AMENDED AND RESTATED

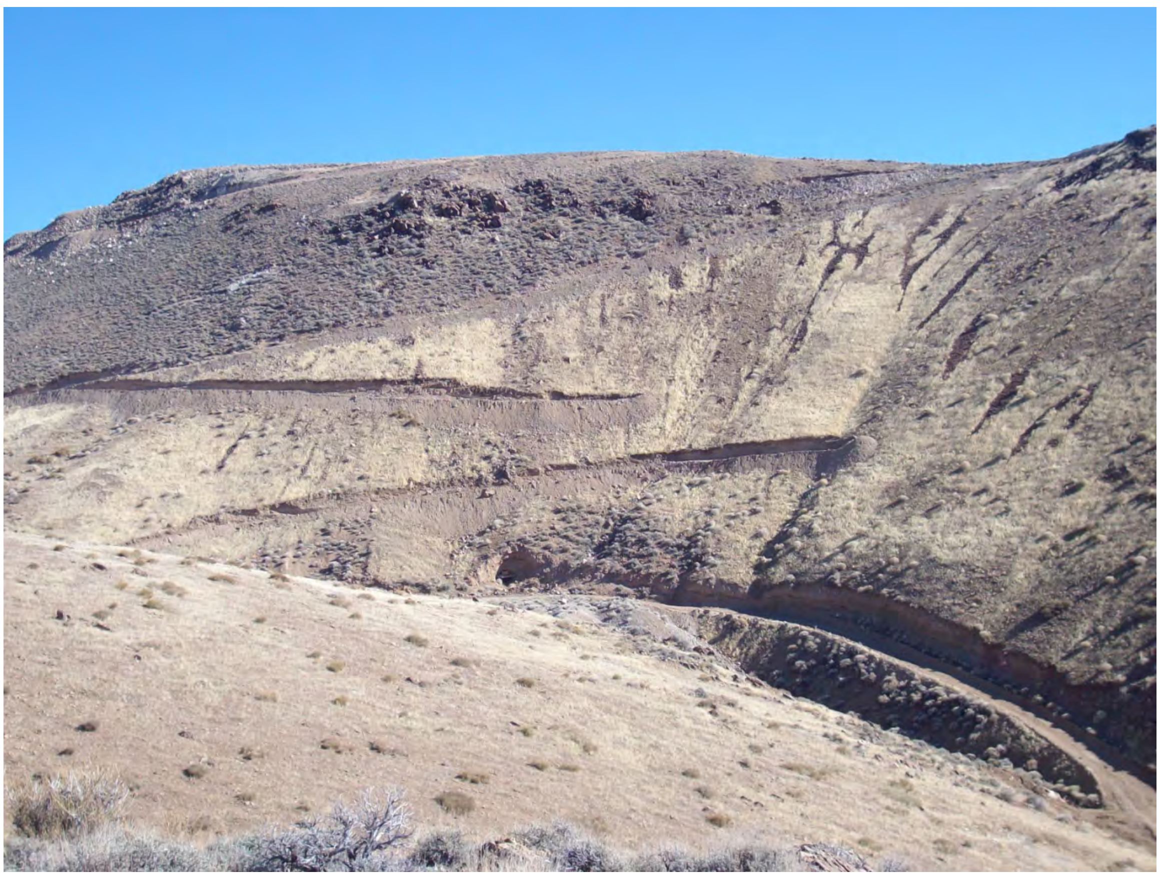
NI 43-101 TECHNICAL REPORT FOR THE BELL MOUNTAIN PROJECT, CHURCHILL COUNTY, NEVADA

Prepared for Lincoln Mining Corporation

&

Globex Mining Enterprises

In connection with a Binding Letter Agreement providing for the purchase by Lincoln Mining Corporation (or a subsidiary) of certain unpatented mining claims



Prepared by:
Douglas W. Willis, C.P.G.
Jonathan M. Brown, C.P.G

November 13, 2014

Effective Date: May 3, 2011

DATE AND SIGNATURES PAGE

This report entitled Amended and Restated NI 43-101 Technical Report for the Bell Mountain Project, Churchill County, Nevada, dated November 13, 2013, with an effective date of May 3, 2011, was prepared and signed by the following qualified persons:

Prepared by: **"Original document signed by Douglas W. Willis"**
Douglas W. Willis, CPG
Date: 11/13/2014

Prepared by: **"Original document signed by Jonathon M. Brown"**
Jonathon M. Brown, CPG
Date: 11/13/2014

Table of Contents

Figures

Tables

3.0 EXECUTIVE SUMMARY

Telesto Nevada, Inc. (Telesto) was originally retained by Laurion Mineral Exploration, Inc. (Laurion) and Globex Mining Enterprises (Globex) to prepare a NI 43-101 Technical Report for the Bell Mountain Project, located in Churchill County, Nevada. This Amended and Restated Technical Report was prepared for Lincoln Mining Corporation (Lincoln) and Globex in connection with a transaction involving a binding letter agreement between Lincoln and Laurion dated September 4, 2012 providing for the purchase by Lincoln (or a subsidiary) from Laurion of certain unpatented mining claims and the assignment and assumption of Laurion's option to earn a 100% interest in the Bell Mountain property. For the purposes of this Amended and Restated Technical Report, the drilling data, assay data, and resource estimate from the original Technical Report dated May 3, 2011 have not changed. The effective date of this Amended and Restated Technical Report is May 3, 2011.

On December 21, 2010, Laurion Mineral Exploration, Inc. (Laurion) engaged Telesto Nevada, Inc. (Telesto) to undertake the preparation of a Technical Report for gold and silver on their early stage exploration Bell Mountain Project (Project) in the Fairview Mining District, Churchill County, Nevada, USA. The Project consists of three separate exploration targets: the Spurr, the Varga and the Sphinx.

The work by Telesto consisted of updating and verifying an electronic database of drillhole data from logs, performing a statistical analysis on the drillhole data and creating a resource model. Telesto also offers their interpretations and conclusions in this report.

Mineralization at Bell Mountain is epithermal gold and silver which is hosted by calcite and quartz calcite-adularia veins and hydrothermal breccias associated with pervasive silicification. Veins and hydrothermal alteration are controlled by east-northeast trending near-vertical structures and west-northwest cross structures. The precious metal-bearing minerals are electrum, argentite/acanthite, and native silver (Durgin, 2010).

For the purpose of this report, Telesto updated and verified a drillhole databases which was provided by Laurion. The database consists of records for 227 drillholes consisting of 8,727 assays. The drillhole logs were generated by several companies which have controlled the property at various times in the past. Of the logs which were available, Telesto selected 10% for detailed inspection.

Approximately 51% of the assay lab certificates were compared to the assays in the database and were found to be accurately recorded 98% of the time. Telesto concluded that the database was sufficient to support a preliminary resource estimate for the property within the current Bell Mountain Project area land holdings controlled by Laurion.

3.1 Data Limitations

Some of the historical records for drilling, sampling, sample security, and assay procedures are not well documented. Nevertheless, the drillhole database was verified by Doug Willis a Telesto employee and Qualified Person for the purpose of Canadian NI 43-101. Mr. Willis reviewed 51% of the historical drillholes and copies of corresponding assay certificates and found them to be a sufficient representation for determining the accuracy of the database. Drillhole collar locations reported on original sheets were also compared to the database information and corrected where necessary. No downhole survey information was available from historical drillhole records.

3.2 Property Description

The Project, which encompasses approximately 2,900 acres (1,173 hectares) of mineral rights, is located in Churchill County, about 54 miles southeast of Fallon, Nevada (Durgin, 2010). The approximate center of the project area is latitude 39° 10' 55" N, longitude -118° 7' 37" W. The property encompasses portions of sections 1, 2, 3, 9, 10, 11, 12, 13, 14, 15, and 16, T15N, R34E, and parts of sections 35 and 36, T16N, R34E.

The Project is accessed via U.S. Highway 80 by traveling approximately 34 miles east from Reno. Exit Highway 80 at Exit 48 and turn southwest. Travel one mile until reaching the roundabout. Exit the roundabout onto U.S. Highway 50. Continue on Highway 50 to Fallon (67 miles). Forty-five miles past Fallon on Highway 50, a short distance past Drumm Summit, turn right at the sign which says, “Earthquake Faults”. Travel south on the gravel road for 8 miles to the Property. See Figure 3.1 for location.

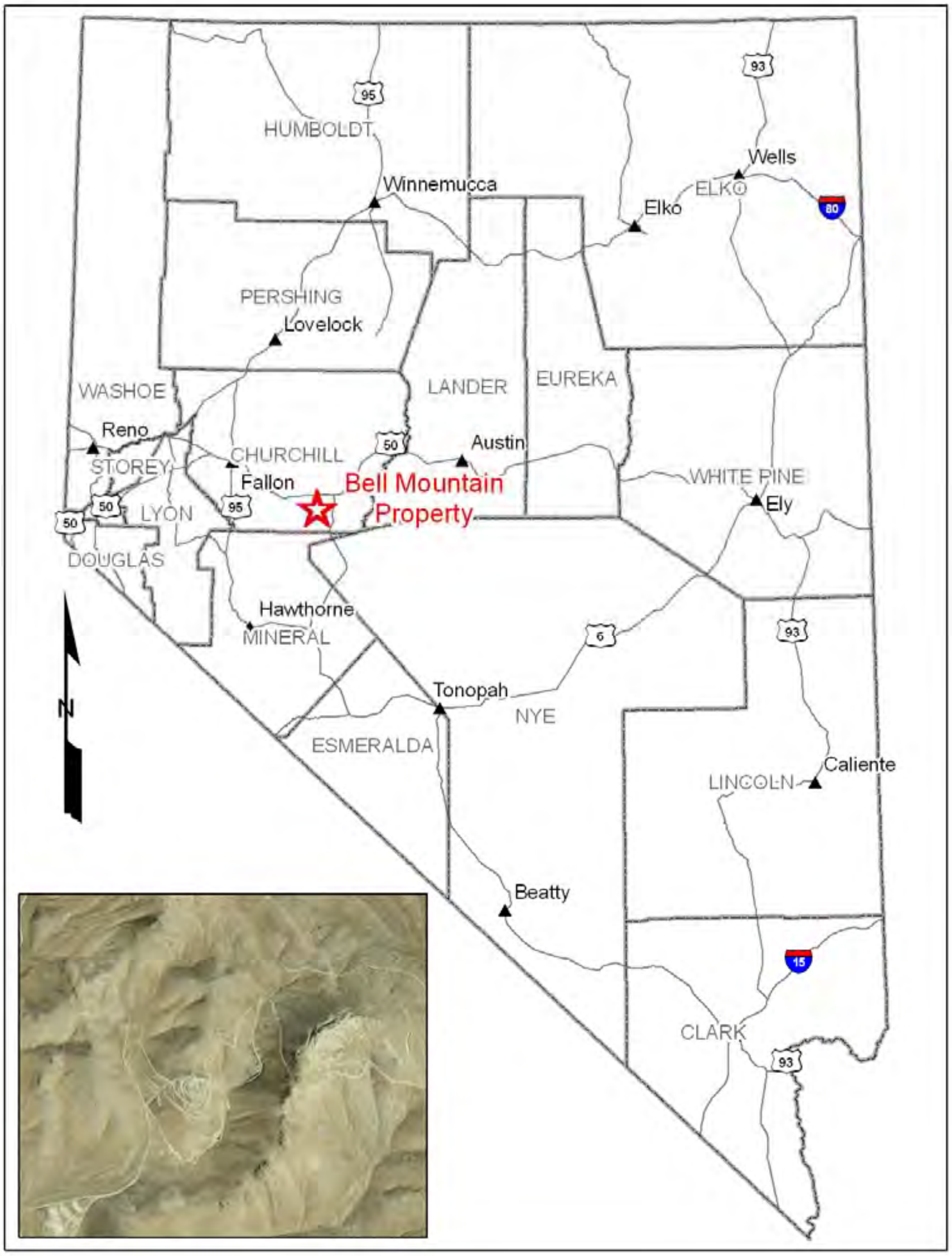


Figure 3.1: Location Map of the Bell Mountain Project

3.2.1 Climate and Physiography

The Bell Mountain Project lies in the Basin and Range province, a major physiographic region of the western United States. The region is typified by north-northeast trending mountain ranges separated by broad, flat, alluvium filled valleys. The Bell Mountain Project is located near Fairview Peak at the north edge of Bell Flat. Elevation of the project ranges from approximately 5,920 to 6,600 feet.

At Fallon, Nevada, the nearest town to the Project area, the average annual precipitation is 4.25 inches, the average maximum annual temperature is 68.8° F, and the average minimum annual temperature is 37.6° F (Western Regional Climate Center data).

3.2.2 Local Resources and Infrastructure

Fallon, Nevada, is approximately 54 miles (86 kilometers) northwest of the Project. The population of Fallon was 8,544 in July, 2009. Data for the 2010 Census is not yet available. The community of Fallon is equipped to provide housing, shopping and schools for mine personnel and their families. In addition, Reno, a city with a 200,000+ population, is 63 miles west of Fallon.

3.3 Ownership

Laurion entered into an option agreement with Globex Mining Enterprises and its U.S. subsidiary, Globex Nevada (Globex), in June 2010 to earn an undivided 100% interest in the Bell Mountain Project. The earn-in is based on annual work commitments, cash payments and by issuing shares to Globex. The current land position consists of 145 unpatented mining claims covering 2,900 acres (1,173 hectares). Summary lists of claims are shown in Tables 6.1 and 6.2.

A title opinion report by Nesbitt and Associates LLC dated April 20, 2010, verifies Laurion's control of 26 unpatented claims listed in this report as of that date. Telesto's preliminary review of claim ownership at Bell Mountain using BLM's LR-2000 online database system indicates that, as of the effective date of this report, all of the claims are valid and in good standing in regards to federal claim maintenance fee requirements.

3.4 Mineral Resources

The resulting mineral resources reported herein for Bell Mountain were classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") definitions. Mineral resources are reported as measured, indicated and inferred. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Gold and silver values were carried in parts per million (ppm) in the database. Grams per metric tonne (g/t) are equivalent to ppm, so the resource is reported in terms of g/t. The resource is also reported in terms of troy ounces per short ton (opt). Results of the modeling indicate the presence of an estimated measured and indicated mineral resource at Bell Mountain as shown in Table 3.1. Inferred resources are shown in Table 3.2.

Table 3.1 – All Gold, Silver and Gold-Equivalent Measured and Indicated Resources at Bell Mountain at 0.192 g/t AuEQ Cutoff, Effective Date May 3, 2011

	Tonnes (000s)	Tons (000s)	Gold				Silver				Total Ounces of Gold Equivalent (oz AuEQ)
			Gold Cutoff Grade (g/t)	Average Grade		Gold (oz)	Average Grade		Silver (oz)	Ounces of Silver as Gold Equivalent	
				Gold (opt)	Gold (g/t)		Silver (opt)	Silver (g/t)			
Measured	5,952	6,561	0.192	0.015	0.531	101,534	0.485	16.62	3,180,127	57,820	159,355
Indicated	3,810	4,199	0.192	0.015	0.518	63,484	0.561	19.22	2,353,780	42,796	106,280
Measured + Indicated	9,761	10,760	0.192	0.015	0.526	165,018	0.514	17.63	5,533,907	100,616	265,635

1. Rounding of tons as required by Form 43-101F1 reporting guidelines (Item 19) results in apparent differences between tons, grade and contained ounces in the mineral resource.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Table 3.2 – All Gold, Silver and Gold-Equivalent Inferred Resources at Bell Mountain at 0.192 g/t AuEQ Cutoff, Effective Date May 3, 2011

	Tonnes (000s)	Tons (000s)	Gold				Silver				Total Ounces of Gold Equivalent (oz AuEQ)
			Gold Cutoff Grade (g/t)	Average Grade		Gold (oz)	Average Grade		Silver (oz)	Ounces of Silver as Gold Equivalent	
				Gold (opt)	Gold (g/t)		Silver (opt)	Silver (g/t)			
Inferred	2,046	2,255	0.192	0.013	0.449	29,550	0.387	13.26	872,411	15,862	45,412

1. Rounding of tons as required by Form 43-101F1 reporting guidelines (Item 19) results in apparent differences between tons, grade and contained ounces in the mineral resource.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

3.5 Reasonable Prospect for Economic Extraction

Based on a cutoff grade that is comparable to other gold/silver deposits in other rural areas of Nevada, relatively shallow mineralization, relative closeness to a commercial power source and the state highway system, no obvious permitting concerns, and reasonable heap leach recovery rates, it is the opinion of the Qualified Person responsible for mineral resource estimation that the mineral resource estimate states resources that have reasonable prospects for economic extraction.

3.6 Metallurgy and Processing

Although much metallurgical work has been done by previous operators to estimate optimal recoveries, for purposes of this report we used the expected gold (80%) and silver (51%) recoveries reported by Durgin in his 2010 Technical Report. Although actual recoveries may vary upwards or downwards from these percentages, Telesto has reviewed the available information provided by Laurion and finds that Durgin's expected recoveries seem reasonable.

Laurion is currently undertaking additional metallurgical testing and the results are expected soon. Nevertheless, Telesto at this time sees no reason why gold and silver cannot be recovered from the ores at Bell Mountain in percent recovery ranges comparable to those by Durgin (2010).

3.7 Permitting

Laurion's current focus at the Bell Mountain property is on exploration and expansion of the existing resource. It has all the necessary permits for its current exploration activities. In the event that Notice level permits are no longer appropriate for an exploration/expansion drill program, Laurion will consider submitting an exploration Plan of Operation for future exploration activities and posting the appropriate reclamation bond.

3.8 Environmental

The project consists of unpatented mining claims located on United States Department of the Interior – Bureau of Land Management (BLM) land and therefore any proposed mining activities will be subject to Federal land use regulations as well as State of Nevada environmental regulations. Key environmental issues that will need to be addressed in future applications for operating permits include an evaluation of potential impacts on these key resources:

- Air
- Water
- Biological
  - Threatened and Endangered Species
- Impacts on conflicting land usage

Although no permits to operate a mine at the Project have been applied for, Telesto has no reason at this time to believe that these permits could not be obtained within a reasonable period of time.

3.9 Project Economics

Some general economic parameters were assumed for the Project for the purpose of determining a reasonable cutoff grade by which to report resources. The parameters were applied to the resource model based on reasonable current costs for open pit mining. Assumptions were made for items like strip ratio, mining costs, processing costs and recovery percentages based on Telesto's experience with similarly sized open pit mining operations in Nevada. Detailed project economics which are specific to Bell Mountain are beyond the scope of Telesto's mandate from Laurion at this stage of exploration.

4.0 INTRODUCTION

The Bell Mountain Project in Churchill County, Nevada consists of epithermal gold-silver mineralization which is hosted by calcite and quartz calcite-adularia veins and hydrothermal breccias associated with pervasive silicification.

Ongoing exploration at the site since the closure of the Bell Mountain Mine has shown that mineralization with open pit mineable potential may exist at the site. Several operators have engaged in post-mining exploration as shown in Table 4.1.

Table 4.1 – Summary of Historic Bell Mountain Exploration

Operator	Date
Nevada Bell Silver Mines	1965?
Standard Slag Company	1974
American Pyramid	1979-81
Santa Fe Mining Co.	1984
Alhambra Mining	1985
N.A. Degerstrom	1989-91
ECU	1996
Platte River Gold	2004
Laurion	2010-present

On December 21, 2010, Laurion engaged Telesto Nevada, Inc. (Telesto) to undertake the preparation of a NI 43-101 Technical Report on the Bell Mountain property in Nevada, USA. The work by Telesto consisted of reviewing historical reports prepared by earlier workers/companies on the project, preparing a resource model that includes all of Laurion's drilling results, and offering their interpretations and conclusions in this report. This report is intended to comply with the requirements of the Canadian Institute of Mining's National Instrument 43-101 ("NI 43-101"), including Form 43-101F1.

This report has been prepared using data obtained from field observations taken during a site visit, drillhole logs which were supplied by Laurion, and from data obtained from numerous prior reports, as detailed throughout this report.

The Qualified Persons Douglas Willis and Jonathon Brown visited the Bell Mountain Project area on January 28, 2011. The QP's were accompanied by Dana Durgin who represented Laurion.

Table 4.1 Qualified Persons Areas of Responsibility

QP Name	Company	Qualification	Area of Responsibility
Douglas W. Willis	Telesto	C.P.G.	Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 22 and 23
Jonathon M. Brown	Telesto	C.P.G.	Section 19

5.0 RELIANCE ON OTHER EXPERTS

The Bell Mountain Technical Report relies on reports and statements from legal and technical experts who are not Qualified Persons as defined by NI 43-101. The Qualified Persons responsible for preparation of this report have reviewed the information and conclusions provided and determined that they conform to industry standards, are professionally sound, and are acceptable for use in this report.

Telesto has not reviewed the ownership documents or title to the Bell Mountain Project. We have relied on the information contained in *Laurion Mineral Exploration Inc., Title Opinion, Status of Title to Unpatented Lode Mining Claims, Churchill County, State of Nevada, prepared by Nesbitt & Associates, LLC, dated April 21, 2010.* This information is referenced in Section 6 of the technical report.

5.1 Tenure/Ownership

This discussion of Laurion's property holdings at Bell Mountain refers to certain legal issues and proceedings. The authors are not qualified persons with respect to legal matters. Telesto believes that Laurion's property holdings are as stated herein, but this is not a legal opinion.

The project area at Bell Mountain which was reviewed by Telesto is comprised of a group of 145 unpatented federal mining claims controlled by Laurion. The claims consist of 2,900 acres (1,173 hectares) of land.

The owner of 26 of the unpatented claims at Bell Mountain is Globex, but Laurion has entered into a 100% earn-in agreement based on annual work commitments, cash payments and by issuing shares to Globex. A title opinion report by Nesbitt and Associates LLC dated April 20, 2010 verifies Laurion's control of the 26 unpatented claims listed in Table 6.1 as of that date. Telesto's preliminary review of current claim ownership at Bell Mountain using BLM's LR-2000 online database system indicates that, as of the effective date of this report, all of the claims listed herein are valid and in good standing in regards to federal claim maintenance fee requirements. A search of Churchill County, Nevada records was not performed. See Section 6.2 for a more detailed discussion of mineral rights and ownership.

6.0 PROPERTY DESCRIPTION AND LOCATION

6.1 Introduction

The Bell Mountain Project, which encompasses approximately 4.5 square miles (11.7 square kilometers) of mineral rights, is located in Churchill County, County, Nevada, about 95 miles southeast of Reno, Nevada. The approximate center of the project area is latitude 39° 10' 55" N, longitude -118° 7' 37" W. Elevation of the project ranges from approximately 5,920 to 6,600 feet. The location is depicted in Figure 3.1.

The Project area lies in Sections 1, 2, 3, 9, 10, 11, 12, 13, 14, 15 and 16, Township 15 North, Range 34 East, Mount Diablo Baseline and Meridian (MDB&M) (See Figure 6.1). Section 6.2 contains a detailed discussion of Globex/Laurion's mineral rights.

6.1.1 Permitting

Laurion's current focus at the Bell Mountain property is on exploration and expansion of the existing resource. It has all the necessary permits for its current exploration activities. In the event that Notice level permits are no longer appropriate for an exploration/expansion drill program, Laurion will consider submitting an exploration Plan of Operation for future exploration activities and posting the appropriate reclamation bond.

An approved Plan of Operations for mining with an appropriate NEPA review will be required from the Bureau of Land Management. At this time Telesto sees no reason why these approvals cannot be obtained.

6.1.2 Environmental Issues

The project consists of unpatented mining claims located on BLM land and therefore any proposed mining activities will be subject to Federal land use regulations as well as State of Nevada environmental regulations. Although the Bell Mountain property is located in a very dry area of Nevada with limited vegetation, key environmental issues that will need to be addressed in future applications for operating permits include an evaluation of potential impacts on these key resources:

- Air
- Water
- Biological
    - Threatened and Endangered Species
- Impacts on conflicting land usage
- Cultural resources

Other evaluation needed will include potential impacts on: wild horses, existing grazing allotments, water rights, Native Americans, and wilderness areas (if present).

6.2 Ownership

This discussion of Laurion's property holdings at Bell Mountain refers to certain legal issues and proceedings. The authors are not qualified persons with respect to legal matters. Telesto believes that Laurion's property holdings are as stated herein, but this is not a legal opinion.

6.2.1 Mineral Rights

Land Position

The U.S. Bureau of Land Management (BLM) controls all of the land in and around the Bell Mountain Project. There is no private land in the area. Laurion optioned 26 unpatented mining claims in the core of the Bell Mountain Project from Globex in June, 2010. The 26 core claims cover 520 acres (210 hectares; Durgin, 2010) and are shown on Figure 6.1.

A title opinion of the mining claims at Bell Mountain which was completed on April 20, 2010 by the law firm of Nesbitt and Associates LLC of Denver, Colorado only covers those 26 core claims. A list of the core Globex/Laurion claims is shown in Table 6.1.

Table 6.1 – Summary List of Globex' Unpatented Mining Claims (Under Agreement with Laurion)

Name of Claim	County Reception No.	Township	Range	Section No.	BLM Serial No.
Bell No. 1	160556	T15N	R34E	10	NMC44931
Bell No. 2	160557	T15N	R34E	3, 10	NMC44932
Bell No. 3	160558	T15N	R34E	2, 3, 10, 11	NMC44933
Bell No. 5	160560	T15N	R34E	10	NMC44935
Bell No. 6	160561	T15N	R34E	10, 11	NMC44936
Bell No. 7	160562	T15N	R34E	11	NMC44937
Bell No. 8	160563	T15N	R34E	2, 11	NMC44938
Bell No. 9	160564	T15N	R34E	11	NMC44939
Bell No. 10	160565	T15N	R34E	2, 3	NMC44940
Bell No. 11	170632	T15N	R34E	2, 11	NMC139460
Bell No. 13	170634	T15N	R34E	10,11	NMC139462
Bell No. 14	170635	T15N	R34E	11	NMC139463
Bell No. 15	170636	T15N	R34E	11	NMC139464
Bell No. 16	171482	T15N	R34E	11	NMC144261
Bell No. 17	171483	T15N	R34E	2	NMC144262
Bell No. 20	179440	T15N	R34E	11	NMC186865
Bell No. 21	179441	T15N	R34E	11	NMC186866
Bell No. 179	206665	T15N	R34E	3, 10	NMC310915
Bell No. 182	206668	T15N	R34E	10	NMC310918
Edith	170659	T15N	R34E	10	NMC139486
Homestake #1	170660	T15N	R34E	2, 11	NMC139487
Homestake #2	170661	T15N	R34E	2	NMC139488
Homestake #6	170662	T15N	R34E	10, 11	NMC139489
Homestake #7	170663	T15N	R34E	2, 11	NMC139490
Homestake #8	170664	T15N	R34E	2, 11	NMC139491
JS#4	321843	T15N	R34E	11	NMC804403

Note: Table 6.5 is adapted from Table 4.2a in Durgin, 2010 and Exhibit A in Nesbitt, 2010.

Laurion staked an additional 119 unpatented mining claims in June, 2010. The new BMG claims encompass 2,380 acres (963 hectares), for a project total of 2,900 acres (1,173 hectares). The new Laurion claims are shown on Figure 6.1. In the same figure, the groups of "other claims" are owned by Elliot Crist and Renegade Exploration of Reno.

Table 6.2 – Summary List of Laurion's Unpatented Mining Claims

Name of Claim	County No.	Township	Range	Section (s)	BLM Serial No.
BMG - 1	415065	T15N	R34E	S10	NMC 1025588
BMG - 2	415066	T15N	R34E	S3, 10	NMC 1025589
BMG - 3	415067	T15N	R34E	S10	NMC 1025590
BMG - 4	415068	T15N	R34E	S3, 10	NMC 1025591
BMG - 5	415069	T15N	R34E	S10	NMC 1025592
BMG - 6	415070	T15N	R34E	S10	NMC 1025593
BMG - 7	415071	T15N	R34E	S2, 3, 10	NMC 1025594
BMG - 8	415072	T15N	R34E	S2	NMC 1025595
BMG - 9	415073	T15N	R34E	S2, 3, 10, 11	NMC 1025596
BMG - 10	415074	T15N	R34E	S2	NMC 1025597
BMG - 11	415075	T15N	R34E	S2, 10, 11	NMC 1025598
BMG - 12	415076	T15N	R34E	S2, 11	NMC 1025599
BMG - 13	415077	T15N	R34E	S10, 11	NMC 1025600
BMG - 14	415078	T15N	R34E	S2, 11	NMC 1025601
BMG - 15	415079	T15N	R34E	S2, 11	NMC 1025602
BMG - 16	415080	T15N	R34E	S11	NMC 1025603
BMG - 17	415081	T15N	R34E	S11	NMC 1025604
BMG - 18	415082	T15N	R34E	S11	NMC 1025605
BMG - 19	415083	T15N	R34E	S11	NMC 1025606
BMG - 20	415084	T15N	R34E	S11, 12	NMC 1025607
BMG - 21	415085	T15N	R34E	S11, 12	NMC 1025608
BMG - 22	415086	T15N	R34E	S12	NMC 1025609
BMG - 23	415087	T15N	R34E	S11, 12, 13, 14	NMC 1025610
BMG - 24	415088	T15N	R34E	S12	NMC 1025611
BMG - 25	415089	T15N	R34E	S12, 13, 14	NMC 1025612
BMG - 26	415090	T15N	R34E	S12	NMC 1025613
BMG - 27	415091	T15N	R34E	S12, 13	NMC 1025614
BMG - 28	415092	T15N	R34E	S12, 13	NMC 1025615
BMG - 29	415093	T15N	R34E	S13	NMC 1025616
BMG - 30	415094	T15N	R34E	S12, 13	NMC 1025617
BMG - 31	415095	T15N	R34E	S13	NMC 1025618
BMG - 32	415096	T15N	R34E	S12, 13	NMC 1025619
BMG - 33	415097	T15N	R34E	S13	NMC 1025620
BMG - 34	415098	T15N	R34E	S12	NMC 1025621
BMG - 35	415099	T15N	R34E	S14	NMC 1025622
BMG - 36	415100	T15N	R34E	S11, 14	NMC 1025623
BMG - 37	415101	T15N	R34E	S14	NMC 1025624
BMG - 38	415102	T15N	R34E	S13, 14	NMC 1025625
BMG - 39	415103	T15N	R34E	S14	NMC 1025626
BMG - 40	415104	T15N	R34E	S13, 14	NMC 1025627
BMG - 41	415105	T15N	R34E	S14	NMC 1025628

Name of Claim	County No.	Township	Range	Section (s)	BLM Serial No.
BMG - 42	415106	T15N	R34E	S13, 14	NMC 1025629
BMG - 43	415107	T15N	R34E	S13, 14	NMC 1025630
BMG - 44	415108	T15N	R34E	S13, 14	NMC 1025631
BMG - 45	415109	T15N	R34E	S13, 14	NMC 1025632
BMG - 46	415110	T15N	R34E	S13	NMC 1025633
BMG - 47	415111	T15N	R34E	S2	NMC 1025634
BMG - 48	415112	T15N T16N	R34E R34E	S12, 13 S35	NMC 1025635
BMG - 49	415113	T15N	R34E	S2	NMC 1025636
BMG - 50	415114	T15N T16N	R34E R34E	S2 S35	NMC 1025637
BMG - 51	415115	T15N	R34E	S2	NMC 1025638
BMG - 52	415116	T15N	R34E	S2	NMC 1025639
BMG - 53	415117	T15N	R34E	S2	NMC 1025640
BMG - 54	415118	T15N	R34E	S12	NMC 1025641
BMG - 55	415119	T15N	R34E	S2, 11	NMC 1025642
BMG - 56	415120	T15N	R34E	S1, 2	NMC 1025643
BMG - 57	415121	T15N	R34E	S2, 11	NMC 1025644
BMG - 58	415122	T15N	R34E	S1, 2	NMC 1025645
BMG - 59	415123	T15N	R34E	S2, 11	NMC 1025646
BMG - 60	415124	T15N	R34E	S1, 2, 11, 12	NMC 1025647
BMG - 61	415125	T15N	R34E	S11	NMC 1025648
BMG - 62	415126	T15N	R34E	S1, 11, 12	NMC 1025649
BMG - 63	415127	T15N	R34E	S11, 12	NMC 1025650
BMG - 64	415128	T15N	R34E	S1, 12	NMC 1025651
BMG - 65	415129	T15N	R34E	S11, 12	NMC 1025652
BMG - 66	415130	T15N	R34E	S12	NMC 1025653
BMG - 67	415131	T15N	R34E	S11, 12	NMC 1025654
BMG - 68	415132	T15N	R34E	S12	NMC 1025655
BMG - 69	415133	T15N	R34E	S11, 12	NMC 1025656
BMG - 70	415134	T15N	R34E	S12	NMC 1025657
BMG - 71	415135	T15N T16N	R34E R34E	S2 S35, 36	NMC 1025658
BMG - 72	415136	T16N	R34E	S36	NMC 1025659
BMG - 73	415137	T15N T16N	R34E R34E	S1, 2 S36	NMC 1025660
BMG - 74	415138	T16N	R34E	T16N/R34E/S36	NMC 1025661
BMG - 75	415139	T15N T16N	R34E R34E	T15N/R34E/S1, 2 T16N/R34E/S36	NMC 1025662
BMG - 76	415140	T15N T16N	R34E R34E	T15N/R34E/S1, 2 T16N/R34E/S36	NMC 1025663
BMG - 77	415141	T15N	R34E	T15N/R34E/S1, 2	NMC 1025664
BMG - 78	415142	T15N T16N	R34E R34E	T15N/R34E/S1 T16N/R34E/S36	NMC 1025665

Name of Claim	County No.	Township	Range	Section (s)	BLM Serial No.
BMG - 79	415143	T15N	R34E	T15N/R34E/S1	NMC 1025666
BMG - 80	415144	T15N	R34E	T15N/R34E/S1, 2	NMC 1025667
BMG - 81	415145	T15N	R34E	T15N/R34E/S1	NMC 1025668
BMG - 82	415146	T15N	R34E	T15N/R34E/S1	NMC 1025669
BMG - 83	415147	T15N	R34E	T15N/R34E/S1	NMC 1025670
BMG - 84	415148	T15N	R34E	T15N/R34E/S1	NMC 1025671
BMG - 85	415149	T15N	R34E	T15N/R34E/S1, 12	NMC 1025672
BMG - 86	415150	T15N	R34E	T15N/R34E/S1	NMC 1025673
BMG - 87	415151	T15N	R34E	T15N/R34E/S1, 12	NMC 1025674
BMG - 88	415152	T15N	R34E	T15N/R34E/S1	NMC 1025675
BMG - 89	415153	T15N	R34E	T15N/R34E/S1, 12	NMC 1025676
BMG - 90	415154	T15N	R34E	T15N/R34E/S1, 12	NMC 1025677
BMG - 91	415155	T15N	R34E	T15N/R34E/S12	NMC 1025678
BMG - 92	415156	T15N	R34E	T15N/R34E/S1, 12	NMC 1025679
BMG - 93	415157	T15N	R34E	T15N/R34E/S15, 16	NMC 1025680
BMG - 94	415158	T15N	R34E	T15N/R34E/S10, 15	NMC 1025681
BMG - 95	415159	T15N	R34E	T15N/R34E/S15	NMC 1025682
BMG - 96	415160	T15N	R34E	T15N/R34E/S10, 15	NMC 1025683
BMG - 97	415161	T15N	R34E	T15N/R34E/S15	NMC 1025684
BMG - 98	415162	T15N	R34E	T15N/R34E/S15	NMC 1025685
BMG - 99	415163	T15N	R34E	T15N/R34E/S15	NMC 1025686
BMG - 100	415164	T15N	R34E	T15N/R34E/S15	NMC 1025687
BMG - 101	415165	T15N	R34E	T15N/R34E/S15	NMC 1025688
BMG - 102	415166	T15N	R34E	T15N/R34E/S15	NMC 1025689
BMG - 103	415167	T15N	R34E	T15N/R34E/S15	NMC 1025690
BMG - 104	415168	T15N	R34E	T15N/R34E/S15	NMC 1025691
BMG - 105	415169	T15N	R34E	T15N/R34E/S15	NMC 1025692
BMG - 106	415170	T15N	R34E	T15N/R34E/S15	NMC 1025693
BMG - 107	415171	T15N	R34E	T15N/R34E/S15	NMC 1025694
BMG - 108	415172	T15N	R34E	T15N/R34E/S15	NMC 1025695
BMG - 109	415173	T15N	R34E	T15N/R34E/S15	NMC 1025696
BMG - 110	415174	T15N	R34E	T15N/R34E/S1, 11, 14, 15	NMC 1025697
BMG - 111	415175	T15N	R34E	T15N/R34E/S15	NMC 1025698
BMG - 112	415176	T15N	R34E	T15N/R34E/S14, 15	NMC 1025699
BMG - 113	415177	T15N	R34E	T15N/R34E/S15	NMC 1025700
BMG - 114	415178	T15N	R34E	T15N/R34E/S14, 15	NMC 1025701
BMG - 115	415179	T15N	R34E	T15N/R34E/S14. 15	NMC 1025702
BMG - 116	415180	T15N	R34E	T15N/R34E/S14, 15	NMC 1025703
BMG - 117	415181	T15N	R34E	T15N/R34E/S14, 15	NMC 1025704
BMG - 118	415182	T15N	R34E	T15N/R34E/S14	NMC 1025705
BMG - 119	415183	T15N	R34E	T15N/R34E/S10, 15	NMC 1025706

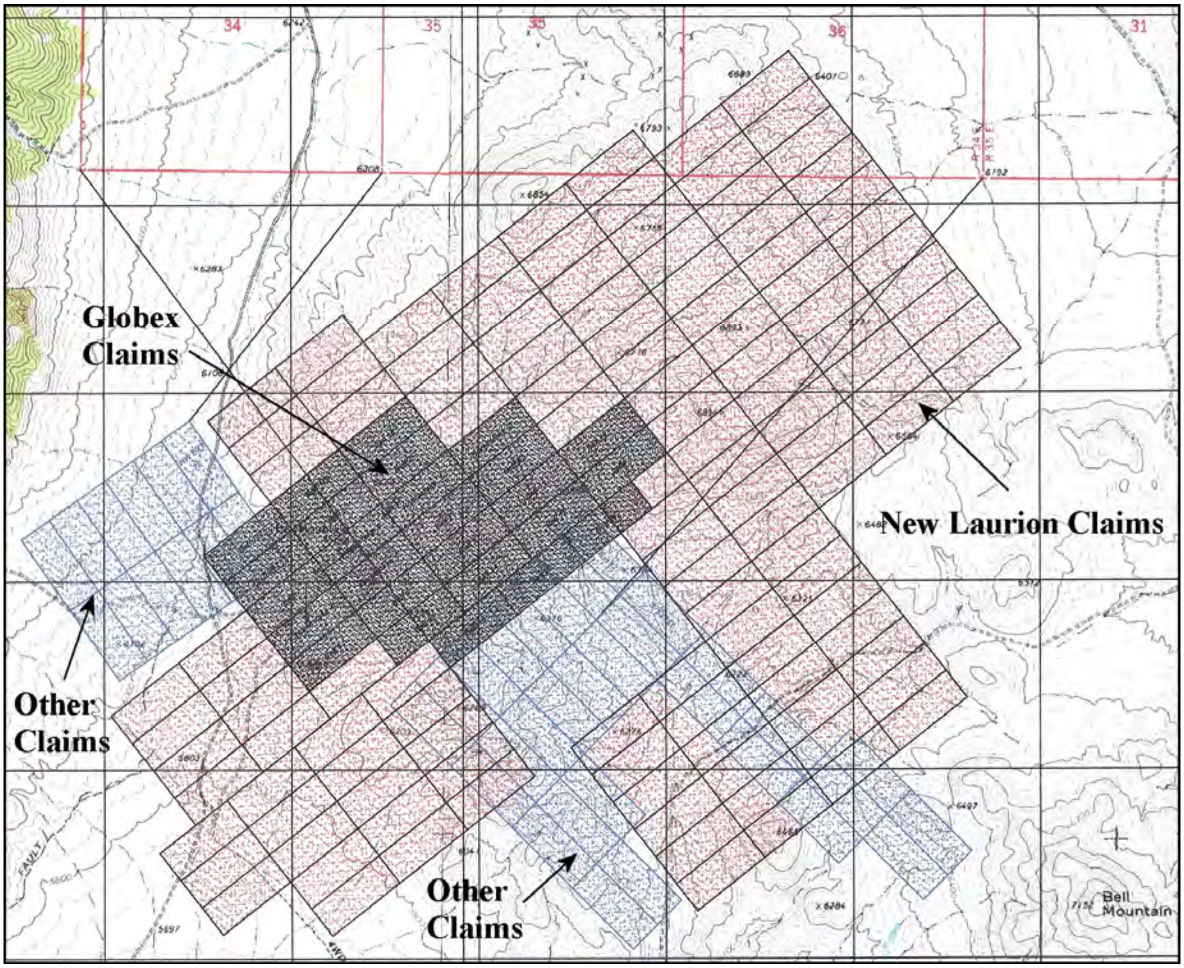


Figure 6.1: Bell Mountain Project Claim Blocks.

6.3 Terms of Agreement between Laurion and Globex

The following information is taken from Durgin (2010).

Pursuant to the terms of a Definitive Agreement with Globex, dated June 28, 2010, Laurion has an option to earn an undivided 100% interest in the Bell Mountain Property by making cash and share payments and incurring exploration expenditures over a 60 month period from the closing date as follows (Laurion press release June 29, 2010):

A. *On the closing date Laurion was required to make a cash payment of $10,000 and to issue 1.7 million common shares of Laurion to Globex.*
B. *On or before the first anniversary of the closing date, Laurion shall be required to make a cash payment of $15,000, issue 1 million of its common shares to Globex and incur $250,000 in exploration expenditures on the property.*
C. *On or before the second anniversary, Laurion shall be required to make a cash payment of $15,000, issue 1 million of its common shares, and incur $250,000 in additional exploration expenditures on the property.*

D. On or before the third anniversary, Laurion shall be required to have incurred an additional $500,000 in exploration expenditures on the property.

E. On or before the fifth anniversary, Laurion shall be required to incur an additional $2 million in exploration expenditures on the property.

On closing of the above transaction, a water well license with water capacity of 200 gallons per minute will be transferred to Laurion to be used for the development of the property. On completion of the above expenditure commitments, the title of the property will be transferred to Laurion. The commitment schedule may be accelerated and completed early if desired.

The property is subject to two royalties which will take effect upon commencement of commercial production. The first royalty is held by N.A. Degerstrom, Inc. which retains a 2% net smelter return royalty which can be acquired for $167,000. In addition, pursuant to the agreement, Globex will retain a sliding gross metal royalty of 1% on all gold production valued at less that $500 per ounce, a 2% gross metal royalty on all gold production over $500 per ounce but less than $1,200 per ounce, and 3% on all gold production valued at over $1,200 per ounce.

7.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

7.1 Access to the Property

The Project is accessed via U.S. Highway 80 by traveling approximately 34 miles east from Reno. Exit Highway 80 at Exit 48 and turn southwest. Travel one mile until reaching the roundabout. Exit the roundabout onto U.S. Highway 50. Continue on Highway 50 to Fallon (67 miles). Forty-five miles past Fallon on Highway 50, a short distance past Drumm Summit, turn right at the sign which says, “Earthquake Faults”. Travel south on the gravel road for 8 miles to the Property. See Figure 3.1 for location.

7.2 Climate and Physiography

The Bell Mountain Project lies in the Basin and Range province, a major physiographic region of the western United States. The region is typified by north-northeast trending mountain ranges separated by broad, flat, alluvium filled valleys. The Bell Mountain Project is located near Fairview Peak at the north edge of Bell Flat. Elevation of the project ranges from approximately 5,920 to 6,600 feet.

