

# **TONOGOLD RESOURCES, INC.**

Annual Disclosure Statement for

Year Ending December 31, 2017

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## Item 1: The Exact Name of the Issuer and its Predecessor (if any)

Tonogold Resources, Inc.

## Item 2: The address of the Issuer's Principal Executive Offices

5666 La Jolla Blvd. #315 La Jolla, CA 92037

Phone: 858-456-1273

Fax: 858-456-2540

www.tonogold.com

Contact: Mark Ashley, Chief Executive Officer

Email: mjashley3@gmail.com

## Item 3: Security Information

Trading Symbol: TNGL

Title and Class: Common Stock

CUSIP Number: 890308208

Par Value of \$.001 per share

Total Shares Authorized: 200,000,000 as of December 31, 2017

Total Shares Outstanding: 104,777,046 as of December 31, 2017 (December 31<sup>st</sup> 2016 – 19,181,665)

Trading Symbol: None

Title: Preferred Stock

CUSIP Number: None

Total Shares Authorized: 40,000,000 as of December 31, 2017 and 2016

Total Shares Outstanding: 0 as of December 31, 2017 and 2016

Transfer Agent:

First American Stock Transfer

C/O AST, 6201 15<sup>th</sup> Avenue, 3<sup>rd</sup> Floor, Brooklyn, NY 11219

Phone: (602) 485-1346

Registered under the Exchange Act: Yes

Regulatory Authority: Securities and Exchange Commission (SEC)

## Item 4: Issuance History

### Equity Offerings in Last Two Years

1) The Company issued a series of loan notes (“CLN1”), which were convertible into common shares with a principle balance of \$950,000 as at December 31, 2015. During 2016, the Company arranged for the agreement of the Note-holders to convert the principle balance of the CLN1 plus accrued interest to August 31<sup>st</sup> 2016 (\$262,000) into ordinary shares at a conversion price of 5 cents per share. As a result, **24,239,994** shares were issued subsequent to the period end. This agreement paved the way for a second series of loan notes (“CLN2”) to be issued to help fund general working capital requirements.

2) During 2016 the Company agreed to issue approximately **6,800,000** shares to the current directors as payment of 50% of their unpaid remuneration entitlements through to August 31<sup>st</sup> 2016. The current directors agreed to write off the remaining 50%.

3) On May 8, 2014 Tonogold obtained the right to acquire 100% of Mil-Ler (a private Mexican entity) upon issuance of **54,100,000** Tonogold shares. These shares were issued subsequent to the period end

The shares described in 1) through 3) above were issued during the December 2017 quarter

### Shares Issued for Services

Nil

### Warrants issued for services:

Issue Date	Name / Services Rendered	Exercise Price	Expiration Date	Underlying Shares
1-Jun-13	Mark J. Ashley Issued to CEO (Employment Contract)#	\$0.10	Jun-18	170,000
1-Jun-13	Simona Ashley Issued to CEO (Employment Contract)#	\$0.10	Jun-18	170,000
1-Jun-13	Mark J. Ashley Issued to CEO (Employment Contract)#	\$0.50	Jun-18	165,000
1-Jun-13	Simona Ashley Issued to CEO (Employment Contract)#	\$0.50	Jun-18	165,000
1-Jun-13	Mark J. Ashley Issued to CEO (Employment Contract)#	\$0.80	Jun-18	165,000
1-Jun-13	Simona Ashley Issued to CEO (Employment Contract)#	\$0.80	Jun-18	165,000
6-Jun-13	Pareto Capital, Ltd. Investment Banking Services	\$0.10	Jul-18	300,000
7-May-14	Mark Ashley CEO	\$1.00	May-19	1,000,000
7-May-14	Jeffrey J. Janda Director / Consulting Services	\$1.00	May-19	500,000
22-Sep-14	Jordan Moelis (Director)	\$1.00	May-19	500,000
29-Sep-14	Gustavo Mazon (Director)	\$1.00	May-19	500,000
7-May-14	Brian A. Zamudio Director / Consulting Services	\$1.00	May-19	500,000
26-Sep-14	Travis Miller Executive Director	\$1.50	Sep-19	1,500,000

## Item 5: Financial Statements

We posted our financial statements for the quarter ended December 31, 2017 on the [www.otcm Markets.com](http://www.otcm Markets.com) website on January 26th, 2018

## Item 6: Describe the Issuer's Business, Products and Services

**A. Description of the issuer's business operations.** Historically, our business consisted of generating prospects for larger mining companies in need of advanced exploration projects. However, in June 2013 we hired a new CEO and shifted our business strategy to focus on acquiring and developing producing and near producing mining assets that we felt were undervalued or had growth potential.

On May 8, 2014, Tonogold and Mil-ler shareholders agreed to merge 100% of Mil-Ler into Tonogold in a non-cash transaction for the issue of 54.1 million restricted shares in Tonogold. A Closing Agreement was executed by the parties on September 26, 2014. Mil-Ler operates the Nevmex iron ore mine located 24 miles from Hermosillo, Mexico.

Due to the weakness in the iron ore price management has decided to delay recommencement of production until signs of a price correction and/or confirmation of the ability to produce a higher quality product at increased margins.

In October 2017 the Company executed and announced an agreement with Comstock Mining Inc., which provides the Company the ability to earn a 51% controlling interest interest in 1,162 acres of mining claims in the highly prospective Comstock Lode region in Virginia City, Nevada, which includes the Lucerne Deposit, located in the Storey and Lyon Counties.

Subsequent to the year-end, the Company executed and announced (on January 16<sup>th</sup> 2018) that it had secured a 6-month option agreement with a private Mexican entity providing Tonogold the right to acquire 100% of three gold and silver projects in Durango, Mexico.

