

PROSPECTOR'S PARADISE MINING PROPERTY

172 ACRES - Yavapai County, Arizona

3 Unpatented Mining Claims Totaling 112 acres

Plus

60 acres Private Property Royalty Lease

TABLE OF CONTENTS

I. Purpose3

II. Property description4

III. Geographic Location5

 A. General5

 B. Site5

IV. History6

V. Geology8

 A. Regional8

 B. Site9

VI. Test Data10

VII. Reserves 11

VIII. Current Mining Operation11

IX. Future Projects12

X. Conclusion.....12

I. PURPOSE - The purpose of this report is to present all known data on the subject property in an organized and easy to understand format. The report will show the property's geographic location, mining history, geological structure, test data, estimated metal values, ore reserves, current production flow sheet, alternative recovery methods, and future areas of research and development. It is understood that this report includes very basic and general information concerning the subject property and as future data is obtained, a more complete picture of the property will be defined. Data and tests compiled after this report date should be attached to this report.

Also, it is hereby stated that GEOSOURCE ENGINEERING may be a principle (directly or indirectly) in the ownership of the subject property and, while every effort has been made to compile and evaluate all data objectively, any perspective buyer or investor may contract the services of another mining professional to help answer any questions they may have, and if desired, to perform additional tests and evaluate the feasibility of economically mining the subject property.

In being contracted to inspect the subject property and compile this report, GEOSOURCE ENGINEERING states that no copies of this report will be presented to any interested parties without the consent of the contractor.

II. PROPERTY DESCRIPTION - The subject property consists of three unpatented association placer claims totaling approximately 112 acres and 60 acres that are controlled by a land lease (surface rights and mineral rights). The property is situated in the Weaver /Rich Hill Mining District of Yavapai County, Arizona and is comprised of the Prospectors Paradise, Gold Star and Easy Money claims and the land lease. The property's general location in the western U.S. is shown in attachments #1-3. The claims are properly recorded and documented at the Yavapai County Courthouse, Prescott, Arizona and at the Arizona state BLM office in Phoenix, Arizona. The claims were purchased on Jan 5, 2012 and the private land lease was signed on _____. The unpatented claims were assigned AMC#s 382769, 396025 and 396026 by the Bureau of Land Management. Federal and state documentation pertaining to the three claims are shown in attachments #40 through #43 . It is stated by the contractor of this report that as of this report date the unpatented property consists of 3 current and valid association placer claims. If needed, the cost of compiling this report can be used as assessment expenses on this property. Proper recording of assessment work, proof of labor or small miner's exemptions must be documented to ensure continued ownership.

The subject property's location in Arizona is shown in attachments #2-7. The three claims total 112 acres in size, and are approximately 1320 feet long and

1150 to 1320 feet wide. The 60 private acre parcel is 1320' feet wide and approx 1980 feet long. The location of the subject property is section 8, TS9N, R4W, Gila and Salt River Base and Meridian.

III. GEOGRAPHIC LOCATION

A. GENERAL

The property's general location of central Arizona is that of a large desert area consisting of low to moderate mountains interspersed with ravines and canyons that feed large washes. The washes generally drain to the south, into the Hassayampa River basin. The mountains are volcanic in origin and generally run southwest to northeast.

The climate is mild winters, warm springs and falls, and very hot summers. Daily summer highs of 100° plus are common and large amounts of water and sun block/shade should be available when mining during summer months. The average precipitation is less than 15 inches per year. The majority of this rainfall comes in the summer in the form of thunderstorms, and in the winter as showers.

Vegetation consists of a wide variety of cactus and low to medium brush. Bushes, such as Creosote, Sage and small Mesquite and Palo Verde are also present throughout the area. There are many rocks, outcrops and boulders in the

and is approximately 15 miles north of Wickenburg, Arizona. The subject property is located in the Weaver /Rich Hill mining district and Attachment #5 shows the claim layout on a USGS contour map. The claims' layout on an aerial photo is shown in the attachment #7. The site is accessible via an extension of the Stanton Road past Decision Corner. This road is graveled and graded to Decision Corner, then is rough and unimproved from Decision Corner to the mine site. The property is arid and water is very scarce during the summer months. The area can be mined year around.

IV. HISTORY - Valuable gold was first discovered in the area by the Peoples / Weaver prospecting party during the 1870's. This party discovered the world famous Rich Hill placer area after being told about fabulous gold nuggets situated in the central Arizona mountains. Coarse gold was mined from an area on and south of Rich Hill and Weaver Mountain. The gold mining activity quickly increased after the discovery and 25,000 ounces were mined in the first 5 years and 50,000 ounces by 1883. Less placer gold was mined from 1900 to 1931, but several large lode mines were discovered and operated during that time. The Octave Mine, which lies less than half mile north of the subject property consisted of drifts totaling over 25 miles, a maximum depth of 2000 feet and shows a production of 80,000 ounces from 19,000 to 1905. Also, while the Beehive mine is much smaller than the Octave, it is just north (up stream) from the Prospectors Paradise mine. The placer gold found on the subject property probably came from

these mines. In addition to these mines, there are many of old prospect holes, test holes, trenches and pits throughout the area. Many small diggings are readily visible from the gold bearing washes existing on the property. In the 1960's, the Easy Money placer area was mined with a small trommel and sluice set up. Water was obtained from Miller Well, or trucked in from Congress, AZ. The pay zone was a red clay and the mined area was less than five acres.

During 2011, the subject property was purchased by Northern Mining Group, LLC (NMG) and in 2012 the property was partially bulk tested for placer gold values. Gold were recovered throughout a large wash that traverses the eastern side of section 8. The test location and data are shown in attachments #10-12. The gold values were found to continue northerly off the unpatented claims and onto private land. A royalty payment lease was entered into by NMG that permits placer mining on 60 acres situated in the E 1/2 of sec 8. This substantially increased the gold reserves and also gave NMG access to a shallow well that exists in the main gold bearing dry wash.

In 2012 mining equipment was purchased and a 35 yard per hour placer recovery plant was installed on the southern portion of the private land (on the east side of the dry wash). Attachments # 19 through 22 show the placer operation layout and equipment. While both the bulk testing and the placer operation identified gold values in the large north-south wash, additional testing is continuing in 2013. These tests show that both free and micron gold exist in the

gravity concentrates obtained from numerous sites. Both the main wash area and a smaller wash existing in the south east portion of the property carry gold values in the placer concentrates. Also, small gold has been found in the rounded ridge that traverses North-South through the western portion of the property, this gold was found in the shallow gravels and above the caliche layers.

The micron gold was shown in bulk leach tests and substantially increased the amount of gold present on the property. The gold values existing on the Prospector's Paradise property are shown in the attachments. These gold values will increase as future testing will result in additional pay zones and increased gold values.

V. GEOLOGY

A. REGIONAL

The geology of central Arizona is that of Pre-Cambrian granite and schist, mantled by Tertiary gravels. Late volcanic flows are also present. Pre-Cambrian to Tertiary quartz veins within these granites and schists provide the gold that erosion has concentrated in the area washes. These veins are also the source of the lode deposits in the area. The streams and washes generally drain to the south and the higher elevations are in the northern portion of the central Arizona region. The veins are up to 3 feet in width and occasionally carry mineralized oxide ores. Black sand, (Magnetite), Hematite, Limonite, Olivine and Quartz are present in the wash areas.

~~mountains.~~

B. SITE

The geology that exists on the subject property is Tertiary washes of sand, gravel and boulders, divided by ridges of granite and schist. Caliche layers exist in the alluvial deposits. These are well cemented and can be over 6 feet thick.

The bedrock is shallow in the washes and outcrops intermittently in the washes and often on the hillsides and ridges. The bedrock in the washes is a weathered granite and rotten schist. The depth to bedrock in the large wash ranges from 2 to 15 feet. The bedrock is undulating and has many potholes which may have "glory hole" values. One location where high gold values are very likely is on the north end of the subject property where the wash widens out. Water speed would slow down and the bedrock narrows and outcrops to the south. At this location the boulders are very large and make a natural dam and it is believed that the gold has been deposited to the north of this natural dam.

