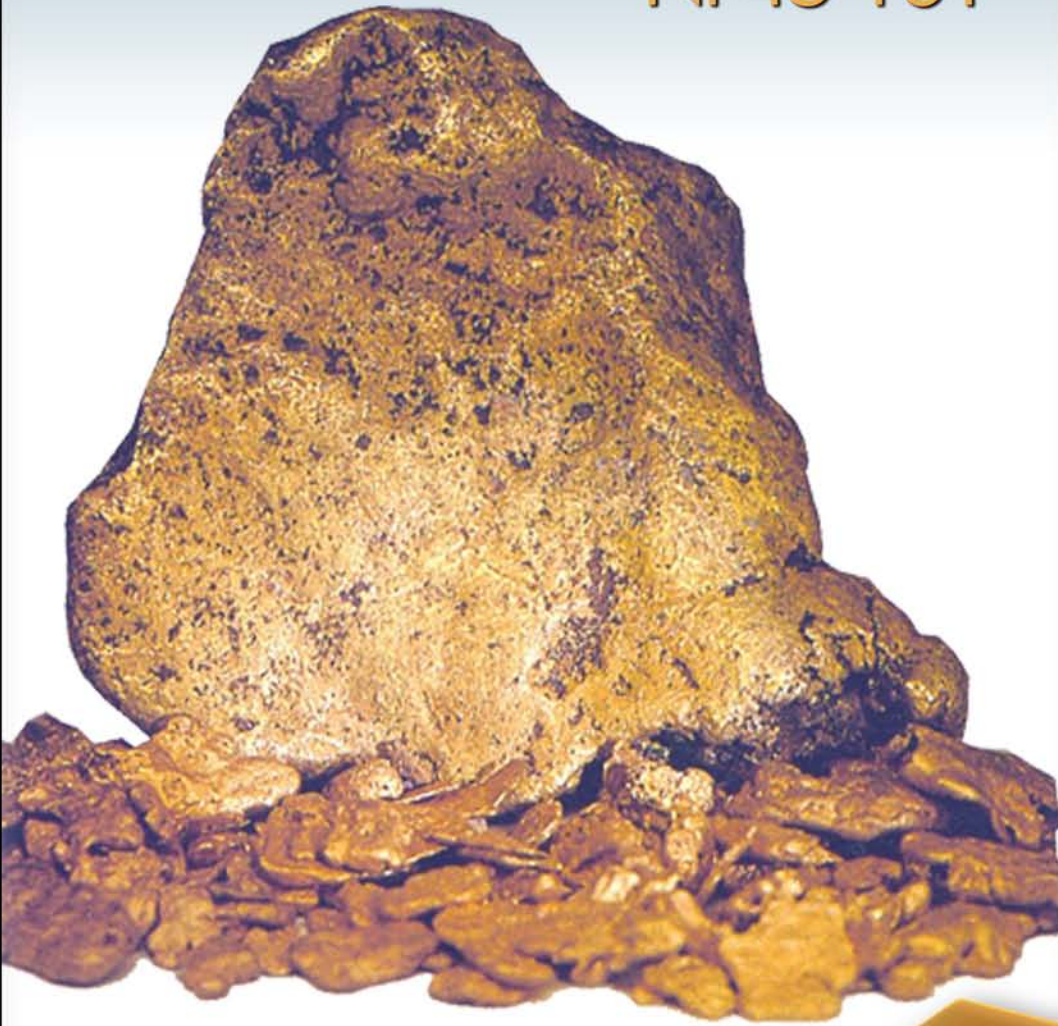


CRYSTAL PISTOL RESOURCES, LLC.

2011

National Instrument
NI 43-101



GOLD NUGGET PROJECT



National Instrument 43-101

Technical Report

on the

**Gold Nugget Project
La Paz County
Arizona, USA**

Prepared For:

Crystal Pistol Land and Cattle Company

Palm Desert, California
United States of America

May 12, 2010

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Item 3 Summary

Crystal Pistol Land and Cattle Company (Crystal Pistol) contacted Craig L. Parkinson, PG of Parkinson Geologic Services (PGS) in April 2010 to discuss the preparation of a National Instrument 43-101 (NI 43-101) Technical Report on the Gold Nugget Project. Previous entities have been exploring the Gold Nugget area of Arizona USA for about 150 years. The Gold Nugget area is in La Paz County near the town of Quartzsite. The Gold Nugget property consists of placer claims situated on southern end of the Plomosa Mountain Range. The claims are fully owned by Kenneth R. Shepherd (P-1 through P-30) and Placer Mining Corporation (Italian Wash, Poormans Wash, and PM-1, 2, and 3).

The predominant rocks on the Gold Nugget Project site are placer gravels derived from Mesozoic schists and undivided Paleozoic-Mesozoic shale, quartzite, and limestone which occur as outcrop on the property. The placer gravels occur within the present-day Italian Wash and Poormans Wash. The existing mines and prospects up-gradient from the property are probably responsible for the occurrence of placer gravel deposits on the project site.

The geological control to mineralization is the initial deposition of gold as veins within the Mesozoic schists and Paleozoic-Mesozoic shale, quartzite, and limestone basement rocks. Subsequent erosion of the gold-bearing veins within outcrop liberated the gold particles and deposited the gold within placer gravels on the property.

The exploration sampling and field reconnaissance conducted by PGS confirm that extensive deposits of gold-bearing placer gravels occur on the Gold Nugget property. The gold-bearing material occurs within dry washes as in-place gravel deposits to an estimated depth of at least 80 feet.

Mineral resources that comply with CIM definitions and standards for a NI 43-101 Technical Report has been identified for the Gold Nugget Project. The existing available topographical, geological, mineralogical, geochemical, and sample collection and processing information contains sufficient resource classification information to generate indicated and inferred resource estimates.

Gold Nugget Project Mineral Resource Estimates

	<u>Gravel Resource</u> <u>Tons</u>	<u>Gold Grade</u> <u>Ounces/Ton</u>	<u>Ounces Gold</u>
Indicated Resources	19.7 Million	0.075	1.48 Million
Inferred Resources	156.8 Million	0.050	7.91 Million
	<u>Gravel Resource</u> <u>Tonnes</u>	<u>Gold Grade</u> <u>gm/Tonne</u>	
Indicated Resources	17.9 Million	2.65	
Inferred Resources	142.5 Million	1.83	

PGS concludes the results of surface geologic investigations, reconnaissance-level geologic mapping, placer gravel sample collection and processing, independent laboratory analyses, and review of available geology, mining, and engineering reports indicate the Gold Nugget Project holds significant potential for development of gold resources. The Gold Nugget Project contains Indicated Mineral Resources estimated at 19.7 million tons with an average gold grade of 0.075 ounces per ton and containing 1.48 million ounces gold. The Gold Nugget Project contains Inferred Mineral Resources estimated at 156.8 million tons with an average gold grade of 0.050 ounces per ton and containing 7.91 million ounces gold.

PGS recommends for Crystal Pistol to proceed with the project as proposed by Crystal Pistol, including preparing a Plan of Operations application as required by the BLM.

Item 4 Introduction

Parkinson Geologic Services (PGS) was commissioned by Crystal Pistol Land and Cattle Company (Crystal Pistol) to prepare a National Instrument 43-101 (NI 43-101) compliant Technical Report of the Gold Nugget Project in La Paz County, Arizona, USA. This Technical Report was prepared for Crystal Pistol and is intended for the use of Crystal Pistol to further develop and advance the Gold Nugget Project.

The sources of information and data contained in this report or used in its preparation include documents provided by Crystal Pistol, references obtained by PGS, and documents within the professional files maintained by PGS. These documents and references are listed in “Item 23 References” within this report.

PGS has visited the Gold Nugget site on several occasions since 2005, and has prepared various letter reports for interested parties. To prepare this Technical Report and Inferred Mineral Resource estimates, PGS conducted a four-day field examination of the Property on April 7 through 10, 2010. This field investigation included the coordination and supervision of placer gravel collection and processing for gold recovery by gravity methods.

The principal author of this Technical Report is Craig L. Parkinson, PG of Grass Valley, California. Mr. Parkinson is an Arizona Registered Professional Geologist (PG #30843), a Certified Professional Geologist (CPG #10098) with the American Institute of Professional Geologists (AIPG), and meets the requirements of a Qualified Person as specified by NI 43-101. His professional experience dates to 1981 in the fields of exploring, developing, and producing industrial minerals, aggregates, and metals. Mr. Parkinson holds a Master of Science Degree in Hydrogeology from the University of Nevada-Reno School of Mines, Master of Science Degree in Mining Geology from the University of Idaho College of Mines, and Bachelor of Science Degree in Geology from Cornell College, Iowa. Mr. Parkinson has authored NI 43-101 technical reports for mining projects in the United States, Mexico, Peru, and British Columbia. Mr. Parkinson is responsible for preparation of Sections 1 through 26 of this Technical Report.

PGS was not on the property during the geological evaluations of previous workers, but PGS believes the data is reliable based on comparison with PGS’s observations and experience in the State of Arizona. PGS believes that sufficient data was reviewed to support the interpretations and conclusions presented in this Technical Report. Unless explicitly stated, all units presented in this report are in the Imperial System (i.e. short tons, miles, acres, feet, inches, etc.). All references to economic data are in U. S. dollars.

Item 5 Reliance on Other Experts

PGS's opinion contained herein is based on information independently obtained by PGS and on data provided by the claim owners. The sources of information utilized in this study include data and reports supplied by Placer Mining Corporation (PMC), as well as documents referenced in Section 23.

PGS used its experience to determine if the information from previous reports was suitable for inclusion in this report and if required PGS modified the information. Revisions to previous data were based on research, recalculations, and information from other similar projects. The level of detail utilized on the project was deemed appropriate for this level of study. To the best of our knowledge, there are no legal, environmental, or political issues relevant to the technical report. The author is familiar with the rock descriptions, geologic model, and assay database used in the resource calculations.

In the preparation of this NI 43-101 Technical Report, PGS incorporated information from previous reports prepared on the project area and these reports are referenced in Section 23. Based on review of the available information, historical exploration programs appear to have been carried out appropriately by qualified individuals, firms, and laboratories to industry standards.

It is assumed that surveys and/or plats furnished to or acquired by the author and used in the preparation of this report are correct. The author has not made a land survey or caused one to be made and, therefore, assumes no responsibility for their accuracy. The claim descriptions furnished are assumed to be correct. No responsibility is assumed for matters legal in character nor is any opinion rendered herein as to title that is assumed to be free and clear of liens and encumbrances. PGS has relied on documents from the claim owner, PMC, and the Bureau of Land Management in Arizona (the "BLM") with respect to the status of the claims comprising the Gold Nugget Properties. No conditions of the property were identified that would negatively affect further development of the project.

Item 6 Property Description and Location

The Gold Nugget Project is located in La Paz County near the town of Quartzsite in southwest Arizona (Figure 6.1, 6.2, and 6.3). The claims cover an approximately 1320-acre area of interest spanning approximately 2.1 square miles. This report addresses the claim rights which comprise 35 placer mining claims on federal land administered by the U.S. Department of the Interior, Bureau of Land Management (BLM). The Gold Nugget Project is located approximately 10 miles east of Quartzsite, Arizona within Township 4 North, Range 17 and 18 West of the Gila and Salt River Baseline and Meridian. The BLM AMC numbers and claim names are provided in Table 6.1, and the claim location map for the property is provided in Figure 6.4.

