

Cardero Resource Corporation

Summary Report
on the Incahuasi Gold Project

Located in Catamarca province of
Northwest Argentina
25°25'35''S, 67°11'05''W
(WGS 84, UTM Sec. 19 J 0682600E 71786400N)

Prepared for:
Cardero Resource Corporation
Suite 1900 – 1177 West Hastings Street
Vancouver, B.C., Canada
V6E 2K3

Prepared by:
Michael Henrichsen M.Sc., P.Geo.
Red Viking Consulting
R.R. #1 V67
Bowen Island, B.C., Canada
V0N 1G0

January 20, 2008

Summary Report on the Incahuasi Gold Project

Table of Contents

List of Tables	iii
List of Figures	iii
1.0 Summary	1
2.0 Introduction	4
2.1 Terms of Reference	4
3.0 Reliance on Other Experts	4
4.0 Property Description and Location	4
4.1 Area and Location	4
4.2 Claims and Agreements	4
4.3 Environmental Requirements	7
4.4 Permits	9
5.0 Accessibility, Climate, Local Resources Infrastructure and Physiography	9
5.1 Access	9
5.2 Physiography and Climate	9
5.3 Local Resources	10
5.4 Infrastructure	10
6.0 History	10
7.0 Geological Setting	11
7.1 Regional Geology	11
7.2 Property Geology	12
7.2.1 <i>Property Lithology</i>	12
7.2.2 <i>Hydrothermal Alteration</i>	16
7.2.3 <i>Structural Geology</i>	16
8.0 Deposit Types	17
9.0 Mineralization	20
9.1 Dead Man's Shear Zone	20
9.2 Western Shear Zone	23
9.3 Western Vein Group	25
10.0 Exploration	25
10.1 Reconnaissance sampling	25
10.2 Detailed 1:1000 Structural and Alteration Mapping	27
10.3 Underground Sampling Program	27
10.4 Trenching of the Dead Man's Shear Zone	28
10.5 Trenching of the Western Vein Group	32
10.6 Time Domain Induced Polarization Survey	36
11.0 Drilling	39
11.1 Historical Drilling	39
11.2 2007 Diamond Drill Program Results	39
11.3 Discussion and Interpretation of Drill Program Results	40
11.3.1 <i>DDH-07-IH-001</i>	40
11.3.2 <i>DDH-07-IH-002</i>	40
11.3.3 <i>DDH-07-IH-003</i>	40

11.3.4	DDH-07-IH-004	41
11.3.5	DDH-07-IH-005	41
12.0	Sampling Method and Approach	44
13.0	Sample Preparation, Analysis, and Security	44
14.0	Data Verification	45
15.0	Adjacent Properties	45
16.0	Tailings Sampling and Scoping Level Metallurgical Test Work	45
17.0	Mineral Resource and Mineral Reserve Estimates	48
18.0	Interpretation and Conclusions	48
19.0	Recommendations	49
19.1	Exploration Program	49
19.2	Budget	50
20.0	References	52
21.0	Certificate of Qualified Person	53

List of Tables

Table 1:	Claim Data	7
Table 2:	Reconnaissance Sampling Summary	25
Table 3:	Assay Results from Material Scattered Around Former Mill	26
Table 4:	Significant Results from Underground Sampling Program	27
Table 5:	DMSZ Trench Location Data	28
Table 6:	Significant Results form DMSZ Trenching Program	31
Table 7:	WVG Trench Location Data	34
Table 8:	Results from Continuous Chip Sampling of Trench INWVTR04	34
Table 9:	Calculated Mineralized Intervals from INWVTR04	35
Table 10:	IP Line Location Data	36
Table 11:	Location and Orientation of 2007 Diamond Drill Holes	39
Table 12:	Summary Results of 2007 Diamond Drill Program	39
Table 13:	Fine Tailings Trench Location Data	46
Table 14:	Waste Rock Pile Trench Location Data	46
Table 15:	Gold Recovery Test Results from Tailings Dump and Waste Rock Pile	47
Table 16:	Recommended Drill Program	46

