

NI 43-101 Technical Report

of a

Geological Evaluation

for the

Topacio Project

**South Atlantic Autonomous Region
Nicaragua**

**INETER: Presillitas 1: 50,000 Map
UTM Zone 16**

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Summary

The authors were commissioned by Mr. Mit Tilkov, President and CEO of FDG Mining Inc. (FDG), to carry out an evaluation and recalculate a resource estimate for the Topacio mineral concession (the property) in Nicaragua, primarily for its gold potential, and to recommend further mineral exploration, if warranted. The evaluation and resource calculation were requested to form part of a National Instrument 43-101 compliant report on the property that might be used in a public financing.

The property is located in the South Atlantic Autonomous Region with the main showings located near NAD 27 UTM coordinates 780,000mE, 1,338,000mN (Figs. 1 & 2). The concession totals 9,300 hectares, and is owned by Topacio, S.A. which is 90% owned and controlled by Inversiones Mineras, S.A. (IMISA), a Nicaraguan limited liability corporation whose primary business is quarrying sand and dimension stone for the domestic market. FDG Mining Inc. of Vancouver, Canada holds an option to earn 100% of the property by paying IMISA US\$3,000,000 at any time before April 30, 2013 and an additional US\$60,000 semi-annually from October 30, 2009 until the purchase price is paid. FDG will also make best efforts to invest US\$1,000,000 in the property during the option period. IMISA will retain a 3% Net Smelter Return on production from the property.

The property is located 24 km. west southwest of the town of El Rama, a major port on the Caribbean side of Nicaragua, which is located at the eastern terminus of Nicaragua Highway 7. More specifically, the property is located 3 kilometres southeast of the town of Cara de Mono located on Highway 7. This area can be located on the “Presillitas” 1:50,000 El Instituto Nicaraguense de Estudios Territoriales (INETER) topographic map.

An examination of the property was carried out by the first author between the 13th and the 15th of April, 2010. The second author was involved in a major 1996 exploration program on the property in a supervisory capacity.

The main showings on the property consist of eleven northeast trending, steeply dipping generally one to three metre wide epithermal quartz veins. Six of these veins have seen past production and one small artisanal operation on the Topacio vein was running during the site visit. The showings were discovered in the 1890's and mainly mined from 1900 to 1917. It is estimated that 160,000 tonnes grading approximately 8 g/t gold and 80 g/t silver were extracted, mainly from underground workings on the Mico, Salmeron and Lone Star veins (Fig. 3).

Two major modern exploration programs have been carried out on the property, one in 1984 by a Brazilian company, Companhia de Pesquisa de Recursos Minerais (CPRM) and the other in 1995-96 by subsidiaries of Triton Mining Corporation (Triton), a Canadian company. The Brazilian program consisted of detailed compilation of historic work, a VLF-em geophysical survey, trenching, underground channel sampling and eight BQ diamond drill holes totaling 1,251.15 metres followed by resource estimation.

The Triton program consisted of a property scale stream sediment and prospecting program in 1995 followed by approximately 135 trenches on nine of the veins and 6,250.49 metres of diamond drilling in 1996. The resource estimation in this report is largely based on the results of the 1996 work (Figs. 4-16). A report filed by Triton on Sedar.com in 1997 reported an optimistic resource containing 260,000 ounces of gold, largely in the Topacio and Dos Amigos veins, based on drilling and trench results. The authors were asked to analyze the quality and adequacy of the data and assays available from the Triton program to confirm all or part of this historical resource estimate.

An NI 43-101 compliant **Inferred Mineral Resource of 680,000 tonnes grading 5.2 g/t gold has been estimated.** This resource was calculated using a three g/t gold cut-off. Mining dilution has been included based on a selective underground mining operation. The resource is contained in two mineralized bodies in the Topacio Vein and is open to the west and, partly, to depth (Figs. 13 + 14).

Data referred to from the 1996 program has not been verified in the field. No core or reject samples were available to resample. The data has been sourced from the references cited. The authors recommend additional work be carried out to completely verify the work carried out by Triton, including location of core and or reject samples for resubmission.

Of the 43 drill holes available to the authors for resource estimation, 26 tested the Topacio vein, 11 tested the Dos Amigos veins and the remaining 6 tested other veins in the vicinity. Examination of the data available led to the conclusion that a resource estimate would only be possible for the Topacio Vein.

The Topacio vein was indicated in 24 of the 26 drill holes targeting the vein. The two drill holes which do not indicate the presence of the vein (96-09 and 96-24) do not have samples in the area where the vein would be anticipated and it is suspected that no visual identification of mineralized material could be made.

The data were composited across the indicated vein width ignoring adjacent lower-grade intercepts suggestive of stockwork mineralization on the margin of more coherent veins. The assay intervals were adjusted to true width according to the drill hole inclination intercepting the steeply dipping (80°- 90°) vein, and then to a horizontal width projected to a vertical east-west plane. This projection entailed a foreshortening of the data along the east-west axis taken to be the sine of 56 degrees. The lateral compression was compensated for with a factor of 1.2 applied to the horizontal width.

No resource estimate for potential open pit resources has been recalculated in this Report. Insufficient topographic data and uncertain reliability of previous trench results and surface data precludes the accurate calculation of an open pit resource at this time. Nevertheless, the authors believe, based on historic results and the property examination that a significant, probably economic, resource amenable to open pit mining exists in the areas overlying several of the identified veins. The recommended Phase 1 exploration program is designed, in part, to better quantify the open pit resource. Re-sampling of the

original surface trenches to verify previous assays and new trenches to tighten up the spacing are recommended.

The 1995 Triton program also outlined eight large areas of silicification two to four kilometers peripheral to the known veins. Three of these areas, two kilometers northeast of Cerro La Tortuga, Monte Carmelo and Quebrado Sahino, returned significant gold values (>1.0 g/t Au) from prospecting samples. Four of the five other zones returned anomalous gold values (>0.1 g/t Au).

The Topacio property has good potential to develop a profitable mining operation. Further work is recommended. A Phase I program consisting of 6,000 metres of mechanized trenching to infill and extend information of known mineralization on the main veins, detailed prospecting and geological mapping of the peripheral silicified areas, magnetic/VLF-em geophysical surveys to trace extensions of the main veins and a soil geochemical orientation survey should be carried out. A satellite imagery program for Topacio, which would include a digital elevation model at a one meter resolution will be completed at a cost of \$30,000. Completing an all weather road to the property from Muelle de Los Bueyes will be necessary. Engineering plans for the road were completed in 1996 and eight kilometers of 16.2 kilometres total were built to all weather standards. The eight kilometers constructed in 1996 are in good condition only in need of grading. Infill drilling of 1,500m is proposed to upgrade the Inferred resource defined for the Topacio Vein in this study. This program is estimated to cost \$833,850 and take three months to complete.

A success contingent Phase II program consisting of trenching and geophysical surveys followed by an additional 4,500 metres of diamond drilling on the main veins should be carried out.

Concurrently with the Phase II drill program, the most prospective peripheral silicified areas, as outlined in Phase I, should be trenched and have Induced Polarization geophysical surveys carried out over them. The Phase II program is estimated to cost \$1,500,000 and take four months to complete.

One of the two main objectives of these programs is to raise sufficient mineral resources in the main mineralized area to an indicated and measured level so that a scoping study can be carried out on these resources to determine if they can be profitably mined and at what rate. The other objective of the recommended programs is to test the peripheral mineralized zones to see if there is the potential for vein and stockwork zones, similar to the Topacio Vein area at depth, or if there is a sufficient tonnage of lower grade gold mineralization amenable to open pit mining that could support a much larger mining operation.

Introduction and Terms of Reference



LEGEND

- Highway or Improved Road
- Rivers
- Departmental Boundaries
- Cities

FDG MINING INC.

Topacio Property General Location Map

Scale	as shown	Date	June, 2010
U.T.M.	Zone 16	By	d.s.d. / ibex
Figure	1	David Dunn P. Geo.	

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The authors were commissioned by Mr. Mit Tilkov, President and CEO of FDG Mining Inc. to carry out a geological evaluation and resource recalculation of the Topacio mineral concession in Nicaragua, primarily for its gold potential, and to recommend further mineral exploration, if warranted. The findings were to be presented as part of a National Instrument 43-101 compliant report on the Topacio property. This report was requested to include a re-estimation of mineral resources on the Topacio concession based mainly on the trenching and drilling carried out in the 1996 program using current metal prices.

A site visit to the property was carried out by the first author between the 13th and the 15th of April, 2010. The second author was involved in the 1996 mineral exploration program on the property in a supervisory capacity.

Reliance on Other Experts

This report relies on information from one major and three minor sources. The major source of information was “Topacio Project, Report on Diamond Drilling, March to August, 1996” prepared by Jim Stephenson for Triton. The information in this report was relied on to re-estimate the mineral resources on the property based on the present price of gold. The three minor sources of information relied on in this report were an Instituto Nicaraguense de la Minera (INMINE) report “Proyecto El Topacio, Exploracion Geologica y Evaluation de la Mina Topacio” prepared by CPRM, April, 1984, a report on the 1995 property scale work by Triton (Sevilla, R. et al; 1995) and a compilation report (Darce R., M; 2006) These reports and FDG internal correspondence were relied on for background and historic information.

Property Description and Location

The Topacio concession is located in the Republic of Nicaragua, Central America. Nicaragua is a constitutional democracy which has recently (5/11/06) held elections for President and the National Assembly. Foreign observers declared the elections free and fair.

Topacio, SA (TOPSA) is the owner of the Topacio Concession. The FDG agreement is with IMISA who owns 90% of TOPSA and IMISA's subsidiaries Arenas, SA and Canteras, SA who each own 5%. IMISA is a registered Nicaraguan limited liability corporation whose primary business is quarrying sand and dimension stone for the domestic market. FDG Mining Inc. of Vancouver, Canada holds an option to earn 100% of the property by paying IMISA US\$3,000,000 at any time before April 30, 2013 and an additional US\$60,000 semi-annually from October 30, 2009 until the purchase price is paid.

FDG will also make best efforts to invest US\$1,000,000 in the property during the option period. IMISA will retain a 3% Net Smelter Return on production from the property.

The Topacio concession is a mineral concession, which confers the right in Nicaragua to explore for and develop mineral resources on the property. The company can keep the concessions in good standing by paying biannual taxes to the government. Taxes are calculated per hectare and increase annually, starting at US\$0.50 per hectare per year and rising to US\$24.00 per hectare per year by year 10. Topacio property taxes are presently US\$5.92 per hectare per year.

The scope of this report did not include a title search. Opinions on title should be sought from accredited Canadian and Nicaraguan legal counsel.

The property, formally registered as the "Presillitas Concession", is located in the South Atlantic Autonomous Region with the main showings located near UTM coordinates 780,000mE, 1,338,000mN (Figs. 1 & 2). The property totals 9,300 hectares and is located 24 km. west southwest of the town of El Rama, the major port on the Caribbean coast of Nicaragua, which is located at the eastern terminus of Nicaragua Highway 7. More specifically, the property is located 3 kilometres southeast of the town of Cara de Mono located on Highway 7. This area can be located on the "Presillitas" 1:50,000 El Instituto Nicaraguense de Estudios Territoriales (INETER) topographic map. The property is formally registered as the "Presillitas Concession" and was located by map staking. UTM coordinates of the property corners are listed in the table below.

Table 1: List of Claim Boundary Coordinates

UTM+000	1	2	3	4	5	6	7	8	1
East	776	776	780	780	790	790	785	785	776
North	1341	1334	1334	1336	1336	1344	1344	1341	1341

There is a minor environmental liability on the property in that the current artisanal operation is using mercury amalgamation in an arrastra, a primitive mill, to recover gold. This artisanal operation should be terminated when active exploration by the company begins. The area of contamination is less than 100 square metres so clean-up should be relatively simple. The authors know of no other environmental liabilities on the property.

It is necessary to file an "Estudio de Impacto Ambiental" or environmental impact study with the government before carrying out any mineral exploration work. This work was commissioned and a Letter of Acceptance from the Consejo Regional Autonomo Atlantico Sur was issued to the company on the 29th of October 2010. A facsimile of this letter is presented in Appendix F.

Accessibility, Climate, Local Resources, Infrastructure

And Physiography

The property can be reached by road from Managua. Access by paved highways to within three kilometers of the main showings is possible from Managua by following Highway 1 (Pan American Highway) 33 kilometres north-east to San Benito then Highway 7, 199 kilometres east to Cara de Mono. A dirt track runs south from the highway 1.5 kilometres east of Cara de Mono. This track crosses the Mico River one kilometer from the highway then continues southwest to reach the main showings in a further one to 1.5 kilometres.

Access for this examination was achieved by four wheel drive pick-up truck to the main showings. It was necessary to ford the Mico River. This is only possible in the dry season from December until May. Roads on the property are passable by trucks only in the dry season. The rest of the year access is only possible by foot or horse. Much of the property would be accessible by ATVs year round with minor trail improvements.

Access to the Sahino area in the eastern portion of the property was achieved again by fording the Mico River in a truck, a further two km. by truck then five kilometers by foot and horse. In the wet season this would be an all day journey.

This area of Nicaragua has a wet season from May until December with monthly precipitation averaging 450 mm and a dry season with monthly precipitation averaging 150 mm the rest of the year. Access is from paved Highway 7. The last few kilometers to the property is impeded during the wet season by the Mico River and impassable mud tracks leading to the property. This issue could be resolved by the use of ATV's and, ultimately, the construction of an all weather road from the town of Muelle de Los Bueyes. Engineering plans were drawn for this road in 1996 and eight kilometers of a total of 16.2 kilometres were constructed as an all weather road. The remaining 8.2 kilometres were constructed but not surfaced and did not have culverts on three stream crossings so have washed out. It would take roughly two days work with a D-8 CAT to build the remaining 8.2 kilometers of road into the property in the dry season but, without gravel and culverts on three creek crossings, the road would not survive the next rainy season.

It will be necessary to acquire surface rights for any areas needed for mine development. The present use of the land is very low value, so this acquisition should not be onerous.

A high tension power line parallels Highway 7 and crosses the northwest corner of the property. Presently, electrical power is in short supply in Nicaragua. The La Libertad mine, the largest mine operating nearby (82 km. west northwest) generate their own power with diesel generators. Water for mining purposes is readily available from numerous streams on the property, including the Rio Mico, which crosses the northern part of the property.

The nearest large town is Muelle de Los Bueyes, 12.5 kilometres west southwest. This is a town of 5,600 people with a municipal population of about 30,000. There are basic supplies, fuel and accommodation and a very large and willing but untrained work force

in the town. Wages for labourers are about \$20/day. As stated above, eight kilometers of an all weather road have been built between the town and the main showings. It is estimated that it would cost US\$200,000 to complete the remaining 8.2 kilometres of the access road to an all weather level. This amount would be saved in the second phase of the recommended program through lower camp costs and efficiency.

Professional geologists and engineers are available in Managua. Wages are \$1,500 to \$2,500 per month depending on experience.

The Topacio concession covers an area of moderate topography with elevations ranging from 80 metres above sea level (asl) on the Mico River in the north of the property to 503.1 metres above asl at the peak of Cerro La Tortuga in the southwest corner of the property. The bulk of the property is covered by cattle pastures. Approximately 30 % of the property is covered by dense second growth tropical forest.

History

The showings were discovered in the 1890's and mainly mined from 1900 to 1917. It is estimated that 160,000 tonnes grading approximately 8 g/t gold and 80 g/t silver were extracted, mainly from underground workings on the Mico, Salmeron and Lone Star veins (Fig. 3).

Two major modern exploration programs have been carried out, one in 1984 by a Brazilian company, Companhia de Pesquisa de Recursos Minerais (CPRM) and the other in 1995-96 by subsidiaries of Triton Mining Corporation, a Canadian company.

The Brazilian program consisted of detailed compilation of historic work, a VLF-em geophysical survey, trenching, channel sampling and diamond drilling followed by resource estimation. The objective of this work was to raise the level of confidence in the resources on the property sufficiently so as to be able to carry out a pre-feasibility study.

The work included detailed reconnaissance of the surface and subsurface and was carried out over an area of 15 square kilometres. Topographical maps were prepared at scales of 1:2,000 over 3.15 square kilometres and 1:10,000 over 15 square kilometres. Geological mapping was then carried out at scales of 1:2,000 and 1:20,000 over these areas. The geophysical survey totaled 54.3 line kilometres run north-south and was also recorded on a scale of 1:2,000.

Four hundred ten metres of underground workings were cleaned and rehabilitated. Two hundred thirty channel samples were taken in the underground workings. Two hundred twenty-eight point two five metres of underground workings were geologically mapped.

Nineteen BQ diameter diamond drill holes totaling 1,251.15 metres were completed and 194 core samples taken.

Two hundred sixty-four cubic metres of material was removed from trenches. The number of trenches excavated is not clear from the information available.

Initial metallurgical testing was carried out on sample rejects.

An initial resource calculation was made and appears below.
The Triton program consisted of a property scale stream sediment and prospecting program in 1995 followed by approximately 135 trenches on nine of the veins and 6,250.49 metres of diamond drilling in 40 holes, mainly on the Topacio and Dos Amigos veins, in 1996. The resource estimation in this report is largely based on the results of the 1996 work. A more complete table of known work on the property appears below.

Table 2: List of Historic Work

Year	Company, Author	Work Performed
1902-1910	Topaz Gold Mining Company, John Scott	Mining
1912	Richard B. Standord	Property Evaluation
1939-1951	La Luz Mines, William A. McDonald	Description of Veins and Workings + letters, reports and assays
1970	Neptune Gold	No data available.
1976	Felipe Dionisio	No data available.
1979	Government of Nicaragua	Nationalization.
1980	Condemina, Fred Holcapec	Compilation.
1980	Interamerican Mining Consultants, F. Stoughton	Report mainly on Salmeron Vein.
1984	C.P.R.M., Brazil	Compilation, trenching, sampling, diamond drilling.
1995	Minera de Occidente (Triton) R. Sevilla et al.	Property scale prospecting and stream sediment sampling, chip sampling main showings.
1996	Minera de Occidente (Triton), Jim Stephenson	135 trenches, 6,250.49m diamond drilling.

The 1995 Triton program included property scale stream sediment sampling, prospecting and re-sampling the historic workings. The stream sediment sampling program started as purely silt sampling but was expanded to include heavy mineral sampling for the final 60% of the program. Sample sites are shown on Map 1 with anomalous samples highlighted. The prospecting program outlined eight large areas of silicification two to four kilometers peripheral to the known veins. Three of these areas, two kilometers northeast of Cerro La Tortuga, Monte Carmelo and Quebrado Sahino, returned significant gold values (>1.0 g/t Au) from prospecting samples. Four of the five other zones returned anomalous gold values (>0.1 g/t Au). These results were viewed as very positive with potential to develop discrete veins and stockwork systems, similar to the

Topacio vein area, underlying the silicified zones. The locations of these samples is shown on Map 1 with samples over 100 ppb Au showing assay values.

Historical Resource Estimates

The 1984 CPRM program estimated a non NI 43-101 compliant indicated resource of 668,764 tonnes grading 4.96 g/t gold and 8.33 g/t silver. A further inferred resource was estimated at 7,700,169 tonnes grading 5.28 g/t gold and 15.63 g/t silver. Further work was recommended to develop the property.

The 1996 Triton program which included 135 trenches and 40 diamond drill holes, was used to estimate a non NI 43-101 compliant resource in two categories. An open pittable indicated resource of 1,091,600 tonnes grading ~ 3 g/t gold with a 0.5 g/t cutoff was estimated based mainly on the 135 trenches. This resource largely overlies the Topacio, Dos Amigos, Dispute, Little Betsy and Salmeron Veins. A further underground indicated mineral resource using a 4.0 g/t cutoff was estimated at 680,000 tonnes grading ~ 8 g/t gold, all in the Topacio Vein. Further work was recommended, specifically more detailed mechanized trenching to better define the open pittable resources and more drilling to expand and better define the underground resources.

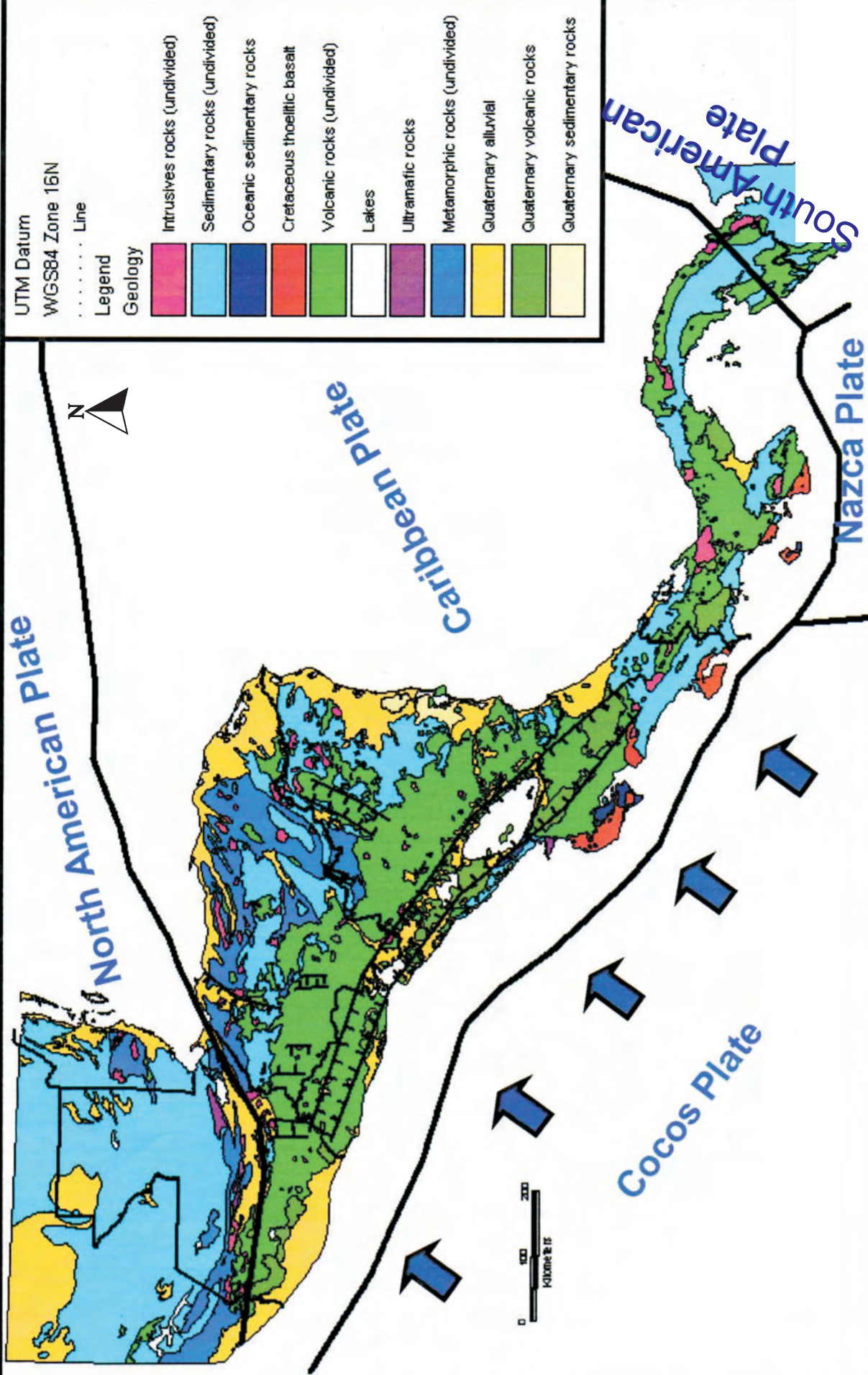
None of the resources discussed above are NI 43-101 compliant. They are presented to provide complete disclosure of historic work. These resources are historic and should not be used in any way to value the property.

