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CASTLE MOUNTAIN MINING COMPANY LIMITED

TECHNICAL REPORT ON THE PRELIMINARY ECONOMIC ASSESSMENT FOR CASTLE MOUNTAIN PROJECT, SAN BERNARDINO COUNTY, CALIFORNIA, U.S.A.

NI 43-101 Report

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CAUTIONARY NOTE WITH RESPECT TO FORWARD LOOKING INFORMATION

Certain information and statements contained in this report are "forward looking" in nature. All information and statements in this report, other than statements of historical fact, that address events, results, outcomes, or developments that Castle Mountain and/or the Qualified Persons who authored this report expect to occur are "forward-looking statements". Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "projects", "potential", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will be taken", "occur" or "be achieved" or the negative connotation of such terms. Forward-looking statements include, but are not limited to, statements with respect to anticipated production rates; grades; projected metallurgical recovery rates; infrastructure, capital, operating and sustaining costs; the projected life of mine; the proposed pit design phase development and potential impact on cash flow; estimates of Mineral Resources; the future price of gold; government regulations; the maintenance or renewal of any permits or mineral tenures; estimates of reclamation obligations that may be assumed; requirements for additional capital; environmental risks; and general business and economic conditions.

All forward-looking statements in this report are necessarily based on opinions and estimates made as of the date such statements are made and are subject to important risk factors and uncertainties, many of which cannot be controlled or predicted. Material assumptions regarding forward-looking statements are discussed in this report, where applicable. In addition to, and subject to, such specific assumptions discussed in more detail elsewhere in this report, the forward-looking statements in this report are subject to the following assumptions: (1) there being no signification disruptions affecting the operation of the mine; (2) the availability of certain consumables and services and the prices for diesel, cyanide, fuel oil, electricity and other key supplies being approximately consistent with current levels; (3) labour and materials costs increasing on a basis consistent with current expectations; (4) that all environmental approvals, required permits, licenses and authorizations will continue to be held on the same or similar terms and obtained from the relevant governments and other relevant stakeholders within the expected timelines; (5) certain tax rates; (6) the timelines for exploration activities; and (7) assumptions made in Mineral Resource estimates, including geological interpretation grade, recovery rates, gold price assumption, and operational costs; and general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any of the future results, performance or achievements expressed or implied by forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, decrease of future gold prices; cost of labour, supplies, fuel and equipment rising; adverse changes in anticipated production, including discrepancies between actual and estimated production, Resources and recoveries; exchange rate fluctuations; title risks; regulatory risks, and political or economic developments in the United States; changes to tax rates; changes to; risks and uncertainties with respect to obtaining necessary permits, land use rights and other tenure from the State and private landowners or delays in obtaining same; risks associated with maintaining and renewing permits and complying with permitting requirements, and other risks involved in the gold exploration and development industry; as well as those risk factors discussed elsewhere in this report, in Castle Mountain's latest Annual Information Form, Management's Discussion and Analysis and its other SEDAR filings from time to time. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. Castle Mountain and the Qualified Persons who authored of this report undertake no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law.

CAUTIONARY NOTE TO U.S. READERS CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED MINERAL RESOURCES

Information concerning the Castle Mountain Venture Project has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies. The terms “Mineral Resource”, “Measured Mineral Resource”, “Indicated Mineral Resource” and “Inferred Mineral Resource” used in this report are Canadian mining terms as defined in accordance with National Instrument 43-101 (“NI 43-101”) under guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council on November 27, 2010. While the terms “Mineral Resource”, “Measured Mineral Resource”, “Indicated Mineral Resource” and “Inferred Mineral Resource” are recognized and required by Canadian securities regulations, they are not defined terms under standards of the United States Securities and Exchange Commission. As such, certain information contained in this report concerning descriptions of mineralization and resources under Canadian standards is not comparable to similar information made public by United States companies subject to the reporting and disclosure requirements of the United States Securities and Exchange Commission. An “Inferred Mineral Resource” has a great amount of uncertainty as to its existence and as to its economic and legal feasibility. It cannot be assumed that all or any part of an “Inferred Mineral Resource” will ever be upgraded to a higher category. Readers are cautioned not to assume that all or any part of an “Inferred Mineral Resource” exists, or is economically or legally mineable.

1 SUMMARY

EXECUTIVE SUMMARY

INTRODUCTION

Roscoe Postle Associates Inc. (RPA) was retained by Castle Mountain Mining Company Limited (Castle Mountain) to prepare an independent Technical Report (the Report) on the Castle Mountain Venture (CMV) land holdings (the Property or the Project) located in San Bernardino County, California. The purpose of this Technical Report is to support the disclosure of the results of a Preliminary Economic Assessment (PEA). This Technical Report conforms to NI 43-101 Standards of Disclosure for Mineral Projects. RPA visited the Property on March 14, 2013, and October 1, 2013.

Subject to certain obligations, Castle Mountain has 100% of the right, title and beneficial interest in and to CMV, a California general partnership, which owns the Project. Castle Mountain is an exploration and development stage gold company in the initial stages of working towards reopening the past producing Castle Mountain Mine (the Mine). The previous operation on the site of the Mine began in 1991 and produced in excess of 1.2 million ounces of gold from a number of open pits over ten years. Mining ceased in 2001 and heap leaching was discontinued in 2004.

The PEA Base Case entails a low capital cost start-up heap leach operation, with an initial annual leaching rate of 6.35 million tonnes. An expansion that would be commissioned at the start of Year 3 would increase the leaching rate to the currently permitted limit of 8.16 million tonnes annually. At the same time, a modified milling circuit would be added for treating higher grade mineralization. The expansion also includes a number of efficiency projects to reduce the longer term operating cost structure so that it is economic to mine six separate open pits to the limits of the currently defined resource, over a total mine life of 17 years. The Base Case is contained within the boundaries covered by the current Environmental Impact Statement (EIS) area, but would require permitting of additional area for disturbance.

The PEA also considered two alternate development and production scenarios:

- The Static Case assumes the same low capital cost start-up as the Base Case, but does not include the expansion or implementation of efficiency projects in Year 3. The Static Case plan is confined within the area that is already permitted for disturbance.

- The Unconstrained Case remains contained within the EIS boundary. This case assumes the permitted annual processing rate would be increased to 18.14 million tonnes, including a modified mill circuit of 1.8 million tonnes, before the commencement of production. This case also includes increased capital spending from the outset, in order to minimise the operating cost structure.

CONCLUSIONS

In RPA's opinion, the PEA demonstrates that the Project has merit, with Mineral Resources of sufficient quantity and quality that warrant additional investigation at more advanced levels of engineering study (prefeasibility or feasibility study). Economic results are positive for all development and production scenarios considered in the PEA, based upon the stated assumptions. Summary metrics for the three cases considered are presented in Table 1-1 below:

TABLE 1-1 EVALUATION SUMMARY
Castle Mountain Mining Company Limited - Castle Mountain Project

	Units	Static	Base	Unconstrained
Process Feed	000 tonnes	40,240	**132,137**	209,271
Waste Mined	000 tonnes	173,530	**912,135**	835,001
Contained Au	000 oz	1,082	**3,599**	4,166
Recovered Au	000 oz	832	**2,994**	3,490
Mine Life	Years	7	**17**	12
Net Smelter Return[1]	$/t process feed	$26.92	**$29.51**	$21.72
Site Opex[2]	$/t process feed	$15.84	**$17.55**	$10.96
Royalty[3] and Interest[4]	$/t process feed	$ 0.32	**$ 0.64**	$ 0.46
Initial Capex	$ M	$98	**$98**	$421
Total Investment[5]	$ M	$194	**$543**	$790
Post-Tax NPV 0%	$ M	$177	**$728**	$1,012
Post-Tax NPV 5%	**$ M**	**$122**	**$352**	**$576**
Post-Tax NPV 10%	**$ M**	**$82**	**$161**	**$310**
Post-Tax IRR	**%**	**29.7%**	**20.1%**	**21.7%**
Post-Tax CFI[6]	**factor**	**1.01x**	**2.00x**	**1.31x**
Simple Payback - Initial Capital	months	31	**31**	59
Simple Payback - Expansion Capital	months	n/a	**46**	n/a

Notes:
1. Assumes flat long term price of $1,300/oz Au.
2. Includes mining, processing and G&A operating costs.
3. Royalties currently interpreted as varying from 0% - 5% of NSR.
4. Interest on Surety raised for Closure Bond.
5. Includes initial capital, expansion capital, sustaining capital and closure costs.
6. Ratio of initial capex to peak cumulative negative cash flow.

The economic analysis contained in this report is based, in part, on Inferred Resources, and is preliminary in nature. Inferred Resources are considered too geologically speculative to have mining and economic considerations applied to them to be categorized as Mineral Reserves. There is no certainty that economic forecasts on which this PEA is based will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

RPA's conclusions by area are as follows:

MINERAL RESOURCES

- Pulp duplicates showed good reproducibility as did, generally, the rig (field) duplicates. No grade bias was observed in either case. The insertion of barren CRMs indicated no significant contamination during the preparation phase of assaying. The insertion of Certified Reference Materials (CRMs) indicated that the primary laboratory, ALS in Sparks, Nevada, performed adequately with respect to accuracy and precision. In RPA's opinion, the Quality Assurance and Quality Control (QA/QC) program for the 2013 Phase 1 drill program was adequate and assay results within the database are suitable for use in a Mineral Resource estimate.

- In RPA's opinion, the higher grades of gold mineralization appear to be controlled by intersecting fault zones or structural corridors. These zones are dominated in many locales by north-northeast-trending fractures. Available information suggests that the distribution of higher grades within the deposit is controlled by multiple narrow fault/fracture orientations which cannot be constrained in detail with three-dimensional (3D) wireframes due to the spacing and orientation of the drill holes.

- The number of density measurements compiled to date is still relatively low and does not fully embrace all rock types likely to be encountered by mining. Additional test work should be undertaken.

- The grade interpolations were run using ordinary kriging (OK) as well as a range of inverse distance methods. There are only modest differences in the block model results created using different estimation methods.

- In RPA's opinion, the block model reconciles well with production records.

- Mineral Resources estimated for the Castle Mountain Project total 182 M st (165 Mt) in the Indicated category, grading 0.017 oz/st Au (0.60 g/t Au), with an additional 63.7 M st (57.8 Mt) of Inferred resources grading 0.017 oz/st Au (0.57 g/t Au). Total contained gold is 3.15 Moz Au in the Indicated category and 1.06 Moz Au in the Inferred category. Mineral Resources are reported at a base case cut-off grade of 0.004 oz/st Au (0.14 g/t Au).

- There is potential for gains in Mineral Resources via infill drilling, both within current pit outlines, and at depth.

PRELIMINARY ECONOMIC ASSESSMENT

- The PEA evaluated a large number of strategic alternatives. In the event the Project is limited to the 1,375 acres that has already been permitted for disturbance, the following scope of project was found to optimize economic returns while minimizing risk (the 'Static Case'):
    - A mine plan limited to the Jumbo, Jumbo South / Leslie Anne (JSLA) and Oro Belle (OB) pits. This plan comprises 40 Mt process feed that grades 0.84 g/t Au and contains 1.1 Moz Au, along with 174 Mt waste.
    - Pits would be mined in a sequential manner, with Jumbo being mined to its ultimate limit followed by the initial phases of JSLA then OB. While the sequential approach results in some deferral of higher value mineralization, this is more than compensated by shorter haulage distances and reduced surface disturbance.
    - Production would average 119,000 oz Au annually during the seven years that the pit is operational, with a further 20,000 oz Au recovered during the subsequent rinsing of pads.
    - The initial capital cost can be minimized to approximately $100 million through the purchase of some used equipment, sizing of the leach circuit at 6.4 million tonnes per year, delivery of crushed material to the pads by truck and use of diesel generators to supply electricity. There is a further $90 million sustaining capital and net closure expenses of $6 million.
    - Site operating costs average $15.84/t process feed.
- In the event that permits for disturbance are extended, the optimal scope for the Base Case evolves as follows:
    - The leaching rate would be increased to the permitted limit of 8.2 Mtpa and a modified milling circuit of 1.1 Mtpa capacity would be added.
    - Concurrent with expansion of the processing circuit would be investment in a number of efficiency projects to lower operating costs. These would include a connection to the electrical grid, use of conveyors for delivering crushed material to the leach pads and purchase of larger fleet for mining waste.
    - With the lower operating costs resulting from the projects listed above, it would be economic to mine the entire currently defined resource, with the second phases of OB and JSLA along with Hart-S, Hart-N, and South Domes being added to the mine plan. Pits would continue to be mined sequentially.
    - The extended mine plan comprises 132 Mt process feed that grades 0.85 g/t Au and contains 3.6 Moz Au, along with 912 Mt waste. Production would average 176,000 oz Au annually for the 17 years that the pit is operational, with a further 25,000 oz Au recovered during the subsequent rinsing of pads.
    - Start-up for this scenario, including the initial capital cost, is identical to the Static Case. The capital cost of expansion would be $173 million, while

ongoing sustaining capital would be a further $250 million. Net closure costs for the expanded scope would be $22 million.

- Base Case economic performance is sensitive to the timing of the expansion project, however, it would be possible to transition from the Static Case to the Base Case at any time during the initial four years of operation without material impacts.

- In the event that the permitted limit for processing is expanded beyond the current 8.2 Mtpa, returns could be further improved for the Unconstrained Case by increasing throughput to 18.1 Mtpa and 1.8 Mtpa for the leaching and milling circuits, respectively.

  - Alternatively, it would be feasible to transition from the Base Case to Unconstrained Case at any point in the mine life, subject to the remaining resource being sufficient to justify investment in the expanded throughput.

- Further opportunities for optimization are likely as more detailed work is performed during the next phase of study. In particular, it may be possible to optimize the selection of cut-off grade for the Base Case given the following:

  - The operating cost structure for the Base Case results in a marginal cut-off grade for leaching of approximately 0.2 g/t Au. Material above this cut-off totals 208 Mt and contains 4.2 Moz Au, while the associated strip ratio is 4.0 : 1. Use of this cut-off grade maximizes the pre-tax undiscounted cash flow generated by the Project.

  - For the range of options evaluated in the PEA, it was found that post-tax discounted cash flow could be increased by using an elevated cut-off grade, ranging from 0.24 g/t Au to 0.31 g/t Au for the different pits. The elevated cut-off grade reduces process feed to 132 Mt containing 3.6 Moz Au, while the associated strip ratio increases to 6.9 : 1.

  - The range of options considered for the PEA was not exhaustive. Alternatives that have not been considered may result in some or all of the 75 Mt marginal material that contains 0.6 Moz Au improving the post-tax NPV and becoming included in the process feed.

- Historical production data provides the basis for this PEA. This data shows that the combination of the modified milling circuit and heap leaching has the potential to be economically successful. Gold recovery is based on the ultimate historical gold recovery and reagent consumptions are based on historical data. The assumption has been made that material to be mined according to the current mine plan has metallurgical behavior that is the same as previously mined material.

- The Base Case mine plan includes processing of 3,599 koz contained gold. Of this total, 1,791 koz (50%) is located within the previously mined Jumbo, Oro-Belle and JSLA pits above the deepest horizon of historic activity, 158 koz (4%) is located within the same pits but below the deepest horizon of historic activity, 482 koz (13%) is located within the Hart Tunnel pits that are immediately adjacent to the three previously mined pits and the remaining 1,188 koz (33%) is located within the South Domes pit that is offset from the other five by approximately 500 m. There is some confidence that past metallurgical performance will be representative for the 50% of material located in the pits and horizons mined previously, while past performance is likely indicative for the remaining 50% of material.

- Silver revenue is included in the PEA cash flows, based on historical production, however, it is not significant to the economic results, as it comprises less than 0.5% of total revenue.

- Historically the operation successfully processed approximately 3.6 million tonnes per year over a ten year period with continued leaching for several years after mining ceased. This PEA projects a higher processing rate which will require more water and the work has not yet been done to show there is enough water for the projected rate.

- The Project may also benefit by sampling of the 16 Mt backfill contained within the JSLA pit. As the historic cut-off was approximately 0.5 g/t Au, the backfill material contained in the JSLA pit was classified as waste rock by the historic operation. This cut-off grade is now well above the current cut-off grades and so this material has the potential of providing a positive economic return. Preliminary analysis suggests that at least portions of this material are mineralized and there may thus be an opportunity to increase the inventory of process feed with a concomitant decrease in waste tonnes and stripping ratio.

RECOMMENDATIONS

RPA recommends that the Project proceed with data collection and analysis in support of an advanced engineering study (pre-feasibility study or feasibility study).

RPA's specific recommendations are as follows:

- Duplicate samples should be submitted for re-assaying during the course of drilling programs. Results for duplicates, blanks, and CRMs should be inspected immediately upon receipt so that any issues may be identified early and corrected in a timely manner.

- Castle Mountain has recently located additional blast hole gold grade data in the historical data files. RPA recommends that the gold grade distribution for this additional data set be reviewed as part of any future updates to the Mineral Resource estimate.

- Density measurements should continue to be collected until all waste rock types and mineralization styles have been tested with a representative number of determinations.

- A Phase 2 drill program comprising approximately 20,000 ft (6,000 m) should be completed. The goal of the drilling program would be to improve the accuracy of the distribution of high grade gold assays in the block model, increase the confidence of the current gold resource by means of infill drilling in selected areas, expand the limits of the current Mineral Resources, and explore for additional potential resources within current permit boundaries.

- A geotechnical program should be undertaken to more accurately quantify design criteria for both pit and impoundment slopes. This program should particularly focus on the deeper portions of the Jumbo, OB and JSLA pits that would be mined initially under any of the cases.

- A geo-hydrological program should be undertaken to quantify the amount of water that would be available to the Project from the Lanfair Valley aquifer.

- Review selection of mining fleet. The PEA assumption for the Base and Unconstrained Cases was that all process feed would be mined using higher cost hydraulic excavators and 170 t trucks, while all waste would be mined using lower cost rope shovels and 290 t trucks. While there are zones of mineralization that will require the improved selectivity of the higher cost fleet, there are also large zones of continuous mineralization where it would be possible to use the larger equipment with no detriment to the quality of material delivered to the process.

- Assess stockpiling of marginal material. The PEA assumption was that all run-of-mine (ROM) process feed would be treated immediately, which results in deferral of higher value material at depth. With a stockpile, delivery of higher value material to the leach pad could be accelerated, with the marginal material treated only after mining operations had ceased.

- A rigorous program of metallurgical testing should be developed, using samples that are representative of the areas to be mined based on grades, mineralogy, and spatial distribution throughout the mineralized areas.

    - In RPA's opinion, large-scale column leach tests are required in order to generate accurate leach curves to estimate how the gold will be recovered over time and to provide reliable estimates of the reagent consumptions.

    - The metallurgical program should confirm the optimum conditions for milling and agglomeration and heap leaching as well as to determine the optimum ratios of mill to heap leach material.

    - Metallurgical testwork should focus on areas that have not been historically mined, notably South Domes and mineralization at depth.

    - The metallurgical program should include variability testing in order to accurately predict how the metallurgy may change over time.

- Environmental data collection, characterization of waste streams, and other studies are required to support operating permit applications.

    - The potential for seepage from the existing heap leach pad should be assessed.

    - A plant inventory and desert tortoise survey is required for the water, power and road access corridors.

- o Baseline water quality and quantity in the production and monitoring wells.

RPA recommends the following program for the Castle Mountain Project:

1. Carry out an infill drilling program, and
2. Carry out an advanced engineering study (Pre-Feasibility or Feasibility Study).

A budget of $3,500,000 is estimated and is presented in Table 1-2.

TABLE 1-2 PROPOSED BUDGET
Castle Mountain Mining Company Limited – Castle Mountain Project

Item	US$ millions
Drilling Program	1.0
Engineering Study, including	
Mineral Resource Update	0.1
Geotechnical Studies	0.2
Hydrogeological Studies	0.2
Metallurgical Testwork	0.5
Environmental Studies	0.3
Permitting Activities	0.2
Engineering and Reporting	1.0
TOTAL	**3.5**

ECONOMIC ANALYSIS

The economic analysis contained in this section is based, in part, on Inferred Resources, and is preliminary in nature. Inferred Resources are considered too geologically speculative to have mining and economic considerations applied to them to be categorized as Mineral Reserves. There is no certainty that economic forecasts on which this PEA is based will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

ASSUMPTIONS

All financial metrics are expressed in real, January 2014 terms. The start date for discounting is the commencement of expenditure on Project construction, which is currently forecast to be 2015.

Key pricing assumptions used in the evaluation include:

- Flat long term prices of $1,300/oz for gold.

- Refining charges of $3.25/oz for gold, with a further shipping charge for doré produced at site of $0.25/oz.

- A flat long term price of $90/bbl for oil, which translates to a site diesel price (inclusive of taxes, fees and transport charges) of $0.97/L ($3.69/gallon).

- A flat long term price for electricity supplied from the grid of $126/MWh. The cost of electricity generated at site is dependent upon the price of diesel, and has been estimated at $293/kWh for the diesel price given above.

Returns are expressed on a post-tax basis, with the following assumptions regarding the fiscal regime:

- The California State income tax rate of 8.84%
- The normal federal income tax rate of 35%
- The Alternative Minimum federal income tax rate of 20%

BASE CASE RESULTS

The total life of project for the Base Case scenario can be sub-divided as follows:

- Initial construction takes place over a period of 12 months.

- Following completion of construction, there is a 6-month ramp up to reach the full initial heap leach production target of 6.35 Mtpa (17,000 tpd).

- Construction of the expansion commences at the beginning of Year 2 and lasts for a period of 12 months. The expansion increases heap leach production to 8.16 Mtpa (22,000 tpd). The expansion also adds a modified milling circuit with a targeted throughput of 1.1 Mtpa (3,000 tpd). Note that milled material is included in the total heap leach production.

- Following completion of the expansion project, there is a 6-month ramp up to achieve increased leach throughput and a 9-month ramp up to achieve the targeted mill throughput.

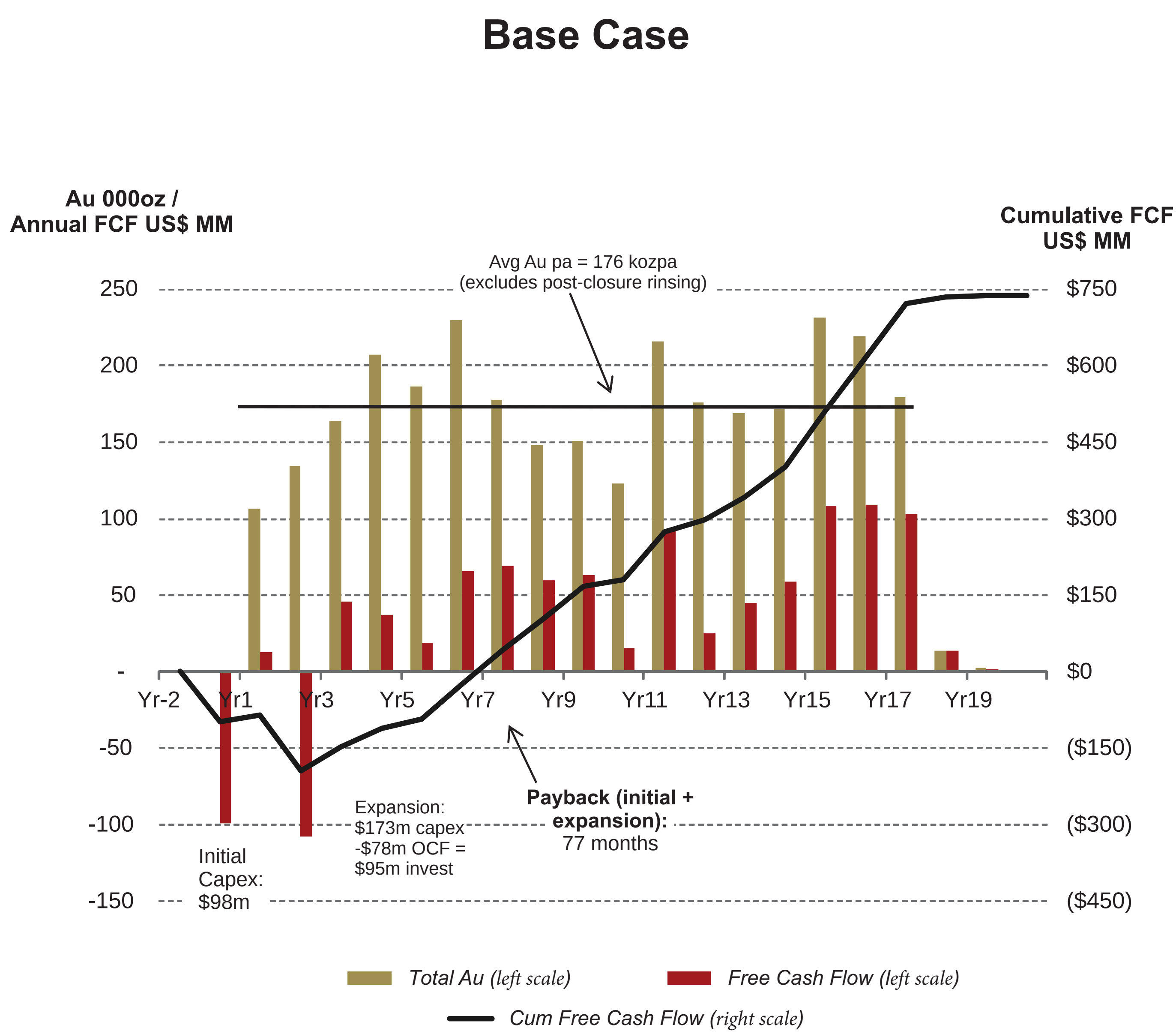
- The expansion also includes efficiency projects such as replacement of diesel generators with grid power, conveying of crushed material to the leach pads and use of larger fleet for mining waste. These projects allow lower operating costs to be achieved.

- The current resources are depleted in Year 17. There is residual recovery of gold over the next three years as pads are rinsed.

Table 1-3 and Figure 1-1 provide a summary of annual production and cash flow.

TABLE 1-3 EVALUATION OF BASE CASE SCENARIO
Castle Mountain Mining Company Limited - Castle Mountain Project

Production	units	Total	Yr -1	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	Yr 16	Yr 17	Yr 18	Yr 19	Yr 20
Process Feed	000 t	132,137	0	5,874	6,350	8,029	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	5,744	0	0	0
Total Mined	000 t	1,044,273	14,881	31,796	45,553	32,350	69,829	75,517	76,603	47,317	34,145	43,919	66,744	92,798	118,356	81,336	66,202	71,351	46,895	28,678	0	0	0
Refined Au	000 oz	2,994	0	106	134	163	206	186	228	177	148	150	123	215	175	169	171	231	218	178	14	2	1
Refined AuEq	000 oz	3,007	0	107	134	163	207	187	229	178	148	151	123	216	176	169	172	232	219	179	14	2	1
Cash Flow																							
NSR	**US$ M**	**$3,899**	**$0**	**$138**	**$174**	**$212**	**$268**	**$242**	**$297**	**$231**	**$192**	**$196**	**$160**	**$280**	**$228**	**$220**	**$223**	**$300**	**$284**	**$232**	**$18**	**$3**	**$1**
Mine Opex	US$ M	$1,578	$0	$55	$74	$54	$101	$112	$121	$72	$59	$74	$102	$122	$155	$119	$103	$114	$81	$60	$0	$0	$0
Process Opex	US$ M	$644	$0	$35	$37	$38	$39	$39	$39	$39	$39	$39	$38	$39	$39	$39	$39	$39	$39	$28	$0	$0	$0
G&A Opex	US$ M	$97	$0	$6	$6	$6	$6	$6	$6	$6	$6	$6	$6	$6	$6	$6	$6	$6	$6	$4	$0	$0	$0
Site Opex	**US$ M**	**$2,319**	**$0**	**$96**	**$118**	**$97**	**$146**	**$157**	**$166**	**$117**	**$104**	**$119**	**$145**	**$167**	**$200**	**$163**	**$148**	**$159**	**$126**	**$92**	**$0**	**$0**	**$0**
Royalty	US$ M	$74	$0	$1	$2	$2	$3	$2	$3	$2	$2	$2	$2	$4	$3	$9	$8	$11	$10	$8	$1	$0	$0
Interest	US$ M	$10	$0	$0	$0	$0	$0	$0	$0	$1	$1	$1	$1	$1	$1	$1	$1	$1	$1	$0	$0	$0	$0
Total Operating Exp	US$ M	**$2,403**	**$0**	**$98**	**$120**	**$99**	**$148**	**$159**	**$170**	**$120**	**$106**	**$121**	**$148**	**$172**	**$204**	**$173**	**$156**	**$170**	**$137**	**$100**	**$1**	**$0**	**$0**
Cash Taxes	US$ M	$225	$0	$8	$9	$25	$22	$12	$22	$19	$13	$10	($4)	$13	($3)	$0	$7	$20	$22	$26	$1	$0	$0
Initial Capex	US$ M	$98	$98	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Expansion Capex	US$ M	$173	$0	$16	$150	$7	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sustaining Capex	US$ M	$250	$0	$4	$2	$35	$60	$52	$40	$22	$13	$1	$1	$4	$3	$1	$1	$2	$3	$2	$2	$2	$0
Closure	US$ M	$22	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$13	$0	$0	$0	$9
Total Investment	**US$ M**	**$543**	**$99**	**$20**	**$152**	**$42**	**$60**	**$52**	**$40**	**$22**	**$13**	**$1**	**$1**	**$4**	**$3**	**$1**	**$1**	**$2**	**$16**	**$2**	**$2**	**$2**	**$9**
Free Cash Flow	**US$ M**	**$728**	**($99)**	**$13**	**($107)**	**$46**	**$37**	**$19**	**$66**	**$70**	**$60**	**$63**	**$15**	**$92**	**$25**	**$45**	**$59**	**$108**	**$109**	**$103**	**$13**	**$1**	**$9**



Design Criteria:

- 0.24 – 0.31 g/t cut-off = 132 Mt @ 0.85 g/t (3,599 koz rec'd)
- 912 Mt waste = 6.9 : 1 SR
- 1,044 Mt mine plan in 17yrs (+ 1 yr pre-strip) = 166 ktpd mining rate
- 8.2 Mtpa leach rate / 1.1 Mtpa mill
- 83.2% Recovery = 2,994 koz rec'd
- Cash Cost = $17.55/t treated or $771/oz

Figure 1-1

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Base Case Scenario Cash Flow

May 2014

SENSITIVITY ANALYSIS

The sensitivity graph in Figure 1-2 illustrates that the Base Case scenario is most sensitive to the gold price, followed by operating costs. A variance in the total investment, (including initial capital, expansion capital, sustaining capital, and closure costs) has a lesser impact on returns.

Table 1-4 provides a more detailed analysis of the impact of variation in gold prices on various financial metrics for the Base Case.

TABLE 1-4 IMPACT OF VARIATION IN GOLD PRICE FOR BASE CASE SCENARIO METRICS
Castle Mountain Mining Company Limited - Castle Mountain Project

		Gold Price ($/oz Au)						
Pre-Tax	**Units**	**$1,200**	**$1,250**	**$1,300**	**$1,350**	**$1,400**	**$1,450**	**$1,500**
NPV 10%	US$ M	$154	$218	$264	$295	$375	$422	$485
NPV 5%	US$ M	$312	$405	$499	$592	$685	$778	$871
NPV 0%	US$ M	$659	$806	$953	$1,100	$1,247	$1,393	$1,540
IRR	US$ M	19.0%	23.2%	27.5%	31.9%	36.4%	40.9%	45.6%
Simple Payback	months	77	69	62	53	46	42	39
Post-Tax								
NPV 10%	US$ M	$78	$125	$161	$183	$241	$274	$318
NPV 5%	US$ M	$212	$281	$352	$420	$485	$550	$615
NPV 0%	US$ M	$508	$616	$728	$834	$938	$1,040	$1,142
IRR	US$ M	14.1%	17.1%	20.1%	23.1%	26.0%	29.0%	32.0%
Simple Payback	months	95	84	77	70	65	61	55

Overall returns are sensitive to the timing of the expansion project, with each year delay having an impact of approximately 6% on post-tax net present value at a discount rate of 5% ($NPV_{5\%}$). The PEA evaluation assumes that following a successful start-up, finance would be available for construction of the Project to take place during Year 2 of operation with commissioning taking place at the start of Year 3. However, it would be possible to transition from the Static Case to the Base Case at any time during the initial four years of operation without material impacts. Starting in Year 5 of the Static Case, waste material is backfilled into the JSLA pit, which would sterilize phase 2 of that pit for the Base Case.

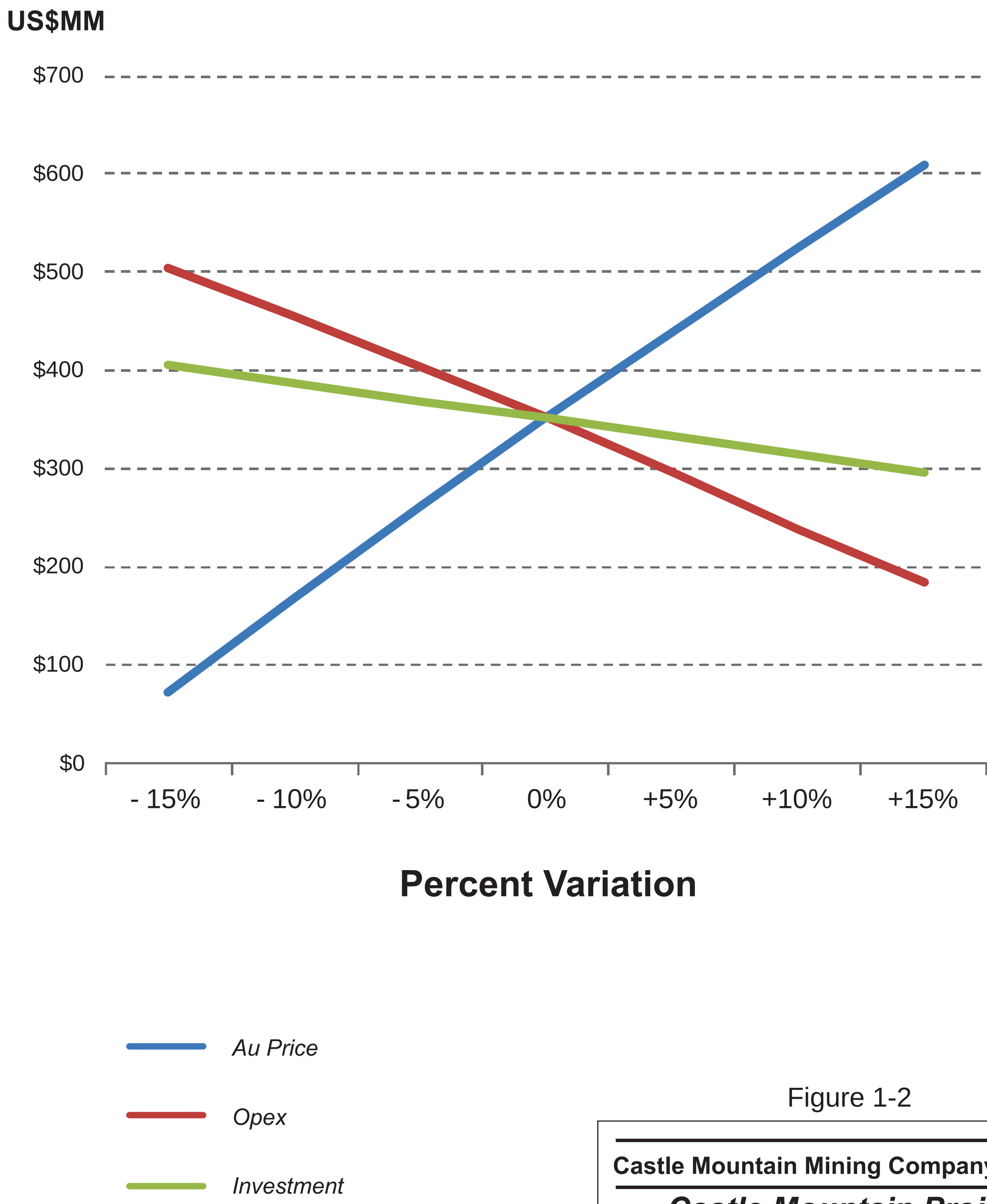


Figure 1-2

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Base Case Scenario Impact of Variance on Post-Tax NPV 5%

May 2014

STATIC CASE RESULTS

The total life of the Project for the Static Case summarized in Table 1-5 and presented in Figure 1-3 can be sub-divided as follows:

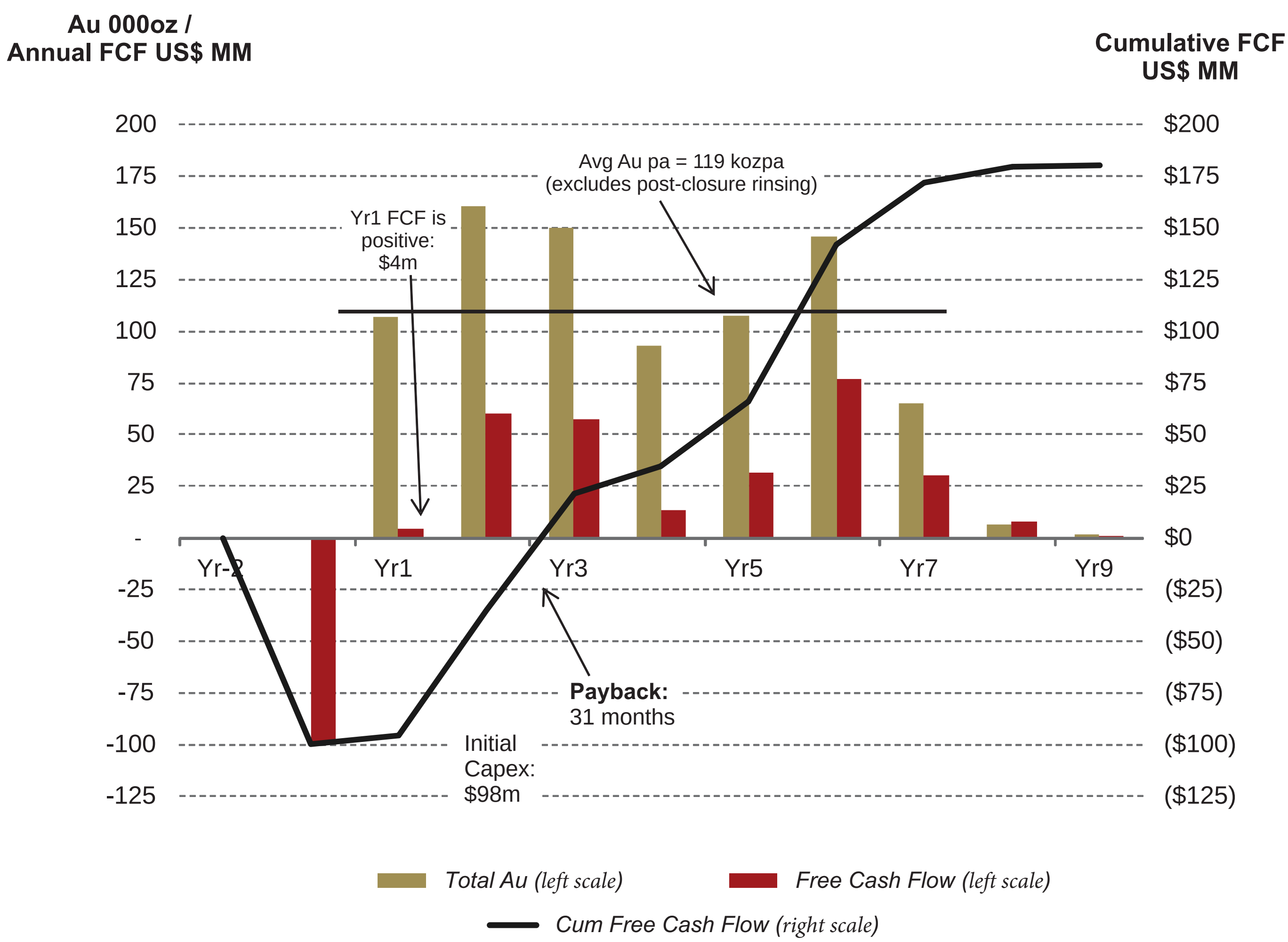
- Initial construction takes place over a period of 12 months.
- Following completion of construction, there is a 6-month ramp up to reach the full heap leach production target of 6.35 Mtpa (17,000 tpd).
- Loading of pads for the Static Case ends when the limits of the 1,375 acres currently permitted for disturbance are reached in Year 7. There is residual recovery of gold over the next three years as pads are rinsed.

TABLE 1-5 EVALUATION OF STATIC CASE SCENARIO

Castle Mountain Mining Company Limited - Castle Mountain Project

Production	**units**	**Total**	**Yr -1**	**Yr 1**	**Yr 2**	**Yr 3**	**Yr 4**	**Yr 5**	**Yr 6**	**Yr 6**	**Yr 7**	**Yr 8**	**Yr 9**	**Yr 10**	**Yr 11**
Process Feed	000 t	40,240	0	5,874	6,350	6,350	6,350	6,350	6,350	6,350	2,614	0	0	0	0
Total Mined	000 t	213,770	14,881	37,978	37,581	32,060	29,157	25,070	25,070	25,070	11,974	0	0	0	0
Refined Au	000 oz	832	0	106	160	149	92	107	145	145	65	6	1	0	0
Refined AuEq	000 oz	835	0	107	160	150	93	107	146	146	65	7	1	0	0
Cash Flow															
NSR	**US$ M**	**$1,083**	**$0**	**$138**	**$208**	**$194**	**$120**	**$139**	**$189**	**$189**	**$84**	**$8**	**$2**	**$0**	**$0**
Mine Opex	US$ M	$368	$0	$66	$75	$53	$47	$45	$52	$52	$29	$0	$0	$0	$0
Process Opex	US$ M	$230	$0	$34	$36	$36	$36	$36	$37	$37	$16	$0	$0	$0	$0
G&A Opex	US$ M	$39	$0	$6	$6	$6	$6	$6	$6	$6	$3	$0	$0	$0	$0
Site Opex	**US$ M**	**$637**	**$0**	**$105**	**$117**	**$95**	**$90**	**$88**	**$94**	**$94**	**$48**	**$0**	**$0**	**$0**	**$0**
Royalty	US$ M	$11	$0	$1	$2	$2	$1	$1	$2	$2	$1	$0	$0	$0	$0
Interest	US$ M	$1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Operating Ex	US$ M	**$650**	**$0**	**$107**	**$119**	**$97**	**$91**	**$89**	**$96**	**$96**	**$49**	**$0**	**$0**	**$0**	**$0**
Cash Taxes	US$ M	$62	$0	$3	$16	$18	$2	$5	$15	$15	$4	$0	$0	$0	$0
Initial Capex	US$ M	$98	$98	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Expansion Capex	US$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sustaining Capex	US$ M	$90	$0	$24	$13	$22	$14	$12	$1	$1	$1	$1	$1	$0	$0
Closure	US$ M	$6	$0	$0	$0	$0	$0	$3	$0	$0	$0	$0	$0	$0	$4
Total Investment	**US$ M**	**$194**	**$98**	**$24**	**$13**	**$22**	**$14**	**$14**	**$1**	**$1**	**$1**	**$1**	**$1**	**$0**	**$4**
Free Cash Flow	**US$ M**	**$177**	**($98)**	**$4**	**$60**	**$57**	**$13**	**$31**	**$76**	**$76**	**$30**	**$7**	**$1**	**$0**	**($4)**

Static Case



Design Criteria:

- 0.24 – 0.34 g/t cut-off = 40 Mt @ 0.84 g/t (1,082 koz rec'd)
- 174 Mt waste = 4.3 : 1 SR
- 214 Mt mine plan in 7yrs (+ 1 yr pre-strip) = 81 ktpd mining rate
- 6.4 Mtpa leach rate / 0 Mtpa mill
- 76.9% Recovery = 832 koz rec'd
- Cash Cost = $15.84/t treated or $763/oz

May 2014

Figure 1-3

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Static Case Scenario Cash Flow

UNCONSTRAINED CASE RESULTS

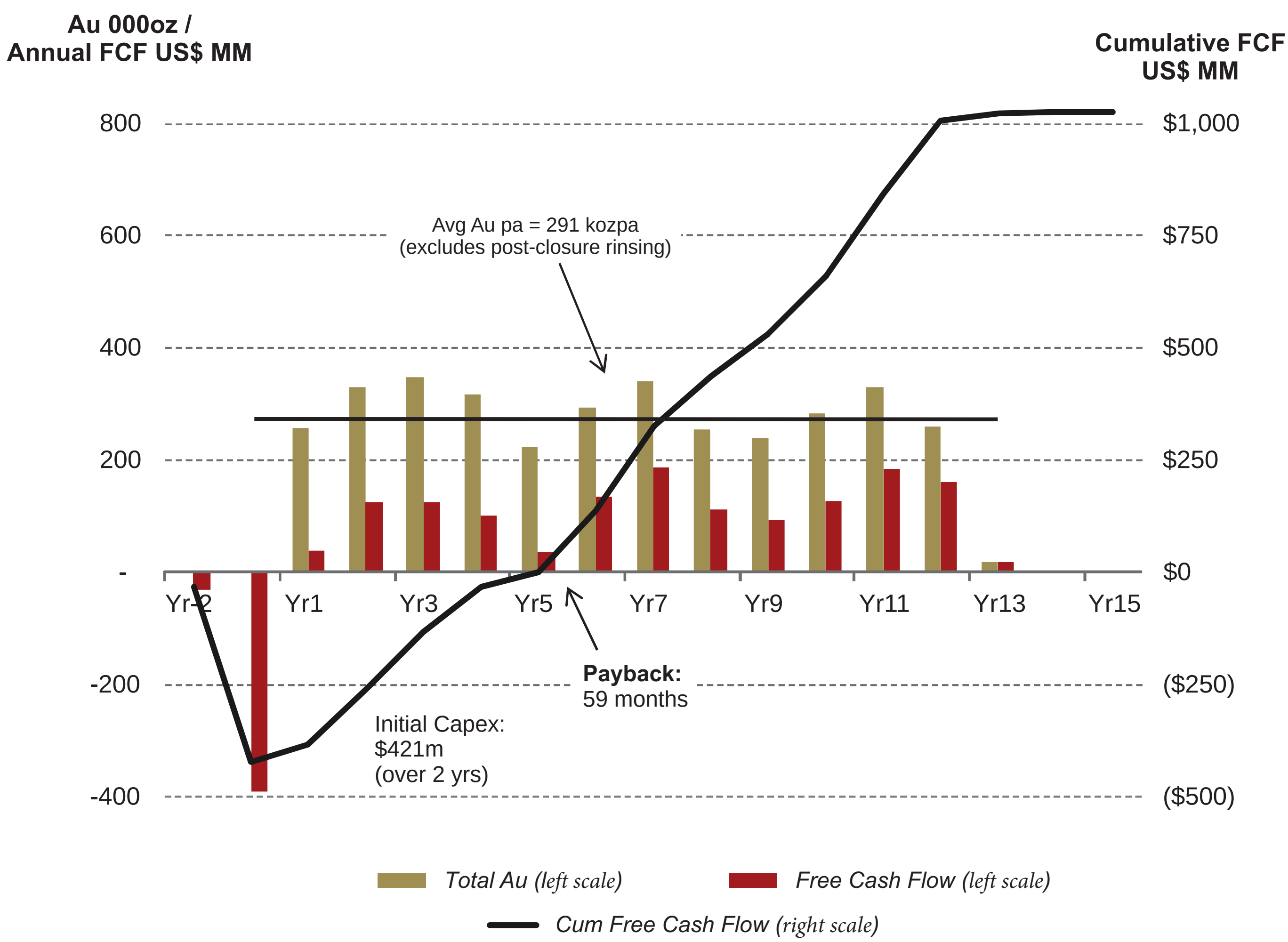
The total life of the Project for the Unconstrained Case summarized in Table 1-6 and presented in Figure 1-4 can be sub-divided as follows:

- Initial construction takes place over a period of two years, reflecting the increased amount of pre-stripping required.
- Following completion of construction, there is a 6-month ramp up to reach the full heap leach production target of 18.14 Mtpa (50,000 tpd). A 9-month ramp up is required to reach the targeted mill throughput of 1.83 Mtpa (5,000 tpd).
- The current resources are depleted in Year 12. There is residual recovery of gold over the next three years as pads are rinsed.

TABLE 1-6 EVALUATION OF UNCONSTRAINED CASE SCENARIO
Castle Mountain Mining Company Limited - Castle Mountain Project

Production	units	Total	Yr -2	Yr -1	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	Yr 16
Process Feed	000 t	209,271	0	0	16,783	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	11,052	0	0	0	0
Total Mined	000 t	1,044,273	2,845	39,481	79,763	76,360	100,609	115,034	116,174	95,471	77,847	72,759	74,638	87,665	69,572	36,054	0	0	0	0
Refined Au	000 oz	3,490	0	0	257	329	346	317	222	294	339	255	239	282	330	258	19	3	1	0
Refined AuEq	000 oz	3,506	0	0	258	330	348	318	223	295	341	256	240	283	331	259	19	4	1	0
Cash Flow																				
NSR	**US$ M**	**$4,546**	**$0**	**$0**	**$334**	**$428**	**$451**	**$413**	**$289**	**$383**	**$442**	**$332**	**$311**	**$368**	**$430**	**$336**	**$24**	**$5**	**$1**	**$0**
Mine Opex	US$ M	$1,484	$0	$0	$105	$104	$137	$163	$150	$144	$132	$111	$126	$126	$116	$71	$0	$0	$0	$0
Process Opex	US$ M	$742	$0	$0	$58	$64	$64	$64	$64	$64	$64	$64	$64	$64	$64	$42	$0	$0	$0	$0
G&A Opex	US$ M	$68	$0	$0	$6	$6	$6	$6	$6	$6	$6	$6	$6	$6	$6	$4	$0	$0	$0	$0
Site Opex	**US$ M**	**$2,294**	**$0**	**$0**	**$170**	**$174**	**$206**	**$233**	**$220**	**$214**	**$202**	**$181**	**$196**	**$196**	**$186**	**$117**	**$0**	**$0**	**$0**	**$0**
Royalty	US$ M	$87	$0	$0	$3	$4	$5	$5	$6	$9	$7	$3	$4	$13	$14	$13	$1	$0	$0	$0
Interest	US$ M	$9	$0	$0	$1	$1	$1	$1	$1	$1	$1	$1	$0	$0	$0	$0	$0	$0	$0	$0
Total Operating Expenses	US$ M	**$2,390**	**$0**	**$0**	**$173**	**$179**	**$212**	**$239**	**$227**	**$224**	**$209**	**$185**	**$200**	**$209**	**$200**	**$130**	**$1**	**$1**	**$0**	**$0**
Cash Taxes	US$ M	$354	$0	$0	$29	$54	$45	$27	$2	$21	$41	$18	$13	$23	$40	$41	$1	$0	$0	$0
Initial Capex	US$ M	$421	$30	$391	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Expansion Capex	US$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sustaining Capex	US$ M	$339	$0	$0	$93	$72	$69	$46	$25	$2	$5	$3	$4	$7	$5	$5	$3	$2	$0	$0
Closure	US$ M	$30	$0	$0	$0	$0	$0	$0	$0	$0	$0	$15	$0	$0	$0	$0	$0	$0	$0	$14
Total Investment	**US$ M**	**$790**	**$30**	**$391**	**$93**	**$72**	**$69**	**$46**	**$25**	**$2**	**$5**	**$18**	**$4**	**$7**	**$5**	**$5**	**$3**	**$2**	**$0**	**$14**
Free Cash Flow	**US$ M**	**$1,012**	**($30)**	**($391)**	**$40**	**$124**	**$125**	**$101**	**$35**	**$136**	**$187**	**$111**	**$94**	**$129**	**$184**	**$160**	**$18**	**$2**	**$0**	**($15)**

Unconstrained Case



Design Criteria:

- 0.14 – 0.21 g/t cut-off = 209 Mt @ 0.62 g/t (4,166 koz rec'd)
- 835 Mt waste = 4.0 : 1 SR
- 1,044 Mt mine plan in 12yrs (+ 2 yr pre-strip) = 223 ktpd mining rate
- 18.1 Mtpa leach rate / 1.8 Mtpa mill
- 83.8% Recovery = 3,490 koz rec'd
- Cash Cost = $10.96/t treated or $654/oz

Figure 1-4

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Unconstrained Case Scenario Cash Flow

May 2014

TECHNICAL SUMMARY

PROPERTY DESCRIPTION AND LOCATION

The Project is located in the historic Hart Mining District, at the southern end of the Castle Mountains, San Bernardino County, California, approximately 70 mi south of Las Vegas, Nevada. The Project comprises patented lode claims, unpatented lode and millsite claims, and leased claims for an aggregate total area of 7,458 acres. The Project is located in the high desert area near the Mojave National Preserve.

The Project is located near the southernmost extent of the Castle Mountain range at an elevation of approximately 4,500 ft above sea level (fasl), and elevations at the Project site range from approximately 4,100 fasl to 5,100 fasl.

LAND TENURE

Subject to certain obligations, Castle Mountain has 100% of the right, title and beneficial interest in and to CMV, which owns the Project. At the time of the purchase, CMV was 75% owned by Viceroy Gold Corporation (Viceroy) and 25% owned by MK Resources Company (MKR) until September 2012. Viceroy was a subsidiary of Sprott Resource Lending Corporation (Sprott) and MKR was a subsidiary of Leucadia National Corporation (Leucadia). Castle Mountain is in the process of purchasing 100% ownership in the CMV from Sprott. To complete the earn-in and acquisition of 100% of the CMV, Castle Mountain must submit additional payments to Sprott totalling US$8 million (in cash or shares at Castle Mountain's election) at agreed-upon development milestones.

A number of Net Smelter Return (NSR) royalty agreements are in place on the Property.

Castle Mountain asserts that it has full legal access to the Property with respect to surface and mineral rights. Castle Mountain has all required permits to conduct the proposed work on the CMV. In July 2013, Castle Mountain was granted a five year extension to its mine permit which is now scheduled to expire in 2025. The mine permit allows for open-pit mining up to nine million short tons of ore per year with no pit backfill requirements.

RPA is not aware of any existing environmental liabilities on the Property or of any other significant factors and risks that may affect access, title, or the right or ability to perform the proposed work program on the Property.

EXISTING INFRASTRUCTURE

There is no remaining infrastructure from the previous mining operations and no resources in the immediate vicinity except for road access, close proximity to grid power, several water wells, and a portion of a water system. The history of work in the area demonstrates that the Property can accommodate mining operations, waste disposal, heap leach pads, and processing plant sites. Power and water supplies have previously been established on the site and are expected to be re-established when needed. There are five patented water wells, two of which are operational.

Nearby southern Nevada has well-regarded human resources for mining and the Project enjoys all-season access through an established network of roads.

HISTORY

Gold mineralization was first reported within the present Property area in December 1907 when a vein containing a reported 11 oz/st Au was discovered. Three historical underground mines, Oro Belle, Big Chief, and Jumbo, are known to have been in operation during various periods of time in the first half of the 20th century, however, no production records are available.

Modern exploration in the Hart Mining District began in 1968 and carried on more or less continuously through to the early 2000s. A number of companies were involved in the exploration over the Project area, including Freeport Mineral Ventures, Vanderbilt Gold Corporation and B&B Mining, Viceroy Gold Corp. (Viceroy, formerly B&B Mining), and Noranda Exploration Company Ltd. A total of 1,762 holes for approximately 1,200,000 ft (361,487 m) were drilled during this time.

Mining re-commenced on the Property in 1991. Several mines were in operation, including the Jumbo South/Leslie Anne (JSLA), the Jumbo pit, and the Oro Belle and Hart Tunnel deposits. Mining ceased in 2001, however, heap leaching continued until 2004. Total gold production from the collective deposits from 1991 to 2004 was in excess of 1.24 Moz with an estimated silver production of 400,000 oz.

GEOLOGY AND MINERALIZATION

Rocks underlying the Castle Mountain range consist of a basement sequence of Proterozoic- and Cambrian-age metamorphic units covered, and intruded, by Tertiary-age volcanic flows and domes. These intrusive rocks are predominantly Miocene-age and are composed of rhyolites. Mineralization has been age-dated and is believed to have occurred from 16 Ma to 14 Ma which coincides with the emplacement of the youngest rhyolite rocks.

The Castle Mountains are cut by a series of north-, northwest-, and northeast-trending faults of predominantly normal displacement but some exhibit a small strike-slip component. These faults are pre-, syn-, and post-mineralization. The faults that predate and those that were concomitant with mineralization show a great deal of displacement while post-mineral faults have little displacement.

In the vicinity of the Mine, basement Precambrian (Proterozoic) metamorphic rocks outcrop along the northern flank of the Castle Mountain range and approximately 1.5 mi northeast of the open pits. A massive sequence of granitoid gneiss with evidence of paleo-weathering, sparse hydrothermal alteration, and weak gold mineralization characterizes this unit.

Deposited locally and stratigraphically on top of the metamorphic basement rocks is a thin, 10 ft to 25 ft thick, layer of pre-volcanic conglomerate rocks which have been strongly weathered and displays propylitic alteration. Well-rounded and fairly well-sorted granitoid gneiss with minor amounts of biotite gneiss and pegmatite comprise the clasts of this conglomerate.

The unit overlying these metamorphic basement and conglomerate rocks is a Tertiary-age sequence of volcanic and hypabyssal igneous volcanic rocks that make up the majority of the Castle Mountains and are, in composite, greater than 3,200 ft thick. The rocks are primarily rhyolite in composition with minor latite and dacite. These units have been called the Castle Mountain Volcanic Sequence (CMVS). The Boulder Conglomerate and Piute Range Volcanic Rocks are two other local units which post-date the CMVS.

The deposits historically exploited at the Mine occur predominantly in the rhyolite units of the Linder Peak member of the CMVS.

Gold mineralization is hosted in strongly brecciated and silicified volcanic rocks and occurs as both electrum and native gold. Mineralization occurs in stockwork veins, tectonic and hydrothermal breccia, and microfracture-controlled disseminations. The hydrothermal brecciation, silicification, and stockwork development are spatially associated with faults and fracture zones of multiple ages that generally strike northeast. Centres of mineralization along these faults include, from north to south, Oro Belle, Hart Tunnel, Jumbo, Jumbo South, Leslie Ann, South Domes, and 621 zones.

EXPLORATION STATUS

Castle Mountain's exploration activities began in 2013, shortly after acquisition of the Project. The exploration focus of the Phase I drilling program was to validate and verify the work done by previous operators. A total of 30 holes were completed for an aggregate length of approximately 24,880 ft, including approximately 18,092 ft of core drilling and 6,785 ft of reverse circulation (RC) drilling. The Phase 1 drill program was designed to twin and scissor historical drill holes in and around the previously mined pit areas as well as test mineralization in other exploration targets with the purpose of planning a Phase 2 drilling program.

The program focussed on northeast trending faults and rhyolite domes as principal controls of mineralization, however, the initial results indicated that intersections of northwest and northeast trending structures as well as structural intersections within lithologies other than the rhyolite domes contain a significant portion of gold mineralization. Later holes were re-oriented to test the northwest-trending structures. Key zones with the potential to expand mineralization are the Oro Belle North, Big Chief, and 621 and South Domes targets.

MINERAL RESOURCES

The Mineral Resource estimate, based on a US$1,300/oz gold price and effective as of November 21, 2013, is summarized in Table 1-7. At a cut-off grade of 0.14 g/t Au, the Indicated Mineral Resources total 165 million tonnes averaging 0.60 g/t Au and contain 3.15 million ounces of gold. In addition, the Inferred Mineral Resources total 58 million tonnes averaging 0.57 g/t Au and contain 1.06 million ounces of gold.

TABLE 1-7 MINERAL RESOURCES AS OF NOVEMBER 21, 2013
Castle Mountain Mining Company Limited - Castle Mountain Project

Imperial				Metric		
Cut-Off (oz/st Au)	**Tonnage (M st)**	**Grade (oz/st Au)**	**Gold (oz Au)**	**Cut-Off (g/t Au)**	**Tonnage (M t)**	**Grade (g/t Au)**
			Indicated			
0.0120	76.4	0.031	2,370,000	0.41	69.3	1.06
0.0100	93.2	0.027	2,560,000	0.34	84.5	0.94
0.0075	124	0.023	2,820,000	0.26	112	0.78
0.0050	164	0.019	3,074,000	0.17	149	0.64
0.0040	**182**	**0.017**	**3,150,000**	**0.14**	**165**	**0.60**
			Inferred			
0.0120	24.4	0.031	763,000	0.41	22.1	1.07
0.0100	30.3	0.027	828,000	0.34	27.5	0.94
0.0075	42.5	0.022	934,000	0.26	38.6	0.75
0.0050	57.7	0.018	1,030,000	0.17	52.3	0.61
0.0040	**63.7**	**0.017**	**1,060,000**	**0.14**	**57.8**	**0.57**

Notes:
1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are estimated at a cut-off grade of 0.004 oz/st Au (0.14 g/t Au).
3. Mineral Resources are estimated using a long-term gold price of US$1,300 per ounce.
4. Average bulk density is 0.0699 st/ft^3.
5. Numbers may not add due to rounding.

The current resource model is based on drilling data totalling 1,792 drill holes. The estimate was generated from a block model constrained by 3D wireframe models, with gold grades interpolated using inverse distance squared (ID^2) weighting. The wireframe models of the mineralization and key geological features were constructed by RPA. Additional wireframes of the major lithologies were provided by Castle Mountain.

In order to demonstrate “reasonable prospects for economic extraction”, RPA generated a Whittle pit shell using input parameters developed from historical production data and existing gold operations. Only blocks above the cut-off grade captured within the pit shell were included in the Mineral Resources estimate. The pit shell analysis yielded a pit discard grade of 0.0038 oz/st Au. RPA rounded this value up to 0.004 oz/st Au (0.14 g/t Au) for use as the Mineral Resource cut-off grade.

There is no current Mineral Reserve estimate at the Project.

MINING

Mine designs for Base Case, Static Case, and Unconstrained Case were generated using the Lerchs-Grossmann (LG) optimization to identify the optimal pit limits for each case. The LG optimization also generated a series of nested shells that were used for guiding the mining sequence.

An ultimate pit shell was generated using a gold price of US$1,300/oz and includes six discrete pits. Five of the pits will be located to the north and immediately adjacent to each other: Jumbo, Jumbo South Leslie Ann (JSLA), Oro Belle (OB), Hart-South, and Hart-North. The sixth pit, South Domes, is located to the south and is currently covered by a waste rock dump from the previous operation. The depth of dump material varies from 20 m to 60 m, averaging approximately 40 m across the deposit.

Output from the LG algorithm included all blocks in the resource model that were contained within the economic shells at a given gold price. In the next stage of design, this output was converted to a practical mine design through the inclusion of ramps and other engineering parameters. The criteria used in generating practical designs for the pits included:

- Bench height of 12.2 m.
- Ramp width of 30.5 m.
- A ramp gradient of 10%.

The six pits can be mined independently of each other. This provides an element of flexibility to the scheduling process, as pits can be mined concurrently or sequentially.

The concurrent approach has the benefit of mining the highest value (i.e., highest grade and/or lowest stripping ratio) material soonest, however, it does not allow for backfilling of pits as part of normal ROM operations. This results in larger surface waste dumps relative to the tonnage of process feed and longer surface hauls. The sequential approach was found to generate the optimal economic returns. In addition, the sequential approach mitigates risks associated with the potential future requirement to backfill pits, with the majority of the pits being backfilled as part of normal ROM operations.

The mine will be a 24 hour per day 360 days per year operation. A fleet of Owner operated equipment will be used.

MINERAL PROCESSING

The bulk of process feed is planned to be treated using a conventional heap leach. Material will be crushed in three stages then agglomerated before being stacked on the pad. Gold will be recovered using an adsorption-desorption-recovery (ADR) circuit.

Recovery of gold for the heap leaching circuit has been forecast at 76.9%, based on historical production results, which aligns well with the available metallurgical data. The process will also recover silver. Forecasts of silver that will be recovered have been based on the historical ratio of 0.3 oz silver recovered for every ounce of recovered gold.

For the Base and Unconstrained cases, provision has been made for treating higher grade material using a modified milling circuit. The mill is estimated to recover 50% of the total gold in the initial milling circuit using a combination of gravity concentrators and grinding in cyanide solution followed by recovery of 90% of the remaining 50% of the gold or an additional 45% of the gold on the leach pad for a total recovery of 95% of the gold for milled material. Tailings from the mill circuit will be agglomerated with cement and stacked on the leach pad in the same manner as the lower grade material, eliminating the need for a tailings storage facility.

PROJECT INFRASTRUCTURE

The permanent elements of the Project will be the open pit mine, waste dumps, and the leach pad. These have been designed to minimize environmental impacts by maximizing the tonnage of ROM waste rock that is impounded within mined out portions of the pit.

A number of buildings and facilities will be required to support the operation. These will be designed to facilitate removal following Project closure.

Water will be supplied from the aquifer used historically. Historical data suggests that the rate of recharge for this aquifer exceeds the projected requirements.

The Base and Static cases assume that the mine would start up using diesel powered generators to supply electricity, with the Base Case converting to grid power as part of the expansion in Year 3. The Unconstrained Case assumes the grid connection would be constructed from the outset.

ENVIRONMENTAL, PERMITTING, AND SOCIAL CONSIDERATIONS

During the operational phase of the Project in the past, environmental monitoring data was collected and interpreted either as part of the licensing regime or as part of the company's internal management and monitoring commitments. As the Project prepares for reactivation, additional baseline studies and supplemental environmental information will be required.

All permits were in place when the Castle Mountain Mine was operating. Since 2001, the mine has been maintained on idle status. During this period, the environmental review permits issued after the Project was released from the County and State environmental assessment processes were maintained. All fees have been paid and all applicable permits and authorizations have been maintained by Castle Mountain.

On June 20, 2012, Castle Mountain informed the Land Use Services Department of the County of San Bernardino (the County) that Castle Mountain intended to continue mining operations at the Mine.

On May 30, 2013, Castle Mountain applied for an amendment to the Conditions of Approval for the Interim Management Plan (IMP) relating to the Property. A five year extension to the expiration date of The Mining Conditional Use Permit and Reclamation Plan No. 90M-013 (the Permit) was requested to allow sufficient time for further exploration, engineering studies, obtaining of additional permits, facility construction, operation, and reclamation.

In July 2013, Castle Mountain was granted the five year extension to the Permit which is now scheduled to expire in 2025. The Permit allows for open-pit mining up to nine million short tons of ore per year with no pit backfill requirements.

Prior to re-starting operations, the County of San Bernardino Land Use Services Department will be notified and a revised Plan of Operations will be prepared. Most "operational" permits take three to six months to obtain after the application is submitted. Once the Project schedule is defined, permit applications for permits that require a long lead will be submitted as early as possible so as to not impede the construction schedule. Castle Mountain has been in contact with the key regulatory authorities on the content of the permit applications and process timing.

The Castle Mountain Project is essentially surrounded by Mojave Desert Preserve, restricting the amount of activities allowed within the region. Small communities are scattered throughout this region, tied to major transportation corridors. There is no housing or public services at the mine site. During the previous operations most of the employees lived in Nevada. Goods and services were obtained from both Clark County, Nevada, and San Bernardino County, California.

Once operational, the mine is expected to employ an average of 321 people per year (for the Base Case scenario). A site requirement was seventy-five percent of the work force shall travel to and from the mine site by bus or van pool.

Castle Mountain has initiated contact with government officials. Once further Project details are established, the company will begin consultation with adjacent communities, environmental associations, and other interested parties.

CAPITAL AND OPERATING COSTS

Table 1-8 provides a summary of total capital costs for each of the three scenarios.

TABLE 1-8 CAPITAL COST SUMMARY
Castle Mountain Mining Company Limited - Castle Mountain Project

	Units	Static	Base	Unconstrained
Initial Capital				
Mining	US$ 000s	40,689	40,689	107,063
Process	US$ 000s	23,550	23,550	173,724
Infrastructure	US$ 000s	9,613	9,613	19,184
Sub-Total Directs	**US$ 000s**	**73,852**	**73,852**	**299,971**
Indirects	US$ 000s	10,505	10,505	57,227
Contingency	US$ 000s	14,123	14,123	64,014
Total Initial Capital	**US$ 000s**	**98,480**	**98,480**	**421,212**
Expansion Capital				
Mining	US$ 000s	0	57,241	0
Process	US$ 000s	0	57,018	0
Infrastructure	US$ 000s	0	8,998	0
Sub-Total Directs	**US$ 000s**	**0**	**123,257**	**0**
Indirects	US$ 000s	0	25,257	0
Contingency	US$ 000s	0	24,024	0
Total Expansion Capital	**US$ 000s**	**0**	**172,538**	**0**

	Units	Static	Base	Unconstrained
Sustaining Capital				
Mining	US$ 000s	70,002	178,398	229,986
Process	US$ 000s	8,669	48,393	85,025
Site General	US$ 000s	10,830	23,267	24,331
Total Sustaining Capital	**US$ 000s**	**89,501**	**250,058**	**339,343**
TOTAL CAPITAL	**US$ 000s**	**187,981**	**521,076**	**760,555**

Table 1-9 provides a summary of average life-of-mine operating costs for each of the cases.

TABLE 1-9 OPERATING COST SUMMARY
Castle Mountain Mining Company Limited - Castle Mountain Project

Item	Units	Static	Base	Unconstrained
Mining expensed	US$/tonne mined	1.72	1.51	1.42
Mining expensed	US$/tonne process feed	9.14	11.94	7.09
Processing	US$/tonne process feed	5.73	4.87	3.54
General & Administration	US$/tonne process feed	0.98	0.73	0.32
Total Site Operating Costs	**US$/tonne process feed**	**15.84**	**17.55**	**10.96**

2 INTRODUCTION

Roscoe Postle Associates Inc. (RPA) was retained by Castle Mountain Mining Company Limited (Castle Mountain) to prepare an independent Technical Report on the Castle Mountain Venture (CMV) land holdings (the Property or the Project) located in San Bernardino County, California. The purpose of this Technical Report is to support the disclosure of the results of a Preliminary Economic Assessment. This Technical Report conforms to NI 43-101 Standards of Disclosure for Mineral Projects.

Castle Mountain, formerly Foxpoint Capital Corp., was formed through the acquisition of Telegraph Gold Inc. (Telegraph Gold) by means of an amalgamation involving Telegraph Gold and a wholly-owned subsidiary of Castle Mountain. Subject to certain obligations, Castle Mountain has 100% of the right, title and beneficial interest in and to CMV, a California general partnership, which owns the Project. Castle Mountain commenced trading on the TSX-V exchange (symbol CMM) on May 14, 2013, following the completion of the acquisition.

Castle Mountain is an exploration and development stage gold company that is working towards reopening the past producing open pit heap leach Castle Mountain Mine (the Mine). Previous mining operations on the site began in 1991 and produced in excess of 1.2 million ounces of gold from a number of open pit mines over ten years. Mining ceased in 2001 and heap leaching was discontinued in 2004. After acquiring title to the property, Castle Mountain completed a Mineral Resource estimate that included the results of a drilling program completed in 2013 (Pressacco, 2013).

This report is considered by RPA to meet the requirements of a PEA as defined in Canadian NI 43-101 regulations. The economic analysis contained in this report is based, in part, on Inferred Resources, and is preliminary in nature. Inferred Resources are considered too geologically speculative to have mining and economic considerations applied to them to be categorized as Mineral Reserves. There is no certainty that economic forecasts on which this PEA is based will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

SOURCES OF INFORMATION

Site visits were carried out by Reno Pressacco, P.Geo., RPA Principal Geologist, on March 14, 2013, and David Penswick, P.Eng., RPA Associate Principal Mining Engineer, on October 1, 2013.

Discussions during this site visit were held with personnel from Castle Mountain:

- Mr. Gordon McCreary, President and CEO
- Mr. Marty Tunney, Vice President Technical Services.
- Mr. Peter Olander, Vice President Exploration and Chief Operating Officer
- Kevin Kunkel, Project Manager

Mr. Pressacco, Mr. Penswick, Mr. Jason Cox, P.Eng., RPA Principal Mining Engineer, and Dr. Kathleen Altman, P.E., RPA Principal Metallurgist, are the Qualified Persons responsible for this Technical Report. Each of them is independent of Castle Mountain.

