Contango ORE, Inc.
Form PRE 14A
November 14, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 14A
(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No. _____)

Filed by the Registrant [x]

Filed by a Party other than the Registrant [ ]

Check the appropriate box:

[x] Preliminary Proxy Statement.
[ ] Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2)).
[ ] Definitive Proxy Statement.
[ ] Definitive additional materials.
[ ] Soliciting material pursuant to §240.14a-12

CONTANGO ORE, INC.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of filing fee (check the appropriate box):

[ ] No fee required.

[x] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:
N/A

(2) Aggregate number of securities to which transaction applies:
N/A

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:
$30,000,000

(5) Total fee paid:
$6,000

[ ] Fee paid previously with preliminary materials.

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, schedule or registration statement no.:

(3) Filing party:

(4) Date filed:

CONTANGO ORE, INC.

3700 Buffalo Speedway, Suite 925
Houston, Texas 77098

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
[January 8, 2015]

Dear Stockholder:

You are cordially invited to attend the 2015 Annual Meeting of Stockholders of Contango ORE, Inc., ("CORE" or the "Company") which will be held at 3700 Buffalo Speedway, Second Floor, Houston, Texas 77098, on [Thursday, January 8, 2015] at 9:30 a.m., Central Time.

We have entered into a Master Agreement, dated September 29, 2014 (the "Master Agreement"), with Royal Gold, Inc. ("Royal Gold") and have agreed to form a Delaware limited liability company (the "Joint Venture Company") to be known as Peak Gold, LLC to advance the exploration and development of our Tetlin gold exploration project (the "Tetlin Project") near Tok, Alaska. The Joint Venture Company will be governed by a Limited Liability Company Agreement (the "Joint Venture Company LLC Agreement") between a wholly-owned subsidiary of Royal Gold and a wholly-owned subsidiary of the Company, and which will contain the rights and obligations of the members of the Joint Venture Company (the "Members"). At the closing of the Master Agreement (the "Closing"), (i) we will contribute substantially all of our assets to the Joint Venture Company, including our Tetlin Properties and (ii) Royal Gold will invest $5 million initially to fund exploration activity of the Joint Venture Company. In return, the Joint Venture Company will grant an option to Royal Gold to earn up to a 40% economic interest in the Joint Venture Company by investing up to $30 million (inclusive of the initial $5 million investment) prior to October 2018. If Royal Gold earns the entire 40% interest in the Joint Venture Company, Royal Gold may elect to require the Company to sell up to 20% of its membership interest in the Joint Venture Company in the event of a sale of Royal Gold's entire 40% interest in the Joint Venture Company to a third party. The full text of the Master Agreement and the form of the Joint Venture Company LLC Agreement are included as Annex A and Annex B, respectively, to the proxy statement that accompanies this letter. The Master Agreement, the Joint Venture Company LLC Agreement and all other documents and agreements contemplated thereby are collectively referred to herein as the "Transaction Documents", and the transactions contemplated by the Transaction Documents are collectively referred to herein as the "Proposed Transaction".

Delaware law requires that a Delaware corporation obtain authorization by its shareholders to sell or transfer all or substantially all of its assets. Since we will be contributing substantially all of our assets to the Joint Venture Company, which will initially be managed by Royal Gold (and will continue to be managed by Royal Gold if it earns a 40% interest in the Joint Venture Company), we are seeking the approval of our shareholders of the Proposed Transaction. The Proposed Transaction will not be completed unless and until it receives the affirmative vote of a majority of outstanding shares of common stock of the Company.

We have scheduled this vote to take place at our Annual Meeting of Stockholders on [January 8, 2015]. The vote on the Proposed Transaction, the election of our board of directors and the other matters that we expect to act upon at the meeting are described in detail in the following Notice of Annual Meeting of Stockholders and Proxy Statement. We will also transact ordinary annual meeting business at the Annual Meeting of Stockholders.

YOUR VOTE IS VERY IMPORTANT. Approval of the Proposed Transaction requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock entitled to vote at the Annual Meeting. Therefore, failure to vote will have the same effect as a vote "AGAINST" the approval of the Proposed Transaction.

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OUR BOARD OF DIRECTORS HAS UNANIMOUSLY DETERMINED that the Proposed Transaction; the election of three directors of the Company; the ratification of UHY LLP as the Company's independent registered public accounting firm for the fiscal year ending June 30, 2015; the approval of the compensation of the Company's executives; and the authority to adjourn the Annual Meeting, are in the best interests of the Company and its stockholders and recommends a vote "FOR" each of these proposals.

Whether or not you plan to attend the Annual Meeting in person, please date, sign and return the enclosed proxy card promptly or vote over the Telephone or Internet. A postage-paid return envelope is enclosed for your convenience. If you decide to attend the Annual Meeting, you can, if you wish, revoke your proxy and vote in person. If you have any questions, please contact us through our website at www.contangoore.com, call us at (713) 877-1311, or write us at 3700 Buffalo Speedway, Suite 925, Houston, Texas 77098.

By order of the Board of Directors

/s/ Brad Juneau
Brad Juneau
Chairman, President and Chief Executive Officer

Houston, Texas
[November ___, 2014]

CONTANGO ORE, INC.
3700 Buffalo Speedway, Suite 925
Houston, Texas 77098

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS
[JANUARY 8, 2015]

To our Stockholders:

The Board of Directors (the "Board") of Contango ORE, Inc., a Delaware corporation (the "Company" or "CORE"), is furnishing you with this Proxy Statement in connection with its solicitation of your proxy, in the form enclosed, for use at the 2015 Annual Meeting of Stockholders (the "Annual Meeting") to be held at 3700 Buffalo Speedway, Second Floor, Houston, Texas 77098, on [Thursday, January 8, 2015] at 9:30 a.m., Central Time, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders.

Important Notice Regarding the Availability of Proxy Materials
For the Annual Meeting of Stockholders to be held on [January 8, 2015]

In accordance with rules issued by the Securities and Exchange Commission, you may access
The Notice of Annual Meeting of Stockholders, our 2014 Proxy Statement and our Annual Report at
http://www.contangoore.com/proxy

At the Annual Meeting you will be asked to vote on the following matters:

(1) To approve the transactions contemplated by (a) that certain Master Agreement, dated September 29, 2014, between the Company and Royal Gold, Inc. ("Royal Gold") (b) the Limited Liability Company Agreement of Peak Gold, LLC (the "Joint Venture Company LLC Agreement") between a wholly-owned subsidiary of Royal Gold and a wholly-owned subsidiary of the Company and the formation of Peak Gold, LLC (the "Joint Venture Company") as a Delaware limited liability company, and (c) all other documents and agreements contemplated by (a) and (b) (collectively, the "Proposed Transaction");

(2) To elect our Board of Directors to serve until the annual meeting of stockholders in 2015;

(3) To ratify the appointment of UHY LLP as the independent auditors of the Company for the fiscal year ending June 30, 2015;

(4) To conduct a non-binding advisory vote to approve the compensation of the Company's executives;

(5) To adjourn the Annual Meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of these proposals; and

(6) To conduct any other business that is properly raised at the Annual Meeting.

Stockholders who owned shares of the Company's common stock, par value $0.01 per share, at the close of business on [December 1, 2014] are entitled to receive notice of and to attend and vote at the meeting.

As a stockholder of the Company, you have the right to vote on the proposals listed above. Please read the Proxy Statement carefully because it contains important information for you to consider when deciding how to vote. Your vote is important.

You have three options in submitting your vote prior to the Annual Meeting date:

(1) You may sign and return the enclosed proxy card in the accompanying envelope;
(2) You may vote over the Internet at the address shown on your proxy card; or
(3) You may vote by Telephone using the phone number shown on your proxy card.

We are distributing this Proxy Statement to you on or about [December 1, 2014], together with the accompanying proxy card and the Company's annual report on Form 10-K, as amended, for the fiscal year ended June 30, 2014.

We cordially invite you to attend the Annual Meeting. Whether or not you plan to attend, please complete, date and sign the proxy card and return it promptly in the return envelope provided, or you may vote over the Telephone or Internet by following the instructions on the proxy card or other enclosed proxy material.

