

TONOGOLD RESOURCES, INC. AND SUBSIDIARY

Consolidated Financial Statements
(Unaudited)

For the two years ended December 31, 2010 and 2009

Table of Contents

PART 1: CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheets	2
Consolidated Statement of Operations	3
Consolidated Statement of Cash Flows	4
Consolidated Statement of Stockholders' Equity	5
Notes to Consolidated Financial Statements	6
PART 2: MANAGEMENT DISCUSSION	12

Tonogold Resources, Inc. and Subsidiary						
Consolidated Balance Sheets						
(Unaudited)						
				December 31, 2010	December 31, 2009	
ASSETS						
Current Assets						
Cash				\$ 17,417	\$	87,267
Total Current Assets				17,417		87,267
Property, plant and equipment, net				954		1,526
Project investments				42,289		22,435
Loans to NPV Energy, Inc.				1,620		1,620
Thermo Niton				-		36,995
Investment in TNR Stock				21,250		22,500
Investment in Secure Energy				284,599		284,659
Total Assets				\$ 368,129	\$	457,002
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current Liabilities						
Accounts payable				\$ 47,197	\$	77,181
Accrued interest				21,934		21,934
Accrued payroll taxes				614		5,734
Deferred consulting fees				101,334		2,000
Notes payable				54,000		98,000
Shareholder loans				5,150		800
Total Current Liabilities				230,229		205,649
Stockholders' Equity						
Preferred stock series A, 1,000,000 authorized:						
None issued				-		-
Preferred stock series B, 1,000,000 authorized:						
None issued				-		-
Preferred stock series C, 1,000,000 authorized:						
Issued				200,000		200,000
Common stock, \$0.001 par value: 100,000,000 shares authorized, 87,438,453 shares issued and outstanding at December 31, 2010 and 76,337,819 at December 31, 2009, respectively						
				87,369		76,337
Additional paid-in capital				8,539,935		8,134,952
Deficit accumulated				(11,051,984)		(10,531,196)
Total Stockholders' Equity				(2,224,680)		(2,119,907)
Minority Interest				2,362,580		2,371,260
Total Liabilities and Stockholder's Equity				\$ 368,129	\$	457,002

See accompanying notes to Financial Statements

**Tonogold Resources, Inc. and Subsidiary
Consolidated Statements of Operations
(Unaudited)**

	For the Year ended	
	December 31, 2010	December 31, 2009
Net Revenues	\$ 89,589	\$ 407,221
Cost of Revenue	-	-
Gross Profit	89,589	407,221
Operating Expenses		
Mineral Property Costs	217,259	90,706
General and Administrative expenses	402,902	577,189
Total Operating Expenses	620,161	667,895
Loss from Operations	(530,572)	(260,674)
Other Income (Expense)		
Interest Expense	(7,922)	(21,137)
Loss before Minority interest and provision for income taxes	(538,494)	(281,811)
Minority interest	17,706	103,832
Provision for income taxes	-	-
Net Loss	\$ (520,788)	\$ (177,979)
Net (Loss) Per Share - Basic and Fully Diluted	\$ (0.01)	\$ (0.00)
Weighted average number of Common shares outstanding, basic and fully diluted	82,753,444	61,302,952

See accompanying notes to Financial Statements

Tonogold Resources, Inc. and Subsidiary
Consolidated Statements of Cash Flows
(Unaudited)