The documentation reviewed, and other sources of information, are listed at the end of this report in Section 27 References.

LIST OF ABBREVIATIONS

Imperial and metric units are used in this Technical Report. All currency in this report is US dollars (US$) unless otherwise noted.

a	annum	kW	kilowatt
A	ampere	kWh	kilowatt-hour
ac	acre	L	litre
bbl	barrels	lb	pound
btu	British thermal units	L/s	litres per second
^{o}C	degree Celsius	m	metre
C$	Canadian dollars	M	mega (million); molar
cal	calorie	m^2	square metre
cfm	cubic feet per minute	m^3	cubic metre
cm	centimetre	µ	micron
cm^2	square centimetre	MASL	metres above sea level
d	day	µg	microgram
dia	diameter	m^3/h	cubic metres per hour
dmt	dry metric tonne	mi	mile
dwt	dead-weight ton	min	minute
^{o}F	degree Fahrenheit	µm	micrometre
fasl	feet above sea level	mm	millimetre
ft	foot	mph	miles per hour
ft^2	square foot	M st	million short tons
ft^3	cubic foot	M t	million metric tonnes
ft/s	foot per second	MVA	megavolt-amperes
g	gram	oz	Troy ounce (31.1035g)
G	giga (billion)	oz/st, opt	ounce per short ton
Gal	Imperial gallon	ppb	part per billion
g/L	gram per litre	ppm	part per million
Gpm	Imperial gallons per minute	psia	pound per square inch absolute
g/t	gram per tonne	psig	pound per square inch gauge
gr/ft^3	grain per cubic foot	RL	relative elevation
gr/m^3	grain per cubic metre	s	second
ha	hectare	st	short ton
hp	horsepower	stpa	short ton per year
hr	hour	stpd	short ton per day
Hz	hertz	t	metric tonne
in.	inch	tpa	metric tonne per year
in^2	square inch	tpd	metric tonne per day
J	joule	US$	United States dollar
k	kilo (thousand)	USg	United States gallon
kcal	kilocalorie	USgpm	US gallon per minute
kg	kilogram	V	volt
km	kilometre	W	watt
km^2	square kilometre	wmt	wet metric tonne
km/h	kilometre per hour	wt%	weight percent
kPa	kilopascal	yd^3	cubic yard
kVA	kilovolt-amperes	yr	year

3 RELIANCE ON OTHER EXPERTS

This report has been prepared by RPA for Castle Mountain. The information, conclusions, opinions, and estimates contained herein are based on:

- Information available to RPA at the time of preparation of this report,
- Assumptions, conditions, and qualifications as set forth in this report, and
- Data, reports, and other information supplied by Castle Mountain and other third party sources.

For the purpose of this report, RPA has relied on ownership information provided by Castle Mountain. The client has relied on an opinion by Gresham Savage Nolan & Tilden, Attorneys at Law of San Bernardino, California dated April 25, 2013 entitled Supplemental Title Report/Update, Castle Mountain Venture, Castle Mountain Project, San Bernardino County, California. This opinion is relied on in Section 4, Appendix 1, and the Summary of this report. RPA has not researched Property title or mineral rights for the Castle Mountain Project and expresses no opinion as to the ownership status of the Property.

Except for the purposes legislated under provincial securities laws, any use of this report by any third party is at that party's sole risk.

4 PROPERTY DESCRIPTION AND LOCATION

The Project is located in the historic Hart Mining District, at the southern end of the Castle Mountains, San Bernardino County, California, approximately 70 mi south of Las Vegas, Nevada (Figure 4-1). The Property, as illustrated in Figure 4-2, comprises patented lode claims, unpatented lode and millsite claims for an aggregate total of 7,458 acres. The Property is located in the high desert area near the Mojave National Preserve.

The Project is surrounded by approximately 22,000 acres of United States Bureau of Land Management (BLM) controlled land. Property claim boundaries were located through the use of BLM patent reports.

LAND TENURE

The property comprises 1,298 acres of patented lode and millsite claims, 3,209 acres of unpatented lode and millsite claims, and 2,951 acres of unpatented placer claims for an aggregate total of 7,458 acres. Patented and unpatented claims are located in Townships, Ranges, and Sections as shown in Table 4-1. Castle Mountain purchased the Benson Option outright in 2014. Complete details regarding the land holdings are provided in Appendix 1.

TABLE 4-1 CASTLE MOUNTAIN PROJECT LAND TENURES BY TOWNSHIP AND RANGE
Castle Mountain Mining Company Limited - Castle Mountain Project

Township	Range	Section
12 North	18 East	23
13 North	17 East	13
14 North	17 East	1, 9, 11-14, 17, 18, 22-27, 30, 32, 34-36
14 North	18 East	6, 7, 12[1], 18, 19, 25, 30, 31
15 North	18 East	31

Source: Gresham Savage, 2013

[1] Gresham Savage notes there is no Section 12 in Township/Range 14N/18E and previous references may be due to a typographic error.

Subject to certain obligations, Castle Mountain has 100% of the right, title and beneficial interest in and to CMV, which owns the Project. At the time of the purchase, CMV was 75%

owned by Viceroy Gold Corporation (Viceroy) and 25% owned by MK Resources Company (MKR) until September 2012. Viceroy was a subsidiary of Sprott Resource Lending Corporation (Sprott) and MKR was a subsidiary of Leucadia National Corporation (Leucadia). Castle Mountain is in the process of purchasing 100% ownership in the CMV from Sprott. To complete the earn-in and acquisition of 100% of the CMV, Castle Mountain must submit the following to Sprott:

- A payment of US$3 million in cash or shares upon completion of a Feasibility Study or by September 2015
- A payment of US$5 million in cash or shares upon starting commercial production or by September 2018

Castle Mountain is required to pay an annual fee to the United States BLM in the amount of US$140 per 20 acre section per year in respect of unpatented lode claims. This totals US$59,360 per year for all of the unpatented lode claims that comprise the current land holdings. Payments are due on September 1 of each year, and RPA understands that all payments have been made in this respect for 2013/2014.

Property taxes are also payable to San Bernardino County on an annual basis on September 1. A total of US$6,970 is payable for the patented claims, US$29 for the Benson Option and US$75 for the unpatented lode claims. Payments are due on a semi-annual basis in April and December.

Castle Mountain confirms to RPA that all unpatented and patented claims are current as of May 2014 with respect to fees, taxes, and levies. Castle Mountain asserts that it has full legal access to the Property with respect to surface and mineral rights. Castle Mountain also reports that there are no known dates of expiration to mining claims pertinent to the Property.

TITLE REPORT

On April 25, 2013, Gresham, Savage, Nolan & Tilden (Gresham Savage) of San Bernardino, California, prepared an updated title report, which related only to changes that had occurred since the date of the previous 2012 Gresham Savage title report. The land tenures examined by Gresham Savage are provided in Appendix 1.

ROYALTIES

A number of net smelter return (NSR) royalty agreements are in place on the Property as illustrated in Figure 4-3 and shown in Table 4-2.

TABLE 4-2 OUTSTANDING NET SMELTER RETURN (NSR) ROYALTIES
Castle Mountain Mining Company Limited - Castle Mountain Project

Claim/Patent	NSR (%)	Owner of NSR
Pacific Clay	5	Franco-Nevada
	2	American Standard
Turtle Back	5	Conservation Fund
Milma	5	Conservation Fund
	1	Franco-Nevada
Golden Clay	5	Huntington Tile
PS/APS	4	Franco-Nevada
Oro Belle	1	Franco-Nevada
Mountain Top	1	Franco-Nevada

Source: Temkin, 2012

RPA is not aware of any environmental liabilities on the Property. In July 2013, Castle Mountain was granted a five year extension to its Mining Conditional Use Permit and Reclamation Plan No. 90M-013 (the Permit), which is now scheduled to expire in 2025. The Permit allows for open-pit mining up to nine million short tons of ore per year with no pit backfill requirements. There are five patented water wells, two of which are operational. All permits are in hand to carry out the proposed work for completion of a Feasibility Study. A more comprehensive description of the permits required for re-starting of mining operations is provided in Chapter 20.

RPA is not aware of any other significant factors and risks that may affect access, title, or the right or ability to perform the proposed work program on the Property.

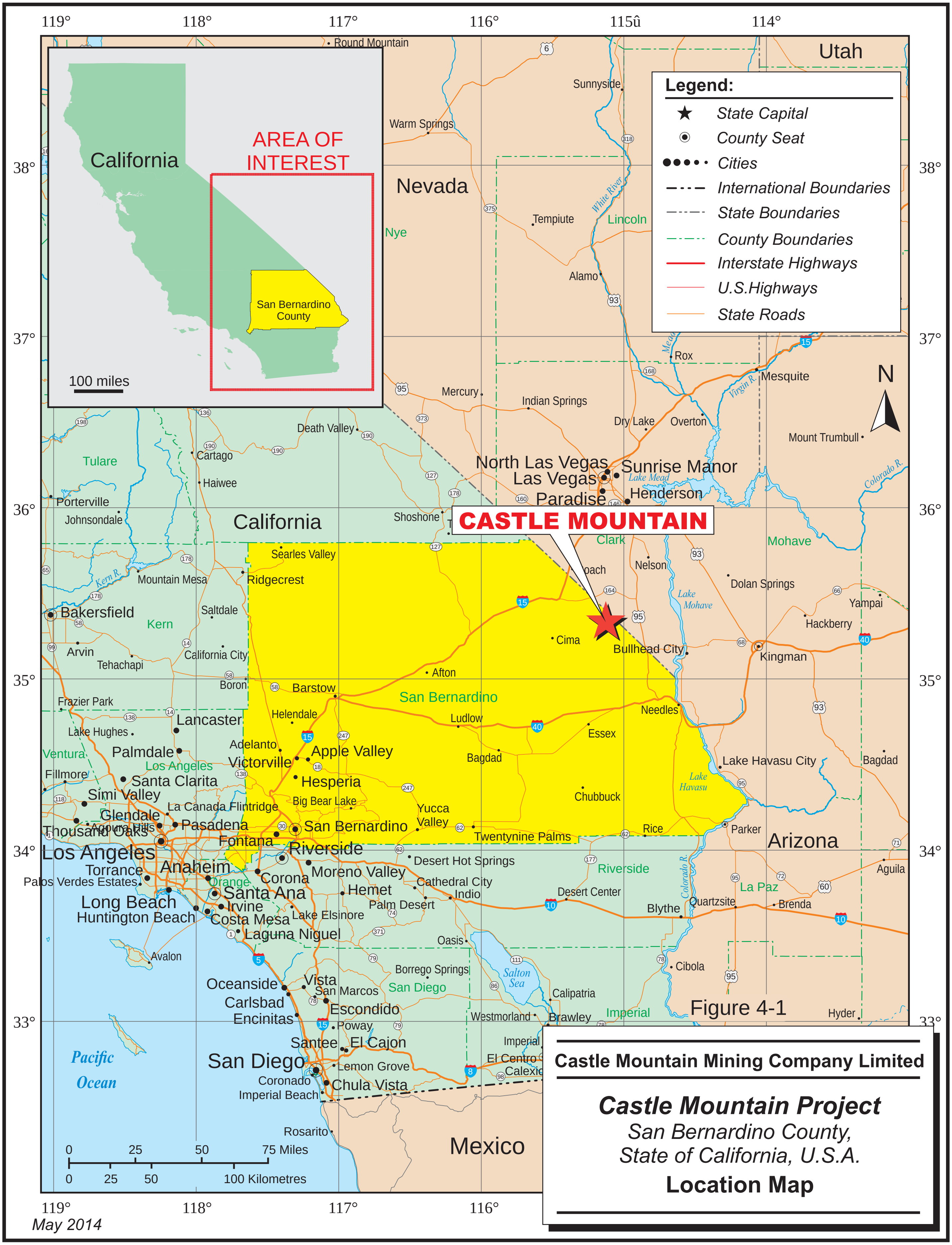


Figure 4-1

Castle Mountain Mining Company Limited

Castle Mountain Project

San Bernardino County,
State of California, U.S.A.

Location Map

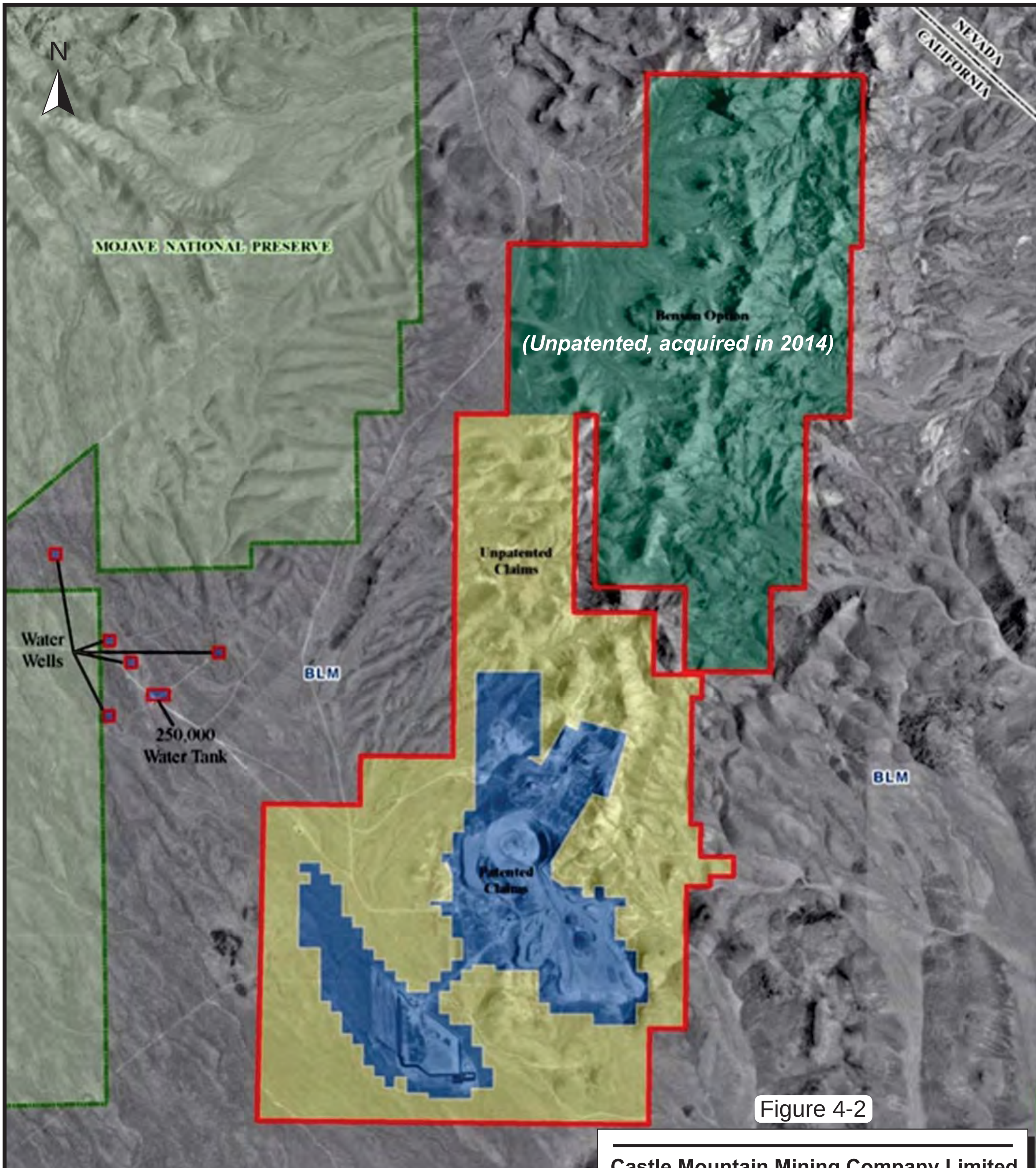


Figure 4-2

Legend:

- Area Controlled
- Patented Claims
- Benson Option
- Unpatented Claims

0 2,000 4,000 8,000
Feet

May 2014 **Source: Castle Mountain Mining Company, 2013.**

Castle Mountain Mining Company Limited

Castle Mountain Project
State of California, U.S.A.
Property Map

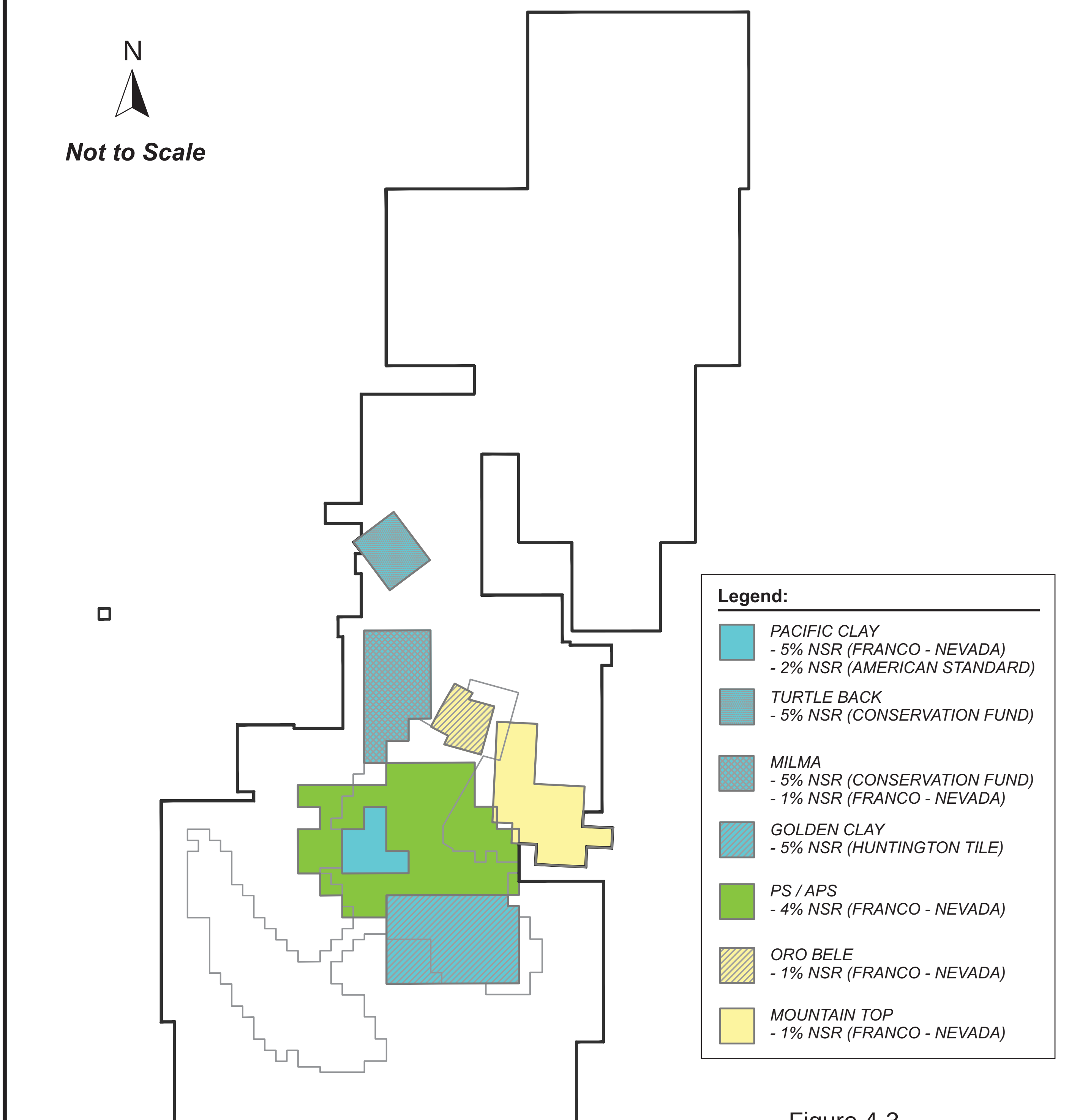


Figure 4-3

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Existing Royalty Distribution

NOTES:

1. *Area of interest royalty (1% NSR FRANCO - NEVADA) was not included on this map.*
2. *Claims plotted and areas calculated from documents provided by Castle Mountain Venture.*
3. *No field survey was performed.*

May 2014

Source: Heritage Surveying, 2012.

5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND ACCESSIBILITY

The Property is readily accessed by travelling south from Las Vegas, Nevada along highway US-95 South for approximately 55 mi to Searchlight, Nevada. Bearing west for approximately five miles along Nevada State Route 164 (Nipton Road), the unpaved Walking Box Ranch Road is intersected. The Property is located approximately 18 mi southwest of this intersection along the Walking Box Ranch Road.

CLIMATE

No long-term weather data is available for the immediate site, but the climate is typical of the arid eastern Mojave Desert area. Most of the precipitation is the result of localized thunderstorms between July and September and infrequent cyclonic storms from December to March.

Nearby Searchlight, Nevada, located approximately 15 mi northeast, reports precipitation of about eight inches (200 mm) per year. Searchlight has an elevation of 3,445 fasl, which is lower in elevation than the Property. Therefore, RPA assumes that slightly higher rates of precipitation will occur at the Property. Precipitation is primarily in the form of rain but occasional snowfalls occur. Snow typically melts within days.

Seasonal temperatures can range from approximately 32°F (0°C) to 100°F (38°C). The area is subject to gusty winds that help moderate high temperatures in summer but cause wind chill conditions in winter. In RPA's opinion, climate does not have the potential to materially impact any exploration work or future production activities. The site can be accessed by gravel road year-round.

Vegetation and wildlife are typical of the Mojave Desert. Many cactus species (cholla and barrel) are found along with woodlands of Joshua trees, blackbrush scrub, creosote bush scrub, and desert grasslands.

Common mammals found in the area are coyote, jack rabbit, desert woodrat, and mice. Reptiles include lizards, snakes, and the protected desert tortoise which occurs locally in limited numbers. The lethal Mojave Green rattlesnake inhabits the area along with various hawk and owl species.

LOCAL RESOURCES

The nearest primary supply centre for goods and services is Henderson, Nevada approximately 70 mi by road to the north-northeast. Henderson is a centre for hospitals and schools and has a history of industrial manufacturing. Based on the 2010 US census, Henderson's estimated population is about 257,000.

McCarran International Airport is located approximately 80 mi to the north-northeast of the Property in Paradise, Nevada, about seven miles south of Las Vegas. It is the principal commercial airport in the region and comprises three terminals which service a number of domestic and international carriers.

INFRASTRUCTURE

Infrastructure from the previous mining operation has largely been removed, with the exception of road access, close proximity to grid power, several water wells, and a portion of a water system. The history of work in the area demonstrates that the Project can accommodate mining operations, waste rock disposal, heap leach pads, and processing plant sites. Power and water have previously been established on the site and could be re-established as needed. There are five patented water wells, two of which are operational. An aerial photograph showing the sites of remaining infrastructure from the former operation is presented in Figure 5-1.

Nearby southern Nevada has a well-regarded pool of human resources for mining and the Project enjoys all-season access through an established network of roads.

Sufficient surface rights are in-hand to accommodate the major infrastructure items such as proposed waste rock storage areas and proposed leach pad locations for the Static Case design. Additional surface rights for these items will be required for the Base Case and Unconstrained Case designs. The amount of additional surface rights required is approximately 700 acres, and may be reduced by careful modification of the proposed designs.

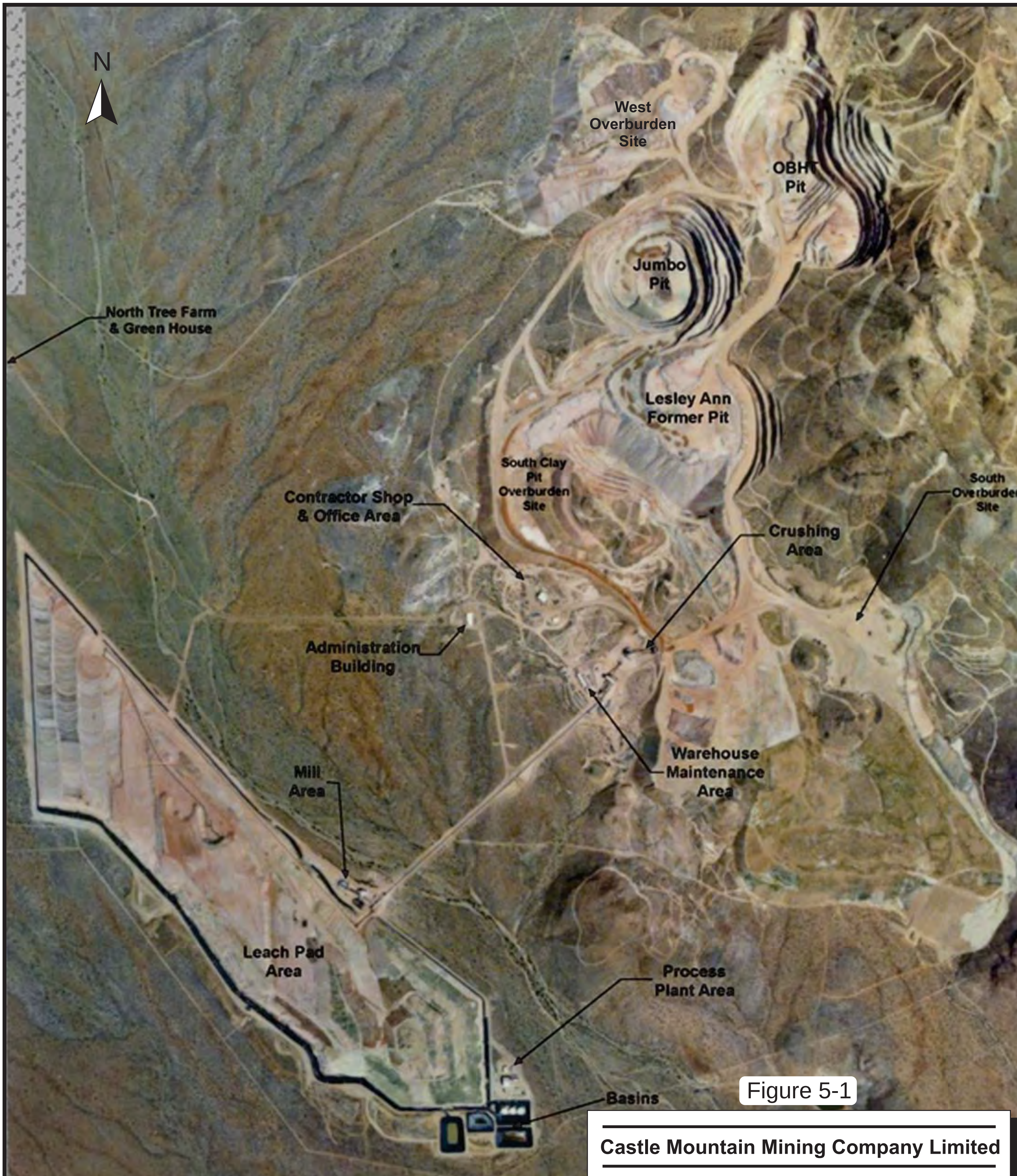


Figure 5-1

Aerial Photo Date: August 1999

0 650 1,300 2,600
Feet

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Aerial Photography Showing Sites of Remaining Infrastructure from Previous Operation

May 2014 **Source: Castle Mountain Mining Company, 2013.**

PHYSIOGRAPHY

California's portion of the Mojave Desert can be divided into three subregions with indistinct boundaries. The western Mojave subregion consists of the triangular Antelope Valley, and the central Mojave subregion roughly coincides with the Mojave River Valley. The Property is located in the eastern Mojave subregion, which gradually blends with the Basin and Range region to the north and the Colorado Desert to the south. Elevations are higher in the eastern Mojave compared to the other subregions, but differences in elevations are not as pronounced as those seen in Basin and Range terrains (Michaelsen, 2013).

The region hosts the Clark, New York, and Providence mountain ranges and many peaks exceed 6,560 fasl in elevation (Michaelsen, 2013). The Castle Mountains are a relatively small range extending north-northeast from the northern end of Lanfair Valley in California into Piute Valley in Nevada. The range is about ten miles in length and two to three miles in width trending across the northern end of the Piute Range near the California-Nevada state borderline. The Mine is located near the southernmost extent of the Castle Mountain range at an elevation of about 4,500 fasl, and elevations at the Project site range from about 4,100 fasl to 5,100 fasl.

Topographic relief in the Castle Mountain range averages approximately 1,000 ft above the adjacent Lanfair Valley floor elevation of approximately 4,100 fasl (Temkin, 2012). Evidence of volcanic activity is found in landforms associated with crustal thinning most notably in the Cima Dome area (Michaelsen, 2013). Volcanic plugs and domes form the high relief features.

Hart Peak (5,543 fasl), Linder Peak (5,543 fasl), and Egg Hill (5,077 fasl) are prominent features. The latter is located at the southern end of the range, nearby the currently known gold mineralization (Temkin, 2012).

Sand, from the Mojave River area, has been carried east by strong winds and deposited against the Providence mountains forming large dunes (Michaelsen, 2013).

6 HISTORY

Gold mining began in the Hart Mining District in 1907. Recent exploration was conducted in the area more or less continuously since the late 1960s. A brief summary for each era is provided below. Further details are presented in Pressacco (2013) and Temkin (2012).

HISTORICAL MINING

GOLD MINING

In 1907, three underground mining operations were brought into production: Oro Belle, Big Chief, and Jumbo. Operations wound down from 1910 to 1911 as the mineralized veins of interest were exhausted.

The Big Chief Mine was reopened as the Valley View Mine and operated from 1932 to 1944 utilizing an old shaft.

No production records are available for these historical operations.

CLAY MINING

In the 1920s, development began on the clay alteration zones associated with gold deposits. Quarrying for clay started in the area in the 1930s. Clay production was reported to have exceeded 200,000 st by 1957.

MODERN EXPLORATION

Modern exploration in the Hart Mining District began in 1968 and carried on more or less continuously through to the early 2000s. A synopsis of the work carried out is presented below.

VANDERBILT GOLD CORPORATION

<u>1968:</u> sampled historical mine dumps and underground workings.

<u>1979:</u> acquired the Oro Belle patents.

<u>1980:</u> staked nine lode claims covering the Southern Belle 1 deposit. Completed a 28-hole conventional rotary (CR) drilling program. Collected a 1,980 st bulk sample for vat-leach testing.

FREEPORT MINERAL VENTURES

1980-1981: staked 352 "MYO" lode claims. Conducted regional-scale geological mapping and grid-style rock chip and geochemical sampling.

1982-1984: drilled 26 conventional rotary (CR) holes. Exploration ceased, claims allowed to lapse.

B&B MINING AND VANDERBILT GOLD CORPORATION

1981: acquired lode claims adjoining the Vanderbilt Gold Corporation (Vanderbilt) land holdings. Completed four CR drill holes.

1983: signed a Joint Venture Agreement (JVA) with Vanderbilt and completed geological mapping. Vanderbilt completed 159 CR holes for a total of 21,058 ft. Other work during 1981-1984 included:

Surface

- Geologic mapping at a scale of 1 in. = 200 ft
- Rock chip sampling
- Grid pattern soil mercury survey
- Magnetometer and very low frequency electromagnetic (VLF-EM) geophysical surveys

Underground

- Rehabilitation of underground workings
- Geologic mapping at a scale of 1 in. = 20 ft
- Rock chip sampling of approximately 3,650 ft of drifts and crosscuts

1984: B&B Mining amalgamated with Viceroy Petroleum Ltd. to form Viceroy Gold Corporation (Viceroy) and became the U.S. subsidiary of Viceroy Resources Ltd. (Viceroy Resources). In late 1984, Viceroy became the majority partner and operator as Vanderbilt's interest was reduced to below 10%. Eventually, Vanderbilt ceased involvement in the JVA.

VICEROY GOLD CORPORATION

1984: Became operator of the project.

- Geologic mapping at scales of 1 in. =100 ft, 1 in. =200 ft, 1 in.=500 ft
- Stream sediment and grid-pattern soil sampling
- Rock chip, channel, and panel sampling
- Geophysical (Induced Polarization (IP)/Resistivity, and magnetic) surveys
- Biogeochemical survey
- Completion of 18 CR holes

1986: detailed geological mapping and drilling of 116 CR holes
By the third quarter of 1986, Viceroy had acquired 100% of the Property and progressed toward a Feasibility Study (FS) on the Oro Belle, Jumbo South, and Leslie Anne mineralized bodies.

The 1987 Viceroy FS, conducted by Holt Engineering Ltd. (Holt) of North Vancouver, British Columbia, was prepared concurrent with the exploration work. The FS was based on conceptual guidelines that focused on early production using heap leach methods of extraction. RPA notes that investigating the merits of milling the potential ore was not within the FS's scope of work.

The FS proposed ore extraction by means of open pit with a two-stage crushing circuit followed by heap leach, carbon-in-column gold recovery, electrowinning, and on-site smelting to produce gold bullion. An initial production rate of 5,000 stpd was proposed by Holt with production increase to 8,000 stpd later in the mine's life. Holt concluded that metallurgical studies done at the time indicated that the mineralized material was amenable to heap leaching for gold (Holt, 1987).

Holt concluded that the CMV, as proposed, was economically and technically feasible, so Viceroy sought a major financing with Hemlo Gold Corporation (Hemlo Gold) in 1987. Under terms of the agreement, Viceroy retained 100% interest in the central area while Hemlo Gold acquired a 50% interest in the exploration rights for the remainder of the Castle Mountains. Permitting for mining production began in 1987 and, in 1990, a favourable decision was granted to Viceroy by the BLM.

Concurrent to the permitting process, exploration, condemnation, and development drilling increased. In 1987, 189 holes were drilled and in 1988 another 231 holes were drilled over 25 target areas. These holes were generally drilled using a combination of CR and reverse circulation (RC) methods. The majority were initially CR with follow-up holes utilizing RC. An additional ten core holes tested areas where significant gold mineralization was intersected in the RC drilling. The South Extension, Jumbo, and Hart Tunnel mineralized bodies were found using these methods. The South Dome mineralized body was discovered during a condemnation drilling program designed to sterilize an area proposed for a waste dump facility.

Due to the time required for the permitting process, Viceroy ceased drilling for a time and focused its efforts on special studies of the gold mineralization including microscopy, petrology, and geochemistry.

The petrology study was completed by Cominco Ltd. Exploration Research Laboratory (Cominco) in Vancouver, British Columbia. Five drill core samples were submitted for preparation into polished section thin sections and were examined under reflected light. The sample gold grades ranged from 0.024 oz/st Au to 0.928 oz/st Au with silver values from 0.10 oz/st Ag to 0.24 oz/st Ag. The five thin sections were studied in detail by scanning, field by field, at 160 power magnification with specific areas further examined at 400 power magnification. Precious metals comprising native gold, silver, and electrum were observed in four of the five samples and were identified optically and by scanning electron microscope with an energy dispersive x-ray analyzer. It was noted that the variability of silver in the mineralization was extreme in these four samples. The gold and associated silver was believed to occur in the later stages of the mineralization event and may have been remobilized locally. Most of the gold was found in vugs in quartz, interstitial to quartz in silicification zones or fractures, or in iron-oxide from precursor pyrite grains. Cominco noted that gold was rarely found in altered rock and, when noted, it was associated with secondary quartz due to silicification. Silver was found in electrum and in limonitic phases or as indistinct phases such as argentite (Cominco, 1988).

When drilling resumed in 1990, 16 RC condemnation and exploration holes were drilled in eight separate areas. This drilling resulted in the discovery of gold mineralization in the North Oro Belle area.

HEMLO GOLD CORPORATION/NORANDA EXPLORATION COMPANY LTD.

Noranda Exploration Company Ltd. (Noranda) began exploring in the Castle Mountains in 1987. Early work included regional-scale geological mapping and rock chip sampling. Other, more focussed work done by Noranda included IP, biogeochemical, and microbial surveys over the Northwest Rim target area which hosts the Jumbo South/Leslie Anne (JSLA) mineralized bodies. These later surveys generated targets which were tested by a number of RC holes but no significant gold mineralization was intersected. Noranda dropped its interests in the area in 1990.

VICEROY GOLD CORPORATION AND MK GOLD COMPANY

In early 1991, MK Gold Company (MK Gold) purchased a 25% interest in the Mine and became the contract mining operator. Later that year, mine construction began on the JSLA deposits with the plan to exploit both deposits with one open pit. Commercial production was started at the Mine that same year as exploration work continued.

In June 1991, drilling resumed on the Oro Belle and Jumbo deposits in addition to condemnation drilling on other parts of the Property. The Lucky John high-grade mineralized zone was discovered in what was proposed to be the South Clay Pit waste area and the deep, well-mineralized 621 Zone was found in the proposed South Waste Dump area. The persistent discovery of new mineralized areas as the Mine was closing in on production necessitated further exploration and condemnation drilling. These discoveries also demonstrated the Property's potential for hosting narrow high-grade zones at depth which could potentially be exploited by underground mining in addition to substantial mineralized shallow zones.

Exploration, development, and condemnation drilling from 1992 to 1993 totalled 263 RC holes in 15 target areas. The emphasis was on development drilling at the Jumbo and North Oro Belle deposits and exploration/condemnation drilling at South Domes. Condemnation drilling continued at the South Waste Dump area and led to the discovery of the Southeast Egg mineralized zone. Additional drilling outside of this mineralized area, on 400 ft centres, encountered little mineralization and this area was ultimately designated to be used for waste rock disposal.

From 1993 to 1994, 252 RC holes were drilled in 19 areas for exploration, development, and condemnation. Development drilling was concentrated on the Hart Tunnel and Oro Belle mineralized bodies. Exploration drilling was carried out at Egg Dome, Lucky John, and South Extension zones.

Significant gold intersections were encountered at Hart Tunnel, Oro Belle, and Mountain Top during the RC drilling programs that were conducted between 1994 and 1995.

Viceroy contracted Intermountain Mine Services (IMS) of Salt Lake City, Utah in 1996 to design an underground exploration program that would further define the mineralization found in the surface drilling. Once defined, IMS was to formulate a plan to develop and mine the mineralized material. The underground exploration program called for drilling BQ-diameter (36.5 mm) core holes through the mineralized zones at 50 ft centres to further define the boundaries and overall grade of mineralization (Intermountain, 1996). RPA could not find evidence that this work progressed beyond the planning stage.

PAST PRODUCTION

Mining was done by open pit. Production commenced on the Property in 1991 and the JSLA deposits were exhausted in 1996. The Jumbo pit ceased production in 2001 due to wall stability issues which left the deepest bench mined approximately 200 ft above the planned bottom mining elevation. Mining on the Oro Belle and Hart Tunnel deposits ceased later in 2001. Heap leaching continued until 2004.

Mineral processing included two circuits:

- A conventional heap leach circuit where ore was crushed in three stages with the minus $^{3}/_{8}$ in. (9.5 mm) product of the tertiary crushing delivered to the leach pad via conveyor system.
- A modified milling circuit where feed was ground to 100 mesh (149 µm) and treated with cyanide solution while still in the ball mill. Later in the mine life, a supplemental gravity circuit was added. Mill tailings were then agglomerated and conveyed to the heap leach pad where they were treated in the same manner as the heap leach feed.

Since the residence time in the ball mill was significantly less than the 24 hours required to achieve full cyanide dissolution, the initial gold recoveries were in the range of 33% to 40%. When the gravity circuit was added, gold recoveries exceeded 50%. The agglomerated tailings were estimated to achieve 91.3% gold recovery with an overall recovery for mill feed material of about 95% of the gold.

The leach cycle extended 43 months after pad loading ceased and resulted in about 116,120 oz of gold, or 12% of the total leach production, recovered after the closure of the pit.

Total gold production from all deposits was in excess of 1.24 Moz with an approximate silver production of 400,000 oz. Table 6-1 summarizes past production compiled from quarterly estimates.

TABLE 6-1 PAST PRODUCTION FROM 1991 TO 2004
Castle Mountain Mining Company Limited - Castle Mountain Project

Activity	Tonnage (000 st)	Grade (oz/st Au)	Contained Ounces Au (000s)	Recovered Ounces Au (000s)	Recovery (%)
Ore Mined	37,683	0.040	1.52		
Waste Mined	102,260	n/a			
Total Mined	**139,943**				
Ore Milled	1,967	0.144	283	269[1]	95.0[2]
Ore Leached	34,226	0.037	1,267	974[3]	76.9[4]
Total Processed	**36,193**	**0.043**	**1,550**	**1,243**	**80.2**

Source: Castle Mountain

Notes:
1. A total of 269,000 oz Au comprises 120,000 oz Au recovered from mill circuit and 149,000 oz Au recovered from agglomerated tailings placed on the heap leach pad.
2. Recovery calculated as 269,000 oz Au recovered from 283,000 oz Au.
3. A total of 974,000 oz Au comprises 1,123,000 oz Au minus 149,000 oz Au recovered from agglomerated tailings sent to the heap leach circuit.
4. Recovery calculated as 974,000 oz Au recovered from 1,267,000 oz Au.
5. Some columns may not add up due to rounding.

HISTORICAL RESERVE ESTIMATE

A historical reserve estimate was prepared by Holt for Viceroy in 1987 and was reported in the Holt FS for three deposits, Jumbo South, Leslie Anne, and Oro Belle. The estimate was based on 112,063 ft of rotary drilling and 3,082 ft of underground sampling. The reserves were entirely from within the zone of oxidation and were considered for potential open pit operation. The cut-off grade used for the estimate was 0.015 oz/st Au (Holt, 1987). Table 6-2 summarizes the historical estimate.

TABLE 6-2 1987 HOLT FS HISTORICAL RESERVE ESTIMATE
Castle Mountain Mining Company Limited - Castle Mountain Project

Deposits	Tonnage (st)	Grade (oz/st Au)	Contained Gold (oz)
Jumbo South	8,832,390	0.051	450,452
Leslie Anne	10,328,810	0.065	671,308
Oro Belle	6,780,000	0.044	298,320
Total	**25,941,200**	**0.055**	**1,420,080**

RPA notes that the above estimate pre-dates NI 43-101, should not be relied upon, has been subjected to mining extraction and is quoted for historical purposes only. RPA further notes that a Qualified Person has not carried out sufficient work to classify these historical estimates as current Mineral Resources or Mineral Reserves, and Castle Mountain is not treating these historical estimates as current.

7 GEOLOGICAL SETTING AND MINERALIZATION

The following section is derived from Temkin, 2012 unless otherwise noted.

REGIONAL GEOLOGY

Rocks underlying the Castle Mountain range consist of a basement sequence of Proterozoic- and Cambrian-age metamorphic units covered, and intruded, by Tertiary-age volcanic flows and domes. These intrusive rocks are predominantly Miocene-age and are composed of rhyolites (Figure 7-1). Mineralization has been age-dated and is believed to have occurred from 16 Ma to 14 Ma, which coincides with the emplacement of the youngest rhyolite rocks.

The Castle Mountains are cut by a series north-, northwest-, and northeast-trending faults of predominantly normal displacement but some exhibit a small strike-slip component. These faults are pre-, syn-, and post-mineralization. The faults that predate mineralization and those that were concomitant show a great deal of displacement while post-mineral faults have little displacement.

The faults which resulted in the most displacement are believed to have helped control the emplacement of rhyolite domes and hypabyssal intrusives and provided pathways for hydrothermal fluids which resulted in the formation of hydrothermal breccias and gold mineralization.

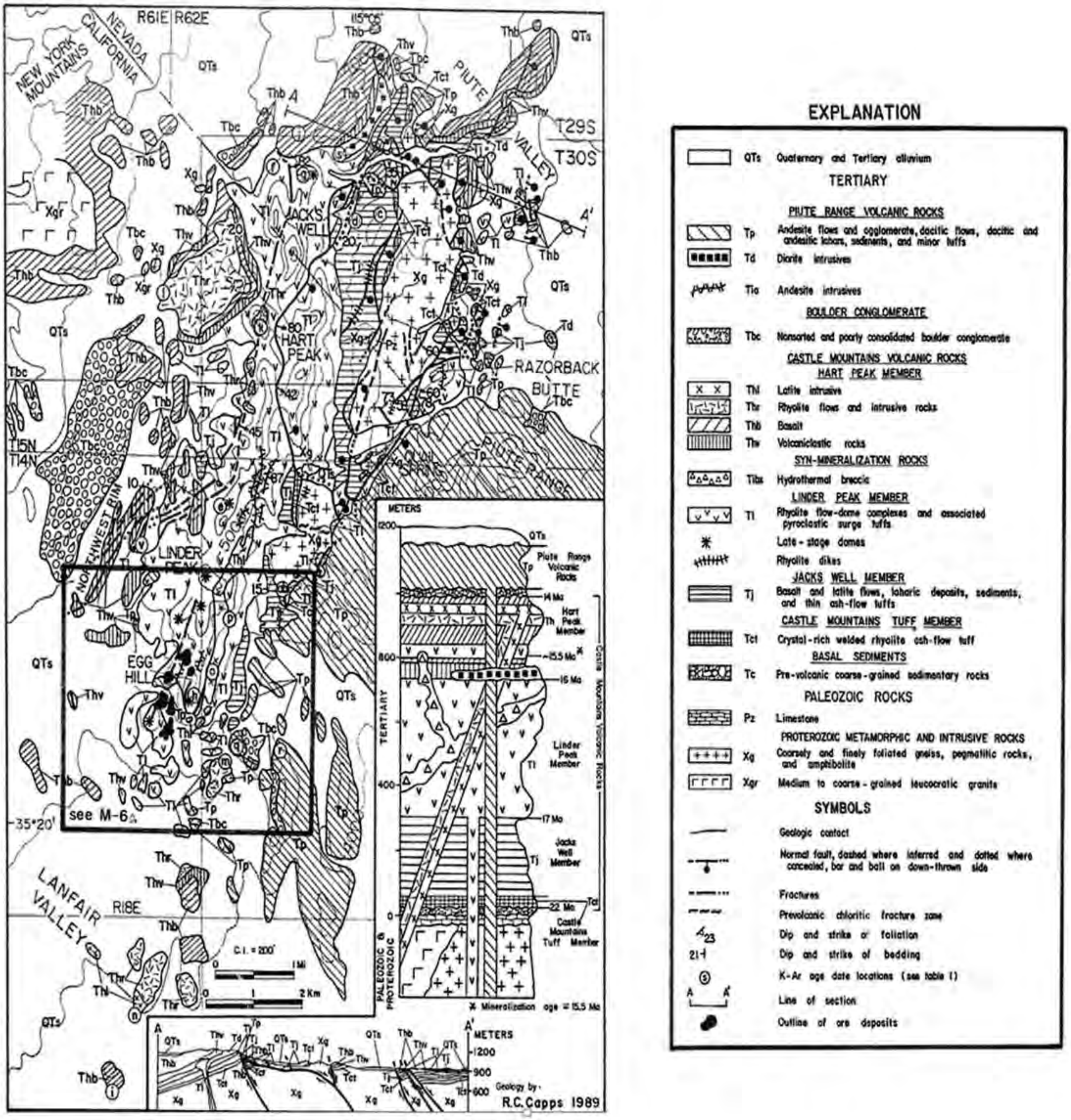


Figure 7-1

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Regional Geology

May 2014 ***Source: Castle Mountain Mining Company, 2013.***

PROPERTY GEOLOGY

In the vicinity of the Mine, basement Precambrian (Proterozoic) metamorphic rocks outcrop along the northern flank of the Castle Mountain range and approximately 1.5 mi northeast of the open pits. Drill holes have also intersected these rocks at depths of greater than 1,000 ft near the JSLA pit and the Oro Belle and Hart Tunnel areas. A massive sequence of granitoid gneiss with evidence of paleo-weathering, sparse hydrothermal alteration, and weak gold mineralization characterizes this unit. This gneiss contains biotite, plagioclase, and quartz with minor amounts of late chlorite and epidote alteration. Cambrian-age limestone, which has been altered to marble, is also observed periodically.

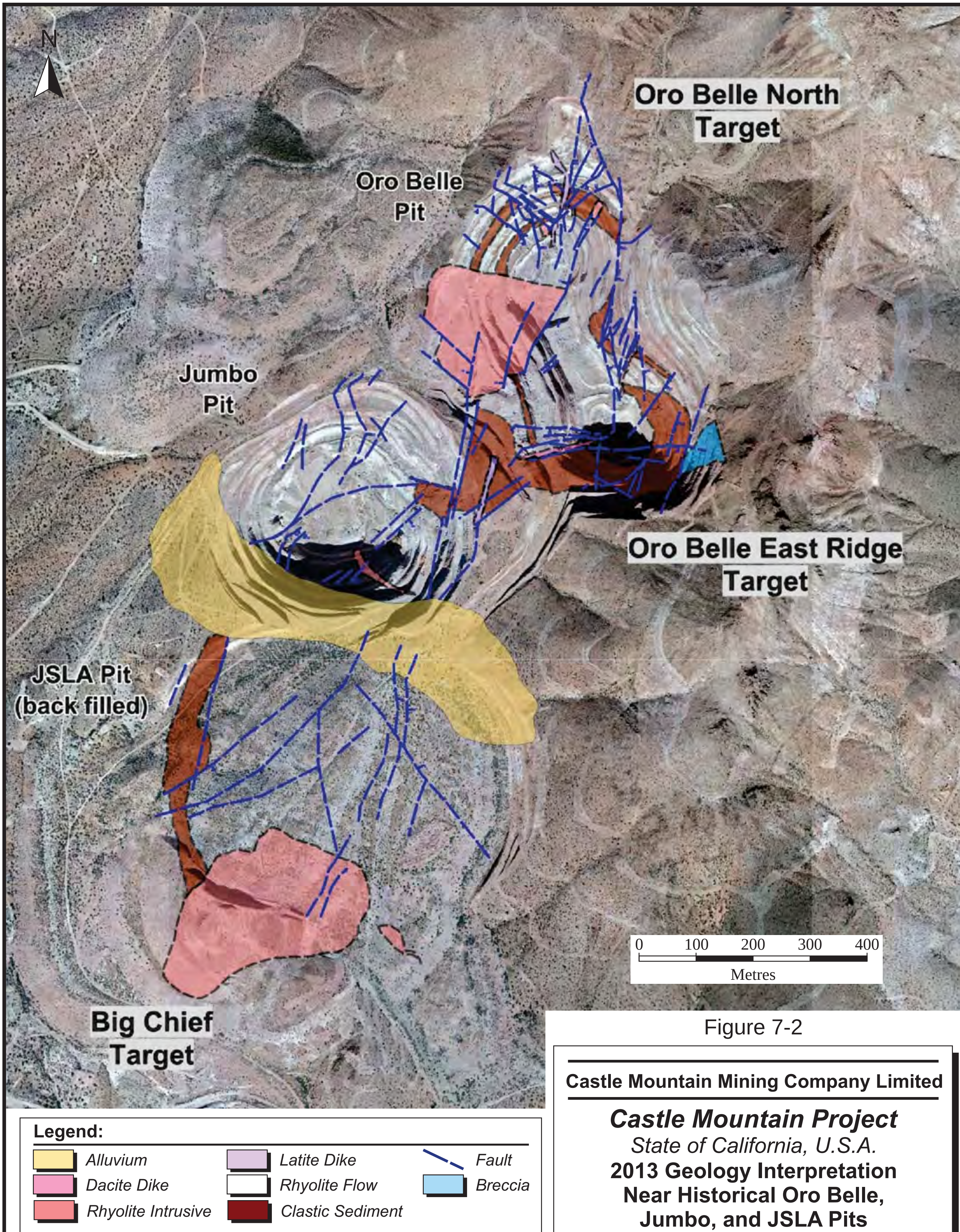
Deposited locally and stratigraphically on top of the metamorphic basement rocks is a thin, 10 ft to 25 ft thick, layer of pre-volcanic conglomerate rocks which have been strongly weathered and display propylitic alteration. Well-rounded and fairly well-sorted granitoid gneiss with minor amounts of biotite gneiss and pegmatite comprise the clasts of this conglomerate.

These bottom two units are overlain in turn by a Tertiary-age sequence of volcanic and hypabyssal igneous rocks that make up the majority of the Castle Mountains and are, in composite, greater than 3,200 ft thick. The rocks are primarily rhyolite in composition with minor latite and dacite. Units vary in thickness due to depth of original deposition, pre-existing erosional surfaces onto which the volcanics were emplaced and post-deposition factors such as structural offsets. These units have been called the Castle Mountain Volcanic Sequence (CMVS) by Capps and Moore (1991). The Boulder Conglomerate and Piute Range Volcanic Rocks are two other local units which are younger than the CMVS.

Member units of the CMVS are, from oldest to youngest:

- Peach Spring Tuff (PST)
- Jacks Well (JW)
- Linder Peak (LP)
- Linder Peak Pyroclastics and Breccias (LPPB)
- Hart Peak (HP)

RPA notes that the deposits economically exploited in the past at the property occur predominantly in the rhyolite units of the LP. Castle Mountain's 2013 geological interpretation near the historical Oro Belle, Jumbo, and JSLA pits is shown in Figure 7-2. A more detailed view of Castle Mountain's recent geological interpretation near the historical Oro Belle pit is shown in Figure 7-3.



May 2014 Source: Castle Mountain Mining Company, 2013.

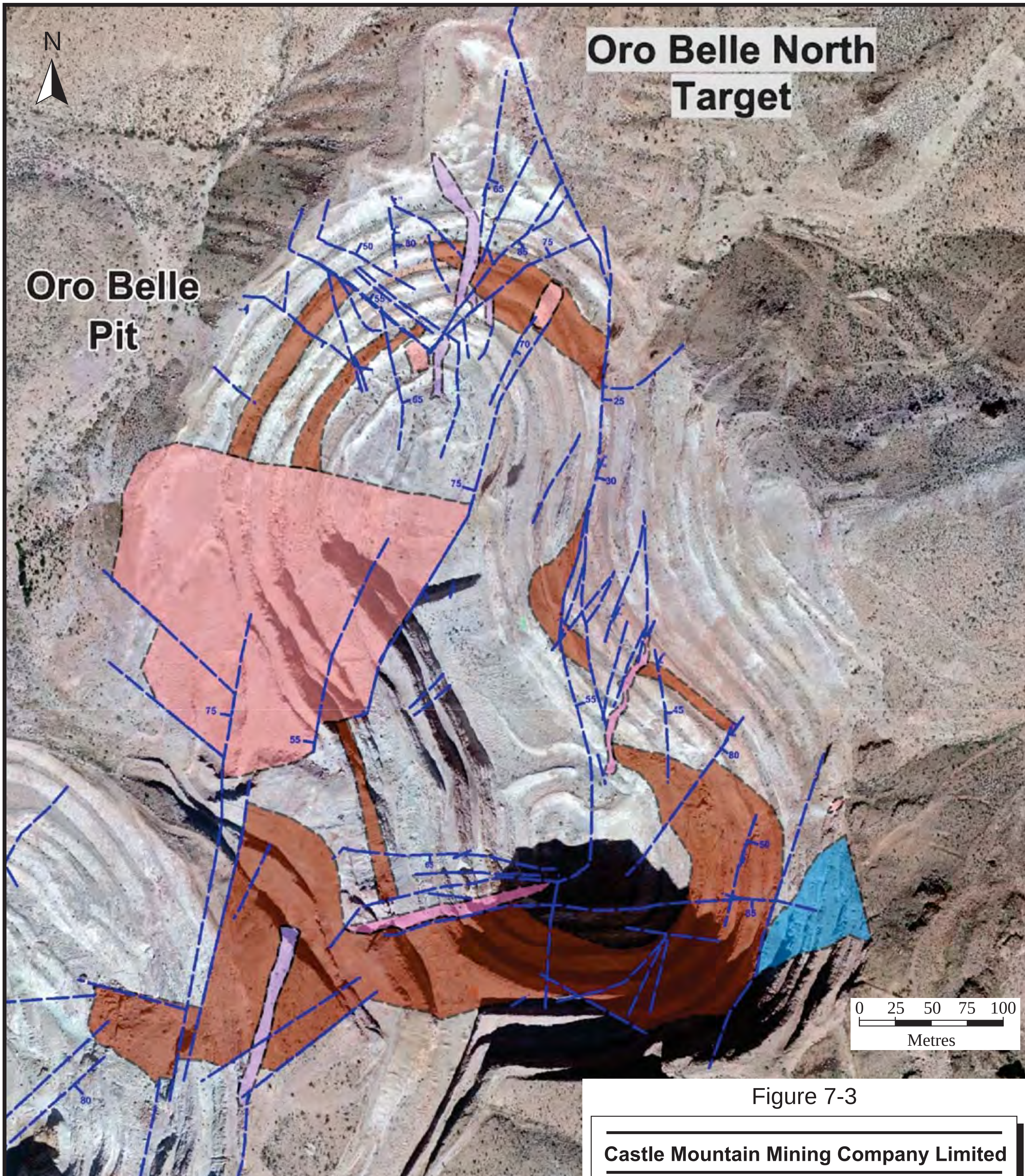
Figure 7-2

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

2013 Geology Interpretation Near Historical Oro Belle, Jumbo, and JSLA Pits



Legend:

Alluvium	*Latite Dike*	*Fault*
Dacite Dike	*Rhyolite Flow*	*Breccia*
Rhyolite Intrusive	*Clastic Sediment*	

May 2014 ***Source: Castle Mountain Mining Company, 2013.***

Figure 7-3

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

2013 Geological Interpretation Near Historical Oro Belle Pit

CASTLE MOUNTAIN VOLCANIC SEQUENCE

PEACH SPRING TUFF MEMBER

The PST is about 35 ft thick and is found throughout the Castle Mountains. It was deposited directly on top of the older units and consists of a rhyolite ash flow tuff which is hydrothermally altered. This unit was intersected in drill holes on the property and contains weak gold mineralization.

JACKS WELL MEMBER

Basaltic andesite rocks and basalt flows (approximately 17 Ma age) with locally interbedded andesite tuff and sediments make up the JW member. The sediments were likely derived from the erosion of previous flows and tuffs. JW member rocks were deposited directly on top of the PST member and overall JW unit thickness varies throughout the area from 35 ft to over 300 ft.

Dykes and flow domes of the younger LP member intrude the contact between the PST and the JW members. The top of the JW member has thin beds of rhyolite welded tuff. In the vicinity of the gold mineralization, JW displays weak to strong propylitic alteration. Alteration mineralization in these areas commonly includes calcite-filled fractures, biotite altered to chlorite, pyrite, epidote (mainly in the groundmass), and iron oxides.

LINDER PEAK MEMBER

Predominantly rhyolite in composition, the LP rocks occur as shallow intrusives, flows (both phenocryst-rich and phenocryst-poor), domes, flow breccias, pumice flows, ash-flow tuffs, and lithic tuffs. LP-derived volcaniclastic sedimentary rocks are also found. LP rocks intrude all of the older rock units and contacts between these host rocks and LP intrusive rocks may display vitrophyric textures. Extrusive LP rocks are up to 600 ft thick and intrusive LP rocks display thicknesses up to 1,800 ft in drill holes.

The majority of the LP rocks are hydrothermally altered ranging from weak to very strong. A significant portion of the gold mineralization on the Property is hosted in these rocks. In the central area of mineralization, LP rocks have secondary silica in the form of veins, stockworks, filled voids, and pervasive flooding of the groundmass. Elevated gold values greater than 0.001 oz/st Au (or 0.03 g/t Au) are associated with the presence of secondary silica as is a halo of weak to strong argillic alteration.

LINDER PEAK PYROCLASTICS AND BRECCIAS

Eruptive deposits, such as poorly welded lithic and non-lithic tuff, autoclastic flows, monolithic carapace breccias surrounding domes, and volcaniclastic sediments adjacent to vent areas comprise the rocks found in the LPPB. Some breccias are thought to be the result of hydrothermal over-pressurization. All forms of this member are hydrothermally altered near mineralization. Unit thicknesses of 650 ft are found proximal to the vent areas and diminish rapidly with distance.

HART PEAK MEMBER

The HP consists of dykes and minor sills made up of volcanic rocks of primarily latite composition with lesser amounts of rhyolite and andesite. The dykes vary from 20 ft to greater than 1,000 ft in thickness but average less of than 50 ft. Several of these may be observed in the walls of the Oro Belle pit.

The younger (14.5 Ma to 15 Ma) HP rhyolites tend to more strongly porphyritic than older LP rhyolites and contain clots of plagioclase, hornblende, and orthopyroxene which are not seen in the LP rhyolites.

The emplacement of the dykes appears to be fault controlled which cut mineralized lithologies. The dykes primarily intruded LP member rocks, which results in alteration and brecciation of the host rock lithology. Where this happens, the generally unaltered dykes appear to exploit pre-existing structures that developed pre- to syn-mineralization.

BOULDER CONGLOMERATE

The Boulder Conglomerate unit is found at surface on the south and east side of the JSLA pit. It appears to be a boulder conglomerate which fills a paleo-channel eroded into altered and mineralized LP member rocks. Clast composition is Proterozoic-age gneiss, Cambrian-age limestone, Tertiary-age basalt and andesite, and variable amounts of metamorphic and metasedimentary rocks. Clasts are up to 10 ft in size and generally rounded with a matrix of fine- to medium-grained sandstone. The unit itself is 150 ft to 300 ft thick. It has been noted that the lithological variability of the clasts decreases in the vicinity of the mineralized (mined out) areas.

PIUTE RANGE VOLCANIC ROCKS

Similar to the Boulder Conglomerate, Piute Range volcanic rocks occur as a lahar filling a paleo-channel in the Jumbo area. The lahar consists of boulders up to six feet composed of dacite, Proterozoic-age metamorphic rocks, silicified and unsilicified rocks of rhyolitic composition, and andesitic and basaltic rocks, in a matrix of tuff and coarse sand.

MINERALIZATION

Strongly brecciated and silicified volcanic rocks host gold mineralization occurring as electrum and native gold. Mineralization occurs in stockwork veins, tectonic and hydrothermal breccia, and microfracture-controlled disseminations. The hydrothermal brecciation, silicification, and stockwork development are spatially associated with faults and fracture zones (AMEC, 2002). Some of these structures pre-dated mineralization while others developed approximately the same time. The gold mineralization and hydrothermal alteration are associated with low sulphidation epithermal fluids that were channelled along these structural breaks. Broad, near-continuous surface mineralization occurs over a strike length of more than 1.7 mi from the south end of the Northwest Rim to beyond the JSLA pit to the South Domes/621 area. Dating of adularia (potassium feldspars) in quartz veins suggests that the gold mineralization developed during or shortly after the emplacement of the rhyolite domes.

Coarse gold occurrences and zones of high-grade mineralization are commonly characterized by open-space textures with fluid inclusion evidence of a primary boiling horizon between approximately 3,800 ft and 4,200 ft despite the fact that visible gold and high-grade mineralization occur over 300 ft above and below this horizon. Gangue material is typical of episodic, low-temperature silicification, potassic metasomatism (adularia), and possibly some early albitization (Holland, 1996).

Precious metal mineralization was historically believed to be associated with the rhyolite domes on the Property. The volcanic stratigraphy within the dome complex was examined by several authors in 1993 to 1996, who divided the lower LP and HP rhyolites into sub-units primarily based on texture and time of emplacement with some minor discrepancies in term of correlation (Temkin, 2012).

Pyroclastic rocks lie beneath and between the flow domes and have a limited areal extent. Remnants of tuff rings, ash flows of limited extent, surge and near-source pumice block layers, and thin air-fall beds comprise the pyroclastic deposits. The remnant tuff rings are filled with, and locally overlain by, intrusive and extrusive phases of the flow domes.

Intrusive phases of the flow domes dominate proximal to the higher grade gold mineralization. Extrusive sequences on the eastern and western side of the range, flanking the domes and usually at lower elevations, include lava flows, pyroclastic deposits, and epiclastic sediments. The development of a lacustrine basin on the western flank of the Castle Mountains during the time of volcanism is indicated by thin layers of discontinuous mudstone/shale within the rhyolite sequence. These sedimentary layers were logged in drill holes.

Mineralization in the vicinity of the open pits appears to have occurred approximately 800 ft to 1,200 ft below the highest exposure of the rhyolite domes. These exposures are believed to be the top of domes at the time of emplacement. This conclusion is based on the chaotic, highly variable flow foliations near the highest point, the presence of near-source pyroclastic aprons, and by “onion skin” foliation patterns toward the flanks. Similar patterns are observed in the vicinity of the South Domes.

ALTERATION

Alteration types related to the gold mineralized zones include propylitic, hypogene oxidation, argillic, potassic, and silicic alteration. The strike length of the alteration is up to 1.5 mi with a width of about 1,500 ft. The most common alteration associated with gold mineralization is silicification along with argillic alteration although the latter is not generally associated with higher grade material. As mentioned above, potassic metasomatism and signs of early albitization are also present. Secondary, finely disseminated pyrite mineralization is commonly associated with gold. Hypogene alteration overprinting these alteration types is common as is secondary supergene oxidation and weak supergene argillic alteration. Iron oxides display a zonation with stronger alteration found in the central mineralized zone and weaker alteration on the periphery.

Where downhole data exists, pathfinder elements such as arsenic, antimony, and low concentrations of base metals are elevated in the alteration halos surrounding the mineralized zones implying episodic, hydrothermal activity remobilizing these elements from the zone of concentrated precious metal mineralization.

STRUCTURE

The primary structural controls of the mineralization are a series of northeast-trending, moderate to steeply southeast-dipping normal faults associated with felsic dome emplacement. The intersection of the northeast-trending faults with northwest-trending, steeply southwest-dipping structures results in an increase in gold mineralization and has been noted in the pits and exploration targets.

Continued post-mineralization extension in the region has resulted in a number of north-northwest- to northeast-trending high angle faults and west-northwest-trending, southwest-dipping faults which cut mineralization. These later faults typically display left lateral slip movement, but numerous minor antithetic faults have been observed to host mineralization.

8 DEPOSIT TYPES

Various styles of gold mineralization occur on the Property. Mineralization is found within stockwork veins, tectonic and hydrothermal breccias, and in microfracture-controlled disseminations. The mineralization style can be classified as low-sulphidation epithermal (LSE) with high-grade gold+adularia veins within broad zones of hydrothermal alteration.

These types of deposits are typically found in volcanic island arcs, continent-margin magmatic arcs, and continental volcanic fields with extensional structures. Depositional environments include high-level hydrothermal systems from surficial hot spring settings to a depth of about 3,300 ft to 4,900 ft. A genetic model of LSE deposition is shown in Figure 8-1.

Most LSE deposits, which include about 60% of the world's bonanza veins, are associated with bimodal (basalt-rhyolite) volcanic suites in a variety of extensional tectonic settings (Sillitoe and Hedenquist, 2003). Low-sulphidation epithermal deposits are genetically linked to bimodal volcanism and are formed from extremely dilute fluids which are spatially associated with magmas where economic grade gold deposition occurs several kilometres above the site of the intrusion. Geothermal waters with near neutral pH and reduced deep fluids, which are essentially in equilibrium with the altered host rocks, combine and precipitate vein minerals. The slow ascent of the deep fluids in the rock-dominated hydrothermal system allows for this equilibrium to be achieved. The deep fluids are low-salinity and may be rich in gases such as CO_2 and H_2S. Limited dimension alteration zones formed dominated by minerals produced in neutral pH environments such as quartz, adularia, carbonates, and sericite. These liquids discharged at surface as boiling, neutral pH hot springs which deposited silica (MDA, 2009).

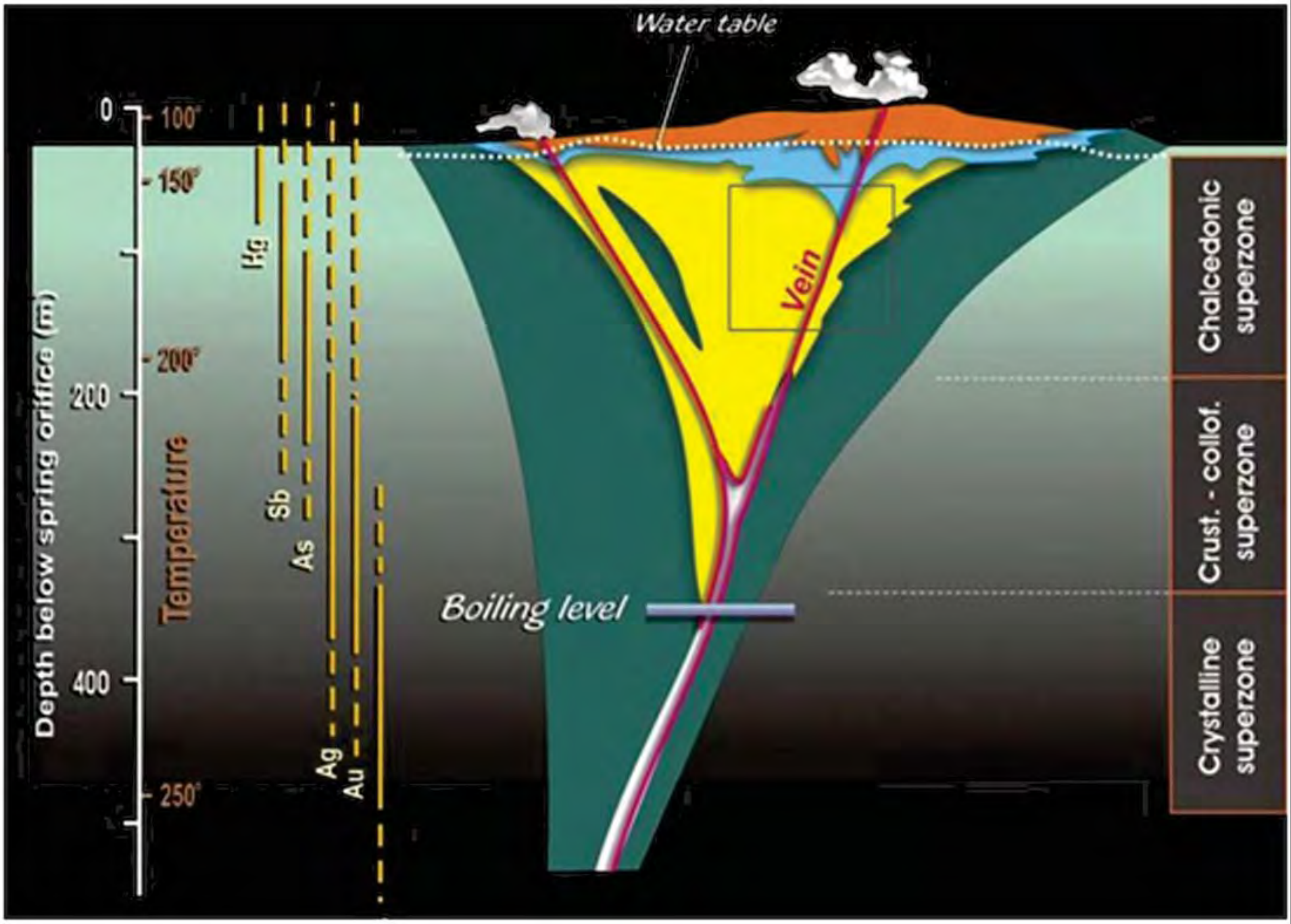
Mineralization found in this deposit type includes pyrite-arsenopyrite (the latter in relatively small quantities) within banded veins of quartz, chalcedony, and adularia plus subordinate calcite. Very minor amounts of copper mineralization (mostly chalcopyrite but sometimes tetrahedrite-tennantite) can be present as well as minor amounts of pyrrhotite (Sillitoe and Hedenquist, 2003). Gold occurs mainly as electrum with rare gold-silver sulphosalts and telluride minerals. The electrum can be accompanied by acanthite (argentite), pyrite, sphalerite, galena, chalcopyrite, and tetrahedrite, with marcasite or arsenopyrite present in some deposits. Quartz, calcite, and adularia are typical gangue minerals (Heald, 1987).

Textures of gold mineralization can include open-space filling, symmetrical and other layering, crustification, comb structures, colloform banding, and multiple brecciation (Yukon Geological Survey, 2005).

Regional-scale fracture systems related to grabens, (resurgent) calderas, flow-dome complexes are typical of the depositional environment. Extensional structures such as normal faults, fault splays, ladder veins, and cymoid loops are common. Locally, graben or caldera-fill clastic rocks are present. High-level subvolcanic intrusives in the forms of stocks or dykes are present and pebble diatremes are sometimes present. Underlying intrusive bodies may be related to the presence of resurgent or domal structures (Yukon Geological Survey, 2005).