At Fallon, Nevada, the nearest town to the Project area, the average annual precipitation is 4.25 inches, the average maximum annual temperature is 68.8° F, and the average minimum annual temperature is 37.6° F (Western Regional Climate Center data). The average daily high in July, the hottest month of the year, is 95.3° F. The average daily low in December, the coldest month of the year, is 22.1° F. Most precipitation falls in the months of November through April.

7.3 Local Resources and Infrastructure

Fallon, Nevada, is approximately 54 miles (86 kilometers) northwest of the Project. The population of Fallon was 8,544 in July, 2009. Data for the 2010 Census is not yet available. The community of Fallon is equipped to provide housing, shopping and schools for mine personnel and their families. In addition, Reno, a city with a 200,000+ population, is 63 miles west of Fallon.

8.0 HISTORY

8.1 Introduction

The Qualified Person has reviewed the section on history from the previous NI 43-101 technical report on Bell Mountain (Technical Report, Geology and Mineral Resources, Bell Mountain Project, Churchill County, Nevada, USA, dated August 7, 2010). The Qualified Person agrees with the description of the history of the Bell Mountain Project.

The following sections (in *italics*) on history are taken from Durgin (2010).

*The early history of the property is documented in detail by Mr. Payne in his November 1981 report, and summarized further here (*note that all resource and reserve estimations noted in this section cannot be verified at this time and therefore should not be relied upon*). The earliest known work at Bell Mountain was in May 1914, when W.W. Stockton located claims and began sinking a 15 meter shaft on the outcropping vein of what is now called the Spurr deposit. In 1916, the Tonopah Mining Company leased the property and cut surface trenches in the vein outcrop. Encouraging assays caused them to drive a west-trending exploration adit, now known as the Spurr adit, below the shaft at the 1879meter (6163 ft) level. In 1919 the same company sank the West Winze below the Stockton shaft, with stations at the 1865meter (6117 ft) and 1831meter (6006 ft) levels, and drove the west raise above the 1879m level. They also drove a crosscut and a drift westward from the 1831m level. There was insufficient encouragement to continue operations during a period of low silver prices. The only recorded production from Bell Mountain was a 35 ton car load of hand sorted material that averaged 16 g/t Au and 510 g/t Ag, shipped by Stockton in 1927.*

In 1948 Eric Schrader sampled the surface trenches and underground workings. He calculated that, 150,000 tons of "proven ore" were blocked out and another 100,000 tons of "probable ore" were present below it, but grades were not noted. He proposed building a 500 ton per day cyanide plant, but it was never funded.

In the late 1960's Mr. Lovestedt acquired a Government loan and drove the adit named for him under the vein from the west at the 1849 meter (6065 ft) level. No rich ore shoots were found, but his work provided access for geologic mapping and sampling. Later, Nevada Bell Silver Mines drilled three rotary holes in the hanging wall of the Spurr deposit, but the only significant data available is that ground water was first encountered at about 1740 meters (5707 feet) elevation. The Standard Slag Company drilled several air-track holes apparently near the east end of Varga Hill in 1974. No data is available from that drilling.

American Pyramid Resources, Inc. completed a lease-option agreement with Schrader in 1978. In 1978 Payne re-mapped the Spur adit and collected 50 channel samples in the crosscuts as a check of Schrader's work, with comparable results. A total of 100 channel samples were collected from the underground workings. They undertook a program of crosscutting in the Lovestedt adit, a total of ten crosscuts at 25 meter (82 ft) intervals. Varga Mining Company, a contractor from Virginia City, Nevada, did the work.

The crosscuts were channel sampled at 1 meter intervals and assayed for gold and silver. Late in 1979 Pyramid decided to drive an adit eastward under the hill to the east of the Spurr workings, now called Varga Hill, at the 1900 meter (6232 ft) level. The Varga adit was driven eastward 180 meters (590 ft), and crosscuts were driven at 20 meter (65.6 ft) intervals. Crosscuts 8 and 9 were not driven due to the presence of highly fractured rock at those points. The other eight crosscuts were channel sampled and assayed for gold and silver. The vein averaged 10 meters (32.8 ft) in width.

In July 1980, Drilling Services completed a reverse circulation hole which intersected the Spurr vein from 1745 to 1728 meters (5724 to 5668 feet) elevation. It demonstrated that the vein was up to 10 meters thick 932.8 ft) and completely oxidized. No ground water was noted at that depth. In 1981, American Pyramid contracted Dan Callaghan to slab out the ribs of the workings of the Spurr adit and drive four crosscuts. These showed that the Tonopah Mining Company in 1916 had not fully cut across the Spurr vein at any point. A permanent survey grid with bronze triangulation points set in concrete was established in 1982. A water well was drilled in Stingaree Valley 7.5 miles (12 km) to the north. H.A. Simons Consulting Engineers completed a detailed feasibility study in the spring of 1982. Permitting was completed for mining and processing the ore, but construction did not begin.

In 1982 American Pyramid cut and sampled 4 bulldozer trenches across the Sphinx vein. They also drove a 260 foot (80m) decline on the Sphinx Vein, which is about 600 meters (2000 ft) southeast of the top of Varga Hill.

Santa Fe Mining optioned the property in 1984. They produced a geologic map and did limited surface sampling. Santa Fe drilled 51 reverse circulation holes, 25 in the Varga area and 8 in the Spurr area. Fifteen holes were drilled in the Sphinx target area which outlined a small resource. Three holes tested the Sphinx south target. Eight long-holes were drilled underground at the Spurr. Santa Fe also completed a program of metallurgical testing (Clem, 1984). The property was returned to American Pyramid.

Alhambra Mines acquired the Bell Mountain property from American Pyramid in 1985. They re-opened the Spurr and Lovestedt adits and re-mapped them. Eight long-holes were drilled underground from the Spurr adit workings to test the extent of mineralization into the wall rocks. Alhambra also sampled three trenches above the Sphinx adit and collected 80 surface samples on the top of Varga hill. Seven bottle roll metallurgical tests were done using material from the Spurr vein. Alhambra apparently did no other drilling.

N.A. Degerstrom Inc. acquired the Bell Mountain property from Alhambra in 1989. From 1989 to 1991, Degerstrom drilled 104 reverse circulation holes and 5 diamond drill (core) holes to acquire metallurgical samples. Using this drilling data and the data from prior drilling programs as well as underground sampling, they defined three areas for mining – the Spurr, Varga and Sphinx deposits. Displaying the data on cross sections, they calculated what they considered minable reserves in three separate pits. Degerstrom carried out extensive metallurgical testing and designed the three pits and processing *facilities. In 1992 they completed a detailed feasibility study and permitted the construction of the mine and heap leaching facility. However, falling metals prices caused them to shelve the project.*

Late in 1994 Globex Nevada Inc., a subsidiary of Globex Mining Enterprises Inc., acquired the property from N.A. Degerstrom. Globex did very little additional work on the property other than maintaining the claims and looking for joint venture partners. In September 1995, Globex made an option agreement with ECU Gold Mining, Inc. (ECU) on the Bell Mountain property. In 1996 ECU carried out a program of geologic mapping at 1:10,000 and 1:2000 scales, surface rock chip and channel sampling (235 samples), and an airborne geophysical program. The geophysical program was carried out by AeroDat using helicopter-borne electro-magnetics and a cesium vapor magnetometer. In addition ECU drilled 5 core holes, for a total of 2347 feet or 716 meters, largely testing deeper extensions of known mineralization.

Little exploration activity occurred from late 1996 until 2004 when Platte River Gold acquired an option on the property. They drilled seven reverse circulation holes for a total of 4650 feet. Like the work of ECU, these were largely deeper holes intended to cut the mineralized zones well below the known deposits. The property was returned to Globex early in 2005.

Laurion became interested in the property early in 2010, carried out a due diligence program during April, May and June, and signed a Definitive Agreement with Golbex (sic) *in June 2010.*

8.2 Historic Resource Estimates

A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves and the issuer is not treating the historical estimate as current mineral resources or mineral reserves. The current mineral resource estimate contained in Section 19 of this report supersedes all reported historical estimates.

Since precious metal mineralization was discovered at Bell Mountain in 1914, there have been several resource estimates. The resource estimates were based on incomplete data (geologic, assay, metallurgical or engineering) portions of which have not been preserved, or cannot be verified. The most recent estimate, made by N.A. Degerstrom in 1992, was done by competent mining professionals and reviewed by well-respected consulting services during the financing stage. The project was permitted by the State of Nevada, but Degerstrom did not proceed to production due to falling metal prices.

A list of historic estimates can be found in Table 8.1. All estimates in the table cannot be verified at this time and therefore should not be relied upon. The key assumptions, parameters, and methods used to prepare the historical estimate are not known. Historical estimates are presented to provide a discussion of the history of the property and no attempt should be made to upgrade or verify the historical estimate as current mineral resources or mineral reserves. Categories stated in the historic estimate do not comply with

CIM definition standards of mineral resources and mineral reserves and should not be relied upon.

Table 8.1 – Historic Estimates

Year	Operator	Estimated tonnage	Grade	Based on
1948	Schrader	150,000 t "proven" 100,000 t "probable"	? ?	Spurr & Lovestedt adit sampling
1981	Payne	500,000 t "milling" 500,000 t "leach" 500,000 t "probable" 2,000,000 t "possible"	2 g/t Au, 80 g/t Ag 1 g/t Au, 35 g/t Ag 1 g/t Au, 35 g/t Ag 1 g/t Au, 35 g/t Ag	Spurr & Lovestedt adit sampling Spurr & Lovestedt adit sampling Spurr & Lovestedt adit sampling Varga adit sampling
1988	Alhambra	288,348 t 215,966 t 100,000 t	1.56 g/t Au. 42.9 g/t Ag 1.62 g/t Au, 18.7 g/t Ag 1.71 g/t Au, 43.2 oz Ag	Spurr underground data Varga underground data Sphinx trench and UG data
1992	Degerstrom	1.2 million tonnes	1.3 g/t Au, 37.6 g/t Ag	UG & surface samples, 155 drillholes

Note: Table 8.1 is adapted from Table 6.1 in Durgin (2010)

A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves and the issuer is not treating the historical estimate as current mineral resources or mineral reserves. The current mineral resource estimate contained in Section 19 of this report supersedes all reported historical estimates.

9.0 GEOLOGICAL SETTING

9.1 Introduction

The Qualified Person has reviewed the section on geological setting from the previous NI 43-101 technical report on Bell Mountain (Technical Report, Geology and Mineral Resources, Bell Mountain Project, Churchill County, Nevada, USA, dated August 7, 2010). The Qualified Person agrees with the description of the geological setting of the Bell Mountain Project.

The following sections (in *italics*) on geological setting are taken from Durgin (2010).

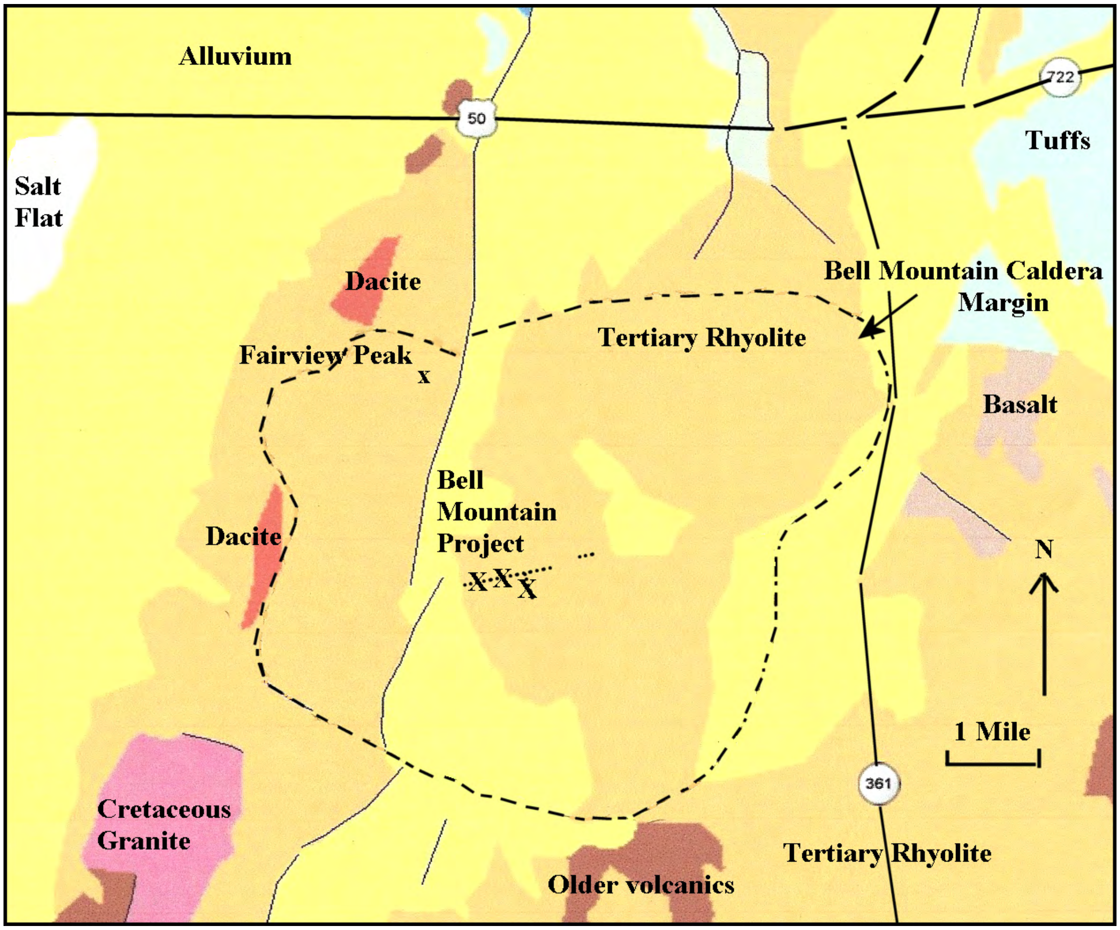
9.2 District Geology

From 1906 to 1965, 52,799 ounces of gold and 5.12 million ounces of silver were produced from small vein deposits in the Fairview district (Wilden and Speed, 1974). In the Fairview Range, the pre-Tertiary basement consists of limited exposures of Jurassic metasedimentary rocks, primarily amphibolite, biotite schist and quartzite, which are cut by a Cretaceous granodiorite intrusion. These rocks are overlain by a complex series of intermediate to rhyolitic lavas, ashflow tuffs, volcaniclastic sediments and small dacitic to rhyolitic intrusive domes and dikes (Henry 1996a and b).

In early Miocene time, approximately 19.2 Ma, the Fairview Peak caldera formed (See Figure 9.1)*. The circular caldera measures approximately seven miles (11.2 km) in diameter. It is filled with a monotonous sequence of densely to poorly-welded rhyolitic ashflow tuffs. Several rhyolite domes were emplaced along the ring fracture of the caldera. There are a few post-caldera glassy rhyolite dikes cutting the intra-caldera tuffs. The late dikes tend to follow east-west, east-northeast and northwest structural trends. Most known veins in the district follow these trends. The intra-caldera tuff sequence exhibits pervasive argillic alteration and structurally-controlled to locally pervasive silicification. The Bell Mountain vein system is hosted by one of the silicified east-northeast trending structural zones. Similar gold-silver mineralization has been drilled approximately 3.5 miles (5.6 km) to the east-northeast along strike from Bell Mountain where the structure intersects the caldera margin at the Middlegate property.*

Resurgence of the Fairview Peak caldera is suggested by internal fault patterns and by dip changes in the intra-caldera stratigraphy. The tuff in the central portions of the caldera is mostly flat-lying, while dips near the caldera margin often dip steeply outward toward the margin (Henry, 1996).

Basin and Range faulting has persisted after the caldera formation. The most prominent of these is the Fairview fault which bounds the eastern side of Fairview Peak and has at least 5900 feet (1800 m) of normal slip. This same fault is the "earthquake fault" for which the access road is named. In 1954 there was dip-slip movement of up to 15 feet (5 m), related to a magnitude 7.1 earthquake, which produced a fault scarp 30 miles (48 km) long.



Note: Simplified from Henry, 1996A and 1996B (From Durgin, 2010).

Figure 9.1: Generalized Geology Map of the Project Vicinity

9.3 Bell Mountain Deposit Geology

The principal rock units at Bell Mountain are stratified rhyolitic ashflow tuffs. The ashflow tuff sequence is relatively monotonous, varying only in the intensity of welding. Geologic mapping by several groups, most recently ECU, show that individual units can be broken out based on lithology, welding features, and alteration. ECU mapped four units, separated on the basis of color, nature and abundance of lithic fragments, intensity of welding and abundance of feldspar phenocrysts (See Figure 9.2).

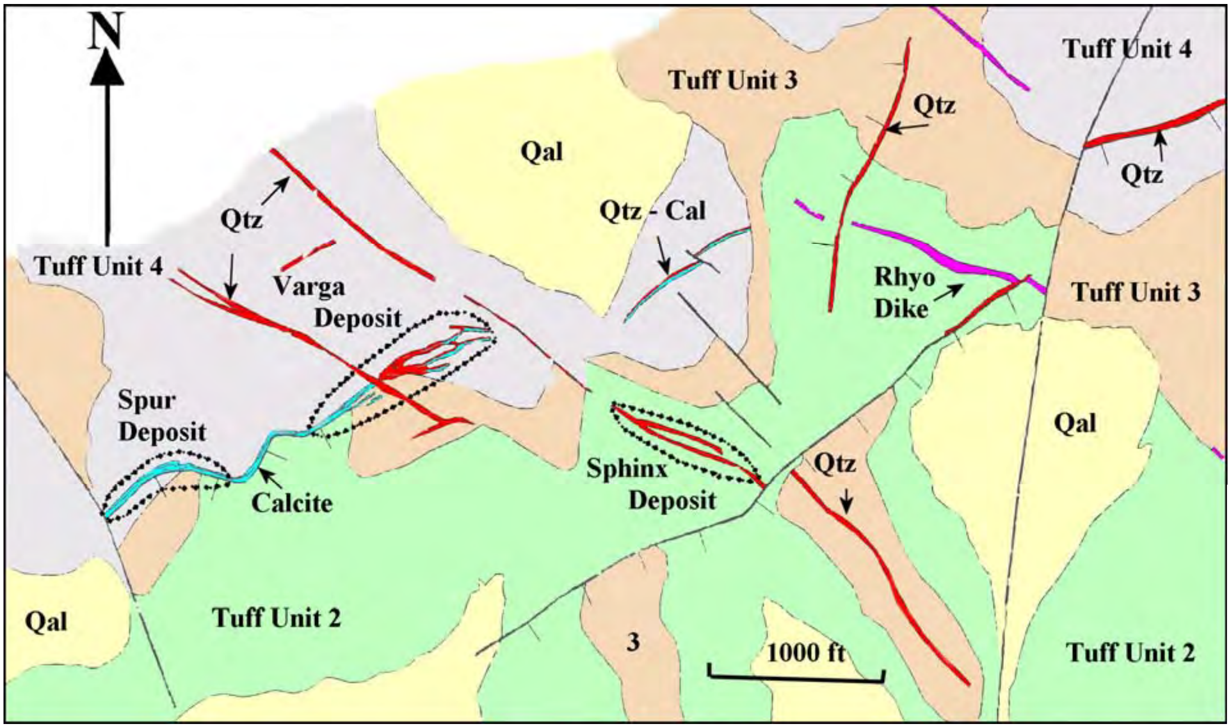
ECU's lithologic units (Pinet, 1996):

Unit 1: *Beige to yellow ochre, poorly to mildly welded pyroclastics. These are characterized by sandy texture, rarity of feldspar phenocrysts, variable mix of fragments, and low resistance to erosion. (oldest unit)*

Unit 2: *Grey, welded pyroclastics*
Sub-unit 2a *characterized by the presence of feldspar phenocrysts, 5-30% fragments of various lithologies and a reddish color locally.*
Sub-unit 2b *often exhibits a brecciated character and shows porphyritic clasts locally.*

Unit 3: *Beige mildly welded pyroclastic rocks. Unit exhibits highly variable fragment content and grain size distribution. Present in all ECU's 1996 drillholes.*

Unit 4: *Grey welded pyroclastics. Characterized by commonly occurring feldspar phenocrysts, fragments (10-30%) of varied lithology, generally less than a few centimeters in size. A pinkish color (hematite), flow-like features and cavities are present locally. (youngest unit)*



Note: Simplified from Pinet, 1996 (From Durgin, 2010).

Figure 9.2: Bell Mountain Deposit Geology

10.0 DEPOSIT TYPE

10.1 Introduction

The Qualified Person has reviewed the section on deposit type from the previous NI 43-101 technical report on Bell Mountain (Technical Report, Geology and Mineral Resources, Bell Mountain Project, Churchill County, Nevada, USA, dated August 7, 2010. The Qualified Person agrees with the description of the deposit type of the Bell Mountain Project. Moreover, the Qualified Person performed a site visit on January 28, 2011, and observed veining and alteration consistent with the description.

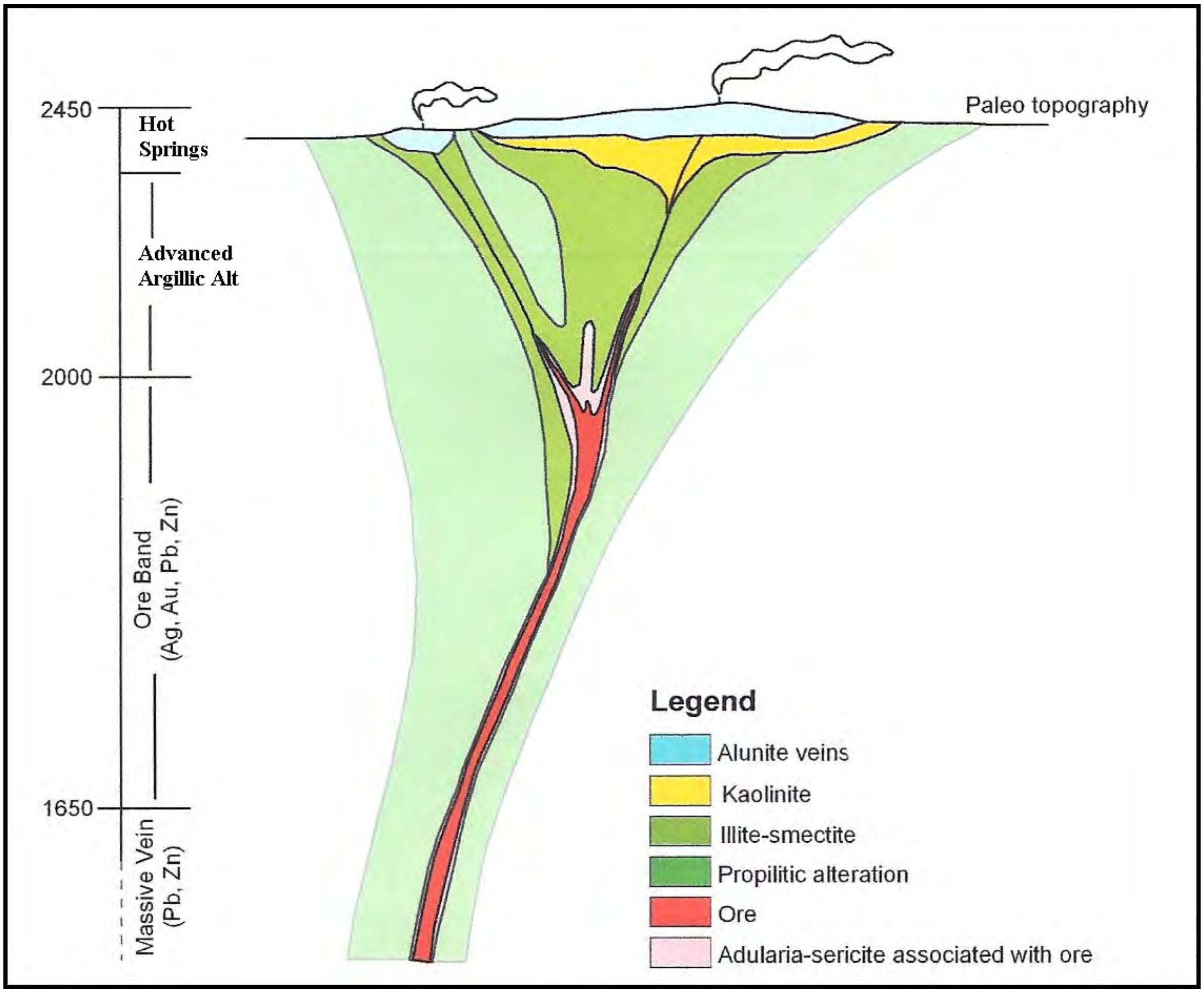
The following section (in *italics*) on the Bell Mountain mineralized bodies are taken from Durgin (2010).

10.2 Epithermal Vein Systems

The Bell Mountain deposit is characterized as a low sulfidation (quartz-adularia-sericite type) epithermal vein system (See Figure 10.1). *Hydrothermal alteration in the upper levels of veins such as at Bell Mountain is expressed as broad irregular zones of argillic (kaolinite, illite) alteration with localized to extensive silicification and bleaching of the host rocks. Vein deposits can exhibit highly variable gold and silver contents and metals are vertically zoned. The geometry of both vein and disseminated mineralization can be complex and is a function of pre- and post-mineral faulting, host rock permeability, and intensity of hydrothermal fracturing.*

Multiple phases of vein infilling, brecciation, and hydrothermal fracturing are common in many such deposits. Mineralization occurs as electrum in banded colloform/crustiform quartz or quartz-calcite veins, veinlet stockworks, and hydrothermal breccias. In the upper levels of many veins including those at Bell Mountain, coarsely bladed calcite, deposited during fluid boiling, is replaced by chalcedonic to sucrose quartz and usually represents higher grade parts of the deposit. Adularia and sericite are common gangue minerals. Generally there is no close spatial or genetic relationship to larger intrusive bodies, although felsic dikes are often associated with mineralization. In western Nevada many epithermal vein districts are associated with subaerial volcanic centers such as the Fairview Peak caldera.

Sulfide minerals are present in sparse amounts, but are largely pyrite, marcasite, and acanthite. Gold and silver occur along sulfide crystal surfaces, as electrum, and locally as grains of native silver and gold. Other associated trace elements include arsenic, antimony, barium, manganese, mercury or selenium. At higher levels of most epithermal veins, base metals (Cu, Pb, Zn) are typically absent or present in sub-economic amounts.



Note: From Figure 8.1, Durgin, 2010.

Figure 10.1: Generalized Epithermal Deposit Model (after Buchanan)

11.0 MINERALIZATION

11.1 Introduction

The Qualified Person has reviewed the section on mineralization from the previous NI 43-101 technical report on Bell Mountain (Technical Report, Geology and Mineral Resources, Bell Mountain Project, Churchill County, Nevada, USA, dated August 7, 2010). The Qualified Person agrees with the description of the mineralization at the Bell Mountain Project. Moreover, the Qualified Person performed a site visit on January 28, 2011, and observed mineralization consistent with the description.

The following sections (in *italics*) on the Bell Mountain mineralization are taken from Durgin (2010).

At the Bell Mountain deposit gold-silver mineralization is strongly structurally controlled. The primary control is an east-northeast trending (~070^o) zone of faulting, named the Varga-Spurr fault, which can be traced for more than 6000 feet (1.8 km). See Fig 7.3. The Varga-Spurr fault dips steeply to the south and has experienced normal and dextral displacement. It is offset slightly in a right lateral sense by a set of northwest trending, steeply dipping faults of similar strike length. Both fault sets have quartz-calcite veins and stockworks, gold-silver mineralization and pervasive silicification. Minor disseminated mineralization is present in silicified wallrocks. The intersection of the NE and NW vein sets, particularly in the Varga area, localized a significant volume of mineralization.

The quartz-calcite veining is rarely displayed as large planar veins, rather it is seen as variably intense stockwork zones of braided veins and veinlets which may be up to 40 meters wide. Within the stockwork the dips of individual veins are highly variable, but the overall dip of the body of mineralization as a whole is nearly vertical.

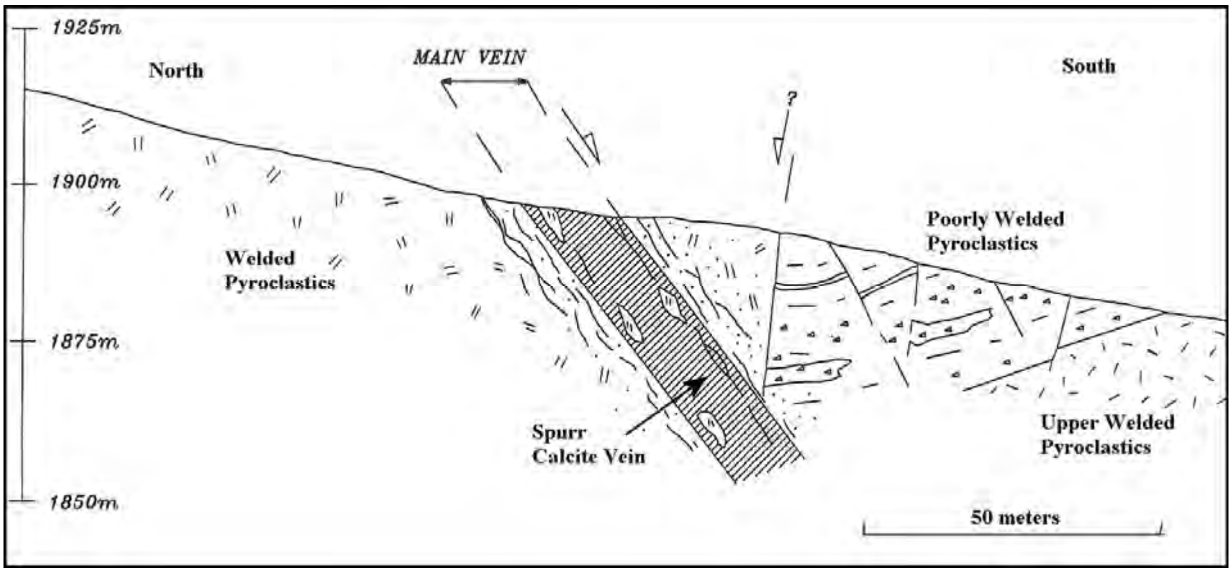
The known resource that N.A. Degerstrom permitted for mining in 1992 was separated into three bodies – the Spurr deposit on the western end of the Varga-Spurr fault, the Varga deposit in the central part, and the Sphinx deposit approximately 2000 feet (600 meters) southeast of the Varga on a northwest trending structure. All three are composed of complex structurally controlled veins, stockworks and hydrothermal breccias. Between the Varga and the Spurr deposits, the east-northeast structure persists, but appears narrow, and it has had very little drilling. There were several other target areas which had returned attractive precious metal values, but had not been drilled.

Due to the complex nature of the deposits it is difficult to determine grade trends laterally or vertically. Some earlier workers suggested a decrease of grade with depth in the Bell Mountain system, but a review of Degerstrom's 15,600 feet of drilling shows no such pattern. There appears to be some degree of supergene leaching and deeper enrichment of precious metals, particularly of silver as it is more mobile than gold. Sampling of surface rocks and adjacent trenches suggested to prior workers that silver and gold were partially leached from the upper few meters. Cerargyrite (silver chloride) *and other supergene minerals were reported from some of the old workings. Overall, it appears that supergene leaching and enrichment, while present to some extent, should not have a significant effect on the viability of the project.*

11.2 Spurr Deposit

Before 1983, with the exception of driving the Varga adit, most of the work on the property was focused on the Spurr area along a 300 meter segment of the vein complex. This work included six surface trenches, a vertical shaft, two adits with several cross cuts of the vein in each, and multiple phases of underground sampling. Between 1983 and the present a total of 36 surface and 8 short underground holes had been drilled at the Spurr deposit. The available maps show that the Spurr vein strikes nearly east-west, dips 45 to 55 degrees to the south and is 10 to 15 meters wide (See Figure 11.1)*. Recent work suggests that the dip may be steeper than that, as several drillholes did not penetrate the footwall of the vein. There are several small northwest trending crossing faults which offset the vein a few meters.*

Calcite is the most abundant vein mineral in the Spurr deposit, with lesser amounts of quartz occurring as 1 to 20 centimeter veins concentrated near the vein walls. The calcite vein is generally strongly banded. The vein material is completely oxidized.



Note: From Figure 9.1, Durgin, 2010.

Figure 11.1: Spurr Vein Cross Section (Pinet, 1996).

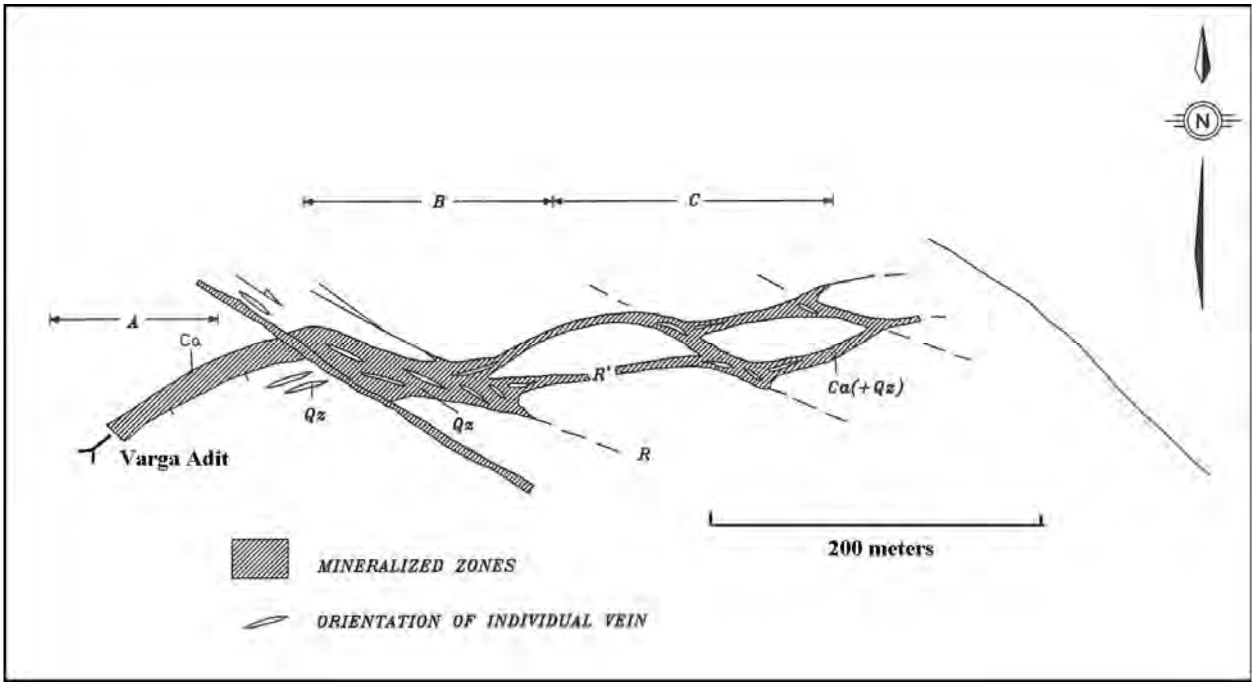
The values from the sampling of seven crosscuts in the Spurr adit range from 1.1 to 2.4 g./t Au and 20 to 69 g/t Ag. Sampling in the Lovestedt adit ranges from 0.3 to 1.7 g/t Au and 10 to 52 g/t Ag (Payne, 1982). Surface and underground sampling suggests that the mineralization is largely confined to the vein, although adjacent altered wall rocks carry lower precious metals values which may be minable in an open pit mining scenario.

11.3 Varga Deposit

The Varga adit was driven in 1979 and the first drilling was done by Santa Fe Mining in 1984. To date, there are 89 known surface drillholes (Santa Fe, Degerstrom, ECU and Platte River) totaling 15,720 feet (4793m) at the Varga deposit, plus several generations of surface trench, outcrop, and underground sampling. The Varga vein can be separated into two parts. The western 120 meters (eastward from the adit portal) is a relatively simple and planar vein structure ranging in width from 5 meters near the portal, to 14 meters (eastward) where it is cut by a N60W trending fault. This vein segment strikes N60E and dips 50 degrees to the south. Underground sampling of eight crosscuts gave an average grade of 0.6 g/t Au and 30g/t Ag. Trench sampling by Payne in 1980 near the east end of this vein segment produced 6.1 meters (20 ft) grading 2 g/t Au with 10 g/t Ag and 8.2 meters (27 ft) grading 2.1 g/t Au with 24 g/t Ag. An ECU sample of the vein at surface nearby produced a grade of 1.48 g/t Au across 7 meters (23 ft). Another 24 meter (79 ft) surface sample interval by ECU, including both hanging-wall and footwall rocks, averaged 0.82 g/t Au and 5.3 g/t Ag. This suggests that, unlike the Spurr zone, mineralization in the western portion of the Varga zone does extend some distance into the wall rocks. The Varga is about 500 meters (1640 ft) long, with its ends poorly defined.

This western portion of the vein is predominantly calcite with included rock fragments and slightly later quartz veining, brecciated in part, near the hanging wall. A few cross-cutting quartz veins trending N115-130E are present near the east end of this vein segment. Alteration is largely silicification close to the veins and weak argillic alteration away from the veins.

The eastern 70% of the Varga deposit is more complex, with the appearance of a braided vein system controlled by structures trending N70-80E and N120–130E (See Figure 11.2)*. Near the fault dividing the Varga deposit, the veins are largely a quartz vein stockwork with little calcite.*



Note: From Figure 9.2a, Durgin, 2010.

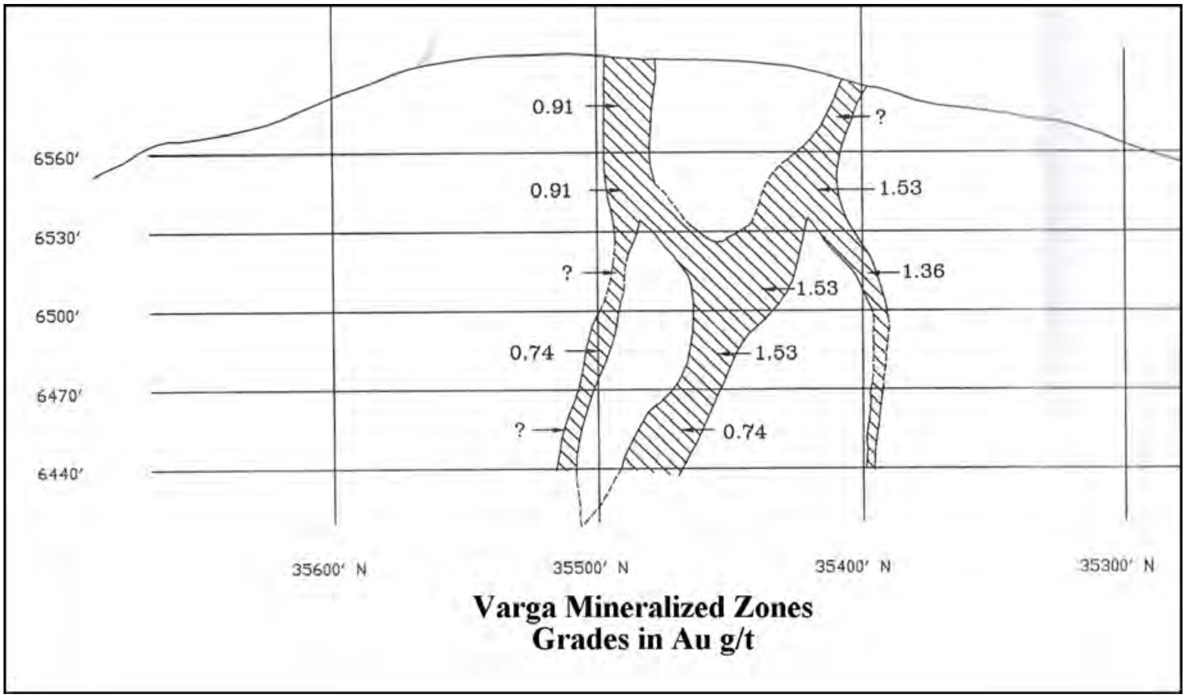
Figure 11.2: Map Showing Structural Control of Veining at Varga Deposit (Pinet, 1996).

Eastward the vein system is an anastamosing (sic) *set of 1.5m to 5m wide veins composed of both quartz and calcite* (See Figure 11.3). *Quartz replacing bladed calcite textures is common. More than 90 samples collected by previous authors (ECU) often yielded gold content greater than 2 g/t, with a maximum of 15.5 g/t Au and 266 g/t Ag in a selected sample. Quartz veins in this area commonly show irregular banding or an irregular drusy central cavity. Two channel samples collected by ECU in 1996 in this area carried 26m @ 0.87 g/t Au + 8.9 g/t Ag and 24m @ 0.25 g/t Au + 6.8 g/t Ag.*

Note: From Figure 9.2b, Durgin, 2010.

Figure 11.3: Varga Veinlet Stockwork

The eastern portion of the Varga deposit is a vein complex that overall has a nearly vertical dip, with a great deal of dip variation in individual veins. This interpreted shape is shown in Figure 9.2c (Figure 11.4) *below.*



Note: From Figure 9.2c, Durgin, 2010.

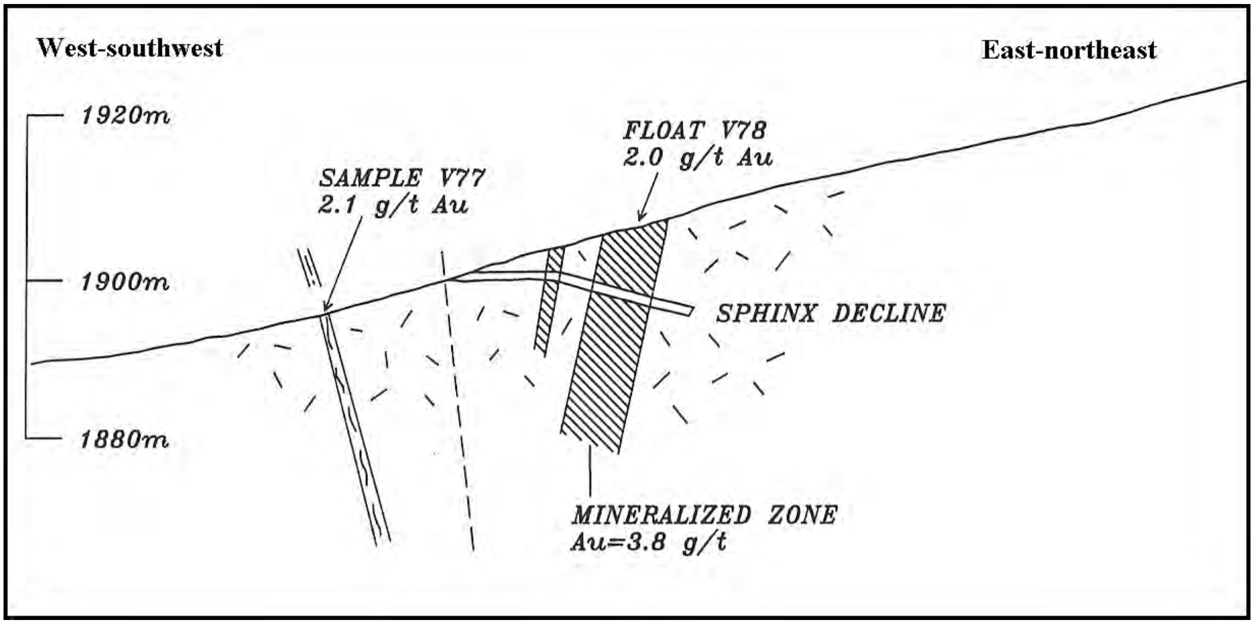
Figure 11.4: Schematic Cross Section of Varga Deposit (Pinet, 1996)

The Varga deposit contains the majority of the 1992 N.A. Degerstrom resource. Degerstrom's cross sections suggest that mineralization continues to greater depths than the drilling and that mineralization persists both in easterly and westerly directions from the center of the deposit into areas of very sparse drilling. There are only 7 holes on two sections which test the western, more planar, part of the Varga vein above the adit where minable grades are present. Very few drill holes test the Varga vein system more than 50 meters below the surface.

