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**TECHNICAL REPORT
JULY 17, 2009
RYE PATCH GOLD CORP.
JESSUP PROJECT, CHURCHILL COUNTY, NEVADA, USA**

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1 SUMMARY

1.1 INTRODUCTION

Rye Patch Gold Corp. (“Rye Patch”) requested that Scott E. Wilson Consulting (“SEWC”) prepare a Technical Report for their Jessup property located in northwestern Nevada, U.S.A. The information in the present report is current as of July 17, 2009.

The Jessup mining district is located in the southern Trinity Range, approximately 63 mi northeast of Reno, Nevada. Rye Patch’s project area consists of 205 unpatented lode mining claims and one patented mining claim that cover about 5.5mi² in a checkerboard pattern in all or portions of Sections 8, 16, 18, and 20, T24N, R28E, and part of Sections 12 and 24, T24N, R27E, Mount Diablo Base and Meridian. Rye Patch acquired interest in the Jessup claim group from Pan-Nevada through an Acquisition Agreement dated August 20, 2007 and three subsequent Assignment and Assumption Agreements with the underlying claim holders completed in September and October, 2007. Under these agreements, Rye Patch assumed Pan-Nevada’s leases covering a total of 94 unpatented claims and the one patented claim and acquired the 36 unpatented claims staked by Pan-Nevada in 2006.

Rye Patch Gold staked an additional 73 unpatented JD claims in 2007. In July 2008, Rye Patch Gold abandoned claims TR-1 to 36 and staked 38 new claims, TR-1 to 38, covering the east ½ Sec.12 T24N,R27E and the south 1/2 of Sec 20, T24N,R28E. The new TR 1 through 38 unpatented lode mining claims (BLM NMC Nos. 997442- 997479) were located on July 12, 2008 and timely filed with the Churchill County Recorder and the Nevada State BLM Office. In addition to the filing of the certificates of location all annual state and federal filings have been timely filed with the appropriate agency.

1.2 GEOLOGY AND MINERALIZATION

On the Jessup property, a series of Tertiary bimodal (andesite/rhyolite) volcanic and lacustrine sedimentary rocks overlies metamorphosed basalts and quartzo-feldspathic sandstones thought to be Triassic/Jurassic in age. Younger rhyolite flows, domes, and dikes were emplaced along what appears to be a ring-fracture system of a caldera within the Jessup district. The Tertiary fine-grained lacustrine rocks, and minor pyrite-bearing chert, are interbedded within a thicker package of rhyolitic lapilli tuff, and these units host most of the disseminated mineralization at Jessup. Normal and oblique-slip faults found in the district were active at least during a pre-rhyolite phase, a post-rhyolite phase, and a post-mineralization phase.

Argillic, limonitic, and silicic alteration that post-dates the rhyolite is found on the property. Blanket-shaped argillic alteration, mostly localized within the rhyolite lapilli tuff, is the dominant alteration style throughout the Jessup mineralized area. A thick package of argillized rhyolite occurs in the San Jacinto area while near-surface argillization occurs throughout Central and North Jessup. Disseminated limonite (pyrite at depth) is found along a broad arc across the district but is most pronounced in the Central and North Jessup areas. Silicification occurs throughout the district but is more local, restricted to particular structures, and is often accompanied by at least traces of gold.





Volcanic-hosted, epithermal gold and silver mineralization occurs at Jessup and, like the alteration, is both lithologically and structurally controlled. Both disseminated mineralization and fracture-controlled vein mineralization are present. Lapilli tuff, breccias and siltstone are the predominant hosts with minor, often structurally controlled, mineralization occurring within the underlying andesite. Low-grade disseminated mineralization, which volumetrically comprises the great majority of Jessup mineralization, has been identified in the San Jacinto and the North and Central Jessup areas. Three types of distinct vein systems have been reported within the project area: crystalline quartz veins generally less than three-feet wide with narrow selvages of argillized wall rock; chalcedonic quartz veins with minor crystalline quartz that are up to ten feet wide associated with extensive argillization and locally pervasive silicification; and silica-healed breccias forming veins up to eight feet wide along fracture/fault zones. Within the disseminated mineralization, gold-silver grade is often directly associated with the intensity of silicification. The silicification can occur as localized pervasive flooding or as a fine stockwork of silica veining within the argillized wall rock. Recent 2006 drill results in the North Jessup area have shown that extremely high-grade gold (> 1.0 oz Au/ton over a 5-ft interval) is associated with narrow (< 2-in. wide) chalcedonic quartz veins within only weakly mineralized, argillically altered, rhyolite lapilli tuff. High grade silver was also discovered in North Jessup and San Jacinto related to hydrothermal breccias.

1.3 EXPLORATION AND HISTORIC RESOURCE ESTIMATES

Exploration activity in the early 1900s focused on veins and breccias and may have resulted in production of about a thousand ounces of gold prior to 1940. At least seven mining companies or individuals have explored the Jessup property since the 1960s with no further production to date. In the late 1990s, Echo Bay Exploration Inc. (“Echo Bay”) conducted the most extensive program, including the drilling of 123 reverse circulation (“RVC”) drillholes and two core drillholes. In addition to drilling, there have been extensive sampling and trenching on the property as well as geologic mapping and geophysical surveying.

Pan-Nevada commenced exploration in 2006 and completed 53 drillholes for a total of 8,026 ft of mostly RVC drilling. Rye Patch gold initiated mineral exploration on the Jessup project area in 2008, with detailed geologic mapping, rock and soil sampling, ground magnetic geophysics and drilling. Rye Patch completed a total of 16,840 feet in 45 reverse-circulation.

Including the Rye Patch Gold drillholes, 335 drillholes and 36 surface trenches, for a total footage of 123,775 feet, have been completed on the Jessup property. Several estimates have been made of the mineralized material or resources of gold and silver on the Jessup property. The most recent estimate was made by Mine Development Associates “MDA” in 2007 upon completion of Pan Nevada’s exploration program. MDA reported an NI43-101 compliant undiluted Indicated and Inferred resources at Jessup. The stated resource is based on a gold grade cutoff of 0.01 oz Au/t for oxide, 0.015 oz Au/t for mixed material, and 0.025 oz Au/ton for all sulfidic mineralization was 6.7 million tons averaging 0.021 oz Au/ton and 0.29 oz Ag/ton, for a total mineral inventory of 181,000 Au equivalent ounces. The above resource estimate is superseded by the estimate in the present report.





1.4 METALLURGY

Conclusions made from the metallurgical test work that exists are drawn from limited metallurgical data completed by previous operators.

Seventeen cyanide leach bottle roll tests have been completed by previous operators. Fifteen of the bottle roll tests were conducted on oxidized material, one test was on a sulfidic sample, and one used a mixed oxide/sulfide sample. The oxide material, and the one mixed sample, had similar recovery of over 70% and averaging 84% gold recovery. Silver recovery was much more variable and averaged less than 50%. Various feed sizes were tested, and the limited data appear to indicate that the recovery rates in oxide material are not dependent on the feed size. The one sulfide sample had a poor extraction rate (12% Au recovery).

In addition to the bottle-roll tests, there are 129 cyanide 8-hour leach tests conducted on sample pulps from various drill programs and an additional 60 cyanide 24-hour leach tests on minus 10 mesh drill-cuttings completed by Pan-Nevada, the previous operator. The results indicate good recoveries for the oxide material with recoveries dependent more on leach time than sample particle size. The sulfide recovery results were poor to moderate with recoveries dependent on particle size, i.e., decreasing particle size has a positive affect on gold recovery. Eight-hour cyanide extraction of sulfidic pulp samples averaged 47% gold recovery, while the 24-hour extraction of minus 10 mesh sulfidic material averaged 20% gold recovery. This data, along with the single low bottle roll recovery result, indicates that the sulfidic material is not likely to be amenable to cyanide heap leach processes. Much more metallurgical work is required to better define the sulfidic material. Where analyzed, the sulfide often contains significant though highly variable amounts of arsenopyrite.

Because there are no column-leach tests, one cannot be certain how bottle-roll tests equate to leach pad recoveries, and one must not make the assumption that they are equal as bottle-roll tests generally overstate what would be leach pad recoveries. Further work should be done to define the metallurgical characteristics at Jessup, including column test work, identifying changes throughout the deposits, examining the relationship to oxidation, and determining the cause for the high reagent requirements.

1.5 RESOURCE ESTIMATION

The incentive for an updated resource estimate is for a disclosure of resources and to incorporate the latest drilling in 2008. The database currently defining the deposit and surrounding ground has 335 drillholes and 36 trenches totaling 123,775 feet. The Jessup assay database contains 23,676 gold assays and 23,478 silver assays.

The work done by SEWC included building a geologic model on section, performing QA/QC analyses, making a site, and taking some surface samples, culminating in an estimated resource model. SEWC constructed cross sections, spaced 50- to 100-ft apart through the entire resource area and surroundings and built a geologic model. Quantile plots of the gold and silver geochemical values were made to help define styles of mineralization. The oxide and mixed oxide/sulfide surfaces were modeled and made into 3D surfaces.





The Measured and Indicated Resource is shown in Table 1.1. The Measured and Indicated resource is reported at 0.005 opt Au for oxide mineralisation and 0.010 opt Au for transition and sulphide mineralisation. The Inferred resource is reported at 0.005 opt Au for oxide, transition, and sulphide ore types; however, a higher opt Au cut-off grade may be required to upgrade the inferred resource to the measured and indicated resource category.

Table 1.1 Jessup Mineral Resources

	Measured Gold			Indicated Gold			Inferred Gold		
	Tons	Grade	Ounces	Tons	Grade	Ounces	Tons	Grade	Ounces
San Jacinto	4,866	0.014	66,000	7,939	0.012	95,000	2,473	0.015	38,000
North Central	3,564	0.017	60,000	5,505	0.013	70,000	2,038	0.016	32,000
Tosh Hill	142	0.014	2,000	492	0.014	7,000	442	0.016	7,000
Total	8,571	0.015	128,000	13,936	0.012	172,000	4,954	0.016	77,000

Based on Rye Patch Gold’s new geologic model showing higher grade gold and silver associated with high-angle breccias zones and faults, the San Jacinto, and North Jessup resource areas will benefit from additional angle drilling along these newly defined zones. The result could elevate the resource average grade, and provides additional opportunity to expand the known resource areas.

The author believes a dual-pronged approach is needed to fully appreciate the Jessup mineral system and Phase 2 work should be aimed at addressing the high-angle, mineralized structural zones, upgrading the existing resource, and continued evaluation of outlying exploration targets. To upgrade the existing resource, work would include in situ density studies, a few core holes to validate the model, metallurgical sampling and studies, metallic screens. Overall, a budget of US\$340,000 is recommended for these suggested tasks. This work should include 1,500 feet of core and 5,000 feet of reverse circulation drilling.





2 INTRODUCTION AND TERMS OF REFERENCE

2.1 PURPOSE OF TECHNICAL REPORT

In 2009, Rye Patch Gold Corp. (“Rye Patch”) requested that Scott E. Wilson Consulting (“SEWC”) prepare a Technical Report for the purpose of reporting a resource estimate completed using Rye Patch’s new 2008 drill data. The Technical Report was to be compiled in compliance with Canadian National Instrument 43-101. The Technical Report was written in compliance with disclosure and reporting requirements set forth in the TSX Venture Exchange (“TSX-V”) Policies, National Instrument 43-101, and Companion Policy 43-101CP, and Form 43-101F1. The owner and operator of the Jessup Project at the time of writing this report is Rye Patch.

SEWC’s work on this report is current up until July 17, 2009 with the exception of the land and history sections that have been updated to reflect the subsequent acquisitions. The land and history sections are current as of the date of this report.

This is the first work SEWC and its associates have had with the project. The purpose of the present report is to describe the property as known from prior exploration and to present the results of a new resource estimate based on Rye Patch’s recent drilling. Scott E. Wilson made a visit to the property on April 18, 2009. Data and technical reports from previous operators, to the extent available as described below, were reviewed relative to the general setting, geology, project history, exploration activities and results, methodology, quality assurance, interpretations, resources, and metallurgy.

The author of the report is Scott Wilson. The author has participated in all aspects of this report. This report is intended to provide Rye Patch with a summary of the Jessup project, including the resource estimate, an independent opinion as to the technical merits of the project, and a guide to further exploration through recommendations and a budget. It is intended that this report may be submitted to those Canadian stock exchanges and regulatory agencies that may require it. It is further intended that Rye Patch may use it for any lawful purpose to which it is suited. This is a technical report, and the use of some technical terms is unavoidable.

2.2 SOURCES OF INFORMATION

The scope of this study included a review of pertinent technical reports and data in possession of Rye Patch Gold Corp. relative to the general setting, geology, project history, exploration activities and results, methodology, quality assurance, interpretations used for the development of resources at Wilco. Each element of the scope is addressed in the context of the Rye Patch’s recent results and proposed activities.

2.3 EXTENT OF INVOLVEMENT OF QUALIFIED PERSON

The author’s mandate was to estimate the measured, indicated and inferred resources for the Jessup Project, verify geological models and interpretations, and to comment on previous technical reports, public or private documents and technical information which are listed in Section 23 (References). The mandate also required an on-site inspection and preparation of an





independent qualifying report containing the author’s observations, conclusions and recommendations.

The author conducted a site inspection of the Jessup property on April 18, 2009. During the visit the author was given full access to Rye Patch staff, data and records.

2.4 TERMS OF REFERENCE

Unless stated otherwise, all quantities are in US Commercial Imperial units and currencies are expressed in constant 2008 US dollars. This report is written specifically for the Wilco Property.

2.5 UNITS OF MEASURE

2.5.1 Common Units

Fire Assay Gold	AuFA
Fire Assay Silver	AgFA
Ounces per short ton.....	opt
Cubic foot	ft ³
Cubic yard.....	yd ³
Degree	°
Degrees Fahrenheit	°F
Foot	ft
Gallon	gal
Inch.....	"
Kilo (thousand)	k
Less than.....	<
Miles per hour	mph
Million	M
Ounce	oz
Parts per billion	ppb
Parts per million	ppm
Percent	%





Pound(s)	lb
Short ton (2,000 lb)	st
Short ton (US).....	t
Short tons per day (US)	tpd
Short tons per hour (US).....	tph
Short tons per year (US)	tpy
Square foot.....	ft ²
Square inch.....	in ²
Year (US).....	yr

2.5.2 Common Chemical Symbols

Calcium carbonate	CaCO ₃
Copper.....	Cu
Cyanide	CN
Gold.....	Au
Hydrogen.....	H
Iron.....	Fe
Lead.....	Pb
Silver.....	Ag
Sodium	Na
Sulphur.....	S
Zinc.....	Zn

2.5.3 Common Acronyms

AA.....	atomic absorption
AuEq.....	gold equivalent
BLM.....	U.S. Bureau of Land Management





CIM.....	Canadian Institute of Mining, Metallurgy and Petroleum Engineers
EIS.....	Environmental Impact Statement
EPA.....	U.S. Environmental Protection Agency
ISO.....	International Standards Organization
NDEP.....	Nevada Department of Environmental Protection
NPI.....	Net profit interest
NSR.....	Net Smelter return
Oz Ag/ton.....	Silver ounces per short ton
Oz Au/ton.....	Gold ounces per short ton
ROM.....	Run of mine
RQD.....	Rock quality designation
RC or RVC.....	Reverse circulation





3 RELIANCE ON OTHER EXPERTS

The opinions expressed in this report are based on the available information and geologic interpretations as provided by Rye Patch Gold directors, geologists and other third party sources. The author has exercised due care in reviewing the supplied information and believes that the basic assumptions are factual and correct and the interpretations are reasonable. The author has relied on this data and has no reason to believe that any material facts have been withheld.

Section 4.0 of this report contains information relating to mineral titles, permitting, regulatory matters and legal agreements. The authors are not legal or regulatory professionals. Where appropriate within the report, citations are made to information obtained from other experts, with the full reference given in Section 21.0. In particular, the author has relied on land and title information from Thompson, R. K., 2006 and Erwin, T.P., 2007. Rye Patch contracted Erwin for an updated title report which was then provided to the author by Rye Patch. Erwin's (2007) title opinion is dated November 15, 2007. The information in the report concerning these matters is provided as required by Form 43-101F1 but is not a professional opinion of the authors. In addition, the author relied on Enviroscientists, Inc. for an assessment of the environmental and permitting aspects of the project. The individuals and documents that the authors consulted in compiling that information are identified in Section 4.0 where their information is used.





4 PROPERTY DESCRIPTION AND LOCATION

4.1 Location

The Jessup (formerly called White Canyon) district is located in northwestern Nevada in the southern Trinity Range of Churchill County, approximately 63 miles northeast of Reno, Nevada (Figure 4.1). The project lies just northwest of Interstate 80, about 26 miles southwest of Lovelock, in the west-central portion of T24N, R28E and adjacent T24N, R27E., Mount Diablo Base and Meridian. It is located less than ten miles southeast of 40° N latitude, 119°W longitude on the Jessup and White Plains 7.5 topographic quadrangles.

4.2 Land Area

Rye Patch's Jessup project consists of 205 unpatented lode mining claims (91 "Snowwave claims," three "Mough claims," 38 "TR claims," and 73 "JD claims") and one patented mining claim ("Mabel B claim") in Churchill County, Nevada, that cover about 5.5mi² in a checkerboard pattern. The unpatented claims are administered by the US Department of Interior, Bureau of Land Management ("BLM") on federally owned lands.

Newmont Mining Corporation ("Newmont") owns the alternate odd-numbered sections, which they acquired in their takeover of Santa Fe Pacific Gold ("Santa Fe"). The Newmont ground is not part of Rye Patch's Jessup property.

4.3 Mining Claim Description

The BLM administers the lands in the Jessup area under the Federal Land Policy and Management Act of 1976. Rye Patch's mining claim group comprising the Jessup project covers all or portions of Sections 8, 16, 18, and 20, T24N, R28E, and part of Sections 12 and 24, T24N, R27E, Mount Diablo Base and Meridian. Figure 4.2 shows the location of the claims comprising the Jessup project and the areas of defined gold resources. Four groups of unpatented claims and one patented claim make up the Jessup project area. A list of the claim names and BLM recordation information is presented in Appendix A.

MGC acquired Pan-Nevada in early 2007 thereby gaining control of Jessup. Rye Patch acquired interest and title to the Jessup mining claim group from Midway Gold Corporation ("MGC") under an Acquisition Agreement dated August 20, 2007 and three subsequent Assignment and Assumption Agreements between Rye Patch, Pan-Nevada, and the underlying claim holders completed in September and October, 2007. As stated in Erwin's (2007) title opinion "*Pan-Nevada assigns and conveys to Rye Patch its right, title and interest in and to the Pan-Nevada claims, the Snowwave lease, the Mough lease and the Victory lease in accordance with the Acquisition Agreement.*" An earlier title opinion by Thompson (2007) describes in greater detail the previous agreements between Pan-Nevada and the underlying claim owners.

The 91 Snowwave unpatented claims (Appendix A) are leased by Rye Patch as described in Section 4.4.1 below. These claims are located in the south half of Section 8, south half of Section 16, all of Section 18, and north half of Section 20, T24N, R28E and the northeast corner of Section 24, T24N, R27E. Title opinions by Thompson (2007) and Erwin (2007) on these claims





is described in Section 4.4.1 below. Consulting Landman J. Michael Perry (2007a) indicates that MGC *“has paid the 2008/2009 federal claim maintenance fees due on or before September 1, 2008 and the notice(s) of intent to hold.”*

The three unpatented Mough claims (Alma, Mining Lady, and Priester claims; listed in Appendix A) are leased by Rye Patch as described in Section 4.4.2 below. They are located in a northeast-trending claim block in the southwest corner of Section 18, T24N, R28E, largely surrounded by the Snowwave claims. A title opinion by Erwin (2007) on these claims is described in Section 4.4.1 below. Consulting Landman J. Michael Perry (2007a) indicates that *“The required annual filings (maintenance fee payments/notices of intent to hold) regarding the subject claims appear to have been timely filed with the Nevada State BLM Office and Churchill County Recorder.”* MGC paid the Mining Claim Maintenance Fee for the 2007-2008 year and 2008-2009.

The unpatented TR claims (TR-1 through TR-36) were staked by Pan-Nevada in February 2006. Rye Patch acquired Pan-Nevada’s interest in the TR claims through the Acquisition Agreement dated August 20, 2007 as stated in Erwin (2007) title opinion. TR-1 through TR-18 are located in the east half of Section 12, T24N, R27E. TR-19 through TR-36 are located in the south half of Section 20, T24N, R28E. According to a title opinion by Thompson (2006), *“the claims have been located in accordance with State and federal mining law, and the title condition is presently good.”* Federal claim maintenance fees for the 2007-2008 assessment year ending on September 1, 2007 have been paid by MGC (Perry, 2007a).

Rye Patch Gold US Inc., abandoned the TR 1 through 36 (BLM NMC Nos. 926232-926267) unpatented lode mining claims located in Churchill County, Nevada on July 12, 2008 due to errors in the original location. Immediately following the abandonment of the claims the lands within the boundaries of the claims were appropriated by the location of new unpatented lode mining claims by Rye Patch Gold US Inc. The relocated unpatented lode mining claims are named TR 1-38.

The new TR 1 through 38 unpatented lode mining claims (BLM NMC Nos. 997442- 997479) were located on July 12, 2008 and timely filed with the Churchill County Recorder and the Nevada State BLM Office. In addition to the filing of the certificates of location all annual state and federal filings have been timely filed with the appropriate agency.

The 73 unpatented JD claims (JD-1 through JD-73) were staked by Rye Patch on September 7 and 8, 2007. The claims were surveyed by T&T Exploration L.L.C. and filed with the Churchill County Recorder and Nevada BLM Office by J. Michael Perry, Consulting Landman (Perry, 2007b; G.I.S. Land Services, 2007). The JD- claims are located in the west half of Section 12 and part of the north half of Section 24, T24N, R27E and in the north half of Section 8 and north half and portion of the southeast quarter of Section 16, T24N, R28E.

The single patented claim (Mabel B) lies in the same northeast-trending block as the Mough claims in the southwest corner of Section 18, T24N, R28E. A title opinion by Erwin (2007) on these claims is described in Section 4.4.3 below. Erwin (2007) refers to this lease as the “Victory Lease”.





Figure 4.1 Jessup Property Location

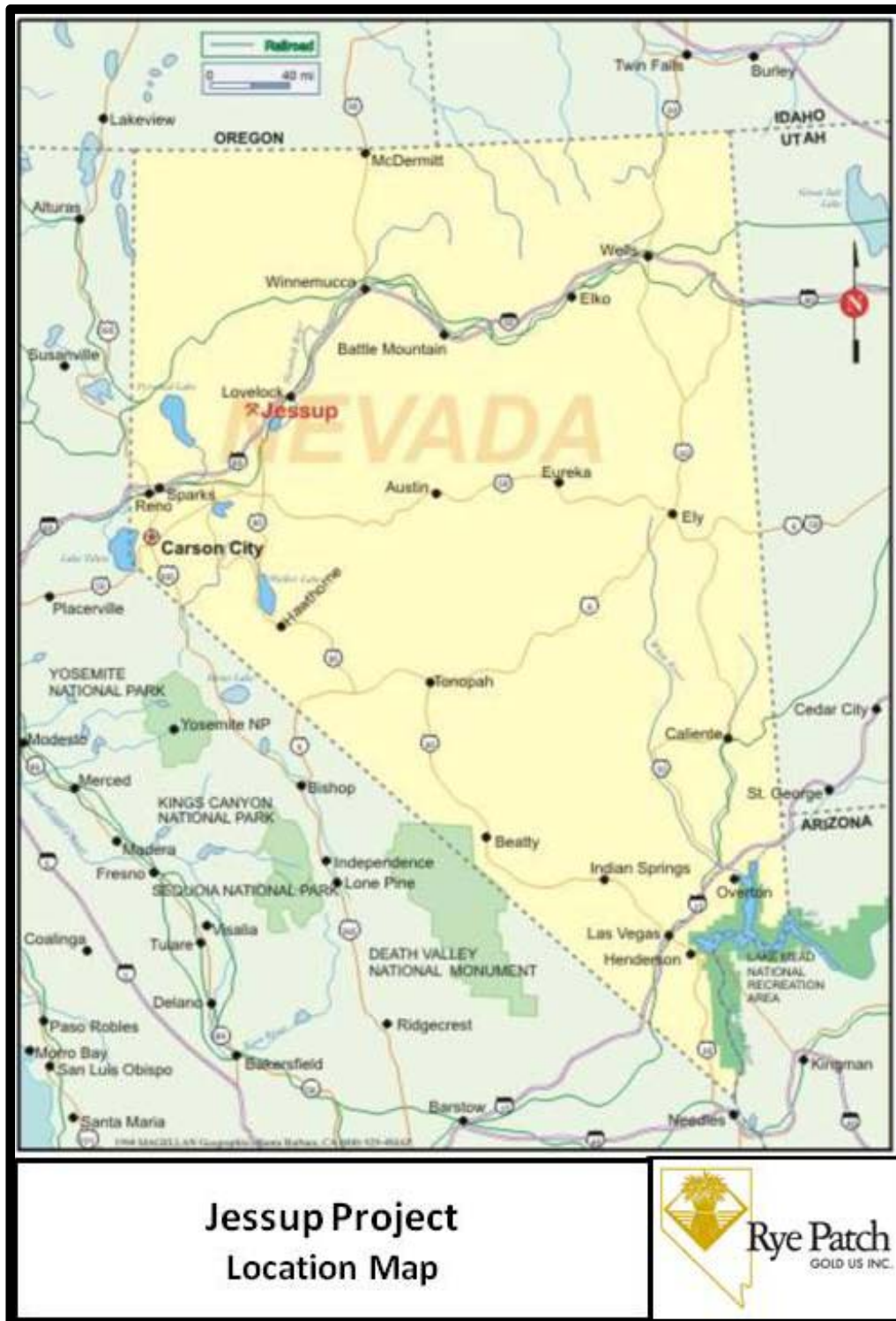
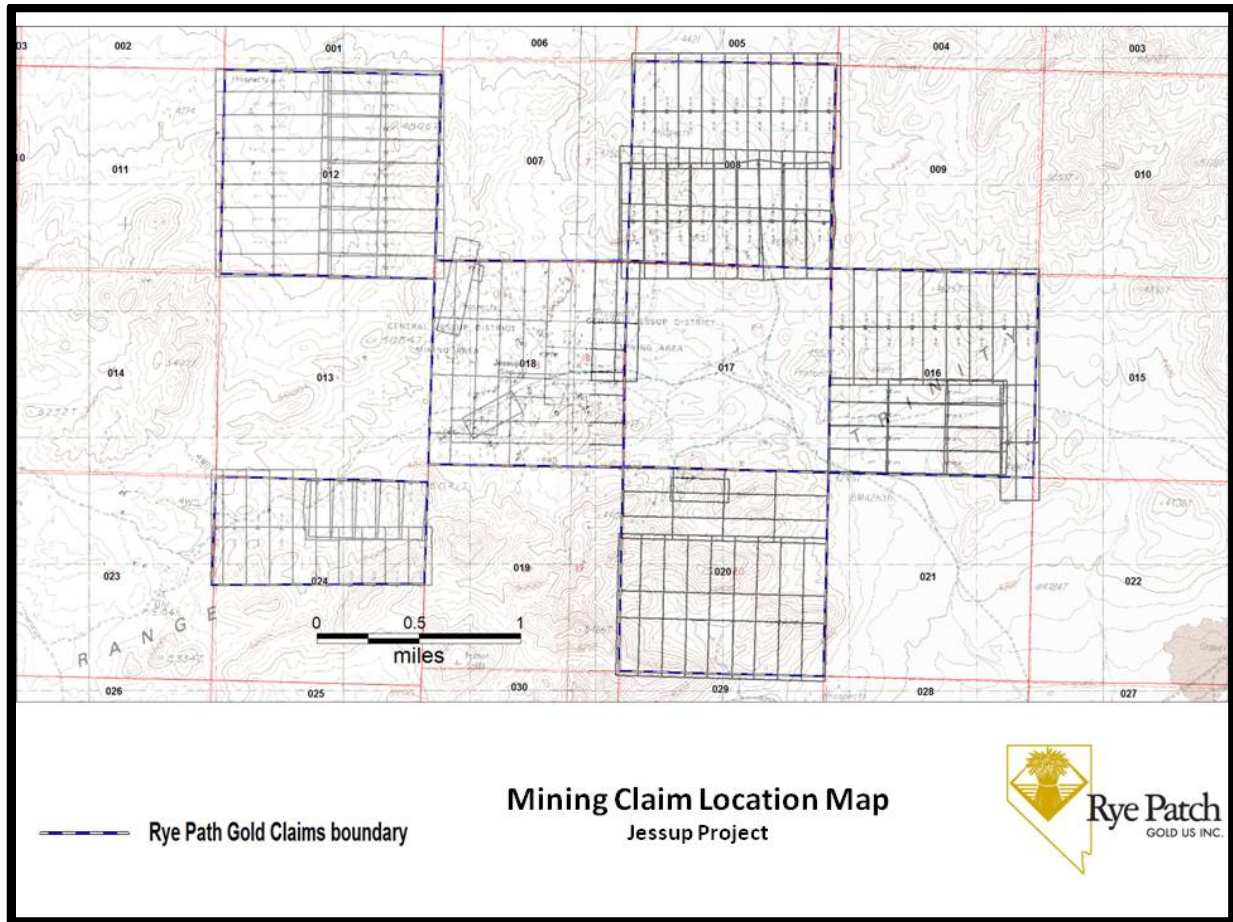




Figure 4.2 Jessup Claims of Rye Patch Gold





4.4 Agreements and Encumbrances

4.4.1 Snowwave Claims

Much of the Jessup property controlled by Rye Patch is made up of 91 unpatented lode mining claims previously held by Alexander von Hafften and leased by him to various operators as described in Section 6.1 below. Upon von Hafften's death, ownership of the claims passed to his estate, then to Sierra Denali Minerals, Inc., and then to Snowwave, Inc. ("Snowwave") of Thornton, Colorado – the present owner of the 91 claims (Appendix A, Snowwave Claims). The terms of sale of the claims to Snowwave included reservation of a 1.6% Net Smelter Returns ("NSR") production royalty to Sierra Denali Minerals. Thompson's (2007) title opinion chronicles the extensive legal history of the various claim groups that make up Snowwave's claims. Thompson (2007) concludes that *"the claims have been located in accordance with State and federal mining law, and the title condition is presently good" and that "the owner of record is Snowwave, Inc., subject to a reservation of one and six-tenths percent (1.6%) Net Smelter Returns production royalty to Sierra Denali Minerals, Inc. ("Sierra Denali Minerals Royalty")."* Federal claim maintenance fees for the 2007-2008 assessment year ending on September 1, 2008 have been paid for all 91 claims (Perry, 2007a).

