TSAGAAN CHULUUT HARD ROCK GOLD DEPOSIT

DORNOD MONGOLIA

SG Mining Erdes LLC

Final Report

Date: February, 2014

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EXECUTIVE SUMMARY

RungePincockMinarco LLC ("RPM") has been engaged by SG Mining Erdes LLC (the "SG Group" the "Company" or "the Client") to provide a Mineral Resource Report (the "Report") for Tsagaan Chuluut Gold Deposit ("the Deposit") which is located in Bayandun soum of Dornod Province, southwest Mongolia. The Mineral Resource estimate has been undertaken in line with the recommendations of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves - 2012 Edition ("the JORC code").

The Deposit is located approximately 30km from the nearest village, Bayandun Soum, 180km from Choibalsan City, 600 km west of the city of Ulaanbaatar, the capital of Mongolia, and approximately 40km south of the Russian border. RPM understands that the Deposit is contained within a single mining license which has an area of 457.29Ha.

The geology of the region consists of three ("3") phases of Upper Triassic - Early Jurassic intrusion complex and quaternary sediments. The first phase of fine-medium grained pyroxenite, gabbro and amphibolitised biotite gabbro-pyroxenite outcrops within the northern portion of the licence area while the third phase consisting medium grained biotite granodiorite, occurs over the north-eastern part of deposit area. The second phase Late Triassic - Early Jurassic intrusion complex comprising beresite and phyllic altered main mineralisation zone is hosted within biotitic hornfelsed medium grained diorite porphyry and quartz diorite.

RPM considers that the mineralisation occurs as a series of sheeted and parallel lower sulphidation, epithermal quartz and sericite veins, termed Beresite style mineralisation. This style is commonly found in northern Mongolia and Southern Russia and is closely associated with the quartz diorite and diorite porphyries of the Late Triassic-Early Jurassic Tsagaan Chuluut intrusion complex. Mineralisation in the area is best developed within a brecciated pre-existing bucky quartz vein aligned along the dilatant east-west trend and also in open space breccia's formed under the influence of pronounced dilation. This zone contains all but 5 of the drill holes completed in the region and is the main mineralisation zone known as the TC-1. The TC-1 area contains the current Mineral Resource however similar mineralisation, but of a lesser intensity, is locally exposed in the Altan Chuluut area to the south east of the main zone (this forms the exploration potential area).

Several phases of exploration have been completed within the region, including three generation of drilling, the first consisting of reverse circulation drilling in 2005, this was followed up by a substantial surface diamond drilling program in 2012. Finally, 4 infill diamond holes were completed in 2013 on the main mineralised zone.

All diamond drill holes were completed by diamond coring rigs Hanjin Power 7000, Hanjin Power 9000, ZIF 640M, and YDX-3G drill rigs. All rigs used a conventional wire-line diamond drilling technique with a single core barrel inside the drilling rods to produce HQ or NQ size diamond core. Holes were drilled with HQ from surface, switching to NQ at depth. The average core recovery within the mineralised intersections was above 95%. Each drill hole collar was surveyed by a differential GPS instrument after completion of the hole. Down hole deviation surveys were taken at the top of the drill hole then every thirty metres down the hole and at the final depth of the drill hole.

The core was sampled by cutting into two equal halves along the length of the core using a core saw with a diamond-tipped blade. For the marked sample intervals, the right side of the core was sampled and placed into calico sample bags marked with the sample ID. The calico bags were then placed into polywoven sacks marked with the numbers of the samples and the laboratory name and address for submission to the laboratory.

All samples in 2012 and 21013 were sent to SGS in Ulaanbaatar and were analyzed using ICP-40B, AAS22S and FAA505 procedures. The ICP40B procedure involved a multi-acid digest of nitric, hydrofluoric, perchloric and hydrochloric acid prior to analysis of the solution by the Inductively Coupled Plasma machine for a suite of 33 elements. Samples which recorded assays over the upper detection limit for the method of 1,000 ppm Au were re-assayed using the Atomic Absorption Spectrometry ("AAS") 22S method to define the higher grades. RPM considers these procedures to be of industry standard and noted that the SGS laboratory is internationally accredited.

The review of the drilling and sampling procedures completed by RPM indicates that good practices were used during all drilling and sampling programs conducted by the Client. These practices included good drilling and sampling methodology, consistent geological logging, half-core sampling and submission of QA/QC samples. The Quality Assurance and Quality Control (QA/QC) data provided to RPM included internal pulp repeats, internal standards and the results of field standards, duplicates, blanks submitted by SG Mining. In addition, RPM conducted independent re-sampling of selected sample pulps and re-submitted these samples for check analysis. Although the QAQC samples varied between generations and some issues required follow up confirmation, RPM considers that no systematic bias occurs. Further, that a suitable level of confidence exists as to the veracity of the underlying data, to be consistent with the recommended guidelines for the classification applied

Mineral Resource

RPM has independently estimated the Mineral Resources contained within the Project. The data, upon which the Mineral Resource estimate is based, was collected from the Client in January 2014. The Mineral Resource estimate and underlying data, complies with the recommendations of the Australasian Code for Reporting of Mineral Resources and Ore Reserves prepared in 2012 by the Joint Ore Reserves Committee (JORC). The RPM Mineral Resource estimate is summarised in **Table A**.

Tsagaan Chuluut Mineral Resource, which covers the main mineralised zone, has been estimated using 3 RC holes, 24 diamond holes for a total of 6,810m within the resource wireframes. The Tsagaan Chuluut database contained records for 47 drill holes for 10,157m of drilling.

Given the location within Mongolia, the relatively early stage of exploration and limited mining and metallurgical studies completed, RPM has taken a number of factors into account when considering the cut-off grade applied. To ensure compliance with the JORC Code and demonstrate '*reasonable prospects for eventual extraction'* RPM assumed similar mining methods and recoveries will occur to other similar operations in Mongolia and China and applied conservative factors and assumptions for potential costs for operations and construction. These assumptions are highly conceptual and do not constitute a detailed mining study.

RPM notes that the cut-off grade applied to report the Mineral Resource is based on the currently available information and is for a given point in time (June, 2013). RPM considers that the completion of mining studies to support the assumed costs and mining factors will greatly increase the understanding of the potential cost profiles of any operation which will impact the cut-off grade applied to report the Mineral Resource. As such the reporting cut-off grade could potentially be lowered following a conceptual mining study. Of particular note in Mongolia are the costs of processing, water, transport and logistics. A number of opportunities are noted that could potentially lower the cut-off grade applied. These include decreasing the transport distance for consumables from 200km to current border crossing and sourcing power and water from Russia rather than building on site power plants and water sources. These opportunities are recommended to be investigated in the short term.

As shown in Table A, the deposit is very sensitive to the cut-off grade applied to report the Statement of Mineral Resource (currently 0.7 g/t Au). RPM highlights that the quantities are particularly sensitive below 0.7 g/t Au with a significant jump in quantities reported at 0.6 g/t Au and again at 0.5 g/t Au. Mineralisation within the deposit is distinctly zonational with the higher grade occurring surrounded by lower grade haloes. As such if efficiencies can be achieved and highlighted in mining studies significant value could potentially be added to the project by lowering the cut-off**.**

Table A: Tsagaan Chuluut Deposit 31st January 2014 Mineral Resource Estimate

Cut-off	Indicated			Inferred			Total		
Grade g/t Au	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
0.5	5.1	1.1	171,700	1.6	1.1	52,100	6.6	1.1	223,800
0.6	5.0	1.1	169,900	1.4	1.1	49,900	6.4	1.1	219,800
0.7	**4.7**	**1.1**	**163,500**	**1.2**	**1.2**	**44,600**	**5.8**	**1.1**	**208,200**

Note:
All Mineral Resources figures reported in the table above represent estimates at 31st January, 2013. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
Ore Reserves are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).

Each mineralised wireframed object was used as a hard boundary in the interpolation process. That is, only grades inside each object were used to interpolate the blocks inside the same object. A single Surpac block model was generated for the estimates to encompass the full known extent of the mineralisation within the Project area. The Ordinary Kriging ("OK") algorithm was selected for grade interpolation of Au. Three passes with an anisotropic search ellipsoid was used based on the interpreted semivariogram parameters and the relative orientations of the mineralisation.

RPM's geospatial statistical analysis of the continuity of the mineralisation within the main mineralisation area and a visual inspection of drill hole grades, mineralised envelopes and block model calculations were used to determine the sample spacing which would be appropriate for the classification of Indicated and Inferred Resources in line with the recommendations of the JORC Code. RPM considers the mineralisation within the area to have reasonable geological complexity, which is common with porphyry deposits that display minimal post mineralisation structural activity. As a result, RPM considers sample spacing of up to 50 m along strike and 50 m down dip respectively, would be appropriate for the classification of Indicated Mineral Resources in line with the recommendations of the JORC Code. Commonly the drill hole spacing is smaller than this in the area classified as Indicated. Up to 100 m by 100 m is considered appropriate for Inferred Mineral Resources. The resource category was also dependent on the level of confidence in the data in various parts of the deposit determined by the quality of the assay QA/QC data, the complexity of the interpretation and the opinion of the Competent Person.

The resource model is undiluted, so appropriate dilution needs to be incorporated in any evaluation of the deposit.

<u>Exploration Potential</u>

Based on the supplied data RPM considers the exploration potential to be good and follow up exploration work is warranted, however a carefully planned and justified approach is required. This approach should include a conceptual study on the TC1 Resource area to determine likely economic viability, and potential grades required for depth extension for mining, and additional geophysical measurement and modelling in the regional area.

RPM considers there to be 2 priority targets identified, these include:

<u>TC1 Western Zone</u>

Based on the geophysical data RPM considers it is likely that the near surface higher grades portions of the TC1 Resource area have been eroded from the original TC1 mineralisation at the drilled eastern portion of the deposit. However based on interpretations of the geophysical data RPM considers there is potential that higher grade mineralisation may be preserved on the western side of the DDIP chargeability anomaly. This mineralisation would not outcrop as it would be hidden under Quaternary sediment and recent gravels of the Tsagaan Chuluut Hudag valley. The possible presence of this east dipping annulus is supported by the two eastern resistivity sections, Line 2 and Line 3, which suggest lower resistivity underneath near surface higher resistivity rock. This model predicts that there may potentially be another mineralised zone at depth under TC1. The most westerly drilling appears to have penetrated the gold poor resistive east plunging cylinder core, with all drilling to date focusing on the upper side of the proposed cylinder.

RPM interprets the exploration potential target for the TC1 western zone to be of similar size as the currently defined TC1 Resource if drilled to the same depth however potentially slightly higher grade is. **Table B** gives the envisaged range of target sizes which were based on the size of the TC1 resource but with grade ranges adjusted to reflect the possibility that this mineralisation is higher grade because it is higher in the hydrothermal system. The tonnage of the higher grade estimate was also adjusted downward to represent greater resistivity.

RPM notes that the TC1 Western Zone target in **Table B** is presented as a range from low grade to a high grade target with the higher grade tonnage adjusted to reflect the lower probability of occurrence within this mineral system. This adjustment is based on the grade tonnage curve estimated for the currently define TC1 Resource.

Table B TC1 Western Zone Exploration Potential Target

	Lower Grade	Higher Grade
Tonnage (mt)	18.5	8.5
Grade (g/t Au)	0.5	1.5
Au (tonnes)	10	13

Altan Chuluut Prospect

The exploration target estimate for the Altan Chuluut prospect was estimated by interpreting an envelope based on the chargeability profiles. Tonnage was estimated by applying the TC1 bulk density but discounted by likely proportions of mineralisation. Target grades were estimated by referencing the TC1 grades and adjusting according to proportion mineralised taking into account the likelihood that the higher grade material is preserved in this case. **Table C** gives the envisaged target size range.

Table C ACH Exploration Target

	Low Grade	High Grade
Volume of Target Model (million m3)	11.5	11.5
Proportion Mineralised	Two Thirds	One Third
Volume of Target Model Mineralised (million m3)	7.6	3.8
Density	2.83	2.83
Tonnage of Target Model Mineralised (mt)	21.7	10.8
Grade (g/t Au)	0.5	2.5
Au (tonnes)	11	27

RPM notes that the Exploration Potential Estimates for the TC1 Western Zone and Altan Chuluut Prospect are at this stage only an indication of the likely break down, tonnages and quality which could potentially be estimated. RPM further notes that the quantities and quality quoted are conceptual in nature as there is limited drill hole and sampling information to enable the estimation of a Mineral Resource and it is uncertain that further exploration will result in Mineral Resources of the same quantity. Furthermore, the quantities and quality could materially change if a Mineral Resource is estimated in accordance with the JORC Code.

The key risks and opportunities identified to the Project during the ITR are outlined below:

- RPM considers a major risk for the Project is that the current total Mineral Resource contains relatively low average grades and is very sensitive at cut-off grades that RPM consider are reasonable for reporting this resource. This means that small changes in metal prices, mining and processing costs and recoveries will potentially have a significant effect on future Mineral Resource and Ore Reserve tonnages. This may result in the Deposits current resource quantities being insufficient to underpin a Pre-Feasibility Study in accordance with the JORC guidelines which would be required for reserve estimation. RPM recommends a conceptual economic analysis be undertaken to predict the likely outcome of a mining study. This study would have to include a detailed metallurgical study to better estimate processing recoveries for Cu, Mo and Au particularly at lower grades.

- RPM considers that the QAQC data indicates that primary laboratory during the 2012 and 2013 showed no evidence of systematic bias and the samples taken from these programs are representative. While RPM considers the drilling results suitable for inclusion in a Mineral Resource estimate for the classification applied it is recommends that further studies be undertaken to ensure the reasonably high nugget does not result in any material bias during the sample preparation. Of particular note is ensuring that crushing and grinding sizes are suitable for liberating the gold whilst not accumulations are occurring which may result in potential bias. This type of analysis is commonly undertaken with gold project with high nugget to customize the sample preparation techniques.

- Economic cut-off grade. RPM considers the tonnage of the deposit is very sensitive to the economic cut-off grade. Although a conceptual economic analysis has not been undertaken, RPM considers if the economic cutoff grade could be lowered by as much as 0.2 g/t Au (using lower cost estimations for development and mining of the Development) the resultant material increase in tonnage would be significant.

- RPM consider that although there is potential for depth and strike extensions of the existing main mineralisation, to enhance the project's viability the Client should prioritize exploration work on regional prospects that may have the potential for higher tonnages, higher Au grades and higher AU metal content that can supplement the currently defined resource. This includes the current exploration potential zone along with other regional prospects identified.

- Assay precision and bias. Although the QAQC was of suitable level for the classification applied, RPM notes that some issues were noted, these will be required to be addressed is additional mining studies and measured resources are to be undertaken.

All care and diligence was taken when reviewing and checking the provided data. RPM believes the underlying data, upon which this Report is based, is reasonable. RPM has not discovered any issues, during the preparation of the Report, to suggest that there are any significant errors or misrepresentations in respect of the provided information.

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Prior to completing the Mineral Resource estimate, RPM completed the following with the supplied information:

- Checked the available drill hole data; these checks were completed to confirm the representivity of the utilised sampling and analytical procedures.

- Reviewed all available information prior to forming the opinion about the quality and authenticity of the data.

Jeremy Clark (Competent Person – Mineral Resource)

Manager – Hong Kong

COMPETENT PERSON STATEMENTS

Attribution Statements

The information in this report that relates to Mineral Resources is based on information compiled by Jeremy Clark, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Clark is a full time employee of RungePincockMinarco Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Neither RPM nor Mr Baudry consent to the inclusion of this report nor any reference or excerpt there from being used for the purposes of public reporting as defined pursuant to the JORC Code.

The information in this report that relates to Exploration Targets, is based on information compiled by Robert Dennis, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Dennis is a full time employee of RungePincockMinarco Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Neither RPM nor Mr Baudry consent to the inclusion of this report nor any reference or excerpt there from being used for the purposes of public reporting as defined pursuant to the JORC Code.

Table of Contents

List of Tables

List of Figures

1 INTRODUCTION AND PROJECT SUMMARY

1.1 General

RungePincockMinarco Limited (RPM) was contracted by SG Mining Erdes LLC (SG) to complete a resource estimate for the Tsagaan Chuluut Gold (Au) deposit. The deposit is located, approximately 30km from the nearest village, Bayandun Soum, 180km from Choibalsan City, 600 km west of the city of Ulaanbaatar, the capital of Mongolia, and approximately 40km north of the Mongolian border (200km from the nearest border crossing, which is the Ereen Tsav post. Access to the site is via a good quality graded road from Ulaanbaatar to Khentii City for 300km, then by another 300km of improved road to the Bayandun Soum centre.

The Tsagaan Chuluut deposit is a typical lower sulphidation, epithermal quartz and beresite mineralised deposit, hosted within quartz diorite and diorite porphyry of the Late Triassic-Early Jurassic Tsagaan Chuluut intrusion complex.

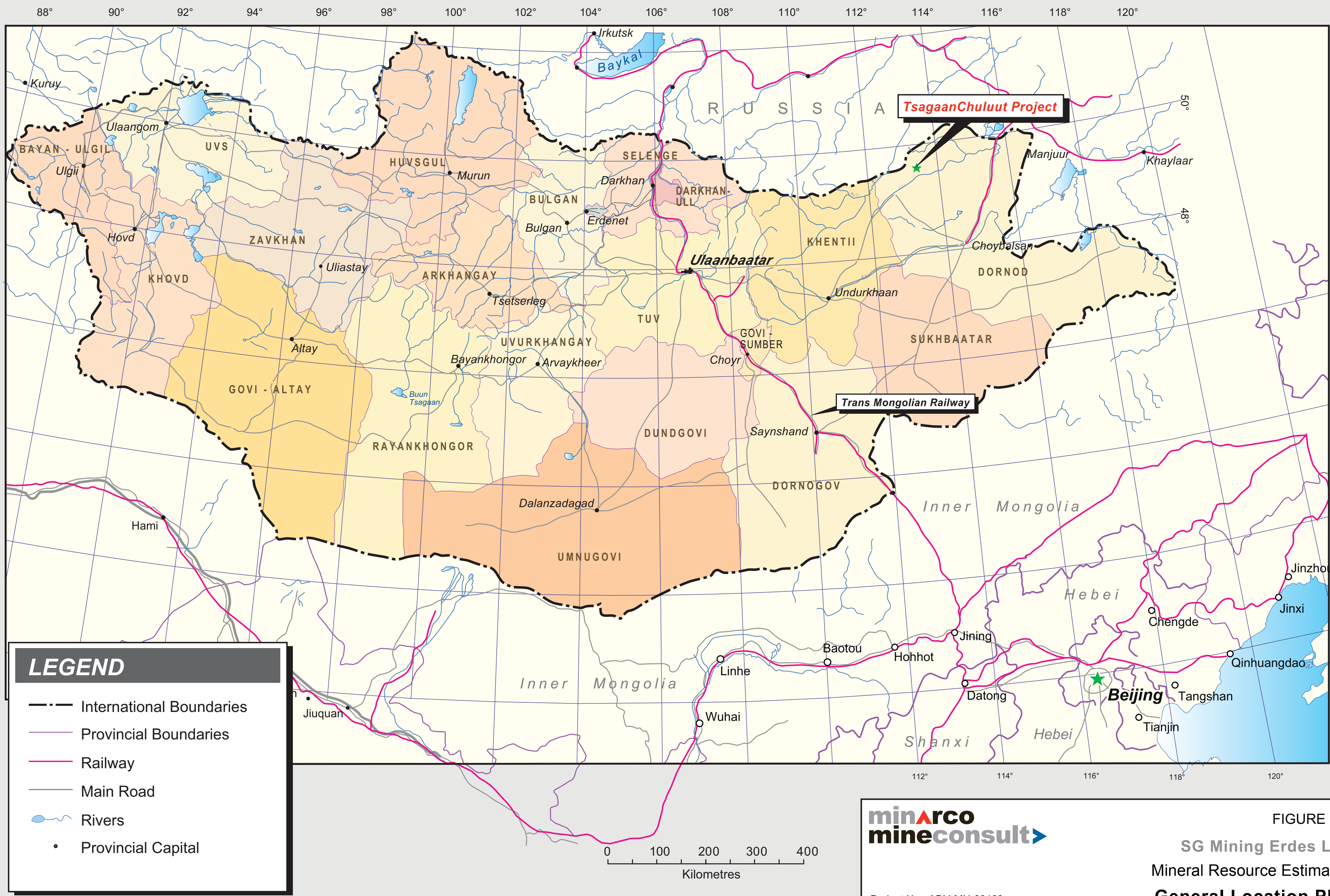
The Tsagaan Chuluut deposit is contained within a single mining license. SG Mining has supplied a Surpac string file (*'15436_n49.str'*) that delineates an area of approximately 457Ha and contains the majority of the recent drilling.

The elevation of the Tsagaan Chuluut area ranges from 900m to 1100m above sea level with topography consisting of a plateau which is incised by small creeks. The area has a continental highland climate but due to its high elevation, the temperatures are generally cool throughout the year with large diurnal variations. The temperature ranges from a minimum of -30^{0}C to 35^{0}C with an average daily temperature range of -25^{0}C in winter to 32^{0}C in summer. Average precipitation for the year is around 544mm with the bulk of the precipitation occurring in summer from April to October. Snow is a common occurrence in winter especially in higher parts of the region.

Population in the immediate vicinity of the exploration license is reported to be around three to four families. The main local industry is farming and herding. Power is currently generated using small portable diesel generators. These should be sufficient for the duration of any further exploration programs.

Water for the exploration camp is currently collected from a nearby spring with limited capacity. RPM recommends that SG Mining undertake a detailed investigation in alternative water sources for the Project prior to additional exploration.

The first discovery of gold at Tsagaan Chuluut occurred in 1974 by the Mongolian Geological Expedition. No mining has been undertaken.



minarco mineconsult

FIGURE 1-1

SG Mining Erdes LLC

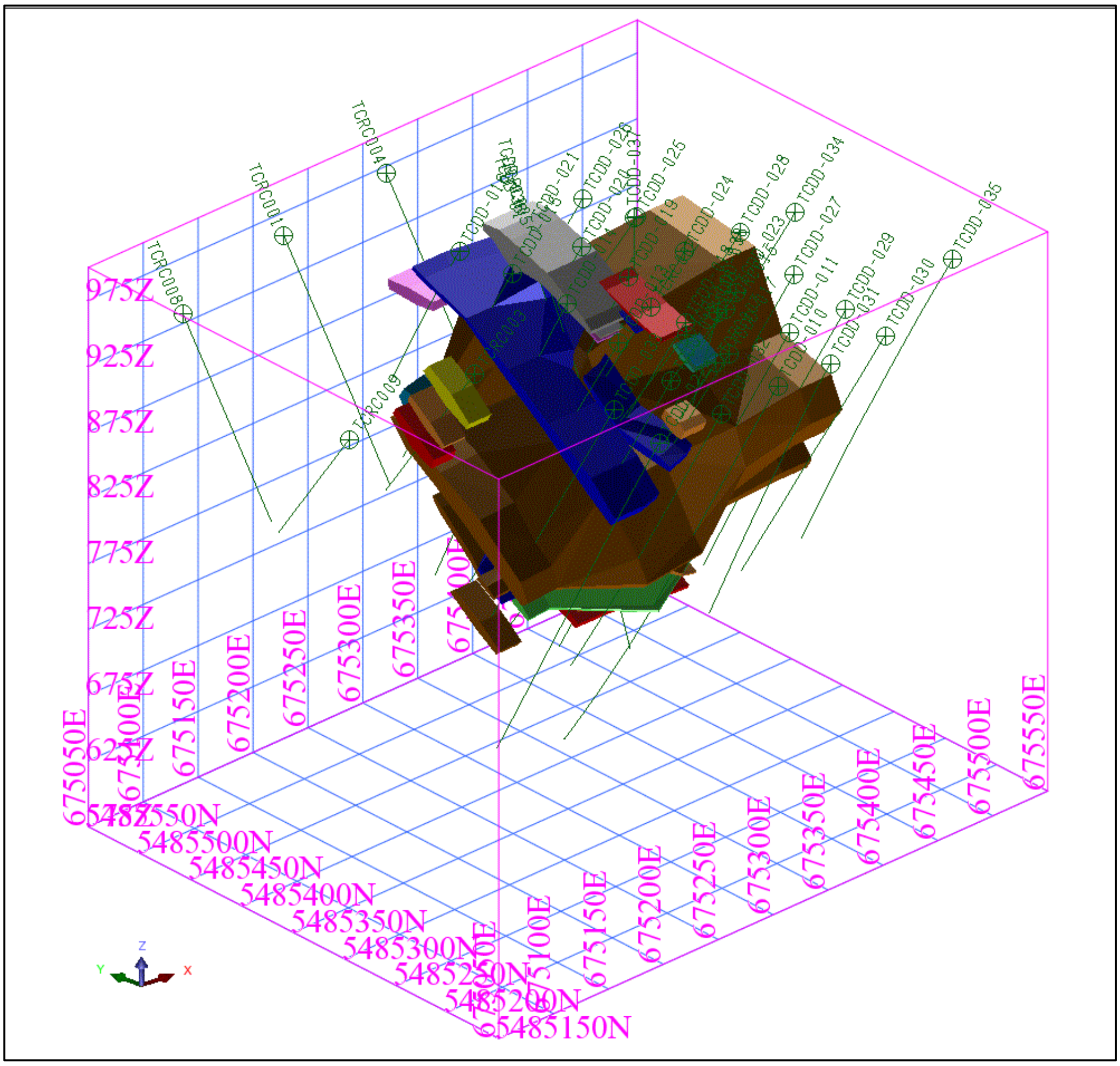
Mineral Resource Estimation

General Location Plan

Project No : ADV-MN-00109

Data used in the mineral resource and exploration target estimates was provided by SG Mining and included topographic survey and Excel database containing information for collars, assays, geology, and survey for all drilling completed to 2013. The resource limits and drilling at the project are shown in ***Figure 1-2.***

Figure 1-2 Drilling and Resource Wireframes – Tsagaan Chuluut Deposit



1.2 Competent Person and Responsibilities

The information in this report that relates to Mineral Resources is based on information compiled by the following people;

- Mr. Stewart Coates (Ulaanbaatar based – Operation Manager) responsible for providing project data and overseeing the geological interpretation.
- Mrs. Munguntsetseg SukhOchir (Ulaanbaatar based – Geologist) responsible for data review, geological interpretation and wireframe construction.
- Mr. S Searle (Perth based – Senior Consultant Geologist, Competent Person sign-off) responsible for review of wireframes, statistical and geostatistical analysis, Mineral Resource estimation and classification.
- Mr. Jeremy Clark (Hong Kong based – Manager, Competent Person) responsible for resource auditing and Competent Person sign-off of Mineral Resource.

- Mr. Bob Dennis (Brisbane Based – Executive Consultant) responsible for the exploration potential target review and estimate and Competent Person sign off of Exploration Potential Target.

1.2.1 Statement of Mineral Resources

The information in this report that relates to Mineral Resources is based on information compiled by Jeremy Clark, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists, and a full time employee of RPM. Mr Clark has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Jeremy Clark consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Mineral Resource estimate complies with the recommended guidelines of the JORC Code but Neither RPM nor Mr Clark consent to the inclusion of this report nor any reference or excerpt there from being used for the purposes of public reporting as defined pursuant to the JORC Code or provided to a Third Party with the consent of the RPM and Mr Clark.

1.2.2 Exploration Potential Target

The information in this Report that relates to exploration potential is based on information compiled by or under the supervision of Mr Robert Dennis who is a full time employee of RPM and a Member of the Australian Institute of Geoscientists. Mr Dennis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves.

The Exploration Potential estimates complies with the recommended guidelines of the JORC Code but Neither RPM nor Mr Dennis consent to the inclusion of this report nor any reference or excerpt there from being used for the purposes of public reporting as defined pursuant to the JORC Code or provided to a Third Party with the consent of the RPM and Mr Dennis.

1.3 Site Visit

RPM completed two site visits to the Tsagaan Chuluut Deposit. The first site visit was conducted on April 2011 by RPM Executive Consultant Mr. Robert Dennis while a second site visit was undertaken between the 14^{th} to 17^{th} January 2014 by Mr Hong Zhao (RPM). These site visits included the following;

- Meeting and discussions with key exploration personnel for project overview;
- Field inspection of project area, field verification of drill hole locations; and
- Review of selected drill core, verification of logging and sampling procedures and clarification of geological and mineralogical features of the deposits.

During the site visits, the Team inspected the surface operations, access roads, the processing plant and conducted general inspections of the surrounding area. The visits were also used to gain a better understanding of the Project and to ensure compliance with the JORC Code for RPM's Mineral Resource and Exploration Potential estimates.

The data, drilling and geological records were found to be well maintained by SG Mining and comprehensive field procedures had been developed as advised previously by RPM. The site visit review concluded no significant issues were identified with regards to current geological understanding and data collection and sampling procedure and security.

1.4 Limitations and Exclusions

The review was based on various reports, plans and tabulations provided by the Client either directly from the Project site and other offices, or from reports by other organisations whose work is the property of the Client. The Client has not advised RPM of any material change, or event likely to cause material change, to the operations or forecasts since the date of asset inspections.

The work undertaken for this Report is that required for a technical review of the information, coupled with such inspections as the Team considered appropriate to prepare this Report and estimates contained within. It specifically excludes all aspects of legal issues, commercial and financing matters, land titles and agreements, except such aspects as may directly influence technical, operational or cost issues to sufficient detail to meet contemporary expectation of the recommended guidelines of the JORC Code.

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1.4.5 Mining Unknown Factors

The findings and opinions presented herein are not warranted in any manner, expressed or implied. The ability of the operator, or any other related business unit, to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond the control of RPM and cannot be fully anticipated by RPM. These factors included site-specific mining and geological conditions, the capabilities of management and employees, availability of funding to properly operate and capitalise the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, etc. Unforeseen changes in legislation and new industry developments could substantially alter the performance of any mining operation.

1.4.6 Capability and Independence

RPM provides advisory services to the mining and finance sectors. Within its core expertise it provides independent technical reviews, resource evaluation, mining engineering and mine valuation services to the resources and financial services industries.

RPM has independently assessed the Relevant Assets of the Client by reviewing pertinent data, including resources, reserves, manpower requirements and the life of mine plans relating to productivity, production, operating costs and capital expenditures. All opinions, findings and conclusions expressed in this Report are those of RPM and its specialist advisors.

Drafts of this Report were provided to the Client, but only for the purpose of confirming the accuracy of factual material and the reasonableness of assumptions relied upon in this Report.

RPM has been paid, and has agreed to be paid, professional fees based on a fixed fee estimate for its preparation of this Report. None of RPM or its directors, staff or specialists who contributed to this Report has any interest or entitlement, direct or indirect, in:

- the Company, securities of the Company or companies associated with the Client; or
- the right or options in the Relevant Assets; or
- the outcome of the proposed transaction.

This Report was compiled on behalf of RPM by the signatories to this letter, details of whose qualifications and experience are set out in ***Annexure A*** to this Report. The specialists who contributed to the findings within this Report have each consented to the matters based on their information in the form and context in which it appears.