11.4 Sphinx Deposit

The Sphinx vein system can be traced for more than 900 meters along strike by prospect pits, vein quartz float and a few trenches. To date, the work has been concentrated on the northwestern 1150 foot (350 meter) portion of the structure. In 1982, American Pyramid Resources drove a 260 foot (80 m) decline into the Sphinx deposit from the southeast end and collected channel samples across the vein from four crosscuts (See Figure 11.5)*. They also cut 4 trenches across the sub-crop of the vein (Payne, 1982). There have been 23 holes drilled as well, for a total in the Sphinx deposit of 5770 feet (1760m).*

The Sphinx deposit contains at least two sub-parallel veins with other smaller splits which trend approximately N70W. Vein and stockwork widths in the crosscuts ranged *from 10 to 30 feet (3 to 9 meters) and from 1.1 to 3.9 g/t Au. Drill intercepts (not true thickness) ranged from 10 to 40 feet (3 to 12 meters) and averaged 16.4 feet (5 meters) with gold grades from 0.5 to 2.4 g/t. Veins here are quartz with little calcite, are often banded and have a bluish tinge (Pinet, 1996). Minor silicification is present, surrounded by argillic alteration, which is stronger than elsewhere on the property. The veins appear to dip steeply, but currently available data are inconclusive. The Sphinx deposit may be exposed at a somewhat deeper erosion level in the epithermal system due to the relative lack of calcite and better gold grades.*



Note: From Figure 9.3, Durgin, 2010.

Figure 11.5: Cross Section of the Sphinx Deposit (Pinet, 1996)

12.0 EXPLORATION

12.1 Introduction

The Qualified Person has reviewed the section on exploration from the previous NI 43-101 technical report on Bell Mountain (Technical Report, Geology and Mineral Resources, Bell Mountain Project, Churchill County, Nevada, USA, dated August 7, 2010. The Qualified Person agrees with the description of exploration at the Bell Mountain Project. Moreover, The Qualified Person reviewed several of the references listed herein and found the description to be accurate.

These sections (in *italics*), taken from Durgin (2010), will briefly summarize the significant historic exploration on the property.

12.2 Surface Mapping

Mapping has been completed in a reconnaissance style and as small area-specific locales in most of the past efforts. Prior to 1979 the Spurr area was the focus of detailed work. Santa Fe mapped the Varga and Spurr areas in 1984, but that map is incomplete. The 1:24,000 scale geologic maps were published by the Nevada Bureau of Mines and Geology in 1996 (Henry, 1996), so the understanding of the larger geologic setting was not fully documented before ECU's work. The most comprehensive geologic mapping of the property was done at 1:10,000 by ECU in 1996 (Pinet). ECU also mapped portions of the property at 1:1000.

12.3 Surface Sampling

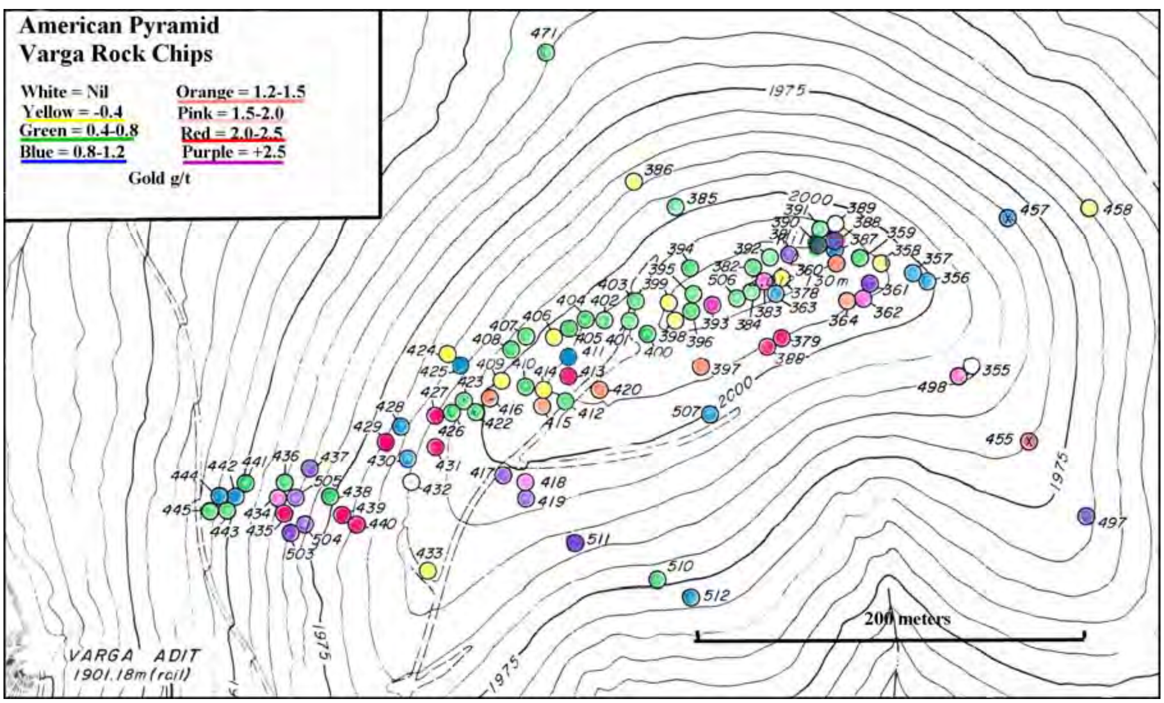
The first available reference to surface sampling is from Payne's January 1981 report in which he mentions sampling of several trenches at the Spurr vein in 1918 by which they "were sufficiently encouraged to drive an exploration adit" (the Spurr adit) – no assay values are mentioned. In the same report, Payne's Figure 10 shows a series of surface trenches along the vein, sampled by Schrader in 1948 from the western exposure of the Spurr vein to a point at the top of the western slope of the Varga hill. Results are tabulated in Table 10.2a (Table 12.1) *below:*

Table 12.1 – Schrader's 1948 Trench Sampling (Payne, 1981b)

Trench	Sample Width	Au (g/t)	Ag (g/t)	Area
#1	9.1m	0.7	39	Spurr West End
#2	11.9m	0.8	28	Spurr
#3	16.8m	1.1	25	Spurr
#4	20.4m	1.9	20	Spurr
#5	15.9m	3.8	48	Spurr
#6	17.4m	0.3	7	Spurr
#7	12.2m	0.4	11	Spurr
#8	11.6m	0.2	5	Spurr
#9	12.2m	0.2	16	Spurr East End
#10	No Sample			
#11	6.1m	2.0	10	Varga West End
#12	No Sample			
#13	8.2m	2.1	24	Varga West Slope
#14	9.1m	2.6	24	Varga Slope Top

Note: Table 12.1 is modified from Table 10.2a in Durgin, 2010

In 1982 American Pyramid collected 168 surface rock chip samples in the Varga and Sphinx area, plus a few scattered other locations (Payne, 1982). Of these, 94 were collected on the Varga hill from outcropping altered and/or veined rocks. Of the 94 Varga hill samples, only 14 carried less than 0.4 g/t Au (See Figure 12.1)*. The sampling pattern is a very close approximation to the outline of the outcropping mineralization. Other limited sample results emphasized the Sphinx area to the SE and the Mike area about 500 meters to the ENE along strike as interesting targets also.*



Note: From Figure 10.2, Durgin, 2010.

Figure 12.1: Varga Area – American Pyramid Rock Sampling (Payne, 1982)

Both Santa Fe Mining and Degerstrom did a limited amount of reconnaissance geochemical sampling of outcrops and float as part of their exploration away from known mineralization. There were 43 Degerstrom samples but the exact number of Santa Fe samples is not certain. The data are present in the files and may prove useful in guiding later work.

In 1996 ECU optioned the property and collected 168 surface channel samples (Table 10.2b and 10.2c above) (See Tables 12.2 and 12.3 below) *to characterize mineralization in the veins and in hangingwall and footwall rocks (Pinet 1996). Of these there were 6 sets of channels (65 samples) in the Spurr area, and 5 sets of channels (103 samples) in the Varga area. ECU also collected and analyzed 82 rock chip samples during their reconnaissance of the property. These sample results confirmed the results of previous workers, although they did not directly duplicate earlier sampling. The channel samples also confirmed low, but potentially open pit minable grades extending into the wallrocks, particularly in the Varga area. Individual sample and trench locations are plotted on maps in Pinet's report and contained in the files in Laurion's possession.*

Table 12.2 – ECU Channel Sampling Spurr Area (Pinet, 1996)

	Sample	Au (g/t)	Ag (g/t)
Channel 1			
	C1-2	4.829	85.0
	C1-4	1.624	9.8
	C1-6	2.604	10.0
	C1-8	1.811	7.1
	C1-10/C1-22	No sample	
	C1-24	0.770	8.0
	C1-26	0.201	1.7
	C1-28	0.337	8.8
	C1-30	0.422	9.3
	C1-32	0.534	18.9
	C1-34	0.194	2.2
	C1-36	0.092	3.4
	C1-38	0.040	1.1
Channel 2			
	C2-2	0.023	1.1
	C2-4	0.014	0.7
	C2-6	0.043	3.8
	C2-8	0.034	2.4
	C2-10	0.024	2.6
	C2-12	0.031	1.5
	C2-14	0.007	1.0
	C2-16	0.011	0.6
	C2-18	0.014	1.4
	C2-20	0.009	0.6
	C2-22	0.010	1.1
	C2-24	No sample	
	C2-26	0.008	0.6
Channel 3			
	C3-2	0.016	1.1
	C3-4	0.012	2.1
	C3-6	0.032	2.5
	C3-8	0.015	2.3
	C3-10	0.029	2.8
	C3-12	0.120	10.0
	C3-14	0.031	8.6
	C3-16	0.016	8.8
	C3-18	0.026	6.2
	C3-20	0.007	8.3
	C3-22	0.010	5.3
	C3-24	0.009	6.6
	C3-26	0.003	6.2
	C3-28	0.024	12.2

	Sample	Au (g/t)	Ag (g/t)
Channel 4			
	C4-2	1.408	31.0
	C4-4	1.422	31.0
	C4-6	0.860	17.8
	C4-8	0.778	9.9
	C4-10	0.265	3.0
	C4-12	No sample	
	C4-12.5	0.136	2.1
Channel 5			
	C5-2	0.799	21.0
	C5-4	0.041	4.9
	C5-6	0.016	4.8
	C5-8	0.008	1.5
	C-10	0.018	1.8
	C5-12	0.013	1.5
	C5-14	0.010	1.7
	C5-16	0.012	2.4
	C5-18	0.017	2.4
	C5-20	0.006	2.1
	C5-22	0.005	2.3
	C5-24	0.010	2.2
	C5-26	0.013	3.5
	C5-28	0.078	4.9
	C5-30	0.014	2.8
Channel 13			
	C13-2	0.108	4.9
	C13-4	0.063	20.6
	C13-6	0.071	18.8
	C13-8	0.043	2.6

Note: Table 12.2 is modified from Table 10.2b in Durgin, 2010

Table 12.3 – ECU Channel Sampling Varga Area (Pinet, 1996)

	Sample	Au (g/t)	Ag (g/t)
Channel 6			
	C6-2	1.014	19.4
	C6-4	0.037	3.2
	C6-6	0.157	8.6
	C6-8	0.401	13.0
	C6-10	1.103	30.0
	C6-12	1.800	24.0
	C6-14	0.875	16.6
	C6-16	0.226	37.0
	C6-18	0.153	12.7
	C6-20	2.760	27.0
	C6-22	0.526	9.8
	C6-24	0.595	7.9
	C6-26	No sample	
	C6-28	0.326	6.2
	C6-30	0.192	6.8
	C6-32	0.920	35.0
	C6-34	3.356	30.0
	C6-36	0.059	7.2
	C6-38	0.090	3.5
	C6-41	0.005	0.7
Channel 7			
	C7-2	0.107	6.5
	C7-4	0.034	2.2
	C7-6	1.233	10.5
	C7-8	0.015	1.2
	C7-10	0.083	2.9
	C7-12	0.295	4.7
	C7-14	0.148	5.8
	C7-16	0.022	1.5
	C7-18	0.102	3.1
	C7-20	0.162	7.0
	C7-22	0.425	16.2
	C7-24	0.123	5.9
	C7-26	0.504	21.0
	C7-28	0.803	20.5
	C7-30	0.464	6.4
	C7-32	0.365	6.5
	C7-34	1.244	10.4
	C7-36	0.453	5.3
	C7-38	0.647	3.8
	C7-40	0.833	7.5
	C7-42	2.199	13.8
	C7-44	0.253	4.9
	C7-46	0.310	2.9
	C7-48	0.132	1.7
	C7-50	0.519	2.4
	C7-52	0.655	3.5
	C7-54	0.076	3.7
	C7-56	2.264	23.3
	C7-58	2.774	25.4
Channel 8			
	C8-2	0.128	1.6
	C8-4	0.336	0.6
	C8-6	0.106	0.6
	C8-8	0.028	0.3
Channel 9			
	C9-2	0.147	2.5
	C9-4	0.957	10.4
	C9-6	0.701	29.9
	C9-8	0.262	5.0
	C9-10	0.217	2.7
	C9-12	0.034	1.8
	C9-14	0.167	1.6
	C9-16	0.065	2.8
	C9-18	0.013	0.1
	C9-20	0.048	1.1
	C9-22	0.009	1.4
	C9-24	0.103	4.5
	C9-26	0.134	3.8
	C9-28	0.092	1.9
	C9-30	0.338	9.4
	C9-32	0.184	4.5
	C9-34	No sample	
	C9-36	1.617	10.1
	C9-38	0.666	7.2
	C9-40	0.938	12.3
	C9-42	2.250	14.4
	C9-44	1.741	7.2
	C9-46	0.775	2.8
	C9-48	0.223	2.3
	C9-50	0.184	2.8
	C9-52	2.005	3.0
	C9-54	0.773	3.5
	C9-56	0.187	1.9
	C9-58	0.093	4.7
	C9-60	0.337	7.6
	C9-62	0.387	5.8
	C9-64	0.157	2.6
	C9-66	0.258	3.4
	C9-68	0.068	1.7
	C9-70	0.466	4.4
	C9-72	0.092	7.2
	C9-74	0.067	6.6
	C9-76	0.347	6.7
	C9-78	0.039	2.2
Channel 10			
	C10-2	0.031	0.7
	C10-4	0.080	1.5
	C10-6	0.039	0.7
	C10-8	0.102	2.0
	C10-10	0.239	2.5
	C10-12	0.083	0.9
	C10-14	0.999	33.0
	C10-16	0.026	1.0
	C10-18	0.175	7.2
	C10-20	0.072	1.4
	C10-22	0.334	8.0

Note: Table 12.3 is modified from Table 10.2c in Durgin, 2010

12.4 Underground Sampling

The first reference to underground sampling is from Payne's 1981 report where he mentions Stockton's first 1914 samples in the Stockton shaft. Ten samples taken from the top to the bottom of the shaft carried an average of 3.9 g/t Au and 69 g/t Ag. Since that time there has been repeated sampling of the workings as they were enlarged and by many of the subsequent operators who have controlled the property.

Payne's 1979 and 1981 reports discuss Shrader's 1948 sampling (42 samples, Table 10.3a) (Table 12.4) *and Payne's 1978 sampling of the Spurr workings. In 1978 he collected 50 channel samples of the vein in the cross cuts and other workings in the Spurr adit as summarized in table 10.3b* (Table 12.5)*:*

Table 12.4 – Spurr Workings Channel Sampling – Schrader, 1948

Area	Samples	Avg. Au (g/t)	Avg. Ag (g/t)
West Raise	10	2.7	27
Stockton Raise	1	2.5	53
West Winze	12	1.9	68
1865 Sublevel	12	3.7	65
Stockton Winze	6	3.4	53

Note: Table 12.4 is modified from Table 10.3a in Durgin, 2010

Table 12.5 – Spurr Channel Sampling – Payne 1978

Area	Samples	Avg. Au (g/t)	Avg. Ag (g/t)
S-14 Crosscut	17 (17m)	3.2	80
S-12 Crosscut	6 (6m)	1.9	99
Stub Raise	1 (1m)	4.25	155
S-10 Crosscut	18 (9m)	2.1	32
S-10N Crosscut	6 (3m)	2.4	94

Note: Table 12.5 is modified from Table 10.3b in Durgin, 2010

Payne sampled an area (S-14 crosscut) that had previously been channel sampled in 1917 and in 1948 - see Table 10.3c (Table 12.6)*. Payne's point was that three sample campaigns in essentially the same area, with different assayers, over a span of 62 years returned remarkably similar results.*

Table 12.6 – Assay Comparison, Samples in Spurr S-14 Crosscut

Sampler	Width	Au (g/t)	Ag (g/t)
Carpenter, 1917	16.7m	4.0	80
Schrader, 1948	19.8m	4.8	92
Payne, 1978	17.0m	3.2	83

Note: Table 12.6 is modified from Table 10.3c in Durgin, 2010

The Lovestedt adit was driven in 1968. In 1982 ten crosscuts were driven across the vein by American Pyramid and sampled. A total of 117 channel samples were collected at one meter intervals and analyzed by Skyline Labs (Table 10.3d) (Table 12.7)*.*

Table 12.7 – Lovestedt Adit Sampling, Payne, 1982
(Listed from West to East)

Crosscut	Width	Au (g/t)	Ag (g/t)
1	12m	0.31	32
2	11m	0.54	56
3	16m	0.54	27
4	16m	0.35	11
5	10m	0.86	36
6	12m	0.71	32
7	11m	1.65	48
8	12m	0.76	50
9	10m	0	21
10	7m	0.51	7

Note: Table 12.7 is modified from Table 10.3d in Durgin, 2010

In 1982 American Pyramid also drove the Sphinx decline along the Sphinx vein and four cuts across the structure were channel sampled, generally at 1 meter intervals. Samples were sent to Skyline Labs. See Table 10.3e (Table 12.8) *below for results.*

Table 12.8 – Sphinx Adit Sampling, Payne, 1982
(Listed from West to East)

Crosscut	Width	Au (g/t)	Ag (g/t)
1	7.6m	0.60	26
2	11m	1.26	40
3	11m	2.69	72
4	6m	1.12	44

Note: Table 12.8 is modified from Table 10.3e in Durgin, 2010

Work carried out by Santa Fe in 1984 apparently did not include re-sampling of underground workings, as there is no data in the files. Degerstrom in its 1989, 1990 and 1991 programs also apparently did not re-sample the underground workings. ECU in 1996 published underground sampling results on one of their maps, but these results are a repetition of Payne's sampling for American Pyramid.

In May 2010, Quentin Browne collected three grab samples from the underground workings in the Varga adit to verify precious metal grades and low toxic element levels. The results are shown in Table 10.3f (Table 12.9) *below.*

Table 12.9 – Verification Samples Varga Adit – Browne 2010

Sample	Au g/t	Ag g/t	Hg ppb	Te ppm	As ppm	Ba ppm	Bi ppm	Cu ppm	Mo ppm	Pb ppm	Sb ppm	Se ppm	Tl ppm	Zn ppm
#01	0.24	27.3	11	4	3	14	<1	33	3	5	<2	17	<0.5	28
#02	0.41	13.8	34	6	15	373	<1	24	4	17	<2	19	<0.5	41
#03	0.10	3.4	<10	4	5	17	<1	16	1	11	<2	17	<0.5	40

Note: Table 12.9 is modified from Table 10.3f in Durgin, 2010

12.5 Geophysics

In 1990 N.A. Degerstrom carried out a limited program of vertical electrical soundings (VES) in the Bell Flat south of the property. These were used as a tool for finding groundwater, rather than mineral exploration. In the summer of 1996, ECU contracted Aerodat Inc to carry out a helicopter-borne electromagnetic and magnetic survey over the Bell Mountain property and its immediate surroundings, an area of about 11.6 square miles (30 square km). They produced a total field magnetic map, 3 sets of HEM offset profiles and 3 sets of resistivity contours (Woolham, 1996).

Magnetics-based geophysics relies on magnetic contrasts between different rock units and destruction of magnetite by alteration. Because the rocks within the Bell Mountain Caldera are all rhyolitic tuffs, their magnetic signature has very little contrast. Only small amounts of primary magnetite were present in the rocks so alteration also produced little contrast. The vein systems in the Spurr-Varga and Sphinx areas displayed no clear magnetic signature (Woolham, 1996), thus the results were not very useful. The magnetics did show the trace of the fault that bounds the east side of Bell Mountain Flat.

13.0 DRILLING

13.1 Introduction

The Qualified Person has reviewed the section on drilling from the previous NI 43-101 technical report on Bell Mountain (Technical Report, Geology and Mineral Resources, Bell Mountain Project, Churchill County, Nevada, USA, dated August 7, 2010. The Qualified Person agrees with the description of the drilling at the Bell Mountain Project. Moreover, The Qualified Person reviewed several of the references listed herein and found the description to be accurate.

The following sections (in *italics*) on drilling are taken from Durgin (2010).

13.2 Drilling Summary

This section reviews historic drilling on the property. The first drill holes were completed in the mid 1960's and no data from that period is available. The first drilling program of consequence, and for which data is available, was done in 1984 by Santa Fe Minerals. Table 11.1 (Table 13.1) *below summarizes the drilling sequence and footages drilled.*

Figure 13.1 presents a drillhole location map. The limits of each resource are also shown on Figure 13.1.

Figure 13.1: Drill Hole Location Map

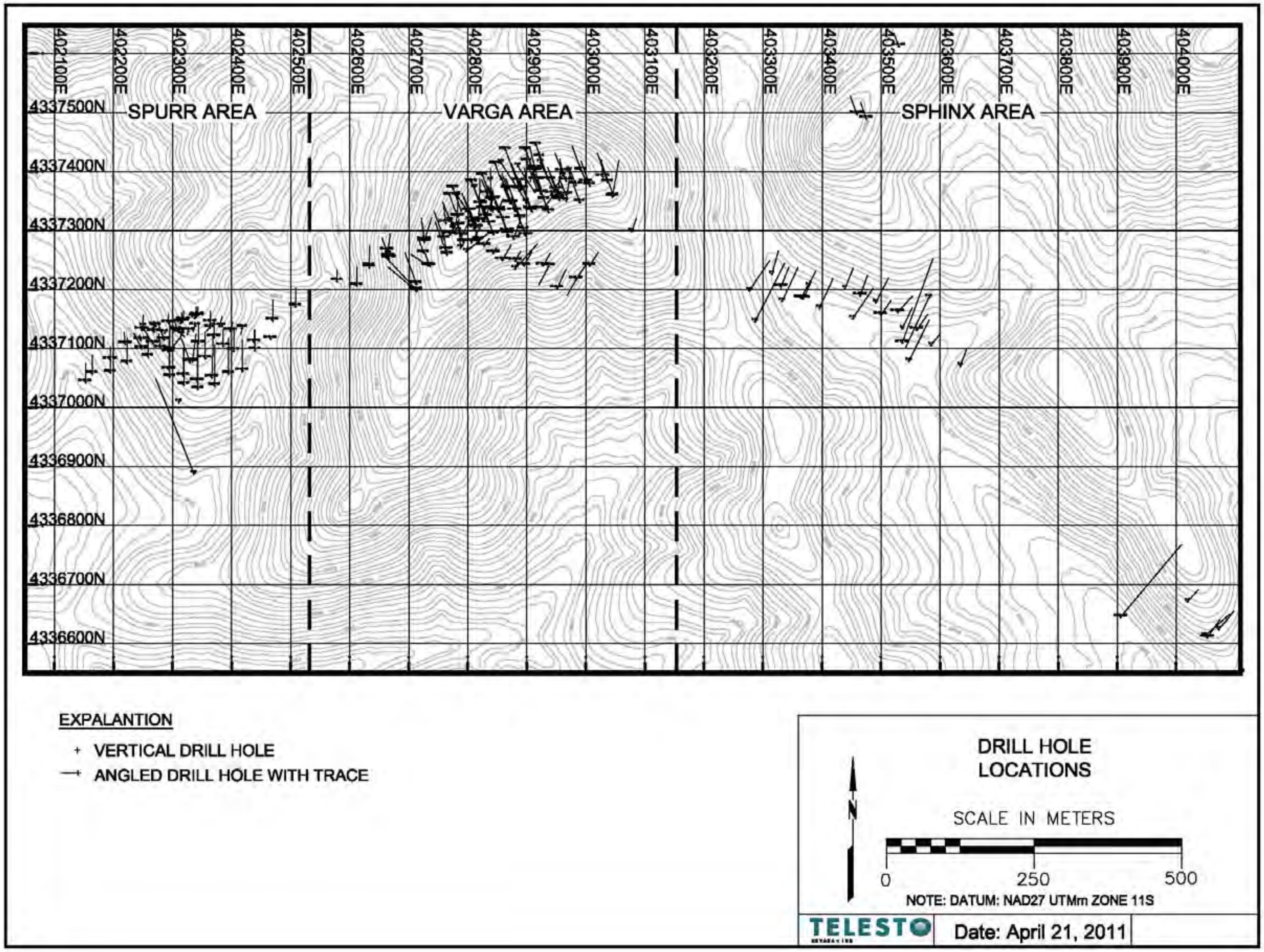


Table 13.1 – Summary of Historic Bell Mountain Drilling

Operator	**Date**	**Program**		
Nevada Bell Silver Mines	1965?	3 rotary holes in Spurr Deposit No data available		
Standard Slag Company	1974	Several air-track holes in Varga Deposit No data available		
American Pyramid	1980	One RC hole to 5668 ft elevation No ground water noted		
American Pyramid	1982	Water well in Stingaree Valley to north Depth 660 ft		
Santa Fe Mining Co.	1984	Spurr Area	8 RC holes	2,095 ft
			15 UG long-holes	433 ft
		Varga Area	25 RC holes	5,035 ft
		Sphinx Area	15 RC holes	3,753 ft
		Sphinx South	3 RC holes	535 ft
			Santa Fe Total	11,851 ft
Alhambra Mining	1985	Spurr Area	8 UG long-holes	234 ft
N.A. Degerstrom	1989-91	Spurr Area	26 RC holes	3,555 ft
			2 core holes (met)	150 ft
		Spurr East	6 RC holes	995 ft
		Varga Area	64 RC holes	8,883 ft
			3 core holes (met)	872 ft
		Sphinx Area	7 RC holes	975 ft
		Sphinx South	1 RC hole	170 ft
			Degerstrom Total	15,600 ft
ECU	1996	Spurr Area	None	
		Varga Area	3 core holes	872 ft
		Sphinx Area	1 core hole	715 ft
		Sphinx South	1 core hole	760 ft
			ECU Total	2,347 ft
Platte River Gold	2004	Spurr Area	3 RC holes	1,980 ft
		Varga Area	2 RC holes	1,350 ft
		Sphinx Area	2 RC holes	1,320 ft
			Platte River Total	4,650 ft
			Grand Total Drilling	**34,682 ft**

Note: Table 13.1 is modified from Table 11.1a in Durgin, 2010

For work from 1984 onward, drill logs, assay sheets, coordinates, elevations, depths, azimuths and inclinations are well preserved in Laurion's files. The entire drilling database has been compiled into a digital format which is in the process of being checked and validated. This will be available for future modeling and planning of the proposed drill program. This program will be designed to fill gaps in the database and extend the mineralized bodies along strike and to greater depth. Table 11.1b (Table 13.2) *summarizes contractors and equipment used earlier.*

Table 13.2 – Drilling Activity at Bell Mountain

Operator	Year	Drilling Company	Equipment	Assay Lab
Santa Fe Mining Co.	1984	Drilling Services (B-1 to 25)	Unknown	Chemex
		Harris Drilling (B-26 to 51)	Unknown	Chemex
		Unknown longhole driller	Unknown	Chemex
Alhambra Mining	1985	Unknown longhole driller	Unknown	GDResources
N.A. Degerstrom	1989	Degerstrom In-house (#1-58)	T-4 truck rig	In house lab
	1990	In house RC (#59 – 91)	T-4 truck rig	In house lab
			MPD-1000	In house lab
		“Diamond Drill Contracting” (core 90-1 to 5)	DDI-2200	In house lab
	1991	In house RC (91-1 to 13)	MPD-1000	In house lab
ECU	1996	Tonto Drilling (HQ core)	Hydro-38	Barringer Lab
Platte River Gold	2004	Lang Drilling	Rig unknown	Chemex Lab

Note: Table 13.2 is modified from Table 11.1b in Durgin, 2010

13.3 Reverse Circulation Drilling

From the 34,682 feet (10,574m) of drilling for which data is available 30,576 feet (9322m) (88.2%) was reverse circulation (RC) drilling. This work spanned a 21 year period by several drilling companies. Cuttings were logged (logs of all holes are present in the files) and sampled by several geologists at various levels of detail, and samples were assayed (results available for all holes in the files) by different analytical laboratories. Some RC holes were terminated early due to bad ground conditions (~10% of the RC holes). This suggests that sample recovery was less than optimal in highly broken zones which often cause holes to be stopped earlier than planned. No ground water was noted in any of the drilling, except in the very few deepest holes, suggesting thorough oxidation of the rocks. In this environment silver, and to a lesser extent gold, is mobile and oxide-zone silver-bearing (and perhaps gold-bearing) minerals often reside on fractures. During the time of the drilling, in 1984 and 1989-91, RC holes were commonly drilled “dry” using only air when possible. Water with drilling mud was injected in areas of broken ground where sample return was poor using air alone.

Potential loss of fine material from fracture surfaces up the stack as dust when drilling dry, or hydraulically forced into fractured rocks while drilling wet, could have reduced silver and gold content in the process of drilling and sampling. This scenario suggests that RC drilling and sampling under-valued the grade of the mineralization to some extent. A plausible conclusion is that RC drilling probably undervalued the Bell Mountain resource. Payne (1980) discusses this problem in some detail and comes to the conclusion that it is very difficult to get a representative sample of this body of mineralization by drilling. The most reliable sample will be that taken during mining from the conveyor belt as the ore comes out of the crusher.

The commercial laboratories used by Santa Fe, Alhambra, ECU and Platt River Gold are considered to be reputable labs with facilities in Reno at the time. N.A Degerstrom was a well-established and experienced mining contractor and mine operator. As part of *their business plan they did as much work as possible in-house with their own equipment and personnel. Because they were preparing to mine the Bell Mountain deposits for their own account, it was in their own best interest for their in-house lab to produce accurate assays. Details of their quality control and assay procedures may be available from the still-existing company.*

13.4 Core Drilling

At Bell Mountain, core drilling was only 9.7% of the total footage drilled. Both of the core drilling programs (Degerstrom 1022 ft (312m), ECU 2347 ft (715m)) used HQ pipe (2.5" or 6.35mm) core. Degerstrom drilled its holes to obtain samples for metallurgical testing. Drill sites were surveyed relative to established survey grid points. Core was washed and re-aligned in the core boxes and photographed (See Figures 13.2 and 13.3)*. Photographs of the core remain in the files. Core was then logged in detail for geology and alteration by the geologist. All of the core was consumed in testing; only the photographs remain. Samples were assayed in Degerstrom's in-house lab for gold by fire assay with a gravimetric finish and for silver by atomic absorption (AA).*

Figure 13.2: Core From Degerstrom Hole 90-2 (87–100 ft)

Figure 13.3: Core From Degerstrom Hole 90-5 (14.5–24 ft)

ECU surveyed its drill sites using the grid established by Degerstrom. They also employed a single-shot camera device to survey down the holes, with readings taken at the bedrock/overburden interface, midway and at the bottom. ECU prepared its core in the conventional manner. It was washed, re-aligned, logged and marked by the geologist for splitting and sampling. It was split using a manual splitter. Samples were taken to Barringer's lab in Reno for analysis. Samples were analyzed for gold by fire assay with AA finish and for silver by AA. Now, nearly fifteen years later the split ECU core is no longer available.

13.5 Long-Hole Drilling

There were two campaigns of underground long-hole drilling from at the Spurr deposit. In 1984 Santa Fe drilled 15 holes for a total of 433 feet (132m) and in 1985 Alhambra drilled 8 holes for 234 feet (71m) for 667 feet (203m) together or 2% of the total drill footage. Logs and assays are available for all holes, as are azimuths and inclinations. The Santa Fe holes were assayed for gold by fire assay and silver by AA, by Chemex Laboratory in Reno. The Alhambra holes were assayed by GD Resources by fire/gravimetric method for gold and AA for silver. The exact locations of the drill hole collars are uncertain.

Long-holes are most useful for collecting geologic information. Sample recovery is often poor, thus the assay results are best used to detect the presence or absence of mineralization and a general sense of grade rather than to provide reliable assay information. The geologic information provided by this drilling may prove useful, but the assay data may not.

14.0 SAMPLING METHOD AND APPROACH

14.1 Introduction

The Qualified Person has reviewed the section on sampling method and approach from the previous NI 43-101 technical report on Bell Mountain (Technical Report, Geology and Mineral Resources, Bell Mountain Project, Churchill County, Nevada, USA, dated August 7, 2010). The Qualified Person agrees with the description of the sampling method and approach at the Bell Mountain Project. Moreover, The Qualified Person reviewed several of the references listed herein and found the description to be accurate.

Section 14.2 and its subsections (in *italics*) review the historic sampling data from previous operators at Bell Mountain. The description is taken from Durgin (2010).

14.2 Sampling Summary

14.2.1 Channel Sampling

The underground sampling discussed in Section 10.3 (Section 12.4) *above was all channel sampling. The standard procedure for this type of sampling was to mark the sample intervals and sample numbers on the rib of the working to be sampled. A canvas tarp was laid on the floor of the working below the area to be sampled. A continuous notch or channel several inches wide and of a consistent depth was cut from the rock for each sample using a hammer and chisel. The broken rock was then collected from the tarp and placed in a stout cloth sample bag which was clearly labeled by writing on the bag and putting a sample tag inside the bag. Payne's channel samples from the Spurr, Varga and Sphinx workings were described as approximately 10 kilograms (22 lb) in weight.*

Surface trenches were generally sampled in a similar way, although these are often cut from the floor of the trench and are physically a bit less easy to collect as they do not simply fall on a tarp with the aid of gravity.

The channel samples collected by ECU (Pinet, 1996) were also done in this manner where possible. Some of them may have been more properly termed "chip-channel" samples. In this case a series of chips is cut in a band across the outcrop in as continuous a manner as possible, but often to a shallower depth than classic channel samples.

14.2.2 Rock Chip Sampling

American Pyramid, Santa Fe, Degerstrom and ECU collected surface samples which they referred to as rock samples, or chip samples. From their brief descriptions, these were generally samples selected to be representative of something specific at each site, thus they were selectively collected rather than randomly collected. Some were single specimens, but most were composed of several or many chips of rock over a specific area, such as a one meter by one meter square series of chips on an outcrop, to represent an average value for that outcrop. Locations were noted on a map and *marked in the field (usually) with a tag. Samples were collected in a cloth sample bag with the number written on the outside and a tag placed in the bag.*

14.2.3 Reverse Circulation Drilling Sampling

At the time of nearly all of the reverse circulation drilling at Bell Mountain, the holes were drilled dry using compressed air (no drilling fluids added) to as great a depth as possible, until the water table was reached. The whole area drilled at Bell Mountain is above the water table, except a very few deeper holes. An exception to drilling dry was that in areas of badly broken rock with poor sample return, it became necessary to either stop the hole or continue using drilling fluids, occasionally just water, but usually with mud additives (e.g. bentonite).

When drilling dry, sampling was quite simple. The drill cuttings for each 5-foot interval were allowed to accumulate in the cyclone with some fine dust blowing out the stack. At the end of every 5 feet (1.52m), the sample was dumped from the cyclone through a riffle splitter set up so that two samples were collected about 5 pounds (2.3kg) in weight. The second sample was kept as a reference sample or to be sent to the lab as a duplicate. The cyclone and splitter were blown clean with compressed air between samples.

During wet drilling, the sample passed from the cyclone to a rotary wet splitter in which the sample material was distributed over a series of slots which divide the sample material into equal size samples and the excess was discharged. It was important to thoroughly rinse the cyclone and splitter with water between samples. Sample bags were marked as in dry sampling. A pair of duplicate samples was commonly collected for each interval

14.2.4 Core Sampling

Core only comprised 9.7% of the footage drilled. Degerstrom's core was not split because it was used whole for metallurgical testing. It was sampled at the required intervals and bagged in carefully labeled cloth bags. ECU's core was carefully marked by the geologist into sampling intervals. The core was carefully re-aligned in the box and a center line was marked on the core. It was split, as well as possible, into equal halves using a mechanical splitter. Half of each core interval was bagged in carefully labeled cloth bags with a sample tag inside. The second half was retained for reference.

15.0 SAMPLE PREPARATION, ANALYSIS AND SECURITY

15.1 Introduction

The Qualified Person has reviewed the section on sampling preparation, analysis and security from the previous NI 43-101 technical report on Bell Mountain (Technical Report, Geology and Mineral Resources, Bell Mountain Project, Churchill County, Nevada, USA, dated August 7, 2010). The Qualified Person agrees with the description of the sampling preparation, analysis and security at the Bell Mountain Project.

A portion of Durgin's description is included here. Section 15.2 on sample preparation and analysis is taken from Durgin (2010). Section 15.3 and the following subsections provide information specific to procedures at Degerstrom's in-house lab.

15.2 Sample Preparation and Analytical Procedures

The bulk of sampling from outcrops, underground workings, and drilling was done during the period 1978 to 1996 by American Pyramid Resources, Alhambra Mines, Santa Fe Mining, N.A. Degerstrom and ECU. The assaying was done by well-known and certified labs. Except for Laurion, Degerstrom and Santa Fe samples, the details of sample preparation and analytical procedures used were not well documented in the data acquired from Globex.

Table 13.1 (Table 15.1) *shows the sample preparation and analytical procedure information which is available in the database for each exploration program.*

Table 15.1 – Sample Preparation and Assay Procedures by Company

Year	Operator	Lab	Sample Prep	Assay Type
1979 to 1981	American Pyramid	Skyline	Not Stated	Au – Fire/grav. Ag – AA
1984	Santa Fe	Chemex/ Legend	Not Stated	Au – Fire/AA Ag – AA
1985	Alhambra	GD Res.	Not Stated	Au – Fire/grav. Ag – AA
1989 to 1991	Degerstrom	In-house	Procedures in Section 15.3	Au – Fire/AA Ag – AA
1996	ECU	Barringer	Not Stated	Au – Fire/AA Ag – AA
2004	Platte River Gold	Chemex	Not Stated	Au – Fire/AA Ag – AA
2010	Laurion	ALS Minerals		

Note: Table 15.1 is adapted from Table 13.1 in Durgin (2010)

Reports by all of these groups did not state the type of sample preparation used for their samples. The standard preparation procedure for major labs during that time period was to oven dry the sample, then to crush the sample to 90% minus 10-mesh using a jaw crusher. A 200 gram split was then passed through a disk (earlier) or ring-and-puck *(later) pulverizer to produce 95% minus 100 mesh material. This pulp material was sent for assay. These procedures meet industry standards.*

15.3 Additional Information about Degerstrom

Information was obtained from Degerstrom about sample preparation and analysis procedures at their in-house lab. A signed letter from the lab manager outlines in detail the procedures as shown in the following subsections. Additionally, a nine-page quality control/quality assurance (QC/QA) policy was attached to the letter.

15.3.1 Degerstrom's Sample Preparation

Drill samples shipped to the N.A. Degerstrom Lab are dried, sorted and logged in using the number on the bag. Large rock samples, such as core, are crushed to -1" in a large jaw crusher. The crushed core samples and RC samples are then crushed to -1/4" in a small jaw crusher. The sample is then split in order to obtain 500 – 750 gm. The split reject is then returned to the original bag and stored. The sample is then pulverized to -200 mesh using a plate pulverizer or ring-in-puck pulverizer. The pulverized sample is then put in a numbered envelope which is sent to analysis. All crushers and pulverizers are cleaned after each sample.

15.3.2 Degerstrom's Fire Assay Analysis (Au)

The N.A. Degerstrom Lab uses DFC electrically heated assay furnaces and Cress electrical furnaces for cupelling.

A 1-assay ton (29.167 gm) sample is used for fire assay analysis. The sample is fluxed and inquarted (if required), mixed and fired. A set of samples to be fired (up to 24) contains a standard, a blank and a duplicate. The lead button is then cupelled to a gold/silver bead. In most cases, the bead is dissolved in aqua regia and analyzed by the DCP (direct coupled plasma). If the bead is over 30 ppm, it is redone, parted, and the gold bead weighed gravimetrically.

A nine-page QC/QA policy provided by Degerstrom was also reviewed by Telesto. Degerstrom's practices of cleaning equipment between samples and inserting blanks, standards and duplicates all conform to industry norms. Degerstrom also participated in a monthly round-robin analysis program with other labs to ensure that their lab conformed to industry norms. A full discussion of the round-robin program and selected results can be found in Section 16.2.

15.3.3 Degerstrom's Aqua Regia Analysis (Ag)

A 1-gm sample is dissolved in aqua regia and the sample analyzed by the DCP. A set of samples to be analyzed (up to 20) contains a standard, a blank, and a duplicate.

15.4 Laurion's Sample Preparation

Dana Durgin, C.P.G., supervised drilling for Laurion during the summer of 2010. He provided Telesto with a written description of Laurion's sample prep as follows:

RC cuttings were delivered directly from the cyclone into a two stage Jones splitter. Depending on sample volume, the rear split channels were sometimes blocked so that enough material would flow to the second stage to produce two full samples. The second stage splitter produced two equal size samples. Occasionally sample volume recovered was sufficiently small that both splits were put into one bag and there was no reference sample retained. The splitter was rinsed with water between samples.

A small amount of flocculant was added to each sample tray and the solids were allowed to settle for one minute. The clear water was poured off each container and the remaining sample was poured into a sample bag.

Sample bags were labeled in advance, including the quality control samples. Blanks and standards as pulps were contained in paper soil sample envelopes. We quickly realized that the paper envelopes got wet, so they were placed in small zip-lock bags and then into the cloth bags.

15.5 Security

Although security protocols used were not stated by any of the prior operators of the property Telesto feels that the previous operators has no reason to doubt that proper chain-of-custody procedures were followed.

15.6 Conclusion

Although there was no information regarding sample preparation and analysis procedures for operators other than Degerstrom, Laurion, and Santa Fe, these represent approximately 88% of the database records. It is therefore the opinion of the Qualified Person that this level of knowledge of the sample preparation and analysis procedures is sufficient for the preparation of the resource estimate found in this report.

16.0 DATA VERIFICATION

16.1 Introduction

For the purpose of this report, Telesto carefully checked and updated the drillhole database which was provided by Laurion. Telesto inspected original assay certificates for 51% of the database.

The database consists of records for 227 drillholes totaling 8,727 assays. The drillhole assay data was generated by several companies which have controlled the property at various times in the past. Telesto has confirmed that four of the seven operators that conducted drilling and channel sampling at the project area sent their samples to third party certified labs for analyses.

