



CuMo Exploration Project Update

The CuMo Project – Boise County, Idaho

The **CuMo Project** is an exploratory drilling operation evaluating a mineral deposit in southwest Idaho, 14 miles northwest of Idaho City. Mosquito Consolidated Gold Mines Ltd. acquired the claims in 2004 and has performed approved exploratory drilling on public and private lands since that time. Geologic sampling has inferred the existence of more than **6 billion tons** of molybdenum oxide (moly), copper, silver and tungsten worth nearly \$100 billion at current market rates. In 2011, the U.S. Forest Service approved a comprehensive Environmental Assessment, paving the way for CuMo to complete a thorough exploration to lead towards a mining feasibility plan.

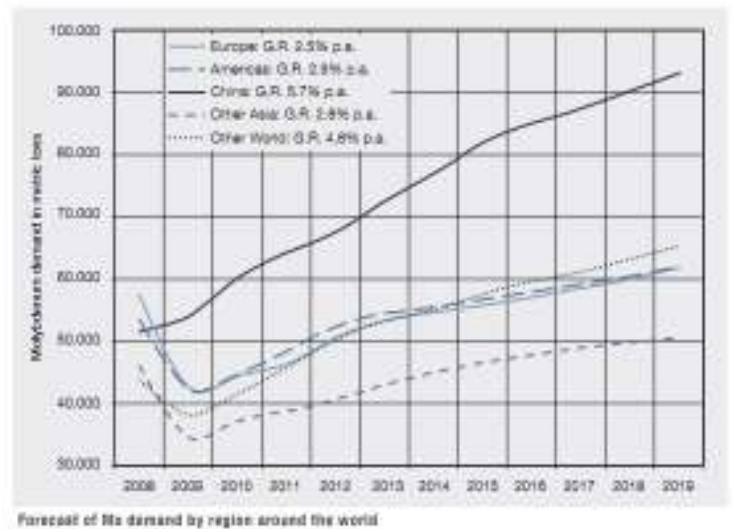
Estimates*

Mineral	Indicated	Inferred
Moly Oxide (lbs.)	2.14 billion	2.34 billion
Copper (lbs.)	3.27 billion	5.55 billion
Silver (oz.)	140.7 million	242.5 million
Tungsten (lbs.)	158.2 million	90.9 million
Total short tons	2.03 billion	3.95 billion

Market Demand for Molybdenum

The CuMo Project may include one of the largest moly deposits in North America. Moly is a steel-strengthening mineral that also makes steel more lightweight, more able to withstand extreme temperatures and more durable and corrosion resistant. This **strategic metal** is currently used in desalination plants for clean water, fighter jet engines, pipelines, wind turbines, skyscrapers and bridges around the world.

The International Molybdenum Association estimates that the world will need as much as 200 million pounds more moly over the next decade. Today's moly mines can just keep up with the current demand and Thompson Creek Mine in Challis, Idaho, with a 15-year remaining lifespan, provides only about 30 million pounds per year of the current 450 million pound annual consumption.



Source: IMO, July 2011

Exploration

Mosquito began exploration at CuMo in 2006 on approximately 2,900 acres of the Boise National Forest. To date, 31 exploratory holes have been drilled by Mosquito and 1.5 miles of temporary roads have been built with no significant impact to the surrounding environment. CuMo utilizes the most modern exploratory techniques: recirculating and reclaiming water for drilling, filling and sealing of core holes, installing erosion-control barriers for roads and

completing and sharing studies on water quality and wildlife.

- CuMo has received approval for exploration by the U.S. Forest Service to drill up to 137 holes and build up to 10.2 miles of temporary roads.
- Exploration is estimated to take approximately three years to complete.
- There are no harmful minerals such as arsenic in the immediate exploration area.
- No toxic chemicals are used.

Economic Benefits

If mining does proceed at CuMo, after additional approvals and permitting, the positive effects in Idaho would be significant: CuMo has the potential to produce 70 million pounds of moly per year for decades and it could create 1,000 good-paying direct jobs plus thousands of ancillary and supporting jobs. In addition, CuMo could contribute millions of needed dollars in taxes, fees and other payments to the local, state and federal governments.

- In the current phase of exploration, the CuMo Project will hire 50-60 local workers and spend \$100 million.
- If approved, the CuMo Project would create as many as 5,000 jobs during the mine construction phases and 1,000 jobs for 100 years during production.
- The average phosphate mining wage in Idaho is \$65,100 according to the Idaho Mining Association.

Environmental Benefits

CuMo could present the first realistic reclamation opportunity in the region since unsophisticated placer mining operations dating back to the 1880's gold rush left rock piles and other mining wastes over vast stretches of the Boise National Forest. Those methods left a legacy of contamination in the Boise Basin that persists to this day, unchecked and unregulated and unlikely to be cleaned up unless a private company steps forward to do so as part of a restoration program under modern mining practices.

- Mosquito has spent \$1.5 million on the Environmental Assessment to meet and exceed federal environmental and land management laws.
- Mosquito has funded a bond of \$298,800 to ensure that exploration activities are fully reclaimed.
- As part of its mitigation obligation, Mosquito is continuing to monitor water quality, fish, wildlife

and plants in the region. The data will be shared with state and federal organizations.

Mosquito pledges to continue to work with community, civic and environmental groups to carry out its exploration project within the spirit and letter of the environmental laws. If the exploration proves the feasibility of a mine, the Company will continue to work with all stakeholders to develop a sustainable and potentially beneficial economic project that will bring prosperity to the region for many years to come.

More information is available at www.cumoproject.com.

*Disclaimer: The preliminary economic assessment is preliminary in nature, and includes inferred resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary assessment will be realized.