	For the Year Ended	
	December	December
	31, 2010	31, 2009
Cash Flows from Operating Activities		
Net loss	\$ (520,788)	\$ (179,506)
Adjustment to reconcile net loss to net cash provided by operations:		
Depreciation	572	1,068
Minority interest	17,706	-
Loss on sale of securities	(827)	
Stock issued for mining lease	-	15,000
Stock issued for expenses	89,790	34,350
Shares received for option	21,250	(22,500)
Changes in operating working capital:		
Decrease (increase) in prepaid and deposits	36,995	(36,995)
Decrease in accounts payable	(29,984)	(40,041)
Increase in interest payable	-	6,000
Increase(decrease) in accrued liabilities	(5,120)	5,734
Increase(decrease) in deferred consulting fees	99,334	(174,721)
Net change in operating working capital	229,716	(212,105)
Net Cash Provided Used in Operations	(291,072)	(391,611)
Cash Flows From Investing Activities		
Sale of marketable securities	(19,173)	-
Acquisition of investment in Secure Energy LLC	60	-
Investment in projects	(19,854)	(22,435)
(Acquisition) disposition of fixed assets	-	(1,717)
Net Cash Provided by (Used in) Investments Activities	(38,967)	(24,152)
Cash Flows from Financing Activities		
Shareholder loans advanced (paid)	4,350	(221)
Common stock issued for cash	282,225	563,850
Notes payable advanced (paid)		(1,600)
Loan to NPV Energy		(400)
Minority interest	(26,386)	(81,331)
Net Cash Provided by Financing Activities	260,189	480,298
Net (Decrease) Increase in Cash	(69,850)	64,535
Cash--Beginning of Period	87,267	22,732
Cash - Ending of Period	\$ 17,417	\$ 87,267
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Issuance of common stock for expenses	\$ 89,780	\$ 34,350
Issuance of common stock for note payable	\$ 41,985	\$ 75,000
Issuance of comont stock for mining leases	\$ -	\$ 15,000
Income taxes paid	\$ 800	\$ -
Interest paid	\$ 7,922	\$ 15,137

D

Tonogold Resources, Inc. and Subsidiary								
Consolidated Statements of Stockholders' Equity (Deficit)								
(Unaudited)								
	COMMON	SHARES	ADDITIONAL	PREFERRED	PREFERRED		STOCKHOLDERS'	
		Par Value	PAID-IN	SHARES	SHARES PAR	INCOME	ACCUMULATED	
	Shares	\$0.001	CAPITAL	PAID IN C	C	(DEFICIT)	EQUITY	
							(DEFICIT)	
Balance December 31, 2008	60,236,319	60,236	7,462,853	199,200	800	(10,351,690)	(2,628,601)	
Common stock issued for cash	13,205,000	13,205	625,645				638,850	
Common stock issued for services	2,596,500	2,596	31,754				34,350	
Common stock issued for mining lease	300,000	300	14,700				15,000	
Net loss						(179,506)	688,200	
Balance December 31, 2009	76,337,819	76,337	8,134,952	199,200	800	(10,531,196)	(2,119,907)	
Common stock issued for cash	9,085,634	9,017	315,103				324,120	
Common stock issued for services	1,165,000	1,165	48,835				50,000	
Common stock issued for note payable	850,000	850	41,045				41,895	
Net loss						(520,788)	(520,788)	
Balance December 31, 2010	87,438,453	\$ 87,369	\$ 8,539,935	\$ 199,200	\$ 800	\$ (11,051,984)	\$ (2,224,680)	
	See accompanying notes to Financial Statements							

Tonogold Resources, Inc. and Subsidiary
FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Unaudited)

Note 1. Organization and Significant Accounting Policies

Organization and Line of Business

Tonogold Resources, Inc., a Delaware corporation, is a result of the acquisition of Point Loma Partners, Inc. ("PLP") by Gamesboro .Com, Inc. "GB" (formerly alliance Trophy Club, Inc.) as of May 1, 2002. The Company changed its name to Tonogold Resources, Inc. in 2004.

In May 2005 the Company formed a subsidiary, Prospect Uranium, Inc. which is in the uranium exploration business. Tonogold owned approximately 39.12% of Prospect Uranium as of December 31, 2010.

Tonogold has been primarily engaged in the acquisition, exploration and development of mining properties, however in 2008 the company reviewed its business plans for the future. The Company will now focus on obtaining and proving out mining claims and leases for sale to other mining development companies in order to generate income from the sale of mining claims for cash, joint venture interests and for royalties. In addition, the Company will do consulting with mining development companies on acquisition of leases.

During 2009 and continuing into 2010 the Company has generated revenues from the sale of mining properties taking stock, cash and royalty percentages.