2 GEOLOGY AND MINERALISATION

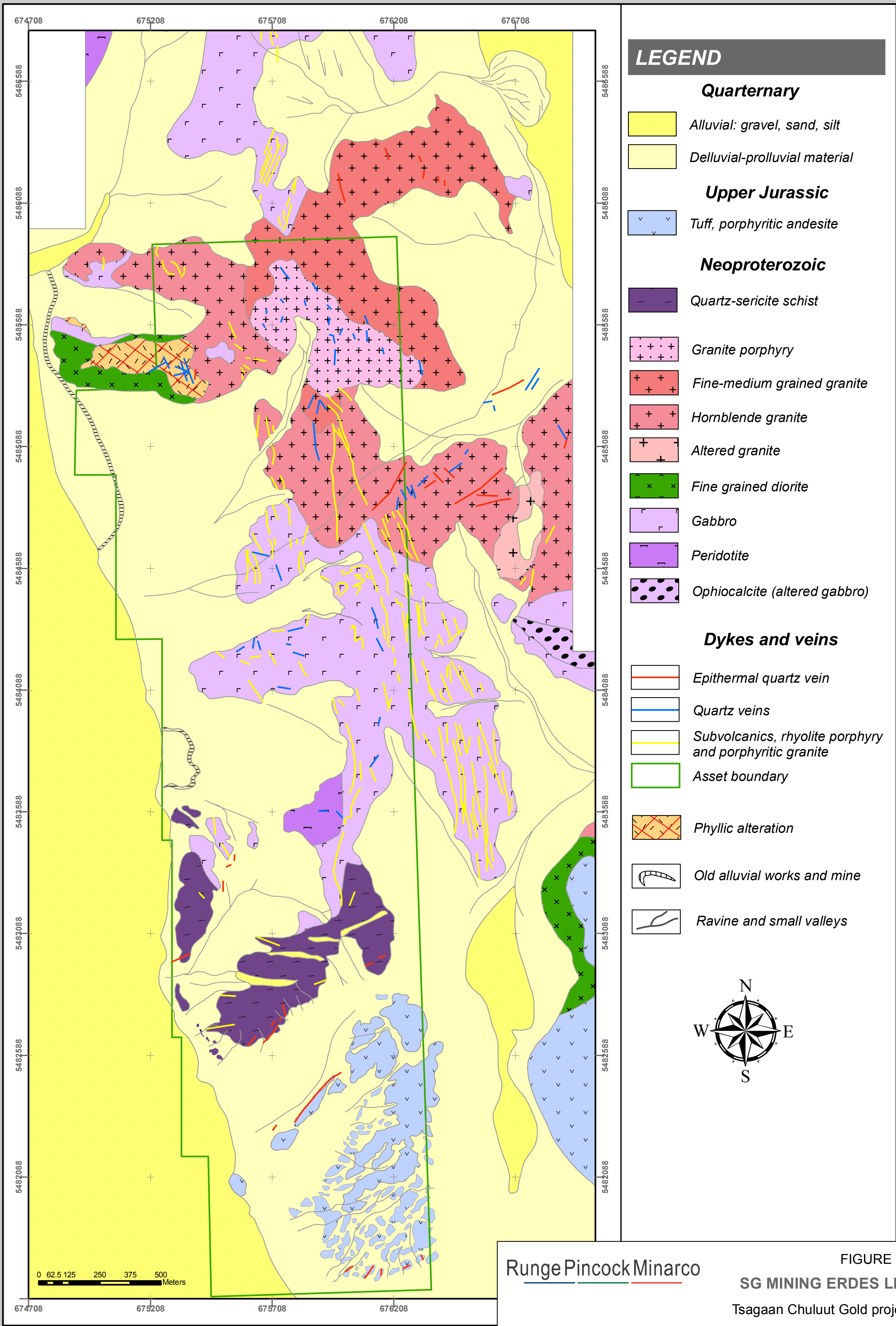
2.1 Regional Geology

The geology of the region lies at the intersection of the Mesozoic Ulz Graben and an uplift block of Proterozoic metamorphic rocks (slate, schist, gneiss, marble), Mesozoic intrusions of granite, diorite and gabbro and Jurassic tuff volcanics. The Proterozoic rocks are intruded by the Jurassic intrusions of diorite, gabbro, biotite granite, and granite porphyry. Jurassic hypabyssal and volcanic rocks (rhyolite, dacite, tuffaceous units) intrude and overly the area locally and regionally, and were developed around a central volcanic-plutonic system within the Tsagaan Chuluut-1 area (***Figure 2-1***).

2.2 Local Geology

The local area consists of three phases of Upper Triassic - Early Jurassic intrusion complex and quaternary sediments. The first phase of fine-medium grained pyroxenite gabbro, amphibolitised biotitic gabbro-pyroxenite, occurs over the northern part of the deposit area and the third phase of medium grained biotite granodiorite, occurs over the north-eastern part of deposit area.

The beresite and phyllic altered mineralisation is hosted within biotitic hornfelsed medium grained diorite porphyry, quartz diorite, which is the second phase of the Late Triassic - Early Jurassic intrusion complex (***Figure 2-2***). There is a fault trending northeast and another small fault is trending to northwest.



RungePincockMinarco

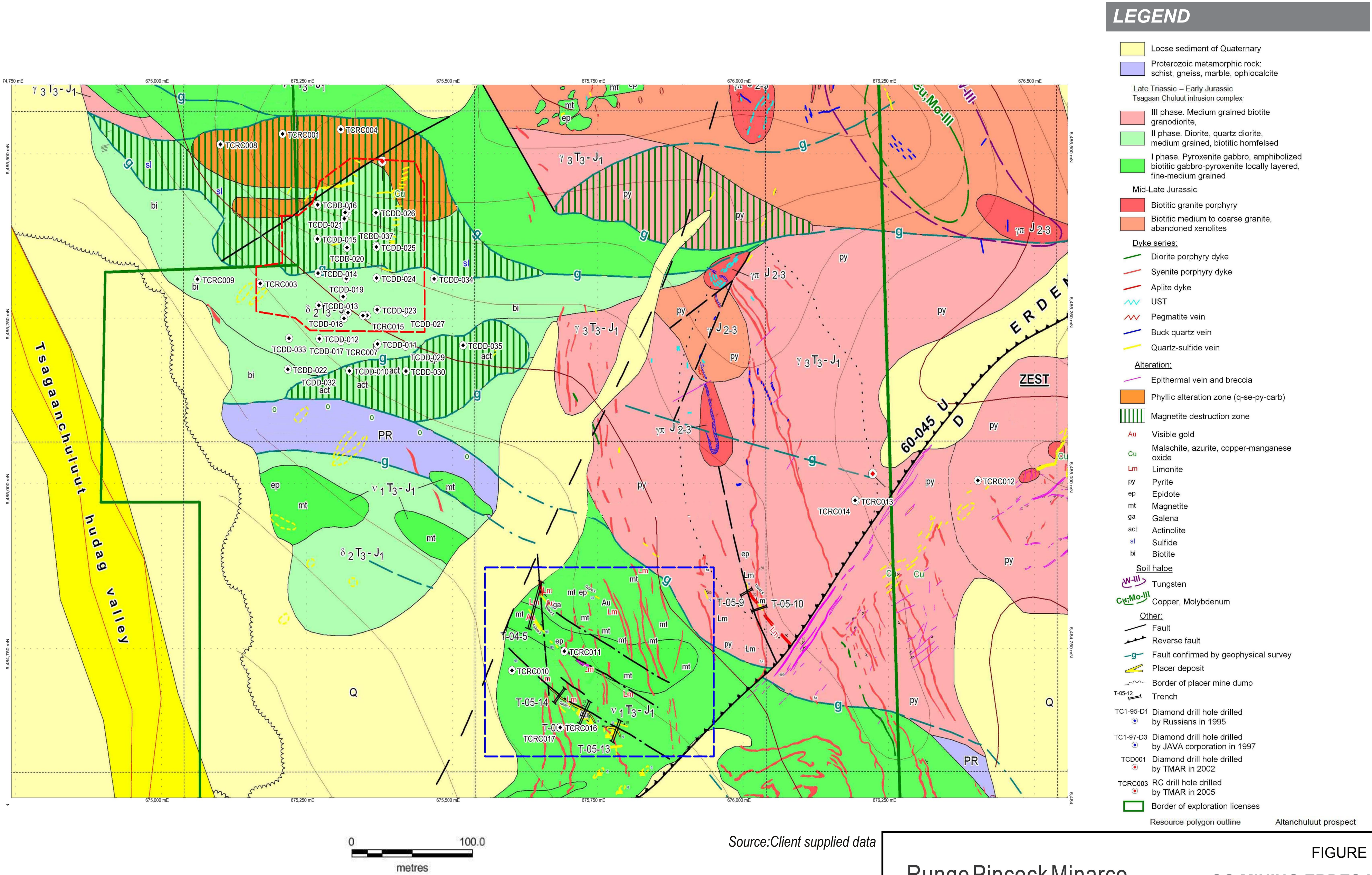
Project No: ADV-MN-00109

FIGURE 2-1

SG MINING ERDES LLC

Tsagaan Chuluut Gold project

Regional Geology Map



Source:Client supplied data

RungePincockMinarco

FIGURE 2-2

SG MINING ERDES LLC

Tsagaan Chuluut Gold project

Detailed geology map

Project No : ADV-MN-00109

2.3 Mineralisation and Alteration

RPM considers that mineralisation occurs as a series of sheeted and parallel lower sulphidation, epithermal quartz and sericite veins termed Beresite style mineralisation. This style is commonly found in northern Mongolia and Southern Russia and is closely associated with the quartz diorite and diorite porphyries of the Late Triassic-Early Jurassic Tsagaan Chuluut intrusion complex. Mineralisation in the area is best developed within a brecciated pre-existing bucky quartz vein aligned along the dilatant east-west trend and also in open space breccia's formed under the influence of pronounced dilation (***Figure 2-3***). This zone contains all but 5 of the drill holes completed in the region and is the main mineralisation zone and is known at the TC-1. The TC-1 area contains the current Mineral Resource however similar mineralisation, is locally exposed in the Altan Chuluut area to the south east of the main zone (this forms the exploration potential area).

Gold bearing veins are generally lined with coarse crystalline quartz and pyrite as well as associated stock-work quartz-pyrite veins. Flattened pyrite also occurs along fractures. The bucky quartz reef, which exploits an earlier east-west trending structure, has been brecciated as an ideal brittle host and contains the highest Au grades (400ppm) in coarse clots of gossanous pyrite. Visible gold was detected and an assay of 5m @ 6g/t Au was returned from this material.

Mineralisation of lesser intensities occurs in the Altan Chuluut area comprising extensions of quartz-sulphide mineralisation exposed in marmot holes and hand dug trenches. Java bored two angle drill holes in a scissor pattern to test a surface trench rock chip anomaly of 47m @ 0.71g/t Au. Troy Resources yielded a best drill hole with 80m @ 0.47g/t Au. A total of one DD and 10 RC holes have been drilled into the deposit.

Geophysical data defined a prominent coincident chargeability high with relatively low resistivity and a de-magnetized zone at Tsagaan Chuluut, resulting from pyrite-sericite-carbonate alteration. This work extends the mineralisation to the east of the most drilled area. RPM has reviewed this data and presents it interpretation in ***Section 2.3.1*** below.

Figure 2-3 Brecciated (left) and Open Space Brecciated Quartz (right)

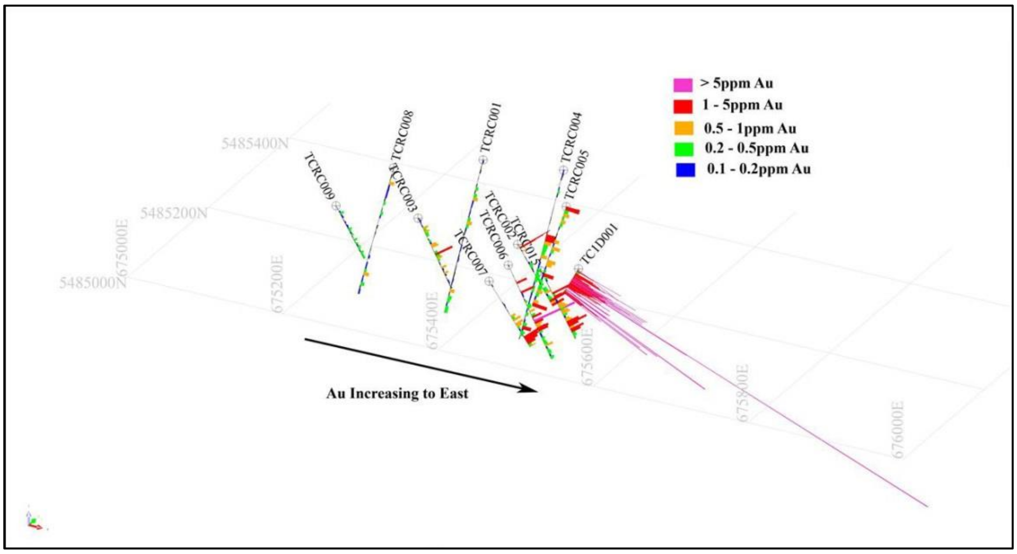
2.3.1 TC1 Mineralisation Style and Exploration Model

RPM have reviewed the nature and tenure of the mineralisation observed within the TC1 Resource area and interpreted a geological and exploration model. This model can be used as a guide to what might be likely at the Altan Chuluut Prospect, which lies approximately 800m south east of the TC1 drilling area, see ***Figure 2-2.***

At TC1 RPM previously gave advice that guided drilling which discovered the eastern extension of the TC1 deposit, see ***Figure 2-4*** and;

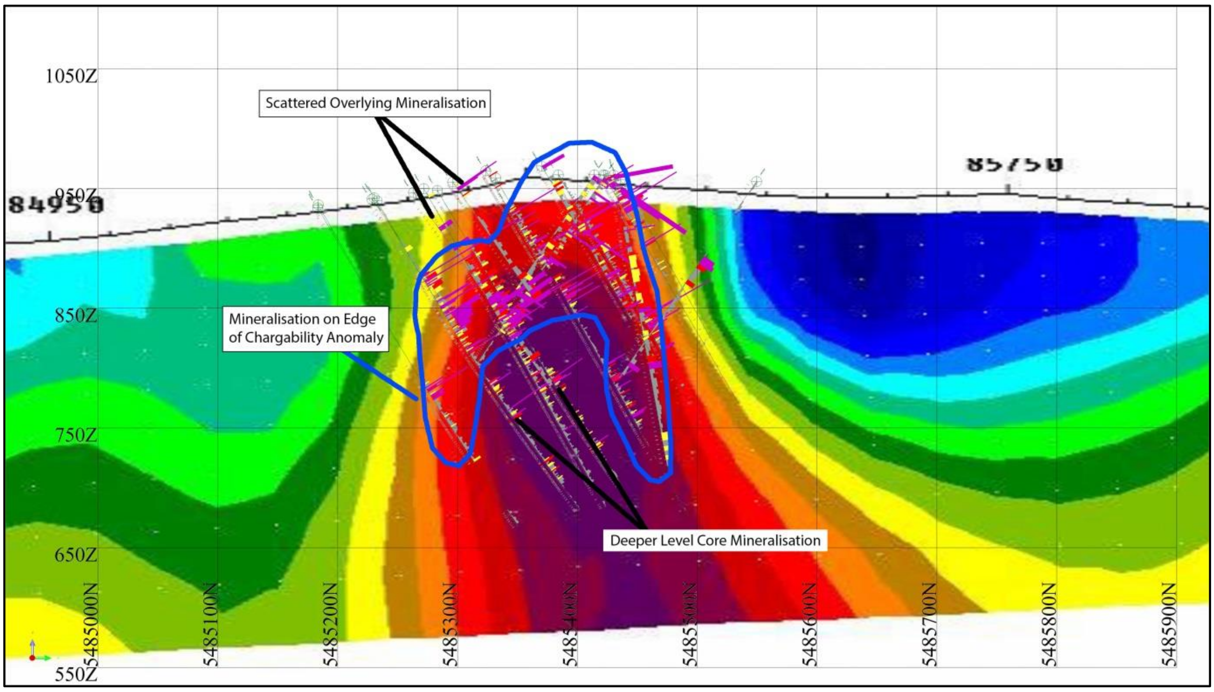
"RAL entered all the drill data into an Access Database and mapped the database so assays could be displayed three dimensionally in Surpac, see Figure 8-3. It is evident that the gold mineralisation is improving to the east and towards the core of the proposed porphyry system. This suggests more potential may exist to the east and away from the peak of the chargeability anomaly and surface sampled gold anomalism."

Figure 2-4 TC1 2011 Drilling Extent from Figure 8-3 RPM Report



In the current review RPM concluded that the higher gold mineralisation forms a cylindrical or inverted cup shaped zone around the edge of the strong chargeability high measured in the area, **Figure 2-**5. This is the broad zone of mineralisation but within this the higher grade zones will be controlled by pre-existing jointing resulting in the generally shallow east dipping higher grade mineralisation modelled in the Resource Estimates.

Figure 2-5 TC1 Mineralisation Model



Review of the stacked DDIP chargeability profiles, see ***Figure 2-6*** indicates that the strong chargeability anomaly plunges to the east. RPM concludes that the original disseminated pyrite alteration would have been vertical and tectonic movement has caused the easterly dip. RPM is of the opinion that the gold mineralisation originally formed a cylindrical or inverted cup shaped halo on the periphery of the high chargeability anomaly similar to the geometry of the Lowell and Gilbert Porphyry copper model. Because of this geometry there may be un-intersected mineralisation on the bottom side or the rod shaped east plunging chargeability anomaly.

It is apparent in ***Figure 2-6*** that;

1. The chargeability anomaly surfaces at TC1, and
2. The grades lessen at depth.

It is likely that the higher grades from the upper parts of the gold mineralised cylinder have been eroded from the original TC1 mineralisation at the drilled eastern part of the deposit. However, if there is a complete cylindrical annulus of mineralisation, because of rotation into an easterly dip, higher levels in the system and therefore higher grades of mineralisation may be preserved to a greater extent on the western side of the DDIP chargeability anomaly. This mineralisation would not be seen at surface as it would be hidden under Quaternary sediment and recent gravels of the Tsagaan Chuluut Hudag valley, see ***Figure 2-2***.

The possible presence of this east dipping annulus is supported by the two eastern resistivity sections, Line 2 and Line 3, see ***Figure 2-7***, which suggest lower resistivity underneath near surface higher resistivity rock. This model predicts that there will be another mineralised zone at depth under TC1. The most westerly drilling appears to have penetrated the gold poor resistive east plunging cylinder core, with all drilling to date focusing on the upper side of the proposed cylinder.

The deeper mineralisation may have similar tonnages at possibly higher grades to the drilled TC1 deposit however this need to be confirmed with follow up drilling and could be a false charge containing limited mineralisation.

Figure 2-6 TC1 Chargeability and Drilling

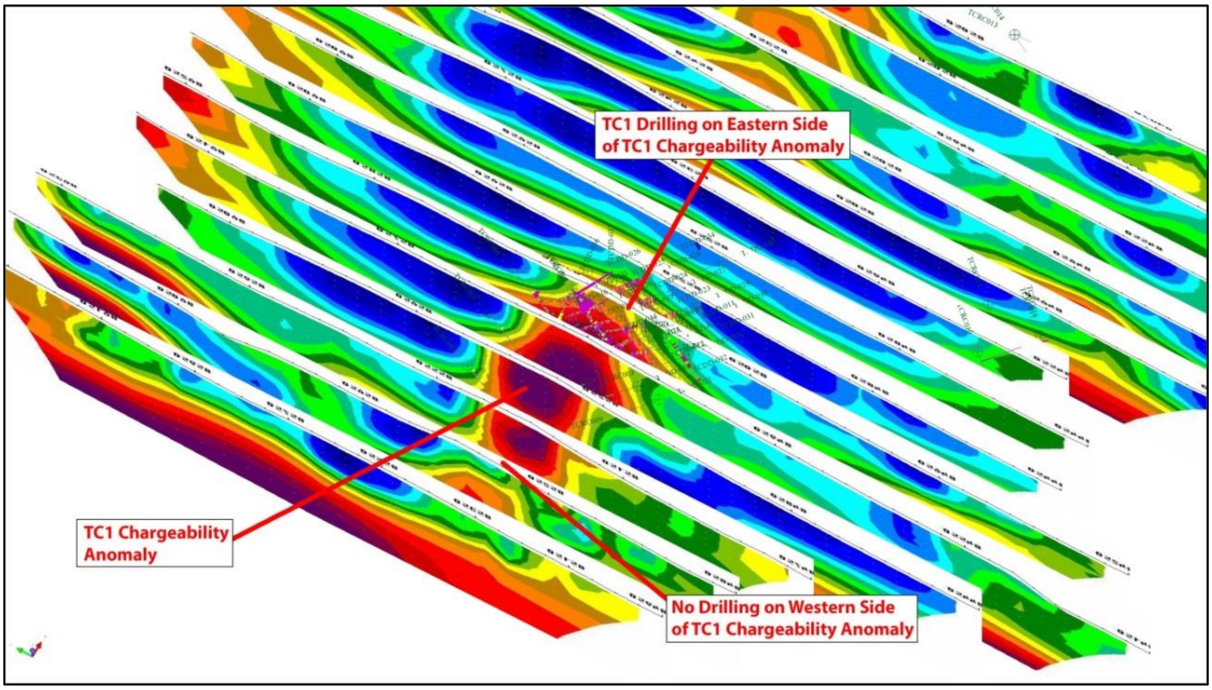
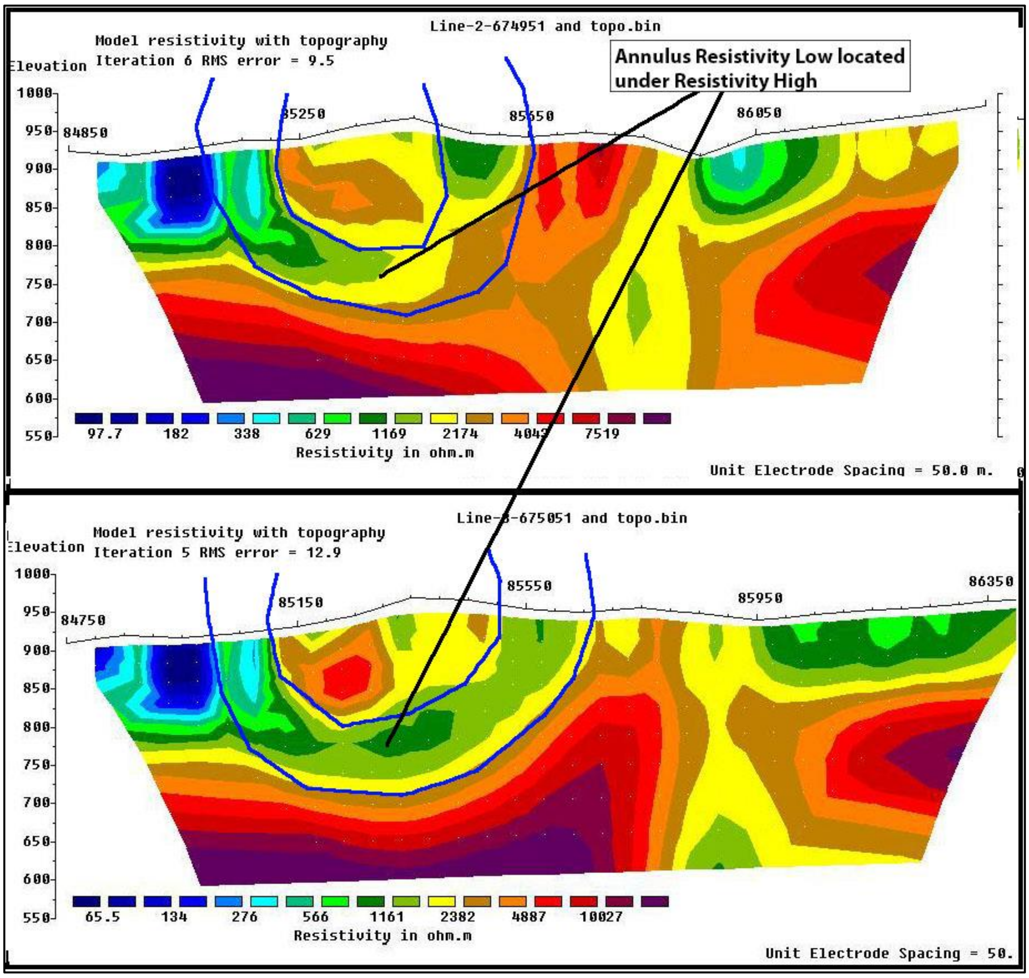


Figure 2-7 TC1 Line 2 and 3 Resistivity



2.3.2 Exploration Model Conclusions

In summary RPM has concluded that;

1. The TC1 mineralisation may originally have formed a cylinder or inverted cup shaped halo on the periphery of the high chargeability anomaly,
2. The chargeability anomaly surfaces at TC1,
3. The grades lessen at depth,
4. A drill untested western side of the mineralisation may occur under recent sediment cover to the west of TC1 and extending to depth under the drilled mineralisation.
5. The underlying western zone is expected to have higher grade than the drilled TC1 mineralisation.

2.3.3 Altan Chuluut Prospect

The Company has completed four surface trenches, seven E-W DDIP profiles and four RC drill holes in an area of vuggy epithermal quartz veining see ***Figure 2-8***. The quartz veins and other near surface gold mineralisation was intersected in the drill holes with narrow intercepts ranging in grade from 4m @ 1.24g/t Au from 16m in TCRC016 and 2m @ 5.92 from 21m in TCRC010. Also in the area deep high chargeability anomalies were found slightly to the east of the near surface mineralisation in most DDIP sections. Depth to the top of these anomalies is approximately 200m from surface, see ***Figure 2-8, Figure 2-9, Figure 2-10*** and ***Figure 2-11.***

Figure 2-8 Vuggy Epithermal Quartz Outcrop at Altan Chuluut Prospect

Figure 2-9 Altan Chuluut 5484600n Chargeability Profile

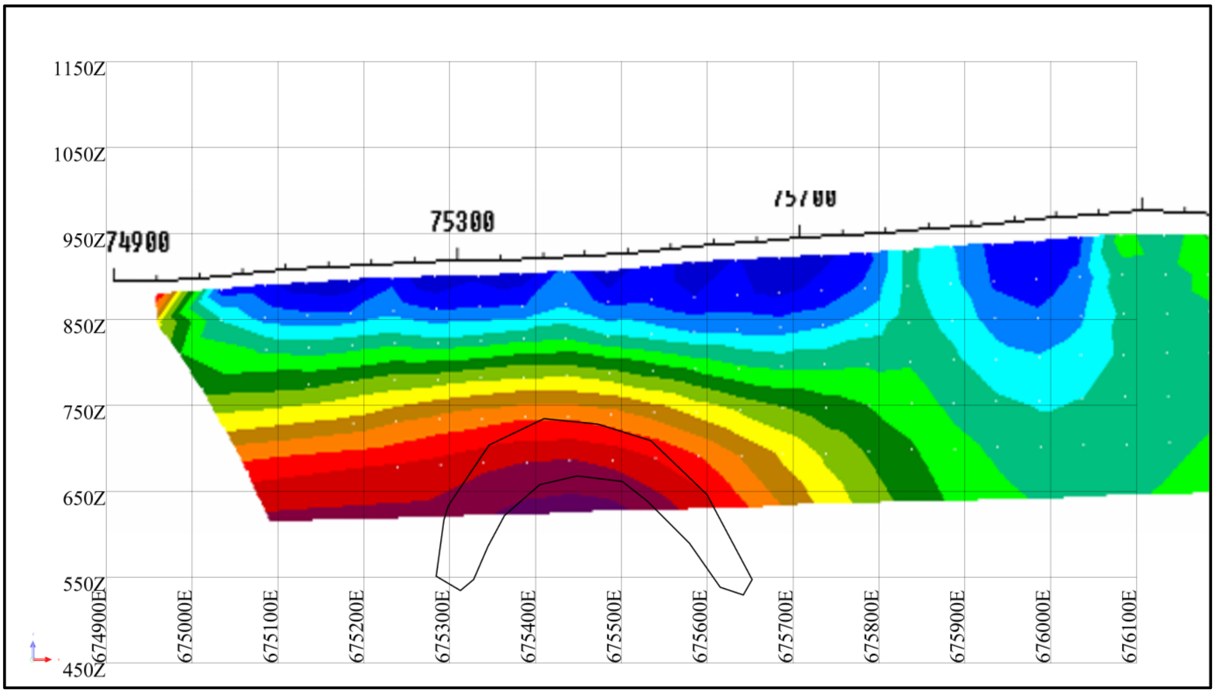


Figure 2-10 Altan Chuluut 5484650n Chargeability Profile

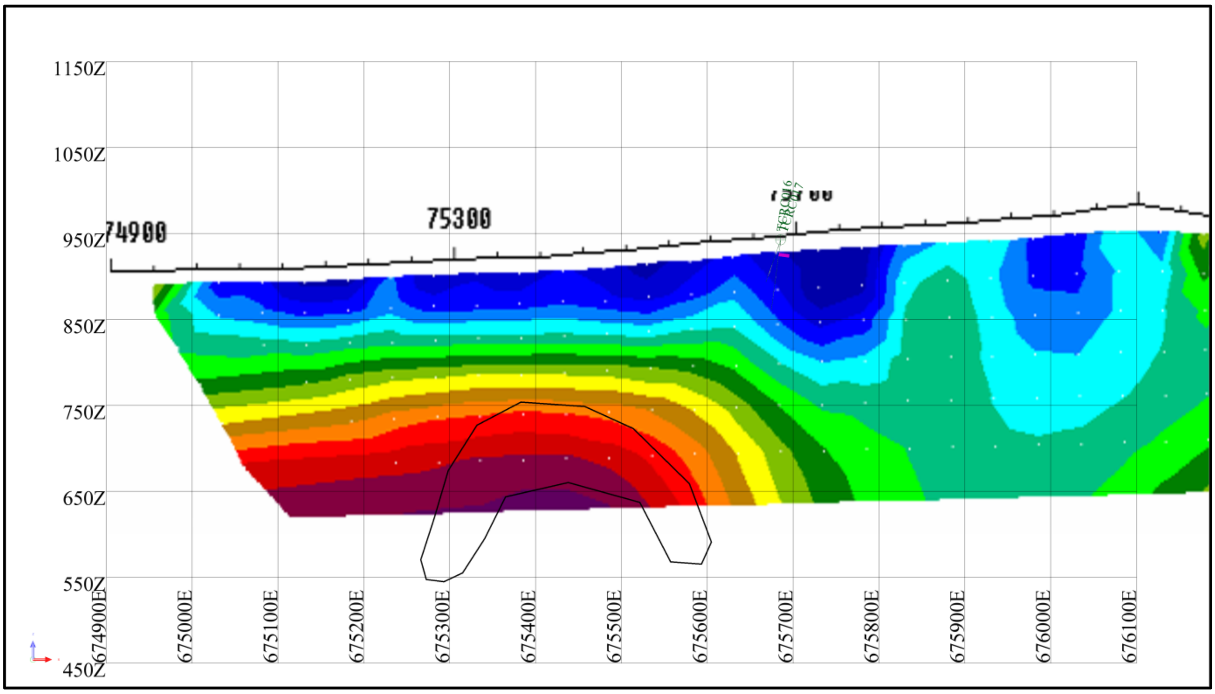


Figure 2-11 Altan Chuluut 5484700n Chargeability Profile

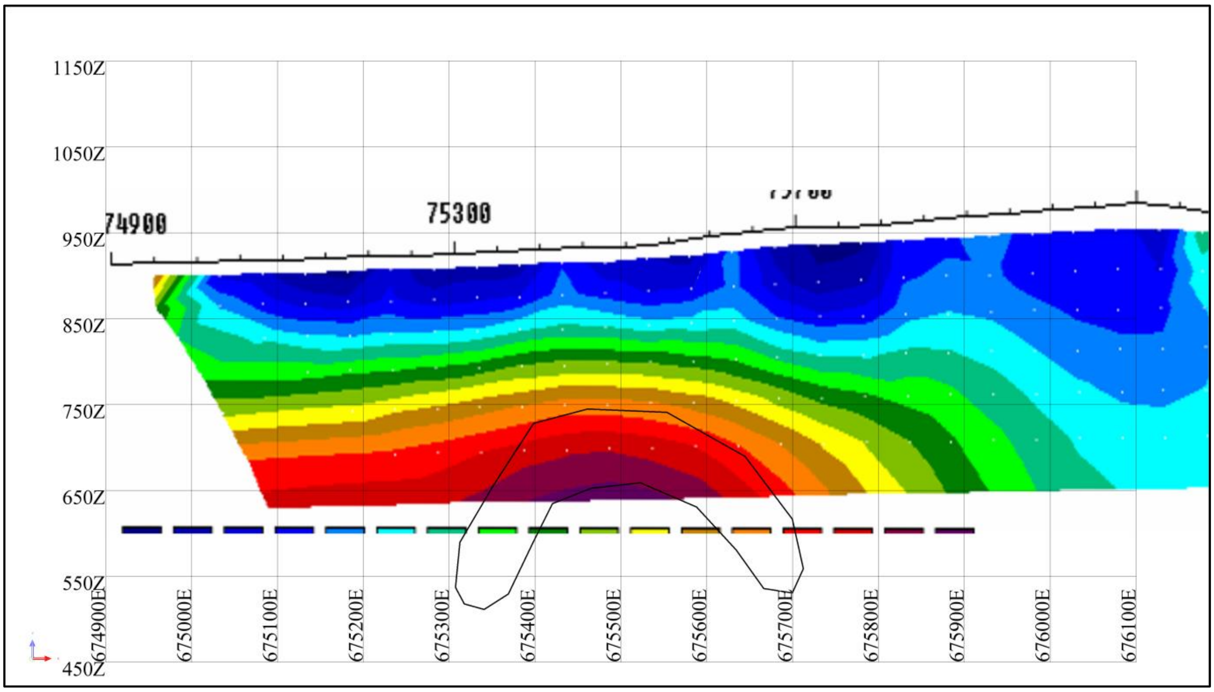
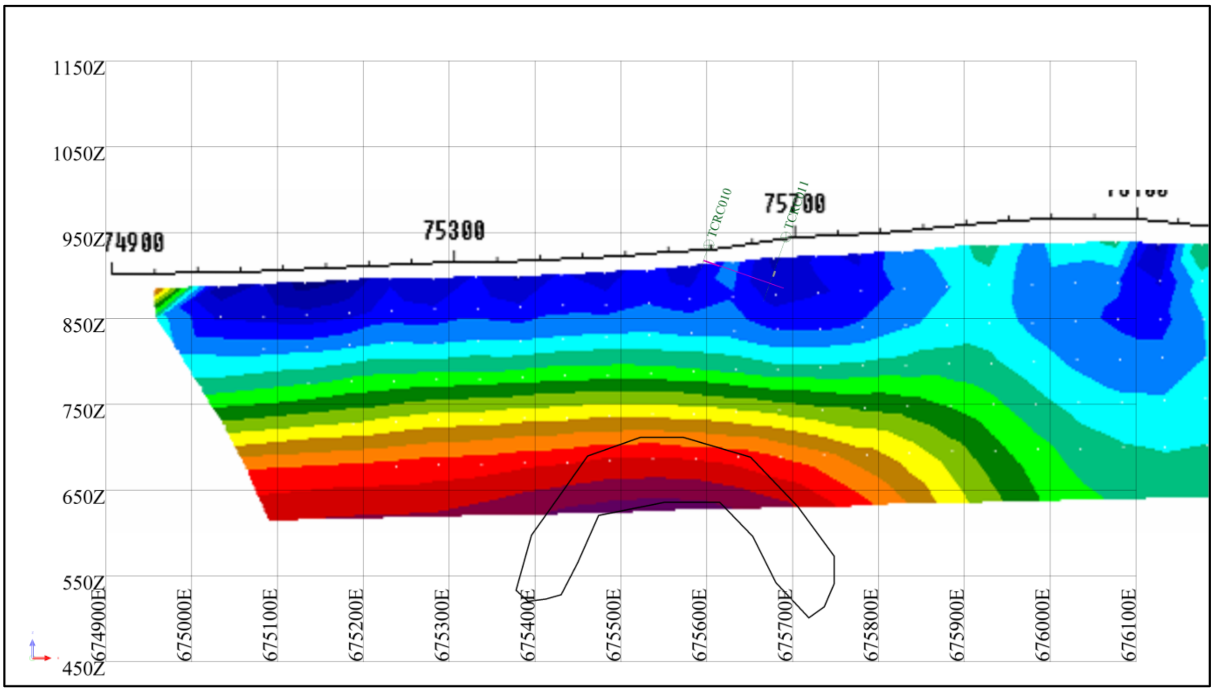
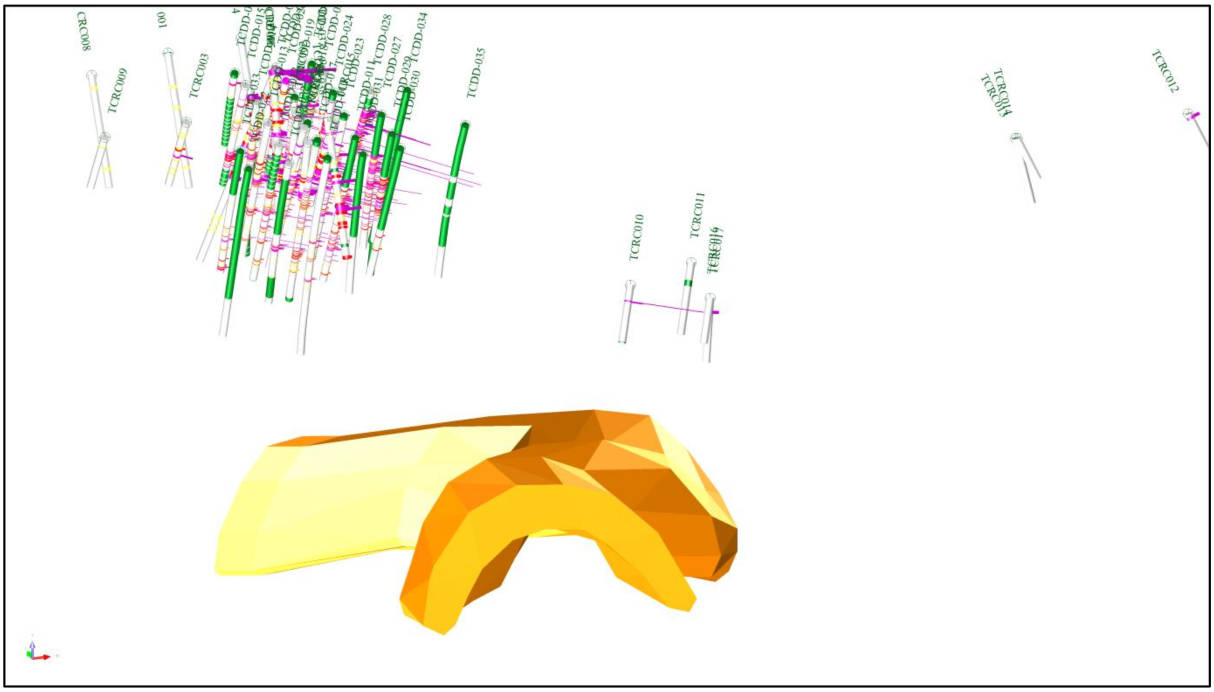


