

# Discover the Mining Opportunities Nicaragua



**Nicaragua**  
*Única... Original!*

Gobierno de Reconciliación  
y Unidad Nacional  
*El Pueblo, Presidente!*  
MINISTERIO DE ENERGÍA Y MINAS

**PRO**Nicaragua  
INVESTMENT PROMOTION AGENCY

 **CAMINIC**  
Camara Minera de Nicaragua



**HEMCO**  
minería | energía | forestal

 **B2GOLD**

 **CALIBRE**  
MINING CORPORATION



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Source: Investor Guideline, the Mining Sector.

**PRONicaragua** is the official investment promotion agency of Nicaragua, established in 2002. It is a non-profit, public-private institution whose mission is to generate sustainable economic growth and job creation in Nicaragua by attracting high-quality foreign direct investment.

Because of its public-private nature, the agency works hand in hand with government institutions, companies and industry associations, thus becoming an ideal facilitator to help attract and implement foreign investments.

The agency provides the following complimentary support services to qualified investors seeking investment opportunities in our country:

**Complete information** on business opportunities in Nicaragua and key business information.

**Customized site visits** with tailor-made information packages. We strive to provide the best service since our guests arrive in the airport.

**Facilitation services** including advisory and advocacy for foreign investors. We support companies throughout the entire investment process by providing referrals, government contacts and general start-up facilitation services.

**Assistance in finding** local companies for possible joint ventures and identifying suppliers and other forms of business alliances.

**Assistance with identifying** the ideal real estate option for your project and support with due diligence.

**Aftercare services** to identify and help resolve the main problems affecting established investors in order to improve the business climate.

**Contact us at [info@pronicaragua.org](mailto:info@pronicaragua.org)** or visit our website ([www.pronicaragua.org](http://www.pronicaragua.org)) to obtain information of how to invest in Nicaragua and arrange for a customized site visit.

Nicaragua, the largest country in Central America, is strategically located in the heart of the Americas, between Honduras and Costa Rica, to the west with the Pacific Ocean and to the east to the Caribbean.

Nicaragua enjoys abundant natural resources, high levels of personal security and a large, willing, and qualified labor pool of young people. All of these assets, added to the continued improvements to both infrastructure and the investment climate, have positioned Nicaragua as one of the most attractive countries in the region for foreign direct investment.



### NICARAGUA AT A GLANCE 2011

<b>Official Name</b>	Republic of Nicaragua
<b>Total Area</b>	Approx. 130,373 sq. kilometers
<b>Capital City</b>	Managua (1.4 million inhabitants)
<b>Languages</b>	Official: Spanish. English and Indigenous languages spoken on the Caribbean.
<b>Standard Time Zone</b>	UTC/GMT - 6 hours
<b>Temperature</b>	Between 68° F and 82° F. Rainy season (May-October). Dry Season (November-April).
<b>Currency</b>	Córdoba C\$
<b>Exchange Rate</b>	C\$23.55 (2012 average)
<b>GDP</b>	US\$6,859.4 million
<b>GDP per capita</b>	US\$1,165.3
<b>Real GDP Growth Rate</b>	4.7%
<b>Total Exports*</b>	US\$4,309.0 million (25.8 percent increase compared to 2010). Free Zone exports make up 47% of Nicaragua's overall exports.
<b>Gold</b>	
<b>Production:</b>	205,590 troy ounces
<b>Exports:</b>	US\$364 million (3rd largest export product)
<b>Foreign Direct Investment</b>	US\$986 million (94% increase compared to 2010)
<b>Population</b>	5.96 million
<b>Annual Population Growth</b>	1.3%
<b>Population Under 39</b>	77% of the population
<b>Labor Force</b>	3.1 million
<b>Literacy Rate</b>	97%

