



MINE DEVELOPMENT ASSOCIATES
MINE ENGINEERING SERVICES

Updated Technical Report
Afgan-Kobeh Project
Eureka County, Nevada USA



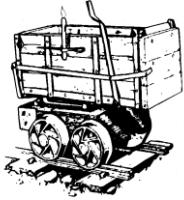
Prepared for
NV Gold Corporation

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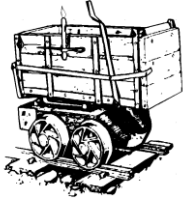


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APPENDICES

Appendix A Afgan-Kobeh Project Unpatented Mining Claims



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1.0 EXECUTIVE SUMMARY

Mine Development Associates (“MDA”) has prepared this updated technical report for the Afgan-Kobeh project at the request of NV Gold Corporation (“NV Gold”). This report was written in compliance with disclosure and reporting requirements set forth in the Canadian Securities Administrators’ National Instrument 43-101 (“NI 43-101”), Companion Policy 43-101CP, and Form 43-101F1.

This report updates the information provided in the previous technical report prepared on the Afgan-Kobeh project by MDA for NV Gold (Gustin, 2010), including an updated resource estimate of the Afgan deposit that includes drill data from the 2007 drilling program of Midway Gold Corp. (“Midway”) and NV Gold’s 2010 drill data, both of which post-date the previous resource estimation.

1.1 Introduction

The Afgan-Kobeh project is located about 28 miles northwest of Eureka in Eureka County, Nevada, and consists of 109 unpatented lode mining claims. These claims cover an area of approximately 2,180 acres in all or portions of Sections 17 through 20 and 29 through 32, T22N, R51E, Mount Diablo Base and Meridian. NV Gold also leases additional claims, comprising the Roberts Gold property, that lie immediately to the north of Afgan-Kobeh, but these claims are not the subject of this technical report.

Afgan-Kobeh lies near the southeastern limit of an alignment of mineral deposits referred to as the Battle Mountain-Eureka gold trend. A variety of types and ages of mineral deposits, including sedimentary rock-hosted gold mineralization, is found along the trend. The Battle Mountain-Eureka trend and the Carlin gold trend to the northeast are widely believed to reflect major crustal structures and jointly account for a significant number of the sedimentary rock-hosted disseminated gold deposits in the western United States.

NV Gold signed an agreement to purchase the Afgan-Kobeh property from Gold Standard Royalty (Nevada) Inc. (“Gold Standard”) for \$200,000 in cash, of which \$100,000 was paid on closing and the remaining \$100,000 is to be paid on first anniversary of the closing date (June 14, 2011), as well as 600,000 shares and 600,000 share purchase warrants of NV Gold. Gold Standard will retain a 1% NSR royalty on the property and on claims located within a surrounding area of interest. Gold Standard is a subsidiary of Golden Predator Royalty & Development Inc.

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1.2 Exploration and Mining History

Lyle F. Campbell originally located claims north of Afgan-Kobeh in the late 1970s and optioned the claims to American Selco, Inc. (“Amselco”). Amselco subsequently identified anomalous gold in outcrop to the south and staked the original claims of the Afgan claim block. The Kobeh claims south of the Afgan claim block were added to the project by Great Basin Exploration and Mining, Inc. (“Great Basin”) in 1991. Exploration has been primarily focused on the Afgan portion of the property, where significant gold mineralization was encountered in drilling in the 1990s.

The property has been explored by Amselco, Hecla Mining Company (“Hecla”), Santa Fe Mining, Inc. (“Santa Fe”), Phelps Dodge Mining Company (“Phelps Dodge”), Great Basin, Cominco American Inc. (“Cominco”), White Knight Gold, Inc. (“White Knight”), and Midway from 1980 through 2007. In addition, the Lyle F. Campbell Trust (“LFC Trust”), underlying owner of the Afgan and Kobeh claims for much of the period from 1980 to 2007, explored the project at various times when no leases were active. Westley Explorations Inc. and Castleworth Ventures Inc. also held parts of the property in the past, but did not undertake significant exploration activities. In 2007, Gold Standard purchased all of the properties of the LFC Trust, and NV Gold purchased its interests in both the Afgan and the Kobeh properties from Gold Standard in 2010.

A total of 196 holes have been drilled at Afgan-Kobeh. Phelps Dodge drilled 63 RC holes on the Afgan portion of the property in 1990-1991, which has been the largest drilling program to date. Gold mineralization was intercepted in 55 of their 63 holes. NV Gold completed 25 reverse circulation (“RC”) holes in 2010. Geologic mapping, geochemical sampling, regional gravity and electromagnetic surveying, and CS-AMT and other geophysical surveys have been completed on the property.

There has been no gold production from the Afgan-Kobeh project.

1.3 Geology and Mineralization

Gold occurs at the Afgan deposit as oxidized, epithermal, disseminated, sedimentary rock-hosted mineralization located primarily at the brecciated base of a clastic section identified as probable Webb Formation of Mississippian age. The Webb Formation overlies the Devonian-aged Devils Gate Limestone, which hosts a smaller portion of the gold resource. The Webb Formation – Devils Gate Limestone contact, which has been interpreted by some workers to be a fault, forms a northwest-trending, southeast-plunging anticlinal flexure. Subsequent east tilting has resulted in very gentle to flat dips on the western limb of the flexure and moderate dips on the eastern limb. While the Webb Formation – Devils Gate Limestone contact is the principal control of the Afgan mineralization, displacements along the contact seem to correlate at least locally with higher-grade gold. Such displacements may be due to structural offsets and/or carbonate dissolution and associated collapse features. Tertiary volcano-sedimentary rocks unconformably overlie the Paleozoic rocks and are oriented roughly parallel to the Webb Formation – Devils Gate Limestone contact along the eastern limb of the anticlinal flexure.

The 2011 resource work culminated in a block model of the Afgan deposit in which approximately 75% of the mineralized blocks are coded as Webb Formation, with the remaining 25% modeled as Devils



Gate Limestone. The Afgan deposit extends for about 3,500 feet in a north-northwest direction and 1,500 feet east-west.

The Afgan deposit is similar to other sedimentary rock-hosted gold deposits in Nevada, such as the Rain gold mine. At Rain, gold is associated with brecciated, oxidized, silicified and argillized mudstones, siltstones, and sandstones of the Webb Formation immediately above its unconformable contact with the Devils Gate Limestone.

1.4 Drilling and Sampling

The database used for the modeling of the updated resources was created by MDA and includes 181 holes, for a total of 63,303 feet of drilling (Table 1.1). The only holes on the Afgan-Kobeh project known to MDA, but not included in the database, are 15 shallow air-track holes (for a total of 292 feet) drilled by the LFC Trust in 1988 for assessment purposes; none of these 15 holes reportedly penetrated bedrock.

Table 1.1 Afgan-Kobeh Drilling Summary

| Company | Year | Rotary | | RC | | Air-track | | Core | | Total Drill Holes | Total Footage |
|--------------|----------------------|------------------|-------|--------------------|--------|-----------|------|------|-------|-------------------|---------------|
| | | No. | Feet | No. | Feet | No. | Feet | No. | Feet | | |
| Amselco | 1981 | 24 | 6,860 | | | | | | | 24 | 6,860 |
| Hecla | 1986 | | | 8 | 2,850 | | | | | 8 | 2,850 |
| LFC Trust | 1989-90 ¹ | | | | | 9 | 994 | | | 9 | 994 |
| Santa Fe | 1988-89 | | | 13 | 5,130 | | | | | 13 | 5,130 |
| Phelps Dodge | 1990-91 | | | 63 | 15,640 | | | | | 63 | 15,640 |
| Great Basin | 1993 | [2] ² | 604 | 6+[1] ² | 4,107 | | | 9 | 4,370 | 15 | 9,081 |
| Cominco | 1996 | | | 16 | 11,695 | | | | | 16 | 11,695 |
| Midway | 2007 | | | 8 | 3,250 | | | | | 8 | 3,250 |
| NV Gold | 2010 | | | 25 | 7,803 | | | | | 25 | 7,803 |
| TOTAL | | 24 | 7,464 | 139 | 50,475 | 9 | 994 | 9 | 4,370 | 181 | 63,303 |

Note: the 15 air-track holes drilled in 1988 by LFC Trust are not included in MDA resource database.

The shallow nature of the drilling, combined with the overall lack of ground water intersected within the resource area, appears to have limited the potential effects of down-hole contamination.

MDA knows little concerning the sampling, sample handling, and sample security procedures employed in the various historic drilling programs undertaken at Afgan-Kobeh, other than the sample sizes are acceptable and the programs were undertaken by reputable and well-known mining/exploration companies. Gold appears to have been primarily analyzed by fire assay methods with either a gravimetric or atomic absorption finish.

Quality assurance/quality control data for the Phelps Dodge, Cominco, Midway, and NV Gold drilling programs were compiled and reviewed. No serious issues were identified, although there is an overall lack of relevant data that preclude statistically meaningful conclusions in many cases.



1.5 Metallurgical Testing

Cyanide-leach analyses were performed on a number of the LFC Trust and Phelps Dodge drill samples. Cyanide extractions average 89% for all data, with mineralization hosted by the Webb Formation averaging 91%. While there are too few cyanide-extraction data from Devils Gate Limestone mineralization, those available average 78%. About 75% of the gold mineralization modeled by MDA is hosted by the Webb Formation.

Cyanide-leach analyses were also conducted on 102 Midway drill samples, yielding results (average extractions of 87% and 79% for Webb Formation and Devils Gate Limestone, respectively) that are reasonably consistent with the earlier analyses on LFC Trust and Phelps Dodge samples.

Kappes, Cassiday & Associates (“KCA”) performed two sets of bottle-roll leach tests on coarse rejects from NV Gold’s 2010 drilling program. Phase I consisted of 42 leach tests that yielded gold extractions that range from 36 to 98%, with an average of 78%. KCA noted that the majority of the data in every grade category shows an average gold extraction of about 80%, and concluded that neither the formation nor the grade of the reject material will affect the percentage of gold removed from any sample in a statistically significant way. Phase II consisted of 20 additional tests of drill-sample coarse rejects. Gold extractions range from 48% to 96%, with an average of 77%.

Additional metallurgical work, including column-leach testing at various feed sizes, is needed to adequately categorize the Afgan mineralization and to optimize processing options. The test work completed to date supports the likelihood that heap leaching is a viable processing alternative.

1.6 Mineral Resource Estimation

The updated Afgan gold resources were modeled and estimated by evaluating the drill data statistically, utilizing cross-sectional lithologic and structural interpretations provided by NV Gold to interpret mineral domains on cross sections spaced at 100-foot intervals, rectifying the mineral domain interpretations on long sections spaced at 20-foot intervals, analyzing the modeled mineralization statistically to aid in the establishment of estimation parameters, and estimating gold grades by inverse-distance methods into a block model with 20 foot (width) x 20 foot (length) x 20 foot (height) blocks that were coded to the mineral domains by the 20-foot mineral domain polygons. All modeling of the diluted resources was performed using Gemcom Surpac® software.

The current block-diluted Afgan resources are presented in Table 1.2.



Table 1.2 Afgan-Kobeh Gold Resources

| Indicated | | |
|-----------|-----------|--------|
| Tons | oz Au/ton | oz Au |
| 3,206,000 | 0.021 | 66,000 |

| Inferred | | |
|-----------|-----------|--------|
| Tons | oz Au/ton | oz Au |
| 3,972,000 | 0.014 | 55,000 |

A cutoff of 0.006 oz Au/ton was chosen to capture oxidized mineralization potentially available to open-pit extraction and heap-leach processing.

No Measured resources are reported for the project due to a combination of: (1) the general insufficiency of QA/QC data; (2) the need for additional metallurgical data; (3) the lack of bulk-density data; and (4) uncertainty with regards to the exact location of some drill holes.

1.7 Conclusions and Recommendations

MDA has reviewed the project data and has visited the project site. MDA believes that the data provided to MDA are generally an accurate and reasonable representation of the Afgan project and are acceptable for use in the updated resource estimation described herein.

The Afgan resources are open for possible expansion in several areas. The deposit is open down-dip to the east, although the prospective zone is deepening rapidly. The resources are also open to the south, where extensions of existing drill intersections have not been tested, although this mineralization is also relatively deep. Several holes have penetrated well beyond the lower portions of the Afgan deposit and encountered anomalous gold along stratigraphic contacts, which indicates that structural intersections with these contacts could provide targets for deeper exploration.

Potential also exists to increase resource grades locally within the present limits of the gold resources. Higher-grade mineralization occurs in relatively restricted areas within structural and/or dissolution breccias. Infill drilling could identify additional higher-grade pods, as well as extend presently identified zones of higher-grade mineralization.

NV Gold plans to conduct additional drilling at Afgan-Kobeh during the 2011 field season. This program will include approximately 30 RC holes for a total of about 10,000 feet. Infill and step-out holes will be drilled in the Afgan deposit area, with additional holes planned elsewhere to test targets developed since the completion of the 2010 exploration program. The goals of the program are to expand the resource base and increase both the confidence and grade of the existing resources. The costs of this program are estimated to be approximately US\$250,000.



2.0 INTRODUCTION AND TERMS OF REFERENCE

Mine Development Associates (“MDA”) has prepared this updated technical report for the Afgan-Kobeh project at the request of NV Gold Corporation (“NV Gold”), a Canadian corporation listed on the TSX Venture Exchange. This report updates the 2004 Afgan resource estimate based on NV Gold’s 2010 drilling. This report was written in compliance with disclosure and reporting requirements set forth in the Canadian Securities Administrators’ National Instrument 43-101 (“NI 43-101”), Companion Policy 43-101CP, and Form 43-101F1.

2.1 Project Scope and Terms of Reference

The purpose of this technical report is to provide an updated resource estimate of the Afgan deposit for NV Gold and to satisfy NV Gold’s obligation to file a technical report to be made available to the public.

The project consists of what had previously been two separate properties – Afgan and Kobeh. In this report, “Afgan” refers only to the original Afgan portion of the project, which includes the Afgan deposit, “Kobeh” refers to the original Kobeh property, and “Afgan-Kobeh” refers to the current combined property. The Afgan portion of the project was previously described in a technical report (Gustin, 2004), and the Afgan-Kobeh property was described in a 2010 technical report (Gustin, 2010). NV Gold has recently leased the Roberts Gold property immediately north of Afgan-Kobeh, but this property is not the subject of this report.

Michael M. Gustin, MDA Senior Geologist and author of this report, is a qualified person under NI 43-101. There is no affiliation between Mr. Gustin and NV Gold except that of an independent consultant/client relationship.

The scope of this study included a review of pertinent technical reports and data, provided to MDA by NV Gold and previous owners of the project, relative to the general setting, geology, project history, exploration activities and results, methodology, quality assurance, interpretations, resources, and metallurgy of the project. MDA has relied on the data and information provided by NV Gold and previous owners of the Afgan-Kobeh project for the completion of this report, including the supporting data for the estimation of the mineral resources. Other significant references are cited in the text and listed in Section 21.0.

MDA reviewed the project data and drill-hole database, visited the project site, collected samples, and verified drill locations. MDA believes that the data provided by NV Gold are generally an accurate and reasonable representation of the Afgan-Kobeh gold project.

The author visited the Afgan-Kobeh project on April 12, 2004, May 22, 2010, and November 6, 2010. These site visits included field reviews of the overall geology, including inspections of numerous mineralized and unmineralized outcrops, the collection of surface samples for analyses, and review of the ongoing 2010 reverse-circulation drilling program.



MDA has made such independent investigations as deemed necessary in the professional judgment of Mr. Gustin to be able to reasonably support the conclusions discussed herein.

The Effective Date of this updated technical report is May 9, 2011, unless otherwise stated.

2.2 Frequently Used Acronyms, Abbreviations, Definitions, and Units of Measure

Currency, units of measure, and conversion factors used in this report include:

Linear Measure

| | |
|--------|--------------------|
| 1 inch | = 2.54 centimeters |
| 1 foot | = 0.3048 meter |
| 1 yard | = 0.9144 meter |
| 1 mile | = 1.6 kilometers |

Area Measure

| | | |
|---------------|------------------|----------------|
| 1 acre | = 0.4047 hectare | |
| 1 square mile | = 640 acres | = 259 hectares |

Capacity Measure (liquid)

| | | |
|-------------|------------|---------------|
| 1 US gallon | = 4 quarts | = 3.785 liter |
|-------------|------------|---------------|

Weight

| | | |
|-----------------|---------------|-----------------------|
| 1 short ton | = 2000 pounds | = 0.907 tonne |
| 1 pound = 16 oz | = 0.454 kg | = 14.5833 troy ounces |



| Analytical Values | <u>percent</u> | <u>grams per metric tonne</u> | <u>troy ounces per short ton</u> |
|--------------------------|----------------|-----------------------------------|--------------------------------------|
| 1% | 1% | 10,000 | 291.667 |
| 1 gm/tonne | 0.0001% | 1 | 0.0291667 |
| 1 oz troy/short ton | 0.003429% | 34.2857 | 1 |
| 10 ppb | | | 0.00029 |
| 100 ppm | | | 2.917 |

Currency Unless otherwise indicated, all references to dollars (\$) in this report refer to currency of the United States.

Frequently used acronyms and abbreviations

| | |
|-----------|--|
| AA | atomic absorption spectrometry |
| Au | gold |
| BLM | U.S. Department of the Interior, Bureau of Land Management |
| CIM | Canadian Institute of Mining, Metallurgical, and Petroleum |
| °F | degrees Fahrenheit |
| FA-AA | fire assay with an atomic absorption finish |
| ft | foot or feet |
| in | inch |
| NSR | net smelter return |
| opt | troy ounces per short ton |
| oz Au/ton | troy ounces of gold per short ton |
| RC | reverse-circulation drilling method |
| ton | one short ton = 2,000 pounds |



3.0 RELIANCE ON OTHER EXPERTS

The author is not an expert in legal matters, such as the assessment of the legal validity of mining claims, mineral rights, and property agreements in the United States. The author did not conduct any investigations of the environmental or social-economic issues associated with the Afgan-Kobeh project, and the author is not an expert with respect to these issues.

The author relies on information provided by NV Gold, including a title report pertaining to the Afgan-Kobeh project mining claims provided by Bensing & Associates, Inc. (Stewart, 2010), as well as additional information provided by NV Gold, to summarize the title and status of the land that comprises the Afgan-Kobeh project, the terms of property agreements, and the existence of applicable royalty obligations. Section 4.2 and Section 4.3 are based on information provided by NV Gold, and the author offers no professional opinions regarding the provided information.

MDA has relied on NV Gold to provide full information concerning the legal status of NV Gold, as well as current legal title, material terms of all agreements, and material environmental and permitting information that pertain to the Afgan-Kobeh.



4.0 PROPERTY DESCRIPTION AND LOCATION

The author is not an expert in land, legal, environmental, and permitting matters. The information presented in Section 4.2 and Section 4.3 is based entirely on information provided to MDA by NV Gold, including a title report pertaining to NV Gold's Afgan – Kobeh claims that was provided by Bensing and Associates (Stewart, 2010). MDA presents this information to fulfill reporting requirements of NI 43-101.

4.1 Location

The Afgan-Kobeh project is located in Eureka County, north-central Nevada, about 28 miles northwest of Eureka, the county seat (Figure 4.1). The property lies at the southern end of the Roberts Mountains in the Great Basin portion of the Basin and Range Province. The Afgan-Kobeh property is not situated within a previously established mining district.

4.2 Land Area and Mining Claim Description

The Afgan-Kobeh project consists of 109 unpatented lode mining claims that cover an area of approximately 2,180 acres within Eureka County, Nevada. The claim boundaries were located by physical staking. The mining claim group covers all or portions of Sections 17-20 and 29-32, T22N, R51E, Mount Diablo Base and Meridian (Stewart, 2010). A listing of the claim names and U.S. Department of the Interior, Bureau of Land Management ("BLM") recordation information is presented in Appendix A. These claims are administered by the BLM on federally owned lands. The BLM administers the lands in the area under the Federal Land Policy and Management Act of 1976.

In October 2010, NV Gold entered into a mining lease agreement for the Roberts Gold property, which is comprised of 104 unpatented mining claims covering about 2,080 acres that is contiguous to and north of the Afgan-Kobeh property (NV Gold news release dated October 5, 2010). For purposes of this technical report, the Roberts Gold property is not considered to be part of the Afgan-Kobeh project.

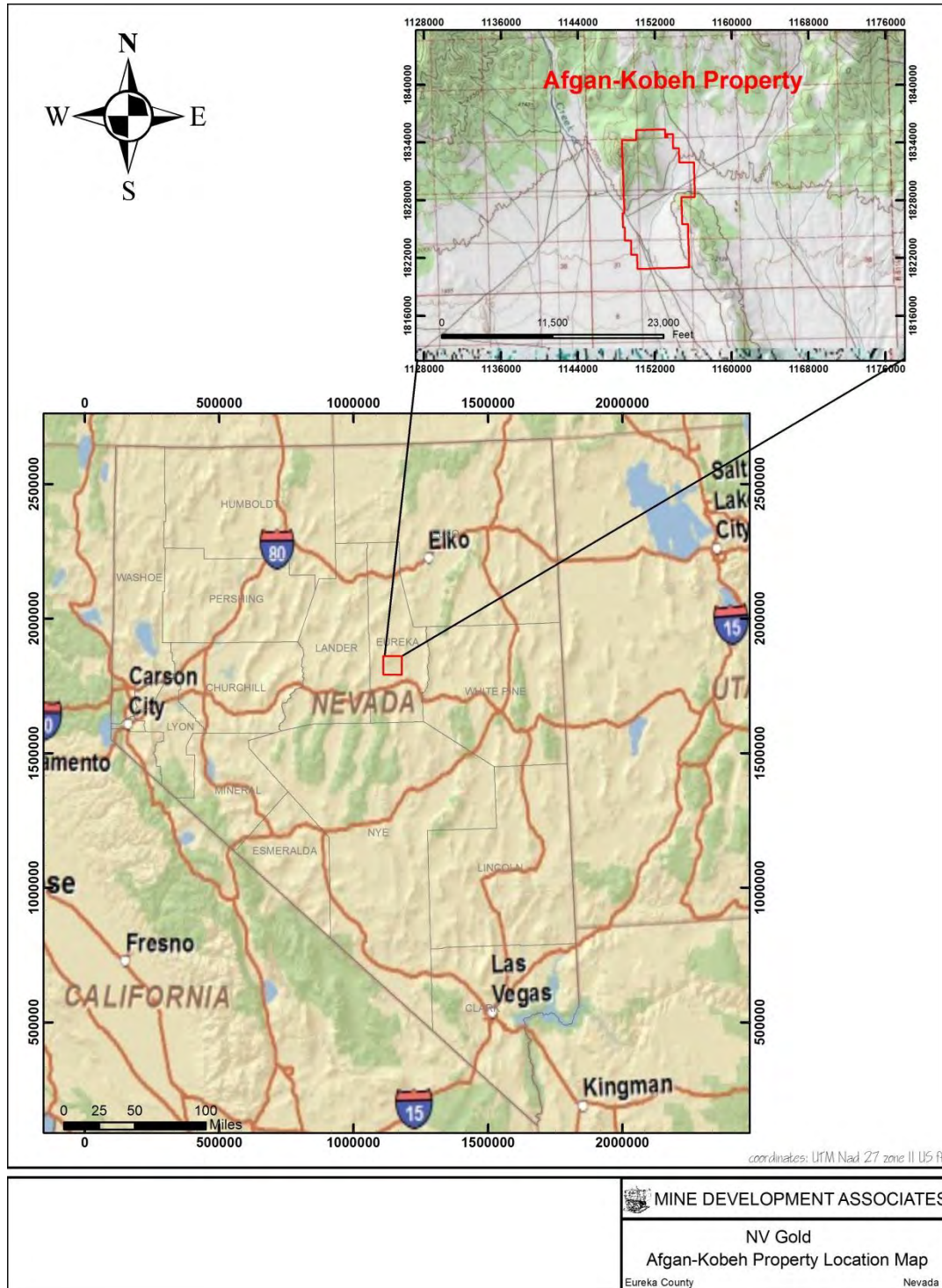
As of May 4, 2010, Gold Standard Royalty (Nevada) Inc. ("Gold Standard") "*appears to be the owner of the possessory interest in*" the claims listed in Appendix A of this report, according to the title report (Stewart, 2010). MDA notes a discrepancy between the list of claims on page 1 of the title report, which appears to include the claim Afgan-Ext No. 32, and the table of claims on page 21 of the same report, which does not include Afgan-Ext No. 32. The latter agrees with a list of claims for the property provided to MDA by NV Gold, and the 109 claims listed in Appendix A do not include Afgan-Ext No. 32. As described in Section 4.3, NV Gold purchased the 109 claims from Gold Standard.

According to the title report (Stewart, 2010), "*All of the above listed unpatented lode mining claims appear to have been located upon federal land open to mineral location. The Certificate of Location for each claim and the mining claim map for each group of claims appears to have been timely recorded in Eureka County, Nevada and timely filed with the Nevada State BLM. Documents establishing the paper trail of annual recordings, payments, and/or filings necessary to preserve the mineral rights established by location appear to have been timely recorded in Eureka County, Nevada and timely filed with the Nevada State BLM.*" The title report further states, "*No determination regarding the validity of locations have been made, only that the locations conform with recordation requirements...Official*



survey notes for the area should be reviewed and a field inspection conducted to locate official survey points and claim location monuments.”

