

Golden Reign Resources Ltd. (TSX-V: GRR) is a Vancouver based mineral exploration company.

The Company is focused on exploring and developing the San Albino-Murra Gold Project in Nicaragua.



San Albino-Murra Gold Project

The San Albino-Murra Gold Property, which is inclusive of the historical San Albino Mine, has an extensive history. The property, located in the northwestern part of Nicaragua, covers an area of 8,700 hectares and is held under a 25 year mining exploration and exploitation license expiring on February 3, 2027.

The San Albino-Murra Property is divided into two districts: San Albino to the south; and Murra to the north.



About Nicaragua:

- Democratic republic since 1996
- Largest country in Central America, bordered by Honduras to north and Costa Rica to south
- US-Central America Free Trade Agreement (CAFTA) in place since April 2006
- Population: 5.8 million
- Modern mining law
- Long history of gold production
- Skilled, available labour
- Under-explored, as compared to other Latin American countries (ie. Chile, Peru, Brazil)

San Albino District

This district hosts the San Albino Mine which operated only briefly during 1922 - 1923, recording an average daily production of **10 tons at 31 g/t gold**.

The mine was closed, not for the lack of resources, but as a result of deliberate caving through revolutionary acts. It was subsequently abandoned and all but forgotten until present day.

Trench sampling has identified two parallel mineralized structures along a 600 metre strike length above the San Albino Mine underground mine workings. High grade intercepts include:

- * 4 metres (2 metres true width) at 6.62 g/t Au in trench SACT024

- * 1 metre at 41.8 g/t Au in trench SACT027
- * 1.5 metres at 11.3 g/t Au in trench SACT031
- * 5 metres (2 metres true width) at 37.2 g/t Au from trench SATR062, including 1 metre (0.4 metres true width) at 158 g/t Au.

The structure's remains open along strike in both directions and will require further trenching to establish grade and continuity of the zone.

Located only 300 metres from the San Albino Mine, the Agujas de Arras ("Arras") prospect has a defined high-grade gold mineralized structure, some 230 metres long and open along strike in both directions, which returned excellent gold



300 level adit at San Albino Mine

intercepts, including 24 metres at 7.17 g/t Au. The highest grades, of up to 20 g/t Au over 3 metres, are encountered in the footwall and hanging wall in alteration zones adjacent to the main quartz veins.

Preliminary metallurgical testing of mineralized oxidized material collected from trenches and drills at Arras achieved 92-93% recovery using cyanide leach with carbon.

Potential Resource Estimate:

M. Montgomery, B.A.Sc., M. Aus IMM (2008) for Condor Resources plc	Cut-off Grade (g/t Au)	Tonnes	Grade (Au g/t)	Contained Ounces (Au)
Aguja de Arras	0.5 - 1.0	390,000 - 480,000	5.1 - 6.1	76,000- 78,000

Historical Non NI 43-101 Compliant Resource Estimate (Peale, 1948):

Mine	Tonnage	Width	Value	Ton Width	Ton \$
San Albino	80,486	8.5'	\$18.60	684,131	\$1,497,152
Aguja de Arras	1,981	4.0'	\$25.81	7,924	\$51,133
	82,467	8.4'	\$18.77	692,055	\$1,548,285

At the price of US\$35 per ounce of gold, grade was approximately 0.54 oz/ton or 18.4 g/t gold.



Old Mill Site at San Albino Mine

Murra District

The Murra District hosts numerous small showings of gold-mineralized quartz veins and pods, with geology comparable to the San Albino District.

The high gold mineralized structures have been intermittently explored since colonial time, *but never by modern methods.*

Old mines, many with blocked adits, and prospects with significant strike lengths - El Perico prospect at >600 metres, Santo Domingo prospect at >600 metres, Matasano prospect at >900 metres and open in both directions - are worthy of examination.



A Property Rife with History

America to a vein lying almost wholly at surface level either exposed to air or covered in loose soil and rock — was worked by the Spaniards as an open-pit mine in the early years of their occupation. Underground mining followed, but the accumulation of water prevented these early operators from attaining any depth and ultimately stopped work. From 1885 to 1920, four different operators controlled and worked the property producing an aggregate 32,000 tons at between US\$7.00 to 12.00 per ton with an estimated value of US\$332,000. With the price of gold at US\$20.67 per ounce this translates to roughly 16,062 ounces of gold.

Gold-quartz ore was first discovered at San Albino in 1790 by the Spaniards. A large area of “manto”— the name given in Central

Under the stewardship of Charles Butters, the San Albino mine recorded an average daily production of **10 tons at 31 g/t gold** during a brief interval before revolutionary activity halted mining. Charles Butters, a renowned metallurgist who pioneered the cyanide process for mineral separation and opened several gold mines worldwide, held the property from 1922 until 1927, when it was seized by Augusto Sandino, leader of the Nicaraguan revolution. Over the intervening 80+ years, the mine has never been reopened for production.

Butters, an American engineer, metallurgist and self-proclaimed capitalist on why he bought San Albino:

- * I sought locations where a small amount of capital would yield the largest return
- * Good values, plenty of ore
- * Timber, water power, cheap labor, good climate

In a summary report, Butters writes that he has developed — over a distance of 600 to 700 feet—only 1 of 12 known veins at San Albino.

In that same report, Butters reports that “...Aguja de Arras was the mine that originally made the district.” It was mined for high-grade ore running over 2 ounces.

Extracts from “Summary, Why I Bought San Albino” by Charles Butters. A copy of which was acquired from the archived files of Charles H. Janin held at the Huntington Library in San Marino, California.



Interesting Facts

⇒ An arrastra was used up to the 1920's to mill ore on the property. Two ancient ditches, still visible on the west bank of the El Jicaro River, are strong evidence that the Spaniards recovered gold from San Albino using animal power-driven arrastras in the 1700's. Developed in Spain in 1588, an arrastra is the earliest type of rock crushing machinery used to separate gold from quartz rock.



⇒ Augusto Sandino ran Butters off the property on July 1, 1927 and launched the Nicaraguan revolution from San Albino mine, utilizing dynamite and gold coins minted at the mine.

⇒ In 1934, Charles H. Janin optioned the property, reopened caved tunnels at the San Albino and verified the data and ore estimates of Charles Butters.

⇒ Thayer Lindsley, described as the greatest mine finder of all time, took a specific interest in the San Albino property, compiling a library of information which Golden Reign has just acquired. Lindsley was the founder of mining giants such as Falconbridge Ltd., Ventures Ltd. and Frobisher.

⇒ Charles Butters spent roughly US\$750,000 on developing the San Albino Mine in the 1920's and built a modern mill at site, which was burned down in the 1980's.

Corporate Information

Head Office:

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

Telephone: 604-685-4655
Toll-free: 1-888-685-4655
Fax: 604-685-4675
info@goldenreign.com
www.goldenreignresources.com

Symbol: GRR
Exchange: TSX Venture
Shares Outstanding: 26,939,716
Fully Diluted: 28,614,716