Thompson (2007) continues:

"This office has been provided with an unrecorded "Mining Lease and Agreement," dated January 1, 2006, by and between Snowwave, Inc., a Colorado corporation (as "Lessor") and Sunrise Land & Minerals, Inc., a Nevada corporation (as "Lessee") by which Snowwave leases the claims to Sunrise Land & Minerals for a period of thirty years unless sooner terminated. The Agreement also contains an Option to Purchase the property.

This office has been provided with a copy of an "Option Agreement-Jessup Property-Churchill County Nevada," dated May 12, 2006 by which Sunrise Land & Minerals, Inc. granted to Pan-Nevada Gold Corporation, formerly Castleworth Ventures Ltd., an irrevocable option to acquire all of Sunrise's right title and interest in the Property. This Letter Agreement expanded upon and replaced an Agreement dated November 17, 2005 between Sunrise Land & Minerals and Castleworth Ventures Ltd. This Option was effective November 17, 2005 and remained open until November 17, 2006. By the terms of the Option, Pan-Nevada was to deliver to Sunrise a Promissory Note, a Security Agreement, and a Notice of Option Exercise, together with the first payment in the amount of US\$200,000.00 [sic] on or before November 17, 2006.

This office has also been provided with an Estoppel Certificate dated January 3, 2007, executed by Richard Forrest, President of Sunrise Land & Minerals, Inc. stating that the required documents and payments necessary for Pan-Nevada Gold Corporation to exercise the Option dated May 12, 2006, described above have been received, and the Option has been exercised and is in good standing and in full force and effect."





MDA has summarized the lease agreement between Sunrise Land & Minerals, Inc. and Snowwave. Advance Royalty payments, credited to Production Royalty payments, must be paid by Sunrise and are:

- \$5,000 monthly during 2006;
- \$6,000 monthly during 2007;
- \$7,000 monthly during 2008;
- \$8,000 monthly during 2009; and
- \$9,000 monthly thereafter.

In addition, Sunrise must pay a Production Royalty of

- 1.0% NSR when average quarterly gold price is <\$350/oz
- 1.5% NSR when average quarterly gold price is \$350.01-450.00/oz
- 2.5% NSR when average quarterly gold price is \$450.01-500.00/oz
- 3.5% NSR when average quarterly gold price is >\$500.01/oz.

Sunrise has an Option to Purchase Snowwave's interest in the property, subject to the underlying royalty to Sierra Denali Minerals Inc., for an amount ranging from \$2,000,000 to \$3,000,000 depending upon when the Option is exercised, less all previously paid advance and production royalties.

Erwin's (2007) title opinion reviewed the Snowwave lease agreements along with Thompson's (2007) title opinion. Based on these documents, along with the August, 2007 Acquisition Agreement between Rye Patch and Pan-Nevada, and a subsequent October 5, 2007 Assignment and Assumption Agreement, Erwin states that *"Title to the Snowwave Claims is vested in Snowwave, Inc., a Colorado corporation, subject to the 1.6% net smelter returns royalty reserved by Sierra Denali Minerals Inc. and the Snowwave Lease. The leasehold interest under the Snowwave Lease is held by Rye Patch Gold (US) Inc."*

4.4.2 Mough Claims

A northeast-trending block of four claims, three of them unpatented and one patented, extends across the southwest quarter of Section 18, T24N, R28E, surrounded by the Snowwave claims on all but its southwest corner. The three unpatented claims are owned by David Mough and Jody Ahlquist-Mough ("Mough claims") (Appendix A: Mough Claims). Rye Patch leases these three claims from the Moughs under a 30-year lease dated February 1, 2006. Rye Patch assumed the lease under the Acquisition Agreement with Pan-Nevada and subsequent Assignment and Assumption Agreement dated September 27, 2007.

Under the terms of the lease, Pan-Nevada paid the Moughs \$6,000 upon execution of the agreement and agreed to pay additional annual Advance Royalty payments as follows:

- \$7,000 on the first anniversary of the agreement's execution
- \$8,000 on the second anniversary
- \$9,000 on the third anniversary
- \$10,000 on the fourth and subsequent anniversaries.





All Advance Royalty payments are credited to Production Royalty payments. Pan-Nevada agreed to pay a Production Royalty of 2% NSR. Under the lease agreement, Rye Patch, through Pan-Nevada, has an Option to Purchase half of the Moughs' royalty interest (1%) in the property at any time the agreement is in place for \$1,000,000.00, less all advance and production royalties previously paid.

Erwin (2007) has reviewed a copy of the signed lease agreement between Pan-Nevada and the Moughs and based on the recitations of ownership of title to the Mough Claims in the Mough Lease, states that *"Title to the Mough Claims is vested in David C. Mough and Jody Alquist-Mough subject to the Mough Lease. The leasehold interest under the Mough Lease is held by Rye Patch Gold (US) Inc."* Erwin's (2007) title opinion also states that *"We have not reviewed reports of title for the Mough claims"*

4.4.3 Mabel B Claim

In the northeast-trending block of four claims described in Section 4.4.2, the patented claim is called the Mabel B and is owned by Victory Exploration (Appendix A; Mabel B Claim). Rye Patch leases this claim from Victory Exploration under a 20-year lease dated May 9, 2006. Under the terms of the lease, Pan-Nevada paid Victory Exploration \$2,500 upon execution of the agreement and agreed to pay additional annual Advance Royalty payments as follows:

- \$5,000 on the first through fourth anniversaries of the agreement's execution;
- \$10,000 on the fifth through ninth anniversaries;
- \$20,000 on the tenth through fourteenth anniversaries; and
- \$30,000 on the fifteenth and all subsequent anniversaries.

All Advance Royalty payments are credited to Production Royalty payments. Pan-Nevada agreed to pay a Production Royalty of 5% NSR. Rye Patch, through Pan-Nevada, has an Option to Purchase the Mabel B claim and half of Victory Exploration's royalty interest (2.5%) in the property at any time during the first five years (by the fourth anniversary) of this lease for \$250,000.00.

Erwin (2007) has reviewed a copy of the signed lease agreement between Pan-Nevada and Victory Exploration Inc., and based on the recitations of ownership of title to the Victory Claim in the Victory Lease, states that *"Title to the Victory Claim is vested in Victory Exploration Inc., a Nevada corporation, subject to the Mough Lease. The leasehold interest under the Victory Lease is held by Rye Patch Gold (US) Inc."* Erwin's (2007) title opinion also states that *"We have not reviewed reports of title for the Victory claims"*

4.5 Environmental Liability

Enviroscientists, Inc. (2006) prepared a report on site conditions, permits, and environmental liabilities at the Jessup property. According to that report, *"The existing site conditions do not identify any substantial environmental liability. The only mining activity occurred early in the 20th century. The few mine shafts observed are all fenced and posted with warning signs."*





The revised 43 Code of Federal Regulations (“CFR”) 3809 notice-level regulations require bonding of disturbance under five acres. According to Enviroscientists, Inc. (2006), “Pan-Nevada Gold is permitted to disturb 4.5 acres under Notice #N81476.” In addition, Enviroscientists, Inc. (2006) reported that *“currently, there are no other active permits for mineral exploration or mining operations in the Jessup area (personal communication November 28, 2006 with Fred Holzel, Winnemucca BLM Mineral Lead). Based on a search of the BLM LR2000 database, there are no active or inactive rights-of-way in the Project area.”*





5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Access

The Jessup project is located in Churchill County, Nevada, approximately two miles northwest of Interstate 80, about 63 miles northeast of Reno and 26 miles southwest of Lovelock. From the I-80 Jessup exit, access to the property is north via a dirt road up Jessup Wash for about two to four miles from the highway.

5.2 Climate

The climate in this part of northwestern Nevada is semi-arid and moderate. Annual rainfall in the region ranges from up to about 20 in. in the mountains to only about six inches in the valleys, with most precipitation occurring during the winter (Johnson, 1977). Flash flood conditions can occur during late summer. In the summer, the average temperature is usually in the 70s but can reach as high as 100° in the valleys. Average winter temperatures are usually in the 30s to 40s but can fall below zero (Johnson, 1977). The climate is conducive to year-round mining activity; however, freezing winter temperatures would need to be considered in the design of any heap-leach processing system.

5.3 Local Resources and Infrastructure

Lodging, supplies, and labor are available in Lovelock, a town of approximately 2,400 population located about 26 miles northeast of the project. Access to transportation from the Jessup property is excellent. The main line of the Union Pacific Railroad is less than ten miles southeast of the Jessup district, and Interstate 80 is just two miles south of the property. There is sufficient flat ground east and south of the Jessup project area for mining infrastructure, though some agreements might need to be made with Newmont, the owner of the checkerboard ground. The nearest springs and wells are about 4 miles from the property at the gravel pit located along the access road to Jessup between Section 27 and 28, T24N, R28E.

5.4 Physiography

The Jessup project is located in the southwestern end of the Trinity Range, a broad northeast-trending range of the Basin and Range Province. In the vicinity of the Jessup mining district, elevations range from about 4200 ft to about 5400 ft with generally low to moderate relief. Relief on the property itself is about 200 ft. Vegetation is sparse and treeless. Small brush, predominately sagebrush but including saltbrush and bitterbrush, characterizes the limited vegetation.





6 HISTORY

6.1 Exploration and Mining History

The Jessup district was discovered in 1908 by Frank Jessup and L.H. Murray. Prior to World War I, a number of shafts were sunk, including the Mohawk to a depth of 200 ft, the Valley King to a depth of 150 ft, and the Gold King to a depth of 150 ft with 500 ft of drifts in the central part of the district (Payne, 1967; Lawrence, 1974). Several carloads of ore reportedly averaging five ounces of gold per ton or better were shipped in 1908 (Vanderburg, 1940). The most extensive underground workings were developed at the San Jacinto mine, where the main shaft extends to 200 ft below the surface. Reportedly, two levels and four sub-levels were developed to access high-grade pockets of ore (Winter, 1992). The workings explored narrow quartz veins, quartz breccias, and clay gouge zones with pods of high-grade gold (Wallace, 1982). Activity continued sporadically through 1940 with a total of perhaps a thousand ounces of gold production (Vanderburg, 1940). There is no record of production from the district since that time.

During the 1960s and 1970s, the first modern exploration in the Jessup district was conducted by Great Basin Exploration Company (“Great Basin”), a business of Alexander von Hafften, the original owner of most of the unpatented claims now leased by Rye Patch. Great Basin’s work included soil sampling and geologic mapping (Payne, 1967; Hughes, 1968; Winter, 1992; Ristorcelli and Read, 1998). Additional geochemical and geophysical surveying was conducted from 1968 through 1973 (Lawrence, 1974). Great Basin drilled one shallow rotary drillhole in the Central Jessup area.

Sometime during the 1960s, an unknown operator drilled three drillholes on the property for which there is no information (Wallace, 1982). Simplot Industries of Boise, Idaho excavated numerous trenches across the property in the middle 1960s or 1970s; results from sampling of these trenches were not available to MDA.

Occidental Minerals Corporation (“Occidental”), a division of Occidental Petroleum, conducted surface sampling and large-scale geological mapping at Jessup culminating in the drilling of 13 (possibly conventional) rotary drillholes during 1981, primarily in the Central and North Jessup areas with one in the San Jacinto area. Occidental excavated and/or sampled at least three trenches, apparently near the town site of Jessup.

Cordex Syndicate (“Cordex”) explored the property during 1982-1983 by geologic mapping of the entire district, reconditioning the San Jacinto shaft and mapping and sampling the underground workings, and thoroughly sampling the southern half of the district (Wallace, 1982; Ristorcelli and Read, 1998; Winter, 1992). Results of this work were encouraging enough to warrant a drill program. Forty-two vertical and angle rotary drillholes were drilled in the San Jacinto West, San Jacinto, San Jacinto South, Central Jessup, North Jessup, Mining Lady, and Tosh Hill areas. An underground resource estimate based on the underground sampling in the San Jacinto Mine was apparently calculated by Cordex. Cordex dropped the property in 1983.





Santa Fe Mining, Inc. was active in the district in 1985-1986 (Wittkopp, 1985, 1987; Dixon, 1986; Ristorcelli and Read, 1998; Winter, 1992). Santa Fe remapped the district and conducted a limited sampling program. A total of 23 reverse circulation (“RVC”) drillholes were drilled, with 16 of the drillholes located within the current project boundary. Included within this drill program was the first relatively high-grade drillhole for the project, JSF-14. Santa Fe dropped the property in 1987.

Draco Gold Mines (“Draco”) of Tucson, Arizona, held a lease on the property during 1988 and 1989 but did little work. Amax became involved in the property during the spring of 1989 through a takeover of Draco (Wurtz, 1989, 1990; Ristorcelli and Read, 1998; Winter, 1992). In addition to detailed mapping and sampling, Amax excavated, mapped, and sampled 11 trenches in the San Jacinto and Central Jessup areas and sampled and assayed another seven trenches excavated by previous operators. In July 1990, they drilled 11 RVC angle drillholes. Amax relinquished the property in 1990.

In 1991, Southwestern Gold Corporation optioned the property and held it for two years (Baughman and Paterson, 1992, 1993; Winter, 1992; Cannuli, et al., 1992; Ristorcelli and Read, 1998). They conducted trenching and RVC drilling in addition to mapping, rock-chip sampling, and geophysical surveying. Preliminary metallurgical bottle-roll tests were performed on samples from the Central Jessup and San Jacinto West areas (see Section 16.0 for details).

Tulsa-based Americomm Resources Corporation (“Americom”) acquired the interests of Southwestern Gold, including the Jessup property. Americomm continued leasing the property and in 1996 entered into a joint venture with Echo Bay Exploration Inc. (“Echo Bay”). Echo Bay compiled a database of all available drill data from previous drilling, conducted soil sampling, drilled the pediment for geochemical samples and for testing the shallow bedrock, and drilled two core holes to verify mineralization previously encountered in two RVC drillholes (Emmons, 1997a, b, c; Ristorcelli and Read, 1998). Starting in February 1997, Echo Bay drilled approximately 40,475 ft in 123 RVC drill drillholes, with EXJ-78 being the last drillhole drilled late in 1997. Bottle-roll metallurgical tests performed on seven drill cuttings composite samples are described in Section 16.3. Echo Bay’s work identified new mineralized areas in the North Jessup and West San Jacinto areas in addition to several isolated well-mineralized intersections elsewhere on the property (Gesick, 1998). Americomm asked MDA to estimate gold and silver resources for the Jessup project; this was completed in 1998 (Ristorcelli and Read, 1998). In 1999, Americomm dropped the property. No further exploration was done on the property until drilling by Pan-Nevada.

The Jessup property again became available for lease in 2005 and was leased by Castleworth Ventures, whose name was changed to Pan-Nevada Gold Corporation (“Pan-Nevada”), in late 2005. Pan-Nevada initiated a drilling program in April, 2006, to expand the limits of potentially minable mineralization. Their exploration efforts are more fully described in Section 10.1.8. MDA prepared a resource estimate for Pan-Nevada that was reported in February 2007 but was never published. Pan-Nevada was acquired by Midway in early 2007, and then Rye Patch acquired the Jessup property from Midway in August 2007.





Rye Patch Gold initiated mineral exploration in the Jessup project area in 2008 with detailed geologic mapping, rock and soil sampling, ground magnetics and drilling, with a total of 16,840 feet in 45 reverse-circulation drillholes.

6.2 Historic Resource Estimates

Apparently during Cordex's tenure on the property, a resource estimate around the underground workings was completed on the San Jacinto mine. That estimate, calculated from assays and volumes determined by sampling the underground workings at San Jacinto with length-weighted grades across 50-ft widths, defined a resource of some 250,000 tons grading 0.092 oz Au/t for a total of 23,000 ounces (Ristorcelli and Read, 1998). A tonnage factor of 12-ft³/ton was used in the calculations. Later nearby drilling did not confirm the grades and tonnage in the area (Ristorcelli and Read, 1998).

A mineral inventory was calculated for Southwestern Gold in 1992 (Winter, 1992) from trench data, surface sampling, and drilling at the San Jacinto mine, San Jacinto South, and Central Jessup areas. Using a cut-off grade of 0.008 oz Au/t, a tonnage factor of 12.3 ft³/ton, vertical sections, and ore volumes projected halfway to adjacent sections, a total estimated mineral inventory for the three areas was 1,491,600 tons containing 52,000 oz gold and 550,000 oz silver (Winter, 1992; Gesick, 1998). This inventory is contained within the subsequent resource estimate made by MDA in 1998.

MDA estimated a gold and silver resource estimate for the Jessup project in 1998 at the request of Americomm (Ristorcelli and Read, 1998). The reported resource is presented in Table 6.1. This historic resource estimate does not fulfill all the current requirements of NI 43-101 in that economic factors (primarily differing metallurgical recoveries) were not used in the determination of variable cut-off grades for the oxide and sulfide components of the estimated resource. MDA used 13-ft³/ton for material in the San Jacinto area and 15-ft³/ton for material in the Jessup area. MDA estimated potentially minable material as shown in Table 6.2.

No effort was made to eliminate the mined material from the estimated resource described in this report as it was considered to be minimal.





Table 6.1 Jessup Gold and Silver Historical Resource Summary (oxidized and unoxidized)

Cutoff (oz Au/t)	Area	Tons	Total		Au Oz	Ag Oz	Total Equivalent Ounces		
			Au (oz/t)	Ag (oz/t)			Tons	AuEqOz (oz/t)	AuEqOz
0.010	Jessup	2,920,231	0.026	0.28	75,300	811,700	2,920,231	0.031	91,500
	San Jacinto	5,456,333	0.023	0.23	125,000	1,245,000	5,456,333	0.027	149,900
	Total	8,376,564	0.024	0.25	200,300	2,056,700	8,376,564	0.029	241,400
0.020	Jessup	1,380,322	0.040	0.35	54,700	485,900	1,380,322	0.047	64,400
	San Jacinto	2,307,858	0.036	0.28	82,400	653,900	2,307,858	0.041	95,500
	Total	3,688,180	0.037	0.31	137,100	1,139,800	3,688,180	0.043	159,900
0.025	Jessup	977,924	0.047	0.40	46,000	386,300	977,924	0.055	53,700
	San Jacinto	1,512,085	0.043	0.34	64,900	519,000	1,512,085	0.050	75,300
	Total	2,490,009	0.045	0.36	110,900	905,300	2,490,009	0.052	129,000
0.050	Jessup	129,819	0.136	0.89	17,600	115,200	129,819	0.153	199,000
	San Jacinto	323,718	0.074	0.58	23,900	186,500	323,718	0.085	276,000
	Total	453,537	0.092	0.67	41,500	301,700	453,537	0.105	47,500

In 2007, MDA completed a second resource estimate based on work completed by Pan Nevada. This work included building a geologic model on section, performing QA/QC analyses, making two site visits, and taking some surface samples, culminating in an estimated resource model. MDA constructed cross sections, spaced 50- to 100-ft apart through the entire resource area and surroundings and built a geologic model. Quantile plots of the gold and silver geochemical values were made to help define styles of mineralization. These geochemical breaks were used in the creation of distinct mineral domains to be used in resource estimation. Breaks were defined for gold at ~0.006 oz Au/ton and ~0.07 oz Au/ton. The oxide and mixed oxide/sulfide surfaces were modeled and made into 3D surfaces.

The Indicated and Inferred resources at Jessup are tabulated in Table 6.2. The stated resource is based on a gold grade cutoff of 0.01 oz Au/t for oxide, 0.015 oz Au/t for mixed material, and 0.025 oz Au/ton for all sulfidic mineralization. Multiple checks were made on the Jessup resource which confirmed the estimate as being reasonable.

Table 6.2 MDA's Undiluted Resource Tabulation

Cutoff (oz Au/t)	Tons	Grade (oz Au/t)	Gold Ounces	Silver (oz Ag/t)	Silver Ounces	Gold Equivalent Ounces	Class
Variable	5,432,000	0.022	120,000	0.31	1,655,000	154,000	Indicated
Variable	1,265,000	0.017	22,000	0.23	286,000	27,000	Inferred





7 GEOLOGIC SETTING

7.1 Regional and Local Geology

The Jessup project lies in the northwestern portion of the Basin and Range Province, a structural and physiographic province characterized by fault-bounded mountain ranges and valleys formed during regional Tertiary extension. Straddling the Churchill and Pershing county line, the Trinity Range extends for over 50 miles in a northeast direction and is generally lower and broader than the mountain ranges farther east. The Jessup mining district is less than five miles south of the northern Churchill County line at the southern end of the Trinity Range.

As mapped by Willden and Speed (1974), possibly Triassic-Jurassic metavolcanic rocks and hornfels, phyllite, schist, limestone and marble make up the basement of the southwestern Trinity Range (Figure 7.1). Although mapped as possibly Mesozoic, the metavolcanic rocks are undated and could be older. It appears that the metavolcanic units are overlain by hornfels, phyllite, and schist, which then appear to be overlain by limestone and marble. Probably Cretaceous quartz monzonite and granodiorite intrude these metavolcanic and metasedimentary rocks north and northeast of the Jessup district.

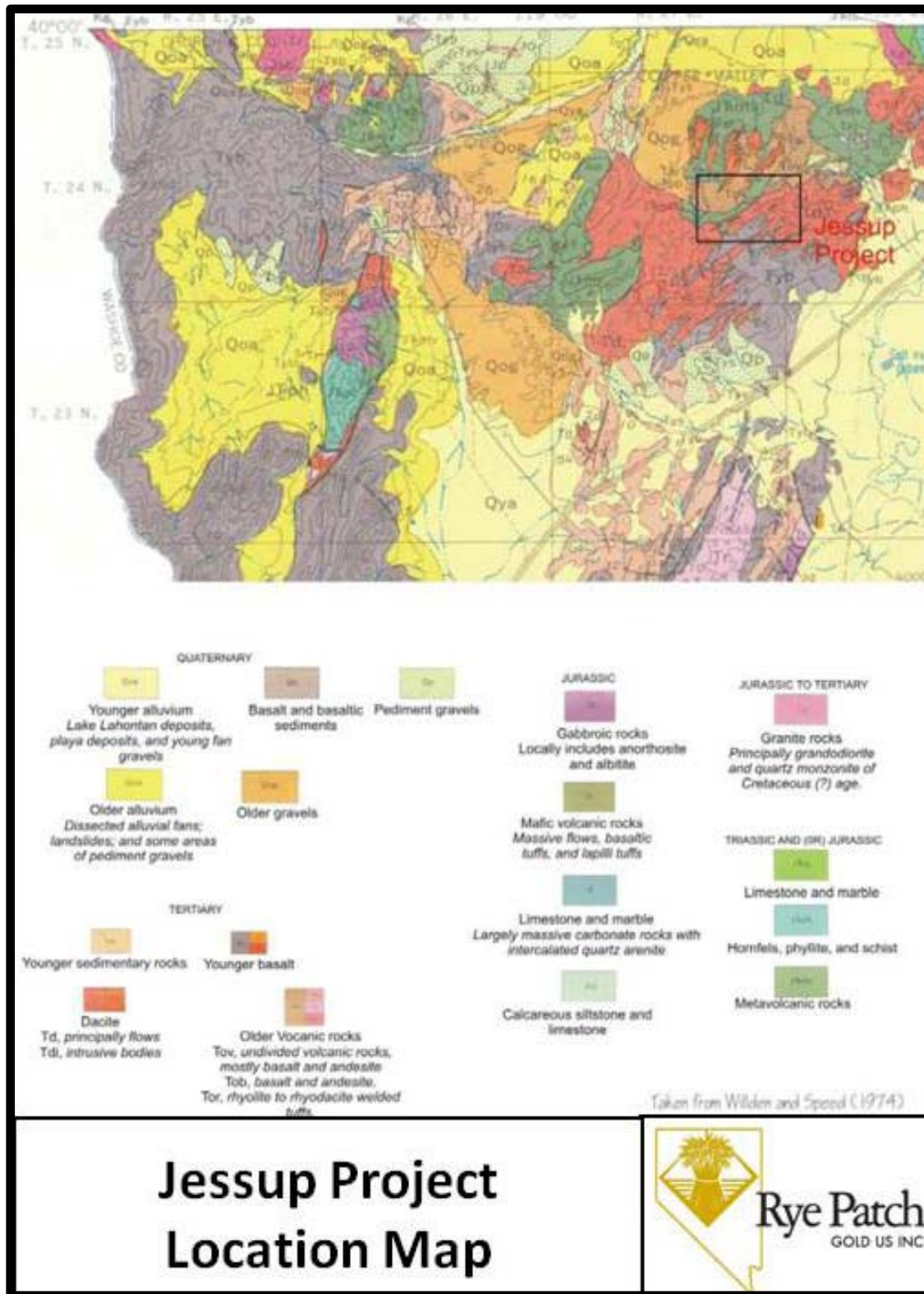
Unconformably overlying the Mesozoic metamorphic rocks are four Tertiary volcanic units. Northeast of the Jessup district, rhyolite tuffs form the base of the Tertiary sequence, overlain by dacite and basalt. In the Jessup mining district, andesitic volcanics overly the Mesozoic basement and are themselves overlain by dacite and basalt. These andesites include both flows and fragmental rocks and subordinate basalt. It is not certain whether the andesites represent an older, pre-Miocene volcanic series or are Miocene-Pliocene in age (Willden and Speed, 1974). Tertiary intrusions likely associated with these volcanic rocks include rhyolitic intrusions that cut both metavolcanic rocks and the overlying andesites at Jessup. Andesitic intrusions that cut the volcanic rocks could represent the source of the volcanic rocks or could be younger. Younger basalt dikes are present northeast of Jessup, closer to the Pershing County line (Willden and Speed, 1974).

The dacitic volcanic rocks appear to have been extruded from a caldera near Ragged Top Mountain that lies north-northeast of the Jessup district just across the Pershing County line (Willden and Speed, 1974). Two samples of the dacite yielded early Pliocene K-Ar radiometric dates (Willden and Speed, 1974).

North-northeast-trending, high-angle faults of Tertiary age are mapped in this portion of the Trinity Range (Willden and Speed, 1974). There are also some north-northeast-trending folds of Tertiary age in this part of northwestern Churchill County, although none has been mapped specifically in this part of the southern Trinity Range.



Figure 7.1 Regional Geology





7.2 Property Geology

The following description of the geology of the Jessup project area is taken from Wittkopp (1985), Cannuli et al. (1992), Winter (1992), Baughman and Peterson (1993), Gesick (1995), Ristorcelli and Read (1998), and Gesick (2006b). Figure 7.2 shows the geology of the project area.

7.2.1 Lithology

The oldest rocks in the Jessup project area, exposed in the northern and northwestern portions of the district, are basalts and quartzo-feldspathic sandstones, which have been metamorphosed to upper greenschist to lower amphibolite facies. Chlorite and epidote occur locally in these rocks. These metabasalts and metasediments are probably Triassic/Jurassic in age.

These basement rocks are unconformably overlain by a series of Tertiary, bimodal (andesite/rhyolite) volcanic and lacustrine sedimentary rocks exposed in the central and southern portions of the district. Tertiary magmatism was initiated by the outpouring of sub-aerial andesites characterized by fine-grained to porphyritic flows and flow breccias that dip gently south. The total thickness of this unit is unknown, since the lower contact is not exposed, but is probably on the order of a few hundred feet. Interbedded with and overlying these flows are andesitic pyroclastic beds whose thickness is highly variable over short distances. Gesick (1995) proposed that the andesites were erupted from a stratovolcano formed on the metavolcanic basement.