CAUTIONARY STATEMENT ABOUT FORWARD LOOKING STATEMENTS

This proxy statement, and the documents to which we refer you to in this proxy statement, contain forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995, including, among others, under the headings "Summary," "Questions and Answers," "The Proposed Transaction," "The Master Agreement," "Th Limited Liability Company Agreement," "Proposal No 1 — The Proposed Transaction," and in statements containing the words "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "should," "plans," "targets" and/or sim expressions. Forward-looking statements also include the following: (1) statements containing projections of revenues, operating expenses, income (or loss), earnings (or loss) per share, capital expenditures, dividends, capital structure, and other financial items; (2) statements concerning the plans and objectives of CORE management for future operations, including plans or objectives relating to the Joint Venture Company; (3) statements of future economic performance; (4) statements of the assumptions underlying or relating to any statement described in (1), (2), or (3); and (5) statements regarding the timing or completion of the Proposed Transaction. Actual results could differ materially from those predicted by these forward-looking statements.

You should be aware that forward-looking statements involve known and unknown risks and uncertainties as well as assumptions, among other things, about us and regulatory, clinical, economic and market factors, among others. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that the actual results or developments we anticipate will be realized, or even if realized, that they will have the expected effects on the business or operations of CORE or its subsidiaries. These forward-looking statements speak only as of the date on which the statements were made and we undertake no obligation to publicly update or revise any forward-looking statements made in this proxy statement or elsewhere as a result of new information, future developments or otherwise.

Forward-looking statements are not guarantees of future performance, and actual results may differ materially from those contemplated by forward-looking statements. You should not place undue reliance on any forward-looking statements contained herein, which speak only as of the date of this proxy statement, or, in the case of documents referred to in this proxy statement, as of the respective dates of such documents. These and other factors are discussed in our current filings with the Securities and Exchange Commission (the "SEC"), including our Annual Report on Form 10-K, as amended, for the fiscal year ended June 30, 2014, and our subsequent SEC filings.

In addition to other factors and matters contained in this document, we believe the following factors could cause actual results to differ materially from those discussed in the forward-looking statements:

- the failure to satisfy any of the conditions to complete the Proposed Transaction, including the receipt of the required stockholder approval;
- the occurrence of any event, change or other circumstances that could give rise to the termination of the Master Agreement;
- the outcome of any legal proceedings instituted against us and others in connection with the Proposed Transaction;
- the failure of the Proposed Transaction to close for any other reason;
- the amount of the costs, fees, expenses and charges relating to the Proposed Transaction;
- business uncertainty and contractual restrictions prior to the consummation of the Proposed Transaction;
- competition generally and the increasingly competitive nature of our industry;
- stock price and interest rate volatility;
- declines and variations in the price of gold;
- insufficient capital to operate our business;
- inability to obtain adequate financing on acceptable terms to the Company;
- failure to encounter commercial quantities of minerals in our exploration and development program;

failure to operate our business successfully;
dilution of our interest in the Joint Venture Company; and
the loss of management control of the Joint Venture Company and exploration of our Tetlin Properties.

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The foregoing list and the risks reflected in this proxy statement should not be construed to be exhaustive. Actual results or matters related to the Proposed Transaction could differ materially from the forward-looking statements contained in this proxy statement as a result of the timing of the completion of the Proposed Transaction or the impact of the Proposed Transaction on our results of operations, financial condition, cash flows, capital resources, profitability, cash requirements, management resources and liquidity. In view of these uncertainties, you should not place undue reliance on any forward-looking statements, which are based on our current expectations.

SUMMARY

This summary highlights information contained elsewhere in this proxy statement and may not contain all the information that is important to you. We urge you to read the remainder of this proxy statement carefully, including the attached Annexes, and the other documents to which we have referred you. See also the section entitled "Where You Can Find More Information" beginning on page 76. We have included page references in this summary to direct you to a more complete description of the topics presented below.

Parties to the Proposed Transaction

Contango ORE, Inc.

CORE is a Houston, Texas–based company that engages in the exploration in Alaska for gold and associated minerals. As of June 30, 2014 we had leased or had control over approximately 768,357 acres of Alaskan Native and State of Alaska properties for the exploration of gold ore and associated minerals.

CORE's common stock is traded on the OTCBB under the symbol "CTGO."

CORE is a Delaware corporation. The principal executive offices of CORE are located at 3700 Buffalo Speedway, Suite 925 Houston, Texas 77098, and CORE's telephone number is (713) 877-1311. Additional information about CORE and its subsidiaries is included in documents incorporated by reference into this proxy statement. See "Where You Can Find More Information" on page 76.

Royal Gold, Inc.

Royal Gold, together with its subsidiaries, is engaged in the business of acquiring and managing precious metal royalties, metal streams and similar interests. As of June 30, 2014, Royal Gold's portfolio consists of 201 properties on six continents, including interests in 37 producing mines and 23 development stage projects.

Royal Gold's common stock is publicly traded on the NASDAQ Global Select Market under the symbol "RGLD," and on the Toronto Stock Exchange under the symbol "RGL." Royal Gold's website is located at www.royalgold.com.

Royal Gold is a Delaware corporation. The principal executive offices of Royal Gold are located at 1660 Wynkoop Street, Suite 1000, Denver, Colorado 80202 and Royal Gold's telephone number is (303) 573-1660.

The Joint Venture Company

The Joint Venture Company is contemplated to be a newly formed Delaware limited liability company. In connection with the Proposed Transaction, the Company will form the Joint Venture Company by filing a Certificate of Formation with the state of Delaware, and thereafter the Company will contribute substantially all of its assets to the Joint Venture Company. Following completion of the Proposed Transaction, the Joint Venture Company will be governed by the Joint Venture Company LLC Agreement.

The Annual Meeting

The 2015 Annual Meeting of Stockholders of Contango ORE, Inc. will be held at 3700 Buffalo Speedway, Second Floor, Houston, Texas 77098, on [Thursday, January 8, 2015] at 9:30 a.m., Central Time.

You will be asked to consider and vote upon proposals to (i) authorize and approve the Proposed Transaction (Proposal 1), (ii) elect our Board of Directors to serve until the annual meeting of stockholders in 2015 (Proposal 2), (iii) ratify the appointment of UHY LLP as the independent auditors of the Company for the fiscal year ending June 30, 2015 (Proposal 3), and (iv) approve, on a non-binding basis, the compensation of the Company's executives (Proposal 4). You may also be asked to approve any proposals to adjourn the Annual Meeting (Proposal 5), if necessary, to solicit additional proxies if there are not sufficient votes in favor of the foregoing proposals. In addition, you may be asked to vote on any other business that is properly raised at the Annual Meeting.

Only record holders of shares of CORE common stock at the close of business on [December 1, 2014], the record date for the CORE annual meeting, are entitled to receive notice of, and to vote at, the Annual Meeting or any adjournment or postponement thereof. At the close of business on the record date, the only outstanding voting securities of CORE were common stock, and 3,814,539 shares of CORE common stock were issued and outstanding, approximately 3.7% of which were owned and entitled to be voted by CORE's executive officers and directors. The Company's directors and executive officers are currently expected to vote their shares in favor of each Contango proposal listed above.

The Estate of Kenneth R. Peak, Brad Juneau, and certain other stockholders of CORE have entered into an agreement with Royal Gold whereby, subject to the terms and conditions of that agreement, such stockholders have agreed to vote all of the CORE common shares held by such stockholders in favor of the Proposed Transaction. As of the date of this proxy statement, such parties hold in the aggregate approximately 39.1% of the outstanding shares of CORE common stock.

With respect to each proposal listed above, CORE stockholders may cast one vote for each share of CORE common stock that they own as of the record date. The proposal to approve the Proposed Transaction (Proposal 1) requires the affirmative vote of a majority of the outstanding shares of CORE common stock and entitled to vote at the Annual Meeting. The other proposals will require an affirmative vote of a majority of the shares present in person or by proxy and voting at the Annual Meeting. No business may be transacted at the Annual Meeting unless a quorum is present. If a quorum is not present, or if fewer shares are voted in favor of the proposal to approve the Proposed Transaction than is required, to allow additional time for obtaining additional proxies, the Annual Meeting may be adjourned if the requisite stockholder approval to adjourn the meeting is obtained. No notice of an adjourned meeting need be given unless the adjournment is for more than 30 days or, if after the adjournment, a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

The Proposed Transaction

A copy of the Master Agreement is attached as Annex A to this proxy statement. A copy of the Form of Joint Venture Company LLC Agreement is attached as Annex B to this proxy statement. We encourage you to read the entire Master Agreement and the Joint Venture Company LLC Agreement carefully because together they are the principal documents governing the Proposed Transaction. For more information on the Master Agreement, see the section entitled "The Master Agreement" beginning on page 34. For more information on the Joint Venture Company LLC Agreement, see the section entitled "The Joint Venture Company; The Joint Venture Company LLC Agreement" beginning on page 49.