Geological Setting

The property is near the western boundary of the Caribbean Plate where the Cocos Plate is subducting under the Caribbean Plate along the northwest trending Middle America Trench (Fig. 2). This plate activity has caused an island arc style of rock formation. A narrow zone of crustal extension has formed a back arc basin which includes the Nicaraguan Depression that contains Lakes Managua and Nicaragua and is the cause of the large zone of Tertiary volcanics east of the depression.

Many of the large mineral occurrences in Central America are hosted by Tertiary Volcanic rocks and controlled by the Central American Graben, of which the Nicaraguan Depression is part. Producing or past producing gold deposits associated with the Graben include Cerro Quema in Panama, Bella Vista and Crucitas in Costa Rica, El Limon in Nicaragua, San Andreas and San Martin in Honduras. The La Libertad, Bonanza/Siuna and Topacio gold mining areas in Nicaragua are associated with structures orthogonal to the Central American Graben which have formed smaller northeast trending grabens.

More than 20 million ounces of gold have been produced or are quantified in mineral resources in the region.



FDG MINING INC.

Regional Geology
Central America

0 200 km

Scale	as shown	Date	June, 2010
UTM	Zone 16	By	d.s.d./l.b.x
Figure	2		
			David Dunn P. Geo.

The Topacio concession is underlain by rhyolite to andesite volcanics of the Miocene-Pliocene Coyoil Volcanics (Fig. 3, Map 1). These rocks have been intruded by high level felsic stocks which manifest as prominent hills on the property. The veins are hosted in Upper Miocene basic volcanics of the Lower Coyoil formation. This basic volcanic unit is about 500 metres in thickness in the Topacio area. The host rocks of the La Libertad mine 82 kilometres west northwest are similar lithology, age and thickness.

The main showings are epithermal quartz veins and stockwork zones which outcrop in the centre of an interpreted caldera. Eight large areas of silicification in the Coyoil Volcanics mark the edge of this caldera.

Deposit Types

There is one main deposit type being explored and developed on the property. The primary targets are auriferous, low sulphidation epithermal quartz veins and stockwork zones, similar to those mined historically and presently on and near the Topacio Vein. The main showings consist of eleven northeast trending, steeply dipping generally one to three metre wide epithermal quartz veins. Six of these veins have seen past production and one small artisanal operation on the Topacio vein was running during the site visit.

The showings were discovered in the 1890's and mainly mined from 1900 to 1917. It is estimated that 160,000 tonnes grading approximately 8 g/t gold and 80 g/t silver were extracted, mainly from underground workings on the Mico, Salmeron and Lone Star veins (Fig. 3, Map 1).

Structural interpretation indicates that there is a major north northwest trending dextral strike slip fault that cuts through the main showings between the Mico/Topacio veins and the Dos Amigos/Brazil veins. The Brazil vein is probably the eastern extension of the Topacio vein and the Dos Amigos vein is the eastern extension of the Mico vein (Map 1).

Secondary targets on the property are further veins and stockwork zones underlying large silicified zones peripheral to the Topacio mine area. The Triton exploration program outlined eight of these zones from one to four kilometers peripheral from the main showings. Seven of these zones returned anomalous gold values (> 0.1 g/t gold) from prospecting samples with three of them returning values greater than 1.0 g/t gold (Fig. 3, Map 1). These silicified zones might overly vein and stockwork systems at depth, similar to the main showings, or they might contain large areas of silicified auriferous ignimbrite that could be profitably mined, similar to the Round Mountain deposit in Nevada, USA.

Mineralization

Mineralization known on the property consists of low sulphidation epithermal quartz veins. These veins generally have steep dips and east northeast strikes. The veins average 1.5 metres in width but range from 0.5 metres to 10 metres. They consist predominantly

of milky quartz with subordinate potassium feldspar (adularia) and illite. The veins are locally banded and commonly contain drusy vugs.

Gold occurs as fine grains of native gold and electrum in the banded parts of the veins, generally on the edge of quartz crystals or as inclusions or intergrowths in pyrite. The largest gold particles are about 40 micron but most range between three and 15 micron. Trace base metals are present as pyrite, chalcopyrite, galena and sphalerite. Native silver and silver sulfosalts have been recognized.

Recoverable amounts of silver are present in the underground resources averaging around 12 g/t. The gold to silver ratio averages approximately 1:2.5 in the underground resource

Fluid inclusion studies indicate that the veins were formed at around 150 metres depth at temperatures between 268° C to 315° C from meteoric water. The mineralizing event was probably the emplacement of subvolcanic felsic intrusions associated with Miocene/Pliocene Coyol Volcanics.

Exploration

Exploration on the property carried out by FDG and documented in this report consisted of a two day property examination by the first author. Two silt samples, two pan concentrate samples, one soil and five grab samples and one chip sample were taken during this examination. Samples were taken by David St. Clair Dunn, P.Geo., a consultant to the company.

Three of the samples rock samples and the one soil sample were taken from the Topacio vein area and located on Map 1 (T-1, T-3, T-4, T-2[soil]). Sample T-1 was taken from the ore stockpile of the artisanal operation. The stockpile consisted of vuggy, rusty, banded quartz with minor clay minerals. Clay pseudomorphs after pyrite indicate about 2% pyrite was present. This sample assayed 22.7 g/t gold. This value is three to four times the general tenor of the mineralization on the property. Approximately 500 kg. of this material was in the stockpile. The mineralized rock is being hoisted approximately 25 metres with a rope windlass up a 1.5 metre x 1.5 metre shaft. Sample T-1 and the ongoing work surrounding the sample site show that there are higher grade pockets within the Topacio Vein.

Sample T-2 was a soil sample taken from soil above the Topacio Vein. This sample was anomalous in gold (33 ppb) and copper (97.3 ppm).

Samples T-3 and T-4 were a grab and a chip taken from the Topacio vein approximately 200 metres east and west of the artisanal operation. Sample T-3 assayed 3.22 g/t gold and sample T-4, a one metre chip, assayed 5.65 g/t gold. These samples show that the mineralization in the Topacio Vein is not confined to a restricted area and has more than 400 metres strike extension.

Sample T-5 was a grab sample taken from the Brazil Vein and is located on Map 1. The Brazil Vein is quartz vein approximately five metres wide forming the apex of the next ridge south of the Topacio Vein. Sample T-5 assayed 1.18 g/t gold showing the mineralized character of the vein. Samples T-6 and T-9 were silt samples taken during a reconnaissance of the Sahino area.

Samples T-7 and T-10 were paired pan concentrates taken at the same location as the silt samples. Sample T-11 was a grab sample taken from the same area. These samples are located on Map 1. None of these samples returned anomalous values in gold.

Assay certificates and Quality Control/Quality Assurance measures are included in Appendix C.

FDG has carried out two other examinations of the property totaling approximately 10 days on the ground by officers of FDG.

The mineral resource estimates appearing in this report are largely based on the 1996 work program carried out by Minera de Occidente, a subsidiary of Triton Mining Corporation. This program was well run with good QA/QC in sample preparation and assaying. The program consisted of about 135 trenches dug and chip sampled across nine of the veins. This work, combined with some shallow drilling, outlined a non 43-101 compliant historical resource of 1,091,600 tonnes grading approximately 3 g/t gold. This mineralization was estimated to contain about 109,000 ounces gold.

6,250.49 metres of NQ and HQ diamond drilling were carried out with 89.9 metres of cased holes in 40 effective holes with one redrill and five lost or discontinued holes. This drilling was carried out mainly on the Topacio and Dos Amigos veins. The second author of this report was involved in the Triton project in a supervisory capacity. All evidence indicates that the Triton program was run in a professional manner with quality control/quality assurance well above industry standards for the era. The results of the Triton program are deemed reliable and are used, in part, to quantify resources on the property.

Drilling

FDG has carried out no drilling on the property as yet. As reported above, a major diamond drilling program was carried out on the property in 1996. 6,250.49 metres of NQ and HQ diamond drilling were carried out with 89.9 metres of cased hole in 40 effective holes with one redrill and five lost or discontinued holes. Thirty-seven of the holes in the 1996 program intersected the Dos Amigos and Topacio veins.

The drilling outlined two mineralized shoots within the Topacio vein (Figs. 4-16) amenable to underground selective mining. The information from this drilling has been used to re-estimate the resources in the Topacio vein to include mining dilution and viability.

A further 1,251.15 metres of BQ diamond drilling in eight holes were drilled in 1984 in the CPRM program. This data was not available for review.

Drill holes used in the resource estimate are described in “Mineral Resource and Reserve Estimates”. The relationships between sample lengths and true thickness are listed. Interpretation of drill results is included in the resource estimates.

Sampling Method and Approach

Stream sediment sampling taken by the author during this program consisted of paired pan concentrate and silt stream sediment sampling. A standard silt sample, consisting of a gusseted kraft bag filled half full of the finest material available from active stream channels was taken. A pan concentrate sample, consisting of one pan of -10 mesh material from the active stream channel panned to a black sand concentrate, was taken at the same site as the silt sample. A ten to 20 gram concentrate was produced. The pan concentrate procedure produces a semi-quantitative result, very effective in detecting gold. Analytical procedures are described and results shown in Appendix C. Two pan concentrate samples and two silt samples were taken. Sample locations are shown on Map 1.

The soil sample taken by the author consisted of a gusseted kraft bag half full of the finer soil from about 20 centimeters depth. One soil sample was taken. Location and result are shown on Map 1.

Rock samples taken by the author consisted of float, grab and chip samples. Float samples are taken of mineralized rock in surficial material, grab samples are taken of mineralized bedrock and chip samples are a continuous line of equally sized chips, in bedrock, preferably at right angles to the strike of the zone being sampled. Five grab samples and one chip sample were taken. Locations and anomalous results are shown on Map 1.

Three of the samples rock samples and the one soil sample were taken from the Topacio vein area and located on Map 1 (T-1, T-3, T-4, T-2[soil]). Sample T-1 was taken from the ore stockpile of the artisanal operation. The stockpile consisted of vuggy, rusty, banded quartz with minor clay minerals. Clay pseudomorphs after pyrite indicate about 2% pyrite was present. This sample assayed 22.7 g/t gold. This value is three to four times the general tenor of the mineralization on the property. Approximately 500 kg. of this material was in the stockpile. The mineralized rock is being hoisted approximately 25 metres with a rope windlass up a 1.5 metre x 1.5 metre shaft.

Sample T-1 and the ongoing work surrounding the sample site show that there are higher grade pockets within the Topacio Vein.

Sample T-2 was a soil sample taken from soil above the Topacio Vein. This sample was anomalous in gold (33 ppb) and copper (97.3 ppm).

Samples T-3 and T-4 were a grab and a chip taken from the Topacio vein approximately 200 metres east and west of the artisanal operation. Sample T-3 assayed 3.22 g/t gold and sample T-4, a one metre chip, assayed 5.65 g/t gold. These samples show that the mineralization in the Topacio Vein is not confined to a restricted area and has more than 400 metres strike extension.

Sample T-5 was a grab sample taken from the Brazil Vein and is located on Map 1. The Brazil Vein is quartz vein approximately five metres wide forming the apex of the next ridge south of the Topacio Vein. Sample T-5 assayed 1.18 g/t gold showing the mineralized character of the vein.

Samples T-6 and T-9 were silt samples taken during a reconnaissance of the Sahino area. Samples T-7 and T-10 were paired pan concentrates taken at the same location as the silt samples. Sample T-11 was a grab sample taken from the same area. These samples are located on Map 1. None of these samples returned anomalous values in gold.

Assay certificates and Quality Control/Quality Assurance are included in Appendix C.

Sampling in the 1996 program was affected by poor core recovery. No definitive answer as to whether poor recoveries enhanced or diminished assay results is available. Further drilling with better recovery will resolve this issue.

Sample Preparation, Analysis and Security

Samples were shipped from Managua to Acme Analytical Laboratories Ltd. (Acme) in Vancouver using DHL courier service. Pan concentrate samples were analyzed for 41 elements using a four acid digestion with analysis by ICP-ES (Appendix B). Rock samples were assayed for gold using a one assay ton fire assay. Acme is an ISO 9001 accredited company. The only sample preparation carried out in the field was panning the pan concentrate samples. This was carried out by the author. All other sample preparation was carried out by Acme.

Acme runs a standard sample a minimum of every 20 samples and does a duplicate sample at least every 20 samples (Appendix B). The authors believe that this is sufficient quality control at this point in the program.

The 1996 Triton drill program had Acme set up a prep facility on the property. Samples were dried, crushed, split and shipped to Acme in Vancouver. Blanks and random splits were included. Vein and main alteration zones were assayed using a 50g fire assay for gold and silver.

Data Verification

Quality control measures were carried out by the laboratories, as described above. The comparison of fire assays and ICP-MS gold results provided verification of assay procedures.

Data referred to from the 1996 program has not been verified in the field. No core or reject samples were available to resample. The data has been sourced from the references cited. The authors recommend additional work be carried out to completely verify the work carried out by Triton, including location of core and or reject samples for resubmission.

The QA/QC program instituted by Triton and conducted by ACME is of a standard generally consistent with current industry practice. The only notable exceptions lie with:

1. The missing Triton standard data, described in earlier work and which may exist, but have not been identified in the ACME assay certificates provided.
2. Blank analyses suggest intermittent contamination introduced at some stage of material storage or processing.

The four graphs each presented below for Au and Ag confirm a very high degree of reproducibility of samples for both Au and Ag. Both Au and Ag exhibit similar levels of correspondence with 80% of the populations within 10% relative difference and 90% within 20% relative difference. This level of reproducibility is generally higher than that associated with epithermal precious metals deposits, and if consistent with a greater data density provided by additional drilling, would suffice for a resource classification of indicated or higher.

There is no evidence of bias in either Au or Ag as a function of grade.

The strong indications of very finely divided Au and Ag provide suggestions that may help guide future metallurgical test work programs including: the probability that a gravity circuit is will not be of value; and that whole-ore processing may be more feasible than intermediate production of a flotation concentrate.

Adjacent Properties

The most significant property near the company's concessions is Mina La Libertad, 82 kilometres west northwest of the property. Mina La Libertad was an open pit heap leach operation treating approximately 5,500 tonnes of oxidized ore containing about 2.0 g/t gold per day. This operation has transitioned into an open pit operation with a conventional 4,400 tonne per day mill treating sulphide mineralization grading about 1.3 g/t gold.

The La Libertad mine is hosted in the same unit as the Topacio veins, Lower Coyol basic volcanics. The main veins at Topacio have a similar attitude and mineralogy as the veins at La Libertad. It is possible that both the deposits are hosted in the same east northeast trending graben structure. This structure might have been offset progressively to the south as it crossed north trending strike slip faults with dextral displacement.

Mineral Processing and Metallurgical Testing

The company has carried out no mineral processing or metallurgical testing.

Historic metallurgical work carried out by CPRM in 1984 indicates that 84% of gold and 64% of silver can be recovered through a conventional grinding and flotation milling operation.

Mineral Resource and Reserve Estimate

Data description

Of the 43 drill holes available to the authors for resource estimation, 26 tested the Topacio vein, 11 tested the Dos Amigos veins and the remaining 6 tested other veins in the vicinity. Examination of the data available led to the conclusion that a resource estimate would only be possible for the Topacio Vein.

The Dos Amigos drilling contained two intercepts that suggest the presence of significant mineralization at sufficiently shallow depths to allow for the possibility of open pit exploitation, however the authors do not consider this adequate data for a valid resource estimate.

The authors note that a significant surface trenching program was completed by Triton in 1995 which tested several veins in the system, however that data has not been digitized and does not contribute to any estimate. Geological descriptions, mineralized intercepts in some drill holes, and anecdotal discussion of trench sampling suggest the presence of near-surface stockwork and anastomosing veins that may be amenable to open pit mining on several of the veins. The authors recommend FDG digitize the trench data, undertake appropriate verification of the sampling and analyses in order that the data might be included in future estimation efforts.

The bulk of the mineralized intercepts suggest that exploitation by selective underground mining methods would be most appropriate for the Topacio vein. Consequently the estimation approach taken reflects that expectation with intervals selected that focused on the higher-grade portions of mineralized intercepts suggestive of a coherent vein structure.

Data used in the Topacio Vein estimate

The Topacio vein was indicated in 24 of the 26 drill holes targeting the vein. The two drill holes which do not indicate the presence of the vein (96-09 and 96-24) do not have samples in the area where the vein would be anticipated and it is suspected that no visual identification of mineralized material could be made.

Prior to compositing, the assay intervals designated as “mineralized” during sampling and comprising all of the intervals selected for compositing as well as intervals indicative of stockwork mineralization were examined to check for the possibility of outliers. This analysis suggested that two assay intervals: dh 96-01 from 56.35 to 57.16 having a value of 119.24 grams per tonne (gpt) Au; and 2) dh 96-06 from 105.5 to 106.77 having a value of 38.11gpt Au represent potential outliers.

Given the wide spacing of data, the authors consider the potential impact to be significant and the decision was made to cap the two original assay intervals to values that brought them in line with the overall trends defined by graphs. The first interval was capped from 119gpt to 30gpt and the second from 38gpt to 27gpt.

The original data values were retained in the database as well as the capped values and both were used in separate estimates for comparison purposes. No capping was applied to Ag values.

Compositing

The data were composited across the indicated vein width ignoring adjacent lower-grade intercepts suggestive of stockwork mineralization on the margin of more coherent veins. The assay intervals were adjusted to true width according to the drill hole inclination intercepting the steeply dipping (80°- 90°) vein, and then to a horizontal width projected to a vertical east-west plane. This projection entailed a foreshortening of the data along the east-west axis taken to be the sine of 56 degrees. The lateral compression was compensated for with a factor of 1.2 applied to the horizontal width.

As noted above, poor core recovery was common and, within the intercepts selected, 14 intervals totaling 9.4m out of 112 total intervals totaling 96.9m were coded as missing. These missing intervals were treated as “missing”: i.e the value assigned was taken as the length-weighted average grade of the intervals above and below. This assumption affects approximately 10% of the total data used and therefore has a material impact on the resulting estimate. Table 3 below presents to composites used in the estimate and Figures 13 and 14 shows their location in the vertical east-west plane:

Table 3: Vein Composites

Topacio Project

Table of Topacio Vein Composites

Au capped 30gpt maximum

dh_id	capped		Ag	h_width	capped		uncapped		horiz Ag accum	% of total Ag accum	east	elev
	horiz Au accum	% of total Au accum			horiz Au accum	% of total Au accum	horiz Au accum	% of total Au accum				
96-18	13.26	13.26	84.71	4.60	60.94	15.1%	60.94	12.9%	389.33	14.2%	779621.30	164.89
96-26	12.38	12.38	54.92	3.26	40.30	10.0%	40.30	8.5%	178.78	6.5%	779593.67	254.71
96-29	10.83	10.83	74.02	3.70	40.00	9.9%	40.00	8.5%	273.54	10.0%	779481.90	198.85
96-06	11.39	15.52	68.23	3.41	38.80	9.6%	52.87	11.2%	232.45	8.5%	779717.36	182.72
96-01	10.26	27.03	93.26	3.32	34.10	8.5%	89.9	19.0%	310.04	11.3%	779625.10	216.61
96-01R	7.57	7.57	72.75	3.93	29.74	7.4%	29.74	6.3%	285.63	10.4%	779625.84	216.35
96-28	5.21	5.21	39.28	4.38	22.83	5.7%	22.83	4.8%	172.25	6.3%	779710.30	255.95
96-02	4.83	4.83	41.19	4.62	22.31	5.5%	22.31	4.7%	190.31	7.0%	779715.21	219.42
96-33A	5.44	5.44	23.26	3.72	20.24	5.0%	20.24	4.3%	86.60	3.2%	779328.80	216.36
96-32B	5.99	5.99	58.53	2.30	13.77	3.4%	13.77	2.9%	134.51	4.9%	779439.20	160.88
96-17	2.08	2.08	14.97	5.50	11.42	2.8%	11.42	2.4%	82.30	3.0%	779551.83	166.67
96-06A	3.26	3.26	43.78	3.32	10.81	2.7%	10.81	2.3%	145.25	5.3%	779718.97	183.30
96-30	2.47	2.47	5.68	3.90	9.62	2.4%	9.62	2.0%	22.15	0.8%	779420.15	199.48
96-33	8.63	8.63	30.94	1.10	9.52	2.4%	9.52	2.0%	34.13	1.2%	779330.34	218.36
96-11	3.95	3.95	14.87	2.21	8.72	2.2%	8.72	1.8%	32.79	1.2%	779872.79	236.84
96-10A	3.23	3.23	12.60	2.02	6.53	1.6%	6.53	1.4%	25.46	0.9%	779786.64	171.55
96-12	2.42	2.42	13.67	2.47	5.98	1.5%	5.98	1.3%	33.78	1.2%	779720.72	121.36
96-16	2.73	2.73	11.38	2.17	5.92	1.5%	5.92	1.3%	24.69	0.9%	779711.62	89.43
96-15	1.10	1.10	11.55	5.01	5.53	1.4%	5.53	1.2%	57.85	2.1%	779550.03	219.75
96-34	0.73	0.73	4.10	3.22	2.35	0.6%	2.35	0.5%	13.19	0.5%	779560.72	134.20
96-03	2.75	2.75	10.31	0.70	1.92	0.5%	1.92	0.4%	7.19	0.3%	779628.34	109.91
96-19	0.67	0.67	1.40	2.45	1.64	0.4%	1.64	0.3%	3.42	0.1%	779858.48	54.56
96-14	0.09	0.09	0.60	1.96	0.18	0.0%	0.18	0.0%	1.18	0.0%	779873.06	160.55
96-31	0.15	0.15	1.00	0.51	0.08	0.0%	0.08	0.0%	0.51	0.0%	779781.27	89.01

Table 3: Vein composites used in the Topacio vein resource estimate

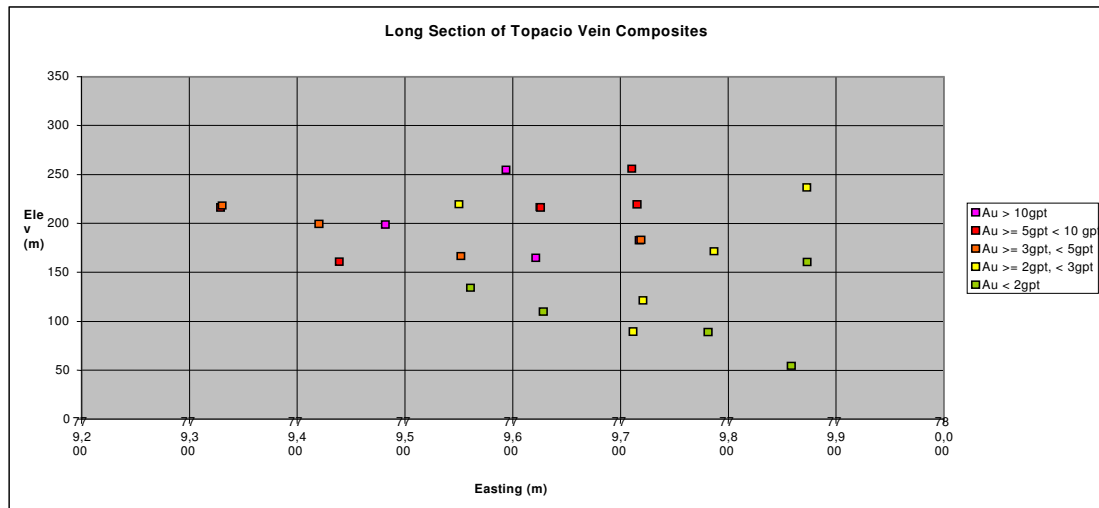


Figure 16: long section plot of composited Au values projected to a vertical east-west plane

From Figure 16 it can be seen that the data spacing is approximately 90m EW in the E-W plane of projection and 40m in the vertical direction. There appears to be some organization of relative values suggestive of higher grades near surface and to the west, consistent with observations made by Stephenson in his 1996 report.