Telesto checked original assay certificates from ALS Minerals of Reno, Nevada for all 56 Laurion drillholes in the resource database. All Laurion drillhole assay intervals in the database were cross-checked against original certificates of analysis and verified by Telesto to be accurate. Telesto has concluded that the Laurion assay data is suitable for mineral resource estimation.

Platte River Gold's drilling program accounts for 2 drillholes within the resource area. However, no original certificates of analysis have been obtained for these drillholes. Because the data cannot be verified, these drillhole samples have been removed from the mineral resource estimate contained in this report.

American Pyramid's sample program consists of 40 continuous channel samples in the resource area. No original certificates of analysis have been obtained for these sample assays. Therefore, these samples have been removed from the mineral resource estimate contained in this report.

ECU drillhole samples were analyzed by Barringer Laboratories, Inc of Reno, Nevada. Of the 5 ECU drillholes in the resource database, 1 was checked against its original assay certificate. By verifying 20% of these drillhole sample analyses, Telesto has concluded that the ECU data is suitable for the mineral resource estimation.

Alhambra drillholes account for 8 drillholes in the resource database. GD Resources, Inc. of Sparks, Nevada conducted the assay analyses for Alhambra. All intervals of the 8 drillholes in the database were checked against the original assay certificates, verified to be accurate and deemed suitable for mineral resource estimation.

Santa Fe Mining Co. (Santa Fe) drillhole samples were analyzed by Legend Metallurgical Laboratory, Inc. of Reno, Nevada. Of the 51 total Santa Fe drillholes in the resource database, all original certificates of analyses were reviewed by Telesto. All intervals of these 51 drillholes in the database were checked against their corresponding certificates of analysis and verified to be accurate. By verifying 100% of these drillhole sample analyses, Telesto has concluded that the Santa Fe drillhole assay data is suitable for inclusion in the mineral resource estimation.

Santa Fe also drilled 15 underground longholes in the Spurr resource area. However, no original assay certificates were available for Telesto to review. Therefore, all Santa Fe longhole assays have been excluded from the mineral resource estimate contained in this report.

Degerstrom drillholes account for 107 drillholes in the resource database. The samples from Degerstrom were analyzed at Degerstrom's internal lab in Spokane, Washington. Because of this, Telesto engaged in additional efforts to verify the Degerstrom data. Telesto first contacted Degerstrom's lab which is still in operation in Spokane. The lab provided a copy of the Quality Control / Quality Assurance Policy for the lab (nine pages) as well as a signed and stamped letter from James A. Bradbury, P.E. Mr. Bradbury has been the lab manager for many years. The letter outlines sample handling and custody protocol, preparation procedures and analysis methods. In addition, the letter states that Degerstrom was a member of the Society of Mineral Analysts of Nevada and the lab, "participated in a round-robin check analysis program with numerous other laboratories dealing in gold/silver samples." Telesto acquired data from several of the round-robin analyses and performed a statistical analysis of the data, which is outlined in Section 16.2. Mr. Bradbury concluded his letter by stating that he, "reviewed and approved the analysis of the Bell Mountain samples that were prepared and analyzed by the N.A. Degerstrom Lab."

Because the Degerstrom data was generated by an in-house lab rather than an independent, third party lab, Telesto conducted a review of the data to determine if there are any statistically significant differences between the Degerstrom data and the remainder of the dataset. To test the populations of data, Telesto used the T-test which considers the means and standard deviations of the two populations. A full discussion of the T-test analysis can be found in Section 16.3.

Finally, block model estimation of grade and tons in the Spurr, Varga and Sphinx mineralization was performed with and without the Degerstrom data to gauge the effect of excluding or capping the Degerstrom data. Section 16.4 contains a full discussion of the block model analysis.

Each operator's data was segregated from the database and subjected to statistical review. Minimum, maximum and mean grade values, as well as variance and standard deviation were determined and compared against each other. Selected results of this statistical review (vein rock types and unassigned lithologies only) are shown in Table 16.1 (gold) and Table 16.2 (silver).

As can be seen in Tables 16.1 and 16.2, there are three operators who have contributed the highest percentages of samples to the overall database: Santa Fe (2,415 samples / 9,491 total = 25% of the database), Degerstrom (3,035 samples / 9,491 total = 32%) and Laurion (2,861 samples / 9,491 total = 30%). In total, those three operators account for about 88% of the database. Average gold grades for those three operators are 0.3597 ppm, 0.4899 ppm and 0.1682 ppm respectively. The fact that the Degerstrom data accounts for the largest percentage of the entire database and has the highest average gold grade of the three most prolific operators is complicated by the fact that Degerstrom used their in-house lab to analyze their samples instead of a third-party, independent lab. Because of this, Telesto engaged in additional efforts to verify the Degerstrom data as outlined in this section.

There are other operators whose data have an average gold grade which is higher than that of the Degerstrom data (i.e., American Pyramid and Alhambra), but the number of their samples in the database is extremely low compared to Degerstrom. Nevertheless, Alhambra utilized independent, third-party labs to analyze their samples, while American Pyramid assays cannot be verified because no original assay certificates have been obtained.

Table 16.1 – Basic Gold Statistics by Operator for Selected Rock Types

Operator	# of Samples	Minimum (ppm)	Maximum (ppm)	Mean (ppm)	Variance	Std. Dev.
American Pyramid (data was not coded for lithology)						
Quartz veins	–	–	–	–	–	–
Calcite veins	–	–	–	–	–	–
Quartz and calcite veins	–	–	–	–	–	–
Unassigned	363	0.0000	10.9930	0.9138	1.5979	1.2641
Total*	363	0.0000	10.9930	**0.9138**	1.5979	1.2641
Santa Fe						
Quartz veins	9	0.1030	1.8150	0.7002	0.3478	0.5897
Calcite veins	–	–	–	–	–	–
Quartz and calcite veins	205	0.0000	9.9660	1.2340	2.9286	1.7113
Unassigned	1,158	0.0000	23.0140	0.3066	1.1348	1.0652
Total	2,415	0.0000	23.0140	**0.3597**	1.0104	1.0052
Alhambra						
Quartz veins	–	–	–	–	–	–
Calcite veins	–	–	–	–	–	–
Quartz and calcite veins	37	0.2050	8.6690	2.2640	3.6585	1.9127
Unassigned	–	–	–	–	–	–
Total	48	0.2050	8.6690	**2.0063**	3.2107	1.7918
Degerstrom						
Quartz veins	103	0.1030	3.7670	1.0011	0.5603	0.7485
Calcite veins	115	0.0000	10.1710	1.0785	1.8620	1.3645
Quartz and calcite veins	213	0.0000	6.8840	1.0613	1.3454	1.1599
Unassigned	719	0.0000	10.3420	0.5264	1.0908	1.0444
Total	3,296	0.0000	13.1850	**0.4899**	0.7219	0.8497
ECU						
Quartz veins	4	0.1370	2.0210	0.7193	0.7801	0.8832
Calcite veins	–	–	–	–	–	–
Quartz and calcite veins	23	0.0000	4.2470	0.9187	1.4304	1.1960
Unassigned	318	0.0000	1.3010	0.0237	0.0124	0.1113
Total	500	0.0000	4.2470	**0.1320**	0.1805	0.4249
Platte River						
Quartz veins	–	–	–	–	–	–
Calcite veins	–	–	–	–	–	–
Quartz and calcite veins	–	–	–	–	–	–
Unassigned	–	–	–	–	–	–
Total	269	0.0000	0.7760	**0.0159**	0.0037	0.0608
Laurion						
Quartz veins	94	0.0000	9.4800	0.8153	1.8106	1.3456
Calcite veins	–	–	–	–	–	–
Quartz and calcite veins	65	0.0280	2.4900	0.4552	0.2100	0.4583
Unassigned	–	–	–	–	–	–
Total	2,861	0.0000	9.4800	**0.1682**	0.1576	0.3970

*Note: As they were the predominant types, only lithology codes 1, 2, 3 and 9999 are shown in this table along with the total number of samples for each operator. Statistics for lithology codes 4-17 are not shown. The total row for each operator may not reflect the sum of the rows shown.

Table 16.2 – Basic Silver Statistics by Operator for Selected Rock Types

Operator	# of Samples	Minimum (ppm)	Maximum (ppm)	Mean (ppm)	Variance	Std. Dev.
American Pyramid (data was not coded for lithology)						
Quartz veins	–	–	–	–	–	–
Calcite veins	–	–	–	–	–	–
Quartz and calcite veins	–	–	–	–	–	–
Unassigned	363	0.000	323.630	35.390	1640.7	40.506
Total	363	0.000	323.630	**35.390**	1640.7	40.506
Santa Fe						
Quartz veins	9	9.247	30.137	20.852	54.3	7.3698
Calcite veins	–	–	–	–	–	–
Quartz and calcite veins	205	0.000	184.930	32.895	1104.6	33.236
Unassigned	1,158	0.000	197.950	6.727	140.99	11.874
Total	2,415	0.000	197.950	**10.784**	277.55	16.660
Alhambra						
Quartz veins	–	–	–	–	–	–
Calcite veins	–	–	–	–	–	–
Quartz and calcite veins	37	6.507	160.860	58.870	2016.1	44.901
Unassigned	–	–	–	–	–	–
Total	48	6.507	160.860	**52.491**	1792.6	42.339
Degerstrom						
Quartz veins	103	2.397	54.110	13.962	88.687	9.417
Calcite veins	115	2.740	333.900	34.904	1680.7	40.996
Quartz and calcite veins	213	1.507	242.120	28.665	901.62	30.027
Unassigned	719	0.000	200.860	9.840	319.08	17.863
Total	3,296	0.000	333.900	**9.670**	286.82	16.936
ECU						
Quartz veins	4	3.767	32.877	17.209	180.72	13.443
Calcite veins	–	–	–	–	–	–
Quartz and calcite veins	23	0.000	81.507	17.659	360.89	18.997
Unassigned	318	0.000	140.000	2.387	131.59	11.471
Total	500	0.000	140.000	**4.264**	124.15	11.142
Platte River						
Quartz veins	–	–	–	–	–	–
Calcite veins	–	–	–	–	–	–
Quartz and calcite veins	–	–	–	–	–	–
Unassigned	–	–	–	–	–	–
Total	269	0.000	0.601	**0.018**	0.0056	0.0749
Laurion						
Quartz veins	94	0.000	153.000	18.132	379.77	19.488
Calcite veins	–	–	–	–	–	–
Quartz and calcite veins	65	1.100	69.700	15.115	134.33	11.590
Unassigned	–	–	–	–	–	–
Total	2,861	0.000	153.000	**5.873**	59.264	7.6983

*Note: As they were the predominant type, only lithology codes 1, 2, 3 and 9999 are shown in this table along with the total number of samples for each operator. Statistics for lithology codes 4-17 are not shown. The total row for each operator may not reflect the sum of the rows shown.

To verify the Degerstrom data, Telesto first contacted Degerstrom's lab which is still in operation in Spokane. The lab provided a copy of the Quality Control / Quality Assurance Policy for the lab (nine pages) as well as a signed and stamped letter from James A. Bradbury, P.E. Mr. Bradbury has been the lab manager for many years. The letter outlines sample handling and custody protocol, preparation procedures and analysis methods. In addition, the letter states that Degerstrom was a member of the Society of Mineral Analysts of Nevada and the lab, "participated in a round-robin check analysis with numerous other laboratories dealing in gold/silver samples." Telesto acquired data from several of the round-robin analyses and performed a statistical analysis of the data, which is outlined in Section 16.2. Mr. Bradbury concluded his letter by stating that he, "reviewed and approved the analysis of the Bell Mountain samples that were prepared and analyzed by the N.A. Degerstrom Lab."

16.2 Degerstrom's Round-Robin Analysis

Telesto received hardcopy data from Degerstrom which appears to be reliable from round-robin analyses conducted on October 17, 1991, May 8, 1992, September 22, 1992 and October 22, 1992. Graphs of data pairs were created for each of the analysis data. Data for the analyses can be found in Tables 16.3A through 16.6C and the corresponding graphs are Figures 16.1A through 16.4C. The Degerstrom data points are shown in red on the graphs for ease of recognition.

Although there are a few instances where the Degerstrom data points were laying somewhat outside of the other data points on the graphs, Telesto did not consider those few instances to be significant. So Degerstrom's participation in the round-robin process around the same time as Degerstrom was testing its drillhole samples provides confidence that their in-house lab conformed to industry standards. This lends confidence that Degerstrom's equipment was functioning properly and was analyzing standard samples within an acceptable range.

Although Degerstrom's control of the Bell Mountain project only lasted from 1989 through 1991, Telesto's review of round-robin analyses from 1992 are included in this report to show that Degerstrom's lab had a history of being generally consistent with other labs in Nevada and surrounding states.

Table 16.3A – 10/17/91 Round Robin Results	NGC1A	NGC1B
Independence	0.014	0.014
	0.013	0.014
N A Degerstrom	0.016	0.016
	0.017	0.016
Nevada Gold	0.016	0.012
	0.018	0.010
	0.017	0.012
	0.018	0.022
	0.022	0.016
	0.019	0.018
	0.020	
Newmont	0.016	0.017
	0.018	0.018
Pinson	0.014	0.014
	0.016	0.014
Pikes Peak	0.014	0.018
Placer Dome	0.010	0.012
	0.014	0.012
RMGC of Nevada	0.014	0.015
	0.014	0.015
RMGC of Utah	0.014	0.015
	0.014	0.014
USBM-Reno	0.014	0.013
	0.012	0.012
		0.012
		0.012
RMGC of Salt Lake	0.012	0.010
	0.009	0.007
	0.010	0.008
USMX	0.018	0.018
	0.018	0.016

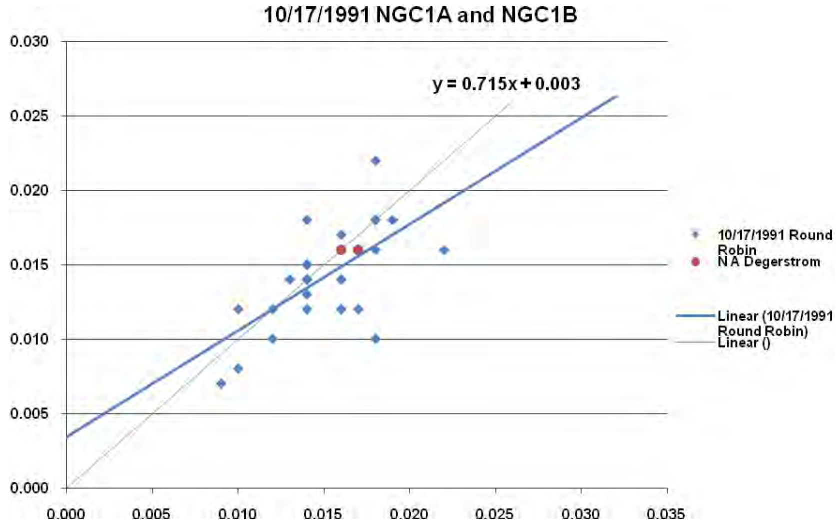


Figure 16.1A: Round Robin Analysis Results for Samples NGC1A and NGC1B (10/17/91)

Table 16.3B – 10/17/91 Round Robin Results	NGC2A	NGC2B
Independence	0.062	0.059
	0.062	0.063
N A Degerstrom	0.068	0.066
	0.064	0.067
Nevada Gold	0.060	0.063
	0.056	0.061
	0.062	0.064
	0.069	0.068
	0.072	0.067
	0.069	0.071
	0.070	
Newmont	0.068	0.062
	0.067	0.067
Pinson	0.059	0.056
	0.056	0.057
Pikes Peak	0.065	0.072
Placer Dome	0.064	0.064
	0.066	0.066
RMGC of Nevada	0.064	0.061
	0.062	0.061
RMGC of Utah	0.059	0.061
	0.061	0.061
USBM-Reno	0.059	0.057
	0.057	0.054
RMGC of Salt Lake	0.068	0.063
	0.063	0.064
	0.062	0.068
USMX	0.060	0.060
	0.062	0.060

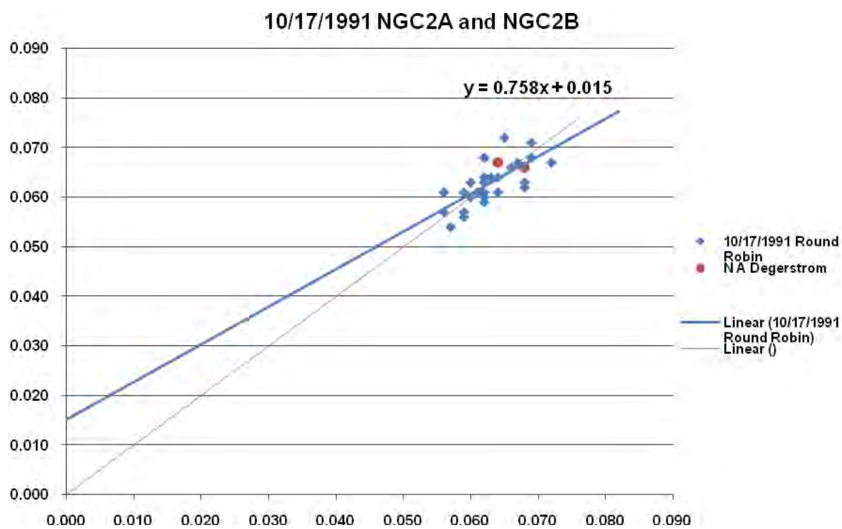


Figure 16.1B: Round Robin Analysis Results for Samples NGC2A and NGC2B (10/17/91)

Table 16.3C – 10/17/91 Round Robin Results	NGC3A	NGC3B
Independence	204.000 207.000	203.800 201.400
N A Degerstrom	204.470 205.460	210.500 206.800
Nevada Gold	206.300 203.200 192.400 202.000 197.700 200.100	193.900 207.900 207.500 207.300 197.000 207.400
Newmont	200.090 186.250	205.400 205.400
Pinson	189.080 189.690	188.800 187.400
Pikes Peak	202.450	197.800
Placer Dome	199.830 204.640	189.200 200.600
RMGC of Nevada	210.820 210.310	210.800 210.200
RMGC of Utah		
USBM-Reno	203.400 202.900 194.400 182.600	201.300 185.200 201.500 172.400
RMGC of Salt Lake	179.200 204.000 210.000	178.100 202.000 202.000
USMX	201.000 213.140	202.000 226.000

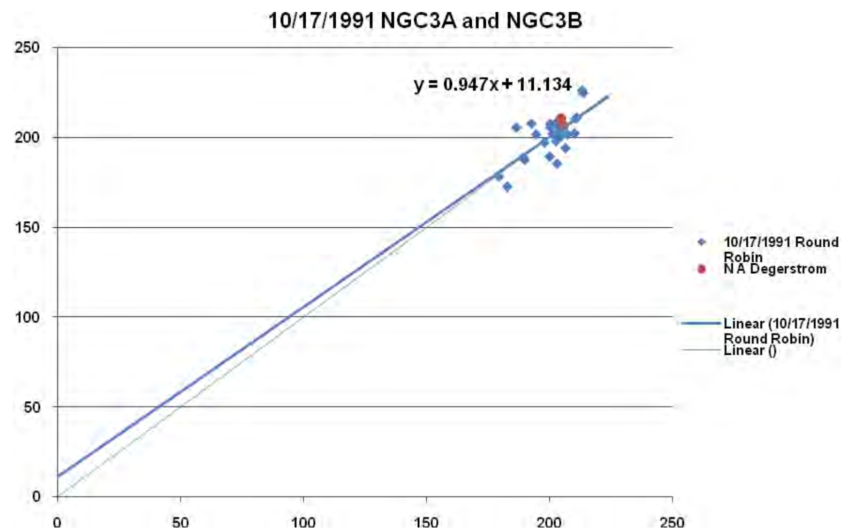


Figure 16.1C: Round Robin Analysis Results for Samples NGC3A and NGC3B (10/17/91)

Table 16.4A – 05/08/92 Round Robin Results	PDI1A	PDI1B
Hycroft Res.	0.034 0.032	
Independence	0.040 0.036 0.038	
N A Degerstrom	0.040 0.040	 0.039
Pinson	0.042 0.042 0.043 0.043	 0.042 0.043
Placer Dome	0.036 0.038	0.038 0.038
RMGC of Nevada	0.036 0.038	0.038 0.038
RMGC of Utah	0.033 0.035	0.031 0.033
Sleeper Mine	0.032 0.028 0.028 0.030 0.032 0.032	0.034 0.030 0.036 0.034 0.030 0.032
USBM-Reno	0.034 0.030	0.032 0.035
Newmont	0.038 0.034 0.038 0.035	0.041 0.039 0.029 0.034

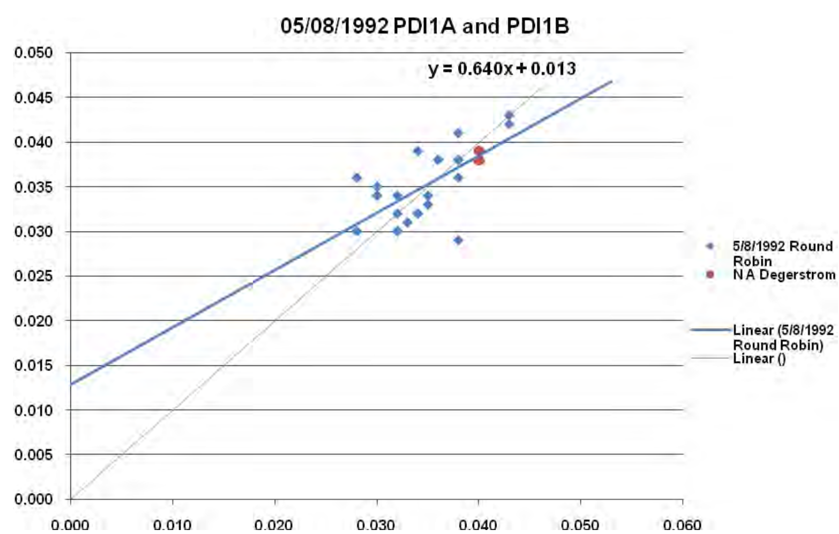


Figure 16.2A: Round Robin Analysis Results for Samples PDI1A and PDI1B (05/08/92)

Table 16.4B – 05/08/92 Round Robin Results	PDI2A	PDI2B
Hycroft Res.	0.000	0.000
	0.000	0.000
Independence	0.000	0.000
	0.000	0.000
	0.000	0.000
N A Degerstrom	0.004	0.007
	0.006	0.005
Pinson	0.000	
	0.000	
	0.000	0.000
	0.000	0.000
Placer Dome	0.000	0.000
	0.000	0.000
RMGC of Nevada	0.000	0.000
	0.000	0.000
RMGC of Utah	0.001	0.001
	0.001	0.001
Sleeper Mine	0.000	0.000
	0.000	0.000
	0.000	0.000
	0.000	0.000
	0.000	0.000
	0.000	0.000
USBM-Reno	0.000	0.000
	0.000	0.000
Newmont	0.002	0.001
	0.003	0.001
	0.001	0.001
	0.001	0.001

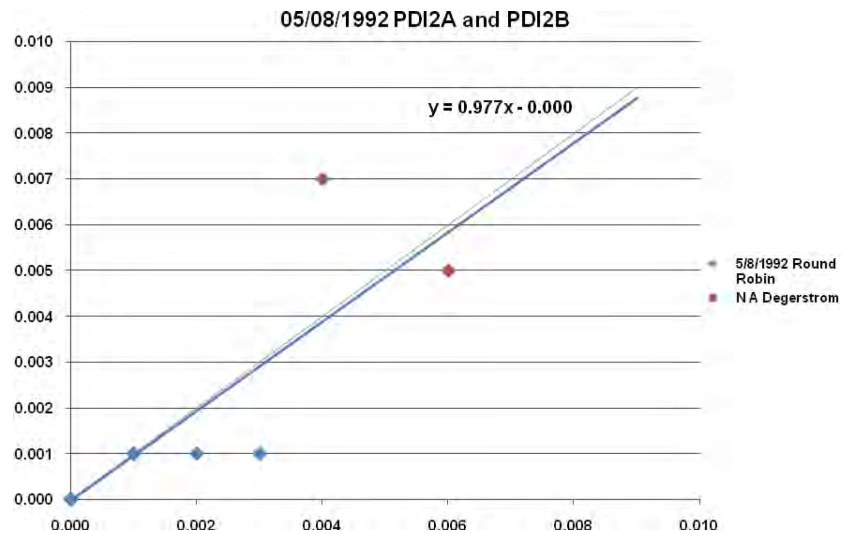


Figure 16.2B: Round Robin Analysis Results for Samples PDI2A and PDI2B (05/08/92)

Table 16.4C – 05/08/92 Round Robin Results	PDI3A	PDI3B
Hycroft Res.	0.000	0.000
	0.000	0.000
Independence	0.003	0.003
	0.003	0.003
	0.003	0.003
N A Degerstrom	0.058	0.058
	0.058	0.058
Pinson	0.000	0.000
	0.000	0.000
	0.000	0.000
	0.000	0.000
Placer Dome	0.000	0.000
	0.000	0.000
RMGC of Nevada	0.000	0.000
	0.000	0.000
RMGC of Utah	0.000	0.000
	0.000	0.000
Sleeper Mine	0.000	0.000
	0.000	0.000
	0.000	0.000
	0.000	0.000
	0.000	0.000
	0.000	0.000
USBM-Reno	0.000	0.000
	0.000	0.000
Newmont	0.000	
	0.000	
	0.000	0.030
	0.000	0.030

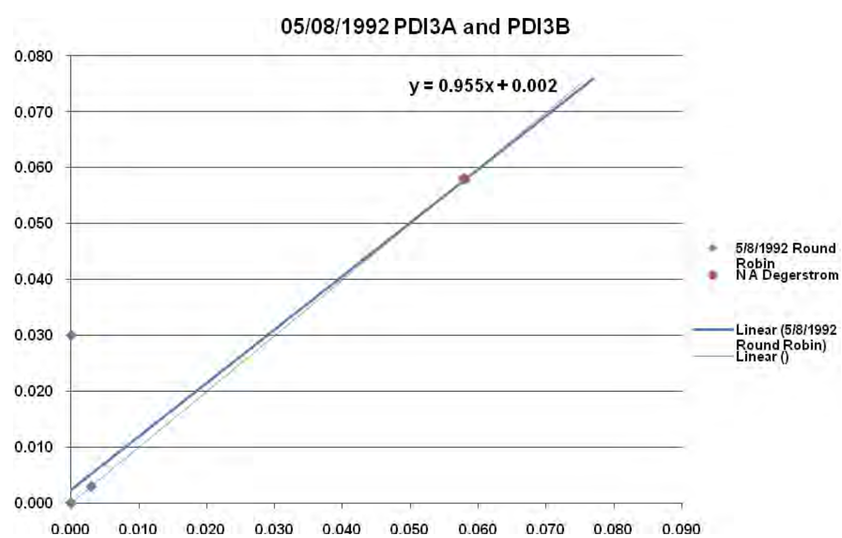


Figure 16.2C: Round Robin Analysis Results for Samples PDI3A and PDI3B (05/08/92)

Table 16.5A – 09/22/92 Round Robin Results	BPMI1A	BPMI1B
Legend	0.028 0.028 0.027 0.029	0.024 0.025 0.024
Marigold	0.026 0.025	0.025 0.027
N A Degerstrom	0.033 0.032 0.031 0.032	0.032 0.028 0.031 0.026
Nevada Kingston	0.022 0.023	0.020 0.019
Nevada Gold	0.023 0.023	0.019 0.018
Pegasus-Florida Canyon	0.025 0.024 0.025 0.026	0.024 0.023 0.022 0.024
Pinson	0.027 0.027	0.025 0.026
Placer Dome	0.028 0.028	0.026 0.028
Santa Fe Pacific	0.029 0.027 0.026	0.024 0.025
RMGC of Utah	0.028 0.028	0.025 0.026
Shasta	0.025 0.025	0.022 0.023
USBM-Nevada	0.023 0.023 0.022 0.022	0.023 0.019 0.028 0.022
USMX	0.026 0.026	0.022 0.022

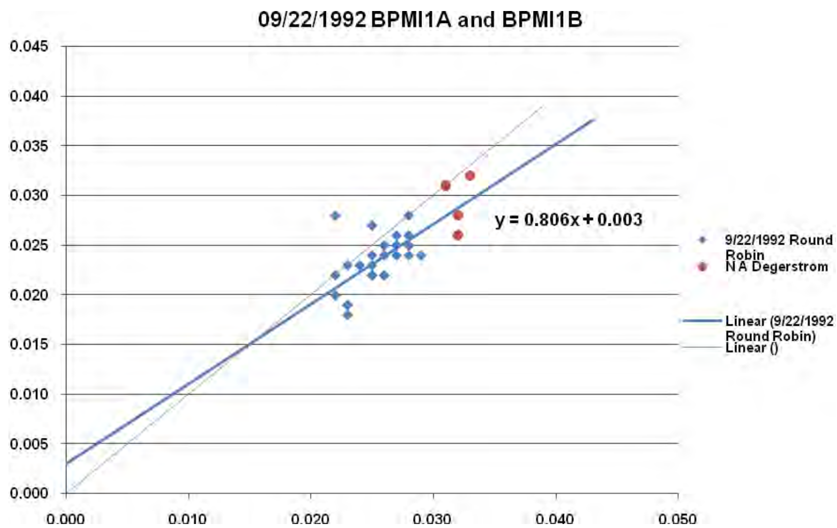


Figure 16.3A: Round Robin Analysis Results for Samples BPMI1A and BPMI1B (09/22/92)

Table 16.5B – 09/22/92 Round Robin Results	BPMI2A	BPMI2B
Legend	0.081 0.080 0.078	0.081 0.080 0.079
Marigold	0.078 0.075	0.079 0.078
N A Degerstrom	0.084 0.077 0.083 0.079	0.082 0.079 0.082 0.076
Nevada Kingston	0.070 0.068	0.068 0.070
Nevada Gold	0.068 0.070	0.069 0.069
Pegasus-Florida Canyon	0.064 0.064 0.063 0.066	0.066 0.070 0.071
Pinson	0.077 0.077	0.079 0.078
Placer Dome	0.076 0.078	0.078 0.080
Santa Fe Pacific	0.075 0.077	0.075 0.076 0.074
RMGC of Utah	0.077 0.075	0.075 0.078
Shasta	0.070 0.069	0.074 0.069
USBM-Nevada	0.064 0.068 0.069 0.069	0.068 0.068 0.072 0.072
USMX	0.076 0.076	0.078 0.080

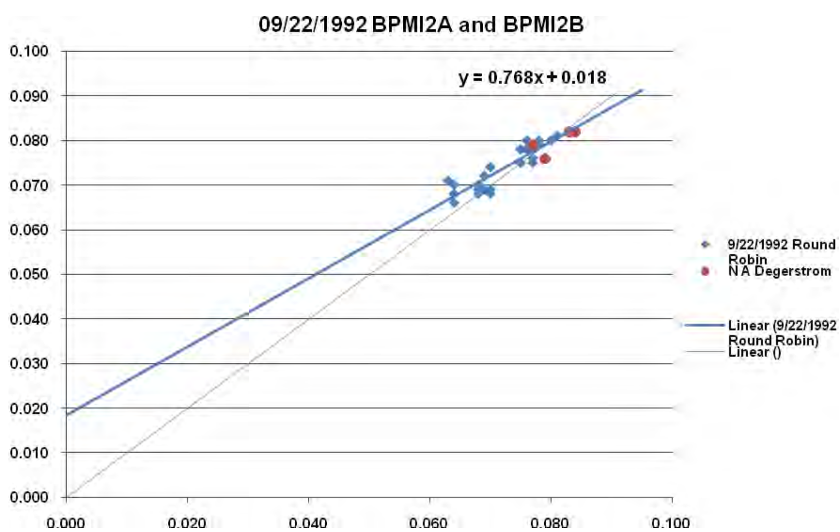


Figure 16.3B: Round Robin Analysis Results for Samples BPMI2A and BPMI2B (09/22/92)

Table 16.5C – 09/22/92 Round Robin Results	BPMI3A	BPMI3B
Legend	135.420	133.000
	135.010	134.260
Marigold	143.640	138.980
	133.580	139.710
N A Degerstrom	143.200	144.690
	155.420	147.260
	147.110	161.690
	140.350	156.330
Nevada Kingston	134.080	118.040
	127.310	116.200
Nevada Gold	135.110	127.720
	135.830	136.390
Pegasus-Florida Canyon	137.000	140.980
	136.210	140.950
Pinson	142.370	142.680
	144.420	138.070
Placer Dome	143.500	143.240
	152.530	146.680
	159.560	150.120
Santa Fe Pacific	135.420	133.130
	140.710	142.140
RMGC of Utah		
Shasta	137.240	137.460
	138.270	139.180
USBM-Nevada	121.860	128.360
	116.400	123.880
	117.220	133.220
	124.260	125.490
	117.330	126.960
USMX	128.760	98.080
	134.680	95.050
	143.000	153.000
	133.000	151.120

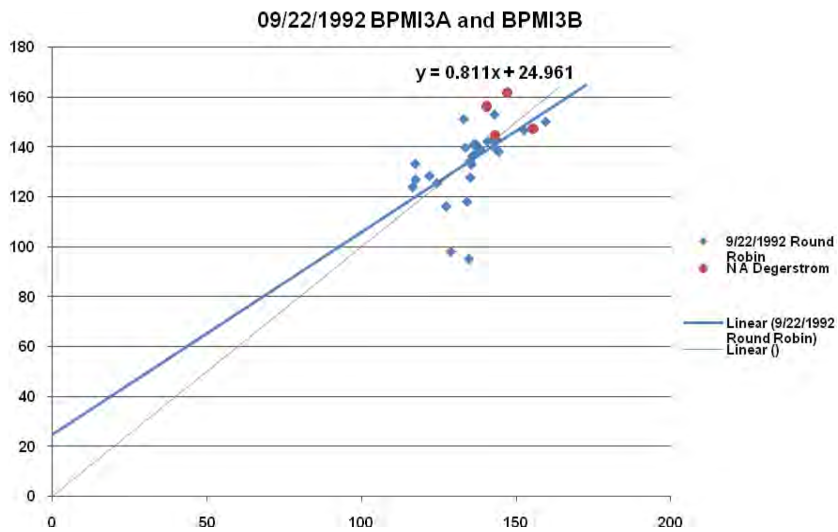


Figure 16.3C: Round Robin Analysis Results for Samples BPMI3A and BPMI3B (09/22/92)

Table 16.6A – 10/22/92 Round Robin Results	MM1A	MM1B
Marigold	0.068	0.069
	0.065	0.064
Nevada Gold-King	0.070	0.071
	0.069	0.070
Newmont	0.068	0.088
	0.056	0.080
N A Degerstrom	0.072	0.076
	0.074	0.070
	0.071	0.083
Pegasus-Blk Pine	0.068	0.068
	0.069	0.067
	0.069	0.068
	0.069	0.068
Pegasus-Florida Canyon	0.068	0.063
	0.068	0.063
	0.066	0.065
	0.066	0.068
Placer Dome	0.072	0.070
	0.072	0.072
Pinson	0.070	0.071
	0.067	0.071
RMGC of Nevada	0.072	0.070
	0.070	0.071
	0.069	0.070
	0.070	0.070
Santa Fe Pacific	0.067	0.068
	0.067	0.068
Shasta	0.066	0.065
	0.066	0.066
USMX	0.068	0.072
	0.068	0.070

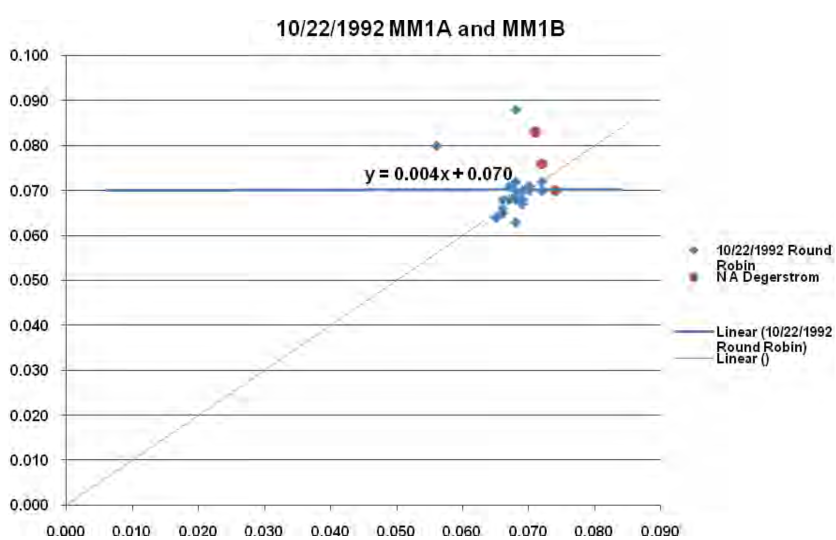


Figure 16.4A: Round Robin Analysis Results for Samples MM1A and MM1B (10/22/92)

Table 16.6B – 10/22/92 Round Robin Results	MM2A	MM2B
Marigold	0.109	0.108
	0.109	0.107
Nevada Gold-King	0.107	0.106
	0.109	0.106
Newmont	0.119	0.118
	0.120	0.120
N A Degerstrom	0.110	0.099
	0.106	0.102
	0.108	0.107
Pegasus-Blk Pine	0.113	0.111
	0.110	0.110
	0.112	0.109
	0.113	0.110
Pegasus-Florida Canyon	0.104	0.101
	0.102	0.103
	0.106	0.101
	0.108	0.104
Placer Dome	0.110	0.110
	0.110	0.112
Pinson	0.106	0.111
	0.107	0.111
RMGC of Nevada	0.116	0.112
	0.114	0.114
	0.111	0.110
	0.111	0.112
Santa Fe Pacific	0.107	0.108
	0.108	0.108
Shasta	0.106	0.104
	0.102	0.100
USMX	0.112	0.110
	0.110	0.112

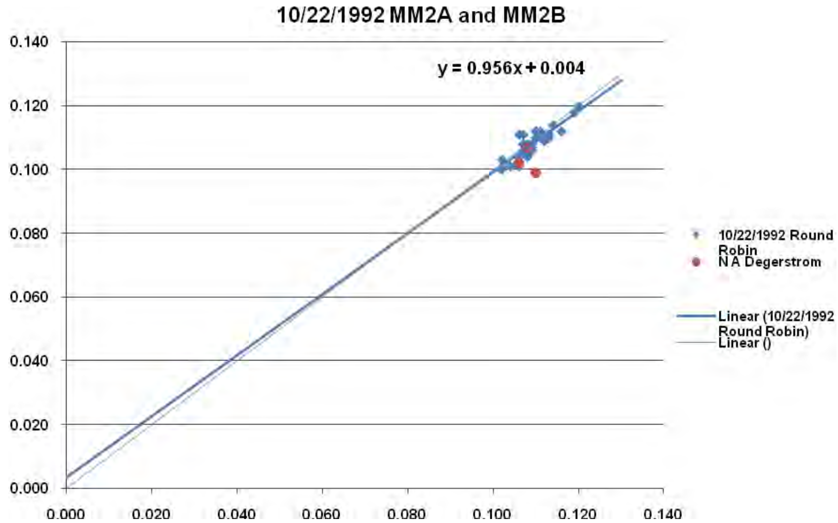


Figure 16.4B: Round Robin Analysis Results for Samples MM2A and MM2B (10/22/92)

Table 16.6C – 10/22/92 Round Robin Results	MM3A	MM3B
Marigold	3.520	4.230
	3.370	3.650
Nevada Gold-King	7.150	4.667
	6.940	3.763
Newmont	5.010	3.780
	4.950	3.940
N A Degerstrom	5.800	4.610
	4.970	3.270
	4.640	3.970
Pegasus-Blk Pine	4.360	3.940
	4.110	3.670
	4.080	3.370
		3.810
Pegasus-Florida Canyon	2.450	2.869
	2.460	2.810
	3.340	2.815
Placer Dome	6.880	4.990
	7.120	4.530
	7.360	4.060
Pinson	4.430	3.860
	5.130	3.270
	6.070	2.920
	7.070	3.300
RMGC of Nevada	6.780	4.267
	6.830	3.894
Santa Fe Pacific	5.570	5.206
	5.760	4.462
Shasta	5.720	5.782
	5.210	5.531
USMX	7.680	7.236
	7.830	7.090

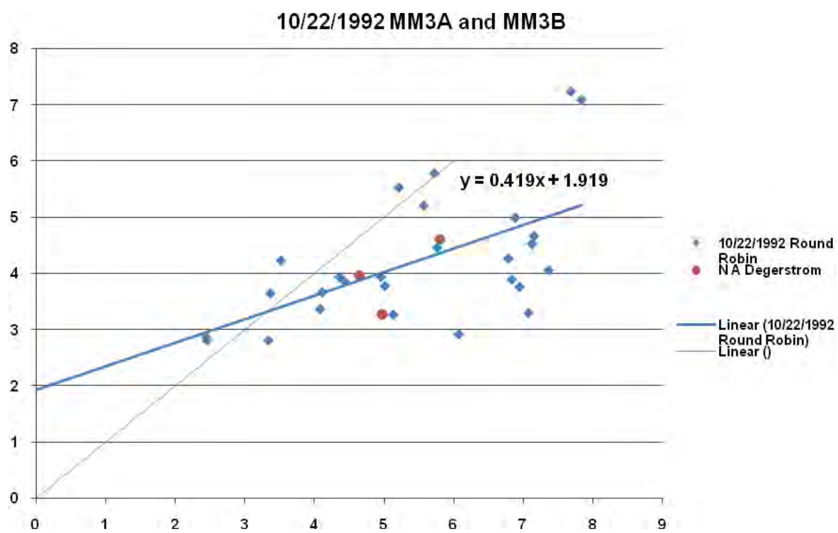


Figure 16.4C: Round Robin Analysis Results for Samples MM3A and MM3B (10/22/92)

16.3 T-test Analysis

General statistics of the various operators' drilling campaigns performed at Bell Mountain show that the drilling performed by Degerstrom has a slightly higher average grade than the other operators' drilling data. Considering that Degerstrom was the only operator at Bell Mountain to analyze their drill cuttings at an in-house lab, Telesto performed a T-test analysis to assess if the Degerstrom data population is statistically part of the entire population of data. Because the most important rock types are quartz and calcite veins, only those rock types were subjected to the T-test.

16.4 Block Model Testing

As a final test for the consistency of the Degerstrom data, the block model estimation of tons and grade was run multiple times while varying the influence of the Degerstrom data. A full discussion of the block model parameters is given in Section 19. However, for the purposes of testing, the geology codes and grade values in the Degerstrom data were alternately applied or not applied to various block model runs. An explanation of the various block model runs is contained in Table 16.7, while the results of the testing are shown in Tables 16.8 through 16.11. Columns which are labeled "with NAD" show results in which the N.A. Degerstrom holes were included. In the tables, all recorded rock types are considered. It should be noted that only Degerstrom recorded calcite veins as a separate rock type

Because it was noted that the average grade in the Degerstrom drillholes was slightly higher than the average grades of the other drilling campaigns and there are a large number of Degerstrom drillholes with corresponding assays, a conservative approach to modeling the resource was to cap the Degerstrom grades.

Results of this testing indicate that neither including or excluding the Degerstrom data, whether capped or not capped, had much of an effect on the amount of tons or ounces in the resource estimate. The principal effect of including the data was to raise the level of confidence for the purpose of classifying the resources.

