein domain)



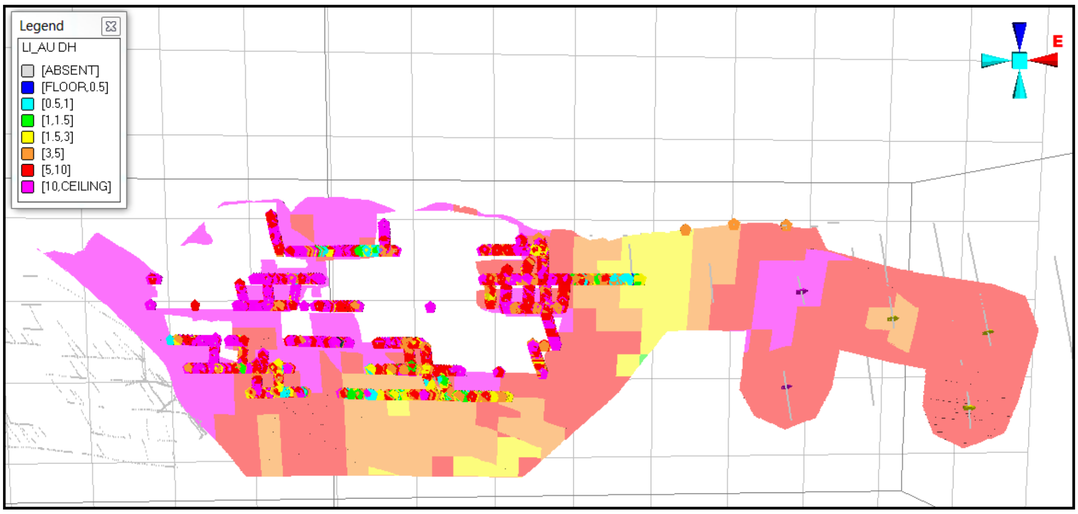
Cristilitos-Tatascame



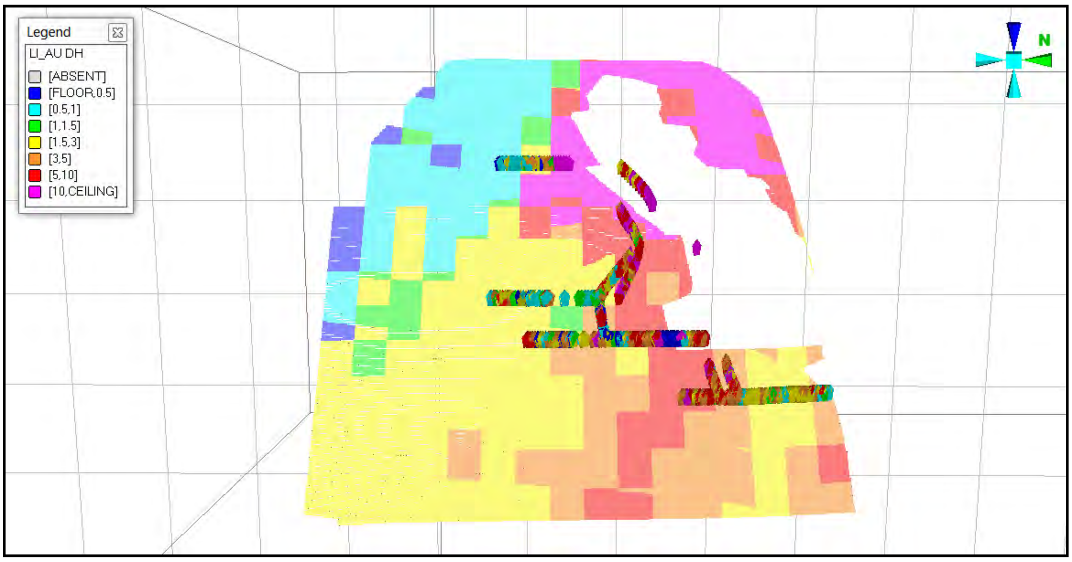
California



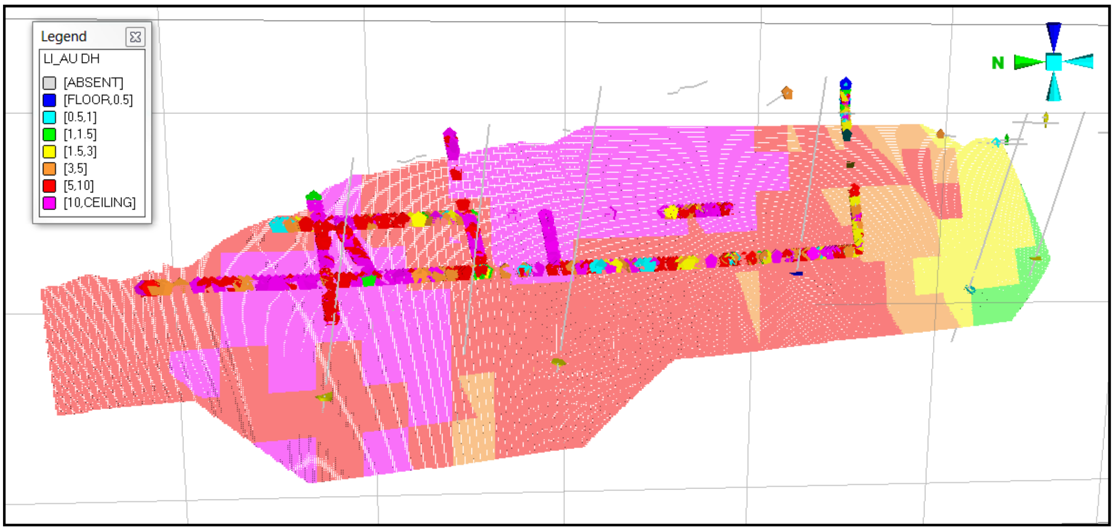
Constancia



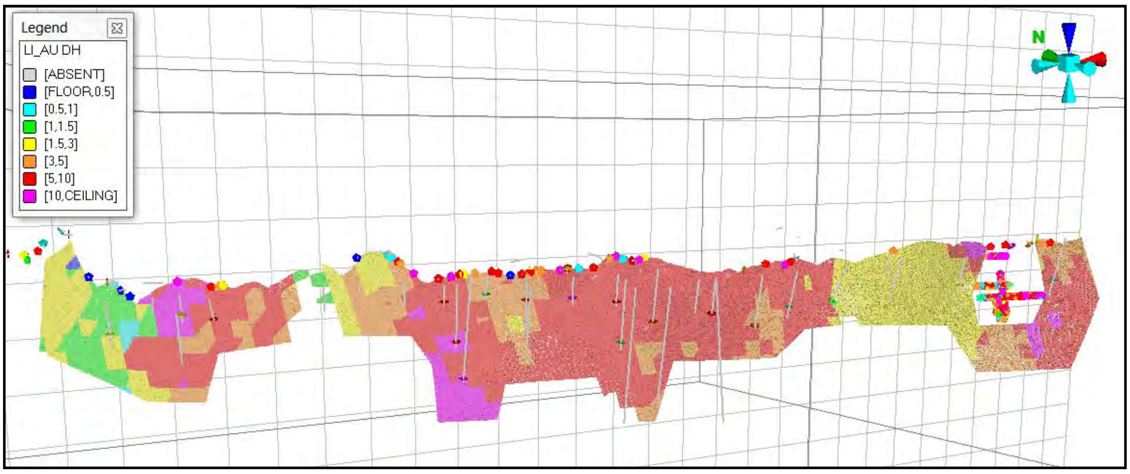
Escondido



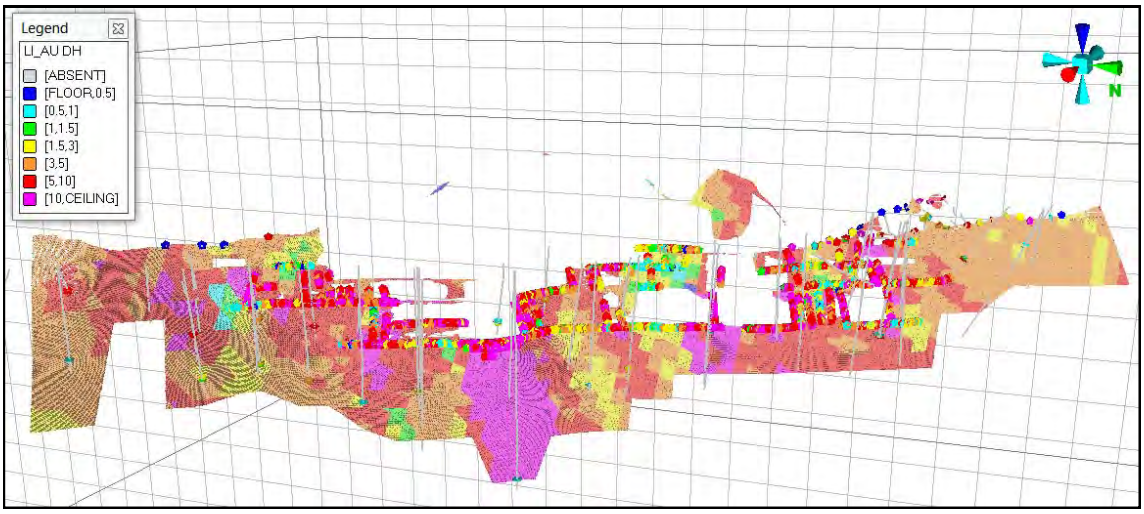
Espinito



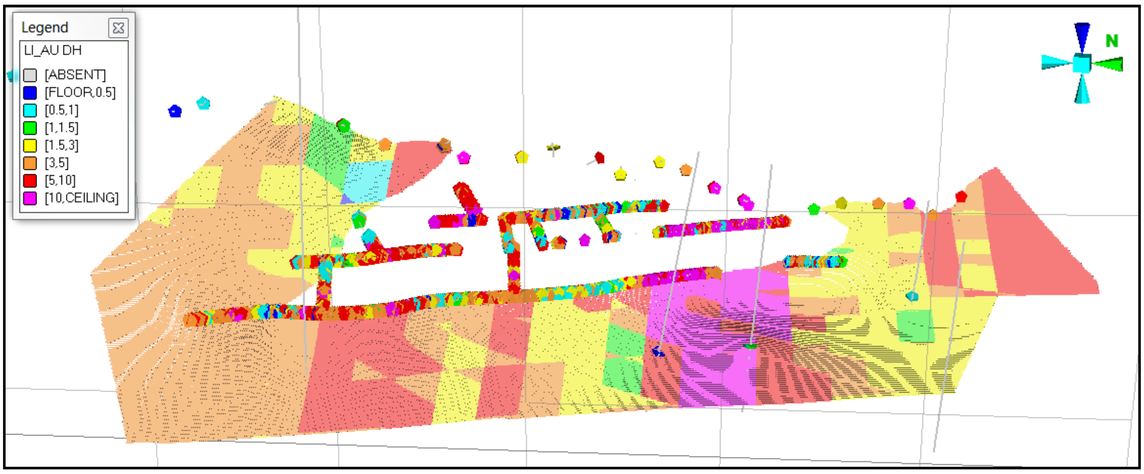
Guapinol



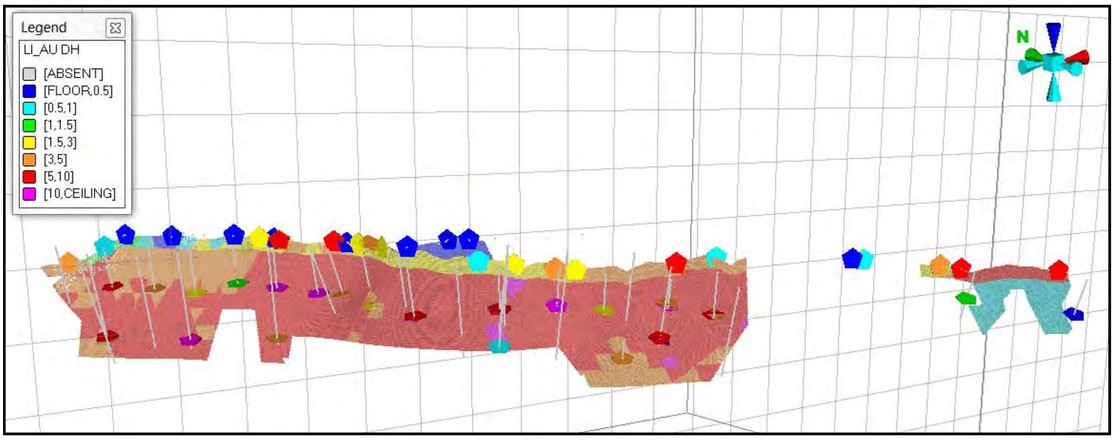
La India



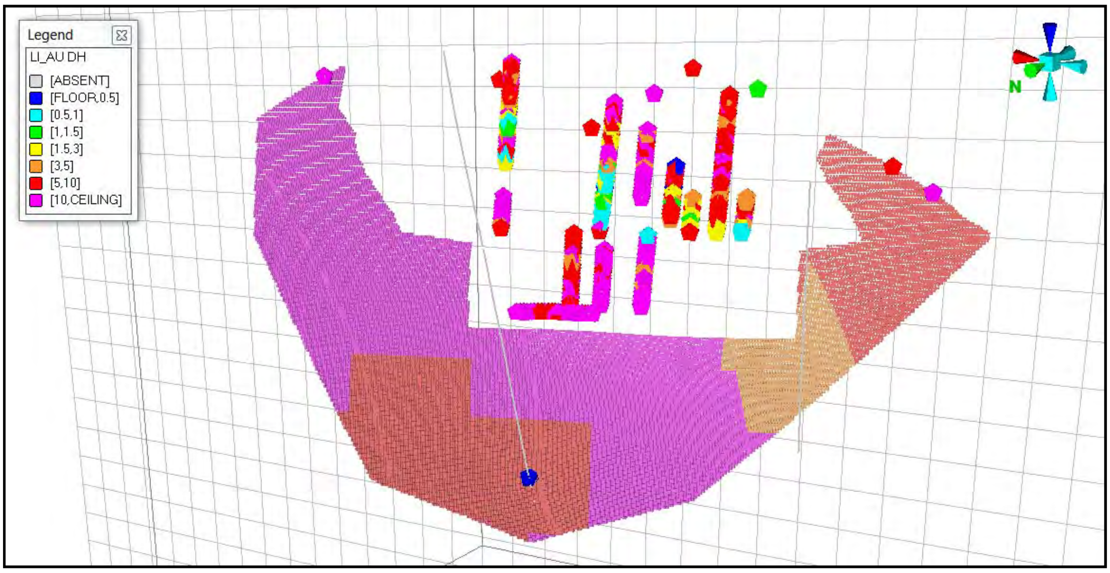
San Lucas