Hydrothermal alteration typically consists of quartz-adularia ± sericite “silicification” adjacent to veins, grading outward to chlorite-calcite-epidote “propylitic” and/or illite-smectite mixed-layer clay “argillic” alteration. The veins exhibit open-space filling textures, crustiform, comb structure, colloform banding, and multiple episodes of brecciation. Rarely preserved sinter terraces and hydrothermal eruption breccias represent the surface expressions of the deposits (MDA, 2009).

Examples of LSE deposits found in rhyolitic rocks include Round Mountain and Sleeper in Nevada.



0 50 100 150 200
Metres

Figure 8-1

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Epithermal Deposit Model

May 2014

9 EXPLORATION

Castle Mountain's exploration activities began in 2013 and comprised the preparation of a digital topographic surface to capture the extent of the previous mining surfaces. A description of the Phase 1 drilling program carried out in 2013 is described in Section 10.

The target areas as defined to date at the Property are shown in Figure 9-1.

EXPLORATION POTENTIAL

The main exploration focus by Castle Mountain in 2013 was validation and verification of the work done by previous operators. Castle Mountain has conducted internal investigations which have reviewed the findings of the 1987 Holt FS with the goal of identifying additional potentially economic mineralization. These investigations have provided the basis for the 2013 drill program. It was noted by Castle Mountain that many historical holes were not drilled completely through the mineralized zones and ended in mineralization. As such, Castle Mountain is of the opinion, and RPA concurs, that potential exists for more resources to be discovered at depth and peripheral to areas of previously defined mineralization.

The 2013 Phase 1 drill program was the first stage in re-evaluating the historical work. Subsequent programs will focus on delineating more resources by targeting areas with previously identified potential.

As a result of the 2013 drilling program, the targets with the potential to expand mineralization include:

- South Domes
- 621 Zone
- Oro Belle North
- Big Chief Target

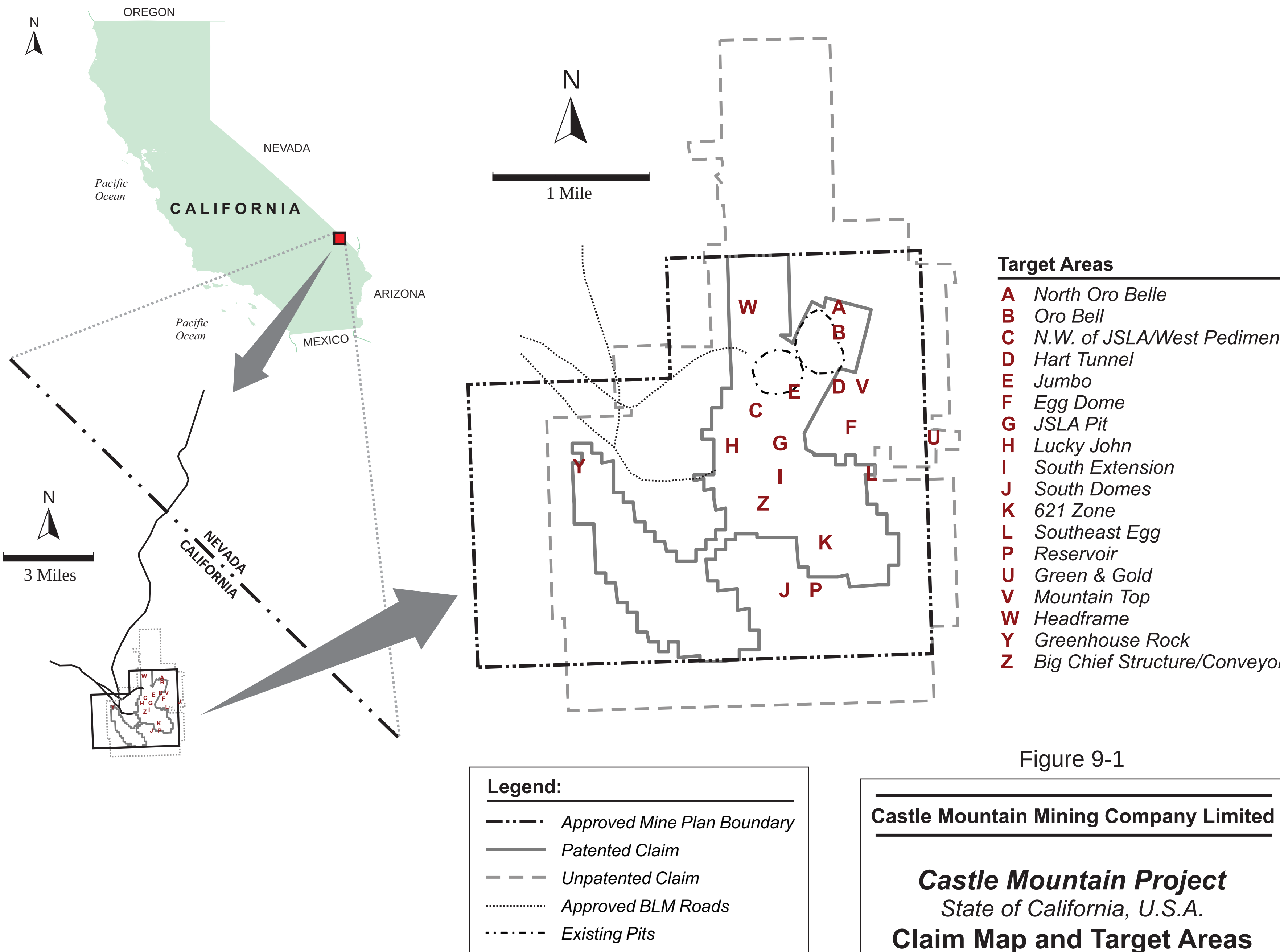


Figure 9-1

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Claim Map and Target Areas

May 2014

Source: Castle Mountain Mining Company, 2013.

10 DRILLING

A total of 1,762 holes for approximately 1,200,000 ft (361,487 m) were drilled in previous drilling programs (1968-2001) conducted by former operators as detailed in Section 6, History. No drilling was carried out between 2001 and the acquisition of the Project by Castle Mountain in 2013.

In March 2013, Castle Mountain initiated a Phase 1 drilling program on the Property. A total of 18,091.5 ft (5,514 m) of core drilling and 6,785 ft (2,068 m) of RC drilling in 30 holes was completed. The drill program (the Program) was designed to twin and scissor historical drill holes in and around the previously mined pit areas as well as test mineralization in other selected exploration targets. The goal of the Program was to verify and validate the historical drill hole data and to collect data to be used to design a more extensive follow-up program. A plan showing the holes drilled by Castle Mountain during the 2013 program is shown in Figure 10-1 and a plan showing all drilling in the vicinity of the historical workings and the current Mineral Resource is shown in Figure 10-2.

The RC drill holes in the 2013 drill program were conducted by Harris Exploration Drilling of Escondido, California. The core holes in the 2013 drill program were carried out by Ruen Drilling of Clark Fork, Idaho. Both core and RC drill holes were initially located by Castle Mountain personnel using stakes positioned with a hand held Global Position System (GPS) unit. For non-vertical drill holes, a front site and back site were located by GPS to ensure proper drill hole orientation. Pads were then constructed using a bulldozer and then collar and foresite were positioned again using a GPS and Brunton hand transit (compass). To ensure proper orientation of the drill rig a line was spray painted on the ground.

Upon completion of the hole, the collar was cemented and a metal marker and tag inscribed with the hole number were attached. The collar was then re-located using GPS. Upon completion of the drill program, an independent survey company was contracted to locate the collars using a total station survey instrument. The survey data was later reviewed by Castle Mountain personnel to ensure data accuracy.

The 2013 core drilling on the Property produced core of HQ-diameter (63.5 mm). Previous exploration at the property focussed on northeast-trending structures and rhyolite domes as the principal structural controls of the mineralization. These same features were the initial targets of the Program but as early results were returned and interpreted, the importance of the intersections of the northwest- and northeast-trending structures was recognized. Gold mineralization was recognized to be located at the intersection points of the controlling structures in lithologies other than rhyolite. Later holes were re-oriented to test the northwest-trending structures. Significant results from the Program are shown in Table 10-1. RPA notes that in some instances holes were started with the RC drill (pre-collared) and, at a certain depth, switched to a coring drill. RPA further notes that the orientations of the mineralized zones can be complex and estimation of true intersection widths is not practical without a detailed understanding of the spatial orientation of the mineralized structures.

The historical drill holes were oriented to intersect the gently-dipping stratigraphy and so were drilled either vertically or with very steep dips. The gold mineralization, however, is hosted in sub-vertical structures so the widths of the down-the-hole intersections are not an adequate representation of the true widths of mineralization in many cases. The recent drill holes comprised inclined holes which intersected the mineralized zones less obliquely and as such better represent the true widths of mineralization. True widths will vary significantly by hole based on individual drill hole deviation path and its departing collar orientation. In RPA's opinion, the most recent drill program, on the whole, better represents the true widths of mineralization.

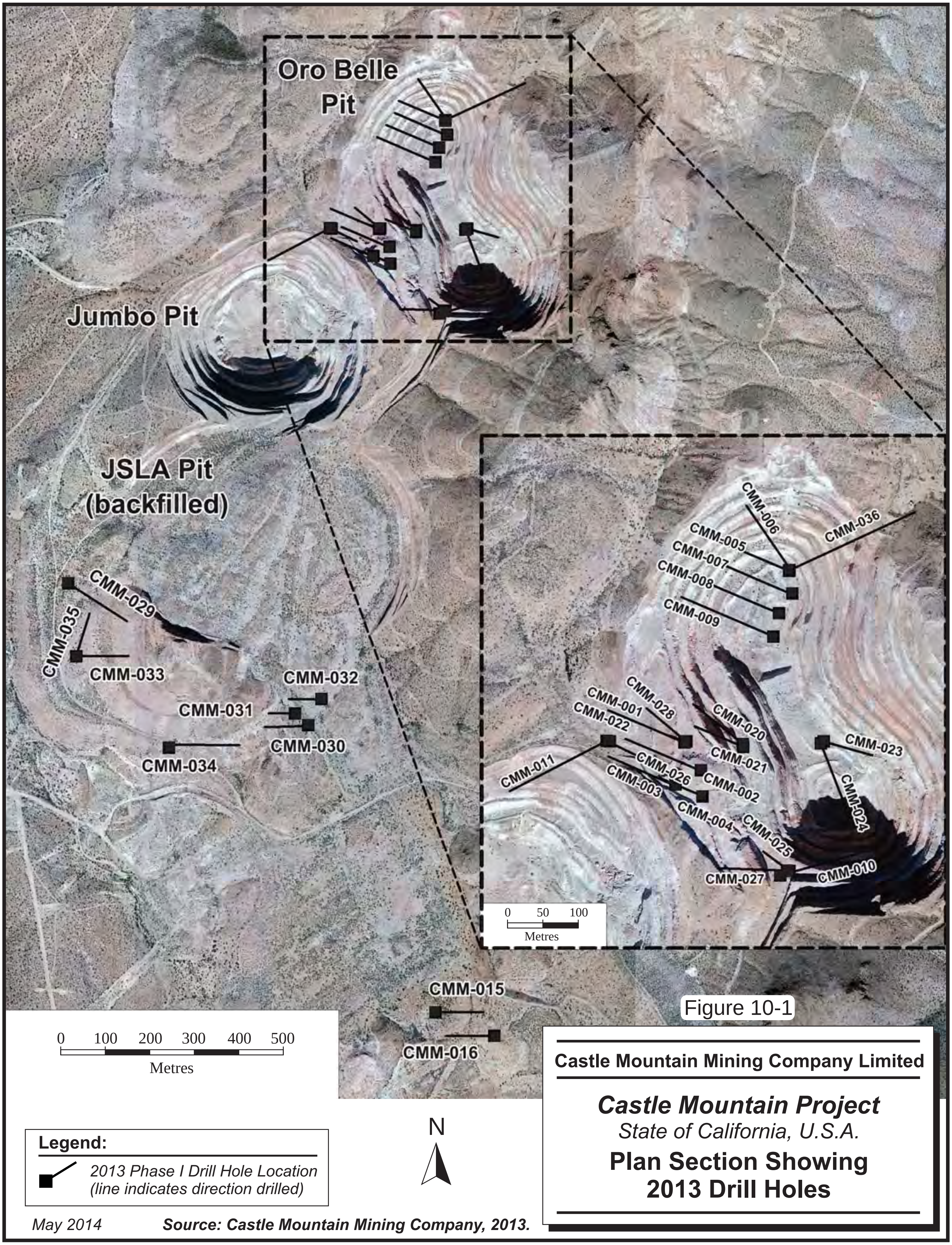


Figure 10-1

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Plan Section Showing 2013 Drill Holes

May 2014 ***Source: Castle Mountain Mining Company, 2013.***

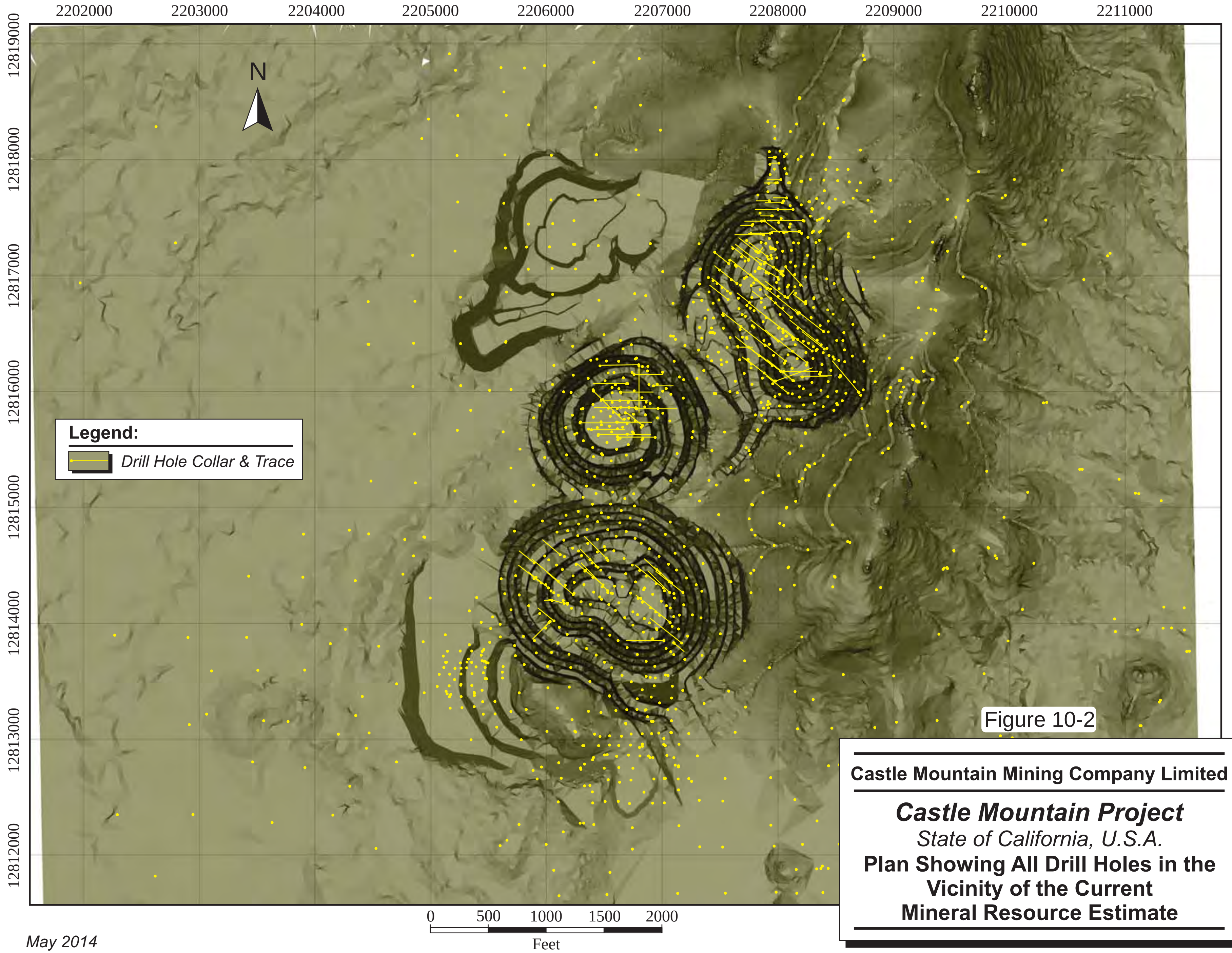


Figure 10-2

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Plan Showing All Drill Holes in the Vicinity of the Current Mineral Resource Estimate

May 2014

RPA

www.rpacan.com

TABLE 10-1 SIGNIFICANT INTERSECTIONS FROM 2013 PHASE I DRILLING
Castle Mountain Mining Company Limited - Castle Mountain Project

Hole ID	Hole Type	Target	From (ft)	To (ft)	Width (ft)	Grade (oz/st Au)	Notes
CMM-001	RC	Jumbo/Oro Belle high wall	0	100	100	0.0677	-45° dip
includes			25	45	20	0.2405	
CMM-005	RC	Oro Belle	411	450	39	0.0345	-70° dip
includes			421	434	13	0.0625	
CMM-006	Core	Oro Belle	0	762	762	0.0061	-50° dip
includes			174	199	25	0.0332	
includes			469	496.5	27.5	0.0323	
includes			709	757	48	0.0137	
CMM-009	Core	Oro Belle	460	469	9	0.0510	-49° dip
CMM-010	RC	Oro Belle	180	325	145	0.0189	-58° dip
includes			250	300	50	0.0379	
	Core		884	898	14	0.0445	
CMM-015	Core	621 Zone	175	1223	1048	0.0137	-79° dip
includes			674	914	240	0.0454	
includes			784	794	10	0.7405	
includes			865	909	44	0.0295	
includes			983	993	10	0.0345	
CMM-016	Core	621 Zone	145	1124	979	0.0110	-74° dip
includes			562	950	388	0.0227	
includes			717	950	233	0.0293	
includes			812	847	35	0.0514	
includes			890	930	40	0.0440	
includes			979	1009	30	0.0203	
CMM-020	Core	Jumbo/Oro Belle Highwall	308	328	20	0.0375	-53° dip
CMM-021	Core	Jumbo/Oro Belle Highwall	478.5	520	41.5	0.0117	-75° dip
CMM-022	RC	Jumbo/Oro Belle Highwall	0	120	120	0.0371	-69° dip
includes			0	35	35	0.0891	
CMM-023	Core	Oro Belle	45	145	100	0.0107	-45° dip

Hole ID	Hole Type	Target	From (ft)	To (ft)	Width (ft)	Grade (oz/st Au)	Notes
CMM-024	Core	Oro Belle	109	116	7	0.0270	-61° dip
			233	266	33	0.0248	
CMM-028	RC	Jumbo/Oro Belle Highwall	70	85	15	0.0390	-44° dip
			120	145	25	0.0246	
CMM-029	Core	Big Chief	710	760	50	0.0299	-70° dip
includes			710	720	10	0.0675	
			999	1006	7	0.0506	
CMM-030	RC	Big Chief	325	400	75	0.0678	Mineralization in RC portion of hole carried through to core section, -53° dip
includes			325	335	10	0.1795	
includes	Core		365	375	10	0.2900	
includes			400	1067	667	0.0152	
includes			405	500	95	0.0255	
includes			405	415	10	0.0720	
includes			421	435	14	0.0324	
CMM-031	RC	Big Chief	230	390	160	0.0149	-74 dip
includes			320	335	15	0.0533	
	Core		400	493	93	0.0252	
includes			417	425	8	0.0526	Includes 1.6042 oz/st Ag
			513	543	30	0.0217	
CMM-032		Big Chief	60	935	875	0.0098	-69° dip
includes			175	180	5	0.0890	
includes			243	260	17	0.0342	
includes			625	640	15	0.0473	
includes			650	660	10	0.0425	
CMM-033		Big Chief	212	622	410	0.0118	-52° dip
includes			472	694	222	0.0262	
includes			547	582	35	0.0370	
includes			617	649.5	32.5	0.0297	
includes			680	694	14	0.0382	
CMM-035	Core	Big Chief	150	624	474	0.0364	Dump material (top 82 ft), hole ended in mineralization, -65.5° dip
includes			294	349	55	0.0711	

Hole ID	Hole Type	Target	From (ft)	To (ft)	Width (ft)	Grade (oz/st Au)	Notes
includes			334	349	15	0.1340	
includes			434	454	20	0.1035	
includes			569	624	55	0.1489	
includes			600	624	24	0.2911	
CMM-036	Core	Oro Belle	0	949	949	0.0232	-44.5° dip
includes			137	147	10	0.0330	
includes			221	275	54	0.1274	
includes			230	262	32	0.1951	
includes			325	519	194	0.0322	
includes			379	394	15	0.1857	
includes			394	444	50	0.0376	

Source: Castle Mountain News Releases (June 20, 2013 and July 6, 2013) and www.castlemountainmining.com

A
Southwest

Looking Northwest

A'
Northeast

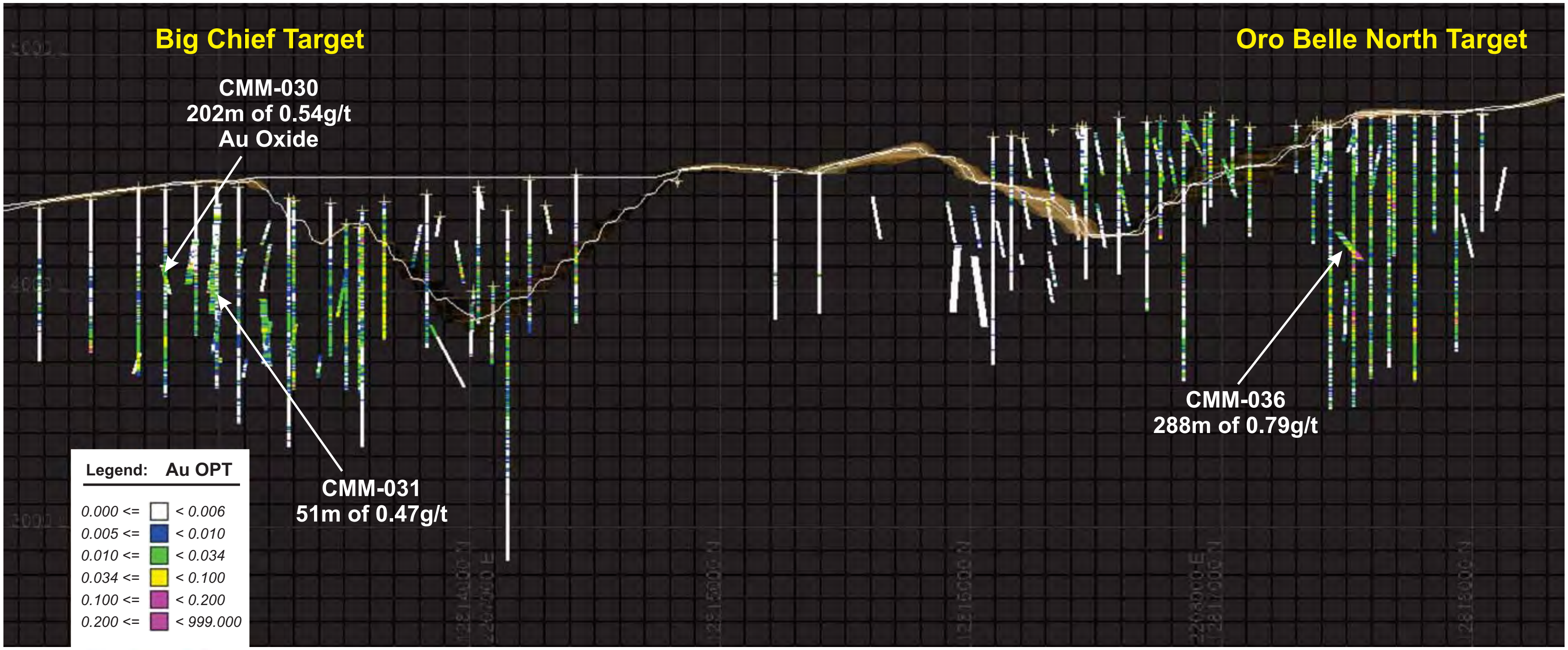


Figure 10-3

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Longitudinal Section A - A'

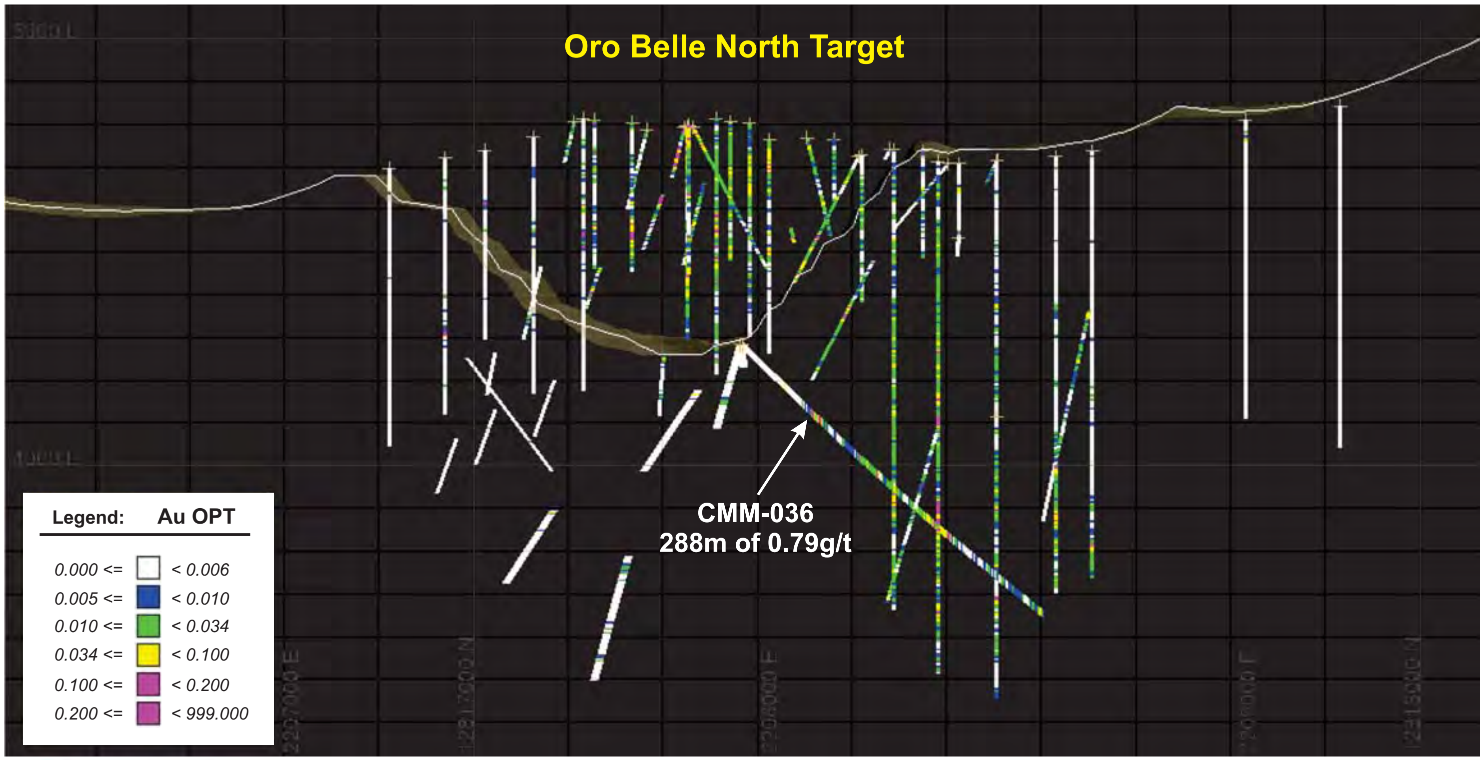
(100 Ft Thick Section)

May 2014

Source: Castle Mountain Mining Company, 2013.

RPA

www.rpacan.com



May 2014

Source: Castle Mountain Mining Company, 2013.

Figure 10-4

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Cross Section B - B'

(100 Ft Thick Section)

11 SAMPLE PREPARATION, ANALYSES AND SECURITY

Information on historical assays for this section was derived from Temkin (2012).

PREVIOUS EXPLORATION SAMPLES

The principal laboratories used for past exploration work were Legend Technical Services Inc. (Legend) and ALS Minerals Services (formerly Chemex Laboratories Ltd.) (ALS). Both Legend and ALS had laboratories in Sparks, Nevada. Legend was not ISO/IEC 17025 certified or accredited for fire assay fusion (FA) analysis with Atomic Absorption (AA) final analysis at the time the work was done. ALS was not certified or accredited until 1999 when it achieved ISO 9002:1994 certification. RPA notes that both laboratories have a history of conducting industry-standard analyses. RPA further notes that both principal laboratories had no affiliation with Castle Mountain or its predecessor companies and that none of the work related to sample preparation was conducted by an employee, officer, director, or associate of Castle Mountain or its predecessor companies.

CHAIN OF CUSTODY

Historical samples were shipped via commercial carrier to the respective laboratories. Drill samples were either retrieved from the site by Legend or were shipped via Motor Cargo (a contract shipping company independent of Castle Mountain and now owned by United Parcel Service). All surface samples were shipped to ALS via Motor Cargo.

All coarse rejects were stored for 90 days and then discarded. All sample pulps were stored for one year at each laboratory and then returned to the property for long-term storage. When mining was ceased all stored core, rotary cuttings, rock chip, soil, and pulp samples were destroyed as part of the reclamation.

CHECK ASSAYS

Anomalous gold results were re-assayed. The criteria for an assay rerun was the presence of visible gold or an original assay value greater than 0.10 oz/st Au. The check assay procedure was done in three stages:

- A second one assay ton (1AT) aliquot was taken from the original pulp and analyzed by FA with a gravimetric final analysis (GFA).
- A second pulp was produced for the coarse reject and analyzed by FA with GFA on a 1AT aliquot.
- A specific laboratory was instructed to perform a screen analysis for total metallics.

The procedure for the third stage involved obtaining a one kilogram split from the coarse reject and crushing it using a Chrome Steel Ring Mill to greater than 95% passing a 150 mesh (106 µm) screen. The plus fraction (i.e., the 5% that did not pass through the screen) was analyzed using FA with GFA. The minus fraction was homogenized and a 30 g aliquot analyzed by FA with GFA. The values for both fractions were reported along with respective weights. A weighted average of these results was calculated to determine the total contained gold.

CORE SAMPLES

Historical core drilling on the Property was either NQ- or HQ-diameter. Drill holes were logged and core was then cut in half longitudinally using a diamond saw. The cut core was then measured and marked in equal five foot intervals which crossed small-scale lithological contacts. Samples were taken along the entire length of the hole at the marked intervals with one half of the cut core placed inside a plastic bag for shipment to the laboratory and the remaining half of the core left in the core box for reference. RPA notes these reference samples were eventually destroyed as part of the Mine's reclamation.

Core sample preparation consisted of crushing the sample to minus 10 mesh (less than 1.70 mm) before splitting out a 200 g subsample for pulverization to greater than 80% passing a 150 mesh screen. A standard assay used a 1AT aliquot and FA with AA final analysis. It has been reported that check assays were analyzed at a secondary laboratory as well as the Castle Mountain laboratory and no issues were identified. RPA does not possess the data to verify these duplicate assays.

CONVENTIONAL ROTARY AND REVERSE CIRCULATION SAMPLES

Eleven centimetre diameter pipe with 13 cm diameter drill bits were used for CR holes, and RC holes utilized a 16 cm diameter drill bits and 15 cm diameter pipe. Samples for both types of drilling were collected at five foot intervals over the entire length of the respective drill hole. All collected drill cutting samples were analyzed.

The dry drill cuttings were split through a Gilson splitter to obtain one seven kilogram sample which was sent to the independent commercial laboratory. Wet drill cuttings were split through a revolving wet splitter which was continuously adjusted to collect approximately seven kilograms of material. The individual samples were collected in 19 L plastic pails which had been lined with oversize sample bags. Flocculent was added to each sample and was left to settle for 20 to 30 minutes. These samples were then decanted, tied, and laid out to dry. Reference samples were collected at the same time in “Stac-Pacs” for logging which consisted of recording 20 semi-quantitative geological parameters for each five foot (1.5 m) interval.

Almost all of the RC and CC drilling samples were analyzed at Legend’s facilities. Analysis was by FA with AA final analysis. The sample preparation followed the same procedures as described for core samples above. As with the core samples, it has been reported that check assays were analyzed at a secondary laboratory as well as the Castle Mountain laboratory and no issues were identified. RPA does not possess the data to verify these duplicate assays.

In RPA’s opinion, the assay methods employed by previous operators on the Property were industry-standard at the time and security and chain of custody methods used were adequate.

CASTLE MOUNTAIN SAMPLES

ALS ASSAY PROCEDURES

Samples were submitted to ALS’ facility in Reno, Nevada where they were crushed until 70% of the sample was finer than a nominal two millimetre in size. A 250 g sub-sample was taken from the crushed material and pulverized until 85% passed a 200 mesh (75 µm) screen.

A 30 g aliquot of pulverized material (pulp) was then sampled and subjected to FA with AA final analysis for gold and GFA for silver. Any gold assays greater than 0.292 oz/st Au (10 g/t Au) were reanalyzed. Another 30 g aliquot was taken from the pulp and assayed by FA with a GFA.

INSPECTORATE PULP DUPLICATE ASSAYS

Duplicate analyses were run on total of 296 assay pulps using FA on a 1AT aliquot with final gold analysis by AA and silver by GFA. Any gold assay greater than 0.292 oz/st Au (10 g/t Au) was automatically reanalyzed by FA with GFA. No silver assays returned values greater than the procedure limits.

In RPA's opinion, the assay methods employed by Castle Mountain are industry-standard and acceptable for use in Mineral Resource estimation.

QUALITY ASSURANCE AND QUALITY CONTROL

Quality assurance (QA) is necessary to demonstrate that the assay data has precision and accuracy within generally accepted limits for the sampling and analytical methods used. Quality control (QC) consists of procedures used to ensure that an adequate level of quality is maintained in the process of sampling, preparing, and assaying the samples. In general, QA/QC programs are designed to prevent or detect contamination and allow analytical precision and accuracy to be quantified. In addition, a QA/QC program can disclose the overall sampling and assaying variability of the sampling method itself.

PREVIOUS PROGRAMS

RPA is not aware of any QA/QC programs conducted by previous operators other than those described below the results of which are summarized from Temkin (2012).

DUPLICATE ANALYSES

Routine same-pulp duplicate assays were performed on the CC, RC, and core samples. These were done roughly every ten samples for about 60% of the assay database and every 20 samples approximately 30% of the assays. The remaining 10% of the database was about an equal combination of duplicates every five samples or every fifteen samples.

Assay repeatability was variable. Assays with lower initial grades, i.e., those below 0.10 oz/st Au displayed up to 10% variability for about 80% of those samples. The remaining 20% yielded approximately 50% variability. Samples with an initial assay in the range of 0.010 oz/st Au to 0.100 oz/st Au had repeat assay variability from 7.6% to 16.6%. The samples with the highest range of initial assays, 0.100 oz/st to 1.000 oz/st Au, had about 90% of the samples with 25% variability. The other approximately 10% of this group had assay variability well over 100%. Operators at the time noted that no bias was apparent as the duplicate samples were fairly evenly distributed between those that were higher than the original assay and those that were lower.

COMPARISON OF DRILLING METHODS

The JSLA deposits were delineated primarily using CR drilling techniques. Infill holes drilled using RC and twinned holes drilled with core drills yielded similar grades to those done with CR. Temkin concluded, based on comparisons of CR, RC, and core assays done at Legend, that no significant assay contamination issues were associated with CR drilling on the Property.

CASTLE MOUNTAIN 2013 PROGRAM

Castle Mountain conducted an external, industry-standard QA/QC program for its 2013 drill campaign. The QA/QC program consisted of the insertion of blanks and Certified Reference Materials (CRMs) into the sample stream and the running of duplicate field (rig) and pulp samples. RPA reviewed the information generated and comments on the results below.

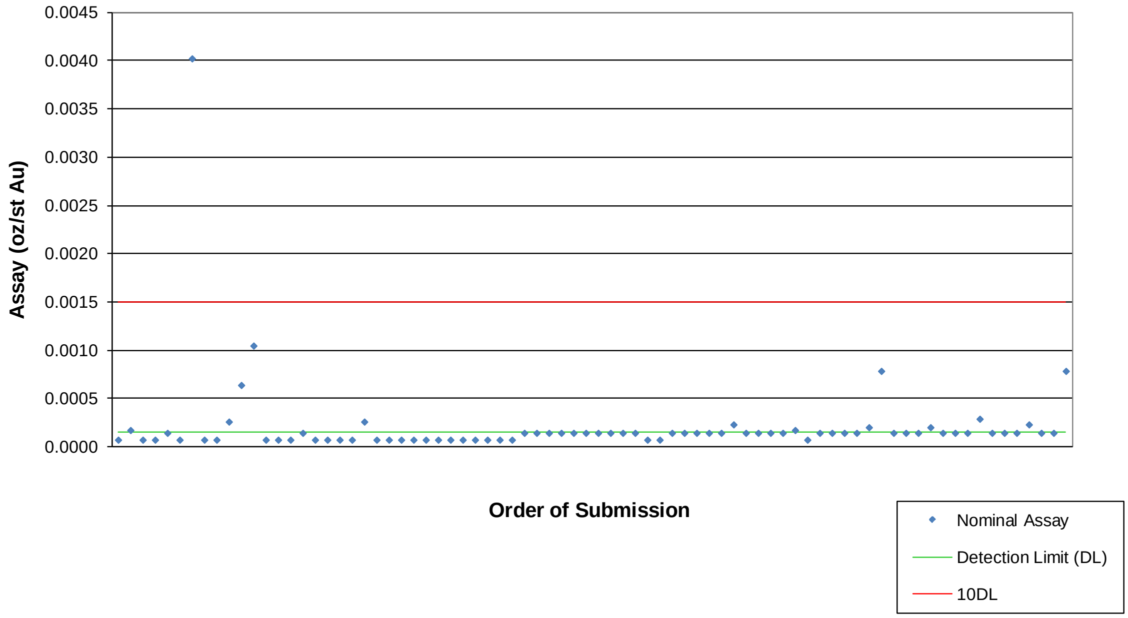
CERTIFIED REFERENCE MATERIALS

Blanks

RPA compiled and inspected the assay results for gold from the insertion of barren CRMs into the sample stream. A result greater than ten times the external laboratory's lower detection limit (10DL) is considered out-of-specification (OOS) and a failure. A number of OOS results may indicate a potential cross-contamination issue between samples during the preparation phase of the assay procedure.

RPA inspected the plotted results and found all but one of the 78 values reported from ALS were within specifications (Figure 11-1). The results were, generally, at the lower detection limit (DL) for the assay techniques employed but there were some instances where elevated results appeared to be clustered. In RPA's opinion, the results from the insertion of blanks did not yield any evidence of cross contamination and are acceptable. RPA also notes that the number of barren CRM submissions, 78, makes up approximately 1.6% of samples sent for assay. It is industry-standard practice to submit one barren CRM per sample batch, or approximately one blank per twenty-five samples (4%). RPA recommends the number of barren CRM submissions be increased in subsequent drilling programs.

FIGURE 11-1 GOLD RESULTS FROM SUBMISSIONS OF BARREN CRMS (BLANKS) TO ALS



STANDARDS

Castle Mountain employed a number of gold CRMs during the course of its drilling programs. These were purchased from Shea Clark Smith Laboratories (MEG) of Reno, Nevada and the Nevada Bureau of Mines and Geology (NBMG). The CRMs used and each respective certified value are summarized in Table 11-1.

TABLE 11-1 CERTIFIED REFERENCE MATERIALS
Castle Mountain Mining Company Limited - Castle Mountain Project

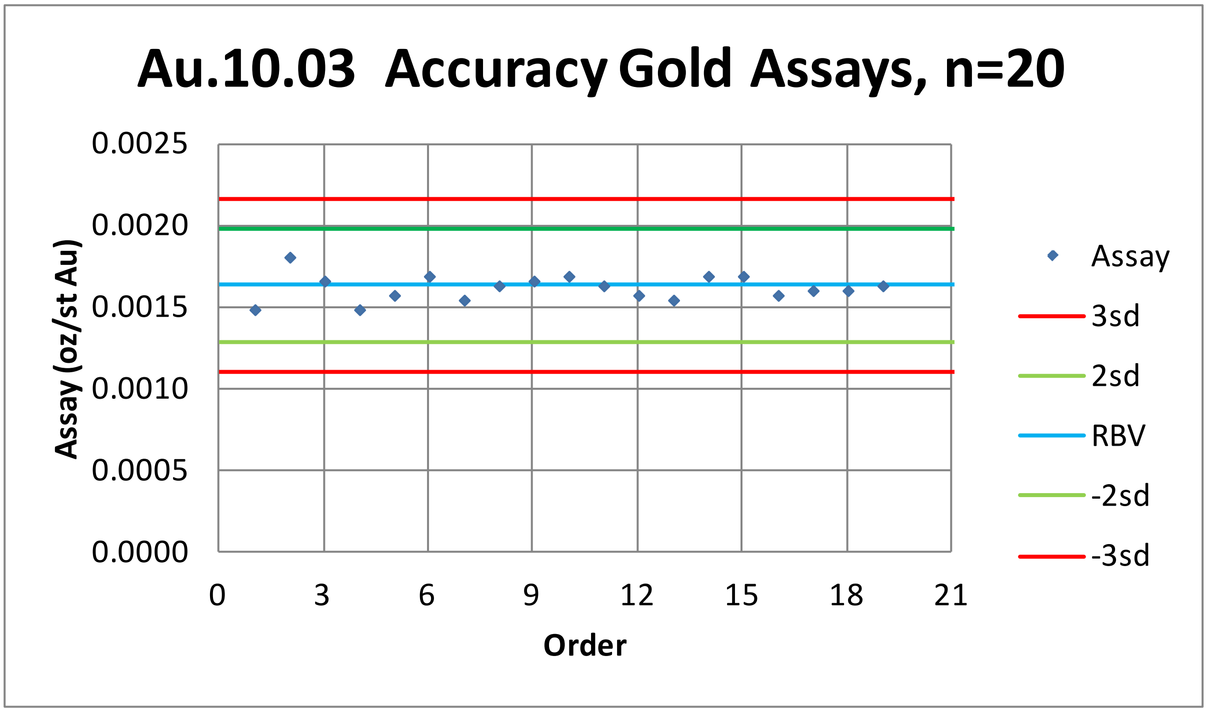
CRM	Recommended Best Value (oz/st Au)	Standard Deviation (oz/st Au)	Recommended Best Value (oz/st Ag)	Standard Deviation (oz/st Ag)	Number Employed
NBMG					
NBM-2a	0.0002	0.0001	0.0072	0.0025	20
NBM-4a	0.0022	0.0002	<0.0088	n/a	24
NBM-5b	0.0481	0.0131	n/a	n/a	66
MEG					
Au.10.03	0.0016	0.0002	n/a	n/a	20
Au.12.32	0.0180	0.0005	n/a	n/a	17
S105006X	0.1317	0.0029	n/a	n/a	20
S107007X	0.0445	0.0020	n/a	n/a	16
Total					**203**

RPA notes that a silver value is certified for NBM-2a and that NBM-4a is certified to be below 0.0088 oz/st Ag. The QA/QC results given to RPA contained primarily gold assays, and RPA's attempts to extract additional CRM results from the database were unsuccessful. In RPA's opinion, the silver QA/QC results, which appear to be intermittent, will have no material impact on RPA's assessment of the quality of Castle Mountain's assay QA/QC program. As such, only CRM gold results were assessed by RPA.

RPA plotted the results on scatter diagrams and inspected the plots to assess the accuracy performance of the laboratories. Recommended best value (RBV) and SD for each CRM were provided by NBMG and MEG respectively. RPA considers an individual assay result to be OOS if it exceeds three times the SD (±3SD) from the RBV. Two consecutive results exceeding two times the SD (±2SD) are also considered by RPA to be failures.

RPA found that for all but two of the 208 submissions, results plotted within acceptable ranges for accuracy. There was one accuracy failure for NBM-4a and one for S1005006X. The former was below the minimum threshold and may have been a labelling error as the result was close to the RBV for NBM-2a. The other OSS result was also below the minimum threshold. RPA also observed, overall, that there were no perceptible biases in the assays although most results for NBM-4a were slightly above the RBV. An example of an accuracy plot is shown in Figure 11-2.

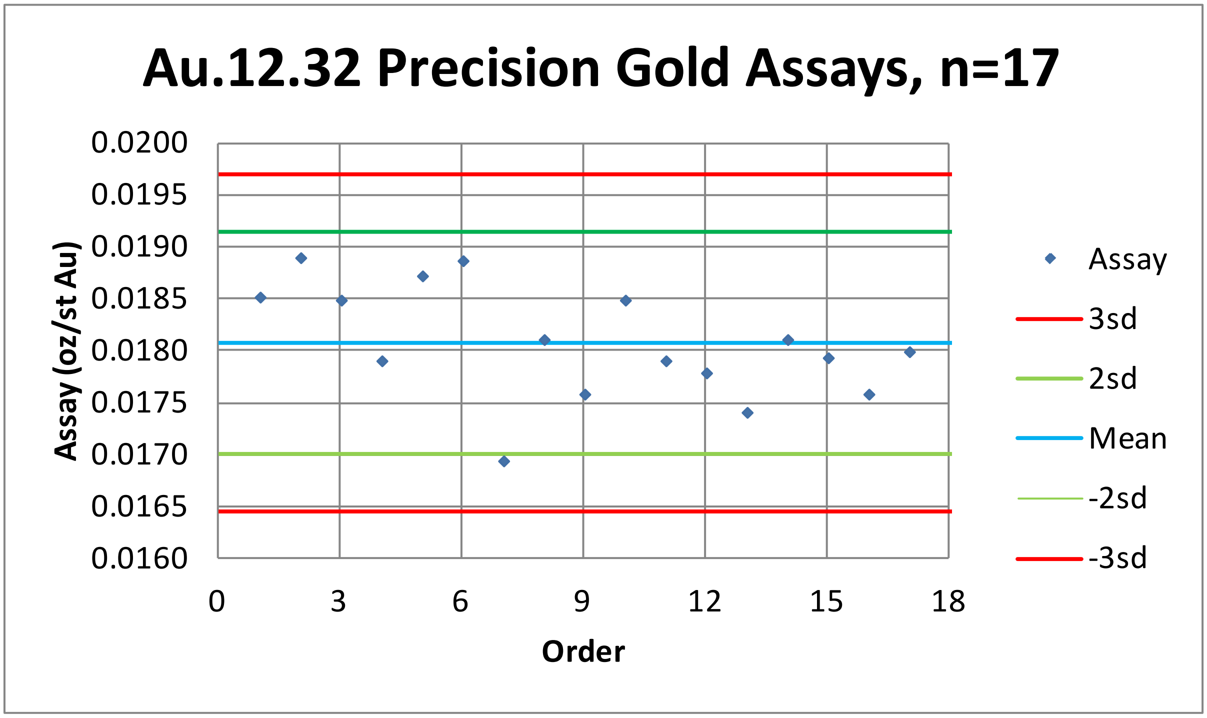
FIGURE 11-2 EXAMPLE OF ACCURACY PLOT FOR GOLD



RPA also used the assay results from the CRM analyses to assess assay precision. The mean and SD values were calculated for each CRM from the assay results. The individual samples were then compared to these mean and SD values by CRM. RPA considers any individual assay outside of 2SD from the mean of the collective assays to be OOS.

RPA found that overall assay results were acceptable for precision with a total of five OOS results being detected out of 203 submissions. One CRM, NBM-5a experienced three OOS results below the lower limits for precision but with no accompanying failure with respect to assay accuracy. RPA notes the assay results for all 66 submissions of this CRM had little variability so the calculated standard deviation for the collective samples was very small. RPA considers all of the OOS results for precision to be minor and found that, generally, results were acceptable. An example of a precision plot is shown in Figure 11-3.

FIGURE 11-3 EXAMPLE OF PRECISION PLOT FOR GOLD



RPA also notes that the number of CRM submissions (203) makes up approximately 4.1% of total number of samples sent for assay. It is industry-standard practice to submit one barren CRM per sample batch, or approximately one blank per twenty-five samples (4%). RPA finds the number of Castle Mountain's CRM submissions to be acceptable. RPA notes that to be considered statistically significant, about 30 samples are needed for any one CRM. Only NBM-5b exceeded this threshold. RPA recommends that fewer CRMs be used more frequently to achieve statistical significance.

DUPLICATES

Field Duplicates

Castle Mountain analyzed two types of duplicates for its QA/QC program. The first type was made up of a second split taken from selected samples in the field (rig duplicate). The second type was a second split taken from the pulverized subsample (pulp duplicate). The former is used to assess assay repeatability before sample preparation. The latter assesses assay repeatability after the crushing and pulverization stages of sample preparation. The pulp duplicates were sent to a second independent laboratory, Inspectorate America Corporation (Inspectorate) of Sparks, Nevada.

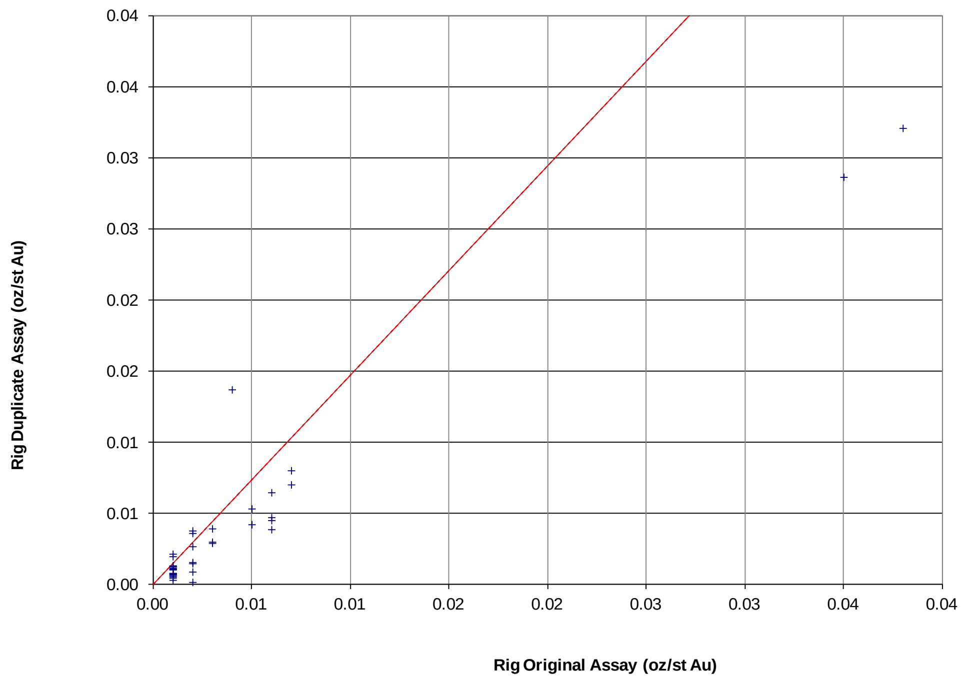
A total of 62 rig duplicate samples were taken. Castle Mountain collected the data and forwarded the information to RPA for review. Out of the 62 duplicates, 19 had gold values of zero for the original samples in the assay database. RPA plotted the results of 43 non-zero rig duplicate gold assays on a scatter diagram and inspected them for evidence of bias. Initially, the results indicated a bias toward higher original gold assay results, however, one sample pair had a large discrepancy between original and duplicate values. When that sample pair was removed from the dataset, the global assay agreement was within 14% with original assays higher than duplicate assays. RPA notes that for the 62 rig duplicates, only eight samples had original assay values for silver. RPA did not consider this to be statistically significant and did not assess silver assay repeatability for these duplicates.

Statistics for duplicate and original samples are shown in Table 11-2.

TABLE 11-2 SUMMARY STATISTICS FOR ORIGINAL AND RIG DUPLICATE RESULTS (NON-ZERO ORIGINAL ASSAYS WITH OUTLIER REMOVED)
Castle Mountain Mining Company Limited - Castle Mountain Project

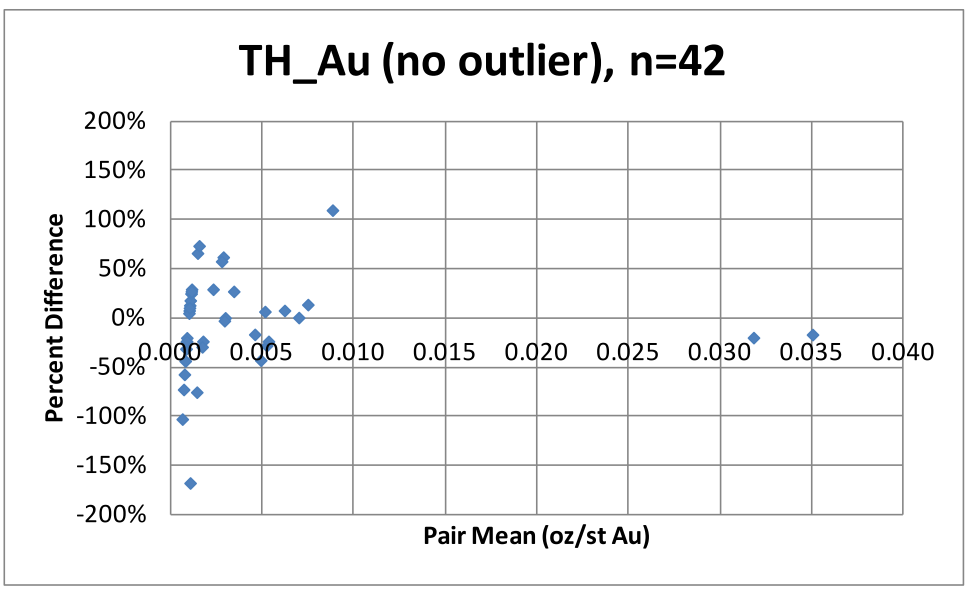
	Original	Duplicate
Number of Samples (non-zero)	42	42
Mean (g/t)	0.0040	0..0039
Maximum Value (g/t)	0.0380	0.0321
Minimum Value (g/t)	0.0010	0.0002
Median (g/t)	0.0015	0.0014
Variance	0.0001	0.0000
Standard Deviation	0.0076	0.0065
Coefficient of Variation	1.89	1.67
Correlation Coefficient	0.963	
RSD	39%	
% Difference Between Means	2.9	

FIGURE 11-4 PLOT OF NON-ZERO ORIGINAL RIG DUPLICATES FOR GOLD WITH OUTLIER REMOVED



RPA also plotted the non-zero duplicate data on relative difference (Thompson-Howarth) plots (with the outlier pair removed) and examined the results for evidence of grade bias. In RPA's opinion, there is no grade bias in these duplicate samples.

FIGURE 11-5 RELATIVE DIFFERENCE PLOT OF RIG DUPLICATES FOR GOLD



RPA notes that the 63 field duplicates submitted made approximately 1.3% of the total assays. When non-zero original assays were removed from this total, the number of field duplicates made up 0.9% of the total samples. RPA recommends additional rig duplicates be submitted in future program so that total is closer to 2% of the overall sample total.

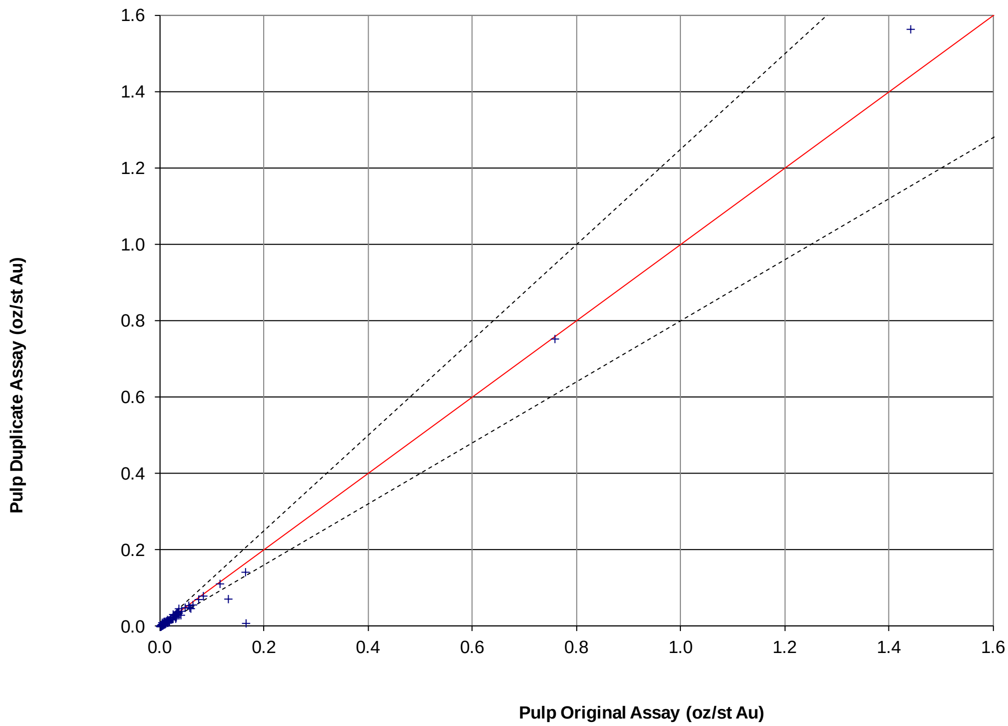
Pulp Duplicates

When RPA conducted a site visit, the 2013 drilling program was in its early stages. No core was available for verification sampling and all historical core had been destroyed during the reclamation of the previously operating mine. As a means of verifying the results of the drilling, it was agreed by Castle Mountain and RPA that pulp duplicate samples would be analyzed at a second independent laboratory. A total of 296 pulp duplicate samples were sent for reanalysis at Inspectorate. RPA plotted the results of the assays with non-zero original assays (222) on a scatter diagram and inspected the graph for evidence of bias. The duplicate results from Inspectorate showed good reproducibility compared to the original samples from ALS. Summary statistics of the comparison of original and pulp duplicate results are shown in Table 11-3 and the plot is shown in Figure 11-6.

TABLE 11-3 SUMMARY STATISTICS FOR ORIGINAL AND PULP DUPLICATE RESULTS (NON-ZERO ORIGINAL ASSAYS)
Castle Mountain Mining Company Limited - Castle Mountain Project

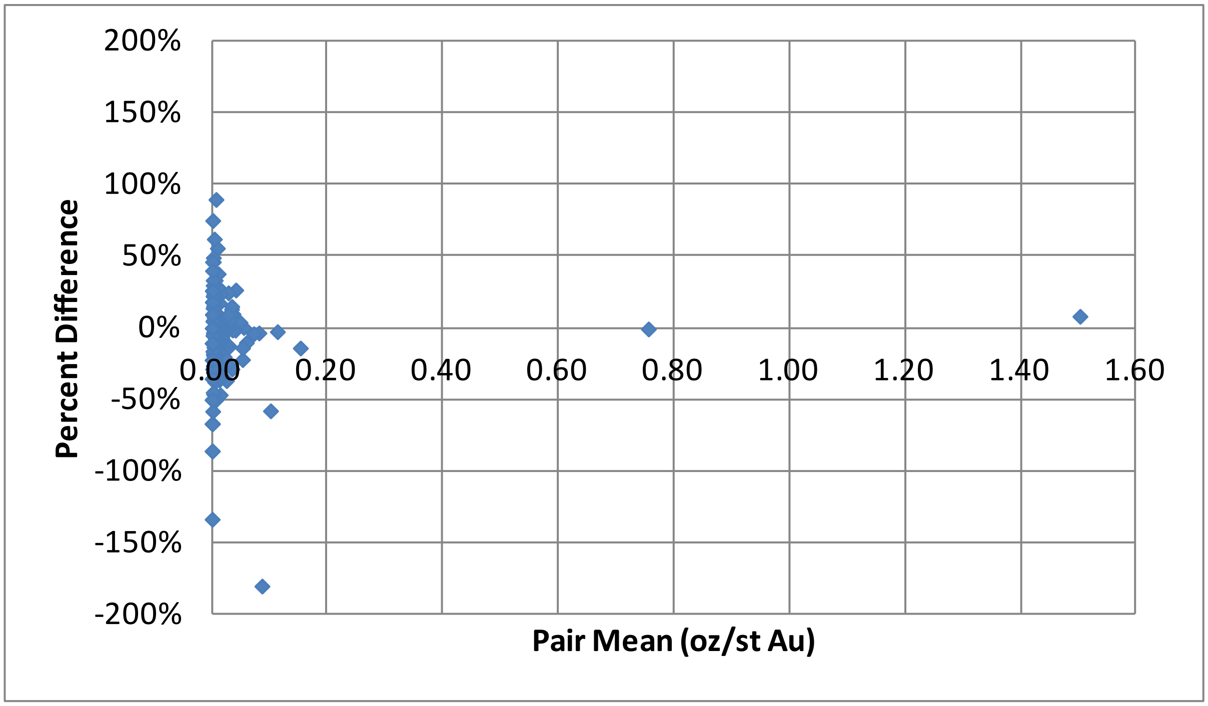
	Original	Duplicate
Number of Samples (non-zero)	222	222
Mean (oz/st)	0.0216	0..0207
Maximum Value (oz/st)	1.4410	1.5637
Minimum Value (oz/st)	0.0010	0.0002
Median (oz/st)	0.0040	0.0039
Variance	0.0122	0.0136
Standard Deviation	0.1103	0.1167
Coefficient of Variation	5.106	5.626
Correlation Coefficient	0.994	
RSD	47%	
% Difference Between Means	4.0	

FIGURE 11-6 PLOT OF NON-ZERO ORIGINAL PULP DUPLICATES FOR GOLD



RPA also plotted the non-zero duplicate data on Thompson-Howarth diagrams and examined the results for evidence of grade bias. In RPA's opinion, there is no grade bias in the duplicate samples. The relative difference plot is shown in Figure 11-7.

FIGURE 11-7 RELATIVE DIFFERENCE PLOT OF PULP DUPLICATES FOR GOLD



RPA notes that out of the 296 pulp duplicate results only 43 had original silver assays above the lower assay threshold value and only 53 had duplicate silver values above the same threshold. When a comparison was done, only six assays had both original and duplicate assay values above respective laboratories detection limit. RPA did not consider so few data to be appropriate for assessing the reproducibility of silver assays.

In RPA's opinion, the number of pulp duplicates submitted was acceptable. Approximately 5.9% of the total samples were reassayed at Inspectorate, with 75.0% of these (4.4% of the total samples) having original assay values greater than zero.

CONCLUSIONS

RPA assessed Castle Mountain's QA/QC program and found it to be industry-standard with an acceptable rate of insertion for CRM and pulp duplicates. RPA, however, recommends that the number of blanks inserted be increased to approximately 4% of the total samples submitted. The insertion of field duplicates, likewise, can be increased to approximately 2% of the total submissions.

The results of the pulp duplicate assays showed good reproducibility with no discernible grade biases. The insertion of CRMs showed that laboratory results from ALS were acceptable with respect to precision and accuracy. The results from the insertion of blanks are also acceptable.

RPA recommends that results for all QA/QC submissions be inspected immediately upon receipt by Castle Mountain so that any issues may be identified early and corrected immediately.

In RPA's opinion, the QA/QC program for the 2013 drill program was adequate and assay results within the database are suitable for use in a Mineral Resource estimate.

12 DATA VERIFICATION

INDEPENDENT SAMPLE VERIFICATION

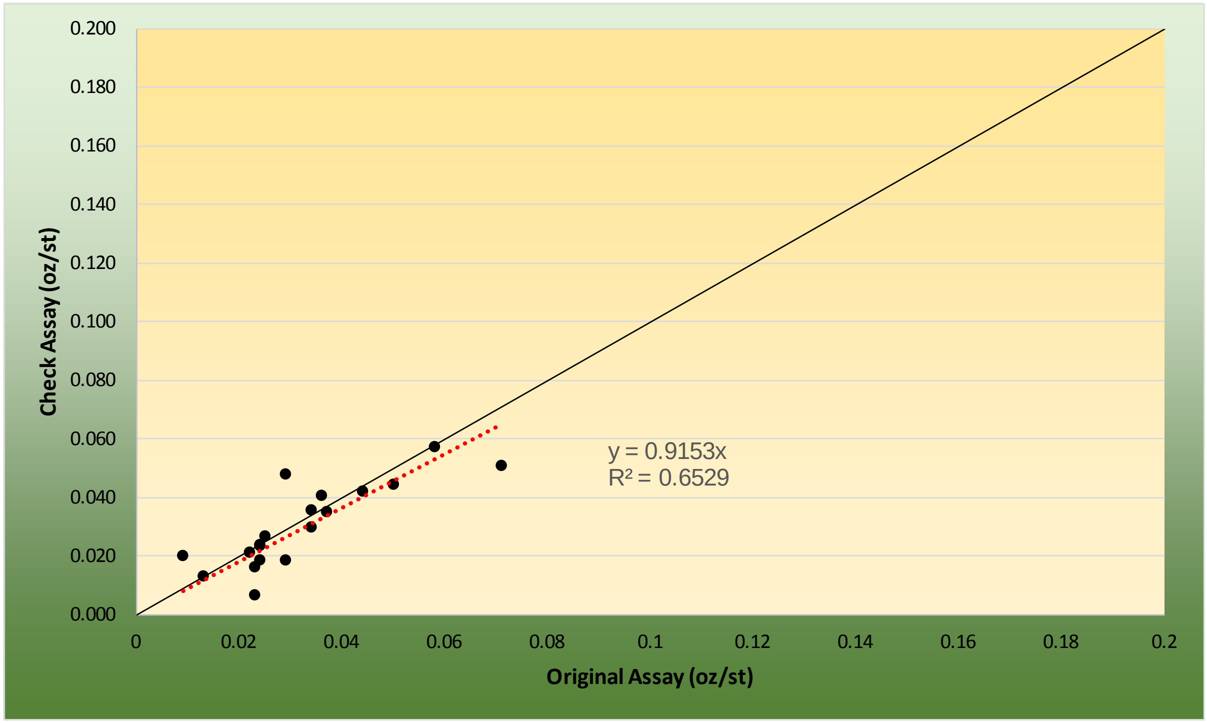
At the time of the RPA site visit, the 2013 drilling program was commencing and no assay results were available for the core that had been drilled. In order to verify the results obtained from the 2013 drill program, Castle Mountain and RPA agreed to send an intersection of ten samples from Hole CMM-016 to SGS Laboratories of Lakefield, Ontario (SGS). SGS is independent of Castle Mountain and is ISO17025 certified for gold assays. The reference half-core from the intersection was cut again using a diamond saw and the resulting quarter-core specimen was sent for analysis. The results are shown in Table 12-1.

TABLE 12-1 VERIFICATION ASSAY RESULTS
Castle Mountain Mining Company Limited - Castle Mountain Project

Hole No.	From (ft)	To (ft)	Original (oz/st Au)	Duplicate (oz/st Au)	Difference (oz/st Au)	Percent Difference (%)
CMM-016	832	837	0.034	0.030	-0.004	-11.6
	837	842	0.024	0.024	0.000	0.1
	842	847	0.181	0.056	-0.125	-68.9
	847	852	0.009	0.020	0.011	125.6
	852	857	0.023	0.007	-0.016	-70.1
	857	862	0.024	0.019	-0.005	-21.6
	862	867	0.022	0.021	-0.001	-2.6
	867	872	0.013	0.013	0.000	2.5
	872	875	0.024	0.024	0.000	-1.2
	875	880	0.029	0.019	-0.010	-35.2

RPA used the data to plot scatter diagrams to compare the results. RPA noted most of the samples were relatively low in grade. One sample pair showed a significant discrepancy between the two results (842 to 847) due to the relatively high value of the original assay and the relatively low value of the duplicate. When plotted, this sample pair biased the graph. When this pair was removed, the plot showed good agreement between the original assays and the duplicates (Figure 12-1).

FIGURE 12-1 CHECK ASSAY RESULTS, DRILL HOLE CMM-016, ONE OUTLIER PAIR REMOVED



In RPA's opinion, the duplicate core samples indicate reasonably good agreement between the original assays and the duplicate assay results. While the small number of samples is not considered sufficient to carry out a comprehensive comparative analysis, RPA believes that it has provided independent verification of the presence of gold in these samples.

ASSAY VERIFICATION

RPA queried the Access drill hole database and selected a list of assays from 23 holes chosen at random to verify against the historical hard copy assay certificates. Overall, RPA checked a total of 3,845 assays for gold and silver values (7,690 determinations) which made up approximately 1.6% of the 235,993 historical assays in the database. RPA found no errors in these data.

RPA notes that sequential sample numbers in a traditional sense were not used for each sample in the database. Each sample was designated by its hole number and down-the-hole length from the collar. This results in samples being identified by hole number and both "from" and "to" values on the assay certificates.

In November 2013, RPA requested that additional assay verification work be conducted. A list of 1,175 drill holes was given to Castle Mountain personnel. These holes were identified as those which intersected resource related mineralization domains modelled by RPA. In order to prevent bias in the selection, Castle Mountain chose one drill hole out of every 36 on the provided list. This method resulted in the selection of 32 drill holes.

The original hard copy assay certificates were used by Castle Mountain to verify the assay results within the electronic database. A total of 4,360 assays (8,720 determinations), or 1.8% of the historical database, were checked for gold and silver values. Two minor errors were noted in one hole (DDH46). In both instances, a zero value was recorded for both gold and silver in the electronic database while the hard copy certificates listed “no sample” for these intervals.

Drill hole elevations were verified by comparing collar elevations with digital terrain models (DTM) provided by Castle Mountain. Two of the models provided required transformation to reconcile with the third model. Once the topographic surfaces were reconciled it was found that the drill hole collar elevations required correction. The methodology used for the collar corrections is described in Section 14, Mineral Resource Estimate.

The efforts of Castle Mountain and RPA resulted in the verification of 3.4% of the assay database, with no significant error being identified and the reconciliation of the drill hole collars with the DTMs. In RPA’s opinion, the database is relatively error-free and acceptable for use in the estimation of Mineral Resources.

13 MINERAL PROCESSING AND METALLURGICAL TESTING

LABORATORY TESTING

Although no recent metallurgical data has been generated for the Castle Mountain Project a significant amount of metallurgical test data and 12 years of production data is available to help in the evaluation of the Project. The majority of the testing was completed by Bateman Metallurgical Laboratory (Bateman) and McClelland Laboratories Inc. (McClelland). The cyanide leach testing that was done is shown in Table 13-1.

Bateman completed a total of 19 bottle roll tests (BRTs) and 61 column leach tests using samples from Jumbo South and Leslie Ann. They also completed carbon adsorption tests to evaluate carbon adsorption equilibrium capacity and adsorption rate. The tests evaluated a number of variables including the impact of particle size, leach time, head grade, and used samples from various portions of the deposits and different depths of the deposit. Since the data was generated over a period of nine years, it is not always consistent – test conditions varied with regard to particle size distributions, leach times, and leach conditions. This must be considered when interpreting the data.

The column test data is provided in Appendix 2. A separate summary is provided of the column test data that was generated from samples crushed to minus 3/8-in (approximately 9,525 µm) since that is the design criteria for the PEA.

