

TECHNICAL REPORT
EXPLORATION SUMMARY

SAN ALBINO-MURRA GOLD CONCESSION

El Jicaró area, Dept. Nueva Segovia,
Republic of Nicaragua

Prepared for:

GOLDEN REIGN RESOURCES LTD.

595 Howe Street, Suite 501, Vancouver, BC
Canada V6C 2T5

Phone: 604-685-4655 Toll Free: 1-888-685-4655

Fax: 604-685-4675 Email: info@goldenreign.com

By

JMK GEOLOGICAL SERVICES

John Kowalchuk, B.Sc., P.Geo., Consulting Geologist

#16-7491 No 1 Road, Richmond, B.C., V7C 1T7

TEL: 778-837-1042

Home 778-297-0342

e-mail: ajkowalchuk@shaw.ca

MAY 17, 2011

TABLE OF CONTENTS

1.0	SUMMARY	PAGE 1
2.0	INTRODUCTION AND TERMS OF REFERENCE	PAGE 2
3.0	RELIANCE ON THE OTHER EXPERTS	PAGE 2
4.0	PROPERTY DESCRIPTION AND LOCATION	PAGE 3
4.1	Property Description (Mineral Titles)	PAGE 3
4.2	Property Option Agreement	PAGE 5
4.3	Location	PAGE 7
5.0	ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY	PAGE 8
5.1	Access	PAGE 8
5.2	Climate	PAGE 8
5.3	Physiography and Vegetation	PAGE 8
5.4	Local Resources and Infrastructure	PAGE 8
6.0	HISTORY	PAGE 9
7.0	GEOLOGICAL SETTING	PAGE 16
7.1	Regional Geology	PAGE 16
7.2	Property Geology	PAGE 19
7.2.1	San Albino District	PAGE 19
7.2.2	Murra District	PAGE 19
8.0	DEPOSIT TYPES	PAGE 23
9.0	MINERALIZATION	PAGE 23
10.0	EXPLORATION	PAGE 23
10.1	2009-2010 FIELD PROGRAM	PAGE 23
10.1.1	Introduction	PAGE 23
10.2.0	San Albino (Southern) District	PAGE 24

10.2.1	Geological Mapping – San Albino District	PAGE 24
10.2.2	San Albino Mine Area	PAGE 26
10.2.3	El Naranjo	PAGE 26
10.2.4	Arras-San Lorenzo	PAGE 27
10.2.5	San Pablo - Las Conchitas Area	PAGE 28
10.3.0	Trenching Program	PAGE 31
10.3.1	Old Mill Site	PAGE 31
10.3.2	San Albino (Naranjo) Trenching Program	PAGE 32
10.4.0	Underground Work	PAGE 38
10.4.1	San Albino	PAGE 38
10.4.2	Las Conchitas	PAGE 38
10.5.0	Geological Mapping – Murra District	PAGE 38
11.0	DRILLING PROGRAM	PAGE 43
11.1	San Albino Mine	PAGE 43
11.2	Arras Prospect	PAGE 48
12.0	SAMPLING METHOD AND APPROACH	PAGE 52
12.1	Outcrop Channel Sampling	PAGE 52
12.2	Trench Sampling	PAGE 52
12.3	Core Handling, Logging, Sampling, Quality Control, and Security	PAGE 52
13.0	SAMPLE PREPARATION, ANALYSIS AND SECURITY	PAGE 53
13.1	Method of Metallic Gold analysis by Fire Assay	PAGE 53
13.1.1	Sample preparation	PAGE 53
13.1.2	Fire Assays	PAGE 53
13.1.3	Method of 30 element analysis by Aqua Regia digestion/ICP	PAGE 54
13.1.4	Quality Control (at the Laboratory)	PAGE 54
13.2	QA and QC Procedures	PAGE 55

14.0	DATA VERIFICATION	PAGE 55
15.0	ADJACENT PROPERTIES	PAGE 63
16.0	MINERAL PROCESSING AND METALLURGICAL TESTING	PAGE 64
17.0	MINERAL RESOURCES AND MINERAL RESERVE ESTIMATES	PAGE 64
18.0	OTHER RELEVANT DATA AND INFORMATION	PAGE 64
19.0	INTERPRETATION AND CONCLUSIONS	PAGE 64
20.0	RECOMMENDATIONS	PAGE 64
21.0	REFERENCES	PAGE 66
22.0	CERTIFICATE OF AUTHOR JOHN KOWALCHUK, P.GEO.	PAGE 67
23.0	CONSENT OF AUTHOR	PAGE 68

LIST OF FIGURES

FIGURE 1	LOCATION MAP	PAGE 3
FIGURE 2	SAN ALBINO – MURRA CONCESSION	PAGE 5
FIGURE 3	LOCATION MAP, EL JICARO AREA	PAGE 7
FIGURE 4	REGIONAL GEOLOGY	PAGE 18
FIGURE 5	GEOLOGY OF SAN ALBINO DISTRICT	PAGE 20
FIGURE 6	GEOLOGY NORTHERN PART – MURRA DISTRICT	PAGE 21
FIGURE 7	GEOLOGY SOUTHERN PART – MURRA DISTRICT	PAGE 22
FIGURE 8	SAN ALBINO DISTRICT REGIONAL SAMPLES	PAGE 29
FIGURE 9A	OLD WORKINGS AND SHOWINGS – MAP A	PAGE 34
FIGURE 9B	OLD WORKINGS AND SHOWINGS – MAP B	PAGE 35
FIGURE 9C	OLD WORKINGS AND SHOWINGS – MAP C	PAGE 36
FIGURE 9D	OLD WORKINGS AND SHOWINGS - LEGEND	PAGE 37
FIGURE 10A	SAMPLE LOCATION MAP, MURRA DISTRICT, MAP A	PAGE 41
FIGURE 10B	SAMPLE LOCATION MAP, MURRA DISTRICT, MAP B	PAGE 42

FIGURE 11	DRILL HOLE AND TRENCH LOCATION MAP	PAGE 44
FIGURE 12	SAN ALBINO – ARRAS DRILL HOLE SECTION	PAGE 51
FIGURE 13	ORIGINALS VS. DUPLICATES 0.01 TO 0.099 G/T GOLD	PAGE 56
FIGURE 14	ORIGINALS VS. DUPLICATES 0.1 TO 0.99 G/T GOLD	PAGE 57
FIGURE 15	ORIGINALS VS. DUPLICATES 1.0 TO 99.0 G/T GOLD	PAGE 57
FIGURE 16	ORIGINALS VS. DUPLICATES 0.1 TO 0.99 G/T SILVER	PAGE 58
FIGURE 17	ORIGINALS VS. DUPLICATES 1.0 TO 30.0 G/T SILVER	PAGE 58
FIGURE 18	ORIGINALS VS. DUPLICATES 1.0 TO 5,000.0 PPM LEAD	PAGE 59

LIST OF TABLES

TABLE 1	Location of Concession Corners, San Albino-Murra Concession	PAGE 4
TABLE 2	Historical Production at San Albino	PAGE 9
TABLE 3	San Albino Trenches	PAGE 12
TABLE 4	Arras Exploration Trenches 2007	PAGE 12
TABLE 5	Trenches from South of Arras Prospect	PAGE 14
TABLE 6	Murra Area Trenches	PAGE 14
TABLE 7	San Albino Drill Holes	PAGE 15
TABLE 8	Arras Drill Hole Locations and Data	PAGE 16
TABLE 9	San Albino Mine Area Surface Sampling	PAGE 26
TABLE 10	El Naranjo Surface Sampling	PAGE 27
TABLE 11	Arras Channel Samples	PAGE 27
TABLE 12	Las Conchitas Surface Samples	PAGE 30
TABLE 13	Condor Samples at Las Conchitas	PAGE 30
TABLE 14	San Pablo Surface Samples	PAGE 31
TABLE 15	Condor Samples at San Pablo	PAGE 31
TABLE 16	San Albino Mill Surface Sampling	PAGE 32
TABLE 17	San Albino Mill Trench Sampling	PAGE 32

TABLE 18	San Albino (Naranjo) Trench Results	PAGE 33
TABLE 19	Surface Sampling Murra District	PAGE 39
TABLE 20	Mina Estrella Underground Sampling	PAGE 40
TABLE 21	Danilo Vein Sampling	PAGE 43
TABLE 22	Drill Holes Location – San Albino Mine	PAGE 45
TABLE 23	Drill Results San Albino	PAGE 46
TABLE 24	Drill Holes Location – Arras Prospect	PAGE 49
TABLE 25	Drill Hole Results Arras	PAGE 49
TABLE 26	Estimated Expenditures	PAGE 65

1.0 SUMMARY

On June 29, 2009, Golden Reign Resources Ltd. (“Golden Reign” or the “Company”) optioned the San Albino-Murra Gold Concession in north-central Nicaragua from Nicoz Resources, S.A.

The author has been retained to prepare a Technical Report, compliant with the provisions of NI 43-101, which documents the work performed on the property in 2009 and 2010. The author supervised all of this work and takes full responsibility for the results and conclusions contained in this report.

The concession lies in northern Nicaragua in the Department of Nueva Segovia, the capital of which is Ocotol, and is located approximately 40 km south of the Honduras-Nicaragua border. The San Albino-Murra Gold Concession (the “Concession” or “Property”) covers 8,700 hectares.

Initially the Concession was granted by Decree No 179-RN-MC-2002 dated February 4th 2002; on November 10th 2003 the property was transferred to Chorti Holdings, S.A., by Decree No 346-RN-MC-2003, and by Decree No 611 RN-MC-2006, dated May 22nd 2006, transferred again back to Nicoz Resources, S.A., the present title holder, for a period of 25 years ending on February 3rd, 2027. The Property is in good standing.

The terms of the formal option agreement between Golden Reign and Nicoz Resources, S.A. are outlined in this report.

The Property is comprised of three contiguous, offset blocks of land. For ease of reference these are referred to as the: Southern (San Albino) District; Central District; and, Northern (Murra) District. It contains numerous old workings; however, the Southern District has, historically, been more actively explored and worked.

The Southern District hosts the San Albino and Aguja de Arras (“Arras”) gold mines, along with numerous other historical showings. The San Albino mine has had sporadic production over the past 80 years and recorded an average daily production of 10 tons at 31g/t gold (for approximately 10 ounces of gold per day) during a brief period of production between 1922 and 1928, before revolutionary activity halted mining. Small production is believed to have been also achieved at Arras. Estimates place the total production from the region at up to 20,000 ounces gold. Panning the river and stream beds for free gold continues on an ad hoc basis to this day.

Gold mineralization at the Property is generally contained within quartz veins, hosted by a metavolcanic package (green schist metamorphic facies) dominated by graphitic schist in the mineralized zones. Numerous old showings and mines extend along a northward trend or corridor, stretching approximately 15 kilometres from the Southern District, through the Central District and into the Northern (Murra) District.

The 2009 and 2010 exploration programs included prospecting, detailed geological mapping and sampling, mapping of underground workings and trenching of areas with abundant historical workings and quartz float. Regional mapping and prospecting covered almost the entire property.

From July to October 2010, the Company also completed a 1,514.75 metre initial drill program on the San Albino and Arras prospects (“San Albino/Arras”).

The San Albino-Murra Gold Concession contains several structural zones trending 060° which host quartz veins containing significant amounts of gold. At San Albino/Arras, at least 4 such veins have been tested by core drilling giving several intersections averaging greater than 10 g/t gold over one to four metres in width. This system has been tested in a preliminary fashion and appears to be continuous along strike and down dip for 200 to 400 metres.

At the Las Conchitas and San Pablo prospects, situated to the south of San Albino/Arras, at least 10 vein systems have been located by surface mapping and prospecting. Grab samples from these showings returned grades similar to sampling at San Albino/Arras, at greater than 10g/t gold.

Drilling at the historic San Albino Mine area has been encouraging, showing a consistency in thickness and grade over significant distances along strike and down dip. However, the San Albino-Murra Concession requires significantly more work before the Company will be able to outline economic mineralization. Core drilling in a five line grid pattern is required prior to calculate a mineral resource over the deposit. A total of 10,000 metres of core drilling is budgeted to develop an inferred mineral resource.

Surface mapping results at Las Conchitas and San Pablo are extremely encouraging. Surface showings should be trenched to confirm the size and continuity of the mineralized structures. Mineral targets located by trenching should be tested by core drilling with the aim of developing additional mineral resources in the Southern District. A further 5,000 metres of drilling is planned as a preliminary examination of the showings and mineral targets prior to completing more intensive drilling required to outline mineral resources.

In the Northern (Murra) District, sampling of several old mines has also outlined excellent gold mineralization. Surface prospecting and trenching will be continued in order to evaluate promising showings and underground workings. Trenching is planned at several of the showings identified in 2009 and 2010. Core drilling will be conducted at showings where mineralized structures are determined to be continuous.

Regional mapping and prospecting will continue over the Property, as new mineralized areas continue to be found and examined – particularly in the Central District where very little information is available and minimal mapping has been completed.

The proposed program which includes 10,000 metres of core drilling and 600 metres of trenching will cost approximately \$5,065,500.

2.0 INTRODUCTION AND TERMS OF REFERENCE

At the request of **Golden Reign Resources Ltd.** (“Golden Reign” or the “Company”) the author has completed a summary of the exploration programs completed in 2009 and 2010 on the San Albino–Murra Gold Concession located in northwestern Nicaragua. The programs consisted of regional mapping and prospecting over the Northern (Murra) District and Southern (San Albino) District of the Property, as well as 1,514.75 metres of HQ core drilling under the historic San Albino and Arras Mines, both of which are located in the Southern District. This summary was written as a Technical Report compliant with the provisions of National Instrument 43-101 (“NI 43-101”).

The author directly supervised all of the exploration conducted from November 2009 until December 2010 (the “2009/2010 exploration program”). This Technical Report is based on the exploration results from this period.

3.0 RELIANCE ON OTHER EXPERTS

The author supervised and takes full responsibility for the results of the 2009/2010 exploration program. Historical documents acquired from archival information, as well as reports by **Ing. Adolpho Bengoechea**, (1999), **Rodgers Peale** (1948), **Dr. Luc English** of Condor Resources Plc. (2009) and **Barry Price** (2009), were useful in providing background information which helped the author to plan and carry out the 2009/2010 program. The author is solely responsible for the data presented in this report, as well as the conclusions and recommendations contained herein.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 Property Description (Mineral Titles)

The San Albino-Murra Gold Concession covers 8,700 hectares (87 square kilometres) and is identified by the following geographical UTM coordinates: (UTM 16 WGM 84 datum). The Concession lies in northern Nicaragua in the Department of Nueva Segovia, the capital of which is Ocotol. The Concession is located approximately 40 km south of the Honduras - Nicaragua border.

Initially, the Concession was granted by Decree No 179-RN-MC-2002 dated February 4th 2002; on November 10th 2003 the Property was transferred to Chorti Holdings, S.A., by Decree No 346-RN-MC-2003, and by Decree No 611 RN-MC-2006, dated May 22nd 2006, transferred again back to Nicoz Resources, S.A., the present title holder, for a period of 25 years ending on February 3rd, 2027. The Property is in good standing.

FIGURE 1. LOCATION MAP



TABLE 1. LOCATION OF CONCESSION CORNERS, SAN ALBINO-MURRA CONCESSION

Northing	Easting
1,514,000 N	596,000 E
1,510,000 N	596,000 E
1,510,000 N	602,000 E
1,514,000 N	602,000 E
1,514,000 N	604,000 E
1,517,000 N	604,000 E

Northing	Easting
1,517,000 N	608,000 E
1,526,000 N	608,000 E
1,526,000 N	603,000 E
1,519,000 N	603,000 E
1,519,000 N	600,000 E
1,514,000 N	600,000 E

The Concession area is shown in Figure 2 of this report.

The Concession is subject to yearly exploration reports to be submitted to the government of Nicaragua and to yearly taxation.

The northern boundaries of the Property have been surveyed by four DGPS locations. Concession corners are referenced to UTM coordinates which may be located precisely in the field. The Property has two main explored showings, San Albino and Aguja de Arras, and many other lesser known showings, most of which are named.

There are no environmental concerns presently known to the author which would affect title. As much of the area is under cultivation, care has been taken when carrying out exploration activities. Consultation with the numerous surface rights owners and local communities is on-going. There is an existing environmental report and a permit under which drilling, trenching and underground work can be completed.

The Property is held under option by Golden Reign, pursuant to the terms of a formal option agreement as outlined in section 4.2 below.

FIGURE 2. SAN ALBINO – MURRA CONCESSION

(Note that the road shown in the center of the concession does not exist)



4.2 Property Option Agreement

In a news release dated Monday, June 29, 2009, Golden Reign detailed the acquisition of the San Albino-Murra Gold Concession, from which this summary has been extracted:

Golden Reign has entered into an option agreement, subject to regulatory approval, to acquire an 80% interest in the San Albino-Murra Mining Concession, which is held by a private Nicaraguan company, **Nicoz Resources S.A.** ("Nicoz"), under a 25 year mining license expiring February 3, 2027.

Under the terms of the option agreement (the "Agreement"), Golden Reign may earn its 80% interest in the Property (the "Earn-In") by:

Making cash payments to Mr. Frank Mena Marengo (the "Optionor"), as follows:

- US\$30,000 (paid) on signing of the Agreement;
- US\$100,000 (paid), of which US\$50,000 is to be paid upon delivery of an acceptable legal title opinion to the Property and receipt by the Company of conditional acceptance to the Agreement by the TSX Venture Exchange ("TSX-V"); the remaining US\$50,000 is to be paid upon receipt by the Company of final acceptance of the Agreement by the TSX-V (the "Approval Date"), such approval to be provided on or before August 31, 2009; and
- US\$40,000 on each six month anniversary of the signing of the Agreement, for the duration of the option earn-in period.

Incurring aggregate exploration expenditures of US\$5,000,000 on the Property, as follows:

- US\$200,000 (incurred) on or before the first anniversary of the Approval Date;
- US\$1,000,000 (incurred) on or before the second anniversary of the Approval Date;
- US\$1,800,000 on or before the third anniversary of the Approval Date; and
- US\$2,000,000 on or before the fourth anniversary of the Approval Date.

And issuing a total of 4,000,000 common shares of the Company, as follows:

- 1,000,000 (issued) common shares to be within five business days of the Approval Date; and
- 1,000,000 common shares to be issued on each of the first (issued), second and third anniversary dates of the Agreement.

A total of 80% of the share capital of Nicoz will be held in escrow in the name of the Company or its assignees by an arm's length third party until the earlier of: the completion of the Earn-in by Company; or termination of the Agreement, whereby the Company's interest in Nicoz will revert back to the Optionor. Upon the Company earning an undivided 80% interest in the Property (the "Earned Interest"), the Optionor will have 60 days in which to decide to:

- proceed under a participating joint-venture agreement, prepared in accordance with standard industry practices; or
- elect to convert its 20% working interest to a 3% Net Smelter Royalty ("NSR") and cause the transfer of its working interest to the Company. In which case, the Company has the right to purchase 50% of the NSR, or 1.5%, for an amount of US\$1,850,000, and, further, will have the right of first refusal to purchase the remaining 1.5% NSR should it be offered for sale at any time.

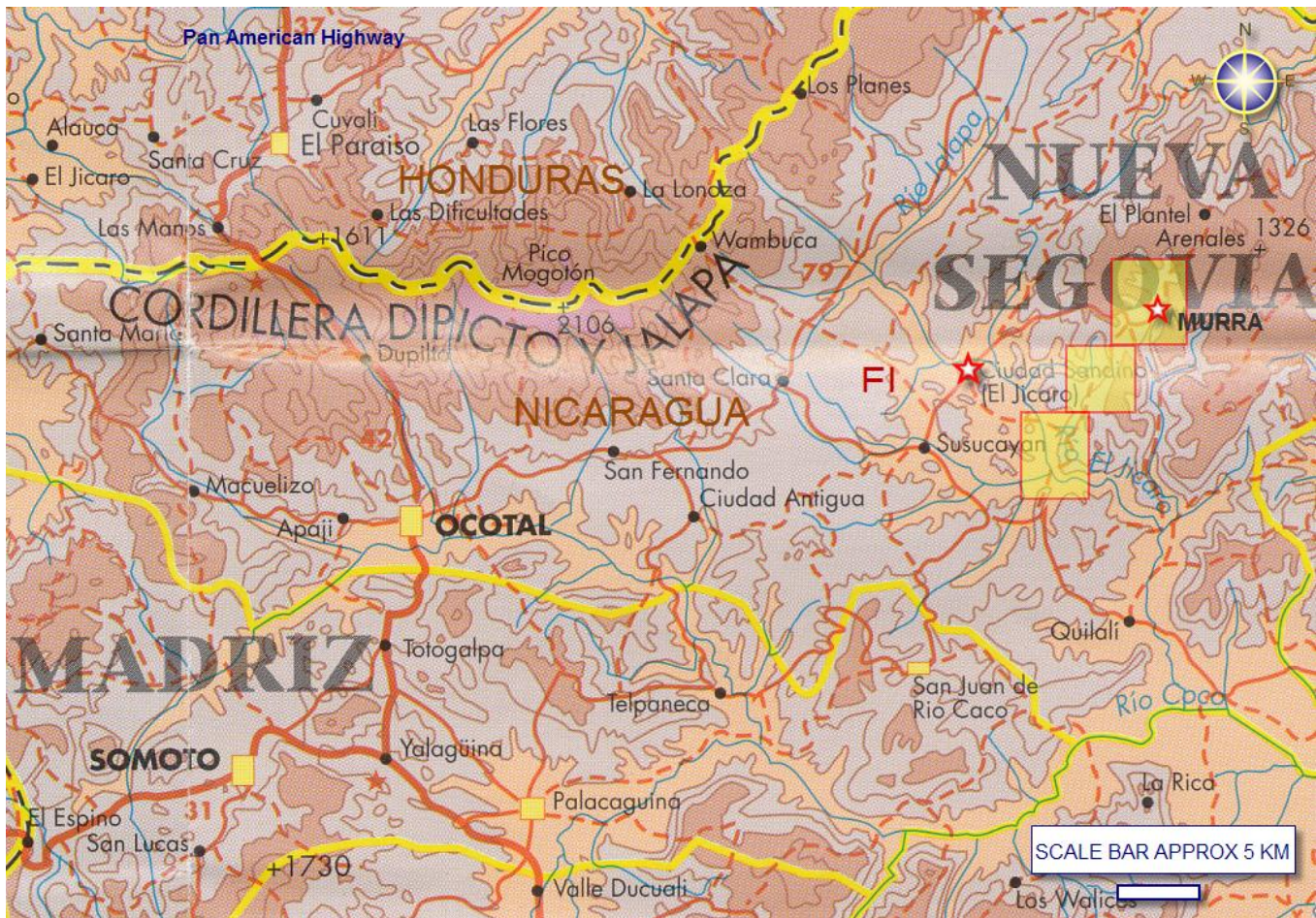
Upon notice to the Optionor of a commercial production decision, the Company at its election will issue to the Optionor additional shares in its capital or cash or a combination thereof, the value of which is to be equivalent to US\$3,500,000.

This is only a summary and the reader should refer to the legal option agreement, as outlined in the Company's disclosure, for full details.

As of December 31, 2010, the Company had expended approximately \$1.8 million on exploration and was well ahead of the required expenditures to earn-in its 80% interest in and to the Property. Pursuant to the terms of the Agreement, all property payments, share offerings and taxes have been paid.

The Company is ahead of and in good standing with all of the requirements pursuant to the option agreement. During 2011, with proposed exploration expenses in excess of \$4.0 million dollars during the calendar year, the Company will have met the required exploration expenditures to earn-in on its 80% interest in and to the Concession.

FIGURE 3. LOCATION MAP, EL JICARO AREA



4.3 Location

The Property is situated within the Department of Nueva Segovia (Figures 1-3), some 40 kilometres south of the border with Honduras and approximately 270 kilometres northeastward from Managua. The Property falls within the **Ciudad Sandino** 2957-II 1: 50,000 scale map sheet, (note: Ciudad Sandino is another name for El Jicaro). The San Albino Mine is approximately 6 kilometres southeast of the town of El Jicaro. The Arras deposit is approximately 450 metres south of the San Albino Mine. The northern part of the Property surrounds the town of Murra, which is approximately 11 kilometres northeast of the San Albino Mine. Other small settlements exist along the major roads.

