

MINERAL RESOURCE ESTIMATE

for the

ROBERTSON PROPERTY

Lander County,
Nevada, USA

Prepared for

CORAL GOLD RESOURCES LTD.
Vancouver, B.C. Canada

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SECTION 1.0 SUMMARY

1.1 Purpose of Report

Beacon Hill Consultants (1988) Ltd. was commissioned by Coral Gold Resources Ltd. (Coral) to update the resource estimate on the Robertson Property and advanced gold exploration property located in Lander County, Nevada USA. The purpose of the study was to incorporate additional drilling completed in 2006 in an updated resource estimate and to establish a program for continued development and provide a basis for a subsequent Technical Report.

1.2 Results

The inferred resources as estimated for this for this report are listed in Table 1.1 below. These resources are listed at a cut-off grade of 0.015 ozAu/t for each zone and split out by oxide and sulphide.

Table 1.1: Inferred Resources for Robertson

Zone	Tons	Oz/tAu	Ounces
Distal	10,335,041	0.0335	346,224
39A	25,010,247	0.0287	717,794
South Zone	5,904,713	0.0269	158,837
Outside	2,187,500	0.0208	45,500
Gold Pan Oxide	7,049,181	0.0262	184,689
Altenburg Hill Oxide	4,558,402	0.0208	94,815
Porphyry Oxide	19,121,927	0.0213	407,297
Gold Pan Sulphide	12,053,279	0.0208	250,708
Altenburg Hill Sulphide	584,016	0.0176	10,279
Porphyry Sulphide	4,480,533	0.0223	99,916
TOTAL	91,284,840	0.0253	2,309,506

- Gold ounces were calculated on the basis of US\$600/oz Au and 70% Au recovery.
- The 0.015 ozAu/ton cut-off grade, utilized to report the resource, was derived from a mining cost of US\$1.02/ton, process cost of US\$5.00/ton and waste cost of US\$1.14/ton.

The mineral resources in the table above were estimated using the CIM Standards on Mineral Resources and Reserves.

This resource is compliant with National Instrument 43-101 regulations.

1.3 Data Used for Estimate

A total of 1,204 drillholes were supplied for the Robertson Property in Lander County, Nevada which are the combined drillholes for the Gold Pan, 39A, Porphyry, Altenburg Hill and Lower Triplet Gulch zones in addition to areas that have drilling but lie outside the main areas of interest. The drillholes within the database included collars, downhole surveys, assays, and lithology.

Solids models of the main ore zones within the Robertson Deposit were created that encompass the Gold Pan, 39A, Porphyry, Altenburg Hill, Distal and Triplet Gulch deposit areas. The ore zones to be included within the solids model and then to be used for constraining the interpolation procedure are split into an Oxide Zone and a Sulphide Zone where sufficient data existed to do so which included the Gold Pan, 39A, Porphyry and Altenburg Hill areas. Due to its depth, the Distal zone is considered to be sulphide material.

Approximately 200 historic core samples were analyzed for dry bulk density using the volume displacement method. Densities for both ore and waste are primarily related to lithology, argillization, calc-silicate content and sulfide content. The average density for country rock was determined to be 12.2 cu ft/ton and 15.5 cu ft/ton for alluvium (2 determinations). These are historic determinations, which appear to be located for the most part, within the Porphyry Zone however, the exact locations are not known. The relative scarcity of specific gravity data is the primary reason for the resources being categorized as inferred and it is recommended that a comprehensive program to determine localized specific gravity be undertaken for future studies.

1.4 Estimate Method

The estimation plan includes the following items:

- Storage of the mineralized zone code and percentage of mineralization.
- Application of density based on limited SG measurements.
- Estimation of the grades for Au using ordinary kriging.
- Ellipsoid orientation was orthogonal and ranges were set to 300 feet in the northing and easting whilst 200 feet in elevation.

The estimation strategy employed a minimum of four composites and a maximum of 15 with a maximum of two from any one drillhole.

Also, an octant search was used as it aids in declustering the estimate. This means that it helps to avoid over-influence of individual drill holes or sectors being overly informed,

avoiding the use of samples that clustered together and thereby redundant. The maximum number of composites allowed in any one octant was two.

1.5 Conclusions

It can be concluded that the Robertson property is one of merit and is worthy of additional development work to enhance the resource base and increase the level of confidence in the resource. It is also concluded that a Preliminary Assessment be completed to ascertain the potential viability of the mineralized zones contained within the Property.

1.6 Recommendations

It is recommended that a three pronged approach be used to further develop the Robertson property.

1. Additional exploratory and definition drilling to increase the resource base and also the level of confidence in the resource to the indicated and/or measured categories.
2. Complete a metallurgical program to enhance the metallurgical data.
3. Commence a Preliminary Assessment Study on the mineralized zones within the Robertson Property to determine which of the zones have the greater potential for viability so that the zones can be prioritized for development.

1.6.1 Additional Exploration

It is recommended that Coral conduct a two phase exploration program focused on expanding and up-grading the current inferred mineral resources. The details of the proposed work program and budget are presented in Table 20.1. Depending on the availability of core drills and (or) funding, Phase II may occur concurrent with Phase I or wait until early 2009 to be completed. The two phases of the work program outlined in the accompanying table are designed to be independent and not contingent upon favorable results of each phase.

The Phase I should consist of drilling 52 RC holes ranging in depth from 500 ft to 1,200 ft and totaling 37,600 ft.

- **39A Zone:** Ten holes totaling 8,400 ft drilled along the southeast and northeast margins of the zone to test for additional high-grade mineralization.
- **Distal Zone:** Ten holes totaling 12,000 ft drilled in the Distal Zone which remains open for discovery of high-grade mineralization in all directions.
- **Altenburg Hill/South Porphyry Area:** Twenty holes totaling 10,000 ft as infill and offset drilling on the northeast flank of Altenburg Hill and in the gravel-covered area south of the Porphyry Zone.

- **Triplet Gulch:** Twelve wide spaced RC holes totaling 7,200 ft to test potential continuity and grade of inferred mineralization.

Phase II should consist of 21 diamond core holes (HQ diameter) ranging from 300-ft- to 1,000-ft-deep and totaling 11,900 ft. The purpose of core drilling is to provide geological data on the controls of mineralization, acquire geotechnical data (RQD and specific gravity), confirm grade and continuity and provide material for metallurgical testing.

- **39A Zone:** Six “twin” core holes totaling 5,000 ft focused in areas of higher grade mineralization.
- **Distal Zone:** Four pre-collared “twin” core holes totaling 2,400 ft drilled to confirm grade and geological controls.
- **Altenburg Hill/South Porphyry Area:** Six (or more) “twin” core holes totaling 3,000 ft to provide ore-grade oxide mineralization for metallurgical studies and confirm the grade and continuity of mineralization.
- **Gold Pan Zone:** Five shallow “twin” core holes totaling 1,500 ft drilled mainly to provide ore-grade oxide mineralization for metallurgical studies and to confirm grade, continuity and geological controls for mineralization.

Each phase of the proposed 2008-09 work program is expected to cost about US\$1 million. Phase I will begin as soon as approval is granted by the BLM and NDEP, and weather conditions permit. As proposed, the Phase I program should take about 159 days to complete, including days off. The start of Phase II will depend on availability of diamond core drills which have been difficult to secure in Nevada during the last few years. This work phase should take about 110 days to complete including days off.

1.6.2 Metallurgical Work

The metallurgical work will consist of confirming previous work by Amax on the Porphyry zone and optimize crush size and scoping work for copper removal from pregnant leach solution. On Gold Pan deposit, we will be adding to metallurgical information obtained in 1996 on the Gold Pan deposit based upon separate test work on the oxide and sulfide ore types.

This work is expected to cost approximately \$70,000.

1.6.3 Preliminary Assessment

The work completed to date on the Robertson Property has been to define the resource base. The property is made up of a number of zones as outlined in this report. Each of these zones will require differing approaches to determine their potential viability. Thus it is proposed that a Preliminary Assessment be undertaken to determine which of the zones

should be prioritized to ensure that funds spent on the property are expended to enhance those zones that are most likely to be operating entities.

The expected cost to complete a Preliminary Assessment, based upon the results of the resource base as described in this report, is \$250,000 to \$350,000.

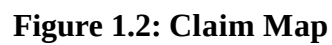
1.7 Project Description

The Robertson Property is an advanced-stage gold exploration project located in eastern Lander County, Nevada, 60 miles southwest of Elko. Coral Resources, Inc., a subsidiary of Coral Gold Resources Limited of Vancouver, B. C. acquired control of the Robertson Property in 1986. The property consists of 556 unpatented federal lode claims, mill sites, placer claims and nine patented lode claims covering over 8,500 acres of public lands administered by the Bureau of Land Management. Coral is record owner of 495 claims and controls an additional 61 claims through a series of mineral leases and option agreements.

Site location and claims are shown on Figure 1.1 and 1.2 respectively.



January 27, 2008



SECTION 2.0 INTRODUCTION

2.1 SCOPE OF WORK

Coral Gold Resources Ltd. (Coral) requested **Beacon Hill Consultants (1988) Ltd. (Beacon Hill)** to prepare a mineral resource estimate on the Robertson Property containing a number of gold bearing zones, located in Lander County, Nevada, USA. The mineral resource estimate is a report prepared to meet the NI 43-101 criteria for resource estimation.

2.2 PROJECT CRITERIA

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

Units of measure, conversion factors and abbreviation frequently used in this report include:

Units of measure and conversion factors used in this report (from SME-AIME):

1 inch = 2.54 centimeters	10 parts per billion = 0.0029 troy ounces/short ton
1 foot = 0.3048 meters	1 part per million = 0.029 troy ounces/short ton
1 mile = 1.61 kilometers	1 troy ounce/short ton = 34.2857 grams/metric ton
1 acre = 0.4047 hectares	1 gram/metric ton = 0.02917 troy ounces/short ton
1 square mile = 640 acres	1 short ton = 2,000 pounds
640 acres = 259 hectares	1 short ton = 0.907 metric tons
1 pound = 0.454 kilograms	

Abbreviations used frequently in this report:

AA	Atomic absorption spectrometry	Pb	Lead
Au	Gold	ppb	Parts per billion
Ag	Silver	ppm	Parts per million
As	Arsenic	oz/t	Troy ounces/short ton
Bi	Bismuth	ROM	Run of mine
Cu	Copper	RC	Reverse circulation drilling
DDH	Diamond drill hole (core)	Sb	Antimony
ft	Feet	Zn	Zinc
Hg	Mercury		
ICP	Inductively coupled plasma spectrophotometry		
i.d.	Inside diameter		
ID	Identification		
Ma	Million years ago		
Mo	Molybdenum		
NaCN	Sodium cyanide		
NE	Northeast		

NW Northwest
NNW North-northwest

2.3 PROJECT MANAGEMENT

Beacon Hill Consultants (1988) Ltd. has compiled this report, providing the overall study co-ordination, as well as certain engineering elements within the study. The team completing the work is shown below.

2.4 TEAM MEMBERS

The team consisted of:

Beacon Hill Consultants (1988) Ltd. personnel and associates;

- **W. P. Stokes, P.Eng.**, Project Manager and Mining Engineer
- **G. Kirkham, P.Geoph.**, Geologist and Geoscientist

Independent Geological Consultant;

- **Robert T. McCusker, P.Geo.**

Independent Metallurgical Consultant ;

- **Jasman Yee, P.Eng.**

2.5 DATA SUPPLIED BY CORAL

Coral has supplied the surface topography for the area; all the geological data, assay and associated data to allow for the resource modeling and estimation to be completed.

SECTION 3.0 RELIANCE ON OTHER EXPERTS

The authors have relied on the experience and expertise of the on-site geology personnel for input with respect to the interpretation of recovery data and also the interpretation of geology, mineralization, and specific gravity data. The authors believe these interpretations to be a current and an accurate representation of the deposit.

SECTION 4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 Location

The Robertson Property is located in eastern Lander County, Nevada, on public lands administered by the Bureau of Land Management (BLM). The property is situated in Sections 2-10, 15-18, 20, 21, Township 28 North, Range 47 East and Sections 26, 32 and 34, Township 29 North, Range 47 East, Mt. Diablo Baseline & Meridian (Figure 1.1).

4.2 Mining Claim Description

The Robertson Property consists of 452 unpatented federal lode, 94 placer claims, nine patented lode claims and one unpatented mill site, covering over 8,500 acres (Figure 1.2). Two groups of claims totaling 82 claims are also controlled by Coral but are non-contiguous with the core group of claims. Coral controls the surface and mineral estates within the project area through record title, or through mining lease and mining lease with option to purchase agreements of the patented and unpatented mining claims. At the end of 2007, Coral was record owner with 100 percent interest in 495 claims and controls an additional 61 claims through a variety of mineral leases. A comprehensive title search of these claims was completed in 2007 by Harris & Thompson, a Reno, Nevada law firm, which found no major title issues.

4.3 Agreements and Encumbrances

In 1986, Coral Gold Corporation and its affiliate Coral Resources, Inc, acquired an option to acquire a 70 percent interest in the “mining properties” owned or controlled by Aaron Mining and its affiliates, in the Tenabo mining district, Nevada, under an Option and Joint Venture agreement. Coral was granted an undivided 70 percent interest in the Tenabo mining properties in 1987. Also in 1987, Coral and its affiliate, acquired an undivided 29 percent interest in the “Tenabo Properties” from Geomex Development, Inc. (predecessor-in-interest to Albany Gold Corp.). Geomex had acquired its interest from E & B Exploration, who explored the property under a 1980 Option Agreement with Aaron Mining Ltd. As part of Coral’s acquisition of the Geomex interest, Geomex reserved a 3 percent Net Smelter Return Royalty covering all of the “Tenabo Properties”, including all mining claims owned or controlled by Coral, or its affiliates, in Lander County, Nevada. This royalty has an option to purchase for \$1,250,000.

In 1990, Coral and Amax Gold Exploration, Inc. (“Amax”) entered into an Amended and Restated Option and Earn-In Agreement in which Amax could earn a 60 percent interest in the property by producing a bankable feasibility study. A feasibility study was completed by Amax in November, 1994, but because of marginal economics of the project, the parties determined that additional exploration was necessary. Both companies agreed that Amax did not fulfill the requirements of the agreement and did not earn any interest in the property. Amax withdrew from the project in 1996.

In 1995, Coral and Amax agreed to “carve out” 219 claims (the “Excluded Claims”) from the original block of 755 claims and place them under a separate Earn-In and Mining Venture Agreement. In 1996, Amax withdrew from the 1990 agreement but maintained its interest in the agreement covering the “Excluded Claims”. Cortez acquired the Amax interest in the “Excluded Claims” and in 1998, Coral and Cortez signed an Option and Earn-In Agreement covering the Robertson Property (non-Excluded Claims). After completing an exploration program on the Robertson Property in 1999, Cortez withdrew from the Option and Earn-In Agreement. Under terms of the agreement, Cortez did not earn an interest in the property.

In December 2004, Coral and Agnico-Eagle (USA), Ltd., then known as Nevada Contact, Inc., entered into an agreement covering 70 mining claims owned by Mauzy et al. and controlled by Coral through a 1989 Mineral Lease and Purchase Option (amended). Coral assigned and subleased the underlying 1989 Mauzy Agreement to Agnico-Eagle, along with the obligation to pay required lease payments under the Mauzy Agreement and minimum advance royalty payments to Coral. Coral also reserved a 2.5 percent net smelter return production royalty. Agnico-Eagle has the option to purchase one percent of the production royalty from Coral. Under the agreement, Agnico-Eagle can earn a 51 percent interest in the property by completing the required work commitment and a further 24 percent interest can be earned by purchasing the Mauzy interest. Agnico-Eagle also has the option to acquire the remaining 25 percent by completing a positive feasibility study.

As part of the Coral-Agnico agreement, the parties agreed to amend the underlying 1989 Mineral Lease and Purchase Option Agreement with Mauzy et al. The amendment included extending the term of the agreement, reducing the royalty to 2 percent of the net smelter return and adjusting the purchase price for all claims subject to the agreement.

In 2007, Agnico-Eagle withdrew from the option agreement with Coral covering the Lander Ranch, Norma-Sass and Blue Nugget claim blocks.

In 2005, Coral acquired 39 unpatented lode claims and two association placer claims, covering approximately 960 acres, within the Robertson project area, from the Marcus Corporation. Under a Share Exchange Agreement dated July 12, 2005, Marcus shareholders were offered one common share of Coral stock for 4 common shares of Marcus stock and one warrant for additional common shares of Coral stock at a reduced fixed price for every 2 common shares of Marcus stock. As of December 2005, Coral had acquired 1,391,860 shares, or 99.98 percent, of the outstanding Marcus common shares. Certain of the Marcus claims cover approximately 75 percent of the Altenburg Hill inferred mineral resource estimated to contain 3.5 million short tons averaging 0.018 oz Au/t, using a 0.01 oz Au/t cutoff grade.

Twenty of the claims acquired as part of the Marcus acquisition include the Ruf unpatented lode claims which are subject to a 1995 Option and Joint Venture Agreement with Levon Resources Ltd. In 2002, after incurring a minimum \$200,000 in exploration

expenditures, as required under terms of the agreement, Levon was deemed to have earned an undivided one-third interest in the Ruf claims.

Approximately 61 of the 495 claims that comprise the Robertson Property are controlled by Coral through six mining leases and option agreements. During 2007, Coral exercised its option to purchase 76 unpatented lode and placer claims and 6 patented mining claims owned by Elwood Wright and 16 unpatented lode claims owned by Florence Johnson. The claims held by Coral under lease or option agreements require minimum advance royalty payments and production royalties in the event of production. Total annual payments for the various leases and minimum advance royalties are US\$36,000. A summary compilation of the terms of these agreements are presented in Table 4.1.

Annual federal rental fees of US\$71,625, payable to the BLM, and Notice of Intent to Hold Mining Claims have been filed for the 2007-2008 assessment year.

Effective September 2004, Coral changed its name from Coral Gold Corporation to Coral Gold Resources Limited. The company is listed on the TSX Venture Exchange.

Table 4.1: Tabulation of Mining Lease and Option Agreements

Company/Date	Number of Claims	Option Pmt.	Production Royalty	Advance Royalty Pmt.
Tenabo Gold Mining Co Nov. 30, 1975	13	\$2M	8% NSR	\$12,000/yr
Northern Nevada Au, Inc Sept. 30, 1986	12	\$0.3M	4%GSR	\$9,600/yr
Albany Gold Corp. (Geomex)	All	1.25M	3% NSR	None
Mauzy, et al Apr. 21, 1989	36	\$1.15M	2%NSR	\$14,400/yr

4.4 Environmental Liabilities

In 1988-89, Coral operated a small open pit gold mining operation and heap leach facility on the Robertson Property. The resulting disturbances include three small open pit mines, waste dumps, haul roads, drill roads, open drill holes, and a 350,000 ton heap leach facility and related recovery plant. In 1994, a reclamation plan was prepared by Amax and submitted to the Battle Mountain office of the BLM. The cost to perform the reclamation of the Robertson mine site was estimated at that time to be \$2 million. In 2001, Coral began reclamation activities which were accelerated in 2002, with the

recontouring of waste dumps, reclamation of the leach pad, haul roads and the filling of all open drill holes. As a result of this activity, in June, 2003, the BLM lowered the bonding requirements for the project to \$406,000.

In March 2003, on behalf of Coral, SRK Consulting submitted a Final Plan for Permanent Closure with the BLM and Nevada Division of Environmental Protection (NDEP) which was approved by both agencies. The major component of the closure plan was the installation of a site fluid management system. During 2004, a terminal evapo-transpiration basin with a designed annual evapo-transpire capacity of 422,300 gallons per year was constructed. As a result of this work, the BLM lowered the bonding requirements to \$282,268. In 2007, the recovery plant was dismantled and removed from the property. Coral currently maintains a state wide performance bond totaling \$37,132 with the Nevada State Office of the BLM covering its various drilling programs conducted under a Notice of Intent.

4.5 Permitting

In 2002, Coral submitted and was granted a five year renewal of Water Pollution Control Permit (NEV60035) by the NDEP. In addition, Coral continues to conduct reclamation and exploration activities under a Plan of Operation (NVN-067688) approved in 1989 by the BLM.

During the period 2000 through 2003, no exploration activity was conducted on the Robertson Property. However, during that period a significant amount of surface reclamation was completed on the property. As a result, new exploration activities in reclaimed areas will require submission and approval of an Amendment to the Plan of Operation. Additionally, the National Historic Preservation Act requires that all operators on public lands conduct an archeological survey of the proposed sites of new disturbance. Much of the Robertson Property has been previously cleared under various surveys conducted by Amax. Recent and planned future exploration activities by Coral have moved outside the area covered by previous archeological surveys. It is possible that future exploration will experience delays in receiving approval because additional surveys will be required by state and federal agencies. In 2004-06, Coral conducted exploratory drilling under a series of amendments to the Plan of Operation which were approved by the Battle Mountain office of the BLM and NDEP.

In 2007, NDEP requested that Coral prepare and submit a new Plan of Operation consolidating all of the past modifications and amendments to the previous plan into one document. The new plan was submitted in November 2007 and approval is expected by spring 2008.

There are no known environmental or threaten and endangered species issues at the Robertson Property that would provide grounds for denial of approval of an Amended Plan of Operation.

SECTION 5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Accessibility

The property is 27 air miles southeast of Battle Mountain and 60 miles southwest of Elko, NV (Figure 1.1). From Battle Mountain, the county seat, the property is reached by traveling 28 miles east on Interstate Highway 80, then 29 miles south on Nevada Highway 306 to the Coral property turn off. The property is reached by driving two miles west on a well maintained gravel road. A network of unimproved dirt roads and tracks provide access to the remainder of the property.

5.2 Climate and Physiography

The Robertson Property is situated in the Tenabo sub-district of the Bullion mining district, within a series of low foothills on the extreme eastern flank of the Shoshone Mountains near the abandon town site of Tenabo. The climate is arid to semi-arid, with high annual insolation, low annual precipitation and large daily temperature fluctuations. Altitude on the project varies from 5,000 ft to 6,281 ft above mean sea level. Vegetation is typical of the Great Basin Desert Shrub Steppe, comprised of communities of large sage brush, rabbit brush, Sandburg bluegrass and varieties of forbs. Average annual precipitation at the site is less than 7 inches per year, mostly from winter snowfall and sporadic summer afternoon thunderstorms. In the region, the average maximum temperature is 63° F and the average minimum temperature is 30° F. Mid-winter day-time temperatures average 24° F and mid-summer day-time temperatures average 90° F.

5.3 Local Resources and Infrastructure

Land ownership within the Robertson Property project area consists of federal surface and minerals within the Shoshone-Eureka Resource Area, administered by the Battle Mountain District of the Bureau of Land Management. According to the BLM, principal land uses within the project area are mining, wildlife habitat and livestock grazing.

Water is currently supplied to the project by the “Komp” well (Permit No. 50683), located in Section 10, Township 28 North, Range 47 East. Use of the well by Coral was granted as part of the “Fanny Komp” mining lease agreement. In 1994, Amax Gold filed two applications to appropriate ground water (Permit No. 59780 and 59781). The filings progressed to “ready-for-action” status at that time, but were never approved because Amax subsequently withdrew from the project.

A paved state highway provides access to within 2 miles of the property and a major power line (120 kV) that currently provides electrical power to a nearby operating mine crosses the east edge of the property. Surface rights at Robertson are sufficient to support

a major mining operation. Experienced mining personnel are available in the nearby communities of Elko and Battle Mountain.

SECTION 6.0 HISTORY

6.1 Introduction

The Robertson property is located in the Tenabo area, a sub-district of the Bullion mining district. Historic lode mining in the sub-district dates from about 1905 with a total production of 20,000 ounces of gold credited to the mines of the area (Stager, 1977). Placer gold was discovered in many of the dry washes in the Tenabo area in 1916. During the period 1937-39, a small dragline dredge and washing plant operated in the district, and a dredge was reported by Humphrey (1945) to be operating in lower Mill Gulch in 1945. Placer production is estimated to have yielded \$25,000 worth of gold and minor amounts scheelite (Johnson, 1973).

During the period 1966-70, a number of companies explored the district in search of porphyry copper-style mineralization. In 1968, while drilling a series of shallow rotary holes near the Gold Pan mine, Superior Oil discovered a small, but relatively high-grade zone of gold at shallow depths in what is now known as the Gold Pan Zone. However, with additional drilling, Superior quickly lost interest in the district. They were soon followed by a number of mainly Vancouver-based junior mining companies, including Placer Development (1974-75), Teck Corporation (1977), Aaron Mining Ltd. (1975-86), and E & B Exploration Ltd. (1980-81), all of whom sporadically explored the Tenabo area with limited success. A summary of the drilling completed by these companies prior to Coral's involvement (1986) is presented in Table 6.1. The locations of these holes are shown in Figure 5.1.

Table 6.1: Summary of Pre-Coral Drilling Activities at Robertson

Company	Date of Activity	Number and Type of Holes Drilled	Drill Footage(ft)	Target
Superior Oil	1968-70	92(?)Conv. Rotary	c. 32,000	Gold Pan
Placer Dev.	1973-74	23(?)Conv. Rotary	c. 3,500	none
Teck Corp.	1977	none	none	none
Aaron	1977	7 Conv. Rotary	c.300	Gold Quartz
E & B Exploration	1980-81	148 RC(?)	30,807	Gold Pan
Totals		270	65,407	

Modern open pit mining and heap leaching began as early as 1974, when Aaron Mines, Ltd., initiated a pilot leach operation. Aaron placed about 15,000 tons of oxide material mined from the "glory hole" and waste dumps of the historic Gold Quartz mine on a

small leach pad, from which 377 ounces of gold were recovered (Stevenson & Assoc., 1977). During the period 1978-80, Aaron placed 38,400 tons of ore on a second larger pad, from which they recovered 517 ounces of gold (Sampson, 1988). Also during that period Aaron continued exploration and began consolidating and acquiring claims in the district.

6.2 Coral Gold (1986-1989)

In 1986, Coral acquired Aaron's interest in the property and immediately began a series of major drilling programs beginning in 1986 and continuing until 1989. By 1988, Coral had reportedly defined a reserve of 11 million tons averaging 0.04 oz Au/t (NBMG, 1989). Mining operations commenced in 1988, but were suspended less than one year later. During the operating life of the Robertson mine, approximately 350,000 tons of low-grade material was placed on leach pads from which about 6,200 ounces of gold were recovered.

During the period 1986 through 1989, Coral completed approximately 380 RC holes and 7 DDH, totaling about 109,377 ft. Much of this drilling was focused in four resource areas; Gold Pan, Gold Quartz, Gold Quartz extension (also called Gold Quartz West) and in the Triplet Gulch area. The purpose of this drilling was to determine the limits and continuity of mineralization within these zones. Nearly all of the RC holes were drilled vertically to an average depth of about 300 ft. The locations of the Coral drill holes and the four resource areas are shown in Figure 6.2.

During the later stages of Coral's exploration program, they completed two "deep" RC holes that reached depths of 1,400 ft and 1,810 ft, respectively. In addition to resource definition, Coral also embarked on a program of district-wide exploratory and follow-up drilling of numerous surface anomalies.

6.3 Amax Gold (1990-1996)

In 1990, Coral and Amax Gold Exploration entered into an Amended and Restated Option and Earn-In Agreement in which Amax could earn a 60 percent interest in the property by producing a bankable feasibility study. From 1990, until they withdrew from the venture in 1996, Amax completed a district-wide exploration program that included drilling 342 RC holes and 62 DDH, totaling over 176,000 ft. The locations of the Amax drill holes are shown on Figure 6.3.

During this time period, Amax discovered a number of mineralized zones which comprised a low-grade, drill-indicated resource of over 1 million ounces of gold. These resources are summarized below in Table 6.2. In 1994, Amax began close-spaced grid drilling of the Porphyry Zone resource to define a mineable reserve to serve as a basis for completing a bankable feasibility study (Amax, 1994). The resulting reserve of about 14 million tons averaging 0.019 and containing about 180,000 recoverable ounces of Au, was deemed marginal at a gold price of \$400/oz. The historic mineral resource and mineral reserve estimates cited in Table 6.2 and discussed above are presented for the

purpose of historic background only and do not represent defined mineral resources on the property. In addition, the classification of these historic mineral resources and reserves do not conform to the National Instrument 43-101.

Table 6.2: Robertson Property Drill-Indicated Resources (1996)

Mineralized Zones	Million Short Tons	Grade (oz Au/t)	Contained Oz Gold
Altenburg Hill**	3.50	0.018	63,900
Porphyry Zone*	20.00	0.020	400,000
Gold Pan**	8.30	0.024	199,200
39A Zone	4.70	0.077	367,190
Total	36.5	0.028	1,030,290

* Includes AGI proven + probable reserve 13,556,125 tons at an average grade of 0.0188 (1994).

** Inferred mineral resources estimated by AGI (1996).

6.4 Cortez Gold Mines (1998-1999)

In 1998, Cortez entered into an Option and Earn-In Agreement with Coral in which Cortez could earn a 70 percent interest in the Robertson property by producing a bankable feasibility study. The focus of their exploration was to expand the 39A Zone and test a number of outlying targets. During 1999, Cortez completed 46 RC drill holes and a single mud rotary hole, totaling 57,000 ft. Of the thirteen holes directed at expanding the 39A Zone, only two holes, 99401 (130 ft/0.05 oz Au/t) and 99413 (80 ft/0.163 oz Au/t) encountered significant mineralization. However, this drilling program did little to expand the resource. Of the remaining holes drilled by Cortez, only two holes (99406 and 99419) encountered significant mineralization. Both holes were designed to offset and (or) follow up existing drill intersections and surface gold anomalies. The locations of the Cortez drill holes are shown in Figure 6.4.

After completing this drilling program, Cortez declared its interest in renegotiating the terms of the Option Agreement. When Coral declined, Cortez subsequently terminated the agreement and did not earn an interest in the property.

6.5 Coral Gold Resources Ltd (2001-2007)

During 2004 and 2005, Coral conducted three drilling programs consisting of 32 RC holes totaling 24,020 ft on the Robertson Property. The focus of this exploration was to expand and further define the 39A Zone, test the “deep” Gold Pan Zone for extensions of

the 39A Zone and offset previous ore-grade intersections in the “distal target area”. The locations of the Coral drill holes are shown in Figure 6.5

During 2006, Coral completed a two phase drilling program. Phase I consisted of drilling 14 RC holes totaling 11,355 ft, which were completed in the immediate vicinity of the existing 39A Zone indicated mineral resource. The purpose of Phase I drilling was to define the “economic margins” of the 39A mineralized zone and to test the continuity of higher grade intersections between wide spaced drill holes. Phase II drilling consisted of drilling 32 RC holes totaling 24,260 ft, which were completed in the Distal Zone, on the northeast flank of Altenburg Hill, in the gravel-covered area between the Altenburg Hill and the Porphyry Zone and along a northeast striking structural zone in the Porphyry Zone. Several of these holes were also used to test the north and northwest edges of 39A Zone. The locations of the 2006 Coral drill holes are shown in Figure 6.6.

In late 2005, Barnes Engineering was contracted by Coral Gold Resources to undertake a Preliminary Assessment of the currently defined mineral resources at the Robertson Property. The purpose for of this study was to update the 2001 resource estimate, include results of the 2004-2005 Coral drilling programs (24,000 ft) in the estimate and examine the effect of higher gold price on the economics of the existing resources.

Prior to the 2006 Preliminary Assessment, the most recent study was completed in 2001 when the prevailing gold price was less than \$300/oz. The 2001 study concluded that an indicated mineral resource containing about 11 million short tons of mineralized material averaging 0.053 oz Au/t, using 0.02 oz Au/t cutoff grade, was present on the Robertson Property (Table 6.3).

Table 6.3: Robertson Property Indicated Resource Estimate (2001)

Zone	Cutoff Grade (oz Au/t)	Million Short Tons Ore	Au Grade (oz/ton)	Contained (oz of Au)
39A	0.02	2.80	0.101	282,800
39A*	0.05	1.54	0.130	200,000
Porphyry	0.02	3.95	0.040	158,000
Gold Pan**	0.02	2.97	0.038	112,900
Altenburg Hill	0.02	1.25	0.024	30,000
Total		10.97	0.053	583,700

*Note 39A resource estimate at 0.05 oz Au/t cutoff not used in total calculation.

**From Mintec Inc., 1988 estimate; includes oxide + sulfide material.

Prior to 2001, the earliest resource estimate was made in 1988 by Mintec Inc., using various cutoff grades for the Gold Pan Zone. An estimate of the 39A Zone resource was made by Amax in 1993, based on only 21,000 ft of drilling in 25 holes and using a 0.02 oz Au/t cutoff grade. In 1994, Amax and MRDI jointly completed a resource estimate for the Porphyry Zone as part of a feasibility study. The study concluded that a proven + probable mineral reserve was present, but was deemed “marginal” at the current gold price (\$420/oz).

In 1996, after completing grid and in-fill drilling in the Gold Pan and Altenburg Hill zones, Amax completed resources estimates for these mineralized zones using a 0.01 oz Au/t cut off grade. Results of these studies indicated that while a low-grade “drill indicated resource” was present, it did not represent a potential “mineable reserve which is of interest to Amax” (Candee, 1996).

In 2006, the Robertson mineral resources were reported using gold cutoff grades calculated by Barnes Engineering is shown in Table 6.4 and 6.5.

Table 6.4: Robertson Property Measured and Indicated Mineral Resources (2006)

Zone	Measured mineral resources			Indicated mineral resources			Total measured and indicated		
	Short tons (000s)	Gold Grade (oz/ton)	Contained ozs (000s)	Short tons (000s)	Gold Grade (oz/ton)	Contained ozs (000s)	Short tons (000s)	Gold Grade (oz/ton)	Contained ozs (000s)
Porphyry ¹	10,600	0.020	212	2,100	0.018	37	12,700	0.020	249
39A/Gold Pan ²				10,200	0.044	450	10,200	0.044	450
Total	10,600	0.020	212	12,300	0.040	487	22,900	0.031	699

(1) Calculated using a 0.010 oz Au/t cutoff grade. (2) Calculated using a 0.015 oz Au/t cutoff grade.

Table 6.5: Robertson Property Inferred Mineral Resources (2006)

Inferred mineral resources			
Zone	Short tons (000's)	Gold Grade (oz/ton)	Contained ozs (000's)
Altenburg Hill ¹	3,500	0.018	63
39A/Gold Pan ²	4,900	0.039	192
Distal Target ³	1,008	0.178	179
Total	9,408	0.046	434

(1), (2), (3) Estimates calculated using 0.01 oz Au/t, 0.015 oz Au/t and 0.05 oz Au/t cutoff grades.

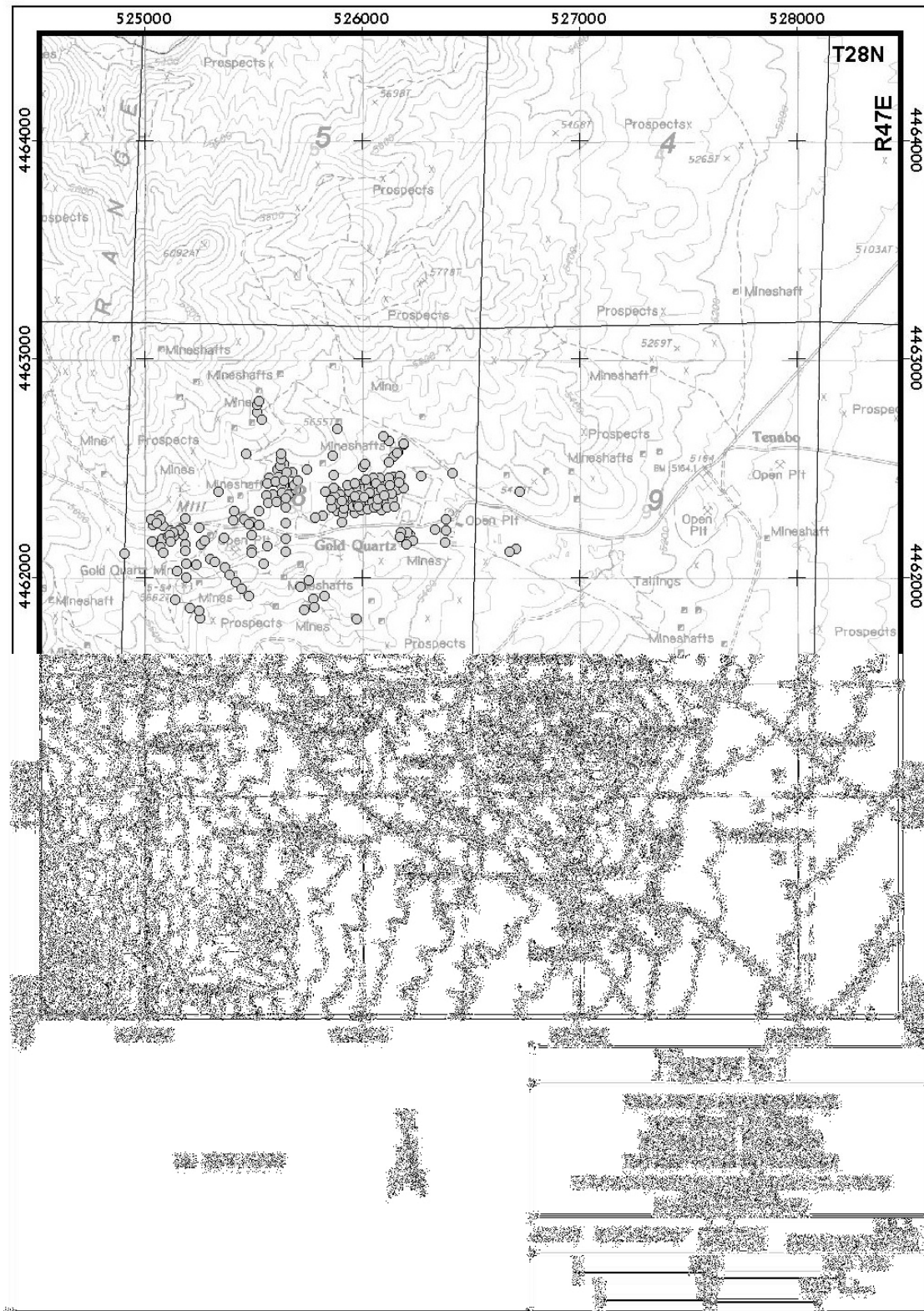


Figure 6.1: Drill Hole Location Map Pre-Coral Drilling

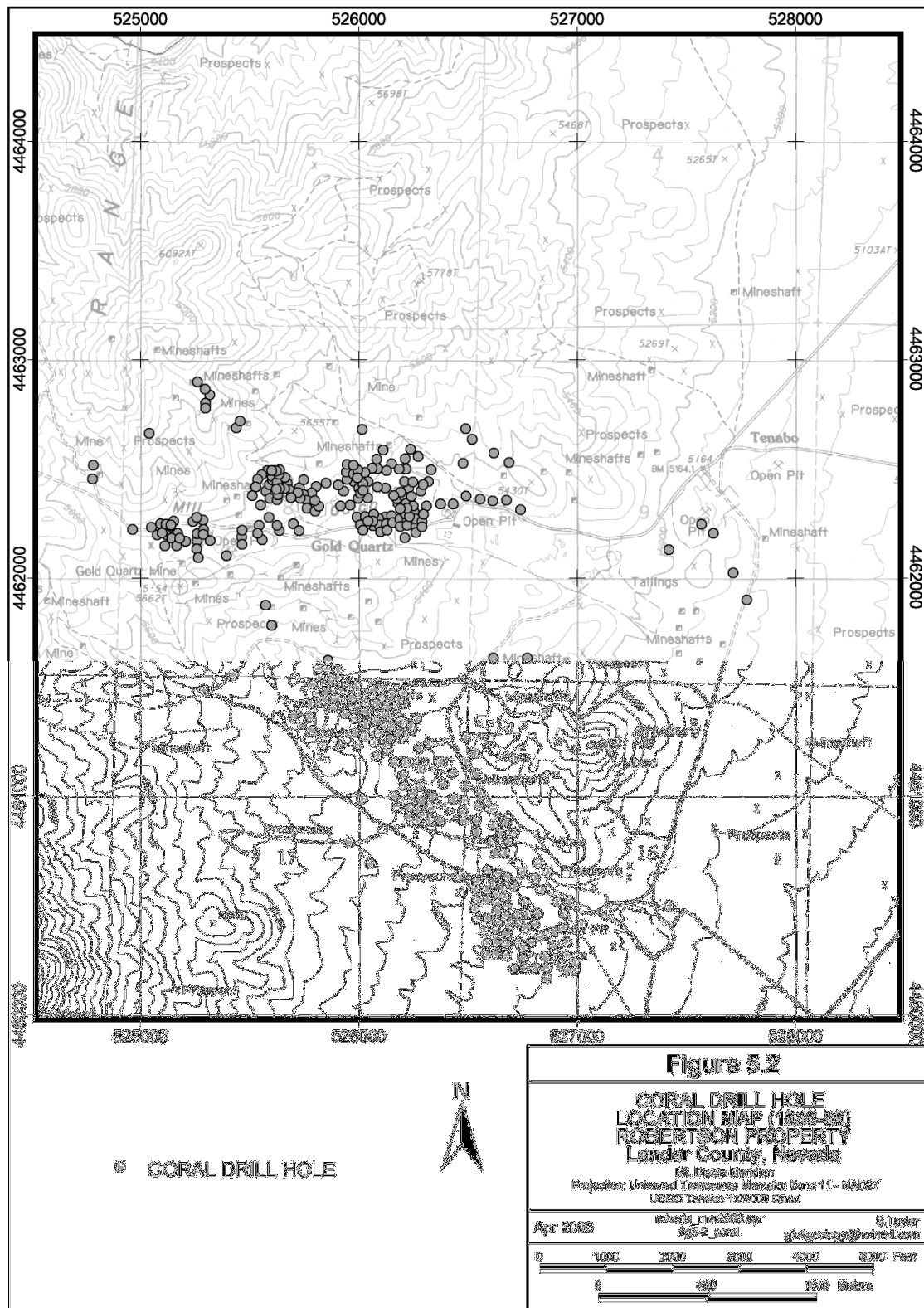


Figure 6.2: Coral Drill Hole Location Map (1986-89)

