Golden Trail Project

Elko County, Nevada,

NI 43-101 Technical Report

Prepared on behalf

of

Montana Gold Mining Company, Inc.

by

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Georgia License Number PG000814

16 May 2012

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1.0 SUMMARY

This report is a technical summary of historical exploration (Capps, 2006 and 2007) by Montana Gold Mining Company, Inc.("Montana Gold"), (formerly named Gold Reef International, Inc.) and mineralization potential for the Golden Trail Project 60 linear kilometers northeast of Wells, Nevada in Elko County, Nevada (Figure 1). Montana Gold holds 16 unpatented mining claims (Figure 2), and an exploration database that includes multi-element and gold assays from rock-chip sampling, detailed geologic mapping, and both ground-based gravity and magnetic surveys. The purpose of this technical report is to support additional gold exploration and Montana Gold plans for an exploration drilling program on the Project.

This Golden Trail Project Technical Report includes ground magnetic and gravity surveys, additional rock-chip geochemistry, and the results of drilling four reverse-circulation exploration drill holes that were not previously included in NI 43-101 reports. The geophysical surveys were performed by Magee Geophysical Services LLC, Reno, Nevada.

Approximately $1,394,220 has been spent on the project to date. Montana Gold completed an initial rock sampling program in 2004 and completed more extensive programs in subsequent years consisting of geologic mapping, rock chip geochemical surveying, and ground based gravity and magnetometer surveying. A four-hole $750,000 drilling program was completed by Montana Gold in 2007. Recent expenditures on the Golden Trail Project include about $50,000 for reclamation work completed 25 October 2011.

The Golden Trail Project is situated within the recently identified Eastern Nevada Gold Trend being explored and developed by Newmont Mining at their Long Canyon Project located in the Pequop Mountains, and explored by numerous junior exploration firms across Eastern Nevada. The Golden Trail Project is on the far eastern margin of the historic Contact Mining District, Elko County, Nevada. Montana Gold's predecessor on the Golden Trail Project initiated exploration in the area in the spring of 2004 and as a result of significant gold and pathfinder geochemistry, staked unpatented lode mining claims in 2005. Fieldwork was conducted by the author as an independent consultant to Marston & Marston (Marston), which was retained by the predecessor to conduct the exploration programs in 2004 - 2006. Marston is a worldwide engineering and consulting firm based in St. Louis, Missouri, with offices in San Antonio, Texas; Denver, Colorado; Calgary, Canada and New South Wales, Australia.

Hydrothermal precious metal vein and mineralized skarn are the primary exploration targets at the Golden Trail Project and possible sediment hosted gold is a potential target at depth. The Golden Trail mineralization is centered on a broad zone of thermal metamorphism, and hydrothermal/metasomatic alteration defined by rock chip geochemistry, 8,100 feet of Phase 1 drilling, gravity and magnetic surveys, petrographic and x-ray diffraction studies, and geologic mapping. The zone includes large volumes of decalcified and silica replaced Paleozoic limestone and calcareous sandstone covering an area of approximately ten square kilometers. Gold and base metal mineralization is controlled and localized along broad northwest-trending dilational zones containing numerous northwest-striking, high-angle gold-bearing veins and adjacent replacement zones all centered within a Northwest-striking calcsilicate skarn. Pre-skarn host rocks include Paleozoic limestone, siltstone, chert, sandstone and conglomerate. The largest identified vein, the Golden Trail Vein (GTV), is over 1,200 meters long, and has an associated alteration zone that averages about 30 meters wide. Gold values above 20 ppb are common within the zone and several samples above 9 grams have been taken in the central GTV area including one rock chip sample of decalcified limestone contained over 28 grams gold.

The Golden Trail claim block consists of 16 contiguous unpatented mining claims totaling about 320 acres. The claims are enclosed by a large Newmont Mining claim block staked in November 2011. The Golden Trail claim block lies on the eastern margin of the historically productive Contact Mining District, but there is little reported exploration in the Golden Trail area. The Contact district produced significant copper, gold, silver, zinc, lead, and tungsten. There are numerous historic shafts, adits, and other workings on the Golden Trail Project but no recorded production. Mine Finders, Inc. drilled a single hole apparently in support of molybdenum exploration in 1974. Golden Hope Mines Ltd. conducted exploration on a small portion of the Golden Trail Project in 2000. Press releases from Golden Hope (SEDAR filings) indicated that IP/resistivity surveys were conducted along with geochemical surveys and a drilling program. No results were provided.

The Golden Trail is a project which merits additional exploration. Phase 1 exploration drilling was completed in 2007. An exploration drilling budget of $204,600 is recommended for the Phase 2 gold exploration program.

2.0 INTRODUCTION AND TERMS OF REFERENCE

2.1 Introduction

This report is a technical summary of historical exploration by Montana Gold Mining Company, Inc., (formerly named Gold Reef International Inc.; Capps, 2006 and 2007) The report presents additional work completed since the 2007 report, and describes the mineralization potential for the Golden Trail Project 60 linear kilometers northeast of Wells, Nevada in Elko County, Nevada (Figure 1). Montana Gold holds 16 unpatented mining claims (Figure 2), and an exploration database that includes multi-element and gold assays from rock-chip sampling, detailed geologic mapping, and both ground-based gravity and magnetic surveys.

The author, Richard C. Capps, has been commissioned by Montana Gold to prepare an NI 43-101 compliant report on the Golden Trail property. Richard C. Capps**,** the author, is a “Qualified Person” and is an “Independent Qualified Person” by definition of the Standards for Disclosure for Mineral Projects (NI 43-101, Section 1.5). The author was independent of both Montana Gold and “The Property”, prior to commencing this report, during completion, of the report and is currently independent of the Golden Trail Project. Richard C. Capps is a registered geologist with the SME.

2.2 Terms of Reference

Area and linear measurements in the report are in metric units. Gold analyses are reported as parts per billion (ppb) gold. The monetary unit is the US$. Montana Gold Mining Company, Inc., where not specifically named, is referred to as “Montana Gold” throughout this report.

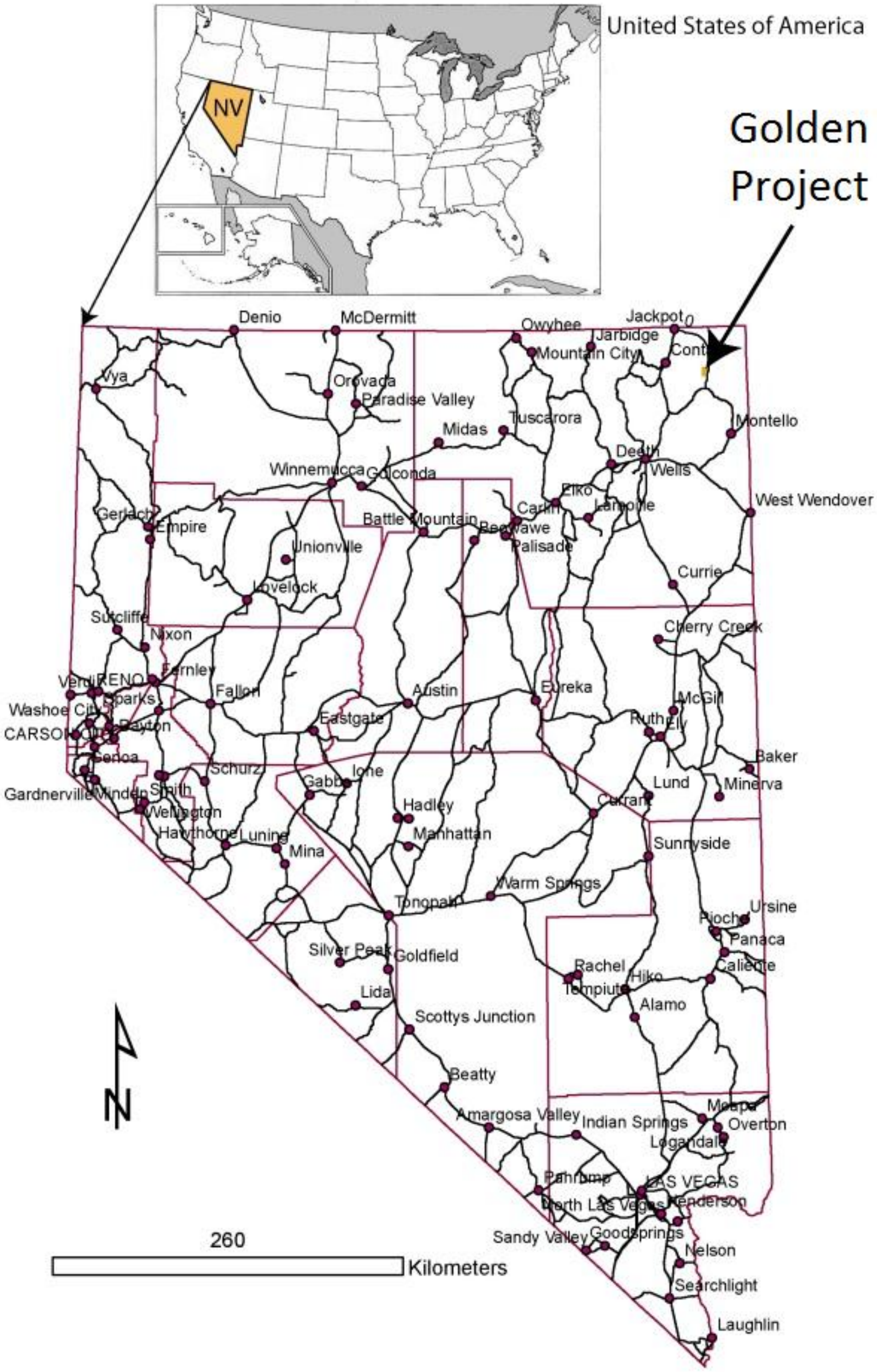


Figure 1. Location Map of Montana Gold's Golden Trail Project, Elko County, Nevada

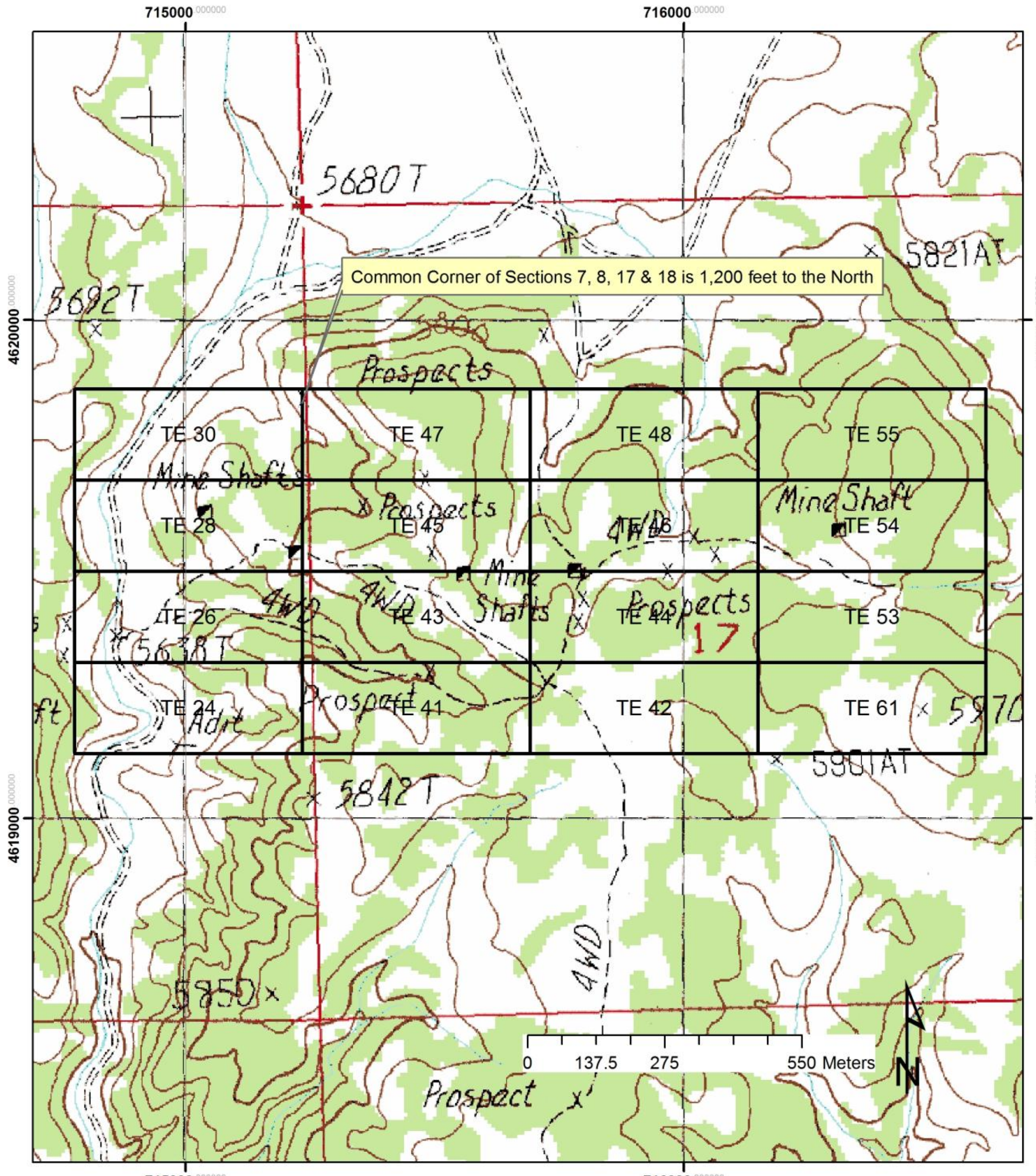


Figure 2. Claim map for the Golden Trail Project, Elko County, Nevada. All claims are in Sections 17 and 18, Township 44 North, Range 67 E of the Public Land Survey System (PLSS). The southwestern border of the claim block is at UTM E714778, N4619129, projection NAD 1927, Zone 11 (Figure 2). The project area is located on the USGS Emigrant Springs 7.5 minute Series map sheet about 60 linear kilometers northeast of Wells, Nevada.

2.3 Purpose of Report

The purpose of this report is to evaluate all exploration data for the Golden Trail Project and to comment on the quality of the data and implications for further exploration. This report follows guidelines of National Instrument 43-101.

2.3 Source of Information

This report is prepared by Richard C. Capps, PhD, SME Registered Professional Geologist. Dr. Capps has over 30 years gold exploration experience, including broad experience in the state of Nevada, USA.

This report is based on geologic mapping of the Project by the author and review and analysis of Montana Gold's extensive geochemical sampling database. Selected samples were studied in more detail by thin-section petrography, and rare-earth element and x-ray diffraction analyses. Additional sources for information in this report draw heavily on company reports published on SEDAR.

2.4 Personal inspection on the Property by Qualified Person

The author of the current Technical Report and Qualified Person, Richard C. Capps last visited the Golden Trail Project property on 6 March 2012 to inspect reclamation work completed 25 October 2011 by Legarza Exploration for Montana Gold. The work by Legarza reclaimed four 2007 drill sites, drill roads, and two gravel quarries used by Montana Gold to repair the roads. The Qualified Person first visited the property during 2004 and for every subsequent field season since that date (2005 through 2011) on behalf of Montana Gold.

3.0 RELIANCE ON OTHER EXPERTS

This report is based in part on published reports (referenced in this report) and unpublished geologic data by both qualified persons and by professional persons who are not qualified persons.

The author has not drawn on any report, opinion or statement of regarding legal, environmental, political or other factors during the preparation of this report except those that are referenced herein.

4.0 PROJECT DESCRIPTION AND LOCATION

4.1 Area and Location

The Golden Trail Project lies east of the Knoll Mountains and west of the Delano Mountains in the northeastern part of Elko County and northwest of the historic California Trail (Figure 1). The project is located in the northeast corner of Elko County, which is the most northeastern county in Nevada. The area is included within the eastern portion of the Contact Mining District (Lapointe and others, 1991). The southwestern border of the claim block is at UTM E714778, N4619129, projection NAD 1927, Zone 11 (Figure 2). The project area is located on the USGS Emigrant Springs 7.5 minute Series map sheet about 60 linear kilometers northeast of Wells, Nevada.

4.2 Claims and Title

The Golden Trail Project consists of 16 contiguous unpatented lode mining claims totaling 320 acres (Table 4.2.1). Montana Gold qualifies to hold mining claims in accordance with Federal law (30USC 22, 24, 25; 43 CFR 3832.1, 3841.4-1) and Nevada law (NRS 517.010). Location monuments are located and properly marked for identification and all claim corners have been erected in accordance with applicable regulations. Certificates of Location are on file at the Elko County Recorder's Office in Elko, Nevada. Certificates of Location (Form-NRS 517.050) and claim maps are on file with the US Department of the Interior, Bureau of Land Management (BLM) Nevada State Office (NSO) in Reno, Nevada. The author checked claim plat maps and Certificates of Location on file at the Elko Recorder's Office in Elko, Nevada on 6 March 2012 and checked the claim status with the BLM using the online LR2000 system. The claims are recorded properly.

Name of Claims:	**County**	**Section**	**Township**	**Range**	**BLM Serial No(s):**	**Number of Claims:**
TE24	Elko	18	44N	67E	NMC906174	1
TE26	Elko	18	44N	67E	NMC906176	1
TE28	Elko	18	44N	67E	NMC906178	1
TE30	Elko	18	44N	67E	NMC906180	1
TE41 to TE48	Elko	17	44N	67E	NMC906191 to NMC906198	8
TE53 to TE55	Elko	17	44N	67E	NMC935387 to NMC935389	3
TE61	Elko	17	44N	67E	NMC935395	1
					TOTAL CLAIMS=	**16**

Table 4.2.1. Montana Gold's unpatented mining claims at the Golden Trail Project, Elko County, Nevada

4.3 Project Payments, Obligations, and Agreements

Montana Gold has the responsibility to pay an annual claim maintenance fee to the BLM in the amount of $140 per claim (30 USC 28f; 43 CFR 3833.1-5). Montana Gold paid the required fees to the State Office of the Bureau of Land Management prior to September 1, 2011 and has a valid right to the claims. Montana Gold filed an Affidavit and Notice of Intent To Hold Mining Claims (NRS 517.230) for the claim block prior to November 1, 2011 in accordance with applicable regulations.

There are no other outstanding obligations, agreements, or royalties on the claim block.

4.4 Environmental/Cultural Liabilities

There are no known cultural or environmental liabilities inherent to the claim block.

4.5 Permitting

Prior to the proposed Phase 2 exploration program, a Notice of Operations must be prepared and submitted to the Elko BLM Office to conduct a drilling program. A reclamation bond in accordance with 43 CFR 3809 regulations will be paid to the Elko BLM Office to ensure proper reclamation of any surface disturbance. No other permits to conduct the anticipated program are required.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE & PHYSIOGRAPHY

5.1 Access

The Project is accessed from Highway 93 about 42 kilometers north of Wells by turning at the Thousand Springs Valley Road and driving northeast to the Rock Springs Road. About eleven kilometers north of this intersection, a dirt road intersects the Rocks Springs Road on the left near Emigrant Springs and continues in a northerly direction for 14.4 kilometers into the Golden Trail Project area. As depicted on Figures 2 through 4, existing dirt roads provide direct access to the area.

5.2 Local Resources and Infrastructure

The town of Wells, Nevada (1286 Pop., 2004 census) on US Interstate 80 is about 60 linear kilometers from the Golden Trail Project and has all the facilities to support a workforce for future exploration and development. Elko, Nevada about 80 kilometers west of Wells is the center of gold mining and exploration activity in northeastern Nevada. Elko (16,230 Pop., 2004 Census) has an airport with frequent commercial flights, hospital, as well as gold assay labs, exploration drilling firms, and experienced site preparation and reclamation personnel.

5.3 Physiography and Climate

The Golden Trail Project lies in the eastern Great Basin in an area of low relief and flat-topped hills between the Knoll Mountains to the west and the Delano Mountains to the east. The area is characterized by north to south drainages. Topographic relief is about 260 meters (850 feet) with elevations ranging from about 1780 meters (5840 feet) in the northern Gold Trail claims to about 1520 meters (5000 feet) in the southern claim area near Emigrant Springs.

The climate of the Golden Trail area is typical of moderate elevations in northeastern Nevada. The area receives less than 10 inches of precipitation per year, much of this in the form of snow between November and March and as brief thunderstorms in spring and summer months. Temperatures range from average daily highs in summer between 25° C (77° F) and 30° C(86°) F to 4° C (40° F) to 10° C (50° F) at night. Winter nights are well below freezing, daytime average highs are above freezing. Vegetation is mostly juniper-pinion forest with some open area of sagebrush, rabbit brush, and grasses.

6.0 HISTORY

The Golden Trail Project area is in the eastern portion of the Contact Mining District, discovered in the Spring of 1870 (Tingley, 1998). Other names that are synonyms for the Contact District are the Salmon, Salmon River, Kit Carson, Porter, Alabama, and Portis.

Tingley (1998) summarizes the early history of the Contact District as follows:

"The Contact district is centered around the town of Contact and includes all or portions of T43-46N, R62-66E. The original Alabama district was located in the Knoll Mountain area; the Salmon River or Contact district was in the vicinity of town of Contact and Ellen D. Mountain; the Porter district included the area near China and Blanchard Mountains; and the Kit Carson district was near Middle Stack Mountain. By 1910, all of these were included in the large Contact district."

For a detailed discussion of the early Contact district history, please refer to Lapointe (1991).

The production history of the Contact district, 1908-1965 (Lapointe, 1991), includes copper (5,751,000 pounds), lode Gold (1,222 ounces), lead (360,102 pounds), silver (126,901 ounces), zinc (18,400 pounds), and tungsten (117 units). Copper-gold replacement deposits and copper-gold-silver-lead bearing quartz veins are the most common type of ore bodies. Most replacement deposits are stratabound, but replacement veining is locally common. Many of the replacement deposits are associated with the Jurassic intrusive granodiorite stock central to the district. The lead silver replacements are most common in the northern and the polymetallic veins in the southern parts of the district.

In 1974 Mine Finders, Inc. of Colorado drilled a 634 meter core hole in support of molybdenum exploration (NBMG district open-file #51) within the southern part of the claim block (E715534, N4619385 m). A generalized graphic log of lithology and pyrite content showed that the dominant lithologies encountered were limestones and other calcareous sediments but with large terrigenous clastic components. The log records several intrusive monzonite intercepts. Some remnants of the physical core exist in the Nevada Bureau of Mines core storage and have been examined by the author. These samples do contain monzonite, limestone, and other calcareous lithologies.

Golden Hope Mines Limited drilled up to 10 shallow holes on a small portion of the Project in 2000 in support of gold exploration. The drill targets were established on the basis of a gradient IP (Induced Polarization) survey completed on the Property in 2000. Golden Hope states in a 7 September 2000 press release that: "The survey delineated a number of drill targets in areas which the IP/resistivity trends are coincident with known geochemical anomalies". Drill hole collars were clearly visible in 2005, but the data to support the evidence of drilling is a Notice Level Exploration Plan in the public record file in the Elko field office of the Bureau of Land Management. It was not possible to confirm that all of the holes were drilled. No geologic or geophysical logs have been published nor did Golden Hope issue any press releases on SEDAR, which discuss the results of the drilling program.

7.0 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology

The Golden Trail Project lies east of the Knoll Mountains and west of the Delano Mountains in the northeastern part of Elko County. The project area is on the far eastern side of the Contact Mining District and includes the Emigrant Springs prospects (Lapointe and others, 1991).

The rocks of the nearby Knoll and Delano Mountains include thick sequences of Permian limestone, sandstone, chert, siltstone, shale, and phosphorite. The heterogeneous Pequop, Grandeur, and Phosphoria Formations are most abundant, but numerous undifferentiated Permian and Mississippian units have been mapped (Coats, 1987). During the Jurassic Period these rocks were folded and cut by numerous bedding plane thrust faults (Coats, 1987; Slack, 1972). Locally, imbricate overthrust slices of lower Paleozoic Western Assemblage units, including Ordovician Vinini Formation and Devonian Slaven Chert, outcrop as klippe within the surrounding Permian rocks.

In the Granite Mountains, Contact Mining District, the Paleozoic sedimentary rocks are intruded by a Jurassic granodiorite (Maldonado, 1988), which is about 25 km long (east-west) and 12 km wide (north-south). Finer grained, quartz monzonite and syenite dikes cut the granodiorite. Garnet skarns and hornfels rocks are common along the contact of intrusive and sedimentary rocks. Mineralized and un-mineralized quartz veins up to 6 meters wide and 3,000 meters long occupy some faults and quartz-vein stockworks occur locally along the intrusive contact.

To the west, In the Delano Mountains, the Paleozoic sedimentary rocks are intruded by the zoned quartz monzonite to granodiorite Indian Springs stock of Cretaceous age (134 to 136 Ma, Maldonado and others, 1988). Granitic dikes intrude both northeast and less abundant northwest-striking faults of highly variable displacement. Garnet skarns and hornfels rocks are common along the contact of intrusive and sedimentary rocks. Mineralized and un-mineralized quartz veins up to 5 meters wide occupy some faults and quartz-vein stockworks occur locally along the intrusive contacts.

Locally, the Paleozoic and Cretaceous rocks are overlain unconformably by Tertiary Jarbidge Rhyolite, a regionally extensive ridge former and a generally strongly welded, vitric-crystal ash-flow tuff. Generally less abundant, poorly indurated Pliocene volcaniclastic rock and air-fall tuff of the Salt Lake Formation and possibly other Pliocene pyroclastic rocks overlie the Jarbidge Rhyolite (Coats, 1987).

7.2 Project Geology

7.2.1 Stratigraphy

The mapped stratigraphy of the Golden Trail Project consists of about 230 meters of exposed Paleozoic sedimentary rocks (Figure 3 and 4). Outside of the Golden Trail claim block, to the northeast, more than 100 meters of Tertiary volcaniclastic rocks and strongly welded crystal-vitric rhyolite tuff unconformably overlie these Paleozoic rocks.

All Paleozoic sedimentary rocks were originally calcareous but are locally decalcified. Hydrothermal/metasomatic alteration and thermal metamorphism obscure much of the original sedimentary texture. Contacts are gradational and their up-section lithostratigraphy grades from gently northeast dipping well bedded bioclastic and locally sandy limestone at the unexposed base, through a calcareous shale, which grades upward into a coarse grained calcareous sandstone at the top of the section. These stratigraphic units are mapped to the east of the project, in the central

Delano District, as part of the Permian Pequop Formation (Lapointe, 1991, p.77). Regionally, the Pequop consists of 3,500 to 4,000 feet of sandy limestones, dolomites, and intercalated arkosic sandstones and, these rocks are common ore hosts in the central Delano District and throughout the Eastern Great Basin.

At depth, Phase 1 drilling cut about 400 feet of Pequop Formation rocks overlying a thrust fault plane (Figure 3). Thermally metamorphosed highly carbonaceous shale, chert, and calcsilicate rocks underlie these rocks beneath the thrust fault. The lithology and chemistry of these rocks is very similar to descriptions of the Permian Rex Chert of the Meade Peak Member of the Phosphoria Formation. The Rex Chert is mapped in Delano District, a few miles to the east of Golden Trail, and regionally the Rex Chert is a 2,500 foot thick sequence of black- and dark-grey shale, chert and carbonate/phosphorite rocks (Lapointe, 1991). The overall phosphate content is much higher in similar lithologies beneath the thrust in all four of the holes drilled at Golden Trail.

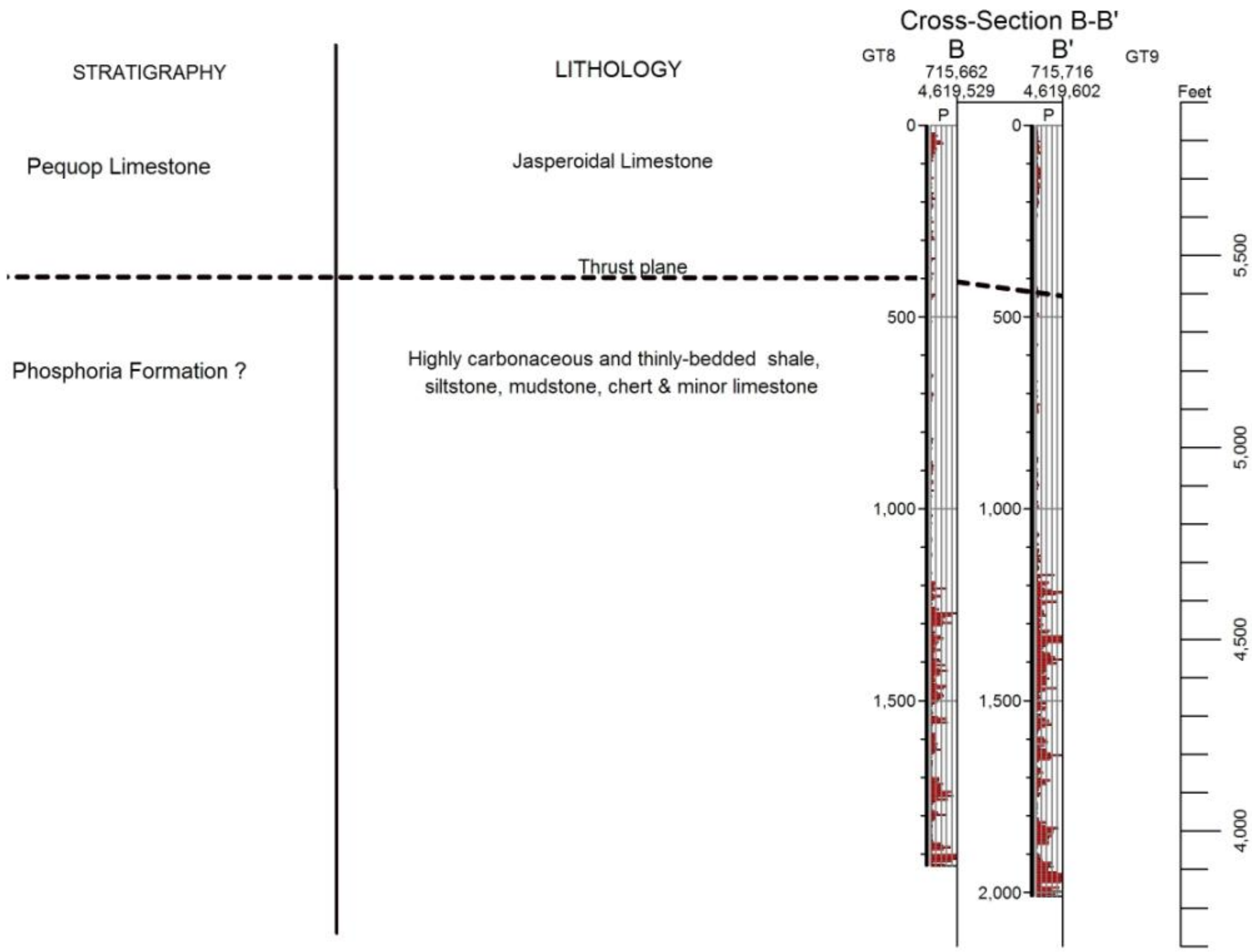
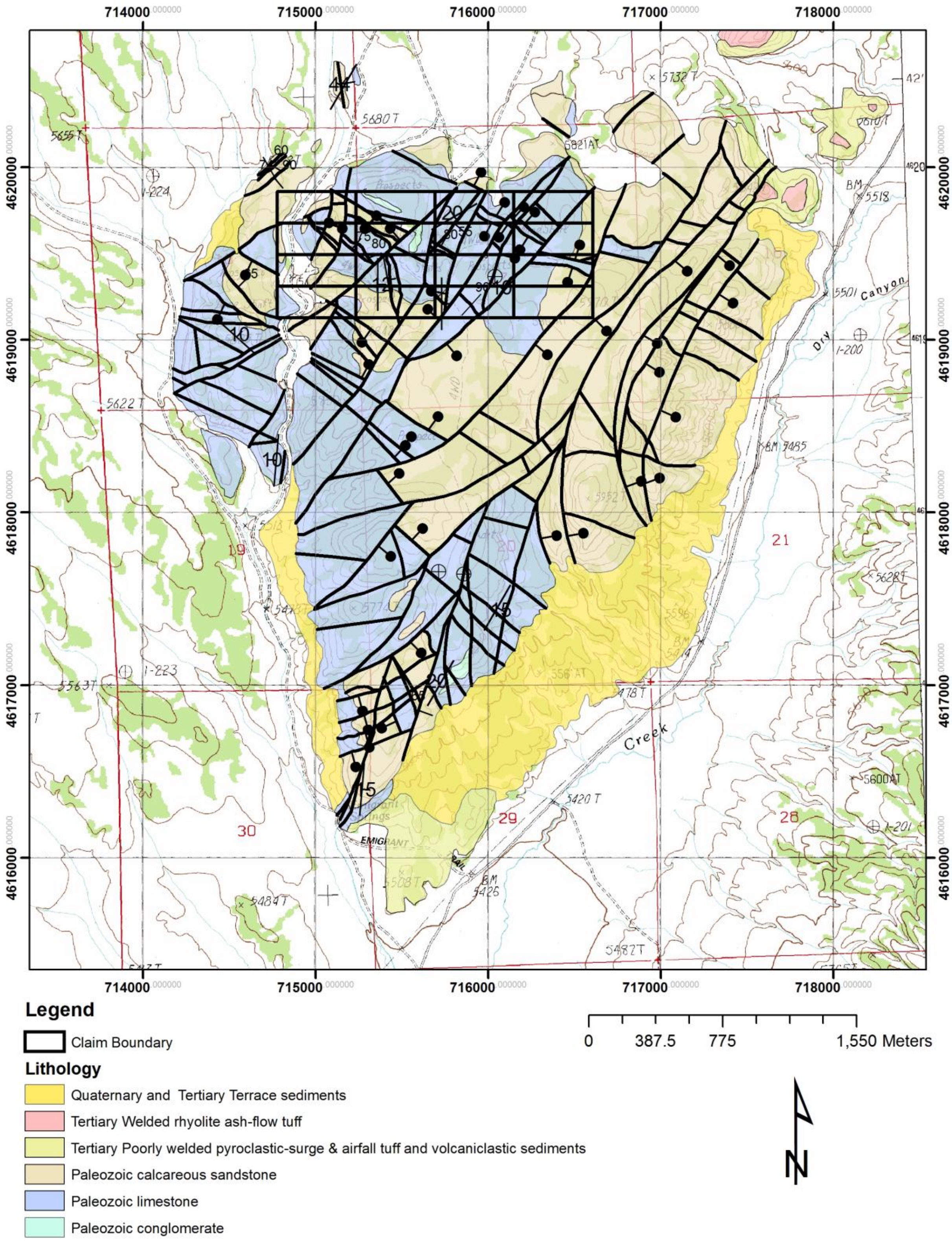


Figure 3. General lithostratigraphy of the Golden Trail Project in drill holes GT8 and GT9; including relative phosphorus values as down-hole histograms.