Figure 4.1 Location Map of the Afgan-Kobeh Project





In a transmittal letter of the title report (Bensing, 2010), as well as in the title report itself (Stewart, 2010), the following title issues and concerns are raised:

- The Afgan Group of claims is subject to a lease dated January 7, 2003, with Lyle E. Campbell Trust as Lessor to Castleworth Ventures, Inc. as Lessee. According to the title report, Castleworth Ventures Inc. either had a name change or merged into Pan-Nevada Gold Corporation, which then was acquired and/or merged into Midway Gold Corp. Assessment fees recorded on August 13, 2008 were apparently paid by MGC Resources, Inc., lessee of the Afgan Group. *“The relationship between MGC Resources Inc. and Midway Gold Corp. is not specifically defined, but clearly the two are related and either/or both are the apparent successor in interest to Castleworth Ventures Inc.”* (Stewart, 2010).
- The transmittal letter indicates that *“there is a potential problem that needs to be addressed as it appears that Gold Standard received the interest held by the Lyle F. Campbell Trust but there may be interests held by the Estate of Lyle F. Campbell that did not get conveyed to either the Trust or Gold Standard (or to the Mineral Lease).”* Bensing (2010) suggested that this issue be referred to an attorney for an opinion.
- The title report discusses potential conflicts with third parties concerning some of the claims and notes that there are *“obvious problems with the positions of the various claims as depicted on the Plats and maps which may lead to false conclusions – a survey of the monuments is warranted.”* Affected claims include Afgan-Ext No. 120-121, Afgan-Ext No. 101-105, Afgan-Ext No. 69, Afgan-Ex No. 122, Afgan-Ext No. 127-134, and Predator 1-4. [MDA notes that the current resources do not extend onto any of these claims; see Figure 4.2]

Current holding costs for the unpatented claims include an annual maintenance fee of \$140.00 per claim payable to the BLM and an annual fee of \$14.50 per claim due with the annual recordation of an Affidavit and Notice of Intent to Hold with Eureka County. Mining claims do not expire as long as all Federal and County requirements are met. As noted above, the title report by Stewart (2010) indicated annual payments and filings necessary to preserve the mineral rights have been timely filed and recorded for the 2009-2010 assessment year, which ends August 31, 2010. NV Gold reports that the annual payments and filings have been filed and recorded in a timely fashion for the 2010-2011 assessment year, which ends August 31, 2011, and that the one-time Nevada mining-claim fee, due in June 2011, is in the process of being filed.

4.3 Agreements and Encumbrances

NV Gold signed an agreement to purchase the 109 Afgan-Kobeh claims from Gold Standard in June 2010; Gold Standard is a subsidiary of Golden Predator Royalty & Development Corp. Under the terms of the purchase agreement as described in a news release by NV Gold dated April 26, 2010 and on NV Gold’s website, NV Gold can purchase the property from Gold Standard for: (1) \$200,000 in cash, of which \$100,000 was paid on closing and \$100,000 is to be paid on the first anniversary of closing (June 14, 2011); (2) 600,000 shares; and (3) 600,000 share purchase warrants of NV Gold. Gold Standard retains a 1% NSR royalty on the property and on claims located within an area of interest.

The title report (Stewart, 2010) notes that the Kobeh Group of claims may be subject to a 1% Net Smelter Returns royalty in favor of Bill Salt as listed in a previous title report prepared by Richard K.



Thompson of Harris & Thompson, Reno, Nevada, dated September 20, 2007, but not found in the public record.

The current gold resources are located within the claims listed in Appendix A (Figure 4.2).

4.4 Environmental Liabilities and Permitting

Although the author is not an expert with regards to environmental issues and permitting, the following summarizes MDA's observations and comments concerning the project.

Disturbance associated with the exploration work completed at the Afgan-Kobeh project to date is limited to the construction of drill access roads and drill pads, some of which have been reclaimed. It is possible that further reclamation of the drill roads and sites will be required in the future. No mining operations are known to have been undertaken at the project site.

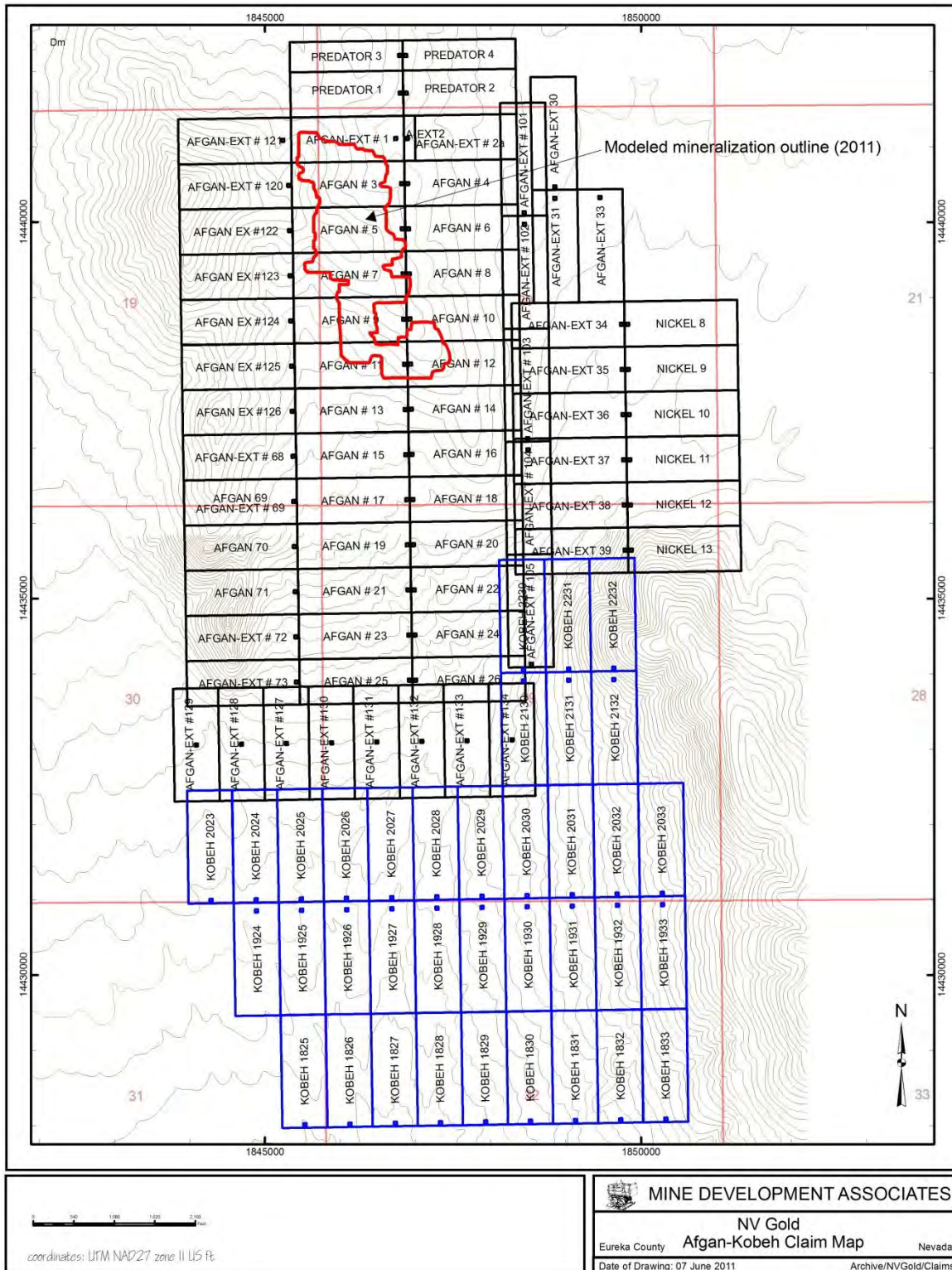
The historic Pony Express Trail passes through the Afgan-Kobeh project south of the resource area. This portion of the trail is presently a graded dirt road that is in active use. MDA is uncertain if the proximity of the Afgan-Kobeh deposit to the Pony Express Trail presents any special operating permit requirements.

A report by Midway Gold Corp. ("Midway") states that their 2007 drilling program operated under a Notice of Intent permit, which permitted five acres of disturbance (Midway, 2009). As of the end of 2008, less than one acre is reported to have been disturbed.

The 2011 work program summarized in Section 20.0 will be executed under two Notice of Intent permits from the BLM.



Figure 4.2 Claim Map of the Afgan-Kobeh Property with Outline of the Modeled Mineralization (Afgan claim block in black; Kobeh claim block in blue)





5.0 ACCESS; CLIMATE; LOCAL RESOURCES; INFRASTRUCTURE; AND PHYSIOGRAPHY

5.1 Access

The Afgan-Kobeh project is located north of U.S. Highway 50 and west of Nevada State Route 278 at the southern end of the Roberts Mountains in Eureka County, Nevada. The property can be reached by heading west from the town of Eureka on U.S. 50 for approximately 15 miles, turning north at the sign for Roberts Creek, and proceeding north on an improved graded dirt road for 13 miles, turning right onto a smaller graded dirt road and continuing northeast for one mile, and turning left onto a two-track road into the project area.

5.2 Climate

The climate of the area is semi-arid and moderate. Average annual precipitation in Eureka County is 10 to 15 inches (Roberts and others, 1967). Average July temperatures range from 65° to 75°F at lower elevations, with the high temperature exceeding 90°F an average of 13 days a year. Winter temperatures average between 20° and 30°F at lower elevations, with the possibility of frost anytime between September and June. Elevations on the property vary between about 6,350 and 7,500 feet. All expected exploration work can be conducted on the Afgan-Kobeh project year-round.

The evaporation potential greatly exceeds the precipitation on an average annual basis in the area, creating a negative water balance. The overall climate should permit operations all year, although freezing winter temperatures need to be considered in the design of any heap-leach processing system.

5.3 Local Resources and Infrastructure

Limited lodging, supplies, and labor are available in Eureka, which is located about 28 miles southeast of the property. The 2010 estimate by the Nevada State Demographer reported the population of the town of Eureka to be 499. Larger towns include Ely with an estimated population of 4,235 in 2010, located about 80 miles east-southeast of Afgan-Kobeh, and Elko with an estimated population of 18,842 in 2010, located about 100 miles north-northeast of the property.

A power line crosses the Roberts Creek access road about five miles south of the project area. No data have been compiled on the water resources, but the Kobeh Valley to the south could have the potential to provide adequate water supplies for possible ore-processing needs.

The Afgan-Kobeh property is located about 5 miles southwest of the Mount Hope project, which contains a large molybdenum resource that is currently being readied for development by General Moly, Inc.

5.4 Physiography

The Afgan-Kobeh project lies along the southern edge of the Roberts Mountains, an eastward-tilted, generally north-trending, block-faulted range of the Basin and Range Province. Kobeh Valley lies to the



south of the Roberts Mountains. While the topography of the deposit area itself is hilly, the surrounding flat-lying areas provide sites for mining facilities that may be required, including waste dumps, heap-leach pads, plant sites, etc. (Figure 5.1). Figure 5.2 shows the area of the Afgan-Kobeh deposit, vegetation characteristic of the area, and the network of drill roads in 2004.

“Seventyfive” peak, as identified on the Roberts Creek Mountain U. S. Geological Survey 7.5 minute quadrangle map, is the highest point in the project area at an elevation of 7,506 feet.

Sagebrush is the most common type of vegetation in this part of the Great Basin. Hillside slopes within the project area sustain pinyon and juniper trees, while rabbit brush, mountain mahogany, and white sage dominate the low-lying areas (Roberts and others, 1967).

Figure 5.1 Topography of the Afgan-Kobeh Project Area

(Photo taken from Roberts Creek access road in the Kobeh Valley, looking north)



(Resource area located in hills in right mid-ground; “Seventyfive” peak lies in center mid-ground; Gold Ridge, Gold Pick and Gold Stone inactive mine area visible in Roberts Mountains on left. “Seventyfive” peak is underlain by Devils Gate Limestone, which can be seen dipping easterly in the photo.)



Figure 5.2 Afgan-Kobeh Project and Deposit Area

(Photo taken from Roberts Creek access road in the Kobeh Valley, looking north)



(Deposit lies beneath low ridge from center to right of photo. Drill access roads are visible along the ridge. High point to the left is “Seventyfive” peak)



6.0 HISTORY

6.1 Exploration and Mining History

The Afgan-Kobeh project lies about 25 miles northwest of the active Archimedes open-pit heap-leach gold mine, which is located in the Eureka mining district. Afgan-Kobeh is nine miles east of the inactive heap-leach Gold Bar mine and four miles southeast of the inactive Gold Pick open-pit gold mine. However, the Afgan-Kobeh project itself does not lie within an established mining district. There is no known history of mining on or immediately adjacent to the property.

Hurban (1999) summarized the exploration history of the Afgan project, and much of the following information is taken from that report, with additional information as cited.

Lyle Campbell originally located the Samarkand claims north of Afgan-Kobeh in the late 1970s and optioned the claims to American Selco, Inc. (“Amselco”). Amselco then staked the original 73 claims of the Afgan claim block in early 1980, based on the presence of anomalous gold in samples of chert breccia (Niles, 1981). Following geologic mapping and geochemical sampling, Amselco drilled 24 conventional rotary holes in July and August of 1981 to test two areas of anomalous gold in rock and soil. Several 15- to 20-foot intercepts with gold values ranging from 0.010 to 0.032 oz Au/ton were returned (Niles, 1981). These intercepts were associated with chert, siliceous siltstone, and jasperoid. Amselco later returned all claims to Lyle Campbell and ultimately the Lyle F. Campbell Trust (“LFC Trust”).

Westley Explorations Inc. (“Westley”) staked claims east and north of the Afgan claims in 1985 and 1986, some of which comprise the northeastern corner of the present claim block. There is no evidence that Westley completed any significant exploration work within the present limits of the Afgan-Kobeh project.

In 1986, Hecla Mining Company (“Hecla”) leased the Afgan claims from the LFC Trust and undertook an eight-hole reverse circulation (“RC”) drilling program (Janney, 1986). An anomalous gold value was returned from a single five-foot interval (Janney, 1986). Hecla apparently did no further work on the property.

In 1988, the LFC Trust drilled 15 shallow air-track assessment holes at the Afgan property, testing soil anomalies that Amselco had identified along its southernmost geochemical line (Hall, 1988). Although MDA was not provided with formal records of these holes and they are not in the digital database, none of them reportedly penetrated through the alluvium.

In June 1988, Santa Fe Mining, Inc. (“Santa Fe”) staked claims adjacent to the Afgan claim block, including at least part of the Kobeh property area, and later leased the Afgan claims from the LFC Trust. Santa Fe drilled four RC holes in 1988 and 11 more in July 1989, seven of which were at the Afgan claims and the remainder at what is now the Kobeh claim block. The numbering sequence of the Santa Fe drill holes and a sketch location map of the holes attached to one of the drill logs suggest that two additional holes may have been drilled, although no geologic logs or assay certificates for these holes were found in the documents provided to MDA. If the holes were indeed drilled, neither would have



been within the Afgan portion of the Afgan-Kobeh project. There are 13 Santa Fe holes in the drill-hole database.

In August 1989, the LFC Trust drilled five air-track holes for assessment purposes and encountered anomalous gold mineralization in the lower parts of the holes (Hall, 1989). A year later, the LFC Trust drilled four additional air-track holes to satisfy assessment requirements; MDA does not have formal records of these holes, although Hall (1990) reported that no anomalous gold values were intersected. At about the same time, Phelps Dodge Mining Company (“Phelps Dodge”) negotiated a short-term lease with an option to purchase the Afgan project from the LFC Trust (Hurban, 1999).

From December 1990 through February 1991, Phelps Dodge drilled 63 RC holes at the Afgan property immediately south of the area drilled by Amselco in 1981. These holes were designed to follow up on the mineralization identified in the 1989 assessment drilling by the LFC Trust. Five of the Phelps Dodge holes were twins of the LFC Trust’s 1989 holes. Phelps Dodge’s drilling program is the largest undertaken to date on the Afgan-Kobeh project; gold mineralization was intercepted in 55 of the 63 holes. Phelps Dodge also collected some cyanide assay data (see Section 16.0) and conducted an estimate of the mineralization present on the project (see Section 6.2) before relinquishing its interest in the property in 1991.

Great Basin Exploration and Mining, Inc. (“Great Basin”) staked claims south of the Afgan claims based on the results of a regional reconnaissance program in 1991; some of these are the Kobeh portion of the current Afgan-Kobeh property. In 1992, Great Basin negotiated an option to lease the Afgan claims and held the project through 1994 (Hurban, 1999). A regional gravity survey was conducted in 1991, and a helicopter-supported electromagnetic survey that collected magnetic, radiometric, VLF, and six-channel electromagnetic data was completed in 1992 (Koehler, 1994b). Four trenches were excavated on the Afgan claims. Great Basin then drilled six RC and nine core holes (three of which were pre-collared by rotary or RC) that tested targets on the Afgan portion of the property developed from the results of the geophysical surveys and geologic mapping. Significant gold mineralization was encountered in seven of the holes and suggested to Koehler (1994b) the presence of a mineralized system measuring 770 by 200 by 50 feet that was open to the northeast and southwest. The gold was intersected in what was thought to be the Mississippian Webb Formation just above its contact with the Devonian Devils Gate Limestone. The highest gold values were encountered in a matrix-supported breccia in the basal Webb Formation (Koehler, 1994b). Great Basin re-examined work by prior companies during 1994 (Koehler, 1995) and contracted an outside source to perform a mineral inventory calculation, as described in Section 6.2.

After a merger of Great Basin with Fischer-Watt Gold Company, Inc. (“Fischer-Watt”), Fischer-Watt and Cominco American Inc. (“Cominco”) formed a joint venture, which was operated by Cominco, and leased the Afgan claims from the LFC Trust in 1995 and 1996. The joint venture also explored the Kobeh property, which at that time consisted of approximately 170 Kobeh claims. The joint venture completed an in-house CS-AMT geophysical survey over their entire property and followed this with a three-phase 16-hole RC drilling program at the Afgan and Kobeh claims (Suda, 1997). Eight of these holes were collared within the current Afgan claims. The other eight holes were collared within the Kobeh claims, with five of the eight holes located at the current Kobeh portion of the Afgan-Kobeh property. Most of the Cominco drilling was south of the previously drilled mineralization, with a final



1,560-foot hole drilled into the mineralized area previously identified by the Phelps Dodge drilling. When the joint venture terminated the Afgan lease, the Kobeh claims were assigned to the LFC Trust, who subsequently allowed most of the Kobeh claims to lapse.

In 1999, White Knight Gold, Inc. (“White Knight”) negotiated a letter agreement with the LFC Trust for the Afgan-Kobeh property; at that time there were 76 claims on the Afgan property and 58 Kobeh claims (Hurban, 1999). White Knight staked 19 additional claims, compiled data, and completed geologic mapping and rock chip sampling at the property. Hurban’s (1999) report summarized work at the property to that date. White Knight dropped the property in early 2001 (T. Gesick, 2010, written communication).

Castleworth Ventures Inc. (“Castleworth”) acquired just the Afgan property from LFC Trust on January 7, 2003, but did no significant exploration. Castleworth contracted MDA to prepare a mineral resource estimate for the Afgan property, which was subsequently reported in a 2004 technical report (Gustin, 2004). Midway bought Castleworth, which had been renamed Pan-Nevada Gold Corporation, in 2007 and thereby acquired the Afgan property.

Midway drilled four RC holes at Afgan in 2007 for a total of 1,600 feet, as well as four additional holes to the north on property now controlled by NV Gold that is not the focus of this technical report. Their 2007 Afgan drilling was designed to test the deposit margins and extensions of higher-grade gold along fault zones (Midway, 2008a). In addition, Midway collected and analyzed 17 surface rock samples, which were sent to ALS Minerals (“ALS”) in Elko for sample preparation followed by multi-element analyses at their labs in Sparks, Nevada and Vancouver (Midway, 2008b); ALS Minerals was formerly known as ALS Chemex. In 2008, Midway undertook a campaign to expand known exploration areas, including collection and analysis of 297 soil samples along the eastern and northern margins of the property and ground magnetic and gravity surveying (Midway, 2009). The purpose of the soil sampling was to determine if mineralization trends could be tracked in association with the Tertiary volcanic margin. Multi-element and gold analyses were performed by ALS in Sparks, Nevada. The gravity and ground magnetic surveys were conducted by Magee Geophysical Services LLC from Reno, Nevada (Wright, 2008a, 2008b). The purpose of the ground magnetic survey was to determine the relationship of the Northern Nevada Rift to the known gold mineralization; lines were oriented east-west, spaced at 50 meters (164 feet) (Wright, 2008b). The survey covered a total of 74 line-kilometers (46 miles), using Geometrics Model G-858 magnetometers. The results of the ground magnetic survey were interpreted to represent a complex structural setting dominated by regional northeast-trending structures with oblique movement. The purpose of the gravity survey was to map depth of basin fill and, to a lesser extent, structures/lithologies. Four east- to northeast-trending profiles crossed the property with gravity stations surveyed at 600-meter (1,979 foot) intervals and infill stations surveyed at 200-meter (650 foot) intervals for a total of 494 stations (Wright, 2008a). Two LaCoste & Romberg Model-G gravity meters were used on the survey, which measure relative gravity changes with a resolution of 0.01mGal. Midway dropped the Afgan property in 2008.

Gold Standard Royalty (Nevada) Inc. (“Gold Standard”) purchased all of the properties of the LFC Trust in 2007. When Midway dropped the Afgan property, the property reverted to Gold Standard.



NV Gold purchased both the Afgan and the Kobeh properties from Gold Standard in 2010, as described in Section 4.3. NV Gold’s exploration is described in Section 10.0.

6.2 Historic Resource Estimates

All of the following estimates and their classifications pre-date NI 43-101 reporting requirements and are not known to be NI 43-101 compliant; they are presented here only as historical information. Terminology used by the authors of these reports, such as “geologic reserves,” “mineable reserves,” and “daylight resource,” is shown in quotation marks and may not reflect the use of those terms as defined by NI 43-101. MDA’s current estimate of the Afgan resource is described in Section 17.0.

Table 6.1 shows the three mineral inventory estimates prepared by or for some of the companies who were involved with the Afgan project between 1991 and 1999.

Table 6.1 Historic Mineral Inventory Estimates of the Afgan Deposit

| Company | Year | Category (as reported) | Gold Price | Cutoff (oz Au/ton) | Tons (x 10 ⁶) | Grade (oz Au/ton) | Total Gold Ounces |
|--------------|-----------|------------------------|------------|--------------------|---------------------------|-------------------|-------------------|
| Phelps Dodge | 1991 | | | | 2.800 | 0.037 | 105,000 |
| Great Basin | 1992-1994 | “Geologic Reserves” | | 0.016 | 1.625 | 0.032 | 52,000 |
| Great Basin | 1992-1994 | “Mineable Reserves” | \$350 | | 1.240 | 0.031 | 38,400 |
| LFC Trust | 1999 | “Daylight Resource” | | 0.015 | 1.265 | 0.034 | 43,000 |

Phelps Dodge completed the most extensive exploration of the Afgan property, drilling 63 RC holes in 1991. Based on that drilling, Rassuchine (1991a) calculated that there were 2.8 million tons with 0.037 oz Au/ton for a total of 105,500 ounces of gold. This mineralization remained open to the southwest. According to Hurban (1999), Phelps Dodge “used the polygonal method and based calculations on interpreted mineralized blocks in cross section.”

Great Basin contracted Mine Reserves Associates to evaluate the drilling data by Amselco and Phelps Dodge and calculate an estimate of “ore reserves” at Afgan (Hurban 1999). The calculations of Mine Reserves Associates were based on “computer modeling, geostatistical analysis, geologic reserve calculation and mineable reserve calculation using the floating cone technique” and calculated a strip ratio of 2.7:1 waste:ore (Hurban, 1999). The exact date of this work is not known but can be inferred to have been during Great Basin’s tenure on the property, or sometime from 1992 through 1994 and possibly early 1995.

According to Hurban (1999) and personal communications to MDA by LFC Trust representatives, the LFC Trust calculated an “informal „daylight“ resource” in 1999 using polygonal methods. This „daylight“ calculation was intended to estimate near-surface resources for potential start-up “ore” and entailed the use of “some geologic control by termination of polygons at geologic contacts” (Hurban, 1999). The strip ratio of the resulting estimate was suggested by LFC Trust personnel to be less than 1:1 waste:ore. Hurban (1999) further reports that a tonnage factor of 14 cubic feet per ton was employed.



MDA is unaware of any of the companies listed in Table 6.1 having undertaken density measurements on representative samples of mineralized and unmineralized rock units at Afgan. The only tonnage factor used that is known to MDA is 14 cubic feet per ton of mineralization, which was applied by the LFC Trust. Hurban (1999) reports that this value was used to deliberately understate the tons calculated, which implies that no actual density data were considered. MDA concludes that it is likely that generalized tonnage factors were used in the mineral inventory estimations discussed above.



7.0 GEOLOGIC SETTING

7.1 Regional Geology

The Afgan-Kobeh project is located at the intersection of major structural features of widely differing ages – the eastern edge of the Late Devonian to Early Pennsylvanian Antler orogenic belt, the southeastern end of the Cortez (Battle Mountain-Eureka) trend of Tertiary-aged gold mineralization, and the extreme southern end of the mid-Miocene Northern Nevada Rift.

During Paleozoic time, this part of Nevada was the site of miogeosynclinal deposition of predominantly limestone and dolomite with lesser amounts of shale and quartzite ranging in age from Cambrian through Mississippian. To the west in the eugeosyncline, clastic sedimentary rocks, chert, and volcanic rocks were being deposited contemporaneously. Eastward-directed compression in the Late Devonian initiated the Antler orogeny, during which the siliceous sedimentary and volcanic rocks of the western eugeosynclinal assemblage were thrust eastward over the carbonate sequences of the autochthon. The eastern limit of this regional thrust, the Roberts Mountains allochthon, lies not far to the east of the Afgan-Kobeh project. As the Antler highland rose, clastic sediments were shed eastward in front of the orogen, forming an overlap assemblage of Mississippian to Permian clastic rocks. The Antler orogeny ended in the Early Pennsylvanian.

In Late Permian to Early Triassic time, the compressional Sonoma orogeny again caused thrusting from the west, but the main features of this structural event lie west of Eureka County. Intrusive activity of Jurassic and Cretaceous age, as well as probable Late Jurassic to early Eocene regional metamorphism and east- and west-directed thrusting, indicate there was orogenic activity during Mesozoic time in northeastern Nevada (Thorman and others, 1991). Folds and thrusts that pre-date the Early Cretaceous Newark Canyon Formation are reported in the Eureka area (Roberts and others, 1967, citing Nolan, 1962), but there is no direct evidence of these events in the immediate Afgan-Kobeh area.