Therefore, the company has ceased to continue as an Exploration company (subject to Development Stage reporting principles) and has started reporting as a operating company.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its 39.12% owned subsidiary Prospect Uranium, Inc., of which the Company has the ability to exercise control and direct operations. All significant inter-company transactions and balances have been eliminated in consolidation.

Basis of Preparation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles for financial reporting and pursuant to the rules and regulations of the Securities and Exchange Commission ("Commission").

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue from the sale of leases at the time the lease is sold and income from consulting agreements as earned. Royalty income will be recognized as received.

Property, Plant and Equipment

Property, plant and equipment is stated at cost and depreciated using the straight-line method over the estimated useful life of the assets, which is three to seven years.

Long-Lived Assets

The Company accounts for intangible assets in accordance with Statement of Financial Accounting Standards (SFAS) No.144 "Accounting For The Impairment or Disposal of Long-Lived Assets" and Statement of Financial Accounting Standards (SFAS) No. 142 "Goodwill and Other Intangible".

Income Taxes

The Company follows SFAS No. 109 "Accounting for Income Taxes" (SFAS No. 109) for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the differences between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expense or benefit is based on the change in the asset or liability each period. If available evidence suggests that is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax asset to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change.

Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. Deferred taxes are classified as current or non-current, depending on the classification of assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse.

Minimum State income taxes are recorded as paid.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period's presentation.

Going Concern

The consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As of December 31, 2010 the Company had cash of \$17,417 and working capital deficit of \$212,812. The Company had net losses from continuing operations of \$520,788 and \$177,979 for the two years ended December 31, 2010 and 2009, respectively.

The accompanying financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

Development Stage Company

The Company was considered to be in the Exploration (development) stage as defined in Statement of Financial Accounting Standards (SFAS) No. 7, "Accounting and Reporting by Development Stage Enterprises" in prior years. .

The Company has reviewed its prior year operations and determined that a new approach should be taken. To that end the Company is continuing to obtain mining leases, but is no longer developing those leases. It is selling the mining leases obtained to other mining development companies.

Mining Property costs

The Company incurs costs on activities that relate to the securing of mining leases reserves. Such costs are capitalized as investments in projects until the lease can be sold or until the lease proves to be of no value and expensed .

Stock-Based Compensation

Statement of Financial Accounting Standards No. 123 (Revised 2004), "Share-Based Payment" ("SFAS 123R"). SFAS 123R requires that compensation cost related to share-based payment transactions be recognized in the financial statements. Share-based payment transactions within the scope of SFAS 123R include stock options, restricted stock plans, performance-based awards, stock appreciation rights, and employee share purchase

plans. The provisions of SFAS 123R, as amended, are effective for small business issuers beginning as of the next interim period after December 15, 2005.

The Company has elected to use the modified-prospective approach method. Stock-based compensation expense for all awards granted is based on the grant-date fair values estimated in accordance with the provisions of FAS 123R. The Company recognizes these compensation costs, net of an estimated forfeiture rate, on a pro rata basis over the requisite service period of each vesting tranches of each award.

The Company considers voluntary termination behavior as well as trends of actual option forfeitures when estimating the forfeiture rate.

The Company measures compensation expense for its non-employee stock-based compensation under the Financial Accounting Standards Board (FASB) Emerging Issues Task Force (EITF) Issue No. 96-18, "Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services". The fair value of the option issued is used to measure the transaction, as this is more reliable than the fair value of the services received. The fair value is measured at the value of the Company's common stock on the date that the commitment for performance by the counterparty has been reached or the counterparty's performance is complete. The fair value of the equity instrument is charged directly to compensation expense and additional paid-in capital.

Basics and Diluted Net Loss Per Common Share

The Company computes per share amounts in accordance with SFAS No. 128, "Earnings per Share". SFAS No. 128 requires presentation of basic and diluted EPS. Basic EPS is computed by dividing the income (loss) available to Common Shareholders by the weighted-average number of common shares outstanding for the period. Diluted EPS is based on the weighted-average number of shares of common stock and common stock equivalents outstanding during the periods.

Recent Accounting Pronouncements

There have been no recent accounting pronouncements or changes in accounting pronouncements that impacted the first six months ended December 31, 2010, or which are expected to impact future periods, that were not already adopted and disclosed in prior periods.