Tatiana



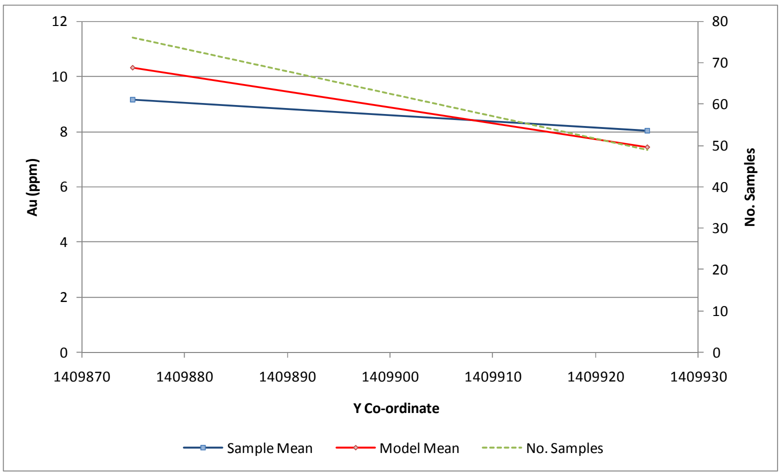
Teresa

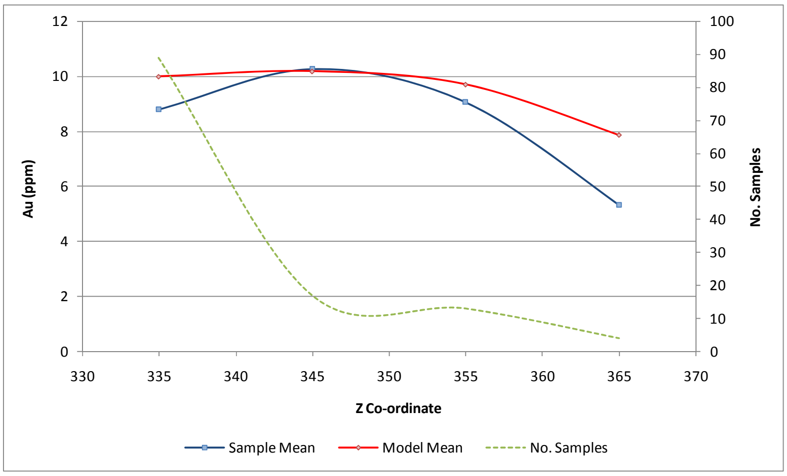


APPENDIX

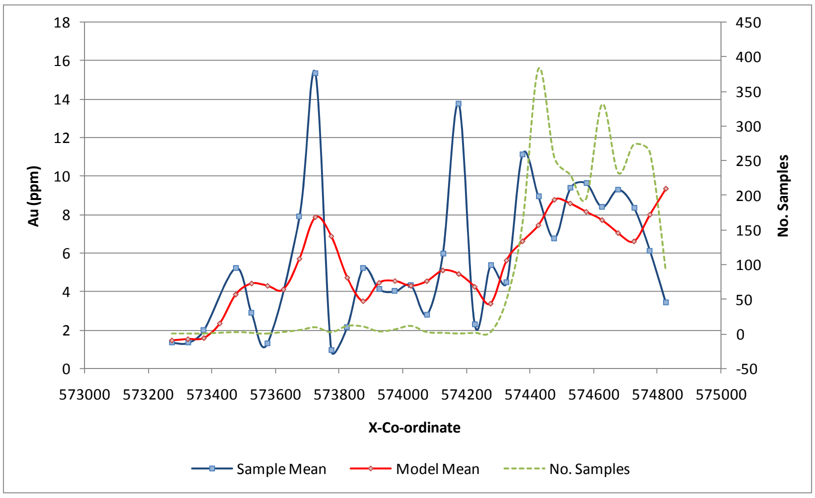
D VALIDATION PLOTS

AGUA CALIENTE

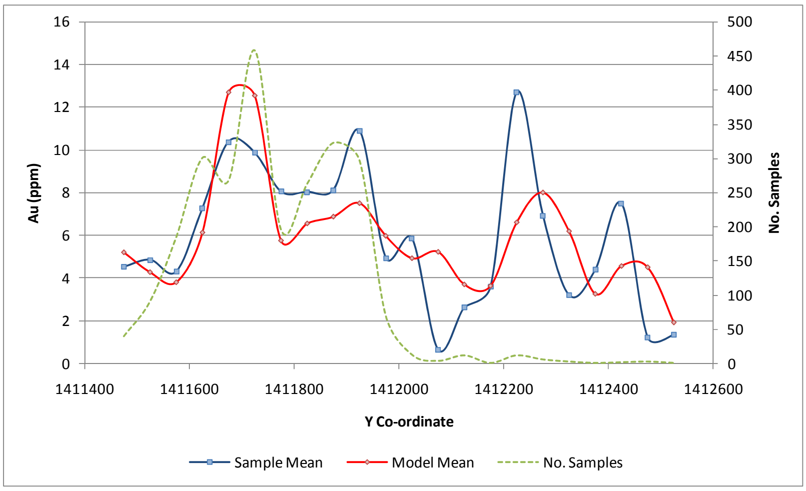




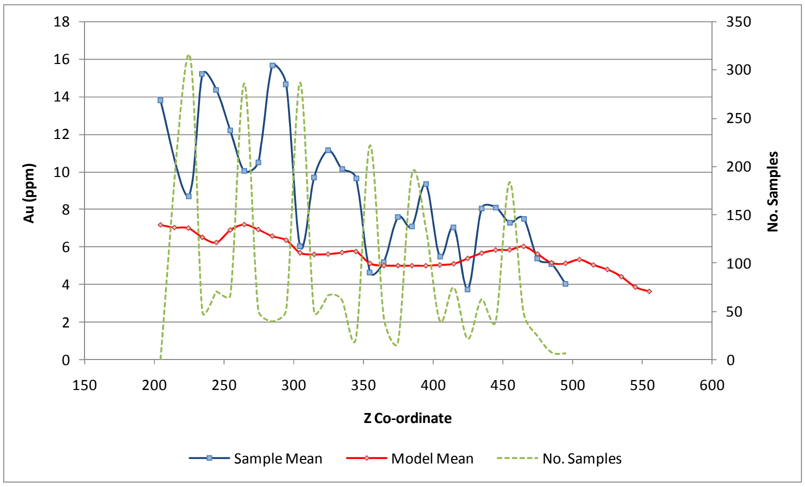
AMERICA



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

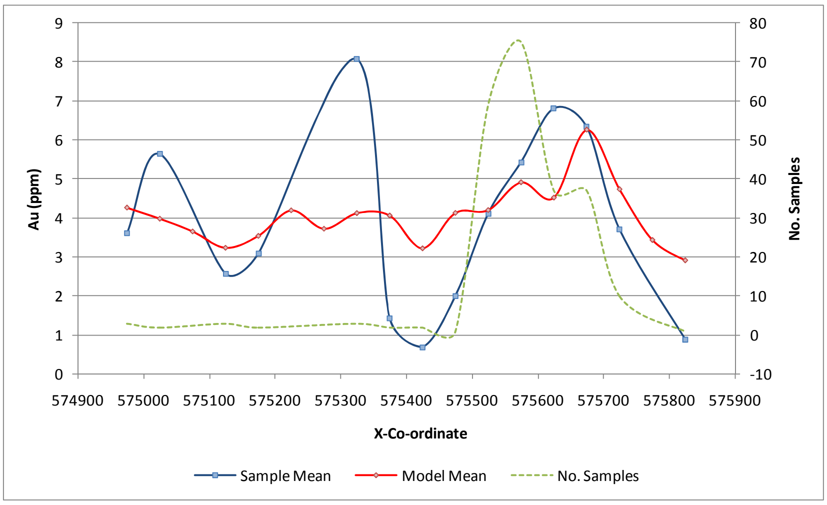


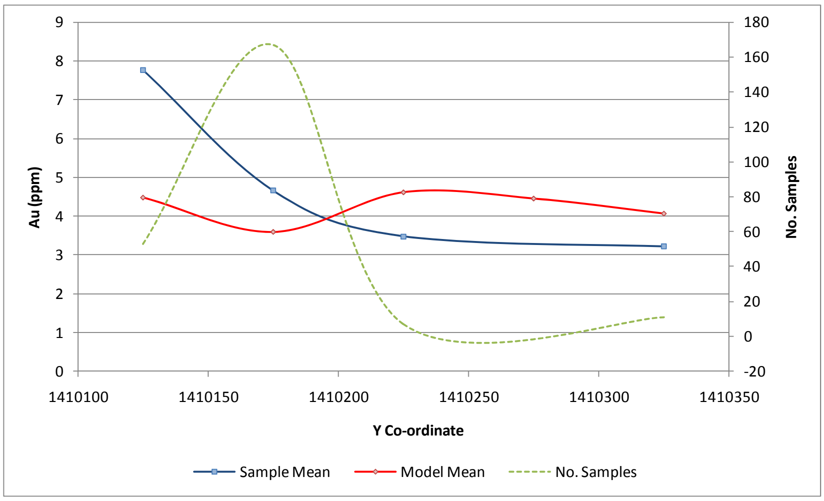
Au (ppm)
No. Samples