*Source: Central Bank of Nicaragua*

*\*Total Exports include: Merchandise, Free Zones and Services.*

*Note: All 2011 statistics unless otherwise noted.*

## THE MINING SECTOR



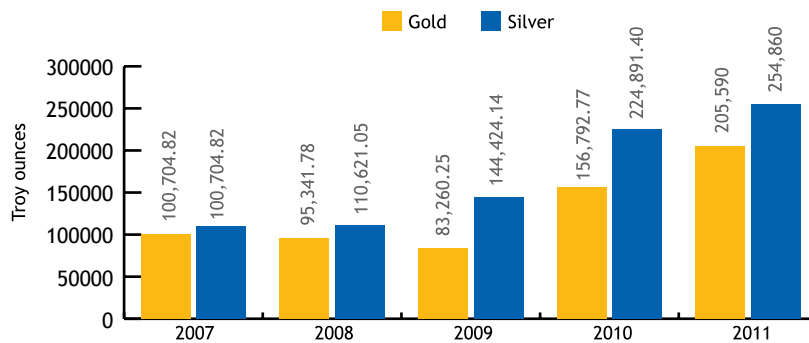
Nicaragua's mining tradition dates back to the nineteenth century and has since, become one of the country's most dynamic economic sectors. Gold has always been one of Nicaragua's top five export products. Since 2010 the mining sector has established itself as the third largest exporter, reaching US\$364 million.

Recognizing the mining sector's potential to boost the country's economic growth, the Government of Nicaragua, through the Ministry of Energy and Mines (MEM), has actively promoted investments by establishing a solid legal framework and facilitating the development of mining projects.

International companies such as B2Gold Corp., Calibre Mining Corp., Condor Resources PLC, HEMCO, Alder Resources Ltd, Corazon Gold Corp., Radius Gold Inc., Golden Reign Resources Ltd., Cassius Ventures, Ltd. among others are currently developing successful projects in Nicaragua. All of the companies are abiding by national legislation and implementing social responsibility practices with their employees, the communities where they are established, and the environment.

Less than 10% of the country is under exploration and all current mining operations take place in the three historical districts. The Golden Triangle (Bonanza, Siuna and Rosita), La Libertad / Santo Domingo, and El Limón / La India.

## GOLD AND SILVER PRODUCTION IN NICARAGUA 2007 - 2011



Source: General Direction of Mines, MEM.

Mining activity in Nicaragua takes place in two industrial sub-sectors: metallic and non-metallic

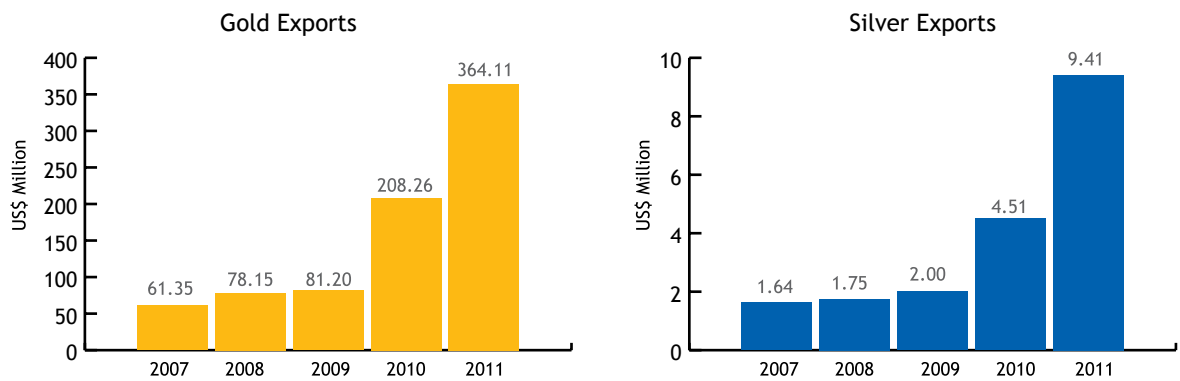
**1. Metallic sub-sector: Exploration and Exploitation**

- Encompasses production of gold and silver.
- Includes national small-scale miners who extract gold for local sale.
- Its largest companies are from Canada, The United Kingdom and Nicaragua.
- Main export markets are in the United States and Canada.

**2. Non-metallic sub-sector:**

- Dedicated to the extraction of sand, concrete, rock fill, limestone, lime, calcium carbonate, gypsum, and pumice.
- Its largest companies are from Nicaragua, Mexico and Switzerland, among others.
- Most production is sold to the local construction industry.

**GOLD AND SILVER EXPORTS**



Source: Central Bank of Nicaragua



Calibre Mining is focused on mineral exploration in Nicaragua because the country hosts multi-million-ounce gold deposits yet is relatively underexplored for both gold and copper. With its rich mining history and long tradition of investment in mining by Canadian companies, Nicaragua, in our view, is the best jurisdiction in Central America to explore for and develop natural resources.

*Douglas Forster*  
Executive Chairman  
Calibre Mining Corp.