Note 2. Notes Payable

The following notes were payable at December 31, 2010:

	<u>Date</u>	<u>Interest %</u>	<u>Due</u>	<u>Amount</u>
Winters	September 2009	12%	On demand	\$ 4,000
Edwards	July 2007	12%	On Demand	\$ 50,000

Interest expense was \$7,922 for the year ended December 31, 2010 and \$21,137 for the year ended December 31, 2009.

Note 3. Shareholder loans

Loans from shareholders of \$5,150 at December 31, 2010 were non-interest bearing and due on demand. Another loan from shareholder of \$75,000 was converted to 1,500,000 common shares at \$0.05 per share in 2009.

Note 4. Mineral Properties

TONOGOLD RESOURCES, INC.

	<u>Property</u>	<u>Status</u>	<u>Date Signed</u>
1.	King Tonopah East	Active	2/18/05
2.	Tonopah Divide	Active	3/1/06
3.	Goldstrike (OV, D)	Active	8/05/09
4.	Goldstrike (W)	Active	8/05/09
5.	Arizona Claims	Active	10/01/09

1) King Tonopah East Lease

On February 18, 2005 the Company obtained a mining lease from Royce L. Hackworth and Belva Tomany, with option to purchase, to develop and operate mining properties in the Tonopah mining district, Nye County, Nevada. The agreement required an \$11,000 payment at signing. The lease was amended on November 2, 2010 to include a revised schedule of annual payments listed below.

The Company will pay a royalty of 3% of all mineral sales that may be reduced to 1.5% upon payment of \$150,000 during the first ten years.

Rentals are payable and investment required in exploration, development and mining as follows:

<u>Year Ended</u>	<u>Rents Required</u>
February 18, 2011	\$4,000
February 18, 2012	\$4,000
February 18, 2013	\$4,500
February 18, 2014	\$5,000
Subsequent years	\$10,000

2) Tonopah Divide Lease

On March 1, 2006, the Company obtained a ten year mining lease from Tonopah Divide Mining Company, with option to renew as long as the property is in production, to develop and operate mining properties in the Divide Mining District, Esmeralda County, Nevada. The agreement required a \$30,000 payment at signing and a rental payment of \$10,000 per month starting April 1, 2006.

On March 14, 2008, the Company signed an Exploration and Option Agreement with Centerra (U.S.), Inc., a subsidiary of Centerra Gold, Inc.

The Exploration and Option Agreement required Centerra to spend \$2,700,000 in exploration expenditures within five years in order to earn a 60% interest in the Tonopah Divide lease. On March 31, 2010, Centerra notified the Company that it had completed its earn-in requirement. In May 2010 the Company and Centerra formed a mining venture with initial equity interests of 40% and 60% respectively. The Company elected not to contribute to the 2010 exploration programs and its ownership interest was reduced to 30%.

The mining venture's formal operating agreement is scheduled to be signed on March 31, 2010.

Concurrent with the signing of the Exploration and Option Agreement, the terms of the mining lease with Tonopah Divide Mining Company have been amended per the following terms. Advance minimum royalties, investment required in exploration, development and mining are as follows:

<u>Years Ended</u>	<u>Investment Required</u>	<u>Royalty</u>
March 1, 2011	\$500,000	\$50,000
March 1, 2012	\$500,000	\$60,000
March 1, 2013	\$450,000	\$60,000
March 1, 2014	\$200,000	\$75,000
March 1, 2015	\$200,000	\$75,000
March 1, 2016	\$200,000	\$75,000
Subsequent Years	\$300,000	\$75,000

According to the terms of the Exploration and Option Agreement Centerra is responsible for the above investments until their earn-in percentage is met then the expenses and royalties shall be paid according to each party's ownership percentage.

Prior advance minimum royalty payments can be offset against production royalty payments.

Upon commencement of commercial production a maximum of 4% net smelter royalty will be paid to the Tonopah Divide Mining Company or its associated lessors.

