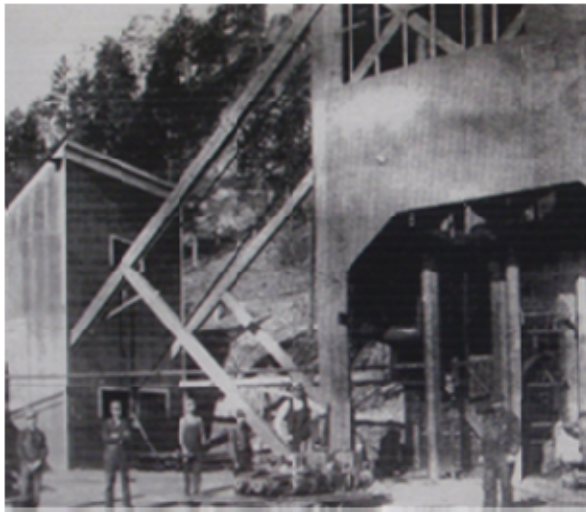


Technical Report for the Holy Terror Gold Project, South Dakota, USA

Report Prepared for
Mineral Mountain Resources Ltd.



Report Prepared by



SRK Consulting (Canada) Inc.

3CM025.001

June 20, 2012



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June 20, 2012

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Cover: Left: Holy Terror Shaft (1894-1903), Right: Sulphide textures in core hole KG94-46 (at 964ft)

Executive Summary

Introduction

The Holy Terror Gold Project is a gold exploration project located in the southern Black Hills, Pennington County, South Dakota, USA. SRK Consulting (Canada) Inc. (SRK) was commissioned by Mineral Mountain Resources Ltd. (Mineral Mountain) to visit the Holy Terror Gold Project to review the historical technical data, mine workings, available exploration drill core, and to prepare an independent technical report in compliance with Canadian Securities Administrators' National Instrument 43-101 and Form 43-101.

This technical report supports a material transaction between Mineral Mountain and the Holy Terror Mining Company disclosed in a news release on May 31, 2012, whereby the Holy Terror Mining Company granted Mineral Mountain an option to acquire up to 75 percent interest in the project in exchange for cash and share considerations.

For the preparation of this technical report, SRK visited the Holy Terror Gold Project on May 1 and 2, 2012.

Property Description, Location, Access and Physiography

The property is located in the Keystone district approximately 22 miles (35 kilometres) southwest of Rapid City, South Dakota. The land tenure of the Holy Terror property consists of a group of 13 patented mining claims and 22 unpatented lode claims, covering an aggregate area of 532 acres (2.15 square kilometres).

History

Sporadic exploration and mining in the Keystone district dates back to 1874. The history of the district can be subdivided into four main periods:

- The bulk of past production between 1874 and 1903;
- Pre-World War II exploration and mining up to the 1942 closures due to Congressional Act L-208;
- Non-metalliferous and post-war mining activities between 1942 and 1979; and
- The modern period of exploration from 1980 to 1995.

Within the limits of the Holy Terror Gold Project, several small scale historical gold mining operations exist, including the Keystone, Holy Terror, Ida Florence, Egyptian, Nathaniel Pope and Juniper mines.

Regional Geology, Deposit Types and Mineralization

The Keystone district contains historic gold mines that targeted Early Proterozoic gold mineralization associated with iron formations and shear zones similar to the deposits at the former Homestake gold mine in the northern Black Hills. The host rocks consist of metamorphosed greywacke, iron formation, quartz mica schists, basalt and gabbro.

These rocks were subjected to two episodes of folding, early northeast-striking isoclinal folds refolded by northwest-striking folds. The folded rocks are affected by northwest-striking faults, that were intruded by gabbro and mineralized with gold, commonly along fold noses and breccia zones. Later intrusion of the Harney Peak Granite in the southern Black Hills at about 1.7 Ga domed the area and locally remobilized gold into quartz veins and breccia zones.

The Proterozoic and overlying Paleozoic and Mesozoic sedimentary rocks were later domed into their present elongated northwest shape during the Laramide orogeny about 62 to 50 million years ago.

Gold occurs as free gold and as gold in arsenopyrite, pyrrhotite, and pyrite. Mineralized bodies are best developed where major fault systems cross sequences of iron formation and biotite schists.

Exploration

Apart from past historical production from a series of small mines, exploration drilling was conducted in the Keystone area from 1980 through to 1995 by five separate operators: Homestake Mining Company (1980-1984), Beau Val Mines Ltd (1988), Kalahari Resources Ltd (1991), Harrison Western Exploration / Cyprus Gold (1992), and Energy Fuels Corporation (1993-1995). No drilling has been performed on the Holy Terror Gold Project or in the Keystone area since 1995. No documentation of drilling prior to 1980 is available to SRK. Mineral Mountain acquired a historical Vulcan database containing records for 100 surface and underground diamond boreholes (23,760 metres) drilled within the Keystone district, 21 of which were collared on the Holy Terror Gold Project. This database was compiled by Maptek of Lakewood Colorado.

SRK reviewed the exploration database (inclusive of borehole files, underground workings and modelling wireframes) and concludes that the exploration work carried out by Energy Fuels during 1993 to 1995 was conducted using procedures consistent with generally accepted industry best practices. The procedures applied to compile exploration data prior to 1993 are undocumented.

Conclusion and Recommendations

The character of the Holy Terror Gold Project is of sufficient merit to justify additional exploration expenditures. The recommended initial work program aims at increasing the confidence of the historical exploration database, expanding the knowledge of the geological and structural setting of the property, and identifying exploration targets to be investigated by drilling.

Delineation drilling to support mineral resource modelling will be the objective of a subsequent exploration program.

The proposed initial exploration program includes:

- Archive drill core should be repacked and re-organised in a new secure core shed;
- Historical drill logging should be checked and verified;
- Archived core should be resampled to validate historical assays;
- High resolution airborne magnetic and electromagnetic data should be acquired over the property area;
- A Lidar survey should be completed over the property;
- The airborne geophysical data should be interpreted to assess the geological and structural setting of the area and help identify exploration targets;
- Verification core drilling should be completed to validate relevant historical drilling results;
- Finally, safety and mine hazards on the property should be assessed immediately and steps should be taken to mitigate any safety hazards.

The total cost for the recommended initial work program is estimated at approximately US\$1.15 million.

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IMPORTANT NOTICE

The opinions expressed in this report have been based on the information supplied to SRK Consulting (Canada) Inc. (SRK) by Mineral Mountain Resources Ltd. (Mineral Mountain). These opinions are provided in response to a specific request from Mineral Mountain to do so, and are subject to the contractual terms between SRK and Mineral Mountain. SRK has exercised all due care in reviewing the supplied information. Whilst SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this report apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this report.

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1 Introduction and Terms of Reference

The Holy Terror Gold Project is an advanced gold exploration project located in the southern Black Hills, Pennington County, South Dakota, USA. It is approximately 22 miles (35 kilometres) southwest of Rapid City and adjacent to the hamlet of Keystone.

In April 2012, SRK Consulting (Canada) Inc. (SRK) was commissioned by Mineral Mountain Resources Ltd. (Mineral Mountain) to visit the Holy Terror Gold Project to review the historical technical data, mine workings, available exploration drill core, and to prepare an independent technical report in compliance with Canadian Securities Administrators' National Instrument 43-101 Standards of Disclosure for Mineral Properties. Mineral Mountain is a Canadian public company located in Vancouver, British Columbia. Its shares are listed on the TSX Venture Exchange under the symbol MMV.

This technical report, the first prepared pursuant to National Instrument 43-101, describes historical exploration work and mining activities conducted on the property by various companies with the view of assessing its merit as an exploration property. In compliance with Section 4.2 of Canadian Securities Administrators' National Instrument 43-101 this technical report is also in support of a material transaction between Mineral Mountain and the Holy Terror Mining Company announced in a news release on May 31, 2012, whereby the Holy Terror Mining Company granted Mineral Mountain an option to acquire up to 75 percent interest in the project in exchange for cash and share considerations.

The technical report concludes that this is a property of merit, warranting additional exploration expenditures. An initial Phase 1 exploration program is recommended aimed at firstly acquiring high resolution airborne geophysical information to image the geological setting of the property and secondly a field component comprising field mapping and an initial drilling program to validate selected historical drilling results.

1.1 Scope of Work

The scope of work, as defined in a letter of engagement executed on April 23, 2012 between Mineral Mountain and SRK, includes the preparation of an independent technical report in compliance with National Instrument 43-101 and Form 43-101F1 guidelines. This work typically involves the assessment of the following aspects of this project:

- Topography, landscape, access;
- Regional and local geology;
- Exploration history;
- Audit of exploration work carried out on the project; and
- Exploration potential and recommendations for additional work.

1.2 Work Program

This technical report is a collaborative effort between Mineral Mountain and SRK personnel. The work program involved a site visit to the Holy Terror Gold Project that was conducted on May 1 and 2, 2012 in order to review the historical mine workings and archived drill core. During the site visit, relevant project files were examined and project personnel were interviewed.

The technical report was assembled in Toronto, Canada during the period of May and early June, 2012.

1.3 Basis of Technical Report

This report is based on information collected by SRK during a site visit performed on May 1 and 2, 2012, and additional information provided by Mineral Mountain throughout the course of SRK's investigations. SRK has no reason to doubt the reliability of the information provided by Mineral Mountain. Other information was obtained from the public domain. This technical report is based on the following sources of information:

- Discussions with Mineral Mountain personnel;
- Inspection of the Holy Terror Gold Project area;
- Review of historical exploration data aggregated by Mineral Mountain; and
- Additional information from public domain sources.

1.4 Qualifications of SRK and SRK Team

The SRK Group comprises of more than 1,200 professionals, offering expertise in a wide range of resource engineering disciplines. The independence of the SRK Group is ensured by the fact that it holds no equity in any project it investigates and that its ownership rests solely with its staff. These facts permit SRK to provide its clients with conflict-free and objective recommendations. SRK has a proven track record in undertaking independent assessments of mineral resources and mineral reserves, project evaluations and audits, technical reports, and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies, and financial institutions worldwide. Through its work with a large number of major international mining companies, the SRK Group has established a reputation for providing valuable consultancy services to the global mining industry.

The site visit and the compilation of this technical report were completed by Mr. Glen Cole, P.Geol. (APGO#1416), Principal Consultant (Resource Geology) with SRK. By virtue of his education, membership to a recognized professional association and relevant work experience, Mr. Cole is an independent Qualified Person, as the term is defined by National Instrument 43-101.

Mr. Mark Willow (CEM), a Principal Consultant based in the SRK Reno, Nevada office, also attended the site visit and contributed towards Section 3 of this technical report.

Dr. Jan Rasmussen (Registered Geologist in Arizona; #15664), an Associate Geologist from the SRK Tucson, Arizona office, assisted with the compilation of Sections 6 and 7 of the technical report. She did not visit the property.

Dr. Jean-François Couture, P.Geol. (APGO#0197), a Corporate Consultant (Geology) with SRK, reviewed this technical report prior to its delivery to Mineral Mountain as per SRK internal quality management procedures. Dr. Couture did not visit the project.

1.5 Site Visit

In accordance with National Instrument 43-101 guidelines, Mr. Cole and Mr. Willow visited the Holy Terror Gold Project on May 1 and 2, 2012, accompanied by Mr. Paul Geddes and Mr. Kevin

Leonard, both of Mineral Mountain, and Mr. Rick Adams, an independent mining engineer contracted by Mineral Mountain.

The purpose of the site visit was to inspect the historical mine workings, the geological setting and historical drill core. During the site visit, project personnel (current and former) were interviewed and due diligence investigation work on the exploration work completed to date was undertaken.

In Keystone, SRK interviewed Dr. Nuri Uzunlar, a former project geologist on the Holy Terror Gold Project, and in Rapid City, SRK met with Mr. Rick Baker, an engineer with FMG Engineering, who was formerly contracted by previous owners of the project to undertake engineering and environmental studies on the Holy Terror Gold Project.

SRK was given full access to the relevant data and conducted interviews with Mineral Mountain personnel to obtain information on the past exploration work, to understand procedures used to collect, record, store and analyze historical and current exploration data.

1.6 Acknowledgement

SRK would like to acknowledge the support provided by Mineral Mountain personnel including Mr. Nelson Baker (President), Mr. Wally Rayner (Vice President Exploration), Mr. Paul Geddes (Technical Services Manager), Mr. Kevin Leonard (Project Geologist), and Ms. Wanda Carter (Staff Geologist) during this assignment. Mr. Rick Adams, an independent engineer contracted by Mineral Mountain, also contributed to this technical report. Their collaboration and contributions are gratefully acknowledged.

1.7 Declaration

SRK's opinion contained herein and effective **June 20, 2012**, is based on information collected by SRK throughout the course of its investigations, which in turn reflects various technical and economic conditions at the time of writing this report. Given the nature of the mining business, these conditions can change significantly over relatively short periods of time. Consequently, actual results may be significantly more or less favourable.

This report may include technical information that requires subsequent calculations to derive subtotals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material.

SRK is not an insider, associate or an affiliate of Mineral Mountain and neither SRK nor any affiliate has acted as advisor to Mineral Mountain, its subsidiaries or its affiliates in connection with this project. The results of the technical review by SRK are not dependent on any prior agreements concerning the conclusions to be reached, nor are there any undisclosed understandings concerning any future business dealings.

SRK is being paid professional fees related to the preparation of this technical report pursuant to a consulting service agreement executed with Mineral Mountain on April 23, 2012.

2 Reliance on Other Experts

SRK has not performed an independent verification of land title and tenure, which are summarized in Section 3 of this technical report. SRK has not verify the legality of any underlying agreement(s) that may exist concerning the permits or other agreement(s) between third parties, but has relied on the opinion of Mineral Mountain's lawyers, Bennet, Main and Gubbrud of Belle Fourche, South Dakota for the land tenure information summarized in Section 3. An extract from the land title opinion provided by Bennet, Main and Gubbrud is provided in Appendix A.

SRK was informed by Mineral Mountain that there are no known litigations potentially affecting the Holy Terror Gold Project.

3 Property Description and Location

The Holy Terror Gold Project is an advanced gold exploration project located in the eastern Black Hills of the southwestern portion of South Dakota, USA, immediately adjacent to and within the town of Keystone (Figure 1).

Keystone is located approximately 22 miles (35 kilometres) southwest of Rapid City. The property is contiguous within two surveyed townships, SD07T0010S0060E and SD07T0020S0060E, in Pennington County, and the patented and unpatented claims are administered by the resource administrative district of the South Dakota Field Office, Montana Bureau of Land Management (BLM).

The centroid of the project area is located at 625,679mE, 4,862,329mN (UTM Zone 13 NAD83). Elevations in the immediate project area range from 4,630 to 5,158 feet (1,329 to 1,572 metres) above mean sea level.



Figure 1: Location Map showing the Holy Terror Gold Project on a Radar Topographic Image
Radar Topographic Image Source: <http://edc.usgs.gov/products/elevation/srtmbil.html>

3.1 Mineral Tenure

The land tenure of the Holy Terror property consists of a group of 13 patented mining claims (77.47 acres; 0.31 square kilometres) and 22 unpatented lode claims (454.52 acres; 1.84 square kilometres) covering an aggregate area of 532 acres (2.15 square kilometres). The title list is provided in Appendix B. All of the 13 patented mining claims have accompanying surface rights, whereas the 22 lode claims (unpatented mining claims) are for mineral rights only. The outside boundary of the patented claims has been legally surveyed as part of the patent process.

Holy Terror Mining Company originally acquired the patented claims in 1976 when Jack Marton re-established the company charter. The patented mining claims cover the historic mining operations of the Holy Terror and Keystone mines. These patents are fee simple or private land, which give the owner title to the minerals, surface and other resources such as timber. As of October 1, 1994, a moratorium was placed on the issuance of patented claims in South Dakota.

Figure 2 shows the location of the patented mining claims and unpatented lode claims.

The location of lode mining claims is based on the notion of discovery of minerals in place. Only minerals on public lands may be staked by a United States citizen at the age of discretion under state law of residence; or legal immigrants who have declared their intention to become citizens; or a corporation organized under the laws of any state.

Agents may be used to stake claims on behalf of a claimant. The 22 lode claims are currently held in the name of Holy Terror Mining Company and were located by David J. May, a partner of Jack Marton and co-optionor of the Holy Terror Mining Company and Mineral Mountain Resources option agreement which is described later.

In the State of South Dakota, maintaining a lode mining claim is a simple process. On September 1, each year an annual fee of US\$140 is required to be paid, with the annual assessment work to be filled by December 30 of the calendar year along with the payment of US\$10 per claim. Registration of claims and submission of annual fees and assessment work is submitted to the Bureau of Land Management (BLM) with copies to U. S. Forest Services.

All mining activities require reasonable reclamation and are regulated by both the BLM and U.S. Forest Services. Permits are required for activities where there is earth moving, dredging, and use of explosives. For operations involving more than 5 acres (0.02 square kilometres), a detailed plan of operations must be filed with the BLM, and bonding is required to ensure proper reclamation.

Mineral exploration activities and claim staking are governed by the Mining Law of 1872, and by the Federal Land Policy and Management Act of 1976.

Mineral Mountain used the services of their lawyers Bennet, Main and Gubbrud, of Belle Fourche, South Dakota, to verify and provide a statement on mineral titles subject to this report. Their title opinion is presented in Appendix A. The title opinion highlights several minor administrative errors in a couple of the documents filed with the BLM. Management of Mineral Mountain has taken steps to have the optionors file the necessary documents to cure the apparent deficiency on applications and affidavits filed. SRK understand that these administrative errors will have no impact on title, but will be rectified before the transfer of ownership between the Holy Terror Mining Company and Mineral Mountain occurs.

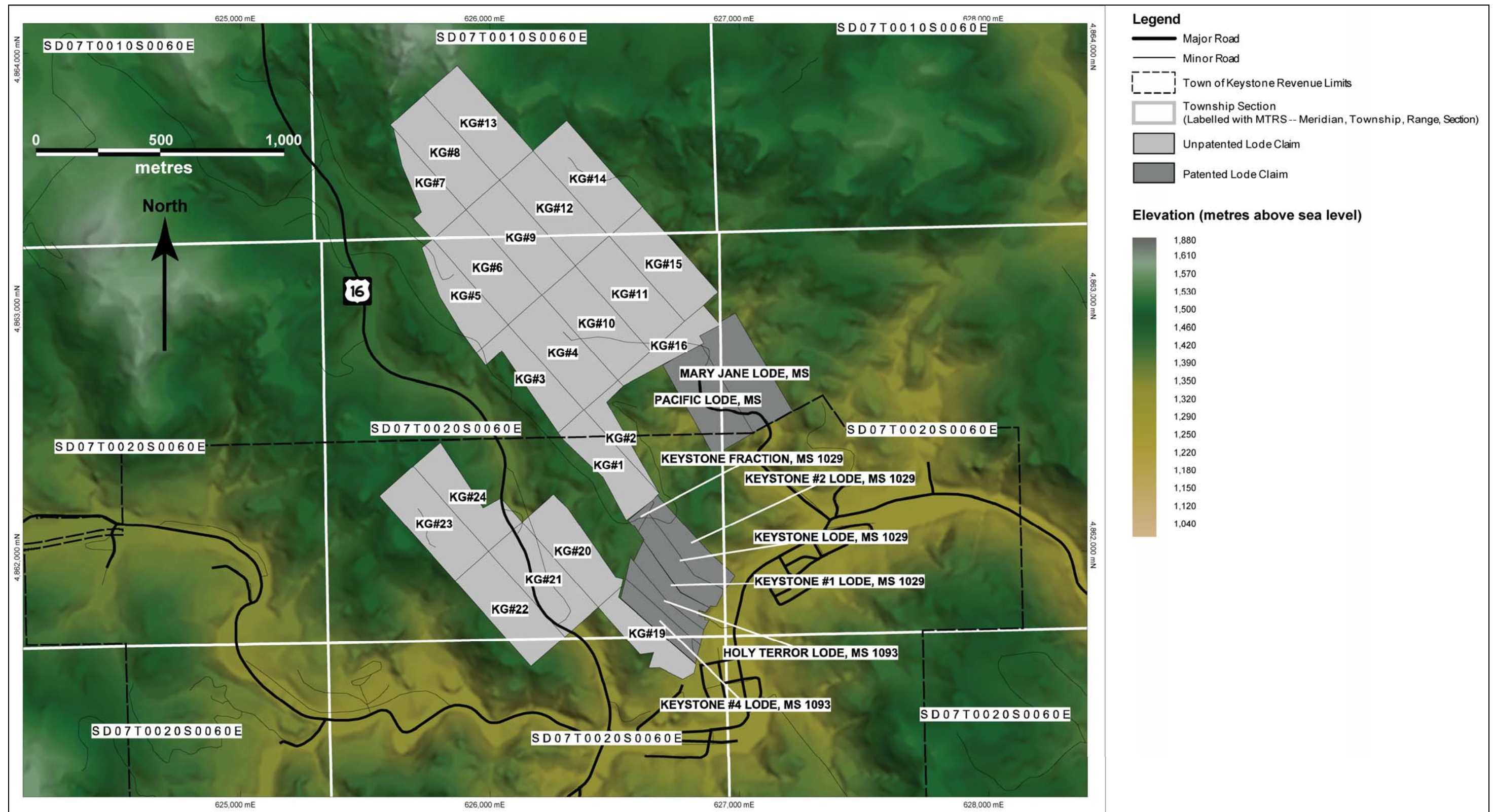


Figure 2: Land Tenure Map Shown on a Digital Elevation Image (modified from Gesch, 2007)

3.2 Underlying Agreements

On May 31, 2012, Mineral Mountain signed an option agreement (the Option Agreement) with the Holy Terror Mining Company a 120-year old privately-held mining company that owns 13 patented mineral claims and 22 unpatented mineral claims totalling 532 acres (215 hectares) in the Keystone Mining District in the Black Hills area of South Dakota.

Holy Terror Mining Company have confirmed and warranted that there are no adverse claims or challenges against the property and there are no outstanding agreements on the property or portions thereof. Furthermore the Holy Terror Mining Company have also confirmed and warranted that there are no royalty or other payments due to any person or corporation for mineral products or other rents.

The terms of the option agreement state that the Holy Terror Mining Company granted Mineral Mountain the exclusive working right and option to acquire up to 75 percent interest in the property on the following terms:

First option:

To exercise its right to earn a 60 percent interest in the property, Mineral Mountain shall:

- Make the following cash payments to Holy Terror Mining:
 - US\$250,000 within three business days after the TSX Venture Exchange has issued its final approval for the transaction;
 - US\$250,000 on or before the first anniversary of the date of the Option Agreement;
 - US\$250,000 on or before the second anniversary of the date of the Option Agreement; and;
 - US\$250,000 on or before the third anniversary of the date of the Option Agreement,
 - For an aggregate of US\$1,000,000 on or before the third anniversary of the date of the Option Agreement.

- Issue Mineral Mountain common shares to Holy Terror Mining as follows:
 - 2,500,000 common shares within three Business Days after the TSX Venture Exchange has issued its final approval for the transaction;
 - 2,500,000 common shares on or before the first anniversary of the date of the Option Agreement;
 - 2,500,000 common shares on or before the second anniversary of the date of the Option Agreement; and
 - 2,500,000 common shares on or before the third anniversary of the date of the Option Agreement,
 - For an aggregate of 10,000,000 common shares on or before the third anniversary of the date of the Option Agreement.

- Incur the following exploration expenditures in respect of the Property:
 - US\$1,500,000 on or before the first anniversary of the date of the Option Agreement;
 - US\$2,500,000 on or before the second anniversary of the date of the Option Agreement; and;
 - US\$3,500,000 on or before the third anniversary of the date of the Option Agreement,

- For an aggregate of US\$7,500,000 in exploration expenditures on or before the third anniversary of the date of the Option Agreement.

Second option:

To exercise its option to acquire an additional 15 percent interest in the property, for a 75 percent aggregate, Mineral Mountain shall incur additional exploration expenditures of US\$12,500,000 on or before the fourth anniversary of the date of the Option Agreement,

Once Mineral Mountain has earned its interest in the Property, Mineral Mountain and Holy Terror Mining will form a joint venture (the “Joint Venture”). Mineral Mountain will then be responsible for up to the first US\$25,000,000 expenditures on the Property. Until all financial obligations are met and a total of US\$45,000,000 has been spent by Mineral Mountain, a further cash payment of US\$250,000 per year will be paid to Holy Terror Mining.

Holy Terror Mining has also been granted a 3% net smelter return royalty.

For this transaction, the company is to pay a finder’s fee of 200,000 common shares to an arm’s length finder once the TSX Venture Exchange has issued its final acceptance of this transaction.

3.3 Permits and Authorization

3.3.1 State and Local Permitting

All mining activities in South Dakota, regardless of the private or public status of the land on which they occurs, are regulated through the South Dakota Mined Land Reclamation Act (SD Codified Law, SDCL 45-6B), and the South Dakota Mined Land Reclamation Regulations (Administrative Rules of South Dakota, ARSD 74:29). The South Dakota Department of Environment of Natural Resources (DENR) administers the state mining laws; mining-related environmental permits are issued by the DENR and its governor appointed citizen boards (Durkin et al., 1998).

Exploration

Initially, the Holy Terror Gold Project will need to submit a Notice of Intent to Conduct Mineral Exploration Operation (EXNI) to the Minerals and Mining Program of the DENR. The application will need to provide a brief description of the type of exploration to be conducted, as well as a comprehensive reclamation plan describing how the operator will rehabilitate the affected land. A reclamation bond cost estimate is also required.