Table 16.7 Explanation of Block Model Comparison Tests for the Degerstrom Data (Tables 16.8 through 16.11)

	Degerstrom Geology (Left Columns)	Degerstrom Grade Data (Left Columns	Degerstrom Geology (Right Columns)	Degerstrom Grade Data (Right Columns)
Table 16.8	Included	Included, Uncapped	Not Included	Included, Uncapped
Table 16.9	Included	Included, Uncapped	Not Included	Not Included
Table 16.10	Included	Included, Uncapped	Not Included	Included, Capped
Table 16.11	Included	Included, Uncapped	Included	Included, Capped

Table 16.8 Comparison of Using NAD Data vs. Using Uncapped NAD Grade, without NAD Geology

Gold	Uncapped NAD data, with NAD geology				Uncapped NAD data, without NAD geology		
	# tons with NAD holes	Mean Au grade (ppm) of rock type with NAD holes	Contained Au ounces with NAD holes		Contained Au ounces without NAD holes	Mean Au grade (ppm) of rock type with NAD holes	# tons without NAD holes
Quartz veins	476,015	1.0088	14,022	**66%**	9,194	0.6714	469,007
Calcite veins	218,859	0.8564	5,473	**0%**	–	0.0000	–
Quartz/calcite veins	1,031,230	0.9088	27,367	**84%**	22,968	0.7227	1,088,593
Felsic dike	40,578	0.1506	178	**144%**	256	0.1782	49,296
Mafic Dike	8,637	0.3952	100	**0%**	–	0.0000	–
Coarse heterolithic tuff	1,585,385	0.2280	10,556	**112%**	11,782	0.2469	1,634,519
Pumiceous welded tuff	3,123,511	0.1554	14,175	**65%**	9,167	0.1339	2,343,978
Brown lithic tuff	2,552,489	0.1339	9,976	**38%**	3,798	0.1194	1,089,489
Lithic tuff w/red fragments	8,463,889	0.1710	42,252	**109%**	46,192	0.1864	8,487,519
Grey-tan sandy tuff	1,267,526	0.0494	1,829	**58%**	1,058	0.0479	756,474
Generic tuff	1,366,200	0.1446	5,768	**40%**	2,296	0.2280	344,748
Tan sandy lithic tuff	1,793,815	0.1005	5,265	**112%**	5,888	0.1235	1,632,481
Greenish gray lithic tuff	1,967,289	0.1066	6,123	**93%**	5,707	0.1063	1,838,548
Tan sandy matrix tuff	1,216,681	0.0598	2,126	**147%**	3,118	0.0734	1,453,874
Other	3,095,237	0.0684	6,178	**101%**	6,216	0.0744	2,862,933
Void	3,015	0.0000	–	**0%**	–	0.0000	–
No sample	62,659	0.0512	94	**139%**	130	0.0824	54,185
Unassigned	2,016,585	0.3590	21,138	**212%**	44,849	0.2484	6,183,956
Total	**30,289,600**	**0.0057**	**172,620**		**172,619**	**0.0057**	**30,289,600**
Total without Unassigned	**28,273,015**	**0.0054**	**151,482**	**84%**	**127,770**	**0.0053**	**24,105,644**

Silver	Uncapped NAD data, with NAD geology				Uncapped NAD data, without NAD geology		
	# tons with NAD holes	Mean Ag grade (ppm) of rock type with NAD holes	Contained Ag ounces with NAD holes		Contained Ag ounces without NAD holes	Mean Ag grade (ppm) of rock type with NAD holes	# tons without NAD holes
Quartz veins	476,015	17.026	236,655	**70%**	165,093	12.055	469,007
Calcite veins	218,859	34.657	221,482	**0%**	–	0.000	–
Quartz/calcite veins	1,031,230	29.225	880,020	**81%**	712,154	22.404	1,088,593
Felsic dike	40,578	4.415	5,231	**130%**	6,777	4.708	49,296
Mafic Dike	8,637	7.155	1,804	**0%**	–	0.000	–
Coarse heterolithic tuff	1,585,385	4.837	223,902	**122%**	272,589	5.711	1,634,519
Pumiceous welded tuff	3,123,511	5.387	491,330	**73%**	358,935	5.244	2,343,978
Brown lithic tuff	2,552,489	3.192	237,887	**67%**	159,088	5.001	1,089,489
Lithic tuff w/red fragments	8,463,889	5.207	1,286,763	**103%**	1,329,960	5.366	8,487,519
Grey-tan sandy tuff	1,267,526	3.357	124,256	**84%**	104,863	4.747	756,474
Generic tuff	1,366,200	6.086	242,805	**54%**	131,491	13.062	344,748
Tan sandy lithic tuff	1,793,815	4.739	248,247	**85%**	212,039	4.448	1,632,481
Greenish gray lithic tuff	1,967,289	6.489	372,765	**81%**	302,196	5.629	1,838,548
Tan sandy matrix tuff	1,216,681	3.077	109,313	**136%**	149,015	3.510	1,453,874
Other	3,095,237	4.323	390,726	**101%**	393,126	4.703	2,862,933
Void	3,015	0.000	–	**0%**	–	0.000	–
No sample	62,659	3.283	6,007	**117%**	7,013	4.432	54,185
Unassigned	2,016,585	13.748	809,541	**196%**	1,584,515	8.775	6,183,956
Total	**30,289,600**	**0.194**	**5,888,735**		**5,888,852**	**0.194**	**30,289,600**
Total without Unassigned	**28,273,015**	**0.180**	**5,079,193**	**85%**	**4,304,337**	**0.179**	**24,105,644**

Table 16.9 Comparison of Using NAD Data vs. Not Using NAD Grade or NAD Geology

Gold	Uncapped NAD data, with NAD geology				Without NAD data, without NAD geology		
	# tons with NAD holes	Mean Au grade (ppm) of rock type with NAD holes	Contained Au ounces with NAD holes		Contained Au ounces without NAD holes	Mean Au grade (ppm) of rock type with NAD holes	# tons without NAD holes
Quartz veins	476,015	1.0088	14,022	**124%**	17,409	1.1781	506,081
Calcite veins	218,859	0.8564	5,473	**0%**	–	0.0000	–
Quartz/calcite veins	1,031,230	0.9088	27,367	**126%**	34,478	1.0238	1,153,289
Felsic dike	40,578	0.1506	178	**113%**	201	0.1302	52,881
Mafic Dike	8,637	0.3952	100	**0%**	–	0.0000	–
Coarse heterolithic tuff	1,585,385	0.2280	10,556	**79%**	8,344	0.1684	1,696,689
Pumiceous welded tuff	3,123,511	0.1554	14,175	**64%**	9,075	0.1179	2,635,681
Brown lithic tuff	2,552,489	0.1339	9,976	**42%**	4,202	0.1179	1,220,348
Lithic tuff w/red fragments	8,463,889	0.1710	42,252	**87%**	36,681	0.1376	9,129,430
Grey-tan sandy tuff	1,267,526	0.0494	1,829	**56%**	1,022	0.0364	960,911
Generic tuff	1,366,200	0.1446	5,768	**34%**	1,947	0.1741	383,044
Tan sandy lithic tuff	1,793,815	0.1005	5,265	**93%**	4,916	0.0939	1,792,185
Greenish gray lithic tuff	1,967,289	0.1066	6,123	**82%**	5,028	0.0855	2,013,163
Tan sandy matrix tuff	1,216,681	0.0598	2,126	**140%**	2,966	0.0615	1,653,015
Other	3,095,237	0.0684	6,178	**104%**	6,430	0.0720	3,058,407
Void	3,015	0.0000	–	**0%**	–	0.0000	–
No sample	62,659	0.0512	94	**60%**	57	0.0336	57,689
Unassigned	2,016,585	0.3590	21,138	**259%**	54,658	0.6520	2,871,000
Total	**30,289,600**	**0.0057**	**172,620**		**187,414**	**0.0064**	**29,183,815**
Total without Unassigned	**28,273,015**	**0.0054**	**151,482**	**88%**	**132,756**	**0.0050**	**26,312,815**

Silver	Uncapped NAD data, with NAD geology				Without NAD data, without NAD geology		
	# tons with NAD holes	Mean Ag grade (ppm) of rock type with NAD holes	Contained Ag ounces with NAD holes		Contained Ag ounces without NAD holes	Mean Ag grade (ppm) of rock type with NAD holes	# tons without NAD holes
Quartz veins	476,015	17.026	236,655	**115%**	271,242	18.355	506,081
Calcite veins	218,859	34.657	221,482	**0%**	–	0.000	–
Quartz/calcite veins	1,031,230	29.225	880,020	**115%**	1,012,335	30.061	1,153,289
Felsic dike	40,578	4.415	5,231	**112%**	5,848	3.787	52,881
Mafic Dike	8,637	7.155	1,804	**0%**	–	0.000	–
Coarse heterolithic tuff	1,585,385	4.837	223,902	**133%**	296,928	5.993	1,696,689
Pumiceous welded tuff	3,123,511	5.387	491,330	**90%**	443,093	5.757	2,635,681
Brown lithic tuff	2,552,489	3.192	237,887	**84%**	199,362	5.595	1,220,348
Lithic tuff w/red fragments	8,463,889	5.207	1,286,763	**105%**	1,347,425	5.055	9,129,430
Grey-tan sandy tuff	1,267,526	3.357	124,256	**95%**	117,919	4.203	960,911
Generic tuff	1,366,200	6.086	242,805	**68%**	163,982	14.661	383,044
Tan sandy lithic tuff	1,793,815	4.739	248,247	**77%**	190,362	3.638	1,792,185
Greenish gray lithic tuff	1,967,289	6.489	372,765	**84%**	314,167	5.344	2,013,163
Tan sandy matrix tuff	1,216,681	3.077	109,313	**142%**	155,360	3.219	1,653,015
Other	3,095,237	4.323	390,726	**104%**	407,965	4.568	3,058,407
Void	3,015	0.000	–	**0%**	–	0.000	–
No sample	62,659	3.283	6,007	**64%**	3,844	2.282	57,689
Unassigned	2,016,585	13.748	809,541	**222%**	1,798,474	21.453	2,871,000
Total	**30,289,600**	**0.194**	**5,888,735**		**6,728,307**	**0.231**	**29,183,815**
Total without Unassigned	**28,273,015**	**0.180**	**5,079,193**	**97%**	**4,929,833**	**0.187**	**26,312,815**

Table 16.10 Comparison of Using NAD Data vs. Using Capped NAD Grade, without NAD Geology

Gold	Capped NAD data, with NAD geology				Capped NAD data, without NAD geology		
	# tons with NAD holes	Mean Au grade (ppm) of rock type with NAD holes	Contained Au ounces with NAD holes		Contained Au ounces without NAD holes	Mean Au grade (ppm) of rock type with NAD holes	# tons without NAD holes
Quartz veins	476,015	1.0088	14,022	**126%**	17,693	1.1973	506,081
Calcite veins	218,859	0.8564	5,473	**0%**	–	0.0000	–
Quartz/calcite veins	1,031,230	0.9088	27,367	**116%**	31,866	0.9463	1,153,289
Felsic dike	40,578	0.1506	178	**113%**	201	0.1302	52,881
Mafic Dike	8,637	0.3952	100	**0%**	–	0.0000	–
Coarse heterolithic tuff	1,585,385	0.2280	10,556	**91%**	9,631	0.1944	1,696,689
Pumiceous welded tuff	3,123,511	0.1554	14,175	**64%**	9,075	0.1179	2,635,681
Brown lithic tuff	2,552,489	0.1339	9,976	**48%**	4,782	0.1342	1,220,348
Lithic tuff w/red fragments	8,463,889	0.1710	42,252	**99%**	41,960	0.1574	9,129,430
Grey-tan sandy tuff	1,267,526	0.0494	1,829	**56%**	1,022	0.0364	960,911
Generic tuff	1,366,200	0.1446	5,768	**29%**	1,659	0.1483	383,044
Tan sandy lithic tuff	1,793,815	0.1005	5,265	**73%**	3,832	0.0732	1,792,185
Greenish gray lithic tuff	1,967,289	0.1066	6,123	**82%**	5,028	0.0855	2,013,163
Tan sandy matrix tuff	1,216,681	0.0598	2,126	**140%**	2,966	0.0615	1,653,015
Other	3,095,237	0.0684	6,178	**104%**	6,425	0.0719	3,058,407
Void	3,015	0.0000	–	**0%**	–	0.0000	–
No sample	62,659	0.0512	94	**60%**	57	0.0336	57,689
Unassigned	2,016,585	0.3590	21,138	**242%**	51,180	0.5867	2,987,681
Total	**30,289,600**	**0.0057**	**172,620**		**187,378**	**0.0064**	**29,300,496**
Total without Unassigned	**28,273,015**	**0.0054**	**151,482**	**90%**	**136,197**	**0.0052**	**26,312,815**

Silver	Capped NAD data, with NAD geology				Capped NAD data, without NAD geology		
	# tons with NAD holes	Mean Ag grade (ppm) of rock type with NAD holes	Contained Ag ounces with NAD holes		Contained Ag ounces without NAD holes	Mean Ag grade (ppm) of rock type with NAD holes	# tons without NAD holes
Quartz veins	476,015	17.026	236,655	**114%**	269,188	18.216	506,081
Calcite veins	218,859	34.657	221,482	**0%**	–	0.000	–
Quartz/calcite veins	1,031,230	29.225	880,020	**110%**	969,668	28.794	1,153,289
Felsic dike	40,578	4.415	5,231	**112%**	5,848	3.787	52,881
Mafic Dike	8,637	7.155	1,804	**0%**	–	0.000	–
Coarse heterolithic tuff	1,585,385	4.837	223,902	**128%**	286,296	5.779	1,696,689
Pumiceous welded tuff	3,123,511	5.387	491,330	**79%**	389,142	5.056	2,635,681
Brown lithic tuff	2,552,489	3.192	237,887	**84%**	199,836	5.608	1,220,348
Lithic tuff w/red fragments	8,463,889	5.207	1,286,763	**101%**	1,299,548	4.875	9,129,430
Grey-tan sandy tuff	1,267,526	3.357	124,256	**95%**	117,919	4.203	960,911
Generic tuff	1,366,200	6.086	242,805	**58%**	141,959	12.692	383,044
Tan sandy lithic tuff	1,793,815	4.739	248,247	**68%**	167,964	3.210	1,792,185
Greenish gray lithic tuff	1,967,289	6.489	372,765	**82%**	305,949	5.205	2,013,163
Tan sandy matrix tuff	1,216,681	3.077	109,313	**142%**	155,360	3.219	1,653,015
Other	3,095,237	4.323	390,726	**104%**	407,858	4.567	3,058,407
Void	3,015	0.000	–	**0%**	–	0.000	–
No sample	62,659	3.283	6,007	**64%**	3,844	2.282	57,689
Unassigned	2,016,585	13.748	809,541	**208%**	1,687,140	19.339	2,987,681
Total	**30,289,600**	**0.194**	**5,888,735**		**6,407,519**	**0.219**	**29,300,496**
Total without Unassigned	**28,273,015**	**0.180**	**5,079,193**	**93%**	**4,720,379**	**0.179**	**26,312,815**

Table 16.11 Comparison of Using NAD Data vs. Using Capped NAD Grade, with NAD Geology

Gold	Capped NAD data, with NAD geology				Capped NAD data, with NAD geology		
	# tons with NAD holes	Mean Au grade (ppm) of rock type with NAD holes	Contained Au ounces with NAD holes		Contained Au ounces without NAD holes	Mean Au grade (ppm) of rock type with NAD holes	# tons without NAD holes
Quartz veins	476,015	1.0088	14,022	**100%**	14,012	1.0081	476,015
Calcite veins	218,859	0.8564	5,473	**98%**	5,365	0.8396	218,859
Quartz/calcite veins	1,031,230	0.9088	27,367	**99%**	27,170	0.9023	1,031,230
Felsic dike	40,578	0.1506	178	**100%**	178	0.1506	40,578
Mafic Dike	8,637	0.3952	100	**100%**	100	0.3952	8,637
Coarse heterolithic tuff	1,585,385	0.2280	10,556	**98%**	10,344	0.2234	1,585,385
Pumiceous welded tuff	3,123,511	0.1554	14,175	**99%**	13,990	0.1534	3,123,511
Brown lithic tuff	2,552,489	0.1339	9,976	**98%**	9,813	0.1317	2,552,489
Lithic tuff w/red fragments	8,463,889	0.1710	42,252	**98%**	41,263	0.1670	8,463,889
Grey-tan sandy tuff	1,267,526	0.0494	1,829	**100%**	1,829	0.0494	1,267,526
Generic tuff	1,366,200	0.1446	5,768	**97%**	5,606	0.1405	1,366,200
Tan sandy lithic tuff	1,793,815	0.1005	5,265	**97%**	5,084	0.0971	1,793,815
Greenish gray lithic tuff	1,967,289	0.1066	6,123	**99%**	6,073	0.1057	1,967,289
Tan sandy matrix tuff	1,216,681	0.0598	2,126	**100%**	2,126	0.0598	1,216,681
Other	3,095,237	0.0684	6,178	**100%**	6,178	0.0684	3,095,237
Void	3,015	0.0000	–	**0%**	–	0.0000	3,015
No sample	62,659	0.0512	94	**96%**	90	0.0492	62,659
Unassigned	2,016,585	0.3590	21,138	**100%**	21,136	0.3589	2,016,585
Total	**30,289,600**	**0.0057**	**172,620**		**170,358**	**0.3589**	**30,289,600**
Total without Unassigned	**28,273,015**	**0.0054**	**151,482**	**99%**	**149,222**	**0.0053**	**28,273,015**

Silver	Capped NAD data, with NAD geology				Capped NAD data, with NAD geology		
	# tons with NAD holes	Mean Ag grade (ppm) of rock type with NAD holes	Contained Ag ounces with NAD holes		Contained Ag ounces without NAD holes	Mean Ag grade (ppm) of rock type with NAD holes	# tons without NAD holes
Quartz veins	476,015	17.026	236,655	**100%**	236,071	16.984	476,015
Calcite veins	218,859	34.657	221,482	**98%**	216,958	33,949	218,859
Quartz/calcite veins	1,031,230	29.225	880,020	**99%**	870,234	28.900	1,031,230
Felsic dike	40,578	4.415	5,231	**100%**	5,231	4,415	40,578
Mafic Dike	8,637	7.155	1,804	**100%**	1,804	7.155	8,637
Coarse heterolithic tuff	1,585,385	4.837	223,902	**99%**	222,309	4.802	1,585,385
Pumiceous welded tuff	3,123,511	5.387	491,330	**100%**	489,551	5.368	3,123,511
Brown lithic tuff	2,552,489	3.192	237,887	**100%**	237,275	3.184	2,552,489
Lithic tuff w/red fragments	8,463,889	5.207	1,286,763	**98%**	1,260,739	5.101	8,463,889
Grey-tan sandy tuff	1,267,526	3.357	124,256	**99%**	123,046	3.325	1,267,526
Generic tuff	1,366,200	6.086	242,805	**99%**	241,249	6.047	1,366,200
Tan sandy lithic tuff	1,793,815	4.739	248,247	**97%**	240,112	4.584	1,793,815
Greenish gray lithic tuff	1,967,289	6.489	372,765	**99%**	370,163	6.444	1,967,289
Tan sandy matrix tuff	1,216,681	3.077	109,313	**100%**	109,313	3.077	1,216,681
Other	3,095,237	4.323	390,726	**100%**	390,726	4.323	3,095,237
Void	3,015	0.000	–	**0%**	–	0.000	–
No sample	62,659	3.283	6,007	**97%**	5,820	3.181	62,659
Unassigned	2,016,585	13.748	809,541	**100%**	809,247	13.743	2,016,585
Total	**30,289,600**	**0.194**	**5,888,735**		**5,829,849**	**0.192**	**30,289,600**
Total without Unassigned	**28,273,015**	**0.180**	**5,079,193**	**82%**	**4,142,709**	**0.152**	**27,301,919**

16.5 Standards Review

A verification of the Laurion drilling standards was conducted by Telesto. Gold standards were inserted by Laurion into drill sample assay runs at 50 feet and each subsequent 100 feet for each drillhole. Ten different gold value standards were selected for the program with gold values ranging from 0.184 ppm to 4.516 ppm. Blank standards were also inserted at drillhole intervals subsequent to each gold standard. Telesto randomly selected 7 out of the 56 drillholes (12%) to constitute a representative sample pool of the Laurion standards program. Although in some cases there were moderate deviations of the assay analyses reported by ALS Minerals compared to the standard certified values, on average the assay analyses were 98% of the certified values. In addition, all of the blank standards were reported to contain non-anomalous gold values. Based on the overall accuracy of ALS Minerals' standard and blank analyses, it appears that the assaying of the Laurion drill samples were conducted in an industry accepted manner and it is the Qualified Person's opinion that Laurion's assays are suitable for mineral resource estimation.

16.6 Conclusions

Based on Telesto's data verification procedures described above, it appears that the assays from Laurion, ECU, Alhambra, Santa Fe and Degerstrom sampling programs were conducted in an industry accepted manner and it is the Qualified Person's opinion that the assays are suitable for mineral resource estimation. However, the sampling programs conducted by Platte River and American Pyramid and Santa Fe longhole samples cannot be verified and have thus been excluded from influencing the resource estimate contained in this document. In addition, based on the statistical analyses described above, the Degerstrom assay data has been capped in the resource database as described in Section 19.4. The sample database was verified by Douglas Willis, a Telesto employee and a Qualified Person for the purpose of Canadian NI 43-101 during a one-month intensive effort by reviewing a 51% sample pool of a total of 227 drillholes that influence the resource estimate contained in this report.

17.0 ADJACENT PROPERTIES

The Qualified Person has reviewed the section on adjacent properties from the previous NI 43-101 technical report on Bell Mountain (Technical Report, Geology and Mineral Resources, Bell Mountain Project, Churchill County, Nevada, USA, dated August 7, 2010). The Qualified Person agrees with the description of adjacent properties at the Bell Mountain Project. Moreover, The Qualified Person reviewed several of the references listed herein and found the description to be accurate.

The following description is from Durgin (2010).

> *There are no operating mines or near-production properties within 20 miles (32 km) of Bell Mountain. The Rawhide Mine, which produced over a million ounces of gold in the 1980's and 1990's, lies 20 miles (32 km) to the southwest. The Paradise Peak Mine, 35 miles (56 km) to the southeast, produced over a million ounces of gold in the 1980's.*
>
> *As shown in* Figure 4.2 *there are two blocks of "other claims" immediately adjacent to the claims held by Laurion. The western group is called the NW Ext group, held in the name of Elliot Crist, a geologist in Reno. He also holds the Ian group of 16 claims located just off the map to the north. The group in the south central portion of* Figure 4.2 *is the SE Ext group, held by Renegade Exploration, Inc., of Reno. While the claims are still active and valid on the BLM's books, there apparently has been no significant recent exploration activity.*
>
> *The nearest active exploration property is the Middlegate property currently held by Terraco Gold, and is located approximately 4 miles (7 km) northeast of the Bell Mountain project. The property has been intermittently active since the early 1980's. It is a broad area of alteration and quartz veining associated with the intersection the northeastern Bell Mountain caldera margin with ENE trending structures, sub-parallel to the controlling structures at the Bell Mountain project.*

18.0 MINERAL PROCESSING AND METALLURGICAL TESTING

18.1 Introduction

The Qualified Person has reviewed the section on mineral processing and metallurgical testing from the previous NI 43-101 technical report on Bell Mountain (Technical Report, Geology and Mineral Resources, Bell Mountain Project, Churchill County, Nevada, USA, dated August 7, 2010). The Qualified Person agrees with the description of the mineral processing and metallurgical testing at the Bell Mountain Project.

Sections 18.2 through 18.8 are from Durgin (2010). They cover metallurgical testing which was performed by other operators prior to Laurion's involvement with Bell Mountain. Section 18.9 describes Laurion's recent metallurgical testing.

18.2 Ore Description

Payne (Nov 1981) describes the mineralization at Bell Mountain as finely-divided electrum with some of the silver leached from near-surface zones. Silver is present in electrum, as fine-grained primary argentite, fine wires and specks of native silver, silver chloride and (deeper in the deposit) as fine-grained secondary acanthite. Base metal sulfides and silver sulfosalts were probably present in unoxidized vein material in very small amounts. There are no obvious cyanocides in the ore. Manganese oxide is present near the surface but appears to have no significant effect on cyanidation.

The gangue minerals are primarily manganiferous calcite and fine grained quartz. Minor amounts of barite, rhodochrosite, and montmorillonite are present. There are no visible arsenic or mercury minerals, although both are present in trace amounts in geochemical analyses.

18.3 Early Metallurgical Testing

Payne (1981) reports that early metallurgical testing was provided by the Reno Station of the US Bureau of Mines in the 1940's. Amalgamation was tried, with no appreciable recovery of gold or silver. A number of flotation tests were tried under varying conditions with low and erratic recoveries. The Bureau of Mines also did some cyanidation testing on Bell Mountain ore at that time. Using a sample with a head grade of 2.7 g/t Au and 110 g/t Ag, grinding to 100 mesh, and treating for 48 hours yielded recoveries of 94% of the gold and 81% of the silver.

18.4 American Pyramid Metallurgical Testing

In 1981 (Payne, 1981b) a sample of high-grade Spurr deposit material was sent to Harrison Salisbury at Dawson Metallurgical Laboratory, in Salt Lake City for testing to determine how the material would respond to an agitated cyanide leach. Results were very good with gold recoveries in excess of 90% and silver greater than 80%. Details are recorded in Payne's report.
In addition, two low-grade samples were sent. One of the samples was column leach tested in an uncrushed state to simulate run-of-mine material and the other was crushed

to simulate crushed and stacked heap leach ore. Payne states that these tests produced much less positive results.

American Pyramid decided to pursue an agitated leach program in preference to heap leaching. They sent a large representative sample to the Colorado School of Mines Research Institute for additional testing. Their testing also showed very good extraction of gold and silver at a fairly coarse grind and in a relatively short time. Pulp solid settling rates were excellent, suggesting the near absence of clays. Nearly all of the gold and over 80 % of the silver were recovered. Payne chose to use 95% gold and 75% silver recoveries in his feasibility studies. They considered both a counter-current decantation (CCD) process and a carbon in pulp (CIP) process. Conceptually, both would have worked, but the silver grade was very close to the limit for a CIP process. If the silver grade became only a little higher, the process would not work well. For his further projections Payne used the CCD process with Merrill-Crowe precipitation.

By July 1982 the cyanide plant had been designed, and engineering design had been completed. Pumps, controls, valves, etcetera had been selected and sized. A ball mill, classification and press filters had been ordered. A tailings dam had been designed and permitted. H.A. Simons also reviewed the project in October 1982 (Nunn, 1982). However, by then it was a time of falling metal prices and plant construction did not proceed.

18.5 Santa Fe Mining Metallurgical Testing

Santa Fe Mining contracted Western Testing Laboratories in Reno, Nevada to carry out metallurgical testing on material from the Bell Mountain project (Clem, 1984). The first of these were on three samples from the Spurr area. Western Testing did assays of screened material to determine variations in precious metal content relative to particle size; they did bottle roll testing; and they did column leach testing. In this first group the material was agglomerated with lime only. Gold recovery was reasonably good, ranging from 72.7% to 81.1%, but silver recovery was poor, ranging from 6.8% to 35.8%.

A second set of four samples was tested in a similar manner, but this time both lime and portland cement were used in the agglomeration. Otherwise the testing procedures were very similar. Gold recoveries increased up to 85.6 percent and silver recovery nearly doubled to 9.7 to 57%. The presence of cement made a great difference in the silver recovery. The improved recoveries were achieved using 10 pounds (4.5 kg) cement and 5 pounds (2.3 kg) of lime and 2 pounds (0.9 kg) of sodium cyanide per ton of sample. Heap leaching of the Bell Mountain ore now seemed much more feasible.

18.6 Alhambra Mines Metallurgical Testing

In 1988, Alhambra Mines asked Bateman Metallurgical Laboratories to do testing on the Bell Mountain mineralized material. Results are summarized in a 1988 report by W.R. Henkle. Initially they did agitated cyanide leach (bottle roll) tests on 9 samples of minus ¾ inch material ranging in grade from .003 to .105 ounces gold and 0.49 to 12.3 ounces *silver per ton. Gold recoveries ranged from 48.5 to 69.3 %, and silver recoveries ranged from 6 to 75.9%. Cyanide and lime consumption were low.*

Later in 1988 Bateman performed two agglomerated percolation (column leach) tests, one at 80% -3/4 inch and one at 80% -3/8 inch, on composite samples from Bell Mountain. Recoveries over an 81 day cycle, the -3/4 inch size column had recoveries of 79.1% of the gold and 47.2% of the silver. Over the same period the -3/8 inch column had recoveries of 83.1% of the gold and 48.8% of the silver. Both columns used 10 pounds (4.5 kg) of cement and 1.3 pounds (0.6 kg) of lime for agglomeration. Cyanide consumption was 5.61 and 3.66 pounds (2.55 and 1.66 kg) respectively.

18.7 N.A. Degerstrom Metallurgical Testing

Degerstrom did two rounds of metallurgical testing. In 1990 they collected a large sample from exposures of the vein in the Varga adit for column leach testing. The head grade was higher than expected at 0.048 oz Au/ton and 1.613 oz Ag/ton. This was a run-of-mine leach test on material that was not crushed. The column had lime added to adjust the pH, but no cement was used. In a 60 day leach cycle recoveries were 67% of the gold and 16.75% of the silver – reasonably good for gold and poor for silver.

In 1990 large samples were collected from three pits on the Varga hill. Samples were screened and assayed to test the distribution of gold and silver by grain size of the material. It was determined that gold was not concentrated in the fines, thus gold was not apparently concentrated on fractures. Gold content was directly related to the amount of silicification in the rock.

Each sample was then split into several fractions which were crushed to nominally minus 1.5 inch, 0.75 inch, and 0.375 inch sizes. Each column was then leached with cyanide. However two of the 0.375 inch columns were blocked by reaction of the cyanide with calcite in the sample and two new columns were constructed with 0.375 inch materials which had been agglomerated with 5 pounds per ton of cement. Gold recoveries ranged from 59% to 80.2% of the gold and 15.3% to 32.8% of the silver. Leach cycle times for most columns were 90 days. The two 0.375 size columns that had blocked and been restarted only ran 49 days.

It is important to note that Degerstrom did not agglomerate its samples with cement (except for the two restarts), which had moderately increased gold extraction and greatly increased silver extraction in the Santa Fe/Western testing.

18.8 Metallurgy Conclusions

Very early testing showed that the Bell Mountain material is not amenable to amalgamation or floatation processes. American Pyramid's work showed that higher grade material was quite receptive to agitated cyanide leaching, either in a counter-current decantation process or a carbon-in-pulp process, and worked best if finished with *a Merrill-Crowe recovery plant. However this requires higher grades to be economically feasible.*

Heap leaching testing was demonstrated to be potentially feasible by the work done by Santa Fe in 1984. They showed that using 10 pounds (4.5 kg) of cement per ton plus 5 (2.3 kg) pounds of lime in the agglomeration process, recoveries of up to 85% of the gold and 57% of the silver were achievable. Degerstrom's heap leach testing indicated that recoveries of up to 67% of the gold could be made by leaching of run-of-mine material. Their column testing achieved gold recoveries up to 80% using only a little cement for agglomeration.

All of this work suggests that heap leaching may be expected to produce over 80% recovery of gold and over 50% of the silver using cement and lime in the agglomeration process. It also shows that additional refinement of the leaching process will be necessary for commercial production.

Laurion is currently undertaking metallurgical testing and the results are expected soon. Nevertheless, The Qualified Person at this time sees no reason why gold and silver cannot be recovered from the ores at Bell Mountain in percent recovery ranges described above. Once Laurion's metallurgical study results are in, they will supersede any previous conclusion on recoveries.

19.0 MINERAL RESOURCE ESTIMATES

Modeling and estimation of gold and silver resources demonstrate that there are measured, indicated and inferred resources at the Bell Mountain Project. This work was conducted by Kim Drossulis, Senior Mine Planner and overseen by Jonathon Brown, the Qualified Person responsible for the mineral resource estimate.

All modeling of the project area was performed using MicroMODEL mining software. The resource estimated from the modeling is reported in metric units (metric tonnes and grams/tonne, g/t) gold, silver and gold-equivalent (AuEQ), as noted.

19.1 Sources of Information

The raw data for the review was provided by Laurion. This data consisted of RC and core drilling and channel sample data which was in a digital database. This data was put into a digital database by Laurion personnel and checked by Telesto personnel. See Section 16 for a detailed description of the data verification efforts performed by Telesto.

Laurion also provided the topography data. The topography data originated as hand-drawn contours, possibly from aerial photographs. The Laurion holes drilled in the fall of 2010 were located in the field using Trimble Precision GPS. The others were presumably surveyed in with a transit by Degerstrom and that Degerstrom validated the previous drillhole locations. Nevertheless, for purposes of this report, Telesto did not verify any of the drillhole location coordinates in the field but did verify the drillhole locations to be reasonably accurate relative to mapped topography.

19.2 Deposit Geology Pertinent to Resource Modeling

Telesto noted fourteen basic rock types which have been logged at Bell Mountain. Three additional codes were recorded in the lithology field of the database to represent “other”, “void” and “no sample”. See Table 19.1 for the rock types and their associated numeric codes. Intervals with unassigned lithology were given a code of 9999 in the database.

Table 19.1 – Bell Mountain Lithology Codes

Rock Code	Lithology
1	Quartz vein
2	Calcite vein
3	Quartz/calcite vein
4	Felsic dike
5	Mafic dike
6	Coarse heterolithic tuff (Incl. white waterlain interval)
7	Fine-grained pumiceous welded tuff
8	Dense brown lithic tuff, few fragments
9	Lithic tuff w/ red-brn and grey fragments
10	Grey-tan sandy tuff (no red lithics)
11	Generic tuff (old logs)
12	Tan sandy lithic tuff (Spurr)
13	Greenish grey lithic tuff (Spurr)
14	Coarse tan sandy matrix tuff (Spurr)
15	Other
16	Void
17	No Sample
9999	Undefined

Alteration was noted for most intervals in the drillhole logs. The field which contains codes for alteration in the Bell Mountain database has three digits to represent the dominant style of alteration (first two digits) and the intensity of alteration (last digit) for all mineralized intervals in the database. See Table 19.2 for a listing of the alteration codes.

Table 19.2 – Bell Mountain Alteration Codes

Code	Alteration Style	Code	Alteration Intensity
20	Silicification	0	No alteration intensity
21	Argillic	1	Weak
22	Chloritic	2	Moderate
23	Carbonatic	3	Strong
24	No alteration		

As an example, a rock which has moderate argillic alteration noted in the drillhole log is coded 212 in the alteration field, and a weakly silicified rock is coded 201.

Another field in the database records structural information. The structure field is a three digit field much like the alteration. See Table 19.3 for a listing of structural codes.

Table 19.3 – Bell Mountain Structure Codes

Code	Structure	Code	Structural Intensity
30	No structure observed	0	No structural intensity
31	Fault	1	Weak
32	Fracturing	2	Moderate
33	Brecciation	3	Strong
34	Stockwork veining		
35	Vein		
36	Dike		

Intervals which display strong brecciation is coded 333 in the structure field and an interval with moderate stockwork veining is 342.

Assays were recorded in the drill logs in ppm gold and silver. Therefore, gold and silver was estimated in terms of g/t (equivalent to ppm) in the resource estimate

19.3 Modeled Area Descriptions

The southwest corner of the block model is located at 4,336,550 ft North, 402,050 ft East (UTM NAD27) with an elevation of 1,798 meters (See Figure 19.1). The modeled area has an orientation of north-south (0°) and contains 360 rows, 675 columns and 280 levels. Each block has the following dimensions (x,y,z): 10 feet (3.05 m) per row, 10 feet (3.05 m) per column and a block height of 10 feet (3.05 m). See Table 19.4 for a summary of parameters used in the resource model.

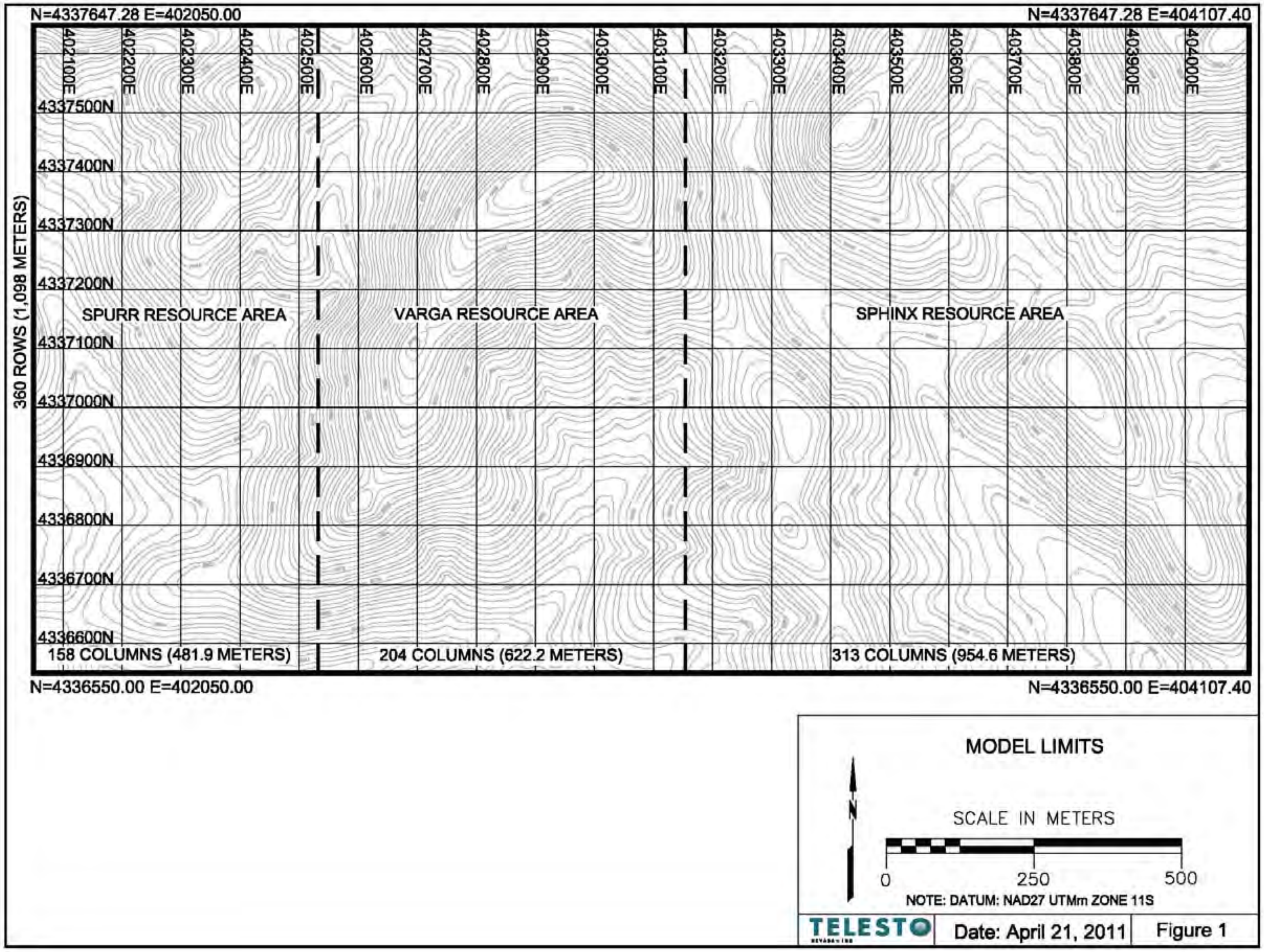
Table 19.4 – Block Parameters for the Bell Mountain Model

Block size (m)			Dip	Rake	Orientation	Number of Rows	Number of Columns	Number of Levels
X	Y	Z						
3.05	3.05	3.05	60°N	0	90°	360	675	280

Gold and silver values were universally carried in ppm. The number of drillholes used in the model totals 227 holes totaling 8,727 sampled intervals. Figure 13.1 shows collar locations and drillhole traces of the drillholes used in the model. The total footage of drilling involved in the resource estimate is approximately 47,450 ft (14,465 m).

Because the three deposits are configured in a basically east-west pattern, the block model was simply divided based on the number of columns. Columns 1 through 158 were modeled separately to represent the Spurr deposit. Columns 159 through 362 were modeled to represent the Varga deposit. Columns 363 through 675 encompass the Sphinx deposit.

Figure 19.1: Model Limits and Resource Areas



19.4 Capping of High Grades

Because it was noted that the average grade in the Degerstrom drillholes was slightly higher than the average grades of the other drilling campaigns and there are a large number of Degerstrom drillholes with corresponding assays, a conservative approach to modeling the resource was to cap the Degerstrom grades prior to the estimation of the block model. Additional details on the capping of Degerstrom grades are included in Section 16. Except for the Degerstrom assay values no capping of high grade values was done on the drillhole data. The mean grade value plus three standard deviations was used to calculate a capping grade to apply to both gold and silver. Mean grades for Degerstrom's data can be found in Table 16.1 for gold and Table 16.2 for silver. The calculated capping grades are found in Table 19.5.

Table 19.5 – Capping Grades for Degerstrom Data

Commodity	Mean (ppm)	Standard Deviation (ppm)	Standard Deviation Times 3 (ppm)	Capping grade (ppm)
Gold	0.4899	0.8497	2.5491	3.0390
Silver	9.670	17.863	53.589	63.259

19.5 Bulk Density

For all rock types in the Bell Mountain estimate, Telesto used a density of 2.2 tons/yd^3. This was based upon Telesto's experience working with volcanic rock types. Each block in the model has a volume of 1000 ft^3 (10' x 10' x 10') or 37.04 yd^3. So each block weighs 81.5 tons. No supporting evidence for actual bulk density values were provided by Laurion and no independent bulk density testing were performed by Telesto.

19.6 Geostatistics

19.6.1 Sample Rock Type/Alteration/Structure Statistics

Prior to compositing, general drillhole statistics were calculated. The drillhole database was analyzed as a whole, and the Spurr and Varga exploration targets were analyzed individually. Drill density at Sphinx area is significantly less than at Spurr and Varga. The statistics for the entire database are given in this section while the statistics on the individual areas are given in Section 19.6.2.

A set of rock type statistics, excluding the 9999 rock code (undefined lithology), was generated using the assay database prior to bench compositing. Mean gold and silver values by rock type were calculated. Minimum, maximum and mean values for gold are shown in Table 19.6. For silver results, refer to Table 19.7. Histograms of mean gold and silver values are shown in Figures 19.2 and 19.2 respectively. Refer back to Table 19.1 for an explanation of lithology codes.