The tectonic regime turned to extension, possibly as early as the early Cretaceous and certainly by the Eocene in this region (Roberts and others, 1967; Thorman and others, 1991). There is local evidence of late Cretaceous to early Tertiary normal faulting (Roberts and others, 1967), but extensive extension throughout the region occurred from the Eocene period onward (Thorman and others, 1991). It is this Tertiary to Quaternary extension that produced the Basin and Range physiography seen throughout most of Nevada today. In the Roberts Mountains, immediately to the north of Afgan-Kobeh, the Paleozoic eastern assemblage, western assemblage, and overlap rocks as well as Tertiary lava flows are cut by younger-over-older faults that dip 20-40° westward, tilting the sedimentary and volcanic rocks up to 40° to the east. These faults were originally steeper but were rotated to their current dips by continuing extension throughout the region (Smith and others, 1991). Volcanism and intrusive activity accompanied Cenozoic extension in northern Nevada, with volcanic activity in the region beginning at least in the Eocene and continuing to Quaternary time. In the mid-Miocene, the north-northwest-trending Northern Nevada Rift formed, extending from the northern border of Nevada to the southern Roberts Mountains. This rift is seen as a prominent aeromagnetic anomaly of regional scale and was accompanied by mafic volcanism and intrusion.



The Afgan-Kobeh property lies in the southeastern portion of an alignment of mineral deposits called the Cortez or Battle Mountain-Eureka trend. A variety of types and ages of mineral deposits, including sedimentary rock-hosted gold mineralization, is found in the trend. In addition, the trend appears to be characterized by Mesozoic and Cenozoic intrusions, aligned structural windows through the Roberts Mountains thrust, high-angle faults, aeromagnetic anomalies, and a linear feature seen on satellite imagery (Percival and others, 1988). It has been noted (Percival and others, 1988) that the Battle Mountain-Eureka trend and the Carlin trend to the northeast “account for a significant number of the sediment-hosted, disseminated gold deposits in the western United States.” Shawe (1991) believes that these and other mineralized trends in the region reflect major crustal structures that directly or indirectly influenced mineralization.

7.2 Local Geology

In the Roberts Mountains, the Ordovician Vinini Formation of the western assemblage, consisting of siliceous sedimentary rocks, chert, and volcanic rocks, is exposed above the Roberts Mountains thrust. In a north-northwest belt through the central part of the range, windows of presumably autochthonous eastern assemblage carbonates are exposed, including the Devonian Nevada Group and the overlying Devils Gate Limestone. Mississippian Webb Formation, which is part of the overlap assemblage, is also present in the range. Tertiary volcanic and sedimentary rocks overlie the earlier sequences along the eastern and southern parts of the range. The Paleozoic and Tertiary rocks were tilted to the east during Tertiary extension.

The Eureka County geologic map (Roberts and other, 1967) shows the Afgan-Kobeh project as being underlain by Tertiary volcanic rocks on the east and the Devonian Nevada Group on the west, with a very small exposure of the Ordovician Vinini Formation lying east of a north-trending fault in the central part of the property (Figure 7.1). Quaternary sediments cover much of property.

It is evident from the geologic maps produced by the various companies who have explored the property that outcrops are not common within large areas of the Afgan-Kobeh claims (Figure 7.2). There is general agreement by the company geologists whose maps were provided to MDA that the limestone exposed in the western part of the Afgan-Kobeh project is Devonian Devils Gate Limestone. The Devils Gate Limestone in the Afgan-Kobeh area is a medium- to thick-bedded, gray, medium- to fine-grained limestone with calcite veinlets and cavity fillings. It weathers to massive, light gray outcrops. From work in the broader area surrounding the Afgan-Kobeh project, Hurban (1999) found that the Devils Gate Limestone is at least 1,000 feet thick and conformably overlies the Bay State Dolomite of the Nevada Group to the west of the Afgan claims. Koehler (1994b) and Hurban (1999) reported that the Devils Gate Limestone is fossiliferous in the general area of the Afgan-Kobeh project. MDA observed that the Devils Gate Limestone dips easterly to northeasterly at approximately 30° near the top of “Seventyfive” peak (Figure 5.1), where fossils also can be found.



Figure 7.1 Regional Geology

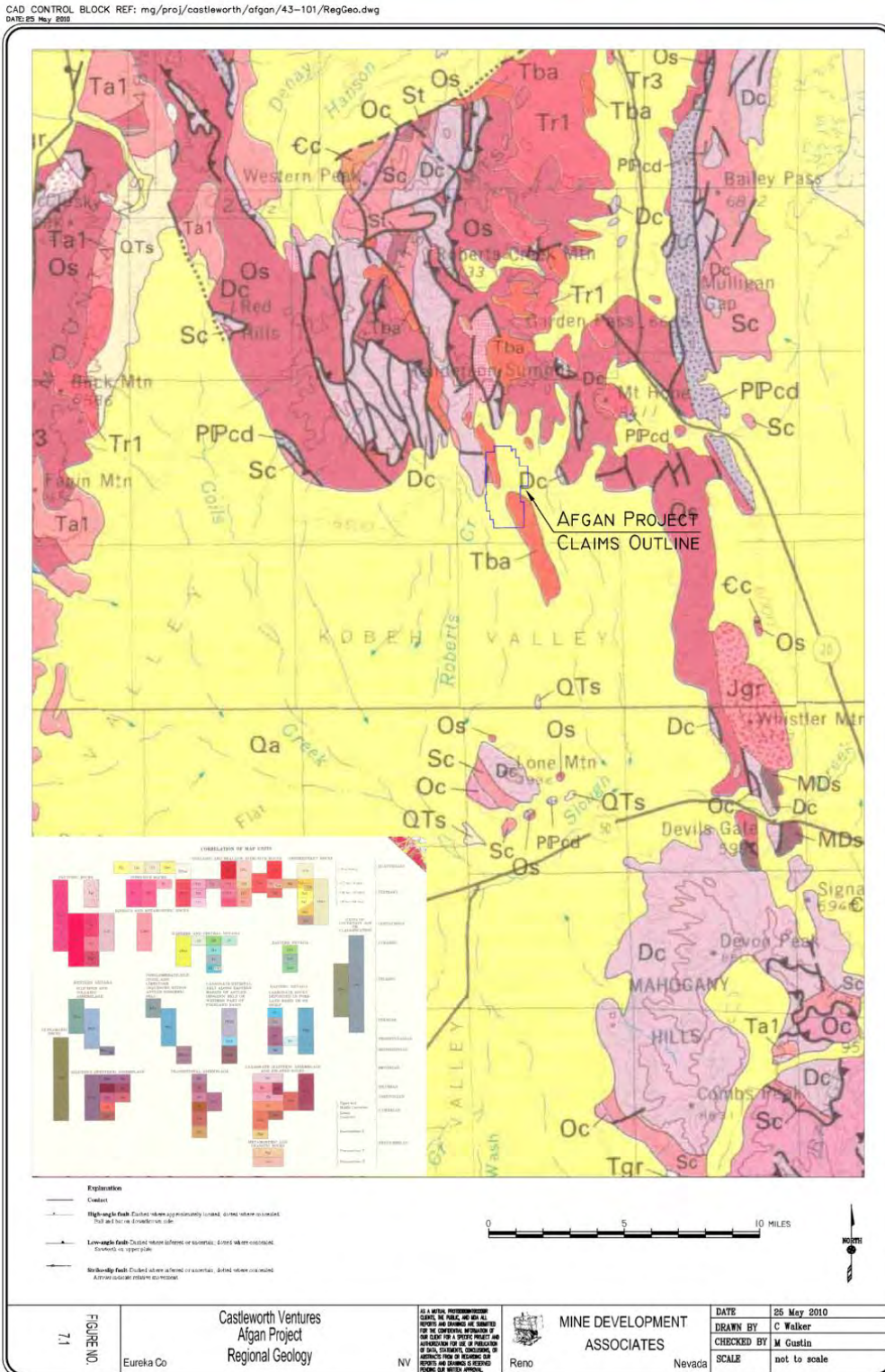
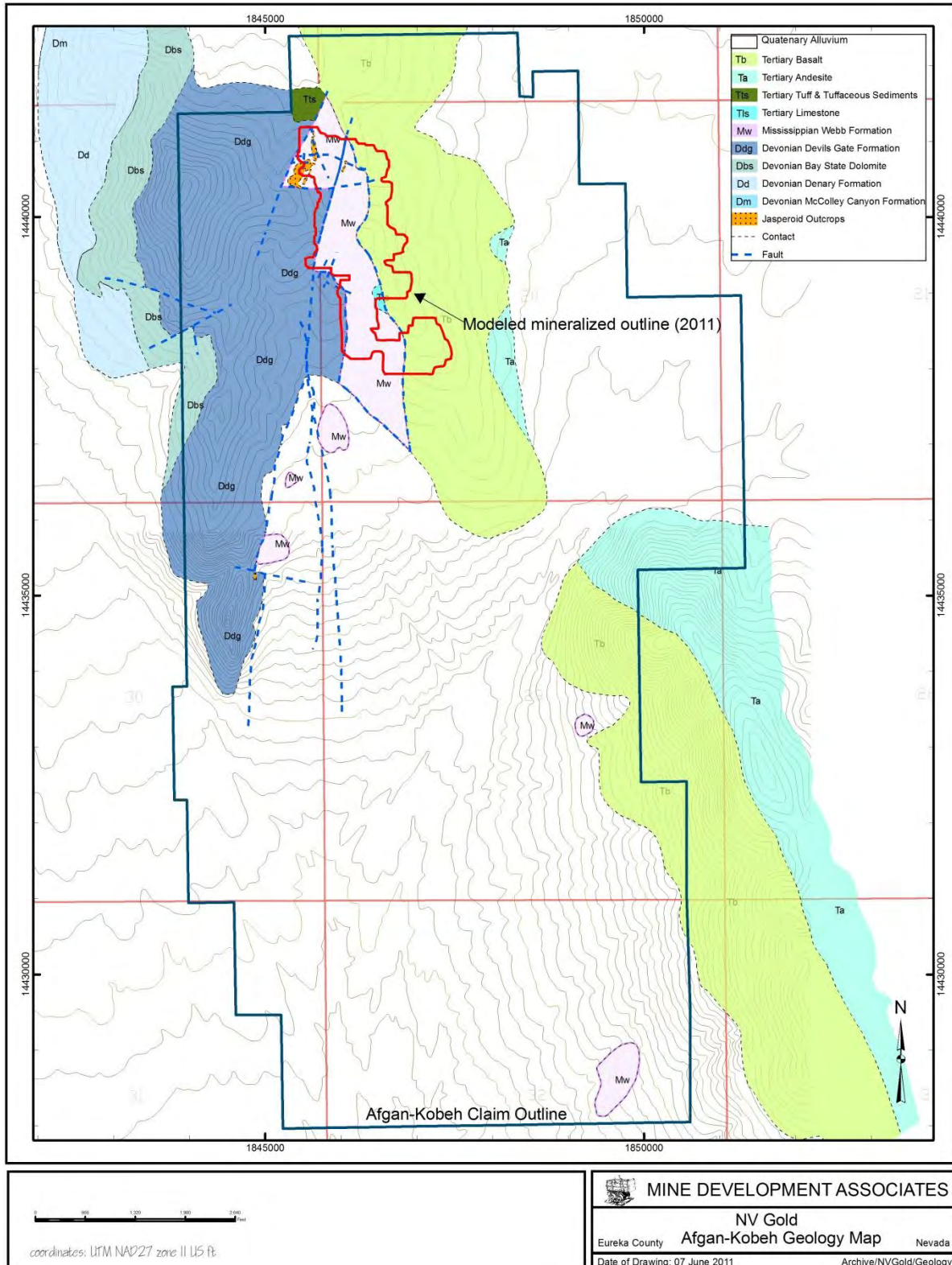




Figure 7.2 Local Geology of Afgan-Kobeh Project
 (from Hurban, 1999)





To the east of the Devils Gate Limestone on the Afgan-Kobeh project are small, sparse outcrops of moderately to strongly argillized and silicified gray siltstone and mudstone, with lesser amounts of sandstone, pebble conglomerate, quartzite, and chert. Jasperoid breccia occurs at the basal contact of this unit with the Devils Gate Limestone. Amselco, Hecla, and Phelps Dodge geologists all interpreted these rocks as the western assemblage Ordovician Vinini Formation in thrust contact with the Devils Gate Limestone. Later workers, including Great Basin (Koehler, 1994a, 1995), Cominco (Suda, 1997), and Hurban (1999), interpreted these exposures and similar rocks in drill holes as the Mississippian overlap assemblage Webb Formation in either an unconformable (Koehler, 1994a) or low-angle fault contact (Hurban, 1999) with the Devils Gate Limestone. The interpretation of these rocks as Webb Formation is based on the presence of sandy, gritty siltstone, but Hurban (1999) and Suda (1997) conceded that it is possible these rocks are part of the Vinini Formation. There are no reports of fossils from the Webb or Vinini clastic sediments on the Afgan-Kobeh project, which is very likely a function of the paucity of outcrop and the fact that almost all of the drilling has been by rotary methods. The Vinini Formation elsewhere in the Roberts Mountains has distinctive graptolites in the shale beds (Roberts and others, 1967), which would give clear evidence of the nature of the formation if they could be found on the property, either in outcrop or in drill core. In this report, the unit overlying the Devils Gate Limestone in the area of the Afgan deposit is assumed to be Webb Formation.

Jasperoid, jasperoid breccia, and silicified breccia are commonly found in Webb siltstones near their contact with the Devils Gate Limestone. Koehler (1994b) believed that the upper contact of the Devils Gate Limestone was an unconformity and that the presence of erosional remnants of the Webb on the Devils Gate and rapid changes in relief of the top of the Devils Gate Limestone in drill holes suggested the presence of paleo-karstic topography. He interpreted the brecciation of the basal Webb as hydrothermal. Hurban (1999) disagreed, claiming that there “is no convincing evidence of karst development along the” contact of the Webb Formation and Devils Gate Limestone. Hurban also cited the lack of exotic clasts and only sparse vugs in the basal breccia of the Webb as evidence that the breccia is a fault breccia. Niles (1981), who believed that the siltstones were Vinini Formation, interpreted the chert breccia as a fault breccia related to the thrust contact. He further theorized that friction from the fault movement may have melted the cherts to produce the silicification in the fault zone and the underlying Devils Gate Limestone.

Although Koehler (1994a, 1995) mapped as Webb Formation what the previous geologists had called the Vinini Formation, he did map a small area of Vinini close to the southeasternmost extent of pre-Quaternary rocks on the Afgan claims. Based on drill information, he inferred a thrust contact of the Vinini Formation with the underlying Webb Formation. From the lithologic descriptions in his reports, it is not clearly evident that the two formations are different, but he did note that strong shearing and folding characterize the Vinini and that the contact of the Vinini with the underlying Webb is either sharp or a gouge zone. Hurban (1999; Figure 7.2) mapped several exposures of Vinini Formation in the same general area as Koehler (1994a, 1995), while interpreting the unit immediately overlying the Devils Gate Limestone as Webb Formation.

Tertiary deposits underlie the eastern portion of the Afgan claims and include conglomerate, reddish-brown sandy claystone, rhyolite tuff, fresh-water limestone, and aphanitic basalt or basaltic andesite with interbedded volcanoclastic sandstone. Basalt dikes cutting the claystone are noted in some drill-



hole logs. The basalt, basaltic andesite, and basalt dikes may be related to formation of the Northern Nevada Rift. Tertiary and Quaternary gravels overlie much of the property.

The entire Paleozoic-Tertiary package at Afgan-Kobeh is tilted at low to moderate angles towards the east, as evidenced by the consistent east dip of the Tertiary volcanic-sedimentary package. The Tertiary-Paleozoic contact closely parallels the Webb Formation – Devils Gate Limestone contact. As the Tertiary rocks are considered to be post-mineral, this suggests that the mineralized Webb – Devils Gate Limestone contact was sub-horizontal at the time of mineralization. The drill data indicate that there is a gentle, northwest-trending, southeast-plunging anticlinal flexure of the Paleozoic rocks in the vicinity of the Afgan resource. The Paleozoic rocks are very gently dipping to essentially flat lying on the western limb of the flexure due to the eastward tilting. The Webb Formation – Devils Gate Limestone contact is offset along the crest of the flexure in the area of the Afgan deposit.

Numerous north-northeast and northeast-trending normal faults were interpreted in the area of the Afgan deposit by Phelps Dodge and Great Basin on the basis of drilling data. Koehler (1994b, 1995) suggested that the northeast-trending faults may be older and that, because they are parallel to gold mineralization in the area drilled by Great Basin, they may have been conduits for the mineralizing fluids. Koehler (1994b, 1995) believed that the north-northeast-trending faults are younger since they offset northeast-trending faults that he thought were associated with higher-grade gold mineralization. An approximately east-trending fault is shown in the vicinity of Amselco hole 322-D-10 on the maps by Phelps Dodge, Great Basin, and Hurban (1999). Koehler (1994b) interpreted this as a right-lateral strike-slip fault with about 600 feet of displacement. This fault is shown to be truncated by one of the north-northeast-trending faults.

The north-northeast, northeast, and east-trending faults have been interpreted as forming a series of horsts and grabens that extend the length of the Afgan-Kobeh project (Koehler, 1995). The northernmost holes on and near the northern limits of the Afgan deposit that were drilled by Santa Fe indicate the presence of a deep graben filled with Tertiary rocks. South of that graben, the mineralized area drilled extensively by Amselco and Phelps Dodge lies above a possible horst block.



8.0 DEPOSIT TYPE

Mineralization on the Afgan-Kobeh project consists of epithermal, disseminated, sedimentary rock-hosted gold, and this deposit model forms the basis of the exploration program described in Section 20.0. Deposits of this general type occur in a variety of host rocks in north-central Nevada. The Afgan-Kobeh mineralization appears to be most similar to that found in the Rain district at the southern end of the Carlin trend in Elko County. The Rain mine, located within the Rain district, was mined by Newmont Mining Corporation.

In the Rain district, at least six disseminated, sedimentary rock-hosted gold deposits have been found associated with the northwest-striking Rain fault or other nearby faults (Thoreson, 1991; Mathewson and Beetler, 1998a, b). The gold primarily occurs in the Webb Formation immediately above its unconformable contact with the Devils Gate Limestone. The contact is characterized by a 5 to 20-foot-thick zone of red clay. According to Kizis *et al.* (1998, p. 65-66), porosity along the contact was created by collapse of the lower Webb Formation due to hydrothermal dissolution of the underlying limestone. These collapse breccias, as well as fluidized hydrothermal breccias, are cited as favorable sites for gold deposition at Rain. Gold is associated with brecciated, oxidized, silicified, and argillized mudstones, siltstones, and sandstones of the Webb Formation and is usually accompanied by silicification and strong barite veining. At the Rain deposit itself, the mineralization is in the form of a flat, blanket-like body adjacent to the Rain fault, which is thought to have served as a channel for the mineralizing fluids. Jasperoid along the trace of the fault is brecciated and contains veins of barite and scattered gold mineralization.

Gold mineralization at the Afgan-Kobeh project was deposited in brecciated siltstones of the Webb Formation, at and immediately above its contact with the Devils Gate Limestone. Lesser, but important amounts of mineralization occur in the adjacent Devils Gate Limestone as well. As at Rain, the Afgan-Kobeh mineralization is associated with oxidized, silicified, and argillized siltstones and mudstones. In the drill logs and reports provided to MDA, there was no mention of barite at Afgan-Kobeh, however, in contrast to the mineralization at Rain.

The closest large sedimentary rock-hosted gold deposit to the Afgan-Kobeh project is the Gold Bar mine, located in the southwestern Roberts Mountains about nine miles west-northwest of Afgan-Kobeh. Gold Bar was originally mined by Atlas Mining Company but is presently inactive. It differs from mineralization at Afgan-Kobeh primarily in the host rocks and relative lack of an association of brecciation with mineralization. At Gold Bar, gold occurs in a thin-bedded, carbonaceous limy siltstone associated with limestone, calcareous siltstone, and mudstone that form the Upper Denay Formation of the Devonian Nevada Group. Abundant pyrite, traces of sphalerite, and kerogen characterize the host rocks. Hydrothermal fluids apparently rose along a northwest-trending fault, concentrating mineralization at the intersection with northeast-trending faults. Mineralization occurs primarily in favorable limy siltstones. Permeability was increased by dissolution of interstitial calcite accompanied by recrystallization of matrix clays (a phenomenon referred to as “sanding”) and replacement of calcite by hydrothermal silica. Gold is spatially associated with sanding (Masinter, 1991) and, when oxidized, occurs with calcite, quartz, hematite, and clays.



9.0 MINERALIZATION

Gold mineralization found at the Afgan-Kobeh project consists of oxidized, epithermal, disseminated, sedimentary rock-hosted mineralization primarily at the brecciated base of Webb Formation clastic rocks lying immediately above the Webb's contact with the Devils Gate Limestone. This contact forms a gentle, southeast-plunging anticlinal flexure. The eastern limb of the fold dips steeper than the western limb due to post-folding, eastward tilting of the Paleozoic and Tertiary rocks. Most of the mineralization identified to date lies within the crest and moderately dipping eastern limb of the fold (Figure 17.1), which is at least in part due to erosion and faulting. Down-dropping of the stratigraphy by structures in the northern portion of the resource area give an overall domal shape to the mineralized body. Approximately 75% of the mineralized blocks in the current resource model are coded to the Webb Formation, while the remainder is modeled as the Devils Gate Limestone. The gold mineralization lies in a semi-continuous zone that extends for about 3,500 feet in a north-northwest direction and 1,500 feet east-west (Figure 4.2). Except for the lack of reported barite at Afgan-Kobeh, the Afgan deposit resembles the mineralization at the Rain mine in Elko County, as described in Section 8.0.

Types of alteration associated with the gold mineralization at Afgan-Kobeh, as described in drill logs and company reports, include silicification and argillization. Iron oxides are very commonly noted in drill holes on the Afgan-Kobeh project, and essentially the entire mineralized zone modeled by MDA is described as being oxidized. This oxidation may take the form of *liesegang* banding or the presence of hematite, limonite, and/or jarosite, often as fracture coatings. According to Koehler (1994b), specular hematite associated with brecciation was spatially related to the highest gold values in the Great Basin drill holes. Argillic alteration and the presence of clay minerals are also noted in many of the drill logs, being most extensive in areas where the matrix of the basal Webb breccia is completely altered to clay.

Silicification and the formation of jasperoid associated with the Webb and Devils Gate Limestone units are seen in surface outcrops and are also frequently noted in the drill logs. The basal Webb breccia is usually moderately to completely silicified, and thinner units within the Webb are also silicified. The uppermost Devils Gate Limestone is also frequently altered to jasperoid in mineralized areas.

Massive calcite and calcite veins are reported in a number of the drill holes. Based on their presence in Cominco hole CAK-1, where the veining is associated with higher values of gold and trace elements, Suda (1997) interpreted the calcite as a product of decalcification.

While the bulk of the mineralized zone follows the Webb – Devils Gate Limestone contact zone fairly closely, there is evidence that higher-grade mineralization occurs in areas where the contact has been disrupted. For example, the highest-grade mineralization defined to date lies at section 14439100 N (Figure 17.1), where the Webb Formation – Devils Gate Limestone contact is clearly offset, although no significant offset is apparent in the adjoining sections to the north and south. Possible causes of the offset include a fault that strikes somewhat obliquely to the east-west sections and/or caving of the Webb Formation into solution cavities developed in the uppermost Devils Gate Limestone.

The Afgan mineralization modeled by MDA is open for possible expansion in several areas. The deposit is open down-dip to the east in many areas, although the prospective zone is deepening rapidly.



Drilling by Great Basin in 1993 encountered gold mineralization in holes ANR-7, 8, and 9, as well as ANC93-10 and 93-14, which collectively define the southernmost portions of the current resource. This mineralization occurs in an argillically altered and oxidized matrix-supported breccia in the basal 30 to 60 feet of the Webb Formation in these holes. Although the shallowest drill-hole intercept in this mineralization is 180 feet below surface, the grades encountered in the holes are often higher than the average Afgan intersections. For example, ANR-9 intersected 0.1 oz Au/ton over a 40-foot interval, which MDA believes to be close to true width. This southeastern portion of the deposit may be parallel to northeast-trending faults (Koehler 1994, 1995) or, alternatively, the presence of matrix-supported breccias may be indicative of solution collapse features. The resources defined in this area are open to varying extents in all directions.

A deep hole drilled in the crest of the mineralized anticlinal contact of the Webb and Devils Gate could be used to explore for prospective units at depth. NV Gold's hole AF10-19 cut a number of silicified intervals weakly anomalous in gold that are coincident with probable paraconformities, which suggests that these are reactive intervals and have the potential to be well mineralized in favorable structural settings. Cominco drilled a 1,560-foot hole (CAK-16) in the southern portion of the resource area in search of deep, high-grade mineralization similar to that found beneath some other sedimentary rock-hosted disseminated deposits in northeastern Nevada. Although only weakly anomalous gold values were found, Suda (1997) interpreted this mineralization, along with evidence of decalcification, as suggestive of potential for high-grade, deep mineralization in this area, possibly within the Nevada Group that underlies the Devils Gate Limestone.

A number of the holes drilled at Afgan – Kobeh prior to 2007 are located outside the limits of the current resources. No sample in any of these holes has an assay value of 0.010 oz Au/ton or higher.



10.0 EXPLORATION BY ISSUER

NV Gold acquired the Afgan-Kobeh project in May 2010 and drilled 25 RC holes totaling 7,803 feet in 2010. The purposes of this drill program were to confirm the presence of mineralization in some areas where continuity was in question, to expand the mineralized envelope in a number of places, and to test between and outside of previously outlined resource volumes in attempts to connect them or add to them. Drill sites for the 2010 program were initially selected from cross-sections developed for the 2004 resource estimate and were subsequently adjusted in the field to be better positioned relative to old holes or for access considerations.