Andesitic volcanism terminated with the collapse of the central portions of the area, forming a caldera inferred to be centered south of the property (Donald Noble (1985) questioned whether there was a caldera south of the district based on a brief field examination of the district). Erosion of andesitic highlands in the north produced thin layers of andesite sands and conglomerate, preserved in isolated areas throughout the Jessup district. With continued subsidence in the central portion of the caldera, fine-grained clastic rocks and pyrite-bearing chert were deposited. These rocks are interbedded with thin ignimbrite beds consisting of rhyolitic lapilli tuff. Most of the disseminated mineralization is hosted by the Tertiary tuff and occasionally sediments. Volcanism culminated in the deposition of a thick sequence of coarse-lapilli tuff, thickest in the San Jacinto/Central Jessup areas. In the San Jacinto area, rhyolite ash flow tuffs were deposited over the lapilli tuff, whereas in the Central Jessup area lake beds overlie the lapilli tuff. In the eastern part of the district, lacustrine sedimentation continued. Younger andesite flows and sills, accompanied by clastic rocks and minor tuff, are found in the south.

The combination of numerous, complexly interlayered, altered tuffs and mapping and/or logging by various geologists from seven different companies over a period of 25 years has resulted in a less than straightforward correlation of these units in cross sections.

With continued collapse of the caldera, rhyolitic flows, domes, and dikes were emplaced along its ring-fracture system. Flows that grade out from edges of the domes impart a mushroom





shape to the domes. The domes exhibit brecciated, spherulitic margins and tops and are usually flow banded. The youngest rocks represented in the area are late Tertiary to Quaternary mudstone conglomerate, basaltic tuff, diatomite, basalt flows and dikes, and alluvial gravel deposits.

7.2.2 Structure

Structural deformation in the Jessup mining camp was episodic and is believed to have been mainly controlled by caldera-related structures, typically normal faults distributed along a radial system of ring fractures. The orientation of specific faults within this system mimicked the shape of the suspected caldera and was determined by location within the feature. For example, in the eastern and northeastern part of the area, northwesterly strikes are common; in the south and center, westerly strikes are the rule. During the early stages of caldera collapse, the shape of the basin and the distribution of basin-fill within the caldera (i.e. deepening to the south) were controlled by these faults.

A major NW fault controls the caldera collapse, extending from San Jacinto to the North Zone. A structural system composed of horsts and grabens partially controls the deposition of the Tertiary sediments, as well of the later felsic volcanic domes.

After lithification of the basin-fill, these same structures were active over a long period of time. In the Central Jessup and San Jacinto areas, for example, various faults were active during at least three periods:

1. pre-rhyolite faulting: the rhyolites were emplaced along a westerly-trending belt of south block-down, normal faults. An example of this would be the San Jacinto fault zone;
2. post-rhyolite faulting: the rhyolites are truncated by structures with a variety of orientations. This appears to be the age of the main mineralizing event in the Jessup district. Mineralized breccia within the San Jacinto Main Zone, for example, contains rhyolite fragments. The San Jacinto fault zone was reactivated at this time. South of this zone, a system of north-trending, altered rhyolite dykes are fractured and mineralized. Two northeastern-trending faults in the Central Jessup Area also appear to have been active during this period.
3. post-mineralization: the western end of the San Jacinto Mineralized Zones are down-dropped to the west by a north-northwest-trending normal fault.

En echelon, northeast-trending, steeply dipping, right-lateral, oblique-slip faults occur in a 1500-ft wide by four-mile long zone, called the Jessup fault zone, extending from the SW/4 to the NE/4 of Section 18 (Wurtz, 1989, 1990). Individual faults in the zone are short with crushed zones one to three-feet wide. This right-lateral faulting appears to post-date the caldera but pre-date the main episode of precious metal mineralization (Wurtz, 1990). North-trending faults of basin-and-range style are also present and appear to have been active during caldera development (Wallace, 1982). Finally low-angle faults and fractures with small displacement have reportedly been seen underground (Wurtz, 1990) and also at surface (Rye Patch, 2008).





In his 1998 report, Gesick noted that at least 234 drillholes had been drilled in the Jessup projects up to that time, but that the structural fabric controlling emplacement of the mineralization was still unknown. He recommended drilling at least four oriented core holes to gather detailed information on structural fabrics and to determine the orientation of high-grade veinlets or streaks; that core drilling has not been done to date.

7.2.3 Alteration

Regional alteration patterns in the Jessup mining district are typical of volcanic-hosted, low-sulfidation epithermal gold and silver deposits. The alteration consists of a blanket-shaped zone affected by argillic alteration, bleaching and limonitization, with disseminated pyrite at depth, extending along a broad arc across the district. The ground magnetics shows the presence of a major contact between the altered and unaltered rocks, oriented SE-NW, from San Jacinto to North Jessup and coincident to the major NW fault zone. From Central Jessup to Tosh Hill significant alteration occurs along a NE - SW corridor. Argillic alteration is most pronounced in the San Jacinto area, and limonitization in the Central and North Jessup areas. According to Wurtz (1990), alteration is most intense within about 200 feet of the surface; with depth the alteration changes to propylitic.

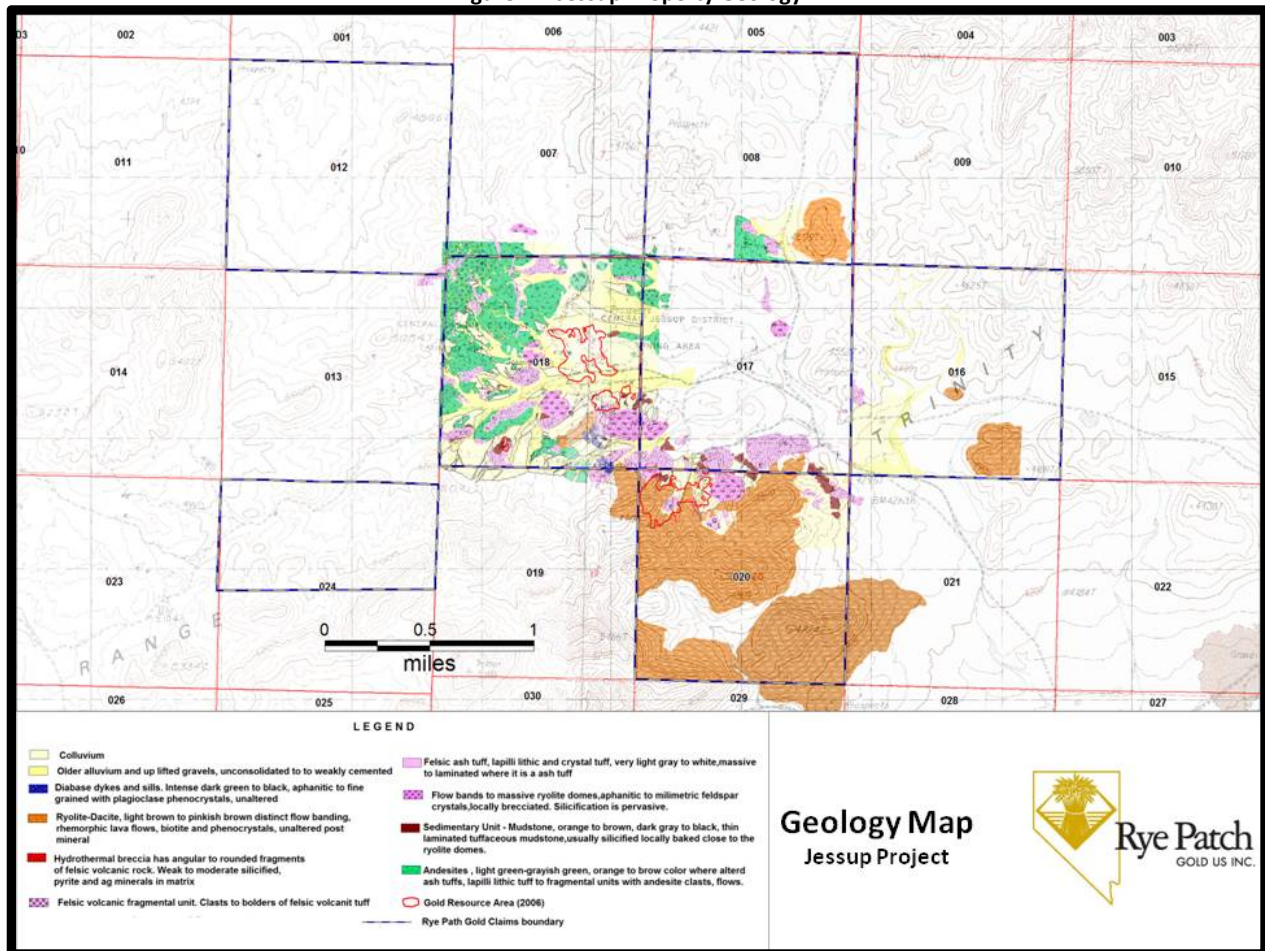
All of the known significant gold prospects occur within this regional alteration zone. The regional alteration is partly controlled by re-activated caldera structures and partly by permeability of rock units. The lapilli tuffs are the most permeable; the andesites and siltstone less so. The cherts are impermeable and are rarely altered.

Silicification is widespread but local and restricted to particular structures. It is often accompanied by at least traces of gold mineralization. Argillic, limonitic and silicic alteration is post-rhyolite, since all of the intrusions are, to some extent, at least argillized (with or without limonite), and some contain mineralized quartz veins. Argillic and limonitic alteration is regional in scale; silicification is local.





Figure 7.2 Jessup Property Geology



Geology Map
 Jessup Project



Rye Patch
 GOLD US INC.





Figure 7.3 San Jacinto Typical Geologic Cross Section

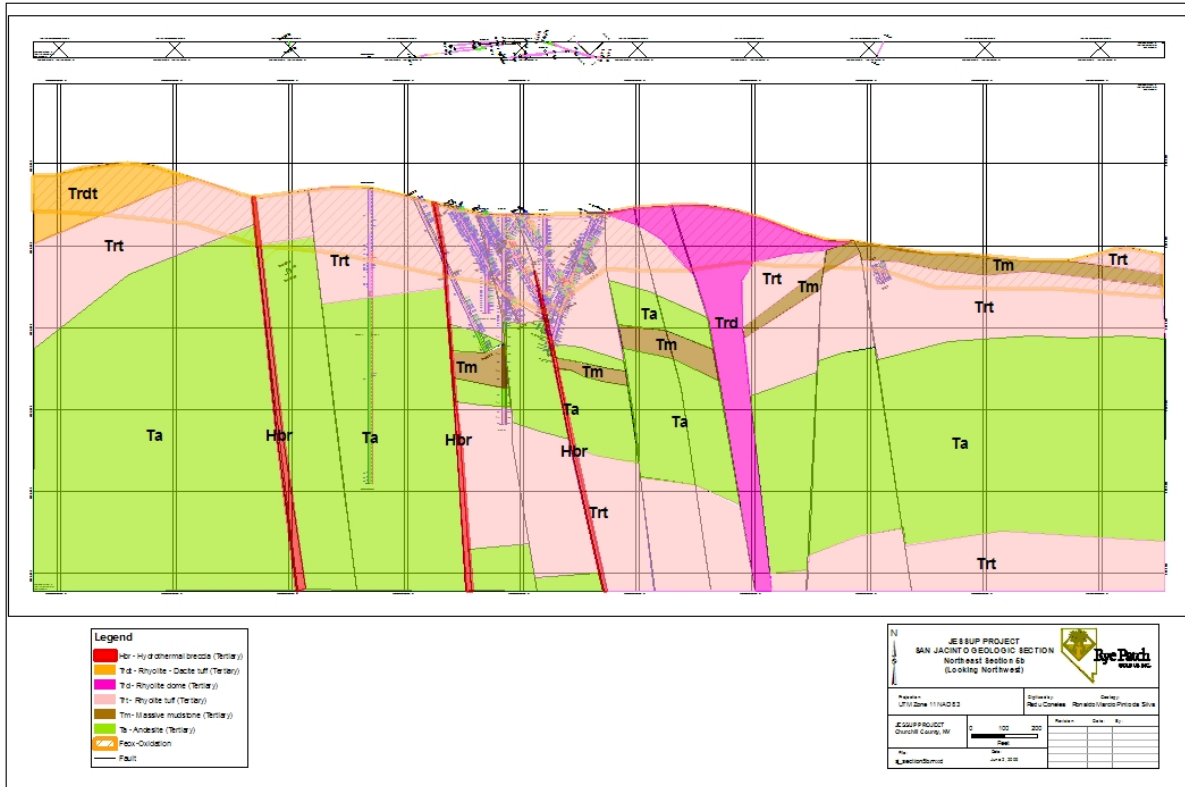
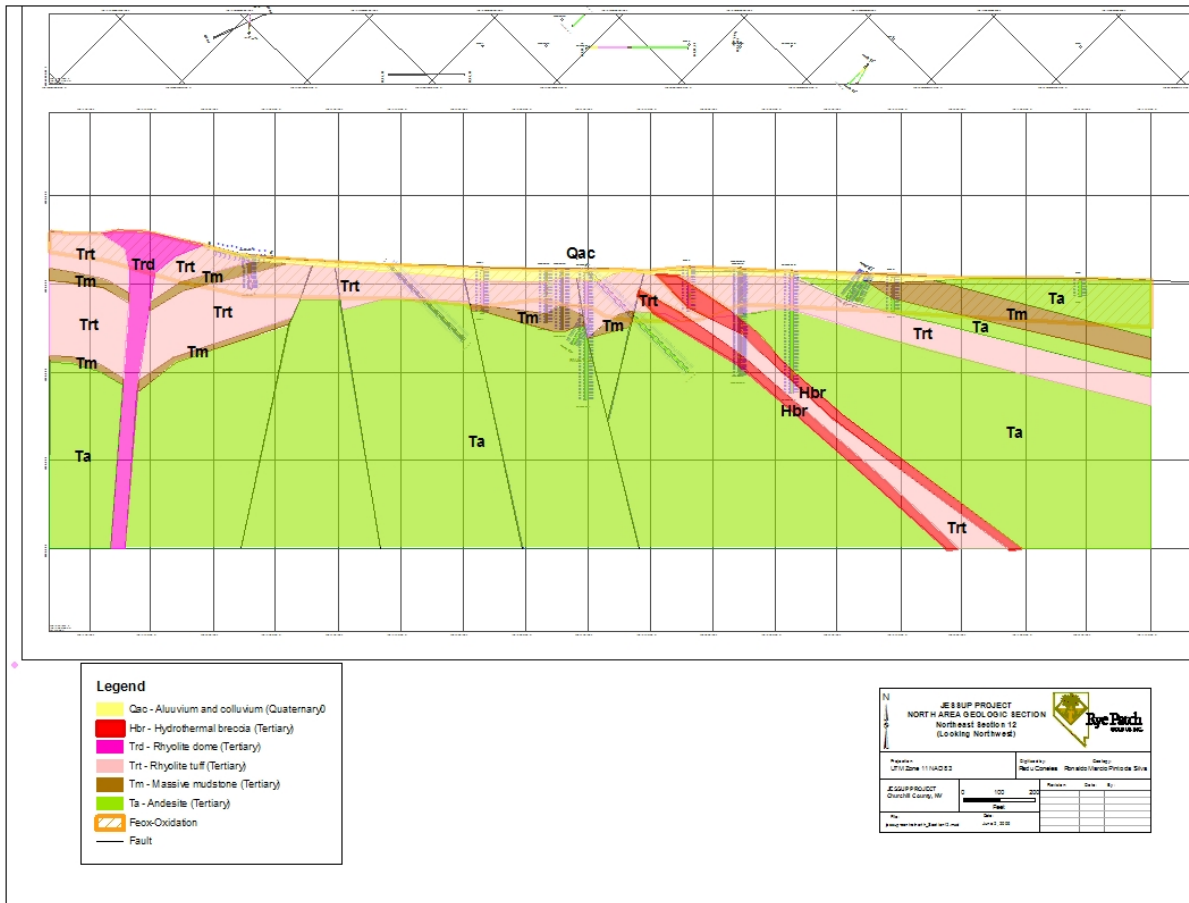




Figure 7.4 Jessup Central and North Cross Section





8 DEPOSIT TYPE

Mineralization in the Jessup project area consists of volcanic-hosted, epithermal gold and silver (Ristorcelli and Read, 1998). Strong alteration and old prospects over a four square mile area appear to lie in an area of intersecting radial and ring fractures, possibly at the junction of regional structures that may have controlled emplacement of the caldera in the Jessup area (Gesick, 1995). Argillic/limonitic alteration is widespread in the district, with local areas of silicification (Cannuli et al., 1992). Mineralization and alteration are both lithologically and structurally controlled. The predominant lithologies that host mineralization at Jessup are lapilli tuff, breccias, siltstones, and andesite.

Winter (1992) noted that features indicating Jessup represents an epithermal gold system include an inferred volcanic caldera; argillic alteration; anomalous mercury, arsenic, and antimony; and generally low content of base metals. Noble (1985) proposed that the mineralization formed at a very high-level portion of the hydrothermal system.

Mineralogic studies on chalcedonic silica from Central Jessup suggest that deposition was very near the paleosurface of a hydrothermal system (Sid Williams (1995) cited by Gesick (1998)). Williams opined that more favorable silicification and better grades of mineralization might be found in deeper parts of the Jessup system. However, deeper drilling during 2008 in San Jacinto intercepted the high grade breccia at the depth of 750 feet below surface but only anomalous values of gold were intercepted. It appears that the gold distribution is affected by supergene enrichment. Sub horizontal geometry for the mineralized zones located close to the surface indicates that the paleo water level remobilized the primary mineralization and concentrated in blankets of gold and silver mineralization.





9 MINERALIZATION

9.1 General Mineralization

Both disseminated mineralization and fracture-controlled vein mineralization are present in the Jessup district. Early production came from the veins and silicified breccias which occur in more brittle units such as rhyolite, andesite flows, and metavolcanic basement. Modern exploration has sought disseminated deposits with recently renewed interest in high-grade veins.

Gesick (1998) characterized the gold mineralization at Jessup as being of two different geometries – areally extensive, flat-lying, sheet-like mineralization that is often thin or of sub-ore grade and local, thick pods of higher-grade mineralization. The sheet-like mineralization is hosted by tuff. The thick pods are sometimes stacked, suggesting they are controlled by steeply dipping structures.

There are two separate areas of disseminated mineralization on the property, which have been described by Ristorcelli and Read (1998), Cannuli et al. (1992), and Winter (1992). To the southeast is the San Jacinto area, where mineralization is irregular to stratiform in shape and dips to the south about 30°. On the northwest are the North and Central Jessup areas with sub-horizontal, stratabound mineralization. Lacustrine sediments, including tuffs and interbedded siltstone and cherts, as well as overlying tuffs and lapilli breccias host most of the disseminated gold (Wurtz, 1990). In a broad sense, disseminated mineralization in the district appears to be spatially associated with rhyolite intrusions and flow-dome complexes (Wallace, 1982); better grades appear to occur adjacent to vein mineralization or in hydrothermal breccias that served as feeders (Wurtz, 1990). Gold-silver grade is directly associated with the intensity of silicification (Wittkopp, 1985).

Wurtz (1989, 1990) described three types of vein systems at Jessup: crystalline quartz veins generally less than three feet wide with narrow selvages of argillized wall rock; chalcedonic quartz veins with minor crystalline quartz that are two to ten feet wide associated with extensive argillization and locally pervasive silicification; and silica-healed breccias forming veins up to eight feet wide along fracture/fault zones. Wurtz (1989) proposed that the crystalline quartz veins may not have formed at the same time as the other two vein types.

Cordex reported a strong quartz vein in drillhole JE-38 along the Tosh Hill feeder zone in the western portion of the property (Wallace, 1982). According to Wallace (1982), *“...10-15 of crystalline vein quartz with 5-6% pyrite was cut at 350-ft (300-ft vertically below the outcrop). The true thickness of the vein is 5-7. One five-foot interval (350-355.) assayed 0.27 oz/ton Au and .65 oz/ton Ag by fire assay (“FA”). Cold cyanide leach assay of the same material only recovered 0.09 oz/ton Au indicating a possible metallurgical problem with this unoxidized material.”*

Within the Jessup district, gold occurs in quartz/chalcedony breccias or veins (e.g. San Jacinto, San Jacinto West, Tosh Hill, and Mining Lady) and disseminated in quartz stockwork and/or silicification (e.g. San Jacinto South, Central Jessup, and North Jessup) (Cannuli et al., 1992; Winter, 1992; Baughman and Paterson, 1993; Ristorcelli and Read, 1998). Gold is associated





with pyrite, and auriferous zones often contain a mixture of quartz and clay. Post-mineral oxidation replaces pyrite with iron oxides to a variable depth of 50 to 300 ft. Arsenic, antimony, and mercury are associated with the disseminated zones and with fault and fracture-controlled veins. Most of the silver occurs as secondary pyrargyrite.

According to Schwartz (1997), gold seems to occur as free gold and electrum in particles smaller than 100 microns in the oxide zone. Silver occurs in the electrum, probably as oxides and possibly as sulfosalts. In the unoxidized zone, gold and silver seem to occur as relatively coarse particles of free gold and electrum and also as very fine inclusions in arsenopyrite rinds on very fine-grained sulfides. The latter would not be amenable to direct cyanidation or physical concentration (Gesick, 1998).

9.2 San Jacinto Area

The San Jacinto mineralized area lies in the southeastern portion of the Jessup property and includes the San Jacinto mine. Four shafts developed narrow, high-grade silicified breccia zones along a north-trending fault (Wurtz, 1990). Occidental reportedly sampled the mine workings, and numerous previous operators drilled in the mine area. Lacustrine sediments, lapilli tuff, and ash-flow tuff underlie this area, cut by the southeast- northwest trending, 600-ft wide San Jacinto fault zone that progressively down-drops the beds to the south. Rhyolite flow domes and dikes were intruded along the fault zone and were themselves fractured and brecciated. The lapilli tuff and sediments are argillically altered.

Based on Occidental's sampling of the main shaft and Southwestern Gold's trenching plus two drillholes, Winter (1992) concluded that the gold mineralization in this area is in an approximately east-trending altered zone associated with the San Jacinto fault. High grade gold occurs in steeply dipping faults associated with extensive silicification. There is also gold in a 120-ft wide, 300-ft long, south-dipping zone associated with argillic alteration and silicification that is controlled by fracturing and/or the permeability of the volcanic rocks (Winter, 1992).

About 400 ft south of the San Jacinto mine at the San Jacinto South area, drilling by Cordex, Santa Fe, and Southwestern Gold discovered gold mineralization associated with silicification in a pervasively argillized, silicified and limonitic lapilli tuff. The alteration and mineralization coincide with a major east-trending magnetic linear that may be associated with a structure controlling ore distribution (Baughman and Paterson, 1993). However, Santa Fe's drilling found gold in a series of north-trending fracture zones (Wurtz, 1990), and Southwestern Gold's drillholes found high-grade gold and silver mineralization along four north-northwest-trending bonanza-type vein systems that dip steeply to the northeast (Baughman and Paterson, 1993). At surface the vertical hydrothermal breccias at San Jacinto South shows grades between 1 to 2 g/t gold and 1 to 6 g/t silver. Amax's drilling and trenching 300-400 ft west of Santa Fe's found similar gold mineralization along north-trending structures (Wurtz, 1990). As at the San Jacinto mine area, there is strong gold mineralization associated with strong silicification in steeply dipping structures, and there is also gold associated with both silicification and argillic alteration (Winter, 1992).





Six hundred feet directly west of the San Jacinto workings, named the San Jacinto West zone, Southwestern Gold found mineralization in trench SWJ-10 (Winter, 1992). The same package of sediments and ignimbrites found at San Jacinto is cut by an andesite sill and two rhyolite dikes. The dikes strike east and are pervasively altered. Anomalous gold occurs in quartz veins in the northern dike; the southern dike is argillized. A brecciated zone between the two dikes has argillic and silicic alteration with anomalous gold. However, Southwestern's drillhole SWD-5 drilled just east of this trench found weak to very strong argillic alteration but with little gold. According to Winter (1992), gold values at San Jacinto West are associated with highly silicified fragments within the volcanic rocks. To the south, Echo Bay found a gold soil anomaly at San Jacinto West which they drilled in 1997. Drillholes EXJ-97-69 through EXJ-97-72 found thick, low-grade mineralization with 320 ft of 0.022 oz Au/t oxide mineralization that included five feet of 0.450 oz Au/t (Gesick, 1997). Drillholes EXJ-97-73 and EXJ-97-75 also cut mineralization, although that in drillhole 75 was deep and unoxidized (Gesick, 1997). Gesick (1997) reported that the mineralization of interest to Echo Bay in San Jacinto West appears to be continuous with that at San Jacinto South.

9.3 North and Central Jessup Area

Although the same sedimentary/ignimbrite units seen in the San Jacinto area extend northwest into the Central Jessup area, andesitic rocks are more common at Central Jessup (Winter, 1992). The lowest andesitic volcanic rocks are present in the northern part of this area indicating the presence of a up-thrown geologic block or horst. Andesite dikes intrude the sediments and ignimbrites to the southwest, and upper andesitic flows unconformably overlie all the older rocks. The roughly east-trending Central Jessup fault zone is intruded by rhyolite plugs, which are themselves faulted.

At Central Jessup, randomly oriented quartz stringers and breccia zones occur in pervasively argillized andesites in an east-trending mineralized zone controlled by the Central Jessup fault zone. Some of those breccias host high grade silver intervals. Drilling by Southwestern Gold and Rye Patch Gold suggested that mineralization is controlled by northwest and east-west striking, high-angle structures.

Grabens of sediments and ignimbrites are down-dropped into andesitic flows at North Jessup (Winter, 1992). Argillic and/or limonitic alteration with gold mineralization are largely, but not exclusively, associated with the sediments and ignimbrites. Gold occurs in stockworks and possibly in a sub-vertical structure (Winter, 1992). According to Gesick (1997), Echo Bay geologists believed that North Jessup ore zones run northeast-southwest, and therefore placed their drillholes along northwest-trending lines. The 2008 drilling program results indicate that the SE-NW orientation controls high grade mineralization where is intercepted by SW-NE faults.

The old Valley King claim group, believed to have been located near the current Princeton claim groups, had small veins up to a foot wide in andesite and rhyolite. The principal vein strikes N25E and dips 60-70 degrees southeast, according to Vanderburg (1940, p. 36). Lawrence (1974) also reported that the gold deposits at Jessup are principally in northeast-striking structures, with veins varying from a few inches to four feet wide.





10 EXPLORATION

10.1 Historic Exploration

10.1.1 Great Basin Exploration Company

Great Basin conducted the first post-World War II exploration in the Jessup district in the late 1960s (Payne, 1967). Their efforts included soil sampling for arsenic, an indicator of epithermal precious metals, with 155 reconnaissance samples and 471 detailed samples taken. Nine arsenic anomalies were identified. The Princeton claims in the southeastern corner of Section 18 (Central Jessup area of this report) and the San Jacinto claim on the northern edge of Section 20 (San Jacinto area of this report) were staked over two of the anomalies. According to Payne (1967), “...backhoe trenches on the Princeton ground revealed an irregular mineralized zone in the lake beds underlying the anomaly, assaying as high as a few tenths of an ounce of gold, and a few ounces of silver.” Subsequently silver was analyzed on the same samples using atomic absorption spectrophotometric analysis (“AA”), showing that the silver correlated with arsenic.

In 1969, two perpendicular induced polarization (“IP”) lines were run over the Princeton claims using a Geoscience phase-lock receiver and 5-amp transmitter (Lawrence, 1974). The intra-electrode spacing was 200 ft. The north-northwest-trending line showed an IP anomaly, as did the east-northeast-trending line. Lawrence (1974) estimated the source at a depth of 400 to 600 ft. The data also indicated the presence of a broader, lower-intensity anomaly that may reflect the shallow pyrite indicated by the drillhole. The single rotary drillhole (VDH-1) drilled by Great Basin was in the area of this IP anomaly but bottomed at 360 feet, short of the presumed depth of the deeper IP anomaly; pyrite was observed in this drillhole at 75-100 ft, 100-110 ft, and 270-360 ft (Lawrence, 1974). Small (up to 0.04 oz Au/t), but consistent gold values were found from the surface to a depth of 135 ft.

Four geochemical traverses, two along the IP lines, showed slight mercury anomalies, roughly coinciding with the arsenic and silver anomalies (Lawrence, 1974).

10.1.2 Occidental Minerals Corporation

In the early 1980s Occidental mapped the Jessup district, conducted geochemical sampling, and drilled 13 rotary drillholes – ten in the Central and North Jessup areas (J-1 through J-10), one in the San Jacinto area (J-13), and two southwest of the Central Jessup area (J-11 and 12).

According to Wurtz (1989), Occidental also excavated at least three trenches (PTR-1, 2, and 3) near the Jessup townsite. Amax subsequently mapped and sampled them, noting zones of intense argillic and silicic alteration in lakebeds and andesitic pyroclastics with encouraging mineralization. These trenches have not been identified on any maps available to MDA, nor are assays available; they are not included in the database used for this report.