List of Figures

Figure 1:	Location Map	5
Figure 2:	Claim Map	6
Figure 3:	Satellite image outlining ruins that form National Monument on the Incahuasi property	8
Figure 4:	Tectonic Setting Map	13
Figure 5A:	Simplified Property Geology Map highlighting property structure	12
Figure 5B	Simplified Property Map Highlighting Lithology and Quartz Veins	15

Figure 6:	Property Scale Structural Setting Map	18
Figure 7:	Schematic Cross Section depicting Structural Setting	19
Figure 8:	Primary Target Areas and Mineralized Zones	21
Figure 9:	Schematic Cross Section across the DMSZ and WVG	22
Figure 10:	Extent of Underground and Surficial Workings from the across the Incahuasi Property	24
Figure 11:	Extent of Underground Sampling Program Conducted on the Incahuasi Property	29
Figure 12:	DMSZ Trench Location Map	30
Figure 13:	Equal Area Stereonet Projection of fold quartz veins within the DMSZ.	33
Figure 14:	Time Domain IP Line Location Map	37
Figure 15:	An Example of Typical Results from Time Domain IP Program	38
Figure 16:	Schematic Cross Section Illustrating the Trace of DDH-07-IH-001	42
Figure 17:	Schematic Cross Section Illustrating the Traces of DDH-07-IH-003 – DDH-07-IH-005	43
Figure 18:	Map of Recommended Drill Program	51

1.0 Summary

The Incahuasi property is located in the Puna region of northwest Argentina at an altitude of 4100 meters. The property spans an historic underground gold mine that has undergone intermittent production from pre-Hispanic times. Major production occurred from 1936 -1954 where the Nueva Compania de Incahuasi reportedly averaged 14.21 g/t Au (Gonzales, 1999), with local bonaza grades of up to 300 g/t au. The property consists of five mine concessions ('minas') and four surrounding exploration licenses ('cateos') covering 2832 hectares. The cateos are held 100% by Cardero and the minas are held by a private individual with whom Cardero has a right to earn 100% interest subject to a 2% NSR.

The Incahuasi property is situated within the Ordovician Santa Victoria Group passive margin sequence that extends from northwest Argentina through Bolivia and Peru. This sequence of sedimentary rocks is well known in all three countries for hosting gold mineralization in quartz veins. The mineralization, alteration, and structural characteristics of the Incahuasi property are consistent with the SHV (Sedimentary Hosted Vein) deposit model as defined by Klipfel (2005).

Au mineralization on the Incahuasi property occurs over a 900 x 450 meter area. Detailed sampling and structural mapping have resulted in the identification of three main target areas: 1) the Dead Man's Shear Zone (DMSZ), 2) the Western Shear Zone (WSZ), and 3) the Western Vein Group (WVG). Structural controls on mineralization are deemed critical on the Incahuasi property and the following structural interpretation has been developed to design an effective exploration model.

The Santa Victoria Group sediments were subjected to fold and thrust deformation during the late Ordovician Oclayic orogeny (Bahlburg and Herve, 1997) that produced well developed west verging thrust related shear zones and folds that host Au mineralization on the property. These gold bearing structures have been offset (10's of meters) by Tertiary (?) aged west verging thrust faults.

The primary target area is the DMSZ. This structure has a recognized strike length of 900 meters and an average width of approximately 10 meters. It has been the focus of historical production on the property being mined on six levels to a depth of 130 meters. Mineralization along this shear zone is open at depth and to the north and south, and provides an attractive exploration target. The WSZ represents a secondary target on the property and is interpreted to be a minor splay off of the DMSZ. The structure has an exposed strike length of 340 meters and has been mined on three levels to a depth of 90 meters. The presence of the WSZ indicates the possibility that other similar blind structures may be present at depth. Finally the WVG provides a bulk tonnage style of target with Au bearing quartz veins occurring over a 200 x 90 meter area.

Exploration work carried out by Cardero during the 2006 and 2007 exploration programs include: a reconnaissance sampling program, detailed 1:1000 scale structural and alteration mapping, trenching programs across the DMSZ and WVG target areas, limited underground sampling, detailed sampling and scoping level metallurgical test work on