TABLE 13-1 HISTORICAL CYANIDE LEACH TESTING REPORTS
Castle Mountain Mining Company Limited - Castle Mountain Project

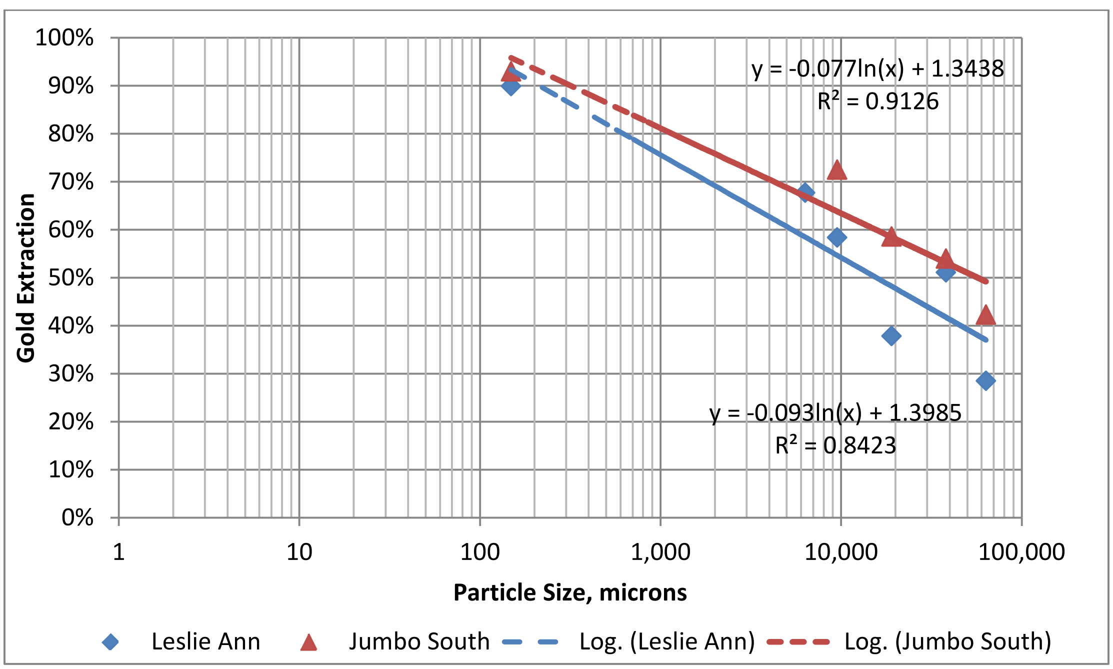
Date	Lab	Samples	BRTs	Sizes, mesh	Time, hrs	Column Tests	Sizes, in	Number 3/8-in	Time, days
February-87	Bateman	Jumbo South Bulk	3	100 150 200	72	5	3, 1½, 1, 3/4, 3/8	1	33
November-87	Bateman	87-7, 87-8, 87-9, 87-6A,6B,6C	6	100	24	15	2½, 1½, 3/4, 3/8	4	40 to 67
January-88	Bateman	Jumbo South DDH-3	3	100	24	12	2½, 1½, 3/4, 3/8	3	58 to 63
January-88	Bateman	Leslie Ann DDH-1, DDH-2	4	100	24	12	2½, 1½, 3/4, 3/8	3	67
August-88	Bateman	Leslie Ann DDH-8	3	100	24	3	3/8	3	118
September-88	Bateman	Leslie Ann DDH-10				10	3/8, ¼	5	69 to 105
October-88	Bateman	Leslie Ann DDH-11				4	3/8, ¼	3	82
July-89	McClelland	DDH-8, DDH-13, DDH-12, DDH-15, DDH-16, DDH-17, DDH-19, DDH-20				3	3/4		78
October-89	McClelland	DDH-18, DDH-3M, DDH-3U	1	100	72	4	3/8	4	68 +10 rinse
May-90	McClelland	DDH-3M 90-3	8	35, 65, 100, 200	96	4	3/8	4	52
January-93	McClelland	HL Residue	6	100	24				
March-95	McClelland	A: Jul-Sept B: Apr-June C: Jan-May				9	75%-3/8 90%-3/8 80%-¼	6	69
May-95	McClelland	RC Cuttings	4	As Received 100 mesh	120				
May-96	McClelland	141 South Ext DDH-56, DDH-57, DDH-58, DDH-59	3	80% -¼ in	240	2	3/8	2	66 to 71

The most significant observation from all of these tests was the relationship between particle size and gold extraction. Due to variations in the test conditions, the data is more conclusive if averages of the extraction by particle size are used. Table 13-2 provides the average gold extraction for tests (BRT and column) that were run by Bateman at the various particle sizes tested. The data is shown graphically in Figure 13-1.

TABLE 13-2 BATEMAN METALLURGICAL DATA
Castle Mountain Mining Company Limited - Castle Mountain Project

Particle Size 100% Passing		Gold Extraction	
Inches	Microns	Leslie Ann	Jumbo South
2½	63,500	29%	42%
1½	38,100	51%	54%
3/4	19,050	38%	59%
3/8	9,525	58%	73%
1/4	6,350	68%	---
100 Mesh	149	91%	93%

FIGURE 13-1 RELATIONSHIP BETWEEN PARTICLE SIZE AND GOLD EXTRACTION



For both Leslie Ann and Jumbo South there is a strong correlation between particle size and gold extraction. As the material is crushed finer, the gold extraction increases significantly.

An evaluation of the head grade of the samples and the gold extraction showed no correlation between the gold grade and gold extraction.

In preparation for the addition of a milling circuit at Castle Mountain, McClelland ran tests to determine the effectiveness of gravity concentration and pulp agglomeration of mill tailings in 1990. BRTs achieved gold extractions of approximately 95% on a composite sample that was ground to 100% passing 149 microns and leached in cyanide for 96 hours. Duplicate heap leach samples that were crushed to 80% passing 3/8-in (9.5 mm) were agglomerated with leached and unleached ground mill feed grade material at a target particle size of 80% passing 65 mesh (210 µm.) The proportion was 20% milled material and 80% heap leach material. The sample that was agglomerated with unleached material achieved a gold extraction of 92.6% in 44 days and the sample that was agglomerated with leached material achieved a gold extraction of 82.2% after 42 days. The gold extraction rate was faster for the sample agglomerated with leached material. It was possible to achieve effective agglomeration by using 10 lb/ton cement.

In these tests McClelland concluded that the high grade samples did not respond well to gravity gold concentration, although the recoveries for two duplicate tests were 24.5% and 20.6% on samples that were ground to approximately 80% minus 100 mesh (149 µm.)

In 1995, three composite samples taken from the crusher discharge at the mine were used for column leach tests by McClelland at three different crush sizes. The test results showed that the gold extraction from column tests using samples that were 75% minus 3/8-in and 90% minus 3/8 in were similar but the gold extractions from samples crushed to 80% minus 1/4-in were 4% to 10% higher than the samples crushed to 90% minus 3/8-in.

In 1995, McClelland also completed BRTs on two samples of RC cuttings from south extension. One was leach grade material and the other was mill grade material. The leach grade BRTs for two duplicate tests showed gold extractions of 68.8% and 63.9%. The combined gravity/cyanidation test results for two duplicate mill grade tests were 95.7% and 96.5%. All tests were conducted for 120 hours.

In 1996, McClelland BRTs and column leach tests on two core samples taken from the South Extension. The results of these tests are reported in the section about metallurgical samples.

PRODUCTION DATA

Since Castle Mountain previously operated for 12 years, the production data is used as the basis for this PEA. The production data from the operation of the Castle Mountain Project is provided in Table 13-3.

The initial circuit that was commissioned in 1992 included heap leaching of ore that was crushed to 100% minus 3/8-in (9.5 mm) in a tertiary crushing circuit and agglomerated with partially leached mill tailings. In 1993, the "modified" milling circuit was added. Ore was ground to 80% passing 149 µm in cyanide solution. Initially, the gold extraction was 33% to 40% prior to being agglomerated with the crushed ore. In later years a gravity gold recovery circuit was added and the gravity tailings were agglomerated with the crushed ore. The initial recovery increased to approximately 50%. The partially leached ore from the milling circuit was used to agglomerate the crushed ore in the proportions of 10% (maximum) mill ore to 90% crushed heap leach ore.

Total gold recovery from the mill from gravity concentration, milling in cyanide solution, and heap leaching of the agglomerated slurry was estimated to be 95%, based on the metallurgical test data. Then, the recovery from the leach pad was back calculated from the total amount of gold recovered. A graph of the gold recovered using the production data is shown in Figure 13-2. For comparison purposes, the PEA estimated recovery using the leach recovery curve that was developed from the production data and test data is also shown on this graph.

TABLE 13-3 CASTLE MOUNTAIN MINE METALLURGICAL RECOVERIES

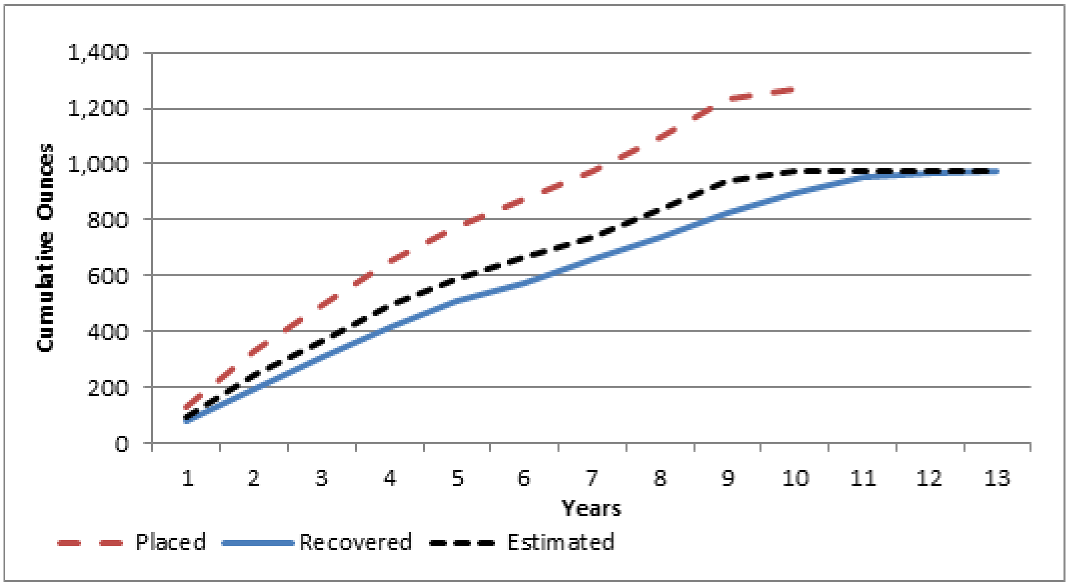
Castle Mountain Mining Company Limited - Castle Mountain Project

Item	Units	Total	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total, Leach Plus Mill															
Total to Pad	000s st	36,193	2,581	3,658	4,083	4,204	4,120	4,103	3,891	4,123	4,120	1,308			
Grade	oz/st	0.043	0.051	0.058	0.056	0.050	0.037	0.038	0.027	0.034	0.040	0.037			
Contained, Annual	000s oz	1,550	131.6	211.5	230.0	211.3	151.6	155.9	105.1	140.2	164.8	48.4			
Recovered, Annual	000s oz	1,243	78.0	133.2	170.3	156.9	122.2	122.4	89.1	95.0	118.7	77.7 [1]	56.7	14.8	8.2
Annual Recovery	%	-	59.3	63.0	74.0	74.3	80.6	78.5	84.8	67.8	72.0	89.9	-	-	-
Contained, Cumulative	000s oz	1,550	131.6	343.1	573.1	784.4	936.0	1,091.9	1,197.0	1,337.2	1,502.0	1,550.4	1,550.4	1,550.4	1,550.4
Recovered, Cumulative	000s oz	1,243	78.0	211.2	381.5	538.4	660.6	783.0	872.1	967.1	1,085.8	1,163.5	1,220.2	1,235.0	1,243.2
Cumulative Recovery	%	80.2	59.3	61.6	66.6	68.6	70.6	71.7	72.9	72.3	72.3	75.0	78.7	79.7	80.2
Mill Ore															
Mill Ore	000s st	1,967	-	88	305	301	296	412	58	90	328	89	-	-	-
Grade	oz/st	0.144	-	0.183	0.210	0.162	0.113	0.138	0.108	0.138	0.108	0.113	-	-	-
Contained	000s oz	283	-	16.1	64.1	48.5	33.4	56.7	6.3	12.4	35.3	10.1	-	-	-
Mill Recovered	000s oz	120	-	5.8	21.5	18.4	14.1	28.2	2.8	6.3	17.2	5.5	-	-	-
Recovered From Agglomerated Mill Tailing	000s oz	149	-	9.5	39.4	27.7	17.6	25.7	3.1	5.5	16.4	4.0	-	-	-
Total Recovered	000s oz	269	-	15.3	60.9	46.1	31.8	53.9	5.9	11.8	33.6	9.6	-	-	-
Mill Recovery	% of mill feed	95	0.0	95	95	95	95	95	95	95	95	95	0.0	0.0	0.0
Leach Ore															
Leach Ore	000s st	34,226	2,581	3,571	3,778	3,904	3,824	3,691	3,833	4,033	3,792	1,219	-	-	-
Grade	oz/st	0.037	0.051	0.055	0.044	0.042	0.031	0.027	0.026	0.032	0.034	0.031	-	-	-
Contained	000s oz	1,267	131.6	195.4	165.9	162.7	118.2	99.2	98.8	127.8	129.5	38.3	-	-	-
Recovered	000s oz	974	78.0	117.9	109.4	110.8	90.4	68.5	83.2	83.2	85.2	68.2	56.7	14.8	8.2
Cumulative Recovery	%	76.9		59.3	59.9	61.9	63.5	65.4	65.9	67.7	67.4	67.2	70.6	75.1	76.2
Gold Recovered Pre-Closure (88% of Total)	000s oz	856.3	78.0	117.9	109.4	110.8	90.4	68.5	83.2	83.2	85.2	29.7	-	-	-
Gold Recovered Post-Closure (12% of Total)	000s oz	118.1										38.5	56.7	14.8	8.2

Note:

1. Includes 36.5 koz Au recovered from clean up and closure activities.

FIGURE 13-2 HISTORICAL PRODUCTION DATA



Additional testing is required to confirm the timing of leach recovery. This is recommended for the next level of study.

RECOVERY ESTIMATES

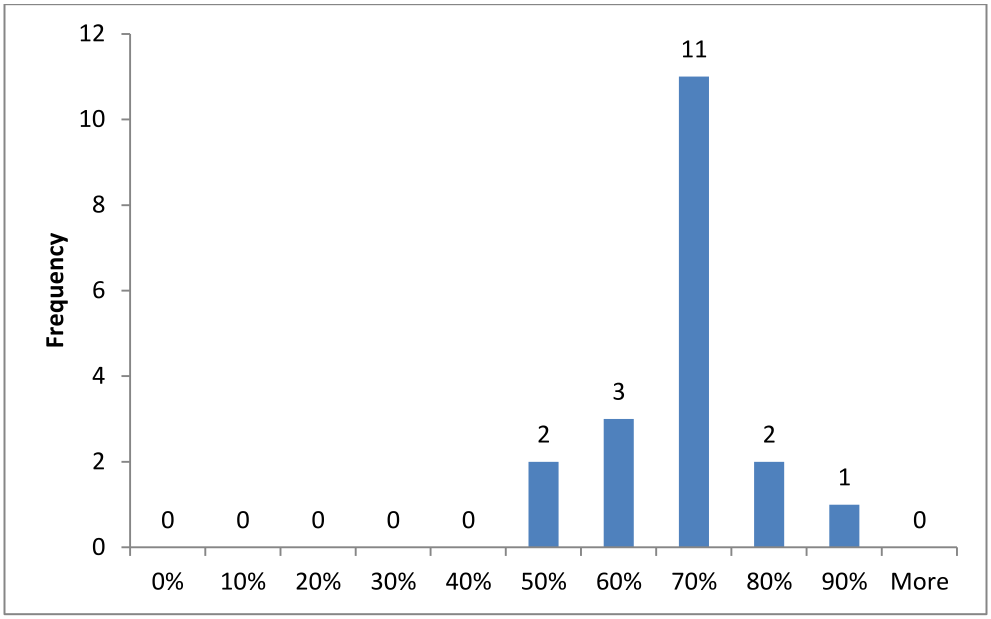
The recovery estimate for the PEA is based upon the historical production data, which aligns well with the available metallurgical data. The mill is estimated to recover 50% of the total gold in the initial milling circuit using a combination of gravity concentrators and grinding in cyanide solution followed by recovery of 90% of the remaining 50% of the gold or an additional 45% of the gold on the leach pad for a total recovery of 95% of the gold for milled material.

Since the annual historical data does not give enough detail to estimate the amount of gold that will be recovered in the first 90 days after it is placed on the leach pad, RPA relied upon the column leach test data to determine how much gold should be recovered during that first quarter. A total of 28 column tests were conducted using material that was crushed to 80% to 100% minus 3/8-in. Of these 28 tests, 27 were run for 60 days or longer. The gold extraction after 30 days and 60 days was evaluated for each test. As part of the data evaluation process, RPA noted that a number of the tests conducted by Bateman resulted in data that was not consistent and, therefore, resulted in conclusions that may or may not be correct. A good means of determining whether test data is consistent or not, is to compare the head grade determined by assays with the calculated head grade from the test. If the head grades agree within plus or minus ten percent, the data is deemed to be reliable. If not, the test results are questionable. On this basis, RPA removed data from nine tests from the data set for the 3/8-in column tests and conducted a statistical analysis of the remaining data in order to estimate how much recovery could be expected during the first 90 days. To allow for time to place the material on the pad, get it under leach, and allow it to become saturated with leach solution, the gold extractions from the 60-day column leach cycles was used. The statistical analysis of the data is shown in Table 13-4 and a histogram of the data is shown in Figure 13-3.

TABLE 13-4 STATISTICAL ANALYSIS OF THE COLUMN TEST GOLD EXTRACTION DATA
Castle Mountain Mining Company Limited - Castle Mountain Project

Item	30 days	60 days
Mean	59.2%	63.8%
Standard Error	2.2%	2.0%
Median	62.0%	66.3%
Standard Deviation	9.7%	8.8%
Range	39.3%	37.1%
Minimum	36.2%	44.1%
Maximum	75.5%	81.2%
Count	19	19

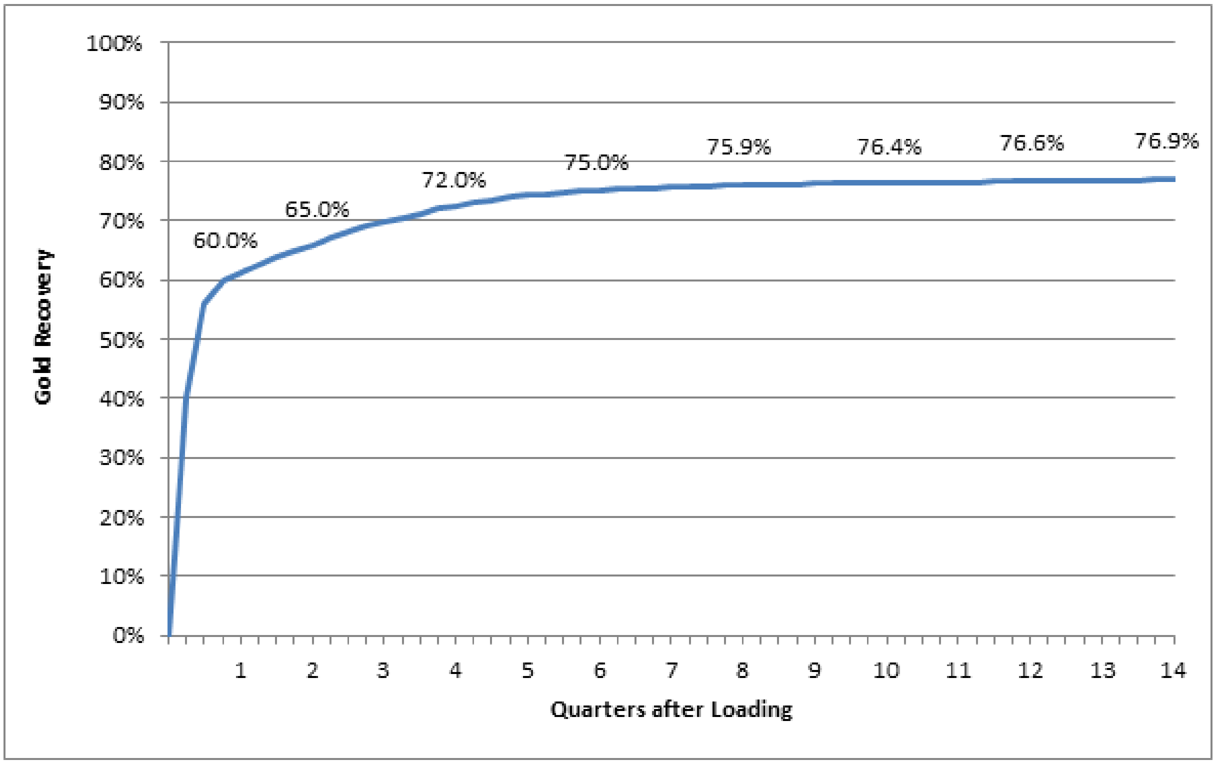
FIGURE 13-3 HISTOGRAM OF 60-DAY COLUMN TEST EXTRACTION DATA



From this data, the average gold extraction after 60 days was approximately 64% ranging from a minimum of 44% to a maximum of over 81%. In looking at the graph, 11 out of 19 tests showed gold extraction between 60% and 70%. Only two had extractions less than 50% and one had a gold extraction over 80%. Based on this analysis, RPA believes using an estimated gold recovery of 60% during the first quarter is reasonable.

The leach curves used as a basis for the gold recovery result in an ultimate heap leach recovery of approximately 76.9% over 14 quarters of leaching, as shown in Figure 13-4.

FIGURE 13-4 LEACH RECOVERY CURVE FOR THE PEA



RPA notes that the level of accuracy is within the level required for the current study but the assumptions need to be confirmed by additional testwork for future studies.

METALLURGICAL SAMPLES

Due to the good correlation between the metallurgical data and the production data, the metallurgical test work conducted in the past appears to have used samples that were representative of the material that was processed historically. Since no new testing has been conducted and the current estimates are based on the historical data, it is not possible for RPA to say definitively that the data is representative of material that will be mined and processed in the future. Therefore, it is important that representative samples of the new areas of the deposits be collected and a comprehensive metallurgical testing program be completed using those samples in order to confirm the assumptions made for this PEA.

It should be noted, however, that 50% of the contained gold in the Base Case for this PEA is contained within the Jumbo, Oro-Belle and JSLA pits that were previously mined and at depths that are shallower than the historic activity. Also, approximately 33% of the material contained in the Base Case for the PEA is located within the South Domes pit and samples from this area were tested by McClelland in 1996. Results from two column leach tests performed on rhyolite and tuff samples as provide in Table 13-5.

TABLE 13-5 COLUMN LEACH TEST DATA FROM SOUTH EXTENSION SAMPLES
Castle Mountain Mining Company Limited - Castle Mountain Project

Results	Rhyolite	Tuff
Size	81.7% -¼ in	83.8% -¼ in
Time, days	60 + rinse	60 + rinse
Au Extraction	64.5%	89.7%
Direct Head, opt	0.035	0.030
Calculated Head, opt	0.031	0.029
Tailings, opt	0.011	0.003
Cyanide, lb/t	1.19	0.63
30 day leach	58.3%	86.6%
60 day leach	64.5%	89.7%

The results for the rhyolite sample are consistent with the data used as a basis for this PEA and the results for the tuff sample are much better. This provides an indication that the anticipated metallurgical response will meet or exceed the estimates used in the PEA.

14 MINERAL RESOURCE ESTIMATE

SUMMARY

Table 14-1 summarizes the Mineral Resources as of November 21, 2013 based on a US$1,300/oz gold price. The Indicated Mineral Resources, at a cut-off of 0.004 oz/st Au (0.14 g/t Au), total 182 million tons (165 million tonnes) averaging 0.017 oz/st Au (0.60 g/t Au) and contain 3.15 million ounces of gold. In addition, the Inferred Mineral Resources total 63.7 million tons (57.8 million tonnes) averaging 0.017 oz/st Au (0.57 g/t Au) and contain 1.06 million ounces of gold.

TABLE 14-1 MINERAL RESOURCES AS OF NOVEMBER 21, 2013
Castle Mountain Mining Company Limited - Castle Mountain Project

	Imperial				Metric	
Cut-Off (oz/st Au)	**Tonnage (Mt)**	**Grade (oz/st Au)**	**Gold (oz Au)**	**Cut-Off (g/t Au)**	**Tonnage (Mt)**	**Grade (g/t Au)**
			Indicated			
0.0120	76.4	0.031	2,370,000	0.41	69.3	1.06
0.0100	93.2	0.027	2,560,000	0.34	84.5	0.94
0.0075	124	0.023	2,820,000	0.26	112	0.78
0.0050	164	0.019	3,074,000	0.17	149	0.64
0.0040	**182**	**0.017**	**3,150,000**	**0.14**	**165**	**0.60**
			Inferred			
0.0120	24.4	0.031	763,000	0.41	22.1	1.07
0.0100	30.3	0.027	828,000	0.34	27.5	0.94
0.0075	42.5	0.022	934,000	0.26	38.6	0.75
0.0050	57.7	0.018	1,030,000	0.17	52.3	0.61
0.0040	**63.7**	**0.017**	**1,060,000**	**0.14**	**57.8**	**0.57**

Notes:
1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are estimated at a cut-off grade of 0.004 oz/st Au (0.14 g/t Au).
3. Mineral Resources are estimated using a long-term gold price of US$1,300 per ounce.
4. Average bulk density is 0.0699 st/ft^3.
5. Numbers may not add due to rounding.

The current resource model is based on drilling data. The database comprises 1,762 historic holes as well as 30 holes drilled in 2013 by Castle Mountain. The estimate was generated from a block model constrained by 3D wireframe models, with gold grades interpolated using inverse distance squared (ID^2) weighting. The wireframe models of the mineralization and key geological features were constructed by RPA. Additional wireframes of the major lithologies were provided by Castle Mountain.

The Qualified Person for the resource estimate is Reno Pressacco, P. Geo., Principal Geologist for RPA. Mr. Pressacco is independent of Castle Mountain and has had no previous involvement with the Project.

RPA is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other issues that could materially affect the Mineral Resource estimates.

MINERALIZATION MODELS

Geological models were constructed using Surpac software mine modeling package version 6.4.1 and provided control for grade estimation. The models are essentially grade shells generated at a nominal cut-off of approximately 0.004 oz/st Au (0.14 g/t Au). Gold grades are observed to be erratic within the zones, and it was necessary to include some below-cut-off material for continuity. The wireframe models were constructed from polylines drawn in plan views at intervals of 60 ft vertically. The interpretation of the continuity of the mineralized trends was guided by the preparation of contoured gold values for the entire drill hole database for each bench (Figure 14-1). The trends that became apparent from this contoured data were subsequently used as guides to create the final polyline outlines. The polylines were then linked together to form three dimensional wireframe models. These wireframe models were subsequently clipped using various surfaces as required.

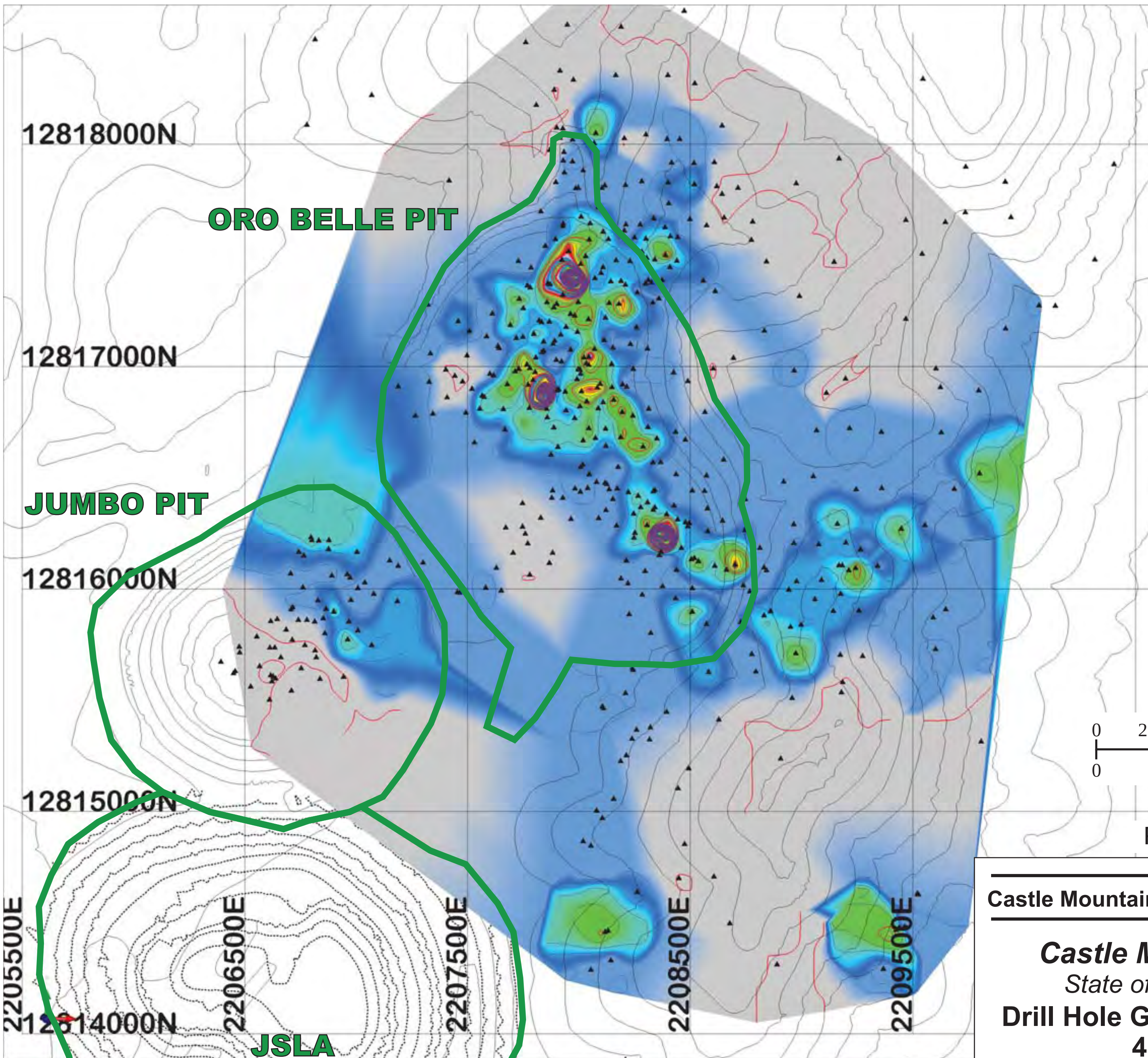


Figure 14-1

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Drill Hole Gold Contours for the 4640 Bench

May 2014

Seven mineralized zones were modeled, along with a barren, post-ore alluvium deposit and a volume encompassing the backfill which has been placed inside the JSLA pit. The mineralization wireframes encompassed both the mined volumes as well as in situ mineralization and so represent an estimate of the pre-mined state. RPA also generated surfaces for the interpreted base of the three waste dumps in order to properly tag this material in the block model. Castle Mountain provided wireframe models for the rhyolite plugs, as well as the basement contact. The rhyolite model was not used, as the density characteristics of this unit were not deemed to be markedly different from any of the other host rocks and this unit did not show any obvious spatial relationship with the mineralized wireframes.

Integer codes were assigned to the various zone wireframes and then the wireframes were used to transfer these codes to the block model. The coding provided the means to customize grade interpolation parameters for each zone, and to properly assign density to the various rock types for tonnage estimates. Codes were also assigned to blocks for air, waste, dump material, and backfill. Table 14-2 lists the integer codes, and their corresponding domain names. The general locations of the mineralization domain models are shown in Figure 14-2.

TABLE 14-2 LITHOLOGY CODES
Castle Mountain Mining Company Limited - Castle Mountain Project

Code	Description
1	NE Trend
2	Oro Belle
3	JSLA/Jumbo
4	Jumbo West
5	JSLA West
6	South Dome/621
7	Domain 7
96	Basement
98	Waste
99	Air
101	Fill
102	Alluvium
103	Dump

Historical mine production and reclamation has resulted in significant disturbance to the original topography. After mining ceased in 2001, three main pits are present, one of which has been backfilled (JSLA). Castle Mountain provided three wireframe models of topographic surfaces for the Project area. The first surface was of the topography as it was prior to mining. This was used as a general check for the drill collar elevations, and to assist with modeling the bottom of the waste dumps. The second surface was generated at or near the end of production of the JSLA pit and depicts the pit as it was just prior to backfilling. The third surface was created from a photogrammetric survey conducted by Castle Mountain in October 2012.

RPA notes that the survey grids for the various surface DTM's were different from one another. The two older surfaces had to be manually transformed from their local mine grid projections to the revised UTM NAD 83 Zone 11 (feet) datum such that all three surfaces agreed on a best-fit basis. As far as RPA is aware, a rigorous mathematical transformation algorithm has not yet been developed. This made it necessary to create a best-fit solution to match topographic features such as hilltops, pit brows, and benches. In RPA's opinion, there is reasonable agreement between these surfaces, but there are some local discrepancies measuring up into the tens of feet. RPA recommends that the most recent topography DTM, derived from the October 2012 air photo survey, be properly transformed to the local mine grid. If necessary, surface surveys should be conducted to reconcile the local grid with the State Plane coordinate system, on which the October 2012 topographic surface was originally generated. The procedure used by RPA for transformation from the original mine grid coordinate system to the UTM NAD 83 (feet) is as follows:

1. Add 12,710,248.2 ft to the mine grid northings (Y). Add 2,104,079.02 to the mine grid eastings (X).
2. Rotate all data 1.1 degrees counter-clockwise, using drill hole 870 as the rotation point.
3. Add 15 ft to the elevation.

OXIDE ZONE

Castle Mountain ran 1,264 samples for gold using a cyanide leach (CNL) procedure. The purpose of this study was to obtain an indication of the leaching characteristics of the gold by means of cyanidation.

The samples were placed in a plastic vessel with a solution of 0.25% NaCN and 0.05% NAOH, and rolled for one hour. The final leach solution was then analyzed by AA. The same samples were also run by conventional AA and those then compared to the CNL results. A "recovery" value was then calculated based on the premise that the AA analysis represented the "total gold" in the sample, and the CNL value the "cyanide-recoverable" proportion. The average recovery was 71%.

RPA reviewed the spatial distribution of the higher "recovery" samples, with the intention of trying to determine if an oxide/sulphide boundary could be seen in the data. The hypothesis was that oxidized material would be more amenable to cyanidation than sulphide mineralization, and should therefore have a higher "recovery" value. The distribution of higher and lower "recovery" samples was observed to be somewhat random, and no oxide/sulphide boundary could be discerned.

DATABASE

The database comprised drill results dating back to the original 1980 program carried out by Vanderbilt (see History section of this report). The digital data from the historical holes were recovered from the Project archives by Castle Mountain personnel. This information was augmented by data from the 30 core and RC holes drilled in 2013 by Castle Mountain. RPA initially compiled the drill data into the Surpac mine modelling package for geological modeling, geostatistical evaluation, and preliminary grade interpolation. The database was transferred to the GEMS mine modelling package for further analysis and final grade interpolations.

The database contained records for 1,792 drill holes, encompassing an aggregate length of 1,210,861.5 ft. Included with this data were records for 241,000 assay intervals, although 683 of these intervals contained either -999 or -888 in the gold field, which is interpreted to mean "not sampled". A further 317 samples contained a -1 for gold, and 80,306 sample intervals contained zeroes. All sample intervals located within the mineralization wireframe models with a negative number in the gold field were assigned zero grades for interpolation purposes.

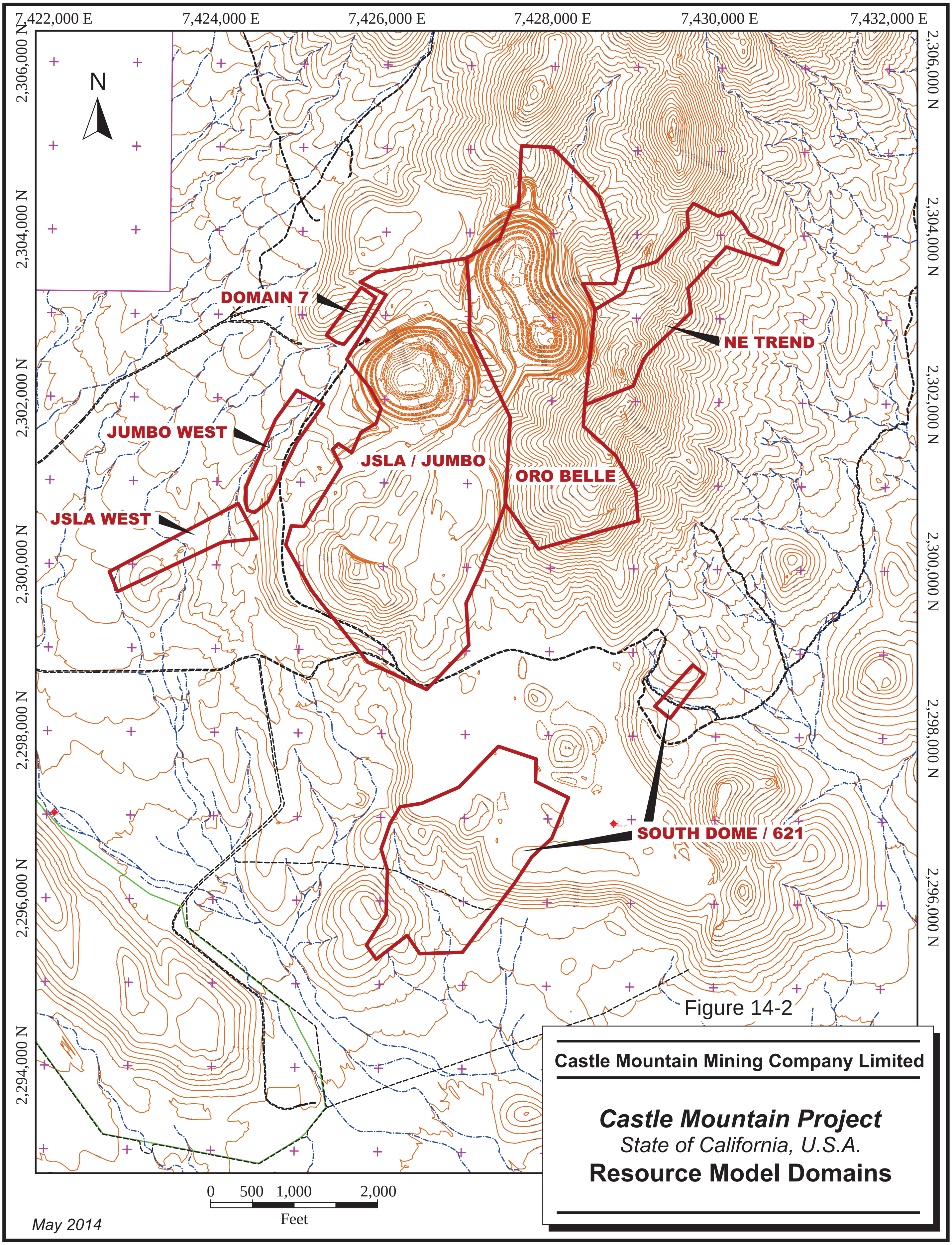


Figure 14-2

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Resource Model Domains

May 2014

Many of the drill collar elevations were observed to vary slightly from the topographic surfaces. RPA conducted a review of 532 collars from the historical data set, comparing their recorded elevations with the elevation of the original topo DTM. It was found that there did appear to be a consistent degree of error with an average discrepancy of -15.5 ft between the recorded elevations and the topo surface. On the basis of this analysis, it was concluded that the collars for the historical holes should be raised by 15.5 ft.

Even after the systematic 15.5 ft adjustment, 45 holes were found to plot well away from the surveyed topographic surfaces. These were manually adjusted.

On inspection of the database, RPA found some unrealistically long sample intervals, measuring in the hundreds of feet, with non-zero gold grades. These intervals were observed to have been recorded for three holes, DDH-1, -2, and -3, from the earliest recorded drilling program. These three holes were excluded from use in the grade interpolations. This reduced the total number of sample intervals to 240,975.

SAMPLE STATISTICS AND GRADE CAPPING

RPA used the mineralization wireframe models to capture and code the resource related samples. These samples were split into their respective domains, and then subjected to statistical analyses. A total of 84,920 samples were contained within the wireframes. The sample statistics are summarized in Table 14-3. Histograms and probability plots are provided in Appendix 2 of Pressacco (2013).

TABLE 14-3 SAMPLE STATISTICS
Castle Mountain Mining Company Limited - Castle Mountain Project

Domain	Number	Non-Neg.	Mean (oz/st Au)	Median (oz/st Au)	Std Dev (oz/st Au)	CV	Min (oz/st Au)	Max (oz/st Au)
1	3,327	3,327	0.0113	0.0060	0.0199	1.7638	0.0000	0.3940
2	31,490	22	0.0182	0.0070	0.0836	4.6003	0.0000	5.9760
3	37,387	80	0.0263	0.0080	0.1201	4.5641	0.0000	6.5200
4	302	302	0.0129	0.0060	0.0224	1.7435	0.0000	0.1930
5	191	191	0.0136	0.0050	0.0297	2.1871	0.0000	0.2910
6	12,223	12,221	0.0259	0.0070	0.2215	8.5379	0.0000	18.5180
Total/Avg	**84,920**	**84,816**	**0.0226**	**0.0070**	**0.1267**	**5.6107**	**0.0000**	**18.5180**

Notes:
1. Length-weighting used.

2. Only samples with non-negative values were included in the analysis.
3. Domain 7 is not included in the table, as it is included within Domain 3.

GRADE CAPPING

RPA notes that the sample grade distributions are all moderately to extremely positively skewed. Skewed distributions such as these as well as high-grade outliers to the distribution result in significant risk of overestimation of metal content in the block model. In order to mitigate this risk, it is common practice within the industry to cap the highest grades prior to compositing and interpolation. RPA opted to cap the grades at 1.0 oz/st Au, which is in agreement with the historical capping level employed for the mine.

A small number of blast hole grade data was discovered in the historical data for the northeastern portion of the Jumbo pit and the northern portion of the Oro Belle pit. Contouring of this blasthole sample indicates that the gold grades are irregularly distributed, with a relatively small number of high grade samples contained within narrow structures that are in turn contained within a background of much lower grade mineralization. Figures 14-3 to 14-4 show examples of the contoured blasthole grades for three benches. They demonstrate that higher grade material is irregularly distributed within the deposit in a manner and scale that would be impractical to model with wireframes using the relatively coarse spacing of the drill hole database.

Castle Mountain has recently located additional blast hole gold grade data in the historical data files. RPA recommends that the gold grade distribution for this additional data set be reviewed as part of any future updates to the Mineral Resource estimate.

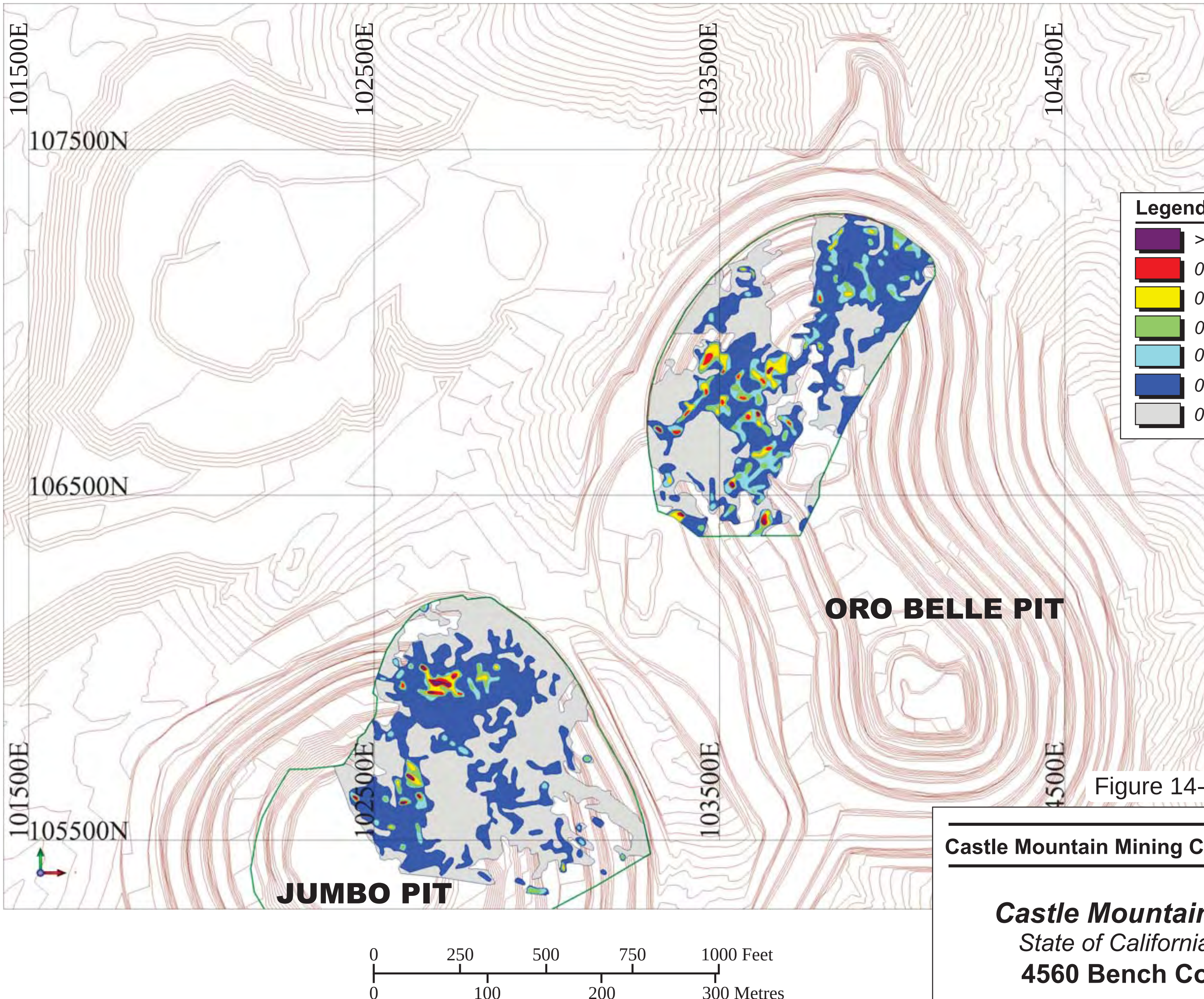


Figure 14-3

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

4560 Bench Contours

May 2014

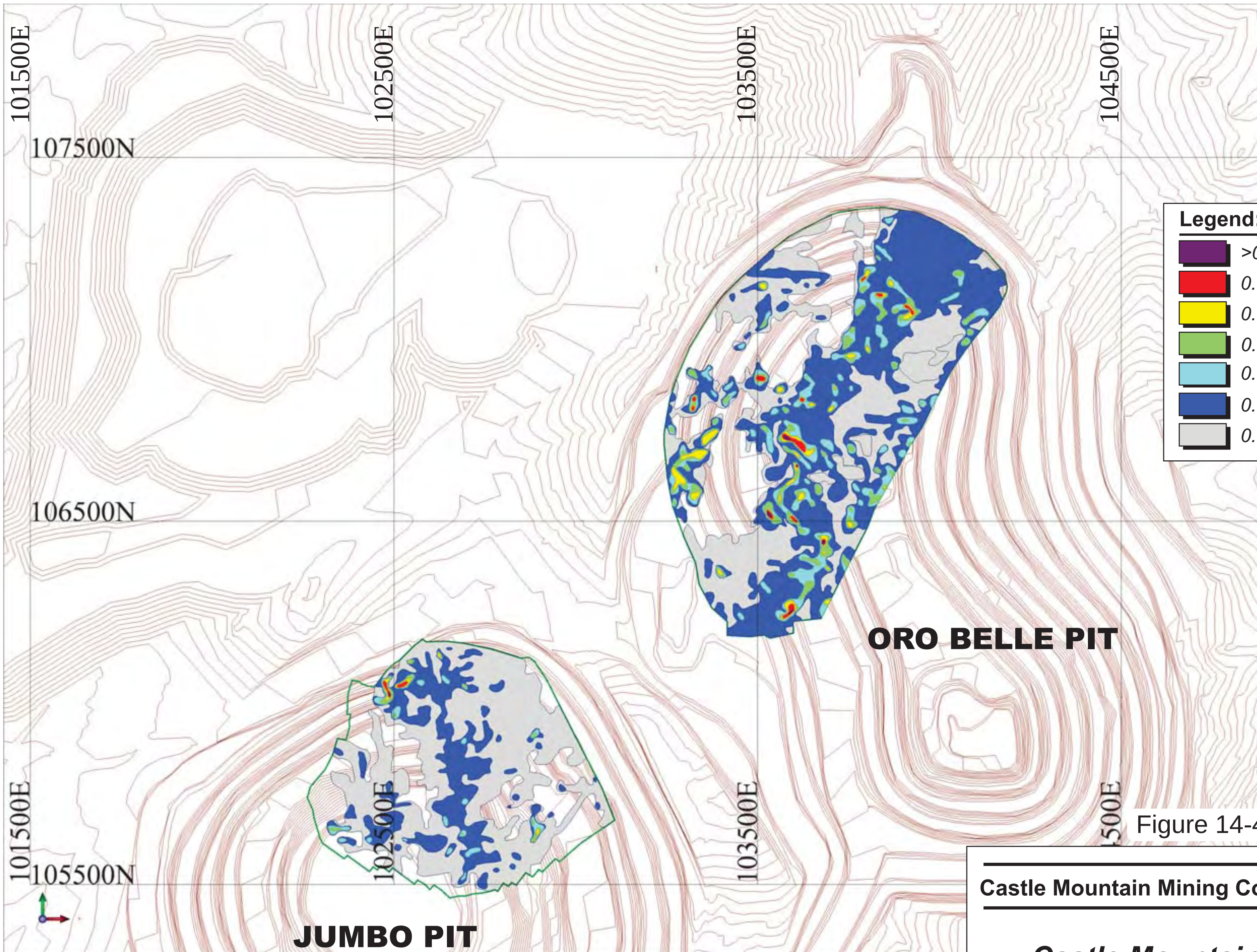


Figure 14-4

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

4600 Bench Contours

May 2014

www.rpacan.com

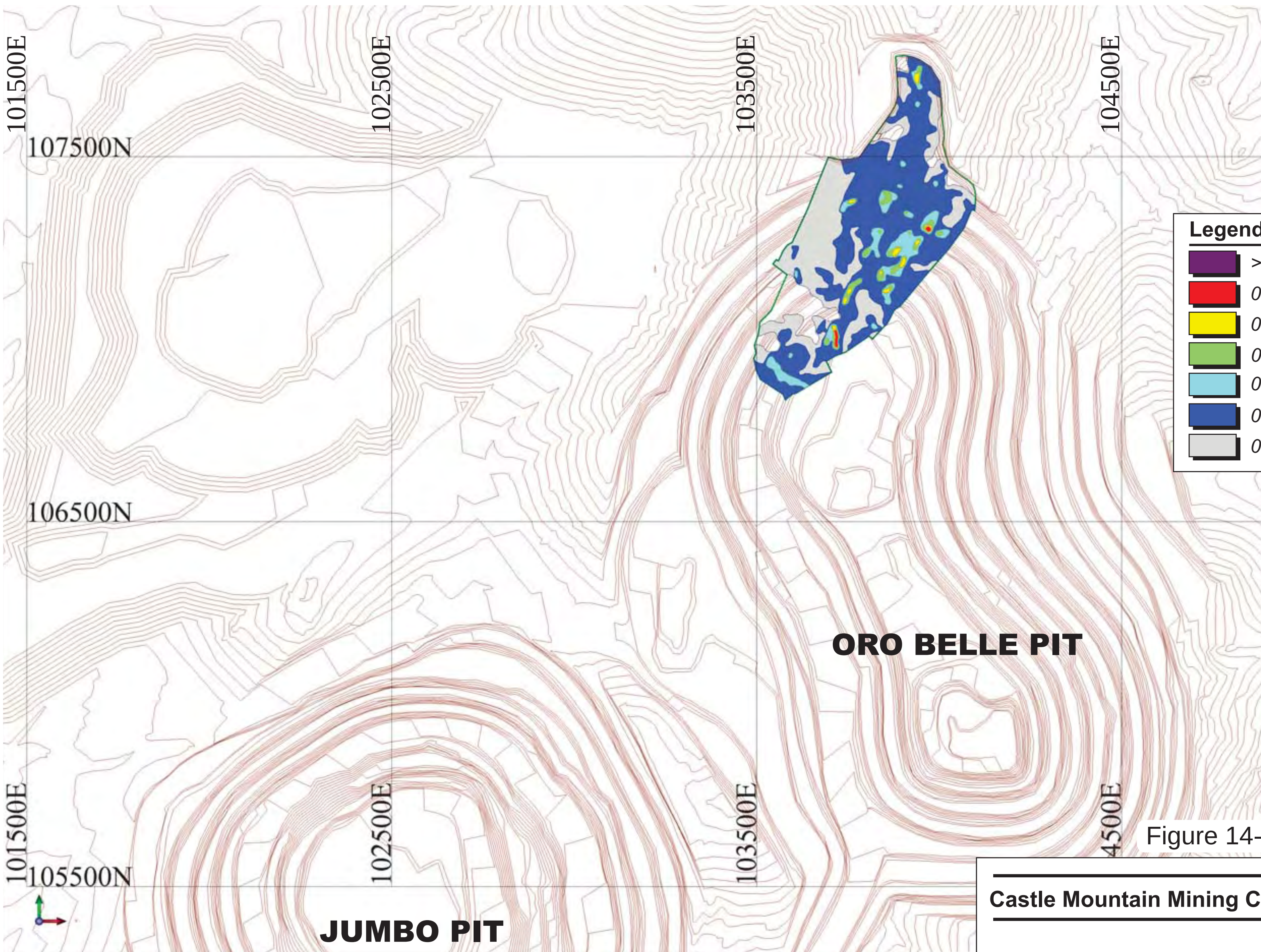


Figure 14-5

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

4800 Bench Contours

May 2014

www.rpacan.com

Geological mapping indicates that the rock mass is transected by a series of fractures at a wide range of orientations (see Figure 7-2) although with some dominant directions. A north-northeast trending set of fractures is most common, with a secondary set of fractures oriented east-west and possibly north-south as well. These faults are interpreted to be the principal controls to mineralization. Semi-variogram analyses for some of the domains also appeared to show two directions of continuity, one oriented northeast-southwest, and the other almost perpendicular to that trend, oriented in a northwesterly direction.

In RPA's opinion, the observed distribution of higher grade material in the blast holes along with the geological mapping, trend analysis and geostatistical studies suggest that the higher grades will be restricted to relatively narrow structures. It is not yet possible to create individual wireframe models of these high-grade domains, nor is it possible to configure search parameters to properly constrain them using the existing drill hole database. Consequently, it was deemed necessary to apply a strict cap on the high grades to ensure that metal was not smeared too liberally out into the surrounding rock. RPA acknowledges that this will likely produce poorer local block grade estimates, however, with an appropriately scaled top cut, the global gold content should be reasonable.

In order to test this capping level, RPA conducted a reconciliation of the block model with historic production records. The block model was interpolated, and the tons and grade of the mined out volumes were estimated from this model. Table 14-4 compares the estimated tonnage and grade from the block model with the total production as recorded from the leach operations.

TABLE 14-4 RECONCILIATION WITH PRODUCTION
Castle Mountain Mining Company Limited - Castle Mountain Project

	Tonnage (M st)	Grade (oz/st Au)	Gold (Moz)
Production	36.193	0.043	1.550
Block Model	38.365	0.042	1.607
Percent Difference	-6.0%	2.3%	-3.7%

The block model results are reported at a cut-off grade of 0.012 oz/st Au, which is the estimated cut-off grade from the recorded cost and price data of the mine operation. In RPA's opinion, there is good agreement between the block model and the recorded production, which suggests the 1.0 oz/st Au top cut is reasonable and that the block model is predicting the mean grade to a reasonable degree of accuracy.

COMPOSITES

The capped samples were composited to 10-ft downhole lengths, bounded by the wireframe models. Statistics for the capped and composited sampling data are provided in Table 14-5.

TABLE 14-5 COMPOSITE STATISTICS
Castle Mountain Mining Company Limited - Castle Mountain Project

Domain	Number	Mean (oz/st Au)	Median (oz/st Au)	SD (oz/st Au)	CV	Min (oz/st Au)	Max (oz/st Au)
1	1,638	0.0113	0.0066	0.0168	1.4779	0.0000	0.2645
2	15,567	0.0172	0.0075	0.0432	2.5079	0.0000	1.0000
3	18,735	0.0244	0.0089	0.0618	2.5297	0.0000	1.0000
4	147	0.0120	0.0073	0.0159	1.3256	0.0000	0.1137
5	93	0.0136	0.0054	0.0271	1.9983	0.0000	0.2016
6	6,044	0.0220	0.0078	0.0576	2.6121	0.0000	0.9699
All	42,224	0.0209	0.0080	0.0537	2.5754	0.0000	1.0000

Notes:
1. Domain 7 includes Domain 3.

GEOSTATISTICS

RPA carried out a geostatistical analysis on the composited drill data on each of the mineralized domains. Due to its small size, Domain 7 was included in Domain 3. The analysis encompassed generation of omni-directional, downhole, and directional semi-variograms or correlograms. The results of the analysis were used to define search parameters for the grade interpolations.

The down-hole variogram yielded a coherent structure with a relative nugget effect of 31.1% and a range of 36 ft.

The omni-directional variography is summarized in Table 14-6. RPA notes that most domains yielded a coherent and readily interpretable variogram. There was a comparatively wide array of ranges obtained from these variograms depending on the domain. The shortest range was 26 ft, from the NE Trend, while the longest, at 117 ft, was obtained in the JSLA West Zone. The average range for all domains was 64 ft.

TABLE 14-6 OMNI-DIRECTIONAL VARIOGRAMS
Castle Mountain Mining Company Limited - Castle Mountain Project

Domain	NE Trend	Oro Belle	JSLA/Jumbo	Jumbo W.	JSLA W.	SD/621
Nugget (C0)	0.00015	0.00080	0.00082	0.00016	0.00010	0.00026
C1	0.00014	0.00120	0.00520	0.00006	0.00120	0.00610
Total Sill	0.00029	0.00200	0.00602	0.00022	0.00130	0.00636
Rel. Nugget	51.7%	40.0%	13.6%	71.4%	7.7%	4.1%
Range (ft)	26	69	59	44	117	66

Notes:
1. Domain 7 includes Domain 3.
2. All variograms were interpreted using a spherical model.

The directional variograms were less coherent and, in some cases, did not yield an interpretable structure. Table 14-7 shows the models that were generated from the analysis. For the Jumbo West and JSLA West domains, there were not enough composites to create useable variograms. RPA notes that in most cases the direction of greatest continuity for all domains (major axis) was oriented vertically or near-vertically, which is consistent with the overall mineralization trends and is parallel to most of the drilling. This suggests that the downhole direction is the only one that produces a large enough number of composite pairs to yield a coherent variogram, particularly at shorter ranges. The drill spacing at Castle Mountain tends to vary between 75 ft and 150 ft in the well-drilled areas, which is generally somewhat broader than the ranges obtained in the omni-directional variograms (see Table 14-6).

In RPA's opinion, the variogram models obtained from the geostatistical analysis are not definitive enough to warrant the use of ordinary kriging as the interpolation methodology. They do, however, provide some useful information for development of search and classification parameters. These are discussed in more detail below.

TABLE 14-7 VARIOGRAM MODELS
Castle Mountain Mining Company Limited - Castle Mountain Project

Domain	NE Trend				Oro Belle				Jumbo/JSLA			
Axis		**Major**	**Semi-Maj**	**Minor**		**Major**	**Semi-Maj**	**Minor**		**Major**	**Semi-Maj**	**Minor**
Orientation		050/00	140/-80	140/00		050/-80	050/00	140/00		080/-90	170/00	080/00
Nugget (C0)	0.00015				0.00080				0.00080			
C1		0.00022	0.00036	0.00021		0.00120	0.00100	0.00120		0.00550	0.00079	0.00780
Total Sill		0.00037	0.00051	0.00036		0.00200	0.00180	0.00200		0.00630	0.00159	0.00860
Rel. Nugget		40.5%	29.4%	41.7%		40.0%	44.4%	40.0%		12.7%	50.3%	9.3%
Range (ft)		179	102	97		90	76	71		172	59	43
Anisotropy			1.755	1.845			1.184	1.268			2.915	4.000

Domain	Jumbo West				JSLA West				South Domes/621			
Axis		**Major**	**Semi-Maj**	**Minor**		**Major**	**Semi-Maj**	**Minor**		**Major**	**Semi-Maj**	**Minor**
Orientation		120/090	NA	NA		140/-90	NA	NA		330/-90	060/00	150/00
Nugget (C0)	0.00016				0.00010				0.00026			
C1		0.00007	NA	NA		0.00120	NA	NA		0.00025	0.00620	0.01070
Total Sill		0.00023	NA	NA		0.00130	NA	NA		0.00051	0.00646	0.01096
Rel. Nugget		71.1%	NA	NA		7.7%	NA	NA		51.0%	4.0%	2.4%
Range (ft)		54	NA	NA		111	NA	NA		141	67	49
Anisotropy			NA	NA			NA	NA			2.104	2.878

Notes:
1. All models are spherical.
2. NA denotes there were insufficient numbers of samples to create an interpretation semi-variogram.

SEARCH PARAMETERS

Search ellipsoids were constructed based on the ranges and anisotropies derived from the variogram analyses. Table 14-8 lists the search ellipsoids used for each domain. The interpolations were run in two passes. For the first pass, the range of the major axis was set to 600 ft, and the semi-major and minor axes lengths were defined by the anisotropy of the variogram model for that particular domain. For Jumbo West and JSLA West, where variogram models could not be derived, the approximate anisotropy from Oro Belle was used. In the second pass, the major axis search for all domains was set to the range of the variogram model for the respective domain. The second pass, being shorter in range than the first, was configured to overwrite any blocks filled in the first pass.

All passes utilized an ellipsoidal search, with a minimum of two and a maximum of eight composites allowed per block. No more than three composites could be used from any one drill hole. The number of composites per block was deliberately kept low in order to reduce grade smoothing.

TABLE 14-8 SEARCH ELLIPSE CRITERIA
Castle Mountain Mining Company Limited - Castle Mountain Project

Domain	NE Trend			Oro Belle			Jumbo/JSLA		
Axis	**Major**	**Semi-Maj**	**Minor**	**Major**	**Semi-Maj**	**Minor**	**Major**	**Semi-Maj**	**Minor**
Orientation	050/00	140/-80	140/00	050/-80	050/00	050/00	080/-90	170/00	080/00
Pass 1 Range	600	343	324	600	508	472	600	205	150
Pass 2 Range	180	103	97	90	76	71	170	58	43

Domain	Jumbo West			JSLA West			South Domes/621		
Axis	**Major**	**Semi-Maj**	**Minor**	**Major**	**Semi-Maj**	**Minor**	**Major**	**Semi-Maj**	**Minor**
Orientation	120/090	NA	NA	140/-90	NA	NA	330/-90	060/00	150/00
Pass 1 Range	600	545	500	600	545	500	600	287	208
Pass 2 Range	55	50	46	110	100	92	140	67	49

BLOCK MODEL

The block model was constructed using the GEMS version 6.6 software package and comprised an array of 20 ft x 20 ft x 20 ft whole blocks (i.e. no partial percentage or sub-blocking was applied) oriented parallel to the coordinate grid (i.e. no rotation or tilt). The selection of the block size for this model was based upon the block sized previously employed at the mine. The selection of a block size is a multi-disciplinary iterative process that begins with an initial view of a possible project scope. The selection of an appropriate block size may change in subsequent block model iterations as the project scope evolves with time. The model geometry is summarized in Table 14-9.

TABLE 14-9 BLOCK MODEL GEOMETRY
Castle Mountain Mining Company Limited - Castle Mountain Project

Origin:	X	2202100
	Y	12806500
	Z	5300
Rotation:	0°	
Blocks:	Columns	475
	Rows	675
	Levels	140
Extents:	X	9500
(ft)	Y	13500
	Z	2800

The model included variables for the following entities:

- Gold Grade (oz/st Au)
- Rock Code
- Classification
- Anisotropic Distance to Nearest Composite
- True Distance to the Nearest Composite
- Average Distance to Nearest Three Drill Holes
- Number of Composites Used in the Estimate
- Bulk Density

MODEL VALIDATION

The grade interpolation was validated using the following methods:

- Reconciliation with past production
- Visual inspection in plan and section views and comparison to drill hole grades
- Comparison of global block versus composite mean grades
- Comparison with estimates made using different methodologies.

RECONCILIATION WITH PAST PRODUCTION

As described in the section of this report entitled Grade Capping, the block model results from that portion of the deposit that has been mined out were compared to the recorded production. The block model reconciled to within 4% of the global gold content, and in RPA's opinion, this is a satisfactory margin of error.

VISUAL INSPECTION

The block grades were observed to agree relatively well with the drill hole composite grades. RPA notes that there were instances of poor local block grade interpolations and some grade banding visible in sparsely drilled portions of the model. These areas were deliberately constrained to an Inferred classification to reflect a lower confidence level in the block grade estimates. Cross section views of the block model showing grades of both the blocks and the drill holes are provided in Appendix 4 of Pressacco (2013).

COMPARISON OF GLOBAL BLOCK AND COMPOSITE GRADES

Table 14-10 compares the global mean grades of the blocks and the composites contained within the in situ (i.e., unmined) portion of the model. In RPA's opinion, there is a modest negative bias for the blocks versus the composites, suggesting that the interpolated grades could be somewhat conservative or that this is a result of the clustered nature of the drill hole composite locations.

TABLE 14-10 BLOCK VS. COMPOSITE MEANS
Castle Mountain Mining Company Limited - Castle Mountain Project

Domain	Composites (oz/st Au)	Blocks (oz/st Au)	Pct Diff
NE Trend	0.0113	0.0118	4.0%
Oro Belle	0.0156	0.0143	-8.6%
JSLA/Jumbo	0.0188	0.0133	-29.2%
Jumbo West	0.0120	0.0092	-23.1%
JSLA West	0.0136	0.0162	19.1%
South Dome/621	0.0220	0.0145	-34.0%
All	**0.0208**	**0.0180**	**-13.5%**

ESTIMATES USING ALTERNATE METHODOLOGIES

RPA carried out comparative studies against estimates conducted using ID^3, ID^5, nearest neighbour (NN), and ordinary kriging (OK). Additional check estimates were carried out with ID^2 but using different search parameters.

Figure 14-6 shows tonnage and grade curves for preliminary block models prepared using OK, ID^2, and NN. In RPA's opinion, the OK and ID^2 results show very close agreement which suggests that the selection of ID^2 over OK is acceptable. The NN model reports fewer tons at a higher grade than the other two methods, reflecting the grade smoothing that occurs using OK and ID^2. In RPA's opinion, grade smoothing is an unavoidable consequence of the grade interpolation methods, but that can be ameliorated to some extent by manipulation of the search parameters. As stated above, RPA limited the number of composites used for each block estimate to try and reduce grade smoothing.

Figure 14-7 compares the block interpolation results for models using ID^2, ID^3, and ID^5 weighting methods. In RPA's opinion, there was no significant difference between these models. This demonstrates that there is no real risk of deleteriously affecting the global block model results by selection of the inverse distance power, within a reasonable range of values.

In RPA's opinion, the block model validation indicates that the model is robust and should provide a reasonable estimate of the overall Mineral Resources for the Project.