Since the Holy Terror Gold Project may involve the dewatering of historic underground workings, as well as the possible advancement of additional workings, a thorough understanding of the subsurface hydrogeological situation will be necessary to identify any potential impact to the area’s groundwater and surface water regimes, particularly those related to the hydrology within and around the Town of Keystone (Battle Creek). If the hydrogeological investigation includes an extended pump testing program, a surface discharge permit (through the National Pollutant Discharge Elimination System or NPDES permit program of the Clean Water Act) will likely be necessary, as will a general stormwater permit associated with the surface disturbance activities.

Mining and Processing

The Mine Permit is the primary mining permit. Large scale mine permits are required for operations that affect more than 10 acres (0.04 square kilometres) and/or mine more than 25,000 tons (22,680 tonnes) of material per year, or for operations that use cyanide or other biological or chemical

leaching agents. Small scale mine permits are issued for operations that fall under those amounts. Other permits typically needed to gold mine in South Dakota include air quality, surface water discharge (NPDES), ground water discharge, solid and hazardous wastes, and water rights permits. It should be noted that mine waste is exempt under state solid waste laws.

The short-lived increase of surface mining in the Black Hills in the late 1980s led to the inclusion of a Cumulative Environmental Evaluation (CEE) requirement for large scale surface gold mines in the Black Hills as part of the governor's Centennial Environmental Protection Act of 1989 in an attempt to address potential cumulative impacts. Completed in 1990, the CEE recommended (Durkin et al., 1998):

- A 6,000 acre (24.28 square kilometres) limit on the total amount of land that can be affected by large scale surface gold mining at any one time;
- A requirement that at least 500 acres (2.02 square kilometres) of surface mining disturbed land be reclaimed by September 1, 1997, and that an evaluation of the reclamation standards be conducted to determine their effectiveness and whether or not they need revision;
- A requirement for permit applicants to comprehensively describe critical resources potentially affected as part of the application for a mine permit;
- Requirements for post closure care and bonding for reclaimed mines;
- A requirement for operators to post up to US\$500,000 in financial assurance to be used in the event of a cyanide spill; and
- Annual reporting requirements for large scale surface gold mining and mineral exploration operations.

The state legislature passed the CEE recommendations as law in 1992. While not strictly applicable to the smaller, underground Holy Terror Gold Project, these items need to be considered during the permitting process for future mine development.

Reclamation Bonding

For small scale mine permits, the Board of Minerals and Environment sets the reclamation bond to cover reclamation costs in an amount not to exceed \$2,500. For large scale mine permits, the Board sets the reclamation bond to cover the entire cost of hiring a third party contractor to conduct reclamation activities in the event that the State assumes responsibility for reclamation.

Cyanide Bonding

Operations that employ cyanide leaching or other chemical or biological leaching agents are required to submit additional financial assurance or bonding with the DENR. The amount of financial assurance must be at least \$25,000, but not more than \$500,000.

Post-Closure Bonding

Prior to release of the reclamation bond, an operator must submit a bond to cover post-closure costs after the reclamation bond is released. A post-closure plan must also be submitted at the same time.

Other State Permits

Other state and local agencies that have regulatory roles in mining include, in part, the state Department of Game, Fish and Parks for wildlife protection, the state Department of Education and Cultural Affairs for the protection of historical and cultural sites, local soil conservation districts for revegetation seeding mixes, and local county governments for zoning requirements. With respect to the Holy Terror Gold Project, the County of Pennington and the Town of Keystone will both play substantive regulatory roles during the permitting of exploration and mineral extraction.

Additional state permits needed for mining in South Dakota that are potentially applicable to the Holy Terror Gold Project are identified in Table 1.

Table 1: South Dakota DENR Permit Summary for Mining Activities

| | |
|---|---|
| Small Scale Mining Permit | Exploration Notice of Intent |
| Air Pollution Control Permit | Permit to Appropriate Water |
| Hazardous Waste Permit | Flood Control Permit |
| Construction Storm Water Discharge Permit | Wastewater Discharge Permit |
| Notification for Underground and Aboveground Tanks | Industrial Storm Water Discharge Permit |
| Ground Water Discharge Plan | Radiation Source License |
| SARA Title III Tier II Emergency and Hazardous Chemical | Solid Waste Disposal Permit |
| SARA Title III Toxics Release Inventory Report | |

3.3.2 Federal Permitting

The Holy Terror Gold Project currently encompasses mainly private (patented) mining claims, and is, therefore, subject to regulation by South Dakota. However, there are a number of unpatented claims that are still active that are located on public lands administered by the U.S. Department of Agriculture, Forest Service (USFS). As such, any activities (including access and/or exploration) that extend onto these public lands could be subject to federal permitting requirements and, possibly, environmental impact evaluation and disclosure.

Plans of Operation

For mining-related activities (with the exception of rights-of-way applications), a mine plan of operations (PoO) will have to be prepared to describe the construction, operation, reclamation, and closure of each facility, along with a cost estimate for financial surety that presents the reclamation and closure costs if the USFS is required to reclaim the site. Information that will have to be in the PoO includes: lateral and vertical extent of disturbances; beneficiation process conceptual designs; location of haul roads, ore stockpiles, waste rock dumps, soil stockpiles, reagent use and storage, office/laboratory, shops, diesel/lubricant storage and distribution system, landfill, and associated piping; power line locations; generators; schedule of construction and operation; mining schedule; and equipment list.

Reclamation should be a large part of the PoO, which will have to describe the reclamation that will take place and be used to prepare the reclamation cost estimate for financial surety. It is generally suggested that the mine design process considers reclamation to the greatest extent possible to reduce the potential impacts, and reduce final reclamation costs and up-front bonding requirements. For example, waste rock dumps can be constructed at or near the final slope to keep earthwork costs lower.

The complete PoO has to provide sufficient detail in order to identify and disclose potential environmental impacts during the mandatory National Environmental Policy Act (NEPA) review process, under which the potential impacts associated with project development, are analyzed through the preparation of an Environmental Assessment (EA) and/or an Environmental Impact Statement (EIS). It is important to remember that EAs and EISs are public disclosure documents, not permit or approval documents. They are intended to disclose any environmental impacts that may occur from the project and guide the decisions of the public land managers.

The primary difference between the two types of NEPA documents is that an EA is prepared when no significant impacts are expected or the potential impacts are unknown, and an EIS acknowledges the potential for significant impacts, and analyzes and discloses what those potential impacts are.

Regardless of which NEPA disclosure document is used, it is important to identify as many potential impacts as possible during the development of the PoO, and design the PoO to mitigate as many of these impacts as possible. For example, if a cultural site eligible for the National Register of Historic Places is found along the route of an access road, it might be expedient to re-route the access road, if possible, around the cultural site rather than creating a potentially significant environmental impact.

The requirements of the USFS PoO document are fairly well defined and prescriptive, and should be easy to comply with for submission. However, virtually all of the baseline data collection necessary for the impact assessment phase of the project will need to be collected, analyzed, and interpreted in conjunction with the USFS, in order to ensure that the information collected meets the data quality objectives of the program. Long-lead items that must be considered include groundwater sampling (hydrogeology) in the project area for depth and quality for use in the NEPA analysis, and the state's mine permit application. Geochemical characterizations of waste rock and spent ores are another area of investigation that should be started as soon as possible, and include acid base accounting, meteoric water mobility procedures testing, and humidity cell testing.

NEPA Connected Actions

When evaluating the permitting strategies of physically separate, though potentially inter-related facilities and/or activities at one or more operations, the implications of creating a 'connected action' within the realm of NEPA must be fully considered. In many cases, the connection (be it physical or operational) will require that both be considered simultaneously in a single NEPA action. This could have significant implications on the duration of the overall NEPA permitting process, and may be contrary to the objectives of the individual operations.

The Council on Environmental Quality (CEQ) regulations provide three definitions of "connected actions" that require combined NEPA impact assessments:

- An action that "automatically triggers other actions which may require environmental impact statements;"
- An action that "cannot or will not proceed unless other actions are taken previously or simultaneously;" and
- Actions that "are interdependent parts of a larger action and depend on the larger action for their justification."

The USFS reserves the authority to evaluate (and approve) actions that are connected to their jurisdiction, even if the principal actions are on private land.

Other Federal Permits

Other federal permits that may have to be obtained include:

- Permit for Purchase, Transport, or Storage of Explosives – Bureau of Alcohol, Tobacco, Firearms, and Explosives;
- Dredge and fill permits – U.S. Army Corps of Engineers; and
- Hazardous Waste Identification Number – U.S. Environmental Protection Agency, etc.

These permits can be acquired in much shorter timeframes than a PoO authorization.

3.4 Environmental Considerations

3.4.1 Site Access and Security

Given the historic condition of the Holy Terror mine (and surrounding facilities), including open shafts, adits, deteriorating head frames, buildings and portal entrances, potential liabilities exist with respect to unauthorized access to the workings, and subsequent death or injury. Some fencing and barricades have been erected to address these issues; but these appear to have been circumvented by the public to gain access. Mineral Mountain is currently in the process of re-evaluating each of the historic workings with respect to access and liability, and aim to re-establish secure barriers to prevent unauthorized access.

3.4.2 Geochemistry

Shafer & Associates, Inc. (1995a) conducted a preliminary geochemical evaluation for the Holy Terror Gold Project in order to characterize the acid-generating and metal leaching potential of the material most likely to be mined. Waste samples were submitted for acid-base accounting (ABA), EPA 1312, kinetic and net acid generation (NAG) analyses. Data from ABA testing of the bulk of the samples varied widely (-246 to +168 T CaCO₃/kT), with the majority of the samples (64.4 percent) exhibiting positive ABA results. None of the humidity cell samples demonstrated rapid rates of sulfide oxidation (Shafer, 1995a), while only three of the samples showed a moderate potential for acid generation. However, the study could not clearly determine if the samples would produce acid over the very long term. Metal solubility testing indicated a propensity for arsenic mobilization above maximum contaminant levels (MCLs).

Note: At the time of the study, the MCL for arsenic was 0.05 mg/L, which has since been reduced to 0.01 mg/L. Iron and manganese were also found to mobilize in some of the samples.

Shafer & Associates, Inc. (1995a) concluded that there was a wide diversity of geochemical characteristics in the samples near the mineralized zone, pointing to the existence of fairly complex geology in the area. Additional characterization will be essential for the future exploration and mining of the Holy Terror Gold Project.

3.4.3 Hydrogeology and Surface Hydrology

During the last phase of mine exploration conducted by Energy Fuels Corporation (1994 – 1995), FMG Engineering of Rapid City were commissioned to initiate a hydrogeological investigation, which was designed to evaluate the potential impacts of mine dewatering on the surface hydrology in the area, and the effects this drawdown might have on the three municipal water wells operated by the Town of Keystone. Assisted by Adrian Brown Consultants, Inc., FMG Engineering conducted a pump test on the Columbia mine, but found that the test duration was not long enough to detect any short-term surface impacts.

At the same time, Shafer & Associates, Inc. (1995b) conducted a surface water baseline characterization program to monitor flows, water quality and aquatic biota.

The documents associated with both of these studies were not made available to SRK for the completion of this technical report. However, given the vintage of the data, both programs will need to be re-initiated in order to produce more up-to-date information necessary for any future exploration and/or mining permits.

4 Accessibility, Climate, Local Resources, Infrastructure and Physiography

4.1 Accessibility

The Holy Terror Gold Project is located in the eastern Black Hills of the southwestern portion of South Dakota, immediately adjacent to and within the town of Keystone. Keystone is located approximately 22 miles (35 kilometres) southwest of Rapid City. Rapid City is readily accessed via Interstate Highway I-90 and by a regional airport with daily regional flights offered by United, Delta and American airlines. The aforementioned airlines provide service to Rapid City from Denver, CO; Minneapolis, MN; Salt Lake City, UT; and Dallas-Fort Worth, TX.

The town of Keystone and the project area are easily accessed by vehicle from Rapid City via Highway US-16(A), an all-season, paved, divided highway. The property itself is innervated by a series of intermittently maintained secondary and tertiary gravel roads offering access to most portions of the project area via high-clearance vehicle. The southernmost areas of the property are easily accessed via paved and gravel roads from within the town of Keystone.

4.2 Local Resources and Infrastructure

Data from the U.S. Census Bureau (2009) measured the permanent population of Keystone at 327 persons. Given that Keystone is the closest centre to the Mt. Rushmore National Monument (about 5 miles or 8 kilometres), it is heavily reliant on the seasonal tourist industry, which is the town's primary source of revenue.

4.3 Climate

The overall climate of the Black Hills/Keystone area is temperate continental, which is characterized by low precipitation amounts, hot summers, cold winters, and extreme variations in both precipitation and temperatures. Local weather conditions are affected by topography, with generally lower temperatures and higher precipitation at the higher altitudes. Temperature extremes range from winter lows of 12 degrees Fahrenheit (-11 degrees Celsius) to summer highs of 82 degrees Fahrenheit (28 degrees Celsius). Average winter temperatures range from 14 to 46 degrees Fahrenheit (-10 to 8 degrees Celsius) and average summer temperatures range from 41 to 82 degrees Fahrenheit (5 to 28 degrees Celsius). Between 1963 and 2011, average annual average precipitation was 22 inches (550 millimetres), with average annual snowfall measuring 55 inches (142 centimetres). Ground based exploration programs on the Holy Terror Gold Project are not season-specific and could easily be conducted year round.

4.4 Physiography

The topography within the project area can be regarded as mountainous with a maximum relief of 797 feet (243 metres). Elevations range from 4,360 to 5,161 feet (1,329 to 1,573 metres) with an average elevation of approximately 4,715 feet (1,437 metres) above mean sea level.

Topography is dominated by non-glaciated ridges and gulches with an overall weak northwest trend, typically forested with semi-arid vegetation typical of the Rocky Mountains, Great Plains, Northern

Boreal forests, and Eastern Deciduous forests. Ponderosa pine is the most abundant coniferous species (Figure 3), however, there are localized areas hosting white spruce. Deciduous species including quaking aspen, bur oak, paper birch, willow species, box elder, plains cottonwood and chokecherry are more prevalent at the lower elevations coincident with valleys and gulches.

Rock exposures (5-15 percent) are often subdued over a large portion of the property, with most exposures occurring at areas of mechanical disturbance, and along ridges and drainages.



Figure 3: Typical Landscape in the Holy Terror Gold Project Area
Remnants of the original Holy Terror Mine Process facilities in the foreground

5 History

5.1 Introduction

Placer mining in the Keystone district dates back to 1874, with the first recorded gold production being in the Custer area. Lode gold was discovered in 1876, and small scale gold production was initiated at the Bismarck mine in 1893. During this time, Messrs. Blair, Franklin and Reed located the Keystone claims and prospected what later developed into the Keystone and Holy Terror mines.

Since 1893, the Keystone district has produced a reported 106,000 ounces (3,005 kilograms) of gold from more than 321,049 tons (~292,000 tonnes) (Adams, 1989; Parrish, 1994; Redfern et. al., 1994). The majority of this production has come from the Keystone and Holy Terror mines. Highlights of the exploration and mining history of the Holy Terror Gold Project within the Keystone district are tabulated in Table 2. A more detailed tabulation is provided in Appendix C.

The history of the district can be subdivided into four main periods:

- The bulk of past production between 1874 and 1903;
- Pre-World War II exploration and mining up to the 1942 closures due to Congressional Act L-208;
- Non-metalliferous and post-war mining activities between 1942 and 1979; and
- The modern period of exploration from 1980 to 1995.

The sections below describe the exploration and mining work for each period. Figure 4 illustrates historical mine workings on part of the Holy Terror property and on adjacent properties.

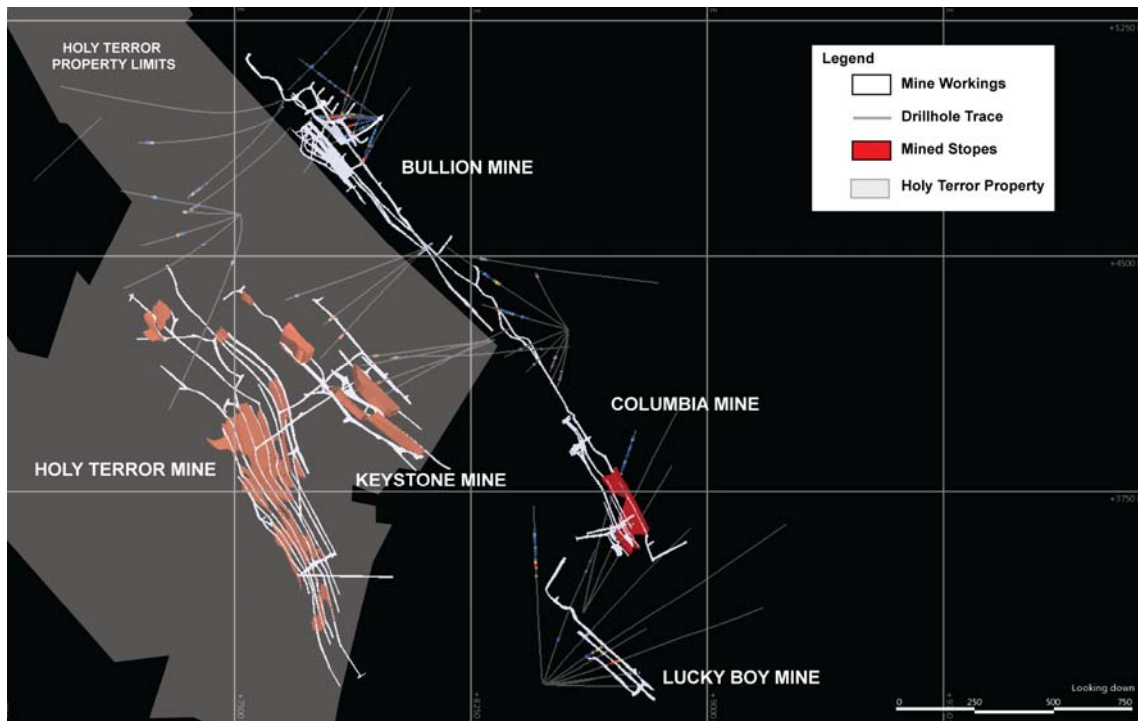


Figure 4: Historical Mine Workings on Part of the Holy Terror Property and on Adjacent Properties (data modified from Energy Fuels Vulcan Database, 1996)

Table 2: Exploration and Mining History of the Holy Terror Gold Project within the Keystone Mining District

| Year | Activity |
|-------------|---|
| 1876 | Placer gold mining on Battle Creek in Keystone area. |
| 1885 | Discovery of the Keystone deposit. |
| 1892 | Keystone group of claims is located by Blair, Franklin, and Reed. |
| 1893 | Keystone Gold Mining Company constructs the first Keystone mill. |
| 1894 | Holy Terror claims are relocated and Holy Terror vein is discovered. |
| 1898 | Keystone-Holy Terror Mining Company forms and Holy Terror and Keystone mines consolidate. |
| 1901 | Miners killed at Keystone-Holy Terror mines. |
| 1903 | Legal judgements against Holy Terror and Keystone mines force work suspension. |
| 1904 | Mainstay Mining Company sinks a 300 foot shaft and completes 2,000 feet of underground development at Ida Florence. Collins sinks the Egyptian No. 1 and No. 2 shafts, and an unknown quantity of ore is processed in the Keystone mill before construction of a 30 stamp mill on site. |
| 1906 | The Holy Terror Mine is dewatered to 400 feet, below the 4th level, but litigation forces a shut-down of operations. |
| 1936 | Flavin and Lane acquire Holy Terror and Keystone mines and form the Holy Terror Company. Mines Finance Development Shares, Inc. acquires the Bismarck, Ida Florence and adjacent properties. |
| 1942 | All gold mines close due to war-time Congressional Act L-208. |
| 1942 | Northwest Defense Minerals Inc. converts the Keystone-Holy Terror mill into a spodumene flotation plant for treating tailings from the Etta pegmatite mine. |
| 1960 | Northwest Beryllium Corp. converts Keystone-Holy Terror mill to process pegmatite ore. In 1962, Holy Terror and possibly the Keystone shafts are back-filled with mill tailings from the pegmatite operation. |
| 1970 | Homestake Mining Company, Occidental Minerals, and Energy Reserves Group carry out active exploration over the project area and district into the mid-1970s. |
| 1979 | J. Marton and D. May acquire and reinstate the Holy Terror Mining Company. |
| 1980 | Homestake Mining Company purchases the Bismarck and Egyptian mines and consolidates land ownership in the district. Quintana Minerals conducts minor exploration. |
| 1983 | Homestake Mining Company drills 12 surface boreholes in the Bismarck-Egyptian area from 1983-84. |
| 1986 | Viking Exploration leases Holy Terror properties and conducts VLF-EM survey. Viking's lease terminates in 1988. |
| 1988 | Beau Val Mines Ltd. acquires Homestake properties and drills two surface boreholes and completes IP survey at Bismarck-Egyptian. Montreaux options Keystone-Holy Terror, carries out no exploration. |
| 1989 | Kalahari Resources Inc. consolidates the Homestake, Holy Terror and Huseby-Johnson properties, and conducts a VLF-EM survey and drills three surface boreholes on VLF-EM anomalies. Eventually, Kalahari loses claims in 1991 due to lack of funds. |
| 1992 | Harrison Western Exploration acquires control of the district, drills eight surface boreholes in the Keystone area, but defaults on payment to Holy Terror Mining Company and the agreement is terminated. |
| 1992 | Energy Fuels Corporation acquires properties held by Holy Terror Mining Company and gains control of the rest of the district from Harrison Western in 1993. Carries out baseline environmental studies, drills 73 boreholes (nine underground), conducts metallurgical testing. A permit is issued for an underground exploration and development decline in 1995. |

5.2 Previous Mining and Exploration

5.2.1 Period 1: Historical Exploration and Mining - 1874 to 1903

Keystone Mine

The Keystone deposit was initially discovered in 1885. Messrs. Blair, Franklin and Reed located the Keystone group of claims in 1892 (Huntoon, 1915; Allsman, 1940; Kerr, 1987; Shaddrick, 1974; Akright, 1996). The Keystone Gold Mining Company was created and operated the property from 1893 to 1898. Keystone Gold Mining Company built a 20 stamp, gravity and amalgamation mill in 1893, and initial production from the Keystone vein commenced in 1894 (Taylor, 1983; Akright, 1996). The original Keystone mill burned down in 1895. In 1896, a new 20 stamp mill was built at Keystone, including a 10 ton per day (9 tonnes per day) cyanide plant.

Holy Terror Mine

The Holy Terror deposit was discovered by William R. Franklin and his daughter on March 13, 1892, and named after his wife, who he said was a “holy terror” (Allsman, 1940; Akright, 1996). The claims were prospected, but as the ground was believed to be worthless, the assessment work was allowed to lapse (Allsman, 1940). Franklin and Blair relocated the claims, and discovered the Holy Terror vein in 1894; the Holy Terror Mining Company was created, and mining commenced. A 5 stamp mill was constructed in March 1894, and later enlarged (Allsman, 1940; Akright, 1996). In 1895, the Holy Terror shaft was established to the 1st level at a depth of 90 feet (27 metres). By 1897, the Holy Terror shaft was completed to the 5th level at a depth of 502.5 feet (153 metres).

Keystone - Holy Terror Mines

Consolidation of the two mines took place in 1898 when the Keystone mine and mill were purchased by the Holy Terror Mining Company, and a new company was formed, the Keystone-Holy Terror Mining Company. The two mines were joined by a crosscut on the 5th level that was completed on September 17, 1898. Sinking of the Holy Terror shaft resumed, and it was deepened below the 7th level in 1899. In 1900, a 30 ton per day (27 tonne per day) cyanide plant was completed as part of the Keystone mill, and the Holy Terror shaft reached a depth of 1,006 feet (307 metres) (Huntoon, 1915; Allsman, 1940; Shaddrick, 1974; Taylor, 1983; Parrish, 1994; Redfern et. al., 1994; Akright, 1996). During the period from 1898 to 1903, the Keystone vein was worked in conjunction with the Holy Terror vein.

On October 21, 1901, three miners were killed by fumes from an overheated air compressor while they were driving a winze below the 9th level (1,000 feet / 305 metres) in the Holy Terror mine (Allsman, 1940; Shaddrick, 1974; Akright, 1996).

The winze was completed to the 11th level at a depth of 1,200 feet (365 metres) in 1901. In 1902, a crosscut was started on the 7th level (700 feet / 213 metres) from the Holy Terror to Keystone mine, and the 9th level crosscut connecting the mines was completed.

All work in the Keystone-Holy Terror mines was suspended in 1903 due to judgements from the 1901 deaths. The property was sold at auction, and the mine left to fill with water. The 700-foot (213 metres) level drift between the two mines had not been completed before the July 25, 1903 closure (Allsman, 1940; Shaddrick, 1974; Akright, 1996).

The Holy Terror was mined from 1894 to 1903, with 151,224 tons (137,500 tonnes) were mined, grading 0.414 ounces of gold per ton (12.9 grams of gold per tonne), for a total of 62,602 ounces (1,775,000 grams) of gold produced (see Table B ; Parrish, 1994; Redfern et. al., 1994).

5.2.2 Period 2: Pre-World War II – 1904 to 1942

Note: No mines were operating in the district from 1917 to 1923 (Shaddrick, 1974), and all gold mining ceased in 1942 due to the World War II Congressional Act L-208.

Keystone - Holy Terror Mines

Messrs. Collins and Morgan gained control of the Holy Terror and Keystone properties in 1906 (the Nathaniel Pope and Egyptian properties as well). Attempts to dewater the Holy Terror mine were unsuccessful due to the poor condition of the shaft timbers. Later, the mine was dewatered to the 400-foot (122 metres) level, but efforts were discontinued because of a faulty steam pump. The property was again closed due to litigation associated with the 1901 tragedy, and the title was vested in Morgan (Shaddrick, 1974; Akright, 1996).