10.1.3 Cordex Syndicate

In 1982-83, Cordex mapped, sampled, and conducted the largest drilling program up to that time with 42 rotary drillholes (JE-series) drilled throughout the property. In addition, they reconditioned the San Jacinto shaft and mapped various levels in that mine. Their sampling





program focused on the southern half of the district along with the San Jacinto underground workings.

Their drilling identified bodies of disseminated mineralization along favorable beds in the sedimentary units as well as vein-type mineralization that was cut in three drillholes: JE-9 (55-65 ft), JE-5 (165-170 ft), and JE-38 (350-355 ft). The best vein mineralization was a strong quartz-pyrite vein encountered at a depth of 300 ft (vertically below outcrop) under Tosh Hill (Wallace, 1982). One five-foot interval (350-355 ft) of 10-15 ft of crystalline vein quartz with 5-6% pyrite assayed 0.252 oz Au/t, although cold cyanide leach assay of the same material only recovered 0.09 oz Au/t, suggesting a possible metallurgical challenge with this unoxidized material (Wallace, 1982). The true thickness of the vein was 5-7 ft. The better disseminated bodies that Cordex located were at San Jacinto and Tosh Hill, but they were small and discontinuous (Wallace, 1982). Drillhole JE-18 encountered a 10-ft interval averaging 0.185 oz Au/t from 80-90 ft and averaging 0.089 oz Au/t from 70 to 105 ft. Several pods that could combine to equal about 200,000-300,000 tons of low-grade mineralization were thought to be present in the San Jacinto area.

Gesick (1997) noted that the Cordex drillholes appear to be anomalous in that they are typically low-grade or barren, even when drilled in areas where all other drillholes are mineralized.

10.1.4 Santa Fe Mining, Inc.

During 1985-1986, Santa Fe conducted geologic mapping and geochemical sampling that included Santa Fe's railroad sections 13 and 17, which are not part of the Jessup property currently controlled by Rye Patch, and drilled 23 RVC drillholes (JSF-1 through 23) in the Jessup district. Wittkopp's 1985 report was written after the first 13 drillholes had been drilled. Whereas the focus of prior drilling by Cordex and Occidental had been disseminated mineralization in the footwall of mineralized feeder fracture zones, Santa Fe's drilling sought disseminated and stockwork mineralization along the margins of rhyolite domes in a variety of potential host rocks. However, Dixon (1986) concluded there was no extensive breccia development along the margins of the rhyolite domes. Of the first 13 drillholes, many encountered anomalous gold, but only a single drillhole had ore grade (ten feet of 0.06 oz Au/t in JSF-8 from 75 to 85 ft) (Wittkopp, 1985).

Following up on Cordex's drillhole JE-18 at San Jacinto, Santa Fe drilled three offsetting drillholes (JSF-14 through JSF-16) in August, 1986, and seven more (JSF-17 through JSF-23) in December (Wittkopp, 1987). JSF-14, which was close to the intersection of northeast- and northwest-trending photolineaments and drilled in bleached tuffs and tuffaceous sediments (Wittkopp, 1987), was the first high-grade drillhole in the property, with a 40-ft interval from 110 ft to 150 ft averaging 0.151 oz Au/t and a 15-ft interval from 215 ft to 230 ft averaging 0.121 oz Au/t. This was Santa Fe's best drillhole. Drillhole JSF-16 looked as though it would be most favorable because of silicification in the drillhole, but it only contained anomalous intervals. Although the seven drillholes drilled in the San Jacinto area in December all found over 100-ft sections with anomalous gold, only a few narrow zones approached ore grade (Wittkopp, 1987). In all but





one of Santa Fe’s drillholes, gold values had dropped to near background at a depth of 300 ft (Wittkopp, 1987).

Santa Fe’s closely spaced drillholes in an area 300-400 ft south of the San Jacinto mine suggested the possibility of there being 2.1 million tons grading 0.012 oz Au/t along a series of north-trending fault zones (Wurtz, 1990).

10.1.5 Amax Gold Exploration, Inc.

In 1989-1990, Amax mapped and sampled the San Jacinto and Central Jessup areas prior to excavating and sampling 11 trenches that ranged in length from 300 to 600 ft for a total trenched footage of 4,720 ft (SJTR-1 through SJTR-4, CJTR-1 through CJTR-7). Trenching identified gold mineralization in argillized and silicified portions of several of the trenches (SJTR-1, SJTR-2, SJTR-3, CJTR-1 and CJTR-4) (Wurtz, 1989, 1990). In addition, Amax re-sampled and assayed seven trenches that had been excavated by previous operators for a total footage of 1,420 ft (shown in database as CJTR-7 through CJTR-12 and AMAX 1-2). Four of these re-sampled trenches yielded anomalous gold (Wurtz, 1990).

Amax also drilled 11 shallow inclined RVC drillholes (JS-1 through JS-10 plus JS-2A, which was re-drilled at a shallower angle after JS-2 was lost) in the San Jacinto and Central Jessup areas for a total of 3,140 ft. Drill depths ranged from 140 to 300 ft. The drilling at San Jacinto was intended to test north-northwest-trending zones of structurally controlled and disseminated mineralization, while that at Central Jessup was testing a west-northwest-trending zone (Wurtz, 1990). Drilling was in a fence pattern on 200 to 400 ft spacing with drillholes dipping 45o to 60 o, roughly perpendicular to the trend of mineralization. Anomalous gold was encountered in drillholes JS-1, JS-2, JS-2A, and JS-8 (Table 10.1).

Table 10.1 Summary of Amax Drilling Results

Drillhole	Target Area	Au oz/ton	Drillhole interval feet	From feet	To feet
JS-1	San Jacinto	0.005	40	35	75
JS-1	San Jacinto	0.013	15	85	100
JS-2	San Jacinto	0.011	45	50	95
JS-2A	San Jacinto	0.010	10	10	20
JS-2A	San Jacinto	0.024	55	30	85
JS-2A	San Jacinto	0.110	25	190	215
JS-8	Central Jessup	0.007	140	0	140

Amax found a poor correlation between gold concentrations found in drilling compared to those found in trenching (Wurtz, 1990).

10.1.6 Southwestern Gold Corporation

Southwestern Gold conducted mapping, rock-chip sampling, geophysical surveying, trenching, and drilling during 1991 and 1992. IP/resistivity and magnetic surveys were run over the San Jacinto and Central and North Jessup areas (Cannuli, et al., 1992; Winter, 1992).





IP/resistivity measurements were made on 400-ft line-spacings using a pole-dipole array (a=200 ft, n=1,2,3,4,5) for a total of nine line-miles. Resistivity, chargeability, and metal-factor results were compiled on pseudo-sections, with resistivity and chargeability also plotted as contour maps (Cannuli, et al., 1992). The magnetometer survey was conducted on 200-ft line-spacing with readings taken every 25 ft. A total of 17.8 line-miles were surveyed. Total magnetic field readings were compiled as profiles and a contour map (Cannuli, et al., 1992).

The IP/resistivity surveys reportedly defined a broad arc-shaped zone of argillic+ limonitic alteration. A pronounced resistivity low characterizes argillized zones, which are strongest in the San Jacinto and parts of the Central and North Jessup areas (Cannuli, et al., 1992). High chargeability reflects limonitic alteration, which is more widespread in the Central and North Jessup areas. Although according to Cannuli, et al. (1992) all significant known gold mineralization at Jessup is located within the IP/resistivity anomaly, the survey revealed no details about the mineralization.

The total field magnetic survey in the North and Central Jessup areas delineated a series of east-trending linear magnetic lows that were thought to reflect structural/alteration zones (Cannuli, et al., 1992; Winter, 1992). The San Jacinto fault zone was reflected by a weak magnetic low. MDA has not reviewed Southwestern Gold’s geophysical survey results.

Southwestern Gold excavated at least 21 trenches on the property (SWJ-series), of which assays for SWJ-2 through SWJ-9, SWJ-11, and SWJ-13 through SWJ-21 are entered into the database. No assays were found for SWJ-1, SWJ-10, or SWJ-12. Trenches were mapped at scales of 1 in=20 ft and 1 in=40 ft with sampling at ten to 40-ft intervals.

Southwestern Gold drilled 29 RVC drillholes (SWD-series) for a total footage of 7,430 ft. The first 16 drillholes were drilled in 1992, followed by 13 drilled in 1993. Drilling identified “gold mineralization of economic significance” in three areas – the San Jacinto mine, San Jacinto South area, and Central Jessup area – as well as three additional mineralized zones (Table 10.2) (Winter, 1992).

Table 10.2 Southwestern Gold Drilling Results

Drillhole	Target Area	Au oz/ton	Drillhole interval feet	From feet	To feet
SWD-1	San Jacinto Mine	0.027	60	5	65
SWD-1	San Jacinto Mine	0.018	45	80	125
SWD-2	San Jacinto Mine	0.018	85	25	110
SWD-4	San Jacinto South	0.012	80	0	80
SWD-4	San Jacinto South	0.093	135	115	250
SWD-4	San Jacinto South	0.063	40	305	345
SWD-4	San Jacinto South	0.024	15	380	395
SDW-11	San Jacinto South	0.011	35	185	220
SDW-13	San Jacinto South	0.073	145	15	160
SDW-13	San Jacinto South	0.097	30	195	225
SDW-14	San Jacinto South	0.039	220	75	295
SDW-16	San Jacinto South	0.012	165	130	295
SDW-17	San Jacinto South	0.030	125	5	130





Drillhole	Target Area	Au oz/ton	Drillhole interval feet	From feet	To feet
SDW-18	San Jacinto South	0.039	80	20	100
SDW-18	San Jacinto South	0.042	145	120	265
SDW-19	San Jacinto South	0.019	25	20	45
SDW-19	San Jacinto South	0.019	80	155	235
SDW-20	San Jacinto South	0.010	35	5	40
SDW-20	San Jacinto South	0.032	35	330	365
SDW-24	San Jacinto South	0.018	15	140	155
SDW-24	San Jacinto South	0.016	145	195	340
SWD-7	Central Jessup	0.064	30	5	35
SWD-8	Central Jessup	0.046	75	10	85
SWD-9	Central Jessup	0.027	10	10	20
SWD-25	Central Jessup	0.043	50	20	70
SWD-25	Central Jessup	0.023	15	85	100
SWD-26	Central Jessup	0.066	55	85	140
SWD-27	Central Jessup	0.044	20	70	90
SWD-29	Central Jessup	0.097	45	65	110
SWD-30	North Jessup	0.279	20	20	40

* American Assay Laboratory's assays were used, if available.

Preliminary bottle-roll metallurgical tests performed on samples from the Central Jessup and San Jacinto West areas are described in Section 16.0.

10.1.7 Echo Bay Exploration Inc.

From 1996 through 1998, Echo Bay compiled drillhole data from prior operators; conducted soil sampling, geologic mapping, and surface rock-chip sampling; and drilled 123 RVC drillholes (PJ-1 through

PJ-45 and EXJ-97-1 through EXJ-97-78) and two core holes (EJC-1 and EJC-2) on the property (Emmons, 1997a, b, c). The first phase of drilling was the PJ-series of 45 drillholes that tested the pediment in the North Jessup area and the first four drillholes of the EXJ-97-series, which were deeper angle drillholes in the same area. The second phase was the EXJ-97-series of 37 drillholes (5-41), of which 26 were drilled at North Jessup and 11 in the San Jacinto mine area. The third phase included drillholes EXJ-97-42 through EXJ-97-68 drilled at North Jessup and drillholes EXJ-97-69 through EXJ-97-75 drilled on a gold-arsenic-antimony-silver-mercury soil anomaly found by Echo Bay at West San Jacinto. The final three drillholes, EXJ-97-76 through EXJ-97-78 were drilled in late December 1997, also at West San Jacinto. Table 10.3 shows the best intercepts in Echo Bay's RVC drillholes at North Jessup, San Jacinto mine, and West San Jacinto.

The two core drillholes were twins of prior RVC drillholes and are discussed further in sections 11.1.7 and 14.2 below.





Table 10.3 Echo Bay Drilling Results with Significant Assays

Drillhole	Target Area	Au oz/ton	Drillhole interval feet	From feet	To feet
JP-06-29	San Jacinto	0.065	50	400	450
	Includes	0.250	5	400	405
JP-06-30	San Jacinto	0.043	30	140	170
JP-06-32	San Jacinto	0.015	50	225	275
JP-06-33	San Jacinto	0.076	15	30	45
JP-06-34	San Jacinto	0.064	10	255	265
JP-06-35	San Jacinto	0.045	60	65	125
JP-06-36	San Jacinto	0.029	35	95	130
JP-06-36	San Jacinto	0.038	45	210	255
	Includes	0.212	5	245	250
JP-06-37	San Jacinto	0.054	40	165	205
JP-06-40	San Jacinto	0.023	70	155	225
JP-06-42	San Jacinto	0.051	40	0	40
	Includes	0.176	5	10	15
JP-06-43	San Jacinto	0.028	55	30	85
	Includes	0.104	5	55	60
JP-06-47C	San Jacinto	0.075	15	140	155
	Includes	0.130	5	330	335
	Includes	0.110	5	365	370
JP-06-47C	San Jacinto	0.052	25	445	470
JP-06-47C	San Jacinto	0.067	20	490	510
JP-06-53C	San Jacinto	0.031	35	70	105
JP-06-53C	San Jacinto	0.022	135	190	325
JP-06-27	Central Jessup	0.025	50	55	105
JP-06-27	Central Jessup	0.050	10	185	195
JP-06-01	North Jessup	0.020	35	95	130
JP-06-02	North Jessup	0.016	60	5	65
JP-06-03	North Jessup	0.043	20	5	25
JP-06-09	North Jessup	0.048	10	130	140
JP-06-11	North Jessup	0.031	45	85	130
JP-06-12	North Jessup	0.019	65	15	80
JP-06-18	North Jessup	0.083	40	150	190
	Includes	0.326	5	150	155
	Includes	0.111	5	175	180
JP-06-20	North Jessup	0.047	75	25	100
	Includes	0.178	5	35	40
	Includes	0.128	5	60	65
JP-06-22	North Jessup	0.018	45	35	80
JP-06-48C	North Jessup	0.040	10	142	152
JP-06-48C	North Jessup	0.083	5	252	257
JP-06-50C	North Jessup	1.626	5	65	70
JP-06-51C	North Jessup	0.033	35	96	131
JP-06-52C	North Jessup	0.063	10	255	265

10.1.8 Pan-Nevada Gold Corporation

Pan-Nevada initiated a two-phase exploration drilling program at Jessup in April, 2006. The first phase of drilling was 46 RVC drillholes (JP-06-1 thru 46) for a total of 15,140 feet. Twenty-one of





the drillholes were vertical, while 25 were angle drillholes. The drillholes were drilled primarily in North Jessup, San Jacinto and San Jacinto West, though a few drillholes were also located in Central Jessup and Tosh Hill. The drilling focused primarily on expanding the known mineralization along the periphery of the historic resource area, but a few drillholes did target high-grade intercepts within historic drillholes. Details of Pan-Nevada’s RVC drilling are reported within Gesick (2006a).

RVC drillhole JP-06-20 was a twin of Echo Bay’s drillhole PJ-29 (see Table 10.3), which was drilled into the high-grade center of the North Jessup area. Drillholes JP-06-11 and JP-06-12, both drilled dry with no water injection, were twin drillholes to Pan-Nevada’s first two drillholes (JP-06-1 and JP-06-2, respectively), which were drilled wet. Pan-Nevada had concerns that the strongly argillized mineralization was not being adequately sampled using the wet drilling and sampling techniques being employed by the drill contractor.

The second drill phase consisted of seven core drillholes (JP-06-47C through 53C) for a total of 2,986 feet. Five core drillholes targeted extensions of high-grade drill intercepts in the North Jessup area, while one angle core drillhole drilled into the southwestern margin and then beneath the mineralized breccia pipe at San Jacinto. The last core drillhole drilled through a thick sequence of low-grade mineralization at San Jacinto West. Table 10.4 lists the significant drill intercepts from both phases of the 2006 Pan-Nevada drilling.

Table 10.4 Pan-Nevada Significant Drill Results

Drillhole	Target Area	Au oz/ton	Drillhole interval feet	From feet	To feet
JP-06-29	San Jacinto	0.065	50	400	450
Includes	San Jacinto	0.250	5	400	405
JP-06-30	San Jacinto	0.043	30	140	170
JP-06-32	San Jacinto	0.015	50	225	275
JP-06-33	San Jacinto	0.076	15	30	45
JP-06-34	San Jacinto	0.064	10	255	265
JP-06-35	San Jacinto	0.045	60	65	125
JP-06-36	San Jacinto	0.029	35	95	130
JP-06-36	San Jacinto	0.038	45	210	255
Includes	San Jacinto	0.212	5	245	250
JP-06-37	San Jacinto	0.054	40	165	205
JP-06-40	San Jacinto	0.023	70	155	225
JP-06-42	San Jacinto	0.051	40	0	40
Includes	San Jacinto	0.176	5	10	15
JP-06-43	San Jacinto	0.028	55	30	85
Includes	San Jacinto	0.104	5	55	60
JP-06-47C	San Jacinto	0.075	15	140	155
Includes	San Jacinto	0.130	5	330	335
Includes	San Jacinto	0.110	5	365	370
JP-06-47C	San Jacinto	0.052	25	445	470
JP-06-47C	San Jacinto	0.067	20	490	510
JP-06-53C	San Jacinto	0.031	35	70	105
JP-06-53C	San Jacinto	0.022	135	190	325
JP-06-27	Central Jessup	0.025	50	55	105





Drillhole	Target Area	Au oz/ton	Drillhole interval feet	From feet	To feet
JP-06-27	Central Jessup	0.050	10	185	195
JP-06-01	North Jessup	0.020	35	95	130
JP-06-02	North Jessup	0.016	60	5	65
JP-06-03	North Jessup	0.043	20	5	25
JP-06-09	North Jessup	0.048	10	130	140
JP-06-11	North Jessup	0.031	45	85	130
JP-06-12	North Jessup	0.019	65	15	80
JP-06-18	North Jessup	0.083	40	150	190
Includes	North Jessup	0.326	5	150	155
Includes	North Jessup	0.111	5	175	180
JP-06-20	North Jessup	0.047	75	25	100
Includes	North Jessup	0.178	5	35	40
Includes	North Jessup	0.128	5	60	65
JP-06-22	North Jessup	0.018	45	35	80
JP-06-48C	North Jessup	0.040	10	142	152
JP-06-48C	North Jessup	0.083	5	252	257
JP-06-50C	North Jessup	1.626	5	65	70
JP-06-51C	North Jessup	0.033	35	96	131
JP-06-52C	North Jessup	0.063	10	255	265

10.1.9 Rye Patch Gold Corp.

In January 2008 Rye Patch started a surface exploration program consisting of detailed geologic mapping and rock chip sampling, to define drilling targets. The goal was to identify new mineralized zones, as well to extend the known mineralization. This work was followed by soil and stream sediment sampling and a ground magnetic survey. Soil geochemistry consisted of 686 samples collected along of N-S lines in a 120' space line covering the east and southeast part of Section 18 and the northwest extension of the San Jacinto target area, located in Section 20. The soil grid also covered 2/3 of section 16 (the south and west part), and 80% of section 8, where the Gold King Mine is located. . The surveyed sections are located east, northwest and southwest of the previous drilling targets.

Ground Magnetics was conducted by Zonge Geosciences. The grid consisted of 51 lines spaced 50 m, covering a total of 55 line km. The grid covers the SE extension of San Jacinto target, west of North and Central Jessup and the Gold King target. The data was merged with the old ground magnetics to provide a better understanding of the geology and hydrothermal alteration. The merged data set covers all of Section 18, the northern half of Section 20 and the SE ¼ of Section 8, T24N, R28E.

The 2008 drilling program consisted of 45 RC drillholes, located in the following targeted areas: 11 drillholes at San Jacinto, 5 drillholes at Central Jessup, 4 drillholes at Tosh Hill, 5 drillholes at the north end of the property, 2 drillholes at Gold King and 19 drillholes at North Jessup. All the drillholes were drilled at an angle ranging from -45 to -80 degrees. The shallowest drillhole was 200 feet and the deepest was 1125 feet, completed at San Jacinto target area. Drillholes JR-08 036 to 045 were located on previous drill sites to extend promising gold mineralization. A total of 16,840 feet (5,134 metres) was completed in the program.





Table 10.5 Rye Patch Gold Significant Drill Results

JESSUP PROJECT: 2008 REVERSE CIRCULATION DRILL PROGRAM RESULTS (JR-001 to JR-045)													
Drillhole	Target	Au oz/t	Ag oz/t	Drillhole interval feet	From feet	To feet	Total Depth (feet)	Au g/t	Ag g/t	Drillhole interval metre	From metre	To metre	Total Depth (metres)
JR-08-001	San Jascinto	NSV					400	NSV					122.0
JR-08-002	San Jascinto	0.019	0.1	40	85	125	800	0.65	1.81	12.2	25.9	38.1	243.9
JR-08-002	San Jascinto	0.046	0.6	150	140	290		1.58	20.57	45.7	42.7	88.4	
Including		0.171	0.6	10	205	215		5.86	20.57	3.0	62.5	65.5	
Including		0.108	3.6	15	240	255		3.70	123.44	4.6	73.2	77.7	
JR-08-002	San Jascinto	0.028	1.7	10	425	435		0.96	58.29	3.05	129.5	132.6	
JR-08-003	San Jascinto	0.013		20	55	75	445	0.45	3.87	6.1	16.8	22.9	135.7
JR-08-004	San Jascinto	0.020	0.3	80	115	195	350	0.69	8.95	24.4	35.1	59.4	106.7
JR-08-005	San Jascinto	0.023		60	105	165	525	0.79	2.87	18.3	32.0	50.3	160.1
JR-08-006	San Jascinto	0.011		15	45	60	550	0.38	1.97	4.6	13.7	18.3	167.7
JR-08-007	San Jascinto	NSV					300	NSV					91.5
JR-08-008	Central Jessup	NSV					250	NSV					76.2
JR-08-009	Central Jessup	0.014		10	170	180	400	0.48	1.25	3.0	51.8	54.9	122.0
JR-08-010	Central Jessup	NSV					250	NSV					76.2
JR-08-011	Central Jessup	NSV					250	NSV					76.2
JR-08-012	San Jascinto	0.038	0.2	55	200	255	500	1.30	6.76	16.8	61.0	77.7	152.4
JR-08-012	San Jascinto	0.027	2.2	45	275	320		0.93	74.72	13.7	83.8	97.5	
Including		0.049	5.0	15	290	305		1.68	172.99	4.6	88.4	93.0	
JR-08-013	Central Jessup	NSV					300	NSV					91.5
JR-08-014	North Jessup	NSV					300	NSV					91.5
JR-08-015	North Jessup	NSV					200	NSV					61.0
JR-08-016	North Jessup	NSV					250	NSV					76.2
JR-08-017	North Jessup	NSV					300	NSV					91.5
JR-08-018	North Jessup	0.016	0.7	55	45	100	300	0.55	24.62	16.8	13.7	30.5	91.5
JR-08-018	North Jessup	0.011		25	205	230		0.38	2.34	7.6	62.5	70.1	
JR-08-019	North Jessup	NSV					300	NSV					91.5
JR-08-020	North Jessup	NSV					300	NSV					91.5
JR-08-021	North Jessup	NSV					300	NSV					91.5
JR-08-022	North Jessup	NSV					400	NSV					121.9
JR-08-023	North Jessup	0.043	0.3	20	60	80	300	1.47	9.02	6.1	18.3	24.4	91.5
JR-08-023	North Jessup	0.014	0.2	60	100	160		0.48	7.00	18.3	30.5	48.8	
JR-08-024	North Jessup	0.017		10	25	35	350	0.58	2.15	3.0	7.6	10.7	106.7
JR-08-025	North Jessup	NSV					300	NSV					91.5
JR-08-026	North Jessup	NSV					300	NSV					91.5
JR-08-027	North Jessup	NSV					300	NSV					91.5
JR-08-028	North Jessup	NSV					300	NSV					91.5
JR-08-029	North Jessup	NSV					300	NSV					91.5
JR-08-030	Tosh Hill	NSV					600	NSV					182.9
JR-08-031	Tosh Hill	0.029	0.1	10	175	185	700	0.99	3.85	3.0	53.3	56.4	213.4
JR-08-031	Tosh Hill	0.084	0.2	25	205	230		2.88	8.30	7.6	62.5	70.1	
Including		0.300	0.8	5	205	210		10.29	26.81	1.5	62.5	64.0	
JR-08-032	Tosh Hill	0.012	0.1	15	155	170	400	0.41	3.10	4.6	47.2	51.8	122.0
JR-08-033	Tosh Hill	NSV					450	NSV					137.2
JR-08-034	Central Jessup	NSV					250	NSV					76.2
JR-08-035	Central Jessup	0.029	0.0	10	15	25	245	0.99	1.50	3.0	4.6	7.6	74.7
JR-08-036	San Jascinto	0.029	0.2	185	90	285	1125	0.99	6.93	59.4	27.4	86.9	343.0
Including		0.171	1.4	10	255	265		5.86	48.01	3.0	77.7	80.8	
JR-08-036	San Jascinto	0.08	5.3	10	415	425		2.74	181.74	3.0	126.5	129.5	
JR-08-037	San Jascinto	NSV					300	NSV					91.5
JR-08-038	San Jascinto	NSV					300	NSV					91.5
JR-08-039	North Jessup	0.020	0.5	20	65	85	300	0.69	17.80	6.1	19.8	25.9	91.5
JR-08-039	North Jessup	0.268	0.8	25	115	140		9.19	26.44	7.6	35.1	42.7	
Including		0.406	1.0	15	115	130		13.92	33.06	4.6	35.1	39.6	
JR-08-040	North Jessup	0.038	1.8	45	40	85	300	1.30	61.72	13.7	12.2	25.9	91.5





JESSUP PROJECT: 2008 REVERSE CIRCULATION DRILL PROGRAM RESULTS (JR-001 to JR-045)													
Drillhole	Target	Au oz/t	Ag oz/t	Drillhole interval feet	From feet	To feet	Total Depth (feet)	Au g/t	Ag g/t	Drillhole interval metre	From metre	To metre	Total Depth (metres)
Including		0.267	11.8	5	40	45		9.16	404.62	1.5	12.2	13.7	
JR-08-040	North Jessup	0.018	0.2	75	120	195		0.62	6.86	22.9	36.6	59.4	
JR-08-041	North Jessup	0.034	5.5	25	250	270	450	1.17	188.60	6.1	76.2	82.3	137.2
Including		0.107	10.1	5	260	265		3.67	346.33	1.5	79.2	80.8	
JR-08-042	San Jascinto	0.016	1.3	10	190	200	400	0.55	44.58	3.0	57.9	61.0	122.0
JR-08-043	Gold King	0.033	0.1	10	115	125	300	1.13	4.40	3.0	35.1	38.1	91.5
JR-08-044	Gold King	NSV					300	NSV					91.5
JR-08-045	North Jessup	NSV					300	NSV					91.5

NSV = No Significant Values





11 DRILLING

This section of the report deals with drilling procedures, where known. Interpretation of the results is discussed in other sections of this report, including Section 7.2 (Property Geology), Section 10.0 (Exploration), and 17.0 (Mineral Resource and Mineral Reserve Estimates). Maps of the drilling are given in Figure 11.1, Figure 11.2 and Figure 11.3 for San Jacinto, Central Jessup and North Jessup, respectively.

11.1 Historic Drilling

Eight operators are known to have conducted drilling on the Jessup property prior to its acquisition by Rye Patch, and their results have been included in the project database. The total historic drilling is 290 drillholes for a combined footage of 96,353 feet, which includes 56 rotary drillholes (20,560 feet), 225 RVC drillholes (72,155 feet) and 9 core drillholes (3,638 feet).

Drillhole collar locations for much of the early drilling were not surveyed at the time the drillholes were completed. Very likely Occidental, and definitely Cordex and Santa Fe had not surveyed the collars of their drillholes, but Southwestern Gold had done so (Tom Gesick, 2006, personal communication). In late 1996, Echo Bay contracted a surveyor charged with surveying all previous drillholes that could still be found, and that information was included in Echo Bay's database (Tom Gesick, 2006, personal communication). None of Santa Fe's drillholes were surveyed because the drill sites had been reclaimed and the collar locations were not apparent in the field. Pan-Nevada in 2006 contracted a surveyor (Dave Rowe) to re-survey all existing drillhole locations. Rowe located and surveyed 150 of the historic drillholes, and the Jessup database has been updated with this information.

With the exception of Pan-Nevada's core drillholes, MDA is unaware of any down-hole surveying of any of the drillholes drilled by previous operators.

11.1.1 Great Basin Exploration Company

Great Basin drilled a single rotary drillhole (VDH-1) in 1965 to a depth of 360 ft, but MDA is unaware of any drilling details. Although Payne supervised the drilling, he did not log or sample the cuttings; the cuttings were recovered from storage, assayed, and logged in 1968 (Lawrence, 1974).

