Hot Pot Project
A Demonstration of How Groundwater Chemistry is being Used to Discover a Gravel-Covered Gold Deposit

April 2, 2009

General Cautionary Statement

Warning! The business of Gold Exploration can be FUN, but it can also be hazardous to your physical, emotional, spiritual and financial health!

This presentation contains certain "forward-looking statements" including, without limitation, expectations, beliefs, plans and objectives regarding the potential transactions and ventures discussed in this presentation. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are the risks inherent in mineral exploration, the need to obtain additional financing, environmental permits, the availability of needed personnel and equipment for exploration and development, fluctuations in the price of minerals, and general economic conditions.

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Thank You and Enjoy the Presentation!

The Management of Nevada Exploration Inc.
Specific Cautionary Statement

This presentation contains information about the Lone Tree Gold Mine, which is an ‘Adjacent Property’ on which we have no right to explore or mine.

All investors are cautioned that mineral deposits on adjacent properties are not proof of mineral deposits on NGE properties. A mineral deposit has not yet been discovered on the Hot Pot Project. Our intention is to provide the investor with some parameters for the type of mineral deposit that NGE may encounter while conducting exploration on property that NGE does control.

The outline of the Lone Tree Mine Pit is useful as an approximation of the size of the potentially, gold-bearing Conceptual Hydrothermal System being sought. The pit outline can be thought of as a ‘template’ or ‘foot print’ representing the approximate area of hydrothermal alteration and anomalous rock chemistry associated with gold mineralization. Not all such areas are associated with economic gold mineralization. When they are associated with gold mineralization the areas of actual economic gold concentration are much, much smaller. Such areas of potentially mineralized bedrock could be located anywhere beneath the large expanse of sand and gravel within the Hot Pot Project Area or be entirely absent.

Water Chemistry – A Better Way to Look Beneath the Cover

Exploring for Gold in Nevada's Basin and Range-Front Pediment Areas

When groundwater flows near a concealed gold deposit it retains a chemical ‘memory’ or ‘fingerprint’ of such an encounter and creates a kind of unique water chemical ‘scent’.

The concept being tested by NGE is that once identified, can the unusual water chemistry scent be followed to its bedrock source to effect the discovery a new gold mine?
Shaded Relief Map showing Mountain Ranges (gray) with bedrock exposed to view for hundreds of years.

Numerous prospect pits attest to the exploration activity in the mountain ranges, dating back to the 1800’s.

Historic Prospect Pits are a clear, visual reminder of past exploration activity.

Modern exploration first focused on historic mining districts exposed to view in the mountain ranges. There is a high probability that most, if not all, gold deposits exposed in the mountains have already been found by modern prospecting methods.

However, sand & gravel covers the bedrock of the Valley Basins (yellow) and represents one of the largest, under explored areas in the state of Nevada, as the underlying rocks are concealed from view and most modern prospecting methods.

The Red shapes are either historic or active open pits and/or mineral resources that have been developed from areas that were subject to historic prospecting methods.

Copper Canyon Mines 9.7 M oz Au & 28 M oz Ag

Copper Basin Mines 0.4 M oz Au & 2.3 M oz Ag
An improved understanding of what makes good gold deposits and how to best look for them did result in the development of new exploration technologies that were used to extrapolate features of exploration significance to depth and short distances into covered areas. Those efforts were rewarded with significant new discoveries throughout the 1990’s.

However, in spite of significant investment in junior exploration companies in Nevada since 2001, the old exploration business models have produced very few new discoveries.

The time has come to develop new exploration technologies that hold the promise of additional new discoveries beneath the large area of sand & gravel that covers nearly 50% of Nevada.

Groundwater everywhere fills the valley basins and interacts with any nearby gold deposit. When groundwater flows near a concealed gold deposit it retains a chemical ‘memory’ or ‘fingerprint’ of such an encounter and creates a kind of unique water chemical ‘scent’ that extends beyond the actual gold deposit as the water flows away from the area of interaction.

Mine sites are required by regulatory agencies to provide baseline groundwater chemistry. Such baseline data then provides NGE with a Mine Site Water Chemistry Template to orient the regional water data to a known resource.

NGE controls a large groundwater chemistry database for Nevada created from public domain data (46,000+ records). The legacy database provides some general background chemistry, shown as Black dots…but does not contain many trace elements important to gold exploration and very few gold values.

White dots in this view represent known water sample sites that are available for additional sampling.
The public domain data that did contain gold analyses showed elevated concentrations of gold in groundwater around the Lone Tree Gold Mine.

The larger the Yellow dot, the greater the relative amount of Gold in the groundwater. The scattered Black dots mark groundwater sample locations, but the samples were not analyzed for gold by the previous investigators. The White dots represent potential water sample sites that could be sampled.

In 2004, the principals of NGE initiated a regional groundwater sampling program to begin testing Nevada’s large area of sand & gravel-covered valley basins for gold and associated trace elements in groundwater.

Based on the 2004 results AND previous work by the principals of NGE both north and south of the Hot Pot Project area, land was leased to further test the water chemistry concept.

The Hot Pot project area was initially interesting because 1) it was located on a regional trend of nearby multi-million ounce gold deposits, 2) regional gravity data indicated underlying shallow bedrock and 3) a few nearby groundwater samples reported anomalous gold and trace elements in ground water.
In 2005, initial, wide-spaced reverse circulation drilling at Hot Pot was directed at regional extensions of features associated with the known gold mineralization to the south.

A total of 9 test drill holes 1,195m (3,900ft) were completed to depths ranging from 92m (300ft) to 189m (620ft), average depth 132m (430ft).