The Concession location is shown in the accompanying Figure 2.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, PHYSIOGRAPHY

5.1 Access

Access to the Property is via 53 kilometres of all-season gravel (macadam) road leading from the City of Ocotal (the capital of the department) to El Jicaró, Murra and Quilali. Ocotal is located 226 kilometres northward from Managua City, following the paved road Highway CA-1. An all-weather, gravel road provides easy access to the Concession from El Jicaró, which is located 6 kilometres to the northwest. Access is difficult in the wet season, when roads are muddy. It takes approximately 5 hours driving time between Managua and El Jicaró or Murra, the nearest towns to the Property, or 15-20 minutes driving time from El Jicaró itself.

Road access is shown in Figure 3.

5.2 Climate

Nicaragua has a tropical climate; just as in the other Central American countries, there are two seasons: the dry and the rainy seasons. During the dry season (January - June) there is virtually no rain. Rain generally begins in June, with heavy rains in September and October, when it often rains once a day, but generally just for a short period of time and these are often spectacular, tropical downpours. In the eastern part of the country it rains more than in the west. There are three temperature zones in Nicaragua. In the lowlands (Pacific and Atlantic coast) temperatures vary roughly between 22° C at night and 30° C at daytime. Temperature can reach 38° C in May. The central part of the country is about 5° C cooler, and in the mountains in the north it is about 10° C cooler.

5.3 Physiography and Vegetation

The San Albino Gold Concession lies within an area of moderate to steep relief. Most of the land is hilly, but cultivated with corn or beans, or is used as grazing pasture for cattle. However the steeper, rockier valleys are often not cultivated and are often thickly forested with moderately dense undergrowth. The upper slopes and tops of the higher hills may be covered in low-density pine forests. The soil cover is typically thin and poor in humic material, rarely supporting more than 10cm of dark soil (Montgomery, 2008). Rock outcrops are mostly restricted to the valleys and drainages with rare outcrops found on the hilltops or in road cuts.

The San Albino Mine is situated in the southern end of the mining concession, approximately 6 kilometres east of the town of El Jicaró. The surrounding topography is characterized by gently sloping terrain, reaching a low of approximately 500 metres above sea level. Vegetative cover is primarily second growth shrubs, small trees, and grasses. The El Jicaró River is a barrier to exploring the east side of the San Albino District.

5.4 Local Resources and Infrastructure

Nicaragua, in general, has a moderately developed infrastructure of communications, roads, airports, and seaports. Several small towns with a history in farming and small scale mining are located along the main paved road (paving stones) leading from Ocotal City: San Fernando, Santa Clara, Susucayan, El Jicaró, Quilali, and Murra. Small farm settlements and dwellings are scattered throughout the area. There is a strong mining history, and a workforce skilled in small-scale mining is locally available.

Agricultural activities in the area are dominated by farm products, such as coffee, corn, rice, and cattle ranching. In the past, small-scale, artisanal gold mining, from both placer and hard-rock sources, was evident throughout the area. However, at the present time there is only artisanal placer mining in the northern (Murra) sector of the region. Some heavy equipment such as bulldozers or backhoes can be contracted locally (El Jicaró, Murra, Ocotal, or Esteli). Electrical power for the San Albino-Murra Gold Concession (originally supplied by a power dam on the El Jicaró

River) can be obtained from the national grid system that passes through El Jicaro close to the Property. Water for drilling is available from the El Jicaro River.

6.0 HISTORY

The following, brief summary of exploration history has been compiled from Peale, Bengoechea and others:

After a period of placer mining, which started sometime in the 17th century and centered around Ciudad Viejo on the Rio Cocos (west of the San Albino Mine), gold-quartz ore was discovered at the San Albino Mine area in about 1790 (Peale, 1948). The vein was reported to be shallow dipping. It dipped with the surface of the hill and was mined as an open pit by the Spaniards. When this method was no longer possible and it was necessary to go underground, accumulation of water stopped the work. Subsequently, the following operators worked the Property:

TABLE 2. HISTORICAL PRODUCTION AT SAN ALBINO				
DATES	OWNER	PRODUCTION	VALUE	COMMENTS
		Tons	US\$/ton (estimated)	
1885-1899	Ramon Raudales	12,000	\$12.00	
1899-1906	San Albino Mines Ltd.	2,000	\$17.00	7.5 ft stope from pillars
1906-1912	Jicaro Gold Estates Ltd.	11,000	\$7.00	From pillars and dumps
1912-1920	John May and G.J. Williams	7,000	\$11.00	1500 tons stoped, remainder from development and pillars
1922-1926	Charles Butters	3,000	\$15.00 ?	
		35,000	\$10.78 at \$20 Gold	Or \$18.20 at \$35 Gold

1922: **Charles Butters** acquired the Property about 1922 and brought in the heavy mill equipment across the country from Corinto. A dam was built on the El Jicaro River for power. Small production was achieved at the San Albino Mine, said to be about 10 tons per day with a grade of about 1 ounce gold per ton.

1926: **Augusto Sandino** became a mine clerk at the San Albino Mine, and shortly thereafter, with the assistance of the miners, took over the mine, and milled the stockpiled ore, approximately 3,000 tons. Sandino would have had little knowledge of mining or metallurgy and results and recoveries are not known. The Property was dormant from 1927 to the early 1930's.

1934: Consulting Engineer **Charles Janin** had the Property under option in 1934 from Charles Butters' creditors but failed to raise the money to go ahead. Janin had served as consultant to Butters and has written many reports on the Property.

1935: In 1935 the New York and Honduras **Rosario Mining Co.** opened the San Albino Mine and sampled at least the 400 level. According to one informant they turned it down because they preferred another property (possibly the Neptune) and could not handle both. Another source commented that they declined to purchase the Property because the ground was too difficult.

1938: The San Albino Mine was purchased from the creditors by **General Anastasio Somosa**, President of Nicaragua, in 1938 and the title was held in his name and that of his wife. Later the title was transferred to their son, Luis. The mine operated intermittently in the late 1930's and early 1940's but closed down after the hydroelectric dam in the El Jicaro River was lost. No record was made of any production.

1948: The property was inspected by **Rodgers Peale**, Mining Consulting Engineer, who wrote a comprehensive report. Little work had been done for years at the time of Peale's inspection, and the San Albino Mine was not accessible; however, Peale's report is an excellent compilation of work done to that date.

1981: The San Albino Mine plant was burned down by revolutionaries. The remains of the mill equipment is scattered at the plant site.

1996-1997: **Western Mining Corporation** (Nicaragua) Inc. (WMC) under an option agreement with EMSA, completed in 1996-1997 the first modern exploration on the Quilali-Murra Exploration Concession, which was inclusive of the current San Albino-Murra Gold Concession, the property boundaries of which extended beyond the current Property boundaries. This work included a stream sediment survey throughout the concession area and rock chip sampling, mainly in the Murra area. The exploration work was terminated for reasons unrelated to the merits of the project. WMC's regional stream sediment survey was completed and soil samples were collected every 500 metres along the trails and footpaths crossing the area. Rock chip samples correspond to known quartz vein outcrops, and old mining exploration sites in the area of the Murra District. Sample site locations were carefully controlled by the use of high resolution GPS equipment. All EMSA's sample details are available in the EMSA database.

Stream sediment and soil samples were dried and sieved to -80 mesh; rock chip samples were crushed and split. Sample preparation was done at EMSA's preparation laboratory; half of the pulp and rock splits were sent to ITS Bondar Clegg Laboratory, Vancouver, Canada, for assaying. The other half of the pulp and rock splits were kept at EMSA's storage facilities for further reference. WMC's regional stream sediment survey noted that the local presence of metavolcanic rocks within the largely meta-sedimentary sequence underlying the original Murra-Quilali Exploration Concession suggest a potential for volcanogenic massive sulphide deposits.

In 1996, the 200L, 400L, and Naranjo x-cut were cleaned-up and channel sampled at 5 feet intervals. The 300L x-cut was reopened for a distance of 287 feet, without reaching the 300L main drift. The 300L x-cut ground instability required timbering, and it was channel sampled at 5 feet intervals, from the entrance to 145 feet.

A JKS Boyles Winkie drill rig, with a depth capacity of 450 feet (drill rods EW, core diameter 22mm), was used as an experiment to explore the drill-rig performance in drilling into schist ground, and its application in exploring possible disseminated mineralization at San Albino Mine's hanging-wall structure.

Two vertical diamond drill holes ("DDH") were carried out with unsuccessful results, failing to reach the programmed drill depths of 400 feet. The first DDH (#1) only could advance 96 feet; as the phyllite turned, with the addition of drilling water, into a high sticky mud, which the drilling-rig engine of 10 Hp power could not overcome. The second DDH (#2), located 250 metres northwest of DDH #1, advanced only 76 feet depth, at which the drill-rig's engine once again failed to perform.

1997-2006: **EMSA** (now Resources and Mining S.A - REMISA) carried out exploration work at the San Albino Mine, by reopening the old cross-cuts at different levels in an attempt to reach the main drift. This work was not completed due to the instability of the wall rock and heavy rain fall during 1998 and 1999. A soil survey and shallow diamond drilling was accomplished in the hanging-wall side of the San Albino Mine's mineralized structure. However, the drill was under-powered and not able to penetrate the clay rich oxidized zone.

The programs undertaken by EMSA (now REMISA) were conducted across a number of concessions in northern Nicaragua, and described in a report by Ing. Adolpho Bengoechea. The work consisted mainly of rock chip and soil sampling and the report is available. In that additional work done later has in part duplicated this work, the 1999 program is not described in detail here.

2003 Program (Pila Gold Ltd.)

In late July 2003 Pila Gold initiated a work program on the San Albino/Murra district. The following was reported in a brief three page final report (Author unknown):

“The project work was directed at sampling old workings where possible to look for mineralization over minable widths, and to collect district-wide structural data with a view to look for areas with favorable structural settings to host bulk tonnage deposits. For the program Pila Gold mobilized 2 work teams each comprising one foreign geologist and one Nicaraguan technical assistant. Field labor, and guides were taken from the relevant local communities. Technical support was provided by the office in Managua.

In the 5 month program (July-December 2003) 893 rock samples, 189 soil samples and 43 silt samples were collected and entered into a Data Base. Three hundred and fifty separate showings were located mapped and sampled (where possible) and the information entered into a data base. Three areas have had detailed sampling, pitting and trenching carried out on them. A total of 24 hand dug trenches and pits were completed.

Regional traverses were carried out to add structural data and try to identify any large low grade bulk tonnage targets. This structural data was amalgamated with the showings structural data into a regional structural database. “Most of the detail work was carried out in the SW end of the district; in the Las Conchitas area, where EMSA had encountered significant Au in soil anomalies and in the area of the San Albino Mine”.

All sample locations (GPS and verbal descriptions) and results from the detailed search for old mine workings are contained in a large database from the 2003 work. This will be invaluable in relocating and evaluating all showings in the area. The results are too numerous to provide in the text of the report but all showing locations are provided in several tables in the possession of Golden Reign.

2006-08 Work Program by Condor Resources Plc.

Work completed by Condor from 2006 to early 2009 (when the project was relinquished) included:

- 75 Trenches totaling 2,250 metres with 2,398 samples
- 82 road cuts totaling 584 metres with 694 samples
- 8 adits inspected or mapped - 246 metres with 246 samples
- 24 drill holes totaling 2,754 metres with 1,321 samples (3 drill holes at San Albino and 21 at Arras)
- Rock chip and soil samples total 1,100 samples.

The work has been described in detail in an excellent final summary report by Dr. Luc English of Condor (2009).

Trenching

A total of 75 trenches were completed over the entire concession area. These are summarized below:

TABLE 3. SAN ALBINO TRENCHES					
Condor Resources Plc.					
No	Trench	East WGS84-16N	North WGS84-16N	Alt (m)	Intersection
1	SACT024	597321.87	1513768.48	562.07	4m @ 6.62 g/t Au from 0m (open) inc. 1m @ 24.8 g/t Au from 0m
2	SACT026	597330.32	1513749.27	576.77	1m @ 2.60 g/t Au from 6m
3	SACT027	597277.60	1513712.44	583.58	1m @ 41.8 g/t Au from 0.4m (vertical)
4	SACT031	597297.00	1513759.00	573.40	1.5m @ 11.3 g/t Au from 0m (vertical)
5	SATR045	597097.58	1513302.33	634.20	1m @ 3.9 g/t Au from 13m
6	SATR045	597102.75	1513297.99	634.43	1m @ 4.4 g/t Au from 20m
7	SATR050	597330.95	1513515.58	620.96	1m @ 10.2 g/t Au vertical
8	SATR053	597707.88	1513270.38	592.85	1m @ 3.31 g/t Au from 5m
9	SATR054	597310.07	1511328.41	635.35	1m @ 1.38 g/t Au vertical
10	SATR059	597296.37	1513549.47	623.97	1m @ 4.84 g/t Au from 0m (open)
11	SATR062	597316.83	1513605.37	611.99	5m @ 37.2 g/t Au from 1m, inc. 1m @ 158 g/t Au

Reproduced from Condor Final Report. More significant trench results shaded yellow.

Arras Trenching

The following trench results were obtained by Condor at Arras.

TABLE 4. ARRAS EXPLORATION TRENCHES 2007					
CONDOR RESOURCES PLC.					
No	Trench	East WGS84-16N	North WGS84-16N	Alt (m)	Intersection
1	SACT002	597610.86	1513289.81	575.77	3m @ 15.9 g/t Au & 39.9 g/t Ag from 0m
2	SACT003	597411.84	1513812.15	531.09	1m @ 0.77 g/t Au from 25m
3	SACT004	597765.44	1513317.97	564.38	1m @ 1.33 g/t Au from 0m
4	SACT004	597718.47	1513333.26	560.02	1m @ 0.40 g/t Au from 50m
5	SACT004	597769.23	1513318.9	564.34	1m @ 1.18 g/t Au from 23m
6	SACT016	597612.04	1513289.04	575.14	1m @ 12.6 g/t Au vertical
7	SATR001	597543.21	1513255.52	584.29	10m @ 1.31 g/t Au from 2m
8	SATR001 EXT	597538.38	1513258.61	581.58	3m @ 0.90 g/t Au from 0m

9	SATR002	597580.97	1513173.2	623.65	2m @ 0.75 g/t Au from 2m
10	SATR002	597583.48	1513167.82	624.43	1m @ 1.55 g/t Au from 8m
11	SATR003	597572.39	1513281.14	574.68	20m @ 7.96 g/t Au from 17m
12	SATR003	597561.93	1513288.74	574.79	4m @ 3.26 g/t Au from 40m
13	SATR004	597821.65	1513306.7	504.32	2m @ 1.26 g/t Au from 1m
14	SATR006	596671.48	1513306.7	535.74	2m @ 3.05 g/t Au from 3m
15	SATR007	598005.53	1513687.63	548.13	1m @ 0.80 g/t Au from 5m
16	SATR010	597614.9	1513302.7	575.88	18m @ 6.77 g/t Au and 11.8 g/t Ag from 0m
17	SATR010	597628.63	1513291.19	578.76	8m @ 8.82 g/t Au and 14.2 g/t Ag from 25m
18	SATR011	597650.15	1513315.24	575.88	16m @ 7.89 g/t Au and 10.2 g/t Ag from 7m
19	SATR012	597724.65	1513364.97	555.39	3m @ 4.99 g/t Au and 24.4 g/t Ag from 23m
20	SATR012 EXT	597740.89	1513353.42	557.65	2m @ 8.02 g/t Au from 10m
21	SATR013 EXT	597775.29	1513371.95	540.01	1m @ 0.63 g/t Au from 25m
22	SATR014 EXT	597812.5	1513460.8	508.09	1m @ 0.46 g/t Au from 32m
23	SATR020	597569.89	1512195.98	554.65	2m @ 3.08 g/t Au from 2m
24	SATR022	597761.41	1512121.18	518.31	1m @ 0.7 g/t Au from 5m
25	SATR022	597749.08	1512129.82	522.17	1m @ 6.75 g/t Au from 21m
26	SATR024	597689.94	1513342.65	563.17	1m @ 5.15 g/t Au from 43m
27	SATR024	597692.91	1513340.33	564.47	2m @ 5.01 g/t Au from 47m
28	SATR024	597697.31	1513336.89	566.67	2m @ 2.65 g/t Au from 53m
29	SATR024	597702.97	1513332.47	570.19	5m @ 6.97 g/t Au from 61m
30	SATR032	597063.79	1513235.01	597.95	1m @ 3.87 g/t Au from 37m
31	SATR032	597066.58	1513232.67	599.6	1m @ 1.85 g/t Au from 41m

Gold intercepts in trenches in other areas are shown on the following pages.

TABLE 5. TRENCHES FROM SOUTH OF ARRAS PROSPECT

Condor Resources Plc.						
No	Prospect	Trench	East	North	Alt	Intersection
			WGS84-16N	WGS84-16N	(m)	
1	Mango	SACT012	597238.99	1510885.44	615.22	1m @ 1.65 g/t Au from 3m
2	Mango	SACT013	597284.39	1510908.67	601.59	1m @ 4.43 g/t Au from 3m
3	Mango	SATR043	597269.90	1510831.74	614.95	1m @ 1.42 g/t Au from 1m
4	Mango	SATR044	597278.11	1510921.36	599.73	7m @ 6.16 g/t Au from 5m
5	Mango	SATR044	597268.75	1510922.66	599.97	1m @ 3.57 g/t Au from 18m
6	Robles Norte	SACT019	597315.67	1511367.81	628.42	1m @ 1.00 g/t Au from 1m
7	Robles Sur	SATR047	597168.46	1511246.93	622.29	3m @ 9.06 g/t Au from 17m
8	Robles Sur	SATR047	597175.40	1511238.66	622.75	2.8m @ 7.32 g/t Au from 28m
9	Mango	SATR036	597304.36	1510838.00	615.64	8m @ 3.43 g/t Au from 22m
10	Conchitas	SATR038	597529.27	1512091.38	534.16	1m @ 3.02 g/t Au from 13m
11	Conchitas	SATR038	597531.50	1512089.51	533.99	1m @ 5.00 g/t Au from 16m
12	Conchitas	SATR038	597536.01	1512085.73	532.92	10m @ 3.19 g/t Au from 22m (mullock)
13	Conchitas	SATR041	597596.66	1511873.5	535.37	2m @ 19.5 g/t Au from 19m (open)

TABLE 6. MURRA AREA TRENCHES

Condor Resources Plc.

No	Prospect	Trench	East	North	Alt	Intersection
			WGS84-16N	WGS84-16N	(m)	
1	Santo Domingo	MUCT006b	607079.97	1520995.04	1068.00	1m @ 14.2 g/t Au vertical
2	Santo Domingo	MUCT008	607070.86	1521016.04	1065.31	1.3m @ 1.16 g/t Au from 3m
3	Santo Domingo	MUCT009	607074.85	1520997.35	1059.15	0.7m @ 1.09 g/t Au from 0.9m
4	Santo Domingo	MUCT013	607112.00	1521012.00	1061.88	1.65m @ 1.06 g/t Au from 0.5m
5	Santo Domingo	MUCT022	607061.22	1521010.08	1057.44	1m @ 2.67 g/t Au from 0m
6	Santo Domingo	MUCT023	607848.34	1520427.94	1171.09	1.1m @ 1.23 g/t Au from 2.7m
7	Santo Domingo	MUTR003	607330.04	1521310.07	1015.56	4m @ 10.5 g/t Au from 3m
8	Santo Domingo	MUTR004	607321.30	121149.01	1053.68	1m @ 5.7 g/t Au from 13m
9	Santo Domingo	MUTR004	607324.74	1520054.98	1052.77	1m @ 2.8 g/t Au from 20m
10	Santo Domingo	MUTR006	607348.33	1521154.98	1038.43	7m @ 1.29 g/t Au from 5m

11	Matasan	MUCT014	607060.08	1522663.10	1046.24	1.5m @ 3.47 g/t Au from 0m
12	Matasan	MUCT016	606979.82	1523027.85	1020.02	0.3m @ 1.58 g/t Au from 0.9m
13	Matasan	MUCT017	607582.96	1522690.10	973.25	0.7m @ 1.13 g/t Au from 0.9m
14	Matasan	MUCT019	607001.00	1523055.00	1032.05	0.1m @ 0.93 g/t Au from 0m
15	Matasan	MUTN001	607148.81	1522592.70	1044.05	0.2m @ 1.64g/t Au from 1.1m
16	Matasan	MUTR001	607647.64	1522595.32	984.82	6m @ 0.83 g/t Au from 6m
17	Matasan	MUTR002	607575.44	1522682.03	974.76	2m @ 18.3 g/t Au from 7m
18	El Perico	PECT006	604833.00	1518433.00	777.65	1.5m @ 4.81 g/t Au from 0m
19	El Perico	PETN001	604791.97	1518681.86	828.00	1m @ 3.00 g/t Au vertical
20	El Perico	PETN002	604754.12	1518884.46	861.81	0.9m @ 2.16 g/t Au from 10m

Historical Drilling

Drilling information for the Condor program was provided by Dr. Luc English in his Final Report for 2009 (Condor 2009).

Drilling was done mainly by Reverse-Circulation (RC) drilling with only two diamond core sections. All drilling was undertaken by a UDR650 multi-purpose drilling rig mounted on a six-wheel drive ex-military truck and supported by a 900 cfm/350psi compressor mounted initially on a twin axel commercial truck and latterly on a six-wheel drive ex-military truck.

The drilling rig was owned and operated by Honduras based R&R Drilling. RC drilling used 3½ inch diameter rod string composed of 3 metre rods coupled to a 4½ inch bit face sampling hammer. The RC drilling equipment proved capable of drilling up to 150 metre depth in dry conditions. Only on two occasions were diamond “tails” drilled and on both occasions the change was made at approximately 150 metre drill depth because there were no more RC rods available at the time. Water was only encountered in one drill hole, SARC016 at 135 metre drill depth, at which point the hole was terminated due to wet sample return (the target had already been reached).

Some of the better drill hole intercepts are given below. Only one drill hole of three at San Albino intercepted gold-bearing structures. This drill hole is visible at the portal of the 300 Level cross-cut.

TABLE 7. SAN ALBINO DRILL HOLES

Condor Resources Plc.

No	Trench	East WGS84-16N	North WGS84-16N	Alt (m)	Intersection
1	SARC010	597276.26	1513801.52	524.69	1m @ 4.20 g/t Au from 14m
	SARC010	597306.23	1513773.34	455.29	1m @ 2.12 g/t Au from 95m

At Aguja de Arras (“Arras”) 22 holes were drilled with the following significant intercepts (among others of lower value):

TABLE 8. ARRAS DRILL HOLE LOCATIONS AND DATA**Condor Resources Plc.**

No	Trench	East WGS84-16N	North WGS84-16N	Alt (m)	Intersection
1	SARD001	597633.51	1513234.46	589.08	1m @ 2.87 g/t Au from 31m
2	SARC002	597702.68	1513281.41	589.17	1m @ 2.54 g/t Au from 2m
3	SARC003	597779.67	1513324.85	548.67	2m @ 0.90 g/t Au from 8m
4	SARC005	597595.10	1513324.35	552.76	4m @ 17.9 g/t Au from 8m, inc 1m @ 42.0 g/t Au at 9m
5	SARC013	597548.87	1513299.89	564.51	4m @ 28.2 g/t Au from 3m
6	SARC013	597548.87	1513299.89	556.51	3m @ 10.9 g/t Au from 11m
7	SARC014	597581.28	1513348.94	558.05	3m @ 2.89 g/t Au at surface
8	SARC014	597581.31	1513348.92	536.05	1m @ 2.6 g/t Au from 23m
9	SARC015	597593.37	1513382.98	534.15	1m @ 0.56 g/t Au from 30m
10	SARC015	597593.37	1513382.98	528.15	2m @ 1.61 g/t Au from 36m
11	SARC018	597491.00	1513348.00	600.00	2m @ 6.58 g/t Au from 8m
12	SARC019	597572.00	1513390.00	525.00	1m @ 1.31 g/t Au from 77m
13	SARC021	597514.00	1513390.00	514.00	4m @ 16.3 g/t Au from 84m
14	SARC024	597544.00	1513415.00	506.00	3m @ 3.51 g/t Au from 87m

Reproduced from Condor Final Report 2009

7.0 GEOLOGICAL SETTING

7.1 Regional Geology (Figure 4)

The San Albino-Murra Gold Concession covers over 20 kilometres strike extent of a belt of Paleozoic metamorphic rocks within a structural trend known as the Guayape Suture Zone. The dominant rock type is metavolcanic phyllite and schist. In the areas of gold mineralization graphitic schist is pervasive. The metavolcanics are locally intruded by massive granite bodies and felsic to intermediate dykes, the most significant being a granite-quartz monzonite batholith that forms the Dipilto-Jalapa mountain range to the north of the project area. The granite-quartz monzonite has been isotopically dated as Upper Cretaceous.

