

Gold Assays for Gold Hill

From Sage Gold, Inc. March 3, 2007

Proven Reserve- 30,000 tons at 0.27 oz Au/ton
Probable Reserves- 150,000 tons at 0.27 oz Au/ton
Possible Reserves- 200,000 tons at 0.27 oz Au/ton
“there is an historical resource of 380,000 tons of 0.27 ounces Au based on vein sampling from existing workings” from a Sage Gold news release

From Industrial Minerals Corp. (Arizona Corporation org. in 1968), from the Mining Record, February 8, 1984

150,000 tons at 0.27 oz Au/ton and added possible ore of 200,000 tons at 0.27 oz Au/ton
They cite the same numbers as “conservative estimates of probable ore”

From ProMet Services, Inc., from a letter dated December 31, 1981, from Dr. Duane Brown, President and Metallurgist. Their reports quote:

“this property does indeed have unusual potential for development together with very fortuitous circumstances of convenient location, access (and) clean old workings”
there is an average gold content of .27 troy ounces per ton. Mike Price (geologist) reports that about 30,000 tons of proven ore exists. Using 0.27 troy ounce/ton and a current price of \$ 400 per troy ounce, this ore has a value of:

$30,000 \text{ tons} \times 0.27 \text{ ounces /ton} \times \$400/\text{ounce} = \$ 3,240,000.$

Estimates of “probable” and “possible” ore reserves lying below the existing old works provide targets of, respectively:

Probable ore: $150,000 \text{ tons} \times 0.27 \text{ ounce/ton} \times \$ 400/\text{ounce} = \$ 16,200,000$

Possible ore: $200,000 \text{ tons} \times 0.27 \text{ ounce/ton} \times \$ 400/\text{ounce} = \$ 21,600,000$

Note: Their combined projection of value at \$ 400/ounce was \$ 41,040,000.

At current rate for gold of \$ 1120/oz.* this value projection would be: \$ 114,912,000

*based on London PM price fixing for March 10, 2010

It should also be noted that in **Sage Gold’s News Release**, on their drilling results at Gold Hill, dated November 6, 2008, they completed 19 diamond drill holes totaling 9,048 feet, and explored the newly-discovered Old Coup vein. They believed the Old Coup vein paralleled the traditional Main East vein which has been the previously explored and developed vein of gold and silver ore.