Figure 4. Geologic Map of the Golden Trail Project, Elko County, Nevada. Geologic Mapping by R.C. Capps, 2005.



Volumetrically the bedded limestones represent over half of the Paleozoic outcrops in the project area and over 110 meters thickness are exposed. The limestone beds are light-to medium-grey except along faults and bedding planes where they are thermally metamorphosed and metasmomatically/hydrothermally altered and replaced by silica, other secondary, and metamorphic minerals. Fossil-rich beds are common and a distinctive pebbly conglomerate bed outcrops about 0.5 km northeast of Emigrant Springs and about 4 km to the north near the historic s.

Fossils are especially abundant in the lower part of the limestone section. Lenses of discontinuous coarse-grained bioclastic beds rich in crinoid fragments (up to 3.5 cm long) are abundant low in the section.

The Paleozoic sandstone, which overlies the limestone, is most abundant volumetrically where down-faulted in the eastern and northern project area where over 110 meters are exposed. The lower zone of the sandstone is shaly and hosts lenticular limestone pods for up to 60 meters above the contact. This zone is capped by very dark-grey, possibly carbonaceous, thin silty sand with locally abundant dark-grey chert nodules. In hand specimen and outcrop, the uppermost sandstone is a coarse-grained, moderately sorted quartz sandstone that strongly resembles a well-indurated orthoquartzite and may be locally metamorphosed to quartzite. In the Golden Trail Project area, most of the porosity within the uppermost sandstone is filled by secondary silica and locally the sandstone is silicified, especially along northwest-striking faults.

7.2.2 Structure

High-angle normal faults divide the Paleozoic sedimentary rocks into discrete fault-bound blocks. Bedding dips are very gentle and horizontal orientations are common in outcrop. The oldest normal faults strike about N50-60°W and dip at angles of 75 degrees and greater to the northeast. These older fault-bound blocks are cut by N20-65°E (mode about N40°E) very high-angle normal faults with displacements of up to 110 meters. These northeast-striking faults drop blocks down to the southeast, east of the central project area, and blocks are dropped down to the west in the western project area. A thin northeast-striking horst block separates these domains in the central project area.

7.2.3 Mineralization and Alteration

The most strongly altered and mineralized host rocks are in the northeastern hanging wall of northwest-striking quartz veins and parallel and coincident zones of dilation (Figures 4 and 5). Northeastern project area rocks are generally more strongly altered than the southern. Northeast-striking quartz-calcite veins are thin, cut the northwest-striking veins, contain few gangue minerals, and host only minor gold values at the current level of exposure. All rocks are thermally metamorphosed and phlogopite hornfels are common. In addition, hydrothermal alteration/metasomatism extends outward from the faults and quartz veins along bedding planes and joints in the limestone host rocks. In outcrop, and immediately adjacent to the veins, limestone is altered along the fault and bedding planes to medium to dark reddish brown jasperoid and sandstone is silicified and porosity filled by quartz. Distal to the veins, silica is less abundant but the limestone is decalcified and locally enriched in dolomite and other secondary minerals.

The most continuous of the northwest-striking veins and zones of dilation, the Golden Trail Vein, is commonly over 3 meters wide and has a strike length of over 1,200 meters. The Gold Trail Vein is locally a discrete banded vein and also a replacement vein within broader zones of dilation. An alteration zone with anomalous gold and pathfinder elements averaging 30 meters wide parallels the Golden Trail vein and is coincident with broad zones of dilation. The Golden Trail is continuous except where displaced by northeast-striking normal faults, which, in west to east map view, progressively move the vein location further to the north. Declines and shafts

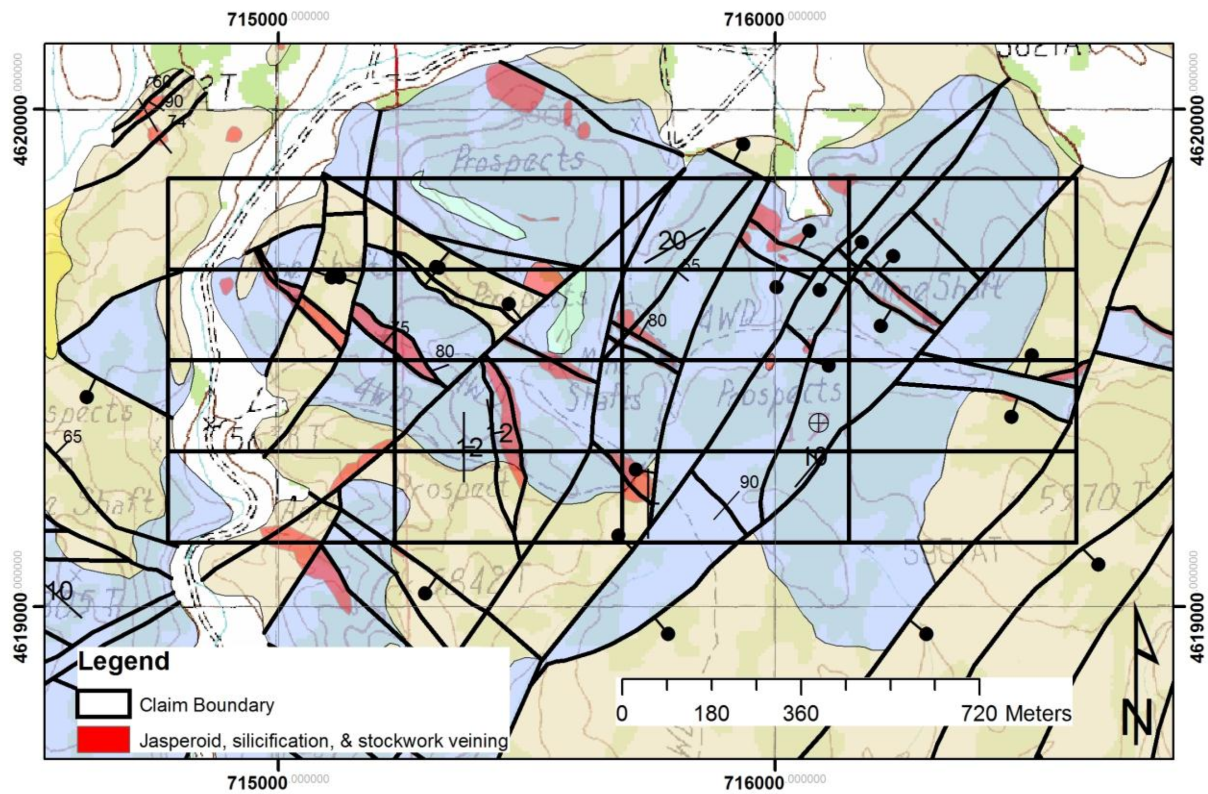


Figure 5. Alteration zones of the Golden Trail Project, Elko County, Nevada.

developed along the Golden Trail indicate that this vein dips at 75 degrees and greater angles to the northeast. Veining was syntectonic because silicified fault breccia commonly occurs along vein margins and within the vein. Cavities are common and some host drusy quartz with calcite and iron oxide coatings. Thin quartz-calcite stringers and stockworks are common adjacent to and especially in the hanging-wall of the vein.

Northwest-striking vein gangue mineralogy includes several generations of quartz, calcite, dolomite and iron oxides. Pseudomorphic casts of probably oxidized gangue minerals are commonly preserved within quartz in the veins and give the vein a spongy texture. Elongate and acicular casts may have held stibiconite, stibnite or other acicular minerals. Limonite pseudomorphs with preserved striations were probably pyrite and chalcopyrite. Chromium-rich
phengitic muscovite is reported from a shaft developed into one of these veins (Lapointe, 1991, p.78).

At depth, the northwest-striking vein probably hosts granitic/monzonitic intrusions. Phlogopite hornfels are in outcrop along the northwest-striking vein margins in the eastern project area and are common in all four drill holes. In outcrop, this holocrystalline lithology consists of abundant 1 to 5 mm biotite/phlogopite porphyroclasts, iron oxides, and trace metamorphic monticellite in a matrix of milky calcite. Biotite and monticellite are locally rimmed with chlorite. In addition, thin-section petrography and x-ray diffraction analyses identify albite, garnet, muscovite, calcite, dolomite, and clinochlore in all drill holes. These minerals are among those typical of thermal contact metamorphism of limestone surrounding granitic intrusions (Figure 7, 8, and 9).

8.0 DEPOSIT TYPES

There is abundance evidence of thermal metamorphism structurally associated with gold and base metal mineralization and associated pathfinder elements at the Golden Trail Project. Fine-grain hornfels rocks occur on the surface and within all four exploration drill holes. Many studies suggest that Carlin-type, distal-disseminated, polymetallic vein, skarn, and porphyry deposits can all locally be associated with igneous intrusions.

Gold mineralization exposed in surface outcrops at the Golden Trail Project is hosted in veins, solution collapse breccia, and fault breccia which parallel zones of dilation and veining. Mineralization also occurs in jasperoid bodies and zones of replacement and decalcification in sedimentary wall rock adjacent to the veins as well as in altered Paleozoic limestone, siltstone, sandstone, chert and conglomerate within the claim block. Similar to most of the major gold mines in northeastern Nevada, gold mineralization appears to be micron-sized occurrences as no visible mineralization has been documented in any of the samples collected and analyzed. The veins appear to be fault controlled and mineralization likely occurred during faulting and intrusion. The Paleozoic sediments are displaced across the veins. Locally, older veins are brecciated and cemented by younger veins.

The zones of replacement are locally broad and follow favorable horizons in the bedded limestone host rocks. Additionally, zones of strong silicification within the sandstone overlying the limestones could act as local aquitards or caps to mineralizing fluids, and concentrate the mineralizing fluids beneath these caps.

Mineralization is typical of Carlin-style deposits (sediment-hosted, very fine-grain, associated with fine-grain arsenic-bearing sulfides) as well as polymetallic vein and replacement deposits. Distal disseminated, skarn, and porphyry related deposits occur in similar geologic settings within this region. At the Golden Trail Project, and in many of the Carlin and polymetallic vein deposits, mineralization is associated with decalcification, silicification, and highly anomalous concentrations

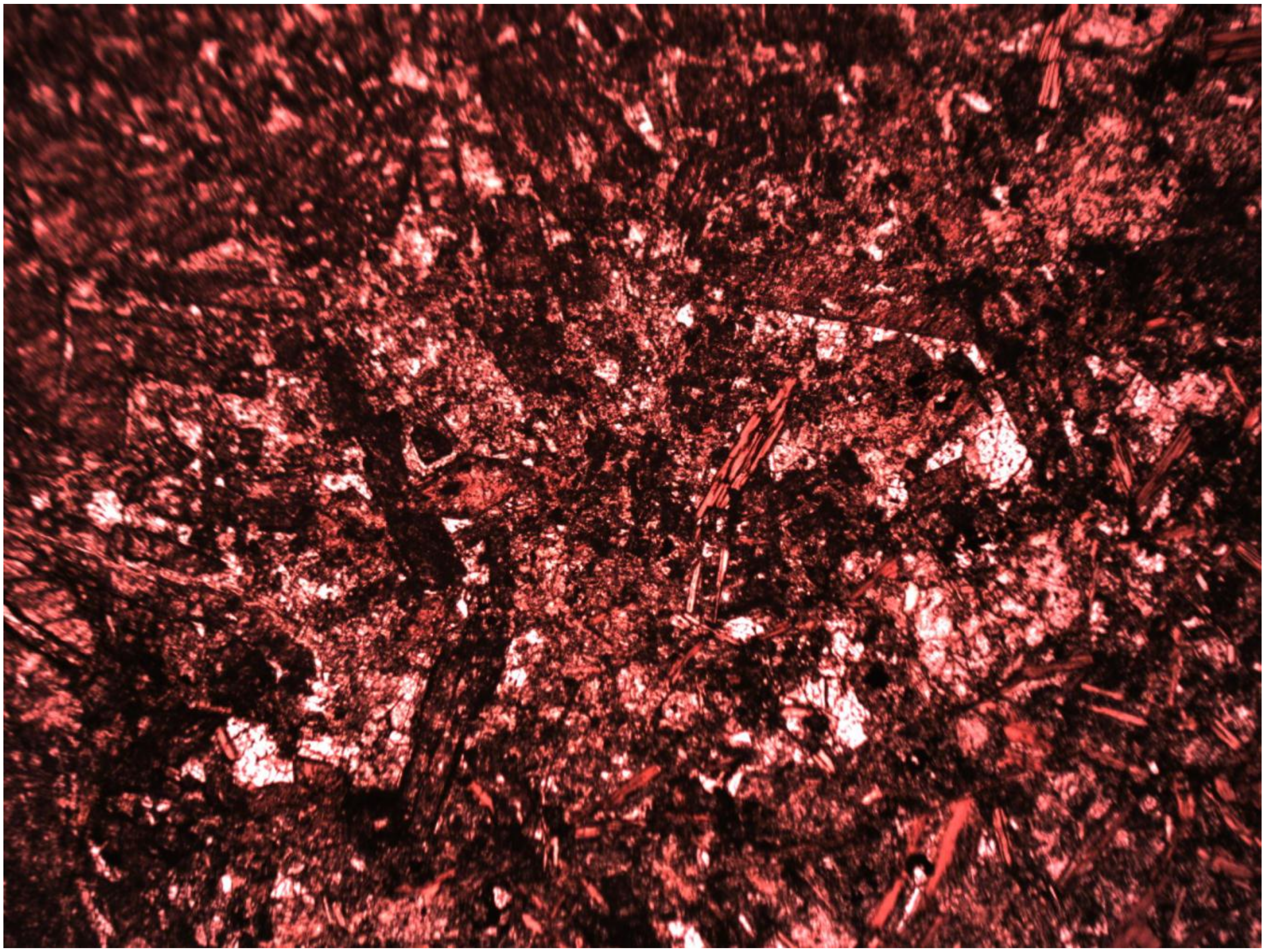
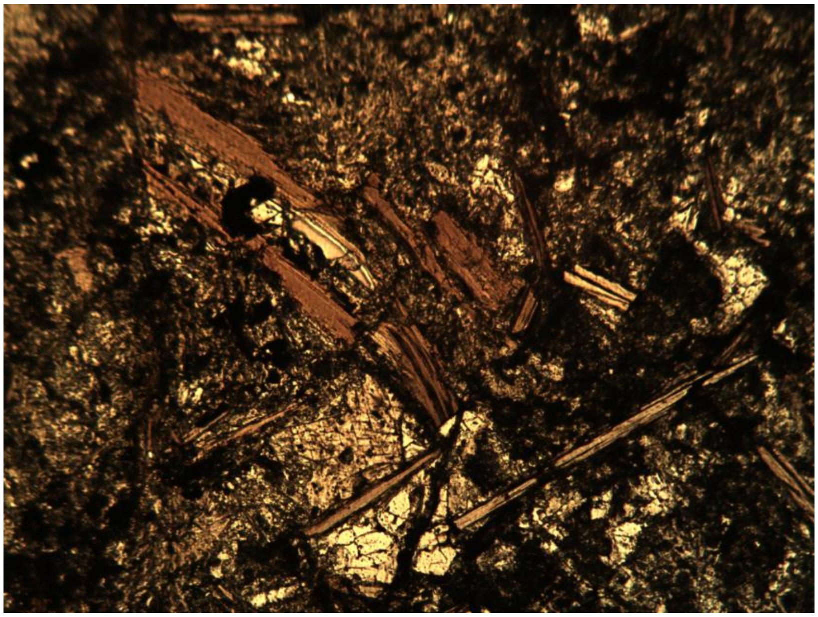


Figure 6. Plane-light photomicrograph (about 2.5 mm wide) of phlogopite hornfels. Note retrograded porphyroclast cut by choritized (commonly clinochlore) phlogopite in a finer grain matrix mostly of micaceous minerals, calcite, and dolomite.

a. 

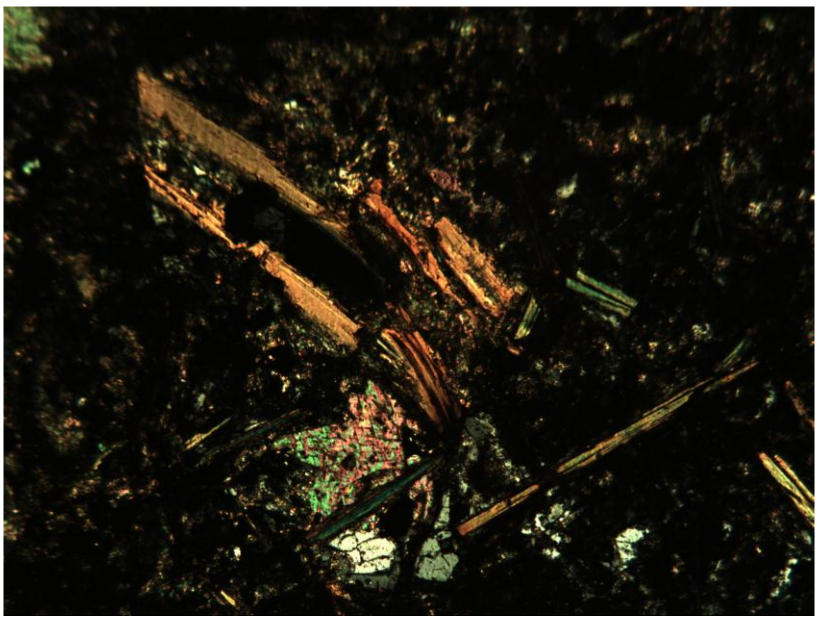
b. 

Figure 7. Plane light photomicrograph (a) and crossed-polars(b) of phlogopite-dolomite-calcite-quartz hornfels. Field of view about 1 mm wide.

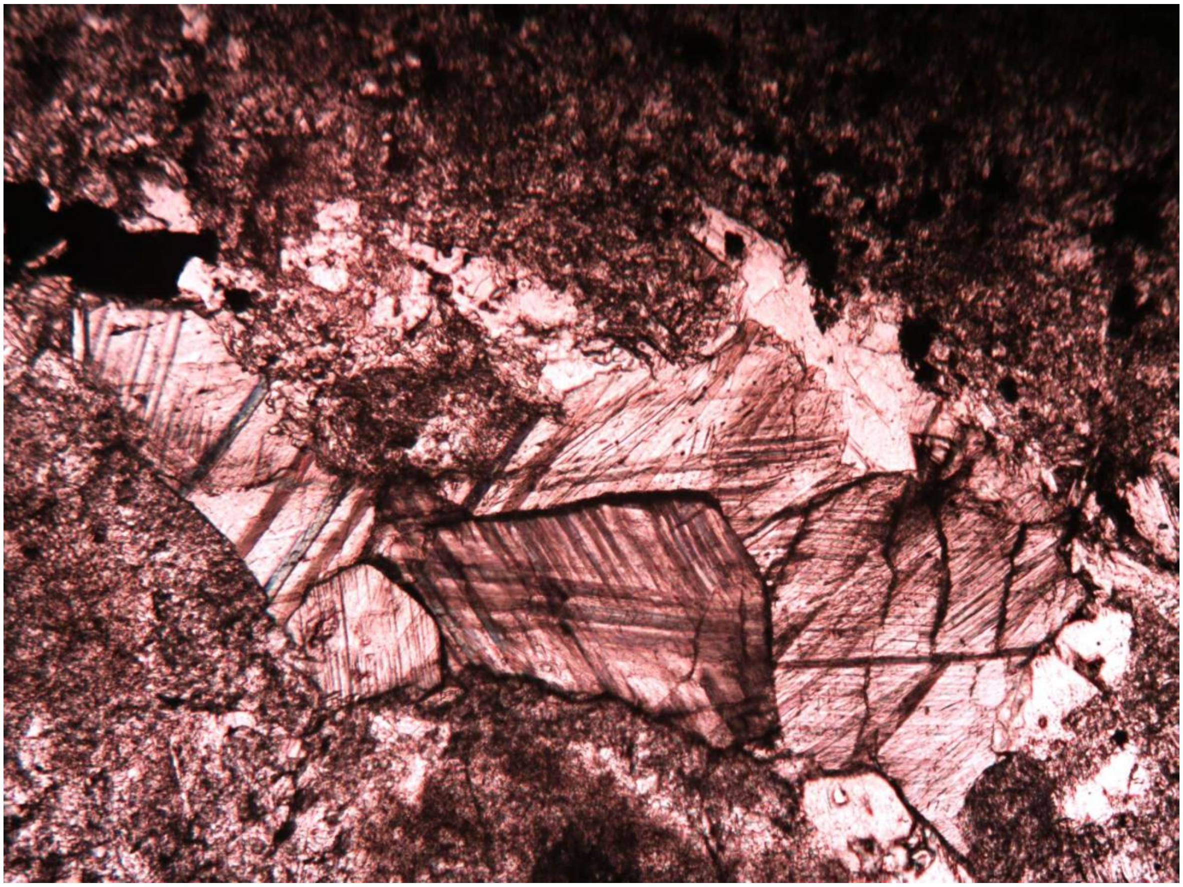


Figure 8. Plane light photomicrograph of albite, calcite, quartz, and finer-grain calcsilicates from 1725-1730 feet in drill hole GT9 at the Golden Trail Project, Elko County, Nevada. Field of view about 3 mm wide. X-ray diffraction analyses of this interval identified major plagioclase, garnet, and quartz, and minor muscovite, calcite, and chlorite (clinochlore).

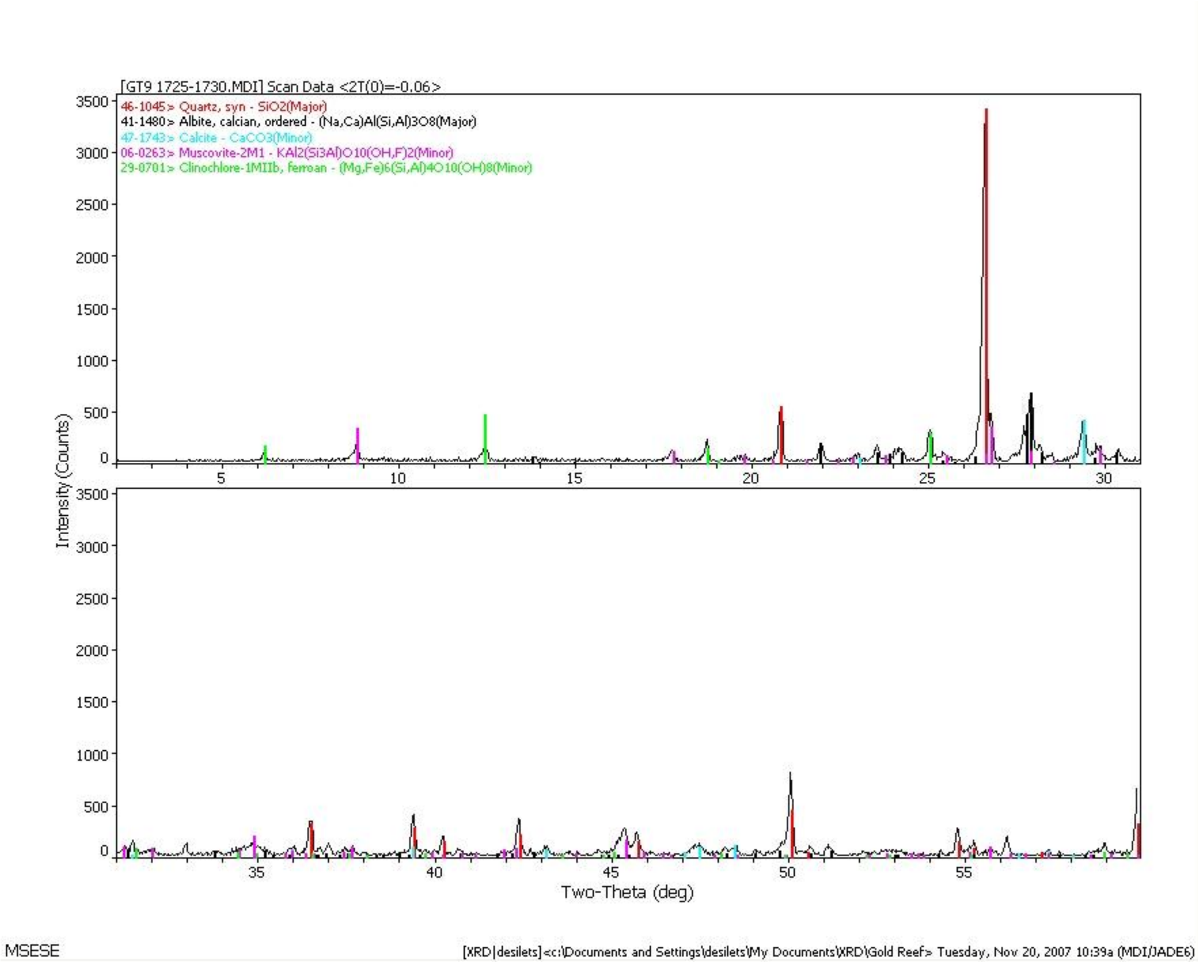


Figure 9. X-ray diffraction pattern for sample GT9 1725-1730 illustrating principal mineral phases. Analyses by Mario Desilets, Geochemical Laboratory, Nevada Bureau of Mines and Geology, Reno, Nevada.

of antimony, arsenic, lead, silver and zinc and locally anomalous mercury, molybdenum, and copper.

9.0 EXPLORATION

9.1 Introduction

The surface exploration program focused on geochemical rock-chip sampling and detailed geologic mapping in 2004 – 2006. In 2006 Magee Geophysical Services LLC, Reno, Nevada, conducted gravity (Figure 50) and ground magnetic (Figure 51) surveys on the Golden Trail Project area. The results of these surveys show positive geophysical anomalies which closely correspond with the trends of known veining, alteration zones, mineralization and structures, which were determined by detailed geologic mapping. The discovery of garnet skarn minerals generally enclosed by phlogopite hornflels rocks suggests that the positive anomalies are due to skarn minerals at depth.

9.2 Rock-chip and soil geochemistry

A total of 996 surface rock chip samples were analyzed for gold (fire assay and AA finish in ppb) and standard 32-element ICP-AES analysis by Chemex Labs, Inc (Table 9.2). The entire claim area was sampled on a 100-meter grid. Most samples consist of two to four kilograms of rock chips taken from broad areas of alteration, which parallel fault-hosted quartz veins and dilation zones. Greater than 33% percent of these surface samples are anomalous in gold (see Figure10 for ranges) and assays include 32 samples >100 ppb Au (including five samples greater than one gram/tonne) and one sample assaying 28,100 ppb Au in decalcified limestone marginal to the Golden Trail Vein. These gold anomalies are enclosed within broader anomalies of pathfinders including silver (65%), arsenic (30%, Figure 11), antimony (87%) and locally coincident anomalies of lead (59%), zinc (85%) and molybdenum (48%). The samples are also significantly anomalous in cadmium (21%), lanthanum (57%), nickel (79%), scandium (82%), vanadium (27%) and tungsten (32%).