Figure 2-12 Altan Chuluut 5484750n Chargeability Profile



RPM considers that these anomalies may be formed by disseminated pyrite mineralisation similar to the TC1 Resource mineralisation which, in this case, does not outcrop. The intersected epithermal mineralisation is interpreted to be from gold bearing solutions that have escaped from the underlying hydrothermal source (likely to be an intrusive event) along coeval faults and boiled near surface to produce the classic epithermal quartz and relatively high grade gold known as Beresite Style mineralisation. It is telling that the higher grade intercept in TCRC010 is closer to the position of the underlying chargeability anomaly shown in ***Figure 2-6***.

Figure 2-13 Altan Chuluut Interpreted Exploration Target from Chargeability Profiles



The DDIP anomalies are different from those at TC1 Resource area in that the high chargeability is co-incident with high resistivity in this case. High resistivity is known to enhance chargeability response. However there is also a difference in that the ACH anomaly is at depth below the weathered zone and the higher resistivity maybe because of the lack of weathering. Despite the possibility of resistivity enhanced chargeability response this must be regarded as a reasonable target particularly in light of the intersection of high grade epithermal gold mineralisation above the anomaly.

The interpreted target is consistent with the mapped geology. In ***Figure 2-14*** the epithermal veins are mapped in yellow and controlling faults are interpreted in black. The red wireframe is the surface projection of the interpreted target. A feature of the target is that it is offset westward at the projected position where the epithermal mineralisation controlling faults crossing the target zone. This is further argument supporting the idea that the epithermal mineralisation could be leakage from the underlying hydrothermal system which is evidently crossed by and modified by the faults controlling the epithermal system. ***Figure 2-15*** has the same mineralisation target wireframe overlaid on the RTP magnetics and clearly shows the dislocating fault positions.

Unlike Tsagaan Chuluut this target does not outcrop and the upper sections are not eroded. By analogy higher grade can be expected at ACH because it will not have been removed by erosion.

Figure 2-14 Altan Chuluut Interpreted Exploration Target overlain on Geology

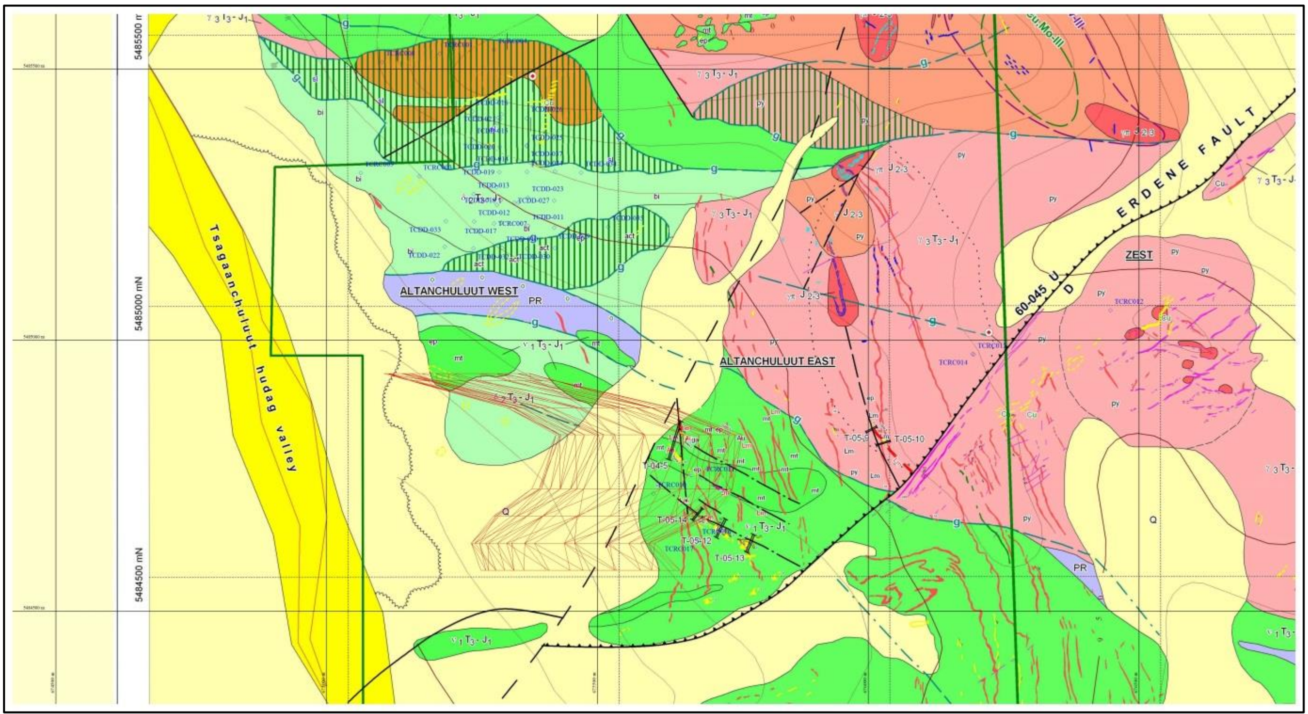
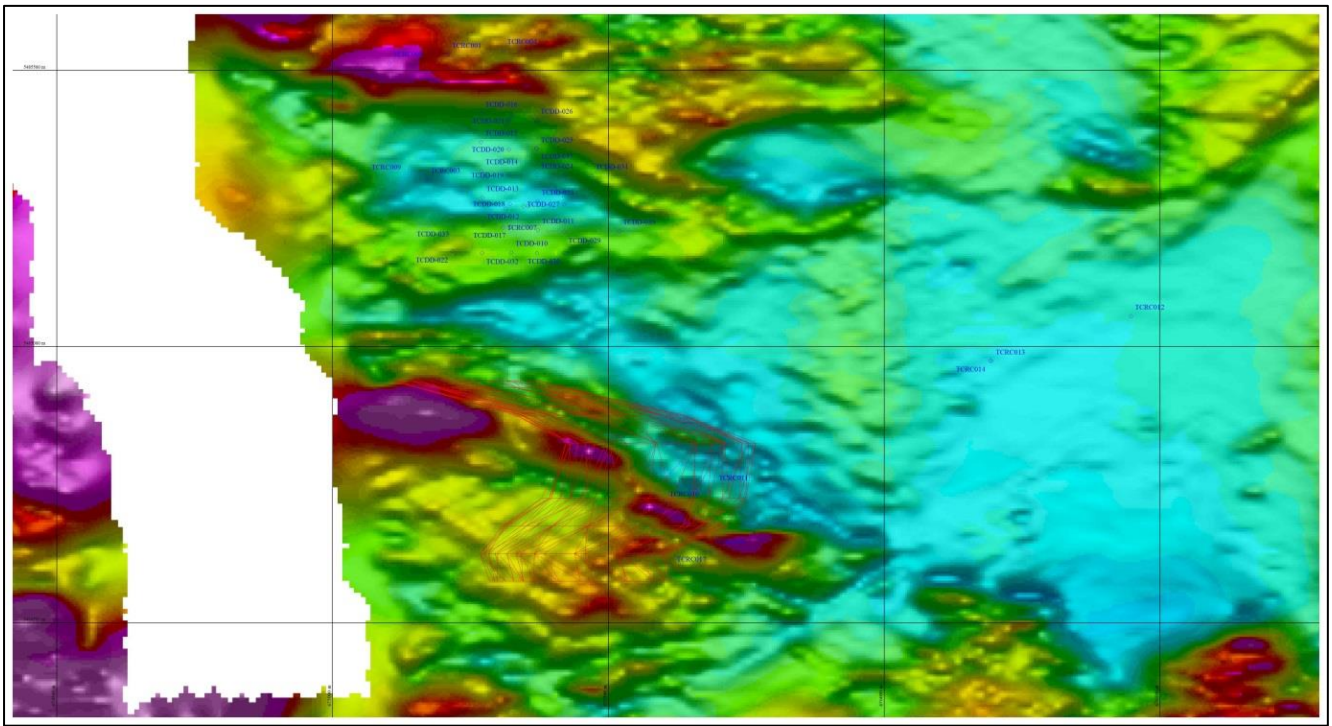


Figure 2-15 Altan Chuluut Interpreted Exploration Target overlain on RTP Magnetics



2.3.4 RPM Opinion

RPM has concluded that:

1. The chargeability anomaly approximately 200m below intersected epithermal mineralisation maybe a deposit of similar style to the TC1 mineralisation,

2. While the anomalies are different in that the ACH anomaly is associated with high resistivity rock this difference may simply be because ACH is deeper than TC1 which outcrops and therefore is weathered to form lower resistivity rock,

3. The grade of the ACH target could be higher than TC1 because the higher grade material will not have been eroded from the top of the deposit,

4. The chargeability anomaly is open to the south.

3 MINERAL RIGHTS AND LAND TENURE

3.1 Mining License

The Tsagaan Chuluut deposit lies within a mining license with an area of 457.29Ha, which is held by SG Mining. The license details are summarized in ***Table 3-1***

Table 3-1 Tsagaan Chuluut Mining Llicense Ddetails

Mine/Project	Tsagaan Chuluut-1
Name of Certificate	Mining license
Certificate No.	15436A
Licence Holder	SG Mining Erdes LLC
Location	Bayandun soum, Dornod province, Mongolia
Name of Mine	Tsagaan Chuluut
Company Category	Limited Company
Mining Method	Open pit
license Area	457.29 hectare
Validation	25th Jan 2010
Issue Date	25th Jan 2040
Issuer	Mineral Resource Authority of Mongolia

Source: RPM sighted a copy of the Mining Licence

The longitude and latitude coordinates of the mining license area is listed in ***Table 3-2*** below.

Table 3-2 Tsagaan Chuluut Hard Rock Gold Project: Mining license coordinates

	Longitude			Latitude		
Point	**Degrees**	**Minutes**	**Seconds**	**Degrees**	**Minutes**	**Seconds**
1	113	26	2.1	49	27	41.95
2	113	25	17.11	49	27	41.95
3	113	25	17.49	49	28	0.59
4	113	25	12.03	49	28	0.7
5	113	25	12.81	49	28	16.54
6	113	25	10.83	49	28	16.58
7	113	25	12.17	49	28	42.77
8	113	25	10.15	49	28	42.81
9	113	25	11.46	49	29	9.54
10	113	25	2.03	49	29	9.72
11	113	25	3.1	49	29	31.52
12	113	24	54.66	49	29	31.7
13	113	24	55.62	49	29	42.95
14	113	25	12.11	49	29	42.95
15	113	25	12.01	49	30	2.01
16	113	26	1.96	49	30	2.01

Source: RPM sighted a copy of the Mining License

RPM provides this information for reference only and recommends that land titles and ownership rights be reviewed by legal experts.

3.2 Tsagaan Chuluut Hard Rock Gold Area

The Mineral Resource estimate which is presented within this report is limited to an area of approximately 500 by 500m, known as Tsagaan Chuluut area within the mining license. The coordinates are surveyed in WGS-84 system and is listed in ***Table 3-3*** below. RPM notes that the Exploration Potential Estimates are contained within the coordinates in Table 3-3 however are also located with the Altan Chuluut Prospect area which is shown in **Figure 3-1**.

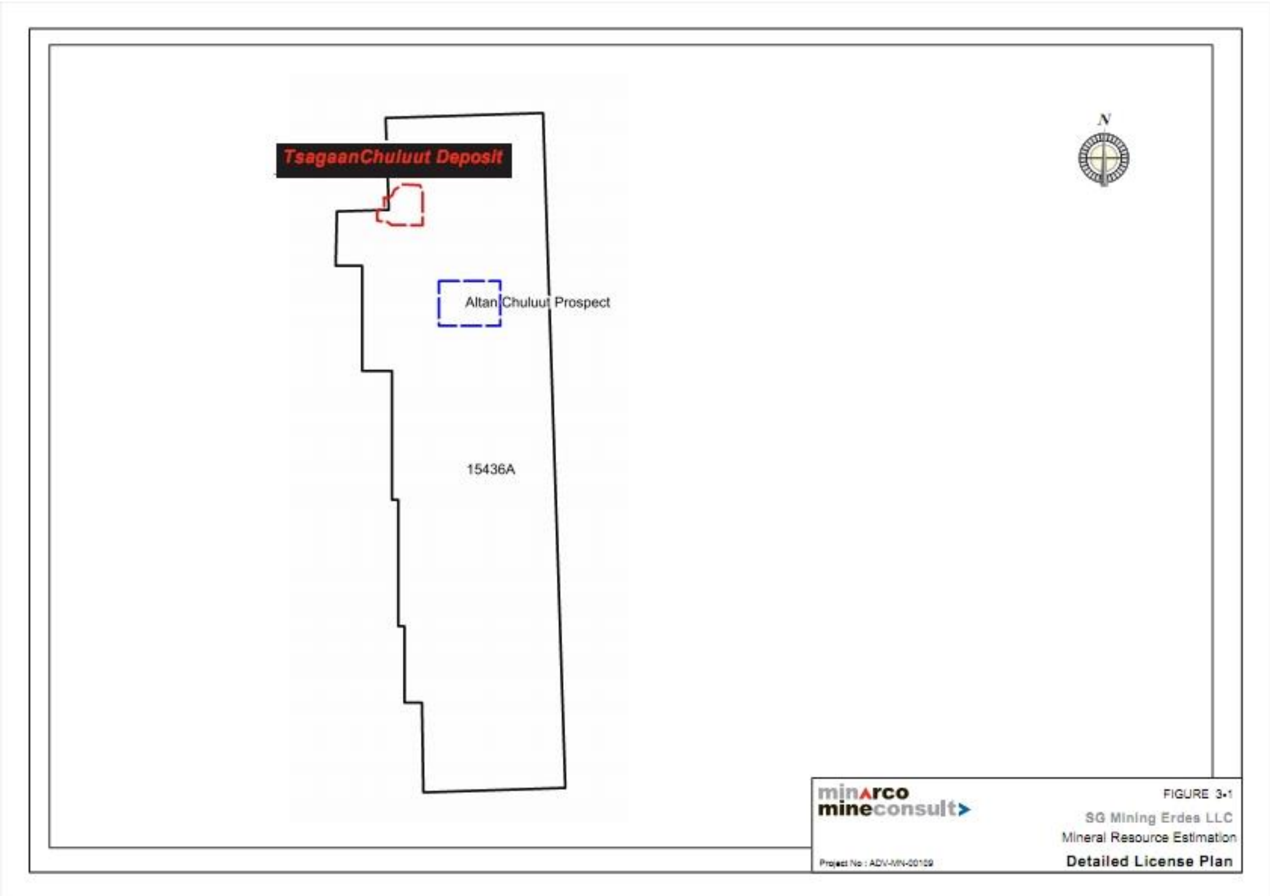
Table 3-3 Tsagaan Chuluut Deposit Coordinates

Point	Northing	Easting
1	5,485,100	675,100
2	5,485,600	675,100
3	5,485,600	675,600
4	5,485,100	675,600

Source: RPM sighted Mining Registration Map, coordinates in WGS-84 coordinate system, Zone North49

The Tsagaan Chuluut-1 Mining License and the Tsagaan Chuluut Hard Rock Gold Project area are shown in ***Figure 3-1.***

Figure 3-1 Detailed License Plan



4 PROJECT HISTORY

4.1 Exploration History

The region has a long history of exploration dating back to 1973 as shown in the exploration history in ***Table 4-1***. Although in 2005 17 RC holes were completed, the majority of drilling and geophysical surveys have been completed between 2012 and 2013 by the Company. This data forms the basis for the Mineral Resource and Exploration Potential Estimates presented in this report.

Table 4-1 Exploration History of the Tsagaan Chuluut Project

Date	Activity	Conducted by
1973-1974	Initially this region was mapped at 1:200,000 scale under a general geology mapping project	Mongolian Geological Expedition
1973-1985	Geological mapping with scale of 10,000 over the 100km zone along the Mongolian border. Exploration works are trench, soil samples with 100x20m grid, rock chip samples, geophysical survey and 5 diamond holes.	Russian Exploration team (drilling data is not available)
1997	Geological mapping (1:10,000), trenching (4,491m^3 and 667 channel samples), soil sampling (100x20m grid 241 samples), 76 rock chip samples, 2.09km^2 ground magnetic survey, a 14.3 line km resistivity survey and 3 diamond holes with 473m depth.	Java Gold Corporation Company (drilling data is not available)
2002-2005	Geological Mapping with 10,000, 5,000 and 2,000 scale 97.4m3 trenches have taken 71 channel samples 1050 soil samples on a 50x50m grid and 372 rock chip samples 1,756 line km of ground magnetic survey 17 Reverse Circulation (RC) holes	Troy Mongolia Alt Resource (Troy) LLC
2012-2013	30 diamond holes (one hole hasn't sampled) 97.6km Induced Polarization (IP) and 74.2km Magnetic survey by DashMagEng LLC Topographic survey. By Bayasakh Survey LLC. On March 2012	SG Mining Erdes LLC

Source: RAL sighted documentation

4.2 Mining History

RPM understand no mining has occurred at the Tsagaan Chuluut Deposit. During the site visit no visual signs of mining were observed.

5 PREVIOUS ESTIMATES

A single previous estimate for the Tsagaan Chuluut deposit was completed by Micromine LLC (MCS) in September 2012 by Micromine. The estimate was constrained by wireframes prepared at a 0.1g/t Au cut-off, utilising the median indicator kriging interpolation technique. A summary of the estimate is shown in ***Table 5-1*** below.

Table 5-1 Summary of Micromine 2012 Mineral Resource Estimate

Resource classification	Cut-off grade (Au ppm)	Tonnes (Mt)	Average Grade Au ppm	Contained Metal (Au Troy Oz)	Contained Metal (t)
Indicated & Inferred	1.0	0.5	1.08	17,000	0.51
Indicated & Inferred	0.7	3.7	0.86	102,000	3.2
Indicated & Inferred	0.5	8.4	0.70	191,000	5.9
Indicated & Inferred	0.3	18.5	0.54	319,000	10
Indicated & Inferred	0.1	21.4	0.50	342,000	11

RPM has not reviewed this estimate and cannot confirm its veracity of suitability for reporting in accordance with JORC Code.

6 DRILLING DATA

6.1 Summary

Data supplied to RPM by SG Mining consisted of Excel spreadsheets containing information for all collars, assays, geology, and survey for all drilling completed to 2013 at the Tsagaan Chuluut deposit. The spreadsheets were imported into a Surpac drill hole database (*'ts_db.ddb'*).

6.2 Drill Methods

The database contains records for 47 drill holes including diamond (DD) and reverse circulation (RC) drill holes. A summary of the drilling data within the resource area is shown in ***Table 6-1***.

Table 6-1 Summary of Drilling

Hole Type	In Database		In Resource		
	Drill holes		Drill holes		Intersection
	Number	Metres	Number	Metres	Metres
RC	17	2,156	3	476	67
DD	30	8,001	24	6,334	1,436
Total	**47**	**10,157**	**27**	**6,810**	**1,503**

Three drilling companies as Erd Geo LLC, Kali Khakkin LLC and MTDrilling LLC were involved with exploration at the Project. All DD holes from 2012 to 2013, which consisted of the majority of the drill holes for the estimate, were completed using four diamond rigs which included; Hanjin Power 7000, Hanjin Power 9000, ZIF 640M, and YDX-3G drill rigs. All rigs used a conventional wire-line diamond drilling technique with a single core barrel inside the drilling rods to produce HQ or NQ size diamond core. Holes were drilled with HQ from surface, switching to NQ at depth.

The core was placed in approximately 1m long wooden core trays (each holding around 4m of HQ or NQ size drill core) subsequent to extraction from the core barrel. One metre lengths were marked and labeled for future reference.

During the site visits RPM observed the drilling, core handling and sampling techniques and considers them appropriate and consistent with the recommended guidelines of the JORC Code.

6.3 Drill Hole Collar Location

2012 to 2013 drill hole collar coordinates were surveyed in Universal Translator WGS84 projection within north zone 49. All collar positions and topographic survey have been surveyed with DGPS equipment using the "Leica TC-800" marked instrument from Switzerland, by Bayasakh Survey LLC. The historical holes surveyed in local grid have been transformed into WGS84. Collars for all drill holes completed by SG Mining have been accurately surveyed by a contract surveyor.

6.4 Down Hole Surveys

Down-hole surveys for 2012 diamond holes were taken every 30m intervals using a Reflex EZI Shot Surveying Instrument. As holes were aligned to an azimuth of true north, the drill rig was set-up using the GPS to ensure the rig was aligned correctly. Troy's RC holes and 2013 diamond holes were not down hole surveyed.

6.5 Geological Logging

All RC holes have been geologically logged by Troy geologists, with the data entered into Microsoft Excel spread sheets and imported into an Access database. Every interval was sieved and washed then stored in chip trays for future reference.

Diamond drilling has been logged for a combination of geological and structural attributes by SG Mining employees. The core has been photographed and measured for RQD and core recovery. All diamond logging data is entered into Microsoft Excel spread sheets and imported into an Access database. RPM concludes that logging was carried out to a high standard using standard industry practices.

6.6 Sampling

6.6.1 Methodology

RPM provided exploration procedures to the client in 2011 for the planned exploration drill program. During the site visits conducted by RPM, the sampling and assaying procedures used by SG Mining were verified and found to be consistent with those recommended by RPM.

After the drill core had been logged and photographed, the Senior Geologist on site marked the sample intervals on the core and recorded the details in the sample sheet. Core samples were cut into two equal halves along the length of the core using a core saw with a diamond-tipped blade. For the marked sample intervals, the right hand side of the core was sampled and placed into calico sample bags marked with the sample ID. The calico bags were then placed into poly-woven sacks marked with the numbers of the samples and the laboratory name and address for submission to the laboratory. The un-sampled half of the drill core was retained in the core box and stored. Field duplicate samples were taken from quartering the half core.

RC drilling was sampled by 2m intervals for invisible mineralisation zone and 1m intervals for good mineralisation zone. DD drilling was sampled from 0.2 to 8m intervals, with the majority of samples at 1m intervals.

After bulk density measurements were taken they were dried and placed in large poly-weave bags, labeled with batch number, company name and sample numbers contained within.

RPM noted that holes TCDD-036, TCDD-037 and TCDD-038 have variable sample lengths, often with sample intervals greater than or equal to 4m in length. RPM recommends that these holes are re-sampled at 1m intervals to allow for greater local sample variability to be interpolated into the block model. For future programs, RPM recommends sampling at 1m intervals for all drilling methods.

RPM concludes that sampling and assaying methods used by SG Mining were consistent and in line with the recommendations of the JORC Code.

6.6.2 Sample Preparation

2012 core samples were sent to the SGS Laboratories in Ulaanbaatar, Mongolia. When received, core samples were sorted and then dried in ovens at 70ºC. The samples were then crushed to greater than 75% of the sample passing a size fraction of -3.35mm. Crushed samples were then split using a Jones riffle splitter. The split sample of up to 500g in weight was then pulverized to greater than 90% of the sample passing a size fraction of 75 microns. Pulverised samples were retained for analyses, while the remaining coarse reject samples were stored. Troy's RC chip samples were sent to SGS Laboratories in Ulaanbaatar, Mongolia on April 2005.

For 2013 core samples and external repeats were sent to ActLab in Ulaanbaatar, Mongolia; sample preparation involved weighing the sample, followed by crushing in a jaw crusher to 2mm size fraction up to 90%. The sample was screened and split followed by 250g being pulverized to 95% passing 105u.

7 ASSAY DATA

7.1 Methodology

All samples sent to SGS were analyzed using ICP-40B, AAS22S and FAA505 procedures. The ICP40B procedure involved a multi-acid digest of nitric, hydrofluoric, perchloric and hydrochloric acid prior to analysis of the solution by the Inductively Coupled Plasma machine for a suite of 33 elements. Samples which recorded assays over the upper detection limit for the method of 1,000 ppm Au were re-assayed using the Atomic Absorption Spectrometry (“AAS”) 22S method to define the higher grades.

RPM randomly selected samples for an external check. These were sent to ActLab. The samples underwent a similar multi acid digestion followed by 1A2-30 – Au-Fire Assay AA30g and 1EM – Aqua Regia AAS for Au, Ag, Cu, Mo, Pb and Zn. The sample was mixed with fire assay fluxes (borax, soda ash, silica and litharge) and with Ag added as a collector and the mixture was placed in a fire clay crucible. The mixture is preheated at 850°C, intermediate 950°C and finish 1060°C, the entire fusion process should last 60 minutes.

RPM considers these procedures to be of industry standard and noted that the SGS laboratory is internationally accredited.

7.2 Quality Control

7.2.1 Protocol and Summary

The Quality Assurance and Quality Control (QA/QC) data provided to RPM included internal pulp repeats, internal standards and the results of commercial standards, field duplicates and blank samples submitted by SG Mining. In addition, RPM conducted 29 independent re-sampling of selected pulp samples from the 2012 drilling program and re-submitted these samples for check analysis to a third party laboratory.

The number of and type of samples used during each generation of drilling varied, as can be in the ***Table 7-1***.

Table 7-1 Summary of QA/QC Samples Per Drilling Generation.

QA/QC Sample Type	2005. RC	2012. DD	2013. DD	Total Samples
SGS internal standards		190		190
SGS internal blanks		260		260
ActLab Internal Standards			13	13
ActLab internal blanks			11	11
ActLab internal repeats			17	17
Field standards		199		199
Field duplicates	28	93		120
Field blanks	14 blanks from white	77 blanks from		92
RPM independent		29		29
Total				**931**

7.2.2 Standard Reference Material

<u>Commercial Standards</u>

Commercial standards were used during 2012 SG Mining diamond drilling programs and were obtained and certified by Geostats. Results for the field and internal standards were compiled by SG Mining and reviewed by RPM.

During the 2012 drilling program 6 certified standards were inserted into sample batches prior to submission to the laboratory. Standards which were 30g packets of pulverised material were inserted into the sample sequence every 30 sample resulting a total of 199 standards being assayed. A review of the results indicates that the majority of the standards result acceptable results, however several outliers were noted. The grades of these outliers correspond with the grades of the other standards, and as such RPM interpreted these to the result of sample nomenclature issues rather a systematic bias of the laboratory.

No commercial standard were utilised during the 2005 RC nor in the 2013 DD drilling campaigns.

Internal Laboratory Standards

Actlab has been inserted a total 13 2 certified standards during the 2013 DD drilling while SGS has inserted total 190 internal standards from 3 certified standards for 2012 DD drilling. A review of the results indicates that the majority of the standards result acceptable results. The resultant charts of the standards are shown in ***Figure7-2*** for the SGS 2012 drilling data while ***Figure7-3*** shows the results of the 2005 drilling results.

