

# **Tonogold Resources, Inc.**

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**Annual Report for Period Ending  
December 31, 2011**

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## **Part A: General Company Information**

### **Item I: The exact name of the issuer and its predecessor (if any)**

Tonogold Resources, Inc.

### **Item II: The address of the issuer's principal executive offices**

1872 Nirvana Blvd.

Chula Vista, Ca.

Phone: 858-456-1273

Fax: 858-456-2540

www.tonogold.com

Contact: Jeff Janda, President

Email: jeff@tonogold.com

### **Item III: The jurisdiction and date of the issuer's incorporation**

The Company was incorporated on March 4, 1997, in the State of Delaware.

## **Part B: Share Structure**

### **Item IV: The exact title and class of securities outstanding**

Title and Class: Common Stock

CUSIP Number: 890308109

Trading Symbol: TNGL

Title: Series C Preferred Stock

Class: Preferred Stock

CUSIP Number: None

Trading Symbol: None

### **Item V: Par or stated value and description of the security**

#### **A. Par value for each class of outstanding securities**

Common Stock: par value of \$.001 per share

Series C Preferred Stock: par value of \$.001 per share

#### **B. Common or Preferred Stock**

##### **1. For common equity, describe any dividend, voting or preemptive rights.**

Common shareholder's have the right to vote at Annual and Special Meetings of the Shareholders. Common shareholders have the right to receive dividends when, as and if they are declared by the Board of Directors. There are no preemptive rights.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

We have posted this information on [www.pinksheets.com](http://www.pinksheets.com) under the heading "Certificate of Designations of Series C Preferred Stock of Tonogold Resources, Inc."

3. Describe any other material rights of common or preferred stockholders.

None

4. Describe any provision in issuer's charter or by-laws that would delay, defer or prevent a change in control of the issuer.

None

## Item VI: Number of shares outstanding for each class of securities authorized.

### Common Stock

	Last Fiscal Year	Previous to Last Fiscal Year
(i) Period End Date	12/31/11	12/31/10
(ii) Number of Shares Authorized;	200,000,000	100,000,000
(iii) Number of Shares Outstanding;	100,758,126	*96,463,126
(iv) Freely Tradable Shares (public float);	25,330,225	18,570,225
(v) Total number of beneficial shareholders; and	Not available	Not available
(vi) Total number of shareholders of record.	661	479

\*Shares have been adjusted to reflect amalgamation of Prospect Uranium, Inc. into Tonogold.

### Preferred Stock

	Last Fiscal Year	Previous to Last Fiscal Year
(i) Period End Date	12/31/11	12/31/10
(ii) Number of Shares Authorized;	40,000,000	20,000,000
(iii) Number of Shares Outstanding;	800,000	800,000
(iv) Freely Tradable Shares (public float);	0	0
(v) Total number of beneficial shareholders; and	15	15
(vi) Total number of shareholders of record.	15	15

## Part C: Business Information

### Item VII: Name and address of the transfer agent

First American Stock Transfer  
4747 N 7th Street , Suite 170  
Phoenix, AZ 85014  
Phone: (602) 485-1346  
Registered under the Exchange Act: Yes  
Regulatory Authority: Securities and Exchange Commission (SEC)

### Item VIII: Nature of the issuer's business

#### A. Business Development

**1. Form of Organization**

Delaware C Corporation

**2. The year that the issuer was organized**

1997

**3. The issuer's fiscal year end date**

December 31st

**4. Whether the issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding.**

None

**5. Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets.**

On December 28, 2011 we acquired all of the outstanding shares of Prospect Uranium, Inc., our subsidiary, and immediately dissolved Prospect. The acquisition has been accounted for as an amalgamation in accordance with Accounting Standard 14 and pooling of interest accounting has been applied. Details of the acquisition are in our financial statements dated December 31, 2011.

**6. Any default of the terms of any note, loan, lease or other indebtedness or financing arrangement requiring the issuer to make payments.**

None

**7. Any change of control**

None

**8. Any increase of 10% or more of the same class of outstanding equity securities;**

On December 28, 2011, Tonogold issued 9,024,673 shares to acquire all of the outstanding shares of Prospect Uranium, Inc. not held by Tonogold.

**9. Any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization;**

On December 28, 2011 we acquired all of the outstanding shares of Prospect Uranium, Inc., our subsidiary, and immediately dissolved Prospect. The acquisition has been accounted for as an amalgamation in accordance with Accounting Standard 14 and pooling of interest accounting has been applied. Details of the acquisition are in our financial statements dated December 31, 2011.

**10. Any delisting of the issuer's securities by any securities exchange or deletion from the OTC Bulletin Board; and**

None

**11. Any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business or financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters and the amounts involved.**

None

**B. Business of the Issuer**

**1. The issuer's primary and secondary SIC Code**

Primary SIC Code: 1041

Secondary SIC Code: 1081

**2. If the issuer has never conducted operations, is in the development stage, or is currently conducting operations;**

We are currently conducting operations.

**3. Whether the issuer is or has at any time been a "shell company"**

We have never been a "shell company".

**4. The names of any parent, subsidiary or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure;**

Prospect Uranium, Inc., a mineral exploration company focused on uranium and rare earths, was our only subsidiary. On December 28, 2011 we acquired all of the outstanding shares of Prospect Uranium, Inc., our subsidiary, and immediately dissolved Prospect. Details of the acquisition are in our financial statements dated December 31, 2011.

**5. The effect of existing or probable governmental regulations on the business;**

Mining claims on federal land are governed by the General Mining Act of 1872. The Mining Act allows individuals, associations, and companies to acquire mineral rights on federal land by staking mining claims.

A 20 acre mining claim can be staked by filing appropriate claim papers, paying a \$189 location fee, and erecting claim monuments in the field. Claims are subject to a \$140 annual maintenance fee. County fees are in addition to the federal fees and are usually less. Federal mining claims are not currently subject to production royalties.

There is currently an effort underway to change the Mining Act in order to add production royalties to federal mining claims and impose tougher environmental regulations.

On November 1, 2007, the U.S. House of Representatives passed the Hardrock Mining and Reclamation Act of 2007 (HR 2262, 110th). The bill passed the House by a vote of 244-166. The bill did not become law and was cleared from the books after the adjournment of the 110th Congress.

The Hardrock Mining and Reclamation Act of 2009 was introduced in the House of Representatives on January 27, 2009 (HR.699) and in the Senate on April 2, 2009 (S.796). The House bill proposed royalties of 8% of gross income and the Senate bill proposed royalties of 2% to 5% of gross income based upon the type of mineral and other factors. The bill proposed tougher environmental regulations, changes in mining claim rules, a fund for abandoned mine reclamation, and more land to be withdrawn from mining uses. The bill did not become law and was cleared from the books after the adjournment of the 111th Congress.

Since the Republicans attained a majority in the House of Representatives for the 112th Congress, opponents of the mining law have shifted their focus to the Executive Branch. The Budget proposed by the Obama Administration for fiscal year 2012 includes a proposal for the implementation of royalties on federal mining claims. However, without the support of Congress, this proposal will not become law.

If royalties are imposed on federal mining claims the value of our claims would decrease. Moreover, we would have to reduce the royalties that we retain on our prospect generation activities and possibly reduce or eliminate our exploration activities on federal lands.

**6. An estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers;**

We do not have traditional research and development expenses. The closest categories to research and development are mineral property costs and project investments.

Our mineral property costs in 2010 and 2011 were \$217,259 and \$137,319 respectively.

We had project investments in 2010 and 2011 of \$42,289 and \$53,633 respectively.