Table 9.2.1 Summary of Chemex Rock-chip Geochemistry, Elko County, Nevada

Element	Values	# Anomalous	% Anomalous
Au	>5 ppb	327	33
Ag	>0.2 ppm	646	65
As	>20 ppm	301	30
Cd	>1 ppm	214	21
Cu	>20 ppm	397	40
Hg	>1 ppm	122	12
La	>1 ppm	570	57
Mo	>2 ppm	482	48
Ni	>20 ppm	785	79
Pb	>20 ppm	584	59
Sb	>2 ppm	865	87
Sc	>1 ppm	432	82
V	> 20 ppm	274	27
W	>20 ppm	316	32
Zn	>30 ppm	843	85

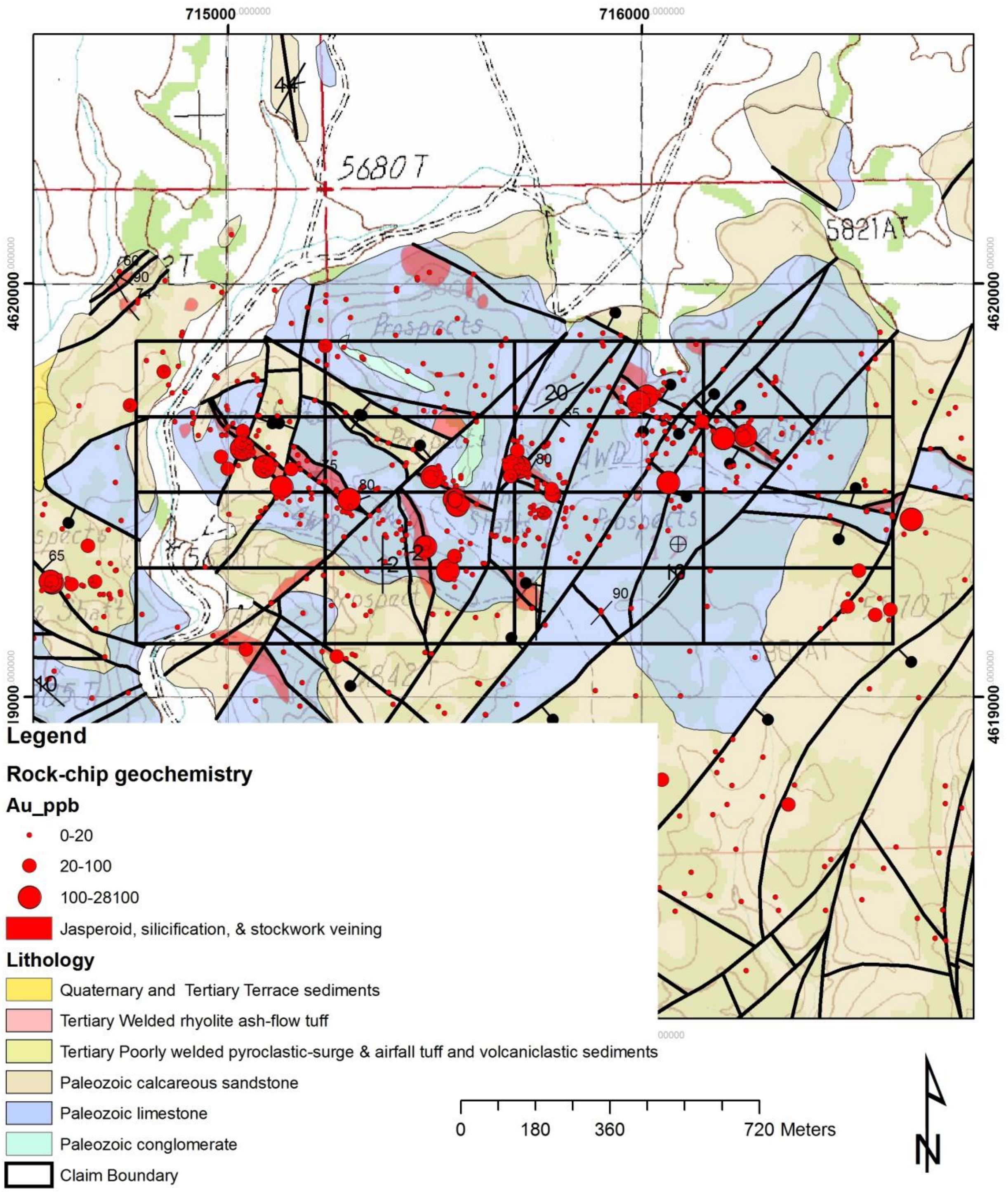
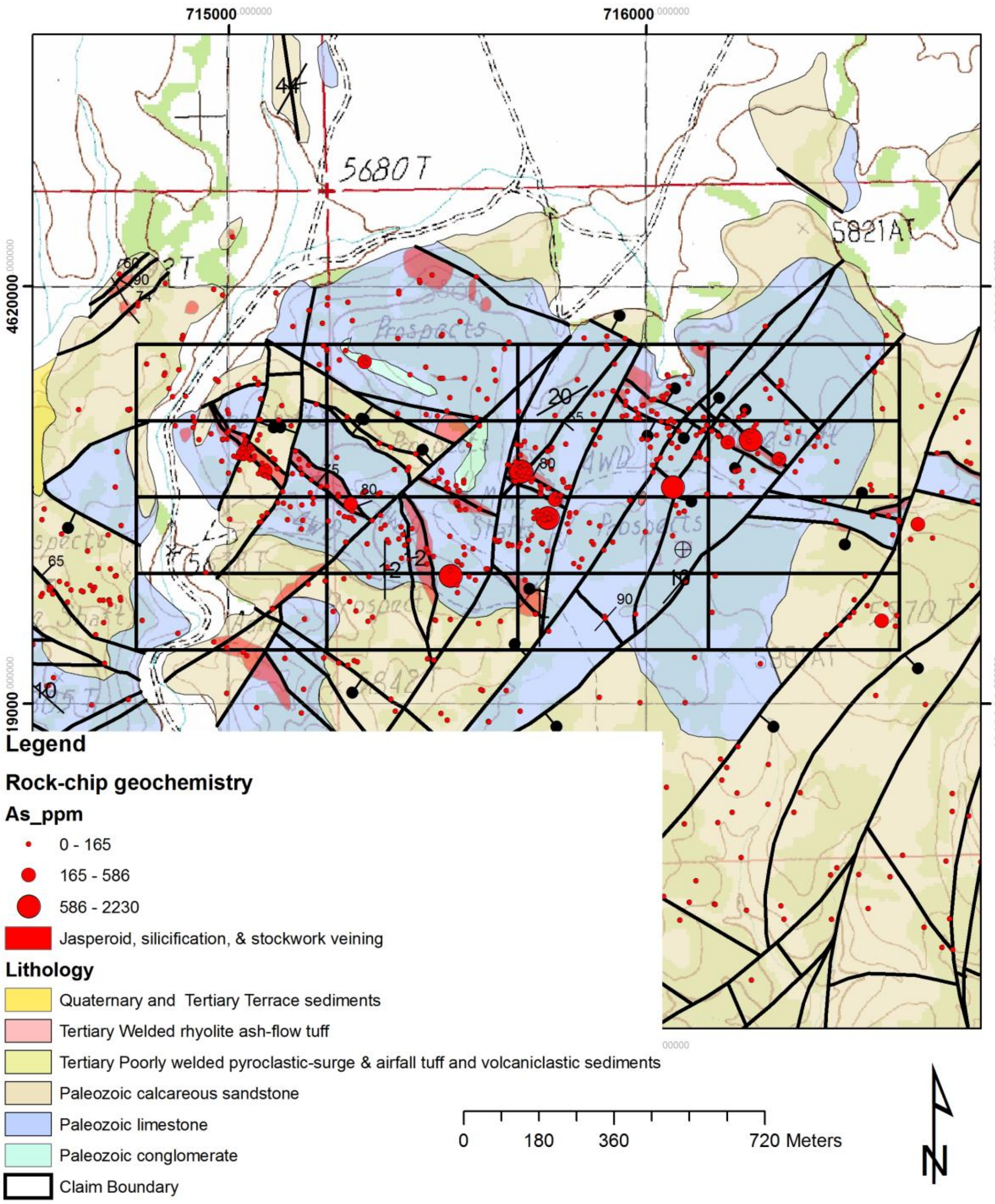


Figure 10. Rock chip gold values at the Golden Trail Project, Elko County, Nevada. The Golden Trail Zone of Veining and Replacement Veining, offset by faulting, is anomalous along entire length.

Figure 11. Arsenic anomalies at the Golden Trail Project, Elko County, Nevada.



10. DRILLING

A four-hole Phase-1 drilling program (Table 10.1, Figure 12) was initiated on 25 July 2007 to explore the potential of sediment-hosted gold occurrences in the Paleozoic sedimentary units identified in geologic mapping. A secondary objective was to test possible mineralization associated with a buried intrusive, indicated by surface skarn outcrops and a gravity anomaly.

Four vertical flooded-reverse-circulation drill holes totaling 8,100 feet were drilled. Drilling was originally planned and permitted for angle holes with northeasterly and southeasterly azimuths but only a vertical drill rig was available and so this program restricted drilling to the margins of the broad northwest-striking gravity anomaly associated with alteration, nearly vertical veining, and base metal and gold mineralization.

Phase 1 drilling consisted of four vertical flooded reverse-circulation drill holes totaling 8,100 feet (2,467m). Phase 1 drilling discovered base and precious metal mineralization within nearly horizontal zones of strong hydrothermal alteration including decalcification and solution collapse breccia. Most mineralization is within sedimentary bedding and jointing adjacent to northwest and northeast striking high-angle faults and zones of dilation. The mineralization is hosted by a sequence of sedimentary rocks (Figure 3) that are locally horizontal to gently dipping and moderately to strongly thermally metamorphosed. The upper 400 to 645 feet (true thickness) of the sedimentary rocks consist mostly of Paleozoic calcareous sandstone and siltstone, limestone (marble) and jasperoid. Thermally metamorphosed strongly carbonaceous shale, chert, and calcsilicate rocks underlie these rocks beneath a thrust fault.

An x-ray diffraction study of ninety representative samples from the drill holes identified mineral phases that are 5 volume percent or more of each sample (Table 10.2). Phases identified are quartz, muscovite, potassium feldspar, plagioclase, garnet, apatite, chlorite(clinochlore), calcite, dolomite, pyrite, sphalerite, goethite, hematite, alunite, montmorillonite and kaolinite. Some quartz, calcite, dolomite, and apatite may be authigenic but in general these mineral phases are associated with zones of thermal and hydrothermal metamorphism, probably in the metamorphic aureole surrounding an intrusion. Relatively high-grade skarn with plagioclase, garnet, and other unidentified calcsilicate minerals occurs in GT9 at 1725 to 1730 feet. Jasperoid commonly replaces carbonates in the upper portion of each hole. Quartz, muscovite, and pyrite (or oxides pseudomorphic after pyrite) are nearly ubiquitous in the drill holes.

Gold and 32-element ICP-AES analysis of each five-foot drill sample are consistent with the mineralogy and the concentrations correspond to nearly horizontal zones of alteration/mineralization. Down hole histograms of base metals correlate zones of mineralization shown in Sections AA’, BB’, and CC’, and DD’ (Figures 13 to 16). Down-hole histograms identify several additional elements that correlate with the zones of mineralization and may be locally useful as pathfinder elements. In addition to the anomalous gold, silver, copper, molybdenum, zinc, and lead values of the mineralized zones, arsenic, antimony, and cadmium values are elevated (Figures 17 to 19). Strongly anomalous bismuth values correlate with gold and copper anomalies in drill holes GT8 and GT9 and show a weaker correlation in drill holes GT12 and GT17 (Figure 20). Calcium is generally low in zones of anomalous precious and base metals, but shows weak anomalies marginal too thin mineralized zones or veins and where the surrounding rock is decalcified and thermally metamorphosed to calcsilicates or metasomatically replaced by quartz and other minerals (Figure 21 and 22) .

Most barium values are above 565 feet in all drill holes and show no correlation with mineralization. However, barium shows a broad correlation with gold and copper between 1700 and 1800 feet in drill hole GT17 and correlates with a narrow gold and copper anomaly at about 570 feet in drill hole GT8 (Figure 23).

Some elements are closely associated with calcsilicate skarn and other aluminosilicate minerals within the metamorphic aureole and show little association with mineralization. Beryllium, cobalt, chromium, gallium, mercury, lanthanum, magnesium, manganese, nickel, scandium, titanium, tantalum, and vanadium correlate well with aluminum, potassium, and sodium in all of the drill holes (Figures 24 to 44). Sulfur correlates with unoxidized pyrite sulfides logged in all drill holes (Figures 45 to 46). Anomalous iron concentrations are closely correlated with aluminosilicate minerals (Figure 47).

Strontium shows strong correlation with calcium and moderate correlations with zones of aluminosilicate minerals (Figures 48 and 49).

Phosphate correlates broadly with aluminosilicate minerals below 1000 feet in all holes and with apatite detected in drill hole samples analyzed by x-ray diffraction. Phosphate is most strongly anomalous in GT8 at 0 to 300 feet and 1200 feet to TD (Figure 3).

Table 10.1 Phase 1 Drill Holes at the Golden Trail Project, Elko County, Nevada. The holes were drilled in July and August, 2007.

Phase 1- Drilled						
Hole Number	**Easting (m) NAD1927**	**Northing (m) NAD1927**	**Azimuth**	**Angle**	**Length (ft)**	**Length (m)**
GT8	715662	4619529		Vertical	1930	588
GT9	715716	4619602		Vertical	2010	612
GT12	716268	4619638		Vertical	2010	612
GT17	716186	4619530		Vertical	2150	655
				Totals =	8100	2467

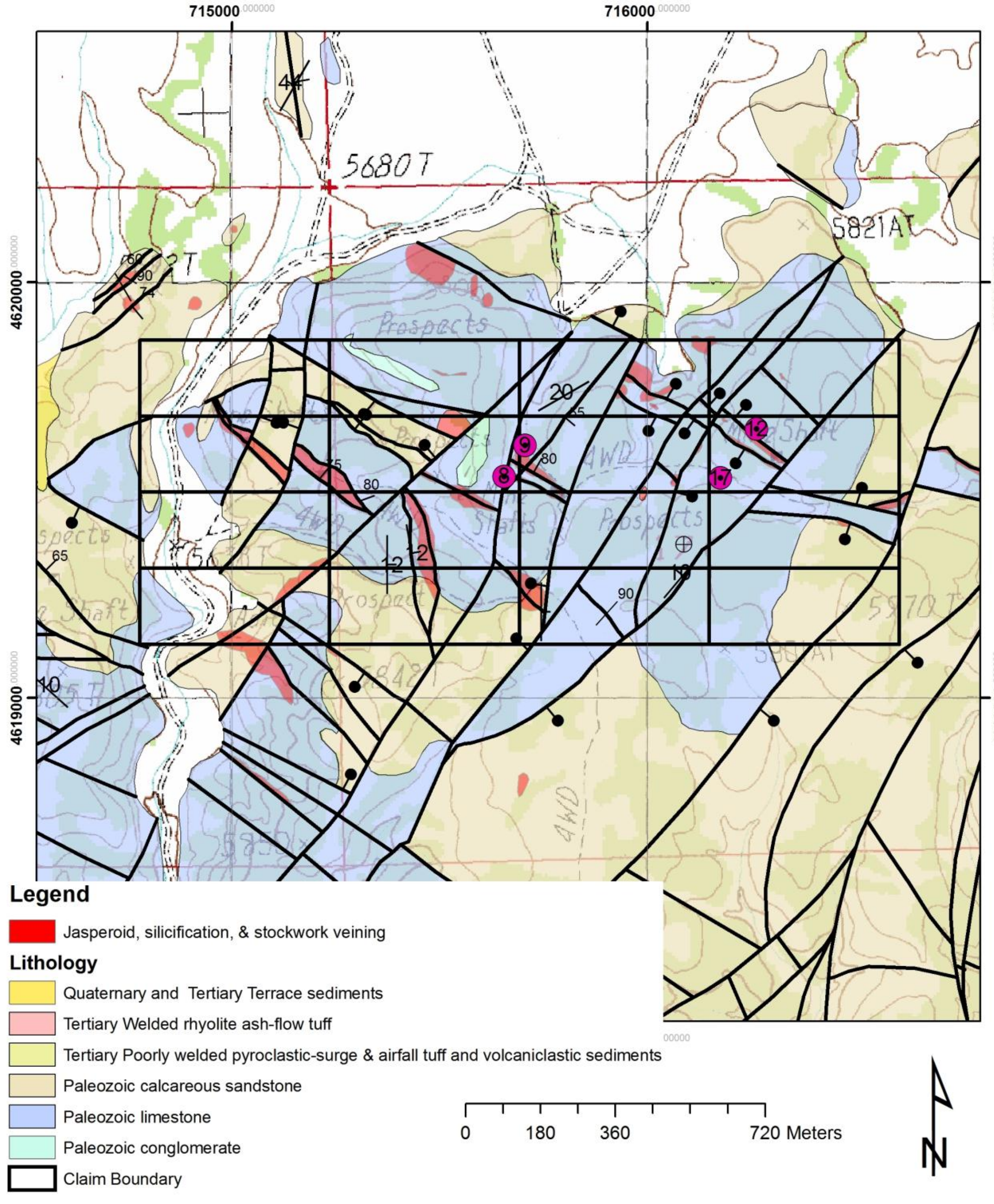


Figure 12. Location map of vertical drill holes GT8, GT9, GT12, and GT17 drilled at the Golden Trail Project, Elko County, Nevada in 2007.

Sample	Quartz	Muscovite	Pyrite	Apatite	Calcite	Dolomite	Chlorite	Montmorillonite	Kaolinite	K-feldspar	Plagioclase	Hematite	Goethite	Garnet	Sphalerite	Alunite
GT8 20-25	Major	Trace	ND	ND	Minor	ND	ND	Trace	ND	ND	ND	ND	ND	ND	ND	ND
GT8 85-90	Major	Minor	ND	ND	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT8 190-195	Major	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT8 295-300	Major	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT8 410-415	Major	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	?	ND	ND	ND	ND
GT8 510-515	Major	Minor	ND	ND	ND	ND	ND	ND	Trace	ND	ND	ND	ND	ND	ND	ND
GT8 550-555	Major	Trace	ND	ND	ND	ND	ND	ND	Trace	ND	ND	ND	ND	ND	ND	ND
GT8 670-675	Major	Trace	ND	ND	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT8 770-775	Major	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	?	ND	ND
GT8 875-880	Major	Trace	Trace	ND	ND	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT8 970-975	Major	Minor	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT8 1100-1105	Major	Trace	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT8 1190-1195	Major	Trace	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT8 1325-1330	Major	Trace	Trace	ND	ND	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT8 1425-1430	Major	Minor	Trace	ND	Trace	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT8 1525-1530	Major	Minor	Minor	ND	Minor	ND	Minor	ND	ND	Minor	ND	ND	ND	ND	ND	ND
GT8 1630-1635	Major	Trace	Minor	ND	Minor	ND	Minor	ND	ND	ND	Minor	ND	ND	ND	ND	ND
GT8 1725-1730	Major	Minor	Minor	ND	Minor	ND	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT8 1795-1800	Major	Minor	ND	Minor	Major	ND	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT8 1880-1885	Major	Minor	Trace	ND	Minor	ND	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT8 1925-1930	Major	ND	ND	Minor	Minor	Major	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT9 20-25	Major	Minor	ND	ND	Major	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT9 135-140	Major	Trace	ND	ND	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT9 200-205	Major	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT9 300-305	Major	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT9 410-415	Major	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT9 465-470	Major	Minor	ND	ND	ND	ND	ND	ND	Trace	ND	ND	ND	ND	ND	ND	ND
GT9 550-555	Major	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT9 575-580	Major	Minor	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT9 675-680	Major	Trace	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT9 755-760	Major	Trace	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT9 855-860	Major	Minor	Trace	ND	ND	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT9 885-890	Major	Trace	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT9 950-955	Major	Trace	Trace	ND	ND	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT9 1105-1110	Major	Minor	Trace	ND	ND	Minor	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT9 1240-1245	Major	Minor	Minor	ND	Trace	Major	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT9 1340-1345	Major	Trace	Trace	Trace	Minor	Minor	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT9 1490-1495	Major	Minor	Minor	ND	ND	Minor	Trace	ND	ND	Trace	ND	ND	ND	ND	ND	ND
GT9 1590-1595	Major	Trace	Minor	ND	Minor	ND	Minor	ND	ND	Minor	ND	ND	ND	ND	ND	ND
GT9 1630-1635	Major	Minor	Trace	Trace	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT9 1725-1730	Major	Minor	ND	ND	Minor	ND	Minor	ND	ND	ND	Major	ND	ND	Major	ND	ND
GT9 1865-1870	Major	Minor	Trace	ND	Minor	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT9 1965-1970	Major	Trace	Trace	Minor	Trace	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT9 2005-2010	Major	Trace	Trace	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT12 20-25	Major	Trace	ND	ND	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT12 130-135	Major	Minor	ND	ND	Minor	ND	ND	ND	ND	Trace	ND	ND	ND	ND	ND	ND
GT12 230-235	Major	Trace	ND	ND	ND	ND	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT12 320-325	Major	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT12 490-495	Major	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT12 600-605	Major	Trace	Trace	ND	ND	Trace	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT12 720-725	Major	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	Minor	ND	ND	ND
GT12 865-870	Major	Minor	Trace	ND	ND	ND	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT12 965-970	Major	Minor	Trace	ND	ND	ND	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT12 995-1000	Major	Minor	Trace	ND	ND	ND	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT12 1060-1065	Major	Minor	Minor	ND	ND	ND	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT12 1130-1135	Major	Minor	Minor	ND	ND	ND	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT12 1240-1245	Major	Minor	Trace	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT12 1325-1330	Major	Minor	Minor	Minor	ND	ND	ND	ND	ND	Trace	ND	ND	ND	ND	ND	ND
GT12 1415-1420	Major	Minor	Minor	ND	ND	Trace	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT12 1490-1495	Major	Trace	Trace	Trace	ND	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT12 1600-1605	Major	Trace	ND	ND	Minor	Major	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT12 1730-1735	Major	Minor	Minor	ND	Minor	ND	Minor	ND	ND	Trace	ND	ND	ND	ND	ND	ND
GT12 1805-1810	Major	Minor	Trace	ND	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND	?	ND
GT12 1820-1825	Major	Minor	Trace	ND	Minor	Trace	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT12 1955-1960	Major	Trace	Trace	Trace	Minor	ND	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT12 2005-2010	Major	Trace	ND	Trace	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	?
GT17 25-30	Major	ND	ND	ND	Minor	ND	ND	Minor	ND	ND	ND	ND	ND	ND	ND	ND
GT17 75-80	Major	Trace	ND	Trace	Minor	ND	ND	Trace	ND	ND	ND	ND	ND	ND	ND	ND
GT17 170-175	Major	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT17 255-260	Major	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT17 355-360	Major	Minor	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT17 460-465	Major	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	?	ND	ND	ND	ND
GT17 530-535	Major	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT17 550-555	Major	Minor	Minor	ND	ND	ND	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT17 640-645	Major	Minor	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT17 740-745	Major	Minor	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT17 825-830	Major	Trace	Trace	ND	ND	Trace	?	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT17 925-930	Major	Minor	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT17 1020-1025	Major	Trace	Trace	ND	ND	ND	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT17 1120-1125	Major	Trace	Trace	ND	ND	ND	ND	ND	Trace	Trace	ND	ND	ND	ND	ND	ND
GT17 1235-1240	Major	Minor	Trace	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT17 1325-1330	Major	Trace	Trace	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT17 1425-1430	Major	Trace	Trace	Trace	ND	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT17 1540-1545	Major	Trace	Trace	ND	Trace	ND	Trace	ND	ND	Trace	ND	ND	ND	ND	ND	ND
GT17 1600-1605	Major	Minor	Trace	ND	ND	ND	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT17 1670-1675	Major	Minor	Trace	ND	Minor	ND	ND	ND	ND	Trace	ND	ND	ND	ND	ND	ND
GT17 1770-1775	Major	Trace	Minor	ND	Minor	ND	Minor	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT17 1845-1850	Major	Trace	Trace	ND	Minor	ND	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT17 2045-2050	Major	Trace	Trace	ND	Trace	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
GT17 2145-2150	Major	Minor	Trace	ND	Minor	ND	Trace	ND	ND	Minor	ND	ND	ND	ND	ND	ND

Table 10.2. Mineral phases identified by an x-ray diffraction study of representative samples from drill holes GT8, GT9, GT12, and GT17 at the Golden Trail Project. Mineral phase are marked a representing Major, Minor, Trace, Not Detected (ND), or possible (?) components of the samples. Mineral phases under 5 volume percent of the sample are typically not detected by the x-ray diffraction technique.

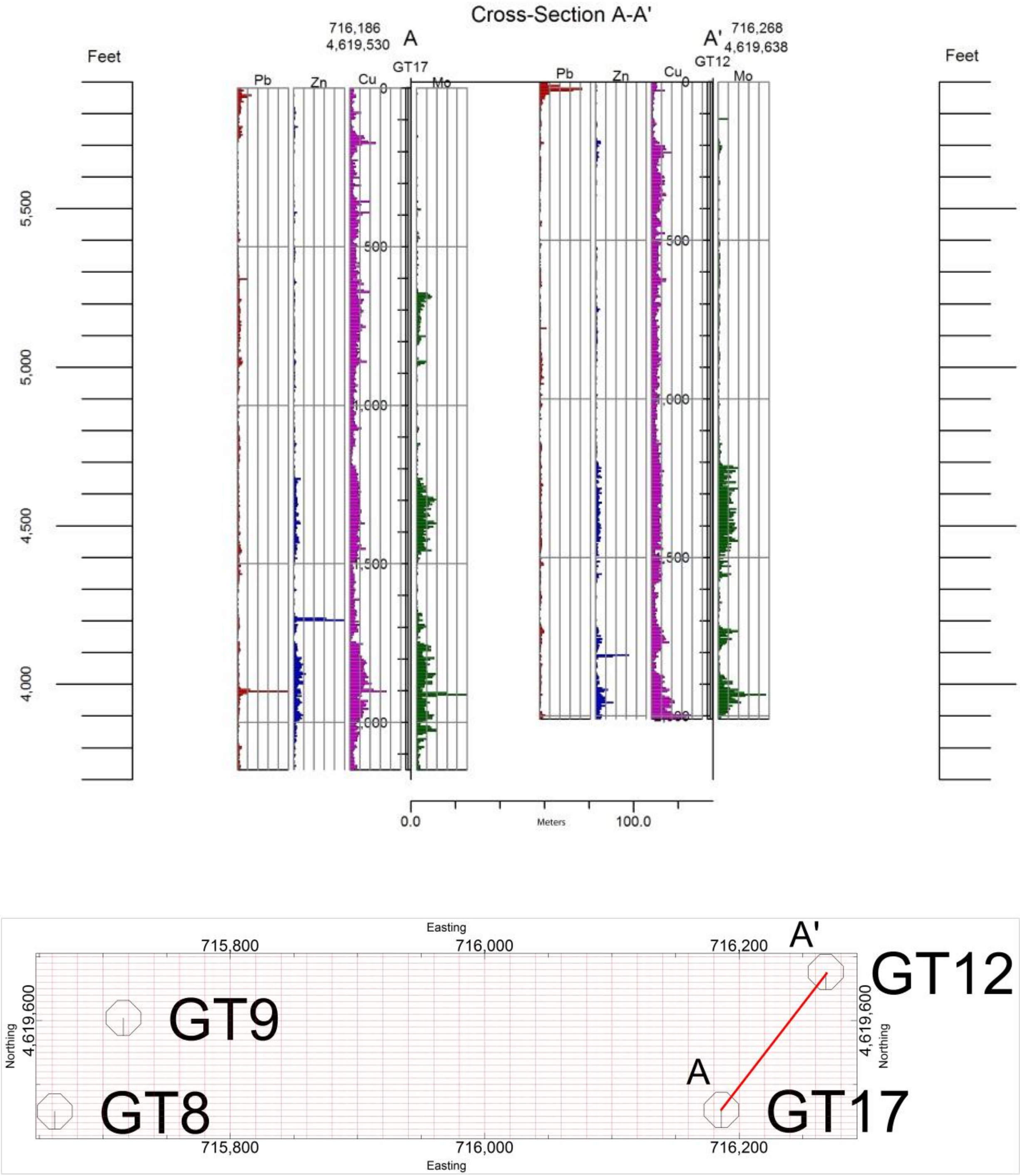


Figure 13. Section A-A' correlating lead, zinc, copper, and molybdenum concentrations between drill holes GT12 and GT17, Golden Trail Project, Elko County, Nevada.

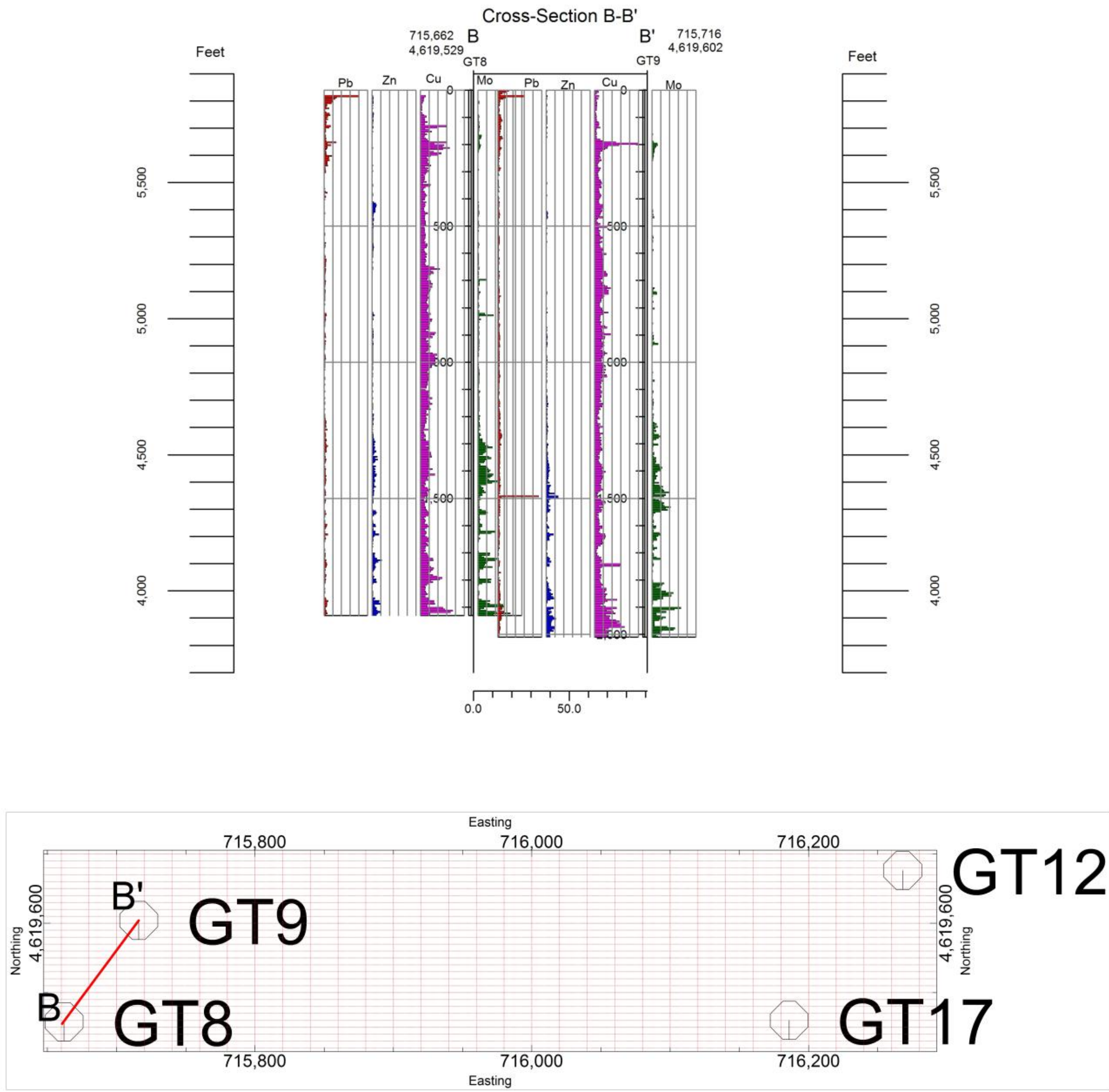


Figure 14. Section B-B' correlating lead, zinc, copper, and molybdenum concentrations between drill holes GT8 and GT9, Golden Trail Project, Elko County, Nevada.

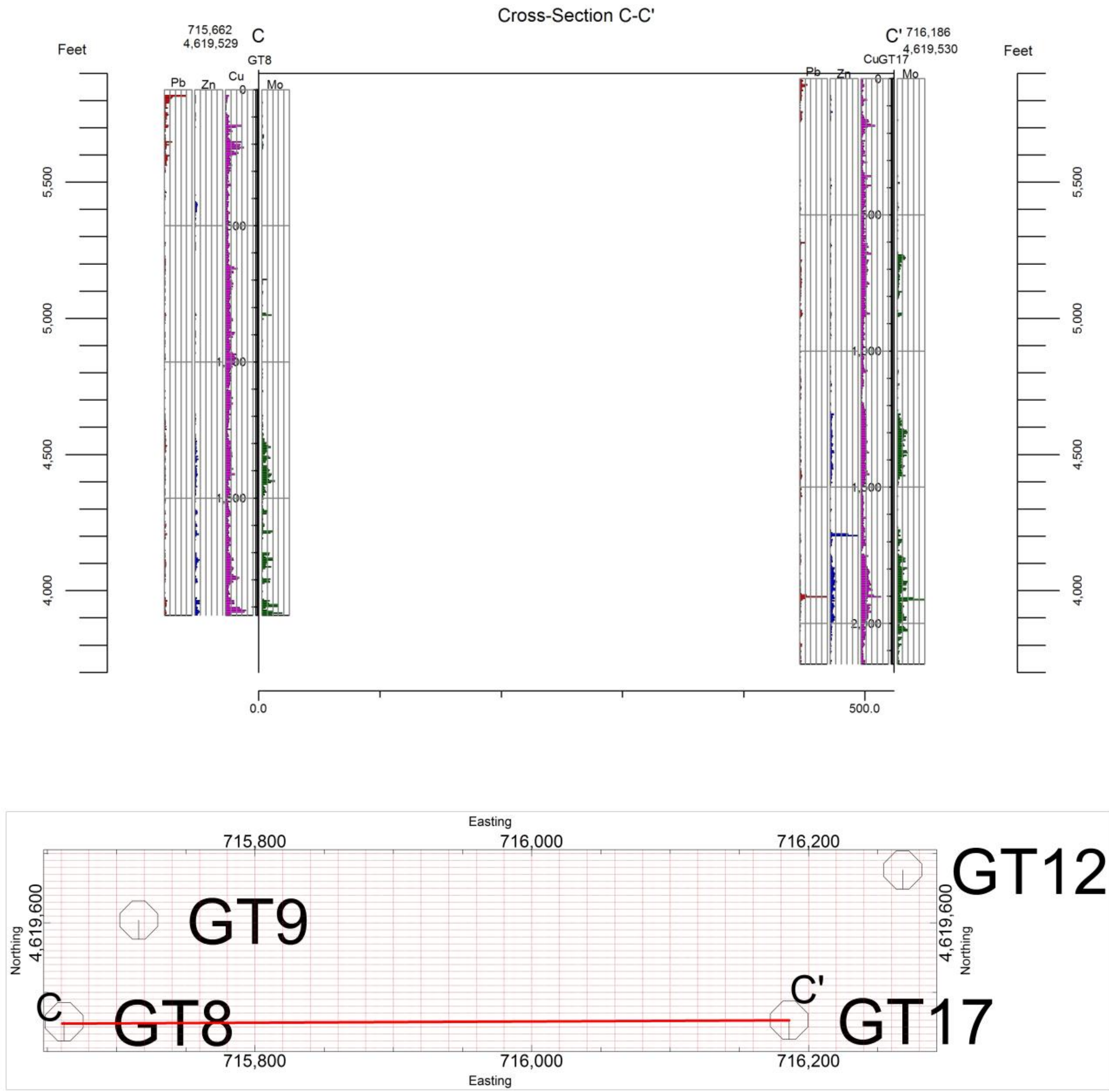
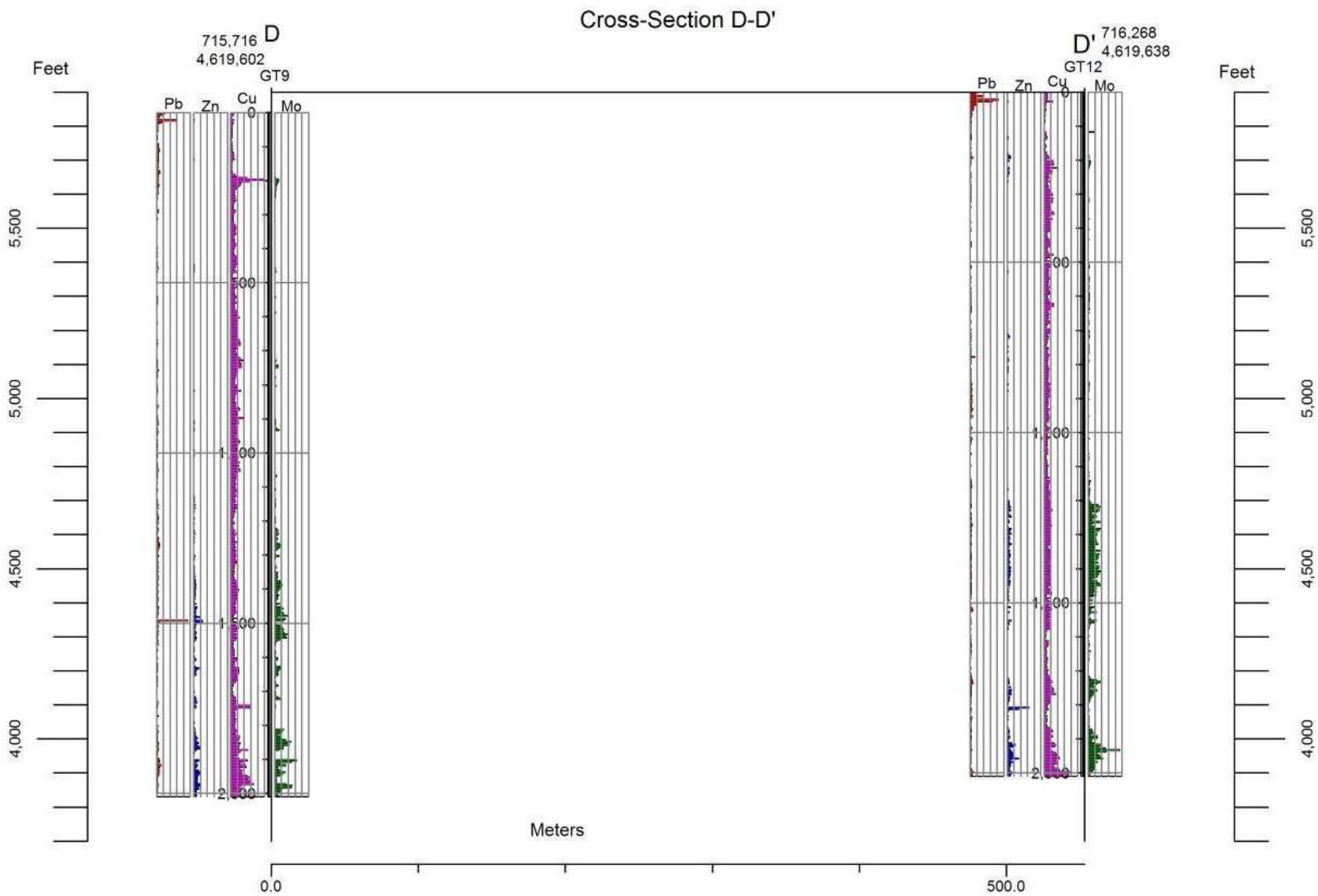


Figure 15. Section C-C' correlating lead, zinc, copper, and molybdenum concentrations between drill holes GT8 and GT17, Golden Trail Project, Elko County, Nevada.