Exploratory data analysis

The composite values were examined with univariate statistics for the variables to be estimated: horizontal width; Au accumulation (Au grade times horizontal width) both capped and uncapped; Ag accumulation (Ag grade times horizontal width); and the raw values for Au capped and uncapped and Ag. These are presented below in Table 4:

Table 4: Vein Composite Statistics

Topacio Project
Table of Topacio Vein Composite Statistics

Statistic	Horizontal width (m)	Uncapped Au gpt	Capped Au Au gpt	Uncapped Ag gpt	Capped Au Accum.	Uncapped Au Accum.	Uncapped Ag Accum.
Mean	3.07	5.93	5.06	32.79	16.80	19.71	114.06
Standard Error	0.27	1.27	0.84	5.99	3.30	4.59	23.54
Median	3.29	3.60	3.60	19.12	10.22	10.22	70.07
Standard Deviation	1.32	6.23	4.09	29.34	16.15	22.50	115.34
Sample Variance	1.74	38.77	16.74	860.95	260.72	506.44	13302.85
Range	4.99	26.94	13.17	92.66	60.87	89.78	388.82
Minimum	0.51	0.09	0.09	0.60	0.08	0.08	0.51
Maximum	5.50	27.03	13.26	93.26	60.94	89.86	389.33
coeff of var	0.43	1.05	0.81	0.89	0.96	1.14	1.01
Count	24	24	24	24	24	24	24

Table 4: Univariate statistics for Topacio Vein composites

The data set supporting the estimate is small, yet exhibits characteristics that bode well for estimation, particularly the coefficient of variation. While so small a data set is unlikely to generate definitive estimating parameters, with significant infill drilling it is likely that well-structured variograms will result. This is further indication of the very fine distribution of metal indicated by the QA/QC field duplicates translating into what is likely to be a relatively low nugget effect for a precious metals deposit.

Variography

With a total of 24 widely-spaced composites, expectations for well-structured variograms would be misplaced, and for interpretable directional variograms non-existent. Consequently, only global variograms were developed and anisotropies assumed on the basis of deposit style, geological descriptions, and the distribution of values in the long section projection. The variograms are 2-dimensional in keeping with the 2-D estimation approach. The normalized variograms are presented in Appendix D.

Estimation Parameters

From interpretations of the variogram the following estimation parameters were developed for the Topacio grade model:

Topacio Project

Topacio Vein

2-D Variography Parameters

Topacio Vein horizontal vein width Variogram Parameters							
Variogram	Sill	range i m	range j m	range k m	dip i deg.	dip j deg.	azim i deg.
NUG	0.225						
SPH	0.394	120	60	n/a	0	90	n/a
SPH	0.380	200	100	n/a	0	90	n/a

Topacio Vein Capped Au X horiz. width Variogram Parameters							
Variogram	Sill	range i m	range j m	range k m	dip i deg.	dip j deg.	azim i deg.
NUG	0.241						
SPH	0.414	70	35	n/a	0	90	n/a
SPH	0.345	120	60	n/a	0	90	n/a

note: Au capped at 30gpt max

Topacio Vein Uncapped Ag X horiz. width Variogram Parameters							
Variogram	Sill	range i m	range j m	range k m	dip i deg.	dip j deg.	azim i deg.
NUG	0.143						
SPH	0.571	70	35	n/a	0	90	n/a
SPH	0.286	120	60	n/a	0	90	n/a

note: Ag uncapped

Topacio Vein Uncapped Au X horiz. width Variogram Parameters							
Variogram	Sill	range i m	range j m	range k m	dip i deg.	dip j deg.	azim i deg.
NUG	0.189	0					
SPH	0.566	80	40	n/a	0	90	n/a
SPH	0.245	120	60	n/a	0	90	n/a

note: Au uncapped

Table 5: Table of estimation parameters for Topacio Vein

Note that an anisotropy factor of ½ has been imposed on the ranges indicated by the global variograms to reflect a vertically-compressed, laterally-persistent boiling horizon consistent with the deposit style and the apparent distribution of grade presented in the long section posting of composites.

The values were estimated using ordinary kriging in all instances. In addition to the parameters above the following parameters were applied:

- cell discretization: 4X4;
- maximum and minimum number of samples: 6 and 2 respectively;
- search ranges 60m vertically and 120m horizontally for all variables.

The Topacio Vein grade-tonnage model

The grade model is created using Techbase software as a two-dimensional regular grid projected to a vertical, east-west plane. The grid cell size is 25m by 25m. This cell size is somewhat small relative to the wide data spacing at least in the horizontal direction, but reflects what might be considered appropriate upon completion of an infill drilling program. Long sections of the resulting grade model are presented under Maps.

The variables estimated are: horizontal width, Au accumulation (both capped and uncapped), and Ag accumulation. Values of in-situ Au gpt and Ag gpt were then calculated by dividing the estimates for accumulation by the estimates for horizontal width. Values for horizontal width and metal grade may then be further modified to reflect minimum mining width and mining loss and dilution factors for any given mining method selected.

The resulting estimates were subsequently diluted to a minimum mining width of 1.5m with a minimum dilution constant of 0.5m in the projected plane. This fixed minimum dilution was applied to all cells having a width less than 1m, and corresponds to an approximate minimum dilution width of 0.415m in the plane of the vein.

The model was truncated against surface topography on a whole-cell, centroid basis.

An additional truncation of 60m was applied on the western margin of the model where higher-grade composites are unconstrained. No truncation was applied in the down-dip direction as the restricted search of 60m was deemed sufficient.

The grade tonnage distribution for the diluted grade model is presented in the table and graphs below.

Topacio Project

Topacio Vein Grade Tonnage Distribution

Diluted to Minimum mining width of 1.5m, minimum dilution 0.415m

cutoff Au gpt	diluted ktonnes	capped kg Au	uncapped kg Au	uncapped kg Ag	diluted capped Au gpt	diluted uncapped Au gpt	diluted uncapped Ag gpt
0.0	920	3890	4280	25200	4.2	4.6	27.4
1.0	860	3850	4250	25070	4.5	4.9	29.2
2.0	750	3680	4070	24270	4.9	5.5	32.5
3.0	680	3510	3910	23170	5.2	5.8	34.3
4.0	550	3070	3450	20640	5.6	6.2	37.3
5.0	340	2120	2480	14340	6.3	7.3	42.2
6.0	160	1140	1400	7890	7.2	8.9	50.2

Table 6: Grade-Tonnage Distribution for the Topacio Vein

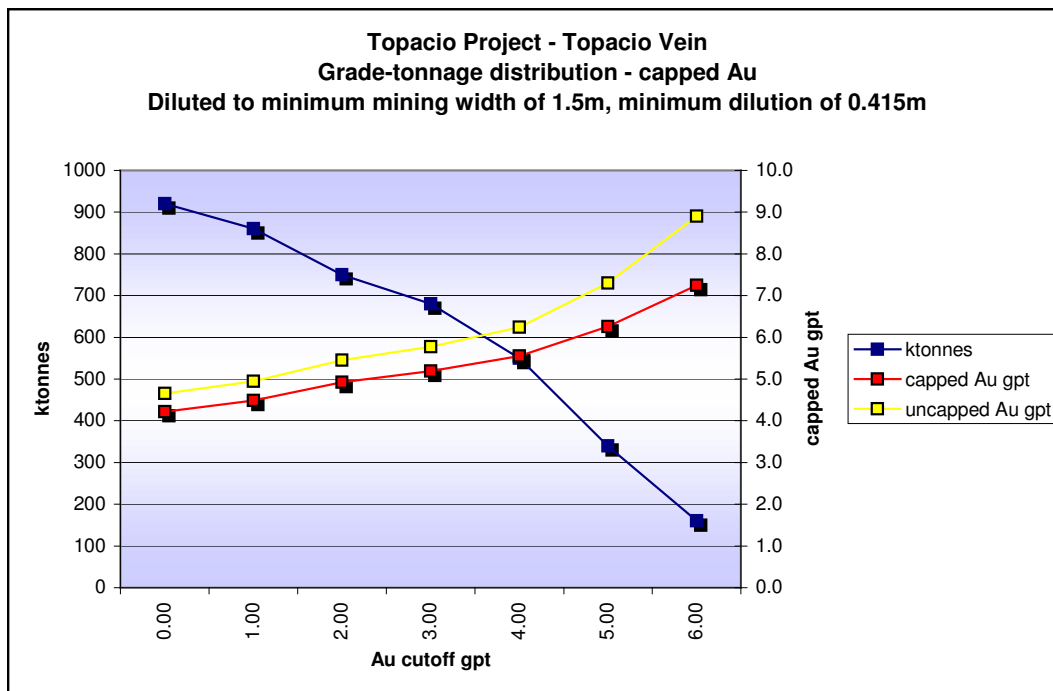


Figure 15: Grade-Tonnage Distribution for the Topacio Vein-Capped Au

Resource Classification

The resource presented for the Topacio Vein is classified by the authors as Inferred. No constraints were used other than the search radii applied as described above and the limited additional truncation applied on the far western margin where higher-grade data were unconstrained.

The resource is reported in terms of diluted tonnes and grade according to the minimum mining width and minimum dilution factors. A cutoff grade of 3.0gpt was used to reflect costs associated with highly selective, low productivity mining methods such as cut and fill.

Resource Statement

The inferred resource is presented as:

680 ktonnes at an average grade of 5.2 gpt Au and 34 gpt Ag

Other Relevant Data and Information

The authors know of no other relevant data or information on the company's concessions.

Interpretation and Conclusions

The Topacio property has strong geological similarities to the La Libertad mine presently operated by B2 Gold 82 kilometres to the west northwest of the property. The La Libertad deposits are a similar age, hosted in the same rocks with similar east northeast strike and steep dips as Topacio. Topacio and La Libertad are genetically similar systems, both epithermal, low sulphidation, auriferous quartz vein and stockwork bodies.

Geological interpretation from the present program indicate that the main Topacio mine area is disrupted by a north trending, dextral fault with approximately 700 metres displacement. The Dos Amigos Vein is probably the eastern extension of the Mico Vein and the Brasil Vein is the eastern extension of the Topacio Vein. If this interpretation is correct, the whole of the main mineralized area forms a single anastomosing west southwest-east northeast trending structural corridor with the Mico-Dos Amigos Veins on the north side and the Topacio-Brasil Veins on the south. This situation is an exact analogy to the geology at the La Libertad Mine.

Extensions of the mineralization at Topacio should be sought both east and west of the showings within the above described structural corridor.

Previous workers (Stephenson, 1996) have estimated a resource amenable to open pit mining of 1,091,600 tonnes grading ~3g/t gold. This resource does not comply with NI

43-101 and should be considered "Historic" as insufficient information exists about how the resource was calculated. Incomplete and inaccurate topographic and uncertain reliability of previous trench results and surface data does not allow a NI 43-101 compliant resource to be calculated at this time.

There is very good potential to develop an open pit resource of at least 1,000,000 tonnes containing about three g/t gold. It should be very profitable to mine and treat this material. The recommended Phase 1 exploration program should include mechanized trenching of the areas and extensions of the historic resource at 25 metre intervals to better define this resource.

There are also two mineralized shoots on the Topacio vein which are estimated to contain 680,000 tonnes grading 5.2 g/t gold. It should be profitable to mine this material given a larger resource can be developed. The mineralization remains open to the west and has not been fully closed off at depth. Initial drilling is too widely spaced with too poor recovery to accurately define the resource. The recommended Phase 2 exploration program should include drilling to the west of the known zone on the Topacio Vein, deeper drilling on this vein and more closely spaced drilling in areas of known mineralization.

It will be necessary to raise the level of confidence in all these resources to measured or indicated mineral resources before definitive mine planning can be done. The trenching and drilling programs recommended should raise enough resources to measured and indicated levels so that it is possible to carry out a scoping study.

Recommendations

The Topacio property has good potential to develop a profitable mining operation. Further work is recommended. A Phase I program consisting of 6,000 metres of mechanized trenching to infill and extend information on known mineralization in the main veins, detailed prospecting and geological mapping of the peripheral silicified areas, magnetic/VLF-em geophysical surveys to trace extensions of the main veins and a soil geochemical orientation survey should be carried out. A satellite imagery program for Topacio, which would include a digital elevation model at a one meter resolution, should be completed.

Completing an all weather road to the property from Muelle de Los Bueyes will be necessary. Engineering plans for the road were completed in 1996 and eight kilometers of 16.2 kilometres total were built to all weather standards. The eight kilometers constructed in 1996 are in good condition only in need of grading. A 1,500m infill diamond drilling programme will be undertaken on the Topacio Vein to advance the resource from the current Inferred classification.

The Phase 1 program is estimated to cost \$833,850 and take three months to complete.

Part of the Phase I program should include hiring the four or five people working on the Topacio vein. Their first task should be to clean up the arrastra area and remove any mercury from the property.

A success contingent Phase II program consisting of an additional 4,500 metres of diamond drilling on the main veins should be carried out.

Concurrently with the Phase II drill program, the most prospective peripheral silicified areas, as outlined in Phase I, should be trenched and have Induced Polarization geophysical surveys carried out over them. The Phase II program is estimated to cost \$1,500,000 and take four months to complete.

Respectfully submitted,

(signed) "David St. Clair Dunn"
David St. Clair Dunn, P.Geo.

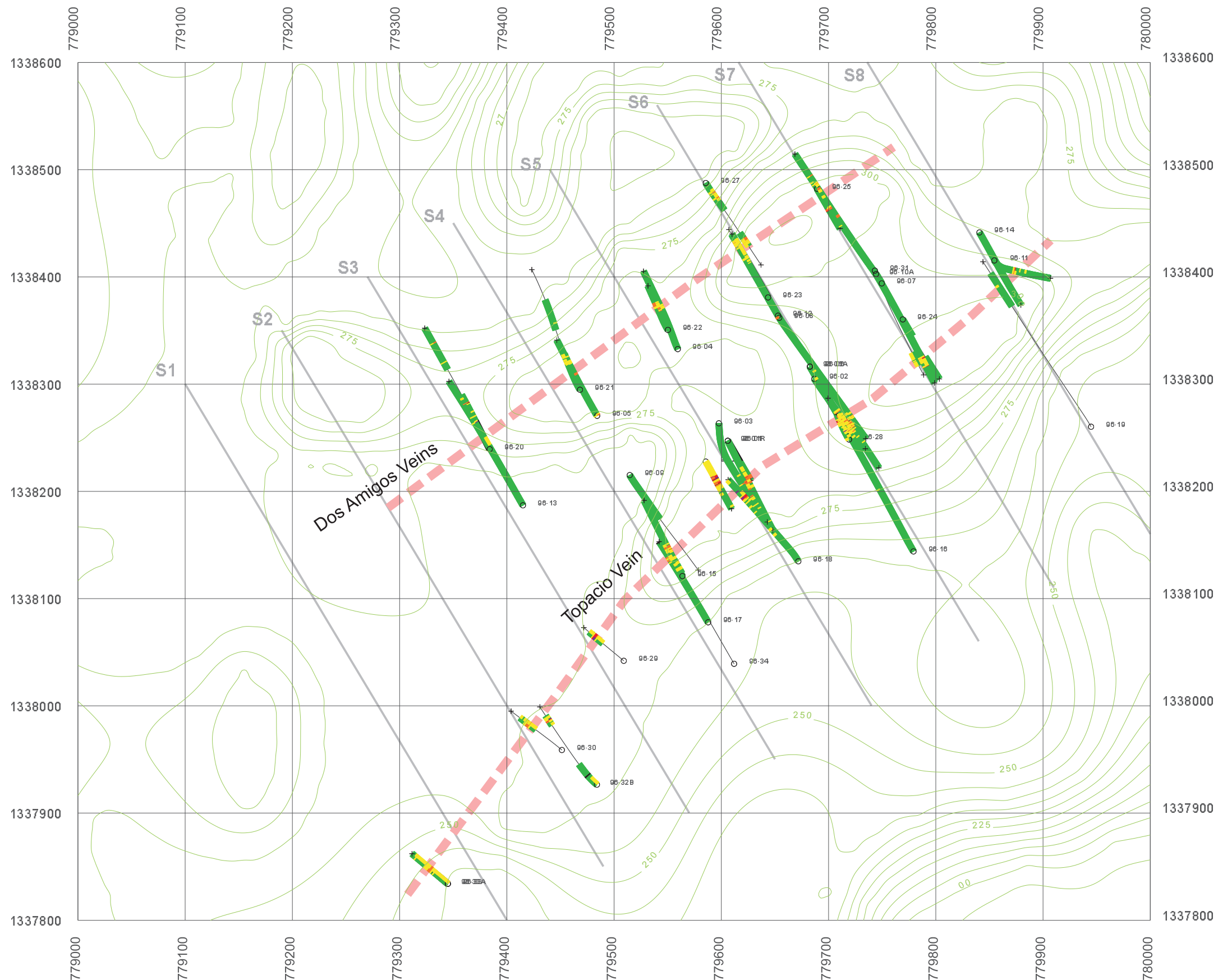
(signed) "William F. Tanaka"
William Tanaka, MAUSIMM

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Appendix A

Drill Hole Locations and Cross Sections



Topacio Project

Drill hole Plan Projection
for the
Topacio and Dos Amigos Veins



Scale as shown



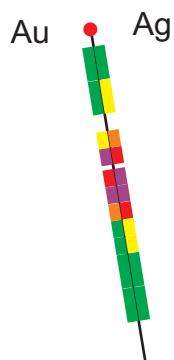
FDG MINING INC.		
Topacio Property Drill Hole Plan		
Scale	as shown	Date
U.T.M.	Zone 16	By
Figure	4	William Tanaka, P. Eng.

Topacio Project

Figure 4A: Explanation of Graphics Codes

Drill Holes

Drill hole trace



Assay color code

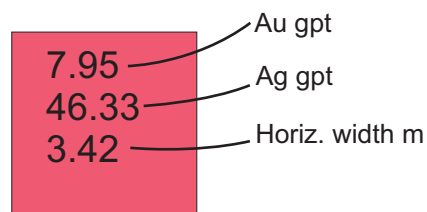
Au >= 10gpt	Ag > 100gpt
Au >= 5.0 gpt, < 10.0gpt	Ag >= 50gpt, < 100gpt
Au >= 1.0gpt, < 5.0gpt	Ag >= 10gpt, < 50gpt
Au >= 0.2gpt, < 1.0gpt	Ag >= 2gpt, < 10gpt
Au < 0.2gpt	Ag < 2gpt
Au missing	Ag missing

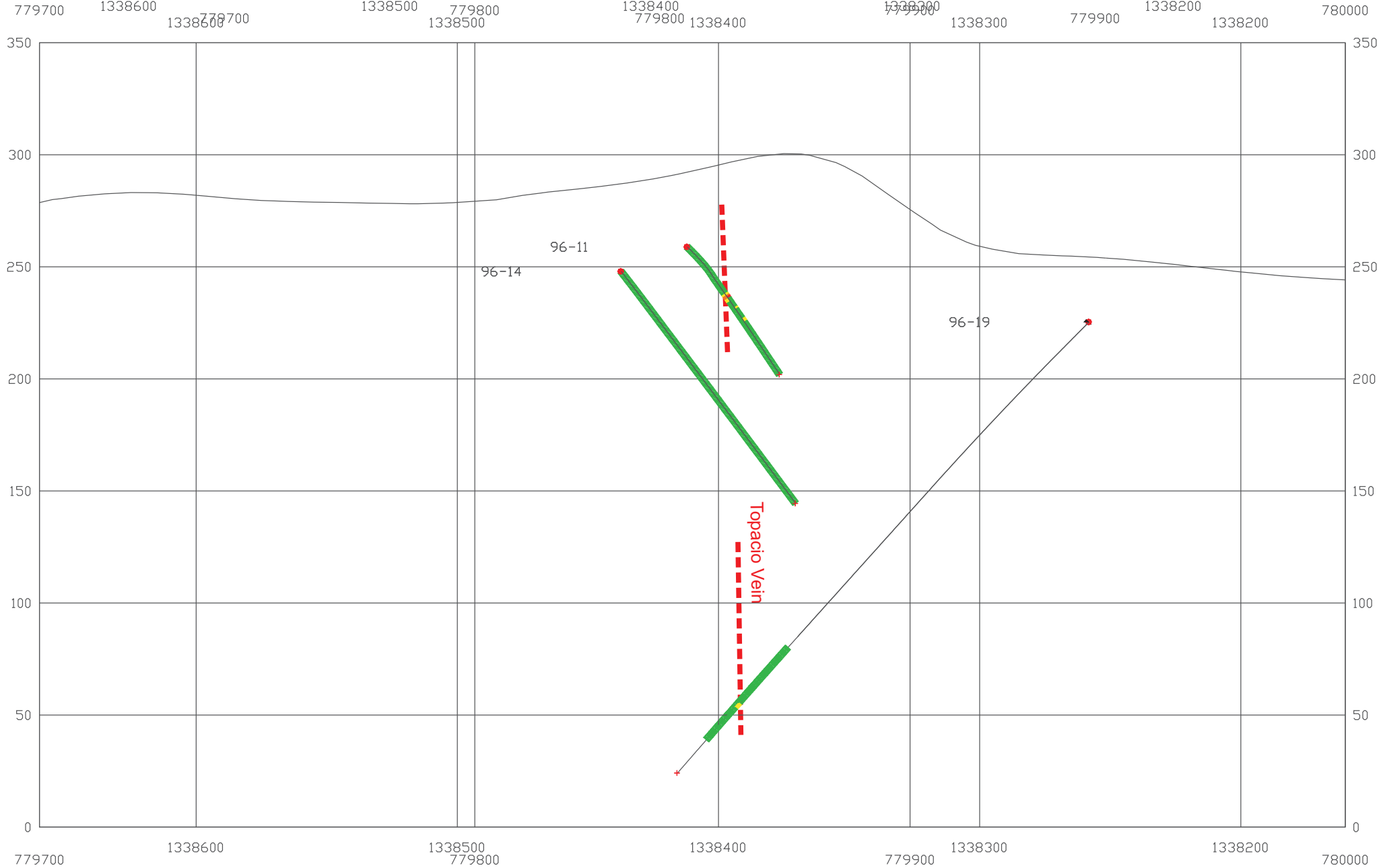
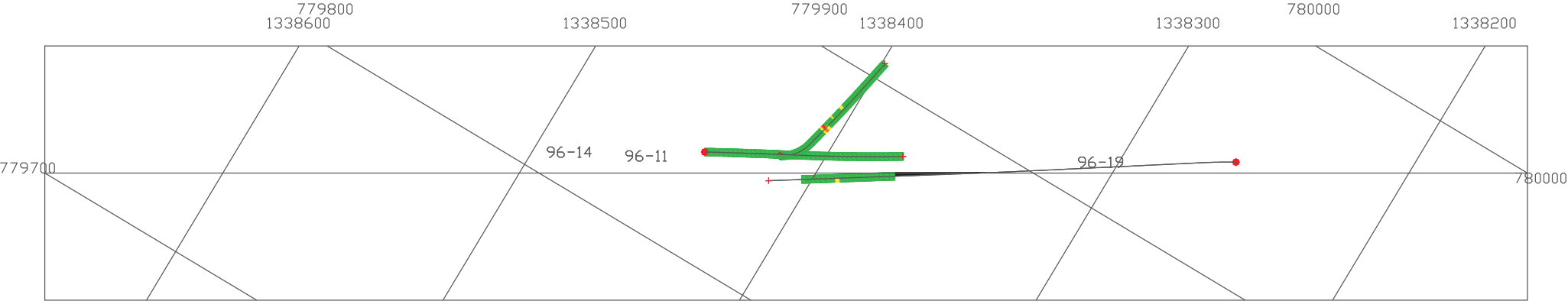
Model Long Section Blocks