PGS reviewed BLM claim serial number index and confirmed the claims are active and current through 2010. To maintain its mineral claims, PMC must pay \$125 per claim annually to the BLM. PMC has paid the claim maintenance fee and the last assessment year for all claims is 2010.

The property boundaries were located by examining the topographic claim maps available on the project area. The location of all known mineralized zones, mineral resources, mine workings, existing water well, waste deposits and important natural features and improvements

are situated within the Gold Nugget Property boundaries, and are shown on Figure 6.5. The project site is located in the Plomosa Mining District and contains the historic Gold Nugget Mine, which is a hard-rock vein-hosted underground mine. There are also numerous mine shafts, prospects, and adits in the Plomosa Mountains south of the property (Figure 6.5), such as the Belle of Arizona, Apache Chief, and Poorman Mine, which historically produced gold, silver, and copper.

TABLE 6.1 LIST OF MINING CLAIMS

<u>Claim Name</u>	<u>AMC Number</u>	<u>Location within Township 4 North</u>
P1	302424	Range 18 West, Section 24
P2	302425	Range 18 West, Section 24
P3	302426	Range 17 West, Section 19
P4	302427	Range 17 West, Section 19
P5	302428	Range 17 West, Section 19
P6	302429	Range 17 West, Section 19
P7	302430	Range 18 West, Section 24
P8	302431	Range 18 West, Section 24
P9	302432	Range 17 West, Section 19
P10	302433	Range 17 West, Section 19
P11	302434	Range 17 West, Section 19
P12	302435	Range 17 West, Section 19
P13	302436	Range 18 West, Section 25
P14	302437	Range 18 West, Section 25
P15	302438	Range 18 West, Section 25
P16	302439	Range 18 West, Section 25
P17	302440	Range 17 West, Section 30
P18	302441	Range 17 West, Section 30
P19	302442	Range 17 West, Section 30
P20	302443	Range 17 West, Section 30
P21	302444	Range 17 West, Section 30
P22	302445	Range 17 West, Section 30
P23	302446	Range 18 West, Section 25
P24	302447	Range 18 West, Section 25
P25	302448	Range 18 West, Section 25
P26	302449	Range 18 West, Section 25
P27	302450	Range 17 West, Section 30
P28	302451	Range 17 West, Section 30
P29	302452	Range 17 West, Section 30
P30	302453	Range 17 West, Section 30
Italian Wash	400001	Range 18 West, Section 24
PM-1	400002	Range 17 West, Section 31
PM-2	400003	Range 17 West, Section 30
PM-3	400004	Range 17 West, Section 31
Poormans Wash	400005	Range 17 West, Section 19