The Proposed Transaction; (see page 27)

On September 29, 2014, we entered into the Master Agreement with Royal Gold, pursuant to which the parties have agreed, subject to the satisfaction of various closing conditions, to form a joint venture to advance exploration and development of our Tetlin Properties (as defined below), prospective for gold and associated minerals.

In connection with the consummation (the "Closing") of the Proposed Transaction, the Company will contribute its Tetlin Lease and State of Alaska mining claims near Tok, Alaska, together with other personal property (collectively, the "Tetlin Properties' or the "Contributed Assets"), which constitute substantially all of the Company's assets, to the Joint Venture Company. The Joint Venture Company will be managed according to the Joint Venture Company LLC Agreement. The Master Agreement and Joint Venture Company LLC Agreement provide that, at the Closing, Royal Gold will invest $5 million initially to fund exploration activity of the Joint Venture Company. The Joint Venture Company will grant an option to Royal Gold to earn up to a 40% economic interest in the Joint Venture Company by investing up to $30 million (inclusive of its initial $5 million investment) prior to October 2018. The Proposed Transaction provides for an implied pre-Closing value of the Contributed Assets of $45.7 million (the "Contributed Assets Value"). The proceeds of Royal Gold's investment will be used by the Joint Venture Company for additional exploration and development of the Tetlin Properties.

Each of the parties has made customary representations and warranties in the Master Agreement and the Company has agreed to customary covenants, including covenants regarding the operation of the Company's business prior to the Closing. The Proposed Transaction has been approved by the boards of directors of the Company and Royal Gold and is subject to various closing conditions, including the approval of the Proposed Transaction by the Company's stockholders. The Company has agreed, among other things, not to solicit alternative business combination transactions prior to the Closing of the Proposed Transaction, and, subject to certain exceptions, not to engage in discussions or negotiations regarding any alternative business combination transactions during such period.

Reasons for the Proposed Transaction; Recommendation of our Board of Directors (see page 32)

After careful consideration, the Board of Directors of the Company (the "Board") unanimously determined that the Proposed Transaction, including the formation of the Joint Venture Company, the contribution to the Joint Venture Company of substantially all of the Company's assets, the grant of an option to Royal Gold to earn up to a 40% membership interest in the Joint Venture Company and the other transactions contemplated by the Transaction Documents, are advisable and in the best interests of the Company and its stockholders.

The Board approved the Master Agreement and the Proposed Transaction and recommended to the holders of Company's common stock the approval of the Proposed Transaction. For more information regarding the factors considered by our Board in reaching its decisions relating to its recommendations, see the section entitled "The Proposed Transaction — Reasons for the Proposed Transaction; Recommendation of the Company's Board of Directors."

The Board unanimously recommends that the Company's stockholders vote "FOR" the proposal to approve the Proposed Transaction.

Opinion of our Financial Advisor (see page 41)

In connection with the Proposed Transaction, the Board retained Petrie Partners Securities, LLC ("Petrie") to act as financial advisor to the Company in January 2014. From February to July 2014, Petrie conducted a strategic review process that included discussions with 71 third parties related to potential a sale, merger or alternative transaction with the Company, culminating with the Proposed Transaction between the Company and Royal Gold. On September 24, 2014, at a meeting of the Board, Petrie reviewed the results of its strategic review process and its Reference Value Analyses. Petrie subsequently rendered its oral opinion, and confirmed in writing, that, as of September 29, 2014 and based upon and subject to the factors, procedures, assumptions, qualifications and limitations set forth in its opinion, the Contributed Assets Value was fair, from a financial point of view, to the Company.

The full text of the written opinion of Petrie, dated as of September 29, 2014, which sets forth, among other things, the procedures followed, assumptions made, matters considered and qualifications and limitations on the scope of review undertaken in rendering its opinion, is attached as Annex C to this proxy statement and is incorporated by reference in its entirety into this proxy statement. You are urged to read the opinion carefully and in its entirety. Petrie's opinion was addressed to, and provided for the information and benefit of, the Board (in its capacity as such) in connection with its evaluation of whether the Contributed Assets Value was fair, from a financial point of view, to CORE. Petrie's opinion does not address the fairness of the Proposed Transaction, or any consideration received in connection with the Proposed Transaction, to the holders of any securities, creditors or other constituencies of CORE, nor does it address the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of CORE. Petrie assumed that any modification to the structure of the Proposed Transaction would not vary in any respect material to its analysis. Petrie's opinion does not address the relative merits of the Proposed Transaction as compared to any other alternative business transaction or strategic alternative that might be available to CORE, nor does it address the underlying business decision of CORE to engage in the Proposed Transaction. Petrie's opinion does not constitute a recommendation to the Board or to any other persons in respect of the Proposed Transaction, including as to how any holder of shares of common stock of CORE should act or vote in respect of any of the Proposed Transaction. Finally, Petrie did not express any opinion as to the price at which shares of CORE common stock will trade at any time.

Proceeds from the Proposed Transaction (see page 32)

The Joint Venture Company will use the proceeds from Royal Gold's initial $5 million investment for further exploration and development of the Tetlin Properties. The Company will also receive $750,000 from Royal Gold, which will be utilized to pay a portion of the costs and expenses of the Company in connection with the Proposed Transaction.

Effects of the Proposed Transaction (see page 32)

If the Proposed Transaction is authorized by our stockholders and the other conditions to the Closing are satisfied or waived, the Company will contribute the Contributed Assets to the Joint Venture Company. If the Proposed Transaction is not authorized by the holders of a majority of our outstanding shares, then either we or Royal Gold may terminate the Master Agreement and, and as a result, the Proposed Transaction will be not consummated.

Expected Timing of Completion of the Proposed Transaction

The Company currently expects the Closing to occur prior to January 31, 2015. However, the transactions contemplated by the Master Agreement are subject to the satisfaction or waiver of conditions as described in the Master Agreement, and it is possible that factors outside the control of the Company could result in the Closing occurring at an earlier time, a later time or not at all.

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Interests of our Directors and Executive Officers in the Proposed Transaction (see page 32)

In considering the recommendation of our Board to vote for the proposal to authorize the Proposed Transaction, you should be aware that some of our directors and executive officers may have personal interests in the Proposed Transaction that are, or may be, different from, or in addition to, your interests. Pursuant to a Royalty Purchase Agreement dated as of September 29, 2014 between Juneau Exploration, L.P. ("JEX") and Royal Gold (the "Royalty Purchase Agreement"), JEX sold its entire overriding royalty interest in the Tetlin Properties to Royal Gold for a purchase price of approximately $6 million. The sale completed pursuant to the Royalty Purchase Agreement is not subject to any contingency or modification based upon, or related to, the completion of the Proposed Transaction. Brad Juneau, who is our Chairman, President and Chief Executive Officer, is the sole manager of the general partner of JEX, and recused himself from the Board's vote to authorize the Proposed Transaction. All of our directors and executive officers own shares of our common stock and/or options to purchase our common stock, and to that extent, their interests in the Proposed Transaction are the same as that of other holders of our common stock. See "Interests of Our Directors and Executive Officers in the Proposed Transaction".

Regulatory Approvals Required to Complete the Proposed Transaction (see page 32)

Neither the Company nor Royal Gold are required to file notifications with the Federal Trade Commission or the Antitrust Division of the Department of Justice or observe a mandatory waiting period before completing the formation of the Joint Venture Company under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (referred to in this proxy statement as the "HSR Act"). The Company cannot assure you, however, that other government agencies or private parties will not initiate actions to challenge the Proposed Transaction before or the Closing.

No Appraisal Rights (see page 33)

Holders of shares of our outstanding common stock will not have appraisal or dissenters' rights in connection with the Proposed Transaction.

Material U.S. Federal Income Tax Consequences (see page 33)

The Proposed Transaction will not result in any material U.S. federal, state or local income tax consequences to our stockholders.