Goeser (1996) states that the sequence of events within the metamorphic terrain is readily apparent. A first regional foliation and concordant quartz veins (S1) indicate an initial stage of compression. Recumbent folding of S1 structures may or may not indicate a subtle, second compression event, although there are no foliation or crenulations as yet seen to verify this. Vertical to sub-vertical normal faults, fractures, shear, and quartz veins are denoted S2. S2 structures severally disrupt and displace S1 foliation and quartz veins. A second extensional event, S3, has characteristics and sub-perpendicular to S2. S3 structures are possibly conjugates of S2. Judging from small-scale

mineralization and the frequency of sulphide content of specific quartz veins, S1 veins seem to be primary carriers of gold and silver mineralization hosted in the meta-volcanic rocks in the northwestern region of Nicaragua.

Topographic trends indicate a dominant north-east striking foliation, interpreted as the axis of maximum compression in the suture zone. There is outcrop evidence of considerable structural thickening of the schist package, such as over thrusting and tight folding. Western Mining Corporation's geologists identified structures relating to compression and subsequent extension and suggested the following sequence of events (Monthly Exploration Report, Jan 1996):

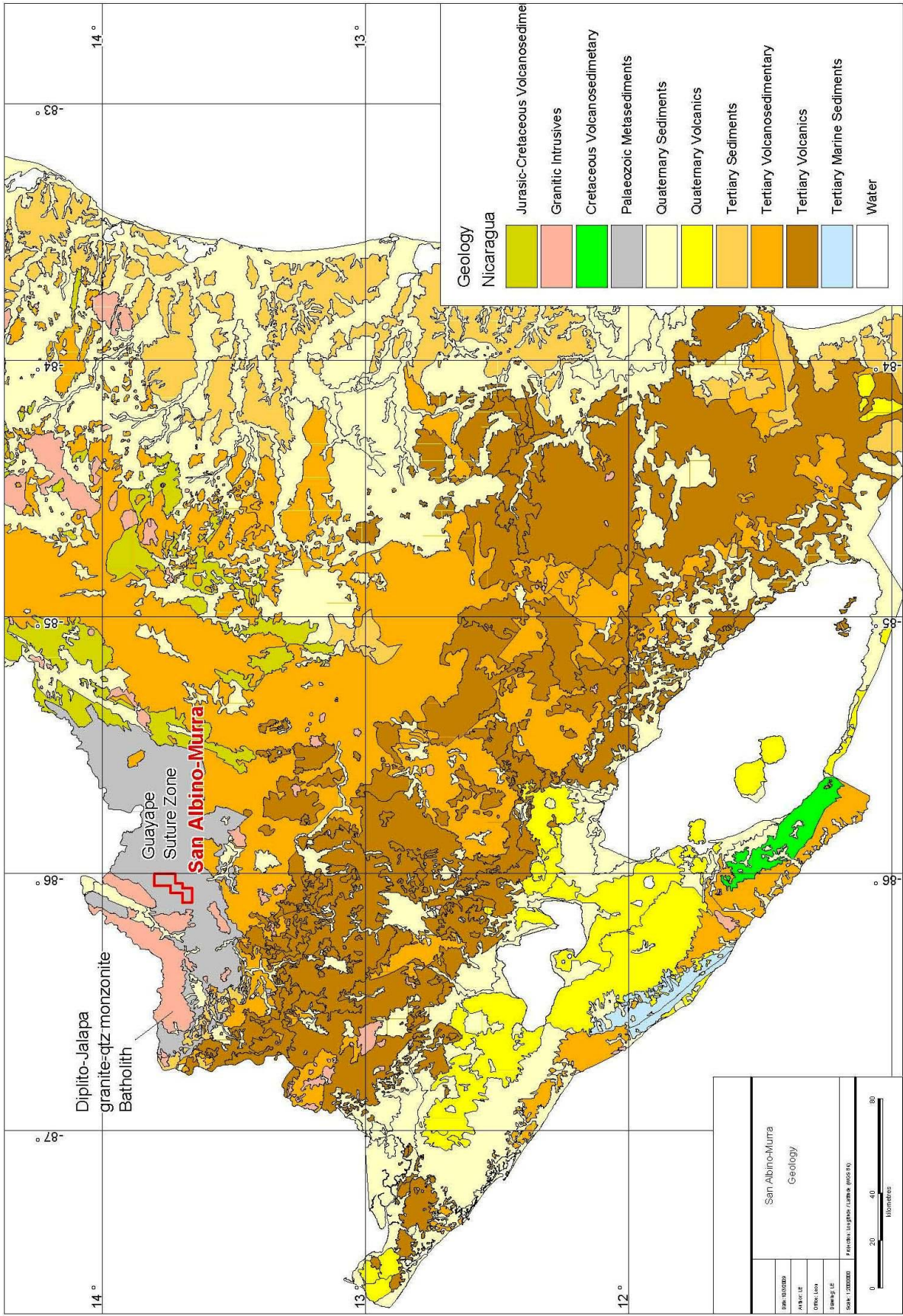
- Compression (S1) forming regional penetrative foliation and concordant quartz veins.
- Continued or subsequent compression leading to recumbent folding of S1 foliation.
- Extension (S2) forming vertical and sub-vertical normal faults, fractures, shears, and quartz veins offsetting S1 structures.
- Conjugate set or second extensional event (S3?) forming near perpendicular faults and fractures to S2 structures.

Geological mapping demonstrated variations in the direction of the structural components between the northern and southern parts of the Concession. When interpreting these variations it is suggested that there is a possible 400 metre net rise in structural position over a distance of 15 kilometres from the south-west (San Albino District) to north-east (Murra District). Most of the mineralized veins in the south-western San Albino District and Potrerillos Concession, which lie to the north of this area, appear to strike at 240° (south-west) and dip towards the northwest, while mineralized structures at a higher altitude in the north-eastern Murra District strike north-south and dip west.

The gold, silver, and sulphide-bearing quartz veins are interpreted as of probable late stage, ie. Post S-1 and S-2 and pre S-3.

The hydrothermal gold mineralization in the Concession region occurs along a belt parallel to the contact zone of the intrusive with the host phyllites, in quartz veins, quartz pods and lenses deposited in the phyllite. Free gold sometime fills the small quartz fractures. Free gold also has also been observed disseminated in the phyllite. The mineralized vein structures generally consist of white quartz in which the thickness, strike length, and depth are controlled by the structural conditions of the host phyllite.

FIGURE 4. REGIONAL GEOLOGY OF NICARAGUA



All mapped and sampled quartz veins in the area of the San Albino-Murra Gold Concession (including the Telpaneca Mining District to the southwest) are located in a 20 kilometres wide by 64 kilometres long NE-SW structural controlled belt – locally named the “Murra Trend”, parallel to the intrusive-phyllite contact.

The San Albino-Murra Gold Concession covers most of the historically explored quartz vein showings in the northern area of the Murra Trend; these quartz structures have been grouped into: the San Albino District, within the block’s UTM coordinates 1,510,000N – 1,517,000N and the Murra (or La Paz) District – within the block’s UTM coordinates 1,517, 000N – 1,526,000N.

7.2 Property Geology (Figures 5, 6 and 7)

7.2.1 San Albino District

The most intensive geological and mineralogical studies of the Concession area were completed over the San Albino Mine and Arras prospects in the southern part of the Concession. At Arras and San Albino, the host rock is a fine grained graphitic schist, transitional from a chlorite phyllite and chlorite schist. The graphite schist is composed of graphite, quartz and fine clays. Abundant metamorphic quartz veinlets and lenses concordant with the dominant foliations are interpreted as derived from metamorphic mineral differentiation. The rock has been extensively deformed with tight compound folding, lensoidal textures and thrust features all recognized at the centimeter to meter-scale. Recumbent folds have fold axes striking at 240° and dipping 45° to the northwest with the fold hinge oriented 215° and folds verging to the northeast.

The main structural trends are the 240° regional foliation and a cross cutting 310° set of structures or faults. Very little movement, possibly as little as 50 metres occurs along the 310° faults. The whole area is later cut by a north-south trending normal fault along the El Jicaro River which raises the rocks east of this fault by as much as 500 metres. Other minor north-south normal faults also raise the rock units east of the faults.

7.2.2 Murra District

Very limited geological mapping has been conducted in the Murra District. In a study by Daniele del Giudice (Boletín del Servicio Geológico Nacional de Nicaragua No. 3 – 1959), he described a large granite batholith (Jalapa batholith) situated approximately 15 kilometres NW from the town of Murra.

The most dominant type of rock within the area is a chlorite schist which is intensively weathered at the surface. During the 2009-2010r geological mapping program, geologists were able to distinguish several schists varying from grey-sericite, black-graphite-sericite, and massive grey-green fine grained chlorite schists, which are well exposed between the towns of Murra and El Jicaro.

The schists are strongly sheared and foliated. East of the Murra River the foliation strikes north-east (20°) and dips steeply to the west. West of the Murra River the foliation dips steeply to the east. These schists contain quartz veins and veinlets, ranging in width from 1 centimetre to several metres. The mineralized veins generally lie parallel to foliation and it appears that veins follow the large regional north-east trending structures. The large north-south trending Murra River structure may actually be the axis of a large north-south syncline.

[illegible]

FIGURE 6. GEOLOGICAL MAP OF NORTHERN PART OF MURRA DISTRICT

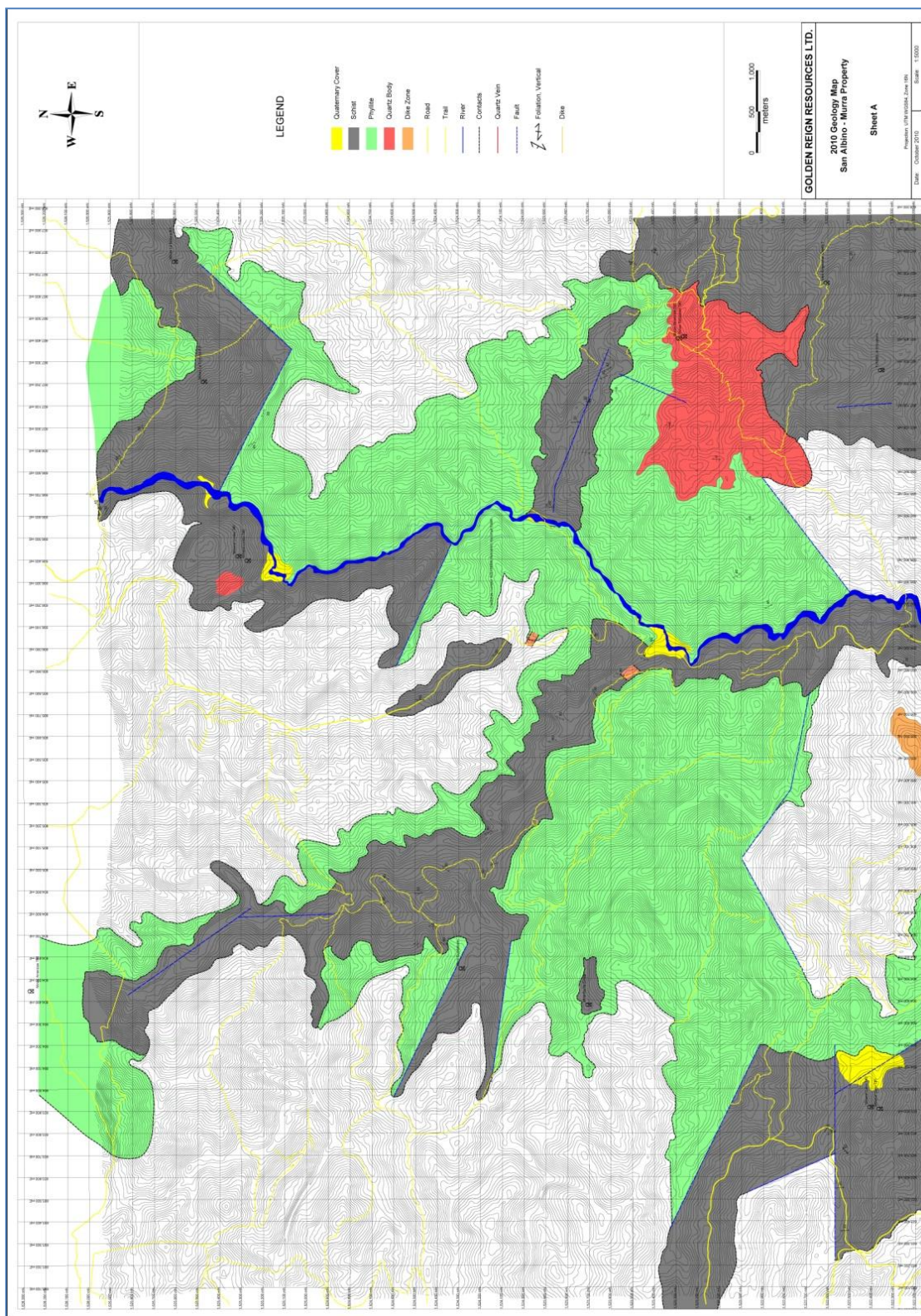
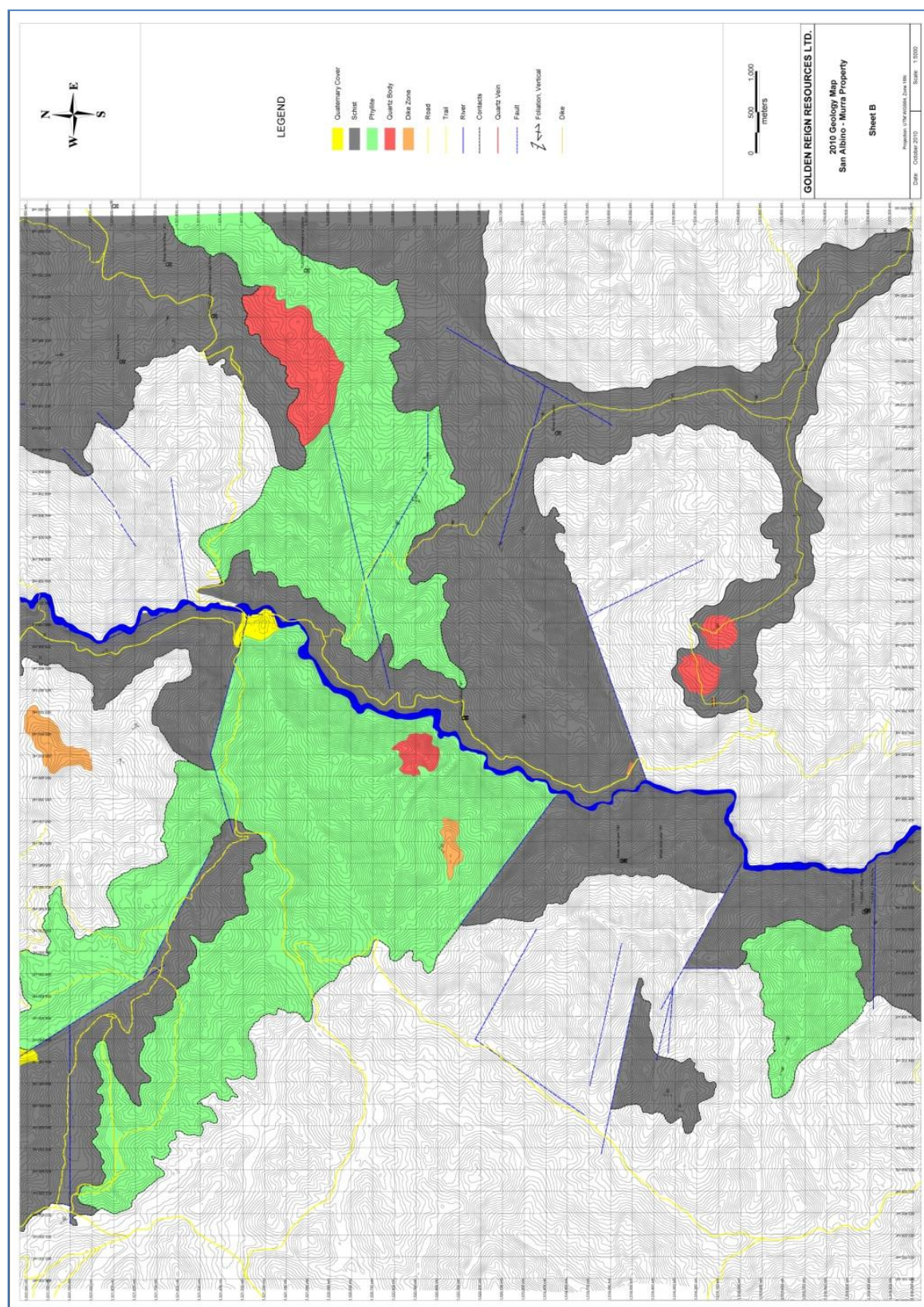


FIGURE 7. GEOLOGY OF SOUTHERN PART OF MURRA DISTRICT



8.0 DEPOSIT TYPES

Epithermal deposits occur where mineralization has occurred within 1 to 2 kilometres of depth of the earth's surface and was deposited by hydrothermal fluids. The mineralization on the Property has several features which suggest that is an epithermal style of mineralization. Features include quartz veins, stockwork and breccias with gold, silver, pyrite, with variable amounts of galena and sulfosalts sometimes occur at shallow depth at/or near the surface. The quartz vein textures exhibit open space filling and chalcedonic banding. The mineralization and alteration are associated with hydrothermal systems related to a buried intrusive.

9.0 MINERALIZATION

At the San Albino Mine and Arras area in the Southern (San Albino) District, the mineralization consists of gold and silver in quartz veins and quartz stockworks containing galena, arsenopyrite, sphalerite and pyrite. Alteration around the mineralized veins consists of significant alunite and adularia. Where the veins are mineralized, the host chlorite schists have been flooded with hydrothermal graphite producing a graphite schist.

Mineralization is controlled by 60°/240° trending fault structures. This prominent structural control governs the strike of the surrounding phyllites and schists, as well as the mineralized quartz veins.

During the initial stage of geological mapping in 2009-2010, geologists were able to distinguish two distinct directions of veining. The main zone of veining, covering most of the Murra District is divided by the regional, N-S Murra fault or synclinal axis. This zone is situated in the western portion of the Murra District and is separated from the rest of the northern area by the San Rafael fault where several old workings (San Rafael, Mina Carvi, etc) are located. These veins are characterized by strong sulphide mineralization, containing arsenopyrite, pyrite, galena, and possible argentite. The veins are silver rich. The sulphide content is much higher than in the other two zones of veining which are situated on either side of the Murra river regional fault. More detailed descriptions of the veining are provided subsequently in this report.

10.0 EXPLORATION

10.1 2009-2010 FIELD PROGRAM

10.1.1 Introduction

The San Albino–Murra Gold Concession covers a large, prospective area of 87 square kilometres (8,700 hectares), and it is situated within a set of shear zone trending 060 degrees that have undergone development and discontinuous prospecting from Spanish time to the present. Mining development in adits, galleries and chimneys provided places to be sampled and tested.

The exploration program included prospecting, detailed geological mapping and sampling, mapping of underground workings and trenching of areas with abundant historical workings and quartz float. Regional mapping and prospecting has covered almost the entire Property.

From July to October 2010, the Company also completed a 1,514.75 metre initial drill program on the San Albino and Arras prospects.

10.2.0 San Albino (Southern) District

Initial work has focused on the San Albino District, with the San Albino and Arras-San Lorenzo prospects as the primary targets. Results of the comprehensive mapping, trenching and sampling undertaken by the Company were compiled, along with historical data from the San Albino Mine.

Upon reviewing the historical data, the geologists took note of the many old workings that were exploited to obtain gold and silver during colonial times. Most of the workings, represented by mine chimneys, adits and tunnels, were only small artisanal mine workings with very limited production.

Very little work was done in the 1800's. Later, the Property was worked in a discontinuous way between the 1920's and 1940's. This later work was focused on exploitation of the major veins by a system of galleries and chimneys that are scattered around the area, primarily in the Las Conchitas, San Albino and Arras areas.

10.2.1 Geological Mapping – San Albino District

Data collected by the previous operator (Condor Resources Plc) has helped the Company's geologists to: evaluate and determine the orientation (strike and dip) of the mineralized structures; locate the mineralized structures in the field; and, map other regional geology and structure.

Reconnaissance exploration was completed over the entire district. Regional mapping and detailed sampling of quartz vein outcrops and showings was performed, with the intent to evaluate outcrops exposed in the valleys, road cuts, trails and along the banks of the El Jicaro and Susucayan rivers and their tributaries.

The data and the geological field observations obtained from mapping determined that the dominant mineralized structures strike $060^{\circ}/240^{\circ}$ and dip to the northwest.

Geological studies of the area have determined that the mineralization in the San Albino-Murra Gold Concession is a low sulphidation epithermal style, in a system of 60° trending quartz veins and controlled by a 060° striking shear zone. The quartz vein mineralization includes significant amounts of graphite, galena and arsenopyrite with trace amounts of pyrite and scorodite (San Albino, Arras, San Lorenzo, Conchitas, and El Jobo).

Areas of historical Spanish mining activity, as indicated by the presence of mine dumps and tailings (Mina Perú, San José, Mina Angela and many others) are associated with the same fault systems as the San Albino system (striking $240^{\circ}/60^{\circ}$) and cut by faults either $310^{\circ}/130^{\circ}$ (reverse faults dipping 60°) or $280^{\circ}/100^{\circ}$ (vertical).

The original mapping program in the Southern District located four target areas that have a good potential for hosting economic gold and silver deposits:

- A. San Albino – Arras – San Lorenzo;
- B. Conchitas (including San Pablo area);
- C. Mina Perú – San José;
- D. Mina Angela (Santa Rosa)

Target A: San Albino – Arras - San Lorenzo occurs in a large $240^{\circ}/60^{\circ}$ structure which is well known for hosting economic mineralization, as demonstrated by the exploitation at the San Albino, Arras, and San Lorenzo mines. In addition to these mines, El Gusano (598150E - 1513100N) lies along the same structure and is located along the 60° trend that follows the Mora Creek valley east of the El Jicaro River. To the north, on the road to El Jicaro, a structure of the same strike contains Spanish workings and is terminated and cut by faults striking 100° . This mineralized structure includes the trace of the El Jobo vein and mine.

Besides the San Albino, Arras and San Lorenzo veins, which all lie along the 60° trend, several mineralized quartz veins lay along similar structures to both the south and north. These veins appear to be separated by 200 metres of country rock (schists) and are possibly displaced by 310° or 100° trending faults.

Target B: The Las Conchitas zone was mapped and sampled. Samples were taken from different Spanish test pits and the El Limón and Bayacún mines. These two mines were operated during the beginning of the 20th century.

Target C: At Mina Perú – San José, old Spanish mine workings covered by quaternary material were recognized during the exploration program. These consist of platforms of very fine tailings material which were stacked on the ground. Development of the Spanish mining activity is evident with the abundance of test pits and chimneys over buried mines. Scattered mine dumps and tailings piles are located in an area of 200x150 metres

Target D: Within the Mina Angela area several old Spanish workings were recognized. The old workings, covering an area of up to 500 metres wide and situated at coordinates 603191- 1515042, are exposed going down into a stream valley at the intersection of several faults 240°, 340°, 310°, SN and EW. The old mine was recognized by the location of two 4x5 metre chimneys that can be observed in the middle of a 40x100 metre mine dump, with scattered quartz. Other mine workings can be recognized despite the steep slope of the creek valleys.

Within this area, approximately 200 tonnes of quartz and dump material is accumulated on the flanks of a small creek valley striking 240°. Above this mine dump, a small adit was cut into foliated and silicified schists, with weak graphite associated to a shear zone striking 320°. This mine should be re-opened and mapped in detail to provide an understanding of the geological controls of the mine.

The geological exploration program conducted within the San Albino District proceeded from South to North, along the axis of the El Jicaro River which appears to be controlled by a normal fault.

The area to the west of the El Jicaro River appears to be dropped down, with exposed epithermal gold bearing structures that were exploited by Spanish and contemporary mining operations.

The area to the east of the El Jicaro River appears to be uplifted, showing deeper rocks without the shallow epithermal features. East of the El Jicaro River fault, several intermediate intrusive rocks are also observed. Along this fault, 3 metres of crenulated gneiss was observed, containing intensive graphite alteration and ocellar quartz veins ranging from 44 to 20 centimetres in width, bodies of overprinted quartz, and deeply recrystallized rocks that are greater than 10 metres wide and 20 metres long. These veins are completely unmineralized.