Figure 7-1 SGS. Commercial standard for 2012 Drilling

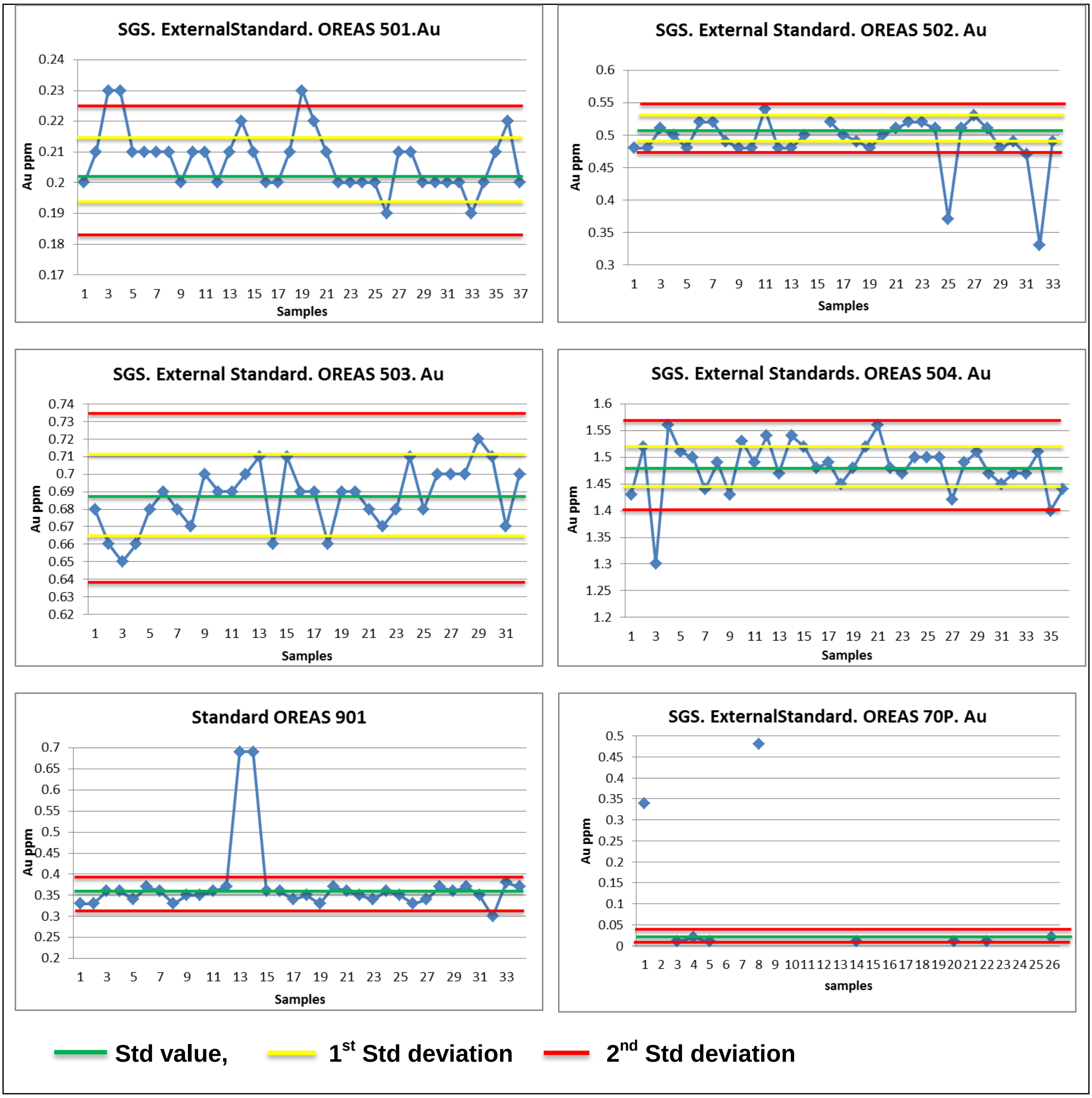


Figure 7-2 SGS. Internal Standards Chart

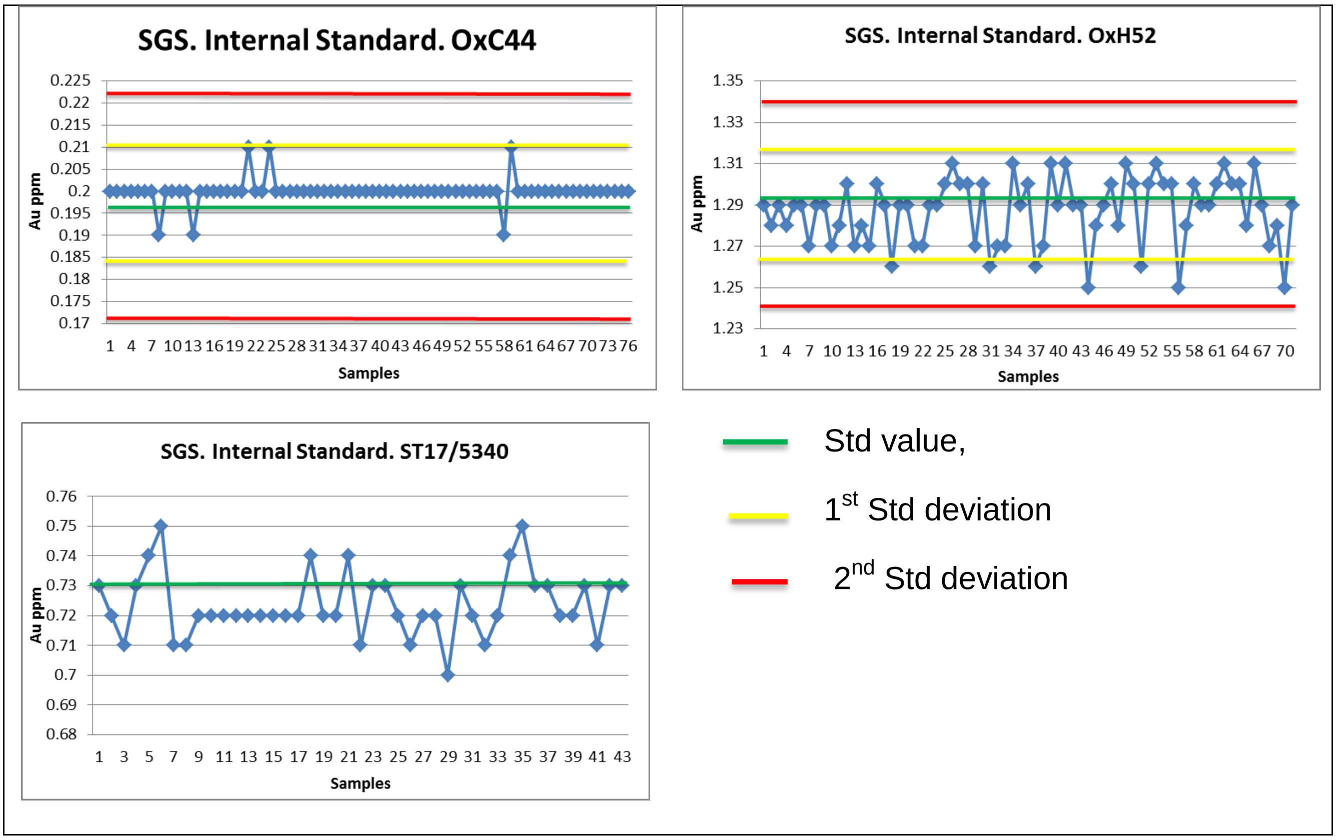
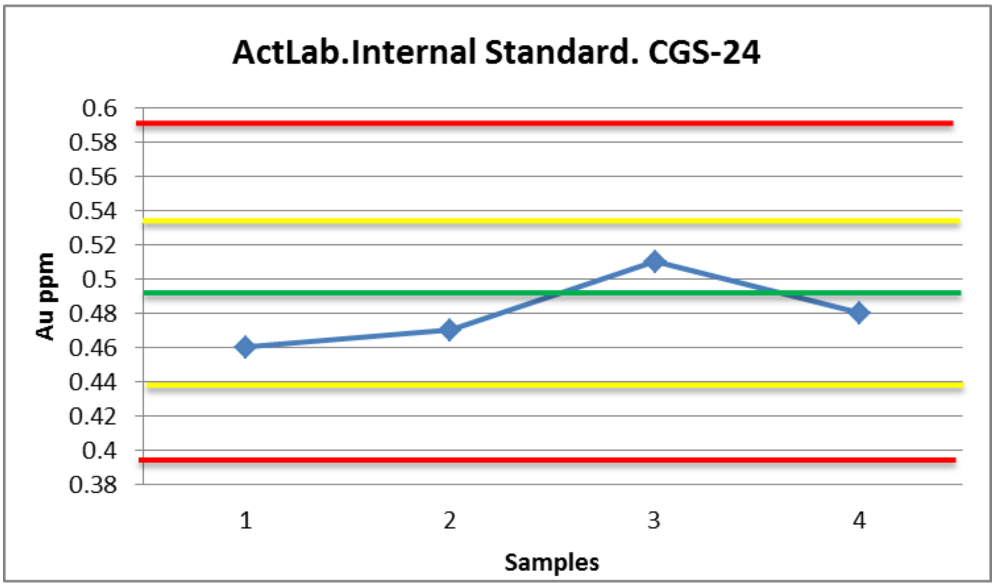
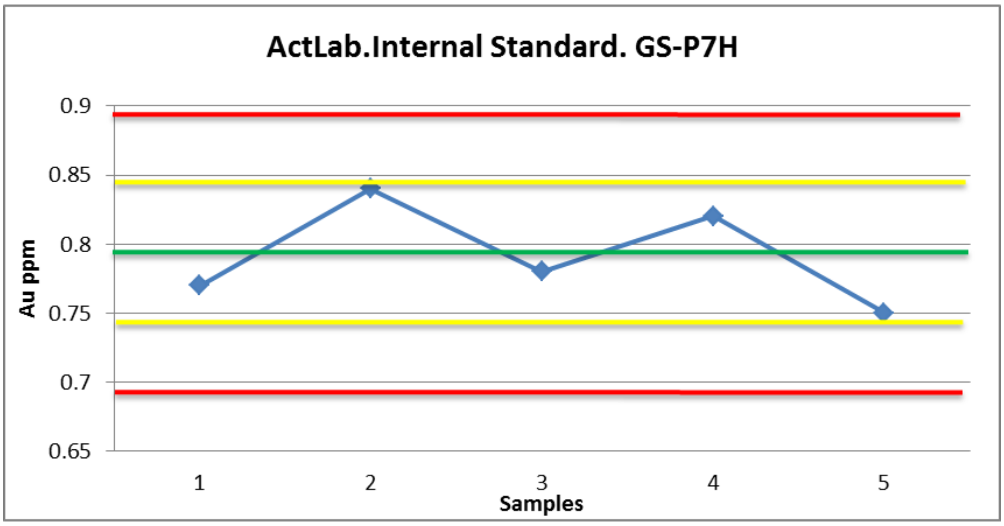


Figure 7-3 ActLab. Internal Standards Chart 2013 Drilling



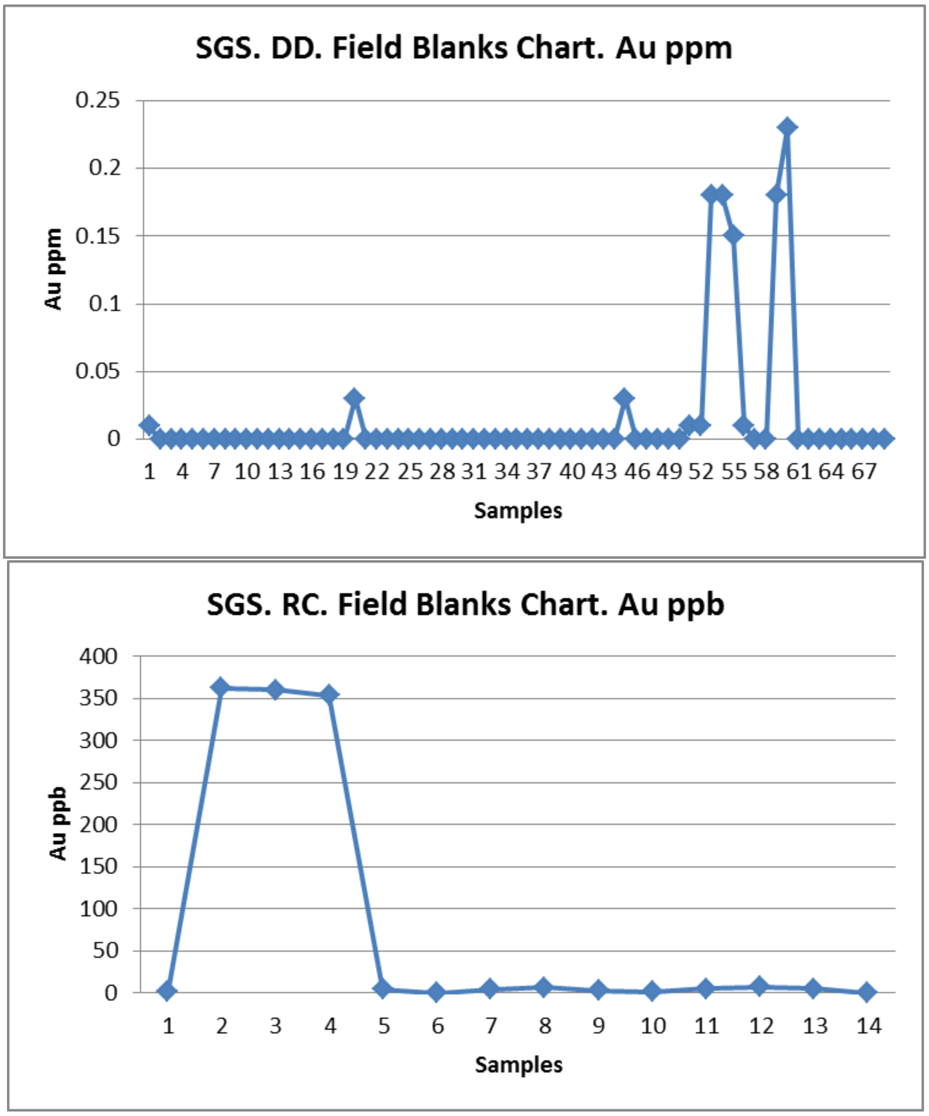


7.2.3 Blanks

During the 2012 DD drilling blanks were created on site using barren rhyolite and inserted into the sample sequence every 40 samples. A total of 77 field blanks were interested with 260 laboratory internal blanks were assayed. All internal blanks return values below the detection limit (<0.01ppm) while of the 77 field blanks several result anomalous values however all were below 0.25 g/t Au.

15 field bank were inserted during the 2005 RC drilling had been inserted from bucky white quartz. The majority of the results return low grade result however 3 samples having from 353 to 362ppb Au assay, see ***Figure 7-4***

Figure 7-4 SGS. Field and Internal Blanks Chart



7.2.4 Field and Laboratory Internal Duplicate Samples

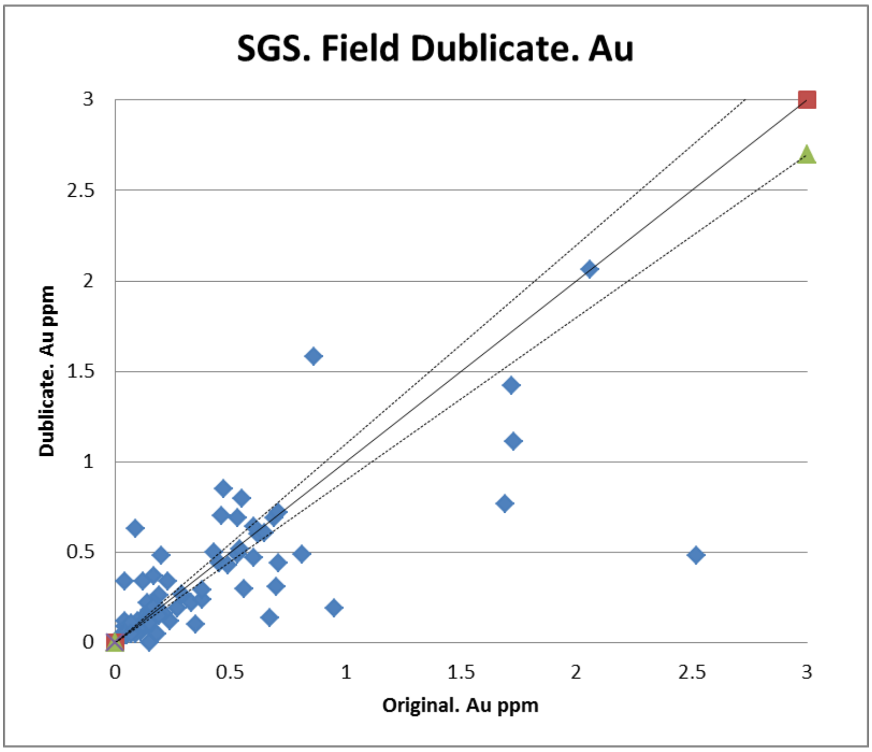
During the 2012 drilling program and total of 93 field duplicate samples were taken and assayed. These field duplicates were sourced by quarter coring the remaining half core following primary assaying every 40 samples. A comparison of the results against the primary assays is shown in Figure 7-2. The result of Core Field duplicates indicates poor repeatability. Although upon viewing the scatter plot (**Figure 7-5**) and the relatively poor correlation given the style of sample (quarter coring) and the style of mineralisation RPM considers this correlation to be reasonable. This is particularly prevalent when a review of the nugget of the deposit shows 40%, which highlights the local variability of the mineralisation. RPM does however recommend further review of this variability to ensure the sampling, and in particular the sample preparation technique and crush and pulverization sizes are suitable.

For the 2005 RC drilling, every 20th sample was split resulting in a total of 28 chip duplicates being assayed. These samples correlate reasonably well with the primary assays (**Figure 7-5**), however as with the 2012 sampling, some variation is observed. RPM notes that the variation is less than the quarter core samples of 2012, which is likely the result of varying sample type and decrease nugget effect of the RC chip samples. This supports the interpretation of the core duplicate correlation being acceptable for this style of mineralisation.

7.2.5 RPM external Laboratory Check

RPM randomly selected 29 pulp samples for external laboratory checks sourced from the 2012 drilling. All samples were submitted to Actlabs under the supervision of the company for analysis in December 2013. A comparison with the primary samples (Figure 7-7) indicate poor repeatability, however RPM question the nomenclature of the sample.

Figure 7-5 Field Duplicates 2012 Drilling and 2005 RC Drilling



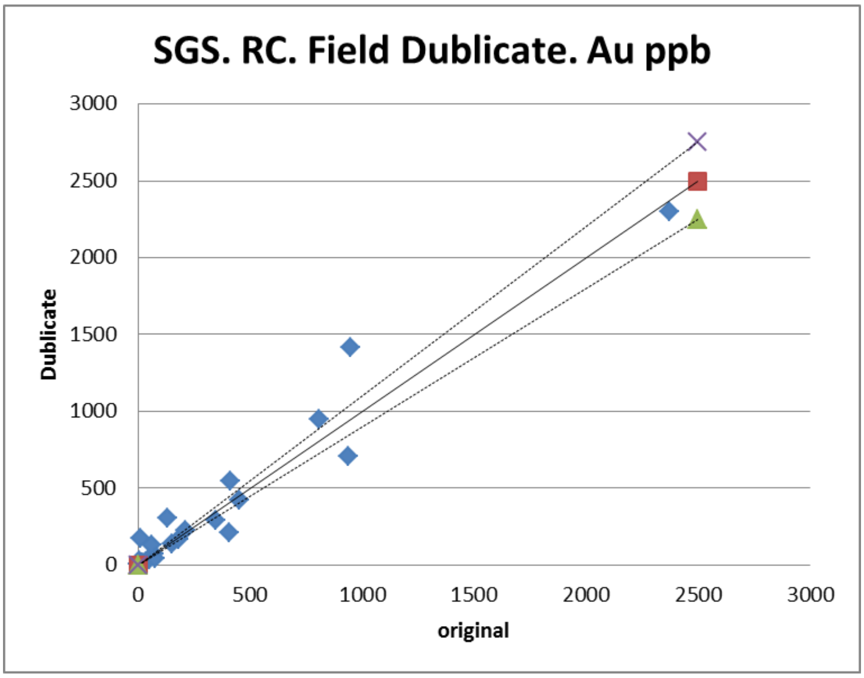


Figure 7-6 Summary of Internal Duplicates 2013 Drilling

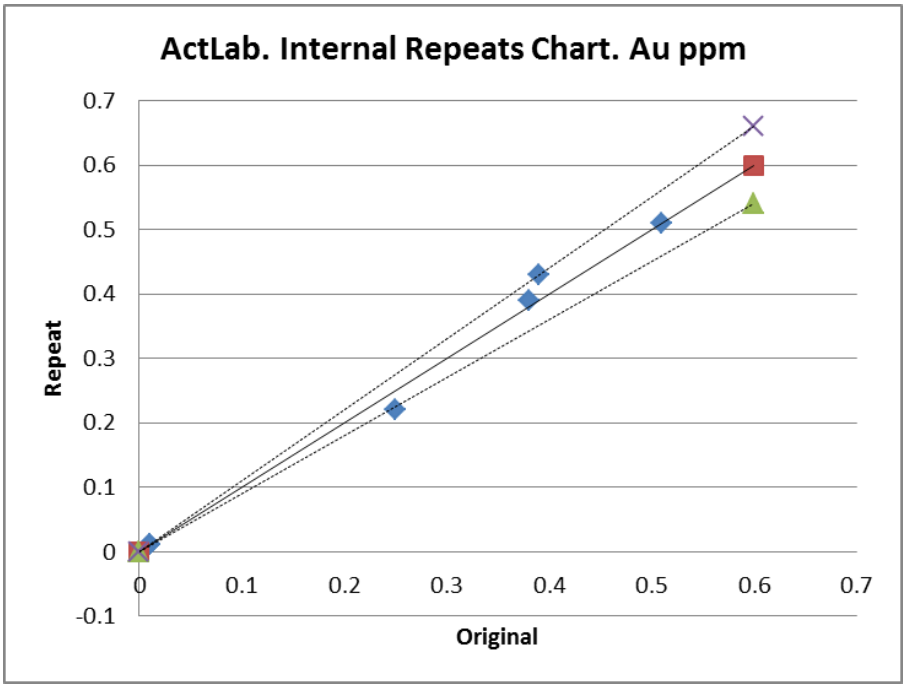
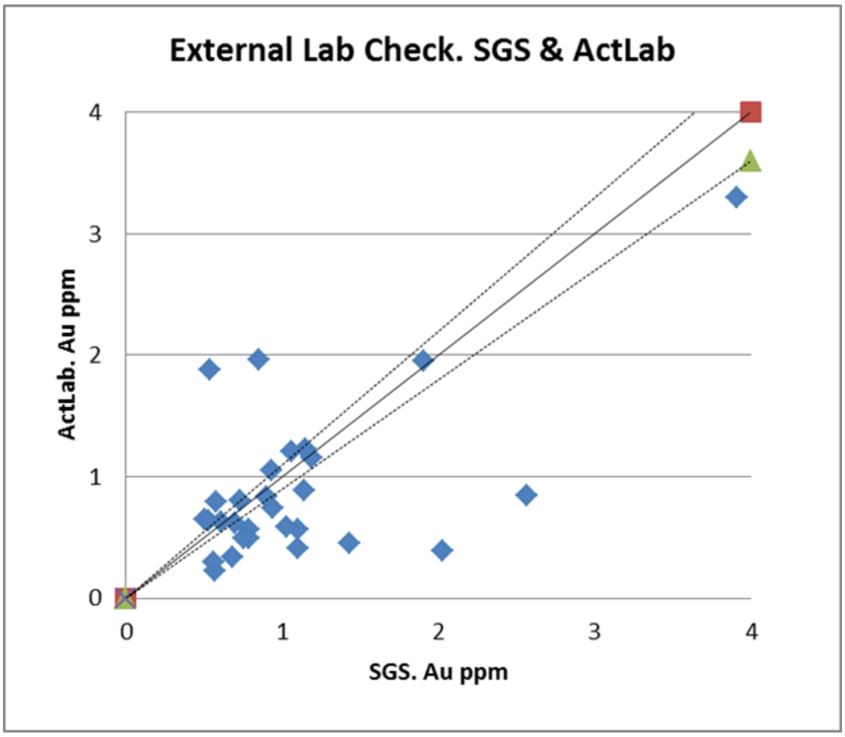


Figure 7-7 Summary of External Laboratory Checks Graph



7.2.6 QAQC Conclusion

A review of the QAQC data supplied to RPM indicates that while variations occur, particularly the field duplicates for 2012 results and the 2013 re-assay, the standard performance was well within the acceptable limits. Given the style of mineralisation and type of field duplicate samples taken (quarter core) RPM considers the result to within the acceptable range. As such RPM considers that the QAQC data indicates that primary laboratory during the 2012 and 2013 showed no evidence of systematic bias and the samples taken from these programs are representative.

While RPM considers the results suitable for inclusion in a Mineral Resource estimate for the classification applied it is recommends that further studies be undertaken to ensure the reasonably high nugget does not result in any material bias during the sample preparation. Of particular note is ensuring that crushing and grinding sizes are suitable for liberating the gold whilst not resulting accumulations occurring which may result in potential bias. This type of analysis is commonly undertaken on gold projects with high nugget to customize the sample preparation techniques and ensure representative techniques and accurate results. This type of testwork is designed to test the sample homogeneity.

8 BULK DENSITY DATA

A total of 1,772 bulk density measurements were recorded from diamond core samples from 25 drill holes during the 2012 drilling program. The majority of samples were taken from fresh rock as the majority of the Tsagaan Chuluut deposit is fresh rock.

The bulk density determinations were completed using an industry standard method which involves weighing the sample in air and then in water ("the Archimedes method") at the CGL lab.

The weight of the sample and the bucket in air was then recorded and the weight of the empty bucket in air was subtracted. The entire apparatus was then placed over a larger bucket of water so the small bucket and the sample was suspended in the water.

The weight in water was then recorded and the weight of the empty bucket in water was subtracted. The bulk density was then calculated according to the following formula:

$$\text{Specific Gravity} = \frac{\text{Weight in air}}{\text{Weight in air} - \text{Weight in water}}$$

After reviewing the data, RPM removed seven outliers. The results of the analysis are shown below in ***Table 8-1.***

Table 8-1 Bulk Density Summary

Type	Number of Samples	Bulk Density (t/m^3)		
		Mean	Minimum	Maximum
Fresh	1,765	2.83	1.59	7.82

RPM notes that after removing the extreme values, there were still 12 samples greater than $5.0t/m^3$. RPM recommends repeating the bulk density measurements for all values over $5.0t/m^3$ to ensure that these samples were measured accurately.

RPM notes that although no measurements from weathered zones undertaken, this will not result in any material impact on the resource as mineralisation is predominantly in fresh rock. However as the project progresses to advanced mining studies, and the movement of waste becomes of economic concern this will be of high importance.

9 METALLURGY

Preliminary metallurgical testwork for the Tsagaan Chuluut deposit was completed between January and September 2013. RPM regards the mineralisation to be similar to many low sulphidation deposits in Mongolia. Several metallurgical samples have been tested in the Cekko Metallurgical Laboratory and SGS in Australia, Hepta in Mongolia and Yantai Xinhai Mine Design & Research Institute in China, summarized in ***Table 9-1***.

Table 9-1 Metallurgical Testwork Summary

Metallurgical Reports name	Laboratory name	Completed Date	Summary	Sample Information
Testwork Report	Gekko Systems Metallurgical Laboratory in Australia	January 2013	73% recovery of contained Au into a 5.6% mass yield by python; and 54% recovery of Au into a 1.59% mass yield by sighter. Gravity flotation effort determined with 87% Au into a 6.8% mass yield, final concentrate grade is 11.59g/t Au.	A bulk sample had tested by gravity floatation and sighter. Total 104 quarter core samples taken from 14 drill holes for 157kg.
Flotation Bioleach Testwork for Gold Recovery	SGS Laboratory in Australia	February 2013	Result of 5 composite samples is Au grade from 0.2 to 0.6g/t and As 21ppm. Au and S recoveries are 90-96%, contained from 4 to 8% of mass. A cyanide leach on the bulk flotation concentrate, which contained 8g/t Au and 12g/t Ag, achieved 92% Au and 40% Ag extraction.	5 composite samples were tested by flotation, bacterial oxidation and cyanide leaching. 87 quarter duplicate core samples from 4 drill holes and one composite pulp reject sample.
Bottle Roll Test Report on flotation concentrate	Hepta Technical Research Centre	September 2013	93.8% of Au recovered to flotation concentrate with 2.9% mass yield, 89.1% of Au extracted to solution from flotation concentrate while reground the concentrate. Au recovery will be 83.5%.	170 quarter core samples taken from 12 drill holes.
Gold ore beneficiation test report	Yantai Hinhai Mine Design& Research Institute	September 2013	Contents: Au-0.41g/t, Ag-0.2g/t, S-0.63%, As-0.009% Sb-0.013%. Au leaching rate can reach 73.17% when grinding particle size is -200mesh, 85.41% applying NaOH as protection alkali with dosage of 5kg/t and NaCN dosage of 2kg/t.	75 quarter core samples from 6 drill holes.

10 DATABASE VERIFICATION

RPM conducted a review of the geological digital data supplied by the Company for the Project to ensure no material issues could be found and there was no cause to consider that the data was not accurate. RPM completed systematic data validation steps after receiving the database which included validation of field data as well as on a desktop basis. Checks completed by RPM included:

- Compared digital drill hole data with the geological plans to check the locations of the holes;
- Compared digital drill hole data against original digital drill hole geological logs;
- Compared the digital drill hole data with digital copies of the original assay certificates;
- Drill hole relative location was checked by RPM when on-site in January 2014 by locating 8 drill holes drilled by SG Mining in 2013 with a hand-held GPS. The recorded positions were then compared with the surveyed co-ordinates in the database (
- ***Table*** 10-1). Although the handheld GPS lacks precision, the holes are located correctly (except TCRC012 had 43m difference, database corrected) in relation to each other which increase confidence that no data entry mix-ups have occurred when loading collar co-ordinates into the database for SG Mining drilling.

Table 10-1 Drill hole collar verification by RPM

Drill hole ID	Coordinate in Database		Measured by RPM		Bias	
	Northing	Easting	Northing	Easting	Northing	Easting
TCDD-019	5,485,310	675,318	5,485,311	675,317	-0.94	0.91
TCDD-020	5,485,357	675,319	5,485,357	675,320	-0.26	-0.90
TCDD-027	5,485,258	675,420	5,485,259	675,421	-1.25	-1.37
TCDD-029	5,485,207	675,420	5,485,207	675,419	0.46	0.68
TCDD-036	5,485,417	675,323	5,485,411	675,322	5.73	0.94
TCRC002	5,485,282	675,313	5,485,281	675,313	1.42	-0.45
TCRC005	5,485,401	675,314	5,485,399	675,315	1.67	-0.64
TCRC012	5,485,055	676,447	5,485,004	676,403	51.16	43.92

- Reviewed drill core from several drill holes and observed mineralisation to ensure it is consistent with assays received, A list of holes checked is shown below in ***Table 10-2.***

Table 10-2 Assay Verification

Drill hole ID	Verified Depth (m)	Marked Sample No.	Mineralisation observed
TCDD 023	150-151	12954	Pyrite, Silicification (Phyllic)
TCDD 024	127.5-131.5	12334	Pyrite, Silicification (Phyllic)
TCDD 027	134-145		Silicification (Phyllic)
TCDD 011	157-158	10372	Pyrite, Silicification (Phyllic)
TCDD 028	122.9-126.25	11726	Silicification (Phyllic)

- Reviewed all available QA/QC data.

10.1 Data Excluded

A total 47 drill holes were included in the database supplied to RPM. As noted previous during the 2005 RC drilling program not all of the holes were accurately surveyed, while none of the holes were down hole surveyed. Due to the style of mineralisation (high variable in location of mineralisation) and the impact a small drill hole deviation would have on the interpretation of the mineralisation RPM has excluded the RC holes which are not accurately surveys and down hole surveys for the Mineral Resource estimate. As such four holes were excluded these are shown in ***Table 6-2***.

Table 10-3 List of Excluded Drill Holes

Hole ID	Reason For Exclusion
TCRC005	Uncertain drill hole trace position
TCRC006	Uncertain drill hole trace position
TCRC007	Uncertain drill hole trace position
TCRC015	Uncertain drill hole trace position

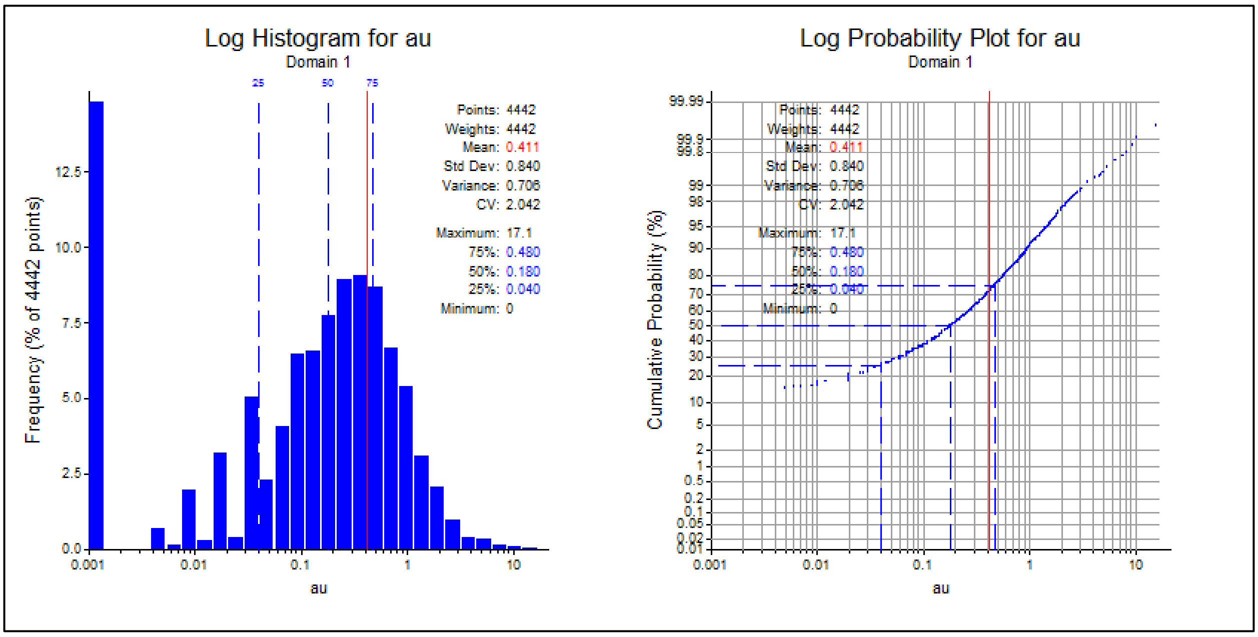
RPM notes that all holes were utilised in the Exploration Potential Estimates.