Table 19.6 – Basic Gold Statistics by Rock Type

Rock Type	# of Samples	Minimum	Maximum	Mean
1	346	0.000	9.480	0.862
2	129	0.000	5.173	0.949
3	560	0.000	9.966	1.104
4	18	0.015	0.779	0.136
5	6	0.103	1.507	0.531
6	681	0.000	2.705	0.265
7	509	0.000	9.35	0.270
8	316	0.000	4.88	0.165
9	2.821	0.000	6.781	0.291
10	94	0.000	0.252	0.053
11	278	0.000	3.527	0.210
12	1,423	0.000	5.034	0.083
13	376	0.000	1.275	0.121
14	135	0.000	2.290	0.099
15	377	0.000	1.160	0.088
16	5	0.000	0.000	0.000
17	24	0.000	0.478	0.032

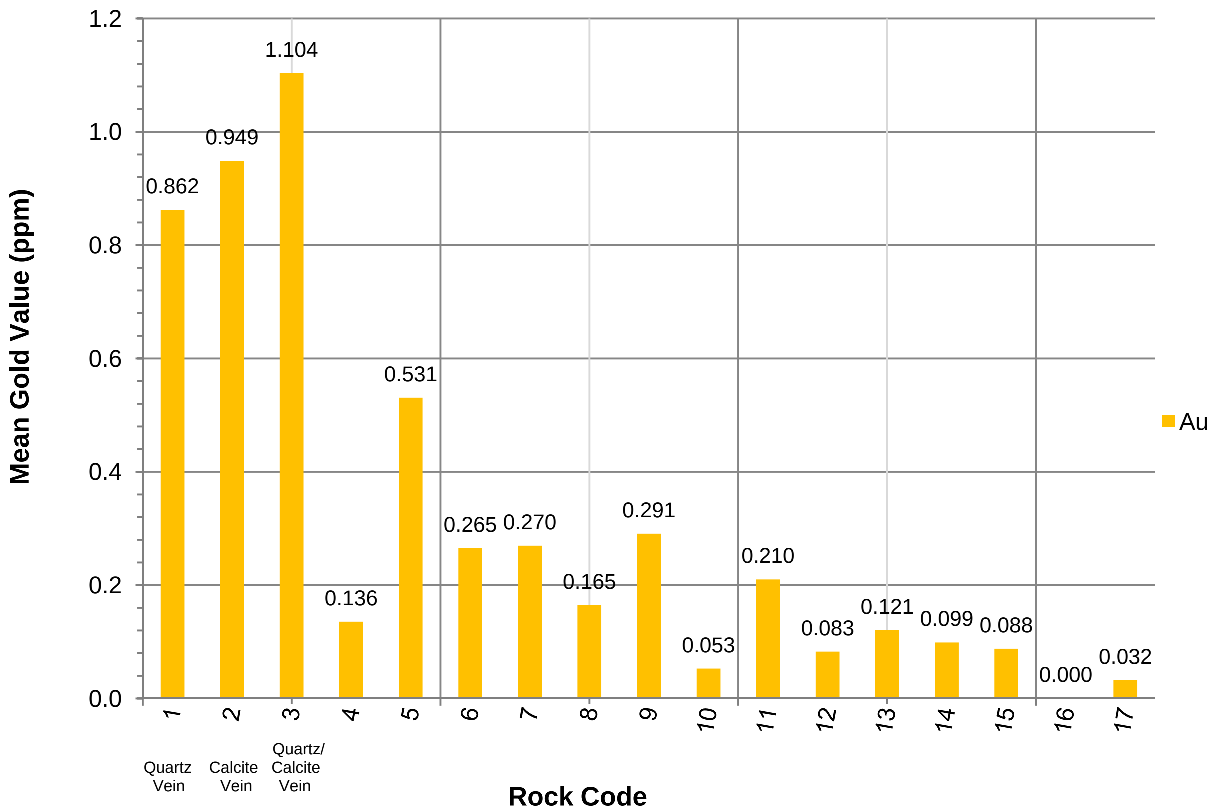


Figure 19.2: Mean Gold Value by Rock Type in Drillhole Assays Before Compositing

Table 19.7 – Basic Silver Statistics by Rock Type

Rock Type	# of Samples	Minimum	Maximum	Mean
346	0.000	197.950	19.755	346
129	0.000	333.900	32.884	129
560	0.000	242.120	29.795	560
18	0.600	18.200	3.915	18
6	0.000	33.219	10.331	6
681	0.000	57.534	6.107	681
509	0.000	79.200	7.953	509
316	0.000	50.800	4.160	316
2821	0.000	174.660	6.952	2821
94	0.514	35.200	3.977	94
278	0.000	74.795	7.930	278
1423	0.000	73.288	4.815	1423
376	0.000	88.699	7.519	376
135	0.000	87.400	4.923	135
377	0.000	79.452	6.406	377
5	0.000	0.000	0.000	5
24	0.000	27.979	1.991	24

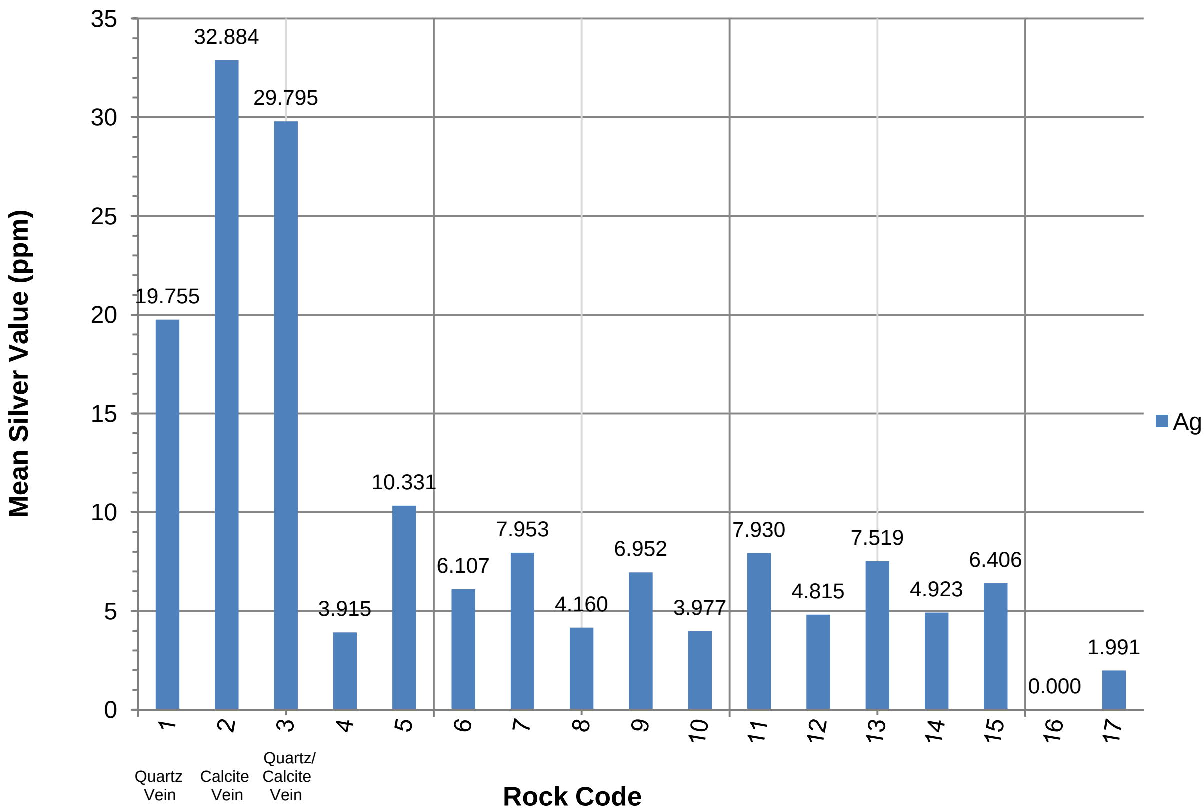


Figure 19.3: Mean Silver Value by Rock Type in Drillhole Assays Before Compositing

A statistical assessment of the alteration codes was also performed on the main database prior to compositing. Refer back to Table 19.2 for an explanation of alteration codes. Tables 19.8 and 19.9 show the numbers of assay intervals that were coded in each alteration type for gold and silver respectively. Figure19.4 is a histogram of the mean gold grades by various alteration codes. Figure19.5 is a histogram of the mean silver grades by various alteration codes.

Table 19.8 – Statistics of the Alteration in Assay Intervals for Gold

	Alteration Code	# of Assays	Minimum Au Grade (ppm)	Maximum Au Grade (ppm)	Mean Au Grade (ppm)
Uncoded	9999	3,572	0	23.0140	0.4255
Silicification	200	0	0	0	0
	201	1,034	0	5.1370	0.1926
	202	2,730	0	13.1850	0.2253
	203	2,088	0	9.9660	0.2711
Argillic	210	0	0	0	0
	211	43	0	4.9320	0.5869
	212	65	0	10.1710	0.7096
	213	26	0	2.0890	0.2923
Chloritic	220	0	0	0	0
	221	0	0	0	0
	222	0	0	0	0
	223	0	0	0	0
Carbonatic	230	0	0	0	0
	231	0	0	0	0
	232	0	0	0	0
	233	0	0	0	0
No Alteration	250	14	0	0.5480	0.1101
	251	0	0	0	0
	252	0	0	0	0
	253	0	0	0	0
	All	**9,572**	**0**	**23.0140**	**0.3114**

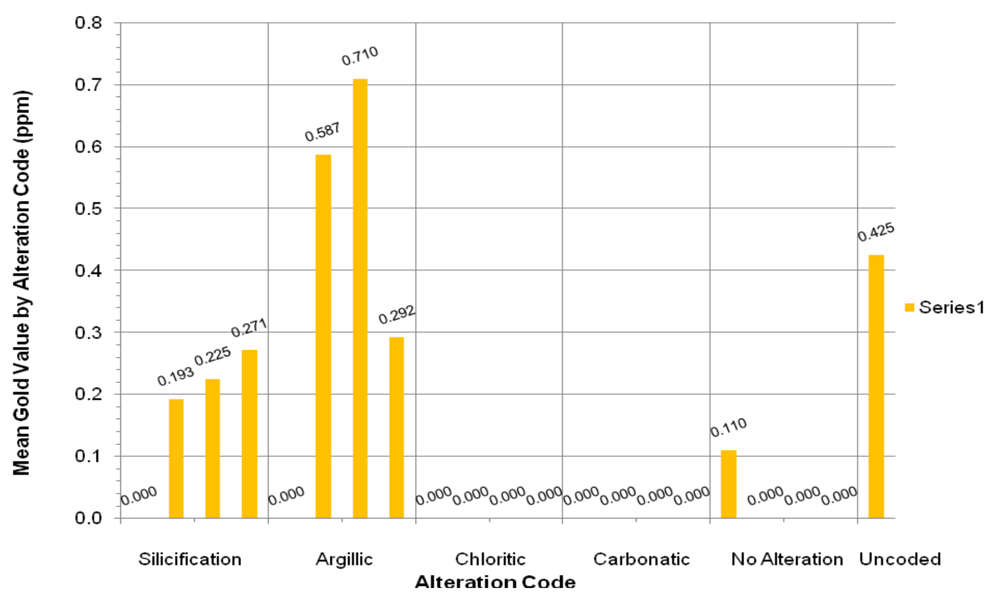


Figure 19.4: Mean Gold Value by Alteration Type in Drillhole Assays Before Compositing

Table 19.9 – Statistics of the Alteration in Assay Intervals for Silver

	Alteration Code	# of Assays	Minimum Ag Grade (ppm)	Maximum Ag Grade (ppm)	Mean Ag Grade (ppm)
Uncoded	9999	3,572	0	385.620	12.595
Silicification	200	0	0	0	0
	201	1,034	0	99.658	5.093
	202	2,730	0	178.770	5.225
	203	2,088	0	242.120	6.130
Argillic	210	0	0	0	0
	211	43	0	79.452	12.727
	212	65	0	200.860	24.952
	213	26	0.582	26.575	9.850
Chloritic	220	0	0	0	0
	221	0	0	0	0
	222	0	0	0	0
	223	0	0	0	0
Carbonatic	230	0	0	0	0
	231	0	0	0	0
	232	0	0	0	0
	233	0	0	0	0
No Alteration	250	14	0	9.932	3.873
	251	0	0	0	0
	252	0	0	0	0
	253	0	0	0	0
	All	**9,572**	**0**	**385.620**	**8.337**

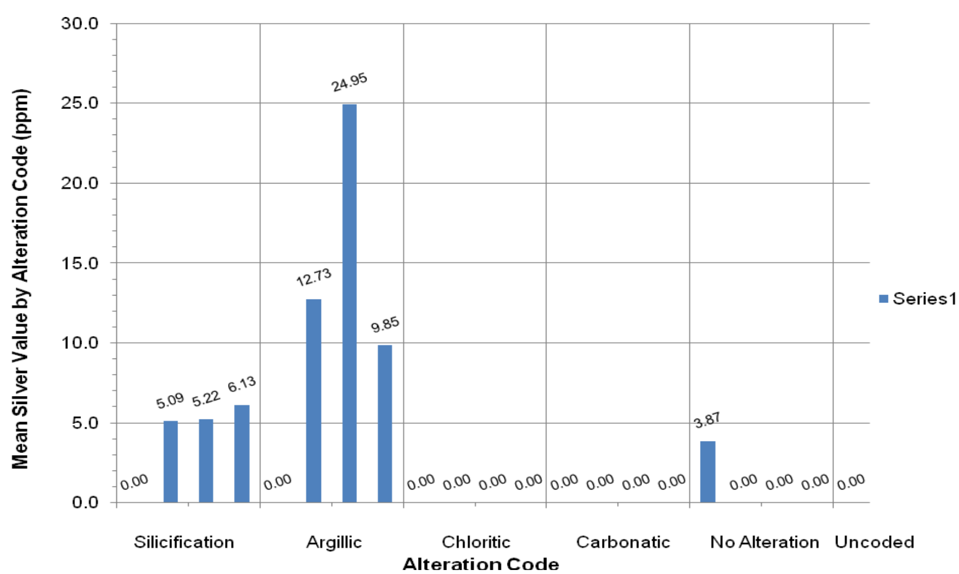


Figure 19.5: Mean Silver Value by Alteration Type in Drillhole Assays Before Compositing

A statistical assessment of the structure codes was also performed on the main database. Refer back to Table 19.3 for an explanation of structure codes. Tables 19.10 and 19.11 show the numbers of assay intervals that were coded in each structure type for gold and silver respectively. Figure19.6 is a histogram of the mean gold grades by various structure codes. Figure19.7 is a histogram of the mean silver grades by various structure codes.

Table 19.10 – Statistics of the Structure in Assay Intervals for Gold

	Structure Code	# of Assays	Minimum Au Grade (ppm)	Maximum Au Grade (ppm)	Mean Au Grade (ppm)
Uncoded	99	2,633	0	23.0140	0.4111
No Structure Observed	300	1,043	0	1.0960	0.4526
	301	0	0	0	0
	302	0	0	0	0
	303	0	0	0	0
Fault	310	0	0	0	0
	311	27	0	0.4110	0.0559
	312	76	0	1.6780	0.2455
	313	48	0	4.5210	0.3918
Fracturing	320	0	0	0	0
	321	204	0	5.0340	0.1220
	322	198	0	8.0140	0.8194
	323	37	0	9.9320	0.9478
Brecciation	330	0	0	0	0
	331	0	0	0	0
	332	7	0.0020	0.1370	0.0253
	333	29	0	0.0200	0.0020
Stockwork Veining	340	24	0	3.5960	0.4555
	341	2,154	0	5.1370	0.1215
	342	1,732	0	13.185	0.2238
	343	475	0	9.9660	0.6062
Vein	350	1	0.8560	0.8560	0.8560
	351	143	0	2.0550	0.2090
	352	100	0	6.3700	0.4115
	353	573	0	10.1710	0.8198
Dike	360	0	0	0	0
	361	0	0	0	0
	362	0	0	0	0
	363	3	0.0010	0.0010	0.0010
	All	**9,507**	**0**	**23.0140**	**0.6331**

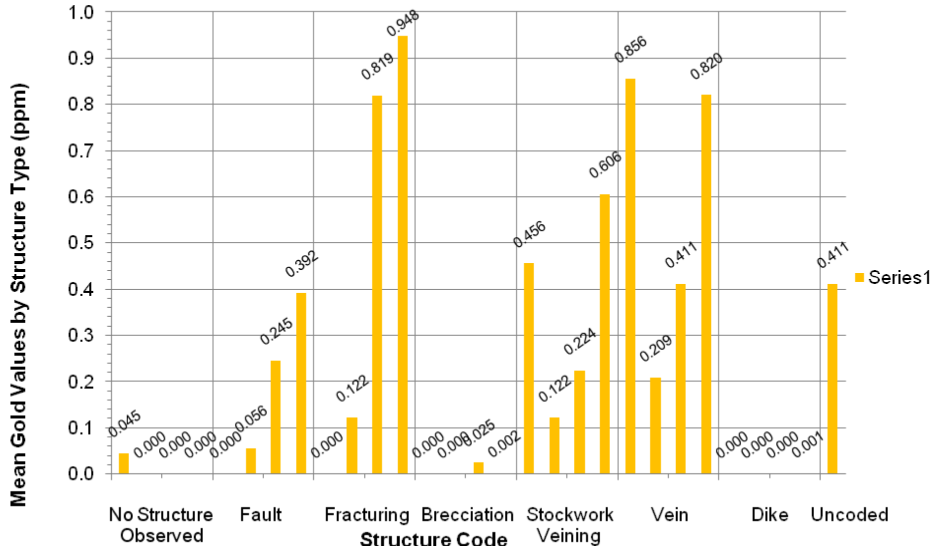


Figure 19.6: Mean Gold Values by Structure Type in Drillhole Assays Before Compositing

Table 19.11 – Statistics of the Structure in Assay Intervals for Silver

	Structure Code	# of Assays	Minimum Ag Grade (ppm)	Maximum Ag Grade (ppm)	Mean Ag Grade (ppm)
Uncoded	99	2,633	0	385.620	12.767
No Structure Observed	300	1,043	0	20.548	0.874
	301	0	0	0	0
	302	0	0	0	0
	303	0	0	0	0
Fault	310	0	0	0	0
	311	27	0	6.164	0.591
	312	76	0	98.973	10.968
	313	48	0	135.270	9.674
Fracturing	320	0	0	0	0
	321	204	0	79.452	5.355
	322	198	0	178.770	18.785
	323	37	0	179.450	21.640
Brecciation	330	0	0	0	0
	331	0	0	0	0
	332	7	0.116	13.356	2.104
	333	29	0	0.846	0.0944
Stockwork Veining	340	24	0.019	21.918	6.112
	341	2,154	0	85.959	2.934
	342	1,732	0	78.151	5.085
	343	475	0.048	169.180	12.545
Vein	350	1	3.767	3.767	3.767
	351	143	0	29.110	4.891
	352	100	0	114.730	10.049
	353	573	0	333.900	22.426
Dike	360	0	0	0	0
	361	0	0	0	0
	362	0	0	0	0
	363	3	0.039	0.109	0.072
	All	**9,507**	**0**	**385.620**	**8.127**

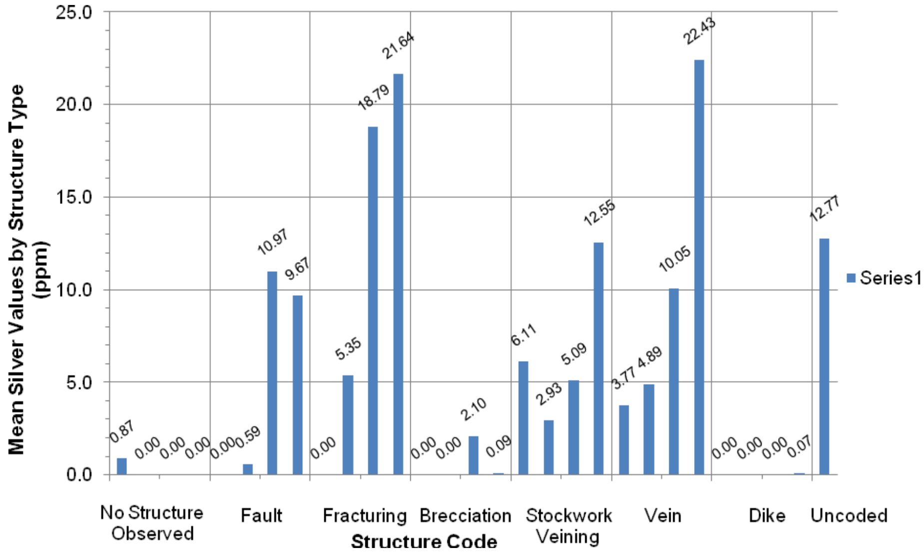


Figure 19.7: Mean Silver Values by Structure Type in Drillhole Assays Before Compositing

<u>Conclusions</u>

By far, the most significant rock types for carrying mineralization at Bell Mountain are the vein-type: quartz and calcite veining (rock types 1, 2 and 3). They were the most commonly coded lithologies. The vein intervals also generally have the highest average grades for both gold and silver. Although there were some lithologies which carried average grade at or above the average grade in the quartz vein intervals (such as mafic dikes, code 5 in Tables 19.5 and 19.6), the number of mafic dike intervals is minimal as compared to the number of intervals in vein-type lithologies.

Several generalizations can be made about alteration in the Project area overall (Refer to Tables 19.7 and 19.8). Over 60% of the intervals in the database (5,852 / 9,572 samples total) are recorded as weakly to strongly silicified (alteration codes 201, 202 and 203). The argillic alteration intervals have the highest average gold and silver grades. However, only 134 / 9,572 (less than 1.5%) of the intervals are recorded as argillic alteration so despite the higher overall grades in argillic alteration intervals, the most important alteration at Bell Mountain is silicification.

Analysis of structure codes yielded less clear-cut generalizations. By percentage of intervals, stockwork veining is the most commonly recorded structure code (codes 340 to 343 in Tables 19.9 and 19.10). Stockwork veining was recorded in 46% of the drillhole intervals. The highest grade averages occur in the fracturing, vein and stockwork veining structures, with no one structure type dominating in importance. Intervals in which no structure was observed (structure codes 300 through 303) carry nearly negligible grade in both gold and silver. So while it is clear that structural preparation of host rocks is important, grade is carried in a variety of structure types.

19.6.2 Statistics by Resource Area

Because the three targets are generally laid out in an east-to-west configuration, the three targets were separated by easting for the purposes of modeling. Of the 675 columns in the block model, the first 158 delineate the Spurr target, columns 159-362 are the Varga target and columns 363-675 are the Sphinx target. See Figure 19.1.

Statistics for the drillholes in each of the three targets are summarized in Table 19.12.

Table 19.12 – General Statistics for Drillhole Samples Separated by Deposit

Gold	# of Samples	Minimum Au Grade	Maximum Au Grade (g/t)	Mean Au Grade (g/t)	Variance	Standard Deviation
Total	8,098	0	9.966	0.310	0.422	0.649
Spurr	1,834	0	9.966	0.322	0.732	0.855
Varga	5,207	0	9.480	0.337	0.350	0.592
Sphinx	983	0	6.473	0.166	0.221	0.470
Silver	**# of Samples**	**Minimum Ag Grade**	**Maximum Ag Grade (g/t)**	**Mean Ag Grade (g/t)**	**Variance**	**Standard Deviation**
Total	8,098	0	333.90	8.94	221.62	14.887
Spurr	1,834	0	333.90	11.89	572.24	23.921
Varga	5,207	0	174.66	8.22	107.76	10.381
Sphinx	983	0	197.95	7.86	162.62	12.752

19.6.3 Variography

The grade model was generated using parameters which Telesto interpreted from variography results. The suite of general variograms for gold composite data in the entire database is shown in Figure 19.8 and Figure 19.9 is variograms for silver.

Variograms were also run for the Spurr, Varga and Sphinx areas to determine if the search orientations and distances were universal to the entire project area or whether Spurr and Varga needed to be analyzed with unique search orientations and distances. Variograms for gold and silver in the Varga area are shown in Figures 19.10 and 19.11 respectively. Spurr variograms are shown in Figures 19.12 and 19.13 for gold and silver. Sphinx variograms are Figures 19.14 and 19.15.

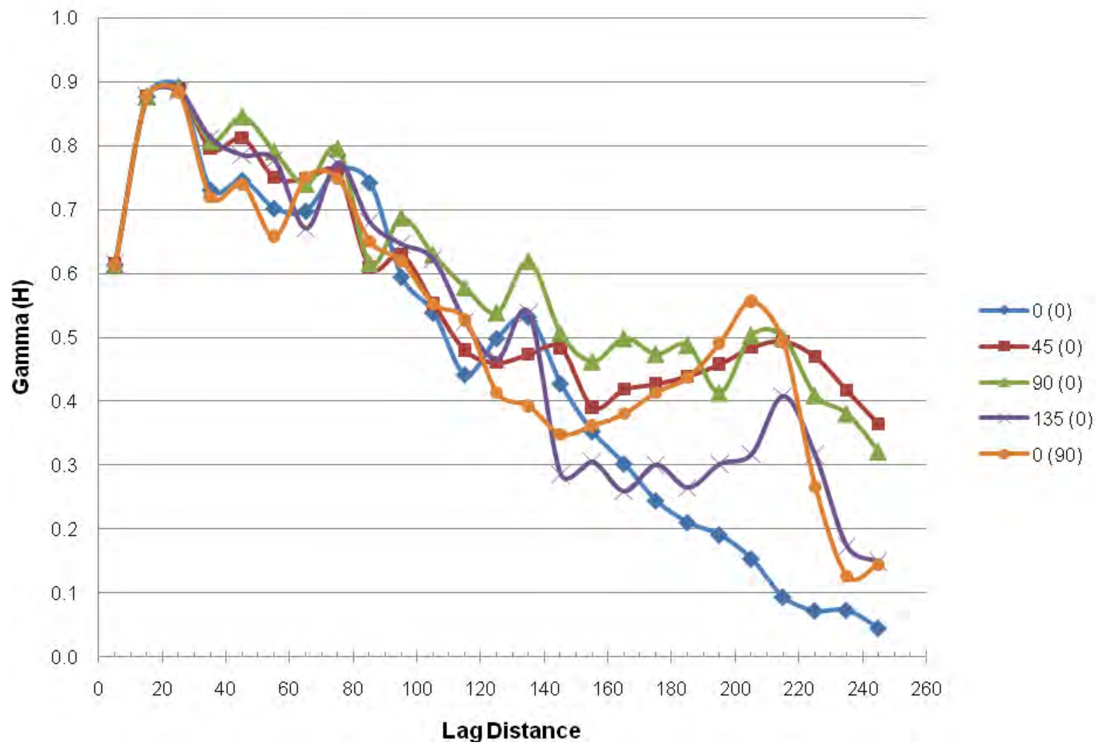


Figure 19.8: Variograms for Bell Mountain Gold Composites

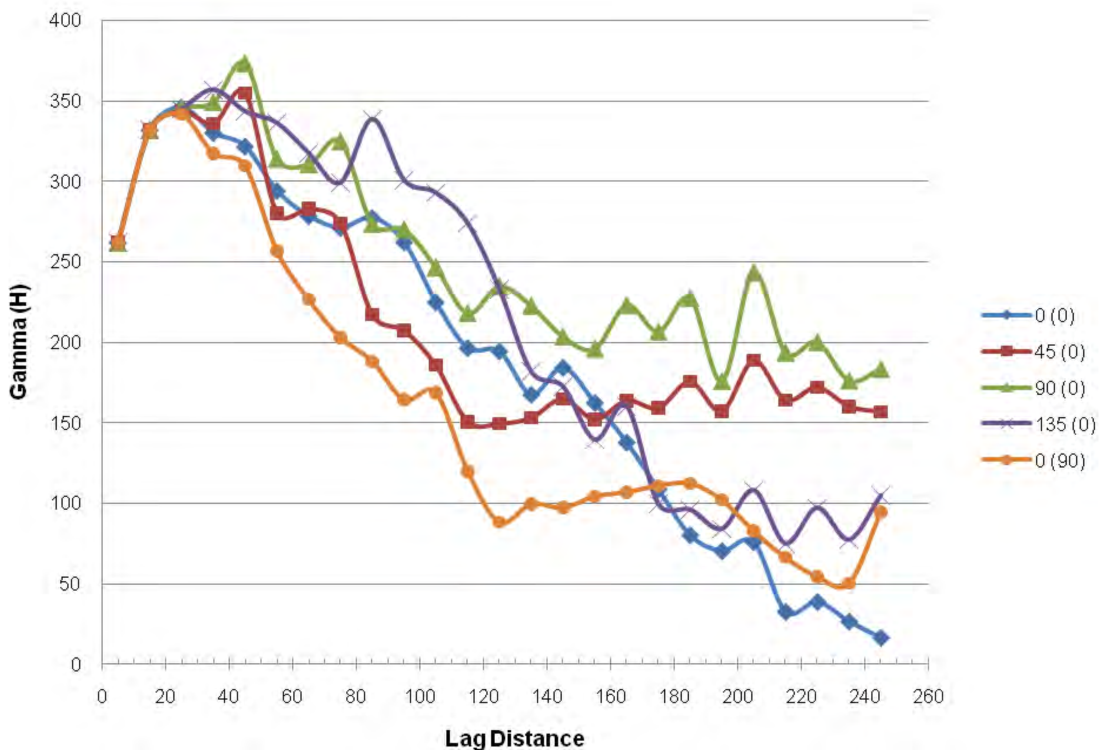


Figure 19.9: Variograms for Bell Mountain Silver Composites

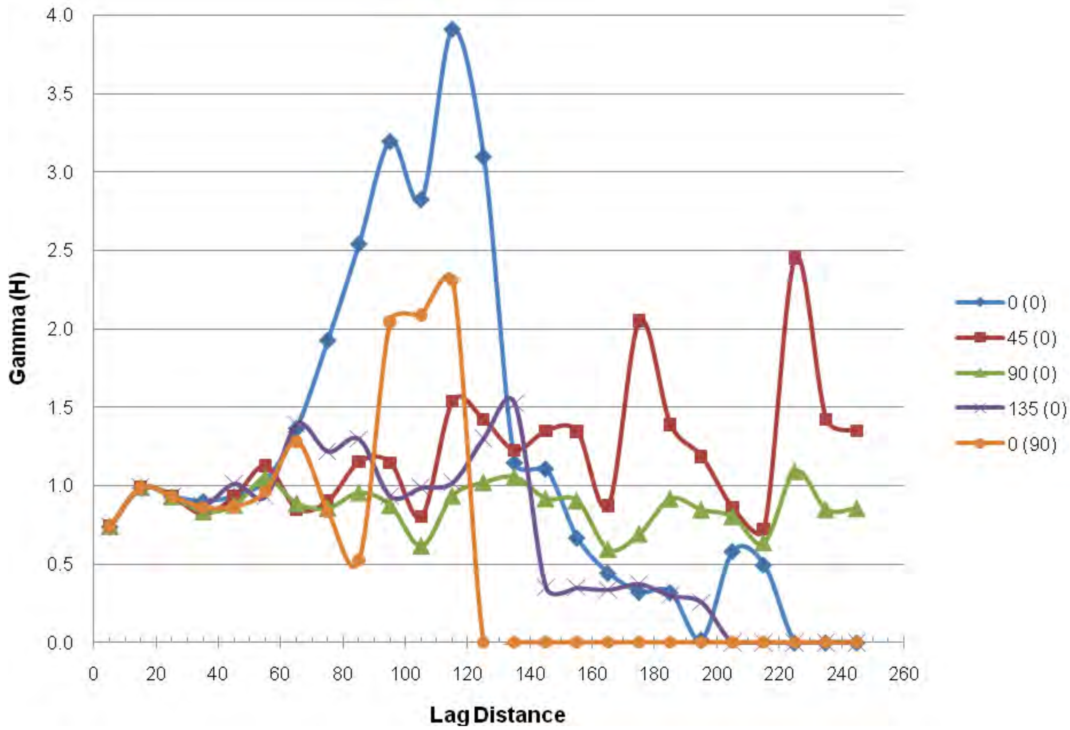


Figure 19.10: Variograms for Varga Area Gold Composites for Rock Types 1, 2, and 3 Only

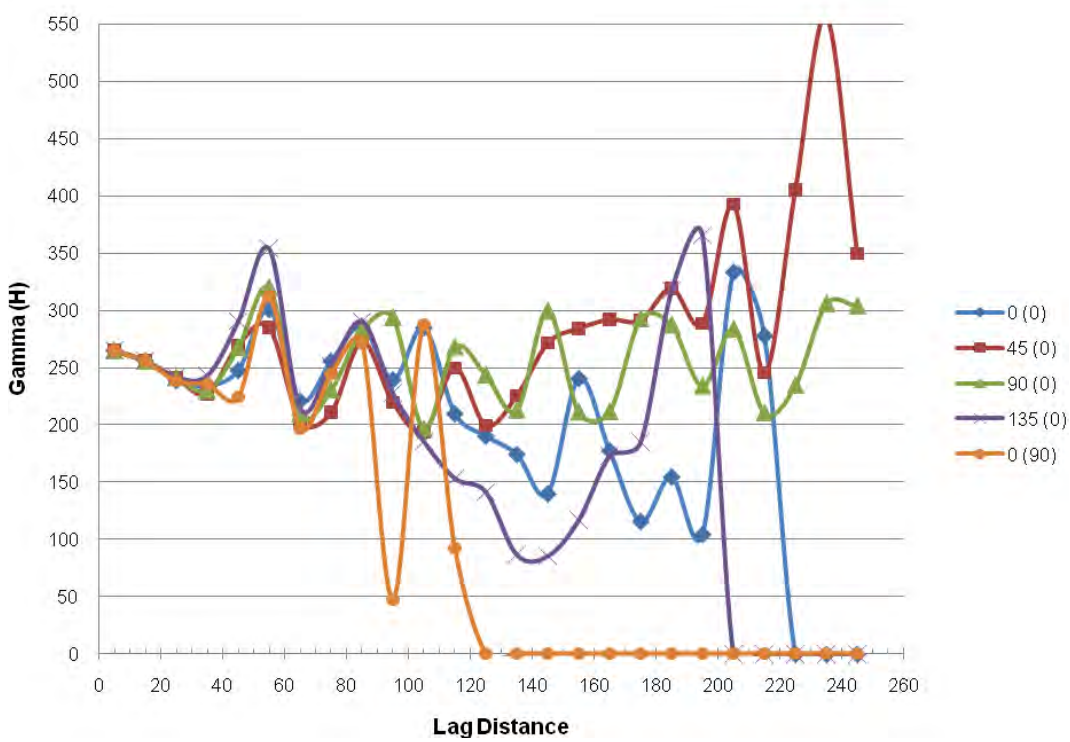


Figure 19.11: Variograms for Varga Area Silver Composites for Rock Types 1, 2, and 3 Only

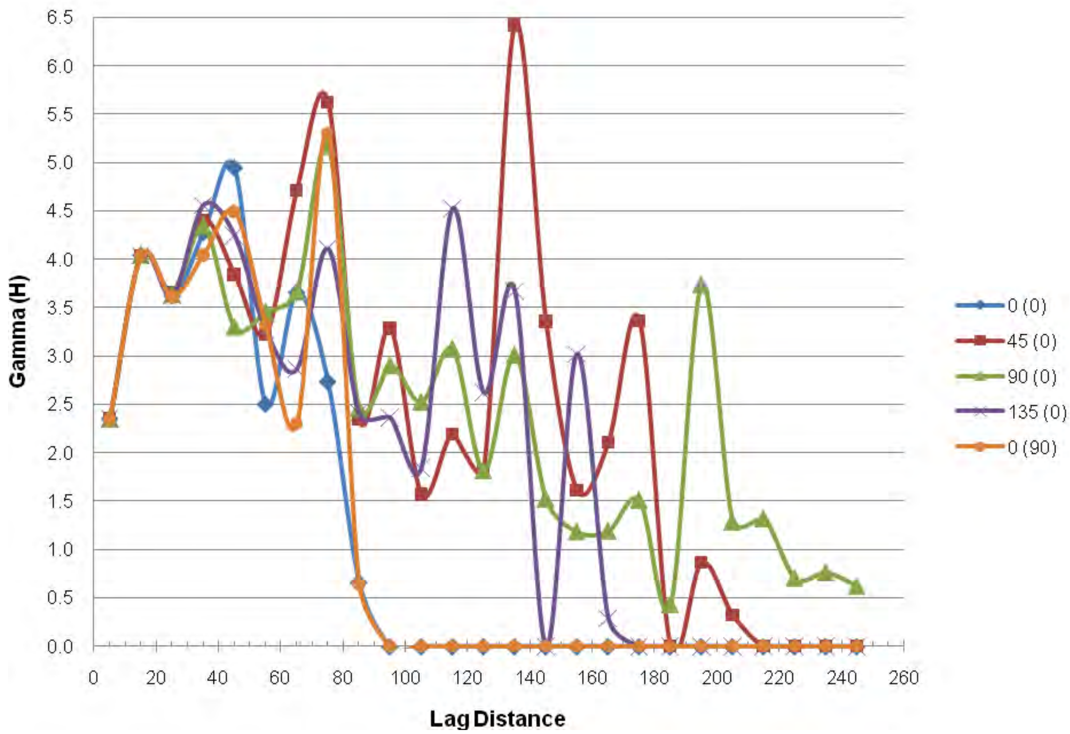


Figure 19.12: Variograms for Spurr Area Gold Composites for Rock Types 1, 2, and 3 Only

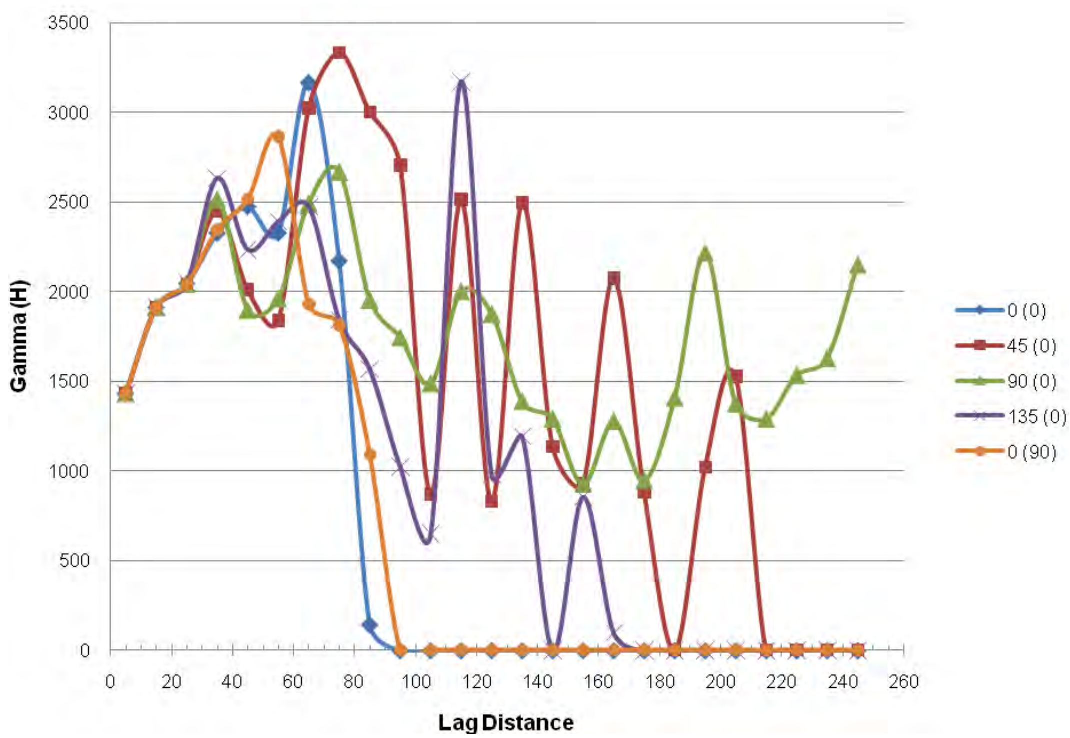


Figure 19.13: Variograms for Spurr Area Silver Composites for Rock Types 1, 2, and 3 Only

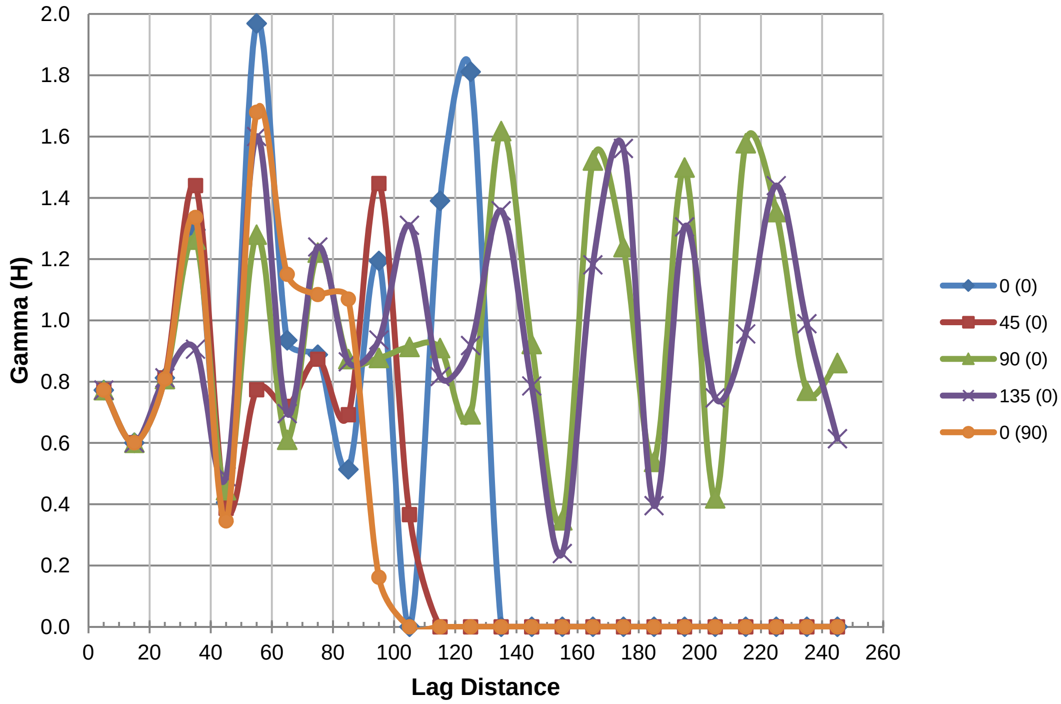


Figure 19.14: Variograms for Sphinx Area Gold Composites for Rock Types 1, 2, and 3 Only

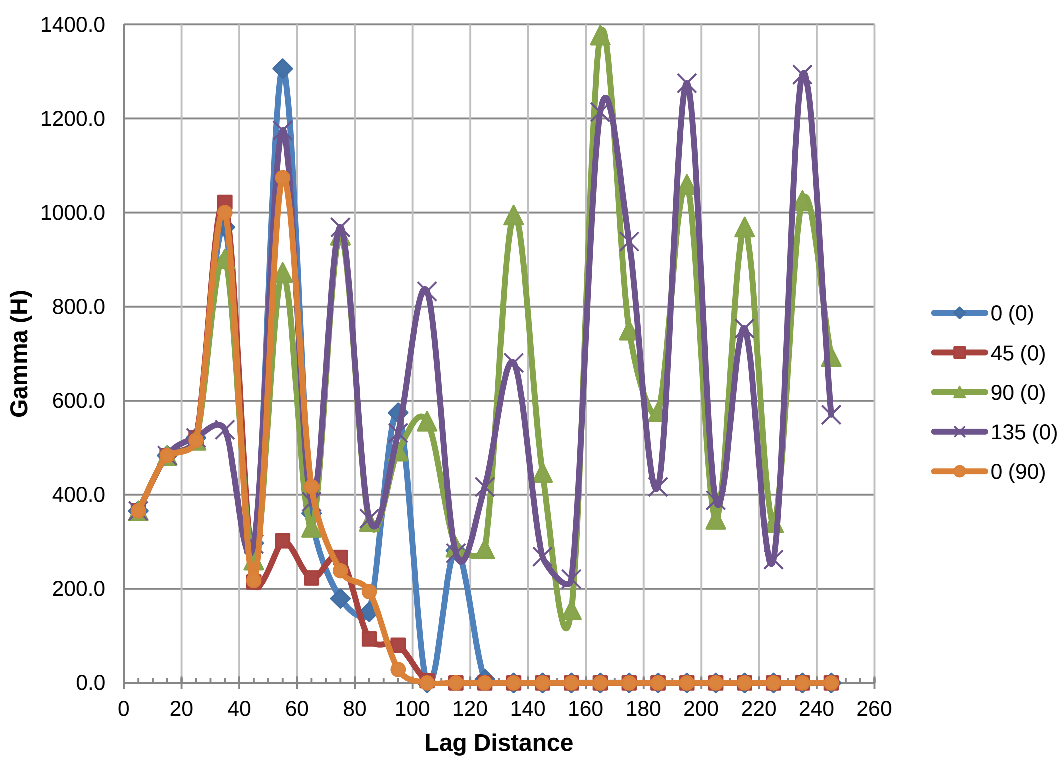


Figure 19.15: Variograms for Sphinx Area Silver Composites for Rock Types 1, 2, and 3 Only

19.6.4 Jackknifing

To cross check the results of the variogram runs, several jackknifing runs were done on the composites in the Spurr, Varga and Sphinx deposit areas. The mineralized structures at Bell Mountain strike generally east-west, as shown in Figure 9.2. Jackknifing confirmed the validity of the search parameters that established grade values in the block model. The results of several jackknifing runs for the mineralized envelope are presented in Table 19.13.

