

Results of the field work of the 2010 season in the extend of the Prodolny licence

The Prodolny licence is located in the economically most developed central part of the Bodaibo District of the Irkutsk Region. It is located 40km away from the district center and the river port of Bodaibo and is connected with it with an all year gravel road.

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The area of the Prodolny license is 141 sq.km. There are a number of areas prospective for commercial gold mineralization in the extend of the license. They includes the Uspenskoye, the Obrucheva, the Vladimirovskoye, the Zolotoy; the Nizhny, the Gromovsky Sites, and the Gromovskoye.

During the 2010 field season Kopylovskoe AB carried out detailed ground geophysical survey and soil sampling with the line spacing 100 m at the Zolotoy and Obrucheva areas. The complex of the geophysical methods had included magnetic survey, IP and resistivity.

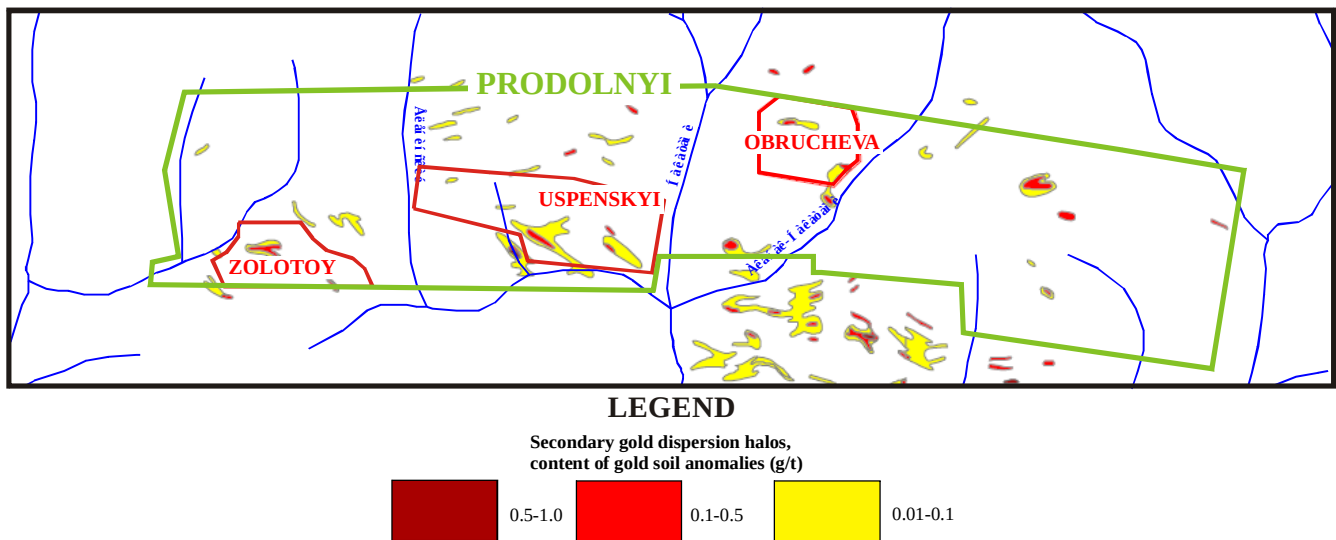


Figure : Location of the Zolotoy and Obrucheva in the Prodolny licence

Zolotoy

As result of the soil sampling at the Zolotoy site the large gold anomaly had been discovered with strike length more then 1400 meters and width 300-500 meters with gold grade reaching level above the 1 g/t. There is a "tail" of the smaller anomalies in the eastern extensions of the anomaly. The gold anomaly is coincided with IP anomaly interpreted as the zone of mineralization and linear structure interpreted as a complex fault zone and clearly seen at the results of the magnetic survey. Field observation had established existence of the hydrothermal alterations. The presence of intensive gold mineralization is reflected in the location of the gold placers in the surrounding streams.

Kopylovskoe AB is planning to test gold soil anomaly by trenching and drilling in the nearest future.