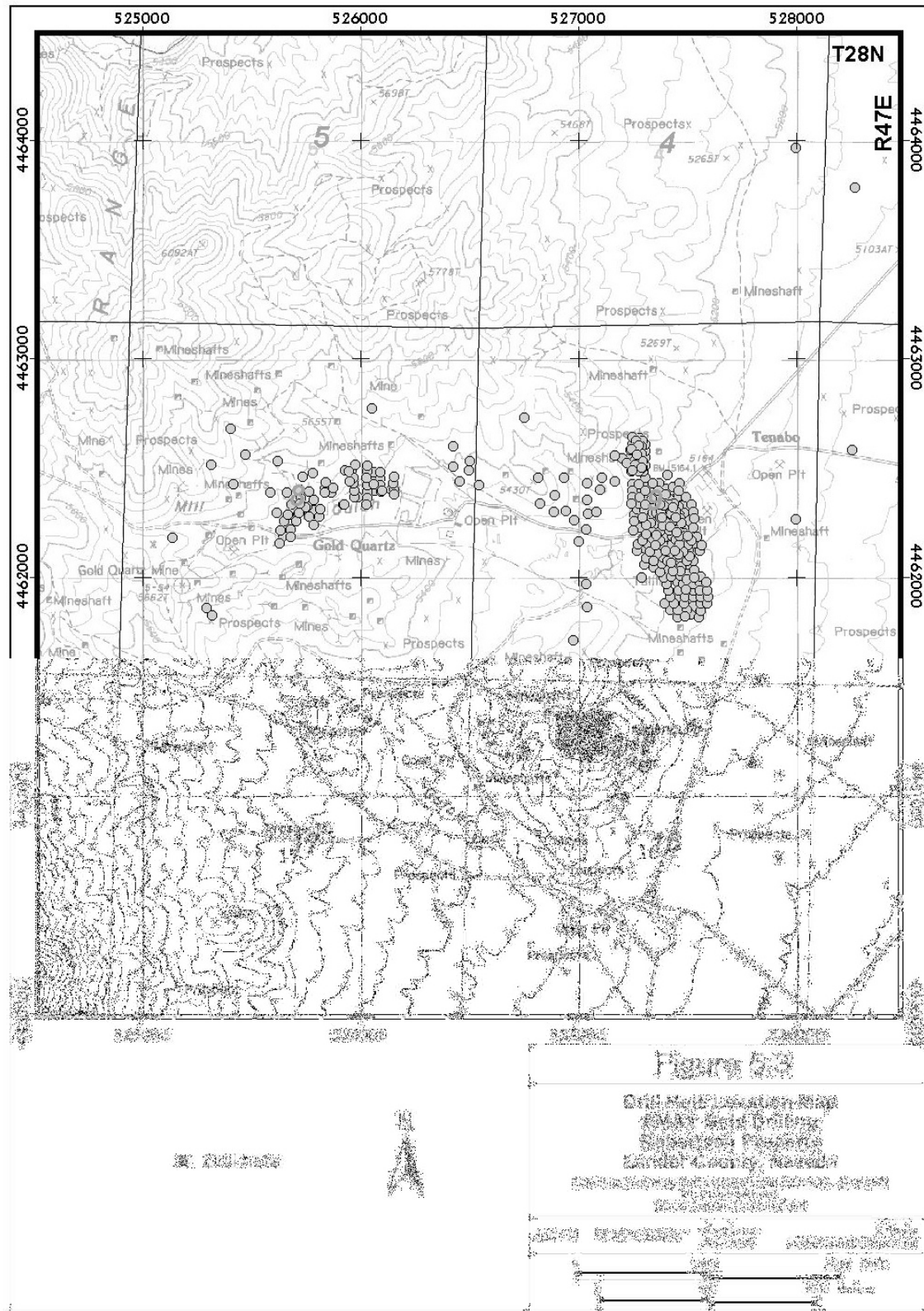


Figure 6.3: Drill Hole Location Map Amax Gold Drilling

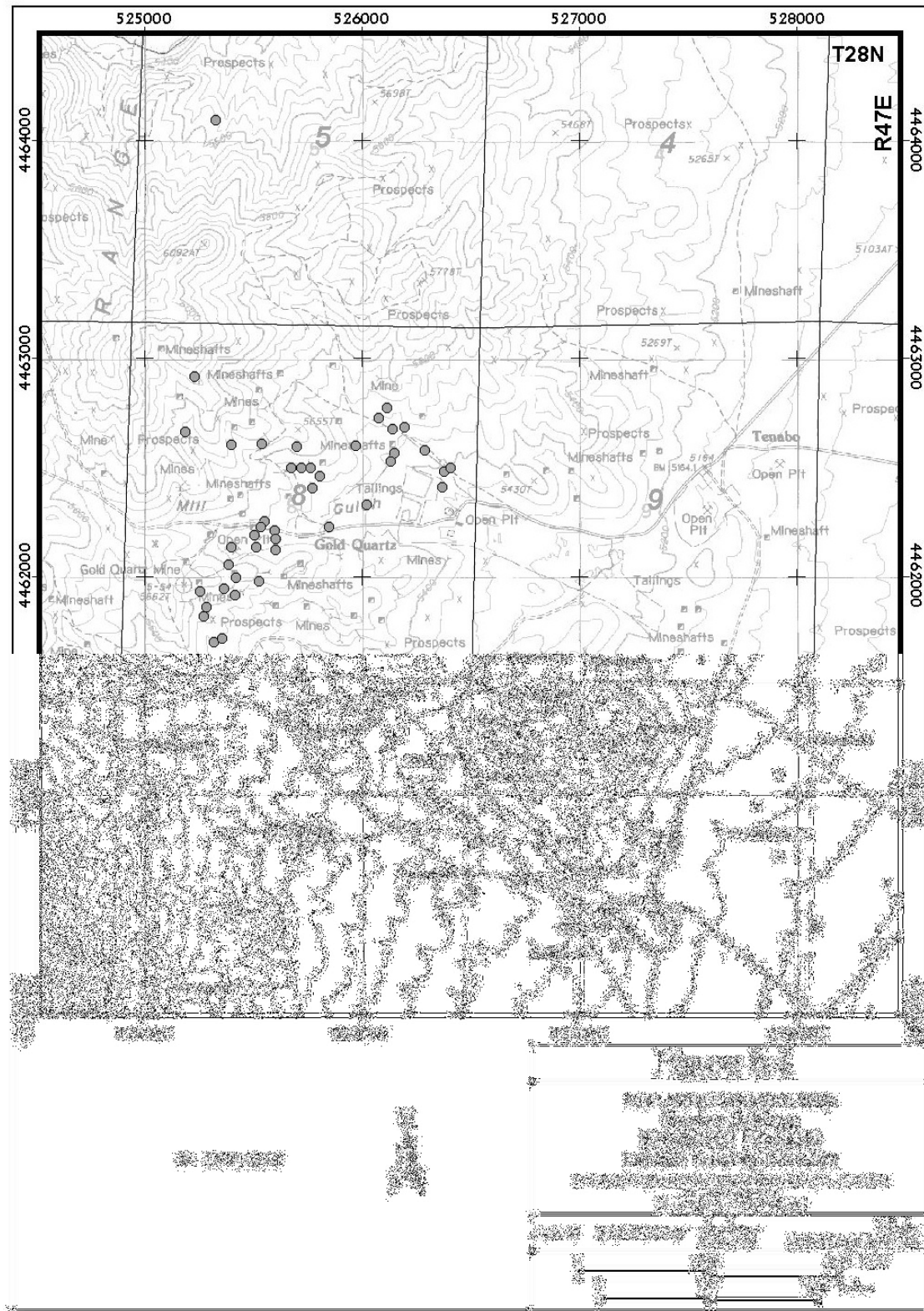


Figure 6.4: Drill Location Map Cotez Drilling

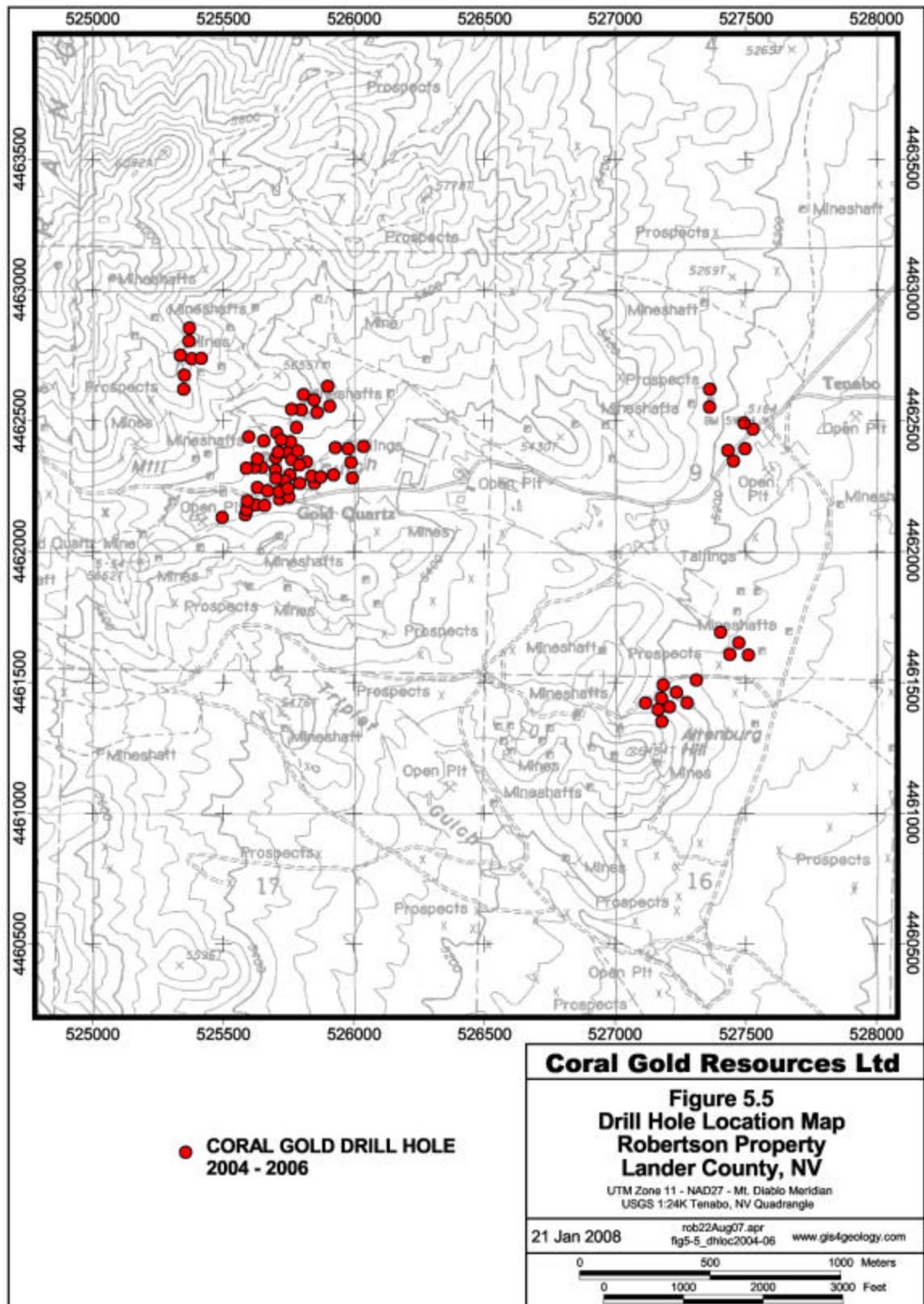


Figure 6.5: Drill Hole Location Map Robertson Property

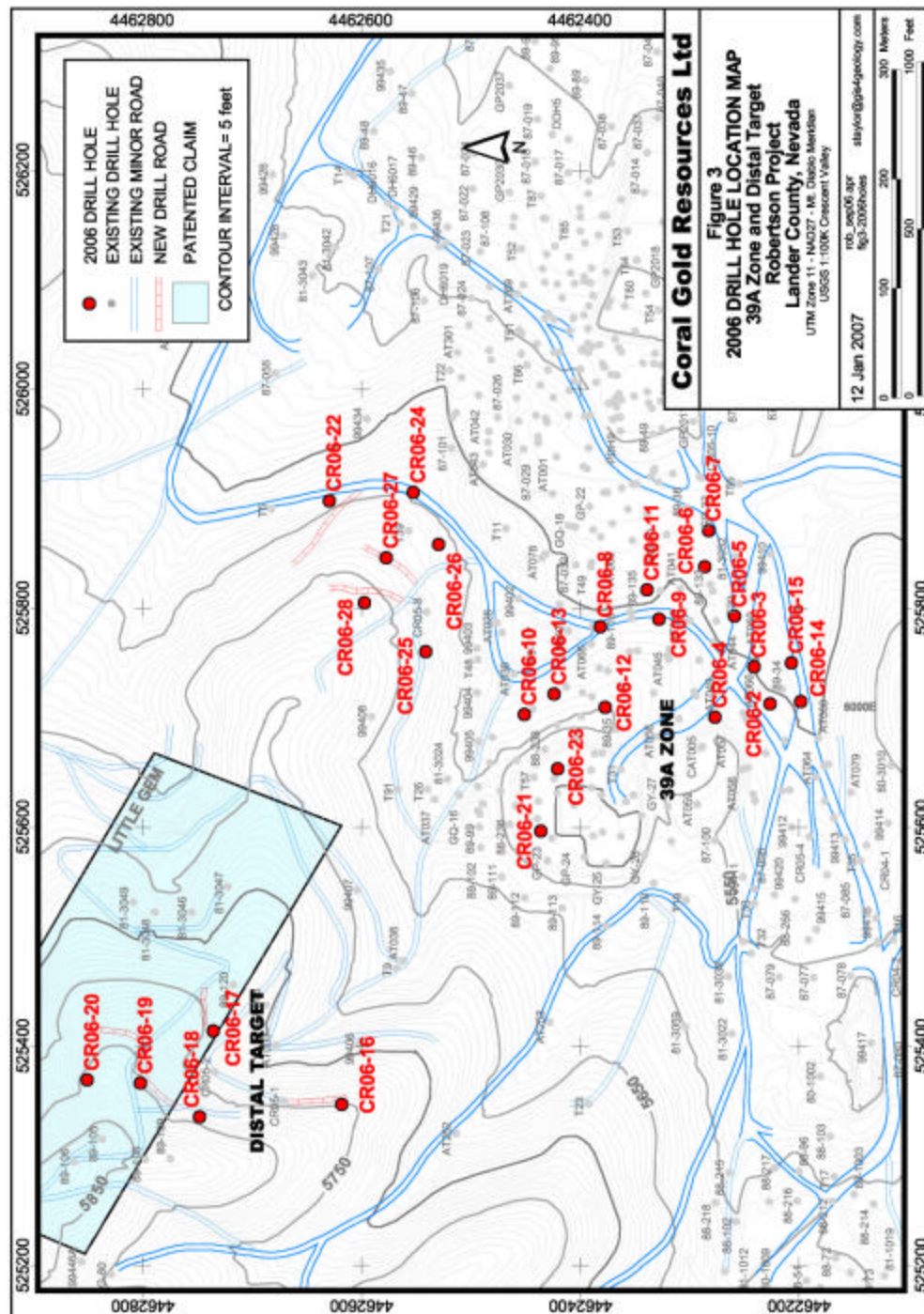


Figure 6.6: 2006 Drill Hole Location Map 39A and Distal Targets

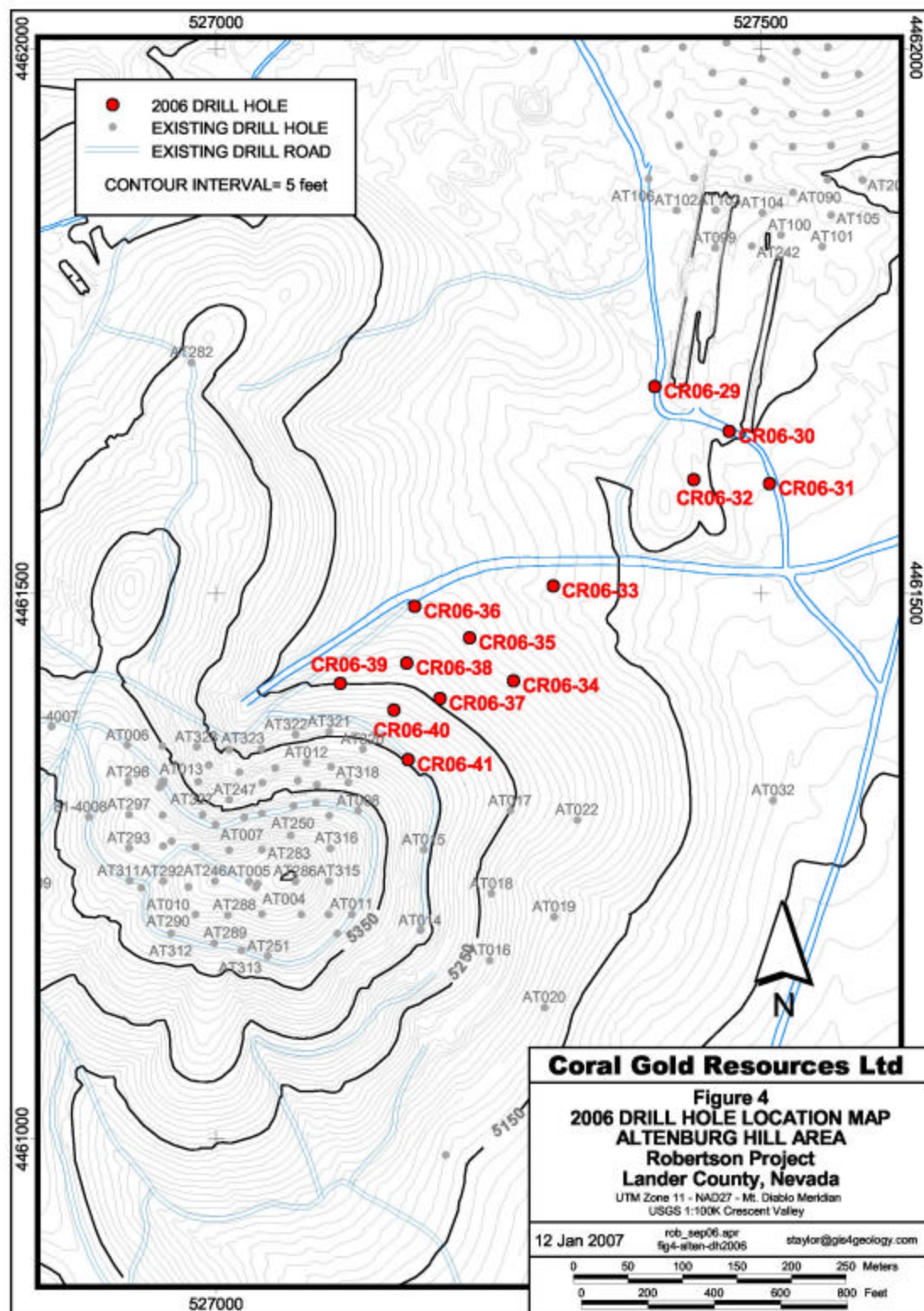


Figure 6.7: 2006 Drill Hole Location Map Altenburg Hill Area

SECTION 7.0 GEOLOGICAL SETTING

7.1 Regional Geology

Published geological reports describing the regional geology of the Tenabo district include Gilluly and Gates (1965), Wrucke (1974), Wrucke and Armbrustmacher (1975), and Stewart (1980). The regional geology of the Tenabo area depicted in Figure 7.1 is modified from a map by Wrucke (1974).

The Robertson property lies along the far eastern flank of the northern Shoshone Mountains in north-central Nevada within the Basin and Range physiographic province of western North America. The region lies at or very near the rifted margin of continental crust which was subjected to periodic contractural deformation starting in Middle Paleozoic and continuing until Late Cretaceous. The most important of these events affecting the region is a complex set of branching, low-angle faults that are part of the Roberts Mountains thrust fault (RMTF). Forming the upper plate of this regionally significant structure are a series of thick, vertically stacked nappes of predominately dark-gray, fine-grained siliceous sedimentary and lesser submarine volcanic rocks of early to middle Paleozoic age. During latest Devonian or earliest Mississippian time, these eugeosynclinal rocks were transported eastward many tens of miles along segments of the RMTF and structurally emplaced over a mostly carbonate sequence of similar age that comprise the lower plate. While siliceous rocks of the upper plate are widespread in the region, carbonate rocks of the lower plate are comparatively rare and are exposed in a few “structural windows” such as the Gold Acres and Cortez windows. Many of the regions gold deposits, including Gold Acres, Cortez and Pipeline are within or near to structural windows of lower plate carbonate rocks.

Subduction-related calc-alkaline magmatism began as early as Middle Jurassic and continued through early Miocene time. Beginning in the late Eocene, an important episode of magmatism gradually swept from northeast to southwest across northern Nevada which was accompanied by widespread extensional deformation. Many of the regions largest gold deposits, including those situated along the Carlin and Battle Mountain-Eureka trends, are both spatially and temporally related to this period of calc-alkaline Eocene magmatism and extensional tectonics. Starting about 17 Ma, regional extensional block faulting, accompanied by rift-related bimodal basalt-rhyolite magmatism, further modified the region resulting in the characteristic basin and range topography encountered in this part of Nevada.

7.2 Local Geology

The Robertson property covers a series of low hills along the west side of Crescent Valley. The property, including the adjacent “Excluded” claims, lies approximately one mile north of the Pipeline open pit gold mine and reaches 4.5 miles north to Indian Creek. The geology of this area is depicted in Figure 7.2. Most of this area is underlain by a thick sequence of mostly fine-grained, siliceous sedimentary rocks that are part of the Roberts Mountains allochthon (RMA). These highly faulted and folded rocks are dominated by middle to late Devonian Slaven Chert composed mainly of argillite, chert, lesser shale, siltstone and mafic submarine volcanic rocks. Structurally overlying the

Slaven Chert along the west, north and east sides of the property are a sequence of rusty brown weathering siltstone, sandstone and very minor limestone of the Silurian Elder Sandstone. Along the far west edge of property, many of these rocks are structurally overlain along the Lander thrust fault by massive quartzite of the Ordovician Valmy Fm.

Portions of the “Excluded” claims in the southwest part of the property cover the northern part of the Gold Acres structural window, which exposes a sequence of mostly carbonate rocks in the lower plate of the RMTF. These strata consist of silty limestone, weakly to non-calcareous siltstone, calcareous mudstone and argillite of the Devonian-lower Mississippian Pilot Shale (Wrucke, 1974). However, this unit is remarkably similar to the Devonian-lower Mississippian Rodeo Creek Fm as described from the Carlin Trend (Lenardson and Rahn, 1996) where it overlies the Devonian Popovich Limestone. At Gold Acres, this unit conformably (?) overlies thin to thick bedded argillaceous to micritic limestone of the Middle Devonian Wenban Limestone which in turn conformably overlies a sequence of predominately finely laminated calcareous siltstone of the Silurian Roberts Mountains Fm.

Intruding a portion of the upper plate sequence, at the north end of the property, is an elliptical shaped stock with related dikes and sills that vary in composition from diorite to rhyolite. The long axis of the Tenabo stock is oriented at about 280°, whereas prominent dike swarms strike approximately 300° to 340°. A series of K-Ar age dates indicate that emplacement of the stock took place between 39.1±0.8 and 38.9±0.07 Ma (McKee and Silberman, 1970; Kelson, et al., 2005; Ressel and Henry, 2006). A single Re-Os date on molybdenite from the Tenabo stock yielded an age of 39.0±1.4 Ma (Kelson, et al., 2005). Based on a single K-Ar date, emplacement of widespread post-mineral rhyolite porphyry dikes and sills is dated at 34.8 Ma (McKee and Silberman, 1970). This date has not been recalculated. Gold mineralization at Robertson is closely associated with emplacement of the Tenabo stock.

7.3 Robertson Property Structures

Mineralization at Robertson is strongly controlled by a system of low- and high-angle faults and related fracture zones. Locally, brecciation associated with axial plane shear zones in isoclinal folds are also important hosts for mineralization. Although individual structures host ore-grade gold, higher grades commonly occur where one or more structures intersect.

7.3.1 Low-Angle Faults

Rocks of the district are cut by a myriad of low-angle thrust faults associated with the emplacement of the Roberts Mountains allochthon. Reactivation of these faults during emplacement of the Tenabo intrusive complex created an important fracture system that, along with younger high-angle faults, strongly control the distribution gold at Tenabo. A major low-angle fault zone is thought to be the principal control of gold distribution in a broad area extending from hole AT-1 westward to 99445, a distance of over 3,000 ft, and containing the 39A Zone and Distal Target mineral resources. Detailed logging has shown that portions of this low-angle structural zone are filled by a series of sill-like intrusions that form within or parallel to the broad envelope of mineralization and (or)

alteration. In addition, at least two narrow and laterally persistent zones of open space quartz and sulfide filling and local sulfide replacement are developed within and along a series of low-angle faults with similar orientation as the principal fault system. The sulfide horizons are locally disrupted by post-mineral movement along these same low-angle faults. These relationships are summarized in Figure 7.3, a cross section oriented north-northeast and looking west. The location of C-C' is shown in Figure 9.1.

7.3.2 NNW and East-West High-Angle Faults

In addition to the flat-lying thrust faults associated with the RMTF, rocks of the district are broken and offset by series of NNW-striking high-angle faults. Many of these faults extend (?) through the Eocene-age stock and are filled locally by younger dikes. Gold mineralization appears closely associated with NNW faults. A less obvious, but important east-west fault system occurs along the north side of the granodiorite stock which likely controlled emplacement of the granodiorite stock itself, as well as, the later feldspar porphyry dike swarm. At least two east-west and (or) north-northwest faults are postulated to have controlled mineralization within the 39A Zone. Where these faults intersect the principal low-angle fault zone, mineralization is typically thicker and higher grade. Movement along these faults is suspected to be, at least in part, sinistral. Within the Gold Pan zone, higher grade mineralization forms a series of en echelon ore shoots that trend generally east-west and are thought to be controlled by this fault zone.

7.3.3 Northeast and North-South High-Angle Faults/Dikes

A subtle NE-trending structural fabric is reflected mainly by a number of dike-filled faults and the apparent control exerted on the distribution of gold mineralization. In the Porphyry Zone, high-grade gold is commonly associated with a series of sub-parallel, NE striking faults locally filled by granodiorite and (or) igneous breccia dikes. The highest grades (0.94 oz Au/t) in the Porphyry Zone occur at or near the contacts of the dikes where they intersect prominent N-S faults. However, the overall trend of ore-grade (≥ 0.01 oz Au/t) mineralization in the Porphyry Zone is north-south.

7.3.4 Folds

Paleozoic rocks of the district are locally folded into small-scale isoclinal folds that typically strike NNW and plunge 5° to 15° to the NNW. This fold orientation is largely confined to the Devonian Slaven Chert. Strong shearing and brecciation are often well developed along many fold axial planes creating additional structural disruption in the rocks and sites for gold deposition.

In contrast, a series of broad, NE-striking open folds are developed in a nappe (?) of Silurian Elder Sandstone along the northeast part of the property. This variation in fold orientation and style suggests that these thrust sheets were emplaced separately and from different directions. A similar, broad anticlinal fold is developed in the Porphyry Zone that is more or less coincident with mineralization. This fold, which strikes N-S, is thought to have formed partly in response to emplacement of a large diorite dike.

Mineralization in this zone is strongly controlled by faulting in the footwall of the dike. Any influence on the localization of the mineralization by this fold is unclear.

As a result of late Tertiary Basin and Range block faulting, rocks along the east side of the Northern Shoshone Range, including the Tenabo area, have been tilted as much as 15° to 25° to the east (Gilluly and Gates, 1965). This post-mineral tilting resulted in the rotation of the large diorite dike in the Porphyry zone, leading to the original interpretation that this intrusion was a thick sill. The tabular mineralized zone associated with the footwall of the diorite dike was also rotated eastward, resulting in a shallow westward dip.

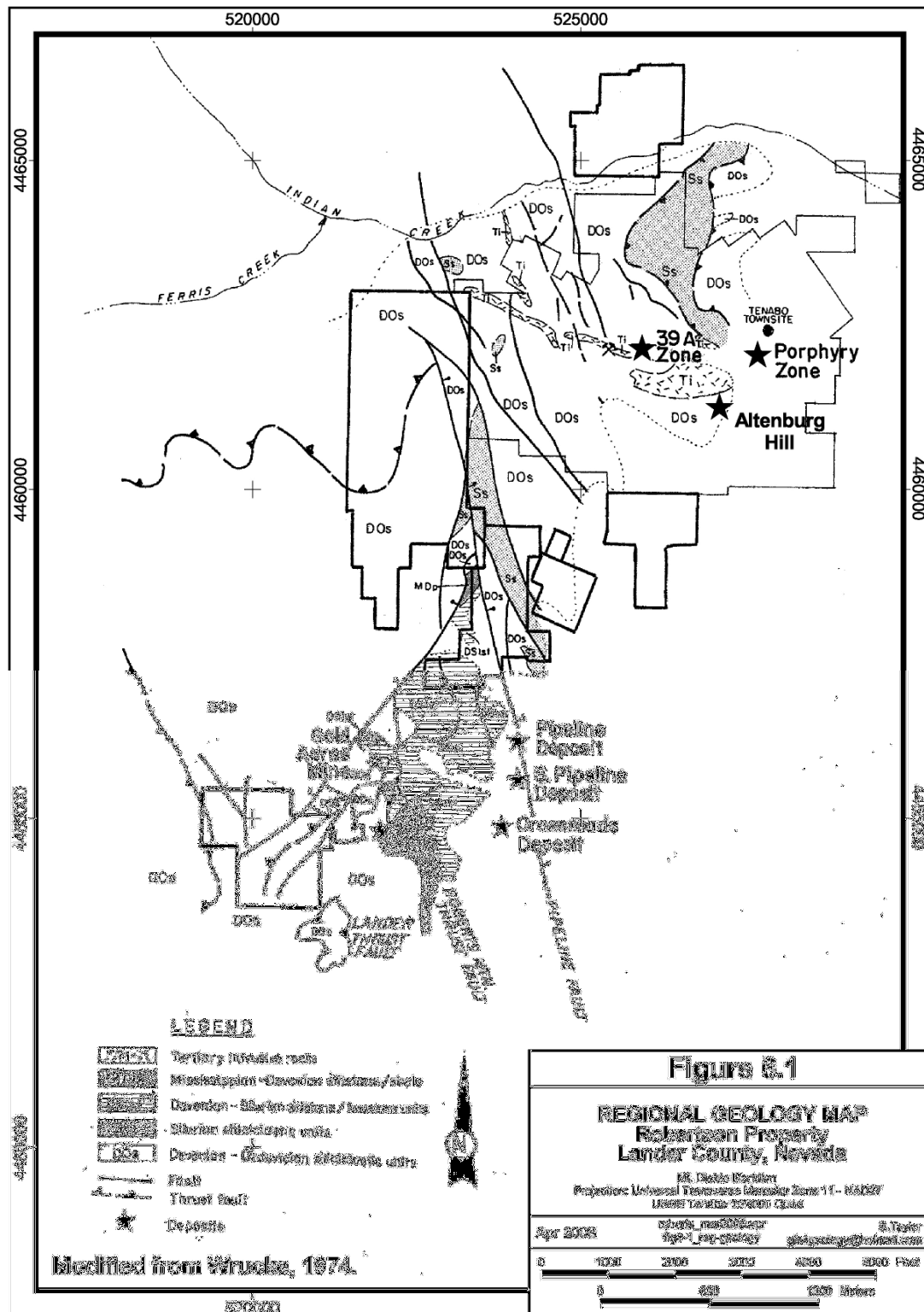


Figure 7.1: Regional Geology Map

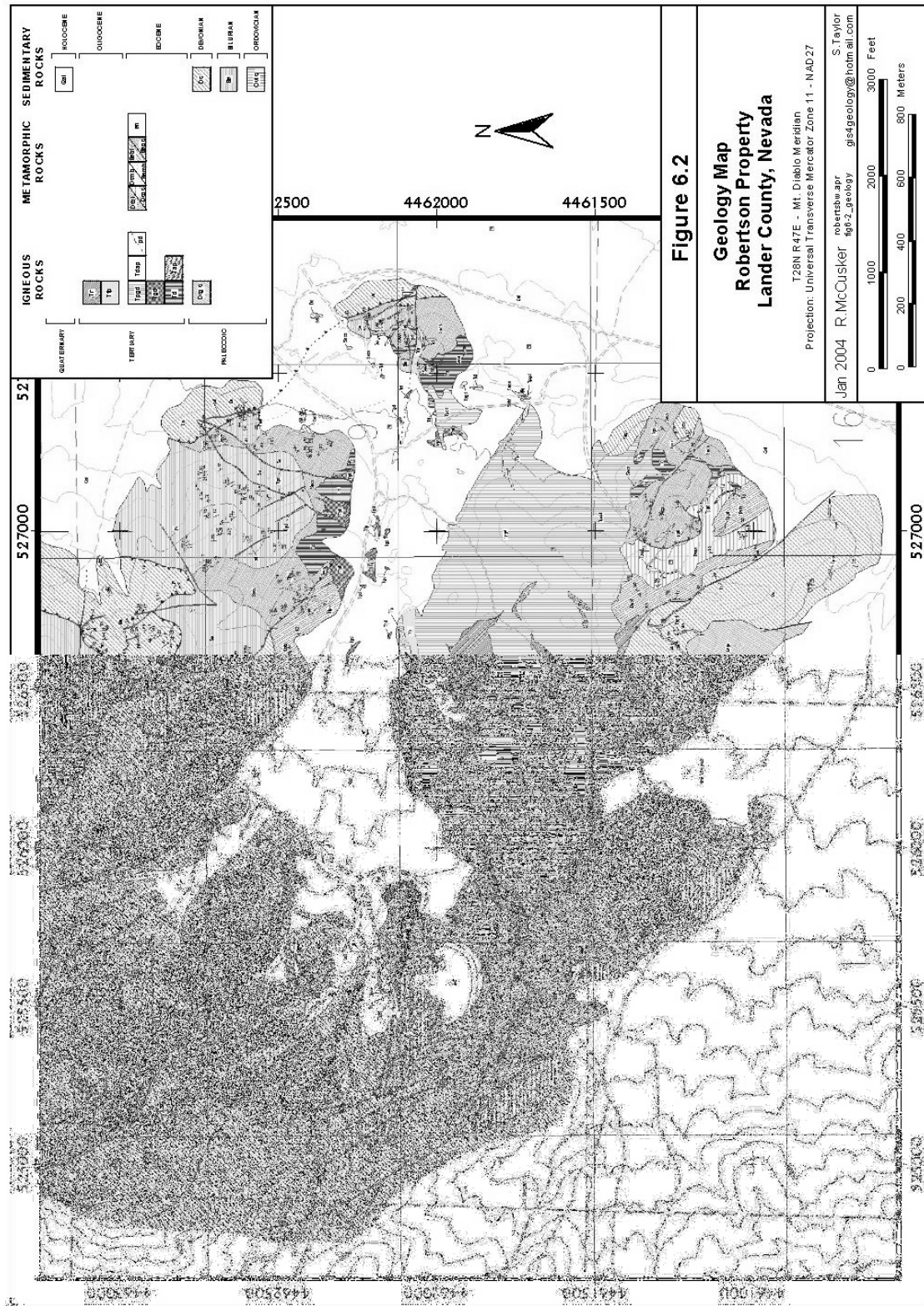


Figure 7.2: Geology Map

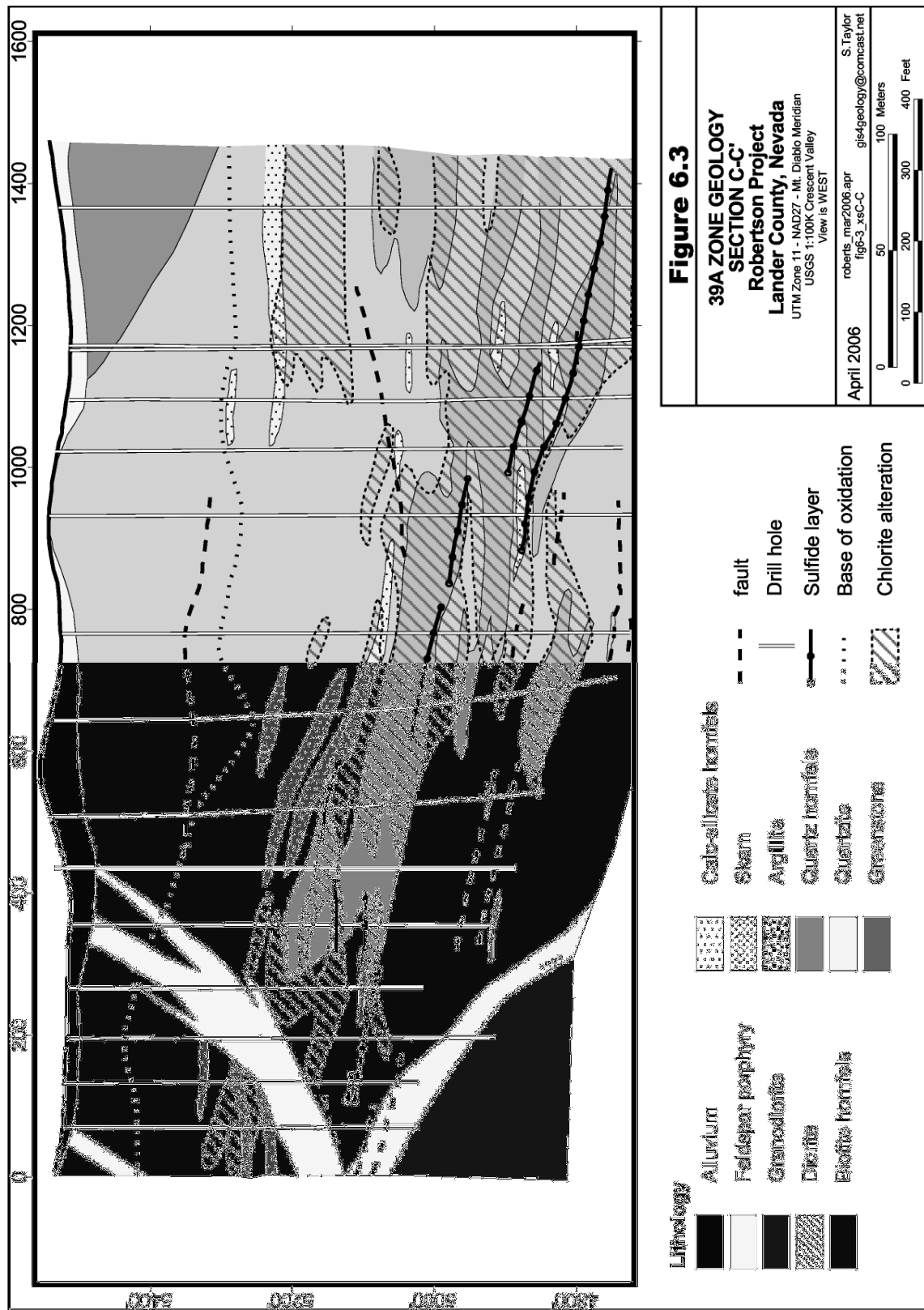


Figure 7.3: 39A Zone Geology

SECTION 8.0 DEPOSIT TYPES

8.1 Exploration Target Concept

Economic gold mineralization at Robertson is both spatially and temporally associated with the Eocene-age Tenabo intrusive complex. Gold mineralization in the Porphyry Zone occurs at the contact between a potassic-altered, fine-grained diorite and calc-silicate hornfels and skarnoid units in the Elder Sandstone. These relationships suggest that this mineralization represents a proximal Au-Ag (Cu) skarn system as defined by Orris, et al. (1987) and Ray, et al. (1990). Gold in the Altenburg Hill and Gold Pan zones occur in a similar proximal position in biotite and calc-silicate hornfels at the faulted (?) contact of the granodiorite stock, related dikes, sills, and irregular diorite endoskarn bodies (Candee, 1996). The higher-grade 39A Zone is strongly controlled by intersecting high-angle fault zones developed in a highly fractured layered sequence of retrograde-altered biotite, calc-silicate hornfels and skarnoid. The deposit is developed 800 ft to 1,000 ft from the contact of the granodiorite stock and shares many mineralogical and geochemical characteristics of “distal” gold skarn, as defined by Ray, et al. (1990).

A series of persistent, but narrow flat-lying mineralized zones, situated well outside the thermal metamorphic aureole of the stock are postulated to represent a more distal position of the Tenabo Au-Ag (Cu) hornfels/skarn system. This mineralization is hosted locally by biotite, quartz, calc-silicate hornfels and skarnoid which developed in layered sequences of silty carbonaceous shale, siltstone and very minor limestone. Along with the lack of hornfels at the surface or the presences of intrusive rocks at depth, the highest grade gold mineralization is closely associated with an 80-ft-thick sequence of quartz and calc-silicate hornfels and a distinctive fine-grained yellow-brown skarnoid layer. Mineralization is often accompanied by variable retrograde actinolite-chlorite alteration along with very strong enrichment in arsenic.

Also outside the metamorphic aureole are a series of locally mineralized, NNW-striking moderate to high-angle faults marked by discontinuous 5-ft- to +50-ft-thick, weakly to moderately silicified breccia zones in argillite, shale and chert. Surface rock chip sampling and RC drilling of these breccia outcrops have returned significant ore grade values. Many of the anomalous gold values from outcrop sampling have not been followed up and at least three ore-grade gold drill intercepts remain open along strike and down dip.

High-grade, east-west striking (?), quartz-sulfide $\pm$ calcite veins and (or) silicified zones with strong quartz (silica)-sericite-(pyrite) alteration envelopes, have been defined in the Gold Pan Zone and include a number of veins in the Phoenix and Silver Safe mines. The highest grades (+0.5 oz Au/t) occur at intersections with NW-striking faults and fracture zones. These veins and silicified structural zones carry significant values in Au-Ag, As-Sb $\pm$ Hg, Cu-Pb-Zn.

8.2 Geological Model for the Robertson Property

Gold mineralization within the Tenabo intrusive complex exhibits characteristics of an Au-Ag (Cu) hornfels/skarn system. Exploration at Robertson will focus on expanding currently defined medium to high-grade resources, better define the potential of the emerging distal target mineralization and offset a number of drill intercepts in the NW-striking braided fault system. To test the potential of the east-west striking high-grade Au-Ag, As-Sb $\pm$ Hg, Cu + Pb + Zn quartz-sulfide $\pm$ calcite veins and silicified breccia zones, detailed close-spaced drilling will be required.

The geological setting for these deposit-types includes:

- Structural intersections of high-and low-angle faults,
- Replacement of relatively favorable lithologies for development of skarn,
- Late-stage quartz-sulfide $\pm$ calcite “gash” veins within a strike-slip fault environment,
- Proximity to the Tenabo stock for proximal and distal Au-Ag (Cu) hornfels/skarn,
- Igneous dike-filled faults.

The Robertson Au-Ag (Cu) hornfels/skarn system contains a series of mineralized zones spatially associated with an intermediate-composition intrusive complex of late Eocene age. Gold occurs in highly fractured, fine-grained siliciclastic sedimentary and lesser volcanic rocks at or near contacts with intrusive rocks. Major fault zones controlled not only emplacement of the Tenabo stock and later dike swarms, but also provided pathways as well as sites of deposition for Au-Ag (Cu) mineralization. Numerous high-grade gold values located along the margins of a NE-striking dike swarm and related fault zones may represent feeder zones for the lower grade hornfels/skarn-type mineralization. These feeder zones may also represent a viable exploration target.

In northern Nevada, a number of Au-Ag (Cu) skarn systems have become significant producing gold mines and several identified mineral resources remain unexploited. Examples of deposits with similar geologic settings include McCoy/Cove mine, Phoenix Project (Battle Mountain district), Buffalo Valley mine and Redline prospect, all of which are on the Battle Mountain-Eureka trend.

SECTION 9.0 MINERALIZATION

9.1 Mineralized Zones

The currently identified mineral resources occur in four zones localized along the northern and eastern contact of the Tenabo stock, forming a general east-west trend. These resources include the Porphyry, Gold Pan, Altenburg Hill and 39A Zones (Figure 9.1). The Porphyry, Gold Pan and Altenburg Hill Zones occur in highly fractured hornfels and skarn units at the contact of the granodiorite stock, whereas the 39A Zone is localized at the intersection of a series of high-angle faults with a major low-angle structural zone in retrograde-altered hornfels. In addition, an emerging mineralized zone referred to as the “distal target” area occurs 1,500 ft northwest of the 39A Zone and at least 2,200 ft from the Tenabo stock. Gold in the “distal target” occurs in weakly retrograde-altered quartz and calc-silicate hornfels and skarnoid.

9.1.1 Porphyry Zone

In 1994, Amax defined a proven + probable + inferred “mineable reserve” in the Porphyry Zone, using a 0.01 oz Au/t cutoff grade that contained 14 million short tons averaging 0.019 oz Au/t. **These historic reserves are presented for informational purposes only and do not represent current reserves at Robertson.**

The Porphyry Zone was re-evaluated in 2006 using a gold cutoff grade of 0.01 oz Au/t. Approximately 156 RC and 51 diamond core holes define a tabular mineralized zone that dips 30° to 45° west, ranges from 50 ft to over 250 ft thick, reaches over 500 ft down dip and has a strike length of nearly 3,000 ft. Depth to the top mineralization varies from 5 ft to 30 ft in the south and 125 ft in the north. These relationships are summarized in section, 12,600 N (Figure 9.2) and section 11,500 E (Figure 9.3), which show the general geology and potential ore-grade mineralization at a cutoff grade of 0.01 oz Au/t. The locations of section 12,600 N and 11,500 E are shown in Figure 9.1.

9.1.2 39A Zone

The 39A zone is currently defined by 82 RC holes and 4 diamond core holes, totaling about 67,480 ft. Using a 0.01 oz Au/t cutoff grade and a minimum of 20 ft thickness, the 39A mineralization forms a stratiform body roughly 1,400-ft-long in the principal north-northeast direction and 900-ft-long in the secondary west-northwest direction. Along these principal directions, mineralization averages about 129-ft-thick and 400-ft-wide. In the northeasterly direction, the zone plunges about 16° to the north. In the west-northwest direction, the zone plunges from 21-34° to the southeast. Depth to the top of mineralization varies from 300 ft at the south end of the zone to 605 ft at the extreme north end. Section D-D' (Figure 9.4) through the 39A Zone shows the general geology and distribution of potential ore-grade mineralization at a cutoff grade 0.015 oz Au/t. The location of section D-D' is shown in Figure 9.1.

9.1.3 Gold Pan Zone

Gold mineralization in the Gold Pan Zone is confined to series of high- and low-angle faults forming a number of narrow tabular to lenticular zones oriented generally to the northwest. Based on a gold cutoff grade of 0.01 oz Au/t, the zone is roughly 1,500-ft-long in an east-west direction, 500-ft-wide and at least 200-ft-thick. Higher grades (≥ 0.05 oz Au/t) form a series en echelon shoots and veins aligned in an east-west direction and reaching 600-ft-long, 100-ft-wide and 50-ft-thick (Candee, 1996). The depth to mineralization within the zone ranges from 10 ft to 200 ft. The Gold Pan resource is defined by approximately 135 RC holes spaced 100 ft or less apart and 7 diamond core holes. At least 90 percent of the holes were drilled vertical with an average depth of less than 300 ft.

9.1.4 Altenburg Hill Zone

The low-grade Altenburg Hill resource occurs along the southeast contact of the Tenabo stock in highly fractured and folded hornfels and intrusive rocks (Figure 9.1). Gold appears confined to fracture zones and vein zones cutting biotitized and calc-silicate altered and sandstone (Candee, 1996). Mineralization is also hosted by dikes and sills of granodiorite porphyry and diorite porphyry. Less commonly, gold distribution is controlled by fractures and breccia bodies developed along minor fold axes. The highest grade gold mineralization is controlled by the intersection of series of NW- and NE-striking high-angle fault and fracture zones.

As currently defined by a gold cutoff grade of 0.01 oz Au/t, mineralization extends from outcrop at the top of the Altenburg Hill (5,440 ft) to as deep as 440 ft. In plan view, higher grade mineralization (≥ 0.02 oz Au/t) forms locally discontinuous linear zones that reach up to 150-ft-wide and extend up to 500 ft along strike. Surrounding the structurally controlled higher grade gold are broader envelopes of lower-grade material that form coherent mineralized zones. These relationships are summarized on the 5,260' level plan map, which shows a zone of low-grade mineralization extending over 800-ft-wide along the northeast and reaching 500-ft-wide to the north-northwest (Figure 9.6). On many other levels, mineralization forms smaller and much less continuous bodies.

9.1.5 “Distal Target” Zone

Mineralization in the distal target zone is hosted by a thick sequence of locally retrograde-altered biotite, quartz, calc-silicate hornfels and a thin yellow-brown skarnoid (?) layer. The highest grade gold is within or immediately adjacent to the possible skarnoid layer. The protolith consists of a monotonous, thin bedded sequence of carbonaceous shale, argillite, very minor siltstone and silty limestone. These rocks are cut by at least one prominent high-angle fault that strike NNW and dips steeply southwest. This fault may exert significant control on the distribution of ore-grade mineralization.

The “distal target” is currently defined by 9 vertical and two inclined RC holes collared from 200 ft to 800 ft apart. At present, these holes outline an apparently flat-lying mineralized zone at least one, 100-ft-long in a north direction, 400-ft-wide to the east west and ranging from 40-ft- to 150-ft-thick, using a gold cutoff grade of 0.01 oz Au/t. Continuity between holes appears good especially for the higher grades zones. Depth to the top of mineralization ranges from 770 ft to 945 ft. The zone remains open for expansion in all directions.

9.2 Hydrothermal Alteration

Hydrothermal alteration forms a broadly concentric halo surrounding the Tenabo stock and affecting certain rock units as far as 2,000 ft from the stock contact. Alteration patterns in the district are complex due to intense fracturing of the wall rocks, thin bedded nature and rapid compositional change that characterize the sedimentary sequence. Gold-related alteration consist of early-stage intrusion-related potassic, a later “retrograde” skarn(?) stage and a late quartz (silica)-sericite-(pyrite) stage which appears to cut all earlier phases.

9.2.1 Potassic Alteration

Early potassic alteration is widespread and strongly developed in early phases of the intrusion, and is often spatially associated with gold mineralization, particularly in the Porphyry Zone. In intrusive rocks, this alteration assemblage is characterized by widespread fine-grained secondary biotite replacing coarse-grained magmatic biotite, hornblende and pyroxene, and as veinlets accompanied by adularia (Honea, 1994). Fine secondary biotite also forms narrow envelopes surrounding quartz veinlets that cross-cutting early calc-silicate and biotite hornfels, and certain phases of the stock. In several localities, coarse-grained ($\geq 5\text{mm}$) adularia occurs as fracture fillings and as cement in several pebble dikes. Potassic alteration is generally associated with Au-Ag (Cu) mineralization having an overall Au to Ag ratio of about 1.5:1.

9.2.2 “Hypogene” Bleaching

Bleaching is widespread and locally intensely developed in nearly all rocks within the thermal metamorphic aureole. “Hypogene” bleaching is spatially and temporally associated retrograde alteration (chlorite + actinolite + sulfides) in the 39A, “deep” Gold Pan and “distal target” zones. Where best developed, earlier biotite and calc-silicate hornfels are converted to medium to light gray quartz hornfels containing variable percentages of sulfide. The resulting quartz hornfels typically occurs slightly above ore-grade mineralization, becoming progressively replaced by retrograde alteration with increasing depths and proximity to semi-massive sulfide horizons.

9.2.3 Retrograde Skarn(?)

Gold mineralization in the 39A Zone is localized at the structural intersection of at least two high-angle faults and is hosted by intensely bleached and moderately to strongly

retrograde-altered quartz $\pm$ calc-silicate and biotite hornfels. Within the upper part of the mineralized envelope (> 0.01 oz Au/t), both chlorite-actinolite and fine-grained quartz alterations form a pervasive replacement of the biotite and calc-silicate hornfels. Locally, the chlorite-actinolite alteration is accompanied by semi-massive to massive sulfides (up to 80 percent) composed mainly of pyrrhotite, chalcopyrite, marcasite-pyrite, and arsenopyrite, which form 5-ft to 25-ft-thick semi-continuous replacement horizons and (or) open space fracture fillings. Gold grades exceeding 0.25 oz Au/t are sometimes, though not always, spatially associated with the strongest chlorite-actinolite-sulfide alteration. While the intensity of chlorite-actinolite alteration diminishes rapidly below the semi-massive sulfide layer, the highest gold grades are often encountered immediately beneath the sulfide replacement horizons and ore-grade gold values often persist well below the bottom of the chlorite-actinolite-sulfide alteration zone. This alteration is characterized by Au to Ag ratios of less than 1:1.

9.2.4 Late Stage Quartz (Silica)-Sericitic(Pyrite)

The youngest (?) gold-related alteration consists of narrow envelopes of quartz (silica)-sericitic(pyrite) surrounding quartz-sulfide $\pm$ calcite veins and zones of fine-grained “jasperoidal” silicification carrying Au-Ag, arsenopyrite, tetrahedrite - tennantite, stibnite, galena, sphalerite and chalcopyrite. The age of the Q-S(Py) alteration and related mineralization is indicated from its relationship with a series of intensely Q-S(Py)-altered, post-mineral dikes that cut proximal Au-Ag (Cu) skarn-type mineralization in the 39A and Porphyry Zones. Locally, Au-Ag, As-Sb $\pm$ Hg, Cu + Pb + Zn veins cut and are hosted by the same post-skarn dikes.

9.3 Gold Distribution

A number of unpublished petrographic (both thin and polished sections) and SEM studies to determine the distribution, locations and close mineralogical associations of gold in the various resource areas were conducted by Russ Honea from 1993 through 1996. Result of those studies indicates that gold occurs mainly as native particles of generally high fineness that range in size from 2 to 200 microns and average about 40 microns. Where oxidized, gold and rare native silver occur mainly as liberated grains that are closely associated with goethite. In the deeper 39A zone (unoxidized), native gold (88-92 % Au) is often associated with arsenopyrite, pyrrhotite and chalcopyrite. When present, very minor bismuth tellurides, including tetradyomite, hedleyite and tellurobismuthite, are closely associated with gold and electrum (minor), which occur as irregular blebs on telluride grain margins.

Locally, gold is encapsulated in fine silicate gangue and occurs as small grains hosted by pyrrhotite, arsenopyrite and loellingite. A summary of major and trace minerals identified during the various petrographic and SEM examinations are presented in Table 9.1. Samples used for these studies include metallurgical pan concentrates, selected intervals of RC cuttings and diamond drill core.

Table 9.1: Summary of Minerals Identified at the Robertson Property

native gold	native silver	electrum	pyrite
pyrrhotite	marcasite	arsenopyrite	stibnite
chalcopyrite	sphalerite	galena	bourbonite
acanthite	loellingite	gersdorffite	tetradymite
petzite	hessite	hedleyite	tellurobismuthite
altaite	tetrahedrite	bornite	chalcocite
covellite	digenite	native copper	cuprite
chrysocolla	azurite	goethite	magnetite
hematite	illmenite	scorodite	

9.4 Copper Distribution

Copper mineralization is widespread and locally reaches economically significant concentrations on the Robertson Property. Copper is closely associated with ore-grade gold and is best developed in the Porphyry Zone, where Cu occurs mainly as secondary sulfides replacing chalcopyrite and pyrite, and as lesser oxides. Within selected five-foot assay intervals containing ore-grade gold (≥ 0.01 oz Au/t), copper values range from < 0.001 percent to over 9.5 percent, but averages less than 0.02 percent Cu. A tabulation of significant copper intercepts in the Porphyry Zone are presented in Table 9.2. The weighted average grade from this tabulation is 0.29 % Cu, over an average thickness of about 96 feet.

In the 39A Zone, copper occurs primarily as discrete grains of chalcopyrite closely associated with pyrrhotite, pyrite-marcasite, and less commonly with arsenopyrite. Within selected 20 ft composite assay intervals containing ore-grade gold (≥ 0.015 oz Au/t), copper values range from 0.009 percent to 8.28 percent, but averages only about 0.03% Cu.

Table 9.2: Summary of Significant Copper Intercepts in the Porphyry Zone*

Drill Hole No.	Type	From	To	Interval Thickness(ft)	Cu(%)
AT-123	RC	25	110	85	0.21
AT-150	RC	145	280	135	0.29
AT-151	RC	20	85	65	0.21
AT-167	RC	330	375	45	0.20
		395	465	70	0.28
AT-168	RC	320	465	145	0.22
AT-170	RC	215	400	185	0.15
		430	495	65	0.25
AT-171	RC	75	180	105	0.14
		205	290	85	0.20
		310	485	175	0.22
AT-174	RC	380	430	50	0.30
AT-187	RC	40	185	145	0.48
		215	250	35	0.25
AT-188	RC	175	265	90	0.14
		365	405	70	0.25
AT-190	RC	360	440	80	0.26
AT-191	RC	100	105	105	0.19
AT-198	RC	165	225	60	0.34
AT-199	RC	70	225	155	0.22
AT-209	RC	40	105	65	0.24
AT-211	RC	30	100	70	0.21
CAT-18	CORE	130	295	165	0.28
CAT-21	CORE	45	200	155	0.31
		230	275	45	0.25
CAT-22	CORE	95	155	60	0.21
		175	285	110	0.38
CAT-23	CORE	110	210	100	0.30
CAT-24	CORE	40	75	35	0.59
CAT-27	CORE	255	320	65	0.36
CAT-30	CORE	70	145	75	0.19
CAT-33	CORE	375	460	85	0.28
CAT-36	CORE	175	235	60	0.28
		255	325	70	0.70
		355	390	45	0.17
		410	480	70	0.22
CAT-37	CORE	115	250	135	0.18
		295	500(EOH)	205	0.64
CAT-40	CORE	110	175	65	0.12
		230	435	205	0.31
CAT-47	CORE	260	350	90	0.29
CAT-48	CORE	165	280	115	0.14
CAT-52	CORE	440	575	135	0.19
CAT-54	CORE	145	220	75	0.22
CAT-55	CORE	385	450	65	0.19
CAT-57	CORE	15	115	100	0.77
Average				96	0.29

*Interval average grade calculated using 0.10% Cu cutoff.

