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Pan Project, White Pine County, Nevada



NI 43-101 Technical Report

Prepared by MGC Resources Inc. for:
Midway Gold Corp.

This report was prepared under the
supervision and participation of the following
Qualified Person:

- Don Harris, M.Sc., QP, CPG, RG; Vice
President-Advanced Projects, Midway
Gold Corp.

Effective Date: December 1, 2009

IMPORTANT NOTICE

This report was prepared as a National Instrument 43-101 Technical Report, in accordance with Form 43-101F1, for Midway Gold Corp. (Midway), by MGC Resources Inc., a wholly owned subsidiary of Midway. The quality of information, conclusions, and estimates contained herein is consistent with: i) information available at the time of preparation, ii) data supplied by outside sources, and iii) the assumptions, conditions, and qualifications set forth in this report. This report is intended for use by Midway and will be filed as a Technical Report with Canadian Securities Regulators. Except for the purposes legislated under provincial securities law, any use of this report by any third party is at that party's sole risk.

Certificate of Qualified Person

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I, **Donald Harris**, am a Professional Geoscientist and Vice President of Advanced Projects for Midway Gold Corp.

This certificate applies to the technical report titled "NI 43-101 Technical Report, Pan Property, White Pine County, Nevada", dated December 1, 2009.

I am a member in good standing of the American Institute of Professional Geologists (CPG 10819) and a Registered Member of the Society of Mining, Metallurgy, and Exploration (4146776). I graduated with a Bachelor of Science degree in Geology from the University of Wyoming in 1987. In addition, I obtained a Master of Science degree in Geology from Northern Arizona University in 1990.

I have practiced my profession for 19 years. I have been directly involved in working on gold deposits in North America, Africa, and Russia, including project supervision, resource estimation, property evaluation, surface exploration, drill program supervision, database administration, and QA/QC evaluation.

As a result of my experience and qualifications, I am a Qualified Person, as defined in National Instrument 43-101 *Standards of Disclosure of Mineral Projects* (NI 43-101).

I have visited the Pan Property on numerous occasions in the last 2 years, including serving as the project manager in 2007.

I am responsible for all items (1-23) of the technical report titled "NI 43-101 Technical Report, Pan Property, White Pine County, Nevada", dated December 1, 2009.

I am currently employed by Midway Gold Corp.

I have been involved with the Pan property since April 2007.

I have read National Instrument 43-101 and this report has been prepared in compliance with that Instrument.

As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to the make the report not misleading.

Signed and Sealed

Donald Harris, M. Sc., CPG, RG
Dated: December 1, 2009

Consent of Qualified Person

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To: British Columbia Securities Commission
Alberta Securities Commission

I, Donald Harris, M.Sc., CPG, RG, consent to the public filing of the technical report titled "NI 43-101 Technical Report, Pan Property, White Pine County, Nevada", and dated December 1, 2009 (the Technical Report).

I confirm that I read the Midway Gold Corp. Press release titled "Midway Gold Updates NI 43-101 Gold Resource at Pan Project, Nevada", dated November 5, 2009, and that it fairly and accurately represents the scientific and technical information in the Technical Report that supports the disclosure.

Donald Harris (M.Sc., CPG, RG) _____

December 1, 2009

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1.0 SUMMARY

1.1 Introduction

The Pan gold deposit is a large tonnage gold deposit found in Devonian-Mississippian marine siltstones and limestones. MGC Resources Inc. (MGC) has conducted exploration drilling on this project since 2007, building upon the historic gold resource (MDA, 2005). Based on exploration mapping and drilling this deposit would be classified as a Carlin Gold system.

A previous mineral resource estimate was conducted on the property by independent geologic experts (MDA, 2005). Since the last resource estimate, Castleworth-Pan Nevada completed 40,730 feet of drilling in 205 holes (2005-2006) and MGC has completed an additional 61,495 feet of drilling in 162 holes (2007-2008). The purpose of this Technical Report is to update the resource estimate with the new data, and to update the geologic interpretation of the deposit.

1.2 Property Location and History

The Pan property is located in White Pine County, Nevada, approximately 22 miles southeast of Eureka, Nevada and 50 miles west of Ely, Nevada. MGC controls 9,791 acres on 518 contiguous unpatented lode and placer mining claims.

The deposit was discovered by Mr. Lyle Campbell in 1978 through surface prospecting. The property has been explored by several exploration/mining companies, including Amselco Minerals, Hecla Mining Company, Homestake Mining, Echo Bay Exploration Inc., Alta Gold Company, Southwest Gold Inc., Latitude Minerals Corporation, Castleworth Ventures Inc, Pan-Nevada Gold Inc., and MGC Resources. Exploration and development work since 1978 has included geologic mapping, geochemical sampling, reverse circulation and core drilling, geophysical surveys, and metallurgical testing. There has been no historical gold production from the Pan property.

1.3 Geology and Mineralization

The gold deposit at Pan is located in rolling hills within the core of the Pancake Range. Gold mineralization outcrops throughout the deposit, including exposures at North Pan, South Pan, Nana, Wendy, and Barite.

The Pan gold deposit is hosted in Devonian-Mississippian aged marine limestone and siltstone of the Devils Gate and Pilot Formations. The main deposit is aligned along the north-south trending Pan Fault which is a steeply dipping, normal fault. Smaller zones of mineralization have been identified outlying from the main fault, along large scale northwest trending normal faults.

Drilling has defined four zones of mineralization, South Pan, North Pan, Nana, and Black Stallion. South Pan, which includes Wendy and Barite, is approximately 5,100 feet by 600 feet. North Pan, which includes Syncline and Boulders, is approximately 4,940 feet by 950 feet. Nana and Black Stallion are smaller zones of mineralization away from the Pan Fault

and are both approximately 1,200 feet by 500 feet. Known mineralization remains open to the north and at depth at North Pan and east and south of South Pan. Mineralization outcrops in several areas and has been drilled to 845 feet. All known mineralization is oxide, non sulphide bearing

Gold mineralization is hosted in gently folded Pilot and Devils Gate Formations, and occurs as sub-microscopic particles disseminated within the limestones and siltstones. Clay and silica alteration are the dominant styles in this typical Carlin system. Age of mineralization is unknown at this time.

1.4 Exploration

MGC has conducted a comprehensive program of geological mapping, geophysical surveys and surface geochemical sampling on the property. This program has helped to define the geology of the Pan gold resource as well as highlight additional exploration targets on the property.

1.5 Drilling

A total of 235,745 feet of drilling in 864 holes has been completed in nine drilling campaigns in the Pan resource area. Geologic and assay records have been located for eight of the drill campaigns. No information was located for the 1992 Alta Gold effort (17 holes, 3,593 feet), or the 5 core holes completed by Echo Bay (825 feet) in 1987, and these are not included in the resource evaluation. A total of 846 holes (232,558 feet) were drilled using reverse circulation (RC) and rotary drilling methods and 18 holes totalling 3,187 feet were drilled using diamond core drilling methods.

Sampling from RC and core drilling at Pan has been carried out using industry standard practices and procedures since the 2003 drilling season. No documentation is available on sampling prior 2004.

Logging procedures conform to industry standard practices and are adequate to model the geology of the subsurface. Over the nine drilling programs there was good consistency in logging lithology. However, there was some difficulty in recognizing various formations noted in the project. During 2007, the historical logging was standardized to the surface geology map, so that various formations could be modeled accurately. Alteration types have not been logged consistently over the life time of the project, and no alteration model has been completed at this time.

Collar and down-hole surveys were completed using industry standard tools and are well documented since 2003. All collar locations were located by a licensed surveyor, since that time period. Prior to 2003, collars appear to have been located by a surveyor, but no description of methodology could be located. Down hole surveys on the project are limited to the 2008 campaign and a handful of holes prior to 2008. There are no down hole surveys for any holes completed prior to 2008. An evaluation of the 2008 campaign revealed no serious problems with down hole deviations, especially given that the average depth drilled is 275 feet.

1.6 Sample Preparation, Analyses, and Security

The sample preparation and assay procedures employed by MGC, as well as previous operators after 2003, were generally in line with industry standard practices at the time drilling was completed. The second half of the 2008 drilling program did not contain blank material to test lab sample preparation due to problems with the standard blank. No documentation for sample preparation, procedure, or security is documented prior to 2004. Assay determinations are detailed in later sections, but generally initial sample intervals were assayed by either standard fire assay on a 30 gram sub-sample with an atomic absorption spectrometry finish or by cyanide digestion on a 30g sample, with the pregnant solution gold content analyzed by AA. 21.6% of the resource model database is represented by AuCN analysis, while 78.4% is represented by AuFA analysis.

Duplicate samples collected on the rig in 2007 and 2004 do not show an overall bias in grade, indicating no problems with sample collection or coarse gold.

1.7 Data Verification

The Pan data set and database were compared for accuracy with the source data to insure the integrity of the data utilized for mineral resource estimates.

This has been completed on all pre-2005 data by MDA (MDA, 2005), on all pre-2008 data by AMEC (AMEC, 2008), and by the author on 2008 data. No major errors were noted, with an error rate of <1%.

1.8 Mineral Processing and Metallurgical Testing

Metallurgical testing at McClelland, Hazen, Dawson, Chemex, and Alta Gold Laboratories on numerous samples and composites has been completed on the project. To date, only cyanide heap leaching has been tested at the Pan project. Gold recoveries in column leach tests have ranged from 46-95%. Gold recovery is variable depending upon grade, degree of silicification, and material size.

1.9 Mineral Resource Estimates

Prior to this technical report, the most current historical compliant mineral resources as completed by Mine Development Associates (MDA) in 2005 for Castleworth Ventures Inc. Additional drilling completed since that estimate has been incorporated into the Pan database and is the basis for the current updated resource prepared by MGC Resources for Midway Gold Corp.

The results of the gold resource estimation provided a CIM classified Measured, Indicated, and Inferred mineral resource as reported below. MGC estimated an updated resource for the Pan deposit containing 34.65 million short tons grading 0.018 ounces per short ton (gold oz/st) gold containing 608,700 ounces of gold in the measured plus indicated categories. There was



an additional 1.60 million short tons grading 0.017 gold oz/st containing 26,500 ounces of gold in the inferred category. These were both determined at a 0.006 gold oz/st cut-off grade. Mineral resources are summarized in Table 1-1, and the base case is in bold. The mineral resource estimate is not materially affected by any known environmental, permitting, legal, title, taxation, socioeconomic, marketing, political, or other relevant issues.

Table 1.1: Pan Resource \$750 Lerchs-Grossman Shell

Measured Resource

Cut-Off Grade (opt gold)	Short Tons (Millions)	Gold Grade (opt)	Contained Gold (ounces)
0.006	3.22	0.019	62,100
0.010	2.71	0.021	58,100
0.020	1.17	0.031	36,500
0.030	0.44	0.043	19,000

Indicated Resource

Cut-Off Grade (opt gold)	Short Tons (Millions)	Gold Grade (opt)	Contained Gold (ounces)
0.006	34.43	0.017	546,600
0.010	25.08	0.020	495,800
0.020	8.03	0.030	240,000
0.030	2.64	0.042	110,900

Measured plus Indicated Resource

Cut-Off Grade (opt gold)	Short Tons (Millions)	Gold Grade (opt)	Contained Gold (ounces)
0.006	34.65	0.018	608,700
0.010	27.79	0.020	553,900
0.020	9.20	0.030	276,500
0.030	3.08	0.042	129,900

Inferred Resource

Cut-Off Grade (opt gold)	Short Tons (Millions)	Gold Grade (opt)	Contained Gold (ounces)
0.006	1.60	0.017	26,500
0.010	1.29	0.019	24,000
0.020	0.37	0.030	11,200
0.030	0.14	0.040	5,500



10 foot composited assays were used to estimate tons and gold grades within mineralized domains using an ordinary kriging estimation method on a three dimensional block model generated utilizing Surpac®, a commercially available mine planning software package. Mineralized domains were established on cross section and transferred to 3-dimensional shapes. Assays within the domains were composited into 10-foot intervals. Search distances and directions were established using spherical variograms on the composites within the domains. A density of 13.5 cubic feet per short ton was applied to bedrock shales and siltstones, while 12.3 cubic feet per short ton was applied to limestone. A tonnage factor of 15.0 cubic feet per ton was used for overlying, post mineral volcanic tuffs. Resources reported are included within a Lerchs-Grossmann optimization shell (L-G shell) using a \$750 per ounce gold price. The L-G shell is an economic test that simulates open pit mining using current mining costs. The mineral resource continues to be classified as measured, indicated, and inferred based on drill spacing and data confidence.

1.10 Conclusions and Recommendations

MGC has identified and established that a gold resource exists at Pan. Drilling since 2005 has increased the resource by approximately 26%. The combined gold resources from North Pan, South Pan, and adjacent prospects such as Wendy, Black Stallion, and Nana warrant scoping level economic evaluation. Continued efforts on the project should include:

- Identify areas of the resource associated a cyanide soluble assay only, with no total gold assays available. Re-drilling and assaying of these areas will help reduce the impact.
- Selectively re-drill and assay areas associated with Alta Bay Mine lab AuFA assays, which when compared with certified lab assays for twin holes are on average 14.7% lower grade.
- Selectively drill core holes in central areas of the mineralization to determine if the historic reverse circulation assays are under reporting grade. The limited data on hand suggests that the core assays are on average 30.5% higher grade than the nearest RC assays.
- Additional trace element analyses and LECO will be needed for rock characterization studies.
- A program of collecting density measurements through the deposit should be initiated, focusing on alteration and formations.
- Additional metallurgical testing, including column leach tests and bottle rolls, focusing on average deposit grade
- A scoping study should be completed to evaluate the economic potential for mining this project.



- Geotechnical drilling and evaluations to define potential pit slope parameters
- Evaluation of water rights and water needs for the project.
- Define environmental issues, mitigations, and permit timeline.
- Expand the resource along known extensions at Boulders, Wendy, Barite, and Nana to determine the total resource potential. Target open mineralization at depth and north at North Pan, and east and south of South Pan.

The table below outlines an exploration budget which incorporates the above recommendations.

Table 1.2: Recommended Exploration Program Budget for the Pan Property

Program	Cost
RC Drilling 150,000 feet @ \$20.00/foot	\$3,000,000
Diamond Core Drilling 10,000 feet @ \$75.00/foot	\$ 750,000
Sample Assays 32,000 @ \$12.00/sample	\$ 385,000
Density Determinations 200 @ \$15.00/sample	\$ 3,000
Drill Supervision	\$ 500,000
Metallurgical Test Work	\$ 150,000
Road Building, drill sump construction, and reclamation	\$ 45,000
Scoping Study	\$ 200,000
Waste Characterization Studies	\$ 75,000
Contingency	\$ 75,000
Total	\$5,183,000

2.0 INTRODUCTION

2.1 Purpose

This report was prepared by MGC Resources Inc. for Midway Gold Corp. to fulfill the requirements of National Instrument 43-101 for the reporting of mineral resources. MGC is a wholly owned subsidiary of Midway Gold Corp.

Since the last NI 43-101 technical report was completed by MDA in 2005, Castleworth-Pan Nevada completed 40,730 feet of drilling in 205 holes (2005-2006) and MGC Resources has completed an additional 61,495 feet of drilling in 162 holes (2007-2008). This represents 367 new holes (102,225 feet), with 6 core holes (1,414 feet) and 361 reverse circulation holes (100,811 feet) included in the total. The drilling was focused on defining new mineralization at Barite, Boulders, Nana, Black Stallion, and Wendy, drill testing several exploration targets, and twin drilling to confirm historic results.

In addition to drilling updated geologic mapping, geophysics, and soil geochemical samplings have been completed to further define exploration targets on the property.

The purpose of this Technical Report is to update the resource estimate with this new drill data, and to outline an updated geologic interpretation of the deposit. Resource growth was less than 100% from the last independent report (MDA, 2005), which allows an in-house update to the mineral resource.

2.2 Source of Information

Information for this technical report was generated by MGC personnel from the Pan project office in Eureka, Nevada. Much of the original data and the original geologic interpretation and conclusions were first presented in the previous NI 43-101 technical report for the Pan property (MDA, 2005); (MDA, 2004). Internal reports generated by MGC geologists also provided background for this report. Additional studies and reports utilized in this compilation are referenced in section 21 of this report.

2.3 Qualified Persons

The qualified person responsible for this report is Don Harris (M.Sc., CPG, RG). Mr. Harris is Vice President-Advanced Projects for Midway Gold Corp and the project manager for Pan. Mr. Harris is a Certified Professional Geologist as recognized by the American Institute of Professional Geologists and a Registered Geologist as recognized by the Society for Mining, Metallurgy, and Exploration. The grade model was constructed by David Mosch, mining engineer for MGC, under the supervision of Mr. Harris.

2.4 Field Involvement of Qualified Persons

Mr Don Harris is Vice President of Advanced Project and has oversight responsibility for the Pan Project. Mr. Harris was the project manager during 2007 and interim project manager for 2009. Numerous site visits have been performed from 2007-2008. Mr. Harris reviewed the

geologic model constructed, and available drill cuttings on site for this study. No historical core was available for review.

2.5 Terms of Reference

This report was developed by MGC for Midway Gold Corp. The cut-off date for information used in this report was July 1, 2009. The resource growth was less than 100%, allowing for an in-house estimation for the mineral resource according to NI 43-101 standards.

Unless stated otherwise, all quantities are in US Commercial Imperial units and currencies are expressed in constant 2009 US dollars. Please refer to section 2.6.2 to convert numbers from imperial to metric.

The mineral resource estimates cited in this report were classified in conformance to CIM Definition Standards for Mineral Resources and Mineral Reserves.



2.6 Units of Measure

2.6.1 Common Units

Above mean sea level.....	amsl
Cubic foot.....	feet ³
Cubic inch	in ³
Cubic yard.....	yd ³
Day.....	d
Degree	°
Degrees Fahrenheit	°F
Foot.....	feet
Gallon.....	gal
Gallons per minute (US)	gpm
Grams per tonne	g/t
Greater than.....	>
Hectare	ha
Hour	h
Inch	"
Kilo (thousand).....	k
Less than	<
Micrometre (micron).....	µm
Milligram.....	mg
Ounces per ton	oz/t
Parts per billion	ppb
Parts per million	ppm
Percent.....	%
Pound(s)	lb
Short ton (2,000 lb)	st
Short ton (US).....	t
Specific gravity.....	SG
Square foot	feet ²
Square inch.....	in ²
Yard.....	yd
Year (US).....	yr

2.6.2 Metric Conversion Factors (divided by)

Short tons to tonnes.....	1.10231
Pounds to tonnes	2204.62
Ounces (Troy) to tonnes	32,150
Ounces (Troy) to kilograms.....	32.150
Ounces (Troy) to grams	0.03215
Ounces (Troy)/short ton to grams/tonne	0.02917
Acres to hectares	2.47105
Miles to kilometres	0.62137
Feet to metres	3.28084



2.6.3 Abbreviations

American Society for Testing and Materials	ASTM
Absolute Relative Difference	ARD
Atomic Absorption Spectrometry	AAS
Bureau of Land Management.....	BLM
Canadian Institute of Mining and Metallurgy	CIM
Diamond Drill	DD
Global Positioning System.....	GPS
Internal Rate of Return.....	IRR
Metallic Screen Fire Assay	MSFA
National Instrument 43-101	NI 43-101
Nearest Neighbour.....	NN
Net Smelter Royalty.....	NSR
Net Present Value.....	NPV
Probability Assigned Constrained Kriging.....	PACK
Reverse Circulation.....	RC/RCV
Rock Quality Designation.....	RQD
Selective Mining Unit	SMU
Universal Transverse Mercator.....	UTM

3.0 RELIANCE ON OTHER EXPERTS

The authors of the report have taken reasonable care that the information in the report is accurate and suitable for inclusion. Information regarding the land agreements, options or claims as well as accuracy of title has relied on the opinion of Mr. R.J. Smith of MGC and the authors rely on the accuracy of his statements.

The author of the report has taken a number of excerpts from the Mine Development Associates Report issued on Pan in 2005. This material is appropriately referenced as written by MDA (2005).

4.0 PROPERTY DESCRIPTION AND LOCATION

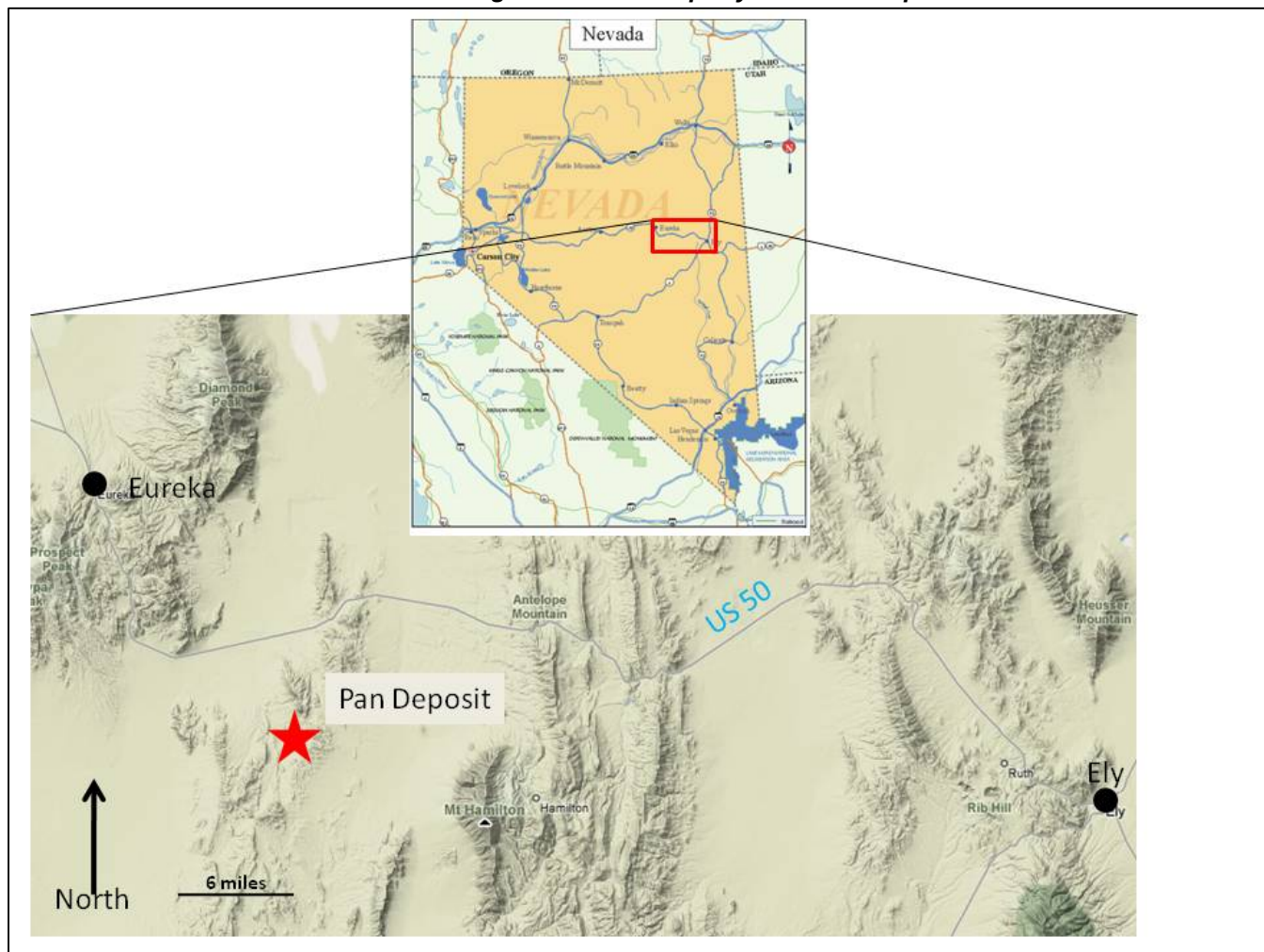
4.1 Location

The Spring Valley property is located in White Pine County, Nevada, 22 miles southeast of the town of Eureka, Nevada and 50 miles west of Ely, Nevada (Figure 41). The Property is situated in the northern portion of the Pancake Range, approximately 5 miles south of Nevada State Highway 50. The project is accessed via an unmaintained dirt road that exits US 50 and travels through the property.

The Property is located on the USGS Ely 1:100,000 scale topographic map and the USGS Pancake Summit SW and Black Point 1:24,000 scale, 7.5 minute series quadrangle maps. It is centered at latitude 39° 17' North and longitude 115° 44' West. The principal area of known mineralization on the Pan property is located within Sections 25 and 36, Township 17 North, Range 55 East (T17N, R55E) and Section 1, Township 16 North, Range 55 East (T16N, R55E) Mount Diablo Base and Meridian (MDBM). Figure 4.1 shows the general location of the Pan property with respect to Eureka and Ely, Nevada.



Figure 4.1 Pan Property Location Map



4.2 Mineral Tenure and Agreements

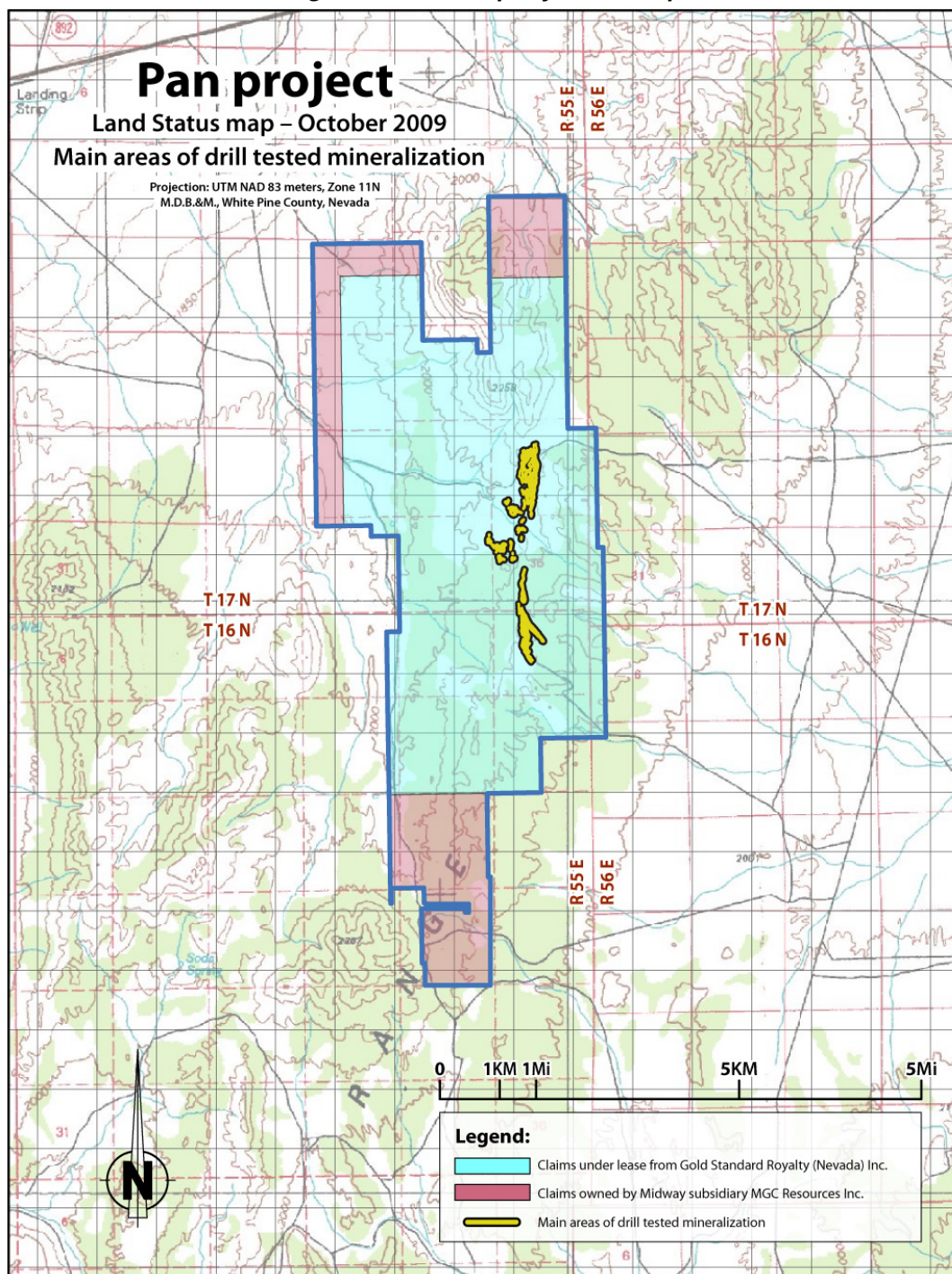
4.2.1 Mineral Rights

The Pan property mining claims and mineral lease encompass an area of approximately 9,791 acres (3,962 ha) (Figure 4-2). The Property consists of 518 contiguous, active unpatented lode mining claims covering portions of Sections 12 through 15, 22 through 27, 34 through 36, T17N, R55E, portions of Sections 19, 29, 30, T17N, R56E, portions of Sections 1 through 3, 10 through 15, 22, 23, T16N, R56E, and portions of Sections 6, 7, T16N, R56E. Unpatented mining claims are kept active through payment of a maintenance fee due on 31 August of each year. A complete listing of all claims on file with the Nevada Bureau of Land Management (BLM) and White Pine County is provided in Appendix [A].



The Property is located in surveyed and unsurveyed Townships. The unpatented lode mining claims were individually surveyed at time of location and maps were filed with the BLM and White Pine County.

Figure 4.2 Pan Property Claim Map



4.2.2 Agreements and Royalties

Gold Standard Royalty Agreement

Pursuant to the acquisition of Pan-Nevada Gold Corporation ("Pan-Nevada") effective April 16, 2007, Midway acquired a 100% interest in the January 7, 2003 mineral lease agreement by and between Pan-Nevada Gold Corporation (formerly Castleworth Ventures, Inc.) ("PNV") and Gold Standard Royalty (Nevada) Inc. ("GSR") (successor in interest to The Lyle F. Campbell Trust). On or before January 5 of each year, PNV must pay an advance minimum royalty of the greater of US\$60,000 or the US dollar equivalent of 174 ounces of gold valued by the average of the London afternoon fixing for the third calendar quarter preceding January 1 of the year in which the payment is due. The next advance minimum royalty payment has been calculated at \$151,657.73, before January 5, 2010 but no earlier than January 1, 2010. All minimum advance royalties will be creditable against a sliding scale production royalty of between 2.5% and 4% (see table 4.1 below).

If the total amount of production royalty due GSR in any calendar year exceeds the advance minimum royalty due within that year, PNV can credit all uncredited advance minimum royalties paid in previous years against 50% of the production royalty due GSR within that calendar year. Certain claims are also subject to an overriding 1% NSR royalty payable to a third party.

PNV must incur a minimum of US\$65,000 per year work expenditures, including claim maintenance fees, during the term of the mining lease.

Table 4.1 Pan Royalty Schedule

Price of Gold	Percentage
To and including \$340.00/oz	2.5%
From \$340.00/oz to \$450.00/oz	3.0%
\$450.00/oz and greater	4.0%

The original lease encompassed 98 claims and established a 1-mile area of interest, within which all new claims located by PNV or an affiliate are subject to the lease agreement. As noted before, 10 PA claims are subject to the 1% NSR overriding royalty. PNV (or its predecessors) expanded the claim holdings within the area of interest to a total of 401 unpatented claims.

Additional Claims

Over the years, MGC Resources Inc., a wholly-owned subsidiary of Midway ("MGC") has staked 117 additional unpatented claims (NC, GWEN), within and adjacent to the Pan property that are without royalty burden and are not subject to the GSR area of interest.

4.3 Environmental Liability

The BLM prepared an environmental assessment on the Pan property as part of the Plan of Operations (POO) process to permit disturbance for exploration activities (BLM, 2004). The BLM found no significant environmental concerns during their evaluation, though they did express concerns regarding air quality, soils, vegetation, wildlife (migratory birds), grazing, wild horses, cultural resources (Carbonari sites), visual resources, and hazardous or solid wastes. Currently MGC through Pan-Nevada is bonded at \$63,170, which allows drilling disturbance on about 22 acres within the POO boundary. The disturbance and bonding level is updated annually. There is no known historical hard-rock and placer mining activities on the property; however there exists the possibility that unrecognized environmental liability may exist.

Portions of the Pan project have been disturbed by previous exploration activity, some of which has been reclaimed, some of which has not been reclaimed. According to the BLM and SRK (2009) MGC's responsibility is limited to those areas that are currently used for exploration activities. MGC is currently responsible for the reclamation and monitoring of active drill roads and drill sites, which is approximately 12.5 acres.