**7. Costs and effects of compliance with environmental laws (federal, state, and local); and**

We are required to permit our exploratory drilling programs with the Bureau of Land Management (BLM) and the various state divisions of minerals. At our Tonopah Divide project in Nevada, Centerra, our mining venture partner, is responsible for permitting as the project operator.

The Federal Regulations that govern our exploration activities and surface disturbance are 43 CFR 3715, 3802, 3809, and 3814 (Code of Federal Regulations). A Notice of Intent (NOI) permit level is one which disturbs less than 5 acres. A bonding fee will be calculated based on the number of acres disturbed and must be paid prior to the issuance of a permit. The permitting process is expected to take about 1 month.

**8. The number of total employees and number of full-time employees.**

We have two full-time employees and one part-time employee.



## C. Additional Disclosure for Issuers to be Engaged in Significant Mining Operations

### Goldstrike, Utah Gold Project

#### 1. The location and means of access to the property

The Goldstrike, Utah gold project is located 30 miles northwest of St. George, Utah in Washington County.

The best access is via State Highway 8, heading west from St. George. Highway 8 turns into Old US Highway 91 north of Ivins. One half mile past the Gunlock turnoff there is an excellent gravel road to the right to the settlement of Motoqua. From Motoqua, an unimproved road heading northeast along the East Fork of Beaver Dam Wash provides direct access to the claims.

**2. A brief description of the title, claim, lease or option under which the issuer and its subsidiaries have or will have the right to hold or operate the property, indicating any conditions which the issuer must meet in order to obtain or retain the property. If held by leases or options, the expiration dates of such leases or options should be stated. Appropriate maps may be used to portray the locations of significant properties.**

We lease the Goldstrike properties from Ray Hunter and Oro Vista, LLC. The original properties consisted of 120 unpatented federal mining claims. We have staked an additional 77 unpatented mining claims. The total property consists of 197 unpatented mining claims covering 3,940 acres.

#### Oro Vista Claims

On August 5, 2009, we obtained a mining lease from Oro Vista, LLC., to develop mining properties in the Goldstrike mining district, Washington County, Utah. We are required to invest \$25,000 in exploration expenditures on the property each year.

Beginning on August 5, 2011, and each year thereafter, we are required to pay an advance minimum royalty of \$30,000.

We will pay a net smelter royalty upon the commencement of commercial production based on the price of gold at the time of sale as follows:

<u>Price of Gold</u>	<u>Royalty %</u>
Below \$700	3.0
\$700-\$899	3.5
\$900 or above	4.0

Prior advance minimum royalty payments can be offset against production royalty payments.

The term of the lease is ten years or perpetual upon commercial production or upon payment of an advance minimum royalty equal to 150% of the amount paid in year ten of the lease.

## W Claims

On August 5, 2009, we obtained a mining lease from Ray Hunter, to develop mining properties in the Goldstrike mining district, Washington County, Utah. We are required to invest \$25,000 in exploration expenditures on the property each year.

Beginning on August 5, 2011, and each year thereafter, we are required to pay an advance minimum royalty of \$10,000.

We will pay a net smelter royalty upon the commencement of commercial production based on the price of gold at the time of sale as follows:

<u>Price of Gold</u>	<u>Royalty %</u>
Below \$700	3.0
\$700-\$899	3.5
\$900 or above	4.0

Prior advance minimum royalty payments can be offset against production royalty payments. The term of the lease is ten years or perpetual upon commercial production or upon payment of an advance minimum royalty equal to 150% of the amount paid in year ten of the lease.

### **3. A brief history of previous operations, including the names of previous operators, insofar as known.**

The Goldstrike / Mineral Mountain project is located in a gold-bearing area 4 miles north-northwest of the Goldstrike mine. The gold-bearing portion of the Goldstrike district extends for about 9 miles from Potters Peak (just south of Mineral Mountain) on the west to upper Tobin Wash on the east and for over 2 miles north-south<sup>1</sup>.

Some gold was produced from the Goldstrike camp in the early 1900s (Butler and others), and at the time of Butler's visit there was some prospecting for arsenic and antimony in the area. No data on gold production from that era are available. Apparently there was no further significant activity in the district until exploration by Gold Resources, Inc. ("GRI") in 1975-76<sup>2</sup>. GRI was followed by Lustre Gold Mines Inc. in 1977, Occidental Minerals ("Occidental") in 1978-79, Houston International Minerals Company ("Houston International") in 1979-1982, Permian Exploration Account ("Permian") in, approximately, 1982-1986, and Inspiration Mines, Inc. in 1986<sup>3</sup>, with most of the activity apparently in and around the historic Goldstrike camp itself. A total of 69 holes were drilled by Occidental, Houston International, and Permian as of 1986 in the vicinity of the Goldstrike mine. Seventeen of these holes drilled in five separate areas indicated "an aggregate ore reserve of about 1.17 million tons grading 0.064 oz/t in gold.

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<sup>1</sup> Willden R., and D.H. Adair, 1986, Gold Deposits at Goldstrike, Utah: Utah Geological Association, Publication 15, p. 137-147

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

In most of these holes, the ore is near the surface and a low stripping ratio can be expected."<sup>4</sup> As a result, Tenneco made a decision to mine this ore.

The Goldstrike Mine lies in about the center of this gold-bearing area. At the mine, a series of seven open pits, was eventually developed by Tenneco and subsequently by USMX from 1989 to 1996. The heap leach mine produced approximately a total of 280,000 ounces of gold from about 7.5 million tons of ore<sup>5</sup>. It is now closed and has been reclaimed.

**Production in the Goldstrike District 1986-1996 (Willden & Adair)**

Year	Ore (Tons)	Gold (oz)	Silver (oz)
1988	98,440		
1989	1,015,260	22,709	21,303
1990	956,150	44,202	37,069
1991	665,585	35,658	54,542
1992	1,539,960	34,376	45,667
1993	1,465,000	32,844	20,462
1994	1,117,995	34,486	15,600 (est.)
1995		5,000	3,000
1996		560	
<b>Total</b>	<b>6,858,390</b>	<b>209,835</b>	<b>197,654</b>

Pegasus Gold Corp. drilled the Mineral Mountain target area in 1989-1990, and Tenneco did follow-up drilling 1991-92. Although the total extent of either of their drilling programs is not known, a location map obtained from Mr. Ron Willden with at least some of the holes in the Mineral Mountain area shows about 69 drill hole locations. We have obtained assay information on 66 of these drill holes.

Midway Gold optioned the property in 2004 after the area was acquired by North Exploration. Midway drilled 8 RC holes before relinquishing the ground. We obtained the Midway Project Report<sup>6</sup> which contains assays and downhole geology.

**4. (i) A brief description of the present condition of the property, the work completed by the issuer on the property, the issuer's proposed program of exploration and development, and the current state of exploration and/or development of the property. Mines should be identified as either open pit or underground. If the property is without known reserves and the proposed program is exploratory in nature, a statement to that effect shall be made.**

Goldstrike is an exploration property and does not currently have mineral reserves.

<sup>4</sup> Ibid.

<sup>5</sup> Willden R., 2000 (April), High-grade ore at depth at Goldstrike, Utah [abs. for oral presentation]: Utah Geological Association newsletter, v. 32, p. 1-2

<sup>6</sup> Hafen, Lonny, 2004, Goldstrike Mineral Mountain Project Report: Internal Report for Midway Gold Corporation; with drill assays, geological logs and three cross sections. 70 p.

In March 2010, we released a detailed geological report on the property, written by Puchski Geoconsultants, Inc. The report is available on our website at: <http://www.tonogold.com/s/Goldstrike.asp>.

We have hired W.T. Cohan & Associates, mining engineers, to prepare a detailed engineering report which has not been completed.

The Goldstrike District has been successfully mined by open pit methods in the past. Our exploration program is at an early stage and the final form of the mine is undetermined.