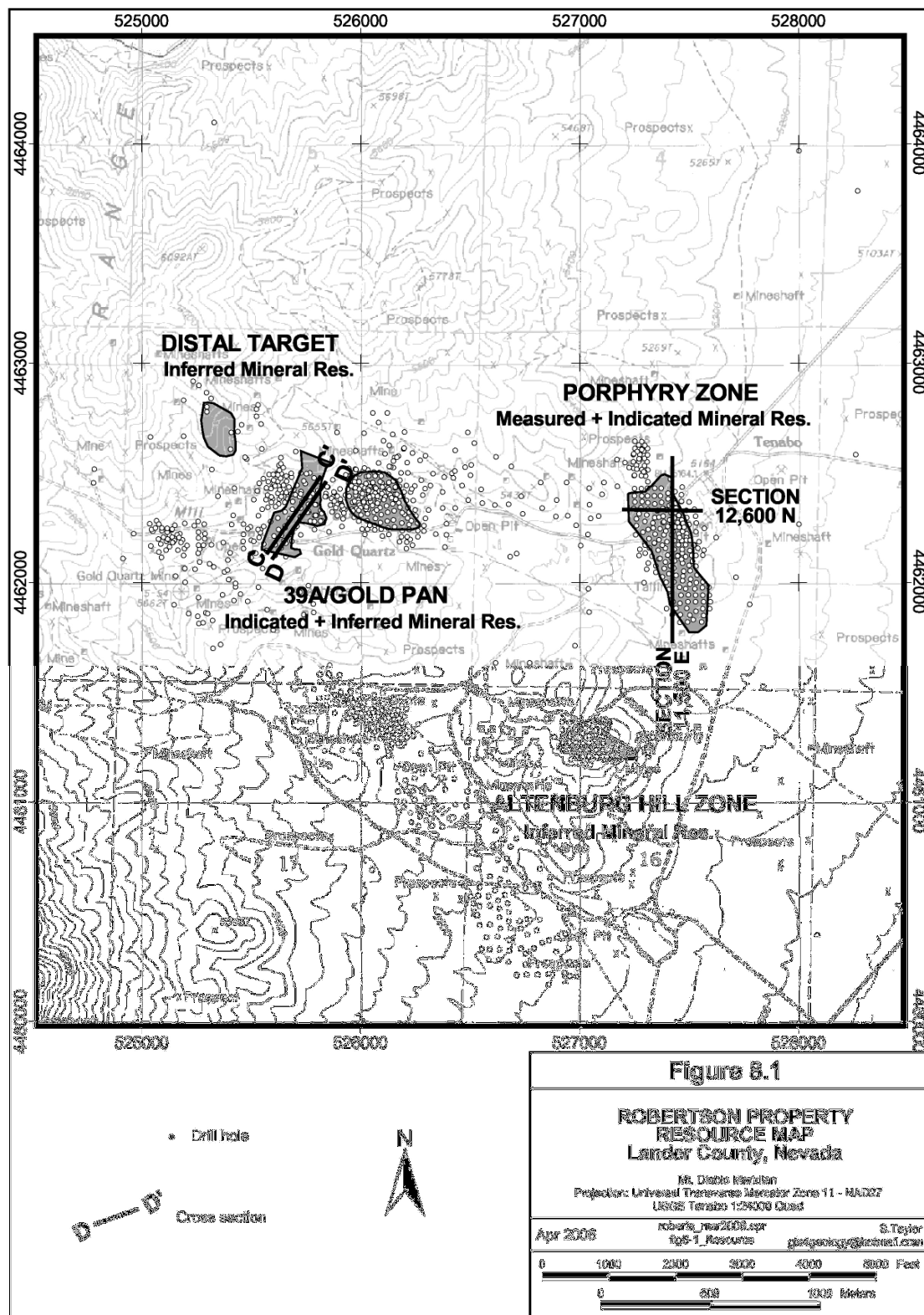


Figure 9.1: Resource Map

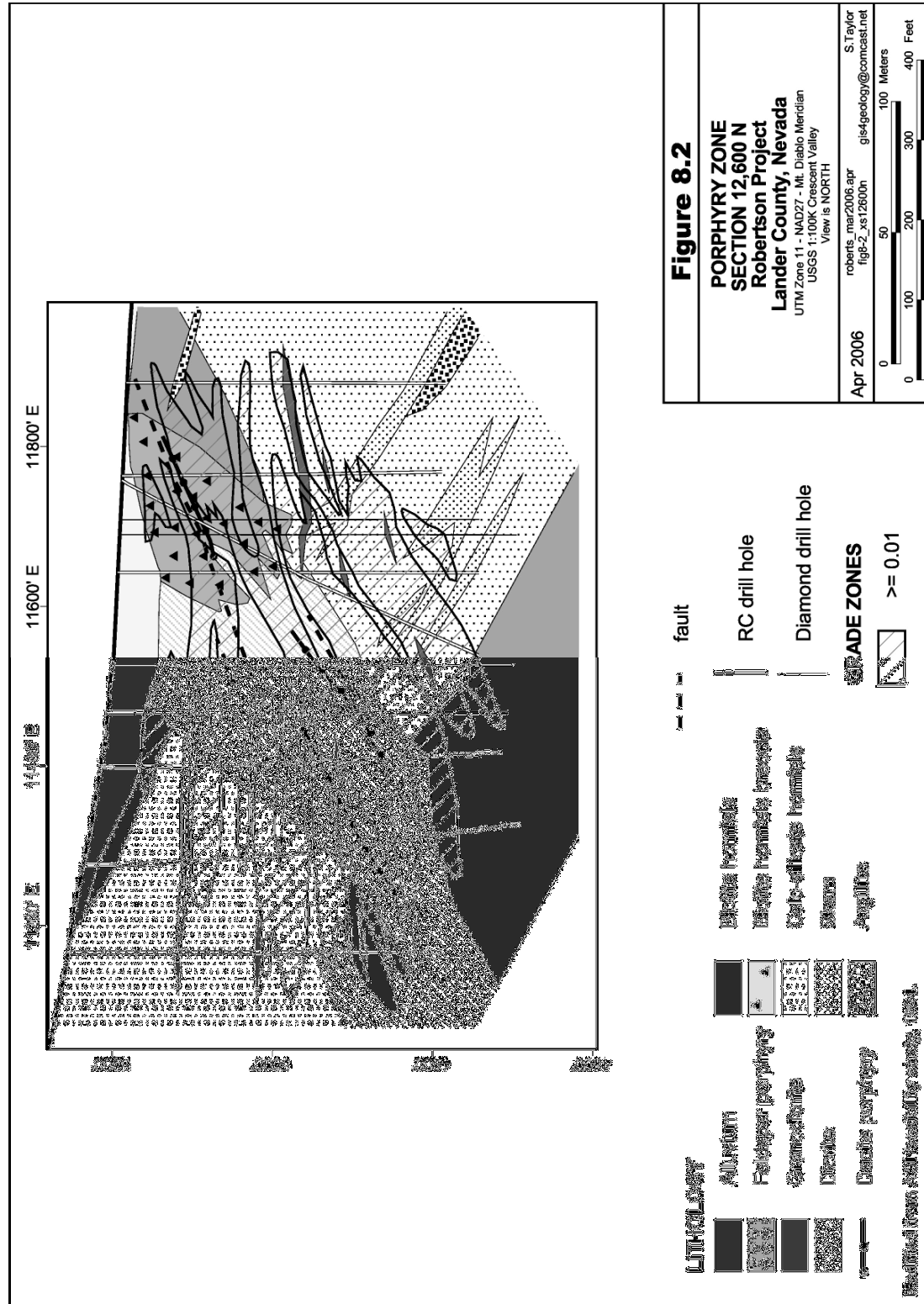


Figure 9.2: Porphyry Zone Section 12,600N

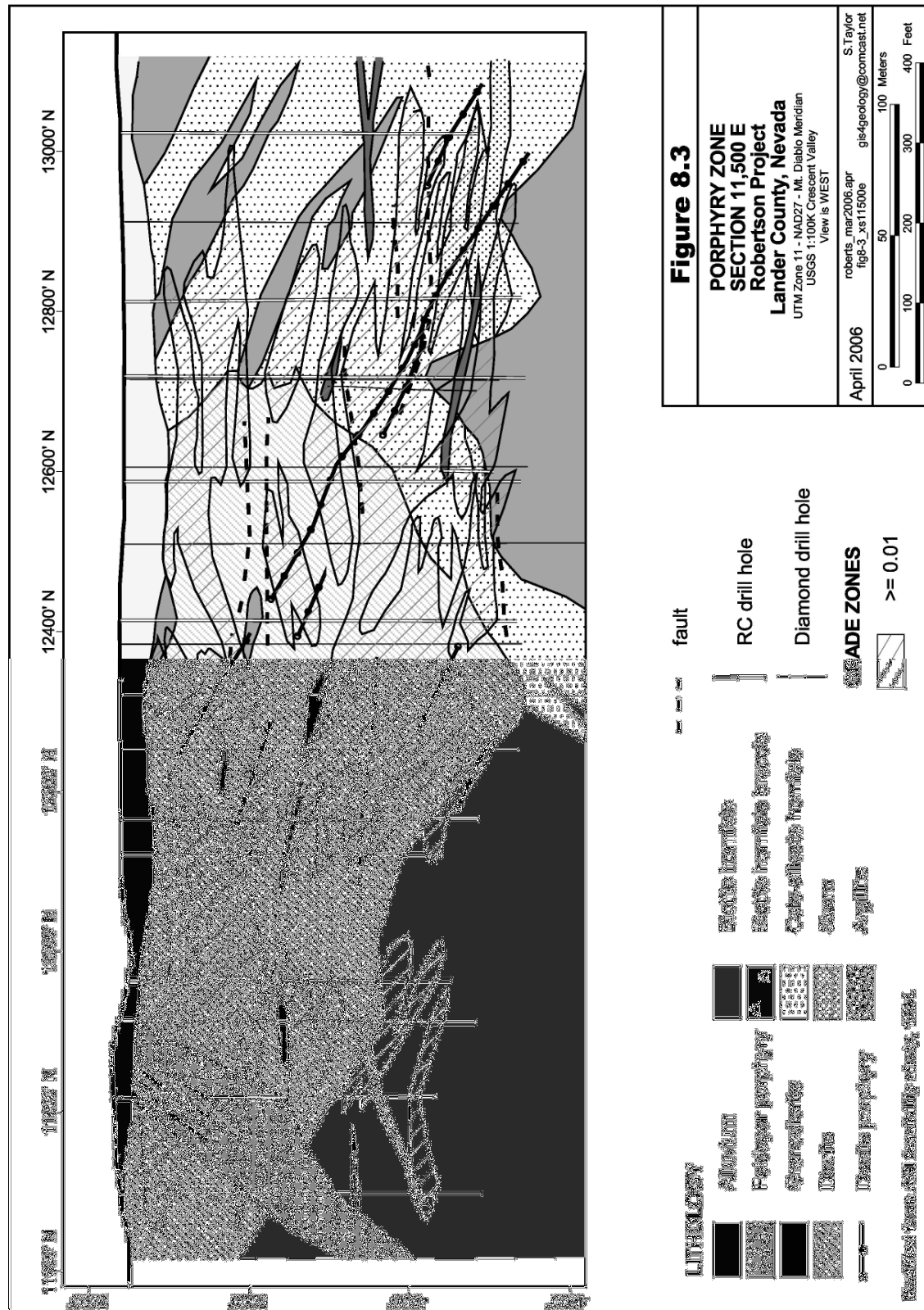


Figure 9.3: Porphyry Zone Section 11,500E

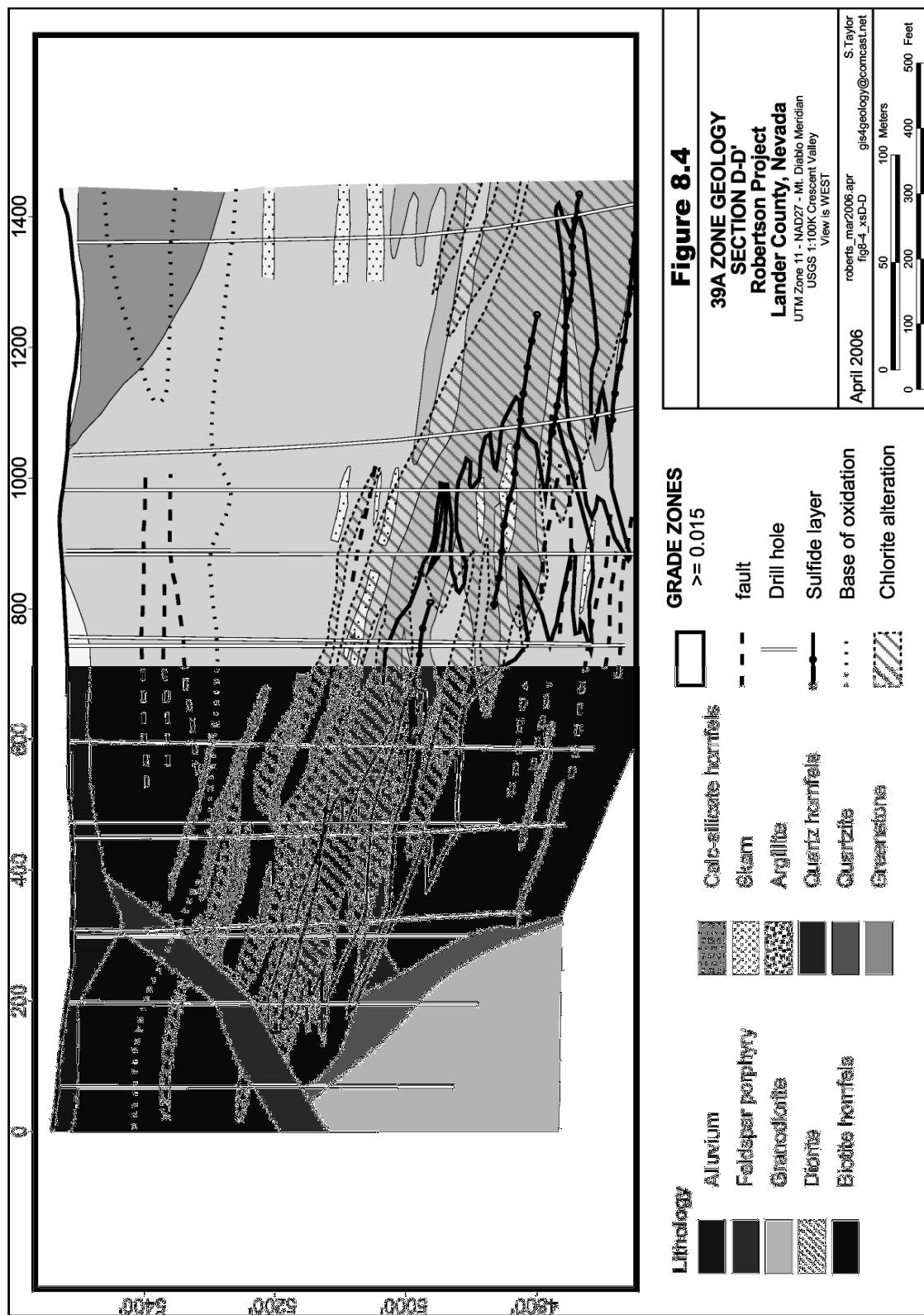


Figure 9.4: 39A Zone Geology Section D-D¹

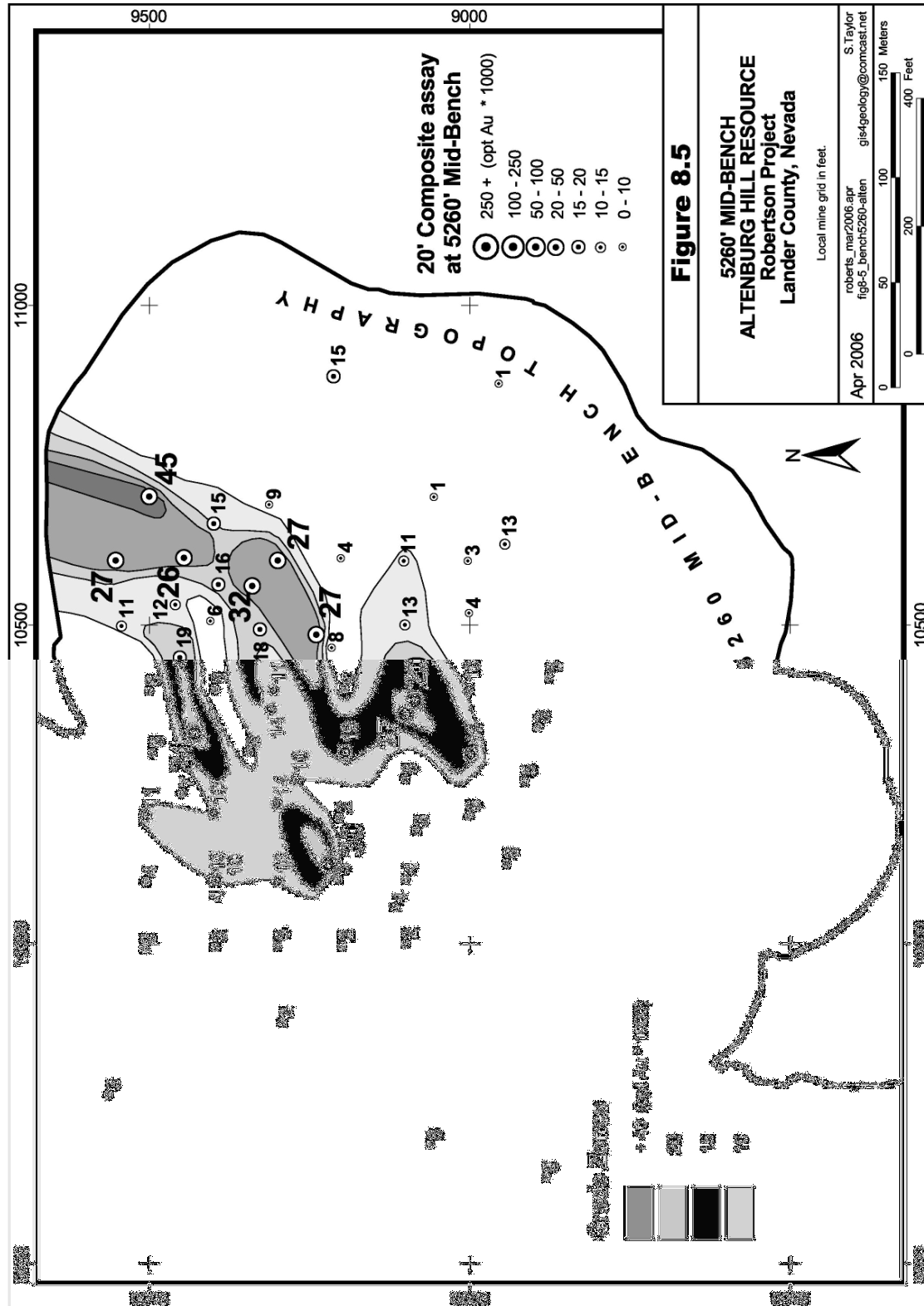


Figure 9.5: 5260' Mid-bench Altenburg Hill

SECTION 10.0 EXPLORATION

10.1 Pre-Coral Exploration Activity

The most important modern exploration activity prior to Coral's involvement in the property are those of Superior Oil (1968-70) and E & B Exploration (1980-81). The intersections of high-grade gold in holes T 29 (20 ft/1.154 oz Au/t) and T 83 (10 ft/0.525 oz Au/t), near the Gold Pan mine by Superior, along with at least six +100-ft-thick drill intercepts of lower grade mineralization, were the first indications that real potential for open-pit-mineable gold existed on the property. E & B Exploration advanced the property by undertaking the first district-wide mapping and sampling programs which succeeded in identifying a number of high priority gold anomalies. More importantly, they followed up the Superior drilling results in the Gold Pan Zone and provided a basis for defining a resource in that area.

10.2 Coral Gold Exploration Activities (1986-1989)

Exploration of the district by Coral during the period 1986-89, focused mainly on developing a resource base from which a mineable reserve could be defined. As a result, much of their activity was confined to drilling the known resource areas at Gold Pan, Gold Quartz and Gold Quartz Extension (West). At this time Coral also contracted two geophysical surveys (Barringer, 1987 and E-Scan, 1988) and an extensive geochemical orientation study (Barringer, 1987). None of these studies provided significant encouragement. During 1988, Coral decided to place the Gold Quartz West and poorly defined Gylding zones into production. But overly optimistic and aggressive resource estimates, and poor geological understanding resulted in less than expected head grades and poor heap leach recoveries. This ultimately led to the decision to halt mining less than a year later. In 1989, Coral focused its exploration in the upper Triplet Gulch area, where several widely scattered drill intercepts provided some encouragement. However, additional drilling has failed to define even a modest resource in this area.

10.3 Amax Gold Activities (1990-1996)

From 1990, until they withdrew from the agreement, Amax completed a district-wide exploration program that included drilling of over 176,000 ft of combined RC and diamond core, detailed geological and geochemical reconnaissance of the entire claim block (including the Excluded Claims), rock chip and mine dump sampling, detailed geological mapping and site-specific geophysics. During that time, Amax identified the 39A Zone, Porphyry Zone, Altenburg Hill Zone and fully defined the previously identified Gold Pan Zone. As a result of the detailed reconnaissance stream sediment and follow-up rock chip sampling programs, a series of strong gold anomalies were identified within the claim block, but outside the main district. In 1999, Cortez drill-tested one of the Amax anomalies that was outlined on the Lander Ranch claims.

10.3.1 39A Zone

Beginning in 1990, Amax drilled three “deep” RC holes totaling about 9,340 ft to test the concept that potential high-grade gold mineralized hosted by lower plate carbonate rocks existed at depth in the Tenabo district. All of the holes failed to reach the lower plate, but did provide substantial encouragement for near surface gold resources. These holes ultimately led to discovery of the higher grade 39A Zone near the west end of the district. As constrained by a 0.01 oz Au/t cutoff grade, the 39A Zone is currently defined by 60 RC and 4 core holes, totaling about 47,125 ft, including seven RC holes drilled by Cortez in 1999 and 22 RC holes drilled by Coral Gold Resources in 2004-2005. Table 10.1 is a compilation of significant gold intercepts from holes drilled in the 39A Zone, using a 0.02 oz Au/t cutoff grade and a 20 ft minimum thickness. The weighted average grade and thickness of drill intercepts calculated from this tabulation is 0.088 oz Au/t over a thickness of 126 ft. Using all drill holes in the 39A Zone, a minimum intercept thickness of 20 ft and 0.02 oz Au/t cutoff grade, the weighted average grade is 0.086 oz Au/t over a thickness of 106 ft.

10.3.2 Porphyry Zone

Sampling a series of small bedrock exposures at the east end of the district in areas disturbed by historic placer mining, returned ore-grade results from highly fractured outcrops of potassic-altered, fine-grained diorite. Follow-up RC drilling encountered several +150-ft-thick intervals of low-grade Au mineralization beginning at the bedrock surface. Later, after a series of wide spaced RC holes, it was determined that a potentially large, shallow, low-grade oxidized resource was present. This led to grid drilling on approximately 120-ft-centers with 147, mostly vertical RC holes and 50 core holes, for a combined total of about 80,000 ft of drilling. The drilling defined a proven + probable mineral reserve estimated to contain 13,556,125 short tons of ore at a grade of 0.019 oz Au/t and containing about 255,000 ounces of gold (Amax, 1994). **The presentation of data from this historic mineral reserve is intended to provide context for the Amax exploration activities and should not be construed as representing a current mineable reserve.** A compilation of significant gold intercepts from holes drilled in the Porphyry Zone are presented in Table 10.2. The weighted average grade and thickness of drill intercepts calculated from this tabulation is 0.053 oz Au/t over a thickness of 92 ft.

10.3.3 Altenburg Hill Zone

As a result of ore-grade gold values returned from several surface rock chip samples on Altenburg Hill and significant gold in follow-up grid soil sampling, a series of 15 shallow, vertical and inclined RC holes were drilled in 1993 by Amax. Results of this drilling suggested potential for shallow, structurally controlled, low-grade mineralized zone. In 1996, these intercepts were followed up by grid drilling on approximately 100-ft-centers with 38 vertical RC holes and one core hole, totaling 9,485 ft. The drilling defined an indicated resource of 3,500,000 short tons of mineralized material with an average grade of 0.018 oz Au/t, using a 0.01 oz Au/t cutoff grade (Candee, 1996). **The**

presentation of data from this historic mineral resource estimate is intended to provide context for the Amax exploration activities and should not be construed as representing a current mineable reserve.

Table 10.1: Summary of Significant Drill Intercepts in the 39A Zone*

Hole No.	Depth (ft)	Inclination (degrees)	Drill Type	From (ft)	To (ft)	Thickness (ft)	Grade (oz Au/t)
AT-39A	945	-90	RC	670	765	95	0.134
AT-40	940	-90	RC	665	780	115	0.088
AT-44	920	-90	RC	575	730	155	0.047
AT-45	940	-90	RC	580	770	190	0.101
AT-49	850	-90	RC	500	700	200	0.124
AT-51	850	-90	RC	570	710	140	0.105
AT-56	720	-90	RC	505	635	130	0.084
AT-57	800	-90	RC	470	705	245	0.088
AT-58	700	-90	RC	350	485	135	0.056
AT-64	685	-90	RC	340	445	105	0.116
AT-65	750	-90	RC	420	455	35	0.072
				480	584	105	0.042
AT-68	900	-90	RC	570	730	160	0.054
CR04-8	800	-90	RC	600	735	135	0.074
CR04-12	500	-90	RC	295	375	80	0.063
CR04-15	800	-90	RC	540	575	35	0.078
				600	760	160	0.113
CR04-16	800	-90	RC	545	690	145	0.093
CR04-17	800	-90	RC	510	710	200	0.118
CR04-18	850	-90	RC	600	615	15	0.154
				745	845	100	0.074
CR05-3	600	-90	RC	385	450	65	0.089
CR05-8	1000	-90	RC	480	540	60	0.039
				785	855	70	0.073
99413	600	-90	RC	300	380	80	0.163
CAT-5	720	-90	Core	470	595	125	0.112
CAT-6	820	-90	Core	620	770	150	0.163
CAT-58	800	-90	Core	495	700	205	0.059
CAT-59	800	-90	Core	530	585	55	0.059
				600	755	155	0.149
Total (25)	19,890						0.088

10.3.4 Gold Pan Zone

Also in 1996, Amax drilled 25 RC holes in the previously identified and partly defined Gold Pan Zone resource area. The drilling was designed to provide further detail on the distribution and continuity of high-grade mineralization, as well as close off possible extensions to mineralization along the northwest edge of the zone. Upon completion of this program an indicated resource of 8,300,000 short tons of mineralized material with an average grade of 0.024 oz Au/t, using 0.01 oz Au/t cutoff grade, was estimated by Amax to be present in the Gold Pan Zone (Candee, 1996).

Table 10.2: Summary of Significant Drill Intercepts in the Porphyry Zone*

Hole No.	Drill Type	From(ft)	To(ft)	Interval Thickness(ft)**	Au Grade (oz/ton)
AT-72	RC	225	325	100	0.039
AT-123	RC	30	85	55	0.050
AT-150	RC	150	250	100	0.054
AT-151	RC	30	85	50	0.054
AT-165	RC	60	140	80	0.049
AT-167	RC	200	465	265	0.025
AT-171	RC	55	120	65	0.051
AT-187	RC	20	165	145	0.032
AT-188	RC	175	300	125	0.043
		365	405	40	0.035
AT-190	RC	360	450	90	0.068
AT-191	RC	100	130	30	0.155
		175	250	75	0.052
AT-195	RC	55	130	75	0.029
AT-199	RC	85	175	90	0.041
AT-209	RC	70	125	55	0.037
		175	210	35	0.052
AT-211	RC	25	70	45***	0.082
CAT-10	CORE	20	100	80	0.044
CAT-12	CORE	215	320	105	0.035
CAT-21	CORE	15	110	95	0.053
CAT-22	CORE	95	155	60	0.039
CAT-23	CORE	105	175	70	0.045
CAT-24	CORE	20	90	70	0.035
CAT-30	CORE	90	135	45	0.054
CAT-33	CORE	290	460	170	0.037
CAT-37	CORE	280	490	210	0.072
CAT-44	CORE	215	355	140	0.090
CAT-47	CORE	155	215	60	0.037
		250	345	95	0.127
CAT-49	CORE	270	410	140	0.036
CAT-52	CORE	210	285	75***	0.026
		360	480	120	0.067
CAT-54	CORE	140	215	75***	0.038
CAT-55	CORE	345	440	95	0.049
CAT-57	CORE	30	110	80	0.172
Average				92	0.053

*Average grade calculated using 0.02 oz Au/t cutoff.

Interval thickness from near vertical drill holes. *Interval thickness from angle hole.

10.4 Cortez Activities (1999)

In 1999, Cortez completed a 56,000 ft RC drilling program comprised of 47 holes that focused on extending the 39A mineralization, following up gold-anomalous surface samples mainly in upper Mill Gulch with a series of shallow trenching and testing a series of NW trending structures in upper Triplet Gulch (Hebert, 1999). Additionally, Cortez completed a grid enzyme leach survey over the pediment gravel east of Altenburg Hill, which was followed up by drilling a single 3,000-ft-deep mud rotary hole. A series of four RC holes were drilled in the vicinity of AT-3 to test a mineralized zones thought to represent a distal position of the porphyry system. Finally, single 1,500-ft-deep RC hole was drilled on the Lander Ranch claims, located about one mile north of the main district, to test a group of strong gold-anomalous surface samples taken from a moderately silicified fault breccia.

In the 39A Zone, Cortez focused 13 RC holes along an apparent NE-SW trend of mineralization testing for possible extensions of the zone. Only three of the holes encountered significant mineralization, but they failed to substantially expand the zone.

Four step-out holes were drilled by Cortez in the vicinity of AT-3, providing additional evidence that distal hornfels-skarnoid mineralization, hosted by a thick sequence of fine-grained siliciclastic rocks and forming a broad zone up to 800 ft in a NNW direction and 350 ft to the northeast.

A single 1,500-ft-deep RC hole was completed in the vicinity of a mineralized fault zone on the Lander Ranch claim block, which encountered significant gold values in two intervals from deep in the hole. These intersections suggest that ore-grade mineralization encountered in this drill hole at 1,100 ft may extend to the surface where ore-grade samples have been taken.

The deep mud-rotary-drill hole (99432) collared on an enzyme-leach-generated anomaly in the pediment east of Altenburg Hill, failed to cut any significant gold values and remained in siliceous upper plate rocks. The hole is located very close to the sites of USGS drill holes No. 2 and 3, diamond core holes that reached over 2,000-ft- and 1,250-ft-deep, respectively (Wrucke, 1974). Except for hole No. 3, which end in granodiorite of the Tenabo stock, these holes also encountered thick intervals of siliceous upper plate rocks.

10.5 Coral Gold Resources Activities (2004-2006)

During 2004 and 2005, Coral conducted three drilling programs consisting of 32 RC holes totaling 24,020 ft on the Robertson Property. The focus of this exploration was to expand and further define the 39A Zone, test the “deep” Gold Pan Zone for extensions of the 39A Zone and offset previous ore-grade intersections in the “distal target area”.

Results of the 2004-2005 drilling programs succeeded in increasing the contained ounces in the 39A Zone by expanding the area of higher-grade gold within the defined resource

area and by modestly expanding the resource to the north and east. A total of 22 holes were directed at expanding and testing continuity of the 39A Zone.

In 2005, the two holes drilled in the “distal target” area encountered significant mineralization including an 80-ft-thick interval in CR05-1 that averaged 0.110 oz Au/t from 945 ft which included 25 ft averaging 0.262 oz Au/t. Hole CR05-2 encountered a 150-ft-thick zone that averaged 0.059 oz Au/t, including 80 ft averaging 0.085 oz Au/t, from 905 ft. Within the higher grade portion of the intercept was 35 ft averaging 0.128 oz Au/t. Mineralization in both holes, as well as in nearby holes AT-3 and 99406, is hosted by retrograde-altered calc-silicate and quartz hornfels strata. A summary of drilling results for the “distal target” is presented in Table 10.3.

In the Gold Pan Zone, holes CR05-9 through CR05-12 were collared roughly 400 ft apart in an area 500-1,000 ft east of the 39A Zone, to test the potential for deep 39A-type mineralization beneath the near-surface mineral resource. Three of the holes encountered strong retrograde alteration at the projected depth where the stratiform 39A-type mineralization was expected. However, mineralization was much thinner and lower grade than was expected, suggesting that 39A-type mineralization is less continuous to the east.

Two holes, CR04-19 and CR04-20, were drilled in the northeast edge of the Porphyry Zone to test a possible expansion along a previously identified northeast trending structure. Both holes encountered ore-grade mineralization, including 125 ft that averaged 0.025 oz Au/t from 35 ft in CR04-19 and 110 ft averaging 0.026 oz Au/t starting 230 ft in CR04-20. These holes indicate that the Porphyry Zone remains open along the northeast for expansion of the resource.

Table 10.3: Summary of Significant Drill Intercepts in the “Distal Target Area”

Hole No.	-----0.01 oz Au/t Cutoff Grade-----				-----0.05 oz Au/t Cutoff Grade-----			
	From(ft)	To(ft)	Interval Thickness(ft)	Au Grade oz/ton	From(ft)	To(ft)	Interval Thickness(ft)	Au Grade oz/ton
AT-3	840	925	85	0.055	845	890	45	0.083
	940	990	50	0.020	1,120	1,140	20	0.082
					1,125	1,130	5	0.265
99406	770	830	60	0.162	800	810	10	0.906 ²
	880	990	110	0.036	900	910	10	0.061
					940	950	10	0.116
99445 ¹	1,070	1,120	50	0.061	1,080	1,090	10	0.222
CR05-1	835	845	10	0.014				
	870	905	35	0.013				
	945	1,025	80	0.110	945	995	50	0.163
CR05-2	850	1,000	150	0.059	855	865	10	0.104
					905	985	80	0.086
					1,050	1,075	25	0.028

(1) Inclined hole.

(2) Average gold value from three assays.

10.6 Coral Gold Resources (2006)

In 2006, Coral completed 48 RC holes totaling 35,615 ft on the Robertson Property. This drilling program focused on expanding and defining the 39A, Altenburg Hill and Porphyry Zone mineral resources, and offset drilling of the emerging Distal Zone.

10.6.1 39A Zone

A total of 22 RC holes totaling 20,355 ft were drilled in the 39A Zone. The locations of these holes are shown in Figure 10.1 and assay results are summarized in Table 10.4. This drilling resulted in a modest expansion of the resource mainly along the southeast in holes CR06-2, -3, -5, -14 and -15, as well as along the east edge in holes CR06-8 and -9. Hole CR06-4, which was drilled between existing holes AT-57 and CR05-16, a distance of over 200 ft, returned 180 ft averaging 0.055 oz Au/t from 480 ft, including 60 ft averaging 0.092 oz Au/t. This intercept confirmed continuity of grade and thickness of mineralization between the existing holes. Also, CR06-5 was collared between existing holes AT-40 and AT-50, a distance of nearly 200 ft and returned 75 ft that averaged 0.102 from 680 ft, including 50 ft averaging 0.143 oz Au/t. This hole expanded higher grade mineralization to at least 100 ft south of AT-40.

Offset drilling along the north edge of the 39A Zone, in the vicinity of existing hole CR05-8 (120 ft/0.050 oz Au/t from 780 ft), returned significant values in CR06-26 which was collared 200 ft to the east. This hole cut 120 ft that averaged 0.065 oz Au/t from 785 ft, including 75 ft averaging 0.107 oz Au/t. This mineralization remains open for expansion to the southeast. Results from holes CR06-10 through 13 and in CR06-21, -23 and -25 collared along the west side of the 39A zone indicates that mineralization diminishes rapidly to the west.

10.6.2 Distal Zone

Five RC holes, CR06-16 through -20, totaling 6,330 ft, were drilled in the vicinity of the Distal Zone which is located about 1,000 ft northwest of the 39A Zone (Figure 10.1). Assay results are summarized in Table 10.5. This zone, as currently defined by 10 RC holes, appears to be a flat lying tabular zone extending 1,000 ft in a north-south direction, 400 ft east-west and averaging 80-ft-thick, using a 0.01 oz Au/t cutoff grade. The highest grades returned during the 2006 drilling were from holes CR06-16 and -18 collared along the west side of the zone. Higher grade intervals from CR06-16 include 10 ft averaging 0.155 oz Au/t followed by 45 ft averaging 0.104 oz Au/t from 955 ft. The highest grade intervals in CR06-18 include 40 ft averaging 0.145 oz Au/t followed by 20 ft averaging 0.161 oz Au/t from 890 ft. To the north in CR06-20, high grade intervals include 10 ft averaging 0.123 oz Au/t followed by 15 ft averaging 0.196 oz Au/t starting at 995 ft. Mineralization remains open for expansion to the north, south and west, but appears to be weakening eastward.

10.6.3 Altenburg Hill and South Porphyry Zones

Coral completed 13 RC holes, CR06-29 through CR06-41 totaling 5,830 ft on the northeast flank of Altenburg Hill and in the gravel-covered area south of the Porphyry Zone. The locations of these holes are shown in Figure 10.4 and assay results are summarized in Table 10.6. Previous grid drilling on Altenburg Hill defined a near-surface low-grade mineralized zone appeared to extend beyond the existing drill grid towards the northeast flank of Altenburg Hill. The 2006 drilling resulted in extending the mineralized zone at least 800 ft northeast beyond the edge of the existing resource. This expansion is currently defined by six holes (CR06-33 through CR06-41). The best results were returned in holes CR06-37 (145 ft averaging 0.028 oz Au/t from 140 ft) and CR06-39 (75 ft averaging 0.055 oz Au/t from 30 ft).

In addition, four holes, CR06-29 through CR06-32, were drilled in the gravel covered area south of the Porphyry Zone. Of the four holes, only CR06-30 returned significant gold values, which included 140 ft averaging 0.040 oz Au/t starting at 95 ft. This hole is located about 800 ft south of the existing Porphyry Zone resource and remains open for expansion both to the north and east.

Table 10.4: Summary of Assay Results for the 39A Zone

Hole No.	Total Depth(ft)	From(ft)	To(ft)	Thickness(ft) ¹	Gold Grade ¹ oz/ton
CR06-1	Not drilled				
CR06-2	700	75	105	30	0.028
		550	595	45	0.185 ²
CR06-3	750	605	655	50	0.079
including		625	640	15	0.174 ²
CR06-4	800	480	660	180	0.055
including		560	620	60	0.092 ²
CR06-5	850	630	665	35	0.027
		680	755	75	0.102
including		705	755	50	0.143 ²
CR06-6	885	170	215	25	0.027
		710	725	15	0.033
		770	860	90	0.027
CR06-7	900	765	875	110	0.043
including		815	820	5	0.450
CR06-8	850	310	345	35	0.046
		615	740	125	0.084
including		685	735	50	0.149 ²
CR06-9	840	685	815	130	0.050
including		685	725	40	0.100 ²
including		690	700	10	0.277

Summary of Assay Results for the 39A Zone (Cont'd)					
Hole No.	Total Depth(ft)	From(ft)	To(ft)	Thickness(ft) ¹	Gold Grade ¹ oz/ton
CR06-10	850	405	450	45	0.043
		520	535	15	0.027
		605	620	15	0.053
CR06-11	905	695	710	15	0.032
		740	805	65	0.029
		870	900	30	0.031
CR06-12	800	110	130	20	0.027
		410	455	45	0.017
		610	620	10	0.133
CR06-13	825	90	125	35	0.025
		300	365	65	0.022
		395	420	25	0.028
		485	520	35	0.032
		595	640	45	0.034
CR06-14	700	105	115	10	0.075
		565	630	65	0.067
		570	580	10	0.229
CR06-15	700	630	650	20	0.041
		665	700	35	0.082
CR06-21	1,000	30	40	10	0.011
		195	200	5	0.145
		255	265	10	0.018
		290	320	30	0.025
		400	470	70	0.024
CR06-22	1,200	250	260	10	0.019
		425	440	15	0.055
		480	490	10	0.046
		620	630	10	0.035
		675	695	20	0.014
		735	765	30	0.025
		810	825	15	0.017
		930	950	20	0.057
		965	970	5	0.140
CR06-23	1,000	10	20	10	0.033
		170	185	15	0.018
		220	230	10	0.010
		255	280	25	0.019
		320	335	15	0.021
		400	425	25	0.067
including		420	425	5	0.203
CR06-24	1,200	280	345	60	0.031
		360	390	30	0.027
		415	445	30	0.014
		495	500	5	0.175
		740	755	15	0.021
		770	785	15	0.013

Summary of Assay Results for the 39A Zone (Cont'd)					
Hole No.	Total Depth(ft)	From(ft)	To(ft)	Thickness(ft) ¹	Gold Grade ¹ oz/ton
CR06-25 including	1,000	345	370	25	0.028
		395	415	20	0.024
		535	545	10	0.151
		535	540	5	0.287
		575	585	10	0.077
		620	650	30	0.016
		725	735	10	0.029
		775	800	25	0.017
		965	980	15	0.191
		975	980	5	0.527
CR06-26 including including	1,200	345	370	25	0.026
		475	490	15	0.027
		785	905	120	0.065
		830	850	20	0.097 ²
		885	905	20	0.199 ²
CR06-27 including	1,200	245	270	25	0.017
		325	330	5	0.187
		365	380	15	0.016
		435	450	15	0.055
		435	440	5	0.141
		575	610	35	0.013
		840	875	35	0.022
		995	1,070	75	0.017
CR06-28 including	1,200	315	355	40	0.039
		320	325	5	0.201
		465	495	30	0.025
		510	585	75	0.019
		965	990	25	0.038

¹ Grade and thickness of intervals calculated using 0.01 oz Au/t cutoff grade.

² Grade and thickness of interval calculated using 0.05 oz Au/t cutoff grade.

Table 10.5: Summary of Assay Results for the Distal Zone

Hole No.	Total Depth(ft)	From(ft)	To(ft)	Thickness(ft)	Gold Grade oz/ton
CR06-16 1,200	955	1065	110	0.068	
including	955	965	10	0.155 ²	
including	990	1045	55	0.097 ²	
CR06-17 1,245	950	975	25	0.065	
including	950	960	10	0.118 ²	
	1010	1070	60	0.031	
CR06-18 1,200	890	1060	170	0.078	
including	890	955	65	0.120 ²	
including	1010	1045	35	0.120 ²	
CR06-19 1,185	No significant gold values				
CR06-20 1,500	705	745	40	0.020	
	995	1040	45	0.052	
including	995	1025	30	0.065 ²	
	1055	1095	40	0.091	
Including	1070	1090	20	0.163 ²	

Grade and thickness of intervals calculated using 0.01 oz Au/t cutoff grade.

² Grade and thickness of interval calculated using 0.05 oz Au/t cutoff grade.

Table 10.6: Summary of Assay Results for the Altenburg Hill/South Porphyry Zone

Hole No.	Total Depth(ft)	From(ft)	To(ft)	Thickness(ft)	Gold Grade oz/ton
CR06-29	470	55	70	15	0.014
CR06-30	500	95	235	140	0.040
including		160	180	20	0.064 ²
including		220	235	15	0.146 ²
CR06-31	500	No significant gold values			
CR06-32	500	No significant gold values			
CR06-33	500	225	250	25	0.018
CR06-34	525	75	125	50	0.021
CR06-35	400	55	175	120	0.014
CR06-36	445	30	125	95	0.015
		165	205	40	0.022
		285	325	40	0.026
Total					Gold Grade

Summary of Assay Results for the Altenburg Hill/South Porphyry Zone (Cont'd)

Hole No.	Depth(ft)	From(ft)	To(ft)	Thickness(ft)	oz/ton
CR06-37	485	100	125	25	0.018
		140	285	145	0.028
including		280	285	5	0.266
CR06-38	500	0	65	65	0.014
		120	240	120	0.017
CR06-39	500	30	105	75	0.055
including		30	45	15	0.105 ²
including		60	80	20	0.084 ²
CR06-40	500	80	135	55	0.020
		290	370	80	0.071
including		290	295	5	0.847
CR06-41	450	40	105	65	0.016
		130	175	45	0.017
		235	305	85	0.015

Grade and thickness of intervals calculated using 0.01 oz Au/t and 0.05² oz Au/t cutoff grades.

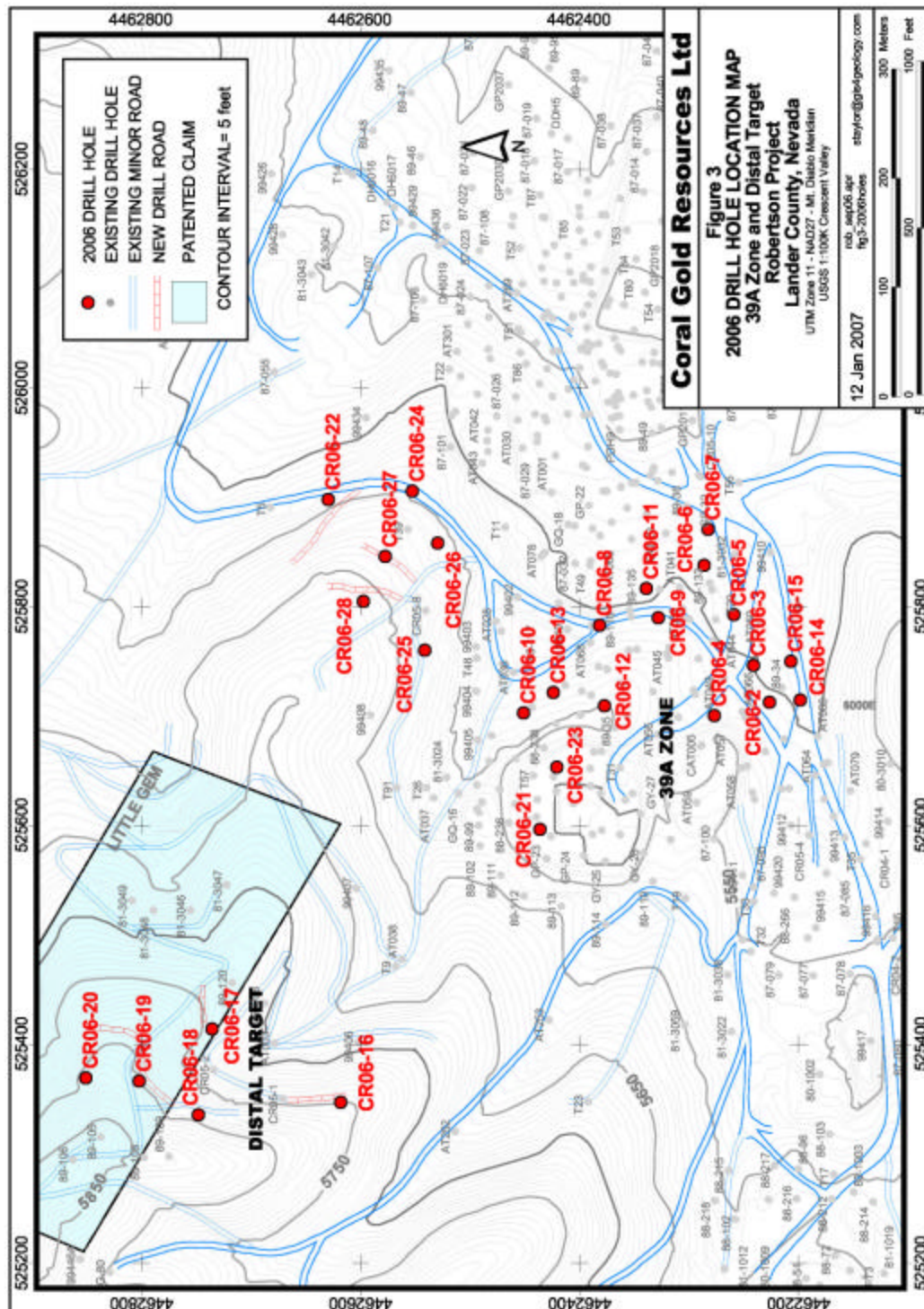


Figure 10.1: 2006 Drill Location Map 39A and Distal Target

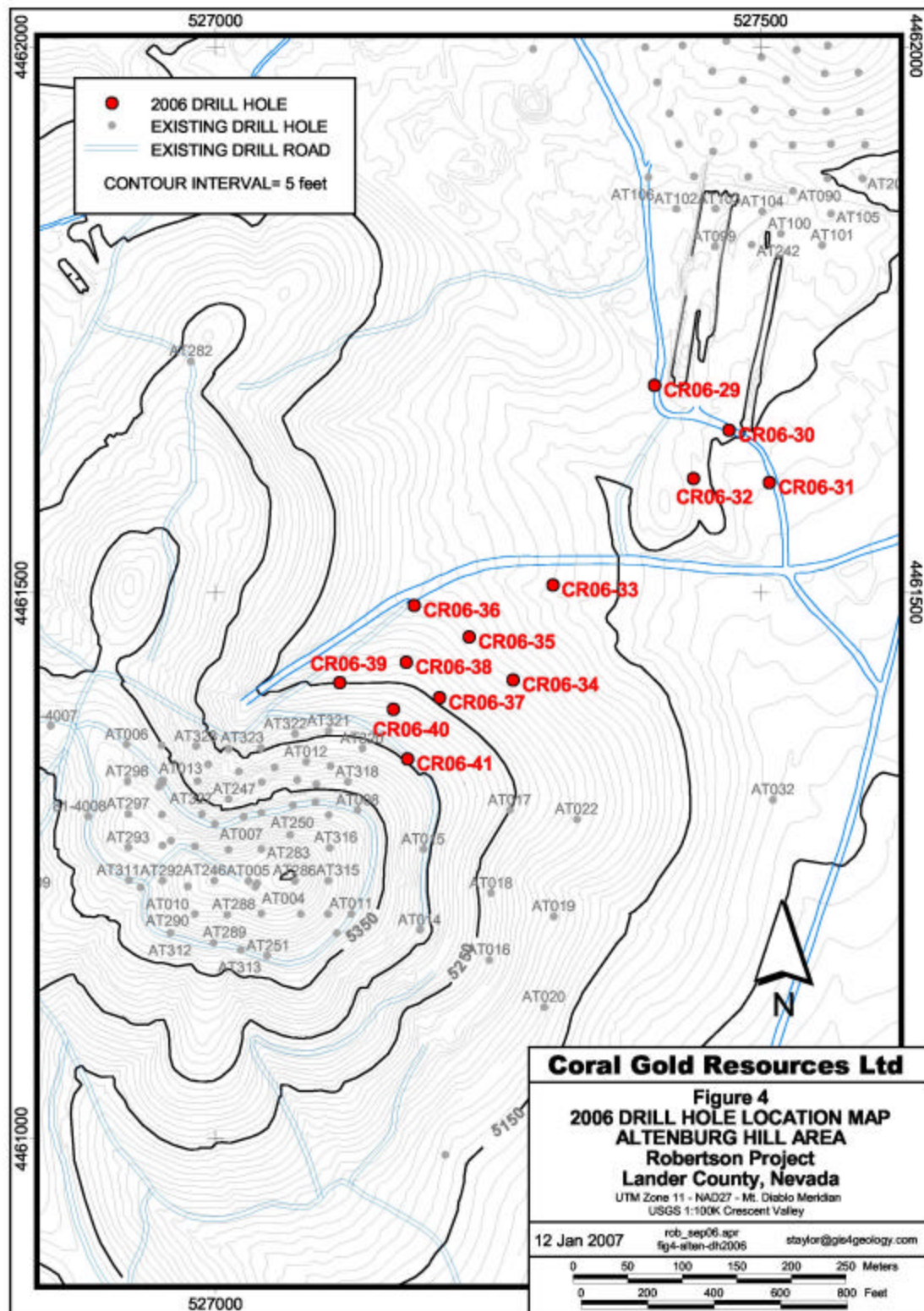


Figure 10.2: 2006 Drill Hole Location Map Altenburg Hill Area

SECTION 11.0 DRILLING

11.1 Summary

The Robertson Property has had a long and varied drilling history during which time at least 1,177 drill holes totaling 469,000 ft have been completed. About 16 percent of the total footage drilled occurred prior to Coral's involvement in the property. As a result, much of the documentation regarding the early drilling programs is no longer available. What remains available is a digital compilation produced by Amax in the early 1990's, that includes collar coordinates in local mine and UTM grid systems, elevation in feet, assay interval, and gold assay value. The sources of this information were manual compilations by Coral and Amax taken from driller's logs, assay reports and assay certificates. In most cases no geologic logs were available.