Dikes and sills of mafic hypabyssal nature, dense and/or lamprophyric, contain hornblende and some wollastonite. They are equigranular or porphyritic in texture. The dikes have different strikes. This demonstrates that some of the faults have very little displacement, from one metre to more than 30 metres in width. Many of the dikes appear to be skarnified.

Dikes and sills have the following characteristics: mesocratic and melanocratic composition with feldspar, inclusions of biotite and amphibolite, or abundant other mafic minerals such as clinopyroxene, olivine, biotite, amphibolite, phlogopite, chlorite, actinolite, talc and sericite.

Epithermal deposits are those where mineralization, deposited by hydrothermal fluids, has occurred within 1 to 2 kilometres of depth from the earth's surface. . The mineralization on the Property has several features which suggest that it is an epithermal-style of mineralization. Such features include quartz veins, stockwork and breccias with gold, silver, pyrite, variable amounts of galena and sulfosalts sometimes at high levels or near the surface. The quartz vein textures exhibit open space filling. The mineralization and alteration are associated with hydrothermal systems related to a buried intrusive.

10.2.2 San Albino Mine Area

As a result of work completed during the 2010 Spring program and the availability of a wealth of archival data, the San Albino vein system was the primary target for the July 2010 drill program.

Although the San Albino Mine has been developed down to the 400 foot level (“400 level”), there does not appear to be any material removed below the 300 foot level (“300 level”).

The Spanish first discovered gold in the area around 1790 and commenced limited surface mining. During the 1920’s, the area underwent a limited amount of mining under the direction of Charles Butters, prior to cessation as a result of revolutionary activity. Post-revolution, there were attempts to rehabilitate the mine and continue exploration in the 1930’s; however, these efforts were unsuccessful as a deal to acquire the Property was never completed.. Historic sampling of the 400 level along an 18.29 metre strike length produced 56.23 g/t gold and 39.09 g/t silver over an average sample width of 1.32 metres. Within this 18.29 metre long zone, one 1.83 metre wide sample assayed 284.0 g/t gold and 212.57 g/t silver.

Golden Reign intends to reopen the 400 level of the San Albino Mine where, historically, the highest gold values within the Southern District were reported. Reopening of the 400 level will allow the Company to map the geology, determine the structural controls of mineralization and systematically channel sample the San Albino vein. This planned underground work, in combination with surface trenching and core drilling, will provide sufficient information to develop a NI 43-101 compliant mineral resource.

Significant gold and silver values were returned from sampling the surface trace of the San Albino vein, mine dumps and trenches. These results are presented in the following table:

TABLE 9. SAN ALBINO MINE AREA SURFACE SAMPLING

Sample #	Description	Type of Sample	Au (g/t)	Ag (g/t)
171093	Qtz vein in old mine dump	Grab	3.60	26.40
171094	Qtz vein in old mine dump	Grab	7.83	33.00
171126	Banded Qtz vein with galena	Grab	0.16	44.10
171117	300 level mine dump qtz vein with sulphides	Grab	10.10	37.10
171118	200 level mine dump, quartz vein	Grab	14.51	46.50
171119	Old trench contains qtz vein with sulphides	Grab	9.21	11.50
171120	Schist and gneiss with qtz veins	Grab	21.33	42.50
171214	Qtz vein with iron oxide and manganese	1.0 m channel	10.79	9.10
171217	Schist with qtz veinlets	1.8 m channel	3.15	2.40
171226	Qtz veins in phyllites	1.0 m channel	2.27	2.70
171227	Qtz veins in phyllites, with scorodite	1.0 m channel	17.89	43.00
171228	Qtz veins in phyllites	1.0 m channel	1.18	1.40

10.2.3 El Naranjo

The El Naranjo adit and vein was mapped by following the trace of quartz float and a few quartz vein outcrops. El Naranjo is situated approximately 200 metres east of the San Albino vein system and 250 metres west of the Arras/San Lorenzo vein system. All three vein systems are well mineralized and lie within the same 60° structural belt.

Preliminary sampling of the El Naranjo vein system returned excellent gold and silver values. While the exact width and grade of this vein system is not presently known, sample results suggest that it should be extensively tested by trenching and drilling in order to determine its size potential.

Results of sampling at El Naranjo are shown in the following table:

TABLE 10. EL NARANJO SURFACE SAMPLING

Sample #	Description	Sample Type	Width (m)	Au (g/t)	Ag (g/t)
170917	Qtz float with sulphides	Grab	-	12.80	17.70
170918	Qtz vein with scorodite, AsPy, Py	Chip	1.30	108.63	92.00
170919	400 level bladed quartz vein with iron oxides	Chip	0.88	30.70	36.10
171130	Qtz vein with sulphides	Grab	-	11.83	20.80
171119	Qtz vein with galena	Grab	-	9.21	11.50
170922	Qtz float, Aspy, galena	Grab	-	53.93	89.10
171031	Mine dump, qtz with galena and Aspy	Grab	-	5.72	43.10
171032	Mine dump, qtz with galena and Aspy	Grab	-	18.08	206.10

10.2.4 Arras-San Lorenzo

The Aguja de Arras (Arras) vein and mine is situated approximately 450 metres south of the historic San Albino Mine. At surface, trenching has defined a high-grade gold mineralized structure, at least 200 metres long and open along strike in both directions, which contains excellent gold intercepts including one of which is 24 metres wide averaging 7.17 g/t gold. Gold mineralization is hosted by a thick package of quartz-mica-graphite schist. The highest recorded grades, of up to 20 g/t gold over 3 metres, were reported from alteration zones in the footwall and hanging walls of the quartz veins. The gold mineralization appears to be hosted by pinch and swell veins with a similar orientation to the regional structural trend observed in outcrop, striking 060° and dipping 45° to the northwest.

TABLE 11. ARRAS CHANNEL SAMPLES

No.	Sample No.	Description	Width (m)	Au (g/t)	Ag (g/t)	Pb (%)
1	838854	Quartz vein	0.2	4.73	28.1	0.37
2	838855	Chlorite schist	1.5	0.49	3.9	0.20
3	838856	Quartz vein	2.5	23.63	98.0	2.10
4	838857	Quartz vein	2.0	11.77	86.8	1.02
5	838858	Chlorite schist	2.0	1.63	15.7	0.04
6	AR-109-11	Quartz vein	0.8	18.76	49.3	1.18
7	AR-109-25	Quartz vein	4.0	12.36	84.2	1.12
8	AR-109-26	Quartz vein	1.0	14.11	27.5	1.15
9	AR-109.27	Quartz vein	2.0	32.45	46.3	1.79
10	AR-109-28	Quartz vein	1.0	12.05	39.6	1.16
11	AR-109-29	Quartz vein	3.0	5.74	20.9	0.86

Sample 838858 was taken 5 metres above Condor Resources Plc's ("Condor") trench SATR003 and 15 metres above Condor's reverse circulation drill hole SARC013. In a press release dated September 3, 2007, Condor reported results for SATR003 as an intersection of 24 metres grading 7.17 g/t gold, including 1 metre grading 47.5 g/t gold. In a separate news release dated May 18, 2007, Condor reported results from SARC013 as two intersections - the first intersection from 4 metres depth of 4 metres grading 28.6 g/t gold and the second intersection from 11 metres depth of 3 metres grading 10.89 g/t gold.

The Company's 2009 sampling program confirmed historical sampling at Arras and San Lorenzo, where grab samples of quartz float taken from the mine dump returned assays ranging from 1.4 to 27.0 g/t gold. Recent sampling and mapping by Golden Reign has confirmed the continuity of the Arras vein system to include the San Lorenzo vein, for a total length of 900 metres.

Further, sampling results obtained at the old San Lorenzo mine site and the surface exposure of the mineralized structure within the Arras and San Lorenzo historical workings justify the reopening of the mines and completion of systematic sampling of the underground workings.

Situated 100 metres southwest of the San Albino mine, the El Jobo mine returned 16.06 g/t gold over 1.4 metres in a channel sample of a quartz vein at the mine mouth. The Company believes that the mineralization found at the San Albino Mine is an extension of the El Jobo mineralization; however, further evaluation is required.

10.2.5 San Pablo - Las Conchitas Area

Farther to the south, the San Pablo-Las Conchitas area has seen far less exploration than the San Albino Mine area, but nonetheless has returned promising surface sample results. This area consists of two structurally controlled mineralized zones – the San Pablo and Las Conchitas zones – situated approximately 1.5 and 2.5 kilometres south of the San Albino Mine, respectively.

Similar to the San Albino area, gold and silver mineralization is controlled by 60° trending structures. Mineralization has been traced at surface over a distance of 1.5 kilometres. The majority of the samples taken by the Company during the first phase of exploration were of quartz vein material containing sulphides. The more significant sampling results ranged from 1.67 g/t gold to 30.33 g/t gold and 1.7 g/t silver to 180.8 g/t silver.

Las Conchitas

The Las Conchitas structural zone covers 1.5 kilometres of strike, stretching from Las Conchitas (el Limon and Bayacun Mines) northeast to San Pablo. The Las Conchitas shear, located in the southernmost section of the San Albino District, was exploited for gold and silver during colonial times via small artisanal mine workings, chimneys and adits.

Within this zone, mineralization is predominantly controlled by regional trending structures producing veins up to eight metres in true width. Where these veins are cut by 310° structures, the rocks are shattered resulting in large mineralized stockwork zones roughly 50 metres across.

Veins that were mapped and sampled on surface were highly mineralized returning elevated gold values. Sampling of the surrounding schist also produced up to 1.7 g/t gold over 5 metres. While sampling, geologists observed that gold and silver mineralization occurs within phyllites and schists containing quartz veins.

The more significant sample results from the exploration program are reported in Table 12 below.

FIGURE 8. SAN ALBINO DISTRICT REGIONAL SAMPLES

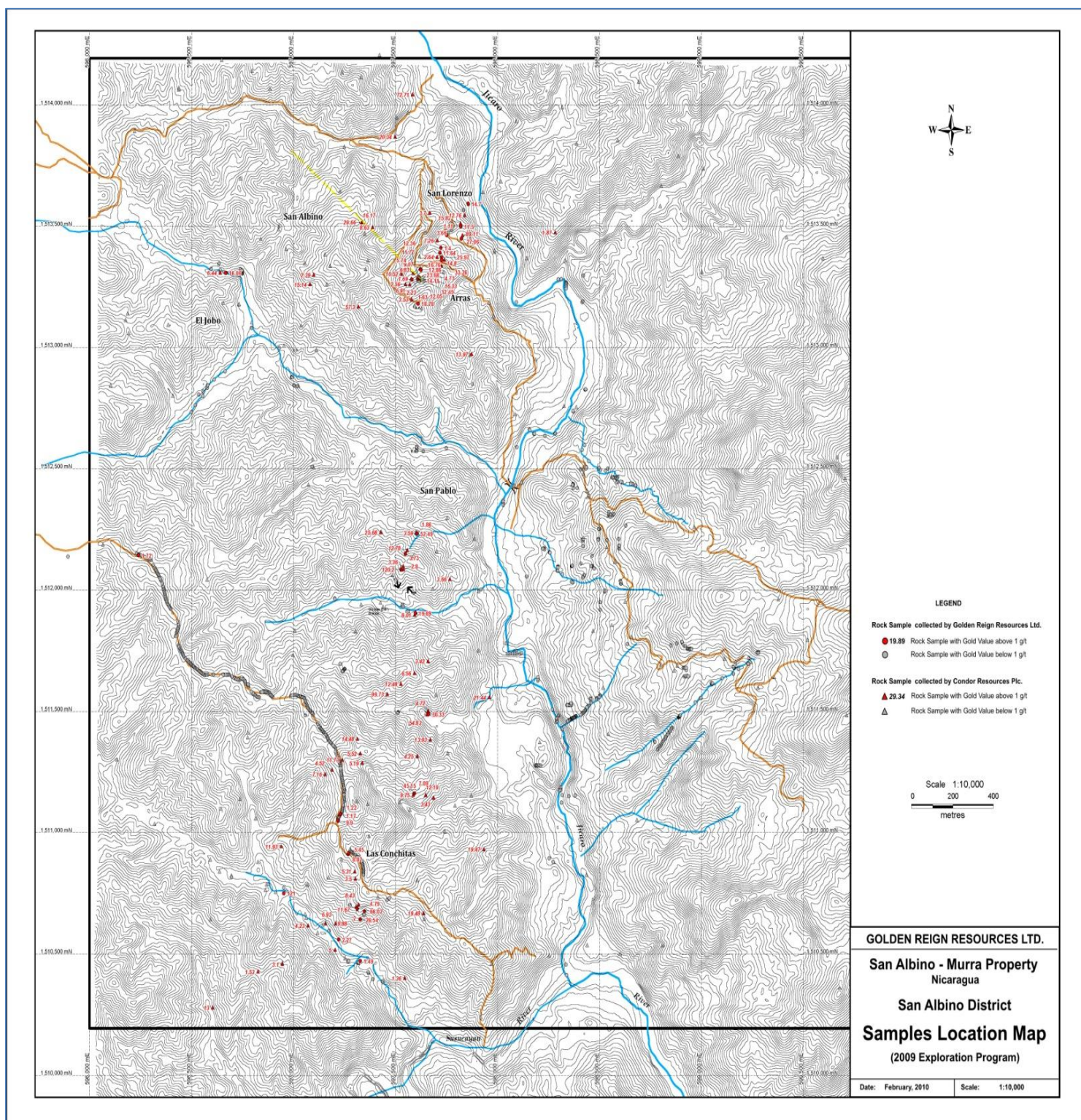


TABLE 12. LAS CONCHITAS SURFACE SAMPLES

Sample #	Description	Sample Type	Width (m)	Gold (g/t)	Silver (g/t)
N005	60° structure Quartz vein	Grab	Grab	30.33	18.6
N004	60° structure Quartz stockwork	Scattered from mine dump	Grab	7.09	35.6
N003	60° structure Quartz stockwork	Scattered from mine dump	Grab	45.15	22.3
984212	Graphite schist along road	Chip	5.0	1.22	0.8
984211	Graphite schist along road	Chip	5.0	1.17	-
984202	Graphite schist along road	Chip	5.0	9.90	-
98718	Quartz vein along road	Chip	5.0	5.45	14.0
98717	Quartz vein along road	Chip	5.0	8.02	22.2
984118	Conchitas quartz vein	Chip	1.4	121.00	98.2
984126	Conchitas quartz vein	Chip	4.0	2.00	6.4
984125	Conchitas float	Float	Grab	4.79	9.5
984122	Conchitas quartz breccia	Chip	4.0	66.02	55.8
984121	Conchitas schist	Chip	2.0	26.54	25.8
984120	Conchitas vein	Float	Grab	2.27	0.7
984138	Conchitas laterite	Soil	Grab	1.49	-

Golden Reign's sample results along the 60° structures correlate strongly with the results obtained along the same structures by the previous operator, Condor. The more significant results of Condor are reported in Table 7 below.

TABLE 13. CONDOR SAMPLES AT LAS CONCHITAS

Sample #	Description	Sample Type	Width (m)	Gold (g/t)	Silver (g/t)
11138	Quartz vein	Float	Grab	103.13	-
709	Graphite schist	Subcrop	Grab	12.48	13.2
5091	Quartz vein	Float	Grab	54.83	22.3
707	Graphite schist	Subcrop	Grab	25.57	10.4
81502	Quartz vein	Chip	2.0	14.48	16.7
5645	Quartz vein	Float	Grab	11.73	-

San Pablo

The area sampled at San Pablo comprises part of the San Pablo-Las Conchitas mineralized structural zone which stretches 1.5 kilometres from Las Conchitas in the south to San Pablo in the northeast.

While mapping, geologists recognized and sampled several old surface workings. They were able to pan coarse gold from the pits made by local miners. The geologists also mapped several quartz diorite dykes, which are the only signs of felsic intrusion in the southern part of the Property. Also identified were zones of intensively silicified rocks flooded by quartz veinlets and mineralized metamorphic rocks containing visible gold.

Mineralization is predominantly controlled by 60° trending structures, producing quartz veins up to eight metres true thickness. Sheeted veins containing native gold, arsenopyrite, pyrite, galena and scorodite form large mineralized

stockwork zones roughly 50 by 50 metres in size. These stockwork zones are located where the 60° structures are intersected by 310° structures. Veins that were mapped and sampled on surface were well mineralized returning elevated gold values on assay.

The more significant sampling results are tabulated in the following table:

TABLE 14. SAN PABLO SURFACE SAMPLES

Sample #	Description	Sample Type	Width (m)	Gold (g/t)	Silver (g/t)
AR10954	Quartz vein	Chip	4.0	5.3	27.18
AR10953	Quartz vein	Chip	2.0	6.5	52.49
AR10952	Quartz vein	Float	Grab	3.4	3.73
989711	Graphite Schist	Chip	5.0	1.72	2.5
AR10951	Quartz vein	Chip	1.2	2.8	4.6
AR10942	Quartz vein	Float	Grab	27.8	19.89

Golden Reign's sampling results in the San Pablo area agree with the results obtained by the previous operator, Condor. Condor's more significant results are presented in Table 15 below.

TABLE 15. CONDOR SAMPLES AT SAN PABLO

Sample #	Description	Sample Type	Width (m)	Gold (g/t)	Silver (g/t)
210059	Quartz float	Float	Grab	73.00	25.2
A0038	Graphite schist	Float	Grab	25.68	26.7
83319	Quartz vein	Channel	1.0	3.59	3.6
83342	Quartz float	Float	Grab	120.20	89.0
A0041	Quartz vein	Channel	1.0	8.01	11.4
701	Quartz float	Float	Grab	12.78	5.8
83319	Quartz vein	Channel	1.0	3.59	3.6
A0039	Graphite schist	Float	Grab	3.36	4.4

10.3.0 Trenching Program (Trench locations are shown in Figure 11)

The Company continued surface evaluation of the area around the San Albino Mine. This consisted of an examination of old Spanish workings and trenches where the previous operator sampled high grade gold mineralization. Grab samples were taken to confirm the presence of gold and silver mineralization. Approximately 200 metres southeast of the San Albino Mine, the trace of the El Naranjo vein was identified by following old Spanish pits and mine dumps from the mouth of the El Naranjo tunnel.

10.3.1 Old Mill Site

The ore dump above the old mill site and several old Spanish workings, situated approximately 400 metres northeast of the San Albino Mine, were examined. Five hand trenches were dug over the ore dumps and across the trace of the 60° structures for a total of 60 metres. A total of 53 one metre channel samples were collected from these trenches and were sent to the Inspectorate America Corporation preparation facility for gold assay.

Results from the old mill site sampling are presented in the following table:

TABLE 16. SAN ALBINO MILL SURFACE SAMPLING

Sample #	Description	Type of Sample	Width (m)	Au (g/t)	Ag (g/t)
170986	Qtz vein with galena, jarosite, FeOx	Grab		12.97	91.70
171062	Gneiss with nodules of quartz	Grab		1.42	1.50
171053	Graphite schist with quartz, mine dump	Grab		2.81	5.00
171054	Qtz vein with AsPy	Grab		4.90	4.20
171055	Mine dump, qtz with galena	Grab		31.02	15.50
171056	Soil Material	Grab		22.63	59.20
171057	Graphitic Qtz, AsPy, FeOx, Py	Grab		1.36	3.30
171058	Soil and rock material, graphitic qtz, AsPy and Gal	Grab		8.32	8.50
171059	Graphitic qtz	Grab		3.91	9.10
171060	Mine dump fines abundant graphite	Grab		14.65	19.30
171061	Qtz vein with py Aspy	Grab		4.59	5.50
171062	Mine dump, graphitic quartz	Grab		21.16	13.30
171087	Quartz and schist with Kaolinite	Chip	2.0	5.69	4.10
171088	Qtz stockwork from old mine dump	Grab		12.50	13.90
171089	Qtz adularia vein with Kaolinite	Grab		27.90	69.40
171093	Mine dump with qtz, gal, aspy, scorodite	Grab		3.60	26.40
171094	Mine dump with qtz, gal, aspy, scorodite	Grab		7.83	33.00

TABLE 17. SAN ALBINO MILL TRENCH SAMPLING

Sample #	Description	Type of Sample	Width (m)	Au (g/t)	Ag (g/t)
171148	Trench 1, vertical at beginning of trench	Channel	0.60	19.22	18.40
171147	Trench 1, bottom, end of trench	Channel	1.00	7.15	3.50
171149	Trench 1, vertical at end of trench	Channel	0.60	20.08	17.80
171171	Trench 2, vertical at beginning of trench	Channel	0.68	1.76	5.70
171167	Trench 2, 8 metres along bottom of trench	Channel	1.00	0.49	1.40
171168	Trench 2, 9 meters along bottom of trench	Channel	1.00	7.10	16.50
171169	Trench 2, 10 metres along bottom of trench	Channel	1.00	15.02	26.30
171170	Trench 2, 10.6 metres along bottom of trench	Channel	0.60	10.29	22.30
171172	Trench 2, vertical at end of trench	Channel	0.68	2.60	5.50

10.3.2 San Albino (Naranjo) Trenching Program

East of the San Albino Mine, eight trenches were excavated and sampled. The trenches were located to test the surface trace of the San Albino vein system, situated on the eastern slope of the San Albino hill. The area of trenching lies above the El Naranjo high-grade mineralized vein and is surrounded by historical Spanish surface workings. The trenches are approximately fifty metres apart, averaging twenty metres in length. A total of 94 channel samples, one

to two metres in length, were collected. All of the trenches were hand dug and averaged approximately 80 centimetres in width and 1.8 metres in depth.

Geologic mapping and trenching conducted in May 2010, coupled with channel sampling, have identified several parallel gold-mineralized zones hosted by schists and phyllites in an area of the San Albino Mine.

The channel samples five centimetres wide were cut along trench walls and oriented perpendicular to the strike of the vein and/or shear zone. Continuous channel samples were chiseled and collected in one and two metres intervals along the trench floor for the entire length of the trench. Sample intervals were selected according to geologic contacts and visible mineralization, placed into a sample bag and shipped to the assay lab for gold assay and 30 element quantitative ICP analysis.

Many of the trenches did not reach bedrock and instead overburden samples were taken. In four of the trenches, the Company intersected significant gold values representative of the mineralized vein system. In Trench No. 5, the Company intersected 3.0 metres of continuous mineralization averaging 7.11 g/t gold and 15.70 g/t silver.