The Master Agreement (see page 34)

General

The Master Agreement is one of two of the principal transaction documents entered into between CORE and Royal Gold pertaining to the Proposed Transaction. The Master Agreement provides for the various actions and other Transaction Documents that CORE and Royal Gold will need to complete and execute in connection with the Proposed Transaction. In addition, each of the parties to the Master Agreement provided certain representations and warranties regarding their interests and their business customary for transactions of this type. The Master Agreement provides for certain restrictions on the conduct of the Company during the pendency of the Proposed Transaction as well as setting forth the various conditions to the obligations of the parties to complete the Proposed Transaction.

A copy of the Master Agreement is attached as Annex A to this proxy statement. We encourage you to read the entire Master Agreement carefully because, together with the Joint Venture Company LLC Agreement, they are the principal documents governing the Proposed Transaction.

Conditions to Completion of the Proposed Transaction (see page 38)

The obligations of the Company and Royal Gold to complete the transactions contemplated by the Master Agreement are subject to the satisfaction or waiver of the following conditions on or prior to the date of Closing:

approval of the Proposed Transaction by our stockholders;
absence of any laws, restraining orders, injunctions or other orders that have the effect of making the Proposed Transaction illegal or otherwise prohibiting consummation of the Proposed Transaction;
the receipt of any approvals required to be obtained for the consummation of the Proposed Transaction under any applicable United States federal or state laws;

In addition, Royal Gold's obligation to effect the Proposed Transaction is subject to the satisfaction or waiver of additional conditions, including the following:

the representations and warranties of the Company relating to due organization, corporate power and authority, board approval, the absence of certain changes and brokers' fees, will be true and correct as of the date of the Master Agreement and as of the Closing;
the representations and warranties of the Company, other than the representations related to due organization, corporate power and authority, board approval, the absence of certain changes and brokers' fees, will be true and correct in all respects (without giving effect to any qualification for materiality or a material adverse effect), as of the date of the Master Agreement and immediately prior to the closing of the Proposed Transaction, as if made at and as of such time, except where the failure of such representations and warranties to be true and correct would not reasonably be expected to have, individually or in the aggregate, a material adverse effect;
the Company shall have performed in all material respects all obligations, and complied in all material respects with the agreements and covenants, required to be performed by or under the Master Agreement on or prior to the date of Closing;
receipt of a certificate executed by the Company's chief executive officer or chief financial officer as to the satisfaction of the conditions described in the preceding three bullets; and
execution of an estoppel agreement and a stability agreement in each case, between the Native Village of Tetlin (the "Tribe of Tetlin") and the Company;
receipt of resolutions of the Tribe of Tetlin ratifying the estoppel agreement and stability agreement and the waiver of sovereign immunity set forth in the Tetlin Lease, as certified by the President of the Tetlin Village Council;
receipt of an ordinance of the Tribe of Tetlin with regard to the application of Federal law to the Tetlin Lease in the event State of Alaska law no longer applies to the Tetlin Property; and
receipt of a copy of a legal opinion from legal counsel to the Tribe of Tetlin addressed to the Company upon which the Joint Venture Company may rely with regard to (i) the validity of all actions taken by the Tribe of Tetlin to enact the applicable resolutions and the ordinance and (ii) the validity and enforceability of the estoppel agreement and stability agreement.

In addition, the Company's obligation to effect the Proposed Transaction is subject to the satisfaction or waiver of additional conditions, including the following:

the representations and warranties of Royal Gold relating to due organization, corporate power and authority and board approval, will be true and correct as of the date of the Master Agreement and as of the Closing;
the representations and warranties of Royal Gold, other than the representations related to due organization, corporate power and authority and board approval, will be true and correct in all respects (without giving effect to any qualification for materiality or a material adverse effect), as of the date of the Master Agreement and immediately prior to the Closing of the Proposed Transaction, as if made at and as of such time, except where the failure of such representations and warranties to be true and correct would not reasonably be expected to have, individually or in the aggregate, a material adverse effect;
Royal Gold shall have performed in all material respects all obligations, and complied in all material respects with the agreements and covenants, required to be performed by or under the Master Agreement on or prior to the date of Closing; and

receipt of a certificate executed by an officer of Royal Gold as to the satisfaction of the conditions described in the preceding three bullets.

payment of (i) $5,000,000 to the business account of the Joint Venture Company and (ii) $750,000 to the Company, which will be utilized to pay a portion of the costs and expenses of the Company in connection with the Proposed Transaction.

On October 2, 2014, at a meeting of the Tribe of Tetlin, which was also attended by counsel to the Tribe, and representatives of the Company and Royal Gold, the Tribe of Tetlin adopted resolutions and authorized and approved and entered into various agreements in satisfaction of the conditions contained in the Master Agreement relating to the Tribe of Tetlin.

No Solicitation of Alternative Proposals (see page 37)

Subject to certain exceptions, the Company has agreed in the Master Agreement that it and its subsidiaries will not solicit, initiate or knowingly take any action to encourage the submission of any alternative proposal or the making of a proposal that could reasonably be expected to lead to any alternative proposal or (i) conduct or engage in any discussions or negotiations with, disclose any non-public information relating to the Company or any of its subsidiaries to, afford access to the business, properties, assets, books or records of the Company or any of its subsidiaries to, or knowingly assist, participate in, facilitate or knowingly encourage any effort by, any third party that seeks to make or has made an alternative proposal, (ii) amend or grant any waiver under any standstill or similar agreement with respect to any class of equity securities of the Company or any of its subsidiaries, (iii) approve any transaction under, or any third party becoming an "interested stockholder" under, Section 203 of the Delaware General Corporation Law or (iv) enter into any agreement regarding any alternative proposal. See the section entitled "The Master Agreement – No Solicitation of Alternative Proposals" for a discussion of these provisions.

Termination of the Master Agreement (see page 39)

The Company and Royal Gold may mutually agree to terminate the Master Agreement at any time, notwithstanding approval of the Master Agreement by the stockholders of the Company. Either company may also terminate the Master Agreement if the Proposed Transaction is not consummated by January 31, 2015, subject to certain exceptions. See the section entitled "The Master Agreement — Termination of the Master Agreement" for a discussion of these and other rights of each of the Company and Royal Gold to terminate the Master Agreement.

Effect of Termination of the Master Agreement (see page 40)

If the Master Agreement is terminated by either party in accordance with its terms, the Master Agreement (except for certain provisions expressly listed in the Master Agreement, which will survive such termination) will become void and of no further force and effect, with no liability on the part of any party to the Master Agreement (or any stockholder, director, officer, employee, agent or representative of such party) to any other party, except (i) with respect to any liabilities or damages incurred or suffered by a party, to the extent such liabilities or damages were the result of fraud or the breach by another party of any of its representations, warranties, covenants or other agreements set forth in the Master Agreement and (ii) with respect to any applicable termination fees.

Termination Fees and Expenses (see page 40)

Generally, all fees and expenses incurred in connection with the Master Agreement and the Proposed Transaction will be paid by the party incurring those expenses, subject to the specific exceptions discussed in this proxy statement where the Company may be required to pay a termination fee of $1 million. See the section entitled "The Master Agreement—Termination Fees and Expenses" for a discussion of the circumstances under which such termination fee will be required to be paid.

The Joint Venture Company; the Joint Venture Company LLC Agreement (See page 49)

General (see page 49)

The Joint Venture Company LLC Agreement is the operating agreement for the Joint Venture Company that provides for understandings between the Members with respect to matters regarding ownership interests, governance, transfers of ownership interests and other operational matters. CORE and Royal Gold have agreed to a form of the Joint Venture Company LLC Agreement in connection with entry into the Master Agreement. In connection with, and as a condition to, the Closing following the formation of the Joint Venture Company, and subject to the other conditions to Closing described herein, the Joint Venture Company LLC Agreement substantially in the form agreed attached as Annex B will be executed and delivered.

Capital Contributions and Percentage Interests (see page 49)

CORE's initial capital contribution to the Joint Venture Company will be provided in the form of the contribution of the Contributed Assets at the Contributed Assets Value. At Closing, CORE's percentage interest in the Joint Venture Company will equal 100%.

At Closing, Royal Gold, as an initial contribution to the Joint Venture Company, will contribute $5 million in cash (the "Royal Gold Initial Contribution"). The Royal Gold Initial Contribution will be used by the Joint Venture Company to fund further exploration activities on the Tetlin Properties. Following the Royal Gold Initial Contribution, Royal Gold's percentage interest in the Joint Venture Company will equal 0%.