The project at this stage appears to be staged as a potential open pit, with an associated heap leach facility. Project development would likely require an environmental impact statement to analyze potential impacts. Major issues for project development will include:

- Acquiring water rights from existing holders and/or submitting applications for new water rights
- Potential impacts to sage grouse, white sage, and pygmy rabbits, which have potential to occur within the claim block.
- Potential impacts to segments of the Lincoln Highway/Hamilton Stage road and Carbonari sites
- Closure plan for waste rock dumps and heap leach pads
- Geochemistry for post mining disturbance

4.4 Operational Permits and Jurisdictions

MGC exploration activities are permitted under a Plan of Operations (POO) approved by the BLM in 2004. The outline of the POO is shown in Figure 4-2. The POO allows for up to 22 acres of disturbance subject to annual disturbance summaries, proposed work plans for the



year, and associated bonding. Currently MGC is bonded at \$63,170, which allows drilling disturbance on approximately 25 acres within the POO boundary. The disturbance is updated annually and bonding level is updated every three years, as required by the BLM.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE & PHYSIOGRAPHY

5.1 Accessibility

The Pan property is situated in the Pancake Range of east-central Nevada. Access to the Pan property is via an unmaintained dirt road that intersects US Highway 50 approximately 17 miles southeast of Eureka, Nevada. It is approximately 7 miles, via road, from US 50 to the Pan deposit. The nearest town is Eureka, Nevada, which hosts a population of 650 (US Census Bureau, 2008). The greater Eureka County and White Pine County area hosts a population of 1,628 (US Census Bureau, 2008) and 9,542 respectively. Population is centered primarily in Eureka and Ely, Nevada. The nearest city is Elko, Nevada, approximately 110 miles by road to the north, which hosts a population of 18,400.

5.2 Topography, Elevation, Climate, and Vegetation

The Pan property is located within the rolling hills associated with the Pancake Range of east-central Nevada. The terrain is gentle to moderate throughout most of the project area, with no major stream drainages. Elevation at the property ranges from 6,400 to 7,500 feet above sea level. The vegetation covering the area includes areas of heavy/dense Juniper and Pinion pines, mixed with open areas of sagebrush and grasses. This vegetation is typical of northern Nevada. No known springs are present on the property.

The climate in the area is typical for the high desert of east-central Nevada and the Basin and Range province. Climate data from Eureka, Nevada averages 11.85 inches of precipitation per year, with average temperatures ranging from 17 F in the winter to 86.4 F in the summer. Daytime temperatures exceeding 90 F during July and August are common (Western Regional Climate Center, 2008).

5.3 Infrastructure and Local Resources

The Pan project is a Carlin style disseminated gold deposit, with open pit type grades. As presently defined the project contains no underground type grades. However, a scoping study and/or a prefeasibility study is required to determine if the project can economically support an open pit, leach pad, waste dumps, and operating facility. At this time the project is fully on MGC held land. Midway currently holds an extensive land package, that covers all known gold mineralization, potential operations (pit and processing) location, and support facilities.

Electrical power is available via a power line running adjacent to US 50, approximately 6 miles to the north. Water for support exploration drilling is available from nearby ranch wells, which are 3 miles west of the property. Water for mine production and process efforts will need to be identified and secured.



Logistical support is available in Eureka, Ely, and Elko, which support large open pit mining operations. Barrick Gold Corporation currently operates the Ruby Hill Mine at Eureka and the Bald Mountain Mine, approximately 50 miles north. Quadra Mining operates the Ruth Copper pit near Ely, and large scale mining by Barrick and Newmont Mining Corporation is prevalent near Elko and Carlin, Nevada to the north. The area has a long mining history, dating back to 1876, with underground silver mining and smelting based in Eureka. It is anticipated that personnel and resources for operations at Pan would be available from Eureka, Ely, and Elko counties.

6.0 HISTORY

6.1 Exploration History

The Pan property is located in the Pancake District of east-central Nevada. The district was first organized in 1870, when silver ore was discovered approximately 10 miles to the southwest at Pogue's Station (MDA, 2005, Smith, 1976). Occurrences of lignite near Pancake Summit were briefly exploited from 1872-1877, with only minor production. During the 1870s the Chainman Sandstone was also quarried along the west side of the property for furnace lining at the Eureka smelter (Smith, 1976). There is no historic gold or silver mining activity on the Pan property.

Mr. Lyle Campbell first discovered the Pan deposit in 1978, while prospecting the Pancake Range. Outcropping gold mineralization at North Pan occurred as silicified jasperoids, which are now referred to as the Campbell Jasperoid. Mr. Campbell staked 147 original unpatented mining claims, and transferred ownership of the claims to the LFC Trust in 1986. The LFC Trust was bought out in 2008, and is now owned by Gold Standard Royalty. Exploration on the property has been conducted by several companies since 1978, and is summarized below.

This history is taken from the Mine Development Associates report from January 2005.

Amselco leased the claims from Campbell in 1978. Amselco drilled 85 holes (22,119 feet). These holes were shallow reverse circulation and conventional rotary holes drilled between 1978 and 1985. The majority of the holes were completed on the North Pan area.

Hecla drilled eight reverse circulation holes in the central portion of the Pan property in 1986. Only limited data was found on these drill holes. None of the holes intersected significant mineralization and the lease was terminated.

Echo Bay leased the property in 1987, and completed 108 reverse circulation holes between 1987 and 1988. Drilling was responsible for the discovery of the South Pan gold mineralization, approximately 1 ½ miles south of North Pan. Echo Bay completed preliminary metallurgical evaluations, including bottle rolls, column leach, and size fraction analysis. Echo Bay also drilled five diamond core holes for metallurgical test work, however, insufficient data has been located and these are not included in the database.

From 1988 to 1991 the Pan property was explored under a joint venture between Alta Gold and Echo bay. Alta Bay drilled 213 reverse circulation holes in the North and South Pan areas. Additionally, geologic mapping, geochemical sampling, and an IP geophysical survey were conducted (Myers, 1990).

The joint venture also initiated studies in support of mining development, including an archaeological survey, additional metallurgical test work, and preliminary reserve calculations and mine designs. LFC Trust reports indicate that Alta Bay planned to begin mining at Pan, upon the conclusion of mining at the Easy Junior property. Easy Junior is approximately 8 miles southeast of the Pan project. The Alta Bay joint venture was dissolved in mid-1991.

Alta Gold continued with the Pan project after dissolution of the joint venture, until 1992. During that time period Alta Gold drilled 10 reverse circulation holes as twins to pre-existing holes and also drilled seven PQ size (3.345 inch) core holes in North and South Pan for metallurgical work. No reliable records of these holes have been located so they are not currently in the resource database. Alta Gold terminated the lease prior to completing any metallurgical testing on the core, and ownership of claims was transferred to LFC Trust in 1992.

Southwestern Gold Corporation was briefly involved in the property during 1993. Southwestern held a small section of claims around the Nana zone and completed 7 reverse circulation holes (1,415 feet). Although collars have been identified in the field relating to this drilling, confirmation drilling during 2007 could not confirm the reported results. The Southwestern drill holes have not been used for the resource portion of this report.

The property was dormant from 1992 to 1999, when Latitude leased the Pan property from the trust. From 1999 to 2001 Latitude explored the property as part of a joint venture with Degerstrom. The joint venture completed geologic mapping, outcrop and soil sampling, and drilled 49 reverse circulation and 5 rotary holes (16,143 feet). Latitude also completed metallurgical testing on some of the PQ core drilled in 1992.

The Latitude drilling was primarily focused on the North and South Pan resource, but did discover mineralization at Syncline and Black Stallion. The joint venture was terminated in mid-2001. During the second half of 2001, Latitude joint ventured the project to Metallica. From LFC Trust files it appears that Metallica focused on thermal imagery and lineament study of satellite data over the Pan area. No additional ground work was completed. The LFC Trust terminated the lease agreement in 2002, citing Latitude's inability to meet financial obligations required by the agreement.

Castleworth Ventures leased the property in January 2003. The company completed 199 reverse circulation holes (39,316 feet) and 6 core holes (1,414 feet) on the project. Additional geologic mapping and sampling, metallurgical test work, and resource estimations were also completed by Castleworth on the property. On April 16, 2007, Pan-Nevada Gold Corporation (formerly known as Castleworth Ventures, Inc.) was acquired by Midway Gold Corp. With this acquisition, Midway and its U.S. subsidiary, MGC Resources, gained a 100% interest in the January 7, 2003 mineral lease agreement between Pan-Nevada Gold Corporation and LFC Trust. In 2008, the LFC Trust was purchased by Gold Standard Royalty (Nevada) Inc.

Since MGC Resources acquired the Pan property the company has completed 161 reverse circulation drill holes (61,495 feet) on the project. The drilling has been focused on expanding resources at North Pan (at depth and to the north at Boulders), South Pan (to the east at Wendy and to the south at Barite), development of a resource at Nana, confirmation drilling with 12 twin holes, and exploration drilling at several targets. Additional geologic mapping, soil and outcrop sampling was completed in 2007 and 2008. A ground magnetic geophysical program was also completed in 2008.

Table 6.1 Company and Drill Hole History
Pan Project

Company	Number of Holes	Reverse Circulation Footage	Number of Core Holes	Core Footage	Hole Prefix	Years
Amselco	85	22,119	0		PR	1978-1985
Hecla	8	1,415	0	0	PX-H	1986
Echo Bay	108	21,050	5	825	EP	1987-1988
Alta Bay Venture	213	66,960	0	0	AP,NP,SP	1988-1991
Alta Gold	10	2,645	7	948		1992
Southwestern Gold	7	1,415	0	0	PX	
Latitude/Degerstrom JV	54	16,143	0	0	LPR	1999-2002
Castleworth Ventures	199	39,316	6	1,414	03,04,05,06	2003-2006
MGC Resources	162	61,495	0	0	PN	2007-2008

6.2 Historical Resource and Reserve Estimates

This section is taken from the MDA, 2005 technical report on the Pan project. These resources and reserves are historical only, and have not been verified. The use of resource and reserves were not completed to NI 43-101 standards, but are disclosed for historical accuracy and disclosure.

Echo Bay

Echo Bay completed a cross sectional polygonal “ore reserve” calculation in 1988. The estimate was done using grade cut-offs of 0.015 gold oz/st and 0.020 gold oz/st over minimum drill lengths of 10 feet. The area of influence allowed per hole, was ½ the distance to the adjacent cross section, up to 100 feet, in the north south direction, and ½ the distance to the nearest hole, up to 50 feet, in the east west direction. Tonnage factors used were 15 ft³/st at North Pan and 13 ft³/st at South Pan. This was completed as a cross sectional estimate.

Table 6.2 Echo Bay Polygonal “Ore Reserve” Calculation
(Jeanne, 1988, MDA, 2005)

Area	0.015 gold oz/st Cut-off			0.020 gold oz/st Cut-off		
	Tons	Gold Grade (gold oz/st)	Contained Ounces	Tons	Gold Grade (gold oz/st)	Contained Ounces
North Pan	2,877,822	0.027	76,258	1,869,200	0.032	59,146
South Pan	2,476,340	0.031	76,689	1,958,365	0.035	68,244
Total	5,354,162	0.029	152,947	3,827,565	0.033	127,390

Alta Bay

Alta Bay calculated a polygonal “geologic ore reserve” in 1988 from 100 foot spaced sections. The calculation was completed at a 0.020 gold oz/st cut-off and an area of influence of 100 by 50 feet per drill hole. Tonnage factors used were 15 ft³/st at South Pan and 13 ft³/st at North Pan. This was a cross sectional estimate, and is not in accordance with NI 43-101 methods

Table 6.3 Alta Bay Polygonal “Geologic Ore Reserves”
(Myers, 1990, MDA, 2005)

Area	Tons	Gold Grade (gold oz/st)	Contained Ounces
North Pan	6,744,406	0.021	140,942
South Pan	4,191,765	0.025	106,130
Total	10,936,171	0.023	247,072

In 1989 Alta Bay reported the results of computer generated “ore reserves” for the Pan Project. The annual report to the LFC Trust indicates a strip ratio of 1.87 for North Pan and 1.63 for South Pan, but no other details were provided in the report. No original work could be located to further document this historic estimate and it is not in accordance with NI 43-101 standards.

Table 6.4 Alta Bay Computer Generated “Ore Reserves”
(Myers, 1990, MDA, 2005)

Area	Tons	Gold Grade (gold oz/st)	Contained Ounces
North Pan	5,125,240	0.022	112,509
South Pan	5,874,519	0.020	117,972
Total	10,999,759	0.021	230,481

In 1991, Alta Bay updated the polygonal “geologic ore reserves” for the project. This estimate was done using tonnage factors of 13 ft³/st North Pan and all material at South Pan except argillaceous material. A tonnage factor of 14 ft³/st was used on argillaceous material at South Pan. All other parameters were held the same as the previous calculation.

Table 6.5 Alta Bay Polygonal “Geologic Ore Reserves”
(Myers, 1991, MDA, 2005)

Area	Tons	Gold Grade (gold oz/st)	Contained Ounces
North Pan	6,744,406	0.0209	140,942
South Pan	4,687,126	0.0238	111,641
Total	11,431,532	0.0231	252,583

Also in 1991 Alta Bay reported “recoverable geologic ore reserves” for the Pan deposit. This represents the first effort at computer/model generated “reserves” and was done using a tonnage factor of 13 ft³/st North Pan and South Pan, a gold recovery rate of 65%, and a gold price of \$400 per gold ounce (Myers, 1991). No geology was used to constrain the model. No other details were reported in the annual report to the LFC Trust.

Table 6.6 Alta Bay Computer Generated “Recoverable Ore Reserves”
(Myers, 1991, MDA, 2005)

Area	Contained Ounces (**back calculated from recovery)	Recoverable Gold Ounces
North Pan	153,762	99,945
South Pan	115,343	74,973
Total	259,105	174,918

None of “resources” or “reserves” reported by Alta Bay appear to be in accordance with NI 43-101 standards, although documentation of methods is limited to annual reports to the LFC Trust.



Latitude

Prior to any surface work on the project, Latitude utilized Lynn Canal Geological Services of Juneau, Alaska to compile a Pan digital drill database, construct a three dimensional geologic model, and estimate mineral “resources” on the property. The resource was modeled by performing variography on composited drill data to establish reasonable estimation parameters and estimated gold grades. Faults and lithologic contacts were used as hard boundaries. Tonnage factors applied were 13 ft³/st at North Pan 14 ft³/st at South Pan. This resource is summarized below, and according to MDA appears to conform to definitions and criteria set out in NI 43-101. This model was not reviewed for this report and is set forth for historical purposes only. Growth in the resource from previous Alta Gold estimates appears to be the result of a lower cut-off grade being applied.

Table 6.7 Latitude Resource Estimate
(White and Buxton, 1999)

Indicated Resources

	North Pan			South Pan			Total Indicated		
Cut-off (gold oz/st)	Tons (Mt)	Gold Grade (gold oz/st)	Gold Ounces	Tons (Mt)	Gold Grade (gold oz/st)	Gold Ounces	Tons (Mt)	Gold Grade (gold oz/st)	Gold Ounces
0.010	10.41	0.017	172,800	8.46	0.017	144,300	18.86	0.017	317,100
0.015	4.88	0.022	107,900	4.26	0.022	94,900	9.14	0.022	202,800
0.020	2.37	0.028	66,100	2.25	0.027	61,300	4.62	0.028	127,400

Inferred Resources

	North Pan			South Pan			Total Indicated		
Cut-off (gold oz/st)	Tons (Mt)	Gold Grade (gold oz/st)	Gold Ounces	Tons (Mt)	Gold Grade (gold oz/st)	Gold Ounces	Tons (Mt)	Gold Grade (gold oz/st)	Gold Ounces
0.010	3.46	0.013	44,500	3.89	0.013	50,600	7.34	0.013	95,100
0.015	0.78	0.017	13,900	0.94	0.018	17,300	1.72	0.018	31,200
0.020	0.14	0.024	3,400	0.31	0.022	6,900	0.45	0.023	10,300

Castleworth Ventures

After two years of exploration drilling, Castleworth commissioned Mine Development Associates (MDA) to complete a NI 43-101 compliant resource estimate on the Pan Project. Parameters for the estimate are thoroughly discussed in the MDA, 2005 report, and the results are summarized below. Using a 0.010 gold oz/st cut-off, the measured and indicated total resource is 18.97 million tons grading 0.019 gold oz/st (361,400 gold ounces contained). The inferred total was 8.30 million tons grading 0.017 gold oz/st (140,600 gold ounces contained). This resource evaluation used an economic cut-off of 0.010 gold oz/st, and no Lersch-Grossman cone was applied. This resource estimate included drilling through the end of 2004, and is the last historical compliant resource completed on the project.

Table 6.8 Castleworth Ventures Resource Estimate
(MDA, 2005)

Measured Resources

Cut-off (gold oz/st)	North Pan			South Pan			Total Indicated		
	Tons (Mt)	Gold Grade (gold oz/st)	Gold Ounces	Tons (Mt)	Gold Grade (gold oz/st)	Gold Ounces	Tons (Mt)	Gold Grade (gold oz/st)	Gold Ounces
0.010	3.09	0.019	59,600				3.09	0.019	59,600
0.015	1.66	0.026	42,700				1.66	0.026	42,700
0.020	1.03	0.031	32,200				1.03	0.031	32,200
0.030	0.40	0.043	17,300				0.40	0.043	17,300
0.040	0.19	0.054	10,300				0.19	0.054	10,300
0.050	0.10	0.064	6,100				0.10	0.064	6,100

Indicated Resources

Cut-off (gold oz/st)	North Pan			South Pan			Total Indicated		
	Tons (Mt)	Gold Grade (gold oz/st)	Gold Ounces	Tons (Mt)	Gold Grade (gold oz/st)	Gold Ounces	Tons (Mt)	Gold Grade (gold oz/st)	Gold Ounces
0.010	9.13	0.018	162,600	6.75	0.021	139,200	15.88	0.019	301,800
0.015	4.88	0.023	111,300	4.53	0.025	112,500	9.31	0.024	223,800
0.020	2.50	0.029	73,500	2.84	0.030	84,100	5.34	0.029	157,600
0.030	0.77	0.042	32,600	1.04	0.040	41,800	1.81	0.041	74,300
0.040	0.36	0.052	18,700	0.42	0.050	20,700	0.77	0.051	39,400
0.050	0.20	0.058	11,600	0.15	0.061	9,300	0.35	0.060	21,00

Inferred Resources

Cut-off (gold oz/st)	North Pan			South Pan			Total Indicated		
	Tons (Mt)	Gold Grade (gold oz/st)	Gold Ounces	Tons (Mt)	Gold Grade (gold oz/st)	Gold Ounces	Tons (Mt)	Gold Grade (gold oz/st)	Gold Ounces
0.010	2.82	0.017	49,200	5.49	0.017	91,400	8.30	0.017	140,600
0.015	1.46	0.023	32,900	3.17	0.020	62,900	4.62	0.021	95,900
0.020	0.79	0.028	22,000	1.12	0.026	28,800	19.1	0.027	50,800
0.030	0.26	0.036	9,600	0.28	0.036	9,200	0.52	0.036	18,700
0.040	0.08	0.045	3,600	0.04	0.045	2,000	0.12	0.045	5,500
0.050	0.01	0.051	700	0.01	0.053	400	0.2	0.052	1,200



7.0 GEOLOGICAL SETTING

7.1 Regional Geology

The Pan property is located in the core of the Pancake Range of east-central Nevada. This is within the Basin and Range province, which contains a series of north-south trending mountain ranges separated by deep alluvial valleys. The Pancake Range is approximately 115 miles long and 8-10 miles wide, and is bordered by the Newark Valley. The rocks exposed in the range are Devonian to Permian carbonate and clastic sedimentary rocks. These have been locally intruded by Cretaceous aged quartz monzonite intrusive. All of these formations are overlain by Tertiary volcanics (basalt flows and tuffs) in several locations. Figure 7.1 is a regional map of the Pancake Range, and Figure 7.2 is a stratigraphic section of known units within the range.

**Figure 7.1 Regional Geology, Pancake Range
(Smith, 1976)**

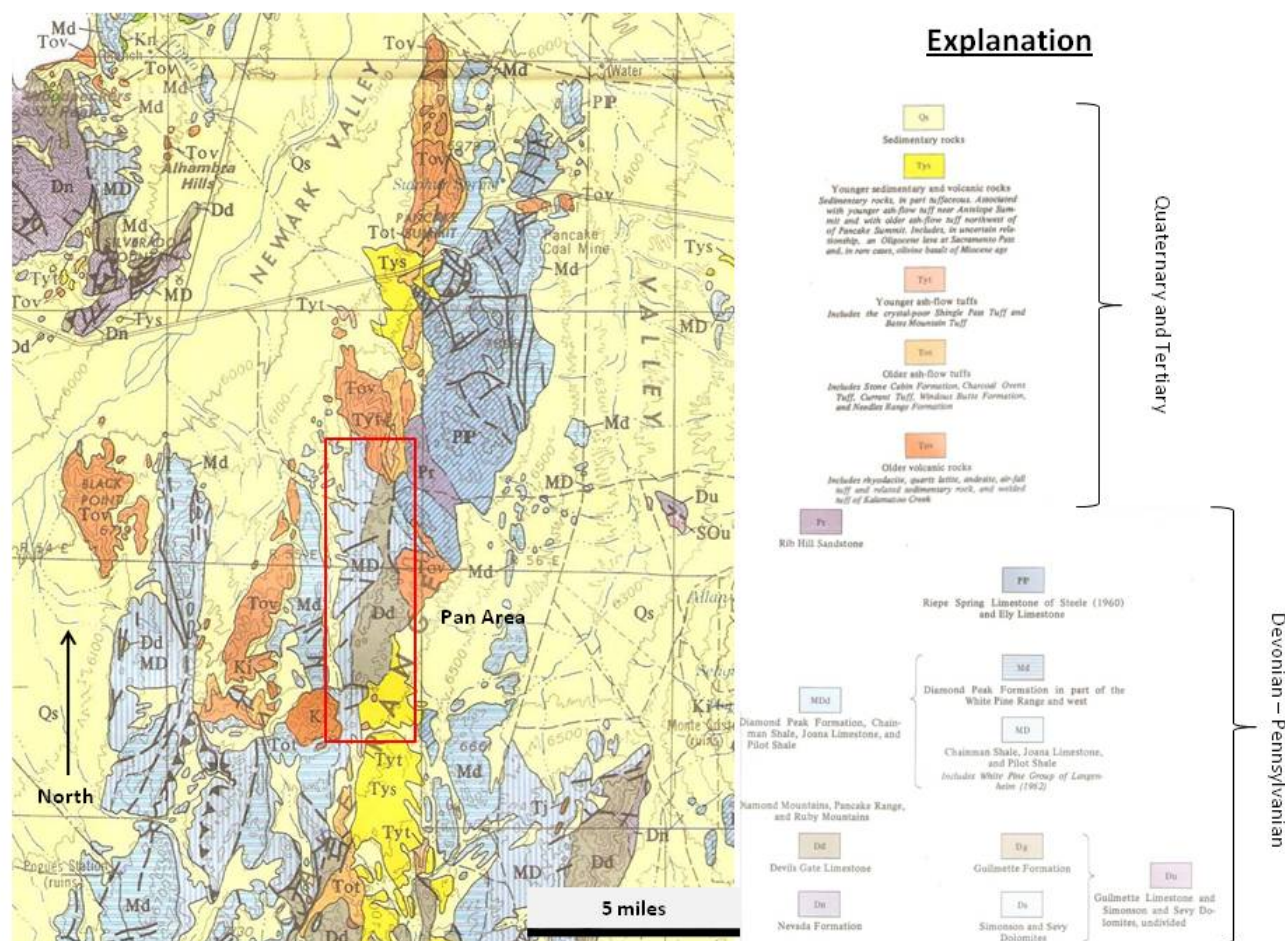
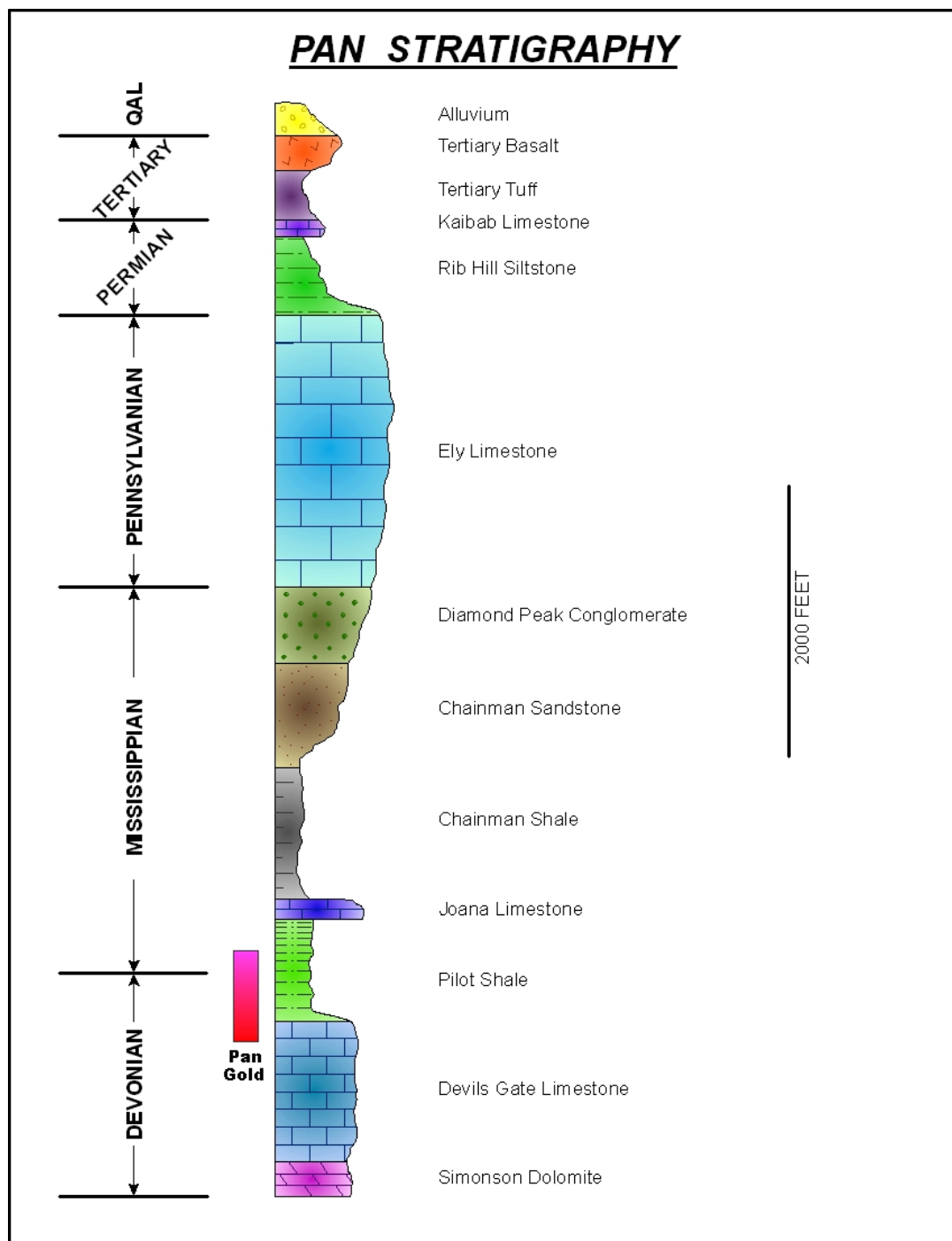


**Figure 7.2 Stratigraphic Column, Pancake Range
(Smith, 1976, Harris, 2007)**



7.2 Local Geology

A map of the local geology is shown in Figure 7.2. The Pancake Range extends north-south with the Pan Property in the northern portion of the range. Devonian through Permian aged carbonate and clastic sedimentary rocks form the core of the range. A Cretaceous (?) aged quartz monzonite intrusive is found to the south of the property, with a prominent sill noted in the regional mapping. These intrusives appear to be age related to the Mount Hamilton stock, which lies in the White Pine Range to the east. The Mount Hamilton area, which contains the Seligman and Monte Cristo stocks, and other similar aged monzonite to quartz monzonite intrusive, may have provided the heat source for the mineral deposits.

The local geology has been capped by post mineral Tertiary aged tuffs and basalt flows. These units appear to be Oligocene to Miocene in age.

7.3 Property Geology

A property geology map is shown in Figure 7.3. The Pan deposit is a tabular, lithologic controlled disseminated gold mineral deposit that is locally overlain by Tertiary tuffs and flows. Individual units are described below.

7.3.1 Lithological Units

Lithologic descriptions are derived from field observations and Smith (1976).

Devonian Simonson Dolomite

The Simonson Dolomite is the lowest unit within the Pan Property. This unit has only been intersected in drill holes and is not exposed on the surface. Thickness is unknown as only the top portion of the dolomite has been drilled at South Pan, but ranges from 500 to 1,300 feet thick (Smith, 1976) in White Pine County. The dolomite is a light gray, massive bedded unit.

Late Devonian Devils Gate Limestone (Guilmette Formation)

The Devils Gate Limestone and Guilmette Formation names have been used interchangeably along the White Pine – Eureka County line. The county map refers to the thick bedded limestones as Guilmette, while historical references to Pan (MDA, 2005) use the Devils Gate name. For consistency the Devils Gate name has been retained with respect to the project.

The Devils Gate Limestones are the oldest rocks exposed in the northern Pancake range. The unit typically consists of thick to massive beds of medium to dark gray limestone. Thickness ranges from 1,000 to 2,500 feet thick, with stromatolitic fossil horizons (Smith, 1976). This unit is the primary host to gold mineralization at South Pan.

Late Devonian to Early Mississippian Pilot Shale

The Pilot Shale consists of an upper, very thin bedded fissile shale and a lower, thicker bedded siltstone. Both units are generally calcareous, with minor to moderate amounts of organic carbon, when unaltered. There are infrequent interbeds of silty limestone within the

formation. Thickness of the formation ranges from 300-900 feet, with structural thickening along the Pan Fault. Pilot is the dominant host rock for North Pan, Black Stallion, and Nana.

Mississippian Joana Limestone

The Joana Limestone overlies the Pilot, and is characterized by coarse grained, medium gray limestone beds. The limestone is medium bedded, with frequent fossils, including echinoderm, bryozoans, foraminifera, algae, and crinoids. The lower Joana can contain a lower calcarenite. Thickness in the county ranges from 90 to 500 feet (Smith, 1976); although at Pan the unit is typically less than 150 feet thick. None of the current gold resource is hosted in the Joana Limestone.

Mississippian Chainman Shale

The Chainman Shale is composed of dark gray to black thin bedded fissile shales, with minor interbeds of siltstone. Thickness ranges from 1,000 to 2,000 feet (Smith, 1976); with the lower range typical at Pan.

None of the current gold resource is hosted in the Chainman Shale. However, the Joana Limestone and lower Chainman Shale are the hosts for gold mineralization at the Easy Junior deposit, located 8 miles southeast of the Pan property.

Mississippian Diamond Peak Formation

The Diamond Peak Formation consists of a lower medium bedded, coarse grained, quartz rich sandstone. This unit is overlain by a thick bedded to massive conglomerate. The conglomerate is silica cemented, with high iron content. Thickness ranges from 1,000 to 3,700 feet, with the Pan Property thickness around 2,400 feet. There is no known mineralization in this unit.

Pennsylvanian Ely Limestone

The Ely Limestone is a medium bedded coarse crystalline, medium gray limestone with interbeds of siltstone and chert. Thickness can range from 1,800 feet to 3,000 feet, but is typically 2,000 feet in the Pancake Range. There is no known mineralization in this unit.

Permian Rib Hill Siltstone

The Rib Hill Siltstone is a thin bedded quartz rich siltstone with sandstone interbeds and calcite cement. Thickness ranges from 800 to 1,400 feet thick (Smith, 1976). Thickness is unknown on the project as a full section is not exposed, but based on drilling is greater than 600 feet. The siltstone is high in iron oxide and carbonate. There is no known mineralization in this unit. However, it is the main host to mineralization at the Maverick gold-silver deposit located near the Ruby Marshes.

Permian Kaibab Limestone

Kaibab Limestone is found in isolated outcrops throughout White Pine County (Smith, 1976). Thickness ranges from 50 to 200 feet; true thickness at the property is unknown as only two isolated outcrops of lower Kaibab are present. The unit is a thick bedded limestone with high fossil content.

Cretaceous Intrusive

In the Mount Hamilton area to the east, both the Seligman and Monte Cristo stock have been age dated at 90.4 to 128.0 million years (Adair and Stringham, 1960). The small intrusive body south of the Pan property was age dated at 108 million years (Smith, 1976). Composition ranges from quartz monzonite to granodiorite. A sill, of quartz monzonite composition, is found intruded along an east-west fault in the south-central portion of the property. The mineralization in the White Pine District (Treasure Hill, Monte Cristo) is zoned away from the stocks. Copper, zinc, tungsten, and molybdenite have been discovered in the Monte Cristo stock along fractures and quartz veinlets (Smith, 1976). No known mineralization has been identified with the Pancake stock and related intrusive.

Tertiary Volcanic Units

Tertiary volcanics exposed in the northern Pancake Range include a lower quartz latite air fall tuff (50-200 feet thick) of the Pancake Summit Tuff (Oligocene) and an upper basalt flow (50-100 feet thick). There is infrequent quartz rich rhyodacites along the northern portion of the deposit. These units are post mineral and provide cover on the Boulders and Wendy areas of mineralization.