While the hillsides are moderately steep and bedrock is shallow and outcrops often, gold has been encountered in the talus and float material. This gold is spotty and not adequate to add to the reserves, but it does show how widespread the gold values are, and the gold in the black sands may be economically feasible to mine.

VI. TEST DATA - The test data produced on this property consists of

A. 2012 bulk tests produced by NMG and Geosource Engineering on samples from 2 to 15 feet deep located in the main dry wash. The data from these tests warranted the construction of a 35 YPH placer operation on the subject property. As stated earlier, attachments #19 through 22 are photos showing the placer mine layout. Also, attachment #33 lists the mining equipment.

B. The free gold values recovered by the gravity circuit used in the above mentioned placer operation have averaged .4 grams per yard. The main wash has been mined on a small scale at 6 locations along the main wash. Ore processed through the placer operation confirmed the values obtained in the bulk samples.

C. Additional bulk tests for free gold were performed in early 2013. These tests showed that free gold exist in many locations, and economic values exist in the smaller wash that is in the southeast 1/4 of section 8. The gold in the small wash has increased the proven free gold reserves.

D. Tests were conducted on the black sand concentrates to find out the micron gold values existing in the concentrates. Because the placer operation was not set up to produce a high grade concentrate for micron gold, the tests were performed on less than optimum samples. The concentrates were originally treated by cyanide extraction. Subsequent to the leach tests, additional concentrates were tested by amalgamation and flotation. The gold values recovered in the micron gold tests are also shown in attachments, and average 1.1 ounces per ton of concentrate, or .07 ounces per yard of head ore.

The current known gold reserves will undoubtedly increase as more gold is encountered in additional locations and the recovery circuit is changed to maximize the total gold values (free and micron) recovered.

VII. RESERVES - A complete summary of the gold reserves was compiled as of the time this report was written. As stated earlier the reserves will be increased as more locations show gold values. Also, the reserves will be reduced as the mining operation extracts gold from the main wash area.

The reserves were calculated based on the gold values (bulk tests, actual placer gold extraction and micron gold tests) and the volume of material the values and samples represent. It is believed that several small glory holes exist where the bedrock creates natural traps for gold as it moves down the washes. These could be very rich and may add significant gold values to the property. The estimated reserves summary is shown in the attachments, and total 8,500 ounces.

VIII. CURRENT MINING OPERATION- The existing placer recovery consists of a 35 YPH gravity circuit. The material is excavated, screened through a static grizzly, run through a 3'x20' trommel which screens to 5/8", and run over a 3'x16' sluice. The waste material is run through a 2'x11' sand screw and the fines are settled out in a 7'x7'x18' tank before the water flows into the recycling pond. The ore is currently excavated from the main dry wash area and the water is from a shallow well at Miller's Windmill. There is a large storage tank up the ridge to the northwest of the well site, water lines connect the well, storage tank and

holding ponds. Supporting equipment includes a generator, skid, loader, backhoe, excavator, pumps, dozer, dump truck, and storage containers.

IX. FUTURE PROJECTS - Future activity should identify possible modifications to the existing production circuit to optimize the recovery of the micron gold, and test additional locations on the property to increase the gold reserves. The possible modifications to the existing operation include adding jigs, bowls, or centrifuges to the existing gravity circuit or changing the operation to a dry gravity circuit. Additional tests should be performed on the southeast wash.

X. CONCLUSION - The subject property consists of three unpatented association placer claims totaling approximately 112 acres and a lease on 60 acres of private land. The property is located in central Arizona, an area of lode and placer mining known as the Weaver/Rich Hill Mining District. The site is 15 miles north of Wickenburg, Arizona and is easily accessible via roadway. The subject property is located in sec 8, T9N, R4W, G&SRM, and is situated on the southeast side of Weaver Mountain. It's just south of the Octave lode mine and down wash from several lode mines. The placer mine has unimproved road access and is situated behind a locked gate. The area is conducive to year around mining, but is hot in the summer monsoon months. Flash floods are possible during the summer monsoon season. The property currently is a turn key placer operation with a capacity of 35 YPH. While the gold reserves are somewhat wide spread on the property, the production now comes from a large dry wash that transverses the

eastern portion of the property for over 3000 feet. The site geography is lower hills and washes. Low bushes, brush and sparse native grass cover the area.

Gold was first discovered in the 1870's on Rich Hill (3 miles northwest) and the area has been prospected for many years. Water exists at a well site on the private property and a large water storage capacity is available. The property has been bulk tested, is currently producing gold and contains 8,500 ounces in gold reserves. While the micron gold is not being extracted at this time, it can be processed in the future and this should increase the mine's profitability.

This report has been compiled with all known data pertaining to the subject property. While the evaluation is as objective as possible, it must be stated that the sampling and testing to date has been done on a very small percentage of the total amount of potentially mineralized material. The only certain way to realize what the recoverable gold values are is to actually mine the property. A full understanding of the risks inherent to a mining venture should be understood before they are undertaken.



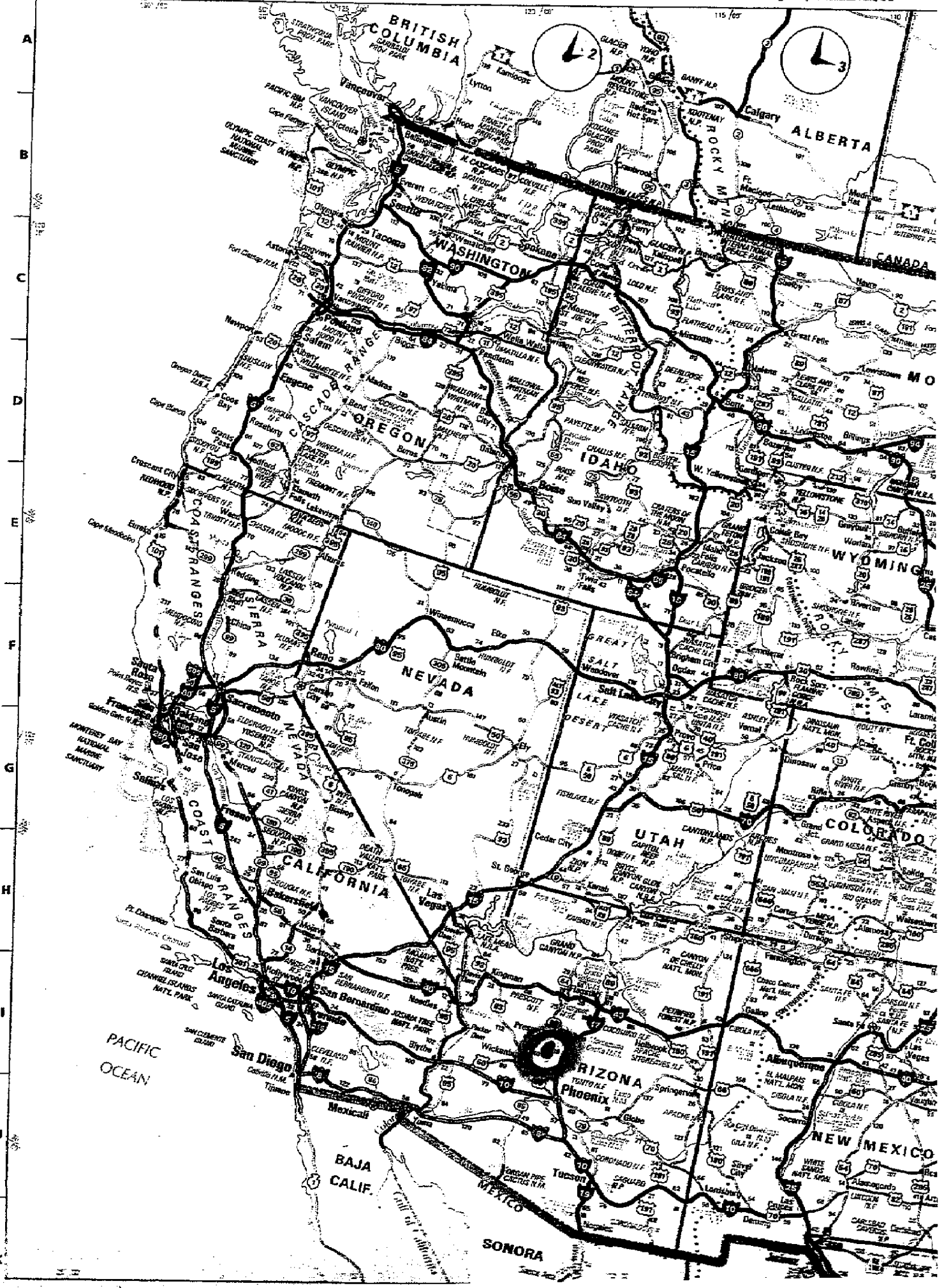
Douglas M. Gulsen, Mining Engineer
Owner, Geosource Engineering