Holes AF10-01 and AF10-02 expanded a high-grade, thick volume of mineralization located in a down-dropped structural block.

Holes AF10-05, AF10-06, AF10-07, and AF10-08 were drilled in an area where the 2004 resource was weak and/or discontinuous, and all of the holes cut mineralization. AF10-09 was also drilled to test the projection of mineralization in prior holes and encountered interesting gold values through to a depth of 80 feet, at which the hole was lost. Hole AF10-21 was almost a twin of hole 10-09 and it reached the bottom of the mineralized interval seen in hole AF10-09 at a depth of 115 feet.

Holes AF10-11 and AF10-12 were drilled in untested areas between two volumes of the 2004 resource. While hole AF10-11 encountered a relatively shallow intersection of encouraging thickness and grade, hole 10-12 was only weakly mineralized. Holes AF10-16 and 10-17 were drilled to assess mineralized continuity in an area of widely spaced, variably mineralized holes, and both holes intersected mineralization of interest.

Hole AF10-14 encountered strongly argillized, probable intrusive igneous rocks at a shallow depth and remained in these igneous rocks for all but the interval from 300 to 400 feet, which was comprised of highly hematitic, silicified, but only very weakly mineralized sedimentary rock. Where fresh, the igneous rock appeared to be a diorite. There were also intervals of green, pyritic, strongly propylitized rocks. Hole AF10-15 was drilled at an angle south off of the same pad as AF10-14 and drilled out of the clay-altered igneous rocks into mineralized sedimentary rocks.

Hole AF10-20 was an angle hole seeking mineralization between three widely separated, well-mineralized previous holes. This hole intersected long intervals of mineralized rock, including the strongest mineralization encountered to date in the northern half of the property, and cut better thicknesses and grade than surrounding holes.

Hole AF10-24 was drilled to a depth of 715 feet (600 feet vertical depth) to test the crest of a mineralized flexure outlined by four older holes. The hole entered altered siltstone at 240 feet and remained in variably altered rocks with variable but pervasive iron oxides to the end of the hole. Analytical results indicate that the granular quartz rock in which the hole ended is strongly gold-mineralized and is probably jasperoid.

In addition to their drill program, NV Gold re-surveyed all identifiable drill collars from previous programs.



11.0 DRILLING

11.1 Resource Database Construction and Summary

The Afgan-Kobeh project has been drilled by Amselco, Hecla, the LFC Trust, Santa Fe, Phelps Dodge, Great Basin, Cominco, Midway, and NV Gold. MDA created a digital database for use in the estimation of the Afgan-Kobeh resources using hardcopy information derived from the historic exploration programs provided by the LFC Trust, as well as digital data provided by NV Gold. Table 11.1 summarizes this database, which includes 181 holes for a total of 63,303 feet of drilling.

Table 11.1 Afgan-Kobeh Drilling Summary

| Company | Year | Rotary | | RC | | Air-track | | Core | | Total Drill Holes | Total Footage |
|--------------|----------------------|------------------|-------|--------------------|--------|-----------|------|------|-------|-------------------|---------------|
| | | No. | Feet | No. | Feet | No. | Feet | No. | Feet | | |
| Amselco | 1981 | 24 | 6,860 | | | | | | | 24 | 6,860 |
| Hecla | 1986 | | | 8 | 2,850 | | | | | 8 | 2,850 |
| LFC Trust | 1989-90 ¹ | | | | | 9 | 994 | | | 9 | 994 |
| Santa Fe | 1988-89 | | | 13 | 5,130 | | | | | 13 | 5,130 |
| Phelps Dodge | 1990-91 | | | 63 | 15,640 | | | | | 63 | 15,640 |
| Great Basin | 1993 | [2] ² | 604 | 6+[1] ² | 4,107 | | | 9 | 4,370 | 15 | 9,081 |
| Cominco | 1996 | | | 16 | 11,695 | | | | | 16 | 11,695 |
| Midway | 2007 | | | 8 | 3,250 | | | | | 8 | 3,250 |
| NV Gold | 2010 | | | 25 | 7,803 | | | | | 25 | 7,803 |
| TOTAL | | 24 | 7,464 | 139 | 50,475 | 9 | 994 | 9 | 4,370 | 181 | 63,303 |

¹15 air-track holes drilled in 1988 not included in database or Table 1.1.

²Holes in [brackets] drilled as pre-collars to core holes.

Dave Rowe, a surveyor based in Winnemucca, Nevada, provided MDA with the collar locations of the 25 NV Gold holes drilled in 2010, as well as nine Amselco, four LFC Trust, 46 Phelps Dodge, 13 Great Basin, and two Midway drill holes. The surveyed locations of the historic and Midway holes were first located and flagged in the field by Tom Gesick, an independent consulting geologist for NV Gold. An additional 11 Phelps Dodge and two Midway hole collars, as well as one each of the Amselco, Hecla, and Great Basin holes, are located on the basis of hand-held GPS measurements with no differential corrections by Tom Gesick; the GPS northings and eastings were entered into the database for these holes. A hardcopy table of collar locations, including elevations, was used for the database locations of the 16 Cominco drill holes, although MDA has no knowledge of how these locations were determined. Locations for all of the remaining holes were digitized by MDA from plan maps at various scales that accompanied internal reports of the operators. Drill-hole locations on these maps often conflicted to some extent with one another, which creates some uncertainty as to the locations of these holes in the database. Out of the 107 holes that directly contribute assay data to the current resources, four Amselco holes, six Phelps Dodge holes, and one Great Basin hole were not surveyed by either Dave Rowe or Tom Gesick. To MDA's knowledge, there are no drill-hole location problems at a scale that would materially affect the current geologic model or resource estimate.



Down-hole survey data are available for only one Cominco hole (CAK-16). For all of the other drill holes, constant dip angles are assumed in the database. This assumption is likely to introduce increasing error with increasing depth of the drill holes, although the shallow nature of most of the mineralization, as well as most of the drill holes, likely minimizes these possible errors.

A three-dimensional digital topographic surface of the Afgan resource area was created from publically available digital terrain model (DTM) data. This surface was then edited based on the collar elevations of the Rowe survey. The elevations of all holes not surveyed by Rowe were then „pressed“ onto the topographic surface of the project area in order to assign their collar elevations to the database. The drill-hole locations are entered into the database in UTM Zone 11, NAD 27 coordinates expressed in U.S. feet.

MDA also compiled the assay and geologic information from the historic records provided by the LFC Trust. The Midway 2007 holes were added based on assay certificates and generalized logging provided by NV Gold, who obtained the information from Midway. The NV Gold assay data were compiled from digital assay certificates provided to MDA by NV Gold, and the geology table was updated with 2010 logging data provided by Tom Gesick.

A total of 87 of the 107 Afgan-Kobeh drill holes that contribute data to the resource estimation are oriented vertically. The Webb Formation – Devils Gate Limestone contact, which is the primary control of the gold mineralization, generally dips shallowly, so the orientation of the holes is adequate for defining the Afgan-Kobeh mineralized zones. In any case, the resource modeling techniques employed mitigate any exaggeration of mineralized thicknesses by constraining all intercepts to lie within explicitly interpreted mineral domains that appropriately respect the geologic controls.

Figure 11.1 and Figure 11.2 show the locations of the drill holes. The only holes on the Afgan-Kobeh project known to MDA that are not included in the database are 15 shallow air-track holes, for a total of 292 feet, drilled by the LFC Trust in 1988 for assessment purposes. None of these 15 holes reportedly penetrated bedrock. Three holes drilled by Santa Fe and two holes drilled by Cominco are located on claims that were dropped from the property sometime after the completion of the 2004 technical report, but they remain in the project database. Four holes drilled by Midway at the Roberts Gold property, a contiguous property held by NV Gold that lies north of Afgan-Kobeh, are included in the project database as well.

11.2 Conventional Rotary Drilling and Logging

Amselco drilled the first known holes on the Afgan project in July and August 1981. These consisted of 24 vertical holes ranging in depth from 25 to 485 feet, for a total of 6,860 feet. According to Hurban (1999), the holes were all conventional rotary holes; this is supported by the geologic log sheets that are printed with the title “Rotary Percussion Drill Log.” Geologic logs with hand-written gold assays shown on the logs for each of the drill holes were provided to MDA.

The only other conventional rotary drilling on the property known to MDA include 604 feet of pre-collar drilling for two core holes (ANC 93-14 and ANC 93-15) drilled by Great Basin in November and December 1993. There are neither geologic logs nor gold assays for the rotary portion of these two holes.



Figure 11.1 Afgan-Kobeh Drill-Hole Location Map

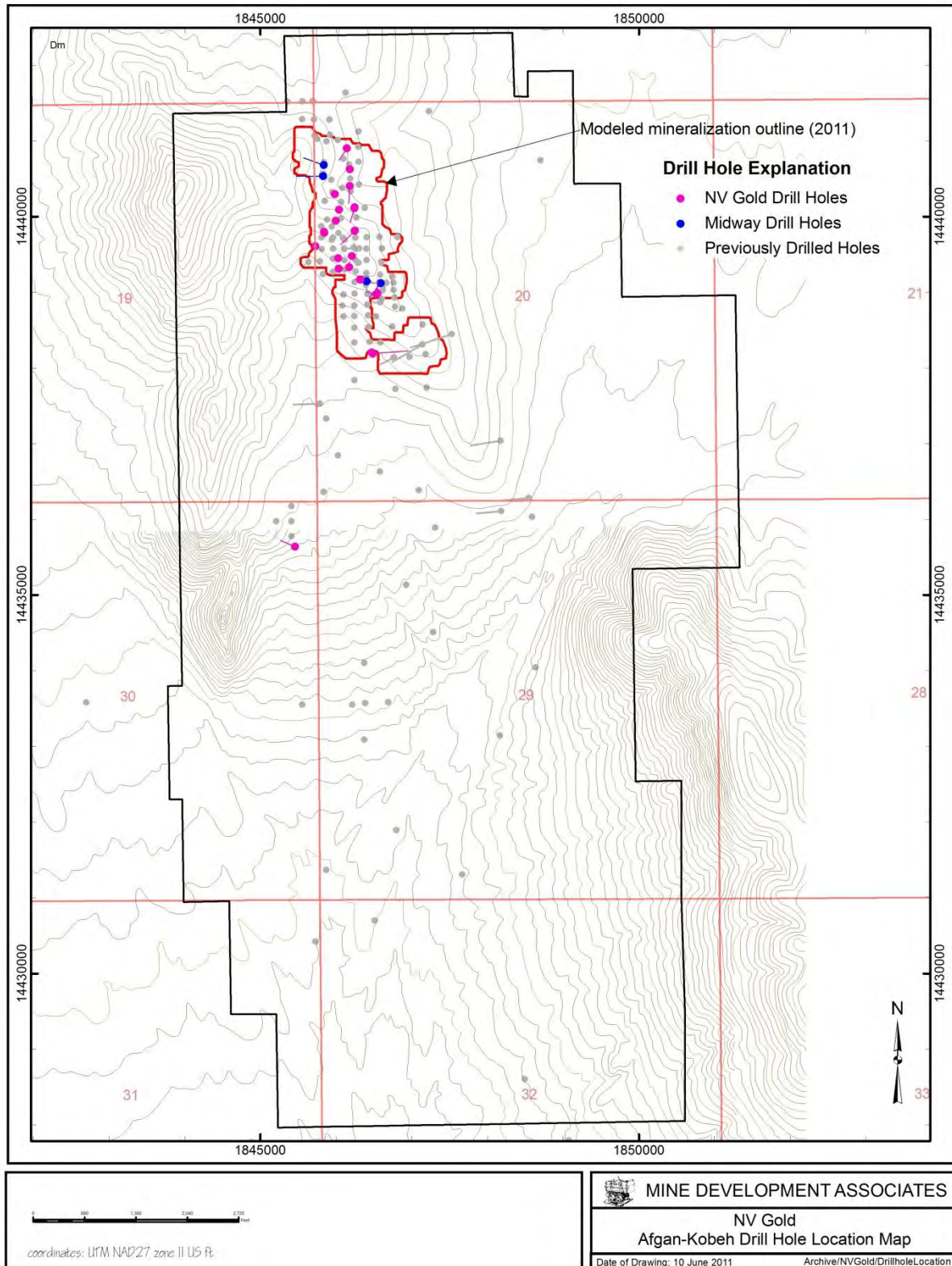
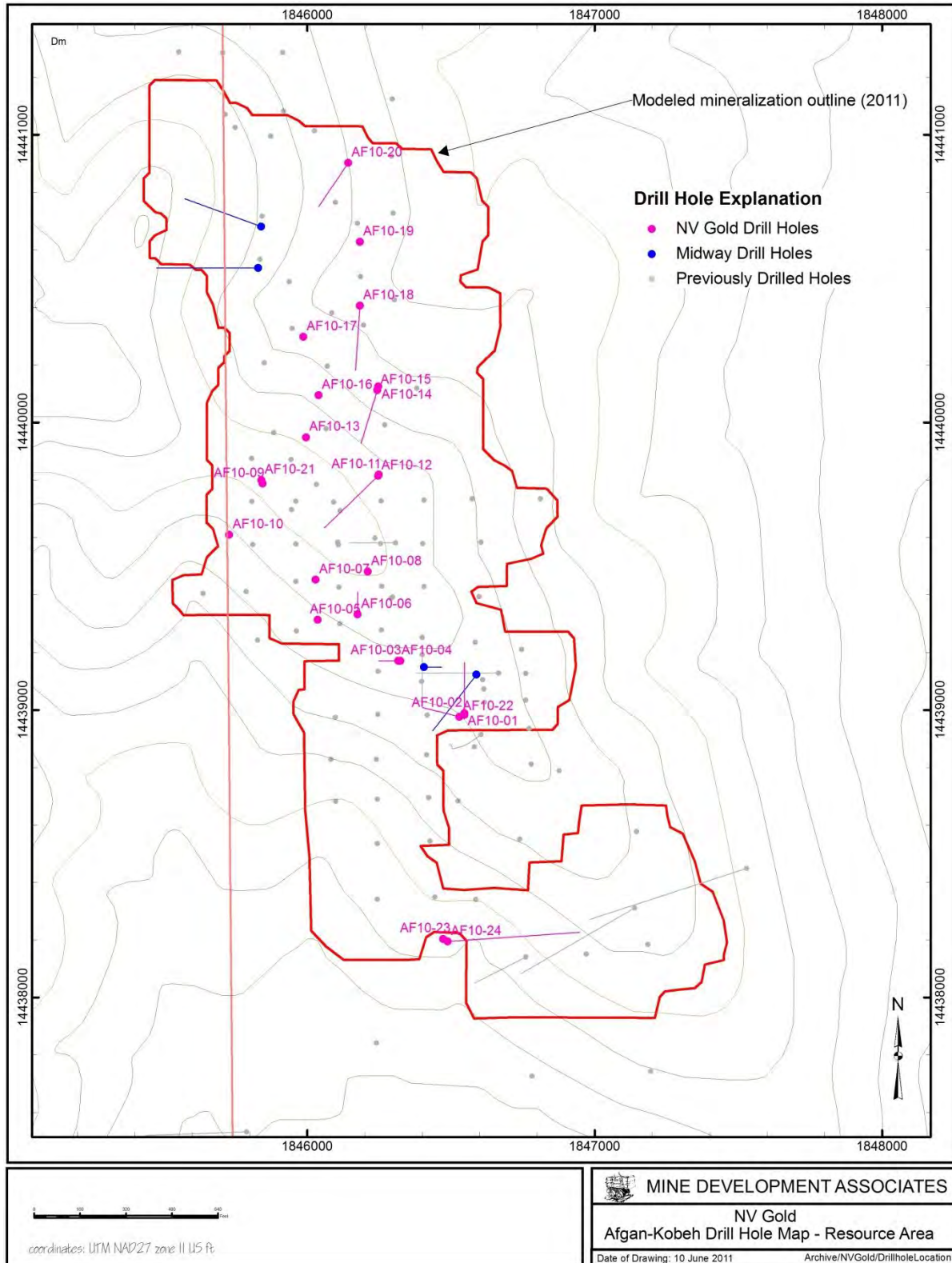




Figure 11.2 Drill Hole Location Map – Resource Area





11.3 Air-track Drilling and Logging

Twenty-four air-track holes were drilled on the Afgan project by the LFC Trust for assessment purposes. According to Hall (1988), the LFC Trust drilled 15 shallow air-track holes to depths of between 10 and 30 feet for assessment purposes in 1988. These holes were designed to test soil geochemical anomalies outlined by Amselco in 1981. None of the holes reportedly penetrated bedrock, no assay results are known to MDA, and the holes are not included in the MDA database. Catear Exploration Drilling of Winnemucca, Nevada (“Catear”) was the drilling contractor for these holes.

Assessment drilling by the LFC Trust in August 1989 consisted of five air-track holes (AF89-1 through 89-5 in the MDA database). Catear used a Gardner Denver GD3100 rig for this program. The holes ranged in depth from 90 to 136 feet, for a total of 601 feet of drilling. Perfunctory geologic logs and a table showing what are apparently the original assays for these holes were provided to MDA.

In August 1990, four air-track holes were drilled by the LFC Trust for assessment purposes (AFN 90-1 through AFN 90-4). Catear was contracted for the program and used a Gardner Denver GD 3600 conventional air-track drill rig. The four holes totaled 393 feet, ranging from 63 to 115 feet in depth. Brief geologic logs and assays for the four holes were provided to MDA.

11.4 Reverse-Circulation Drilling and Logging

Hecla, Santa Fe, Phelps Dodge, Great Basin, Cominco, Midway, and NV Gold drilled 139 RC holes on the Afgan-Kobeh property between 1986 and 2010. The geologic logs of these holes supplied to MDA were prepared by geologists and representatives of the respective companies.

Hecla drilled eight vertical RC holes on the property in 1986 for a total of 2,850 feet. The depths of the holes range from 105 to 565 feet. The geologic logs indicate that the drilling company was Lang; no details about the drill rig are known to MDA.

Santa Fe Mining drilled nine RC holes (RS 1-4, and RM 9-13) on what is now the Afgan-Kobeh property during 1988 and 1989 for a total of 3,530 feet, as well as an additional six holes drilled in the area but outside the current claim boundaries during the same timeframe; 13 of the Santa Fe holes are in the drill-hole database. All nine holes drilled on the property were vertical and range from 230 to 500 feet in depth. Geologic logs and assay reports for the holes were provided to MDA, although there was no information on the nature of the drilling equipment. RM-10 encountered artesian water flowing at an estimated 250-300 gallons per minute; this hole lies more than 1,100 feet from the limits of the Afgan-Kobeh resources.

Phelps Dodge undertook the most extensive drill program on the property, drilling 63 RC drill holes (AF90-6 through AF91-68) in December 1990 through February 1991 using a track-mounted rig from Eklund Drilling Company (“Eklund”). All of the holes were vertical except AF91-43. The holes were logged by Phelps Dodge geologic staff, and the logs and assay sheets were provided to MDA. The Phelps Dodge holes total 15,640 feet, with depths of individual holes ranging from 45 to 505 feet.



In 1993, Great Basin drilled seven angle RC holes on the property, for a total of 4,107 feet, with one of the holes drilled as a pre-collar for a core hole. Depths range from 505 to 705 feet in the six complete RC holes (ANR-3 through 8). ANR-9 was drilled for the first 605 feet using RC, with coring continuing to a depth of 891.6 feet. All of the RC drilling was done by Lang, but no information was provided to MDA on the type of equipment used.

Cominco drilled 16 vertical RC holes in 1996, of which eight were collared within the Afgan property (CAK1-3, 12-16), while the rest were located on the adjacent Kobeh claims to the south, including five that were drilled on the current Kobeh claims (CAK4 to CAK8) (Suda, 1997). A total of 6,745 feet were drilled on the Afgan claims and 3,245 feet in the five holes within the current Kobeh claims. Fifteen of Cominco's 16 holes range in depth from 505 to 860 feet, with the remaining hole being the deepest hole drilled at Afgan at 1,560 feet. Copies of geologic logs by Cominco staff and assay certificates were provided to MDA, along with a drill-hole location map and two cross sections. The first twelve holes were drilled in April and May by Eklund, using a Schramm TH-1000 drill. Three more holes were drilled by Eklund in July. The final deep hole was drilled in December using a Drilling Services-Boyle Brothers drill of unspecified type. A down-hole survey of this hole was completed by Scientific Drilling International.

Midway drilled four RC holes at Afgan in 2007 for a total of 1,600 feet. O'Keefe Drilling Company of Battle Mountain, Nevada, was the drilling contractor (Midway, 2008a). The Midway holes range from 350 to 500 feet in depth. Four additional RC holes were drilled by Midway during the same 2007 program at the adjacent Roberts Gold property to the north, which is not the focus of this report, and these holes are included in the drill-hole database.

NV Gold drilled 25 RC holes in 2010 for a total of 7,803 feet. These holes range from 80 to 995 feet in depth. Drift Exploration Drilling ("Drift"), a subsidiary of Forage Orbit Garant Drilling, was the drill contractor and used a MaxiDrill MaxCat-24 rig. All holes were drilled with conventional RC hammer bits, with diameters ranging from 5 3/4 to 6 1/4 inches. Water was only injected as needed to control caving or to prevent clogging of the blow-by and interchange; no ground water was intersected. Water for NV Gold's drilling was obtained with permission from a storm-water catch basin at the former Gold Bar mine.

11.5 Core Drilling and Logging

Great Basin drilled the only known core holes into the Afgan deposit. In June 1993, two core holes (ANC-1 and 2) were drilled by McFeron & Marcus using H-size core to depths of 444.7 and 406.3 feet. Assays were obtained on only portions of each hole. Partial core recovery information was gathered for one of the holes.

In 1993, Great Basin extended RC hole ANR-9 from 607 to 891.6 feet using HC core; the drilling company and nature of the equipment are not known to MDA. Assays for part of the cored section of the hole, but no core recovery data, were provided to MDA. In November and December 1993, Great Basin drilled an additional six core holes (ANC93-10 through 93-15), of which the last two were pre-collared with a rotary rig and cased to depths of 300 and 304 feet. These six holes ranged in depth from 437.2 to 821.3 feet. Portions of all six holes were assayed, and core recovery information was recorded



for most of the cored lengths. McFeron & Marcus was the drilling contractor for these holes, but no details on the equipment were provided to MDA.

Great Basin's core drilling amounted to nine holes for a total of 4,370 feet. Detailed geologic logs by Great Basin staff were provided to MDA. Seven of the core holes are located in the southern third of the current resource model, while the remaining two lie south of the southern limits of the modeling.



12.0 SAMPLING METHOD AND APPROACH

The Afgan resource database includes assay data from air track, conventional rotary, RC, and core drill holes. MDA is unaware of any sampling or recovery factors that may materially impact the mineral resources discussed in Section 17.0.

The predominant sample length for the drill intervals used directly in the resource estimation is five feet, with intervals longer than five feet comprising only four percent of the assay intervals used directly in the estimation of the current resources. The sample intervals are significantly less than the thickness of the bulk-tonnage style of mineralization at Afgan and are appropriate for use in resource estimations.

12.1 Summary of Historic Sampling at Afgan-Kobeh

The Afgan-Kobeh assay data consist entirely of drill samples from core, RC, conventional rotary, and air-track holes. Most of the non-core holes were sampled at 5-foot intervals, which is the industry-standard sample interval for these drill types. The remaining eight non-core holes were sampled on 10-foot intervals, which, while not the most common sample length, is not unusual. The core was sampled at intervals up to 10 feet, averaging slightly more than 5 feet.

The historic drill logs provided to MDA are inconsistent in their recording of drilling and sampling conditions. The data that are available do not suggest there were any sampling or recovery factors that would materially impact the mineral resources discussed in Section 17.0.

The various historic operators at Afgan-Kobeh were reputable and well-known mining/exploration companies that likely followed accepted industry practices relating to sampling. NV Gold's sampling is described in Section 12.4.

12.2 Conventional-Rotary Sampling

No samples were taken from the rotary pre-collar portions of the two Great Basin core holes. Casing was set through the rotary pre-collars to prepare each hole for core drilling.

Drill logs indicate that Amselco's 24 rotary holes were sampled and assayed for gold on 5-foot intervals for the entire length of each hole.

The geologic log for hole 322-D-3a indicates poor sample recoveries were encountered while drilling unmineralized Tertiary tuff, which does not host any of the current resources. Three 5 to 20-foot intervals in tuff at the bottom of the hole produced no chips. Poor circulation was reported for a 5-foot interval in hole 322-D-15. Two additional holes had two to four 5-foot intervals where no samples were recovered. MDA has no further information on the sample quality or sampling methods used in this program.



12.3 Air-Track Sampling

Samples were taken at five-foot intervals for the entire length of the five air-track holes drilled by the LFC Trust to fulfill 1989 assessment requirements (AF89-1 through 5; Hall, 1989); no details on sampling procedures are known to MDA. A 25-foot interval of poor recovery was noted within an unmineralized portion of AF89-1. No sample was recovered from one 5-foot interval in AF89-2.

A brief report by Hall (1990) indicates that a Jones splitter was used to split samples for four LFC Trust air-track holes drilled in 1990 (AFN90-1 through 90-4), which are not directly used in the resource estimation. The samples were taken on 5-foot intervals for the entire length of each of these holes. No further information on this sampling was made available to MDA.

12.4 Reverse-Circulation Sampling

Seven of Hecla's eight RC holes were sampled and assayed on 5-foot intervals according to drill logs and assay certificates provided to MDA. The entire lengths of holes AF-1 through 4 were sampled. Sampling of holes AF-5, 7, and 8 started at bedrock (50, 75, and 75 feet, respectively) and continued through to bottom of each hole. Other than one mention of caving in a hole and a notation that one 5-foot interval had poor recovery, there is no indication of any problems with drilling or sample recovery on the geologic logs. MDA has no further information on sample quality or sampling methods used in Hecla's program. The drill logs for Hecla's hole AF-6 show no assays, perhaps because the hole entered Devils Gate Limestone immediately below alluvium.