**(ii) The age, details as to modernization and physical condition of the plant and equipment, including subsurface improvements and equipment. Further, the total cost for each property and its associated plant and equipment should be stated. The source of power utilized with respect to each property should also be disclosed.**

The property is at the exploration stage and there is no plant and equipment.

**5. A brief description of the rock formations and mineralization of existing or potential economic significance on the property, including the identity of the principal metallic or other constituents insofar as known. If proven (measured) or probable (indicated) reserves have been established, state (i) the estimated tonnages and grades (or quality, where appropriate) of such classes of reserves, and (ii) the name of the person making the estimates and the nature of his relationship to the issuer.**

The Goldstrike property lies in the eastern margin of the Basin and Range Province in the Bull Valley Mountains of southwestern Utah. Mineral Mountain, the most advanced part of the project, lies in a Tertiary volcanic field poured out upon deformed Paleozoic rocks and Eocene-Oligocene sediments.

A Miocene granite porphyry or rhyolite porphyry intrusion is centered at Mineral Mountain and intrudes Paleozoic sediments. Rocks as young as the Miocene have been displaced regionally by a series of east-west and northwest striking faults related to complex structural extension.

The main target mineralization at Mineral Mountain (and most of the rest of the property) is sediment-hosted gold in the Claron Formation. The Claron Formation consists of Eocene-Oligocene sedimentary rocks including sandstones, limestones, and conglomerates. The gold mineralization is localized by a NW bounding fault on the west. Additional exploration targets appear to be controlled by intrusive dikes and sills within the Claron Formation and in stratigraphic traps in the underlying carbonate rocks. There is also potential for disseminated gold in jasperoids at the Paleozoic/Tertiary contact.

## **Tonopah Divide Gold Project**

### **1. The location and means of access to the property**

The Tonopah Divide Gold project is located six miles south of the town of Tonopah in Esmeralda County, southwest Nevada. The property is accessible by a maintained dirt road directly off of Highway 95.

**2. A brief description of the title, claim, lease or option under which the issuer and its subsidiaries have or will have the right to hold or operate the property, indicating any conditions which the issuer must meet in order to obtain or retain the property. If held by leases or options, the expiration dates of such leases or options should be stated. Appropriate maps may be used to portray the locations of significant properties.**

On March 1, 2006, we obtained a ten year gold mining lease from Tonopah Divide Mining Company ("TDMC"), with option to renew as long as the property is in production, to develop mining properties in the Divide Mining District, Esmeralda County, Nevada. The agreement required a \$30,000 payment as signing and a rental payment of \$10,000 per month starting April 1, 2006.

On March 14, 2008, we signed an Exploration and Option Agreement with Centerra (U.S.), Inc., a subsidiary of Centerra Gold, Inc. The Exploration and Option Agreement required Centerra to spend \$2,700,000 in exploration expenditures within five years in order to earn a 60% interest in the Tonopah Divide lease. On March 31, 2010, Centerra notified us that it had completed its earn-in requirement. In May 2010, Centerra and Tonogold formed a mining venture with initial equity interests of 40% and 60% respectively. We elected not to contribute to the 2010 and 2011 exploration programs and our ownership interest was reduced to 28%.

Concurrent with the signing of the Exploration and Option Agreement, the terms of the mining lease with Tonopah Divide Mining Company have been amended per the following terms. Advance minimum royalties, investment required in exploration, development and mining are as follows:

<u>Years Ended</u>	<u>Investment Required</u>	<u>Royalty</u>
March 1, 2012	\$500,000	\$60,000
March 1, 2013	\$450,000	\$60,000
March 1, 2014	\$200,000	\$75,000
March 1, 2015	\$200,000	\$75,000
March 1, 2016	\$200,000	\$75,000
Subsequent Years	\$300,000	\$75,000

According to the terms of the Exploration and Option Agreement Centerra is responsible for the above investments until their earn-in percentage is met, then the expenses and royalties shall be paid according to each party's ownership percentage.

Prior advance minimum royalty payments can be offset against production royalty payments.

Upon commencement of commercial production a maximum of 4% net smelter royalty will be paid to the Tonopah Divide Mining Company or its associated lessors.

The original lease from the Tonopah Divide Mining Company included 36 patented and 55 unpatented mining claims covering approximately 1,460 acres. Since then, we have expanded the property to include 80 patented claims and 306 unpatented claims covering approximately 7,500 acres.

### **3. A brief history of previous operations, including the names of previous operators, insofar as known.**

Mining in the district was by independent leasers from 1902 to 1912. Activity gradually increased until 1917, when TDMC's discovery of the Divide Lode caused an instantaneous mining rush to the district. More than 350 separate companies were organized (on paper) and extensive, diversely held, and overlapping patchworks of claims were not consolidated for exploration or development until 2004, when TDMC completed a long-term purchasing program.

During the 1920's, exploration shafts were sunk and lateral workings were developed, but with the single exception of the TDMC, none shipped more than 10,000 tons of ore. Fragmented ownership and the resulting inefficiencies was a major reason for low total district production. Peak year of TDMC's historic activity was 1922, when they produced \$552,000 worth of silver and gold.<sup>7</sup> The Divide boom ended in 1926 when the Divide Lode was exhausted and corporate TDMC operations were turned over to independent leasers. Operators of the surrounding claims quit soon thereafter as the silver price rapidly decreased. Independent leasers continued to ship small quantities of silver ore to custom mills until the late 1940s.

Geology permissive for bulk mineable, open-pit gold silver deposits was recognized at Hasbrouck Mountain at the western end of the district, and Gold Mountain in the center of the district, during the 1970s. The Cordex Syndicate had outlined the bulk of the disseminated Hasbrouck resource by 1975 (Figure 2), but they were unable to acquire the central and eastern district properties. In 1978, Falcon Exploration was successful in acquiring the Tonopah Divide property, but they were only interested in mining a small surficial portion of the Divide property, but they were only interested in mining a small surficial portion of the Divide Lode. Falcon mined 100,000 tons on the Divide lode between 1983 and 1985.

Echo Bay drilled a few holes into the center of the Divide District in 1990. They defined discontinuous low grade gold mineralization in the Gold Zone across much of the east-west length of Gold Mountain. In 1992 Corona Gold briefly controlled Hasbrouck Mountain, Tonopah Divide and Hill of Gold, but their drill program was cut short by Corona's merger with Homestake Mining following the 1992 acquisition of the Eskay Creek property. Hasbrouck was assigned briefly to Prime Resources, and then reverted in 1993 to Euro-Nevada. Euro-Nevada returned to drill 18 holes on outlying targets some of which had previously been recommended by Dr. Ken Snyder. The best, although low grade, results were reported from Eliza Jane patent adjoining the Tonopah Divide's Little Zoe claims on the north. Also in 1996, Phelps Dodge drilled several holes on the Amazon claim just east of the Zoe claims.

Falcon Exploration sank numerous, mostly shallow drill holes along the eastern and northern flanks of Gold Mountain during the late 1970s and early 1980s. Many of these holes were too shallow and utilized suspect conventional air track drilling technology which often results in low quality data. Much of this drilling was localized upon what is now the Falcon pit area. Echo Bay exploration optioned the property and sank 15 southerly angled reverse circulation holes in Gold Mountain and one on the Eliza

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<sup>7</sup> Hall, Shawn, 2010, Ghost Towns and Mining Camps of Southern Nevada, Arcadia Publishing, 128 pages.