7.3.2 Structural Geology

The Pan property is dominated by the north-south trending Pan Fault, which appears to be a normal fault, with some right lateral offset component. Based on drill intercepts and interpretation, the fault dips between 80-85° east, with at least 3,000 feet of normal offset. True offset is unknown due to a lack of deep drilling on the east side of the fault to defined marker horizons exposed on the west side.

On the west side of the fault, Devonian – Mississippian aged rocks dip gently west (10-30°), with moderate folding associated with the Pan and other cross cutting faults. On the east side of the fault, Devonian – Permian aged rocks dip steeply east (65-70°) along the Pan Fault, flatten and roll back along a northwest trending syncline along the east margin of the property.

The Pan Fault can be tracked north until covered by Tertiary Volcanics, at the northern drilled limit of mineralization. To the south, the Pan Fault appears to horsetail into a series of smaller, barite filled structures. Offset is unknown, as the fault places Devils Gate against Devils Gate in this area. A parallel series of faults extend west of the Pan Fault, including the Red Hill Fault and Wash Fault.

Several northwest and northeast trending structures have been mapped on the property. These appear to offset mineralization and are terminated against the Pan Fault. Normal offset of 50-500 feet is noted, especially in the Joana Limestone. These faults do not appear to propagate across the Pan Fault, but appear to have younger reactivation associated with offset of mineralization. One east-west trending structure in the south-central portion of the property has been mapped. This structure has approximately 300 feet of offset, and is associated with an intrusive sill.

Low angle thrusting that has increased the true thickness of the Pilot Shale is present along the Pan Fault and west of the fault. Age of faulting is unknown at this time.

LEGEND

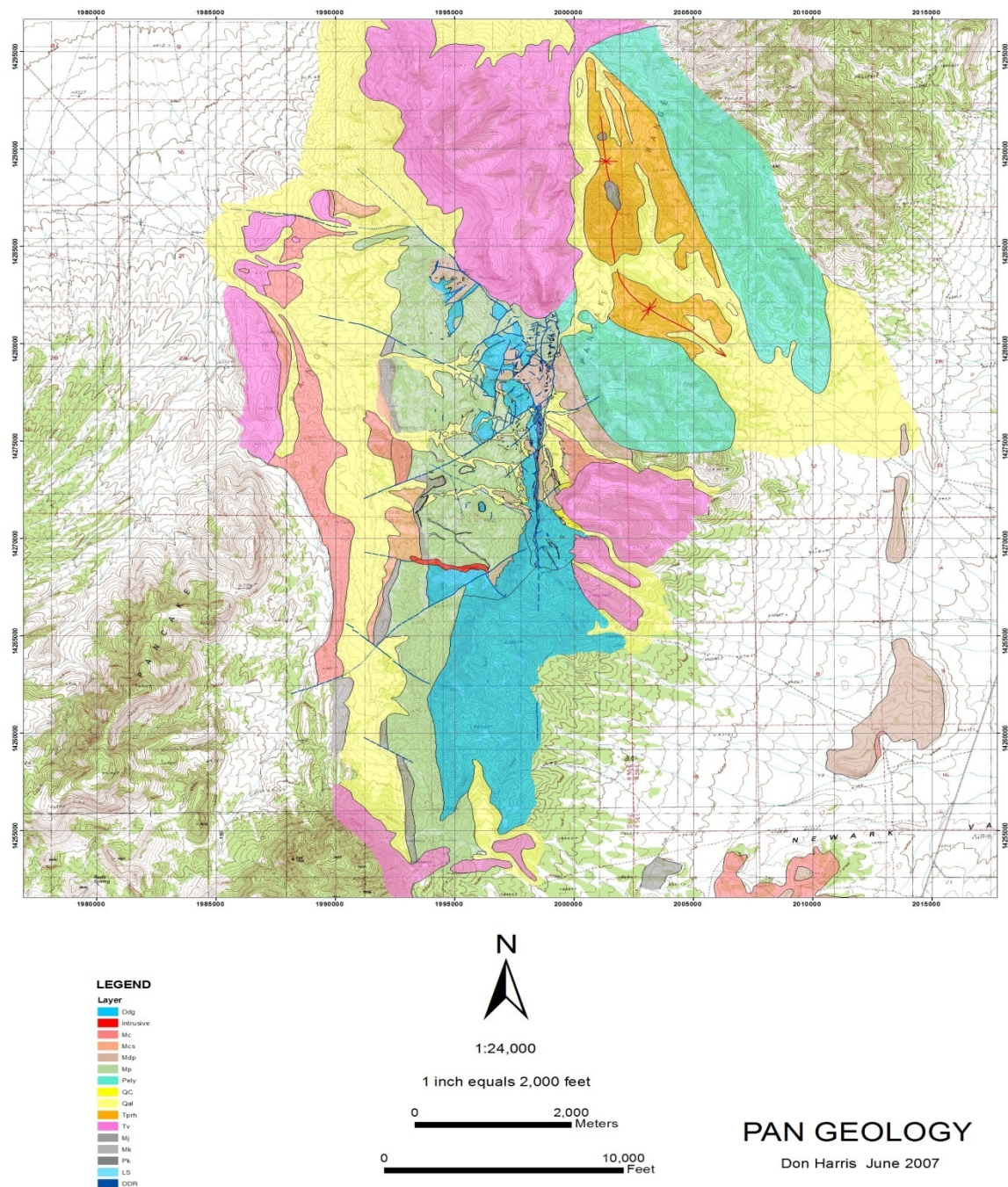
Layer

	Ddg
	Intrusive
	Mc
	Mcs
	Mdp
	Mp
	Pely
	QC
	Qal
	Tprh
	Tv
	Mj
	Mk
	Pk
	LS
	DDR

Color Explanation for Figure 7.3



Figure 7.3 Local Geology, Pan Project
(Ashlerman, J. And Bernardi, M., 2001 and Harris, D., 2007)



8.0 DEPOSIT TYPE

MGC interprets Pan to be a Carlin style, epithermal, disseminated gold deposit hosted in Devonian and Mississippian sedimentary units. These type systems fall under the general classification of a low sulfidation, epithermal deposit. Gold particles occur as micron size to sub micron size disseminations. Free-coarse gold is not common in these type of deposits, and has not been noted in Pan.

Gold mineralization is hosted in gently folded rocks of Devonian Devils Gate Limestone and Mississippian-Devonian Pilot Shale and Siltstone. Mineralization is controlled and/or terminated by the north-south trending Pan Fault, and later northwest and northeast trending structures. Gold is finely disseminated, sub microscopic, as typical of Carlin Sediment hosted systems of eastern Nevada. Alteration is argillic and silicification of both units, with decalcification of the limestones, especially at South Pan. Oxidation is prevalent within the mineralization, with no identified sulphides in exposures or drilling. Source and age of mineralization is unknown at this time.

Gold is often associated with anomalous concentrations of arsenic, antimony, and mercury. Other elements of note at Pan include barium, zinc, and tungsten.

Similar gold deposits in the surrounding area include: Bald Mountain, Easy Junior, Maverick Springs, and Emigrant Springs.

9.0 MINERALIZATION

9.1 Mineralization Introduction

The Pan gold mineralization is divided into the North Pan, South Pan, Black Stallion, and Nana areas. These occurrences are Carlin style; epithermal disseminated/sub microscopic, sediment hosted gold systems.

North Pan, which consists of the Pilot Ridge, Boulders, Red Hill and Syncline areas, is dominantly hosted in moderately folded Pilot Shale along the west side of the Pan Fault. Little mineralization has been identified in the Devils Gate at depth, because most drilling does not penetrate this contact. Mineralization has been identified along a north south trend for approximately 5,000 feet, and is 500-1,000 feet wide. Gold mineralization has been identified to depths of 650 feet, but remains open at depth and to the north under volcanic cover.

South Pan, which consists of the South Pan, Wendy, and Barite areas, is dominantly hosted in moderately folded Devils Gate Limestone, with additional material in Pilot Shale. Mineralization, which is along the east side of the Pan Fault, is open to east and south under volcanic cover. Mineralization has been identified along a north-south trend for approximately 5,000 feet and is 300-700 feet wide.

Black Stallion is dominantly hosted in folded and faulted Pilot Shale, with minor amounts of material in Devils Gate Limestone. This is a small zone (1,000 feet by 300 feet) that appears to be closed off by present drilling.

Nana is also hosted in folded and faulted Pilot Shale, with minor amounts of material in Devils Gate Limestone. This is a poorly defined zone (1,500 feet by 600 feet), with additional drilling required to close of mineralization.

9.2 Alteration

Passive alteration associated with Carlin systems is typical of the Pan deposit. Alteration consists of silicification, argilization, decalcification and oxidation.

Silicification is generally passive, with zones of moderate to high (jasperoid) flooding along bedding and structures. Silica is dominantly in the Pilot Shale, with only minor small zones identified in Devils Gate Limestone. Some quartz veining has been identified at North Pan, especially in association with the Campbell Jasperoid.

Clay alteration is generally associated with hydrothermal alteration of minerals and carbonate destruction. Clay along faults and bedding is common in both the Pilot and Devils Gate.

Decalcification of both the Devils Gate Limestone and calcareous siltstones of the Pilot are common in the mineralization found at Pan. Decalcification results in a sanded, punky texture, especially in the high carbonate units.

Oxidation is prevalent throughout the deposit. This has removed the sulphides (pyrite) from the mineralization, resulting in the formation of iron oxides (hematite and limonite). Lisengang

banding has formed in association with oxidation, and is prevalent in both the Pilot Shale and Rib Hill Siltstone. The mineralization is strongly oxidized, with reference to sulphides minerals in drill logs very rare, and not associated with the gold mineralization.

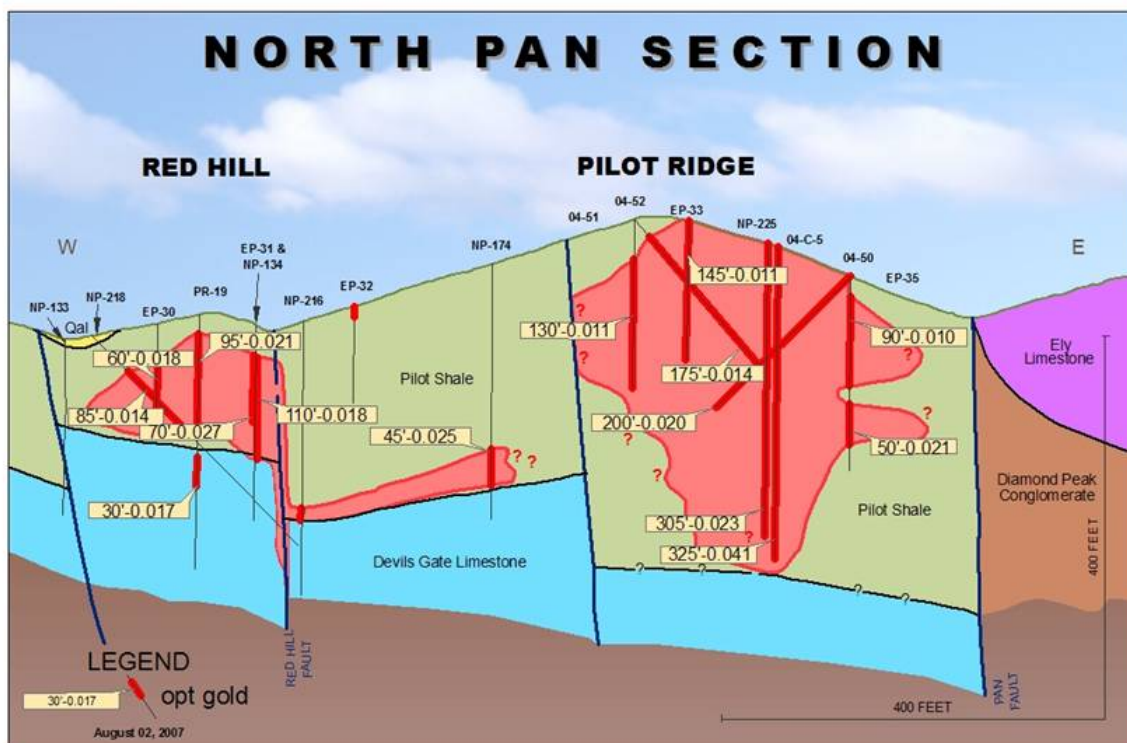
The bulk of the mineralized area contains elevated barite levels, typically above 0.2%. Hydrothermal barite veins are present in the southeast portion of the property in association with the old Cue Ball Barite Mine, briefly worked in the 1970s.

9.3 Geometry of Mineralization

The North Pan deposit is a flat lying, tabular body hosted primarily in Pilot Shale. Minor amounts of mineralization have been drilled in the Devils Gate, but the majority of the holes did not pierce this contact. Mineralization has not been closed off at depth, especially along the Pilot-Devils Gate contact, or to the north where it trends under Tertiary Volcanics. Gold mineralization occurs in decalcified, silicified and brecciated Pilot Shale, and is terminated against the Pan Fault to the east, and offset by smaller scale northwest trending structures. Figure 9.1 shows a typically cross section across North Pan. North Pan includes Pilot Ridge, Red Hill, and Syncline mineralization as described in previous reports (MDA, 2005).



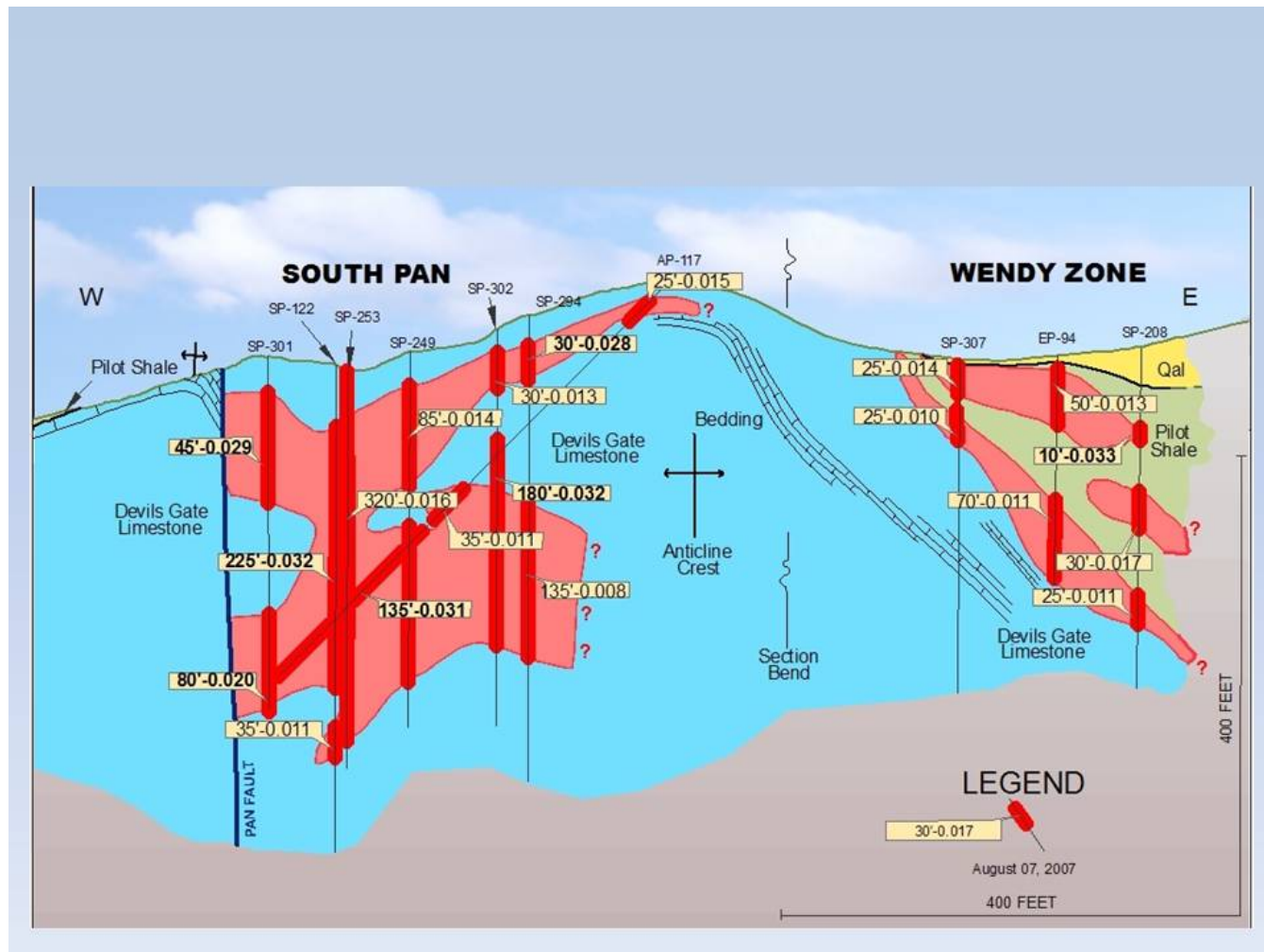
Figure 9.1 East-West Section across North Pan, looking north
Intercepts calculated at 0.006 gold oz/st cut-off, greater than 10 feet.



At South Pan deposit a portion of the Pilot Formation is eroded away and the deposit is hosted primarily in Devils Gate Limestone. Mineralization is hosted along a gently folded, north plunging anticline. On the west limb, gold mineralization dips gently (<30 degrees) towards the Pan Fault, and is hosted in decalcified/sanded beds of the limestone. The mineralization is terminated against the Pan Fault, suggesting post-mineral movement. The east limb dips 30-70 degrees to the east, with pronounced fault drag against major structures. Gold occurs in decalcified limestone, and where present, silicified and argilized Pilot Shale. Mineralization is open to the east (Wendy Zone) and towards the south (Barite Zone) where it trends under Tertiary Volcanics. Figure 9.2 shows a typical cross section across South Pan.



Figure 9.2 East-West Section across South Pan, looking north
Intercepts calculated at 0.006 gold oz/st cut-off, greater than 10 feet.



Additional gold mineralization at both Nana and Black Stallion occurs in moderately decalcified shales and limestones along the Pilot-Devils Gate contact. Both zones are structurally complex, with flat lying tabular gold zones offset by numerous cross cutting structures. The Nana zone remains open in all directions, with untested soil anomalies to the north and south. Black Stallion appears to be closed off by drilling.

10.0 EXPLORATION

Previous sections presented a summary of historical efforts. Exploration on the Pan project has been a comprehensive effort using multiple geologic elements. The elements include:

- Geochemical sampling
- Geophysics
- Geological mapping
- Drilling in the resource area
- Drilling on exploration targets

10.1 Previous Operators Exploration Work

Exploration work carried out by previous operators is summarized previously in section 6. The work includes geologic mapping, metallurgy, geochemical sampling, geophysical surveys and drilling.

10.2 MGC Exploration Work

MGC has been active in all phases of exploration work on the Pan property since acquiring the project in 2007. Surface geochemistry, geologic mapping, and geophysical surveys have identified drill targets proximal to the North and South Pan gold mineralization and in new exploration targets spread over the property. MGC drill-tested six of the targets defined below in section 10.2.6.

10.2.1 Surface Geochemistry

Soil sampling on 100 x 200 and 200 x 200 foot grids was carried out by Pan-Nevada (2006) and MGC (2007 and 2008). All of the soil sampling was completed using third party contractors. This grid covered the majority of the property and consisted of 9,525 soil samples. Soils were sieved to the -10+80 mesh size fraction and assayed at ALS Chemex for gold by standard fire assay methods on a 30g subsample and an additional 50 elements by aqua regia digestion of a 0.5 gram subsample and ICP finish.

10.2.2 Rock Samples

Between 2003 and 2008 MGC and Pan-Nevada collected a total of 786 rock samples. These were collected from individual outcrops scattered throughout the property and from 10 foot continuous chip samples taken at Pilot Ridge. Rock chips have been collected by geologists

associated with the project. Rock chip samples were taken during reconnaissance geological traverses, prospect mapping and target delineation. Rock chip samples were crushed to 70% passing 2mm with a nominal 250 gram split pulverized to 85% passing 75µm, and assayed by standard fire assay methods by ALS Chemex. Only a small portion of the samples were analyzed for an additional 50 elements by aqua regia digestion of a 0.5 gram subsample and ICP finish.

10.2.3 Geological Mapping

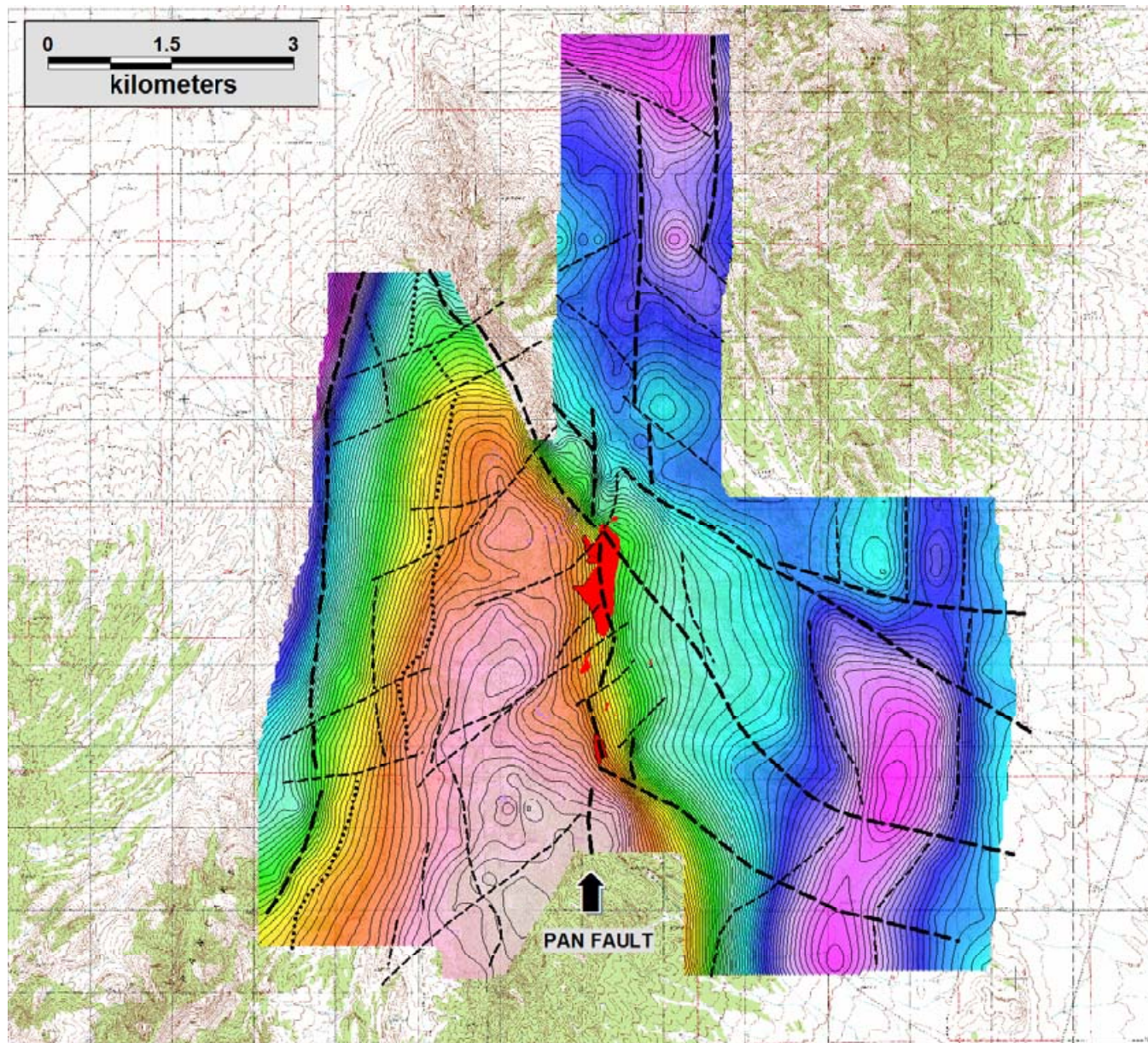
Geological mapping was first conducted by Latitude geologists in 2001. This mapping, at a 1:6,000 scale, defined the core of the property and was focused on North and South Pan. Recon style (1:12,000) and local geologic mapping (1:6,000 scale) was extended in 2007 by MGC geologists, to cover the entire Pan property (Figure 7.3).

Mapping helped clarify the geological setting, identified structural trends, and has identified prospective areas for follow-up exploration work.

10.2.4 Geophysical Surveys

MaGee Geophysical Services of Reno, Nevada conducted a ground gravity survey over the Pan property in 2008. J.L. Wright Geophysics of Spring Creek, Nevada, interpreted the results. The survey (Figure 10.1) defined several major structures on the property, and was used to target drilling in 2008.

**Figure 10.1 Ground Gravity over topography, Pan Project
North Pan outlined in Red**



10.2.5 Drilling

Drilling on the Pan area is detailed in section 11 below.

10.2.6 Exploration Target Areas

The result of the geophysics, geologic mapping and geochemical surveys helped to identify exploration targets throughout the property. As discussed above, the geophysics and geochemical surveys were completed using outside contractors, while geologic mapping was completed using geologists associated with the project. To date six main targets have been defined, with drilling initiated on four of these areas. Details on these main targets are discussed below.

Nana

The Nana target is located approximately 4,000 feet west of North Pan. Exploration drilling and soil sampling has defined an area approximately 2,100 feet by 2,300 feet with near surface gold mineralization. Thirty nine drill holes tested this target since 2007, and it remains open to the in all directions. Soil anomalies extend both to the south and north, associated with this target.

A soil grid on 100 x 200 feet has been completed on the target, representing a 3,000 x 4,000 square foot area (600 samples). An additional 5 select rock chips of outcropping jasperoid have been taken to define this zone.

Boulders

The Boulders target is immediately adjacent to the known gold mineralization at North Pan, where gold mineralization extends northward under Tertiary volcanic cover. The target was drill tested in 2007 and 2008 by 8 holes, including PN07-01 to 04, PN07-66 to 67, PN07-99, and PN08-27. Results of these holes are shown in the significant intercept tables shown in the appendix. Intercepts range from 25 feet grading 0.010 gold oz/st (PN08-27) to 140 feet grading 0.020 gold oz/st (PN07-03), with PN07-66 and 67 lost prior to reaching targeted depth. Depth to mineralization ranges from 140 to 460 feet below surface, is open to the north, and is associated with the Pilot-Devils Gate contact.

Because this zone dips under post mineral volcanic cover, no rock chip or soil sampling has been completed on this portion of the project.

Highway

The Highway exploration target is located approximately 300 feet due west of the North Pan gold mineralization. The target was defined by anomalous soil geochemistry, along a gently north dipping Pilot-Devils Gate contact. The zone is approximately 3,500 feet by 1,000 feet wide, with soil gold values ranging from 0.005 to 0.274 ppm gold. Old drill pads (thought to be pre-1990) are found on this target, but no corresponding drill hole information has been located. No modern drilling has taken place on this target to date.

A soil grid on 100 x 200 feet has been completed on the target, representing a 1,500 x 2,400 square foot area (180 samples). No rock chips have been taken on this zone at this time. Because of location concerns with the soil grid and old drilling pads, it is recommended that a test soil line be completed to confirm the location of this anomaly.

Lily

The Lily prospect area is located approximately 4,000 feet southwest of the South Pan gold mineralization. Within the target area, the north-south trending Pilot-Devils Gate contact, and an east-west trending Cretaceous aged sill (Smith, 1976), are intersected by east-west and northeast trending structures. Anomalous soil and rock chip sampling further defined a zone, which is currently 2,800 feet long by 1,700 feet wide. Gold values in soil samples range from 0.005 to 0.184 ppm gold. Five holes were completed on the northern portion of this target (PN08-44 to 48) in 2008, along the outcropping of the quartz monzonite sill. Gold values were generally in the <0.010 ppm gold range, with the best intercept being 10 feet of 0.087 ppm gold at 130 feet in PN08-44.

A soil grid on 200 x 200 feet has been completed on the target, representing a 5,000 x 4,000 square foot area (500 samples). An additional 13 select rock chips of outcropping altered limestone and intrusive have been taken to define this zone.

Green Jasperoid

The Green Jasperoid target is located approximately 7,200 feet southwest of the South Pan gold mineralization and 3,500 feet south of the Lily target. A target zone approximately 2,500 feet by 1,300 feet is defined by elevated gold, barite, and zinc values in soils and rock chips, in silicified jasperoid along the contact Pilot-Devils Gate contact. Soil values range from 0.005 to 0.083 ppm gold and 400 to 13,800 ppm zinc, along with select rock chips that run from 0.073 to 0.279 ppb gold and 0 to 21 percent zinc. No drilling has been completed on this target.

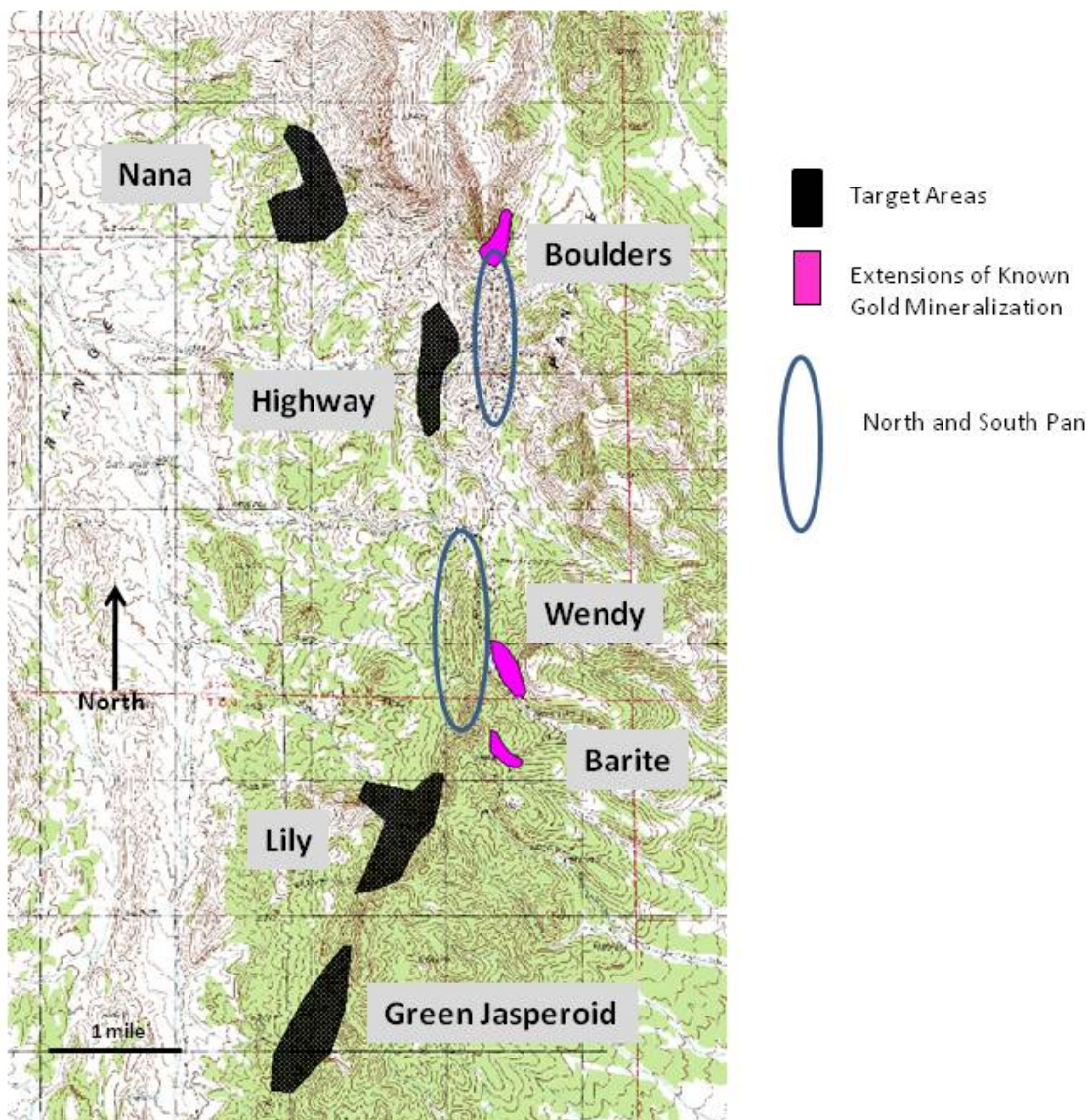
A soil grid on 200 x 200 feet has been completed on the target, representing a 5,000 x 2,800 square foot area (350 samples). An additional 5 select rock chips of outcropping jasperoid have been taken to define this zone.

Barite

The Barite is the southern extension of the South Pan gold mineralization. A target area approximately 600 feet to the southeast and is approximately 1,000 feet by 350 feet, along a southeast trending splay of the Pan Fault. The fault zone is characterized by brecciation, decalcification, and hydrothermal barite in the Devils Gate Limestone. Gold values range from 0.010 to 0.438 ppm gold in soils, and 0.171 to 1.166 ppm gold in rock chips. Two holes have been completed into this target, PN07-50 and EP-076 which contain 90 feet of 0.036 gold oz/st and 40 feet of 0.010 gold oz/st respectively, starting at the surface.