Y Co-ordinate
Sample Mean
Model Mean
No. Samples

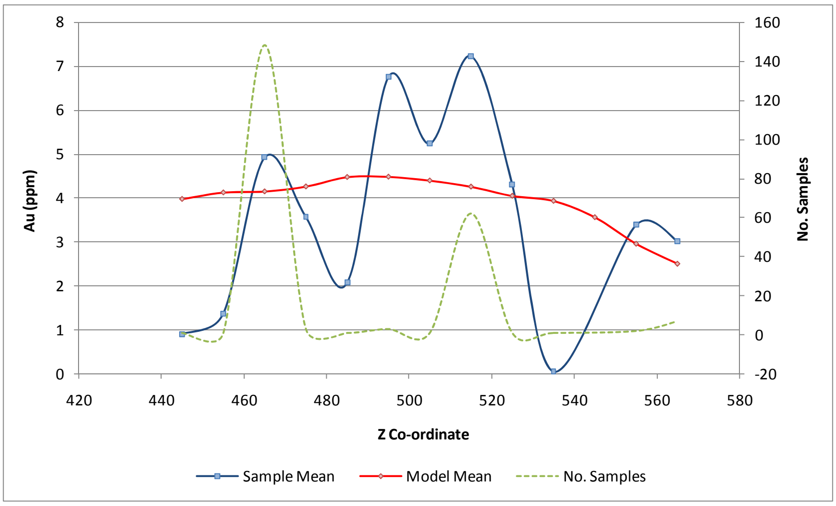


Au (ppm)
No. Samples
Z Co-ordinate
Sample Mean
Model Mean
No. Samples

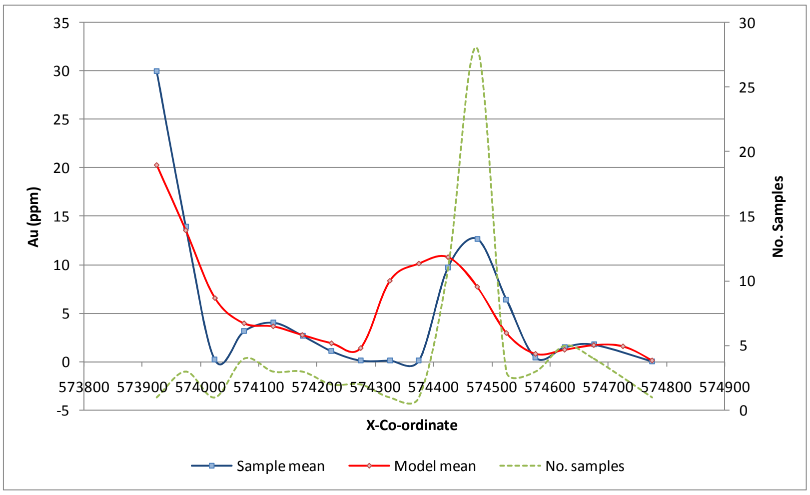
ARIZONA

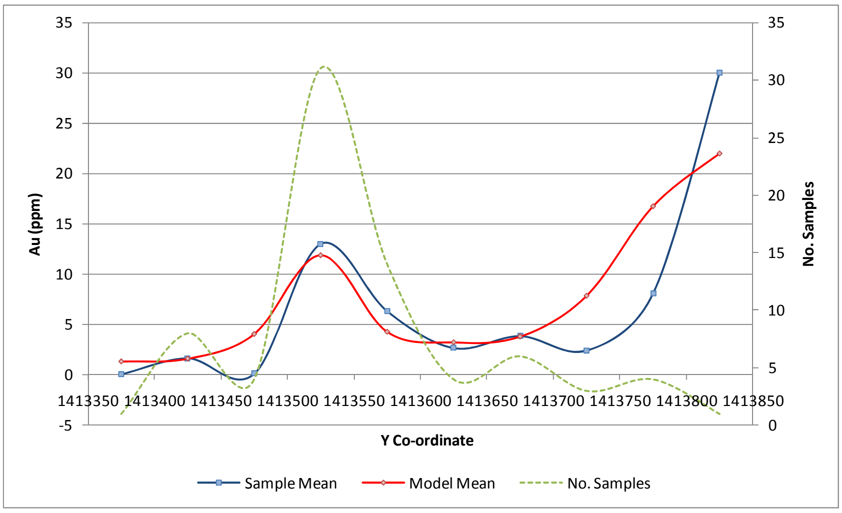

9
8
7
6
5
4
3
2
1
0
80
70
60
50
40
30
20
10
0
-10
Au (ppm)
No. Samples
574900 575000 575100 575200 575300 575400 575500 575600 575700 575800 575900
X-Co-ordinate
Sample Mean
Model Mean
No. Samples