The drilling methods employed by some early explorers are unknown (e.g. Aaron) or are not precisely known. It is known that the Superior and Placer Development drilling programs employed both conventional rotary drilling methods and "percussion" drilling methods. Conventional "open hole" rotary methods produce generally unreliable results because of chronic contamination problems and poor sampling technique. Except where twin RC or DDH have verified the original assays, much of the early results were not used in resource evaluations. Table 11.1 provides a summary of drilling in the district by companies known to have operated there since about 1968.

Table 11.1: Robertson Property Drilling Summary

Company	Number of Holes	Drilling Method	Down Hole Survey	Collar Survey	Footage Drilled(ft)	Ave Hole Depth (ft)
Superior	92(?)	Conv. Rtry	no	yes	c.32,000	348
Placer Dev.	23(?)	Conv. Rrty	no	yes	c.3,200	150
Aaron	N/A	Percussion	no	some	<1,000	8-10
E & B Expl.	148	RC(?)	no	yes	30,800	200
Coral	380	RC	no	yes	105,877	278
	7	DDH	?	yes	3,500	500
Amax	338	RC	yes	yes	141,700	420
	62	DDH	yes	yes	34,300	553
Cortez	46	RC	yes	yes	54,000	1,174
	1	Mud Rtry	?	yes	3,000	
Coral Gold	80	RC	yes	yes	59,635	745
TOTAL	1,177				469,012	398

The E & B Exploration drilling is described in various reports by J. DeLeen (1980 and 1981) as “percussion”, but it is believed to have been reverse circulation. Except for the Amax digital compilation, the only remaining record of the E & B drilling is a complete set of drill cuttings retained for each sample interval. In addition, approximately 20 chip boards have also been preserved. The cuttings are stored on site in 20-compartment plastic chip trays identified by hole number and footage. E & B routinely sampled the drill holes on even 5-ft intervals. Of the 148 “percussion” holes drilled by E & B, the majority of which were 200 ft or less in depth and all were drilled vertical.

In 1987, Coral developed a local north-south, east-west survey grid consisting of surveyed triangulation stations. All of the pre-Coral drill collars located in the field were subsequently tied to the local grid. Elevation control was determined from the USGS “Tenabo” bench mark (5,164.1 ft) situated at the east edge of the local survey grid.

11.2 Coral RC Drilling

Documentation of the Coral RC and core drilling is no longer available. At the time of the Amax compilation (c.1991-92), the Coral drilling records were well organized and complete, and included driller’s logs, sample interval, and assay report. Of the 380 RC holes drilled by Coral, the majority of which were less 250-ft-deep and fewer than 20 holes were inclined. Most holes had summary geologic logs and on file in Coral’s Crescent Valley office. The summary logs are included in the Amax digital compilation. A complete set of drill cuttings are retained for each RC sample interval and are stored on site in 20-compartment plastic chip trays identified by hole number and footage. Sampling was routinely done on even 5-ft-intervals over the length of the hole, including overburden. All drill collars were surveyed and tied to the local grid. No down-hole surveys were done on the Coral RC holes.

The majority of the Coral RC drilling was completed by two local drilling contractors: Eklund Drilling Company of Elko, NV and Rimrock Drilling also of Elko. The 7 core holes were drilled by Coates Drilling of Delta, B.C., Canada.

11.3 Amax RC Drilling

The methodology of the Amax RC drilling is well documented. Amax completed 342 RC holes, AT-1 through AT-341, totaling nearly 142,000 ft. Over 90 percent of the RC holes were drilled vertical to depths ranging from 400 ft to 2,600 ft (AT-3). Overburden depths varied from none to 60 ft. Where thin overburden was encountered, a minimum of 10 ft of steel surface casing was installed. In deeper overburden, 20 ft to 40 ft of steel casing was installed. Drill hole diameter averaged 5.5 inches and samples were collected on even 5-ft interval starting at the overburden-bedrock interface. Because of the low-angle orientation or flat-lying nature of most mineralized zones at Robertson, sample length (5 ft) is believed to represent true thickness.

Most RC holes drilled to depths of <1,000 ft, were completed using conventional down-the-hole hammer bits with conventional cross over assembly. Holes exceeding 1,000 ft

feet were completed using standard tricone bits. All RC holes exceeding a depth of 400 ft had down-hole surveys using a multi-reading magnetic vertical deviation tool. Measured deflection in deeper hole ranged up to 105 ft, but averaged about 55 ft and is not considered serious. Surveys were conducted by Century Geophysics of Elko, NV. Prior drilling experience indicate that hole less than 400 ft deep had negligible deflection. Drill collars were surveyed and tied to the local grid system by registered surveyors from Desert Mountain Surveying of Winnemucca, NV.

Character samples for each 5-ft assay interval were collected from the reject port of the sample splitter and logged at the drill site. The drill cuttings are stored in 20-compartment plastic chip trays and stored on site. Geologic observations were recorded on standardized logging forms and included percentage oxidation, primary and secondary lithology, alteration and mineralization. The Amax drill logs are no longer in the possession of Coral.

The drilling contractor for 90 percent of the holes was Eklund Drilling Company of Elko, NV. The remaining holes were drilled by Lang Exploratory Drilling of Salt Lake City, UT and Becker Drills of Denver, CO. All of the contractors are well regarded and highly experienced.

11.4 Amax Core Drilling

Amax completed 62 DDH, CAT-1 through CAT-62, totaling over 34,000 ft. The principal drilling contractor was Longyear Drilling of Dayton, NV, a well respected drilling company, who generally performed above industry standard. The initial four core holes were completed by Tonto Drilling Company of Spokane, WA. At that time, their performance on the project was considered substandard due to their poor core recovery efforts.

Of the 62 DDH, 56 were drilled using HQ-diameter (2.5 inches) diamond impregnated bits, 5-ft core barrels and wire-line method. Six holes were inclined and nine were drilled using PQ-diameter (3.33 inches) tools in order to collect samples for metallurgical testing (column leach tests). Core orientation studies were attempted in four of the HQ core holes with only limited success. All hole collars were surveyed and tied to the local grid coordinate system. Down-the-hole surveys were completed on 90 percent of the core holes using a standard single shot camera survey tool. Shots were taken at regular 100 ft intervals.

Core was retrieved from the drill site in standard waxed cardboard core boxes (5 ft/box). Wooden blocks indicating footage were placed at the end of each core run by the driller. Prior to logging, the core was measured and marked into even 5-ft or less sample intervals. The percentage of core recovery was determined and RQD data collected and recorded on a standardized form. The core was cleaned of drilling mud and grease, and photographed. Detailed geologic observations of the core were made using a standardized logging form. Key observations included percent oxidation, primary and secondary lithology, alteration, mineralization and structure. In addition, 15 secondary

fields were also visually estimated. Small lengths of representative core were collected at regular intervals over the entire length of the holes as a visual record. The “skeleton” core is stored on site in standard cardboard core boxes identified with hole number and footage interval. Individual core is identified by hole number and footage in permanent marker.

11.5 Cortez RC Drilling

The Cortez drilling consisted of 46 RC holes totaling 54,000 ft and one “mud rotary” hole drilled to a depth of 3,000 ft. The RC drilling contractor was Eklund Drilling Company of Elko, NV, a well respected and experienced drilling company. The mud rotary hole was completed by the Lang Division of Boart Longyear of Salt Lake City, UT, a well respected and experienced drilling company.

Of the 46 RC holes 34 were drilled to a depth of between 1,000 ft to 2,000 ft and 12 were drilled to a depth of 500 ft to 900 ft. Twelve holes were inclined from 52° to 62°. All of the RC holes had down-hole surveys using a multi-reading magnetic vertical deviation tool. The surveys were conducted by Silver State Surveys, Inc., of Elko, NV. None of the measured deflection is considered serious.

Cortez routinely sampled the RC holes at 10-ft intervals over the entire length of the hole. Because of the low-angle orientation or flat-lying nature of most mineralized zones at Robertson, sample length (10 ft) is believed to represent true thickness. No geologic logging was completed and no other details, except assay results were provided. Character samples were collected for each 10-ft assay interval in 20-compartment plastic chip trays which are stored off-site.

11.6 Coral Gold Resources RC Drilling (2004-2006)

The methodologies employed during the three Coral RC drilling programs are well documented. Coral completed 80 RC holes, CR04-1 through CR04-20 and CR05-1 through CR05-12, totaling 24,020 ft. and CR06-2 through CR06-49 totaling 35,615 ft. Depths of the holes varied from 450 ft to 1,500 ft. Overburden depths ranged from none to 38 ft. Seventy seven of the RC holes were drilled vertical to depths ranging from 450 ft to 1,500 ft. Three holes were inclined at angles of between 60° and 70° and drilled to depths of 600 ft to 725 ft. Overburden depths varied from none to 25 ft. Where thin overburden was encountered, a minimum of 10 ft of steel surface casing was installed. In deeper overburden, 20 ft to 40 ft of steel casing was installed. Drill hole diameter averaged 5.5 inches and samples were collected on even 5-ft interval starting at the overburden-bedrock interface. Because of the low-angle orientation or flat-lying nature of most mineralized zones at Robertson, sample length (5 ft) is believed to represent true thickness.

Most RC holes drilled to depths of <1,000 ft, were completed using conventional down-the-hole hammer bits with conventional cross over assembly. Holes exceeding 1,000 ft feet were completed using standard tricone bits.

All RC holes exceeding a depth of 600 ft had down-hole surveys using a multi-reading gyroscopic vertical deviation tool. Measured horizontal deflection at the bottom of holes with total depth between 600 ft and 1,000 ft ranged from 9 ft to 24.5 ft on azimuths varying from nearly due north to east-southeast. Within ore-grade intersections, deflection varied from 7 ft to 21.5 ft along similar azimuths. The measured deflections are considered negligible. Measured horizontal deflections in deeper holes (>1,000 ft) ranged up to 67 ft, but averaged about 22 ft and is not considered serious. Surveys for holes CR04-1 through CR04-20 were conducted by Wellbore Navigation, Inc of Elko, NV. Surveys for holes CR05-1 through CR06-49 were surveyed by International Directional Services of Elko, NV. Prior drilling experience indicate that hole less than 600 ft deep had negligible deflection. Drill collars were surveyed and tied to the UTM and local grid systems by registered surveyors from Summit Engineering of Elko, NV.

Character samples for each 5-ft assay interval were collected from the reject port of the sample splitter and logged at the drill site. The drill cuttings are stored in 20-compartment plastic chip trays and stored on site. Geologic observations were recorded on standardized logging forms and included percentage oxidation, primary and secondary lithology, alteration and mineralization.

The drilling contractor for the 2004-2006 drilling programs was Lang Exploratory Drilling of Elko, NV. Lang is a well regarded and highly experienced RC drilling company.

SECTION 12.0 SAMPLING METHOD AND APPROACH

12.1 Introduction

The authors have no first hand knowledge of the sampling procedures employed during the exploratory drilling programs prior to Coral (pre-1986) (85 holes), as well as the procedures used by Coral (1986-1989) (403 holes). In addition, no written documentation or description of the sampling procedures employed by these companies was found in the Coral files. It cannot be assumed that the sampling procedures used by these companies would meet industry standard of today. However, the authors also have no reason to believe the procedures used in the past were, in any way, suspect or unprofessional. For the purpose of the inferred resource estimate, all holes were utilized due to confidence factors. These holes are distributed throughout the Gold Pan, Porphyry, Altenburg Hill and in particular the Triplet Gulch areas. Further validation and verification is required in order to utilize these holes in an upgraded resource however the grade distribution with and without these holes is within acceptable limits. Therefore, the inclusion or exclusion of these holes will not adversely affect the resource with the exception of Triplet Gulch where a much more rigorous validation program is required.

Additionally, the authors have no first hand knowledge of the sampling procedures employed by Cortez (1999). No written documentation or verbal description of the sampling procedures used at the Robertson Property was provided by Cortez. However, it can be assumed that Cortez employed the same or similar sampling protocol on this project as is used at their nearby mining operation and that it meets current industry standard.

The sampling procedures employed by Amax and Coral Gold during their RC and the Amax core drilling programs are well documented and, as Senior Project Geologist for Amax and as the supervising Qualified Person for Coral at the Robertson Property, the author has first hand knowledge of their sampling methodologies. The sampling protocols used by Amax and Coral Gold on this project meet current industry standards.

12.2 Amax RC Drilling

The majority of RC holes were drilled using truck-mounted Ingersoll-Rand TH-60, TH-75 and TH-100 drills (or equivalent) with 825-1,000 cfm/350 psi compressors. These drills employ air-cyclone sample collection equipment that was industry standard at the time (1990-96). Standard care was taken to minimize contamination during all parts of sampling procedure. In addition, an Amax geologist was at the drill site during all phases of the drilling and sampling procedure.

During dry drilling conditions, drill cuttings were collected at even 5-ft intervals and split at the drill site using a Gilson-type sample splitter. Samples were collected in large trays directly from the splitter and poured into heavy canvas bags. Each bag was pre-labeled with the hole number and a unique sample number that corresponds to a footage on the drill log and to a lab tag number. The labeling was done with a permanent marker.

Ideally, a 25 to 35 pound sample was collected. The Gilson splitter and collection trays were cleaned with compressed air between samples.

During wet drilling conditions, drill cuttings were spit on site using a radial rotating wet splitter. When drilling wet, the heavy canvas sample bags were attached directly to sample discharge outlet of the splitter. The wet splitter was routinely cleaned with a high pressure water hose at the end of every 20 ft rod change. In zones of high water volume, sample bags would fill and overflow with water and fine-grained material. These “fines” were not captured. Previous sampling studies by Amax of this material indicated that the gold content was negligible in the overflow material.

Prior to sealing the sample bags, lab sample tags were inserted which had the same sample number as written on the outside of the bag. The full sample bags were secured with a 16-gauge wire tie. Samples were laid out in numerical order and left at the drill site until they were picked up by the assay lab.

During RC sampling, “rig duplicate” samples were routinely collected from the reject outlet of the splitter. These samples were used to assess the effectiveness of the sampling procedure and were compared with the “original” sample. Additionally, specially collected coarse barren material (<0.005 ppm Au) were inserted into the sample sequence at pre-determined intervals to monitor possible lab contamination and smearing of coarse gold on sample preparation equipment.

Once the samples were dry, all RC samples were weighed at the lab. The average dry weight for a 5-ft sample was 35.2 pounds. Together with observations at the drill site, monitoring sample weights provided data from which sample recovery could be estimated.

12.3 Amax Core Drilling

Drill core was retrieved from the drill site and taken to a core preparation facility, where it was measured and core recovery was determined for each 5-ft assay interval. Individual assay intervals were marked by wooden blocks. Core recovery averaged 92 percent. Only rarely were sub samples taken. After cleaning, photographing and detailed logging, the entire unsplit, 5-ft assay interval was placed in a pre-labeled heavy canvas bag. Using a permanent marker, each bag was labeled with hole number and a unique sample number. A 2 inch to 3 inch reference sample with hole number and footage was taken from each assay interval and stored on site.

Prior to sealing the sample bags, lab sample tags were inserted which had the same sample number as written on the outside of the bag. The full sample bags were secured with a 16-gauge wire tie. The samples remained in the prep facility until they were picked by the assay lab.

Specially collected coarse barren material were inserted into the sample sequence at pre-determined intervals to monitor possible lab contamination and smearing of coarse gold on sample prep equipment.

All core samples were weighed at the assay lab prior to sample preparation. The average dry weight for a 5-ft sample was 24.8 pounds. These data were used to monitor possible correlations between low sample weights and high assay results, which might suggest up-grading of gold values.

12.4 Coral Gold Resources Sampling (2004-2005)

The drilling was conducted using truck-mounted Ingersoll-Rand TH-75 with 900 cfm/350 psi compressor and a truck-mounted Drill Tech D40K drill with 900 cfm/350 psi compressor. These drills employ air-cyclone sample collection equipment that meets current industry standard. Standard care was taken to minimize contamination during all parts of sampling procedure. In addition, a geologist was at the drill site during all phases of the drilling and sampling procedure.

All drill holes were drilled wet beginning at the surface. Under these conditions, a small amount of water is injected during the drilling process until the water table is encountered, which varied from 105-ft- to 455-ft-deep. Samples for gold assay were taken on even 5-ft intervals starting at the surface. During wet drilling conditions, drill cuttings were spit on site using a radial rotating wet splitter. When drilling wet, samples were collected using a series of 5 gallon plastic buckets. The samples were decanted of excess water and transferred to pre-numbered heavy 10 inch x 17 inch sample bags. The sample collection buckets were cleaned using a high pressure water hose after each sample. The wet splitter was routinely cleaned with a high pressure water hose at every 20 ft rod change. In zones of high water volume, the 5-gallon sample buckets filled and overflowed with water and fine-grained material. These “fines” were not captured. Previous sampling studies of this material indicated that the gold content was negligible in the overflow material.

Character samples for each 5-ft assay interval were collected from the reject port of the sample splitter and logged at the drill site. The drill cuttings are stored in 20-compartment plastic chip trays that are stored on site. Geologic observations were recorded on standardized logging forms and included percentage oxidation, primary and secondary lithology, alteration and mineralization.

During RC sampling, “rig duplicate” samples were routinely collected from the reject outlet of the splitter. These samples were used to assess the effectiveness of the sampling procedure and were compared with the “original” sample. Additionally, specially collected coarse “blank” (<0.005 ppm) and very low-level material (<0.025 ppm Au) were inserted into the sample sequence at pre-determined intervals to monitor possible lab contamination and smearing of coarse gold on sample preparation equipment.

Once the samples were dry, all RC samples were weighed at the lab. The average dry weight for a 5-ft sample was about 4.0 kg. Together with observations at the drill site, monitoring sample weights provided data from which sample recovery could be estimated.

The sampling procedure employed by Coral Gold during its 2006 RC drilling program is well documented and, as the supervising Qualified Person for Coral at the Robertson Property, the author has first hand knowledge of their sampling methodologies. The sampling protocols used by Coral Gold on this project meet current industry standards.

12.5 Coral Gold Resources Sampling (2006)

The 2006 drilling was conducted using a truck-mounted Drill Tech D40K drill with 900 cfm/350 psi compressor. These drills employ air-cyclone sample collection equipment that meets current industry standard. Standard care was taken to minimize contamination during all phases of the sampling procedure. In addition, a geologist was at the drill site during the drilling and sampling procedure.

All drill holes were drilled wet beginning at the surface. Under these conditions, a small amount of water is injected during the drilling process until the water table is encountered, which varied from 105-ft- to 475-ft-deep. Samples for gold assay were collected on even 5-ft intervals starting at the surface. During wet drilling conditions, drill cuttings were spit on site using a radial rotating wet splitter. The purpose of splitting the sample was to obtain a consistent and representative sample weighing 3-4 kg. When drilling wet, samples were collected using a series of 5 gallon plastic buckets. The samples were decanted of excess water and transferred to pre-numbered heavy 10 inch x 17 inch sample bags. The sample collection buckets were cleaned using a high pressure water hose after each sample. The wet splitter was routinely cleaned with a high pressure water hose at every 20 ft rod change. In zones of high water flow, the 5-gallon sample buckets filled and overflowed with water and fine-grained material. These “fines” were not captured. Previous sampling studies of this material indicated that the gold content was negligible in the overflow material.

Character samples for each 5-ft assay interval were collected from the reject port of the sample splitter and logged at the drill site. The drill cuttings are stored in 20-compartment plastic chip trays that are stored on site. Geologic observations were recorded on standardized logging forms and included percentage oxidation, primary and secondary lithology, alteration and mineralization.

During RC drilling, “rig duplicate” samples were routinely collected from the reject outlet of the splitter. These samples were used to assess the effectiveness of the sampling procedure and were compared with the “original” sample. Additionally, specially collected coarse “blank” (<0.005 ppm) and very low-level material (<0.025 ppm Au) were inserted into the sample sequence at pre-determined intervals to monitor possible lab contamination such as smearing of coarse gold on sample preparation equipment.

Once the samples were dry, all RC samples were weighed at the lab. The average dry weight for a 5-ft sample was about 4.0 kg. Together with observations at the drill site, monitoring sample weights provided data from which sample recovery could be estimated.

SECTION 13.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

13.1 Introduction

The author has no first hand knowledge of the sample preparation protocols, analytical methodology and sample security that were employed at the Robertson Property by companies prior to Coral (pre-1986), as well as the procedures used by Coral (1986-1989). No written documentation or description of these procedures was found in the Coral files. Further, it can not be assumed that the sample preparation, analytical procedures and sample security measures used by the early companies would meet industry standard of today. However, the authors also have no reason to believe the procedures used in the past were, in any way, suspect or unprofessional. For the purpose of the inferred resource estimate, all holes were utilized due to confidence factors. These holes are distributed throughout the Gold Pan, Porphyry, Altenburg Hill and in particular the Triplet Gulch areas. Further validation and verification is required in order to utilize these holes in an upgraded resource however the grade distribution with and without these holes is within acceptable limits. Therefore, the inclusion or exclusion of these holes will not adversely affect the resource with the exception of Triplet Gulch where a much more rigorous validation program is required.

The author has no first hand knowledge of the sample preparation protocols, analytical procedures or sample security measures employed by Cortez (1999) during their evaluation of the Robertson Property. It should also be noted that no written or oral description of these procedures was provided by Cortez. However, it may be assumed that the sample preparation, analytical procedures and sample security used by Cortez on this project would meet industry standard of today.

The sample preparation protocol, analytical procedures and sample security measures employed by Amax (1990-1996) and Coral Gold (2004-2005) during their RC drilling programs, and the Amax core drilling programs, are well documented and, as Senior Project Geologist for Amax and as the supervising Qualified Person for Coral Gold at the Robertson Property, the author also has first hand knowledge of these methodologies. The sample preparation protocols, analytical procedures and sample security measures used by Amax and Coral Gold on this project meet current industry standard practices.

13.2 Amax Drill Sample Security Measures

All RC and core samples remained on the project site until they were picked up by the analytical lab. No sample preparation occurred on-site. Access to the samples prior to pick up by the lab by non-Amax or Coral personnel was controlled during both daylight and night-time hours. While it is the opinion of the author that no tampering with samples occurred during this period and, within the context of the entire drilling program, large-scale tampering would have been impossible to achieve.

13.3 Analyses of Amax Drill Samples

During the period 1990-91 and 1993-94, Amax employed Monitor Geochemical Laboratory, with sample prep and analytical facilities in Elko, NV, as its principal analytical lab for the Robertson Property. In 1992, the principal laboratory was Bondar-Clegg, with sample prep facilities in Reno, NV and analytical laboratories in Vancouver, B.C. In 1993-94, during the Porphyry Zone evaluation, Chemex Labs, Inc. was chosen as the secondary (umpire) lab and used primarily to verify sample prep and check assaying.

The Amax sample preparation protocol was used at the Monitor, Bondar-Clegg and Chemex sample prep facilities and is summarized below:

- Entire drill sample was dried in the sample bag and weighed;
- Entire 25-35 pound (11-16 kilograms) sample jaw-crushed to 95% -10 mesh;
- Crushed material reduced to 6 kilograms (13 pounds) with Jones-type splitter;
- Reject material saved and stored at lab;
- Entire 6 kilogram sub sample disk-pulverized to 95% -80 mesh;
- Pulverized material reduced to 350 gram with Jones-type splitter
- 350 gram sub sample passed through rotary mill to 95% -200 mesh;
- nominal 350 gram pulp sample sent for analysis;
- Jaw crusher, rotary mill and pulverizer were cleaned by passing barren gravel and sand between samples; Jones splitter cleaned by compressed air.

The gold assay procedure used at both Monitor and Bondar-Clegg facilities is summarized below:

- Re-homogenization of the 350 gram pulp;
- One-assay ton (nominal 29.1 grams) weighed from 350 gram pulp;
- One-assay ton fire assay followed by bead digestion in aqua regia and AA determination;
- All values exceeding 10 ppm gold are re-assayed using one-assay ton with gravimetric finish.

13.4 Metallic Screen Analyses

During the Porphyry Zone evaluation, concern over the presence of “coarse” gold prompted Amax to initiate “screen fire” analysis, considered the most accurate assay method for assessing coarse gold. The evaluation consisted of 132 screen fire assays (about 1 percent of all sample in the Porphyry Zone). The screen fire assay procedure employed at Monitor is summarized below:

- Split a 1 kilogram (2.2 pounds) sub sample from the –10 mesh reject material;
- 1 kilogram sub sample pulverized in ring and puck mill to nominal –150 mesh;
- Pulverized material weighed (weight recorded);
- Entire sample wet sieved through 150 mesh screen;

- Entire +150 mesh (oversize) collected, dried, weighed and fire assayed;
- Entire –150 mesh (undersize) collected, dried and a 2-assay ton split (58.3 grams) fire assayed;
- Assay results of the two size fractions are combined by weighted averaging to determine the reported assay.

13.5 Cyanide-Soluble Gold and Copper Analyses

During evaluation of the Porphyry Zone resource, cyanide soluble gold and copper analyses were routinely performed on all samples with FA/AA gold values ≥ 0.01 oz Au/t (over 2,100 samples). The cyanide soluble analytical procedure consisted of leaching 10 grams of –200 mesh pulp material in a flask for 24 hours in a 100 ml solution of one gram/liter NaCN solution. The leach solution was analyzed for gold and copper by atomic absorption spectrometry.

13.6 Use of Standards and Blanks

In order to assess the Monitor and Bondar-Clegg sample prep and analytical performance, Amax developed a QA/QC program consisting of submitting “blind” coarse blank material (3.5 %), rig duplicates (4 %) and Amax prepared standard pulps (9.3 %) into the sample stream. All reference materials were pre-numbered in sequence with the drill samples and submitted blind to the labs without unique identifiers. Standard pulps were chosen to match as closely as possible the oxidation state, expected grade and sulfide content of the accompanying drill samples.

Over 900 samples, representing coarse reject material and pulps, were randomly selected for sample preparation and gold assay determinations by Chemex. These materials were shipped by the primary lab. Sample prep and analytical procedure used by the secondary lab were same as those used by the primary lab facilities.

13.7 Coral Gold Drill Sample Security Measures

All RC samples remained on the project site until they were picked up by the analytical lab. No sample preparation occurred on-site. No Coral personnel were involved in any aspect of sample preparation. Access to the samples prior to pick up by the lab by non-Coral personnel was controlled during daylight hours only. While it is the opinion of the author that no tampering with samples occurred during this period and, within the context of the entire drilling program, large-scale tampering would have been impossible to achieve.

13.8 Analyses of Coral Gold Drill Samples

During the period 2004-2005, Coral employed ALS Chemex with sample prep facilities in Elko, NV and analytical laboratories in Reno, NV to perform sample preparation and gold assays. ALS Chemex laboratories in North America are registered to ISO 9001:2000 by QMI Quality Registrars.

The sample preparation protocol used at the ALS Chemex sample prep facilities and is summarized below:

- Entire drill sample was dried in the sample bag and weighed;
- Entire 7-15 pound (3.2-5.5 kilograms) sample jaw-crushed to 70% -2mm;
- Crushed material reduced to 1 kilogram (2.2 pounds) with riffle-type splitter;
- Reject material saved and stored at lab;
- Entire 1 kilogram sub sample disk-pulverized to 85% -200 mesh;
- Pulverized material reduced to 250 gram with riffle-type splitter;
- nominal 250 gram pulp sample sent for analysis;
- Jaw crusher and pulverizer were cleaned after every sample by passing barren gravel and sand.

The gold assay procedure used at ALS Chemex facilities is summarized below:

- Re-homogenization of the 250 gram pulp;
- One-assay ton (nominal 29.1 grams) weighed from 250 gram pulp;
- One-assay ton fire assay followed by bead digestion in aqua regia and AA determination;
- All values exceeding 10 ppm gold are re-assayed using one-assay ton with gravimetric finish.

13.9 Use of Standards and Blanks

In order to assess the ALS Chemex sample prep and analytical performance, Coral developed a QA/QC program consisting of submitting “blind” coarse blank and low-level gold material (4.3 %), rig duplicates (2.1 %) and standard reference pulps (1.2 %) into the sample stream. All reference materials were pre-numbered in sequence with the drill samples and submitted blind to the labs without unique identifiers. Standard pulps were chosen to match as closely as possible the oxidation state, expected grade and sulfide content of the accompanying drill samples.

Over 146 samples, representing coarse reject material and pulps, were selected for additional sample preparation and gold assay determinations by ALS Chemex.

The sample preparation protocol, analytical procedures and sample security measures employed by Coral Gold during its 2006 RC drilling program meet current industry standard practices. As the supervising Qualified Person for Coral Gold at the Robertson Property, the author also has first hand knowledge of these methodologies.

13.10 Coral Gold Drill Sample Security Measures

All RC samples remained on the project site until they were picked up by the analytical lab. No sample preparation occurred on-site. No Coral personnel were involved in any aspect of sample preparation. Access to the samples prior to pick up by the lab by non-

Coral personnel was controlled during daylight hours only. While it is the opinion of the author that no tampering with samples occurred during this period and, within the context of the entire drilling program, large-scale tampering would have been impossible to achieve.

13.11 Analyses of Coral Gold Drill Samples

During 2006, Coral employed ALS Chemex with sample prep facilities in Elko, NV, USA and analytical laboratories in Reno, NV, USA to perform sample preparation and gold assays. ALS Chemex laboratories in North America are registered to ISO 9001:2000 by QMI Quality Registrars.

The sample preparation protocol used at the ALS Chemex sample prep facilities and is summarized below:

- Entire drill sample was dried in the sample bag and weighed;
- Entire 7-15 pound (3.2-5.5 kilograms) sample jaw-crushed to 70% -2mm;
- Crushed material reduced to 1 kilogram (2.2 pounds) with riffle-type splitter;
- Reject material saved and stored at lab;
- Entire 1 kilogram sub sample disk-pulverized to 85% -200 mesh;
- Pulverized material reduced to 250 gram with riffle-type splitter;
- nominal 250 gram pulp sample sent for analysis;
- Jaw crusher and pulverizer were cleaned after every sample by passing barren gravel and sand.

The gold assay procedure used at ALS Chemex facilities is summarized below:

- Re-homogenization of the 250 gram pulp;
- One-assay ton (nominal 29.1 grams) split and weighed from 250 gram pulp;
- One-assay ton fire assay followed by bead digestion in aqua regia and AA determination;
- All values exceeding 10 ppm gold are re-assayed using one-assay ton with gravimetric finish.

13.12 Use of Standards and Blanks

In order to assess the ALS Chemex sample prep and analytical performance, Coral developed a QA/QC program consisting of submitting “blind” coarse blank and low-level gold material (3.8 %), rig duplicates (2.2 %) and standard reference pulps (1.6 %) into the sample stream. All reference materials were pre-numbered in sequence with the drill samples and submitted blind to the labs without unique identifiers. Standard pulps were chosen to match as closely as possible the oxidation state, expected grade and sulfide content of the accompanying drill samples.

A total of 604 samples, representing coarse reject material, were selected for additional sample preparation, compositing and gold assay determinations by McClelland Labs and Rocky Mountain Geochemical, both located in Sparks, NV, USA.

SECTION 14.0 DATA VERIFICATION

14.1 Introduction

Data verification was undertaken by Amax during evaluation of the Porphyry Zone resource. MRDI (Mineral Resource Development, Inc., of San Mateo, CA) was responsible for verification of Amax's methodology used to verify the quality of analytical data used in their evaluation at the Robertson Property. It was the opinion of MRDI that the methodology used is appropriate in the context of the evaluation being considered and that the work performed by Amax meets or exceeds industry standards.

14.2 Data Verification of Amax Drill Sample Results

The Amax primary labs were the Monitor facility in Elko, NV and the Bondar-Clegg facility in Vancouver, B. C. Chemex Labs of Vancouver, B. C. was chosen as the secondary (umpire) lab facility.

The primary labs prep facilities were responsible for preparing coarse "rig" duplicate samples, coarse blank samples and for inserting the Amax supplied standard reference materials into the sample stream. The standard reference material was prepared by Amax as part of an internal, company-wide program that supplied reference material for all Amax sampling programs. The standards are highly reliable and were routinely monitored by Amax. Once the drill samples were reduced to pulp samples ready for assay, the Amax standards (pulp) were inserted by the lab in pre-numbered sequence with the other pulps and assayed sequentially.

In addition, Amax was supplied with and monitored the analytical results of the primary and secondary labs own internal QA/QC controls for sample batches.

Amax routinely (6% of all samples) submitted pulp samples prepared by the primary lab to the umpire lab for gold assay. Less frequently, coarse (-10 mesh) reject material was submitted to the umpire lab for preparation and analysis. The primary lab was responsible for shipping all samples to the umpire lab.

14.3 Summary of Verification-Drill Samples Results

To assess the ability of the primary and umpire labs to provide consistently accurate analytical results, their performance was monitored using standards, blanks and rig duplicate samples.

Analytical results for the 621 Amax standards submitted to the primary lab indicate that the average for all "expected" values was 1.134 ppm Au, versus the primary labs average value of 1.178 ppm Au. This is a relative difference of 0.044 ppm Au, or 3.8 percent of the mean of both values. A correlation coefficient of 0.99 was calculated for the pair. These results indicate that relative bias between the two data sets is absent.

Check assays of pulps prepared by the primary lab were performed on 891 samples by the umpire lab. The average value from the primary lab was 0.446 ppm Au versus the average value from the check assay of 0.457, a relative difference of 0.011 ppm Au, or 2.4 percent of the mean of both values. A correlation coefficient of 0.97 was calculated for the data pairs. These results indicate very good analytical reproducibility by the primary lab.

Check assays performed by the primary labs on pulp samples used for the initial determination were conducted on 1,425 samples (9.3% of all samples). The average value for the initial sample was 0.566 ppm Au versus the average value for the check sample of 0.561 ppm Au, a relative difference of 0.005 ppm Au, or less than 1 percent of the mean value of both values. A correlation coefficient of 0.95 was calculated for this data set. These results indicate very good analytical reproducibility by the primary lab.

The “rig” duplicate samples taken from reject material at the drill rig, and submitted blind to the lab, were prepared and analyzed along with the routine drill samples. The primary lab prepared and analyzed 578 ‘rig’ duplicate samples (3.8% of all samples). The average value for the primary assay was 0.359 ppm Au and the average value for the “rig” duplicate assay was 0.372 ppm Au, a relative difference of 0.013 ppm Au, or 3.5 percent of the mean value for both values. These results indicate very good reproducibility of the sample preparation and analytical procedures by the primary lab.

14.4 Data Verification of Coral Gold Drill Sample Results

The Coral primary lab was ALS Chemex with sample prep facilities in Elko, NV and assay facilities in Reno, NV.

The ALS Chemex prep facilities was responsible for preparing coarse “rig” duplicate samples, coarse blank samples, coarse low-level gold samples, and for inserting the Coral supplied standard reference materials into the sample stream. The commercially available certified reference materials were supplied by CANMET and MEG. The standards are highly reliable and were routinely monitored by Coral. Once the drill samples were reduced to pulp samples ready for assay, the certified reference pulps were inserted by the lab in pre-numbered sequence with the other pulps and assayed sequentially.

In addition, Coral was supplied with and monitored the analytical results of ALS Chemex own internal QA/QC controls for sample batches.

14.5 Summary of Verification-Drill Sample Results

To assess the ability of the primary and umpire labs to provide consistently accurate analytical results, their performance was monitored using standards, blanks and rig duplicate samples. A total of 4,815 drill samples were submitted to ALS Chemex for initial gold determination. In addition Coral submitted 580 control (12%) samples to monitor lab performance.

14.6 Certified Reference Pulps

Analytical results for the 59 certified reference pulps submitted to ALS Chemex indicate that the average for all “expected” values was 3.283 ppm Au, versus the primary labs average value of 3.375 ppm Au. This is a relative difference of 0.092 ppm Au, or 2.8 percent of the mean of both values. A correlation coefficient of 0.99 was calculated for the pair. These results indicate that relative bias between the two data sets is absent.

14.7 Check Assays

Check assays of pulps prepared by the primary lab were preformed on 207 (4.3%) samples. The average value from the initial assay was 1.544 ppm Au versus the average value from the check assay of 1.544, essentially no difference between the mean of both values. However on a sample by sample comparison, results between the two data sets (average values) varied from 0.027 ppm to 0.116 ppm. A correlation coefficient of 0.998 was calculated for the data pairs. These results indicate very good analytical reproducibility by the primary lab.

14.8 Rig Duplicate Samples

The “rig” duplicate samples taken from reject material at the drill rig, and submitted blind to the lab, were prepared and analyzed along with the routine drill samples. The primary lab prepared and analyzed 101 ‘rig’ duplicate samples (2.1% of all samples). The average value for the primary assay sample was 0.679 ppm Au and the average value for the “rig” duplicate assay was 0.653 ppm Au, a relative difference of 0.026 ppm Au, or 3.8 percent of the mean value for the primary sample. However, in several instances significant differences between four assay pairs were noted. The relative difference between these assay pairs ranged from 0.752 ppm to 10.1 ppm. Despite the high variance between these samples, a correlation coefficient of 0.963 was calculated for the data pairs. These results indicate an overall very good reproducibility of the sample preparation and analytical procedures by the primary lab. While the variance between the four sample pairs is relatively large, it probably reflects the erratic nature of the gold distribution in the sample rather than poor sample preparation or analytical precision.

14.9 Coarse Blank and Low-Level Gold Samples

A total of 206 samples (4.3%) containing coarse blank material (<0.005 ppm Au) or coarse material containing trace levels of gold (< 0.005 to 0.025 ppm Au), were systematically introduced into the sample stream to assess the potential for introducing contamination during sample preparation. The average assay value for the 95 blank samples (sample CO-1) was <0.005 ppm Au. Of the 43 blank samples, 5 samples returned a gold value of 0.005 ppm. The average value for the 111 trace-level gold material (sample CV-1) was 0.007 ppm Au. Assay values for the 111 trace-level gold material varied from <0.005 to 0.025 ppm Au. An examination of the expected values for the blank and low-level samples as compared with assay results of the immediately

proceeding 3 or 4 samples indicates that no discernable contamination occurred during sample preparation.

14.10 Authors Data Verification

As project manager for Amax during the time period 1990 through 1994 and a supervising Qualified Person for Coral Gold (2004-2005), the author was primarily responsible for developing, implementing and monitoring the QA/QC program employed by Amax and Coral Gold at the Robertson Property. These results verify the adequacy and effectiveness of these QA/QC programs, and justify a high level of confidence in the analytical data generated by Amax and Coral Gold used in the evaluation of the Robertson project.

While the author has no first hand knowledge of the QA/QC program employed by Cortez during their 1999 evaluation of the Robertson Project, it is the author's opinion that as a mining industry leader, they employed a program which was adequate to justify a high level of confidence in the analytical data generated.

14.11 Data Verification of Coral Gold Drill Sample Results

Coral's primary lab for its 2006 drilling program was ALS Chemex with sample prep facilities in Elko, NV and assay facilities in Reno, NV.

The ALS Chemex prep facility was responsible for preparing "rig" duplicate samples, coarse blank samples and low-level gold samples, and for inserting the Coral supplied standard reference materials into the sample stream. The commercially available certified reference materials were supplied by MEG. The standards are highly reliable and were routinely monitored by Coral. Once the drill samples were reduced to pulp samples ready for assay, the certified reference pulps were inserted by the lab in pre-numbered sequence with the other pulps and assayed sequentially.

14.12 Summary of Verification-Drill Sample Results

To assess the ability of the primary lab to provide consistently accurate analytical results, its performance was monitored using standards, blanks and rig duplicate samples. A total of 7,103 drill samples were submitted to ALS Chemex for initial gold determination. In addition Coral submitted 547 control (7.7%) samples to monitor lab performance. Check assays were conducted on 604 coarse reject samples which were used in 25 composite samples for metallurgical testing. Results of head grade assay determinations using standard fire assay with AA finish were compared with original assay results. Also, the calculated head grades resulting from 2,000 g agitated cyanide leach tests were compared with both the original and check assays.

14.13 Certified Reference Pulps

Analytical results for the 116 certified reference pulps submitted to ALS Chemex indicate that the average for all “expected” values was 1.917 ppm Au, versus the primary labs average value of 1.901 ppm Au. This is a relative difference of 0.016 ppm Au, or <1.0% percent of the mean of both values. A correlation coefficient of 0.99 was calculated for the sample pairs. These results indicate that relative bias between the two data sets is absent. However, assay results from analyzing 19 “blank” pulps returned 6 detectable gold values (31.6%) ranging from 0.006 to 0.083 ppm. These results suggest problems with low level contamination or a lack of precision at low level gold determinations.

14.14 Check Assays

Check assays were preformed on 604 (8.6%) coarse reject samples which were made into 25 composite samples for metallurgical testing. The average value from the initial assay of the 604 samples was 1.94 ppm Au versus the average value from check assays which was 1.65 ppm Au, a difference of 0.29 ppm (14.9%). A correlation coefficient of 0.9802 was calculated for the data pairs. A plot of the initial assay versus the check assay results, shown on the accompanying scatter diagram (Fig. 14.1), indicates that on average the initial assays are higher than the corresponding check samples. On a sample by sample comparison, results between the two data sets (average values) varied from 0.10 ppm to 0.84 ppm. These results suggest that either the initial determinations are biased high or the check sample assays are biased low. In addition problems with analytical reproducibility (precision) or coarse gold may also be present. To assess these issues, assay results from both labs were compared with the head grades calculated from 2,000 g cyanide leach tests. The average initial assay value for the individual 25 composite samples were compared with the average grade for the calculated head grade and plotted on a scatter diagram shown in Figure 14.2. With the exception of a single sample pair, the data are in excellent agreement and show no systematic bias. The average for the initial assays is 1.94 ppm versus 1.92 ppm for the calculated head grade, a difference of 0.02 ppm or 1.03% of the average initial assay value. However, a comparison of the average check assay value for each of the 25 composite samples with the calculated head grade, shown in Figure 14.3, indicates a systematic low bias for the check assays versus the calculated head grade. The average value for all check assays is 1.65 ppm versus 1.92 ppm for the calculated heads, a difference of 0.27 ppm or 16.4% of the average check assay value. These comparisons support the conclusion that no apparent bias exists between the initial assays preformed by the primary lab and the calculated head grades. They also indicate that the check assays performed by a secondary lab are on average lower than either the initial assay or the calculated head grade. A correlation coefficient of 0.9658 was calculated for the initial assays versus the calculated head grade and 0.9389 was calculated for the check assays versus the calculated head grade. These correlations also suggest bias between the check assays and the calculated head grades.

14.15 Rig Duplicate Samples

The “rig” duplicate samples taken from reject material at the drill rig, and submitted blind to the lab, were prepared and analyzed along with the routine drill samples. The primary lab prepared and analyzed 158 ‘rig’ duplicate samples (2.2% of all samples). The average value for the primary assay samples was 0.907 ppm Au and the average value for the “rig” duplicate assays was 0.940 ppm Au, a relative difference of 0.033 ppm Au, or 3.5 percent of the mean value for the primary sample. However, in several instances significant differences between 8 assay pairs (5.1% of all samples) were noted. The relative difference between these assay pairs ranged from 1.04 ppm to 5.38 ppm. Despite the high variance between these samples, a correlation coefficient of 0.985 was calculated for the data pairs. These results indicate an overall very good reproducibility of the sample preparation and analytical procedures by the primary lab. While the variance between the 8 sample pairs is relatively large, it probably reflects the erratic nature of the gold distribution in the sample rather than poor sample preparation or analytical precision. As shown in the scatter diagram Figure 14.4, which compares rig duplicate assays versus the original assays for samples ≤ 3.0 ppm, there is a noticeable bias towards the original sample. This bias is most pronounced in samples exceeding 0.50 ppm in which the original assay is generally higher than the corresponding rig duplicate.

14.16 Coarse Blank and Low-Level Gold Samples

A total of 273 samples (3.8%) containing coarse blank material (< 0.005 ppm Au) or coarse material containing trace levels of gold (< 0.005 to 0.025 ppm Au), were systematically introduced into the sample stream to assess the potential for introducing contamination during sample preparation. The average assay value for the 160 blank samples (samples CO-1 and CO-2) were < 0.005 ppm Au for both samples. Of the 160 blank samples, 6 samples (3.8%) returned gold values of 0.005 to 0.052 ppm. The average value for the 113 trace-level gold material (sample CV-1) was 0.006 ppm Au. Assay values for the 111 trace-level gold material varied from < 0.005 to 0.055 ppm Au. An examination of the expected values for the blank and low-level samples as compared with assay results of the immediately proceeding 3 or 4 samples indicates that no discernable contamination occurred during sample preparation. The six detectable gold values (> 0.005 ppm) from the coarse blank samples might indicate low level contamination or lack of precision at low level determinations.

14.17 Authors Data Verification

As supervising Qualified Person for Coral Gold (2006), the author was primarily responsible for developing, implementing and monitoring the QA/QC program employed by Coral Gold at the Robertson Property. These results verify the adequacy and effectiveness of these QA/QC programs, and justify a high level of confidence in the analytical data generated by Coral Gold that is being used in the evaluation of the Robertson project. It should be noted that although the overall quality of the assay data from the primary lab appears to be good, results reported by the check lab for all samples are, on average, lower than either the initial assay or calculated head grade for the same

sample. This appears to be the result of a systematic low bias introduced during the gold assay process or during the AA determination. In addition, the primary lab reported a number of inconsistent gold determinations for samples at or below the lower limit of detection (0.005 ppm), possibly indicating a lack of analytical precision at lower levels of gold detection.