A soil grid on 200 x 200 feet has been completed on the target, representing a 2,400 by 2,000 square foot area (120 samples). An additional 14 select rock chips of outcropping, decalcified, and barite rich limestone have been taken to define this zone.

Figure 10.2 Map of Pan Exploration Targets



11.0 DRILLING

11.1 Introduction

11.1.1 Pan Drilling

Drilling on the property since 1978 totals 864 drill holes, representing 235,745 feet of drilling. Of this total, 36 holes were not used in the resource estimation because no assay or geologic information could be located. A total of 846 holes (232,558 feet) were drilled using reverse circulation (RC) and rotary drilling methods and 18 holes totalling 3,187 feet were drilled using diamond core drilling methods.

Table 11.1: Summary of Drilling Campaigns in the Pan Project Area

Year(s)	Company	Drill Holes	Drill Footage	Core Holes	Core Footage	RC Holes	RC Footage
1978-1985	Amselco	85	22,119	0	0	85	22,119
1986	Hecla	8	1,415	0	0	8	1,415
1987	Echo Bay	113	21,875	5	825	108	21050
1988-1991	Alta Bay Venture	213	66,960	0	0	213	66,960
1992	Alta Gold	17	3,593	7	948	10	2,645
1993	Southwest Gold	7	1,415	0	0	7	1,415
1999-2002	Latitude-Degerstrom JV	54	16,143	0	0	54	16,143
2003-2006	Castleworth Ventures Pan-NV	205	40,730	6	1,414	199	39,316
2007-2008	MGC Resources	162	61,495	0	0	162	61,495
	Totals	864	235,745	18	3,187	846	232,558

Figure 11.1 below shows the distribution of drilling in the Pan Project area.

11.1.2 Pan Property Exploration Targets

MGC has conducted exploration drilling on a number of targets on the Pan property. The targets include the Boulders, Wendy, Barite, Basin, North Lily, Nana, Island, Neverland, and Rib Hill. Approximately 64 holes out of the total holes drilled were used to drill test these prospective areas. Details of exploration were discussed in the section above. All drilling was done using reverse circulation drills.



11.2 Drilling Procedures and Conditions

Drilling conditions at Pan are good, because of moderate terrain and existing road infrastructure. Since 2003 sites were constructed by digging a sump and, if necessary levelling a pad for the drill. Overland travel was used where possible, and roads constructed used only when necessary for safe travel. Holes were generally collared in bedrock, and completed above the water table. Historical drilling results indicate that the water table is at least 1,000 feet below surface. The mineralized zones were often fractured and extensive brecciation is noted in the core drilling, but not visually seen in the RC and rotary drilling.

Drilling at Pan was conducted dominantly (98.7%) using RC and rotary methods. RC drilling was generally carried out hammer bits (4 ½ to 5 ¾") to depth. Tricone bits were limited to a small number of holes where drilling conditions prevented penetration and sample recovery with a hammer bit. The holes were generally cased for the top 10-20 feet.

Core holes have largely been drilled with HQ (2½ inch) size core and started at surface with no precollars. No historical core remains for visual inspection. Approximately 1.3% of the drilling footage has been completed with core. Core recovery was generally good, but core loss increased when the rock was highly fractured and brecciated as often happened in mineralized zones. Core recovery is further discussed below.

11.3 Drill hole Collar Surveys

A digital database of collar locations for the Pan project was developed by Mine Development Associates for the 2005 resource estimate (MDA, 2005). This data was physically compared to all known drill logs to confirm locations. No errors were noted.

Collar locations for holes drilled previous to 1999 were originally located in local grid coordinates, and were reportedly surveyed (MDA, 2005), although no documentation could be located to confirm this. The Latitude drill holes were located on the basis of established local grid points, and several locations were verified by MDA in the field (2005). The Castleworth core holes, many of the Castleworth RC holes, and all the Pan-Nevada and MGC RC holes were surveyed using a licensed surveyor. The UTM NAD 83 meter locations of the MGC holes were compared to topography, planned locations, and GPS coordinates for accuracy and errors. The unsurveyed Castleworth holes were located on the basis of hand-held GPS measurements, compass and tape, and/or topography.

Geologic logs were completed for each drill hole and are compiled in the Pan Project database. Since 2007, MGC geologists logged cuttings directly into Microsoft Excel® spreadsheets using a laptop station located at the logging facility. The logging terminology for formation, lithology, alteration, oxidation, and waste type were preapproved, and any changes to the form needed to be approved by the project manager. No core was completed by MGC and previous core had either been consumed or lost. All project drill logs are printed and stored in binders by hole name together with related drill information. All collar and drill log information was imported into a secure Microsoft Access® database. This database was stored on the main project computer and backed up to the corporate server. Access to the primary database was restricted to the Project Manager for security.

11.4 Down hole Surveys

Down hole surveys were completed on the project only during the 2008 drill campaign. There are no surveys located for drilling completed prior to that. Down hole surveys are available for only 24 drill holes completed on the Pan project during 2008. While deviation was minor in holes < 1,000 feet, there is an element of risk due to the lack of down hole surveys.

11.5 Extent of Drilling

The surface drill hole spacing ranges from 100 feet to over 400 feet, but is generally on nominal 100 foot centers. The majority of the deposit drilling (65%) was completed using vertical holes. Approximately 50% of the angle drilling was oriented westerly, 30% easterly, across the north-south fabric of the project, the remaining angle holes were completed at various angles and azimuths. Most of the drilling is focused on the Pan Fault corridor, a north-south trend that is approximately 13,200 feet long and 300-1,500 feet wide. This corridor includes North and South Pan. A total of 464 holes intersected greater than 20 feet grading greater than 0.010 gold oz/st, and those intercepts are included in the appendix.

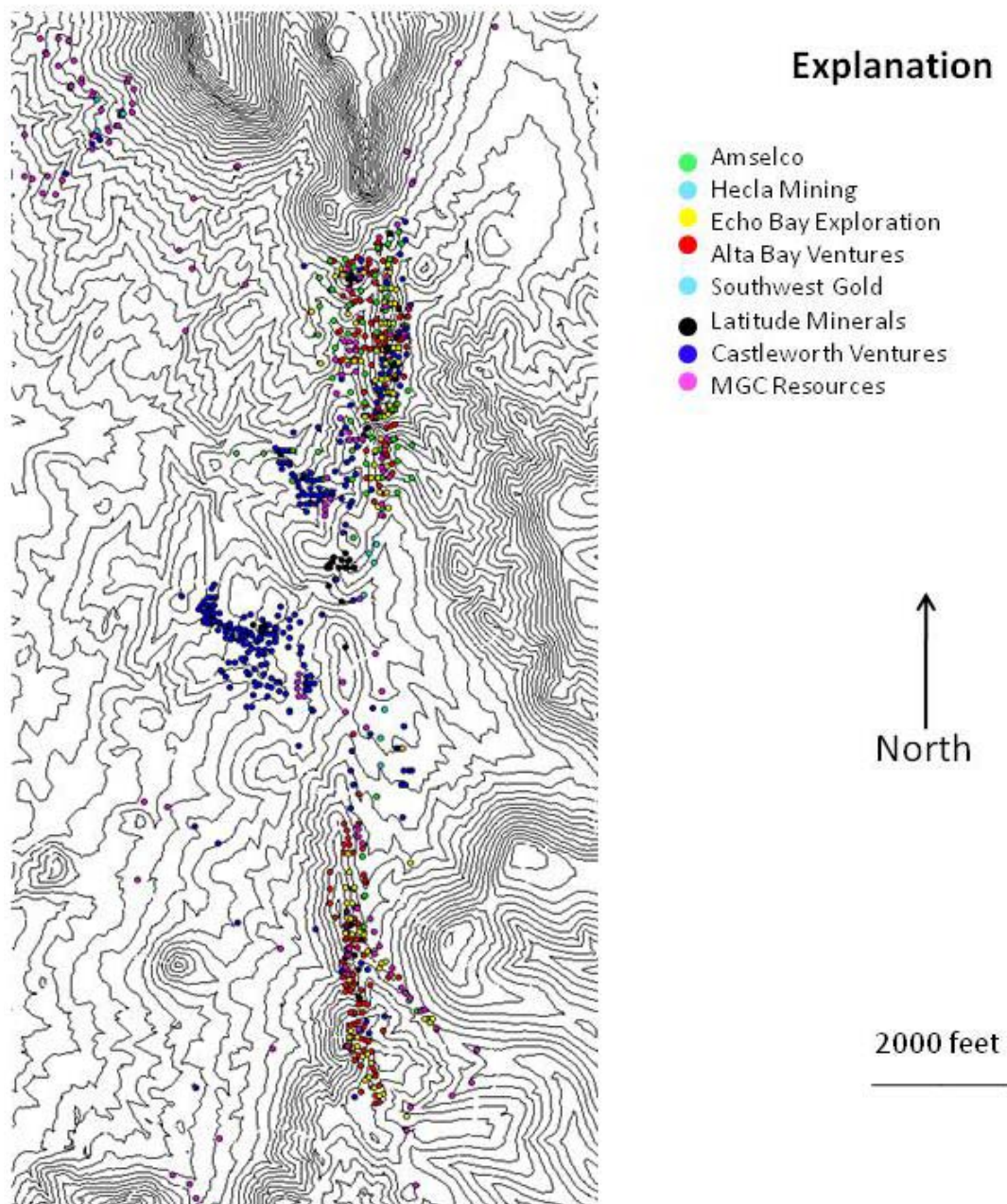


Figure 11.1 Pan Drill hole Location Map by Company

11.6 Midway Gold data Compilation and Grid Conversion

The Pan database was transformed from a local coordinate system used to UTM Zone 11, NAD83, with coordinates expressed in US Feet by MDA for the 2005 resource estimate.

11.7 Project Drilling

Significant drill hole intercepts (greater than 20 feet and greater than 0.010 gold oz/st) are listed in Appendix A. This table includes all drill holes associated with the Pan Deposit. True thickness approximates the stated drill hole thickness, since the deposit is relatively flat lying along stratigraphic contacts. However, true thickness is dependent on the angle and azimuth of the drill holes, relative to the strike and dip of the mineralization.

Table 11.2 Summary of Drill Contractors by Operator and Drill Type

Operator	RC/Rotary Drill Contractor	Core Drill Contractor
Amselco	Southwest Drilling and Exploration, St George, UT Long Drilling, Carlin, NV Young Exploration, Round Mountain, NV Eklund Drilling, Carlin, NV	
Hecla	Eklund Drilling, Carlin, NV	
Echo Bay	Elsing Drilling and Pump Co., Inc, Twin Falls, ID	Boyles Brothers Drilling, Sparks, NV
Alta Bay	Leroy Kay Drilling Yerington, NV Copper and Sons Drilling, NV	
Alta Gold	Christiansen Drilling, Inc, Ely, NV	Longyear Drilling, Salt Lake City, UT
Latitude/Degerstrom	Degerstrom, Spokane, WA	
Castleworth-Pan Nevada	Stretch Exploration, Battle Mountain, NV Eklund Drilling Company, Elko, NV	Ruen Drilling, ID
Midway	Drift Exploration, Alberta, Canada O'Keefe Drilling, Butte, MT Eklund Drilling Company, Elko, NV	

Documentation of the RC-rotary drilling completed prior to 2003 is limited. No details are available for Echo Bay's core drilling completed in 1987. Alta Gold completed PQ size core holes in both North and South Pan in 1992. The North Pan holes were abandoned at less than 50 feet due to drilling conditions. No other details are known.



Drilling completed by Southwestern Gold is poorly documented, and drill hole locations are questionable, based on follow up drilling in 2007.

During the Latitude-Degerstrom JV drilling campaign all drilling was completed using equipment owned and operated by Degerstrom. All holes were drilled dry and the majority were completed using 5 ¼ inch center return bits. Eleven holes were completed using a rotary blasthole rig.

Castleworth-Pan Nevada primarily used a Drill Systems MPD-1500 RC track rig, supported by ARDCO all terrain vehicles. Conventional 5 to 5 ¼ inch conventional hammer bits were used to drill RC holes, with the exception of one hole completed with a center return bit (MDA, 2005). Drilling was completed both wet and dry from 2003-2006. Castleworth completed six HQ core holes in North Pan in 2004, using a truck mounted Longyear 44 rig and split tubes. Core was logged and photographed on site.

MGC used both a Drill Systems MPD-1500 RC track rig and a WD 150 Explorer Buggy rig, supported by ARDCO all terrain vehicles. Conventional 4 ½ to 5 ¼ inch hammer bits were used to drill RC holes. Drilling was completed wet in both 2007 and 2008.

12.0 SAMPLING METHOD AND APPROACH

12.1 Introduction

The Pan drill hole database includes samples from reverse circulation, core, and minor rotary drilling performed by a number of operators over a 20 year history. Drill spacing is on nominal 100 foot centers at North Pan and Black Stallion, and nominal 165 foot centers at South Pan. Drill spacing tighter than 100 foot centers is present in some areas of mineralization at North Pan and Black Stallion. The bulk of the samples (99%) were collected on 5 foot intervals, with core on 5 foot or less intervals.

Very little documentation is available on sampling and drilling procedures employed prior to 2004.

A review of historic drilling and MGC drilling found no reference to groundwater. The deepest holes, completed by Castleworth Ventures, 1,000 to 1,060 feet, did not encounter groundwater on the project. Consistent with the lack of significant groundwater flows, neither MDA nor the author of this report found any evidence of significant down hole contamination in the RC and rotary holes.

12.2 Latitude Minerals, Castleworth Ventures, and Pan-Nevada Sampling

According to MDA (2005), Latitude described sampling procedures as standard dry RC sampling. Drill cuttings were collected in a cyclone, which emptied into a riffle splitter, and a split was collected at the discharge point in cloth bags. Sample collection was completed by the drill contractor. Samples were placed in staging areas on a daily basis, prior to being transported to the assay labs. No evidence is available that the samples were secured in the staging areas. No further documentation has been located.

The 2004 Castleworth sample program is described in the 2005 MDA report, and practices were maintained for 2005 and 2006. Details for the 2003 campaign were not well documented other than holes were sampled on 5 foot intervals and flocculent applied to the wet samples (MDA, 2005).

2004 samples included dry and wet RC drilling. For the dry portions, Castleworth sampled at 5 foot intervals from $\frac{1}{4}$ splits of the rill cuttings off a two tier Gilson splitter, except the top 5-10 feet of the hole, where sample cuttings were collected in a pan placed adjacent to the blow-by hose. A portion of fines was lost from the cyclone during dry drilling, although minimal this was not quantified.

When required by ground conditions, wet drilling was completed using injected water, by Latitude contractors. Injection rates were typically < 2 gpm to reduce hole damage and contamination. Samples were collected in a cyclone vane splitter which emptied a portion (generally $\frac{1}{4}$) of the sample directly into a cloth sample bag via the discharge tube. For a portion of the program any excess fluids and associated fines, overflowed the sample bags



and was lost. During the summer portion of the program the entire sample and drilling fluid from the discharge tube were collected in 8 gallon tubs. An ounce of flocculent was used to drop out fines, and the water decanted from the sample. The sample was then poured into olefin bags.

Duplicate samples were collected by the drillers for 24 holes completed in January-February 2004. The duplicates were collected by the drill contractor on 50 foot intervals. These were collected as second splits from the rotary discharge.

Prior to shipment to an assay laboratory, RC samples were stored in unsecured staging areas or on the drill site. These were transported to ALS-Chemex in Elko, Nevada, with on the ground time of 3-5 days.

In 2004 Castleworth completed 6 core holes at North Pan. The whole core was transported to Kappes, Cassidy and Associates in Reno, Nevada. Except for hole 04-C-5, the entire core was consumed as part of the testing procedures for columns and agitated leach described in the metallurgy section below. 04-C-5 was $\frac{1}{2}$ sawn by a diamond saw, with $\frac{1}{2}$ retained and the other half consumed for metallurgical test work. The remaining $\frac{1}{2}$ core is no longer available.

All full core boxes were transported to a secured storage facility in Eureka, until sent to KCA for test work. Partial core boxes were stored in a locked truck during the night.

There is no documentation of how core drilling and sampling was completed, but core recovery was generally good at 85% (MDA, 2005). Core recovery versus grade is further documented in the sections below.

Overall, the Pan-Nevada/Castleworth, and Latitude RC sampling programs appear to have controls in place consistent with industry standards. Poor documentation of core drilling procedures and sampling is a risk for the drilling completed by Pan-Nevada, but this is limited to 6 holes.

12.3 MGC Resources Sampling

MGC performed RC drilling at Pan in 2007 and 2008. The drilling was performed wet, with water injection between 1-2 gallons per minute. No groundwater was encountered during the drilling, with the deepest hole completed to 985 feet.

Cutting samples were collected every 5 feet by a designated and trained sampler provided by the drilling contractor. Cuttings from each 5-foot sample interval were passed through a cyclone and into a rotary vane splitter with 16 openings. The number of splitter openings was adjusted to maintain a roughly constant sample size of 7 kg. There was no recording of the number of openings maintained, so assessment of RC gold grade versus recovery is not



possible to assess. Drill samples were collected at five-foot intervals and the RC drill rods were between 10-20 feet long depending upon rig type. A representative split from the discharge material was placed into a plastic RC chip tray for geological logging. The chip tray was marked with the drill hole name and down-hole interval.

Samples were collected in large micro-pore bags marked with the sample number and suspended from the discharge tube of the splitter. Overflow was minimal because of low water injection rates and lack of groundwater. A nominal sample weight of 5-10 kg was collected.

RC samples were allowed to drain at the drill site, and brought back to the Eureka office facility at the end of each day by MGC Resources personnel. Samples were stored in secure bins until picked up and transported to Elko and/or Winnemucca by the commercial laboratory for preparation and assaying.

Overall, the MGC sample procedure appears to be adequate for presenting a proper sample for assay. Further work should include documentation of splitter openings, so that RC recovery can be estimated and compared to gold grades. Size fraction and sample size studies should be evaluated to ensure that the current 7 kg sample size is adequate. This sample size is adequate for typical carlin-style disseminated gold deposits, but bias studies with core twins and head assay problems with the metallurgical testing suggest a potential for coarse gold that has not been tested.

13.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

Samples from the nine drilling campaigns were analysed for gold by fire assay (AuFA) and/or gold cyanide extraction assay (AuCN). There is no documentation of sample preparation and assay techniques used by the various laboratories prior to 2004. Assay certificates are available for most drill samples but neither MDA (2005) nor the author could find a record of sample preparation or internal quality control protocols used. The lack of sample preparation, assay techniques, and QA/QC is of concern for the project. Although the bulk of the drilling and assay work was completed by large reputable companies, further work on this property should include drilling to verify older assay results from pre-2004 as well as instituting a check assay program on 2007 and newer assay results.

The information on each drill campaign completed prior to 2005 has been excerpted from the MDA technical report issued in 2005. Table 13.1 summarizes the type of assay data currently in the database. Approximately 21.7% of the gold assay data is represented by a AuCN assay only. This could potentially under report the total gold content for that drill interval, because the AuCN value only represents the cyanide soluble gold, and not the total gold in the sample.

Table 13.1 Drill Data by Analytical Method

Company	Number AuFA Determinations	Number AuCN Determinations	AuCN/AuFA Pairs	AuCN only	% of Data Represented by AuCN data
Amselco	609	3,641	302	3,339	84.6
Hecla	124	0	0	0	0
Echo Bay	3,980	0	0	0	0
Alta Bay	6,288	13,318	6,284	7,034	52.8
Latitude	2,892	0	0	0	0
Castleworth-PanNV	13,582	254	254	0	0
Midway	9,957	1,035	1,035	0	0
TOTAL	37,612	18,248	7,875	10,373	21.7

13.1 Amselco

Amselco used Monitor Geochemical Laboratory (Elko, Nevada), Hunter Mining Laboratory (Sparks, Nevada) and Amselco's own laboratory (Sparks, Nevada) to process samples. There are 3,948 sample intervals from Amselco drilling in the Pan database. A fire assay with atomic absorption finish was used for 609 samples. For 3,641 samples a digestion / AA results were posted, but is of unknown origin. However, it appears that these are most likely cyanide digestion analysis, when compared to the AuFA results. There are 302 pairs, with both sets of overlapping data. No other information on sample prep, procedures, or QA/QC is available, and no further comment on sample or assay quality can be made.

13.2 Hecla

Hecla used Rocky Mountain Geochemical of Sparks, Nevada to analyze RC samples. The analytical method reported on the assay certificates is an acid digestion, followed by an AA determination. No further information is available on these samples, which amounts to 124 sample intervals and no further comment on sample or assay quality can be made.

13.3 Echo Bay

Echo Bay utilized Rocky Mountain Geochemical Corporation, West Jordan, Utah for their Pan samples. A 30g fire assay with an atomic absorption finish was used to analyze the 3,980 samples. No further information is available on these samples and no further comment on sample or assay quality can be made.

13.4 Alta Bay and Alta Gold

Drill samples collected by the Alta Bay joint venture were prepared and analyzed at the Alta Gold controlled mine laboratories at Robinson, Illipah, and Easy Junior mining operations. The records and assay certificates from the Illipah and Robinson assay laboratories state that the analyses were done by cold cyanide digestion, followed by AA determination of gold content in the pregnant cyanide solution. If the initial result returned values above 0.012 gold oz/st, then the sample pulp was fire assayed and gold content determined by AA. However, there are 41 samples (out of 7,034) that are above this cut-off, without AuFA data. There is no information on the procedure at the Easy Junior laboratory. This data set represents a large portion of the property, and is therefore considered a risk. As shown in other sections of this report, the Alta Gold assay lab results appear to be under reporting total gold values.

For the Alta Bay drilling, there are 13,322 sample intervals with assay data. This includes 6,288 AuFA analyses and 13,318 AuCN analyses. Of the 6,288 AuFA results, 6,284 have corresponding AuCN data. This corresponds to a 0.012 gold oz/st cut-off, as noted in the lab protocol.

After dissolution of the Alta Bay Joint venture, Alta Gold contracted Analytical Services, Elko, Nevada to process and analyze samples from the 1991 program. These were analyzed by cyanide digestion followed by AA, as well as a fire assay by AA finish. However, none of this

drill data is currently in the Pan database because hole location information could not be identified.

13.5 Latitude and Degerstrom

All of the drill samples collected by Latitude and Degerstrom were processed and analyzed at the Degerstrom Laboratory in Spokane, Washington. Degerstrom passed the RC cuttings through a riffle splitter and collected a split of between 500 and 1,000 g, which was crushed to a nominal -150 mesh. A total of 2,892 sample intervals were analyzed by a 30g fire assay with AA finish.

13.6 Castleworth and Pan-Nevada

The RC samples collected by Castleworth and Pan-Nevada were processed by Chemex, Elko, Nevada. Each sample was crushed to 70% passing 2mm and passed through a riffle splitter to obtain a 250 g split, which was pulverized to 85% passing 75 microns. The pulps were shipped to the Chemex laboratory in Vancouver, BC and analyzed by a one-assay ton fire assay, with an AA finish. Higher grade samples (>0.291 gold oz/st) received a gravimetric finish. There are 13,528 RC sample intervals with AuFA determinations. Castleworth did not perform any AuCN determinations on the RC material.

The core drilled in 2004 was sampled, prepared, and analyzed by KCA (Albert, 2004). The core was sampled on five foot intervals. The core was then crushed to -2 inch, and a 1,000g subsample collected. Each subsample was pulverized to -10mesh and split to a 200g sample. This was pulverized to 80% passing -150 mesh. A 30g sample was then fire assayed with an AA finish for gold and silver. Each pulp was also analyzed for cyanide soluble gold. A 10g split was added to 25 ml of 5g/l NaCN solution and agitated for 24 hours. The pregnant solution was evaluated using an AA determination of gold content.

13.7 MGC Resources

The RC samples collected by MGC Resources were processed by ALS-Chemex, Elko and Winnemucca, Nevada and SGS Laboratories, Elko, Nevada. All samples were picked up in the field at the end of each day shift and stored in a secure facility in Eureka, Nevada. Standards and blanks developed and / or purchased by MGC were inserted into the sample set prior to dispatch to the laboratory. After processing, the ALS samples were shipped to Vancouver and the SGS samples to Toronto. At ALS Chemex each drill sample was crushed to 70% passing -6mm and passed through a riffle splitter to obtain a 250 g split, which was pulverized to 85% passing 75 microns. Pulps were analyzed by a one-assay ton fire assay, with an AA finish. Higher grade samples (>0.291 gold oz/st) received a gravimetric finish. For samples returning greater than 300 ppb Au, a cyanide leach analysis was performed. On the sample pulp, a one hour cyanide digestion was completed on a 30g sample, followed by AA determination of gold content in the pregnant cyanide solution.

There are 9,957 sample intervals with AuFA determinations in this dataset, with 1,035 sample intervals containing paired AuCN information.

13.8 Discussion and Sample Studies

The Pan drill hole database contains gold assay analytical information on 47,985 sample intervals, with assay results by fire assay and cyanide digestion stored separately. As a subset of this total database, 37,612 samples contain AuFA assay data, and 18,248 contain AuCN assay data. Of this AuCN data, 7,875 are paired with AuFA assay results, giving some indication as to gold recovery, although at a very fine grind. An additional 10,373 samples have only AuCN data. This lack of total gold assay is primarily in the Amselco and Alta Bay datasets, although for the Alta Bay material this is limited to values below 0.012 gold oz/st on the AuCN determination. In the 2005 technical report (MDA, 2005) comparative analysis of AuFA and AuCN data from the Amselco and Alta Bay material, indicated that the AuCN only data, is on average, potentially 24% lower grade than a total gold content. This percentage will vary from sample to sample, depending upon the total gold content, and the amount that is cyanide soluble.

13.8.1 Size Fraction Analyses

In 1987 Echo Bay submitted three sample composites from North Pan drill holes to Dawson Metallurgical Laboratories of Murray, Utah for metallic screen/size fraction analyses (Thompson, 1987 and MDA, 2005). Preparation and procedures are documented in the MDA technical report and summarized below in Table 13.2. Overall, the size fraction analyses demonstrates that the Pan gold mineralization is similar in nature to most Carlin style/disseminated gold deposits, with a large percentage of the gold found in the fine fraction (-100 mesh).

Table 13.2 Size Fraction Analyses, Echo Bay

Hole Id	Mesh Size	Weight %	Gold Grade (gold oz/st)	Gold Distribution (%)
EP-39	+6	11.2	0.033	6.3
	-6 to +20	19.91	0.046	15.6
	-20 to +48	8.39	0.046	6.6
	-48 to +100	3.70	0.060	3.8
	-100	56.78	0.070	67.7
	<u>Total</u>	<u>100.00</u>	<u>0.059</u>	<u>100.0</u>
EP-7	+6	26.40	0.030	23.2
	-6 to +20	37.30	0.032	35.0
	-20 to +48	14.24	0.034	14.2

	-48 to +100	5.02	0.032	4.7
	-100	17.03	0.046	22.9
	<u>Total</u>	<u>100.00</u>	<u>0.034</u>	<u>100</u>
EP-46	+6	19.97	0.021	16.6
	-6 to +20	38.99	0.011	17.0
	-20 to +48	16.15	0.026	16.7
	-48 to +100	5.69	0.028	6.3
	-100	19.20	0.057	43.4
	<u>Total</u>	<u>100.00</u>	<u>0.025</u>	<u>100.0</u>

13.8.2 Diamond and Reverse Circulation Drilling Comparison – Twin Holes and Core Recovery compared to Gold Grade

In 2004 Castleworth completed six core holes at North Pan. These holes (04-C-1 through 04-C-6) were completed as twins of existing holes, with separation varying from 8 to 29 feet. Core hole 04-C-3 was lost above the mineralized zone and could not be used as a comparison hole. In the case of 04-C-1, C-4, and C-5 there were multiple holes with less than 50 feet of separation. This allowed multiple comparisons for confirmation of grade. The core holes were completed as HQ (2 ¾ inch diameter). The diameter of the RC holes is unknown. The total depth of the core drill holes were between 115 and 325 feet. Neither the core nor the RC drill holes were surveyed down-hole, therefore their alignment was not confirmed, however, down hole survey experience during 2008 showed that deviations have not been significant in that depth range.

Results are shown in Table 13.3 and indicate that average gold grade is significantly higher in the core drill intercept compared to RC drill intercepts.



Table 13.3 Core vs RC comparisons
core holes highlighted in yellow

Twin Pair	Operator	Drill Hole Id	Distance of Sep from Core Hole (ft)	Thickness of Mineralization (ft)	Average Grade	From-To (ft)	Comments
1	Castleworth	04-C-1	0	195	0.0439	0-195	
	Echo Bay	EP-07	14.2	150	0.0337	0-150	Hole TD at 150
	Alta Bay	NP-127	24.2	195	0.0349	0-195	
	Alta Bay	NP-307	18.3	195	0.0378	0-195	
2	Castleworth	04-C-2	0	175	0.0164	0-175	
	Castleworth	03-03	8.1	175	0.0200	0-175	
3	Castleworth	04-C-4	0	200	0.0179	0-200	
	Echo Bay	EP-28	29.3	200	0.0104	0-200	
	Alta Bay	NP-148	18.8	165	0.0167	0-165	Hole TD at 165
4	Castleworth	04-C-5	0	150	0.0379	0-150	
	Echo Bay	EP-34	8.1	150	0.0251	0-150	Hole TD at 150
	Alta Bay	NP-225	17.2	150	0.0231	0-150	
5	Castleworth	04-C-6	0	115	0.0477	0-115	
	Latitude	LPR-510	16.1	115	0.0217	0-115	

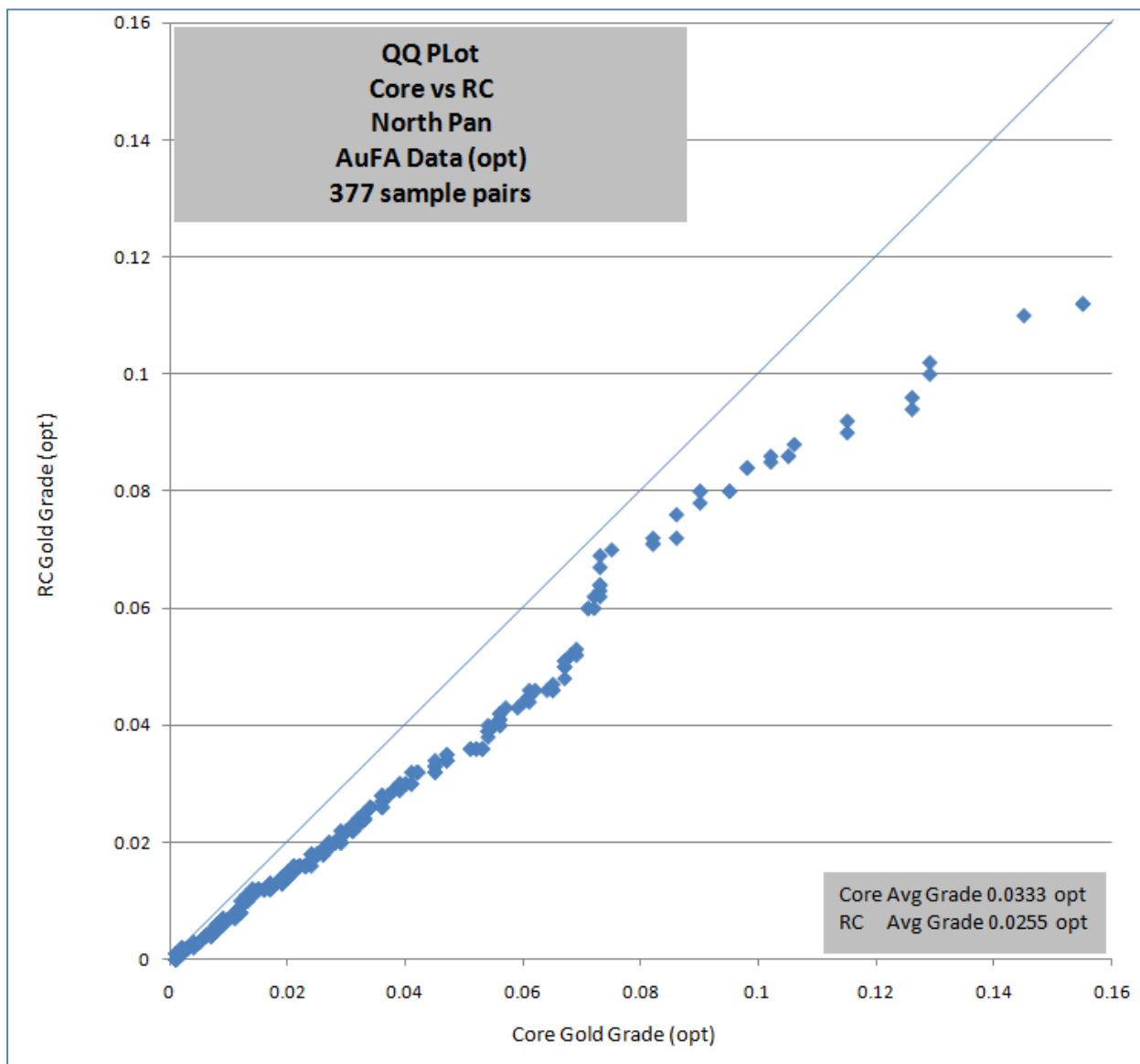
As a further comparison, MGC compared the AuFA results of all HQ core samples relative to the nearest RC samples using a quantile-quantile (q-q) plotting technique. The Q-Q plot is a graphical technique for determining if two data sets come from populations with a common distribution. A q-q plot is a plot of the quantiles of the first data set against the quantiles of the second data set. A 45-degree reference line is also plotted. If the two sets come from a population with the same distribution, the points should fall approximately along this reference



line. The greater the departure from this reference line, the greater the evidence for the conclusion that the two data sets have come from populations with different distributions.