The Joint Venture Company LLC Agreement also provides Royal Gold with the right, but not the obligation, in its sole discretion, to earn a percentage interest in the Joint Venture Company up to a maximum of 40% by making additional contributions of capital to the Joint Venture Company in an aggregate amount equal to $30 million (inclusive of the Royal Gold Initial Contribution) during the period beginning on the date of the Closing and ending on October 31, 2018. Other than the Royal Gold Initial Contribution at Closing, Royal Gold is not under any obligation to make additional capital contributions and there is no guarantee that Royal Gold will invest any additional capital in the Joint Venture Company by October 31, 2018. If Royal Gold does not make any additional capital contributions by October 31, 2018, and assuming there are no other new investors in the Joint Venture, CORE's percentage interest in the Joint Venture Company would continue to be 100% and Royal Gold will be deemed to have resigned as a member of the Joint Venture Company as of October 31, 2018.

Management (see page 51)

The Joint Venture Company, upon formation, will establish a management committee (the "Management Committee") to determine the overall policies, objectives, procedures, methods and actions of the Joint Venture Company. The Management Committee will consist of one appointee designated by CORE and two appointees designated by Royal Gold. If after October 31, 2018, Royal Gold has not made additional capital contributions of at least $30 million in the Joint Venture Company (inclusive of its initial $5 million investment), the Management Committee will be composed on two appointees designated by the Member having the majority percentage interest in the Joint Venture Company and one appointee designated by the Member having the minority percentage interest in the Joint Venture Company. Appointees on the Management Committee are referred to as "Designates".

Except as expressly delegated to the Manager of the Joint Venture Company (the "Manager"), the Joint Venture Company LLC Agreement provides that the Management Committee has exclusive authority to determine all management matters related to the Company.

Each Designate on the Management Committee is entitled to one vote. Except for the list of specific actions requiring unanimous approval noted on page 52, the affirmative vote by a majority of Designates on the Management Committee is required for action.

The Manager of the Joint Venture Company following Closing will be Royal Gold. The Manager shall manage, direct and control the operation of the Joint Venture Company, and shall discharge its duties in accordance with approved programs and budgets. The Manager shall implement the decisions of the Management Committee and shall carry out the day-to-day-operations of the Joint Venture Company.

Other Material Provisions (see page 53)

Area of Interest

The Company and Royal Gold have agreed to an "Area of Interest" comprised of a three-mile radius around the exterior boundaries of the Tetlin Properties (the "Area of Interest"). Upon the election of both Members, properties within the Area of Interest can be acquired by the Joint Venture Company and will become property of the Joint Venture Company. In addition, any Member resigning, forfeiting or transferring its membership interest in the Joint Venture Company may not directly or indirectly acquire any interest in properties within the Area of Interest for twenty-four (24) months after the effective date of such resignation, forfeiture or transfer.

Dilution Provisions

On the earlier of October 31, 2018 or such time as Royal Gold has earned a 40% interest in the Joint Venture Company, the Members shall be required to contribute funds to the Joint Venture Company as necessary to fund approved programs and budgets in proportion to their respective percentage interests in the Joint Venture Company. If a Member elects not to contribute to an approved program and budget or elects to contribute less than its proportionate interest, its percentage interest shall be reduced. If at the time of any capital contribution a Member's percentage interest becomes less than 5%, the other Member has the right to buy out the remaining membership interest.

Risk Factors (see page 17)

In evaluating the Proposed Transaction, in addition to the other information contained in this Proxy Statement, you should carefully consider the risk factors relating to the Proposed Transaction beginning on page 17.

QUESTIONS AND ANSWERS

The Annual Meeting

1. Q: Who is asking for my proxy?

A: Your proxy is being solicited by our Board for use at our Annual Meeting. Our directors, officers or employees may also solicit proxies on behalf of our Board, in person or by telephone, facsimile, mail or e-mail. If our directors, officers or employees solicit proxies, they will not be specially compensated. The Company will pay all costs and expenses of this proxy solicitation.

2. Q: What are stockholders being asked to vote on?

A: At our Annual Meeting, stockholders will be asked to vote:

To approve the Proposed Transaction;

To elect our Board of Directors to serve until the annual meeting of stockholders in 2015;

To ratify the appointment of UHY LLP as the independent auditors of the Company for the fiscal year ending June 30, 2015;

To approve, on an advisory basis, the compensation of the Company's executives;

To adjourn the Annual Meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of these proposals; and

On any other matter that may properly come before the Annual Meeting or any adjournment of the Annual Meeting.

3. Q: Who is entitled to vote?

A: The record of stockholders entitled to vote at the Annual Meeting was taken at the close of business on [December 1, 2014] (the "Record Date"). As of the Record Date, the Company had outstanding [3,814,539] shares of common stock, par value $0.01 per share (the "Common Stock").

4. Q: How many shares may vote at the Annual Meeting?

A: Each record holder of Common Stock is entitled to one vote per share of Common Stock owned on the Record Date.

5. Q: How do I vote my shares?

A: A proxy card is included with the proxy materials being sent to you. The proxy card allows you to specify how you want your shares voted as to each proposal listed. The proxy card provides space for you to:

Vote for or against the Proposed Transaction;

Vote for, or withhold authority to vote for, each nominee for director;

Vote for or against, or abstain from voting on, the ratification of the appointment of UHY LLP as independent public accountants for the fiscal year ending June 30, 2015;

Vote for or against, or abstain from voting on, approval, on an advisory basis, of the compensation of our named executive officers; and

Vote for or against the adjournment of the annual meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of these proposals.

If the proxy card is properly signed and returned to us, shares covered by the proxy card will be voted in accordance with the directions you specify on the card. The person named as proxy on the proxy card is Brad Juneau, the Company's Chairman, President and Chief Executive Officer. Any stockholder who wishes to name a different person as his or her proxy may do so by crossing out Mr. Juneau's name and inserting the name of another person to act as his or her proxy. In such a case, the stockholder would be required to sign the proxy card and deliver it to the person named as his or her proxy, and that person would be required to be present and vote at the Annual Meeting. Any proxy card so marked should not be mailed to the Company.

If you return a signed proxy card without having specified any choices, Mr. Juneau, named as proxy, will vote the shares represented at the Annual Meeting and any adjournment thereof as follows:

FOR the Proposed Transaction;

FOR the election of each nominee for director;

FOR ratification of the appointment of UHY LLP as independent public accountants for the fiscal year ending June 30, 2015;

FOR the approval, on an advisory basis, of the compensation of our named executive officers;

FOR the adjournment of the annual meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of these proposals; and

At the discretion of Mr. Juneau, as proxy, on any other matter that may properly come before the Annual Meeting or any adjournment of the Annual Meeting.

6. Q: How does the Board recommend I vote?

A: The Board unanimously recommends that you vote:

FOR the Proposed Transaction;

FOR the election of each nominee for director;

FOR ratification of the appointment of UHY LLP as independent public accountants for the fiscal year ending June 30, 2015;

FOR the approval, on an advisory basis, of the compensation of our named executive officers; and

FOR the adjournment of the annual meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of these proposals.

Our executive officers and directors who own shares of Common Stock have advised us that they intend to vote their shares in favor of the proposals presented in this Proxy Statement. As of the close of business on the record date, 3,814,539 shares of Company common stock were issued and outstanding, approximately 3.7% of which were owned and entitled to be voted by CORE's executive offficers and directors. In addition, as detailed below under "The Master Agreement — Voting Agreement" certain stockholders of the Company holding approximately 39.1% of the Company's Common Stock (the "Supporting Stockholders"), including Brad Juneau and his affiliates and the Estate of Kenneth R. Peak, our co-founder and former Chairman and CEO, have entered into a Voting Agreement with Royal Gold in

connection with the Proposed Transaction in which the such Supporting Stockholders have agreed to vote in favor of the Proposed Transaction.

7. Q: What vote is required?

A: All proposals will require an affirmative vote of a majority of the shares present in person or by proxy and voting at the Annual Meeting except that an affirmative vote of a majority of the shares outstanding will be required to approve the Proposed Transaction.

8. Q: What is a "quorum"?

A: Presence at the Annual Meeting, in person or by proxy, of holders of a majority of the votes entitled to be cast by all record holders of the Company's Common Stock will constitute a quorum for the transaction of business. If a quorum is not present, the Annual Meeting may be adjourned from time to time until a quorum is obtained.

9. Q: What is the effect of an abstention or a broker non-vote?

A: Abstentions and broker non-votes are counted for purposes of determining the presence or absence of a quorum for the transaction of business. A broker non-vote occurs when a nominee holding shares of the Company's Common Stock for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner. Abstentions are counted in tabulations of the votes cast on proposals presented to stockholders as a vote against, whereas broker non-votes are not counted for purposes of determining whether a proposal has been approved.