Three of Santa Fe's 15 RC holes on and adjacent to the Afgan project were not sampled or analyzed (RM-6, 14, and 16), and two more were not assayed for gold (RM-8 and 10). The first four holes (RS-1 through 4) were sampled on 5-foot intervals, but only for selected portions of the hole. The remaining holes (RM 5, 7, 9, 11-13) were sampled and assayed for gold on 5-foot intervals for the entire length of the holes. With one exception, the geologist's logs do not indicate any sampling or drilling problems, but no other information on sample quality or technique was available to MDA. The log of hole RM-5 mentioned that casing was blowing out and that there was caving in the hole.

Phelps Dodge's drilling program apparently began with re-assaying the air-track samples drilled by the LFC Trust in 1989 (AF89-1 through 5). Phelps Dodge then proceeded to drill 63 RC holes on the property with samples taken and assayed at 5-foot intervals for the entire length of the holes. Except for assay reports, MDA has no further information on sample quality or sampling methods used in Phelps Dodge's program.

Great Basin drilled seven RC holes, including ANR-9 that was continued with core drilling. For the RC drilling, sampling, and assaying were done on 10-foot intervals for the entire length of the holes. Except for a 30-foot interval of no return deep in ANR-7, which is part of a weakly mineralized zone, the continuity of assays and lack of negative comments in the geologic logs suggest that there were no major sampling problems. MDA has no further information on sample quality or sampling methods used in Great Basin's program.



Samples were collected every 10 feet while in alluvium for the first two (CAK-1 and 2) of Cominco's 13 RC holes drilled on the Afgan-Kobeh project, changing to 5-foot intervals once bedrock was reached. The remaining holes were sampled similarly except that no samples of alluvium were collected. All holes were sampled to their total depth. Suda (1997) remarked that the final deep hole (CAK-16) was stopped earlier than planned because of poor drill rates and that the drilling was hampered by poor weather and faulty drill equipment, but samples were recovered for the full length of this 1,560-foot hole. MDA has no further information on sample quality, recovery, or sampling methods used in Cominco's program.

The RC holes drilled by Midway were sampled and assayed on five-foot intervals.

Samples were collected every five feet for NV Gold's holes. Sample sizes varied from about four to more than 20 pounds. The first 10 feet of cuttings from each hole were caught in pans alongside the open hole and run through a riffle splitter, mostly to homogenize the material; ½ split was kept for the assay sample. After surface casing was set, all RC cuttings passed into the cyclone. Sample was dropped from the cyclone through the riffle splitter by removal of a slide gate, after drilling was stopped and the hole was cleaned. Early in the program, ¼ splits were collected from the upper parts of dry holes, but typically, below about 100 feet, all RC returns were collected for the assay sample. The riffle splitter was left in place, primarily for homogenization and to direct the samples into the pans. After hole AF10-08, for the most part all RC returns were collected in the assay sample except for duplicate intervals, when a quarter split was collected in the duplicate bag. Wet samples were collected in a bag-lined bucket directly below the cyclone discharge; all RC returns were typically captured to the assay sample.

12.5 RC Sample Recovery

The historic data include a very minor amount of qualitative drill-sample recovery information for some of the RC holes. Poor recovery was noted on drill logs for 18 samples lying within mineral domains modeled by MDA. Six of these samples also reported sample weights, which varied from two to five pounds.

The weights of 908 RC sample intervals that were directly used in the current resource estimate (*i.e.*, that lie within mineral domains defined by MDA) are available, but the lack of information on the splitting of the cuttings limits the usefulness of these data. Samples with very low reported weights, which likely indicate poor sample recovery during the drilling process, may be an exception to this limitation. An analysis of the population distribution of sample weights suggests that samples weighing less than eight pounds may indicate poor recovery at the drill rig.

A total of 113 samples that have weight data and lie within MDA mineral domains weigh less than eight pounds, and these have average and median grades of 0.020 and 0.008 oz Au/ton, respectively. The statistics of the remaining 795 samples with recorded weights of at least eight pounds are not significantly different, having an average grade of 0.019 oz Au/ton and a median grade of 0.007 oz Au/ton. Without additional data, in combination with the fact that drill intervals characterized by poor recoveries can provide representative samples, the low-weight samples were allowed to remain in the database.



12.6 Conventional Rotary and Reverse Circulation Sample Contamination

Due to the nature of rotary and RC drilling, the possibility of contamination of drill cuttings from intervals higher in the hole is a concern, especially when groundwater is encountered or drilling fluids are added. The presence of groundwater was noted in seven of the Phelps Dodge holes. Santa Fe encountered artesian water flowing at an estimated 250-300 gallons per minute in hole RM-10, but this hole was drilled more than 1,100 feet from the limits of the Afgan-Kobeh resources. No groundwater was encountered in NV Gold's 2010 drilling; water was injected only as needed to control caving or to prevent blockage of the blow-by and interchange. Injection of water was required during the drilling of portions of 10 of NV Gold's 25 holes. Some logs for other holes report wet or dry conditions, but generally the logs lack such information.

Down-hole contamination can sometimes be detected by careful inspection of the drill results in the context of the geology, by comparison with adjacent core holes, and by examining down-hole grade patterns. The geologic logs and other data provided to MDA often lack the detailed documentation that could aid in the evaluation of the possibility of contamination. Possible to severe contamination was noted on the geologic logs for 59 sample intervals, but only one of these returned values higher than 0.003 oz Au/ton. This sample, which assayed 0.068 oz Au/ton, is one of only three samples with identified contamination that was included within MDA's mineral domains used to constrain the current resource estimation. This higher-grade sample is consistent with assays from surrounding samples from both AF89-3 and nearby holes that are not suspected of being contaminated, and therefore it was accepted for use in the resource estimation. Three holes (AF90-6, AF90-13, and AF90-17) with possible smearing of very low grades were identified, but these low-grade zones lie below the lower limits of the resource modeling. One Midway hole (AF07-05) includes an anomalously thick 0.002 to 0.015 oz Au/ton interval in the uppermost Devils Gate Limestone in comparison to neighboring holes, but evidence suggesting that this thickening is due to down-hole contamination is not sufficient to warrant exclusion from the resources.

The drill-hole assays were further inspected in an effort to discern if any systematic cyclicity of gold values over 20-foot intervals (typical drill rod length) could be detected. These are detected by examining the gold results of each set of four five-foot samples derived by the drilling of the same drill rod. In a classic case, the first sample of the drill rod will have the highest grade, while the following three samples will gradually decrease in grade. This classic „decay“ pattern in grade is caused by the accumulation of mineralized material (present at some level higher in the hole) at the bottom of the hole as the drilling pauses and a new drill rod is added to the drill string. When drilling resumes, the first sample has the greatest amount of contamination, and the successive samples are gradually „cleaner“ as the accumulated contamination is removed and the continuing contamination experienced during the drilling is overwhelmed by the material being drilled. This decay pattern is usually possible to detect only while drilling barren or very weakly mineralized rock. Even in cases where this cyclic gold contamination is of such low grade as to have minimal impact on resource estimation, its presence suggests that similar, and possibly more serious, contamination is occurring higher in the hole within mineralization, where the contamination is impossible to recognize. One hole (AF10-13) was found to have cyclic patterns of low-grade gold values (≤ 0.003 oz Au/ton) that occur well below the modeled mineralization.



There is evidence that suggests a minor amount of down-hole contamination of gold has occurred in some of the drill holes, and the suspect data were removed during resource modeling. It should be noted that the identification of suspect assays due to possible down-hole contamination is interpretational, but if this evidence is truly indicative of contamination, the effects within the envelope of mineralization in any particular hole is often impossible to determine. Taking all of this into consideration, MDA believes that the shallow nature of the Afgan mineralization, coupled with the scarcity of intersected ground water, has helped to alleviate the potential for serious contamination issues at Afgan.

12.7 Core Sampling

The sample lengths of Great Basin's nine core holes are irregular, but often in the range of four to six feet. Sampling tended to start at the first appearance of significant amounts of breccia, continuing until just beyond the contact with Devils Gate Limestone; half or more of the length of each hole was not sampled. Except for a 19-foot interval of no recovery at a depth of about 600 feet in ANC 93-14, which is bounded on both sides by unmineralized samples, the geologic logs do not indicate any significant problems with core recovery (no systematic core-recovery data are available). The split of core sent for assay is not known, nor are any more specifics about the logging and sampling procedures employed.



13.0 SAMPLE PREPARATION, ANALYSIS, AND SECURITY

MDA knows very little of the sample handling and sample security measures employed on any of the pre-NV Gold drilling programs undertaken at Afgan-Kobeh. Details concerning the assaying laboratories, while not complete, are better documented. The commercial analytical laboratories used by all operators that contributed data to the project drill-hole database, as well as the sample preparation and analytical procedures used by these laboratories to obtain the gold assays for Afgan, are, or were at the time, well recognized and widely used in the minerals industry. All of the historic operators are or were reputable, well-known mining/exploration companies.

The following sections summarize the extent of MDA's knowledge regarding the sample preparation, analysis, and security protocols used in the various drilling programs at Afgan-Kobeh.

13.1 Previous Operators

The information supplied to MDA regarding Amselco's drilling program did not specify the assay laboratory(s) used or any information on the analytical technique(s). No copies of assay certificates were included; the gold assays entered into the MDA database were derived from oz Au/ton values written by hand on the geologic logs. It appears that the lower detection limit was 0.001 oz Au/ton; all values recorded on the logs as less than 0.001 oz Au/ton were entered into the MDA database as "0".

For seven of their eight holes at Afgan, Hecla used Rocky Mountain Geochemical of Nevada to perform gold and arsenic analyses. Samples from the remaining hole apparently were not analyzed. Gold values were determined by atomic absorption ("AA") after a one-hour roast and *aqua regia* digestion. Arsenic values were determined colorimetrically. The lower detection limits for gold and arsenic appear to have been 0.02 ppm and 5 ppm, respectively; values shown as less than 0.02 ppm Au or 5 ppm As were entered into the MDA database as "0". Copies of original assay certificates were provided to MDA and used to create the database.

Lyle Campbell used Geochemical Services Inc. ("GSI") to assay samples from the nine air-track holes drilled for assessment purposes in 1989 and 1990. Multi-element inductively coupled plasma ("ICP") analyses were obtained from 5-gram samples in addition to gold analyses of an unknown type. Copies of the original assay certificates were supplied to MDA for the four holes drilled in 1990 (AF90-1 through 90-4). All of the gold assays by GSI were below the detection limit, which although not explicitly specified was likely 0.005 ppm. There is a table indicating that GSI also assayed the five holes drilled in 1989 (AF89-1 through 89-5). There are also Bondar Clegg assay reports in the name of Phelps Dodge for all five of the 1989 holes; MDA believes that these are check assays. Bondar Clegg assayed the prepared pulps for gold by fire assay; the lower detection limit was 0.002 oz Au/ton, with values for samples with less than 0.002 oz Au/ton shown in the database as 0. Bondar Clegg re-assayed selected samples from four of the five holes for gold using cyanide-leach analyses. Copies of the original assay certificates were supplied to MDA, but no details on the methodology were included on those certificates. These cyanide analyses are also included in the database.

Santa Fe used American Assay Laboratories to assay holes RS-1 and RS-4. Copies of the original assay reports were provided to MDA and used in the MDA database. The assay report copies did not include



the cover sheet with information on the assay technique used, but it appears from the data that the lower detection limit was 0.005 ppm Au. Analyses were also provided for silver, arsenic, antimony, and mercury, although only the gold values were entered into the database.

Samples from Santa Fe's holes RM-9 through RM-13 were analyzed by ALS. Gold was assayed by fire assay with an AA finish, with a lower detection limit of 0.005 ppm. ALS also completed silver, arsenic, mercury, and antimony analyses, but the results are not included in the database. Copies of the assay certificates were supplied to MDA.

Bondar Clegg was the assay laboratory used by Phelps Dodge for their 63-hole RC drilling program. Copies of the original assay certificates were supplied to MDA, and assay results were also hand-written on the geologic logs; database entries for gold in the MDA database were taken from the assay certificates. Gold was analyzed by 30-gram fire assay with an AA finish. The lower detection limit was 0.005 ppm; values for samples with less than 0.005 ppm Au are shown in the database as 0. The assay certificates show that the few samples with assays greater than 1 ppm Au were re-assayed, with results reported in oz Au/ton, suggesting that the re-assays were by fire assay with a gravimetric finish. Sample weights were also provided. Multi-element geochemical analyses were performed, but the results are not included in the MDA database. Selected samples from four of the holes (AF90-22, AF91-33, AF91-48, and AF91-50) were also analyzed for gold by Bondar Clegg by cyanide-leach analyses. Copies of the original assay certificates with these cyanide analyses were supplied to MDA, but no details on the methodology or lower detection limit were included on the certificates.

Barringer Laboratories Inc. ("Barringer") assayed samples from all 15 of Great Basin's core and RC holes by fire assay with an AA finish (Koehler, 1994b). Cone Geochemical also assayed samples from hole ANR-9. Copies of original Barringer assay reports were provided to MDA for holes ANC 93-10 through ANC 93-15. Geologic logs of all of Great Basin's holes include handwritten assay results for gold and other metals, and these values were entered into the database for the holes lacking original assay certificates. Inspection of the assays suggests that the lower detection limit of the Barringer analyses was 0.002 ppm Au.

Cominco used ALS to assay samples from their drill holes at Afgan-Kobeh. Gold was assayed by fire assay with an AA finish using 10-gram charges, with a lower detection limit of 5 ppb. ALS also assayed for silver, arsenic, mercury and antimony, but those results were not entered into the database. Copies of the original assay certificates were provided to MDA, and those values were used for the database.

Midway used ALS in Sparks, Nevada, to assay samples from their four holes drilled at Afgan in 2007. Gold was assayed by 30-gram fire assay with an AA finish (ALS code Au-AA23); the lower detection limit was 5 ppb. Samples exceeding 0.01 oz Au/ton were analyzed by cyanide leach (ALS code Au-AA13); the lower detection limit was 30 ppb. Copies of the original assay certificates were provided to MDA and used to enter the information into the database.

All of the laboratories discussed above are well-known commercial analytical laboratories that used industry-standard sample preparation and analytical techniques.



13.2 NV Gold

The drillers stacked the RC drill samples in numerical order at the edge of the drill pad, out of the way of foot and machine traffic. Duplicate samples were stacked separately and moved by a NV Gold representative to a secluded work and storage area within the project area. Duplicates, blanks, and standards were bagged and assigned sample numbers at this site by NV Gold and were then inserted into the stack of primary drill samples. ALS picked up the drill and quality control/quality assurance samples under the supervision of NV Gold and transported them to the ALS facilities in Reno. All vehicular traffic and tracks observed in the project area during the drilling program were by persons directly involved in the Afgan drilling program.

NV Gold used ALS in Reno, Nevada, to prepare and analyze their drill samples. Samples were crushed to 70% less than 2 millimeters and were then split with a riffle splitter. The split was pulverized to 85% less than 75 μ m.

Gold was assayed by 30-gram fire assay with an ICP-AES finish (ALS code Au-ICP21); the lower detection limit was 0.001 ppm (0.00003 oz Au/ton). Samples exceeding 3 ppm (0.088 oz Au/ton) were assayed by 30-gram fire assay with a gravimetric finish (ALS code Au-GRA21); the lower detection limit was 0.05 ppm.



14.0 DATA VERIFICATION

In consideration of the Afgan data summarized below, as well as information provided elsewhere in this report, MDA believes the project data are acceptable for use in the resource estimation described in Section 17.0.

14.1 Database

MDA relied on sampling and analytical data provided by the LFC Trust in the creation of the project database. MDA has attempted to verify the data to the extent possible during the compilation of the database, which is discussed in Section 11.1. MDA constructed the database using original information from the historic exploration programs that was provided by the LFC Trust, as well as more recent data provided by NV Gold. Entries for all numerical data, including gold assays, were checked as they were being entered into the database. The data used to build the collar, down-hole survey, and assay portions of the database are discussed in the previous three sections of this report.

The current resource estimation directly incorporates analytical data from the Amselco, LFC Trust, Phelps Dodge, Great Basin, Midway, and NV Gold drill holes. The Phelps Dodge and NV Gold holes provide 51% and 21%, respectively, of the assays directly used in the current resource estimation.

14.2 Historic Quality Control/Quality Assurance Data

Available quality control/quality assurance (“QA/QC”) data from the Cominco and Phelps Dodge drilling programs were compiled during the construction of the drill-hole database. The Phelps Dodge QA/QC sample data include standards and blanks, while only standards were found in the Cominco information. Phelps Dodge also re-assayed original pulps from the 1989 LFC Trust drill holes. While no QA/QC data were found that pertain to the Amselco and Great Basin drilling programs, this does not necessarily mean that these companies did not institute quality-control programs.

Uncertified Reference Materials. Standards are used to evaluate the analytical accuracy and precision of the assay laboratory during the time the drill samples were analyzed. To accomplish this, the standards must be certified, which involves round-robin testing by a number of commercial laboratories that culminates in an accurate certified analytical value can be assigned to the standard, along with well-established statistical criteria (specifically, the standard deviation).

It is not known if the standards utilized by Phelps Dodge and Cominco were certified, although the „accepted values” were provided in the historic documentation for most of the standards analyses compiled. No further statistical data on the standards were found. With these notable caveats, MDA’s evaluation of the standards follows.

MDA compiled a total of 78 analyses of six standards submitted with the Phelps Dodge drill samples, although only 56 of these analyses were accompanied by the accepted value of the standard (Table 14.1). The means of the analyses are very close to the accepted values, with the exception of GEO_SYN_6, of which there are only two analyses available.



Table 14.1 Statistics of Uncertified Standards - Phelps Dodge

| Standard | Accepted Value (ppb) | Mean | Diff (%) | Median | Min | Max | Count |
|-----------|----------------------|------|----------|--------|------|------|-------|
| GEO_SYN_1 | 17 | 17 | 0% | 17 | 15 | 18 | 20 |
| GEO_SYN_2 | 667 | 668 | 0% | 662 | 608 | 726 | 22 |
| GEO_SYN_3 | 6320 | 6389 | 1% | 6645 | 5642 | 7084 | 5 |
| GEO_SYN_4 | 346 | 347 | 0% | 350 | 312 | 376 | 4 |
| GEO_SYN_5 | 765 | 761 | -1% | 760 | 752 | 770 | 3 |
| GEO_SYN_6 | 1370 | 1436 | 5% | 1436 | 1415 | 1456 | 2 |

Forty-three assays of two standards were compiled from the Cominco documentation (Table 14.2). The standard analyses agree very closely with the provided accepted values. None of the Cominco holes lie within the Afgan resource boundaries.

Table 14.2 Statistics of Uncertified Standards - Cominco

| Standard | Accepted Value (ppb) | Mean | Diff (%) | Median | Min | Max | Count |
|----------|----------------------|------|----------|--------|-----|-----|-------|
| 1 | 139 | 140 | 1% | 140 | 120 | 160 | 25 |
| 2 | 259 | 256 | -1% | 250 | 240 | 285 | 13 |

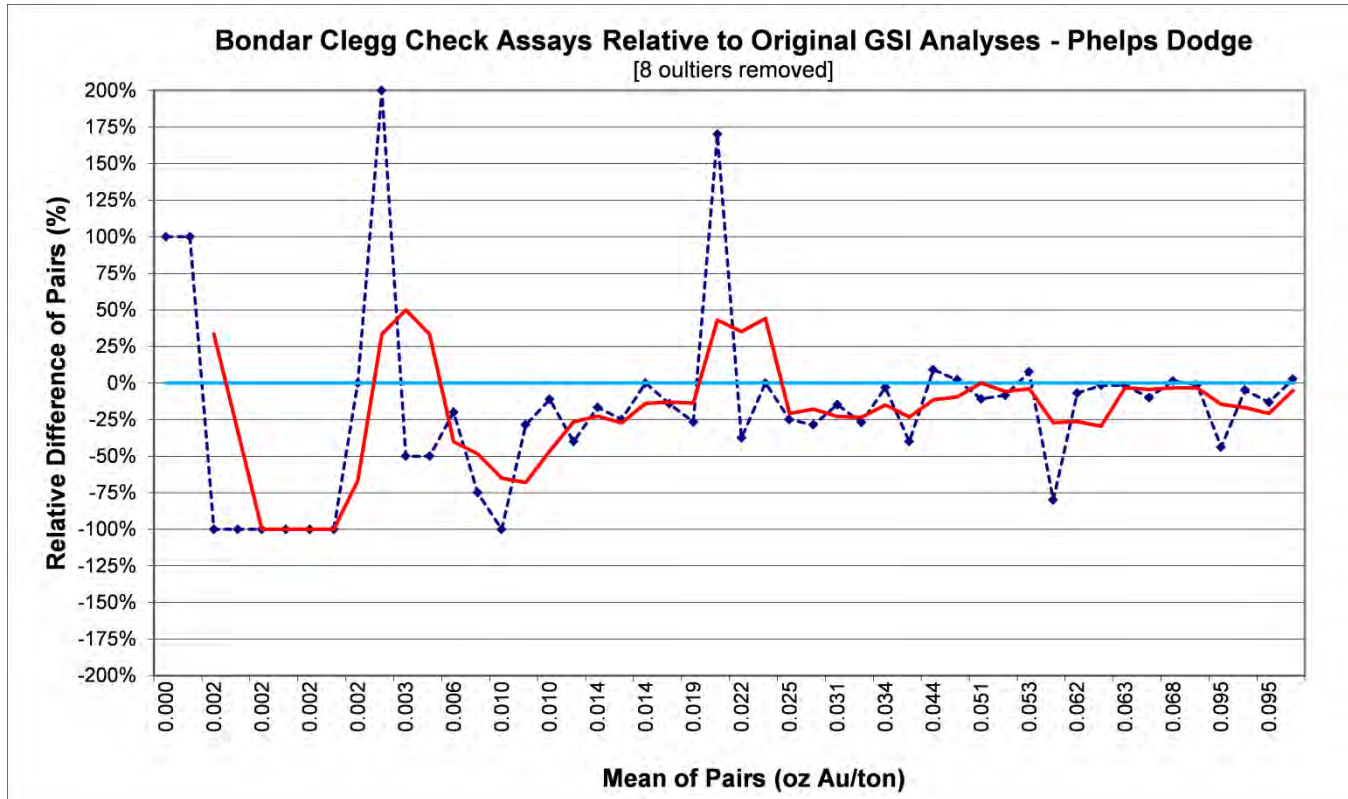
Pulp Checks. Phelps Dodge sent 119 original pulps from all intervals of the five LFC Trust holes drilled in 1989 for check assaying (Figure 14.1). The original drill samples were prepared and assayed by GSI, but the analytical method used is not known. Bondar Clegg performed the check assays by fire assay with an AA finish.

Figure 14.1 is a relative-difference graph that shows the difference, plotted on the y-axis, of each Bondar Clegg re-assay relative to its paired original GSI analysis. The x-axis of the graph plots the means of the paired data. The red line shows a moving average of the relative differences and provides a visual guide of trends in the data. A total of 48 pairs is shown on the plot, which excludes both 62 pairs where both analyses are below detection and 37 outlier pairs.

The Bondar Clegg check assays are systematically lower throughout the grade range of the data, although the discrepancy between the analyses appears to be decreasing with increasing grade. The mean of the check assays is 9% lower than the original GSI analyses (0.029 vs. 0.031 oz Au/ton, respectively), although the magnitude of the percentage difference is exaggerated by the low mean grades. Including the outlier pairs, the mean of the Bondar Clegg assays is 14% lower (0.024 vs. 0.028 oz Au/ton).



Figure 14.1 Phelps Dodge Check Assays Relative to Original LFC Trust Analyses



Internal Laboratory Pulp Checks. Pulp checks were completed by the original laboratories used by Phelps Dodge, Cominco, and Santa Fe. These represent repeat analyses of the pulps completed at the same time as the original analyses, and as such, are only useful in evaluating the precision of the primary laboratory.

A total of 164 repeat analyses of Phelps Dodge samples by Bondar Clegg was compiled. Only 26 of the check/original pairs have means in excess of 0.005 oz Au/ton, and the mean of the absolute values of the relative differences, or the average variability, of these pairs is 7%, which is considered normal.

None of the 44 Cominco or 12 Santa Fe repeat analyses exceed 0.005 oz Au/ton and therefore are not considered to be material to the resource estimation.

Blanks. Preparation blanks are coarse samples of barren material that are used to detect possible laboratory contamination, which is most common during sample-preparation stages. In order for analyses of blanks to be meaningful, therefore, they must be sufficiently coarse to require the same crushing stages as the drill samples. It is also important for blanks to be placed in the sample stream immediately after mineralized samples (which would be the source of most cross-contamination issues). Blank results that are greater than five times the detection limit (25 ppb Au based on a 5 ppb detection

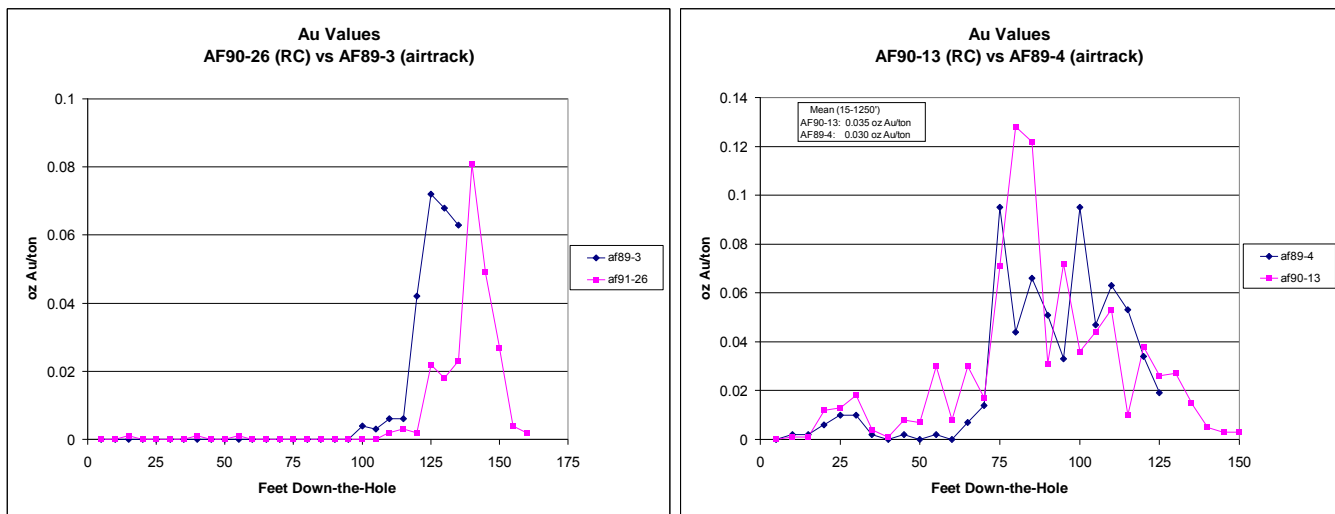


limit) are typically considered failures that require further investigation and possible re-assay of associated drill samples.