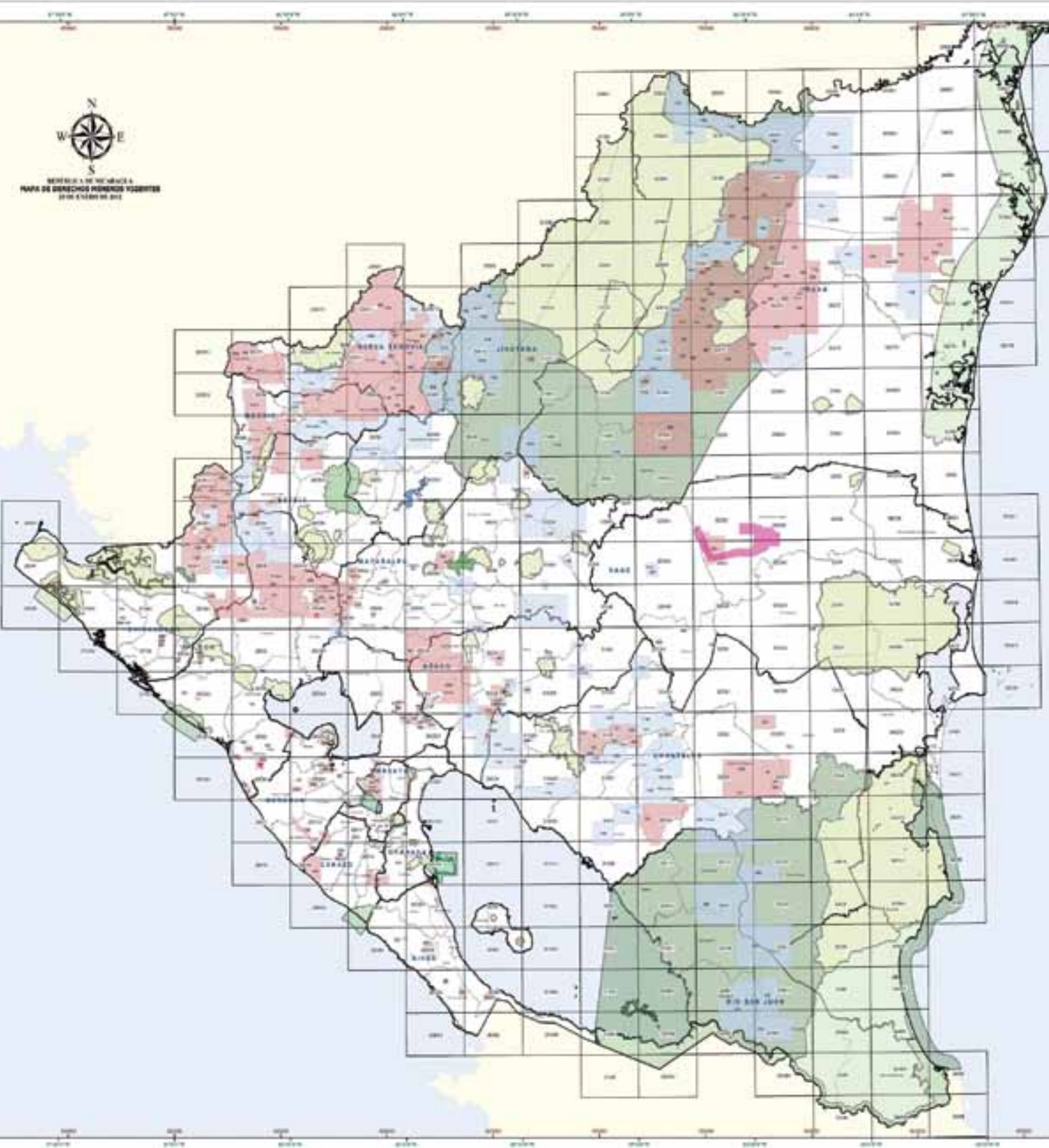
## AREAS WITH MINING CONCESSIONS IN NICARAGUA

Description	Km2*	% of the National Territory
Nicaragua's surface	130,373.47	100.00
Total surface of protected areas	40,087.47	30.75
Metallic surface under concession	12,333.80	9.46
Non metallic surface under concession	741.07	0.57
Surface requested for concession	13,090.77	10.04
Available surface	64,120.36	49.18

Source: General Direction of Mines - Ministry of Energy and Mines (MEM)  
 \*1 square kilometer is equivalent to 100 hectares.