10. Q: What does it mean if I receive more than one proxy card?

A: If your shares are registered differently or in more than one account, you will receive more than one proxy card. Sign and return all proxy cards to ensure that all your shares are voted.

11. Q: Can I revoke my proxy?

A: You may revoke your proxy at any time before it is exercised at the Annual Meeting by filing with or transmitting to our corporate secretary either a notice of revocation or a properly created proxy bearing a later date. You also may attend the Annual Meeting and revoke your proxy by voting your shares in person.

12. Q: How will the Company solicit proxies?

A: Proxies may be solicited in person, by telephone, facsimile, mail or e-mail by directors, officers and employees of the Company without additional compensation. The Company will reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy materials to stockholders.

13. Q: How can a stockholder communicate with the Company's directors?

A: The Board has established a process to receive communications from stockholders. Stockholders may contact any member (or all members) of the Board or the independent directors as a group, any committee of our Board of Directors or any chair of any such committee by mail. Correspondence may be addressed to any individual director by name, to the Independent Directors as a group, to any chair of any committee either by name or title. Mail will not be opened but will be forwarded to the Chairman of the Audit Committee or the named Independent Director. Mail addressed to the Board of Directors will be delivered to Brad Juneau, Chairman, President and Chief Executive Officer. Mr. Juneau is not an Independent Director.

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The Proposed Transaction

14. Q: What is the Proposed Transaction?

A: The formation by the Company of a joint venture with Royal Gold to be known as Peak Gold, LLC. The Company would contribute substantially all of its assets to the Joint Venture Company and Royal Gold would initially contribute $5 million to the Joint Venture Company, with an option to earn up to a 40% membership interest in the Joint Venture Company by investing up to an additional $25 million. If Royal Gold has acquired its 40% interest in the Joint Venture Company it may require the Company to sell up to 20% of its membership interest in the Joint Venture Company in the event of a sale of Royal Gold's entire 40% interest in the Joint Venture Company to a third party.

15. Q: Why are we asking for a shareholder vote?

A: Delaware law requires that a Delaware corporation obtain authorization by its shareholders to sell all, or substantially all of its assets. Since we are contributing substantially all of our assets to the Joint Venture Company, which will initially be managed by Royal Gold, the Proposed Transaction may constitute a sale of substantially all of our assets.

16. Q: What is the purpose of the Proposed Transaction?

A: The purpose of the Proposed Transaction is to provide funding for further exploration and development of our Tetlin Properties.

17. Q: What are the estimated net cash proceeds from the Proposed Transaction?

A: At the closing of the Proposed Transaction, Royal Gold will be required to deposit $5 million to an account of the Joint Venture Company. Royal Gold has the option to invest up to an additional $25 million to receive up to a 40% interest in the Joint Venture Company. The Company will also receive $750,000 from Royal Gold, which will be utilized to pay a portion of the costs and expenses of the Company in connection with the Proposed Transaction.

18. Q: How does the Company or the Joint Venture Company plan to use the net cash proceeds from the Proposed Transaction?

A: The Company will use proceeds of Royal Gold's initial $5 million investment in the Joint Venture Company in connection with the Proposed Transaction for further exploration and development of the Tetlin Properties.

19. Q: What effect does the Proposed Transaction have on my common stock?

A: There will be no effect on your common stock. After the closing of the Proposed Transaction, the Company will own 100% of the Joint Venture Company, which in turn will own substantially all of the Company's assets. Later, Royal Gold may exercise its option to earn up to a 40% interest in the Joint Venture Company. In the event Royal Gold earns a full 40% interest in the Joint Venture Company, Royal Gold could require the Company to sell up to 20% of its interest in the Joint Venture Company if Royal Gold sold its entire 40% interest to a third party.

20. Q: When will the Proposed Transaction be consummated?

A: The Company and Royal Gold are working to close the Proposed Transaction as soon as reasonably practicable. Subject to the approval of the Company's shareholders and the other conditions to Closing described herein, the parties currently anticipate that the Closing will occur no later than January 31, 2015. However, there can be no certainty that the Proposed Transaction will close, and shareholders are advised to review the "Risk Factors" section of this Proxy Statement.

21. Q: Am I entitled to appraisal or dissenters' rights in connection with the Proposed Transaction?

A: No. Holders of shares of our outstanding common stock will not have appraisal or dissenters' rights in connection with the Proposed Transaction.

22. Q: What vote is required to authorize the Proposed Transaction?

A: An affirmative vote of a majority of the shares outstanding will be required to approve the Proposed Transaction under the Master Agreement.

23. Q: How does our Board of Directors recommend that I vote?

A: Our Board of Directors unanimously recommends that you vote "FOR" the proposal to authorize the Proposed Transaction. See "Proposed Transaction – Reasons for the Proposed Transaction".

24. Q: How do the Company Directors intend to vote?

A: All of our Directors have informed us that they intend to vote "FOR" the proposal to authorize the Proposed Transaction.

25. Q: What will happen if the Proposed Transaction is approved?

A: If the Proposed Transaction is approved, we will complete the Proposed Transaction promptly thereafter, subject to the other Closing conditions to the Proposed Transaction being satisfied or waived. We will contribute all of our right, title and interest in and to the Tetlin Lease and related state mining claims to the Joint Venture Company, together with other personal property, and Royal Gold will fund $5 million into an account of the Joint Venture Company. Royal Gold can earn up to a 40% interest in the Joint Venture Company by contributing $30 million (inclusive of the initial $5 million) in cash to the Joint Venture Company on or before October 1, 2018. We expect that our primary focus will be on the continued exploration and development of our Tetlin Project as part of the joint venture with Royal Gold.

In addition, if the Proposed Transaction is completed, Royal Gold will control the management of the Joint Venture Company, as detailed below under "The Joint Venture Company LLC Agreement — Management Committee".

26. Q: What will happen if the Proposed Transaction is not approved?

A: If the Proposed Transaction is not approved, we may not complete the Proposed Transaction. We may adjourn the meeting to solicit additional approvals if the Proposed Transaction has not received an affirmative vote of a majority of shares outstanding by the scheduled date of the meeting.

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RISK FACTORS

Risk Factors relating to the Company

The probability that an individual prospect will contain commercial grade reserves is remote.

The probability of finding economic mineral reserves on any of our Tetlin Properties is small. It is common to spend millions of dollars on an exploration prospect and complete many phases of exploration and still not obtain mineral reserves that can be economically exploited. Therefore, the possibility that our Tetlin Properties will contain commercial mineral reserves and that the Company will recover funds spent on exploration is remote.

The price of gold and the gold mining industry have suffered dramatic declines in the past several years.

With the price of gold declining over the past several years, many large mining companies have announced the closure of existing gold mines and a moratorium on new gold mine development. The decline in the price of gold and other minerals has made mining operations less attractive.

We may not have sufficient capital to operate our business in future years and may be required to cease operations.

The Company will have a limited amount of cash to fund its operations in future years. As of September 30, 2014 our current cash balance is approximately $2.7 million, an amount insufficient to fund further significant exploration programs. Without additional funds to support the Company's exploratory drilling activities, we may be required to cease operations and you may lose your entire investment in the Company.

Our ability to successfully execute our business plan is dependent on our ability to obtain adequate financing.

Our business plan, which includes the drilling of exploration prospects, will require substantial capital expenditures. Our ability to raise capital will depend on many factors, including the status of various capital and industry markets at the time we seek such capital. Accordingly, we cannot be certain that financing will be available to us on acceptable terms, if at all. In the event additional capital resources are unavailable, we may be required to cease our exploration and development activities or be forced to sell all or some portion of our properties in an untimely fashion or on less than favorable terms.

We have no revenue to date from our Tetlin Properties, which may negatively impact our ability to achieve our business objectives.

Since the acquisition of the Tetlin Properties, we and our predecessors have conducted limited exploration activities and to date have not, discovered any commercially viable mineral deposits. Our ability to become profitable will be dependent on the receipt of revenues from the extraction of minerals greater than our operational expenses. We and our predecessors have conducted our business of exploring our properties at a loss since our inception and expect to continue to incur losses unless and until such time as one of our properties enters into commercial production and generates sufficient revenues to fund our continuing operations. The amounts and timing of expenditures will depend on the progress of ongoing exploration, the results of consultants' analysis and recommendations, the rate at which operating losses are incurred, and other factors, many of which are beyond our control. Whether any mineral deposits we discover would be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, market prices for the minerals, and governmental regulations. If we cannot discover commercially viable deposits or commence actual mining operations, we may never generate revenues and will never become profitable.