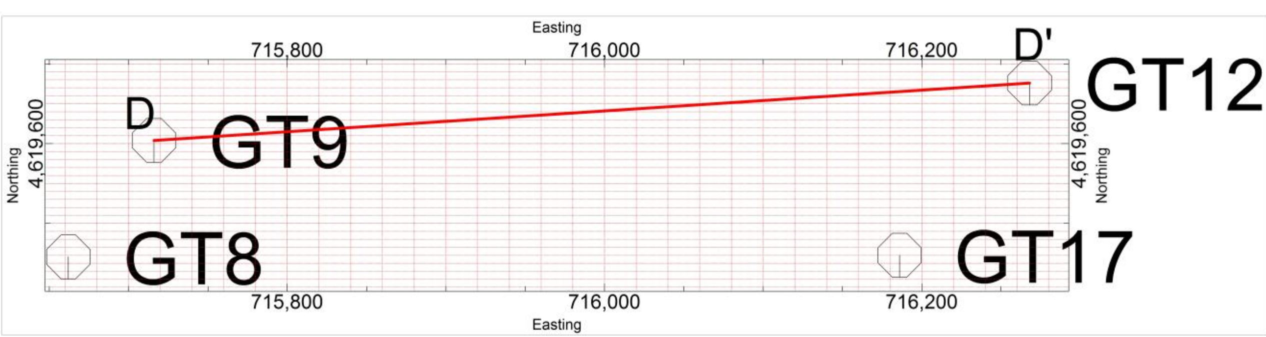


Figure 16. Section D-D' correlating lead, zinc, copper, and molybdenum concentrations between drill holes GT9 and GT12, Golden Trail Project, Elko County, Nevada.

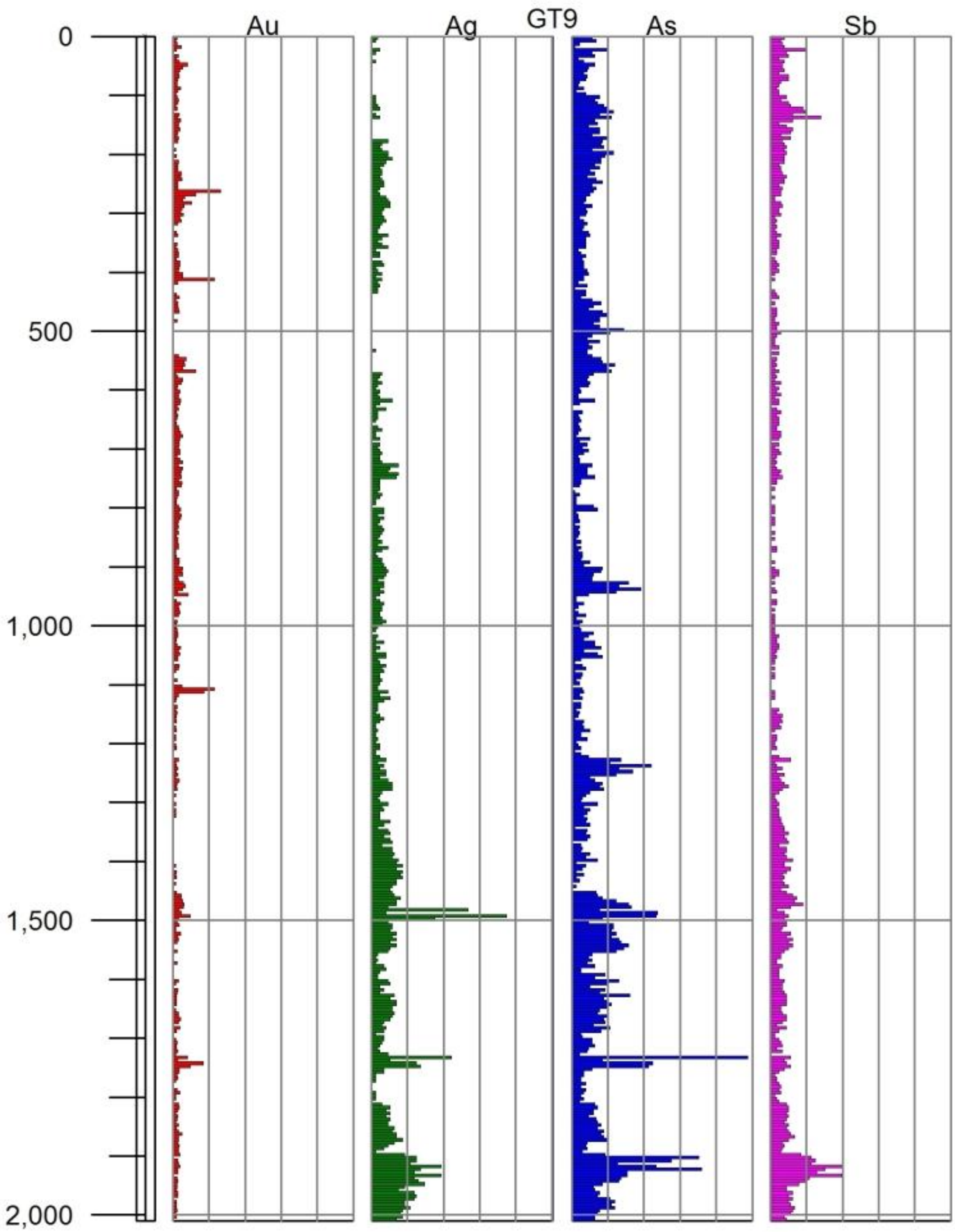


Figure 17. Histogram illustrating relative gold, silver, arsenic, and antimony concentrations in drill hole GT9, Golden Trail Project, Elko County, Nevada.

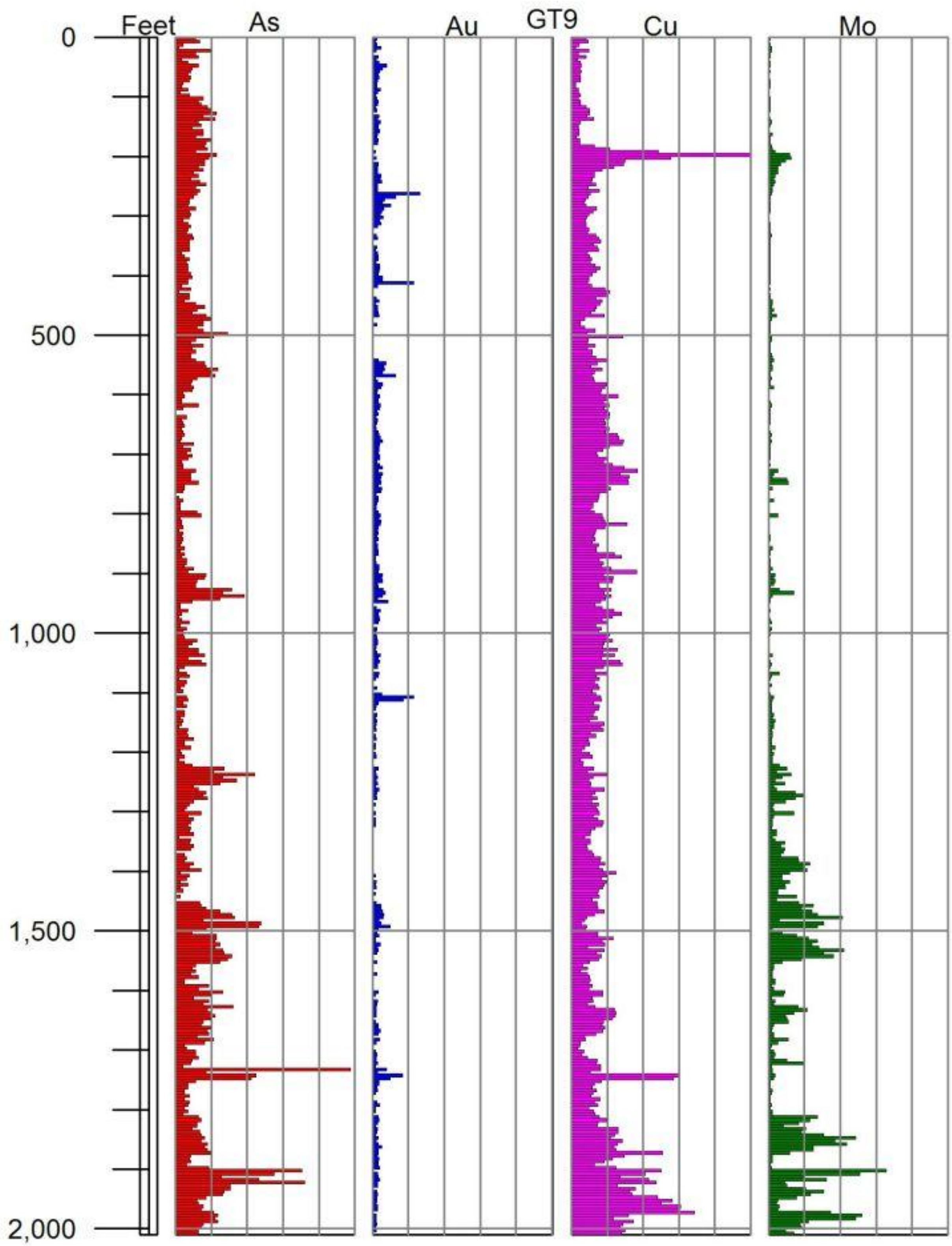


Figure 18. Histogram illustrating relative gold, silver, copper, and molybdenum concentrations in drill hole GT9, Golden Trail Project, Elko County, Nevada.

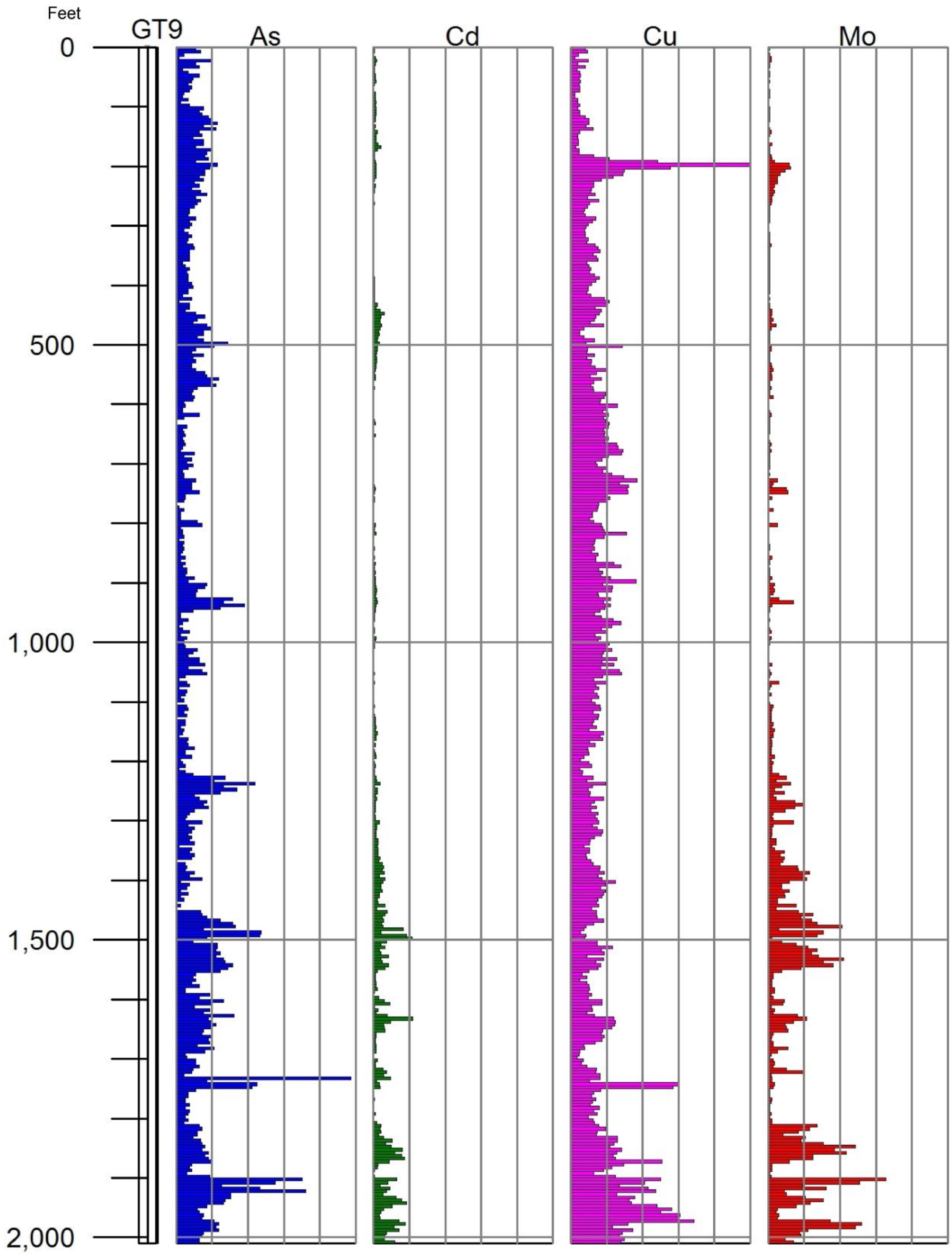
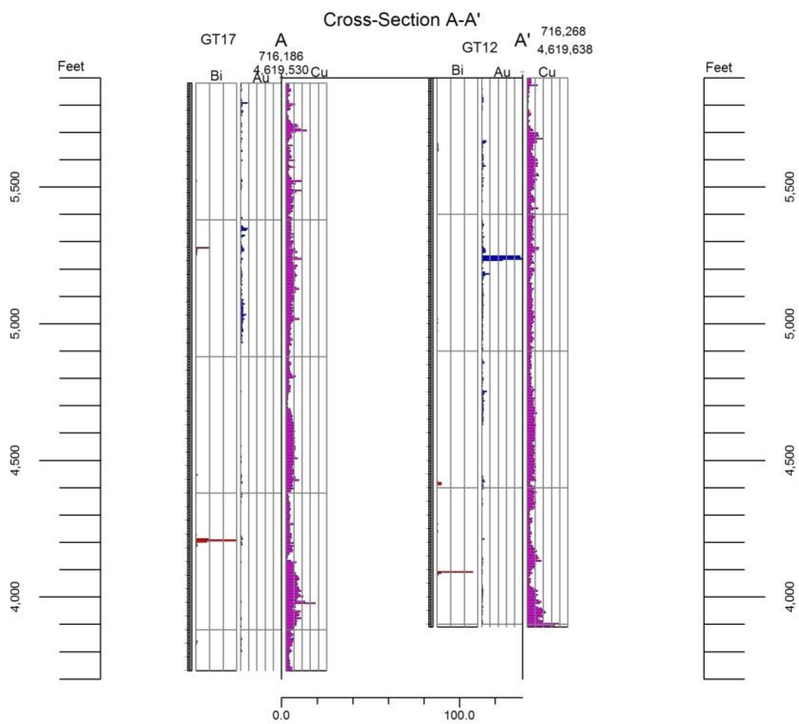
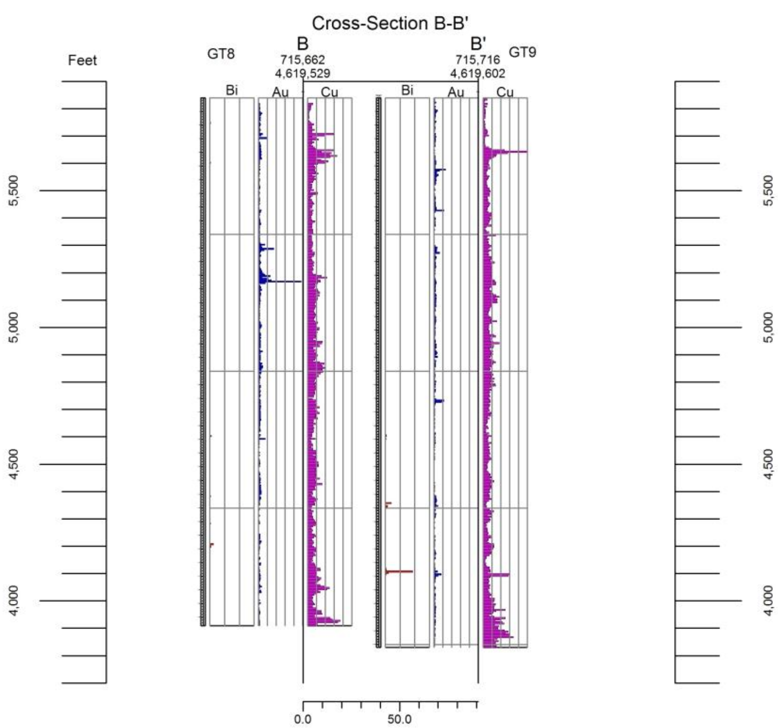


Figure 19. Histogram illustrating relative arsenic, cadmium, copper, and molybdenum concentrations in drill hole GT9, Golden Trail Project, Elko County, Nevada.

a.



b.



Figures 20a and 20b. Histograms illustrating correlation of relative bismuth, gold, and copper concentrations in sections AA'(GT17 and GT12) and BB' (GT8 and GT9), Golden Trail Project, Elko County, Nevada.

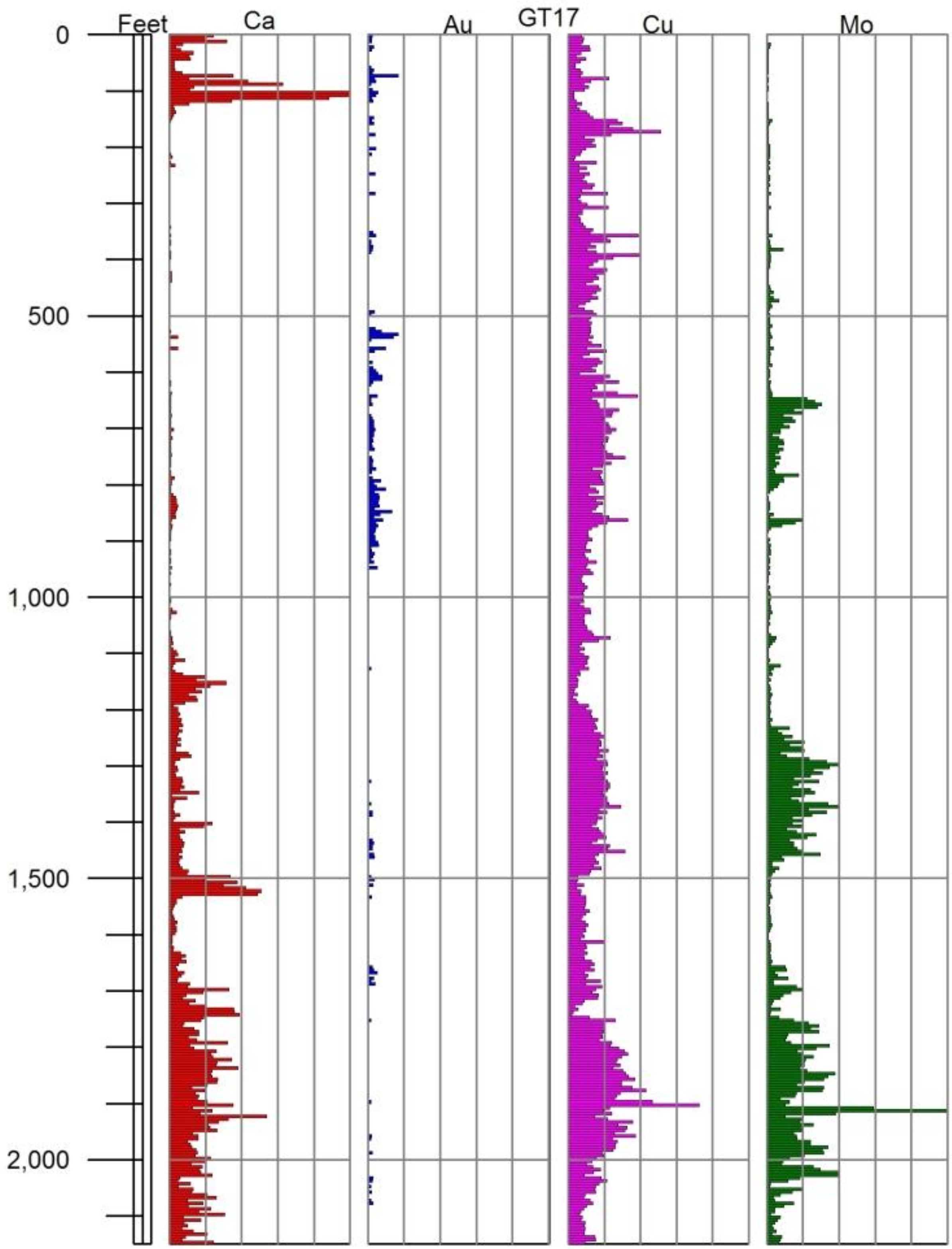


Figure 21. Histograms illustrating relative calcium, gold, copper and molybdenum concentrations in drill hole GT17, Golden Trail Project, Elko County, Nevada.

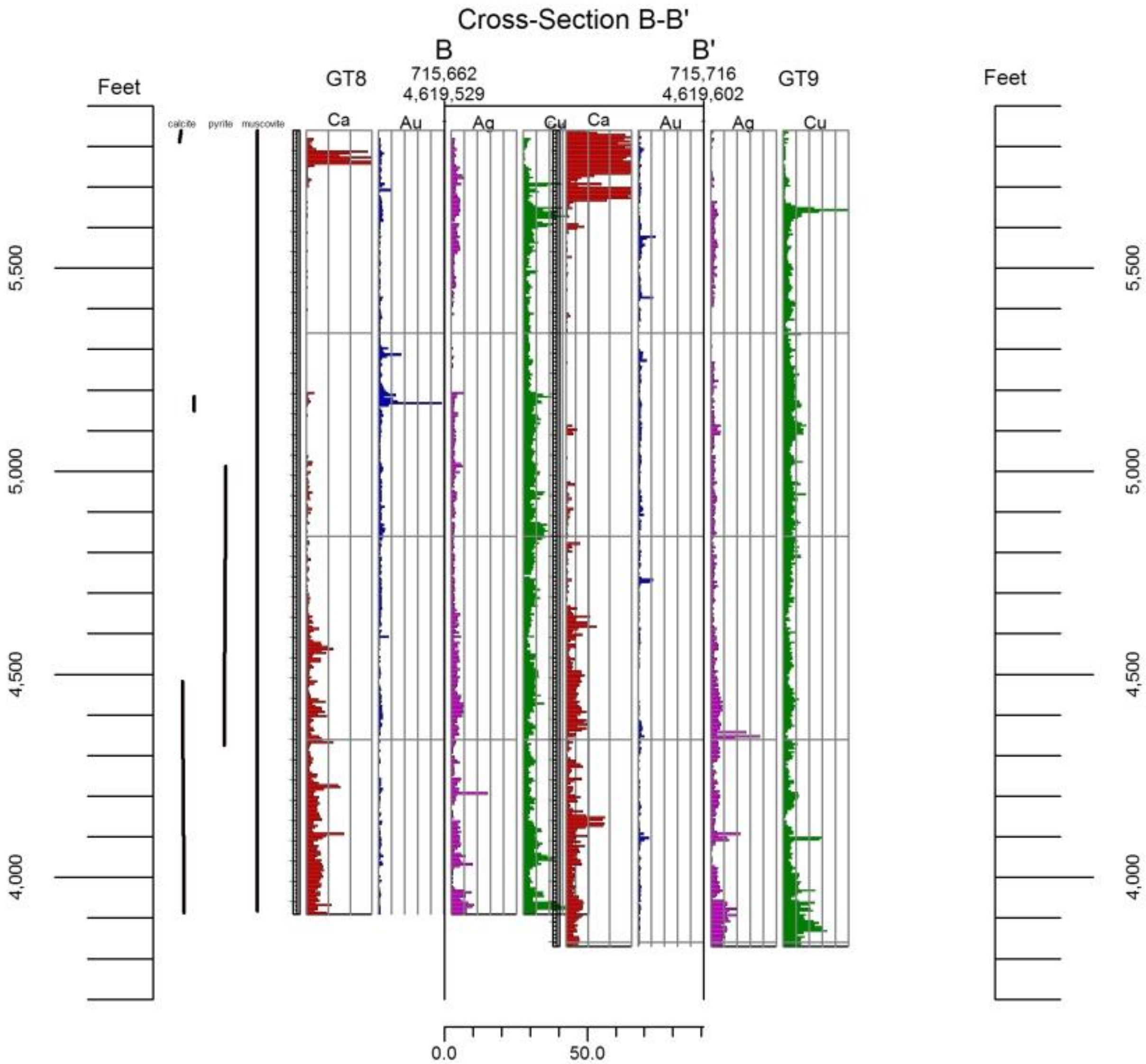


Figure 22. Section B-B' correlating calcium, gold, silver, and copper concentrations between drill holes GT8 and GT9, Golden Trail Project, Elko County, Nevada.

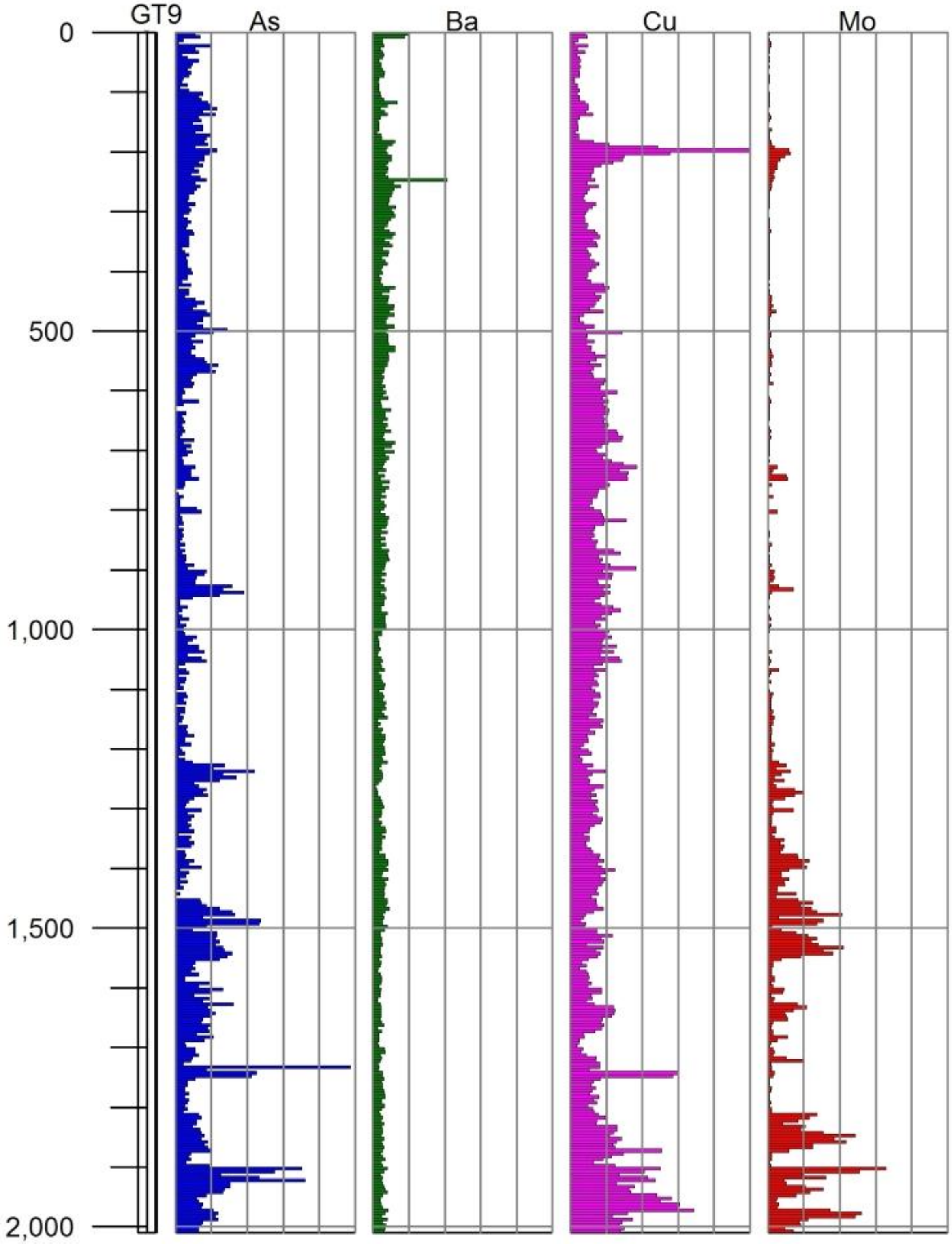


Figure 23. Histograms illustrating relative arsenic, barium, copper and molybdenum concentrations in drill hole GT9, Golden Trail Project, Elko County, Nevada.

