

A New Gold Boom Right Here in the USA

Conrad Reed has long been forgotten by the history books.

He was 12 years old when he made the first documented gold discovery in the United States. He stumbled across a 17-pound gold nugget (\$370,000 current value) while fishing just outside of Charlotte, North Carolina in 1799. Reed and his father went on to discover more gold in surrounding areas and sparked America's first gold rush.

Thousands of prospectors moved in to stake their claim. At its peak, the boom attracted such high-level speculators as William Thornton, designer of the U.S. Capitol Building, and the Governor of Maryland.

As with all frenzies, it died out over time. Then five decades later a new Gold Rush in California kicked off and the Great Carolina Gold Rush was relegated to the footnotes of history.

That's all starting to change. More than two centuries later and there's a new gold rush underway in the prolific, yet still largely underexplored Carolina Slate Belt. And investors the rush is starting to pay off to investors.

Following on the success of **Romarco Minerals (TSX:R)** and its 4.2 million ounce and growing (Measured, Indicated, and Inferred) Haile Gold Mine project, early-stage explorers are moving in.

For example, **Strongbow Exploration (TSX-V:SBW)** shares have risen from 10 cents in early fall to a recent high of 50 cents. The climb in the shares has been remarkable as Grenville and Eira Thomas, both behind the Aber Diamonds/Diavik diamond discovery, add a lot of credibility to Carolina gold boom.

Also, **Revolution Resources (TSX:RV)**, which has acquired a large property in the Carolina Slate Belt, posted its first drill results from its exploration program. The results from the first three holes of the program returned intercepts including 30 meters averaging 2.59 g/t gold and 70 meters averaging 1.10 g/t gold.

Clearly, there's something big brewing here. And below we have someone to break down what's really happening on the ground in the Carolina Slate Belt, geologist Rob McLeod.

He was one of the first movers into the modern Yukon Gold Rush with Underworld Resources and has recently been one of the early movers into the emerging Carolina Gold Rush with Revolution Resources and reveals his rationale for being early to big area opportunities, what he sees as the essential elements of successful discovery/development project, the potential gold in the Carolina Slate Belt, and the unique features of the local laws which will have a big impact on companies looking at Carolina gold.

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An Insider's Perspective on the USA's New Gold Boom

Andrew Mickey: How did you get started in the exploration industry?

Robert McLeod: I grew up around the mining industry in Stewart B.C., a northern mining town. Both my father and grandfather were miners and the treasure hunt for gold has always been something I wanted to pursue.

After graduating as a geologist for 1993, I worked for major and junior companies throughout North America.

From 2000 to 2003, I worked for Miramar Mining in the Hope Bay Belt in Nunavut, and was part of a substantial discovery. I took my first executive roll at Atna Resources following this, teaming up with Michael Williams. We later formed Full Metal Minerals and Underworld Resources.

AM: How did your experiences there create the foundation for your success today?

RM: I worked with many mentors in different geological environments and honed my technical skills as one of the best in the business.

The most important skill that I developed is what indicators suggest an ore deposit. Every explorationist has different criteria, to me it includes three major criteria:

- 1) Metal endowment: in the unglaciated areas of north America, I look at alluvial gold production, or past production from lode sources.
- 2) Target large alteration footprints and geochemical anomalies.
- 3) Include the presence of localized high grade samples or visible gold...this is very important in the economics of gold deposits (or base metal deposits).

I saw all three indicators at Underworld's White Gold Project and convinced our board of directors to make a rich bid for the property from then-unknown prospectors, Shawn Ryan and Cathy Wood. Thankfully we outbid the competition.

AM: How did the takeover come into play? Underworld still seemed to be in the very early stages?