11 Mineral Resource

11.1 Geology and Resource Interpretation

Mineralisation interpretations were prepared by RPM using a nominal 0.5g/t Au cut-off grade and a minimum down hole width of 2m. Statistical analysis of the assay values indicated a natural cut-off around 0.2g/t Au (***Figure 11-1***); however the client requested that 0.5g/t Au was used to prepare wireframes.

Figure 11-1 Log Histogram and Log Probability Plot of Raw Samples at Tsagaan Chuluut



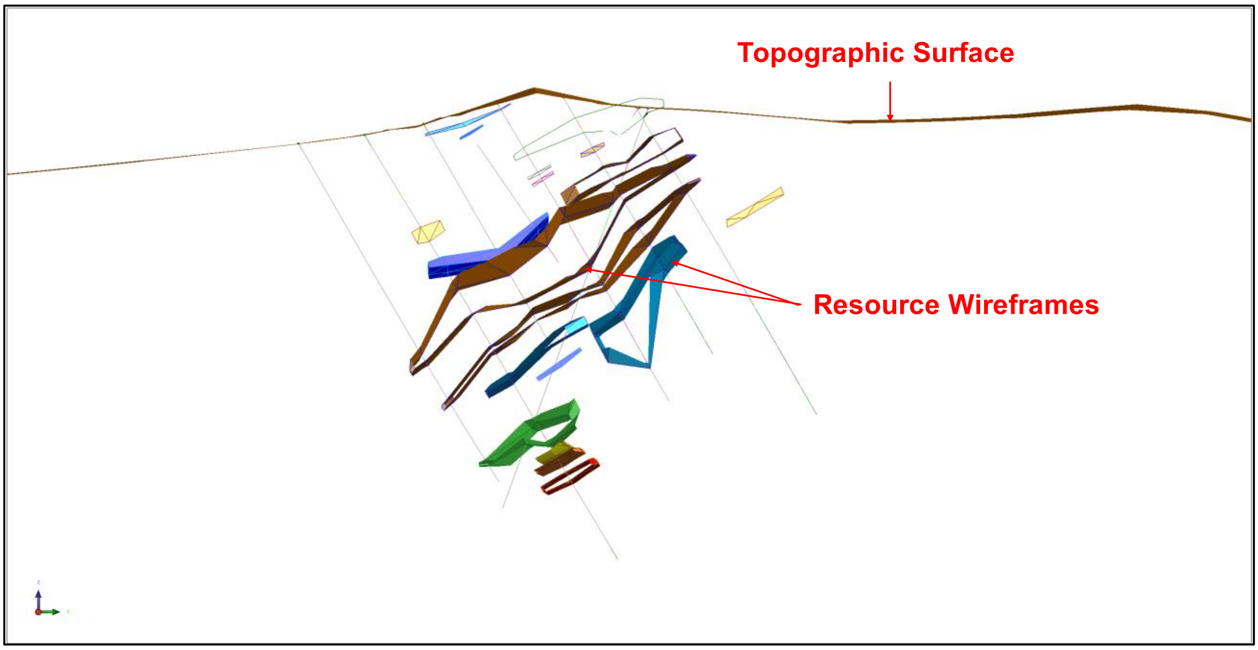
11.2 Preparation of Wireframes

11.2.1 Resource Wireframes

Sectional outlines were manually triangulated to form wireframes. To form ends to the wireframes, the end section strings were copied to a position midway to the next section or to 25m and adjusted to match the dip, strike and plunge of the zone. The wireframed objects were validated using Surpac software and set as solids.

A total of 31 wireframes were created and used to select the sample data to be used for grade estimation, and to constrain the block model for estimation purposes. The mineralisation wireframes were treated as hard boundaries for all estimation purposes, that is, only assays from within each wireframe were used to estimate blocks within that wireframe. A typical section of the wireframes is shown below in ***Figure 11-2***.

Figure 11-2 Typical Section View of Tsagaan Chuluut Mineralisation (675,325mE, Facing West)



11.2.2 Weathering Surfaces

Weathering surfaces were not prepared by RPM as the vast majority of the Tsagaan Chuluut mineralisation is fresh rock.

11.2.3 Topographic and Mining Surfaces

The topographic surface supplied (*'15346_topo.dtm'*) did not cover the extents of the mineralisation. Therefore RPM modified the supplied surface to cover the extents of the block model (*'topo20140117.dtm'*). The supplied surface is shown in ***Figure 11-3*** and the modified surface is shown in ***Figure 11-4.***

Figure 11-3 Plan View of Supplied Topographic Surface (*'15536_topo.dtm'*)

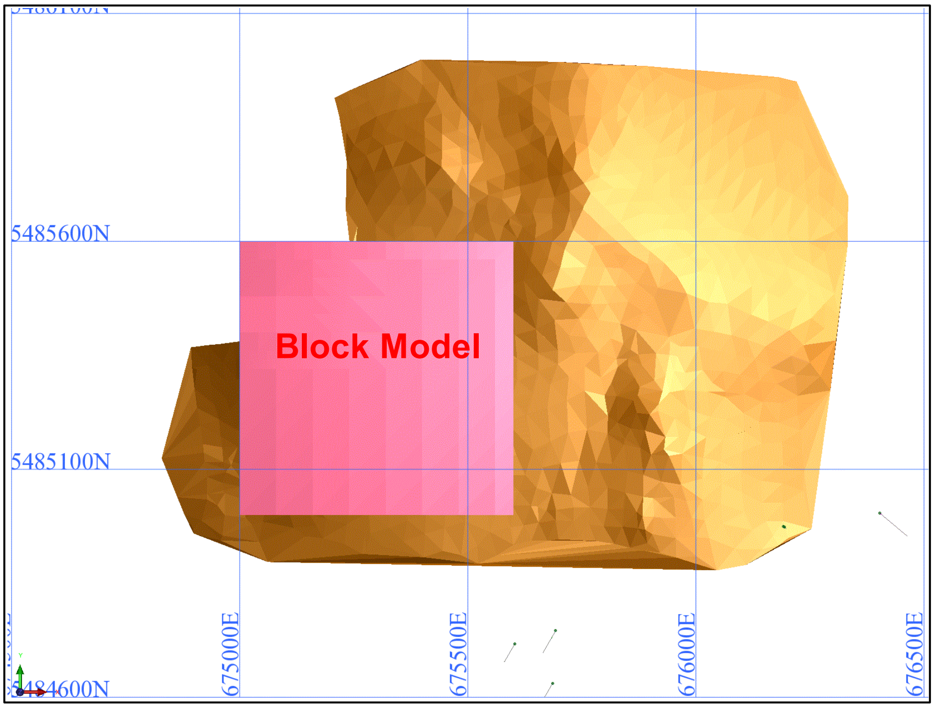
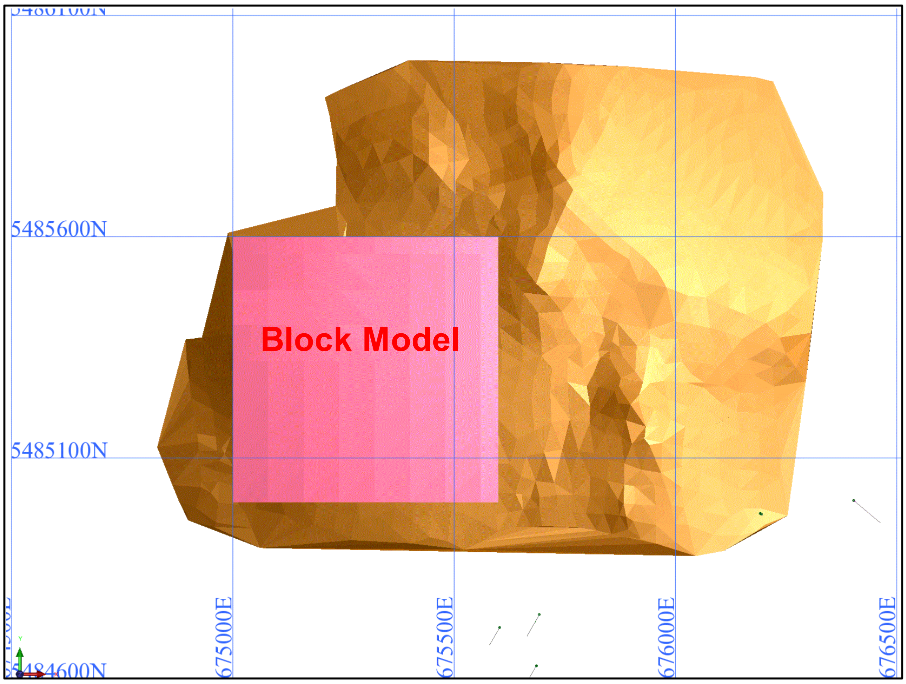


Figure 11-4 Plan View of RPM Modified Topographic Surface (*'topo20140117.dtm'*)



11.3 Sample Statistics

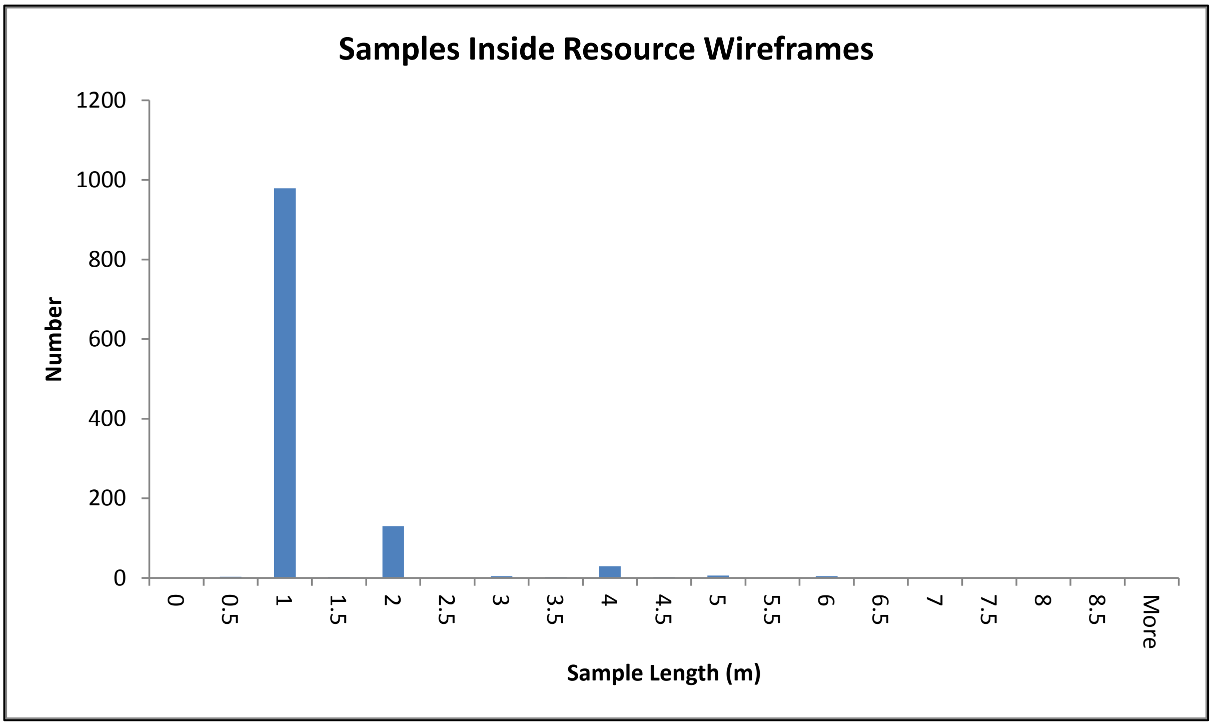
11.3.1 Compositing and Sample Support

The wireframes of the mineralised zones were used to define the resource intersections. These were coded into the 'res_zone' table within the database.

Samples from within the resource wireframes were used to conduct a sample length analysis. The majority of samples were 1m in length (***Figure 11-5***), however increased sample lengths were utilised during the 2013 drilling program. RPM notes that this results in sample support issues and result in marked variations in the grade between adjacent holes from the 2012 program. While this will likely have an impact on the local variability, this will not materially impact the global estimate. RPM recommends that a resampling program of the remaining core be undertaken on the 1m sample lengths to ensure the sample support issues are removed from the estimate.

Whilst the sample support between 2012 and 2013 will not result in material issues given the current classification applied for the Mineral Resource estimate, and any Ore Reserve estimate based on the current resource if detailed mine planned or if measured resource (and higher classes of Ore Reserves are required), this sampling will impact the estimate and will be required to be reviewed.

Figure 11-5 Length Analysis of Raw Samples within Mineralisation Wireframes



Surpac software was then used to extract 'fixed length' 1m down hole composites within the intervals coded as resource intersections.

The composites were checked for spatial correlation with the domains, the location of the rejected composites and zero composite values. Individual composite files were created for each of the individual domains in the wireframe models.

11.3.2 Deposit Statistics

The 1m composite data was imported into Supervisor software for analysis. A summary of the domain statistics for the deposit and the three largest domains is shown in ***Table11-1***.

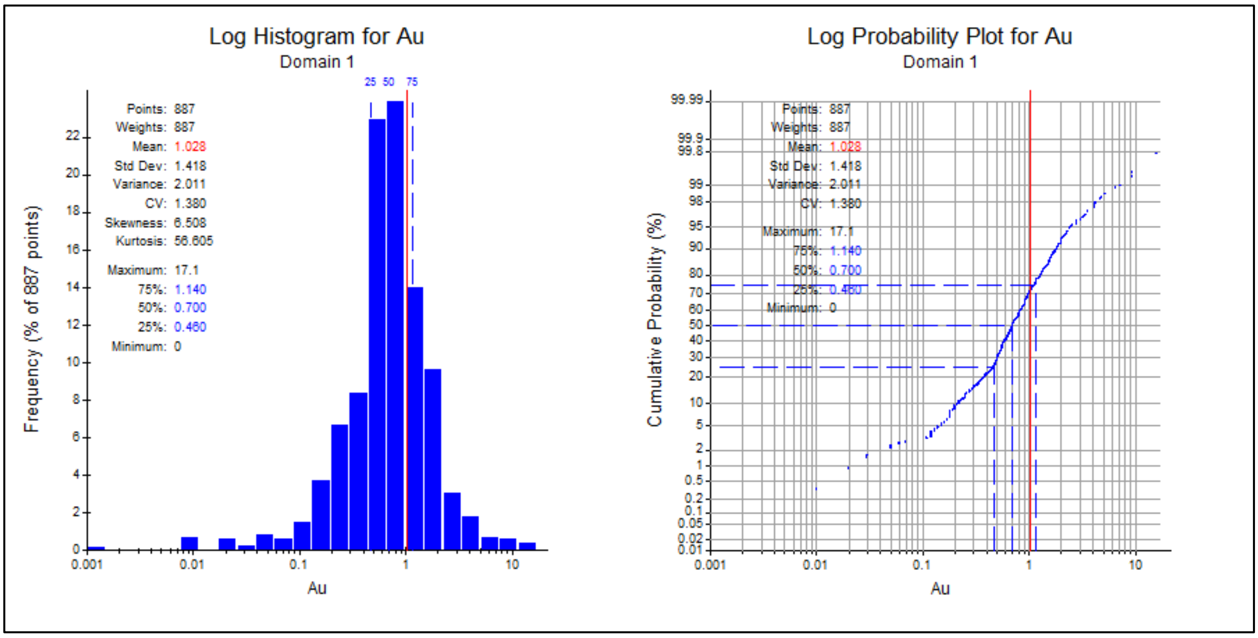
Table 11-1 Summary Statistics for 1m Composites

Parameter	All Domains	Domain 1	Domain 3	Domain 40
Samples	1,501	887	127	110
Minimum	0.00	0.00	0.05	0.01
Maximum	17.10	17.10	6.43	9.11
Mean	1.04	1.03	1.22	1.18
Standard deviation	1.35	1.42	1.00	1.49
CV	1.29	1.38	0.82	1.26
Variance	1.81	2.01	1.00	2.22
		Percentiles		
10%	0.24	0.22	0.30	0.29
20%	0.42	0.38	0.53	0.43
30%	0.53	0.50	0.73	0.60
40%	0.61	0.59	0.81	0.70
50%	0.71	0.70	0.90	0.80
60%	0.83	0.84	1.11	0.89
70%	0.99	1.00	1.43	1.00
80%	1.29	1.30	1.74	1.39
90%	1.91	1.83	2.43	2.63
95%	2.82	2.57	3.01	3.15
97.50%	4.67	4.16	3.44	5.76
99%	7.73	7.73	4.96	9.11

11.4 High Grade Cuts

To assist in the selection of appropriate top cuts, the composite data was imported into Supervisor software and log histograms and log-probability plots generated for each wireframe domain. The log histogram and log-probability plot for the main domain (Domain 1) is shown in ***Figure 11-6***

Figure 11-6 Statistical Plots for 1m Composite Data within Domain 1



Following a review of the plots, a top cut of 9g/t Au was applied to three individual domains resulting in a total of 12 samples being cut (***Table 11-2)***. No top cut was applied to the remaining lodes.

Table 11-2 Summary of Top Cuts Applied

Domain	High Grade Cut Au g/t	Number of Cut Samples	Uncut Mean Au g/t	Cut Mean Au g/t
1	9	10	1.03	1.00
26	9	1	1.65	1.65
40	9	1	1.18	1.18

The RPM Mineral Resource is reported using Au cut values.

11.5 Geostatistical Analysis

11.5.1 Variography

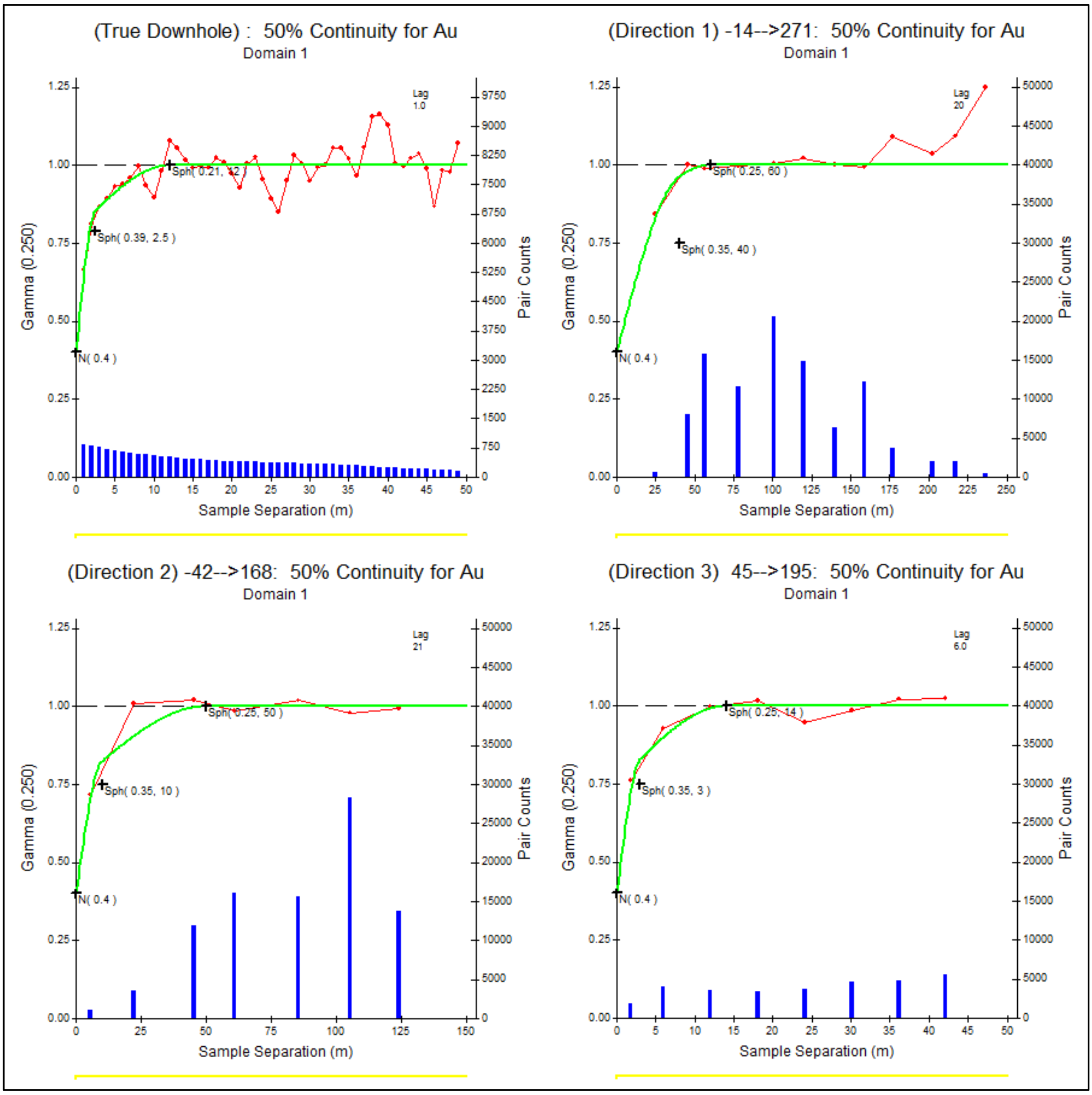
Understanding the grade continuity and determining its extent and orientation is achieved through interpreting and modeling the experimental variogram. The experimental variogram requires sufficient sample data to provide a reliable measure of the grade continuity. RPM has calculated experimental variograms for the main lode (Domain 1).

The 1m composite sample data was imported into Supervisor software for analysis. A two structured nested spherical model was found to model the experimental variogram reasonably well. The down hole variogram provides the best estimate of the true nugget value, which was 0.4 for Domain 1.

The orientation of the plane of mineralisation was aligned with the interpreted wireframe for Domain 1. The experimental variograms were calculated with the first aligned along the main mineralisation continuity while the second was aligned in the plane of mineralisation at 90° to the first orientation. The third was orientated perpendicular to the mineralisation plane, across the width of the mineralisation.

RPM modeled the down hole and three orthogonal variograms for Domain 1. The variograms displayed reasonable structure. The directional variograms for Domain 1 are shown in ***Figure 11-7***

Figure 11-7 Down Hole and Directional Semi Variograms for Domain 1



11.5.2 Kriging Parameters

The directional continuity analysis was exported from Supervisor to generate the final kriging parameters which are summarised in ***Table 11-3***. The directions of maximum continuity matched the interpreted geology.

The gold grades were interpolated into a Surpac block model using the ordinary kriging (OK) algorithm using the nugget, sill values and ranges determined from the variogram models discussed in Section 11.5.1. The ranges obtained from the variogram models were used as a guide in determining the search ellipse parameters used in the resource estimate. Search ellipse parameters were orientated to align with the strike and plunge of the main lodes and these values were applied to the adjacent minor lodes.

Table 11-3 Resource Kriging Parameters

Domain	Major Direction	Co	Structure 1				Structure 2			
			C1	A1	Maj/Semi	Maj/Minor	C2	A2	Maj/Semi	Maj/Minor
1	-14-->271	0.40	0.35	40	4.0	13.3	0.25	60	1.2	4.3

11.6 Block Model

A Surpac block model was created to encompass the full extent of the deposit. Block model parameters are listed in Table 11-4.

The block model used a primary block size of 25m NS by 25m EW by 5m vertical with sub-cells of 3.125m by 3.125m by 0.625m to match the approximate strike of the mineralisation.

The parent block size was selected on the basis of 50% of the average drill hole spacing of the project, while dimensions in other directions were selected to provide sufficient resolution to the block model in the across-strike and down-dip direction.

Table 11-4 Block Model Parameters

Model Name	**tsagaan_chuluut_ok_20140124.mdl**		
	Y	X	Z
Minimum Coordinates	5,485,000	675,000	550
Maximum Coordinates	5,485,600	675,600	1,150
Block Size (Sub-blocks)	25 (3.125)	25 (3.125)	5 (0.625)
Rotation	**none**		
Attributes:			
au_uncut	Estimated block uncut Au grade		
au_cut	Estimated block Au grade using cut grades from statistical assessment - Reported		
min_dis	Distance to nearest sample		
ave_dis	Average distance to samples		
num_sam	Number of samples used for block grade interpolation		
class	mes, ind, inf, minpot		
class_code	mes = 1, ind = 2, inf = 3, minpot = 4		
est_type	Estimation method e.g. ok, id2 or ave		
kvar_au_cut	Kriging variance for au_cut		
bd	Bulk density		
type	air, ox, tr, fr air= air, ox= oxide, tr= transitional, fr= fresh		
lease	y or n		
pass	1= interpolated in 1st pass, 2= 2nd pass, 3= 3rd pass		
pod	Domain number		
mined	y or n		

11.7 Grade Interpolation

11.7.1 Interpolation

The ordinary kriging (OK) algorithm was used for the grade interpolation and the wireframes were used as a hard boundary for the grade estimation of each domain. OK was selected as it results in a degree of smoothing which is appropriate for the disseminated nature of the mineralisation.

An orientated search ellipse with an 'ellipsoid' search was used to select data for interpolation. Each ellipse was oriented based on kriging parameters and were consistent with the interpreted geology. Variography parameters from Domain 1 were applied to the associated adjacent lodes. Differences between the kriging parameters and the search ellipse may occur in order to honour both the continuity analysis and the mineralisation geometry.

Three interpolation passes were used for the interpolation. More than 97% of the blocks were filled in the first two passes. The kriging parameters are listed in ***Table 12-2***. There was no limit applied to the maximum number of samples used per hole in the estimate due to the relatively thin nature of the mineralised units.

Table 11-5 OK Interpolation Parameters

Parameter	Pass 1	Pass 2	Pass 3
Search Type	Ellipsoid	Ellipsoid	Ellipsoid
Bearing	270° to 271°	270° to 271°	270° to 271°
Dip	30° to 43°	30° to 43°	30° to 43°
Plunge	-14° to 0°	-14° to 0°	-14° to 0°
Major-Semi Major Ratio	1.2	1.2	1.2
Major-Minor Ratio	4	4	4
Search Radius	80	80	200
Minimum Samples	10	6	2
Maximum Samples	32	32	32
Maximum Samples Per Hole	8	8	8
Block Discretisation	4X by 4Y by 2Z	4X by 4Y by 2Z	4X by 4Y by 2Z
Percentage Blocks Filled	93%	4%	<1%

11.7.2 Average Grades

A total of 17 domains were intersected by a single drill hole, therefore average grades exported from Supervisor were assigned to these domains. A total of 3% of the blocks in the block model were assigned average grades.

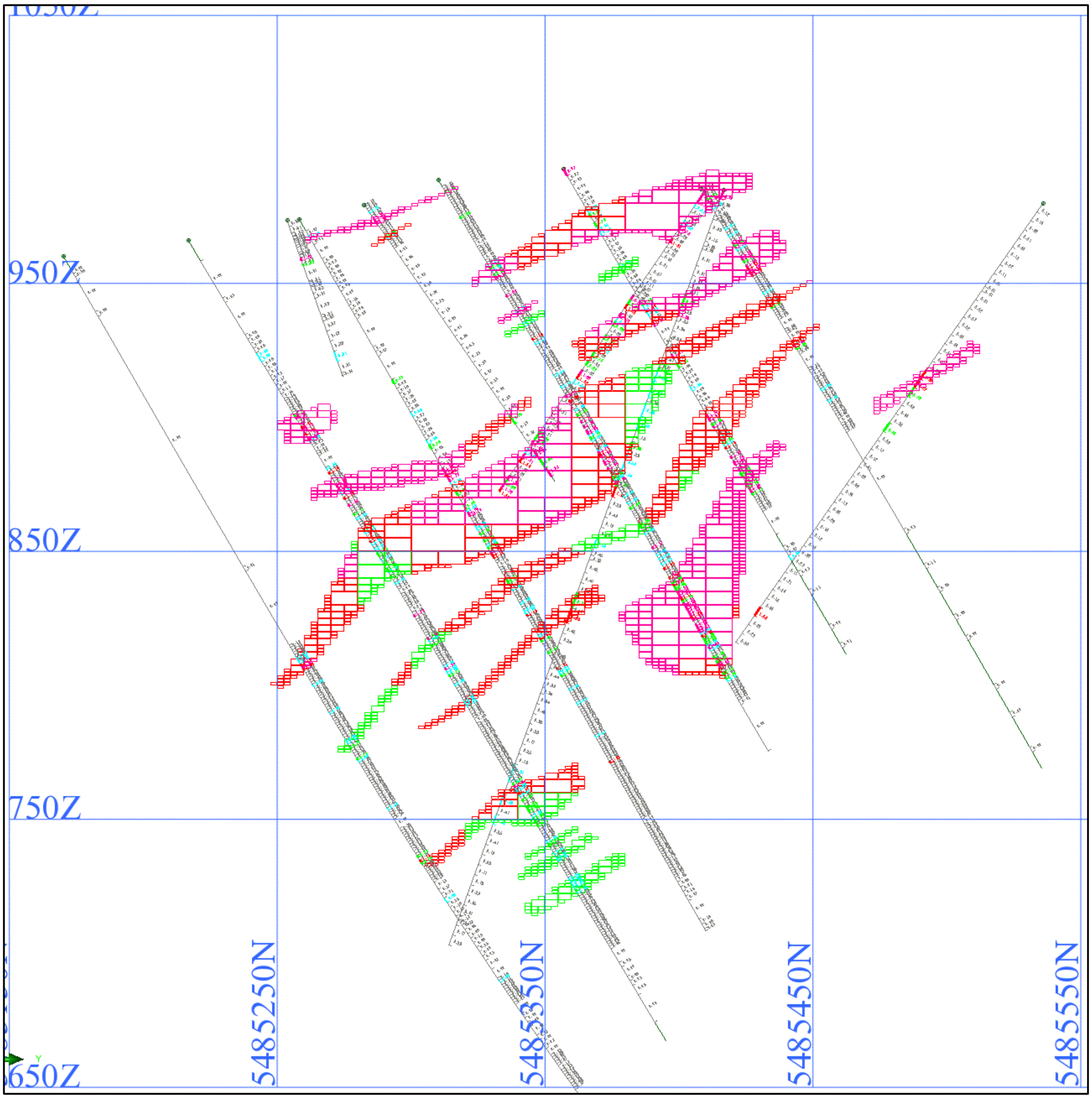
11.8 Density and Material Type

Specific gravity determinations have been recorded as discussed in Section 8. The vast majority of the Tsagaan Chuluut deposit is fresh rock. Therefore the average value of 2.83t/m^3 was assigned to all material below the topographic surface.

11.9 Model Validation

A three step process was used to validate the Tsagaan Chuluut estimate. Firstly a qualitative assessment was completed by slicing sections through the block model in positions coincident with drilling. Overall the assessment indicated that the trend of the modelled grade appeared consistent with the drill hole grades (refer ***Figure 12-1***).