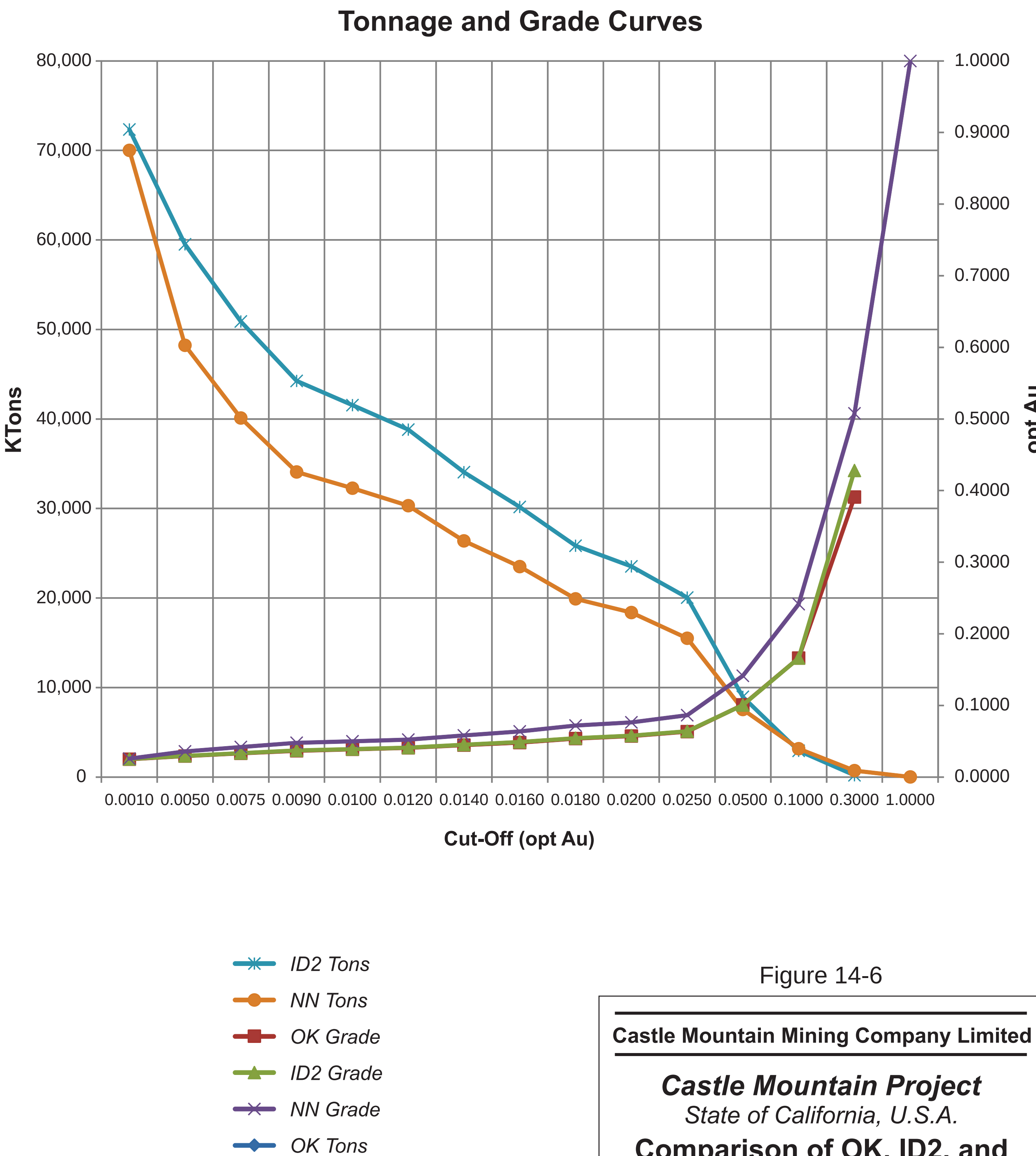


Figure 14-6

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Comparison of OK, ID2, and NN Models

May 2014

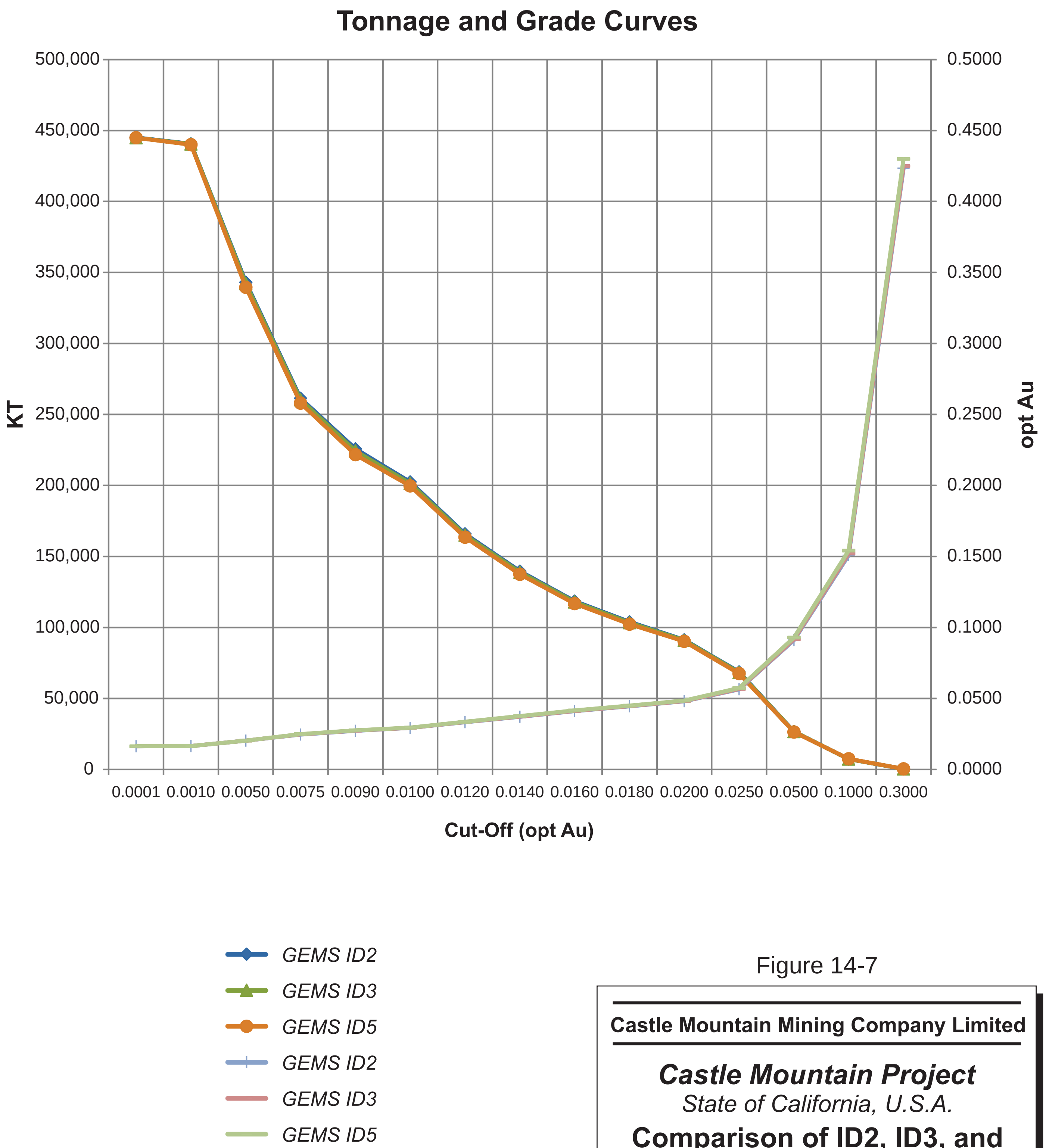


Figure 14-7

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Comparison of ID2, ID3, and ID5 Models

May 2014

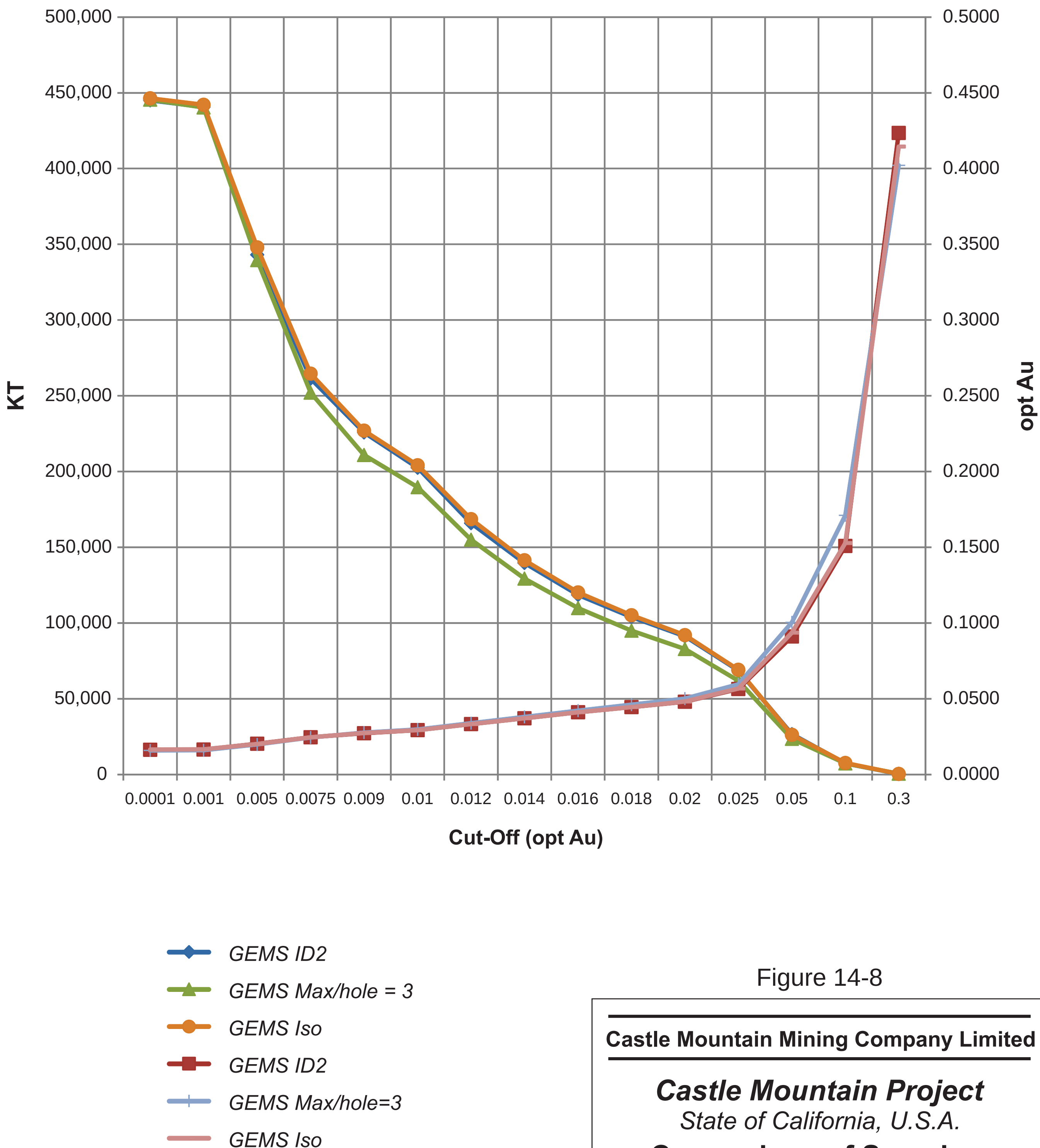


Figure 14-8

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Comparison of Searches Parameters

May 2014

CLASSIFICATION

RPA conducted an interpolation run which was configured to capture only three composites with a maximum of one composite per hole. This forced the interpolation to use the nearest three drill holes to each block. The average distance to those three nearest holes was stored in the block model and used to assist with classification. All blocks located within the mineralization wireframes that received an estimate were assigned at least an Inferred classification. The maximum distance to the nearest composite for this pass was 600 ft.

Blocks with an average distance to the nearest three holes of 150 ft or less, and for which the nearest composite was within 105 ft, were assigned to a provisional Indicated category. The distance criteria were derived from what would be achieved with an ideal drill pattern of holes spaced 150 ft along sections 75 ft apart, and staggered by 75 ft. This would produce a 150 ft square pattern with a hole in the center of the square (a “five-spot” pattern), which is broadly similar to what appears to have been used for the mined portions of the deposit. The 105 ft distance criterion was roughly equivalent to the longest semi-major axis of the variogram models.

The preliminary classification was inspected in section and plan views, and manual adjustments were made where deemed necessary. After all adjustments were complete, these adjustments typically took place for small clusters of Indicated blocks surrounded by Inferred blocks and vice versa. Also, there were several areas of the block model where grades had been smeared out in an unlikely pattern and these areas were downgraded to the Inferred category. The manual adjustments were made by means of wireframe models and polygons drawn on screen to capture the blocks in question.

The average distance to the nearest composite for the Indicated class was found to be 57 ft, while the average for Inferred is 129 ft. Approximately 75% of the block model was classified as Indicated.

DENSITY

RPA used the results from a series of bulk density determinations conducted by Castle Mountain to assign average density values for the various rock types. Castle Mountain sent 183 core specimens to ALS in Reno, Nevada for density determinations. ALS carried out the measurements using a water immersion method after first sealing the samples with wax. The sample is weighed in air and then weighed in water and the density is calculated from the ratio of the difference between the wet and dry weights to the dry weight.

The density data had a mean of 0.0690 st/ft^3 and a median of 0.0693 st/ft^3. The maximum value was 0.0880 st/ft^3 and the minimum 0.0534 st/ft^3. RPA notes that the measurements appeared to be close to normally distributed.

RPA paired most of the samples with their corresponding gold assays and plotted them on a scatter diagram. There was no significant relationship noted between grade and density. However, it was noted that the mean density of the samples grading 0.004 oz/st Au and higher was marginally higher than those lower in grade; 0.0704 st/ft^3 versus 0.0678 st/ft^3.

RPA compared density measurements between different rock types and found that there was no significant difference between sedimentary and rhyolitic rocks, which both averaged about 0.0690 st/ft^3. The specimens from the basement rocks were observed to average somewhat higher at 0.0699 st/ft^3 but only marginally so.

Based on the results of the bulk density tests, RPA used an average density of 0.0699 st/ft^3 for all host rocks. For dumps and backfill, the average host rock density of 0.0690 st/ft^3 was assumed and a swell factor of approximately 30% was applied, reducing the bulk density of the unconsolidated fill material to 0.0499 st/ft^3.

RESOURCE-CONSTRAINING PIT SHELL

The CIM Definition Standards for Mineral Resources and Mineral Reserves (CIM, 2010) specify that in order for a body of mineralization to qualify as Mineral Resources, it must be demonstrated to have “reasonable prospects for economic extraction”. In RPA's opinion, the depth and distribution of the mineralization is such that open pit mining with heap leaching could be a viable option for extraction. Historical production records confirm that this is a reasonable assumption. In order to demonstrate this requirement, RPA generated a preliminary pit shell shown in Figure 14-9 using the parameters listed in Table 14-11. Only blocks above the 0.004 oz/st cut-off grade captured within the pit shell were included in the Mineral Resources estimate.

Metal prices used for resources were based on consensus, long term forecasts from banks, financial institutions, and other sources.

TABLE 14-11 PIT SHELL PARAMETERS
Castle Mountain Mining Company Limited - Castle Mountain Project

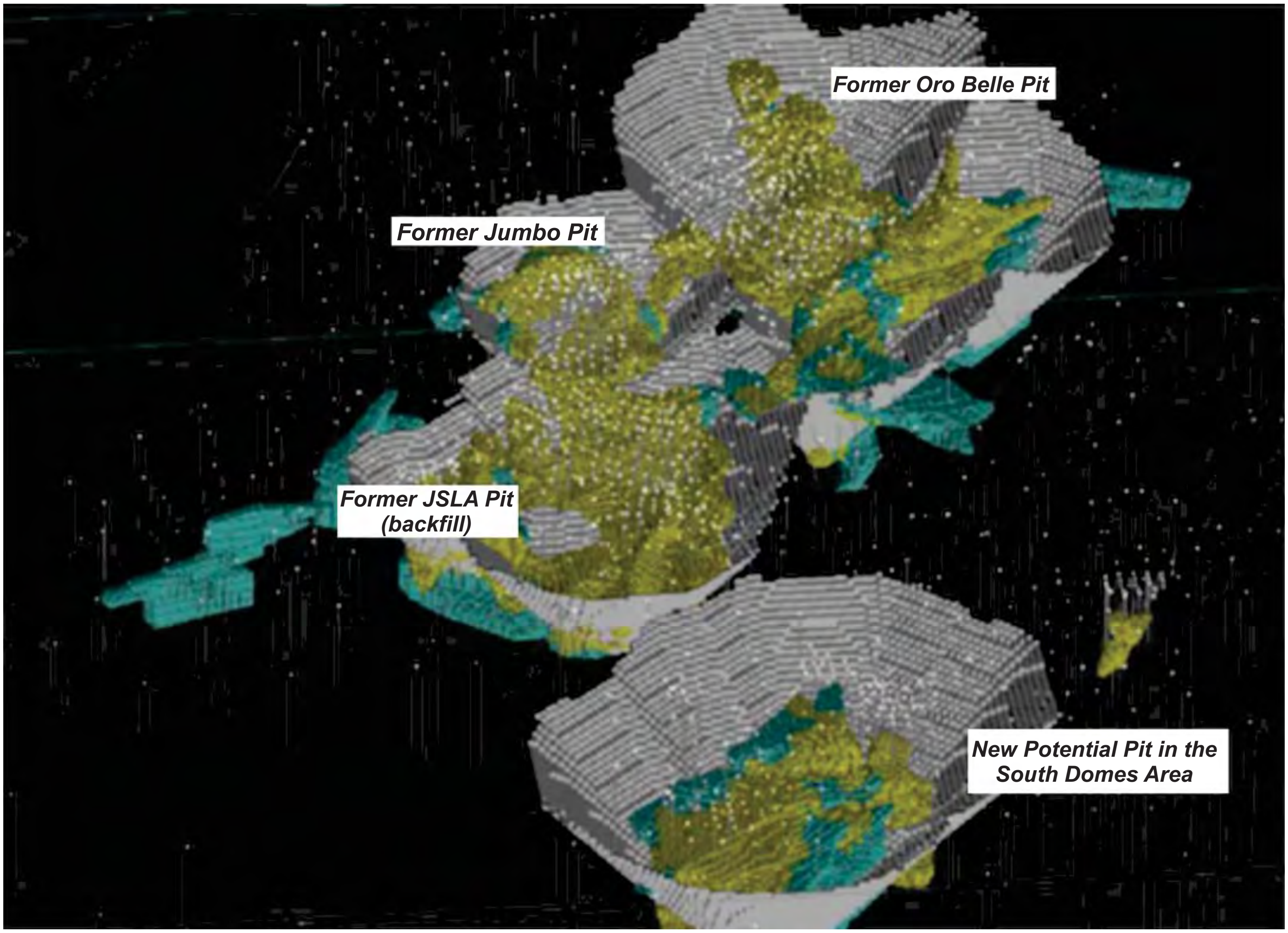
Parameter	Unit	Input
Pit Slopes	degrees	48
Waste Cost	US$/st (US$/t)	1.50 (1.65)
Ore Mining Cost	US$/st (US$/t)	1.50 (1.65)
Process and G&A Cost	US$/st (US$/t)	3.35 (3.69)
Mining Extraction	%	100
Processing Recovery	%	75
Royalties	%	0
Gold Price	US$/oz	1,300
Selling Cost	US$/oz	5.00
Block Size (reblocked)	ft (m)	40x40x40 (12.2x12.2x12.2)
Discard Cut-off f(RF=1)	oz/st Au (g/t Au)	0.0038 (0.14)

RPA notes that the pit shell parameters used to generate the resource-constraining pit shell pre-date the PEA work disclosed in this report. Although PEA inputs are slightly different, pit shell output remains very similar to the Base Case pit extents.

CUT-OFF GRADE

The pit shell analysis yielded a pit discard grade of 0.0038 oz/st Au (see Table 14-11). RPA rounded this value up to 0.004 oz/st Au (0.14 g/t Au) for use as the Mineral Resource cut-off grade.

Looking North



Optimized pit shells, $1300/oz Au assumption

NOTE: All indicated resources are with the modelled pit shells

Mineral Resources:

Indicated

Inferred

Figure 14-9

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Isometric View of the Classified Mineral Resources

May 2014 **Source: Castle Mountain Mining Company, 2013.**

15 MINERAL RESERVE ESTIMATE

There is no current Mineral Reserve estimate for the Project.

16 MINING METHODS

The Base Case mine plan for the Preliminary Economic Assessment (PEA) entails a low capital cost start-up, with an initial annual leaching rate of 6.35 million tonnes. An expansion that would be commissioned at the start of Year 3 would increase the leaching rate to the currently permitted limit of 8.16 million tonnes. At the same time, a modified milling circuit would be added for treating higher grade mineralization. The expansion also includes a number of efficiency projects to reduce the longer term operating cost structure so that it is economic to mine to the limits of the currently defined resource. The Base Case is contained within the boundaries of the 3,910 acre Environmental Impact Statement (EIS) area but would require a permitted area for disturbance of 2,650 acres, compared to the currently permitted area for disturbance of 1,375 acres.

The PEA also considered two alternate development and production scenarios:

- The Static Case assumes the same low capital cost start-up as the Base Case, but does not include the expansion or implementation of efficiency projects in Year 3. The Static Case plan is also confined within the 1,375 acres that have already been permitted for disturbance.
- The Unconstrained Case remains contained within the 3,910 acre EIS boundary. This case assumes the permitted annual processing rate would be increased to 18.14 million tonnes, including a modified mill circuit of 1.8 million tonnes, before the commencement of production. This case also includes increased capital spending from the outset, in order to minimize the operating cost structure.

Mine designs for all three scenarios were generated in the same manner, which entailed:

- Running a Lerchs-Grossmann (LG) optimization in order to identify the optimal pit limits for each case. The LG optimization also generated a series of nested shells that were used for guiding the mining sequence.
- Producing practical designs, with output from the LG optimization being adjusted to take into account constraints such as ramps. Designs were also produced for impoundments, including the backfilled pits, waste dumps, and leach pad.
- Generation of production schedules. As the Castle Mountain mine includes a number of discrete pits, there are a large number of potentially feasible sequences for mining. The sequence that generated optimal value was determined by iteration.
- Selecting the type and numbers of different mining fleets that would be used to execute the production schedule.

Each of these topics is discussed in more detail below.

LERCHS-GROSSMAN OPTIMIZATION

INPUT ASSUMPTIONS

The Lerchs-Grossman (LG) optimization was performed using the NPV Scheduler (NPVS) software package. The key input parameters used in the optimization are summarized in Table 16-1.

TABLE 16-1 BASE CASE LG OPTIMIZATION INPUT PARAMETERS
Castle Mountain Mining Company Limited - Castle Mountain Project

Area	Item	Units	Value
Revenue	Gold Price	US$/oz	1,300
	Leach Recovery	% of contained	75
	Mill Recovery	% of contained	95
Mining Costs	Base Mining Cost	US$/tonne mined	1.38
	Mining Cost Adjustment Factor[1]	US$/tonne per 12.2m bench	0.026
Other Costs	Leaching Cost	US$/tonne leached	3.05
	Milling Cost	US$/tonne milled	6.61
	G&A	US$/ore	0.64
Geotechnical	Overall Slope Angles	degrees	48

Notes:
1. Increase in mining cost for every bench of 12.2 m additional depth below pit exit.
2. Unit costs for the three scenarios described in Section 21 vary slightly from these initial inputs, due to zero-based cost estimation on the scheduled output for each scenario.

The following should be noted:

- The milling circuit would operate in the same manner as historically, with material leached while resident in the ball mill then subjected to a gravity separations step. The tailings from the gravity separation circuit would be agglomerated and treated on the leach pad. The costs for the milling circuit are therefore incremental to the leaching costs.

- The unit costs for leaching as well as G&A are based on processing at the currently permitted rate of 8.165 million tonnes annually.

- As shown in Figure 16-1, the assumed overall slope angle of 48° degrees is generally flatter than was achieved by the historic operation. This element of conservatism was introduced as the new operation will extend to greater depths than previous. Additionally, the larger equipment planned for use will require wider ramps.

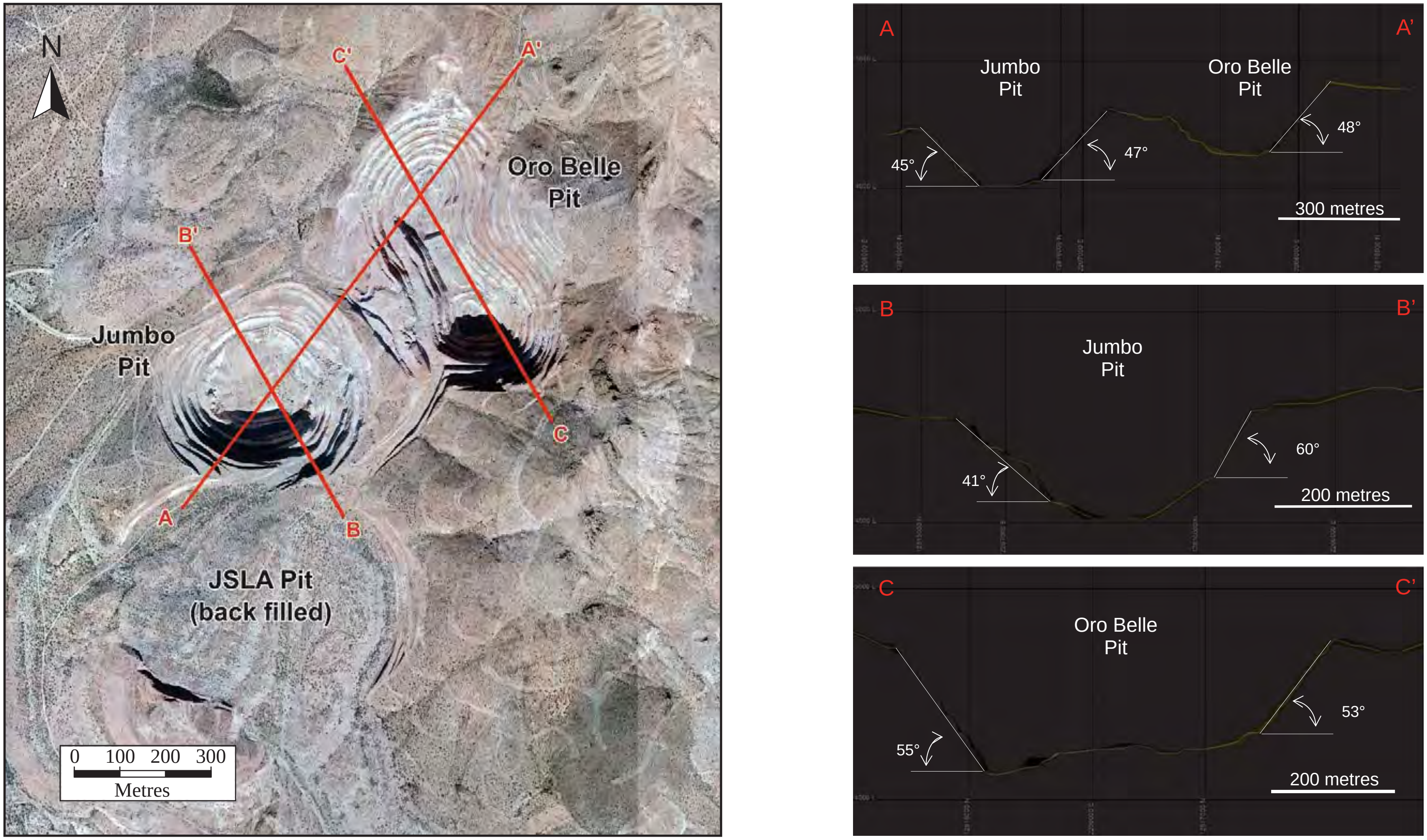


Figure 16-1

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Historic Overall Pit Slopes Angles

LG OPTIMIZATION OUTPUT

The LG optimizations targeted Indicated and Inferred Resources. Figure 16-2 provides an illustration of the ultimate pit shell generated using a $1,300/oz Au gold price.

It should be noted that the ultimate shell includes six discrete pits. Five of these pits are located to the north and immediately adjacent to each other: Jumbo, Jumbo South Leslie Ann (JSLA), Oro Belle (OB), Hart-South and Hart-North. The nested shells generated by varying the gold price result in these five pits being pulled concurrently at gold prices above $430/oz Au.

The sixth pit, South Domes, is located to the south and is currently covered by a waste rock dump from the previous operation. The depth of dump material varies from 20 m to 60 m, averaging approximately 40 m across the deposit. As a result of the increased stripping requirements, development of this pit requires a higher price of approximately $800/oz Au.

Table 16-2 provides a summary of nested shells generated by varying the gold price in $100/oz Au increments from $600/oz Au to the ultimate price of $1,300/oz Au. The significant increase between the $700/oz Au and $800/oz Au shells (a 144% increase in contained gold) results from inclusion of the initial stage from the South Domes pit.

There is only limited incremental material contained in the shells generated with a gold price greater than $1,000/oz Au, with the $1,000/oz Au shell containing 90% of the gold contained within the ultimate $1,300/oz Au shell. This suggests that the pits shells are limited by the block model data, especially as the resources are generally open at depth. Exploration success at depth would thus be expected to add to an economic mine plan. Additionally, with the bulk of gold contained within pit shells generated using a price of $1,000/oz Au, a reduction in the long term gold price to this level would not be expected to materially reduce the economic limits of the ultimate pit.

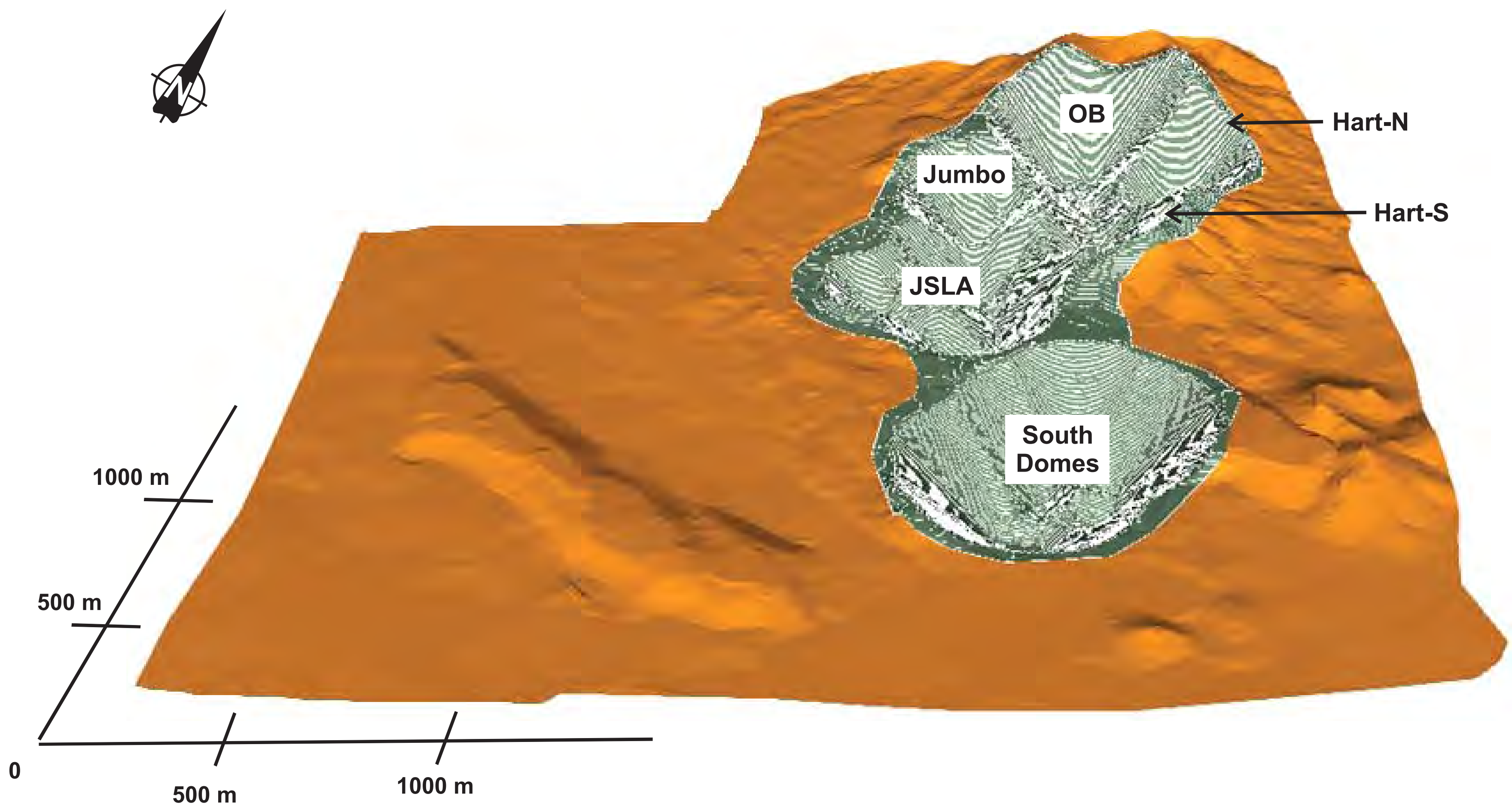


Figure 16-2

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Ultimate LG Shell

May 2014

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TABLE 16-2 LG NESTED SHELLS
Castle Mountain Mining Company Limited - Castle Mountain Project

Au Price $ / oz	Mineralization[1] 000 tonnes	Grade[1] g/t	Oz Au[1] 000 oz	Waste 000 tonnes	Strip Ratio	Total 000 tonnes
600	43,912	0.70	985	109,974	2.50	153,885
700	60,155	0.69	1,329	165,169	2.75	225,324
800	161,167	0.63	3,252	533,342	3.31	694,509
900	181,038	0.62	3,581	599,370	3.31	780,408
1,000	202,964	0.60	3,934	684,758	3.37	887,722
1,100	220,285	0.59	4,214	766,606	3.48	986,890
1,200	226,550	0.59	4,321	804,842	3.55	1,031,392
1,300	231,519	0.59	4,376	819,631	3.54	1,051,151

Notes:
1. Based on a cut-off of 0.14 g/t Au.

PIT DESIGNS

Output from the LG algorithm included all blocks in the resource model that were contained within the economic shells at a given gold price. In the next stage of design, this output was converted to a practical mine design through the inclusion of ramps and other engineering parameters. The criteria used in generating practical designs for the Castle Mountain pits included:

- Bench height of 12.2 m and use of double benching where possible
- Bench face angle of 75°
- A safety berm width of 4.6 m for single benches and 9.2 m for double benches
- A normal ramp width of 30.5 m which is 3.5 times the width of the 290 t trucks that are considered for waste hauling in the Base and Unconstrained cases and thus sufficient for two-way traffic. Note that for the last three benches of each pit, where traffic density would be considerably lighter, ramp widths were reduced to 18.3 m, which would be sufficient for one-way traffic.
- A ramp gradient of 10%

Figure 16-3 illustrates that, with the application of these parameters, the resulting overall slope angle for a typical wall segment of eight benches is 48.6°.

A key element of the mine design is the sequential mining of pits, using a strategy where the run-of-mine (ROM) waste from the current pit is used to backfill any previously mined pits. The design for each pit included a calculation of waste tonnage that could be impounded within the mined out shell. Designs were also produced for the various impoundments, including the leach pads and waste dumps. Design criteria for both pads and dumps included an overall slope angle of 1.0 V : 2.5 H, or 22°. A particular focus was identifying the maximum capacity of each impoundment that could be achieved while honouring the various permit boundaries, including:

- The area of 1,375 acres that has already been permitted for disturbance
- The EIS boundary of 3,910 acres.

Figure 16-4 provides an isometric view of the Static Case design that excludes waste material backfilled within the pits. Also provided is the capacity of the various surface dumps.

Figure 16-5 provides the same view but illustrates the topography after the pits have been backfilled.

Note that in both figures, the tan coloured area represents the 1,375 acres that have been permitted for disturbance.

Figures 16-6 and 16-7 provide similar views for the Base Case design. Note that the tan area represents the 3,910 acre EIS boundary.

The Unconstrained Case and Base Case would be mined to identical pit limits (based on the LG $1,300/oz Au shell). As a result, designs for the two cases are materially similar with only the following differences:

- The higher processing rate for the Unconstrained Case coupled with use of a fixed crusher that eliminates the need for re-handle results in lower process operating costs and an associated lower cut-off grade. There is thus a greater tonnage of material impounded on the leach pad, with a corresponding reduction in the tonnage of waste. Note that the Base Case leach pad extends to an ultimate height of 46 m while the Unconstrained Case reaches an ultimate height of 61 m.

- The Unconstrained Case operates at a higher average mining rate of 223,000 tpd compared to 166,000 tpd for the Base Case. In order to assure sufficient mining faces would be available for the higher production rate, the Unconstrained Case mines from two pits simultaneously which results in more material being impounded in the surface waste dumps and less being impounded as backfill.

Figures 16-8 provides an isometric view of the Unconstrained Case design after backfilling.

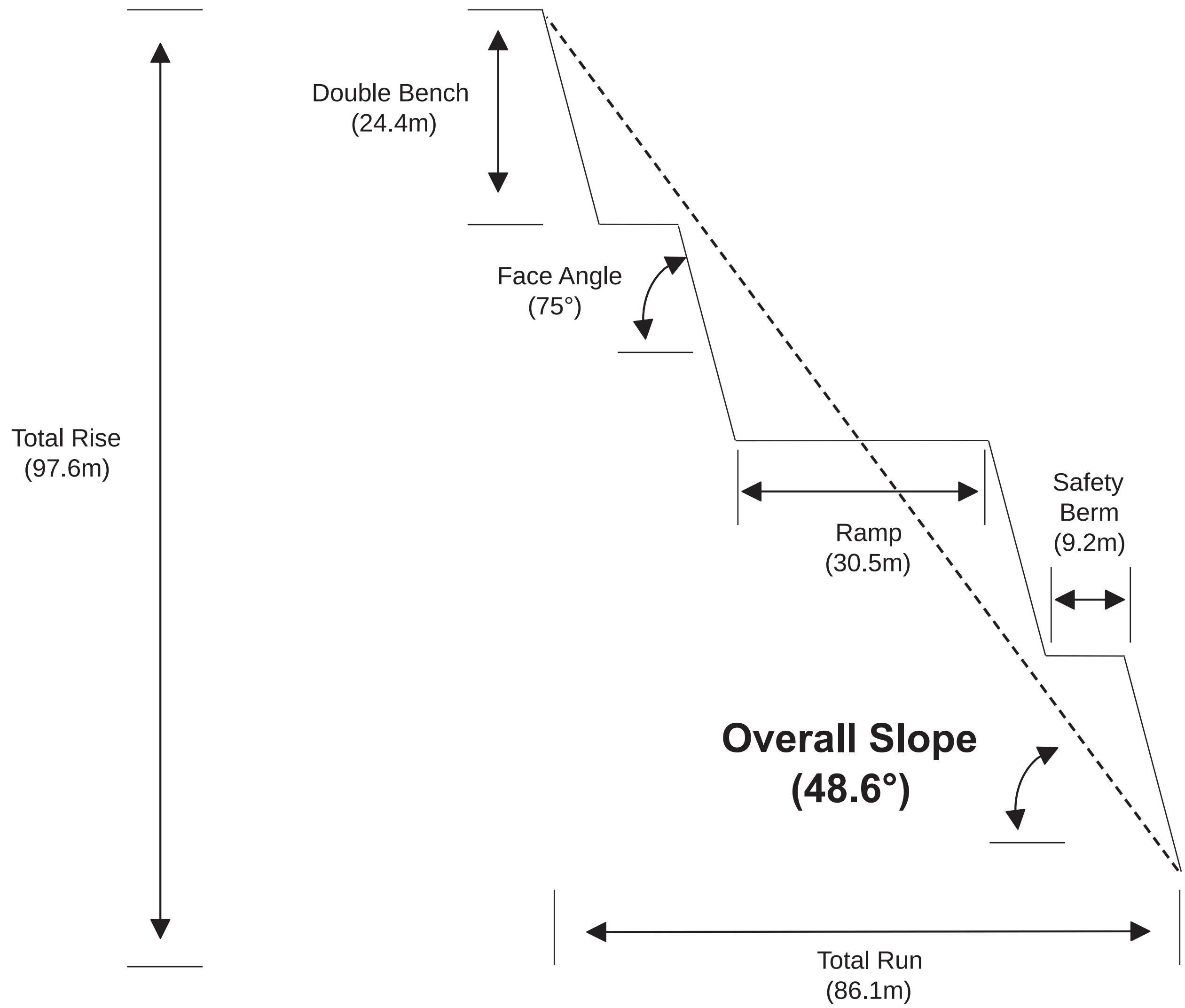

Figure 16-3

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Slope Designs

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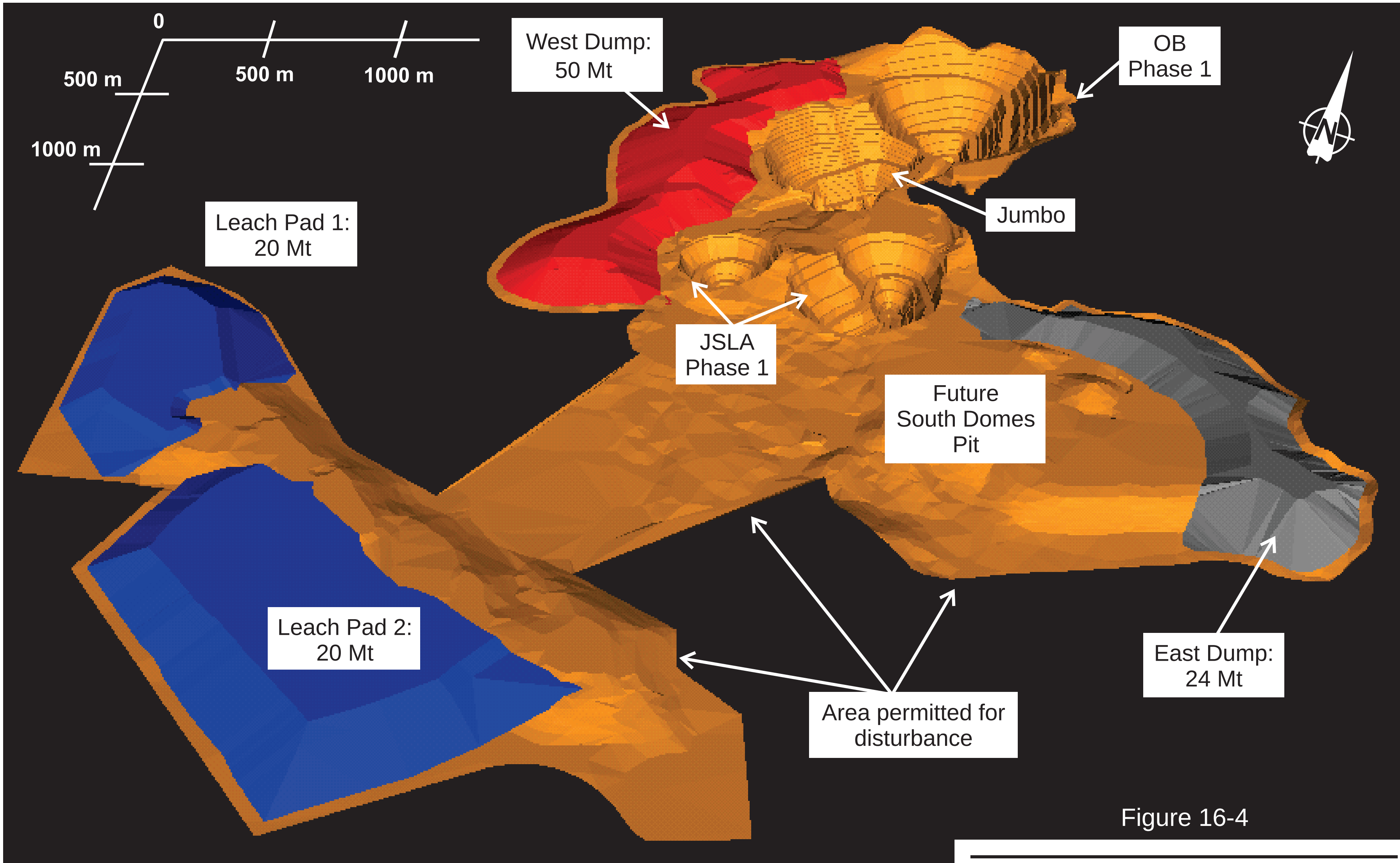

Figure 16-4

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Static Case Design
Excluding Backfill

May 2014

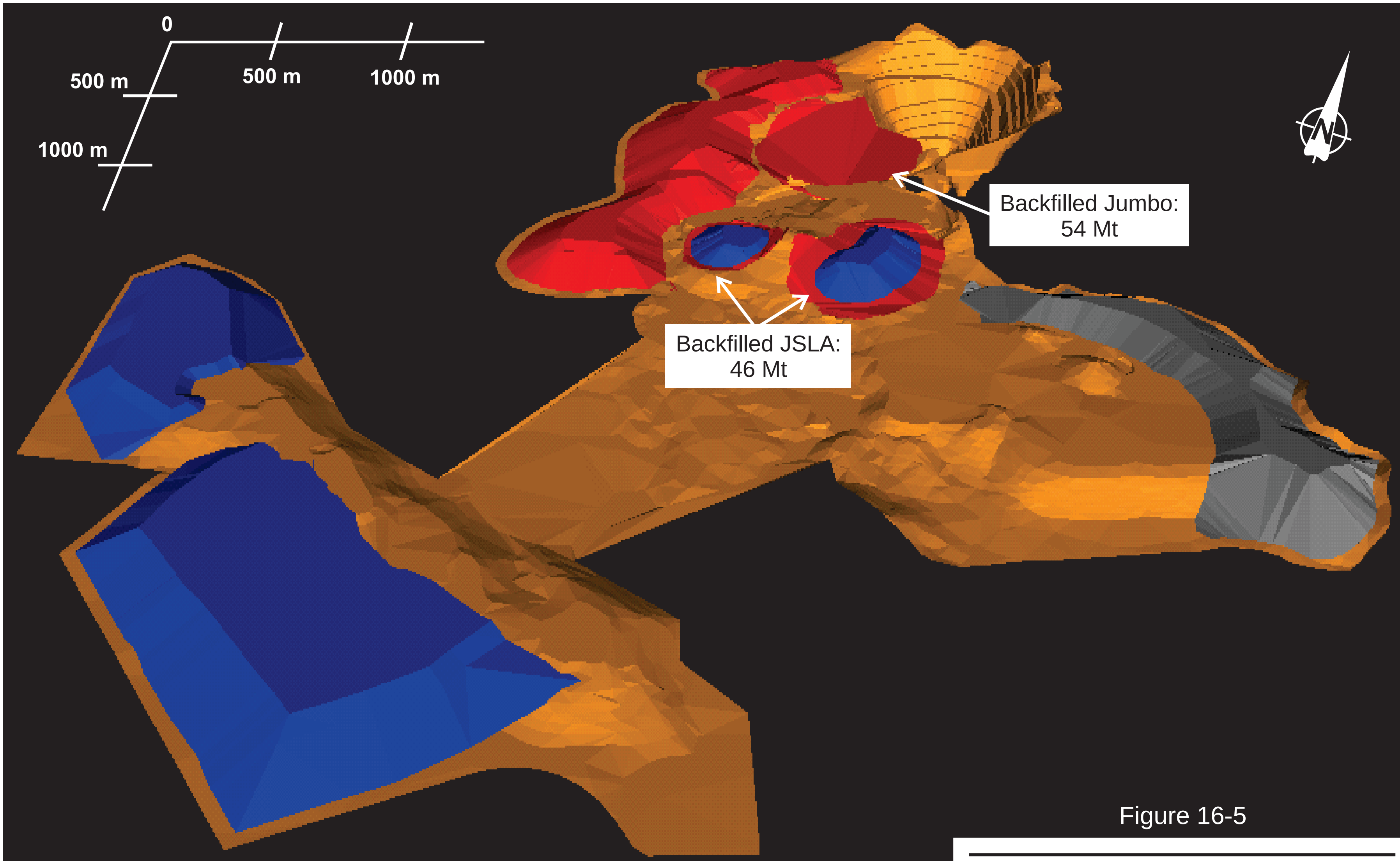

Figure 16-5

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Static Case Design Including Backfill

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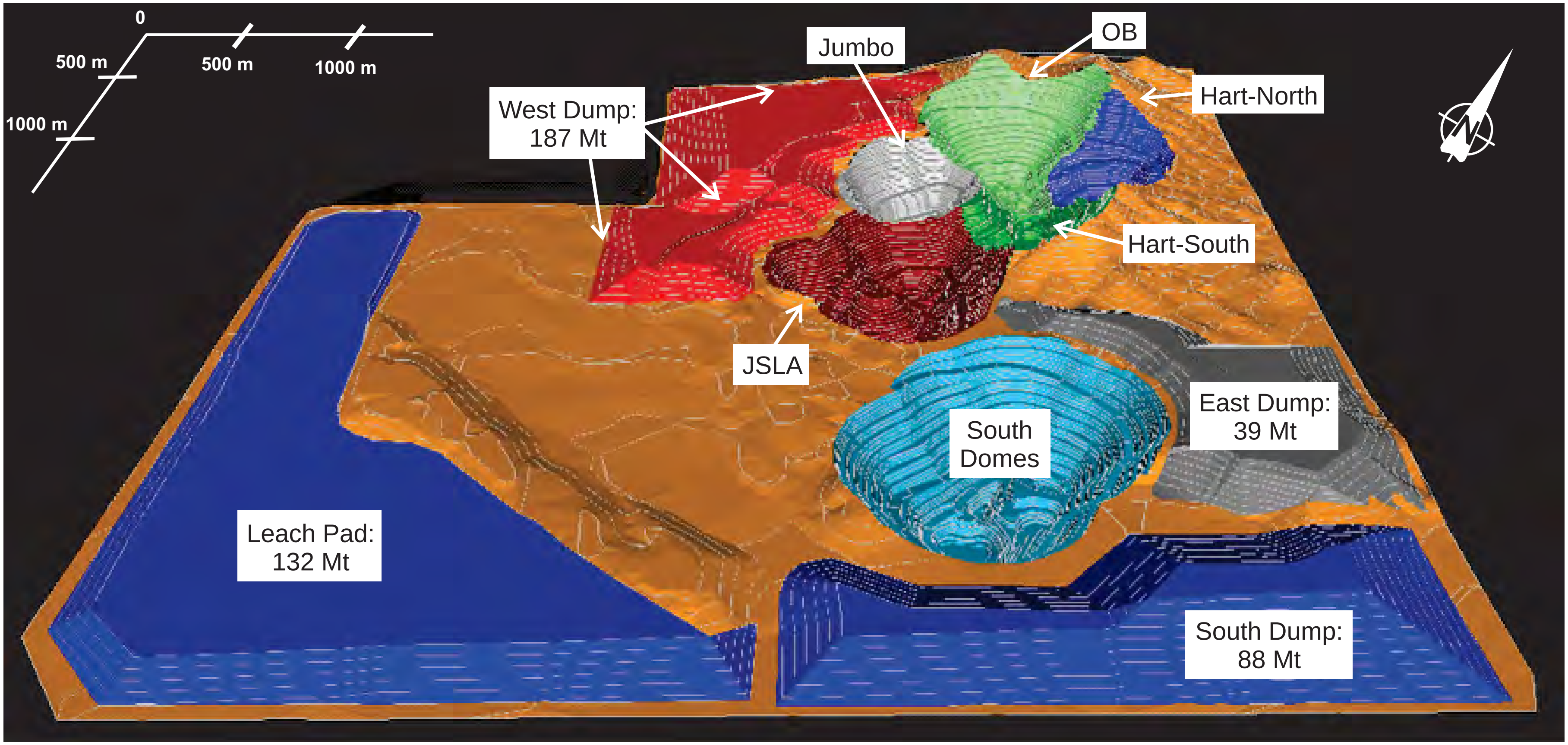

Figure 16-6

Castle Mountain Mining Company Limited

Castle Mountain Project

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Base Case Design
Excluding Backfill

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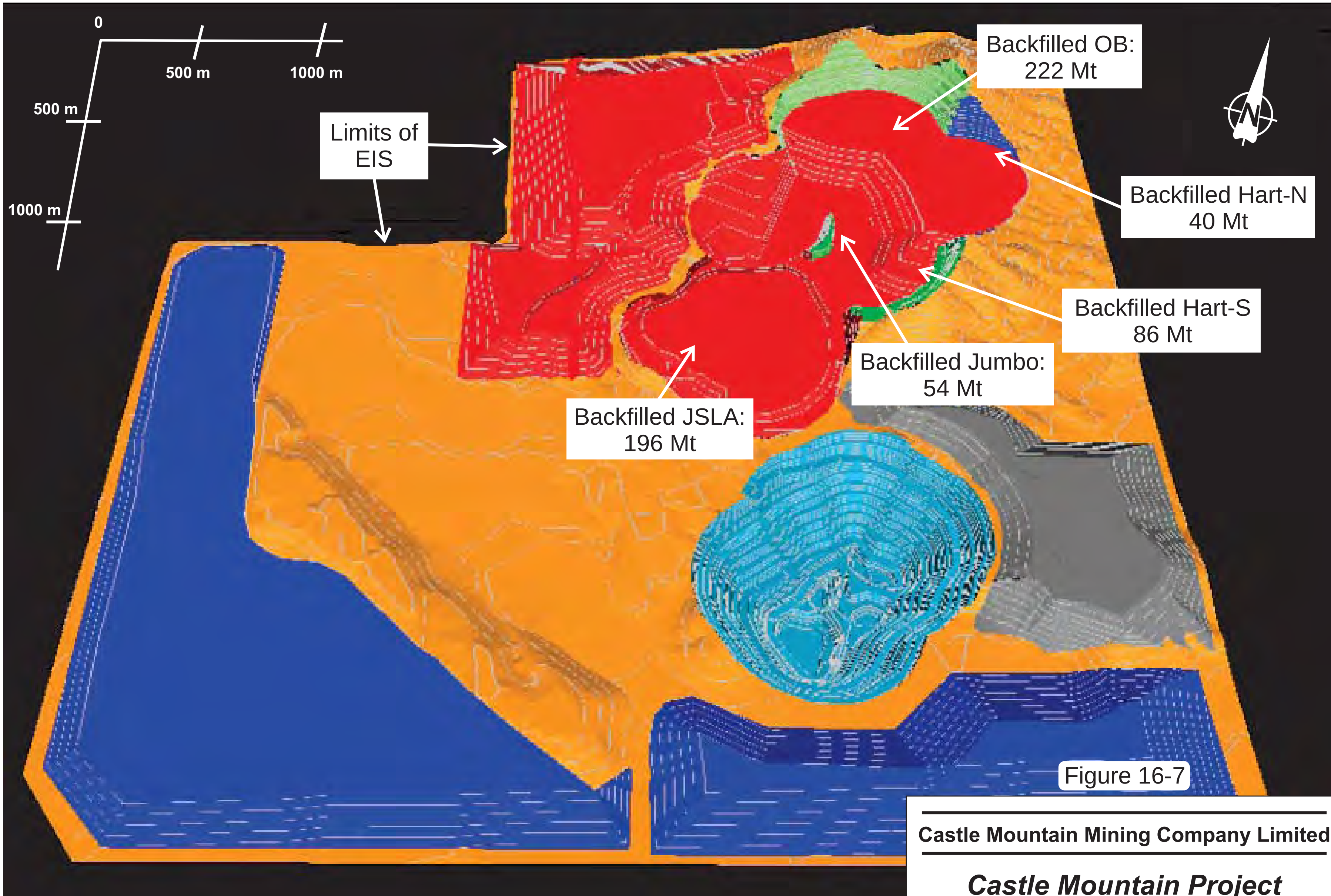

Figure 16-7

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Base Case Design Including Backfill

May 2014

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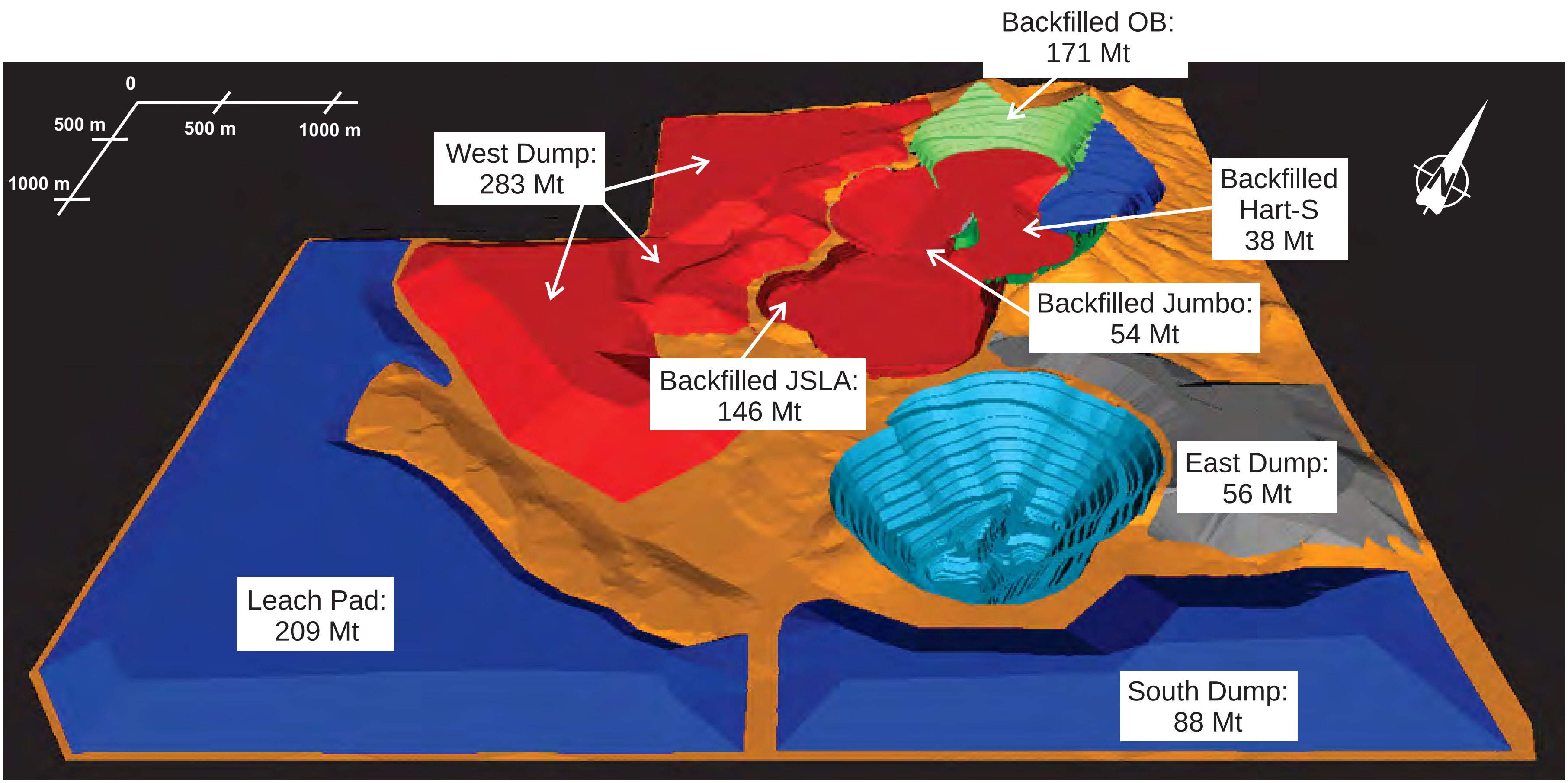


Figure 16-8

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Unconstrained Case Design Including Backfill

May 2014

Table 16-3 summarises material contained within each of the practical pits.

TABLE 16-3 SUMMARY OF MATERIAL CONTAINED IN PRACTICAL PIT DESIGNS
Castle Mountain Mining Company Limited - Castle Mountain Project

Static Case:	Mineralization 000 tonnes	Grade g/t	Oz Au 000 oz	Waste 000 tonnes	Strip Ratio	Total 000 tonnes
Jumbo Ultimate (0.24 g/t cut-off)	9,090	0.94	276	49,603	5.5	58,693
JSLA Phase 1 (0.34 g/t cut-off)	9,575	0.97	298	49,034	5.1	58,609
OB Phase 1 (0.34 g/t cut-off)	21,574	0.73	508	74,877	3.5	96,451
TOTAL	**40,240**	**0.84**	**1,082**	**173,514**	**4.3**	**213,754**
Base Case:						
Jumbo Ultimate (0.24 g/t cut-off)	9,090	0.94	276	49,603	5.5	58,693
OB Ultimate (0.31 g/t cut-off)	30,031	0.87	838	191,072	6.4	221,103
JSLA Ultimate (0.31 g/t cut-off)	35,276	0.74	835	171,694	4.9	206,970
Hart-S Ultimate (0.27 g/t cut-off)	8,566	0.91	251	78,121	9.1	86,686
Hart-N Ultimate (0.31 g/t cut-off)	9,349	0.80	240	90,344	9.7	99,693
South Domes Ultimate (0.31 g/t cut-off)	39,826	0.90	1,158	331,169	8.3	370,995
TOTAL	**132,137**	**0.85**	**3,599**	**912,003**	**6.9**	**1,044,140**
Unconstrained Case:						
Jumbo Ultimate (0.21 g/t cut-off)	10,232	0.86	284	48,462	4.7	58,693
OB Ultimate (0.17 g/t cut-off)	39,828	0.68	870	181,275	4.6	221,103
JSLA Ultimate (0.21 g/t cut-off)	29,717	0.60	576	177,252	6.0	206,970
Hart-S Ultimate (0.21 g/t cut-off)	20,686	0.48	319	66,001	3.2	86,686
Hart-N Ultimate (0.14 g/t cut-off)	17,136	0.73	404	82,557	4.8	99,693
South Domes Ultimate (0.14 g/t cut-off)	91,672	0.58	1,712	279,322	3.0	370,995
TOTAL	**209,271**	**0.62**	**4,166**	**834,869**	**4.0**	**1,044,140**

MINE SCHEDULE

METHODOLOGY

The Castle Mountain ultimate pit consists of six discrete pits that could be mined independently of each other. This provides an element of flexibility to the scheduling process, as pits can be mined concurrently (per the LG nested shells) or sequentially.

The concurrent approach has the benefit of mining the highest value (i.e., highest grade and/or lowest stripping ratio) material soonest. However, the concurrent approach does not allow for backfilling of pits as part of normal ROM operations. This results in large surface waste dumps relative to the tonnage of process feed. Specifically, the Static Case has only a combined 74 Mt capacity in the West and East Waste Dumps (see Figure 16-4) and would be limited to a total mine plan of approximately 100 Mt. At lower gold prices, this case would lack the critical mass necessary to achieve acceptable returns. For the Base and Unconstrained Cases, the capacity for waste in surface dumps within the existing EIS boundary is approximately 400 Mt, or less than half of the total waste contained within the $1,300/oz Au LG shell. Additionally, the large surface waste dumps lead to longer surface hauls. For these reasons, the sequential approach was found to generate the optimal economic returns. At the same time the sequential approach mitigates risks associated with the potential future requirement to backfill pits, with the majority of the pits being backfilled as part of normal ROM operations.

With the sequential approach, there are a number of potentially feasible alternatives for sequencing the six pits. Practical considerations guiding the selection of alternatives included:

- The Jumbo, JSLA and OB pits have all been mined historically and there is currently greater confidence in metallurgical and geotechnical parameters for these pits. Mining these pits first will minimize metallurgical risks associated with start-up.
- The Hart pits are located on the eastern slope of the structure that hosts mineralization, while existing access and planned infrastructure are located on the western slopes. Deferring these pits until one or more of Jumbo, JSLA, and OB have been mined will simplify access.
- As discussed in the LG Optimization Section above, the larger volume of pre-stripping associated with South Domes will result in this pit being mined last.

After iterative testing of the various permutations, the optimal sequence for mining the pits was found to be the order listed in Table 16-3, being:

- Jumbo – JSLA – OB for the Static Case
- Jumbo – OB – JSLA – Hart S – Hart N – South Domes for both of the Base and Unconstrained Cases.

It should be noted that these sequences are based on the current estimate of mineral resources, including Inferred Resources. In the event these resource estimates are revised, either as a result of infill drilling to upgrade existing Inferred Resources or step-out drilling that may add additional material, it is possible the optimal sequence may differ.

The optimal pit limits for each case were also tested. For the Static Case, the limits of mining are not determined in the conventional manner of calculating the marginal economics of material at the pit limits. Rather, the limits have been set by maximizing the value of the approximately 213 Mt that can be accommodated within the 1,375 acres currently permitted for disturbance. It should be noted that the Static Case assumes no tipping on the South Domes, as this would sterilize underlying mineralization. In the event that tipping of waste over top of South Domes was permitted, the limits of the Static Case would be extended.

For both the Base and Unconstrained Cases, optimal economic returns will be realized by mining all six pits to the limits defined by the $1,300/oz Au LG shell.

Cut-off grades were determined for each pit based on maximizing post-tax net present value at a discount rate of 5% ($NPV_{5\%}$). Factors that influence the cut-off calculated in this manner include:

- The difference in timing of processing costs (particularly the cost of constructing leach pads, which is incurred before loading commences) and revenues from gold that as a result of the leach recovery curve may be recovered several months after loading has occurred.
- The timing of delivery of high value material to the processing circuit, particularly as the PEA did not investigate the impact of a marginal grade stockpile. As a result, the inclusion of shallow, lower value material as process feed effectively defers delivery of deeper, higher value material.
- For the Base and Unconstrained Cases, the cost of mining waste is much lower than the cost of mining ore. This is due to both the different fleets of equipment used (rope shovels and 290 t payload trucks for waste vs excavators and 170 t payload trucks for ore), and the much shorter waste haulage profiles that result from backfilling adjacent pits.

As a result of these factors, the cut-off that maximizes post-tax $NPV_{5\%}$ is significantly higher than that calculated based on marginal process costs as illustrated in Table 16-4.

Table 16-5 indicates that, for the Base Case in particular, there is a significant tonnage of resource that can be considered marginal – the grade is above the calculated cut-off, and its inclusion as process feed results in a higher pre-tax undiscounted cash flow, but not a post-tax discounted cash flow.

TABLE 16-4 CUT-OFF GRADES
Castle Mountain Mining Company Limited - Castle Mountain Project

Case	Marginal Cost[1] (US$/t)	Calculated Cut-Off[2] (g/t Au)	Max DCF Cut-Off[3] (g/t Au)
Static	$7.13	0.22	0.24 - 0.34
Base	$5.94	0.19	0.24 - 0.31
Unconstrained	$4.42	0.14	0.14 - 0.21

Notes:
1. Marginal costs include leaching, G&A, leach pad construction and difference in mining costs for waste and process feed.
2. Cut-offs calculated using marginal costs, a gold price of $1,300/oz Au and leach recovery of 76.9%.
3. Cut-offs that generated highest post-tax $NPV_{5\%}$ using a gold price of $1,300/oz Au and leach recovery of 76.9%.

TABLE 16-5 MARGINAL RESOURCES
Castle Mountain Mining Company Limited - Castle Mountain Project

	Units	Static	Base	Unconstrained
Resources > DCF Cut-Off	000 tonnes	40,240	132,137	209,271
Marginal Resources	000 tonnes	2,478	75,909	19,523
Waste	000 tonnes	171,036	836,094	815,346
Contained Au > DCF Cut-Off	000 oz	1,082	3,599	4,166
Contained Au Marginal Resources	000 oz	23	568	103
Stripping Ratio - DCF Cut-Off	waste : ore	4.31	6.90	3.99
Stripping Ratio - Marginal Cut-Off	waste : ore	4.00	4.02	3.56

The next stage of study should investigate methods for including a portion of the marginal resources as process feed in a manner that is accretive to post-tax NPV. Options to be investigated include:

- Use of the lower cost fleet (rope shovels and 290 t trucks) for mining large and continuous zones of mineralization. This would eliminate much of the cost differential between mining process feed and waste.
- The temporary impoundment of marginal resources in a low grade stockpile that would be reclaimed following the completion of ex-pit mining. In this way, the processing of marginal mineralization would not result in deferral of higher value material and the associated negative impact on discounted cash flows.

PRODUCTION SCHEDULES

The production schedules for the three cases given in Tables 16-6 to 16-8 were selected after testing a large number of potentially feasible alternatives and are based on maximizing criteria that included post-tax $NPV_{5\%}$, post-tax IRR and the ratio of NPV to initial capital. The following should be noted:

- Both the Static and Base Cases commence with mining of the 59 Mt Jumbo pit to completion. This is completed over a period of 2.5 years (including pre-stripping) at an average rate of 65,000 tpd.

- Optimal returns for the Static Case are generated by following Jumbo with JSLA, where pre-stripping of JSLA commences in the middle of Year 1. On the other hand, the Base Case generates marginally better returns by moving to OB next, where pre-stripping would commence in the 4th quarter of Year 1. In the event that the Base Case mined JSLA before OB, the reduction to post-tax NPV would be marginal at approximately 3%.

- It would be possible to convert from the Static Case to the Base Case at any time during the initial five years of mining, including one year of pre-stripping and four years of metallurgical production. Beginning in Year 6 of the Static Case plan, waste is tipped in the JSLA pit that was only mined to the limits of Phase 1 (containing 298,000 oz gold). The remaining 537,000 oz gold contained within the JSLA pit included in the Base Case mine plan would be sterilized by this action.

- The Base and Unconstrained Case follow the same sequence for mining the six pits. However, in order to assure sufficient mining faces would be available for the higher production rate, the Unconstrained Case mines from two pits simultaneously. This results in Jumbo and OB being pre-stripped concurrently. As the duration for stripping at OB is longer, pre-stripping for the Unconstrained Case starts two years before metallurgical production, while both the Base and Static Cases only require a single year of pre-stripping.

- The only other material difference between the Base and Unconstrained cases is the scale of operation. Subject to the receipt of permits for the higher processing rates, it would be possible to convert from the Base to Unconstrained Case at any point.

- The mining operating costs presented in Section 21 are weighted averages over the life of mine. Over time, these costs vary as a function of factors that include the production rate, fleet and length of haul, with ranges as follows:
  - The Static Case ranges from a low of $1.51/t to a high of $2.58/t
  - The Base Case ranges from a low of $1.17/t to a high of $2.23/t
  - The Unconstrained Case ranges from a low of $1.17/t to a high of $2.09/t

TABLE 16-6 MINING SCHEDULE – STATIC CASE
Castle Mountain Mining Company Limited - Castle Mountain Project

Item	Units	Total / Average	Year -2	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Process Feed	Mt	40.2	0.0	0.0	5.9	6.4	6.4	6.4	6.4	6.4	2.6
Grade	g/t Au	0.84	0.00	0.00	0.87	1.05	0.95	0.53	0.69	0.97	0.73
Contained Au	000 oz	1,082	0	0	164	215	194	108	142	199	61
Waste	Mt	174	0	15	32	31	26	23	19	19	9
Total Mined	Mt	214	0	15	38	38	32	29	25	25	12
Strip Ratio		4.3	0.0	0.0	5.5	4.9	4.0	3.6	2.9	2.9	3.6
1-Way Haul Distance	km	2.0	0.0	1.2	2.2	2.8	1.4	1.3	1.7	2.6	3.6

TABLE 16-7 MINING SCHEDULE – BASE CASE
Castle Mountain Mining Company Limited - Castle Mountain Project

Item	Units	Total / Avg	Yr -2	Yr -1	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	Yr 16	Yr 17
Process Feed	Mt	132	0.0	0.0	5.9	6.4	8.0	8.2	8.2	8.2	8.2	8.2	8.2	8.2	8.2	8.2	8.2	8.2	8.2	8.2	5.7
Grade	g/t Au	0.85	0.00	0.00	0.87	0.85	0.77	0.94	0.87	1.03	0.78	0.67	0.69	0.55	1.00	0.80	0.77	0.77	1.07	0.97	1.07
Contained Au	000 oz	3,599	0	0	164	173	199	247	227	271	206	176	181	145	264	210	201	202	280	256	198
Waste	Mt	912	0	15	26	39	24	62	67	68	39	26	36	59	85	110	73	58	63	39	23
Total Mined	Mt	1,044	0	15	32	46	32	70	76	77	47	34	44	67	93	118	81	66	71	47	29
Strip Ratio		6.9	0.0	0.0	4.4	6.2	3.0	7.6	8.2	8.4	4.8	3.2	4.4	7.2	10.4	13.5	9.0	7.1	7.7	4.7	4.0
1-Way Haul Distance	km	2.7	0.0	1.2	1.7	2.1	1.4	2.3	2.7	3.2	2.4	2.6	3.0	3.0	2.6	2.3	2.9	3.3	3.3	3.4	4.6

TABLE 16-8 MINING SCHEDULE – UNCONSTRAINED CASE
Castle Mountain Mining Company Limited - Castle Mountain Project

Item	Units	Total / Avg	Yr -2	Yr -1	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12
Process Feed	Mt	209	0	0	17	18	18	18	18	18	18.1	18	18.1	18.1	18.1	11.1
Grade	g/t Au	1.06	0.00	0.00	0.64	0.69	0.71	0.63	0.44	0.61	0.71	0.71	0.71	0.71	0.71	1.16
Contained Au	000 oz	7,116	0	0	347	402	414	369	259	359	414	414	414	414	414	414
Waste	Mt	835	3	39	63	58	82	97	98	77	60	55	56	70	51	25
Total Mined	Mt	1,044	3	39	80	76	101	115	116	95	78	73	75	88	70	36
Strip Ratio		4.0	0.0	0.0	3.8	3.2	4.5	5.3	5.4	4.3	3.3	3.0	3.1	3.8	2.8	2.3
1-Way Haul Distance	km	2.9	2.4	1.9	2.6	2.5	2.8	3.1	2.3	2.8	3.2	3.0	3.6	2.6	3.4	4.2

MINING FLEET

The PEA assumes a fleet of Owner operated equipment would be used. Key assumptions used in forecasting the number of units required to achieve the production schedule include:

- The mine would operate 24 hours per day and 360 days per year, with 5 statutory holidays
- The mechanical availability and operator utilization of equipment would vary according to the particular unit of equipment. The average annual engine hours, which is a product of mechanical availability and operator utilization, for the main production equipment would range from a high of 7,000 hr (cable shovels and new haul trucks) to a low of 5,600 hr (used hydraulic excavators).
- An efficiency factor of 90% was applied to utilized time, meaning that 10% of total engine hours (incurring costs) would not be directed towards completing useful work.

For all three cases considered in the PEA, the production fleet includes:

- Diesel powered rotary drills that would drill 200 mm blast holes.
- Diesel powered hydraulic excavators equipped with a 22 m^3 bucket (nominal payload of 39 tonnes) for loading mineralized process feed.
- Haul trucks with a nominal payload of 170 t for hauling mineralized process feed.

For the Static Case, the same size excavator and haul truck would be used for hauling waste. For the Base Case following the expansion and entire LOM for Unconstrained Case, waste would be loaded with cable rope shovels equipped with 54 m^3 bucket (nominal payload = 95 tonnes) and hauled using trucks with a payload of 290 t.

Support Equipment would include:

- Tracked dozers for support at loading faces, dumps and ripping of the leach pad;
- Wheeled dozers for clean-up at loading faces, dumps and on haul roads;
- Graders for maintaining roads;
- Water tankers for suppressing dust;
- Front end loaders that could be used for both primary production loading and re-handle;
- Smaller excavators used for miscellaneous construction activities.

Table 16-9 summarizes the fleet of equipment for each of the cases. Examples of the specific fleet units have been provided for reference, but these do not in any way indicate that a decision has been made on the actual Original Equipment Manufacturers (OEMs) that would be selected to supply equipment to the Project. The OEMs will be selected following a competitive tendering process.

Note that the fleets of tracked dozers, trucks and front end loaders include units planned for use re-handling feed into the mobile crushers and stacking material on the leach pads, as will be described in the next chapter.

TABLE 16-9 MINING MOBILE EQUIPMENT FLEET
Castle Mountain Mining Company Limited - Castle Mountain Project

Static Case	Example	New Cost ($ 000s)	Avg	Max	Purchases[1]
Blast Hole Drill	Atlas Copco DML	900	3	3	4
Explosives Truck	Dyno Nobel Pioneer Class	550	2	2	2
Ore Excavator	Caterpillar 6040	7,250	3	3	3
Ore Truck	Komatsu 730E	3,075	12	15	15
Track Dozer	Caterpillar D10	1,030	2	2	2
Wheel Dozer	Caterpillar 834	1,145	1	1	1
Grader	Caterpillar 16M	952	2	2	2
Water Tanker	Caterpillar 777 (modified)	1,650	2	2	2
Front End Loader	Komatsu WA1200	4,505	4	5	5
Base Case					
Blast Hole Drill	Atlas Copco DML	900	5	6	10
Explosives Truck	Dyno Nobel Pioneer Class	550	3	3	4
Ore Excavator	Caterpillar 6040	7,250	2	2	2
Waste Shovel	Caterpillar 7495	30,000	2	2	2
Ore Truck	Komatsu 730E	3,075	6	9	9
Waste Truck	Komatsu 930E	4,870	12	21	21
Track Dozer	Caterpillar D10	1,030	2	2	2
Wheel Dozer	Caterpillar 834	1,145	1	1	1
Grader	Caterpillar 16M	952	2	2	2
Water Tanker	Caterpillar 777 (modified)	1,650	2	2	2
Front End Loader	Komatsu WA1200	4,505	4	5	6
Unconstrained Case					
Blast Hole Drill	Atlas Copco DML	900	5	6	9
Explosives Truck	Dyno Nobel Pioneer Class	550	3	4	4
Ore Excavator	Caterpillar 6040	7,250	1	1	2
Waste Shovel	Caterpillar 7495	30,000	2	2	2
Ore Truck	Komatsu 730E	3,075	8	9	9
Waste Truck	Komatsu 930E	4,870	15	22	22

Static Case	Example	New Cost ($ 000s)	Avg	Max	Purchases[1]
Track Dozer	Caterpillar D10	1,030	2	2	2
Wheel Dozer	Caterpillar 834	1,145	1	1	1
Grader	Caterpillar 16M	952	2	2	2
Water Tanker	Caterpillar 777 (modified)	1,650	2	2	2
Front End Loader	Komatsu WA1200	4,505	1	1	1

Notes:
1. Includes purchases of used equipment

17 RECOVERY METHODS

The design of process circuits has been based on the historical circuits.