Figure 6.1: Location Map of State of Arizona, USA

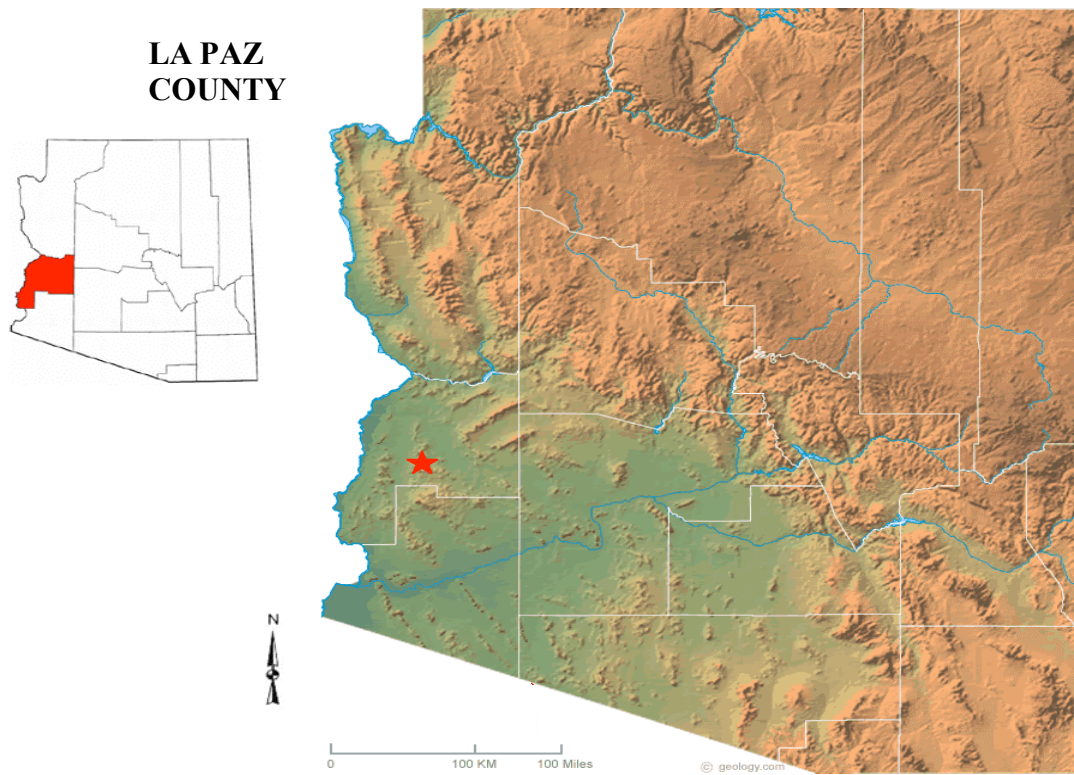


Figure 6.2: Location Map La Paz County, Arizona

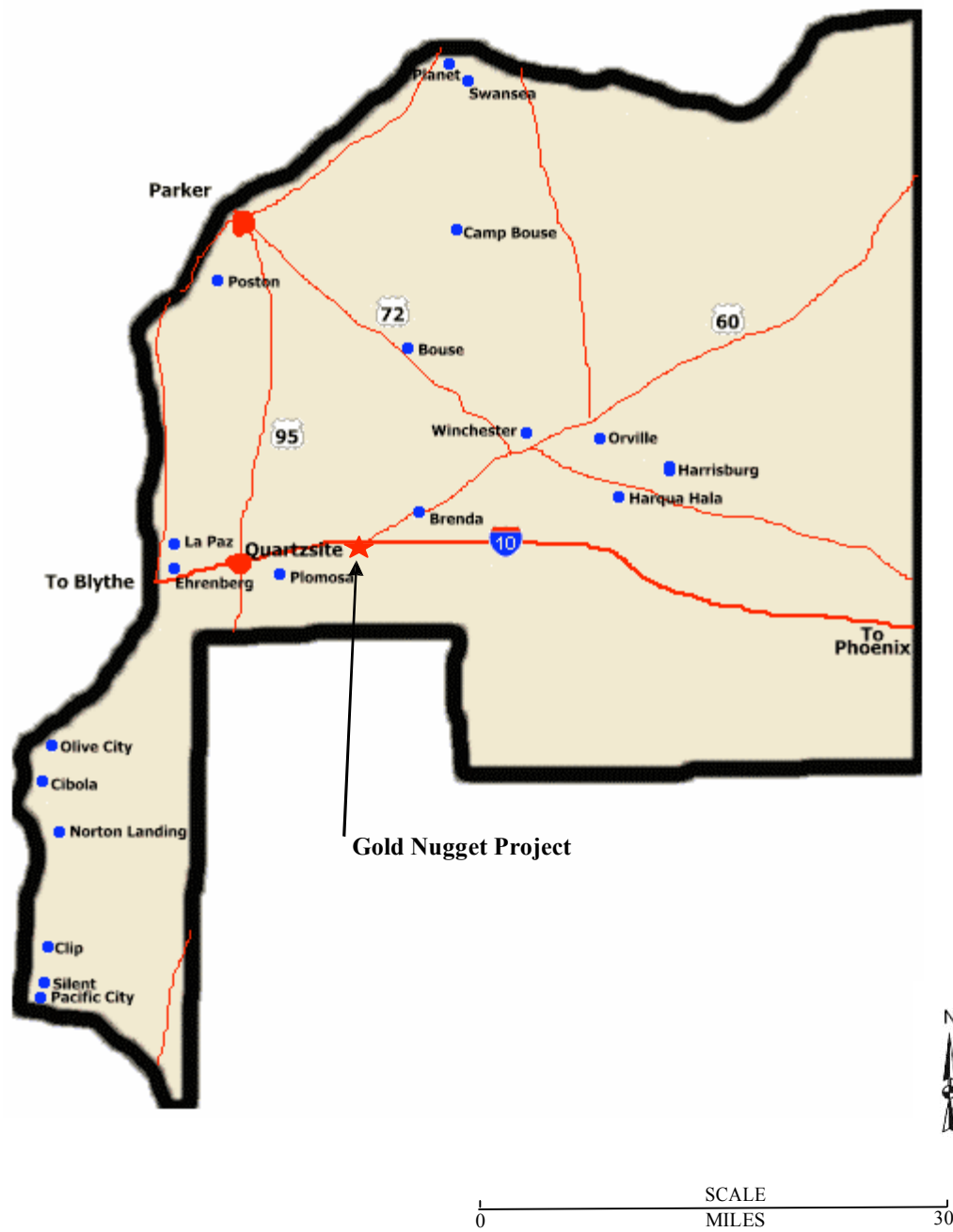


Figure 6.3: Gold Nugget Property Location Map

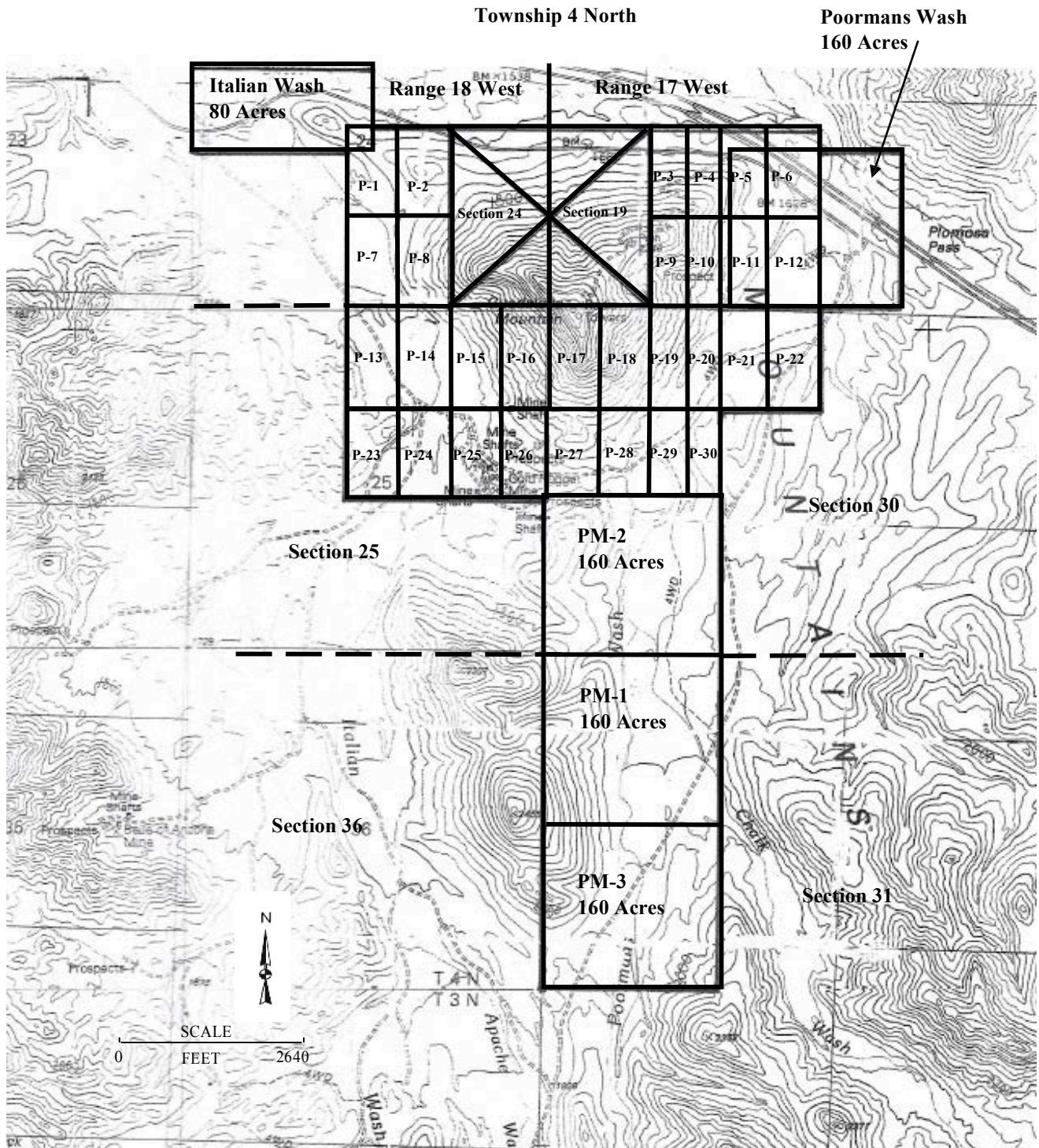


Figure 6.4: Gold Nugget Property Claim Map- Approximate

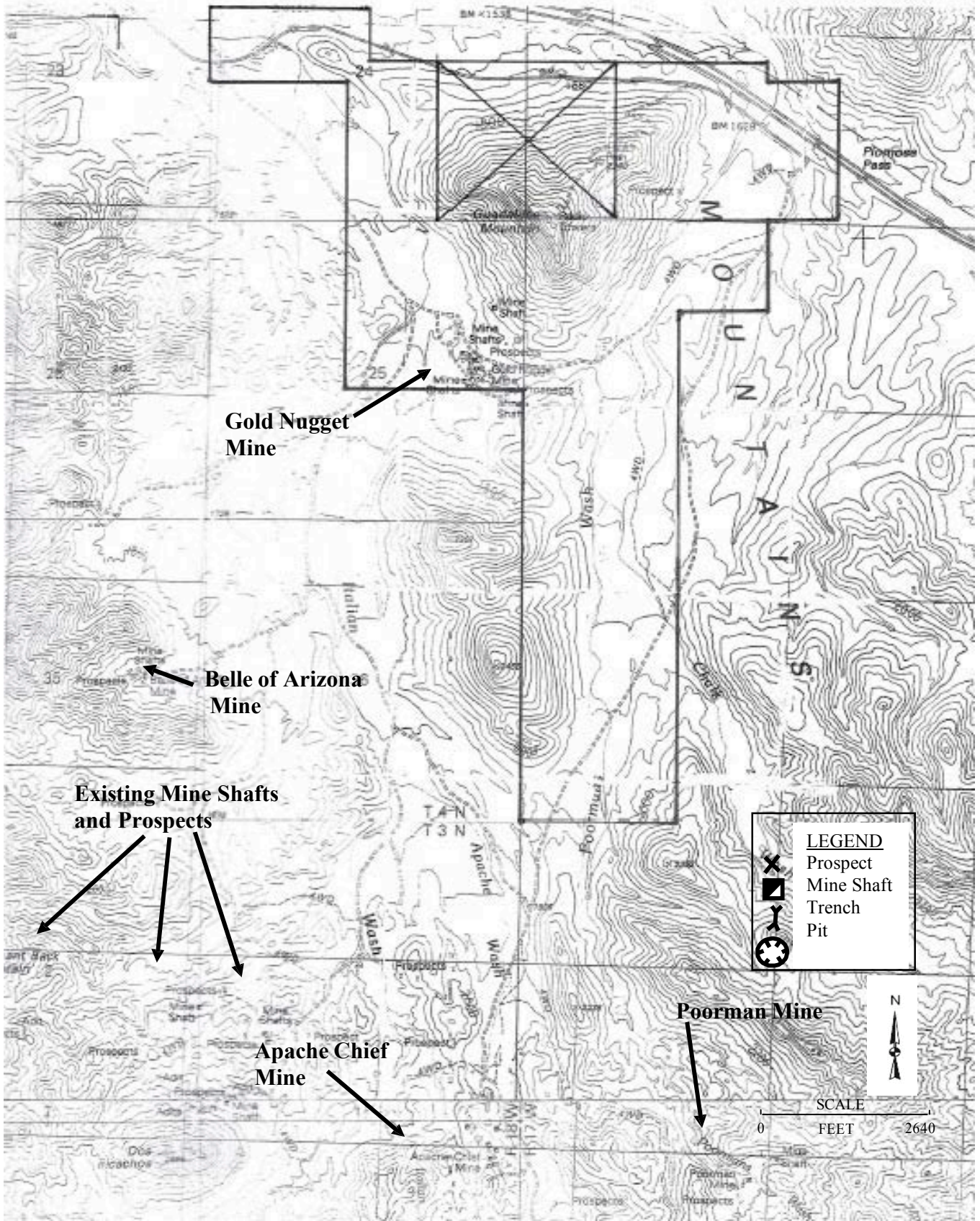


Figure 6.5: Gold Nugget Area Mine Development

To the best of PGS's knowledge, the Gold Nugget property is not subject to any environmental liabilities. There is previous surface disturbance resulting from historic exploration and development activities that occur locally on the project site, some of which are shown in Figure 6.6.

Item 7 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Gold Nugget Project is situated on land that is relatively unpopulated high desert with elevations ranging from 1500 to 2500 feet. Vegetation predominantly consists of sage brush and grasses, and current land use is wildlife habitat and recreational activities with no ongoing operations. The property is approximately 10 miles east of Quartzsite, Arizona, USA, and is accessed via US Interstate 10 and then on maintained and unmaintained roads. Most of the property can be traversed on dirt and gravel roads.

The site is located in the historic Plomosa Mining District which includes the eastern and western margins of the La Posa Plain. This plain is dissected by many shallow arroyos to its northward-flowing axial channel. These arroyos contain no water except for short periods after heavy rains. The Plomosa Mountains are west of the Gold Nugget property and are up to 2700 feet in elevation.

The climate of this region is extremely arid with the mean annual precipitation being four to five inches rain. The mean annual temperature for a period of 12 years is reported at 70.9° Fahrenheit. The summers are extremely hot and work in the open is typically restricted to the cooler parts of the day. The winter months are delightful and attract many visitors to the Quartzsite area.

Climatic conditions are such that the area can be worked year-round, with regard to the extreme heat during the summer months. Groundwater supplies should be readily obtainable by installing water wells, as a previous well installed to a depth of 750 feet was reported to produce 35 gallons per minute (gpm). Surface access will not be affected by weather conditions, and there are sufficient roads in place for access to all the claims. Power would have to be provided by generators. There are sufficient sources of labor in Quartzsite to the west and numerous communities to the east toward Phoenix. The large size of the project site allows for sufficient space for gravel extraction, processing, and concurrent reclamation.

Item 8 History

Kenneth R. Shepherd is the recorded owner of the P-1 through P-30 unpatented mining claims located on property administered by the Bureau of Land Management (BLM). Placer Mining Corporation (PMC) is the recorded owner of the Italian Wash, Poormans Wash, PM-1, PM-2, and PM-3 unpatented mining claims located on property administered by the BLM. Panos D. Giannetis is the President of PMC, which was formed in 2005.

PMC has completed all matters necessary to proceed with developing the deposits of gold and other heavy metals on the project site. The Company desires to bring the Gold Nugget Project into production as soon as possible, and is in negotiations with management, mining, consulting, engineering, and investment groups to get necessary funds to move the project toward ultimate production.

History of Mining

In 1862, Captain Pauline Weaver found the Indians along the Colorado River had gold nuggets to trade. In numerous prospecting trips found that the La Paz, Trigo, and Farrar Placers had been extensively worked by people the Indians would not discuss. By 1866 the La Paz diggings had extended around the Dome Rock Mountains west of Gold Nugget and into Goodman Arroyo, Arroyo La Paz, Farrar Gulch, and over into Middle Camp and southward into the Orb Fino and La Cholla Placers.

In 1873, the U.S. Government extended the Colorado River Indian Reservation southward, and another south extension was granted in 1876, which included most of the La Paz Placers. This greatly restricted mining and the La Paz placers were practically deserted, with most of the mining moving eastward to the Plomosa Mountains. Here again the placer miners found that an earlier people had mined the Plomosa Placers, with most work within the shallow ground where the bed rock was easily reached. By 1878, the Plomosa Placer, New York Placer (Smith Wash), and the Plomosita Placers were being worked. These placers extended southward along the western slope of the Plomosa Mountains and west of Scaddan Peak and Elephant Back Peaks.

The gold was recovered entirely by dry washing in gold pans or wooden bowls called "bateas". Picks and shovels were used to break up and handle the gold bearing material, and then it was processed for dry washing by using steel bars three or four feet long as pestles beating the rock in mortars. With such crude methods the miners were only able to recover the coarser gold and they threw away all the lead and iron that contained fine gold, as this interfered with their dry washing. It is estimated that over three million dollars worth of gold was recovered in the years 1868 to 1908.

The gold nuggets recovered in the late 1800's ranged in value from five cents to 10 dollars. Slugs of gold commonly contained in the bedrock crevices were worth \$20 \$40. The largest nugget found was valued at over \$1100. With the introduction of the dry washing machine, the average hard working miner was able to make over \$100 per day when gold was priced at \$20.40 per ounce.

In 1916, dry placer operations were successful in the Plomosa district, with depths of 20 to 30 feet being the lower limit to mining and a plant capacity of 1000 yards. The 1901 to 1931 value of production from the Plomosa placer district was stated as \$44,826, and there were 100 men working the district during the 1932 to 1933 winter.

The present Gold Nugget Mine is a hard-rock vein-controlled underground mine that has historically produced gold, silver, copper, lead, and iron. The mine has experienced numerous various levels of exploration, development, and production by several claim owners. The Arizona Department of Mining and Mineral Resources has an extensive file on the Gold Nugget Mine, and the Belle of Arizona, Apache Chief, and Poorman Mine located south of the property.

PGS believes various resource estimates stated by previous workers are relevant and reliable, though the historical estimate uses categories other than the ones set out in sections 1.2 and 1.3 of the Instrument. The difference is that previous workers use the terms "reserves" and "ore" when in fact the terms "resources" and "material" are more appropriate.

Item 9 Geological Setting

Regional Geology

The regional geology of the Plomosa Mountains is complex association of igneous and sedimentary rocks, and they range from Cambrian schists and gneisses to Tertiary-Quaternary volcanic rocks. The placers of the Plomosa Mountains here referred to are composed of intrusive igneous rock, some of which displays schistose structure and others holocrystalline granite texture. The age of the rocks are difficult to determine from the geologic evidence, although the schist is believed to be of Pre-Cambrian age and the granite much younger, probably Mesozoic age.