RM: Our exploration group has been tight with Kinross for many years. I admire them due to their faith and investment in junior companies, similar to Teck in the 1990's. To me and many of my friends in the business, they are the partner of choice for junior companies. With Underworld, our partnership started in August of 2008 while the worldwide markets were starting their crash. Financing markets were closed for junior gold companies, and we had some hot holes from our first round of drilling at white gold. To keep the drilling going, I called my friend, Glen Masterman VP Exploration at Kinross to make a private placement in Underworld. That gave us the money to drill hole 21, which intersected 50 meters of 3 g/t Au, and helped us raise further money during the dark months of the fall of 2008 to finance the REAL discovery holes in the spring of 2009.

Underworld success (and the exciting area play) wouldn't have happened without Kinross' investment. However business supersedes friendship, and they gave their initial friendly

takeover proposal just before Christmas 2009. We were trading at a seasonal low, and our board of directors was enjoying their holidays. Our board of directors, with guidance from our advisors, told them that it was too soon and too cheap.

At PDAC in March of 2010, I was meeting with a team of geologists to discuss the resource estimate we recently completed for Underworld, as well as Full Metal Minerals/Kinross strategic alliance at Kinross' office in Toronto. Tye Burt (check spelling) pokes his head into the meeting and asks to speak with me for a minute, and hands over a letter proposal with a very fair premium. We had a few hours to respond, otherwise there was a suggested alternative to 'take it to the shareholders' directly in the morning. At that time, President and CEO Adrian Fleming was giving a presentation at the conference, and the rest of our board was busy enjoying the show. We scrambled and convened, and felt that it was a very good value for our shareholders, and recommended approval. The rest is history.

AM: You're also involved in another company that's looking in an "out there" region - Full Metal Minerals. How is Full Metal's strategy different than others? What attracted you to develop a multi-project portfolio like that?

RM: Full Metal has a hybrid exploration strategy where we bring in joint venture partners for the majority of our projects, but drill a few with 100% ownership if we think they are particularly special.

Over the past few years, we've partnered with Freeport-McMoRan, BHP, Kinross, New Gold and Antofagasta, in addition to many juniors. The multi-project hybrid increases the probability for discovery. Mineral exploration is risky, so multiple projects increase an explorationist's chances of success.

AM: You've had a lot of success in some of the hottest exploration regions in the world. Now that word's out though, it's getting kind of expensive.

Do you see any new, more "still-off-the-radar" regions, which have some big potential?

RM: The best explorers always need to be thinking about their next target. We all know the statistics of successful exploration, but also need to be creative about where to prospect. I take great pride in surrounding myself with a team of young, aggressive and talented geologists.

One man, Lamont Leatherman, grew up in the Carolinas and had consulted for me for the past four years for both Underworld and Full Metal.

One day in Alaska while waiting for the weather to clear, he told me about the gold in the Carolinas and the opportunities there. I have faith in my men and kept it in the back of my mind.

I had gotten involved with Nuukfjord (recently announced name change to Revolution Resources), and saw that a southern property would be a good compliment to this company, and pursued the idea with Lamont. When I first visited the site, saw the historic mining and drill results, and extent of the mineral belt, I was sold on the concept.

AM: The Carolinas? That's kind of new. But isn't the U.S. a tough place to operate - well,

anywhere outside of Nevada?

RM: Patience is often rare in the junior exploration company world. In the Eastern US, most of the land is covered with private family owners, many of whom have owned the lands for many generations.

Revolution was fortunate enough to team up with Lamont, and another Carolina geologist, Dave Lown, who had previously drilled there for Noranda 20 years ago.

These men are local, and have the grace and patience to get the deals done with landowners and work with them as partners. Romarco had the same patience and they are working on a multi-million ounce discovery.

AM: What are you seeing from the historical results and alterations in the ground that has lured Revolution to acquire this land package?

RM: I mentioned earlier my three main criteria for discovery in a gold belt. Noranda drilled a 100 meter hole of 1.0 g/t Au, and many other holes that bottomed in mineralization. At the time, mining companies were looking for shallow, small resources that they could throw on a leach pad. At Champion hills, I see potential for a multi-million ounce deposit similar to the assets of Oskisko, Brett Resources, International Tower Hill and Detour Gold.