CONCESSION MAP



### Foreign Investment Promotion Law 344

Nicaragua has made important progress in the improvement of its investment climate over the years in an effort to continue attracting high-quality direct foreign investment. The main legislation governing foreign investment in the country is Law 344 for the Promotion of Foreign Investment, which establishes a series of solid legal guarantees for foreign investors, such as:

- Full currency convertibility
- Freedom to expatriate all capital and profits, dividends or earnings generated in national territory
- No minimum or maximum amount established for investment
- Accelerated depreciation of capital assets
- Access to national loans through local banks, according to their terms and conditions for approval
- Property protection and safety. Nicaraguan law recognizes and guarantees the rights of national and foreign investors equally.

### Bilateral Agreements for the Promotion and Reciprocal Protection of Investments

Nicaragua has signed 25 Bilateral Agreements for the Promotion and Reciprocal Protection of Investments, as part of the country's investment promotion policy to ensure the establishment of foreign investment. Bilateral investment treaties set standards for the promotion and legal protection of foreign investments and investors, and all countries that have free trade agreements with Nicaragua also include bilateral treaties for the promotion and protection of investments.

Additionally, Nicaragua is a member of the International Center for Settlement of Investment Disputes (ICSID), the Multilateral Investment Guarantee Agency (MIGA), the Overseas Private Investment Corporation (OPIC), the Inter-American Convention of Commercial Arbitrage of Panama, as well as a signatory of the United Nations Commission on International Trade Law (UNCITRAL / New York Convention of 1958).

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**W**I have worked developing mining properties in Central and South America for nearly 20 years. Nicaragua is by far the best country I have worked in during all those years. In Nicaragua as an investor you have access to government decision makers, rules are clearly stated, there is a pro-mining attitude, the workforce is excellent and best of all there are numerous opportunities. As a private company this investment security has allowed us to expand into other areas of exceptional opportunities outside of mining including forestry, power generation and agriculture.

*Randy Martin*  
Founder  
Hemco

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**Special Law for the Exploration and Exploitation of Mines (Law 387) and its bylaws in Decree No.119-2001**

- A mining concession grants the holder, exclusive rights to:
  - Exploration and exploitation of mineral deposits present in the area (metallic and non-metallic).
  - Mineral processing plants.
- The area of the concession must be defined by a polygon with sides oriented in all directions (north, south, east and west) according to the Universal Transverse Mercator (UTM) system used in the topographic map, and coinciding with the grids of its coordinate system.
- The concession has a maximum area of 50,000 hectares and is granted for a period of 25 years, extendable for an additional 25 years.
- The initiation of mining activities must begin within four years the concession is granted.

**Payments to be made by mining concession holders:**

- Superficial rights.
- Extraction rights or royalty (3% of the value of extracted substances, a deductible income expense).
- Income tax (30%).

**Superficial rights (per hectare of concession):**

Year	Per hectare
1	\$ 0.25
2	\$ 0.75
3 and 4	\$ 1.50
5 and 6	\$ 3.00
7 and 8	\$ 4.00
9 and 10	\$ 8.00
11+	\$ 12.00



B2Gold has been successfully operating mines and conducting exploration in Nicaragua since 2009. Nicaragua has become known to us as a safe, welcoming country that is friendly to mine investment and interested in promoting stable legal and labour conditions that are essential for mine operations. B2Gold has experienced good access to government agencies who have worked with us to ensure that our investment is rewarding for us, the communities we work in, and Nicaragua.

*Clive Johnson*  
 President and CEO  
 B2Gold Corp.



Condor Resources is a UK listed gold exploration company. In our view Nicaragua remains substantially under-explored for precious and base metals due to its political history and instability for much of the last century. There has currently been stability for over 20 years. The Government has a solid and fair mining law. Concession areas are granted for 25 years, which provides certainty for large capital investments. The Department of Mines is accessible and actively encourages investment and expertise from overseas. This backdrop allows us to raise money from the London Stock Market to fund exploration in Nicaragua, where we have a 1.7m oz gold resource at 5.2g/t.