Figure 11-8 Visual Validation – Section 675,325mE



A quantitative assessment of the estimate was completed by comparing the average Au grades of the composite file input against the Au block model output for all the resource objects. The results of the comparison are tabulated below in ***Table 12-3.***

Table 11-6 Average Composite Input v Block Model Output – By Domain

Tsagaan Chuluut Resource Block Model Validation by Domain							
	Wireframe	Block Model		Composites		Comparison	
Object Number	Lode Volume	Resource Volume	Au g/t	Number of Comps	Au g/t	Lode V Res Volume	BM V Comp Au g/t
1	1,699,749	1,700,433	1.04	887	1.00	-0.04%	4.41%
2	40,913	40,717	0.66	33	0.64	0.48%	3.22%
3	181,935	181,073	1.17	127	1.22	0.47%	-4.12%
4	34,921	35,126	0.99	16	1.01	-0.59%	-1.38%
5	157,130	157,098	0.75	92	0.75	0.02%	0.04%
6	3,798	3,790	0.68	5	0.66	0.21%	3.60%
7	7,158	7,025	0.58	6	0.57	1.86%	2.08%
8	15,141	14,935	0.61	11	0.61	1.36%	0.01%
11	11,364	12,476	1.27	19	1.25	-9.79%	1.73%
12	661	684	0.62	2	0.62	-3.48%	0.00%
13	1,582	1,709	0.63	4	0.63	-8.03%	0.00%
14	889	879	0.64	3	0.64	1.12%	0.00%
15	9,631	10,553	0.50	12	0.50	-9.57%	0.00%
16	5,294	5,811	0.75	8	0.75	-9.77%	0.00%
17	8,612	9,485	1.08	12	1.08	-10.14%	0.00%
18	665	623	0.70	2	0.70	6.32%	0.00%
20	7,061	7,605	0.94	8	0.94	-7.70%	0.00%
22	24,450	24,725	0.76	28	0.80	-1.12%	-5.02%
23	944	1,025	1.38	2	1.38	-8.58%	0.00%
24	4,454	4,828	0.58	7	0.58	-8.40%	0.00%
25	1,263	1,410	0.98	2	0.98	-11.64%	0.00%
26	4,357	4,742	1.65	12	1.65	-8.84%	0.00%
28	661	812	0.55	2	0.55	-22.84%	0.00%
29	667	769	1.22	2	1.22	-15.29%	0.00%
30	1,187	1,324	0.67	4	0.67	-11.54%	0.00%
31	912	854	0.71	2	0.71	6.36%	0.00%
32	3,783	3,906	1.70	6	1.80	-3.25%	-5.44%
34	58,005	60,291	1.50	55	1.74	-3.94%	-16.08%
35	12,042	12,299	0.88	10	0.87	-2.13%	1.38%
36	9,227	9,601	1.05	12	1.05	-4.05%	0.00%
40	126,841	130,054	1.31	110	1.18	-2.53%	9.37%
Total	**2,435,297**	**2,446,662**	**1.04**	**1,501**	**1.02**	**-0.47%**	**1.61%**

As a further check that the interpolation of the block model correctly honoured the drilling data, a trend analysis was completed by comparing the interpolated blocks to the sample composite data. The trend analysis was completed for 50m easting's and for elevation in 20m bench heights for all domains.

Results are shown below in ***Figure 12-2*** and ***Figure 12-3***.

Figure 11-9 Validation by Easting – All Objects

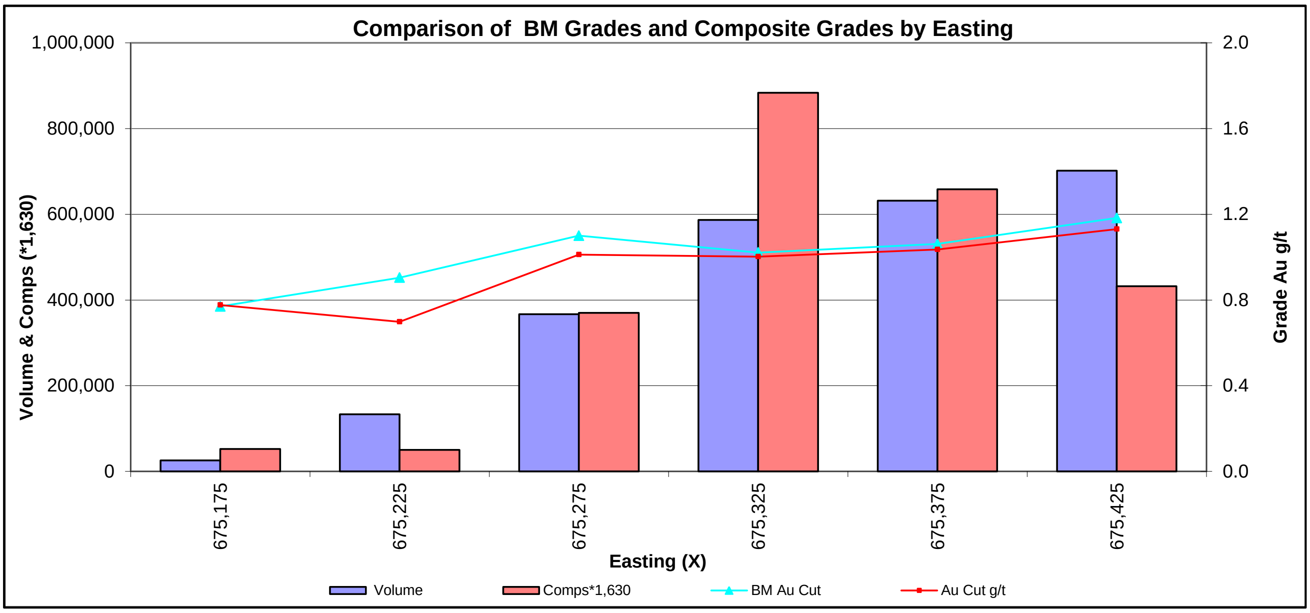
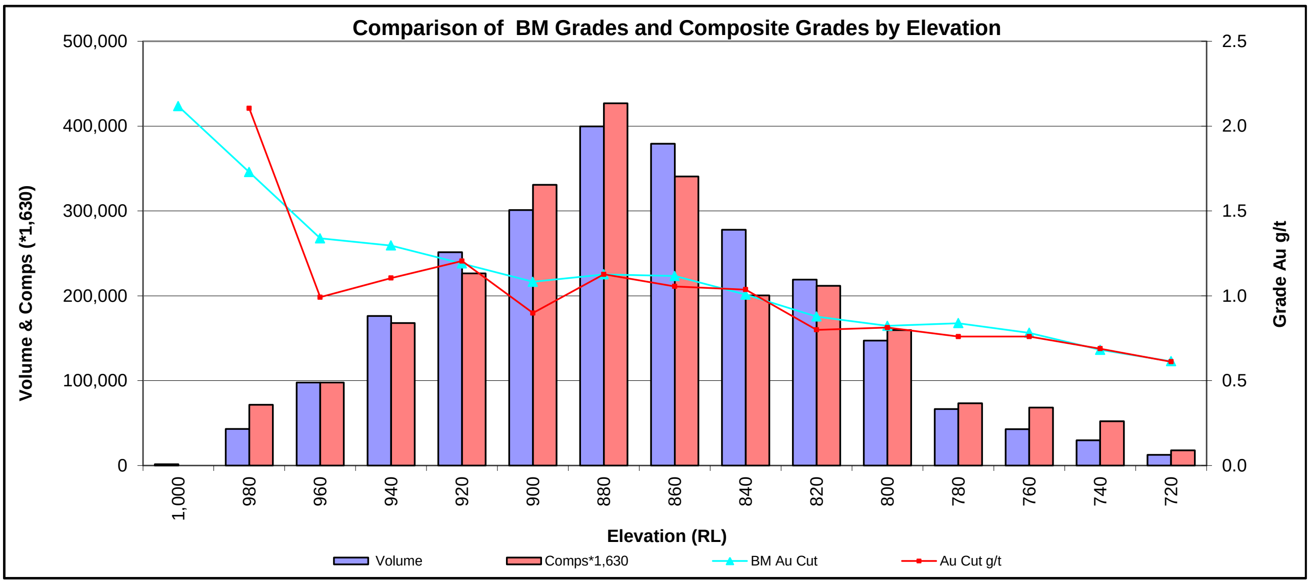


Figure 11-10 Validation by Elevation – All Objects



The validation plots show good correlation between the composite grades and the block model grades for the comparison by strike panel and elevation. The trends shown by the composites are honoured by the block model.

The comparisons show the effect of the interpolation, which results in smoothing of the block grades, compared to the composite grades.

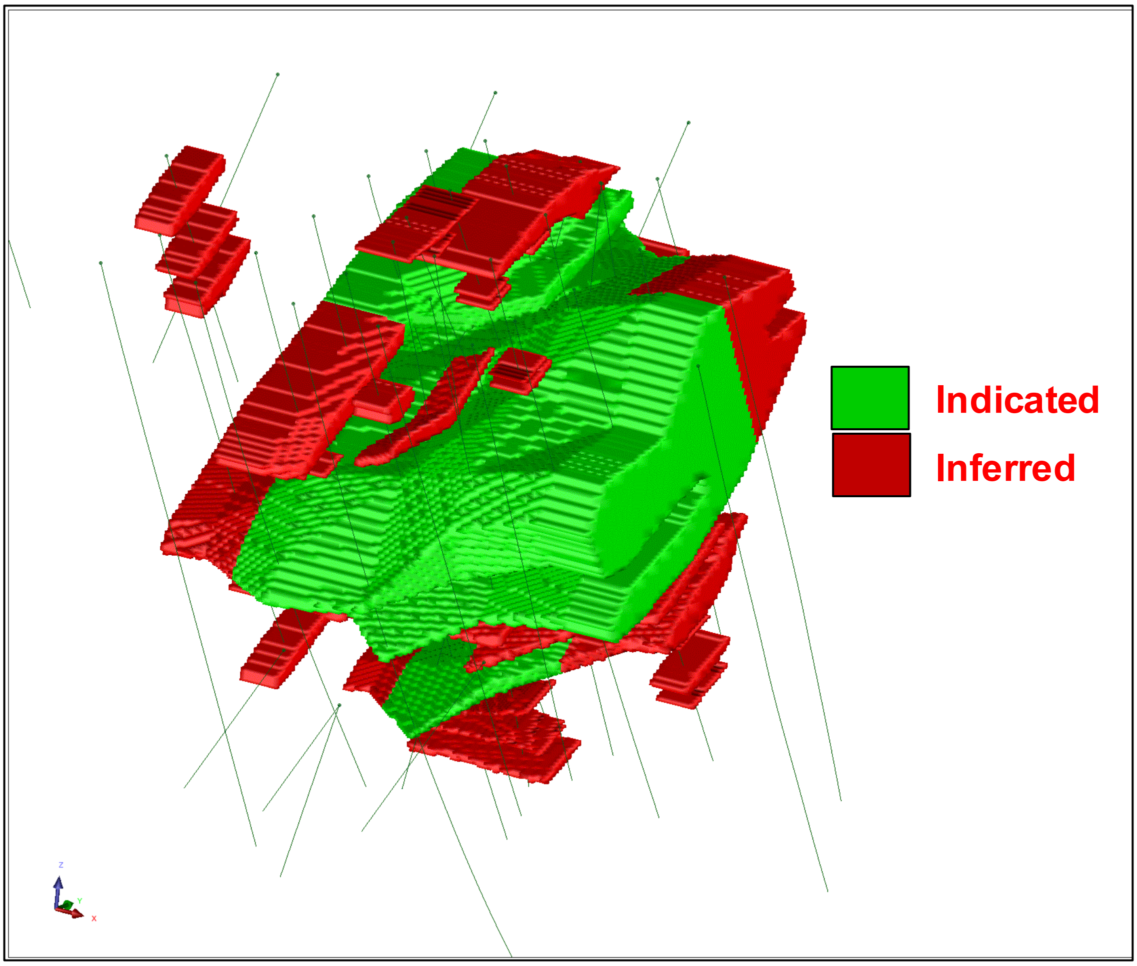
11.10 Resource Classification

The Tsagaan Chuluut deposit shows good continuity of the main mineralised lodes which allowed the drill hole intersections to be modelled into coherent, geologically robust wireframes. Consistency is evident in the thickness of the structure, and the distribution of grade appears to be reasonable along strike and down dip.

The resource was classified as Indicated, and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 50m by 50m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas of the deposit where drill hole spacing was greater than 50m by 50m, where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones.

The resource block model has an attribute “class” for all blocks within the resource wireframes coded as either “ind” for Indicated or “inf” for Inferred. The resource classification is shown in ***Figure 12-4***.

Figure 11-11 Tsagaan Chuluut Mineral Resource Classification – View Looking Toward 245°



11.11 Prospects For Eventual Economic Extraction

The Project will be influenced by a number of key factors if it is to proceed to development and eventual economic extraction. The key considerations for any decisions regarding development of the Project are summarised below.

11.11.1 Metallurgical Considerations

A key consideration for the Project would be the process required to obtain the concentrate and the complexity of that process. No detailed metallurgical study has yet been completed by the Client so this information cannot be determined. The type, complexity and cost of the processing plant would be controlled by the metallurgical processes required to produce the concentrate.

11.11.2 Infrastructure Considerations

RPM considers the limited infrastructure in the region is a risk for the Project and should be a major consideration. Due to the style of mineralisation the Project will likely have large power requirements for the processing plant and crushing units. The Project is located 260 km south-west of the town of Sainshand, where the main road to Ulaanbaatar is located, and 170 km west of the town of Zamyn-Uud, located adjacent to the border with China. The closest source of high voltage power would be at the town of Zamyn-Uud. Construction of a separate power station to produce power solely for the mine and its construction and ongoing operating costs would also have to be considered.

If the Project proceeds to development, the resulting concentrate will have to be transported from the site to the buyer (China). The types of concentrates produced for these styles of projects do not have significant volume, however as no significant road access is available it is likely road construction will be likely. Road construction in Mongolia is tightly controlled and would require significant enviromental studies and approvals

11.11.3 Environmental Considerations

A key consideration for development of the Project is the provision of adequate supplies of water for the proposed processing plant. There are no supplies of permanent surface water in the area and further hydrogeological survey work (to at least Pre-Feasibility Study level) will be required. As yet, only a limited hydrogeological survey around the Nogtot Prospect has been completed. Significant quantities of water would be required for the operation of a proposed processing plant for the Project.

The Client would also have to conduct an Environmental Impact Assessment ("EIA") and apply for environmental permits for any construction, mining and processing activities in the area. RPM is unsure if these permits can be approved or if they are likely to be delayed for any reason.

11.11.4 Other Considerations

There may be other considerations that would influence the Project development such as political factors. In recent history, the government in Mongolia has changed and mining laws and policies have also changed. These changes in mining laws could adversely affect the Project. There may also be sovereign risk associated with a new government which could results in the Project being delayed.

All of these factors need to be considered before proceeding to development and should be identified in a Pre-Feasibility Study for the Project.

11.12 Selection of Reportable Cut-off Grade

The Mineral Resource outlined in ***Table 11-8*** below is reported at a cut-off grade of 0.8% Cu. The selection of this grade is based on RPM's experience of similar deposits within Mongolia and elsewhere in the world and is influenced by the shape, size and depth of the mineralisation and the likely underground mining method that would be required. RPM notes that a mining study is currently underway and upon completion of this study the reporting cut-off grade will be re-evaluated.

11.13 Statement of Mineral Resources

The results of the Tsagaan Chuluut Mineral Resource estimate are shown in ***Table 12-4***

Table 11-7 Tsagaan Chuluut Deposit January 2014 Mineral Resource Estimate

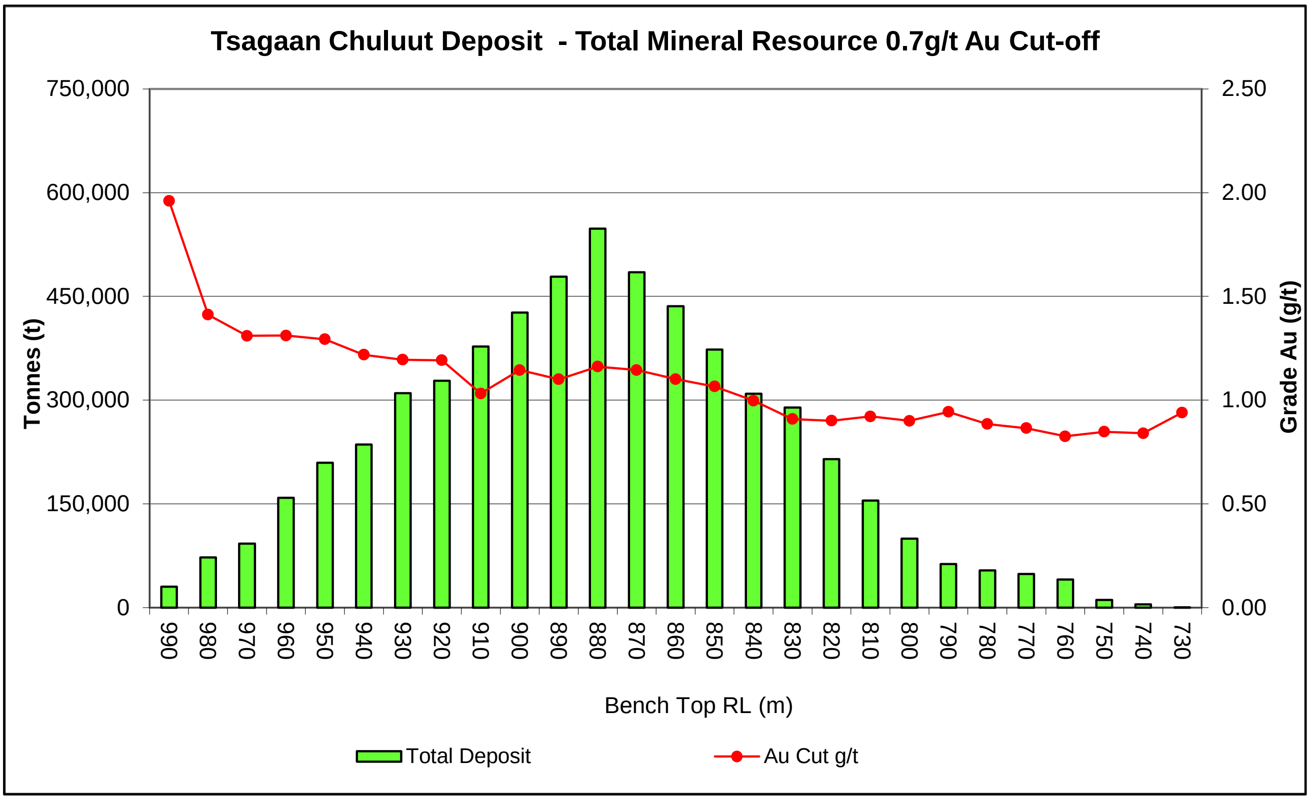
Cut-off	Indicated			Inferred			Total		
Grade g/t Au	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
0.5	5.1	1.1	171,700	1.6	1.1	52,100	6.6	1.1	223,800
0.6	5.0	1.1	169,900	1.4	1.1	49,900	6.4	1.1	219,800
0.7	**4.7**	**1.1**	**163,500**	**1.2**	**1.2**	**44,600**	**5.8**	**1.1**	**208,200**

Note: Totals may differ due to rounding

RPM recommends reporting the Tsagaan Chuluut Mineral Resource with the 0.7g/t Au cut-off grade.

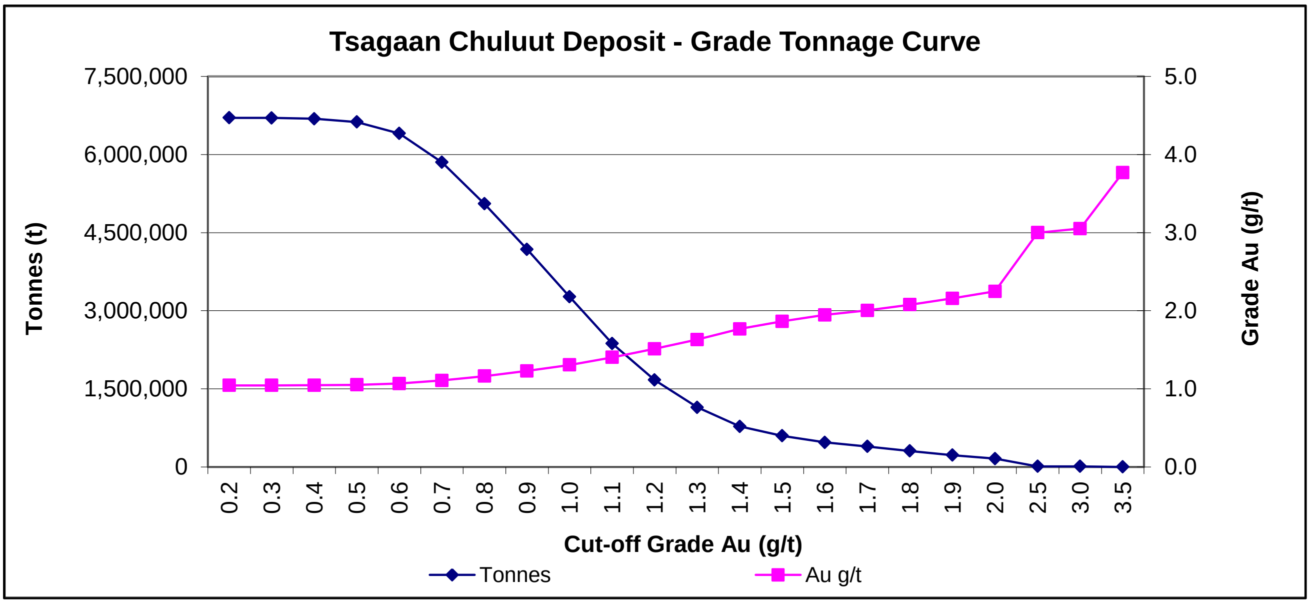
To show the tonnage and grade distribution throughout the entire deposit at a 0.7g/t Au cut-off, a bench breakdown has been prepared and is shown graphically in ***Figure 12-5***.

Figure 11-12 Tsagaan Chuluut Resource - Global Bench Tonnage (0.7g/t Au Cut-off)



The grade tonnage curve for the entire resource is shown in ***Figure 12-6***

Figure 11-13 Tsagaan Chuluut Resource – Global Grade Tonnage Curve



11.14 Reconciliation

No mining has occurred at the Tsagaan Chuluut deposit so no reconciliation is possible.

12 EXPLORATION POTENTIAL

In addition to the mineralisation identified in the TC1 resource area, mineralisation has been identified in the Altan Chuluut Prospect. In order to quantify the exploration potential within the zone, RPM has undertaken exploration potential estimates for the TC1 western zone and the Altan Chuluut areas.

12.1 Exploration Target Estimation Methodology

RPM estimated potential tonnage and grade ranges for Au the TC1 western target as well at the Altan Chulut area based on specific criteria which RPM considered reasonable. These criteria included:

- Strike Length Range: The range of strike length of the potential mineralisation was determined from a combination of geological mapping, sampling geochemistry and geophysical data from dipole-dipole surveys.
- Width Range: The minimum and maximum widths of mineralisation were determined from a combination of mineralised surface sample locations and drill hole intersections. A single value was used for the average depth of mineralisation which was determined from a combination of drill hole intersections and geophysical profiles.
- Grade Range Minimum and maximum grades were determined as direct minimum and maximum grades from a drill hole sample assays for each prospect.
- Bulk Density: The bulk density values used for each prospect were single values determined from the Tc1 Resource bulk density sample results.

After all criteria as above were considered, RPM then estimated the proportion of the strike length that was likely to be mineralised and applied a factor based on this proportion.

The estimates of some prospects are based completely on geological mapping information, geochemistry sample results and geophysical data provided by the Client although site visit observations where also incorporated. Although the grade ranges stated in the Exploration Potential Range estimates were determined by all available samples, these samples may not have been completely representative of a potential resource and therefore the potential grades may be higher or lower than those quoted.

RPM notes that the Exploration Potential Estimates are at this stage only an indication of the likely break down, tonnages and quality which could potentially be estimated. RPM further notes that the quantities and quality quoted are conceptual in nature as there is limited drill hole and sampling information to enable the estimation of a Mineral Resource and it is uncertain that further exploration will result in Mineral Resources of the same quantity. Furthermore, the quantities and quality could materially change if a Mineral Resource is estimated in accordance with the JORC Code.

12.2 Exploration Target Estimates

12.2.1 TC1 Western Zone

RPM interprets the exploration potential target for the TC1 western zone to be similar size as the TC1 Resource to the same drilled depth but it potentially of higher grade. ***Table 12-1*** gives the envisaged range of target sizes which were based on the size of the TC1 resource but with grade ranges adjusted to reflect the possibility that this mineralisation is higher grade because it is higher in the hydrothermal system. The tonnage of the higher grade estimate was also adjusted downward to represent greater resistivity.

RPM notes that the TC1 Western Zone target in ***Table 12-1*** is presented as a range from low grade to a high grade target with the higher grade tonnage adjusted to reflect the lower probability of occurrence within this mineral system. This adjustment is based on the grade tonnage curve estimated for the currently define TC1 Resource.

Table 12-1 TC1 Western Zone Exploration Potential Target

	Lower Grade	Higher Grade
Tonnage (mt)	18.5	8.5
Grade (g/t Au)	0.5	1.5
Au (tonnes)	10	13

Recommended Exploration Program

To test the concept of a second zone RPM recommends an exploration program as follows;

1. Three DDIP E-W section lines along the TC1 anomaly confirming the easterly plunge of the chargeability anomaly and coincident resistivity low, which could be accomplished and interpreted in a month,

2. An initial three hole 900m scout drilling program to confirm or otherwise the existence of the underlying western mineralisation, which could be accomplished by a single drill rig in approximately one month, with a further month for logging, core process, assay and interpretation,

3. Resource drilling should the scout holes be successful.

It is expected that the full program to Inferred Resource status would require approximately 25 drill holes for 8,000m drilled and the entire program from initial IP to initial Inferred Resource would take approximately 8 months using two rigs for the resource drill out.

12.2.2 Exploration Target

The exploration target estimate for the Altan Chuluut prospect was estimated by interpreting an envelope based on the chargeability profiles. Tonnage was estimated by applying the TC1 bulk density but discounted by likely proportions of mineralisation. Target grades were estimated by referencing the TC1 grades and adjusting according to proportion mineralised taking into account the likelihood that the higher grade material is preserved in this case. ***Table 12-2*** gives the envisaged target size range.

Table 12-2 ACH Exploration Target

	Low Grade	High Grade
Volume of Target Model (million m3)	11.5	11.5
Proportion Mineralised	Two Thirds	One Third
Volume of Target Model Mineralised (million m3)	7.6	3.8
Density	2.83	2.83
Tonnage of Target Model Mineralised (mt)	21.7	10.8
Grade (g/t Au)	0.5	2.5
Au (tonnes)	11	27

12.2.3 Recommended Exploration Program

To test the concept of a mineralised zone at depth at ACH RPM recommends an exploration program as follows;

1. Complete additional E-W DDIP sections extending 500m south of the current southern DDIP line,

2. Drill an initial three hole scout drilling program to confirm or otherwise the existence of the western mineralisation indicated by the chargeability model, which could be accomplished by a single drill rig in approximately 2 weeks, with a further month for logging, core process, assay and interpretation,

3. Resource drilling should the scout holes be successful.

To test the concept of a second zone RPM recommends an exploration program as follows;

1. Three DDIP E-W section lines along the TC1 anomaly confirming the easterly plunge of the chargeability anomaly and coincident resistivity low, which could be accomplished and interpreted in a month,

2. An initial three hole 900m scout drilling program to confirm or otherwise the existence of the underlying western mineralisation, which could be accomplished by a single drill rig in approximately 2 months, with a further month for logging, core process, assay and interpretation,

3. Resource drilling should the scout holes be successful.

It is expected that the full program to Inferred Resource status would require approximately 30 drill holes for 15,000m drilled and the entire program from initial IP to initial Inferred Resource would take approximately 10 months utilising 2 rigs for the resource drill out.

13 RISK AND RECOMMENDATIONS

- Mineralisation of the main lode remains open down dip and along strike in some places. RPM recommends that SG Mining conduct a program of drilling to test for depth and strike extensions of the mineralisation. RPM notes that the mineralised lodes generally thin out at depth.

- Sampling and assaying methodology and procedures were satisfactory for the SG Mining drilling. However RPM noted that holes TCDD-036, TCDD-037 and TCDD-038 have variable sample lengths, often with sample intervals greater than or equal to 4m in length. RPM recommends that these holes are re-sampled at 1m intervals to allow for greater local sample variability to be interpolated into the block model. For future programs, RPM recommends sampling at 1m intervals for all drilling methods.

- QAQC protocols were adequate for the SG Mining drilling for 2012. Analysis of the data show consistent and acceptable results for standards, correlation for field duplicates is low but acceptable given the style of mineralisation and without bias.

- Geostatistical analysis generated models of spatial grade continuity that reflected the geological understanding of the deposit. The modelled nugget effect is moderate to relatively high and the majority of the variance occurs in the scale of the block dimensions resulting in a moderate degree of smoothing which is evident in the block model.

- The bulk density values assigned to the current model were based on 1,765 measurements from 25 diamond holes. Bulk density values were consistent with expected values of the rock types. Ongoing collection of bulk density samples should be completed with all drill programs. Absence of bulk density data in the weathered zones is a low risk to the resource estimate as the vast majority of the Mineral Resource is in fresh rock. RPM recommends that SG Mining continue recording specific gravity measurements.

- RPM recommends repeating the specific gravity measurements for all values over 5.0t/m3 to ensure that these samples were measured accurately.

14 CONCLUSIONS

The Tsagaan Chuluut resource represents a well-defined zone of low grade gold mineralisation. The deposit is a typical lower sulphidation, epithermal quartz and beresite mineralised deposit, hosted within quartz diorite and diorite porphyry of the Late Triassic-Early Jurassic Tsagaan Chuluut intrusion complex. The mineralised domains show variation in thickness and geometry; however the drill density has allowed the delineation of coherent bodies of mineralisation.

The resource was classified as Indicated, and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 50m by 50m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas of the deposit where drill hole spacing was greater than 50m by 50m, where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones.

It is recommended that a preliminary economic analysis be conducted to assist in understanding the project potential.

The resource model is undiluted, so appropriate dilution needs to be incorporated in any evaluation of the deposit.

15 REFERENCES

"SG Mining Resource Estimation Report 2012-08-31 checked MG.doc" named the JORC Resource Repport by Micromine, dated September, 2012.

"Chapter_IP & Mag methods_TsCh.doc" named the Magnetic and IP surveying report by DashMagEng LLC on April. 2011

" Tsagaan chuluut-1 2012.3.zurag.doc" named the Topographic surveying report by Bayasakh Suvrye LLC, sated March 2012.

"TCRCdrillReport_text.pdf" named the Exploration Report by BatErdene of Troy Mongolia Alt Resource, dated April 2005.

JORC., 2012: *The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves*. Prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

APPENDIX 1

Tsagaan Chuluut Gold Deposit

JORC (2012) Code Compliance Table

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Drill holes used in the resource estimate included 3 reverse circulation holes (RC) and 24 diamond holes (DD) for a total of 1,503m within the resource wireframes. Holes were generally angled towards grid north to optimally intersect the mineralised zones. • Drill hole collar locations and down hole surveys were carried out by contract surveyors. RC samples were collected by a cone splitter at the rig and split with a riffle splitter to obtain duplicate samples. Diamond half core samples were always taken from the same side of the core. Sampling and QAQC procedures were carried out to industry standards. • Historical RC samples were collected at 2m intervals. RC sampling intervals for SG Mining drilling were determined initially by the supervising project geologist based on the observation of favourable alteration assemblages and structural characteristics. Where favourable geology was observed, 1m samples were collected using a sample spear. The remainder of the hole was sampled using 2m composites using a sample spear. When received by the laboratory, RC samples were sorted and then dried. Diamond core was sampled as half core at 1m intervals or to geological contacts. After the sample was prepared by the laboratory a 40g split of each sample was then subject to fire assay with ICP-40B and AAS22S.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond drilling was carried out with NQ2 sized equipment with standard tube. Diamond core was orientated using a Reflex orientation tool, marking the bottom of the drill hole.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Recoveries from RC drilling are unknown. Recoveries from SGMining drilling were recorded in the database with no significant issues noted. • Diamond core recovery was recorded in the drill logs. • No relationship exists between sample recovery and grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• All diamond drill holes were logged for recovery, RQD, geology and structure. RC drilling was logged for various geological attributes. • Logging of diamond core and RC samples recorded lithology, mineralogy, mineralisation, weathering, colour and other features of the samples. Both of chip and core samples were photographed by wet.

Criteria	JORC Code explanation	Commentary
	• *The total length and percentage of the relevant intersections logged.*	• All drill holes were logged in full.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• NQ2 core was cut in half using a core saw. All samples were collected from the same side of the core. • Historical RC samples were collected hand spearing by the Troy's geologists. Samples were wet below the water table. They dried samples by manually. • Sampling of diamond core and RC chips used industry standard techniques. After drying the sample was subject to a primary crush, then pulverised so that 90% passed a 75um sieve. • No standards or blanks were submitted with the 2013 drilling. • Field QC procedures for 2012 SGMining drilling used the certified reference materials (1 in 30), blank (1 in 40) and duplicates (1 in 40). • Sample sizes are considered appropriate to correctly represent the moderately nuggetty gold mineralisation based on: the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and assay value ranges for Au.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The analytical techniques used ICP-40B, AAS22S and FAA505. This method approaches total dissolution of most minerals. Samples were analyzed at SGS and ActLab Laboratories in Ulaanbaatar Mongolia. • No geophysical tools were used to determine any element concentrations used in this resource estimate. • SGS Laboratory QAQC includes the use of internal standards using certified reference material, blanks, splits and replicates. Certified reference materials demonstrate that sample assay values are accurate. All intra laboratory repeats returned satisfactory results. There was notable variation in high grade field duplicates.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• RPM has independently verified significant intersections of mineralisation by inspecting drill core from the 2012-2013 drilling at the SG Mining core yard. • No twin holes were drilled. • Primary data was collected into either Excel spread sheet software and then imported into an Access database. • No adjustments were made to assay data.