The Q-Q plots for the core and RC pairs clearly show that RC drill assays produce lower average grades than the nearest core samples (see figure 13.1), by an average of 30.5%.

Figure 13.1: QQ plot of RC and Core sample pairs from North Pan



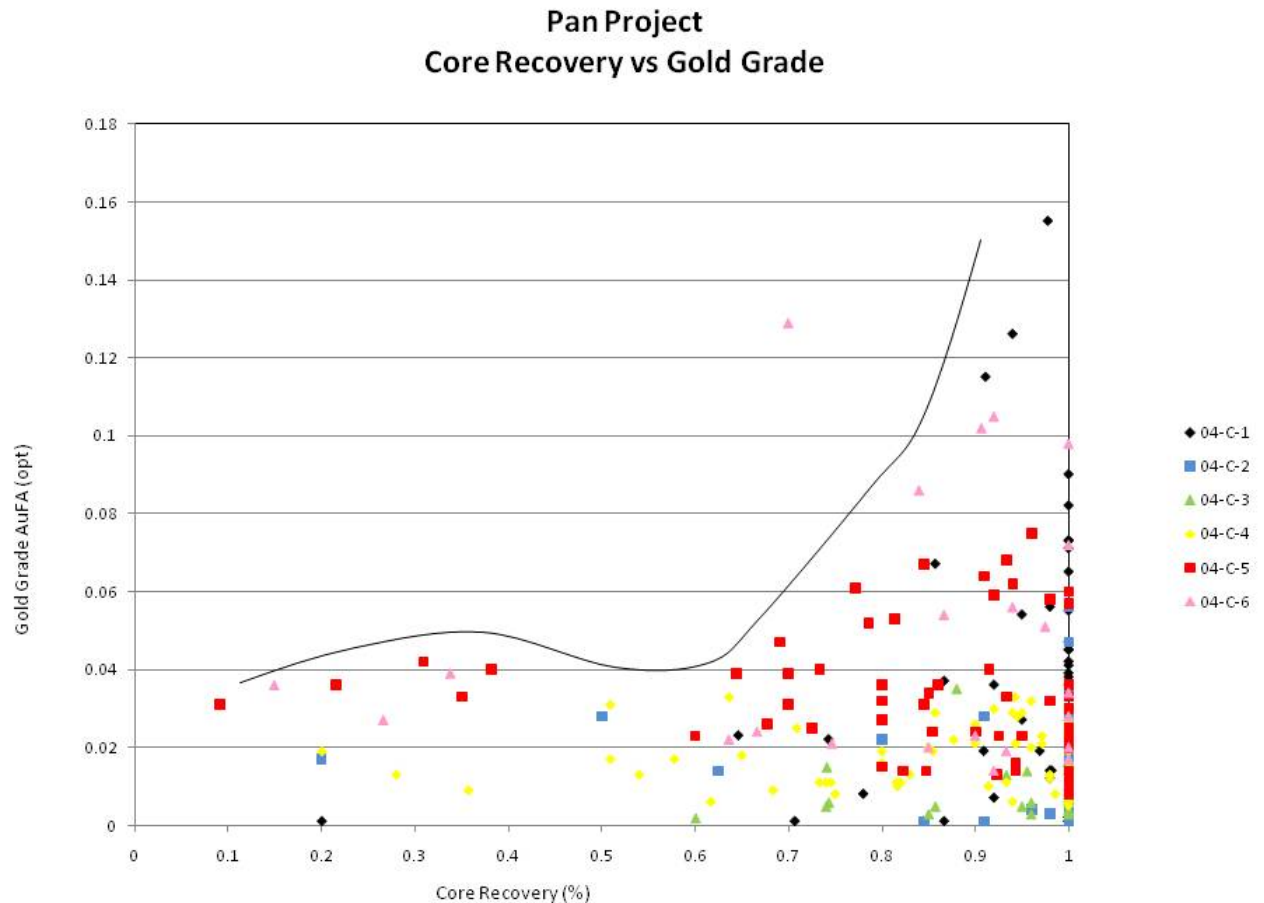
These differences can be ascribed to either downgrading of RC assay results as a result of poor assay quality (Alta Gold Mine labs), or downgrading of RC samples by loss of fines. The difference between core and RC grades were noted by MDA (2005). However, this was a global comparison and did not limit the comparison to twin drilling.

Core recovery information was available for the six core holes completed by Castleworth in 2004. Core recovery was moderate, and averaged 86%, although a number of low recovery intervals are noted in the logs (ranging from 0-100%). Drill lengths were also lower than expected, averaging 2.5 feet, suggesting drill condition problems. Core holes average recovery was below average in C-4 through C-6 (ranging from 78-84%), while C-1 through C-3 averaged 92-94% core recovery. Figure 13.2 shows the relationship between core recovery and gold grades from all samples in the 2004 Castleworth program. There is an apparent correlation between grade and recovery, with grades in excess of 0.10 gold oz/st not occurring in samples with less than 90% core recovery and grades above 0.050 gold oz/st generally not occurring in samples with less than 80% recovery. Using a 0.006 gold oz/st cut-off, the average grade of samples with less than 80% recovery was 0.025 gold oz/st (56% recovery, 45 samples), while the average grade of samples with 80% or better recovery was 0.033 gold oz/st (95% recovery, 154 samples). Coupled with the size fraction analysis, this indicates that loss of fines in the core drilling probably resulted in a down grading of gold grades.

For this evaluation, samples with greater than 100% recovery were capped at 100% (9 samples), recovery zones for the first 5-10 feet of the core hole were not included due to conditions related to starting core at the surface, and 6 suspect samples related to poor drilling conditions in 04-C-5 were not included in the study.



Figure 13.2 Plot of core recovery vs gold grade for core drilling at Pan



Echo Bay reported five twin core holes at North Pan (Jeanne, 1987). MDA examined the sample data from the twin core holes (MDA, 2005) and corresponding RC holes and determined that the average gold grades were 0.026 gold oz/st and 0.027 gold oz/st respectively. Because no collar data could be located for the core holes and these holes are not included in the database, no further work was completed for this report.

13.8.3 RC Twins

A search of the drill hole database was completed to identify twin drill holes completed at less than 25 foot spacing on the Pan project, and along the same drill azimuth and angle. These holes were not specifically drilled to generate twin data, but were visually and statistically inspected to assure good geologic and location comparisons. A total of 30 twins were identified, with separation ranging from 0-25 feet, and averaging approximately 15 feet. Sample comparison range from a low of 8 samples, representing 40 feet, to a high of 105 samples, representing 525 feet, with an average of 195 feet for sample comparison. A hole by hole comparison is included in Table 13.4.



Table 13.4 Twin Comparison (RC holes) for Pan Project, not including Core holes
Green holes=Amselco, Blue=Alta Bay Orange=Echo Bay, Yellow=Castleworth,
Purple=Latitude, Red=Midway

Twin No.	Drill Hole Id	Company	Distance Sep (ft)	No. Samples	AuFA (opt)
1	PR-10	Amselco	14.9	8	0.0205
	PR-10A	Amselco			0.0210
2	AP-113	Alta Bay	6.7	10	0.0314
	AP-113B	Alta Bay			0.0368
3	AP-122	Alta Bay	25.0	28	0.0414
	SP-253	Alta Bay			0.0271
4	NP-138	Alta Bay	8.1	13	0.0092
	NP-225	Alta Bay			0.0140
5	004-23	Castleworth	5.0	40	0.0225
	004-26	Castleworth			0.0345
6	PN08-4	Midway	14.0	68	0.0104
	PN08-4A	Midway			0.0120
7	EP-16	Echo Bay	14.3	23	0.0139
	NP-131	Alta Bay			0.0181
8	EP-07	Echo Bay	22.0	28	0.0351
	NP-127	Alta Bay			0.0295
9	EP-23	Echo Bay	1.0	30	0.0156
	NP-147	Alta Bay			0.0205
10	EP-03	Echo Bay	18.0	40	0.0039
	NP-130	Alta Bay			0.0034
11	EP-19	Echo Bay	10.6	29	0.0166
	NP-265	Alta Bay			0.0168
12	EP-38	Echo Bay	12.5	40	0.0149
	NP-137	Alta Bay			0.0156
13	EP-46	Echo Bay	19.0	30	0.0308
	NP-142	Alta Bay			0.0155
14	EP-49	Echo Bay	15.3	9	0.0142
	NP-184	Alta Bay			0.0148
15	EP-27	Echo Bay	10.4	37	0.0083
	NP-146	Alta Bay			0.0122
16	EP-34	Echo Bay	16.3	30	0.0251
	NP-225	Alta Bay			0.0231



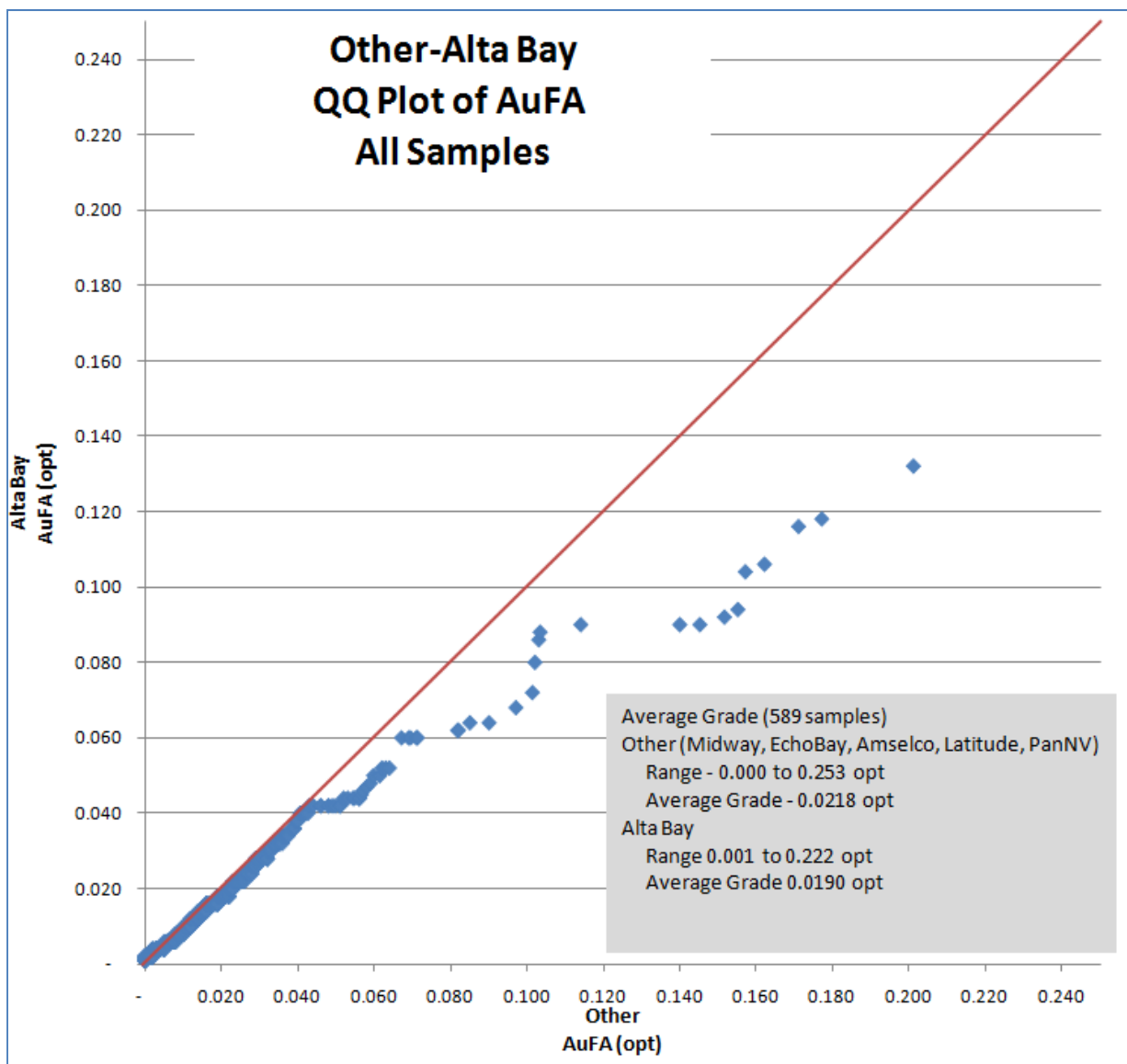
17	EP-34	Echo Bay	23.0	13	0.0242
	NP-138	Alta Bay			0.0092
18	NP-264	Alta Bay	11.0	16	0.0112
	PR-75	Amselco			0.0143
19	NP-148	Alta Bay	12.2	33	0.0201
	PR-37	Amselco			0.0220
20	SP-193	Alta Bay	12.4	53	0.0328
	PN08-10	Midway			0.0271
21	NP-186	Alta Bay	20.9	30	0.0232
	PN07-65	Midway			0.0372
22	AP-124	Alta Bay	21.1	19	0.0282
	PN08-13	Midway			0.0599
23	AP-116C	Alta Bay	0.0	33	0.0233
	LPR-413	Latitude			0.0194
24	AP-124	Alta Bay	20.2	19	0.0282
	06-267	Pan Nevada			0.0266
25	NP-151	Alta Bay	10.9	49	0.0089
	04-60	Castleworth			0.0083
26	EP-087	Echo Bay	24.4	66	0.0110
	PN08-09	Midway			0.0267
27	EP-53	Echo Bay	20.8	20	0.0044
	PN08-07	Midway			0.0535
28	EP-100	Echo Bay	13.2	105	0.0131
	PN08-13	Midway			0.0156
31	LPR-510	Latitude	19.8	100	0.0149
	03-02	Castleworth			0.0342

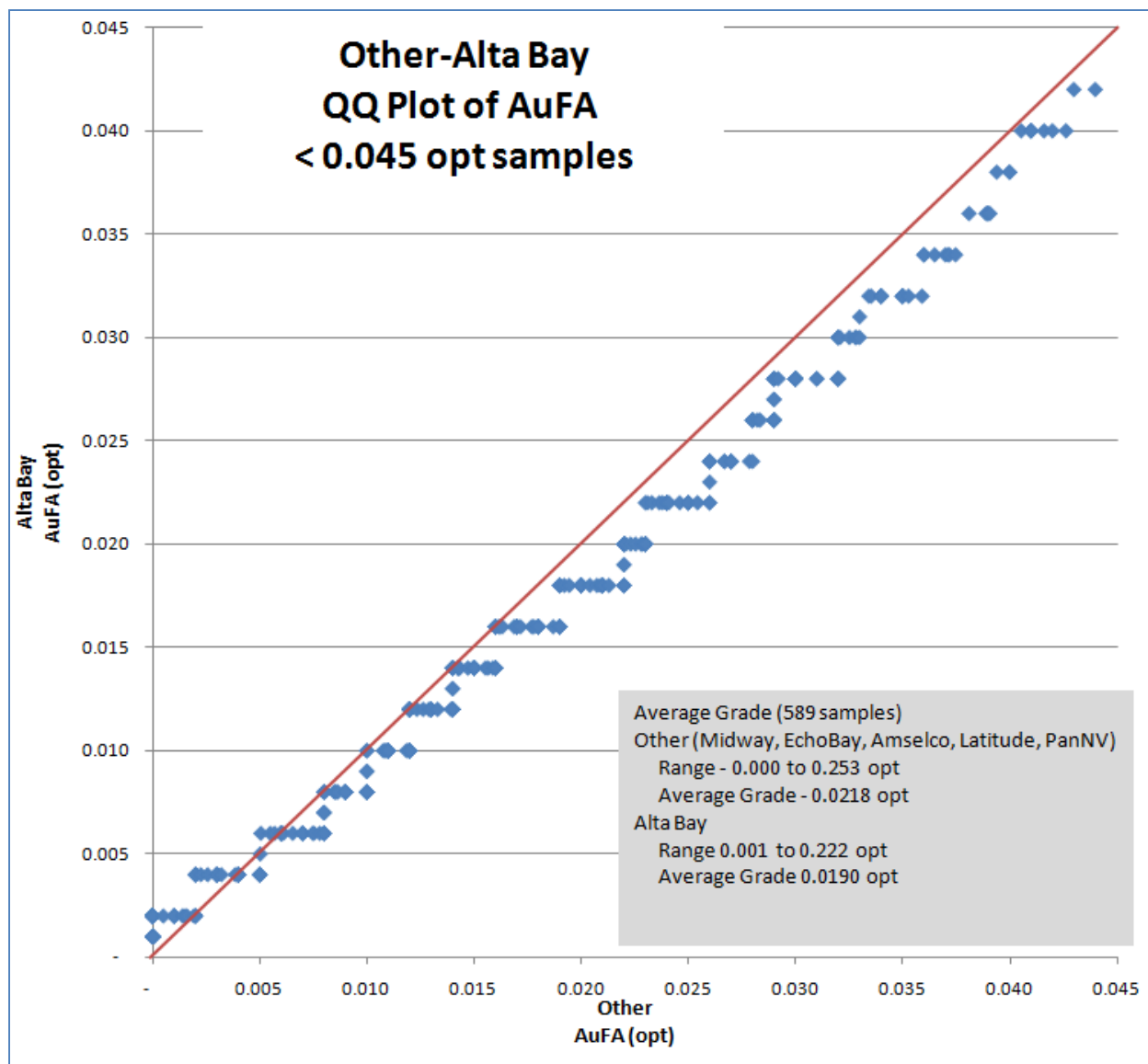
A review of the individual hole results on both a down hole footage basis, average grade, and QQ Plots indicate that the Alta Bay drill hole AuFA assays appear to be biased low when compared to the other operators (Echo Bay, Amselco, Midway, Latitude, and Pan-Nevada). This could be a result of Alta Bay samples being processed through noncertified mine laboratories, and potential mixing of AuCN with AuFA data. An effort was made to correctly identify Alta mine lab procedures, but there is a margin of error due to poor documentation. This bias, on average is approximately 14.5% low for Alta Bay AuFA results.

A comparison of Echo Bay to MGC and PanNv to MGC AuFA results also shows an upgrading of assay results from the MGC material. All three sample sets were sent through certified laboratories, so the bias maybe a result of drilling procedures. However, documentation of drilling procedures for the Echo Bay and PanNV work is limited and no clear reason for the bias could be determined.



Figure 13.3 QQ Plot of Alta Bay AuFA assays and Other Operators AuFA Assays
Upper figure is for all samples, lower figure is a snapshot of this data from 0.0 to 0.045 opt.





13.8.4 Pilot Ridge Drilling

The most concentrated area of drilling is currently at Pilot Ridge (North Pan). MDA (2005) did a sample statistic of this area to compare drilling results of various operators. Pilot Ridge drill samples are noted below in Table 13.5. MGC did not complete any drilling in this area to be included in the sample statistics. The Alta Bay and Amselco data is low based on the inclusion of AuCN data in the statistics, but the problem with a low bias in historical assays is evident.



Table 13.5 Sample Statistics of Pilot Ridge Domains by Operator

Company	No Samples	Avg Length (ft)	Mean (gold oz/st)	Min (gold oz/st)	Max (gold oz/st)	Std Dev (gold oz/st)
Amselco	561	5	0.012	0.000	0.144	0.010
Echo Bay	700	5	0.016	0.000	0.109	0.013
Alta Bay	1,655	5	0.016	0.000	0.144	0.013
Latitude	486	5	0.016	0.000	0.144	0.014
Castleworth	1,998	5	0.018	0.000	0.230	0.019

14.0 DATA VERIFICATION

Both MDA (2005) and AMEC (2008) performed a verification of the exploration and drilling data through 2007. Both companies found the logs, surveys, and assays in the Pan mineral resource database accurately represent the source documentation. The QP for this report, Don Harris, did a complete check of the Pan database in 2007 and the resulting database accurately represents the source documentation.

The QP for this report, Don Harris, verified all exploration data collected after January 1, 2008, including checks of logs, surveys, and assays. For the 2008 data, 100% of data was analyzed and found to match the original information. This constitutes an error of less than 0.01%.

14.1 Check Assays

There are check assay data for Latitude-Degerstrom, Castleworth, and MGC. There is no check assay data for Southwest, Hecla, MGC, Amselco, Alta Bay, or Echo Bay samples. This lack of check assays on the bulk of the assays poses risk to the project. However, as shown in the twin hole section of the report, this risk is mitigated by a number of twin holes on each of the major operators for the project.

The summary below is excerpted from the MDA report (2005) on the project. Details of the studies and scatter plots can be reviewed in this earlier report. Additional data from the MGC work is also included in detail.

There are 242 check assays (approximately 8%) from the Latitude drill campaign. Check assays were completed by Degerstrom on the same sample pulp used for the original assay. Results of the check assays are summarized in Table 14.1. Overall the check assays compare favourably to the original, with only a 6% difference. However, these are not considered independent check assays since both the original and check assay were completed at the Degerstrom Laboratory in Spokane, Washington.

The Castleworth 2004 drill program included assays of duplicate splits collected at the RC rig and second assays on intervals chosen for bottle roll tests. Approximately 6% of the Castleworth drill samples were check assayed. This includes 129 duplicate samples from the January-February 2004 and 119 from July 2004 drilling. The additional 119 duplicate samples were assayed at both KCA and Chemex for comparison. There were also 92 bottle roll samples that were originally assayed by Chemex, and reassayed by Chemex in preparation of bottle roll testing.

MDA (2005) selected sample pulps from the Latitude and Castleworth drilling campaigns for check assays. A total of 15 sample pulps were selected from the Latitude drilling to represent various gold grades and material types. The check assays, completed at American Assay, Sparks, Nevada, were systematically higher than the original results. However, MDA noted that there is insufficient sample numbers to allow statistically valid conclusions.

Table 14.1 Check Assay results for Pan Project

Operator	Number of Samples	Original Assay (Au ppb)	Check Assay (Au ppb)	Comment
Latitude	242	0.0409 Degerstrom	0.0433 Degerstrom	Sample pulp reassay
Castleworth	129	0.006 Chemex	0.007 Amer Assay	Rig Duplicates
Castleworth	119	0.011 Chemex	0.012 KCA	Rig Duplicates
Castleworth	92	0.023 Chemex	0.023 Chemex	Bottle Roll Assays
MDA (Latitude Drilling)	15	0.0474 Degerstrom	0.0536 American Assay	Sample pulp reassay
MGC	316	0.0028 ALS-SGS	.0028 ALS-SGS	Rig Duplicates

In 2007 MGC conducted a rig duplicate program, collecting a duplicate sample during drilling for the majority of the holes completed during the year. Duplicate samples were collected every 100 feet, and split and analyzed using the same procedures as the original sample. Duplicates were analyzed at the same laboratory as the original sample. For samples with values less than detection (5 ppb), the gold value was set to 0.0. Sample weights were also compared, to ensure the duplicates were representative of the original sample. Weights of the original sample averaged 4.71 kg, compared to 4.66 kg on the duplicates. Results are displayed in Figure 14.1, which shows a close correlation between the original and duplicate sample results.

Figure 14.1 MGC rig duplicates

316 samples, original assays averaged 0.0958 ppm Au, and ranged from 0 to 3.68 ppm Au. Duplicates averaged 0.0951 ppm Au, ranging from 0 to 1.76 ppm Au

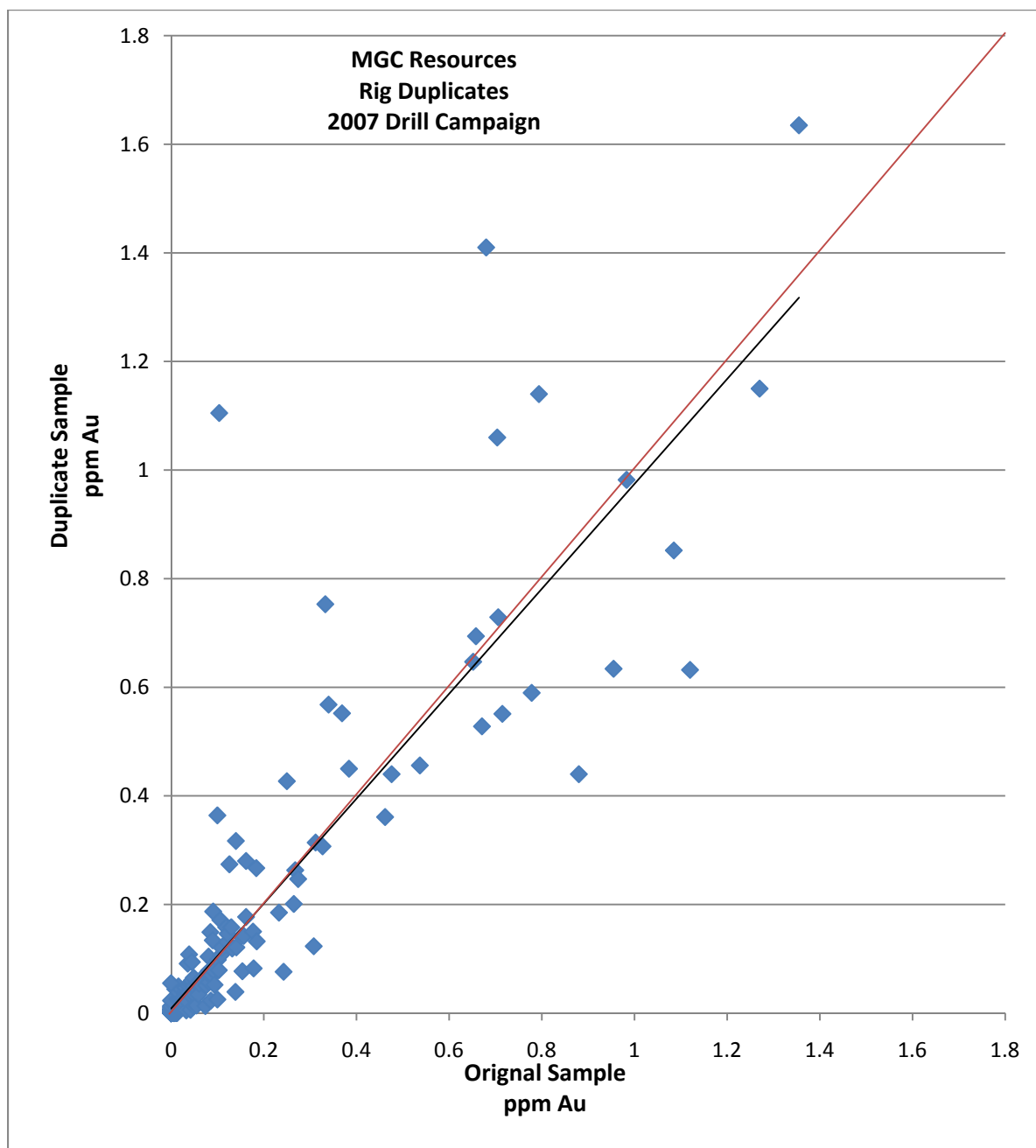




Table 14.2 Descriptive Statistics of MGC duplicate rig samples

	ALS- Chemex Original (Au ppm)	ALS- Chemex Duplicate (Au ppm)	SGS Original (Au ppm)	SGS Duplicate (Au ppm)	All (Au ppm)	All (Au ppm)
Mean	0.1107	0.1062	0.0650	0.0722	0.0958	0.0951
Standard Dev	0.3323	0.2702	0.1638	0.1683	0.2889	0.2420
Min	0.000	0.0000	0.0000	0.0000	0.0000	0.0000
Max	3.6800	1.7600	1.2700	1.1500	3.6800	1.7600
Count	213	213	103	103	316	316

14.2 MGC QA/QC Programs

SRK reviewed the QA/QC data from the 2007 and 2008 drilling. Information from the SRK report is summarized below (SRK, 2009).

MGC maintained a regular program of commercial standard reference materials as well as blanks and rig duplicates (2007 only). The standards were purchased from Shea Clark Smith, Reno, Nevada as increments of 0.55, 1.0 and 2.0 pm Au. Blanks were obtained from a gravel stockpile located approximately 1 mile north of Highway 50, on Route 879. As part of protocol, MGC Resources had the following QA/QC programs in place for the 2007-2008 drilling programs.

1. Rig Duplicates, every 100 feet
2. Coarse (1/4 inch minus) blank reference material, 1 per 50, minimum 1 per hole
3. Standards (-200 mesh) reference material, 1 per 50, minimum 1 per hole

Results of the rig duplicate program are discussed in section 14.1. For coarse blank material, a limestone stockpile was utilized for 2007 and 2008. In 2007, 115 samples were used, with an average result of 0.0029 ppm Au. Nine blanks returned values of >0.013 ppm Au and were further investigated. Seven holes had no significant gold values in the sample assays and were not rerun. The remaining two holes were reanalyzed for gold, along with a fresh blank sample. In 2008 a different portion of the limestone stockpile was utilized for blanks.

This portion of the pile tended to return anomalous gold results (>0.030 ppm Au). Use of the blanks was discontinued until a better blank control could be located.

Industry standards were obtained and submitted blindly with drill samples. Three standards at a 2.0 ppm, 1.0 ppm, and 0.55 ppm threshold were utilized. Values within ± 1 standard deviation were considered valid, and accepted into the database. Values greater than ± 1 std were further investigated and either reanalyzed or accepted, depending upon results. The 2.0 ppm standard was found to be frequently outside of the ± 1 std and use was discontinued in mid-2007.

Based on the protocol employed by MGC and the standard/blank assay results the assay quality completed during 2007 and 2008 are within acceptable limits.



15.0 ADJACENT PROPERTIES

There are no known activities on adjacent properties that affect the current exploration program or ability to mine the identified resources on the Pan project.

AuEx Ventures Inc., a Canadian registered exploration company, does have claims adjacent to the south claim boundary at Pan.

MGC Resources also controls the Gold Rock property, which is approximately 8 miles to the southeast. This property has historical production and may have potential for synergies with the Pan project.

16.0 MINERAL PROCESSING AND METALLURGICAL TESTING

A summary of metallurgical testing completed prior to 2005 is documented in the MDA report completed for Castleworth Ventures Inc. A summary of that information is provided below for completeness. Full details, including sample prep, processing, and analysis are discussed in MDA (2005). This includes bottle rolls and column leach data. Summary conclusions are

1. Bottle roll data for North Pan, South Pan, Black Stallion, and Nana show average gold dissolutions of 56.4, 72.2, and 84.1% respectively, at average gold head grades of 0.030 to 0.033 gold oz/st.
2. Column leach tests for North Pan and South Pan show average gold dissolutions of 67.8% (0.030 gold oz/st head grade) and 75.5% (0.040 gold oz/st head grade) respectively.
3. Cyanide consumption ranges from 0.1 to 2.3 lbs/st
4. Lime consumption ranges from 2-11 lbs/st, with an average of 5 lb/st
5. Run of Mine recoveries have not been tested at this point in the project.

16.1 Bottle Roll Tests (BRT)

Echo Bay submitted three composites to Dawson Metallurgical Laboratories and Hazen Research for bottle roll cyanide leach tests. The samples were composites from three RC holes drilled at North Pan, in Pilot shale. Descriptions and results are summarized in Thompson (1987) and MDA (2005). Gold leach extractions are low for the ¼" material, but the samples were generally composed of jasperoid, and are not considered representative of the deposit. Gold extraction generally improved with crushing, and with increased leach times, although the latter is not consistent. Head grades were higher than anticipated for the Pan resource, indicating the need for additional testing at average deposit grades. Head grades were also inconsistent, considered the composites were from the same original material. The original drill reported intercept is noted below the test result, in red and italics. Average grade of the tested material was -31 to +93% different then the originally reported drill intercepts.