11.1.2 Occidental Minerals Corporation

Thirteen conventional(?) rotary drillholes for a total footage of 4,170 ft (J-1 through J-13) were drilled in 1981 by Eklund Drilling, but MDA is unaware of any further drilling details. All drillholes were vertical.

11.1.3 Cordex Syndicate

Forty-two vertical and angle rotary drillholes were drilled (JE-series) in 1982-83 for a cumulative footage of 16,030 ft. All drilling was conducted by Eklund Drilling. Drillholes JE-1 through JE-21 were drilled with a TH-60 drill and down-hole hammer; drillhole diameter was 5 1/8 in. For drillhole JE-18, the down-hole hammer was used to 385 ft, where the drillers changed to an





insert bit, probably a tungsten carbide drag bit (2006, personal communication, Eklund Drilling). Drillholes JE-22 and JE-23 and JE-36 through JE-42 were drilled with a Drill Systems track rig with a down-hole hammer; drillhole diameter was 4 1/8 to 4 1/2 in. Drillholes JE-25 through JE-35 were drilled with a Mayhew 1500 rig and down-hole hammer.

At least four drillholes, JE-5, JE-9, JE-18, and JE-38, were drilled dry. Drillhole JE-23 was drilled dry to 230 ft, and then water was injected to the bottom.

Collar information for nine of the Cordex drillholes was not available, but MDA interpolated the locations from a Cordex drillhole map and entered them into the database.

11.1.4 Santa Fe Mining, Inc.

Santa Fe drilled 23 RVC drillholes (JSF-series) for a total footage of 8,465 feet. The first 13 drillholes were drilled in the spring of 1985 by Becker using a Drill Systems RVC drill rig. JSF-14 and JSF-15 were drilled in the summer of 1986 by Drilling Services using a TH-60 RVC rig. The remaining drillholes were drilled in December 1986; JSF-16 was drilled by Drilling Services with a TH-60 RVC rig, and JSF-17 through JSF-23 were drilled by Eklund with a TH-60 RVC rig.

During the data review for the current report, assays for drillholes JSF-1, JSF-2, JSF-4, JSF-6, JSF-10, JSF-11, and JSF-13 were found in Wittkopp's (1985) report; these were added to the database. The database had no collar information for these drillholes or for drillhole JSF-5. It was subsequently determined from a map of Santa Fe drillholes that all of these drillholes except JSF-10 were located in section 17, which is owned by Newmont and is not part of the current Jessup property. Disregarding the drillholes that are located on Newmont ground, 16 JSF-series drillholes for a total footage of 5,970 feet are located on land controlled by Rye Patch.

11.1.5 Amax Gold Exploration, Inc.

Amax drilled 11 shallow, 5/14 inch, RVC angle drillholes (JS-series) in 1990 for a total footage of 3,140 feet. All drillholes are in the database. MDA reviewed copies of the drill logs, which revealed no details on the drill contractor or rig. A marginal note in the log for JS-1 indicated that water was injected from 65 to 75 feet and that at 100 feet the driller changed from a tricone to hammer. The log for JS-2 indicates that it was drilled with a tricone bit and that water was injected at 140 ft, but that is where the drillhole was abandoned. There were no similar notations on any of the other Amax drillholes.

11.1.6 Southwestern Gold Corporation

From 1992 through 1993, Southwestern Gold drilled 29 RVC drillholes (SWD- series) for a total footage of 7,430 ft. All drillholes are in the database for this report. Drilling results were reported by Winter (1992), Baughman and Paterson (1992), and Baughman and Paterson (1993). Geologic drill summaries (Baughman and Paterson, 1992) indicated that the drill contractor was Drilling Services, Inc. and that they drilled 5 1/4 in. diameter drillholes. Collars of these drillholes were surveyed by Southwestern Gold.





11.1.7 Echo Bay Exploration

From February 1997 through 1998, Echo Bay drilled 123 RVC drillholes (PJ-1 through PJ-45 and EXJ-97-1 through EXJ-97-78) at Jessup for a total footage of 40,475 feet. The PJ-series drillholes were shallow tests through the pediment in the North Jessup area, while the 78 EXJ-97-series drillholes were deeper exploration drillholes that stepped out from known mineralization throughout the Jessup property. In addition, they drilled two core drillholes (EJC-1 and 2) for a total core footage of 652 feet to verify mineralization found in previous RVC drillholes. Core drillhole EJC-1 twinned RVC drillhole SWD-4 in the San Jacinto area, and core drillhole EJC-2 twinned RVC drillhole EXJ-97-53 at North Jessup.

Eklund Drilling of Carlin, Nevada, was the drill contractor for the RVC drilling. Most drillholes were drilled completely dry with no water injected for drilling purposes and no ground water encountered in the drillholes. Exceptions were drillholes EXJ-97-12 and EXJ-97-15 for which water was injected in the top 25 ft of the drillhole to condition it; the top 20 ft of the drillhole were cased (Emmons, 1997b). Also, drillhole EXJ-97-37 was drilled wet from 280 ft to the bottom; EXJ-97-38, from 275 ft; EXJ-97-39, from 145 ft; EXJ-97-40, from 160 ft; EXJ-97-69, from 205 ft; EXJ-97-70, from 385 ft; EXJ-97-71, from 135 ft; EXJ-97-72, at 75 ft; EXJ-97-73, at 135 ft; EXJ-97-75, from 65 ft; EXJ-97-76 from 85 ft; and EXJ-97-78 from 260 ft to the bottom. For the PJ-series drillholes and drillholes EXJ-97-1 through EXJ-97-4, Eklund used an MPD-1000 track rig. For drillholes EXJ-97-5 through 78, Eklund used an MPD-1500 track rig. Notes on the geologic log for drillholes EXJ-97-76 and EXJ-97-78 indicate that a hammer bit with interchange was used.

The two core drillholes were drilled by Tonto Drilling Services with a HQ bit producing 2.78-inch diameter core. Recovery was near 100%. The core was logged in detail and then sawn in half with half sent for assay.

11.1.8 Pan-Nevada Gold Corporation

Pan-Nevada conducted a two-phase drilling program at Jessup in 2006. The first phase was a reverse circulation drill program in April and May. The drill contractor was Eklund Drilling using an MPD-1500 RVC track rig. Forty-six RVC drillholes (JP-06-series) were drilled for a total of 15,140 feet; 21 drillholes were vertical, while 25 were angle drillholes. The drillholes were drilled primarily in North Jessup, San Jacinto and San Jacinto West, though a few drillholes were also drilled in Central Jessup and Tosh Hill.

Only drillholes JP-06-11 and JP-06-12 were drilled dry; the remaining drillholes were drilled wet with water injected for drilling purposes. Drillholes JP-06-1 through JP-06-21 were drilled with a standard RVC percussion hammer and interchange, though the upper portions of drillholes JP-06-13 through JP-06-21 were drilled using a tricone bit. At drillhole JP-06-22, a change was made to a center-return hammer bit, and this technique was used for the remainder of the RVC program through drillhole JP-06-46 (Gesick, 2006b).





Collars were surveyed by a professional surveyor (Dave Rowe) using Global Positioning System (“GPS”) tied into local base stations. The accuracy of the collar locations for the Pan-Nevada drillholes is thought to be within one meter.

A core drill program was conducted in July and August. The drill contractor was Kirkness Drilling using a truck-mounted core rig. Seven core drillholes (JP-06-47C through JP-06-53C) were drilled for a total of 2,986 feet; one drillhole was vertical, while six were angle drillholes. The drillholes were drilled in North Jessup, San Jacinto and San Jacinto West. A rock-bit and casing were used to drill and stabilize the upper five to fifteen feet of surficial material within each drillhole. The remainder of the drillhole was drilled using a HQ bit resulting in 2.78-inch diameter core. Core recovery was consistently over 90%. At the completion of each drillhole, the drill contractor completed a down-hole survey using a gyroscope and camera. The core was brought to Reno once per day by Pan-Nevada personnel, where it was photographed, logged in detail, and then split with half sent for assay.

11.1.9 Drilling by the Issuer

The 2008, phase-1 program was completed on October 1, 2008, with a total of 16,840 feet (5,134 metres) in 45 reverse-circulation drillholes. The drilling tested near surface oxidized zones at San Jacinto, North Jessup and at two outlying target areas - Tosh Hill and Gold King.

The drillholes were located in the following targeted areas:

- 11 drillholes at San Jacinto;
- 5 drillholes at Central Jessup;
- 4 drillholes at Tosh Hill;
- 5 drillholes at the north end of the property;
- 2 drillholes at Gold King; and
- 19 drillholes at North Jessup.

All the drillholes were drilled at an angle ranging from -45 to -80 degrees. The shallowest drillhole was 300 feet and the deepest was 1125 feet, completed at San Jacinto target area. Drillholes JR-08-036 to JR-08-045 were located on previous drill sites to extend promising gold mineralization.

Almost all, 94%, of the significant gold and silver mineralization was intersected in oxidized volcanic formations providing a high probability that the gold and silver mineralization is oxidized.

Drillholes JR-08-002, 003, 004, 005, and 012 show the San Jacinto deposit is open to the northeast and along the southern margin of the deposit. Additional drilling in these directions is warranted based on the results. The gold and silver values are associated with strongly altered breccias zones within the volcanic host rocks. The results indicate the San Jacinto deposit has a high silver component to the mineralization.

Drilling shows the San Jacinto deposit is limited on the east side; however, the oxidized portion of the deposit remains open to the south, northwest, and north with additional potential





beneath a mapped felsic volcanic dome. This new target warrants follow up and will be addressed during the next drill program.

Assay results in the North Jessup deposits indicate the oxide portion of the deposit is open in the northwest and southeast directions. In addition, the drilling shows the North Jessup deposit has significantly higher levels of silver. As examples, drillhole JR-040 returned assay intervals of 61.72g/t Ag over 13.7 metres including 404.6 g/t Ag over 1.5 metres, and in drillhole JR-041 which returned 188.6 g/t Ag over 6.1 metres. These intercepts delineate an open-ended, high-grade gold and silver corridor oriented in a northwest-southeast direction.

At the outlying targets of Tosh Hill and Gold King, drilling shows gold and silver mineralization is associated with vein structures and pervasive hydrothermal clay alteration. At Tosh Hill, drilling intersected a vein yielding 10.29 g/t Au over 1.5 metres. The vein is oriented northeast and follow up work is required to define the full extent of the gold and silver mineralization. These high grade structures trend toward the North Jessup deposit and may be a key to identifying higher grade gold and silver mineralization within this deposit. The initial drilling in these outlying targets show mineralization within argillically altered, oxidized volcanic rocks. The drill encountered lower grade gold within the altered zone. Additional geologic and drilling are required to understand the controls on mineralization in this area.





12 SAMPLING METHOD AND APPROACH

12.1 Pre-Pan-Nevada Sampling

SEWC has virtually no information on sampling methods used by drillers or geologists for the drilling campaigns of the operators prior to Pan-Nevada. The single rotary drillhole drilled by Great Basin in 1965 was sampled on five-foot intervals as were the 13 rotary drillholes drilled by Occidental in 1981. Cordex's 42 drillholes drilled in 1982 were sampled inconsistently within drillholes and from hole to hole.

Santa Fe's 23 drillholes were drilled in a 13-drillhole program in 1985 and a subsequent 10-drillhole program in 1986. The first 13 drillholes were sampled on five-foot intervals, every 15 feet, although in some drillholes samples were taken every five to ten feet. The second ten drillholes were sampled on five-foot intervals.

For Amax's 11 RVC drillholes, drilled in 1990, samples were collected on five-foot intervals. Samples from the 11 trenches Amax excavated were collected along 15-ft intervals along the bottoms of each trench and were analyzed for gold and silver as well as trace elements including arsenic, antimony, and mercury. The seven trenches excavated by prior operators and re-sampled by Amax were sampled by continuous channel sampling of 15-ft sample intervals.

Southwestern Gold took 695 drill samples on five-foot intervals from their first 16 RVC drillholes and 742 samples on five-foot intervals from their second 13 drillholes. Assays for 18 of 21 trenches known to have been excavated by Southwestern Gold are included in the database, but no data were found for trenches SWJ-1, SWJ-10, or SWJ-12. Trench samples were taken on 10- to 40-ft intervals.

Echo Bay sampled their drillholes on five-foot intervals. Limited information available to MDA indicates that for at least their last three RVC drillholes (EXJ-97-76 through EXJ-97-78) samples were collected using a Gilson splitter (2/3 split) when dry and a rotary wet-splitter (1/4 split) when wet. Core from the two core drillholes was sawn half.

12.2 Sampling by Pan-Nevada

Pan-Nevada sampled all RVC drill drillholes on five-foot intervals for the entire length of each drillhole. Drillholes JP-06-11 and JP-06-12 were drilled dry, and the sample was split using a Jones splitter to get a one-fourth sample split. Sample weights ranged from 2.8 to 18.7 lbs. MDA did not observe sampling of the dry drillholes.

The remaining drillholes were drilled wet. For drillholes JP-06-1 through JP-06-10, the drillers collected an approximate one-fourth sample split using a rotary wet splitter. Samples were collected through one fork of a Y-split located at the end of the rotary splitter with the sample being collected in a 10 in. x 17 in. bag placed inside a metal cylinder and hung beneath the sample outflow on one side of the Y-splitter. Sample bags were collected at the drill site until picked up by the assay laboratory every three to four days. Due to the slower penetration rates for drillholes JP-06-13 through JP-06-20, and corresponding higher water flow, the sample sizes were reduced to one-sixth and then one-eighth splits for these drillholes (Gesick, 2006b).





MDA visited the project site and noting the sampling methodology suggested changing sampling procedures. There were a number of concerns raised with the methods of sample collection used in drillholes JP-06-1 through JP-06-10 and JP-06-13 through JP-06-20. Use of one fork of a Y-split can allow some of the material to be diverted and not fall into the sample bag, reducing the size of the collected sample. This method of sample collection can also introduce a gravity bias into the sample with the heavier material being channeled into the lower channel of the Y, potentially biasing the assay in favor of the lower channel. In addition, the small size of sample bag used was resulting in loss of a significant amount of sample that missed the bag or overflowed. Additional loss of drill cuttings occurred because drilling was proceeding with the blow-by open, allowing some of the cuttings to exit through the blow-by.

Sampling procedures were revised for drillholes JP-06-21 through JP-06-46 to address these concerns. The Y-split was no longer used to collect the sample, thus removing a possible source of bias. Larger sample bags, approximately 20 in. x 24 in., were used, supported inside five-gallon buckets. When overflow appeared likely, the buckets were placed inside plastic tubs to collect any water and sample that might overflow. Finally, drilling proceeded with the blow-by closed to prevent loss of sample. MDA observed sample collection at drillhole JP-06-29 after sampling procedures had been revised.

MDA observed that RVC drillhole numbers and footages were put on the sample bags and used as sample numbers when the samples were submitted to the assayer. It is preferable to use a sample numbering system that is “blind” to sample location.

The Pan-Nevada core was sampled predominantly on a five-foot regular interval, though sample interval lengths ranged from one to ten feet. The smaller interval lengths were used for more detailed and specific sampling of distinct thin veins or alteration, while the larger sample intervals were used for un-mineralized rock or within the occasional zones of poor recovery. The core was split with the use of a manual core splitter. One-half of the core was sent for assay, and the remaining half is stored in Reno. As with the RVC samples, drillhole numbers and footages were put on the sample bags and used as sample numbers when the samples were submitted to the assayer.

12.3 Sampling by Rye Patch Gold

Rye Patch sampled all RVC drillholes on five-foot intervals for the entire length of each drillhole. Sample weights ranged from 1 (2.2 lbs) to 34 kg (75 lbs). All drillholes were drilled wet and samples were partially or almost dry when ship to the lab. Samples were collected after the sample pass the end of the rotary splitter with the sample being collected in a 15 in. x 19 in. bag placed inside a metal cylinder and hung beneath the sample outflow on one side of the rotary-splitter.

Sample bags were collected at the drill site until picked up by the assay laboratory or transported by Rye Patch personnel twice per week. Sample bags are checked in the field by one of the geologists or same time double checked by both geologists. However three samples were reported lost by the preparation lab. The missing intervals are:





- JR-08-014 from 100 to 105
- JR-08-014 from 105 to 110
- JR-08-019 from 195 to 200





13 SAMPLE PREPARATION, ANALYSES AND SECURITY

13.1 Historic Drilling

Of the eight prior operators on the Jessup property, there is no information available on sample security for any of the drilling campaigns with the exception of Pan-Nevada's 2006 program, and Rye Patch Gold's 2008 program. Information on sample preparation and analysis is very limited for most of the campaigns.

As noted above in Section 11.1.1, the samples from Great Basin's single rotary drillhole were stored for about three years before they were logged and assayed. Metallurgical Laboratories, Inc. of San Francisco performed the assaying. Copies of original assay sheets reviewed by MDA gave no details on the techniques used and no evidence that check assays or standards were run.

For the samples taken from drillholes drilled by Occidental Minerals, Cone Geochemical performed the assays, but MDA has no details on the techniques used. MDA reviewed drillhole summaries on which the gold and silver assays had been tabulated; there were no original assay sheets. The summaries gave no indication of whether check assays or standards were run.

Cordex assayed their drillholes in a non-systematic way. Most of the samples assayed from the drillholes drilled by Cordex were assayed for gold and silver by Rocky Mountain Geochemical Corp. of Sparks, Nevada, using AA after aqua regia digestion. MDA reviewed original assay certificates for all but five of the Cordex drillholes. Drillholes JE-19 and JE-29 had no assay values written on the geologic logs and no assay certificates; Dr. Andy Wallace of Cordex surmised that these drillholes may never have been assayed (personal communication, June 9, 2006). The geologic log and any accompanying assays for drillhole JE-24 appear to have been lost. The assay certificates for drillhole JE-24 also appear to have been lost. For drillhole JE-41, assays but no geology were shown on the geologic logs, although no accompanying assay certificates were found. For some intervals that were not originally assayed, samples were sent to Hunter Labs for AA assaying, presumably after aqua regia digestion although MDA could not verify that point. Limited check assaying was run by Monitor using FA; MDA was not able to determine on what type of sample the check assaying was run. The original database did not include assays from Hunter or Monitor labs, but those were added to the database by MDA.

Santa Fe's first 13 drillholes were assayed for gold by 30-g FA with neutron activation ("NAA") completion and for silver by aqua regia AA. Samples were screened to approximately 150-mesh. In FA with an NAA finish, instead of digestion, the silver prill is put on polyester tape and irradiated, then analyzed with neutron activation. In the second ten drillholes, silver was assayed by the same method as the first 13 drillholes; gold was assayed by 10-g FA with an AA finish. These samples were also screened to approximately 150-mesh. Analyses for all 23 drillholes were made by Chemex Labs Ltd. in North Vancouver, British Columbia, Canada. MDA reviewed copies of the original Chemex assay certificates for the Santa Fe drillholes.

The original database did not contain assay data for drillholes JSF-1, JSF-2, JSF-4, JSF-5, JSF-6, JSF-10, JSF-11, or JSF-13, nor did it contain any geological data. That information was found and





entered into the database used for this report. Assays were based original assay certificates. Collar locations for these eight drillholes could not be found, but locations were extrapolated from copies of Santa Fe maps. All but drillhole JSF-10 were located in section 17, which is owned by Newmont and is not part of the current Jessup property held by Pan-Nevada.

Assay rejects from the higher grade intervals of Santa Fe drillholes JSF-14, JSF-15, and JSF-16 were submitted to Chemex Labs Ltd. in North Vancouver, British Columbia, Canada, for FA and to Barringer Laboratories, Inc. in Golden, Colorado, for cyanide extraction. MDA reviewed copies of original assay certificates for these assays and entered those data into the database. Cyanide results are discussed in Section 16.0 on Metallurgy. The re-assays by Chemex for gold were 0.5 assay ton fire assays with an AA finish. The re-assays for silver were 2-g aqua regia assays by AA.

Samples collected during Amax's drilling program were analyzed with 30-g FA assays for gold and silver by Bondar-Clegg in Sparks, Nevada. Trench samples were analyzed in the same manner by Bondar-Clegg; rock and both fine and coarse portions of soil samples were analyzed and reported separately. In the database used for this report, rock or coarse soil samples from trenches are tabulated together, with fine soil samples tabulated separately. MDA reviewed copies of the original Bondar-Clegg assay certificates for both drill and trench samples, and both are included in the database.

13.2 Southwestern Gold Corporation

The first 16 drillholes (SWD- series) drilled by Southwestern Gold produced 695 drill samples, which along with 21 standards were submitted to Bondar-Clegg Inc. for gold and silver FA. According to Baughman and Paterson (1992), initial assaying by Bondar-Clegg was unreliable because of wide variations in the results for standards submitted with the Jessup drill samples. Consequently all mineralized samples were re-analyzed by American Assay Laboratories Inc., whose results were considered more reliable. In the database used for this report, the Bondar-Clegg assays are shown as the original assays. American Assay's fire assays and occasional repeat checks are shown as check assays, and gold assays using gravimetric analysis are shown as additional checks.

From their second 13 drillholes, Southwestern Gold took 742 drill samples on five-foot intervals, which along with 15 standards were submitted to American Assay Laboratories, Inc. of Sparks, Nevada for gold and silver assay. These assays are shown as the original assays in the database.

Copies of original assay certificates from American Assay reviewed by MDA indicate that gold was analyzed by FA on a 30 g sample with an AA finish; the detection limit was 5 ppb (0.001 oz Au/t). Silver was analyzed by two-acid digestion with a 10 g sample; the detection limit was 0.5 ppm (0.02 oz Ag/t).

13.3 Echo Bay Exploration Inc.

Echo Bay submitted their drill samples to Cone Geochemical Inc. of Lakewood, CO, for assaying. Copies of original assay certificates from Cone reviewed by MDA for all RVC drillholes indicate





that gold was analyzed by FA on a 20 g sample with an AA finish for the PJ-series drillholes and drillholes EXJ-97-1 through EXJ-97-4. A 30 g sample was used for drillholes EXJ-97-5 through EXJ-97-41. The detection limit was 0.001 ppm, and precision was 6%. Silver was analyzed by AA with four-acid digestion; the detection limit was 0.2 ppm and precision was 5%. For drillholes EXJ-97-42 through EXJ-97-78, gold was analyzed with a 40 g charge by FA with an AA finish. Drill samples from the PJ-series drillholes and EXJ-97-1 through EXJ-97-4, EXJ-97-53, and EXJ-97-69 were also analyzed for arsenic, antimony, and mercury.

Echo Bay's two core samples were sawn, with half sent to Cone for FA with an AA finish for gold and AA for silver on 40 g samples.

For 18 samples from drillhole PJ-29, Echo Bay ran check assays with Chemex Labs, Inc. of Sparks, Nevada. The samples were crushed, split, and screened to approximately 150 mesh, and two assays were run. One assay was FA on a 30 g sample with an AA finish; the detection limit was 5 ppb. The second assay was for cyanide soluble gold using AA; the detection limit was 0.03 g/t. In addition, portions of the 18 samples were split and screened to 150 mesh, with separate metallic assays for the coarse and fine samples. These metallic gold analyses used FA-AA with gravimetric analysis. The detection limit was 0.002 oz Au/t. Finally one high-grade sample was checked with both FA-AA and FA-gravimetric analysis.

Check assays and metallic assays were also run by Chemex Labs, Inc. for 91 samples from drillholes EXJ-97-5, EXJ-97-10, EXJ-97-18, and EXJ-97-41 with the same sample preparation described above. MDA reviewed copies of the original assay certificates from Chemex, although for this set of data it was not obvious whether the check assays were run with FA-AA or gravimetric methods.

Check fire assays with an AA finish were run by Chemex on samples from drillholes EXJ-97-33, EXJ-97-34, and EXJ-97-38.

Check assays for gold and silver on separate sample splits were run by Chemex on all 53 samples from drillhole EXJ-97-53. Samples were crushed, split, and sieved to approximately 150 mesh, then analyzed on 30 g samples by FA with an AA finish. One high-grade sample was checked on a one-assay ton sample with gravimetric analysis. Metallic assays were also run for all samples, with sieving to 150 mesh and FA-AA with gravimetric analysis. In addition, Chemex assayed all samples for silver with nitric-aqua-regia digestion and AA analysis. These samples were also assayed for arsenic, mercury, and antimony by Chemex.

13.4 Other

In 2001 American Assay Laboratories ran shake leach cyanide assays for gold and silver on selected samples from 30 drillholes drilled by Echo Bay. The detection limit was 0.001 oz/ton for both metals. MDA reviewed the original assay certificates and added these assays to the database.





13.5 Pan-Nevada Gold Corporation

Pan-Nevada collected its reverse circulation samples at the drill site, where they were picked up by the assayer, ALS Chemex of Sparks, Nevada.

13.6 Rye Patch Gold

The reverse circulation samples of the 2008 drilling program were collected by Rye Patch personnel or by ALS Chemex.

Standard preparation was used, i.e. crushing of the whole sample, taking out a 250 g split to pulverize to 75 microns. Analysis for gold and silver was by FA with a gravimetric finish on a 50 g pulp. As reported by Chemex, the detection limit is 0.05 ppm Au (calculated by the lab as <0.001 oz Au/t) and 5 ppm Ag (calculated by the lab as <0.1 oz Ag/t). With the high detection limit of the gravimetric analysis, it is recognized that accuracy is lost on low values near the detection limit, which is exacerbated by using the calculated oz/ton value. While this does not affect the resource calculation, it may represent a loss of information on the low end that could be of value to exploration.

Duplicate check samples were collected at the reverse circulation rig at 50-foot intervals (every 10th sample). The check samples were sent to American Assay Laboratories of Sparks, Nevada where standard sample preparation was used, i.e. crushing of the whole sample, taking out a 250 g split to pulverize to 75 microns. Silver was analyzed by aqua regia digestion and an AA finish. The samples were analyzed for gold by FA with an AA finish on a 30 g pulp. As reported by American Assay, the detection limits are 0.003 ppm Au and 0.2 ppm Ag.

For core drillholes, the whole core was put into heavy cardboard boxes, approximately 10 feet per box, at the rig by the drill crew. The core boxes were brought into Reno once per day by Pan-Nevada personnel and stored at a private facility. The core was then photographed, logged and split, with half being sent to ALS Chemex of Sparks, Nevada for analysis. The drillhole number and footage were marked on the sample bag for sample identification. The core samples underwent standard sample preparation procedures, i.e. crushing of the whole sample, taking out a 250 g split to pulverize to 75 microns. The samples were analyzed for gold by FA with an AA finish on a 30 g pulp. Silver was analyzed by aqua regia digestion and an AA finish. As reported by ALS Chemex, the detection limits are 0.005 ppm Au and 0.2 ppm Ag.

Upon receipt of the initial assays, the coarse rejects from 71 samples that contained mineralized material were sent to American Assay Laboratories for re-analysis. Standard sample preparations were used and the samples were analyzed for gold by FA with an AA finish on a 30 g pulp. Silver was analyzed by aqua regia digestion and an AA finish. As reported by American Assay, the detection limits are 0.003 ppm Au and 0.2 ppm Ag.





14 DATA VERIFICATION

Aside from the early work done by prospectors and miners, seven different companies or individuals worked on the property prior to Pan-Nevada and left data which were tabulated into a database by Echo Bay. That database formed the starting-point for the resource estimate provided in this report. During preparation of this report and the review of currently available data, some changes were made to the original database as described below. Drill information acquired by Pan-Nevada during its 2006 drill program has also been added to the database.

Table 14.1 lists the companies who are known to have drilled on the property, along with a summary of the recorded sampling they performed in their drill campaigns. Table 14.2 lists all the sampling in the database by type. No assays are recorded in the database for Cordex's drillholes JE-19 and JE-29. As discussed in Section 13.1, it is surmised that these drillholes were never assayed.

One of the present authors (Ristorcelli) verified the Echo Bay database in preparation of a previous report (Ristorcelli and Read, 1998), using considerable data available to Echo Bay Exploration at that time. That verification process forms the basis for most of the conclusions described in Sections through 14.2. For the present report, supporting documentation for the sample database is less abundant than that used in the 1998 MDA study and consists of:

- Great Basin – copies of the original assay certificates for the single drillhole
- Occidental – copies of drillhole summaries showing generalized geology, gold and silver assays, drill contractor, date of drilling, dip, and total depth of drillholes
- Cordex – copies of geologic logs showing drill information, geology, and assays for most of their 42 drillholes and short drill summaries summarizing geology and mineralized intervals; copies of original assay certificates for all but five drillholes
- Santa Fe – geologic logs and copies of original assay certificates for all drillholes
- Amax – copies of original assay certificates for all drillhole and trench samples and copies of geological logs for all drillholes
- Southwestern Gold – copies of original assay certificates for drillhole samples, including check assays, and copies of drillhole summaries with geology, assays, drill contractor, date of drilling, azimuth, dip, and total depth of drillholes
- Echo Bay – copies of original assay certificates for all RVC drillholes and geologic logs showing drill contractor, date of drilling, and drill type for all drillholes.