**B. Date and State of Incorporation:** the Company was incorporated on March 4, 1997, in the State of Delaware.

**C. The Issuer's Primary and Secondary SIC Codes:** Primary SIC Code: 1041, Secondary SIC Code: 1081.

**D. The issuer's fiscal year end date:** December 31.

**E. Principal products and services, and their markets.** Our business model is to acquire and develop producing and near producing mining assets that may be undervalued or have growth potential. Our assessment of the recent options over the Comstock and Mexican gold/silver properties will be the primary focus of the company in the coming quarters, as well as advancing other complimentary corporate strategies. Our 100% interest in the NevMex iron ore project in Sonora, Mexico (acquired in 2014) is currently on care and maintenance as a result of low iron ore price.

## Item 7: Describe the Issuer's Facilities

We maintain 800 square feet of office storage space at 9925 Airway Road, San Diego, CA 92154. We currently pay no rent and have a month-to-month agreement with the primary lessee.

### **Information on the Comstock transaction**

The Joint Venture Option agreement (potentially Tonogold – 51%) provides the Company with mining, exploration and other mineral rights totaling 1,162 acres covering part of the Comstock Lode in Virginia City, Nevada

### **Information on the Mexican Gold/silver transaction**

The Joint Venture Option agreement (potentially Tonogold – 100%) over three gold/silver projects in Durango, Mexico provides the Company with mining, exploration and other mineral rights totaling 10.725 hectares, where significant high grade historic resources have been previously estimated, which together represent over 3 million ounces of gold equivalent-situ majority of which were previously considered as inferred Resource (see table below).

Project	Historic Measured and Indicated					Historic Inferred				
	Tonnes	Grade (g/t)		Contained metal (ounces)		Tonnes	Grade (g/t)		Contained metal (ounces)	
		Au	Ag	Au	Ag		Au	Ag	Au	Ag
Claudia	130,056	3.80	199	15,891	832,191	11,992,050	3.00	193	1,156,789	74,420,117
Promontorio	37,757	1.20	382	1,457	463,768	1,100,000	1.20	370	42,444	13,086,817
Montoros	112,700	2.90	40	10,509	144,952	8,790,120	3.50	34	989,242	9,609,777
<b>TOTAL</b>	<b>280,513</b>	<b>3.09</b>	<b>160</b>	<b>27,857</b>	<b>1,440,911</b>	<b>21,882,170</b>	<b>3.11</b>	<b>138</b>	<b>2,188,475</b>	<b>97,116,712</b>

Tonogold provides resource detail above as it relates to the three projects, but in doing so, urges investors to use appropriate caution as the Company did not undertake the work necessary to verify the estimates nor their classification. Tonogold is not treating the historical resource estimates (below) as a NI 43-101 defined resource and advises that such historical estimates should not be relied upon. It is included to provide an “order of magnitude” potential for the Projects.

### **Information on Nevmex:**

Nevmex is held in a wholly owned Mexican subsidiary, Mil-Ler Resource (“Mil-Ler”). Mil-Ler owns mineral rights over approximately 18 square miles 40 kilometers north of Hermosillo (the capital of Sonora), Mexico. Exploration drilling over a small area of the total claims during 2011 confirmed the presence of economic iron ore mineralization.

- Production from the Ponderosa (open pit) commenced early 2013 and ramped up to a rate of 180,000 tonnes pa of final iron ore product grading around 57% Iron (Fe) by mid 2013.
- Mil-Ler owns its mining fleet and process facility, which was originally funded from shareholder equity. Toward the end of 2013, Mil-Ler acquired additional mining equipment, funded from

cash generated from its operations, that would enable production to double to 360,000 tpa of final iron ore product if production resumes in the future.

- Mining fleet owned by Mil-Ler includes: 7 Caterpillar Excavators, 3 Caterpillar front-end loaders, 5 forty tonne trucks (3 Caterpillar and 2 Volvo), 2 Caterpillar Bulldozers, a grader, water truck, and light towers.
- In-situ iron grade of ~45% is upgraded to ~57% in the final product via a simple beneficiation process that involves two-stage crushing followed by dry magnetic separation. Recovery of iron is estimated at 84% with 65% of tonnage recovered.

*Note. Exploration and capital development costs are written off in the year that they are incurred.*

**Information on Tonopah Divide:** This property in Nevada was dropped during 2016.

**Information on King Tonopah Lease:** This property in Nevada was dropped during 2016.

## Item 8: Officers, Directors, and Control Persons

### A. Names of Officers, Directors, and Control Persons

Mark J. Ashley, Chief Executive Officer

Travis Miller, Executive Director

Brian A. Zamudio, Secretary, Treasurer, and Director

Jordan Moelis, Director

Gustavo Mazon, Director

### 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;**

None.

**C. Beneficial Shareholders.**

None

**Item 9: Third Party Providers**

**1. Legal Counsel:**

Henry Bonner, Esq.  
Bonner & Associates  
P.O. Box 971  
La Jolla, CA 92037-0971  
Phone: (619) 278-8326  
Email: henry@bonner.net

**2. Accountant or Auditor:**

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

**3. Investor Relations Consultant:**

None.

## Item 10: Issuer's Certification

I, Mark J Ashley, certify that:

- 1) I have reviewed the Disclosure Statement and Financial Statements of Tonogold Resources, Inc. for the year ending December 31, 2017.
- 2) Based upon my knowledge, this disclosure statement does not contain and 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 operation and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Dated: January 26th, 2018

A handwritten signature in black ink, appearing to read 'Mark J Ashley', with a stylized, cursive script.

Mark J Ashley, Chief Executive Officer  
Tonogold Resources, Inc.