

NEVADA EAGLE - GOLD PROJECT

Tuscarora

- 165,000 ounces Au & 7.1 million ounces of silver produced
- 10.74 opt Au in 5 foot drill hole interval
- Classic Au-Ag epithermal vein targets on property

The Tuscarora mining district is located approximately 38 miles northwest of Elko in the Tuscarora Mountains in northeastern Nevada. It sits between the Carlin trend 22 miles to the south, Midas 30 miles to the west, and the Jerritt Canyon district 12 miles to the northeast. The Tuscarora district consists of approximately eight square miles lying proximal to the margin of the Mount Blitzen caldera. The property is held by claim location with Nevada Eagle controlling 50% and the balance 50% ownership by Platoro West.

Gold and silver were first discovered at Tuscarora in 1876. Through 1941, the district recorded production of approximately 165,000 ounces of gold and 7.1 million ounces of silver from numerous vein deposits (Payne, 1969). In the late 1980s, Horizon Gold produced approximately 25,000 ounces of gold and 220,000 ounces of silver (Goodall, 2003) from a small open pit on an adjacent property exploiting a volcanic hosted, structurally controlled gold deposit. Gold and silver mineralization is related to a swarm of quartz–adularia veins hosted in Eocene volcanic rocks which compose part of the Mount Blitzen volcanic caldera complex. Epithermal gold and silver mineralization is widespread over an area of about eight square miles, and occurs with numerous north and northeast trending quartz–adularia veins, vein-breccias and stockworks. Beginning in the 1980's, several companies explored the district for bulk minable gold deposits. More recent work by Newcrest, Franco-Nevada, and others has concentrated on Midas style higher-grade, underground gold-silver vein targets.

Newcrest Resources explored the Tuscarora area from 1994 to 1999, discovering a southern extension to the previously mined Navajo vein where it extends under transported cover. Drilling in 1997-98 encountered several high grade gold vein intercepts under 49 to 95 meters thick transported cover.

Newcrest Resources Reported Significant Intercepts as follows (McCusker, 1998):

Drill Hole No	From (m)	To (m)	Drilled Interval (m)	Gold FA/AAS (g/t)	Gold Met. Screen (g/t)	Silver FA/AAS (g/t)	Drilled Interval (ft)	Gold FA/AAS (oz/t)	Gold Met. Screen (oz/t)	Silver Met. Screen (oz/t)
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Navajo South Zone

TNC-2	50.3	51.8	1.5	30.45	N/A	11.21	5	0.888	N/A	N/A
TN-36	179.9	181.4	1.5	6.30	5.99	1.50	5	0.184	0.175	0.044
TN-36	181.4	182.9	1.5	6.00	3.53	6.10	5	0.175	0.103	0.178
TN-50	109.8	111.3	1.5	1.36	1.17	1.10	5	0.040	0.034	0.032
TN-19	68.6	70.1	1.5	3.84	N/A	0.60	5	0.112	N/A	0.018
TN-38	150.9	152.4	1.5	5.15	6.10	1.90	5	0.150	0.178	0.055
TN-38	152.4	153.9	1.5	368.31	182.48	100.00	5	10.742	5.322	2.917
TN-38	153.9	155.4	1.5	8.55	8.92	58.00	5	0.249	0.260	1.692
TNC-3	173.8	175.3	1.5	5.32	N/A	1.90	5	0.155	N/A	0.055
TN-40	179.9	181.4	1.5	5.30	19.68	2.70	5	0.155	0.574	0.079
TN-54	210.4	211.9	1.5	89.64	51.06	102.88	5	2.615	1.489	3.001
TN-52	175.3	176.8	1.5	9.80	13.55	5.40	5	0.286	0.395	0.158

Eastern Structural Zone

TN-57	79.3	80.8	1.5	52.37	46.30	366.94	5	1.527	1.350	10.702
TN-57	80.8	82.3	1.5	4.00	4.05	65.40	5	0.117	0.118	1.908
TN-63	117.4	118.9	1.5	4.14	2.30	0.60	5	0.121	0.067	0.018

Current level of drilling on the Navajo South Vein is wide spaced for an epithermal vein system, with 200 ft spaced drilling along most of the vein's 3,000 ft strike length, with only localized zones of 100 ft spaced infill drilling. The vein is offset by a fault at the southern limit of the drilling, and un-tested further to the South.

Several other Au-Ag epithermal vein targets remain un-tested within the property position, including the East Pediment, where Newcrest intersected the Eastern Structural Zone in 3 of 9 drill holes with results up to 1.54 oz/t Au over a 5 ft interval (See table above). Most of the pediment, about half of the property position, remains to be evaluated for these targets. A substantial database of drill hole and geologic information exists for this property which displays mineralized zones that may have either open pit or underground potential.