Keystone Consolidated Mines Inc. was incorporated in 1927. The company consolidated the Keystone, Holy Terror, Columbia and Bullion mines. Construction of a new 100 ton per day (91 tonne per day) cyanide mill commenced. Work was reactivated at the Holy Terror-Keystone mines in 1927, with the adit on the 1st level from the mill to the Holy Terror shaft was completed in 1929. The mill was destroyed by a fire in January 1930, and all work ceased. The mines were closed and Keystone Consolidated discontinued operations in 1930 (Johnson, 1939; Allsman, 1940; Shaddrick, 1974; Redfern et. al., 1994; Akright, 1996; Ball, 2009).

In 1936, George Flavin and Preston Lane acquired the Holy Terror and Keystone mines and formed the Holy Terror Mining Company (Akright, 1996). The mines were reactivated, with the dewatering and refurbishing of Keystone mine commenced in 1938. The Keystone mill was rebuilt in 1939. The Holy Terror shaft was dewatered and repaired from 1939 to 40.

Production from the 5th level of the Keystone mine resumed in June 1940. The crosscut drift on the 7th level from Holy Terror to Keystone was completed through 1941–42, and development drifts were driven. All activity was halted in September 1942 by the World War II Congressional Act L-208 (Shaddrick, 1974; Parrish, 1994; Akright, 1996; Ball, 2009).

A total of 61,000 tons (55,350 tonnes) of ore were produced mainly from the Keystone mine from 1940 to 42. Production from the Holy Terror mine had ceased in 1903, while Keystone had a slightly longer life from 1892 to 1942, with approximately 125,456 tons (114,050 tonnes) were mined, grading 0.231 ounces of gold per ton (7.22 grams of gold per tonne), for a total of 29,613 ounces (0.84 tonnes) of gold produced (Parrish, 1994; Redfern et. al., 1994; see Table 3 for metric conversion).

The total remaining reserves in 1940 were estimated by the U.S. Bureau of Mines (Bulletin 427) as 1.5 million tons (1,361,000 tonnes), grading 0.3 ounces of gold per ton (9.38 grams per tonne), containing 460,780 ounces (13.0 tonnes) of gold in the Keystone, Bullion, Bismarck and Egyptian mines (Akright et. al., 1991). The reader is cautioned that the reserve estimate above were prepared before the development of National Instrument 43-101 and that therefore the historical estimates should not be relied upon. Mineral Mountain does not treat the historical estimates as current.

Ida Florence Mine

There are no early records of the exploration and mining history of the Ida Florence mine, though it has been reported that the mine was in production from 1895 to 1936 (Parrish, 1994; Redfern et. al., 1994).

The Mainstay Mining and Milling Company sank a 300 feet (91 metres) deep shaft on the Ida Florence property and drove 2,000 feet (610 metres) of drift and crosscut at some time between 1904 and 1907. The lateral work was done on the 45-, 85-, 115-, 200-, and 300-foot levels (14-, 26-, 35-, 60-, and 91 metres). The 200-foot (60-metre) level was the most extensively developed with a 100-foot long (30-metre) ore shoot exposed (Allsman, 1940).

In 1924, the Keystone Gold Mining Company dewatered the Ida Florence shaft and sampled the 200-foot (60-metre) level stope (Akright, 1996).

Mines Finance Development Shares Inc. gained control of the Ida Florence and adjacent properties in 1936.

There is no further record of activity on the property.

Egyptian Mine

Records of the exploration and mining activities that took place at the Egyptian mine are lacking. It has been reported that production from the Egyptian No. 1 mine took place from 1898 to the 1930s, with 63 tons (57 tonnes) were mined, grading 0.88 ounces of gold per ton gold (27.5 grams per tonne), for a total of 63 ounces (0.002 tonnes) of gold produced (Table B) (Parrish, 1994; Redfern et al., 1994).

The only other reference to the mines indicates that Collins sunk the Egyptian mine shafts (No. 1 and No. 2) in either 1904 or 1906, and processed an unknown quantity of ore in the Keystone mill prior to the construction of a 30 stamp mill on the Egyptian site (Shaddrick, 1974; Akright, 1996).

Nathanial Pope Mine

Records of the exploration and mining activities that took place at the Nathanial Pope mine are sparse. It has been reported that production from the mine took place from 1898 to 1914, with 11 tons (10 tonnes) were mined, grading 1.015 ounces of gold per ton < (31.7 grams of gold per tonne), for a total of 11.17 ounces (0.0003 tonnes) of gold produced (Table B) (Parrish, 1994; Redfern et al., 1994).

The only other reference to the mine is that Collins and Morgan gained control of the Nathanial Pope property in 1906 (Shaddrick, 1974; Akright, 1996).

Juniper Mine

The exploration and mining history of the Juniper mine is unknown; not even dates or production figures are available as records are lacking.

A property examination by Dr. F.C. Lincoln in 1934 indicated that the Juniper Mining Company had prospecting equipment installed on one of the eight Juniper group claims, and about 532 linear feet (162 metres) of adits, drifts, crosscuts, open-cuts, winzes, and raises had been excavated. The work exposed a body of gold ore in a fissure zone about 50 feet (15 metres) wide with an explored length of 65 feet (20 metres) (Allsman, 1940). In 1934, Dr. Lincoln stated that “the value increased with depth, averaging US\$4.29 in the open-cut, US\$4.92 in the adit below, and US\$7.19 on the lower level 100 feet (30.48 metres) vertically below the floor of the open-cut,” and that “the limits of the ore-bearing shear zone have not been determined.” (Allsman, 1940)

5.2.3 Period 3: Post World War II – 1942 to 1979

Keystone and Holy Terror Mines

In 1942, Northwest Defence Minerals Inc. converted the Keystone-Holy Terror mill into a spodumene floatation plant for treating tailings from the Etta pegmatite mine (Akright, 1996).

In 1960, Northwest Beryllium Corporation acquired the Keystone-Holy Terror mill and converted it to a five-mineral separation floatation plant for processing pegmatite ore. In 1962, the company back-filled the Holy Terror shaft, and possibly the Keystone shaft, with mill tailings from the pegmatite operation, while preparing a tailings disposal site in Rocky Gulch (Akright, 1996).

Marton et. al. acquired the Holy Terror Mining Company, and the company was reinstated in September 1979 (Akright, 1996).

Other

Renewed interest in gold exploration began in the early to mid-1970s. Both the Homestake Mining Company and Occidental Minerals and Energy Reserves Group were actively in the field evaluating the district, though no records are available to show exactly where the exploration took place (Akright, 1996). [The reference does not indicate on which properties exploration work was carried out.]

5.2.4 Modern Exploration – 1980 to 1995

Keystone and Holy Terror Mines

The Holy Terror Mining Company leased their properties to Viking Exploration Inc. from 1986 to 1988. Viking conducted a VLF-EM survey over the Keystone-Holy Terror property. The Viking lease was terminated in 1988 (Adams, 1989; Akright et. al., 1991; Akright, 1996; Ball, 2009).

The Montreaux Development Corporation optioned the Keystone-Holy Terror property for a short period in 1988, but no work was conducted (Adams, 1989; Ball, 2009).

Kalahari Resources Inc. acquired mineral rights and consolidated the properties of the Homestake Mining Company (Bismarck-Egyptian), Holy Terror Mining Company (Keystone-Holy Terror), and Huseby-Johnson (Columbia-Bullion) under separate agreements covering approximately 2,500 acres (10 square kilometres) in the Keystone district by late 1989. In 1990, a VLF-EM survey extended data to the northwest over the Homestake portion of the property. Kalahari lost all claim holdings late in 1991 (Akright et. al., 1991; Akright, 1996, 1997; Ball, 2009).

Harrison Western Exploration, in a joint venture with Cyprus Gold (Cyprus Minerals Co.) and Texas Star Resources Corporation, acquired control of the district early in 1992 through agreements with Homestake Mining Company, Holy Terror Mining Company, and Huseby-Johnson. The joint venture drilled eight core boreholes (four at surface and three underground) into a portion of the Keystone mineralized zone (CK-1 to CK-8). The best four boreholes averaged 0.31 ounces of gold per ton (8.75 grams of gold per tonne) over a width of 14 feet (4.3 metres) (Peterson and Hammond, 1992).

The resource was estimated at 750,000 tons (680,000 tonnes) (Peterson and Hammond, 1992). The reader is cautioned that the reserve estimate above were prepared before the development of National Instrument 43-101 and that therefore the historical estimates should not be relied upon. Mineral Mountain does not treat the historical estimates as current. The agreement with the Holy Terror

Mining Company was terminated due to payment default. Cyprus and Texas Star pulled out of the project late in the year, leaving Harrison Western looking for new joint venture partners (Peterson and Hammond, 1992; Parrish, 1994; Redfern et. al., 1994; Akright, 1996, 1997; Ball, 2009).

On November 16, 1992, Energy Fuels Corporation acquired control of the Holy Terror Mining Company properties. Energy Fuels finalized an agreement with Harrison Western for control of the balance of the mining district on March 1, 1993. From 1992 to 1995, Energy Fuels explored a 5-mile (8-kilometre) long consolidated land position consisting of 168 lode mining claims (46 patented, 122 unpatented) along the northwest trending mineral belt (about 2,135 acres or 8.6 square kilometres). The corporation initiated baseline environmental studies in 1993-94. From 1993 to 1995, It drilled 45 core boreholes: eight in Keystone (KG-94-41, 44, 45, 47, 49, 70, and KG-95-71 and 72); 28 in Bullion-Columbia (FD-93-1 to 10, KG-93-11, 12, 16 to 20, 27, 28, 31 to 33, KG-94-29, 30, 42, 68, 69, and KG-95-73); and nine in the Lucky Boy-Keystone zone (KG-93-13 to 15, 25, 26, 36-38, and KG-94-39). Of the 45 core boreholes, 36 were at surface and nine underground (FD93-1 to FD93-9 at Keystone). Energy Fuels preformed metallurgical testing in 1994.

The Keystone North Ore Shoot was discovered during the 1994 program. In 1995, the company drilled three more surface boreholes, and was permitted for underground exploration and a development decline.

Over the period from 1992 to 1995, Energy Fuels completed a total of 73 boreholes, both surface and underground, on the Bismarck-Egyptian, Bullion-Columbia, Keystone, Lucky Boy, Nathaniel Pope, and Warren/Cross claims (Parrish, 1994; Akright, 1996, 1997; Ball, 2009).

Egyptian Mine

Homestake Mining Company, Beau Val Mines Ltd., Kalahari Resource Inc., and Energy Fuels Corporation all did work on the Egyptian mine area from 1980 to 1994. However, due to the close proximity to the Bismarck mine the work done has been reported as “Bismarck-Egyptian” and not separately. It is discussed in Section 23 Adjacent Properties.

Table 3: Keystone District Production History from Parrish (1994) and Redfern et. al. (1994)

| Mine | Mining Period | Imperial Units | | | Metric Units | | |
|----------------|---------------|----------------------------|---------------------------------|----------------------|------------------------------|-----------------------------------|-------------------------|
| | | Recorded Production (tons) | Recovered Grade (ounces Au/ton) | Au Produced (ounces) | Recorded Production (Tonnes) | Recovered Grade (grams Au/Tonnes) | Au Produced (kilograms) |
| Placers | 1876-1893(?) | no data | no data | no data | no data | no data | no data |
| Holy Terror | 1894-1903 | 151,224 | 0.414 | 62,602 | 137,476 | 14.19 | 1935.60 |
| Keystone | 1892-1942 | 125,456 (est.) | 0.231 | 29,613 | 114,050 (est.) | 7.99 | 921.30 |
| Bullion | 1885-1929 | > 35,267 | 0.160 | > 5,630 | 32,061 | 5.49 | > 176.40 |
| Columbia | 1907-1929 | 887 | 1.775 | 1,574 | 806 | 60.92 | 49.00 |
| Lucky Boy | 1896-1932 | “a carload” | 0.232 | no data | “a carload” | 7.95 | no data |
| Bismarck | 1893-1936 | > 4,691 | 0.240 | > 1,127 | > 4,265 | 8.23 | > 35.10 |
| Ida Florence | 1895-1936 | no data | no data | no data | no data | no data | no data |
| Egyptian No. 1 | 1898-1930's | 63 | 0.880 | 63 | 57 | 30.17 | 2.00 |
| Nathaniel Pope | 1898-1914 | 11 | 1.015 | 11.17 | 10 | 34.80 | 0.30 |
| General Custer | 1894-1898 | > 50 | > 0.157* | > 8 | > 45 | 5.39 | > 0.20 |
| Big Hit | 1894-1898 | > 200 - X,00 (est.) | 0.20-0.286(?) | no data | > 182-X,000 est. | 6.86-9.80? | no data |
| Ranger | 1894(?) -1902 | > 200 | no data | no data | > 182 | no data | no data |
| Totals | | > 321,049 | | >100,628 | > 291,863 | | > 3,130.8 |

* “Free-milling” fraction only (gravity + amalgamation concentration)

Data from Johnson (1939), Allsman (1940), McCracken (1925), Huntoon (1915, 1916), Wallaby Enterprises (1988), Black Hills Mining Review (1896, 1898, 1902, 1903), O'Hara (1931)

6 Geological Setting and Mineralization

The geology of the Black Hills, the Keystone mining district, and the Holy Terror Gold Project are discussed in this section. The geology at the Holy Terror Gold Project is complex, with multiple episodes of gold deposition hosted in sedimentary iron formations. These formations were subjected to multiple folding events, regional metamorphism, and numerous faulting episodes. The gold mineralization was introduced into faults, shear zones and breccia zones, and quartz-sulphide veins.

6.1 Regional, Local and Property Geology

The Black Hills in western South Dakota and eastern Wyoming is a large, elongate dome that was uplifted during the Laramide episode of mountain building about 65 to 56 million years ago (Ma). Early Proterozoic (about 2.2 billion years ago; Ga) metamorphic rocks and gold mineralization were exposed in the core of the eroded dome by erosion during the Tertiary.

6.1.1 Regional Geology: Geology of the Black Hills

The northwest-trending Black Hills uplift is 200 miles (322 kilometres) long in a north-northwest–south-southeast direction by about 75 miles (121 kilometres) wide in a southwest-northeast direction (Figure 5).

This Laramide tectonic feature was developed along earlier Precambrian zones of weakness. The intrusion of Laramide igneous rocks bowed up Cretaceous through Paleocene sedimentary rocks into monoclinical folds that dip gently away from the core. The uplift accompanied emplacement of stocks, dikes, sills, and laccoliths between 62 to 50 Ma (Lisenbee and DeWitt, 1993).

Precambrian rocks in the Black Hills include a few granitic and gneissic outcrops, but comprises mostly metamorphosed sedimentary and igneous rocks of Early Proterozoic age. The metasedimentary rocks include greywacke, shale, and quartzite, with some interbedded metabasalt and metagabbro. These rocks have been deformed and regionally metamorphosed. They were intruded in the southern Black Hills by the coarse-grained to pegmatitic Harney Peak Granite, dated at $1,697 \pm 33$ Ma (DeWitt et al., 1986).

All Precambrian rocks, except the Harney Peak Granite, have been folded by two folding episodes, metamorphosed, and faulted. Fold axes from the earliest episode trend east or northeast and are isoclinal (tightly folded with parallel limbs). These early folds are refolded into northwest-striking folds. This later strong folding overturned the earlier folds to the north-northwest and created a strong northwest-striking foliation (DeWitt et al., 1986).

Locally in the southern Black Hills, the fold generations were modified by the large domal intrusion of the Harney Peak Granite, and by small domes overlying the related subsidiary intrusions (DeWitt et al., 1986).

The overall structure of the Precambrian core of the Black Hills is a large synclinorium (large syncline or downfold with superimposed smaller folds) characterized by northeast- and northwest-striking exposures of rock units that are locally modified by northwest-trending domal axes (DeWitt et al., 1986).

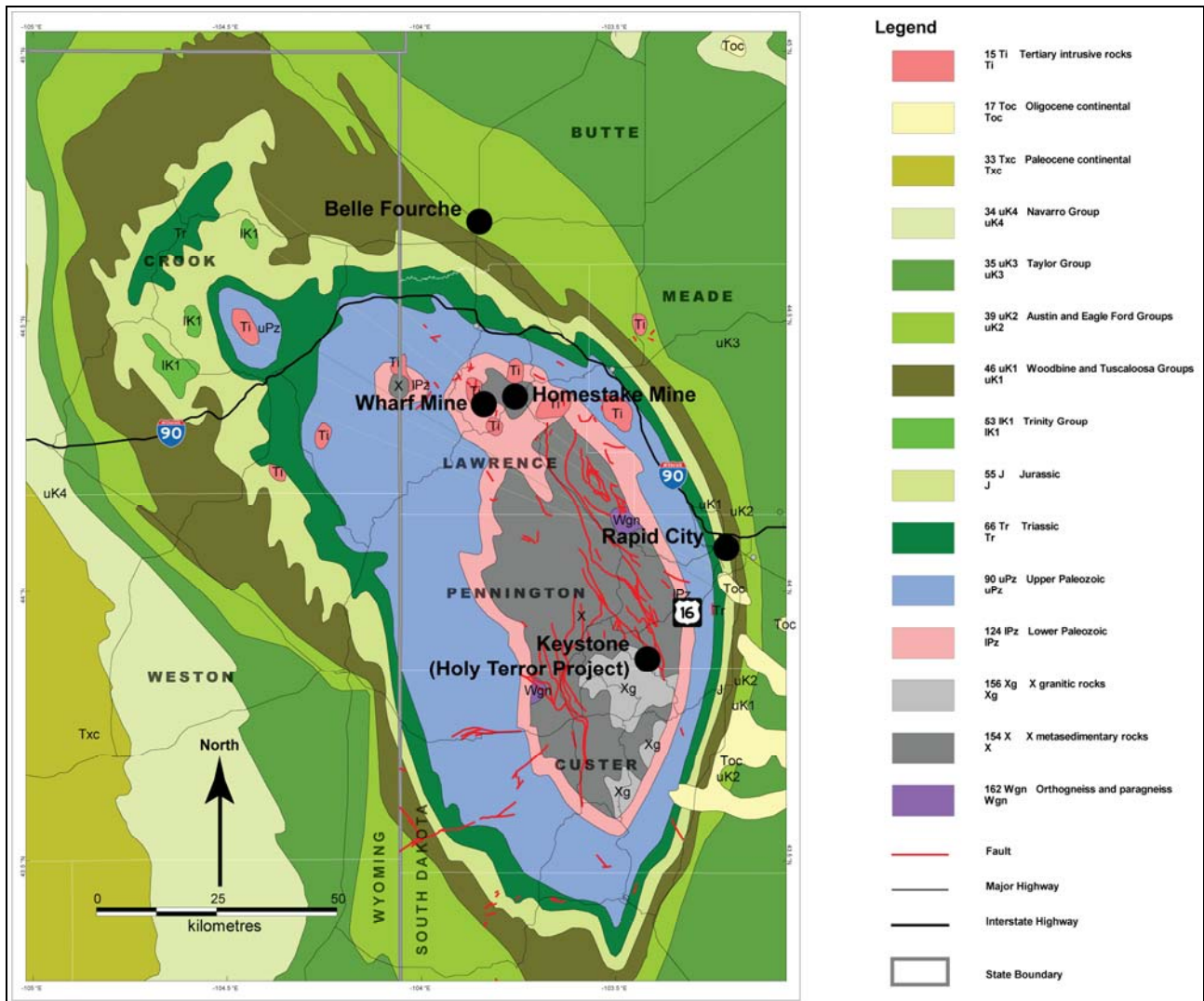


Figure 5: Regional Geology of the Black Hills, South Dakota (modified from King and Beikman, 1974)

The earliest faults were thrust faults associated with the early east- to northeast-striking folds, which fold axes are parallel to the lithological contacts. The later northwest-striking folds deformed these early thrust faults. Later northwest-trending faults have right lateral separations of 1-5 miles (1.6-8.0 kilometres), and postdate or were late in the development and intrusion of the Harney Peak granitic domes (DeWitt et al., 1986).

Metamorphic grade in the sedimentary rocks increases in general toward the Harney Peak Granite in the southern Black Hills. Greenschists assemblages occur in the central and northern parts of the area, and amphibolite assemblages in the south, near the main mass of the Harney Peak Granite near Mount Rushmore (Redden and Norton, 1975).

Later sedimentary rocks, deposited in shallow seas on the stable continental shelf, consist of sandstone, shale, and limestone during the Paleozoic, and shale and sandstone during the Mesozoic. These rocks were domed upward by the Laramide mountain building, and now dip radially away from the core of the Black Hills. The Cambrian-Ordovician Deadwood Formation (OCd), Devonian Englewood Formation (MDe), and Mississippian Pahasapa Limestone (Mp) are exposed in the eastern part of the central Black Hills area. The Deadwood Formation consists of sandstone and conglomerate in the lower part, and of sandstone, shale, and limestone in the upper part. The Englewood Formation consists of shaly dolomite in the lower part and of dolomitic limestone in the upper part. The Pahasapa Limestone consists of massive, thick-bedded dolomitic limestone and dolomite, and is cavernous in the upper part (DeWitt et al., 1986).

The northern Black Hills have been intruded by Tertiary igneous rocks of varied composition in a west- to northwest-trending belt related to the Early Proterozoic faults and zones of weakness. Most Tertiary igneous rocks were emplaced as laccoliths, sills, and small stocks into the Paleozoic and Mesozoic strata after Laramide uplift of the Black Hills (Shapiro and Gries, 1970). The intrusions include rock compositions of rhyolite, trachyte, phonolite, quartz latite, trachy-andesite, and numerous others. The phonolite at Devils Tower, Wyoming was dated at 53.3 ± 6.8 Ma (Hill et al., 1975).

Tertiary sedimentary rocks are exposed on the margins of the Black Hills. These rocks were deposited in stream channels and lakes before the Black Hills were exposed by erosion. These terrestrial deposits consist of claystone, tuffaceous claystone, siltstone, minor limestone, sandstone, and conglomerate of the White River Group (Tw) of Oligocene age (33-23 Ma) (Redden and DeWitt, 2008).

6.1.2 Local Geology: Geology of the Keystone Mining District

The Keystone mining district contains gold deposits developed along northwest-trending fault zones in Early Proterozoic metamorphosed sedimentary and volcanic rocks. The rocks of the Keystone mining district are predominantly silica-rich, marine-deposited, metasedimentary rocks with metamorphosed basalt flows and gabbro sills.

Stratigraphy

These metasedimentary rocks consist of metagreywacke, quartz-muscovite-biotite schist, biotite-quartz-garnet schist, quartzite, and metaconglomerate. Iron formation, mafic and possible felsic metavolcanics, and intrusive amphibolites (metagabbro) are present in lesser amounts (Redfern et al., 1994). The Proterozoic geologic units are included in Table 4, and a geologic map of the Keystone region is shown in Figure 6.

Table 4: Summary of the Geological Units in the Keystone District

| Map Symbol (Figure 6) | Formation Name | Formation Description |
|------------------------------|---------------------------------------|---|
| Qal | Quaternary alluvium | Alluvial deposits (Holocene and Pleistocene). Stream-laid deposits of mud, silt, sand, and gravel. |
| Tw | White River Group | Oligocene and Upper Eocene. Silty claystone and poorly indurated sandstone, arkose, and conglomerate. |
| Mp | Pahasapa Limestone | Lower Mississippian. Mainly thick-bedded dolomitic limestone. Reef-like, bluish limestone in uppermost part. Thickness 80-120 m. |
| MDe | Englewood Limestone | Lower Mississippian and Upper Devonian. Lavender, impure limestone. Thickness 10-20 m. |
| OCd | Deadwood Formation | Lower Ordovician and upper Cambrian. Glauconitic sandstone, shale, siltstone, and conglomerate. Thickness 0-200 m. |
| Xh | Harney Peak Granite | Layered granite, pegmatitic granite, and pegmatite. Leucocratic, peraluminous, plagioclase-microcline-quartz-muscovite S-type granite. Age 1,715 ±3 Ma. |
| Xgb | Metagabbro | Dark-green amphibolite, actinolite schist. Small bodies and margins of larger bodies are well foliated. Predominantly sill-like bodies. |
| Xgw1 Xgw2 | Metagreywacke | Greenish-gray to grayish-tan siliceous schist. Minor chlorite, garnet, staurolite, or sillimanite in pelitic interbeds at various metamorphic grades. Turbidite deposits. Xgw1=lower, Xgw2=upper greywacke. |
| Xif | Metamorphosed iron formation | Banded carbonate-facies iron formation. Banded metachert containing ankerite and siderite and schist. Contains cummingtonite-grunerite and garnet at higher metamorphic grade. |
| Xby | Metamorphosed younger basalt | Metamorphosed younger alkalic basalt, tuff, and volcanoclastic rocks. Pillowed chloritic greenstone or amphibolite, and layered amphibole schist and amphibole-bearing or biotite-rich schist. Thin interflow deposits include various dark-gray and black schists. |
| Xqc | Metamorphosed quartzite, conglomerate | Metamorphosed quartzite, debris flow conglomerate, pelite, and greywacke. Heterogeneous, gray to tan quartzite, metaconglomerate, and phyllite or schist. Garnet-, staurolite-, andalusite-, and sillimanite-bearing at different metamorphic grades. |
| Xts | Metamorphosed tuff and shale | Greenish-gray to tan phyllite and muscovite-biotite schist. At higher metamorphic grades, muscovite schist may contain andalusite, sillimanite, garnet, staurolite, or cordierite. |
| Xbs | Metamorphosed black shale | Thin-bedded, dark phyllite, biotite schist, or garnet schist, depending on metamorphic grade. |

Source: modified from Redden and DeWitt (2008)

The Early Proterozoic volcanic and sedimentary rocks were originally deposited on the floor of the ocean in conjunction with hot springs, such as those now in the Red Sea. This environment is characterized by iron formation deposited from metal-rich brines either from black smokers or hot springs on the sea bottom. The hot spring deposits are interbedded with sandstone and shale deposits formed when turbidity currents and submarine landslides dumped sediments onto the ocean bed. The iron formations are also interbedded with basalt flows and gabbro sills from extrusions of lava on or below the ocean floor (DeWitt et al., 1986).