ATTACHMENT 1

Capitol Reef National Park, H-5
Carlsbad Caverns National Park, K-7

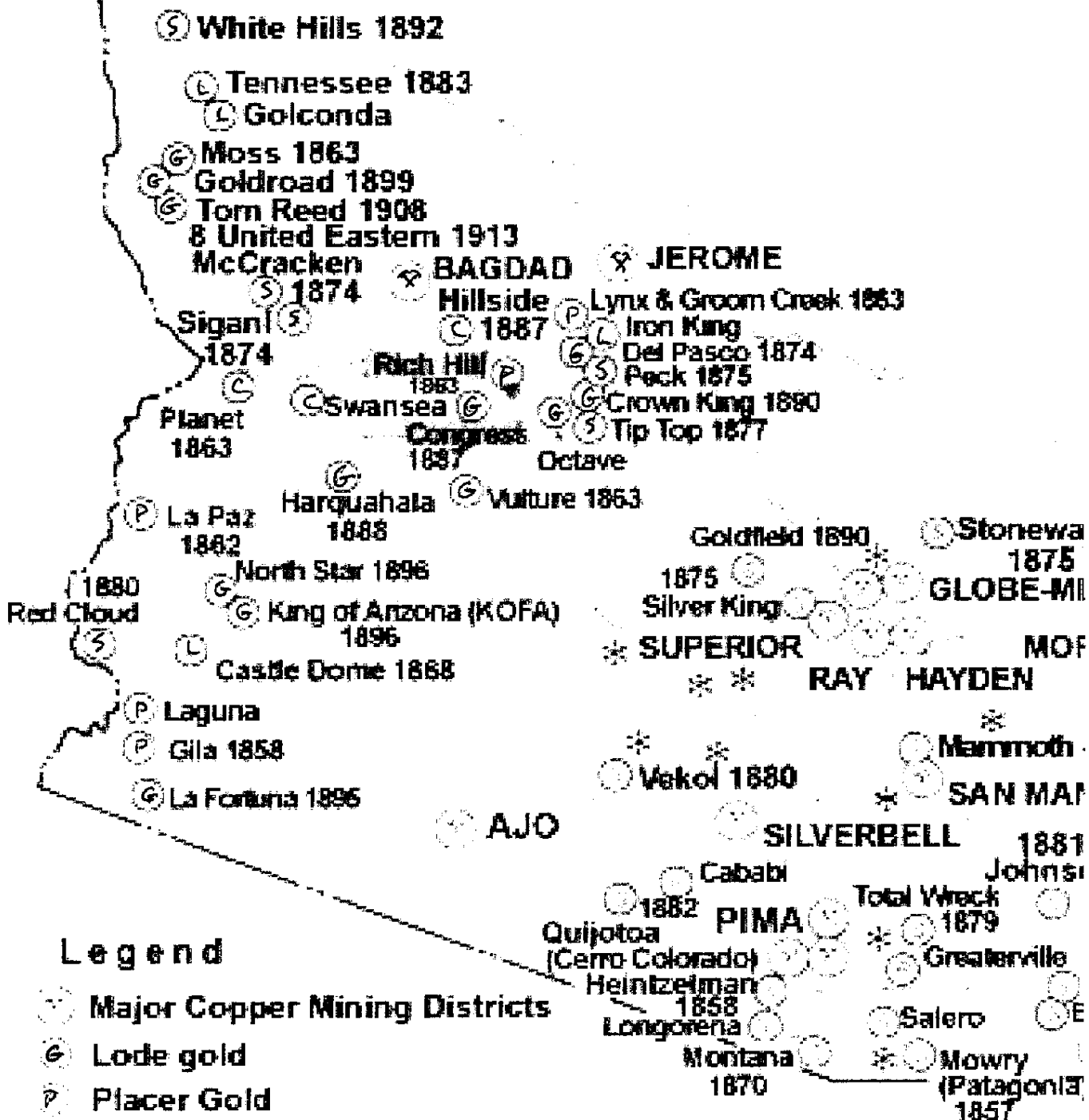
Glacier National Park, C-5
Glen Canyon National Recreation Area, H-5