The most significant assay results from trenching are presented in Table 18 below:

TABLE 18. SAN ALBINO (NARANJO) TRENCH RESULTS

Sample Number	Location	Sample Type	Sample Description	Assay Results (Metallic Screen)	
				Au (g/t)	Ag (g/t)
171036	San Albino- Trench No SAT1/526-10	Channel Sample – 2.0 m	Bedrock not reached, overburden	3.10	2.50
171047	San Albino- Trench No SAT2/529-10	Channel Sample – 2.0 m	Bedrock not reached, overburden	1.77	2.00
171214	San Albino- Trench No SAT4/531-10	Channel Sample – 2.0 m	Quartz vein, manganese, and iron oxide	10.79	9.10
171217	San Albino- Trench No SAT4/531-10	Vertical Channel Sample - 1.8 m	Schists intruded by quartz veinlets, contain limonite, hematite and graphite.	3.15	2.40
171226	San Albino- Trench No SAT5/603-10	Channel Sample – 1.0 m	Phyllites intruded with quartz veinlets	2.27	2.70
171227	San Albino- Trench No SAT5/603-10	Channel Sample – 1.0 m	Phyllites intruded by quartz veinlets with Fe-oxide, hematite, scorodite	17.89	43.00
171228	San Albino- Trench No SAT5/603-10	Channel Sample – 1.0 m	Milky quartz vein	1.18	1.40
171236	San Albino- Trench No SAT5/603-10	Channel Sample – 1.0 m	Phyllites intruded by quartz stringers with hematite	1.37	1.40

FIGURE 9A. OLD WORKINGS AND SHOWINGS – MAP A

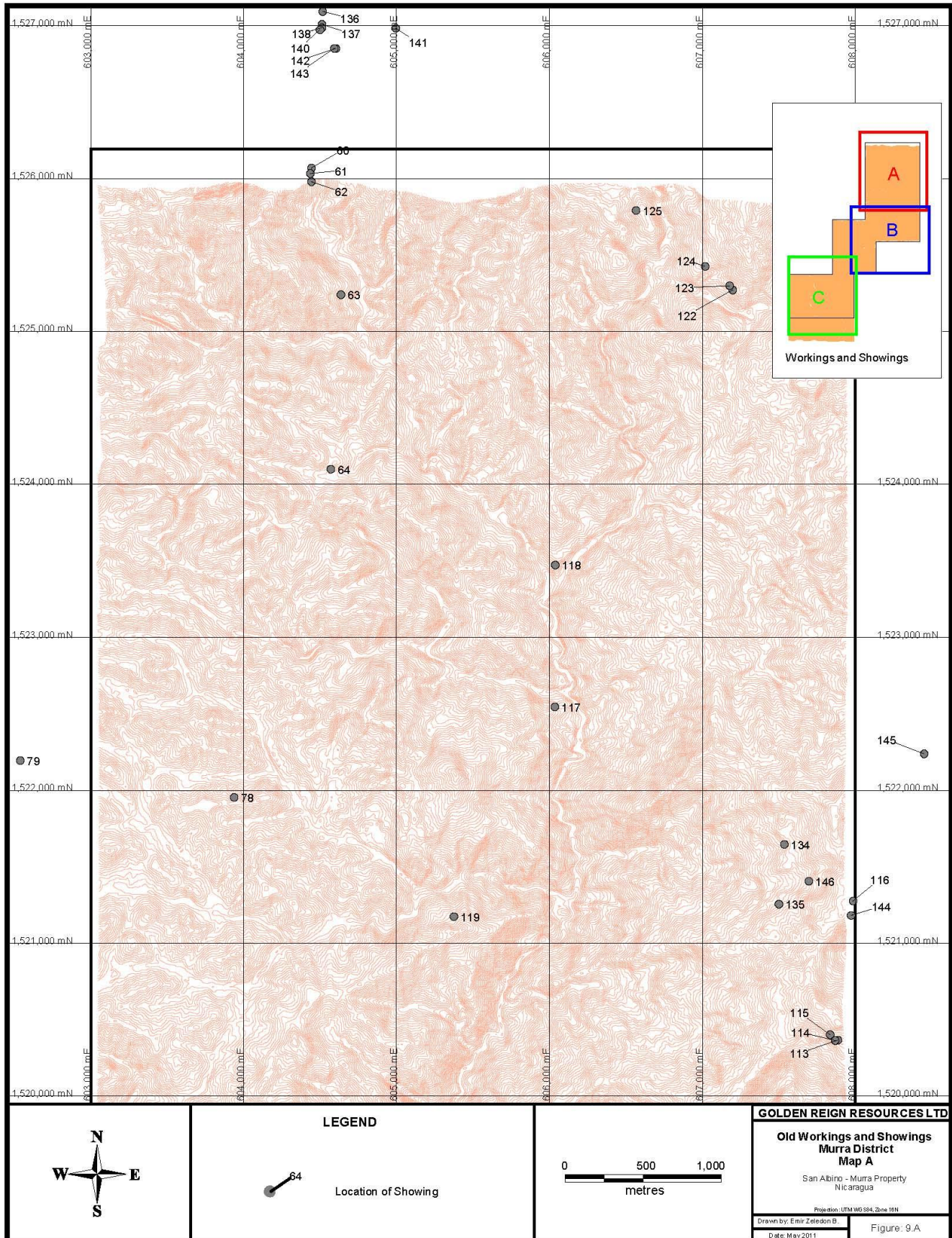


FIGURE 9B. OLD WORKINGS AND SHOWINGS – MAP B

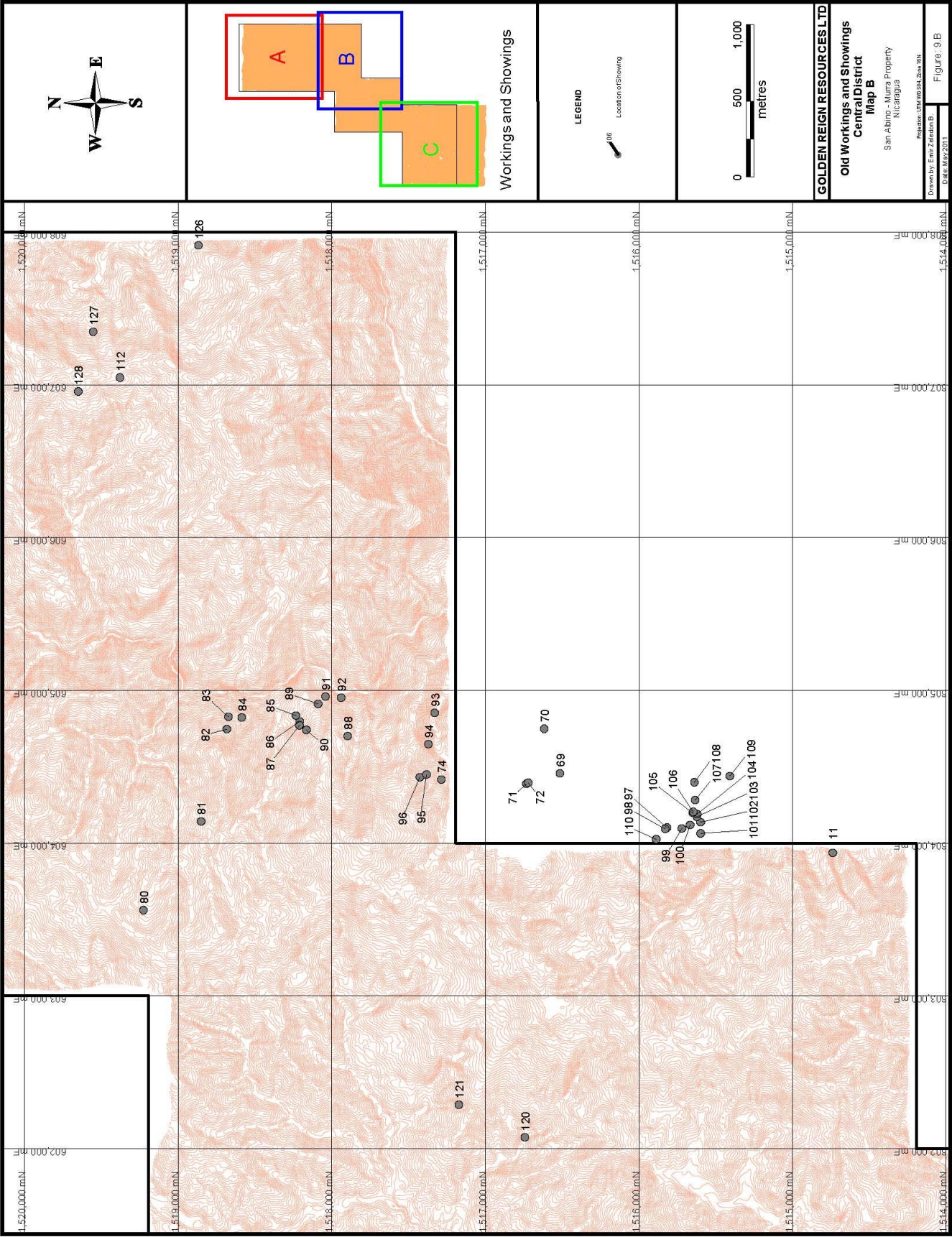


FIGURE 9C. OLD WORKINGS AND SHOWINGS – MAP C

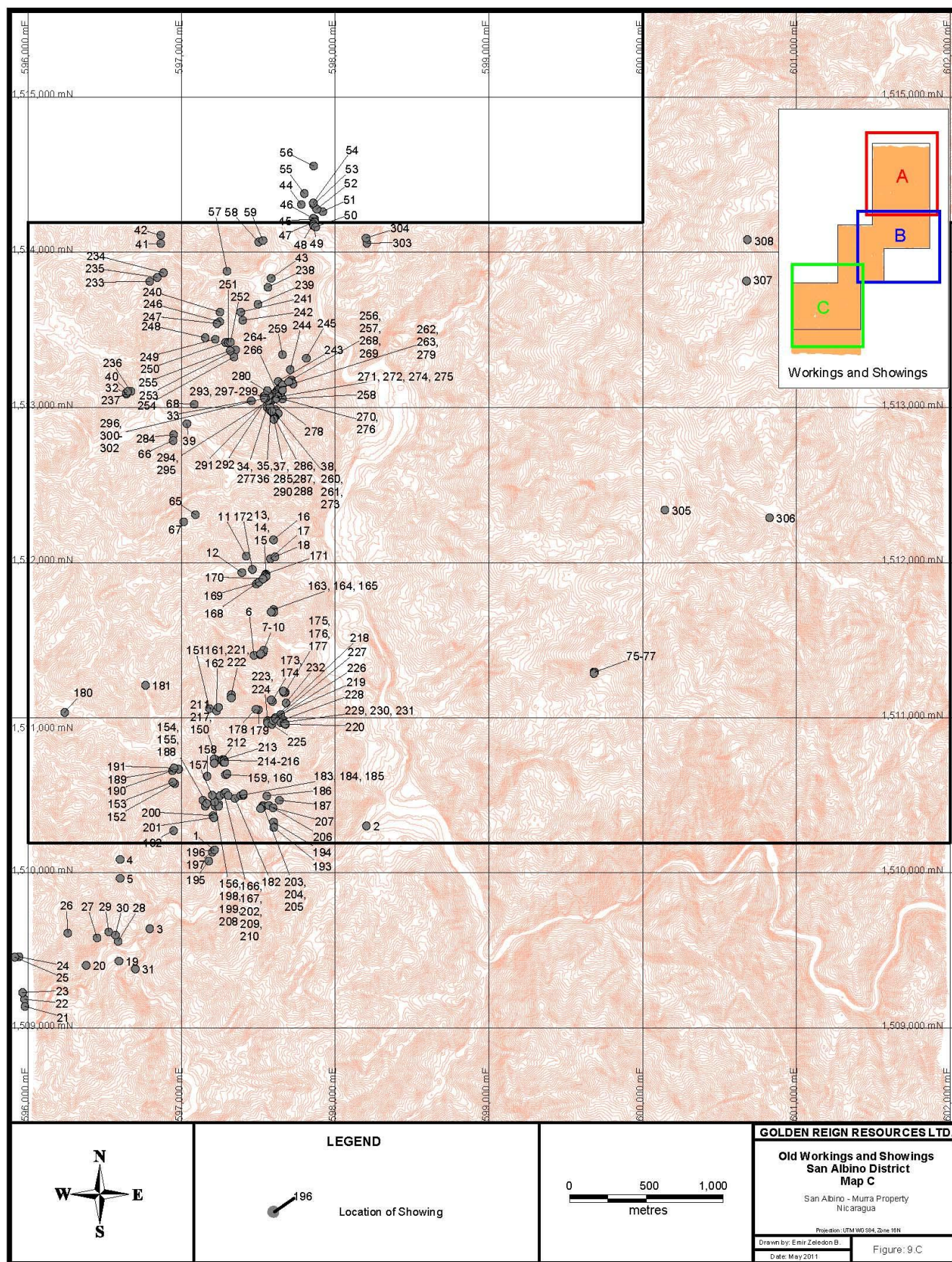


FIGURE 9D. OLD WORKINGS AND SHOWINGS – LEGEND

LEGEND

1	Y001	63	Y060	125	Mina Oakland	187	Francisco Tunnel	249	San Albino Mine "tunnel level 2"
2	Y002	64	Santa Emilia	126	La Fortuna (II) Murra	188	Vicente Tunnel	250	Z083
3	Y003	65	Y061	127	Mina de San Francisco Arriba	189	Z029	251	Z083a
4	Y004	66	Y062	128	Mina Verdun	190	Z030	252	Z084
5	Y005	67	Y063	129	La Corona (C1)	191	Z031	253	Z085
6	Y006	68	Y064	130	La Corona (C2)	192	Z032	254	Z086
7	Y007	69	Y065	131	La Corona (C3)	193	Z033	255	Z087
8	Y008	70	Y066	132	La Corona (C4)	194	Z034	256	Z088
9	Y009	71	Y067	133	La Corona (C5)	195	Z035	257	Z088a
10	Y010	72	Y068	134	Mina Santa Elena (1)	196	Z035a	258	Z089
11	Túnel El Tirado	73	Y069	135	Mina Santa Elena (2)	197	Z035b	259	Z089a
12	Y012	74	Y070	136	San Cristóbal No.1	198	Z036	260	Z090
13	Y013	75	Y071	137	San Cristóbal No.2	199	Z037	261	Z091
14	Y014	76	Y072	138	San Cristóbal No.3	200	Z038	262	Z092
15	Y015	77	Y073	139	San Cristóbal No.4	201	Z039	263	Z092a
16	Y016	78	Mina San Rafael	140	San Cristóbal No.5	202	Z040	264	Z093
17	Y017	79	Mina De Plata	141	San Cristóbal No.6	203	Z041	265	Z093a
18	Y018	80	San Antonio	142	San Cristóbal No.7	204	Z041a	266	Z094
19	Y019	81	Lugar Los Pozas	143	San Cristóbal No.8	205	Z042	267	Z095
20	Y020	82	El Ojoche Norte	144	Santo domingo-10	206	Z043	268	Z096
21	Y021	83	El Ojoche Norte	145	Santo domingo-9	207	Z044	269	Z097
22	Y021a	84	El Ojoche Sur	146	Santa Elena -3	208	Z045	270	Z098
23	Y021b	85	Mina La Culebra Norte	147	Santa Elena -3	209	Z046	271	Z099
24	Y022	86	Mina La Culebra Norte	148	Mina San Rafael	210	Z048	272	Z099a
25	Y023	87	Mina La Culebra Sur	149	Mina De Plata	211	Z049	273	Z100
26	Y024	88	Bueno Aires	150	Mina Mango	212	Z050	274	Z101
27	Y025	89	Mina El Sacramento	151	Mina Las Conchitas	213	Z050a	275	Z102
28	Y026	90	Sin Nombre	152	Túnel Candelaria	214	Z050b	276	Z102a
29	Y027	91	Mina De Herrera	153	Túnel Candelaria #2	215	Z051	277	Z103
30	Y028	92	Sin Nombre(La Vieja)	154	Z001	216	Z052	278	Z104
31	Y029	93	Sin Nombre(las Robles)	155	Z002	217	Z053	279	Z105
32	Y030	94	Pits	156	Z003	218	Z054	280	Z106
33	Y031	95	Pits	157	Z004	219	Z055	281	Z107
34	Y032	96	Mina De La Virgen	158	Z005	220	Z056	282	Z108
35	Y033	97	MDP edit 1	159	Z006a	221	Z057	283	Z109
36	Y033a	98	MDP edit 2	160	Z006b	222	Z058	284	Z110
37	Y034	99	MDP edit 3	161	Z007	223	Z059	285	Z111
38	Y035	100	MDP edit 4	162	Z008	224	Z060	286	Z112
39	Y036	101	MDP edit 5	163	Socorro Tunnel	225	Z061	287	Z113
40	Y037	102	MDP edit 6	164	Socorro Decline	226	Z062	288	Z114
41	Y038	103	MDP edit 7	165	Z009	227	Z063	289	Z115
42	Y039	104	MDP edit 8	166	Z010	228	Z064	290	Z116
43	Y040	105	MDP edit 9	167	Z011	229	Z065	291	Z117
44	Y041	106	TGM edit1	168	Z012	230	Z066	292	Z117a
45	Y042	107	TGM edit2	169	Z013	231	Z067	293	Z118
46	Y043	108	Minas Lámpara	170	Z014	232	Z068	294	Z119
47	Y044	109	Minas Lámpara(PJ)	171	Z015	233	Z069	295	Z119a
48	Y045	110	pt 59	172	Z016	234	Z070	296	Z120
49	Y045a	111	Minas Santa Rosa (MSR)	173	Z017	235	Z071	297	Z121
50	Y046	112	Loma San Pedro	174	Z017a	236	El Jobo Mina	298	Z121a
51	Y047	113	Santo Domingo	175	Z018	237	El Jobo shaft	299	Z122
52	Y048	114	Santo Domingo	176	Z019	238	Z073	300	Z123
53	Y049	115	Santo Domingo	177	Z020	239	San Albino Mine - 400 level tunnel	301	Z124
54	Y050	116	pt 65	178	Z021	240	San Albino Mine -main portal	302	Z125
55	Y051	117	El Plantel	179	Z021a	241	Z075	303	Z126
56	Y052	118	El Plantel	180	Z022	242	San Albino Mine - 200 level	304	Z127
57	Y054	119	El Penona	181	Avelia Shaft	243	Aguja de Arras # 2	305	Mina Peru
58	Y055	120	Minas Milagro	182	Z024	244	Aguja de Arras # 1	306	Mina San Jose
59	Y056	121	Minas Bonanza	183	Z025	245	San Lorenzo	307	Old Spanish Work 1
60	Y057	122	La Fortuna (a,b,c)	184	Z026	246	Z080	308	Old Spanish Work 2
61	Y058	123	La Fortuna l (d)	185	Z026a	247	Z080a		
62	Y059	124	La Fortuna l	186	Z027	248	Z081		

GOLDEN REIGN RESOURCES LTD

Old Workings and Showings Legend

San Albino - Murra Property
Nicaragua

Projection: UTM WGS 84, Zone 18N

Drawn by: Emir Zeledón B

Figure: 9.D

Date: May 2011

10.4.0 Underground Work

10.4.1 San Albino

In March 2010, the Company opened and drained the 400 level. A deep ditch was dug to drain the 50 centimetres of mud and 100 centimetres of water. The mine was dammed 87 metres in by a collapsed chimney. The retained water formed an underground dam (presa) to provide water for the rancher's cattle. The San Albino Mine was only accessible for 187 metres (cross cut) where it was blocked by a large cave-in. The 400 level was mapped but there was no sampling conducted, as the Company never reached the mineralized production drift.

10.4.2 Las Conchitas

The Las Conchitas area was identified as a zone containing highly mineralized quartz veins. Samples were taken from different Spanish test pits and the El Limon and Bayacun mines. These two mines were operated during the beginning of the 20th century.

The mine tunnels were all in un-mineralized "cross cuts" The mines were all caved before reaching the mineralized quartz veins.

El Limon was only mapped for 17.6 metres. Four channel samples were taken across the structure at five metre intervals. The samples were approximately two metres long. No quartz veining was observed in this mine.

Bayacun Mine was only mapped for 35 metres. Seven two-metre long channel samples were taken across the structure at five metre intervals. No quartz veining was observed in the mine.

10.5.0 Geological Mapping – Murra District

The Murra District holds many gold vein showings and old workings. The focus of historical exploration and small scale mining were gold-mineralized quartz veins and pods, hosted in strongly-sheared metamorphosed rocks west-northwest of the village of Murra. These highly gold-mineralized structures have been explored intermittently since colonial time, but were never explored by modern methods. The gold vein mineralization appears to be controlled by schists and phyllites.

The style and chemistry of mineralization in the Murra area appears to be very similar to that at San Albino in the south. Mineralization occurs in quartz veins up to several meters wide. Most of the veins consist of drusy, white quartz with manganese and iron oxide. The presence of sulphides in quartz veining is the best indication of gold mineralization, though not all sulphide mineralization reflects significant gold values. Sulphide content is generally low and usually is up to 1% pyrite or arsenopyrite and less commonly galena and sphalerite. At Murra, like at San Albino, the presence of galena indicates increased gold values.

The mineralized veins are generally parallel to foliation and most of them appear to follow large scale NE trending structures that cut the phyllites, parallel to the regional structural trend of Nicaragua. Silicified and brecciated phyllites and schists, often contain increased amounts of gold.

A regional study of the area determined that there are two distinct zones of mineralization. The first, near the western boundary of the property (going from Los Encinos to San Rafael and Mina Carvi) is characterized by weak sulphide mineralization. However, sphalerite, pyrite, galena and arsenopyrite mineralization is more plentiful than in the veins found in the eastern zone surrounding Murra.

Historically, very limited geological studies were conducted within the area. The only available report is by Daniele del Giudice (Boletín del Servicio Geológico Nacional de Nicaragua No.3 – 1959), where he described a large granite

batholith (Jalapa batholith) situated approximately 15 kilometres NW from Murra. The contact of the batholith with the overlying a schists is oriented SE. This contact can be seen on air photos.

The most dominant types of rock are phyllites and schists, which are intensively weathered at surface. However, recent geological mapping distinguished several schists varieties, such as grey-sericite, black- argillite-sericite, and massive grey-green fine grained chloritite schists, which are well exposed within a few kilometres of Murra en route to El Jicaro.

The schists are generally very sheared and foliated, with the most frequent direction of foliation being north 20° - east dipping to the west. These schists contain quartz veins and veinlets, ranging in width from 1 centimetre to several metres.

During geological mapping the Company's geologists were able to distinguish two, north-south trending belts of mineralization, approximately one kilometre wide and up to ten kilometres long. The mineralized belts lie within the approximately 3 kilometre wide by 15 kilometre long structural corridor that spans the Property.

The western belt is 10 kilometres long and includes a number of Spanish and artisanal workings: Mina San Gregorio, Mina Los Milagros, Mina La Virgen, Minas San Rafael, Mineral Garvi, Mina La Esperanza, Mina Guadalupe, El Plantel and Minas Americas.

Within this trend there is an area separated by San Rafael fault where are located several old workings (San Rafael, Mina Carvi, etc). These veins are characterized by strong sulphide mineralization, containing arsenopyrite, pyrite, galena, and possible argentite. The sulphide content in this western zone is much higher than the other two zones of veining situated west and east of Murra river regional fault. Select sampling results are tabulated below:

TABLE 19. SURFACE MAPPING MURRA DISTRICT

Prospect Name	Sample #	Type of Working	Type of Sample	Length (m)	Rock type	Au (g/t)
Mina San Gregorio	171385	tunnel	chip channel	1.0	Quartz	58.32
Mineral Garvi	173671	mine dump	grab		schist, phyllite, quartz	27.63
Minas Americas T#2	173683	mine dump	representative grabs		Quartz	11.22
Mina La Esperanza	173697	mine dump	representative grabs		Quartz	10.88
Mina Guadalupe	173694	Mine dump	representative grabs		Quartz	4.02
Gregorio Sur	171265	outcrop	grab		Quartz	2.57
Mina Los Milagros	171389	tunnel	grab		Quartz	6.06
Mina Los Milagros	171391	mine dump	representative grabs		Quartz	8.28
Mina La Virgen	171272	tunnel	chip channel	0.7	schist, quartz	1.14
Mina La Virgen	171273	tunnel	chip channel	1.0	schist, quartz	2.77
El Plantel, Vein 4	171355	outcrop	chip channel	0.3	phyllite	1.95

The eastern belt, which extends for at least 5 kilometres, encompasses Mina Estrella and other Spanish and artisanal workings, including Santo Domingo, Santa Elena, Danilo, Mina La Fortuna and El Manton.