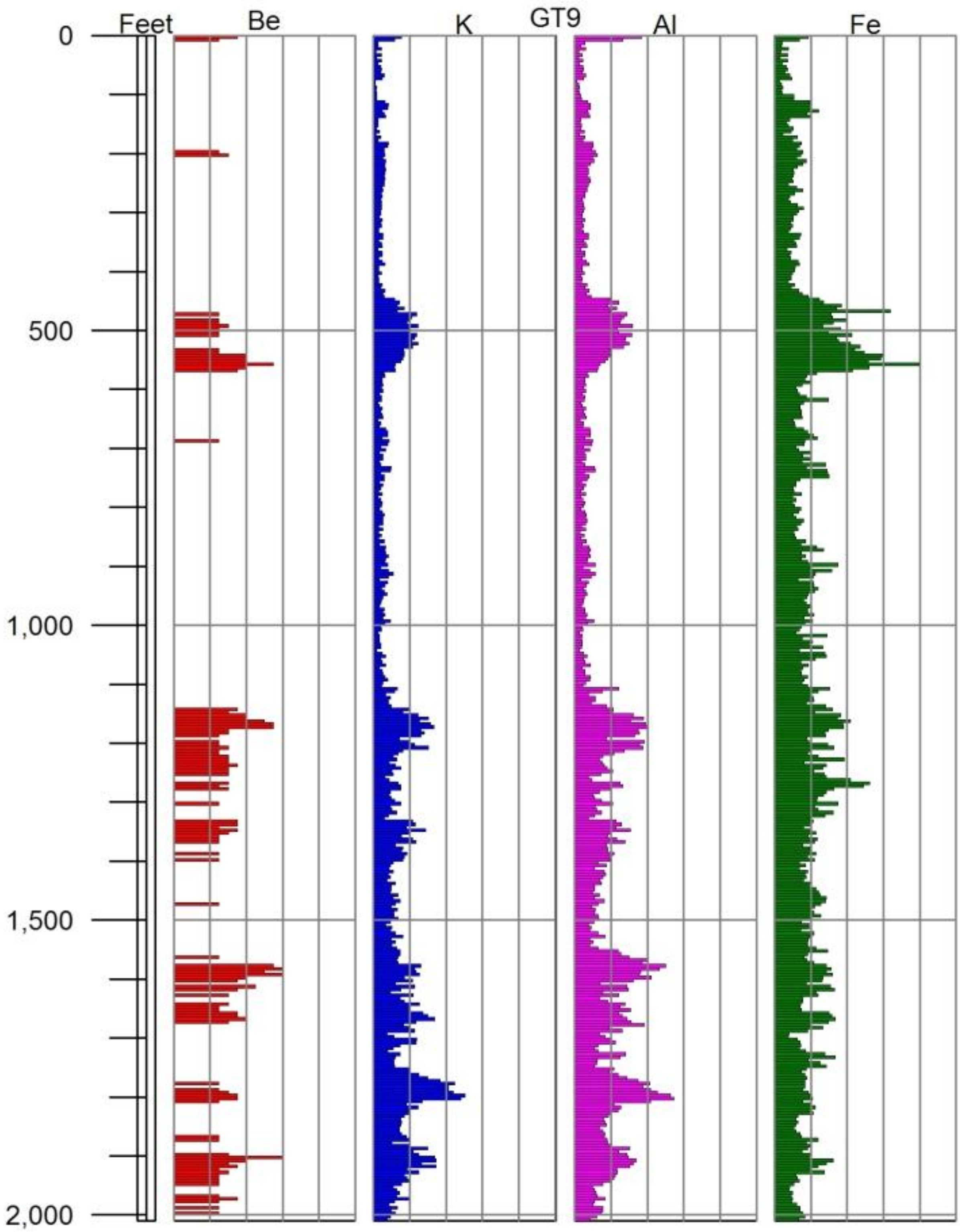


Figure 24. Histograms illustrating relative beryllium, potassium, aluminum, and iron concentrations in drill hole GT9, Golden Trail Project, Elko County, Nevada.

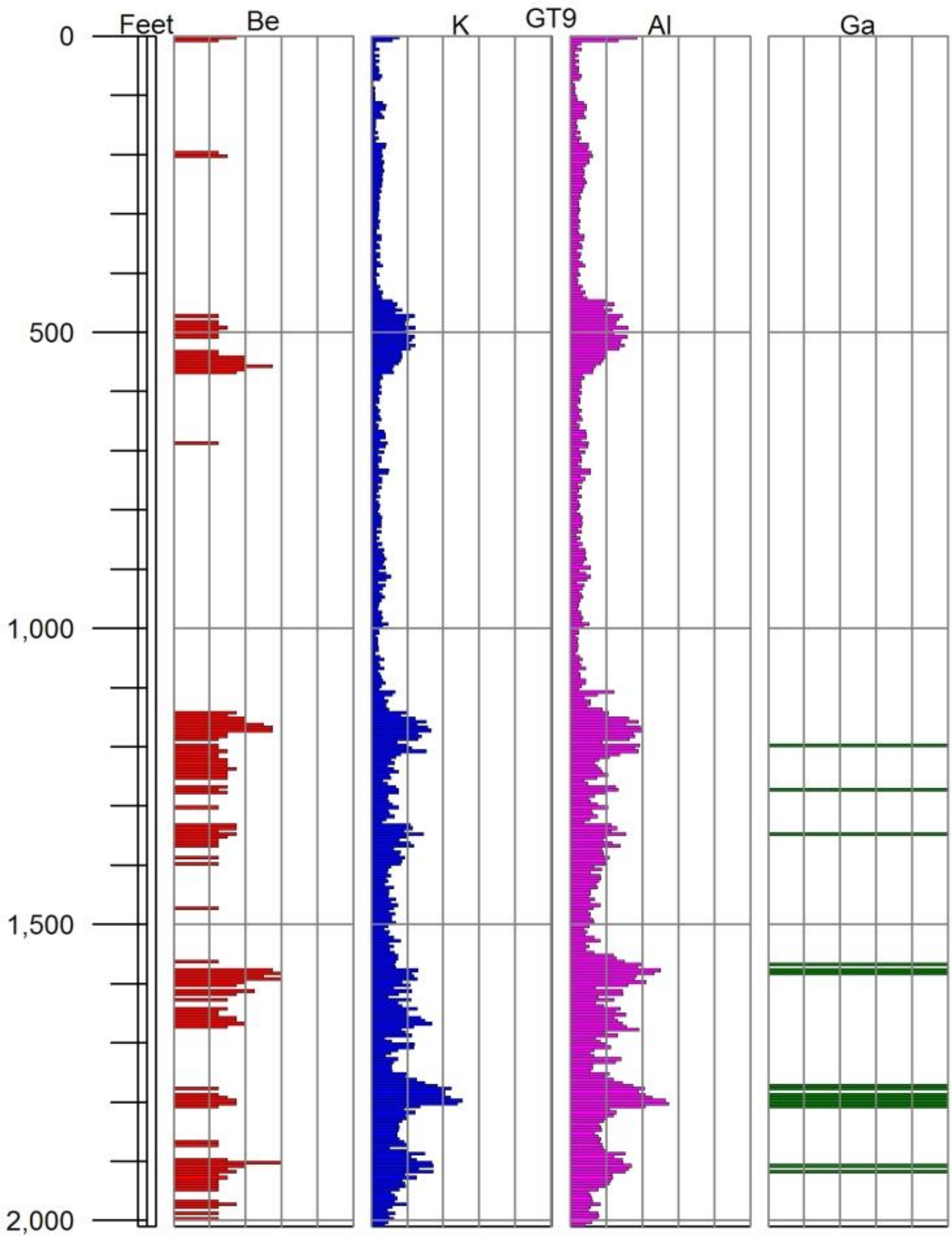


Figure 25. Histograms illustrating relative beryllium, potassium, aluminum, and gallium concentrations in drill hole GT9, Golden Trail Project, Elko County, Nevada.

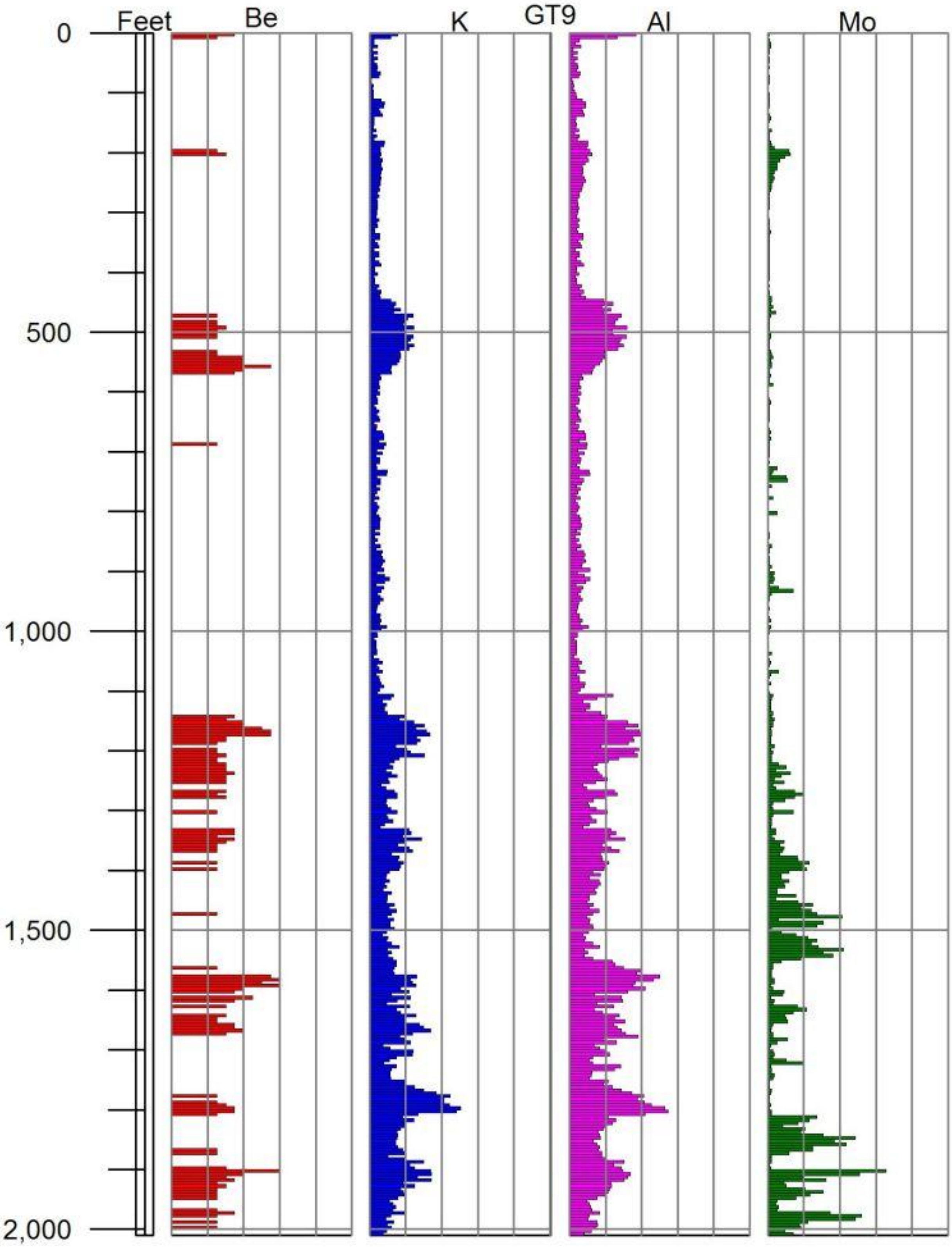


Figure 26. Histograms illustrating relative beryllium, potassium, aluminum, and molybdenum concentrations in drill hole GT9, Golden Trail Project, Elko County, Nevada.

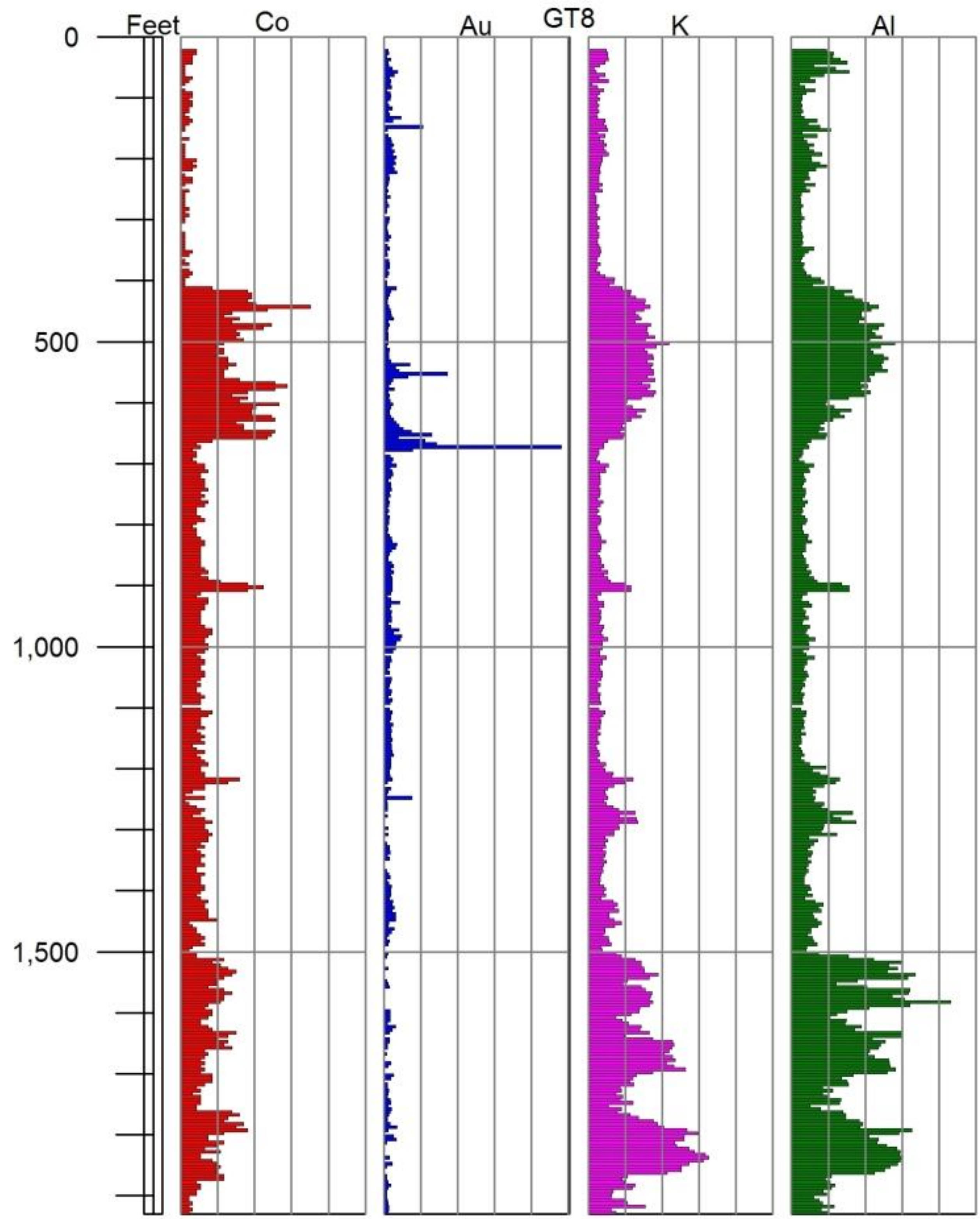


Figure 27. Histograms illustrating relative cobalt, gold, potassium, and aluminum concentrations in drill hole GT8, Golden Trail Project, Elko County, Nevada.

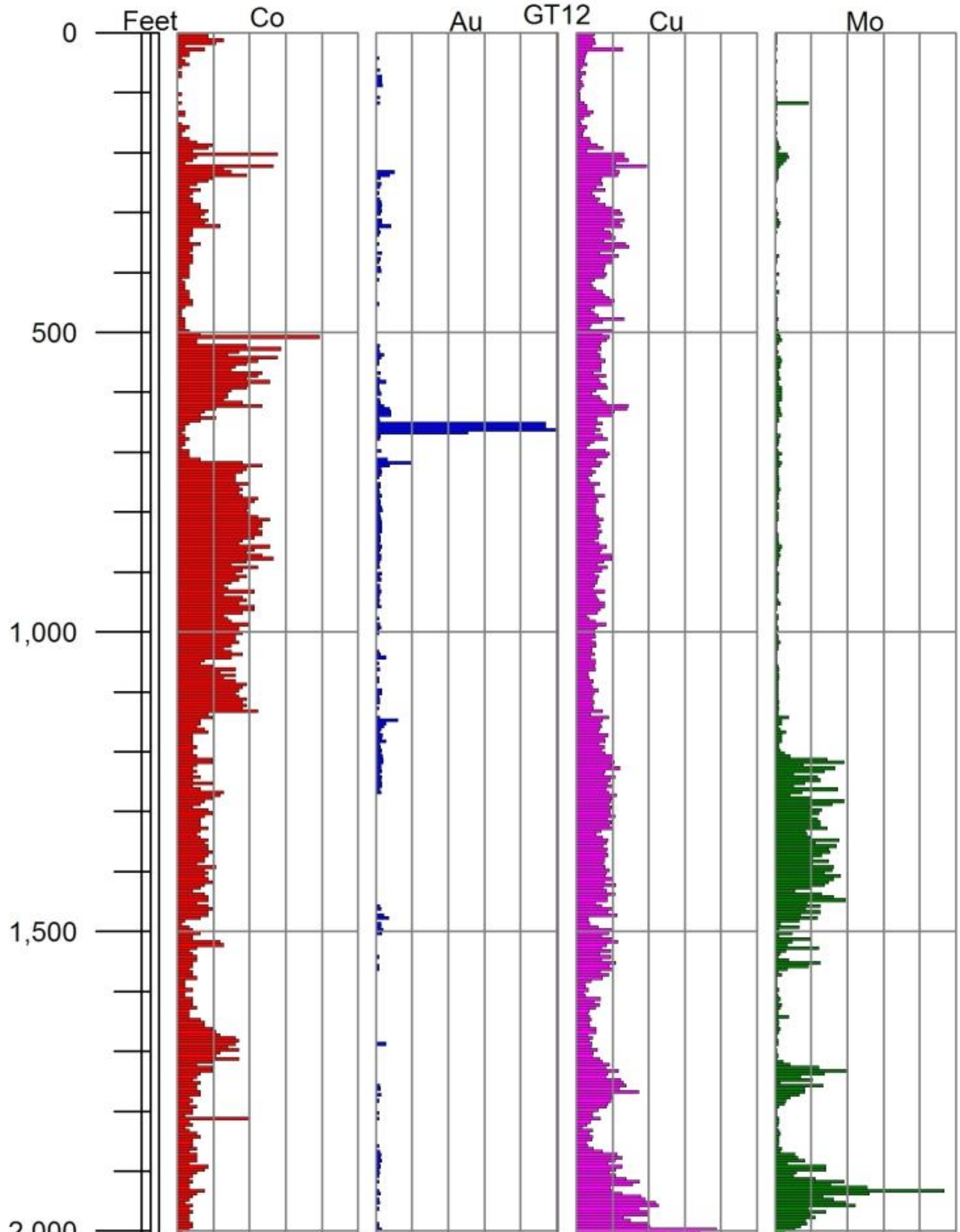


Figure 28. Histograms illustrating relative cobalt, gold, copper, and molybdenum concentrations in drill hole GT12, Golden Trail Project, Elko County, Nevada.

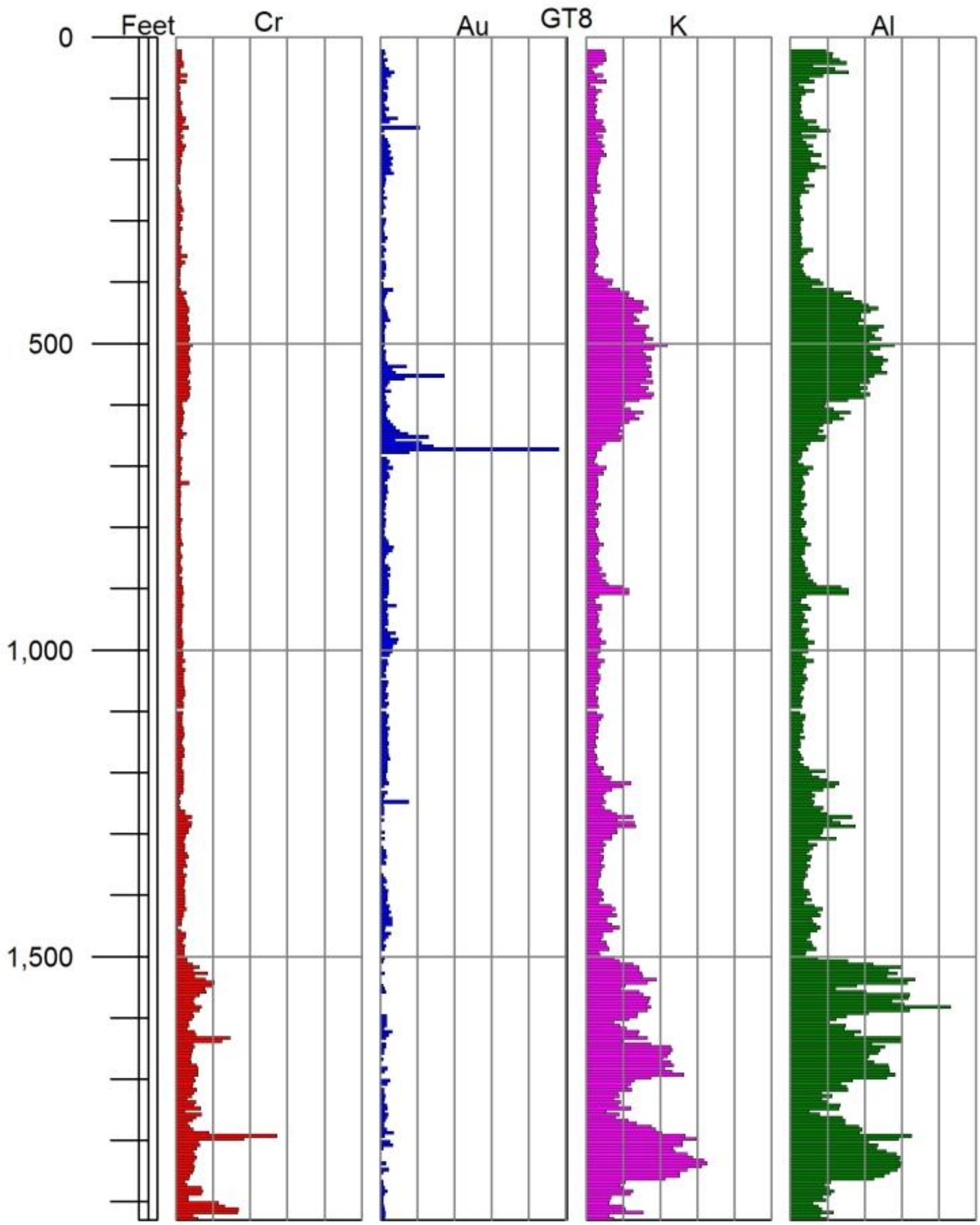


Figure 29. Histograms illustrating relative chromium, gold, potassium, and aluminum concentrations in drill hole GT8, Golden Trail Project, Elko County, Nevada.

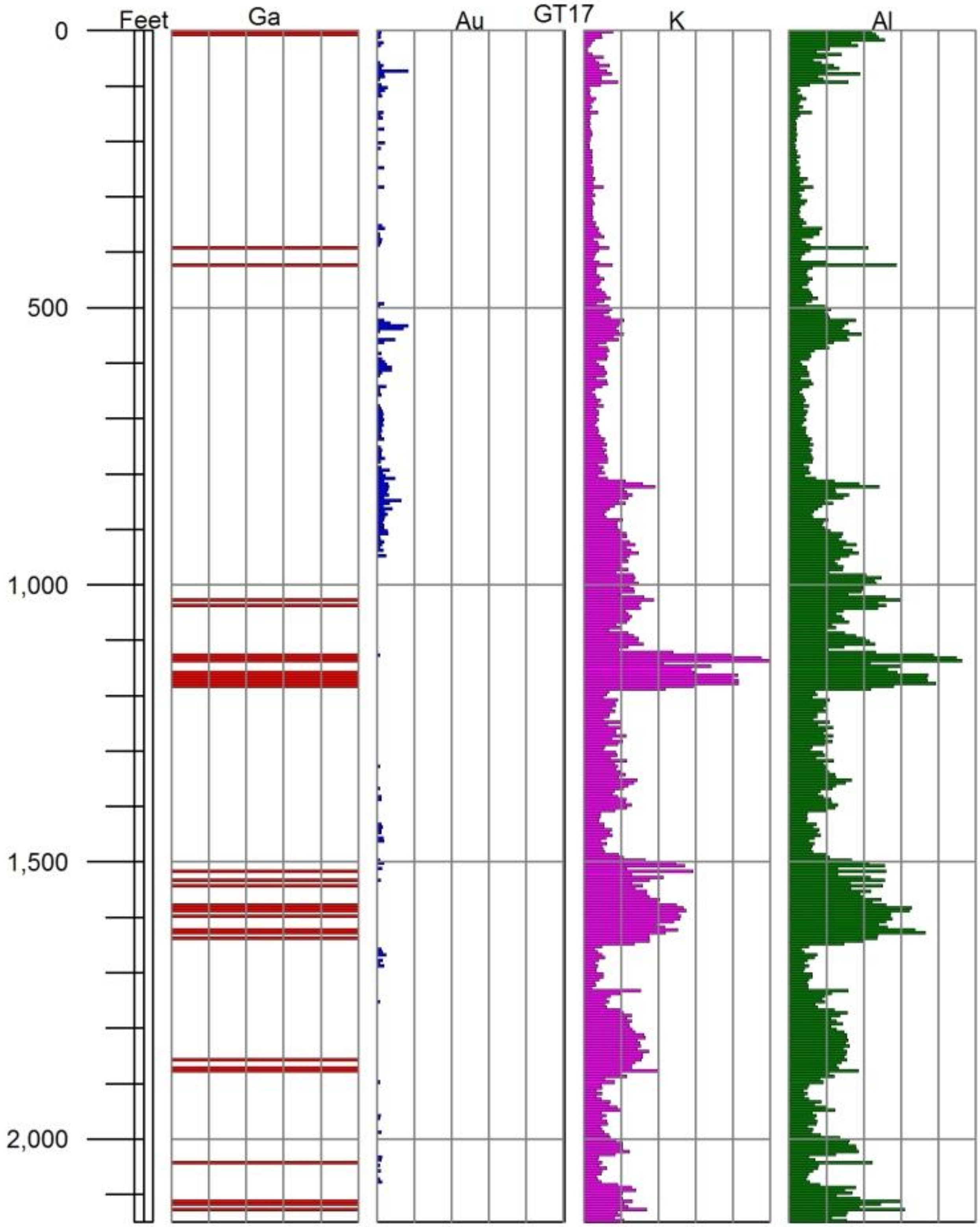


Figure 30. Histograms illustrating relative gallium, gold, potassium, and aluminum concentrations in drill hole GT17, Golden Trail Project, Elko County, Nevada.

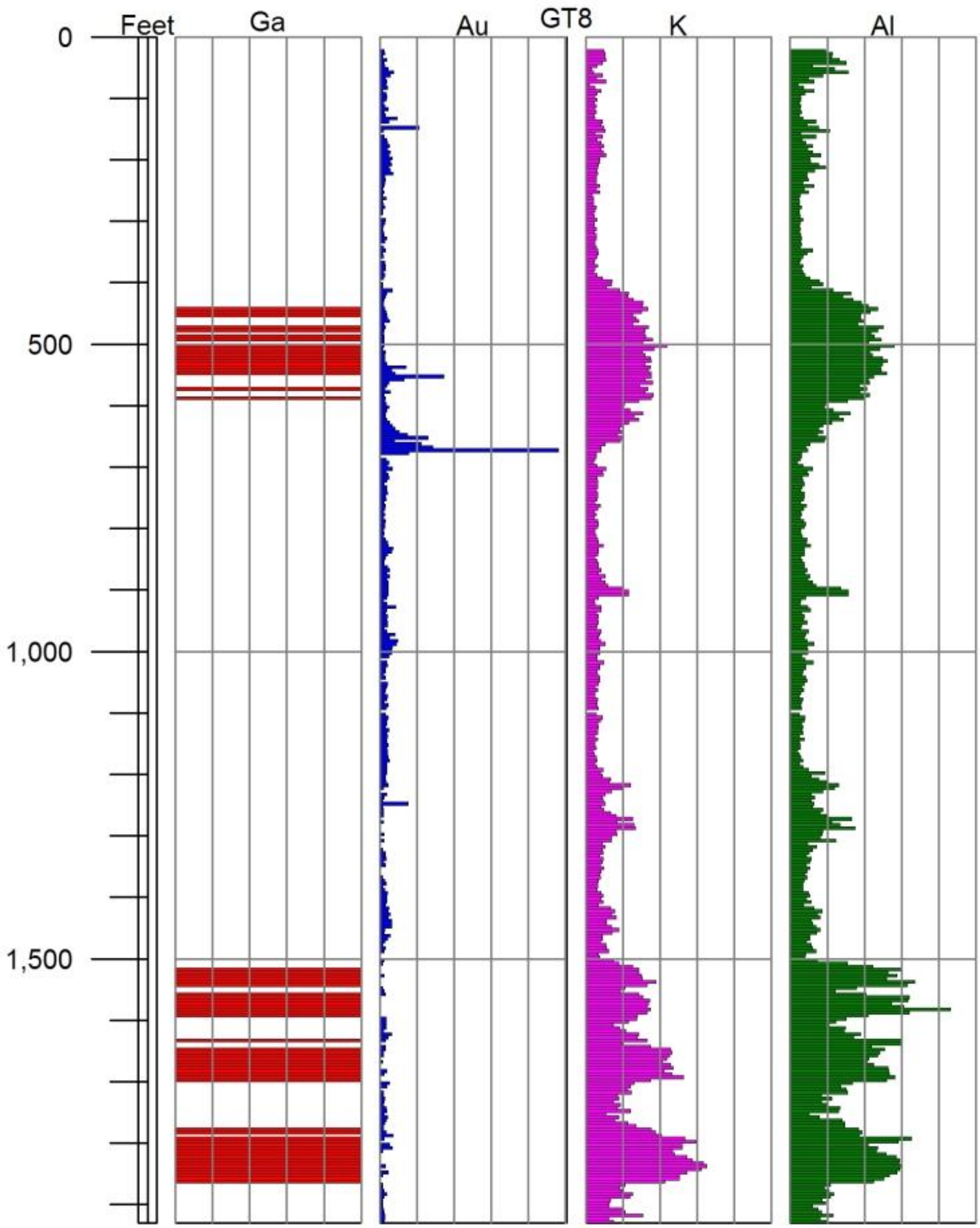


Figure 31. Histograms illustrating relative gallium, gold, potassium, and aluminum concentrations in drill hole GT8, Golden Trail Project, Elko County, Nevada.

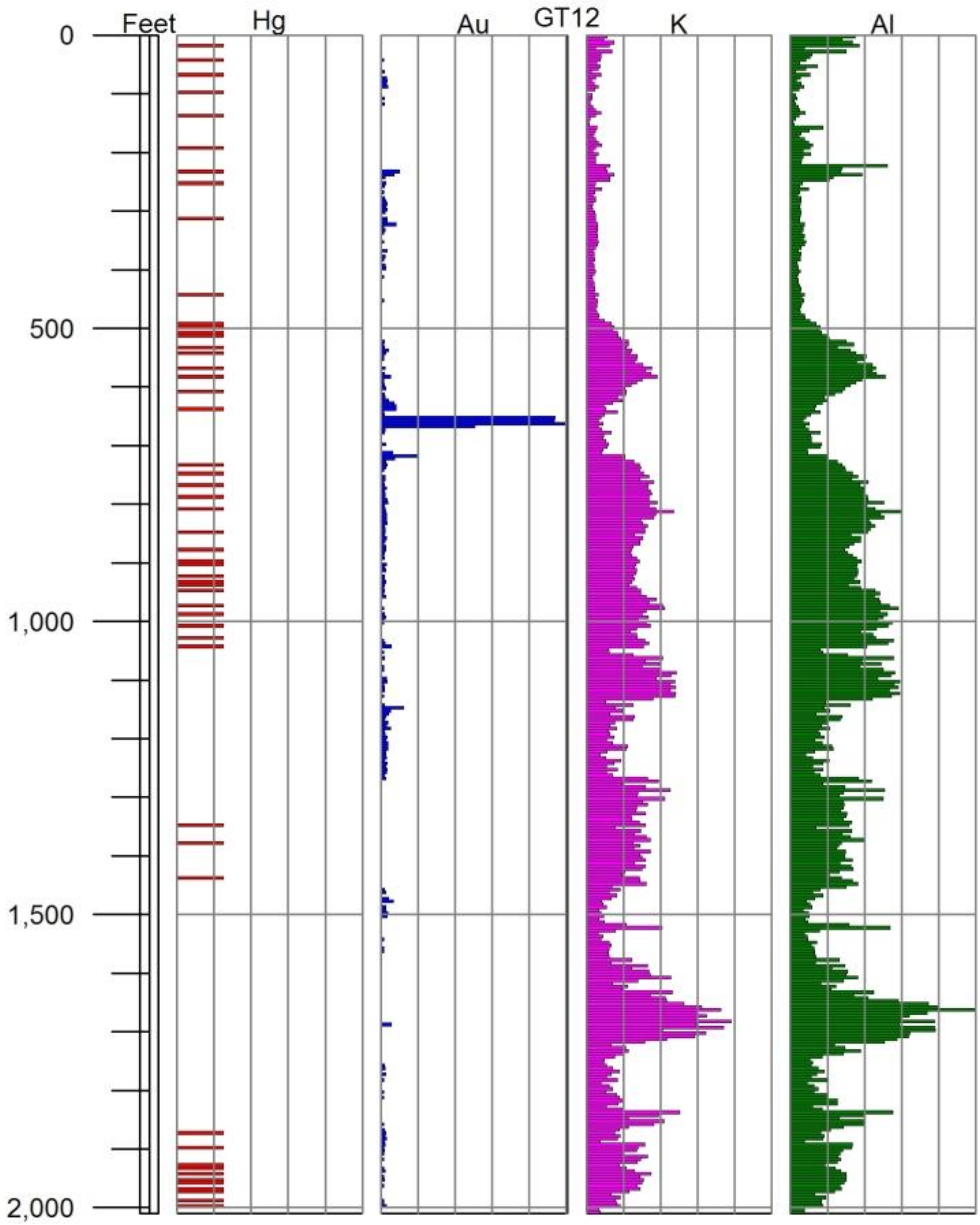


Figure 32. Histograms illustrating relative mercury, gold, potassium, and aluminum concentrations in drill hole GT12, Golden Trail Project, Elko County, Nevada.