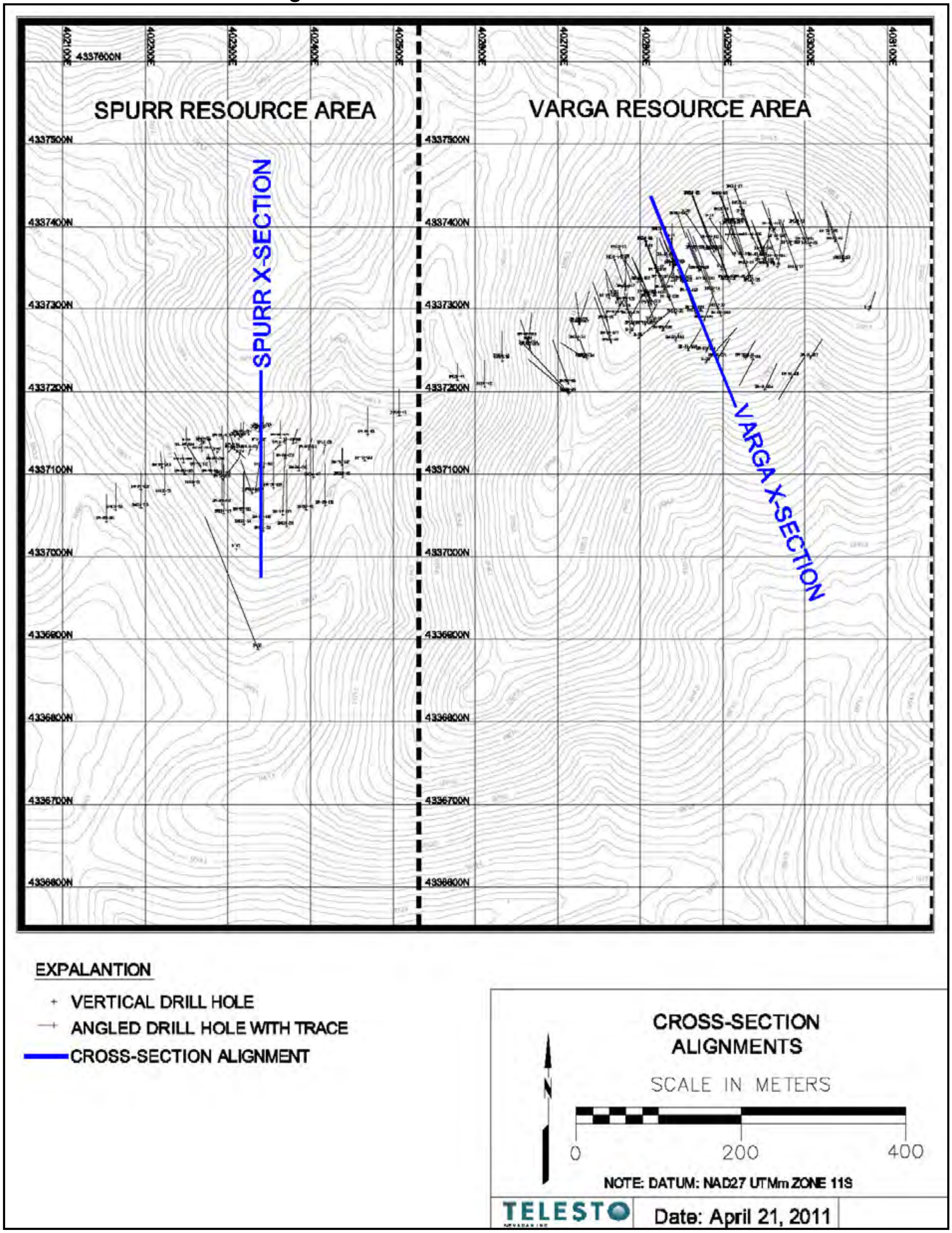
Table 19.13 – Jackknifing Results on Drillhole Data

Spurr	Original Data	Estimated Data
Mean Value	1.4173	1.4626
Standard Deviation	1.8328	1.3588
Variance	3.3591	1.8464
Number of samples	=	279
Covariance	=	1.7158
Correlation Coefficient	=	0.6889
T Statistic	=	-0.5682
Varga	Original Data	Estimated Data
Mean Value	0.9023	0.9251
Standard Deviation	1.0190	0.7788
Variance	1.0384	0.6065
Number of samples	=	588
Covariance	=	0.5133
Correlation Coefficient	=	0.6468
T Statistic	=	-0.7048
Sphinx	Original Data	Estimated Data
Mean Value	0.7718	0.8428
Standard Deviation	0.9705	0.8262
Variance	0.9419	0.6826
Number of samples	=	145
Covariance	=	0.2703
Correlation Coefficient	=	0.3372
T Statistic	=	-0.8216

19.6.5 Cross Sections through the Modeled Areas

Figure 19.16 shows the locations of cross-sections created by Telesto which are generally perpendicular to the strikes of the Spurr and Varga resources and are considered to be representative of the two resources.

Figure 19.16: Cross-Section Locations



Because the drill density at Sphinx area is significantly less than at Spurr and Varga, cross sections were not prepared.

Figure 19.17 shows details of the drillholes in cross-section in the Spurr area. On the left of each drillhole trace, the numerical lithology code is displayed. Refer to Table 19.1 for an explanation of lithology codes. For emphasis, the vein type lithology codes (1, 2 and 3) are highlighted in pink, green and red respectively. On the right side of each drillhole trace, gold assay values in ppm are color coded for ease of interpretation according to the explanation on the figures. Figure 19.18 shows drillhole traces in Varga using the same color coding for vein lithologies and gold assay value.

Figure 19.17: Drill Hole Gold Intercept Cross-Section – Spurr Resource

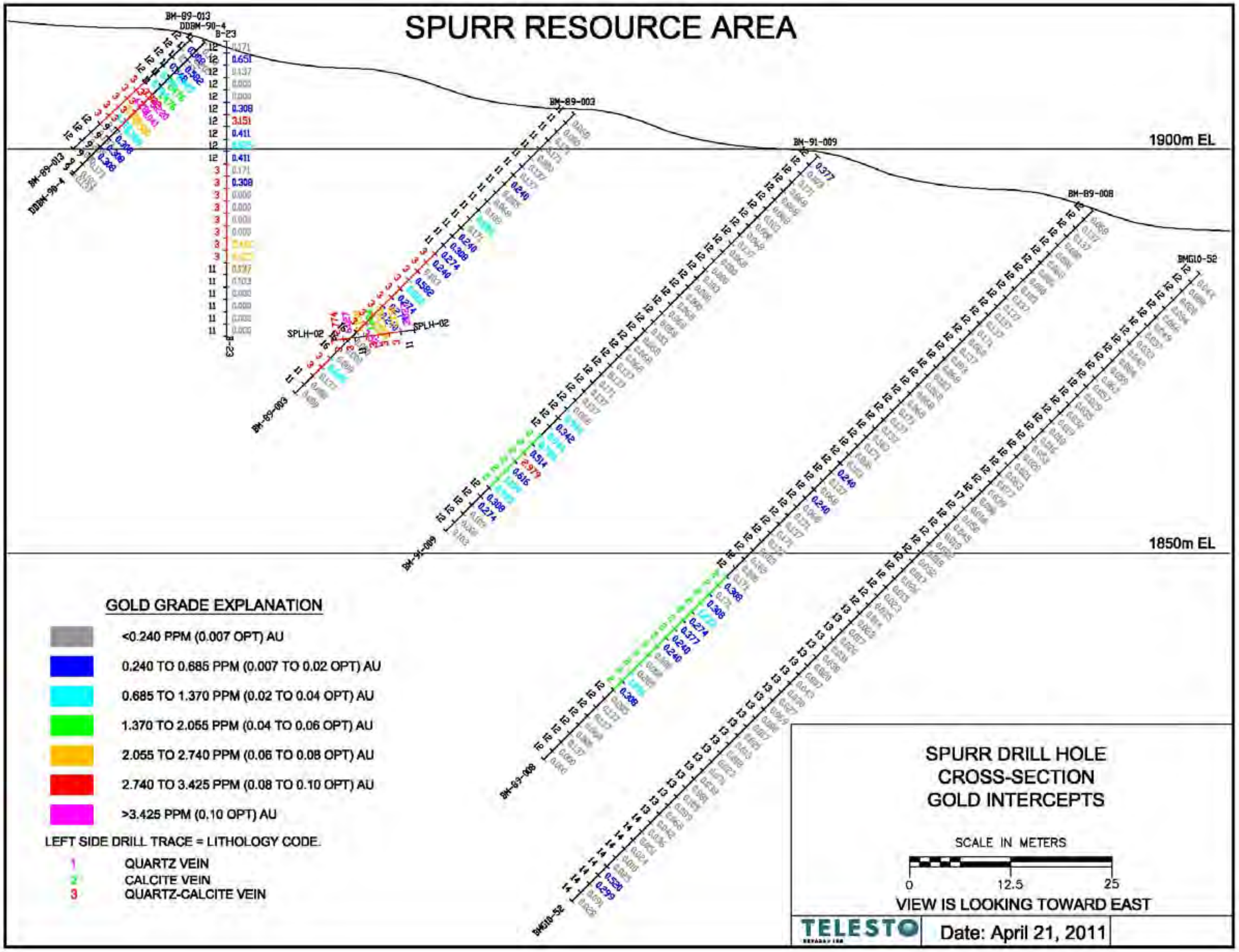
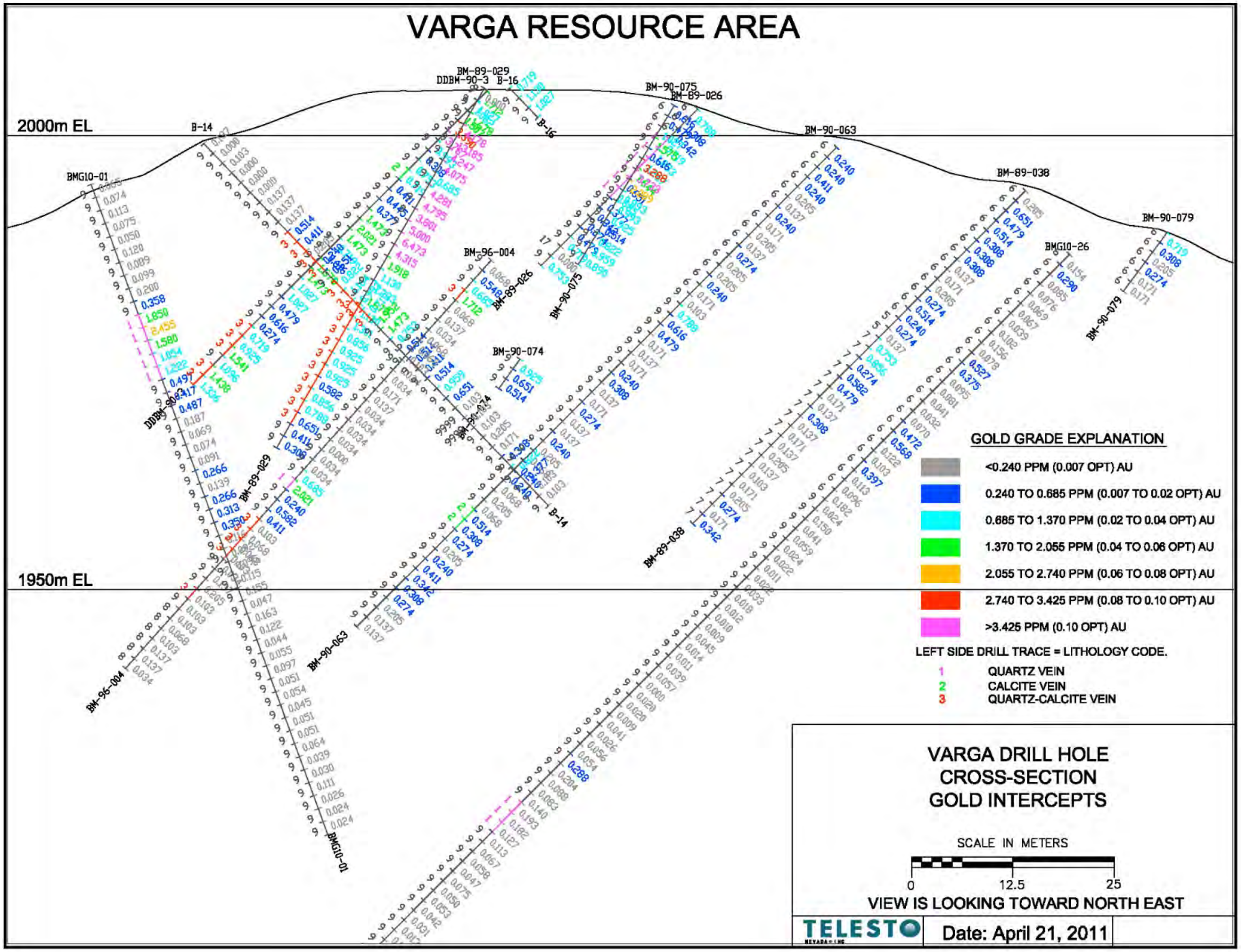


Figure 19.18: Drill Hole Gold Intercept Cross-Section – Varga Resource



19.7 Block Model

19.7.1 Search Parameters

The inverse distance squared method was applied in the modeling process. Based on the results of the geostatistical analysis of the drillhole data, the following search radii were used to estimate grade in the block model: 40m in the primary direction (east-west), 25m in the secondary direction (north-south, dipping 60° to the north) and 30m in the tertiary direction (perpendicular to the orientation of the structure striking east-west, dipping 60° to the north). The search orientations for the current estimate are shown in Figure 19.19.

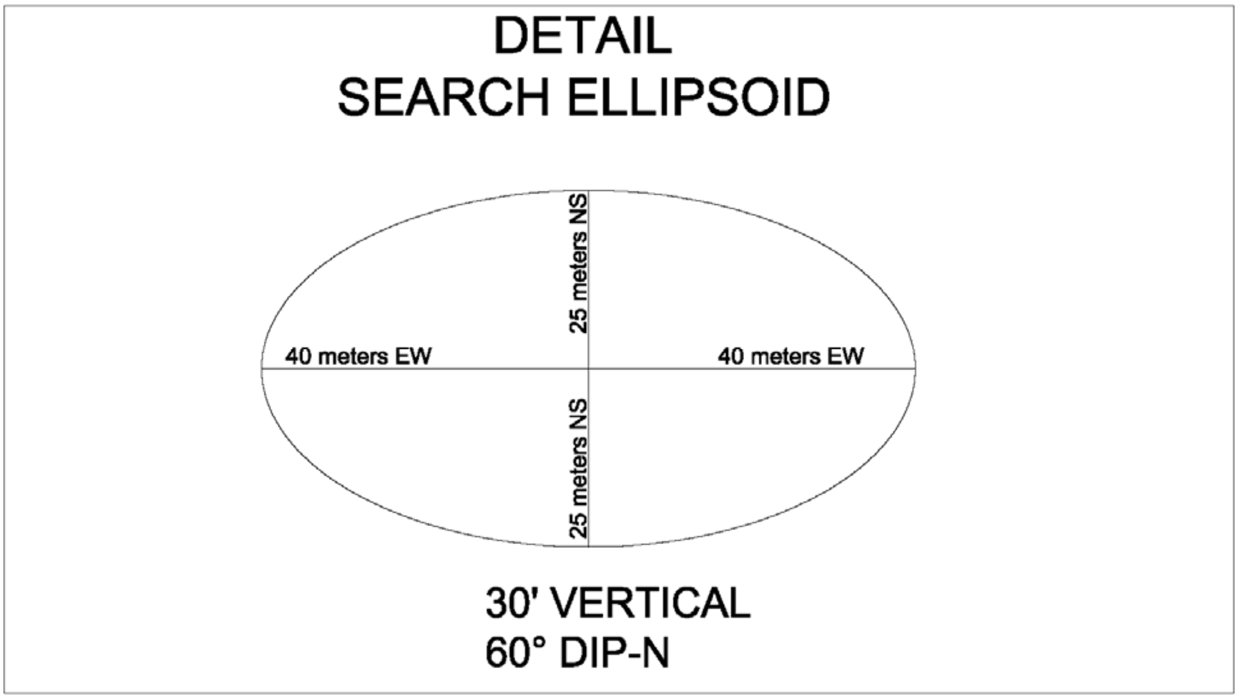


Figure 19.19: Search Orientations for the Bell Mountain Block Model

19.7.2 Sample and Block Selection Parameters

Some intervals in the drillhole database were not coded for lithology and were subsequently assigned a lithology code of 9999. Intervals with a 9999 lithology code had limited use in the block model. Blocks which were assigned a lithology code of 9999 (undefined) were segregated from blocks with defined lithology codes (1-17). Grade was assigned to the "9999" blocks based only on intervals with a 9999 code. So, even if other drillholes with defined lithology codes were within the search radii, those drillholes were not used to assign grade to "9999" blocks. The opposite is true also: grade from "9999" blocks was not used to calculate grade in blocks with defined lithology codes. This was done so that all of the blocks with code 9999 could be segregated from the resource for purpose of resource estimation. Ultimately, these were assigned to the inferred resource category.

When the block model was run, the model searched for at least two samples per sector in the drillhole database. As there are eight sectors in the search ellipsoid, this is a total pool of 16 possible samples from which to calculate grade for a given block. In order to assign a grade value to a block, a minimum of two data points within the search radii are required. A total of 353,612 blocks were assigned grade because they met the standard for grade assignment. Of those, 108,916 blocks were given a lithology code of 9999 and therefore not used in the measured and indicated resource estimate. The measured and indicated resources were estimated based on 244,696 blocks with defined lithology codes (1-17). Average grade within the 346,987 blocks at zero cutoff is 0.0053 ppm gold and 0.152 ppm silver. This equates to a gold equivalent grade of 0.0093 ppm. Table19.14 summarizes the block model general statistics.

Table 19.14 – General Statistics of the Bell Mountain Grade Model with Zero Cutoff

# of Blocks Assigned Grade	Mean Block Gold Value (ppm)	Mean Block Silver Value (ppm)	Mean Gold Equivalent Value (ppm)
461,697	0.153	6.99	0.281

One cross section each from Spurr and Varga were selected to show the details of the block model lithologies. Cross-section 3, which bisects the Spurr area, and cross-section 8 in the Varga area are presented as Figures 19.20 and 19.21, respectively. Refer to Figure 19.16 in for locations of the cross sections. In the cross sections, lithology codes are displayed on the left of each drillhole trace while gold grade is shown on the right side.

One level plot each from Spurr and Varga were selected to show the details of the block model lithologies. Level 1990m slices through the Varga deposit (Figure 19.22). Figure 19.23 shows the 1880m level in the Spurr area and a small part of the Varga area.

Because the drill density at Sphinx area is significantly less than at Spurr and Varga, level plots were not prepared.

Figure 19.20: Rock Model Cross-Section – Spurr Area

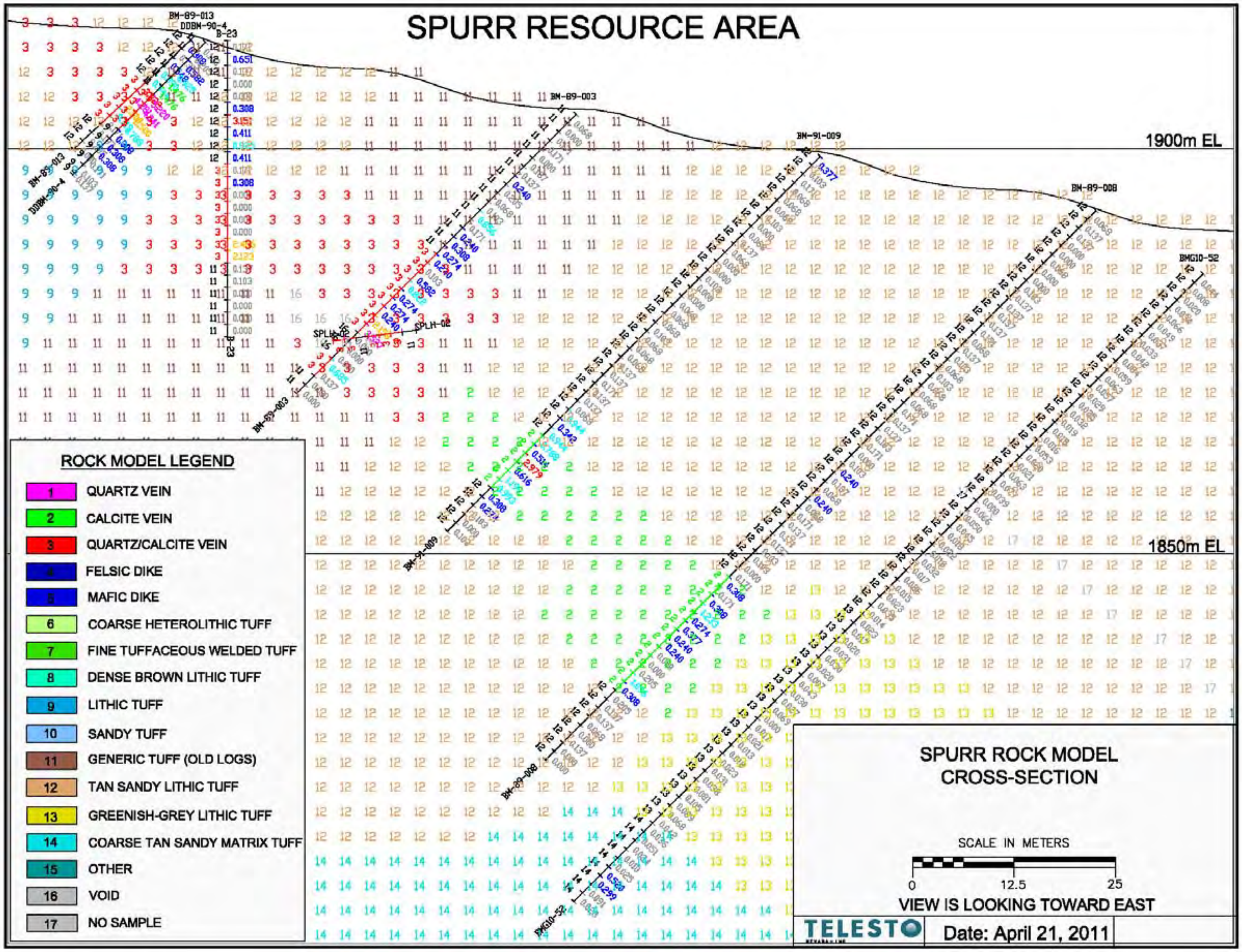


Figure 19.21: Rock Model Cross-Section – Varga Area

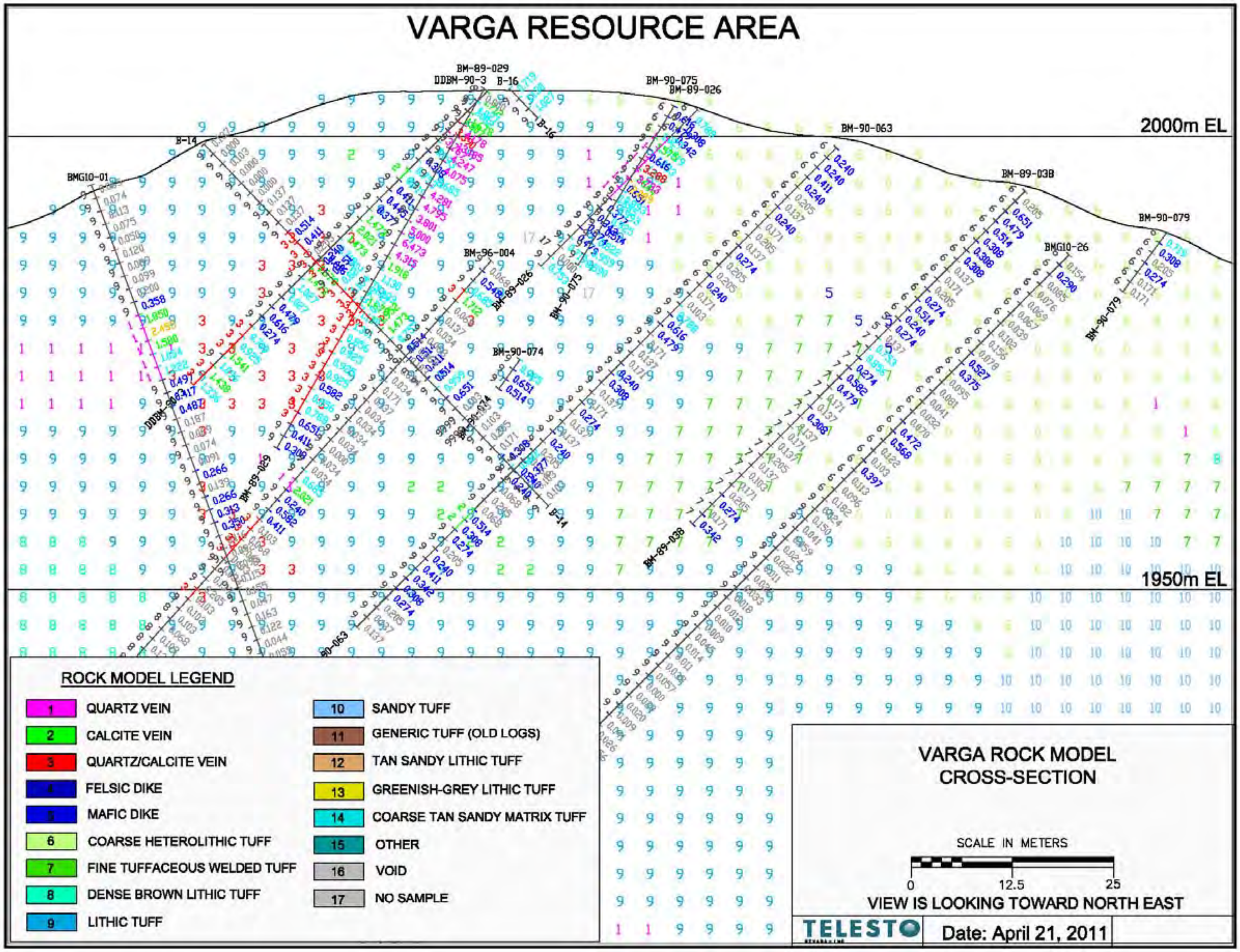


Figure 19.22: Rock Model Level 1880m – Spurr Area

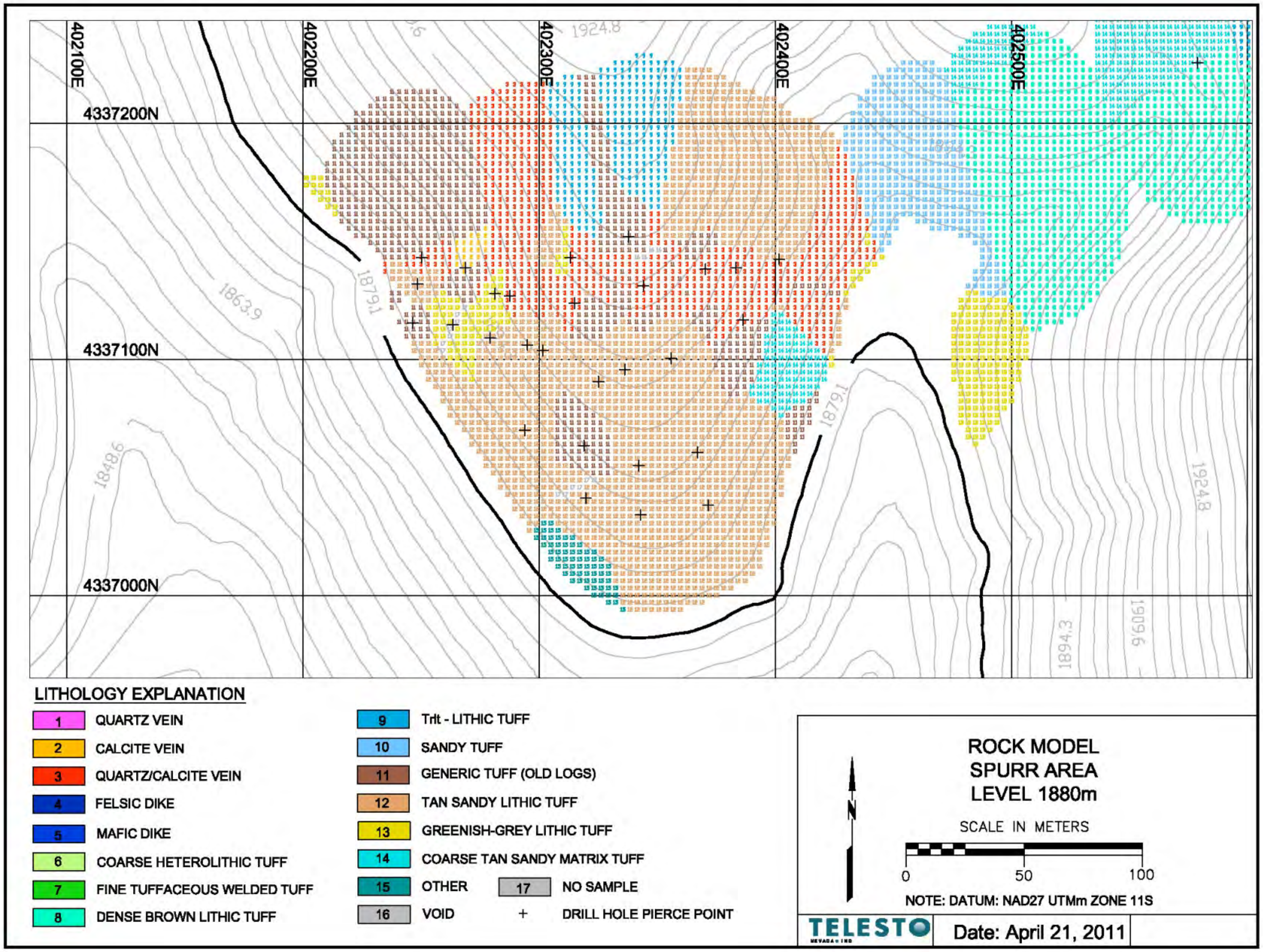
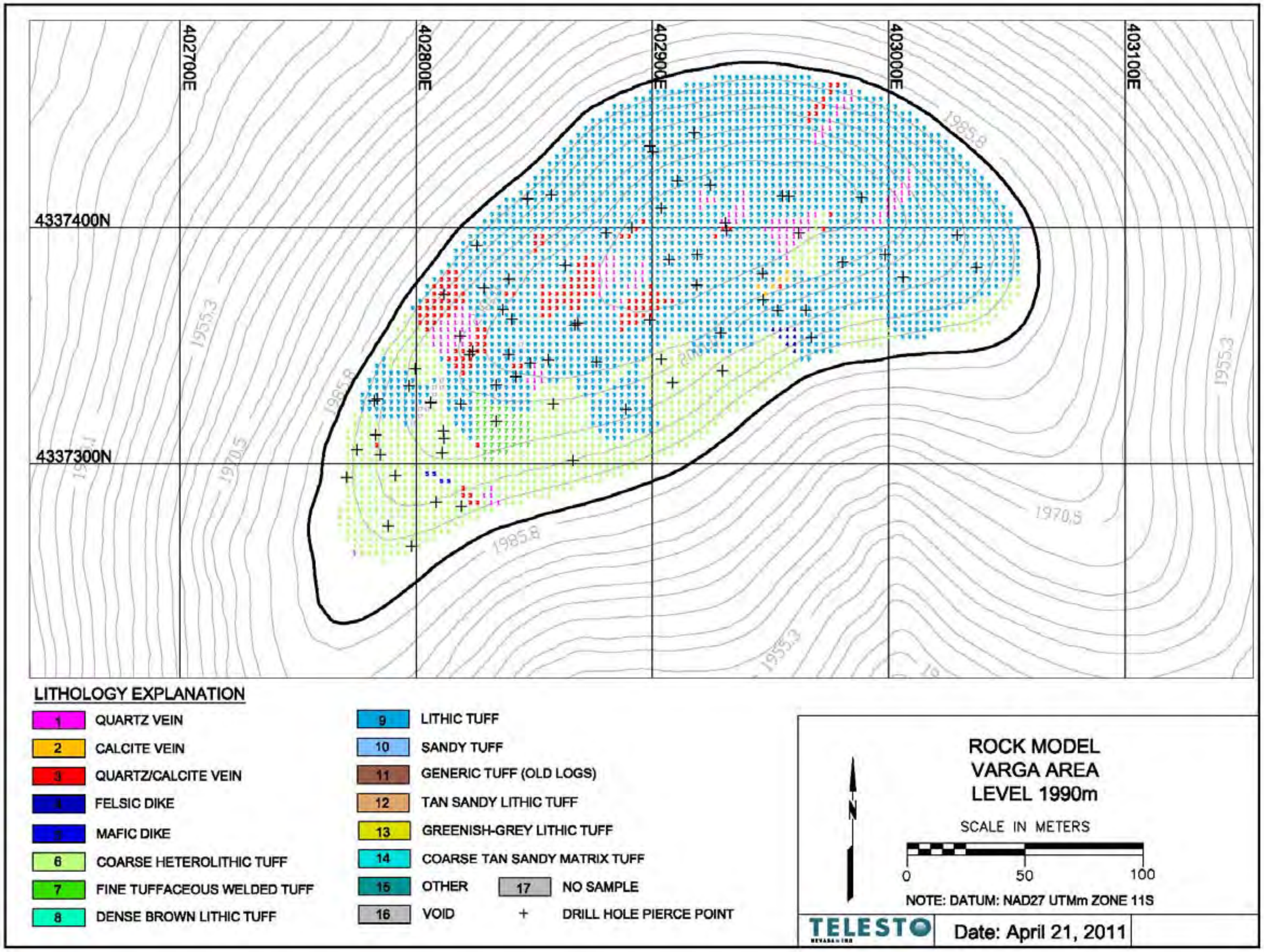


Figure 19.23: Rock Model Level 1990m – Varga Area



19.7.3 Gold Equivalency

Because the mineralization at Bell Mountain is enriched in silver, the economic viability of the project will depend upon the recovery of silver along with the gold. For this reason, the total resource at Bell Mountain is expressed in terms of gold equivalency. Gold equivalent is a function of gold and silver prices and reflects the ratio of silver ounces that need to be recovered to equal one recovered ounce of gold. According to Table 19.17, the ratio of gold price to silver price is:

$$\frac{\$1{,}149.89 \text{ / ounce gold}}{\$20.92 \text{ / ounce silver}} = 55 \text{ ounces of silver for every ounce of gold}$$

19.7.4 Cutoff Grade

Cutoff grades used to estimate the in-situ resource are based on information supplied by Laurion. Assumptions were made for items like strip ratio, mining costs, processing costs and recovery percentages. These assumptions were based on published or internally calculated rates for other mining operations and testwork performed on Bell Mountain samples. Each aspect of costs is discussed separately in the following sections with a summary below.

Process Reagent, Heap Leach and ADR Plant Costs

Using quotes for reagents from a different recent project, costs have been estimated for Bell Mountain as outlined in Table 19.15.

Table 19.15 – Process Reagent, Heap Leach and ADR Plant Costs

Reagent	Usage	Reagent Cost	$/tn
Cement (Quote 01/22/2010)	10#/tn	$123/tn	$0.615/tn
Burnt Lime (Quote 01/22/2010)	5#/tn	$115/tn	$0.286/tn
Cyanide (Quote 01/24/2010)	1.1#/tn	$1.29/#	$1.42/tn
Emitters			$0.15/tn
ADR			$0.22/tn
Power	11.4 million kWh	$0.16/kWh	$0.84/tn
Total Costs			**$3.53/tn**

Process Labor Costs

Process labor costs are based on a recent gold project in Mineral County, Nevada, and are estimated to be $0.77/tn. Total process costs are therefore estimated to be $3.53/tn + $0.77/tn = $4.30/tn.

Crusher Costs

Costs were estimated for crushing material to minus 1 inch. Based on other similar mining projects, crushing costs are estimated to be $1.80/tn. Crusher costs are summarized in Table 19.16.

Table 19.16 – Crusher Cost Estimate

Gryphon Gold Estimate*	$1.80/tn	Basis
Add Tertiary Crusher	$1.20/tn	40% of operating cost
Add Generator Cost	$0.66/tn	0.11 to 0.16/kWh
Total Crusher Cost	**$3.66/tn**	

* From Danio et al. (2009)

General & Administrative (G & A) Costs

G & A costs are estimated based on a similarly sized gold project in Mineral County, Nevada, and are estimated to be $0.99/tn.

Mine Costs

Mine costs were developed using an internal spreadsheet developed by Laurion for a copper project in British Columbia. The spreadsheet takes into account the following:

- Tons – Ore and waste
- Haulage cycle – Ore 4.5 minutes + loading/dumping
- Haulage cycle – Waste 8.3 minutes + loading and hauling
- Effective utilization 65% to 75% depending on equipment
- Maintenance, labor, capital maintenance, tires, lube, cutting tools
- Fuel price $2.81/gallon
- 25% added for contractor cost mark-up

The spreadsheet was updated in summer 2010.

Recovery

Recovery is based on previous testwork. Best recovery is considered to occur when using 5 lbs/ton lime and 10 lbs/ton cement for agglomeration. Silver recovery from the testwork ranged from 47.8% to 57.0%. Gold recovery from the testwork ranged from 78% to 86%. The silver recovery used for the sake of this exercise is 51% and for gold, 80%. Although Durgin (2010) concludes that silver recovery is 50%, The Qualified Person reviewed the previous metallurgical reports cited by Durgin and concluded that 51% is a reasonable recovery percent to use.

Summary

Table 19.17 summarizes the assumed costs from which the appropriate cutoff grade was determined. No assessment of actual mining costs at Bell Mountain has been done to date.

Table 19.17 – Summary of Assumed Mining Costs for Establishing Cutoff Grade

Parameter	Value	Comment
Estimated Yearly Ore Tonnage	2,000,000	Strip ratio 1.5-1
Gold Price	$1,149.89 / oz	60% 3-year previous average / 40% 2-year forward – Dec. 31, 2010
Silver Price	$20.92 / oz	60% 3-year previous average / 40% 2-year forward – Dec. 31, 2010
Contract Mining Price	$2.98/tn ore $2.42/tn waste	Developed using internal spreadsheets using $2.81/gallon fuel price, contractor
Process Costs	Crushing, $3.18/tn ore Processing, $4.30/tn ore	Developed using $0.17/kWh
G & A	$0.99/tn	
Process Recovery	Silver – 51% Gold – 80%	Based on previous testing using agglomeration of 10#/tn cement and 5 #/tn lime

Cutoff Grade Calculation

The total mining costs are as follows:

$4.30/tn	Process Reagent, Heap Leach and ADR Plant Costs; Process Labor
$3.18/tn	Crusher Costs
$0.99/tn	G & A Costs
$8.47/tn	

Cutoff grade calculations must take into account gold equivalency and recovery percentages of gold and silver, as follows:

$$\$8.47 = (X*0.8) + (21/1,150) * 0.51 * 55X$$

$$\$8.47 = \$1,150\ [(0.8X) + (0.018261 * 0.51 * 55X)]$$

$$\$8.47 = \$1,150\ [0.8X + 0.512217X]$$

$$\$8.47 = \$1,150 * 1.312217X$$

$$\$8.47 = \$1,509.05X$$

X = 0.00561 opt In-place gold equivalent cutoff grade = 0.192 g/t

Resources are reported using a cutoff grade of 0.192 g/t gold. Grade-tonnage curves for measured gold and silver resources are presented in Figures 19.24 and 19.25 respectively. Cutoff grade vs. mean grade above cutoff for gold and silver measured resources are shown in Figures 19.26 and 19.27 respectively. A future assessment of expected actual costs of mining at Bell Mountain may affect cutoff grades and resource numbers.