Mina Estrella, an old artisanal working located at the northeast end of the corridor, returned high gold values upon assay. The vein exposed in the access adit measures five metres in width and has been sampled across three metres. One metre channel sampling across the accessible width of the vein returned an average of 62.34 g/t of gold over three metres, including:

- 1 metre of 54.14 g/t Au,
- 1 metre of 23.41 g/t Au and
- 1 metre of 109.47 g/t Au

The following table shows the results of sampling at Mina Estrella:

TABLE 20. MINA ESTRELLA UNDERGROUND SAMPLING

Prospect Name	Sample #	Type of Working	Type of Sample	Length (m)	Rock type	Au (g/t)
Mina Estrella	173771	tunnel	chip channel	1.0	quartz	1.16
Mina Estrella	173772	tunnel	chip channel	1.0	quartz	54.14
Mina Estrella	173773	tunnel	chip channel	1.0	quartz	23.41
Mina Estrella	173774	tunnel	chip channel	1.0	quartz	3.58
Mina Estrella	173775	tunnel	chip channel	1.0	quartz	3.91
Mina Estrella	173776	tunnel	chip channel	1.0	quartz	7.95
Mina Estrella	173777	tunnel	chip channel	1.0	schist, phyllite, quartz	109.47

FIGURE 10A. SAMPLE LOCATION MAP, MURRA DISTRICT, MAP A

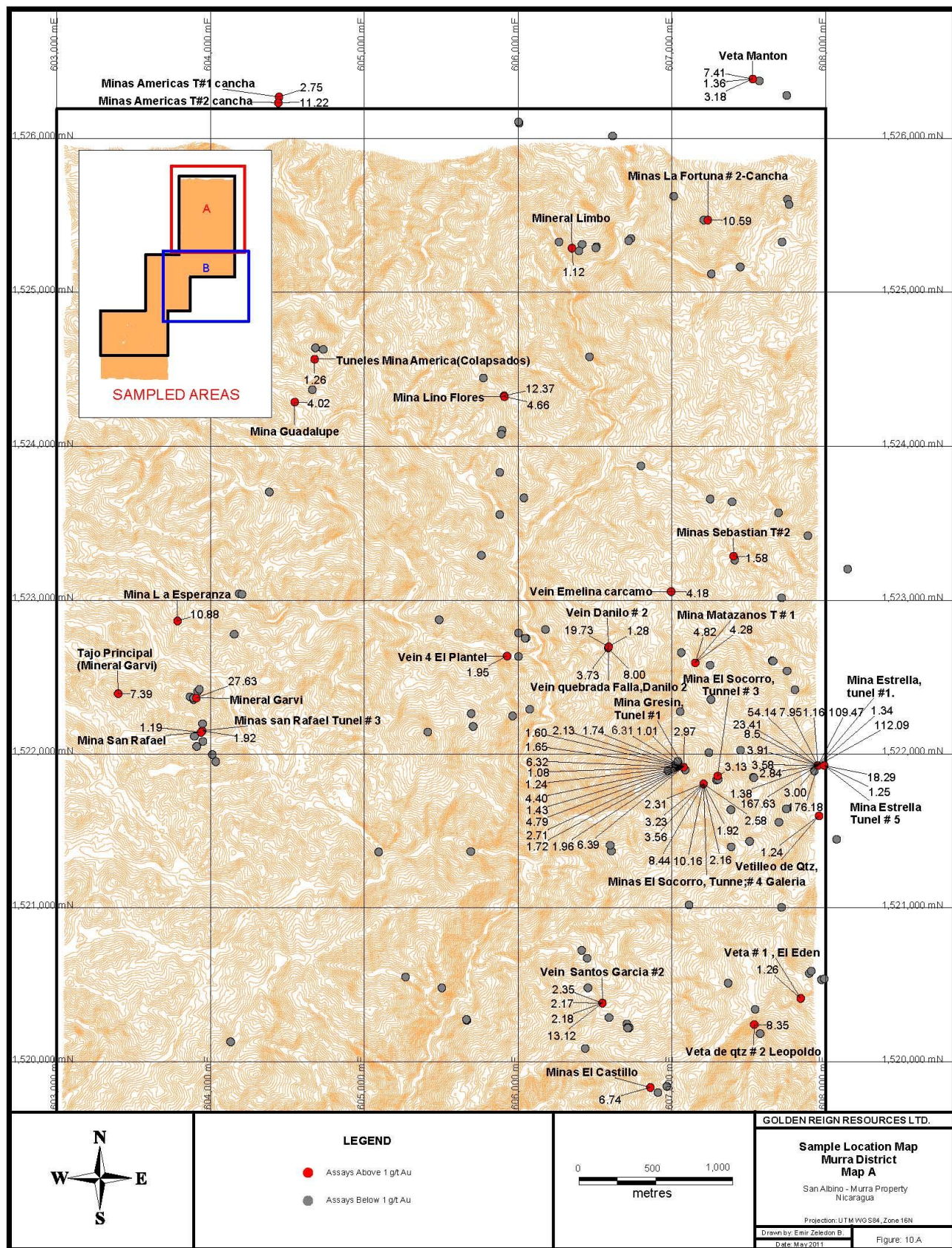
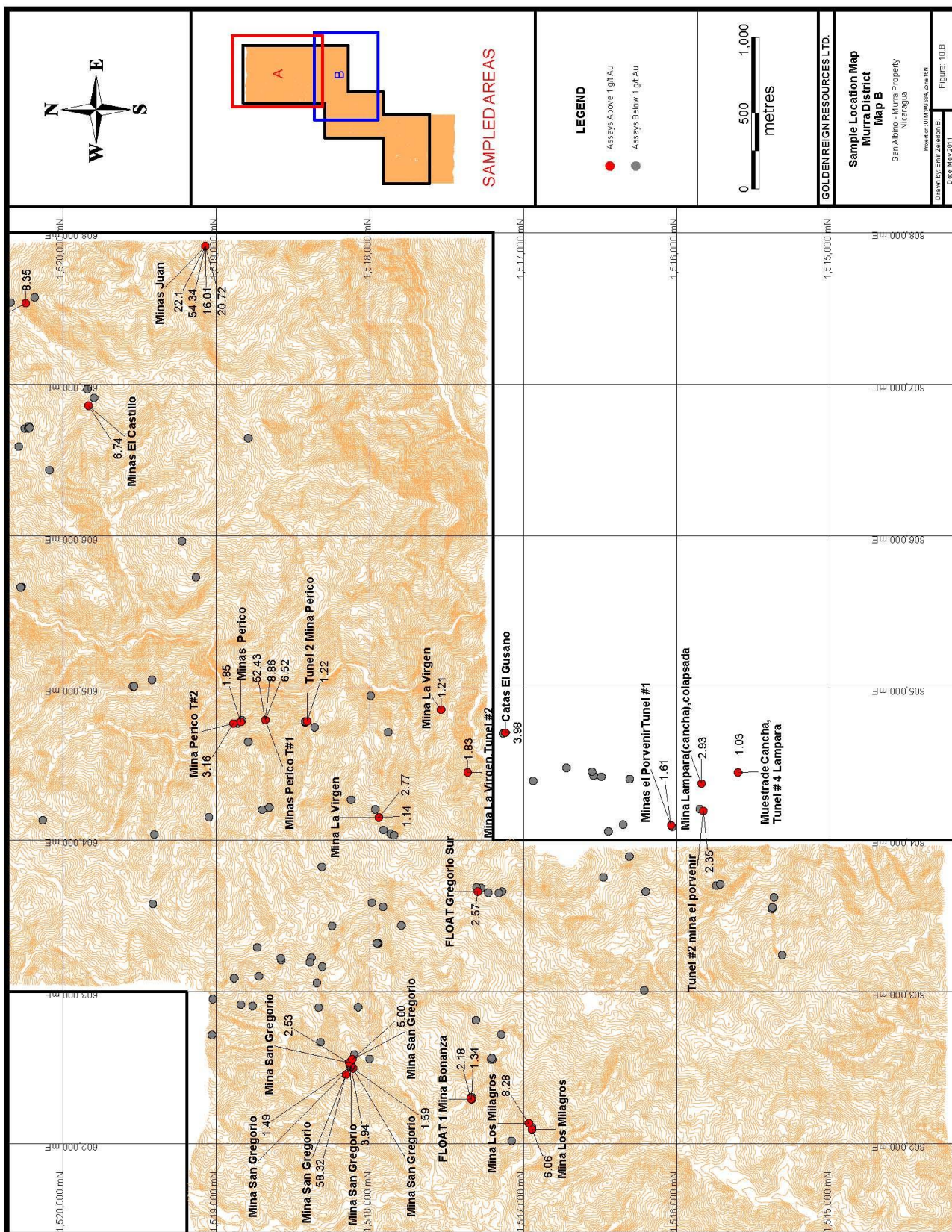


FIGURE 10B. SAMPLE LOCATION MAP, MURRA DISTRICT, MAP B



Continuous chip sampling of the Danilo 2 vein over 4.5 metres, across the width of the vein, returned an average of 4.63 g/t gold. These and other sampling results are as follows:

TABLE 21. DANILO VEIN SAMPLING

Prospect Name	Sample #	Type of Working	Type of Sample	Length (m)	Rock type	Au (g/t)
Danilo 2 Vein	171309	outcrop	chip channel	1.5	quartz	3.73
Danilo 2 Vein	171310	outcrop	chip channel	1.0	quartz	8.00
Danilo 2 Vein	171311	outcrop	chip channel	1.0	quartz	5.94
Danilo 2 Vein	171312	outcrop	chip channel	1.0	schist, quartz	1.28
Minas La Fortuna # 2	171334	mine dump	representative grabs		quartz	10.59
Vein Emelina Carcamo	171301	outcrop	chip channel	1.5	schist, quartz	4.18
Mina Perico Tunnel 2	171362	tunnel	chip channel	0.6	schist, phyllite, quartz	1.22

11.0 Drilling Program

11.1 San Albino Mine

The primary objectives of the 2010 drill exploration program were to: (1) confirm and evaluate the size and grade of known mineralized zones within the San Albino Mine area; and (2) test the lateral and down-dip extension of the San Albino vein mineralization. The historical San Albino Mine area contains two primary mineralized zones some 450 metres apart - the San Albino zone and the Arras/San Lorenzo zone.

A fence of nine drill holes was drilled at five sites, approximately 25 to 50 metres apart. Except for drill hole SA10-01, two holes were drilled from each drill pad; one was angled between 45° to 55° and the other between 70° to 90°.

The drill hole locations are plotted on Figure 11. The following table presents the drill hole locations, with direction and inclination.

FIGURE 11. DRILL HOLE AND TRENCH LOCATION MAP

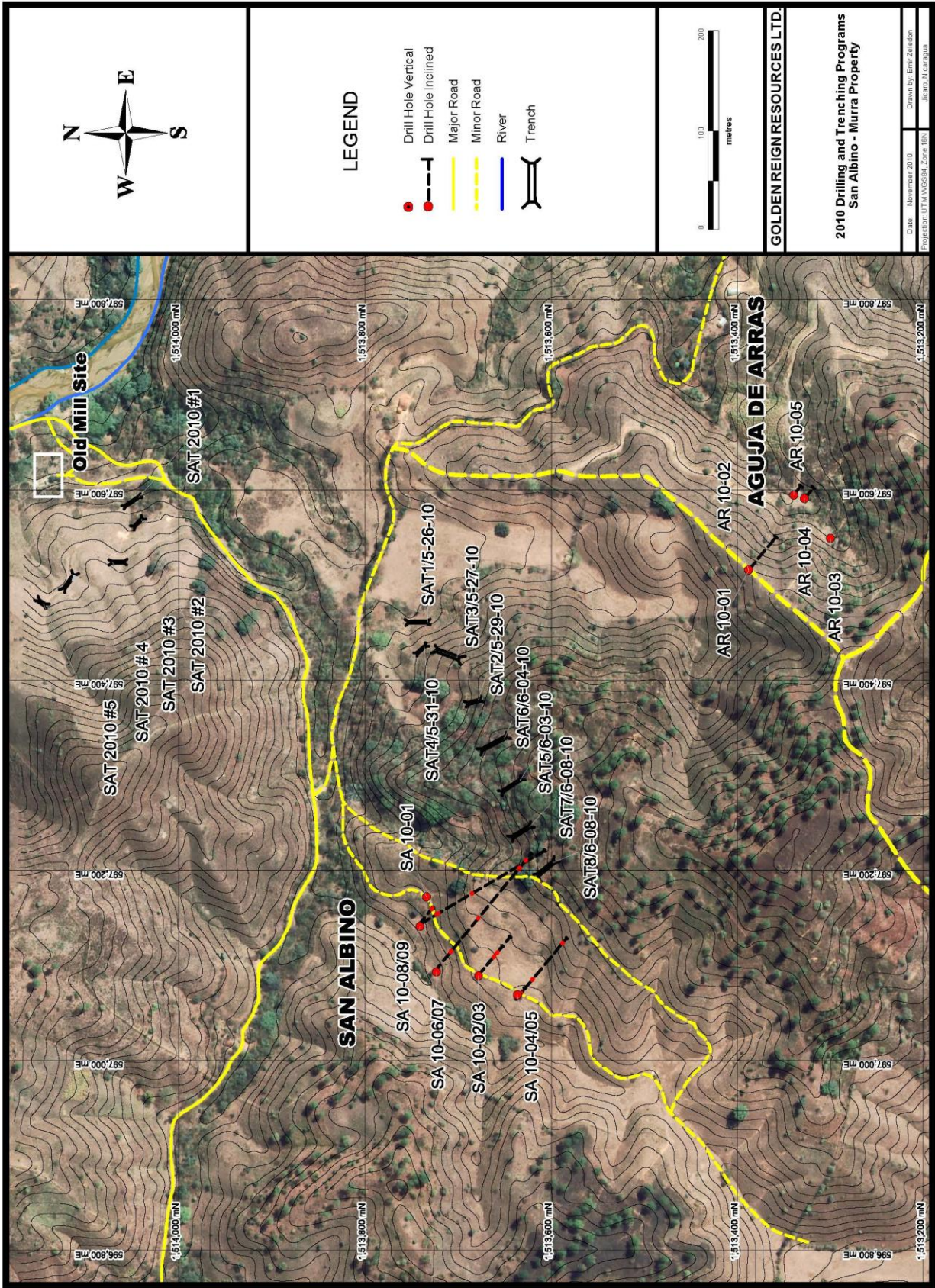


TABLE 22. DRILL HOLES LOCATION – SAN ALBINO MINE

DRILL HOLE #	EASTING	NORTHING	ELEVATION	AZIMUTH	INCLINATION
SA 10-01	597179.8	1513739.3	555.41	vertical	-90
SA 10-02	597088.1	1513679.1	567.46	130	-60
SA 10-03	597088.4	1513679	567.43	125	-45
SA 10-04	597064.1	1513637.5	567.17	130	-45
SA 10-05	597065.3	1513637.2	567.20	130	-80
SA 10-06	597092.5	1513725.9	544.47	130	-55
SA 10-07	597093.1	1513725.2	544.50	130	-80
SA 10-08	597141.9	1513742.7	545.71	130	-55
SA 10-09	597142.5	1513742.3	545.73	150	-55

The gold bearing structures strike northeast-southwest (60°) and consist of quartz veins containing small amounts of galena, pyrite, sphalerite, arsenopyrite and native gold. The quartz veins lie within graphite flooded shear zones. The hanging and footwall sections of the vein consist of mineralized quartz veinlets within the graphite altered fault gouge.

The San Albino vein lies within a large shear zone of phyllites and schists. The sheared rocks are quite porous and amenable to the emplacement of gold by mineralizing fluids; thus, mineralization is often found in both the quartz vein and country rock adjacent to the vein.

Historical data from the San Albino Mine was compiled and used to locate the position and orientation of the San Albino vein. Drill hole SA10-01 was designed to intersect the 400 level of the San Albino Mine in order to confirm the location of the drift and determine the elevation of the adit. The adit was intersected at a depth of 29.0 metres, where most of the vein appears to be mined out; however, significant mineralized intervals were still intersected (see Table 23, below).

Drill holes SA10-02 to SA10-05 each intersected the San Albino vein and extended the strike length of the known vein to the southwest for an additional 62 metres, to approximately 200 metres. Drill hole SA10-04 identified a new, parallel mineralized zone, approximately 86 metres below the San Albino zone.

Two holes, SA10-06 and SA10-09, were drilled to a depth of approximately 300 metres to test for additional mineralized structures situated parallel to the San Albino vein. Drill hole SA10-06 intersected a total of four highly mineralized gold zones, ending at 284.38 metres within a graphitic schist package hosting gold mineralization. The San Albino zone was intersected at 48.2 metres. The three new parallel gold zones were intersected at 128.93 metres, 247.50 metres and 268.00 metres depth, respectively. Drill hole SA10-08 was stopped short at 43.22 metres depth due to very poor recovery; however, the San Albino vein (Zone 1) was intersected. Drill hole SA10-09, drilled from the same location as SA10-08, reached a depth of 284.38 metres. It intersected the San Albino zone and a second, mineralized vein believed to be Zone 2, which was initially located by drill hole SA10-04.

A cross-section (Figure 12) from San Albino drill hole SA10-06 to the Arras surface showing indicates that the Arras mineralized zone can be traced 450 metres down dip. The Arras zone, which has already been traced for 200 metres along strike, is open in both directions and down dip. The third intersection in drill hole SA10-06, which returned 4.0

metres of 13.67 g/t gold and 31.41 g/t silver including 0.8 metres of 42.28 g/t gold and 123.0 g/t silver, and the Arras mineralization are not only visually similar but also chemically similar in that the silver to gold ratio is approximately 2:1. Additional drilling is required to conclusively determine if in fact Zone 3 intersected beneath San Albino Mine is the down-dip extension of the Arras vein.

Detailed results from the 2010 diamond drill program are presented in tabular format below.

TABLE 23. DRILL RESULTS SAN ALBINO

SA 10-01 (90°) -- 53.3 metres

Sample No	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)
<i>ZONE 1</i>					
171437	27.00	29.00	2.00	0.06	177.2
171438	29.00	31.00	2.00	7.72	111.5
171439	31.00	32.00	1.00	4.91	7.7
171440	32.00	33.00	1.00	9.18	5.0

SA 10-02 (130°/60°) -- 109.71 metres

Sample No	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)
171481	54.00	55.00	1.00	4.00	9.6
171482	55.00	56.00	1.00	54.64	24.7
171484	56.00	57.00	1.00	0.97	1.6

SA 10-03 (130°/45°) -- 58.84 metres

Sample No	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)
171554	45.12	45.73	0.61	20.42	16.9
171555	45.73	47.25	1.52	6.87	17.8

SA 10-04 (130°/45°) -- 146.91 metres

Sample No	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)
171601	46.40	47.60	1.20	0.86	2.2
171602	47.60	48.25	0.65	7.65	8.3
171603	48.25	49.00	0.75	0.21	1.0
171686	134.10	135.25	1.15	2.40	4.1

SA10-05 (130°/80°) -- 79.25 metres

Sample No	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)
171733	42.00	43.00	1.00	1.80	1.8
171737	44.00	45.00	1.00	2.30	2.4

SA10-06 (130°/55°) -- 284.38 metres

Sample No	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)
<i>ZONE 1</i>					
171808	48.20	48.70	0.50	24.00	40.6
171809	48.70	49.20	0.50	0.52	2.1
171810	49.20	49.55	0.35	3.60	3.6
171811	49.55	50.25	0.70	29.06	26.0
171813	50.25	50.60	0.35	61.95	32.2
171814	50.60	51.30	0.70	19.84	27.4
<i>ZONE 2</i>					
171893	128.93	129.93	1.00	17.05	11.7
<i>ZONE 3</i>					
172973	247.50	248.50	1.00	9.04	7.7
172974	248.50	249.70	1.20	2.94	3.7
172975	249.70	250.10	0.40	40.66	58.8
172977	250.10	250.50	0.40	43.89	187.2
172978	250.50	251.50	1.00	8.30	15.1
<i>ZONE 4</i>					
171997	268.00	269.00	1.00	9.22	5.2

SA10-07 (130°/80°) -- 219.46 metres

Sample No	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)
171920	25.80	26.45	0.65	8.39	12.4
171921	26.45	28.00	1.55	2.95	5.9

SA10-08 (130°/55°) -- 43.28 metres

Sample No	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)
172065	39.62	40.12	0.50	0.96	4.9
172067	40.12	41.48	1.36	7.91	8.9

SA10-09 (150°/55°) -- 284.38 metres

Sample No	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)
<i>ZONE 1</i>					
172086	38.90	39.30	0.40	8.21	34.7
172087	39.30	41.30	2.00	39.30	21.0
172088	41.30	42.23	0.93	9.50	6.1
172089	42.23	42.73	0.50	9.92	12.1
<i>ZONE 2</i>					
172155	115.00	116.00	1.00	3.73	3.6

11.2 Arras Prospect

The mineralized structure in the Arras area, situated approximately 450 metres southeast of the San Albino Mine, is believed to structurally lie underneath the San Albino mineralization.

Drilling by Condor outlined high-grade, near surface mineralized structures some 200 metres long and open along strike in both directions, with excellent gold intercepts. This drilling was done mainly by Reverse-Circulation (RC) drilling.

The Company evaluated the previous RC results by twinning three of the earlier holes with core drilling. In vein type gold deposits, core drilling has greater accuracy in determining both grades and widths of the zones. Core drilling also provides useful geological information on the structural controls to the mineralization, which RC drilling cannot provide. RC provides larger intervals but there exists a high risk of cross-contamination if the drilling process is not done correctly. Because the drilling method, core recovery, sample sizes and sampling intervals are inevitably different, there cannot be a one-to-one comparison between the assay results of the two drilling methods. Despite this, core drilling has confirmed the existence of the mineralized zones and provided more accurate grades and widths of the zones.

The 2010 drill program at Arras has confirmed high-grade, near surface mineralization. The silver to gold ratio is roughly 2.5:1 at Arras, as compared to the 1:1 silver to gold ratio received from drilling at the San Albino Mine area. A total of five diamond drill holes were completed at the Arras prospect. Drill holes AR10-01, AR10-03, AR10-04 and AR10-05 all intersected the Arras zone mineralization. Drill hole AR10-02 was collared in the same location as AR10-01; however, due to drilling difficulties encountered the hole was terminated before it reached the mineralized zone.

The following table represents the location of the proposed drill program at the Arras Prospect:

TABLE 24. DRILL HOLES LOCATION – ARRAS PROSPECT (FIGURE 11)

DRILL HOLE #	EASTING	NORTHING	ELEVATION	AZIMUTH	INCLINATION
AR 10-01	597515.8	1513387.6	598.97	130	-90
AR 10-02	597516.7	1513387	598.91	130	-60
AR 10-03	597552.5	1513299	568.32	130	-90
AR 10-04	597590.8	1513328.5	559.44	130	-55
AR 10-05	597599.2	1513342.4	559.472	130	-55

Only mineralized intervals intersected at the Arras prospect are presented below:

TABLE 25. DRILL HOLE RESULTS ARRAS

AR10-01 (130°/90°) -- 85.50 metres

Sample No.	From (m)	To (m)	Length (m)	Gold (g/t)	Silver(g/t)
172298	80.77	81.40	0.63	2.58	8.9
172299	81.40	82.10	0.70	0.09	2.7
172300	82.10	83.25	1.15	31.51	83.6
172301	83.25	84.00	0.75	1.47	1.4

Drill hole AR10-01 twinned Condor's reverse circulation hole SARC021 which intersected 4.0 metres of 16.3 g/t gold. The drill hole intersected the Arras vein at a depth of 80.77 metres. Core logging and assay results revealed that the mineralized zones and quartz veining are narrower than reported by Condor.

AR10-02 (130°/60°) -- 90.83 metres

Drill hole AR10-02 was collared in the same location as AR10-01; however, due to drilling difficulties encountered the hole was terminated before it reached the mineralized zone. There was no quartz veining or visible mineralization intersected in AR10-02; however, assay results indicate two separate zones of anomalous gold, silver and zinc values within schists at depths projected by AR10-01.

AR10-03 (130°/90°) -- 21.34 metres

Sample No.	From (m)	To (m)	Length (m)	Gold (g/t)	Silver(g/t)
ZONE 1					
172350	0.00	1.52	1.52	0.16	14.8
172351	1.52	2.74	1.22	5.90	18.1
172352	2.74	4.88	2.14	21.43	47.3
ZONE 2					

172355	7.92	9.14	1.22	8.78	21.1
ZONE 3					
172357	15.85	16.76	0.91	1.22	4.8

Drill hole AR10-03 twinned Condor's reverse circulation hole SARC013 which returned 4 metres of 28.2 g/t gold.

AR10-04 (130°/55°) -- 25.91 metres

Sample No.	From (m)	To (m)	Length (m)	Gold (g/t)	Silver(g/t)
172361	6.10	7.62	1.52	3.11	32.8
172362	7.62	10.67	3.05	10.92	26.6
172363	10.67	13.72	3.05	3.11	6.7
172364	13.72	16.76	3.04	0.74	5.3

Drill hole AR10-04 was design to twin reverse circulation hole SARC05 which returned 4 metres of 17.9 g/t gold. The drill hole had very poor core recovery. Samples were taken between footage blocks.

AR10-05 (132°/55°) -- 21.34 metres

Sample No.	From (m)	To (m)	Length (m)	Gold (g/t)	Silver(g/t)
<i>ZONE 1</i>					
172365	0.00	1.83	1.83	1.63	11.3
172366	1.83	2.44	0.61	0.22	7.1
172377	12.20	13.72	1.52	3.61	9.5

FIGURE 12. SAN ALBINO – ARRAS DRILL HOLE SECTION



12.0 SAMPLING METHOD AND APPROACH

12.1 Outcrop Channel Sampling

All outcrops were sampled using channel samples cut by a hammer and chisel. The channels were approximately 5 centimetres wide and 3 centimetres deep and orientated perpendicular to the direction of the mineralization or quartz veining. Samples were placed into plastic sample bags which were marked and tagged with unique numbered tags. The bags were all sealed with zip ties.

12.2 Trench Sampling:

All of the trenches were hand dug, mapped geologically and sampled. Trenches were approximately 1.5 metres deep and 0.8 metres wide and varied from 15 to 25 metres long. The sample locations were marked by spray paint. Samples were taken at one metre intervals in mineralized areas, such as intensively altered intervals and/or quartz veins. Two metre long samples were collected in areas where no obvious mineralization was seen. The floor of the trench was swept clean and channel samples were collected along the contact of the floor with the base of the wall. All trench samples were continuous channel samples collected over the entire length of the trenches. Samples were collected using a chisel and hammer. Each of the channels was approximately 5 centimetres wide by 3 centimetres deep. Occasionally, vertical channel were samples taken to examine mineralogical zoning in the overburden, especially where the trench did not reach the bedrock. Material was collected into sample bags which had a unique sample number and tag. The bags were sealed with a zip tie.