Iron formations in the southern Black Hills are younger than those in the northern Black Hills, and are more variable and include silicate, carbonate, sulphide, and oxide facies. These younger iron formations are present in the Lead-Deadwood area, in the Nemo and Rochford areas, and in the Keystone, Medicine Mountain, and Custer areas. They are associated with quartzite, shale, conglomerate, and basalt (DeWitt et al., 1986).

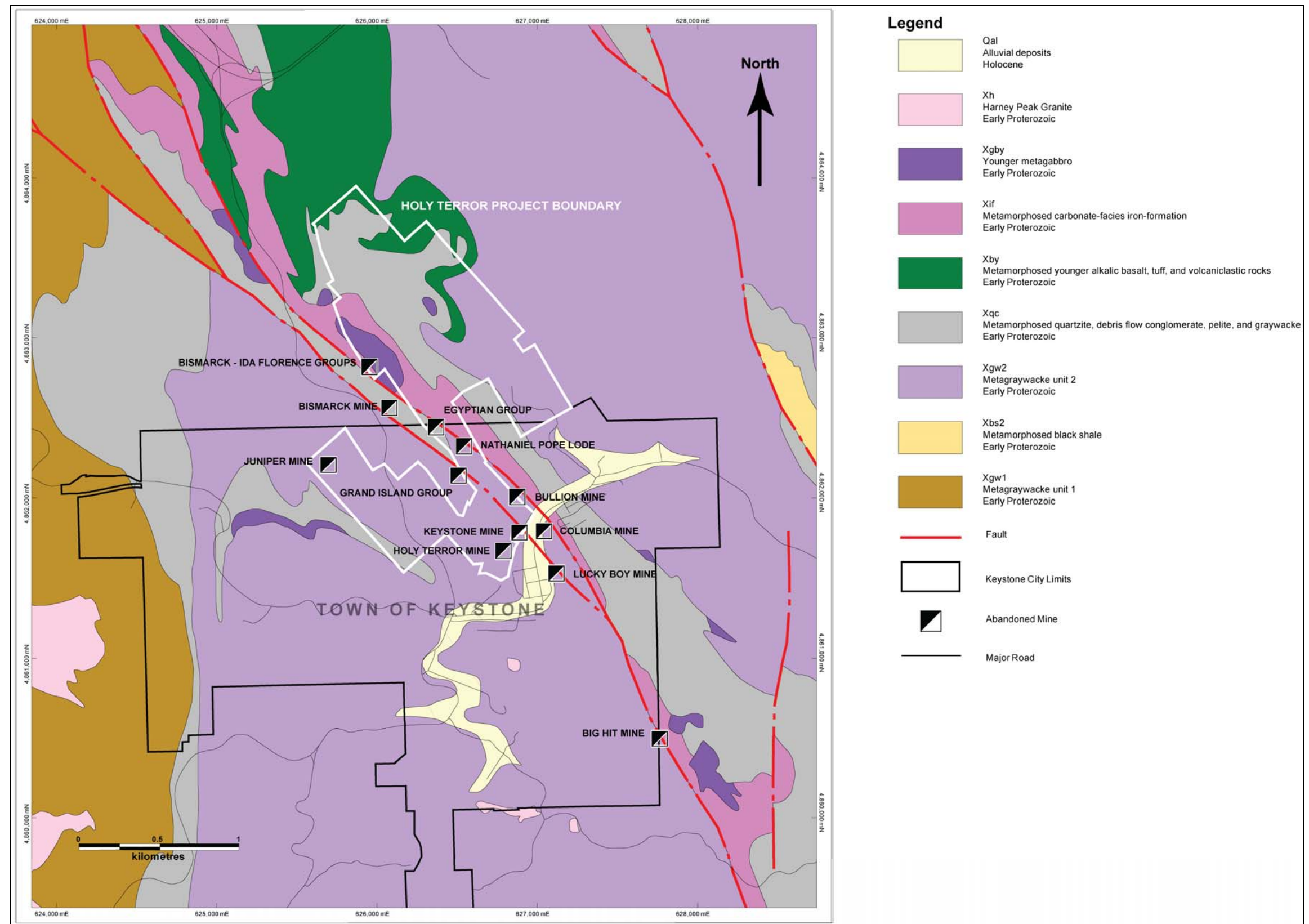


Figure 6: Geological Map of the Keystone Mining District (modified from Redden and DeWitt. 2008)

The iron formations (Xif) strike northwesterly through Keystone, and are within and adjacent to metamorphosed conglomerate, metamorphosed quartzite (unit Xqc), and greywacke (unit Xgw). The iron formation consists of grunerite schist interbedded with chert. The iron formation contains minor amounts of biotite, garnet, actinolite, carbonaceous material, pyritic slate, pyritic phyllite, and siliceous schist. The units range in thickness from 20 to 500 feet (6 to 152 metres) where they are not duplicated by folding. The iron formation units in the Keystone mining district are about the same age as those in the Rochford area, and correlate with the Flag Rock Formation in the Lead area, but are younger than the Homestake Formation (DeWitt et al., 1986).

The metabasalt (Xby) is widespread in the Keystone district, but is minor in volume. The metagabbro (unit Xgby) is probably the subvolcanic (coarser grained) equivalent of the metabasalt. These units extend from the Nemo area to near Keystone, where Norton (1976) mapped them as amphibolite. The basalt flows are interlayered with metamorphosed conglomerate, quartzite, and garnet schist (unit Xqc). Metamorphosed gabbroic sills intrude older rocks and comprise a large area in the Keystone mining district. The metagabbro sills range in thickness from 10 feet (3 metres) to about 1,000 feet (305 metres). A gabbro sill east of Buck Mountain in the southern Nemo area was dated at 2.0 Ga (DeWitt et al., 1986). The extensive metamorphosed gabbroic sills extend from the Nemo area into the Keystone area, where they intrude quartzite, conglomerate, metamorphosed quartzite (unit Xqc), and possibly greywacke (unit Xgw).

The younger part of the metasedimentary rocks consists primarily of laminated carbonaceous phyllite, slate, and interbedded chert, and slate that were originally organic-rich shale containing much chert. Northeast of Keystone, the metasedimentary rocks are interbedded with conglomerate and basalt. The heterogeneous assemblage of conglomeratic biotite phyllite, siliceous biotite phyllite, mica schist, quartzite, and iron formation (unit Xqc) crops out in the Keystone mining district. The unit originally consisted of debris-flow conglomerate, greywacke, quartzite, ferruginous shale, and iron formation. It is interbedded with greywacke turbidite (undersea landslide deposit) in a westerly direction, and was probably derived from an eastern source and deposited on a steep submarine slope. The outcrop pattern of the metasedimentary units in the Keystone area is complicated by the two periods of tight folding, rapid facies changes, and repetition by early faulting. The unit ranges from 200 feet (61 metres) to more than 2,000 feet (610 metres) thick (DeWitt et al., 1986).

Metamorphosed greywacke (units Xgw1 and Xgw2) is the most widespread and most common rock in the Keystone area. The greywacke units consist of siliceous mica schist and very impure quartzite that resulted from the turbidite (submarine landslide) deposits. The micaceous schist contains abundant garnet and staurolite, and the siliceous schist contains aluminosilicate minerals (Norton, 1976). The original rocks were impure siltstone and greywacke. Although the map pattern indicates the area was extensively refolded, there is a simple stratigraphic younging to the southeast. The thickness of the lower and intermediate units is at least 3,000 feet (914 metres).

The above Early Proterozoic rocks were intruded by the Harney Peak Granite (Xh) at about 1,700 Ma. This granite is a coarse-grained to pegmatitic, peraluminous, muscovite granite containing accessory garnet, biotite, and tourmaline (Huang and Wylie, 1981; Redden et al., 1982). The granite occupies a 40-square-mile (100 square kilometres) area south of Keystone, and consists of hundreds of dikes and sills that coalesce into a coherent, but compositionally and texturally variable, intrusive body (DeWitt et al., 1986). The granite probably extends north beneath the greywacke units at Keystone as the metamorphic grade of the metasedimentary and metavolcanic rocks increases toward the Harney Peak Granite.

Metamorphism

Rocks older than the Harney Peak Granite were folded, metamorphosed to lower greenschist to upper amphibolite assemblages, and faulted before the intrusion of the Harney Peak Granite (Redden et al., 1990). This regional metamorphism probably occurred at approximately 1.84 Ga (Redfern et al., 1994).

Additional metamorphic thermal aureoles, locally from staurolite grade up to sillimanite isograd, were imposed on earlier metamorphic rocks by the intrusion of gabbro sills, particularly in the Keystone area. These dikes and sills were intruded after the peak stage of regional metamorphism and probably after the northwest-trending faulting occurred (Redfern et al, 1994).

The intrusion of the Harney Peak Granite and associated pegmatite bodies superimposed a low-pressure, high-temperature, contact metamorphic zone (Helms and Labotka, 1991) around the large domal Harney Peak granitic intrusion.

Structure

In the Keystone area, two episodes of folding occurred. The first set of folds is isoclinal with east- to northeast-trending fold axes. The later set of folds refolds the earlier set along north- to northwest-trending fold axes. These later folds have moderate to long wavelengths, have typically steep plunges, and their axial planar foliation is steeply dipping. The “gold belt” strata appear to be on the steeply east-dipping, west limb of a large, overturned synform (downfold) (Redfern et al., 1994).

A series of long, northwest-trending Early Proterozoic faults crosscut the Keystone area and were folded by later doming, possibly by the Harney Peak intrusion (Redfern et al., 1994). Some faults were later reactivated, some in Proterozoic time after about 1,700 Ma and others in the Laramide and Tertiary. High-angle reverse faults developed in the Proterozoic rocks near or after 1,800 Ma, and became the conduits for intrusion of gabbro dikes and plutons, as well as for the later gold-mineralizing hydrothermal fluids (Redfern et al., 1994). The most prominent of these northwesterly trending, steeply east-dipping faults are the Keystone, Bullion, East Vein, Bismarck, and Holy Terror faults.

6.1.3 Property Geology

The geologic units and structures of the Holy Terror Gold Project area are shown in Figure 7. The folded stratigraphic section at Keystone is steeply overturned to the northeast, so that the stratigraphic tops face to the southwest, but dip steeply to the northeast.

The base and top of the Keystone stratigraphic section are truncated by right-lateral faults that are subparallel to bedding (Bookstrom et al., 1985). The regional northwest-trending fault systems include the Keystone, Bullion, and Holy Terror faults (Figure 8).

West of the Holy Terror and Keystone faults, the rocks are composed dominantly of metagreywacke (Xgw2 and Xgw1) and quartz-muscovite-biotite-staurolite-garnet schist (Xqc). Lesser amounts of biotite-quartz schist, quartzite, and minor amphibolite are present (Redfern et al., 1994).

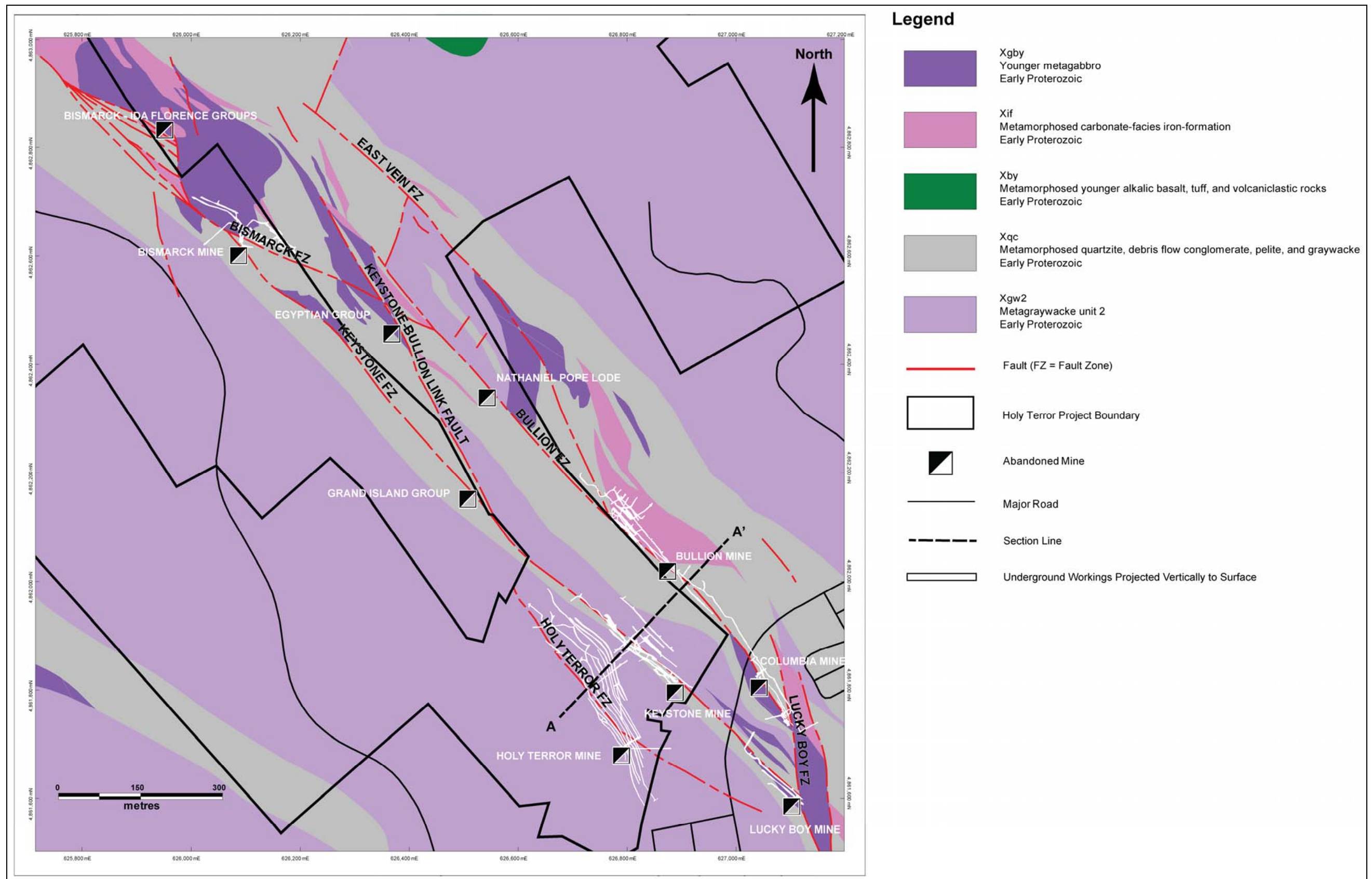


Figure 7: Geologic Map of the Holy Terror Gold Project Area (modified from Redfern et al, 1994)

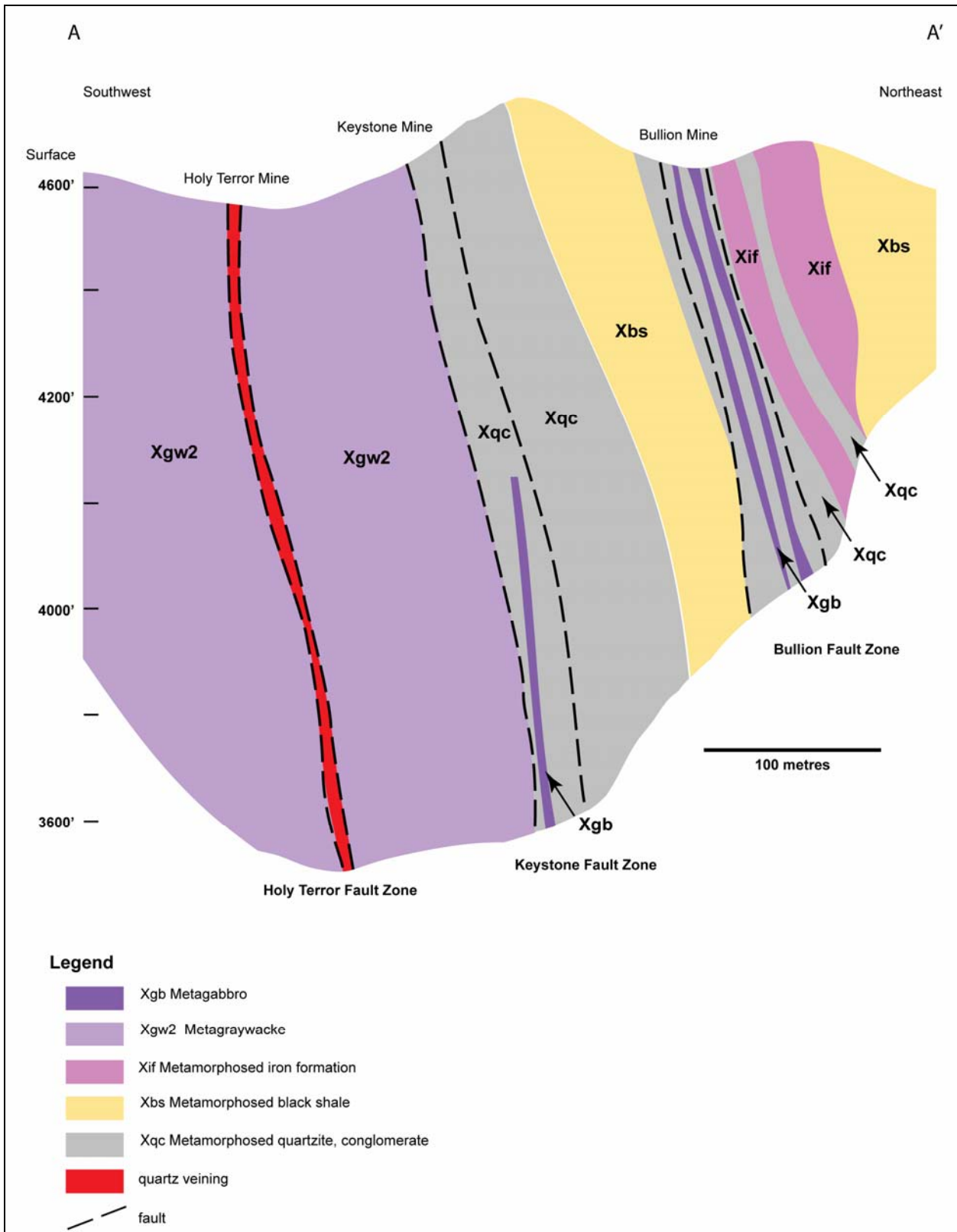


Figure 8: Geological Cross Section of the Holy Terror Gold Project Area (modified from Parrish, 1994)

The central part of the Keystone area forms homoclinal panel of interlayered biotite-quartz-garnet, quartz-biotite, grunerite-quartz-chlorite-garnet schists, debris flow metaconglomerate, quartzite (Xqc), and metamorphosed basaltic flows (Xby). These rocks are intruded by sills of gabbro (Xgby) (1,883 Ma; Redden et al., 1990). The gabbro (also called amphibolite) was intruded along pre-existing faults late during the regional metamorphism at approximately 1,840 Ma, and probably after the northwest-trending faulting (Redfern et al., 1994). East of the Keystone-Holy Terror fault and west of the Bullion fault, the rocks are composed of a mixture of staurolite-poor, quartz-biotite-muscovite-garnet schists (Xqc) and lesser amounts of metagreywacke (Xgw2) and staurolitic quartz-mica schists. This area also contains local quartzite lenses and numerous lenticular bodies of metaconglomerate (Shaddrick, 1971). This rock assemblage contains local thin tabular lenses of cherty grunerite-quartz, iron formation and numerous steeply-dipping dikes of metagabbro near the major fault zones (Redfern et al., 1994). This central area contains more and larger bodies of tabular to lensoidal, cherty banded iron formation (Xif), in a sea of biotite-quartz and biotite-garnet schists (Xqc). These rocks are broken extensively by faulting and intruded by numerous small to large dikes and plutons of hornblende-plagioclase gabbro (Redfern et al., 1994).

East of the Bullion and East Vein faults, the rock assemblage is dominated by staurolitic quartz-mica schist (Xqc) and metagreywacke (Xgw2), with lesser amounts of biotitic schist, metamorphosed iron formation (Xif), and metaconglomerate. Dikes of metagabbro (Xgby) (usually mapped as amphibolite) are locally present (Redfern et al., 1994).

Gabbroic bodies intruding rocks in the Keystone district are prominent at the surface at the Bullion, Bismarck, and Ida Florence mine workings, and between the Columbia-Lucky Boy mines and the Big Thunder adit. They were emplaced after the peak stage of regional metamorphism along pre-existing fault zones, and along compositional layering contacts. Gabbroic dikes are usually thin, although large, bulbous plutons occur in the Bismarck-Ida Florence mine area (Norton, 1976). Gabbro plutons that were intruded late during the prograde metamorphism locally recrystallized the host rocks, thus increasing the grain size of garnets and diopside crystals. Their intrusion metasomatically altered some of the adjoining schists developing skarn assemblages (Redfern et al., 1994). The metagabbro bodies are cut by later, brittle faults, some of which pre-date the Early Proterozoic gold mineralization and were later reactivated.

6.2 Mineralization

Gold deposits in the Keystone mining district in the southern Black Hills are primarily of Early Proterozoic age, and typically are close to northwest-trending fault zones (Figure 7 and Figure 8). The northwest-striking brittle faults served as channels for the mineralizing fluids, which deposited gold at favorable sites in and near the fault zones, often close to the bodies of intrusive gabbro (amphibolite). Host-rock lithology, structure, and the geometry of the metamorphosed gabbro (amphibolite) intrusions controlled the distribution of gold mineralization. Mineralized bodies are best developed where major fault systems intersect sequences of iron formation and biotitic schists, associated with quartz veining (Redfern et al., 1994).

Gold mineralization in the Keystone area is localized in three different types of deposits (Figure 7 and Table 5) (Redfern et al., 1994):

- In iron formations as stratabound replacement bodies (as in the Homestake mine in the northern Black Hills, and in the Keystone, Egyptian, and Ida Florence mines);
- In fault zones as irregular gold-quartz veins in micaceous schists (as in the Holy Terror and Juniper mines); and

- In fault breccias and sulphide veins within biotitic schists, iron formation, and amphibolite (as in the Keystone and Egyptian No. 1 mines).

The gold mineralization is associated with quartz veining, silicification, chloritic alteration, and late carbonate veining. Mineral associations include gold, electrum, arsenopyrite, pyrrhotite, and pyrite. Gold is associated with Stage II quartz veins that also contain chlorite, arsenopyrite, pyrrhotite, and pyrite. Barren quartz veins include Stage I metamorphosed, barren pre-mineral quartz veins; Stage III post-mineral bull quartz veins; and Stage IV post-mineral vuggy quartz-carbonate-pyrite ± (galena, sphalerite) veining of probable Tertiary age (Redfern et al., 1994).

Table 5: Gold Mineralization Types in the Holy Terror Gold Project

| Type of Mineralization | Example | Host Rock | Mineralogy | Alteration |
|---------------------------|--|---|---|---|
| Stratabound replacement | Keystone, Egyptian | Iron formation | Quartz, arsenopyrite, pyrrhotite, pyrite, carbonate, chlorite, electrum | Silicification, chloritic alteration, diopside (skarn?) |
| Gold-quartz vein | Holy Terror, Columbia | Quartz-mica schist | Quartz, minor pyrite, free gold | Minor sericitic alteration adjacent to vein |
| Fault-shear zone sulphide | Keystone, Bullion, Bismarck, Lucky Boy | Biotite quartz schist, iron formation, metagabbro | Quartz, pyrite, arsenopyrite, pyrrhotite, minor chalcopyrite, galena, sphalerite, chlorite, calcite | Silicification, biotite, chlorite, tourmaline, carbonate alteration |

6.2.1 Iron Formation Replacement Deposits (Homestake-style)

The stratabound replacement-type gold mineralization in the Keystone and Egyptian mines is hosted by iron formation and is associated with Stage II quartz veins. The historic gold mineralization in these mines was hosted in cherty grunerite-cummingtonite-quartz iron formation. Mineralization formed 6 to 20 feet (2 to 6 metres) wide zones where cherty iron formation was replaced by abundant arsenopyrite and pyrrhotite, lesser amounts of pyrite, and by local trace amounts of chalcopyrite and sphalerite. This mineralization was accompanied by pervasive chloritic alteration, quartz veining, and silicification. Other gangue and accessory minerals included biotite, diopside, carbonates (calcite/dolomite/ankerite/siderite), apatite, monazite, tourmaline, ilmenite, and magnetite (Redfern et al., 1994).

The Homestake-style deposits are stratabound and contain abundant pyrrhotite (Ball, 2009) in sulphide-rich lenses (Friberg, 1989). The gold in this type of deposits is often localized in structurally thickened fold hinges, and along the intersection of early isoclinal folds and shear zones (Adams, 1989).

Keystone Mine

Gold occurs in sulphide-rich bodies and in iron formations that are in and associated with shear zones in the Keystone, Bullion, and Bismarck mines (Adams, 1989). Initial production from the Keystone mine in 1894 was from lenticular zones of schists mineralized with free gold, auriferous pyrite, and quartz (Huntoon, 1915). The mineralization was associated with shear zones striking N35°W, dipping 70–80 degrees northeast (Adams, 1989).

Mineralization in the Keystone mine is hosted mainly by biotitic schists and intrusive amphibolite and locally by silicate-sulphide-carbonate facies iron formation, basalt, and chert. Extensive chloritization and silicification is associated with the mineralization, which consists predominantly

of arsenopyrite and pyrite, with a minor amount of chalcopyrite, pyrrhotite and sphalerite (Redfern et al., 1994). The gold ores were not simple and free-milling (Bookstrom et al., 1985).