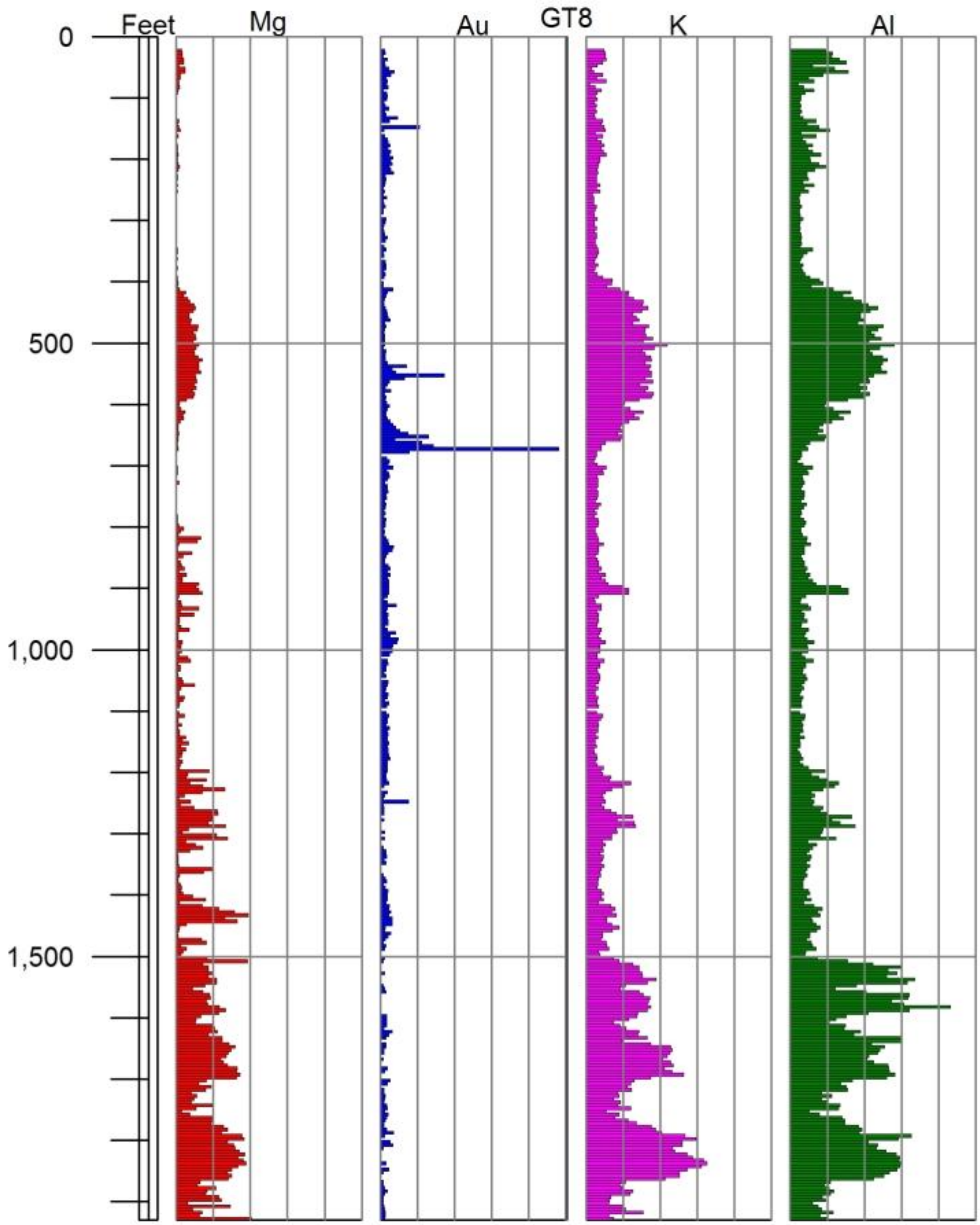


Figure 33. Histograms illustrating relative magnesium, gold, potassium, and aluminum concentrations in drill hole GT8, Golden Trail Project, Elko County, Nevada.

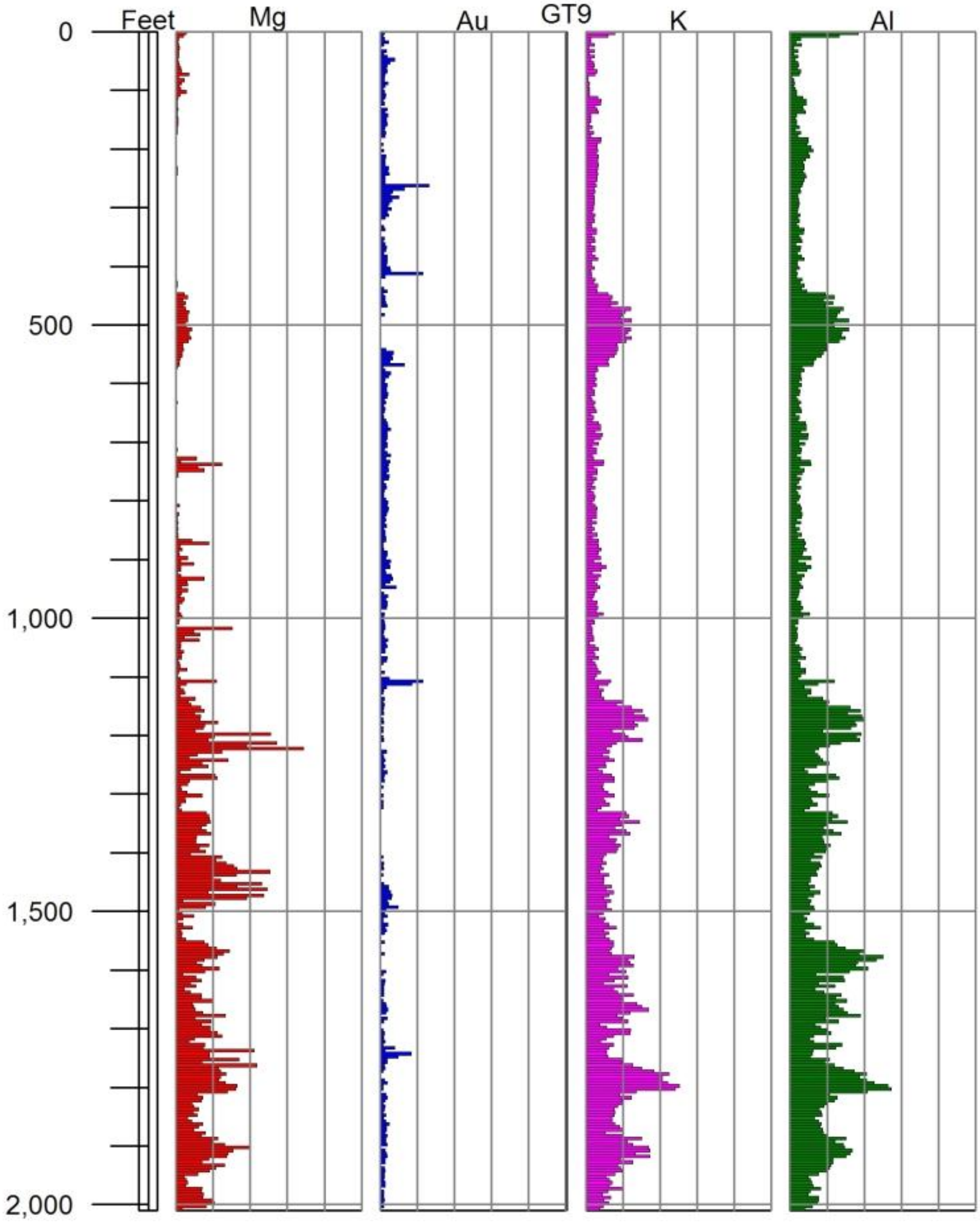


Figure 34. Histograms illustrating relative magnesium, gold, potassium, and aluminum concentrations in drill hole GT9, Golden Trail Project, Elko County, Nevada.

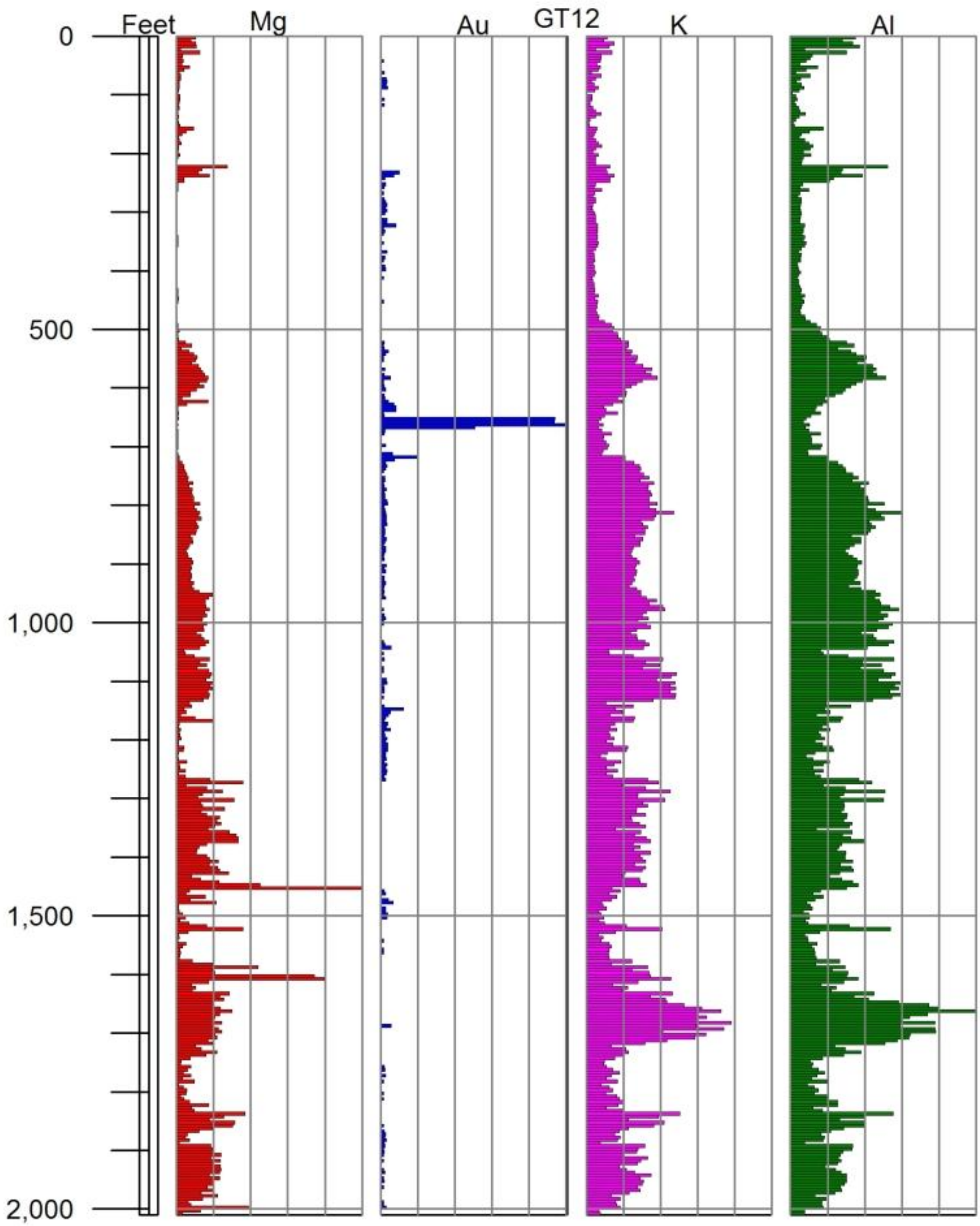


Figure 35. Histograms illustrating relative magnesium, gold, potassium, and aluminum concentrations in drill hole GT12, Golden Trail Project, Elko County, Nevada.

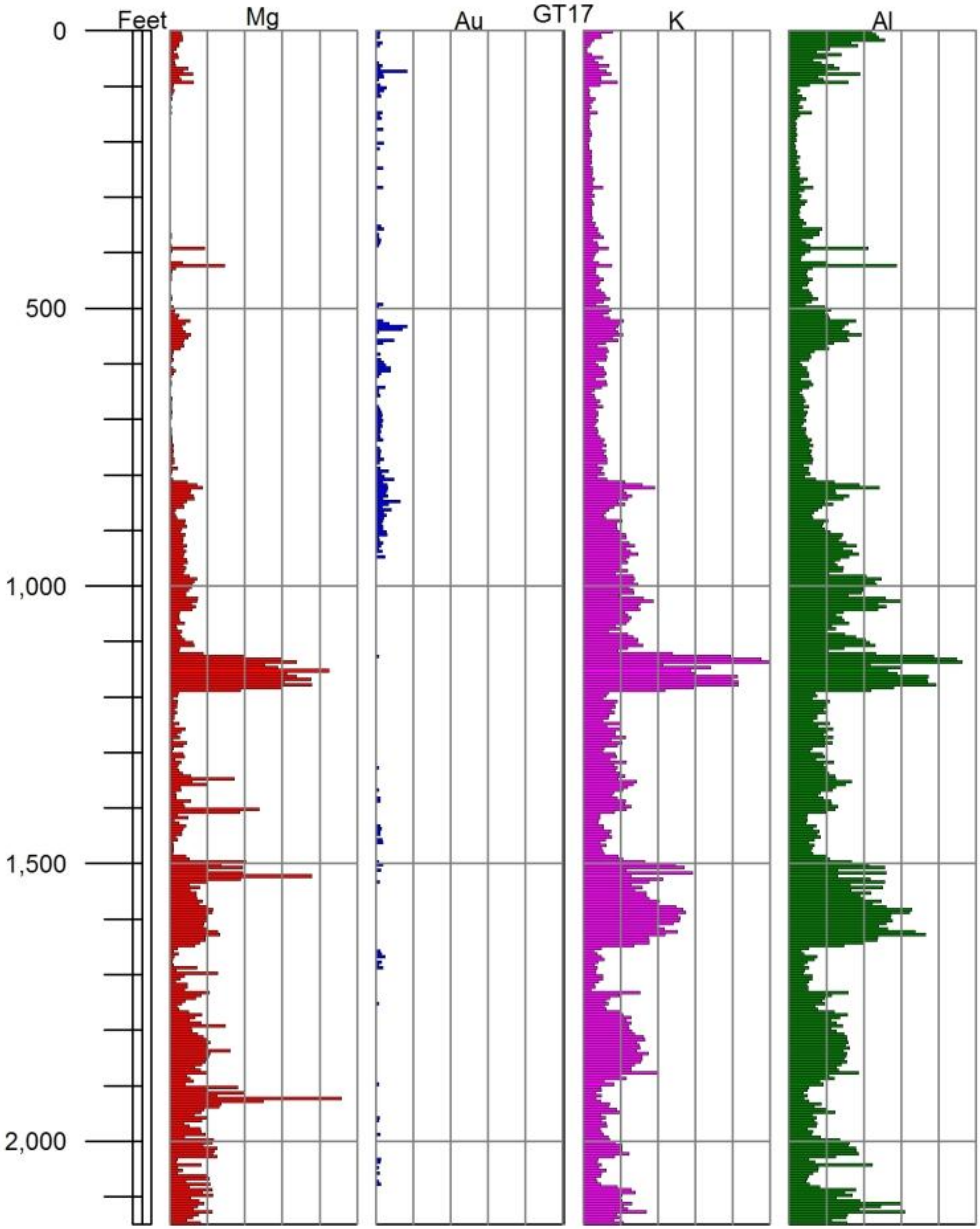


Figure 36. Histograms illustrating relative magnesium, gold, potassium, and aluminum concentrations in drill hole GT17, Golden Trail Project, Elko County, Nevada.

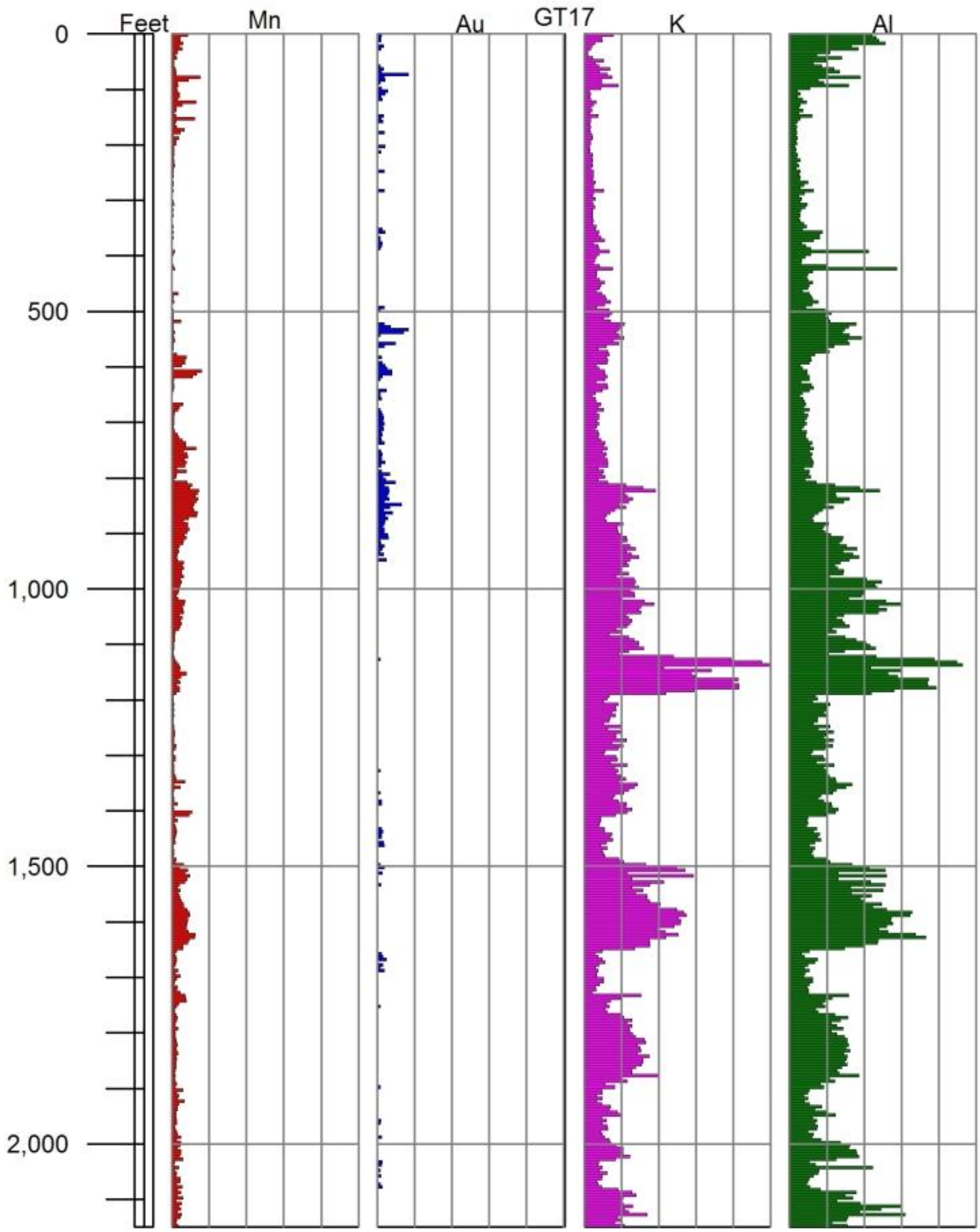


Figure 37. Histograms illustrating relative manganese, gold, potassium, and aluminum concentrations in drill hole GT17, Golden Trail Project, Elko County, Nevada.

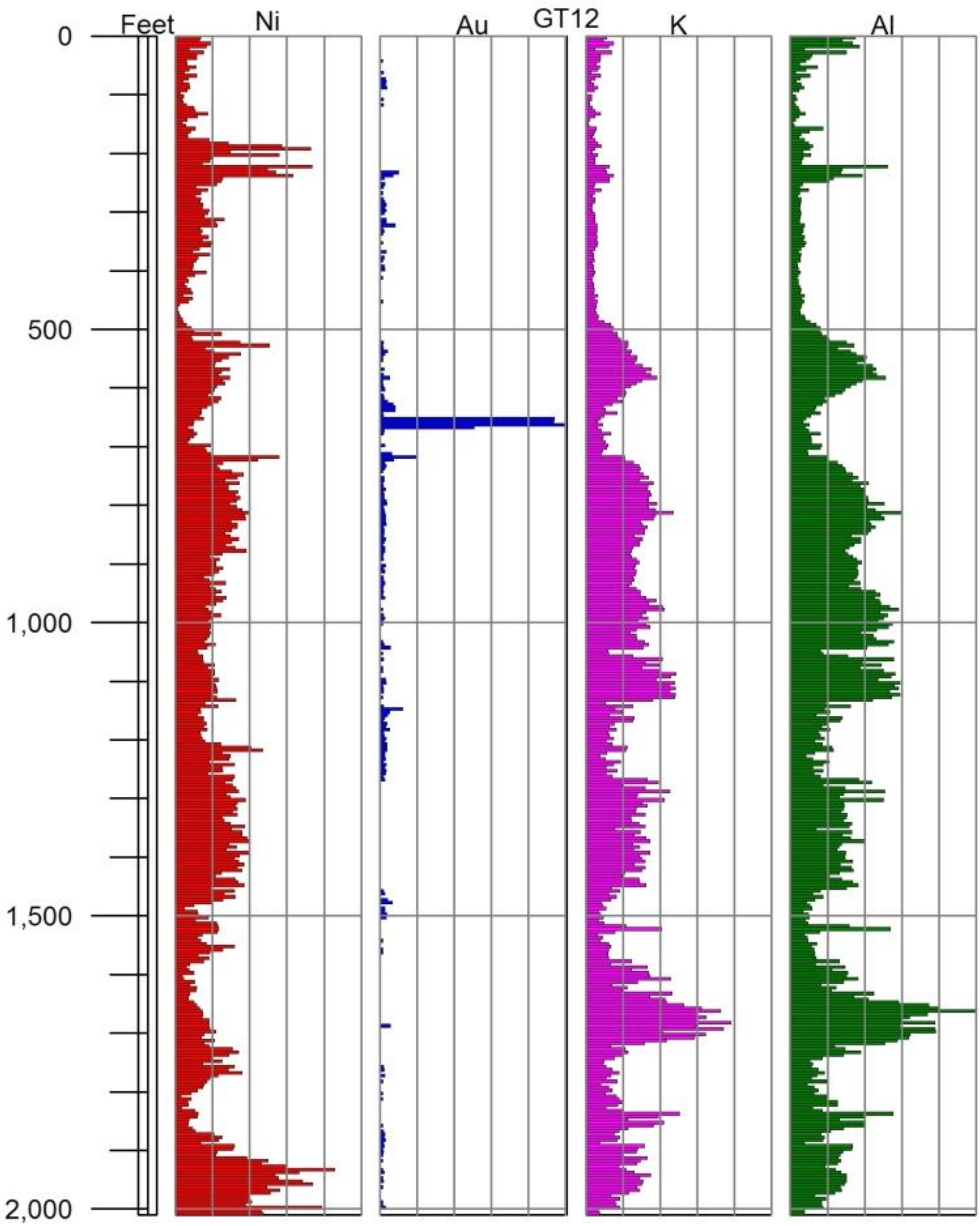


Figure 38. Histograms illustrating relative nickel, gold, potassium, and aluminum concentrations in drill hole GT12, Golden Trail Project, Elko County, Nevada.

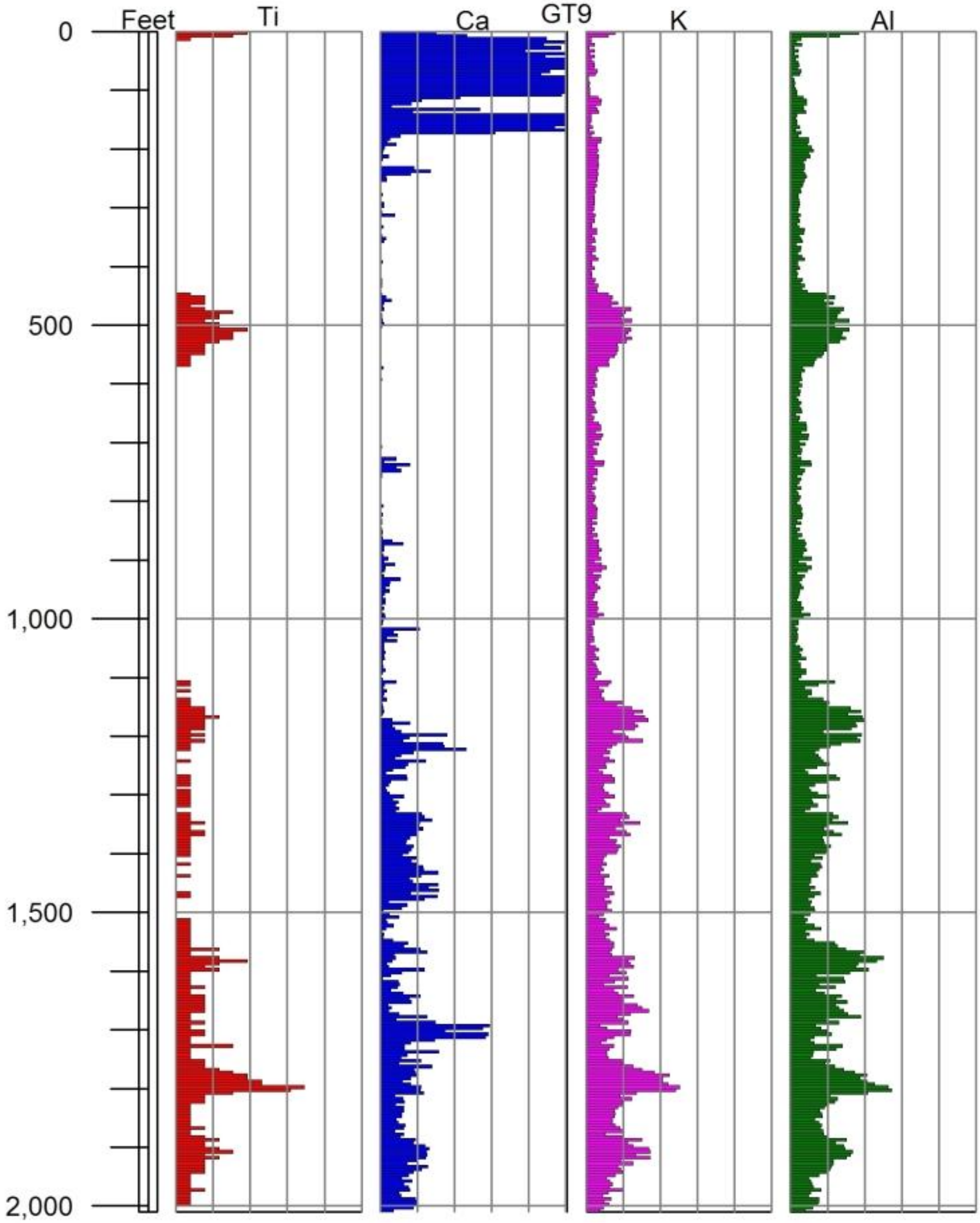


Figure 39. Histograms illustrating relative titanium, calcium, potassium, and aluminum concentrations in drill hole GT9, Golden Trail Project, Elko County, Nevada.

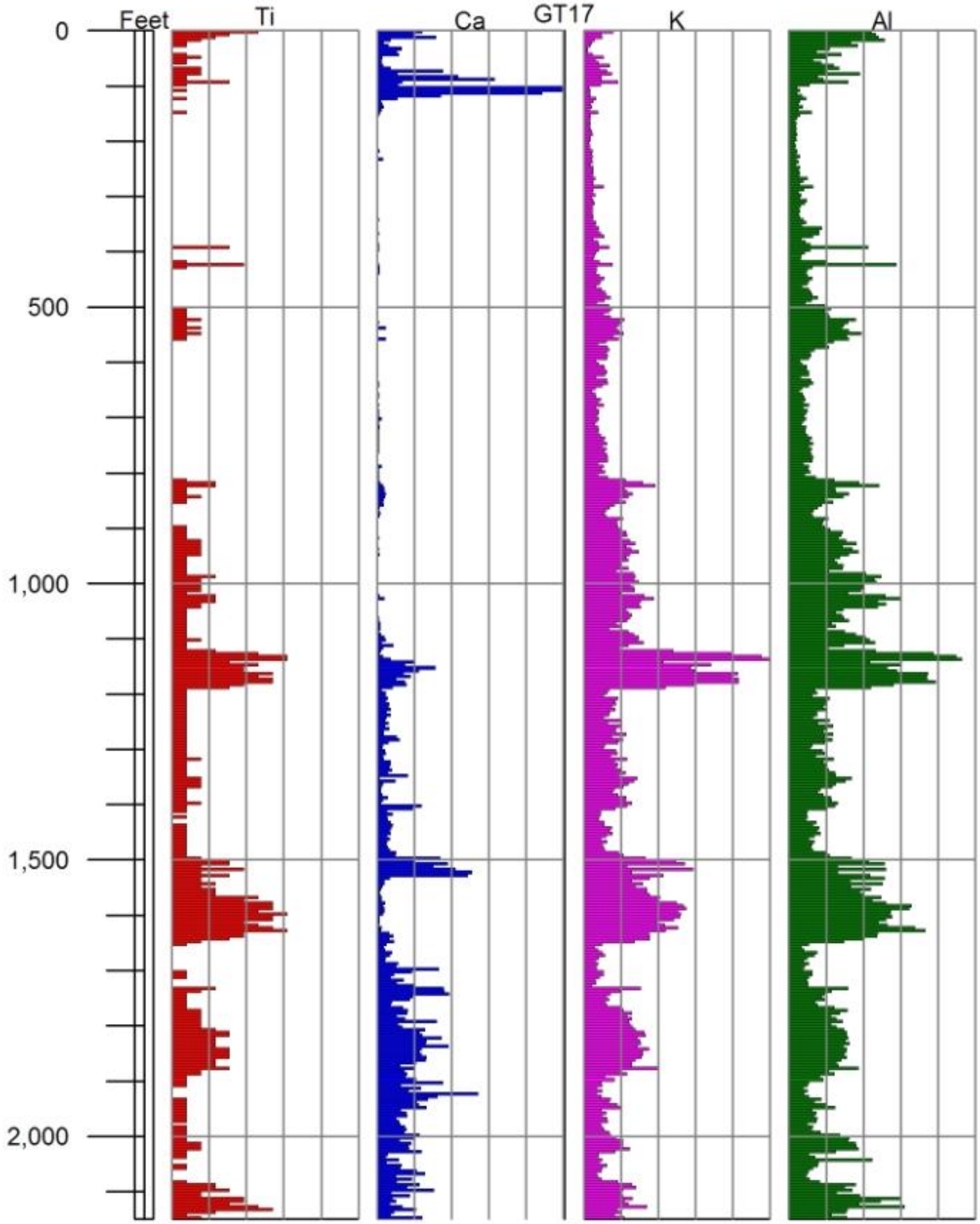


Figure 40. Histograms illustrating relative titanium, calcium, potassium, and aluminum concentrations in drill hole GT17, Golden Trail Project, Elko County, Nevada.