12.3 Core Handling, Logging, Sampling, Quality Control, and Security

Drill core was removed from the core barrel and carefully placed in marked core boxes. The boxes were marked with the respective drill hole number and box number. After each interval of drill core was placed in the box, the depth of the hole at that interval was marked on a wooden core block and placed in the box. The boxes were secured and transported to the Company's core logging facility in Jicaro.

In El Jicaro, under the supervision of the Company's geologists, the core boxes were placed in consecutive order on logging tables where they were logged both geologically and geotechnically. The core was measured in each of the boxes and using the core blocks for control. The beginning depth and end depth of core in each box was noted on the outside end of the box. Core intervals were marked at one metre intervals in the box. Geotechnicians proceeded to calculate the core recovery, RQD (rock quality description), rock hardness and compressibility.

When the geotechnicians completed their logging, a geologist proceeded to log the core describing the petrography and mineralogy and measured the structures evident in the core. Upon completion of the geological description, the geologist marked the core intervals for sampling. The total length of core was sampled. In areas where there was no apparent mineralization, the sample interval was a standard two metres. In areas of vein mineralization, the sample interval varied according to geology but was seldom more than one metre. The sample interval was marked with a wax pencil and a numbered sample tag was inserted at the beginning of the interval. This number, along with the drill hole number and sample depth were recorded for reference against laboratory results. The core was then photographed for permanent record.

After the sample intervals were marked and tagged the core box was transported to the sampling facility where trained technicians, under the supervision of a geologist, cut the core in half with a rock saw. Half of the core was removed and placed into plastic sample bags in which the numbered sample tag had been placed. The sample bags were also marked with the same unique sample number. The bags were sealed with a zip tie and stored in a secure place prior to being shipped to the laboratory. The other half of the core remains in the box for future reference and archival requirements and is stored in a locked area with restricted access within the core logging facility.

The core handling, sampling, transport and security were under the direct supervision of the author and were done in a systematic way according to recognized standards. The author is confident that the core was sampled in a consistent way and stored in a secured location.

13.0 SAMPLE PREPARATION, ANALYSIS AND SECURITY

The author verifies that all sample preparation was directly overseen by the author and the Company's Vice-President of Exploration. Sample preparation was conducted by employees and consultants. All samples were placed into sample bags, sealed with zip ties and then sealed in plastic pails prior to shipping by DHL couriers to Guatemala City, Guatemala. In Guatemala, the samples were received by personnel of the Inspectorate sample preparation laboratory, a facility operated by BSI Inspectorate ("Inspectorate"), a certified US based laboratory. At the laboratory, the samples were crushed to -10 mesh and a 500 gram split was shipped to IPL lab in Richmond, Canada where they were analyzed for gold, using a metallic screen and fire assay methods, and for silver and 30 elements by Inductively Coupled Plasma Spectroscopy (ICP). The author has visited the BSI Inspectorate facility in Guatemala City and is confident that the sample preparation, prior to shipping was completed in a professional way where there is very little chance of contamination between samples.

In the author's opinion, the method of sample preparation, security and analytical procedures utilized are very good, completed in a thorough and professional manner and can be relied upon.

13.1 Method of Metallic Gold analysis by Fire Assay

13.1.1 Sample preparation

Samples are dried and crushed to -10 mesh size, riffle split to 500 grams. The 500 gram sample is pulverized, the coarse fraction of which is then screened out by using a 150 mesh size screen. The entire +150 mesh and 2- 30 gram portions of minus fraction are assayed separately and a combined total gold in g/mt is calculated based on the total weight of both fractions. Because of the nugget effect of the coarse gold present on the Property, sometimes the -150 mesh sample was analysed a third time when the assays did were not similar. This third assay was included in the final -150 mesh assay average. This technique was used to ameliorate a significant nugget problem due to the coarse nature of the gold on the Property.

Duplicate samples of every 10th core sample were also used and gave generally consistent results with the original samples. Still the coarse gold nugget effect did result in some significant differences in gold grades in high grade samples.

Instead of the normal 30 gram sample size, a 500 gram sample was used for analysis. A minimum of three fire assays was completed of each sample taken one of the coarse fraction and at least two 30 gram fire assays of the fine fraction minus 150 mesh sample. The author believes that this analytical technique gives automatic duplicate analyses of each sample and that the results are as good and accurate as one can get even with the significant nugget effect problems. This sampling technique can be compared to the standard 30 gram assay technique where one gold nugget will give wild variations in grade and be completely unrepeatable.

13.1.2 Fire Assays:

Entire portion of +150 mesh pulp samples and up to 30 grams of -150 mesh pulp sample were weighed into separate fusion pot with chemical fluxes such as lead oxide, sodium carbonate, borax, silica flour, baking flour or potassium nitrate, after the sample and fluxes had been mixed thoroughly.

The sample was then charged into a fire assay furnace at 2000° F for one hour, at this stage, lead oxide would be reduced to elemental lead and slowly sunken down to the bottom of the fusion pot and collected the gold and silver along the way.

After one hour of fusion, the sample was taken out and poured into a conical cast iron mould. The elemental lead which contained precious metals would stay at the bottom of the mould and any unwanted materials called slag would float on top and be removed by hammering, a "lead button" is formed.

The lead button was then put back in the furnace onto a preheated cupel for a second stage of separation, at 1650° F, the lead button became liquefied and absorbed by the cupel, but gold and silver which had higher melting points would stay on top of the cupel.

After 60 minutes of cupellation, the cupel was then taken out and cooled, the concentration of gold in the dore bead is determined by gravimetric method and/or volumetric method to assure total recovery.

Gravimetric determination – the dore bead is transferred into a porcelain cup, the silver content is dissolved in HNO₃ acid on a hotplate and removed, the gold content is annealed, let cooled and then weighed.

Volumetric determination – the dore bead is transferred into a test tube and digested with acids in a hot water bath. The gold in solution is determined by using Atomic Absorption Spectrometer by comparing with a set of gold standard solutions. The total gold value, are calculated based on results from both plus and the average of minus portions and back calculated based on original sample weight.

The author is confident that the gold assays are as true representations of the gold content of the rocks considering the coarse nature of the gold and the difficulty in repeating analyses. To assure this consistency, a 500 gram sample is used in the assay technique as opposed to a 30 gram assay ton which is the normal assay procedure.

13.1.3 Method of 30 element analysis by Aqua Regia digestion/ICP

0.50 grams of sample is digested with diluted Aqua Regia solution by heating in a hot water bath, at about 95° Celsius for 90 minutes, then cooled and bulked up to a fixed volume with de-mineralized water, and thoroughly mixed. Digested samples are let settle overnight to separate residue from solution.

The specific elements are determined using an Inductively Coupled Argon Plasma spectrophotometer. All elements are corrected for inter-element interference. All data are subsequently stored onto computer diskette.

13.1.4 Quality Control (at the Laboratory)

The ICP Spectrometer analysis is first calibrated using three sets of Certified Standards and a blank. The test samples are then run in batches.

A batch of samples consists of 38 samples or less. An In-house standard and an acid blank are placed in-front of each set, which are both digested along with the samples. A known standard with characteristics best matching the samples is chosen and placed after every fifteenth sample, and again at the end of every batch. Every 20th sample is re-assayed using a new sample cut, weighed, digested placed at end of the batch. The results from these known standards are closely examined to detect any calibration drift. The use of internal standards and blanks assure that the gold numbers produced by the lab are representative of the gold content of the core and rocks.

Inspectorate is an accredited ISO standard laboratory, ISO number 9001:2008.

13.2 QA and QC Procedures

The Company has QA/QC procedures which follow industry standards and involve duplicate samples, blanks, and standard samples.

During the regional sampling, two commercial gold standards were used to check on the quality of gold analysis. These standard samples gave results consistent with their original analyses.

Due to the coarse nature of the gold on the property, the Company used 500 gram metallic screened gold assays for analyzing the drill core. The commercial gold standards, which consist of a prepared pulp was not suitable for checking this style of analysis.

In order to test the quality control of the metallic screen analysis, every 10th sample was prepared as a duplicate of the previous sample.

A total of 109 samples were duplicated in the 210 drill program, 96 of which ran less than 0.1 g/t gold. Seven samples assayed between 0.1 to 1.0 g/t gold and six samples assayed greater than 1.0 g/t gold. It must be noted that there are only 13 samples over 1.0 g/t gold were duplicated so the following statistics is not valid, however a few comments can be made about them.

The samples below 0.1 g/t gold gave a median value of change of 0.00 g/t and a standard deviation of 0.003 g/t. Samples from 0.1 to 1.0 g/t gold gave a median value of change of 0.01 g/t and a standard deviation of 0.103 g/t. Samples greater than 1.0 g/t gold gave a median value of change of 2.79 g/t and a standard deviation of 11.84 g/t.

Except where gold grades were relatively low (less than 1.0 g/t gold), the duplicate samples still reflected a serious nugget effect and occasionally did not often give a repeatable assay. The use of duplicate samples did provide a lot of confidence in the relative levels of gold content. The author is confident that this procedure using 500 gram screened metallic assays with duplicates is the best method of assuring the quality of the samples and analysis. In future, an attempt will be made to perform more duplicate sampling in mineralized zones.

The Company has been able to acquire a source of granite which contains no gold. These samples will be included as blanks for future quality control analyses.

14.0 DATA VERIFICATION

Quality Control Measures

The Company has instituted a strong quality control program. All samples were placed into sample bags, sealed with zip ties and then sealed in plastic pails prior to shipping by DHL couriers to Guatemala City, Guatemala. In Guatemala, the samples were received by personnel of the Inspectorate sample preparation laboratory. At the laboratory, the samples were crushed to -10 mesh and a 500 gram split was shipped to IPL lab in Richmond, Canada where they were analyzed for gold, using a metallic screen and fire assay methods, and for silver using 30 element Inductively Coupled Plasma Spectroscopy (ICP). The author has visited the Inspectorate facility in Guatemala City and is confident that the sample preparation, prior to shipping was completed in a professional way where there is very little chance of contamination between samples.

The author directly supervised all of the logging, splitting and sampling of the core from the 2010 drill program conducted at the Property and is confident that the proper procedures, as outlined above, were used in the handling and sampling of the core. The author is also confident in the quality of the preparation and analytical procedures utilized by Inspectorate.

Every 10th sample of core was duplicated by placing an extra sample tag marked “Duplicate” in the sample bag of split core. At Inspectorate’s preparation facility, a duplicate 500 gram split of the crushed sample was produced which was then assayed for metallic gold. The duplicate analyses returned results that were generally consistent with those of the original samples. However, in high grade samples the coarse gold nugget effect did result in some significant differences in gold grades.

A total of 109 samples from the 2010 drill program were duplicated, 96 of which returned less than 0.1 g/t gold. Seven samples assayed between 0.1 to 1.0 g/t gold and six samples assayed greater than 1.0 g/t gold. It must be noted that only 13 samples over 0.1 g/t gold were duplicated so the following gold statistics are not completely valid; however, several comments can be made about the validity of the duplicates.

Scatter diagrams show a strong correlation between the original samples and the duplicates. Three scatter diagrams were plotted comparing the gold results for original samples and duplicates (check assays) with the following ranges: 0.01 to 0.099 g/t gold (Figure 13), 0.1 to 0.99 g/t gold (Figure 14) and 1.0 to 99.0 g/t gold (Figure 15). Due to concerns regarding the nugget effect occurrence generally experienced with free gold, two scatter diagrams were plotted for silver: 0.1 to 0.99 g/t silver (Figure 16) and 1.0 to 30.0 g/t silver (Figure 17). A scatter diagram was also plotted for lead, using the whole range of lead samples (Figure 18). The author considers the scatter plots for silver and lead to be less affected by the gold nuggets and more representative of the repeatability of the duplicate samples.

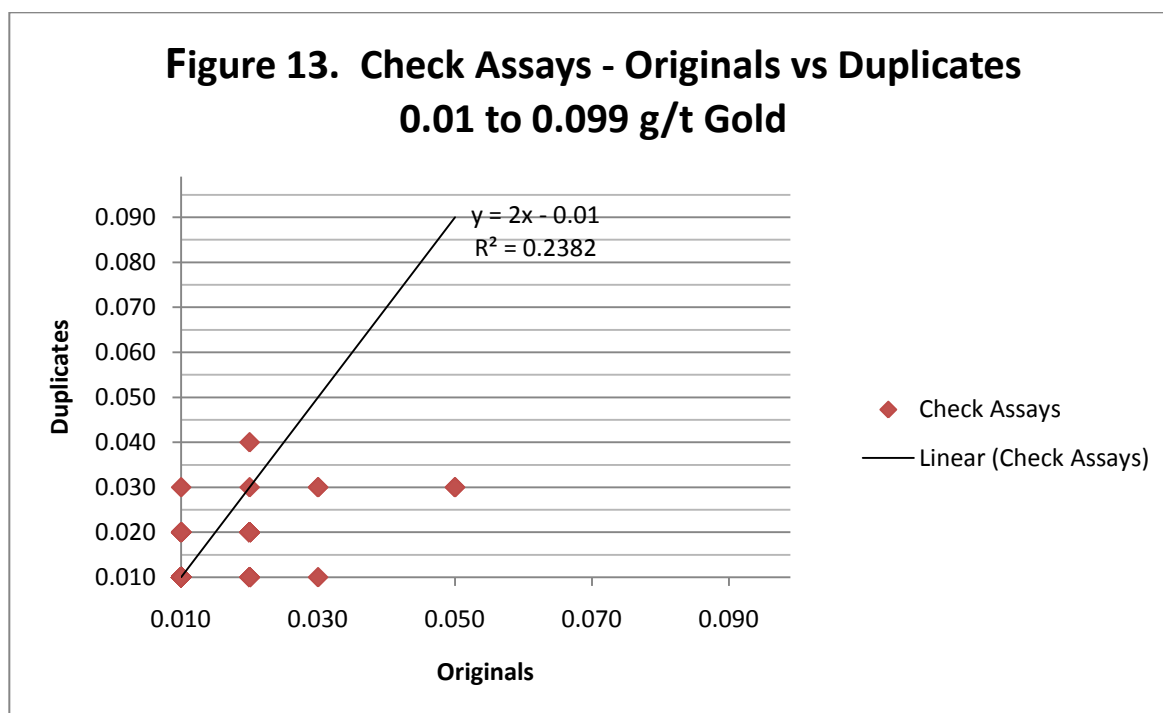


**Figure 14. Check Assays - Originals vs Duplicates
0.1 to 0.99 g/t Gold**

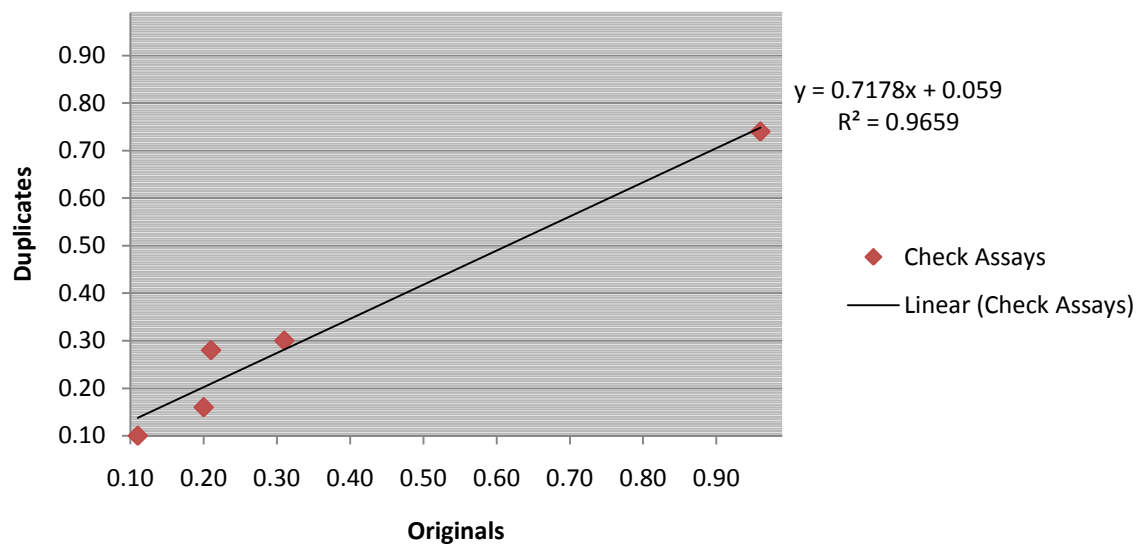


**Figure 15. Check Assays - Originals vs Duplicates
1.0 to 99.0 g/t Gold**

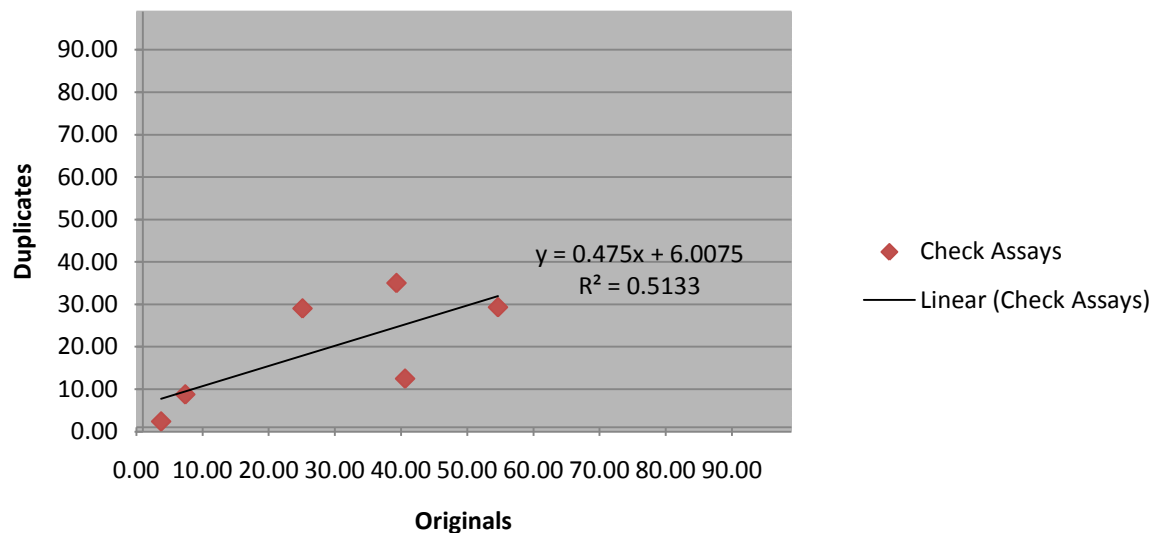


Figure 14 shows a very strong correlation between the original samples and the duplicate samples. It demonstrates a correlation coefficient of 0.9659 – where a correlation coefficient of 1.0 which would be perfect correlation. The low grade gold samples actually have a poor correlation since there is a preponderance of samples at 0.01 g/t gold and when the duplicates give 0.2 g/t gold, it biases the correlation significantly. Despite of a few nugget effect samples in the high grade samples which skewed the graph, Figure 15 gave a relatively good correlation of 0.5133.

In evaluating the silver correlations, which are less likely to be affected by the nugget effect, the graphs show a very strong correlation between originals and duplicates. The correlation coefficients are 0.8516 and 0.7969 for the following two graphs, which provides excellent confidence in the use of duplicate samples.

**Figure 16. Check Assays - Originals vs. Duplicates
0.1 to 0.99 g/t Silver**

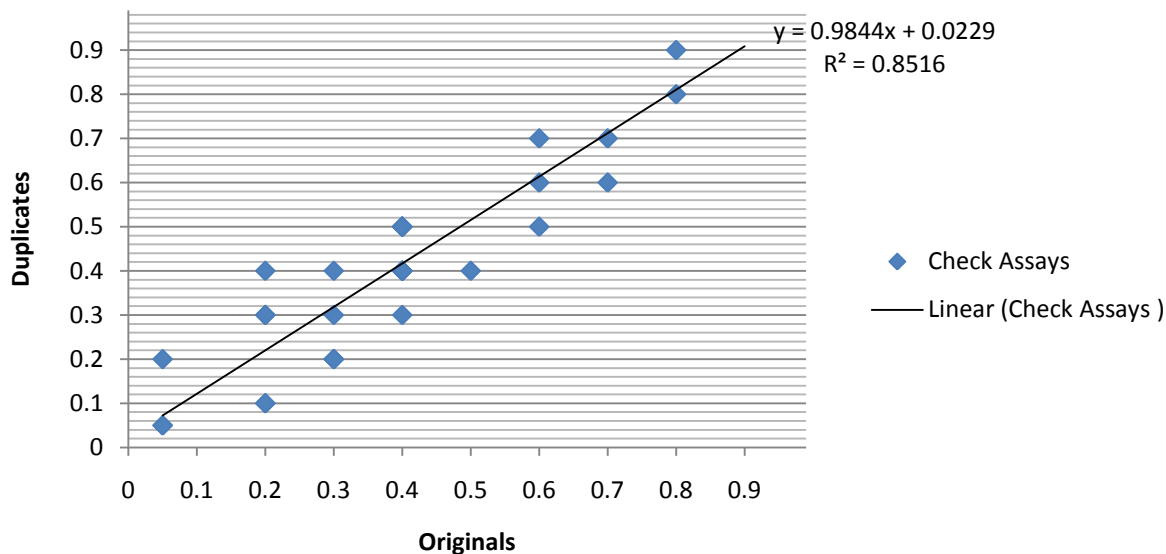
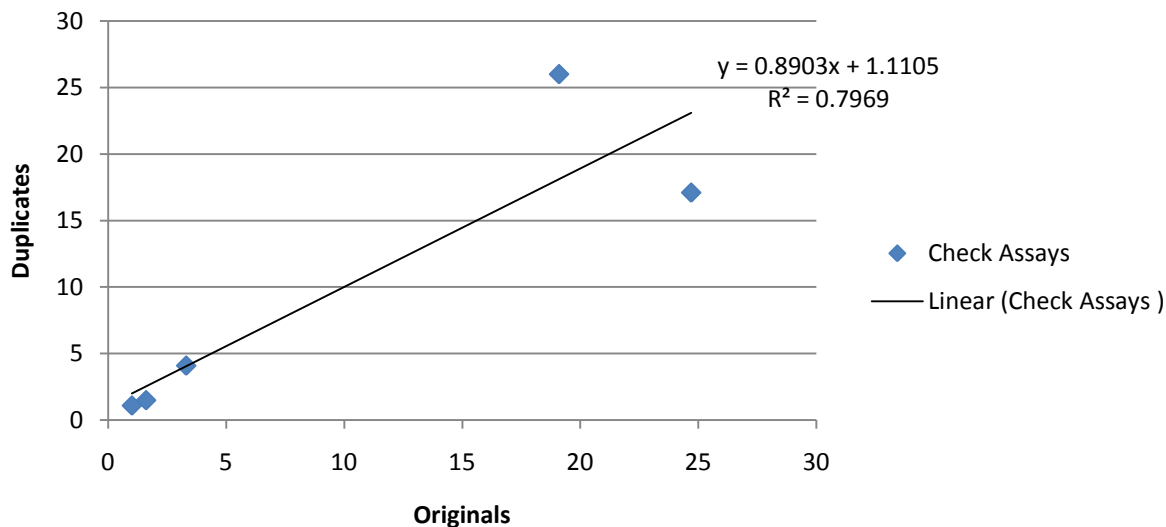
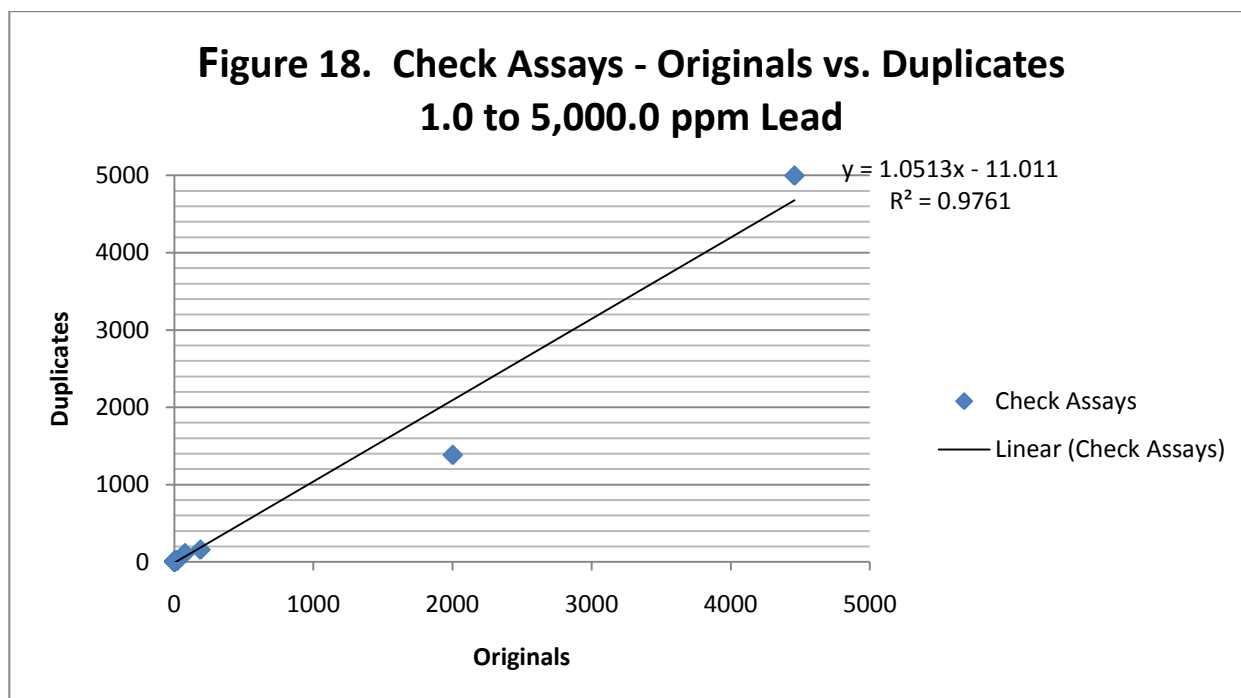


**Figure 17. Check Assays - Originals vs. Duplicates
1.0 to 30.0 g/t Silver**



The scatter graph for lead also confirms the excellent correlation between the samples, with a correlation coefficient of 0.9761.