Criteria	JORC Code explanation	Commentary
	• *Discuss any adjustment to assay data.*	
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All collar positions have been surveyed with a DGPS system. • The WGS84, UTM49N grid system has been used. • Topographic surface uses 20m data.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The nominal drill hole spacing is 50m by 50m. • The mineralised domains have demonstrated sufficient continuity in both geological and grade continuity to support the definition of Mineral Resource, and the classifications applied under the 2012 JORC Code. • Samples have been composited to 1m lengths using fixed length techniques. Three residual sample lengths were excluded.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill holes are angled to grid north, which is approximately perpendicular to the orientation of the mineralized trend. • No orientation based sampling bias has been identified in the data.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody is managed by SG Mining. Samples are stored on site. Samples are then collected for transport by truck to SGS and ActLab Laboratories in Ulaanbaatar Mongolia. SG Mining personnel have no contact with the samples once they are picked up for transport to the laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• RPM reviewed diamond core sampling techniques during the January 2014 site visit. RPM concludes that sampling techniques are conducted to industry standards.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The deposit is located within Mining Lease 15436A, which is wholly owned by SG Mining Erdes LLC. • The tenements are in good standing with issue data is 25th January 2040.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Gold occurrence has occurred at Tsaagan Chuluut since the 1970's. Previous Exploration Company is the Troy Mongolia Alt Resource LLC; the government exploration was carried out by the Mongolian Geological Team and Russian Team.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Tsagaan Chuluut deposit is a typical lower sulphidation, epithermal quartz and beresite mineralised deposit, hosted within quartz diorite and diorite porphyry of the Late Triassic-Early Jurassic Tsagaan Chuluut intrusion complex

Drill hole information	• *A summary of all information material to the under-standing of the exploration results including a tabulation of the following information for all Material drill holes:*
	  • *easting and northing of the drill hole collar*
	  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  • *dip and azimuth of the hole*
	  • *down hole length and interception depth*
	  • *hole length*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Drill hole locations and the resource wireframes are shown in Figure 1-2 of this report.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Exploration results are not being reported. • Not applicable as a Mineral Resource is being reported. • Metal equivalent values are not being reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g.'down hole length, true width not known').*	• Drill holes are angled to grid north, which is approximately perpendicular to the orientation of the mineralised trend.

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Relevant diagrams have been included within the Mineral Resource report main body of text.
Balanced Reporting	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Drill holes have been accurately located by Bayasakh Survey LLC contract surveyor using the WGS84 UTM49N grid system. • Exploration results are not being reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Resource infill drilling has progressed over several campaigns as the size and extent of the mineralisation became clear.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further extension drilling is planned by Bob Dennis. • Refer to diagrams in the body of text within the Mineral Resource Report.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• The data base has been systematically audited by a SG Mining geologist. Original drilling records (except RC database) were compared to the equivalent records in the data base (where original records were available). Any discrepancies were noted and rectified by the data base manager. • All SG Mining drilling data has been verified as part of a continuous validation procedure. Once a drill hole is imported into the data base a report of the collar, down hole survey, geology, and assay data is produced. This is then checked by a SG Mining geologist and any corrections are completed by the data base manager.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• A site visit was conducted by Mr.Hong Zhao of RPM during January 2014. Mr.Zhao inspected the deposit area, drill core, outcrop and the core logging and sampling facility. During this time, notes and photos were taken. Discussions were held with site personnel regarding drilling and sampling procedures. No major issues were encountered for Mineral Resource Estimated Area. • Not applicable.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The confidence in the geological interpretation is considered to be good and is based on drilling and geophysics. • Geochemistry and geological logging has been used to assist identification of lithology and mineralisation. • The deposit consists of shallow south-east dipping mineralisation. RPM Bob Dennis has assuming mineralisation originally formed a cylindrical or inverted cup shaped halo on periphery of high chargeability anomaly similar to the geometry of the Lowell and Gilbert Porphyry copper model.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Tsagaan Chuluut resource area extends over a strike length of 290m (from 675,160mE – 675,450mE), has a maximum width of 210m (5,485,250mN – 5,485,460mN) and includes the 280m vertical interval from 990mRL to 710mRL.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and*	• Using parameters derived from modelled variograms, Ordinary Kriging (OK) was used to estimate average block grades in three passes using Surpac software. Linear grade estimation was deemed suitable for the Tsagaan Chuluut Mineral Resource due to the geological control on mineralisation. Maximum extrapolation of wireframes from

Criteria	JORC Code explanation	Commentary
	parameters used.	drilling was 25m along strike. This was half drill hole spacing of the deposit. Maximum extrapolation was generally half drill hole spacing. A total of 17 domains were intersected by a single drill hole, therefore average grades exported from Supervisor software were assigned to these domains.
	• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*	• Micromine previously completed an estimate using Median Indicator Kriging with a 0.1g/t Au wireframe to constrain the estimation. The RPM estimate differs from the Micromine estimate whereby the total tonnage is approximately 400% less, the grade is approximately 200% more and the total contained ounces is approximately 200% more compared with the Micromine estimate at a 0.7g/t Au cut-off. RPM believes the methods adopted by Micromine are not adequate for this deposit style as a significant amount of waste was incorporated.
	• *The assumptions made regarding recovery of by-products.*	• No recovery of by-products is anticipated.
	• *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*	• Only Au was interpolated into the block model.
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*	• The parent block dimensions used were 25m NS by 25m EW by 5m vertical with sub-cells of 3.125m by 3.125m by 0.625m. The parent block size was selected on the basis of 50% of the average drill hole spacing of the project, while dimensions in other directions were selected to provide sufficient resolution to the block model in the across-strike and down-dip direction. • An orientated 'ellipsoid' search was used to select data and adjusted to account for the variations in lode orientations, however all other parameters were taken from the variography derived from Domain 1. Three passes were used for each domain. The first and second passes had a range of 80m, with a minimum of 10 and 6 samples respectively. For the third pass, the range was extended to 200m, with a minimum of 2 samples. A maximum of 32 samples was used for all 3 passes and a maximum of 8 samples per hole was used for all 3 passes. • Average grades were assigned to the 17 domains with a single drill hole intersection.
	• *Any assumptions behind modelling of selective mining units.*	• No assumptions were made on selective mining units.
	• *Any assumptions about correlation between variables.*	• Only Au assay data was available, therefore correlation analysis was not possible.
	• *Description of how the geological interpretation was used to control the resource estimates.*	• The deposit mineralisation was constrained by wireframes constructed using a 0.5g/t Au cut-off grade and a minimum down hole width of 2m. The wireframes were applied as hard boundaries in the estimate.
	• *Discussion of basis for using or not using grade cutting or capping.*	• Statistical analysis was carried out on data from 31 lodes. The high coefficient of variation and the scattering of high grade values observed on the histogram for some of the objects suggested that top cuts were required if linear grade interpolation was to

Criteria	JORC Code explanation	Commentary
	• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	be carried out. As a result a high grade cut of 9g/t was applied, resulting in a total of 12 samples being cut. • Validation of the model included detailed comparison of composite grades and block grades by strike panel and elevation. Validation plots showed good correlation between the composite grades and the block model grades.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages and grades were estimated on a dry in situ basis. No moisture values were reviewed.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The Mineral Resource has been reported at a 0.7g/t Au cut-off based on assumptions about economic cut-off grades for open pit mining.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• RPM has assumed that the deposit could potentially be mined using open pit techniques.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Metallurgical Testwork has been done in Cekko and SGS in Australia, Hepta in Mongolia and Yantai Xinhai in China, samples were taken from quarter core and pulp rejects. 87-93.8% Au into a 2.9-6.8% mass yield by Gravity Floatation, 90-96% Au recovery contained 4-8% mass determined by bacterial oxidation and cyanide leaching testwork. • It is assumed that extraction of gold will be achieved by gravity and cyanide leaching methods, with recoveries greater than 80% based on these results.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• No assumptions have been made regarding environmental factors. SG Mining will work to mitigate environmental impacts as a result of any future mining or mineral processing.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*	• A total of 1,772 specific gravity measurements were recorded from diamond core samples from 25 drill holes in the Tsagann Chuluut deposit area. The majority of samples were taken from fresh rock as the vast majority of the Tsagann Chuluut deposit

Criteria	JORC Code explanation	Commentary
	• *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	is fresh rock. Therefore the average value of 2.83t/m^3 was assigned to all material below the topographic surface. • Bulk density is measured. Moisture is accounted for in the measuring process and measurements. • It is assumed there are minimal void spaces in the rocks at Tsagaan Chuluut. The Tsagaan Chuluut resource contains minor amounts of transitional material above the fresh bedrock. No mineralisation occurs in this zone, therefore a single value assigned in the model for fresh rock was deemed appropriate.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The Mineral Resource estimate is reported here in compliance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' by the Joint Ore Reserves Committee (JORC). The resource was classified as Indicated, and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 50m by 50m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas of the deposit where drill hole spacing was greater than 50m by 50m, where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones. • The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The definition of mineralised zones is based on high level geological understanding producing a robust model of mineralised domains. This model has been confirmed by infill drilling which supported the interpretation. Validation of the block model shows good correlation of the input data to the estimated grades. • The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Internal audits have been completed by RPM which verified the technical inputs, methodology, parameters and results of the estimate.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*	• The Tsagaan Chuluut Mineral Resource estimate has been reported with a high degree of confidence. The continuity of the main lodes have been defined by good quality drill samples, and the resultant block estimates have accurately reflected the composite input data. The confidence in the estimate is further highlighted by the classification of Indicated material within the deposit.

Criteria	JORC Code explanation	Commentary
	• *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The Mineral Resource statement relates to global estimates of tonnes and grade. • There has been no mining at the Tsagaan Chuluut deposit.

APPENDIX 2

Tsagaan Chuluut Gold Deposit

January 2014 Resource Tables

Tsagaan Chuluut Deposit January 2014 Mineral Resource Estimate

Cut-off Grade g/t Au	Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
0.5	5.1	1.1	171,700	1.6	1.1	52,100	6.6	1.1	223,800
0.6	5.0	1.1	169,900	1.4	1.1	49,900	6.4	1.1	219,800
0.7	**4.7**	**1.1**	**163,500**	**1.2**	**1.2**	**44,600**	**5.8**	**1.1**	**208,200**

Note: Totals may differ due to rounding

RPM recommends reporting the Tsagaan Chuluut Mineral Resource with the 0.7g/t Au cut-off grade.

Tsagaan Chuluut Deposit
January 2014 Mineral Resource Estimate (0.7g/t Au Cut-off)

Indicated

Bench Top RL	Fresh		Total		
	Tonnes t	Au Cut g/t	Tonnes t	Au Cut g/t	Au Cut Ounces
980	432	1.48	**432**	**1.48**	**21**
970	39,935	1.25	**39,935**	**1.25**	**1,611**
960	65,395	1.39	**65,395**	**1.39**	**2,916**
950	136,111	1.23	**136,111**	**1.23**	**5,401**
940	190,624	1.16	**190,624**	**1.16**	**7,101**
930	234,394	1.17	**234,394**	**1.17**	**8,849**
920	261,202	1.16	**261,202**	**1.16**	**9,760**
910	300,169	0.97	**300,169**	**0.97**	**9,321**
900	363,751	1.09	**363,751**	**1.09**	**12,696**
890	447,542	1.10	**447,542**	**1.10**	**15,759**
880	494,870	1.17	**494,870**	**1.17**	**18,632**
870	457,198	1.15	**457,198**	**1.15**	**16,964**
860	415,224	1.11	**415,224**	**1.11**	**14,790**
850	360,469	1.07	**360,469**	**1.07**	**12,410**
840	267,195	1.02	**267,195**	**1.02**	**8,748**
830	212,803	0.93	**212,803**	**0.93**	**6,366**
820	151,795	0.89	**151,795**	**0.89**	**4,362**
810	68,919	0.94	**68,919**	**0.94**	**2,083**
800	46,706	0.89	**46,706**	**0.89**	**1,337**
790	37,050	0.93	**37,050**	**0.93**	**1,108**
780	41,991	0.86	**41,991**	**0.86**	**1,161**
770	37,068	0.85	**37,068**	**0.85**	**1,018**
760	31,316	0.81	**31,316**	**0.81**	**813**
750	8,101	0.81	**8,101**	**0.81**	**212**
740	3,696	0.81	**3,696**	**0.81**	**97**
Total	**4,673,956**	**1.09**	**4,673,956**	**1.09**	**163,537**

Inferred

Bench Top RL	Fresh Tonnes t	Fresh Au Cut g/t	Total Tonnes t	Total Au Cut g/t	Total Au Cut Ounces
990	30,072	1.96	**30,072**	**1.96**	**1,896**
980	72,149	1.41	**72,149**	**1.41**	**3,274**
970	52,354	1.35	**52,354**	**1.35**	**2,276**
960	93,239	1.26	**93,239**	**1.26**	**3,772**
950	73,341	1.40	**73,341**	**1.40**	**3,305**
940	45,255	1.47	**45,255**	**1.47**	**2,142**
930	75,535	1.26	**75,535**	**1.26**	**3,055**
920	66,622	1.31	**66,622**	**1.31**	**2,802**
910	77,193	1.29	**77,193**	**1.29**	**3,198**
900	62,977	1.49	**62,977**	**1.49**	**3,010**
890	31,091	1.17	**31,091**	**1.17**	**1,169**
880	53,132	1.07	**53,132**	**1.07**	**1,834**
870	27,619	0.99	**27,619**	**0.99**	**881**
860	20,434	0.95	**20,434**	**0.95**	**627**
850	12,627	0.92	**12,627**	**0.92**	**375**
840	42,111	0.86	**42,111**	**0.86**	**1,168**
830	76,588	0.85	**76,588**	**0.85**	**2,088**
820	62,856	0.92	**62,856**	**0.92**	**1,854**
810	85,847	0.91	**85,847**	**0.91**	**2,499**
800	52,769	0.91	**52,769**	**0.91**	**1,540**
790	25,702	0.96	**25,702**	**0.96**	**796**
780	11,867	0.97	**11,867**	**0.97**	**370**
770	11,331	0.90	**11,331**	**0.90**	**328**
760	9,293	0.89	**9,293**	**0.89**	**265**
750	2,988	0.94	**2,988**	**0.94**	**90**
740	933	0.94	**933**	**0.94**	**28**
730	17	0.94	**17**	**0.94**	**1**
Total	**1,175,942**	**1.18**	**1,175,942**	**1.18**	**44,646**

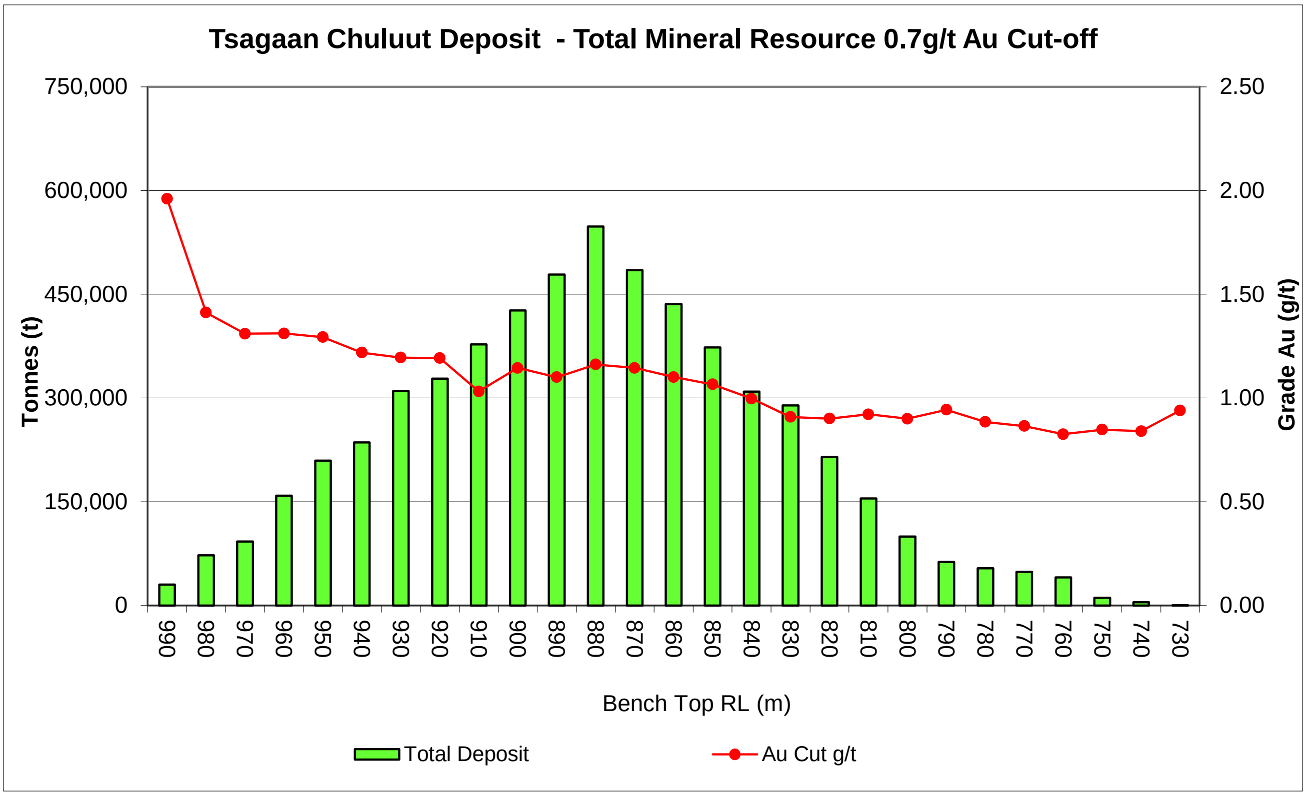
Total Tsagaan Chuluut Mineral Resource - 0.7g/t Au Cut-off

Bench Top RL	Fresh Tonnes t	Fresh Au Cut g/t	Total Tonnes t	Total Au Cut g/t	Total Au Cut Ounces
990	30,072	1.96	**30,072**	**1.96**	**1,896**
980	72,581	1.41	**72,581**	**1.41**	**3,295**
970	92,289	1.31	**92,289**	**1.31**	**3,887**
960	158,634	1.31	**158,634**	**1.31**	**6,688**
950	209,452	1.29	**209,452**	**1.29**	**8,707**
940	235,879	1.22	**235,879**	**1.22**	**9,244**
930	309,929	1.19	**309,929**	**1.19**	**11,904**
920	327,824	1.19	**327,824**	**1.19**	**12,562**
910	377,362	1.03	**377,362**	**1.03**	**12,519**
900	426,728	1.14	**426,728**	**1.14**	**15,706**
890	478,633	1.10	**478,633**	**1.10**	**16,928**
880	548,002	1.16	**548,002**	**1.16**	**20,465**
870	484,817	1.14	**484,817**	**1.14**	**17,846**
860	435,658	1.10	**435,658**	**1.10**	**15,417**
850	373,096	1.07	**373,096**	**1.07**	**12,786**
840	309,306	1.00	**309,306**	**1.00**	**9,916**
830	289,391	0.91	**289,391**	**0.91**	**8,454**
820	214,651	0.90	**214,651**	**0.90**	**6,216**
810	154,766	0.92	**154,766**	**0.92**	**4,583**
800	99,475	0.90	**99,475**	**0.90**	**2,877**
790	62,752	0.94	**62,752**	**0.94**	**1,904**
780	53,858	0.88	**53,858**	**0.88**	**1,532**
770	48,399	0.86	**48,399**	**0.86**	**1,346**
760	40,609	0.83	**40,609**	**0.83**	**1,078**
750	11,089	0.85	**11,089**	**0.85**	**302**
740	4,629	0.84	**4,629**	**0.84**	**125**
730	17	0.94	**17**	**0.94**	**1**
Total	**5,849,898**	**1.11**	**5,849,898**	**1.11**	**208,182**

Tsagaan Chuluut Deposit

January 2014 Mineral Resource Estimate (0.7g/t Au Cut-off)

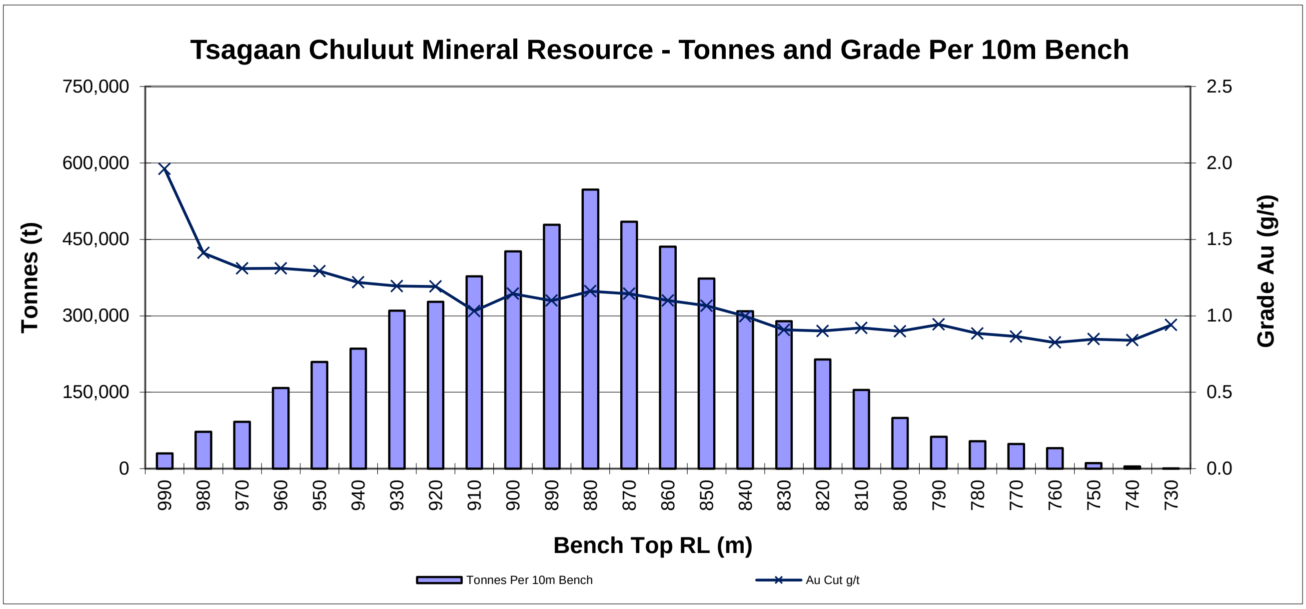
	Total Deposit	
Bench Top RL	**Tonnes t**	**Au Cut g/t**
990	30,072	1.96
980	72,581	1.41
970	92,289	1.31
960	158,634	1.31
950	209,452	1.29
940	235,879	1.22
930	309,929	1.19
920	327,824	1.19
910	377,362	1.03
900	426,728	1.14
890	478,633	1.10
880	548,002	1.16
870	484,817	1.14
860	435,658	1.10
850	373,096	1.07
840	309,306	1.00
830	289,391	0.91
820	214,651	0.90
810	154,766	0.92
800	99,475	0.90
790	62,752	0.94
780	53,858	0.88
770	48,399	0.86
760	40,609	0.83
750	11,089	0.85
740	4,629	0.84
730	17	0.94
Total	**5,849,898**	**1.11**

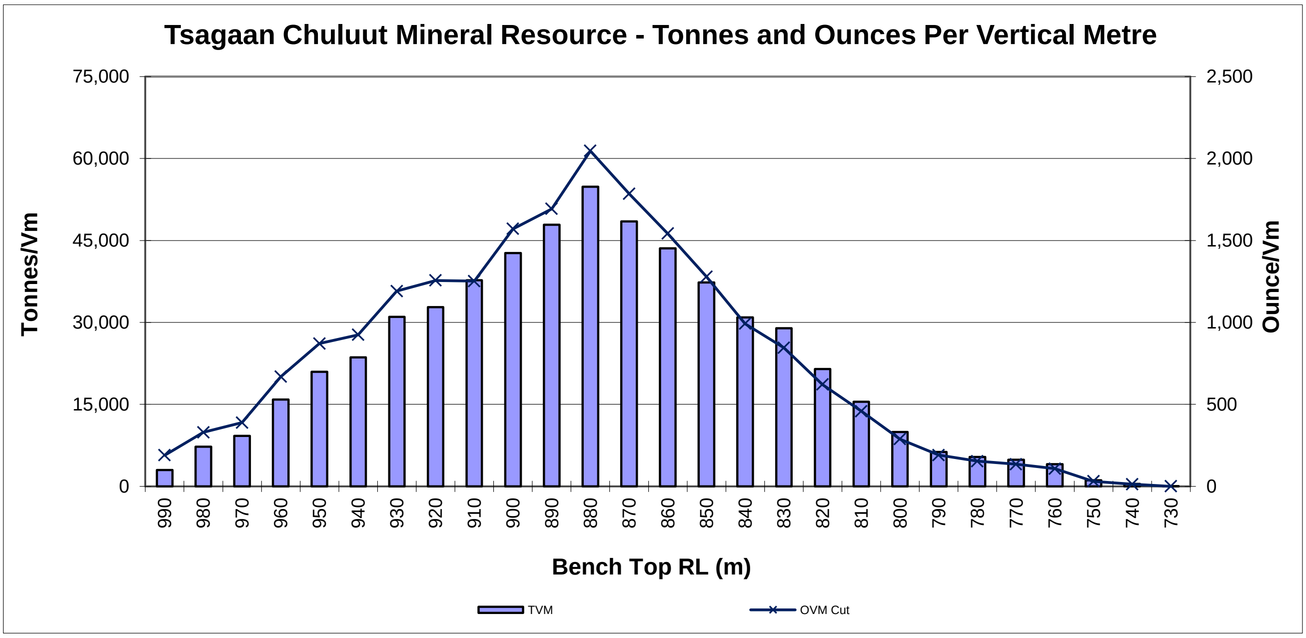

Tsagaan Chuluut Deposit - Total Mineral Resource 0.7g/t Au Cut-off
Tonnes (t)
750,000
600,000
450,000
300,000
150,000
0
Grade Au (g/t)
2.50
2.00
1.50
1.00
0.50
0.00
990 980 970 960 950 940 930 920 910 900 890 880 870 860 850 840 830 820 810 800 790 780 770 760 750 740 730
Bench Top RL (m)
Total Deposit
Au Cut g/t

Tsagaan Chuluut Deposit

January 2014 Mineral Resource Estimate (0.7g/t Au Cut-off)

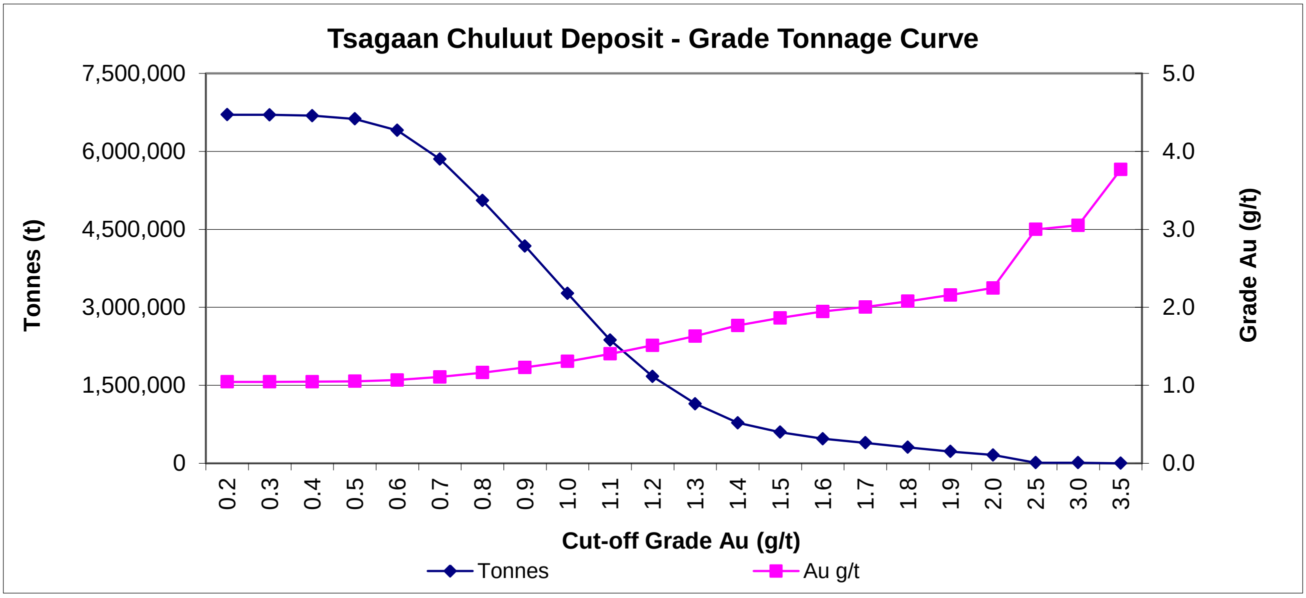
Bench Top RL	Tonnes t	Au Cut g/t	Au Cut Ounces	Per Vertical Metre Tonnes	Per Vertical Metre Cut Oz
990	30,072	1.96	1,896	3,007	190
980	72,581	1.41	3,295	7,258	329
970	92,289	1.31	3,887	9,229	389
960	158,634	1.31	6,688	15,863	669
950	209,452	1.29	8,707	20,945	871
940	235,879	1.22	9,244	23,588	924
930	309,929	1.19	11,904	30,993	1,190
920	327,824	1.19	12,562	32,782	1,256
910	377,362	1.03	12,519	37,736	1,252
900	426,728	1.14	15,706	42,673	1,571
890	478,633	1.10	16,928	47,863	1,693
880	548,002	1.16	20,465	54,800	2,047
870	484,817	1.14	17,846	48,482	1,785
860	435,658	1.10	15,417	43,566	1,542
850	373,096	1.07	12,786	37,310	1,279
840	309,306	1.00	9,916	30,931	992
830	289,391	0.91	8,454	28,939	845
820	214,651	0.90	6,216	21,465	622
810	154,766	0.92	4,583	15,477	458
800	99,475	0.90	2,877	9,948	288
790	62,752	0.94	1,904	6,275	190
780	53,858	0.88	1,532	5,386	153
770	48,399	0.86	1,346	4,840	135
760	40,609	0.83	1,078	4,061	108
750	11,089	0.85	302	1,109	30
740	4,629	0.84	125	463	13
730	17	0.94	1	2	0
Total	**5,849,898**	**1.11**	**208,182**		




Tsagaan Chuluut Mineral Resource - Tonnes and Ounces Per Vertical Metre
Tonnes/Vm
75,000
60,000
45,000
30,000
15,000
0
Ounce/Vm
2,500
2,000
1,500
1,000
500
0
990
980
970
960
950
940
930
920
910
900
890
880
870
860
850
840
830
820
810
800
790
780
770
760
750
740
730
Bench Top RL (m)
TVM
OVM Cut

Tsagaan Chuluut Deposit
January 2014 Mineral Resource Estimate

Grade Range g/t	Incremental Mineral Resource Tonnes t	Incremental Mineral Resource Au g/t	Incremental Mineral Resource Au Ounces	Cut-off Grade g/t	Cumulative Mineral Resource Tonnes t	Cumulative Mineral Resource Au g/t	Cumulative Mineral Resource Au Ounces
0.2 - 0.3	2,453	0.29	23	0.2	6,705,150	1.04	224,865
0.3 - 0.4	15,252	0.33	159	0.3	6,702,697	1.04	224,843
0.4 - 0.5	62,839	0.45	900	0.4	6,687,445	1.05	224,683
0.5 - 0.6	220,938	0.56	3,986	0.5	6,624,606	1.05	223,783
0.6 - 0.7	553,771	0.65	11,615	0.6	6,403,668	1.07	219,798
0.7 - 0.8	796,559	0.75	19,223	**0.7**	**5,849,897**	**1.11**	**208,182**
0.8 - 0.9	875,151	0.85	23,887	0.8	5,053,338	1.16	188,959
0.9 - 1.0	911,614	0.95	27,882	0.9	4,178,187	1.23	165,072
1.0 - 1.1	897,053	1.05	30,318	1.0	3,266,573	1.31	137,190
1.1 - 1.2	702,404	1.14	25,851	1.1	2,369,520	1.40	106,872
1.2 - 1.3	523,284	1.25	21,030	1.2	1,667,116	1.51	81,021
1.3 - 1.4	366,877	1.34	15,844	1.3	1,143,832	1.63	59,991
1.4 - 1.5	180,641	1.45	8,415	1.4	776,955	1.77	44,147
1.5 - 1.6	124,797	1.55	6,235	1.5	596,314	1.86	35,731
1.6 - 1.7	80,181	1.66	4,277	1.6	471,517	1.95	29,496
1.7 - 1.8	85,795	1.75	4,817	1.7	391,336	2.00	25,219
1.8 - 1.9	79,732	1.85	4,735	1.8	305,541	2.08	20,402
1.9 - 2.0	66,466	1.94	4,154	1.9	225,809	2.16	15,667
2.0 - 2.5	147,926	2.19	10,412	2.0	159,343	2.25	11,513
2.5 - 3.0	1,192	2.55	98	2.5	11,417	3.00	1,101
3.0 - 3.5	10,087	3.04	987	3.0	10,225	3.05	1,003
> 3.5	138	3.77	17	3.5	138	3.77	17
Total	**6,705,150**	**1.04**	**224,865**				