The Keystone iron formation lens has a strike length of about 6.2 miles (10 kilometres). The iron formation is stratigraphically above and adjacent to a pile of metamorphosed pillow basalt. It contains amphibole (grunerite, hornblende and/or actinolite), biotite, siderite/ankerite, arsenopyrite with gold, pyrrhotite, minor chalcopyrite and sphalerite. The iron formation is interbedded with metachert, amphibolite (metabasalt), and graphitic schist. It is cut locally by quartz veins, stringers, and pods. The mines are located in the thickest part of the silicate/sulphide/carbonate facies of the iron formation (Bookstrom et al., 1985).

Egyptian, Nathaniel Pope, Grand Island Mines

The Grand Island, Egyptian, and Nathaniel Pope groups adjoin the Keystone group on the northwest, and are on the same mineralized gold belt (Allsman, 1940). The Egyptian and Nathaniel Pope mines are located north of the Keystone-Holy Terror area along the Bullion-Keystone fault system (Adams, 1989). The gold was associated with abundant, often coarse, arsenopyrite and minor amounts of pyrrhotite, chalcopyrite, and sphalerite (Adams, 1989). The gold mineralization in the Egyptian area is hosted by the Keystone-Bismarck fault zones affecting biotitic schists, amphibolite, and iron formation. It is characterized by abundant arsenopyrite (5–15 percent) and strong chloritic alteration (Redfern, 1994).

In the Egyptian mine area gold occurs in sulphide-rich lenses associated with iron formation (Adams, 1989). The mineralization consisted of visible gold associated with arsenopyrite and pyrrhotite in iron formation (Ball, 2009) associated with arsenopyrite and pyrite-pyrrhotite. The iron formation layers from gold-bearing zones in the Egyptian mine area contained cummingtonite-grunerite and quartz, with some hornblende, biotite, chlorite, garnet, and local, late diopside-dolomite skarn with trace amounts of tourmaline and monazite (Parrish, 1994). A schematic block diagram illustrating gold mineralization at the Egyptian-Bismarck deposits is shown in Figure 9 (modified from Energy Fuels, 1995 internal report).

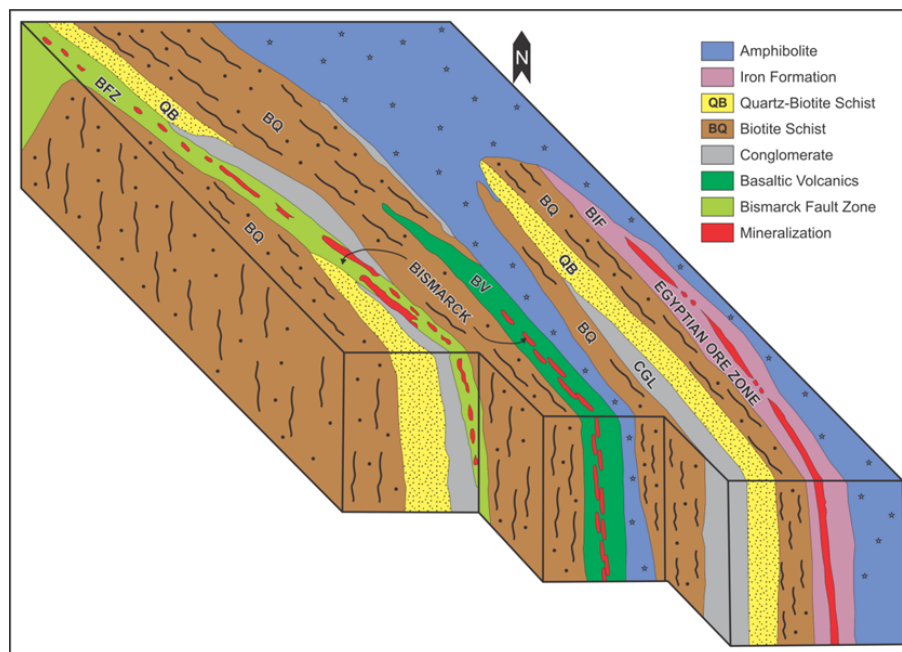


Figure 9: Schematic Block Diagram for Gold Mineralization at the Egyptian – Bismarck Deposits (modified from Energy Fuels, 1995 internal report)

The Egyptian No. 2 shaft exposes mineralization associated with arsenopyrite and pyrite-pyrrhotite in a cluster of ironstone lenses. The gold-rich lenses in the Egyptian area produce induced polarization geophysical anomalies (Friberg, 1989). Visible gold was found in drill core with abundant arsenopyrite and pyrrhotite in steep shoots, raking to the north (Parrish, 1994). Historic gold ore from the Egyptian No. 1 shaft was mined from an arsenopyrite-bearing fault breccia along the Bullion fault zone (Parrish, 1994). A native gold sample from the Egyptian No. 2 shaft area assayed 90.76 percent gold and 9.24 percent silver (Redfern et al., 1994). Figure 10 shows a typical gold zone from the Egyptian deposit.



Figure 10: Energy Fuels Corporation Core Drilling from the Egyptian Deposit Area, showing Gold Grades (in ounces per ton).

(Top: Borehole 93-24 and Bottom: Borehole 94-59, in yellow gold grade between sampling mark in ounce of gold per ton)

Ida Florence Mine

The Bismarck and Ida Florence groups are about 0.75 miles (1.2 kilometres) northwest of Keystone on a continuation of the Keystone gold belt (Allsman, 1940). The Ida Florence vein is dense and black, contains abundant hornblende and quartz, and resembles the “east vein” of the Bullion mine, which consists of lenticular veins, replacement deposits, in shear zones on the footwall side of diorite dikes (Allsman, 1940). Assays from the Ida Florence during development ranged between 0.24 and 0.50 ounce of gold per ton (8.2 to 17.1 grams of gold per tonne) (Parrish, 1994).

6.2.2 Gold-Quartz Veins Associated with Fault Zones in Schists

The gold-quartz veins contain white to gray, high-grade quartz with coarse, flaky gold (Redfern et al., 1994). These veins have low sulphide contents and contain locally abundant visible gold (Ball, 2009). Greywacke and possibly metagabbro (amphibolite) wall rocks are more favorable than the shaly rocks. Because fracturing appears to have been an important ore control, some areas above the garnet isograd in cross-folded and fractured competent strata might contain favorable veins (Redden and French, 1989).

Holy Terror Mine

The Holy Terror mine, the largest producer in the Keystone district, produced free-milling quartz-gold ore from the Holy Terror vein. Vein widths varied from 1.5 feet (45.7 centimetres) near the surface to about 6.0 feet (1.83 metres) in the lower mine workings. Historic ore grades varied from several ounces of gold per ton near the surface to about 0.40 ounce of gold per ton (13.7 grams of gold per tonne) in the lowest levels (Redfern et al., 1994).

The Holy Terror mine, located about 450 feet (137 metres) southwest of the Keystone mine, was developed on a quartz vein (striking N35°W, dipping 70–80 degrees northeast) that was roughly parallel with the Keystone and Bullion fault zones. The auriferous vein pinched and swelled, and ranged in thickness from a few inches to 18 inches (0.45 metres) in the upper workings, and from 3 feet to 6 feet (1 to 2 metres) in the lower workings (Adams, 1989).

The historic gold ore in the Holy Terror mine occurred in steeply raking shoots, in vein quartz, and along a right-lateral reverse fault. This occurrence style suggests that gold was remobilized and reconcentrated during later hydrothermal activity (Bookstrom et al., 1985). The Holy Terror fissure vein was in a secondary fracture system related to the Keystone fault (Kerr, 1987). The main vein was in the Holy Terror fault zone, and another quartz veins occurred in a parallel fault zone 225 feet (70 metres) south of the Holy Terror shaft (Parrish, 1994). Gold occurred in the Holy Terror mine as coarse, flaky gold with very little sulphide content in quartz veins (Adams 1989). Many gold-quartz specimens were taken from the vein and appear in museums, such as the South Dakota School of Mines Museum in Rapid City (Allsman, 1940; Parrish, 1994). Historic gold ore specimens in museums show that minor amounts of sulphides (pyrite, arsenopyrite) were associated with gold in the main vein (Redfern et al., 1994).

Juniper Claim Group

The Juniper group is about 0.75 miles (1.2 kilometres) northwest of Keystone and joins the Bismarck-Ida Florence group on the southwest. The gold mineralization on the Juniper claim occupies a shear zone in the Precambrian metamorphic rocks. The shear zone strikes northwesterly and dips about 50 degrees northeast. The shear zone is about 60 feet (18 metres) wide at the surface and 45 feet (14 metres) wide in the lower level. Stringers and veins of quartz occurred throughout the shear zone (Allsman, 1940). The Juniper mine consisted of narrow stopes on one, or more, narrow

vein-fault structures in biotite quartz schist, with stopes oriented at a high angle to the regional foliation trend.

6.2.3 Gold-Sulphide Veins in Breccia

The fault-controlled, breccia-type of gold deposits differ from the gold–quartz-vein–type gold deposits in the Keystone mining district in that the breccia-type deposits have diverse wall rocks, occur in rocks of diverse metamorphic grade, and are localized along known faults and breccia zones. Gold is concentrated in breccia zones that have had repeated movement. Complexly folded chert-cumingtonite iron formation generally borders or is cut by the mineralized zones. All the rocks are crossed by the breccia zones, which are impregnated with graphite, sericite, and chlorite, and which are cut by small quartz-carbonate veins. Pyrite and arsenopyrite are concentrated in the breccia and gouge. Because the most productive mines all have iron formation closely associated with the breccia zones, gold may have been remobilized from the iron formation and concentrated in the breccia (Redden and French, 1989). Most of the faults, and thus the age of gold mineralization, postdate regional metamorphism (Redden and French, 1989). The potential for breccia- or fault-controlled deposits is enhanced where faults cut favorable country rocks, namely iron formation (Redden and French, 1989).

The fault-gouge style or breccia deposits are hosted in all rock types and examples include the Keystone and Columbia (Ball, 2009). These fault-hosted mineralized bodies are considered to be stratabound syngenetic sulphide-gold deposits that have been included as fault material within the shear zones (Friberg, 1989). Sulphide-type mineralization in the fault-related deposits is hosted by all the rock types present within the Keystone district. The sulphide-type mineralization is best developed in biotitic schist, iron formation, and amphibolite as fault breccias, quartz-arsenopyrite (+loellingite)-pyrite-pyrrhotite veins, vein breccias, and replacement haloes along the veins (Redfern et al., 1994). Iron formation-hosted mineralization in the fault zones is associated with pyrrhotite, arsenopyrite, chloritic alteration, silicification, minor carbonates (calcite/dolomite/ankerite/siderite), graphite and local tourmaline (Redfern et al., 1994).

Keystone Mine

The Keystone deposit consisted of overlapping lenticular mineralized zones with a considerable amount of the gold occurring with sulphide (arsenopyrite, pyrite-pyrrhotite) (Kerr, 1987). The historic mineralized zones were 15 to 40 feet (5 to 12 metres) wide and up to 200 feet (61 metres) long, and reportedly became more pyritic with depth (McCracken, 1925).

Gold mineralization shown in Cyprus Gold's drill core occurs within silicified biotite quartz schists, and biotite amphibolite that have been variously sheared and brecciated (Figure 12). Extensive chloritization and silicification is associated with the mineralization, which usually consists predominantly of pyrite and arsenopyrite, with a minor amount of chalcopyrite. An early, barren arsenopyrite is distinct from the later gold-rich arsenopyrite. This explains the correlation that samples high in gold usually contain high arsenic, but samples high in arsenic do not always contain gold (Rouse, 1992). A schematic block diagram illustrating gold mineralization at the Keystone deposits is shown in Figure 11 (modified from Energy Fuels, 1995 internal report). Figure 12 shows drill core from the Keystone deposit.

Egyptian No. 1

Gold mineralization at the Egyptian No. 1 mine occurs within a breccia zone up to 20 feet (6 metres) wide that lies along the Bullion fault. There is also gold mineralization in iron formation near the fault (Ball, 2009).

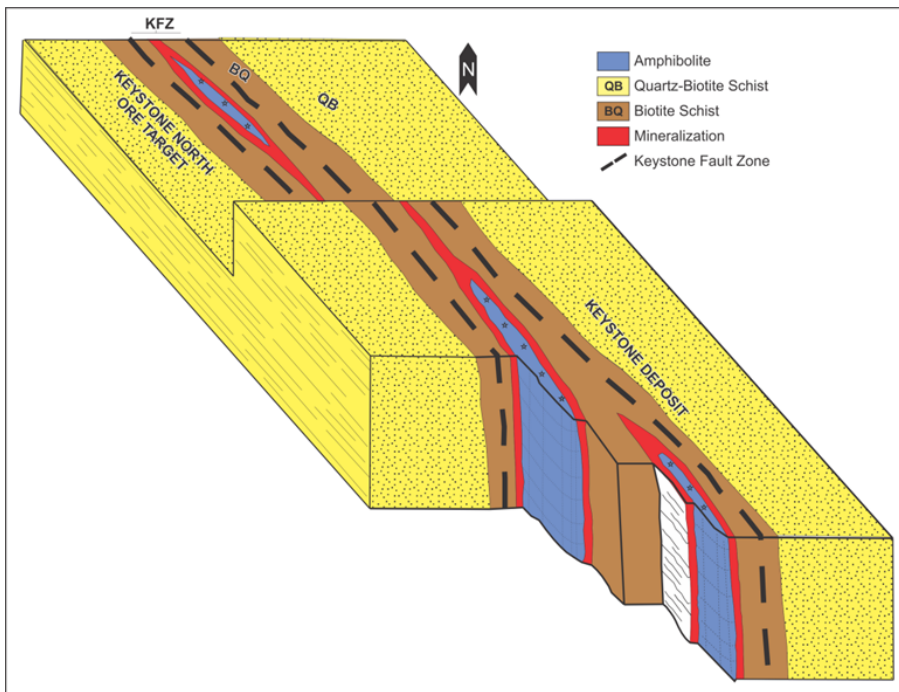


Figure 11: Schematic Block Diagram for Gold Mineralization at the Keystone Deposit (modified from Energy Fuels, 1995 internal report)



Figure 12: Cyprus Gold Core Drilling from Keystone Area (Borehole CK92_6) showing Gold Grades (in ounces per ton).

6.2.4 Pegmatite Deposits

Pegmatite associated with the Harney Peak Granite have been mined in the Keystone district for K-feldspar, and Na-feldspar, quartz mica, beryl, amblygonite, spodumene, lithiophilite-triphyllite, tourmaline, columbite-tantalite, and cassiterite (Bookstrom et al., 1985).

7 Deposit Types

This section discusses the general deposit types in the Keystone mining district and Holy Terror Gold Project.

7.1 Mineral Deposit Models

Classifications of ore deposits provide useful framework for designing exploration strategies, evaluating prospects, and performing resource assessments of selected areas (Robert et al., 1997). The classification for the gold deposits in the Keystone mining district is presented below.

7.1.1 Canadian Model 15.3 Iron-formation-hosted Stratabound Gold

The gold deposits of the Keystone region are most similar to the Homestake gold deposit in the northern Black Hills. The Homestake mine has been categorized as iron-formation-hosted stratabound gold in the summary of Canadian mineral deposit types (Kerswill, 1996). This is classified as model type 15.3 Iron-formation-hosted Stratabound Gold. A generalized diagram of stratiform iron-formation-hosted gold deposits (Homestake-type) is shown in Figure 13.

General characteristics of the iron-formation-hosted stratiform gold (Kerswill, 1996) include the following:

- A close association between native gold and iron sulphide minerals;
- The presence of gold-bearing quartz veins and/or shear zones;
- Structural complexity of the host terranes; and
- Paucity of lead and zinc in the ores.

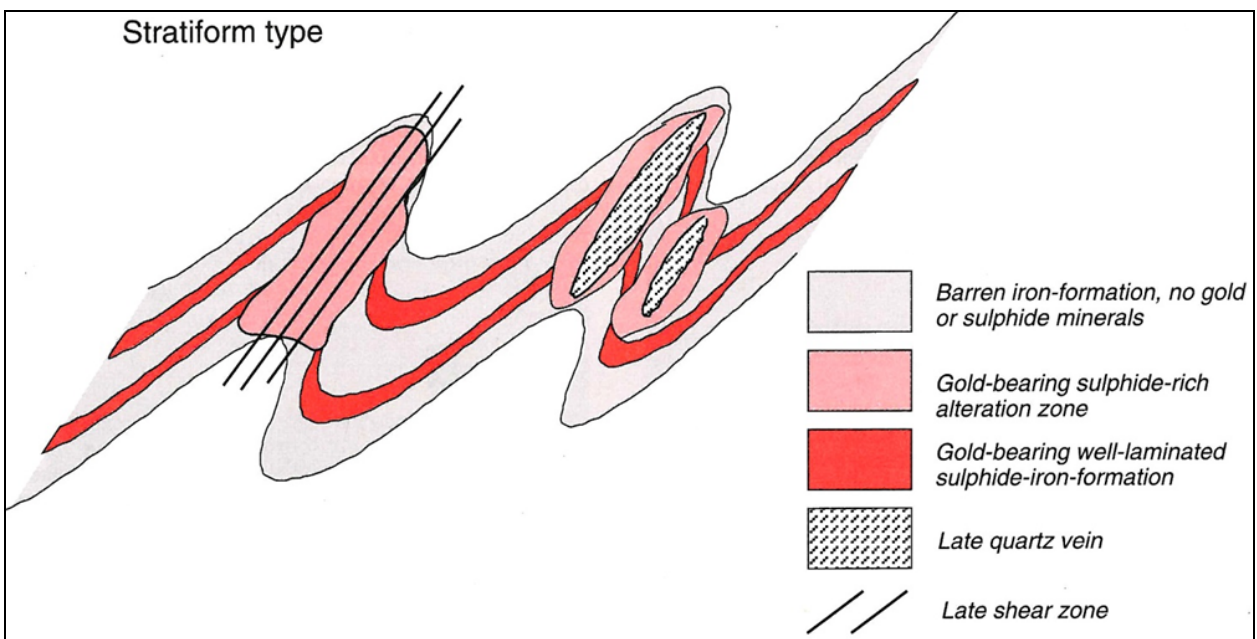


Figure 13: Diagram of Stratiform Iron-Formation-Hosted Gold Deposits (Homestake-type) (from Kerswill, 1996)

The iron-formation-hosted gold deposits can be subdivided into two subtypes: stratiform-type and non-stratiform- or vein-type deposits. The stratiform-type gold deposits were deposited at the same time and in the same environment as the volcanic and sedimentary rocks that enclose them. This exhalative deposition occurred from the spewing forth of sulphide- and gold-rich, hydrothermal (hot mineral-laden water) fluids that were expelled from volcanic centres on the sea floor. Modern examples are present in submarine rift valleys or in hot springs associated with active geothermal zones (Kerswill, 1996). Examples of the stratiform subtype in the Keystone district include the Keystone, Egyptian No. 2, Nathaniel Pope, Grand Island, and Ida Florence deposits.

The geological setting of the stratiform-type, iron-formation-hosted gold deposits is sulphide-iron-formation occurring within portions of greenstone terranes dominated by clastic sedimentary rock (mostly turbidite), or locally to quartz veins that crosscut the banded iron formations. The sedimentary rocks are deformed with at least local areas of tight to isoclinal folding and with several generations of folds. Metamorphic grade ranges from middle greenschist to lower amphibolite facies. The lateral or down-plunge extents of the gold mineralization are tens to hundreds of times greater than their thicknesses. Pyrrhotite in cherty sulphide-iron-formation is closely associated with gold. Arsenic-bearing sulphide minerals are spatially related to late quartz veins and/or shear zones (Kerswill, 1996).

The vein subtype of the iron-formation gold deposits is hosted by iron formations in late structures (quartz veins and/or shear zones) and/or iron sulphide-rich zones adjacent to structures. Examples of the gold-quartz-vein subtype in the Keystone mining district include the Holy Terror and Juniper deposits. Examples of the shear zone subtype include the Keystone and Egyptian No. 1 deposits.

The iron-formation-hosted stratiform-type deposit is also called the Homestake-type. These iron-formation-hosted vein and disseminated types of gold deposits were deposited in a geological setting of mixed volcanic, volcanoclastic, and sedimentary sequences in greenstone belts. The form of mineralization is in banded, strata-bound, disseminated to massive, sulphide lenses and discordant quartz veins. Metal associations are gold with minor silver and arsenic. Typical size and grade of deposits range from 1.1 to 11 million tons (1 to 10 million tonnes) of ore at 0.09 to 0.58 ounce of gold per tonne (3 to 20 grams of gold per tonne) gold (Robert et al., 1997).

7.1.2 U.S. Geological Survey Model 36b Homestake Gold

The descriptive model of the Homestake gold type (Model 36b) in the U.S. Geological Survey classification (Cox and Singer, 1986) gives synonyms of volcanogenic gold, iron-formation-hosted gold and Archean lode gold (Berger, 1986). They are described as stratabound to stratiform gold deposits in iron-rich chemical sediments in Precambrian metavolcanic terranes. They are associated with regionally metamorphosed mafic and felsic metavolcanic rocks and volcanoclastic sediments interlayered with banded iron formation. The depositional environment is submarine hot-spring activity related to volcanism, and possible later hydrothermal activity related to intrusive rocks. The ore controls consist of bedded ores in iron-rich siliceous or carbonate-rich chemical sediments with vein and stockworks interlayered with volcanic flow rocks (Berger, 1986).

8 Exploration

8.1 Historical Exploration (1876 to 1995)

A summary of the historical exploration work completed between 1876 and 1995 is discussed in Section 5 of this technical report.

8.2 Recent Exploration by Mineral Mountain (2012)

Exploration work on the Holy Terror property conducted by Mineral Mountain has been limited to data compilation, and the sorting of an extensive historical library of digital files that were provided to Mineral Mountain as part of the agreement with Holy Terror Mining Company. Level plans and cross sections were compiled and converted to a digital format to assist in developing three-dimensional (3D) geological models. Borehole data was received in Surpac format and converted to files that could be imported into Gemcom and Leapfrog software packages. Four-foot (1.2-metre) composites were developed for the drill borehole assay data, and output relative to the mine shafts and underground development. All data were converted to metric units and composites were developed. A lower cut-off grade of 0.009 ounce of gold per tonne (0.3 gram per tonne) was applied and visualized to assess the continuity of gold mineralization for potential underground bulk mining.

Some 73 exploration boreholes were imported into Gemcom, and assay data were verified and entered into a digital database. The results of this preliminary examination of the borehole database indicate that most of the historical work has been limited to shallow targets to a depth of approximately 250 metres.

Although the focus of the early exploration work was on high grade, narrow gold zones, Mineral Mountain considers that there is a good potential for continuity of the gold mineralization at depth and along strike. Mineral Mountain has also identified zones of thicker gold mineralization for investigation by drilling.

An initial site visit was carried out by Mineral Mountain exploration staff on April 11 and 12, 2012. During this first visit, Keystone and Holy Terror patents area and the Bullion, Bismarck and Lucky Boy properties were examined.

A review of the historical drill logs and assay results suggest that early exploration targeted high grade gold mineralization hosted by narrow veins. This strategy was probably driven by gold prices at the time.

Mineral Mountain took two verification samples on the Holy Terror property and three verification samples on adjacent properties during the initial site visit. Sampling was limited to grab samples from dump and open cut rubble. Samples were submitted to the accredited ALS Minerals Laboratory in Sudbury, Ontario for preparation and assaying. Assay results are presented in Table 6. The location of the sample is shown in Appendix D.

Samples L751002 and L751005 represent host rock to the veins, whereas the other samples (L751001, L751003, and L751004) represent sulphide –rich quartz vein material with anomalous gold and arsenic. Although minimal reference is made to recoverable silver in archived reports the samples collected by Mineral Mountain, contain 1 to 4 grams of silver per tonne.

Table 6: Verification Grab Samples Taken for the Holy Terror Gold Project by Mineral Mountain

| Sample Numbers | Au (ppm) | Ag (ppm) | As (ppm) | Fe (%) | S (%) | Location / Sample Descriptions |
|-----------------------|-----------------|-----------------|-----------------|---------------|--------------|--|
| L751001 | 9.86 | 1.69 | >10,000 | 12.25 | 4.25 | Juniper Mine- quartz vein with pyrite and pyrrhotite (on property) |
| L751002 | 1.45 | 0.06 | 525 | 1.91 | 0.06 | Holy Terror Mine- biotite-quartz schist hanging wall (on property) |
| L751003 | 25.50 | 3.61 | >10,000 | 11.95 | 5.39 | Bismarck Shaft Area rubble- smokey grey quartz and arsenopyrite (on adjacent property) |
| L751004 | 12.90 | 0.56 | >10,000 | 6.32 | 1.57 | Bismarck Open-Cut- smokey grey quartz and arsenopyrite (on adjacent property) |
| L751005 | 6.88 | 1.29 | 7,920 | 8.70 | 3.31 | Bismarck Open-Cut- possible sediment with 1-3 % arsenopyrite (on adjacent property) |

9 Drilling

Drilling in the Keystone area is solely historical in nature, with intermittent surface and underground core drilling programs completed from 1980 to 1995 by five separate operators. No drilling has been performed on the Holy Terror Gold Project or in the Keystone area since 1995. A chronological summary of all drilling completed within a 1.2-mile (2.0-kilometre) radius of the current Holy Terror Gold Project (including on adjacent properties) is presented in the following subsections.