The use of duplicate samples provides a high degree of confidence in the gold assays content and is an excellent verification of the analyses. The author is confident that the procedure using 500 gram screened metallic assays with duplicates inserted as every 10th sample is the best method of assuring the quality of the assays. However, the author recommends that the Company perform more duplicate sampling, particularly for samples in mineralized zones, in the future.

Instead of the normal 30 gram sample size, a 500 gram sample was used for analysis. The 500 gram screened metallic gold assays were completed for every sample taken. This technique, which includes an assay of the all of the plus 150 mesh fraction of the pulverized core from the 500 gram sample and two 30 gram assays of the minus fraction of the pulverized core were combined as a weighted average to give a total gold assay. If there was more than 10% discrepancy of the minus 150 mesh assays, a third assay was completed and the minus 150 mesh assays were averaged before combining with the plus 150 mesh sample. This technique was used to ameliorate a significant nugget problem due to the coarse nature of the gold on the Property.

A minimum of three fire assays was completed for each sample taken one of the coarse fraction and two 30 gram fire assays of the fine fraction (minus 150 mesh) sample. In the author's opinion, this analytical technique gives automatic duplicate analyses of each sample and that the results are as good and as accurate as one can get, even with the significant nugget effect problems. This sampling technique can be compared to the standard 30 gram assay technique where one gold nugget could result in wild variations in grade and possibly be completely unrepeatable. However, the use of the much larger, 500 gram sample size limits the Company's ability to use commercial standards for check assays at the lab, as it is difficult to compare the standards with the 500 gram screened assays. Similarly, it is difficult to use blank standards due to the sample size discrepancy. As a result, the Company elected to insert duplicates every 10th sample.

This “screened metallics” technique, involving at least 3 separate assays of the samples plus the use of duplicate samples every 10th sample, gives the author a high degree of confidence in the analyses. The three assays compare well to the one assay used for standard assay techniques. Since the drill program was completed the Company has been able to acquire a source of barren granite which will be used as blanks in future drill programs.

The Company has also sent 500 gram duplicates of every 50th sample from the 2010 drill program to Acme Analytical Laboratories in Vancouver, British Columbia, to verify the results of the screened metallic gold assays presented by Inspectorate. The Company has not yet received the results from these check assays; however, upon receipt a discussion of the comparison of results will be presented in a press release and on the Company’s web page.

Data Verification Procedures

The Company maintains two master Excel databases: (i) a drill log database and (ii) a compilation database (geotechnical, logs and assay results). All data entered into the Company’s databases is routinely verified by Company personnel. Access to the databases is restricted to selected users only.

The author directly supervised the entirety of the 2010 diamond drilling program at the Property. A total of 1,514.75 metres was cored in 14 drill holes. Validation of the drill hole data files against the original drill hole logs and assay certificates was completed for all 14 holes, representing 100% of the dataset.

Prior to the commencement of drilling, each drill hole location was surveyed using a handheld GPS survey instrument. The direction of each hole was surveyed by compass and the inclination of each hole was surveyed using an inclinometer. At the end of the drill program, a legal or geodetic survey using a GPS instrument (Leica SR20 Single Frequency Survey Instrument) to provide millimetre control for drill hole collars was completed. Survey information was entered directly into the drill log database. After each drill hole was completed, the deviations in the hole, both in direction and dip, were measured using a standard single-shot clockwork Tropari downhole survey tool. Downhole surveys for dip and magnetic azimuth were made at approximately 100 metre intervals within each of the drill holes.

Each sample of drill core was logged and entered into the drill log database, providing a: unique sample number, hole identification number, interval (from/to) and sample width. Further, a description of the core, including lithology, mineralization and alteration, was entered into the database. Mineralized veins were described in detail individually, providing information on the type of mineralization, composition, and true widths. Assay data was entered upon receipt from the laboratory of electronic assay certificates. Information was copied from the electronic certificates and pasted into the master database. Once the data entry procedure for each hole is finished, a visual review is performed to check for completeness.

Drill hole data entered into the database is checked for duplicate intervals, overlapping intervals and intervals beyond the end of the hole. Errors identified (if any) were checked against the original logs and corrected. There were very few errors or discrepancies noted, representing less than 1% of the total dataset. Such errors were generally of typographical nature and were corrected right away.

Data comprising both the drill log database and compilation database is routinely verified by the Company. During a data entry verification check, the data values in the source documentation are checked against the corresponding records in the Company’s databases. The Company also checks for reasonableness and extremes of the recorded database values. No significant errors or discrepancies were found. In the author’s opinion, the geological data in the Company’s databases meets or exceeds the industry standards and is reliable.

The author has reviewed the historical data and verifies that the information has been presented accurately as it exists in those files and reports, to the best of his ability. The various reports, maps and other information which is cited, upon inspection, was presented using standard minerals industry conventions. The author did not have access to the

original assay certificates, the location of which is not known to the author. Earlier assay results referenced in this report were extracted from previous technical work, which in the author's opinion, was carried out by professionals using routine practices and as such the data can be relied upon.

In that reliance has been placed on sampling done by Condor, a summary of that company's sampling techniques has been provided below. This information has been extracted from an annual report (Condor 2009).

Sampling Methods

Soil Sampling: *Soil samples weighing 1 to 2kg were collected from the 'B-Horizon' (below the organic top-horizon) using a hand-powered core-auger, generally at a depth of 30-50cm below surface. Samples were collected on a 100m by 100m square grid. Locations were found and recorded using a handheld GPS with an accuracy of typically less than 4m. The samples were submitted to CAS Laboratories of Honduras for gold analysis to 0.1ppm level and the pulps were forwarded to ACME Laboratories of Canada for multi-element analysis.*

Outcrop Channel Sampling: *Channel sampling of fresh outcropping rock, notably quartz veins, was undertaken using a hand-held rock-cutting saw. Samples were collected by cutting parallel grooves, approximately 5cm apart and 5cm deep along the channel sample, generally orientated perpendicular to the targeted quartz vein. The sample was collected by removing the material between the parallel grooves with a hammer and chisel and catching the sample in clean plastic sheets.*

Trench Sampling: *The trench to be sampled was marked out with spray paint to every metre. The sample was taken metre by metre in areas of interest, alteration or veining, and occasionally two metre long samples in areas of unaltered ground. Trench samples were collected from a 5 to 10cm wide channel approximately 5 to 10cm from the base (on the wall) of the trench on a clean "fresh" surface or face (always the same side of the trench unless dangerous or impossible to take a sample). The samples were continuous channel samples taken using a geological hammer and, if required in areas of hard rock, a chisel and hammer. Material was collected onto a cleaned sheet of plastic to avoid contamination. The sample was then poured into a labelled sample bag with an average weight of 3 to 4kg.*

RC Drill sampling: *Samples were collected in plastic buckets directly from a cyclone receiver and manually passed through a Jones 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 40cm by 25cm cotton sample bag whilst the larger bulk sample was collected in a 80cm by 40cm plastic bag. Both sample bags were labelled by drill hole 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 four meters (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 5cm diameter plastic pipe cut at a low angle to its long-axis at the sampling end. Composite samplers aimed to collect approximately 0.6kg of sample from each meter interval to provide a composite sample weighing between 2kg and 3kg. Where mineralization was suspected or composite samples had returned assay results exceeding 0.1g/t gold then the single meter 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 aluminum tag inside the bag and protected within a clear plastic bag to prevent damage and contamination during transport. Note that only single meter 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. All RC drilling samples, both single meter riffle splits and composite samples were assayed for gold at CAS laboratories of Honduras for gold analysis (see below). All drilling was carried out to generally accepted 'resource definition' standards with emphasis on maximizing sample quality (dry sample) and sample quantity (sample return).

Diamond Core sampling: *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 metre 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 metres to 1.5 metres. 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. Twelve samples representing a variety of lithologies were selected from both drill holes for bulk density measurement.

For the Condor samples, two laboratories were used. Condor reports the following procedures:

BSI Inspectorate: The early trench samples were prepared and assayed by BSI Inspectorate, a certified US based laboratory. Sample preparation took place in Inspectorate's Guatemala laboratory. Samples were oven dried where required and crushed such that >80% passed a 2mm (-10) mesh screen. The sample was then split to a 250-300g sample which was pulverised in a ring and puck mill such that 95% passed a 106µm (150) mesh screen. Samples were analysed by fire assay with AAS finish with a 5ppb detection limit. Samples returning over 3ppm gold were re-run by fire assay with a gravimetric finish for a 0.34ppm gold detection limit.

CAS Honduras: All drilling samples and the latter trench samples were prepared and analysed by CAS Laboratories of Honduras in their laboratory in Tegucigalpa. Samples were oven dried in stainless steel trays at less than 60°C and crushed such that 90% of material passed a 6.3mm mesh screen. The material is split down to a 250g sample which is pulverised in a ring and puck mill such that 95% passes a 106µm (150) mesh screen. 30g samples were fused at 1100°C with a 100g pre-mixed flux of 62% PbO, soda ash, borax and silica, with flour added to achieve a 30g button. Cupellation was achieved at 900°C with a 2mg Ag liquid inquart. The gold was analysed with AAS with a 3ppb detection limit. Samples returning over 1ppm 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.

Condor had QA/QC procedures which were probably above industry standards, involved, duplicate samples, blanks, standard samples and check assays as follows (Condor 2009):

- Duplicates of single meter riffle split RC samples were selected at a frequency of approximately 5% with a minimum of one per drill hole. The samples included a duplicate split from the mineralized 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.
- 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 meter riffle-split RC and trench channel samples.
- Similarly 10% of the pulps of samples analyzed by CAS Honduras were check assayed by BSI Inspectorate to ensure validation of CAS results by a certified laboratory.

Considerable more QA/QC data provided by Condor is not reproduced here. The author is satisfied that the quality of the analytical data for all the Condor samples has been adequately demonstrated.

Additionally, Golden Reign evaluated the previous Reverse-Circulation (RC) drilling results achieved by Condor at the Arras prospect. The Condor assay results were obtained from its 2009 annual report. The author did not have access to the original assay certificates. The Company twinned three of the Condor RC holes with core drilling. In vein type gold deposits, core drilling has greater accuracy in determining both grades and widths of the zones. Core drilling also provides useful geological information on the structural controls to the mineralization, which RC drilling cannot provide. RC provides larger intervals but there exists a high risk of cross-contamination if the drilling process is not done correctly. Because the drilling method, core recovery, sample sizes and sampling intervals are inevitably

different, there cannot be a one-to-one comparison between the assay results of the two drilling methods. Despite this, core drilling has confirmed the existence of the mineralized zones and provided more accurate grades and widths of the zones.

15.0 ADJACENT PROPERTIES

The author of this report has no direct or indirect beneficial interest in the properties described or any relationship to the companies involved. The Company has no ownership rights of these properties. The information is provided solely for the benefit of the reader and for comparison with the Concession.

The Potrerillos concession, located to the immediate north of the San Albino Mine, was staked and is held by Condor Resources Plc., the company which last held the subject San Albino – Murra Gold Concession. The author has very little information on the Potrerillos concession, aside from what has been published by Condor on their website, as follows:

The Potrerillos Concession, which covers an area of 12 kilometres squared, contains a number of abandoned shafts and adits, testament to brief, interrupted periods of gold mining activity. The gold mines of the Potrerillos Concession were processed less than one kilometer south of the concession at the mill site of the historic San Albino Mine.

Condor reported: *“At Potrerillos trench and old mine adit sampling across gold-bearing outcrops has identified at least six prospects along a 3,600 meters strike length of the main mineralized corridor. In addition to regional rock chip sampling, Condor channel sampled over 600 meters of trenches and road cuttings and 130 meters of old mine adits during the year, with significant gold intercepts returned along the length of the mineralized corridor, including:*

- One meter at 29.5 g/t gold from trench POTR017 on the Potrerillos Prospect located in the north-east of the concession,*
- One meter at 19.6 g/t gold from old mine adit POTN006 on El Bijau Prospect in the centre of the concession, and*
- One meter at 19.5 g/t gold from sampling old mine adit POTN003 on the El Tambo Prospect in the south-west of the concession.”*

In 2008, Montgomery reported: *“Fortress Minerals, a Canadian company has held tenure to the north and east of the San Albino Project concessions since 2006 and is currently actively exploring, primarily by rock chip and trench sampling. The Fortress Minerals concession is now dormant and been allowed to lapse. The Concession to the west is held by Iberoamericana de Minas S.A since 2002. Little or no exploration has been completed on this concession.”*

The concession immediately to the south of San Albino is held by a Nicaraguan businessman. No specific information is known about this area, except that it has been explored minimally in the past. Other companies active in Nicaragua include:

Calibre Mining Corp. which has acquired all of the issued and outstanding shares of Yamana Nicaragua S.A., a wholly-owned subsidiary of **Yamana Gold, Inc.**, for consideration of CAD \$7 million (US \$6.22 million) payable by the issuance of 12 million common shares of Calibre and no less than CAD \$4.0 million cash.

B2Gold Corp. ("B2Gold") was granted an option by **Radius Gold Inc.** to acquire an interest in its mineral property portfolio in Nicaragua.

16.0 MINERAL PROCESSING AND METALLURGICAL TESTING

Golden Reign has not completed any metallurgical or other testing of mineralization at the San Albino or Arras prospects.

17.0 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

Golden Reign has not completed any Mineral Resource estimates at present.

18.0 OTHER RELEVANT DATA AND INFORMATION

There is no other relevant data available for this report.

19.0 INTERPRETATION AND CONCLUSIONS

The San Albino-Murra Gold Concession contains several structural zones trending 060° which host quartz veins containing significant amounts of gold. High grade (greater than 10 g/t gold) gold mineralization has been sampled from showings along a large northeast trending belt that is 15 kilometres long by 3 kilometres wide. The orientation, style and tenor of the mineralized veins is similar throughout the belt.

At San Albino/Arras, at least 4 such veins have been tested by core drilling giving several intersections averaging greater than 10 g/t gold over one to four metres in width. The system has been tested with core drilling and appears to be continuous along strike for 300 metres and down dip for 200 to 400 metres. The drilling completed to date confirms the historical grades and thickness of San Albino and Arras mineralization. It also gives confidence in the possible continuity of such mineralization and the potential to develop significant resources of similar grade over the whole San Albino/Arras area. Systematic drilling will be useful in developing a NI 43-101 compliant resource in the area.

At San Pablo/Las Conchitas at least 10 vein systems have been located by surface mapping and prospecting. Grab samples from float, old mine dumps and other historical Spanish workings give similar grades to San Albino/Arras at greater than 10g/t gold. Presently, the size and continuity of these vein systems is unknown. Trenching across the various mineralized showings should help with determining the direction, size and tenor of the vein systems. The San Pablo/Las Conchitas area presents a significant target for high grade gold mineralization. The opportunity to develop significant gold resources in this area is excellent and work on this target should continue.

In the Northern (Murra) District, sampling of several old mines has also outlined excellent gold mineralization. At present, geologists have very little idea of the dimensions and strike of the many veins sampled. The mineralization has the same grades and chemistry of San Albino/Arras and San Pablo/Las Conchitas. Significant surface work is still required to evaluate these several mineralized showing and old mines before final testing with core drilling.

20.0 RECOMMENDATIONS

The San Albino-Murra Gold Concession requires significantly more work before the Company will be able to outline economic mineralization. Drilling at San Albino in the Southern District has been encouraging, with mineralization showing a consistency in thickness and grade over significant distances along strike and down dip. A fence of five lines of grid drilling is required to enable the Company to calculate a mineral resource over the deposit. Approximately 6,000 to 10,000 metres of grid core drilling should be sufficient to develop a NI 43-101 compliant inferred mineral resource.

Surface mapping results at San Pablo and Las Conchitas, situated south of San Albino/Arras, are extremely encouraging. These surface showings should be trenched to confirm the size and continuity of the mineralization.

Once the mineralization has been located by trenching, targets should be tested by core drilling with the aim of developing further mineral resources in the Southern District. A further 5,000 metres of drilling is planned as a preliminary examination of these showings prior to developing mineral resources.

In the Northern District, additional surface prospecting and trenching is required to evaluate the many promising showings and underground workings. Several of the showings will be trenched and, if found to be continuous, tested by core drilling. Approximately 200 metres of trenching is recommended before possibly 1,000 metres of core drilling is undertaken.

Regional mapping and prospecting will continue over the Property. New mineralized areas continue to be found and examined, particularly in the Central District where very little mapping has been completed and available information is limited.

The proposed program which includes 10,000 metres of core drilling and 600 metres of trenching will cost approximately \$5,065,500. An estimate of expenditures is shown as Table 26 below.

TABLE 26. ESTIMATED EXPENDITURES

Field office and supplies	\$	10,000
Staff (project geologists)		150,000
Transportation		30,000
Accommodation		10,000
Supplies		15,000
Trenching, 600 metres including: equipment and personnel		45,000
Underground mining, including: equipment and personnel		200,000
Sampling, including: underground and trenching		25,000
Analyses – 2,000 samples at \$50/sample		100,000
Diamond drilling – 10,000 metres, including		4,000,000
Drill contract costs of \$200/metre (including standby time) plus 15% IVA (value added tax)	<u>\$2,450,000</u>	
Additives (bentonite)	<u>250,000</u>	
Mobilization/demobilization	<u>50,000</u>	
Drill pad construction	<u>220,000</u>	
Reclamation	<u>120,000</u>	
Logging and sampling, including		
Personnel, Two geologists @ \$400/day for 180 days	<u>144,000</u>	
Assistants and First Aid attendants, 7 people for 180 days	<u>170,000</u>	
Equipment and supplies (core boxes, sample bags, tags)	<u>116,000</u>	
Secured transportation of samples from project site to laboratory	<u>80,000</u>	
Analyses – 8,000 samples @ \$50/sample, including duplicates, standards and blanks	<u>400,000</u>	
Report		<u>20,000</u>
Subtotal	\$	4,605,000
Contingency – 10%		<u>460,500</u>
Total Estimated Expenditures	\$	5,065,500

21.0 REFERENCES

Bengoechea, A.J. (1961); Los placeros auriferos del area de Quilali, Rio Jicaro, Departamento de Nueva Segovia, SGN No 5.

Bengoechea, A.J. (1999); Empresa Minera Quilali-Murra Exploration Concession, Nicaragua, prepared for EMSA by Adolpbo J. Bengoechea and dated December 1999.

Condor Resources Plc.; Website and publicly available data.

Del Giudice, D (1959); Notas preliminares sobre el oro y la plata en Murra, SGN No 5.

EMSA (1999); Quilali-Murra Exploration Concession files.

English, Luc (2009); Final Report on the San Albino-Murra Concession prepared for Condor Resources Plc. dated 19th February 2009.

Garayar, J. (1969); Informe geologico del area de Quilali, Rio Pantasma, San Rafael del Norte y Jinotega.

Goerse, Greg. J., (1996); WMC Monthly Technical Report-January 1996. EMSA's files.

Martinez, P., (1963); Mineralizacion del Cerro Chachagua, area de Quilali, Nueva Segovia. NP, SGN.

Montgomery, Michael (2008); Arras Project, Nicaragua, Independent Resource Report, Prepared by Geosure Geological Consultants for Condor Resources Plc. by Michael Montgomery, B.AppSc M.Aus.IMM. dated August 2008.

Notzli, E (1965); Estude des indices de mineralization de la region de Murra, Nueva Segovia. NP ONU-SGN.

Peale, Rodgers (1948); Report On San Albino Gold Mines Situated In Nueva Segovia, Nicaragua By Rodgers Peale San Francisco, California Dated January 12, 1948. In Ministry Library, Managua. Dated January 12, 1948.

Raosvelltd H.C : (1962); Exploration of alluvial gold of the lower Jicaro River, province of Nueva Segovia, Republic of Nicaragua.

Roberts Ralph J. and Irving, Earl M. (1957); Mineral deposits of Central America. US Geological Survey, Bulletin 1034. 205 pp.

WMC 1997 Murra exploration. EMSA's files.

21.0 CERTIFICATE OF AUTHOR

I, John Kowalchuk, P. Geol. do hereby certify that:

1. I am president of:
JMK Geological Services
#16-7491 No. 1 Road, Richmond, B.C., Canada, V7C 1T7
2. I graduated with a Bachelor of Science degree in Geology from McMaster University in 1970.
3. I am a fellow of the Association of Professional Engineers and Geoscientists of British Columbia.
4. I have worked as a geologist for a total of 40 years since my graduation from University.
5. I have read the definition of “qualified person” set out in National Instrument 43-101 (“NI 43-101”) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101.
6. I am responsible for all of the field work, interpretation and preparation of all sections of the technical report titled, “TECHNICAL REPORT, EXPLORATION SUMMARY, SAN ALBINO-MURRA GOLD CONCESSION, El Jicaro area, Dept. Nueva Segovia, Republic of Nicaragua, dated May 17, 2011” (the NI 43-101 Technical Report)
7. I supervised all of the field work discussed in this report and take full responsibility for all of the technical content of this report. I spent the months of November 2009, February –May 2010 and July-October 2010 directly supervising work on the property. The last period of time that I was on the property was from July 25, 2010 to October 9, 2010.
8. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.
9. I am not independent of the issuer, as defined in section 1.4 of National Instrument 43-101, as I work as a contract consultant to the issuer and hold incentive stock options to purchase 250,000 common shares of Golden Reign Resources Ltd.
10. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.
11. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public of the Technical Report.

Dated this 17th day of May, 2011.

“John Kowalchuk” (signed by)(sealed)
Signature of Qualified Person

John Kowalchuk
Print Name of Qualified Person

JMK GEOLOGICAL SERVICES
#16-7491 No. 1 Road, Richmond, B.C. V7C 1T7
Telephone: 778-837 1042 Email: ajkowalchuk@shaw.ca

22.0 CONSENT OF AUTHOR

TO: TSX Venture Exchange
Alberta Securities Commission
British Columbia Securities Commission
Ontario Securities Commission

RE: Technical Report

I, John Kowalchuk, P. Geol., do hereby consent to the public filing of the technical report entitled “TECHNICAL REPORT, EXPLORATION SUMMARY, SAN ALBINO-MURRA GOLD CONCESSION, El Jicaro area, Dept. Nueva Segovia, Republic of Nicaragua” dated May 17, 2011 (the “Technical Report”) prepared for Golden Reign Resources Ltd. (“Golden Reign”) with the regulatory authorities referred to above and to extracts from, or a summary of, the Technical Report in the Golden Reign Resources Ltd. news release dated March 9, 2011.

I also certify that I have read the written disclosure in Golden Reign Resources Ltd.’s news release dated at and filed on March 9, 2011 and confirm that it fairly and accurately represents the information in the Technical Report that supports the disclosure.

Dated this 17th day of May, 2011

“John Kowalchuk” (signed by)(sealed)
Signature of Qualified Person

John Kowalchuk
Print Name of Qualified Person