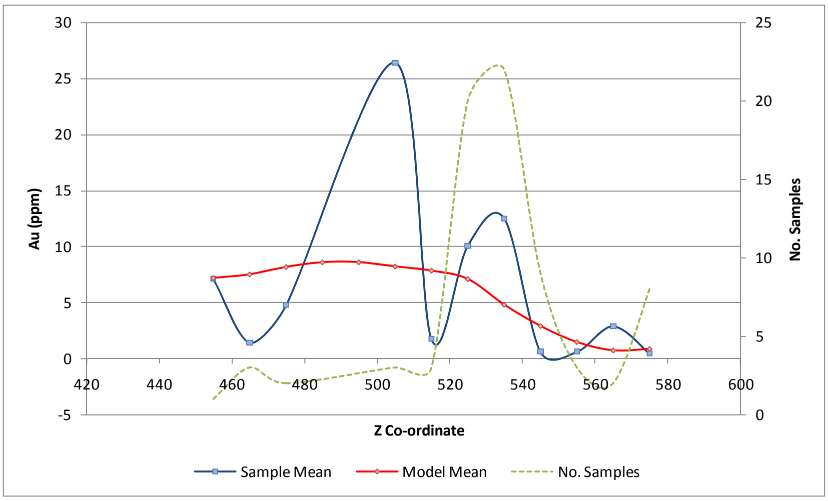

9
8
7
6
5
4
3
2
1
0
180
160
140
120
100
80
60
40
20
0
-20
Au (ppm)
No. Samples
1410100 1410150 1410200 1410250 1410300 1410350
Y Co-ordinate
Sample Mean
Model Mean
No. Samples


8
7
6
5
4
3
2
1
0
160
140
120
100
80
60
40
20
0
-20
Au (ppm)
No. Samples
420 440 460 480 500 520 540 560 580
Z Co-ordinate
Sample Mean
Model Mean
No. Samples

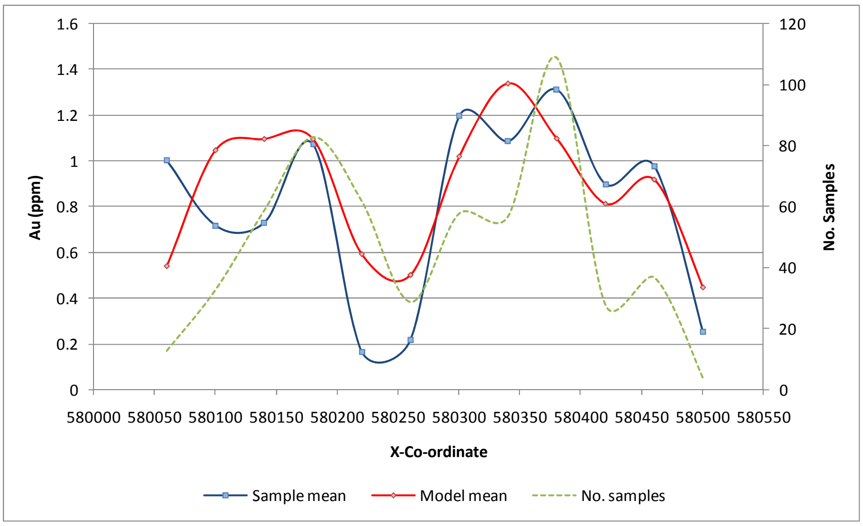
BUENOS AIRES

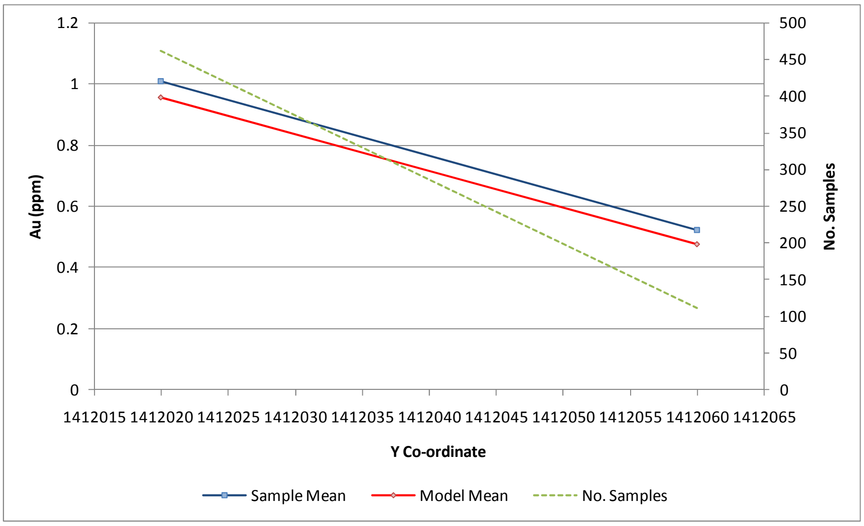


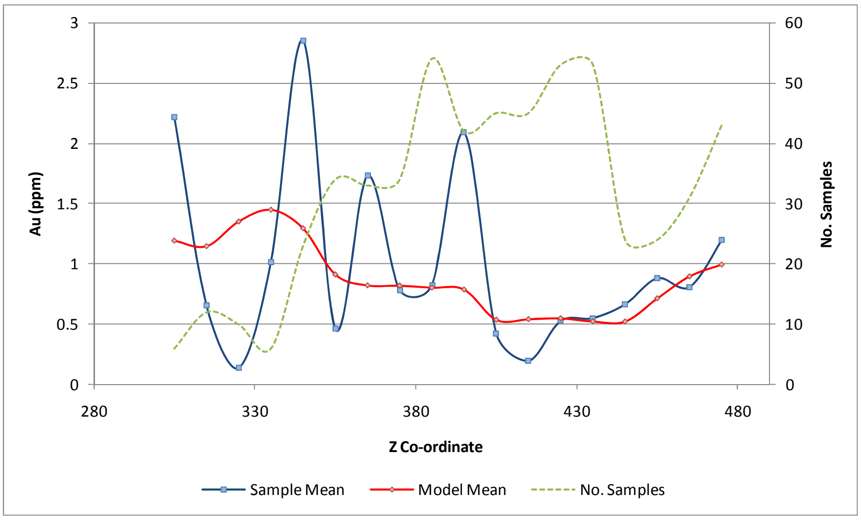




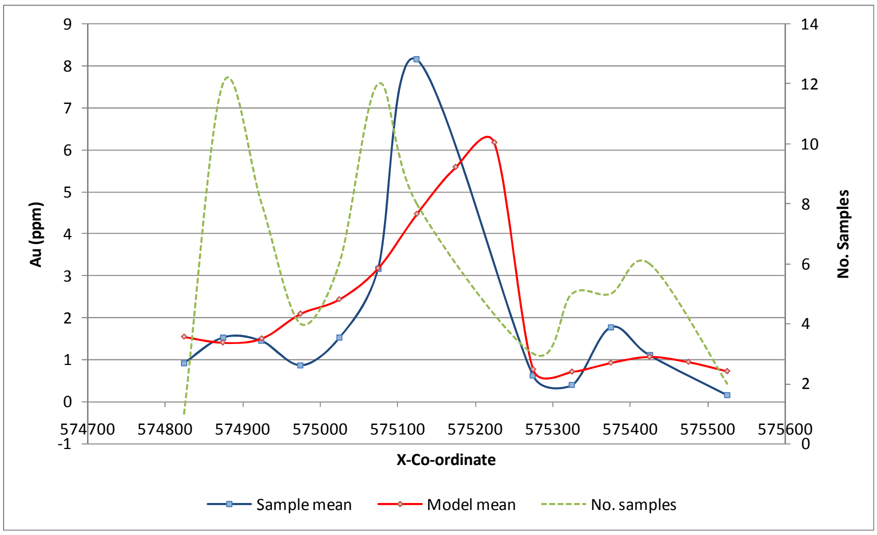
CACAO

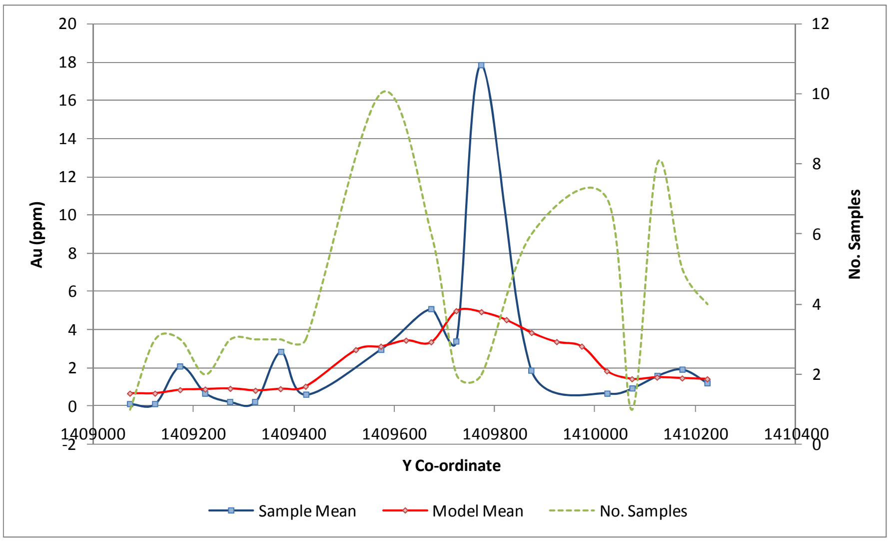

1.6
1.4
1.2
1
0.8
0.6
0.4
0.2
0
120
100
80
60
40
20
0
Au (ppm)
No. Samples
580000 580050 580100 580150 580200 580250 580300 580350 580400 580450 580500 580550
X-Co-ordinate
Sample mean
Model mean
No. samples