Table 16.1 Dawson Metallurgical Laboratories - BRT Results

Hole Id	Composite Interval (ft)	Grind Lab	Gold Grade (gold oz/st)	Gold Extraction- 72 hours (%)	Gold Extraction- 120 hours (%)	NaCN Consumption (lb/ton)
	Drill Intercept Grade (gold oz/st)		Calc Head			
EP-39	0-100	¼"	0.058	62.4		1.45
	0.058	Dawson				



EP-39	0-100	¼" Hazen	0.028	50.6	78.7	
EP-39	0-100	81% -400 mesh Hazen	0.033	76.1	78.7	
EP-7	20-100 0.029	¼" Dawson	0.038	45.2		1.35
EP-7	20-100	¼" Hazen	0.073	69.0	69.0	
EP-7	20-100	81% -400 mesh Hazen	0.056	72.5	70.8	
EP-46	5-15 0.028	¼" Dawson	0.034	49.9		1.36
EP-46	5-15	¼" Hazen	0.031	44.5	50.9	
EP-46	5-15	81% -400 mesh Hazen	0.033	84.1	84.1	

McClelland Laboratories, Inc conducted bottle roll leach tests on 14 samples submitted by Echo Bay in 1987. Description of tests procedures and results are summarized in McClelland (1987) and MDA (2005). Twelve of the samples were composited from North Pan RC holes,

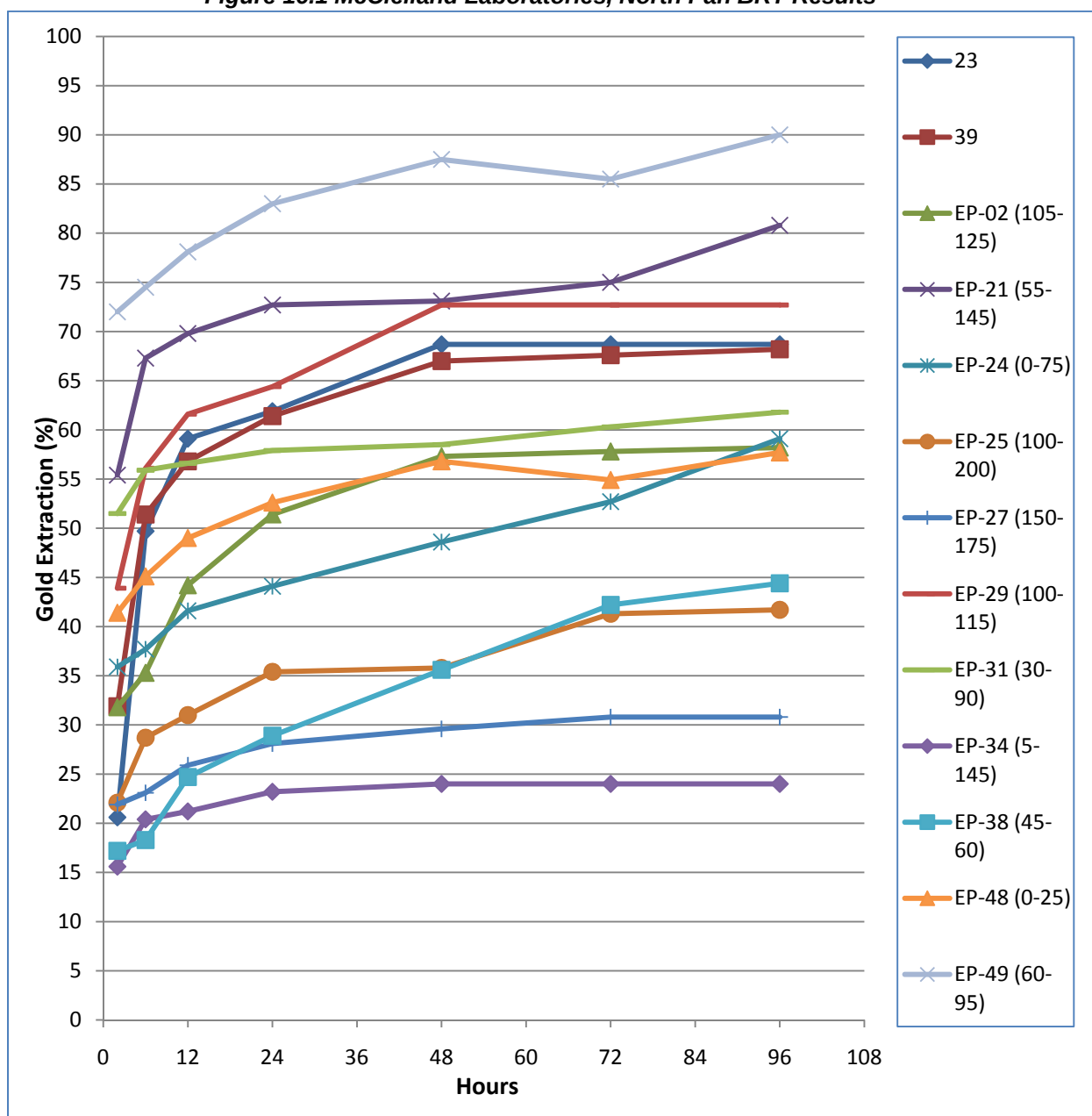
two were bulk samples from either previous core drilling or surface exposed mineralization. As with the Dawson work, all samples were described as silicified/jasperoid. Documentation on the bulk samples was poor and the true source is unknown. Samples were crushed to 90% passing minus 6 mesh and subjected to 96 hour bottle roll cyanide leaching. Results are summarized in Figure 16.1. Gold recoveries range from 24 to 90% and generally levelled off after 24-48 hours. Average recovery at the end of the 96 hour BRT was 46.8%

Calculated head grades were compared to drill intercept reported grade. Although more consistent than the previous test work, calculated head grades differed by -15 to 22% from the original drill reported intercepts. Average grade for the test work of 0.027gold oz/st was also higher than the average grade of the project. This continues to be identified as a concern at the Pan project, with the historical assay data repeatedly generating a lower assay grade, then subsequent testing or twin drilling.

Cyanide consumption, which ranged from 0.10 to 0.75 lb/ton, was low, and lime requirements were also considered low to moderate, due to the high carbonate, low sulphide nature of the material.



Figure 16.1 McClelland Laboratories, North Pan BRT Results



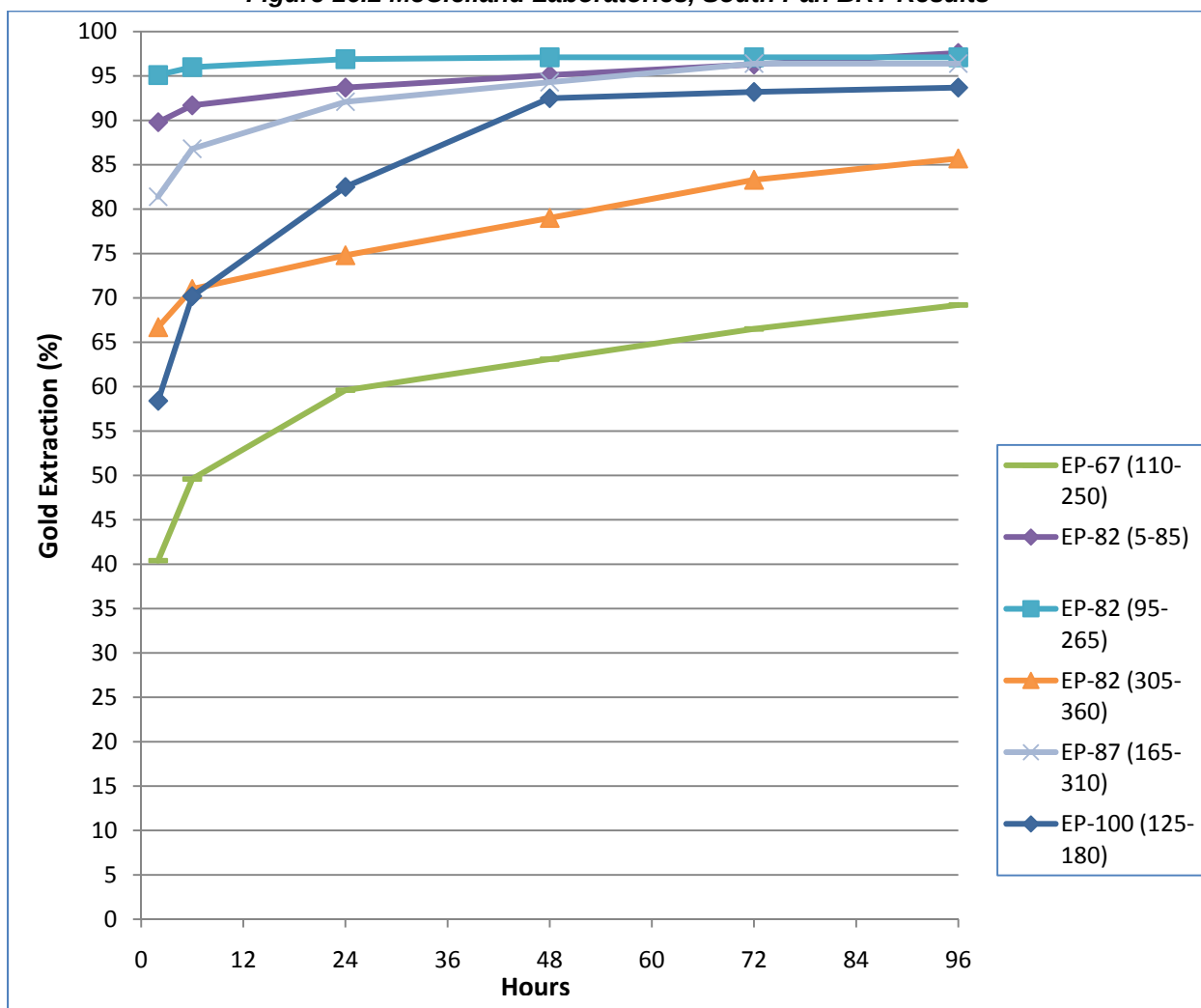
In 1988 Echo Bay submitted an additional six RC composites from South Pan to McClelland for testing using the same parameters as the North Pan BRT. Results of the South Pan work is shown in Figure 16.2. In general gold recoveries were significantly higher than the North Pan test work, with a range from 69.2 to 97.6% and generally levelled off after 48 hours. Average recoveries for the South Pan material was 89.6%.



Calculated head grades were compared to drill intercept reported grade. Although more consistent than the previous test work, calculated head grades differed by -12 to +3% from the original drill reported intercepts. Average grade for the test work was 0.034 gold oz/st, which is again higher than the average grade of the project.

Cyanide consumption, which ranged from 0.10 to 0.48lb/ton, was low, and lime requirements were considered low to moderate, due to the high carbonate, low sulphide nature of the material.

Figure 16.2 McClelland Laboratories, South Pan BRT Results



During 2004, Castleworth commissioned 62 bottle roll tests on sample rejects from 15 RC holes. Details for this test work are in MDA (2005) report, but the work is a 24 hour bottle roll using 0.25% NaCN solution on 1,000g samples. The majority of the samples were from North Pan (60), while 2 samples were taken from the Black Stallion area. Gold recovery, when compared to the original drill assay, averaged 79.2%. There was problems with

approximately 20% of the samples, which returned extraction rates >100%. This is because the original gold assay was compared to the extracted value and a head grade was not calculated, as would be industry standard.

An additional 92 bottle roll tests were submitted by Castleworth to Chemex in late 2004. Because of problems noted in the earlier work, a head, tail, and calculated head assay were requested. The samples provided were from North Pan RC drilling, completed during July 2004. Results of each test are summarized in MDA (2005). The overall extraction rate averaged 61%, on an average calculated head grade of 0.0235 gold oz/st.

In 2006, Pan-Nevada submitted 101 RC coarse reject samples for bottle roll testing at ALS Chemex. The coarse rejects are assumed to be 70% passing minus 6 mesh, which is typical preparation by ALS, but no documentation could be located. For the testing 1,000 g charges were subjected to 24 hours of bottle roll, cyanide leaching in a 0.25% NaCN solution. The leach solution is used at room temperature and analyzed by atomic absorption. The 101 samples submitted were from Black Stallion (91) and Nana (10), and showed recoveries ranging from 17.4 to 100%. The majority (93) of the samples showed greater than 50% gold extraction, with an average of 84.1%. Average grade of the samples was 0.0296 gold oz/st, which is again higher grade than the average for the Pan deposit. Further test work should include average Pan deposit grades for metallurgical confirmation.

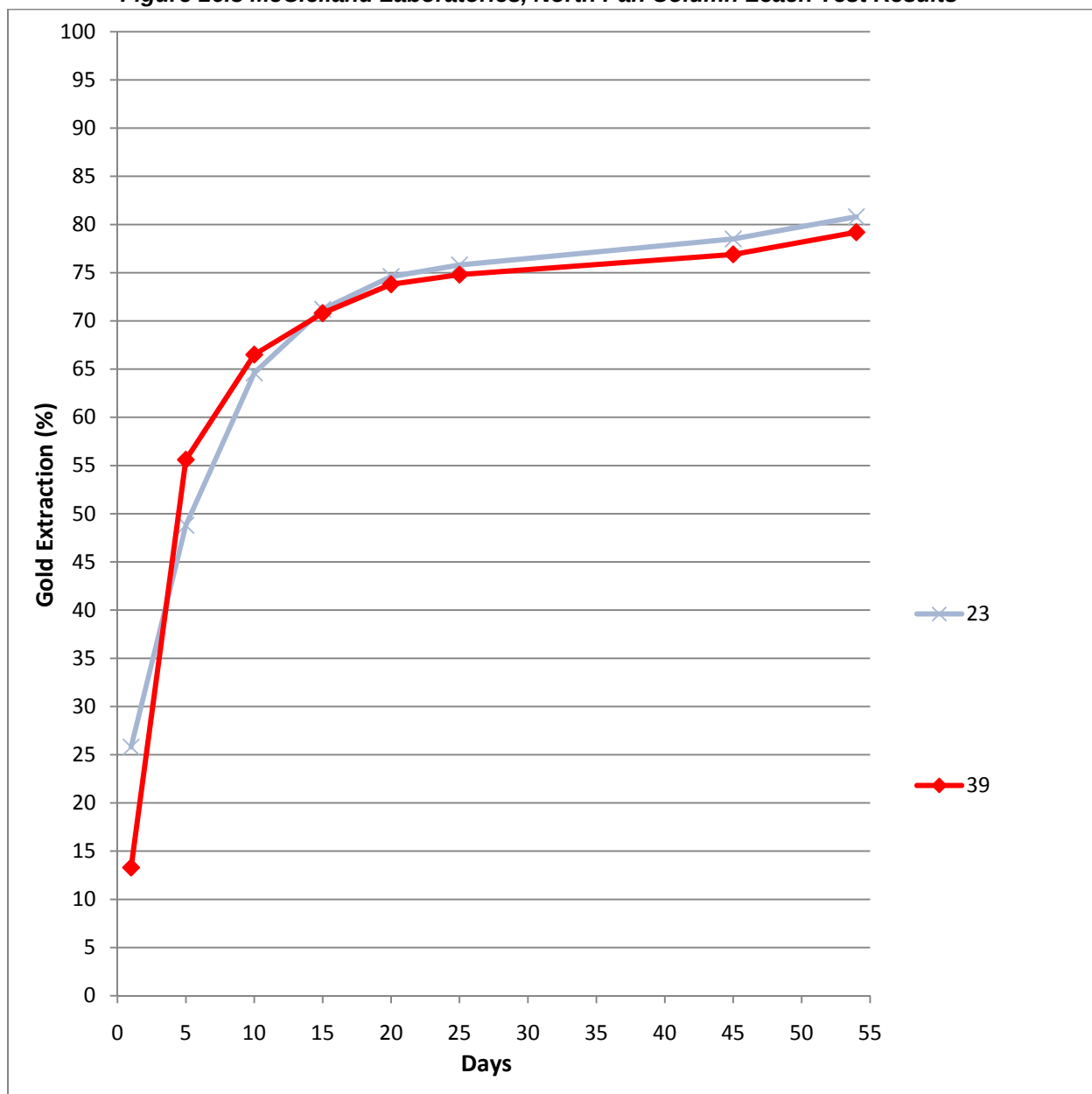
16.2 Column Leach Tests

In 1987 McClelland also conducted column leach tests on two North Pan bulk samples, as described in MDA (2005). These samples were crushed to 80% minus 3/8 inch and leached in 6 inch by 8 foot tall columns. Details of the testing are described in McClelland (1987) and MDA (2005) and only the results are summarize in this report.

Gold extraction averaged 79.2% for sample 39 and 80.8% for sample 23, which apparently match up with the bulk samples used by McClelland in the BRT. Gold recovery was much higher than predicted by the bottle rolls, although no reason was determined by the laboratory. Gold recovery levelled off after 20-25 days, cyanide consumption was much higher than predicted, ranging from 1.8 to 2.18 lbs/ton, lime requirements remain low, due to the high carbonate nature of the material. Recovery curves for the two bulk samples are shown in Figure 16.3



Figure 16.3 McClelland Laboratories, North Pan Column Leach Test Results



In 1989-1990 Alta Gold, on behalf of the Alta Bay joint venture completed column leach tests on 24 drill sample composites from North Pan, 16 drill sample composites from South Pan, 3 surface samples from North Pan, and 3 surface samples from South Pan. The test work was completed at Alta Gold's Robinson Mine assay lab. A complete description of sample test work procedures and results are summarized in Myers (1990) and MDA (2005).

For the RC drill composites, 6 inch diameter columns were utilized, while 14 inch diameter columns were used for the larger bulk samples, column heights were not documented. Both the North and South Pan drill composites required an average of 11 lbs/ton of cement agglomeration to maintain acceptable percolation rates. Blended surface and core samples required no agglomeration at a ¾ inch crush size. Results of the column leach testing are shown in Figure 16.. Based on these results, Alta Bay estimated average gold recovery factors for different material types on the project (Myers, 1990). It should be noted that although Alta Bay established gold recovery factors at North Pan less than 0.018 gold oz/st, that the test work did not include material below a 0.010 gold oz/st cut-off

Table 16.2 Projected Gold Recovery at Pan by Material Type (Myers, 1990)

Area	Material Type	Projected Gold Recovery (%)
North Pan		
	Gold Grade < 0.018 gold oz/st, minus ¾"	40
	Silicified Shale, >0.018 gold oz/st	64
	Argillic Shale, > 0.018 gold oz/st	75
South Pan		
	Limestone	60
	Silicified Limestone	63
	Argillic Limestone	80
	Argillic+Silicified Limestone	75
	Argillic Shale	70
	Argillic+Silicified Shale	82
	Clay	88

As seen with previous test work, gold recoveries at North Pan appear to be lower, due to the presence of late stage silica flooding and possible silica encapsulation. The results of the column leach tests are summarized in Table 16.3 below. Bottle roll tests of 24 and 48 hour duration were run on 37 of the composites, and the 48 hour results are included in the table. While average grades are more in line with the average deposit grade, it should be noted that there was no systematic testing of material below a 0.010 gold oz/st cut-off.



A simple comparison of calculated head grade for the columns was made to the drill intercept reported. For the South Pan drill holes (noted in gray) the average drill intercept reported was 0.022 gold oz/st, compared to 0.029 gold oz/st reported as the average calculated head grade. This represents an increase over the reported grade of approximately 32%. For the North Pan drill holes (noted in gold) the average drill intercept reported was 0.021 gold oz/st, compared to 0.026 gold oz/st reported as the average calculated head grade. This represents an increase in the reported grade of approximately 24%. As noted in the previous test work, twin comparisons, and core to RC comparisons, there appears to be a consistent under reporting of true gold grade in the Alta Bay drill intercepts. These differences are likely associated with two problems:

1. Use of cyanide soluble gold, instead of fire assay gold results, in the drill intercepts
2. Use of the Alta Bay Mine laboratories, which appear to consistently under report total gold grade in fire assays.

Table 16.3 Alta Bay Column and Bottle Roll Leach Tests – Pan
Gray = South Pan, Gold = North Pan, White = S and N Pan mixed

Hole Id	Interval (ft)	Drill Intercept (gold oz/st)	Calc Head Assay (gold oz/st)	Gold Extraction (%) – Bottle Roll	Gold Extraction (%) – Columns	Material Type
SP-196	60-215	0.055	0.068	NA	71.2	S Limestone
SP-197	130-260	0.016	0.013	NA	79.1	S Limestone
AP-123	45-190	0.025	0.028	85.7	77.3	A Limestone
AP-124	95-185					
SP-193	70-345	0.030	0.037	55.9	82.8	A Shale
SP-249	210-285	0.019	0.027	60.0	64.2	A+S Limestone
SP-252	60-295					
SP-195	70-350					
SP-245	100-150	0.035	0.036	71.4	84.4	A Limestone
SP-302	125-275	0.037	0.026	61.3	85.3	A Limestone
SP-301	50-305	0.017	0.029	33.3	51.1	Limestone
SP-289	20-120	0.017	0.018	20.0	39.2	S Limestone
SP-192	50-315	0.027	0.030	53.3	69.3	A Shale
SP-194	120-350	0.028	0.033	40.7	85.6	A Limestone
SP-275	125-300	0.020	0.018	65.2	64.1	A Shale
SP-260S	0-185	0.020	0.026	47.4	58.2	A Shale
SP-261S	115-240	0.014	0.020	60.0	81.9	A Shale
SP-204	155-355					
SP-189	120-325	0.015	0.036	32.4	88.3	Clay
SP-286	85-130	0.015	0.028	75.0	58.5	A+S Limestone
SP-299	265-335					
AP-118	195-375					
NP-145	0-220	0.026	0.034	27.3	43.7	S Shale
NP-137	0-265					
NP-264	245-395					
NP-307	0-205	0.036	0.045	64.4	60.0	A Shale



NP-210	105-200	0.033	0.036	56.3	74.1	A Shale
NP-151	110-165	0.019	0.023	30.4	22.5	S Shale
NP-220	100-315					
NP-266	20-185					
NP-213	25-275	0.023	0.025	43.8	72.0	A+S Shale
NP-221	25-225					
NP-167	330-370	0.035	0.042	75.0	75.0	A+S Shale
NP-228	60-90					
NP-308	5-240	0.019	0.024	53.9	77.9	A+S Shale
NP-282	15-275					
NP-283	10-325					
NP-284	20-190					
NP-265	0-115	0.019	0.018	40.0	53.0	S Shale
NP-246	30-160	0.018	0.026	87.5	72.9	A Shale
NP-242	40-140					
NP-169	15-335	0.012	0.022	56.3	82.8	A+S Shale
NP-200	160-205					
NP-141	10-205	0.020	0.018	44.4	39.3	S Shale
NP-142	15-85					
NP-131	0-160	0.017	0.016	33.3	35.2	S Limestone
NP-135	185-215	0.021	0.028	26.7	49.2	A+S Shale
NP-168	245-290					
NP-236	145-200					
NP-306	0-55	0.020	0.022	54.3	54.6	S Shale
NP-222	85-285					
NP-147	0-225					
NP-230	0-405					
NP-203	100-190	0.023	0.026	44.0	64.1	A+S Shale
NP-186	100-205					
NP-211	30-135					
NP-152	180-235	0.017	0.020	53.9	67.5	A+S Shale
NP-148	0-110					
NP-159	0-155					
NP-226	55-245	0.015	0.018	36.4	65.6	A+S Shale
NP-139	70-100					
NP-225	55-305	0.025	0.032	56.5	32.0	S Shale
NP-218	70-110	0.015	0.026	28.5	51.3	S Shale
NP-134	60-135					
NP-263	5-310					
NP-247	0-190	0.026	0.024	40.0	54.5	A Shale
NP-150	120-140					
NP-184	85-115					
EP-7	Unk	NA	0.054	NA	73.1	A Shale
EP-34	Unk	NA	0.028	NA	43.5	S Shale
EP-46	Unk	NA	0.028	NA	43.4	A+S Shale
EP-46	Unk	NA	0.028	NA	50.0	A+S Shale
248	Surface	NA	0.022	15.8	57.9	A+S Shale

	Sample					
249	Surface Sample	NA	0.026	NA	72.6	S Shale
250	Surface Sample	NA	0.022	NA	78.5	S Shale
293	Surface Sample+EP-21	NA	0.018	NA	75.4	A+S Shale
294	Surface Sample+EP-21	NA	0.014	NA	53.4	A+S Shale
295	Surface Sample+EP-21	NA	0.034	NA	85.0	A Shale

In 2000, Latitude and Degerstrom completed additional column testing on PQ-size core that had been drilled by Alta Bay in 1992. Eight column leach tests from South Pan silicified limestone were completed at the Degerstrom Laboratory in Spokane, Washington. The material was crushed to ¾ inch minus, and details of the test work can be found in the earlier MDA report (MDA, 2005). 3 ½ inch columns were run for 20 days and the results are summarized in Table 16.4 below.

Gold leaching characteristics are good for the 8 columns completed, with recovery ranging from 58.1 to 93.2%. It is unknown if these samples are considered representative, because collar location and logs could not be located. Additionally, the average head grade is 0.044 gold oz/st, which is significantly higher than the reported grade for the South Pan portion of the deposit.

A comparison to drill intercepts was not possible, as no original assays for these core holes could be identified. It appears the core was not split and assayed until metallurgical testing began.

Table 16.4 Latitude/Degerstrom Column Leach Test for South Pan

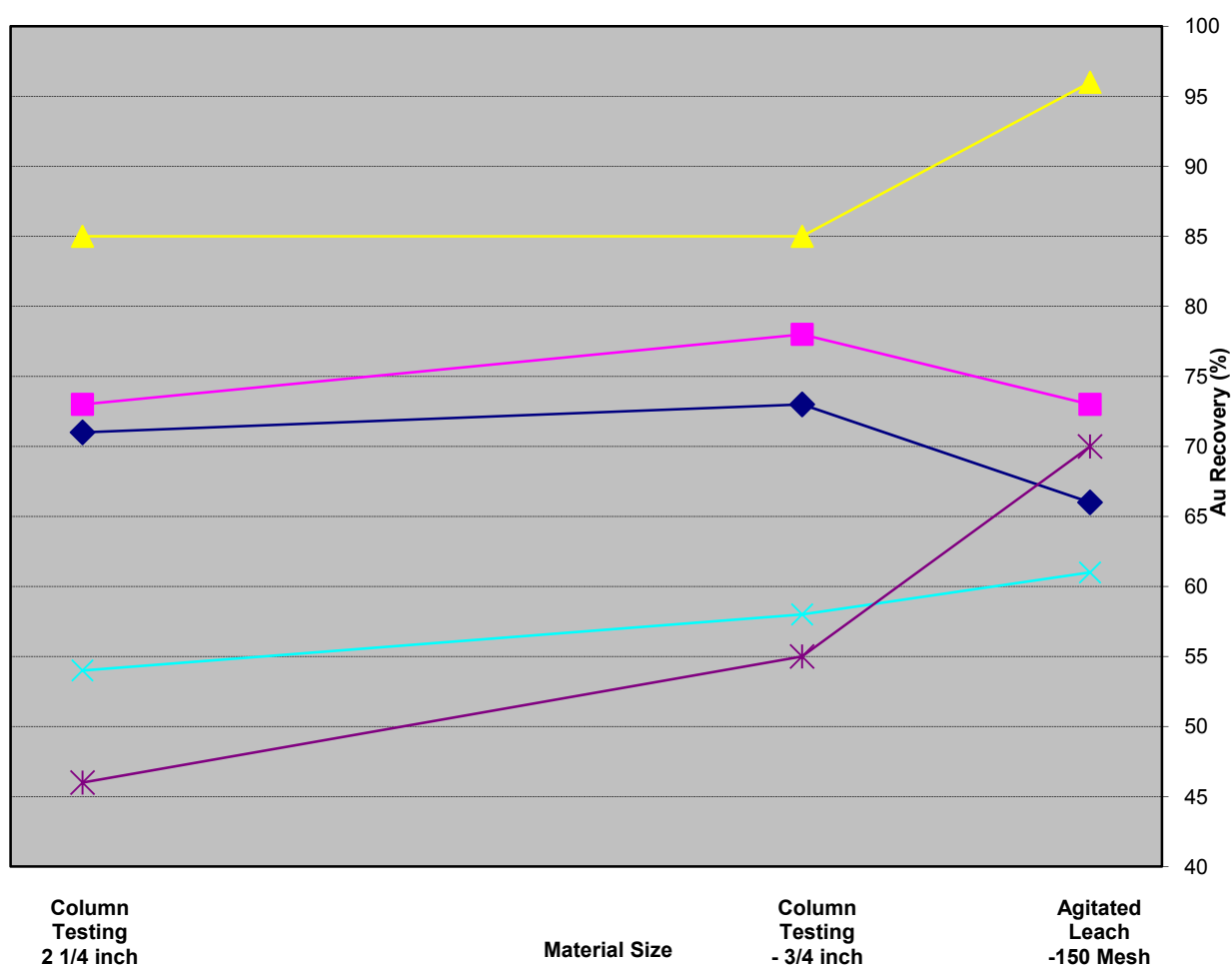
Hole Id	Interval (ft)	Split Assay (gold oz/st)	Calculated Head Grade (gold oz/st)	Gold Extraction (%)
EP-87C	27-128	0.041	0.032	84.3
EP-87C	183-196	0.033	0.033	58.1
EP-87C	247-260	0.042	0.042	76.0
EP-82C	132-156	0.029	0.032	87.5
EP-253C	83-94	0.092	0.117	93.2
EP-253C	110-131	0.044	0.051	78.6
EP-253C	131-149	0.029	0.047	78.6
EP-253C	149-159	0.033	0.033	81.7

In 2004 Kappes Cassiday and Associates completed column leach testing on core obtained during Castleworth's 2004 drill program. The core was composited on the basis of gold grade,

material type (silicification and argilization), and results of the agitated leach testing described in 16.3. Based on this information, five composites were built from material contained in the six core holes. Specific details for the test work are summarized by MDA (2005) and only a summary is contained in this report.

The core composites were crushed to create column feed samples at two sizes: 80% passing 44.5mm and 80% passing 12.5mm, and placed in 11 ½ inch and 6 inch diameter columns respectively. Results of the agitated leach and the two columns are graphically presented in Figure 16.4. Calculated head grades ranged from 0.024 to 0.071 gold oz/st, which is high compared to the overall average grade of the deposit. On the larger size material, column leach gold recoveries ranged from 46-85%, while the small size material gold recoveries ranged from 55-85%. There is some apparent benefit to crushing, although the agitated leach results indicate that there is a limit to the size required to enhance gold recovery.

Figure 16.4 KCA Column and Agitated Leach Summary



16.3 Agitated Leach Tests

Kappes, Cassiday, and Associates performed agitated leach tests on each 5 foot interval from six 2004 Castleworth core holes. A 10 g sample from each original assay pulp was agitated for 24 hours in a warm cyanide solution. The tests are detailed in the original MDA report (2005). A total of 254 samples were tested, with an average head grade of 0.028 gold oz/st. Gold extraction averaged 60%, although there are no details about where the head grade was calculated or determined from fire assay of the pulps.

16.4 Recommendations

The Pan project appears to be amenable to cyanide based heap leaching. Process options include Run of Mine leaching or crushing prior to leaching. The low grade nature of the project does not support milling of the material. Further metallurgical work should focus on determining recoveries from a ROM vs Crushed leach, and evaluating recoveries of lower grade/deposit average material. Additionally, there is a consistent problem with metallurgical assay results typically being higher grade than the original assays. This suggests a possible bias in the reported gold grades that should be further evaluated.

17.0 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATE

MGC updated the Pan mineral resource estimate using the Surpac® (version 6.1.3), geology and mine planning software package by Gemcom. This estimation includes all drilling from 1978 to 2008. No additional drilling was completed in 2009, and the resource estimate utilizes all available/known drill data that can be verified for accuracy.

17.1 Data Used for the Gold Grade Estimation

All verified drill data available and verified on the Pan project through July 2009 was utilized for the gold grade estimation.

All drill hole data was stored in a secure Microsoft Access® data base and was utilized by the Surpac® modeling software directly from the data base. Data stored in the data base included collar locations, down hole surveys, lithology and assay data. Assay results were reported as either gold in parts per million or ounces per ton. Parts per million assays were converted to troy ounces per short ton as the data base was being constructed. The conversion factor is:

$$1 \text{ oz/short ton} = 34.2857 \text{ ppm.}$$

All assays below detection limits were set to 0.000 oz/ton and missing samples were not assigned any value, nor used in the estimation.

The drill hole spacing ranged from 100 feet to over 400 feet, but was generally on nominal 100 foot centers. The azimuth and inclination of drill holes vary greatly. The majority of the drilling was focused in an area with a north-east trend that is approximately 12,000 feet long and 2,000 feet wide. The map in figure 11.1 illustrates the distribution of the drill holes in the resource area.

17.2 Grade Estimation

17.2.1 Gold Assay Data

The Pan database currently has 62,360 samples that were assayed for gold. Of these, 16,499 were assayed by the 1 kilogram metallic screen fire method (MSFA). The remainder were assayed by the standard 30 gram fire assay method. Of the 62,360 samples, 7,261 contained a gold value greater than 0.006 gold oz/st. Of these 6,053 (83%) were assayed by the both MSFA and the standard 30 gram fire assay, the remaining 1,208 samples were assayed by the standard fire assay method only. If a sample had been assayed by both methods, the metallic screen result was used for the resource estimate. If no metallic screen assay was available, the 30 g fire assay was utilized for the resource estimate.

For estimation purposes, the preference of fire assay was used as the first selection criteria. For intervals without a valid fire assay, a preference of cyanide assay was use as the second selection criteria. For estimation purposes, this data base was reviewed for validity. Any samples without a valid laboratory certificate or a verifiable physical location were not used.