Figure 1. Primary Lab vs Check assays

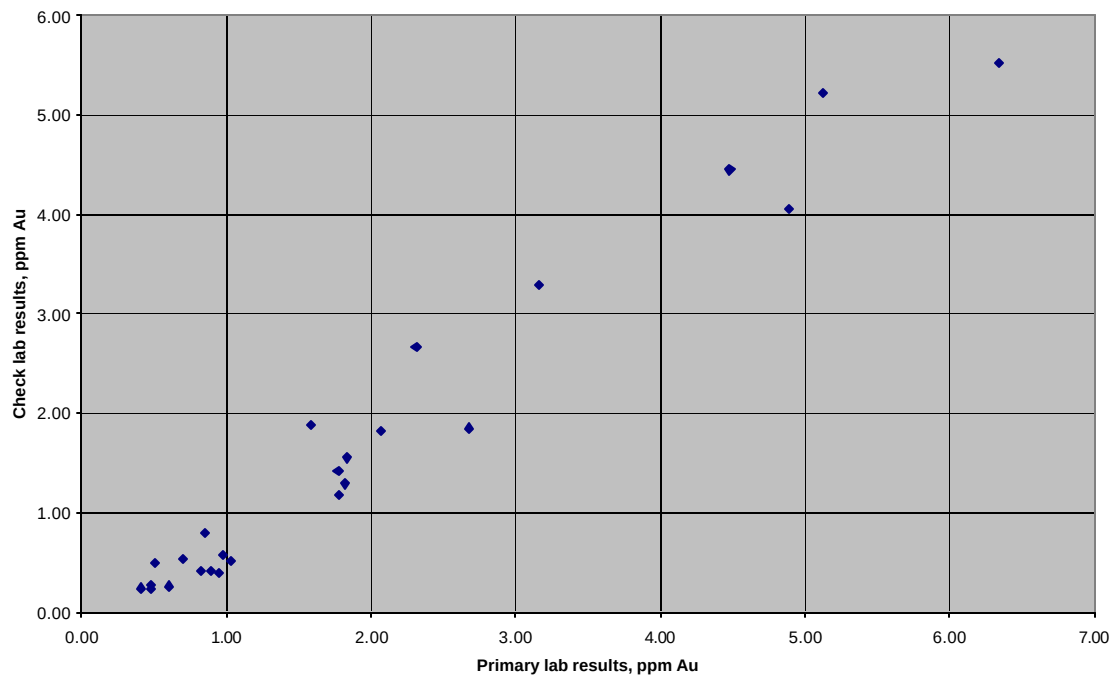


Figure 14.1: Primary Lab vs Check Assays

Figure 2. Initial assay results versus calc CN head grades

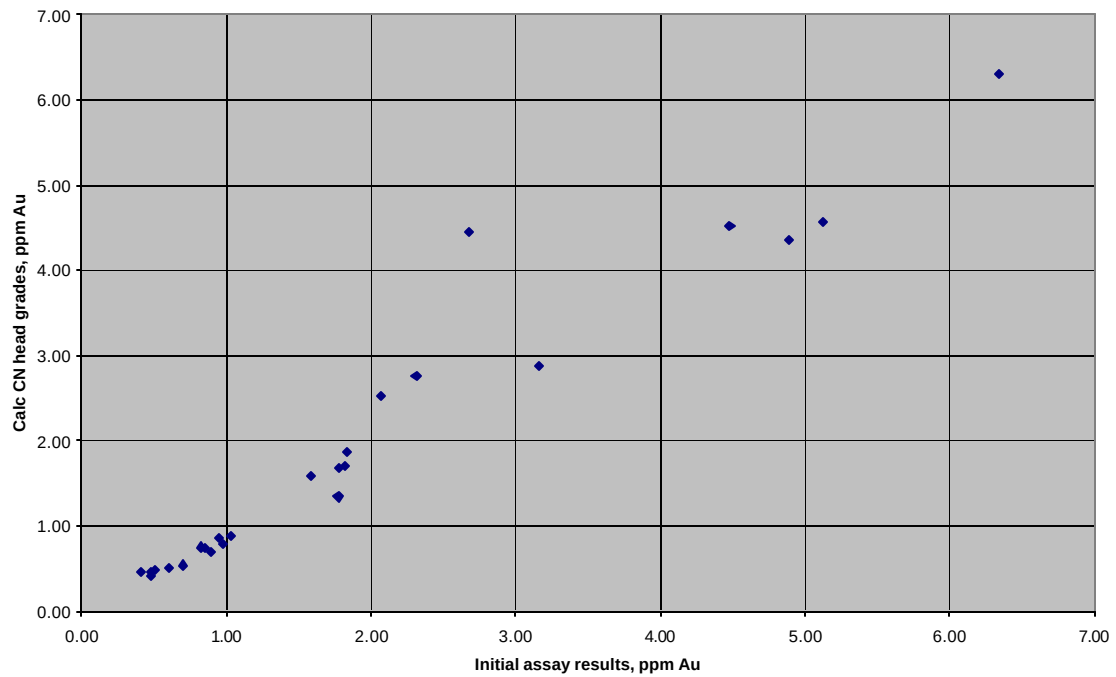


Figure 14.2: Initial Results versus calc CN head Grades

Figure 3. Check assays vs calc CN head grades

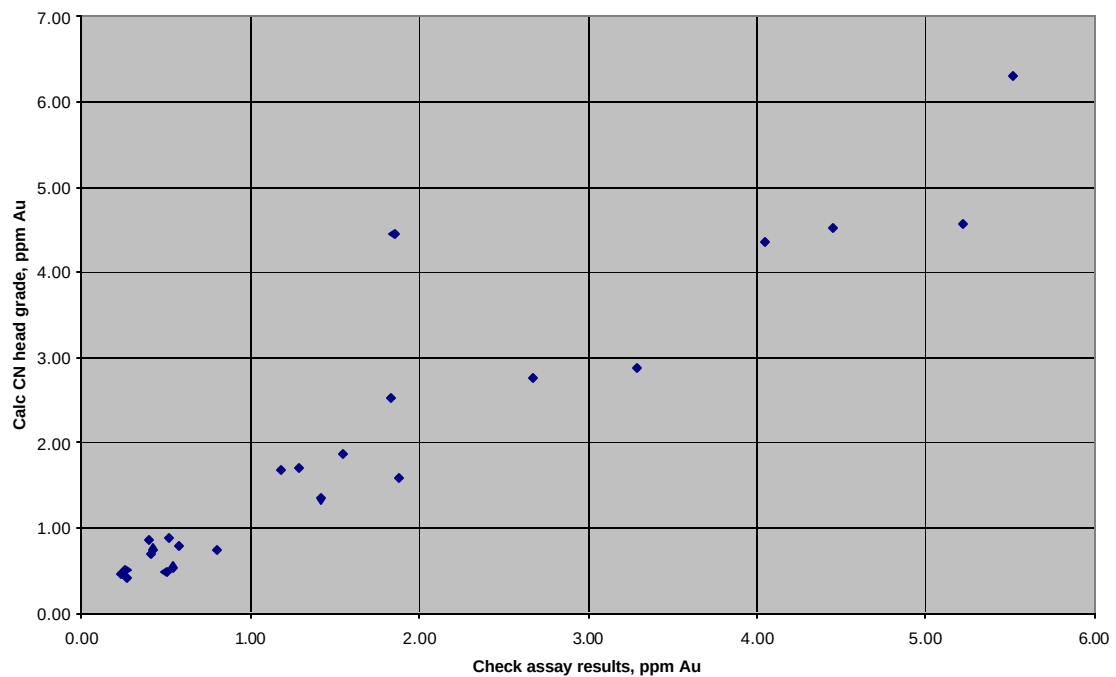


Figure 14.3: Check Assays vs calc Head Grades

Figure 4. Rig duplicate vs original sample <3 ppm Au

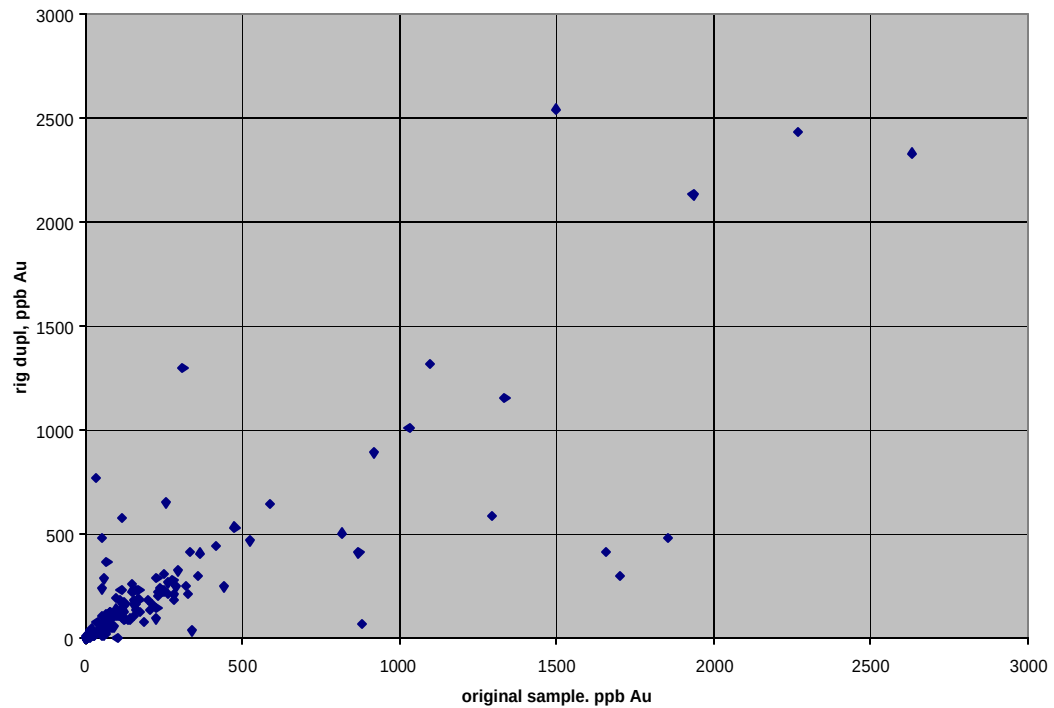


Figure 14.4: Rig Duplicate vs Original Sample <3ppmAu

SECTION 15.0 ADJACENT PROPERTIES

The Robertson Property is completely surrounded by unpatented mining claims owned mostly by the Cortez JV and a few junior companies. Immediately west of the core Robertson claim block are the “Excluded” claims which are subject to a joint venture between Coral and Cortez Gold Mines in which Coral has a 39 percent carried interest. There are no known mineral resources located on the “Excluded” claims. North of the Robertson core claims are a series of scattered and mostly small groups of unpatented claims and private property (part of the Santa Fe Pacific “checkerboard”). Most of these properties are in the early stages of exploration and none have reported mineral resources.

Approximately 4 miles south of the center of the Robertson core claims is the Pipeline/South Pipeline mine complex owned and operated by Cortez Gold Mines, a 60/40 joint venture between Barrick Gold Corporation and Kennecott Minerals. As reported in Barrick’s 2006 annual report, proven and probable reserves are estimated to be 110,411 million tons having an average grade of 0.061 oz Au/t. However, this estimate includes proven and probable reserves from Cortez Hills and Pediment deposits. For the 9 months ending September 30, 2007, Pipeline/South Pipeline mine produced 240,000 ounces of gold from 15,948,000 tons of ore (Barrick, 2007 third quarter mine statistics). Mining is by open pit, while processing is by conventional milling using cyanide and CIL and standard heap leach technology.

The Pipeline/South Pipeline are Carlin-type, sediment hosted gold deposits within the Gold Acres structural window. The gold deposits are hosted by favorable carbonate rocks in the lower plate of the RMTF. Besides favorable lithology, major ore controls include a series of northeast striking fault/fracture zones and a set of stacked, flat-lying shear zones. These deposits are in sharp contrast to the smaller and lower grade hornfels-hosted deposits that are developed at Robertson in the upper plate of the RMTF.

SECTION 16.0 MINERAL PROCESSING AND METALLURGICAL TESTING

16.1 Introduction

The Robertson Property has six mineralized zones or deposits with the following names:

Porphyry

39A

Distal

Altenburg Hill

Gold Pan

Triplet Gulch

And the mined out Tenabo Gold Quartz Deposit.

Of these six deposits, the Porphyry has had the most work performed on it as it was the subject of a feasibility study by Amax Gold in 1994. Its metallurgical characteristics are better defined than the other deposits. Its test program can be classed as detailed while the others are more preliminary in nature. No documentation on the metallurgical characteristics of the Triplet Gulch Deposit was available and it is not known if such work was carried out in the past.

Details of the metallurgical testwork performed on each of these deposits together with the names of the laboratories are provided below and it covers the work done from the late eighties to 2007.

16.2 Gold Quartz Deposit

According to Bob McCusker, the Tenabo Gold Quartz Deposit has been mined out and is on longer relevant to the current evaluation of the Robertson Property but the historical metallurgical testwork and process information have been included for the record of this report as this deposit is close to the Gold Pan Deposit.

In 1981, the Miller-Kappes Company performed 14 cyanide leach tests. Two of the samples were from the Gold Quartz pit. One was taken near the iron stained area of the north rim and the other from a low grade zone from the west end of the pit. The other twelve were from an existing ore heap and were taken by back-hoe trenching.

All samples were crushed to minus 5/8" and a 50lb split was used for testing. Leach solution ranging from 0.3 to 0.9 g/L cyanide and pH 9.5 to 10.7 was slowly dripped from a head tank to a column containing the crushed ore sample. Pregnant solution draining from the column reported to a bottle containing activated carbon to adsorb the leached gold and silver values. The pit samples were leached for 101 days and the ore heap samples for 75 days. Lime and cyanide consumptions averaged 2.7 and 3lb/ton respectively.

Results of the tests are presented in the table 16.1 below:

Table 16.1: Cyanide Leach Tests

	Gold Quartz Pit	Ore Heap	Weighted Average
Feed Grade (oz Au/ton)	0.026	0.050	0.046
Leach Residue (oz Au/ton)	0.004	0.009	0.008
Recovery to day 15		57.5	
Recovery to day 27	83.6		
Final Gold Recovery	87.9	77.3	78.8

In 1986, an additional column test by Kappes Cassidy and Associates using a 50kg of bulk ore sample of Tenabo ore was tested. The sample was crushed to minus 1 inch and placed in a 6 inch diameter column. Height of ore in the column was about 63 inches. Cyanide solution strength of 0.6g/L was dripped into the column for a period of 24 hours. The column was then left dormant for the following 24 hours. This 24 hour leach and rest cycle was maintained for the test duration of 40 days. The collected pregnant solution was passed through a bottle containing activated carbon before being returned to leach. From the calculated head grade of 0.033oz Au/ton, 75.7% was recovered in the first 7 days and 84.8% gold recovered in the 40 day test period. Lime consumption was 2.56lb/ton ore and the cyanide consumption was 1.35lb/ton.

Analysis of the screen fractions of the column feed showed the gold to be concentrated in the minus 1/4 inch fraction which comprised 35% of the weight and 86% of the gold. Recoveries of gold from the various fractions range from 50% in the plus ½ inch to 94% from the minus 65 mesh fraction.

An agitated cyanide leach test was also performed on a sample ground to 100% passing 100mesh. Based on a head grade of 0.036oz Au/ton, the recovery was 94.7% in 24 hours of leach time. It was also reported that solution fouling by soluble copper would be minor.

Reference: Kilborn Engineering (B.C.) Ltd Coral Gold Corp. January 1989 Evaluation Report.

16.3 Porphyry Oxide and Sulfide Resource (from McCusker 2006 NI 43-101 report)

As part of a 1994 feasibility study of the Porphyry Zone resource, Amax conducted detailed metallurgical testing in three phases summarized below. Phase I testing was preformed by AMAX Research and Development in Golden, CO and Phase II and Phase III testing were preformed by McClelland Laboratories of Sparks, NV.

Phase I	Preliminary bottle roll leach tests on 32 composite RC cuttings (assay rejects) at 10 mesh and 80 mesh. Composite samples represent a variety of oxidation states, gold grade and copper content.
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- Phase II Detailed column and bottle roll leach testing on 13 composite samples from PQ-diameter (3.3 inches) core, representing variable gold grade, oxidation state and cyanide soluble copper content. Used crush sizes of 1 1/2 inches and 1/2 inch and grind sizes ranging from 10 mesh, 100 mesh and 200 mesh.
- Phase III Bottle roll testing on 13 composite samples at 1/2 inch and 100 mesh. Composite material is from 3 PQ-diameter core and RC cuttings from a new area within the Porphyry resource.

Phase I

Phase I results indicates gold extractions from thirty 10 mesh samples ranged from 60.9 percent to 96.9 percent. Extractions for the two 80 mesh samples achieved 35.3 percent and 50 percent. A summary of Phase I metallurgical testing is shown in Table 16.2.

Table 16.2: Summary of Phase I Metallurgical Test Results (AMAX R&D,1993)

Sample Description	-----Head Grades-----			Au Extn (%)	Ag Extn (%)	Cu Extn (%)	Consumptions (lbs/ton)	
	Au,opt	Ag,ppm	Cu,,ppm				NaCN	Lime
Oxide (no Cu)	0.028	2.77	971	82.8	33.9	11.5	1.92	1.1
Oxide (with Cu)	0.027	N/A	2,253	83.9	56.7	11.8	3.0	1.1
Part Oxide (no Cu)	0.022	N/A	1,229	82.5	27.4	27.2	3.33	2.1
Sulfide (no Cu)	0.023	1.1	323	77.3	46.7	19.0	2.2	0.4
Sulfide (with Cu)	0.015	1.4	788	69.1	30.1	21.8	3.6	2.4*
High grade	0.263	3.5	1,550	76.3	41.4	36.2	3.6	N/A

*Average of 7 samples, average of 6 samples 0.63 lbs/ton.

Phase II

The purpose of Phase II testing was to obtain data for process design. Core composites were prepared using Amax interval compositing instructions. The 13 composites for columns, bottle roll and crushing tests were prepared by blending, coning and quartering each specified interval. All rejects from the coning and quartering of 1 1/2 inch material were crushed to 80 percent passing 1/2 inch and were blended and split to obtain samples for testing the 10 mesh and finer sizes. A total of 337 intervals of core from five PQ-diameter diamond drill holes were used to develop the composite samples. Results of Phase II are summarized in Table 16.3.

Table 16.3: Summary of Phase II Metallurgical Test Results (McClelland, 1994)

Comp. No.	Calc Head Grade	Oxid. %	CN Sol Cu(lbs/t)	-----Gold Extractions (%)-----					Consumptions(1/2" feed)	
				1 ½ "	½ "	10m	100m	200m	NaCN(lbs/t)	Lime(lbs/t)
1	0.018	100	0.2	56.3	72.2	76.5	89.5	89.5	1.69	4.5
2	0.023	99	0.2	68.2	82.6	75.0	84.0	84.0	1.51	4.3
3	0.017	86	0.2	55.	75.0	73.7	88.9	89.5	1.36	4.5
4	0.028	99	0.4	51.7	N/A	78.3	92.6	93.1	N/A	N/A
5	0.024	58	1.53	38.1	54.5	72.0	92.3	92.0	2.57	5.0
6	0.035	100	1.27	44.8	N/A	81.3	93.9	97.1	N/A	N/A
7	0.031	98	0.3	N/A	72.4	83.3	93.9	93.9	2.92	5.3
8	0.038	89	7.33	36.4	51.2	31.6	26.3	29.7	12.0	111.3
9	0.032	97	2.07	24.1	50.0	53.1	82.1	79.2	3.33	5.2
10	0.017	6	0.4	33.3	53.8	75.0	93.3	93.8	1.58	3.8
11	0.040	0	0.4	N/A	39.1	61.9	86.5	92.3	1.17	2.4
12	0.111	100	0.2	N/A	N/A	68.3	92.6	94.0	N/A	N/A
13	0.119	58	2.20	N/A	N/A	60.0	79.0	80.5	N/A	N/A

Composite head grades were determined by conventional fire assays for gold and silver, triplicate gold metallic screen fire assays, multi-element ICP analysis, sulfur speciation, carbon speciation and cyanide soluble gold and copper shaker tests.

Bottle roll leach tests were conducted on 13 composites using 1 ½ inch, ½ inch, 10 mesh, 100 mesh and 200 mesh material to determine gold, silver and copper extractions and reagent sensitivity to ore feed size. Bottle roll tests were conducted over a period of 96 hours.

Column percolation leach tests were performed on 9 composites at feed sizes of 80 percent passing 1 ½ inch and ½ inch. The ore was charged into 10-ft-high columns with inside diameters ranging from 4 inches to 12 inches. The column leach tests were conducted over a period of 39 days to 53 days.

Results from Phase II testing indicate that gold extractions are highly sensitive to ore crush size. Since recoveries were markedly increased with a finer crush size, Amax chose a nominal ½ inch crush size as the basis for their heap leach process design.

Phase III

The purpose of Phase III testing was to obtain additional data on extensions of the Porphyry resource that were identified after Phase II testing had begun. Because of time constraints imposed by the November 1994 deadline for producing the feasibility study, only bottle roll leach tests were conducted during Phase III. The core intervals were prepared and assayed using the same protocols as were the Phase II samples. A total of 234 intervals from three PQ-diameter diamond drill holes, were made into 13 composite samples at crush sizes of 80 percent passing ½ inch and 80 percent passing 100 mesh. Bottle roll procedures were the same as those used in Phase II and test results are summarized in Table 16.4.

Table 16.4: Summary of Phase III Metallurgical Test Results (McClelland, 1994)

Comp. No.	Calc Head Grade	Oxid. %	CN Sol Cu(lbs/t)	-----Gold Extractions (%)-----					Consumptions(1/2" feed)	
				1 ½ "	½ "	10m	100m	200m	NaCN(lbs/t)	Lime(lbs/t)
14	0.020	100	0.3	N/A	66.7	N/A	83.3	N/A	0.15	7.3
15	0.019	100	0.2	N/A	53.3	N/A	93.8	N/A	0.85	4.1
16	0.025	100	0.2	N/A	72.4	N/A	96.0	N/A	0.28	6.3
17	0.025	91	0.4	N/A	78.3	N/A	96.6	N/A	0.92	9.3
18	0.018	98	0.2	N/A	65.0	N/A	85.7	N/A	0.24	7.6
19	0.034	100	0.2	N/A	51.3	N/A	92.5	N/A	0.90	4.7
20	0.131	100	0.2	N/A	51.7	N/A	93.4	N/A	0.21	10.2
21	0.023	88	0.6	N/A	50.0	N/A	94.7	N/A	0.63	5.9
22	0.800	95	6.0	N/A	41.2	N/A	57.5	N/A	9.12	8.3
23	0.174	50	0.6	N/A	20.9	N/A	30.8	N/A	27.02	109.3
24	0.076	73	1.8	N/A	30.8	N/A	94.0	N/A	2.6	4.3
25	0.038	5	6.0	N/A	43.2	N/A	89.4	N/A	4.97	19.0
26	0.051	8	0.2	N/A	20.0	N/A	92.2	N/A	1.79	4.3

The culmination of the Amax and McClelland metallurgical testwork studies resulted in MRDI proposing a 17000tpd heap leach operation with relocated crushing, screening and conveying equipment from the Sleeper Mine in the feasibility study. Ore was to be crushed to minus ½" and conveyed to the leach pad. The projected gold recovery at this crush size was 67% for both the oxide and sulfide resources. Carbon columns were proposed for treating the gold bearing pregnant solution from the heap and a copper strip using cyanide to remove copper from the loaded carbon was included in the flowsheet.

The resulting loaded carbon after copper removal was then shipped to the Sleeper mine for toll processing of the gold.

Following the Amax feasibility study, there has been no additional drilling or metallurgical testwork on the Porphyry deposit. Optimization of the crush size ie 10 mesh in a column test and other means for dealing with the soluble copper minerals and the resulting high cyanide consumption needs further work. In the Amax feasibility study, the conclusion was made that the tonnage of ore with high soluble content was small compared to the overall tonnage of the mineable ore, hence it was not considered to be a big operating problem for the plant.

16.4 Gold Pan, Altenburg Hill and 39A Resources

In 1996, McClelland Labs of Sparks, NV conducted metallurgical studies on shallow oxide and mixed oxide/sulfide material from the Gold Pan Zone (composites 1-7, 17-19), oxide material from Altenburg Hill Zone (composites 8-11) and ore-grade sulfide material from the 39A Zone (composites 12-16, 20-22). These studies included 40 direct agitation cyanide leach tests (bottle rolls) using various grind sizes on all the samples; 11 bulk sulfide flotation tests on the Gold Pan and the 39A sulfide resource and 5 column percolation leach tests on the Gold Pan and Altenburg Hill samples. Composites samples were prepared and analyzed in the same manner as describe above in Phase II of the Amax study.

Samples for testing consisted of 9 composites (1-9) derived from 135 five-foot-intervals from drill core, 10 composites (10-19) from RC cuttings and 3 composites (20-22) from pulverized drill core assay reject samples. Bulk sulfide flotation tests were conducted on selected composites at a nominal 35 mesh. Results from these tests are summarized in Table 16.5. Direct agitated cyanidation (bottle roll) tests were conducted on all 22 composites at feed sizes of 80% -11/2 “, 80% -1/2”, 80% -35M, 80% -10M and 80-95% -200M. Results of these tests are reported in Table 14.5. Column percolation leach tests were conducted on drill core composites 2, 4, 6, 8, and 9 at a feed size of 80% -1/2”. Results from these tests are summarized in Table 16.7.

As shown in Table 16.5, the selected composites tested generally respond well, except for composite 1, to beneficiation using conventional flotation methods at 35 mesh grind size. Gold recovery in the cleaner concentrates achieved by flotation for the remaining composites at 35 mesh feed size ranged from 74.3 to 88.1 percent. A single flotation test was conducted using –200M feed size resulted in lower gold recovery probably due to the oxidation products formed during grinding prior to flotation. In general the flotation results improved with depth for the Gold Pan and the 39A in fill samples. Flotation was not performed on the Altenburg Hill samples.

Table 16.5: Summary of Bulk Sulfide Flotation Test Results (McClelland, 1996)

Comp. No.	Interval Ft.	Feed Size	-----Cleaner Concentrates-----				Recovery Percent (1)			Concentration Ratio			
			Wt. %	Assay, oz/ton		% Cu	Au	Ag	Cu	Au	Ag	Cu	Wt
1	60-70	35M	1.7	2.263	157.68	6.60	26.1	30.1	8.8	15:1	18:1	5:1	59:1
1	60-70	35M	0.7	1.375	183.39	6.10	7.1	16.7	3.6	10:1	24:1	5:1	143:1
1	60-70	200M	1.3	0.823	76.21	2.83	9.9	16.0	3.1	8:1	12:1	2:1	77:1
3	135-155	35M	1.7	5.691	3.09	2.72	54.9	28.7	22.9	32:1	17:1	14:1	59:1
6	160-200	35M	1.6	0.831	0.98	1.68	77.0	25.5	70.3	49:1	16:1	42:1	62:1
7	200-205	35M	2.1	3.000	0.42	1.49	77.9	18.3	67.8	37:1	8:1	30:1	48:1
13	295-300	35M	6.4	1.326	0.33	0.20	76.5	34.8	54.1	12:1	5:1	10:1	16:1
14	465-550	35M	1.6	3.116	1.44	1.45	74.3	26.0	64.7	46:1	46:1	36:1	62:1
20	545-665	35M	0.6	19.060	4.79	0.62	76.6	45.8	24.9	128:1	80:1	62:1	167:1
21	600-775	35M	2.4	2.725	0.61	0.98	80.0	53.0	62.0	33:1	20:1	25:1	42:1
22	605-665	35M	4.4	6.343	1.06	1.55	88.1	77.0	77.4	20:1	18:1	17:1	23:1

(1) Recovered in the cleaner concentrate.

As summarized in Table 16.6, bottle roll tests conducted on the drill core composite samples (1-9) averaged only 45.0 percent gold recovery using 80 percent –1/2 inch feed size. Crushing these composites to 80 percent –10 mesh improved gold recoveries significantly, averaging 71.2 percent. Also a comparison of composite samples used in the column leach tests with the corresponding –1/2 inch feed bottle roll composites, indicates that the column tests achieved significantly higher gold recoveries than the bottle roll tests (60.8 % vs. 45%). The higher column recoveries were probably on account of the 40 or more days of leach time vs 4 days for the bottle roll tests.

RC cuttings composites (10-19) from the Gold Pan, Altenburg Hill and 39A were amenable to direct agitation cyanidation treatment at the “as received” nominal 10M feed size. Gold recoveries varied from 42.9 to 78.8 percent and averaged 59.9 percent.

Drill core assay reject composite samples (20-22) from the 39A were readily amenable to direct agitated cyanidation treatment at the “as received” approximately 95 percent –35M feed size. Gold recoveries from these samples were 94.7, 91.2 and 93.2 percent, respectively and were only slightly improved by grinding to 80 percent –200M.

Table 16.6 Summary of Bottle Roll Test Results (McClelland, 1996)

Comp. No.	Hole No.	Interval Feet	Feed Size	Au Recov. %	-----oz Au/ton ore-----			Reagent Consump. lb/ton ore	
					Ext'd	Tail	Calc. Head	NaCN	Lime
1	CAT-60	60-70	½"	40.1	0.059	0.088	0.147	10.02	19.6
1	CAT-60	60-70	10M	45.2	0.061	0.078	0.135	11.71	22.2
2	CAT-60	80-135	1 ½"	70.6	0.012	0.005	0.017	0.47	5.2
2	CAT-60	80-135	½"	78.9	0.015	0.004	0.019	0.40	8.1
2	CAT-60	80-135	10M	83.3	0.015	0.003	0.018	0.53	10.0
3	CAT-60	135-155	1 ½"	52.1	0.061	0.056	0.117	.35	38.8
3	CAT-60	135-155	½"	48.5	0.065	0.069	0.134	5.93	30.4
3	CAT-60	135-155	10M	70.3	0.116	0.049	0.165	12.28	73.8
4	CAT-60	180-235	1 ½"	33.3	0.006	0.012	0.018	0.30	3.1
4	CAT-60	180-235	½"	30.4	0.007	0.016	0.023	0.15	4.0
4	CAT-60	180-235	10M	64.3	0.018	0.010	0.028	1.02	4.8
5	CAT-61	130-140	½"	46.7	0.014	0.016	0.030	8.19	52.7
5	CAT-61	130-140	10M	39.6	0.019	0.029	0.048	7.64	45.9
6	CAT-61	160-200	1 ½"	59.1	0.013	0.009	0.022	0.99	4.6
6	CAT-61	160-200	½"	56.3	0.009	0.007	0.016	0.57	4.8
6	CAT-61	160-200	10M	76.0	0.019	0.006	0.025	1.94	6.6
7	CAT-61	205-210	½"	35.4	0.067	0.112	0.189	0.29	3.6
7	CAT-61	205-210	10M	75.7	0.131	0.042	0.173	0.87	4.5
8	CAT-62	0-35	1 ½"	39.3	0.011	0.017	0.028	0.16	4.9
8	CAT-62	0-35	½"	37.5	0.009	0.015	0.024	0.25	5.4
8	CAT-62	0-35	10M	63.3	0.019	0.011	0.030	0.05	4.7
9	CAT-62	35-110	1 ½"	20.7	0.006	0.023	0.029	0.15	3.0
9	CAT-62	35-110	½"	31.3	0.005	0.011	0.016	0.26	2.7
9	CAT-62	35-110	10M	70.0	0.021	0.009	0.030	0.01	3.2
10	AT-289*	15-85	10M	60.9	0.014	0.009	0.023	0.19	4.9
11	AT-289*	85-155	10M	61.1	0.011	0.007	0.018	0.01	4.9
12	AT-302*	295-300	10M	78.8	0.078	0.021	0.099	0.61	5.0
13	AT-302*	395-405	10M	46.9	0.043	0.049	0.092	0.41	3.7
14	AT-302*	465-550	10M	62.7	0.059	0.035	0.094	0.31	3.0
15	AT-302*	575-640	10M	52.3	0.023	0.021	0.044	0.15	2.9
16	AT-302*	640-650	10M	42.9	0.024	0.032	0.056	0.38	3.0
17	AT-335*	65-90	10M	68.8	0.011	0.005	0.016	0.61	12.4
18	AT-335*	140-165	10M	53.8	0.043	0.037	0.080	2.38	12.0
19	AT-335*	165-265	10M	70.8	0.017	0.007	0.024	0.95	6.2
20	CAT-58**	545-665	35M	94.7	0.270	0.015	0.285	0.18	2.0
20	CAT-58	545-665	35M	94.2	0.131	0.008	0.139	0.01	3.7
21	CAT-59**	600-775	35M	91.2	0.135	0.013	0.148	2.69	5.4
21	CAT-59	600-775	200M	92.6	0.126	0.010	0.136	2.89	5.3
22	CAT-59*	605-665	35M	93.2	0.440	0.032	0.472	2.51	5.2
22	CAT-59	605-665	200M	95.5	0.321	0.015	0.336	2.20	4.1

Leach time for all bottle roll tests 4 days.

* Feed size as received drill cuttings nominally 35M.

** Feed size 95% -35M.

As summarized in Table 16.7, composite 1 was readily amenable to simulated heap leach cyanidation treatment at 80 percent –1/2 inch feed size, achieving 84.3 percent gold

recovery in 40 days. Composite samples 6, 8, and 9 were moderately amenable to heap leach treatment at 80 percent –1/2 inch feed size. Gold recoveries from those composites were 65.0, 53.8, and 60.0, respectively. Longer leaching cycles are likely to improve gold recoveries slightly. Cyanide consumptions were generally low and lime added to ore charges prior to leaching was sufficient to maintain protective alkalinity. The column tests were performed on the Gold Pan and the Altenburg Hill samples only.

Table 16.7: Summary of Column Leach Test Results (McClelland, 1996)

Comp. No.	Hole No.	Interval Feet	Feed Size	Leach Time days	Au Recov. %	-----oz Au/ton ore-----			Reagent Consump. Lb/ton ore	
						Ext'd	Tail	Calc. Head	NaCN	Lime
1	CAT-60	80-135	-1/2"	40	84.2	0.016	0.003	0.019	0.52	6.5
4	CAT-60	180-235	-1/2"	40	40.9	0.009	0.013	0.022	0.71	3.5
6	CAT-61	160-200	-1/2"	44	65.0	0.013	0.007	0.020	1.02	4.0
8	CAT-62	0-35	-1/2"	41	53.8	0.014	0.012	0.026	0.75	4.5
9	CAT-62	35-110	-1/2"	43	60.0	0.012	0.008	0.020	0.66	2.5

16.5 Leach Tests Results

Results from the cyanide leach tests carried out by Amax (1993-94) indicate that oxidation and cyanide soluble copper content are the most important geological variables affecting process operating costs. Generally, greater oxidation of ore-grade material results in a higher gold extraction. The cyanide soluble copper content (average 185 ppm) does not present gold recovery problems, but does slow the rate of gold extraction and results in higher reagent consumption. From the process side, gold extractions are highly influenced by crush size. For the purposes of process scoping studies used in the 1994 Feasibility Study, a nominal ½ inch crush size, 1.1 pounds/ton of NaCN and 3.0 pounds/ton of lime were used to design optimal heap leach recovery. Heap recoveries were estimated to be 72 percent for oxide ore, 67 percent for mixed oxide ore, and 60 percent for sulfide ore, with an overall recovery estimated to be 67 percent.

Results from preliminary metallurgical testing carried out on behalf of Amax (1996) on drill samples from the Gold Pan, Altenburg Hill and the 39A Zone mineral resources indicate that most of the composite samples tested respond well to bulk sulfide flotation at 35 mesh and direct agitation cyanide leach tests at 10M feed size. In addition, four of the five composite samples used in the column leach tests are amenable to heap leaching at 80 percent –1/2 inch. Three of 10 composite samples from CAT-60 drilled in the Gold Pan Zone respond poorly to direct agitation at all feed sizes suggesting possible encapsulation and (or) mineralogical problems. Similar results were returned from CAT-

62 drilled on the far west edge of the Altenburg Hill resource. The poor results returned from these two holes negatively impacted the overall metallurgical studies. It should also be noted that 63 percent of all 1996 metallurgical tests were on composite samples from only three core holes, CAT-60 through CAT-62. These holes are unlikely to be representative of the mineral resources from which they were obtained and results should be viewed as very preliminary in nature.

16.6 Distal, 39A and Altenburg Hill

The 2007 laboratory metallurgical test program was also conducted by McClelland Labs of Sparks, Nevada. This program was started in late 2006 and completed in 2007.

The samples tested were assay rejects from the 2006 RC drill cuttings. The 2006 exploration program focused on the 39A, Distal and Altenburg Hill deposits.

The 39A composites tested consisted of high and low grade composites. The low grade composites were further broken down into shallow near surface mineralization and deep low grade mineralization.

The Distal composites were considered deep while the Altenburg Hill composites shallow for the laboratory testing methods.

The shallow composites were tested for heap leach amenability while the deep for whole ore milling followed by cyanidation and whole ore milling followed by flotation. For the high grade composites, gravity was included in the test procedure in addition to whole ore milling and flotation.

In total, 25 RC drill cuttings composites were tested. There were 5 high grade samples (designated HG1 to 5), 2 low grade shallow (LG1 and LG2) and 4 low grade deep (LG3, 5, 6 and 7) from the 39A; 5 from the Distal and 9 from the Altenburg Hill deposits.

16.6.1 Sample Selection and Composite Make-up Information,

The sample selection and composite make up was based on processing criteria. For the shallow near surface deposits, the preferred process specification for testing was its amenability to heap leaching while for the deeper mineralized zones, testing was focused on whole ore treatment.

The mineralized zones were identified from the drill logs and if the grade and location from surface were of interest for testwork, the drill hole and intercepts were noted for those sample intervals to be set aside for metallurgical testing. In total there were 25 composites selected for this program. The composite make-up information together with the drill hole numbers, the lab received weights and the sample preparation procedure are provided in McClelland 2007 report. The drill intercepts used can be found in the drill logs and assay report.

A composite from Hole CR-06-26 was selected as an extra for testing as it represented the northern-most hole in the 39A zone to return interesting grade material.

Another composite from Drill Hole CR-06-09 was proposed for testing but the wrong sample numbers were shipped. Hence testing of this composite was omitted from this program.

16.6.2 Laboratory Test Conditions

16.6.2.1 Gravity Procedure

This procedure was used on the five high grade composites only. Each sample (10 kg) was stage ground, using a lab ball mill to 80%-75µm in size. Each milled sample was subjected to gravity concentration by passing once through a Knelson (KC-MD3) concentrator. The resulting gravity rougher concentrate was cleaned once by hand panning to produce a gravity cleaner concentrate and gravity cleaner tailings. The gravity cleaner concentrate was dried, weighed and assayed to determine gold content. The gravity cleaner tailings and the gravity rougher tailings were each dried and weighed, and the tailings weight distributions were calculated. Each of the gravity cleaner tailings samples and the gravity rougher tailings samples were blended and split to obtain properly weighted samples for reconstituting a 2.5kg recombined gravity tailings sample for flotation testing. The splits from each sample were recombined, and used as feed for a batch flotation test.

16.6.2.2 Bulk Sulfide Flotation Test Procedures and Conditions

The bulk sulphide flotation test procedure was used on the recombined gravity tailings and on splits of whole ore from the 39A deep composites and the Distal composites. The whole ore samples were staged ground to 80% -75 microns in a laboratory steel ball mill while the recombined gravity tailings were subjected to a polishing grind of 2 minutes in a lab steel mill.

Flotation was conducted using a Denver laboratory scale flotation unit at 1200rpm. The ground pulp was slurried with water to achieve 30 weight percent solids and conditioned for 10 minutes with 0.25kg/t CuSO₄. Flotation was conducted in 5 stages with incremental additions of 0.005kg/t of each PAX, Aero 208 and 3477 promoters. Total addition of each reagent was 0.025kg/t ore. Aerofroth 65 was used as a frother. The pulp was floated at natural pH. The 5 stages of concentrate were combined into a rougher concentrate. The rougher concentrate was cleaned once to produce a cleaner concentrate and cleaner tail. No additional reagents were added during cleaner flotation. The two float products were dried, weighed and assayed to determine precious metal content. The rougher tails were dried, weighed and assayed directly in triplicate to determine residual precious metal content.

16.6.2.3 Direct Agitated Cyanidation Test Procedures and Conditions

Direct agitated cyanidation (bottle roll) tests were conducted on all 25 composites to determine gold recovery, recovery rate and reagent requirements. Tests were conducted on the 39A low grade shallow composites (LG1 and LG2) and on all nine Altenburg Hill composites at the received (nominal 1.7mm) feed size to determine amenability to heap leach cyanidation treatment. Tests were conducted on the 39A high grade composites, 39A low grade deep composites and the Distal composites at an 80% - 75 micron feed size to determine amenability to milling/cyanidation treatment.

The 75 micron feeds were stage ground using laboratory steel ball mills. Ore charges were mixed with water, or settled in grinding water, to achieve 40 weight percent solids. Natural pulp pHs were measured. High calcium hydrated lime was added to adjust the pH of the pulps to 11.0 before adding the cyanide. Sodium cyanide, equivalent to 1.0g NaCN/L of solution was added to the alkaline pulps.

Leaching was conducted by rolling the pulps in bottles on the laboratory rolls for either 96 hours (as-rec'd feeds) or 72 hours (75 micron feeds). Rolling of the as-received slurries was suspended briefly after 2, 6, 24, 48, and 72 hours to allow the pulps to settle so samples of pregnant solution could be taken for gold and silver analysis by AA methods. Pregnant solution volumes were measured and sampled. Cyanide concentration and pH were determined for each pregnant solution. Make-up water, equivalent to that withdrawn, was added to the pulps. Cyanide concentrations were restored to initial levels. Lime was added, when necessary, to maintain the leaching pH at between 10.8 and 11.2. Rolling was then resumed.

Leaching procedures for the 75 micron feeds were essentially the same, except that a 12 hour sampling interval was added and the 96 hour sampling interval was deleted. Slurry dissolved oxygen levels were also measured at each sampling interval. Measured D.O. levels generally were above 6.0 mg/L, and never were lower than 4.0 mg/L.

After 72 or 96 hours, the pulps were filtered to separate liquids and solids. Final pregnant solution volumes were measured and sampled for gold and silver analysis. Final pH and cyanide concentrations were determined. Leached residues were washed, dried, weighed, and assayed in triplicate to determine residual precious metal content.

16.6.3 Results

16.6.3.1 Gravity/ Flotation Results

Summary results of the gravity and flotation results are presented in Table 16.8:

Table 16.8: Summary Metallurgical Results, Gravity and Flotation Tests, 80%-75um Feed Size

Composite	Weight Distribution %				Gravity Cl Conc	Assays, gAu/mt			Calc'd Head	Gravity Cl Conc	Au Distribution %			
	Gravity Cl Conc	Flotation Cl Conc	Cl Tail	Ro Tail		Flotation					Cl Conc	Cl Conc	Cl Tail	Ro Tail
						Cl Conc	Cl Tail	Ro Tail						
HG1 Comp	0.25	2.02	2.73	95	1087	60	4.15	0.2	4.23	64.3	28.5	2.7	4.5	
HG2 Comp	0.16	0.91	2.86	96.07	1529	68	14.7	0.13	3.61	67.7	17.2	11.6	3.5	
HG3 Comp	0.16	0.59	2.36	96.89	905	133	0.66	0.14	2.38	60.8	32.8	0.7	5.7	
HG4 Comp	0.22	2.2	2.18	95.4	1135	80	0.6	0.2	4.47	55.9	39.5	0.3	4.3	
HG5 Comp	0.33	4.63	1.74	93.33	562	49	8.67	0.42	4.48	37.7	50.2	3.4	8.7	
LG3 Comp	n/a	1.8	3.7	94.5	n/a	49	1.83	0.12	1.06	n/a	82.9	6.4	10.6	
LG5 Comp	n/a	3	6.2	90.8	n/a	18	1.38	0.08	0.71	n/a	77.8	12.1	10.5	
LG6 Comp	n/a	1.7	2	96.3	n/a	123	10.83	0.14	2.44	n/a	85.6	8.9	5.5	
LG7 Comp	n/a	1.2	2.9	95.9	n/a	144	7.12	0.08	2.01	n/a	85.9	10.3	3.8	
Distal Comp CR06-16	n/a	2.9	5.8	91.3	n/a	41	1.01	0.17	1.41	n/a	84.8	4.2	11	
Distal Comp CR06-17	n/a	6.1	5.7	88.2	n/a	11	1.23	0.12	0.82	n/a	78.6	8.5	12.9	
Distal Comp CR06-18	n/a	4.4	5	90.6	n/a	53	0.99	0.21	2.58	n/a	90.7	1.9	7.4	
Distal Comp CR06-20	n/a	6.4	6.8	86.8	n/a	29	0.58	0.33	2.2	n/a	85.2	1.8	13	
Distal Comp CR06-20	n/a	4.2	3	92.8	n/a	42	1.06	0.11	1.88	n/a	92.9	1.7	5.4	

The five high grade composites from 39A responded very well to whole ore gravity concentration followed by flotation at a grind size of 80% passing 75 microns. Gold recovery by gravity after cleaning ranged from 38 to 68% and the combined gravity/flotation recovery ranged from 91 to 96%.

Gold values reporting to the flotation rougher concentrate represented between 29% and 54% (additional to gravity recoveries) of gold values contained in the ore.

Gravity cleaner concentrates ranged from 562 - 1,529 gAu/t (16 - 45 ozAu/ton). Flotation cleaner concentrate grades ranged from 49 - 133 gAu/t (1.4 - 3.9 ozAu/ton). Flotation rougher (final) tail grades ranged from 0.13 to 0.42 gAu/t.

Gravity cleaner concentrate weights ranged from 0.16% to 0.30% of the ore weight. Flotation cleaner concentrate weights ranged from 0.59% to 4.63% of the ore weight. Flotation cleaner tails ranged from 1.7% to 2.8%. Combined concentrate weights ranged from 3.9% to 6.7% of the ore weight.

The low grade deep composites from the 39A and Distal deposits also responded well to whole ore milling with bulk sulfide flotation treatment at a grind size of 80% passing 75 microns.

The four from 39A provided rougher concentrate grades between 7 and 62 g Au/t with 3.7% to 9.2% of the feed weight and represented gold recoveries of between 89.4% and 96.0%. The five from Distal provided similar results with mass recoveries to the rougher flotation concentrate of 7.2% to 13.2%, assayed between 6 and 25g Au/t and represented gold recoveries of between 87% and 95%. Flotation cleaner concentrate grades ranged from 11 to 53g Au/t.

16.6.3.2 Cyanidation Bottle Roll Results

These results are summarized and presented in Table 16.9:

Table 16.9: Summary Metallurgical Results - Bottle Roll Tests

Composite	Feed Size	Au Recovery %	Extracted	Tail	Calc'd Head	Assayed Head	NaCN Cons.	Lime Added
39A HG1 Comp	P8075um	98.7	6.22	0.08	6.3	5.47	0.08	0.9
39A HG2 Comp	P8075um	98.7	4.46	0.06	4.52	4.38	0.15	1
39A HG3 Comp	P8075um	97.9	2.81	0.06	2.87	3.17	0.12	1
39A HG4 Comp	P8075um	98.4	4.28	0.07	4.35	4.11	0.39	1
39A HG5 Comp	P8075um	97.4	4.45	0.12	4.57	5.09	0.31	1.2
39A LG1 Comp	As Rec'd (1.7mm)	93	0.8	0.06	0.86	0.4	<0.07	1.6
39A LG2 Comp	As Rec'd (1.7mm)	91.8	0.67	0.06	0.73	0.8	0.08	2.2
39A LG3 Comp	P8075um	96.3	1.29	0.05	1.34	1.41	0.15	1.9
39A LG5 Comp	P8075um	92.6	0.5	0.04	0.54	0.54	0.08	1.3
39A LG6 Comp	P8075um	97.8	2.7	0.06	2.76	2.67	0.18	1.3
39A LG7 Comp	P8075um	97.8	1.82	0.04	1.86	1.55	0.1	1.1
Distal Comp CR06-16	P8075um	78.9	1.38	0.37	1.75	1.29	0.37	3.2
Distal Comp CR06-17	P8075um	76.9	0.6	0.18	0.78	0.58	0.65	2.8
Distal Comp CR06-18	P8075um	93.7	4.17	0.28	4.45	1.85	0.51	2.6
Distal Comp CR06-18	P8075um	91.6	4.38	0.4	4.78	1.85	0.38	2
Distal Comp CR06-20	P8075um	87.7	2.22	0.31	2.53	1.83	0.39	2.3
Distal Comp CR06-26	P8075um	92.5	1.47	0.12	1.59	1.88	0.46	2
Altenburg Hill Comp CR 06-30	As Rec'd (1.7mm)	76.4	0.68	0.21	0.89	0.52	0.26	2.1
Altenburg Hill Comp CR 06-34	As Rec'd (1.7mm)	60.8	0.31	0.2	0.51	0.26	0.3	1.9
Altenburg Hill Comp CR 06-35	As Rec'd (1.7mm)	73.3	0.33	0.12	0.45	0.23	0.15	2.1
Altenburg Hill Comp CR 06-36	As Rec'd (1.7mm)	68.8	0.33	0.15	0.48	0.5	0.08	1.8
Altenburg Hill Comp CR 06-37	As Rec'd (1.7mm)	66.7	0.5	0.25	0.75	0.42	0.23	1.8
Altenburg Hill Comp CR 06-38	As Rec'd (1.7mm)	70.7	0.29	0.12	0.41	0.27	0.21	1.9
Altenburg Hill Comp CR 06-39	As Rec'd (1.7mm)	58.9	0.99	0.69	1.68	1.18	0.1	1.7
Altenburg Hill Comp CR 06-40	As Rec'd (1.7mm)	73.9	0.51	0.18	0.69	0.41	0.23	1.8
Altenburg Hill Comp CR 06-41	As Rec'd (1.7mm)	54.3	0.25	0.21	0.46	0.24	0.15	2.3

The 39A high grade composites were readily amenable to whole ore milling followed by cyanidation at a grind of 80% passing 75 microns. Gold recoveries ranged from 97% to 99% in 72 hours of leaching. Gold recovery rates were rapid and extraction was substantially complete in 24 hours. Reagent requirements were low. These results are comparable to the 1996 met test results from two core holes drilled in the 39A Zone. Head assay results showed that all the high grade composites contained less than 7gAg/t ore.

The 39A low grade deep composites also responded favourably to whole ore milling followed by cyanidation at a grind of 80% passing 75 microns. Gold recoveries ranged from 93% to 98% in 72 hours of leaching. The behaviour of these composites is similar to the high grade composites where gold recovery rates were rapid and extraction was substantially complete in 24 hours. The reagent requirements were also low and there was good agreement between the calculated and the assayed head assays.