Isle Royale National Park, D-13
Kings Canyon National Park, G-2

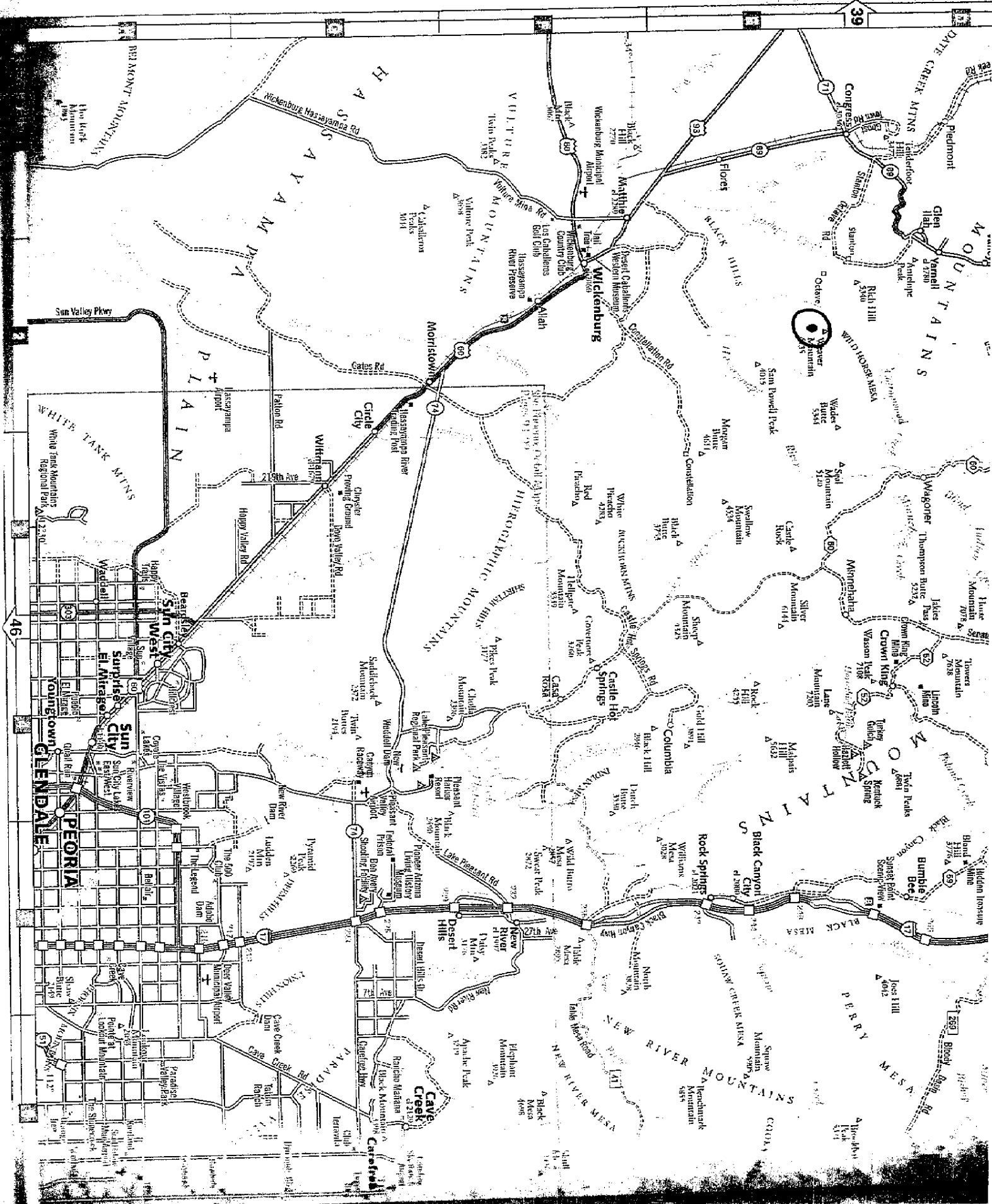


ATTACHMENT 2

PEABODY COAL C Black Mesa



ATTACHMENT 3

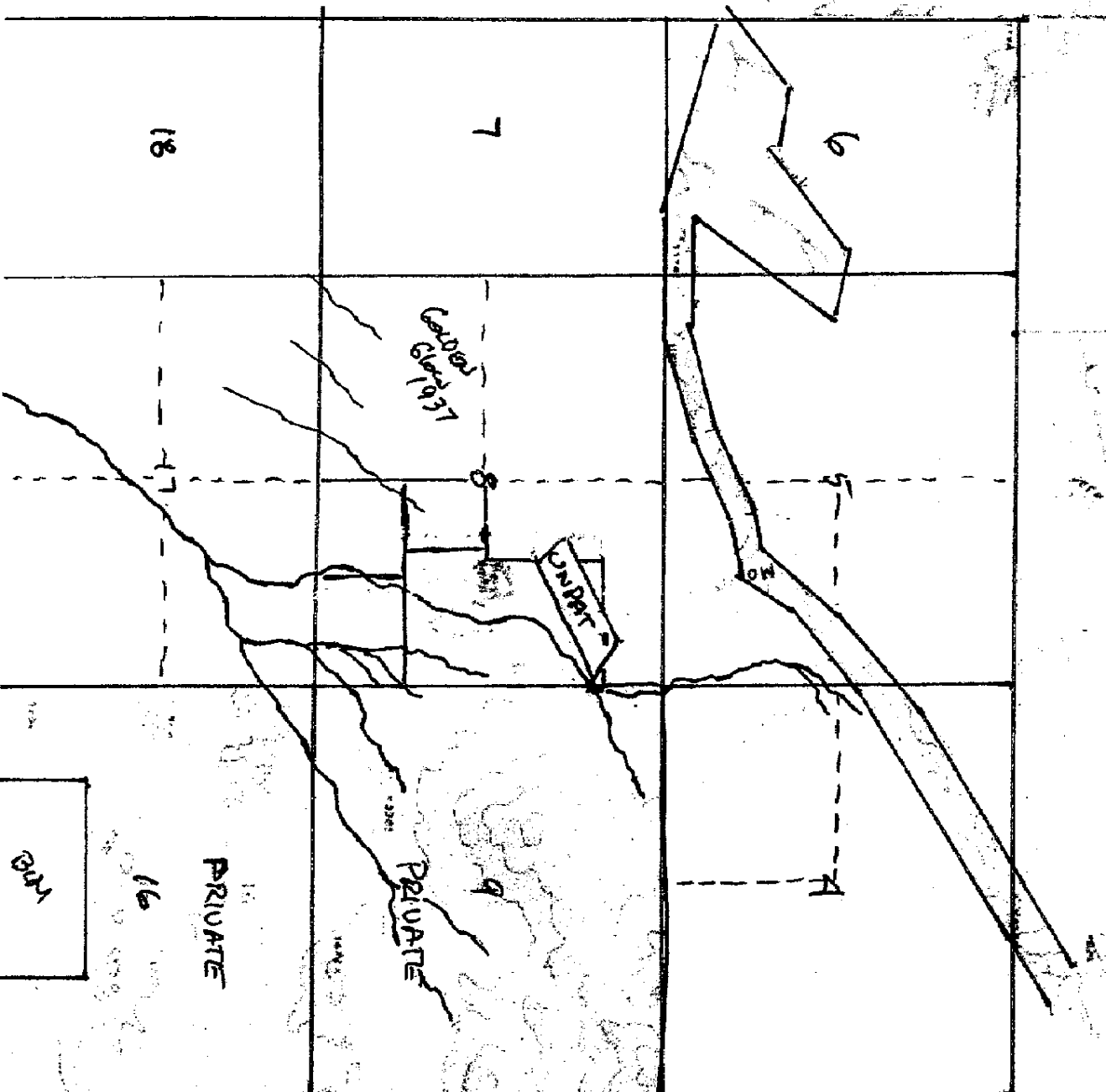


ATTACHMENT 4

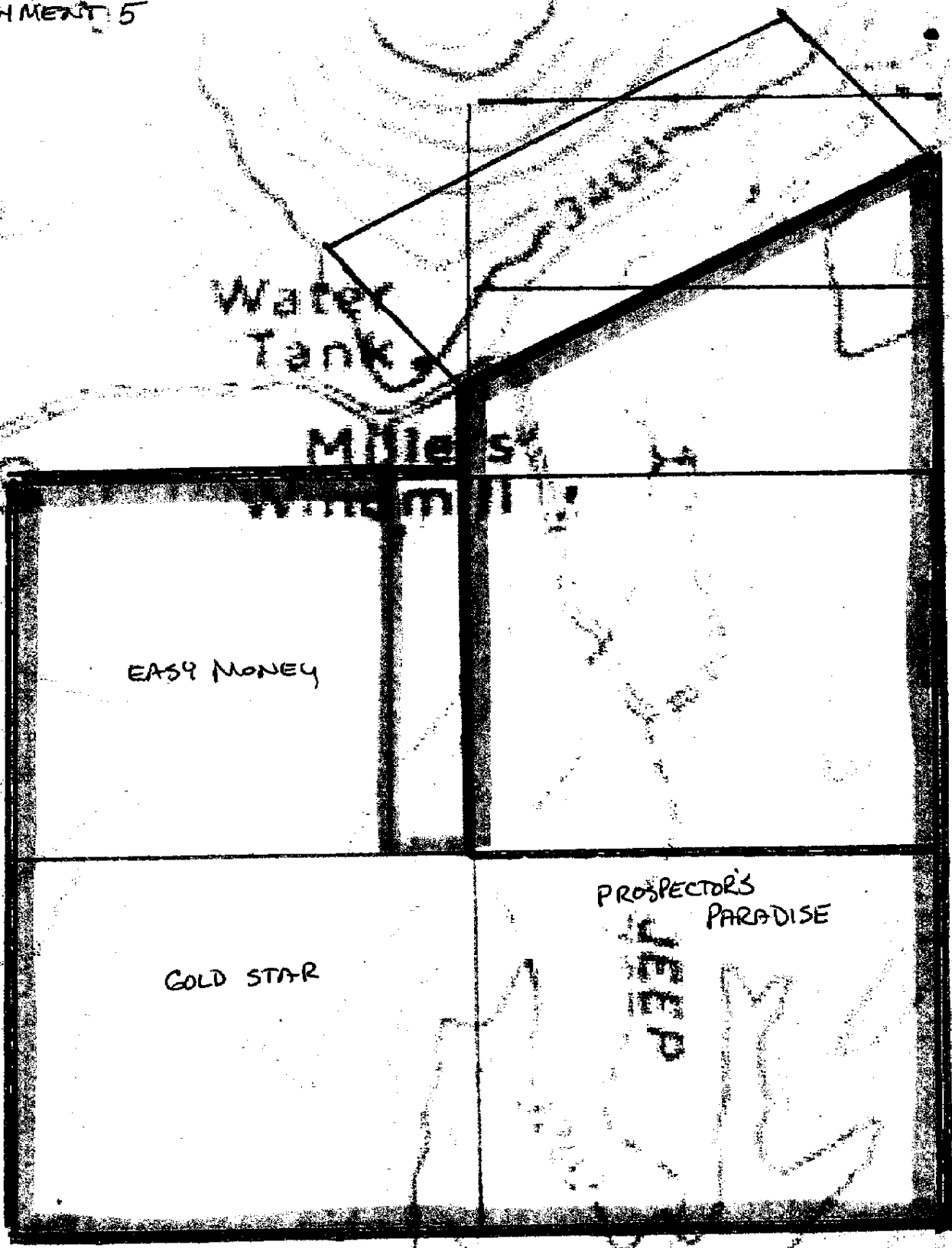