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Our continued viability depends on the exploration, permitting, development and operation of our Tetlin Properties.

Our only material project at this time is our Tetlin Lease, which is in the exploration stage. Our continued viability is based on successfully implementing our strategy, including performing appropriate exploratory and engineering work and evaluating such work, permitting and construction of a mine and processing facilities in a reasonable timeframe.

The Tetlin Properties do not have any proven or probable reserves and we may never identify any commercially exploitable mineralization.

The Tetlin Properties do not have any proven or probable reserves. To date, we have only engaged in material exploration activities on our Tetlin Properties. Accordingly, we do not have sufficient information upon which to assess the ultimate success of our exploration efforts. There is no assurance that we may ever locate any commercial mineral resources on our Tetlin Properties. Additionally, even if we find minerals in sufficient quantities to warrant recovery, such recovery may not be economically profitable. Mineral exploration is highly speculative in nature, involves many risks and is frequently non-productive. Unusual or unexpected geologic formations and the inability to obtain suitable or adequate machinery, equipment or labor are risks involved in the conduct of exploration programs. If we do not establish reserves, we will be required to curtail or suspend our operations, in which case the market value of our common stock will decline, and you may lose all of your investment.

The Tetlin Properties are located in the remote regions of Alaska and exploration activities may be limited by weather conditions and limited access and existing infrastructure.

Our focus is on the exploration of our Tetlin Properties in the State of Alaska. The arctic climate limits certain exploration activities to the period from May through October. In addition, the remote location of our properties may limit access and increase exploration expenses. Higher costs associated with exploration activities and limitation on the annual periods in which we can carry on exploration activities will increase the costs and time associated with our planned exploration activities and could negatively affect the value of our properties and securities.

Concentrating our capital investment in our Tetlin Properties in the State of Alaska increases our exposure to risk.

We expect to focus our capital investments in gold and associated mineral prospects in our Tetlin Properties in the State of Alaska. However, our exploration prospects in Alaska may not lead to any revenues or we may not be able to drill for mineral deposits at anticipated finding and development costs due to financing, environmental or operating uncertainties. Should we be able to make an economic discovery on our Tetlin Properties, we would then be solely dependent upon a single mining operation for our revenue and profits.

We will rely on the accuracy of the estimates in reports provided to the Company by outside consultants and engineers.

We have no in-house mineral engineering capability, and therefore will rely on the accuracy of reserve reports provided to us by independent third party consultants. If those reports prove to be inaccurate, our financial reports could have material misstatements. Further, we will use the reports of our independent consultants in our financial planning. If the reports prove to be inaccurate, we may also make misjudgments in our financial planning.

Exploration activities involve a high degree of risk, and our participation in exploratory drilling activities may not be successful.

Our future success will largely depend on the success of our exploration drilling program. Participation in exploration drilling activities involves numerous risks, including the significant risk that no commercially marketable minerals will be discovered. The mining of minerals and the manufacture of mineral products involves numerous hazards, including:

• Ground or slope failures;
• Pressure or irregularities in formations affecting ore or wall rock characteristics;
• Equipment failures or accidents;
• Adverse weather conditions;
• Compliance with governmental requirements and laws, present and future;
• Shortages or delays in the availability and delivery of equipment; and
• Lack of adequate infrastructure, including access to roads, electricity and available housing.

Poor results from our drilling activities would materially and adversely affect our future cash flows and results of operations.

We have no assurance of title to the Tetlin Properties.

The Company and its subsidiaries hold 89,917 acres in the form of State of Alaska unpatented mining claims, for gold ore exploration. Unpatented mining claims are unique property interests, in that they are subject to the paramount title of, the State of Alaska and rights of third parties to uses of the surface within their boundaries, and are generally considered to be subject to greater title risk than other real property interests. The rights to deposits of minerals lying within the boundaries of the unpatented state claims are subject to Alaska Statues 38.05.185 – 38.05.280, and are governed by Alaska Administrative Code 11 AAC 86.100 – 86.600. The validity of all State of Alaska unpatented mining claims is dependent upon inherent uncertainties and conditions.

With respect to our Tetlin Lease, we retained title lawyers to conduct a general examination of title to the mineral interest prior to executing the Tetlin Lease. Prior to conducting any mining activity, however, we will obtain a full title review of the Tetlin Lease to identify more fully any deficiencies in title to the Tetlin Lease and, if there are deficiencies, to identify measures necessary to cure those defects to the extent reasonably possible. However, such deficiencies may not be cured by us. It does happen, from time to time, that the examination made by title lawyers reveals that the title to properties is defective, having been obtained in error from a person who is not the rightful owner of the mineral interest desired. In these circumstances, we may not be able to proceed with our exploration and development of the lease site or may incur costs to remedy a defect. It may also happen, from time to time, that we may elect to proceed with mining work despite defects to the title identified in a title opinion.

We have entered into the Tetlin Lease with a Native American tribe for the exploration of gold and associated minerals. The enforcement of contractual rights against Native American tribes with sovereign powers may be difficult.

Federally recognized Native American tribes are independent governments with sovereign powers, except as those powers may have been limited by treaty or the United States Congress. Such tribes maintain their own governmental systems and often their own judicial systems and have the right to tax, and to require licenses and to impose other forms of regulation and regulatory fees, on persons and businesses operating on their lands. As sovereign nations, federally recognized Native American tribes are generally subject only to federal regulation. States do not have the authority to regulate them, unless such authority has been specifically granted by Congress, and state laws generally do not directly apply to them and to activities taking place on their lands, unless they have a specific agreement or compact with the state or Federal government allowing for the application of state law. Our Tetlin Lease provides that it will be governed by applicable federal law and the law of the State of Alaska. We cannot assure you, however, that this choice of law clause would be enforceable, leading to uncertain interpretation of our rights and remedies under the Tetlin Lease.

Federally recognized Native American tribes also generally enjoy sovereign immunity from lawsuit similar to that of the states and the United States federal government. In order to sue a Native American tribe (or an agency or instrumentality of a Native American tribe), the Native American tribe must have effectively waived its sovereign immunity with respect to the matter in dispute. Moreover, even if a Native American tribe effectively waives its sovereign immunity, there exists an issue as to the forum in which a lawsuit can be brought against the tribe. Federal courts are courts of limited jurisdiction and generally do not have jurisdiction to hear civil cases relating to matters concerning Native American lands or the internal affairs of Native American governments. Federal courts may have jurisdiction if a federal question is raised by the lawsuit, which is unlikely in a typical contract dispute. Diversity of citizenship, another common basis for federal court jurisdiction, is not generally present in a suit against a tribe because a Native American tribe is not considered a citizen of any state. Accordingly, in most commercial disputes with tribes, the jurisdiction of the federal courts, may be difficult or impossible to obtain. Our Tetlin Lease contains a provision in which the Tribe of Tetlin expressly waives its sovereign immunity to the limited extent necessary to permit judicial review in the courts in Alaska of certain issues affecting the Tetlin Lease.

Competition in the mineral exploration industry is intense, and the Company is smaller and has a much more limited operating history than most of its competitors.

We will compete with a broad range of mining companies with far greater resources in our exploration activities. As a result, we may not be able to compete effectively with such companies. We will also compete for the equipment and labor required to operate and to develop our Tetlin Properties if our exploration activities are successful. Most of our competitors have substantially greater financial resources than we do. These competitors may be able to evaluate, bid for and purchase a greater number of properties and prospects than we can. In addition, most of our competitors have been operating for a much longer time than we have and have substantially larger staffs. Processing of gold and associated minerals requires complex and sophisticated processing technologies. We have no experience in the minerals processing industry.

We have only owned mining properties since the acquisition by our predecessors of the properties in 2009 and 2010. Furthermore, no member of our management has any technical training or experience in minerals exploration or mining. Because of our limited operating history, we have limited insight into trends that may emerge and affect our business. We may make errors in predicting and reacting to relevant business trends and will be subject to the risks, uncertainties and difficulties frequently encountered by early-stage companies in evolving markets such as ours. We may not be able to compete effectively with more experienced companies or in such a highly competitive environment.