Jane patent in 1990. Corona Gold followed in 1992 with a seven-hole program around the property and on the nearby Eliza Jane patent. In 1996, U.S. Mineral Exploration put down eleven holes on the Gold Zone. Euro-Nevada conducted a reportedly unsuccessful 18-hole step out exploration program on the Hasbrouck property in 1996. Phelps Dodge explored both east and west of Gold Mountain, most recently in 1997 with three holes on the Amazon and St. Cloud patents. There was no drilling on the Tonopah Divide and adjacent properties until the Tonogold / Centerra drilling programs of 2008 and 2009. In March 2008 Tonogold and Centerra signed an exploration and option agreement on the Tonopah Divide property with Centerra as the operator. In May 2010 Tonogold and Centerra formed a mining venture to develop the Tonopah Divide property.

Centerra has completed five drilling programs on Tonopah Divide consisting of 74,070 feet in 79 reverse circulation drill holes. Centerra completed one drilling program in 2008, two drilling programs in 2009, and two programs in 2010. The 2011 program consisted of 3D modeling and metallurgical work. Centerra is currently marketing the property to potential buyers.

**4. (i) A brief description of the present condition of the property, the work completed by the issuer on the property, the issuer's proposed program of exploration and development, and the current state of exploration and/or development of the property. Mines should be identified as either open pit or underground. If the property is without known reserves and the proposed program is exploratory in nature, a statement to that effect shall be made.**

Tonopah Divide is an exploration property and does not currently have mineral reserves.

Our exploration partner, Centerra, has conducted five drilling programs on the property, a geophysics program, and surface sampling and mapping. We publish quarterly and annual exploration updates on our website, [www.tonogold.com](http://www.tonogold.com).

Tonopah Divide has hosted both underground and open pit mines. Our exploration program is at an early stage and the final form of the mine is undetermined.

**(ii) The age, details as to modernization and physical condition of the plant and equipment, including subsurface improvements and equipment. Further, the total cost for each property and its associated plant and equipment should be stated. The source of power utilized with respect to each property should also be disclosed.**

The property is at the exploration stage and there is no plant and equipment.

**5. A brief description of the rock formations and mineralization of existing or potential economic significance on the property, including the identity of the principal metallic or other constituents insofar as known. If proven (measured) or probable (indicated) reserves have been established, state (i) the estimated tonnages and grades (or quality, where appropriate) of such classes of reserves, and (ii) the name of the person making the estimates and the nature of his relationship to the issuer.**

The Tonopah Divide property is centered on a prominent hill, Gold Mountain, one of several topographic highs in the vicinity of Tonopah that are underlain by gold-bearing quartz-adularia alteration systems

hosted in felsic volcanic rocks. The volcanic rocks consist of lavas, flows, breccias and pyroclastic units represented by both ash fall and flow varieties.

Principal host rocks in the Tonopah area are Tertiary (Miocene) in age. The most important rock formations are the Siebert Formation, the Fraction Tuff, the Oddie Rhyolite, and the Divide Andesite. In nearby Hasbrouck Mountain, the bulk of the mineralization is in the Siebert Formation.

Previous mining efforts in the nearby Tonopah District have extracted both gold and silver usually in a ratio of 1 to 100 in favor of silver. The Tonopah Divide District, and specifically the Gold Mountain area, has produced gold and silver at a ratio of 1 to 10.

We have posted additional information on the property on our website at:  
[www.tonogold.com/s/TonopahDivide.asp](http://www.tonogold.com/s/TonopahDivide.asp).

### **King Tonopah Silver Project**

#### **1. The location and means of access to the property**

The King Tonopah project is located one mile north of the town of Tonopah, Nevada. The project is easily accessed from Dynamite Road which is the main road to the northern mines in Tonopah District.

**2. A brief description of the title, claim, lease or option under which the issuer and its subsidiaries have or will have the right to hold or operate the property, indicating any conditions which the issuer must meet in order to obtain or retain the property. If held by leases or options, the expiration dates of such leases or options should be stated. Appropriate maps may be used to portray the locations of significant properties.**

On February 18, 2005, we obtained a ten year mining lease with option to renew from Royce Hackworth and Belva Tomany, to develop mining properties in the Tonopah mining district, Nye County, Nevada. The property consists of eight unpatented claims on BLM ground covering approximately 100 acres.

We pay an annual lease payment on the anniversary date of the lease and we are in the seventh year of the lease. Payments for 8th, 9th and 10th anniversary are \$4,500, \$5,000, and \$10,000 respectively. The lease may be renewed for an additional 10 year term by making an annual payment of \$10,000 plus an inflation factor based on the Consumer Price Index.

We will pay a 3% net smelter royalty upon the commencement of commercial production. The net smelter royalty may be reduced to 1.5% by making a one-time payment of \$150,000 (at our option).

**3. A brief history of previous operations, including the names of previous operators, insofar as known.**

From 1901 through the mid-1950's, the central Tonopah District produced 8,750,000 tons of ore averaging 0.23 opt gold and 23 opt silver (\$267/ton today), for 1,861,200 oz. gold and 174,152,628 oz.



silver<sup>8</sup> and a total value at today's metal prices of \$2,070,000,000. Peak annual production in 1913 totaled 574,542 tons of 0.22 opt Au and 20 opt silver (\$241/ton today). At least 95% of Tonopah's historical production came from a zone one mile east-west, 1,200 feet north-south, and over 2,000 stratigraphic and vertical feet directly beneath the town of Tonopah.

The King Tonopah shaft was sunk for exploration purposes around 1905 to test the outcropping Mizpah Andesite, host for much of the Central Tonopah ores. The shaft bottomed just below the 300 foot level (elevation 5,885 feet) without encountering ore, but it did pass through now-significant wallrock alteration. After exhaustive underground study of the Tonopah District, Nolan<sup>9</sup> speculated on several areas for further exploration, the most favorable being "the region to the north" centered on the area around the King Tonopah shaft.

In 1947, Calumet-Hecla's field geologists, following Nolan's<sup>10</sup> lead, found quartz-adularia-sericite vein material on the King Tonopah dump and recommended drilling. Eight holes were drilled by Calumet Hecla under the name of Tonopah Development Company. The fourth drill hole (ADH-4) intercepted two veins with typical Tonopah-type alteration and mineralization, the Q and K veins.

The first ADH-4 intercept (Q vein) was at an elevation of 5,405 feet and assayed 0.058 opt Au and 5.3 opt Ag over 9.0 vertical feet. The second ADH-4 intercept (K vein) was at an elevation of 5,330 feet and assayed 0.098 opt Au and 9.6 opt Ag over 13.3 vertical feet. Calumet-Hecla's drill hole ADH-6 also had two intercepts: the first (Q vein) at an elevation of 5,395 feet graded 0.066 opt Au and 12.0 opt Ag over 4.0 angle feet, and the second (K vein) at an elevation of 5,365 feet graded 0.119 opt Au and 22.7 opt Ag over 16.5 angle feet. Two more holes were drilled by Calumet-Hecla before the property was optioned to Asarco. Asarco drilled four additional holes (ADH-9 through ADH-12) in 1948 and returned the property to Calumet-Hecla.

In 1952, Summit King & Homestake joint ventured the King Tonopah property from Calumet-Hecla, then refurbished the King Tonopah shaft to the bottom at the 300 Level and drove a cross-cut 1,100 feet to the north. In April, 1952, Summit King-Homestake the crosscut encountered five feet of "high grade" argentite-pyrargyrite vein (King Tonopah "K" vein) with the "traditional Tonopah ratio of 100 parts silver to 1 part gold".<sup>11</sup> By December, 1952, Summit King-Homestake drove east and west for a total of 300 feet on the 300 Level, encountered offsetting faults at both faces, and then began to develop the King Tonopah vein at depth after sinking an internal winze. Summit King-Homestake did not attempt to develop or explore the Q vein running parallel to the K vein about 30 to 50 feet to the north.