Mark Child  
CEO  
Condor Resources PLC

### Tax incentives

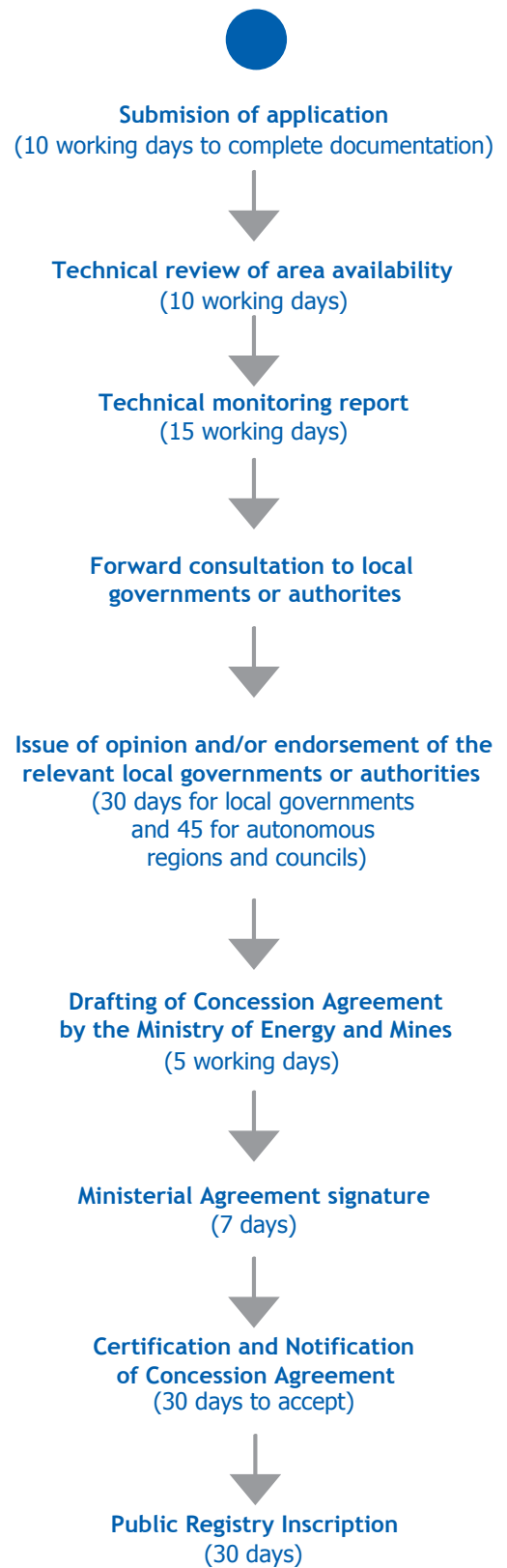
Tax exemption for inputs, machinery and other effects apply as long as they are directly related to the activities of the mining concession.

### Obligations of a mining concession holder:

- Concession title: Granted by the Ministry of Energy and Mines.
- Environmental permit: Must be issued by MARENA (Ministry of Environment and Natural Resources) before starting any exploration or exploitation activities.
- Authorization from the surface right (real-state) owner(s) where the specific mining activities will be developed.
- Superficial rights: The superficial rights tax is paid based on the number of hectares on the concession. It is a progressive tax over time (refer to chart on the page 9).
- Extraction payment or royalty: 3% of the value of extracted substances, a deductible income expense.
- Monthly production report: The Mines Department provides a format for this report.
- Annual report: The Mines Department provides a format for this report.
- Social Responsibility: The Mines Department promotes social investment in communities where projects are developed.



## STEPS TO OBTAIN A MINING CONCESSION



## NICARAGUAN CHAMBER OF MINES

The Nicaraguan Chamber of Mines (CAMINIC) was founded in 1995. Its mission is to serve as a point of contact and support for its members, authorities and private associations in order to strengthen and further develop Nicaragua's mining industry by fostering investments and compliance with national laws, bylaws and technical norms regulating the sector.

It is an important liaison among the government, private sector and mining companies.