Sedimentary rocks range from fine-grain silver-white sericite schists to coarse grained biotite schist with interbedded thin marble beds. Granite gneisses, amphibolites schists, quartz-epidote schists, and granite comprise the larger igneous masses in the lower ridges. The lava flows of Tertiary-Quaternary age occur throughout the Plomosa Mountain Range. A large part of the range has been eroded away, especially where large faults and canyons occur along the western slopes of the Plomosa Mountains. Figures 9.1 and 9.2 provide a geologic map and legend of the regional geology.

Local Geology

Greenish-gray to black schistose porphyritic rock comprises the country rock in the vicinity of the Plomosa Placers. The rock is dominantly composed of quartz, orthoclase, and altered calcitic feldspars more or less enclosed in an aggregate of epidote, sericite, chlorite, hornblende, and calcite. Quartz magnetite together with hematite and lead are an important constituent, and may be the source of the placer gold found in the Plomosa Placers. Source rocks of the Plomosa Placers are quartz stringers, quartz monzonite, pegmatite, aplite, diorite, granodiorite, meta-sedimentary sequences, and also from the overlying Tertiary-Quaternary flows.

Property Geology

The alluvial placer gravels consist of schist, granite, and volcanic rocks derived from the Plomosa Mountains to the east. The schist exposures in the Plomosa Mountains contain gold-bearing quartz veins and stringers, and probably were a significant source of the placer gold deposits. These schists are geologically important because they are the host rocks of numerous prolific vein-controlled gold mines in Arizona. The Gold Nugget Property contains underlying gold placer gravels located within washes that drain the Plomosa Mountains, and these drainages obtain alluvial material from the Plomosa Mining District. Historic mines are located up-drainage from the property.

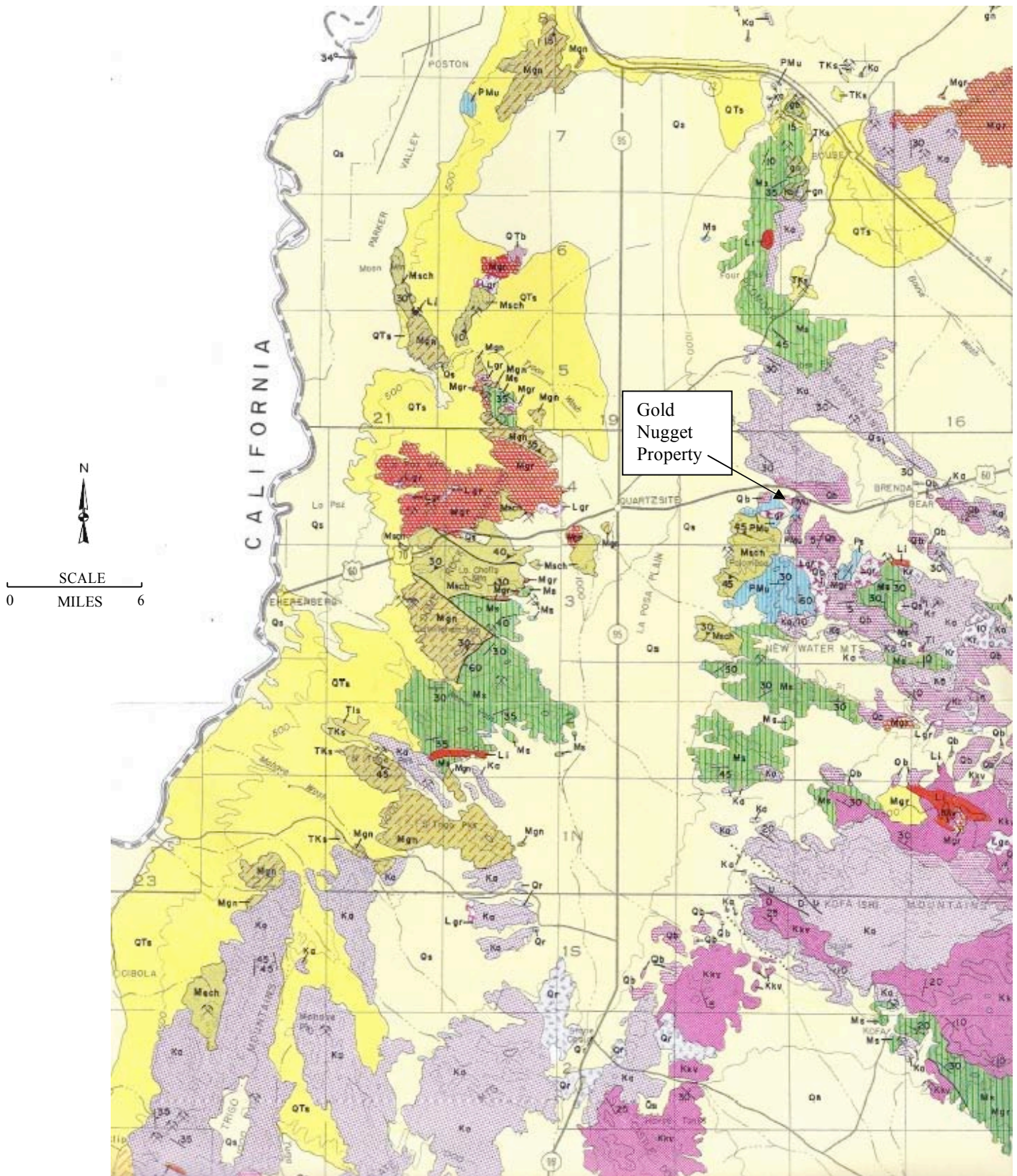


Figure 9.1: Geology Map

E X P L A N A T I O N

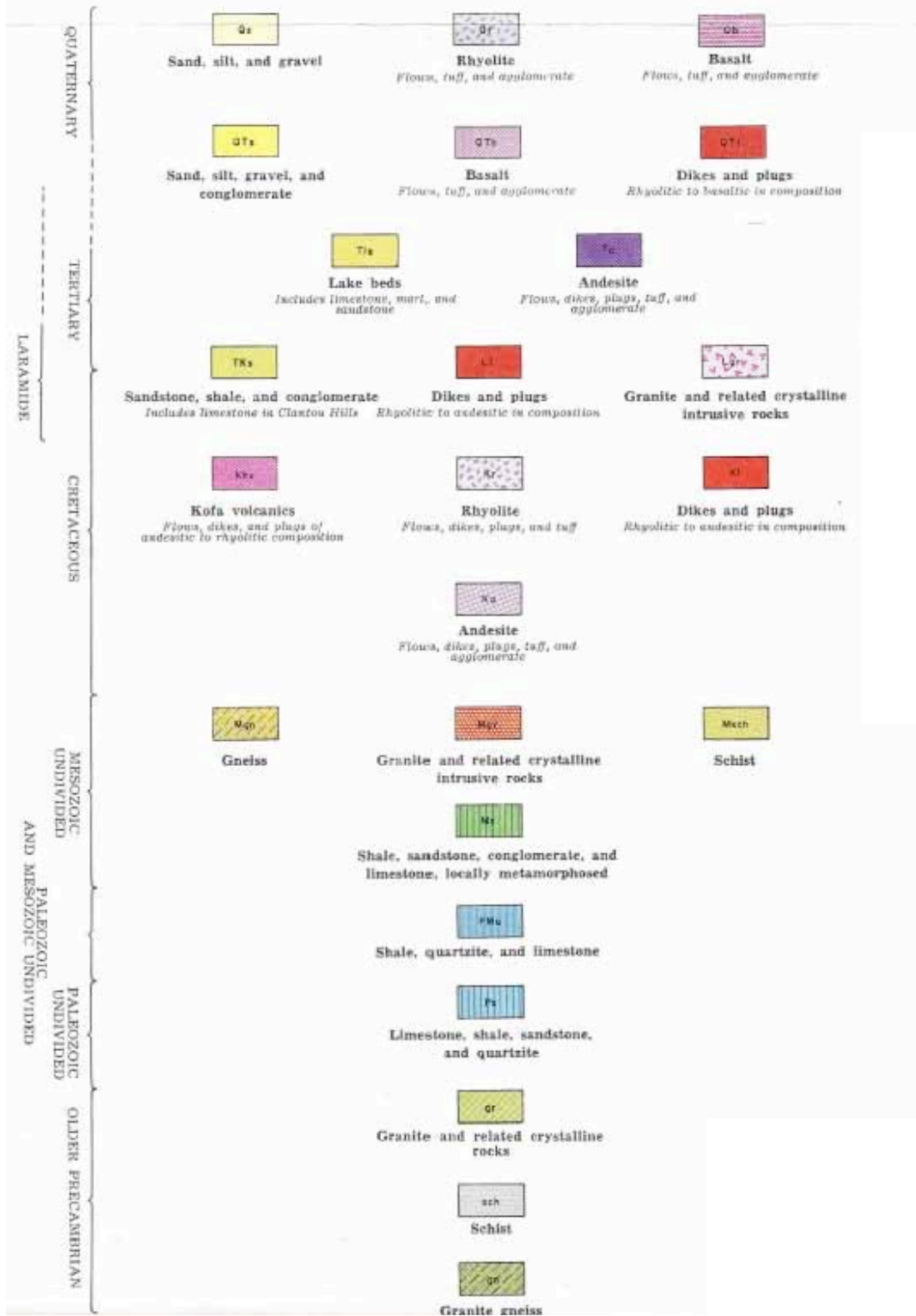


Figure 9.2: Geology Map Legend

Item 10 Deposit Types

The mineral deposit being investigated and explored is gold-bearing placer gravel deposits in current and historic washes. The primary source rocks of the Plomosa district placer deposits are quartz stringers, quartz monzonite, pegmatite, aplite, diorite, granodiorite, meta-sedimentary rocks, and from overlying Tertiary-Quaternary flows. In addition to the gold content, the gravels hosted on the property contain anomalous amounts of lead nodules. Black sands are plentiful in the processed placer-gravel concentrates and hold potential for recovery of additional heavy metals.

In the Gold Nugget area of the Plomosa district, the principal gulches or washes containing gold, silver, iron, and lead are the Italian Wash and Poorman Wash. In addition, the Colorado and Plomosa washes to the west are significant contributors of lead containing high grade gold. These washes contain the richest and most productive placers of the district. Much evidence is found of former work long buried by summer rainfall and flood. The thickness of the gold-bearing gravels is variable, and is estimated to range from a few feet along mountain slopes and within shallow washes to an unknown depth in the Italian Wash and Poorman Wash.

The geological model is essentially based on identifying areas of the highest gold concentration within the placer gravel deposits by exploration trenches and pits, and processing the gravels to recover gold and other heavy metals.

Item 11 Mineralization

The mineralized zones within the Gold Nugget Project region consist of occurrences of Au-Ag-Cu-Pb-Zn-Mn-Ba-Fe-W derived from bedrock located up-gradient in the Plomosa Mountains. Mineralization is varied, as summarized below:

- 1) Major gold placer deposits in washes from erosion of numerous quartz veins and veinlets in metamorphic rocks.
- 2) Spotty, partly oxidized copper and gold mineralization with minor lead and zinc, and with quartz, and iron and manganese oxides in irregular fault and fracture veins in metamorphosed Mesozoic sediments, and Cretaceous shale, sandstone, conglomerate, and limestone. Precambrian metamorphic rocks and Cretaceous or Tertiary volcanics, with intrusions of Laramide diorite and granite.
- 3) Manganese oxides in irregular, lenticular bodies and veinlets with variable amounts of iron oxides, calcite, barite, gypsum, and traces of beryllium along fracture and breccia zones in Cretaceous or Tertiary andesitic volcanics.
- 4) Spotty pods and stringers of copper, lead, and zinc minerals with silver and minor gold, and with associated iron and manganese, in faulted Paleozoic limestone blocks and in irregular veins in Cretaceous or tertiary andesite volcanics cut by Laramide quartz monzonite intrusive.
- 6) Gold and silver ores in irregular veins along fractures and fault zones associated with quartz stringers and Laramide diorite and granite porphyry dikes in Mesozoic schist.