9.1 Historical Drilling (1942 to 1995)

Mineral Mountain acquired a historical Vulcan database containing information for 100 surface and underground core boreholes (23,760 metres). This database was compiled at the request of Energy Fuels Corporation circa 1993 by Maptek of Lakewood Colorado, and involved the compilation and manual entry of analytical results and historical drilling data from the period 1980–1992. Maptek was also engaged by Energy Fuels to update the database as drilling proceeded during the period 1993–1995. The finalized database was provided to the Holy Terror Mining Company by Energy Fuels Corporation at the end of the work program in 1995. A plan showing drilling on the Holy Terror property is provided in Figure 14. It is significant to note that although the entire historical Vulcan database contains information for 100 surface and underground core boreholes, only twenty one of these are collared within the current extents of the Holy Terror Gold Project.

Table 7: Summary Table of Historical Drilling In Keystone District (1980-1995)

| Company | Location | Period | Borehole Count | Total (feet) | Total (metres) |
|--------------------|-------------|-----------|----------------|---------------|----------------|
| Homestake | Surface | 1980-1984 | 14 | 10,548 | 3,215 |
| Beau Val Mines | Surface | 1988 | 2 | 1,336 | 407 |
| Kalahari Resources | Surface | 1991 | 3 | 1,169 | 357 |
| Cyprus Gold | Surface | 1992 | 5 | 4,642 | 1,415 |
| Cyprus Gold | Underground | 1992 | 3 | 2,236 | 682 |
| Energy Fuels | Surface | 1993-1995 | 64 | 54,964 | 16,753 |
| Energy Fuels | Underground | 1993 | 9 | 3,054 | 931 |
| Total | | | 100 | 77,951 | 23,760 |

9.1.1 1942 to 1980

There are no historical records available or evidence that indicates any drilling occurred in the Holy Terror Gold Project or immediate Keystone vicinity during this period.

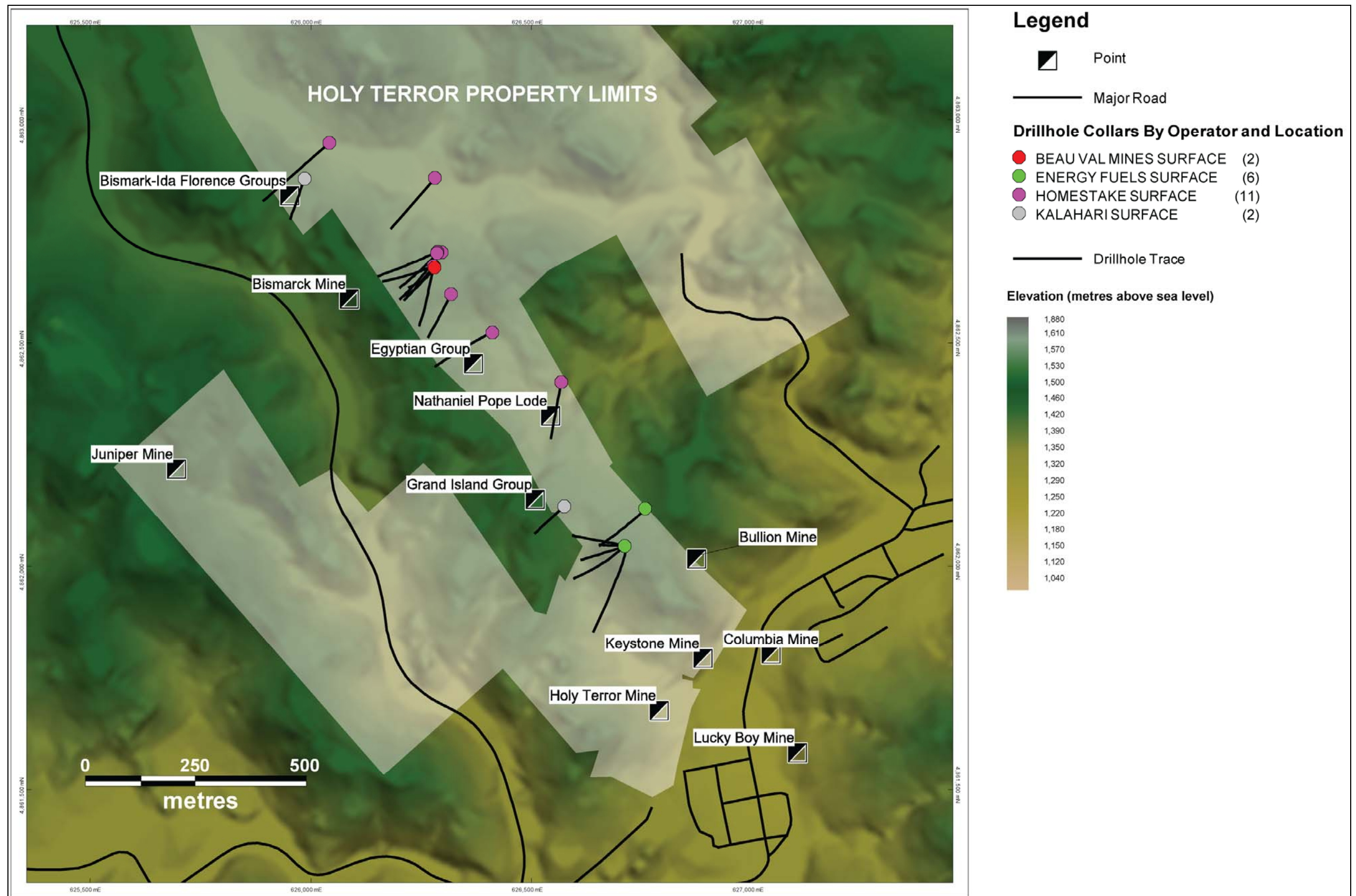


Figure 14: Map Showing the Distribution of Drilling on the Holy Terror Property (on a digital elevation model modified from Gesch, 2007)

9.1.2 Homestake Mining Company and Beau Val Mines Ltd

From 1980 to 1984, Homestake Mining Company drilled 14 surface core boreholes (3,215 metres). In 1988, Beau Val Mines Ltd. acquired a lease on the Homestake properties and drilled two core boreholes (407 metres). All of these boreholes targeted the Big Hit and Bismarck-Egyptian areas. To the best of SRK’s knowledge, neither drill core, nor any other original records exist for these boreholes apart from the data included in the Energy Fuels Corporation Vulcan database. An internal Homestake report prepared by Kerr (1987) provides some details of this drilling, including drill collar coordinates, down hole surveys, and length weighted gold assay composites. Personal communications with Chuck Winters from Maptek in Lakewood Colorado (2012) indicate that the original collar locations, drill logs and assay results were manually digitized from paper drill logs, sections and maps into a Vulcan mining software database when Maptek was engaged by Energy Fuels Corporation to perform a regional data compilation circa 1993. A list of significant assay intervals (for Homestake Mining Company and Beau Val Mines Ltd, 1980-1988) is provided in Table 8.

Table 8: Significant Gold Mineralization Intersected by Homestake Mining Company and Beau Val Mines Ltd Drilling (1980-1988)

| Hole ID | From | To | Core Length* | Au (gpt) | Au (opt) |
|-----------|---------------|---------------|--------------|-------------|-------------|
| | Feet (metres) | Feet (metres) | | | |
| KN88-13 | 394 (120) | 439 (134) | 45 (14) | 4.38 | 0.13 |
| KN83-4 | 421 (128) | 458 (140) | 37 (11) | 4.36 | 0.13 |
| Including | 426 (130) | 435 (133) | 9 (3) | 14.03 | 0.41 |
| KN83-5 | 404 (123) | 418 (127) | 15 (4) | 15.68 | 0.46 |

* There is insufficient information to determine if the reported core length intervals represent true widths.

Homestake Mining Company 1980–1981 Phase I Drilling

During the period from 1980 to 1981, Homestake Mining Company drilled two surface core boreholes in the Big Hit area (2,000 metres) southeast of the current Holy Terror Gold Project. No significant gold mineralization was intersected in this area, although wide intervals of iron formation with poor core recoveries were intersected. Based upon available data, no follow up drilling has been performed in this area.

Homestake Mining Company 1983–1984 Phase II Drilling

During the period from 1983 to 1984, Homestake Mining Company drilled 12 surface core boreholes in the Bismarck and Egyptian areas (2963 metres) and tested the intersection of the Keystone and Bullion structural trends.

Beau Val Mines Ltd. 1988

In 1988, 2 core boreholes (407 metres) were drilled by Beau Val Mines Ltd. in the Bismarck and Egyptian areas. These boreholes were designed to test the down plunge extensions of mineralization intersected by the Homestake drilling program.

9.1.3 Kalahari Resources Ltd. 1991

Three surface core boreholes (357 metres) were drilled by Kalahari Resources in 1991 along the Keystone and Bullion shear zones. No significant gold mineralization was intersected. Original paper drill logs and assay certificates from Skyline Labs Inc., formerly of Wheat Ridge, Colorado, have been verified against the digital database by Mineral Mountain.

9.1.4 Harrison Western Exploration / Cyprus Gold (Cyprus Minerals Co.) 1992

In 1992, Harrison Western Exploration (funded by Cyprus Gold), drilled 5 surface core boreholes (1,415 metres) and three underground core boreholes (682 metres). This drilling campaign focused on testing the Keystone shear zone in the vicinity of the Keystone mine from the 500- to 900-foot levels in unmined areas. The surface boreholes were collared near the Bullion mine adit portal at the 300-foot level and the underground boreholes were collared in a drill bay on the same drift ~328 feet (~100 metres) into the hillside from the Bullion portal. Drill core, original paper logs and assay certificates from Cone Geochemical Inc., formerly of Lakewood Colorado, are available for review.

Table 9: Significant Gold Mineralization Intersected by Harrison Western Exploration Drilling (1992)

| Hole ID | From Feet (metres) | To Feet (metres) | Core Length Feet (metres) | Au (gpt) | Au (opt) |
|---------|-----------------------|---------------------|------------------------------|-------------|-------------|
| CK92-1 | 604 (184) | 618 (188) | 14 (4) | 4.57 | 0.13 |
| CK92-3 | 996 (304) | 1,027 (313) | 31 (9) | 10.22 | 0.30 |
| CK92-5 | 557 (170) | 581 (177) | 24 (7) | 6.88 | 0.20 |
| CK92-6 | 749 (228) | 779 (237) | 30 (9) | 4.99 | 0.15 |

* There is insufficient information to determine if the reported core length intervals represent true widths.

9.1.5 Energy Fuels Corporation 1993–1995

Between 1993 and 1995, Energy Fuels Corporation drilled 73 surface and underground core boreholes (17,684 metres). This is by far the largest drilling program completed in the area in recent history. Underground drilling was performed from the Bullion mine on the 300-foot level with underground access provided from the adit portal on the same level. The drilling program was designed to confirm the existence of gold mineralization remaining in the Bullion mine between the 300- and 600-foot levels along the Bullion shear, and outline potentially mineable resources. The program included 64 surface boreholes (16,753 metres) in the Bismarck, Egyptian, Columbia, Lucky Boy, Nathaniel Pope and Grand Island areas.

Table 10: Significant Gold Mineralization Intersected by Energy Fuels Corporation Drilling (1993-1995)

| Hole ID | From Feet (metres) | To Feet (metres) | Core Length Feet (metres) | Au (gpt) | Au (opt) |
|-----------|-----------------------|---------------------|------------------------------|-------------|-------------|
| KG94-46 | 509 (155) | 522 (159) | 12 (4) | 8.13 | 0.24 |
| KG94-53 | 505 (154) | 518 (158) | 12 (4) | 7.30 | 0.21 |
| KG94-58 | 251 (77) | 331 (101) | 80 (24) | 3.84 | 0.11 |
| Including | 318 (97) | 326 (99) | 9 (3) | 11.83 | 0.35 |
| KG94-58 | 448 (137) | 451 (138) | 3 (1) | 15.74 | 0.46 |
| KG94-59 | 261 (80) | 365 (111) | 104 (32) | 3.91 | 0.11 |
| Including | 291 (89) | 294 (90) | 3 (1) | 13.82 | 0.40 |
| And | 308 (94) | 312 (95) | 3 (1) | 12.21 | 0.36 |

* There is insufficient information to determine if the reported core length intervals represent true widths.

9.2 Surveying

Survey records for diamond drilling campaigns prior to 1993 are intermittent and often incomplete. Based on available survey data, it is assumed that borehole deviation was monitored with acid tests. No directional downhole surveys appear to have been performed.

During the Energy Fuels drilling programs, boreholes collar locations were surveyed using standard survey techniques (theodolite) by FMG Engineering of Rapid City, South Dakota, and hole deviation was measured by Strata Data Inc. of Casper, Wyoming. Energy Fuels also surveyed boreholes from previous operators (e.g., Kalahari) when the original drill casing could be located.

9.3 Drilling Pattern and Density

Historical drilling completed on the properties was exploratory in nature with borehole pierce point spacing ranging from 25 to 150 metres, and averaging 50 to 150 metres below the surface. The vast majority of the boreholes were drilled from northeast to southwest such that stratigraphy and gold mineralization would be intersected as normal to the boreholes as possible. The deepest borehole in the database (KG93-28) was drilled by Energy Fuels and is 679 metres in length.

Energy Fuels performed near mine definition drilling programs at the Bismarck and Bullion mines with pierce points averaging 10 to 25 metres in an effort to delineate gold mineralization adjacent existing mine infrastructure.

9.4 Field Procedures

Historical procedures used to acquire the drilling information can only be inferred from the available data. The procedures are not documented. SRK did however interview Nuri Uzunlar, who was the project geologist for the Energy Fuels Corporation surface and underground drilling programs during the period from 1993 to 1995.

SRK understand that Energy Fuels Corporation used a industry standard procedures for borehole planning, survey, core logging and sampling, and the subsequent integration of this information into an exploration database. Drill logging was recorded directly onto paper log sheets that were later transferred to Microsoft Excel spreadsheets. Descriptive geological information was recorded, with appropriate validation procedures in place. Standardized logging procedures include the collection of lithological, structural, mineralization, and alteration features. SRK selectively reviewed core logging for certain boreholes and confirmed that these adequately represent the archived drill core. Core was not routinely photographed, although significant intersections and features are photographically recorded. Core is archived in storage facilities on the Holy Terror Gold Project.

10 Sampling Approach and Methodology

10.1 Historical Drilling Sampling

10.1.1 Core Drilling Sampling from 1980 to 1992

There are no records describing the core sampling method and approach used during the following exploration programs: Homestake Mining Company (1980-1984), Beau Val Mines Ltd (1988), Kalahari Resources Ltd (1991) and Harrison Western Exploration / Cyprus Gold (1992).

10.1.2 Core Drilling Sampling from 1993 to 1995

The core sampling method and approach used during the Energy Fuels Corporation from 1993 to 1995 are not documented. SRK interviewed Nuri Uzunlar, who was the project geologist for the Energy Fuels Corporation during this period. SRK understands that Energy Fuels Corporation used industry standard procedure for core sampling, and the subsequent integration of this information into an exploration database.

Core sampling procedures included the following stages:

- Samples were taken considering geologically-defined contacts;
- The sampling intervals were marked on the core and recorded in the paper log;
- A geologist placed sample tags at the beginning of each sample interval;
- The core boxes with the samples marked were then prepared for cutting by diamond saw;
- One of the sample tags was placed in the sample bag, while the other remained in the core box for reference;
- The sample bags were closed by the project geologist; and
- Sample bags were normally placed into a labelled rice bag and stored in a secured area prior to dispatch to the assaying laboratory.

10.2 SRK Comments

While it is difficult to audit retrospectively historical drilling data that are incompletely documented, SRK is of the opinion that the historical drilling data were acquired using industry best practices of the period. SRK is also of the opinion that the resulting drilling database compiled by Maptek was compiled with care and is reliable.

In the opinion of SRK, the sampling methodology and procedures used by Energy Fuels Corporation were appropriate. Core samples were collected by competent personnel using procedures meeting generally accepted industry best practices for the period. SRK concludes that the samples are representative of the source materials.

Apart from indicated above, SRK is unaware of any drilling, sampling or recovery factors that could materially impact the reliability of the historical drilling results.

11 Sample Preparation, Analyses and Security

11.1 Historical Sample Preparation and Analyses

11.1.1 Core Drilling Sampling from 1980 to 1992

There are no records describing the core sample preparation and analytical procedures used by Homestake Mining Company (1980-1984), Beau Val Mines Ltd (1988), Kalahari Resources Ltd (1991), and Harrison Western Exploration / Cyprus Gold (1992) exploration programs.

11.1.2 Core Drilling Sampling from 1993 to 1995

Core sample preparation and analytical procedures used by Energy Fuels Corporation (1993 to 1995) are not documented. SRK interviewed Nuri Uzunlar, who was the project geologist for the Energy Fuels Corporation during this period. In addition, SRK reviewed assay reports produced by the primary laboratory during this period.

Core samples were submitted to two analytical laboratories during this period. During 1993 samples from 14 boreholes (FD-93-1 to FD-93-10 and KG-93-11 to KG-93-14) were forwarded to Skyline Laboratories Inc. in Wheat Ridge, Colorado for sample preparation and analyses. Specific details of the sample preparation are unknown to SRK. Samples were assayed for gold by fire assay and reported in ounces of gold per ton.

During 1993 to 1995, samples from 59 boreholes (KG-93-15 to KG-95-73) were forwarded to Cone Geochemical in Lakewood, Colorado for sample preparation and analyses. Specific details of the sample preparation are unknown to SRK. Samples were assayed for gold by fire assay and reported in ounces of gold per ton.

SRK is unable to verify whether or not Skyline Laboratories Inc. or Cone Geochemical were accredited laboratories at the time they processed the samples delivered by Energy Fuels Corporation.

11.2 Quality Assurance and Quality Control Programs

Quality control measures are typically set in place to ensure the reliability and trustworthiness of exploration data. These measures include written field procedures and independent verifications of aspects such as drilling, surveying, sampling and assaying, data management and database integrity. Appropriate documentation of quality control measures and regular analysis of quality control data are important as a safeguard for project data, and form the basis for the quality assurance program implemented during exploration.

Analytical control measures typically involve internal and external laboratory control measures implemented to monitor the precision and accuracy of the sampling, preparation and assaying processes. They are also important to prevent sample mix-up and monitor the voluntary or inadvertent contamination of samples. Assaying protocols typically involve regular duplicate and replicate assays and insertion of quality control samples. Check assaying is typically performed as an additional reliability test of assaying results. This typically involves re-assaying a set number of sample rejects and pulps at a secondary umpire laboratory.

In addition, the operating company should implement comprehensive external analytical quality control measures to monitor the reliability of the assaying results delivered by the primary laboratories.

There are no records to indicate if specific internal or external analytical quality control measures were implemented by the primary laboratories or by the various exploration companies during 1980 to 1995.

12 Data Verification

12.1 Data Verification by Energy Fuels Corporation (1993-1995)

In 1993, Energy Fuels Corporation commissioned Maptek of Lakewood Colorado to digitize 100 surface and underground core boreholes (23,759 metres), and 166 wireframes of topography, underground excavations, outlines of gold mineralization and preliminary mining layouts.

This work involved the compilation, manual entry and verification of historical drilling data, and underground excavation and mineralization prior to 1992. Maptek also integrated the drilling information acquired during 1993-1995 period. The final database was handed over to the Holy Terror Mining Company at the termination of the exploration program circa 1995.

12.2 Data Verification by Mineral Mountain Resources (2012)

Mineral Mountain Resources received the project Vulcan database from the Holy Terror Mining Company and performed numerous data validations. The drillhole, polyline and wireframe data sets were exported into GEMS and Leapfrog mining software packages. MapInfo Professional GIS software was utilized for spatial two-dimensional validation.

Automated borehole validations in conjunction with visual checks were performed to test for missing samples, sample overlaps, surveying errors and borehole replications. No errors were detected. Approximately 15 percent of assays and 10 percent of lithologies were manually cross referenced from available original paper logs and assay certificates. No material errors were detected.

Borehole collars and underground development wireframe were checked in the field by Mineral Mountain staff in April 2012 using a Garmin Montana 650T WAAS-enabled GPS system. Locations of selected borehole collars, mine shafts, adits, and open cuts fell within accepted tolerances normally inside the accuracy limits of the GPS unit.

Elevation data for the Vulcan database topographic surface was consistently outside accepted tolerances and averaged 17 metres above point elevation data measured in the field with GPS. Personal communications with Rick Baker of FMG Engineering in Rapid City, South Dakota indicate that this error is due to differences in datum levelling and can be easily corrected.

12.3 Data Verification by SRK (2012)

12.3.1 Site Visit

In accordance with National Instrument 43-101 guidelines, SRK visited the Holy Terror Gold Project on May 1 and 2, 2012. The main purpose of the site visit was to examine drill core, audit project technical data, and to interview project personnel. SRK also collected relevant information for the compilation of a technical report. SRK was given full access to relevant data and conducted interviews of Mineral Mountain and former Energy Fuels Corporation personnel to understand the procedures used to collect, record, store and analyse historical exploration data.

SRK reviewed drill core from several boreholes intersecting gold mineralization from various zones at the Holy Terror Gold Project, and found the logging information to accurately reflect actual drill

core. The lithology and sulphide mineralization contacts checked by SRK match the information reported in the drill logs. Generally, the boundaries of the gold zones examined in core match the boundaries determined from assay results. SRK also visited accessible underground workings.

13 Adjacent Properties

The adjacent properties discussed in this section host gold mineralization within the same structural trends and features as that observed on the Holy Terror property. Figure 15 illustrates the Holy Terror property in relation to adjacent properties. The reader is cautioned that SRK was unable to verify the analytical results and interpretations in this section, and, therefore, such information does not necessarily indicate that the gold mineralization on the adjacent properties exist on the Holy Terror Gold Project.

13.1 Bismarck Mine

The Bismarck mine occurs on Bismarck Gold 1407 patented claim located about 600 metres northwest of the Keystone mine, and is contiguous to the west of KG#3 claim that covers the Egyptian No. 2 mine.

The Bismarck mine was one of the earliest gold mining operations in the district, with small scale mining initiated in 1893. The Golconda Mining Company shipped 212 tons (192 tonnes) of ore for testing in 1893. Mining proceeded intermittently until the Ingraham and Company custom mill opened in 1895 on the Big Thunder property. Records are poor to non-existent for the remainder of the period. Shortages of water in the mine workings hindered development of the mine.

The Mainstay Mining and Milling Company (Mainstay) acquired the Bismarck mine and pursued development of a shaft, drifts and crosscuts from 1904 to 1907. A 30 stamp cyanidation mill treated 11,000 tons (10,000 tonnes) of ore.

Mine ownership was transferred from Mainstay to the Carolina Gold Mining Company (Carolina) in 1907, and though the mine and mill were shut down around 1912 because of poor gold recovery in the 30 stamp mill and lack of water, the property was held by Carolina until 1936. See to Table 11 for gold production statistics from 1904 to 1912.

Table 11: Production from Bismarck Mine from 1904 to 1912 (Allsman, 1940)

| Year | Ore Milled (tons) | Gold Recovered (ounces) | Silver Recovered (ounces) |
|--------------|-------------------|-------------------------|---------------------------|
| 1904 | 100 | 36.43 | n/a |
| 1905 | 1,125 | 750.00 | n/a |
| 1906 | 1,654 | 194.95 | 82 |
| 1911 | 1,600 | 93.68 | 25 |
| 1912 | n/a | 4.67 | 12 |
| Total | 4,479 | 1,079.73 | 119 |

Mines Finance Development Shares Inc. gained control of the Bismarck and adjacent properties in 1936. The mine was opened and previously broken ore from the 100- and 200-foot (30- and 60-metre) levels removed.

There is no further record of activity on the property. It has been reported that while the Bismarck mine was mined from 1893 to 1936 more than 4,691 tons (4,256 tonnes) of ore were mined, grading 0.24 ounce of gold per ton (8.23 grams of gold per tonne) for a total of more than 1,127 ounces (35,054 grams) of gold produced.