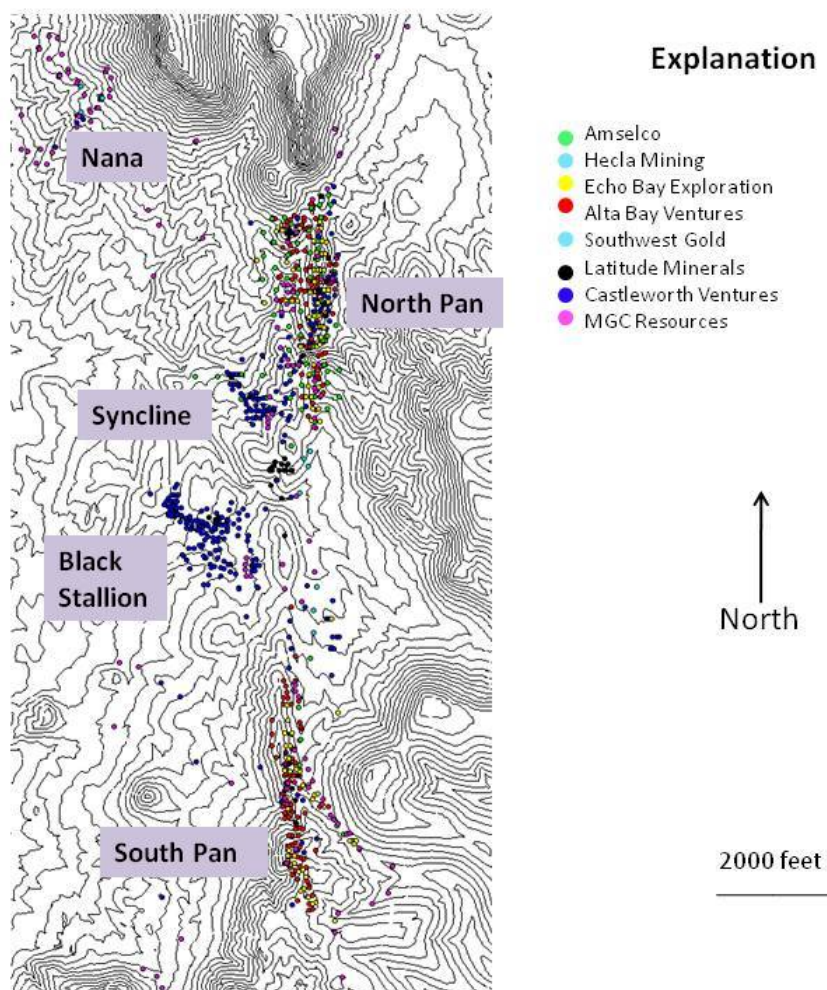


After eliminating such samples, the data base was reduced to 47,094 samples. Of these, 36,486 samples were fire assays and 10,608 were cyanide assays.

17.2.2 Estimation Domains

For estimation purposes, the Pan deposit was divided into 3 separate domains. The domains were based on the location and general geology differences within each domain. The domains include North Pan, South Pan, and Nana. Figure 17.1 illustrates the location of these domains on the footprint of the project. Black Stallion was combined with South Pan and Syncline with North Pan, due to a lack of enough drill data to generate valid variography, and based on similar geologic characteristics.

Figure 17.1: Location of Estimation Domains



Mineralization for each domain was outlined on sections spaced at 100 feet on an east west orientation. The domains were further refined on 20 foot spaced benches, using composited gold data. These were designed to encompass all mineralization in the domain at a > 0.006

gold oz/st cut-off, and did include some internal waste intervals. Wire frame digital solids were created for each of these domains. The domains were visually checked against drill hole intercepts and bench scale assay composites.

In addition to the mineralization domains, additional digital terrain models were created for the various lithologies, including: Ely Limestone, Diamond Peak Conglomerate, Chainman Shale and Sandstone, Joana Limestone, Pilot Shale, and Devils Gate Limestone. These formational shapes were used to restrict density factors in the model. The bedrock to surface topography was limited by a 5 foot flight contour, which was flown for Castleworth in 2003 by Tri State Photogrammetry. All of these were used for the final Lerchs-Grossmann pit optimization analysis preformed in the final phase of the estimation. No gold was modeled above the bedrock contact.

17.2.3 Compositing

Confined within each of the domain solids 20 foot down-hole composites were created from the gold assays. These composites were then used for the capping analysis and variography for each domain solid. Table 17-1 illustrates the composite data for each domain.

Table 17.1 Statistics of Individual Mineralized Domains

Domain	Number of Composites	Volume	Max	Min	Mean	Median	Variance
North Pan	2,302	319,058,894	0.219	0	0.018	0.012	0.00024
South Pan	524	266,269,269	0.087	0	0.016	0.012	0.00020
Nana	57	11,056,163	0.058	0	0.019	0.016	0.00020
Black Stallion	306	25,690,902	0.152	0	0.016	0.012	0.00025
Syncline	140	15,908,579	0.074	0	0.013	0.008	0.00086
All Composites	3,329	637,983,807	0.219	0	0.016	0.012	0.00023

17.2.4 Capping

Cumulative probability plots similar to that shown in Figure 17-2, were created for 10-foot, 20-foot and 50-foot composites. These were completed for each domain and for all of the composites within all zones. This analysis showed no significant influence of higher grade samples to the final estimate of grade or tonnage of the deposit.

A similar result was obtained by an analysis that AMEC completed for an internal Pan Resource estimate of the Pan deposit (AMEC, 2008). This analysis was based upon a metal-at-risk Monte Carlo Simulation. For this simulation, the two probability distributions are created each representing the real distribution of the high grade and nominal grades of a deposit. The



simulation creates drill hole results for thousands of holes based upon each of the distributions. It then uses the results to estimate a tonnage to be mined from both of the populations on a yearly basis. The results of this analysis concluded that less than 1.7% of the metal in the deposit is at risk and concluded that capping of the Pan deposit was not warranted.

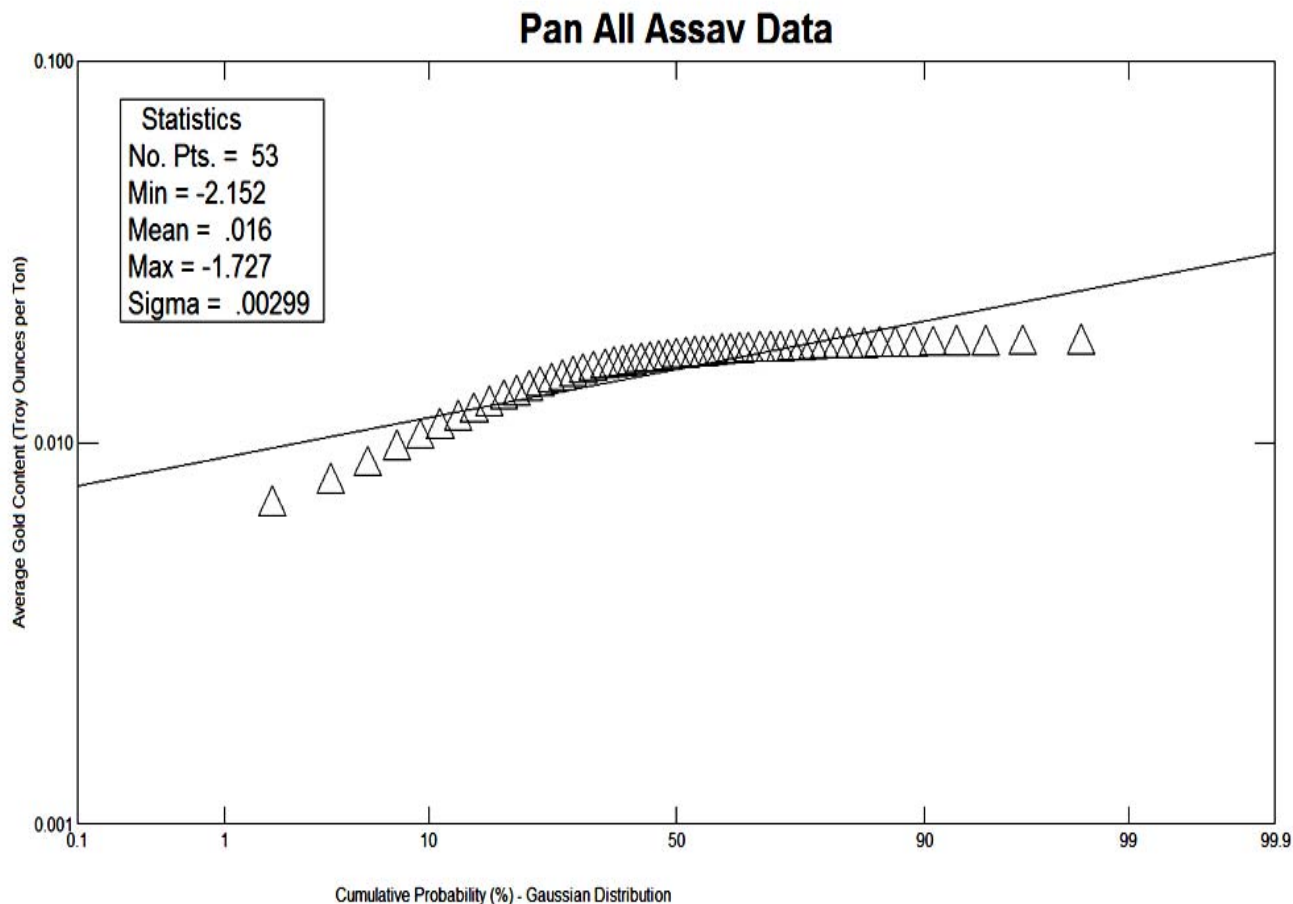


Figure 17.2 Cumulative Probability Plot of the Pan Deposit

Based upon the analysis completed during this analysis, and supporting work by AMEC, no capping was applied to the Pan assay data or composites.

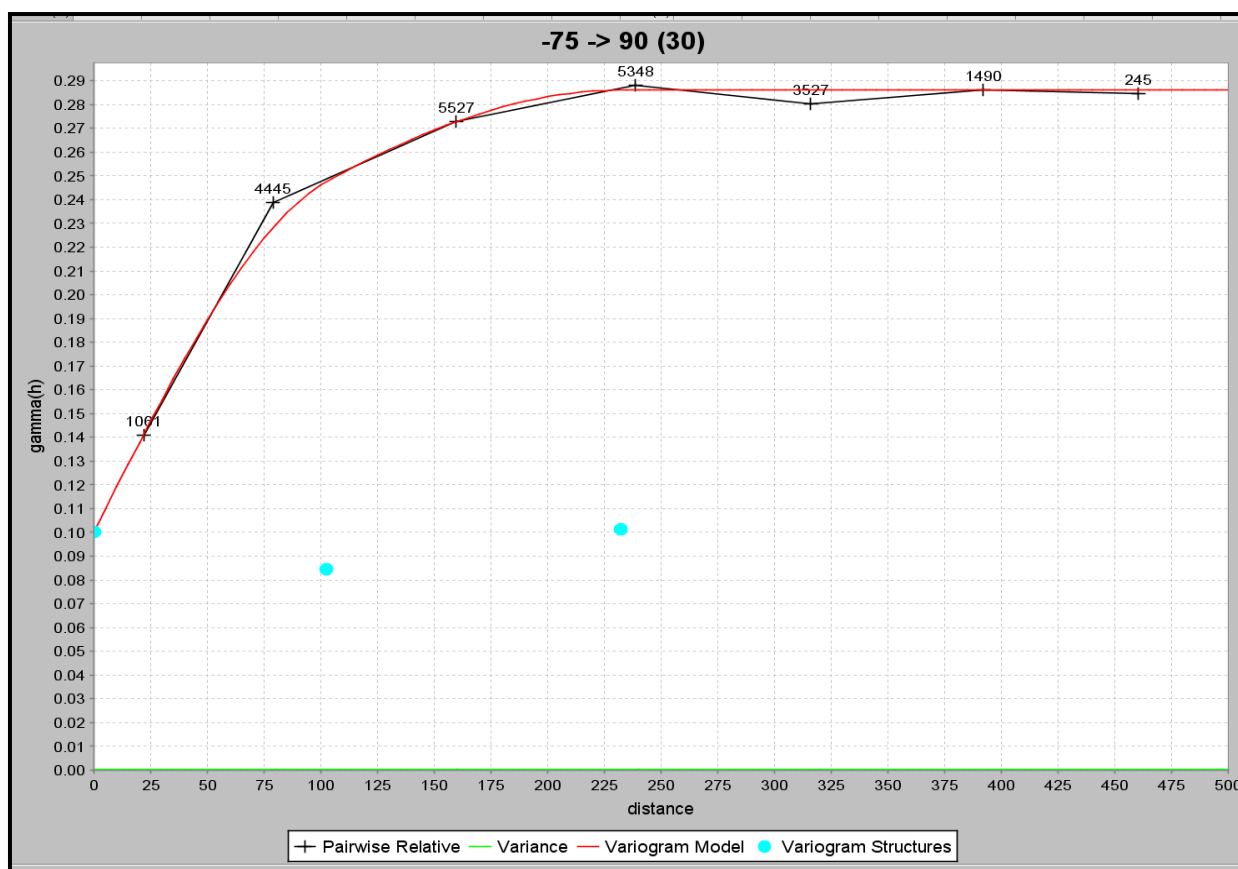
17.2.5 Variography

Variography analysis was completed for all five estimation domains of the Pan gold deposit to establish the spatial variability of the mineralization within each domain. Variography establishes the appropriate contribution that any specific composite should have when estimating a value of a block volume within a model. This procedure is performed by comparing the orientation and distance used for the estimation with the variability of other samples with similar directions and distances from each other. An example of a spherical

variogram constructed from the major axis of the South Pan domain using a “relative pair wise” method of organizing of the variance pairs is shown in Figure 17-3.

Variograms were created for both horizontal and vertical orientations within each domain increments of 15 degree between orientations. Sill values and ellipsoid axis orientations were based upon these. The nugget values for each domain were taken from the down hole variograms where the short range variability is best observed. The resultant variograms are shown in Table 17-2.

Figure 17.3 A Spherical variogram for the Major Axis of the South Pan Domain



Of the five domains within the Pan gold deposit, valid variograms could be characterized for only the North and South Pan domains. The other three domains, consisting of Nana, Black Stallion and Syncline, each did not have enough sample pairs to perform a statistically valid evaluation.

Table 17.2 Pan Variogram Characteristics

Domain	Nugget	Sill	Maximum Range	Z-Axis Rotation	X-Axis Rotation	Y-Axis Rotation	Semi-Major Ratio	Minor Ratio
North Pan	0.168	0.0723	126.63	350	20	-60	1.079	1.5
South Pan	0.100	0.101	232	270	-75	0	1.69	2.11

17.2.6 Estimation Methodology

A Block model was created for the Pan deposit using blocks that are 20 feet wide, 20 feet long and 20 feet high. Each of the blocks was assigned attributes to contain, gold grade, resource classification, rock density and a domain classification. The blocks were then given appropriate densities and domain assignments to assist in estimation.

For the gold estimation, Black Stallion was combined with the South Pan domain and the Syncline domain was combined with the North Pan domain. Both of the domains were determined to be geologically and statistically similar to the appropriate larger domain they were estimated with. The Nana domain was estimated separately due to its distance from the major zones of mineralization.

All of the domains were estimated into measured, indicated and inferred classes. The resource classification of each block was based upon a factor of the distance in any direction as established by the variogram ellipsoid for the domain being estimated. The measured class utilized a $\frac{1}{2}$ ellipsoid variogram search distance. Indicated was set at a full variogram search distance and inferred was set at 1.5 times the variogram distance. The resource classification for the Nana domain was base upon the maximum search distances for North Pan. The search parameters for Nana were kept equal in all directions. Measured was further restricted to data that was generated 2004 to 2008, where valid laboratory certificates, sample protocol, and a QA/QC for assays were in place.

Kriging was the estimation method used for all domains with the exception of Nana. Since valid variograms could not be created for Nana, this zone was estimated by standard inverse squared techniques, with all search direction being equal. Estimation parameters for each of the domains are shown in Table 17-2.



All estimations were performed in three passes per domain. For the first two passes, estimation of measured and inferred classes, composites were utilized containing only fire assay data. This was completed since the fire assay samples have been determined to be the more accurate than cyanide leach assays that are contained within the Pan data-base. For the third pass, an estimation composite containing all data was used to add estimate the inferred class.

Table 17.3 Pan Estimation Parameters

Estimation Parameter		North Pan and Syncline			South Pan and Black Stallion			Nana		
		Measured	Indicated	Inferred	Measured	Indicated	Inferred	Measured	Indicated	Inferred
Number of Composites	Minimum	3	3	3	3	3	3	3	3	3
	Maximum	8	12	12	8	12	12	8	12	12
	Max per Hole	3	6	6	3	6	6	3	6	6
Angles of Rotation	Maximum Range	63.3	126.6	189.9	116	232	348	63.3	126.6	189.9
	Y axis Rotation	350	350	350	270	270	270	0	0	0
	X axis rotation	20	20	20	-75	-75	-75	0	0	0
	Z axis Rotation	-60	-60	-60	0	0	0	0	0	0
Anisotropy Ratio Factors *	Sem Major Axis	1.08	1.08	1.08	1.69	1.69	1.69	1.0	1.0	1.0
	Minor Axis	1.5	1.5	1.5	2.11	2.11	2.11	1.0	1.0	1.0
Estimation Method		Ordinary Krigging	Ordinary Krigging	Ordinary Krigging	Ordinary Krigging	Ordinary Krigging	Ordinary Krigging	Inverse Square	Inverse Square	Inverse Square

17.2.7 Estimate Validation

Validation of the model consisted initially of an examination of the model blocks with actual drill hole assay data to determine if the estimated blocks fit the geologic parameters of the various domains of the deposit. After this an additional validation was made using an inverse cubed estimation method. This method gave results that were within 3.1% of the Ordinary Krigged estimate.

17.3 Resource Optimization

The block model was then subjected to standard Lerchs-Grossmann (L-G) pit optimization procedure which tests the economic viability of the each block based upon physical and economic mining parameters. This process, however, only gives an indication of possible economic benefit. Additional detailed pre-feasibility design would be necessary to define the true economic benefit on mining the resource. Estimated costs, pit slopes, and gold price used in the LG-cone are shown in Table 17-4. Figures 17-5 through Figure 17-8 show typical east-west and north-south sections of the North Pan and South Pan gold mineralization domains. These show the block model, and a \$750 per ounce gold price.

Figure 17.4 East-West Section (14,279,735 North) through North Pan

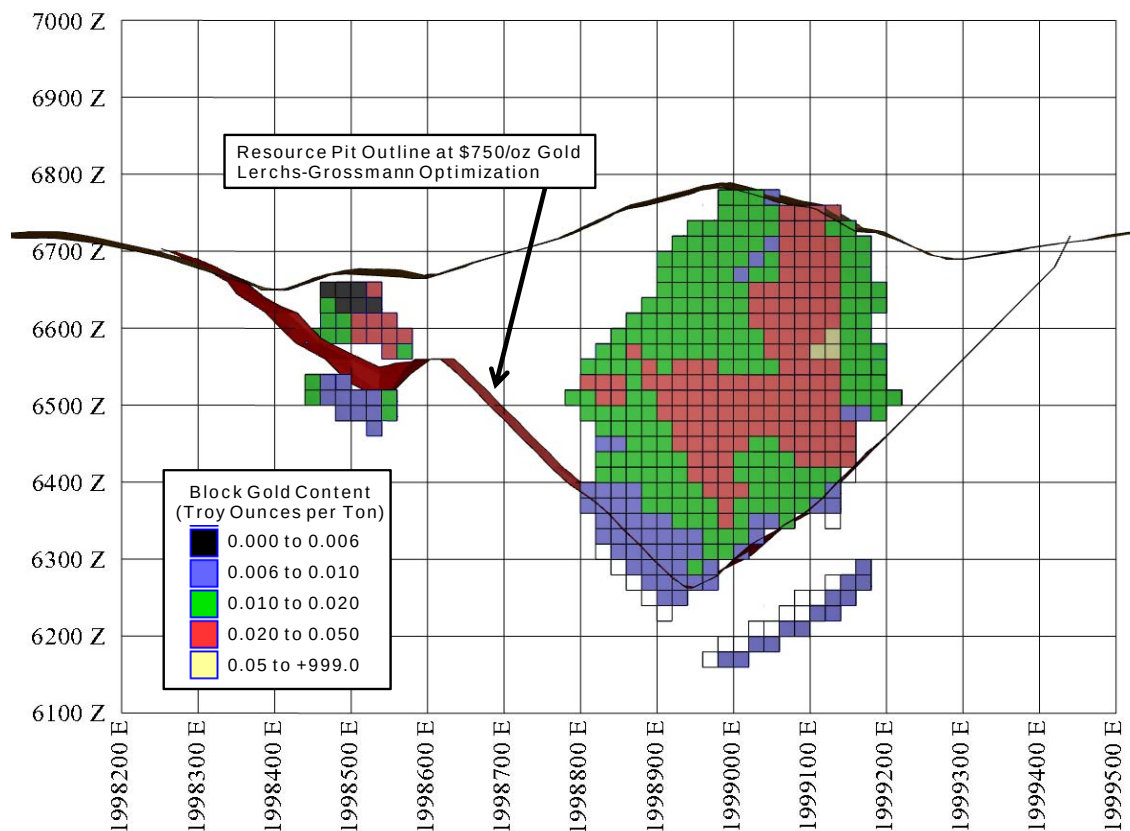




Figure 17.5 East-West Section (14,271,840 North) through South Pan

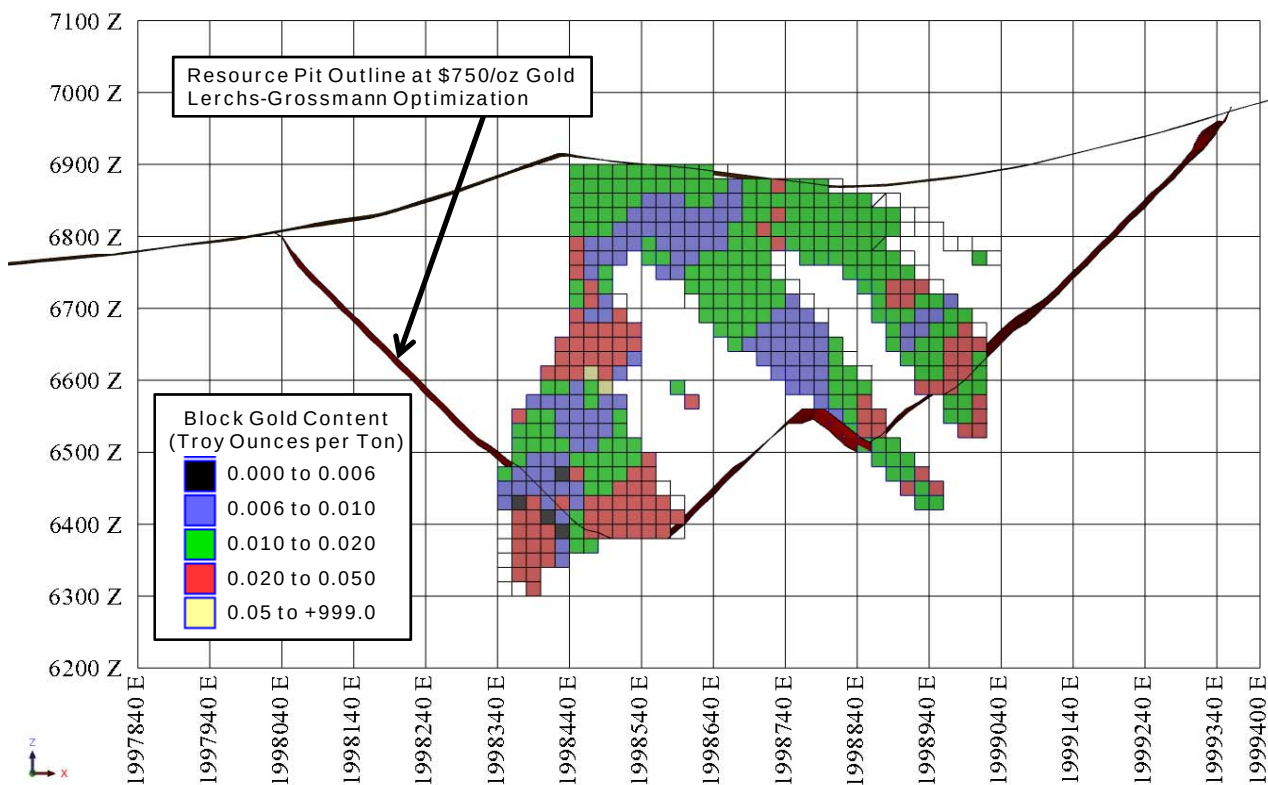




Figure 17.6 North South Section (1,998,980 East) through North Pan

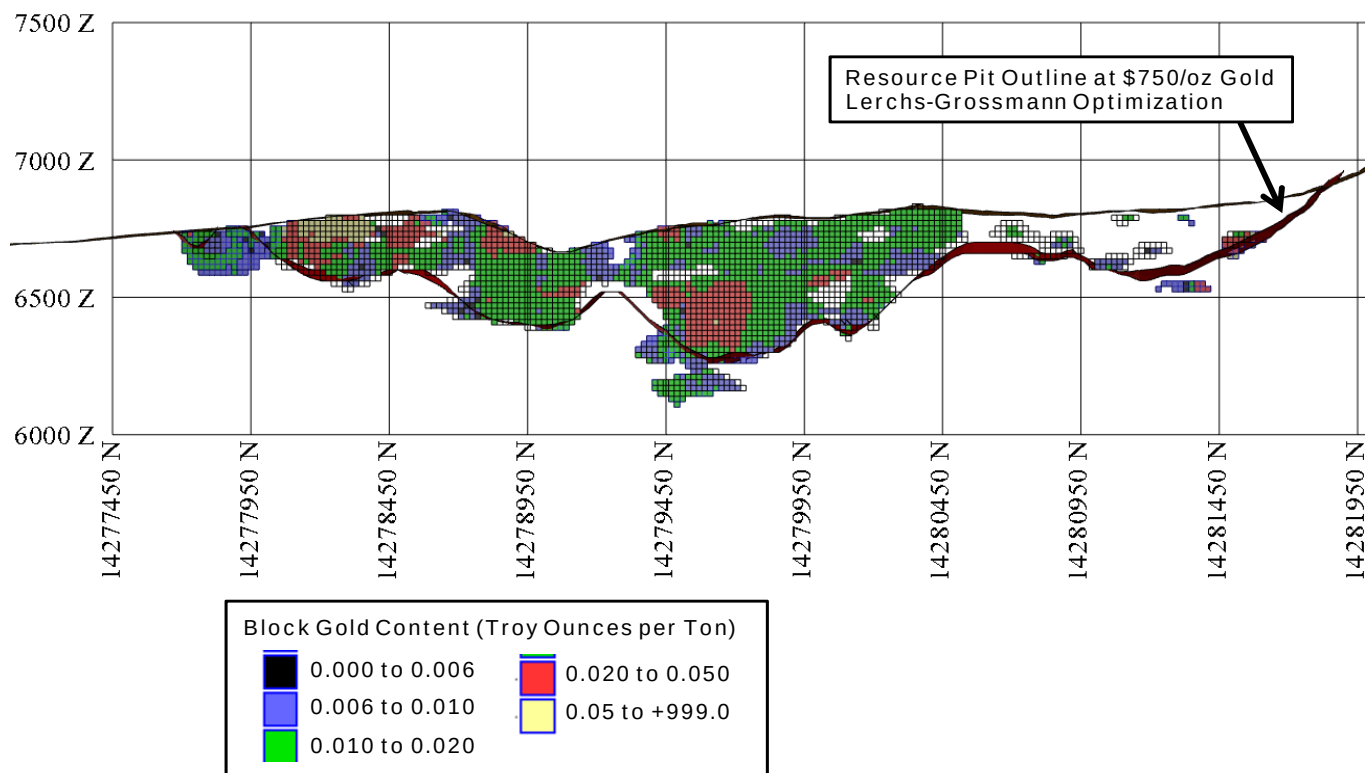
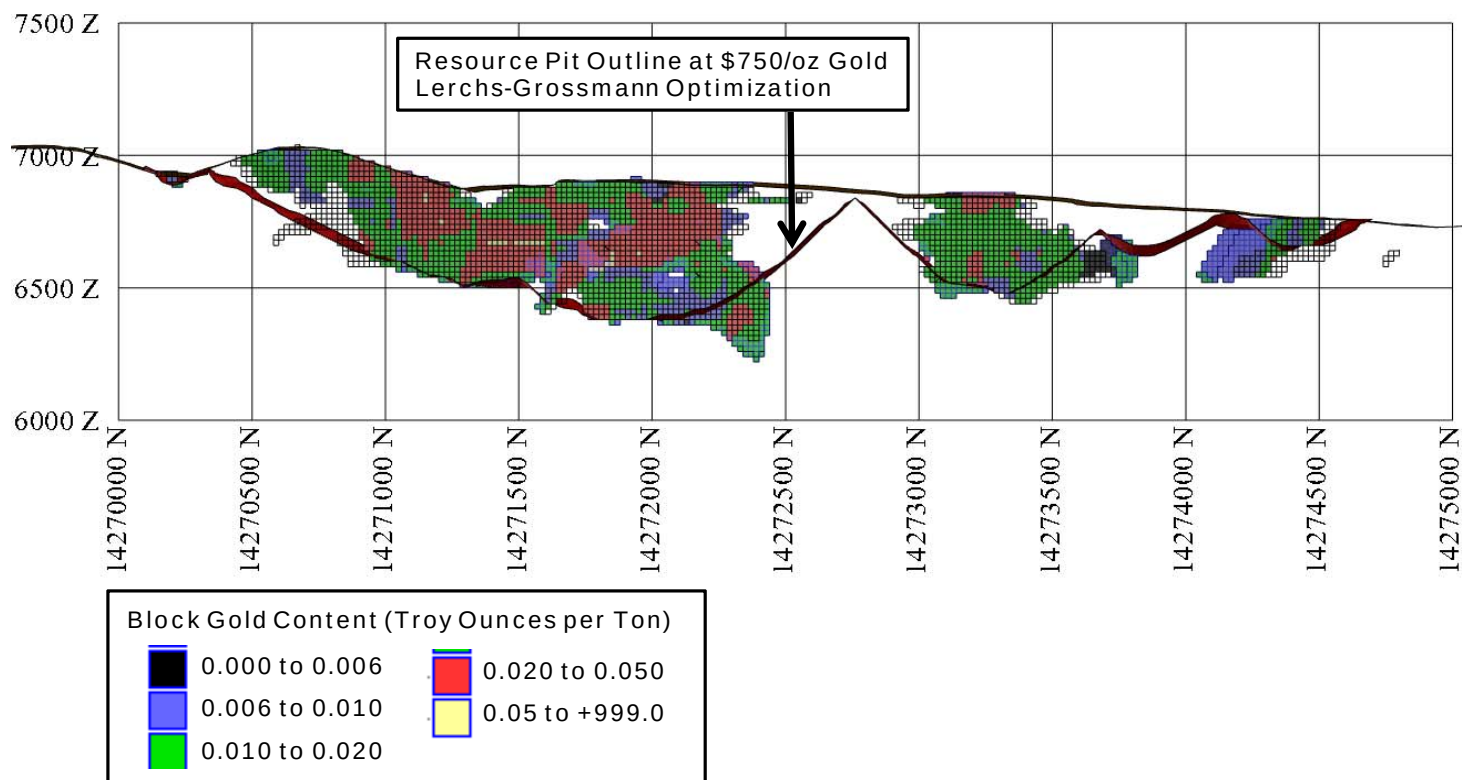


Figure 17.7 North South Section (1,998,940 East) through South Pan



17.3.1 Estimation Criteria

For this optimization a gold price of \$750 per troy ounce was used. This represented an average of the world gold price for the three years prior to this evaluation. As discussed previously, there is a sliding scale royalty, attached to gold price, associated with the property. The pit optimization criteria are given in Table 17.4.

Table 17.4 Parameters used in Lerchs-Grossman Optimization

Parameter	Value
Volcanic Tuff Density	15.0 ft ³ /ton
Bedrock Density	13.5 and 12.3 ft ³ /ton
Rock and Ore Mining Cost	\$0.90/mined ton
Administration Cost	\$0.xx/ore ton
Processing Cost + G & A	\$2.10/ore ton
Processing Recovery	80%
Pit Slope	45°
Cut Off Grade	0.006 opt
Gold Price	\$750/troy ounce

17.3.2 Density of Rock and Alluvium

Rock density data for Pan is very limited. This report relies upon the data generated by MDA (2005) for the density information applied to the model. No additional data has been generated since that report.

Alta Bay reported densities of the Pilot Shale (9 samples) ranging from 2.39 g/cm³ to 2.78 g/cm³, while the density of the Devils Gate Limestone (2 samples) range from 2.51 g/cm³ to 2.59 g/cm³. No information on test procedures is available.

Castleworth contracted KCA to perform standard water immersion specific gravity determinations on 12 waxed core samples from 2004 drilling. The Pilot Shale sample gravity determinations ranged from 2.01 to 3.29 g/cm³, with an average of 2.41 g/cm³.