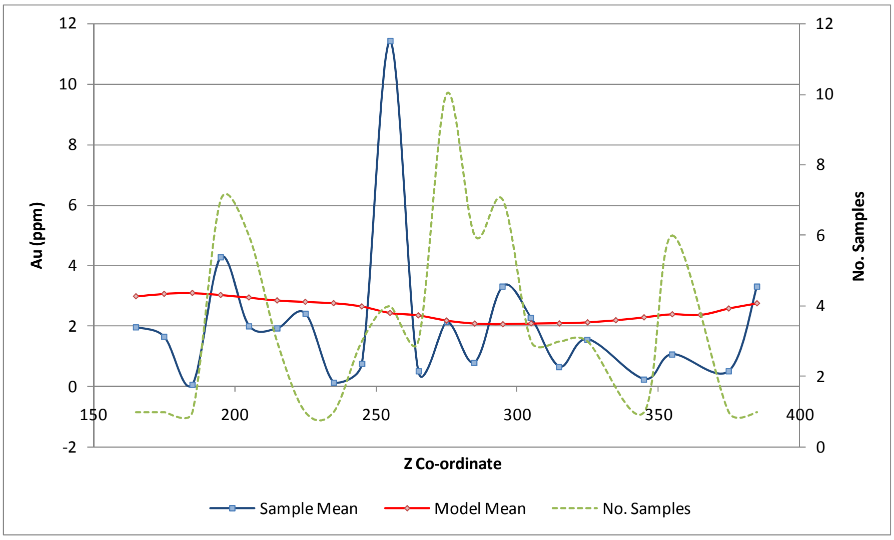

1.2
1
0.8
0.6
0.4
0.2
0
500
450
400
350
300
250
200
150
100
50
0
Au (ppm)
No. Samples
1412015 1412020 1412025 1412030 1412035 1412040 1412045 1412050 1412055 1412060 1412065
Y Co-ordinate
Sample Mean
Model Mean
No. Samples


3
2.5
2
1.5
1
0.5
0
60
50
40
30
20
10
0
Au (ppm)
No. Samples
280
330
380
430
480
Z Co-ordinate
Sample Mean
Model Mean
No. Samples