The placer-gold mineralization extends for several thousand feet lengthwise within the current and historical drainages and dry-washes, is several hundred to several thousand feet wide, and is estimated to extend to a depth of 80 feet or more. Existing trenches, pits, shafts, and prospects suggest the gold mineralization is continuous and anomalously distributed throughout the gravels situated in the primary washes.

Item 12 Exploration

Historical Exploration

Most of the available data which PGS reviewed discusses the lode mines in the area, not much is reported on the placer gold potential. For example, the literature reports that workings include numerous scattered small mines and prospects in the northern and southern parts of the Plomosa Mining District. Deposits and placers have been known and worked intermittently since at least the early 1860's. Estimated and recorded production of base and precious metals from lode mines are estimated at 26,000 tons of ore containing about 526 tons of copper, 344 tons of lead, 65 tons of zinc, 7000 ounces of gold, and 127,400 ounces of silver. Placer production of gold is approximately 18,000 ounces with 1800 ounces of silver. Other metals include 9000 long tons of low-grade manganese ore, 500 tons of iron ore, 2700 tons of barite ore, one ton of tungsten concentrates, and a small amount of bentonite clay also have been produced. Some chrysoprase has been mined and sold for gem material.

PGS 2010 Exploration

PGS examined the Gold Nugget Property on April 7 through 10, 2010. PGS followed the applicable Mineral Exploration Best Practices Guidelines recommended by the Canadian Council of Professional Geoscientists and established by the Mining Task force of the Toronto Stock Exchange and Ontario Securities Commission.

The geologic evaluation consisted of general geologic and logistic reconnaissance and photography of the property, bulk sample extraction and processing, gravity separation of coarse and fine gold, and collection of concentrates and sluice "slime" samples for geochemical analysis. PGS coordinated and supervised the collection and processing of 16 bulk samples of placer gravels from various surface exposures on property. Table 12.1 provides the GPS coordinates in latitude and longitude for sample sites GN1 through GN12, and Figure 12.1 provides the location of the sample collection sites at Gold Nugget. PGS collected two samples from sites GN2, GN7, GN8, and GN12: one shallow sample (surface to about five feet), and one deep sample (five to eight feet).

The PGS 2010 exploration program consisted of extracting nominal 500-pound placer-gravel samples from in-place gravel deposits from existing washes and gulches using a back-hoe loader under the supervision of PGS. Figure 12.2 presents photographs of representative gravel washes present in numerous areas on the Gold Nugget property. Sample areas selected were separated by a reasonable distance and were typically from significant-size washes. The intent was also to collect samples of gravel from the surface (shallow), and if possible from depth (deep). At sites GN2, GN7, GN8, and GN12 both shallow and deep samples were collected, and the samples were labeled accordingly, such as GN2S or GN2D for shallow and deep.

Table 12.1: PGS Sample Site GPS Coordinates

Sample Site Number	Latitude	Longitude
GN 1	North 33 ⁰ 39.672'	West 114 ⁰ 03.831'
GN 2	North 33 ⁰ 39.653'	West 114 ⁰ 03.804'
GN 3	North 33 ⁰ 39.695'	West 114 ⁰ 03.771'
GN 4	North 33 ⁰ 39.716'	West 114 ⁰ 03.838'
GN 5	North 33 ⁰ 39.807'	West 114 ⁰ 03.873'
GN 6	North 33 ⁰ 39.902'	West 114 ⁰ 03.875'
GN 7	North 33 ⁰ 39.986'	West 114 ⁰ 03.928'
GN 8	North 33 ⁰ 40.048'	West 114 ⁰ 04.031'
GN 9	North 33 ⁰ 39.695'	West 114 ⁰ 03.356'
GN 10	North 33 ⁰ 39.804'	West 114 ⁰ 03.323'
GN 11	North 33 ⁰ 39.882'	West 114 ⁰ 03.374'
GN 12	North 33 ⁰ 39.993'	West 114 ⁰ 03.215'

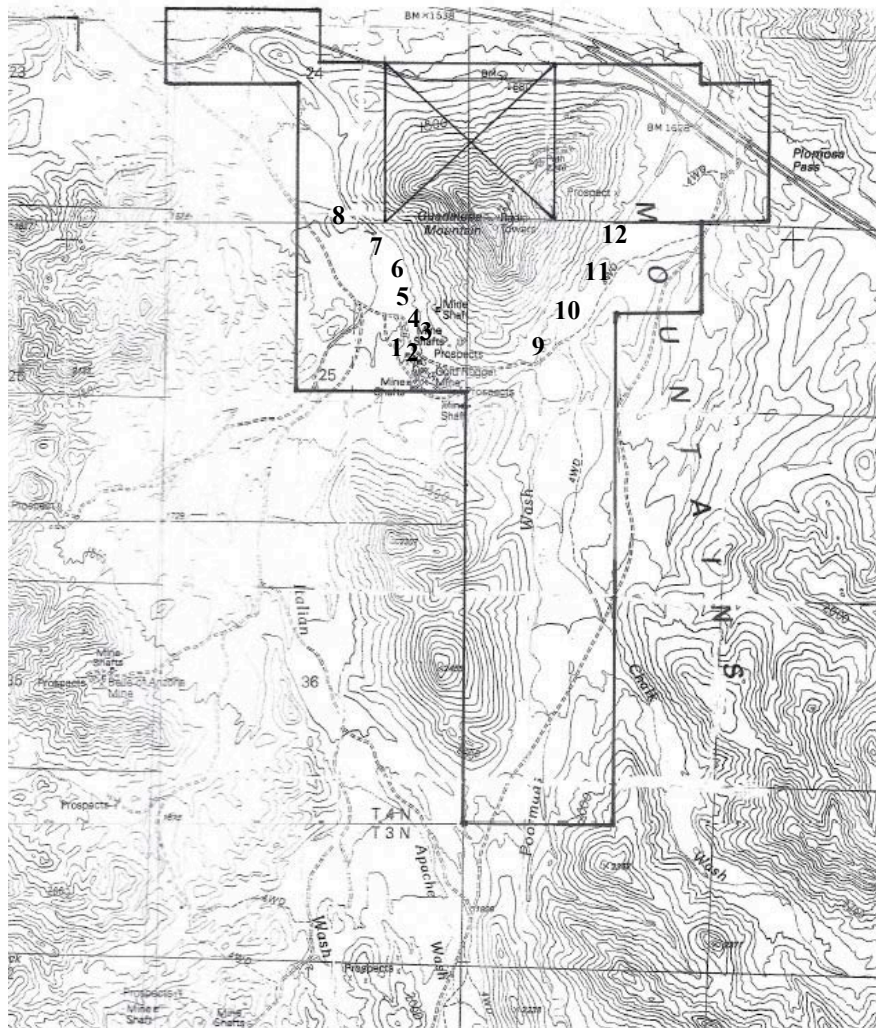


Figure 12.1: PGS Exploration Sample Locations

The sample sites were selected to obtain representative samples of the placer gravel deposits on the property. The sample sites were tens of square feet in size and spaced hundreds of feet apart. Some of the sites were also selected in areas of existing disturbance that can be extracted and processed without creating significant additional disturbance. Figure 6.6 shows some of the existing disturbance on the property. Crystal Pistol intends to keep the environmental impact of the proposed mining operation to a minimum.

The 500-pound samples were sifted through a ½-inch minus screen to produce approximately 200 pounds of silt, sand, and gravel. The ½-inch minus material was wet-washed with a “4X4 Gold Buggy” sluice manufactured by Roper Manufacturing (Lincoln, Montana), to produce a concentrate (Figure 12.3). The concentrate (commonly called “cons”) was collected from specially designed carpet and mats beneath the wash area of the Gold Buggy, and then placed into new, clean, pre-labelled gallon-size “Zip-Loc” plastic bags and tightly sealed. Samples of the very fine “slimes” remaining in the Gold Buggy sluice were also collected and placed into new, clean, pre-labelled gallon-size “Zip-Loc” plastic bags and tightly sealed. The sealed bags of concentrate and slime were collected by PGS and placed into a secure locked vehicle.

The concentrate was gravity-separated in a spiral wheel to extract the contained gold (Figure 12.4), which was placed into pre-labelled vials (Figure 12.5). The gold nuggets and flakes were then weighed on a scale calibrated in milligrams, and the weight of the gold was noted. The vials of gold were immediately collected by PGS and placed into a secure locked vehicle. The concentrate remaining after gravity separation of the gold was again placed into new, clean, pre-labelled gallon-size “Zip-Loc” plastic bags and tightly sealed. The sealed bags of concentrate were collected by PGS and placed into a secure locked vehicle. The concentrate and slime samples were delivered to American Assay Laboratory in Sparks, Nevada for analysis by fire assay and Inductively Coupled Plasma (ICP).

The weight of gold in milligrams (mg) was converted to ounces gold per ton and ounces gold per yard by the following formulas:

$$\frac{\text{mg}}{500\text{-pound}} \times \frac{\text{gram}}{1000 \text{ mg}} \times \frac{0.032 \text{ Troy ounce}}{\text{gram}} \times \frac{4 \text{ samples}}{\text{ton}} = \frac{\text{ounces gold}}{\text{ton}}$$

$$\frac{\text{ounces gold}}{\text{ton}} \times \frac{1.5 \text{ tons}}{\text{cubic yard}} = \frac{\text{ounces gold}}{\text{cubic yard}}$$

The weight of gold in grams was converted to grams per tonne and grams per cubic meter by the following formulas:

$$\text{gram} \times \frac{4 \text{ samples}}{\text{ton}} \times \frac{1.1 \text{ ton}}{\text{tonne}} = \frac{\text{grams gold}}{\text{tonne}}$$

$$\text{gram} \times \frac{4 \text{ samples}}{\text{ton}} \times \frac{1.5 \text{ tons}}{\text{cubic yard}} \times \frac{1.3 \text{ cubic yard}}{\text{cubic meter}} = \frac{\text{grams gold}}{\text{cubic meter}}$$

The results of the above calculations are provided in Table 12.2. PGS did not expect to recover gold in every sample. For example, site GN3 was located in a dry gully amongst bedrock to explore the possibility of gold in the volcanic bedrock. As expected, no gold was recovered at site GN3, and the results were not used in the calculations and results within Table 12.2.