On January 2, 1953 Summit King-Homestake declared the fault offsetting the east end of the King Tonopah vein was a "Halifax-style fault dipping 35° to the northeast". The Halifax Fault is a Central

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<sup>8</sup> Bonham, H.F. and L.J. Garside, 1979, Geology of the Tonopah, Lone Mountain, Klondike, and North Mudlake quadrangles: Nevada Bureau of Mines and Geology Bulletin 92, p. 109

<sup>9</sup> Nolan, T.B., 1935, Underground geology of the Tonopah mining district, Nevada: Nevada University Bulletin 29, no. 5, 49 pages, 1 figure, 3 plates.

<sup>10</sup> Ibid.

<sup>11</sup> Tonopah Times-Bonanza, April 22, 1952: published by Tonopah Times-Bonanza and Goldfield News, Times Building, Tonopah, Nevada.

Tonopah feature. The west end of the exposed King Tonopah vein terminated against a northeast-striking vertical fault. Of the 300 feet developed between the two faults, "260 feet were vein matter with good values".<sup>12</sup>

By October 23rd, 1953 the Summit King winze had reached the 650 Level. An "ore width" of four feet was encountered on the 550 Level.<sup>13</sup> About 15,000 tons averaging about 0.3 opt Au and 30 opt Ag was blocked and mined from the K Vein between the 550 and 200 Levels by July 1954.<sup>14</sup> Low metal prices at the time were the governing factor in Summit King-Homestake's subsequent decision to return the lease to Calumet-Hecla.

Summit King-Homestake did not explore beyond the offsetting faults along strike to the east and west, nor did they develop the King Tonopah vein below the 550 Level, deciding instead to take what profit they could during what became a prolonged period of low metal prices. All of the Summit King-Homestake production came from approximately 50% of the faulted segment of the K vein between the 550 and 200 levels, most of which was four to five feet wide. No attempt was made to produce from, or even evaluate, the adjacent and parallel Q Vein.

Calumet-Hecla gave several leases to local miners between 1954 and 1958, who reported shipping ores valued at \$40 per ton to the smelter at McGill, Nevada. The last reported attempt to fully develop the King Tonopah vein occurred in 1958 and 1959, when the directors of U.S. Milling and Minerals (Silverpeak mill) formed the Tonopah King Mining Company and leased the King Tonopah mine and surrounding claims. Their first shipment was made in December, 1958 and periodic shipments continued from 1958 to 1962, when the Silverpeak mill closed after a series of fatal accidents. The King Tonopah shaft and headframe burned in the late 1960's.<sup>15</sup>

Summa Corporation and Hughes Tool Company consolidated ownership of patented and unpatented claims within the Tonopah Mining District in the late 1960's. After acquisition, Summa focused exploration and development capital in the central Tonopah District. They did not drill the area around the King Tonopah mine.

In 1977, Houston Oil and Minerals ("Houston") acquired all of Summa's Nevada mineral properties, including the consolidated patented and unpatented claims in the Tonopah Mining District. Houston's priorities for developing the Tonopah District during rising metal prices included: 1) exploitation of the considerable values already at the surface in the historical waste dumps and tailings, 2) development of open-pittable reserves in the central Tonopah District, and 3) exploration of potential new underground resources, especially in the northern Tonopah District.

Houston Oil and Minerals Inc. concluded Tonopah's surface resources could be brought into production, and potential subsurface resources could be developed as experience was gained and exploration

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<sup>12</sup> Ibid. January 2, 1953.

<sup>13</sup> Ibid. October 23, 1953.

<sup>14</sup> Bonham and Garside, 1979, p. 120

<sup>15</sup> Tonopah Times-Bonanza, various 1958-1962.

proceeded within the District. In 1979, Houston was purchased by Tenneco Inc., who cancelled many of Houston's exploration and development projects. Fortunately, Houston was able to complete their geologic mapping surveys, surface geochemical surveys, dump sampling surveys, and some drill programs prior to the complete cancellation of their Tonopah District project.

Houston's drill program in the northern Tonopah District consisted of thirteen core holes (HT-1 to HT-13). Houston discovered extensions of the K (King Tonopah) and Q veins and six new vein or vein stringer zones. Orientations of some of these new intercepts are not well known. Vein intercepts along the K and Q veins assayed up to 0.295 opt Au and 16.3 opt Ag. One of the six possible vein-bearing structures was an 11-foot wide quartz-sulfide stringer zone encountered 1,200 feet north of the King Tonopah vein. This interval, in vertical core hole HT-11 at an elevation of 5,340 feet assayed 0.10 opt Au and 2.5 opt Ag. The HT-11 intercept is an excellent indicator of additional Tonopah-type veins in the Northern Tonopah District. The other three vein and stringer intercepts away from the original K and Q veins (HT-5, HT-7, and HT-13) are also good indicators. Follow-up drilling of these intercepts or of the indicated vein system was not undertaken by Houston or its successor Tenneco.

In summary, drill holes at King Tonopah have encountered four steep vein structures in addition to the steeply-dipping K and Q veins. The structural concept at King Tonopah strongly suggests at least one shallow and west-dipping, fault-vein similar to the Central District's "Tonopah Fault" somewhere below the steep vein intercepts. The Tonopah Fault was a high-tonnage source of production for the Central District. A similar foundational structure should be a priority during future exploration at King Tonopah.

**4. (i) A brief description of the present condition of the property, the work completed by the issuer on the property, the issuer's proposed program of exploration and development, and the current state of exploration and/or development of the property. Mines should be identified as either open pit or underground. If the property is without known reserves and the proposed program is exploratory in nature, a statement to that effect shall be made.**

The King Tonopah mine was a past producing underground mine accessed through the King Tonopah shaft which is now partially caved. The King Tonopah workings include a 900 foot cross-cut driven from the bottom of the 300 level, an internal winze, drifts and stopes at the 300, 425, 550 and 750 levels.

Future exploration plans involve reconditioning the shaft and gaining access to the underground workings. The shaft is on patented ground not controlled by us.

King Tonopah is an exploration property and does not currently have mineral reserves.

**(ii) The age, details as to modernization and physical condition of the plant and equipment, including subsurface improvements and equipment. Further, the total cost for each property and its associated plant and equipment should be stated. The source of power utilized with respect to each property should also be disclosed.**

The property is at the exploration stage and there is no plant and equipment.

**5. A brief description of the rock formations and mineralization of existing or potential economic significance on the property, including the identity of the principal metallic or other constituents insofar as known. If proven (measured) or probable (indicated) reserves have been established, state (i) the estimated tonnages and grades (or quality, where appropriate) of such classes of reserves, and (ii) the name of the person making the estimates and the nature of his relationship to the issuer.**

The Tonopah District lies within the Walker Lane, a linear, northwest-striking, generally right-lateral structural region 50 or more miles wide extending from the Cascade Range southeast through westernmost Nevada and well into northwest Arizona. Eocene to Pliocene calc-alkalic volcanics, volcanoclastic sediments, and associated shallow intrusives cap a Proterozoic to late Mesozoic basement throughout the Walker Lane. The Tertiary volcanic units are all repeatedly affected by regional to district scale compressive, extensional and oblique slip structural regimes. Precious metals are always associated with steep to low-angle faults and fracture systems.

The productive veins of the King Tonopah and the Central Tonopah District are near duplicates. They occur in the same host rocks, share the same structural patterns, alteration assemblages, mineral character, trace elements, and 100/1 silver-gold ratio.

The host rocks are Tertiary volcanics ranging in age from Oligocene to Miocene. Most of the mineralization is in the Tonopah Formation, the Extension Breccia, and the Mizpah Formation. The basal Tonopah Formation (Oligocene) is 1,000 feet of pink to orange grey ashflow tuff, volcanic breccias and rhyolite domes and flows. The Extension Breccia (Miocene) is a red, coarse grained, heterolithic autobreccia found in the hanging wall and footwalls of the larger West End orebodies. The Mizpah Formation (Miocene) consists of greenish basal andesite, purplish-brown to black porphyritic andesite to trachyandesite flows, breccias and minor dacite intrusions.