A total of 56 blanks was inserted by Phelps Dodge into the sample stream of 38 of their drill holes. MDA is not certain that the blanks consisted of coarse material that required crushing. All of the GSI blank analyses returned values less than the detection limit.

Twin Holes. Phelps Dodge drilled infill RC holes in the area around the five 1989 LFC Trust air-track holes. Two of Phelps Dodge holes are close enough (less than 10 feet) to be considered as twins of two of the LFC Trust holes. Comparisons of the two twin sets are shown in Figure 14.2.

Figure 14.2 Twin Hole Comparisons AF89-3/AF91-26 and AF89-4/AF90-13



The locations of the mineralized intervals in the RC and air-track twin-hole pairs compare well. The magnitudes of the mineralized intervals show reasonable variations in each of the twin sets.

Koehler (1993) reports that Great Basin drilled two angle core holes (ANC-1 and 2) to confirm the gold assays found by Phelps Dodge in their vertical hole AF91-50. Neither ANC-1 nor ANC-2 actually twins AF91-50, although ANC-2 is angled to test the mineralized zone directly beneath the collar of AF91-50 and therefore samples the same general mineralized area. MDA inspected these holes visually on cross section and found a strong correspondence in both the location and tenor of the mineralized intercepts.

Amselco hole 322-d-3, drilled to a depth of 25 feet, was twinned by 322-d-3a, while 322-d-9, drilled to 45 feet, was twinned by 322-d-9a. No significant mineralization was intercepted in the twinned intervals of either set of these conventional rotary holes.

14.3 Midway Quality Control/Quality Assurance Data

Midway inserted standards and blanks into the drill-sample stream of their four holes drilled at Afgan, as well as four additional holes drilled at the neighboring Roberts Gold project. Since all eight holes were drilled and analyzed as part of the same drilling program, the results are evaluated together.



Uncertified Reference Materials. Four pulps for each of two standards of unknown origin were inserted with the 2007 drilling program (Table 14.3). The few ALS standard analyses available agree well with the accepted values.

Table 14.3 Statistics of Uncertified Standards - Midway

| Standard | Accepted Value (ppm) | Mean | Diff (%) | Median | Min | Max | Count |
|----------|----------------------|-------|----------|--------|-------|-------|-------|
| 1 | 0.5 | 0.517 | 3% | 0.504 | 0.481 | 0.579 | 4 |
| 2 | 0.9 | 0.900 | 0% | 0.901 | 0.865 | 0.933 | 4 |

Blanks. A total of eight blank samples was also submitted with the Midway drill samples. Although MDA is uncertain of the origin of the blank material, the sample weights provided on the ALS certificates indicates that the blanks were unlikely to have been pulps (*i.e.*, the blanks likely required crushing). All of the ALS blank analyses returned values less than the detection limit.

14.4 NV Gold Quality Control/Quality Assurance Data

NV Gold incorporated certified standards, preparation blanks, and rig duplicates into their 2010 QA/QC program.

Certified Standards. A total of 25 Rocklabs certified standards (Table 14.4) was submitted with the samples from the last 15 holes drilled by NV Gold in 2010, for an insertion rate of one standard for every 50 drill samples. One of these standard analyses is an extreme outlier, perhaps due to a misidentification, and was removed from the dataset.

Table 14.4 Rocklabs Certified Standards – NV Gold

| Standard | Source | Certified Value (ppm Au) | Standard Deviation |
|----------|----------|--------------------------|--------------------|
| OxE74 | Rocklabs | 0.615 | 0.017 |
| OxG84 | Rocklabs | 0.922 | 0.033 |
| OxI23 | Rocklabs | 1.844 | 0.049 |

There was one failure to the low side of the lower-grade standard and two low-side failures of the higher-grade standard; the analyses of both of these standards are biased low. In contrast, the mid-grade standard analyses are uniformly biased high. The results of the standard analyses are shown in Table 14.5.

Table 14.5 Statistics of Certified Standards – NV Gold

| Standard | Accepted Value (ppm) | Mean | Diff (%) | Median | Min | Max | Count |
|----------|----------------------|-------|----------|--------|-------|-------|-------|
| OxE74 | 0.615 | 0.591 | -4% | 0.593 | 0.560 | 0.618 | 8 |
| OxG84 | 0.922 | 0.973 | 6% | 0.976 | 0.926 | 1.005 | 9 |
| OxI23 | 1.844 | 1.774 | -4% | 1.825 | 1.670 | 1.855 | 7 |



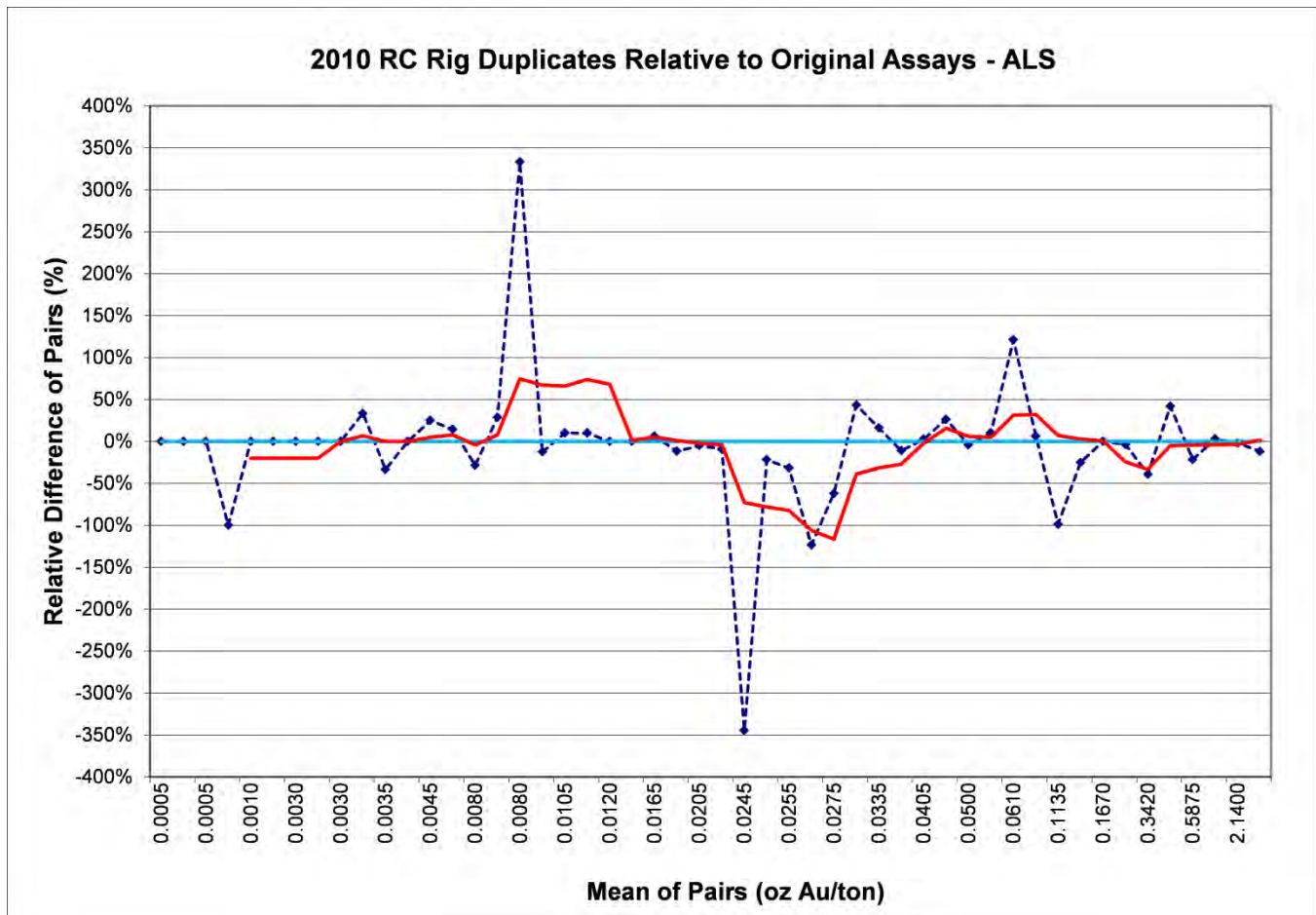
Preparation Blanks. NV Gold used commercial decorative rock as coarse blank material for the 2010 drill program. Based on the detection limit of 0.00003 oz Au/ton reported by ALS, there was one failure (0.001 oz Au/ton) out of the 26 blanks that were inserted with the 2010 drill samples. This failure follows the highest-grade sample that preceded the blanks, which suggests that a very low level of cross contamination did, in fact, occur. Only two of the 26 previous samples exceed 0.005 oz Au/ton, so it is impossible to evaluate if cross contamination is a problem.

Rig Duplicates. Rig or field duplicates are secondary splits of drill samples. In the case of RC drill holes, field duplicates are splits of the cuttings collected at the drill rig at the same time as the primary samples. Field duplicates are mainly used to assess inherent geologic variability and subsampling variance.

NV Gold collected 50 RC rig-duplicate samples at the rate of one duplicate for every 30 drill samples. The rig duplicate / original pairs submitted to ALS are compared in Figure 14.3.

The mean of the rig duplicates (0.241 ppm Au) is 7% lower than the mean of the analyses of the original sample splits (0.260 ppm). Far more data at grades representative of the Afgan gold deposit are needed to arrive at statistically valid conclusions.

Figure 14.3 Rig Duplicates Relative to Original Sample Splits – NV Gold





14.5 Discussion of QA/QC Results

No serious issues are identified by the available Afgan QA/QC information, although this conclusion is tempered by the overall scarcity of relevant data.

MDA recommends that the NV Gold QA/QC program be improved in future drilling programs. Efforts should be taken to assure that a minimum of one certified standard and one coarse blank is inserted with each laboratory batch. Instead of systematic insertions, the blanks should be inserted immediately following samples that are suspected to be mineralized. The quantity of rig duplicates at grades that are more representative of the mineralized population distribution needs to be increased, as too many of these duplicates are collected at very low grades. The primary laboratory should be instructed to analyze preparation duplicates (second pulps prepared from the original coarse rejects) at the same rate as the rig duplicates. Finally, 10 to 15% of the original pulps should be sent to a second laboratory for check assays; the same standards inserted with the original sample should be submitted with the original pulps. The preparation duplicates, rig duplicates, and check assays should be performed on a set of samples that adequately represents the population distribution of drill samples within the mineralized envelope at Afgan.

14.6 Independent Sampling

MDA collected three rock chip samples from the Afgan portion of the Afgan-Kobeh project during the author's 2004 site visit and submitted the samples to ALS for gold analyses. The samples were assayed by one-assay-ton fire assay with an AA finish. Two of the samples were taken from jasperoid replacements of thinly bedded, fine-grained Webb Formation sedimentary rocks close to the Webb – Devils Gate Limestone contact. These samples returned 0.016 and 0.006 oz Au/ton. The third sample, which assayed 0.001 oz Au/ton, was collected from loose material scraped up by a bulldozer from altered and highly limonitic Webb sediments near an unidentified drill site. These samples confirm the presence of gold mineralization in surface outcrops typical of the Afgan resources, *i.e.*, within hydrothermally altered Webb Formation sediments near their contact with Devils Gate Limestone.



15.0 ADJACENT PROPERTIES

As described in Section 4.2, NV Gold also leases the Roberts Gold property, which is comprised of 104 unpatented mining claims covering about 2,080 acres that is contiguous to and north of the Afgan-Kobeh property. The Roberts Gold property is geologically similar to the Afgan-Kobeh project (NV Gold news release dated October 5, 2010). Four of Midway's 2007 RC drill holes, which are included in the Afgan-Kobeh database, lie on this property.

The inactive Gold Pick, Gold Ridge, and Gold Stone open-pit gold mining area is located about four miles to the northwest of the Afgan-Kobeh project. The general area is also the site of active exploration programs, and valid claims may exist adjacent to the project.



16.0 MINERAL PROCESSING AND METALLURGICAL TESTING

The state of the metallurgical testing of the Afgan mineralization remains preliminary. A detailed metallurgical program designed by metallurgical experts, likely to include column-leach testing of large-diameter core composites of variable particle sizes and material types, will be required for feasibility-level studies.

The available metallurgical data are consistent with the geologic logging of the Afgan mineralization as oxidized and support the potential viability of heap leaching.

While reviewing the following information, it should be noted that the Webb Formation comprises 76% of the current resources, with the remainder hosted by the underlying Devils Gate Limestone.

16.1 Historic Data

The only metallurgical data known to MDA to have been completed at Afgan-Kobeh prior to Midway consists of cyanide-leach assays. The details of the cyanide analyses are not known to MDA, but these analyses are normally completed on the same sample pulps used in the primary gold analyses. Cyanide assays were compiled by MDA for holes AF89-2 through 5 (LFC Trust-Phelps Dodge) and AF90-22, AF91-33, AF91-48 and AF91-50 (Phelps Dodge), for a total of 111 analyses. Check cyanide analyses were completed on five of the 111 samples. All of the historic samples with cyanide analyses are included in the mineral domains modeled by MDA.

Table 16.1 presents the basic statistics of the cyanide assays in terms of percent cyanide extraction (cyanide assay/fire assay).

Table 16.1 Percent Cyanide Extraction Statistics by Lithology – Phelps Dodge

| Lithology | Cyanide Extraction (%) | | | |
|-------------|------------------------|------|-----|------------------|
| | No. ¹ | Mean | Min | Max ² |
| Webb | 102 | 91 | 69 | 100 |
| Devils Gate | 11 | 78 | 30 | 100 |
| All | 113 | 89 | 30 | 100 |

¹ Includes 2 samples that straddle lithologic boundary; there are a total of 111 cyanide analyses

² A total of 19 Webb extractions exceed 100%, with a maximum of 126%

Cyanide extractions for all of the Afgan samples tested average 89%, with Webb-hosted mineralization averaging 91%. The few analyses of Devils Gate Limestone mineralization average 78%.



16.2 Midway Data

Midway had ALS complete 102 cyanide-leach analyses with AAS finish (ALS method Au-AA13) along with the original gold assays. The results of these analyses are summarized in Table 16.2, excluding 62 analyses of samples not included in MDA mineral domains, none of which have an original assay exceeding 0.002 oz Au/ton, and two samples where neither the original assay nor the cyanide-leach analysis exceeded detection limits.

Table 16.2 Percent Cyanide Extraction Statistics by Lithology – Midway

| Lithology | Cyanide Extraction (%) | | | |
|-----------------------|------------------------|------|-----|------------------|
| | No. | Mean | Min | Max ¹ |
| Webb Formation | 11 | 87 | 67 | 100 |
| Devils Gate Limestone | 27 | 79 | 23 | 100 |
| <i>All</i> | 38 | 81 | 23 | 100 |

² A total of 2 Webb extractions exceed 100%, with a maximum of 130%

The Midway cyanide-leach results are reasonably consistent with the earlier analyses by Phelps Dodge.

16.3 NV Gold Metallurgical Test Work

NV Gold sent a number of ALS coarse rejects of drill samples from the 2010 RC exploration program to Kappes, Cassiday & Associates (“KCA”) in January 2011. KCA performed two sets of bottle-roll leach tests on the as-received material (nominal 10-mesh Tyler).

The first phase of the program consisted of 42 leach tests that were run for a period of 48 hours, with solution sampling performed at 6, 24 and 48 hours. Each test utilized 1,000 grams of the coarse rejects. The Phase I results are summarized in Table 16.3.

The gold extractions ranged from 36% to 98%, with an average of 78% gold extraction (KCA, 2011a). The Devils Gate Limestone (Ddg) low-grade material averaged 83.5% gold extraction, although only two samples of this type were tested. The single sample of Devils Gate mid-grade material yielded a gold extraction of 69%. The Webb Formation (Mw) low-grade material, including one mixed Webb/Devils Gate sample, averaged 77% gold extraction, with a range from 36% to 98%. The Webb mid-grade material averaged 80% gold extraction, with a range from 55% to 96%. The Webb high-grade material averaged 79%, with a range from 57% to 97%. Two samples of very high-grade Webb material averaged 63% gold extraction.

The average sodium cyanide consumption for all samples averaged 1.12 pounds per ton of material, with a range from 0.08 to 5.5 pounds of sodium cyanide per ton.



Table 16.3 Summary of KCA Cyanide Bottle-Roll Tests – Phase I
(from KCA, 2011a)

| Description | Formation | Grade Range | Head Assay (oz Au/ton) | Calculated Head (oz Au/ton) | Au Extracted (%) | Consumption NaCN (lbs/ton) | Addition Ca(OH) ₂ (lbs/ton) |
|--------------------------|-----------|-------------|------------------------|-----------------------------|------------------|----------------------------|--|
| AF10-6017 | Ddg | low | 0.014 | 0.015 | 84 | 0.11 | 1.00 |
| AF10-8029 | Ddg | low | 0.010 | 0.010 | 83 | 0.20 | 1.00 |
| Ddg Average (low) | | -- | 0.012 | 0.013 | 84 | 0.16 | 1.00 |
| AF10-2065 | Ddg | mid | 0.023 | 0.034 | 69 | 0.64 | 1.00 |
| Ddg Average (mid) | | -- | 0.023 | 0.034 | 69 | 0.64 | 1.00 |
| AF10-1028 | Mw | low | 0.012 | 0.012 | 96 | 1.44 | 1.00 |
| AF10-2032 | Mw | low | 0.008 | 0.009 | 86 | 1.32 | 1.00 |
| AF10-3032 | Mw | low | 0.016 | 0.017 | 98 | 1.09 | 1.00 |
| AF10-5009 | Mw | low | 0.013 | 0.013 | 71 | 0.89 | 1.00 |
| AF10-7012 | Mw | low | 0.016 | 0.016 | 36 | 1.05 | 1.00 |
| AF10-8023 | Mw | low | 0.052 | 0.016 | 89 | 0.91 | 1.00 |
| AF10-9005 | Mw | low | 0.009 | 0.009 | 76 | 2.97 | 1.00 |
| AF10-9011 | Mw | low | 0.015 | 0.014 | 62 | 0.20 | 1.00 |
| AF10-15053 | Mw | low | 0.014 | 0.014 | 53 | 0.23 | 1.00 |
| AF10-16040 | Mw | low | 0.012 | 0.012 | 90 | 0.45 | 1.00 |
| AF10-18085 | Mw | low | 0.012 | 0.011 | 62 | 0.39 | 1.00 |
| AF10-19034 | Mw | low | 0.006 | 0.006 | 83 | 2.31 | 1.00 |
| AF10-20039 | Mw/Ddg | low | 0.013 | 0.012 | 78 | 1.62 | 1.00 |
| AF10-24150 | Mw | low | 0.012 | 0.011 | 97 | 0.64 | 1.00 |
| Mw Average (low) | | -- | 0.015 | 0.012 | 77 | 1.11 | 1.00 |
| AF10-1045 | Mw | mid | 0.042 | 0.042 | 86 | 0.08 | 1.00 |
| AF10-2044 | Mw | mid | 0.028 | 0.030 | 87 | 2.54 | 1.00 |
| AF10-5005 | Mw | mid | 0.012 | 0.013 | 71 | 0.87 | 1.00 |
| AF10-6015 | Mw | mid | 0.027 | 0.026 | 89 | 0.61 | 1.00 |
| AF10-7002 | Mw | mid | 0.037 | 0.040 | 55 | 5.50 | 1.00 |
| AF10-8022 | Mw | mid | 0.033 | 0.028 | 85 | 1.33 | 1.00 |
| AF10-8024 | Mw | mid | 0.031 | 0.033 | 85 | 1.06 | 1.00 |
| AF10-9009 | Mw | mid | 0.022 | 0.020 | 91 | 0.84 | 1.00 |
| AF10-9012 | Mw | mid | 0.039 | 0.037 | 63 | 0.54 | 1.00 |
| AF10-11029 | Mw | mid | 0.047 | 0.040 | 90 | 0.67 | 1.00 |
| AF10-16032 | Mw | mid | 0.023 | 0.022 | 88 | 1.14 | 1.00 |
| AF10-17029 | Mw | mid | 0.022 | 0.021 | 74 | 0.20 | 1.00 |
| AF10-17036 | Mw | mid | 0.022 | 0.017 | 86 | 1.05 | 1.00 |
| AF10-20048 | Mw | mid | 0.020 | 0.020 | 81 | 2.78 | 1.00 |
| AF10-21010 | Mw | mid | 0.033 | 0.047 | 55 | 1.00 | 1.00 |
| AF10-22038 | Mw | mid | 0.038 | 0.039 | 96 | 0.66 | 1.00 |



| Description | Formation | Grade Range | Head Assay (oz Au/ton) | Calculated Head (oz Au/ton) | Au Extracted (%) | Consumption NaCN (lbs/ton) | Addition Ca(OH) ₂ (lbs/ton) |
|-------------------------------|-----------|-------------|------------------------|-----------------------------|------------------|----------------------------|--|
| Mw Average (mid) | | -- | 0.030 | 0.030 | 80 | 1.31 | 1.00 |
| AF10-7005 | Mw | high | 0.057 | 057 | 0.87 | 0.66 | 1.00 |
| AF10-9014 | Mw | high | 0.059 | 055 | 0.57 | 0.13 | 1.00 |
| AF10-9015 | Mw | high | 0.054 | 043 | 0.58 | 0.17 | 1.00 |
| AF10-9017 | Mw | high | 0.062 | 056 | 0.69 | 0.69 | 1.00 |
| AF10-21014 | Mw | high | 0.078 | 054 | 0.95 | 2.31 | 1.00 |
| AF10-22036 | Mw | high | 0.058 | 057 | 0.97 | 1.12 | 1.00 |
| AF10-24157 | Mw | high | 0.079 | 074 | 0.91 | 0.67 | 1.00 |
| Mw Average (high) | | -- | 0.064 | 0.057 | 79 | 0.82 | 1.00 |
| AF10-1040 | Mw | very high | 0.207 | 197 | 0.79 | 2.17 | 1.00 |
| AF10-20053 | Mw | very high | 0.107 | 094 | 0.47 | 1.72 | 1.00 |
| Mw Average (very high) | | -- | 0.157 | 0.146 | 63 | 1.94 | 1.00 |

Although the sample sizes were smaller than desired in some cases, the majority of the data in every grade category shows an average gold extraction gold percent of approximately 80%. This means that neither the formation nor the grade of the reject material will affect the percentage of gold removed from any sample in a statistically significant way (KCA, 2011a).

KCA (2011a) notes that there is a significant difference between the original ALS gold assays and the calculated heads of some of the samples (Table 16.3).

The Phase II program consisted of as-received bottle-roll leach testing of 20 additional drill-sample coarse rejects from ALS (KCA, 2011). All tests were run for a period of 48 hours, with solution sampling performed at 6, 24 and 48 hours. The tests utilized 1,000 grams of as-received material slurried with 1,500 milliliters of tap water. Sodium cyanide was added and maintained at 5 grams per liter of solution. The pH of the solution was maintained at 11.0 with the addition of hydrated lime Ca(OH)₂.

The gold extractions for the 20 bottle-roll leach tests range from 48% to 96%, with an average of 77% (Table 16.4). The Devils Gate low- and mid-grade material average 69% gold extraction, with a range of 48% to 88%. The Devils Gate high- and very high-grade material have an average gold extraction of 81%, with a range of 75% to 91%. Two samples of mixed Webb/Devils Gate mid-grade material average 62% gold extraction. The Webb low-grade material averages 87% gold extraction, with a range from 80% to 96%, while the two Webb mid-grade samples average 73%. The single sample of very high-grade Webb had a gold extraction of 91%.

The average sodium cyanide consumption for all samples averaged 1.77 pounds per ton, with a range from 0.21 to 4.17 pounds of sodium cyanide per ton.