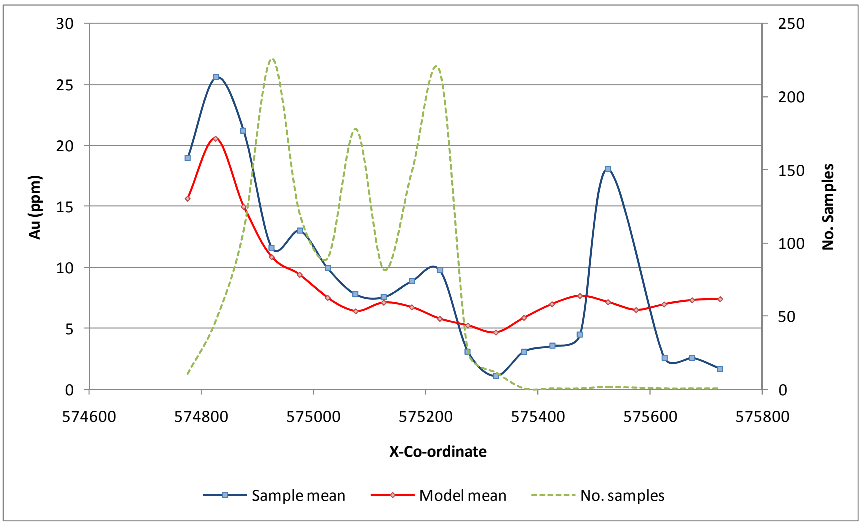
CALIFORNIA


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

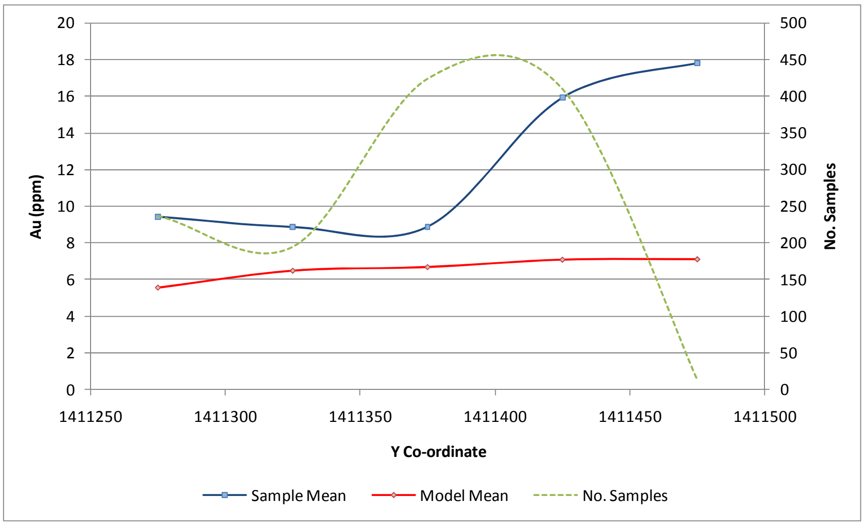

Au (ppm)
No. Samples
Y Co-ordinate
Sample Mean
Model Mean
No. Samples


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

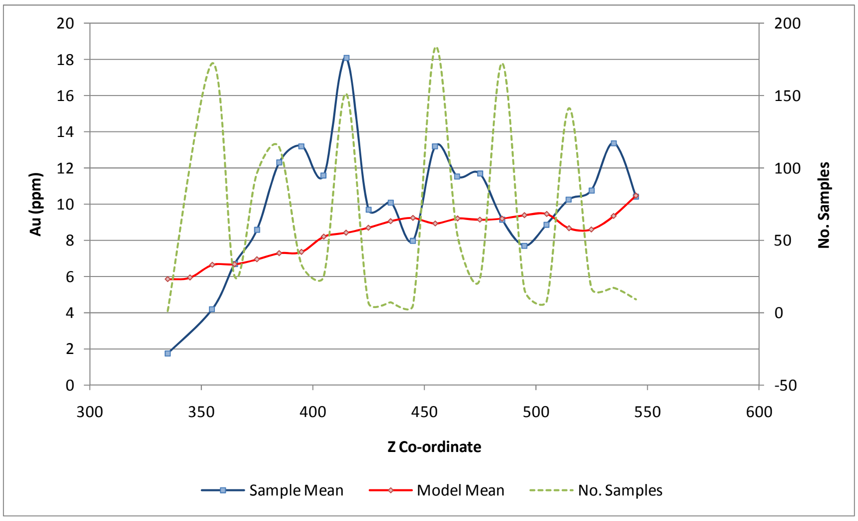
CONSTANCIA



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

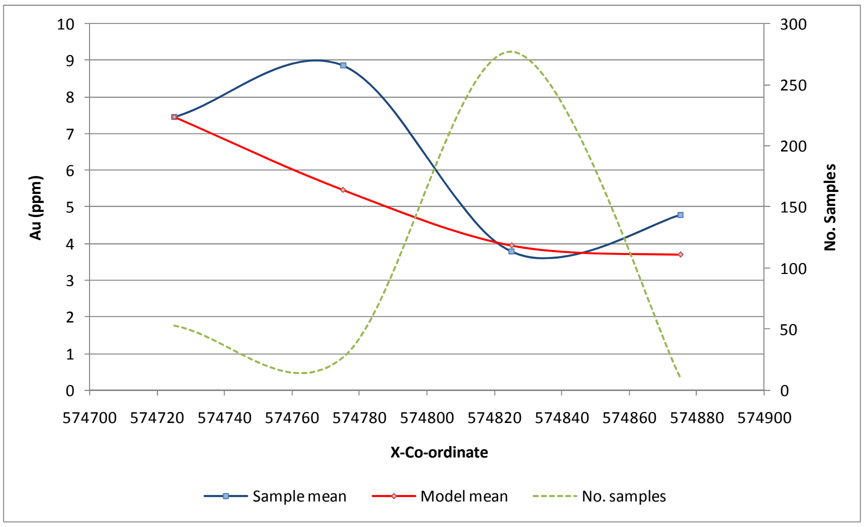


Au (ppm)
No. Samples
Y Co-ordinate
Sample Mean
Model Mean
No. Samples

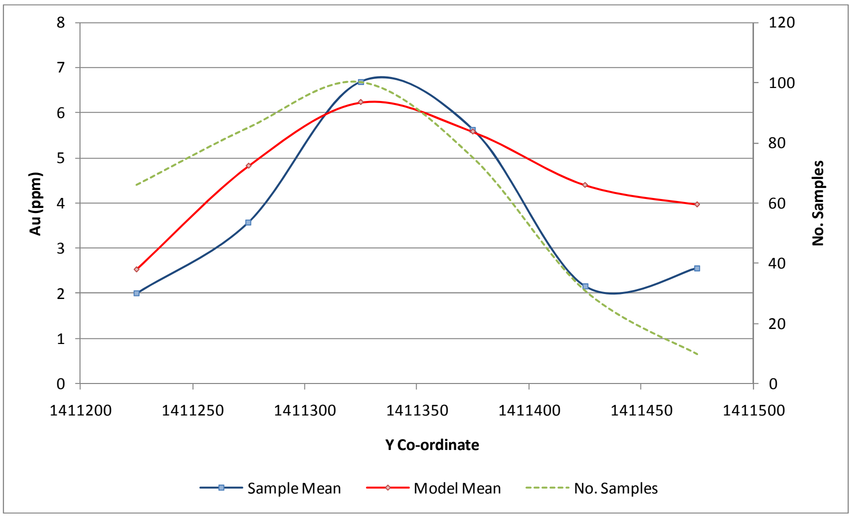


Au (ppm)
No. Samples
Z Co-ordinate
Sample Mean
Model Mean
No. Samples

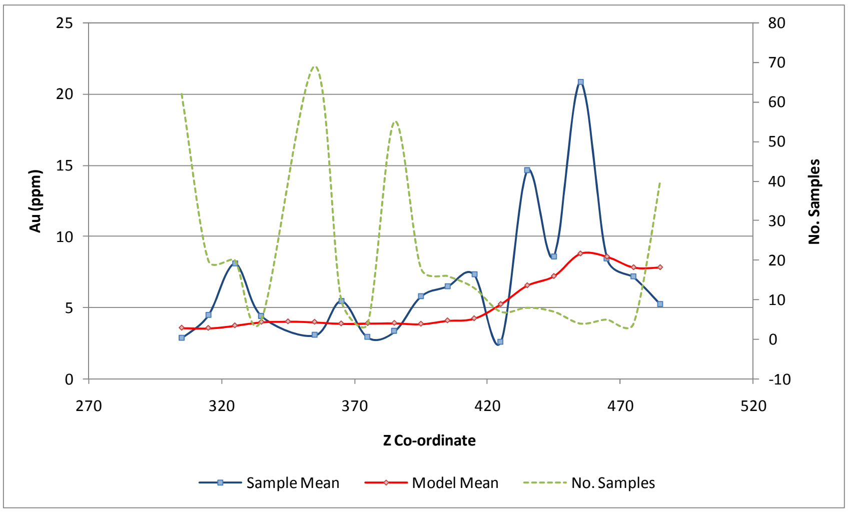
ESCONDIDO



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

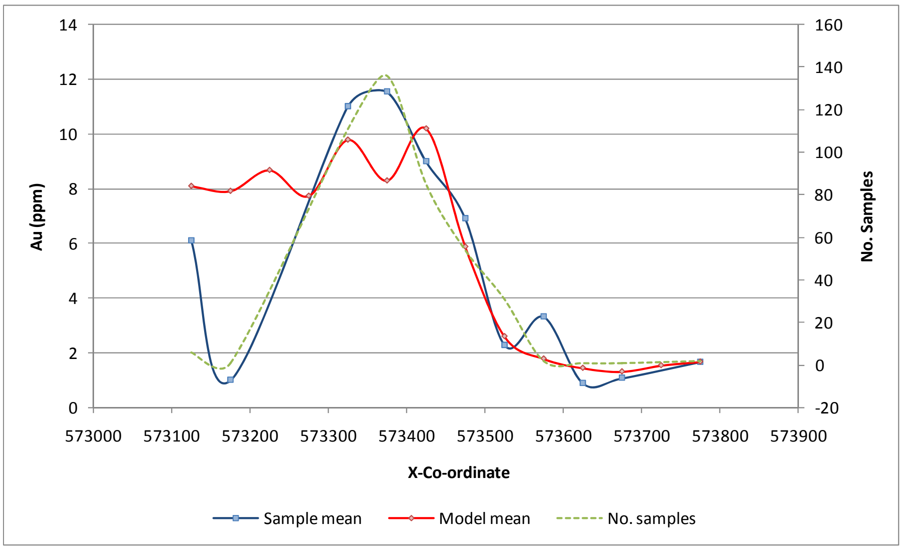


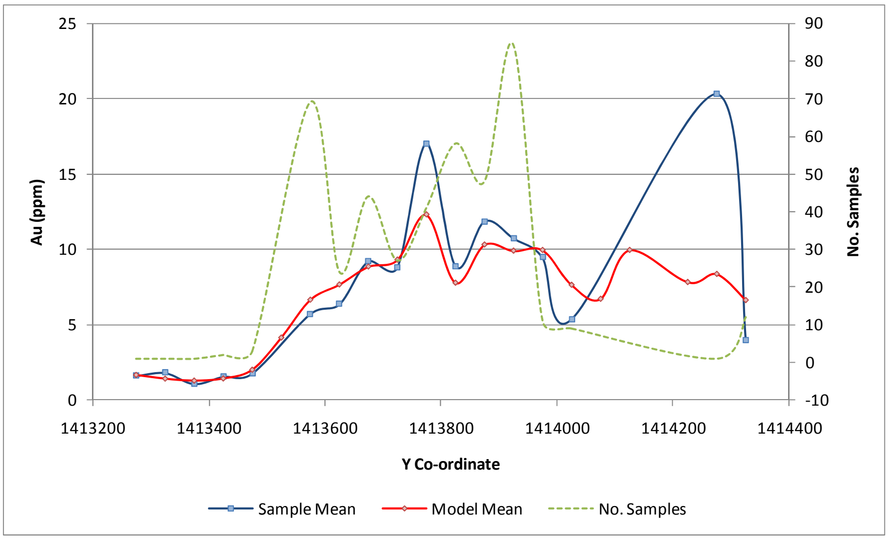
Au (ppm)
No. Samples
Y Co-ordinate
Sample Mean
Model Mean
No. Samples