Block color code

Au >= 5.0gpt	7.95 46.33 3.42
Au >= 3.0 gpt, < 5.0gpt	4.17 24.62 2.42
Au >= 1.0gpt, < 3.0gpt	2.75 16.53 4.42
Au >= 0.1gpt, < 1.0gpt	0.95 6.33 1.47
Au < 0.1gpt	0.05 1.33 2.42

Block values





Topacio Project

Drill hole Section
for the
Topacio and Dos Amigos Veins

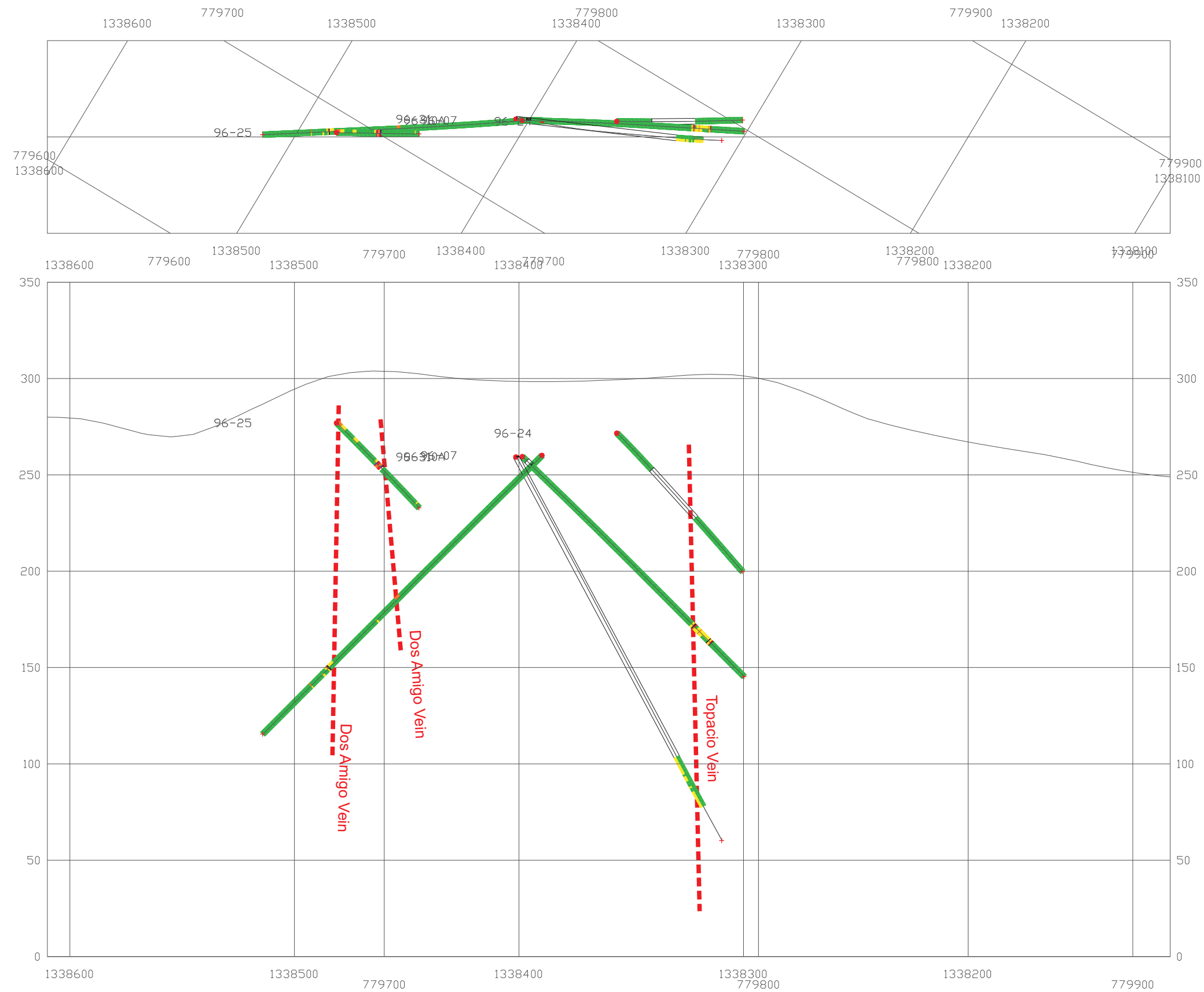
NW-SE
Drill hole section S8

Scale as shown

0

100m

FDG MINING INC.		
Topacio Property Drill Hole Section S8		
Scale	as shown	Date
U.T.M.	Zone 16	By
Figure	5	William Tanaka, P. Eng.



Topacio Project

Drill hole Section
for the
Topacio and Dos Amigos Veins

NW-SE
Drill hole section S7

Scale as shown



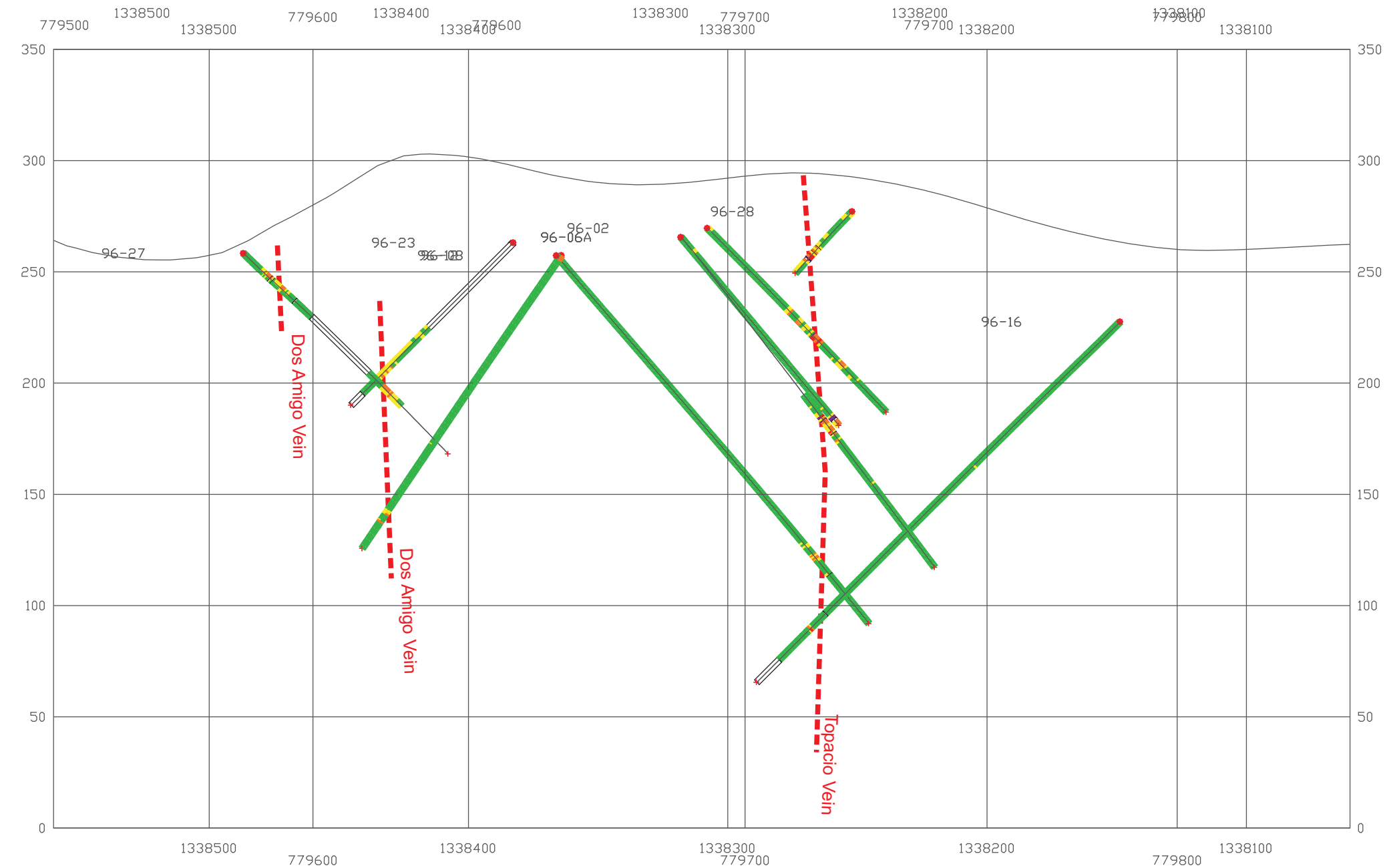
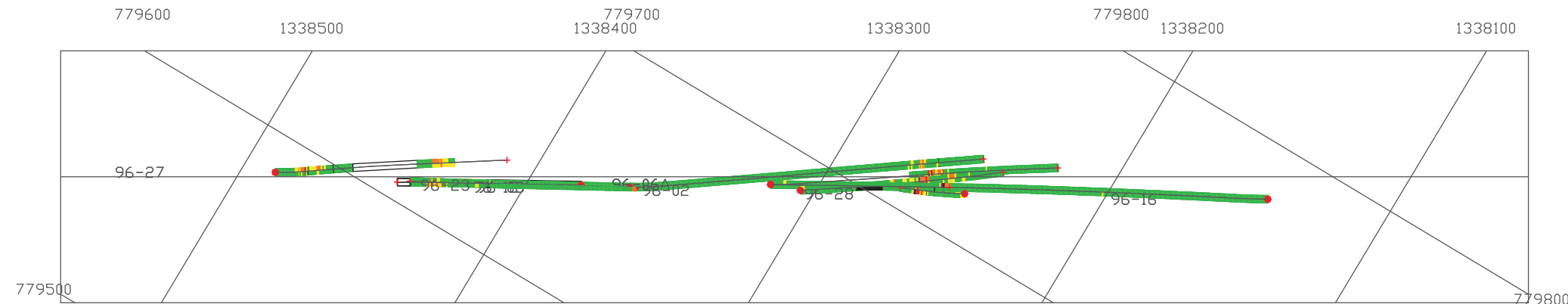
0 100m

FDG MINING INC.

Topacio Property

Drill Hole Section S7

Scale as shown	Date June, 2010	
U.T.M. Zone 16	By d.s.d. / ibex	
Figure 6	<i>William Tanaka, P. Eng.</i>	



Topacio Project

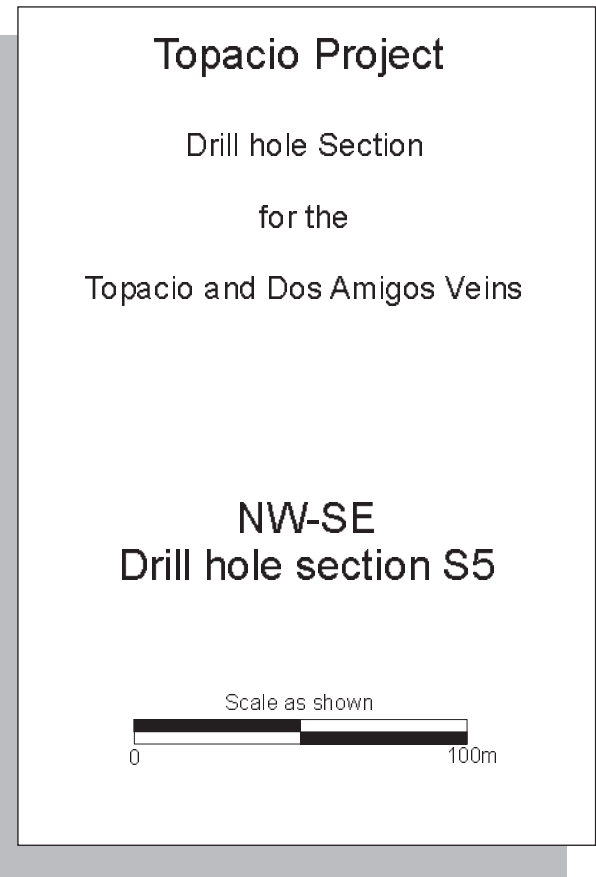
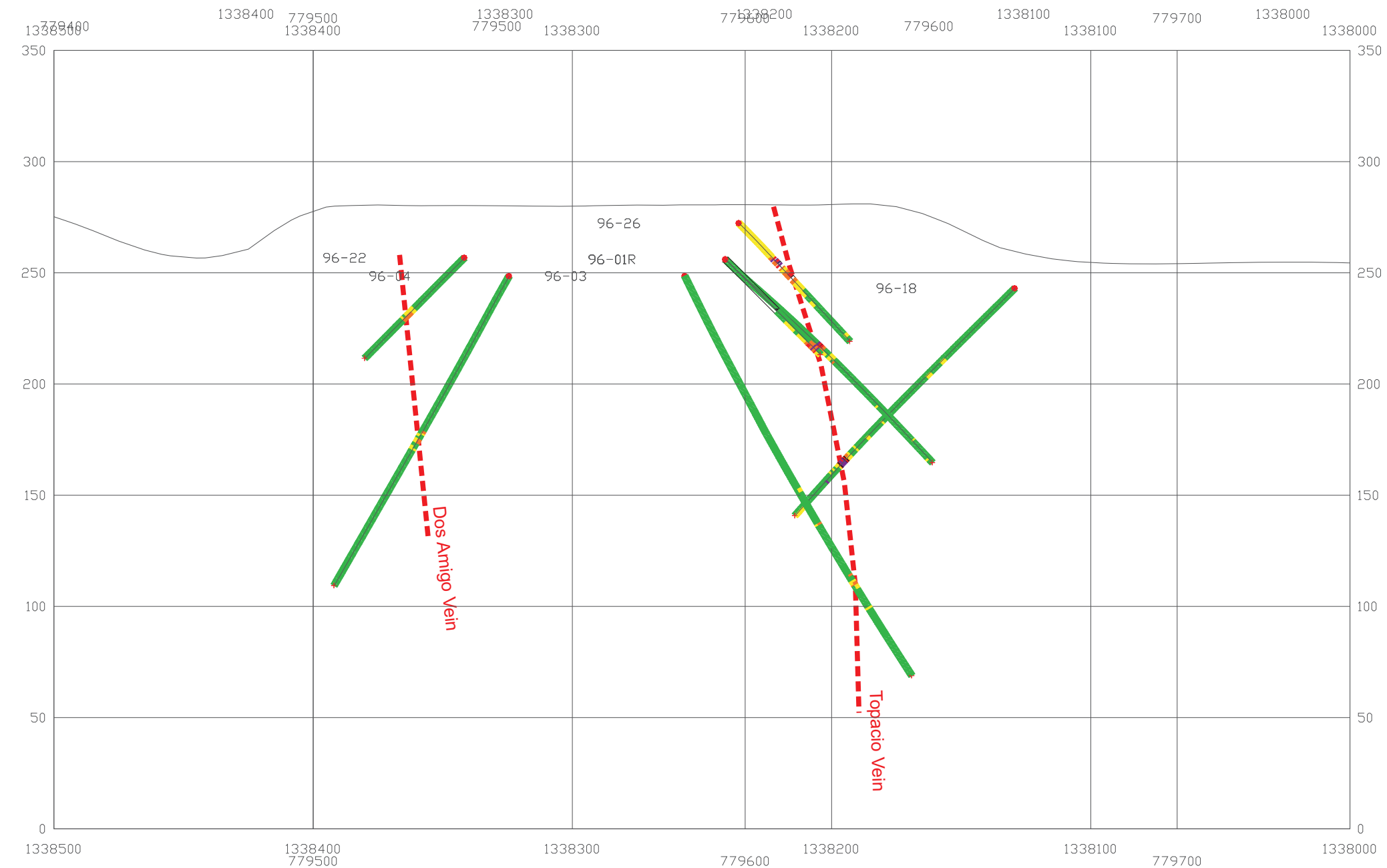
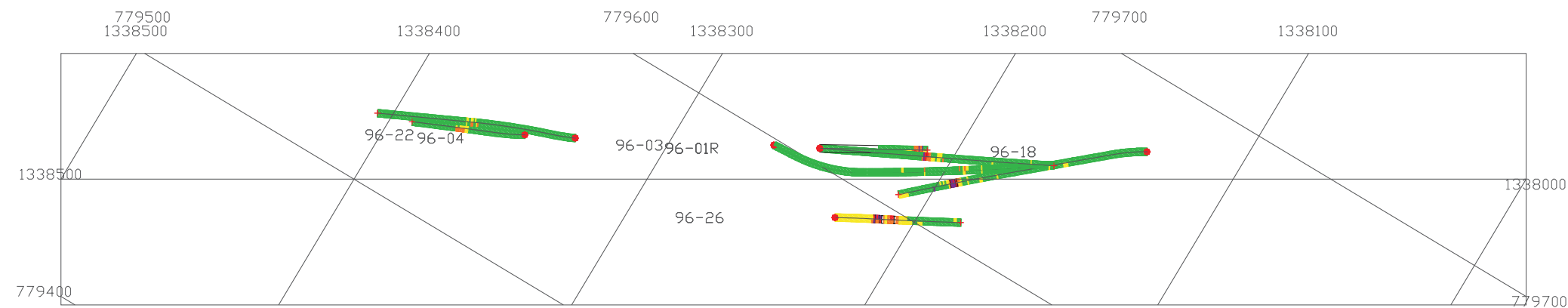
Drill hole Section
for the
Topacio and Dos Amigos Veins

NW-SE Drill hole section S6

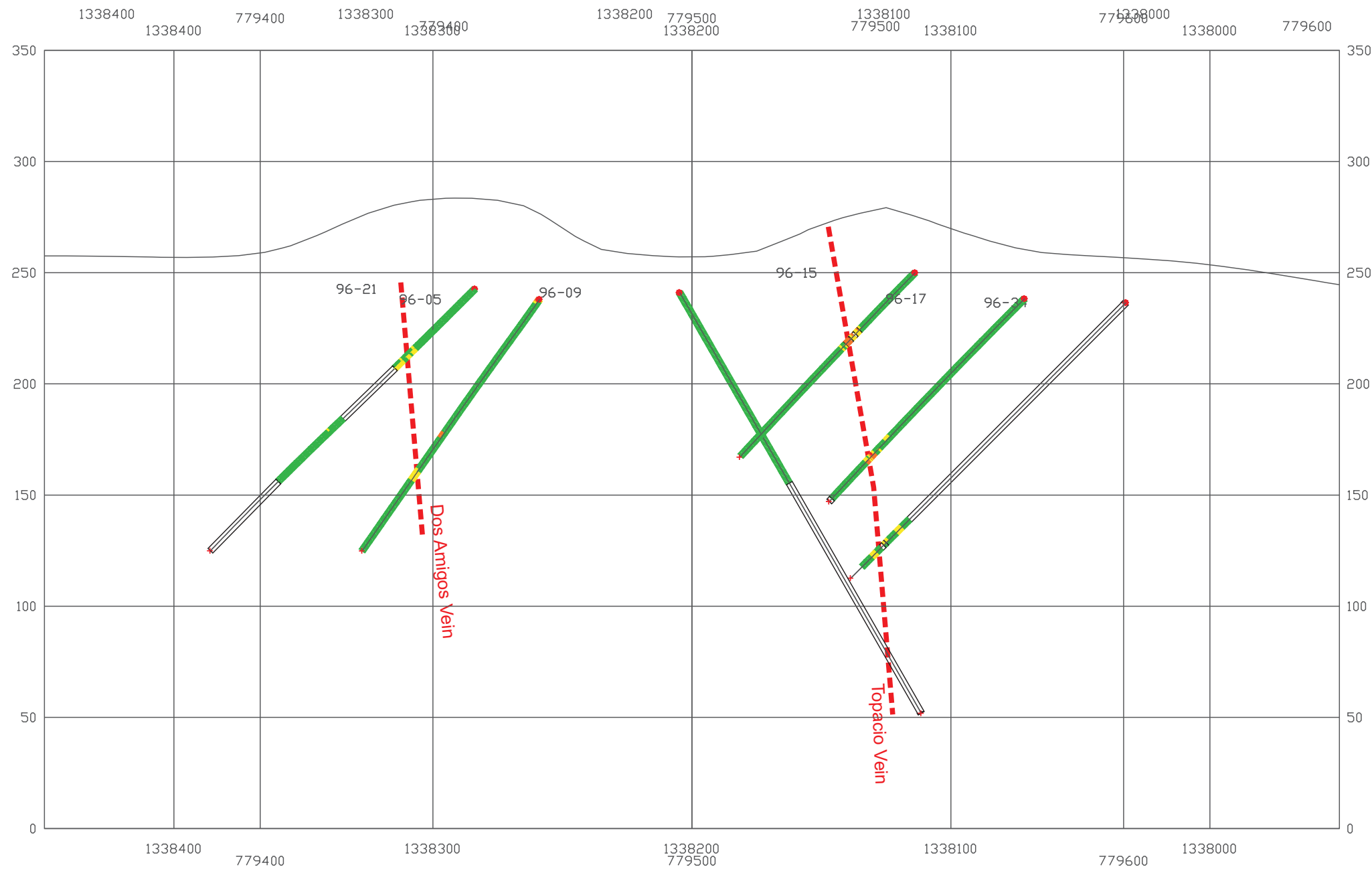
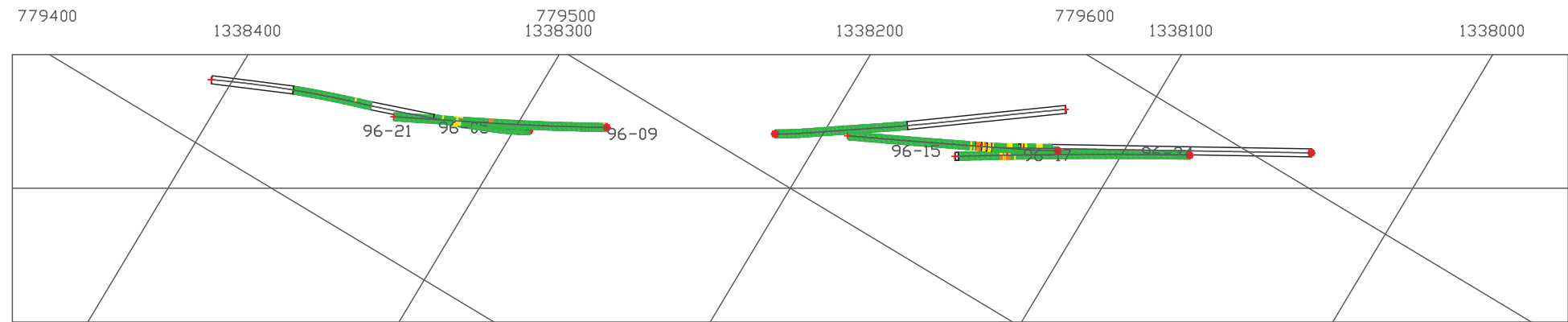
Scale as shown



FDG MINING INC.		
Topacio Property Drill Hole Section S6		
Scale	as shown	Date June, 2010
U.T.M.	Zone 16	By d.s.d. / ibex
Figure	7	William Tanaka, P. Eng.