CAMINIC's president is also vice-president of the Superior Council of Private Enterprise (COSEP) and a member of the following national commissions:

- Energy and Mines Commission
- National Commission on Minimum Wage
- National Labour Council
- National Health and Safety Board

For more information, visit:  
[www.caminic.org.ni](http://www.caminic.org.ni)



## OUR MEMBERS

Company name	Website
<b>Metallic Sector: Exploitation (Gold and Silver).</b>	
Desarrollo Minero de Nicaragua / B2Gold Corp.	<a href="http://www.b2gold.com">www.b2gold.com</a>
Hemco Nicaragua, S.A.	<a href="http://www.hemco.com.ni">www.hemco.com.ni</a>
Triton Minera, S.A./B2Gold Corp.	<a href="http://www.b2gold.com">www.b2gold.com</a>
<b>Metallic Sector: Exploration (Gold and Silver).</b>	
ALR Nicaragua S.A./Alder Resources Ltd.	<a href="http://www.alderresources.ca">www.alderresources.ca</a>
B2Gold Corp.	<a href="http://www.b2gold.com">www.b2gold.com</a>
Calibre Mining Corp.	<a href="http://www.calibremining.com">www.calibremining.com</a>
Condor S.A./Condor Resources PLC (UK).	<a href="http://www.condorresourcesplc.com">www.condorresourcesplc.com</a>
Corazon Exploraciones S.A./Corazon Gold Corp.	<a href="http://www.corazongold.com">www.corazongold.com</a>
Fortress de Nicaragua S.A./Cassius Ventures Ltd.	<a href="http://www.cassiusventures.com">www.cassiusventures.com</a>
Gold Belt S.A./Golden Reign Resources Ltd.	<a href="http://www.goldenreignresources.com">www.goldenreignresources.com</a>
Hemco Nicaragua, S.A.	<a href="http://www.hemco.com.ni">www.hemco.com.ni</a>
Minerales de Nicaragua S.A./Radius Gold Inc.	<a href="http://www.radiusgold.com">www.radiusgold.com</a>
Minerales Matuzalen S.A.	
Vesubio Mining S.A.	
<b>Non-Metallic Sector</b>	
Agrenic S.A.	<a href="http://www.agrenic.com">www.agrenic.com</a>
Arenas Nacionales S.A	<a href="http://www.grupoimisa.com">www.grupoimisa.com</a>
Calizas S.A.	<a href="http://www.grupoimisa.com">www.grupoimisa.com</a>
Canteras S.A.	<a href="http://www.grupoimisa.com">www.grupoimisa.com</a>
CEMEX Nicaragua S.A.	<a href="http://www.cemexnicaragua.com">www.cemexnicaragua.com</a>
Holcim (Nicaragua) S.A.	<a href="http://www.holcim.com.ni">www.holcim.com.ni</a>
Industrias Caleras del Sur S.A.	
Inversiones Mineras S.A.	<a href="http://www.grupoimisa.com">www.grupoimisa.com</a>
Pedreira San Sebastián S.A.	<a href="http://www.pedrerasansebastian.com">www.pedrerasansebastian.com</a>
Proinco S.A.	<a href="http://www.proinco.com.ni">www.proinco.com.ni</a>
<b>Cooperative members</b>	
Cooperativa de Pequeños Mineros. Copermin (Bonanza).	
Cooperativa de Pequeños Mineros. Minarbon (Bonanza).	
Canchi Perforaciones Nicaragua S. A.	<a href="http://www.canchi.biz">www.canchi.biz</a>

## SOME OF THE PROJECTS



### B2Gold Corp

B2Gold Corp. is a Vancouver-based gold producer with two mines in Nicaragua and a strong portfolio of development and exploration assets in Nicaragua, Colombia, Uruguay and Namibia. B2Gold was founded in 2007 by the former executive and management team of Bema Gold Corporation. Bema grew from a junior explorer to an international gold producer that was acquired by Kinross Gold Corporation through a Cdn\$3.5 billion transaction in February 2007.

In addition to its near term production growth profile, B2Gold's corporate objective is to build further shareholder value through the exploration and development of existing projects and additional accretive acquisitions, capitalizing on the extensive experience and relationships that management has developed over the past 25 years. B2Gold trades on the Toronto Stock Exchange under the symbol "BTO" and on the OTCXQ under the symbol "BGLPF".

At B2Gold, we continue to recognize that responsible environmental stewardship and social responsibility are integral components of business in today's world. We have recognized as corporate priorities, environmental management and the support of local communities, and we integrate environmental and social factors in the decision-making process for the Company and its subsidiaries. As we continue to develop and build on our existing exploration assets and pursue additional opportunities around the world, we will remain committed to maintaining the high standards of environmental stewardship and social responsibility that we have established.

[www.b2gold.com](http://www.b2gold.com)



### Calibre Mining Corp

Calibre Mining Corp (TSXV:CXB) is a Canadian exploration company focused on maximizing shareholder value by advancing gold, silver and copper exploration projects in Nicaragua. Calibre's road accessible Borosi mineral concessions are located 230 km northeast of Managua and cover 860 km<sup>2</sup> within the prolific "Mining Triangle" which has produced over 7.9 million ozs of gold.