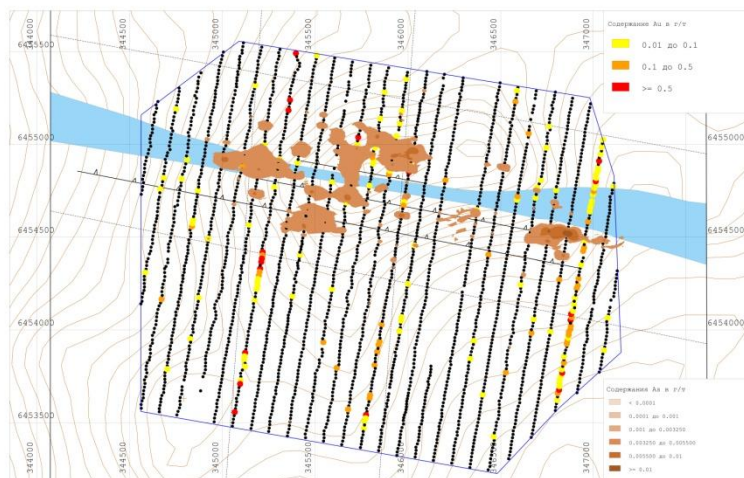
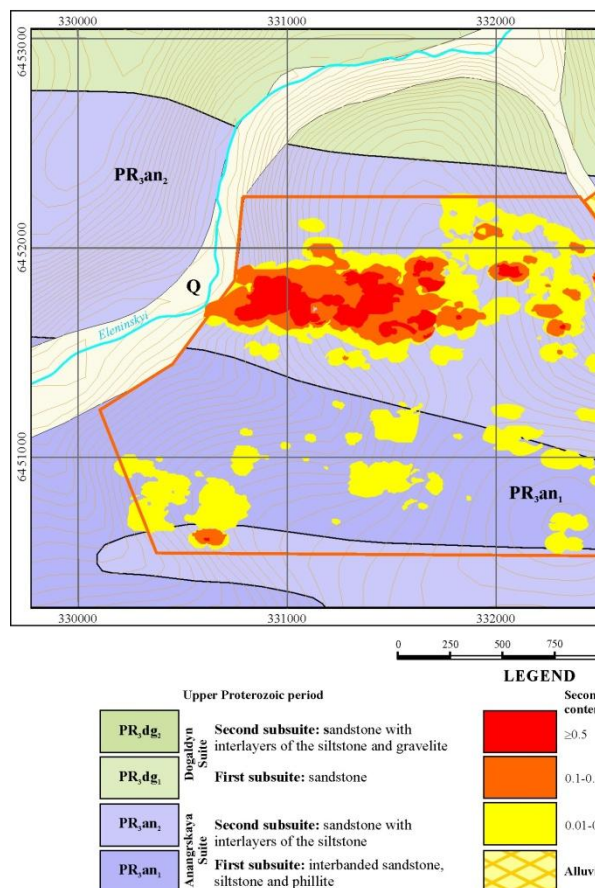


Figure: Soil gold anomaly on the Zolotoy

Obrucheva

The Obrucheva gold occurrence was discovered in the 60s of the previous century by tracing of the quartz floats containing gold mineralization. Limited channel sampling of the outcrops and shallow trenching had returned gold grade up to 3g/t. Host rock had not been sampled. Soil gold anomalies established during regional geochemical survey in 1981 had not been studied. The potential of the commercial gold mineralization is also indicated by the most productive gold placers (about 5 tones pre line km) in the area in the surrounding streams.

As result of the field work of the 2010 season IP anomalies coinciding with linear magnetic anomalies are mapped. This anomalies are interpreted as close to surface blind disseminated mineralization in the favorable lithology in the place of intersection with the steep dipping fault zone. This model is confirmed by results of the soil sampling. IP anomaly coincides with intensive arsenic (indicator of the upper level of the alteration zonation) anomaly with number of smaller gold anomalies along the more penetrable zones. Single trench intersected anomalies zone with gold below economical grade but demonstrated existence of the gold mineralization.

In the nearest future Kopylovskoe AB is planning to study complex geochemical and geophysical anomaly with trenching and shallow drilling targeting close to surface blind mineralization.