The Central Tonopah veins developed during the rhyolite breccia intrusion along the up-dip, eastern portions of the Tonopah Fault in steep fractures in the hanging wall of the Tonopah Fault. Similar structural geometry is indicated for the northern Tonopah District. The King Tonopah vein fills a near-vertical fault striking east-west.

We have posted additional information on the property on our website at:  
[www.tonogold.com/s/kingtonopah.asp](http://www.tonogold.com/s/kingtonopah.asp).

## **Item IX: Nature of products or services offered**

### **A. principal products or services , and their markets**

We explore for gold, silver and other valuable minerals in the western United States. Our business model is to generate exploration prospects for other mining and exploration companies and sell, lease or joint venture these prospects. We earn money by selling properties, charging rental fees, and retaining joint venture interests and royalties.

Generating quality exploration prospects is a time consuming process with an uncertain outcome. With each property we must decide whether to sell early on at a low price or spend company funds to advance the property in the hopes of selling at a higher price or retaining an interest in a potential producer.

We focus our activities on Nevada, Utah, Arizona, and California.

Our first prospect generation deal was the Tonopah Divide gold project. We began prospecting in the Tonopah area in 2004 and investigated many of the important historical deposits in the district. After several tours of the property and a review of the relevant data and reports, we acquired the property via a lease in March 2006. Shortly after we acquired the property we engaged an independent geologist to compile historical data and prepare a preliminary report which we used to market the property. In March 2008, we optioned the property to Centerra (U.S.), Inc. The agreement requires Centerra to make significant exploration expenditures and we are able to retain a joint venture interest in the property.

Another recent example of our prospect generation activities is the Sarcobatus Flats lithium property which we recently optioned to TNR Gold, Inc. Demand for lithium is increasing due to its uses in lithium ion batteries including those in hybrid and electric cars. The playa lakes of southern Nevada are known to be rich in lithium so in the Spring of 2009 we conducted a geological survey and sampling program of these playa lakes. The assay results from Sarcobatus Flats were positive (300 ppm lithium) so we staked approximately three square miles of mining claims in the parts of the basin with the highest surface grades.

On November 11, 2009, we signed an option and purchase agreement with TNR Gold / International Lithium. TNR is an experienced exploration company with gold and lithium properties around the world. To earn a 100% interest in the Sarcobatus Flats property, TNR has agreed to make payments totaling \$130,000 and issue 675,000 common shares of TNR over a four-year period. Tonogold will retain a 2.5% royalty of which TNR has the right to purchase up to 2% of the Royalty, by paying Tonogold \$1 million per 1% purchased, for a total of US\$2 million, thereby reducing Tonogold's NSR to 0.5%.

We also generated a uranium prospect, the Connors Project in North Dakota, through our former subsidiary, Prospect Uranium.

On March 17, 2011, our subsidiary, Prospect Uranium, Inc., sold its interest in the Connors Uranium property to Continental Resources Group, Inc. ("CRGC"), fka American Energy Fields, Inc., for \$60,000 in cash, 2,725,000 shares of the restricted common stock of CRGC, and the assumption of \$85,000 in debt. Tonogold subsequently acquired Prospect Uranium and sold its shares in CRGC. The CRGC transaction allowed Tonogold to generate a profit for 2011 of \$664,666 or \$.006 per share. More details of the transaction and its financial effects are described in our financial statements dated December 31, 2011 which are posted online.

Due to the success of the CRGC transaction, we plan to focus on deals which emphasize publicly traded stock compensation in the near future as opposed to leases or straight cash joint ventures.

Prospect generation takes place according to the following sequence: i) investigation of geologically promising districts; ii) prospect identification; iii) acquisition of the mineral rights; iv) data compilation and preparation of a preliminary report; v) marketing; and vi) sale, lease or joint venture with a qualified party.

**B. distribution methods of the products or services;**

We find buyers, lessees, and joint venture partners for our properties by three different methods: (i) direct solicitation; (ii) networking; and (iii) advertising.

**Direct Solicitation:** Since there is a limited pool of active exploration and mining companies in the Southwest, it is feasible to simply call the local exploration director and pitch them on new properties and projects as they become available. We also have direct mail database of over 1,200 exploration companies.

**Networking:** the exploration and geological community is highly connected and active in sharing ideas about project opportunities. There are several well attended conferences such as the Prospectors and Developers Conference in Toronto and Roundup in Vancouver that can be good places to find and sell deals. So far, networking has been our primary source of deal making.

**Advertising:** we engage in limited advertising to both buy and sell attractive properties. Advertising works best for smaller properties that are either owned by individuals or best suited to small producers or speculators.

**C. status of any publicly announced new product or services;**

Previously, the King Tonopah project was not considered material to our success. However, with increased silver prices (\$33/oz), the King Tonopah mine has once again become an attractive exploration and development target. Therefore, we have included a detailed description of the property in this report and on our website. We are currently in the process of marketing the property to potential joint venture partners.

**D. competitive business conditions, the issuer's competitive position in the industry, and methods of competition**

Companies in the gold mining industry usually fall into one of five categories: major producers (over 1,000,000 oz. per year), mid-tier producers (over 100,000 oz. per year), small producers, exploration companies (drillers), and prospect generators. These categories more or less hold in other mineable commodities as well.

Exploration and mining are two very different businesses requiring vastly different expertise. Mining requires access to large amounts of capital and engineering experience. Large exploration projects involving drilling can be similarly expensive and demanding. By contrast, early stage exploration and prospect generation can be done by a lone geologist on a shoestring budget.

We believe prospect generation is the best way for a small company to participate in the mining business due to low capital requirements and the potential for upside if a discovery is made.

Every year the Nevada Division of Minerals conducts the Nevada Exploration Survey, which tabulates statistics related to the mineral exploration industry in Nevada. The past three years have shown an increase in activity from both large and small companies. Although claims were down, this was mostly due to a one-time mining claim tax which was reversed by the Courts. Some salient statistics from the Nevada Exploration Survey are as follows:

	<u>2009</u> <sup>16</sup>	<u>2010</u> <sup>17</sup>	<u>2011</u> <sup>18</sup>
NV Exploration Expenses	\$110.9 million	\$214.1 million	\$295.5 million
Nevada Mining Claims	61,773	57,690	n/a
Geologists Employed	154	181	191
Average Gold Price	\$972	\$1,225	\$1,571
U.S. Mine Supply <sup>19</sup>	223 tons	231 tons	237 tons

Other commodities and minerals are also in a bull market and have seen sustained price increases including silver, copper, tungsten, lithium, rare earths, and others.

**E. sources and availability of raw materials and the names of principal suppliers;**

The raw material for our prospecting and exploration activities is land. We acquire most of our land by staking mining claims on BLM land. The BLM manages 13% of the total land surface of the United States and 40% of land managed by the federal government (253 million surface acres and 700 million acres of subsurface mineral estate).

The U.S. Forest Service manages 193 million acres of land. Some Forest Service land is available for staking mining claims, however, these areas are typically in more environmentally sensitive areas which may be difficult to permit and mine.

Approximately 86% of the total land in Nevada (60 million acres) is owned by the federal government and much of this is available for mining. In 2008, Nevada had 196,849 active

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<sup>16</sup> Dreisner, Doug and Alan R. Coyner, 2010, Nevada Exploration Survey 2009, Nevada Division of Minerals.

<sup>17</sup> Dreisner, Doug and Alan R. Coyner, 2011, Nevada Exploration Survey 2010, Nevada Division of Minerals.