MDA used a density of 2.38 g/cm³ for Pilot Shale, or a tonnage factor of 13.5 ft³/st. Additionally, MDA used a density of 2.6 g/cm³ for Devils Gate Limestone, or a tonnage factor of 12.3 ft³/st. No additional information has been developed with respect to density, so these factors will be applied to the 2009 model. All limestone based lithologies (Devils Gate, Ely, and Joana) were modeled using 12.3 ft³/st, while the siltstone-sandstone based lithologies (Chainman, Diamond Peak, and Pilot) were modeled using 13.5 ft³/st. Additionally, a small amount of post mineral volcanic tuff has been noted at North Pan. A tonnage factor of 15.0 ft³/st was used for this material.

17.4 Mineral Resource Classification

MDA (2005) classified the 2005 mineral resource as measured, indicated, and inferred. Therefore the current resource remained classified in a similar fashion.

17.5 Mineral Resource Tabulation

The gold mineral resource contained within a \$750 Lerchs-Grossmann optimization shell is summarized in Table 17.5. This resource estimation includes all drill data obtained as of July 31, 2009. This mineral resource estimate is not materially affected by any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or relevant issues. No studies have been performed for cut off grade optimization.

**Table 17.5 Pan Mineral Resource Estimate by Classification
\$750 Lerchs-Grossman Shell**

Measured Resource

Cut-Off Grade (opt gold)	Short Tons (Millions)	Gold Grade (opt)	Contained Gold (ounces)
0.006	3.22	0.019	62,100
0.010	2.71	0.021	58,100
0.020	1.17	0.031	36,500
0.030	0.44	0.043	19,000

Indicated Resource

Cut-Off Grade (opt gold)	Short Tons (Millions)	Gold Grade (opt)	Contained Gold (ounces)
0.006	34.43	0.017	546,600
0.010	25.08	0.020	495,800
0.020	8.03	0.030	240,000
0.030	2.64	0.042	110,900

Measured plus Indicated Resource

Cut-Off Grade (opt gold)	Short Tons (Millions)	Gold Grade (opt)	Contained Gold (ounces)
0.006	34.65	0.018	608,700
0.010	27.79	0.020	553,900
0.020	9.20	0.030	276,500
0.030	3.08	0.042	129,900

Inferred Resource

Cut-Off Grade (opt gold)	Short Tons (Millions)	Gold Grade (opt)	Contained Gold (ounces)
0.006	1.60	0.017	26,500
0.010	1.29	0.019	24,000
0.020	0.37	0.030	11,200
0.030	0.14	0.040	5,500

17.5.1 Comparison to 2005 Resource

The 2005 MDA model reported a total measured plus indicated resource of 18.96 Mt grading 0.019 gold oz/st, for 361,400 gold ounces contained. For the inferred category, MDA reported an additional 8.30 Mt grading 0.017 gold oz/st, for 140,600 gold ounces contained. This is at a 0.010 gold oz/st cut-off only and no LG Cones were run during the 2005 technical report.

In comparison, the 2009 measured plus indicated resource for Pan is reported at 34.65 Mt grading 0.018 gold oz/st, for 608,700 gold ounces contained, which represents a 68% increase. For the inferred category, the updated resource shows an additional 1.60 Mt grading 0.017 gold oz/st, for 26,500 gold ounces contained, which represents an 81% decrease in contained ounces. Increased number of drill holes with accompanying assay certificates, along with the use of the AuFA as the preferred assay, has increased the confidence in estimated blocks and the overall size of the gold mineralization since 2005.

18.0 OTHER RELEVANT DATA AND INFORMATION

The author is not aware of any additional information that requires inclusion in this technical report.

19.0 ADDITIONAL REQUIREMENTS FOR TECHNICAL REPORTS ON DEVELOPMENT AND PRODUCTION PROPERTIES

There is no current development or production on the Pan property.

20.0 INTERPRETATIONS AND CONCLUSIONS

MGC has established that a gold resource exists at the Pan property

The amount of density or tonnage factor data collected to date is extremely low. This puts the overall tonnage at risk, and it is recommended that additional samples be collected. Sampling should focus on alteration packages and formational units, both in mineralized and nonmineralized material.

The overall grade of the deposit has been affected by the inclusion of AuCN data, in replace of total gold values. This puts the average grade of the deposit at risk of being quoted low. The latest MGC model attempts to reduce the impact of this risk by generating a AuFA gold model, and only utilizing the AuCN data when necessary.

The overall grade of the deposit has been affected by poor quality assays completed on Alta Bay drill samples. Statistical comparisons show that while these encompass a large percentage of the data, it is probably under reporting overall deposit grade.

Core drilling and metallurgical testing demonstrates continued concerns with gold grades being under reported for the deposit by the reverse circulation samples. These samples, which make up 98.7% of the data base appear to be biased low, with respect to the overall grade.

20.1 Recommendations

MGC has identified and established that a gold resource exists at Pan. The next stage would be to provide a close examination of the project through a scoping study. Continued efforts on the project should include:

- Identify areas of the resource associated a cyanide soluble assay only, with no total gold assays available. Re-drilling and assaying of these areas will help reduce the impact.
- Selectively re-drill and assay areas associated with Alta Bay Mine lab AuFA assays, which when compared with certified lab assays for twin holes are on average 14.7% lower grade.
- Selectively drill core holes in central areas of the mineralization to determine if the historic reverse circulation assays are under reporting grade. The limited data on hand suggests that the core assays are on average 30.5% higher grade then the nearest RC assays.
- Additional trace element analyses and LECO will be needed for rock characterization studies.



- A program of collecting density measurements through the deposit should be initiated, focusing on alteration and formations.
- Additional metallurgical testing, including column leach tests and bottle rolls, focusing on average deposit grade
- A scoping study should be completed to evaluate the economic potential for mining this project.
- Geotechnical drilling and evaluations to define potential pit slope parameters
- Evaluation of water rights and water needs for the project.
- Define environmental issues, mitigations, and permit timeline.
- Expand the resource along known extensions at Boulders, Wendy, Barite, and Nana to determine the total resource potential. Target open mineralization at depth and north at North Pan, and east and south of South Pan.

The table below outlines an exploration budget which incorporates the above recommendations.

Table 20.1 Recommended Exploration Program Budget for the Pan Property

Program	Cost
RC Drilling 150,000 feet @ \$20.00/foot	\$3,000,000
Diamond Core Drilling 10,000 feet @ \$75.00/foot	\$ 750,000
Sample Assays 32,000 @ \$12.00/sample	\$ 385,000
Density Determinations 200 @ \$15.00/sample	\$ 3,000
Drill Supervision	\$ 500,000
Metallurgical Test Work	\$ 150,000
Road Building, drill sump construction, and reclamation	\$ 45,000
Geological studies (scoping study)	\$ 200,000
Waste Characterization Studies	\$ 75,000
Contingency	\$ 75,000
Total	\$5,183,000

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22.0 DATE AND SIGNATURE PAGE

The undersigned prepared this Technical Report, titled "NI-43-101 Technical Report, Pan Property, White Pine County, Nevada" dated December 1, 2009, in support of the public disclosure of Mineral Resource estimates for the Pan Property as of November 5, 2009. The format and content of the report are intended to conform to Form 43-101F1 of National Instrument 43-101 (NI 43-101) of the Canadian Securities Administrators.

Signed and Sealed

Donald Harris, M. Sc., CPG, RG

December 1, 2009

23.0 APPENDIX A

Significant drill hole Intercepts, greater than 20 feet, and greater than 0.010 gold oz/st are shown below for the Pan Property. Thickness represents the width of mineralization intersected in the drill hole, and is not true thicknesses. However, the Pan deposit is generally flat lying, and the bulk of the drilling was completed as vertical holes perpendicular to the deposit.



Hole Id	Thickness	Average Grade	From	To
004-03	20	0.013	295	315
004-04	50	0.010	345	395
004-05	135	0.059	70	205
004-06	510	0.021	20	530
004-07	140	0.013	60	200
004-09	175	0.010	355	530
004-16	55	0.034	10	65
004-18	80	0.010	215	295
004-21	35	0.011	110	145
004-22	300	0.032	0	300
004-23	280	0.022	0	280
004-24	80	0.011	0	80
004-25	210	0.017	205	415
004-26	200	0.035	0	200
004-35	125	0.013	20	145
004-36	65	0.033	395	460
004-37	20	0.013	0	20
004-38	20	0.014	40	60
004-38	130	0.015	305	435
004-40	70	0.017	185	255
03-01	195	0.011	0	195
03-01	220	0.016	215	435
03-02	555	0.033	0	555
03-03	115	0.028	5	120
03-03	20	0.011	155	175
03-04	110	0.011	190	300
03-07	60	0.038	30	90
03-09	75	0.043	75	150
03-10	130	0.052	130	260
03-11	25	0.023	0	25
03-12	25	0.015	0	25
03-19	50	0.014	0	50
03-20	55	0.019	0	55
04-41	290	0.023	15	305
04-42	40	0.010	270	310
04-44	30	0.016	10	40



Hole Id	Thickness	Average Grade	From	To
04-45	170	0.016	95	265
04-45	65	0.013	525	590
04-46	315	0.011	0	315
04-46	35	0.012	335	370
04-47	55	0.010	25	80
04-47	45	0.025	240	285
04-48	300	0.022	0	300
04-49	80	0.010	0	80
04-49	180	0.022	20	200
04-51	130	0.011	45	175
04-52	175	0.014	25	200
04-52	415	0.016	70	485
04-54	260	0.022	15	275
04-55	395	0.015	0	395
04-56	470	0.011	0	470
04-57	330	0.010	180	510
04-58	115	0.020	0	115
04-58	210	0.016	135	345
04-59	305	0.016	80	385
04-60	95	0.017	70	165
04-60	20	0.014	370	390
04-62	205	0.014	0	205
04-64	70	0.050	0	70
04-C-1	195	0.044	0	195
04-C-2	60	0.018	0	60
04-C-2	40	0.033	95	135
04-C-2	20	0.016	155	175
04-C-3	48.5	0.013	45	93.5
04-C-4	300	0.017	0	300
04-C-5	325	0.041	0	325
04-C-6	115	0.048	0	115
05-01	120	0.046	0	120
05-02	55	0.022	0	55
05-03	90	0.039	0	90
05-05	45	0.038	0	45
05-06	25	0.022	0	25
05-101	20	0.012	10	30



Hole Id	Thickness	Average Grade	From	To
05-101	25	0.014	80	105
05-103	45	0.027	60	105
05-11	20	0.010	95	115
05-11	20	0.010	135	155
05-115	40	0.023	110	150
05-12	30	0.017	85	115
05-13	20	0.021	40	60
05-15	25	0.011	0	25
05-17	30	0.013	10	40
05-18	80	0.036	0	80
05-20	40	0.021	5	45
05-22	125	0.017	10	135
05-26	25	0.046	0	25
05-26	25	0.013	60	85
05-27	95	0.012	0	95
05-28A	80	0.022	0	80
05-28B	80	0.014	15	95
05-31	30	0.018	190	220
05-32	25	0.022	165	190
05-33	45	0.024	135	180
05-33	105	0.015	255	360
05-34	20	0.056	55	75
05-54	55	0.016	0	55
05-55	25	0.015	55	80
05-70	30	0.011	75	105
05-73	25	0.016	5	30
05-73	20	0.010	100	120
05-75	40	0.012	90	130
05-89	95	0.013	5	100
05-90	20	0.038	5	25
05-91	60	0.022	0	60
05-92	50	0.032	5	55
05-98	50	0.027	0	50
06-122	30	0.021	210	240
06-132	50	0.016	95	145
06-133	65	0.017	155	220
06-134	90	0.013	70	160



Hole Id	Thickness	Average Grade	From	To
06-200	35	0.036	85	120
06-204	25	0.023	70	95
06-207	30	0.031	0	30
06-210	80	0.015	70	150
06-211	170	0.027	15	185
06-212	90	0.013	0	90
06-213	180	0.016	35	215
06-214	100	0.022	35	135
06-215	90	0.011	0	90
06-216	95	0.025	5	100
06-221	200	0.024	45	245
06-222	25	0.022	25	50
06-225	25	0.014	145	170
06-229	40	0.023	150	190
06-230	45	0.026	90	135
06-236	20	0.011	0	20
06-237	55	0.026	0	55
06-237	20	0.016	20	40
06-239	75	0.016	40	115
06-239	65	0.035	130	195
06-240	55	0.036	0	55
06-242	50	0.034	85	135
06-242	25	0.018	160	185
06-255	25	0.013	45	70
06-255	25	0.021	155	180
06-259	145	0.018	215	360
06-259	30	0.017	75	105
06-259	20	0.010	145	165
06-266	60	0.016	0	60
06-267	120	0.027	60	180
06-268	40	0.022	240	280
06-269	70	0.013	75	145
06-270	310	0.011	5	315
06-276	60	0.013	10	70
06-276	20	0.015	130	150
06-277	25	0.012	55	80
06-279	145	0.019	0	145
06-280	20	0.016	0	20



Hole Id	Thickness	Average Grade	From	To
06-281	50	0.027	0	50
06-284	60	0.026	5	65
06-288	75	0.014	0	75
06-288	55	0.023	245	300
06-290	380	0.021	20	400
06-291	50	0.013	100	150
06-292	20	0.011	115	135
06-293	125	0.016	640	765
AP-109	35	0.015	185	220
AP-110	205	0.015	170	375
AP-112	30	0.014	270	300
AP-113	95	0.027	155	250
AP-113B	55	0.012	5	60
AP-113B	215	0.032	145	360
AP-114	30	0.015	0	30
AP-114	90	0.016	45	135
AP-114	185	0.042	235	420
AP-114	105	0.029	285	390
AP-116C	120	0.025	210	330
AP-116C	20	0.020	345	365
AP-116C	20	0.017	400	420
AP-117	25	0.015	20	45
AP-117	35	0.011	250	285
AP-117	180	0.032	300	480
AP-118	155	0.017	5	160
AP-118	25	0.024	195	220
AP-118	60	0.024	325	385
AP-119	110	0.027	345	455
AP-122	225	0.036	55	280
AP-122	35	0.011	305	340
AP-123	200	0.018	40	240
AP-123	85	0.030	255	340
AP-124	95	0.028	90	185
AP-125	20	0.013	130	150
EP-02	40	0.031	85	125
EP-03	40	0.019	160	200
EP-04	85	0.013	0	85
EP-064	35	0.017	70	105



Hole Id	Thickness	Average Grade	From	To
EP-064	85	0.016	120	205
EP-065	205	0.029	0	205
EP-066	45	0.012	0	45
EP-067	165	0.031	90	255
EP-068	85	0.028	0	85
EP-069	25	0.018	55	80
EP-069	80	0.024	115	195
EP-07	130	0.039	20	150
EP-070	90	0.010	55	145
EP-072	25	0.012	10	35
EP-073	25	0.011	5	30
EP-075	70	0.019	0	70
EP-075	25	0.015	80	105
EP-076	40	0.010	30	70
EP-082	360	0.031	0	360
EP-083	120	0.011	0	120
EP-085	35	0.019	0	35
EP-086	20	0.012	10	30
EP-086	25	0.012	50	75
EP-086	35	0.010	85	120
EP-087	325	0.024	5	330
EP-088	95	0.011	0	95
EP-088	55	0.031	115	170
EP-088	50	0.017	195	245
EP-089	275	0.020	55	330
EP-090	100	0.018	5	105
EP-091	100	0.016	5	105
EP-092	105	0.016	5	110
EP-092	40	0.013	120	160
EP-092	60	0.015	140	200
EP-094	50	0.013	10	60
EP-094	70	0.011	125	195
EP-095	50	0.012	0	50
EP-096	40	0.010	85	125
EP-099	90	0.016	70	160
EP-10	45	0.010	10	55
EP-100	135	0.042	45	180
EP-100	35	0.018	345	380



Hole Id	Thickness	Average Grade	From	To
EP-101	30	0.010	90	120
EP-101	35	0.011	185	220
EP-101	50	0.016	275	325
EP-102	30	0.011	0	30
EP-104	65	0.017	0	65
EP-13	40	0.011	5	45
EP-13	80	0.013	65	145
EP-16	115	0.014	0	115
EP-18	50	0.012	0	50
EP-18	60	0.013	65	125
EP-19	150	0.017	0	150
EP-20	200	0.012	0	200
EP-21	185	0.020	15	200
EP-22	135	0.010	0	135
EP-23	150	0.016	0	150
EP-24	145	0.019	0	145
EP-24	120	0.025	80	200
EP-26	25	0.017	25	50
EP-27	45	0.020	140	185
EP-28	135	0.014	65	200
EP-29	115	0.018	85	200
EP-30	60	0.018	40	100
EP-31	70	0.027	30	100
EP-33	145	0.010	0	145
EP-34	150	0.025	0	150
EP-35	50	0.021	135	185
EP-36	50	0.011	10	60
EP-38	200	0.015	0	200
EP-39	200	0.034	0	200
EP-45	100	0.010	5	105
EP-45	25	0.019	125	150
EP-46	150	0.031	0	150
EP-47	50	0.010	5	55
EP-48	150	0.019	0	150
EP-49	40	0.022	60	100
EP-50	20	0.041	80	100
EP-53	20	0.021	35	55
LPR-401	80	0.042	95	175



Hole Id	Thickness	Average Grade	From	To
LPR-403	25	0.014	55	80
LPR-404	50	0.014	0	50
LPR-404	130	0.010	395	525
LPR-406	25	0.027	0	25
LPR-406	25	0.020	45	70
LPR-406	130	0.043	95	225
LPR-407	200	0.018	10	210
LPR-408	160	0.022	50	210
LPR-409	595	0.019	0	595
LPR-410	125	0.013	65	190
LPR-410	105	0.019	265	370
LPR-410	150	0.010	450	600
LPR-411	185	0.019	0	185
LPR-411	75	0.021	240	315
LPR-411	75	0.015	360	435
LPR-412	165	0.043	0	165
LPR-412	85	0.014	205	290
LPR-412	30	0.016	460	490
LPR-413	30	0.010	10	40
LPR-413	30	0.011	65	95
LPR-413	330	0.019	135	465
LPR-414	60	0.033	140	200
LPR-414	100	0.011	230	330
LPR-415	40	0.020	0	40
LPR-415	148	0.059	85	233
LPR-416	80	0.023	0	80
LPR-500	70	0.020	0	70
LPR-500	145	0.045	85	230
LPR-501	80	0.027	120	200
LPR-502	430	0.021	0	430
LPR-503	105	0.024	0	105
LPR-503	20	0.010	145	165
LPR-503	75	0.013	250	325
LPR-504	315	0.020	0	315
LPR-504	20	0.011	480	500
LPR-505	305	0.017	75	380
LPR-508	25	0.011	60	85
LPR-510	295	0.019	0	295



Hole Id	Thickness	Average Grade	From	To
LPR-510	175	0.010	325	500
LPR-512	225	0.012	25	250
LPR-513	130	0.050	95	225
LPR-514	175	0.021	100	275
LPR-600	125	0.035	0	125
LPR-601	315	0.022	10	325
LPR-604	40	0.013	40	80
LPR-609	190	0.028	5	195
LPR-610	265	0.017	35	300
LPR-613	130	0.032	0	130
LPR-616	25	0.016	155	180
LPR-617	135	0.010	0	135
LPR-619	80	0.017	20	100
LPR-621	140	0.019	0	140
NP-127	160	0.042	35	195
NP-129	20	0.021	75	95
NP-129	50	0.011	110	160
NP-130	20	0.010	225	245
NP-131	160	0.017	0	160
NP-134	110	0.018	35	145
NP-135	160	0.014	90	250
NP-137	265	0.018	0	265
NP-138	45	0.012	20	65
NP-139	20	0.011	15	35
NP-139	35	0.014	70	105
NP-141	195	0.020	10	205
NP-142	185	0.016	10	195
NP-144	70	0.015	95	165
NP-145	225	0.024	0	225
NP-146	40	0.035	10	50
NP-146	60	0.013	165	225
NP-147	265	0.020	0	265
NP-148	165	0.017	0	165
NP-150	20	0.011	60	80
NP-150	20	0.019	120	140
NP-151	130	0.013	60	190
NP-152	70	0.013	175	245
NP-154	90	0.024	155	245



Hole Id	Thickness	Average Grade	From	To
NP-155	20	0.023	225	245
NP-157	155	0.016	30	185
NP-158	265	0.011	85	350
NP-159	160	0.015	0	160
NP-159	40	0.011	190	230
NP-160	20	0.010	80	100
NP-164	30	0.010	200	230
NP-165	75	0.011	190	265
NP-166	25	0.016	440	465
NP-168	50	0.018	245	295
NP-169	80	0.028	10	90
NP-169	80	0.014	315	395
NP-174	45	0.025	195	240
NP-180	35	0.015	0	35
NP-182	95	0.010	15	110
NP-184	85	0.014	55	140
NP-186	30	0.010	20	50
NP-186	125	0.026	80	205
NP-200	55	0.015	150	205
NP-203	20	0.024	100	120
NP-203	120	0.020	130	250
NP-210	60	0.037	95	155
NP-210	35	0.032	170	205
NP-211	175	0.016	0	175
NP-212	40	0.011	100	140
NP-213	265	0.023	20	285
NP-214	150	0.010	180	330
NP-215	55	0.013	195	250
NP-217	50	0.022	215	265
NP-218	85	0.014	50	135
NP-219	105	0.010	30	135
NP-220	235	0.025	95	330
NP-221	225	0.019	0	225
NP-224	30	0.013	215	245
NP-225	305	0.023	0	305
NP-226	275	0.015	10	285
NP-227	25	0.026	145	170
NP-228	30	0.060	60	90



Hole Id	Thickness	Average Grade	From	To
NP-229	40	0.012	10	50
NP-230	400	0.019	0	400
NP-233	105	0.018	255	360
NP-235	40	0.011	120	160
NP-236	130	0.015	140	270
NP-237	180	0.014	10	190
NP-242	135	0.025	40	175
NP-243	25	0.015	25	50
NP-246	30	0.015	30	60
NP-246	20	0.018	100	120
NP-246	30	0.015	135	165
NP-246	60	0.013	225	285
NP-247	195	0.026	0	195
NP-260N	65	0.010	145	210
NP-261N	135	0.012	0	135
NP-262N	35	0.010	35	70
NP-262N	250	0.010	95	345
NP-263	345	0.013	0	345
NP-264	160	0.010	0	160
NP-264	205	0.035	200	405
NP-265	260	0.013	0	260
NP-266	70	0.010	0	70
NP-266	105	0.011	95	200
NP-282	345	0.020	0	345
NP-283	265	0.018	0	265
NP-284	60	0.020	15	75
NP-284	105	0.010	100	205
NP-306	65	0.016	0	65
NP-307	205	0.036	0	205
NP-308	280	0.021	5	285
PR-04	40	0.011	50	90
PR-06	45	0.010	80	125
PR-07	30	0.024	55	85
PR-10	145	0.013	0	145
PR-10A	105	0.016	5	110
PR-11	80	0.010	0	80
PR-14	60	0.033	0	60
PR-16	55	0.012	45	100



Hole Id	Thickness	Average Grade	From	To
PR-19	95	0.021	20	115
PR-19	30	0.017	150	180
PR-20	85	0.023	145	230
PR-21	130	0.013	0	130
PR-21A	55	0.010	200	255
PR-21A	70	0.012	375	445
PR-22	70	0.011	0	70
PR-23	105	0.014	260	365
PR-23	20	0.010	385	405
PR-24	20	0.013	0	20
PR-28	25	0.013	60	85
PR-29	80	0.021	235	315
PR-30	55	0.031	10	65
PR-30	70	0.060	100	170
PR-31	25	0.029	190	215
PR-37	315	0.018	10	325
PR-50	25	0.043	375	400
PR-51	120	0.013	10	130
PR-53	365	0.020	0	365
PR-58	70	0.011	220	290
PR-60	35	0.033	0	35
PR-61	35	0.011	110	145
PR-63	20	0.013	35	55
PR-67	125	0.030	55	180
PR-68	155	0.012	0	155
PR-68	170	0.021	190	360
PR-70	120	0.021	180	300
PR-71	60	0.020	30	90
PR-75	85	0.014	0	85
PR-76	100	0.015	0	100
PR-77	35	0.017	0	35
PR-77	40	0.028	110	150
PR-78	150	0.015	0	150
PR-79	200	0.012	0	200
PR-81	120	0.010	20	140
PR-82	35	0.013	65	100
PX-1H	60	0.013	240	300
PX-3H	35	0.027	0	35



Hole Id	Thickness	Average Grade	From	To
PX-4H	65	0.022	0	65
SP-187	320	0.015	0	320
SP-189	25	0.029	120	145
SP-189	120	0.024	260	380
SP-190	135	0.017	35	170
SP-190	30	0.028	220	250
SP-190	45	0.060	320	365
SP-190	25	0.025	400	425
SP-192	345	0.025	0	345
SP-193	255	0.032	15	270
SP-193	85	0.014	305	390
SP-194	55	0.014	0	55
SP-194	225	0.031	120	345
SP-195	30	0.014	10	40
SP-195	40	0.032	70	110
SP-195	245	0.018	125	370
SP-196	160	0.055	55	215
SP-197	185	0.014	85	270
SP-204	225	0.014	155	380
SP-207	25	0.014	5	30
SP-208	30	0.017	125	155
SP-208	25	0.011	215	240
SP-245	80	0.024	75	155
SP-245	60	0.015	345	405
SP-249	85	0.014	30	115
SP-249	135	0.031	150	285
SP-250	195	0.029	110	305
SP-251	65	0.018	70	135
SP-251	20	0.010	225	245
SP-252	105	0.011	25	130
SP-252	40	0.010	160	200
SP-252	40	0.015	255	295
SP-253	320	0.016	0	320
SP-254	20	0.010	275	295
SP-255	220	0.011	105	325
SP-256	85	0.010	0	85
SP-256	130	0.022	125	255
SP-257	90	0.018	0	90



Hole Id	Thickness	Average Grade	From	To
SP-257	35	0.015	205	240
SP-259	210	0.012	155	365
SP-260S	250	0.017	0	250
SP-260S	35	0.017	285	320
SP-261S	35	0.011	0	35
SP-261S	225	0.013	115	340
SP-262S	25	0.012	30	55
SP-267	40	0.011	60	100
SP-267	30	0.021	135	165
SP-268	155	0.020	0	155
SP-268	190	0.019	295	485
SP-269	150	0.013	275	425
SP-275	85	0.023	100	185
SP-275	100	0.019	210	310
SP-276	25	0.012	5	30
SP-276	50	0.018	315	365
SP-277	105	0.014	0	105
SP-278	25	0.011	165	190
SP-278	90	0.024	300	390
SP-280	30	0.023	5	35
SP-287	25	0.012	0	25
SP-289	125	0.015	0	125
SP-290	115	0.015	270	385
SP-291	25	0.011	340	365
SP-292	45	0.021	15	60
SP-293	115	0.020	0	115
SP-295	30	0.012	115	145
SP-295	55	0.029	195	250
SP-296	85	0.013	50	135
SP-297	40	0.013	5	45
SP-297	55	0.011	75	130
SP-297	80	0.016	305	385
SP-298	60	0.016	0	60
SP-299	100	0.011	0	100
SP-299	240	0.012	145	385
SP-300	115	0.010	0	115
SP-301	95	0.029	30	125
SP-301	80	0.020	225	305



Hole Id	Thickness	Average Grade	From	To
SP-302	30	0.013	20	50
SP-302	180	0.032	95	275
SP-310	20	0.010	100	120
SP-311	25	0.020	360	385
PN07-03	140	0.020	210	350
PN07-04	75	0.060	140	215
PN07-04	85	0.016	365	450
PN07-05	55	0.031	140	195
PN07-06	65	0.032	35	100
PN07-07	60	0.022	95	155
PN07-07	25	0.013	240	265
PN07-18	55	0.011	300	355
PN07-21	65	0.048	20	85
PN07-22	25	0.032	0	25
PN07-29	115	0.011	75	190
PN07-29	105	0.013	270	375
PN07-30	155	0.014	30	185
PN07-31	120	0.021	50	170
PN07-34	20	0.027	375	395
PN07-37	45	0.016	270	315
PN07-38	55	0.016	135	190
PN07-38	25	0.011	255	280
PN07-38	35	0.012	315	350
PN07-39	125	0.015	200	325
PN07-40	50	0.011	125	175
PN07-42	35	0.018	40	75
PN07-42	60	0.022	120	180
PN07-42	80	0.018	205	285
PN07-43	25	0.011	205	230
PN07-46	70	0.010	110	180
PN07-47	90	0.029	20	110
PN07-47	20	0.013	155	175
PN07-47	25	0.013	210	235
PN07-48	20	0.011	65	85
PN07-48	20	0.014	105	125
PN07-50	90	0.036	0	90
PN07-54	45	0.013	235	280
PN07-54	55	0.011	335	390



Hole Id	Thickness	Average Grade	From	To
PN07-56	25	0.013	190	215
PN07-58	100	0.014	5	105
PN07-65	315	0.024	0	315
PN07-77	35	0.012	90	125
PN07-78	195	0.041	0	195
PN07-81	40	0.027	120	160
PN07-85	145	0.011	70	215
PN07-90	30	0.020	185	215
PN07-99	105	0.014	330	435
PN07-103	75	0.019	0	75
PN07-103	20	0.015	180	200
PN07-107	55	0.028	105	160
PN07-108	50	0.021	70	120
PN08-02	40	0.052	40	80
PN08-04	295	0.012	5	300
PN08-04A	290	0.013	0	290
PN08-06	165	0.023	80	245
PN08-06	40	0.014	325	365
PN08-07	60	0.087	5	65
PN08-08	20	0.016	5	25
PN08-09	65	0.015	40	105
PN08-09	45	0.062	205	250
PN08-09	120	0.021	390	510
PN08-10	45	0.020	10	55
PN08-10	325	0.024	75	400
PN08-11	345	0.026	0	345
PN08-12	280	0.028	65	345
PN08-12	20	0.010	485	505
PN08-12	85	0.014	580	665
PN08-13	140	0.052	50	190
PN08-13	20	0.022	320	340
PN08-19	75	0.020	25	100
PN08-20	160	0.023	30	190
PN08-21	105	0.012	45	150
PN08-21	20	0.011	245	265
PN08-24	35	0.014	360	395
PN08-27	25	0.010	460	485
PN08-27	35	0.013	515	550



Hole Id	Thickness	Average Grade	From	To
PN08-28	30	0.010	665	695
PN08-32	50	0.015	0	50
PN08-33	20	0.017	165	185
PN08-36	40	0.011	30	70
PN08-36	35	0.028	105	140

24.0 APPENDIX B

Pan Property Claim List (Source: Midway Gold Corp.)

Owner: Gold Standard Royalty (Nevada) Inc.

BLM NAME	BLM NMC	Book	Page
PAN # 37	NMC37169	419	430
PAN # 38	NMC37170	419	431
PAN # 63	NMC37172	419	433
PAN # 65	NMC37173	419	434
PAN # 67	NMC37174	419	435
PAN # 69	NMC37175	419	436
PE # 50	NMC427129	113	210
PE # 52	NMC427131	113	212
PE # 54	NMC427133	113	214
PAN # 71	NMC57946	426	209
PAN # 72	NMC57947	426	210
PAN # 73	NMC57948	426	211
PAN # 74	NMC57949	426	212
PAN # 22	NMC61102	426	480
PAN # 23	NMC61103	426	481
PAN # 24	NMC61104	426	482
PAN # 25	NMC61105	426	483
PAN # 26	NMC61106	426	484
PAN # 27	NMC61107	426	485
PAN # 28	NMC61108	426	486
PAN # 34	NMC61114	426	492
PAN # 35	NMC61115	426	493
PAN # 36	NMC61116	426	494
PAN #119	NMC205565	470	471
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LAT 11	NMC815133	313	248
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BSW 47	NMC980825	500	44
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ET 18	NMC980890	500	103
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ET 41	NMC980913	500	126
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GWEN 18	NMC984636	502	235
PAN 111	NMC984637	502	228
PAN 112	NMC984638	502	229
PAN 114	NMC984639	502	230
PAN 120	NMC984640	502	231
PAN 121	NMC984641	502	232
PAN 122	NMC984642	502	233

Owner: Gold Standard Royalty (Nevada) Inc. - Overriding 1% Royalty

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PA 8A	NMC630283	186	299
PA 10	NMC630284	186	300
PA 12	NMC630285	186	301
PA 13	NMC630286	186	302
PA 14	NMC630287	186	303
PA 15	NMC630288	186	304
PA 16	NMC630289	186	305
PA 17	NMC630290	186	306
PA 18	NMC630291	186	307
PA 49A	NMC630323	186	308

Owner: MGC Resources Inc.

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NC 2	NMC958518	479	153
NC 3	NMC958519	479	154
NC 4	NMC958520	479	155
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NC 6	NMC958522	479	157
NC 7	NMC958523	479	158
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GWEN 43	NMC984580	502	260
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GWEN 46	NMC984583	502	263
GWEN 47	NMC984584	502	264
GWEN 48	NMC984585	502	265