The 39A near surface composites were readily amenable to direct cyanidation treatment on the as received (approx. 1.7mm) feed size. Gold recoveries for LG-1 and LG-2 were 93% and 92% respectively in 96 hours of leaching. Gold recovery rates were rapid and the reagent requirements were low.

The Altenburg Hill composites also responded favourably to direct cyanidation treatment on the approximately 1.7mm feed size but the gold recoveries were lower than the 39A low grade composites. They ranged from 54% to 76%, and averaged 67% in 96 hours of leaching based on the calculated head. Gold recovery rates were moderate and a longer leaching cycle would improve recoveries. Reagent requirements were low. These results are similar to those obtained in 1996 met test results on the core and RC samples at the test size of 10mesh.

The Distal composites varied in their response to whole ore milling followed by cyanidation treatment at an 80% passing 75 microns feed size. Gold recoveries ranged from 77% to 94%, and averaged 87%, in 72 hours of leaching. Gold recovery rates were rapid, and extraction was substantially complete after 24 hours. Reagent requirements were low but were higher than for the 39A composites.

16.7 Conclusions and Discussion of Results

Metallurgical testwork completed to date suggests that the Porphyry, Altenburg Hill and the near surface deposits of the Gold Pan and 39A deposits are amenable to heap leach treatment. Optimization of the crush size would be required in future programs together with a column test on an overall or representative composite once the optimum crush size has been defined and selected.

No soluble copper problems were noted or identified in the 2007 test program as most reagent requirements in the cyanidation series of tests were low. The work suggests the

Altenburg Hill and the 39A mineralized zones may not have as much soluble copper content as the Porphyry.

There are more processing options available for the deeper deposits of 39A and Distal. In addition to whole ore cyanidation where the best gold recoveries were achieved, these deposits are also amenable to flotation as well. Should the process selection lean towards heap leaching for the treatment of these two deep deposits, then there is the need to optimize the crush size in future test programs.

The 1996 test program on the Gold Pan deposit suggests that flotation is a viable process option for this deposit at depth with an increase in sulphide content. Further flotation work would be required for this deposit and the zone of oxidation from the sulphides better defined for the selection of test composites.

There were several unusual observations noted when testing the Distal composites. Composite CR-06-18 used in the bottle roll cyanidation test had to be repeated due to an unusually high calculated head grade when compared to the assayed head grade and the calculated head grade from the flotation test. This test was repeated and provided a similar result with poor head assay agreement.

Composite CR-06-16 had a very high silver head assay of 8g Ag/t compared to the other Distal composites of less than 5g Ag/t. This abnormality was noted when the solution assays from the bottle roll tests were reviewed and compared to the other pregnant solution assays.

These two occurrences on the Distal composites suggests that there may be coarse gold and native silver in this deposit. In addition, the reagent requirements for the Distal were slightly higher than for the 39A. Mineralogy on the Distal is therefore highly recommended in any future test program and comparison should be made with those of 39A as these are deep deposits.

On the Altenburg Hill bottle roll cyanidation tests, the calculated heads in general were higher than the assayed heads. It is not known if this is a lab procedure issue or an assaying issue. Confirmatory testing for this series of tests would be recommended together with the longer leach time.

The flotation recoveries in general were slightly lower than the whole ore cyanidation results for the deep composites tested. Since the flotation tests were performed on RC drill cuttings, these flotation results could be slightly bias to the low side on account of surface oxidation of the sulphides. Confirmatory flotation tests with core drilling are better and should be considered in future test programs.

There is no documentation or reports on the metallurgical characteristics of the Triplet Gulch Deposit. Any future test program should include some preliminary work should this deposit become of interest for development.

SECTION 17.0 MINERAL RESOURCE ESTIMATES

17.1 Introduction

The following sections detail the methods, processes and strategies employed in creating the resource estimate for the Robertson Deposit. Table 17.1 lists some conventions and abbreviations that are encountered throughout the resource estimation section of this report.

Table 17.1: Report Conventions and Abbreviations

Abbreviation	Description
<i>Au</i>	Gold
<i>Au opt</i>	Ounce per Ton Gold
<i>% or pct.</i>	Percent
<i>M</i>	Meters
<i>QA/QC</i>	Quality Assurance / Quality Control
<i>X, Y, Z</i>	Cartesian Coordinates, also “Easting”, “Northing”, and “Elevation”
<i>DDH</i>	Diamond Drill Holes.
<i>N, S, E, W</i>	Cardinal points, North, South, East, and West, respectively, and combinations thereof.
<i>CV</i>	Coefficient of Variation.
<i>Coral</i>	Coral Gold Resources Ltd.

Data Evaluation

A total of 1,204 drillholes were supplied for the Robertson Property in Lander County, Nevada which are the combined drillholes for the Gold Pan, 39A, Porphyry, Altenburg Hill and Lower Triplet Gulch zones in addition to areas that have drilling but lie outside the main areas of interest. The drillholes within the database included collars, downhole surveys, assays, and lithology.

Mr. Kirkham did not perform a site visit but did view all available drill logs and assay certificates.

The drillhole database (US Imperial) was delivered in electronic format which was supplied by Coral. This included collars, downhole surveys, lithology data and assay data (i.e. Au opt) with downhole from and to intervals in imperial units. It should be noted that some surface data was supplied in metric units and then converted to imperial. It is considered that this conversion has been done correctly and the author has verified that the data is valid with respect to location.

Simple statistics for the assay data are shown below in Table 17.2 and 17.3, which shows statistics for gold assays weighted and unweighted by assay interval, respectively.

Table 17.2: Statistics for Gold Assays for the Robertson Deposit UnWeighted

	Count	Maximum	Mean	Std. Devn.	Co. of Variation
Gold Pan	24,760	2.886	0.009	0.033	3.896
39A	12,703	1.524	0.013	0.048	3.580
Porphyry	22,463	0.959	0.011	0.026	2.403
Altenburg Hill	6,562	0.847	0.007	0.020	2.711
Distal	1,982	0.439	0.009	0.032	3.398
Triplet Gulch	12,991	2.000	0.003	0.022	6.690
Outside	9,660	1.006	0.004	0.024	5.634
All	91,121	2.886	0.009	0.031	3.672

**Table 17.3: Statistics for Gold Assays for the Robertson Deposit
Weighted by Assay Interval**

	Feet	Maximum	Mean	Std. Devn.	Co. of Variation
Gold Pan	132,113	2.886	0.009	0.033	3.797
39A	69,735	1.524	0.013	0.046	3.639
Porphyry	108,980	0.959	0.011	0.026	2.412
Altenburg Hill	33,844	0.847	0.007	0.020	2.749
Distal	11,134	0.439	0.009	0.031	3.305
Triplet Gulch	70,160	2.000	0.003	0.022	6.424
Outside	56,792	1.006	0.004	0.023	5.895
All	482,758	2.886	0.008	0.031	3.695

The assay Au database (91,121 Au values) shows that gold distributions are very well behaved (in comparison with other deposits), still with a some samples in each case representing a outlier populations. The mean overall for Au grade (weighted by sample length) is 0.008 opt with standard deviation of 0.031. However, within the individual zones the mean grade is 0.009, 0.013, 0.011, 0.007, 0.009 and 0.003 opt for the Gold Pan, 39A, Porphyry, Altenburg Hill, Distal and Triplet Gulch areas, respectively. In addition, the assays that lay outside these specific areas are listed with the average grade being 0.004 opt.

Gold assays have a relatively high coefficient of variation (CV) of 3.797, 3.639, 2.412, 2.749, 3.305, 6.424, respectively (weighted by sample length in Table 17.3). This indicates a relatively modest scatter of the raw data values. The coefficient of variation is defined as $CV=s/m$ (standard deviation/mean), and represents a measure of variability that is unit-independent. This is a variability index that can be used to compare different and unrelated distributions.

Figure 17.1 shows the histogram weighted by assay interval length, of all Au assays along with the corresponding probability plots in Figures 17.2 and Figure 17.3. The histograms and cumulative probability plots shows that the assay data all demonstrate log normal distributions. Figure 17.5 and 17.6 shows a plan and long section views of the drillholes.

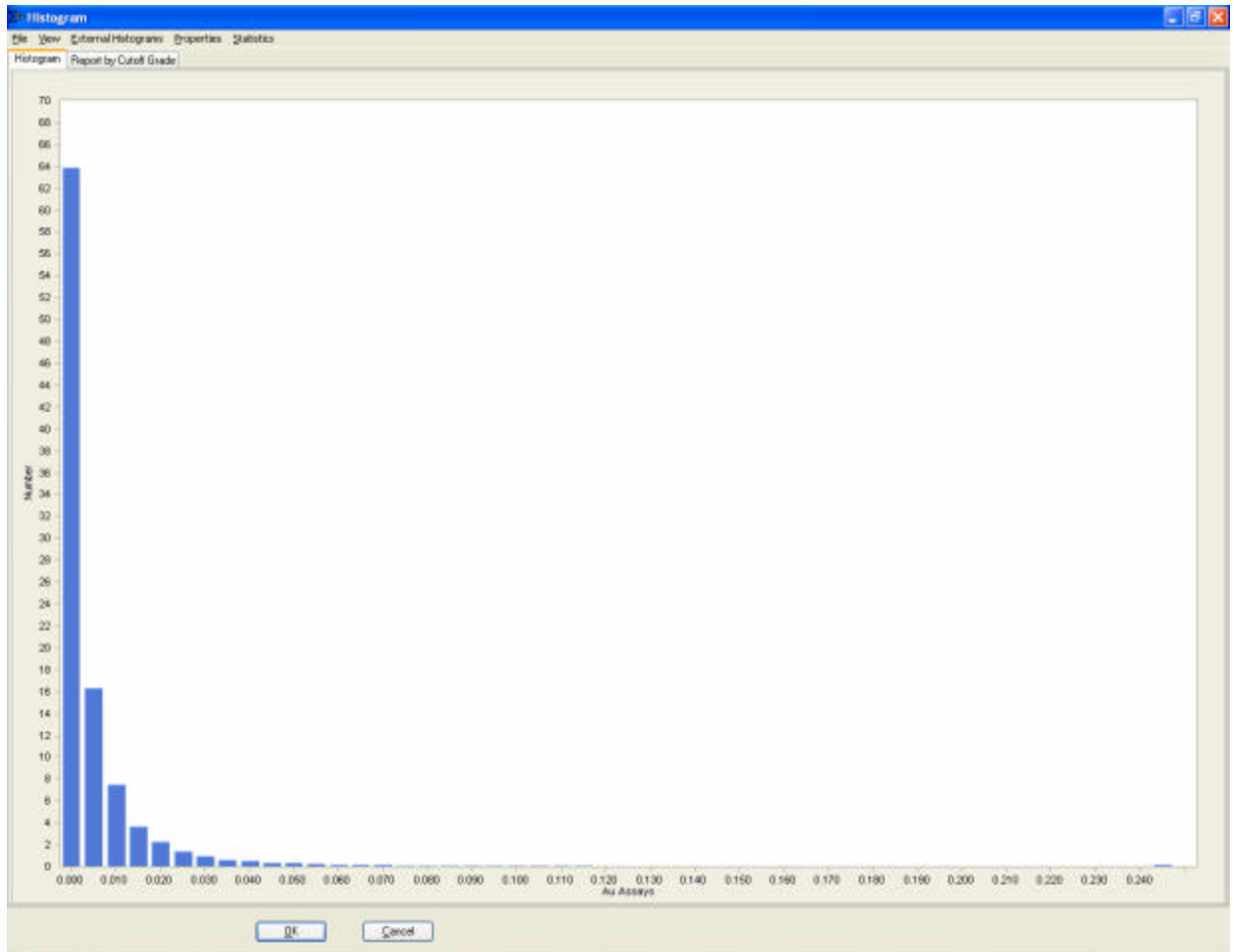


Figure 17.1: Au Assays Weighted

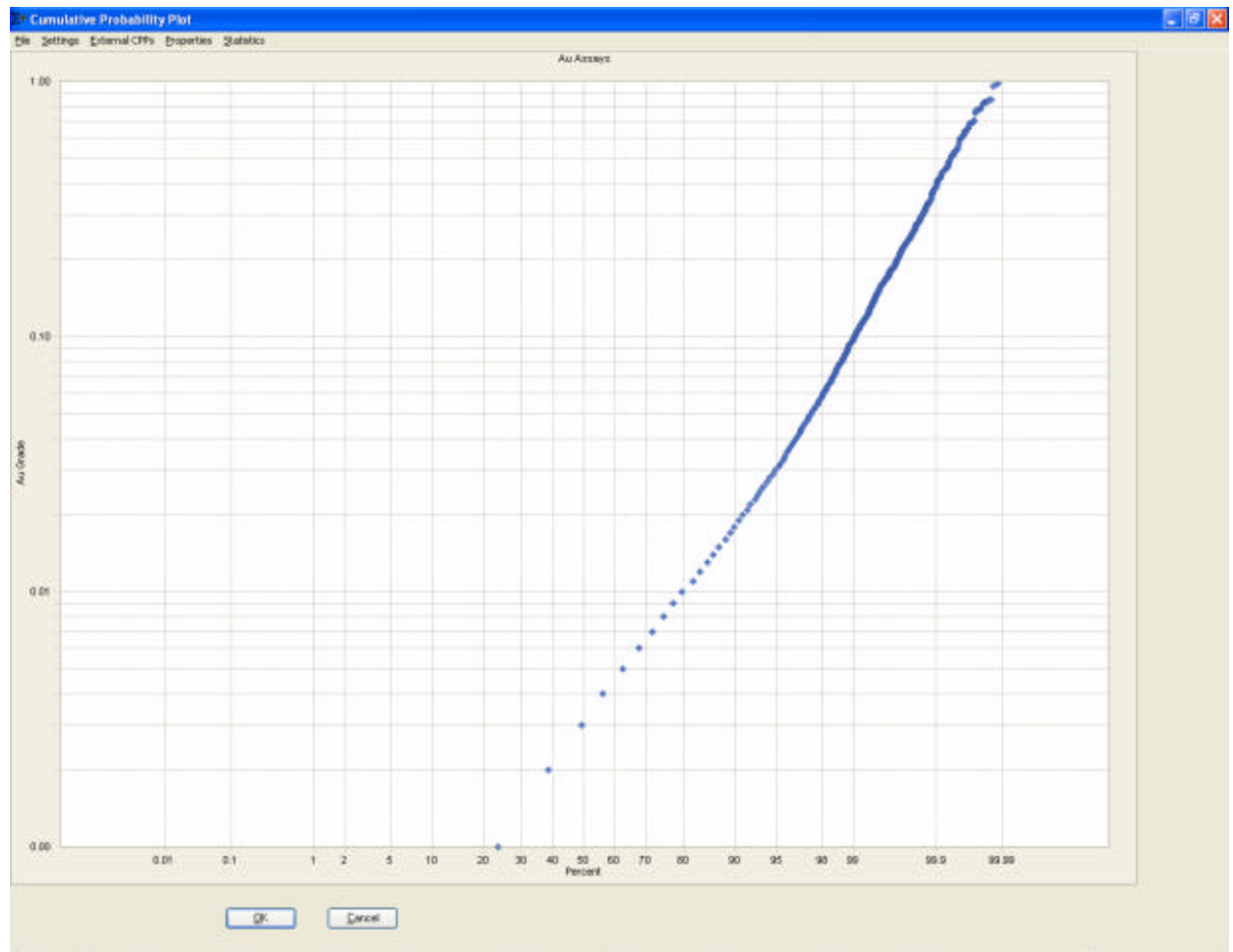


Figure 17.2: Cumulative Distribution Plot of Au Assays with Log-normal Transform.

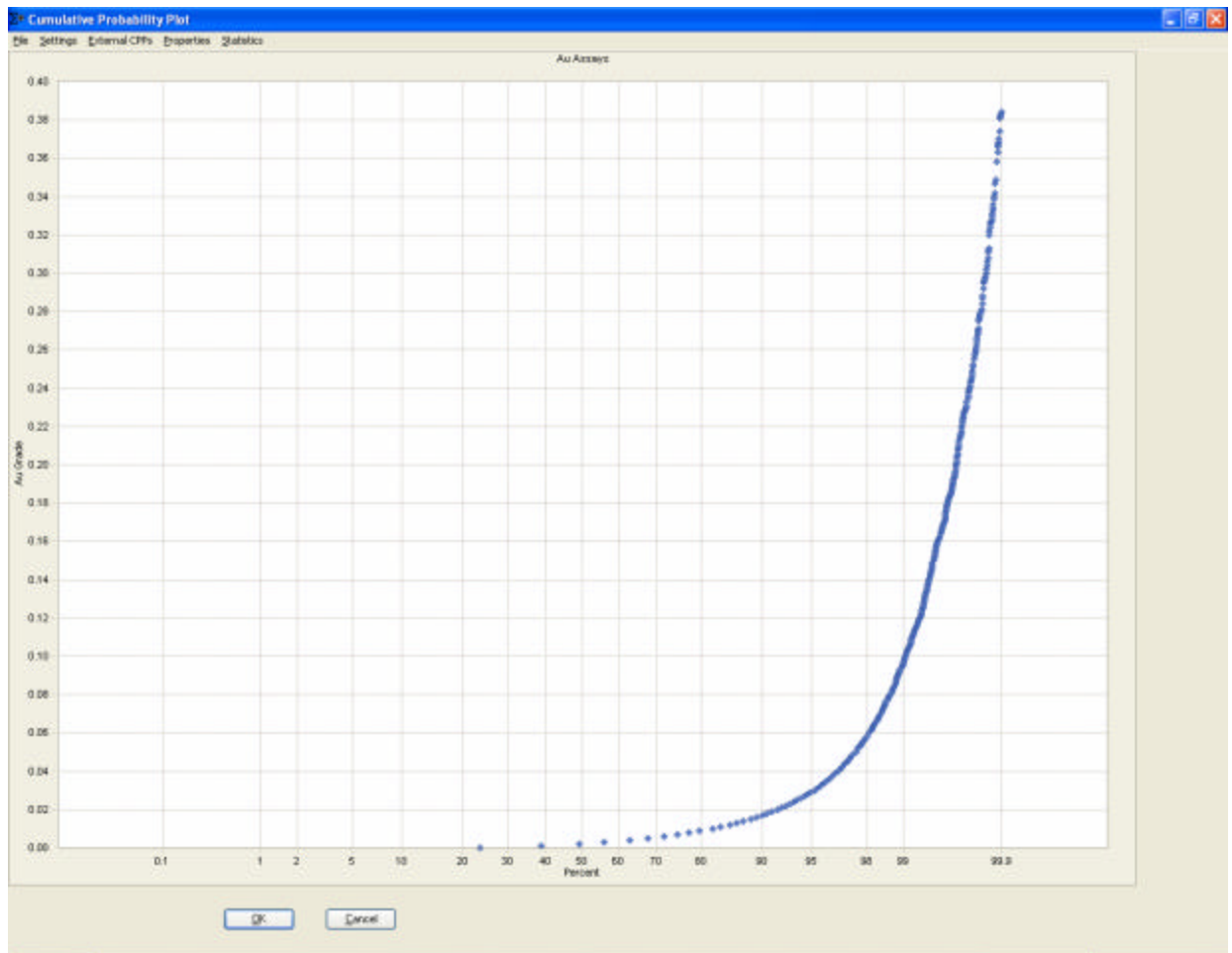


Figure 17.3: Cumulative Distribution Plot of Au Assays.

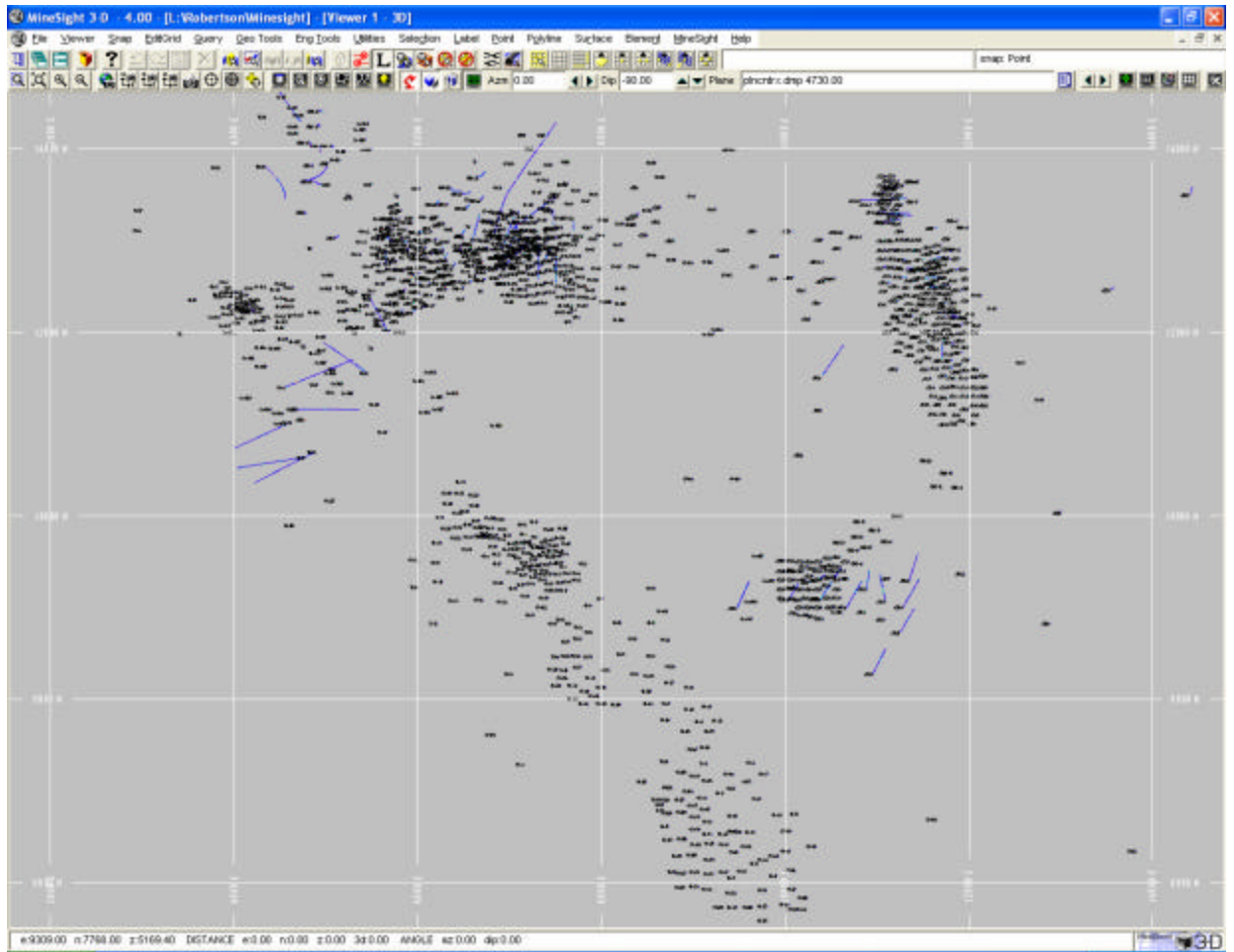


Figure 17.4: Plan view showing drill holes used in resource estimate.

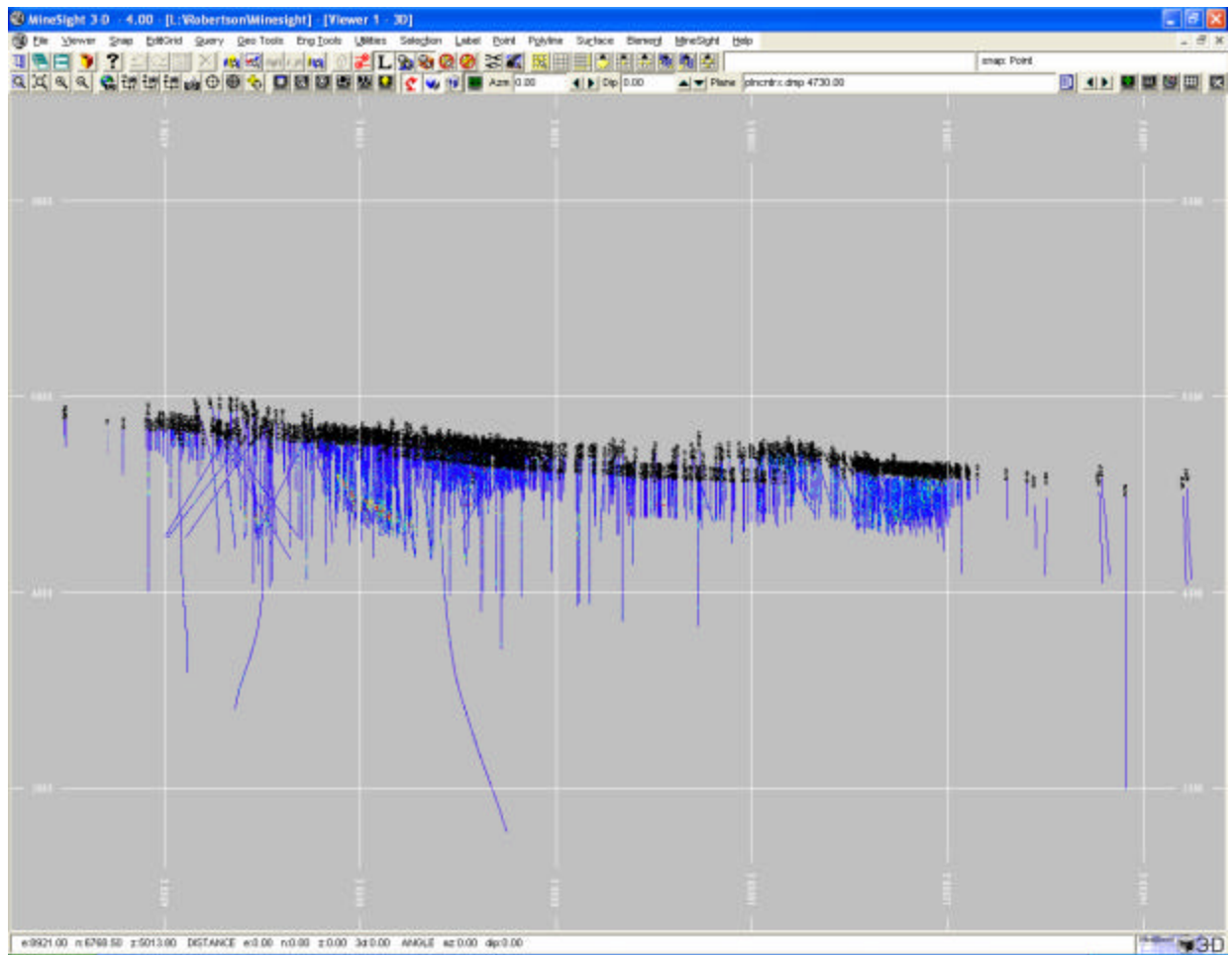


Figure 17.5: Long Section Perspective view (looking north) showing all drill holes used in Resource Estimate.

17.2 Topography

Topography was imported from an AutoCAD topographic map supplied by Coral in DXF format. The topography was surveyed and is believed to be accurate. Checks against drillhole collars illustrate and accuracy to within 1 meter with the exception of one drillhole which was identified and corrected. In addition, in an effort to delineate the top of mineralization, a model of bottom contact of the Quaternary Alluvium layer (QAL) was triangulated from drillhole intercepts. This surface is shown in Figure 17.7.

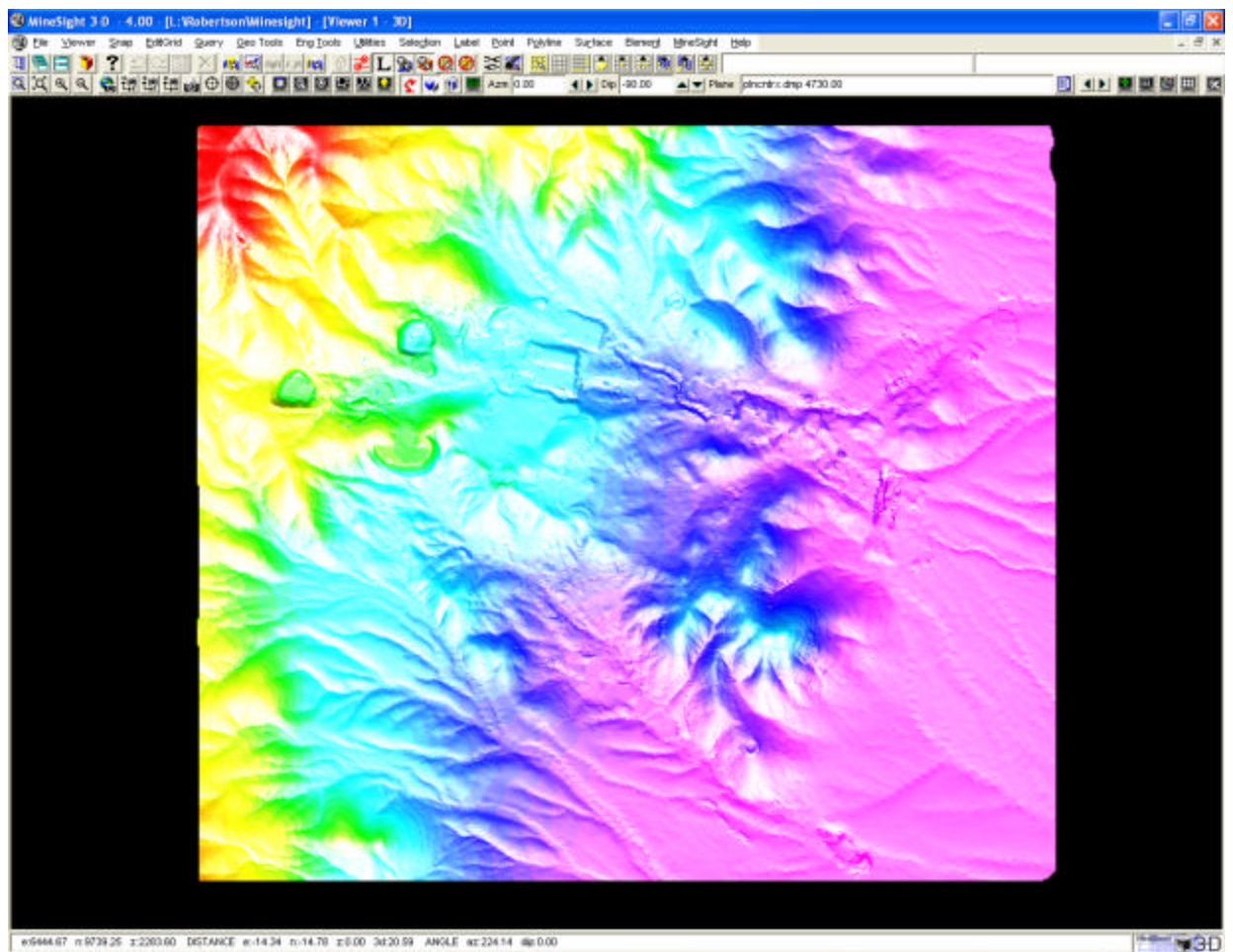


Figure 17.6: Plan view of the 3D gridded topographic.

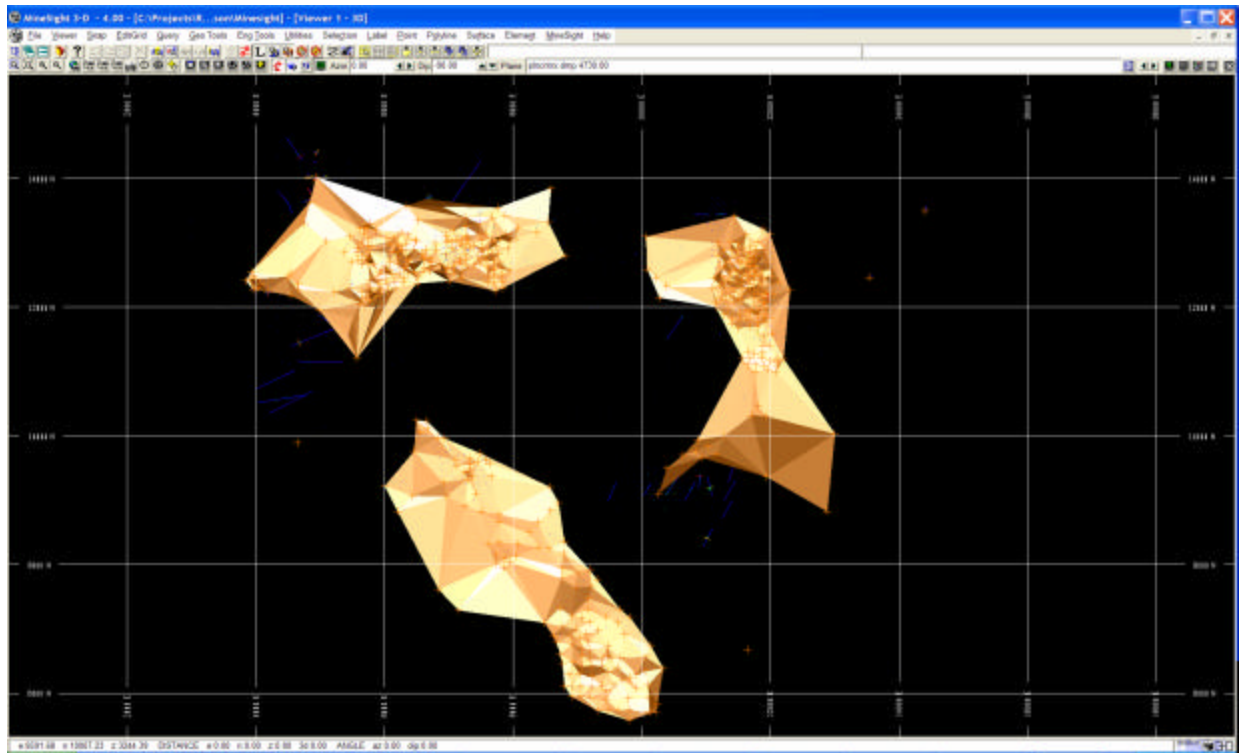


Figure 17.7: Plan view of the 3D gridded model of Quaternary Alluvium layer (north to top of screen).

17.3 Computerized Geologic Modeling.

Solids models of the main ore zones within the Robertson Deposit were created that encompass the Gold Pan, 39A, Porphyry, Altenburg Hill, Distal and Triplet Gulch deposit areas. The ore zones to be included within the solids model and then to be used for constraining the interpolation procedure are split into an Oxide Zone and a Sulphide Zone where sufficient data existed to do so which included that Gold Pan, 39A, Porphyry and Altenburg Hill areas. Due to its depth, the Distal zone is considered to be sulphide material.

Once the solids models were created, they were used to then code the drillhole assays and composites for subsequent geostatistical analysis. For the purpose of the resource model, the individual solid zones were utilized to constrain the block model by matching assays to those within the zones in a process called geologic matching so that only composites that lie within a particular zone are used to interpolate the blocks within that zone. The orientation and ranges (distances) utilized for search ellipsoids used in the estimation process were derived from previous reports, site observations and geostatistical analysis.

Figure 17.8 shows the solids created that encompass the Gold Pan, 39A, Porphyry, Altenburg Hill, Distal and Triplet Gulch deposit areas. Figure 17.9 illustrates the oxide solid that identifies the oxide/sulphide interface. All material lying outside the oxide solid is considered sulphide by default.

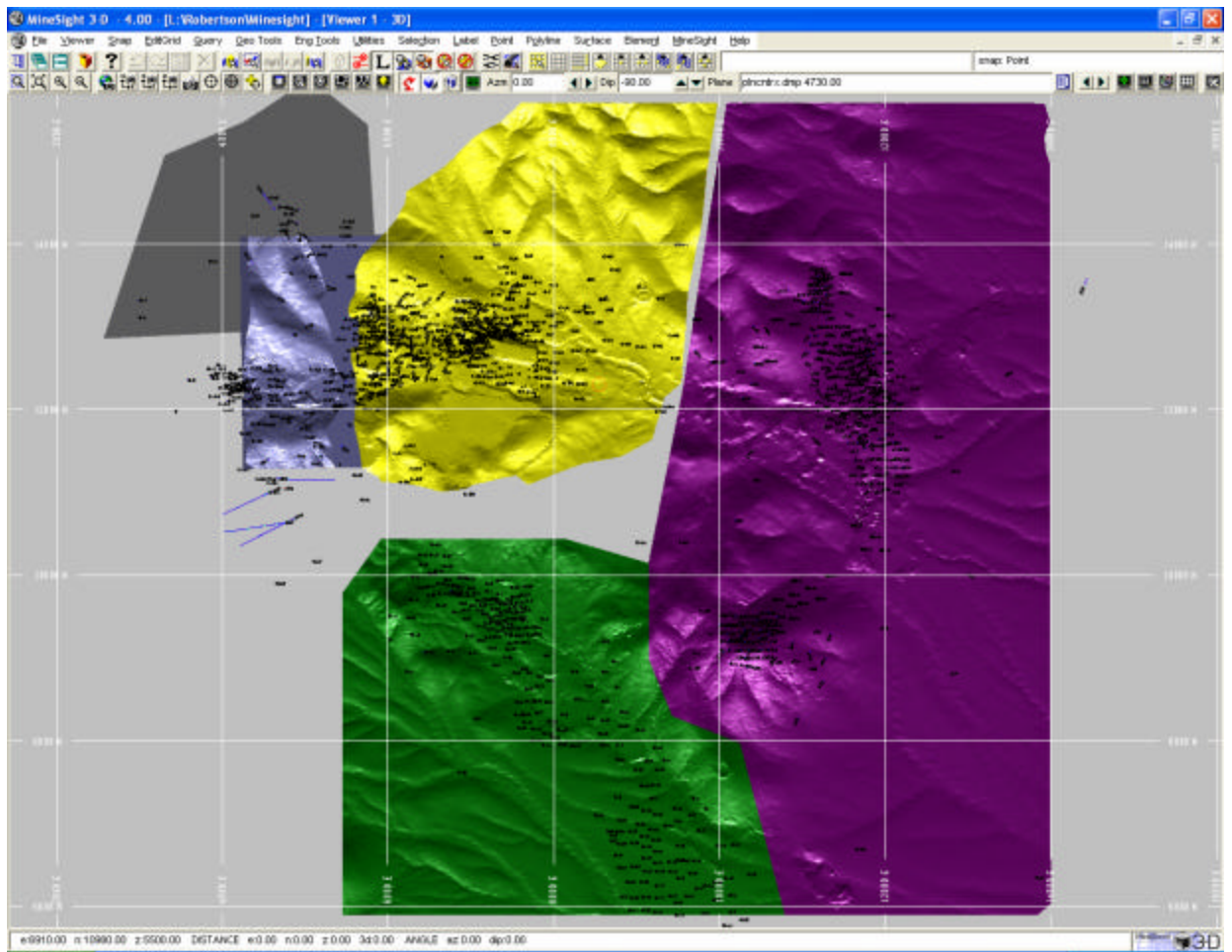


Figure 17.8: Plan view of showing drill holes with interpretation of the mineralized zones (Gold Pan-yellow, 39A-blue, Distal-grey, Porphyry/Altenburg Hill-purple and Triplet Gulch-green) clipped to topography.

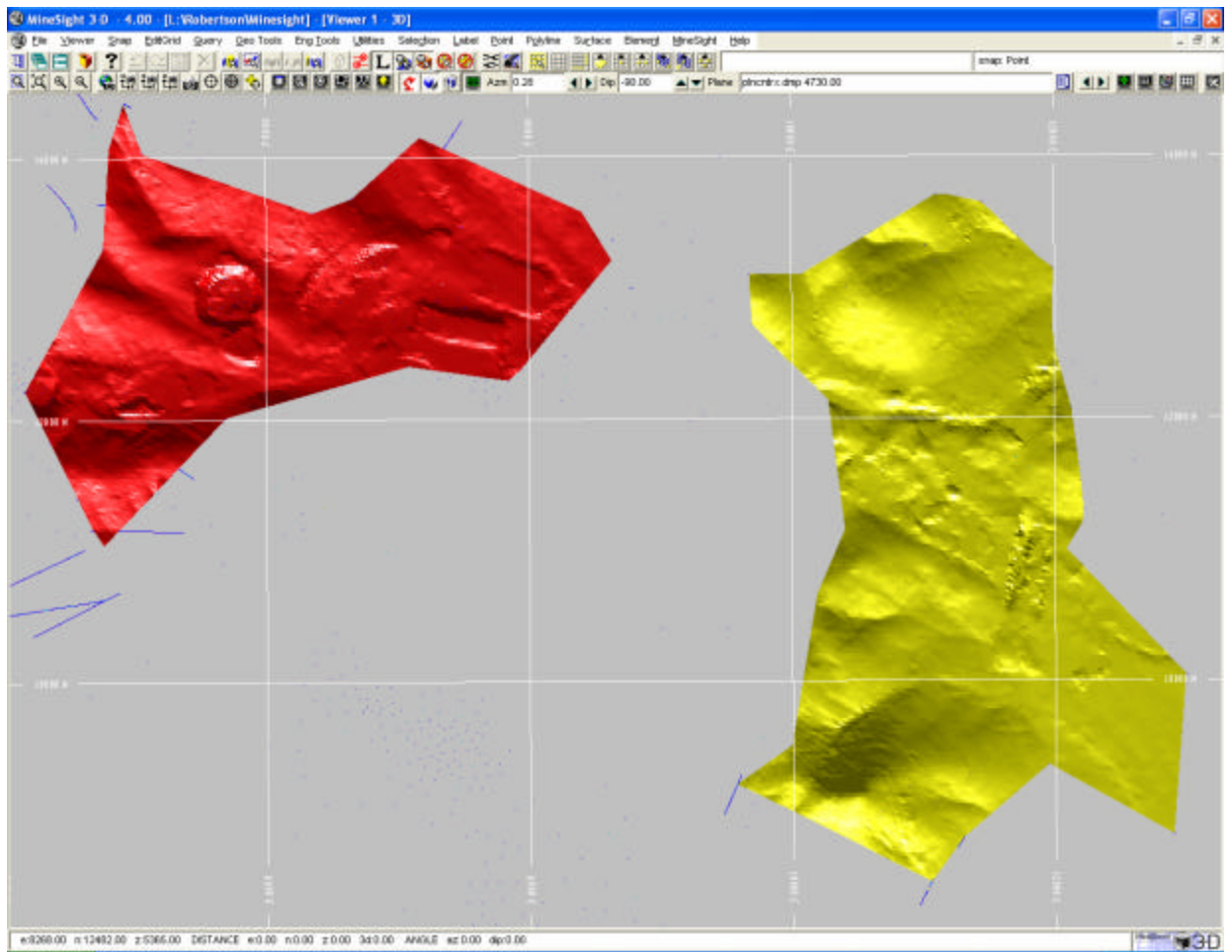


Figure 17.9: Plan view of showing drill holes with interpretation of the oxide zone clipped to topography.

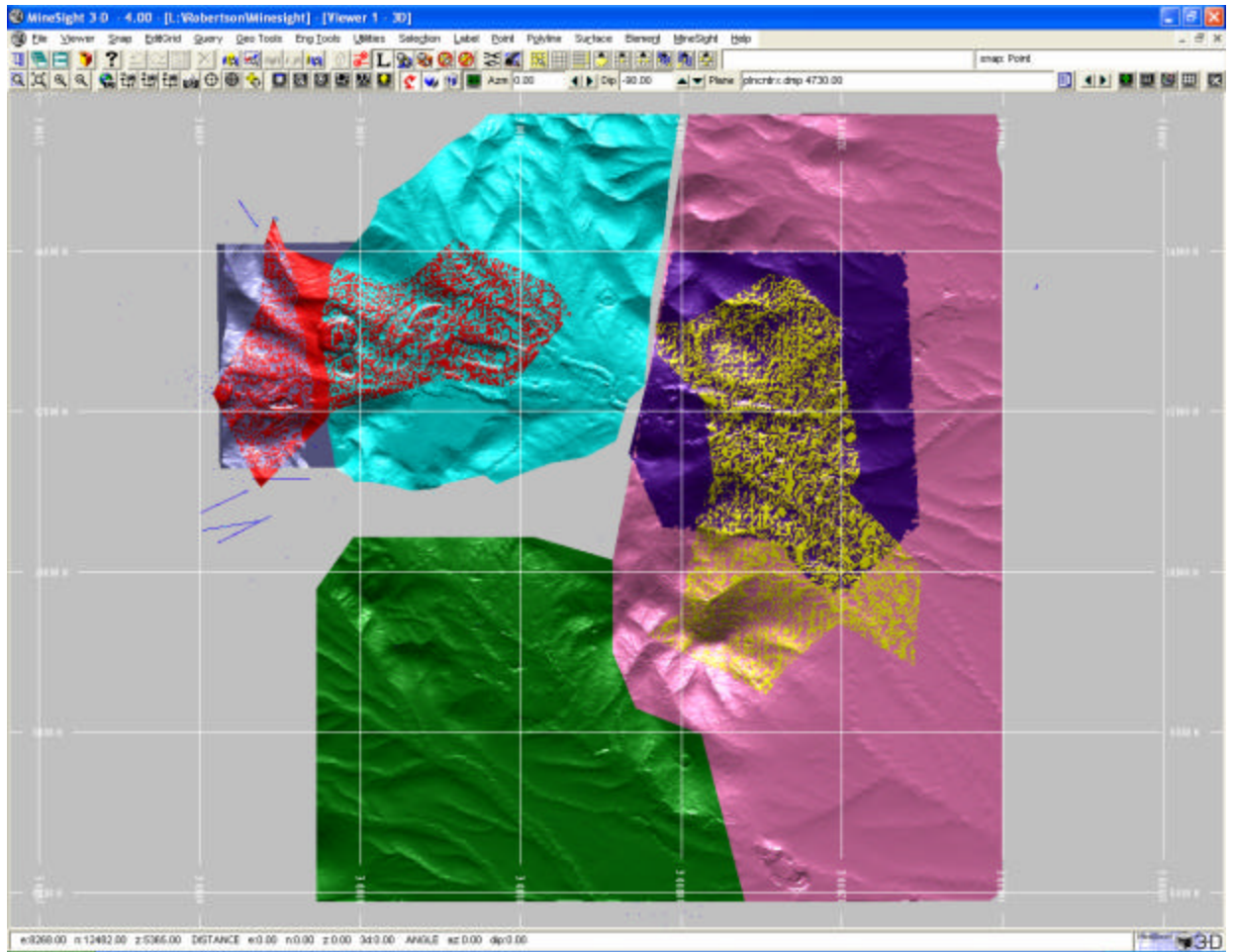


Figure 17.10: Plan view of showing drill holes with interpretation of the mineralized zones (Gold Pan-light blue, 39A-dark blue, Porphyry- dark purple, Altenburg Hill-light purple and Triplet Gulch-green) overlain with the oxide solid in red and yellow solid clipped to topography.

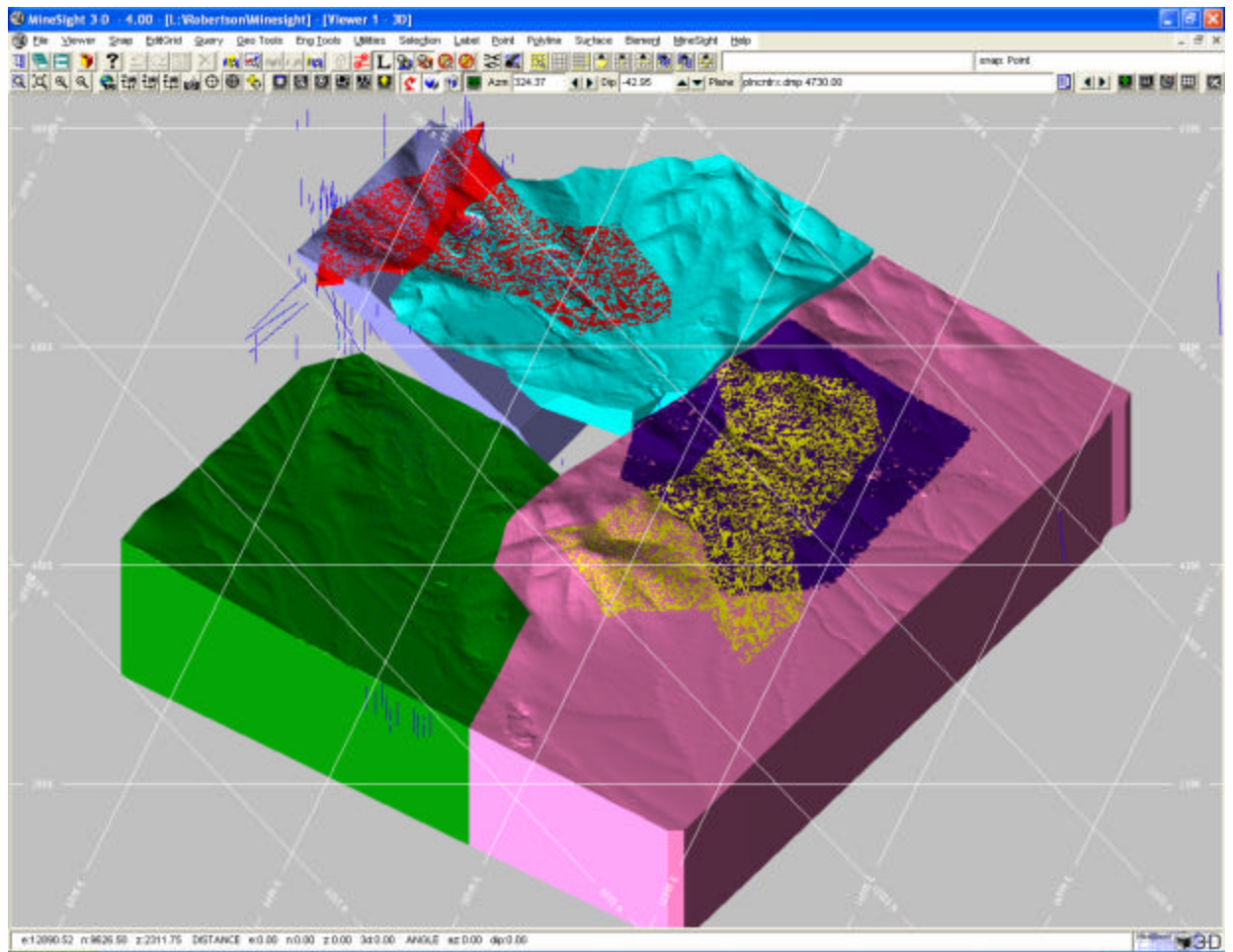


Figure 17.11: Plan view of showing drill holes with interpretation of the mineralized zones (Gold Pan-light blue, 39A-dark blue, Porphyry- dark purple, Altenburg Hill-light purple and Triplet Gulch-green) overlain with the oxide solid in red and yellow solid clipped to topography.

