

## **Analysis of the Octave Property Potential from the owner:**

I feel like it is priced at very good value for a potential buyer given the proven gold produced from such a small relative area of such a large ore body. There has been \$310,000,000 historical production from less than 30% strike of the ore body.

Virtually all of the recorded production (That which we are representing as being published open source information) has been from the four Westernmost claims of the Octave property and more accurately probably the three and a half westernmost claims. This is roughly 70-80 acres out of the 265 on offer, or approximately 30%.

Pretty much the entire vein system East of the Radio tower is intact except for the High grade and exploratory work at the Verno and Beehive sites which was really just scratching the surface relative to the work done at the Octave. The lack of real mining East of the tower was not due to lack of available vein material which can be clearly located on site even today but primarily because of fractured ownership and market timing issues over the years. The fractured ownership issues are no longer an issue and the small individual claims have been combined to a size now encompassing the total vein system like never before. Gold is strong and looks to stay that way for the foreseeable future. With this in mind we seem to have a total ownership opportunity in a supportive gold market environment.

## **Further Thoughts from the owner on pricing of the property:**

I would direct your attention to the production history of the deposit and the circumstances of its closure in 1942 overlaid with the fact that the vast majority of the structure is still intact and yet to be mined. From this perspective the inferred and indicated mineral resource still in place is quite vast. To illustrate this the 83,000 oz. (Dr.Erik Melchiorre data, University of California professor) to 200,000 oz. (Chris Ralph data, Mackay school grad, International California Mining Journal writer)

historical production estimates for the Octave were for gold mined over less than 4500 feet of vein strike and up to 2000 ft. on the dip. This leaves an additional 10,000 feet of strike on the Octave vein proper which can be traced and sampled on the surface and which has been mined at a few locations to depths of only a few hundred feet. The mineralization is variable in grade but geologically consistent along the entire length of strike. There is an additional 3000 ft. of strike east of the twin tunnels as well as 3000 ft. of strike on the highland vein, neither of which have received any modern attention (There was no road access to these locations until I bought the property).

Beyond this, another reason I see the property as worth my asking price and more viable than others in the price range is due to the presence of a surface accessible free milling target in the vicinity of the nugget pit. This portion of the structure produces not only free milling gold but also large museum grade crystalline specimen gold. I believe there is real potential public relations value and marketing upside when a mine can produce both very large coarse gold specimens in addition to a potentially immense tonnage of economically viable sulfide ore. The nugget pit area in addition to the various mine dumps and numerous surface exposures would allow for near immediate and very low cost per ounce gold production and cash flow while the main deposit (Sulfide ore) is methodically drilled, explored and developed prior to going into real production. Additionally there is also the possibility of a short term low cost placer operation on the Dunbilly claim.

Other factors in favor of the property are the abundant underground water resource available, extensive existing onsite road infrastructure providing access to most desirable drill locations, easy public road access and power lines adjacent to the Octave. Perhaps the most significant difference from the past situation is that the entire Octave vein system is now consolidated under a single owner for the first time creating a deposit of sufficient size to be viable while also providing an opportunity to develop a mine with a master plan and 100% control of an exciting project.