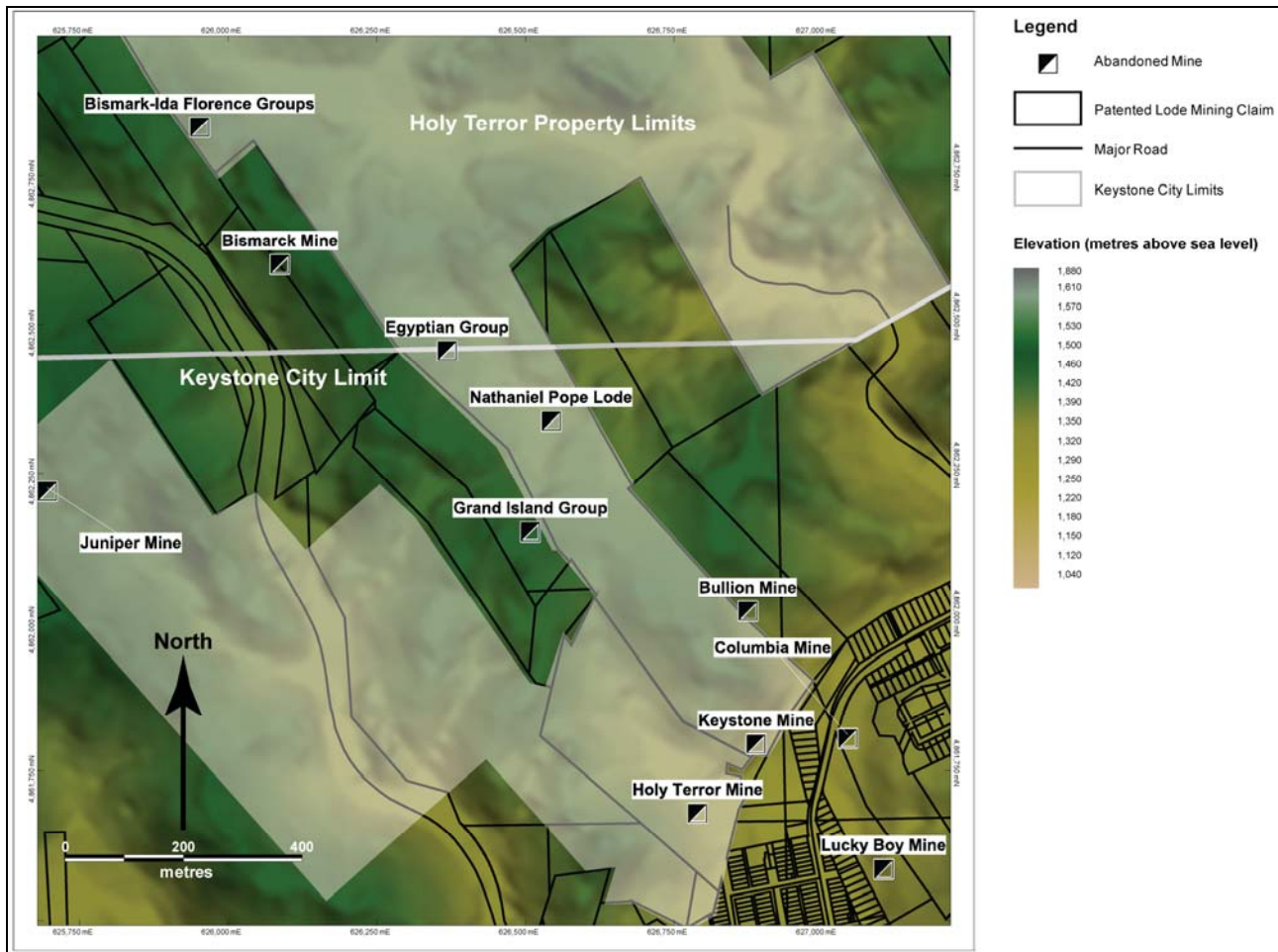


Figure 15: Holy Terror Property in Relation to Adjacent Properties (on a digital elevation model modified from Gesch, 2007)

From 1980 to 1984 the Homestake Mining Company acquired the Bismarck-Egyptian group of claims, a number of other privately held claims, and staked a large number of additional claims in an attempt to consolidate the mining district. The exploration program included detailed surface and underground mapping (unspecified locations), and a VLF and magnetic survey over a large area. Homestake drilled 12 exploration boreholes at surface in the Bismarck and Egyptian areas during 1983–84. Borehole KN83-5, drilled in the vicinity of the Bismarck mine workings, returned 0.268 ounce of gold per ton (9.19 grams of gold per tonne) over a core length of 29 feet (8.8 metres) from 392 feet (120 metres) to 421 feet (128 metres).

Beau Val Mines Ltd. optioned the Homestake ground and conducted detailed surface and underground mapping and sampling from 1986 to 1987. In 1988, Beau Val drilled a surface core borehole (KN88-13) close to and southeast of the Bismarck mine workings that returned a core length interval of 45 feet (14 metres) grading 0.13 ounce of gold per ton (4.38 grams of gold per tonne) from 394 feet (120 metres) to 439 feet (134 metres). In addition, they completed a resistivity survey (33.3 line kilometres) of gradient array measurements carried out on two grids comprising about 2/3 of the property, including detailed 2.7 line kilometres over the Bismarck-Egyptian anomaly. Beau Val lost their lease shortly thereafter due to lack of funds.

Kalahari Resources Inc. drilled three surface boreholes (K-1 to K-3) (381 metres) on VLF-EM anomaly 'K', north (Ida Florence area) and south (Egyptian/Grand Island area) of Bismarck in August 1991. No gold ore was intersected in any of the three boreholes. They lost all claim holdings late in 1991.

Energy Fuels Corporation drilled 17 surface core boreholes (4,250 metres) within the Bismarck mine workings (KG93-21 to 24, including KG93-34 and 35, KG94-54 and 57); near the southeast periphery of the workings, in part to follow up on Beau Val's result in Borehole KN88-13 (KG94-46, KG94-50 and 51, KG94-53, KG94-58 to 60); and below the workings (KG94-55 and 62). Note: Boreholes KG94-52 and 56 were drilled in the Nathaniel Pope area.

Akright (1996) provides a list of significant results at Bismarck. Borehole KG94-59 returned 0.114 ounce of gold per ton (3.91 grams of gold per tonne) over a core length of 104.0 feet (31.7 metres) from 261 feet (79.5 metres) to 365 feet (111.2 metres).

Gold mineralization at Bismarck is classified as fault-related, sulphide replacement-type spatially associated with the Keystone and Bismarck fault zones. Sulphide mineralogy is typically arsenopyrite and pyrrhotite and host rocks include biotite schists, iron formation and amphibolite.

13.2 Warren and Cross Claims

The Warren 1533 patented claim is located north of and contiguous to the Bismarck Gold 1407 patented claim. The Cross 1533 patented claim is contiguous and west of Warren 1533.

There is no record of early exploration history for these claims.

In 1994, Energy Fuels Corporation drilled 5 core boreholes (KG94-63–66 incl.; 1,267 metres) in the Warren/Cross area to test for the northern extension of gold mineralization discovered at the Bismarck mine. Akright (1995) shows a best grade of 0.190 ounce of gold per ton (6.51 grams of gold per tonne) over a core length of 5.5 feet (1.7 metres) from 494 feet (150.6 metres) to 499.5 feet (152.3 metres) from Borehole KG94-65.

13.3 Bullion and Columbia Mines

The Bullion mine occurs on Bullion 2136 patented claim located about 450 feet (137 metres) northeast of the Keystone mine and contiguous to the east of Keystone No. 2 patented claim. The Columbia mine occurs on Three Jay Gold 2106 patented claim located 425 metres southeast of and contiguous to the Bullion mine.

First discovered in 1877, the Bullion mine, comprising the Bullion and East vein, was mined by open cut (circa 1900) to a depth of 300 feet (91 metres). During this early phase of development, two adits were driven along the vein, below the open cut on the 60- (18-metre) and 300-foot (91-metre) levels and crosscuts established to exploit the Bullion structure. This is referred to as the Bullion North ore shoot. The Bullion mine adit is depicted in Figure 16.

In 1927, Keystone Consolidated Mines, Inc. put a land package together that consolidated the Keystone, Holy Terror, Bullion and Columbia mines. During this period, the Columbia shaft was extended to 300 feet (91 metres) below surface and a drift was completed at the 600-foot (183-metre) level, connecting the Columbia and Bullion mines. A schematic block diagram illustrating gold mineralization within the Bullion Fault Zone is shown in Figure 17 (modified from Energy Fuels, 1995 internal report).



Figure 16: Bullion Mine Adit (as at May 2012)

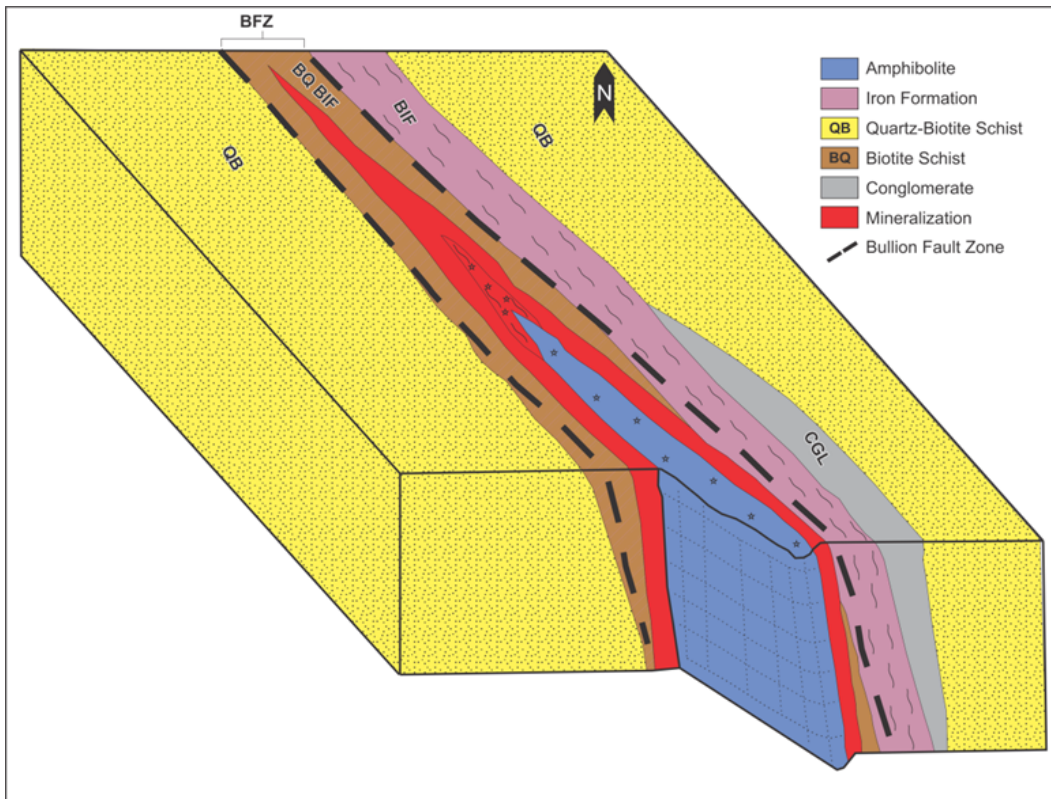


Figure 17: Schematic Block Diagram for Gold Mineralization at the Bullion Deposit (modified from Energy Fuels, 1995 internal report)

Energy Fuels Corporation drilled 25 core boreholes from 1993 to 1995 that tested the downward extension of the Bullion North ore shoot (FD93-1-8 incl., KG94-28-30 incl. and KG95-73), the Bullion South ore shoot (KG93-16-20 incl., KG93-31-33 incl.), and the Columbia mine, below the 300-foot level workings (KG93-10-12 incl., KG93-14 and KG93-25). Energy Fuels reported a best grade of 0.378 ounce of gold per ton (12.96 grams of gold per tonne) over a core length of 26.4 feet (8.1 metres) from 148.1 feet (45.1 metres) to 174.5 feet (53.2 metres) in Borehole FD93-6 on the Bullion North ore shoot.

Gold mineralization is structurally controlled and spatially related to the Bullion fault zone (Figure 17). The style of mineralization is classified as sulphide replacement-type (Bullion) and quartz-vein-type (Columbia) containing arsenopyrite, pyrite, pyrrhotite with accompanying chlorite and carbonate alteration, hosted within quartz-biotite schists and iron formation close to intrusive amphibolite bodies.

13.4 Lucky Boy Mine

The Lucky Boy mine occurs on Lucky Boy 2103 patented claim located about 1,200 feet (366 metres) south of the Keystone mine and 800 feet (244 metres) southwest of the Columbia mine. A small gap occupied by the Reed Placer 903 and the Harney Hydraulic Placer 320 patented claims occur between the Keystone 1029 patented claim and the Lucky Boy 2103 patented claim.

The Lucky Boy mine consists of a shaft (circa 1930) to 300 feet (91 metres) and a main adit connected to the shaft at the 100-foot (30 metres) level. Drifts were established at the 200-foot (60 metres) and 300-foot (91 metres) levels.

Energy Fuels drilled eight boreholes (KG93-13–15 incl., KG93-25 and 26 and KG93-37–39 incl.) within and below the Lucky Boy workings, two boreholes of which were extended to intersect below the Columbia workings (KG93-14 and 25). The best result was reported in Borehole KG93-26 that returned 0.229 ounce of gold per ton (7.85 grams of gold per tonne) over a core length of 31.3 feet (9.5 metres) from 354.5 feet (108.0 metres) to 385.8 feet (117.5 metres).

Gold mineralization is structurally controlled and spatially related to the Keystone fault and is classified as sulphide replacement-type, similar in style to that found at the Keystone, Bismarck and Bullion-Columbia mines. It is interpreted that Lucky Boy is a continuation of the Keystone mineralized trend.

14 Mineral Processing and Metallurgical Testing

Historical records about gold recovery from the Keystone district mines are very limited. Historical records usually indicate the recovered gold grades only, without reporting head grades.

Mill tests reported for the Holy Terror mill from November 15 to 19, 1900, indicate gold recoveries of 68.7 percent. A report of a 10 stamp test in the Keystone mill dated July 10, 1900 shows a recovery of 65.3 percent.

In a report on the Columbia and Bullion group of claims dated March 1939, A. I. Johnson indicate gold recoveries from the Blue Bird mill, located about a mile from the Bullion mine, to be 82.6 percent for gold and 84.5 percent for arsenic for the period from January to April, 1924.

Metallurgical testwork was carried out by Homestake Mining Company, and reported in a 1987 Keystone Status report by E. J. Kerr. In these tests, five samples from the Keystone project were sent to Dawson Metallurgical Laboratories, in Salt Lake City, Utah for testing. Tests included bottle roll cyanide leach amenability, gravity concentration, and gravity tails cyanide leach. Four of the samples were rejects from core boreholes and the fifth was a high-grade dump sample from the Egyptian No. 2 shaft. Recoveries from the leach tests ranged from 82.0 percent to 93.3 percent, and averaged 87.3 percent for the five samples. Recoveries from the gravity plus leach tests ranged from 89.5 percent to 94.9 percent, with an average recovery of 91.9 percent.

Preliminary metallurgical tests were carried out in 1993 for Energy Fuels Corporation by Hazen Research, Inc. of Golden, Colorado. The purpose of the tests was to determine the response of Bullion mine samples to processing in the Homestake mill at Lead, South Dakota. As stated in the Hazen Research report, recoveries ranged from 80.0 percent to 93.1 percent from testing material ranging in grade from 0.16 to 0.44 ounce of gold per ton (5.00 to 13.75 grams of gold per tonne).

15 Mineral Resource and Mineral Reserve Estimates

Mineral resources and mineral reserves have not been delineated on the Holy Terror property.

16 Other Relevant Data

There is no other relevant data available about the Holy Terror Gold Project.

17 Interpretation and Conclusions

The Holy Terror Gold Project is an advanced gold exploration project in the Keystone mining district located in the southern Black Hills, Pennington County, South Dakota. The Keystone mining district hosts several gold deposits developed along northwest-trending fault zones in Early Proterozoic metamorphosed sedimentary and volcanic rock. Gold mining in the Keystone district commenced in 1874, with sporadic exploration and mining continuing until 1995.

Gold mineralization in the Keystone district is associated three different types of deposits:

- In iron formation as stratabound replacement bodies (as in the Homestake mine in the northern Black Hills);
- In fault zones as irregular gold-quartz veins in micaceous schists; and
- In fault breccias and sulphide veins within biotitic schists, iron formation, and amphibolite.

Mineral Mountain acquired the property for its potential to host the gold mineralization, and to evaluate potential extensions (along strike and down dip) of historical gold mines. The land tenure of the Holy Terror property consists of a group of 13 patented mining claims (77.47 acres or 0.31 square kilometres) and 22 unpatented lode claims (454.52 acres or 1.84 square kilometres) covering an aggregate area of 532 acres (2.15 square kilometres).

Historical exploration data for the Keystone mining district includes 100 surface and underground boreholes drilled by various exploration companies during the period 1980 to 1995. Only 21 boreholes from this database have been collared within the extents of the Holy Terror property.

SRK reviewed the exploration database and is of the opinion that the exploration work carried out by previous project operators was conducted using procedures consistent with industry best practices of that period. The procedures applied to compile exploration data prior to 1993 are undocumented..

Apart from regional government surveys, no regional airborne geophysical data are available for the Holy Terror Gold Project. Such information would be very useful to assess the geological and structural setting of the area and to guide future exploration work..

Based on the review completed as part of the compilation of this technical report, SRK concludes that Holy Terror Gold Project presents attractive exploration potential for gold mineralization similar to that from the historical mines. SRK concludes that this property is of merit and warrants further exploration expenditures.

18 Recommendations

The character of the Holy Terror Gold Project is of sufficient merit to justify additional exploration expenditures. The recommended initial work program aims at increasing the confidence of the historical exploration database, expanding the knowledge of the geological and structural setting of the property, and identifying exploration targets to be investigated by drilling.

Delineation drilling to support mineral resource modelling will be the objective of a subsequent exploration program.

The proposed initial exploration program includes:

- Archive drill core should be repacked and re-organised in a new secure core shed;
- Historical drill logging should be checked and verified;
- Archived core should be resampled to validate historical assays;
- High resolution airborne magnetic and electromagnetic data should be acquired over the property area;
- A Lidar survey should be completed over the property;
- The airborne geophysical data should be interpreted to assess the geological and structural setting of the area and help identify exploration targets;
- Verification core drilling should be completed to validate relevant historical drilling results;
- Finally, safety and mine hazards on the property should be assessed immediately and steps should be taken to mitigate any safety hazards.

The total cost for the recommended work program is estimated at approximately US\$1.15 million (Table 12).

Table 12: Estimated Cost for the Initial Exploration Program Proposed for the Holy Terror Gold Project

| Description | Total Cost (US\$) |
|--|-------------------|
| Confirmation Drilling | |
| Diamond drilling (all inclusive) | 500,000 |
| Subtotal | 500,000 |
| Technical Studies | |
| Geological Mapping | 100,000 |
| Lidar and Airborne Aeromagnetic Survey | 200,000 |
| Check Sampling and Data Validation | 50,000 |
| Preliminary Metallurgical Testwork | 50,000 |
| Structural Studies | 50,000 |
| Sub-total | 450,000 |
| Fieldwork | |
| Mine Hazard Assessment and Remediation | 50,000 |
| Field Office Setup | 50,000 |
| Repack Historical Drill Core | 50,000 |
| Subtotal | 150,000 |
| Contingency | 50,000 |
| Total | 1,150,000 |

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APPENDIX A

Legal Title Opinion

Mineral Title Opinion for Patented Claims

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MAX MAIN*
DWIGHT A. GUBBRUD*
JOHN W. WALLACE
*LICENSED IN SOUTH DAKOTA AND WYOMING

EST. 1908

RETIRED
DONN BENNETT

May 31, 2012

MINERAL TITLE OPINION

Via Email and U.S. Mail

Mineral Mountain Resources Ltd.
Attn: Manuela Balaj-Coroiu, Manager Legal Affairs
Suite 401-1195 West Broadway
Vancouver, B.C. V6H 3X5

TSX Venture Exchange
650 West Georgia Street, Suite 2700
Vancouver, B.C. V6B 4N9

**In re: Pennington County, South Dakota Lands described in
Exhibit A attached hereto (the “captioned lands”);
Our File No. 5152.002012.**

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Mineral Mountain Resources Ltd.
Mineral Title Opinion dated May 31, 2012

TITLE TO THE SURFACE AND MINERAL ESTATES:

Basing our opinion solely on the information shown in Exhibit B and subject to any comments and requirements set out below, we find title to the surface estate and mineral estate for the captioned lands to be vested as follows, as of April 13, 2012 at 7:30 a.m.:¹

Tract 1: Keystone Group, embracing the Keystone No. 1, Keystone, Keystone Fraction, and Keystone No. 2 Lode Mining Claims designated by the Surveyor General as Lot No. 1029, Pennington County, South Dakota, as described in Patent recorded June 2, 1897 in Mineral Patent Book C, Page 54; EXCEPTING therefrom Lot C of Keystone and Keystone No. 1 Placers in Mineral Survey No. 1029, as shown on the plat filed in Plat Book 9, Page 29.

| <u>SURFACE AND MINERAL ESTATES:</u> | Fractional Interest | Lease Royalty | Overriding Royalty |
|--|---------------------|---------------|--------------------|
| Holy Terror Mining Company P. O. Box 429 41 North Main Street Buffalo, WY 82834 | All | -0- | 1/4 of 1% |

Tract 2: Holy Terror No. 1, Holy Terror and Keystone No. 4 Lode Mining Claims designated by the Surveyor General as Lot No. 1093, Pennington County, South Dakota, as described in Patent recorded January 23, 1897 in Mineral Patent Book C, Page 259.

| <u>SURFACE AND MINERAL ESTATES:</u> | Fractional Interest | Lease Royalty | Overriding Royalty |
|--|---------------------|---------------|--------------------|
| Holy Terror Mining Company P. O. Box 429 41 North Main Street Buffalo, WY 82834 | All | -0- | 1/4 of 1% |

¹ The mineral estate does not include sand and gravel.

Mineral Mountain Resources Ltd.
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Tract 3: Pacific and Mary Jane Lode Mining Claims designated by the Surveyor General as Survey No. 1944, embracing a portion of Sections 4 and 5 in Township 2 South of Range 6 East of the Black Hills Meridian, Pennington County, South Dakota, as described in Patent recorded August 7, 1914, in Misc. Book L, Page 484.

| <u>SURFACE AND MINERAL ESTATES:</u> | Fractional Interest | Lease Royalty | Overriding Royalty |
|-------------------------------------|---------------------|---------------|--------------------|
| Jack V. Marton Buffalo, Wyoming | 2/3 | -0- | -0- |
| David J. May Buffalo, Wyoming | 1/3 | -0- | -0- |

Tract 4: Tract No. 0304 within Section 5 in Township 2 South of Range 6 East of the Black Hills Meridian, Pennington County, South Dakota, as described in and shown on the Property Boundary Survey filed December 3, 2004 in Plat Book 32, Page 125.

| <u>SURFACE AND MINERAL ESTATES:</u> | Fractional Interest | Lease Royalty | Overriding Royalty |
|--|---------------------|---------------|--------------------|
| Holy Terror Mining Company P. O. Box 429 41 North Main Street Buffalo, WY 82834 | All | -0- | -0- |

TITLE TO THE LEASEHOLD:

We find title to the mineral leasehold estate covering the captioned lands to be vested in the following named parties pursuant to the terms and provisions of the mineral leases and assignments thereof hereinafter described:

MINERAL LEASES:

1. None.

UNLEASED MINERAL INTERESTS:

1. None.

Mineral Mountain Resources Ltd.
Mineral Title Opinion dated May 31, 2012

AMENDMENTS TO LEASES:

1. None.

ASSIGNMENTS OF LEASES:

1. None.

ASSIGNMENTS OF OVERRIDING ROYALTY INTERESTS:

1. Name of Document: Assignment of Mineral Claim Interest.
Assignor: Jack Marton, President of Holy Terror Mining Company²
Assignees: Brian D. Hagg and Rexford A. Hagg
Recorded: Book 35, Page 6070; November 22, 1988.
Lands described: Tracts 1, 2, 3 and other lands.
Overriding Royalty: 1/4 of 1%.

SURFACE EASEMENTS:

We find the surface estate to be subject to the following easements:

Tract 1:

None.

Tract 2:

1. Name of Easement Grantee: Black Hills Power & Light Co.
Rapid City, South Dakota.
Grantor: George E. Flavin, Trustee
Recorded: Book 55, Page 531 Misc.; May 16, 1953.
Lands Affected: "Holy Terror Millsite M.S. 903."

² In this assignment, Jack Marton, President of Holy Terror Mining Co., purports to grant an overriding royalty to Brian D. Hagg and Rexford A. Hagg in Tract 3. However, Holy Terror Mining Co. did not own Tract 3 at the time. Consequently, no overriding royalty in Tract 3 was granted.

Mineral Mountain Resources Ltd.
Mineral Title Opinion dated May 31, 2012

Tract 3:

1. Name of Easement Grantee: Black Hills Power & Light Co.
Grantor: Northwest Beryllium Corporation
Recorded: Book 93, Page 137 Misc.; November 10, 1966.
Lands Affected: Tract 3.

2. Name of Easement Grantee: Black Hills Power & Light Co.
Grantor: Northwest Beryllium Corporation
Recorded: Book 93, Page 278 Misc.; November 27, 1967.
Lands Affected: The Pacific Claim of M.S. 1944 of Tract 3.

3. Name of Easement Grantee: Homestake Mining Company of California
Assignees: Beau Val Nevada Inc.
100-601 West Cordova Street.
Vancouver, B.C. Canada V6B 1G1

Beau Val Mines
100-601 West Cordova Street.
Vancouver, B.C. Canada V6B 1G1
Grantor: Jack V. Martin
Recorded: Book 32, Page 2553; August 24, 1987.
Lands Affected: Tract 3.

4. Name of Easement Grantee: Daniel J. Owens and Deanna K. Owens
1120 Harney
Keystone, SD 57751-2100
Grantors: Jack V. Marton and David J. May
Recorded: Book 179, Page 2046, Misc.; April 21, 2008.
Lands Affected: Mary Jane Lode of M.S. 1944 of Tract 3.

Mineral Mountain Resources Ltd.
Mineral Title Opinion dated May 31, 2012

FORMAL REQUIREMENTS:

This opinion is subject to the following:

- A. Compliance with all applicable city or county zoning ordinances and the enforcement of regulations or orders by the governmental bodies having jurisdiction. This must be determined by contact with county and city officials;
- B. Obtaining all permits and filing all notices for mineral exploration, development and mining as required by applicable laws, regulations, ordinances, and rules;
- C. Any applicable bankruptcy or insolvency laws, liens for current taxes not yet due, statutory mechanic's and materialman's liens not of record;
- D. Matters of area, conflicts and boundary lines that might be revealed or resolved by survey; and
- E. Whether this examination of title is based upon abstracts, county records or other documents, such examination may not necessarily disclose the present or past existence within or near the captioned lands of a river or other navigable or non-navigable body of water, which body of water may have caused an accretion or an avulsion and a resulting uncertainty of ownership. In any such event, appropriate current and historical surveys must be submitted for examination in order to determine whether further curative title work is required.

COMMENTS/REQUIREMENTS:

1.

The overriding royalty interest granted by Holy Terror Mining Company to Brian D. Hagg and Rexford A. Hagg has not been effectively released. The Release of Royalty Interest and Claims dated March 6, 1992 recorded at Book 44, Page 9750 on March 9, 1992 was ineffective in releasing this overriding royalty because it was given by the Law Firm of Whiting, Hagg & Hagg rather than Brian D. Hagg and Rexford A. Hagg, individually.

Requirement: Obtain a release of the overriding royalty from both Brian D. Hagg and Rexford A. Hagg.