FDG MINING INC.		
Topacio Property Drill Hole Section S5		
Scale	as shown	Date June, 2010
U.T.M.	Zone 16	By d.s.d. / ibex
Figure	8	William Tanaka, P. Eng.



Topacio Project

Drill hole Section

for the

Topacio and Dos Amigos Veins

NW-SE

Drill hole section S4

Scale as shown

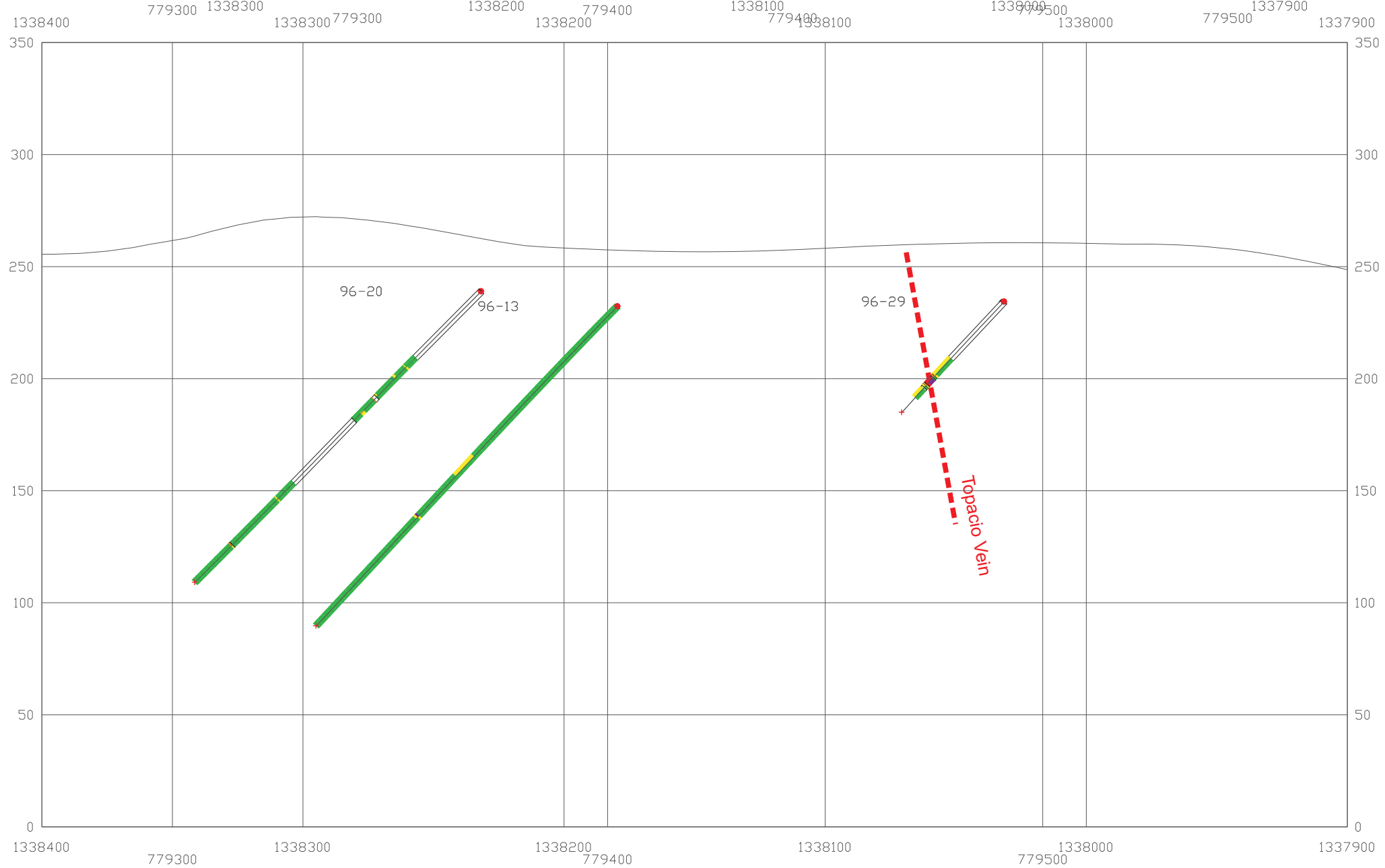
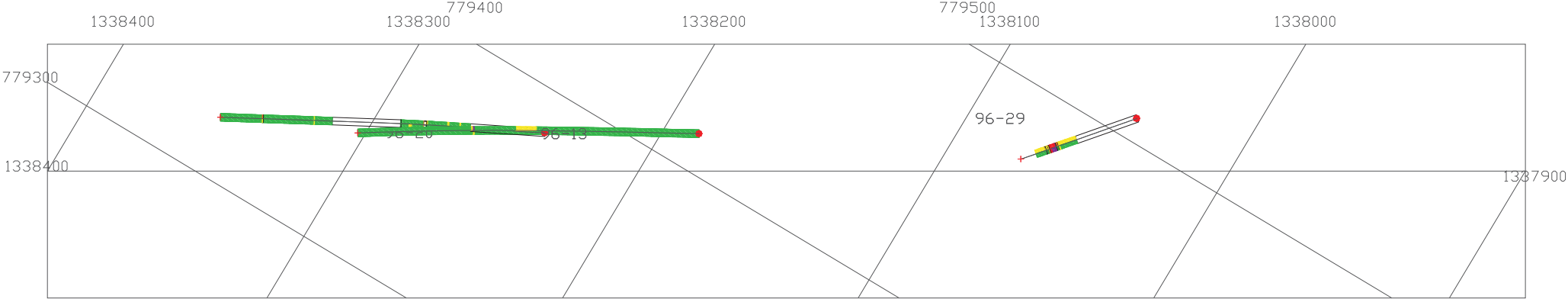
0 100m

FDG MINING INC.

Topacio Property

Drill Hole Section S4

Scale	as shown	Date	June, 2010
U.T.M.	Zone 16	By	d.s.d. / ibex
Figure	9	William Tanaka, P. Eng.	



Topacio Project

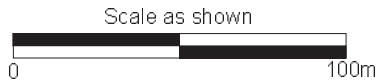
Drill Hole Cross Section

for the

Topacio and Dos Amigos Veins

NW-SE

Drill hole section S3

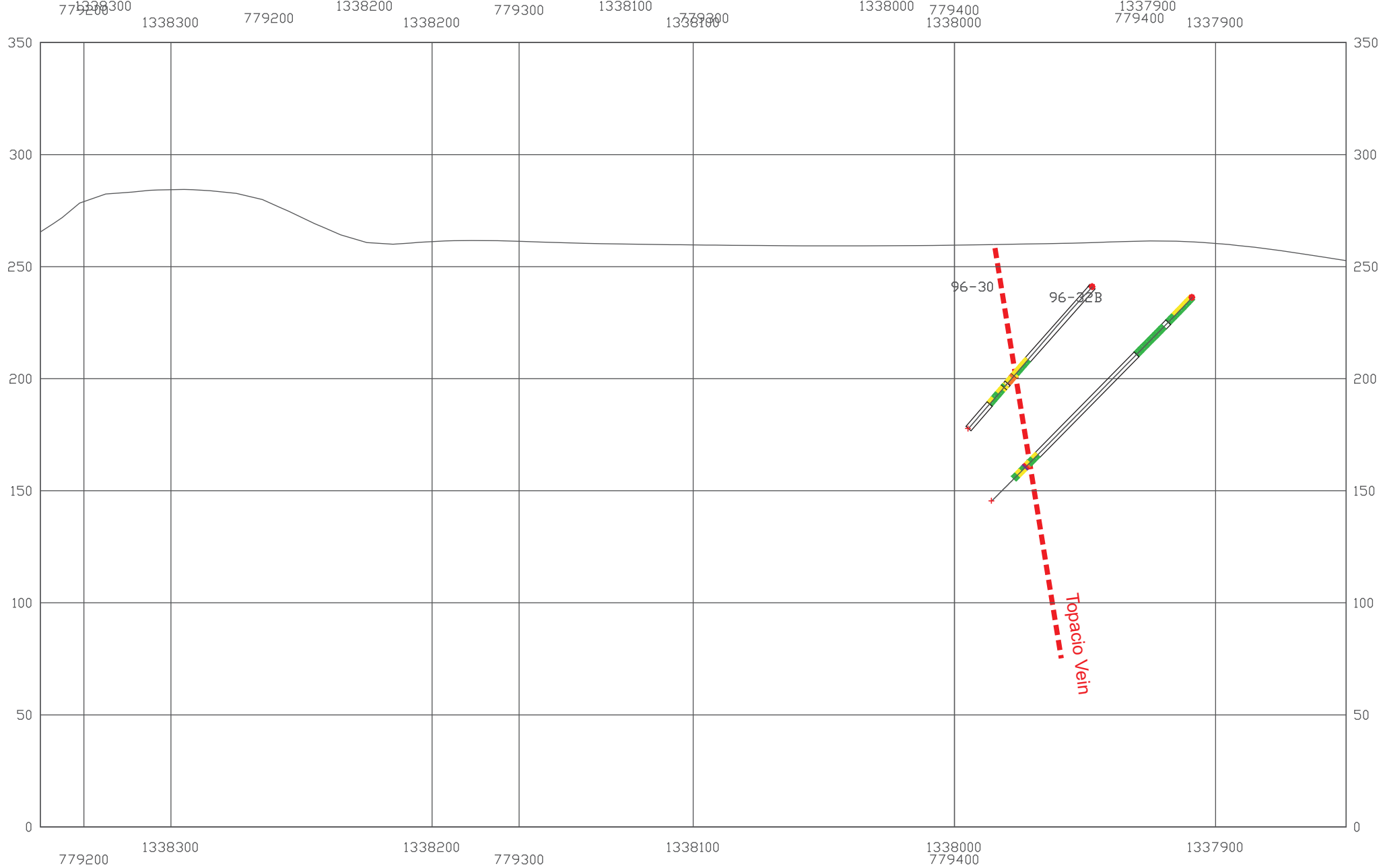
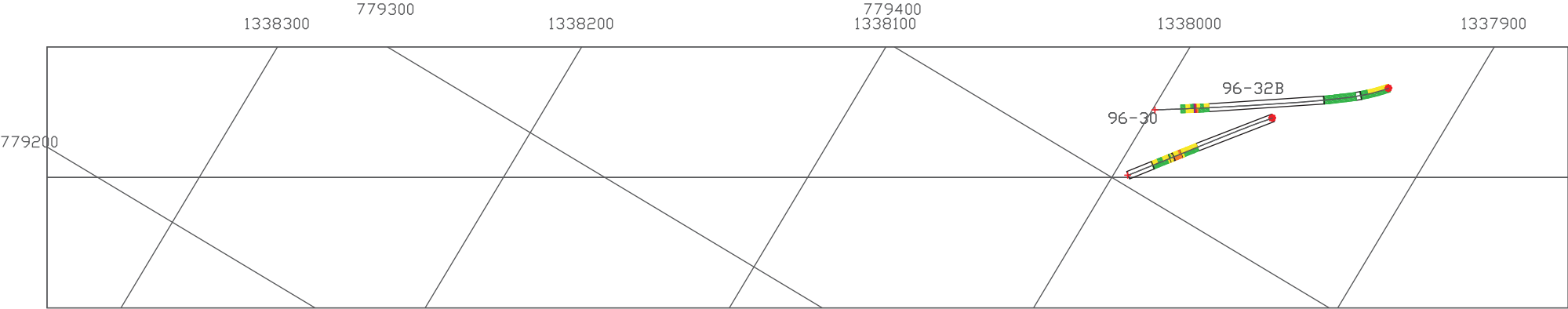


FDG MINING INC.

Topacio Property

Drill Hole Section S3

Scale	as shown	Date	June, 2010
U.T.M.	Zone 16	By	d.s.d. / ibex
Figure	10 William Tanaka, P. Eng.		



Topacio Project

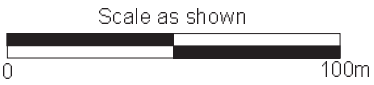
Drill hole Section

for the

Topacio and Dos Amigos Veins

NW-SE

Drill hole section S2

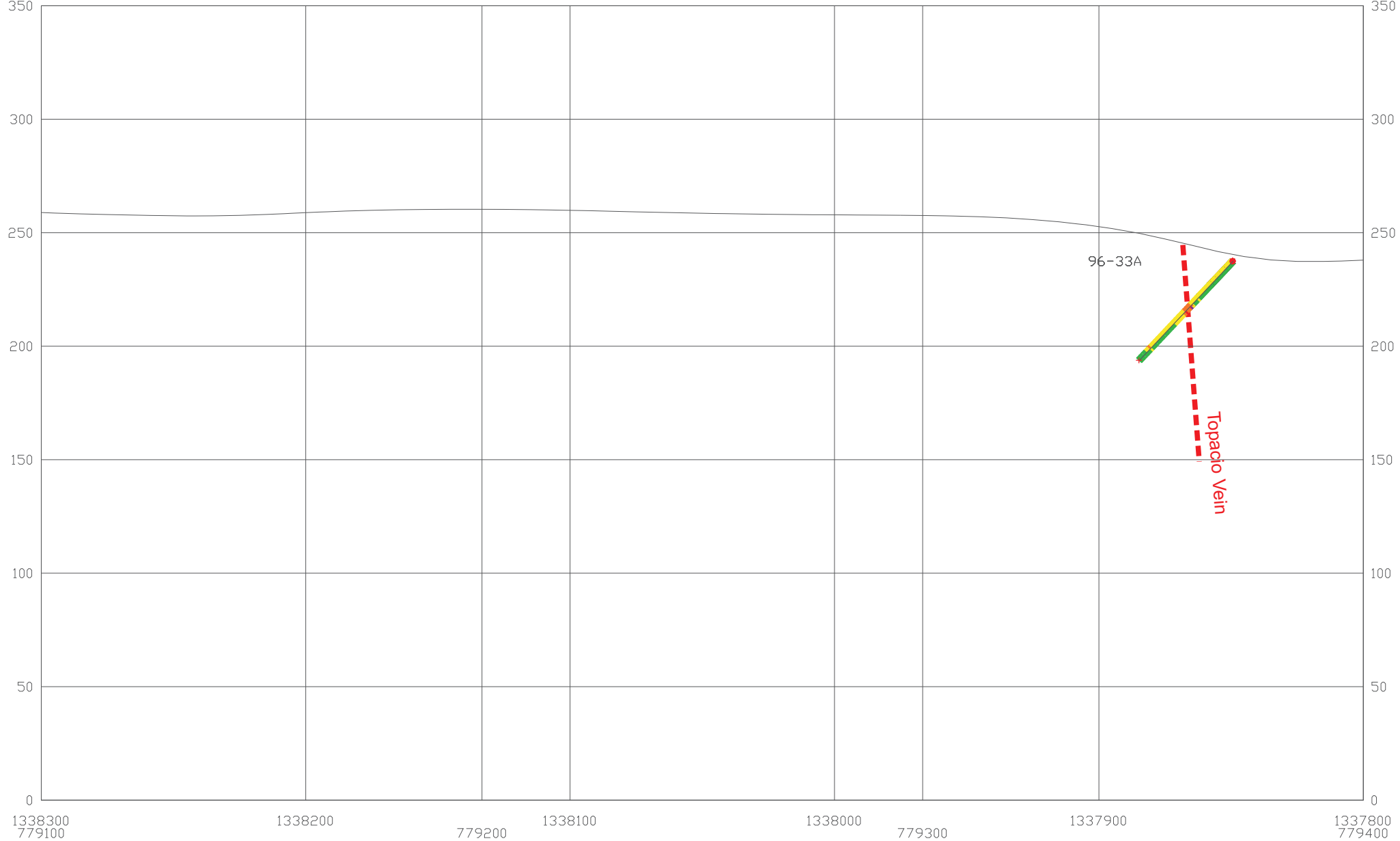
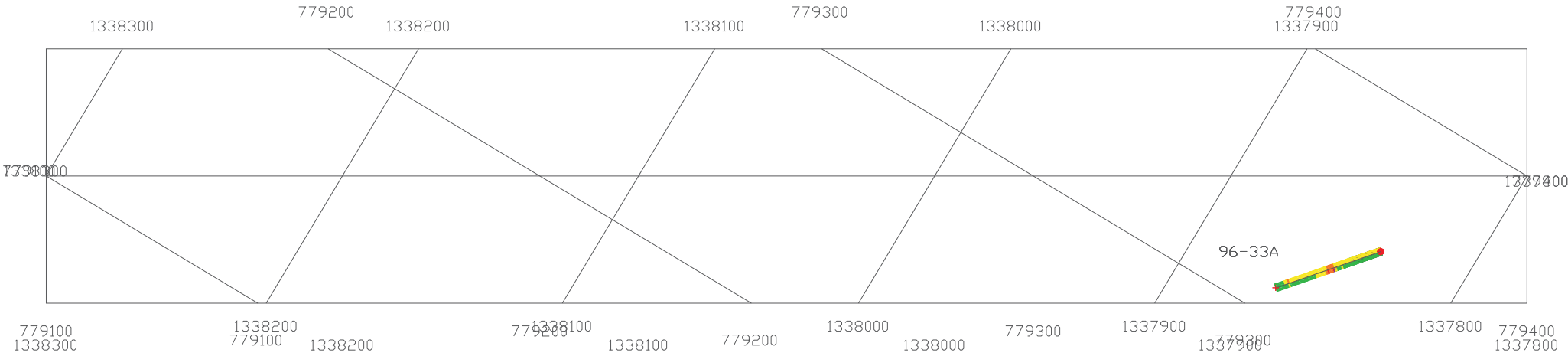


FDG MINING INC.

Topacio Property

Drill Hole Section S2

Scale	as shown	Date	June, 2010	
U.T.M.	Zone 16	By	d.s.d. / ibex	
Figure	11	William Tanaka, P. Eng.		



Topacio Project

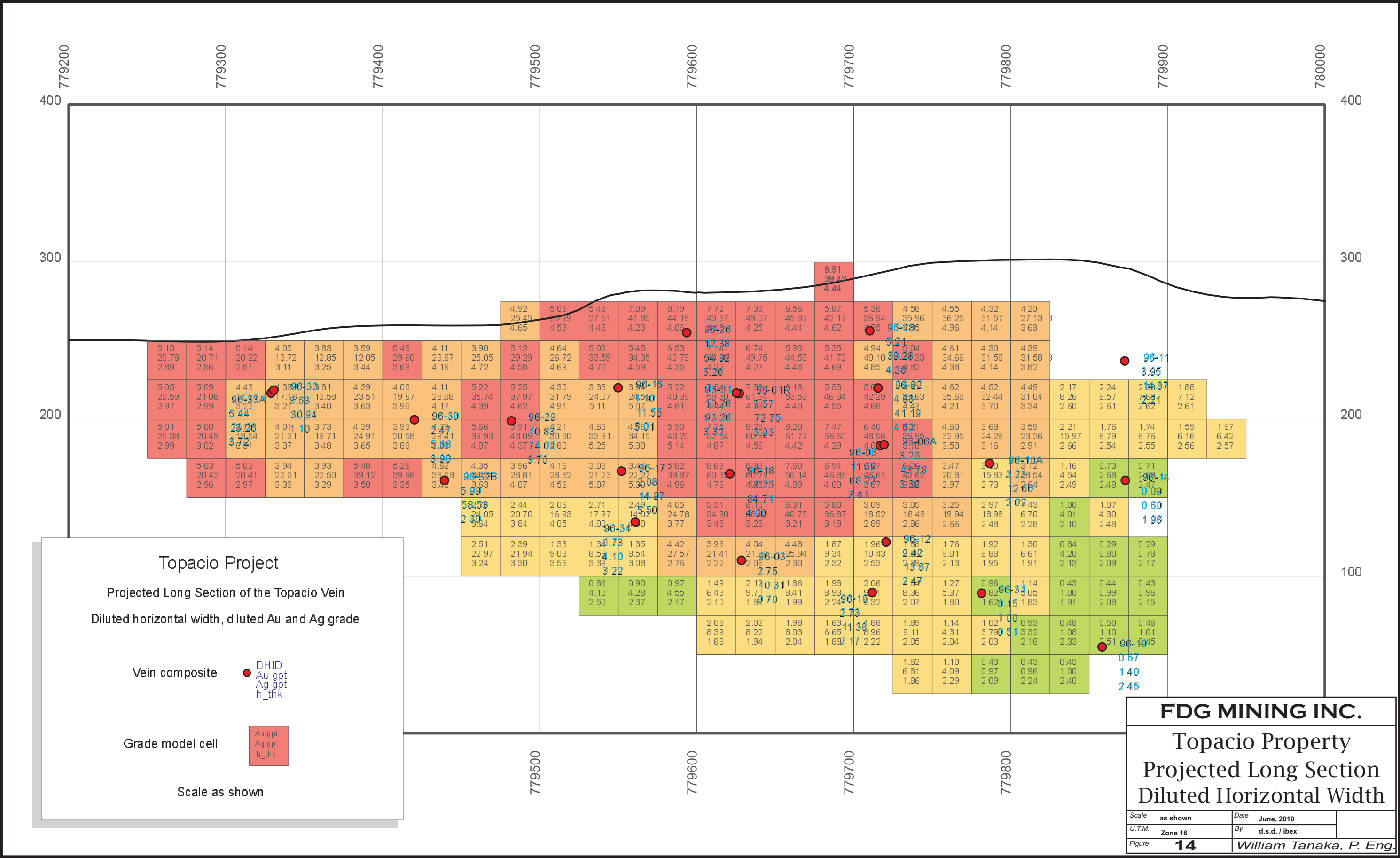
Drill hole Section
for the
Topacio and Dos Amigos Veins

**NW-SE
Drill hole section S1**

Scale as shown

0 100m

FDG MINING INC.		
Topacio Property Drill Hole Section S1		
Scale	as shown	Date
U.T.M.	Zone 16	By
Figure	12	William Tanaka, P. Eng.