TABLE 12.2: PLACER GOLD RECOVERY RESULTS

Sample Site Number	Weight			Gold Grade	
	Milligrams	Grams	Troy Oz	Oz per Ton	Oz per Cubic Yard
GN1	736	0.736	0.024	0.094	0.141
GN2S	606	0.606	0.019	0.078	0.116
GN2D	1043	1.043	0.033	0.134	0.200
GN4	694	0.694	0.022	0.089	0.133
GN5	524	0.524	0.017	0.067	0.101
GN6	193	0.193	0.006	0.025	0.037
GN7S	801	0.801	0.026	0.103	0.154
GN7D	691	0.691	0.022	0.088	0.133
GN8S	1112	1.112	0.036	0.142	0.214
GN8D	964	0.964	0.031	0.123	0.185
GN9	217	0.217	0.007	0.028	0.042
GN10	302	0.302	0.01	0.039	0.058
GN11	360	0.36	0.012	0.046	0.069
GN12S	422	0.422	0.014	0.054	0.081
GN12D	446	0.446	0.014	0.057	0.086
Total	9111	9.111	0.292	---	---
Average	607.4	0.6074	0.019	0.078	0.117

Sample Site Number	Weight		Gold Grade	
	Milligrams	Grams	Gram per Tonne	Gram per Cubic Meter
GN1	736	0.736	3.238	5.741
GN2S	606	0.606	2.666	4.727
GN2D	1043	1.043	4.589	8.135
GN4	694	0.694	3.054	5.413
GN5	524	0.524	2.306	4.087
GN6	193	0.193	0.849	1.505
GN7S	801	0.801	3.524	6.248
GN7D	691	0.691	3.040	5.390
GN8S	1112	1.112	4.893	8.674
GN8D	964	0.964	4.242	7.519
GN9	217	0.217	0.955	1.693
GN10	302	0.302	1.329	2.356
GN11	360	0.360	1.584	2.808
GN12S	422	0.422	1.857	3.292
GN12D	446	0.446	1.962	3.479
Total	9111	9.111	---	---
Average	607.4	0.607	2.673	4.738



Figure 12.2: Photographs of Sample Sites



Figure 12.3: Photographs of Gold Processing



Figure 12.4: Photographs of Gold Gravity Separation



Figure 12.5: Photographs of Recovered Gold

The total average gold grade calculated from the results of the PGS 2010 exploration program is 0.078 ounces per ton, or 0.117 ounces per cubic yard. The weight of the extracted gold can be converted to represent grams gold per tonne and grams gold per cubic meter for each sample site. The total average gold grade calculated from the results of the PGS 2010 exploration program is 2.673 grams per tonne, or 4.738 grams per cubic meter.

Because sites GN1 through GN8 are within Italian Wash and sites GN9 through GN12 are within Poorman Wash, the gold recovery results are evaluated separately. The average gold grade calculated from Italian Wash is 0.094 ounces per ton, or 0.141 ounces per cubic yard. The average gold grade calculated from Poorman Wash is 0.045 ounces per ton, or 0.067 ounces per cubic yard. The average gold grades from the separate washes were used in the mineral resource estimates provided in Item 19.

Item 13 Drilling

To PGS's knowledge, no exploratory drilling has been conducted on the Gold Nugget Project. However, because of the large content of placer gravels exposed on the surface in large trenches and pits, it is not deemed necessary for exploratory drilling to occur before implementation of development and production activities.

Item 14 Sampling Method and Approach

Previous exploration programs in the property area were of a preliminary or prospecting nature, and the sampling method and approach are unknown. PGS does not know if previous sampling was conducted by an employee, officer, director or associate of the issuer. Therefore, PGS will not use previous or historical sampling and analytical data as part of this Technical Report.

PGS 2010 Sample Collection Protocol

PGS followed the applicable Mineral Exploration Best Practices Guidelines recommended by the Canadian Council of Professional Geoscientists and established by the Mining Task force of the Toronto Stock Exchange and Ontario Securities Commission. As stated in Item 12 Exploration, nominal 500-pound placer-gravel exploration samples were extracted from gravel washes using a back-hoe loader under the supervision of PGS. Figure 12.1 provides a map of the location of the sample sites. Figure 12.2 presents photographs of representative gravel washes and gulches present on the Gold Nugget property. The bulk samples were processed on site under the supervision of PGS. The April 2010 exploration program conducted by PGS is discussed in detail in Item 12 Exploration.

Sample areas selected were separated by a reasonable distance and represent a mix of gravel from various depths. The intent was collect samples of gravel from the surface down to about eight feet. The samples were taken from an area that was large enough to be representative of a large scale mining project. It was not expected to recover gold in every sample as shown in Table 12.2, which indicates the gold is fairly evenly distributed throughout the area sampled.

The sample sites were selected to obtain representative samples of the placer gravel deposits on the property. The sample sites were tens of square feet in size and spaced hundreds of feet apart. The sites were also selected in areas of thick gravel washes that can be extracted and

processed without creating significant additional disturbance. Crystal Pistol intends to keep the environmental impact of the proposed mining operation to a minimum.

The 500-pound samples were sifted through a ½-inch minus screen, wet-washed to produce a concentrate (Figure 12.3), and the concentrate was placed into new, clean, pre-labelled gallon-size “Zip-Loc” plastic bags and tightly sealed. Samples of the very fine “slimes” remaining in the wet-wash sluice were also collected and placed into new, clean, pre-labelled gallon-size “Zip-Loc” plastic bags and tightly sealed. The sealed bags of concentrate and slime were collected by PGS and placed into a secure locked vehicle.

PGS supervised the process as the concentrate was gravity-separated in a spiral wheel to extract the contained gold (Figure 12.4), which was placed into pre-labelled vials (Figure 12.5). The gold nuggets and flakes were then weighed on a scale calibrated in milligrams, and the weight of the gold was noted. The vials of gold were immediately collected by PGS and placed into a secure locked vehicle. The concentrate remaining after gravity separation of the gold was again placed into new, clean, pre-labelled gallon-size “Zip-Loc” plastic bags and tightly sealed. The sealed bags of concentrate were collected by PGS and placed into a secure locked vehicle.

There were no factors that could materially impact the accuracy and reliability of the results. The samples were of good quality and representative of the project, and no sample bias was implemented. The rock type was placer gravel that is lithologically controlled by the up-gradient geologic formations from which the gravels were eroded. A summary of the sample characteristics is provided in Item 12 Exploration.

Item 15 Sample Preparation, Analyses and Security

Previous exploration programs in the property area were of a preliminary or prospecting nature, and the security of samples is unknown. PGS does not know if previous sample preparation, analyses and security were conducted by an employee, officer, director or associate of the issuer. Therefore, PGS will not use previous or historical sampling and analytical data as part of this Technical Report.

PGS 2010 Sample Preparation, Analyses and Security Protocol

As stated in Item 14 Sampling Method and Approach, nominal 500-pound placer-gravel exploration samples were collected under the supervision of PGS. The bulk samples were also processed on site under the supervision of PGS. The April 2010 exploration program conducted by PGS is discussed in detail in Item 12 Exploration.

The 500-pound samples were sifted through a ½-inch minus screen, wet-washed with a “Gold Buggy” sluice to produce a concentrate (Figure 12.3), and the concentrate was placed into new, clean, pre-labelled gallon-size “Zip-Loc” plastic bags and tightly sealed. Samples of the very fine “slimes” remaining in the wet-wash sluice were also collected and placed into new, clean, pre-labelled gallon-size “Zip-Loc” plastic bags and tightly sealed. The sealed bags of concentrate and slime were collected by PGS and placed into a secure locked vehicle.

PGS supervised the process as the concentrate was gravity-separated in a spiral wheel to extract the contained gold (Figure 12.4), which was placed into pre-labelled vials (Figure 12.5).

The gold nuggets and flakes were then weighed on a scale calibrated in milligrams, and the weight of the gold was noted. The vials of gold were immediately collected by PGS and placed into a secure locked vehicle.

The concentrate remaining after gravity separation of the gold was again placed into new, clean, pre-labelled gallon-size “Zip-Loc” plastic bags and tightly sealed. The sealed bags of concentrate were collected by PGS and placed into a secure locked vehicle. The bags of concentrate and slime were then placed into boxes which were then sealed with packing tape.

Mr. Parkinson, independent Qualified Person, personally transported the concentrate and slime samples directly to the local United States Postal Service office located in Quartzsite, Arizona. Mr. Parkinson instructed the Postal Service to ship the samples directly to American Assay Laboratories, 1500 Glendale Avenue, Sparks, Nevada 89431 (775-356-0606) for laboratory analysis. Sample security measures were exercised during sample collection, transport, packaging, and shipment to the laboratory.

The samples were split and reduced as discussed above, and the sample collection and security by PGS was not conducted by an employee, officer, director or associate of the issuer. American Assay Laboratories is an accredited assay lab that utilizes standard sample preparation and analytical procedures for metal content. Portions of the sample processing procedures were conducted by an employee, officer, director or associate of the issuer, however, these procedures were coordinated, supervised, and directed by Craig L. Parkinson.

At this stage of the Gold Nugget project, the quality control measures and check assay methods are being formulated for the level of the project. No corrective actions are recommended at this time. It is the opinion of the author that the sample preparation, security, and analytical procedures are adequate for this project.

Item 16 Data Verification

The data in this Technical Report was supplied by various sources and independently obtained by PGS for use in assessing the resources of gold and other heavy metals present on the Gold Nugget Project. Item 23 References provides a summation of the information reviewed by PGS, either for this Technical Report or for previous geologic evaluations.

PGS conducted field examinations over the past five years to verify the placer gravel occurrences, outcrop thickness, prospect and trench locations, bedding orientation, access, and infrastructure availability. PGS performed an extensive review of the previous mining and project development activities for the Gold Nugget property. The rock types, extent and thickness of gold-bearing placer gravels, and general geologic characteristics were checked for consistency and accuracy, and no discrepancies were observed. PGS also reviewed available maps, aerial photos, laboratory assay results and certificates, project reports and relevant references to verify the data as accurate and reliable.

The various documents reviewed during the course of preparing the Technical Report appear reliable, including original laboratory test results and certificates, and nothing came to the author’s attention that would indicate the information was unreliable or had been misrepresented. Available references indicate that previous analytical laboratories used appropriate sample testing protocol. The author presumes this information has been prepared by qualified individuals and has not been misrepresented in the existing reports.

A review of the information available on the project was conducted by PGS. It is our opinion that the historic examination methods used to evaluate the gold content and geology of the property were of high quality and conducted by professionals utilizing standards commonly used in the mining industry.

Item 17 Adjacent Properties

This Technical Report focuses on the mining potential of the claims within the Gold Nugget Project area. Properties located outside of the project site were not examined other than for historical background information.

Item 18 Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testing data is available for the Gold Nugget Project.

Item 19 Mineral Resource and Mineral Reserve Estimates

The CIM Definition Standards state, in part, that a mineral resource is an occurrence of natural solid material in the Earth's crust in such form, quantity, and quality (grade) that the material has a reasonable prospect for economic extraction. PGS believes that the location, quantity, grade, continuity, and geologic characteristics of the Gold Nugget Property mineral resources are known and have been adequately interpreted from the available geologic evidence, data, and sample test results. The Gold Nugget Project mineral resources have a reasonable prospect for economic extraction by modern surface mining methods, and under current metal prices and economic conditions. Mineral resources that are not mineral reserves do not have economic viability at this time.

Historical Resource Evaluations

PGS did not obtain or review any historical mineral resource evaluations or resultant quantitative resource estimates compiled for the Gold Nugget Project reported herein.

Mineral Resource Classification

The author of this report evaluated the mineral resource models for the Gold Nugget Project based on the available geological and assay information on the property. The resource classifications conform to the CIM classification of NI 43-101 resource definitions and Companion Policy 43-101CP. The mineral resources have been classified according to the CIM Standards on Mineral Resources and Reserves: Definitions and Guidelines - November 2005.

A Mineral Resource is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade,

geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.