municator



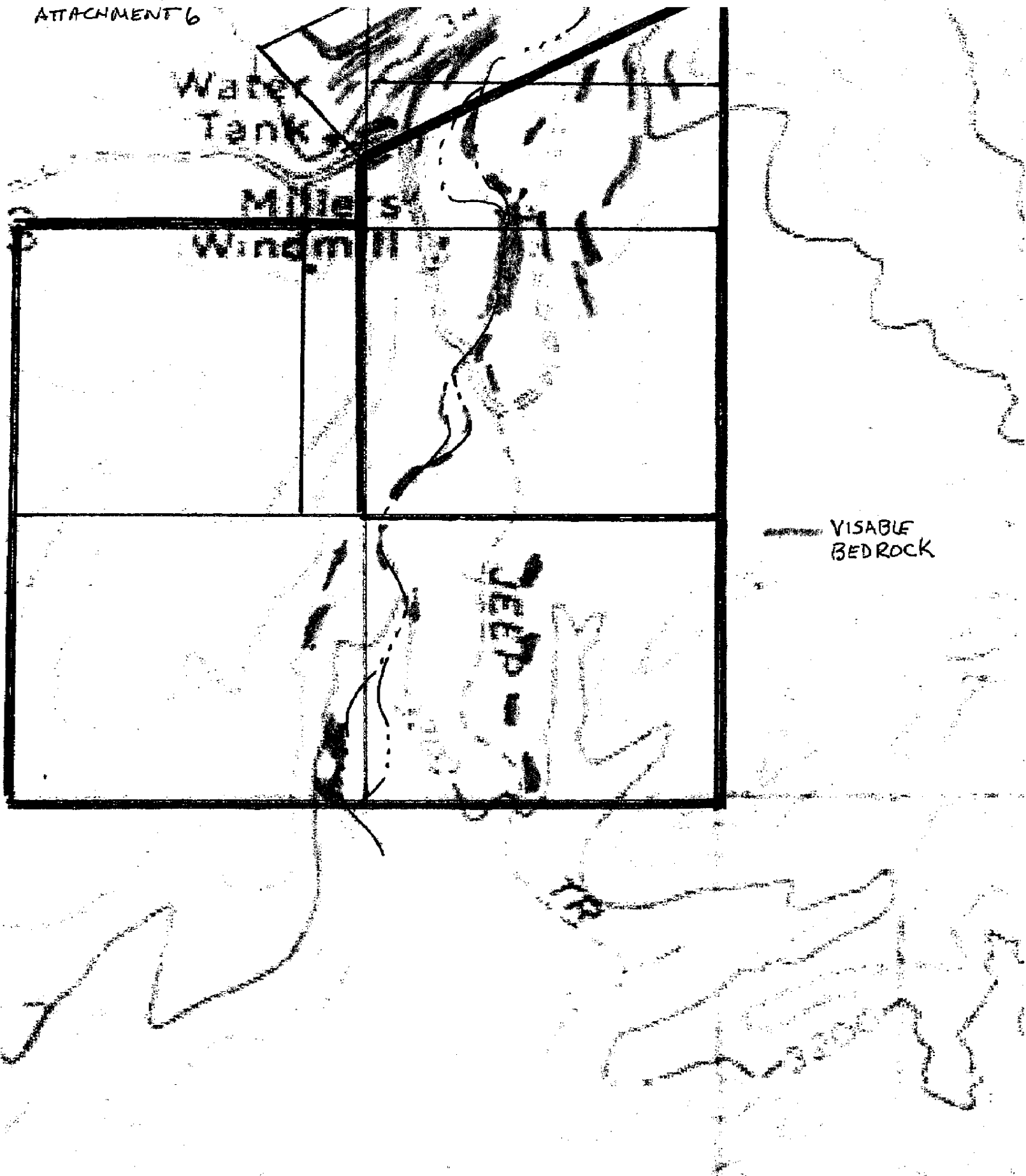
NE 17 - Arambo Reed /
Reed PO Box 561
Congress 85332

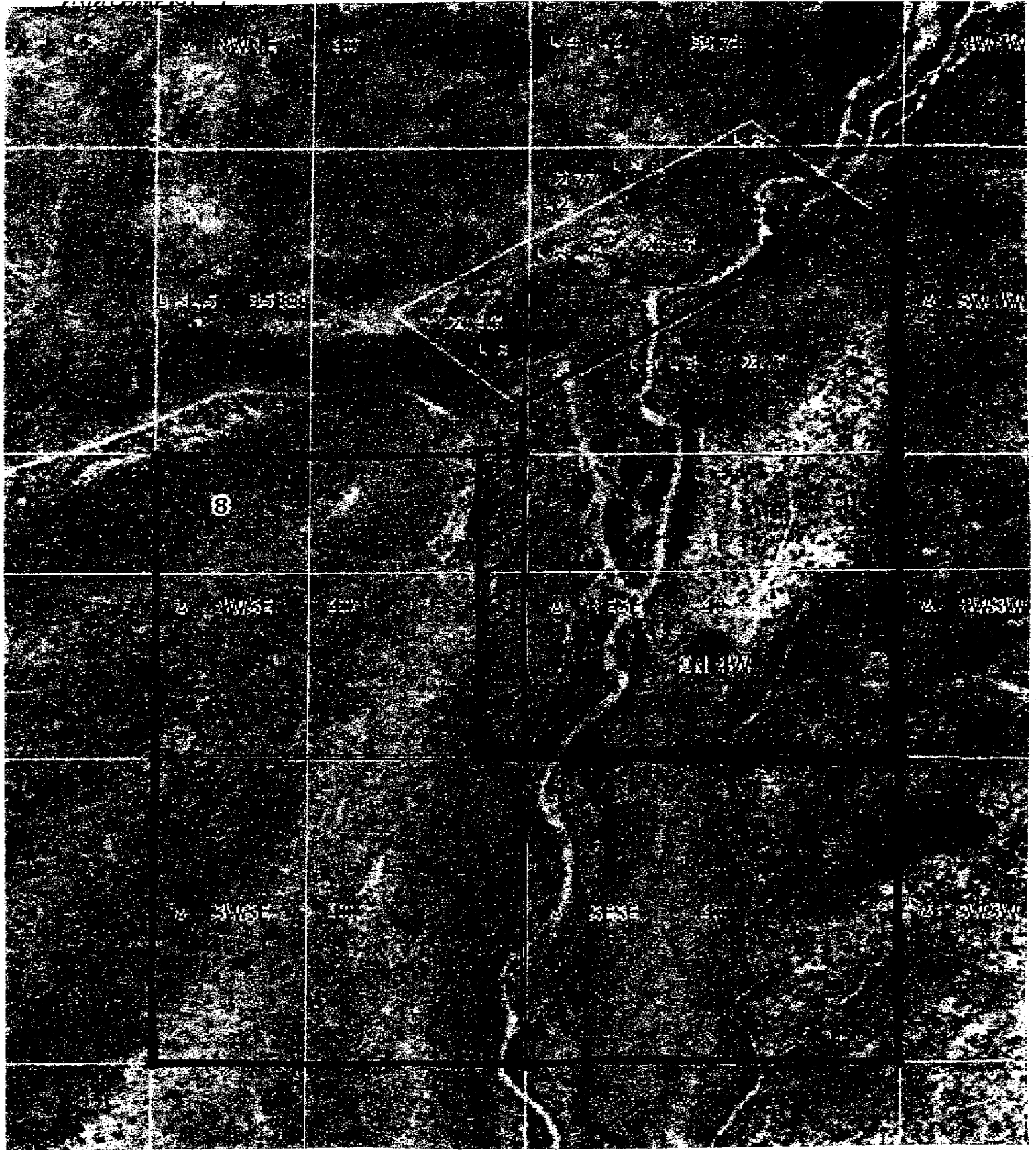


ATTACHMENT 5



ATTACHMENT 6





WEAVER (RICH HILL) DISTRICT

Yavapai County, Arizona

Location:

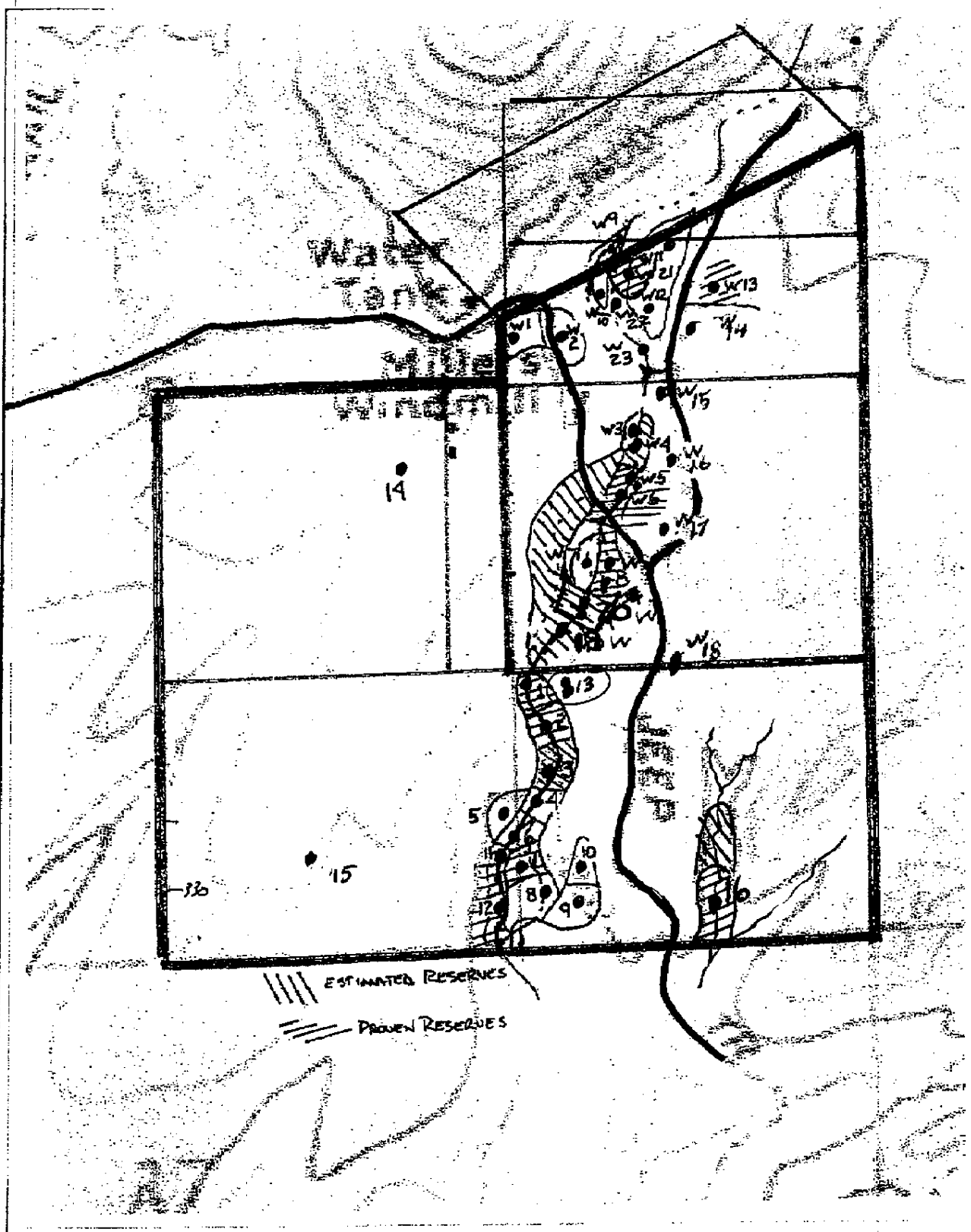
Topographic Maps:

Access:

Extent:

Production history:

Source:



Attachment 10

Prospectors Paradise - East Wash- Sample Data

- 1- Hole by new road, 150' So. of section corner (SE 1/4- center) 60% -1 10 yd 8' BDRK
- 2- Center of wash 220' So. of #1 12'D 5' hi bench 60% - 1 3yd
- 3- Center of wash 250' So. of #2 5'D - red sand 75% - 1' 1 1/2 yd
- 4- In wash 400' So. of #3 No. of steep gradient 7'D very coarse 2yd 30% - 1'
- 5- West bench between 4 and 6 - Brn silt. 12'D 60% - 1' 1 1/2 yd
- 6- Lower east bench - coarse 2 1/2 yd
- 7- On east split of wash 12'D, boulders, 3yds, 60%-1
- 8- Lower east wash/bench 10'D 55% - 1" Brn w/gravel 3yd
- 9- Upper east bench 15'D brn silt w/boulders 70%-1 " 1 1/2 yd
- 10- Upper east bench 400' No. of #9, 2' organics, red clay 90%-1", 7'D 25' above wash 1 1/2yd
- 11- 2 Buckets (3 1/2 gal) 100' So of #5- west bench (30'H) 6' above wash
- 12- 2'D, at bedrock- in wash 2 gal sample, 2 pickers (2) 10M- @ 300' No. of So. end
- 13- 7'D, to bedrock - on east lower bench 200' E of 1 1 1/2yd
- 14- 22'D to bedrock in NW on rounded ridge, 4 yds
- 15- 12'D to bedrock in SW on rounded ridge, 4 yds
- 16- 4'D to bedrock in SE in wash, 5yds
- W1- Upper hillside, 3 to bedrock 1 1/2yd clay 85%-1"
- W2- 300; No of windmill, west hillside 50; E of rd brn silt, then red clay 85% -1" 1 1/2yd 7' to BDRK
- W3- In west bench 400' No of crossing, 1 1/2yd, 60%-1", 3-6' above wash
- W4- In wash, 340' No of crossing, 4' BDRK, 50%-1", 2yd
- W5- In east bench, 100' No of crossing, @BDRK 4' above wash 50%-1"2yd
- W6- In wash, 50' No. of crossing, BDRK 5'D, brn silt, 1yd
- W7- 300' So of crossing, west wash 40%-1" 12' BDRK, 1 1/2yd

- W8- 350' So. of crossing, east wash, 100' East of 7, 1 1/2yd 70%-1" 7'D to bdrk
- W9- No. end of small bench- Nugget Area 1 1/2yd
- W10- So. end of small bench- Nugget Area 1yd
- W11- No. end of large bench- Nugget Area 1yd
- W12- So. end of large bench- Nugget Area 1yd
- W13- Above east road, above large bench- Nugget Area, 2' silt, then red sand 1yd
- W14- 9'D - to bedrock, 1 1/2yd above road - E. Hillside 250' S. of W13-
- W15- 7'D - to bedrock, 1 1/2yd at road - E. hillside 320' S. of W14
- W16- 7'D - to bedrock, 1 1/2yd below (w) of road on E hillside 320' S of W15
- W17- 7'D - to bedrock, 1 1/2yd below (w) of road on E hillside 320' S. of W16
- W18- 8'D to bedrock, 1 1/2yd on wash 200' N of #W19/250's of W7
- W19- 8'D to bedrock, 1 1/2yd on wash 180' N. of line
- W20- 9'D to bedrock 1 1/2yd on wash 200'N of #W19/250' S of W7
- W21-7'D to bedrock, 5yd in northern end of wash
- W22- 8'D to bedrock, 5yd in northern end of wash
- W23- 16'D to bedrock, 4yd in northern end of wash