17.4 Composites

It was determined that the 20 foot composite lengths offered the best balance between supplying common support for samples and minimizing the smoothing of the grades in addition to reducing the effect of high grades to a small extent. However, the primary reason for the choice of 20 feet for the composite length was that bench heights are likely to be 20 feet and this will be the selective mining unit. Table 17.4 shows the basic statistics for the 20 foot composites for Au. Figures 17.12 through 17.14 illustrate the histogram, grade-tonnage curve and cumulative distribution plots for gold composite grade intervals.

Table 17.4: Composite Statistics

		Count	Maximum	Mean	Std. Devn.	Co. of Variation
Gold Pan	Oxide	2,664.00	0.781	0.0064	0.0199	3.0997
Porphyry/Altenburg Hill	Oxide	5,725.00	0.419	0.0113	0.0182	1.6068
Gold Pan	Sulphide	4,760.00	0.392	0.0113	0.0265	2.35
Porphyry/Altenburg Hill	Sulphide	1,411.00	0.116	0.005	0.008	1.596
Distal		505	0.196	0.0099	0.023	2.3181
Triplet Gulch		3,724.00	0.502	0.0034	0.0137	3.9707
Outside		2,293.00	0.41	0.0039	0.0141	3.659
Total		21,166.00	0.781	0.008	0.0195	2.4287
All		23,707.00	0.781	0.0083	0.0201	2.4188

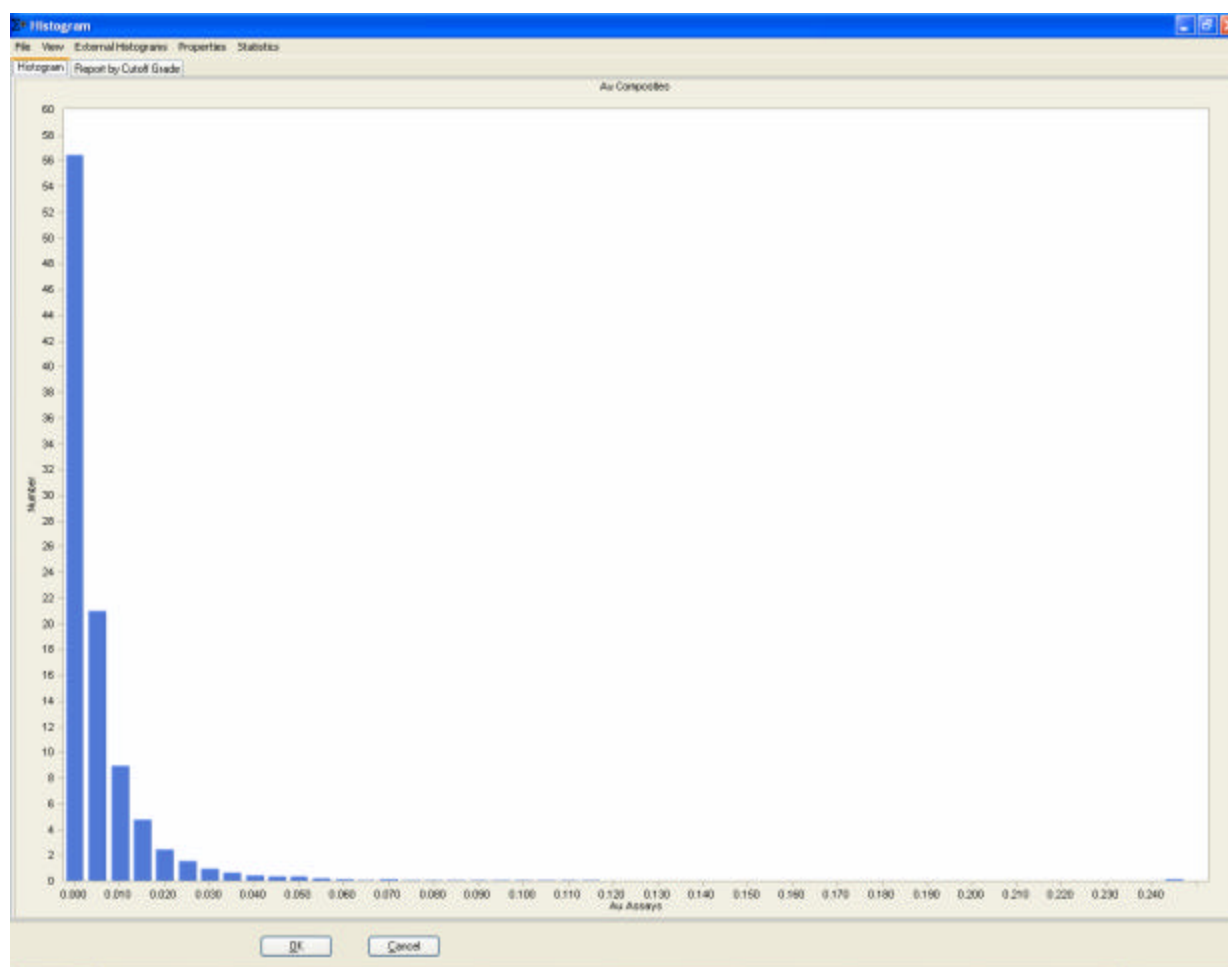


Figure 17.12: Histogram for Au, 20 foot composites.

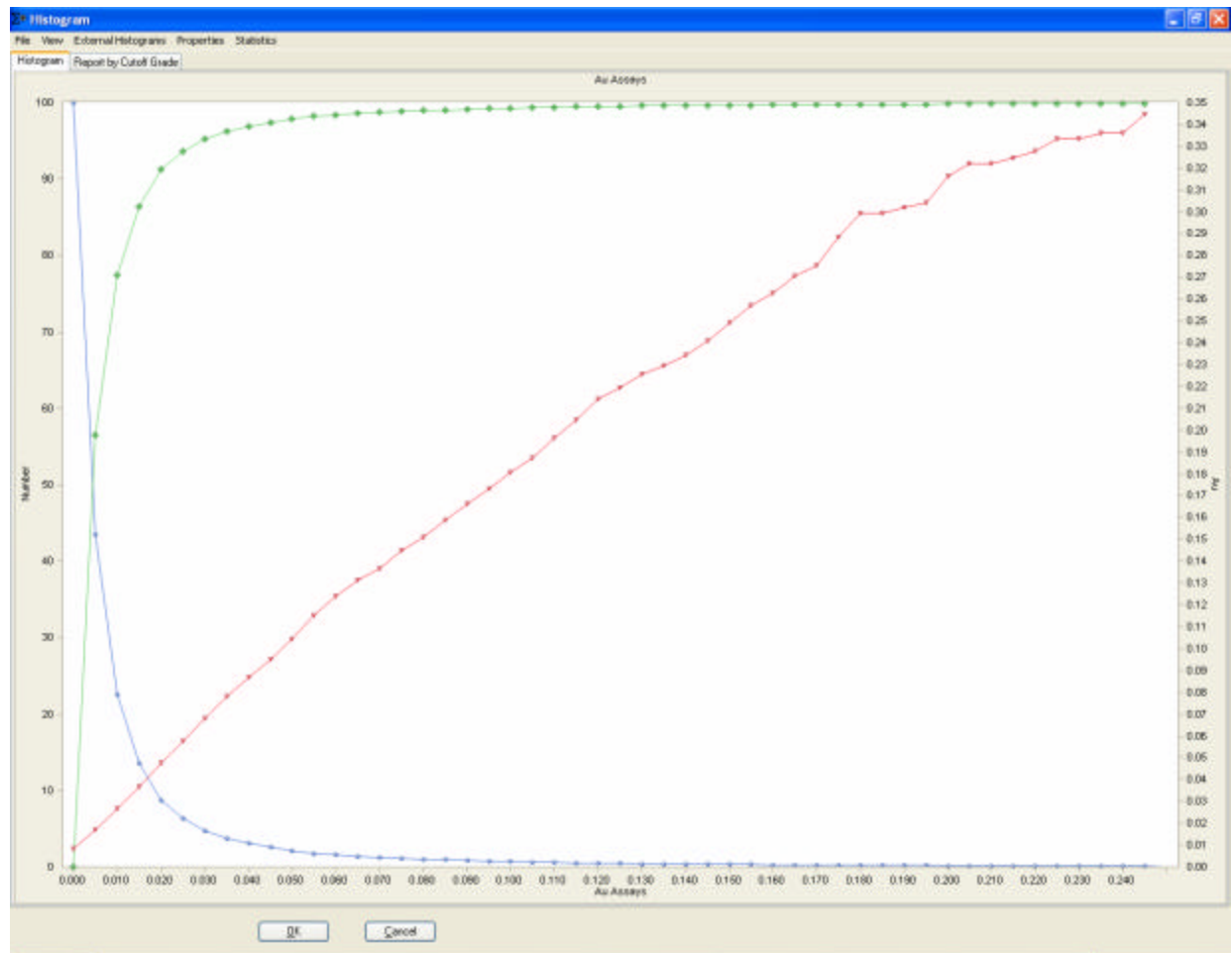


Figure 17.13: Grade-Tonnage Curves for Au, 20 foot composites.

17.5 Outliers

Limiting the influence as opposed to capping of gold assays were performed for although the distribution of grades followed a normal distribution the probability plots showed “breaks” which indicated multiple populations. The author used the commonly accepted method of determining metal-at-risk, which employs the utilization of cumulative frequency plots and identifying “breaks” along the plot trend. The grade threshold chosen was determined to be 0.75 opt Au.

However, it is important to note the method employed for this study is not to cut the high grade outliers but to limit their influence. The range chosen at which to limit grades greater than the outlier cutoff was determined to be 100 feet. In other words, composite grades greater than 0.75 opt Au would not influence blocks greater than 100 feet from where that composite is located. Future studies should include Monte Carlo analysis in order to quantify “metal-at-risk”.

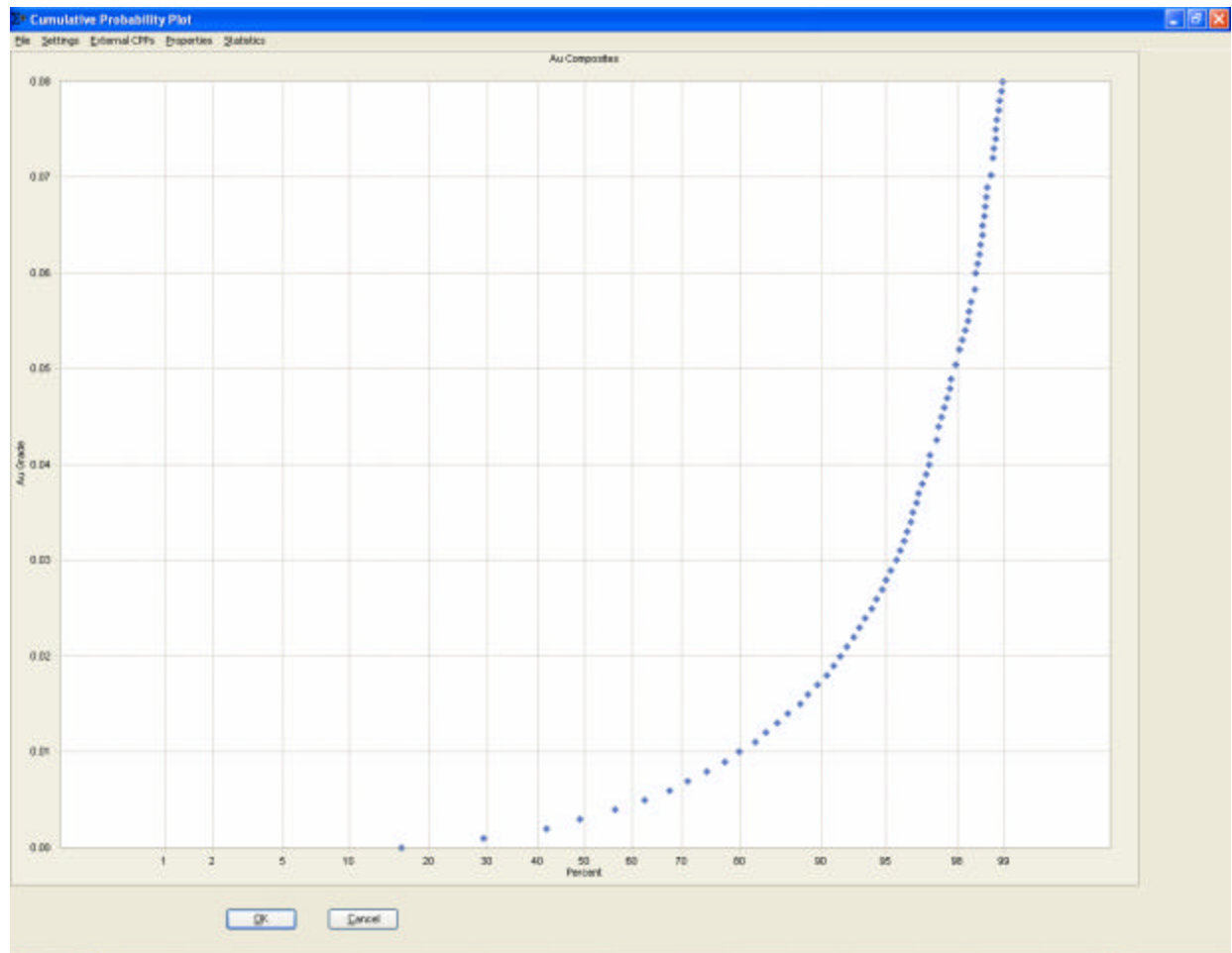


Figure 17.14: Probability Plot for Au, 20 foot composites.

17.6 Specific Gravity Determinations

Approximately 200 historic core samples were analyzed for dry bulk density using the volume displacement method. Densities for both ore and waste are primarily related to lithology, argillization, calc-silicate content and sulfide content. The average density for country rock was determined to be 12.2 cu ft/ton and 15.5 cu ft/ton for alluvium (2 determinations). These are historic determinations, which appear to be located for the most part, within the Porphyry Zone however, the exact locations are not known. The relative scarcity of specific gravity data is the primary reason for the resources being categorized as inferred and it is recommended that a comprehensive program to determine localized specific gravity be undertaken for future studies.

17.7 Variography

The grade estimation methodology used did involve ordinary kriging so the geostatistics was of relevance. The author carried out geostatistical analysis on the composites to evaluate the search parameters to be used in the grade estimate.

Downhole correlograms were generated in order to make an estimate of the nugget effect as that is the direction in which there is most abundant data. The downhole correlogram for the complete dataset indicates that the nugget effect is in the order of 50% of the sill for Au as shown in Figure 17.15. Although this is relatively high, it is to be expected to some extent and within acceptable ranges for a gold deposit. Note the downhole ranges are 83.4 feet and 600.8 feet for the short and the long ranges, respectively. Downhole correlograms were also created for the various zones (i.e. Gold Pan, 39A, Altenburg Hill/Porphyry and Distal) in addition to further delineating the oxide/sulphide interface within each.

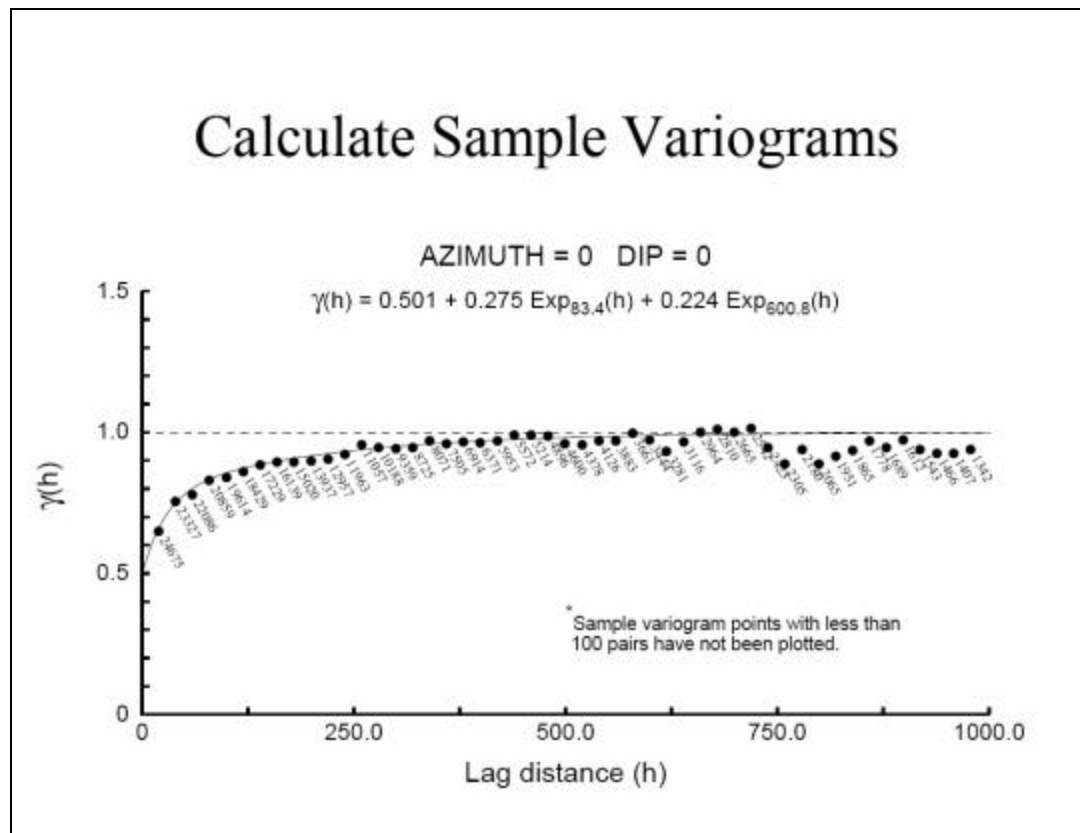


Figure 17.15: Downhole correlogram for Au greater than 0.01 optAu.

Geostatistical analyses were also performed on the composites in all directions using no constraints in addition to the coded intervals within the zone solids split out by oxide/sulphide.

The ellipsoid direction chosen for the estimation process was chosen to be 0 degrees azimuth and 0 degrees dip for the major axis and -90 degrees for the vertical axis as there appears to be no predominant direction of mineralization. However, the 39A Zone

appears to dip 35 degrees at an azimuth of 85 degrees so this direction was utilized for the 39A Zone.

The spatial continuity estimator chosen for this study was the correlogram, which has been shown in previous work to be more robust with respect to drift and data variability, allowing a better estimation of the observed continuity (Parker and Srivastava, 1988). Note that the sill of the variograms has been standardized to one, and therefore they are in fact relative variograms.

Table 17.5 shows the summary of the correlogram models used to guide the estimate the Robertson resources. In this table, the rotations of the angles are given according to the convention used by GSLIB in MineSight Compass.

Table 17.5: Correlogram Models

Altenburg Hill Oxide				Altenburg Hill Sulphide			
Nugget	0.652			Nugget	0.331		
C1	0.203			C1	0.552		
C2	0.145			C2	0.118		
Axis	Range	Azimuth	Dip	Axis	Range	Azimuth	Dip
Z'	54.6	93	39	Z'	4.7	128	28
Y'	67	3	0	Y'	18.8	24	26
X'	361.9	94	-51	X'	52.1	78	-50
Z	2548.4	145	25	Z	233	82	53
X'	1588.6	47	16	X'	87.2	77	-37
Y'	135.7	289	60	Y'	37.2	349	3

Gold Pan Oxide				Gold Pan Sulphide			
Nugget	0.136			Nugget	0.328		
C1	0.539			C1	0.104		
C2	0.325			C2	0.568		
				First Structure			
Axis	Range	Azimuth	Dip	Axis	Range	Azimuth	Dip
Z'	32.9	3	12	Z'	145.9	71	78
Y'	32.4	59	-69	Y'	12.6	33	-10
X'	275.5	96	17	X'	25.9	124	-7
				Second Structure			
Z	25	2	56	Z	426.8	5	-6
X'	937.9	54	-23	X'	1302.9	98	-25
Y'	427	314	-24	Y'	179	262	-64

Distal				39A			
Nugget	0.007			Nugget	0.347		
C1	0.633			C1	0.363		
C2	0.36			C2	0.29		
Axis	Range	Azimuth	Dip	Axis	Range	Azimuth	Dip
Z'	198.5	148	45	Z'	426.2	162	66
X'	38.8	331	45	X'	220.9	301	18
Y'	21.3	59	-2	Y'	31.5	36	15
Z'	112.7	128	15	Z'	303.1	290	-29
X'	49.7	118	-75	X'	24.1	207	13
Y'	41.6	38	3	Y'	265.2	318	58

Triplet Gulch and Outside			
Nugget	0.23		
C1	0.558		
C2	0.212		
First Structure			
Axis	Range	Azimuth	Dip
Z'	45.5	292	75
Y'	24.6	352	-8
X'	183.4	81	13
Second Structure			
Z	177	83	70
X'	493.6	55	-18
Y'	602.2	328	9

17.8 Block Model Definition

The Block Model used for calculating the resources was defined according to the following limits:

Rotate PCF L:\Robertson\Minesight\rbns1...

Rotation Extents

Model Limits (in model coordinates)

Coordinate	Min	Max	Block size	Number of blocks
X (columns / i)	2500	14500	25	480
Y (rows / j)	5000	18000	25	520
Z (levels / k)	3000	5500	20	145

Move Model ☐ Move to a point specified in Project coordinates
Default point specified in Model coordinates

Project Extents

	Min	Max
Easting	(2500)	(14500)
North	(5000)	(18000)
Elevation	(3000)	(5500)

Project limit defaults that bound model shown in parenthesis

Update project limits ☐ Auto update Round to: No Round

☒ Show axis labels

OK Apply Reset Cancel

Figure 17.16: Block Model Bounds.

The block model is non-rotated as there appears to be no predominant orientation that reflected regional or local mineralization trends. Figure 17.17 shows the position and

orientation of the block model used for the study. The block size chosen was 25 x 25 x 20 foot to roughly reflect drill hole spacing available and to adequately descretize the deposit.

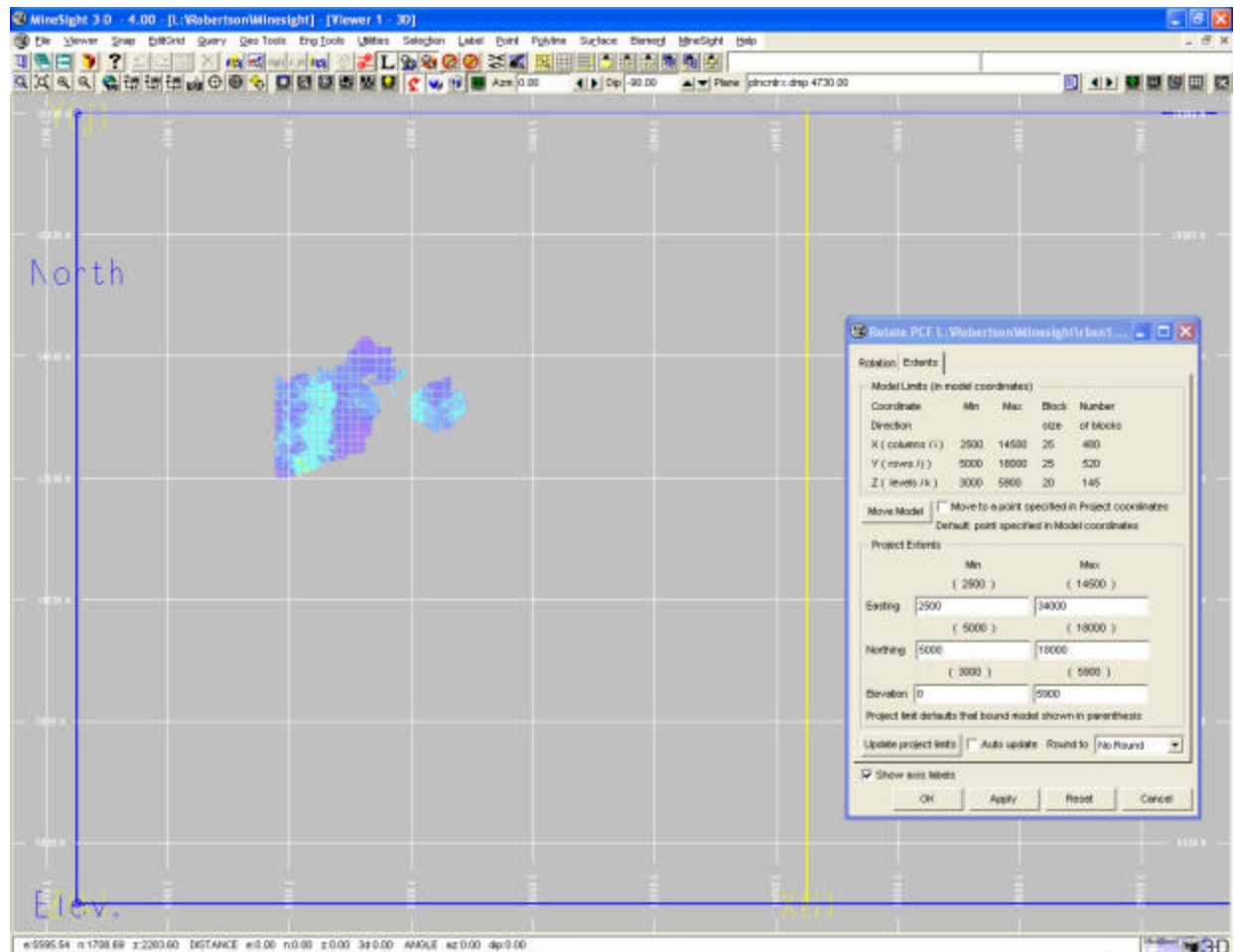


Figure 17.17: Location of Model Limits.

Of the potential 36,946,000 blocks to be estimated (490 columns, 520 rows, 145 levels), less than 1,327,655 blocks or 3.6% have estimated values in them (weighted against topography). This is primarily due the geologic constraints applied to the estimation process in addition to the limited search distances applied, search ellipsoid direction and the use of ordinary kriging as the modeling method.

17.9 Resource Interpolation

The estimation plan includes the following items:

- Storage of the mineralized zone code and percentage of mineralization.
- Application of density based on limited SG measurements.

- Estimation of the grades for Au using ordinary kriging.
- Ellipsoid orientation was orthogonal and ranges were set to 300 feet in the northing and easting whilst 200 feet in elevation.

The estimation strategy employed a minimum of four composites and a maximum of 15 with a maximum of two from any one drillhole.

Also, an octant search was used as it aids in declustering the estimate. This means that it helps to avoid over-influence of individual drill holes or sectors being overly informed, avoiding the use of samples that clustered together and thereby redundant. The maximum number of composites allowed in any one octant was two.

The resultant block model is illustrated in plan view in Figure 17.18 at a 0.015 Au opt cut-off grade through one level.

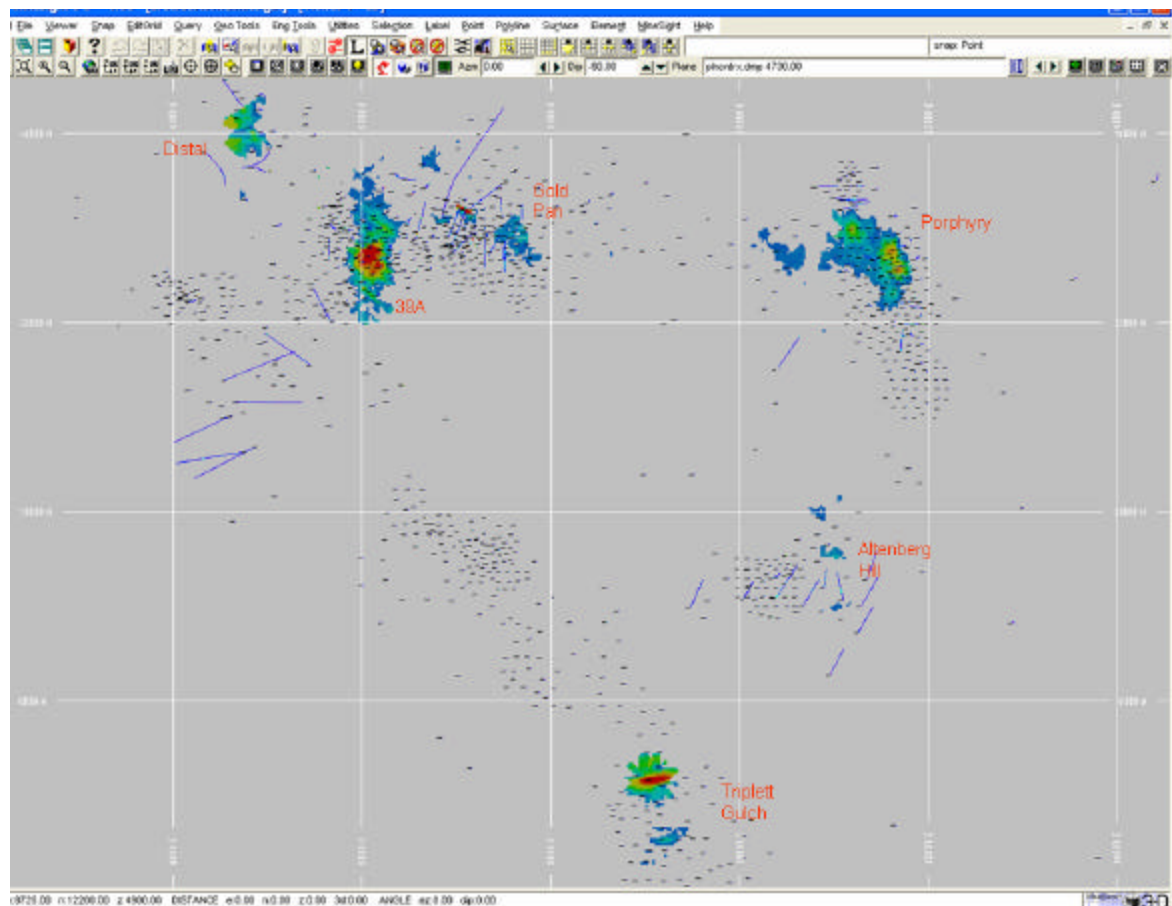


Figure 17.18: Plan View of Grade Model Displaying Block Model with Drillholes.

17.10 Resources

The inferred resources as defined by the parameters detailed above are listed in the Table 17.6 for Au. These resources are listed at a cut-off grade of 0.015 optAu for each zone and split out by oxide and sulphide.

Table 17.6: Inferred Resources for Robertson

Zone	Tons	opt	Ounces
Distal	10,335,041	0.0335	346,224
39A	25,010,247	0.0287	717,794
South Zone	5,904,713	0.0269	158,837
Outside	2,187,500	0.0208	45,500
Gold Pan Oxide	7,049,181	0.0262	184,689
Altenburg Hill Oxide	4,558,402	0.0208	94,815
Porphyry Oxide	19,121,927	0.0213	407,297
Gold Pan Sulphide	12,053,279	0.0208	250,708
Altenburg Hill Sulphide	584,016	0.0176	10,279
Porphyry Sulphide	4,480,533	0.0223	99,916
TOTAL	91,284,840	0.0253	2,309,506

- Gold ounces were calculated on the basis of US\$600/oz Au and 70% Au recovery.
- The 0.015 ozAu/ton cut-off grade utilized to report the resource was derived from a mining cost of US\$1.02/ton, process cost of US\$5.00/ton and waste cost of US\$1.14/ton.
- The mineral resources in the table above were estimated using the CIM Standards on Mineral Resources and Reserves.

17.11 Model Validation

A graphical validation was done on the block model. This graphical validation serves several purposes:

- Checks the reasonableness of the estimated grades, based on the estimation plan and the nearby composites.
- Checks that the general drift and the local grade trends of the block model, compared to the drift and local grade trends of the composites.
- Insure that all blocks that should be filled in, are in fact filled in.
- Checks that topography has been properly accounted for.
- Checks against manual “ballpark” estimates of tonnage to determine reasonableness.
- Inspection of and explanation for high grade blocks created as a result of outliers.

A full set of cross sections, long sections and plans were used to check the block model on the computer screen, showing the block grades and the composite. No evidence of any block being wrongly estimated was found: it appears that every block grade can be explained as a function of the surrounding composites, the correlogram models used, and the estimation plan applied.

Table 17.7 lists the total inferred resources for all zones by cut-off grade.

Validation techniques are as follows:

- Visual inspections on a section-by-section and plan-by-plan basis.
- Histogram and Cumulative Distribution Plot at varying cut-off grades demonstrate a very uniform, log-normal distribution shown in Figure 17.19.
- The use of Grade Tonnage Curve as shown in Figures 17.20. Note cross-over point at 0.015 optAu.
- Swath Plots showing the comparison of the Ordinary Kriged blocks vs. Inverse Distance and Nearest Neighbor estimates.
- An inspection of histograms of distance of first composite to nearest block, average distance to blocks for all composites used as shown in Figure 17.21 and 17.22.
- Analysis of Relative Variability Index which quantifies variability within the deposit as shown in Figure 17.23.

It is important to note the nearest distance to composite, average distance to composite and RVI as useful tools for categorizing resources may be utilized for future resource classification as a measure of quantifying risk and qualifying resources.

Table 17.7: Inferred Resources for Robertson

Cutoff (AUOK)	Tons	Percent	Average	Standard De...
0.0000	1360316000.00	100.00	0.0059	0.0077
0.0050	608886800.00	44.76	0.0106	0.0095
0.0100	223534400.00	16.43	0.0176	0.0127
0.0150	95630740.00	7.03	0.0258	0.0162
0.0200	52093390.00	3.83	0.0334	0.0187
0.0250	32825050.00	2.41	0.0403	0.0206
0.0300	22320890.00	1.64	0.0466	0.0223
0.0350	14638270.00	1.08	0.0544	0.0241
0.0400	10391560.00	0.76	0.0616	0.0253
0.0450	7878990.00	0.58	0.0679	0.0261
0.0500	6134280.00	0.45	0.0739	0.0267
0.0550	4884176.00	0.36	0.0796	0.0271
0.0600	3792239.00	0.28	0.0861	0.0276
0.0650	3049712.00	0.22	0.0920	0.0277
0.0700	2553938.00	0.19	0.0968	0.0277
0.0750	2150205.00	0.16	0.1015	0.0278
0.0800	1755837.00	0.13	0.1070	0.0280
0.0850	1456203.00	0.11	0.1122	0.0280
0.0900	1249018.00	0.09	0.1164	0.0281
0.0950	1019508.00	0.07	0.1219	0.0283
0.1000	855541.00	0.06	0.1267	0.0286
0.1050	696728.00	0.05	0.1323	0.0288
0.1100	593243.40	0.04	0.1368	0.0290
0.1150	465168.40	0.03	0.1436	0.0292
0.1200	387298.80	0.03	0.1490	0.0292
0.1250	334019.60	0.02	0.1533	0.0292
0.1300	278691.20	0.02	0.1586	0.0293
0.1350	230535.00	0.02	0.1641	0.0292
0.1400	190575.60	0.01	0.1698	0.0291
0.1450	162911.40	0.01	0.1746	0.0289
0.1500	138321.00	0.01	0.1795	0.0287
0.1550	119878.20	0.01	0.1837	0.0286
0.1600	103484.60	0.01	0.1879	0.0286
0.1650	91189.40	0.01	0.1914	0.0287
0.1700	71722.00	0.01	0.1981	0.0290
0.1750	59426.80	0.00	0.2036	0.0289
0.1800	52254.60	0.00	0.2072	0.0290
0.1850	43033.20	0.00	0.2126	0.0293
0.1900	34836.40	0.00	0.2187	0.0293
0.1950	26639.60	0.00	0.2271	0.0287
0.2000	23565.80	0.00	0.2311	0.0281
0.2050	22541.20	0.00	0.2325	0.0280
0.2100	19467.40	0.00	0.2367	0.0279
0.2150	15369.00	0.00	0.2433	0.0279
0.2200	11270.60	0.00	0.2532	0.0264
0.2250	10246.00	0.00	0.2564	0.0255
0.2300	10246.00	0.00	0.2564	0.0255
0.2350	9221.40	0.00	0.2591	0.0255
0.2400	6147.60	0.00	0.2700	0.0249

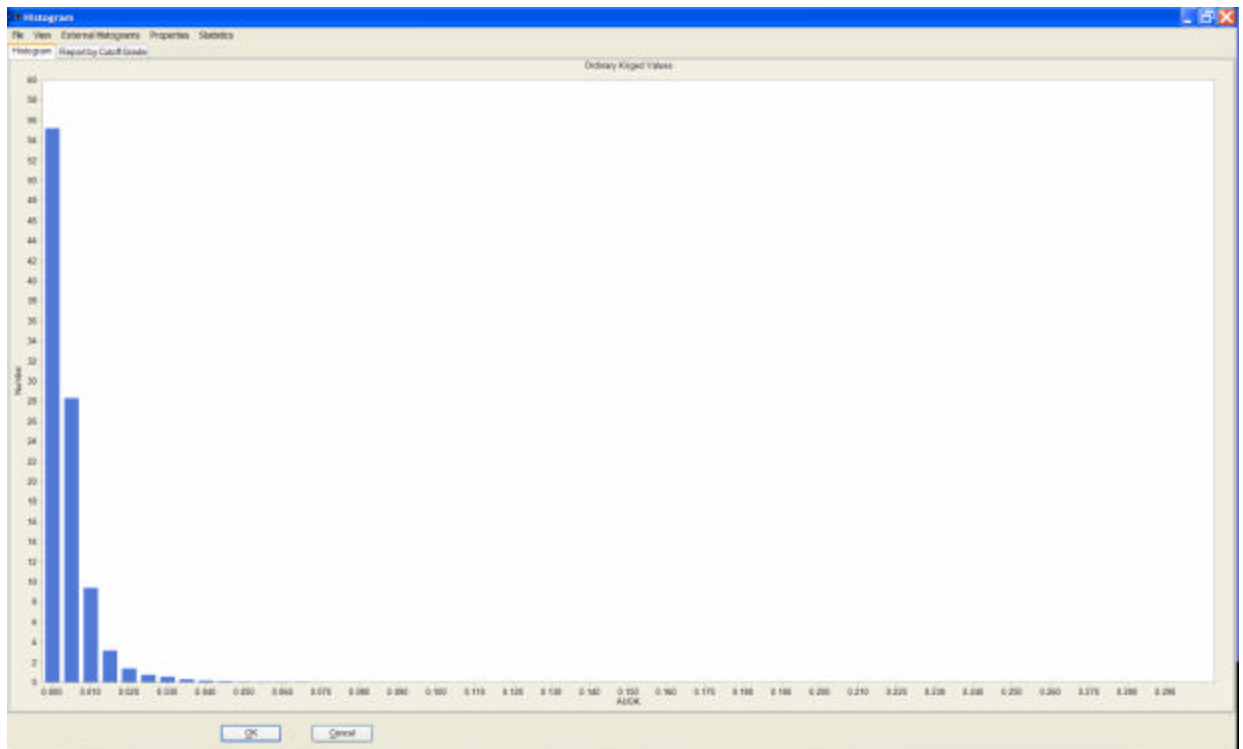


Figure 17.19: Section of Grade Model Displaying Block Model with Geology, Topography and Drillholes.

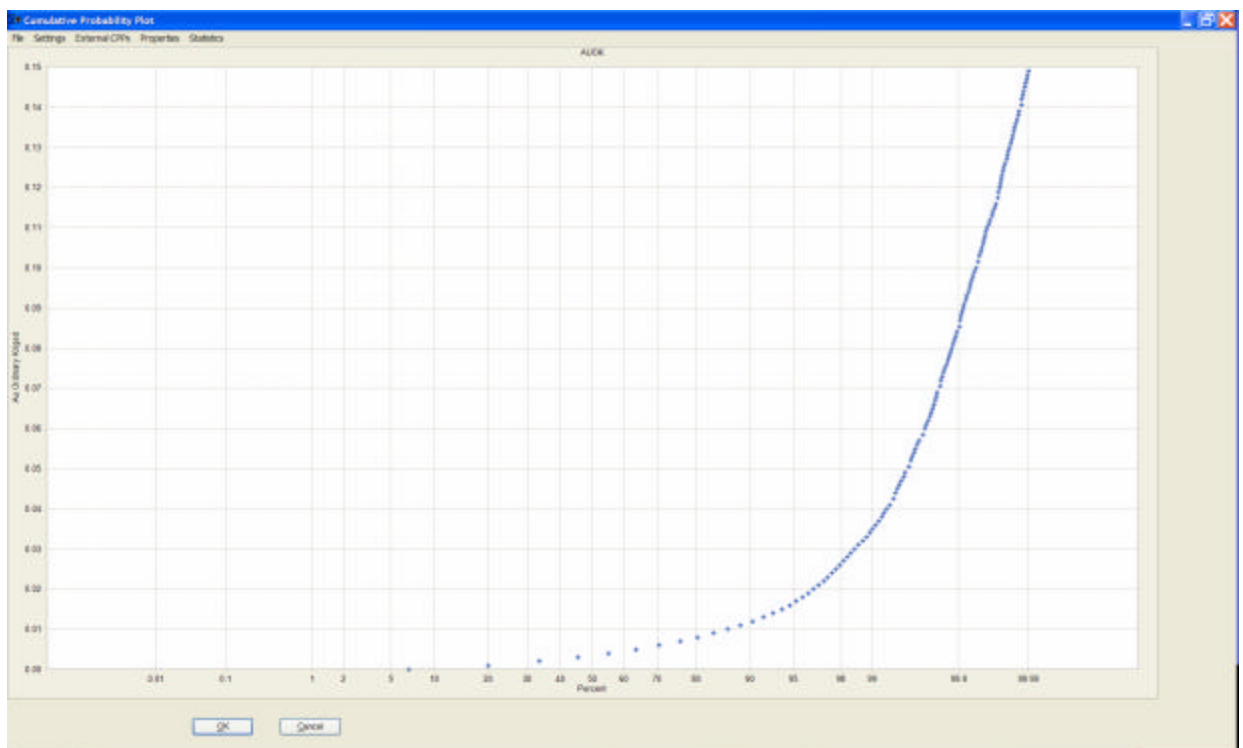


Figure 17.20: Long Section of Grade Model Displaying Block Model with Geology and Topography.

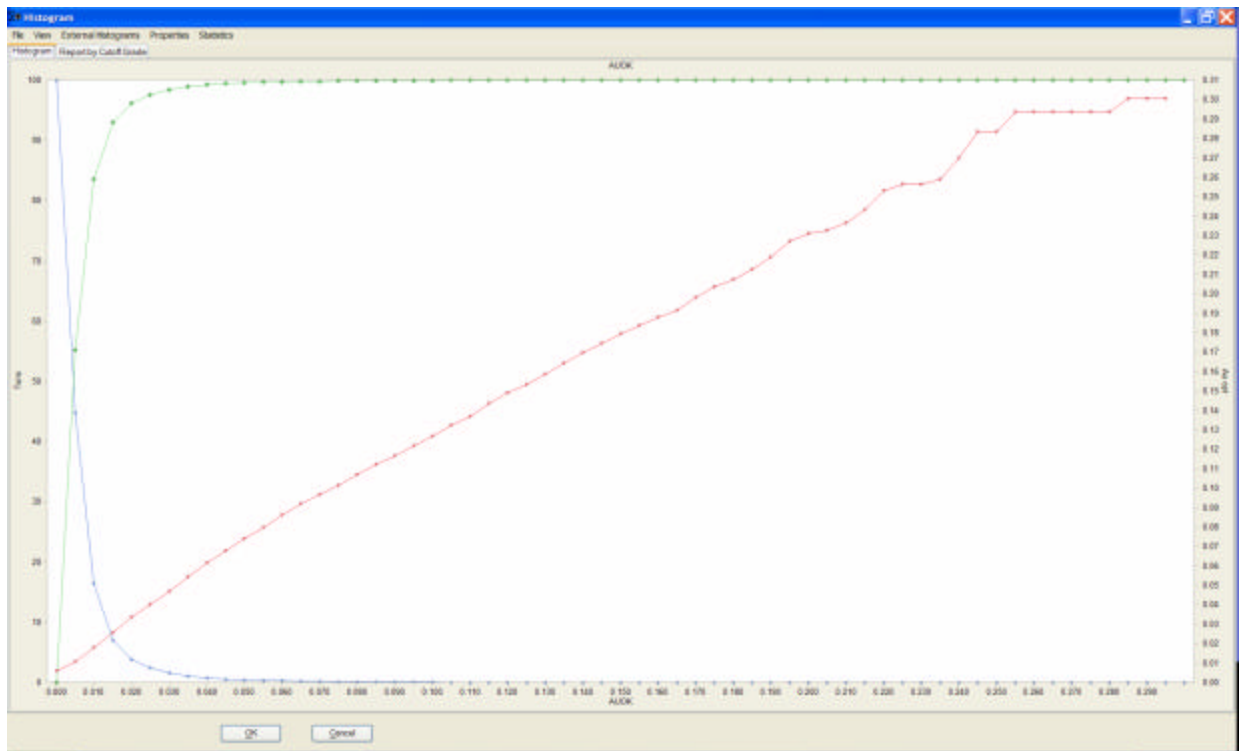


Figure 17.21: Long Section of Grade Model Displaying Block Model with Geology and Topography.

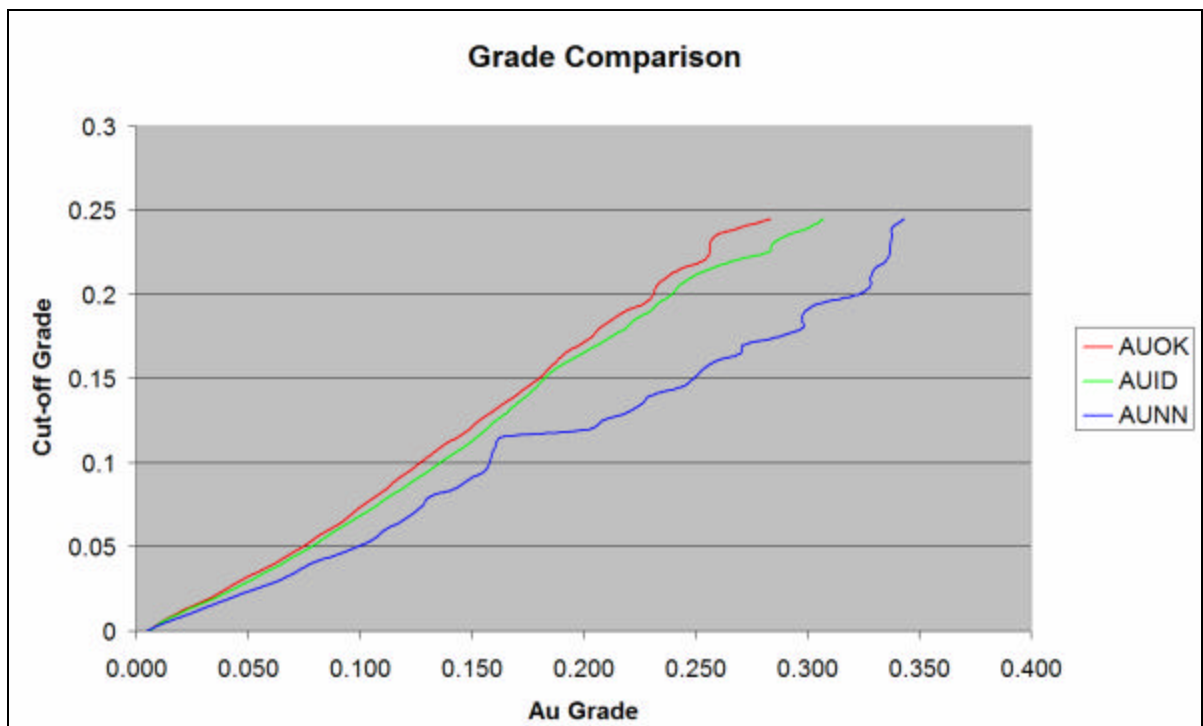


Figure 17.22: Grade-Tonnage Curves for Au at varying cut-off grades within the Gold Pan Oxide Zone.