Table 16.4 Summary of KCA Cyanide Bottle-Roll Tests – Phase II
(from KCA, 2011b)

| Description | Formation | Rock Grade | Head Assay (oz Au/ton) | Calculated Head (oz Au/ton) | Au Extracted (%) | Consumption NaCN (lbs/ton) | Addition Ca(OH) ₂ (lbs/ton) |
|-------------------------------------|-----------|------------|------------------------|-----------------------------|------------------|----------------------------|--|
| AF10-18083 | Ddg | low | 0.017 | 0.015 | 64% | 1.57 | 1.00 |
| AF10-19038 | Ddg | low | 0.008 | 0.007 | 48% | 2.18 | 1.00 |
| AF10-20041 | Ddg | low | 0.017 | 0.016 | 79% | 4.17 | 1.00 |
| AF10-22040 | Ddg | low | 0.012 | 0.012 | 88% | 0.52 | 1.00 |
| AF10-2066 | Ddg | mid | 0.036 | 0.032 | 67% | 0.67 | 1.00 |
| Ddg Average (low/mid) | | -- | 0.018 | 0.016 | 69% | 1.82 | -- |
| AF10-1044 | Ddg | high | 0.056 | 0.056 | 78% | 1.13 | 1.00 |
| AF10-16043 | Ddg | high | 0.025 | 0.025 | 91% | 1.72 | 1.00 |
| AF10-20050 | Ddg | high | 0.063 | 0.061 | 78% | 3.86 | 1.00 |
| AF10-20057 | Ddg | high | 0.046 | 0.029 | 75% | 3.09 | 1.00 |
| AF10-24157 | Ddg | very high | 0.088 | 0.086 | 84% | 0.21 | 1.00 |
| Ddg Average (high/very high) | | -- | 0.056 | 0.051 | 81% | 2.00 | -- |
| AF10-17033 | Mw/Ddg | mid | 0.020 | 0.016 | 54% | 0.82 | 1.00 |
| AF10-21016 | Mw/Ddg | mid | 0.031 | 0.027 | 71% | 0.82 | 1.00 |
| Mw/Ddg Average | | -- | 0.025 | 0.022 | 62% | 0.82 | -- |
| AF10-2040 | Mw | low | 0.013 | 0.014 | 89% | 2.18 | 1.00 |
| AF10-3029 | Mw | low | 0.017 | 0.019 | 96% | 2.02 | 1.00 |
| AF10-10004 | Mw | low | 0.010 | 0.012 | 80% | 0.52 | 1.00 |
| AF10-11028 | Mw | low | 0.018 | 0.019 | 84% | 0.98 | 1.00 |
| AF10-16034 | Mw | low | 0.018 | 0.019 | 87% | 3.39 | 1.00 |
| Mw Average (low) | | -- | 0.015 | 0.017 | 87% | 1.82 | -- |
| AF10-6013 | Mw | mid | 0.038 | 0.038 | 82% | 1.42 | 1.00 |
| AF10-7010 | Mw | mid | 0.022 | 0.025 | 63% | 2.02 | 1.00 |
| Mw Average (mid) | | -- | 0.030 | 0.032 | 73% | 1.72 | -- |
| AF10-1035 | Mw | very high | 0.112 | 0.124 | 91% | 2.04 | 1.00 |
| Mw Average (very high) | | -- | 0.112 | 0.124 | 91% | 2.04 | -- |



17.0 MINERAL RESOURCE ESTIMATE AND MINERAL RESERVE ESTIMATES

17.1 Introduction

The updated mineral resource estimation for the Afgan-Kobeh project described in this section follows the guidelines of Canadian National Instrument 43-101 (“NI 43-101”). The modeling and estimate of the mineral resources, which were completed in April and May 2011, were done under the supervision of Michael M. Gustin, a qualified person with respect to mineral resource estimations under NI 43-101. Mr. Gustin is independent of NV Gold by the definitions and criteria set forth in NI 43-101; there is no affiliation between Mr. Gustin and NV Gold except that of an independent consultant/client relationship. No Mineral Reserves were estimated for the Afgan-Kobeh project.

Although MDA is not an expert with respect to any of the following aspects, MDA is not aware of any unusual environmental, permitting, legal, title, taxation, socio-economic, marketing, or political factors that may materially affect the Afgan-Kobeh mineral resources as of the date of this report.

The mineral resources presented in this report for the Afgan-Kobeh project conform to the definitions adopted by the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) in December 2000 and modified in 2005 and 2010, and meet the criteria of those definitions, where:

A Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

An “Inferred Mineral Resource” is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies.



An “Indicated Mineral Resource” is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

A “Measured Mineral Resource” is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

17.2 Resource Modeling

17.2.1 Data

MDA created a model for estimating the updated gold resources of the Afgan deposit from data provided to MDA by NV Gold. This model builds upon a previous model completed by MDA in 2004 that utilized data provided to MDA by the LFC Trust and Castleworth, previous owners of the property. Numerous reports, maps, assay certificates, drill logs, geologic maps, and cross sections from previous operators of the project were received from the LFC Trust in hardcopy form. This information was used to construct the 2004 database, which included drill-hole collar locations, survey information, and analytical data. NV Gold provided MDA with data derived from their 2010 drilling program, as well as the Midway 2007 drill data and new drill-hole collar survey information, which was used to update the 2004 database for use in the current mineral resource estimation (see Section 11.1 for details on the construction of the drill-hole database).

17.2.2 Deposit Geology Pertinent to Resource Estimation

Gold mineralization at Afgan is focused along the faulted(?) low- to moderately dipping contact of the Webb Formation with the underlying Devils Gate Limestone. As a consequence of gentle folding, tilting and faulting of the Paleozoic units, this contact has a domal form, with a long northerly trending axis and shorter east-west axis.

Gold mineralization is related to silicification (including jasperoids) and brecciation in the uppermost Devils Gate Limestone and more broadly in the overlying Webb Formation. The bulk of the Afgan mineralization lies within the Webb Formation close to the contact, and higher-grade gold zones tend to be associated with structural and/or solution breccias that cause offsets in the contact.



No samples within mineral domains defined by MDA are logged as being unoxidized. The overwhelming bulk of the mineralization was logged as oxide, with only two intervals in two holes, for a cumulative total of 75 feet, logged as being a mix of oxide and sulfide. Modeling of the oxidation state of the mineralization was therefore not necessary.

17.2.3 Modeling of Geology

NV Gold provided MDA with a set of cross sections and long sections that interpret the various rock units and structures, as well as jasperoids, across the full extents of the resource model area. The sectional interpretations were digitized and, after some minor changes, used as the base for the mineral-domain modeling (discussed below). Solids and surfaces were created for the various geologic units and structures, respectively, using these sectional interpretations.

17.2.4 Gold Modeling

MDA modeled and estimated the gold resources at Afgan by evaluating the drill data statistically, utilizing the geologic interpretations provided by NV Gold to interpret mineral domains on cross sections spaced at 100-foot intervals, rectifying the mineral-domain interpretations on long sections spaced at 20-foot intervals, analyzing the modeled mineralization geostatistically to aid in the establishment of estimation parameters, and interpolating grades into a three-dimensional block model. All modeling of the Afgan resources was performed using Gemcom Surpac[®] mining software.

NV Gold provided MDA with a set of cross sections that interpreted the limits of the Afgan gold mineralization, which were used as a guide in the mineral-domain modeling discussed below.

Mineral Domains. MDA modeled the Afgan gold mineralization by interpreting mineral-domain polygons on north-looking cross sections that span the extents of the presently defined mineralization. A mineral domain encompasses a volume of ground that ideally is characterized by a single, natural, grade population of a metal that occurs within a specific geologic environment.

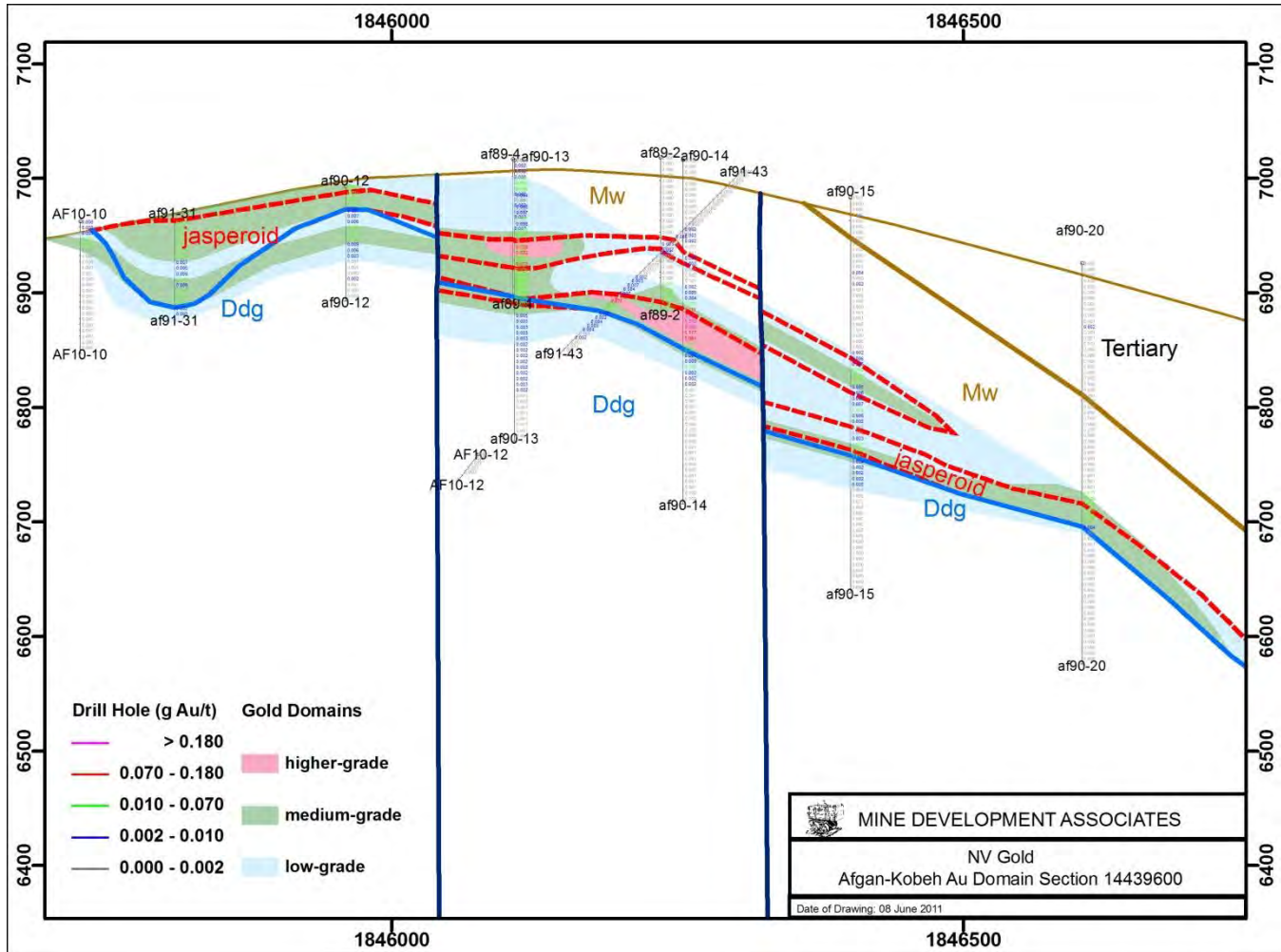
In order to define the mineral domains at Afgan, the natural gold populations were first identified on quantile graphs that plot the gold-grade distribution of the drill-hole assays. This analysis led to the identification of four separate populations, not all of which show sufficient continuity to model effectively. Ultimately, MDA modeled low-grade (~0.002 to ~0.010 oz Au/ton), medium-grade (~0.010 to ~0.080 oz Au/ton), and high-grade (>~0.080 oz Au/ton) populations, assigned to gold domains 100, 200, and 300, respectively. Ideally, each of these populations can be correlated with specific geologic characteristics that are captured in the project data that aid in the definition of the mineral domains.

The mineral domains modeled by MDA occur predominantly within the Webb Formation immediately above its structural contact with the underlying Devils Gate Limestone, although mineralization within the uppermost Devils Gate Limestone is not unusual.

MDA was rarely able to correlate the three modeled mineral domains with specific geologic characteristics that are consistently captured in the project data. This is due to the preponderance of RC holes, which yield far less geologic information than core holes; only two core holes cut the Afgan deposit, neither of which was available for inspection. The NV Gold geologic interpretations, which



Figure 17.2 Afgan Cross Section 14439600N Showing Gold Mineral Domains



The cross sectional mineral-domain envelopes were digitized, the digitized envelopes were sliced at 20-foot vertical intervals orthogonal to the cross sections, and the resultant slices were transferred to long sections. The mineral domains were then re-interpreted on the 20-foot-spaced long sections in order to rectify the domains to the drill-hole data.

Assay Coding, Capping, and Compositing. Drill-hole gold assays were coded to the mineral domains using the cross-sectional mineral-domain envelopes. Descriptive statistics of the coded assays are provided in Table 17.1.



Table 17.1 Descriptive Statistics of Coded Gold Assays

| Domain | Assays | Count | Mean (g Au/t) | Median (g Au/t) | Std. Dev. | CV | Min. (g Au/t) | Max. (g Au/t) |
|--------|--------|-------|------------------|--------------------|-----------|-------|------------------|------------------|
| 100 | Au | 1028 | 0.005 | 0.004 | 0.004 | 0.771 | 0.000 | 0.039 |
| | Au Cap | 1028 | 0.005 | 0.004 | 0.003 | 0.737 | 0.000 | 0.025 |
| 200 | Au | 621 | 0.026 | 0.020 | 0.023 | 0.902 | 0.001 | 0.318 |
| | Au Cap | 621 | 0.025 | 0.020 | 0.019 | 0.744 | 0.001 | 0.150 |
| 300 | Au | 83 | 0.123 | 0.107 | 0.062 | 0.504 | 0.044 | 0.331 |
| | Au Cap | 83 | 0.123 | 0.107 | 0.062 | 0.504 | 0.044 | 0.331 |
| All | Au | 1732 | 0.018 | 0.007 | 0.032 | 1.801 | 0.000 | 0.331 |
| | Au Cap | 1732 | 0.018 | 0.007 | 0.031 | 1.757 | 0.000 | 0.331 |

The process of determining assay caps (Table 17.2) included inspection of quantile plots of the coded assays by domain to identify possible high-grade outliers, as well as to determine if multiple populations exist. Descriptive statistics of the coded assays by domain and visual reviews of the spatial relationships of the possible outliers and their potential impacts during grade interpolation were also considered. The effects of the assay caps can be qualitatively evaluated by examination of the descriptive statistics of the capped and uncapped mineral-domain assays (Table 17.1).

Table 17.2 Gold Assay Caps

| Domain | Capping Values | |
|--------|----------------|---------------------------------|
| | oz Au/ton | Number Capped (% of samples) |
| 100 | 0.025 | 3 (<1%) |
| 200 | 0.15 | 2 (<1%) |
| 300 | - | - |

In addition to the assay capping, search restrictions of higher-grade portions of domain 200 were applied during grade interpolations (discussed below).

The capped assays were composited at 10-foot down-hole intervals respecting the mineral domains. Descriptive statistics of the composites are shown in Table 17.3.

Table 17.3 Descriptive Statistics of Gold Composites

| Domain | Count | Mean (g Au/t) | Median (g Au/t) | Std. Dev. | CV | Min. (g Au/t) | Max. (g Au/t) |
|--------|-------|------------------|--------------------|-----------|-------|------------------|------------------|
| 100 | 572 | 0.005 | 0.004 | 0.003 | 0.644 | 0.000 | 0.022 |
| 200 | 342 | 0.025 | 0.020 | 0.016 | 0.644 | 0.005 | 0.102 |
| 300 | 51 | 0.123 | 0.113 | 0.050 | 0.409 | 0.056 | 0.304 |
| All | 965 | 0.018 | 0.007 | 0.030 | 1.668 | 0.000 | 0.304 |

Block Model Coding. The 20-foot long-section mineral-domain polygons were used to code a three-dimensional block model that is comprised of 20 foot (wide) x 20 foot (long) x 20 foot (high) blocks. Each long section coded one column of blocks in the model. In order for the block model to better

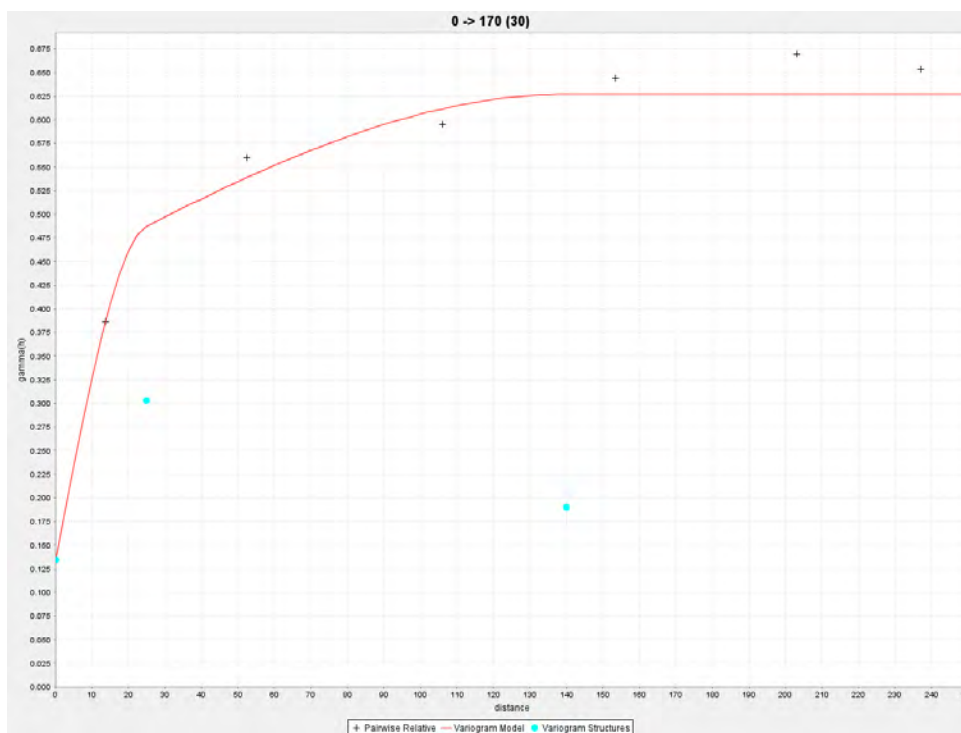


reflect the irregularly shaped limits of the various gold domains, as well as to explicitly model dilution, the percentage volume of each mineral domain within each block is stored (the “partial percentages”).

Each block is assigned a tonnage factor, as discussed in Section 17.2.5. The percentage of each block that lies below the topographic surface is also stored for use in the calculation of block tonnages.

Grade Interpolation. A variographic study was performed using the gold composites from each mineral domain, collectively and separately, at various azimuths, dips, and lags. The study was complicated by the domal shape of the mineralization, whose primary control is the Webb Formation – Devils Gate Limestone contact. Reasonable structures were modeled on variograms using composites from all domains collectively, as well as domain 100 and 200 together (Figure 17.3). Maximum ranges of 150 to 200 feet were obtained in the direction of strike ($\sim 350^\circ$) and 50 to 130 feet in the predominant dip direction (-25° at an azimuth of 080°).

Figure 17.3 Variogram of Domain 100 and 200 Composites in Strike Direction



Parameters obtained from the variography study were used in an ordinary kriging interpolation and also provided information relevant to both the estimation parameters used in an inverse-distance interpolation and resource classification.

As discussed above, the Afgan mineralization forms a domal shape with gently dipping limbs. The presence of multiple orientations of the mineral domains necessitated the use of multiple search ellipse orientations.



Multiple populations were captured in the mid-grade domain. In order to control the higher-grade population of this domain, a restriction was placed on the maximum search distance from a block that can „find“ composites of the higher-grade population.

Block grades were interpolated using inverse distance to the third power, ordinary kriging, and nearest-neighbor methods. The mineral resources reported herein were estimated by the inverse-distance interpolations using length-weighted composites, as this technique was judged to provide results superior to those obtained by ordinary kriging. The nearest-neighbor estimation was completed as a check on the other interpolations.

The parameters applied to the gold-grade estimations at Afgan are summarized in Table 17.4. The major and semi-major axes of the search ellipses approximate the average strike and dip directions of the gold mineralization in each estimation domain. The first-pass search distances take into consideration the results of both the variography and drill-hole spacing. The second pass was designed to estimate grade into all blocks coded to the mineral domains that were not estimated in the first pass.

Table 17.4 Summary of Estimation Parameters

| Search Ellipse Orientations | | | | | | |
|-----------------------------|--------|------|--|--|--|--|
| Major Bearing | Plunge | Tilt | | | | |
| 0° | 0° | 0° | | | | |
| 0° | 0° | -30° | | | | |
| 0° | 35° | 0° | | | | |
| 0° | -45° | 0° | | | | |
| 0° | 0° | -40° | | | | |
| 345° | -25° | 0° | | | | |

| Au Domains 100, 200, 300 | | | | | | |
|--------------------------|--------------------|---------|-------|-----------------------|-----|----------|
| Estimation Pass | Search Ranges (ft) | | | Composite Constraints | | |
| | Major | S-Major | Minor | Min | Max | Max/hole |
| 1 | 200 | 200 | 80 | 2 | 18 | 3 |
| 2 | 400 | 400 | 400 | 1 | 18 | 3 |

| Search Restrictions | | | |
|---------------------|-----------------------------|-------------------------|-----------------|
| Domain | Grade Threshold (oz Au/ton) | Search Restriction (ft) | Estimation Pass |
| Au 200 | >0.025 | 100 | 1 |

| Ordinary Kriging Parameters | | | | | | | | | | |
|-----------------------------|---------------|----------------|-----------------|-------------|----|------------------|-------------|-----|-----|----|
| Model | Domain | Nugget | First Structure | | | Second Structure | | | | |
| | | C ₀ | C ₁ | Ranges (ft) | | C ₂ | Ranges (ft) | | | |
| SPH-Normal | 100, 200, 300 | .171 | .278 | 30 | 20 | 20 | .292 | 190 | 130 | 95 |

¹ kriging interpolation used as a check against the reported inverse-distance interpolation



The estimation passes were performed independently for each of the mineral domains, so that only composites coded to a particular domain were used to estimate grade into blocks coded by that domain. The estimated grades were coupled with the partial percentages of the mineral domains and unmodeled waste stored in the blocks to enable the calculation of a single weight-averaged block-diluted grade for each block.

17.2.5 Density Modeling

MDA is unaware of any density determinations by the previous operators of the Afgan-Kobeh project. NV Gold provided MDA with pycnometer specific gravity (“SG”) measurements by ALS (method OA-GRA08b) using drill-sample pulps. ALS describes the determination process as follows, “*SG analysis on pulps is carried out by placing 3g of pulp into a pycnometer, which is then filled with a solvent. The calculation is made using the weight of the sample and the weight of the displaced solvent.*”

A total of 44 pycnometer determinations were completed. All of the pulps used in the determinations are derived from drill samples lying within the mineral domains modeled by MDA, and therefore are pulps from mineralized samples. The data were evaluated statistically by mineral domain, rock type, and alteration, with no statistically significant differences found between any of these categories. All measurements taken together have a mean specific-gravity value of 2.65 (tonnage factor of 12.1), which is equal to that of quartz. This is not surprising, since the mineralized zones are characterized by silicification / jasperoid development.

The pycnometer method yields what can be referred to as a grain density, which is the average density of the constituents that make up the rock sample in question. *In situ* rock is rarely completely solid, as void space due to open fractures, vugs, *etc.* is almost always present, which combine to define the permeability and/or porosity of the rock. Since bulk, or in-place, density, which includes these open spaces, is needed for the purposes of determining resource tonnages, the pycnometer values must be factored. MDA chose a tonnage factor of 13.0 for all model blocks that have a partial percentage of at least one mineral domain coded to them. No density data are available for unmineralized units. In consideration of densities determined on similar rocks elsewhere, MDA assigned densities of 13 to blocks coded as Tertiary volcanic rocks, 14 for unmineralized Webb Formation, 12.5 for unmineralized Devils Gate Limestone, and 13 for the dioritic intrusion.

Numerous bulk-density measurements are needed to adequately characterize the mineralized and unmineralized rock units at Afgan-Kobeh.

17.2.6 Afgan Mineral Resources

The Afgan block-diluted mineral resources are listed in Table 17.5 using a cutoff grade of 0.006 oz Au/ton, which was chosen to capture oxidized mineralization that is potentially available to open-pit extraction and heap-leach processing.



Table 17.5 Estimated Afgan-Kobeh Project Gold Resources

| Indicated | | |
|-----------|-----------|--------|
| Tons | oz Au/ton | oz Au |
| 3,206,000 | 0.021 | 66,000 |

| Inferred | | |
|-----------|-----------|--------|
| Tons | oz Au/ton | oz Au |
| 3,972,000 | 0.014 | 55,000 |

Note: Rounding may cause apparent discrepancies.

The Afgan resources are classified on the basis of the number and distance of composites used in the interpolation of a block, as well as the number of holes that contributed composites (Table 17.6).

Table 17.6 Classification Parameters

| Class | Min. No. of Comps | Additional Constraints |
|-----------|-------------------|--|
| Measured | - | - |
| Indicated | 2 | Minimum of 2 holes within an average distance of 80ft from block |
| Inferred | | All other estimated blocks |

No Measured resources are reported for the project due to a combination of: (1) the general insufficiency of QA/QC data; (2) the need for additional metallurgical data; (3) the lack of bulk-density data; and (4) uncertainty with regards to the exact location of some drill holes.

The modeled mineralization is tabulated at additional cutoffs in Table 17.7 in order to provide grade-distribution information, as well as to provide for conditions other than those envisioned by the reportable cutoffs.



Table 17.7 Modeled Mineralization at Various Cutoffs

| Cutoff (oz Au/ton) | Indicated | | |
|-----------------------|------------------|--------------|---------------|
| | Tons | oz Au/ton | oz Au |
| 0.005 | 3,687,000 | 0.019 | 68,000 |
| 0.006 | 3,206,000 | 0.021 | 66,000 |
| 0.008 | 2,537,000 | 0.024 | 62,000 |
| 0.010 | 2,152,000 | 0.027 | 58,000 |
| 0.015 | 1,501,000 | 0.034 | 51,000 |
| 0.030 | 582,000 | 0.055 | 32,000 |

| Cutoff (oz Au/ton) | Inferred | | |
|-----------------------|------------------|--------------|---------------|
| | Tons | oz Au/ton | oz Au |
| 0.005 | 5,207,000 | 0.012 | 61,000 |
| 0.006 | 3,972,000 | 0.014 | 55,000 |
| 0.008 | 2,343,000 | 0.019 | 45,000 |
| 0.010 | 1,677,000 | 0.023 | 39,000 |
| 0.015 | 868,000 | 0.034 | 30,000 |
| 0.030 | 291,000 | 0.063 | 18,000 |

Note: Rounding may cause apparent discrepancies.

Figure 17.4 and Figure 17.5 show cross sections of the block model that correspond to the mineral-domain cross sections in Figure 17.1 and Figure 17.2, respectively.