The bulk of process feed is planned to be treated using a conventional heap leach. Material will be crushed in three stages then agglomerated before being stacked on the pad. Gold will be recovered using an adsorption-desorption-recovery (ADR) circuit.

For the Base and Unconstrained cases, provision has been made for treating higher grade material using a modified milling circuit. Tailings from the mill circuit will be agglomerated with cement and stacked on the leach pad in the same manner as the lower grade material, eliminating the need for a tailings storage facility.

Details regarding each of the processing circuits are given below.

HEAP LEACHING CIRCUIT

CRUSHING AND STACKING

Three stage crushing would be used to achieve a product size of 9.5 mm. The Base and Static cases assume that material would be crushed using a mobile unit. Based on the productivity of mobile crushing units currently operating in Nevada, a nominal throughput of 1,000 tonnes/hr and duty cycle of 18 hr/day has been assumed. A single mobile crusher would thus be sufficient to achieve the Static Case throughput of 6.4 Mtpa, while a second unit would be required for the Base Case expansion, when throughput is increased to 8.2 Mtpa.

The loading pocket for a mobile crusher is not large enough to direct dump with 170 t haul trucks. Material would consequently be rehandled using front end loaders equipped with 20 m^3 buckets that would achieve a nominal payload of 37 tonnes. A single front end loader of this size class will be matched to each mobile crusher to achieve the planned throughput.

The higher throughput Unconstrained Case assumes a fixed crushing plant would be constructed. The 18.1 Mtpa throughput would be achieved with the following equipment:

- A single 54” x 74” primary gyratory crusher. This would be equipped with a dump pocket suitable to allow direct tipping of 170 t haul trucks.
- A total of 4 x 7’ shorthead cone crushers for secondary crushing.
- A total of 7 x 7’ heavy duty shorthead cone crushers for tertiary crushing.

After crushing, material would be agglomerated using cement. As the cement is basic, it performs the same role as lime in achieving the desired pH for leaching.

For the Static Case and Base Case prior to the expansion, agglomerated product would be loaded onto trucks using front end loaders and hauled to the leach pad. A single front end loader loading three trucks will be sufficient to achieve the planned production rate. Any compaction that may result will be mitigated by ripping with a track dozer. All mining equipment employed in the heap leaching operation (including track dozers, front end loaders and haul trucks) have been included in the totals shown in Table 16-8 previously.

For the Base Case following expansion and the entire LOM for the Unconstrained Case, crushed material would be conveyed to the pad using a series of overland and grasshopper stacker conveyors.

The pad would be lined with high-density polyethylene (HDPE) or similar synthetic material that would contain leach solutions within a closed circuit.

GOLD RECOVERY

Material would be stacked in cells, typically measuring approximately 200 m x 200 m and 9 m high. After loading of a cell was completed, it would be equipped with an irrigation system that would drip-feed cyanide solution. The solution would percolate through the lift, leaching gold. Upon reaching the liner at the base of the pad, the pregnant solution would be collected and pumped to the pregnant solution pond. Solution in this pond would then be directed to the gold recovery plant, where the gold would be removed using columns of activated carbon. The barren solution would be recycled back to the pad, while gold would be stripped from the carbon columns and melted to form doré bars.

As discussed in Chapter 13, recovery of gold for the heap leaching circuit has been forecast at 76.9%.

The process would also recover silver. Forecasts of silver that would be recovered have been based on the historical ratio of 0.3 oz silver recovered for every oz of recovered gold.

REAGENT CONSUMPTION

It has been assumed that the consumption of reagents for all three cases would match historical consumption rates. As shown in Table 17-1, the cost of reagents and power for scenarios where grid power is used would be $1.45/tonne leached, increasing to $1.70/t where power is generated on site.

TABLE 17-1 HEAP LEACHING REAGENT AND POWER CONSUMPTION
Castle Mountain Mining Company Limited - Castle Mountain Project

Reagent / Consumable	Units	Consumption	Unit Cost	Cost/t Leach Feed
Cyanide	kg / tonne ore	0.15	$2.76 / kg	$0.41
Antiscalent	kg / tonne ore	0.02	$3.84 / kg	$0.07
HCL	litres / tonne ore	0.001	$0.28 / litre	$0.00
Carbon	kg / tonne ore	0.01	$2.20 / kg	$0.01
Caustic Soda	kg / tonne ore	0.02	$0.75 / kg	$0.01
Propane	litres / tonne ore	0.01	$0.56 / litre	$0.00
Flocculent	kg / tonne ore	0.07	$4.46 / kg	$0.31
Cement	kg / tonne ore	3.00	$0.12 / kg	$0.37
Agglomerating Aid	kg / tonne ore	0.02	$3.82 / kg	$0.06
Grid Power [1]	kWhr/tonne	1.5	$0.13 / kWhr	$0.19
Generator Power [2]	kWhr/tonne	1.5	$0.29 / kWhr	$0.44
Total - Grid Power				**$1.45**
Total – Generator Power				**$1.70**

Notes:
1. Grid power used for entire LOM Unconstrained Case and Base Case following expansion in Yr 3
2. Generator power used for entire LOM Static Case and Base Case prior to expansion in Yr 3

MILLING CIRCUIT

PROCESS DESCRIPTION

For both the Base and Unconstrained cases, the milling circuit would consist of a single ball mill operating in closed circuit to achieve a grind of 149 µm. Cyanide solution would be added directly to the mill. Leaching of material while it was resident in the mill would achieve a recovery of approximately 35%. Ground material would then be treated using a gravity separation to achieve a further 15% recovery.

Tailings from the gravity separation, containing the remaining 50% of the original gold, would then be agglomerated and added as feed to the leach pads. Over time, a recovery of 90% of the remaining gold would be expected, bringing the total recovery for material processed in the milling circuit to 95%.

Testwork performed by the historic operation indicated that the structural integrity of leach pads would be maintained provided the agglomerated mill product did not exceed 20% of total material to the pads. For the Base Case, the milled product ranges between 10 – 15% and averages 13% of total leach feed. For the Unconstrained Case, the milled product represents 10% of total leach feed.

REAGENT CONSUMPTION

Table 17-2 summarizes the incremental consumption in reagents and other consumables for the mill circuit. The following should be noted:

- As tailings from the milling circuit would be agglomerated and added to heap leach feed, the reagents shown below are incremental to those shown in Table 17-1.
- The milling circuit would not be used in scenarios where power was generated at site.

TABLE 17-2 HEAP LEACHING REAGENT CONSUMPTION
Castle Mountain Mining Company Limited - Castle Mountain Project

Reagent / Consumable	Units	Consumption	Unit Cost	Cost/t Mill Feed
Cyanide	kg / tonne ore	0.38	$2.76 / kg	$1.05
3" media	kg / tonne ore	1.10	$1.39 / kg	$1.53
Lime	kg / tonne ore	1.11	$0.10 / kg	$0.11
Liners	kg / tonne ore	0.03	$3.50 / kg	$0.10
Grid Power	kWhr/tonne	15.9	$0.13 / kWhr	$2.01
Total				**$4.80**

PRODUCTION SCHEDULES

Tables 17-3 to 17-5 on the following pages provide summarized metallurgical production schedules for the three cases.

TABLE 17-3 METALLURGICAL PRODUCTION FOR THE STATIC CASE
Castle Mountain Mining Company Limited - Castle Mountain Project

Item	Units	Total	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Leach Feed	000 t	40,240	5,874	6,350	6,350	6,350	6,350	6,350	2,614	0	0	0
Grade	g/t	0.84	0.87	1.05	0.95	0.53	0.69	0.97	0.73	0.00	0.00	0.00
Contained Au	000 oz	1,082	164	215	194	108	142	199	61	0	0	0
Recovered Au	000 oz	832	106	160	149	92	107	145	65	6	1	0
Mill Feed	000 t	0	0	0	0	0	0	0	0	0	0	0
Grade	g/t	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contained Au	000 oz	0	0	0	0	0	0	0	0	0	0	0
Recovered Au	000 oz	0	0	0	0	0	0	0	0	0	0	0
Total Contained	000 oz	1,082	164	215	194	108	142	199	61	0	0	0
Total Recovered	000 oz	832	106	160	149	92	107	145	65	6	1	0
LOM Recovery		76.9%										

TABLE 17-4 METALLURGICAL PRODUCTION FOR THE BASE CASE

Castle Mountain Mining Company Limited - Castle Mountain Project

Item	units	Total	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	Yr 16	Yr 17	Yr 18	Yr 19	Yr 20
Leach Feed[1]	000 t	132,137	5,874	6,350	8,029	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	5,744	0	0	0
Grade	g/t	0.70	0.87	0.85	0.64	0.76	0.71	0.82	0.64	0.56	0.58	0.48	0.77	0.67	0.62	0.62	0.84	0.77	0.83	0.00	0.00	0.00
Contained Au[1]	000 oz	2,973	164	173	165	199	187	216	167	146	151	125	203	176	163	162	221	202	153	0	0	0
Recovered Au[1]	000 oz	2,367	106	134	129	158	146	174	138	118	120	103	155	142	130	131	171	164	133	14	2	1
Mill Feed	000 t	15,787	0	0	944	1,095	1,095	1,095	1,095	1,095	1,095	881	1,095	1,095	1,095	1,095	1,095	1,095	821	0	0	0
Grade	g/t	2.47	0.00	0.00	2.23	2.75	2.29	3.11	2.21	1.69	1.70	1.42	3.42	1.89	2.17	2.29	3.39	3.05	3.40	0.00	0.00	0.00
Contained Au	000 oz	1,252	0	0	68	97	81	109	78	59	60	40	120	67	76	80	119	107	90	0	0	0
Recovered Au[2]	000 oz	626	0	0	34	48	40	55	39	30	30	20	60	33	38	40	60	54	45	0	0	0
Total Contained	000 oz	3,599	164	173	199	247	227	271	206	176	181	145	264	210	201	202	280	256	198	0	0	0
Total Recovered	000 oz	2,994	106	134	163	206	186	228	177	148	150	123	215	175	169	171	231	218	178	14	2	1
LOM Recovery		83.2%																				

Notes:

1. Includes gold contained in mill tailings
2. Excludes gold recovered from leaching of mill tailings

TABLE 17-5 METALLURGICAL PRODUCTION FOR THE UNCONSTRAINED CASE
Castle Mountain Mining Company Limited - Castle Mountain Project

Item	units	Total	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
Leach Feed[1]	000 t	209,271	16,783	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	11,052	0	0	0
Grade	g/t	0.50	0.52	0.57	0.57	0.48	0.38	0.51	0.57	0.43	0.42	0.47	0.53	0.62	0.00	0.00	0.00
Contained Au[1]	000 oz	3,372	279	330	330	282	223	296	334	252	243	274	309	220	0	0	0
Recovered Au[1]	000 oz	2,696	190	257	263	230	185	231	260	208	196	214	247	193	19	3	1
Mill Feed	000 t	20,958	1,507	1,825	1,825	1,825	1,800	1,825	1,825	1,825	1,749	1,825	1,825	1,303	0	0	0
Grade	g/t	2.36	2.77	2.46	2.84	2.95	1.26	2.15	2.71	1.59	1.52	2.34	2.83	3.08	0.00	0.00	0.00
Contained Au	000 oz	1,587	134	144	167	173	73	126	159	93	85	137	166	129	0	0	0
Recovered Au[2]	000 oz	794	67	72	83	87	36	63	80	47	43	69	83	64	0	0	0
Total Contained	000 oz	4,166	347	402	414	369	259	359	414	298	286	343	392	284	0	0	0
Total Recovered	000 oz	3,490	257	329	346	317	222	294	339	255	239	282	330	258	19	3	1
LOM Recovery		83.8%															

Notes:

1. Includes gold contained in mill tailings.
2. Excludes gold recovered from leaching of mill tailings

18 PROJECT INFRASTRUCTURE

The permanent elements of the Project are the open pit mine, waste dumps, and the leach pad. These have been designed to minimise environmental impacts by maximising the tonnage of ROM waste rock that is impounded within mined out portions of the pit.

A number of buildings and facilities will be required to support the operation. These will be designed to facilitate removal following Project closure.

Water will be supplied from the aquifer used historically. Historical data suggests that the rate of recharge for this aquifer exceeds the projected requirements.

The Base and Static cases assume that the mine would start-up using diesel powered generators to supply electricity, with the Base Case converting to grid power as part of the expansion in Year 3. The Unconstrained Case assumes the grid connection would be constructed from the outset.

Each of these items is discussed in more detail below.

PERMANENT INFRASTRUCTURE

The strategy of mining pits sequentially, with current waste rock used to backfill previously mined pits, minimises the permanent disturbance. As summarized in Table 18-1, the Base Case results in 66% of the total mined void being backfilled while 50% of the total material excavated (both waste and process feed) is impounded within mined voids.

TABLE 18-1 ESTIMATED VOLUMES OF PERMANENT INFRASTRUCTURE
Castle Mountain Mining Company Limited - Castle Mountain Project

Item	Units	Static	Base	Unconstrained
Total Expit Mining	000 tonnes	213,770	1,044,273	1,044,273
Process Feed	000 tonnes	40,240	132,137	209,271
Waste	000 tonnes	173,530	912,135	835,002

Item	Units	Static	Base	Unconstrained
Pit Excavation[1]	000 m^3	80,000	385,000	385,000
Backfilled	000 m^3	49,000	255,000	220,000
Remaining	000 m^3	31,000	130,000	165,000
Surface Waste Dumps[2]	000 m^3	35,837	190,933	188,223
Leach Pad	000 m^3	19,673	64,601	102,310

Notes:

1. Volume of excavation to natural topographic surface
2. Includes West, East and South Waste dumps, plus waste tipped over backfilled pits

By impounding 50% of total excavated material within mined out voids, the surface footprint of the Project is minimized. The Base Case layout shown in Figure 18-1 would require a total of approximately 2,650 acres permitted for disturbance, representing approximately 68% of the total Project area. As indicated in Figure 18-1, the maximum planned height for the various impoundments (the West Waste Dump reaches a maximum RL of 4,800 ft) does not exceed the existing height of land at 5,280 ft.

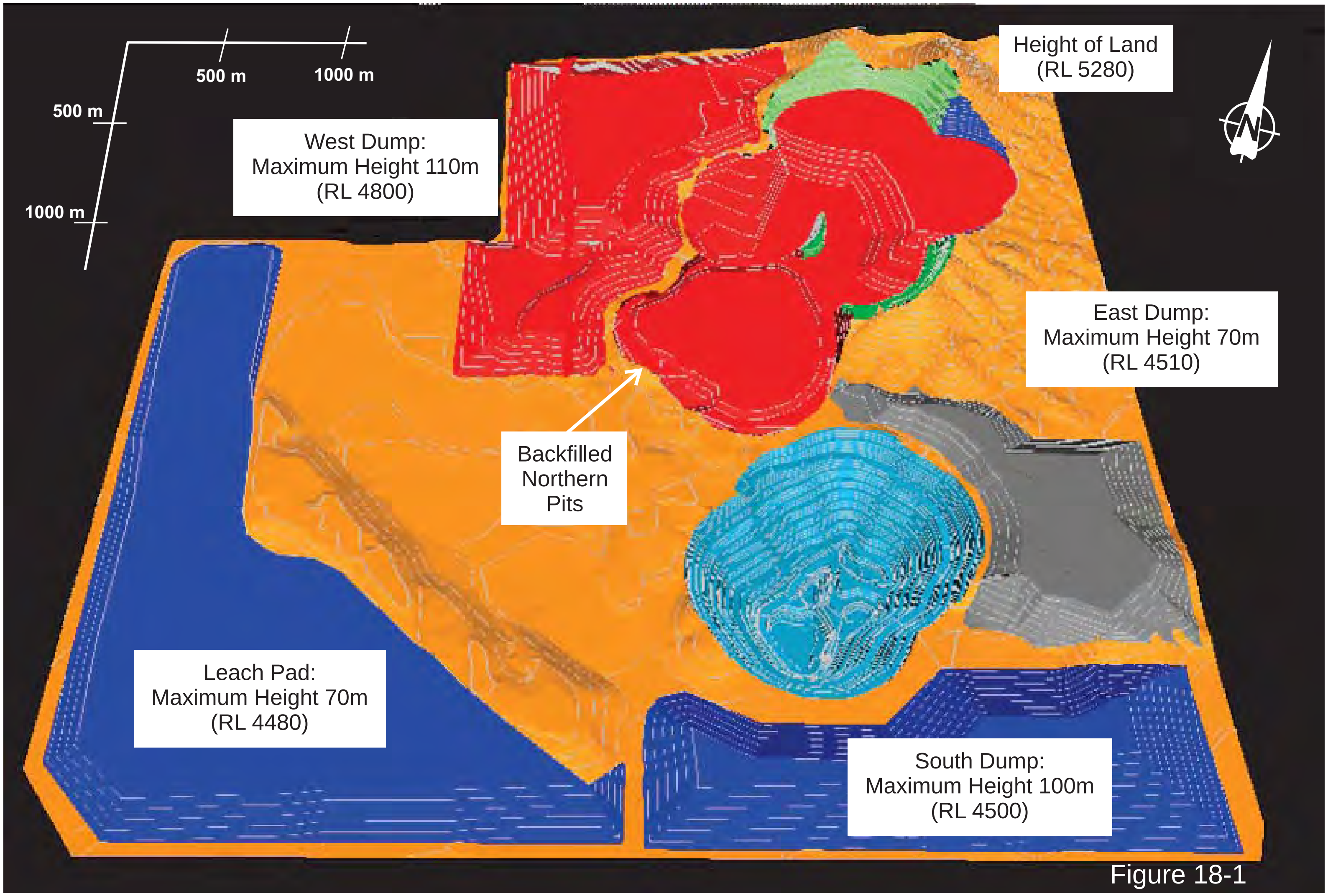


Figure 18-1

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Base Case Layout at Closure

May 2014

BUILDINGS AND FACILITIES

Facilities that would be provided to support the operation include:

- A workshop for maintaining the haul truck fleet and other mobile production units. The number of bays required has been estimated based on the empirical relationship of one bay per every four operating haul trucks. This ratio includes bays that would be required for distributing fuel and replacing tires.
- A three stage crushing plant. The Base and Static cases make provision for mobile units (a single unit for the Static Case, while the Base Case requires a second unit following the expansion to 8.2 Mtpa). The Unconstrained Case makes provision for a fixed crushing plant.
- The Base and Unconstrained cases include a series of overland and grasshopper stacker conveyors for delivering material to the leach pad.
- The Base and Unconstrained cases include a modified milling circuit, which consists of a ball mill sized to handle 3,000 tpd feed (Base Case) and 5,000 tpd (Unconstrained Case) with and associated gravity separation plant.
- A gold recovery plant, comprising ponds for collection of pregnant solution along with carbon columns with associated stripping and refining infrastructure.
- A combined warehouse and laboratory facility

In addition, a gatehouse/security building would be provided along with offices to accommodate the workforce. Table 18-2 summarises the planned total complement as well as the maximum numbers of personnel expected to be at site. The following should be noted:

- While the steady-state metallurgical production rate of the Unconstrained Case is 122% higher than the Base Case (18.1 Mpta vs. 8.2 Mtpa), in large part the increase results from reclassification of marginal grade material from waste to process feed. Total process feed for the Unconstrained Case of 209 Mt is 58% higher than the 132 Mt included in the Base Case plan. As a result, the average daily production rate for the Unconstrained Case is only 29% higher than the Base Case. This results in an increase in mining workforce of 10% to 15%.
- The Unconstrained Case has lower staffing in the process area due to direct dumping in the primary crusher and conveying material to the leach pad from the outset.

TABLE 18-2 WORKFORCE BY CASE
Castle Mountain Mining Company Limited - Castle Mountain Project

		Static		Base Case		Unconstrained	
Total Employment	**Units**	**Max**	**Avg**	**Max**	**Avg**	**Max**	**Avg**
Mine Operations	persons	134	94	195	132	213	151
Mine Maintenance	persons	69	49	119	77	128	87
Process Operations & Maintenance[1]	persons	66	61	67	61	53	52
Management, Technical & Admin	persons	54	46	54	51	54	47
Total	**persons**	**323**	**250**	**435**	**321**	**448**	**337**
Maximum Day Shift Complement							
Mine Operations	persons	34	24	49	33	54	38
Mine Maintenance	persons	35	25	60	39	65	44
Process Operations & Maintenance[1]	persons	33	31	34	31	27	26
Management, Technical & Admin	persons	54	46	54	51	54	47
Total	**persons**	**156**	**126**	**197**	**154**	**200**	**155**

Notes:
1. Includes re-handle at mobile crusher and trucking to leach pad.

WATER

Consumption of water for the historic operation averaged approximately 420 gallons per minutes (gpm) over the life of mine. Approximately 25% of total consumption could be classified as a constant rate, irrespective of the processing rate, while the remaining 75% varied somewhat as a function of the tonnage processed. The consumption also varied over the life of the Project, with the implementation of efficiency projects and knowledge gained resulting in a lower consumption of water per tonne processed in later years than at start-up.

Water for the new operation would be supplied from the same aquifer used historically, in addition to any water from the pits. There are currently two active wells drilled into the aquifer that historically provided a steady-state flow rate of up to 250 gpm and Castle Mountain currently has an additional three patented wells in the same area. The Project would include drilling additional wells in order to provide the required flow rate.

The maximum sustainable rate of abstraction from the aquifer is based on the rate at which it is recharged from rainfall, snow melt and other sources. The aquifer is recharged by the Lanfair Valley drainage area. The previous EIS completed for the historic operation estimated the average annual recharge rate for the entire drainage area to be between 1,200 gpm and 3,100 gpm.

The next stage of study will include investigations into the rate of recharge for the aquifer.

POWER

The requirements and sources of power for the three cases are summarized in Table 18-3.

Generators have been selected for the Static Case and start-up phase of the Base Case due to their lower capital cost.

The higher demand for the Base Case following expansion is primarily due to the addition of the milling circuit and use of electric rope shovels for loading waste. Lower cost power from the grid would result in savings in excess of $150 million over the remaining life of the Base Case.

Connection to the grid would follow the same route used historically, measuring 29km along the access road.

TABLE 18-3 POWER REQUIREMENTS AND SOURCES
Castle Mountain Mining Company Limited - Castle Mountain Project

	Static[1]	post-Expansion	Unconstrained
Source	generators	grid	grid
Average Demand	3.0 MW	8.6 MW	14.0 MW
Maximum Demand	3.5 MW	10.6 MW	17.3 MW

Notes:
1. Base Case pre-expansion has similar power requirements

19 MARKET STUDIES AND CONTRACTS

No market studies have been conducted and no contracts have been entered into.

The economic evaluation of Castle Mountain has been based on flat long term prices of $1,300/oz for gold and $20/oz for silver. As illustrated in Figures 19-1 and 19-2, these forecasts are approximately equal to current prices and considerably lower than average prices for the past three years of $1,537/oz for gold and $28/oz for silver. The net smelter return for gold includes an assumed transportation charge for $0.25/oz and a refining charge of $3.25/oz. The net smelter return for silver includes an assumed transportation charge of $0.25/oz and a refining charge of $0.30/oz.

FIGURE 19-1 THREE YEAR TRAILING GOLD PRICE

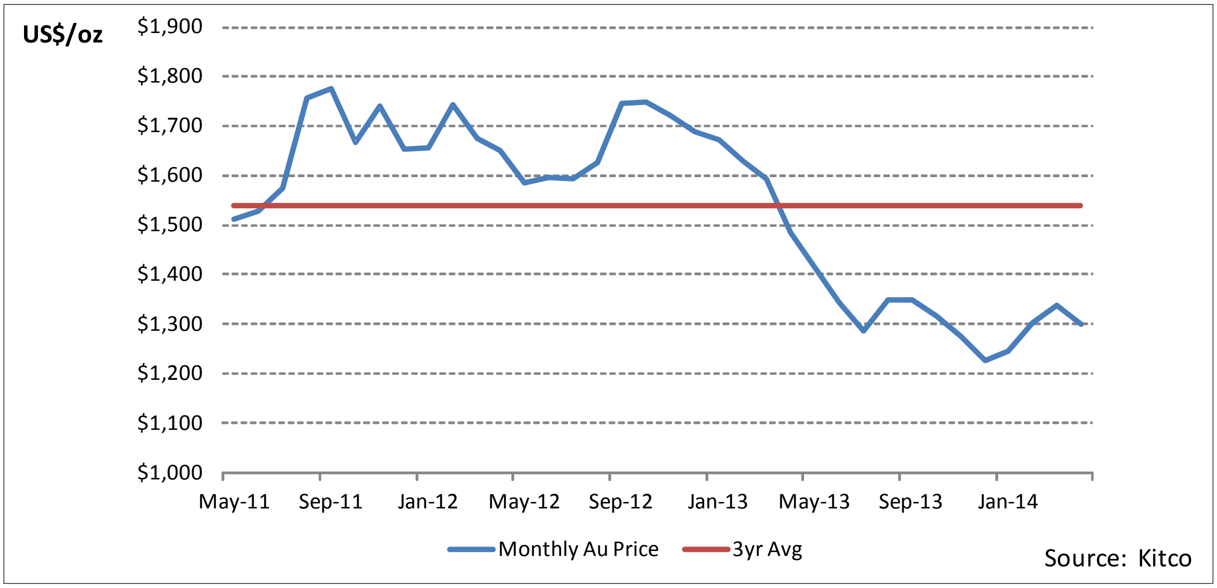
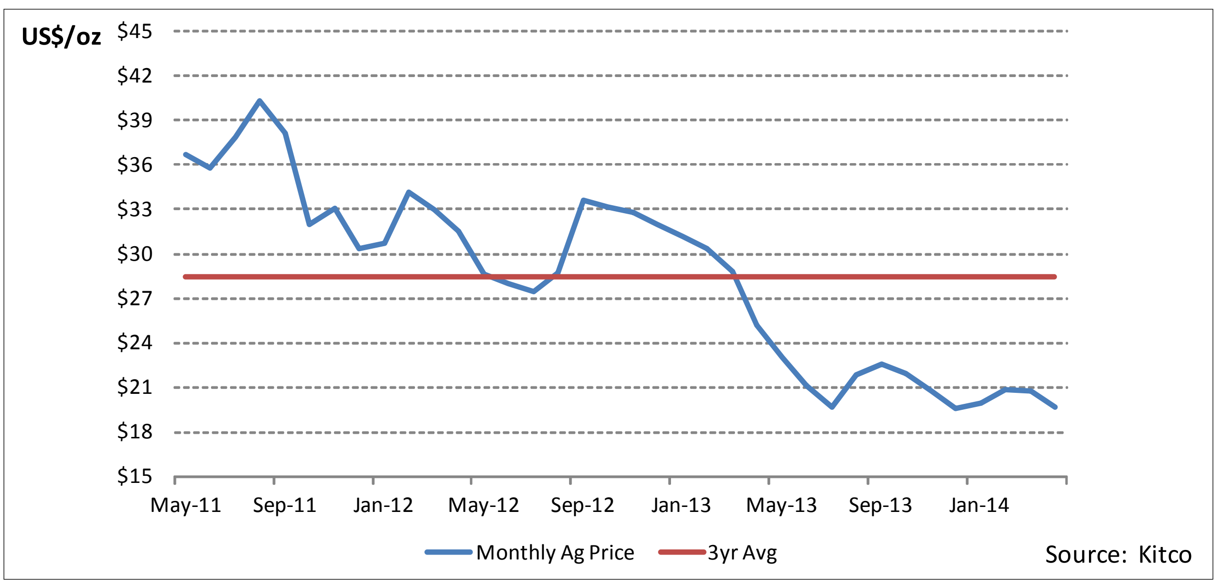


FIGURE 19-2 THREE YEAR TRAILING SILVER PRICE



20 ENVIRONMENTAL STUDIES, PERMITTING, AND SOCIAL OR COMMUNITY IMPACT

ENVIRONMENTAL STUDIES

BIOPHYSICAL ENVIRONMENT

The Castle Mountain Project occupies the southern end of the Castle Mountain range and forms part of the northeastern margin of the Lanfair Valley catchment basin. The northern New York Mountains lie to the northwest, and the Piute Range is three miles to the east. The slopes of the opposite crest of the New York Mountains are part of the Ivanpah Valley catchment basin.

The Lanfair Valley supports widespread and well-developed Joshua tree woodland. Undisturbed habitats range from bedrock and colluvial slopes to wash bottoms and alluvial fan surfaces. Elevations range from slightly over 5,100 ft along the mountain crest to about 4,100 ft at the southeastern boundary of the site. The highest peak in the region is part of the New York Mountain range rising to 7,532 ft and is situated about 10 mi to the west of the property.

Plant species are distributed according to many factors, including soil type, climate, and available water. In the Mojave Desert, species types are often represented along an elevation gradient. Plant species vary as the finer grained soils of valley floors change to coarser deposits on lower slopes and to rocky substrate on mountain slopes. Local climatic conditions which affect species distribution are in part influenced by increases in elevation and related lower temperatures and greater precipitation. In general, a gradual change in plant species occurs from lower to higher elevations, with a different combination of species represented at any point.

The Castle Mountain Project site is located in the eastern San Bernardino County portion of the Mojave Desert Air Basin (MDAB). The climate of the Basin is arid to semi-arid, generally hot and dry in the summer and mild in the winter. Little climatic variation exists throughout the Basin. Arid weather conditions are present with low precipitation of 5 in. to 10 in. per annum. Precipitation most frequently occurs during winter months, but a significant portion of the annual rainfall can occur as summer thunderstorms, which may result in heavy rainfall and flash floods. There is a correlation between rainfall and elevation. Precipitation in Lanfair Valley is expected to range between six inches at the lower elevations to over 11 inches at the mountain peaks.

Wind speeds average between 5 mi and 13 mi per hour. Summer and winter winds are similar, generally blowing from the south and west. Vertical air dilution is generally good because of the area's high surface temperatures, creating strong daytime thermal mixing. Thermal mixing and moderate winds generally tend to disperse occasional nighttime inversions. From late fall to early spring, average daytime temperatures are moderate, averaging 60°F to 85° F. Nights are cooler, with temperatures averaging 40°F to 60°F. Winter temperatures are occasionally below freezing, and can be lower than 10°F. During the summer, daily temperatures are often 100°F to 110°F and 80°F at night. Seasonal changes in the eastern MDAB are marked principally by large seasonal and diurnal temperature differences rather than by precipitation.

HYDROLOGY AND HYDROGEOLOGY

The Lanfair Valley surface water drainage area is approximately 340 mi^2 in size. The maximum basin dimensions are approximately 20 mis (east to west) and 17 miles (north to south). The topographic relief on the basin floor is relatively low with gradients varying from 50 ft to 200 ft per mile. The mountain slopes lying above the alluvial floor represent approximately 80 mi^2, or about 24%, of the total watershed. Streams (washes) within the valley are ephemeral and flow only in direct response to precipitation or snow melt. The Colorado River lies 28 mi east of the Project. The water source for operations is groundwater. Most of the water required for the Project was and will be obtained from wells drilled into the alluvium strata at the area known as the West Well Field. A minor amount of water may also be obtained from wells designated as the East Well Field also located within the Project Area and from water ingress into the pits themselves.

The number of wells used during the operating period ranged from five to 14 wells. This number includes a combination of monitoring wells and production wells. As part of the permitting requirements, water levels were measured monthly.

During the previous operation, the average annual water use was 400 acre feet per year. The maximum permitted annual water use for the mine expansion was adjusted downward (1998 EIS\EIR approvals) to 625 acre feet per year (in the 1990 EIS/ EIR, the predicted water use was 725 acre feet per year) because actual water use was lower than predicted. Water quality measurements were taken at a number of wells throughout the operation. Water quality during operations was within the predicted concentrations.

As part of the decommissioning of the heap leach pad, four additional monitoring wells were established and maintained until 2010. The purpose of these wells was to assess if seepage occurred from the heap leach pad. These wells were decommissioned in Q4, 2010 after the regulatory authorities determined the heap leach pad was successfully decommissioned and reclaimed.

ACID ROCK DRAINAGE POTENTIAL

During the initial environmental review, samples of the ore, waste rock, and overburden were subjected to geochemical testing to determine the acid generation potential and extractable metals. The average neutralization potential (tons $CaCO_3$/1,000 tons of material) was 54.3. The acid generating potential was 2.4 (tons $CaCO_3$/1,000 tons of material) resulting in an NP:AP ratio of 22.6. A NP:AP ratio greater than 3 or 4 is considered to have sufficient buffering capacity to negate hazards associated with acid rock drainage. The 1998 EIS/EIR analyzed the potential for acidic conditions in pit water and found, once again, the property has very limited acid-generating sulphide minerals, and the natural alkalinity provided by the rock and ground and surface water inflows minimize the potential for acidification of the pit water. Additional mitigation in the current permits require analysis for ARD potential in the pit water and if any pit contains water where poor water quality would develop this pit must be backfilled. The surfaces of these backfilled pits would consist of coarse material to allow infiltration of meteoric waters to minimize ponding.

During the previous operations there was no evidence of acid rock drainage. Also, the ponded water at the bottom of Leslie Anne Pit did not show any signs of sulphidic oxidation. Based on the analytical data and the previous operational experience, the potential of acid rock drainage is extremely low and this matter has been addressed.

VEGETATION AND WILDLIFE

In June 2010, CMV released a report entitled “Biological Resources Assessment Castle Mountain Venture Land holdings County of San Bernardino, California” (“Lilburn Report”). The purpose of the report was to evaluate desert tortoise habitat within the vicinity of the property as a potential offset (compensatory) location for a nearby renewable energy project. The government agencies determined the mine area did not offer sufficient value as a compensatory measure.

VEGETATION

The Lilburn Report is the most recent review of the status of biological resources found within and adjacent to the Project area and includes literature data base searches from the Natural Diversity Data Base and U.S. Fish and Wildlife Service listings (January 2010). In summary, initial surveys and reports completed between 1987 and 1995 (Draft EIR/EIS BLM 1989, Plan Amendment Application Viceroy Gold 1995) indicated no listed endangered or threatened plant species known or expected to occur on or near the property. However, the initial special species studies listed a Category 2 “candidate” species, Stephens’ beardtongue (Penstemon stephensii), as occurring on ground disturbed by road building on the northeastern portion of the claims. In addition, two other “non candidate” species were observed, and three other species were listed that may occur in the area. The most recent database list no longer includes Stephens’ beardtongue as a candidate species. During the review, four sensitive plant species were found on the property.

WILDLIFE

The Project area has a wide variety of habitat types from high elevation rocky slopes to desert washes that can support a variety of wildlife species. The Lilburn Report identified approximately 44 species that were observed or whose habitat is found at the site. Ravens, owls, bobcats, coyotes, lizards, snakes, and bighorn sheep frequently visit the Project area. Nelson’s Bighorn Sheep are often seen at the property. The bighorn sheep prefer steep, rocky terrain as a means to escape predators. The re-vegetated area of the property provides bighorn with a food source. The water guzzler at the mine provides the sheep and other wildlife with a water supply through the summer months.

The Federal and State listed “threatened” desert tortoise habitat is found in some portions of the Project area. Tortoises occupy a variety of habitats from flats and slopes dominated by creosote bush scrub at lower elevations to rocky slopes in higher elevations dominated by black brush scrub and juniper. They can be found in elevations from sea level to 7,300 ft and prefer elevations between 1,000 ft to 3,000 ft. Federal law prohibits activities resulting in harm to listed species and provides significant penalties for violations. However, the law also provides procedures for legally impacting threatened or endangered species under certain circumstances.

The need to protect the desert tortoise during construction and operation of the mine was a major concern during the environmental permit reviews. The previous operators committed to specific Project changes in the 1990 and 1998 EIS/EIRs. For example, Project facilities were located away from areas of high tortoise population density; any tortoises found on the site prior to disturbance of an area are safely relocated to a location providing suitable habitat; the site has been fenced, and fencing was extended when mining activity expanded; potential raven predation is controlled, and employee vans and buses will continue to be used to reduce traffic volumes through tortoise habitat. An education program outlining information on desert tortoises and the responsibilities of Castle Mountain Venture workers and subcontractors is required to be implemented. Mitigation included providing alternative road access to the site, the installation of tortoise proof fencing, surveying all undisturbed areas prior to construction, and restrictions on vehicle traffic use and volumes. Further mitigation included the retirement of grazing rights for CMM held parcels of land and the acquisition of 745 acres of private land (Crescent Peak) to be managed for the benefit of desert tortoises. The land in the Ivanpah Valley was sold to Clark County through the Nature Conservancy. Consequently, during both environmental assessment reviews (1990 and 1998) of the Project, the Fish and Wildlife Service (USFWS) determined that the Project would not result in "jeopardy" or harm to the desert tortoise population. As noted above the property and areas adjacent to the portion of the access road in California comprise low quality desert tortoise habitat (i.e., because of the high elevation of the site).

CULTURAL RESOURCES

Cultural resources are places or objects that are important for scientific, historic, and/or religious reasons to cultures, communities, groups, or individuals. Cultural resources include historic and prehistoric archaeological sites, architectural remains, structures, and artifacts that provide evidence of past human activity and places of importance in the traditions of societies or religions. Section 101 of the National Historic Preservation Act (NHPA) establishes procedures for determination of eligibility for listing historic and archaeological sites on the National Register of Historic Places (NRHP).

The earliest dated period of human occupation in the eastern Mojave Desert is estimated to be over 10,000 years following the last period of glaciation. As the climate became warmer and more arid, subsistence practices caused the inhabitants to change their way of life and became a more migratory society. The final period of human occupation in the region prior to Euro- American expansion was the Shoshonean Period. Southern Piute groups migrated southward replacing the Mojave groups.

In 1908, gold mine development in proximity to the Castle Mountain Mine deposit created the town of Hart, one of several towns established in the Lanfair Valley. The population of the town ranged from 400 to 700 within two months of its founding. The 1910 census listed 40 residents and shortly thereafter was abandoned.

Cultural resources field studies were undertaken as part of the environmental assessment reviews to identify if there were any significance and potential sites to be considered for inclusion in NRHP and/or the California Register of Historic Resources (CRHR). The field studies evaluated both historic and prehistoric resources at the Project site. Approximately 48 sites were identified. Mitigation measures excluded certain sites from mine development. A chain link fence was built around the Hart townsite cemetery. A three hundred foot buffer zone separated the cemetery from the North Overburden Site. Future Project design activities will acknowledge and accommodate all historic and prehistoric resources found on the site.

During previous operations, no paleontological or archaeological deposits were uncovered during the construction and operational phases of the mine.

MOJAVE NATIONAL PRESERVE

In 1994, the Mojave National Preserve was established through the California Desert Protection Act. The Preserve is managed by the National Park Service and is comprised of 1.6 million acres to the north, west and south of the mine. The Project is bounded on all sides by a 22,000 acre buffer zone administrated by the Bureau of Land Management.

ENVIRONMENTAL MONITORING

During the operational phase of the Project, environmental monitoring data was collected and interpreted either as part of the licensing regime or as part of the previous operator's internal management and monitoring commitments.

The main monitoring elements included the following parameters:

- Ground water elevations in water production wells and regional monitoring wells;
- Groundwater quality in monitoring wells located near the leach pad and mining operations;
- Vegetation inventories and propagation of indigenous plant communities;
- A dedicated program surveying the movements and tracking of desert tortoise; and
- Wildlife monitoring surveillance programs.

During the previous operations there was a complete set of management plans addressing regulatory requirements. The EIS/EIR documents included predicted ambient air quality concentrations at the zone of impingement. Air quality monitoring was not required during operations because discharge limits were based on point source emission factors and the isolated location of the Project area.

SUPPLEMENTAL MONITORING REQUIREMENTS

As the Project prepares for reactivation, there are additional baseline studies and supplemental environmental information required.

The main information requirements for startup of the Static and Base case includes the following:

- The integrity of the heap leach pad to re-activate the water discharge license approval for the operation of the heap leach pad;
- A plant inventory and desert tortoise survey is required for the water, power and road access corridors; and
- Baseline water quality and quantity in the production and monitoring wells.

PROJECT PERMITTING AND PERMITTING PROCESS

COMPLETION OF THE FEDERAL AND STATE ENVIRONMENTAL ASSESSMENT REVIEW PROCESSES

All permits were in place when the Castle Mountain Mine was operating. Since 2001, the mine has been maintained on idle status. During this period the environmental review permits issued after the Project was released from the County and State environmental assessment processes were maintained. Also, all fees have been paid and all applicable permits and authorizations have been maintained by Castle Mountain Mining.

There are two environmental assessment processes required to assess the potential project effects resulting from mine development: The California Environmental Quality Act (CEQA) and the Federal National Environmental Policy Act (NEPA). The federal lead agency with responsibility for the Project is the Bureau of Land Management ("BLM"). The California State lead agency for the Project is the County of San Bernardino ("County").

One environmental review document, the Environmental Impact Statement / Environmental Impact Review (EIS/EIR) is prepared to address the requirements of both agencies. Federal, State, County and municipal officials as well as the public review the documents. As part of the public involvement process, a Notice of Intent on the proposed action is published in the Federal Register. If the Project is approved then each of the lead agencies prepares their respective approvals. The County issues a Conditional Use Permit and Mining and Reclamation Plan. The BLM issues a Record of Decision. Once these permits have been granted, the Proponent can apply to agencies who issue "operational" permits and authorizations.

In 1990, the EIS/EIR was approved for the Castle Mountain Mine. In 1998, the previous operator underwent another joint review process to allow for the expansion of the operations. In both cases a series of environmental component reports were completed covering all aspects of the biophysical and socio economic environment of the Project and the potential impacts were assessed.

In the case of the 1998 environmental assessment review, two public scoping meetings were conducted. Over 330 copies of the Draft EIS/EIR were distributed. During the 60-day review period, two public hearings were held on the Draft EIS/EIR. The Final EIS/EIR was distributed to the public, agencies, and organizations who had expressed an interest in the Project. The availability of the documents and issues raised during the public meetings were published in local and regional media. The issues of primary concerns which arose during the 1998 public review process included reclamation and backfilling of the open pits; compliance under the current permit; phasing of operations and changes to groundwater monitoring at Piute Springs. These concerns were addressed in the Final EIS/EIR.

The County and BLM consult with each other to ensure that the Project meets applicable State of California, San Bernardino County laws and regulations, and Federal government legislation prior to approving the Project. After the 1998 environmental review was completed, the approvals and permits granted by the authorizing agencies were updated.

The environmental assessment permits issued by the County and BLM are shown below:

- San Bernardino County, Department of Lands: Conditional Use Permit. SAMR/88-003/DN585-1145N; Reclamation Plan 90M-013;
- Bureau of Land Management: Record of Decision, Castle Mountain Mine Expansion Project San Bernardino County, California Environmental Impact Statement No. DES 97-10 State Clearinghouse No. 95081031, March 13 1998; and
- Bureau of Land Management: Record of Decision, Castle Mountain Mine Expansion Project San Bernardino County, California Environmental Impact Statement No. DES 97-10 State Clearinghouse No. 95081031, July 1, 1998.

These permits are still in effect. In July 2013, the County extended the operational term of the Conditional Use Permit from 2020 to 2025.

Under these approvals, there are a number of documents that provide the basis of other permits or explain the reasons for conditions stipulated in the Conditional Use Permits and Records of Decision.

These documents include:

- The Castle Mountain Mine Expansion Project Draft EIS/EIR (March 1997) which incorporates the Castle Mountain Project Draft EIS/EIR (February 1989) and the Castle Mountain Project Final EIS\EIR (August 1990));
- Castle Mountain Mine Expansion Project Final EIS/EIR (October 1997);
- The Castle Mountain Mine Plan Amendment Application, including the Reclamation Plan (August 14, 1997);
- Preliminary Report of National Register of Historic Places/California Register of Historical Resources Eligibility Evaluation of Archaeological Site CA SBR-3060/H (August 1997);
- U.S. Fish and Wildlife Biological Opinion (August 1990) (1-6-90-F-24);
- U.S. Fish and Wildlife Biological Opinion (August 1990) (I -6-90-F-24R); and

- U.S. Fish and Wildlife Biological Opinion (February 1998) (1-8-97-F-37).

Castle Mountain has also retained water rights for 11 locations and have maintained annual payments to keep the water rights active with the California Environmental Protection Agency – State Water Resources Control Board.

During the Static Case, Castle Mountain will restrict its activities to the areas identified in the existing permits (Figure 20-1). For the Base Case, Castle Mountain will seek minor variations to the boundaries of the impacted areas but not exceed the boundaries of the environmental assessed and impacted areas identified during the previous environmental review. For the Unconstrained Case, Castle Mountain would need to file a new environmental assessment under State and Federal requirements. Table 20-1 summarizes the permitting requirements for each Project phase.

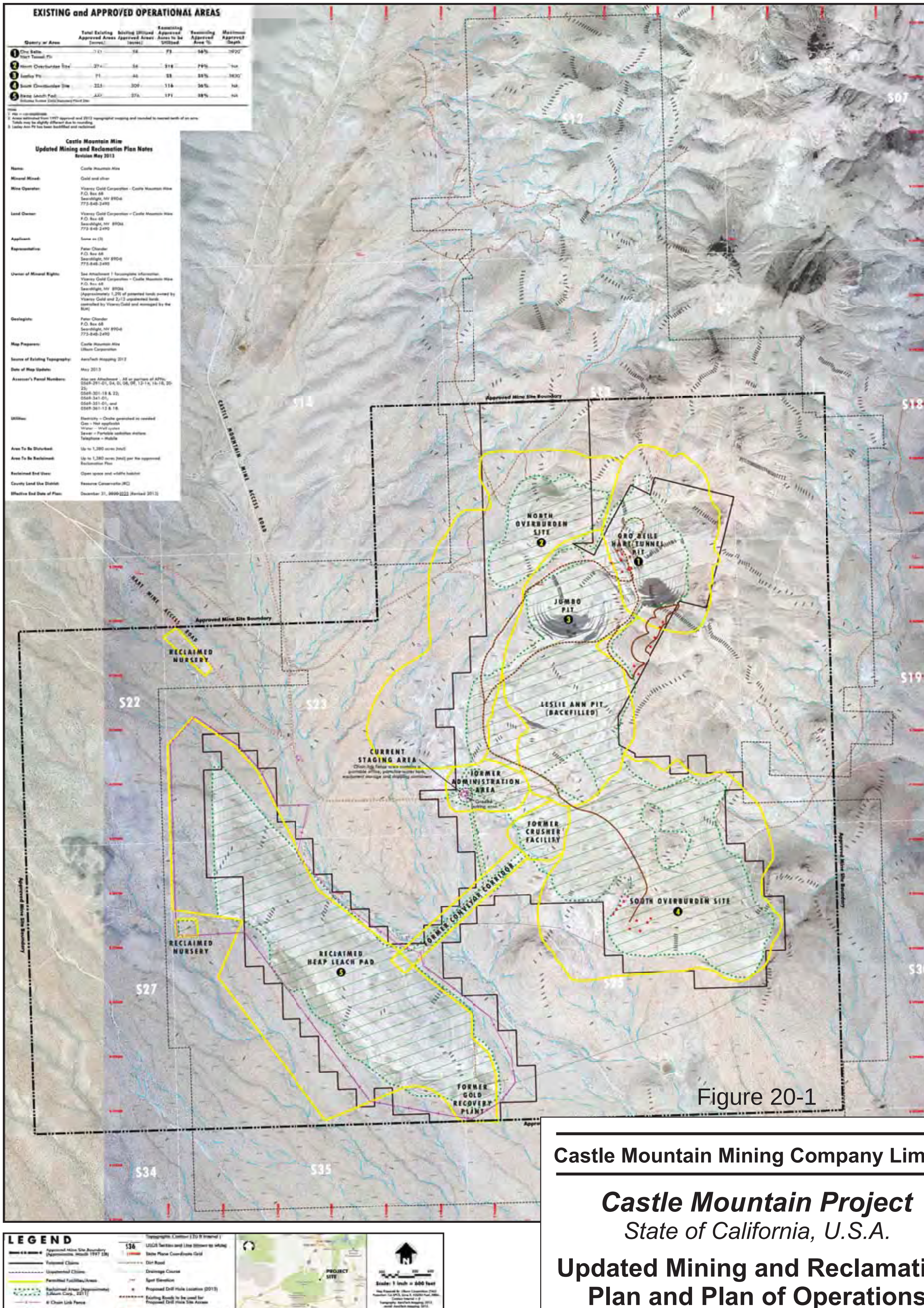


Figure 20-1

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Updated Mining and Reclamation Plan and Plan of Operations

May 2014 ***Source: Castle Mountain Mining Company, 2013.***

TABLE 20-1 PROJECT PHASES AND PERMITTING REQUIREMENTS
Castle Mountain Mining Company Limited - Castle Mountain Project

	Environmental Assessment processes	Operating Permits	Comments
Static case	Adhere to the requirements of the current Conditional Use Permit and Record of Decisions.	Re-apply for operating permits that have expired or terminated based on the mitigation measures previously identified.	Most operational permits will take three to six months to obtain, once the application is submitted to the appropriate agencies
Base Case	Adhere to the requirements of the current Conditional Use Permit and Record of Decisions.	Seek amendments for minor modification to protect activity that occurs within the previously assessed Project footprint.	The amendments to the permits will be minor as to not trigger a project wide environmental assessment.
Unconstrained case	Undertake new State and Federal environmental assessment process based on project activity.	Once the environmental assessment is completed, apply for the operating permits.	The timing for completion of an environmental assessment is two to three years, once the Draft EIS/EIR is submitted to the regulatory authorities.

EXPLORATION PERMITS

In 2013, Castle Mountain obtained permission from the Bureau of Land Management to undertake an exploration drilling program (Decision Record: DOI-BLM-CA-D090-2013-0105-DNA). Phase I was conducted early in 2013 and consisted of 30 drill holes and approximately 6.3 acres of disturbance. Phase II approval was obtained on September 13, 2013 allowing for sixty (60) drill holes to be drilled on patented and unpatented lands, and will generally re-impact areas and roads previously disturbed. The reclamation bond for 30 acres has been issued to the County and the BLM.

OPERATING PERMITS

Once a project has been released from the environmental assessment process, the proponent can apply for the construction and operating permits. The Viceroy mine acquired all relevant operating permits commencing in 1990 until the mine closed in 2001. Dismantling and active closure continued until 2005 followed by a three to five year performance monitoring period. Because of the uncertainty of when the mine would reopen, all infrastructure, save for a few minor items, were dismantled and removed from the site. While the site was successfully reclaimed, the previous operator retained certain permits in the event of re-activation of the mine. Castle Mountain is in the process of preparing applications for certain permits in anticipation of making a favorable production decision.

Prior to re-starting operations, the County of San Bernardino Land Use Services Department will be notified and a revised Plan of Operations will be prepared. Most "operational" permits take three to six months to obtain after the application is submitted. Once the Project schedule is defined, permit applications for permits that require a long lead will be submitted as early as possible so as to not impede the construction schedule. Castle Mountain has been in contact with the key regulatory authorities on the content of the permit applications and process timing.

BLM RIGHT OF WAYS

Rights of ways are required for the water pipelines, access roads and power line transmission corridors. Some of the rights of ways permits have expired. Castle Mountain has maintained the Nevada portion of the right of way access until 2016, and use of BLM roads in California is included in the Decision Record for the exploration drilling program.

AIR MANAGEMENT

The Mojave Desert Air Quality Management District (MDAQMD) requires all equipment with the potential to emit air pollutants (including air toxins and hazardous air pollutants) to be permitted prior to construction and operations. These permits are known as "Authorities To Construct" (ATCs) and "Permits to Operate" (PTOs). A New Source Review (NRS) is undertaken pursuant to District Regulation XIII. Once Castle Mountain is aware of the types of equipment and air emission devices that will be used, an application is made to MDAQD. MDAQD will inform the applicant within 30 days if the application is complete, then the permit is issued within the following 30 days. If the permit is complicated then a longer time period may be required. Castle Mountain expects the permits will be issued six months after the application is submitted.

The previous air permits held by the previous operators have expired. Air permits are renewed annually. The permit's conditions of approval are based on source emissions standards. Therefore, the previous air quality modelling is sufficient for the Static and Base Cases. Permit conditions are derived from Federal, State and District laws, rules and regulations, as well as site specific operating procedures.

Mobile equipment permits and air emission permits for equipment used on a temporary basis (i.e. one year) are issued by the California Environmental Protection Agency, Air Resources Board (ARB).

WATER MANAGEMENT

The California Regional Water Control Board, Colorado River Basin Region (RWQCB) regulates water quality, pursuant to California Water Code, for a point source discharge of wastewater to land and surface waters. The RWQCB also manages use and application of water on the heap leach pad. If the discharge could affect California's surface waters, an NPDES Permit is required. For discharges of wastewater to land, Waste Discharge Requirements will be issued. Each Permit contains liquid effluent limitations which ensure the protection of the quality of the receiving waters.

In the case of the heap leach pad approval, provisions incorporated in the licensing conditions may include the requirement for impermeable synthetic liners for process solution basins and heap leach pads, sealed drainage and collection facilities to transport or contain leaching solution, diked leach pads to confine and control drainage from the leach piles, storage basins with adequate freeboard to safely contain storm run-off from within the heap leach system, drain down of solution from the leach pads in the event of a pumping failure and leakage detection monitoring systems for the leach pads, emergency solution storage and storm water storage basins.

In some cases, the RWQCB may waive site specific discharge permits if the activities can be handled through enrollment in an existing general permit.

When the previous mining operation began, the initial Water Discharge Permit (no. 91-002) was issued on January 16, 1991. This original Board Order was modified on June 10, 1999 (no. 99-015) upon completion of the environmental assessment for the site expansion and finally in June 2005 another amendment was made to address the reclamation activities.

The RWQCB approved the detoxification of the heap leach pad in September 2003. Nutrients were added in 2003 and 2004 for detoxification of the pad. Solution circulation pumps were shut off in August 2005. Decommissioning of the solution storage facilities occurred in 2005. In 2010, RWQCB concluded all closure requirements outlined in Board

Order No. R7-2005-0092 had been completed for the Castle Mountain Mine Site. The monitoring wells were properly abandoned later that year.

Upon discussions with the RWQCB, Castle Mountain will seek re-activating the previous permit (Order NO 99-015: Waste Discharge Requirements) issued to the Company.

SITE MANAGEMENT

Listed below are some of the permits, authorizations, codes and regulations that will be required for a potential future operation. A complete list of permitting requirements will be prepared during the next stage of Project development.

- Use of above ground fuel storage tanks requires the preparation of a contingency plan for secondary containment of potential leaks.
- The San Bernardino County Fire Department issues a permit for the safe use of hazardous materials or when hazardous wastes are generated.
- The previously approved water production wells are still available for use. Castle Mountain requires approval from the County of San Bernardino Department of Public Health Services for installing new and rehabilitating existing water wells.
- Castle Mountain will comply with the rules and regulations prepared by the County of Environmental Health Services (DEHS).
- Castle Mountain will comply with the California Building Standard Code administrated by the California Building Standards Commission.
- Castle Mountain will require Building permits issued by the San Bernardino County Land Use Services and Building and Safety California code of Regulations Title 24.
- Nation-wide permits are required for construction and maintenance of roads.
- A Streambed Alteration Permit was issued for the previous operation and has since expired. An update will be required.
- The explosive powder magazine will be constructed, and explosives stored and used, in accordance with Federal and local requirements.

WASTE MATERIALS MANAGEMENT

As part of the reclamation activities, demolition permits were obtained and septic systems were demolished as per County regulations. An application for the site sewage system will be submitted for approval to the County of San Bernardino Department of Environmental Health and Safety.

Non-hazardous waste will be hauled off site by licensed truckers. Hazardous wastes will be removed from site using procedures approved by the California Department of Health Services and the U.S. Environmental Protection Agency by an approved hazardous waste handler. Waste oil will be hauled off site for recycling. The Viceroy Castle Mountain Mining Toxic Release Inventory number used during previous operations is TRI Facility – 92309VCRYG11557.

MANAGEMENT PLANS

Castle Mountain has a Storm Water Pollution Prevention Plan (SWPP) in place at the site. As part of the permit approval process all management plans including the Spill Prevention Control and Countermeasures Plan (SPCCP) will be updated as part of the permit applications.

SOCIAL AND COMMUNITY IMPACT ASSESSMENT

The Project site is located near the California/Nevada border. As noted above, it is essentially surrounded by Mojave Desert Preserve, restricting the amount of activities allowed within the region. Low density land use activities prevail in the desert areas of eastern San Bernardino County, California and in the adjacent southern Clark County, Nevada. Livestock grazing, mining, recreation/tourism, and recently solar farms occur in the surrounding area. Transportation and transmission facilities, including interstate and State highways and County and local roads, railroads, power transmission lines, utility pipelines, and communication stations, are also located throughout the region. Mining has been a continuous activity in eastern San Bernardino County and southern Clark County for the past century. Many existing and former towns were founded as mining communities, including Searchlight and Crescent in Nevada, and Hart and Ivanpah in California. Recreation activities involve casual use, oriented toward the observation and enjoyment of the area's scenery and natural or historic resources. Activities include off highway vehicle touring, sightseeing, hiking, bird watching, and rock collecting.

Small communities are scattered throughout this region of the Mojave Desert. For the most part, these communities are closely tied to major transportation corridors, such as Interstate 15, Interstate 40, and the Union Pacific and Southern Pacific Railroads. Towns such as Baker and Needles provide services to highway travelers, and are long-established railroad and trade/service centers for the surrounding desert region. Some communities within the area are becoming increasingly tourist oriented, gambling destinations, and retirement communities. Privately owned lands are interspersed in the desert area although these residences are becoming less common. Public services in the desert communities of eastern San Bernardino County are limited. In California, Baker and Mountain Pass have educational, limited fire response, and police services. In Nevada, Searchlight and Laughlin have libraries, fire departments, some educational and police, and ambulance services and community medical facilities. Other services, including hospital and high school and college educational services are available only within the larger urban centers provide a full range of public services and facilities. These urban centers include the communities within Las Vegas Valley and Barstow and Victorville/Apple Valley on the western edge of the Mojave Desert.

There is no housing or public services at the mine site. During the previous operations most of the employees lived in Nevada. However, goods and services were obtained from both Clark County and San Bernardino County.

Other than mining employment, most workers in the desert are employed in industries such as tourism, highway trade and services or, in the case of southern Clark County, the gambling industry. Once operational, the mine is expected to employ an average of 321 people per year (Base Case scenario). A site requirement was seventy-five percent of the work force shall travel to and from the mine site by a bus or van pool.

Castle Mountain has initiated contact with government officials. Once further Project details are established, Castle Mountain will begin consultation with adjacent communities, environmental associations and other interested parties.

MINE CLOSURE AND REHABILITATION

MINE CLOSURE AND REHABILITATION

Both San Bernardino County (No. 90M-013) and BLM have reclamation obligations included in their approvals. The Surface Mining and Reclamation Act (SMARA) outlines the State's regulatory requirements. The State Office of Mine Reclamation provides assistance to the County for reclamation planning. BLM reclamation requirements are outlined in 43 CFR 3809.1 -5 c (5) and in the Records of Decision.

Castle Mountain has filed a series of updated Reclamation Plans pursuant to the permit requirements. The initial Reclamation Plan was submitted in September 1990, a revision was approved in January 1998. During the previous operations, reclamation activities included a formal revegetation research program; salvaging plants and cacti for later transplantation; establishing a greenhouse/nursery; creating a propagation area for native plants; local seed collection; and maintaining several control areas at various representative re-vegetated sites across the mine. A research program to identify and test for successful desert revegetation and reclamation techniques was instituted by the previous operators. Research topics included seed treatment and germination; plant propagation; pest management; plant salvage; soil stockpile management; plant hormone use; vesicular-arbuscular micorrhizae use; plant/water relationships; plant spacing patterns; and density, diversity, herbivory, and irrigation design. The previous operators also established native nurseries including greenhouses to support research of site-specific revegetation efforts, such as plant propagation for revegetation. The nursery-grown plants and salvaged plants grown in the Castle Mountain Mine greenhouse were transplanted onto rehabilitation areas around the property.

As part of the licensing requirements, the previous operators established a Revegetation Review Committee in 1991. The Committee consisted of an arid lands revegetation expert, a geologist/hydrologist and an arid lands ecologist, three representatives of the environmental community and one representative each of the County, the BLM and the State Division of Mines and Geology, and the Company. The Committee reviewed the annual revegetation reports filed by the Company, interpreted the information contained in these reports, recommended actions to increase the success of revegetation efforts, and recommended to the County and the BLM modifications to the revegetation standards.

Interim reclamation activities commenced in June 2001 and continued through 2005. Most site infrastructure including maintenance/electrical shops, administration/warehouse buildings, primary/secondary/tertiary crusher facilities, laboratory, refinery and change buildings were removed from the site. At the request of the government agencies, a 250,000 gallon water tank, some of the water production wells and various access roads (as part of the region's fire prevention efforts) were not reclaimed.

Site reclamation commenced during the fall of 2000 and continued through to 2005. Overburden piles were re-contoured to conform to requirements of the regulating agencies. The heap leach piles were constructed to provide vertical relief by stacking at different total heap heights. The north and south overburden piles had mounds added to the surface to create vertical relief. Placement of overburden to cover the north and south clay pits was undertaken. The addition of cyanide, lime or sodium hydroxide to the leach pads was discontinued in 2003. Leach pad reclamation (rinsing, detoxification, and certification as waste rock) occurred until 2005 when the heap leach pad received Class "C" waste designation. Then, all solution tanks, storage basins, netting, and collection ditches were reclaimed in 2005. All mining equipment was removed from the site. In 2010, the power transmission line was removed.

Over 2,000 plants were transplanted in the rehabilitation areas in 1996 and an additional 8,203 plants were transplanted in 2001. Native seed was collected in the immediate area of the mine. In 2005-2006, 1,242 plants were transplanted to the heap leach area. Areas of the reclaimed mine were aerially or hand-broadcast seeded with native seeds. By 2005 the Company had satisfied the revegetation objectives for plant density, diversity and aerial extent of cover.

The extensive efforts made to revegetate the site, as near to its natural state as possible, have produced excellent vegetation communities that closely match the species richness and diversity of the surrounding natural landscape.

FINANCIAL SURETY

Throughout the operations, the pervious operators posted financial assurance jointly with the County of San Bernardino (the County) and the BLM, to ensure compliance with all of the conditions of the Plan of Operations and the Mine and Reclamation Plan. The bond or a portion of the bond is released to the previous operators once certification that the reclamation required is complete. The County administers the bond for both agencies. The amount of the financial surety is reviewed annually. Approximately $180,000 is held by the County to complete reclamation requirements for the ongoing exploration activity. The BLM is also include in coverage of the bond.

During the previous operations, the RWQCB held a bond in the amount of $400,000 for the operation of the heap leach pad. A similar bond is anticipated when the heap leach pad is reactivated.

21 CAPITAL AND OPERATING COSTS

Capital and operating costs for the Project have been estimated using a zero-based model. Design criteria and unit costs used in the model have been drawn from the public domain and non-public disclosure of peer operations (mainly open pit heap leach operations located in the US South West) and also include budgetary estimates from mining equipment OEMs.

The Base and Static cases both include some used equipment in the initial fleet of mine equipment. The specific units are currently available and indicative prices have been provided. The total cost for used equipment also includes provision for transport to the Castle Mountain site and assembly. There is potential to source additional units of used equipment and thus reduce the current estimate. It has been assumed that all new mining fleet would be leased, based on indicative terms provided by the OEMs.

The estimate of initial capital costs includes all cash expenditures that would be incurred prior to the start of process operations, including:

- The down-payment for all new mining fleet acquired prior to the start of process operations, along with any lease charges that would also be incurred prior to the start of process operations. Lease charges incurred after the start of process operations are categorized as either Expansion or Sustaining capital.
- The full cost for all other fleet, plant and infrastructure that would be acquired prior to the start of process operations.
- Mine operating costs associated with pre-stripping of waste.
- General and administration (G&A) operating costs associated with overall site management.

Operating costs assume Owner-operated fleet. During the next stage of study, the potential benefits of using contractors will be investigated.

The salvage value of fleet and plant at the end of Project life has been estimated. As will be discussed in the following chapter, the estimated salvage value has been applied against the closure costs in order to reduce the amount that must be bonded.

CAPITAL COSTS

SUMMARY

Table 21-1 provides a summary of total capital costs for each of the cases.

TABLE 21-1 CAPITAL COST SUMMARY
Castle Mountain Mining Company Limited - Castle Mountain Project

Initial Capital	Units	Static	Base	Unconstrained
Mining	US$ 000s	40,689	40,689	107,063
Process	US$ 000s	23,550	23,550	173,724
Infrastructure	US$ 000s	9,613	9,613	19,184
Sub-Total Directs	**US$ 000s**	**73,852**	**73,852**	**299,971**
Indirects	US$ 000s	10,505	10,505	57,227
Contingency	US$ 000s	14,123	14,123	64,014
Total Initial Capital	**US$ 000s**	**98,480**	**98,480**	**421,212**
Expansion Capital				
Mining	US$ 000s	0	57,241	0
Process	US$ 000s	0	57,018	0
Infrastructure	US$ 000s	0	8,998	0
Sub-Total Directs	**US$ 000s**	**0**	**123,257**	**0**
Indirects	US$ 000s	0	25,257	0
Contingency	US$ 000s	0	24,024	0
Total Expansion Capital	**US$ 000s**	**0**	**172,538**	**0**
Sustaining Capital				
Mining	US$ 000s	70,002	178,398	229,986
Process	US$ 000s	8,669	48,393	85,025
Site General	US$ 000s	10,830	23,267	24,331
Total Sustaining Capital	**US$ 000s**	**89,501**	**250,058**	**339,343**
TOTAL CAPITAL	**US$ 000s**	**187,981**	**521,076**	**760,555**

MINING CAPITAL

The following items are included within the capital estimate for the mining area:

- Used equipment, including:
    - 4 x blast hole drills
    - 2 x hydraulic excavators
    - 2 x front end loaders
    - 5 x 170t haul trucks
- New production equipment that would be leased, including:
    - blast hole drills

- explosives trucks
- hydraulic excavators for loading ore
- rope shovels for loading waste
- 170t haul trucks for hauling ore
- 230t haul trucks for hauling waste
- tracked dozers
- wheeled dozers
- graders
- water tankers
- front end loaders

- Smaller ancillary equipment that would be purchased outright (including crew buses, service trucks and pick-ups)
- Pre-Stripping
- The Workshop

Table 21-2 provides a summary of total mine costs for each of the cases.

TABLE 21-2 MINING CAPITAL
Castle Mountain Mining Company Limited - Castle Mountain Project

Mining Initial Capital	Units	Static	Base	Unconstrained
Used Fleet	US$ 000s	6,972	6,972	n/a
New Fleet	US$ 000s	2,878	2,878	42,462
Ancillary Equipment	US$ 000s	4,735	4,735	5,010
Pre-Stripping	US$ 000s	25,804	25,804	53,571
Workshop	US$ 000s	300	300	6,020
Sub-Total Mining Initial	**US$ 000s**	**40,689**	**40,689**	**107,063**
Mining Expansion Capital				
New Fleet	US$ 000s	0	56,116	0
Ancillary Equipment	US$ 000s	0	675	0
Workshop	US$ 000s	0	450	0
Sub-Total Mining Expansion	**US$ 000s**	**0**	**57,241**	**0**
Mining Sustaining Capital				
New Fleet	US$ 000s	69,252	176,873	212,411
Ancillary Equipment	US$ 000s	150	775	1,175
Workshop	US$ 000s	600	750	16,400
Sub-Total Mining Sustaining	**US$ 000s**	**70,002**	**178,398**	**229,986**
TOTAL MINING CAPITAL	**US$ 000s**	**110,692**	**276,329**	**337,049**

The following should be noted:

- Lease rates for mining equipment assume a down payment of 25% with the remaining principal being repaid over 5 years with an interest rate of 5%.
- Given the favourable climate, the workshop for both the Static and Base cases assumes a concrete floor with walls and the roof consisting of a tensioned fabric structure. The resulting cost per bay of this facility is approximately 10% that of a conventional workshop, which has been assumed for the Unconstrained Case.
- For the Static and Base cases, pre-stripping is limited to the Jumbo pit where a total of 14.9 Mt is pre-stripped. The Unconstrained Case assumes pre-stripping in both Jumbo and OB pits, with pre-stripping totalling 42.3 Mt.

PROCESS CAPITAL

Table 21-3 provides a summary of process capital costs for each of the cases.

TABLE 21-3 PROCESS CAPITAL
Castle Mountain Mining Company Limited - Castle Mountain Project

Process Initial Capital	Units	Static	Base	Unconstrained
Crushing	US$ 000s	5,000	5,000	94,120
Conveyors	US$ 000s	0	0	11,681
Leach Pad	US$ 000s	9,159	9,159	9,159
Gold Recovery	US$ 000s	9,391	9,391	13,780
Mill	US$ 000s	0	0	44,984
Sub-Total Process Initial	**US$ 000s**	**23,550**	**23,550**	**173,724**
Process Expansion Capital				
Crushing	US$ 000s	0	5,000	0
Conveyors	US$ 000s	0	16,322	0
Leach Pad	US$ 000s	0	429	0
Gold Recovery	US$ 000s	0	4,849	0
Mill	US$ 000s	0	30,418	0
Sub-Total Process Expansion	**US$ 000s**	**0**	**57,018**	**0**
Process Sustaining Capital				
Conveyors	US$ 000s	0	5,074	11,186
Leach Pad	US$ 000s	8,669	43,319	73,840
Sub-Total Process Sustaining Capital	**US$ 000s**	**8,669**	**48,393**	**85,025**
TOTAL PROCESSING CAPITAL	**US$ 000s**	**32,219**	**128,961**	**258,749**

The following should be noted:

- Crushing for the Base and Static cases would be performed using mobile units sized at a nominal throughput of 1,000 tonnes/hr. The Unconstrained Case assumes the fixed plant described in Chapter 17, consisting of a 54” x 74” gyratory primary crusher, 4 x 7’ shorthead cone secondary crushers and 7 x 7’ heavy duty shorthead cone tertiary crushers. The front end loader required for rehandle at the mobile crushers has been included under mining capital.

- The front end loader and trucks required for transporting crushed material to the leach pads for Base (initial stage) and Static cases is included in Mining Capital.

INFRASTRUCTURE CAPITAL

Table 21-4 provides a summary of infrastructure capital costs for each of the cases.

TABLE 21-4 INFRASTRUCTURE CAPITAL
Castle Mountain Mining Company Limited - Castle Mountain Project

Infrastructure Initial Capital	Units	Static	Base	Unconstrained
Power Supply[1]	US$ 000s	247	247	8,793
Water Supply[2]	US$ 000s	1,778	1,778	2,803
Roads[3]	US$ 000s	3,059	3,059	3,059
Buildings and Offices	US$ 000s	2,332	2,332	2,332
Storm Water Drainage	US$ 000s	1,410	1,410	1,410
Other	US$ 000s	787	787	787
Sub-Total Infrastructure Initial	**US$ 000s**	**9,613**	**9,613**	**19,184**

Infrastructure Expansion Capital	units	Static	Base	Unconstrained
Power Supply[1]		0	8,793	0
Water Supply[2]		0	205	0
Sub-Total Infrastructure Expansion		**0**	**8,998**	**0**

Notes:
1. Included powerline, generators, subs and site distribution
2. Includes wells, pumping and storage
3. Includes access road and site roads.