<sup>18</sup> Ibid.

<sup>19</sup> George, Michael W., January 2012, Gold: Mineral Commodity Summaries, U.S. Geological Survey, p.1

mining claims representing approximately 3.9 million acres or 6.7% of the total federal land in Nevada.

In addition to public lands, there are also private lands suitable for mining. Part of our strategy is to focus on historical districts and these areas have a greater concentration of private land due to a prior U.S. government policy of patenting mining claims for operators - essentially deeding the land to former claimholders. The U.S. government suspended the patenting of mining claims in 1994.

We pay special attention to private land acquisition opportunities as insurance against a shift in government policy regarding mining on public lands. For instance, our Tonopah Divide project has a core of 80 patented claims.

The availability of land for mining is not a problematic constraint on our business. We usually have more land acquisition opportunities than resources.

**F. dependence on one of the few major customers;**

We are dependent on three primary projects: Tonopah Divide, Goldstrike and King Tonopah.

Centerra (U.S.), Inc. is our mining venture partner on Tonopah Divide and we are dependent on their continued exploration on the property in order to realize any value from our ownership interest.

We are also dependent upon our exploration success at Goldstrike. We do not have a joint venture partner at Goldstrike and although this gives us more direct control over the exploration program we also have to bear all of the expenses.

Our third project, King Tonopah, is material, but it is a smaller project with lower carrying costs and no work commitments, therefore it is less vital that we find a joint venture partner for this project. However, with increased silver prices, the King Tonopah project is an important part of our exploration portfolio.

**G. patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration, and**

We do not have any patents, trademarks, licenses, franchises, concessions or labor contracts.

Our royalty agreements are structured as net smelter royalties which are calculated as a percentage of gross income less transportation and milling expenses.

We are entitled to receive royalties on the Sarcobatus Flats, Nevada lithium project.



Sarcobatus Flats: We optioned 2,660 acres of federal mining claims to TNR Gold, Inc. and are entitled to receive a 2.5% net smelter royalty upon the commencement of production. TNR may buy down up to 2% of our royalty for \$1 million per 1%.

We are obligated to pay production royalties on the following properties: Tonopah Divide, Goldstrike, King Tonopah, and Connors.

Tonopah Divide: We lease this property from the Tonopah Divide Mining Company and are obligated to pay a 4% net smelter royalty upon the commencement of production. Our mining venture partner, Centerra, has primary responsibility for paying these royalties.

Goldstrike: We lease the Goldstrike property from Ray Hunter and Oro Vista LLC and are obligated to pay a net smelter royalty upon the commencement of production based upon the price of gold at the time of sale as follows:

<u>Price of Gold</u>	<u>Royalty %</u>
Below \$700	3.0
\$700-\$899	3.5
\$900 or above	4.0

King Tonopah: We lease the King Tonopah property from Royce Hackworth and Belva Tomany and are obligated to pay a 3% net smelter royalty upon the commencement of production.

Since none of the above properties is in production, we do not expect to receive or pay any royalties for at least the next two years.

For details on the royalty agreements, see Note 5 of our Financial Statements which we have posted on [www.pinksheets.com](http://www.pinksheets.com) and on our website: [www.tonogold.com](http://www.tonogold.com).

**H. the need for government approval of principal products or services and the status of any requested government approvals.**

Prospecting and exploring for minerals does not require government approval unless public lands are disturbed.

In Item VIII, B (7), we detailed the government permitting requirements for exploration drilling on federal lands administered by the BLM.

We do not have any pending permits or government approvals.

**Item X: Nature and extent of the issuer's facilities**

We maintain 800 square feet of office space at 1872 Nirvana Blvd., Chula Vista, CA 91911. We currently pay no rent and have a month-to-month agreement with the primary lessee.

## Part D: Management Structure and Financial Information

### Item XI: Chief executive officer, member of the board of directors, as well as control persons.

#### A. Officers and Directors

##### **Jeffrey J. Janda, Chairman, President**

Business Address: 5666 La Jolla Blvd., #315, La Jolla, CA 92037

Employment History / Board Memberships and other affiliations: Mr. Janda has served as Chairman and President of Tonogold Resources, Inc. since its acquisition by Point Loma Partners in May 2002. Mr. Janda was also the Chairman and President of Prospect Uranium, Inc., a subsidiary of Tonogold. Mr. Janda served as the Chairman and Chief Executive Officer of Point Loma Partners, Inc., an investment company based in San Diego, California from 1998 to 2002. Mr. Janda was the President of Janda & Garrington, an investment banking and stock brokerage company he founded in 1996 and sold in 1999. Before founding Janda & Garrington, he served as Managing Director of Corporate Finance at W. B. McKee Securities, Inc., in Phoenix, Arizona from 1994 to 1996. From 1992 to 1994 Mr. Janda was the Director of Corporate Finance with First Affiliated Securities. Mr. Janda was educated at the University of Iowa where he received a B.A. degree in Linguistics.

Compensation: Salary is \$96,000 annually.

Number and Class of Securities Owned: 9,429,000 shares of common stock

##### **Brian A. Zamudio, Executive Vice President, Secretary And Director**

Business Address: 5666 La Jolla Blvd., #315, La Jolla, CA 92037

Employment History / Board Memberships and other affiliations: Mr. Zamudio has served as the Executive Vice President and Director of the Company since May 2003. Mr. Zamudio was the Chief Operating Officer of Point Loma Partners, Inc. from 1999 to 2002. Mr. Zamudio was also the President of Daybreak Apparel LLC, an apparel manufacturer based in San Diego, California, from 1999 to 2004. Prior professional experience includes acting as the Managing Partner of Big Rock Holdings, a real estate development company. While at Big Rock, Mr. Zamudio was responsible for acquisitions and financing. Prior to Big Rock, Mr. Zamudio worked in the mortgage securities department at Sentra Spelman, a brokerage firm based in San Diego, California.

Compensation: Salary is \$96,000 annually.

Number and Class of Securities Owned: 8,283,200 shares of common stock

**Donald G. Strachan, Vice President Of Exploration And Director**

Business Address: 5666 La Jolla Blvd., #315, La Jolla, CA 92037

Employment History / Board Memberships and other affiliations: Mr. Strachan is a senior professional geologist with over 30 years of experience in mineral exploration in the western United States and eastern Africa. From 1986 to the present time, Mr. Strachan has been based in the Reno, Nevada area and has worked as an independent geologist evaluating gold and silver properties. From 1984 to 1986, he worked as a geologist for St. Joe Minerals involved in precious metal exploration in the western United States. From 1976 to 1979, he was an economic geologist for Houston Oil and Minerals, working in uranium and base metals, and from 1980 to 1983 focused on gold and silver exploration and development projects in western Nevada. He holds a B.A. degree in Geology from California State University in Fresno, California and a M.S. degree in Geology from the New Mexico Institute of Mining and Technology. Mr. Strachan is a Certified Professional Geologist and a member of the Geologic Society of Nevada, the Geologic Association of Canada, and the Society of Economic Geologists.

Compensation: Salary is \$24,000 annually. Mr. Strachan is a part time employee.

Number and Class of Securities Owned: 2,537,400 shares of common stock

**B. Legal and Disciplinary History: Please identify whether any of the foregoing persons have, in the past five years, been the subject of:**

**1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);**

None

**2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities.**

None

**3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or state securities regulatory of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or**

None

**4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.**

None

**C. Disclosure of Family Relationships:** Describe any family relationships among and between the issuer's directors, officers, persons nominated or chosen by the issuer to become directors or officers, or beneficial owners of more than five percent (5%) of any class of the issuer's equity securities.