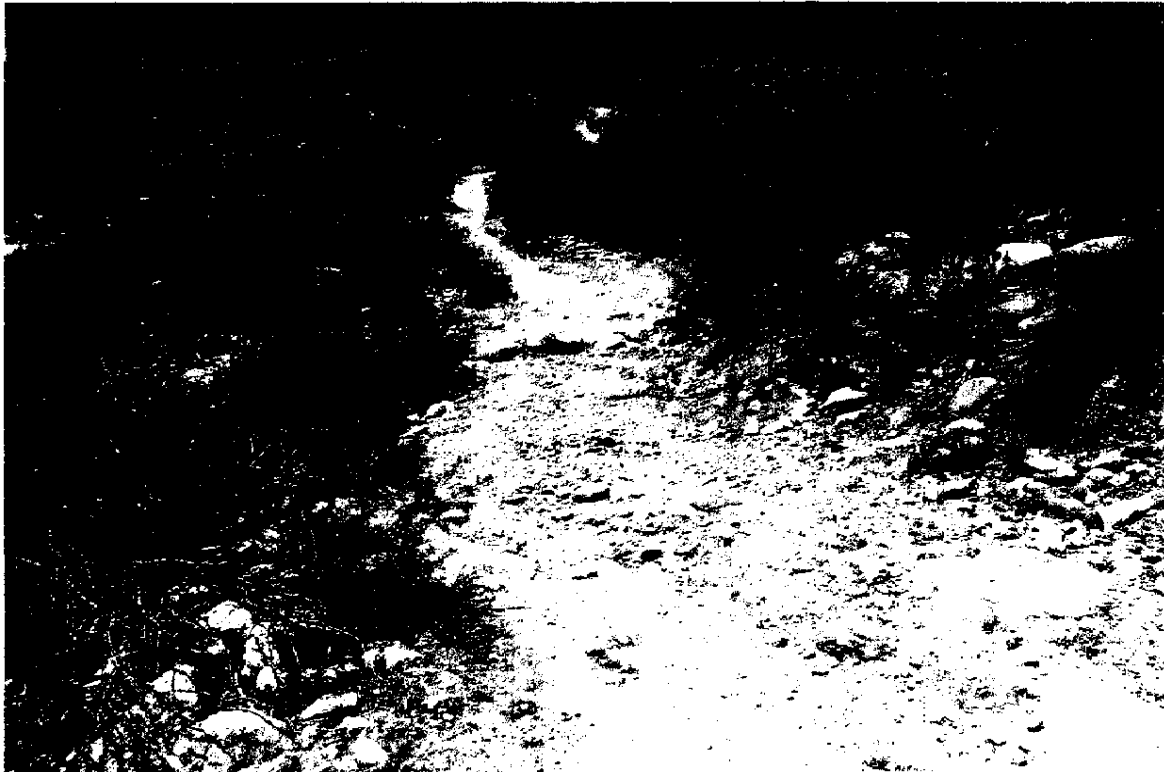
ATTACHMENT IN

Sample Data - 60 acres private land

Sample #	Size (large yrdg)	% -5"	Size -5" Yds	Depth to bedrock	Actual Au Rec'd grms	Est. % Eff.	Pot'l Au grams	Est. Au value grm/yd H.O	Est. Au value grm/yd -5"	-5" Au value loose ydg @ \$1500 spot 90% purity	In-Situ volume represented by sample Cu. Yds (Est.)	Loose ydg Cu yds (est)	Value Au @ \$1500 spot 90% purity sample area (\$1000)
W1	1.5	75	1.12	6	.028	70	.04	.027	.036	1.6			
W2	1.5	75	1.12	7	.048	70	.069	.046	.062	2.7			
W3	1.5	45	.65	25 est.	.01	70	.014	.009	.022	1.0			
W4	2	40	.8	4	.098	70	.140	.07	.175	7.6			
W5	1	60	.6	2	.339	80	.399	.399	.666	28.9	6,670	7,470	129.4
W6	1	60	.6	5	.352	85	.414	.414	.691	30.0	5,330	5,970	107.3
W7	1.5	60	.9	12	.055	85	.065	.044	.08	2.1			
W8	1.5	60	.9	7	.604	85	.711	.478	.529	23.0	7,290	7,160	169.3
W9	1.5	65	.97	15 est.	.006	85	.007	.005	.005	.2			
W10	1	65	.65	15 est.	.055	85	.065	.065	.01	.4			
W11	1	65	.65	25 est.	.01	85	.012	.012	.018	.8			
W12	1	65	.65	25 est.	.017	85	.02	.02	.031	1.3			
W13	1	90	.9	8 est.	.567	85	.667	.667	.17	32.1	20,000	22,400	648.6
W14	1.5	50	.75	9	.02	85	.027	.029	.048	2.36			
W15	1.5	50	.75	7	.002	85	.002	.002	.004	.17			
W16	1.5	50	.75	7	.045	85	.053	.069	.13	5.99			
W17	1.5	50	.75	7	.004	85	.005	.005	.01	.43			
W18	1.5	50	.75	8	.032	80	.040	.05	.10	4.31			
W19	1.5	40	.6	8	.078	80	.098	.098	.245	10.63	9,840	11,800	50.2
W20	1.5	40	.6	9	.876	80	1.095	1.15	2.87	124.6	13,330	16,000	665.0
W21	5	50	2.5	7	1.850	90	2.03	.41	.82	35.6	10,370	12,440	442.9
W22	5	50	2.5	8	.025	90	.027	.005	.010	.43			
W23	4	50	2	16	.020	90	.022	.005	.010	.43			