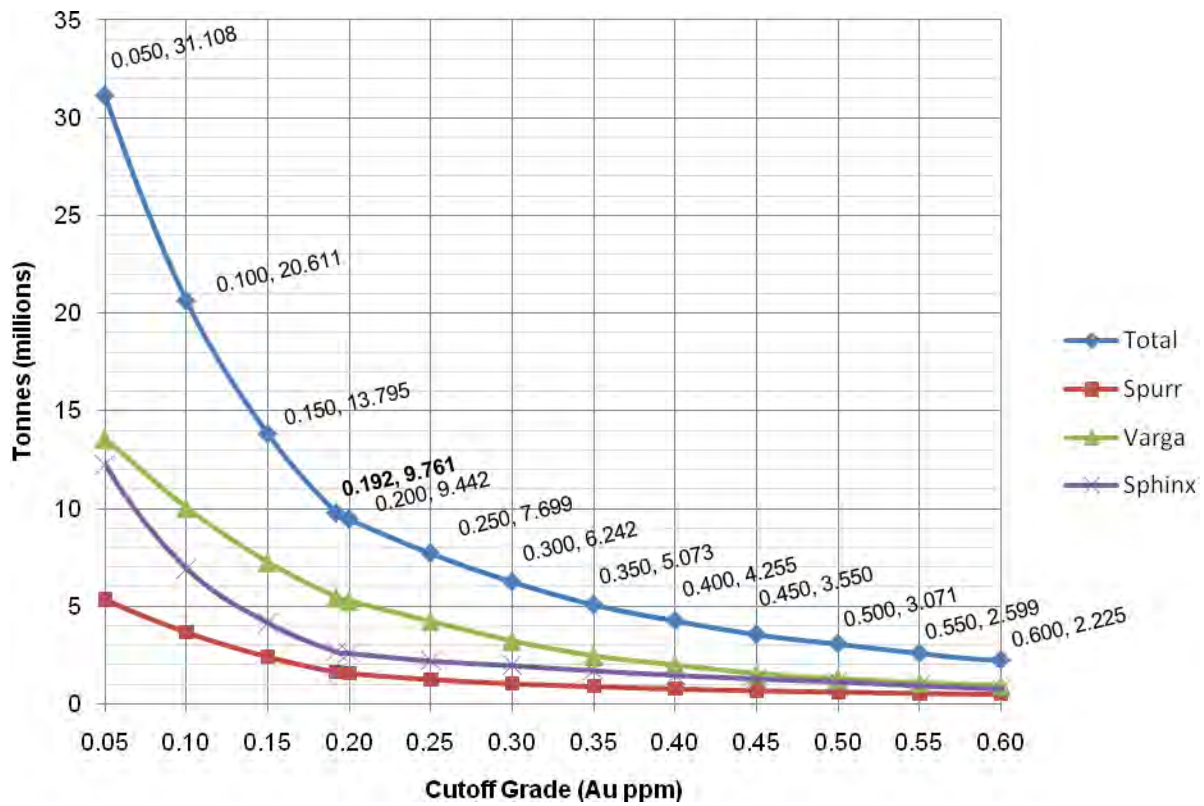


Figure 19.24: Metric Grade-Tonnage Curve for Measured and Indicated Gold Resources

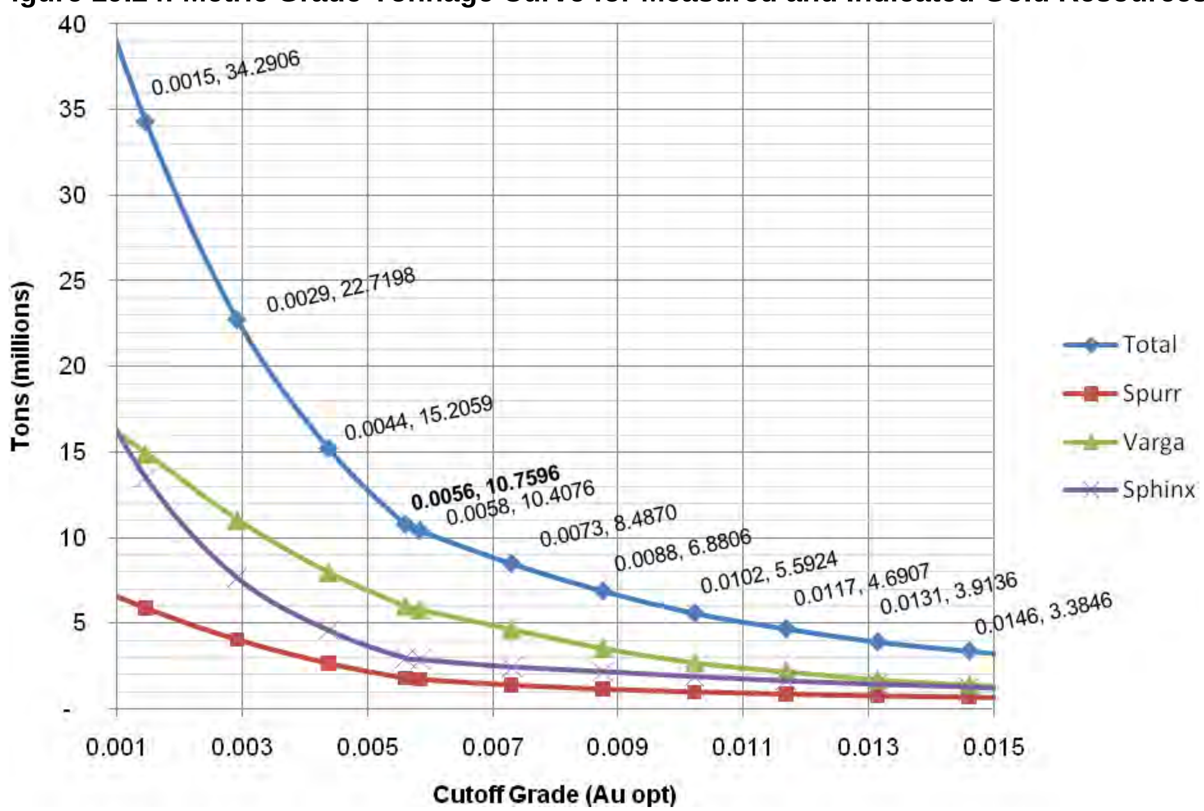


Figure 19.25: Imperial Grade-Tonnage Curve for Measured and Indicated Gold Resources

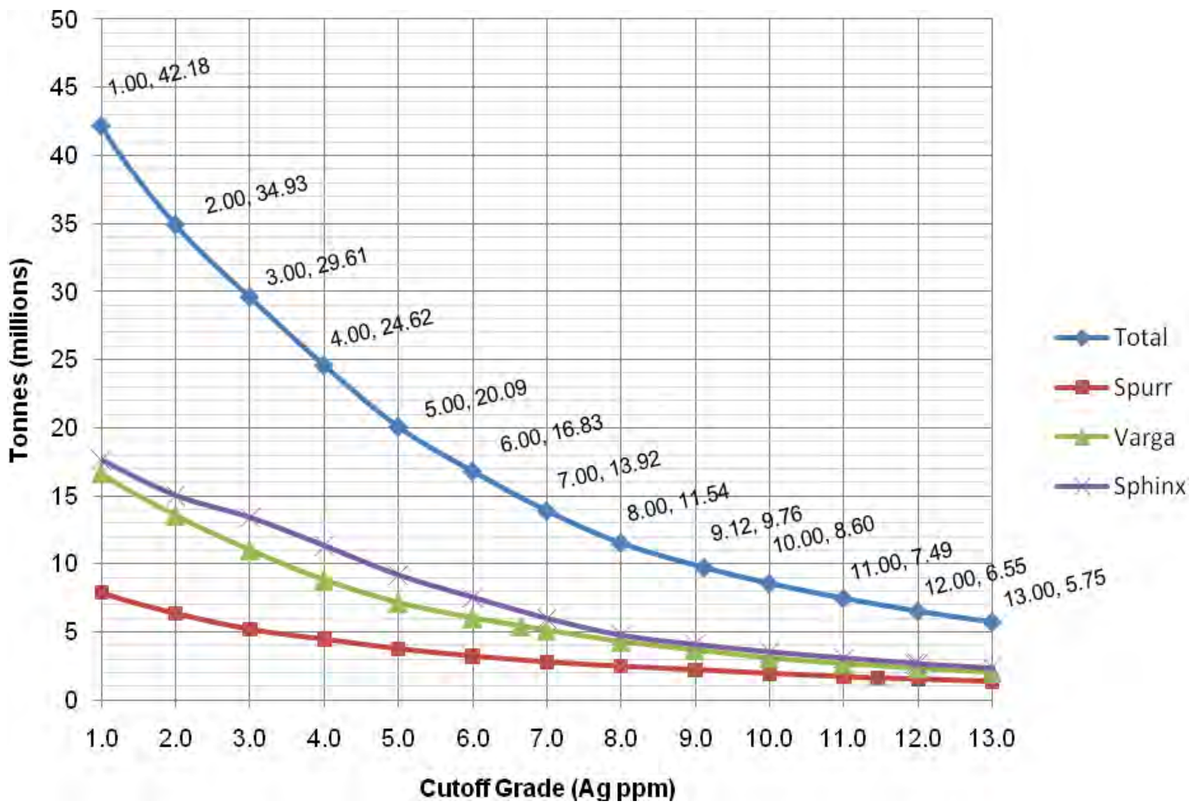


Figure 19.26: Metric Grade-Tonnage Curve for Measured and Indicated Silver Resources

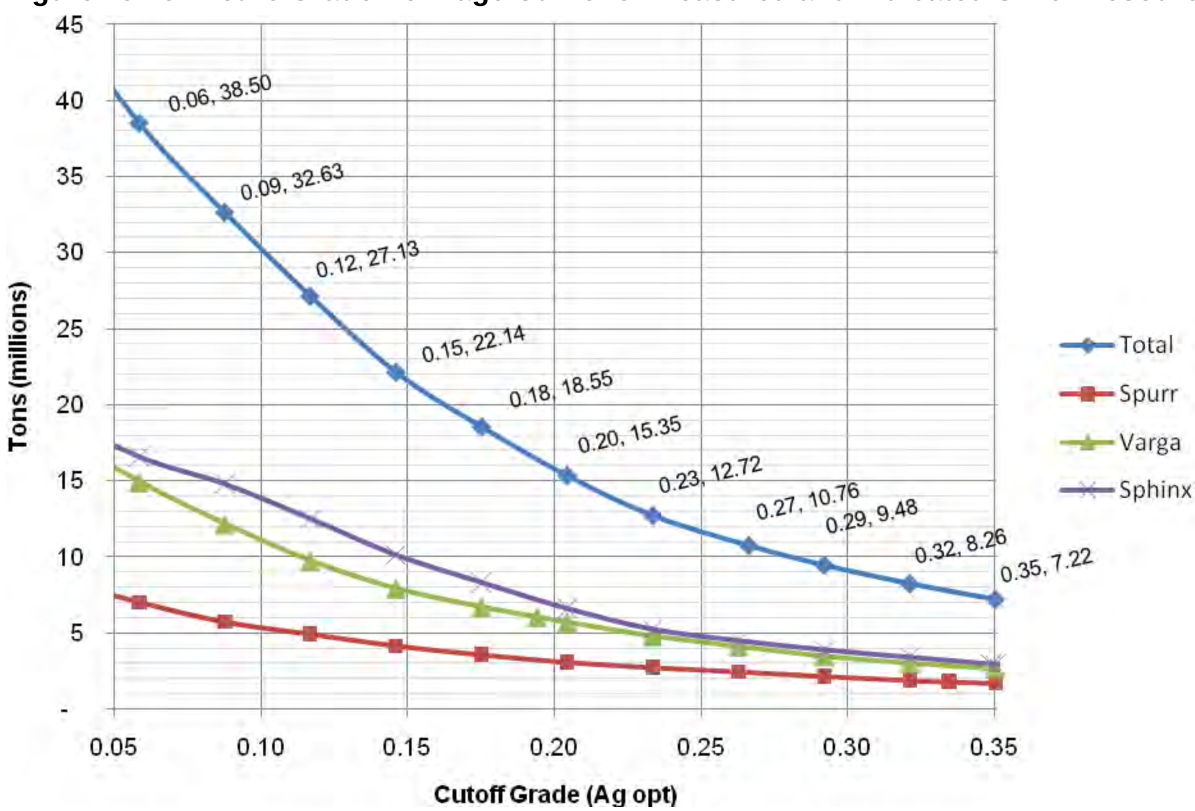


Figure 19.27: Imperial Grade-Tonnage Curve for Measured and Indicated Silver Resources

19.7.5 Details of the Grade Model

The following cross-sections show the details of the grade model in Spurr and Varga. Because the drillhole density in Sphinx is significantly less than at Spurr and Varga, cross-sections for the Sphinx area were not created. Figures 19.28 and 19.29 show the gold equivalent block model grades and gold and silver drill hole intercept values in the Spurr area. Figures 19.30 and 19.31 represent the gold equivalent block model grades and gold and silver drill hole intercept grades in the Varga area. Grade is color coded according to the explanation on each cross section.

Figure 19.28: Grade Model – Spurr Area – Gold Drill Hole Grades

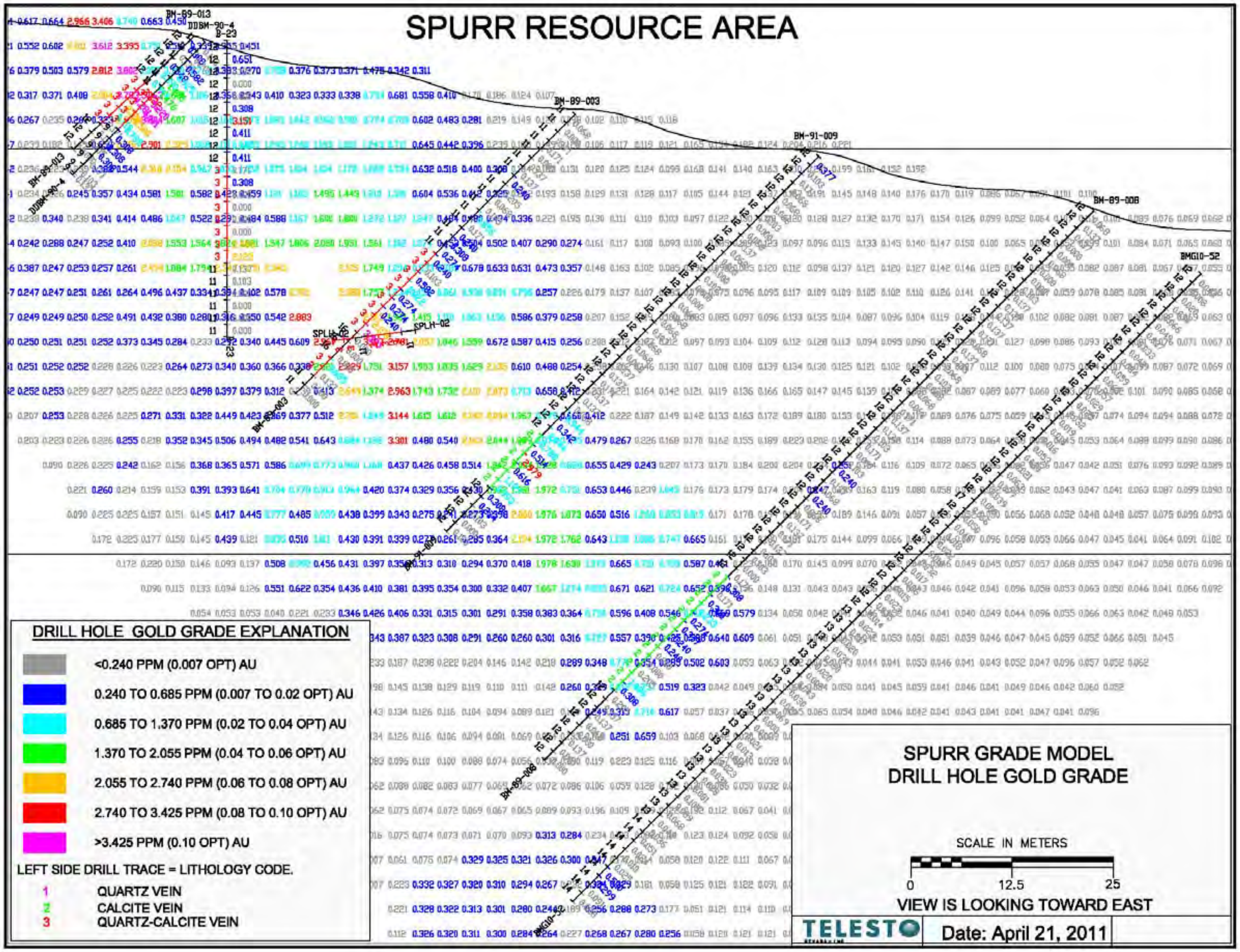


Figure 19.29: Grade Model – Spurr Area – Silver Drill Hole Grades

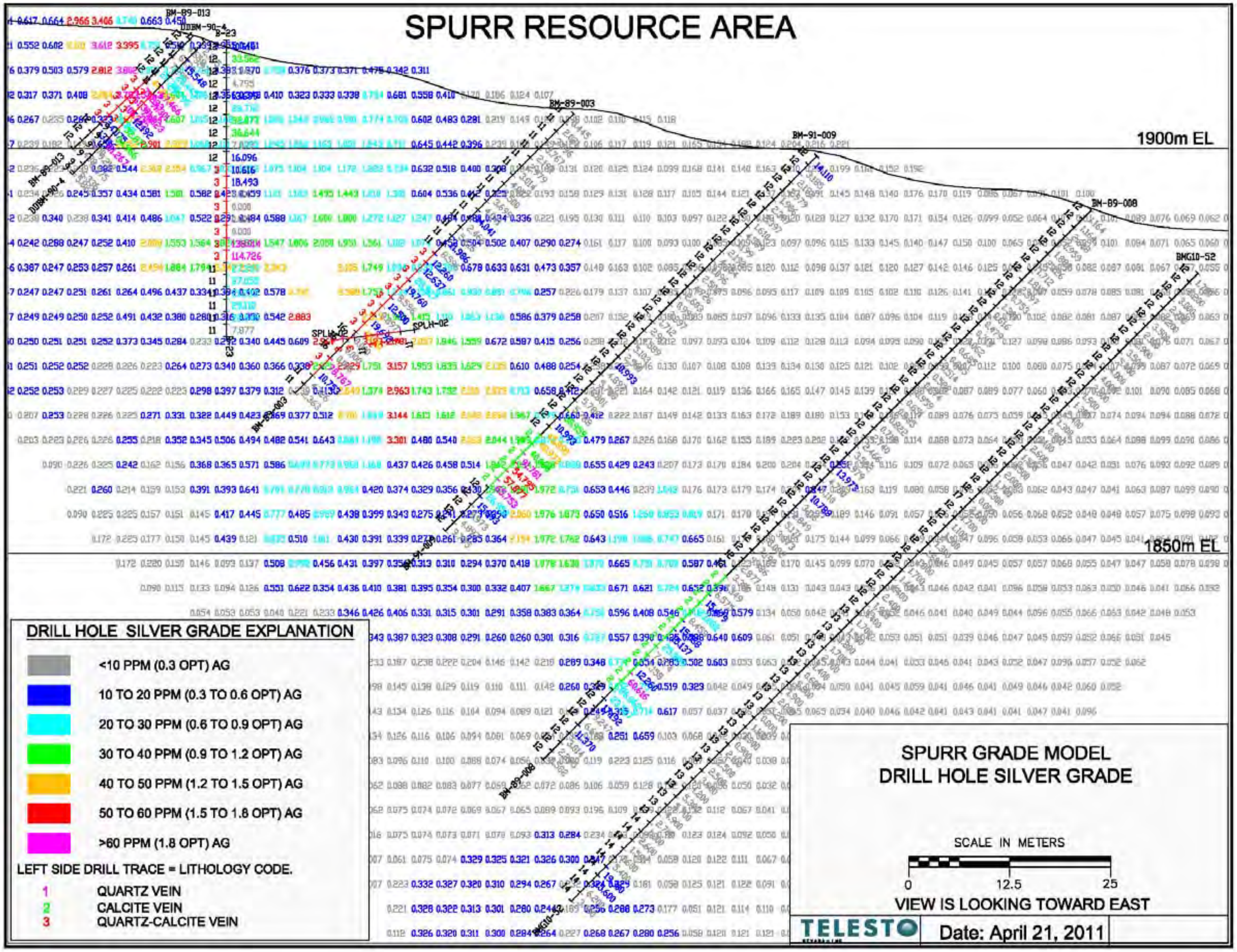


Figure 19.30: Grade Model – Varga Area – Gold Drill Hole Grades

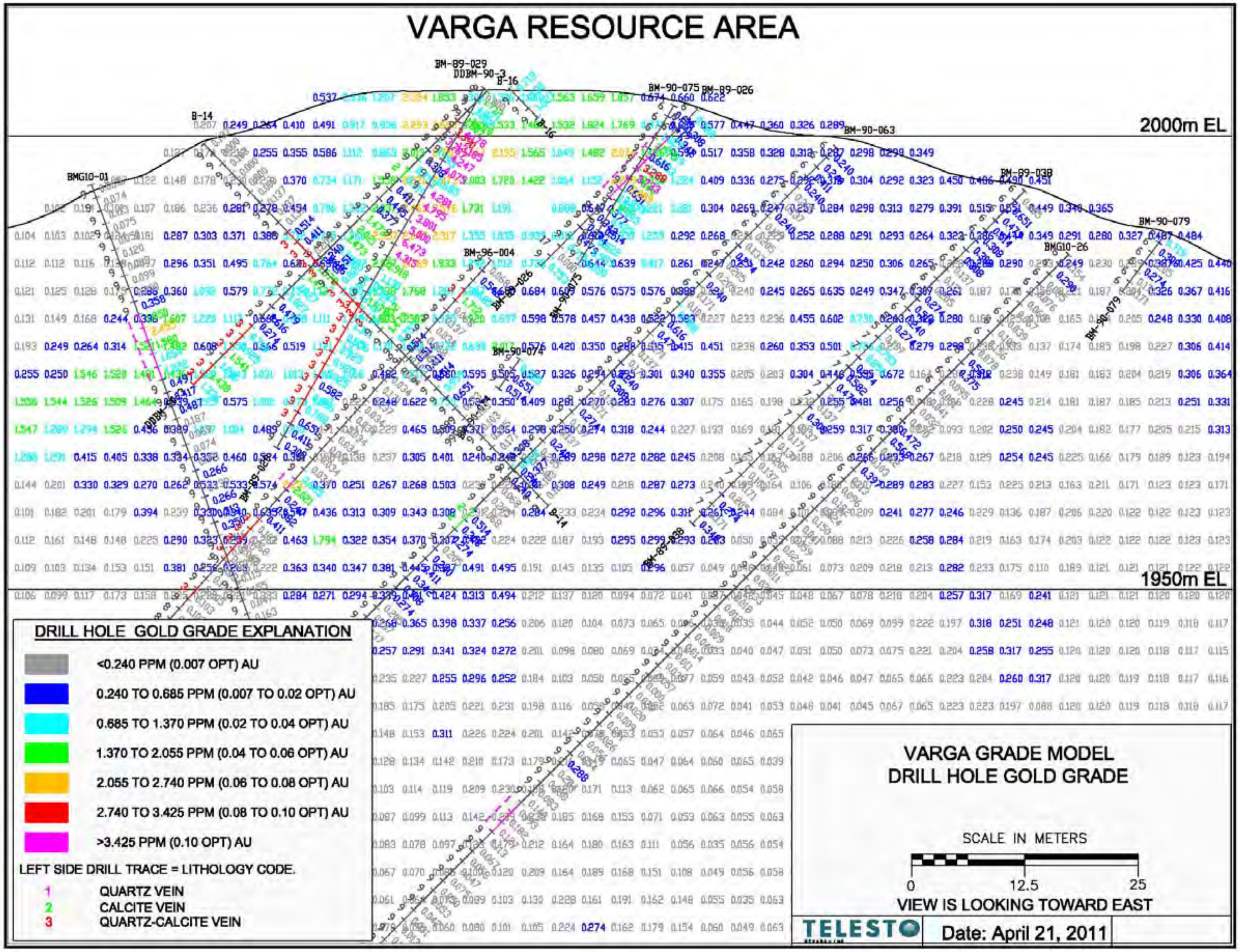
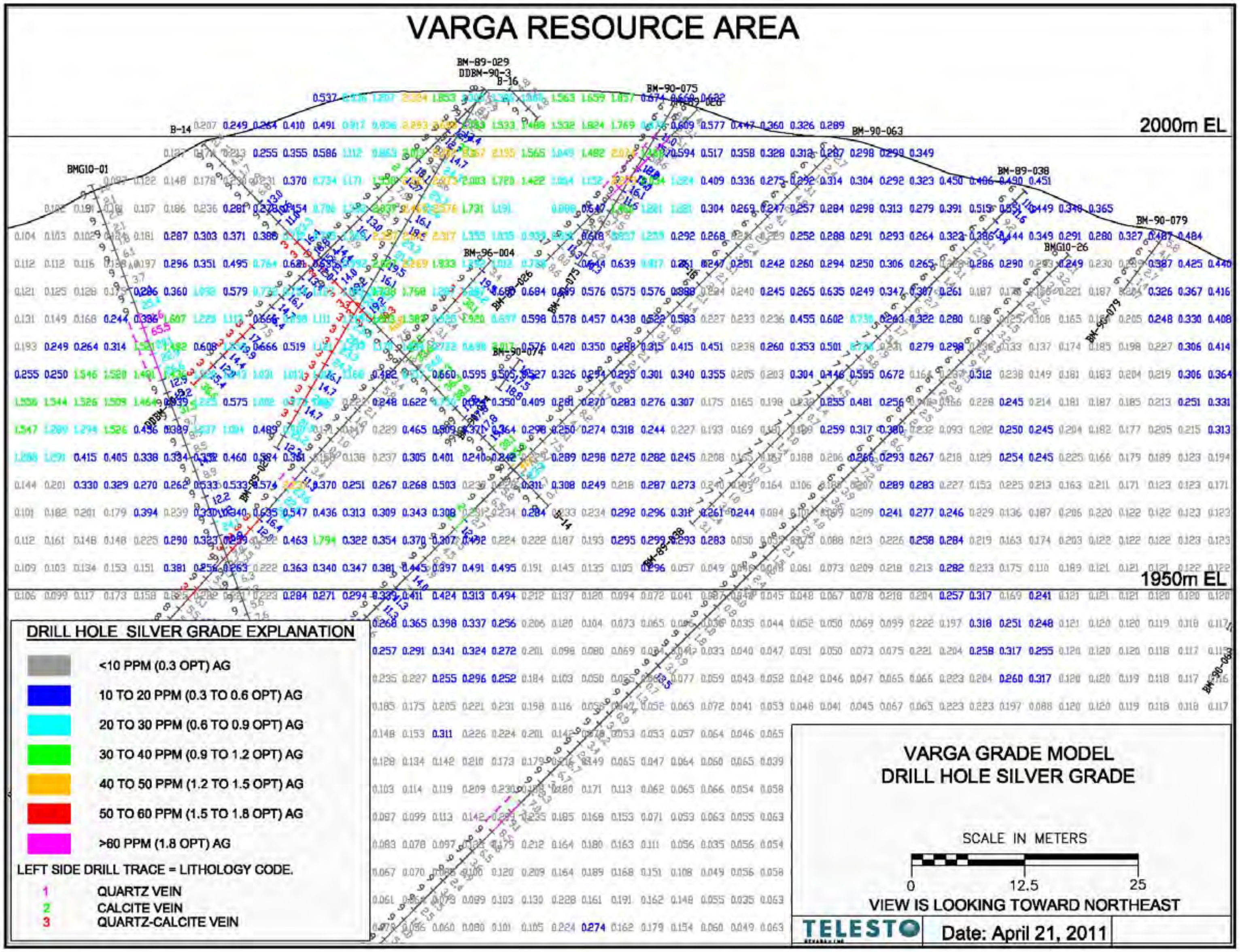


Figure 19.31: Grade Model – Varga Area – Silver Drill Hole Grades



19.8 Mineral Resource Classification

19.8.1 Measured Resources

Measured resources at Bell Mountain are defined by applying 2/3 of the range of the variograms and geologic constraints on the blocks.

19.8.2 Indicated Resources

Indicated resources at Bell Mountain are defined by applying the entire range of the variogram and geologic constraints on the blocks. The resources that were already classified as measured by applying 2/3 of the range of the variograms were subtracted out to result in indicated resources. As such, the indicated resources are those which result from applying the entire range of the variograms and applying 2/3 of the range of the variograms.

19.8.3 Inferred Resources

Inferred resources were estimated using the full range of the variograms on drillhole data which were not coded for geology. Because the geologic constraints were absent in some holes, resources which were estimated from those holes are only reported as inferred.

19.9 Resources (Spurr, Varga, and Sphinx)

Telesto has used a gold equivalent cutoff grade of 0.192 g/t (0.006 opt) AuEQ to report resource quantities for all of the currently known resources at Bell Mountain. Table 19.18 shows the total estimated resource for gold, silver and gold equivalent at Bell Mountain. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Table 19.18 – All Gold, Silver and Gold-Equivalent Measured and Indicated Resources at Bell Mountain at 0.192 g/t AuEQ Cutoff, Effective Date May 3, 2011

	Tonnes (000s)	Tons (000s)	Gold				Silver				Total Ounces of Gold Equivalent (oz AuEQ)
			Gold Cutoff Grade (g/t)	Average Grade: Gold (opt)	Average Grade: Gold (g/t)	Gold (oz)	Average Grade: Silver (opt)	Average Grade: Silver (g/t)	Silver (oz)	Ounces of Silver as Gold Equivalent	
Measured	5,952	6,561	0.192	0.015	0.531	101,534	0.485	16.62	3,180,127	57,820	159,355
Indicated	3,810	4,199	0.192	0.015	0.518	63,484	0.561	19.22	2,353,780	42,796	106,280
Measured + Indicated	9,761	10,760	0.192	0.015	0.526	165,018	0.514	17.63	5,533,907	100,616	265,635

1. Rounding of tons as required by Form 43-101F1 reporting guidelines (Item 19) results in apparent differences between tons, grade and contained ounces in the mineral resource.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Table 19.19 – All Gold, Silver and Gold-Equivalent Inferred Resources at Bell Mountain at 0.192 g/t AuEQ Cutoff, Effective Date May 3, 2011

	Tonnes (000s)	Tons (000s)	Gold				Silver				Total Ounces of Gold Equivalent (oz AuEQ)
			Gold Cutoff Grade (g/t)	Average Grade: Gold (opt)	Average Grade: Gold (g/t)	Gold (oz)	Average Grade: Silver (opt)	Average Grade: Silver (g/t)	Silver (oz)	Ounces of Silver as Gold Equivalent	
Inferred	2,046	2,255	0.192	0.013	0.449	29,550	0.387	13.26	872,411	15,862	45,412

1. Rounding of tons as required by Form 43-101F1 reporting guidelines (Item 19) results in apparent differences between tons, grade and contained ounces in the mineral resource.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

19.10 Conclusions of the Mineral Resource Estimate

The CIM Definition Standards for Mineral Resources and Mineral Reserves defines a mineral resource as:

> *"a concentration or occurrence of natural, solid, inorganic, or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics, and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge".*

The "reasonable prospects of economic extraction" requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the mineral resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries. The entirety of the Bell Mountain Project mineral resource lies within 150 meters of the surface. Lincoln controlled mineral tenure covers sufficient property for mining facilities. The relatively shallow nature of the deposit makes the potential for bulk open pit mining methods applicable, and indicates the resource has reasonable prospects for eventual economic extraction through such methods.

Similar near surface oxide mines throughout Nevada and Arizona report cutoff grades near the threshold of 0.1 g/t Au. The actual cutoff grade for the Bell Mountain Project is dependent on reasonable mining costs, processing costs, metal recoveries, and gold and silver selling costs. Based on the nature of this project Telesto recommends that a base case of 0.192 g/t gold cutoff grade provides the appropriate basis for reporting mineral resources as highlighted in Tables 19.18 and 19.19.

The cutoff grade used in this report compares favorably with other deposits also located in rural Nevada. For example:

- Rye Patch Gold Corp - Wilco (near Oreana, NV) - 0.2 g/t Au for oxide material (Scott E. Wilson Consulting, Inc. 2010).

- Midway Gold - Pan Project (near Ely, NV) - 0.14 g/t. (Resources as per Independent NI 43-101 Updated Resource Technical Report by Gustavson Associates, LLC, October 2011).

20.0 OTHER RELEVANT DATA AND INFORMATION

A license to a 200 gallon per minute water well will be transferred to Laurion upon completion of the Terms of Agreement between Globex and Laurion dated June 28, 2010. At this time Telesto has not determined whether or not a flow of 200 gallons per minute from this licensed well will be sufficient water for any proposed heap leach facility at Bell Mountain. Furthermore, Telesto has no opinion at this time regarding the availability of additional water should it be needed.

21.0 INTERPRETATION AND CONCLUSIONS

Resources

Using a gold equivalent cutoff grade of 0.192 g/t (0.006 opt):

Gold:

- A **measured** resource containing an estimated 5,952,000 tonnes (estimated 6,561,000 tons) at an average grade of 0.531 g/t (0.015 opt) gold is defined by applying 2/3 of the range of the variograms and geologic constraints.
- An **indicated** resource containing an estimated 3,810,000 tonnes (estimated 4,199,000 tons) at an average grade of 0.518 g/t (0.015 opt) gold is defined by applying the full range of the variograms and geologic constraints.
- The **measured plus indicated** resource contains an estimated 9,761,000 tonnes (estimated 10,760,000 tons) at an average grade of 0.526 g/t (0.015 opt) gold.
- An **inferred** resource containing an estimated 2,046,000 tonnes (estimated 2,255,000 tons) at an average grade of 0.449 g/t (0.013 opt) gold is defined by applying the full range of the variograms without geologic constraints.

Silver:

- A **measured** resource containing an estimated 5,952,000 tonnes (estimated 6,561,000 tons) at an average grade of 16.62 g/t (0.485 opt) silver is defined by applying 2/3 of the range of the variograms and geologic constraints.
- An **indicated** resource containing an estimated 3,810,000 tonnes (estimated 4,199,000 tons) at an average grade of 19.22 g/t (0.561 opt) silver is defined by applying the full range of the variograms and geologic constraints.
- The **measured plus indicated** resource contains an estimated 9,761,000 tonnes (estimated 10,760,000 tons) at an average grade of 17.63 g/t (0.514 opt) silver.
- An **inferred** resource containing an estimated 2,046,000 tonnes (estimated 2,255,000 tons) at an average grade of 13.26 g/t (0.387 opt) silver is defined by applying the full range of the variograms without geologic constraints.

Gold Equivalent:

- The **measured** resource contains an estimated 4,956,487 grams (estimated 159,355 ounces) gold equivalent.
- The **indicated** resource contains an estimated 3,305,685 grams (estimated 106,280 ounces) gold equivalent.
- The **measured plus indicated** resource contains an estimated 8,262,172 grams (estimated 265,635 ounces) gold equivalent.
- The **inferred** resource contains an estimated 1,412,485 grams (estimated 45,412 ounces) gold equivalent.

Permitting
Although no permits to operate a mine at the Project have been applied for, Telesto has no reason at this time to believe that these permits could not be obtained within a reasonable period of time.

Metallurgy

Laurion is currently undertaking metallurgical testing and the results are expected soon. Nevertheless, Telesto at this time sees no reason why gold and silver cannot be recovered from the ores at Bell Mountain in percent recovery ranges described above. Once Laurion's metallurgical study results are in, they will supersede any previous conclusion on recoveries.

Geology

Statistical analysis of drillhole data has shown that there is a strong correlation between grade and structural preparation of host rocks, in particular, faults and fractures. The quartz and calcite veining appears to be influenced by said structural preparation.

Database Integrity

Much work has been done to review and verify the integrity of the information reported in the electronic drillhole database provided by Laurion. In spite of the lack of third party assay certificates for the Degerstrom drillhole data, the rigorous comparison of said data with that of other operators has demonstrated that, in the opinion of the Qualified Person, the Degerstrom data meets industry standards and is acceptable for the preparation of the resource estimate reported herein.

Reasonable Prospects for Economic Extraction:

Based on a cutoff grade that is comparable to other gold/silver deposits in other rural areas of Nevada, relatively shallow mineralization, relative closeness to a commercial power source and the state highway system, no obvious permitting concerns, and reasonable heap leach recovery rates, it is the opinion of the Qualified Person responsible for mineral resource estimation that the mineral resource estimate states resources that have reasonable prospects for economic extraction.

Potential threats to this expectation include:

1. Potential challenges to the ownership of mineral claims;
2. The unforeseen presence of rare and endangered species on the property;
3. Legislative changes to land use on Federal lands;
4. Significant downturns in the price of precious metals;

22.0 RECOMMENDATIONS

The following suggestions, if followed, will position the Bell Mountain Project for the preparation of future NI 43-101 Technical Reports that require greater details, especially those that assess the economic potential of the Project.

Drilling and drillhole database

- All future drillholes should have downhole surveys conducted.
- All drillholes in the database should be surveyed and location noted in assay information.
- Appropriate metallurgical drillhole samples should be obtained for future column testwork.
- Efforts should be made to document chain-of-custody for all samples collected from future drilling programs.
- Infill drilling around the Degerstrom holes.

Estimated Cost: $890,000

Metallurgical and Processing Testwork

- Results from pending and future metallurgical testwork be used to update precious metal recovery rates used in this report.
- Column tests should be done in the future to better determine actual precious metal recovery rates.

Estimated Cost: $ 180,000

Topography

- Aerial photogrammetry should be obtained to improve the accuracy of on-the-ground locations of sample points, drill roads and other infrastructure.

Estimated Cost: $ 32,000

Geology

- Due to the apparent correlation between structure and grade, a detailed study of the structural controls on mineralization should be undertaken.

Estimated Cost: $ 20,000

Economics

- Run some pit-cones using a calculated cut-off grade to see where pits will open.

Estimated Cost: $ 13,000

Exploration

- Use pit-cones to target exploration for pit expansion.
- Do more drilling on the Sphinx property.

Estimated Cost: $ 100,000

Summary of Estimated Costs

• Drilling and drillhole database (infill RC drilling, geotechnical core drilling, & metallurgical core drilling)		$ 890,000
• Metallurgical and Processing Testwork		$ 180,000
• Topography (completed)		$ 32,000
• Geology		$ 20,000
• Economics		$ 13,000
• Exploration		$ 100,000
	TOTAL:	$1,235,000

23.0 REFERENCES

Danio, J.R., Steininger, R.C., Pickarts, J.T., Craig, S.D. and Drossulis, K., 2009, NI 43-101 Pre-Feasibility Study of the Mineral Resources of the Borealis Gold Project Located in Mineral County, Nevada, USA, Revised and Rested as at September 13, 2009. Published report for Gryphon Gold Corporation.

Durgin, Dana, 2010, Technical Report, Geology and Mineral Resources, Bell Mountain Project, Churchill County, Nevada.

Henry, C.D., 1996a, Geologic Map of the Bell Canyon Quadrangle, Western Nevada, Nevada Bureau of Mines and Geology, Field Studies Map 11c.

Henry, C.D., 1996b, Geologic Map of the Bell Mountain Quadrangle, Western Nevada, Nevada Bureau of Mines and Geology, Field Studies Map 12c.

Nesbitt & Associates, LLC, 2010, Status of Title to the Unpatented Lode Mining Claims, Churchill County, State of Nevada, unpublished title opinion for Laurion Mineral Exploration, Inc.

Payne, A., 1978a, Geologic Report on the Bell Mountain Mine, Report for Gilford Resources (predecessor to American Pyramid Resources).

Payne, A., 1978b, The Bell Mountain Mine, Fairview Mining District, Churchill County, Nevada, Report for American Pyramid Resources.

Payne, A., 1981a, Geologic Report Bell Mountain Silver-Gold Mine, Churchill County, Nevada, Report for American Pyramid Resources.

Payne, A., 1981b, Metallurgy of Bell Mountain Silver-Gold Mine, Churchill County, Nevada, Report for American Pyramid Resources.

Payne, A., 1982, Geologic Report on the Bell Mountain Mine, Fairview Mining District, Churchill County, Nevada, Report for American Pyramid Resources.

Pinet, N., 1996, Geology of the Bell Mountain Property, Churchill County, Nevada, Report for ECU Gold Mining, Inc.

Wilden, R., and Speed, R.L., 1974, Geology and Mineral Deposits of Churchill County, Nevada, Nevada Bureau of Mines and Geology, Open File Report 96-4.

24.0 CERTIFICATES OF QUALIFIED PERSONS

Douglas W. Willis
Senior Geologist
Welsh Hagen Associates (formerly Telesto Nevada, Inc.)
5490 Longley Lane
Reno, Nevada 89511
Telephone: 775.853.7776
Email: dwillis@welshhagen.com

I, Douglas W. Willis, do hereby certify that:

1. I am an independent consultant working with Welsh Hagen Associates (formerly Telesto Nevada, Inc.), an engineering firm located in Reno, Nevada, USA.
2. This certificate is part of the report titled "Amended and Restated NI 43-101 Technical Report for the Bell Mountain Project, Churchill County, Nevada, dated November 13, 2014, prepared for Lincoln Mining Corporation and Globex Mining Enterprises.
3. I graduated from California State University, Chico with a Bachelor of Science degree in Geology in 1987.
4. I have practiced my profession as a geologist for 11 years primarily focusing on gold exploration in Nevada, USA. I have managed numerous drill programs, overseen drill sampling programs and conducted geological investigations for numerous projects in the western United States. I have worked for a mining engineering firm focused on all aspects of mine permitting, mine planning and production for 3 years.
5. I am a Certified Professional Geologist (#11371) in good standing with the American Institute of Professional Geologists (AIPG).
6. I have read the definition of "Qualified Person" set out in National Instrument 43-101 ("NI 43-101") and certify that I do fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101.
7. I visited the property on January 28, 2011 – all day.
8. I am responsible for the following sections or sub-sections of the report entitled, "Amended and Restated NI 43-101 Technical Report for the Bell Mountain Project, Churchill County, Nevada, dated November 13, 2014, "(the "Technical Report"): Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 22, 23, and those portions of the summary, conclusions and recommendations that pertain to those sections.
9. The effective date of the Technical Report is May 3, 2011.
10. I am independent of Lincoln Gold, applying all of the tests in section 1.5 of NI 43-101.
11. I have had no prior involvement with the property that is subject to this Technical Report.
12. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with the instrument.
13. As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
14. I consent to the public filing of this Technical Report, only in its entirety, in a prospectus or any similar offering document, for presentation to any stock exchange or other regulatory authority, and for publication, including electronic publication accessible by the public. This consent extends as well to all other forms of written disclosure.

Dated this 13h day of November, 2014.

"Signed and Sealed"

Douglas W. Willis

Douglas W. Willis, CPG

Jonathan M. Brown
Geologist
Retired
2875 Idlewild Drive Unit #25
Reno, Nevada 89509
Telephone: 775.233-9291
Email: geo_1948@yahoo.com

I, Jonathan M. Brown, do hereby certify that:

1. I am a retired geologist and independent consultant previously employed by Telesto Nevada, Inc. (now Welsh Hagen Associates), an engineering firm located in Reno, Nevada, USA.
2. This certificate is part of the report titled "Amended and Restated NI 43-101 Technical Report for the Bell Mountain Project, Churchill County, Nevada, dated November 13, 2014, prepared for Lincoln Mining Corporation and Globex Mining Enterprises.
3. I graduated from Franklin & Marshall College with a Bachelor of Science degree in Geology in 1970.
4. I have practiced my profession as a geologist for 42 years with 30+ years in mineral mining and exploration and have conducted geological investigations for various projects in Brazil, Venezuela, Puerto Rico, Georgia, Florida, Nevada, and Washington State. I have 4 years of Vulcan resource modeling experience while serving as Chief Mine Planner with DuPont and during that time took various formal courses at Maptek offices in Denver. In addition, while working for Telesto Nevada Inc. (now Welsh Hagen) for three years I was the Qualified Person for various Technical Reports done for exploration and mining companies in Nevada, and Arizona. My experience also includes experience in exploration, permitting, production, and engineering aspect of mineral property discovery and development.
5. I am a Certified Professional Geologist (#06898) in good standing with the American Institute of Professional Geologists (AIPG).
6. I have read the definition of "Qualified Person" set out in National Instrument 43-101 ("NI 43-101") and certify that I do fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101.
7. I visited the property on January 28, 2011 – all day.
8. I was the Qualified Person for the original Bell Mountain Technical Report having an effective date of May 3, 2011 and as the Principal Author was responsible for all sections of that Technical Report. I have reviewed all sections of the report entitled, "Amended and Restated NI 43-101 Technical Report for the Bell Mountain Project, Churchill County, Nevada, dated November 13, 2014, "(the "Technical Report") and am responsible for Section 19 and those portions of the summary, conclusions and recommendations that pertain to those sections.
9. The effective date of the Technical Report is May 3, 2011.
10. I am independent of Lincoln Gold, applying all of the tests in section 1.5 of NI 43-101.
11. I have had no prior involvement with the property that is subject to this Technical Report.
12. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with the instrument.
13. As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
14. I consent to the public filing of this Technical Report, only in its entirety, in a prospectus or any similar offering document, for presentation to any stock exchange or other regulatory authority, and for publication, including electronic publication accessible by the public. This consent extends as well to all other forms of written disclosure.

Dated this 13h day of November, 2014.

"Signed and Sealed"

Jonathan M. Brown, CPG

Unit Conversion Factors

1 ounce (oz) [troy] = 31.1034768 grams (g)

1 short ton = 0.90718474 metric tonnes

1 troy ounce per short ton = 34.2857 grams per metric tonne = 34.2857 ppm

1 gram per metric tonne = 0.0292 troy ounces per short ton

1 foot (ft) = 0.3048 meters (m)

1 mile (mi) = 1.6093 kilometers (km) = 5280 feet

1 meter = 39.370 inches (in) = 3.28083 feet

1 kilometer = 0.621371 miles = 3280 feet

1 acre (ac) = 0.4047 hectares

1 square kilometer (sq km) = 247.1 acres = 100 hectares = 0.3861 square miles

1 square miles (sq mi) = 640 acres = 258.99 hectares = 2.59 square kilometers

Degrees Fahrenheit (^{o}F) – 32 x 5/9 = Degrees Celsius (^{o}C)