3) Goldstrike - Oro Vista Claims

On August 5, 2009, the Company obtained a mining lease from Oro Vista, LLC., to develop and operate mining properties in the Goldstrike mining district, Washington County, Utah. The agreement required the issuance of 150,000 restricted common shares and payment of \$16,800 in claim maintenance fees upon signing. The Company is required to invest \$25,000 in exploration expenditures on the property each year. The Company is current on its work commitment obligations.

The Company paid a bonus of \$30,000 in cash and \$10,000 in stock by August 5, 2010, as required by the lease.

Beginning on August 5, 2011, and each year thereafter, the Company is required to pay an advance minimum royalty of \$30,000.

The Company will pay a net smelter royalty upon the commencement of commercial production based on the price of gold at the time of sale as follows:

<u>Price of Gold</u>	<u>Royalty %</u>
Below \$700	3.0
\$700-\$899	3.5
\$900 or above	4.0

Prior advance minimum royalty payments can be offset against production royalty payments.

The term of the lease is ten years or perpetual upon commercial production or upon payment of an advance minimum royalty equal to 150% of the amount paid in year ten of the lease.

4) Goldstrike - W Claims

On August 5, 2009, the Company obtained a mining lease from Ray Hunter, to develop and operate mining properties in the Goldstrike mining district, Washington County, Utah. The agreement required the issuance of 50,000 restricted common shares and payment of \$1,200 in claim maintenance fees upon signing. The Company is required to invest \$25,000 in exploration expenditures on the property each year. The Company is current on its work commitment obligations.

The Company paid a bonus of \$10,000 by August 5, 2010, as required by the lease.

Beginning on August 5, 2011, and each year thereafter, the Company is required to pay an advance minimum royalty of \$10,000.

The Company will pay a net smelter royalty upon the commencement of commercial production based on the price of gold at the time of sale as follows:

<u>Price of Gold</u>	<u>Royalty %</u>
Below \$700	3.0
\$700-\$899	3.5
\$900 or above	4.0

Prior advance minimum royalty payments can be offset against production royalty payments.

The term of the lease is ten years or perpetual upon commercial production or upon payment of an advance minimum royalty equal to 150% of the amount paid in year ten of the lease.

5) Arizona Claims

In October 2009 we staked six mining claims in Yavapai County, Arizona. In October 2010 we staked an additional 24 unpatented mining claims in Yavapai and Mohave Counties, Arizona.

PROSPECT URANIUM, INC.

The following leases are owned by Secure Energy, LLC. Prospect Uranium, Inc. is the managing member of Secure Energy and owned a 51.35% interest in Secure Energy as of December 31, 2010. Prospect sold its interest in Secure Energy on March 17, 2011 (see Note 7: Subsequent Events).

1) Slope County, North Dakota, Lease 1

On June 28, 2007 the Secure Energy, LLC (Prospect Uranium, Inc. is the managing partner) signed a 20 year mining lease with Robert Petri and Dorothy Petri to develop and operate 472.8 acres of uranium mining properties in the Slope County, North Dakota. The company prepaid the annual payment of \$10 per net acre for eight years (\$20,744.75) at the date of signing.

The Company will pay a production royalty of \$0.75 per pound of all uranium sales.

2) Slope County, North Dakota, Lease 2

On June 28, 2007 the Secure Energy, LLC (Prospect Uranium, Inc. is the managing partner) signed a 20 year mining lease with Robert Petri, Jr. and Michelle Petri to develop and operate 472.8 acres of uranium mining properties in the Slope County, North Dakota. The company prepaid the annual payment of \$10 per net acre for eight years (\$15,972) at the date of signing.

The Company will pay a production royalty of \$0.75 per pound of all uranium sales.

3) Slope County, North Dakota, Lease 3

On November 23, 2007 the Secure Energy, LLC (Prospect Uranium, Inc. is the managing partner) signed a 10 year mining lease, with right to extend an additional 10 years, with Mark E. Schmidt to develop and operate 554.24 acres of uranium mining properties in the Slope County, North Dakota. The company prepaid the annual payment of \$10 per net acre for ten years (\$53,775.25) at the date of signing.