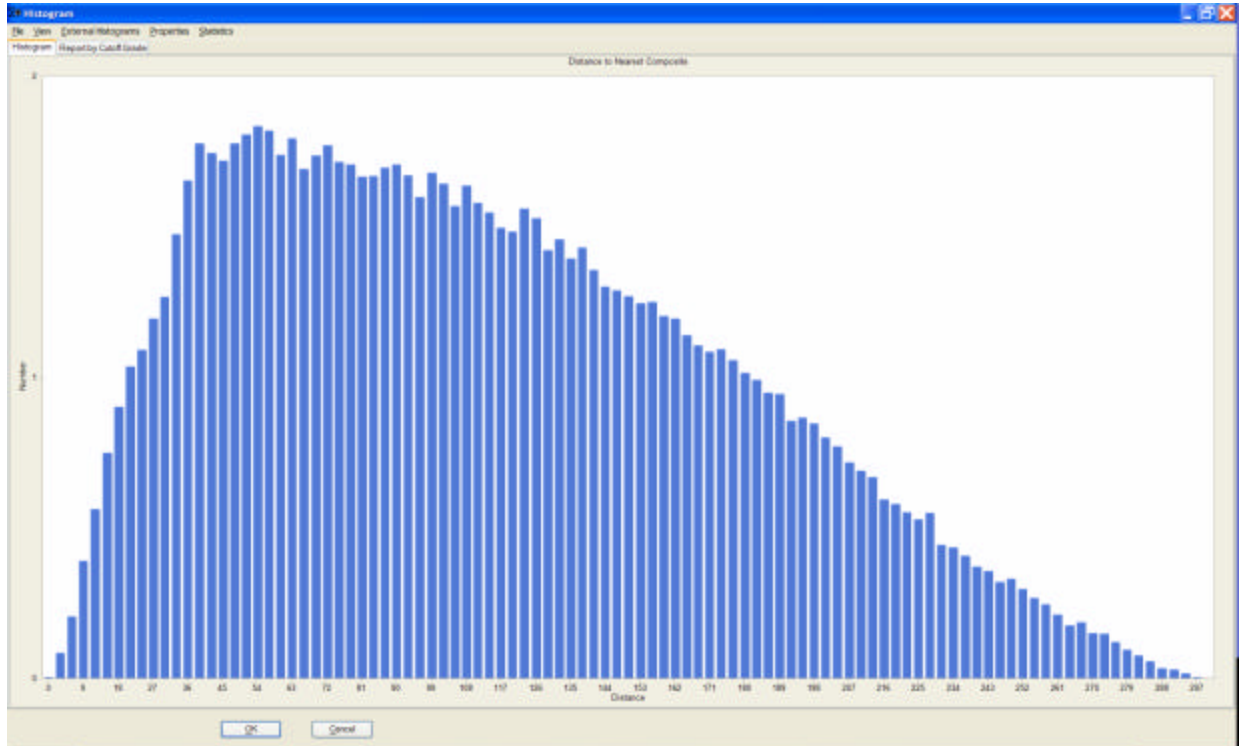


Figure 17.23: Histogram of distance to nearest composite to a block centroid.

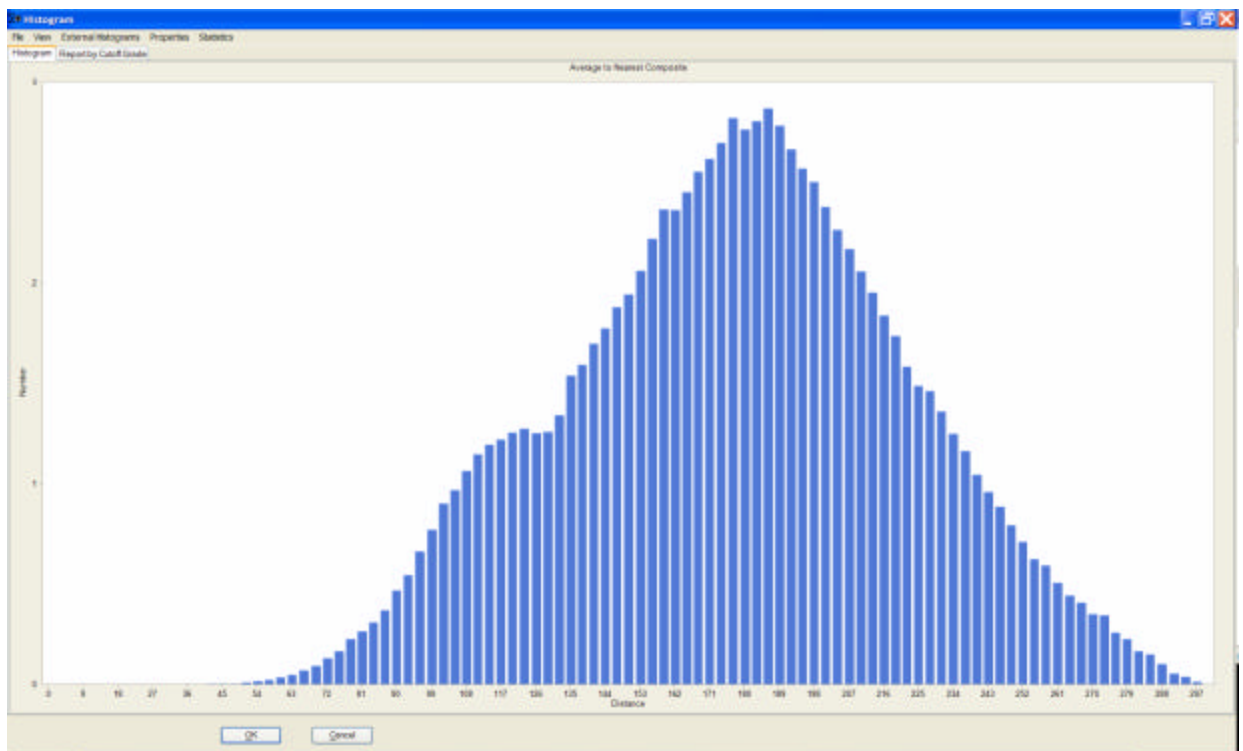


Figure 17.24: Histogram of average distance for composites used to estimate a block.

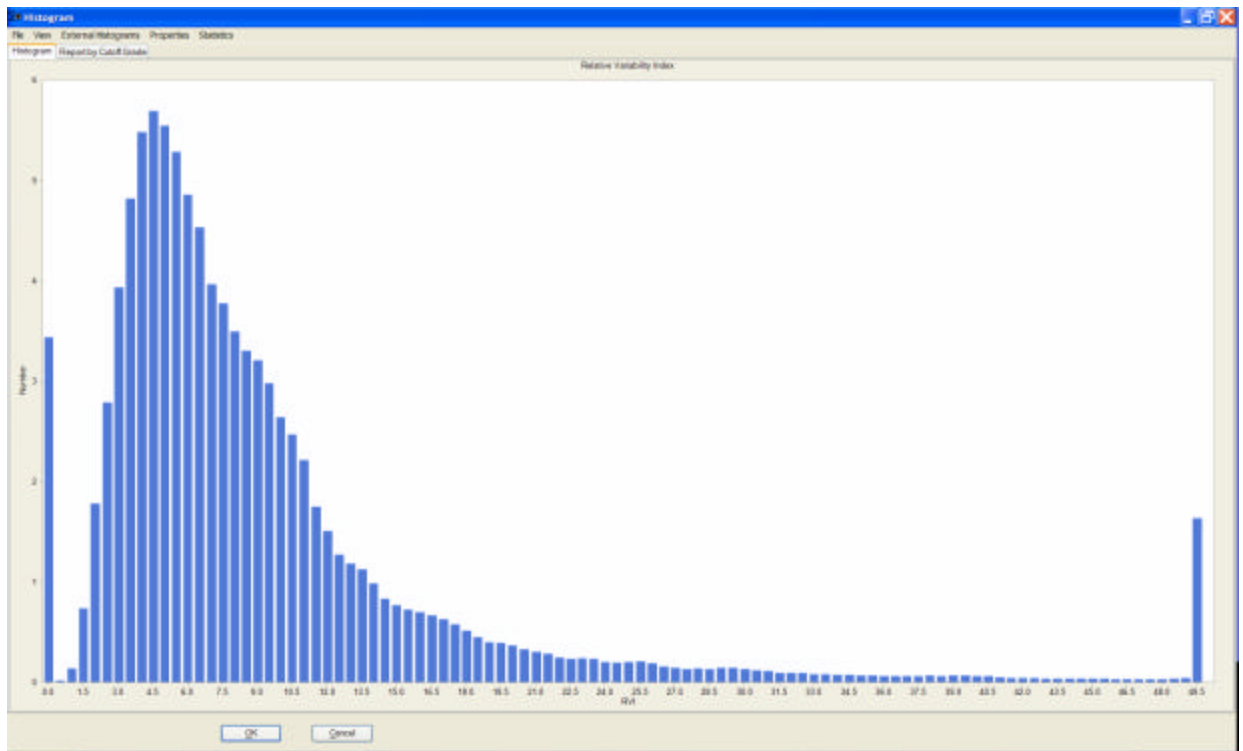


Figure 17.25: Histogram of Relative Variability Index for all composites used to estimate a block.

SECTION 18.0 OTHER RELEVANT DATA AND INFORMATION

The mineral resources as estimated in this report are subject to a preliminary assessment presently underway and being conducted on behalf of Coral Gold Resources Ltd. by Beacon Hill Consultants (1988) Ltd.

SECTION 19.0 INTERPRETATION AND CONCLUSIONS

19.1 Introduction

Based on results of the 2006 exploratory drilling program at the Robertson Property has resulted in the definition of 91.3 million tons (this report) of inferred mineral resources having an average grade of about 0.025 oz Au/t. All of the inferred resources are considered to have good potential for expansion beyond their currently defined boundaries (Figure 19.1). In particular, the gravel-covered area north of the Altenburg Hill and south of the Porphyry inferred mineral resources remains open for potentially significant expansion. In addition, the Distal Target inferred resource, currently defined by 11 wide spaced RC holes and is open for expansion in all directions. It is anticipated that a large portion of the 91.3 million tons of inferred resources will be upgraded to an indicated mineral resource as a result of the proposed 2008-09 drilling program. This will be accomplished by offset and in-fill drilling where needed and by conducting appropriate metallurgical and geotechnical studies.

As shown in Figure 19.2, a number of high quality exploration targets have been identified outside the main district. During 2006-07, Coral completed geological mapping, detailed gravity work and grid soil sampling, along with exploratory drilling on the Lander Ranch claims have defined an emerging zone of gold mineralization occurring within a NW-striking braided fault system. An east-west striking en echelon vein/fracture system containing gold-bearing veins and (or) breccias at the Phoenix, Standard, Silver Safe and Blue Rock mines, as well as numerous other unnamed mine workings, represent a potential high-grade target that remains largely untested. The lower Triplet Gulch and Ruf claims represent an area covered by a thin veneer of gravel that was initially tested by wide spaced grid drilling. Many of these holes returned gold values exceeding 0.01 oz Au/ton at depths of less than 200 ft which have never been followed up with additional drilling. Finally, during 2006-07, Coral completed a program of gravity-airborne magnetics, geological mapping, grid soil and rock chip sampling that covered a large area of the western portion of the Robertson claim block, including a cluster of rock chip and sediment samples that defined coincident Au-As-Hg anomalies that are closely associated with a series of northwest striking faults and dikes. These anomalies lie outside the thermal metamorphic aureole of the Robertson intrusive complex and represent viable deep exploration targets.

19.2 Exploration Targets

19.2.1 39A Zone

The 2004-2006 drilling programs succeeded in increasing the contained ounces in the 39A Zone by expanding the area of higher-grade gold within the defined resource and by modestly expanding the resource to the north and east. Additional exploration potential exists east of holes CR05-8 (120 ft/0.05 oz Au/t from 780 ft, including 20 ft/0.187 oz Au/t) and CR06-26 (120 ft/0.065 oz Au/t from 785 ft, including 20 ft/0.199 oz Au/t), the northernmost holes to encountered mineralization in the zone. The closest mineralized

hole is AT-1, located about 800 ft to the southeast. No drilling has occurred between the Coral and Amax holes in this area.

In the south part of the 39A Zone, ore-grade mineralization remains open for expansion east of CR06-2 (45 ft/0.185 oz Au/t), -14 (65 ft/0.067 oz Au/t, including 10 ft/0.229 oz Au/t) and -15 (35 ft/0.082 oz Au/t) which intersected significant grade in all of these holes. No drilling has occurred east of these holes.

In addition, Cortez drill hole 99421 which was collared about 400 ft south of CR05-3 and along the projected strike of the 39A Zone, encountered an 80-ft-thick interval that average 0.022 oz Au/t starting at 80 ft. The only hole in the general vicinity is 99414, which encountered the post-mineral feldspar porphyry dike where 39A Zone mineralization had been projected. The potential for near-surface mineralization makes this area a priority (Figure 19.1).

19.2.2 Porphyry Zone

Drilling in 2006 tested a NE-striking structural zone that was previously identified in 1996 by Amax and offset in 2004 by Coral. Two holes, CR06-42 (65 ft/0.017 oz Au/t) and CR06-43 (15 ft/0.102 oz Au/t), add at least 350 ft of strike length to this structure. Previous drilling in AT-261 included 65 ft averaging 0.029 oz Au/t from 180 ft, followed by 10 ft averaging 0.052 oz Au/t, starting at 320 ft and 25 ft averaging 0.093 oz Au/t starting at 465 ft. Follow up drilling in 2004 included a 125-ft-thick zone that averaged 0.024 oz Au/t, followed by 15 ft averaging 0.021 oz Au/t, from 320 ft in CR04-19. Hole CR04-20 intersected a series of zones starting at a depth of 105 ft, including 35 ft that averaged 0.023 oz Au/t, followed by 55 ft that averaged 0.018 oz Au/t, from 160 ft and a 110-ft-thick interval that averaged 0.026 oz Au/t, starting at 230 ft. The gold in both holes was accompanied by significant copper values which reached 0.12 percent and 0.27 percent, respectively. Locally, abundant secondary copper oxide and silicate minerals were recovered in the drill cuttings.

Mineralization along the northeast edge of the Porphyry Zone appears to be weakening to the northeast. Drilling in 2006 on the adjacent Rough and Ready patented claims returned virtually no significant values (Figure 19.1).

19.2.3 Gold Pan Zone

In 2005, Coral drilled four “deep” holes in the shallow Gold Pan Zone to assess the potential for eastward extensions of 39A-type mineralization. Drill holes CR05-9 through CR05-12 were collared roughly 400 ft apart in an area 500-1,000 ft east of the 39A Zone, to test the potential for deep 39A-type mineralization beneath the near-surface mineral resource. These holes were located at possible structural intersections that appear to exert control on the distribution of near-surface gold. Three of the holes encountered strong retrograde alteration at the projected depth where the stratiform 39A-type mineralization was expected. Beginning at about 1,040 ft and continuing to 1,150 ft, hole CR05-12 encountered very strongly developed retrograde alteration containing 2 to

60 percent replacement and veinlet sulfides. Starting at 1,055 ft, the hole intersected 95 ft averaging 0.019 oz Au/t, including 65 ft averaging 0.023 oz Au/t. Gold values up to 0.083 oz/t are associated with semi-massive sulfide layers.

While these results are low grade and deep, they verify the projection of 39A mineralization to the east beneath near-surface Gold Pan mineralization. These results justify follow-up drilling on a lower priority basis.

Results of the recent Barnes Engineering evaluation indicated that much of the older drill data (pre-1988) in the Gold Pan Zone is insufficient to support detailed resource estimation and determination of economic viability. As a result, Coral completed a program of re-logging cuttings with emphasis on identifying the depth of surficial oxidation. Additional diamond core drilling in the Gold Pan Zone will be necessary to characterize the metallurgical and geotechnical issues for use in future resource models.

19.2.4 Altenburg Hill Zone

During 2005, Coral acquired 41 unpatented mining claims owned by the Marcus Corporation, essentially removing a 5 percent net smelter return royalty burden from approximately 75 percent of the Altenburg Hill resource. The remaining 25 percent interest is already owned by Coral.

While evaluating the Marcus claims, it became obvious that the Amax drilling had not fully defined the extent of mineralization on Altenburg Hill. In particular, along the northeast flank of Altenburg Hill, a well defined NE-trending (≥ 0.01 oz Au/t) zone extends through a number of drill holes at the edge of the drill grid. This mineralized zone has a vertical extent of at least 80 ft. There are no existing drill holes in the vicinity of the area of potential expansion. Surprisingly, there are no existing drill holes between the Altenburg Hill resource and the southern-most extent of Porphyry Zone mineralization, a distance of at least 1,800 ft. These relationships are summarized in Figure 19.1.

In 2006, Coral completed 13 wide spaced RC holes on the northeast flank of Altenburg Hill and in the gravel-covered area between Porphyry and Altenburg Hill. Of the 13 holes, 11 encountered significant mineralization which has led to major expansion to Altenburg Hill inferred resource. Of particular importance is the intercept in CR06-30 which returned 140 ft averaging 0.04 oz Au/t starting at 95 ft. This hole remains open for expansion to north and east. Mineralization also remains open for significant expansion on the NE flank of Altenburg Hill, particularly to the northwest and east of the existing drill grid.

19.2.5 Distal Target

In 1990, Amax embarked on a deep drilling program that included holes AT-1 through AT-3. These holes are located 2,000 ft apart and were designed to test for the presence of lower plate carbonate rocks. While all three holes failed to reach the lower plate, holes

AT-1 and AT-3 encountered similar mineralized zones with nearly the same grade, thickness and at roughly the same depth in their respective holes. Follow up drilling of the AT-3 intercept has led to discovery of the Distal Target Zone.

The AT-3 intersection consisted of 75 ft averaging 0.061 oz Au/t, from 845 ft, followed by 50 ft averaging 0.02 oz Au/t, from 940 ft, and 20 ft averaging 0.082 oz Au/t at 1,120 ft. In 1999, Cortez drilled offset hole 99406 approximately 250 ft southeast of AT-3, which intersected 60 ft averaging 0.162 oz Au/t, beginning at 770 ft, and including 10 ft averaging 0.906 oz Au/t from 800 ft, followed by 110 ft averaging 0.036 oz Au/t, starting at 880 ft. A second offset hole (99445) was collared 1,000 ft northwest of, and 200 ft above AT-3, and drilled to a depth of 1,500 ft. Beginning at 1,070 ft, the inclined hole encountered a 30-ft-thick zone that averaged 0.092 oz Au/t. After removing the 200 ft of additional elevation from hole 99445, the “normalized” depth of the intercept is about 950 ft, very nearly the same as in holes AT-3 and 99406. In 2005, Coral Gold completed two RC holes designed to offset the intercepts in AT-3 and 99406. Results included 80 ft averaging 0.112 oz Au/t from 945 ft in CR05-1 and 150 ft averaging 0.059 oz Au/t starting at 850 ft in CR05-2. Included within these intervals were 25 ft averaging 0.262 oz Au/t in CR05-1 and 35 ft averaging 0.128 oz Au/t in CR05-2.

In 2006, Coral completed 5 RC holes designed to offset the previous Coral drilling. Four of the five holes intersected significant gold values and provided additional details regarding grade distribution and shape of the mineralized zone. Together with the high-grade intercept (10 ft/0.906 oz Au/t) in 99406, the 2005-06 Coral drilling indicates potential for discovering sufficient tonnages of high-grade gold to support underground mining. Because of the potential for discovering higher grade mineralization in the Distal zone, continued exploration is strongly recommended.

19.2.6 Lander Ranch Target

In 1999, Cortez drilled a single 1,500-ft-deep angle RC hole (99419) on the Lander Ranch claims located at the north end of the main Robertson claim block. The hole was sited in an area where significant gold values were returned from surface rock chip samples along a set of intersecting and gold-bearing, high-angle structures. The surface sampling returned gold values ranging from 0.002 to 0.071 oz Au/t, accompanied by arsenic values up to 5,770 ppm, antimony values up to 887 ppm and mercury values exceeding 10 ppm. The drill hole was aimed at the plunging intersection of these faults (Hebert, 2000). Beginning at 1,140 ft, the hole intersected a 60-ft-thick zone averaging 0.051 oz Au/t and second 110-ft-thick intercept averaging 0.037 oz Au/t, from 1,270 ft. This intercept may represent the deep expression of the ore-grade surface samples, indicating a significant depth extent of over 1,000 ft to this mineralization.

In 2005, as part of the Norma-Sass Option Agreement, Agnico-Eagle drilled two “deep” RC holes on the Lander Ranch claims as follow up of the Cortez drilling. Hole LR05-2, collared about 100 ft northwest from the existing Cortez hole, returned a similar intercept. Beginning at 1,035 ft, the hole encountered a 45-ft-thick zone that averaged 0.05 oz Au/t, followed by a 20-ft-thick interval averaging 0.02 oz Au/t from 1,365 ft.

These mineralized intercepts consist of strongly bleached, silicified, locally brecciated shale. The highest grades are associated with quartz-pyrite cemented breccia. The upper intercept in LR05-2 is about 100 ft higher than the intercept in the nearby Cortez hole. Hole LR05-1 was collared about 1,500 southeast of LR05-2 along a major segment of the braided fault system. This hole encountered a narrow intercept beginning at 1,090 ft that averaged 0.01 oz Au/t. This intercept is at nearly the same elevation as the existing Cortez and the other Agnico-Eagle intercepts.

In 2006, Agnico-Eagle completed six RC ranging in depth from 280 ft to 1,500 ft and totaling 7,530 ft. All six of the holes encountered mineralization that, when combined with previous Agnico-Eagle and Cortez drilling, define relatively flat-lying and widespread zone of mineralization. Although most of the mineralized intercepts were low-grade, two of the 2006 drill holes, LR06-7 and -8, returned narrow high-grade intercepts of 10 ft averaging 0.38 oz Au/t and 5 ft averaging 0.8 oz Au/t, respectively. These holes are located about 1,100 west of the original Cortez intercept and at the sample elevation in their respective hole.

The Cortez and Agnico-Eagle intercepts were made at the north end of a complex, north-northwest- striking “braided” fault system that extends southward over one mile to the main Tenabo district (Figure 19.1). In 1989 (?), Gold Fields completed a limited drilling program that included several shallow angle RC holes across a number of the braided fault segments. Three of the holes encountered ore-grade gold values ranging from 0.028 oz Au/t to 0.068 oz Au/t at relatively shallow depths (<300 ft). Together with the Cortez and Agnico-Eagle intercepts, this drilling indicates that the “braided” fault system represents a high quality exploration target that could add substantial resources.

19.2.7 East-West Vein System

An en echelon vein/fracture system extending at least 3,000 ft along strike in an east-west direction is located a few hundred feet south of the glory hole of the old Gold Quartz mine. The location of the vein system is shown on Figure 16.1. The vein/fracture system is defined by a series of sub-parallel comby quartz-sulfide $\pm$ calcite veins and silicified fault breccia exposed in numerous prospect pits, shafts and adits. Individual veins and breccia zones dip 30° to 62° to the south, vary from 1- to 15-ft thick, but average about 2.5-ft-thick and are traceable along strike for at least 400 ft. The veins and silicified breccia zones are surrounded by narrow envelopes of intense sericite-silica $\pm$ clay-pyrite alteration. This intense alteration grades rapidly into a more disseminated sericite-dominated alteration, particularly surrounding veins developed in the granodiorite stock.

Rock chip and dump samples from this area consistently returned ore-grade Au-Ag values. Of 20 surface samples taken, the average Au value is 6.33 ppm (0.185 oz Au/t) and Ag value is >50 ppm (>1.46 oz Au/t). This average gold value includes 4 samples exceeding 10 ppm and 14 samples exceeding 50 ppm Ag. Over limit assays for Au (>10 ppm) and Ag (>50 ppm) on these samples were not performed. Trace elements and base metal concentrations in these samples reach highly anomalous levels. The average value for arsenic exceeds 10,000 ppm (above the upper limit of detection), 2,443 ppm for

antimony, 3.7 for mercury, 1,312 ppm for copper, 7,826 ppm for lead, and 2,871 ppm for zinc.

The geochemistry, together with the sericite-dominated alteration indicates that the vein system is part of the late stage Au-Ag mineralization recognized on the Robertson Property. Currently, no detailed geologic mapping or sampling exists and no exploratory drilling aimed specifically at the vein-breccia targets has been conducted. A number of small mines, including the Phoenix mine, reported minor production from workings along several of these veins. According to Humphrey (1945), the Phoenix produced several hundred tons of ore having an average grade of 0.51 oz Au/t and 2.5 oz Ag/t. While past production is small, it does provide evidence that ore-grade gold is hosted, at least locally, by these veins.

19.3 Additional Exploration Targets

The area of the Robertson property has a large proven endowment of gold. The majority of holes drilled on this property contain one or more intervals of anomalous gold (≥ 0.01 oz Au/t), including many that are not part of the drill defined resources. Many of these intercepts remain untested by offset drilling, which together with a number of additional geologic targets, add to the potential of the Robertson property.

19.3.1 RUF Claims and Lower Triplet Gulch

Drilling by Coral Resources in lower Triplet Gulch has resulted in identifying a broadly mineralized zone beneath shallow alluvial cover. About 75 RC holes, totaling about 24,000 ft were drilled in this area between 1988-1989, with a drill spacing ranging from 200 ft to 400 ft and averaging 330-ft-deep. The mineralized zone is arbitrarily defined using drill intercepts ≥ 0.01 oz Au/t over a minimum thickness of 10 ft, as well as drill holes encountering ≥ 100 ft exceeding 100 ppb Au. Using these criteria, 42 of the holes were used to identify mineralization in lower Triplet Gulch. These drill holes appear to define a north-northwest trending zone having dimensions roughly 2,800-ft-long by 350-ft-wide. Within this broad ill-defined zone are a series of smaller areas of greater continuity. As currently outlined, these zones are 600 ft to 800-ft-long and up to 200-ft-wide. Significant gold values were returned in the Coral drilling include 120 ft averaging 0.014 oz Au/t from 190 ft in hole 88-245, 30 ft averaging 0.037 oz Au/t from 200 ft in hole 88-258, and 35 ft averaging 0.064 oz Au/t from 180 ft in 88-87.

Drilling by Levon Resource on the Ruf claims identified a narrow mineralized zone beneath shallow alluvial cover along the east side of the Ruf claim block. Three of the six holes encountered a narrow NNW striking mineralized zone that reaches 50-ft-thick over a distance of about 1,200 ft. The three inclined holes tested a “fault bounded” resistivity anomaly which was postulated to be part of the regionally significant NNW-striking Gold Quartz fault system (Sampson, 1995). It is also sub-parallel to the apparent mineralized zones in lower Triplet Gulch. In two of the three holes, gold occurs within faulted (?) granodiorite in the upper 250 ft of the holes. In the third hole, mineralization also occurs in granodiorite, but below 450 ft deep. These holes seem to confirm that a

large intermediate-composition intrusion, cut by gold-bearing, NNW-striking fault/fracture zones, underlies at least a portion of the Ruf claims.

Taken together, the drilling results from the Ruf claims and lower Triplet Gulch suggest the presence of one or more mineralized zones beneath the shallow alluvial covered area near the mouth of Triplett Gulch and extending to the south over 6,000 ft on to the Ruf claims. To assess the potential of the Lower Triplet Gulch and Ruf claims area, a program of detailed ground geophysics (IP/resistivity or CSAMT)), followed by RC drilling aimed at testing anomalies and offsetting significant drill intercepts, should be considered.

19.4 Metallurgical Studies

Detailed metallurgical studies have been completed on the Porphyry Zone measured resource. However, only sparse preliminary metallurgical data exists for the 39A/Gold Pan indicated resources and the Altenburg Hill/Distal inferred resources. The economic analysis of these resources indicates that the project is highly sensitive to capital costs and metallurgical recovery. As a result of the inadequate metallurgical data, the Preliminary Assessment was restricted to examining a large scale open pit heap leach operation with a high strip ratio for a deeper deposit of 39A which had a negative impact on the economics of the project. However, based on the available metallurgy data, flotation of high grade ore on a reduced scale appears to be a viable alternative to large scale heap leaching at minus ½" crush size. In addition, the use of four-stage crushing of low grade ore to produce finer material for conventional heap leaching may result in a 10 percent increase in gold recovery. Finally, no off-site processing alternatives or preconcentration by screening and dense media separation were examined in this version of the Preliminary Assessment, which could substantially decrease the project capital cost.

It is recommended that diamond core drilling be conducted in the 39A/Gold Pan and Altenburg Hill resource areas to recover samples for metallurgical testing. These studies should focus on developing a series of low cost processing alternatives which can be examined in future scoping studies.

19.5 Conclusions

It is concluded that the Robertson Property is one of merit and is worthy of further development.

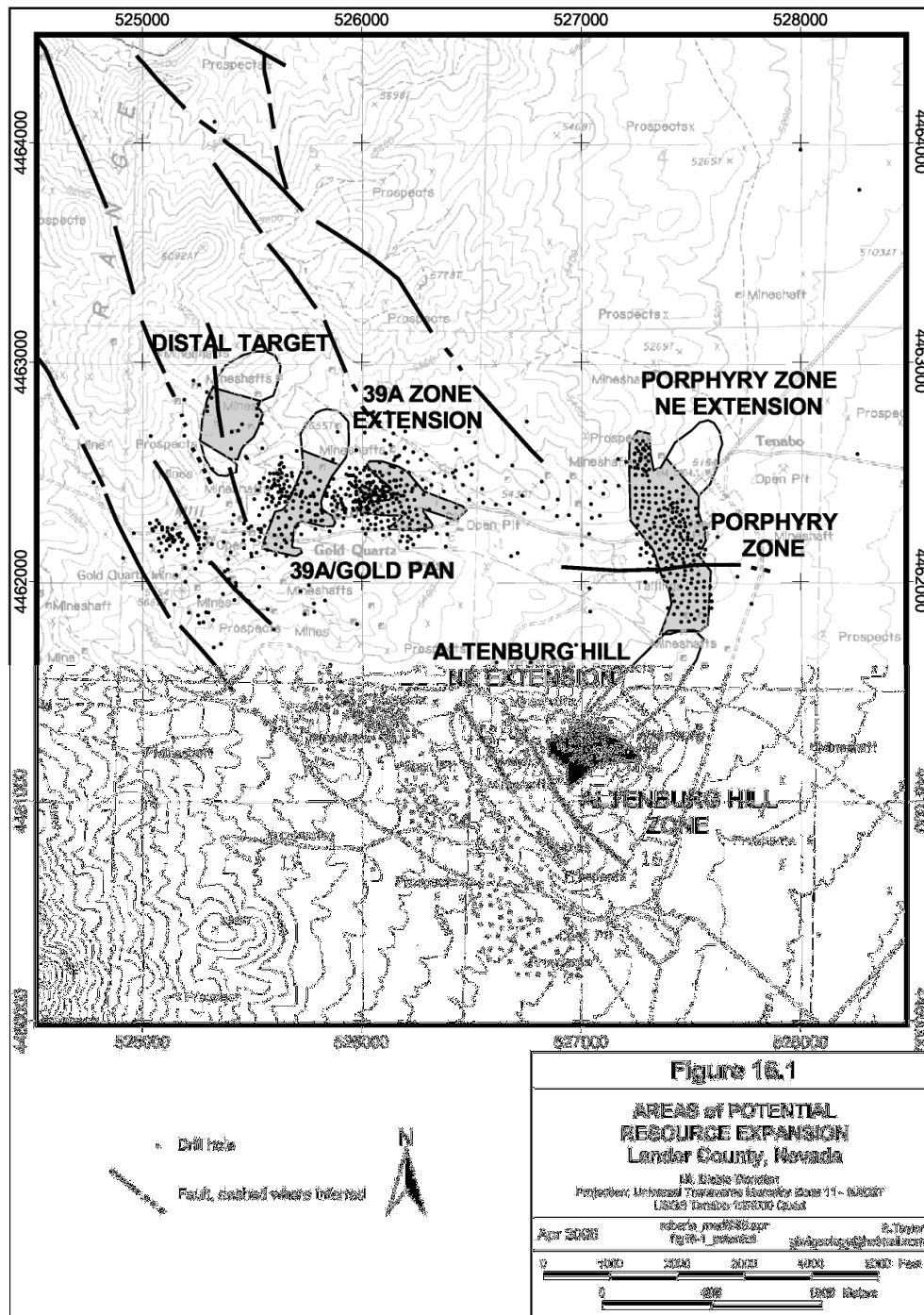


Figure 19.1: Areas of Potential Resource Expansion

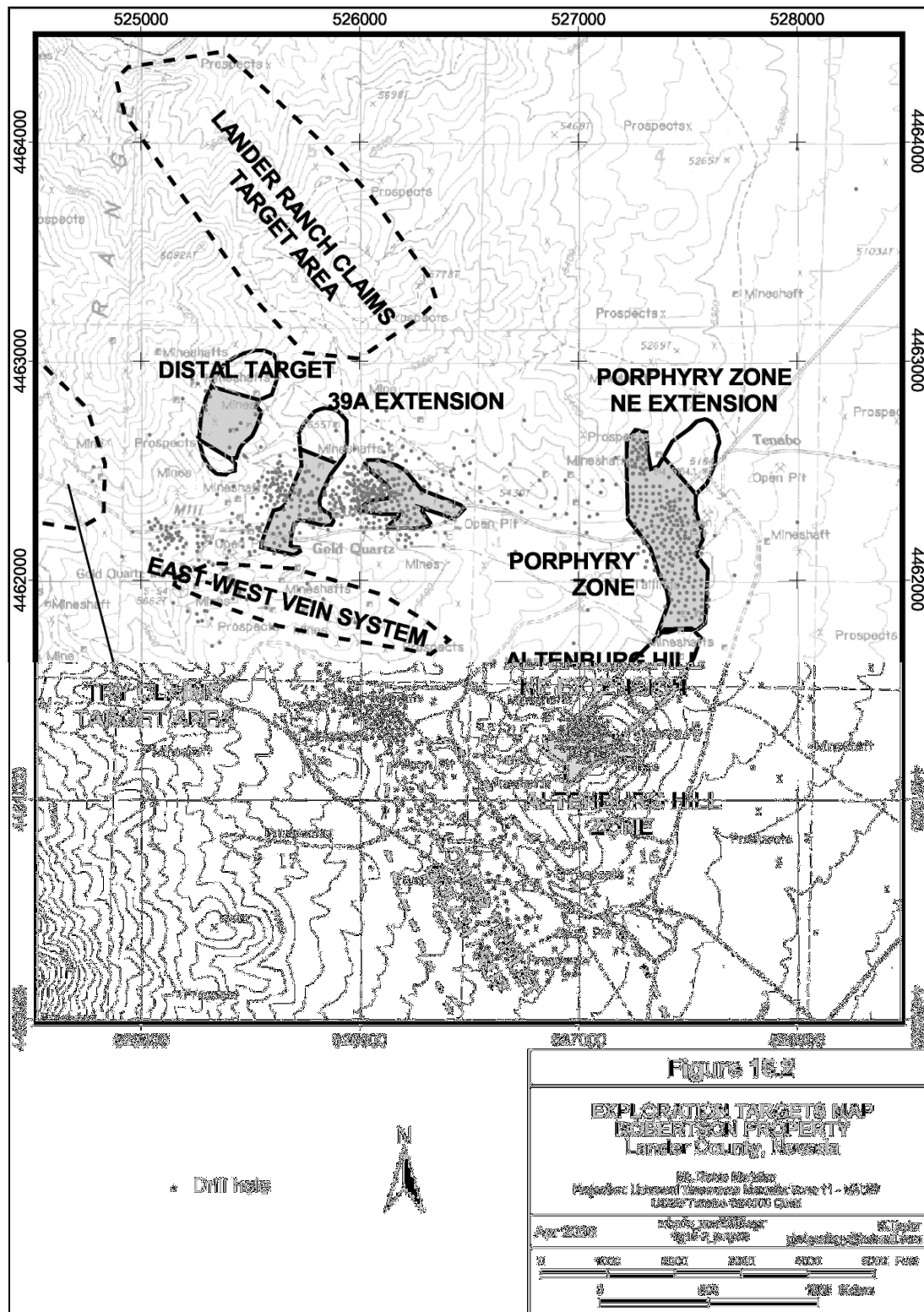


Figure 19.2: Exploration Target Map

SECTION 20.0 RECOMMENDATIONS

It is recommended that a three pronged approach be used to further develop the Robertson property.

1. Additional exploratory and definition drilling to increase the resource base and also the level of confidence in the resource to the indicated and/or measured categories.
2. Complete a metallurgical program to enhance the metallurgical data.
3. Commence a Preliminary Assessment Study on the mineralized zones within the Robertson Property to determine which of the zones have the greater potential for viability so that the zones can be prioritized for development.

Exploration

It is recommended that Coral conduct a two phase exploration program focused on expanding and up-grading the current inferred mineral resources. The details of the proposed work program and budget are presented in Table 20.1. Depending on the availability of core drills and (or) funding, Phase II may occur concurrent with Phase I or wait until early 2009 to be completed. The two phases of the work program outlined in the accompanying table are designed to be independent and not contingent upon favorable results of each phase.

The Phase I should consist of drilling 52 RC holes ranging in depth from 500 ft to 1,200 ft and totaling 37,600 ft.

- **39A Zone:** Ten holes totaling 8,400 ft drilled along the southeast and northeast margins of the zone to test for additional high-grade mineralization.
- **Distal Zone:** Ten holes totaling 12,000 ft drilled in the Distal Zone which remains open for discovery of high-grade mineralization in all directions.
- **Altenburg Hill/South Porphyry Area:** Twenty holes totaling 10,000 ft as infill and offset drilling on the northeast flank of Altenburg Hill and in the gravel-covered area south of the Porphyry Zone.
- **Triplet Gulch:** Twelve wide spaced RC holes totaling 7,200 ft to test potential continuity and grade of inferred mineralization.

Phase II should consist of 21 diamond core holes (HQ diameter) ranging from 300-ft- to 1,000-ft-deep and totaling 11,900 ft. The purpose of core drilling is to provide geological data on the controls of mineralization, acquire geotechnical data (RQD and specific gravity), confirm grade and continuity and provide material for metallurgical testing.

- **39A Zone:** Six “twin” core holes totaling 5,000 ft focused in areas of higher grade mineralization.
- **Distal Zone:** Four pre-collared “twin” core holes totaling 2,400 ft drilled to confirm grade and geological controls.
- **Altenburg Hill/South Porphyry Area:** Six (or more) “twin” core holes totaling 3,000 ft to provide ore-grade oxide mineralization for metallurgical studies and confirm the grade and continuity of mineralization.
- **Gold Pan Zone:** Five shallow “twin” core holes totaling 1,500 ft drilled mainly to provide ore-grade oxide mineralization for metallurgical studies and to confirm grade, continuity and geological controls for mineralization.

Each phase of the proposed 2008-09 work program is expected to cost about US\$1 million. Phase I will begin as soon approval is granted by the BLM and NDEP, and weather conditions permit. As proposed, the Phase I program should take about 159 days to complete, including days off. The start of Phase II will depend on availability of diamond core drills which have been difficult to secure in Nevada during the last few years. This work phase should take about 110 days to complete including days off.

Metallurgical Work

The metallurgical work will consist of confirming previous work by Amax on the Porphyry zone and optimize crush size and scoping work for copper removal from PLS and adding metallurgical information obtained in 1996 on the Gold Pan deposit based upon separate test work on the oxide and sulfide ore types.

Preliminary Assessment

The work completed to date on the Robertson Property has been to define the resource base. The property is made up of a number of zones as outlined in this report. Each of these zones will require differing approaches to determine their potential viability. Thus it is proposed that a Preliminary Assessment be undertaken to determine which of the zones should be prioritized to ensure that funds spent on the property is expended to enhance those zones that are most likely to be operating entities.

20.1 Recommended 2008-09 Work Program and Budget

TARGET/ACTIVITY	WORK PROGRAM	COST IN US\$
PHASE I		
39A Zone	10 vertical RC holes 800-1,000-ft-deep, 8,400 ft	151,200
Alt. Hill/S. Porphyry	20 vertical RC holes 500-ft-deep, 10,000 ft	180,000
Distal Target	10 vertical RC holes 1,200-ft-deep, 12,000 ft	216,000
Triplet Gulch	12 vertical RC holes 600-ft-deep, 7,200 ft.	129,600
Assaying/Control	Sample prep + assay: approx 8,272 assays @\$22/assay	182,000
Drill site Construction/	52 drill sites + sumps @ \$140/hr x 60 hrs;	8,400
Reclamation	reclamation @ \$140/hr x 78 hrs.	10,920
Drilling Supplies	Sample bags, chip trays: 8,500 bags +375 chip trays	18,900
Down-Hole-Surveying	20 holes @ \$850/hole.	17,000
Database Management	Consulting services.	5,000
Geological Services	Consulting services @ 5.1 man months.	55,000
Expenses	Food, fuel, vehicles.	10,000
Phase I Total		984,000
PHASE II		
39A/Gold Pan	6 vertical core holes 600-1,000-ft-deep, 5,000 ft	280,000
Alt. Hill/S. Porphyry	6 vertical core holes 500-ft-deep, 3000 ft	168,000
Distal Target	4 vertical core holes (pre-collared), 1,200 ft	134,400
Distal Target	4 vertical RC pre-collars 600-ft-deep, 1,200 ft	30,000
Gold Pan	5 vertical core holes 300-ft-deep, 1500 ft.	84,000
Consulting metallurgist.		20,000
Assaying/control	Sample prep + assays: 2,618 assays @\$22/assay	57,600
Drilling Supplies	Core boxes, core blocks, sample bags, etc.	11,500
	Diamond core saw	4,500
Drill site Construction/	21 drill sites + sumps @ \$140/hr x 20;	2,800
Reclamation	reclamation @ \$140/hr x 31.5 hrs.	4,310
Database Management	Consulting services.	2,500
Geological Services	Consulting services	29,500
Geol. Technician	Core Cutting + Various Duties, etc	
	@ \$18.00/Hr X 235 Hr.	4,200
Expenses; Food, Fuel, Vehicles		4,000
Phase II Total		917,400
Contingency 10%		200,000
Total estimate Cost		2,100,000

Metallurgical Test Program for the Porphyry Deposit.

Objective: Confirm previous work by Amax, optimize crush size and scoping work for copper removal from PLS

Work Program

Item #	Task	# units	Cost/unit US\$	Total US\$
1	Sample preparation, Head Analysis with carbon and sulfur speciation	1	1000	1000
2	Column Tests at -3/8" and -1/4" in 4" dia x 10ft high column	2	8000	16000
3	Bottle Rolls at -3/8", -1/4", -10mesh and -200mesh	4	700	2800
4	Size by Size fraction weight and assay analysis at -3/8"	1	1200	1200
5	Copper Removal from PLS scoping tests (EW and Ion Exch.)]	2	2000	4000

Porphyry Estimated Cost **\$ 25,000**

Metallurgical Test Program for the Gold Pan Deposit.

Objective: Add to the metallurgical information obtained in 1996 and to tests the oxides and sulfides separately

Work Program

Item #	Task	# units	Cost/unit US\$	Total US\$
1	Sample preparation, Head Analysis with carbon and sulfur speciation	2	1000	2000
2	Column Tests at -1/2" in 4" dia x 10ft high column	2	8000	16000
3	Bottle Rolls at -1/2", -1/4", -10mesh and -200mesh	8	700	5600
4	Size by Size fraction weight and assay analysis at -1/2"	2	1200	2400
5	Flotation tests at 80% passing 100, 150 and 200mesh	3	800	2400

Gold Pan Estimated Cost **\$ 28,400**

Supervision and contingency (say \$15,000) \$15,000

Total Metallurgical Cost Estimate **\$68,400**

Preliminary Assessment

The expected cost to complete a Preliminary Assessment of based upon the results of the resource base as described in this report is \$250,000 to \$350,000.

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SECTION 22.0 CERTIFICATE OF QUALIFIED PERSONS**CERTIFICATE OF QUALIFICATION**

I, W. Peter Stokes, do hereby certify that:

- 1) I am a consulting mining engineer with an office in Vancouver, British Columbia.
- 2) This certificate applies to the "Mineral Resource Estimate on the Robertson Property, Lander County, Nevada, USA" dated January 27, 2008 prepared for Coral Gold Resources Ltd., Vancouver, B.C.
- 3) I am a graduate of the Stoke-on-Trent College of Technology, Staffordshire, UK in 1965 with an HND in Mine Engineering. I am a member in good standing of the Association of Professional Engineers and Geoscientists of the Province of British Columbia. I have practiced my profession as a mining engineer throughout the world continuously since 1965.
- 4) I have visited the property on one occasion, June 20 to 21, 2007.
- 5) In the Independent "Mineral Resource Estimate" report on the Robertson Property, I am responsible for Sections 1.0, 2.0, 3.0 and 20.0 and the overall study management and study compilation.
- 6) I have read the definition of "qualified person" set out in National Instrument 43-101 and certify that by reason of education, experience, independence and affiliation with a professional association, I meet the requirements of an Independent Qualified Person as defined in National Policy 43-101.
- 7) I am not aware of any material fact or material change with respect to the subject matter of the technical report that is not reflected in the "Mineral Resource Estimate" report.
- 8) I have read National Instrument 43-101, Standards for Disclosure of Mineral Properties. This technical report has been prepared in compliance with National Instrument 43-101.
- 9) As of the date of this certificate, to my the best of my qualified knowledge, information and belief, this Technical Report contains all the scientific and technical information that is required to be disclosed to make the report not misleading.

Original Signed by W. Peter Stokes, P.Eng.

Dated this 27th day of January, 2008

CERTIFICATE OF QUALIFICATION

I, Robert T. McCusker, do hereby certify that:

1. I am a consulting geologist residing in Lakewood, Colorado, U.S.A..
2. This certificate applies to the “Mineral Resource Estimate on the Robertson Property, Lander County, Nevada, USA” dated January 27, 2008 prepared for Coral Gold Resources Limited, Vancouver, B. C.
3. I am a graduate of San Jose State University with a B.Sc. in Geology in 1975 and M.Sc. in Geology in 1982. I have practiced my profession continuously since 1975. I am a Professional Geologist, registered with Wyoming Board of Registration for Professional Geologists.
4. I supervised drilling on the Robertson Property of Coral Gold Resources Limited between March 28 - April 20, 2004, November 21 - December 18, 2004, June 7 - August 13, 2005, April 30 – June 10, 2006 and August 10 - December 3, 2006. During the period 1990-94, I was Senior Project Geologist for Amax Gold Inc. at the Robertson Property, with responsibility of supervising the evaluation of the property and preparing part of the 1994 Amax Feasibility Study;
5. In the independent report titled “Mineral Resource Estimate on The Robertson Property”, I am responsible for preparing Sections 4 through 15, 19 and Section 22.
6. I have read the definition of “qualified person” set out in Nation Instrument 43-101 and certify that by reason of education, experience, independence and affiliation with a professional association, I meet the requirements of an Independent Qualified Person as defined in the draft National Policy 43-101.
7. I am not aware of any material fact or material change with respect to the subject matter of the technical report that is not reflected in the Technical Report.
8. I have read National Instrument 43-101, Standards for Disclosure of Mineral Properties and Form 43-101FI. This technical report has been prepared in compliance with that instrument and form.
9. 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 the report not misleading.

Original Signed by Robert T. McCusker , P. Geol.

Dated this 27th day of January, 2008

CERTIFICATE OF QUALIFICATION

I, Garth David Kirkham do hereby certify that:

- 1) I am a consulting geoscientist with an office in Vancouver, British Columbia.
- 2) This certificate applies to the "Mineral Resource Estimate on the Robertson Property, Lander County, Nevada, USA" dated January 27, 2008 prepared for Coral Gold Resources Ltd., Vancouver, B.C.
- 3) I am a graduate of the University of Alberta in 1983 a B. Sc. in Geophysics. I am a member in good standing of the Association of Professional Engineers and Geoscientists of the Province of Alberta and the Association of Professional Engineers and Geoscientists of British Columbia. I have continuously practiced my profession performing computer modelling since 1988, both as an employee of a geostatistical modelling, mine planning software and consulting company and as an independent consultant.
- 4) I have not visited the property.
- 5) In the independent report titled "Mineral Resource Estimate on The Robertson Property", I am responsible for the "Resource Estimation" which is Section 17 of the report.
- 6) I have read the definition of "qualified person" set out in National Instrument 43-101 and certify that by reason of education, experience, independence and affiliation with a professional association, I meet the requirements of an Independent Qualified Person as defined in draft National Policy 43-101.
- 7) I am not aware of any material fact or material change with respect to the subject matter of the technical report that is not reflected in the Technical Report.
- 8) I have read National Instrument 43-101, Standards for Disclosure of Mineral Properties and Form 43-101F1. This technical report has been prepared in compliance with that instrument and form.
- 9) As of the date of this certificate, to my the best of my qualified knowledge, information and belief, this technical report contains all the scientific and technical information that is required to be disclosed to make the report not misleading.

Original signed by

Garth David Kirkham, P.Geoph.

Dated this 27th day of January, 2008.

CERTIFICATE OF QUALIFICATION

I, Jasman W. Yee, do hereby certify that:

1. I am a consulting metallurgist with an office in Vancouver, British Columbia.
2. This certificate applies to the “Mineral Resource Estimate on the Robertson Property, Lander County, Nevada, USA” dated January 27, 2008 prepared for Coral Gold Corporation, Vancouver, B.C.
3. I graduated with a Bachelor’s degree of Applied Science in Chemical Engineering from the University of British Columbia (B. Ap. Sc.)
4. I am a licensed Professional Engineer in the province of British Columbia with the Association of Professional Engineers and Geoscientists of B.C., and a member of the Canadian Institute of Mining, Metallurgy and Petroleum.
5. I have been directly involved in mineral processing for the past 35 years.
6. I have read the definition of “qualified person” set out in NI 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.
7. I am responsible for the content of Section 16 of this report.
8. I have visited the Robertson property on three separate occasions between 2005 and 2007.
9. I supervised the 2007 Metallurgical Test Program conducted at McCelland Laboratories, Inc.
10. I am a minority shareholder of Coral Gold Resources.
11. I have read NI 43-101 and Form 43-101F1, and the Report has been prepared in compliance with that instrument and form.

Original signed

By “*Jasman W. Yee*”

Jasman W. Yee, P. Eng.

Dated this 27th day of January, 2008

SECTION 23.0 DATE AND SIGNATURE PAGE

This report is dated January 27, 2008.

**SECTION 24.0 ADDITIONAL REQUIREMENTS FOR TECHNICAL REPORTS ON
DEVELOPMENT PROPERTIES AND PRODUCTION PROPERTIES**

There are no additional requirements.

SECTION 25.0 ILLUSTRATIONS

There are no illustrations.