INDIRECTS AND CONTINGENCY

Indirect capital costs are expected to be low as a result of the following positive factors:

- The design is based on the historical operation for which a large amount of data and engineering is available.

- The site is in close proximity to major supply and distribution centres (notably Las Vegas / Henderson).

- It has been assumed that there is no requirement to house workers in a camp.

Indirect costs have been estimated by applying the following factors to all construction direct costs (i.e., direct costs, excluding the cost of mining fleet and pre-stripping):

- Engineering, Procurement and Construction Management (EPCM) = 12%.
- Construction Facilities = 4%
- Construction Services (including freight & shipping) = 4%
- Commissioning and Start-Up = 3%
- Spares and First Fills = 5%

Indirect costs also include Owners Costs, which have been estimated by first principles to range from $1.1 million (for the Base and Static cases) to $1.5 million for the Unconstrained Case.

Contingency has been estimated as follows:

- Mining Fleet = 10%, which reflects the well-defined design criteria for various units considered and the budgetary quotations provided by OEMs.

- Pre-Stripping = 15%, reflecting that pre-strip requirements are based on practical pit designs and have been generated using a zero-based operating cost model.

- All other items = 20%, which reflects the more conceptual nature of designs and use of benchmarks to arrive at costs.

OPERATING COSTS

SUMMARY

Table 21-5 provides a summary of average life-of-mine operating costs for each of the cases.

TABLE 21-5 OPERATING COST SUMMARY
Castle Mountain Mining Company Limited - Castle Mountain Project

Item	Units	Static	Base	Unconstrained
Mining total	US$/tonne mined	1.84	1.54	1.47
less capitalized pre-strip[1]	US$/tonne mined	0.12	0.02	0.05
Mining expensed	US$/tonne mined	1.72	1.51	1.42
Mining expensed	**US$/tonne process feed**	**9.14**	**11.94**	**7.09**
Processing	**US$/tonne process feed**	**5.73**	**4.87**	**3.54**
Milling	US$/tonne mill feed	0.00	6.70	6.34
Leaching	US$/tonne leach feed	5.73	4.07	2.91
G&A	**US$/tonne process feed**	**0.98**	**0.73**	**0.32**
Total Site Operating Costs	**US$/tonne process feed**	**15.84**	**17.55**	**10.96**

Notes:
1. Prestrip of 14.9 Mt (Static and Base Cases) and 42.3 Mt (Unconstrained Case).

MINING OPERATING COSTS

Mining operating costs have been estimated from first principles and have been calibrated against costs reported by current operations. The mining cost for Castle Mountain is expected to be low as a result of the following:

- Average 1-way haulage distances. The strategy of sequential mining and tipping current waste into previously mined out pits results in relatively short hauls.
- The tonnage of free-digging. Approximately 10% of the total expit material for each case is comprised of in-situ alluvium or waste rock used from the historic operation (placed either as backfill within the JSLA pit or within surface waste dumps that would be excavated to access underlying mineralization). This material would not require drilling and blasting.
- Use of rope shovels and 290t trucks for loading and hauling waste (Base and Unconstrained cases only). The cost per tonne for this equipment is expected to be approximately 20% lower than the hydraulic excavators and 170t trucks used for mining process feed, where greater selectivity has been assumed to be required.

Average Life-Of-Mine (LOM) mining operating costs are summarized in Table 21-6.

TABLE 21-6 MINE OPERATING COST
Castle Mountain Mining Company Limited - Castle Mountain Project

Total Mine Operating Cost	Units	Static	Base	Unconstrained
Total Mined	**000 tonnes**	**213,770**	**1,044,273**	**1,044,273**
Average 1-Way Haulage Distance	**metres**	**2,048**	**2,719**	**2,878**
Average Mining Rate	**000 tpd**	**81**	**166**	**223**
Drilling	US$ 000s	48,883	235,867	232,135
Blasting	US$ 000s	43,089	195,115	191,024
Loading	US$ 000s	51,993	152,719	141,577
Hauling	US$ 000s	137,038	707,473	719,442
Support Equipment	US$ 000s	38,652	90,903	68,922
Maintenance	US$ 000s	38,259	136,848	121,991
Management & Technical	US$ 000s	36,288	84,844	62,822
Sub-Total	**US$ 000s**	**394,203**	**1,603,768**	**1,537,913**
Less Capitalized Pre-Strip				
Drilling	US$ 000s	3,386	3,386	8,468
Blasting	US$ 000s	3,030	3,030	7,509
Loading	US$ 000s	3,939	3,939	5,206
Hauling	US$ 000s	5,063	5,063	15,553
Support Equipment	US$ 000s	3,922	3,922	6,241
Maintenance	US$ 000s	2,978	2,978	4,782
Management & Technical	US$ 000s	3,487	3,487	5,811
Sub-Total	**US$ 000s**	**25,804**	**25,804**	**53,571**
Expensed Mine Operating Cost				
Drilling	US$/tonne mined	0.21	0.22	0.21
Blasting	US$/tonne mined	0.19	0.18	0.18
Loading	US$/tonne mined	0.22	0.14	0.13
Hauling	US$/tonne mined	0.62	0.67	0.67
Support Equipment	US$/tonne mined	0.16	0.08	0.06
Maintenance	US$/tonne mined	0.17	0.13	0.11
Management & Technical	US$/tonne mined	0.15	0.08	0.05
Sub-Total	**US$/tonne mined**	**1.72**	**1.51**	**1.42**

PROCESSING OPERATING COSTS

Processing costs have been estimated from first principles, with the following assumptions based on the historic operation:

- Consumption rates for various reagents and consumable items (see Chapter 17 previously). Costs of reagents are based on current prices.

- The labour complement for operation and maintenance of the leaching and milling circuits. Labour required for rehandle of feed at the mobile crushers and trucking of crushed material to the leach pads has been estimated by first principles.

- Maintenance costs for the leach and milling circuits, with historical actual costs escalated using the reported producer price index (PPI) for the US mining sector. Since the end of mining operations in 2001, PPI has averaged 4.6% annually.

TABLE 21-7 PROCESSING OPERATING COST
Castle Mountain Mining Company Limited - Castle Mountain Project

Leaching	Units	Static	Base	Unconstrained
Steady-State Annual Production	000 tonnes	6,350	8,165	18,144
Average Labour Number[1]	persons	76	64	56
Average Labour Cost	US$/tonne	1.23	0.85	0.33
Average Reagents Cost	US$/tonne	1.26	1.26	1.26
Average Energy Cost[2]	US$/tonne	1.51	0.73	0.51
Average Maintenance and Other Cost[2]	US$/tonne	1.73	1.23	0.81
Total Opex	**US$/tonne**	**5.73**	**4.07**	**2.91**

Milling	units	Static	Base	Unconstrained
Steady-State Annual Production	000 tonnes	0	1,095	1,825
Average Labour Number	persons	0	7	7
Average Labour Cost	US$/tonne	0.00	0.68	0.41
Average Reagents Cost	US$/tonne	0.00	1.26	1.26
Average Energy Cost	US$/tonne	0.00	2.01	2.01
Average Maintenance and Other Cost	US$/tonne	0.00	2.76	2.67
Total Opex	**US$/tonne**	**0.00**	**6.70**	**6.34**

Notes:
1. Includes labour for operation of mining fleet used to rehandle and stack material.
2. Includes power and diesel.
3. Includes maintenance of mining fleet used to rehandle and stack material.

GENERAL AND ADMINISTRATION OPERATING COSTS

The general and administration (G&A) operating costs summarized in Table 21-8 have been based on the historical labour complement along with historical costs for property tax, insurance, administration, and environmental being escalated using PPI.

TABLE 21-8 GENERAL AND ADMINISTRATION OPERATING COST
Castle Mountain Mining Company Limited - Castle Mountain Project

Leaching	Units	Static	Base	Unconstrained
Steady-State Annual Production	000 tonnes	6,350	8,165	18,144
Labour Number	persons	27	27	27
Labour Cost	US$/tonne	0.50	0.39	0.17
Power Cost	US$/tonne	0.09	0.04	0.01
Property Tax	US$/tonne	0.10	0.08	0.04
Insurance	US$/tonne	0.10	0.08	0.03
Administration[1]	US$/tonne	0.15	0.12	0.05
Environmental[1]	US$/tonne	0.06	0.05	0.02
Total G&A Operating Costs	**US$/tonne**	**1.01**	**0.74**	**0.33**
less Capitalized Owner's Costs	US$/tonne	0.03	0.01	0.01
Expensed G&A Operating Costs	**US$/tonne**	**0.98**	**0.73**	**0.32**

Notes:
1. Excludes costs of Owner Labour (accounted for under the “Labour Cost” item).

CLOSURE COSTS AND SALVAGE

Closure costs have been estimated as follows:

- An allowance has been made for decommissioning of site plant and infrastructure. This varies by case as a function of the installed plant and infrastructure as follows:
  - Static Case = $5 million
  - Base Case = $10 million
  - Unconstrained Case = $15 million
- A provision for reclamation of the leach pad and waste dumps, based on the empirical factor of $0.03/tonne impounded

Salvage values have been estimated as follows:

- An allowance has been made for salvage of valuable materials (mainly scrap steel) contained within decommissioned site plant and infrastructure. This varies by case as a function of the installed plant and infrastructure as follows:
  - Static Case = $0.1 million
  - Base Case = $1.0 million
  - Unconstrained Case = $2.5 million
- Based on the indicative prices for used equipment that would be purchased by Castle Mountain, a salvage value of $0.2 million has been assumed for all production equipment (drills, excavators, shovels, trucks and front end loaders) with less than 40,000 engine hours at the end of mine life.

The resulting net closure cost for each of the cases is summarized in Table 21-9:

TABLE 21-9 CLOSURE COSTS
Castle Mountain Mining Company Limited - Castle Mountain Project

Decommissioning	Units	Unit cost	Static	Base	Unconstrained
Gross Cost	US$ 000s		5,000	10,000	15,000
less:					
Equipment Salvage	US$ 000s		2,600	3,800	4,400
Plant Salvage	US$ 000s		100	1,000	2,500
Net Decommissioning Cost	**US$ 000s**		**2,300**	**5,200**	**8,100**
Leach Pad Reclamation					
Total tonnage leached	000 tonnes	$0.03	40,240	132,137	209,271
Sub-Total	**US$ 000s**		**1,207**	**3,964**	**6,278**
Waste Dump Reclamation					
Total tonnage dumped	000 tonnes		173,530	912,135	835,001
less:					
Waste to backfill pits	000 tonnes		89,622	487,181	325,934
Net tonnage to reclaim	000 tonnes	$0.03	83,908	424,954	509,068
Sub-Total	**US$ 000s**		**2,517**	**12,749**	**15,272**
Total Closure Cost	**US$ 000s**		**6,024**	**21,913**	**29,650**

22 ECONOMIC ANALYSIS

The economic analysis contained in this report is based, in part, on Inferred Resources, and is preliminary in nature. Inferred Resources are considered too geologically speculative to have mining and economic considerations applied to them to be categorized as Mineral Reserves. There is no certainty that economic forecasts on which this PEA is based will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

SUMMARY

Summary metrics for the Static, Base, and Unconstrained cases are presented in Table 22-1:

TABLE 22-1 EVALUATION SUMMARY
Castle Mountain Mining Company Limited - Castle Mountain Project

	Units	Static	Base	Unconstrained
Process Feed	000 tonnes	40,240	132,137	209,271
Waste Mined	000 tonnes	173,530	912,135	835,001
Contained Au	000 oz	1,082	3,599	4,166
Recovered Au	000 oz	832	2,994	3,490
Mine Life	Years	7	17	12
Net Smelter Return[1]	$/t process feed	$26.92	$29.51	$21.72
Site Opex[2]	$/t process feed	$15.84	$17.55	$10.96
Royalty[3] and Interest[4]	$/t process feed	$ 0.32	$ 0.64	$ 0.46
Initial Capex	$ M	$98	$98	$421
Total Investment[5]	$ M	$194	$543	$790
Post-Tax NPV 0%	$ M	$177	$728	$1,012
Post-Tax NPV 5%	**$ M**	**$122**	**$352**	**$576**
Post-Tax NPV 10%	**$ M**	**$82**	**$161**	**$310**
Post-Tax IRR	**%**	**29.7%**	**20.1%**	**21.7%**
Post-Tax CFI[6]	**factor**	**1.01x**	**2.00x**	**1.31x**
Simple Payback - Initial Capital	months	31	31	59
Simple Payback - Expansion Capital	months	n/a	46	n/a

Notes:
1. Assumes flat long term prices of $1,300/oz Au and $20/oz Ag.
2. Includes mining, processing and G&A operating costs.
3. Royalties currently interpreted as varying from 0% - 5% of NSR.
4. Interest on Surety raised for Closure Bond.
5. Includes initial capital, expansion capital, sustaining capital and closure costs.
6. Ratio of initial capex to peak cumulative negative cash flow.

ASSUMPTIONS

All financial metrics presented in Table 22-1 are expressed in real, January 2014 terms. The start date for discounting is the commencement of expenditure on Project construction, which is currently forecast to be 2015.

Key pricing assumptions used in the evaluation include:

- Flat long term prices of $1,300/oz for gold and $20/oz for silver.
- Refining charges of $3.25/oz for gold and $0.30/oz for silver, with a further shipping charge for doré produced at site of $0.25/oz combined gold and silver.
- A flat long term price of $90/bbl for oil, which translates to a site diesel price (inclusive of taxes, fees, and transport charges) of $0.97/litre ($3.69/gallon).
- A flat long term price for electricity supplied from the grid of $126/MWhr. The cost of electricity generated at site is dependent upon the price of diesel, and has been estimated at $293/kWhr for the diesel price given above.

The evaluation makes provision for the following closure costs:

- Decommissioning of plant and infrastructure, the costs for which would be incurred after leach pads had been rinsed and all gold had been recovered.
- Reclamation of the leach pads, the costs for which would also be incurred after leach pads had been rinsed and all gold had been recovered.
- Reclamation of the waste dumps, the costs for which would be incurred as soon as waste tipping was complete.

In line with the financial assurance guidelines published by the California Department of Conservation, total closure costs have been reduced by the expected salvage value of fleet and plant at the end of mine life. Surety is provided for the resulting net closure liability from the start of process operations. The carrying costs of the surety have been included in the evaluation.

Returns are expressed on a post-tax basis, with the following assumptions regarding the fiscal regime:

- The California State income tax rate of 8.84%
- The normal federal income tax rate of 35%

- The Alternative Minimum federal income tax rate of 20%

BASE CASE RESULTS

The total life of the Project for the Base Case scenario can be sub-divided as follows:

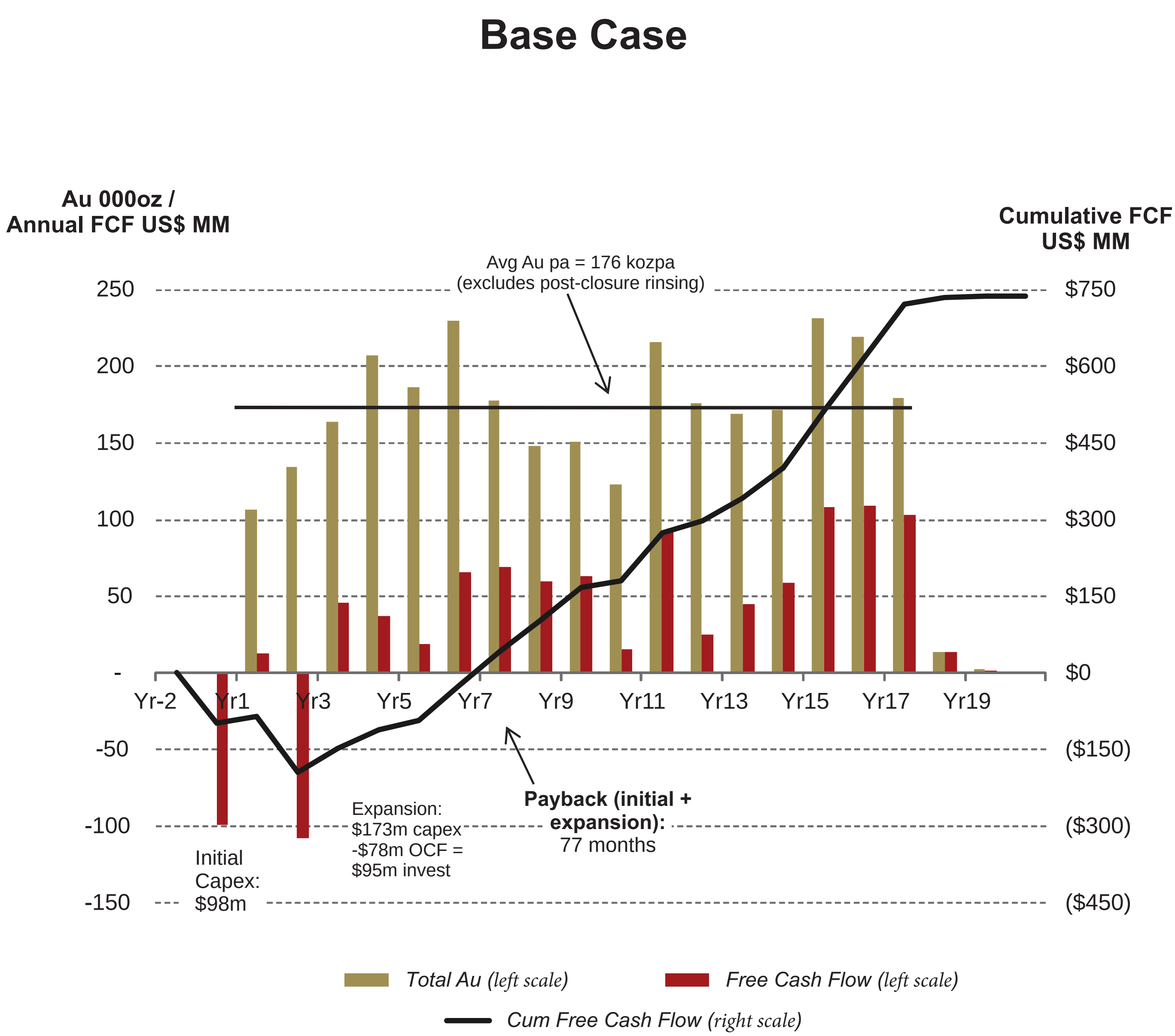
- Initial construction takes place over a period of 12 months.
- Following completion of construction, there is a 6-month ramp up to reach the full initial heap leach production target of 6.35 Mtpa (17,000 tpd).
- Construction of the expansion commences at the beginning of Year 2 and also lasts for a period of 12 months. The expansion increases heap leach production to 8.16 Mtpa (22,000 tpd). The expansion also adds a modified milling circuit with a targeted throughput of 1.1 Mtpa (3,000 tpd). Note that milled material is included in the total heap leach production.
- Following completion of the expansion project, there is a 6-month ramp up to achieve increased leach throughput and a 9-month ramp up to achieve the targeted mill throughput.
- The expansion also includes efficiency projects such as replacement of diesel generators with grid power, conveying of crushed material to the leach pads and use of larger fleet for mining waste. These projects allow lower operating costs to be achieved.
- The current resources are depleted in Year 17. There is residual recovery of gold over the next three years as pads are rinsed.

Table 22-2 provides a summary of annual production and cash flow while Figure 22-1 provides a graph of life of mine cash flow.

TABLE 22-2 EVALUATION OF BASE CASE SCENARIO

Castle Mountain Mining Company Limited - Castle Mountain Project

Production	units	Total	Yr -1	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	Yr 16	Yr 17	Yr 18	Yr 19	Yr 20
Process Feed	000 t	132,137	0	5,874	6,350	8,029	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165	5,744	0	0	0
Total Mined	000 t	1,044,273	14,881	31,796	45,553	32,350	69,829	75,517	76,603	47,317	34,145	43,919	66,744	92,798	118,356	81,336	66,202	71,351	46,895	28,678	0	0	0
Refined Au	000 oz	2,994	0	106	134	163	206	186	228	177	148	150	123	215	175	169	171	231	218	178	14	2	1
Refined AuEq	000 oz	3,007	0	107	134	163	207	187	229	178	148	151	123	216	176	169	172	232	219	179	14	2	1
Cash Flow																							
NSR	**US$ M**	**$3,899**	**$0**	**$138**	**$174**	**$212**	**$268**	**$242**	**$297**	**$231**	**$192**	**$196**	**$160**	**$280**	**$228**	**$220**	**$223**	**$300**	**$284**	**$232**	**$18**	**$3**	**$1**
Mine Opex	US$ M	$1,578	$0	$55	$74	$54	$101	$112	$121	$72	$59	$74	$102	$122	$155	$119	$103	$114	$81	$60	$0	$0	$0
Process Opex	US$ M	$644	$0	$35	$37	$38	$39	$39	$39	$39	$39	$39	$38	$39	$39	$39	$39	$39	$39	$28	$0	$0	$0
G&A Opex	US$ M	$97	$0	$6	$6	$6	$6	$6	$6	$6	$6	$6	$6	$6	$6	$6	$6	$6	$6	$4	$0	$0	$0
Site Opex	**US$ M**	**$2,319**	**$0**	**$96**	**$118**	**$97**	**$146**	**$157**	**$166**	**$117**	**$104**	**$119**	**$145**	**$167**	**$200**	**$163**	**$148**	**$159**	**$126**	**$92**	**$0**	**$0**	**$0**
Royalty	US$ M	$74	$0	$1	$2	$2	$3	$2	$3	$2	$2	$2	$2	$4	$3	$9	$8	$11	$10	$8	$1	$0	$0
Interest	US$ M	$10	$0	$0	$0	$0	$0	$0	$0	$1	$1	$1	$1	$1	$1	$1	$1	$1	$1	$0	$0	$0	$0
Total Operating Exp	US$ M	**$2,403**	**$0**	**$98**	**$120**	**$99**	**$148**	**$159**	**$170**	**$120**	**$106**	**$121**	**$148**	**$172**	**$204**	**$173**	**$156**	**$170**	**$137**	**$100**	**$1**	**$0**	**$0**
Cash Taxes	US$ M	$225	$0	$8	$9	$25	$22	$12	$22	$19	$13	$10	($4)	$13	($3)	$0	$7	$20	$22	$26	$1	$0	$0
Initial Capex	US$ M	$98	$98	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Expansion Capex	US$ M	$173	$0	$16	$150	$7	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sustaining Capex	US$ M	$250	$0	$4	$2	$35	$60	$52	$40	$22	$13	$1	$1	$4	$3	$1	$1	$2	$3	$2	$2	$2	$0
Closure	US$ M	$22	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$13	$0	$0	$0	$9
Total Investment	**US$ M**	**$543**	**$99**	**$20**	**$152**	**$42**	**$60**	**$52**	**$40**	**$22**	**$13**	**$1**	**$1**	**$4**	**$3**	**$1**	**$1**	**$2**	**$16**	**$2**	**$2**	**$2**	**$9**
Free Cash Flow	**US$ M**	**$728**	**($99)**	**$13**	**($107)**	**$46**	**$37**	**$19**	**$66**	**$70**	**$60**	**$63**	**$15**	**$92**	**$25**	**$45**	**$59**	**$108**	**$109**	**$103**	**$13**	**$1**	**$9**



Design Criteria:

- 0.24 – 0.31 g/t cut-off = 132 Mt @ 0.85 g/t (3,599 koz rec'd)
- 912 Mt waste = 6.9 : 1 SR
- 1,044 Mt mine plan in 17yrs (+ 1 yr pre-strip) = 166 ktpd mining rate
- 8.2 Mtpa leach rate / 1.1 Mtpa mill
- 83.2% Recovery = 2,994 koz rec'd
- Cash Cost = $17.55/t treated or $771/oz

Figure 22-1

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Base Case Scenario Cash Flow

May 2014

SENSITIVITY ANALYSIS

The "spider" graph in Figure 22-2, illustrates that the Base Case scenario is most sensitive to the gold price, followed by operating costs. A variance in the total investment, (including initial capital, expansion capital, sustaining capital, and closure costs) has a lesser impact on returns.

Table 22-3 provides a more detailed analysis of the impact of variation in gold prices on various financial metrics for the Base Case.

TABLE 22-3 IMPACT OF VARIATION IN GOLD PRICE FOR BASE CASE SCENARIO METRICS

Castle Mountain Mining Company Limited - Castle Mountain Project

		Gold Price ($/oz Au)						
Pre-Tax	**Units**	**$1,200**	**$1,250**	**$1,300**	**$1,350**	**$1,400**	**$1,450**	**$1,500**
NPV 10%	US$ M	$154	$218	$264	$295	$375	$422	$485
NPV 5%	US$ M	$312	$405	$499	$592	$685	$778	$871
NPV 0%	US$ M	$659	$806	$953	$1,100	$1,247	$1,393	$1,540
IRR	US$ M	19.0%	23.2%	27.5%	31.9%	36.4%	40.9%	45.6%
Simple Payback	months	77	69	62	53	46	42	39
Post-Tax								
NPV 10%	US$ M	$78	$125	$161	$183	$241	$274	$318
NPV 5%	US$ M	$212	$281	$352	$420	$485	$550	$615
NPV 0%	US$ M	$508	$616	$728	$834	$938	$1,040	$1,142
IRR	US$ M	14.1%	17.1%	20.1%	23.1%	26.0%	29.0%	32.0%
Simple Payback	months	95	84	77	70	65	61	55

Overall returns are sensitive to the timing of the expansion project, with each year delay having an impact of approximately 6% on post-tax net present value at a discount rate of 5% ($NPV_{5\%}$). The PEA evaluation assumes that following a successful start-up, finance would be available for construction of the Project to take place during Year 2 of operation with commissioning taking place at the start of Year 3. However, it would be possible to transition from the Static Case to the Base Case at any time during the initial four years of operation without material impacts. Starting in Year 5 of the Static Case, waste material is backfilled into the JSLA pit, which would sterilize phase 2 of that pit for the Base Case.

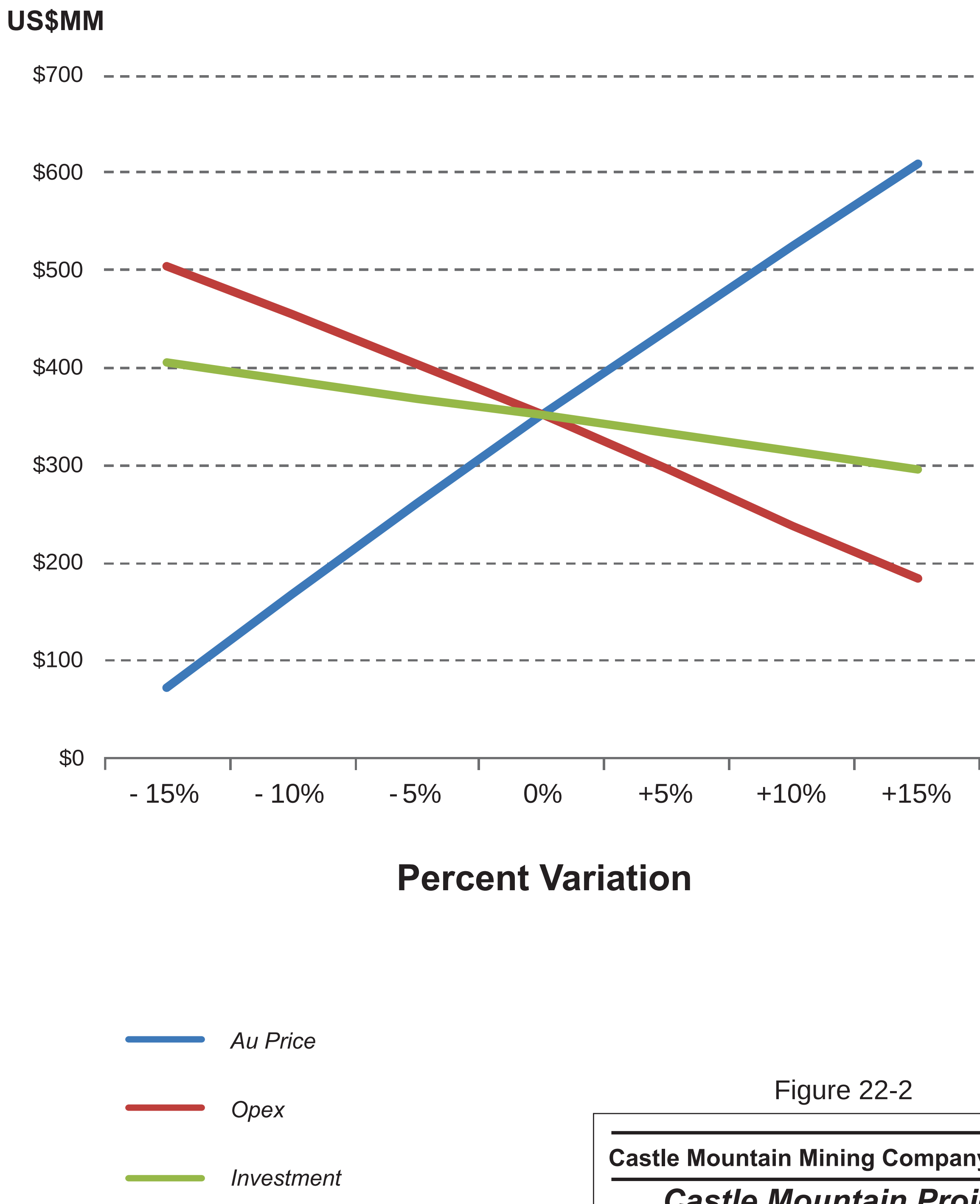


Figure 22-2

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Base Case Scenario
Impact of Variance on
Post-Tax NPV 5%

May 2014

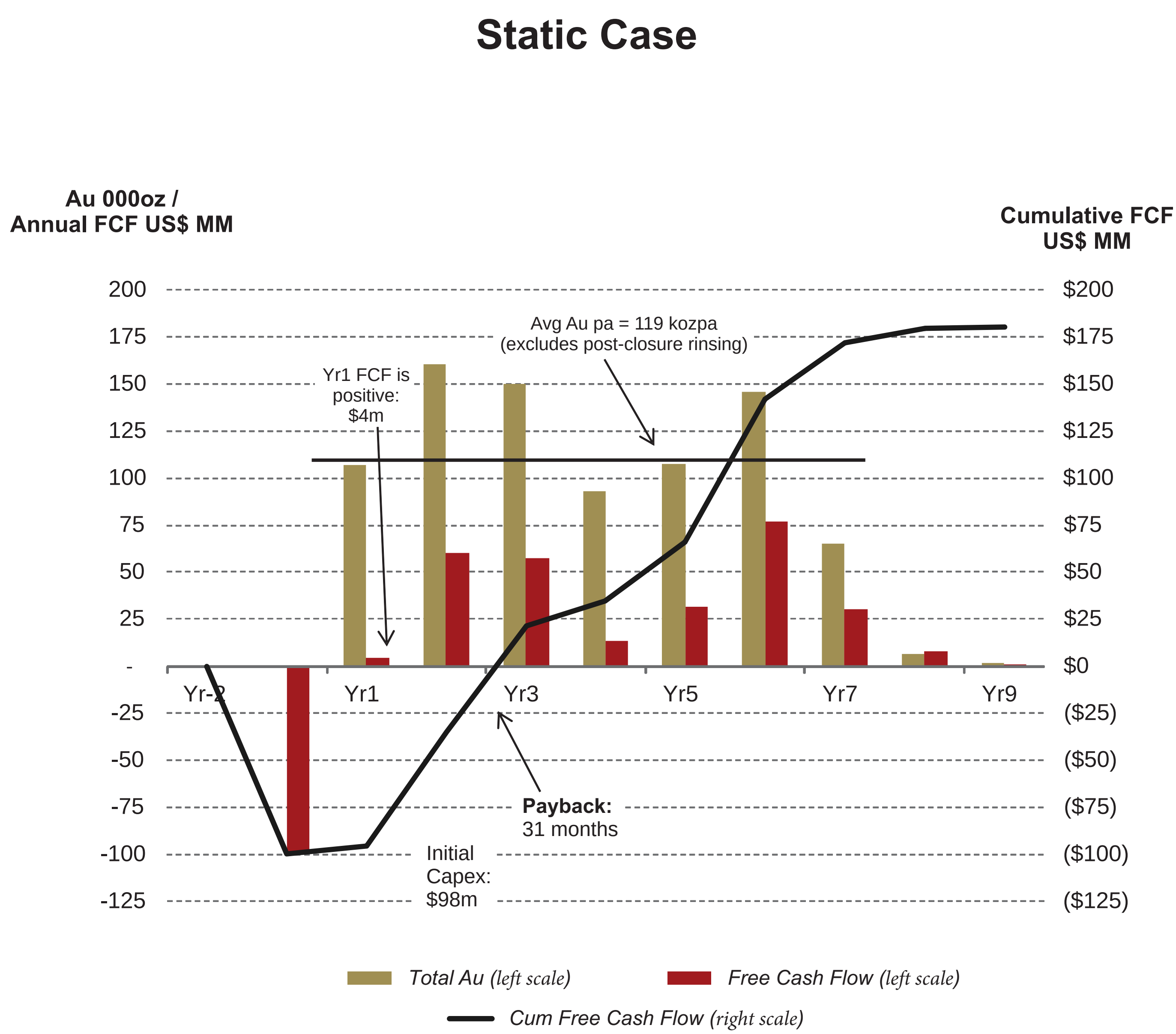
STATIC CASE RESULTS

The total life of the Project for the Static Case summarized in Table 22-4 and presented in Figure 22-3 can be sub-divided as follows:

- Initial construction takes place over a period of 12 months.
- Following completion of construction, there is a 6-month ramp up to reach the full heap leach production target of 6.35 Mtpa (17,000 tpd).
- Loading of pads for the Static Case ends when the limits of the 1,375 acres currently permitted for disturbance are reached in Year 7. There is residual recovery of gold over the next three years as pads are rinsed.

TABLE 22-4 EVALUATION OF STATIC CASE SCENARIO
Castle Mountain Mining Company Limited - Castle Mountain Project

Production	units	Total	Yr -1	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11
Process Feed	000 t	40,240	0	5,874	6,350	6,350	6,350	6,350	6,350	6,350	2,614	0	0	0	0
Total Mined	000 t	213,770	14,881	37,978	37,581	32,060	29,157	25,070	25,070	25,070	11,974	0	0	0	0
Refined Au	000 oz	832	0	106	160	149	92	107	145	145	65	6	1	0	0
Refined AuEq	000 oz	835	0	107	160	150	93	107	146	146	65	7	1	0	0
Cash Flow															
NSR	**US$ M**	**$1,083**	**$0**	**$138**	**$208**	**$194**	**$120**	**$139**	**$189**	**$189**	**$84**	**$8**	**$2**	**$0**	**$0**
Mine Opex	US$ M	$368	$0	$66	$75	$53	$47	$45	$52	$52	$29	$0	$0	$0	$0
Process Opex	US$ M	$230	$0	$34	$36	$36	$36	$36	$37	$37	$16	$0	$0	$0	$0
G&A Opex	US$ M	$39	$0	$6	$6	$6	$6	$6	$6	$6	$3	$0	$0	$0	$0
Site Opex	**US$ M**	**$637**	**$0**	**$105**	**$117**	**$95**	**$90**	**$88**	**$94**	**$94**	**$48**	**$0**	**$0**	**$0**	**$0**
Royalty	US$ M	$11	$0	$1	$2	$2	$1	$1	$2	$2	$1	$0	$0	$0	$0
Interest	US$ M	$1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Operating Ex	US$ M	**$650**	**$0**	**$107**	**$119**	**$97**	**$91**	**$89**	**$96**	**$96**	**$49**	**$0**	**$0**	**$0**	**$0**
Cash Taxes	US$ M	$62	$0	$3	$16	$18	$2	$5	$15	$15	$4	$0	$0	$0	$0
Initial Capex	US$ M	$98	$98	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Expansion Capex	US$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sustaining Capex	US$ M	$90	$0	$24	$13	$22	$14	$12	$1	$1	$1	$1	$1	$0	$0
Closure	US$ M	$6	$0	$0	$0	$0	$0	$3	$0	$0	$0	$0	$0	$0	$4
Total Investment	**US$ M**	**$194**	**$98**	**$24**	**$13**	**$22**	**$14**	**$14**	**$1**	**$1**	**$1**	**$1**	**$1**	**$0**	**$4**
Free Cash Flow	**US$ M**	**$177**	**($98)**	**$4**	**$60**	**$57**	**$13**	**$31**	**$76**	**$76**	**$30**	**$7**	**$1**	**$0**	**($4)**



Design Criteria:

- 0.24 – 0.34 g/t cut-off = 40 Mt @ 0.84 g/t (1,082 koz rec'd)
- 174 Mt waste = 4.3 : 1 SR
- 214 Mt mine plan in 7yrs (+ 1 yr pre-strip) = 81 ktpd mining rate
- 6.4 Mtpa leach rate / 0 Mtpa mill
- 76.9% Recovery = 832 koz rec'd
- Cash Cost = $15.84/t treated or $763/oz

May 2014

Figure 22-3

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Static Case Scenario Cash Flow

SENSITIVITY ANALYSIS

The "spider" graph in Figure 22-4, illustrates similar behaviour as the Base Case, with a 15% improvement in gold price increasing NPV by 76%, while 15% decreases in operating and capital costs have an impact of 44% and 17%, respectively.

Table 22-5 provides a more detailed analysis of the impact of variation in gold prices on various financial metrics for the Static Case.

TABLE 22-5 IMPACT OF VARIATION IN GOLD PRICE FOR STATIC CASE SCENARIO METRICS

Castle Mountain Mining Company Limited - Castle Mountain Project

		Gold Price ($/oz Au)						
Pre-Tax	**Units**	**$1,200**	**$1,250**	**$1,300**	**$1,350**	**$1,400**	**$1,450**	**$1,500**
NPV 10%	US$ M	$78	$106	$124	$161	$189	$207	$235
NPV 5%	US$ M	$106	$139	$173	$206	$240	$273	$307
NPV 0%	US$ M	$157	$198	$239	$280	$322	$363	$404
IRR	US$ M	26.4%	32.7%	38.9%	45.0%	51.0%	56.9%	62.7%
Simple Payback	months	33	29	27	25	23	21	20
Post-Tax								
NPV 10%	US$ M	$48	$69	$82	$109	$129	$142	$161
NPV 5%	US$ M	$72	$97	$122	$146	$170	$194	$217
NPV 0%	US$ M	$116	$147	$177	$207	$236	$265	$294
IRR	US$ M	20.0%	25.0%	29.7%	34.4%	38.9%	43.3%	47.5%
Simple Payback	months	50	35	31	29	27	25	24

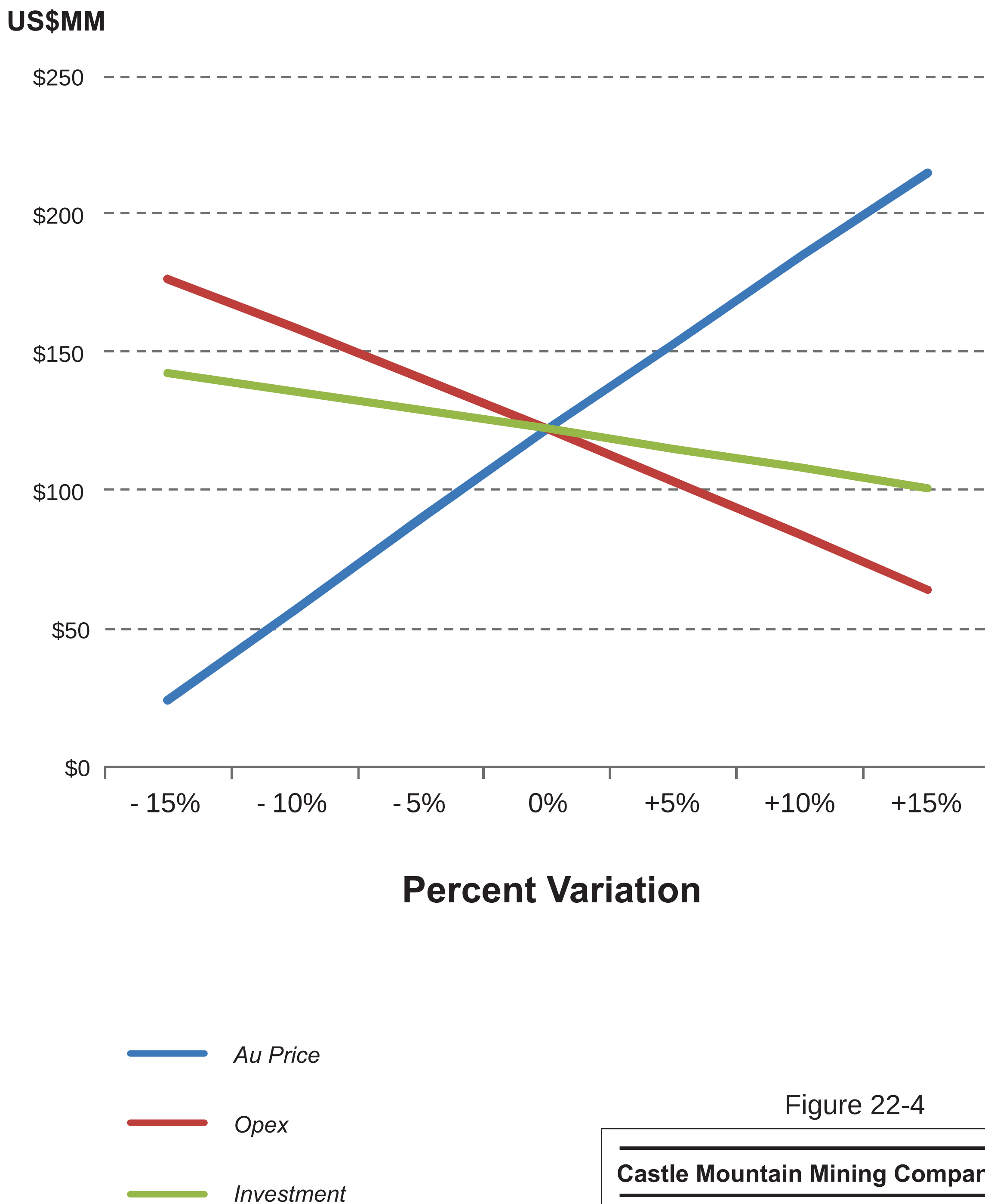


Figure 22-4

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Static Case Scenario Impact of Variance on Post-Tax NPV 5%

May 2014

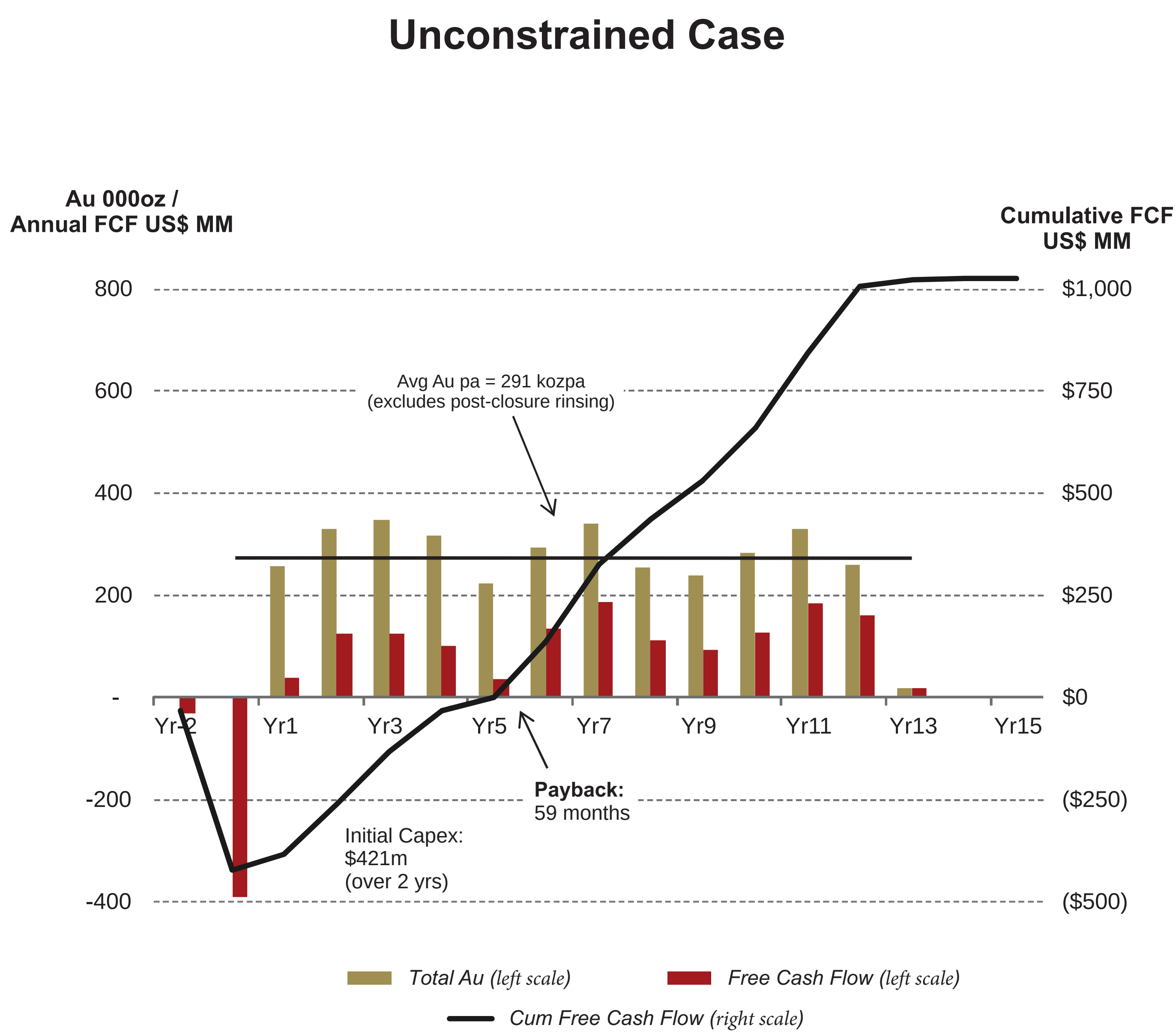
UNCONSTRAINED CASE RESULTS

The total life of the Project for the Unconstrained Case summarized in Table 22-6 and presented in Figure 22-5 can be sub-divided as follows:

- Initial construction takes place over a period of two years, reflecting the increased amount of pre-stripping required.
- Following completion of construction, there is a 6-month ramp up to reach the full heap leach production target of 18.14 Mtpa (50,000 tpd). A 9-month ramp up is required to reach the targeted mill throughput of 1.83 Mtpa (5,000 tpd).
- The current resources are depleted in Year 12. There is residual recovery of gold over the next three years as pads are rinsed.

TABLE 22-6 EVALUATION OF UNCONSTRAINED CASE SCENARIO
Castle Mountain Mining Company Limited - Castle Mountain Project

Production	units	Total	Yr -2	Yr -1	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	Yr 16
Process Feed	000 t	209,271	0	0	16,783	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	18,144	11,052	0	0	0	0
Total Mined	000 t	1,044,273	2,845	39,481	79,763	76,360	100,609	115,034	116,174	95,471	77,847	72,759	74,638	87,665	69,572	36,054	0	0	0	0
Refined Au	000 oz	3,490	0	0	257	329	346	317	222	294	339	255	239	282	330	258	19	3	1	0
Refined AuEq	000 oz	3,506	0	0	258	330	348	318	223	295	341	256	240	283	331	259	19	4	1	0
Cash Flow																				
NSR	**US$ M**	**$4,546**	**$0**	**$0**	**$334**	**$428**	**$451**	**$413**	**$289**	**$383**	**$442**	**$332**	**$311**	**$368**	**$430**	**$336**	**$24**	**$5**	**$1**	**$0**
Mine Opex	US$ M	$1,484	$0	$0	$105	$104	$137	$163	$150	$144	$132	$111	$126	$126	$116	$71	$0	$0	$0	$0
Process Opex	US$ M	$742	$0	$0	$58	$64	$64	$64	$64	$64	$64	$64	$64	$64	$64	$42	$0	$0	$0	$0
G&A Opex	US$ M	$68	$0	$0	$6	$6	$6	$6	$6	$6	$6	$6	$6	$6	$6	$4	$0	$0	$0	$0
Site Opex	**US$ M**	**$2,294**	**$0**	**$0**	**$170**	**$174**	**$206**	**$233**	**$220**	**$214**	**$202**	**$181**	**$196**	**$196**	**$186**	**$117**	**$0**	**$0**	**$0**	**$0**
Royalty	US$ M	$87	$0	$0	$3	$4	$5	$5	$6	$9	$7	$3	$4	$13	$14	$13	$1	$0	$0	$0
Interest	US$ M	$9	$0	$0	$1	$1	$1	$1	$1	$1	$1	$1	$0	$0	$0	$0	$0	$0	$0	$0
Total Operating Expenses	US$ M	**$2,390**	**$0**	**$0**	**$173**	**$179**	**$212**	**$239**	**$227**	**$224**	**$209**	**$185**	**$200**	**$209**	**$200**	**$130**	**$1**	**$1**	**$0**	**$0**
Cash Taxes	US$ M	$354	$0	$0	$29	$54	$45	$27	$2	$21	$41	$18	$13	$23	$40	$41	$1	$0	$0	$0
Initial Capex	US$ M	$421	$30	$391	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Expansion Capex	US$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sustaining Capex	US$ M	$339	$0	$0	$93	$72	$69	$46	$25	$2	$5	$3	$4	$7	$5	$5	$3	$2	$0	$0
Closure	US$ M	$30	$0	$0	$0	$0	$0	$0	$0	$0	$0	$15	$0	$0	$0	$0	$0	$0	$0	$14
Total Investment	**US$ M**	**$790**	**$30**	**$391**	**$93**	**$72**	**$69**	**$46**	**$25**	**$2**	**$5**	**$18**	**$4**	**$7**	**$5**	**$5**	**$3**	**$2**	**$0**	**$14**
Free Cash Flow	**US$ M**	**$1,012**	**($30)**	**($391)**	**$40**	**$124**	**$125**	**$101**	**$35**	**$136**	**$187**	**$111**	**$94**	**$129**	**$184**	**$160**	**$18**	**$2**	**$0**	**($15)**



Design Criteria:

- 0.14 – 0.21 g/t cut-off = 209 Mt @ 0.62 g/t (4,166 koz rec'd)
- 835 Mt waste = 4.0 : 1 SR
- 1,044 Mt mine plan in 12yrs (+ 2 yr pre-strip) = 223 ktpd mining rate
- 18.1 Mtpa leach rate / 1.8 Mtpa mill
- 83.8% Recovery = 3,490 koz rec'd
- Cash Cost = $10.96/t treated or $654/oz

May 2014

Figure 22-5

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Unconstrained Case Scenario Cash Flow

SENSITIVITY ANALYSIS

The “spider: graph in Figure 22-6, illustrates that the Unconstrained Case scenario is less sensitive to variation in gold prices and operating costs than either the Base or Static cases. A 15% increase in gold price has a 57% impact on NPV, while the similar percentage decrease in operating costs has a 28% impact – with the variance for both being approximately 90% of that shown for the Base and Static cases. A 15% reduction in capital costs has a 14% impact on NPV, which is within 3% of the variance shown for the Base and Static cases.

Table 22-7 provides a more detailed analysis of the impact of variation in gold prices on various financial metrics for the Unconstrained Case.

TABLE 22-7 IMPACT OF VARIATION IN GOLD PRICE FOR UNCONSTRAINED CASE SCENARIO METRICS
Castle Mountain Mining Company Limited - Castle Mountain Project

		Gold Price ($/oz Au)						
Pre-Tax	**Units**	**$1,200**	**$1,250**	**$1,300**	**$1,350**	**$1,400**	**$1,450**	**$1,500**
NPV 10%	US$ M	$338	$429	$502	$594	$668	$759	$833
NPV 5%	US$ M	$587	$709	$831	$954	$1,076	$1,198	$1,321
NPV 0%	US$ M	$1,023	$1,194	$1,366	$1,537	$1,708	$1,879	$2,050
IRR	US$ M	22.4%	25.8%	29.1%	32.4%	35.6%	38.8%	42.0%
Simple Payback	months	48	41	36	33	31	29	27
Post-Tax								
NPV 10%	US$ M	$192	$258	$310	$373	$424	$487	$538
NPV 5%	US$ M	$400	$489	$576	$660	$745	$830	$915
NPV 0%	US$ M	$766	$891	$1,012	$1,130	$1,249	$1,368	$1,486
IRR	US$ M	16.9%	19.4%	21.7%	24.0%	26.2%	28.5%	30.6%
Simple Payback	months	71	65	59	47	43	40	37

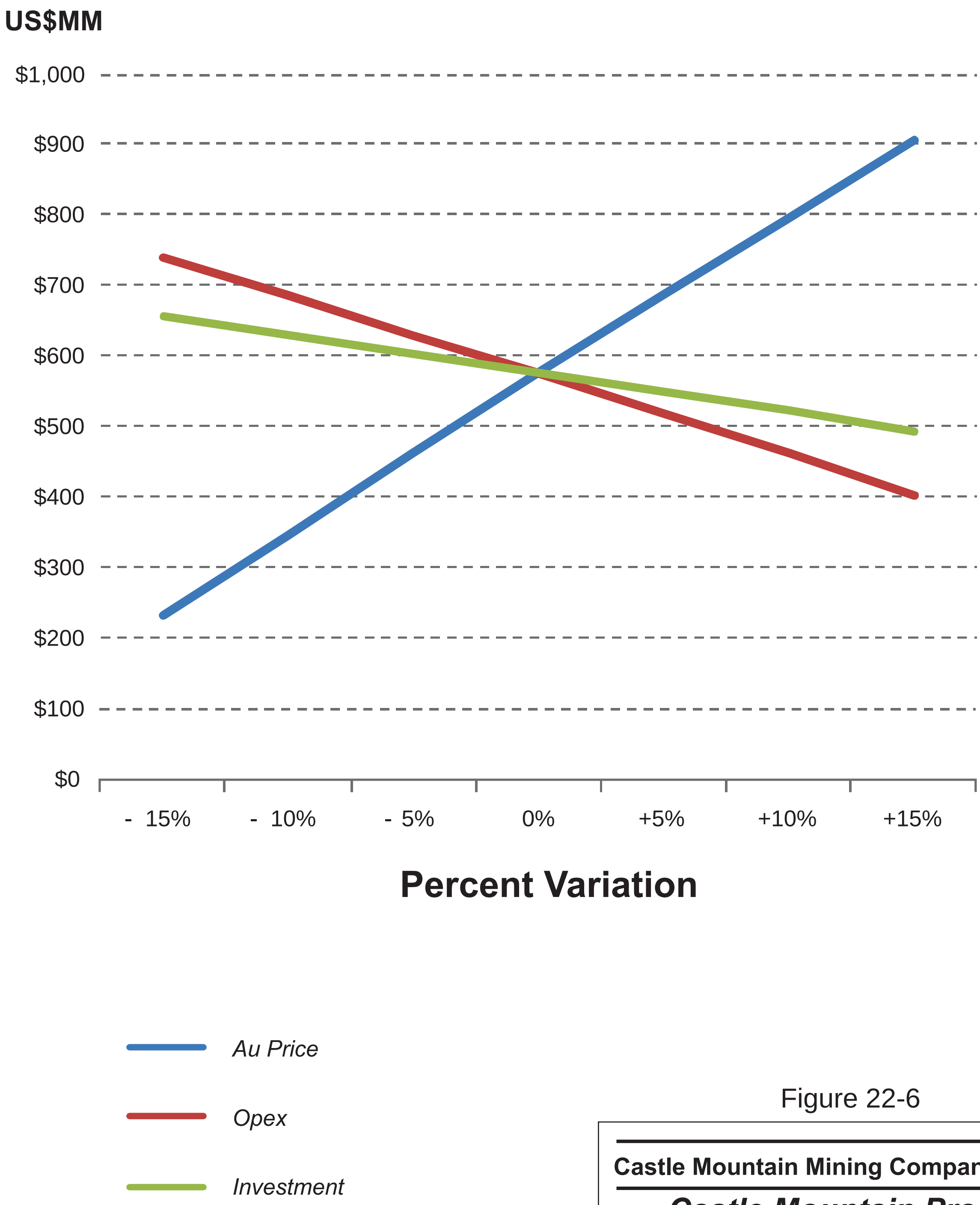


Figure 22-6

Castle Mountain Mining Company Limited

Castle Mountain Project

State of California, U.S.A.

Unconstrained Scenario
Impact of Variance on
Post-Tax NPV 5%

May 2014

23 ADJACENT PROPERTIES

There are no known active properties adjacent to the CMV.

24 OTHER RELEVANT DATA AND INFORMATION

No additional information or explanation is necessary to make this Technical Report understandable and not misleading.

25 INTERPRETATION AND CONCLUSIONS

In RPA's opinion, the PEA demonstrates that the Project has merit, with Mineral Resources of sufficient quantity and quality that warrant additional investigation at more advanced levels of engineering study (prefeasibility or feasibility study). Economic results are positive for all development and production scenarios considered in the PEA, based upon the stated assumptions.

The economic analysis contained in this report is based, in part, on Inferred Resources, and is preliminary in nature. Inferred Resources are considered too geologically speculative to have mining and economic considerations applied to them to be categorized as Mineral Reserves. There is no certainty that economic forecasts on which this PEA is based will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

RPA's conclusions by area are as follows:

MINERAL RESOURCES

- Pulp duplicates showed good reproducibility as did, generally, the rig (field) duplicates. No grade bias was observed in either case. The insertion of barren CRMs indicated no significant contamination during the preparation phase of assaying. The insertion of CRMs indicated that the primary laboratory, ALS in Sparks, Nevada, performed adequately with respect to accuracy and precision. In RPA's opinion, the QA/QC program for the 2013 Phase 1 drill program was adequate and assay results within the database are suitable for use in a Mineral Resource estimate.

- In RPA's opinion, the higher grades of gold mineralization appear to be controlled by intersecting fault zones or structural corridors. These zones are dominated in many locales by north-northeast-trending fractures. Available information suggests that the distribution of higher grades within the deposit is controlled by multiple narrow fault/fracture orientations which cannot be constrained in detail with three-dimensional (3D) wireframes due to the spacing and orientation of the drill holes.

- The number of density measurements compiled to date is still relatively low and does not fully embrace all rock types likely to be encountered by mining. Additional test work should be undertaken.

- The grade interpolations were run using ordinary kriging (OK) as well as a range of inverse distance methods. There are only modest differences in the block model results created using different estimation methods.

- In RPA's opinion, the block model reconciles well with production records.

- Mineral Resources estimated for the Castle Mountain Project total 182 M st (165 Mt) in the Indicated category, grading 0.017 oz/st Au (0.60 g/t Au), with an additional 63.7 M st (57.8 Mt) of Inferred resources grading 0.017 oz/st Au (0.57 g/t Au). Total contained gold is 3.15 Moz Au in the Indicated category and 1.06 Moz Au in the Inferred category. Mineral Resources are reported at a base case cut-off grade of 0.004 oz/st Au (0.14 g/t Au).

- There is potential for gains in Mineral Resources via infill drilling, both within current pit outlines, and at depth.

PRELIMINARY ECONOMIC ASSESSMENT

- The PEA evaluated a large number of strategic alternatives. In the event the Project is limited to the 1,375 acres that has already been permitted for disturbance, the following scope of project was found to optimize economic returns while minimizing risk (the 'Static Case'):

    - A mine plan limited to the Jumbo, Jumbo South / Leslie Anne (JSLA) and Oro Belle (OB) pits. This plan comprises 40 Mt process feed that grades 0.84 g/t Au and contains 1.1 Moz Au, along with 174 Mt waste.

    - Pits would be mined in a sequential manner, with Jumbo being mined to its ultimate limit followed by the initial phases of JSLA then OB. While the sequential approach results in some deferral of higher value mineralization, this is more than compensated by shorter haulage distances and reduced surface disturbance.

    - Production would average 119,000 oz Au annually during the seven years that the pit is operational, with a further 20,000 oz Au recovered during the subsequent rinsing of pads.

    - The initial capital cost can be minimized to approximately $100 million through the purchase of some used equipment, sizing of the leach circuit at 6.4 million tonnes per year, delivery of crushed material to the pads by truck and use of diesel generators to supply electricity. There is a further $90 million sustaining capital and net closure expenses of $6 million.

    - Site operating costs average $15.84/t process feed.

- In the event that permits for disturbance are extended, the optimal scope for the Base Case evolves as follows:

    - The leaching rate would be increased to the permitted limit of 8.2 Mtpa and a modified milling circuit of 1.1 Mtpa capacity would be added.

    - Concurrent with expansion of the processing circuit would be investment in a number of efficiency projects to lower operating costs. These would include a connection to the electrical grid, use of conveyors for delivering crushed material to the leach pads and purchase of larger fleet for mining waste.

  - With the lower operating costs resulting from the projects listed above, it would be economic to mine the entire currently defined resource, with the second phases of OB and JSLA along with Hart-S, Hart-N, and South Domes being added to the mine plan. Pits would continue to be mined sequentially.

  - The extended mine plan comprises 132 Mt process feed that grades 0.85 g/t Au and contains 3.6 Moz Au, along with 912 Mt waste. Production would average 176,000 oz Au annually for the 17 years that the pit is operational, with a further 25,000 oz Au recovered during the subsequent rinsing of pads.

  - Start-up for this scenario, including the initial capital cost, is identical to the Static Case. The capital cost of expansion would be $173 million, while ongoing sustaining capital would be a further $250 million. Net closure costs for the expanded scope would be $22 million.

  - Base Case economic performance is sensitive to the timing of the expansion project, however, it would be possible to transition from the Static Case to the Base Case at any time during the initial four years of operation without material impacts.

- In the event that the permitted limit for processing is expanded beyond the current 8.2 Mtpa, returns could be further improved for the Unconstrained Case by increasing throughput to 18.1 Mtpa and 1.8 Mtpa for the leaching and milling circuits, respectively.

  - Alternatively, it would be feasible to transition from the Base Case to Unconstrained Case at any point in the mine life, subject to the remaining resource being sufficient to justify investment in the expanded throughput.

- Further opportunities for optimization are likely as more detailed work is performed during the next phase of study. In particular, it may be possible to optimize the selection of cut-off grade for the Base Case given the following:

  - The operating cost structure for the Base Case results in a marginal cut-off grade for leaching of approximately 0.2 g/t Au. Material above this cut-off totals 208 Mt and contains 4.2 Moz Au, while the associated strip ratio is 4.0 : 1. Use of this cut-off grade maximizes the pre-tax undiscounted cash flow generated by the Project.

  - For the range of options evaluated in the PEA, it was found that post-tax discounted cash flow could be increased by using an elevated cut-off grade, ranging between 0.24 g/t Au to 0.31 g/t Au for the different pits. The elevated cut-off reduces process feed to 132 Mt containing 3.6 Moz Au, while the associated strip ratio increases to 6.9 : 1.

  - The range of options considered for the PEA was not exhaustive. Alternatives that have not been considered may result in some or all of the 75 Mt marginal material that contains 0.6 Moz Au improving the post-tax NPV and becoming included in the process feed.

- Historical production data provides the basis for this PEA. This data shows that the combination of the modified milling circuit and heap leaching has the potential to be economically successful. Gold recovery is based on the ultimate historical gold recovery and reagent consumptions are based on historical data. The assumption has been made that material to be mined according to the current mine plan has metallurgical behavior that is the same as previously mined material.

- The Base Case mine plan includes processing of 3,599 koz contained gold. Of this total, 1,791 koz (50%) is located within the previously mined Jumbo, Oro-Belle and JSLA pits above the deepest horizon of historic activity, 158 koz (4%) is located within the same pits but below the deepest horizon of historic activity, 482 koz (13%) is located within the Hart Tunnel pits that are immediately adjacent to the three previously mined pits and the remaining 1,188 koz (33%) is located within the South Domes pit that is offset from the other five by approximately 500 m. There is some confidence that past metallurgical performance will be representative for the 50% of material located in the pits and horizons mined previously, while past performance is likely indicative for the remaining 50% of material.

- Silver revenue is included in the PEA cash flows, based on historical production, however, it is not significant to the economic results, as it comprises less than 0.5% of total revenue.

- Historically the operation successfully processed approximately 3.6 million tonnes per year over a ten year period with continued leaching for several years after mining ceased. This PEA projects a higher processing rate which will require more water and the work has not yet been done to show there is enough water for the projected rate.

- The Project may also benefit by sampling of the 16 Mt backfill contained within the JSLA pit. As the historic cut-off was approximately 0.5 g/t Au, the backfill material contained in the JSLA pit was classified as waste rock by the historic operation. This cut-off grade is now well above the current cut-off grades and so this material has the potential of providing a positive economic return. Preliminary analysis suggests that at least portions of this material are mineralized and there may thus be an opportunity to increase the inventory of process feed with a concomitant decrease in waste tonnes and stripping ratio.

26 RECOMMENDATIONS

RPA recommends that the Project proceed with data collection and analysis in support of an advanced engineering study (pre-feasibility study or feasibility study).

RPA's specific recommendations are as follows:

- Duplicate samples should be submitted for re-assaying during the course of drilling programs. Results for duplicates, blanks, and CRMs should be inspected immediately upon receipt so that any issues may be identified early and corrected in a timely manner.
- Castle Mountain has recently located additional blast hole gold grade data in the historical data files. RPA recommends that the gold grade distribution for this additional data set be reviewed as part of any future updates to the Mineral Resource estimate.
- Density measurements should continue to be collected until all waste rock types and mineralization styles have been tested with a representative number of determinations.
- A Phase 2 drill program comprising approximately 20,000 ft (6,000 m) should be completed. The goal of the drilling program would be to improve the accuracy of the distribution of high grade gold assays in the block model, increase the confidence of the current gold resource by means of infill drilling in selected areas, expand the limits of the current Mineral Resources, and explore for additional potential resources within current permit boundaries.
- A geotechnical program should be undertaken to more accurately quantify design criteria for both pit and impoundment slopes. This program should particularly focus on the deeper portions of the Jumbo, OB and JSLA pits that would be mined initially under any of the cases.
- A geo-hydrological program should be undertaken to quantify the amount of water that would be available to the Project from the Lanfair Valley aquifer.
- Review selection of mining fleet. The PEA assumption for the Base and Unconstrained Cases was that all process feed would be mined using higher cost hydraulic excavators and 170 t trucks, while all waste would be mined using lower cost rope shovels and 290 t trucks. While there are zones of mineralization that will require the improved selectivity of the higher cost fleet, there are also large zones of continuous mineralization where it would be possible to use the larger equipment with no detriment to the quality of material delivered to the process.
- Assess stockpiling of marginal material. The PEA assumption was that all run-of-mine (ROM) process feed would be treated immediately, which results in deferral of higher value material at depth. With a stockpile, delivery of higher value material to the leach

pad could be accelerated, with the marginal material treated only after mining operations had ceased.

- A rigorous program of metallurgical testing should be developed, using samples that are representative of the areas to be mined based on grades, mineralogy, and spatial distribution throughout the mineralized areas.
  - In RPA's opinion, large-scale column leach tests are required in order to generate accurate leach curves to estimate how the gold will be recovered over time and to provide reliable estimates of the reagent consumptions.
  - The metallurgical program should confirm the optimum conditions for milling and agglomeration and heap leaching as well as to determine the optimum ratios of mill to heap leach material.
  - Metallurgical testwork should focus on areas that have not been historically mined, notably South Domes and mineralization at depth.
  - The metallurgical program should include variability testing in order to accurately predict how the metallurgy may change over time.
- Environmental data collection, characterization of waste streams, and other studies are required to support operating permit applications.
  - The potential for seepage from the existing heap leach pad should be assessed.
  - A plant inventory and desert tortoise survey is required for the water, power and road access corridors.
  - Baseline water quality and quantity in the production and monitoring wells.

RPA recommends the following program for the Castle Mountain Project:

1. Carry out an infill drilling program, and
2. Carry out an advanced engineering study (Pre-Feasibility or Feasibility Study).

A budget of $3,500,000 is estimated and is presented in Table 26-1.

TABLE 26-1 PROPOSED BUDGET
Castle Mountain Mining Company Limited – Castle Mountain Project

Item	US$ millions
Drilling Program	1.0
Engineering Study, including	
Mineral Resource Update	0.1
Geotechnical Studies	0.2
Hydrogeological Studies	0.2
Metallurgical Testwork	0.5
Environmental Studies	0.3
Permitting Activities	0.2
Engineering and Reporting	1.0
TOTAL	**3.5**

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28 DATE AND SIGNATURE PAGE

This report titled "Technical Report on the Preliminary Economic Assessment for the Castle Mountain Project, San Bernardino County, California" and dated May 30, 2014, was prepared and signed by the following authors:

(Signed & Sealed) "*Jason J. Cox*"

Dated at Toronto, ON
May 30, 2014

Jason J. Cox, P.Eng.
Principal Mining Engineer

(Signed & Sealed) "*Reno Pressacco*"

Dated at Toronto, ON
May 30, 2014

Reno Pressacco, M.Sc.(A)., P.Geo.
Principal Geologist

(Signed & Sealed) "*Kathleen Ann Altman*"

Dated at Lakewood, CO
May 30, 2014

Kathleen Ann Altman, Ph.D., P.E.
Principal Metallurgist

(Signed & Sealed) "*David Penswick*"

Dated at Toronto, ON
May 30, 2014

David Penswick, P.Eng.
Associate Mining Engineer

29 CERTIFICATES OF QUALIFIED PERSONS

JASON J. COX

I, Jason J. Cox, P.Eng., as an author of this report entitled "Technical Report on the Preliminary Economic Assessment for the Castle Mountain Project, San Bernardino County, California", prepared for Castle Mountain Mining Company Limited and dated May 30, 2014, do hereby certify that:

1. I am a Principal Mining Engineer and Director, Mining Engineering, with Roscoe Postle Associates Inc. of Suite 501, 55 University Ave Toronto, ON, M5J 2H7.

2. I am a graduate of the Queen's University, Kingston, Ontario, Canada, in 1996 with a Bachelor of Science degree in Mining Engineering.

3. I am registered as a Professional Engineer in the Province of Ontario (Reg. #90487158). I have worked as a Mining Engineer for a total of 17 years since my graduation. My relevant experience for the purpose of the Technical Report is:
   - Review and report as a consultant on many mining operations and projects around the world for due diligence and regulatory requirements
   - Feasibility Study project work on several mining projects, including five North American mines
   - Operational experience as Planning Engineer and Senior Mine Engineer at three North American mines
   - Contract Co-ordinator for underground construction at an American mine

4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

5. I have not visited the Castle Mountain Project.

6. I am responsible for overall supervision and Section 1 of the Technical Report.

7. I am independent of the Issuer applying the test set out in Section 1.5 of NI 43-101.

8. I have had no prior involvement with the property that is the subject of the Technical Report.

9. I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.

10. At the effective date of the Technical Report, to the best of my knowledge, information, and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 30th day of May, 2014

(Signed & Sealed) "*Jason J. Cox*"

Jason J. Cox, P.Eng.

RENO PRESSACCO

I, Reno Pressacco, M.Sc., P.Geo., as an author of this report entitled "Technical Report on the Preliminary Economic Assessment for the Castle Mountain Project, San Bernardino County, California", prepared for Castle Mountain Mining Company Limited and dated May 30, 2014, do hereby certify that:

1. I am Principal Geologist with Roscoe Postle Associates Inc. of Suite 501, 55 University Ave., Toronto, ON, M5J 2H7.

2. I am a graduate of Cambrian College of Applied Arts and Technology, Sudbury, Ontario, in 1982 with a CET Diploma in Geological Technology, Lake Superior State College, Sault Ste. Marie, Michigan, in 1984, with a B.Sc. degree in Geology and McGill University, Montreal, Québec, in 1986 with a M.Sc.(A) degree in Mineral Exploration.