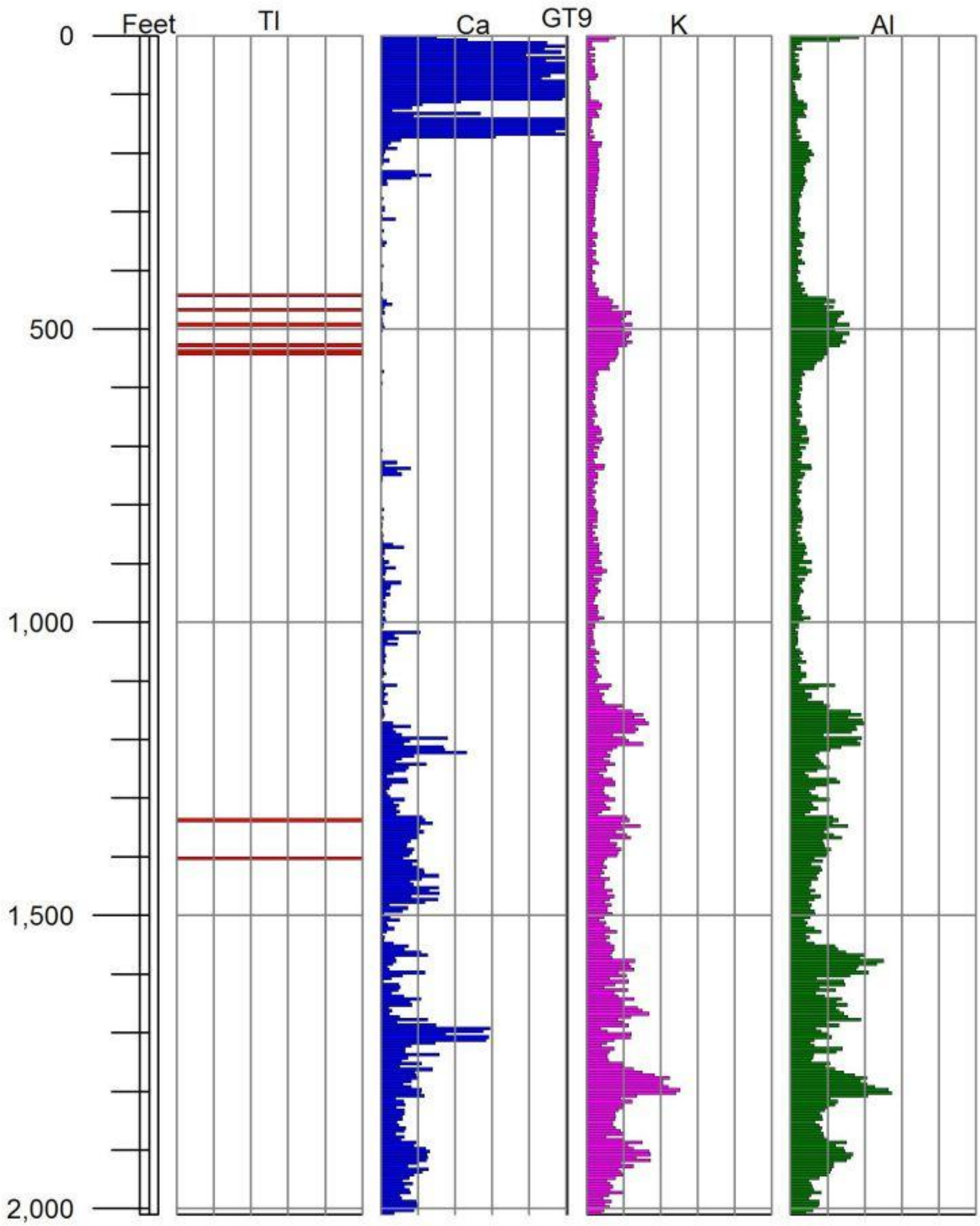


Figure 41. Histograms illustrating relative thallium, calcium, potassium, and aluminum concentrations in drill hole GT9, Golden Trail Project, Elko County, Nevada.

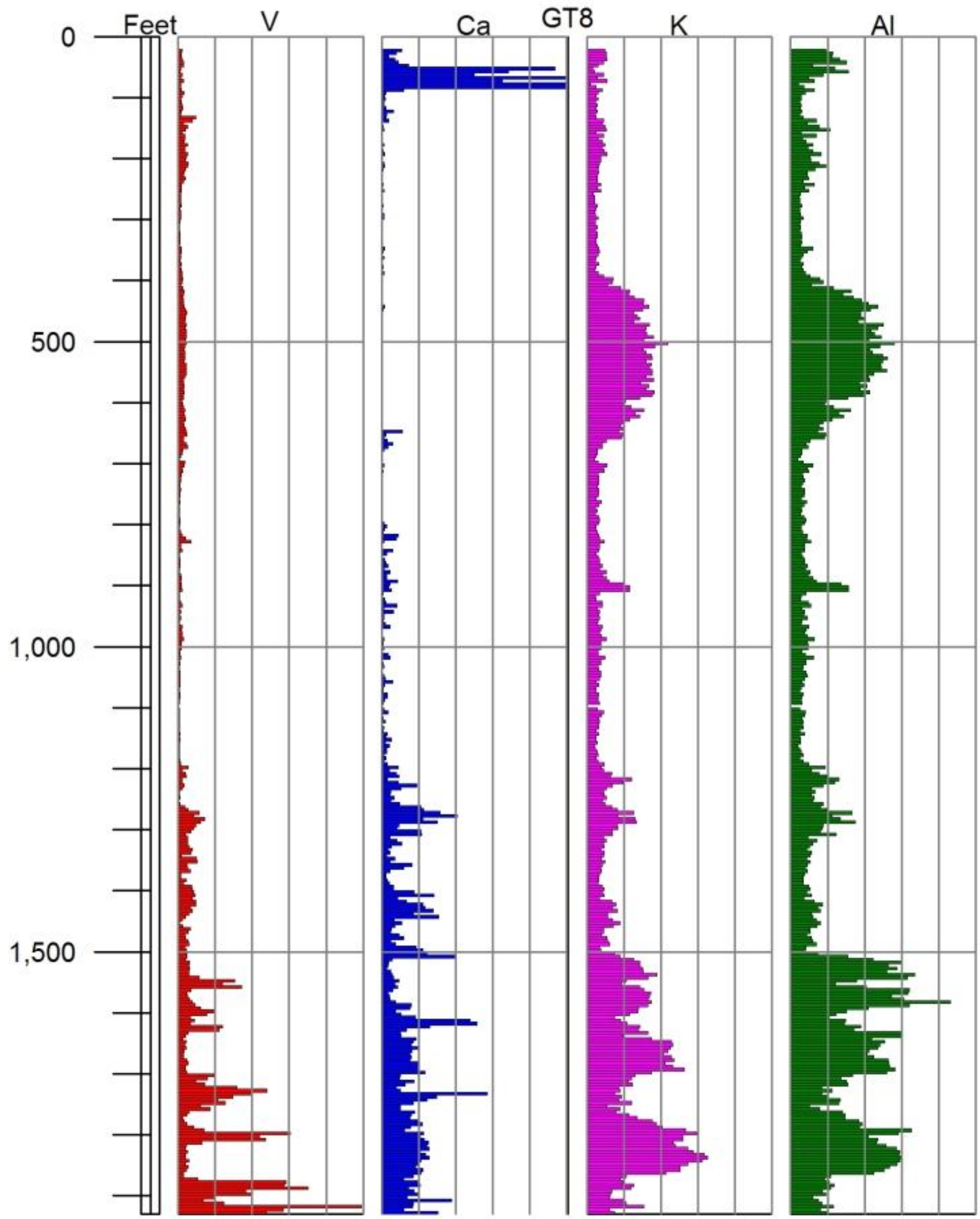


Figure 42. Histograms illustrating relative vanadium, calcium, potassium, and aluminum concentrations in drill hole GT8, Golden Trail Project, Elko County, Nevada.

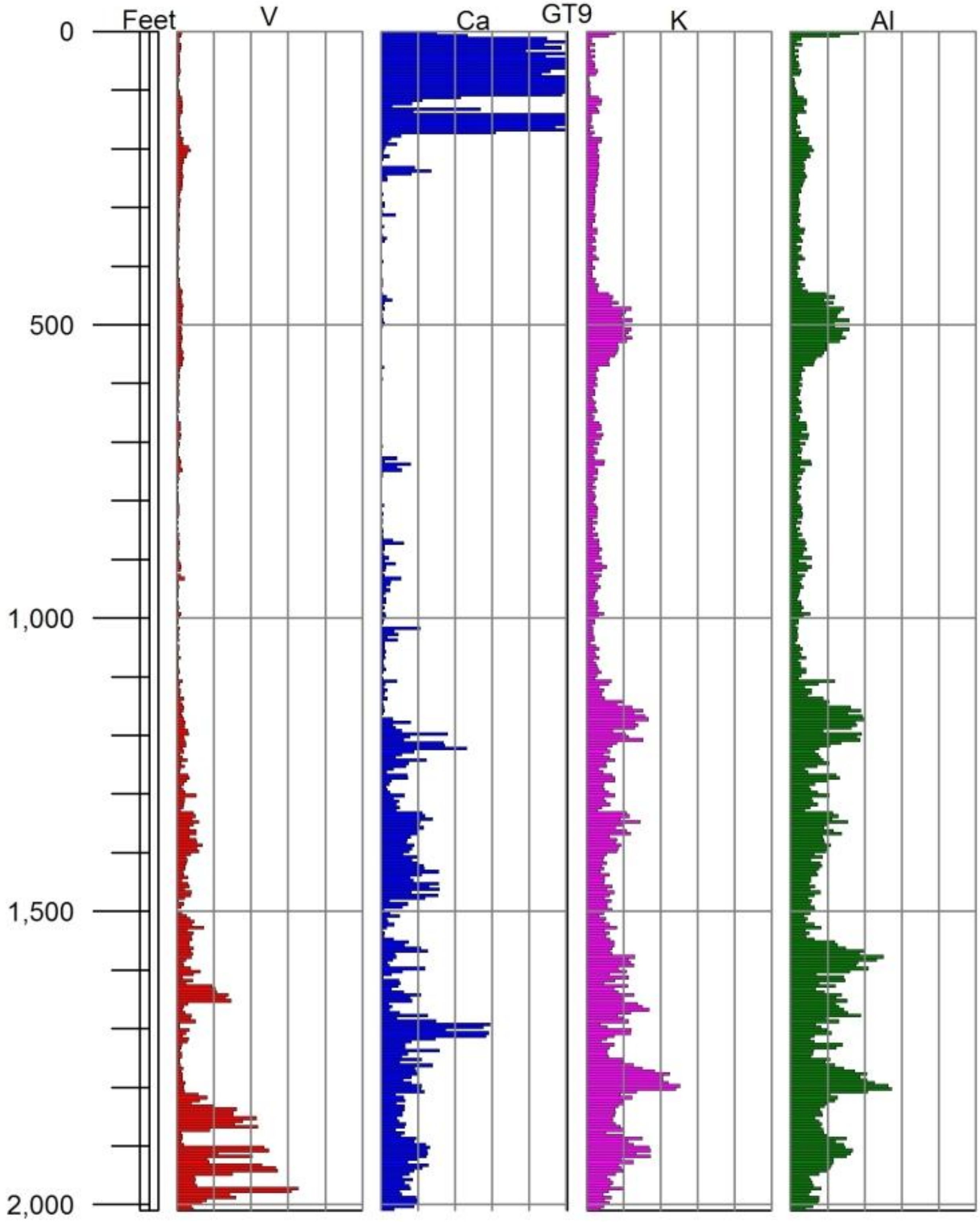


Figure 43. Histograms illustrating relative vanadium, calcium, potassium, and aluminum concentrations in drill hole GT9, Golden Trail Project, Elko County, Nevada.

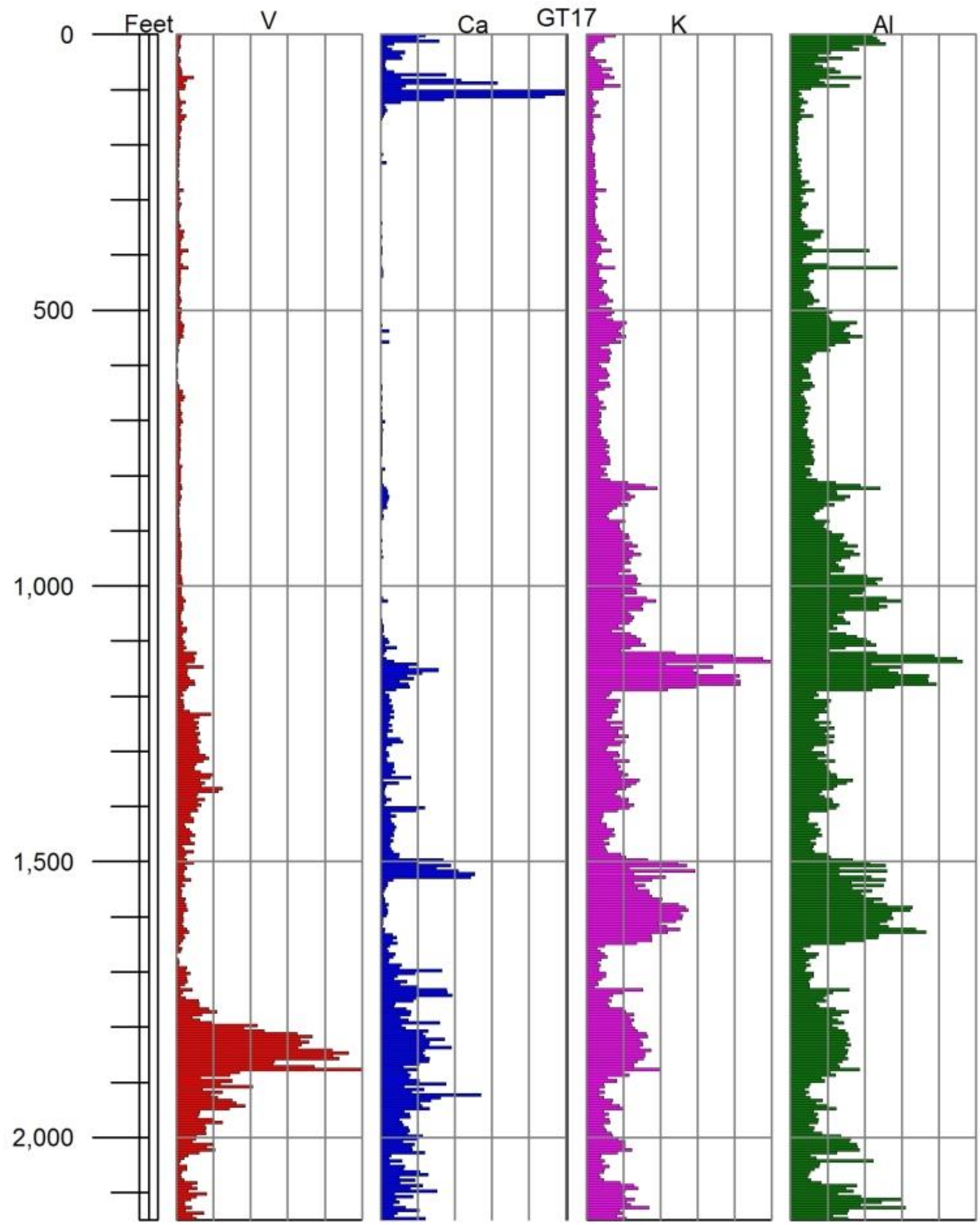


Figure 44. Histograms illustrating relative vanadium, calcium, potassium, and aluminum concentrations in drill hole GT17, Golden Trail Project, Elko County, Nevada.

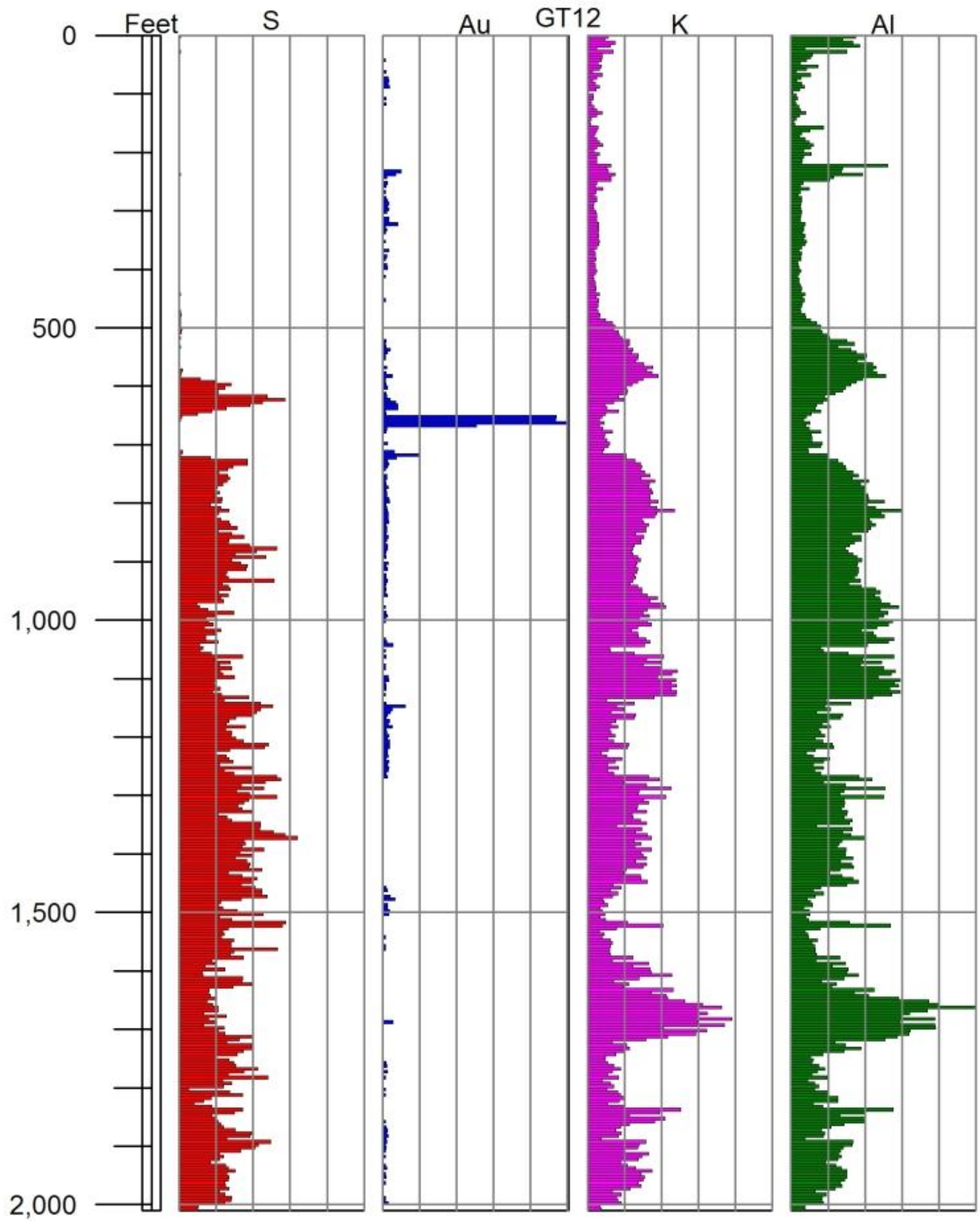


Figure 45. Histograms illustrating relative sulfur, gold, potassium, and aluminum concentrations in drill hole GT12, Golden Trail Project, Elko County, Nevada.

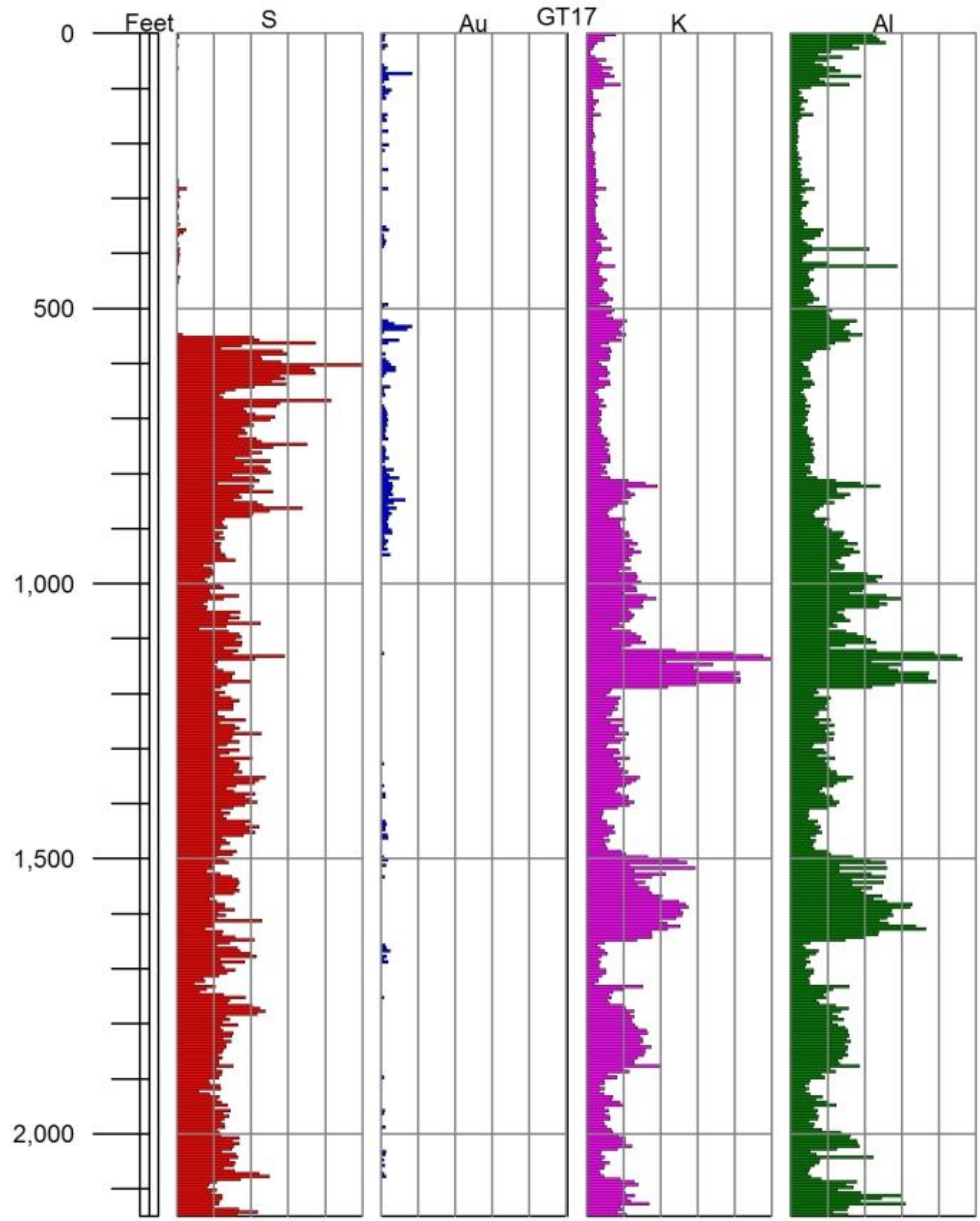


Figure 46. Histograms illustrating relative sulfur, gold, potassium, and aluminum concentrations in drill hole GT17, Golden Trail Project, Elko County, Nevada.

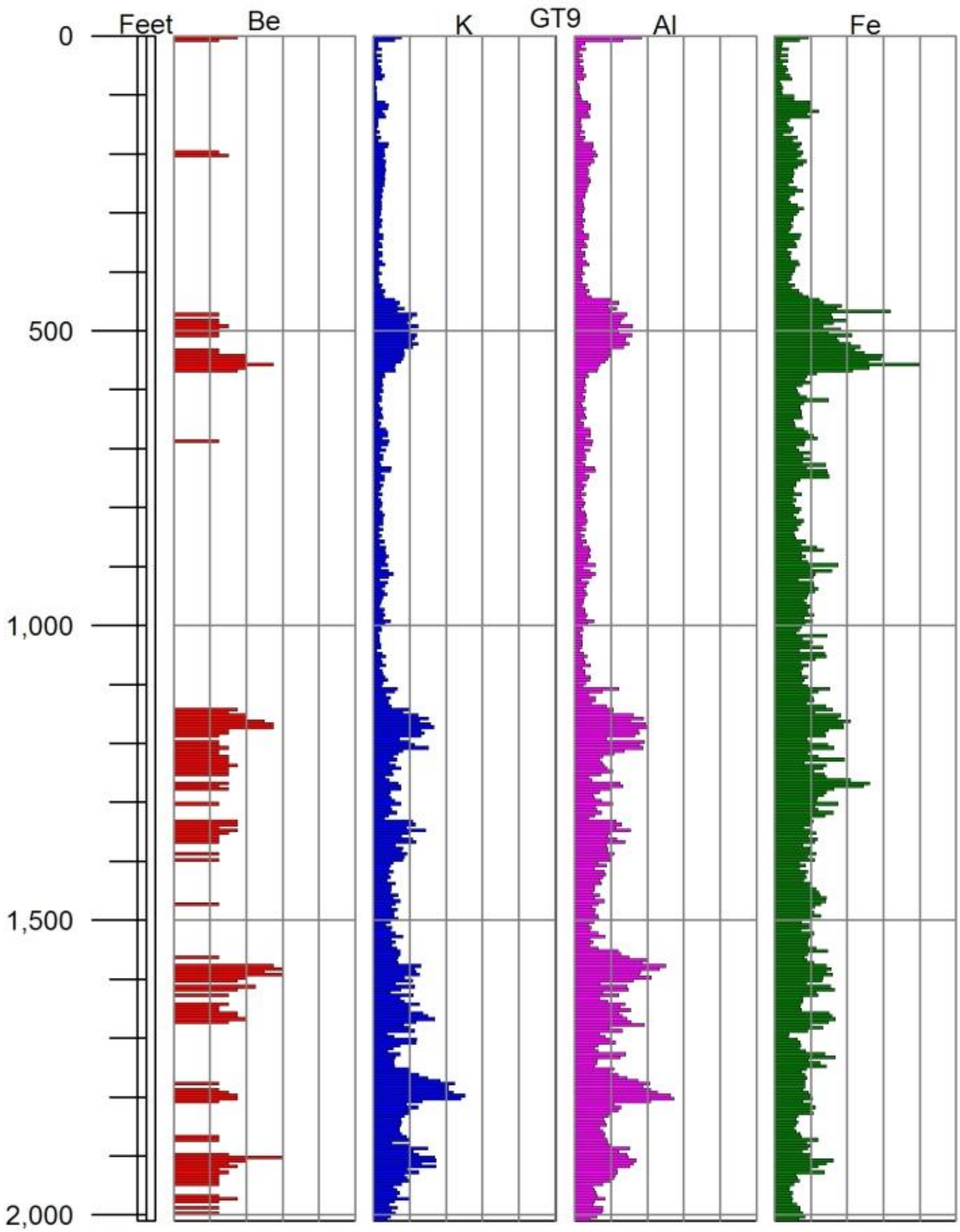


Figure 47. Histograms illustrating relative beryllium, potassium, aluminum, and iron concentrations in drill hole GT9, Golden Trail Project, Elko County, Nevada.

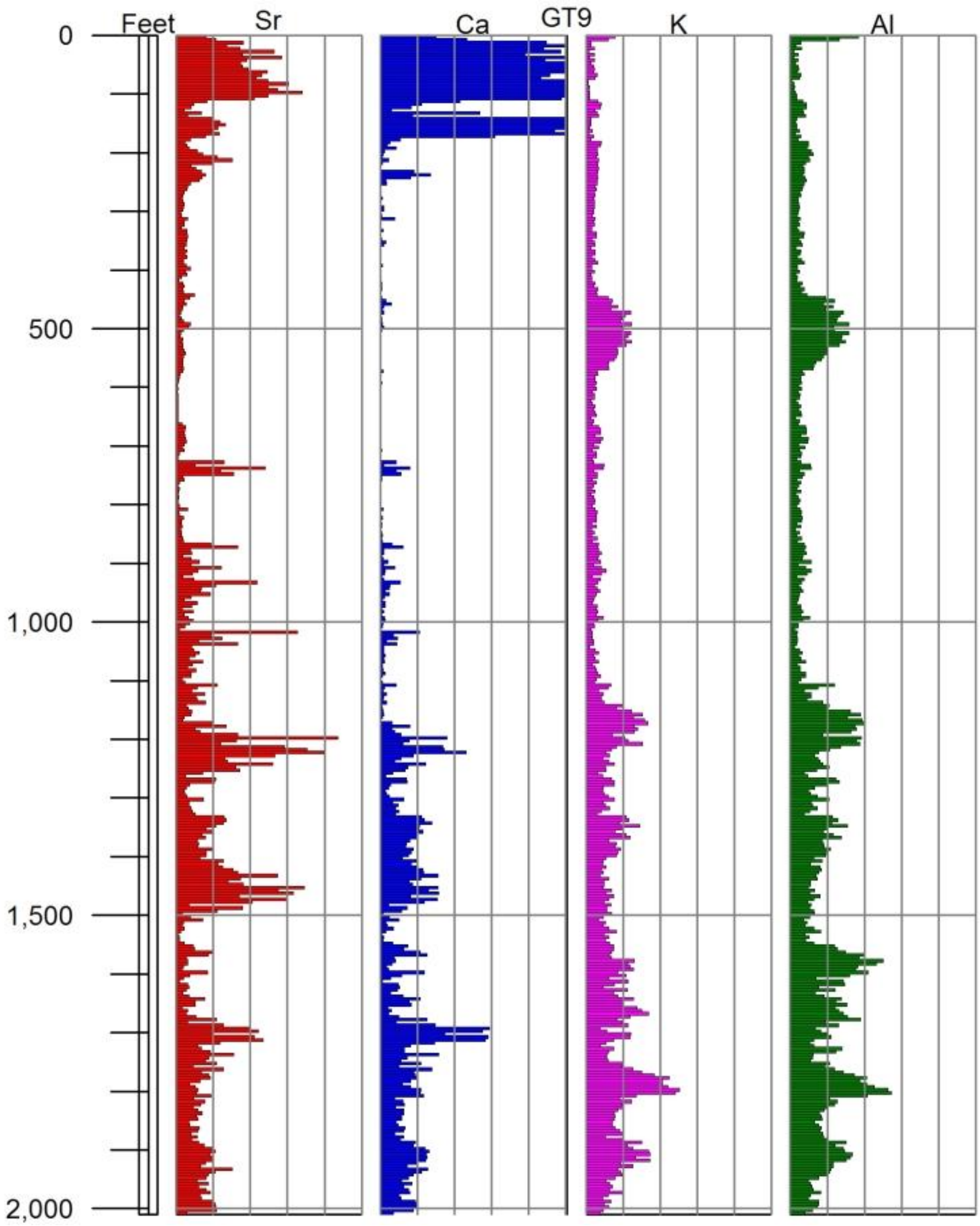


Figure 48. Histograms illustrating relative strontium, calcium, potassium, and aluminum concentrations in drill hole GT9, Golden Trail Project, Elko County, Nevada.