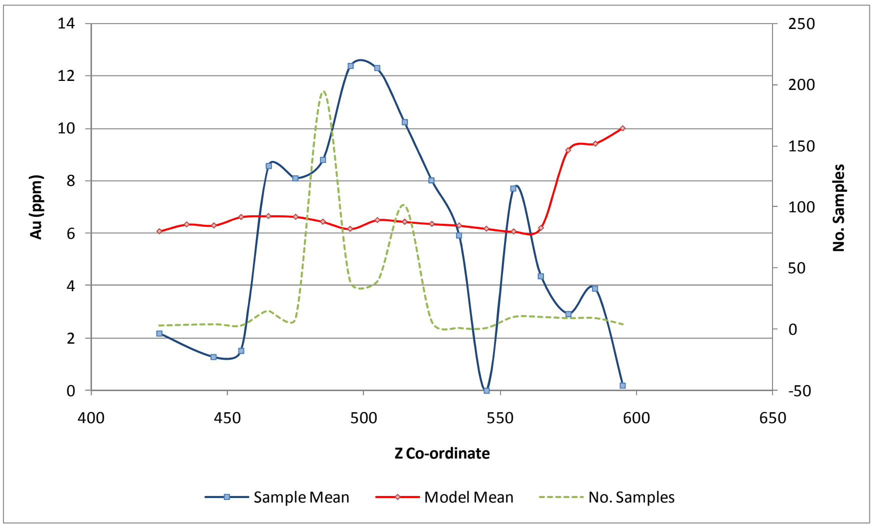


Au (ppm)
No. Samples
Z Co-ordinate
Sample Mean
Model Mean
No. Samples

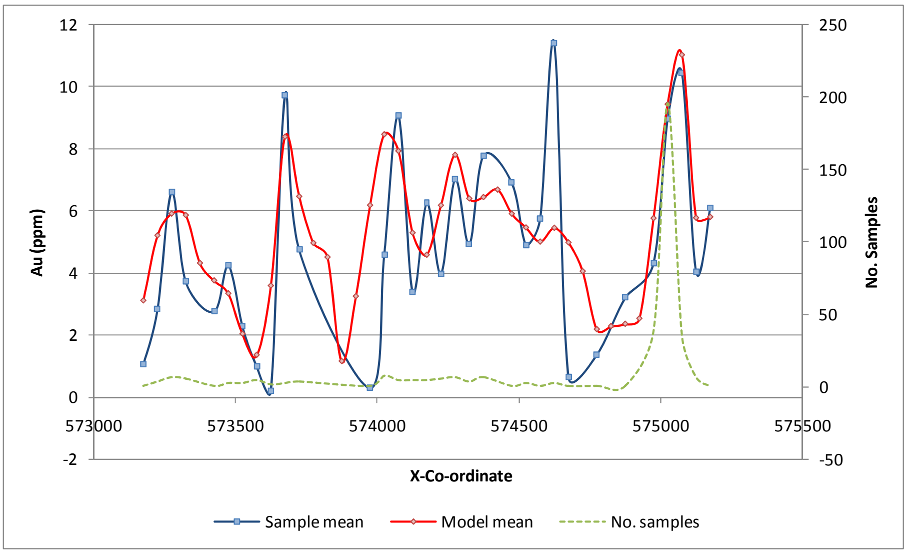
ESPINITO

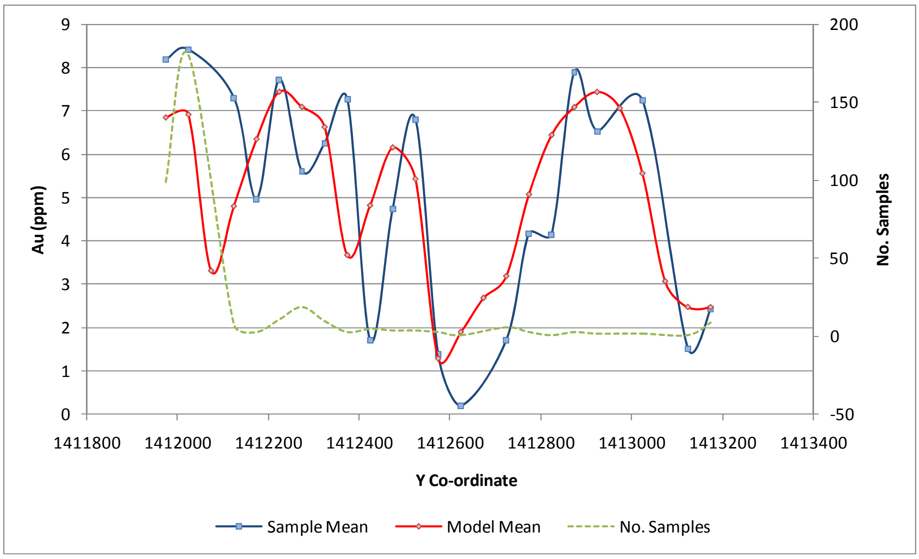

Au (ppm)
No. Samples
X-Co-ordinate
Sample mean
Model mean
No. samples

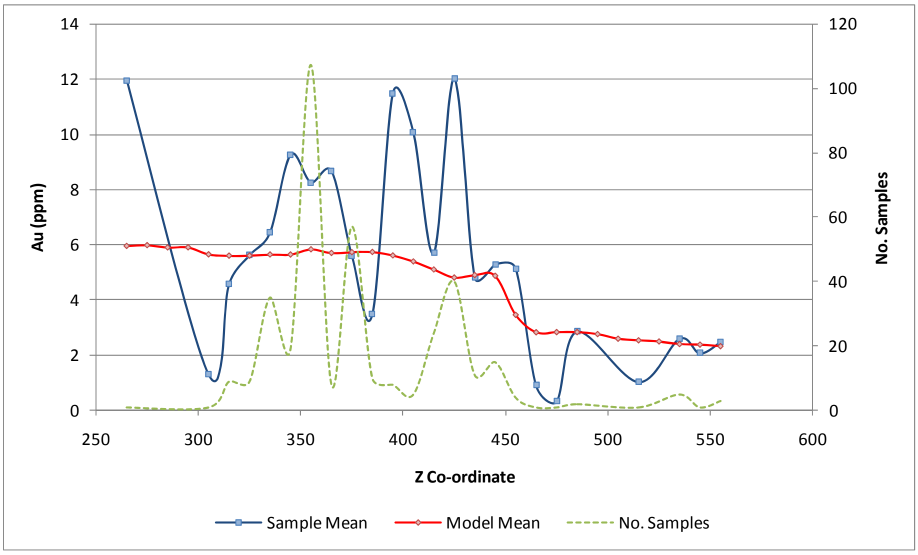

Au (ppm)
No. Samples
Y Co-ordinate
Sample Mean
Model Mean
No. Samples


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

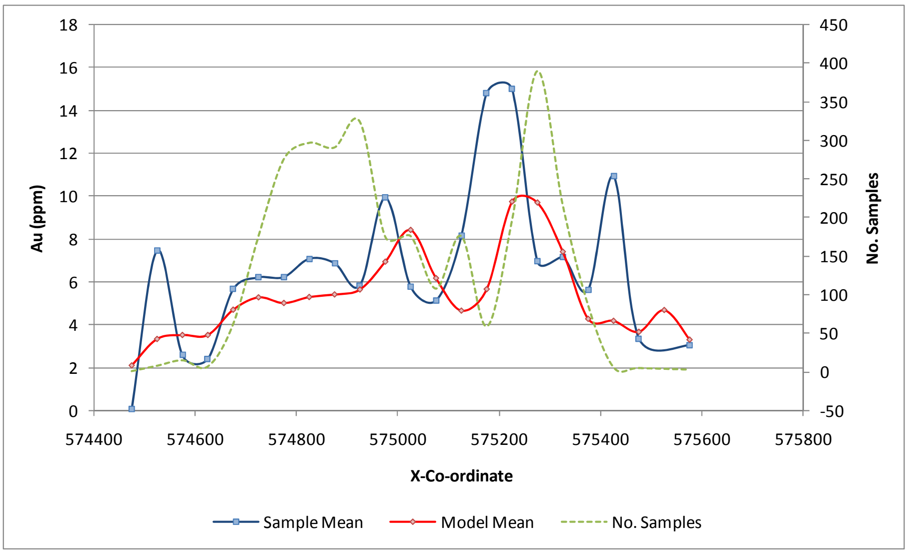
GUAPINOL


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

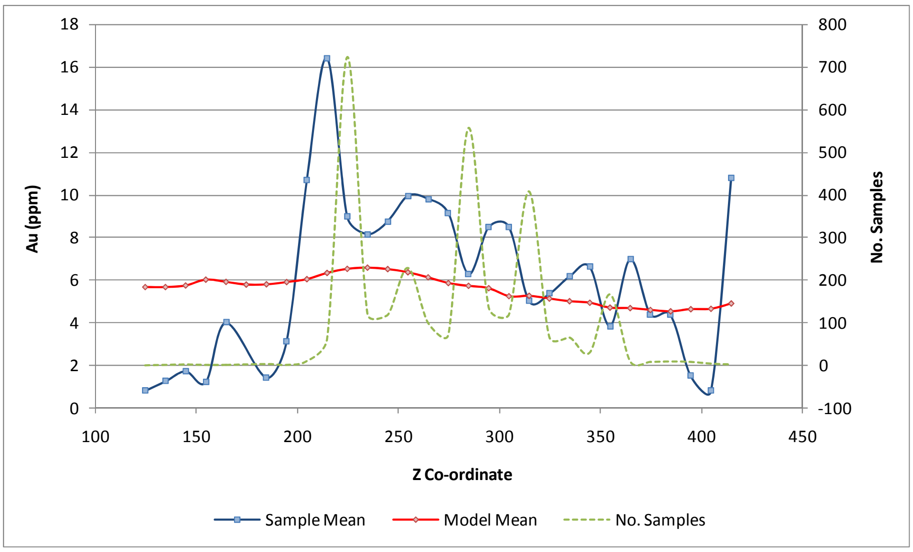

Au (ppm)
No. Samples
Y Co-ordinate
Sample Mean
Model Mean
No. Samples


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

LA INDIA

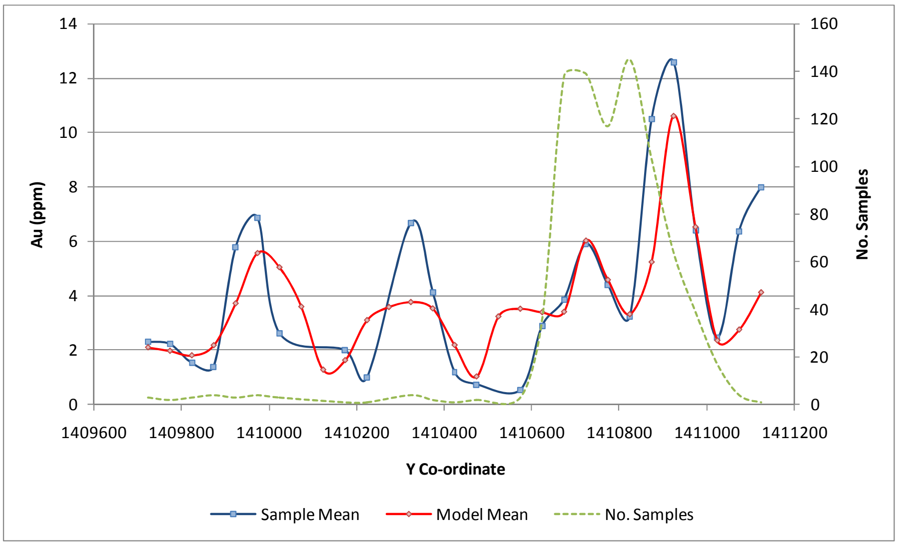

Au (ppm)
No. Samples
X-Co-ordinate
Sample Mean
Model Mean
No. Samples