The term Mineral Resource covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined by the consideration and application of technical, economic, legal, environmental, socio-economic and governmental factors. The phrase 'reasonable prospects for economic extraction' implies judgment by the Qualified Person in respect of the technical and economic factors likely to influence the prospect of economic extraction. A Mineral Resource is an inventory of mineralization that under realistically assumed and justifiable technical and economic conditions might become economically extractable. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Mineral Resources are sub-divided in order of increasing geological confidence into Inferred, Indicated, and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

The CIM Definition Standards states, in part, that a Measured Mineral Resource is part of a mineral resource in which the quantity, grade, density, shape, and physical characteristics are well established. These parameters were estimated with a level of confidence sufficient to allow the appropriate application of technical and economic factors to support production planning and evaluation of the economic viability of the deposit. The Mineral Resource estimates in this Technical Report were not classified as Measured Mineral Resources due to a lack of assay density and extent.

An Indicated Mineral Resource is part of a mineral resource in which the quantity, grade, density, shape, and physical characteristics are established with a level of confidence sufficient to allow the appropriate application of technical and economic factors for a preliminary evaluation of the economic viability of the deposit. A portion of the Mineral Resource estimates in this Technical Report were classified as Indicated Mineral Resources and occur in the area where outcrops, trenches, pits, and workings are spaced closely enough for geological and grade continuity to be reasonably assumed. This is where PGS conducted exploration sampling, processing, and gold recovery procedures.

An Inferred Mineral Resource is based on geologic evidence, historic and modern sampling, and reasonable geologic and grade continuity assumptions. Likewise, a portion of the Mineral Resource estimates in this Technical Report were classified as Inferred Mineral Resources based on geologic information obtained by appropriate techniques from outcrops, trenches, pits, and workings spaced closely enough for geological and grade continuity to be reasonably assumed.

Gold recovery results from placer gravel samples collected were used to calculate estimates of the volume of material and potential grade. During the evaluation of the mineral resource estimates contained in this Technical Report, the author followed the requirements stated within the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards, November 22, 2005, excerpts of which follow:

"Mineralization or other natural material of economic interest may be classified as a Measured Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of

data are such that the tonnage and grade of the mineralization can be estimated to within close limits and that variations from the estimate would not significantly affect potential economic viability. This category requires a high level of confidence in, and understanding of, the geology and controls of the mineral deposit.”

“Mineralization may be classified as an Indicated Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and to reasonably assume the continuity of mineralization. The Qualified Person must recognize the importance of the Indicated Mineral Resource category to the advancement of the feasibility of the project. An Indicated Mineral Resource estimate is of sufficient quality to support a Preliminary Feasibility Study which can serve as the basis for major development decisions.”

“Due to the uncertainty which may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters to enable an evaluation of economic viability worthy of public disclosure. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies.”

The author has not identified any environmental, permitting, legal, title, taxation, socio-economic, marketing or political factors that might impact the estimate of mineral resources identified in this Technical Report, and no unusual mining constraints are anticipated to exist. This Technical Report did not identify any mining, metallurgical, infrastructure or other relevant factors that may materially affect the estimates of the mineral resources or potential production.

PGS Mineral Resource Estimates

Mineral resources that comply with CIM definitions and standards for a NI 43-101 Technical Report have been identified for the Gold Nugget Project. The existing available topographical, geological, mineralogical, geochemical, and sample collection and processing information contains sufficient resource classification information to generate indicated and inferred mineral resource estimates.

Indicated Resource Estimates

The amount of gold-bearing gravel on the property is estimated by measuring the width and length of the gold-bearing washes, incorporating a presumed (but yet undetermined) depth, and then calculating an approximate volume of gravel in cubic yards. The area of gravel washes was estimated from the claim group map, topographic maps, aerial photographs, and observations in the field. The existing trenches, pits, and gravel-filled washes on the Gold Nugget property show the depth of gravel extends to a considerable depth. Previous workers estimated the depth of gravel on the property at 90 feet. To be conservative, PGS used a nominal depth of 60 feet for the thickness of gravel on the property at the sites samples and tested.

The tonnage of gravel is determined using a conversion factor of 1.5 tons per cubic yard. The amount of placer gold on the property is estimated by multiplying the tons of gravel by the average gold grade. The Indicated Resource Estimate herein is based on available claim configuration boundaries overlaid on USGS topographic maps. The accuracy is limited by the

accuracy of the claim configuration maps and the overlay methodology. The claim boundaries have not been surveyed or field-checked by PGS.

The west side of the Gold Nugget Property in the Italian Wash contains approximately 8 million cubic yards or 12 million tons of placer gravel. At an average grade of 0.094 ounces gold per ton, the Italian Wash area contains roughly 1.13 million ounces of gold. Likewise, the east side of the property in Poormans Wash contains about 5 million cubic yards or 7.7 million tons of placer gravel. At an average grade of 0.045 ounces gold per ton, the Poormans Wash area contains 345,000 ounces of gold. Thus, the Gold Nugget Project contains Indicated Mineral Resources within the washes tested by PGS, and the results are summarized below.

Indicated Mineral Resource Estimates

<u>Region</u>	<u>Gravel Resources</u>		<u>Gold Grade</u> <u>Ounces/Ton</u>	<u>Contained Gold</u> <u>Ounces</u>
	<u>Cubic Yards</u>	<u>Tons</u>		
Italian Wash	8 million	12 million	0.094	1.13 million
Poormans Wash	5 million	7.7 million	0.045	345,000
Total	13 million	19.7 million	0.075	1.48 million

Inferred Resource Estimates

The 80-acre placer claim called Italian Wash is adjacent to Gold Nugget “P-Group” of placer claims which PGS sampled and tested. The Italian Wash claim is situated over a considerable thickness of placer gravels in the lower end of Italian Wash, and the projected depth is 90 feet. The resultant contained quantity of gravel is 11.6 million cubic yards or 17.4 million tons. At a grade of 0.094 ounces per ton, the Italian Wash claim may contain and estimated 1.64 million ounces of gold.

Likewise, the four 160-acre placer claims called Poormans Wash, PM-1, PM-2, and PM-3 are adjacent to the Gold Nugget “P-Group” of placer claims which PGS sampled and tested. These four claims are situated over a considerable thickness of placer gravels in the upper and lower reaches of Poormans Wash, and the projected depth is 90 feet. The resultant contained quantity of gravel is 93 million cubic yards or 139.4 million tons. At a grade of 0.045 ounces per ton, the four Poormans Wash claims may contain an estimated 6.27 million ounces of gold. Thus, the Gold Nugget Project contains Inferred Mineral Resources within the washes not tested by PGS, but adjacent to those tested, and the results are summarized below.

Inferred Mineral Resource Estimates

<u>Region</u>	<u>Gravel Resources</u>		<u>Gold Grade</u> <u>Ounces/Ton</u>	<u>Contained Gold</u> <u>Ounces</u>
	<u>Cubic Yards</u>	<u>Tons</u>		
Italian Wash	11.6 million	17.4 million	0.094	1.64 million
Poormans Wash	93 million	139.4 million	0.045	6.27 million
Total	104.6 million	156.8 million	0.050	7.91 million

The above mineral resource estimates can be converted to metric units using the conversion factors of 31.1 grams per Troy ounce and 1.1 tons per tonne. The Indicated and Inferred Mineral Resource estimates are summarized in Table 19.3.

Table 19.3 Jackpot Placer Project Mineral Resource Estimates

	<u>Gravel Resource Tons</u>	<u>Gold Grade Ounces/Ton</u>	<u>Ounces Gold</u>
Indicated Resources	19.7 Million	0.075	1.48 Million
Inferred Resources	156.8 Million	0.050	7.91 Million
	<u>Gravel Resource Tonnes</u>	<u>Gold Grade gm/Tonne</u>	
Indicated Resources	17.9 Million	2.65	
Inferred Resources	142.5 Million	1.83	

Item 20 Other Relevant Data and Information

On September 20, 2007 the BLM Yuma Field Office submitted a decision letter to Placer Mining Corporation that the reclamation bond financial guarantee submitted by PMC in the amount of \$26,091 has been accepted for notice-level operations at the Gold Nugget Property.

Himes Consulting LLC of Chandler Arizona submitted a report titled “Biological Evaluation For Gold Nugget Mine, West Nevada Precious Metals” dated October 2004 which provided an identification of the plant and animal species present at the general project site, and summarized there were no sensitive habitats on the property.

Archaeological Research Services, Inc. of Tempe Arizona submitted a report titled “A Class III Cultural Resources Survey of 40 acres of U.S. Bureau of Land Management Land within the Gold Nugget Mining Claim” dated August 13, 2004 which summarized there were two isolated occurrences on the Gold Nugget Mining Claim, but they do not represent important cultural resources.

To the best of PGS’s knowledge, all relevant information has been included with this Technical Report.

Item 21 Interpretation and Conclusions

PGS concludes the results of surface geologic investigations, reconnaissance-level geologic mapping, placer gravel sample collection and processing, independent laboratory analyses, and review of available geology, mining, and engineering reports indicate the Gold Nugget Project holds significant potential for development of gold resources. The Gold Nugget Project contains Indicated Mineral Resources estimated at 19.7 million tons with an average gold grade of 0.075 ounces per ton and containing 1.48 million ounces gold. The Gold Nugget Project contains

Inferred Mineral Resources estimated at 156.8 million tons with an average gold grade of 0.050 ounces per ton and containing 7.91 million ounces gold.

Item 22 Recommendations

PGS recommends for Crystal Pistol to proceed with the project as proposed by Crystal Pistol, including preparing a Plan of Operations application as required by the BLM.

Item 23 References

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Item 24 Date and Signature Page

Certificate of Qualified Person

I, Craig L. Parkinson, PG, hereby certify that:

1. I am a United States citizen with mailing address of Post Office Box 3481, Grass Valley, California 95945 USA.
2. I was graduated from the University of Nevada, School of Mines (MS Hydrogeology) in 1993, the University of Idaho, College of Mines (MS Mining Geology) in 1984, and Cornell College, Iowa (BS Geology) in 1980.
3. I am a professional geologist registered in the State of Arizona (PG #30843).
4. I have experience in my profession since 1981 in the field of exploring, developing, and producing industrial minerals, aggregates, precious metals, and base metals. Applicable employment includes Superior Oil Company Minerals Division (1981), Freeport Gold Company (1984-1987), Battle Mountain Exploration (1987), American Copper and Nickel Company (1988-1991), Kleinfelder Inc. (1992-1997), Texas Industries (1997-2000), CMC, Inc. (2000-2002), Vector Engineering (2005-2007), West Coast Engineering (2007-2009), and Parkinson Geologic Services (2002-Present).
5. I have read the definition of “qualified person” set out in National Instrument 43-101 and certify that I fulfill the requirements to be a “qualified person” for the purposes of the Instrument.
6. The Technical Report is titled “National Instrument 43-101 Technical Report of the Gold Nugget Project, La Paz County, Arizona, USA” dated May 12, 2010 and I was the principal author of Sections 1 through 26. I visited the property on April 7 through 10, 2010.
7. I have not had prior involvement with the property that is subject of this Technical Report.
8. As of the date of this certificate, to the best of my knowledge, information, and belief, the Technical Report contains all the technical information that is required to be disclosed to make the Technical Report not misleading.
9. I am independent of Gold Nugget applying the tests in Section 1.4 of National Instrument 43-101.
10. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that Instrument and Form.

Prepared in Grass Valley, California on May 12, 2010.

Craig L Parkinson

Craig L. Parkinson, PG
Parkinson Geologic Services
Professional Geologist- Arizona #30843



**Item 25 Additional Requirements for Technical Reports on Development Properties
and Production Properties**

This item is not applicable to this Technical Report.