Appendix B

Estimated Costs of Recommended Programs

Appendix B: Estimated Costs of Recommended Programs

Phase 1 – Trenching, Prospecting, Diamond Drilling, Geochemical and Geophysical Surveys

Personnel: FDG Management supervision: 30 days @ \$1,000/day	30,000
Geological Consultant: 20 days @ \$800/day:	16,000
Project Geologist: 100 days @ \$100/day:	10,000
Junior Geologists: 2 for 60 days @ \$60/day:	7,200
Samplers: 6 for 80 days @ \$20/day:	9,600
Room and Board: 270 days @ \$80/day:	21,600
Excavator: 400 hours @ \$120/hour:	48,000
Vehicles: P/U trucks: 2 for 80 days @ \$100/day	16,000
Fuel:	3,200
ATVs: 2 for 60 days @ \$50/day	6,000
Analyses: 50 soil samples @ \$15/sample	750
1,500 rock samples @ \$25/sample	37,500
Satellite imagery, 1m resolution topography :	30,000
Geophysical Survey: 40 line km @ \$200/km	8,000
Mob-demob:	10,000
Freight and communications:	10,000
Report Preparation:	20,000
Road construction: Muelle de Los Bueyes to Topacio:	200,000
HQ diamond drilling plus geological support and assays: 1,500 metres @ \$200/m	300,000
Contingency:	<u>50,000</u>
Estimated Total - Phase 1	\$833,850

Phase 2 - Diamond Drilling, Trenching, IP Surveys:

HQ diamond drilling plus geological support and assays: 4,500 metres @ \$200/m	900,000
Induced polarization Geophysical surveys: 100 km @ \$3,000/km	300,000
Trenching: 5,000 m @ \$30/m	150,000
Contingency:	<u>150,000</u>
Estimated Total – Phase 2	\$1,500,000

Appendix C

**Quality Control/Quality Assurance Procedures,
Assay Results**

QA/QC

The drill hole data were assayed by ACME Analytical Laboratories Ltd 852 E. Hastings St. Vancouver, BC.

Independent checks of the database values against assay certificates

A total of 473 assay values for both Au and Ag in the database were compared by the authors against the original electronic assay certificates submitted by ACME. Of this total, 362 represented original assays and 111 represented field duplicates. The total percentage of original assay values checked was 19.8%. The total percentage of field duplicate assay values checked was 48.7%.

Of the original assay values checked against certificates, the focus was on values material to any resource estimate with 77.8% of all original Au assays above 1.00gpt examined. The disproportionately high percentage of field duplicate assays checked reflects the original Triton check program which mandated field duplicate assays above some unspecified grade threshold considered to represent significant mineralization.

The 264 original assay intervals below 1.00gpt checked by the authors were predominantly in the immediate vicinity of higher-grade values to ensure accuracy within the vicinity of mineralized vein material.

A total of 1 error was found in this examination with the Au value of sample interval 100m to 100.3m (sample number 101362) found to have an entered value of 1.34 against a value on the assay certificate of 1.39. This represents an error rate of 0.2% in Au assays and an error rate of 0% in Ag assays. This error rate is well within industry standards.

Triton QA/QC program

Triton instituted a QA/QC program in the Topacio drilling consisting of standards, blanks, field duplicates and pulp duplicates that is largely consistent with current industry practice. In addition many of the samples were assayed at Triton Mining's El Limon laboratory under different sample numbers.

The authors note the submission of blind standards, described by Stephenson in his contemporaneous report, the results of which are absent from the ACME assay certificates. In his report Stephenson suggests that the standards were visually distinct from the material being drilled, however this does not explain their omission. It is most likely that the blind standards were not submitted to ACME, but only to the El Limon laboratory. It is also possible that the standards are presented in the many additional certificates provided; however, if this is the case, then the standards could not have been "blind" and would be considered of questionable value.

ACME conducted a program of internal standards analysis to confirm appropriate calibration during the sampling campaign. The ACME internal standards are included in

certificates. The ACME standards are done for internal monitoring purposes, and so were not analyzed by the authors beyond a qualitative assessment that indicated reasonable correspondence in Au and Ag values.

A number of pulp re-assays were also conducted, however the small total number is such that detailed analysis is not indicated. Of the pulp re-assays that were conducted, no issues are indicated. The authors note that wherever pulp duplicate analyses were done, the results were averaged with the original assay values. The effect of such a procedure is to effectively double assay charge size, thereby reducing sample-scale variability. Given the unusually high order of reproducibility indicated by the field duplicate results, the authors do not consider this to be a material issue. The practice does however, compromise one's ability to compare pulp re-assays against original assays to check on potential problems at the laboratory.

The field duplicate program analyzed rejects representing 12.5% of the total original samples submitted with a much higher percentage of significantly mineralized intervals represented. The blanks submitted represented 5.5% of the total original assay samples.

Analysis of Field Duplicates

The field duplicates were compared against the original assay values and a degree of close correspondence was demonstrated rarely associated with precious metal deposits. Such results indicate the presence of both Au and Ag under extremely fine and well disseminated conditions. The results of the comparison are presented graphically below in figures X-1 through X-4 for Au and X-1 through X-4 for Ag.

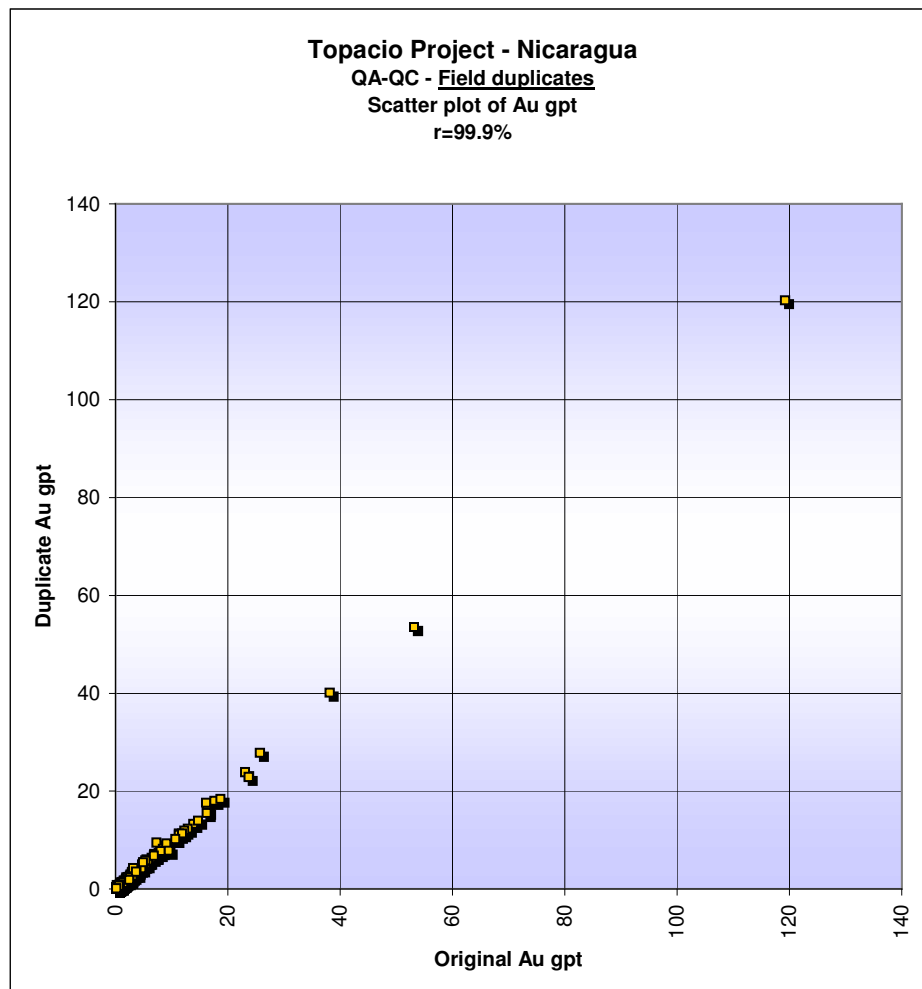


Figure X-1: Scatter plot of Au duplicate assays vs. original Au assays

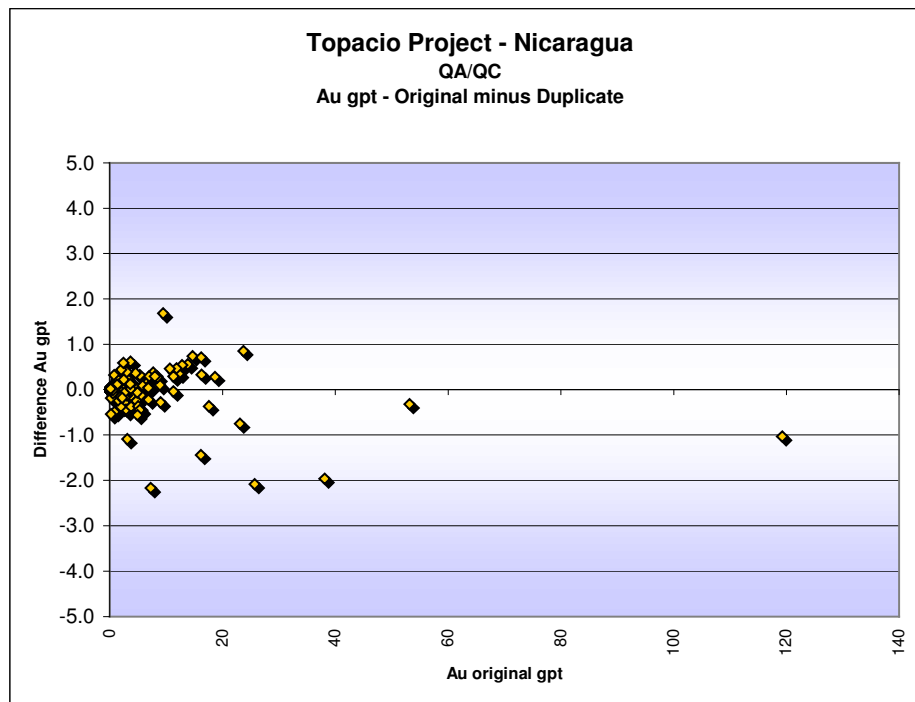


Figure X-2: Plot of absolute difference between duplicate and original Au assays

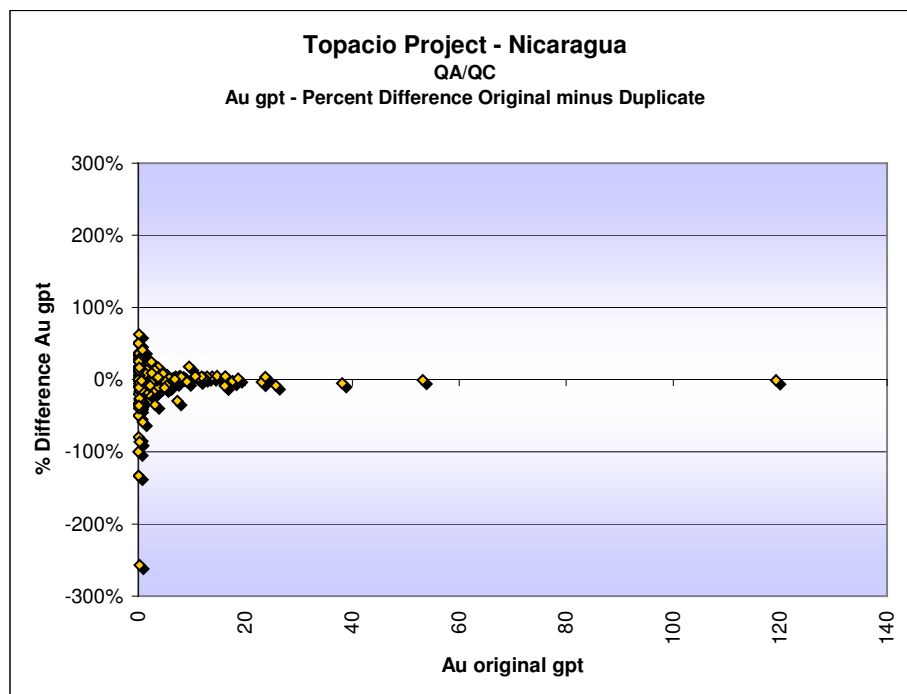


Figure X-3: Plot of percent difference between duplicate and original Au assays

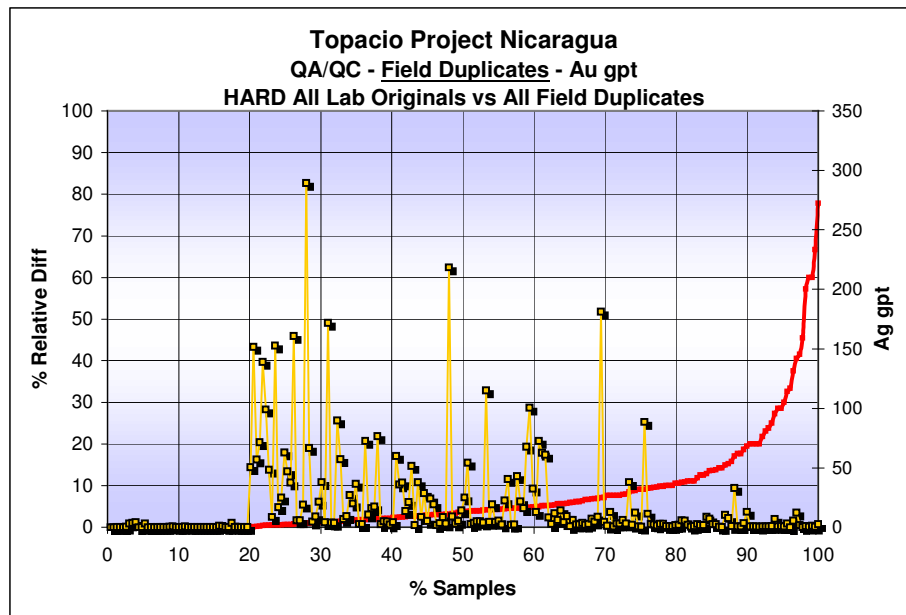


Figure X-4: Plot of HARD (half absolute relative difference) between duplicate and original Au assays

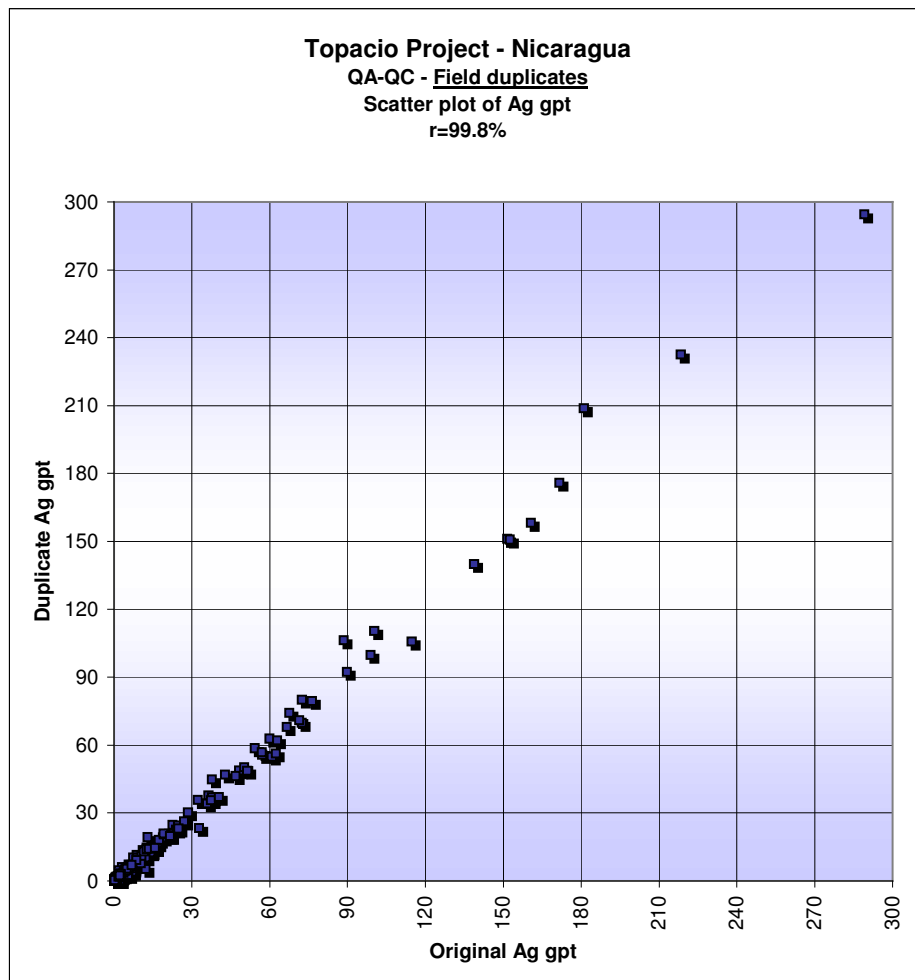


Figure Y-1: Scatter plot of Ag duplicate assays vs. original Ag assays

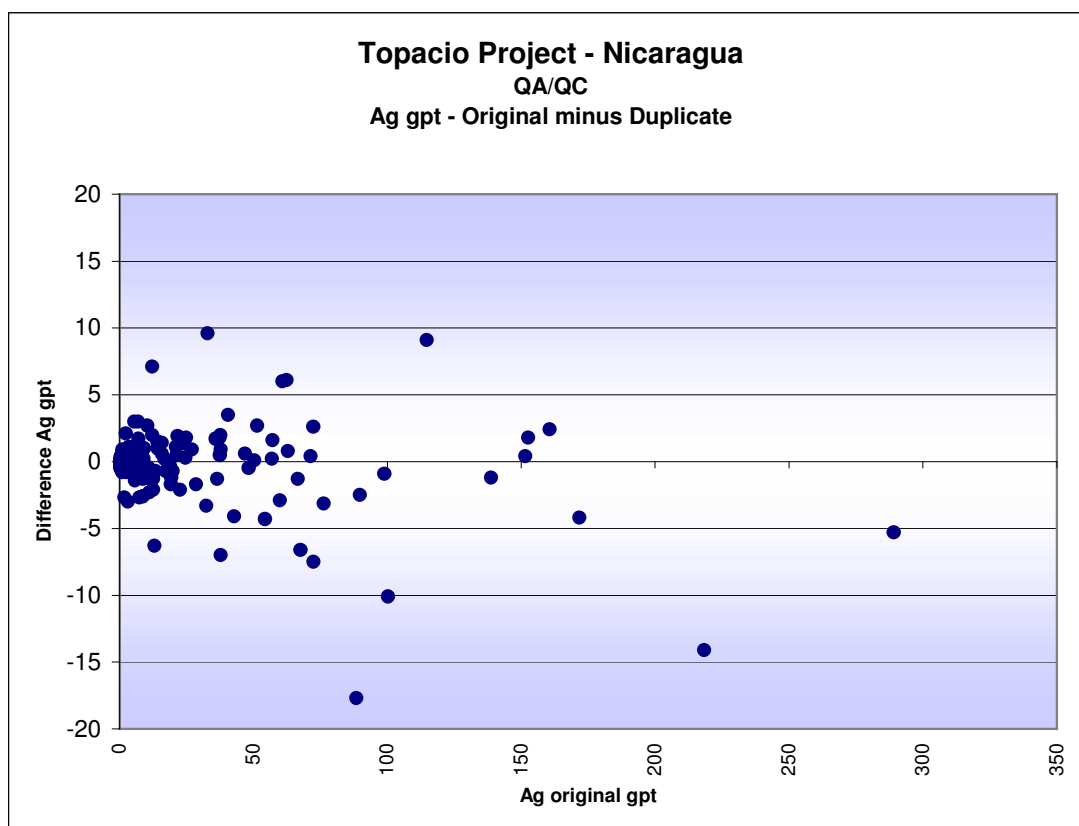


Figure Y-2: Plot of absolute difference between duplicate and original Ag assays

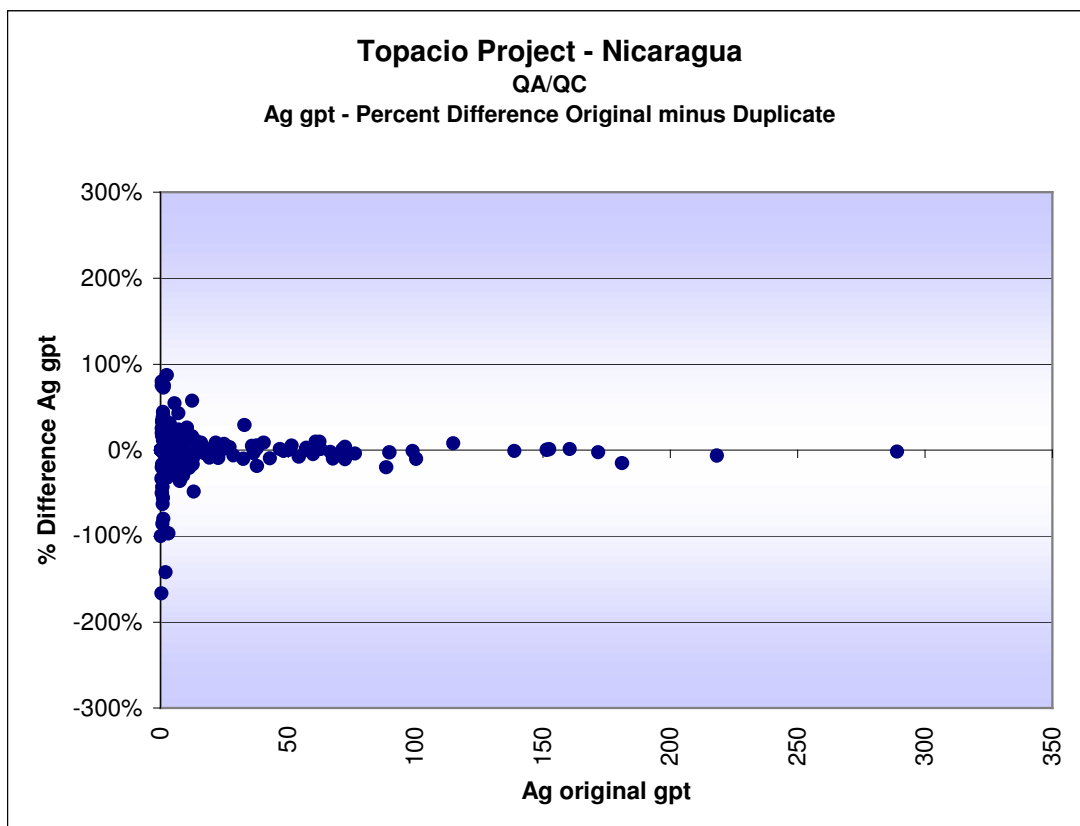


Figure y-3: Plot of percent difference between duplicate and original Ag assays

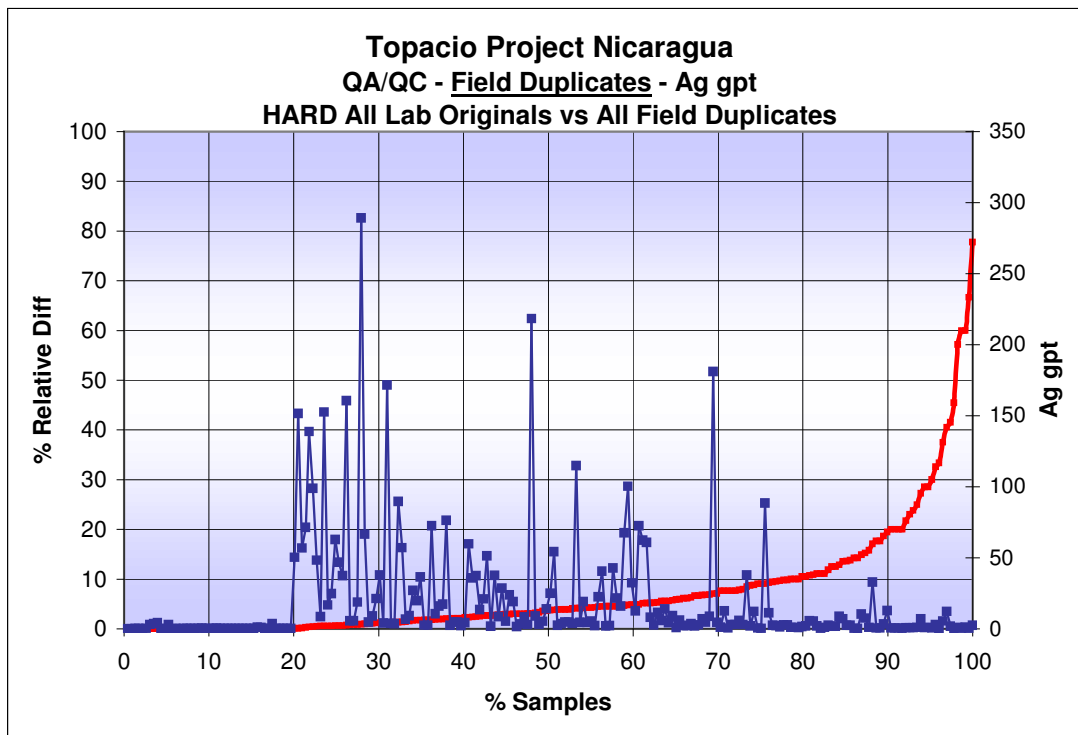


Figure Y-4: Plot of HARD (half absolute relative difference) between duplicate and original Ag assays

Analysis of blanks

In general the blanks submitted returned values consistent with the detection limits stated for the different assay methods used, however there are indications of low-level sporadic contamination.