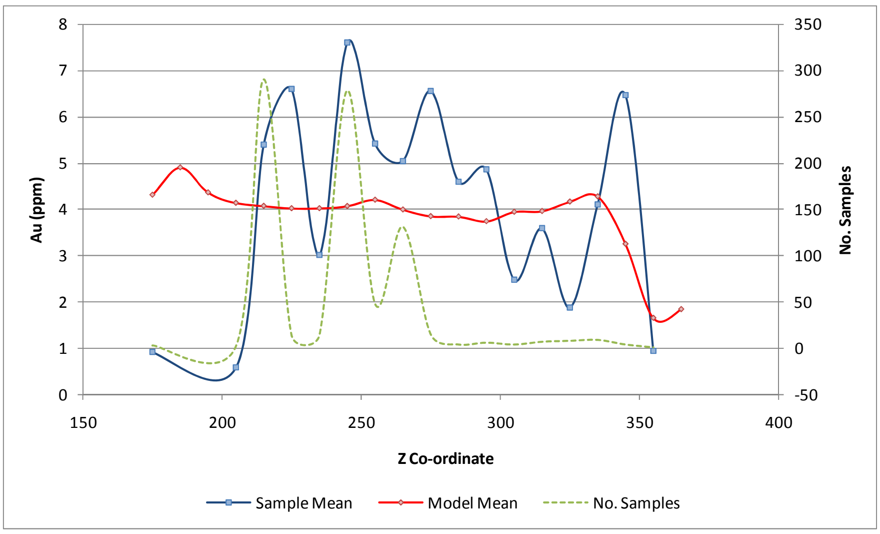

Au (ppm)
No. Samples
Y Co-ordinate
Sample Mean
Model Mean
No. Samples


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

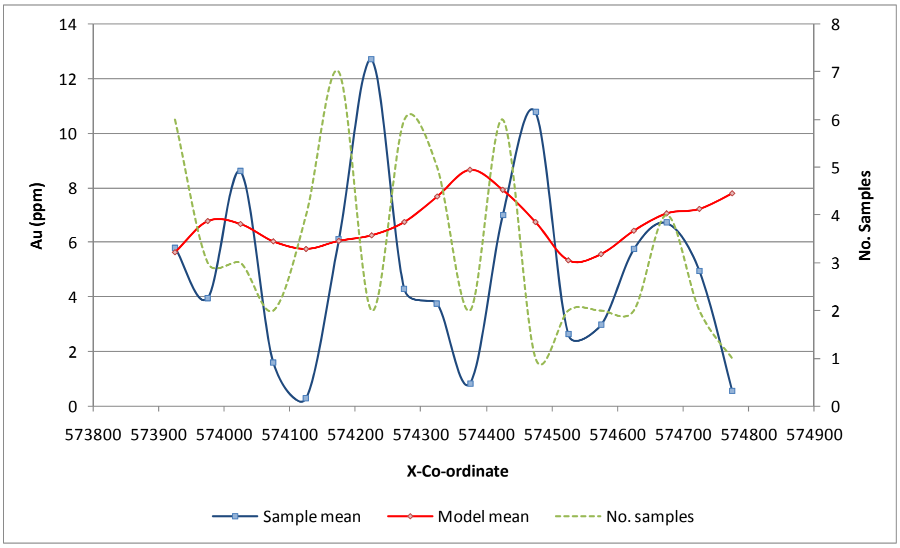
SAN LUCAS

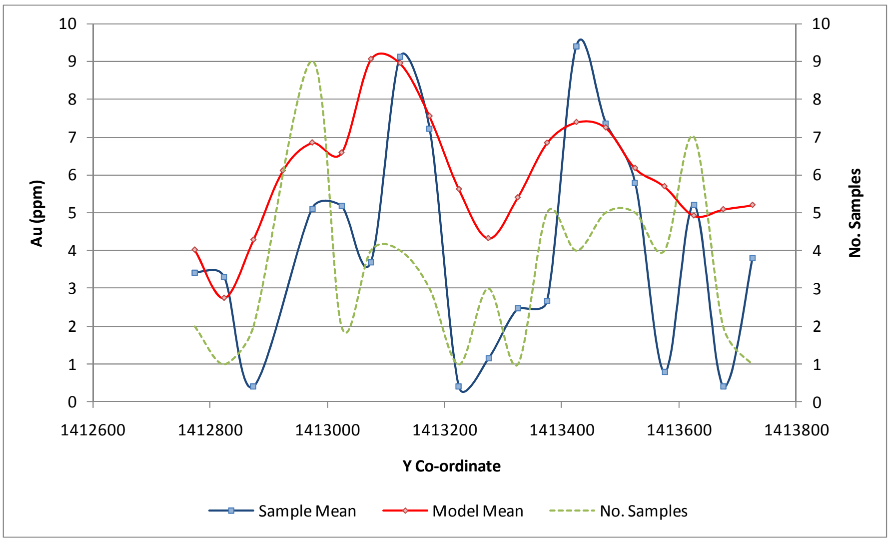

Au (ppm)
No. Samples
X-Co-ordinate
Sample mean
Model mean
No. samples

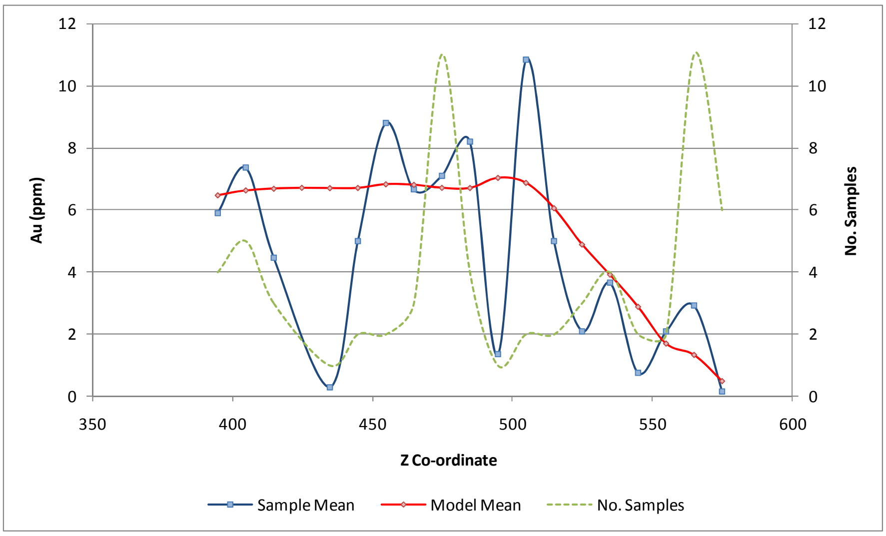

Au (ppm)
No. Samples
Y Co-ordinate
Sample Mean
Model Mean
No. Samples


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

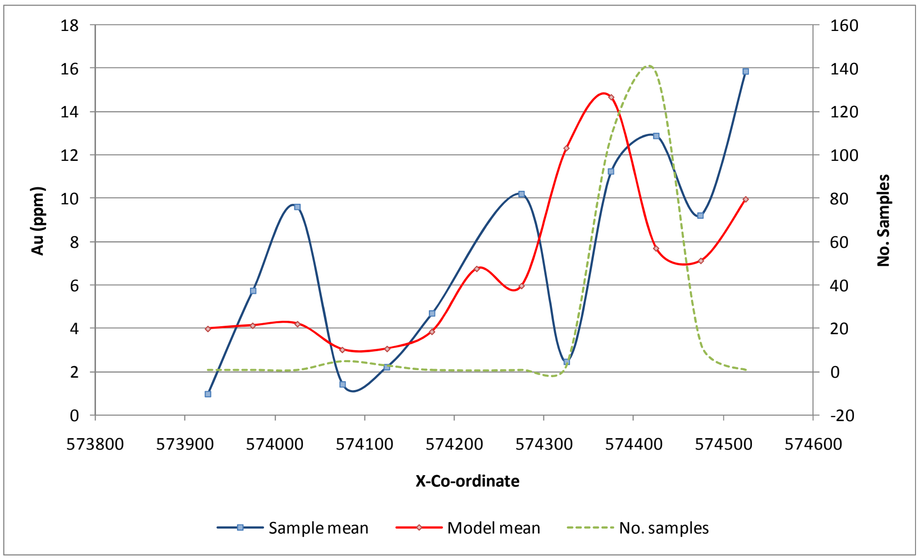
TATIANA

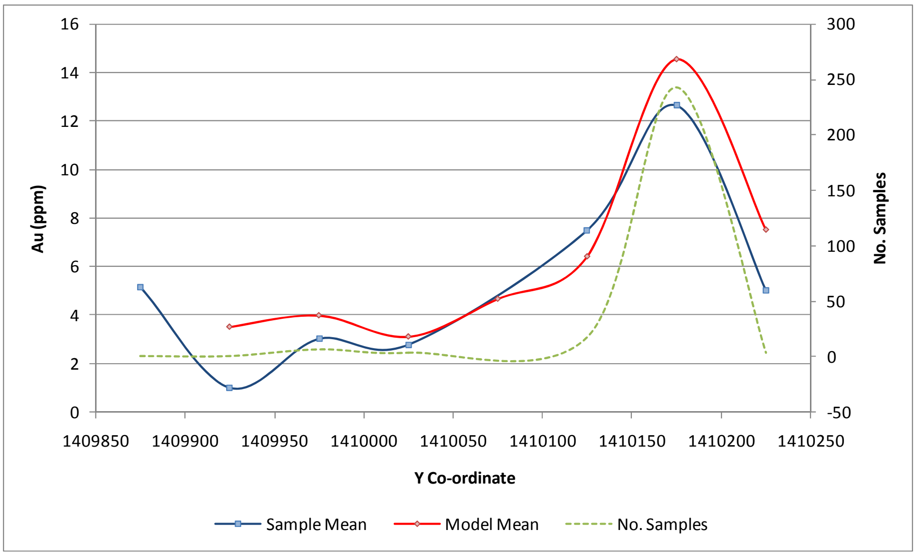

Au (ppm)
No. Samples
X-Co-ordinate
Sample mean
Model mean
No. samples

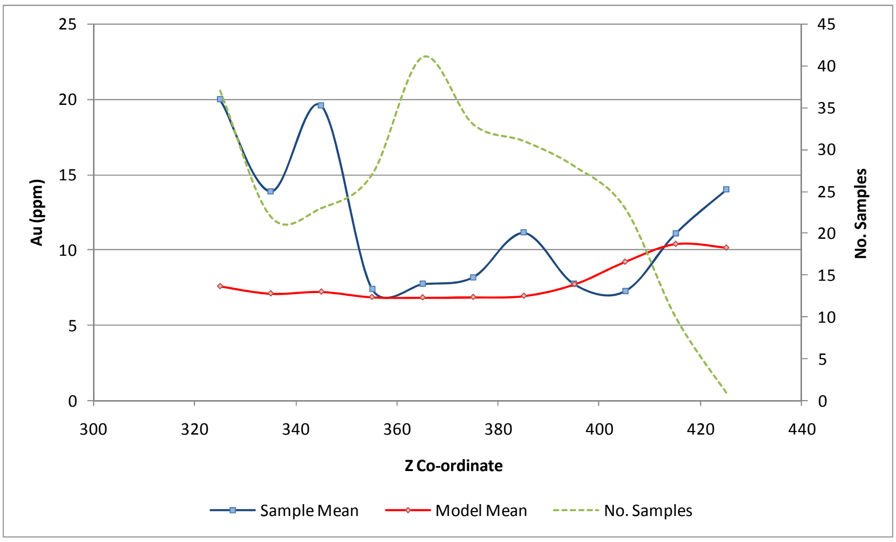

Au (ppm)
No. Samples
Y Co-ordinate
Sample Mean
Model Mean
No. Samples


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

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