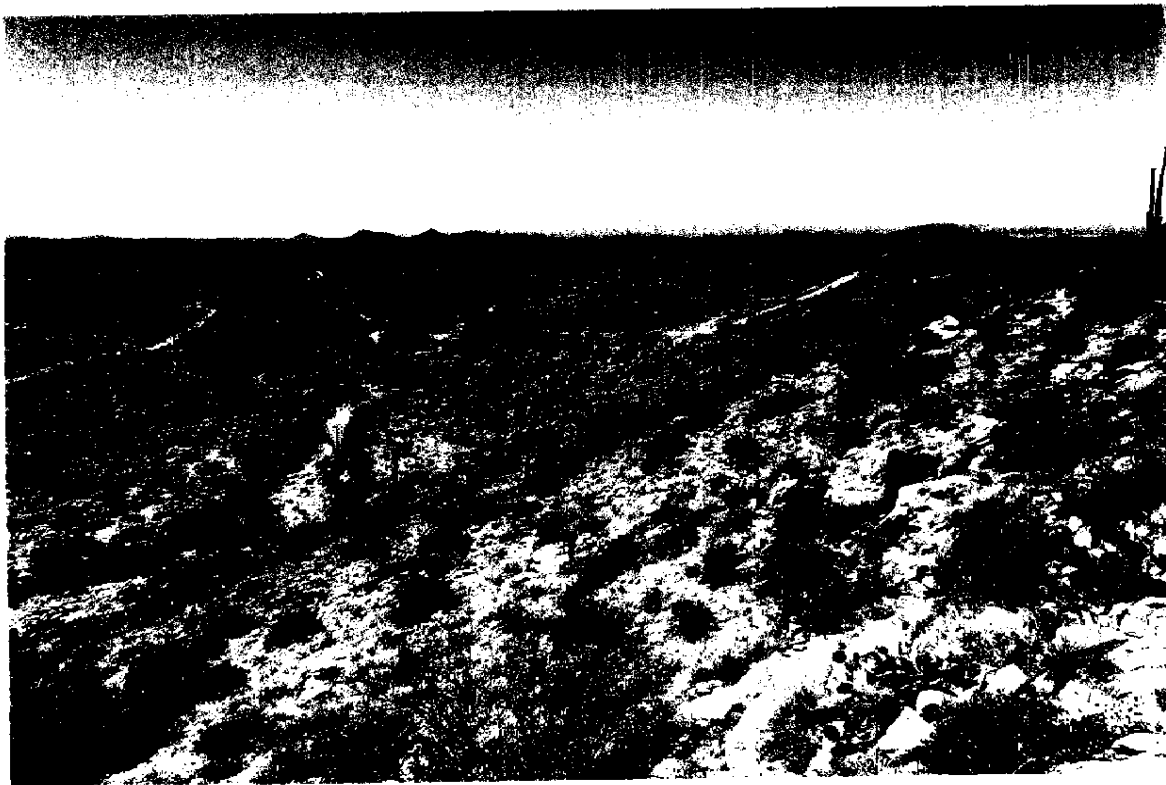
LOCKED GATE ACCESS



ROADWAY INTO PRODUCTION PLANT



VIEW OF WASH LOOKING SOUTH



VIEW OF WASH LOOKING SOUTH WEST



WASH VEGETATION



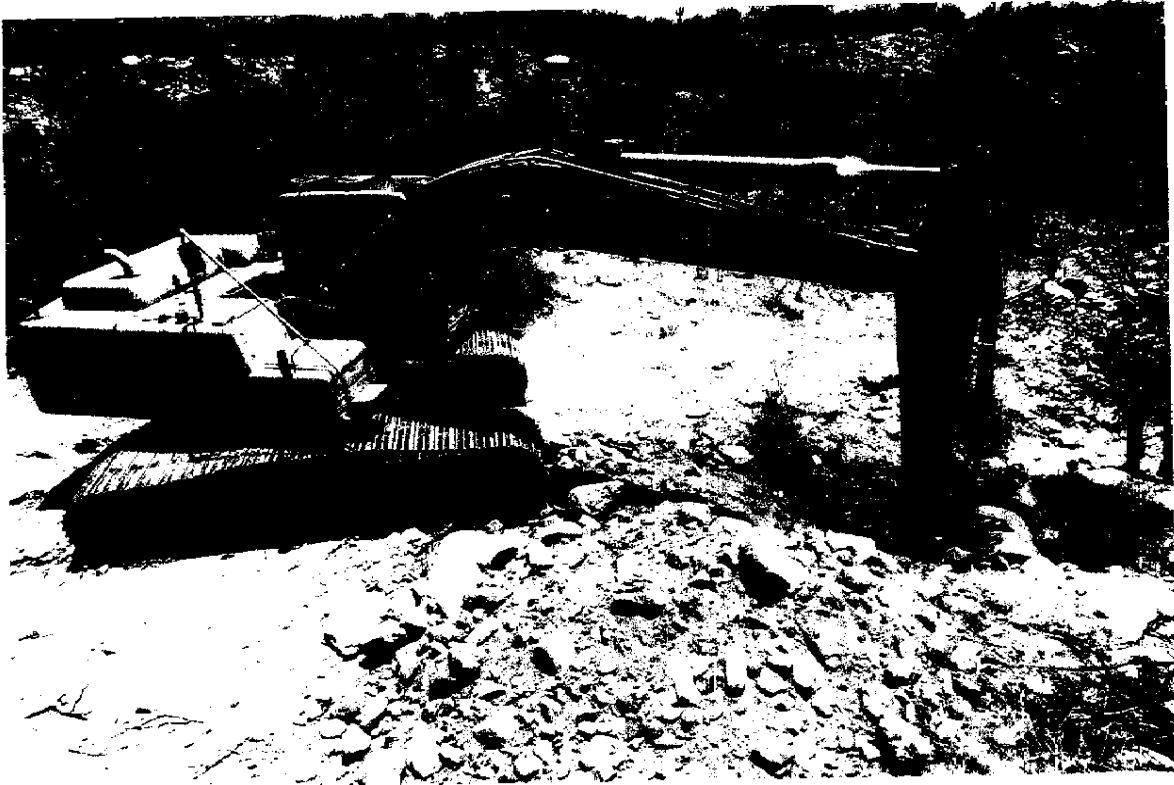
WASH AREA AT PP NORTH LINE
60 ACS SOUTH LINE



EXCAVATOR - WASH, 60 ACS - NORTH



EXCAVATOR AND LOADER AT ROAD CROSSING



TEST HOLE # 1



EXCAVATOR IN WASH WEST OF PLANT



EAST BENCH GRAVELS - 25' HT



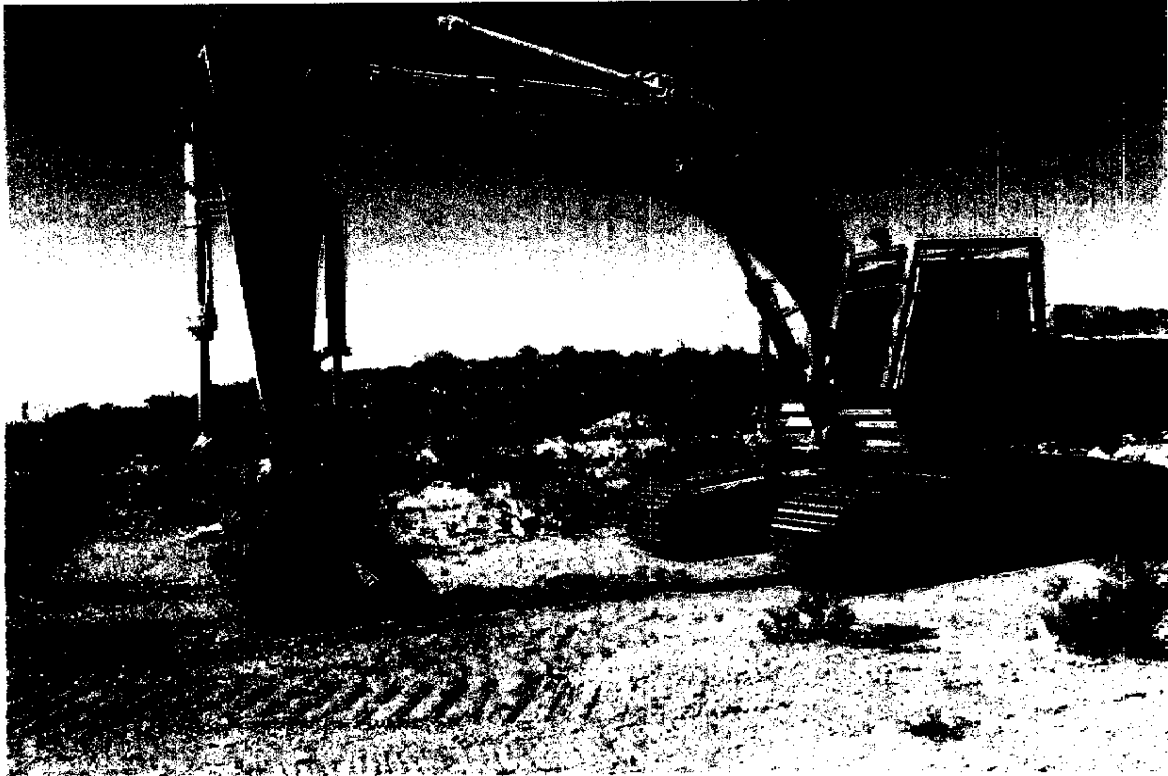
LARGE BOULDERS IN WASH



SETTING UP PLANT - FIRST EQUIPMENT



INITIAL LAYOUT OF PRODUCTION AREA
(BEFORE PONDS, CONVEYORS, ETC)



EXCAVATOR



LOADERS