APPENDIX 3

Tsagaan Chuluut Gold Deposit

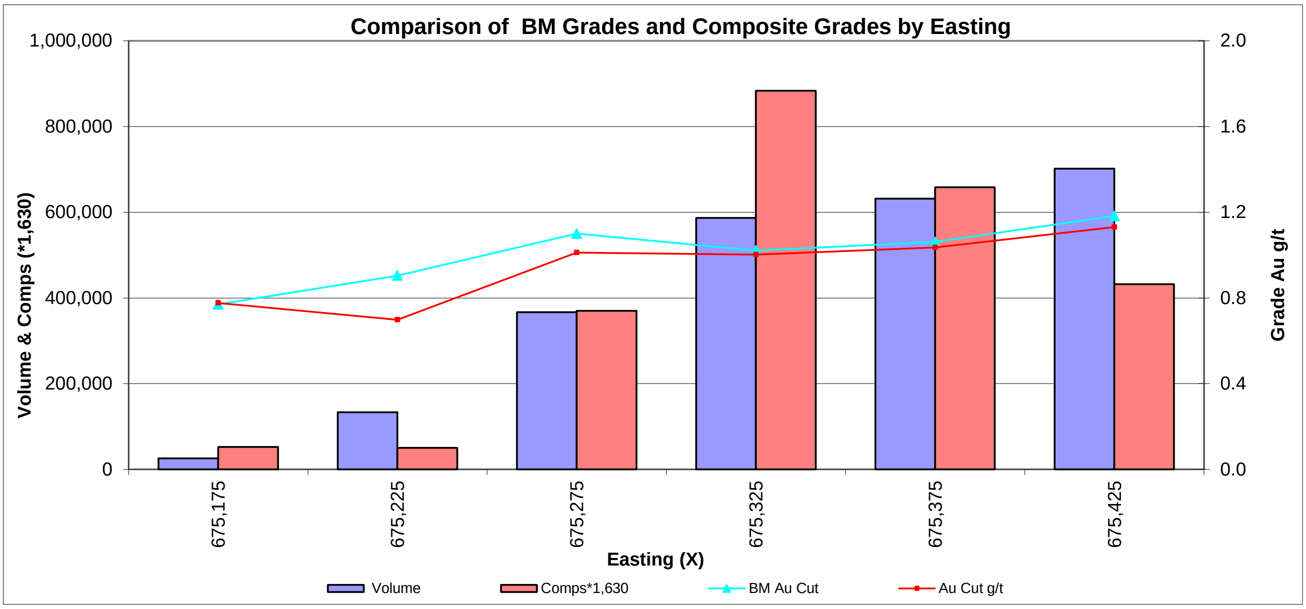
Validation Plots

Tsagaan Chuluut Resource Block Model Validation by Domain							
	Wireframe	Block Model		Composites		Comparison	
Object Number	Lode Volume	Resource Volume	Au g/t	Number of Comps	Au g/t	Lode V Res Volume	BM V Comp Au g/t
1	1,699,749	1,700,433	1.04	887	1.00	-0.04%	4.41%
2	40,913	40,717	0.66	33	0.64	0.48%	3.22%
3	181,935	181,073	1.17	127	1.22	0.47%	-4.12%
4	34,921	35,126	0.99	16	1.01	-0.59%	-1.38%
5	157,130	157,098	0.75	92	0.75	0.02%	0.04%
6	3,798	3,790	0.68	5	0.66	0.21%	3.60%
7	7,158	7,025	0.58	6	0.57	1.86%	2.08%
8	15,141	14,935	0.61	11	0.61	1.36%	0.01%
11	11,364	12,476	1.27	19	1.25	-9.79%	1.73%
12	661	684	0.62	2	0.62	-3.48%	0.00%
13	1,582	1,709	0.63	4	0.63	-8.03%	0.00%
14	889	879	0.64	3	0.64	1.12%	0.00%
15	9,631	10,553	0.50	12	0.50	-9.57%	0.00%
16	5,294	5,811	0.75	8	0.75	-9.77%	0.00%
17	8,612	9,485	1.08	12	1.08	-10.14%	0.00%
18	665	623	0.70	2	0.70	6.32%	0.00%
20	7,061	7,605	0.94	8	0.94	-7.70%	0.00%
22	24,450	24,725	0.76	28	0.80	-1.12%	-5.02%
23	944	1,025	1.38	2	1.38	-8.58%	0.00%
24	4,454	4,828	0.58	7	0.58	-8.40%	0.00%
25	1,263	1,410	0.98	2	0.98	-11.64%	0.00%
26	4,357	4,742	1.65	12	1.65	-8.84%	0.00%
28	661	812	0.55	2	0.55	-22.84%	0.00%
29	667	769	1.22	2	1.22	-15.29%	0.00%
30	1,187	1,324	0.67	4	0.67	-11.54%	0.00%
31	912	854	0.71	2	0.71	6.36%	0.00%
32	3,783	3,906	1.70	6	1.80	-3.25%	-5.44%
34	58,005	60,291	1.50	55	1.74	-3.94%	-16.08%
35	12,042	12,299	0.88	10	0.87	-2.13%	1.38%
36	9,227	9,601	1.05	12	1.05	-4.05%	0.00%
40	126,841	130,054	1.31	110	1.18	-2.53%	9.37%
Total	**2,435,297**	**2,446,662**	**1.04**	**1,501**	**1.02**	**-0.47%**	**1.61%**

Tsagaan Chuluut Resource Block Model Validation by Easting (All Objects)

Section	Block Model		Composites			
Section mE	Volume BCM	Au Cut g/t	Number of Comps	Comps*1,630	Au Cut g/t	Sample Ratio BCM/comp
675,175	25,848	0.77	32	52,160	0.78	808
675,225	133,447	0.90	31	50,530	0.70	4305
675,275	366,895	1.10	227	370,010	1.01	1616
675,325	587,018	1.02	542	883,460	1.00	1083
675,375	631,610	1.06	404	658,520	1.04	1563
675,425	701,843	1.18	265	431,950	1.13	2648
Total	**2,446,661**	**1.08**	**1,501**	**2,446,630**	**1.02**	1,630

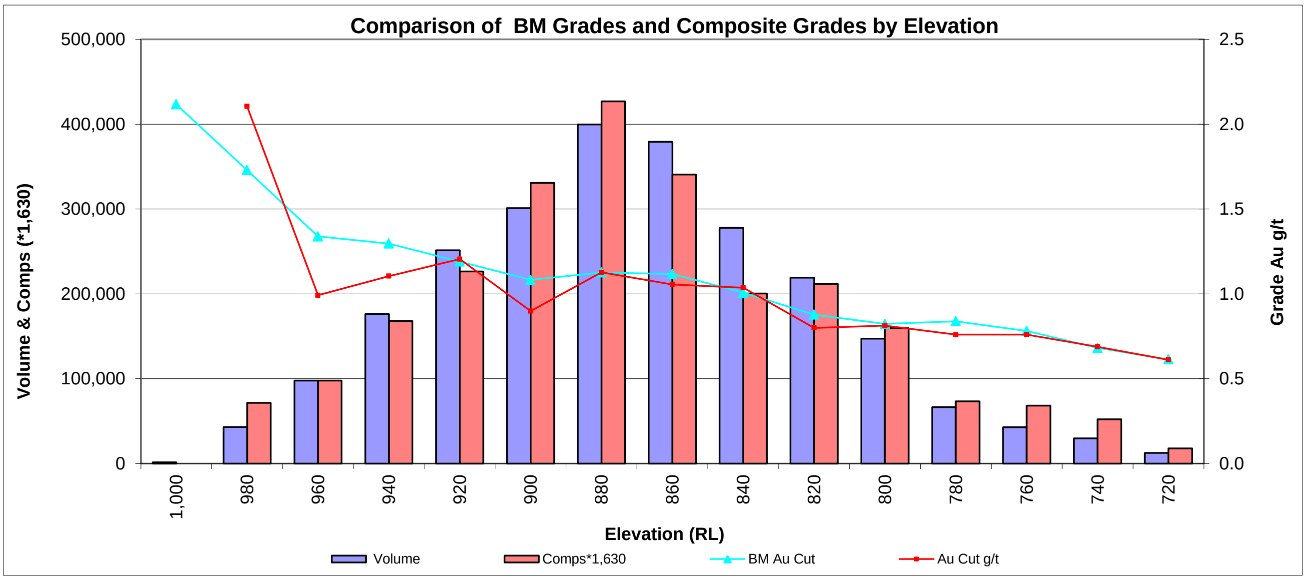
Note: Calculated validation grades differ from resource grades due to weighting by volume, not tonnes.



Tsagaan Chuluut Resource Block Model Validation by Elevation (All Objects)

Bench Top mRL	Block Model Volume BCM	Block Model Au Cut g/t	Composites Number of Comps	Composites Comps*1,630	Composites Au Cut g/t	Sample Ratio BCM/comp
1000	1,465	2.12				
980	43,048	1.73	44	71,720	2.10	978
960	97,968	1.34	60	97,800	0.99	1,633
940	176,398	1.30	103	167,890	1.11	1,713
920	251,532	1.19	139	226,570	1.21	1,810
900	301,227	1.08	203	330,890	0.90	1,484
880	399,811	1.13	262	427,060	1.13	1,526
860	379,327	1.12	209	340,670	1.06	1,815
840	277,795	1.01	123	200,490	1.04	2,258
820	219,098	0.88	130	211,900	0.80	1,685
800	147,229	0.82	98	159,740	0.81	1,502
780	66,461	0.84	45	73,350	0.76	1,477
760	42,889	0.78	42	68,460	0.76	1,021
740	29,834	0.68	32	52,160	0.69	932
720	12,579	0.61	11	17,930	0.61	1,144
Total	**2,446,661**	**1.08**	**1,501**	**2,446,630**	**1.02**	1,630

Note: Calculated validation grades differ from resource grades due to weighting by volume, not tonnes.



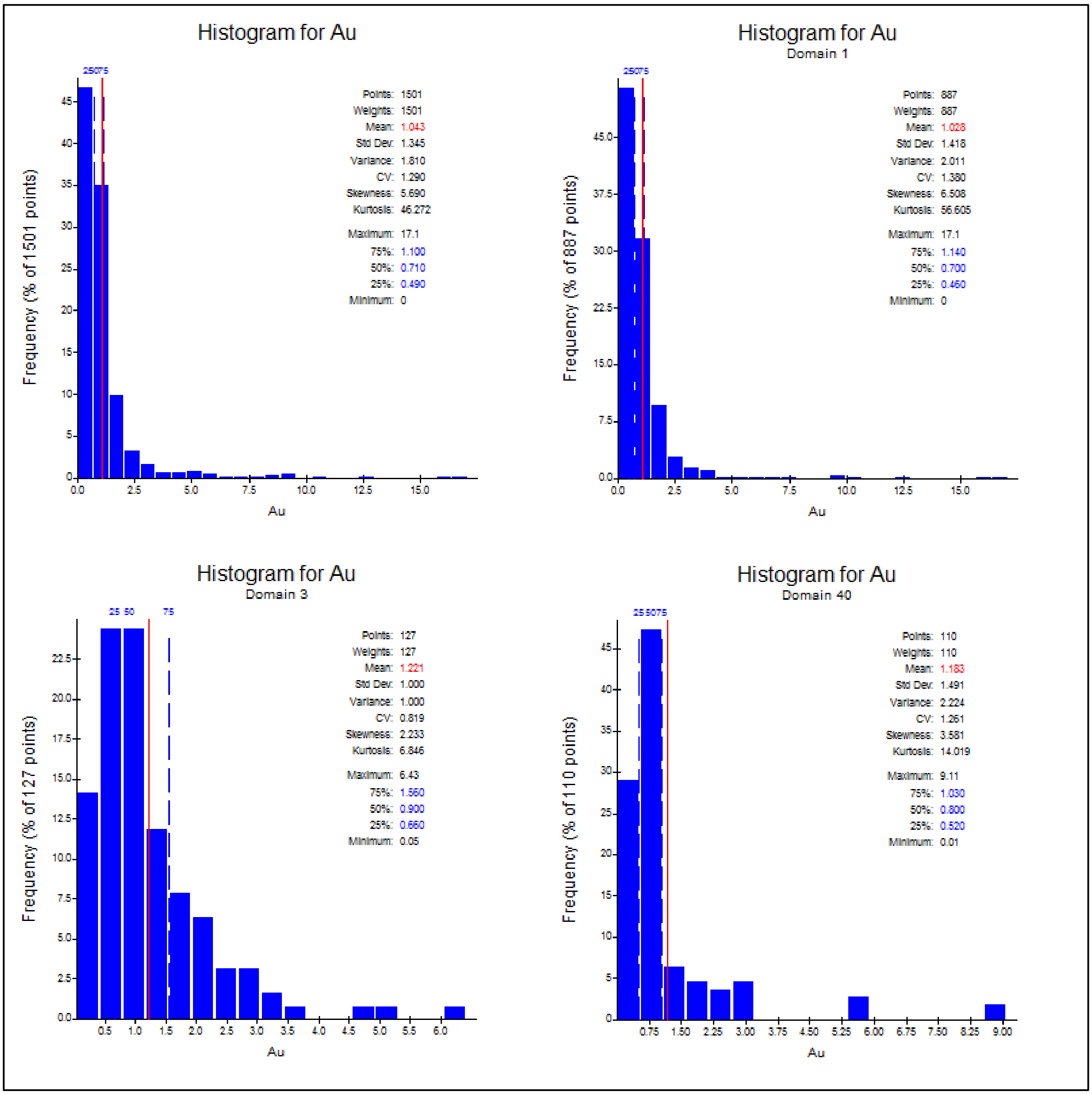
APPENDIX 4

Tsagaan Chuluut Gold Deposit

Descriptive Statistics

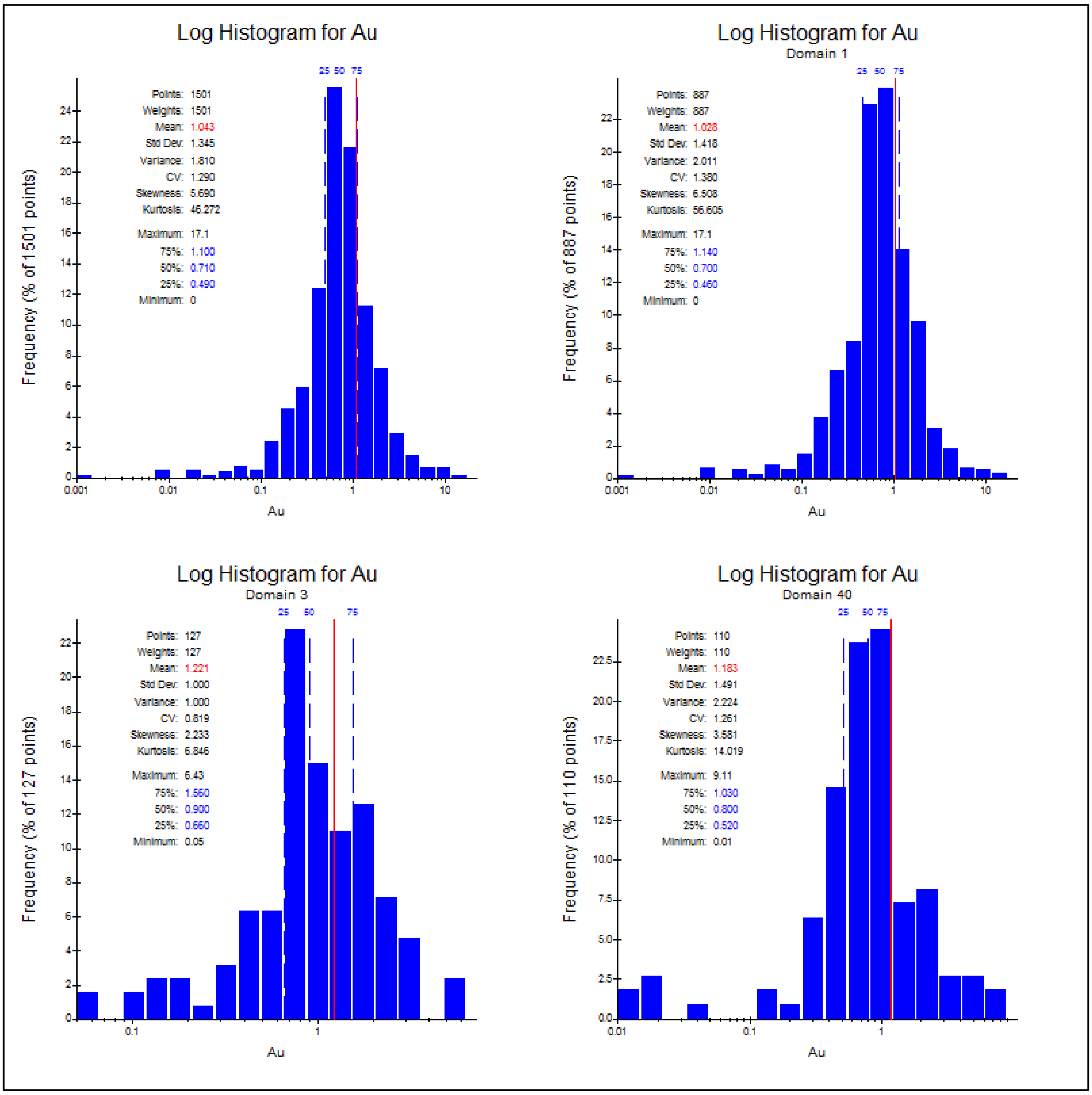
Parameter	All Domains	Domain 1	Domain 3	Domain 40
Samples	1,501	887	127	110
Minimum	0.00	0.00	0.05	0.01
Maximum	17.10	17.10	6.43	9.11
Mean	1.04	1.03	1.22	1.18
Standard deviation	1.35	1.42	1.00	1.49
CV	1.29	1.38	0.82	1.26
Variance	1.81	2.01	1.00	2.22
		Percentiles		
10%	0.24	0.22	0.30	0.29
20%	0.42	0.38	0.53	0.43
30%	0.53	0.50	0.73	0.60
40%	0.61	0.59	0.81	0.70
50%	0.71	0.70	0.90	0.80
60%	0.83	0.84	1.11	0.89
70%	0.99	1.00	1.43	1.00
80%	1.29	1.30	1.74	1.39
90%	1.91	1.83	2.43	2.63
95%	2.82	2.57	3.01	3.15
97.50%	4.67	4.16	3.44	5.76
99%	7.73	7.73	4.96	9.11

Histograms

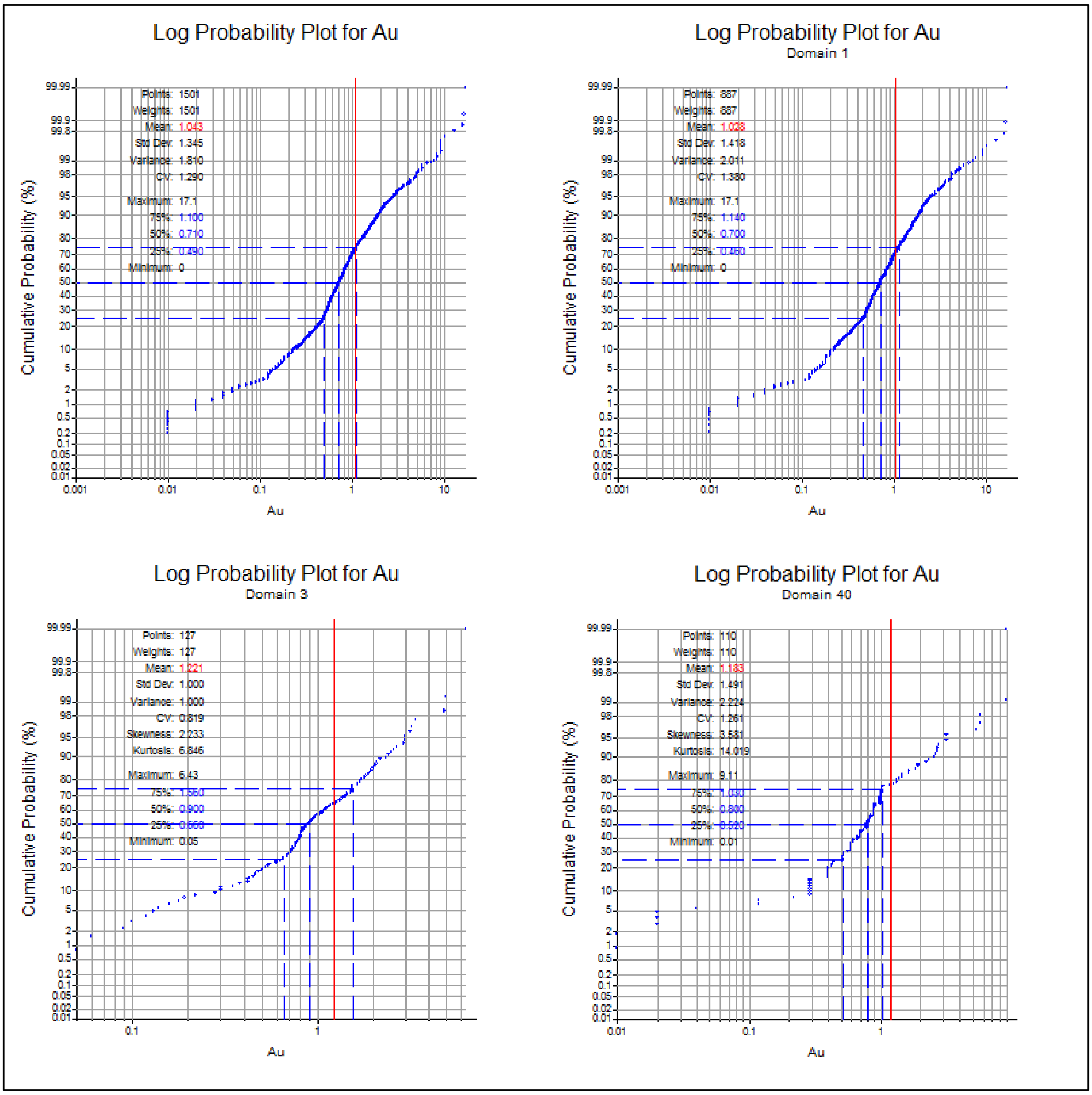


Histogram for Au
Frequency (% of 1501 points)
Au
Points: 1501
Weights: 1501
Mean: 1.043
Std Dev: 1.345
Variance: 1.810
CV: 1.290
Skewness: 5.690
Kurtosis: 46.272
Maximum: 17.1
75%: 1.100
50%: 0.710
25%: 0.490
Minimum: 0
Histogram for Au
Domain 1
Frequency (% of 887 points)
Au
Points: 887
Weights: 887
Mean: 1.028
Std Dev: 1.418
Variance: 2.011
CV: 1.380
Skewness: 6.508
Kurtosis: 56.605
Maximum: 17.1
75%: 1.140
50%: 0.700
25%: 0.460
Minimum: 0
Histogram for Au
Domain 3
Frequency (% of 127 points)
Au
Points: 127
Weights: 127
Mean: 1.221
Std Dev: 1.000
Variance: 1.000
CV: 0.819
Skewness: 2.233
Kurtosis: 6.846
Maximum: 6.43
75%: 1.560
50%: 0.900
25%: 0.660
Minimum: 0.05
Histogram for Au
Domain 40
Frequency (% of 110 points)
Au
Points: 110
Weights: 110
Mean: 1.183
Std Dev: 1.491
Variance: 2.224
CV: 1.261
Skewness: 3.581
Kurtosis: 14.019
Maximum: 9.11
75%: 1.030
50%: 0.800
25%: 0.520
Minimum: 0.01

Log Histograms



Log Probability Plots

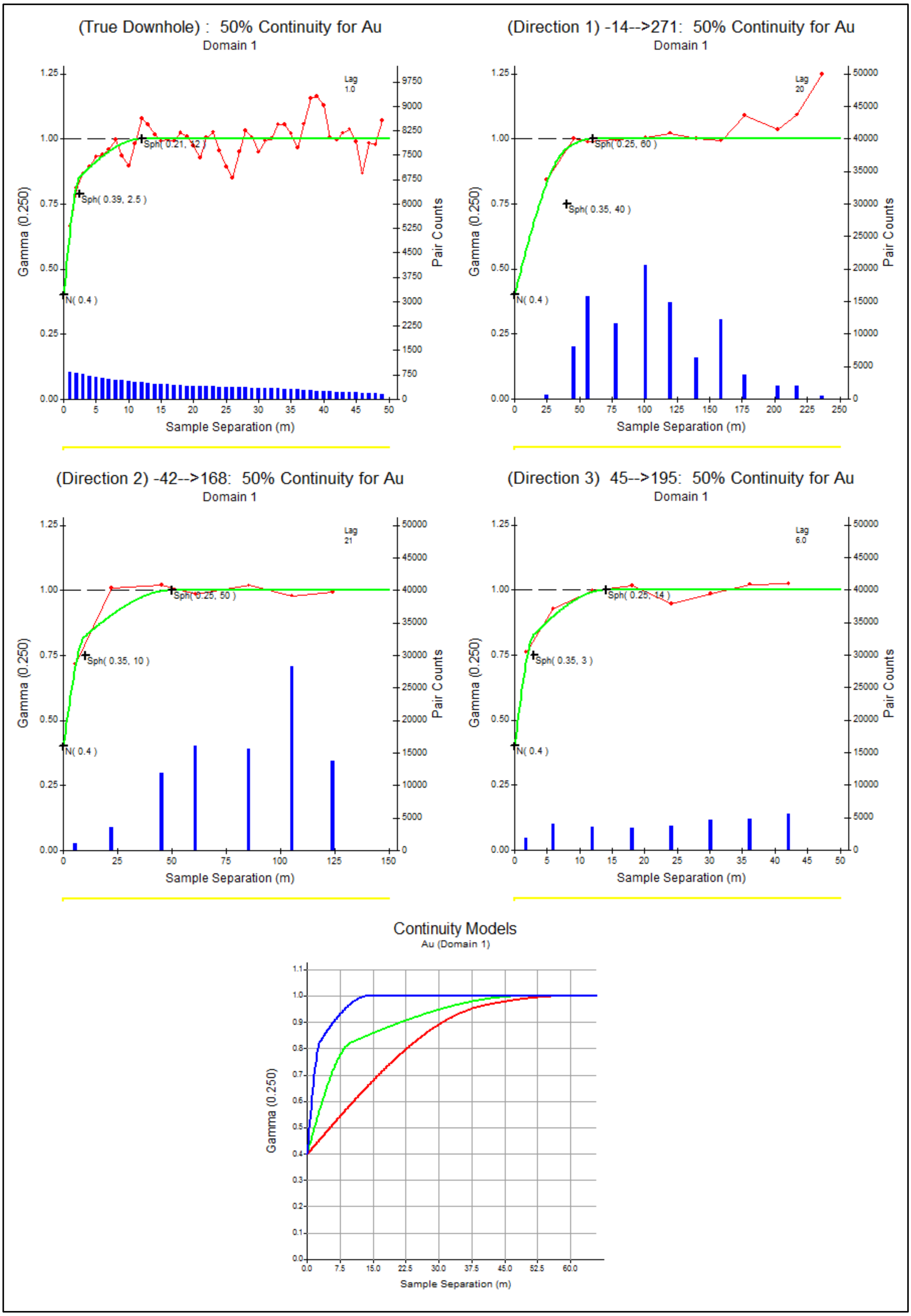


APPENDIX 5

Tsagaan Chuluut Gold Deposit

Geostatistical Analysis

Domain 1


(True Downhole) : 50% Continuity for Au
Domain 1
Gamma (0.250)
Pair Counts
Sample Separation (m)
Lag 1.0
Sph(0.21, 42)
Sph(0.39, 2.5)
N(0.4)
(Direction 1) -14-->271: 50% Continuity for Au
Domain 1
Lag 20
Sph(0.25, 60)
Sph(0.35, 40)
N(0.4)
(Direction 2) -42-->168: 50% Continuity for Au
Domain 1
Lag 21
Sph(0.25, 50)
Sph(0.35, 10)
N(0.4)
(Direction 3) 45-->195: 50% Continuity for Au
Domain 1
Lag 6.0
Sph(0.25, 14)
Sph(0.35, 3)
N(0.4)
Continuity Models
Au (Domain 1)
Gamma (0.250)
Sample Separation (m)

APPENDIX 6

Tsagaan Chuluut Gold Deposit

Model Interpolation Parameters

domain	element	field	min_sam	maj_dis	semi	minor	dir	plunge	dip	c0	c1	a1	semi1	minor1	c2	a2	semi2	minor2	pass	est_type
1	au_uncut	1	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
2	au_uncut	1	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
3	au_uncut	1	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
4	au_uncut	1	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
5	au_uncut	1	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
6	au_uncut	1	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
7	au_uncut	1	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
8	au_uncut	1	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
11	au_uncut	1	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
22	au_uncut	1	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
32	au_uncut	1	10	80	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
34	au_uncut	1	10	80	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
35	au_uncut	1	10	80	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
40	au_uncut	1	10	80	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
1	au_cut	7	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
2	au_cut	7	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
3	au_cut	7	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
4	au_cut	7	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
5	au_cut	7	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
6	au_cut	7	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
7	au_cut	7	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
8	au_cut	7	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
11	au_cut	7	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
22	au_cut	7	10	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
32	au_cut	7	10	80	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
34	au_cut	7	10	80	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
35	au_cut	7	10	80	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok
40	au_cut	7	10	80	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	1	ok

domain	element	field	min_sam	maj_dis	semi	minor	dir	plunge	dip	c0	c1	a1	semi1	minor1	c2	a2	semi2	minor2	pass	est_type
1	au_uncut	1	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
2	au_uncut	1	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
3	au_uncut	1	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
4	au_uncut	1	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
5	au_uncut	1	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
6	au_uncut	1	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
7	au_uncut	1	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
8	au_uncut	1	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
11	au_uncut	1	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
22	au_uncut	1	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
32	au_uncut	1	6	80	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
34	au_uncut	1	6	80	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
35	au_uncut	1	6	80	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
40	au_uncut	1	6	80	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
1	au_cut	7	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
2	au_cut	7	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
3	au_cut	7	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
4	au_cut	7	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
5	au_cut	7	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
6	au_cut	7	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
7	au_cut	7	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
8	au_cut	7	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
11	au_cut	7	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
22	au_cut	7	6	80	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
32	au_cut	7	6	80	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
34	au_cut	7	6	80	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
35	au_cut	7	6	80	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok
40	au_cut	7	6	80	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	2	ok

domain	element	field	min_sam	maj_dis	semi	minor	dir	plunge	dip	c0	c1	a1	semi1	minor1	c2	a2	semi2	minor2	pass	est_type
1	au_uncut	1	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
2	au_uncut	1	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
3	au_uncut	1	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
4	au_uncut	1	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
5	au_uncut	1	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
6	au_uncut	1	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
7	au_uncut	1	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
8	au_uncut	1	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
11	au_uncut	1	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
22	au_uncut	1	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
32	au_uncut	1	2	200	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
34	au_uncut	1	2	200	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
35	au_uncut	1	2	200	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
40	au_uncut	1	2	200	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
1	au_cut	7	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
2	au_cut	7	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
3	au_cut	7	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
4	au_cut	7	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
5	au_cut	7	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
6	au_cut	7	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
7	au_cut	7	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
8	au_cut	7	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
11	au_cut	7	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
22	au_cut	7	2	200	1.2	4	271	-14	43	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
32	au_cut	7	2	200	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
34	au_cut	7	2	200	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
35	au_cut	7	2	200	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok
40	au_cut	7	2	200	1.2	4	270	0	30	0.4	0.35	40	4	13.3	0.25	60	1.2	4.3	3	ok

Appendix 7

Tsagaan Chuluut Gold Deposit

Data Disc Descriptions

(All relevant files are included on the Compact Disc

inside the back cover of this report)

Directories

- 3DMs

- tc_res20140115.dtm -Resource Wireframes

- BModel

- tsagaan_chuluut_ok_20140124.mdl -Resource Block Model
- BM_Macros.zip -Block Model Macros

- Data

- ts_db.mdb -Access Database
- ts_db.ddb -Surpac Database File
- Comps.zip -Extracted Composite Files

- Nat_Surf

- topo20140117.dtm -Modified Topographic Surface DTM
- 15436_n49.str -Exploration Lease String File

- Reports & Spreadsheets

- ADV-MN-00109 SGMiningErdes_TC_JORC_Draft.pdf -Resource report
- Tsagaan Chuluut 0.5gt Au Resource Tables 20140124.xls -Resource tables

The Tsagaan Chuluut Mineral Resource estimate was completed using Surpac Mining software Version 6.2.1.

END OF THE REPORT