The Company will pay a production royalty of \$0.75 per pound of all uranium sales or 5% of net proceeds from the sale of uranium bearing ores.

Note 6. TNR Gold Corp. Investment

On October 30, 2009, the Company agreed to give TNR Gold Corp. the exclusive option to acquire 100% interest in Sarcobatus Flats property located in Nye County, Nevada for \$130,000 and 675,000 shares of TNR Gold Corp. common stock.

In 2009 the Company received \$25,000 and 75,000 shares of common stock valued at \$0.30 per share (\$22,500) based on the per share value on the TSX Venture Stock Exchange, which the Company recorded as income. These shares were sold in 2010.

In 2010 the Company received 125,000 shares valued at \$0.17 per share (\$21,250) and \$10,000 in cash.

The Company is to receive the remaining payments if TNR Gold Corp. exercises its option:

	Cash	Shares
April 15, 2011	\$ 24,000	-
December 15, 2011	35,000	200,000
December 15, 2012	40,000	275,000
Totals	\$ 95,000	475,000

Note 7. Subsequent Event

On March 17, 2010, Prospect Uranium, Inc. sold its joint venture interest in Secure Energy, LLC. to American Energy Fields, Inc. ("AEFI") for \$60,000 and 2,725,000 restricted common shares of AEFI. The shares of AEFI received by Prospect are subject to a lockup agreement whereby Prospect may sell up to 340,625 shares per quarter. Additionally, AEFI assumed \$85,000 in debt of Prospect Uranium. Secure Energy, LLC was the owner of three uranium mining leases detailed in Note 5.

PART 2 MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company was organized to engage in the acquisition, exploration and development of mining properties. However, in 2008 the changed its focus to engage in the acquisition and exploration of mining properties with the objective to sell those properties that proved out to companies that focused on the development of mining properties.

Revenues

In 2009 the Company realized \$359,721 from the assignment of the Nyac property. Further, the company realized \$47,500 from the option to acquire 100% of the Sarcobatus Flats property by TNR Gold Corp,

In 2010, the Company realized \$53,156 from consulting on the Nyac property and \$27,250 from the option to acquire 100% of the Sarcobatus Flats property by TNR Gold Corp.

Cost of revenues

The acquisition and exploration costs of the Nyac property in prior years were expensed. Because of the Company's knowledge with regard to the property we are able to earn consulting fees

Costs of acquisition and exploration costs of the Sarcobatus Flats property were \$14,117 in 2009. No further costs have been incurred.

The above have not been included in cost of revenues for 2010 and 2009.

Mining property costs

During 2010 and 2009 the Company expended the following costs on these mining properties:

	Tonogold	
	2010	2009
King Tonopah property	\$ 5,120	\$ (2,285)
Motherlode gold property	10,967	-
Van Deeman property	-	(625)
Golden Chariot property	-	175
Lucky Boy property	-	9,953
Gold Strike property	126,937	60,719
Sarcobatus Flats	-	14,117
Rare Earth property	-	1,123
KROB property	-	3,670
Tungston project	7,277	
Prospects	1,409	
Depletion	(1,609)	
Management of all properties	58,360	
Equipment rental all properties	9,740	459
Lithium research	(942)	3,400
	<u>\$ 217,259</u>	<u>\$ 90,706</u>

General and administrative expenses

During 2010 and 2009 the Company had the following major general and administrative expenses:

	Tonogold	
	2010	2009
Wages	\$ 182,572	\$ 412,992
Office	25,437	24,628
Advertising	15,191	12,806
Insurance	10,711	10,265
Rent	7,924	46,920
Travel	20,601	16,207
Telephone	19,737	14,070
Professional fees	28,070	15,210
Other	92,659	24,091
Total	\$ <u>402,902</u>	\$ <u>577,189</u>

Working capital

The Company had \$17,417 in the bank and a negative working capital of \$212,812 at December 31, 2010. The Company raised \$326,770 through the sale of stock during the year.

The Company will need to raise additional funds during the next twelve months in order to sustain our business. Additional funds may not be available and we cannot predict what revenues and cash flow from operations we can expect during the next twelve months.