Review of the data that were available to MDA during the present study did produce additional geologic and assay information that had not been included in the database by Echo Bay. This information has been added to the database and includes:

- Assays and geologic data from Occidental's drillhole J-12
- Assays from Cordex's drillholes JE-2, JE-3, JE-20, JE-21, JE-31, JE-35, JE-39, and JE-42 and check assays for some drillholes
- Assays and drillhole azimuth and dip from Santa Fe's drillholes JSF-1 through JSF-2, JSF-4 through JSF-6, JSF-10 through JSF-11, and JSF-13, but no collar locations could be found.





All but JSF-10 are located in section 17, which is Newmont property not part of Pan-Nevada’s Jessup property.

- Replicate, check, and standards assays for some of the drillholes drilled by Amax, Southwestern, and Echo Bay and check assays from two Santa Fe drillholes
- Arsenic, mercury, and antimony assays from some Echo Bay drillholes
- Assays and geologic data from Echo Bay’s drillhole EXJ-97-67
- Assays from 14 additional trenches excavated by Amax
- Coarse and fine soil assays for four Amax trenches

Geologic and assay information have also been added to the database from Pan-Nevada’s drilling in 2006.

Table 14.1 Summary of Assaying by Material Operator

Echo Bay								
	Valid N	Median	Mean	Std.Dev.	CV	Minimum	Maximum	Units
Gold	8,081	0.000	0.003	0.020	5.956	0.000	0.768	oz Au/t
Silver	8,078	0.020	0.067	0.325	4.880	0.000	14.200	oz Ag/t
Occidental								
	Valid N	Median	Mean	Std.Dev.	CV	Minimum	Maximum	Units
Gold	745	0.000	0.002	0.007	2.879	0.000	0.074	oz Au/t
Silver	742	0.050	0.069	0.084	1.226	0.000	1.450	oz Ag/t
Cordex								
	Valid N	Median	Mean	Std.Dev.	CV	Minimum	Maximum	Units
Gold	1,122	0.002	0.004	0.014	3.162	0.000	0.252	oz Au/t
Silver	989	0.030	0.048	0.092	1.912	0.000	1.530	oz Ag/t
Amax								
	Valid N	Median	Mean	Std.Dev.	CV	Minimum	Maximum	Units
Gold	1,020	0.001	0.008	0.025	3.142	0.000	0.292	oz Au/t
Silver	960	0.020	0.079	0.176	2.221	0.000	1.460	oz Ag/t
Santa Fe								
	Valid N	Median	Mean	Std.Dev.	CV	Minimum	Maximum	Units
Gold	796	0.002	0.008	0.020	2.597	0.000	0.280	oz Au/t
Silver	797	0.020	0.094	0.323	3.441	0.000	2.920	oz Ag/t
Southwestern Gold Corp.								
	Valid N	Median	Mean	Std.Dev.	CV	Minimum	Maximum	Units
Gold	1,631	0.002	0.016	0.053	3.308	0.000	0.901	oz Au/t
Silver	1,631	0.030	0.219	1.326	6.045	0.000	43.580	oz Ag/t
Great Basin Gold								
	Valid N	Median	Mean	Std.Dev.	CV	Minimum	Maximum	Units
Gold	68	0.001	0.006	0.008	1.246	0.001	0.040	oz Au/t
Silver	68	0.000	0.032	0.052	1.610	0.000	0.180	oz Ag/t
Pan-Nevada Gold Corp								
	Valid N	Median	Mean	Std.Dev.	CV	Minimum	Maximum	Units
Gold	3,577	0.000	0.005	0.031	6.410	0.000	1.626	oz Au/t
Silver	3,577	0.030	0.137	1.083	7.919	0.000	38.840	oz Ag/t





Table 14.2 Summary of Assaying by Drill or Sample Type

Core								
	Valid N	Median	Mean	Std.Dev.	CV	Minimum	Maximum	Units
Gold	685	0.001	0.012	0.065	5.442	0.000	1.626	oz Au/t
Silver	685	0.040	0.375	2.350	6.267	0.000	38.840	oz Ag/t
Reverse Circulation								
	Valid N	Median	Mean	Std.Dev.	CV	Minimum	Maximum	Units
Gold	13,751	0.000	0.004	0.022	5.103	0.000	0.901	oz Au/t
Silver	13,689	0.030	0.084	0.575	6.869	0.000	43.580	oz Ag/t
Trenches								
	Valid N	Median	Mean	Std.Dev.	CV	Minimum	Maximum	Units
Gold	549	0.003	0.016	0.048	3.070	0.000	0.613	oz Au/t
Silver	549	0.040	0.145	0.561	3.863	0.000	9.910	oz Ag/t
Rotary								
	Valid N	Median	Mean	Std.Dev.	CV	Minimum	Maximum	Units
Gold	2,055	0.002	0.005	0.016	3.368	0.000	0.280	oz Au/t
Silver	1,919	0.030	0.073	0.206	2.822	0.000	2.920	oz Ag/t

14.1 Database Audit

In 1998, MDA performed an audit of the Jessup database created by Echo Bay to check the integrity of the data entry from collar survey, assay and geologic information. All information was provided from the seven drilling campaigns that are described above.

About twenty percent of the assay database was checked in 1998 (Ristorcelli and Read, 1998). The assay data input from the assay reports to the database is good. All assays that were checked were entered correctly. The assay data is mostly complete, except that the Cordex drillholes have many sample intervals that were not assayed and for one Cordex drillhole (JE-24) the geologic log and assay certificate, if any, are missing. The geology taken from the logs and entered into the database was entered accurately, although it is incomplete. Geology input includes rock type, alteration, oxidation, and percent pyrite. Since one alteration column exists in the database, only one alteration type was entered into the database even if more than one alteration type was recorded on the drill logs. All the logs from the drilling campaigns were interpreted for geology and entered into the database with the exception of Cordex drillhole JE-24, whose geology log has disappeared, and Cordex drillhole JE-41, which was never logged for geology.

During preparation of the current report, a drillhole summary for Occidental drillhole J-12 showing geology and assays was found. Because the information for that drillhole had been missing from the original database, these data were added. Assays and geology from assay certificates and geologic drill logs for Echo Bay drillhole EXJ-97-67 were also found and were added to the database. Drill assay summaries for Santa Fe drillholes JSF-1, JSF-2, JSF-4, JSF-5, JSF-6, JSF-10, JSF-11, and JSF-13 showing assays with some check assays handwritten onto the summary were found during the current study and were added to the database; drillhole locations were taken from geologic maps. All of these Santa Fe drillholes except for JSF-10 are located in section 17, outside of the current project boundary.

Minor corrections in the azimuth, elevation, and/or dip were made to drillholes JSF-7, SWD-3, and JS-2A based on original data reviewed for the current report. Values for two assays in





drillhole SWD-10 had been reversed in the original database but were corrected during this study based on copies of the original assay certificates. The only significant change in original data made during the present study involved nine trench samples from Amax's trench SJTR-2. Review of copies of assay certificates as well as Amax maps showing trench locations and assays led to the correction of assay values for this trench in the original database. In addition, the azimuth of trench AMAX-1 was corrected based on an Amax geologic map. Where necessary, assays that were below detection limits and shown on the original database as 0 or the detection limit were changed to one-half the detection limit.

The weak point in the database is the drillhole collar surveying. All the Echo Bay and Southwestern Gold drillholes were located and surveyed by Echo Bay personnel. There is a high degree of confidence in the location of these drillholes. The problem exists with the rest of the drillholes drilled by previous operators. Many of these drillholes were located with the use of orthophotos and had the coordinates measured from them, while other drillholes were located on the ground and surveyed by Echo Bay. All the Santa Fe drillholes had been reclaimed, and none of them were located on the ground. All drillholes except Echo Bay's and Southwestern Gold's are believed to have an accuracy of +/- 100 ft; given the elapsed time since the drillholes of prior operators were drilled, there is no practical way to gather more accurate survey information for them.

Trench data has been entered into the database but due to uncertainty of trench sample quality and the lack of a detailed study, trench samples were used for only very local grade estimation within the geologic model. Assays for samples collected by Amax from 14 additional trenches (SJTR-4, CJTR-1 through CJTR-12, AMAX-2) were added to the database during the current report preparation, with values taken from copies of original assay certificates. Assays for coarse and fine soil samples for Amax trench SJTR-1 and SJTR-2 and CJTR-2 and CJTR-3 that had previously not been included were added during the present study. In addition, previous data for trench SJTR-2 were corrected, and additional assays were added. Of the 21 trenches known to have been excavated by Southwestern Gold, assays for all but SWJ-1, 10, and 12 are in the database. Plots made in 1998 of the gold and silver grades with geology verified that the logging was reasonable and that the data were interpreted correctly. For example, logged quartz stockwork and silicification do carry the highest grades of gold and silver, while the coarse lapilli tuff and andesite are the lithologies that contain the highest grade of both gold and silver (supporting the hypothesis of stratiform mineralization). Relationships of gold and silver to oxidation and pyrite were less obvious. The conclusion is that the quantified geologic logging available is probably valid and represents a data set that can be used as a base for geologic interpretation. Though the database is incomplete, what could be done is done and is considered valid and correct. No formal sample integrity study was performed on the drillhole database for this current report; however, MDA did review all the drillholes on section looking for possibly contaminated drillholes. MDA eliminated only a few of the samples from the resource estimate and determined that the possible contamination was not extreme and will not materially affect the resource estimate.





14.2 Twin Drillholes

Echo Bay twinned two RVC drillholes with core drillholes. MDA is assuming that the drillholes are true twin drillholes in that they are collared at very near the same location and have the same orientations. Core drillhole EJC-1 twinned RVC drillhole SWD-4 while core drillhole EJC-2 twinned RVC drillhole EXJ-97-53. The results for the first set of twins (EJC-1 and SWD-4) showed a similarity in location of gold grade, though on a sample by sample basis there was considerable variance in grade (Ristorcelli and Read, 1998). This is to be expected for the mineralized geologic environment found at Jessup. Recoveries were good, and the results were within tolerable levels. Twin drillholes EJC-2 and EXJ-97-53 showed a somewhat different relationship from the first set of twin drillholes (Figure 14.1). Within the upper 100 feet, the core and RVC drillholes showed a similarity in location of grade, though, as with the first set of twins, on a sample by sample basis there was considerable variance. The twin drillholes begin to differ below 100 feet, where the RVC drillhole shows both a thicker and higher grade mineralized interval down to 145 ft. The RVC drillhole also has an additional low-grade interval from 160 ft to 210 ft that is not matched within the core drillhole. It is not clear whether this zone represents in-place mineralization or is possible down-hole contamination. It is MDA's opinion that this set of twins show that:

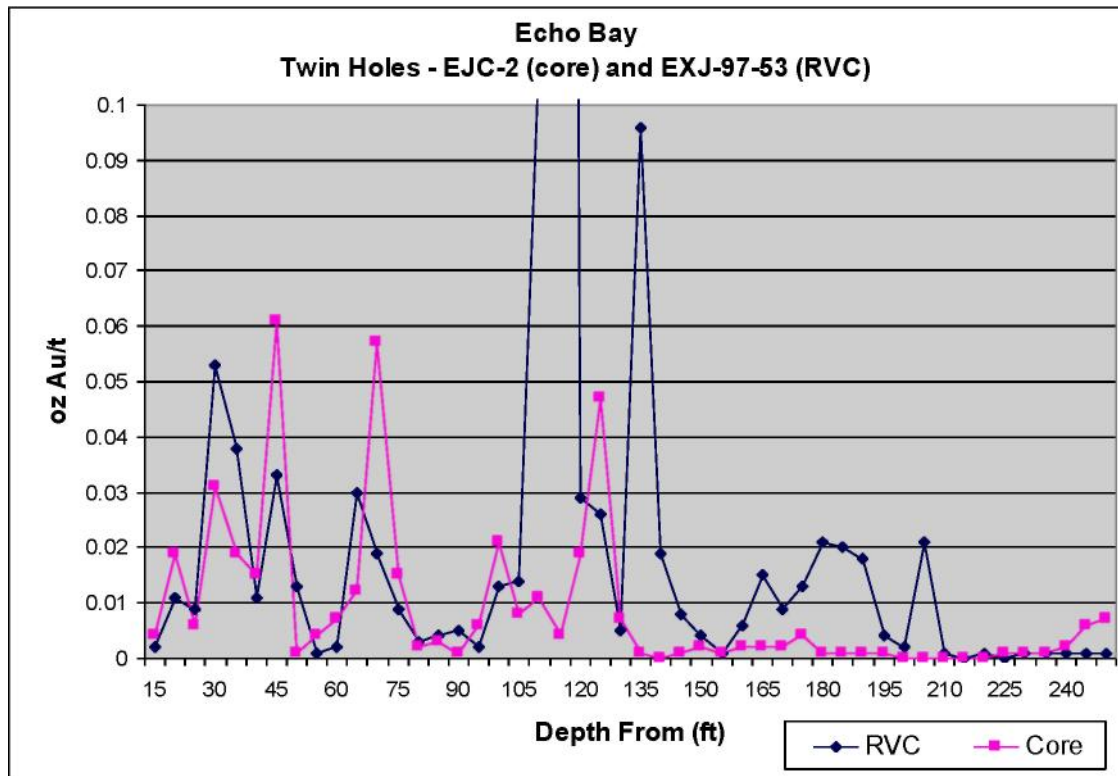
- the grades are highly variable within short ranges in this area;
- there is a small amount of possible down-hole contamination in the RVC drilling; and
- the RVC drill samples can and do decay down to background levels at some point.

In addition to these RVC/core drillhole twins, Echo Bay twinned three of their shallow (100-ft drill depth) "PJ" series RVC drillholes with later RVC drillholes. The geologic log for Echo Bay's RVC drillhole EXJ-97-8 indicates that it was a twin to their RVC drillhole PJ-33 located seven feet away, while drillhole EXJ-97-19 twinned drillhole PJ-35, and drillhole EXJ-91-20 twinned PJ-34. Both of the latter twin pairs were located about ten feet apart. The twin results show a good correlation between the low-grade mineralized intervals intersected in all three twin pairs although, as with the core/RVC twins discussed above, there is some variance in grade on a sample by sample basis.





Figure 14.1 Down Hole Comparison of One Set of Core/RVC Twins



Pan-Nevada was concerned with the effects on gold recovery of wet RVC drilling, especially recovery of fine particulate gold. The first two Pan-Nevada RVC drillholes (JP-06-01 and JP-06-02, both drilled wet) were twinned with RVC drillholes drilled completely dry (JP-06-11 and JP-06-12, respectively). Both twin pairs were shallow drillholes drilled to test the near-surface North Jessup mineralization. Drillholes JP06-01 and twin JP-06-11 were angle drillholes while JP-06-02 and JP-06-12 were drilled vertical. RVC vertical drillhole JP-06-20, drilled wet, twinned Echo Bay’s RVC drillhole PJ-29, which was drilled dry and encountered shallow high-grade mineralization within the center of the North Jessup area. Composited assay results for the three twins indicate an average 36% increase in reported gold in the dry drillholes. If only the >0.01 oz Au/ton intervals are used in the calculation, the dry drillholes show a 40% increase in reported gold. In all three twin pairs, the dry drillhole showed an increase in average grade. As with previous twin results, there is similarity in location of grade but a variance in individual grade values. These results were somewhat skewed by the single 0.578 oz Au/ton intercept in PJ-29. The corresponding interval in the wet twin drillhole (JP-06-20) showed significant mineralization but only at a 0.128 oz Au/ton grade. Removing this sample interval from the composite calculation results in a 17% increase in reported gold from the dry drillholes, still a significant difference.

One of the core drillholes (JP-06-48C) drilled by Pan-Nevada in 2006 was a twin of an RVC drillhole (JP-06-18) drilled earlier in the year. The RVC drillhole encountered two significant





mineralized intervals, with the latter interpreted as a possible feeder structure within the andesite volcanic basement lithology. The core drillhole results confirmed the two intervals though the thickness and gold grades of the upper zone was significantly less than in the RVC drillhole. Whereas the RVC drillhole showed a 40-ft thick zone containing two samples assaying greater than 0.10 oz Au/ton, the core drillhole intercepted only a 10-ft thick horizon with an assay high of 0.07 oz Au/ton. The twin pair showed a better correlation for the lower mineralized interval with the core interval being thinner (5-ft versus 10-ft) though the core assay was higher grade (0.07 oz Au/ton versus 0.05 oz Au/ton).

14.3 Check Assays

MDA has no evidence that any check assaying was performed for the drilling samples collected by Great Basin or Occidental.

Cordex ran check assays on 16 samples from nine rotary drillholes. The checks were run by Monitor Geochemical Laboratory, Inc. using FA. MDA reviewed the assay certificate for these checks and entered them into the database. The results on these few samples confirmed the original assay with no significant deviation in gold values.

Santa Fe ran check assays on 18 samples from RVC drillholes JSF-14 and JSF-15. The checks were run by Chemex Labs, and MDA reviewed copies of the original assay certificate. The checks were analyzed for gold using a 0.5 assay ton FA with an AA finish. The re-assays for silver were 2-g aqua regia assays by AA. The check results showed no significant deviation from the original assay values.

MDA has no evidence that any check assaying was performed for the drilling samples collected by Amax. Copies of original Bondar-Clegg assay certificates as well as the geologic drill logs for Amax's drillholes indicate that three standards were assayed for all drillholes except JS-2, which had one standard assay before the drillhole was abandoned. Standards were also run for the trench sample assays.

As described in Section 13.2, Southwestern Gold initially used Bondar-Clegg for assaying samples of their first 16 drillholes but re-assayed some drillholes using American Assay Laboratories due to the wide variation in results from standards assayed by Bondar Clegg. MDA's analysis of the American Assay check data show that for the original/check assay pairs which have an average mean gold grade of 0.005 oz Au/ton or greater (a total of 266 sample intervals), each individual American Assay check gold value was 28% higher on average than the original Bondar Clegg assay. This high relative difference indicates a significant bias between the labs. The overall variance (absolute difference between original and check) was at 40%. For their remaining drillholes, Southwestern Gold used American Assay Laboratories for both the original and check assay analyses. Standards were submitted for all drillholes. American Assay occasionally re-assayed samples and, for samples with initially high gold values, ran gravimetric analysis as checks. Review of copies of the original assay certificates indicates no evidence of the use of standards for the check assay work. The American Assay in-house re-assay check data on 89 sample intervals show an average relative difference and absolute variance of 1 and





10%, respectively. It was presumed by MDA that the check assays were run on coarse reject samples, but the low relative and absolute differences suggest that the check assays were run on pulps.

Echo Bay used Cone Geochemical Inc. for their original assaying, and MDA reviewed copies of the original assay certificates. Standards were submitted for most drillholes. For the PJ-series drillholes and RVC drillholes EXJ-97-1 through EXJ-97-4, it was not evident from the certificates or drill logs whether standards were submitted with the samples. Check samples using duplicate pulps taken from the coarse rejects were assayed by Chemex Labs for 12 of the EXJ-series drillholes and for drillhole PJ-29. MDA's analysis of the Chemex check data show that for the 145 original/check assay pairs which have an average mean gold grade of 0.005 oz Au/ton or greater, the average relative difference for each check/original pair was less than 5% indicating only minor bias between labs. Figure 14.4 shows the absolute difference between the original and check assay values. For samples with a mean grade 0.005 oz Au/ton or greater, the average variance was 30%, and the data suggest that the variance is higher, at up to 50%, at the higher grades. This amount of variance is high but not unusual for epithermal, volcanic-hosted gold deposits, where there is likely a nugget effect at the higher grades.

Echo Bay had Chemex Labs, Inc. run metallic screen assays for 152 samples from RVC drillholes EXJ-97-5, 10, 18, 41, 53 and PJ-29. The metallic screen assays were analyzed by FA with a gravimetric finish as compared to the AA finish on the original samples. The metallic screen versus original assay comparison is shown in Figure 14.5. The data are highly variable below about 0.008 oz Au/ton, possibly due to the lower precision of the gravimetric technique. Above 0.01 oz Au/ton, the metallic screen assays show generally higher gold values than the original samples. With further increasing grade though, the average difference apparently decreases but there is increasing variance between the metallic screen and original assays possibly indicating increasing natural variability due to a nugget effect. These results suggest that a larger number of samples should be check assayed using metallic screen assay methods. The conclusion of a more definitive analysis would better define the magnitude of the variance and possibly point out a bias in the database. It is not unusual to find that in addition to eliminating large variances in check assays and producing more reproducible analytical results, the overall grade of the samples might increase.





Table 14.3 Echo Bay Original versus Check Gold Assay

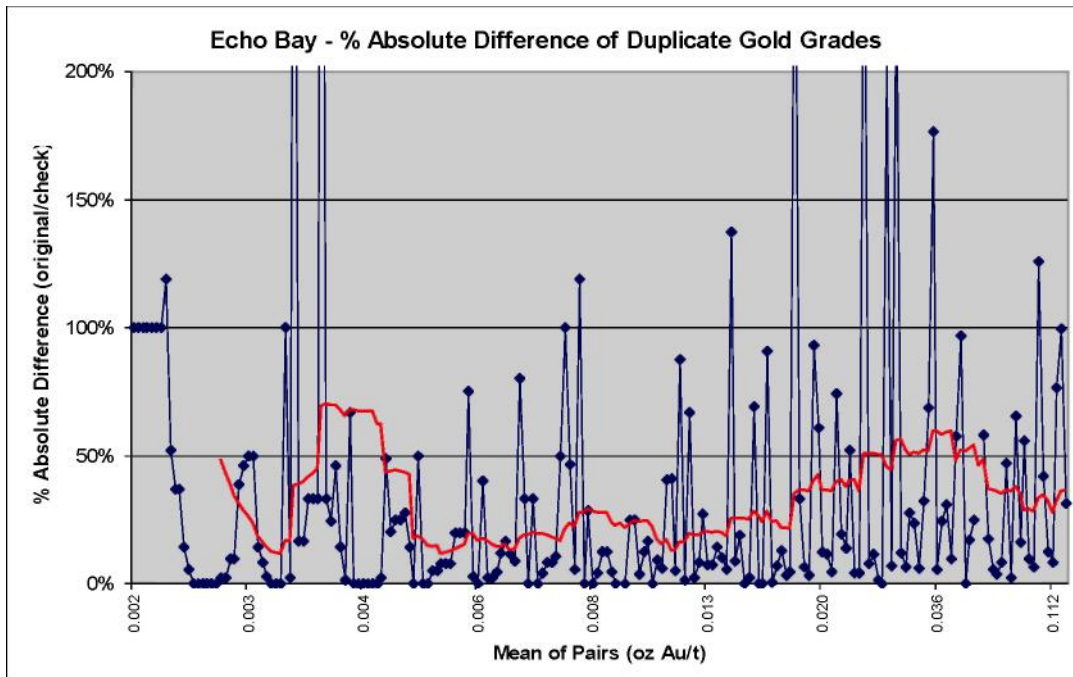
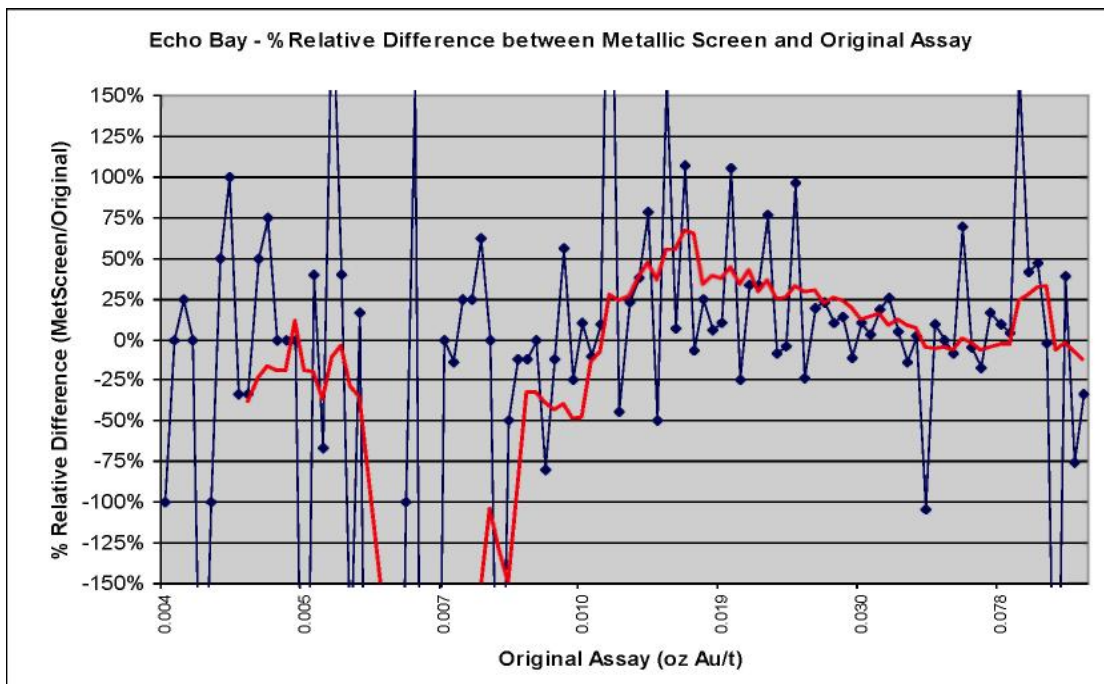


Table 14.4 Echo Bay Metallic Screen versus Original Assay





Pan-Nevada collected duplicate drill rig samples at regular 50-foot intervals (every tenth sample) during the drilling of the 46 RVC drillholes completed in 2006. The duplicate samples were sent to American Assay for analysis by FA-AA. The original samples were assayed by similar FA-AA techniques at Chemex Labs. Of the total of 272 duplicate samples, just 67 duplicate/original sample pairs had an average assay above 0.002 oz Au/ton. Relative and absolute difference comparisons of the sample pairs are shown in Figures 14.6 and 14.7. At low gold values (< 0.005 oz Au/ton), the results are highly erratic due to the imprecision of the assay technique combined with the expected minor variation in gold content between samples. Within the mineralized material, the results start to become more regular, though there is still significant variation in the relative difference (Figure 14.6) with greater than 50 percent average difference, both positive and negative. There is some evidence that the relative difference values are lessening at grades above 0.02 oz Au/ton, though there are only a few samples at these higher gold grades. Within the mineralized material, there does not appear to be a significant bias between the two labs, but any evidence of bias might be concealed within the larger variation in sample differences.

The absolute difference between the sample pairs (Figure 14.7) starts to smooth out above 0.005 oz Au/ton, although there is still a 50 to 100% variance between samples at gold grades above 0.008 oz Au/ton. This very high variance appears to be decreasing at gold grades above 0.02 oz Au/ton, but only a few samples are at these higher grades. It is clear that at the economic cut-off grades used in resource estimation, there is significant inherent variation in sample assay results.

Pan-Nevada's check assay program for the 2006 core drilling campaign consisted of re-assaying the coarse rejects from the mineralized intervals determined from the original Chemex assays. The same coarse reject used for the original assay was sent to American Assay where a similar FA-AA technique was used to determine gold content. A total of 70 samples were re-assayed, but MDA's review of the data indicated either a sample numbering or lab problem with seven of the samples and these were removed from the original versus check evaluation. The results of the relative and absolute difference sample pair comparisons are shown in Figure 14.8 and 14.9. As compared to the RVC duplicate rig samples, the coarse reject results are much smoother and show less variation. There is a strong indication of lab bias shown in the relative difference values with the American Assay checks consistently assaying less than the Chemex original values. The average check assay value at gold grades between 0.005 oz Au/ton and about 0.1 oz Au/ton is about 13% less than the original. The few samples above 0.1 oz Au/ton show more erratic results, possibly indicating increasing natural variability

within the mineralization. Additional checks at the higher grades are needed.

The absolute difference of the sample pairs (Figure 14.9) shows a fairly consistent trend, with the variance averaging about 21% at gold grades between 0.005 oz Au/ton and 0.1 oz Au/ton. Above 0.1 oz Au/ton, the sample pair variance becomes erratic and increases to over 50%. This could be a reflection of an increasing nugget effect or an artifact of the few samples at this high grade level.