None

**D. Disclosure of Related Party Transactions:** Describe any transaction during the issuer's last two full fiscal years and the current fiscal year or any currently proposed transaction, involving the issuer, in which (i) the amount involved exceeds the lesser of \$120,000 or one percent of the average of the issuer's total assets at year-end for its last three fiscal years and (ii) any related person had or will have a direct or indirect material interest. Disclose the following information regarding the transaction:

1. The name of the related person and the basis on which the person is related to the issuer.
2. The related person's interest in the transaction.
3. The approximate dollar value involved in the transaction (in case of indebtedness, disclose the largest aggregate amount of principal outstanding during the time period for which disclosure is required, and the rate or amount of interest payable on the indebtedness);
4. The approximate dollar value of the related person's interest in the transaction; and
5. Any other information regarding the transaction or the related person in the context of the transaction that is material to investors in light of the circumstances of the particular transaction.

On May 17, 2006, Fernando Zamudio and Janice Zamudio, the parents of Brian Zamudio, our Executive Vice President, loaned \$100,000 to the Company. The note paid 12% interest and was due on demand. On June 8, 2006, we repaid \$25,000 of the loan. On December 30, 2009, we converted the remaining \$75,000 principal to 1,500,000 restricted common shares and warrants to purchase 1,500,000 restricted common shares for \$.10 per share prior to June 1, 2010 and warrants to purchase 1,500,000 restricted common shares for \$.20 per share prior to February 28, 2011. The warrants have expired unexercised. The note has a remaining balance of \$21,934 which consists of accrued interest.

On December 28, 2011, Tonogold Resources, Inc. merged with Prospect Uranium, Inc. Tonogold and Prospect had the same management team and board of directors. Jeffrey Janda, Brian Zamudio, and Donald Strachan each owned shares of Prospect which were converted to shares of Tonogold as part of the merger. Tonogold shares issued to management as part of the merger share conversion were as follows: Jeffrey Janda (729,000), Brian Zamudio (583,200), and Donald Strachan (437,400). Shares were valued at \$.03 per share on the above date of issuance. Management received the same share conversion ratio as all other Prospect shareholders.

**E. Disclosure of Conflicts of Interest:** Describe any conflicts of interest. Describe the circumstances, parties involved and mitigating factors for any executive officer or director with competing professional or personal interests.

Our management team and board of directors was also the management team and board of directors for Prospect Uranium, Inc., our former subsidiary. The two companies did not compete for properties because they focus on different commodities. The two companies have been merged and there is no longer a potential conflict of interest.

## **Item XII: Financial information for the issuer's most recent fiscal period**

We have posted our financial statements for the period ending December 31, 2011 online at [www.pinksheets.com](http://www.pinksheets.com)

## **Item XIII: Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence**

We have posted our financial statements for the period ending December 31, 2010 and December 31, 2009 online at [www.pinksheets.com](http://www.pinksheets.com)

## **Item XIV: Beneficial Owners**

**Provide a list of the name, address and shareholdings, of all persons beneficially owning more than five percent (5%) of any class of the issuer's equity securities. To the extent not otherwise disclosed, if any of the above shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.**

<b>Name and Address</b>	<b>Number of Beneficially Owned Shares</b>	<b>Percentage of Total Shares Outstanding</b>
Jeffrey J. Janda Chairman and President 5666 La Jolla Blvd, #315 La Jolla, CA 92037	9,429,000	9.4%
Brian A. Zamudio Executive Vice President and Director, Executive V.P. 5666 La Jolla Blvd, #315 La Jolla, CA 92037	8,283,200	8.2%

## Item XV: Outside service providers

### 1. Investment Banker

None

### 2. Promoters

None

### 3. Counsel

Henry Bonner  
Bonner & Associates  
P.O. Box 971  
La Jolla, CA 92038-0971  
Phone: (619) 278-8326  
email: henry@bonner.net

**4. Accountant or Auditor - the information shall clearly describe (i) if an outside accountant provides audit or review services, (ii) state the work done by the outside accountant and (iii) describe the responsibilities of the accountant and the responsibilities of management (i.e. who audits, prepares, or reviews the issuer's financial statements, etc.). The information shall include the accountant's phone number and email address and the description of the accountant's licensing and qualifications to perform such duties on behalf of the issuer.**

Our financials are unaudited and prepared internally. We do not have an auditor or outside accountant.

### 5. Public Relations Consultants

None

### 6. Investor Relations Consultant

None

**7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement - the information shall include the telephone number and email address of each advisor.**

None

## Item XVI: Management's Discussion and Analysis of Financial Conditions and Results of Operations

### B. Management's Discussion and Analysis of Financial Condition and Results of Operations

We posted this information as part of our financial statements online at [www.pinksheets.com](http://www.pinksheets.com) and on our website, <http://www.tonogold.com/s/FinancialStatements.asp>

### C. Off-Balance Sheet Arrangements

We posted this information in the notes to our financial statements online at [www.pinksheets.com](http://www.pinksheets.com) and on our website, <http://www.tonogold.com/s/FinancialStatements.asp>

## Part E: Issuance History

### Item XVII: List of securities offerings and shares issued for services in the past two years

#### List of Securities Offerings

##### 2011 Equity Offerings

Date	Dollar Amount	Price	Shares	Warrants
11/25/11	\$200,490	\$.05	4,090,000	4,090,000 shs at \$.10

##### 2010 Equity Offerings

Date	Dollar Amount	Price	Shares	Warrants
4/20/10	\$42,500	\$.05	850,000	Note Conversion
7/31/10	\$286,770	\$.03	9,417,334	Exercise of Wts.
8/25/10	\$8,250	\$.03	165,000	Conversion from Sub.
8/25/10	\$5,000	\$.05	250,000	250,000 at \$.10/share
12/09/10	\$35,000	\$.04	690,000	Exercise of Wts.

#### Shares Issued for Services

Date	Name / Services Rendered	Price	Services	Shares
10/31/11	Oro Vista LLC. Goldstrike Lease Payment	\$.05	\$10,000	200,000
1/14/11	Richard Profitt Investor Relations	\$.05	\$250	5,000

2/05/10	Terry L. Trim Management Consulting	\$.05	\$30,000	600,000
8/11/10	Prima Capital Group, Inc. Investor Relations	\$.05	\$1,650	33,000
8/11/10	Tina Argyropoulos Investor Relations	\$.05	\$1,650	33,000
8/11/10	Alekat Ventures, Inc. Investor Relations	\$.05	\$1,700	34,000
9/02/10	Oro Vista LLC. Goldstrike Lease Payment	\$.05	\$10,000	200,000
9/02/10	Sarah Spaulding Administrative Services	\$.05	\$5,000	100,000

## **Part F: Exhibits**

### **Item XVIII: Material Contracts**

Our lease agreements and exploration agreements are subject to confidentiality clauses due to competitive reasons.

### **Item XIX: Articles of Incorporation and By-Laws**

We have posted our Articles of Incorporation and By-Laws at [www.pinksheets.com](http://www.pinksheets.com).

### **Item XX: Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

None

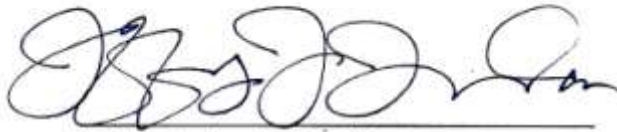


## Item XXI: Issuer's Certifications

I, Jeffrey J. Janda, certify that:

1. I have reviewed the Company Information and Disclosure Statement of Tonogold Resources, Inc.
2. Based upon my knowledge, this disclosure statement does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement, and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Dated: February 24, 2012

A handwritten signature in black ink, appearing to read 'Jeffrey J. Janda', written over a horizontal line.

Jeffrey J. Janda, President  
Tonogold Resources, Inc.