AM: It doesn't seem like a very prolific mining/exploration region?

RM: The Carolinas were home to America's first gold rush in the 1880's. I look at this as endowment again.

Nevada was (and still is called) the silver state...now miners call it the richest place in the world for gold, and most discoveries are only a generation or two old.

Just because an area has a lot of people living on it, doesn't mean that there isn't a lot of gold under it.

AM: How are locals looking at all this?

RM: Our project geologists have a lot of experience and respect for the culture of the Carolinas.

We have a very well-financed company so letting the landowners know that more money in drilling means more money in their pockets from a producing mine is the first step. Revolution has had the patience to negotiate and get these deals done. We're working in an area of America that values honesty and hard work...we've built that into our agreements. That way, most of our money can go into drilling out a deposit.

I grew up in a working class family surrounded by miners. I respect the values of our industry, the landowners and structure it into every deal that I make.

AM: What do you see there geologically? Is it something similar to other gold-producing parts of the world?

RM: I see an extensive belt of old mines, that produced gold during the civil war and great depression. I see a series of volcanic rocks, some of which host hydrothermal gold mineralization and some that cap it.

I see long intervals of gold mineralization from the Noranda era of drilling with significant alteration.

I'll leave it to academics to compare it with other mineral belts around the world since it doesn't drive our exploration criteria. I just can't wait to get out there and drill some deep holes.

AM: Any thoughts on size potential?

RM: My first trip out to the property was highlight by a piece of **Romarco Minerals' (TSX-V:R)** core samples against the core from Champion Hills - the property acquired by Revolution. The two pieces were indistinguishable, and are likely a similar mineralizing system. Champion Hills definitely is in the same tectonic environment, and host's the same mineralogy and alteration. We are looking for something similar or better. Romarco's high grade discoveries at Haile have been awesome, and I'm sure we can find the same at depth.

AM: Why not go back to the Yukon? It seems like companies are falling into gold every couple of weeks? Is it too expensive and the upside potential isn't there because you have to pay too much for the properties or is it some other reason?

RM: If you want to make a discovery, you often have to look where no one else is. That's why Revolution is in the Carolinas. With Underworld, we saw this potential in the Klondike gold fields. I love the discovery potential in the Yukon, and am so excited for **Kaminak (TSX-V:KAM)** and **ATAC's (TSX-V:ATC)** discoveries recently. In 2009, I bought a lot of stock and shamelessly promoted Kaminak in the same breath as Underworld once I saw their outstanding soil results. To continue to participate in the play, I joined the board of directors of **Silver Quest Resources (TSX-V:SQI)** due to their outstanding land package and exploration ability, and am confident we are next on the Yukon discovery train. On the easier side, with Full Metal Minerals, we staked the hottest areas on the Alaska side of the White Gold Belt, taking advantage of being the only active company on the east side of the border. I am confident that this will pay dividends to the Full Metal shareholders.

AM: What can we expect from the North Carolina's over the next few months, for results, news flow?

RM: What is remarkable about North Carolina, is that we don't even need a permit to drill exploration holes. I will send my ex-Underworld/Full Metal/Revolution team down to North Carolina in late September to find more gold.

If any investor walks around the PDAC or Cambridge house show, you will see mostly grey or bald heads. At our booth, you see you will see young, talented, experienced and enthusiastic geologists in our group. These young men and women are the key to help us make further discoveries. They've been recruited by major mining companies but want to stay with our group. I'd gladly put our exploration team against any other company, major or junior and we'd come out ahead.

AM: Anything else the company is looking at adding to the portfolio?

RM: Revolution is actively looking at some other major acquisitions in the continental U.S....that's our job. If it's going to be a benefit to our shareholders, we'll do it.

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