Figure 17.4 Afgan Cross Section 14439100N Showing Block Model Gold Grades

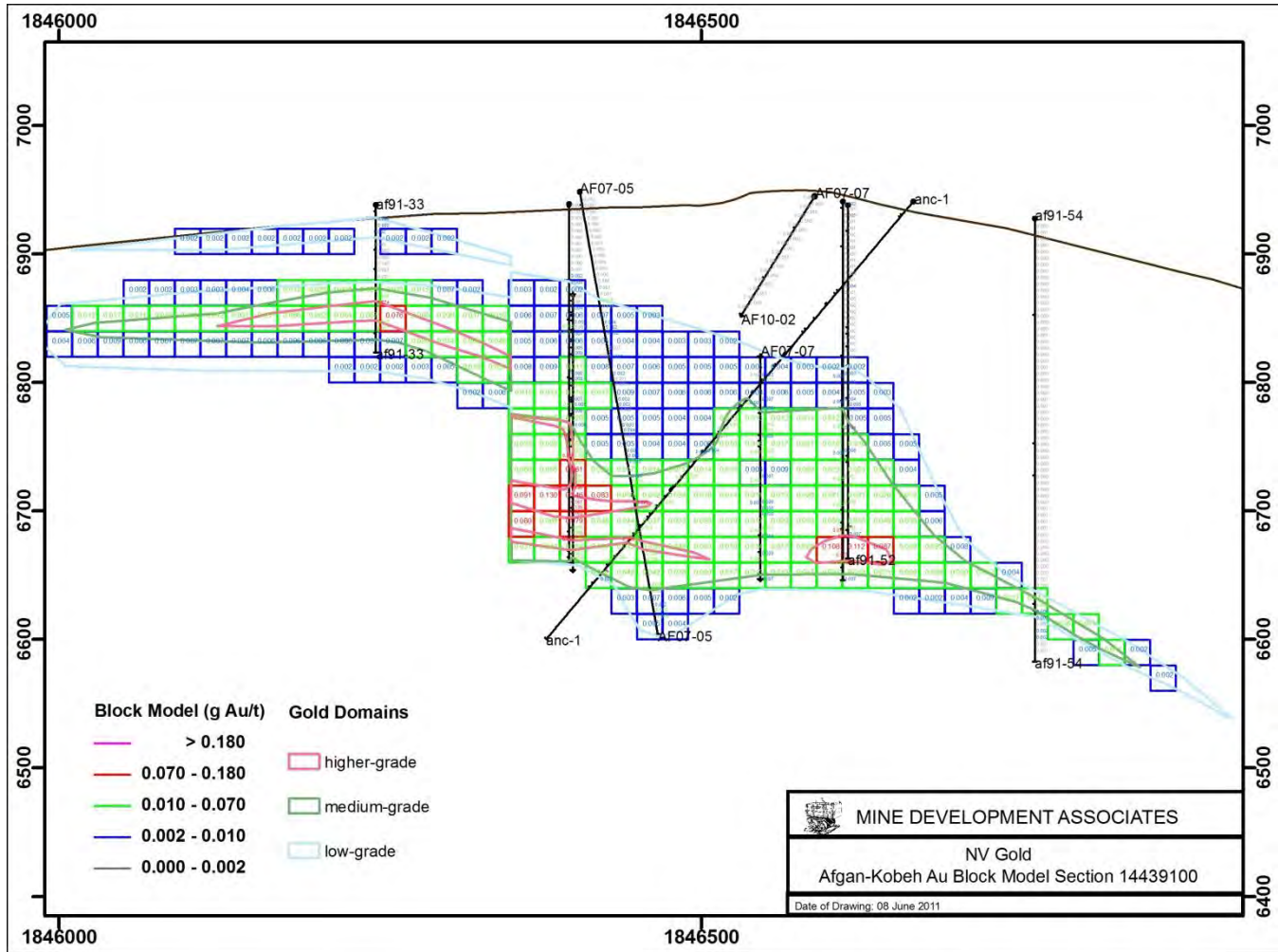
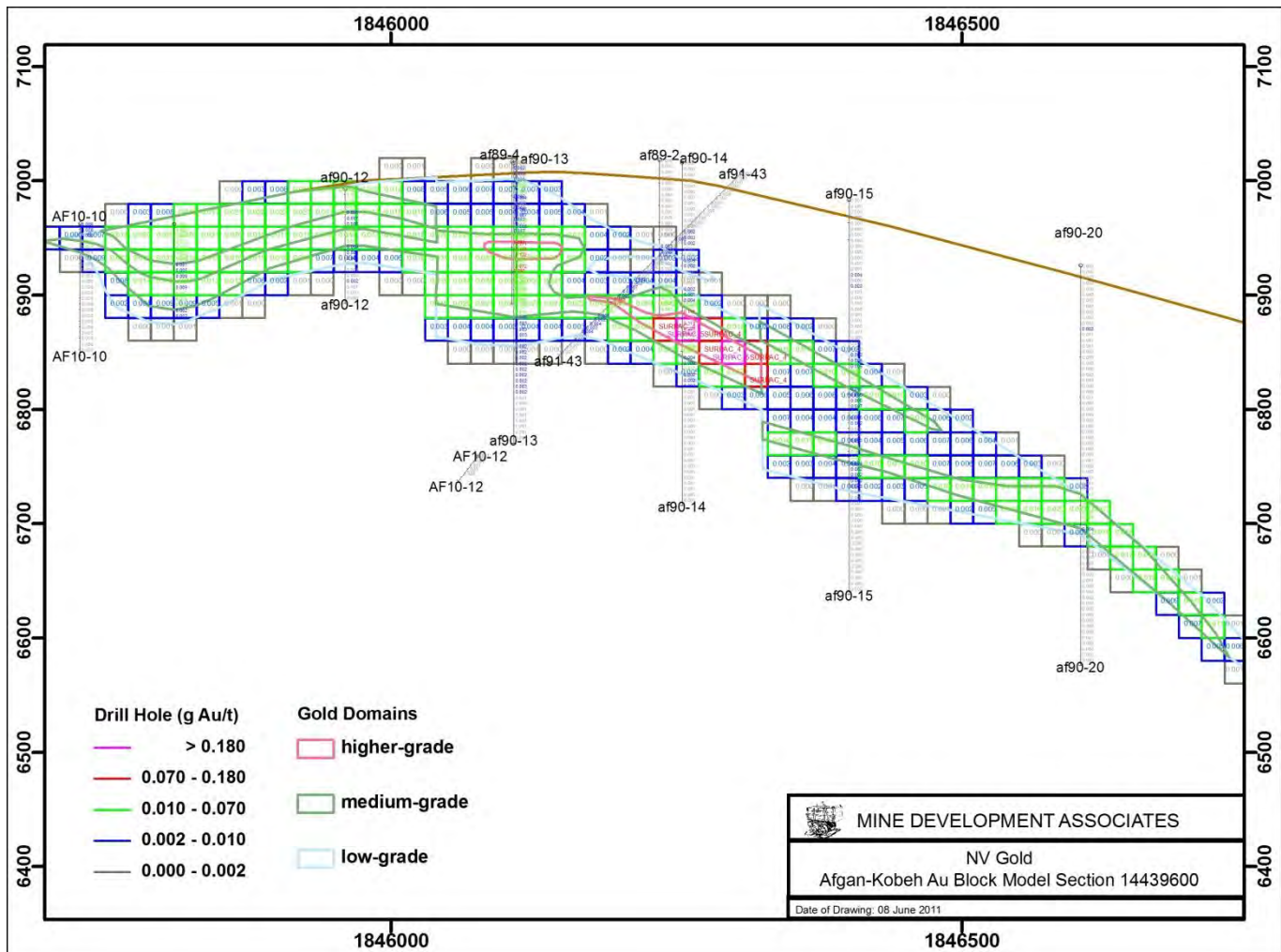




Figure 17.5 Afgan Cross Section 14439600N Showing Block Model Gold Grades



17.2.7 Model Checks

Volumes derived from the sectional mineral-domain modeling were compared to both the long section and coded block-model volumes to assure close agreement, and all block-model coding was checked visually on the computer. Nearest-neighbor and ordinary-krige estimates were undertaken as a check on the inverse-distance-cubed interpolations used for the final resource model. Grade-distribution plots of assays and composites vs. the nearest neighbor, krige, and inverse-distance block grades were also evaluated as a check on the estimation. Finally, the inverse-distance grades were visually compared to the drill-hole assay data to assure that reasonable results were obtained.



17.3 Comments on the Resource Modeling

Subsequent resource modeling could be improved by the incorporation of geologic data derived from core holes. Core data would aid in the refinement of the geologic modeling of the deposit, and could provide an enhanced understanding of the controls of the medium- and higher-grade mineralization, both of which would greatly assist in the modeling of the mineral domains.



18.0 OTHER RELEVANT DATA AND INFORMATION

MDA is unaware of additional information concerning the Afgan-Kobeh project that is pertinent to this technical report.



19.0 INTERPRETATIONS AND CONCLUSIONS

The Afgan-Kobeh project contains a semi-continuous zone of gold mineralization at Afgan that lies along the contact of the Devils Gate Limestone with overlying thinly bedded sediments of the Webb Formation. The Webb Formation is in turn overlain by Tertiary volcanic and sedimentary rocks. This contact has been deformed into a southerly plunging antiformal flexure in the area of the Afgan resources. Due at least in part to east tilting of the lithologic units at Afgan, as evidenced by the east-dipping contact of the Tertiary and Paleozoic rocks, the west limb of the antiformal flexure is very shallow dipping to subhorizontal, while the east limb dips at moderately angles. The nature of the contact is uncertain due to the lack of exposure in critical areas and the predominance of rotary drilling methods, but it is thought by some previous workers to be structural.

The bulk of the Afgan mineralization occurs in brecciated and silicified sediments of the lowermost Webb Formation that are frequently altered to jasperoid. While the Webb Formation – Devils Gate Limestone contact is the primary control of the mineralization drilled to date, higher-grade mineralization appears to be related to offsets in the contact. These offsets may be due to high-angle faults and/or carbonate dissolution in the Devils Gate Limestone along its upper contact and related collapse of the overlying Webb Formation sediments.

MDA created a project digital database from information gleaned from files generated from the drilling programs of Amselco, Hecla, LFC Trust, Santa Fe, Phelps Dodge, Great Basin, Cominco, Midway, and NV Gold. Information from a total of 181 holes drilled at Afgan-Kobeh from 1981 through 2010 was entered into the database, and these data were used to estimate the updated Afgan resources. Analyses of the available QA/QC data did not identify any serious issues, but the general lack of relevant data hindered the development of statistically valid conclusions.

Early-stage metallurgical data support heap leaching as a viable processing alternative, although considerable additional testing is needed to adequately categorize the metallurgical characteristics of the Afgan mineralization.

The updated Afgan gold resources are tabulated at a cutoff grade of 0.006 oz Au/ton, which was used to capture mineralization potentially available for open-pit extraction. Indicated resources total 3.206 million tons averaging 0.021 oz Au/ton (66,000 ounces), with an additional 3.972 million tons averaging 0.014 oz Au/ton assigned to the Inferred category (55,000 ounces).

The Afgan deposit is open for expansion in several areas, and there is potential to increase resource grades locally. The higher-grade mineralization occurs in relatively restricted areas within structural and/or dissolution breccias. Infill drilling could identify additional higher-grade pods, as well as extend presently identified zones of higher-grade mineralization.



20.0 RECOMMENDATIONS

NV Gold plans to conduct additional drilling at Afgan-Kobeh during the 2011 field season. This program will include approximately 30 reverse-circulation drill holes for a total of about 10,000 feet. Infill and step-out holes will be drilled in the Afgan deposit area, with additional holes planned for elsewhere on the project to test targets developed since the completion of the 2010 exploration program. The goals of the program are to both expand the resource base and increase the confidence, as well as grade, of the existing resources.

The costs of the 2011 exploration program are estimated to be approximately US\$250,000 (Table 20.1).

Table 20.1 Estimated Costs of 2011 Afgan-Kobeh Drilling Program

| Item | Estimated Cost |
|--|---------------------|
| RC drilling (~10,000 feet), incl. mobilization | \$ 175,000 |
| Access, drill pads, and reclamation | 5,000 |
| Assaying | 37,000 |
| Geology | 30,000 |
| Drill-hole collar survey | 3,000 |
| <i>Total</i> | <i>US \$250,000</i> |

MDA recommends that the drilling program include enhancements to the QA/QC protocols, as discussed in Section 14.5. All infill holes within the Afgan deposit should include cyanide-leach analyses. If successful, the drilling program should be followed by a preliminary economic assessment (“PEA”) of the deposit.

If a PEA indicates the potential for the economic viability of the Afgan-Kobeh project, there are a number of items that need to be addressed in order for the project to progress towards development. These include infill reverse circulation and core drilling within the limits of the defined resources, including the twinning of older holes, with the goal of verifying the historic drill data. The core holes should be planned so they also provide material for a detailed metallurgical testing program supervised by qualified experts, as well as samples for bulk-density determinations.



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22.0 DATE AND SIGNATURE PAGE

Effective Date of report: May 9th, 2011

Completion Date of report: June 13, 2011

“Michael M. Gustin”

June 13 , 2011

Michael M. Gustin, P. Geo.

Date Signed



23.0 CERTIFICATE OF AUTHOR

MICHAEL M. GUSTIN, P.GEO.

I, Michael M. Gustin, P. Geo., do hereby certify that I am currently employed as Senior Geologist by Mine Development Associates, Inc., 210 South Rock Blvd., Reno, Nevada 89502 and:

1. I graduated with a Bachelor of Science degree in Geology from Northeastern University in 1979 and a Doctor of Philosophy degree in Economic Geology from the University of Arizona in 1990. I have worked as a geologist in the mining industry for more than 25 years. I am a Licensed Professional Geologist in the state of Utah (#5541396-2250), a Licensed Geologist in the state of Washington (#2297), and a member of the Society of Mining Engineers and the Geological Society of Nevada.
2. 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. I am independent of NV Gold Corporation, and each of its subsidiaries, as defined in Section 1.4 of NI 43-101 and in Section 3.5 of the Companion Policy to NI 43-101.
3. I visited the Afgan-Kobeh project site most recently on November 6, 2010.
4. I am responsible for all sections of this report titled, “*Updated Technical Report, Afgan-Kobeh Project, Eureka County, Nevada, USA*”, dated June 13, 2011 (the “Technical Report”), subject to my reliance on other experts identified in Section 3.0.
5. Except for work related to the preparation of two previous technical reports (Gustin, 2004, 2010), I have had no prior involvement with the property or project that is the subject of the Technical Report.
6. As of the date of this certificate, to the best of my knowledge, information, and belief, this Technical Report contains all the scientific and technical information that is required to be disclosed to make this technical report not misleading.
7. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.
8. The Technical Report contains information relating to mineral titles, permitting, environmental issues, regulatory matters, and legal agreements. I am not a legal, environmental or regulatory expert.
9. A copy of this report is submitted as a computer readable file in Adobe Acrobat© PDF© format. The requirements of electronic filing necessitate submitting the report as an unlocked, editable file. I accept no responsibility for any changes made to the file after it leaves my control.

Dated June 13, 2011

“Michael M. Gustin”

Michael M. Gustin

APPENDIX A

AFGAN-KOBEH PROJECT UNPATENTED MINING CLAIMS

Schedule "A"
AFGAN PROPERTY

A handwritten signature or set of initials in black ink, located in the bottom right corner of the page. The signature is stylized and appears to consist of two main characters, possibly 'J' and 'K'.

SCHEDULE "A"
to Letter of Intent dated April 16, 2010
Afgan Project - 73 total claims
Owner: Gold Standard Royalty (Nevada) Inc.

Located in Township 22 North, Range 51 East, MDB&M, Sections 17,18,19,20,29,30

Eureka County, Nevada

| Claim Name | Claim Type | Location Date | Recorded Date | Book | Page | Inst. No. | BLM Date | BLM No. |
|----------------|------------|---------------|---------------|------|------|-----------|----------|---------|
| AFGAN # 3 | Lode | | | 88 | 59 | | | 169151 |
| AFGAN # 4 | Lode | | | 88 | 60 | | | 169152 |
| AFGAN # 5 | Lode | | | 88 | 61 | | | 169153 |
| AFGAN # 6 | Lode | | | 88 | 62 | | | 169154 |
| AFGAN # 7 | Lode | | | 88 | 63 | | | 169155 |
| AFGAN # 8 | Lode | | | 88 | 64 | | | 169156 |
| AFGAN # 9 | Lode | | | 88 | 65 | | | 169157 |
| AFGAN # 10 | Lode | | | 88 | 66 | | | 169158 |
| AFGAN # 11 | Lode | | | 88 | 67 | | | 169159 |
| AFGAN # 12 | Lode | | | 88 | 68 | | | 169160 |
| AFGAN # 13 | Lode | | | 117 | 564 | | | 289576 |
| AFGAN # 14 | Lode | | | 117 | 565 | | | 289577 |
| AFGAN # 15 | Lode | | | 117 | 566 | | | 289578 |
| AFGAN # 16 | Lode | | | 117 | 567 | | | 289579 |
| AFGAN # 17 | Lode | | | 117 | 568 | | | 289580 |
| AFGAN # 18 | Lode | | | 117 | 569 | | | 289581 |
| AFGAN # 19 | Lode | | | 117 | 570 | | | 289582 |
| AFGAN # 20 | Lode | | | 117 | 571 | | | 289583 |
| AFGAN # 21 | Lode | | | 117 | 572 | | | 289584 |
| AFGAN # 22 | Lode | | | 117 | 573 | | | 289585 |
| AFGAN # 23 | Lode | | | 117 | 574 | | | 289586 |
| AFGAN # 24 | Lode | | | 117 | 575 | | | 289587 |
| AFGAN # 25 | Lode | | | 117 | 576 | | | 289588 |
| AFGAN # 26 | Lode | | | 117 | 577 | | | 289589 |
| AFGAN # 69 | Lode | | | 117 | 578 | | | 289590 |
| AFGAN # 70 | Lode | | | 117 | 579 | | | 289591 |
| AFGAN # 71 | Lode | | | 117 | 580 | | | 289592 |
| AFGAN EXT # 1 | Lode | | | 209 | 356 | | | 592424 |
| AFGAN EXT # 2 | Lode | | | 209 | 357 | | | 592425 |
| AFGAN EXT #72 | Lode | | | 209 | 360 | | | 592428 |
| AFGAN EXT #73 | Lode | | | 209 | 361 | | | 592429 |
| AFGAN EXT #101 | Lode | | | 209 | 362 | | | 529430 |
| AFGAN EXT #102 | Lode | | | 209 | 363 | | | 529431 |
| AFGAN EXT #103 | Lode | | | 209 | 364 | | | 529432 |
| AFGAN EXT #104 | Lode | | | 209 | 365 | | | 529433 |
| AFGAN EXT #105 | Lode | | | 209 | 366 | | | 529434 |
| Exhibit A | | | | | | | | Afgan |

| Claim Name | Claim Type | Location Date | Recorded Date | Book | Page | Inst. No. | BLM Date | BLM No. |
|-------------------|------------|---------------|---------------|------|------|-----------|----------|---------|
| AFGAN EXT #120 | Lode | | | 209 | 367 | | | 529435 |
| AFGAN EXT #121 | Lode | | | 209 | 368 | | | 529436 |
| AFGAN-EXT # 68 | Lode | | | 212 | 256 | | | 602418 |
| AFGAN-EXT # 69 | Lode | | | 212 | 257 | | | 602419 |
| AFGAN EX #122 | Lode | | | 221 | 460 | | | 622127 |
| AFGAN EX #123 | Lode | | | 221 | 461 | | | 622128 |
| AFGAN EX #124 | Lode | | | 221 | 462 | | | 622129 |
| AFGAN EX #125 | Lode | | | 221 | 463 | | | 622130 |
| AFGAN EX #126 | Lode | | | 221 | 464 | | | 622131 |
| AFGAN EXT NO. 127 | Lode | | | 229 | 142 | | | 638155 |
| AFGAN EXT NO. 128 | Lode | | | 229 | 143 | | | 638156 |
| AFGAN EXT NO. 129 | Lode | | | 229 | 144 | | | 638157 |
| AFGAN EXT NO. 130 | Lode | | | 229 | 145 | | | 638158 |
| AFGAN EXT NO. 131 | Lode | | | 229 | 146 | | | 638159 |
| AFGAN EXT NO. 132 | Lode | | | 229 | 147 | | | 638160 |
| AFGAN EXT NO. 133 | Lode | | | 229 | 148 | | | 638161 |
| AFGAN EXT NO. 134 | Lode | | | 229 | 149 | | | 638162 |
| AFGAN EXT 2A | Lode | | | 243 | 197 | | | 674809 |
| AFGAN EXT 30 | Lode | | | 243 | 107 | | | 674810 |
| AFGAN EXT 31 | Lode | | | 243 | 108 | | | 674811 |
| AFGAN EXT 33 | Lode | | | 243 | 110 | | | 674813 |
| AFGAN EXT 34 | Lode | | | 243 | 111 | | | 674814 |
| AFGAN EXT 35 | Lode | | | 243 | 112 | | | 674815 |
| AFGAN EXT 36 | Lode | | | 243 | 113 | | | 674816 |
| AFGAN EXT 37 | Lode | | | 243 | 114 | | | 674817 |
| AFGAN EXT 38 | Lode | | | 243 | 115 | | | 674818 |
| AFGAN EXT 39 | Lode | | | 243 | 116 | | | 674819 |
| NICKEL 8 | Lode | | | 243 | 198 | | | 674820 |
| NICKEL 9 | Lode | | | 243 | 199 | | | 674821 |
| NICKEL 10 | Lode | | | 243 | 200 | | | 674822 |
| NICKEL 11 | Lode | | | 243 | 201 | | | 674823 |
| NICKEL 12 | Lode | | | 243 | 202 | | | 674824 |
| NICKEL 13 | Lode | | | 243 | 203 | | | 674825 |
| PREDATOR 1 | Lode | | | 267 | 253 | | | 698064 |
| PREDATOR 2 | Lode | | | 267 | 254 | | | 698065 |
| PREDATOR 3 | Lode | | | 267 | 255 | | | 698066 |
| PREDATOR 4 | Lode | | | 267 | 256 | | | 698067 |

Schedule "B"
KOBE PROPERTY

A handwritten signature or set of initials, possibly 'JC', located in the bottom right corner of the page.

SCHEDULE "B"
to Letter Of Intent dated April 16, 2010
Kobeh Claims - 36 total claims
Owner: Gold Standard Royalty (Nevada) Inc.

Located in Township 21 North, Range 51 East, MDB&M, Sections 31 & 32
Township 22 North, Range 51 East, MDB&M, Sections 29, 30, 31 & 32
Eureka County, Nevada

| Claim Name | Claim Type | Location Date | Recorded Date | Book | Page | Instrument No. | BLM Date | BLM No. |
|------------|------------|---------------|---------------|------|------|----------------|----------|---------|
| Kobeh 1825 | Lode | 26/01/1995 | | | | | | 715461 |
| Kobeh 1826 | Lode | 26/01/1995 | | | | | | 715462 |
| Kobeh 1827 | Lode | 26/01/1995 | | | | | | 715463 |
| Kobeh 1828 | Lode | 26/01/1995 | | | | | | 715464 |
| Kobeh 1829 | Lode | 26/01/1995 | | | | | | 715465 |
| Kobeh 1830 | Lode | 16/10/1991 | | | | | | 637488 |
| Kobeh 1831 | Lode | 16/10/1991 | | | | | | 637489 |
| Kobeh 1832 | Lode | 16/10/1991 | | | | | | 637490 |
| Kobeh 1833 | Lode | 16/10/1991 | | | | | | 637491 |
| Kobeh 1924 | Lode | 05/03/1994 | | | | | | 698071 |
| Kobeh 1925 | Lode | 05/03/1994 | | | | | | 698072 |
| Kobeh 1926 | Lode | 05/03/1994 | | | | | | 698073 |
| Kobeh 1927 | Lode | 05/03/1994 | | | | | | 698074 |
| Kobeh 1928 | Lode | 05/03/1994 | | | | | | 698075 |
| Kobeh 1929 | Lode | 15/10/1991 | | | | | | 637504 |
| Kobeh 1930 | Lode | 15/10/1991 | | | | | | 637505 |
| Kobeh 1931 | Lode | 15/10/1991 | | | | | | 637506 |
| Kobeh 1932 | Lode | 15/10/1991 | | | | | | 637507 |
| Kobeh 1933 | Lode | 15/10/1991 | | | | | | 637508 |
| Kobeh 2023 | Lode | 05/03/1994 | | | | | | 698079 |
| Kobeh 2024 | Lode | 05/03/1994 | | | | | | 698080 |
| Kobeh 2025 | Lode | 05/03/1994 | | | | | | 698081 |
| Kobeh 2026 | Lode | 05/03/1994 | | | | | | 698082 |
| Kobeh 2027 | Lode | 05/03/1994 | | | | | | 698083 |
| Kobeh 2028 | Lode | 15/10/1991 | | | | | | 637520 |
| Kobeh 2029 | Lode | 15/10/1991 | | | | | | 637521 |
| Kobeh 2030 | Lode | 15/10/1991 | | | | | | 637522 |
| Kobeh 2031 | Lode | 15/10/1991 | | | | | | 637523 |
| Kobeh 2032 | Lode | 15/10/1991 | | | | | | 637524 |
| Kobeh 2033 | Lode | 15/10/1991 | | | | | | 637525 |
| Kobeh 2130 | Lode | 15/10/1991 | | | | | | 637538 |
| Kobeh 2131 | Lode | 15/10/1991 | | | | | | 637539 |
| Kobeh 2132 | Lode | 15/10/1991 | | | | | | 637540 |
| Kobeh 2230 | Lode | 15/10/1991 | | | | | | 637554 |
| Kobeh 2231 | Lode | 15/10/1991 | | | | | | 637555 |
| Kobeh 2232 | Lode | 15/10/1991 | | | | | | 637556 |