Figure 14.2 Pan-Nevada - % Relative Difference of Duplicate RVC Check Samples

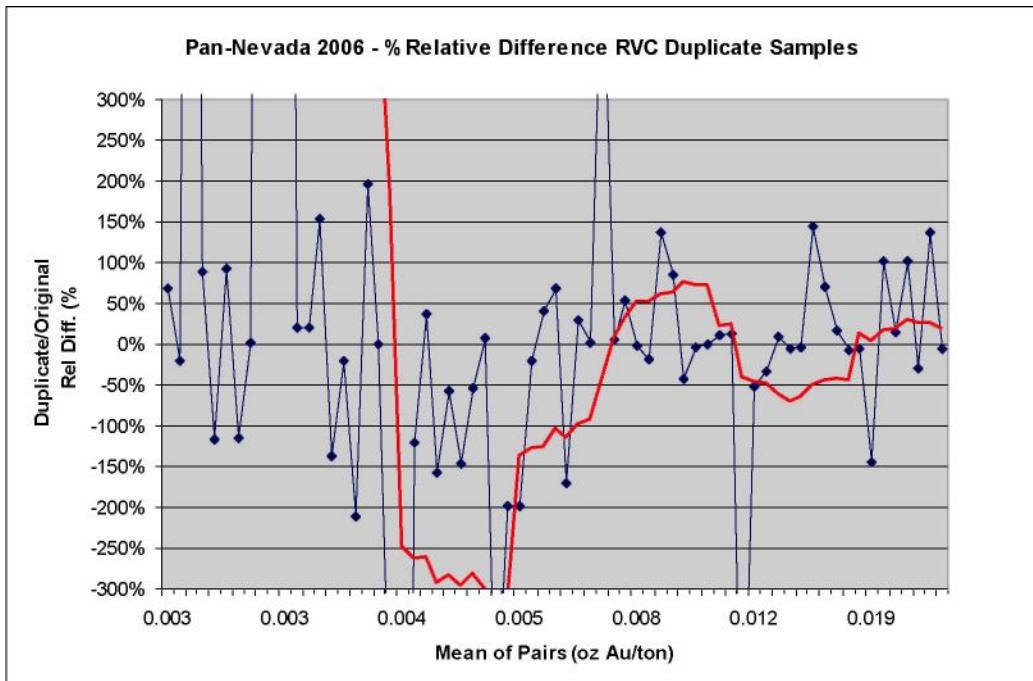


Figure 14.3 Pan-Nevada - % Absolute Difference of Duplicate RVC Check Samples

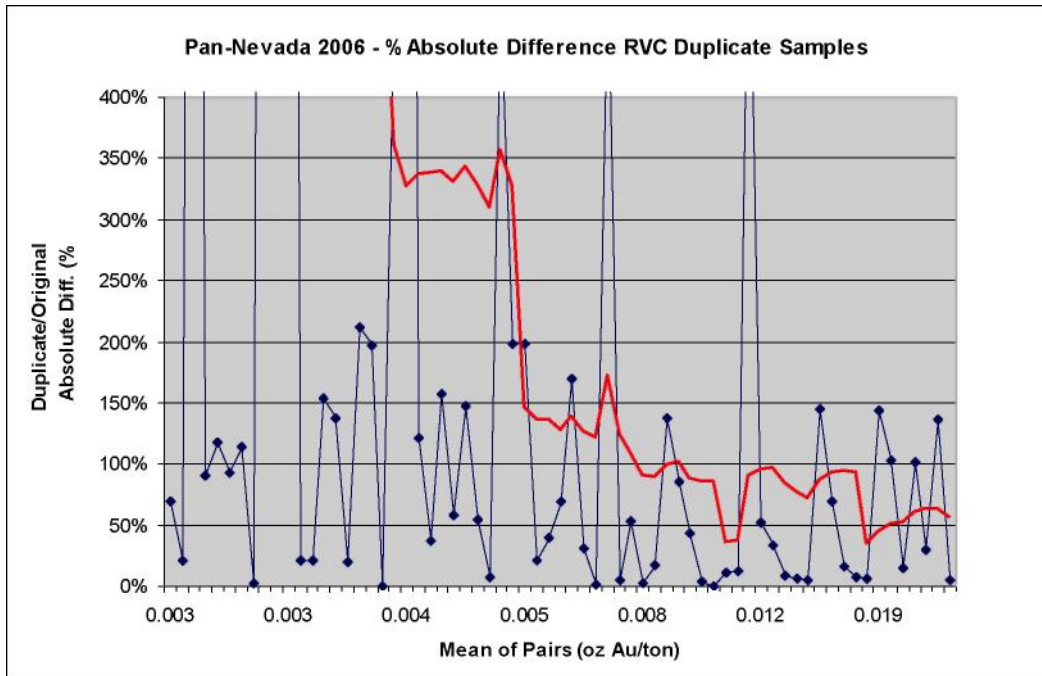




Figure 14.4 Pan-Nevada - % Relative Difference of Core Coarse Reject Check Samples

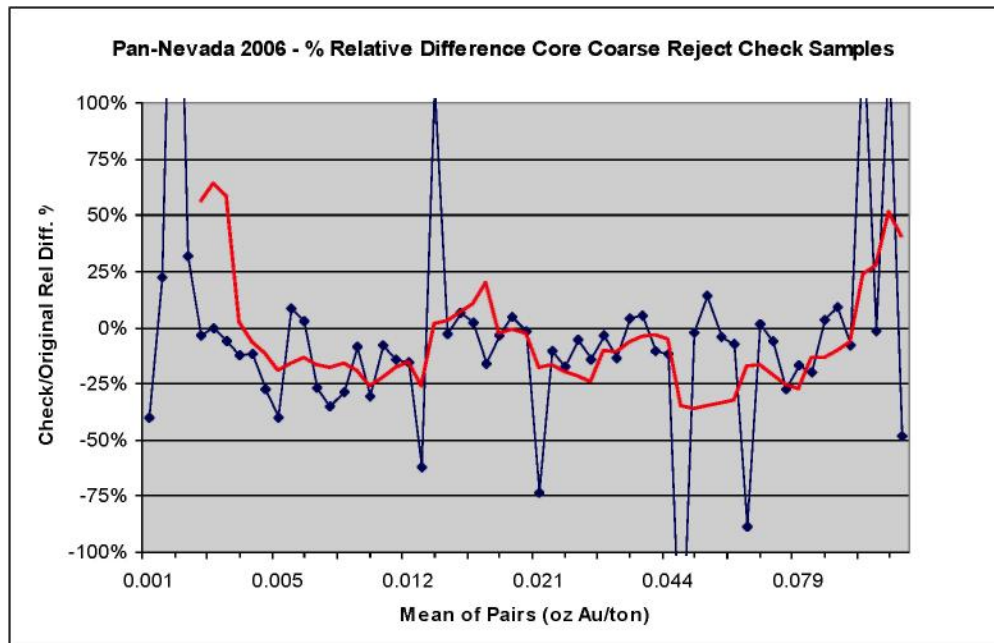
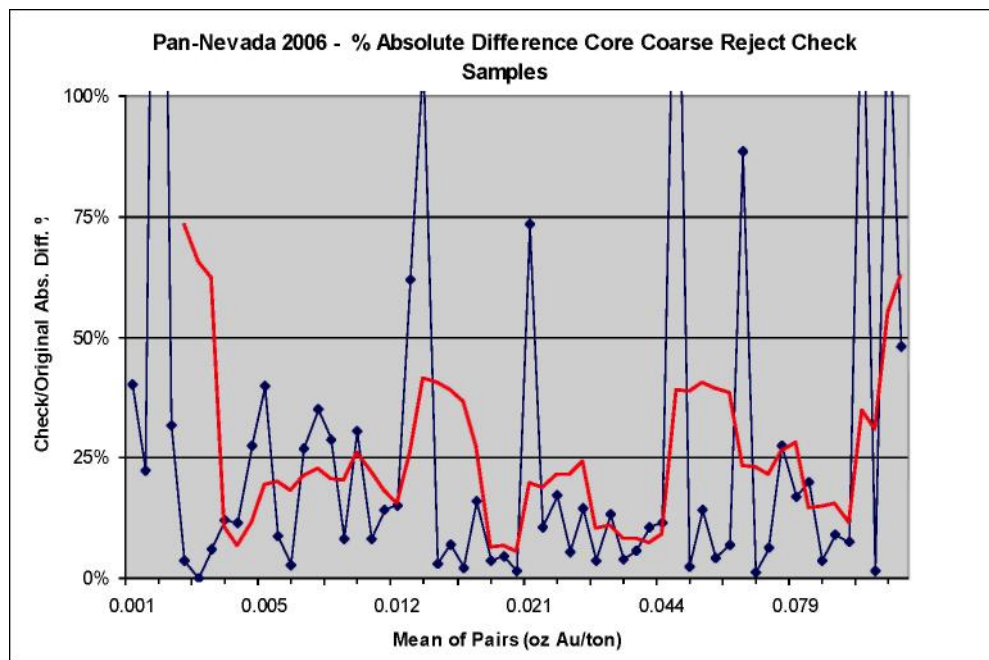


Figure 14.5 Pan-Nevada - % Absolute Difference of Core Coarse Reject Check Samples





14.4 QA/QC – Rye Patch

14.4.1 Review

As part of an ongoing QA/QC program, Rye Patch hired a third party consultant, Shea Clark Smith of Minerals Exploration & Environmental Geochemistry to conduct and oversee QA/QC programs for the Jessup project.

14.4.2 Rye Patch Gold's 2008 Drillhole QA/QC Program

In March 2009, 157 pulps were submitted to Florin Laboratory of Reno, Nevada for check assay. Included in the submittal were 12 geochemical reference standards that match the average concentration of the intervals being re-analyzed.

Selected pulp samples from the following drillholes completed in 2008, were re-analyzed: JR-08-002, JR-08-003, JR-08-004, JR-08-005, JR-08-009, JR-08-012, JR-08-015, JR-08-018, JR-08-023, JR-08-024, JR-08-025, JR-08-030, JR-08-031, JR-08-032, JR-08-036, JR-08-039, JR-08-040, JR-08-042.

Under the direction of Ronaldo M.P. Silva, pulp samples were reclaimed from ALS Chemex. These were submitted to Florin with geochemical reference standards ranging in concentration from 0.06 ppm Au through 6.00 ppm Au. The location of each standard was specifically indicated to Florin. Eighteen standards were submitted with 157 pulps, representing 11% of the entire submittal.

14.4.3 Analysis

Drillhole pulps from early ALS Chemex (Chemex) sample preparation and analysis were selected for re-assay for Au and Ag at Florin Analytical Services (Florin). Reanalysis included 1AT/FA/AAS for gold with 1AT/FA/GRAV for over-limits. Silver was analyzed from an aqua regia digestion and atomic absorption spectrophotometry. These are comparable to methods employed at ALS Chemex.

14.4.4 Gold Results

Sixteen of 18 standards reported gold concentrations are within acceptable error limits. Two standards were outside acceptable limit but were at the lower range (0.048 ppm versus 0.060 ppm and 0.082 ppm versus 0.060 ppm)

Florin reported higher concentrations of gold in 26 sample pairs where the difference between assays was greater than 30%. On the other hand, Florin reported lower concentrations of gold in 20 sample pairs. This suggests that Florin exhibits somewhat higher bias for gold assays. However, a scatter plot shows a random bias of Florin data in the range of 0.014 to 6.722 ppm Au.

Drill holes implicated by higher Florin assays are: JR-08-004, JR-09-09, JR-08-012, JR-08-015, JR-08-018, JR-08-023, JR-08-024, JR-08-025, JR-08-030, JR-08-031, JR-08-040 and JR-08-042. Drill holes implicated in the lowest concentration range are: JR-08-004, JR-08-012, JR-08-015, JR-08-018, JR-08-024, JR-08-025, JR-08-030, JR-08-031, and JR-08-040. It is presumed (without further





testing) that these holes encountered free gold and that subsampling was adversely affected by gravity separation. A potential gravity separation issue may be present and additional work is warranted to fully understand this issue.

14.4.5 Silver Results

Standards report silver concentrations from Florin are very near characterization values (not certified).

Florin reported lower concentrations of silver in four sample pairs where the difference between assays was greater than 30%. Drill holes implicated by lower Florin assays are: JR-08-004, and JR-08-023. On the other hand, Florin reported higher concentrations of silver in twenty-seven sample pairs. Drill holes implicated by higher Florin assays are: JR-08-002, JR-08-004, JR-08-005, JR-08-009, JR-08-012, JR-08-015, JR-08-018, JR-08-023, JR-08-025, JR-08-30, JR-08-036 and JR-08-040. This suggests that Florin exhibits somewhat higher bias for silver assays. A scatter plot of the silver data shows a 45° trend line through the Chemex vs. Florin data with only moderate divergence from a trend line. It is presumed (without further testing) that metallic silver and/or silver minerals in the drillholes listed above may also be adversely affected by a gravity separation issue.





15 ADJACENT PROPERTIES

As described in Section 4.2, the land held by Rye Patch forms a checkerboard pattern with sections now owned by Newmont that are not part of the Jessup property described in this report. Newmont's section 17, specifically, lies adjacent to the Central Jessup and San Jacinto mineralized areas. Although Santa Fe drilled a number of drillholes in section 17, which they owned at the time they were working at Jessup, there is no evidence known that significant amounts of mineralization are present in that section.





16 MINERAL PROCESSING AND METALLURGICAL TESTING

Metallurgical testing was conducted by five companies from 1986 to 2001. The initial work by Santa Fe consisted of 21 cyanide leach extraction tests performed on pulps from reverse circulation drill sample rejects. This was followed by a total of 17 bottle-roll tests completed by four different companies. Fifteen of the bottle-roll tests were performed on drill-cuttings composites, with the remaining two performed on trench samples. Three of the bottle-roll samples were from the San Jacinto area, while 12 were from North and Central Jessup. The parent material for one of the bottle-roll tests was also used to complete one sample flotation test and one gravity concentration test. Along with the bottle-roll tests, 108 eight-hour shake leach tests were also completed on pulps from drill cuttings.

Pan-Nevada conducted preliminary metallurgical testing in 2006 which consisted of 68 cyanide leach 24-hour extraction tests on reverse circulation drilling coarse rejects and pulps. The samples were collected from 16 drillholes drilled in the spring of 2006 by Pan-Nevada.

Rye Patch has not conducted any metallurgical testing to date.

16.1 Santa Fe Mining, Inc. (1986)

Santa Fe submitted RVC sample rejects from 21 intervals in drillholes JSF-14, JSF-15, and JSF-16 for FA as well as both cold and hot cyanide extraction. Chemex Labs Ltd. in Sparks, Nevada conducted the FA analysis, while the cyanide extraction work was completed by Barringer Laboratories, Inc. in Golden, Colorado MDA has no details on the analytical techniques used by Barringer. The FA and cold cyanide extraction results are tabulated on Table 16.1. Gold extraction was good, but silver extraction was generally poor. Note the extreme variability with cyanide leach recoveries often over 100% of the FA recoveries. The sample data are too small to be conclusive and are extremely variable. There are no unoxidized samples in this data set, and the mixed material has lower recoveries than the oxidized material.

16.2 Southwestern Gold Corporation (1992)

Southwestern Gold submitted two trench samples to McClelland Laboratories for preliminary bottle-roll metallurgical tests to determine their amenability to cyanide heap leaching (Sorice, 1992). The data for samples “Central Jessup” and “San Jacinto West” are in Table 16.2. The first sample was of higher-grade clay-rich material, while the second was of lower-grade mineralization.

According to Sorice (1992), each sample weighed 100 lbs and was crushed to 80% passing ½ inch feed size and then split to obtain 1 kg for the bottle-roll test and samples for triplicate direct head assay. The head assays shown in Table 16.2 are averages of the triplicate samples, except for the gold assay on the Central Jessup sample. For that sample, the initial assay was outside of expected precision limits so was not used to calculate the average. Head samples were assayed using conventional FA fusion procedures to determine precious metal content. The bottle-roll samples were mixed with water to achieve 40 weight percent solids. Lime was added to adjust the pH to 11.0; then sodium cyanide equivalent to 2.0 pounds per ton of solution was added.





Table 16.1 Cyanide Extraction on Santa Fe Drill-cuttings by Barringer Lab (1986)

Drillhole	Interval	Ox/Unox	Chemex FA		Barringer FA		Barringer CN Leach - Cold				
			Au Grade (oz Au/t)	Ag Grade (oz Ag/t)	Au Grade (oz Au/t)	Ag Grade (oz Ag/t)	Au Grade (oz Au/t)	Ag Grade (oz Ag/t)	Au Rec (%)	Ag Rec (%)	
JSF-14	110-115	Ox	0.134	0.25	0.134	0.23	0.164	0.156	125	68	
	115-120	Ox	0.093	0.33	0.104	0.31	0.090	0.201	87	65	
	120-125	Ox	0.090	0.28	0.086	0.28	0.077	0.118	90	42	
	125-130	Ox	0.066	0.25	0.066	0.23	0.061	0.165	92	72	
	130-135	Ox	0.164	0.45	0.162	0.47	0.169	0.350	104	74	
	135-140	Ox	0.184	1.05	0.180	0.99	0.180	0.723	100	73	
	140-145	Ox	0.280	2.10	0.280	2.00	0.217	1.080	78	54	
	145-150	Ox	0.199	0.93	0.180	1.06	0.196	0.653	109	62	
	215-220	Ox	0.066	0.36	0.068	0.36	0.077	0.307	113	85	
	220-225	Ox	0.175	2.86	0.192	3.06	0.208	1.621	108	53	
	225-230	Ox	0.128	2.92	0.134	5.91	0.142	3.314	106	56	
	JSF-15	40-45	Ox	0.066	0.91	0.066	0.80	0.043	0.150	65	19
		45-50	Ox	0.050	2.92	0.056	2.72	0.043	0.566	77	20
50-55		Ox	0.047	2.92	0.048	14.40	0.021	2.453	44	17	
55-60		Ox	0.039	2.92	0.038	9.62	0.021	2.117	55	22	
245-250		Mixed	0.005	2.89	0.004	3.79	0.002	1.270	50	34	
250-255	Mixed	0.010	2.92	0.010	5.72	0.006	3.431	60	60		
JSF-16	20-25	Ox	0.019	0.03			0.010	0.013	53	43	
	155-160	Mixed	0.017	0.16			0.019	0.048	112	30	
	160-165	Mixed	0.010	0.19			0.012	0.105	120	55	
	170-175	Mixed	0.019	0.13			0.014	0.024	74	18	
								Average of Oxide		88%	52%
								Average of Mixed		83%	39%

Table 16.2 Bottle-roll Testing on Jessup Drill-cuttings Composites and Trench Samples by McClelland Laboratories and RDI (1992 – 1997)

Company	Area	Drillhole	Ox/Sulf	Head Assays		Calculated Head		Au Rec	Ag Rec	CN	Lime	Lab	Test Comments	
				Au Grade (oz Au/t)	Ag Grade (oz Ag/t)	Au Grade (oz Au/t)	Ag Grade (oz Ag/t)							
Southwestern	Central J	Trench	Ox	0.082	0.31	0.073	0.37	78%	32%	0.1	17.0	McClelland	1/2 inch, 96 hours	
Southwestern	SJ West	Trench	Ox	0.010	0.16	0.010	0.16	90%	44%	0.1	8.9	McClelland	1/2 inch, 96 hours	
Americomm	San Jacinto	SWD-4	Mixed	0.186	10.80	0.230	9.37	83%	83%	1.2	5.9	RDI	150 mesh, 96 hours	
Echo Bay - 1	N. Jessup	PJ-17	Ox	0.012	0.08	0.011	0.10	91%	31%	2.6	52.6	McClelland	10 mesh, 120 hours	
Echo Bay - 2	N. Jessup	PJ-29	Ox	0.073	0.56	0.056	0.49	79%	21%	1.9	34.4	McClelland	10 mesh, 120 hours	
Echo Bay - 3	N. Jessup	PJ-29	Ox	0.627	0.50	0.673	0.59	90%	65%	1.3	34.0	McClelland	10 mesh, 120 hours	
Echo Bay - 4	N. Jessup	PJ-29	Ox	0.040	0.19	0.045	0.12	89%	28%	1.2	33.0	McClelland	10 mesh, 120 hours	
Echo Bay - 5	N. Jessup	EXJ-97-5	Ox	0.062	0.88	0.072	0.89	83%	18%	1.3	45.5	McClelland	10 mesh, 120 hours	
Echo Bay - 6	N. Jessup	EXJ-97-8	Sulf	0.036	0.46	0.042	0.41	12%	26%	2.7	40.1	McClelland	10 mesh, 120 hours	
Echo Bay - 7	N. Jessup	EXJ-97-13	Ox	0.097	1.35	0.093	1.23	73%	36%	3.6	67.2	McClelland	10 mesh, 120 hours	
								Average of Oxide	85%	35%				
								Mixed (one sample)	83%	83%				
								Sulfide (one sample)	12%	26%				

Gold recoveries of 78 and 90% were achieved from the Central Jessup and San Jacinto West samples, respectively, after 96 hours of leaching. Silver extraction was 32% on the Central Jessup sample and 43% on the San Jacinto West sample. Over 80% of the total extraction was complete in 24 hours of leaching, with additional extraction at a slow but significant rate until the completion of the test at 96 hours. It is likely that recoveries would show a small increase with a longer leach time. The study concluded that the samples were amenable to direct agitated cyanidation at an 80% minus ½ inch feed size; the initial gold and silver extraction rates were rapid; cyanide consumptions were very low; and lime requirements were moderate to high (Sorice, 1992).





16.3 Americomm Resources Corp. (1996)

One sample of RVC cuttings from a drillhole in the San Jacinto area was analyzed by RDI of Denver for Americomm using bottle roll, flotation, and gravity recovery methods (Armstrong, 1996). The drill-cuttings were crushed, blended and split, and about 300 g of material was pulverized to minus 200 mesh for gold and silver analyses, which were performed in triplicate.

For the bottle-roll test, the sample was stage-ground to 80% passing 150 mesh and leached for 96 hours. Cyanide concentration was maintained at 1.5 g/L during the test, and the pH was adjusted to 11.00. Gold and silver extraction was greater than 80% after 24 hours, and there was no further extraction past 24 hours. Details from Armstrong (1996) of the bottle-roll results and the cyanide and lime consumption are shown on Table 16.2.

The flotation test sample was stage-ground to 80% passing 150 mesh, and a 1 kg charge was used for testing. Five timed concentrates were collected – the first three using only sulfide collectors and frother. The fourth was initially conditioned with lime and copper sulfate to promote the flotation of sulfosalts, sphalerite, and arsenopyrite minerals. The final flotation stage was performed after the pulp was conditioned with sulfuric acid to pH 4.5. Results of flotation testing were poor, with 45% of the gold left in the tailing. Armstrong (1996) suggests that the gold in tails is most likely fine particles associated with silicate mineral.

The gravity test sample was ground to 80% passing 25 mesh and concentrated over a Diester shaking table. An initial rougher concentrate was collected and then cleaned to maximize extraction of precious metals. The results were considered to be moderate (Harrison, 1997) in that a high precious metal grade was produced in the cleaner concentrate (4.72 oz Au/ton and 526.77 oz Ag/ton), but this represented just 15% of the total gold content. The gravity tailings would require further treatment such as leaching to recover the remaining gold (Armstrong, 1996).

16.4 Echo Bay Mines (1997)

Echo Bay submitted seven drill-cuttings composites from five drillholes to McClelland Laboratories for bottle-roll metallurgical testing (McPartland, 1997). The drillholes were all from the North Jessup target area, and all seven composites were felsic ash tuff exhibiting silicic/argillic alteration. All samples were oxidized material from 120 feet or less in depth, except for sample 6 (drillhole EXJ-97-8) which was sulfidic. Each composite sample was split, and duplicate bottle-roll and head grade analyses were conducted on each composite. The averaged data for each of the Echo Bay samples are shown in Table 16.2.

The seven composites represented from five- to 90-foot drill intervals and weighed from 4.2 to 90.8 lbs. Each composite was blended and split to obtain two 2 kg samples. Each 2 kg sample was then split in half to produce a one kg sample for bottle-roll testing and another kg sample to be resplit into duplicate 500 g samples for direct head assay. For composite 3, which only represented a five-foot drill interval, the duplicate bottle-roll test split weights were each about 400 g, and head assay splits were about 150 g.





Head samples were assayed in duplicate using conventional FA fusion procedures to determine precious metal content. For composite samples 1, 2, and 4, head assay results showed “spotty” gold values with head grade agreement for those composites below normally expected limits of precision (McPartland, 1997). Head grade agreement for the other four composites was within normally expected limits. The “spotty” gold assay values may indicate the presence of “visible” free-milling gold or gold values associated with sulfide mineral particles (McPartland, 1997). Head assays and calculated head grades shown on Table 16.2 represent the average of the duplicate assays and duplicate bottle-roll tests from McPartland (1997).

The bottle-roll samples were crushed to a nominal 10 mesh feed size and then mixed with water to achieve 40 weight percent solids. Lime was added to adjust the pH of the pulps to 11.0; then sodium cyanide equivalent to 2.0 pounds per ton of solution was added.

All six of the composite oxide samples were amenable to direct agitated cyanidation, with gold extraction ranging from 73 to 91% after 120 hours of leaching. The one sulfide composite (sample 6) was not amenable to direct agitated cyanidation, with a gold extraction of just 12%. Gold recoveries from the duplicate tests generally agreed closely. The largest deviation occurred within composite 2 where the gold recoveries were 83 and 75%. Gold extraction was substantially complete in 24 hours of leaching. Silver extraction was less than 37%, except for a single sample for which extraction was 65%. Cyanide and lime consumption varied substantially but generally were high. McPartland (1997) reported that moderate to severe difficulty in controlling leaching pH was encountered with all seven composites. Generally much more than half of the total lime required was added during interim sampling intervals, after initial pH adjustment procedures.

Splits of composites 2 and 6 were sent to Hazen Research, Inc. for mineralogical and chemical study. Schwartz (1997) concluded that much of the gold in composite 6 was refractory and that gold often occurs sub-microscopically in arsenic-bearing sulfides, in line with the poor extraction result for that sample in the bottle-roll test. Schwartz (1997) indicated cyanide-leach test data would be needed for confirmation.

16.5 Snowwave (2001)

In 2001 when Snowwave was conducting its due diligence before acquiring the Jessup property, five drill-cuttings composites from four Echo Bay drillholes were submitted to American Assay Laboratories for shake leach and bottle roll tests (American Assay Laboratories, 2001). Three of the drillholes were from North Jessup, and a single drillhole was from San Jacinto; all of the sample material was from the near-surface oxide zone. The following discussion is taken from the American Assay 2001 report with results shown in Table 16.3.

An initial cyanide shake leach test was performed on a 15 g pulp split from each of the composite samples to determine optimal pulp density for the bottle-roll tests. Lower pulp densities were used for those samples with appreciable clay due to the absorption of solution into the clay. The pulp densities used for each bottle-roll test are shown in Table 16.3.





The bottle roll tests were conducted on 300 to 400 g samples stage-ground to minus 150 mesh. A solution of 1 lb/ton NaCN and then 5 grams of lime were added to each sample, which was then leached a total of 400 hours. Gold extraction averaged 84% for the six samples that contained appreciable gold mineralization. Extraction from the pulps was essentially complete after 24 hours, with samples achieving over 90% of the total extraction in as fast as two hours. Cyanide consumption averaged between one and two pounds per ton, while lime consumption was up to 30 pounds per ton.

Table 16.3 Bottle-roll Testing on Drill-cuttings Pulps for Snowwave by American Assay Laboratories (2001)

Drillhole	Interval	Area	Ox/Unox	Calculated Head Grade (oz Au/t)	Ag Rec (%)	Pulp Density (%)	CN (lbs/T)	Lime (lbs/T)	Comments
EXJ-97-10	35-65	N. Jessup	Ox	0.025	92%	25%	2	30	washed
EXJ-97-10	35-65	N. Jessup	Ox	0.025	96%	25%	2	30	unwashed
EXJ-97-10	65-75	N. Jessup	Ox	0.073	77%	29%	<1	25	unwashed
EXJ-97-10	45-65	San Jacinto	Ox	0.016	88%	33%	1	25	unwashed
EXJ-97-10	105-125	N. Jessup	Ox	0.024	75%	29%	2	<25	washed
EXJ-97-10	105-125	N. Jessup	Ox	0.024	75%	29%	2	<25	unwashed
EXJ-97-10	130-140	N. Jessup	Ox	<0.001	NA	33%	1	25	unwashed
Average oxide				84%					

For two of the samples, one part was washed before the bottle roll testing while the other part was not washed before testing. The washed sample was washed with 1000 ml of water and then filtered through filter paper before the NaCN solution and lime were added to start the leach process. The wash solution was analyzed for trace element geochemistry. No advantage was gained by washing. Washing seemed to deter extraction in the EXJ-97-10 sample, but the extraction rate for the washed sample in EXJ-97-53 was faster than for the unwashed sample.

In addition to the bottle roll tests, 104 8-hr shake tests were conducted on RVC sample reject pulps. These were tabulated and are presented below in Table 16.4. Note the significant decrease in recovery from oxide to sulfide and the significant change in arsenic grades from oxide to sulfide. The results under the “All Samples” heading are for all samples, including those that have cyanide recoveries over 100%, which indicates a problem with the assays or significant natural variability within the mineralization. The columns to the right look at only those samples with recoveries under 100%, and there is the expected decrease in average recoveries for all material types. It would be reasonable to assume that the “true” recoveries from pulverized would be between the two scenarios (i.e., the sulfide recovery average is between 31 and 47%).





Table 16.4 Cyanide 8-hour Shake Leach Tests on Pulps by American Assay Laboratories (2001)

	All Samples			Samples <100% Rec.	
	# Samples	Avg. Rec.	As (ppm)	# Samples	Avg. Rec.
Oxide	74	69%	761	61	59%
Mixed	10	54%	1,130	8	38%
Sulfide	20	47%	8,050	17	31%
Total	104			86	

16.6 Pan-Nevada (2006)

Pan-Nevada submitted 60 coarse rejects and eight pulps to ALS Chemex for 24-hour agitated cyanide leach analysis. The samples were individual five-foot intervals collected from the 2006 reverse circulation drilling rejects and were from drillholes scattered throughout the Jessup property. Forty-five of the coarse reject samples and four of the pulps were from oxide material, while 12 coarse reject samples and three pulps were sulfidic material. The remaining four samples (three coarse rejects and one pulp) were mixed oxide and sulfide.