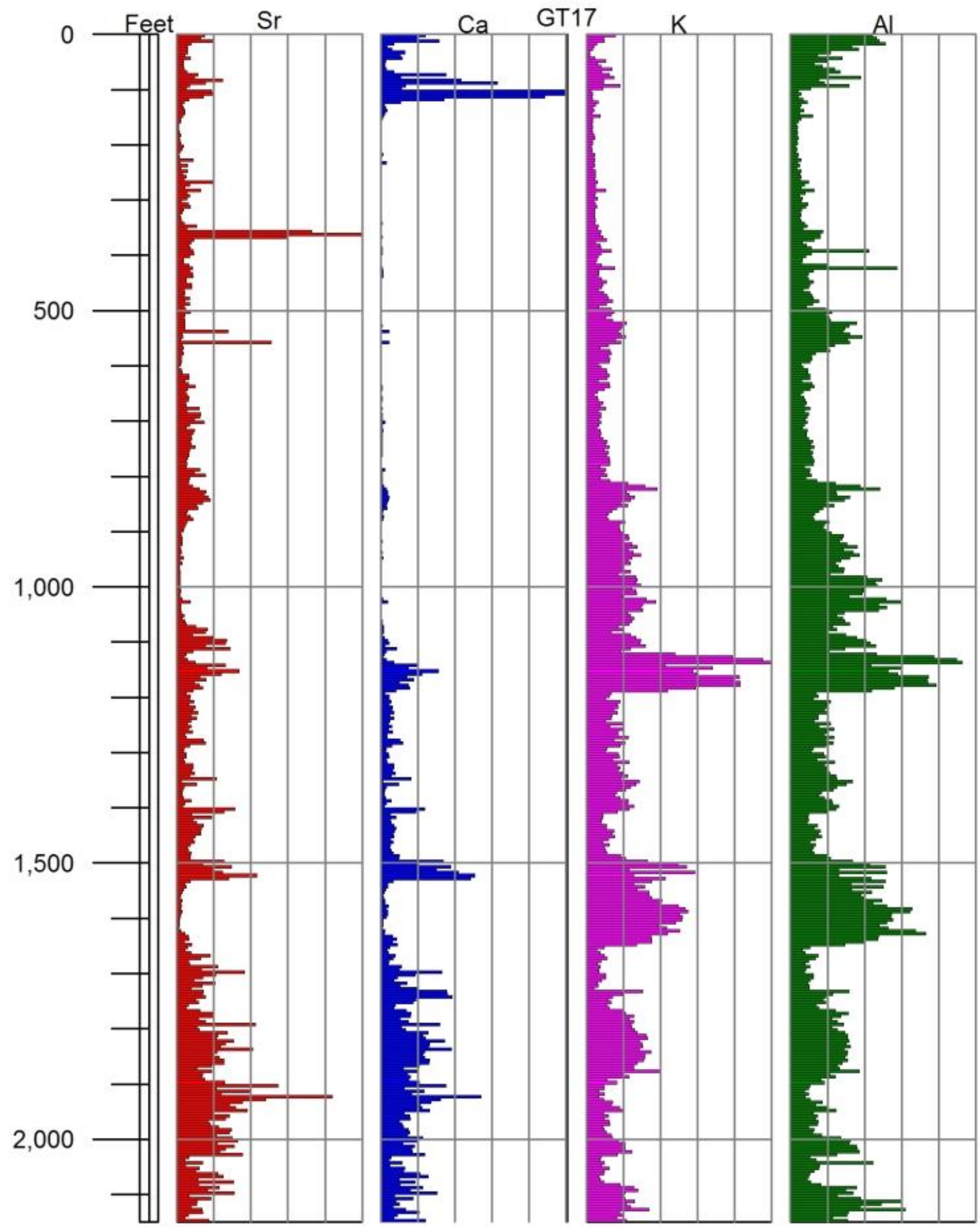


Figure 49. Histograms illustrating relative strontium, calcium, potassium, and aluminum concentrations in drill hole GT17, Golden Trail Project, Elko County, Nevada.

11.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

During 2004, 2005, and 2006 field seasons, all samples were collected and described by professional geologists under the direction of Marston, a recognized international mining and consulting firm with headquarters in St. Louis, Missouri and branch offices in Denver, CO, San Antonio, TX, Calgary, Canada and New South Wales, Australia. Subsequent sampling, in 2007, was by professional geologists employed by Gold Reef and under the supervision of Richard C. Capps, Vice-president of Exploration for Gold Reef International, Inc. at that time. Rock chip sample locations were recorded on portable GPS units, samples were transported by truck to Chemex's preparation laboratory facility at Elko, Nevada. Periodic sample checks were performed by Chemex (now ALS Minerals).

11.1 Rock-Chip and Soil Sampling

A total of 996 surface rock chip samples were analyzed for gold (fire assay and AA finish in ppb) and standard 32-element ICP-AES analysis by Chemex Labs, Inc. Two to four kilograms samples were collected from all exposed in place rock outcrops to determine which of the exposed rock units contained evidence of mineralization. The samples were not reduced in size. Where historic mine workings were encountered, rock chip samples were collected from all rock types present. All sample site locations were recorded utilizing GPS units with one-meter accuracy. Samples were described in detail and pictures taken with a digital camera for inclusion in a relational database.

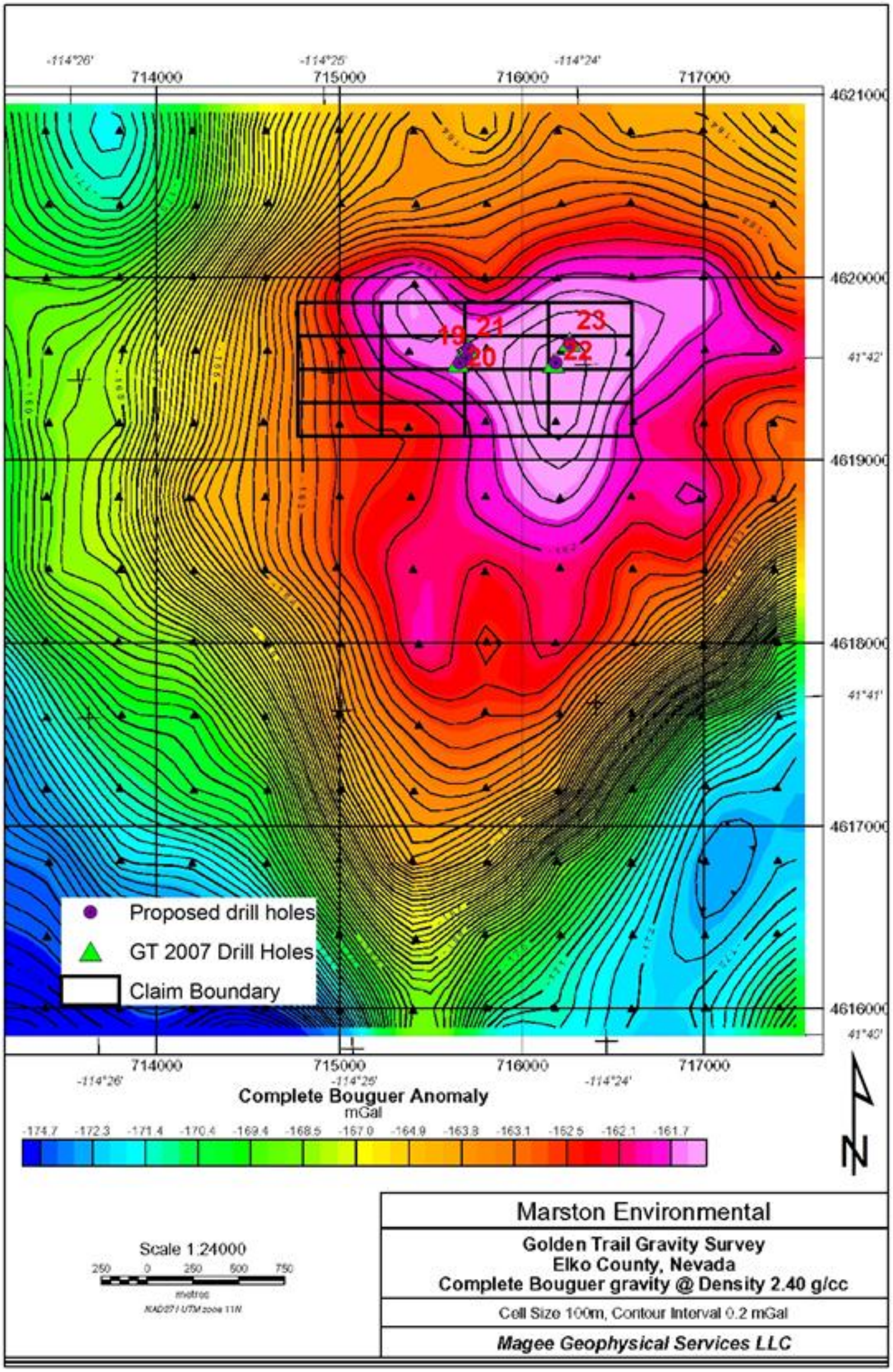


Figure 50. Complete Bouguer Gravity at the Golden Trail Project, Elko County, Nevada and locations of proposed and drilled drill holes (Density = 2.4 g/cc, Cell size = 100 m, and CI = 0.2 mGal).

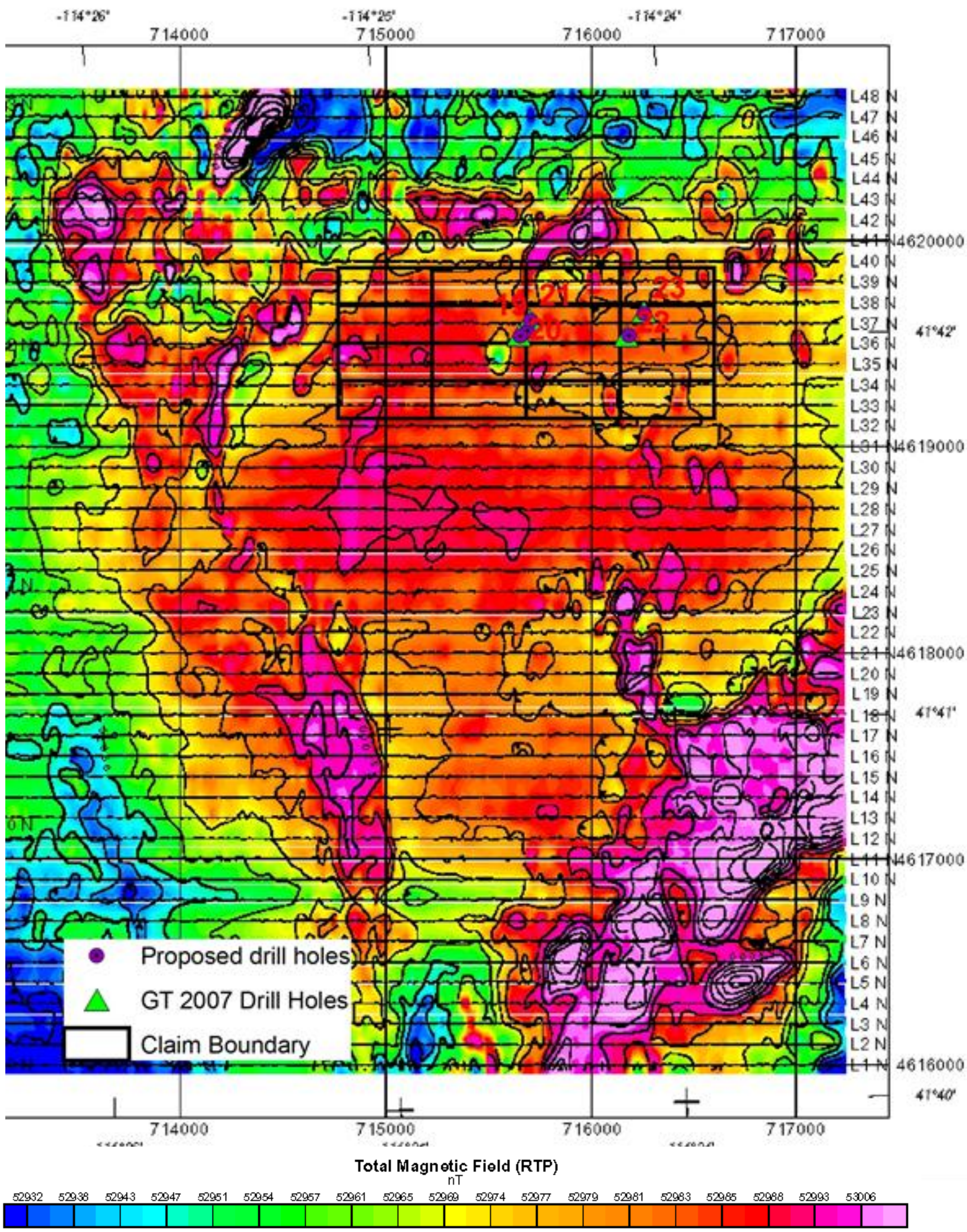


Figure 51. Ground Magnetics Survey at the Golden Trail Project, Elko County, Nevada (Total Magnetic Field Reduced to Pole, Cell Size = 25 m and CI = 10 nT). Bright anomalies around the claim boundaries are from post-mineralization unconsolidated volcaniclastic sediments. Northwest-trending anomalies within the claims are trend with zones of thermal metamorphism, hydrothermal/metasomatic alteration, and precious and base metal mineralization.

11.2 Drill Samples

Drill samples were collected on a continuous five-foot interval basis, sample trays photographed and incorporated into a relational database. Two duplicate sets of samples were archived for future reference. All samples collected for assay were depth labeled and picked up by Chemex at the Issuer's storage facility in Wells to ensure secure chain of custody. Duplicate samples are archived and stored in Wells, Nevada for verification and due diligence studies.

12.0 DATA VERIFICATION

The author has become familiar with the regional and property geology. The validity of all interpretations is discussed in each appropriate section of the report. The author is confident that the sampling data, mostly collected under the supervision of Marston, is reliable.

The QP for this report, Richard C. Capps, was provided with Chemex assay sheets and trace element values. The data plotted on maps shown to the QP accurately represents the source documentation.

13. MINERAL PROCESSING AND METALLURGICAL TESTING

The author is not aware of any metallurgical testing of materials at the Golden Trail Project.

14. MINERAL RESOURCE ESTIMATES

The Golden Trail Project is at a relatively early period of exploration, and the author is not aware of any mineral resource estimates.

15.0 ADJACENT PROPERTIES

In November 2011, Newmont Mining Corporation located 211 claims (DIA 1 through DIA 211 contiguous with and surrounding all 16 Montana Gold claims at Golden Trail. The overall Newmont claim block covers most of the area previously held by Gold Reef.

About two miles west of the Golden Trail claims, there is a claim block consisting of about 119 public claims (Opal Springs) located by Mexivada Mining Corp. Based on information available on their website, Mexivada is exploring for*: "1) an early stage Jurassic to Eocene age Bald Mountain- or Carlin-style gold-silver system, 2) late vein-type uranium-molybdenum vein systems of Tertiary age, superimposed on the earlier gold systems, associated with the ending phase of the highly radiogenic Opal Spring Volcanics, and 3) possibly an intermediate age Midas-type gold-silver system formed with a hydrothermal pulse at the start of the Opal Spring Volcanics period*

16.0 OTHER RELEVANT DATA AND INFORMATION

The author is not aware of any additional information that requires inclusion in this technical report to make the report complete and not misleading.

17.0 INTERPRETATION AND CONCLUSIONS

The Golden Trail Project is centered on over a 10 square kilometer zone of thermal metamorphism which includes large areas of decalcified and silica replaced Paleozoic limestone and calcareous sandstone. Gold and base metal mineralization is hosted within northwest-striking zones of dilation associated with thermal metamorphism within the recently identified Eastern Nevada Gold Trend. The zones contain numerous high-angle gold-bearing veins, and adjacent replacement zones within the northwest-striking zone of thermal metamorphism. The largest vein and related replacement/dilation zone, the Golden Trail Vein, is over 1,200 meters long, and has an associated alteration zone that averages about 30 meters wide. The results of Phase 1 exploration drilling, rock chip geochemistry, gravity and ground magnetic surveys define this northwest trend of veining and alteration. North-northeast trending of faults of small displacement cut the northwest-trending zone.

Positive gravity and magnetic anomalies are centered on the northwest-trending zone of mineralization, thermal metamorphism, veining, and hydrothermal/metasomatic alteration. These anomalies are likely due to calcsilicate skarn surrounding a possible monzonitic/granitic intrusion, at depth (Figures 52 and 53). The postulated intrusive may be similar to the felsic intrusive drilled by Mine Finders, Inc. in 1973 and discussed in the current report.

The mineralization at Golden Trail is associated with retrograde metamorphism and hydrothermal/metasomatic minerals and alteration. Mineralization apparently is associated with late stages of alteration, when the hydrothermal system was collapsing and telescoping inward and downward.

The large area of alteration and gold mineralization, reactive host rocks, siliceous capping rocks, abundant high-angle veins and stockworks are comparable to other areas containing significant gold deposits. For example, sediment-hosted gold deposits of the Eastern Nevada Trend are currently being developed by Newmont Mining in the Pequop Range to the south of Golden Trail.

18.0 RECOMMENDATIONS

The results of Phase 1 drilling, geologic mapping, rock chip geochemistry and geophysical surveys delineate mineralized zones that warrant further exploration.

A Phase-two drilling program is recommended to test for skarn, vein, and sediment hosted mineralization, including Carlin style disseminated mineralization, in the Paleozoic sedimentary units coincident with the gravity high and within structurally related zones of replacement and decalcification. The Phase-two program of five reverse-circulation drill holes totaling 764 meters (2500 feet) of Phase 2 drilling is estimated to cost about $204,600 USD (Figure 54, Table 18.1 and 18.2).

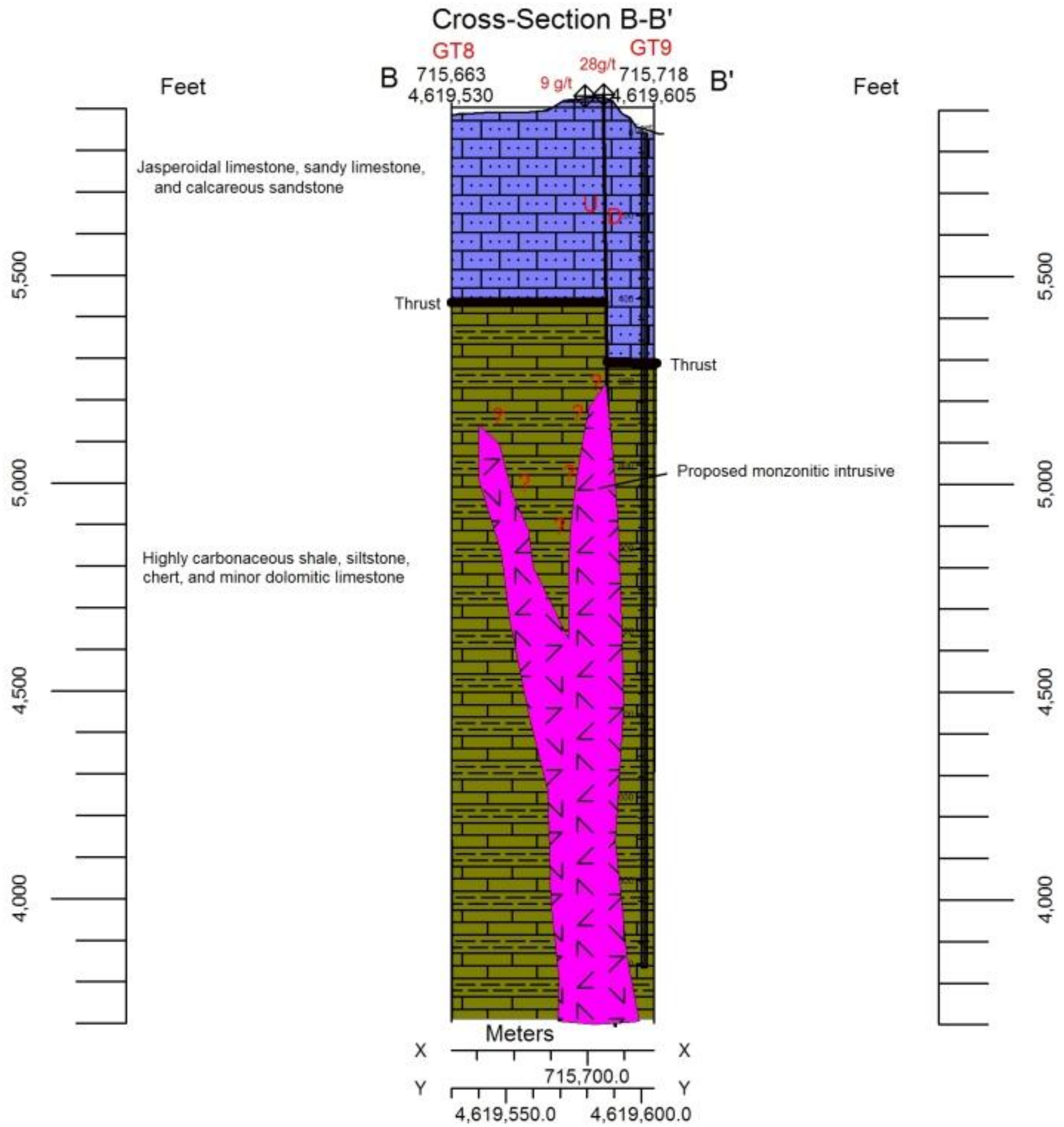


Figure 52. Section B-B' illustrates major lithologies discovered in drilling GT8 and GT9 and a proposed monzonitic intrusive within the zone of dilation associated with the Golden Trail Vein. The proposed monzonite intrusive was not discovered in Phase 1 drilling, but a monzonitic intrusive was intercepted in a nearby core hole drilled by Mine Finders, Inc. in 1973 (see 6.0 History in the current report). The intrusive is proposed due to the extensive thermal metamorphism and metasomatic/hydrothermal alteration associated with precious and base metal mineralization (28 and 9 g/t Au illustrated) along northwest-striking zones of veining, dilation, solution collapse breccias, gravity highs, peripheral magnetic highs.

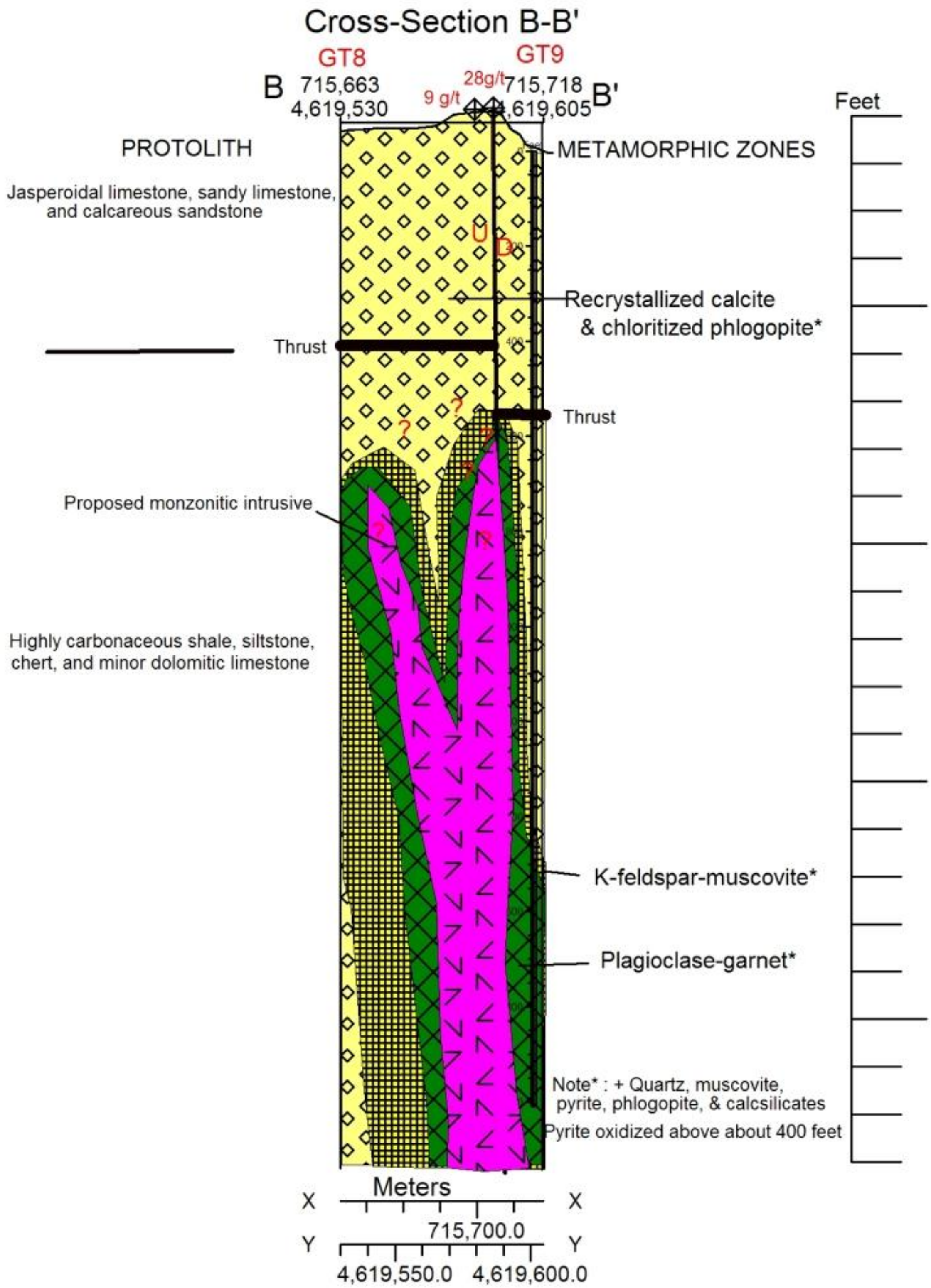


Figure 53. Section B-B' illustrates interpreted metamorphic zones between drill holes GT8 and GT9, and the location of rock chip samples from outcrop along section B-B' assayed 9 and 28 g/t relative to northwest-striking structure.

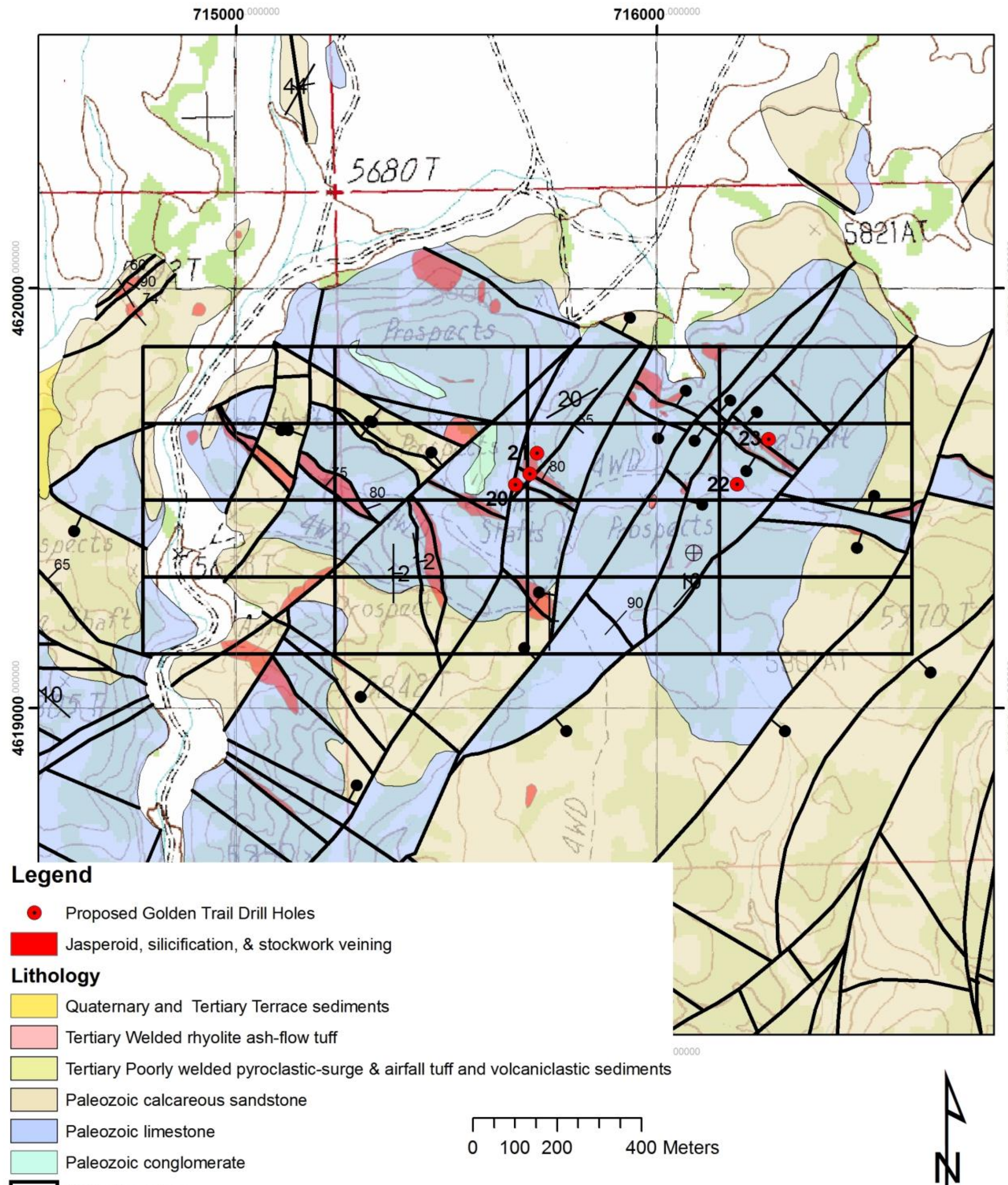


Figure 54. Proposed Drill Holes at the Golden Trail Project, Elko County, Nevada.

Table 18.1. Drilled 2007 Phase 1 and Proposed Phase 2 Drill Holes at the Golden Trail Project. Note that proposed Phase 2 drill holes GT20, GT21, GT22, and GT23 will be drilled from the same sites as Phase 1 drill holes GT8, GT9, GT12, and GT17.

Phase 1- Drilled						
Hole Number	Easting	Northing	Azimuth	Angle	Length (ft)	Length (m)
R8	715662	4619529		Vertical	1930	588
RH9	715716	4619602		Vertical	2010	612
RH12	716268	4619638		Vertical	2010	612
RH17	716186	4619530		Vertical	2150	655
Subtotals					8100	2467
Phase 2 - Proposed						
RH19	715697	4619556	Vertical	-90	500	153
RH20	715663	4619531	040	-60	450	137
RH21	715714	4619606	220	-60	450	137
RH22	716190	4619532	040	-60	800	245
RH23	716265	4619640	220	-60	300	92
					2500	764

Table 18.2
Phase 2 Exploration Drilling Budget for the Golden Trail Project

Description	Unit	Quantity	Unit Cost	Amount
Drill site preparation costs including mobilization/demobilization	day	2	$1,000	$4,000
Total Reverse-Circulation Drilling Costs	foot	2,500	$50	$125,000
Mobilization/Demobilization RC	-	2	$4,000	$8,000
Site Prep. through post drilling geotechnical personnel	day	14	$1,000	$14,000
Assays and geochemistry	Per sample	500	$40	$20,000
Site Reclamation	-	-	$15,000	$15,000
			Subtotal	$186,000
			10%	$18,600
			Total	**$204,600**

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CERTIFICATE OF AUTHOR

I, Richard Crissman Capps, PhD, PG, a Professional Geoscientist of Evans, Georgia, USA, hereby certify that:

1. I am a geologist residing at 771 Rocky Branch Lane, Evans, Georgia USA 30809-5603.
2. As of the effective date, 19th of April 2012, I have written the technical report entitled: GOLDEN TRAIL PROJECT, ELKO COUNTY, NEVADA, NI 43-101 TECHNICAL REPORT ("The Technical Report") relating to the property.
3. I am taking responsibility for all sections of this technical report.
4. I am a graduate of the University of Georgia, Athens, Georgia with a PhD in Economic Geology awarded in August, 1996 and have practiced my profession after graduating with a BS in Geology in 1974 and continuously since graduating with an MS in Geology in 1981.
5. I was a consulting geologist from 1987 until June 2006, an employee of Gold Reef from 2006 until 2008, and am currently a consulting geologist. As a result of my experience and qualifications, I am a qualified person as defined in National Instrument 43-101.
6. I was an Associate Professor of Geology at Augusta State University from 1999 until June 2006 and taught geology at Augusta State since 1999.
7. I am a Registered Professional Member of SME and a Registered Professional Geologist in Georgia, USA (License number 000814).
8. I am a member of both the Geological Society of Nevada and Society of Economic Geologists.
9. Since 1978 I have been involved in mineral exploration for precious, base metals, and uranium. I have worked extensively on projects in the Nevada, Arizona, and California in the western USA; on exploration projects in North and South Carolina in the eastern USA and international projects in Suriname and Mexico.
10. I have read published documents relevant to the Golden Trail Project.
11. I am not aware of any material excluded from this report that would make this report misleading.
12. I was independent of Gold Reef International, Inc. and Montana Gold Mining Company, Inc. when I examined the Golden Trail Project, was an employee of Gold Reef during Phase one drilling and have been a consulting geologist to Gold Reef since October 2008. I was independent of Montana Gold when I most recently examined the prospect data and files to commence writing this report and remain independent of Montana Gold as of the signing date of this document as defined under NI 43-101 guidelines and section 1.5 of those guidelines. I have not held interest in the Golden Trail property and do not currently hold interest in the Golden Trail property and have had no involvement with the property prior to the work outlined in this current report for Gold Reef and Montana Gold. I do not hold, nor do I expect to receive, any securities or any other interest in any corporate entity, private, or public, with interests in the properties that are the subject of this report.
13. I have read the National Instrument 43-101 and Form 43-101 F1 and this report has been prepared in compliance with National Instrument 43-101.

I hereby grant Montana Gold Mining Company, Inc. the use of this Technical Report in support of documents submitted to any applicable stock exchange and other regulatory authority and any publication by Montana Gold, including electronic publication.

Richard C. Capps, PhD, SME Registered Geologist
Dated at Evans, Georgia, USA, this 19th day of April 2012.