Item 26 Illustrations

The illustrations are included in the body of the report as appropriate.

PARKINSON GEOLOGIC SERVICES
 PO Box 3481 • Grass Valley CA 95945-3481
 Cell Phone: 530.305.4677
 www.parkinsongeologic.com

April 14, 2010

Peter H. Pocklington
 130 Running Springs Drive
 Palm Desert CA 92211

GOLD NUGGET PROPERTY SUMMARY
 La Paz County, Arizona

Dear Mr. Pocklington:

Parkinson Geologic Services (PGS) presents the following summary of placer gravel sampling activities conducted on the Gold Nugget Property located in La Paz County, Arizona. The Gold Nugget claim group consists of 31 Placer Mining Claims, numbered P-1 through P-31 on the attached site map.

On April 7, 8, and 9, PGS coordinated and supervised sampling and gold testing of 12 sample pit locations using a backhoe and Gold Buggy wet-wash sluice. The 12 sites are labeled on the attached site map as numbers 1 through 12, and were designated GN1 through GN12 in the field. Sites GN1 through GN8 are situated on the west side of the claim group in the Italian Wash area, and sites GN9 through GN12 are on the east side of the property in Poormans Wash.

A 500 pound placer gravel sample was collected from the surface of each sample site, and additional deep-level samples (5 to 8 feet) were collected from sites GN2, 7, 8, and 12. All sites were situated in gravel-bearing drainages except GN3, which was located in a small gully on a side slope amongst bedrock down gradient from exposed surface workings. Site GN3 did not produce gold in the wet-wash sluice and will not be included in discussion of the gravel volume estimates or gold grade calculations.

The 500 pound (lb) samples were sifted through a ½-inch minus screen, wet-washed to produce a “concentrate”, and the concentrate was then gravity separated in a spiral wheel to extract the contained gold. The gold nuggets and flakes were then weighed on a scale calibrated in milligrams, and the weight of the gold was noted. The weight in milligrams (mg) was converted to ounces gold per ton and ounces gold per yard by the following formulas:

$$\frac{\text{mg}}{500 \text{ lb}} \times \frac{\text{gram}}{1000 \text{ mg}} \times \frac{0.032 \text{ Troy ounce}}{\text{gram}} \times \frac{4 \text{ samples}}{\text{ton}} = \frac{\text{ounces gold}}{\text{ton}}$$

$$\frac{\text{ounces gold}}{\text{ton}} \times \frac{1.5 \text{ tons}}{\text{cubic yard}} = \frac{\text{ounces gold}}{\text{cubic yard}}$$

Using the above formulas and the gold values for each sample site, the average gold grade for sites 1 through 8 on the west side of the property was calculated at 0.094 ounces gold per ton, or 0.141 ounces gold per cubic yard (yard). Likewise, the average gold grade for sites 9 through 12 on the east side of the property was calculated at 0.045 ounces gold per ton, or 0.067 ounces per yard. PGS noted that all the samples from sites in gravel washes contained gold. Thus, it appears all the gravel on the Gold Nugget Property contains detectable and measurable quantities of gold.

Based on these observations, the amount of gold-bearing gravel on the property is estimated by measuring the width and length of the gold-bearing washes, incorporating a presumed (but yet undetermined) depth, and then calculating an approximate volume of gravel in cubic yards. The area of gravel washes was estimated from the claim group map, topographic maps, aerial photographs, and observations in the field. Previous workers estimated the depth of gravel on the property at 90 feet. To be conservative, PGS used a nominal depth of 60 feet for the thickness of gravel on the property. The tonnage of gravel is determined using a conversion factor of 1.5 tons per cubic yard. The amount of placer gold on the property is estimated by multiplying the tons of gravel by the average gold grade.

This property summary letter report is based on available claim configuration boundaries overlaid on USGS topographic maps. The accuracy is limited by the accuracy of the claim configuration map and the overlay methodology. The claim boundaries have not been surveyed or field-checked by PGS.

The west side of the Gold Nugget Property in the Italian Wash contains approximately 12 million tons of placer gravel. At an average grade of 0.094 ounces gold per ton, the Italian Wash area contains roughly 1.13 million ounces of gold. Likewise, the east side of the property in Poormans Wash contains about 7.7 million tons of placer gravel. At an average grade of 0.045 ounces gold per ton, the Poormans Wash area contains 345,000 ounces of gold. Thus, the Gold Nugget placer claims P-1 through P-31 contain an estimated total of 1.475 million ounces of gold.

There are an additional 80-acre placer claim called Italian Wash that is adjacent to the Gold Nugget placer claims. This claim is situated over a considerable thickness of placer gravels in the lower end of Italian Wash, and the projected depth is 90 feet. At a grade of 0.094 ounces per ton, the Italian Wash claim contains 1.64 million ounces of gold. Likewise, there are four additional 160-acre placer claims called Poormans Wash, PM-1, PM-2, and PM-3 that are adjacent to the Gold Nugget placer claims. These four claims are situated over a considerable thickness of placer gravels in the upper and lower reaches of Poormans Wash, and the projected depth is 90 feet. At a grade of 0.045 ounces per ton, the four Poormans Wash claims contain 6.27 million ounces of gold.

Thus, the entire Gold Nugget Property contains gold-bearing placer gravels with an estimated 9.4 million ounces of gold.

Parkinson Geologic Services looks forward to assisting you further on this project. Please feel free to contact me (530-305-4677) if you have questions or comments concerning the Gold Nugget Property or this summary report.

Sincerely,

Craig L Parkinson

A circular seal for a Registered Geologist. The outer ring contains the text "REGISTERED GEOLOGIST" at the top and "ARIZONA, U.S.A." at the bottom. Inside the ring, the text "CERTIFICATE NO" is at the top, "30843" is in the center, "CRAIG L. PARKINSON" is below the number, and "Date signed" is at the bottom.

Craig L. Parkinson, P.G.
President

Arizona Registered Geologist #30843

PARKINSON GEOLOGIC SERVICES
PO Box 3481 • Grass Valley CA 95945-3481
Phone & Fax 530.432.4048
parkinsongeologic.com

December 10, 2009

Panos D. Gianneotis
Placer Mining Corp
16772 W. Bell Rd, #110
Surprise AZ 85374

GOLD NUGGET PROPERTY MINING EVALUATION
La Paz County, Arizona

Dear Mr. Gianneotis:

Parkinson Geologic Services (PGS) is pleased to present this mining evaluation of the Gold Nugget Property located in La Paz County, Arizona. This report presents the results of document research, reconnaissance fieldwork, geologic mapping of the property, and knowledge of the mining industry in Arizona.

INTRODUCTION

The Gold Nugget Property is located on Bureau of Land Management (BLM) property in the historical Plomosa Mining District, Sections 24, 25, and 36, Township 4 North, Range 18 West and Sections 19, 30, and 31, Township 4 North, Range 17 West. Access to the property is via well-maintained asphalt and dirt roads from Interstate 10 at the town of Quartzsite. The property consists of numerous placer and lode claims located in the Italian Wash and Poormans Wash south of Guadalupe Mountain.

The Gold Nugget Property is located within the central part of the Plomosa Mining District and includes several mine shafts and prospects. Placer and lode gold was first recovered from the area in the 1860's by small-scale shallow placer and underground mining operations, and later by larger-scale operations. Remnants of these mining and processing operations are locally visible on the property.

GEOLOGY

The alluvial placer gravels consist of schist, granite, and volcanic rocks derived from the Plomosa Mountains to the south and Guadalupe Mountain adjacent to the north. The schist exposures in the Plomosa Mountains contain gold-bearing quartz veins and stringers, and probably were a significant source of the placer gold deposits. These schists are geologically important because they are the host rocks of numerous prolific vein-controlled gold mines in Arizona. The Gold Nugget property contains underlying gold placer gravels located within the Italian Wash and Poormans Wash, and these drainages obtain alluvial material from the central part of the Plomosa Mining District. Historic mines such as the Apache Chief Mine and Poorman Mine are located up-drainage from the Italian Wash and Poormans Wash.

PROPERTY EVALUATION

PGS examined the Gold Nugget Property for the following:

- Identify specific areas containing placer and lode gold resources
- Identify the occurrence of alluvial placer gravels and exposures of bedrock
- Locate existing mining workings, such as trenches, pits, shafts, drill holes, and tailings
- Identify existing infrastructure and process areas

The resource areas, bedrock locations, and existing mining workings and infrastructure were identified and noted for future reference.

GOLD RESOURCES

A mineral resource is an occurrence of natural solid material in the Earth's crust in such form, quantity, and quality (grade) that the material has a reasonable prospect for economic extraction. PGS believes that the location, quantity, grade, continuity, and geologic characteristics of the Gold Nugget Property mineral resources are known and have been adequately interpreted from the available geologic evidence, data, and analytical test results. The Gold Nugget mineral resources have a reasonable prospect for economic extraction by modern surface and underground mining methods, and under current metal prices and economic conditions.

A mineral resource is based on geologic evidence, historic and modern sampling, and reasonable geologic and grade continuity assumptions. The mineral resource estimate presented in this report is based on geologic information and sample assay data obtained by appropriate techniques from outcrops, trenches, pits, workings, and drill holes. PGS evaluated the gold resources available in the placer gravel deposits only. There is not sufficient information on the lode gold resources to make a confident determination of the quantity of gold in the bedrock on the property.

Placer Mining Corp has staked and filed numerous claims within the Italian Wash and Poormans Wash that overlie gold-bearing placer gravel deposits. These claims extend for an estimated 1.5 miles up the Italian Wash and for an average width of approximately one-quarter mile (0.25 mile). Likewise, these claims extend for an estimated 2.5 miles up Poormans Wash and for an average width of approximately one-quarter mile. A geologic report by James R. Youell, Arizona Registered Geologist #6449, prepared in circa 1975 states the placer gravels extend for an average depth of 90 feet, and this depth is presumed by PGS to be consistent within both the Italian Wash and Poormans Wash.

Gold grades in ounces per cubic yard have not been previously determined for the Gold Nugget Property. A determination of gold grades was beyond the present scope of work. Review of historical geology and mining engineering reports prepared for the region strongly suggest that gold grades of 0.100 ounces per cubic yard underlie the property.

*February 10,
2010*

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Total gold resources on the Gold Nugget Property are calculated below:

Italian Wash

1.5 miles long x 0.25 mile wide x 90 feet deep
7920 feet x 1320 feet x 90 feet ÷ 27 cubic feet per cubic yard = 34.8 million yards

Poomans Wash

2.5 miles long x 0.25 mile wide x 90 feet deep
13,200 feet x 1320 feet x 90 feet ÷ 27 cubic feet per cubic yard = 58.1million yards

Gold Nugget Property Resource:

Mineral Resources = 93 million yards
Gold quantity at 0.100 ounces per yard = 9.3 million ounces

Total resources on the Gold Nugget Property are calculated at 93 million cubic yards of gold-bearing placer gravels containing 9.3 million ounces of gold. Using a conservative price of \$1000 per ounce of gold, the in-place gross value of the Gold Nugget Property is valued at \$9.30 billion.

Parkinson Geologic Services thanks you and your associates for the opportunity to work on this project. We look forward to assisting Placer Mining Corp develop the Gold Nugget Property into an economically feasible placer gold mining operation.

Sincerely,

Craig L Parkinson



Craig L. Parkinson, P.G.
President

Arizona Registered Geologist #30843
AIPG Certified Professional Geologist #10098