Calibre has recently discovered porphyry-style gold and copper mineralization at the Primavera project in conjunction with B2Gold Corp. with initial diamond drilling intercepting 261.7m grading 0.78 g/t Au and 0.30% Cu within a newly outlined 800m by 300m gold/copper soil geochem anomaly. B2Gold is earning a 51% interest in 322 km<sup>2</sup> of the Borosi concessions including the Primavera project by spending \$8.0 million on exploration by June, 2014. Calibre is also completing a delineation drilling program at the company's 100% owned Riscos de Oro gold-silver project where drilling has intersected high grade, epithermal vein-style mineralization including 8.53m grading 4.23 g/t Au, 384.86 g/t Ag and 10.60m grading 7.69 g/t Au, 211.87 g/t Ag.

In addition, Calibre owns a 100% interest in a NI 43-101 compliant inferred resource totaling 835,450 ozs gold and 4,300,000 million ozs silver (8.6 Mt at 3.03 g/t Au and 15.53 g/t Ag at a 0.6 g/t AuEq cutoff) at the Cerro Aeropuerto and La Luna deposits. At the formerly producing Santa Rita open pit copper mine Alder Resources Ltd. is earning a 65% project interest from Calibre by spending \$4.0 million on exploration over 4 years with an 8,000 m diamond drill program and 5,000 m RC drill program currently underway.

[www.calibremining.com](http://www.calibremining.com)

## Condor Resources PLC

Condor Resources PLC is a UK based AIM listed exploration company focused on proving a large commercial reserve on its 100% owned La India Project in Nicaragua.

By December 30th, 2011, La India Project had a JORC Code Resource of 1,620,000 oz gold at 5.6g/t. La India Project hosts a historic mine that produced 575,000 oz gold prior to its closure in 1956, historic production was circa 40,000 oz p.a. La India Project has circa 34,000m drilling and 12,000m trenching completed to date.

The corporate objective in 2012 is to increase the resource to 2m oz gold and convert inferred resources to indicated and complete feasibility studies. Condor has a total resource of 1,707,000 oz gold in Nicaragua.

Condor has a JORC Code Resource of 1,004,000 oz gold equivalent in El Salvador, but unfortunately there is a moratorium on all mining in that country.

Condor's management team has extensive experience in gold exploration and extraction, project development and project financing, ensuring that the company has the best possible opportunity to achieve exploration success and take La India Project through to a bankable feasibility study.

[www.condorresourcesplc.com](http://www.condorresourcesplc.com)



## Hemco

With 45,000 ounces of gold produced in 2011, 57,000 ounces budgeted for 2012 and 70,000 ounces of gold forecasted for 2013, Hemco is the industry leader in the mining triangle district of Nicaragua. This prolific district has a historical production of approximately 7.9 million ounces of gold.

Hemco is a company dedicated to developing the natural resources of Nicaragua. Hemco has 282,412 hectares of mining concessions; two operating hydroelectric plants plus two additional hydroelectric projects licensed, as well as, 2,000 hectares of commercial tree plantations. This places Hemco as one of the largest companies in Nicaragua and one of the 10th largest exporters in the country.

Hemco is committed to the comprehensive and sustainable development of the communities where it has presence. Its contributions have a positive and sustainable impact on the quality of life for its workers, residents and their families. Its mining, energy and forestry projects have played a pivotal role in the developing of the Caribbean Coast, allowing the company to have a positive impact in the multiethnic communities that surround it and the country.

**Hemco's labor policy has created quality jobs with constant training for the more than 1,000 direct employees.** The health and safety of its workers is Hemco's highest priority. It provides and maintains a safe, healthy and positive working environment for its employees. Hemco strives to minimize its environmental footprint and safeguard the environment, now and for future generations of Nicaraguans. It seeks to continually improve its performance with a responsible environmental management.

[www.hemco.com.ni](http://www.hemco.com.ni)



# Nicaragua

Where the key pieces fit together!



- Strategic Location
  - Availability of Qualified Labor Force
  - Attractive Investment Incentives
  - Preferential Market Access
- Competitive Cost Structure
- Solid Legal Framework

[www.PRONicaragua.org](http://www.PRONicaragua.org)