The coarse reject samples were crushed by ALS Chemex to minus 10 mesh. An approximate 1 kg split of both the crushed reject and original minus 200 mesh pulp sample was used in the leach analysis. The samples were placed into a bottle-roll and then leached in 2000 ml of 0.25% cyanide solution for 24 hours, at which time the solution was analyzed for gold and silver. No head or tail analyses were performed, and there was no determination of cyanide consumption or extraction rates. Precious metal recoveries were calculated by comparing the cyanide extraction gold and silver grades versus the sample's original 50-gram FA value. The results of the cyanide extraction on the few pulp samples were varied, with both oxide and sulfide material showing both very poor to moderate gold extraction rates.

The coarse reject extraction results are shown in Table 16.5. Only 58 coarse reject samples, out of the 60 total, are indicated in the table due to the removal of two samples with less than detection (<0.001 oz Au/ton) FA values. The average gold recovery for the oxide material is 84%. This is very similar to the gold recovery results for oxide material as determined in the historic bottle-roll tests described above in section 16.1. The average gold recovery for the sulfidic material is 20%, a modest improvement over the 12% gold recovery value from the single bottle-roll test completed by Echo Bay. The Pan-Nevada results still indicate that sulfide material is not amenable to cyanide heap leach processes. The silver recoveries are moderate, and combined with the generally low silver grades would seem to indicate that silver would not be economically significant within the Jessup deposit.





Table 16.5 24-hour Agitated Cyanide Leach Tests on Pan-Nevada Drill Cutting by ALS Chemex (2006)

	All -10 mesh Samples			-10 mesh Samples <100% Rec.		
	# Samples	Au Rec.	Ag Rec.	# Samples	Au Rec.	Ag Rec.
Oxide	44	84%	59%	33	74%	39%
Mixed	3	40%	77%	2	9%	33%
Sulfide	11	20%	33%	11	20%	33%
Total	58	48%	57%	46	34%	35%

The right-side of Table 16.5 shows the adjusted values after the samples whose calculated recoveries are greater than 100 percent are removed from the analysis. As discussed above in Section 16.1.5, recovery rates over 100 percent indicate either a problem with the analytical results (within either the original FA or the cyanide leach test) or inherent natural variability of the mineralization. Significantly, one-fourth of the oxide samples had gold recoveries over 100 percent. None of the sulfide samples had gold recoveries over 100 percent, and it is likely that the poor extraction for the sulfide material dominates any natural variability. The large number of oxide samples with recovery rates over 100 percent would indicate significant variability within the mineralization, and this issue should be the focus of further work. The average recovery rates shown in the right side of Table 16.5 are likely conservative, since only the samples with unexplained high extraction rates have been removed.

A more detailed analysis of the sulfide results summarized in Table 16.5 indicates that the four lower grade samples (<0.03 oz Au/ton) averaged 42 percent gold recovery, while the seven higher grade samples averaged a very poor 8 percent gold recovery. All four of the low-grade sulfide samples were from two drillholes in North Jessup, while the seven high-grade samples were from San Jacinto West (three drillholes) and Central Jessup (one drillhole). Also, the low-grade samples were collected at a shallower depth (205 foot average drill depth) than the high-grade samples (324 foot average drill depth), indicating possible corrosion of the more near-surface pyrite. Additional work is required to determine whether gold grade, geography, depth and the effect of just minor surface oxidation of the sulfide, or possibly another factor, could play a significant role in sulfide recoveries.

16.7 Mineral Processing and Metallurgy Conclusions

The following conclusions are drawn exclusively from the limited metallurgical testing conducted by previous operators. Seventeen cyanide leach bottle roll tests have been completed on Jessup mineralization. All testing was on oxidized material except for one sulfidic sample and one mixed oxide/sulfide sample. The oxide material and the one mixed sample behaved similarly, with recovery rates for gold over 70 percent and averaging 84 percent gold recovery. Silver recovery was much more variable and averaged less than 50 percent. Various feed sizes were tested, and the limited data appear to indicate that the recovery rates in oxide material are not dependent on the feed size. The one sulfide sample had a poor extraction rate (12% Au recovery).





In addition to the bottle-roll tests, there are 129 cyanide 8-hour leach tests conducted on sample pulps from various drill programs and an additional 60 cyanide 24-hour leach tests on minus 10 mesh drill-cuttings completed by the issuer. The results indicate good recoveries for the oxide material with recoveries dependent more on leach time than on sample particle size. The sulfide recovery results were poor to moderate, with decreasing particle size having a positive effect on gold recovery. Eight-hour cyanide extraction of sulfidic pulp samples averaged 47 percent gold recovery, while the 24-hour extraction of minus 10 mesh sulfidic material averaged 20 percent gold recovery. These data, along with the single poor bottle roll result (12% Au extraction), indicate that the sulfidic material is not likely to be amenable to cyanide heap leach processes. Much more metallurgical work is required to better define the sulfidic material.

Because there are only bottle-roll tests (as opposed to column-leach tests), the metallurgical characterization of the mineralization at Jessup is considered preliminary. One cannot be certain how bottle-roll tests equate to leach pad recoveries, and one should not make the assumption that they are equal. In fact, bottle-roll tests often overstate leach pad recoveries. Further work should be done to define the metallurgical characteristics at Jessup including column test work, identifying changes throughout the deposits, examining the relationship to oxidation, and determining the cause for the high reagent requirements.





17 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

17.1 Introduction

The database currently defining the deposit and surrounding ground has 335 drillholes and 36 trenches totaling 123,775 feet (Table 17.1).

Table 17.1 List of Drilling and Trenching

	Core	RC	Trench	Rotary	Total
Number	9	270	36	56	371
Total Feet	3,638	98,995	10,582	20,560	123,775

17.2 Sample Coding and Compositing

Overall, the mineralization style at Jessup, although poorly defined due to the preponderance of RVC drilling, consists of evenly disseminated or weak stockwork mineralization and some high-grade zones that are probably fracture or vein related.

Table 17.2 Composite Statistics by Ore Deposit

Block Model	Estimation Type	# of Au Composites used	# of Ag Composites used	# of Drillholes Used	Composite Length (ft)	Block Dimensions (ft)
San Jacinto	ID2	2478	2399	113	20	20x20x20
Central and North	ID2	2787	2753	204	20	20x20x20
Tosh Hill	ID2	296	296	14	20	20x20x20
Totals	ID2	5561	5448	331	20	20x20x20

Table 17.3 presents the mean tonnage factor assigned to the rocks at Jessup.

Table 17.3 List of Tonnage Factors Used in Model

Zone/Lithology	Tonnage Factor
Unoxidized	13.5
Mixed	14.0
Oxidized	14.5





17.3 Resource Model and Estimation

The mineralization at Jessup is generally tabular in nature with a few higher-grade zones that dip vertically as well as horizontally. There are four deposits: San Jacinto, North Jessup, Central Jessup and Tosh Hill. The Jessup deposits have dimensions as follows:

- San Jacinto is 2000 ft long in an east-west direction with most of the mineralization lying between 4200 ft elevation and 4600 ft elevation. While much of the deposit is tabular, a higher-grade zone appears to be sub-vertical.
- Jessup (including Central and North) is 3000-ft long in a northwest direction, up to 1500-ft wide in the northeast direction. The deposits are all sub-vertical within a 100-ft thick zone with individual zones rarely over 50-ft thick, hence the loss from dilution to 20-ft benches.
- Tosh Hill is a very small deposit about 500 ft by 200 ft in plan view but is composed of only a few thin gently dipping zones.

All three models at Jessup were estimated with Ordinary kriging parameters which is a standard method of estimation for disseminated ore deposits. Figures 17.1 and 17.2.





Figure 17.1 San Jacinto Estimated Blocks Section 5b.

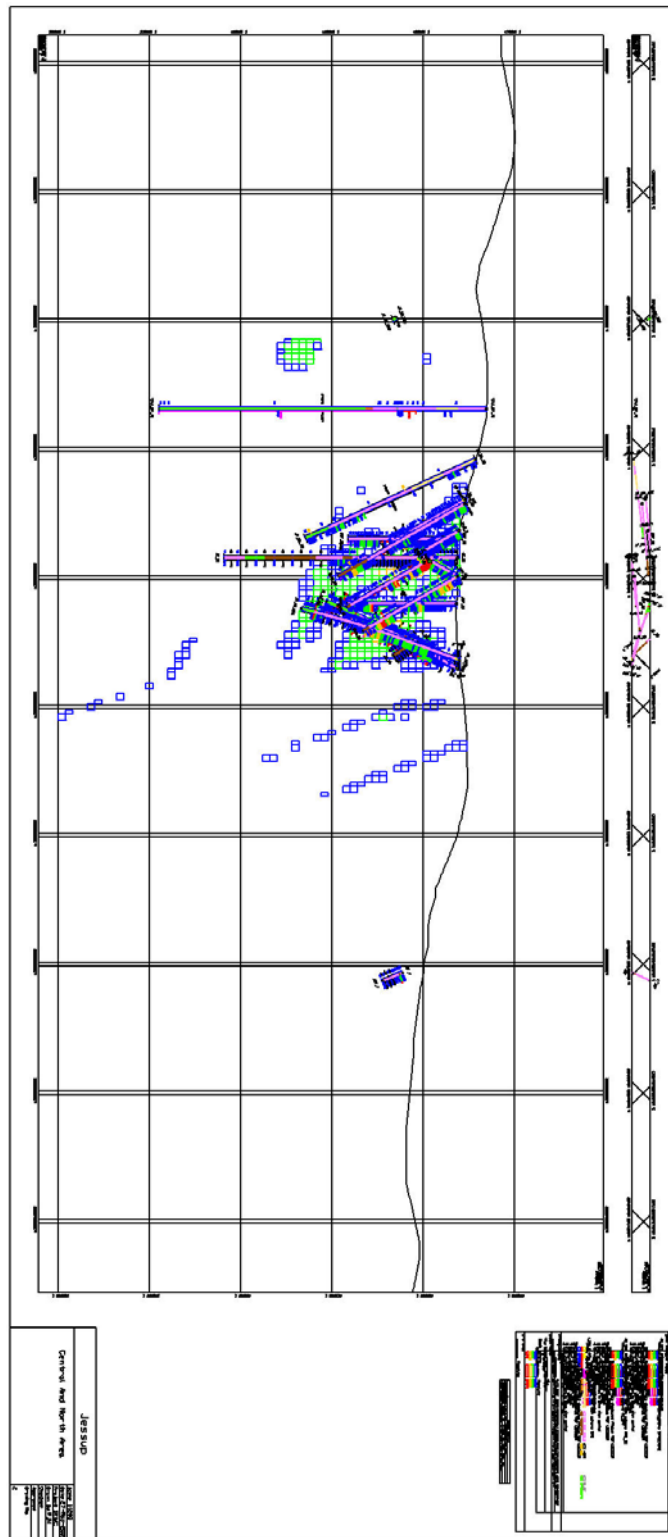
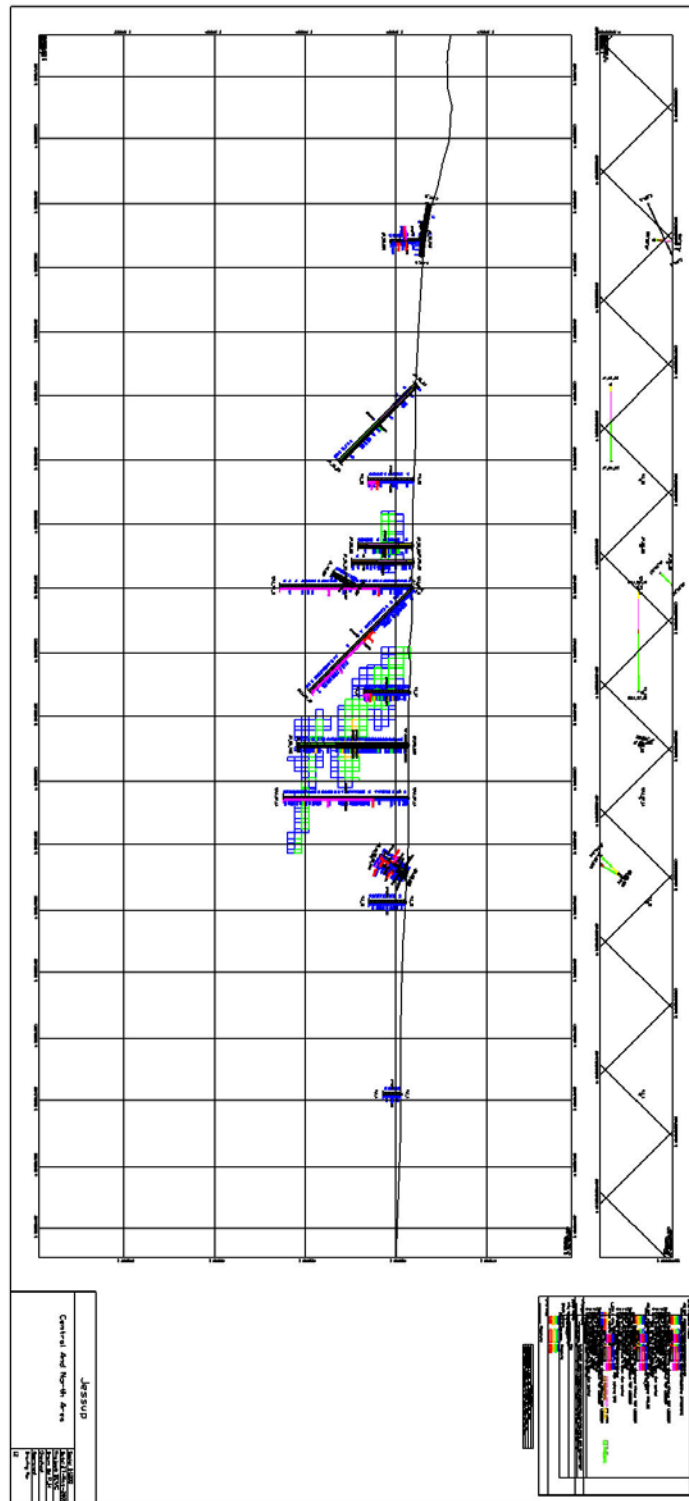




Figure 17.2 Central And North Jessup Model Blocs - Section 12.





17.4 Resources

SEWC classified the Jessup resource in order of increasing geological and quantitative confidence into categories to be in compliance with Canadian National Instrument 43-101 and the “CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines”, issued in 2000 and modified with adoption of the “CIM Definition Standards - For Mineral Resources and Mineral Reserves” in 2005.

SEWC classified the Jessup resources by a combination of distance to the nearest sample and the number of samples used to estimate a block. The criteria for resource classification are given in Table 17.4.

Table 17.4 Jessup Resource Classification Criteria

Resource Code	Resource Class	Number of Holes	Distance
1	Measured	2	<= 50
2	Indicated	2	> 50 <= 150
2	Indicated	1	<= 50
3	Inferred	1	> 50 <= 150
3	Inferred	Any	> 150 <= 500

SEWC is reporting the resources at cutoff grades that are reasonable for deposits of this nature. As such, some economic considerations were used to determine cutoff grades at which the resource is presented. SEWC considered gold prices and extractions costs and recoveries, albeit in a general sense. Applying these criteria greatly reduces the mineralized material that can be reported as resource.

The NI43-101 Compliant gold resources at Jessup are tabulated in Table 17.5. The stated resource is based on a gold grade cutoff of 0.005 oz Au/t for oxide, 0.010 oz Au/t for mixed and sulfidic mineralization. The Silver resources are reported in Table 17.6 as a byproduct of gold at the aforementioned cutoff grades.

Table 17.5 Measured, Indicated and Inferred Mineralization

	Measured Gold			Indicated Gold			Inferred Gold		
	Tons	Grade	Ounces	Tons	Grade	Ounces	Tons	Grade	Ounces
San Jacinto	4,866	0.014	66,000	7,939	0.012	95,000	2,473	0.015	38,000
North Central	3,564	0.017	60,000	5,505	0.013	70,000	2,038	0.016	32,000
Tosh Hill	142	0.014	2,000	492	0.014	7,000	442	0.016	7,000
Total	8,571	0.015	128,000	13,936	0.012	172,000	4,954	0.016	77,000





Table 17.6 Measured Indicated and Inferred Silver Ounces

	Measured Silver			Indicated Silver			Inferred Silver		
	Tons	Grade	Ounces	Tons	Grade	Ounces	Tons	Grade	Ounces
San Jacinto	4,866	0.278	1,352,000	7,939	0.215	1,704,000	2,473	0.278	687,000
North Central	3,564	0.230	820,000	5,505	0.211	1,163,000	2,038	0.205	417,000
Tosh Hill	142	0.085	12,000	492	0.079	39,000	442	0.095	42,000
Total	8,571	0.255	2,184,000	13,936	0.209	2,906,000	4,954	0.231	1,146,000

The material is shallow with low-strip ratios, and oxide recovery is moderate. Preliminary indications of recovery of gold in the sulfide material are not good and only modest in the mixed zone; hence the higher cutoff grade.

Silver contributions to the value of the project can be stated as an equivalent gold value. Using a gold price of \$750US/Ounce and a silver price of \$16US/Ounce the gold equivalent resources at Jessup are listed in Table 17.7.

Table 17.7 Gold Equivalent Ounces at Jessup (for informational purposes only)

	Measured Gold Equivalent			Indicated Gold Equivalent			Inferred Gold Equivalent		
	Tons	Grade	Ounces	Tons	Grade	Ounces	Tons	Grade	Ounces
San Jacinto	4,866	0.018	87,000	7,939	0.015	120,000	2,473	0.019	48,000
North Central	3,564	0.020	72,000	5,505	0.016	87,000	2,038	0.019	38,000
Tosh Hill	142	0.014	2,000	492	0.016	8,000	442	0.016	7,000
Total	8,571	0.019	161,000	13,936	0.015	215,000	4,954	0.019	93,000

The resources by deposit are listed in Table 17.8. Again the gold equivalent ounces are for informational purposes only.





17.8 Resources by Ore Deposit

Deposit	Resource Category	Tons (x1,000)	Gold Grade	Silver Grade	Gold Ounces	Silver Ounces	AuEQ Ounces
San Jacinto	Measured	4,866	0.014	0.278	66,000	1,352,000	87,000
	Indicated	7,939	0.012	0.215	95,000	1,704,000	120,000
	Inferred	2,473	0.015	0.278	38,000	687,000	48,000
North Central	Measured	3,564	0.017	0.230	60,000	820,000	72,000
	Indicated	5,505	0.013	0.211	70,000	1,163,000	87,000
	Inferred	2,038	0.016	0.205	32,000	417,000	38,000
Tosh Hill	Measured	142	0.014	0.085	2,000	12,000	2,000
	Indicated	492	0.014	0.079	7,000	39,000	8,000
	Inferred	442	0.016	0.095	7,000	42,000	7,000
Total Measured Resources					128,000	2,184,000	161,000
Total Indicated Resources					172,000	2,906,000	215,000
Total Inferred Resources					77,000	1,146,000	93,000

17.5 Model Checks

- Cross sections with the mineral domains, drillhole assays and geology, topography, sample coding, and block grades with classification were reviewed for reasonableness;
- Block-model information, such as coding, number of samples, and classification were checked by domain and lithology on a bench-by-bench basis on the computer;
- Cross-section volumes to long-section volumes were checked;
- A nearest neighbor and inverse distance model were made for comparison;
- A simple polygonal model was made

In the end, it is deemed that the resource estimate is reasonable and supported by the geologic model.

17.6 Discussion, Qualifications, Risk and Recommendations

Several risks and qualifications exist with respect to the Jessup gold and silver resource estimate and model. For the Jessup deposit, the most important observations that can be presented to the reader are the relatively small size of the reported resource as compared to the total mineralized domain. Total mineralized material at a cutoff of 0.01 AuEq/t is 11,693,000 tons grading 0.021 oz AuEq/t for 240,000 oz AuEq, or 0.02 oz Au/t for 185,000 oz Au and 0.24 oz Ag/t for 2,759,000 oz Ag. This is compared to the Indicated and Inferred ounces that total 25% less than the estimated mineralized material. It is material that the resource in 1997 estimated 241,000 ounces of gold equivalent, almost identical to the 2006 estimate.

MDA has reported the undiluted resource. This is reported as such because mining methods and consequent dilution are not known. The impact of diluting to 20 ft is not immaterial but does represent likely the worst case for dilution.





18 OTHER RELEVANT DATA AND INFORMATION

There are no other data and information that are relevant to the Jessup Project.





19 INTERPRETATIONS AND CONCLUSIONS

The author believes that the Jessup project is a property of merit whose principal asset is a gold and silver resource; however, the resource still requires significant development. In addition, further drilling within the resource area to follow high-angle structural zones and breccias bodies is warranted,

Furthermore, there are outlying targets that could provide additional resource material for the Jessup project. A program should include drilling these outlying areas as well as in-fill drilling for high-grade gold and silver that could increase the known resource areas.





20 RECOMMENDATIONS

Jessup is a property of merit whose principal asset is an Indicated and Inferred gold and silver resource. SEWC believes the emphasis should include drilling the outlying target areas as well as in-fill drilling for high-grade gold and silver that could increase the known resource areas.

20.1 Phase 2 Recommendations

SEWC believes that the Jessup project is a property of merit whose principal asset is a gold and silver resource. Prior to development and upgrading the classification to Measured, the resource will require additional work including metallurgy, density sampling, detailed QAQC, sample integrity work, and heterogeneity studies.

Based on Rye Patch Gold's new geologic model showing higher grade gold and silver associated with high-angle breccias zones and faults, the San Jacinto, and North Jessup resource areas will benefit from angle drilling along these newly defined trends. The result could elevate the resource average grade, and provides additional opportunity to expand the know resource areas.

Exploration work at Jessup should include additional surface exploration work at Tosh Hill target area. Following that work and a thorough review of the geologic cross sections, a drill plan can be designed to adequately test the Tosh Hill area as well extensions of the high-grade gold and silver mineralization intercepted in 2008 at North Jessup. The south extension of San Jacinto target area should be also tested for buried mineralization.

Further drilling outside the resource area is also warranted. The author believes a dual-pronged approach is needed to fully evaluate the potential of the Jessup mineral system, and Phase 2 work program should be aimed at addressing the high-angle, mineralized structural zones, upgrading the existing resource, and continued evaluation of outlying exploration targets. To upgrade the existing resource, work would include in situ density studies, a few core holes to validate the model, metallurgical sampling and studies, metallic screens. Overall, a budget of US\$340,000 is recommended for these suggested tasks. This work should include 1,500 feet of core and 5,000 feet of reverse circulation drilling. Using a nominal depth of drilling as 300 feet, a total of 21 drillholes would be needed to answer and resolve the technical issues, and advance the project to the next phase.





Table 20.1 Phase 2 Recommended Budget

Drilling:	\$170,000
Analyses	20,000
Labor	60,000
Metallurgical Testing	50,000
Environmental	25,000
Supplies	5,000
Contingency	10,000
TOTAL	US\$340,000

Figure 20.1 shows the distribution of recommended drilling within the San Jacinto, Central and North Jessup resource areas as well as the outlying exploration targets.

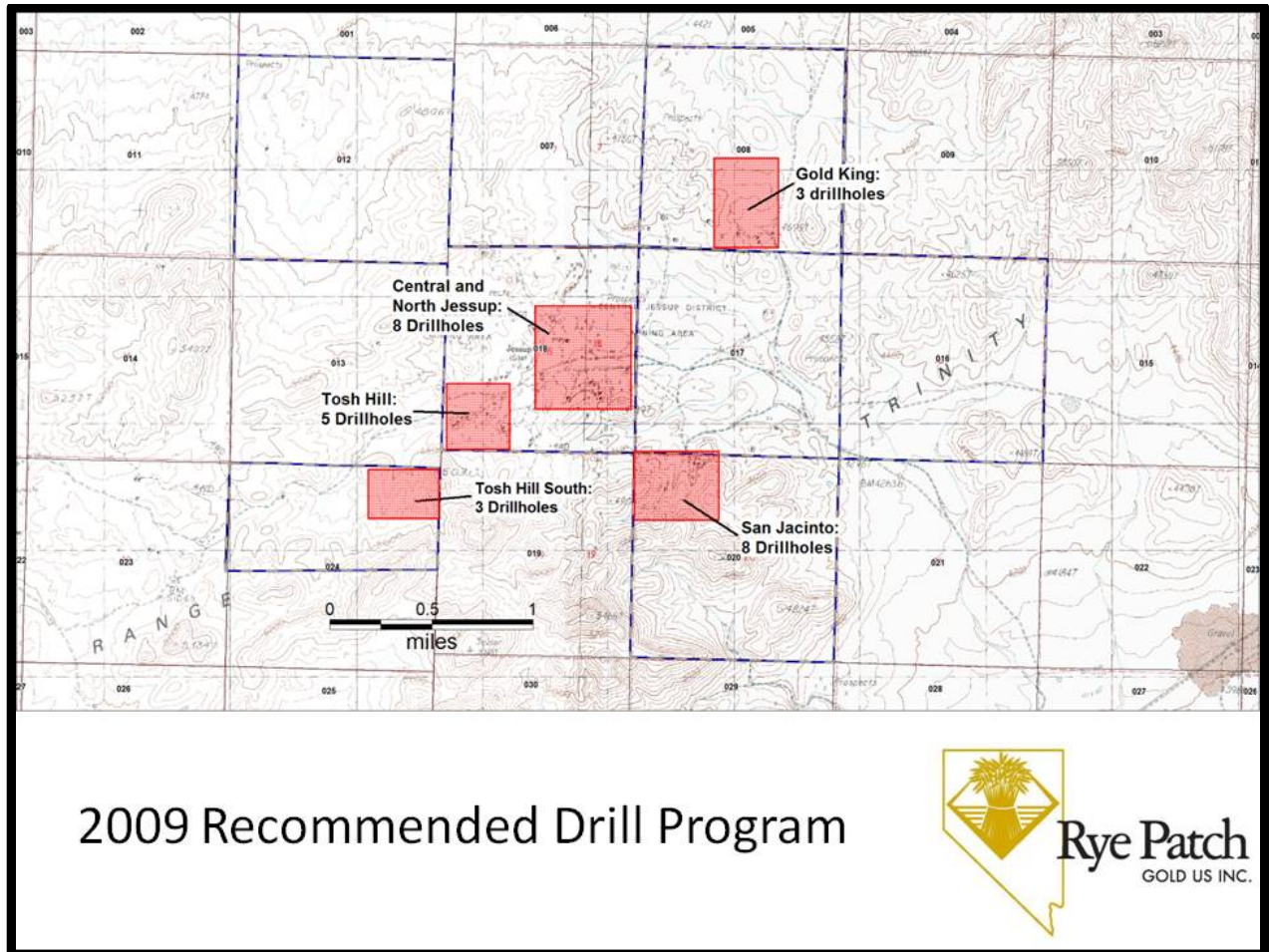
20.2 Phase 3 Recommendations

If exploration is successful and additional resources are defined, a larger budget for similar work as described in Phase 2 recommendations but of larger scope would be recommended. In addition, engineering studies would be justified. While a detailed costing of such a program cannot be made at this time, suffice it to say that a program would likely be several times larger than the Phase 2 recommendation.





Figure 20.1 Recommended 2009 Drill Program





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22 DATE

The effective date of this report is July 17, 2009.





23 ADDITIONAL REQUIREMENTS FOR DEVELOPING OR PRODUCING PROPERTIES

The Jessup Project is neither a developing nor is it a producing property.





24 AUTHOR'S CERTIFICATE

I, Scott E. Wilson, of Highlands Ranch, Colorado, do hereby certify:

1. I am currently employed as President by Scott E. Wilson Consulting, Inc., 6 Inverness Court East, Suite 110, Englewood, CO 80112.
2. I graduated with a Bachelor degree in Geology from California State University Sacramento in 1989.
3. I am a Certified Professional Geologist and member of the American Institute of Professional Geologists (CPG #10965) and a Registered Member (#4025107) of the Society for Mining, Metallurgy and Exploration, Inc.
4. I have worked as a geologist for a total of 20 years.
5. 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.
6. I am responsible for the preparation of the technical report titled *Technical Report – Rye Patch Gold Corp. Gold Corp., Jessup Project, Pershing County, Nevada, USA* dated July 17, 2009 relating to the Jessup Project. I visited the Jessup Project on April 17, 2009 for one day.
7. Prior to the visit in April 2009, I had no involvement with the Jessup Project.
8. As of the date of the certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
9. That I have read NI 43-101 and Form 43-101, and that this technical report was prepared in compliance with NI 43-101.
10. I am independent of the issuer applying all of the tests in Section 1.4 of NI 43-101.
11. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Dated July 17, 2009

Signature of Qualified Person

Scott E. Wilson

Print Name of Qualified Person