Mineral Mountain Resources Ltd.
 Mineral Title Opinion dated May 31, 2012

SUMMARY OF WORKING INTEREST FOR TRACTS 1 and 2:

| | Working Interest | Royalty Burden | Overriding Royalty Burden | Net Working Interest |
|----------------------------|------------------|----------------|---------------------------|----------------------|
| Holy Terror Mining Company | 1.00000 | -0- | 0.00250 | 0.99750 |
| TOTAL | 1.00000 | -0- | 0.00250 | 0.99750 |

SUMMARY OF WORKING INTEREST FOR TRACT 3:

| | Working Interest | Royalty Burden | Overriding Royalty Burden | Net Working Interest |
|----------------|------------------|----------------|---------------------------|----------------------|
| Jack V. Marton | 0.66667 | -0- | -0- | 0.66667 |
| David J. May | 0.33333 | -0- | -0- | 0.33333 |
| TOTAL | 1.00000 | -0- | -0- | 1.00000 |

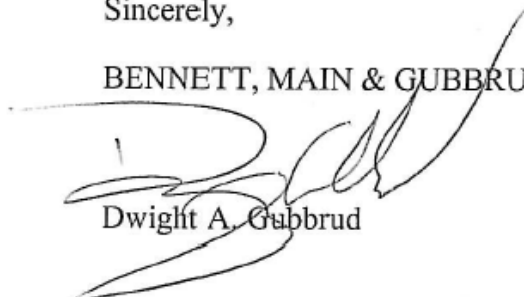
SUMMARY OF WORKING INTEREST FOR TRACT 4:

| | Working Interest | Royalty Burden | Overriding Royalty Burden | Net Working Interest |
|----------------------------|------------------|----------------|---------------------------|----------------------|
| Holy Terror Mining Company | 1.00000 | -0- | -0- | 1.00000 |
| TOTAL | 1.00000 | -0- | -0- | 1.00000 |

This opinion is furnished to you pursuant to your request, is solely for your use, and may not be relied upon by any other person for any purpose without our prior written consent.

Sincerely,

BENNETT, MAIN & GUBBRUD, P.C.



Dwight A. Gubbrud

DAG/ra

Mineral Mountain Resources Ltd.
Mineral Title Opinion dated May 31, 2012

EXHIBIT A

The legal descriptions are in the County of Pennington, State of South Dakota:

DESCRIPTION 1

Keystone Group, embracing the Keystone No. 1, Keystone, Keystone Fraction, and Keystone No. 2 Lode Mining Claims designated by the Surveyor General as Lot No. 1029, Pennington County, South Dakota, as described in Patent recorded June 2, 1897 in Mineral Patent Book C, Page 54; EXCEPTING therefrom Lot C of Keystone and Keystone No. 1 Placers in Mineral Survey No. 1029, as shown on the plat filed in Plat Book 9, Page 29.

DESCRIPTION 2

Holy Terror No. 1, Holy Terror and Keystone No. 4 Lode Mining Claims designated by the Surveyor General as Lot No. 1093, Pennington County, South Dakota, as described in Patent recorded January 23, 1897 in Mineral Patent Book C, Page 259.

DESCRIPTION 3

Pacific and Mary Jane Lode Mining Claims designated by the Surveyor General as Survey No. 1944, embracing a portion of Sections 4 and 5 in Township 2 South of Range 6 East of the Black Hills Meridian, Pennington County, South Dakota, as described in Patent recorded August 7, 1914, in Misc. Book L, Page 484.

DESCRIPTION 4

Tract No. 0304 within Section 5 in Township 2 South of Range 6 East of the Black Hills Meridian, Pennington County, South Dakota, as described in and shown on the Property Boundary Survey filed December 3, 2004 in Plat Book 32, Page 125.

Mineral Mountain Resources Ltd.
Mineral Title Opinion dated May 31, 2012

EXHIBIT B

ABSTRACTS EXAMINED

1. None.

TRANSCRIPTS OF TITLE EXAMINED

1. None.

TITLE INSURANCE POLICIES/COMMITMENTS EXAMINED

1. None.

MINERAL OWNERSHIP REPORTS EXAMINED

1. Ownership and Document Report issued by First American Title Company of South Dakota, 801 Mt. Rushmore Road, Suite 100, P. O. Box 8181, Rapid City, South Dakota 57709-8181, dated April 13, 2012 at 7:30 a.m.; File No. 00105993.

INSTRUMENTS EXAMINED

1. Documents listed in Section 6 of the Ownership and Document Report referenced above.

TELEPHONE CONFERENCES

1. May 24, 2012 telephone conference with Paula Hammond of First American Title Company of South Dakota, 801 Mt. Rushmore Road, Suite 100, Rapid City, South Dakota 57701.

Mineral Title Opinion for Unpatented Claims

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EST. 1908

RETIRED
DONN BENNETT

June 1, 2012

OPINION ON
UNPATENTED LODE MINING CLAIMS

Via Email and U.S. Mail

Mineral Mountain Resources Ltd.
Attn: Manuela Balaj-Coroiu, Manager Legal Affairs
Suite 401-1195 West Broadway
Vancouver, B.C. V6H 3X5

TSX Venture Exchange
650 West Georgia Street
Suite 2700
Vancouver, B.C. V6B 4N9

**In re: Unpatented Lode Mining Claims KG#1 through KG#16,
and KG#19 through KG#24, for a total of 22 claims,
Pennington County, South Dakota, BLM Serial Nos.
MMC219576 through MMC219593, and MMC220611
through MMC 220614 (the “KG Claims”).
Our File No. 5152.001012.**

Dear Mineral Mountain Resources Ltd. and TSX Venture Exchange:

At your request, we have examined copies of the following documents regarding the captioned KG Claims:

1. United States Department of Interior, Bureau of Land Management (“BLM”), Serial Register Pages for the KG Claims, with a run date of April 26, 2012.

Opinion on Unpatented Lode Mining Claims -
Mineral Mountain Resources Ltd. / Our File No. 5152.001012
May 31, 2012

2. Certificates of Location (“Certificates”) for the KG Claims, as recorded in the Office of the Pennington County, South Dakota, Register of Deeds.
3. Amended Certificates of Location (“Amended Certificates”) for the KG #6, KG #7, KG #9, KG #12, KG #13 and KG #14 Claims, as recorded in the Office of the Pennington County, South Dakota, Register of Deeds.
4. Affidavits dated December 12, 2008, December 21, 2009, August 26, 2010, and October 10, 2011, as recorded in the Office of the Pennington County, South Dakota, Register of Deeds.
5. Amended Certificate of Location for the KG #15 Claim, unrecorded.
6. Affidavit of David J. May dated May 24, 2012 for the 2008 assessment year, unrecorded.

Based on the foregoing, it is our opinion that:

- A. The Certificates and the Amended Certificates comply with South Dakota and federal requirements;
- B. The Certificates and the Amended Certificates were timely recorded in the Office of the Pennington County, South Dakota, Register of Deeds;
- C. Copies of the recorded Certificates and the recorded Amended Certificates were timely filed with the BLM; and
- D. All mining claim fees necessary to file the Certificates, and the Amended Certificates were paid.

Opinion on Unpatented Lode Mining Claims -
Mineral Mountain Resources Ltd. / Our File No. 5152.001012
May 31, 2012

CAUTIONARY NOTES:

This opinion letter is subject to the following:

- a. Matters of area, conflicts and boundary lines that might be revealed or resolved by survey.
- b. Obtaining all permits and filing all notices concerning exploration and mining operations as required by applicable laws, ordinances, rules and regulations.
- c. The undersigned has not made any physical inspection of any of the KG Claims or claim sites and therefore does not express any opinion as to the validity or adequacy of claim monumenting, discovery, or possession.
- d. The undersigned has not made any independent determination of the correctness of legal descriptions, courses, or distances, and therefore does not express any opinion as to the same.
- e. The recordation of the Amended Certificate for the KG #15 Claim described as Document No. 5 at the beginning of this opinion letter in the Office of the Pennington County, South Dakota, Register of Deeds, and the filing of a copy of the recorded Amended Certificate with the BLM within 90 days after recordation.
- f. The recordation of the Affidavit described as Document No. 6 at the beginning of this opinion letter in the Office of the Pennington County, South Dakota, Register of Deeds.

Opinion on Unpatented Lode Mining Claims -
Mineral Mountain Resources Ltd. / Our File No. 5152.001012
May 31, 2012

This opinion letter is furnished to you solely for your use, and may not be relied upon by any other person for any purpose without our prior written consent.

Sincerely,

BENNETT, MAIN & GUBBRUD, P.C.



Max Main

MM/ra

APPENDIX B

Mineral Tenure Information

Patented Mining Claims, Holy Terror Gold Project, Pennington County, South Dakota

| Parcel No | Pin No | Patent Name | Twp | Rge | Sec | Area | |
|-----------|------------|----------------------------|-----|-----|-----|--------|----------------------------|
| | | | | | | (acres | Owner |
| 45781 | 7005400010 | Keystone Fr. MS 1029 | 2S | 6E | 5 | 1.09 | Holy Terror Mining Company |
| 45782 | 7005400011 | Keystone Lode MS1029 | 2S | 6E | 5 | 0.53 | Holy Terror Mining Company |
| 45783 | 7005400012 | Keystone #2 Lode, MS 1029 | 2S | 6E | 5 | 1.71 | Holy Terror Mining Company |
| 45786 | 7005400015 | Holy Terror Lode MS 1093 | 2S | 6E | 5 | 4.72 | Holy Terror Mining Company |
| 45787 | 7005400016 | Keystone #1 Lode MS 1029 | 2S | 6E | 5 | 7.5 | Holy Terror Mining Company |
| 45788 | 7005400017 | Keystone Lode MS 1029 | 2S | 6E | 5 | 9.28 | Holy Terror Mining Company |
| 45789 | 7005400018 | Keystone #2 Lode MS 1029 | 2S | 6E | 5 | 5.14 | Holy Terror Mining Company |
| 45791 | 7005400020 | Keystone #4 Lode MS 1093 | 2S | 6E | 5 | 7 | Holy Terror Mining Company |
| 45792 | 7005400021 | Holy Terror Lode #1 MS1093 | 2S | 6E | 5 | 0.69 | Holy Terror Mining Company |
| 45795 | 7005400025 | 2S-06E Sec 05 Platted | 2S | 6E | 5 | 0.04 | Holy Terror Mining Company |
| 45613 | 7004100006 | Mary Jane Lode MS | 2S | 6E | 4 | 20.65 | Marton/May |
| 45614 | 7004100007 | Pacific Lode MS | 2S | 6E | 4 | 17.6 | Marton/May |
| 45616 | 7004301001 | Pacific Lode MS 1944 | 2S | 6E | 4 | 1.52 | Marton/ May |

Source: Bureau of Land Management website

Unpatented Lode claims, Holy Terror Gold Project, Pennington County, South Dakota

| Serial No | Claim Name | Mr | Tw | Rng | Sec | Subdiv | Area (acres) |
|-----------|------------|----|-------|-------|-----|--------|--------------|
| MMC219576 | KG # 1 | 07 | 0020S | 0060E | 005 | NE SE | 20.66 |
| MMC219577 | KG # 2 | 07 | 0020S | 0060E | 005 | NE SE | 20.66 |
| MMC219578 | KG # 3 | 07 | 0020S | 0060E | 005 | NE NW | 20.66 |
| MMC219579 | KG # 4 | 07 | 0020S | 0060E | 005 | NE NW | 20.66 |
| MMC219580 | KG # 5 | 07 | 0020S | 0060E | 005 | NW | 20.66 |
| MMC219581 | KG # 6 | 07 | 0010S | 0060E | 032 | SW | 20.66 |
| MMC219582 | KG # 6 | 07 | 0020S | 0060E | 005 | NE NW | 20.66 |
| | KG # 7 | 07 | 0010S | 0060E | 032 | SW | |
| MMC219583 | KG # 7 | 07 | 0020S | 0060E | 005 | NW | 20.66 |
| | KG # 8 | 07 | 0010S | 0060E | 032 | SW | |
| MMC219584 | KG # 9 | 07 | 0010S | 0060E | 032 | SW SE | 20.66 |
| MMC219585 | KG # 9 | 07 | 0020S | 0060E | 005 | NE NW | 20.66 |
| | KG # 10 | 07 | 0020S | 0060E | 005 | NE | |
| MMC219586 | KG # 11 | 07 | 0020S | 0060E | 005 | NE | 20.66 |
| MMC219587 | KG # 12 | 07 | 0010S | 0060E | 032 | SW SE | 20.66 |
| MMC219588 | KG # 12 | 07 | 0020S | 0060E | 005 | NE | 20.66 |
| | KG # 13 | 07 | 0010S | 0060E | 032 | SW SE | |
| MMC219589 | KG # 14 | 07 | 0010S | 0060E | 032 | SE | 20.66 |
| MMC219590 | KG # 14 | 07 | 0020S | 0060E | 005 | NE | 20.66 |
| | KG # 15 | 07 | 0010S | 0060E | 032 | SE | |
| MMC219591 | KG # 15 | 07 | 0020S | 0060E | 004 | NW | 20.66 |
| | KG # 15 | 07 | 0020S | 0060E | 005 | NE | |
| MMC219592 | KG # 16 | 07 | 0020S | 0060E | 004 | NW | 20.66 |
| MMC219593 | KG # 16 | 07 | 0020S | 0060E | 005 | NE | 20.66 |
| | KG # 19 | 07 | 0020S | 0060E | 005 | SE | |
| MMC220611 | KG # 20 | 07 | 0020S | 0060E | 005 | SE | 20.66 |
| MMC220612 | KG # 21 | 07 | 0020S | 0060E | 005 | SW SE | 20.66 |
| | KG # 22 | 07 | 0020S | 0060E | 005 | SW SE | |
| MMC220613 | KG # 22 | 07 | 0020S | 0060E | 008 | NE NW | 20.66 |
| | KG # 23 | 07 | 0020S | 0060E | 005 | SW | |
| MMC220614 | KG # 24 | 07 | 0020S | 0060E | 005 | SW | 20.66 |

Source: Bureau of Land Management website, serial register pages April 16, 2012

APPENDIX C

Exploration and Mining History of the Holy Terror Gold Project within the Keystone Mining District

| Year | Activity |
|-------------------------------|--|
| Period 1 1874 to 1903 | |
| 1876 | Placer gold mining on Battle Creek in Keystone area. |
| 1885 | Discovery of the Keystone deposit. |
| 1892 | Keystone group of claims located by Messrs. Blair, Franklin and Reed. |
| 1892 | Holy Terror Mine located by Franklin and daughter, named after his wife |
| 1893 | The first Keystone mill constructed by Keystone Gold Mining Company, a 20 stamp, gravity and amalgamation mill. |
| 1894 | Holy Terror claims relocated and vein discovered. |
| 1895 | The 5 stamp Holy Terror mill was built and subsequently enlarged. |
| 1895 | Holy Terror shaft established to the 1 st level at a depth of 90 feet. |
| 1895 | Keystone mill burned. |
| 1896 | The Keystone 20 stamp mill was rebuilt at a new location, including a 10 tpd NaCN plant. |
| 1897 | Holy Terror shaft was continued to the 5 th level at a depth of 502.5 feet. |
| 1898 | Consolidation of the Holy Terror and Keystone properties. Keystone Mine and mill purchased by the Holy Terror Company and a new company organized known as Keystone-Holy Terror Mining Company. |
| 1898 | The 5 th level cross-cut was completed from the Holy Terror Mine to the Keystone Mine. |
| 1899 | Sinking of the Holy Terror shaft resumed and was deepened below the 7 th level. |
| 1900 | A 30 tpd cyanide plant was completed as part of the Keystone mill. |
| 1900 | The Holy Terror shaft was established to a depth of 1,006 feet. |
| 1901 | Three miners were killed when overcome by fumes from an overheated air compressor. This occurred while driving a winze below the 9 th level. |
| 1901 | A winze was completed to the 11 th level at a depth of 1200 feet. |
| 1902 | A cross-cut was started on the 7 th level (700 ft) from the Holy Terror to the Keystone Mine. The 9 th level cross-cut connecting Holy Terror to Keystone was completed. |
| 1903 | All work was suspended at the Holy Terror and Keystone Mines because of legal judgements against the Company as a result of the 1901 mine accident. The property was sold at auction and the mine workings were allowed to flood with water. |
| Period 2: 1904 to 1942 | |
| 1904 | The Mainstay Mining and Milling Company acquired the Bismarck Mine and initiated underground development that included shaft sinking and the establishment of drifts and crosscuts. A 30 stamp mill treated 11,000 tons of ore. |
| 1904 | Mainstay sunk a 300 foot shaft and completed 2,000 feet of underground development was carried out on the Ida Florence deposit. |
| 1904 | A person by the name of Collins sunk the Egyptian No 1 and 2 shafts and processed an unknown quantity of ore in the Keystone mill before construction of a 30 stamp mill on site. |
| 1906 | The Holy Terror Mine was partially dewatered to a depth of 400 feet, below the 4th level, but recurring litigation forced a shutdown of operations. |
| 1907 | The Bismarck Mine and mill were shut down due to poor gold recovery and lack of water. |
| 1907 | Carolina Gold Mining Company acquired control of the Bismarck Mine. |
| 1924 | The Keystone Gold Mining Company dewatered the Ida Florence shaft and sampled the 200 foot level stope. |
| 1925 | Keystone Arsenic Company erected a 35 ton stamp mill. |
| 1927 | Keystone Consolidated Mines, Inc. was formed and the Holy Terror and Keystone Mines were consolidated with the Bullion and Columbia Mines. Construction of a 100 tpd cyanide mill commenced. |
| 1929 | Adit on 1st level from mill to Holy Terror shaft completed. |
| 1930 | The Keystone mill destroyed by fire. |
| 1936 | G. Flavin and P. Lane acquired the Holy Terror and Keystone Mines and formed the Holy Terror Company. Mines Finance Development Shares, Inc. gained control of the Bismarck, Ida Florence and adjacent properties. The Bismarck Mine was opened and previously broken ore from the 100 and 200 foot levels were removed. |
| 1938 | Holy Terror Mining Company began dewatering and refurbishing the Holy Terror and Keystone |

| Year | Activity |
|--------------------------------|--|
| | Mines. |
| 1939 | The Keystone mill was rebuilt. The Holy Terror shaft was dewatered and repaired. |
| 1940 | The Keystone Mine was dewatered to the 5 th (500) level and production resumed on this level. |
| 1941 | The 7 th level cross-cut from Holy Terror to Keystone was finally completed. Development drifts were driven on the Holy Terror 7 th level. |
| 1942 | The Keystone and Holy Terror Mines were closed by war-time Act L-208. A total of 61,000 tons of ore were produced mainly from the Keystone Mine from 1940-42. |
| 1942 | Northwest Defense Minerals Inc. converted the Keystone-Holy Terror mill into a spodumene flotation plant for treating tailings from the Etta pegmatite mine. |
| Period 3: 1943 and 1979 | |
| 1960 | Northwest Beryllium Corp. acquired and converted the Keystone-Holy Terror mill to a 5 mineral separation flotation plant for processing pegmatite ore. |
| 1962 | Northwest Beryllium Corp. back-filled the Holy Terror shaft and possibly the Keystone shaft with mill tailings from its pegmatite operation, while preparing a tailings disposal site in Rocky Gulch. |
| 1970 | Homestake Mining Company, Occidental Minerals and Energy Reserves Group carried out active exploration over the project area and district into the mid-1970's |
| 1979 | J. Marton and D. May acquired and reinstated the Holy Terror Mining Company. |
| Period 4: 1980 and 1995 | |
| 1980 | Homestake Mining Company acquired the Bismarck and Egyptian properties, a number of other privately held claims and staked a large number of additional claims in order to consolidate the mining district. This was carried out over a four period to 1984. |
| 1980 | Quintana Minerals conducted minor exploration in the district. |
| 1983 | Homestake Mining Company drilled 12 surface holes in the Bismarck-Egyptian area |
| 1986 | Properties of Holy Terror Mining Company leased to Viking Exploration. Viking conducted VLF-EM surveying over the Keystone-Holy Terror property. |
| 1987 | Homestake Mining Company farms-out district area properties. |
| 1988 | Viking Exploration's lease is terminated. |
| 1988 | Beau Val Mines Ltd. acquires lease on the Homestake properties and drills 2 surface holes in the Bismarck-Egyptian area. Completes IP resistivity survey totalling 109,400 line feet including detailed IP totalling 8,700 line feet over Bismarck-Egyptian anomaly. |
| 1988 | Montreaux Development Corp. options Keystone-Holy Terror property. No work carried out. |
| 1989 | Kalahari Resources Inc. acquires rights and consolidates the properties of Homestake Mining Company, Holy Terror Mining Company and Huseby-Johnson. |
| 1990 | Kalahari conducts VLF-EM survey over the Homestake portion of claims. |
| 1991 | Kalahari drills 3 surface holes on VLF-EM anomalies north and south of the Bismarck-Egyptian area. Late in the year, Kalahari lost all claim holdings for lack of funding |
| 1992 | Harrison Western Exploration acquires control of the district by completing agreements with Homestake Mining, Holy Terror Mining Company and Huseby-Johnson. |
| 1992 | Harrison Western Exploration drills 8 surface holes in the Keystone area. Cyprus Minerals Company finances the drill program. |
| 1992 | Harrison Western defaults on payment to Holy Terror Mining Company and agreement terminated. |
| 1992 | Energy Fuels Corporation acquires properties held by Holy Terror Mining Company. |
| 1993 | Energy Fuels finalizes an agreement with Harrison Western for control of the balance of the mining district. |
| 1993 | Energy Fuels initiates baseline environmental studies and drills 32 surface holes in the Keystone-Bullion area. |
| 1994 | Energy Fuels continues environmental monitoring and baseline studies, drills 29 surface and 12 underground holes, conducts metallurgical testing |
| 1995 | Energy Fuels issued permit for underground exploration and development decline, drilled 3 surface holes. |

APPENDIX D

Site Photographs, Showing Sites of Grab Sampling by Mineral Mountain

Juniper Adit site of sample **L751001**



Bismarck Shaft area: Dump pile samples **751003**, and **751004**



Bismarck Open Cut – Sample **L751005**



CERTIFICATE AND CONSENT

To accompany the technical report entitled “Technical Report for the Holy Terror Gold Project, South Dakota, USA,” and dated June 20, 2012.

I, Glen Cole, residing at 15 Langmaid Court, Whitby, Ontario, do hereby certify that:

- 1) I am a Principal Consultant (Resource Geology) with the firm of SRK Consulting (Canada) Inc. (SRK) with an office at Suite 2100, 25 Adelaide Street East, Toronto, Ontario, Canada;
- 2) I am a graduate of the University of Cape Town in South Africa with a B.Sc (Hons) in Geology in 1983; I obtained an M.Sc (Geology) from the University of Johannesburg in South Africa in 1995 and an M.Eng in Mineral Economics from the University of the Witwatersrand in South Africa in 1999. I have practiced my profession continuously since 1986. Since 2006, I have estimated and audited mineral resources for a variety of early and advanced base and precious metals projects in Africa, Canada, United States, Chile and Mexico.;
- 3) I am a Professional Geoscientist registered with the Association of Professional Geoscientists of the Province of Ontario (APGO#1416), and am also registered as a Professional Natural Scientist with the South African Council for Scientific Professions (Reg#400070/02);
- 4) I have personally inspected the Holy Terror Gold Project and surrounding areas from May 1 to 2, 2012;
- 5) I have read the definition of “qualified person” set out in National Instrument 43-101 and certify that by virtue of my education, affiliation to a professional association and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of National Instrument 43-101;
- 6) I, as a qualified person, I am independent of the issuer as defined in Section 1.4 of National Instrument 43-101;
- 7) I am the principal author of this report and responsible for all the sections this technical report;
- 8) I have had no prior involvement with the subject property;
- 9) I have read National Instrument 43-101 and confirm that the sections under my responsibility have been prepared in compliance therewith;
- 10) SRK Consulting (Canada) Inc. was retained by Mineral Mountain Resources Ltd. to prepare a technical report for the Holy Terror Gold Project in accordance with NI 43-101 and Form 43-101F1 guidelines. This assignment was completed using CIM best practices guidelines and Canadian Securities Administrators’ National Instrument 43-101 guidelines;
- 11) I have not received, nor do I expect to receive, any interest, directly or indirectly, in the Holy Terror Gold Project or securities of Mineral Mountain Resources Ltd.;
- 12) That, as of the date of this certificate, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading;
- 13) I consent to the filing of the technical report with any stock exchange and other regulatory authority and any publication for regulatory purposes, including electronic publication in the public company files on their websites accessible to the public of extracts from the technical report.

“Signed and sealed”

Toronto, Ontario
June 20, 2012

Glen Cole, P.Geo. (APGO#1416)
Principal Consultant (Resource Geology)

Project number: 3CM025.001

Toronto, June 20, 2012

To:
Securities Regulatory Authorities
B. C. Securities Commission (BCSC)
Alberta Securities Commission (ABC)
Ontario Securities Commission (OSC)
L’Autorité des marchés financiers (AMF)
Toronto Stock Exchange (TSX)

CONSENT of AUTHOR

I, Glen Cole, do hereby consent to the public filing of the technical report entitled “Technical Report for the Holy Terror Gold Project, South Dakota, USA” (the “Technical Report”) and dated June 20, 2012, and any extracts from or a summary of the Technical Report under the National Instrument 43-101 disclosure of Mineral Mountain Resources Ltd., and to the filing of the Technical Report with any securities regulatory authorities.

I further consent to the company filing the report on SEDAR and consent to press releases made by the company with my prior approval.

Dated this 20th day of June 2012.

“Signed and sealed”

Glen Cole, P.Geo. (APGO#1416)
Principal Consultant (Resource Geology)