3. I am registered as a Professional Geologist in the Province of Ontario (Reg. #939). I have worked as a geologist for a total of 27 years since my graduation. My relevant experience for the purpose of the Technical Report is:
   - Review and report as a consultant on numerous exploration and mining projects around the world for due diligence and regulatory requirements, including preparation of Mineral Resource estimates and NI 43-101 Technical Reports.
   - Numerous assignments in North, Central and South America, Finland, Russia, Armenia and China in a variety of deposit types and in a variety of geological environments; commodities including Au, Ag, Cu, Zn, Pb, Ni, Mo, U, PGM and industrial minerals.
   - A senior position with an international consulting firm.

4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

5. I visited the Castle Mountain Project on March 14, 2013.

6. I am responsible for portions of sections 1, 25 and 26 and all of sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 20, 23, 24, 27, and 30 of the Technical Report.

7. I am independent of the Issuer applying the test set out in Section 1.5 of NI 43-101.

8. I have prior involvement with the property that is the subject of the Technical Report comprising the preparation of the Technical Report disclosing the results of the Mineral Resource estimate dated December 6, 2013.

9. I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.

10. At the effective date of the Technical Report, to the best of my knowledge, information, and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 30th day of May, 2014

(Signed & Sealed) "*Reno Pressacco*"

Reno Pressacco, M.Sc.(A)., P.Geo.

KATHLEEN ANN ALTMAN

I Kathleen Ann Altman, P.E., as an author of this report entitled "Technical Report on the Preliminary Economic Assessment for the Castle Mountain Project, San Bernardino County, California", prepared for Castle Mountain Mining Company Limited and dated May 30, 2014, do hereby certify that:

1. I am Principal Metallurgist with RPA (USA) Ltd. of Suite 505, 143 Union Boulevard, Lakewood, Co., USA 80228.

2. I am a graduate of the Colorado School of Mines in 1980 with a B.S. in Metallurgical Engineering. I am a graduate of the University of Nevada, Reno Mackay School of Mines with an M.S. in Metallurgical Engineering in 1994 and a Ph.D. in Metallurgical Engineering in 1999.

3. I am registered as a Professional Engineer in the State of Colorado (Reg. #37556) and a Qualified Professional Member of the Mining and Metallurgical Society of America (Member #01321QP). I have worked as a metallurgical engineer for a total of 33 years since my graduation. My relevant experience for the purpose of the Technical Report is:
   - Review and report as a metallurgical consultant on numerous mining operations and projects around the world for due diligence and regulatory requirements.
   - I have worked for operating companies, including the Climax Molybdenum Company, Barrick Goldstrike, and FMC Gold in a series of positions of increasing responsibility.
   - I have worked as a consulting engineer on mining projects for approximately 15 years in roles such as process engineer, process manager, project engineer, area manager, study manager, and project manager. Projects have included scoping, prefeasibility and feasibility studies, basic engineering, detailed engineering and start-up and commissioning of new projects.
   - I was the Newmont Professor for Extractive Mineral Process Engineering in the Mining Engineering Department of the Mackay School of Earth Sciences and Engineering at the University of Nevada, Reno from 2005 to 2009.

4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

5. I have not visited the Castle Mountain Project.

6. I am responsible for portions of sections 1, 25, 26, and 27 and all of Section 13 of the Technical Report.

7. I am independent of the Issuer applying the test set out in Section 1.5 of NI 43-101.

8. I have had no prior involvement with the property that is the subject of the Technical Report.

9. I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.

10. At the effective date of the Technical Report, to the best of my knowledge, information, and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 30th day of May, 2014

(Signed & Sealed) "*Kathleen Altman*"

Kathleen Ann Altman, P.E.

DAVID PENSWICK

I, David Penswick, P.Eng., as an author of this report entitled "Technical Report on the Preliminary Economic Assessment for the Castle Mountain Project, San Bernardino County, California", prepared for Castle Mountain Mining Company Limited and dated May 30, 2014, do hereby certify that:

1. I am Associate Principal Mining Engineer with Roscoe Postle Associates Inc. of Suite 501, 55 University Ave., Toronto, ON, M5J 2H7.

2. I graduated with a BSc. degree in Mining Engineering from Queens University (Kingston) in 1989 and a MSc. Degree in Mining Engineering from the University of the Witwatersrand (Johannesburg) in 1993.

3. I am registered with Professional Engineers Ontario (membership number 100111644); as well, I am a member in good standing of the Canadian Institute of Mining Metallurgy and Petroleum. I have worked as a mining engineer for a total of 25 years since my graduation, with a particular focus on mine design and valuation.

4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

5. I visited the Castle Mountain Project on October 1, 2013.

6. I am responsible for all of Sections 16, 17, 18, 19, 21, 22, and 27 and share responsibility with my co-authors for Sections 1, 25 and 26 of the Technical Report.

7. I am independent of the Issuer applying the test set out in Section 1.5 of NI 43-101.

8. I have had no prior involvement with the property that is the subject of the Technical Report.

9. I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.

10. At the effective date of the Technical Report, to the best of my knowledge, information, and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 30th day of May, 2014

(Signed & Sealed) "*David Penswick*"

David Penswick, P.Eng.

30 APPENDIX 1

CASTLE MOUNTAIN LAND TENURE

Exhibit A Malma and Pacific Clay Deposit Patented Claims

Exhibit B Patented Mining Claims (Formerly the Bagdad-Chase Lease)

Exhibit C Patented Claims BML Serial #CACA 24570

Exhibit D Patented Claims BML Serial #CACA 29997

Exhibit E Patented Claims BML Serial #CACA 30912

Exhibit F Optionee's Rights to Certain Unpatented Mining Claims under Option Agreement (Benson Option Claims)

Exhibit G Unpatented Claims and Millsites

Exhibit H Unpatented/Reserved

EXHIBIT A

EXHIBIT "A"
MILMA AND PACIFIC CLAY DEPOSIT PATENTED MINING CLAIMS

Claim Name	Patent No.	Assessor Parcel No.	Acreage
Milma placer mining claim	1113695	569-291-04 569-301-18	150.000 acres
Pacific Clay Deposit No. 1-3	1101406	569-291-13 569-291-08 569-291-09	59.592 acres

Milma Placer Mining Claim

That patented placer mining claim known as the Milma placer mining claim, being more particularly described in the patent from the United States of America to Herman F. Coors, dated April 6, 1942 and recorded March 16, 1950, in book 2546, page 232 official records, San Bernardino County, State of California, described as follows:

The East 1/2 of the Southwest 1/4, the East 1/2 of the Southwest 1/4 of the Southwest 1/4, and the East 1/2 of the Northwest 1/4 of the Southwest 1/4 of Section 13 and the Northwest 1/4 of the Northeast 1/4 of the Northwest 1/4 and the East 1/2 of the Northwest 1/4 of the Northwest 1/4 of Section 24, in Township 14 North, Range 17 East, San Bernardino Meridian, according to the official plat thereof.

Excepting therefrom any veins or lodes of quartz or other rock in place bearing gold, silver, cinnabar, lead, tin, copper or other valuable deposits within the land above described which may have been discovered or known to exist prior to September 11, 1940.

Also excepting therefrom a royalty on production equal to five percent (5%) of net smelter returns on all ores and minerals mined or extracts from the surface and subsurface of the property, as reserved in the deed from the conservation fund, recorded February 1, 1991 as instrument no. 91-39401 official records.

Pacific Clay Deposit No. 1-3

The Pacific Clay Deposit No. 1, Pacific Clay Deposit No. 2 and Pacific Clay Deposit No. 3 placer mining claims, situate in the Hart, unorganized mining district, San Bernardino County, in the County of San Bernardino, State of California, described as follows:

The Pacific Clay Deposit No. 1 claim, comprising the East 1/2 of the Northwest 1/4 of the Southwest 1/4 of Section 24, Township 14 North, Range 17 East of the San Bernardino Meridian; the Pacific Clay Deposit No. 2 claim, comprising the Southwest 1/4 of the Northwest 1/4 of the Southwest 1/4 and the Northwest 1/4 of the Southwest 1/4 of the Southwest 1/4 of said Section 24; and the Pacific Clay Deposit No. 3 claim, comprising the Northeast 1/4 of the Southwest 1/4 of the Southwest 1/4 of the Northwest 1/4 of the Southeast 1/4 of the Southwest 1/4 of said Section 24; expressly excepting and excluding from these presents all that portion of the ground hereinafter described, embraced in survey no. 6195. The Valley View No. 6 lode claim, described as follows:

Beginning at corner no. 1, North 89° 44' 45" East 1,180.07 feet from the West 1/4 Section corner of Section 24, Township 14 North, Range 17 East of the San Bernardino Meridian; Thence South 88° 5' East 50 feet to corner no. 2; Thence South 1° 55' West 356.26 feet to corner no. 3; Thence North 88° 5' West 50 feet to corner no. 4; Thence North 1° 55' East 356.26 feet to corner no. 1, the place of beginning and also all veins, lodes and, ledges, the tops of apexes of which lie inside of such excluded ground.

Excepting therefrom a royalty on production equal to five percent (5%) of net smelter returns on all ores and minerals mined or extracted from the surface and subsurface of the property, as reserved in the deed from Euro-Nevada Mining Corporation recorded February 8, 1989 as instrument no. 89-46770, official records.

Also excepting therefrom a royalty on production equal to two percent (2%) of net smelter returns on all ores and minerals mined or extracted from "the property" as reserved in the deed from American Standard, inc., recorded May 11, 1993 as instrument no. 93-202001 official records.

Source: Gresham et al., 2012

EXHIBIT B

EXHIBIT "B"
PATENTED MINING CLAIMS
(FORMERLY THE BAGDAD-CHASE LEASE)

Castle Mountain Venture purchased from Bagdad-Chase, Inc. in May 2008 the following patented mining claims:

Claim Name	Patent No.	Assessor's Parcel No.	Acreage
Oro Belle	424670	569-291-05	33.640 acres
Oro Belle Fraction	424670	569-291-05	
Oro Belle No. 1	649101	569-291-05	20.236 acres

Source: Gresham et al., 2012

EXHIBIT C

EXHIBIT "C"
PATENTED CLAIMS: BLM SERIAL #CACA 24570

Those certain claims listed in Patent Number 04-2007-0003, issued March 16, 2007, commonly referred to as Southern Belle Lode No. 8, Southern Belle Lode No. 7, Southern Belle Lode No. 6, Southern Belle Lode No. 5, Southern Belle Lode No. 4, Southern Belle Lode No. 2, Southern Belle Lode No. 3, Southern Belle Lode No. 1, SOUTHERN BELLE #16, SOUTHERN BELLE #17, SOUTHERN BELLE 32, SOUTHERN BELLE 33, and more particularly described as follows:

Mineral Survey No. 6942, embracing a portion of Sections 13 and 24, T. 14 N., R. 17 E., San Bernardino Meridian, Hart Mining District, San Bernardino County, California, the said claims being more particularly described in the official field notes and depicted on the official plats, which are expressly made a part of this patent and copies of which are attached hereto; but excluding and excepting from Southern Belle Lode No. 1, Oro Belle Fraction Mine lode, M.W. 4733, containing 0.035 acres and the Oro Belle No. 1 lode, M.S. 4780, containing 0.155 acres; and further excluding and excepting from Southern Belle Lode No. 2, Pacific Clay Deposit No. 1 Placer containing 0.125 acres; and further excluding and excepting from Southern Belle Lode No. 3, Pacific Clay Deposit No. 1 Placer containing 0.051 acres; and further excluding and excepting from Southern Belle Lode No. 4, Oro Belle Mine lode, M.S. 4733, containing 0.364 acres; and further excluding and excepting from Southern Belle Lode No. 5, Oro Belle No. 1 lode, M.S. 4780, containing 0.009 acres; Milma Placer Mining Claim, SE¼ SW¼, sec. 13, containing 0.105 acres and Milma Placer Mining Claim, NW¼ NE¼ NW¼, sec. 24, containing 1.259 acres; and further excluding and excepting from Southern Belle Lode No. 7, Oro Belle Fraction Mine lode, M.S. 4733, containing 2.549 acres and Oro Belle Mine lode, M.S. 4733, containing 0.245 acres; and further excluding and excepting from Southern Belle Lode No. 8, Oro Belle Mine lode, M.S. 4733, containing 0.129 acres; Oro Belle Fraction Mine lode, M.S. 4733, containing 0.049 acres and Oro Belle No. 1 lode, M.S. 4780, containing 0.722 acres; and excluding and excepting from SOUTHERN BELLE #16, Oro Belle Mine lode, M.S. 4733, containing 2.373 acres and Southern Belle Lode No. 4, M.S. 6942, containing 0.332 acres; and further excluding and excepting from SOUTHERN BELLE 32, Pacific Clay Deposit No. 3 Placer containing 0.184 acres; Southern Belle Lode No. 2, M.S. 6942, containing 0.653 acres; Southern Belle Lode No. 6, M.S. 6942, containing 8.204 acres; and SOUTHERN BELLE #17, M.S. 6942, containing 0.860 acres; and further excluding and excepting from SOUTHERN BELLE 33, Southern Belle Lode No. 6, M.S. 6942, containing 1.440 acres; SOUTHERN BELLE #17, M.S. 6942, containing 10.614 acres; SOUTHERN BELLE #18, M.S. 6942, containing 1.350 acres; and further excluding and excepting form this patent the remainder of Mineral Survey No. 6942.

Assessor Parcel Numbers, 0569-291-04, 0569-291-05, 0569-291-06, 0569-291-08, 0569-291-09, 0569-291-13, and 0569-291-14.

The premises herein granted contain 206.746 acres.

Source: Gresham et al., 2012

EXHIBIT D

EXHIBIT "D"
PATENTED CLAIMS: BLM SERIAL #CACA 29997

Those certain claims listed in Patent 04-2007-0004, issued March 16, 2007 and supplemental Patent 04-2009-0009, issued June 24, 2009, commonly referred to as Hart Millsite #11, Castle Mountain # 1, Castle Mountain # 2, Castle Mountain # 3, Castle Mountain # 4, Castle Mountain # 5, Castle Mountain # 6, Castle Mountain # 7, Castle Mountain # 8, Castle Mountain # 9, Castle Mountain # 10, Castle Mountain # 11, Castle Mountain # 12, Castle Mountain # 13, Castle Mountain # 14, Castle Mountain # 15, Castle Mountain # 16, Castle Mountain # 17, Castle Mountain # 18, Castle Mountain # 19, Castle Mountain # 20, Castle Mountain # 21, Castle Mountain # 35, Castle Mountain # 36, Castle Mountain # 37, Castle Mountain # 38, Castle Mountain # 39, Castle Mountain # 40, Castle Mountain # 41, Castle Mountain # 42, Castle Mountain # 43, Castle Mountain # 44, Castle Mountain # 74 Castle Mountain # 75, Castle Mountain # 76, Castle Mountain # 77, Castle Mountain # 78, Castle Mountain # 79, Castle Mountain # 80, Castle Mountain # 86, Castle Mountain # 87, Castle Mountain # 91, Castle Mountain # 95, Castle Mountain # 96, Castle Mountain # 97, Castle Mountain # 98, Castle Mountain # 99, Castle Mountain #100, Castle Mountain #101, Castle Mountain #102, Castle Mountain #103, Castle Mountain #104, Castle Mountain #105, Castle Mountain #113, Castle Mountain #114, Castle Mountain #115, Castle Mountain #116, Castle Mountain #117, Castle Mountain #118, Castle Mountain #119, Castle Mountain #120, Castle Mountain #137, Castle Mountain #138, Waterhole #W11P, Waterhole #W14P, Waterhole #W15P, Waterhole #W18P, Waterhole #W24P, Castle Mountain #121, Castle Mountain #122, Castle Mountain #123, Castle Mountain #124, Castle Mountain #133, Castle Mountain #134, Castle Mountain #135, Castle Mountain #136, Castle Mountain #146, Castle Mountain #147, Castle Mountain #148, Castle Mountain #149, Castle Mountain #150, Castle Mountain #151, Castle Mountain #153, Castle Mountain #155, Castle Mountain #157, Castle Mountain #162, Castle Mountain #163, Castle Mountain #164, Castle Mountain #165, Castle Mountain #166, Castle Mountain #167, Castle Mountain #168, Castle Mountain #169, Castle Mountain #170, Castle Mountain #171, Castle Mountain #172, Castle Mountain #173, Castle Mountain #174, Castle Mountain #175, Castle Mountain #177, Castle Mountain #178, Castle Mountain #180, Castle Mountain #181, Castle Mountain #182, Castle Mountain #183, Castle Mountain #184, Castle Mountain #185, Castle Mountain #186, Castle Mountain #187, Castle Mountain #188, Castle Mountain #189, Castle Mountain #190, Castle Mountain #191, Castle Mountain #192, Castle Mountain #193, Castle Mountain #195, Castle Mountain #196, Castle Mountain #197, Castle Mountain #198, FT 25, FT 26, FT 27, FT 28, FT 29, FT 30, FT 31, FT 32, FT 33, FT 34, FT 35, FT 36, FT 37, FT 38, FT 39, FT 40, FT 41, FT 42, FT 61, FT 62, FT 63, FT 64, FT 65, FT 66, FT 67, FT 68, FT 134, FT 163, FT 165, FT 328, FT 1, FT 2, FT 3, FT 4, FT 5, FT 6, FT 7, FT 8, FT 9, FT 10, FT 11, FT 12, FT 13, FT 14, FT 15, FT 16, FT 75, FT 76, FT 77, FT 78, FT 79, FT 80, FT 81, FT 82, FT 84, FT 90, and more particularly described as follows:

San Bernardino Meridian, California

T. 14 N., R. 17 E.,
Sec. 9: SE¼NE¼SW¼SE¼;

Sec. 15: NW¼SE¼SW¼NE¼, SW¼NW¼SW¼NW¼,
SW¼SE¼SW¼NW¼, N½SW¼NE¼SW¼,
NW¼NW¼SW¼SW¼;

Sec. 23: SW¼SW¼NE¼SW¼, N½SE¼NW¼SW¼,
SE¼SE¼NW¼SW¼, E½SW¼SW¼,
W½SE¼SW¼, SW¼SE¼SE¼SW¼,
SE¼NE¼NE¼SE¼, S½S½NE¼SE¼SE¼,
NE¼SE¼SE¼SE¼, SW¼SE¼SW¼NW¼;

Sec. 24: SE¼NW¼SW¼NW¼, NE¼SW¼SW¼NW¼,
S½SW¼SW¼ NW¼, NW¼NW¼SW¼,
W½SW¼SW¼SW¼, N½SE¼SW¼SW¼,
SE¼SE¼SW¼SW¼, S½SE¼SW¼,

S½SW¼SE¼, S½NW¼SE¼SE¼,
NW¼NW¼SE¼SE¼, S½NW¼SE¼SE¼
SW¼SE¼SE¼, W½SE¼SE¼SE¼;

Sec. 25: NW¼NE¼NE¼NE¼, S½NE¼NE¼NE¼,
W½NE¼NE¼, SE¼NE¼NE¼, NW¼NE¼,
N½SW¼NE¼, N½SW¼SW¼NE¼,
SE¼SW¼SW¼NE¼, SE¼SW¼NE¼, SE¼NE¼,
NE¼NW¼, NE¼NE¼NW¼NW¼,
S½NE¼NW¼NW¼, N½NW¼NW¼NW¼,
SE¼NW¼NW¼NW¼, NE¼SW¼NW¼NW¼,
S½SW¼NW¼NW¼, N½SE¼NW¼NW¼,
N½S½SE¼NW¼NW¼, NW¼NW¼SW¼NW¼,
S½NW¼NW¼SW¼, SW¼NW¼SW¼,
SW¼SE¼NW¼SW¼, NW¼NE¼SW¼SW¼,
S½NE¼SW¼SW¼, W½SW¼SW¼,
N½SE¼SW¼SW¼, N½NE¼NE¼SE¼,
NE¼NW¼NE¼SE¼;

Sec. 26: NW¼SW¼NW¼NE¼, S½SW¼NW¼NE¼,
NW¼NE¼SW¼NE¼, S½NE¼SW¼NE¼,
W½SW¼NE¼, SE¼SW¼NE¼,
NE¼NE¼SE¼NE¼, S½NE¼SE¼NE¼,
SW¼SE¼NE¼, W½SE¼SE¼NE¼,
NE¼NW¼, NE¼NW¼NW¼, N½SE¼NW¼,
N½S½SE¼NW¼, SE¼SW¼ SE¼NW¼,
S½SE¼SE¼NW¼, NE¼NE¼SW¼,
NE¼SE¼NE¼SW¼, N½SE¼,
NE¼SW¼SE¼, N½NW¼SW¼SE¼,
SE¼NW¼SW¼SE¼, NW¼SE¼SW¼SE¼,
N½SE¼SE¼, N½SW¼SE¼SE¼,
N½S½ SW¼SE¼SE¼, SE¼SE¼SE¼,
SW¼NW¼SE¼NE¼.

Assessor Parcel Numbers, 0569-291-02, 0569-291-03, 0569-291-04, 0569-291-06, 0569-291-08, 0569-291-09, and 0569-291-10, 0569-291-11, 0569-291-13, 0569-291-14, 0569-301-10, and 0569-301-16.

The premises herein granted contain 772.500 acres.

Source: Gresham et al., 2012

EXHIBIT E

EXHIBIT "E"
PATENTED CLAIMS: BLM SERIAL #CACA 30912

Those certain claims listed in Patent Number 04-2007-0005, issued March 16, 2007, commonly referred to as CASTLE MOUNTAIN 143, CASTLE MOUNTAIN 144, FT 51, FT 52, FT 53, FT 54, FT 55, FT 56, FT 57, FT 162, FT 164, FT 191, FT 192, FT 193, FT 217, FT 218, more particularly described as follows:

San Bernardino Meridian, California
T. 14 N., R. 17 E.,
Sec. 24: Lots 10, 11, 14, 15, 22, 23, 24,
N½NE¼SW¼, S½NE¼SW¼SE ¼;
T. 14 N., R. 18 E.,
Sec. 30: Lots 22, 23, 24, 33, 34, 37, and 38.

Assessor Parcel Numbers, 0569-291-04, 0569-291-06, 0569-291-08, 0569-291-09, 0569-291-13, 0569-291-14, and 0569-361-11.

The premises herein granted contain 53.740 acres.

Source: Gresham et al., 2012

EXHIBIT F

EXHIBIT "F"
OPTIONEE'S RIGHTS TO CERTAIN UNPATENTED MINING CLAIMS UNDER OPTION AGREEMENT (BENSON OPTION CLAIMS)

Viceroy Gold Corporation is the Optionee under the Option Agreement dated August 22, 2006, between Viceroy Gold Corporation and Dennis Benson, for which a Memorandum of Option Agreement was recorded in San Bernardino County on October 31, 2006, as Document No. 2006-0742472, and under which Optionee has rights to those certain unpatented mining claims identified below.

Name of Claim (in full) situated in:	Type	§	TWP	Range	Meridian	Original Location Document No. or Book	Original Location Page	CAMC
Hart Peak No. 8	Placer	31	15N	18E	SB&M	Book 428	179	46608
Hart Peak No. 9	Placer	31	15N	18E	SB&M	Book 428	178	46609
Sugar Daddy	Placer	7	14N	18E	SB&M	Book 428	30	46610
Sugar Daddy No. 2	Placer	7	14N	18E	SB&M	Book 428	31	46611
Sugar Daddy No. 3	Placer	7	14N	18E	SB&M	Book 428	32	46612
Dianne	Placer	18	14N	18E	SB&M	Book 429	108	46613
Hart Peak	Placer	6	14N	18E	SB&M	Book 428	33	46601
Hart Peak No. 2	Placer	6	14N	18E	SB&M	Book 428	34	46602
Hart Peak No. 3	Placer	6	14N	18E	SB&M	Book 428	35	46603
Hart Peak No. 4	Placer	6	14N	18E	SB&M	Book 428	131	46604
Hart Peak No. 5	Placer	31	15N	18E	SB&M	Book 428	160	46605
Hart Peak No. 6	Placer	31	15N	18E	SB&M	Book 428	161	46606
Hart Peak No. 7	Placer	31	15N	18E	SB&M	Book 428	162	46607
White Rose	Placer	1	14N	17E	SB&M	Book 425	115	46614
White Rose No. 2	Placer	1	14N	17E	SB&M	Book 427	255	46615
White Rose No. 3	Placer	6/7	14N	18E	SB&M	Book 427	256	46616
White Rose No. 4	Placer	1	14N	17E	SB&M	Book 427	554	46617
White Rose No. 5	Placer	6/7	14N	18E	SB&M	Book 427	587	46618
White Rose No. 6	Placer	12	14N	18E	SB&M	Book 428	132	46619

Assessor's Parcel No. 0569-341-01-X-000

Source: Gresham et al., 2012

EXHIBIT G

EXHIBIT "G"
UNPATENTED CLAIMS AND MILLSITES

BLM #	Type	ST.	CLAIM NAME	CO./ BK. PG. #	AMEND./ DOC. #	§	TWP	RGE. SBB&M	APN
16139	Lode	CA	Turtle Back 1	259/58-59		12/13	14 N	17 E	0569-301-22-X-002
16140	Lode	CA	Turtle Back 2	259/58-59		12/13	14 N	17 E	0569-301-22-X-002
16141	Lode	CA	Turtle Back 3	259/58-59		12/13	14 N	17 E	0569-301-22-X-002
24218	Placer	CA	PS # 1	398:530:455	81-227381	24	14 N	17 E	0569-291-17-X-000
24219	Placer	CA	PS # 2	398:531:456	81-227382	24	14 N	17 E	0569-291-17-X-000
24220	Placer	CA	PS # 3	398:532:457	81-227383	24	14 N	17 E	0569-291-17-X-000
24221	Placer	CA	PS # 4	398:533:458	81-227384	24	14 N	17 E	0569-291-17-X-000
24222	Placer	CA	PS # 5	398:534:459	81-227385	24	14 N	17 E	0569-291-17-X-000
24223	Placer	CA	PS # 6	398:535:460	81-227386	23	14 N	17 E	0569-291-17-X-000
24224	Placer	CA	PS # 7	398:536:461	81-227387	24	14 N	17 E	0569-291-17-X-000
24225	Placer	CA	APS # 1	432:208:537	81-227388	23	14 N	17 E	0569-291-17-X-001
24226	Placer	CA	APS # 2	432:206:536	81-227389	23	14 N	17 E	0569-291-17-X-001
24227	Placer	CA	APS # 3	432:204:535	81-227390	24	14 N	17 E	0569-291-17-X-001
24228	Placer	CA	APS # 4	432:202:534	81-227391	24	14 N	17 E	0569-291-17-X-001
24229	Placer	CA	APS # 5	432:200:533	81-227392	25	14 N	17 E	0569-291-17-X-001
24230	Placer	CA	APS # 6	432:198:532	81-227393	24	14 N	17 E	0569-291-17-X-001
24231	Placer	CA	APS # 7	447:719:625	81-227394	24	14 N	17 E	0569-291-17-X-001
24232	Placer	CA	APS # 8	447:720:626	81-227395	24	14 N	17 E	0569-291-17-X-001
24233	Placer	CA	APS # 9	447:721:627	81-227396	24	14 N	17 E	0569-291-17-X-001
24234	Placer	CA	APS #10	447:722:628	81-227397	24	14 N	17 E	0569-291-17-X-001
24235	Placer	CA	APS #11	447:723:629	81-227398	24	14 N	17 E	0569-291-17-X-001
24236	Placer	CA	APS #12	447:724:630	81-227399	24	14 N	17 E	0569-291-17-X-001
24237	Placer	CA	APS #13	447:725:631	81-227400	24	14 N	17 E	0569-291-17-X-001
24238	Placer	CA	APS #14	447:726:632	81-227401	24	14 N	17 E	0569-291-17-X-001
24239	Placer	CA	APS #15	447:727:633	81-227402	24	14 N	17 E	0569-291-17-X-001
24240	Placer	CA	APS #16	447:728:634	81-227403	24	14 N	17 E	0569-291-17-X-001
70711	Lode	CA	Mountain Top #1	80-166881		13/24	14 N	17 E	0569-351-01-X-001
70712	Lode	CA	Mountain Top #2	80-166882		18/19	14 N	18 E	0569-351-01-X-001
70713	Lode	CA	Mountain Top #3	80-166883		24	14 N	17 E	0569-351-01-X-001
70714	Lode	CA	Mountain Top #4	80-166884		19	14 N	18 E	0569-351-01-X-001
70715	Lode	CA	Mountain Top #5	80-166885	91-065107	19	14 N	18 E	0569-351-01-X-001
70716	Lode	CA	Mountain Top #6	80-166886	91-065108	19	14 N	18 E	0569-351-01-X-001
70717	Lode	CA	Mountain Top #7	80-166887	91-065109	19	14 N	18 E	0569-351-01-X-001
70718	Lode	CA	Mountain Top #8	80-166888		19	14 N	18 E	0569-351-01-X-001
70719	Lode	CA	Mountain Top #9	80-166889		19	14 N	18 E	0569-351-01-X-001
85611	Lode	CA	Mountain Top #10	81-042078		19	14 N	18 E	0569-351-01-X-001
85612	Lode	CA	Mountain Top #11	81-042079		19	14 N	18 E	0569-351-01-X-001
85613	Lode	CA	Mountain Top #12	81-042080		19	14 N	18 E	0569-351-01-X-001
171535	Lode	CA	Southern Belle 10	85-260450		13/24	14 N	17 E	not assessed
171539	Lode	CA	Southern Belle 14	85-260454		24	14 N	17 E	not assessed
171543	Lode	CA	Southern Belle 18	85-260458		24	14 N	17 E	not assessed
171544	Lode	CA	Southern Belle 19	85-260459		24	14 N	17 E	not assessed
173886	Lode	CA	Roy 61	85-281789		13	14 N	17 E	0569-301-22-X-000

173898	Lode	CA	Roy 73	85-281801		18	14 N	18 E	0569-301-22-X-000
173899	Lode	CA	Roy 74	85-281802		18/19	14 N	18 E	0569-301-22-X-000
173900	Lode	CA	Roy 75	85-281803		18	14 N	18 E	0569-301-22-X-000
173901	Lode	CA	Roy 76	85-281804		18/19	14 N	18 E	0569-301-22-X-000
173912	Lode	CA	Roy 87	85-281815		13	14 N	17 E	0569-301-22-X-000
173913	Lode	CA	Roy 88	85-281816		13	14 N	17 E	0569-301-22-X-000
173914	Lode	CA	Roy 89	85-281817		18	14 N	17 E	0569-301-22-X-000
173915	Lode	CA	Roy 90	85-281818		12/13	14 N	17 E	0569-301-22-X-000
173916	Lode	CA	Roy 91	85-281819		13	14 N	17 E	0569-301-22-X-000
173917	Lode	CA	Roy 92	85-281820		12/13	14 N	17 E	0569-301-22-X-000
173918	Lode	CA	Roy 93	85-281821		13	14 N	17 E	0569-301-22-X-000
173919	Lode	CA	Roy 94	85-281822		13	14 N	17 E	0569-301-22-X-000
173920	Lode	CA	Roy 95	85-281823		13	14 N	17 E	0569-301-22-X-000
173921	Lode	CA	Roy 96	85-281824		12/13	14 N	17 E	0569-301-22-X-000
173922	Lode	CA	Roy 97	85-281825		13	14 N	17 E	0569-301-22-X-000
173923	Lode	CA	Roy 98	85-281826		12/13	14 N	17 E	0569-301-22-X-000
173924	Lode	CA	Roy 99	85-281827		13	14 N	17 E	0569-301-22-X-000
173926	Lode	CA	Roy 101	85-281829		13	14 N	17 E	0569-301-22-X-000
173928	Lode	CA	Roy 103	85-281831		13	14 N	17 E	0569-301-22-X-000
173930	Lode	CA	Roy 105	85-281833		13	14 N	17 E	0569-301-22-X-000
173932	Lode	CA	Roy 107	85-281835		18	14 N	18 E	0569-301-22-X-000
173933	Lode	CA	Roy 108	85-281836		12	14 N	17 E	0569-301-22-X-000
173934	Lode	CA	Roy 109	85-281837		12	14 N	17 E	0569-301-22-X-000
173935	Lode	CA	Roy 110	85-281838		12	14 N	17 E	0569-301-22-X-000
173936	Lode	CA	Roy 111	85-281839		12	14 N	17 E	0569-301-22-X-000
173937	Lode	CA	Roy 112	85-281840		12	14 N	17 E	0569-301-22-X-000
173938	Lode	CA	Roy 113	85-281841		12	14 N	17 E	0569-301-22-X-000
173939	Lode	CA	Roy 114	85-281842		12	14 N	17 E	0569-301-22-X-000
173940	Lode	CA	Roy 115	85-281843		12	14 N	17 E	0569-301-22-X-000
173941	Lode	CA	Roy 116	85-281844		12	14 N	17 E	0569-301-22-X-000
173942	Lode	CA	Roy 117	85-281845		12	14 N	17 E	0569-301-22-X-000
173943	Lode	CA	Roy 118	85-281846		12	14 N	17 E	0569-301-22-X-000
173944	Lode	CA	Roy 119	85-281847		12	14 N	17 E	0569-301-22-X-000
173955	Lode	CA	Roy 130	85-281858		24	14 N	17 E	0569-301-22-X-000
173956	Lode	CA	Roy 131	85-281859		24	14 N	17 E	0569-301-22-X-000
173958	Lode	CA	Roy 133	85-281861		24	14 N	17 E	0569-301-22-X-000
173959	Lode	CA	Roy 134	85-281862		24/25	14 N	17 E	0569-301-22-X-000
173960	Lode	CA	Roy 135	85-281863		24/25	14 N	17 E	0569-301-22-X-000
173961	Lode	CA	Roy 136	85-281864		24/25	14 N	17 E	0569-301-22-X-000
173962	Lode	CA	Roy 137	85-281865		24/25	14 N	17 E	0569-301-22-X-000
173963	Lode	CA	Roy 138	85-281866		25	14 N	17 E	0569-301-22-X-000
173964	Lode	CA	Roy 139	85-281867		25	14 N	17 E	0569-301-22-X-000
173965	Lode	CA	Roy 140	85-281868		25	14 N	17 E	0569-301-22-X-000
173966	Lode	CA	Roy 141	85-281869		25	14 N	17 E	0569-301-22-X-000
173969	Lode	CA	Roy 144	85-281872		24	14 N	17 E	0569-301-22-X-000

173970	Lode	CA	Roy 145	85-281873	91-065111	19	14 N	18 E	0569-301-22-X-000
173971	Lode	CA	Roy 146	85-281874		24	14 N	17 E	0569-301-22-X-000
173972	Lode	CA	Roy 147	85-281875	91-065112	19	14 N	18 E	0569-301-22-X-000
173973	Lode	CA	Roy 148	85-281876		24/25	14 N	17 E	0569-301-22-X-000
173974	Lode	CA	Roy 149	85-281877	91-065113	19/30	14 N	18 E	0569-301-22-X-000
173975	Lode	CA	Roy 150	85-281878		30	14 N	18 E	0569-301-22-X-000
173976	Lode	CA	Roy 151	85-281879		30	14 N	18 E	0569-301-22-X-000
173977	Lode	CA	Roy 152	85-281880		24/25	14 N	17 E	0569-301-22-X-000
173978	Lode	CA	Roy 153	85-281881		25	14 N	17 E	0569-301-22-X-000
173979	Lode	CA	Roy 154	85-281882		24	14 N	17 E	0569-301-22-X-000
173980	Lode	CA	Roy 155	85-281883		24/25	14 N	17 E	0569-301-22-X-000
173981	Lode	CA	Roy 156	85-281884		25	14 N	17 E	0569-301-22-X-000
173982	Lode	CA	Roy 157	85-281885		25	14 N	17 E	0569-301-22-X-000
178800	Lode	CA	Roy 158	86-095665		12	14 N	17 E	0569-301-22-X-000
178801	Lode	CA	Roy 159	86-095666		12	14 N	17 E	0569-301-22-X-000
178802	Lode	CA	Roy 160	86-095667		12	14 N	17 E	0569-301-22-X-000
178803	Lode	CA	Roy 161	86-095668		12	14 N	17 E	0569-301-22-X-000
178804	Lode	CA	Roy 162	86-095669		12	14 N	17 E	0569-301-22-X-000
178805	Lode	CA	Roy 163	86-095670		12	14 N	17 E	0569-301-22-X-000
178837	Lode	CA	Roy 195	86-095702		22/23	14 N	17 E	0569-301-22-X-000
178838	Lode	CA	Roy 196	86-095703		23	14 N	17 E	0569-301-22-X-000
178839	Lode	CA	Roy 197	86-095704		22/23	14 N	17 E	0569-301-22-X-000
178840	Lode	CA	Roy 198	86-095705		23	14 N	17 E	0569-301-22-X-000
178841	Lode	CA	Roy 199	86-095706		22/23	14 N	17 E	0569-301-22-X-000
178842	Lode	CA	Roy 200	86-095707		23	14 N	17 E	0569-301-22-X-000
178843	Lode	CA	Roy 201	86-095708		22/23	14 N	17 E	0569-301-22-X-000
178844	Lode	CA	Roy 202	86-095709		23	14 N	17 E	0569-301-22-X-000
178845	Lode	CA	Roy 203	86-095710		22/23	14 N	17 E	0569-301-22-X-000
178846	Lode	CA	Roy 204	86-095711		23	14 N	17 E	0569-301-22-X-000
178847	Lode	CA	Roy 205	86-095712		22/23	14 N	17 E	0569-301-22-X-000
178848	Lode	CA	Roy 206	86-095713		23	14 N	17 E	0569-301-22-X-000
178849	Lode	CA	Roy 207	86-095714		22/23/ 26/27	14 N	17 E	0569-301-22-X-000
178850	Lode	CA	Roy 208	86-095715		23/26	14 N	17 E	0569-301-22-X-000
178851	Lode	CA	Roy 209	86-095716		26/27	14 N	17 E	0569-301-22-X-000
178852	Lode	CA	Roy 210	86-095717		26	14 N	17 E	0569-301-22-X-000
178853	Lode	CA	Roy 211	86-095718		26/27	14 N	17 E	0569-301-22-X-000
178854	Lode	CA	Roy 212	86-095719		26	14 N	17 E	0569-301-22-X-000
178855	Lode	CA	Roy 213	86-095720		26/27	14 N	17 E	0569-301-22-X-000
178856	Lode	CA	Roy 214	86-095721		26	14 N	17 E	0569-301-22-X-000
178857	Lode	CA	Roy 215	86-095722		26/27	14 N	17 E	0569-301-22-X-000
178858	Lode	CA	Roy 216	86-095723		26	14 N	17 E	0569-301-22-X-000
178859	Lode	CA	Roy 217	86-095724		23	14 N	17 E	0569-301-22-X-000
178860	Lode	CA	Roy 218	86-095725		23	14 N	17 E	0569-301-22-X-000
178861	Lode	CA	Roy 219	86-095726		23	14 N	17 E	0569-301-22-X-000

178862	Lode	CA	Roy 220	86-095727		23/24	14 N	17 E	0569-301-22-X-000
178863	Lode	CA	Roy 221	86-095728		23	14 N	17 E	0569-301-22-X-000
178864	Lode	CA	Roy 222	86-095729		23/24	14 N	17 E	0569-301-22-X-000
178865	Lode	CA	Roy 223	86-095730		23	14 N	17 E	0569-301-22-X-000
178866	Lode	CA	Roy 224	86-095731		23/24	14 N	17 E	0569-301-22-X-000
178867	Lode	CA	Roy 225	86-095732		23	14 N	17 E	0569-301-22-X-000
178868	Lode	CA	Roy 226	86-095733		23/24	14 N	17 E	0569-301-22-X-000
178869	Lode	CA	Roy 227	86-095734		23/26	14 N	17 E	0569-301-22-X-000
178870	Lode	CA	Roy 228	86-095735		23/24/ 25/26	14 N	17 E	0569-301-22-X-000
178871	Lode	CA	Roy 229	86-095736		26	14 N	17 E	0569-301-22-X-000
178872	Lode	CA	Roy 230	86-095737		25/26	14 N	17 E	0569-301-22-X-000
178873	Lode	CA	Roy 231	86-095738		26	14 N	17 E	0569-301-22-X-000
178874	Lode	CA	Roy 232	86-095739		25/26	14 N	17 E	0569-301-22-X-000
178875	Lode	CA	Roy 233	86-095740		26	14 N	17 E	0569-301-22-X-000
178876	Lode	CA	Roy 234	86-095741		25/26	14 N	17 E	0569-301-22-X-000
178877	Lode	CA	Roy 235	86-095742		26	14 N	17 E	0569-301-22-X-000
178878	Lode	CA	Roy 236	86-095743		25/26	14 N	17 E	0569-301-22-X-000
178879	Lode	CA	Roy 237	86-095744		26	14 N	17 E	0569-301-22-X-000
178880	Lode	CA	Roy 238	86-095745		25/26	14 N	17 E	0569-301-22-X-000
178881	Lode	CA	Roy 239	86-095746		25	14 N	17 E	0569-301-22-X-000
178882	Lode	CA	Roy 240	86-095747		25	14 N	17 E	0569-301-22-X-000
178884	Lode	CA	Roy 242	86-095749		25	14 N	17 E	0569-301-22-X-000
178885	Lode	CA	Roy 243	86-095750		25	14 N	17 E	0569-301-22-X-000
178886	Lode	CA	Roy 244	86-095751		25	14 N	17 E	0569-301-22-X-000
178889	Lode	CA	Roy 247	86-095754		25	14 N	17 E	0569-301-22-X-000
178890	Lode	CA	Roy 248	86-095755		25	14 N	17 E	0569-301-22-X-000
178891	Lode	CA	Roy 249	86-095756		25	14 N	17 E	0569-301-22-X-000
178892	Lode	CA	Roy 250	86-095757		25	14 N	17 E	0569-301-22-X-000
178893	Lode	CA	Roy 251	86-095758		30	14 N	18 E	0569-301-22-X-000
178894	Lode	CA	Roy 252	86-095759		30	14 N	18 E	0569-301-22-X-000
178897	Lode	CA	Roy 255	86-095762		30	14 N	18 E	0569-301-22-X-000
178898	Lode	CA	Roy 256	86-095763		19	14 N	18 E	0569-301-22-X-000
178899	Lode	CA	Roy 257	86-095764		19	14 N	18 E	0569-301-22-X-000
178912	Lode	CA	Roy 270	86-095777		34/35	14 N	17 E	0569-301-22-X-000
178913	Lode	CA	Roy 271	86-095778		26/27/ 34/35	14 N	17 E	0569-301-22-X-000
178914	Lode	CA	Roy 272	86-095779		26	14 N	17 E	0569-301-22-X-000
178915	Lode	CA	Roy 273	86-095780		26/35	14 N	17 E	0569-301-22-X-000
178916	Lode	CA	Roy 274	86-095781		26	14 N	17 E	0569-301-22-X-000
178917	Lode	CA	Roy 275	86-095782		26/35	14 N	17 E	0569-301-22-X-000
178918	Lode	CA	Roy 276	86-095783		26	14 N	17 E	0569-301-22-X-000
178919	Lode	CA	Roy 277	86-095784		26/35	14 N	17 E	0569-301-22-X-000
178920	Lode	CA	Roy 278	86-095785		26	14 N	17 E	0569-301-22-X-000
178921	Lode	CA	Roy 279	86-095786		26/35	14 N	17 E	0569-301-22-X-000

178922	Lode	CA	Roy 280	86-095787		26	14 N	17 E	0569-301-22-X-000
178923	Lode	CA	Roy 281	86-095788		26/35	14 N	17 E	0569-301-22-X-000
178924	Lode	CA	Roy 282	86-095789		26	14 N	17 E	0569-301-22-X-000
178925	Lode	CA	Roy 283	86-095790		26/35	14 N	17 E	0569-301-22-X-000
178926	Lode	CA	Roy 284	86-095791		26	14 N	17 E	0569-301-22-X-000
178927	Lode	CA	Roy 285	86-095792		26/35	14 N	17 E	0569-301-22-X-000
178928	Lode	CA	Roy 286	86-095793		26	14 N	17 E	0569-301-22-X-000
178929	Lode	CA	Roy 287	86-095794		26/35	14 N	17 E	0569-301-22-X-000
178930	Lode	CA	Roy 288	86-095795		25/26	14 N	17 E	0569-301-22-X-000
178931	Lode	CA	Roy 289	86-095796		25/26/ 35/36	14 N	17 E	0569-301-22-X-000
178932	Lode	CA	Roy 290	86-095797		25	14 N	17 E	0569-301-22-X-000
178933	Lode	CA	Roy 291	86-095798		25/36	14 N	17 E	0569-301-22-X-000
178934	Lode	CA	Roy 292	86-095799		25	14 N	17 E	0569-301-22-X-000
178935	Lode	CA	Roy 293	86-095800		25/36	14 N	17 E	0569-301-22-X-000
178936	Lode	CA	Roy 294	86-095801		25	14 N	17 E	0569-301-22-X-000
178937	Lode	CA	Roy 295	86-095802		25/36	14 N	17 E	0569-301-22-X-000
178938	Lode	CA	Roy 296	86-095803		25	14 N	17 E	0569-301-22-X-000
178939	Lode	CA	Roy 297	86-095804		25/36	14 N	17 E	0569-301-22-X-000
178940	Lode	CA	Roy 298	86-095805		25	14 N	17 E	0569-301-22-X-000
178941	Lode	CA	Roy 299	86-095806		25/36	14 N	17 E	0569-301-22-X-000
178942	Lode	CA	Roy 300	86-095807		25	14 N	17 E	0569-301-22-X-000
178943	Lode	CA	Roy 301	86-095808		25/36	14 N	17 E	0569-301-22-X-000
178944	Lode	CA	Roy 302	86-095809		25	14 N	17 E	0569-301-22-X-000
178945	Lode	CA	Roy 303	86-095810		25/36	14 N	17 E	0569-301-22-X-000
178946	Lode	CA	Roy 304	86-095811		25	14 N	17 E	0569-301-22-X-000
178947	Lode	CA	Roy 305	86-095812		25/36	14 N	17 E	0569-301-22-X-000
178948	Lode	CA	Roy 306	86-095813		25	14 N	18 E	0569-301-22-X-000
178949	Lode	CA	Roy 307	86-095814		25/26	14 N	17 E	0569-301-22-X-000
178950	Lode	CA	Roy 308	86-095815		30	14 N	18 E	0569-301-22-X-000
178951	Lode	CA	Roy 309	86-095816		30/31	14 N	18 E	0569-301-22-X-000
179655	Lode	CA	Southern Belle 31	86-127075		24	14 N	17 E	0569-301-22-X-002
179659	Lode	CA	Southern Belle 35	86-127079		24	14 N	17 E	0569-301-22-X-002
179667	Lode	CA	Southern Belle 43	86-127087		13	14 N	17 E	0569-301-22-X-002
179670	Lode	CA	Southern Belle 46	86-127090		13	14 N	17 E	0569-301-22-X-002
179671	Lode	CA	Southern Belle 47	86-127091		13/14	14 N	17 E	0569-301-22-X-002
193838	Placer	CA	Golden Clay # 1	87-200385		25	14 N	17 E	0569-291-17-X-003
193839	Placer	CA	Golden Clay # 2	87-200386		25	14 N	17 E	0569-291-17-X-003
193840	Placer	CA	Golden Clay # 3	87-200387		25	14 N	17 E	0569-291-17-X-003
193841	Placer	CA	Golden Clay # 4	87-200388		25	14 N	17 E	0569-291-17-X-003
193842	Placer	CA	Golden Clay # 5	87-200389		25	14 N	17 E	0569-291-17-X-003
193843	Placer	CA	Golden Clay # 6	87-200390		25	14 N	17 E	0569-291-17-X-003
193844	Placer	CA	Golden Clay # 7	87-200391		25	14 N	17 E	0569-291-17-X-003
193845	Placer	CA	Golden Clay # 8	87-200392		25	14 N	17 E	0569-291-17-X-003
193846	Placer	CA	Golden Clay # 9	87-200393		25	14 N	17 E	0569-291-17-X-003

193847	Placer	CA	Golden Clay #10	87-200394		25	14 N	17 E	0569-291-17-X-003
193848	Placer	CA	Golden Clay #11	87-200395		25	14 N	17 E	0569-291-17-X-003
193849	Placer	CA	Golden Clay #12	87-200396		25	14 N	17 E	0569-291-17-X-003
194641	Lode	CA	Southern Belle 53	87-201776		13	14 N	17 E	0569-301-22-X-002
194642	Lode	CA	Southern Belle 54	87-201777		13	14 N	17 E	0569-301-22-X-002
194643	Lode	CA	Southern Belle 55	87-201778		13	14 N	17 E	0569-301-22-X-002
194644	Lode	CA	Southern Belle 56	87-201779		13	14 N	17 E	0569-301-22-X-002
194645	Lode	CA	Southern Belle 57	87-201780		18	14 N	18 E	0569-301-22-X-002
194646	Lode	CA	Southern Belle 58	87-201781		13/24	14 N	17 E	0569-301-22-X-002
194647	Lode	CA	Southern Belle 59	87-201782		18/19	14 N	18 E	0569-301-22-X-002
194648	Lode	CA	Southern Belle 60	87-201783		18	14 N	18 E	0569-301-22-X-002
194649	Lode	CA	Southern Belle 62	87-201795		24/23	14 N	17 E	0569-301-22-X-002
194651	Lode	CA	Southern Belle 64	87-201797		23/24	14 N	17 E	0569-301-22-X-002
194652	Lode	CA	Southern Belle 65	87-201798		23/24	14 N	17 E	0569-301-22-X-002
194653	Lode	CA	Southern Belle 66	87-201799		23/24	14 N	17 E	0569-301-22-X-002
194654	Lode	CA	Southern Belle 67	87-201802		24	14 N	17 E	0569-301-22-X-002
194655	Lode	CA	Southern Belle 68	87-201803		19	14 N	18 E	0569-301-22-X-002
194656	Lode	CA	Southern Belle 70	87-201785		13	14 N	17 E	0569-301-22-X-002
194657	Lode	CA	Southern Belle 71	87-201788		13	14 N	17 E	0569-301-22-X-002
194658	Lode	CA	Southern Belle 72	87-201789		13	14 N	17 E	0569-301-22-X-002
194659	Lode	CA	Southern Belle 73	87-201790		13	14 N	17 E	0569-301-22-X-002
194660	Lode	CA	Southern Belle 74	87-201791		13	14 N	17 E	0569-301-22-X-002
194661	Lode	CA	Southern Belle 75	87-201792		13/24	14 N	17 E	0569-301-22-X-002
194662	Lode	CA	Southern Belle 76	87-201793		13/24	14 N	17 E	0569-301-22-X-002
197371	Lode	CA	Southern Belle 83	87-366481		25/30	14 N	17 E	0569-301-22-X-002
197372	Lode	CA	Southern Belle 84	87-366482		25	14 N	17 E	0569-301-22-X-002
197373	Lode	CA	Southern Belle 85	87-366483		25	14 N	18 E	0569-301-22-X-002
197374	Lode	CA	Southern Belle 86	87-366484		25	14 N	17 E	0569-301-22-X-002
197800	Lode	CA	Southern Belle 77	87-316076		19	14 N	18 E	0569-301-22-X-002
197801	Lode	CA	Southern Belle #78	87-316007		19	14 N	18 E	0569-301-22-X-002
197802	Lode	CA	Southern Belle 79	87-316078		12	14 N	17 E	0569-301-22-X-002
197803	Lode	CA	Southern Belle 80	87-316079		12/13	14 N	17 E	0569-301-22-X-002
197804	Lode	CA	Southern Belle 81	87-316080		13	14 N	17 E	0569-301-22-X-002
197805	Lode	CA	Southern Belle 82	87-316081		11/12	14 N	17 E	0569-301-22-X-002
214060	Lode	CA	Southern Belle 97	88-363927		23	14 N	17 E	0569-301-22-X-002
214061	Lode	CA	Southern Belle 98	88-363926		23	14 N	17 E	0569-301-22-X-002
214062	Lode	CA	Southern Belle 99	88-363925		23	14 N	17 E	0569-301-22-X-002
214063	Lode	CA	Southern Belle 100	88-363924		23	14 N	17 E	0569-301-22-X-002
214064	Lode	CA	Southern Belle 101	88-363923		23	14 N	17 E	0569-301-22-X-002
214065	Lode	CA	Southern Belle 102	88-363922		23	14 N	17 E	0569-301-22-X-002
214066	Lode	CA	Southern Belle 103	88-363921		23	14 N	17 E	0569-301-22-X-002

214067	Lode	CA	Southern Belle 104	88-363920		23	14 N	17 E	0569-301-22-X-002
214068	Lode	CA	Southern Belle 105	88-363919		23	14 N	17 E	0569-301-22-X-002
214069	Lode	CA	Southern Belle 106	88-363918		23	14 N	17 E	0569-301-22-X-002
214070	Lode	CA	Southern Belle 107	88-363917		23	14 N	17 E	0569-301-22-X-002
240477	Mill. Site	CA	FT 247	90-483916		9	14 N	17 E	not assessed
240532	Mill Site	CA	FT 302	90-483971		9	14 N	17 E	not assessed
243182	Mill Site	CA	PS 2	91-077724		23	12 N	18 E	not assessed
248628	Mill Site	CA	JCMV 14	91-404642		9	14 N	17 E	not assessed

Source: Gresham et al., 2012

EXHIBIT H

EXHIBIT "H"
UNPATENTED/RESERVED

Those certain unpatented claims for which the annual BLM filing fees have been paid with reservation of rights regarding BLM decision in Contest # CACA 29997 (IBLA Docket No. 2007-257), and more particularly described as follows:

BLM #	Type	ST.	CLAIM NUMBER	CO./ BK. PG. #	AMEND./ DOC. #	SECTION	TWP.	RGE. SBB&M
214072	Mill Site	CA	Waterhole #W 7P	88-363911		9	14 N	17 E
241898	Mill Site	CA	FT 320	91-024941		13	13 N	17 E
241902	Mill Site	CA	FT 324	91-024945		32	14 N	17 E
241907	Mill Site	CA	FT 329	91-024950		17	14 N	17 E

APN - Not currently assessed

Source: Gresham et al., 2012

31 APPENDIX 2

COLUMN LEACH TEST DATA

Castle Mountain Column Leach Test Data

Deposit	**Jumbo South**	**Feb-87**			
Drill Hole					
Sample Name	Bulk Sample	Bulk Sample	Bulk Sample	Bulk Sample	Bulk Sample
Size	3	1.5	1	3/4	3/8
Time	33 days	33 days	33 days	33 days	33 days
Au Extraction	60.8%	63.0%	71.9%	49.8%	60.0%
Direct Head	0.079	0.079	0.092	0.041	0.045
Calculated Head	0.074	0.068	0.086	0.056	0.055
Tailings	0.029	0.025	0.025	0.028	0.022
Cyanide	0.74	1.46	1.88	2.46	2.34
30 day leach	58.1%	58.1%	71.9%	49.8%	57.5%
60 day leach					

Deposit	**Jumbo South**	**Nov-87**				
Drill Hole						
Sample Name	87-7	87-7	87-7	87-7	87-8	87-8
Size	100% -2½	100% -1½	100%-3/4	100%-3/8	100% -2½	100% -1½
Time	47 days	46 days	46 days	40 days	46 days	46 days
Au Extraction	35.9%	41.9%	58.5%	67.3%	43.2%	54.5%
Direct Head	0.036	0.036	0.036	0.036	0.038	0.038
Calculated Head	0.0265	0.0296	0.0265	0.0306	0.037	0.0374
Tailings	0.017	0.0172	0.011	0.010	0.021	0.017
Cyanide	1.35	2.19	2.33	3.47	1.37	1.99
30 day leach				60.1%		
60 day leach				67.3%		
Sample Name	87-8	87-8	87-9	87-9	87-9	87-9
Size	100%-3/4	100%-3/8	100% -2½	100% -1½	100%-3/4	100%-3/8
Time	46 days	46 days	46 days	46 days	46 days	46 days
Au Extraction	58.4%	68.8%	47.8%	49.0%	64.1%	62.6%
Direct Head	0.038	0.038	0.160	0.160	0.160	0.160
Calculated Head	0.037	0.055	0.116	0.115	0.106	0.121
Tailings	0.015	0.017	0.061	0.059	0.038	0.045
Cyanide	2.80	3.18	1.47	2.19	3.80	2.77
30 day leach		67.3%				62.0%
60 day leach		68.8%				64.1%
	50%,50%	45%,10%,45%	40%,40%,20%	40%,40%,20%		
Sample Name	87-6A, 6C	87-6A,6B,6C	87-6A,6B,6C	87-6A,6B,6C		
Size	100% -1½	100% -1½	100% -1½	100%-3/8		
Time	62 days	69 days	82 days	67 days		
Au Extraction	55.8%	53.2%	54.4%	77.6%		
Direct Head	0.054	0.117	0.044	0.044		
Calculated Head	0.0565	0.062	0.101	0.107		
Tailings	0.025	0.029	0.046	0.024		
Cyanide	2.34	2.34	3.37	3.99		
30 day leach				70.5%		
60 day leach				77.3%		

Deposit	Jumbo South	Jan-88				
Drill Hole	DDH-3	DDH-3	DDH-3	DDH-3	DDH-3	DDH-3
	17 ft - 198 ft	198 ft - 404 ft	404 ft - 611 ft	17 ft - 198 ft	198 ft - 404 ft	404 ft - 611 ft
Sample Name	Upper	Middle	Lower	Upper	Middle	Lower
Size	100% - 3/4	100% - 3/4	100% - 3/4	100% - 3/8	100% - 3/8	100% - 3/8
Time	61 days	61 days	61 days	61 days	63 days	58 days
Au Extraction	63.4%	48.0%	59.1%	92.0%	69.9%	69.5%
Direct Head	0.183	0.132	0.023	0.183	0.132	0.023
Calculated Head	0.171	0.150	0.022	0.137	0.142	0.022
Tailings	0.063	0.078	0.009	0.011	0.043	0.007
Cyanide	1.42	2.20	2.20	1.81	2.28	1.36
30 day leach				86.7%	64.6%	67.3%
60 day leach				92.0%	69.9%	69.5%

Deposit	Leslie Ann	Jan-88				
Drill Hole	DDH-1	DDH-1	DDH-1	DDH-1	DDH-1	DDH-1
	140 ft - 311 ft	140 ft - 311 ft	140 ft - 311 ft	312 ft - 531 ft	312 ft - 531 ft	312 ft - 531 ft
Sample Name	Top	Top	Top	Bottom	Bottom	Bottom
Size	100% -2½	100% -1½	100% -3/4	100% -1½	100% -3/4	100% -3/8
Time	67 days	67 days	67 days	67 days	67 days	67 days
Au Extraction	28.5%	76.5%	46.5%	60.3%	73.2%	71.7%
Direct Head	0.055	0.055	0.055	0.038	0.038	0.038
Calculated Head	0.076	0.055	0.080	0.035	0.047	0.042
Tailings	0.054	0.013	0.043	0.014	0.013	0.012
Cyanide	2.26	2.33	1.94	2.93	1.71	2.24
30 day leach						66.7%
60 day leach						70.7%
Drill Hole	DDH-2	DDH-2	DDH-2	DDH-2	DDH-2	DDH-2
	342 ft - 503 ft	342 ft - 503 ft	342 ft - 503 ft	503 ft - 643 ft	503 ft - 643 ft	503 ft - 643 ft
Sample Name	Top	Top	Top	Bottom	Bottom	Bottom
Size	100% -1½	100% -3/4	100% -3/8	100% -1½	100% -3/4	100% -3/8
Time	67 days	67 days	67 days	67 days	67 days	67 days
Au Extraction	23%	19.0%	52.9%	45.0%	12.6%	44.4%
Direct Head	0.072	0.072	0.072	0.035	0.035	0.035
Calculated Head	0.024	0.062	0.041	0.038	0.027	0.034
Tailings	0.019	0.05	0.019	0.021	0.024	0.019
Cyanide	2.020	2.19	3.63	2.39	2.49	3.73
30 day leach			37.8%			36.2%
60 day leach			52.0%			44.1%

Deposit	Leslie Ann	Aug-88	
Drill Hole	DDH-8	DDH-8	DDH-8
	257 ft - 350 ft	350 ft - 450 ft	450 ft - 542 ft
Sample Name	Shallow	Middle	Deep
Size	100% -3/8	100% -3/8	100% -3/8
Time	118 days	118 days	118 days
Au Extraction	66.0%	63.9%	51.4%
Direct Head	0.089	0.201	0.345
Calculated Head	0.089	0.180	0.275
Tailings	0.030	0.065	0.134
Cyanide	3.63	3.78	4.9
30 day leach	51.4%	50.6%	41.4%
60 day leach	58.9%	57.9%	46.8%

Deposit	**Leslie Ann**	**Sep-88**				
Drill Hole	DDH-10	DDH-10	DDH-10	DDH-10	DDH-10	DDH-10
	190 ft - 350 ft 420 ft - 480 ft	190 ft - 350 ft 420 ft - 480 ft	190 ft - 350 ft 420 ft - 480 ft	190 ft - 350 ft 420 ft - 480 ft	570 ft - 650 ft	570 ft - 650 ft
Sample Name	Leach Grade	Leach Grade	Leach Grade	Leach Grade	Deep Leach	Deep Leach
Size	80% - 3/8	80% - 3/8	80% - ¼	80% - ¼	80% - 3/8	80% - ¼
Time	69 days	69 days	69 days	69 days	69 days	69 days
Au Extraction	48.4%	51.3%	72.3%	70.6%	60.6%	69.1%
Direct Head	0.032	0.032	0.029	0.029	0.035	0.028
Calculated Head	0.037	0.038	0.030	0.033	0.034	0.042
Tailings	0.019	0.018	0.008	0.010	0.013	0.013
Cyanide	1.74	1.57	1.63	2.05	2.38	5.36
30 day leach	42.7%	45.8%			54.1%	59.3%
60 day leach	47.6%	50.8%			60.0%	68.8%

Drill Hole	DDH-10	DDH-10	DDH-10	DDH-10
	350 ft - 420 ft 480 ft - 570 ft	350 ft - 420 ft 480 ft - 570 ft	350 ft - 420 ft 480 ft - 570 ft	350 ft - 420 ft 480 ft - 570 ft
Sample Name	Mill Grade	Mill Grade	Mill Grade	Mill Grade
Size	80% - 3/8	80% - 3/8	80% - ¼	80% - ¼
Time	105 days	105 days	105 days	105 days
Au Extraction	65.9%	58.6%	63.5%	65.6%
Direct Head	0.177	0.177	0.256	0.256
Calculated Head	0.176	0.229	0.230	0.209
Tailings	0.060	0.095	0.084	0.072
Cyanide	622%	5.64	5.67	5.71
30 day leach	54.4%	48.0%		
60 day leach	60.9%	53.8%		

Deposit	Leslie Ann	Oct-88		
Drill Hole	DDH-11	DDH-11	DDH-11	DDH-11
	380 ft - 480 ft	380 ft - 480 ft	280 ft - 330 ft	330 ft - 380 ft
Sample Name	Leach Grade	Leach Grade	Mill Shallow	Mill Deep
Size	80% - 3/8	80% - ¼	80% - 3/8	80% - 3/8
Time	82 days	82 days	82 days	82 days
Au Extraction	64.3%	65.1%	83.9%	66.9%
Direct Head	0.073	0.060	0.096	0.189
Calculated Head	0.070	0.083	0.099	0.166
Tailings	0.025	0.029	0.016	0.055
Cyanide	3.51	3.89	4.57	5.18
30 day leach	59.1%		75.5%	62.0%
60 day leach	62.2%		81.2%	66.3%

Deposit		**May-90**		
Drill Hole				
Sample Name	Barren/90-1	DDH-1B/90-1	DDH-2T/90-2	DDH-3B/90-2
Size	80%-3/8, 80%-65 mesh	80%-3/8, 80%-65 mesh	80%-3/8, 80%-65 mesh	80%-3/8, 80%-65 mesh
Time	52 days	52 days	52 days	52 days
Au Extraction	96.0%	83.5%	68.0%	74.4%
Direct Head	0.044	0.086	0.052	0.049
Calculated Head	0.05	0.091	0.050	0.043
Tailings	0.002	0.015	0.016	0.011
Cyanide	2.07	1.28	0.92	0.84
30 day leach	86.0%	79.0%	65.8%	72.1%

Deposit	**Production**	**Mar-95**				
Drill Hole	July-Sep 95	July-Sep 95	July-Sep 95	Apr - Jun 95	Apr - Jun 95	Apr - Jun 95
Sample Name	Comp A	Comp A	Comp A	Comp B	Comp B	Comp B
Size	75% -3/8	90% -3/8	80% - 1/4	75% -3/8	90% -3/8	80% - 1/4
Time	69 days	69 days	69 days	69 days	69 days	69 days
Au Extraction	68.6%	68.6%	78.7%	69.6%	72.7%	76.6%
Direct Head	0.048	0.048	0.048	0.045	0.045	0.045
Calculated Head	0.051	0.051	0.047	0.046	0.044	0.047
Tailings	0.016	0.016	0.010	0.014	0.012	0.011
Cyanide	3.06	3.26	3.30	3.24	3.17	3.06
30 day leach	62.4%	65.5%	73.4%	64.6%	67.5%	71.9%
60 day leach	65.7%	66.7%	76.2%	67.6%	70.9%	75.1%
Drill Hole	Jan - Mar 95	Jan - Mar 95	Jan - Mar 95			
Sample Name	Comp C	Comp C	Comp C			
Size	75% -3/8	90% -3/8	80% - 1/4			
Time	69 days	69 days	69 days			
Au Extraction	67.4%	68.3%	76.9%			
Direct Head	0.039	0.039	0.039			
Calculated Head	0.043	0.041	0.039			
Tailings	0.014	0.013	0.009			
Cyanide	2.56	2.68	3.16			
30 day leach	60.2%	64.1%	71.0%			
60 day leach	65.1%	66.8%	74.1%			

Castle Mountain - 3/8 inch Column Leach Test Data

Deposit	**Jumbo South**	**Feb-87**
Drill Hole		
Sample Name	Bulk Sample	
Size	3/8	
Time	33 days	
Au Extraction	60.0%	
Direct Head	0.045	
Calculated Head	0.055	
Tailings	0.022	
Cyanide	2.34	
30 day leach	57.5%	
60 day leach	N/A	

Deposit	**Jumbo South**	**Nov-87**		
Drill Hole				
				40%,40%,20%
Sample Name	87-7	87-8	87-9	87-6A,6B,6C
Size	100%-3/8	100%-3/8	100%-3/8	100%-3/8
Time	40 days	46 days	46 days	67 days
Au Extraction	67.3%	68.8%	62.6%	77.6%
Direct Head	0.036	0.038	0.160	0.044
Calculated Head	0.0306	0.055	0.121	0.107
Tailings	0.010	0.017	0.045	0.024
Cyanide	3.47	3.18	2.77	3.99
30 day leach	60.1%	67.3%	62.0%	70.5%
60 day leach	67.3%	68.8%	64.1%	77.3%

Deposit	**Jumbo South**	**Jan-88**	
Drill Hole	DDH-3	DDH-3	DDH-3
	17 ft - 198 ft	198 ft - 404 ft	404 ft - 611 ft
Sample Name	Upper	Middle	Lower
Size	100% - 3/8	100% - 3/8	100% - 3/8
Time	61 days	63 days	58 days
Au Extraction	92.0%	69.9%	69.5%
Direct Head	0.183	0.132	0.023
Calculated Head	0.137	0.142	0.022
Tailings	0.011	0.043	0.007
Cyanide	1.81	2.28	1.36
30 day leach	86.7%	64.6%	67.3%
60 day leach	92.0%	69.9%	69.5%

Deposit	**Leslie Ann**	**Jan-88**	
Drill Hole	DDH-1	DDH-2	DDH-2
	312 ft - 531 ft	342 ft - 503 ft	503 ft - 643 ft
Sample Name	Bottom	Top	Bottom
Size	100% -3/8	100% -3/8	100% -3/8
Time	67 days	67 days	67 days
Au Extraction	71.7%	52.9%	44.4%
Direct Head	0.038	0.072	0.035
Calculated Head	0.042	0.041	0.034
Tailings	0.012	0.019	0.019
Cyanide	2.24	3.63	3.73
30 day leach	66.7%	37.8%	36.2%
60 day leach	70.7%	52.0%	44.1%

Deposit	**Leslie Ann**	**Aug-88**	
Drill Hole	DDH-8	DDH-8	DDH-8
	257 ft - 350 ft	350 ft - 450 ft	450 ft - 542 ft
Sample Name	Shallow	Middle	Deep
Size	100% -3/8	100% -3/8	100% -3/8
Time	118 days	118 days	118 days
Au Extraction	66.0%	63.9%	51.4%
Direct Head	0.089	0.201	0.345
Calculated Head	0.089	0.180	0.275
Tailings	0.030	0.065	0.134
Cyanide	3.63	3.78	4.9
30 day leach	51.4%	50.6%	41.4%
60 day leach	58.9%	57.9%	46.8%

Deposit	**Leslie Ann**	**Sep-88**			
Drill Hole	DDH-10	DDH-10	DDH-10	DDH-10	DDH-10
	190 ft - 350 ft	190 ft - 350 ft	570 ft - 650 ft	350 ft - 420 ft	350 ft - 420 ft
	420 ft - 480 ft	420 ft - 480 ft		480 ft - 570 ft	480 ft - 570 ft
Sample Name	Leach Grade	Leach Grade	Deep Leach	Mill Grade	Mill Grade
Size	80% - 3/8	80% - 3/8	80% - 3/8	80% - 3/8	80% - 3/8
Time	69 days	69 days	69 days	105 days	105 days
Au Extraction	48.4%	51.3%	60.6%	65.9%	58.6%
Direct Head	0.032	0.032	0.035	0.177	0.177
Calculated Head	0.037	0.038	0.034	0.176	0.229
Tailings	0.019	0.018	0.013	0.060	0.095
Cyanide	1.74	1.57	2.38	622%	5.64
30 day leach	42.7%	45.8%	54.1%	54.4%	48.0%
60 day leach	47.6%	50.8%	60.0%	60.9%	53.8%

Deposit	**Leslie Ann**	**Oct-88**	
Drill Hole	DDH-11	DDH-11	DDH-11
	380 ft - 480 ft	280 ft - 330 ft	330 ft - 380 ft
Sample Name	Leach Grade	Mill Shallow	Mill Deep
Size	80% - 3/8	80% - 3/8	80% - 3/8
Time	82 days	82 days	82 days
Au Extraction	64.3%	83.9%	66.9%
Direct Head	0.073	0.096	0.189
Calculated Head	0.070	0.099	0.166
Tailings	0.025	0.016	0.055
Cyanide	3.51	4.57	5.18
30 day leach	59.1%	75.5%	62.0%
60 day leach	62.2%	81.2%	66.3%

Deposit		**May-90**		
Drill Hole				
Sample Name	Barren/90-1	DDH-1B/90-1	DDH-2T/90-2	DDH-3B/90-2
Size	80%-3/8, 80%-65 mesh	80%-3/8, 80%-65 mesh	80%-3/8, 80%-65 mesh	80%-3/8, 80%-65 mesh
Time	52 days	52 days	52 days	52 days
Au Extraction	96.0%	83.5%	68.0%	74.4%
Direct Head	0.044	0.086	0.052	0.049
Calculated Head	0.05	0.091	0.050	0.043
Tailings	0.002	0.015	0.016	0.011
Cyanide	2.07	1.28	0.92	0.84
30 day leach	86.0%	79.0%	65.8%	72.1%
60 day leach				

Deposit	**Production**	**Mar-95**				
Drill Hole	July-Sep 95	July-Sep 95	Apr - Jun 95	Apr - Jun 95	Jan - Mar 95	Jan - Mar 95
Sample Name	Comp A	Comp A	Comp B	Comp B	Comp C	Comp C
Size	75% -3/8	90% -3/8	75% -3/8	90% -3/8	75% -3/8	90% -3/8
Time	69 days	69 days	69 days	69 days	69 days	69 days
Au Extraction	68.6%	68.6%	69.6%	72.7%	67.4%	68.3%
Direct Head	0.048	0.048	0.045	0.045	0.039	0.039
Calculated Head	0.051	0.051	0.046	0.044	0.043	0.041
Tailings	0.016	0.016	0.014	0.012	0.014	0.013
Cyanide	3.06	3.26	3.24	3.17	2.56	2.68
30 day leach	62.4%	65.5%	64.6%	67.5%	60.2%	64.1%
60 day leach	65.7%	66.7%	67.6%	70.9%	65.1%	66.8%