The initial drilling confirmed shallow bedrock 33m (100ft) to 112m (370ft) and hydrothermally altered bedrock containing anomalous gold and trace elements similar to that associated with the Lone Tree gold mine. The area of anomalous groundwater chemistry was also confirmed and enlarged.

NGE was formed in 2006 and company formation activities precluded additional work.

In late 2006, NGE acquired a hydroprobe to collect groundwater samples.

During 2007, NGE utilized the hydroprobe and grid sampled the Hot Pot Project on 400m (1/4 mile) centers.

The results further defined and expanded the Hot Pot Gold in groundwater anomaly.
Lone Tree was completely concealed from view by a cover of sand & gravel. It was discovered in the late 1980’s by Santa Fe Pacific Gold after drilling ~80 widely-spaced holes. The target was based on the northward projection of the alignment of known gold deposits exposed to view in the mountains to the south.

The concept being tested by NGE is whether or not areas associated with higher-than-normal concentrations of gold and other trace-elements in groundwater are also associated with gold mineralization in underlying covered bedrock?
Hot Pot Project Area

Ground Water Sample Locations marked by green dots. The larger the Green dot the larger the relative concentration of ARSENIC (As) in the ground water (Black dots are samples not analyzed for arsenic).

Hot Pot Project Area of wide-spaced, highly anomalous ARSENIC (As) in groundwater similar to that associated with the Lone Tree gold mine.

Hot Pot Project Area

Ground Water Sample Locations marked by purple dots. The larger the Purple dot the larger the relative concentration of ANTIMONY (Sb) in the groundwater (Black dots are samples not analyzed for antimony).

Hot Pot Project Area of wide-spaced, highly anomalous ANTIMONY (Sb) in groundwater similar to that associated with the Lone Tree gold mine.
Gravity geophysics can determine the relative depth to underlying bedrock by measuring the density contrast between 200m sampling points. The resulting colored contour map shows relative bedrock highs or areas of shallow sand & gravel cover as the 'hot' colors yellow, orange and red, and areas of relative thick sand & gravel cover as the 'cooler' colors green and blue.

Cross Section Location through the Lone Tree Gold Mine (next slide).

Center of shallow bedrock high indicated by both gravity geophysics and the change in flow path of the Humboldt River as it flows around the bedrock high underlying the Hot Pot Project Area and the exposed bedrock high at Treaty Hill.

At this point it is instructive to understand what controls the size and shape of the Lone Tree Ore Body (cross section looking North)

Ore Body Dimensions:
- <60m (200ft) wide x 150m (500 ft) deep x ~2.4km (1 ½ mi) long
- Containing ~5,000,000 ounces of gold

Cautionary Statement About Adjacent Properties:
Nevada Exploration Inc. does NOT own or control the Lone Tree Mine. The diagrammatic illustrations of the Lone Tree Ore Body used in this presentation are done so with the express intent of demonstrating the type of mineralization that has been historically discovered in the area around Hot Pot. All investors are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on NGE's properties.
The Lone Tree ore body is controlled primarily by a steeply, west-dipping fault zone. Similar structures may control gold mineralization at the Hot Pot property, which could account for the anomalous gold and trace element chemistry of the surrounding groundwater.

The Hot Pot Seismic survey indicated several north-trending, steeply dipping fault zones (dashed lines) indicating the trend or direction of the fault, while the small arrow indicates the dip or the downward inclination of the plane of the fault. It is important to note that the fault zones indicated by the seismic data also correspond to lineal features in the gravity data and support the suggestion that the underlying bedrock hills are controlled by major fault zones.

High angle structures are important since they provide a potential conduit or ‘plumbing’ system for potential gold-bearing, hydrothermal fluids rising from depth to access near-surface areas where gold may be finally deposited from solution to form a gold ore body.

The 2008 reverse circulation (RVC) drilling program tested small segments of the steeply-dipping fault zones identified by seismic geophysics. Three vertical holes were spaced 100m (330ft) apart on each of three lines. The holes ranged from 50m (165ft) to 175m (575ft) for a total of 1,085m (3,565ft). Drill cuttings from each structural segment encountered shallow, hydrothermally altered bedrock reporting higher-than-normal gold and trace elements.

Also in 2008, an energy company, with business interests separate from NGE, started a deep test hole. In exchange for NGE seismic data, NGE was granted access to drill cuttings from the 1,350m (4,430ft) test hole.
The presence of calcareous bedrock underlying the Hot Pot Project is significant. Calcereous siltstone can be a very favorable, potential host rock where it is cut by high-angle faults. The thickest continuous interval of strongly calcareous siltstone is 189m (620ft) and starts at a relatively shallow depth (350m / 1,150ft). Hydrothermal alteration includes local bleaching, clay, de-calcification and secondary pyrite. Geochemical analyses of cuttings from the hole are pending.
The Lone Tree ore body template is included here as an example of the size and shape of target being sought.

The Lone Tree ore body is less than 60m (200ft) wide and could easily fit between the initial, wide-spaced 100m (330ft) NGE drill holes.

ARSENIC (PPM)

ANTIMONY (PPM)
In summary, work to date continues to define and expand the discovery of a completely-covered, new area of highly-anomalous gold and trace elements in groundwater. Gravity and seismic geophysics together with reverse circulation drilling have confirmed a broad area of faulted, hydrothermally-altered, shallow bedrock containing anomalous gold and trace elements. In addition, a deep test hole has identified a thick section of potential host rock (calcareous siltstone) at a relatively shallow depth that also shows the effects of hydrothermal alteration.

Drilling to date has been wide-spaced and could have easily missed the type of high-angle fault zones that control known gold mineralization elsewhere in the region.

The next step is more closely-spaced, shallow, vertical drill holes and/or deeper, angle holes targeted to intersect steeply-dipping, potentially ore-bearing fault zones and favorable host rock units.