In the Au analyses 15 of 101 samples returned values above the detection threshold plus one standard deviation and 7 returned values above the threshold plus two standard deviations. In the Ag analyses 9 samples returned values above the detection threshold plus both one and two standard deviations. These results indicate contamination but do not suggest the origin. Possible causes are inappropriate storage of the blank material or insufficient cleaning of sample preparation equipment between processing of samples and processing of blank material.

Figures Z-1 and Z-2 below present the statistics for the blanks analyses for Au and Ag respectively.

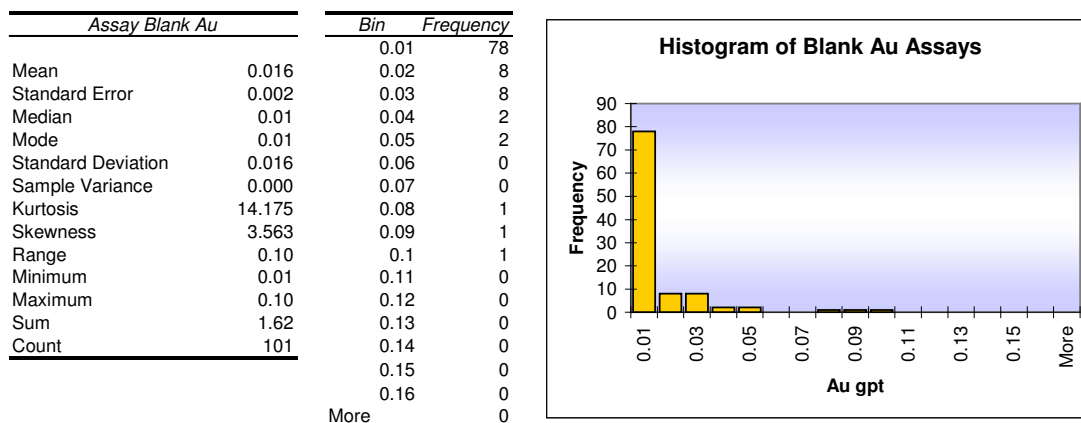


Figure Z-1: Analysis of assay blank material for Au

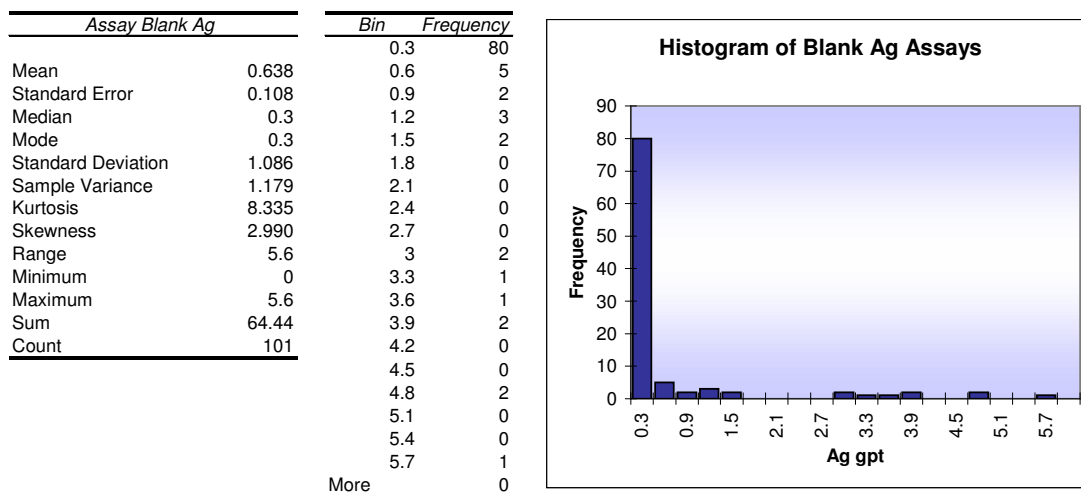


Figure Z-2: Analysis of assay blank material for Ag

Conclusions

The QA/QC program instituted by Triton and conducted by ACME is of a standard generally consistent with current industry practice. The only notable exceptions lie with:

- the missing Triton standard data, described in earlier work and which may exist, but have not been identified in the ACME assay certificates provided.
- Blank analyses suggest intermittent contamination introduced at some stage of material storage or processing.

The four graphs each presented above for Au and Ag confirm a very high degree of reproducibility of samples for both Au and Ag. Both Au and Ag exhibit similar levels of correspondence with 80% of the populations within 10% relative difference and 90% within 20% relative difference. This level of reproducibility is generally higher than that associated with epithermal precious metals deposits, and if consistent with a greater data density provided by additional drilling, would suffice for a resource classification of indicated or higher.

There is no evidence of bias in either Au or Ag as a function of grade.

The strong indications of very finely divided Au and Ag provide suggestions that may help guide future metallurgical test work programs including: the probability that a gravity circuit is will not be of value; and that whole-ore processing may be more feasible than intermediate production of a flotation concentrate.

Appendix D

Exploratory Data Analysis, Variograms



1020 Cordova St. East Vancouver BC V6A 4A3 Canada
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Acme Analytical Laboratories (Vancouver) Ltd.

www.acmelab.com

Client: **Dunn, David**
1154 Marine Drive
Gibson BC V0N 1V1 Canada

Submitted By: David Dunn
Receiving Lab: Canada-Vancouver
Received: April 23, 2010
Report Date: May 19, 2010
Page: 1 of 2

CERTIFICATE OF ANALYSIS

VAN10001621.1

CLIENT JOB INFORMATION

Project: Topacio
Shipment ID:
P.O. Number
Number of Samples: 6

SAMPLE DISPOSAL

STOR-PLP Store After 90 days Invoice for Storage
DISP-RJT Dispose of Reject After 90 days

Acme does not accept responsibility for samples left at the laboratory after 90 days without prior written instructions for sample storage or return.

SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

Method Code	Number of Samples	Code Description	Test Wgt (g)	Report Status	Lab
R200-250	6	Crush, split and pulverize 250 g rock to 200 mesh	30	Completed	VAN
G603	6	Lead collection fire assay fusion - ICP-ES finish + 7AR Ag	30	Completed	VAN
1D01	6	1:1:1 Aqua Regia digestion ICP-ES analysis	0.5	Completed	VAN
G6	1	Lead collection fire assay fusion - Grav finish	30	Completed	VAN

ADDITIONAL COMMENTS

Invoice To: FDG Mining Inc.
404 - 815 Hornby Street
Vancouver BC V6Z 2E6
Canada

CC:



This report supersedes all previous preliminary and final reports with this file number dated prior to the date on this certificate. Signature indicates final approval; preliminary reports are unsigned and should be used for reference only.
All results are considered the confidential property of the client. Acme assumes the liabilities for actual cost of analysis only.
*** asterisk indicates that an analytical result could not be provided due to unusually high levels of interference from other elements.



Acme Analytical Laboratories (Vancouver) Ltd.

Project: Topacio

Report Date: May 19, 2010

Page: 2 of 2 Part 1

Client: **Dunn, David**
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Gibson BC V0N 1V1 Canada

VAN10001621.1

	Rock	53	3	55	6	13	49.8	14	61	2137	0.93	41	21	<2	2	<0.5	4	<3	7
T-1	Rock	>10	53	3	55	6	13	49.8	14	61	2137	0.93	41	21	<2	2	<0.5	4	<3
T-3	Rock	3.22	71	30	406	112	75	67.2	35	1009	>10000	2.09	456	5	<2	3	1.0	<3	78
T-4	Rock	5.65	3	12	9	<3	3	3.0	1	6	211	0.82	230	6	<2	4	<0.5	5	<3
T-5	Rock	1.18	2	<1	28	9	70	1.8	5	2	276	5.89	52	3	<2	1	<0.5	6	<3
T-8	Rock	0.02	<2	<1	11	<3	4	<0.3	3	1	116	1.18	12	<2	<2	1	<0.5	<3	14
T-11	Rock	<0.01	<2	<1	8	9	8	<0.3	1	1	136	1.39	28	<2	<2	2	<0.5	5	<3



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Client: **Dunn, David**
1154 Marine Drive
Gibson BC V0N 1V1 Canada

Project: Topacio
Report Date: May 19, 2010

Page: 2 of 2 **Part** 2

CERTIFICATE OF ANALYSIS

VAN10001621.1

	Method Analyte Unit MDL	1D																G6Gr	Au
		Ca	P	La	Cr	Mg	Ba	Ti	B	Al	Na	K	W	S	Sc	Ga	As		
		%	%	ppm	ppm	%	ppm	%	ppm	%	%	%	ppm	%	ppm	ppm	ppm	gm/ml	
T-1	Rock	0.01	0.001	1	1	0.01	1	0.001	20	0.01	0.01	0.01	2	0.05	5	5	0.17	22.70	
T-3	Rock	<0.01	0.023	13	18	<0.01	5788	<0.001	<20	0.89	<0.01	0.09	4	<0.05	8	<5			
T-4	Rock	<0.01	0.002	1	8	<0.01	79	<0.001	<20	0.19	<0.01	0.02	<2	<0.05	<5	<5			
T-5	Rock	<0.01	0.092	<1	11	<0.01	20	0.002	<20	0.12	<0.01	0.02	<2	<0.05	<5	<5			
T-8	Rock	0.01	0.003	<1	41	<0.01	12	0.002	<20	0.12	<0.01	<0.01	<2	<0.05	<5	<5			
T-11	Rock	0.02	0.012	<1	20	<0.01	14	0.001	<20	0.09	<0.01	<0.01	<2	<0.05	<5	<5			



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Page: 1 of 2 Part 1

VAN10001621.1

[illegible]

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Client: **Dunn, David**
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Gibson BC V0N 1V1 Canada

Project: Topacio

Report Date: May 19, 2010

Page: 2 of 2 **Part** 1

QUALITY CONTROL REPORT

VAN10001621.1

WGHT	G6	7AR	Au	Ag	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	Au	Th	Sr	Cd	Sb	Bi	V
			gm/mt	gm/mt	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
0.01	0.01	2	1	2	1	1	3	1	0.3	1	1	2	0.01	2	2	2	1	0.5	3	3	1
<0.01	0.07	<2	<1	<2	<1	9	<3	45	<0.3	3	4	582	2.11	<2	<2	6	63	<0.5	<3	<3	39
G1		Prep Blank																			



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Client: **Dunn, David**
1154 Marine Drive
Gibson BC V0N 1V

Project: Topacio
Report Date: May 19, 2010

Page: 2 of 2 Part 2

QUALITY CONTROL REPORT

VAN10001621.1

[illegible]



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Client: **Dunn, David**
1154 Marine Drive
Gibson BC V0N 1V1 Canada

Submitted By: David Dunn
Receiving Lab: Canada-Vancouver
Received: April 23, 2010
Report Date: May 03, 2010
Page: 1 of 2

CERTIFICATE OF ANALYSIS

VAN10001622.1

CLIENT JOB INFORMATION

Project: Topacio
Shipment ID:
P.O. Number
Number of Samples: 1

SAMPLE DISPOSAL

STOR-PLP Store After 90 days Invoice for Storage
DISP-RJT Dispose of Reject After 90 days

Acme does not accept responsibility for samples left at the laboratory after 90 days without prior written instructions for sample storage or return.

SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

Method Code	Number of Samples	Code Description	Test Wgt (g)	Report Status	Lab
SS80	1	Dry at 60C sieve 100g to -80 mesh			VAN
Dry at 60C	1	Dry at 60C			VAN
1DX2	1	1:1:1 Aqua Regia digestion ICP-MS analysis	15	Completed	VAN

ADDITIONAL COMMENTS

Invoice To: FDG Mining Inc.
404 - 815 Hornby Street
Vancouver BC V6Z 2E6
Canada

CC:



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All results are considered the confidential property of the client. Acme assumes the liabilities for actual cost of analysis only.
*** asterisk indicates that an analytical result could not be provided due to unusually high levels of interference from other elements.



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Acme Analytical Laboratories (Vancouver) Ltd.

Client:

Dunn, David
1154 Marine Drive
Gibson BC V0N 1V1 Canada

Project:

Topacio

Report Date:

May 03, 2010

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Page: 2 of 2 Part 1

CERTIFICATE OF ANALYSIS

VAN10001622.1

Method Analyte	WGHT 1DX15																			
	Unit	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi	V	Ca
	kg	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppb	ppm	ppm	ppm	ppm	ppm	ppm	%
MDL	0.01	0.1	0.1	0.1	1	0.1	0.1	0.1	1	0.01	0.5	0.1	0.5	0.1	1	0.1	0.1	0.1	2	0.01
T-2	Soil	0.3	97.3	5.1	45	<0.1	12.2	9.1	539	10.91	25.0	0.3	33.0	0.5	1	0.1	0.6	<0.1	266	<0.01



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Client: **Dunn, David**
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Gibson BC V0N 1V1 Canada

Project: Topacio
Report Date: May 03, 2010

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Page: 2 of 2 **Part** 2

CERTIFICATE OF ANALYSIS

VAN10001622.1

Method Analyte Unit MDL	1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15																	
	P	La	Cr	Mg	Ba	Ti	B	Al	Na	K	W	Hg	Sc	Tl	S	Ga	Se	Te
	%	ppm	ppm	%	ppm	%	ppm	%	%	%	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm
0.001	1	1	1	0.01	1	0.001	1	0.01	0.001	0.01	0.1	0.01	0.1	0.1	0.05	1	0.5	0.2
0.056	2	66	0.02	17	0.009	<1	1.68	0.003	0.01	<0.1	0.03	23.3	0.1	<0.05	16	4.0	<0.2	
T-2	Soil																	



Acme Analytical Laboratories (Vancouver) Ltd.

Client: Dunn. David

Project: Topacio

Page: 1 of 1 Part 1

VAN10001622.1

Method	WGHT	1DX15	1DX15	1DX15	1DX15	1DX15	1DX15	1DX15	1DX15	1DX15	1DX15	1DX15	1DX15	1DX15	1DX15	1DX15	1DX15	1DX15
Analyte	Wgt	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi
Unit	kg	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppb	ppm	ppm	ppm	ppm	ppm
MDL	0.01	0.1	0.1	0.1	1	0.1	0.1	0.1	1	0.01	0.5	0.1	0.5	0.1	1	0.1	0.1	0.1
Pulp Duplicates																		
T-2		0.3	97.3	5.1	45	<0.1	12.2	9.1	539	10.91	25.0	0.3	33.0	0.5	1	0.1	0.6	<0.1
REP T-2		0.3	93.5	4.9	41	<0.1	10.8	8.4	492	9.85	24.2	0.3	39.2	0.5	1	<0.1	0.6	<0.1
Reference Materials																		
STD DS7		21.3	118.6	69.4	421	0.9	53.8	9.6	628	2.49	55.5	5.0	66.0	4.7	74	6.6	5.9	4.9
STD DS7 Expected		20.5	109	70.6	411	0.9	56	9.7	627	2.39	48.2	4.9	70	4.4	69	6.4	4.6	4.5
BLK		<0.1	<0.1	<0.1	<1	<0.1	<0.1	<0.1	<1	<0.01	<0.5	<0.1	<0.5	<0.1	<1	<0.1	<0.1	<2



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Client: **Dunn, David**
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Gibson BC V0N 1V1 Canada

Project: Topacio

Report Date: May 03, 2010

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Page: 1 of 1 **Part** 2

QUALITY CONTROL REPORT

VAN10001622.1

Method Analyte Unit	1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15															
	P	La	Cr	Mg	Ba	Ti	B	Al	Na	K	W	Hg	Sc	Tl	S	Se
%	ppm	ppm	ppm	%	ppm	%	ppm	%	%	%	ppm	ppm	ppm	ppm	%	ppm
MDL	0.001	1	1	0.01	1	0.001	1	0.01	0.001	0.01	0.1	0.01	0.1	0.1	0.05	1
Pulp Duplicates																
T-2	0.056	2	66	0.02	17	0.009	<1	1.68	0.003	0.01	<0.1	0.03	23.3	0.1	<0.05	16
REP T-2	0.056	2	63	0.02	17	0.009	<1	1.70	0.003	0.01	<0.1	0.03	22.3	0.1	<0.05	16
Reference Materials																
STD DS7	0.074	13	190	0.99	419	0.126	39	0.98	0.091	0.46	4.0	0.20	2.5	4.4	0.17	5
STD DS7 Expected	0.08	12	179	1.05	370	0.124	39	0.959	0.089	0.44	3.4	0.2	2.5	4.2	0.19	5
BLK	<0.001	<1	<1	<0.01	<1	<0.001	<1	<0.01	<0.001	<0.01	<0.1	<0.01	<0.1	<0.1	<0.05	<1
																<0.5
																1.1
																3.5
																1.08
																<0.2



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Submitted By: David Dunn
Receiving Lab: Canada-Vancouver
Received: April 23, 2010
Report Date: May 03, 2010
Page: 1 of 2

CERTIFICATE OF ANALYSIS

VAN10001623.1

CLIENT JOB INFORMATION

Project: Topacio
Shipment ID:
P.O. Number
Number of Samples: 2

SAMPLE DISPOSAL

STOR-PLP Store After 90 days Invoice for Storage
DISP-RJT Dispose of Reject After 90 days

Acme does not accept responsibility for samples left at the laboratory after 90 days without prior written instructions for sample storage or return.

SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

Method Code	Number of Samples	Code Description	Test Wgt (g)	Report Status	Lab
SS80	2	Dry at 60C sieve 100g to -80 mesh			VAN
Dry at 60C	2	Dry at 60C			VAN
1DX2	2	1:1:1 Aqua Regia digestion ICP-MS analysis	15	Completed	VAN

ADDITIONAL COMMENTS

Invoice To: FDG Mining Inc.
404 - 815 Hornby Street
Vancouver BC V6Z 2E6
Canada

CC:



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Client: **Dunn, David**
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Gibson BC V0N 1V1 Canada

Project: Topacio
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Page: 2 of 2 **Part** 1

CERTIFICATE OF ANALYSIS

VAN10001623.1

Method Analyte Unit	WGHT 1DX15																			
	Wgt	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi	V	Ca
	kg	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppb	ppm	ppm	ppm	ppm	ppm	ppm	%
MDL	0.01	0.1	0.1	0.1	1	0.1	0.1	0.1	1	0.01	0.5	0.1	0.5	0.1	1	0.1	0.1	0.1	2	0.01
T-6	Silt	1.1	108.4	4.9	84	<0.1	45.7	71.4	2543	8.99	70.6	0.5	1.8	0.7	22	0.1	0.7	<0.1	300	0.16
T-9	Silt	0.6	107.8	3.4	76	<0.1	42.6	35.5	690	6.60	43.8	0.3	2.0	0.6	22	0.1	1.6	<0.1	214	0.41



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Project: Topacio
Report Date: May 03, 2010

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Page: 2 of 2 **Part** 2

CERTIFICATE OF ANALYSIS

VAN10001623.1

Method Analyte Unit	1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15															
	P	La	Cr	Mg	Ba	Ti	B	Al	Na	K	W	Hg	Sc	Tl	S	Se
MDL	%	ppm	ppm	%	ppm	%	ppm	%	%	%	ppm	ppm	ppm	ppm	%	ppm
	0.001	1	1	0.01	1	0.001	1	0.01	0.001	0.01	0.1	0.01	0.1	0.1	0.05	1
T-6	Silt	7	118	0.30	253	0.185	1	3.61	0.009	0.06	<0.1	0.17	21.3	1.0	<0.05	13
T-9	Silt	6	75	1.18	161	0.085	1	3.18	0.009	0.07	<0.1	0.21	15.3	0.6	<0.05	11



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Project: Topacio

Report Date: May 03, 2010

Page: 1 of 1 **Part** 1

QUALITY CONTROL REPORT

VAN10001623.1

Method Analyte Unit	1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15																			
	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb	Bi	V	Ca	P
ppm	0.1	0.1	0.1	1	0.1	0.1	0.1	1	0.01	0.5	0.1	0.5	0.1	1	0.1	0.1	0.1	2	0.01	0.001
MDL																				
Reference Materials																				
STD DS7	21.3	118.6	69.4	421	0.9	53.8	9.6	628	2.49	55.5	5.0	66.0	4.7	74	6.6	5.9	4.9	82	0.97	0.074
STD DS7 Expected	20.5	109	70.6	411	0.9	56	9.7	627	2.39	48.2	4.9	70	4.4	69	6.4	4.6	4.5	84	0.93	0.08
BLK	<0.1	<0.1	<0.1	<1	<0.1	<0.1	<0.1	<1	<0.01	<0.5	<0.1	<0.5	<0.1	<1	<0.1	<0.1	<0.1	<2	<0.01	<0.001



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1154 Marine Drive
Gibson BC V0N 1V1 Canada

Project: Topacio
Report Date: May 03, 2010

Page: 1 of 1 **Part** 2

QUALITY CONTROL REPORT

VAN10001623.1

Method Analyte Unit MDL	1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15 1DX15																
	La ppm	Cr ppm	Mg %	Ba ppm	Ti %	B ppm	Al %	Na %	K %	W ppm	Hg ppm	Sc ppm	Tl ppm	S %	Ga ppm	Se ppm	Te ppm
	1	1	0.01	1	0.001	1	0.01	0.001	0.01	0.1	0.01	0.1	0.1	0.05	1	0.5	0.2
Reference Materials																	
STD DS7	13	190	0.99	419	0.126	39	0.98	0.091	0.46	4.0	0.20	2.5	4.4	0.17	5	3.8	1.1
STD DS7 Expected	12	179	1.05	370	0.124	39	0.959	0.089	0.44	3.4	0.2	2.5	4.2	0.19	5	3.5	1.08
BLK	<1	<1	<0.01	<1	<0.001	<1	<0.01	<0.001	<0.01	<0.1	<0.01	<0.1	<0.1	<0.05	<1	<0.5	<0.2



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Client: **Dunn, David**
1154 Marine Drive
Gibson BC V0N 1V1 Canada

Submitted By: David Dunn
Receiving Lab: Canada-Vancouver
Received: April 23, 2010
Report Date: May 19, 2010
Page: 1 of 2

CERTIFICATE OF ANALYSIS

VAN10001624.2

CLIENT JOB INFORMATION

Project: Topacio
Shipment ID:
P.O. Number
Number of Samples: 2

SAMPLE DISPOSAL

STOR-PLP Store After 90 days Invoice for Storage

Acme does not accept responsibility for samples left at the laboratory after 90 days without prior written instructions for sample storage or return.

SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

Method Code	Number of Samples	Code Description	Test Wgt (g)	Report Status	Lab
P200	2	Pulverize to 85% passing 200 mesh			VAN
XWSH	2	Extra Wash with Glass between each sample			VAN
7TD2	2	4 Acid digestion ICP-ES analysis.	0.5	Completed	VAN
1DX1	2	1:1:1 Aqua Regia digestion ICP-MS analysis	0.5	Completed	VAN

ADDITIONAL COMMENTS

Version 2: 1DX1 included

Invoice To: FDG Mining Inc.
404 - 815 Hornby Street
Vancouver BC V6Z 2E6
Canada

CC:



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Project:

Topacio

Report Date:

May 19, 2010

Page:

2 of 2 Part 1

CERTIFICATE OF ANALYSIS

VAN10001624.2

Method	7TD																				
	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	Sr	Cd	Sb	Bi	Ca	P	Cr	Mg	Al	Na	
Analyte	%	%	%	%	gm/mt	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	
Unit																					
MDL	0.001	0.001	0.02	0.01	2	0.001	0.001	0.01	0.01	0.02	0.01	0.001	0.01	0.01	0.01	0.01	0.001	0.01	0.01	0.01	
T-7	Pan Con	0.001	0.016	<0.02	0.01	<2	0.008	0.010	0.27	10.36	0.03	<0.01	<0.001	<0.01	<0.01	0.19	0.03	0.064	0.72	7.74	0.04
	T-10	<0.001	0.007	<0.02	0.01	<2	0.004	0.003	0.07	9.56	<0.02	<0.01	<0.001	<0.01	<0.01	0.36	0.03	0.023	0.96	5.00	0.16



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Project: Topacio
Report Date: May 19, 2010

Page: 2 of 2 **Part** 2

CERTIFICATE OF ANALYSIS

VAN10001624.2

Method		7TD	7TD	7TD	1DX	1DX	1DX	1DX	1DX	1DX	1DX	1DX	1DX	1DX	1DX	1DX	1DX	1DX	1DX
Analyte		K	W	S	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd
Unit		%	%	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppb	ppm	ppm	ppm
MDL		0.01	0.01	0.05	0.1	0.1	0.1	1	0.1	0.1	0.1	1	0.01	0.5	0.1	0.5	0.1	1	0.1
T-7	Pan Con	1.67	<0.01	<0.05	2.3	137.6	4.1	92	<0.1	53.1	87.6	2611	8.64	211.7	0.4	1.5	0.5	17	<0.1
T-10	Pan Con	2.07	<0.01	<0.05	1.0	62.8	3.4	88	<0.1	34.6	24.1	660	7.95	60.4	0.4	11.4	0.4	14	<0.1



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Gibson BC V0N 1V1 Canada

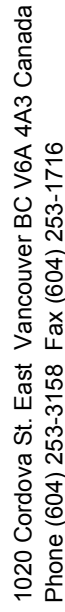
Project: Topacio
Report Date: May 19, 2010

Page: 2 of 2 **Part** 3

CERTIFICATE OF ANALYSIS

VAN10001624.2

Method Analyte Unit	1DX 1DX 1DX 1DX 1DX 1DX 1DX 1DX 1DX 1DX 1DX 1DX 1DX 1DX 1DX 1DX 1DX 1DX 1DX 1DX																		
	V	Ca	P	La	Cr	Mg	Ba	Ti	B	Al	Na	K	W	Hg	Sc	Tl	S	Ga	Se
ppm	2	0.01	0.001	1	1	0.01	1	0.001	20	0.01	0.001	0.01	0.1	0.01	0.1	0.1	0.05	1	0.5
MDL	309	0.14	0.027	6	133	0.51	168	0.075	<20	2.70	<0.001	0.07	<0.1	1.15	13.9	0.8	<0.05	9	0.7
Pan Con	435	0.26	0.028	4	93	0.74	86	0.185	<20	1.65	0.006	0.09	<0.1	0.55	9.3	0.5	<0.05	7	<0.5
T-7																			
T-10																			



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Phone (604) 253-3158 Fax (604) 253-1716

Client: **Dunn, David**
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Gibson BC V0N 1V

Project: Topacio
Report Date: May 19,

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Page: 1 of 1 Part 1

VAN10001624.2

Method	Analyte	Unit	7TD																				Na	%	7TD
			Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	Sr	Cd	Sb	Bi	Ca	P	Cr	Mg	Al				
MDL			0.001	0.001	0.02	0.01	2	0.001	0.001	0.01	0.01	0.02	0.01	0.001	0.01	0.01	0.01	0.01	0.001	0.01	0.01	0.01	0.01	0.01	0.01
Pulp Duplicates																									
T-7	Pan Con		0.001	0.016	<0.02	0.01	<2	0.008	0.010	0.27	10.36	0.03	<0.01	<0.001	<0.01	<0.01	0.19	0.03	0.064	0.72	7.74	0.04			
REP T-7	QC																								
T-10	Pan Con		<0.001	0.007	<0.02	0.01	<2	0.004	0.003	0.07	9.56	<0.02	<0.01	<0.001	<0.01	<0.01	0.36	0.03	0.023	0.96	5.00	0.16			
REP T-10	QC		<0.001	0.007	<0.02	0.01	<2	0.004	0.003	0.07	9.91	<0.02	<0.01	<0.001	<0.01	<0.01	0.36	0.03	0.025	0.99	5.10	0.16			
Reference Materials																									
STD DS7	Standard																								
STD OREAS131A	Standard		<0.001	0.032	1.73	2.91	31	0.002	0.002	0.17	5.86	<0.02	<0.01	0.008	<0.01	<0.01	5.38	0.06	0.002	3.14	4.66	0.15			
STD OREAS45PA	Standard																								
STD R4T	Standard		0.064	0.508	1.58	3.46	88	0.355	0.041	0.09	24.30	<0.02	0.02	0.019	0.01	<0.01	2.20	0.05	0.019	1.43	4.01	0.93			
STD R4T Expected			0.062	0.502	1.518	3.376	86	0.339	0.039	0.086	24.07	0.0087	0.0185	0.018	0.0138	0.0018	2.166	0.045	0.018	1.384	3.897	0.9			
STD OREAS131A Expected			0.001	0.0322	1.72	2.83	30.9	0.0027	0.0023	0.1722	5.8166	0.0082	0.0028	0.0081	0.0047	0.001	5.286	0.0536	0.0025	3.1182	4.6057	0.1501			
STD DS7 Expected																									
STD OREAS45PA Expected																									
BLK	Blank		<0.001	<0.001	<0.02	<0.01	<2	<0.001	<0.001	<0.01	<0.01	<0.02	<0.01	<0.001	<0.01	<0.01	<0.01	<0.01	<0.001	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01
BLK	Blank																								
Prep Wash																									
G1	Prep Blank		<0.001	<0.001	<0.02	<0.01	<2	<0.001	<0.001	0.07	2.42	<0.02	0.08	<0.001	<0.01	<0.01	2.47	0.09	0.002	0.64	7.74	2.74			



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Phone (604) 253-3158 Fax (604) 253-1716

Acme Analytical Laboratories (Vancouver) Ltd.

Client: **Dunn, David**
1154 Marine Drive
Gibson BC V0N 1V1 Canada

Project: Topacio

Report Date: May 19, 2010

www.acmelab.com

Page: 1 of 1 **Part** 2

QUALITY CONTROL REPORT

VAN10001624.2

Method Analyte Unit	7TD K %	7TD W %	7TD S %	1DX Mo ppm	1DX Cu ppm	1DX Pb ppm	1DX Zn ppm	1DX Ag ppm	1DX Ni ppm	1DX Co ppm	1DX Mn ppm	1DX Fe %	1DX As ppm	1DX U ppm	1DX Au ppb	1DX Th ppm	1DX Sr ppm	1DX Cd ppm	1DX Sb ppm	1DX Bi ppm
	MDL	0.01	0.01	0.05	0.1	0.1	1	0.1	0.1	0.1	1	0.01	0.5	0.1	0.5	0.1	1	0.1	0.1	0.1
Pulp Duplicates																				
T-7	Pan Con	1.67	<0.01	<0.05	2.3	137.6	4.1	92	<0.1	53.1	87.6	2611	8.64	211.7	0.4	1.5	0.5	17	<0.1	0.4
REP T-7	QC				2.6	146.4	4.2	88	<0.1	56.4	92.2	2684	8.83	216.3	0.4	80.2	0.4	18	<0.1	0.5
T-10	Pan Con	2.07	<0.01	<0.05	1.0	62.8	3.4	88	<0.1	34.6	24.1	660	7.95	60.4	0.4	11.4	0.4	14	<0.1	2.6
REP T-10	QC																			
Reference Materials																				
STD DS7	Standard				23.3	103.0	67.1	414	1.1	52.7	8.9	652	2.41	57.3	4.8	77.0	4.4	82	6.7	5.0
STD OREAS131A	Standard	3.41	<0.01	4.52																
STD OREAS45PA	Standard				0.9	602.1	18.6	129	0.4	295.6	105.7	1128	15.85	5.2	1.2	45.9	6.4	15	0.1	0.1
STD R4T	Standard	1.19	<0.01	11.89																
STD R4T Expected		1.153	0.00016	12.9903																
STD OREAS131A Expected		3.1584	0.0005	4.8																
STD DS7 Expected					20.5	109	70.6	411	0.9	56	9.7	627	2.39	48.2	4.9	70	4.4	69	6.4	4.6
STD OREAS45PA Expected					0.9	600	19	119	0.3	281	104	1130	16.559	4.2	1.2	43	6	14	0.09	0.13
BLK	Blank	<0.01	<0.01	<0.05																
BLK	Blank				<0.1	<0.1	<0.1	<1	<0.1	<0.1	<0.1	<1	<0.01	<0.5	<0.1	<0.5	<0.1	<1	<0.1	<0.1
Prep Wash																				
G1	Prep Blank	2.90	<0.01	<0.05	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.



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This report supersedes all previous preliminary and final reports with this file number dated prior to the date on this certificate. Signature indicates final approval; preliminary reports are unsigned and should be used for reference only.

Appendix E

Letter of Acceptance for FDG's Environmental Impact Study from the Consejo Regional Autonomo Atlantico Sur



CONSEJO REGIONAL AUTÓNOMO ATLÁNTICO SUR
Región Autónoma Atlántico Sur
Bluefields – Nicaragua



RESOLUCION DEL CONSEJO

514-29-10-2010

Reunidos los miembros del Consejo Regional Autónomo del Atlántico Sur, el Viernes 29 de Octubre del año 2010, en la Segunda Sesión de trabajo de la XI Legislatura llevada a cabo en la Sala de Sesiones del Consejo Regional Autónomo de la Región Autónoma del Atlántico Sur, emite la presente Resolución.

CONSIDERANDO I

Que los asuntos Regionales que le competen al Consejo Regional máxima instancia de Gobierno en la Región Autónoma de la RAAS, se resuelven a través de Resoluciones y Ordenanzas de Conformidad a la Constitución Política, Ley N° 28, el Decreto 3584 y demás Leyes de la República de Nicaragua.

CONSIDERANDO II

Que el Consejo Regional es garante de los Derechos de los Pueblos Indígenas y Comunidades Étnicas de la Costa Atlántica consignados en la Constitución Política de Nicaragua, la Ley 28 y su reglamento el Decreto AN 3584 basados en sus costumbres y tradiciones.

CONSIDERANDO III

Que el Capítulo II Arto. 8.- Incisos del 1 al 9 de la Ley 28 Denominado Estatuto de Autonomía de las regiones de la Costa Atlántica de Nicaragua determina las atribuciones generales que tienen los Consejos Regionales a través de sus órganos administrativos.

CONSIDERANDO IV

Que las exploraciones mineras en la Región Autónoma del Atlántico Sur se han estado llevando a cabo con la autorización del Consejo Regional Autónomo de la RAAS, con el fin de recabar las distintas informaciones necesarias para saber con que capacidad de producción en minería contamos en la RAAS.

CONSIDERANDO V

Que los proyectos de desarrollo Social son de interés de todos los habitantes de los Pueblos Indígenas y Comunidades Étnicas de la RAAS, y que para las ejecuciones de las mismas existen normas y procedimientos debidamente establecidas y de ineludibles cumplimiento.



CONSEJO REGIONAL AUTÓNOMO ATLÁNTICO SUR

Región Autónoma Atlántico Sur

Bluefields – Nicaragua



514-29-10-2010

CONSIDERANDO VI

Que fue presentado ante la Comisión permanente de Recursos Naturales y del Ambiente del CRAAS, la solicitud de Estudio de Impacto Ambiental del Proyecto **“EXPLORACION MINERA” A REALIZARSE EN EL DISTRITO MINERO EL TOPOCIO**, Municipio de Mulle de los Bueyes RAAS, presentado por la empresa minera **IMISA S.A.**

CONSIDERANDO VII

Que la Comisión permanente de Recursos Naturales y del Ambiente del CRAAS, presento ante el Pleno del Consejo Regional Autónomo de la RAAS, el Dictamen de mayoría a favor de la solicitud de Estudio de Impacto Ambiental del Proyecto **“EXPLORACION MINERA” A REALIZARSE EN EL DISTRITO MINERO EL TOPOCIO**, Municipio de Mulle de los Bueyes RAAS, presentado por la empresa minera **IMISA S.A.**

POR TANTO

En uso de las facultades que le Confiere la Constitución de la República de Nicaragua, la Ley No.28 denominado **ESTATUTO DE AUTONOMIA DE LAS DOS REGIONES DE LA COSTA ATLÁNTICA DE NICARAGUA**, el Decreto No. 3584 Reglamento a la Ley No.28, y el Reglamento Interno del Consejo Regional Autónomo del Atlántico Sur, Resuelve.

RESUELVE I

Se aprueba el Dictamen de Mayoría de la Comisión permanente de Recursos Naturales y del Ambiente del CRAAS, presentado ante el Pleno del Consejo Regional Autónomo de la RAAS, en el que por mayoría Dictaminaron a favor de la solicitud de Estudio de Impacto Ambiental del Proyecto **“EXPLORACION MINERA” A REALIZARSE EN EL DISTRITO MINERO EL TOPOCIO**, Municipio de Mulle de los Bueyes RAAS, que fue presentado por la empresa minera **IMISA S.A.**

RESUELVE II

se aprueba el permiso de Estudio de Impacto Ambiental del Proyecto **“EXPLORACION MINERA” A REALIZARSE EN EL DISTRITO MINERO EL TOPOCIO**, Municipio de Mulle de los Bueyes RAAS, que fue presentado por la empresa minera **IMISA S.A.** la que deberá cumplir con los procedimientos y las normas ~~condiciones~~ para las actividades mineras en el país. el no cumplimiento de las misma sera causa suficiente para la anulación de la presente aprobación que se le otorga.



CONSEJO REGIONAL AUTÓNOMO ATLÁNTICO SUR

Región Autónoma Atlántico Sur
Bluefields – Nicaragua



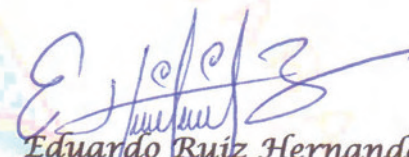
514-29-10-2010

La presente Resolución entra en vigencia a partir de la presente fecha, sin perjuicio de su posterior publicación en el diario oficial la Gaceta o cualquier medio de comunicación nacional o Regional, Ejecútese y Cúmplase.

Dado en la ciudad de Bluefields sede administrativa de la Región Autónoma del Atlántico sur, República de Nicaragua a los **VEINTE Y NUEVE DIAS** del mes de **OCTUBRE** del año dos mil diez.



Rev. Rayfield Hodgson Babb
Presidente
CRAAS



Eduardo Ruiz Hernandez
Secretario
CRAAS

Appendix F

Authors' Statements of Qualifications

Appendix F: Author's Statement of Qualifications

I, David St. Clair Dunn, Professional Geoscientist, with a business address of 1154 Marine Drive, Gibsons, B.C., Canada, certify that:

1. I am a graduate of the University of British Columbia, Vancouver, B.C. and hold a degree of Bachelor of Science in Geology.
2. I have practiced my profession as a prospector and geologist for 41 years.
3. I am registered as a Professional Geoscientist with the Association of Professional Engineers and Geoscientists of the Province of British Columbia (Reg. # 18,479). I am a Fellow of the Geological Association of Canada and of the Association of Applied Geochemists, a member of the Canadian Institute of Mining, Metallurgy and Petroleum, the Education Committee of the Association for Mineral Exploration B.C., the Society of Economic Geologists and the Mining Exploration Group. I am the qualified persons for the purposes of National Instrument 43-101 in reference to this report.
4. I visited the Topacio concession from the 13th to the 15th of April, 2010.
5. I co-authored this report with William Tanaka, P. Eng. I prepared the text of the report except for the section "Mineral Resources and Reserve Estimates." Mr. Tanaka estimated the resources on the property and wrote that section of the report.
6. I am not aware of any material fact or material change from the information in this report that would make the report misleading. As of the date of the certificate, to the best of the qualified person's knowledge, information and belief, the technical information that is required to be disclosed to make the technical report not misleading has been disclosed.
7. I consent to the use of this report for the purpose of a private or public financing.
8. I am independent of the issuer applying all tests set out in Section 1.4 of NI 43-101.
9. I have read NI 43-101 and have prepared this report to comply with the Instrument and Form 43-101F.

Signed:

(signed) "David St. Clair Dunn"

David St. Clair Dunn, P.Geo.
July 10, 2010

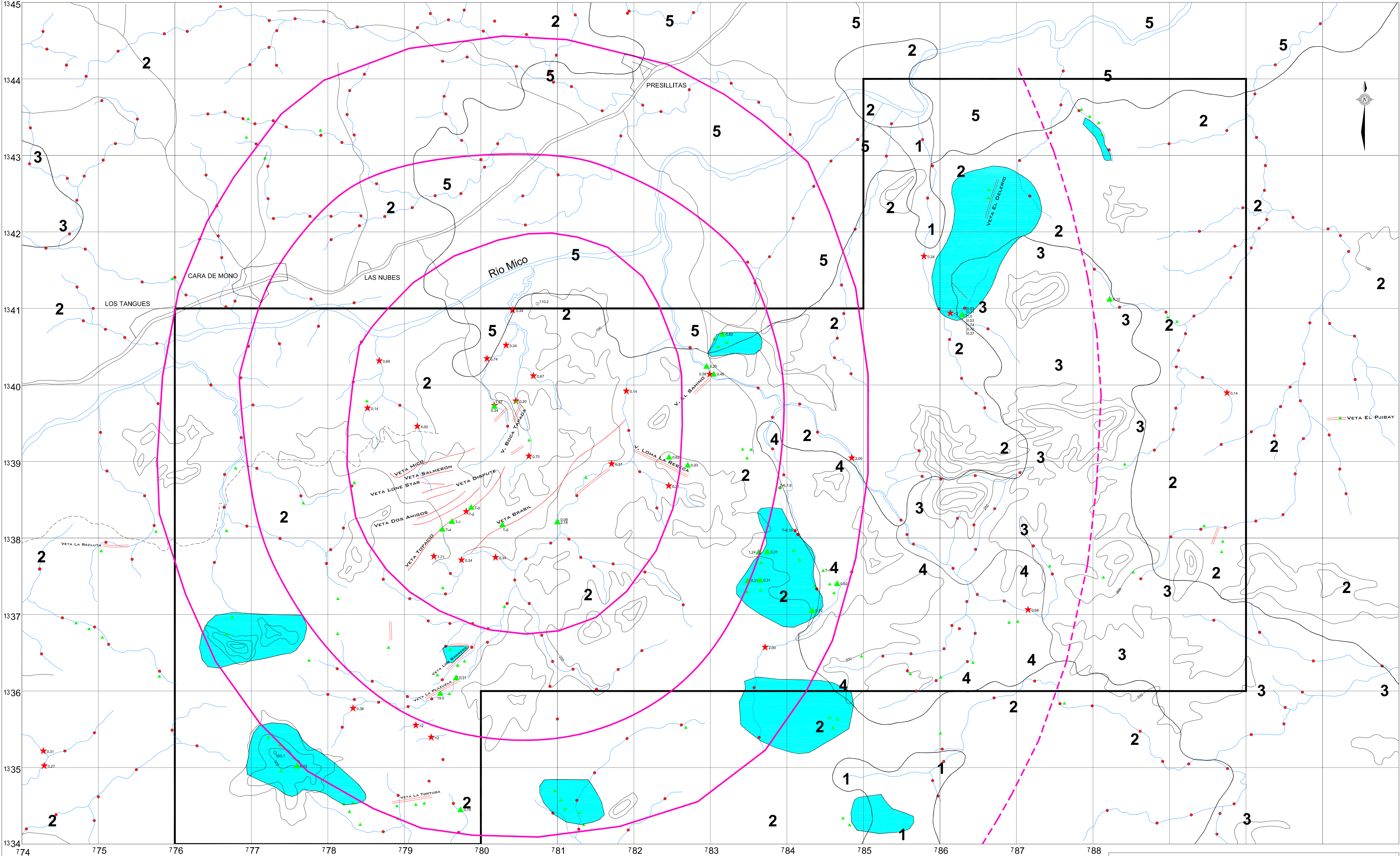
Appendix E: Author's Statement of Qualifications

I, William F. Tanaka, Independent Mineral Consultant, with a business address at 11675 W 35th Ave. Wheat Ridge Colorado, USA certify that:

1. I am a 1984 graduate of the Colorado School of Mines and hold a degree of Bachelor of Science Geological Engineering.
2. I have practiced my profession in the areas of resource estimation, mine design, mine planning and production scheduling continuously for over 25 years.
3. I am a member in good standing of the Australasian Institute of Mining and Metallurgy, MAusIMM #210122 and I am a qualified person for the purposes of National Instrument 43-101 in reference to this report.
4. I co-authored this report with David St. Clair Dunn, Professional Geoscientist with specific responsibility for the resource estimate as well as preparation of the the text describing the estimation process.
6. I am not aware of any material fact or material change from the information in this report that would make the report misleading. As of the date of the certificate, to the best of the qualified person's knowledge, information and belief, the technical information that is required to be disclosed to make the technical report not misleading has been disclosed.
7. I consent to the use of this report for the purpose of a private or public financing.
8. I am independent of the issuer applying all tests set out in Section 1.4 of NI 43-101.
9. I have read NI 43-101 and have prepared this report to comply with the Instrument and Form 43-101F.

Signed:

(signed) "William F. Tanaka"
William F. Tanaka
July 10, 2010



LEGEND

- Highway
- Road
- Proposed Road
- River
- Stream
- Topographic Contour

GEOLOGIC LEGEND

- Veins
- Silicification
- Caldera
- 5 Alluvium
- 4 Rhyolite
- 3 Dacite
- 2 Andesite basalts
- 1 Sediments

ROCK SAMPLING

- Rock Sample Site
- Anomalous Rock Sample with result in p.p.m. Au

STREAM SEDIMENT SAMPLING

- Stream Sediment Sample Site
- Anomalous Stream Sediment Sample with result in p.p.m. Au



FDG Mining Inc.

TOPACIO PROJECT
Compilation Map

Scale:	Datum:	BCGS:
as shown	Nad 27 Zone 10	920.007 008
Date:	Drafted By:	Map:
June 2010	IBEX	1