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The mining industry is historically a cyclical industry and market fluctuations in the prices of minerals could adversely affect our business.

Prices for minerals tend to fluctuate significantly in response to factors beyond our control. These factors include:

• Global economic conditions;
• Domestic and foreign tax policy;
• The price of foreign imports of gold, and products derived from the foregoing;
• The cost of exploring for, producing and processing mineral ore;
• Available transportation capacity; and
• The overall supply and demand for minerals.

Changes in commodity prices would directly affect revenues and may reduce the amount of funds available to reinvest in exploration and development activities. Reductions in mineral prices not only reduce revenues and profits, but could also reduce the quantities of reserves that are commercially recoverable. Declining metal prices may also impact our operations by requiring a reassessment of the commercial feasibility of any of our mining work.

Because our sole source of revenue, if our exploration efforts are successful, will be the sale of gold and associated minerals, changes in demand for, and the market price of, gold and associated minerals could significantly affect our profitability. The value and price of our common stock may be significantly affected by declines in the prices of gold and associated minerals.

Gold prices, which have significantly declined over the last several years, fluctuate widely and are affected by numerous factors beyond our control such as interest rates, exchange rates, inflation or deflation, fluctuation in the relative value of the United States dollar against foreign currencies on the world market, global and regional supply and demand for gold, and the political and economic conditions of gold producing countries throughout the world.

An increase in the global supply of gold and associated minerals may adversely affect our business.

The pricing and demand for gold and associated minerals is affected by a number of factors beyond our control, including global economic conditions and the global supply and demand for gold and associated minerals and products. Increases in the amount of gold and associated minerals sold by our competitors may result in price reductions, reduced margins and we may not be able to compete effectively against current and future competitors.

We depend upon our management team.

The successful implementation of our business strategy and handling of other issues integral to the fulfillment of our business strategy depends, in part, on our management team. The loss of key members of our management team could have a material adverse effect on our business, financial condition and operating results.

We are subject to complex laws and regulations, including environmental regulations that can adversely affect the cost, manner or feasibility of doing business.

Our exploratory mining operations are subject to numerous laws and regulations governing our operations and the discharge of materials into the environment, including the Federal Clean Water Act, Clean Air Act, Endangered Species Act, and the Comprehensive Environmental Response, Compensation, and Liability Act. Federal initiatives are often also administered and enforced through state agencies operating under parallel state statutes and regulations. Failure to comply with such rules and regulations could result in substantial penalties and have an adverse effect on us. These laws and regulations may:

• Require that we obtain permits before commencing mining work;
• Restrict the substances that can be released into the environment in connection with mining work;
• Impose obligations to reclaim land in order to minimize long term effects of land disturbance; and
• Limit or prohibit mining work on protected areas.

Under these laws and regulations, we could be liable for personal injury and clean-up costs and other environmental and property damages, as well as administrative, civil and criminal penalties. We maintain only limited insurance coverage for sudden and accidental environmental damages. Accordingly, we may be subject to liability, or we may be required to cease production from properties in the event of environmental damages. Compliance with environmental laws and regulations and future changes in these laws and regulations may require significant capital outlays, cause material changes or delays in our current and planned operations and future activities and reduce the profitability of operations. It is possible that future changes in these laws or regulations could increase operating costs or require capital expenditures in order to remain in compliance. Any such changes could have an adverse effect on our Tetlin Properties, business, financial condition and results of operations.

We are subject to the Federal Mine Safety and Health Act of 1977 and regulations promulgated thereto, which impose stringent health and safety standards on numerous aspects of our operations.

Our exploration and mining work in Alaska is subject to the Federal Mine Safety and Health Act of 1977, which impose stringent health and safety standards on numerous aspects of mineral extraction and processing operations, including the training of personnel, operating procedures, operating equipment and other matters. Our failure to comply with these standards could have a material adverse effect on our business, financial condition or otherwise impose significant restrictions on our ability to conduct mining work.

We may be unable to obtain, maintain or renew permits necessary for the exploration, development or operation of any mining activities, which could have a material adverse effect on our business, financial condition or results of operation.

We must obtain a number of permits that impose strict conditions, requirements and obligations relating to various environmental and health and safety matters in connection with our current and future operations. To obtain certain permits, we may be required to conduct environmental studies, collect and present data to governmental authorities and the general public pertaining to the potential impact of our current and future operations upon the environment and take steps to avoid or mitigate the impact. The permitting rules are complex and have tended to become more stringent over time. Accordingly, permits required for our mining work may not be issued, maintained or renewed in a timely fashion or at all, or may be conditioned upon restrictions which may impede our ability to operate efficiently. The failure to obtain certain permits or the adoption of more stringent permitting requirements could have a material adverse effect on our business, our plans of operation, and properties in that we may not be able to proceed with our exploration, development or mining programs.

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Anti-takeover provisions of our certificate of incorporation, bylaws and Delaware law could adversely affect potential acquisition by third parties.

In December 2012, our Board of Directors adopted a shareholder rights plan, which was amended on March 21, 2013 and further amended on September 29, 2014 (as amended, the "Rights Plan"), pursuant to which one preferred stock purchase right was distributed as a dividend on each share of our common stock held of record as of the close of business on December 20, 2012. The Rights Plan is designed to deter coercive takeover tactics and to prevent an acquirer from gaining control of the Company without offering a fair price to all of our stockholders. The existence of the Rights Plan, however, could have the effect of making it more difficult for a third party to acquire a majority of our outstanding common stock, and thereby adversely affect the market price of our common stock.

In addition, our certificate of incorporation, bylaws and the Delaware General Corporation Law contain provisions that may discourage unsolicited takeover proposals. These provisions could have the effect of inhibiting fluctuations in the market price of our common stock that could result from actual or rumored takeover attempts, preventing changes in our management or limiting the price that investors may be willing to pay for shares of common stock. Among other things, these provisions:

Limit the personal liability of directors;
Limit the persons who may call special meetings of stockholders;
Prohibit stockholder action by written consent;
Establish advance notice requirements for nominations for election of the board of directors and for proposing matters to be acted on by stockholders at stockholder meetings;
Require use to indemnify directors and officers to the fullest extent permitted by applicable law;
Impose restrictions on business combinations with some interested parties.

Our common stock is thinly traded.

There are approximately 3.8 million shares of our common stock outstanding, with directors, employees, and our technical consultant beneficially owning approximately 14.0% of our common stock and the Estate of Mr. Kenneth R. Peak, our former Chairman, beneficially owning approximately 21.9% of our common stock. Since our common stock is thinly traded, the purchase or sale of relatively small common stock positions may result in disproportionately large increases or decreases in the price of our common stock.

We do not intend to pay dividends in the foreseeable future.

For the foreseeable future, we intend to retain any earnings to finance the development of our business, and we do not anticipate paying any cash dividends on our common stock. Any future determination to pay dividends will be at the discretion of our Board of Directors and will be dependent upon then-existing conditions, including our operating results and financial condition, capital requirements, contractual restrictions, business prospects and other factors that our Board of Directors considers relevant. Accordingly, investors must rely on sales of their common stock after any price appreciation, which may never occur, as the only way to realize a return on their investment.

Risk Factors relating to the Proposed Transaction

The Proposed Transaction is subject to a number of closing conditions, including that no material adverse effect relating to the Contributed Assets has occurred between June 30, 2014 and Closing of the Proposed Transaction.

Our ability to consummate the Proposed Transaction is subject to a number of conditions precedent, certain of which are outside the control of the Company, including shareholder approval of the Proposed Transaction. There can be no assurance or guarantee that our shareholders will approve the Proposed Transaction. If for any reason the Closing does not occur, the market price of our Common Stock may be adversely affected. If the Closing does not occur and the Company cannot obtain financing for its 2015 exploration program, the financial condition of the Company may be materially adversely affected.

The Master Agreement may be terminated in certain circumstances.

The parties to the Master Agreement have the right to terminate the Master Agreement and the Proposed Transaction in certain circumstances. Accordingly, there is no certainty, nor can the Company provide any assurance, that the Master Agreement will not be terminated, with the result that the Proposed Transaction will not proceed. In addition, in certain circumstances, the Company will be required to pay the termination fee described below in the section entitled “The Master Agreement—Termination Fees and Expenses”.

There can be no assurance that Royal Gold will fund any amount after its initial contribution.

The Joint Venture Company LLC Agreement contains earn-in periods where Royal Gold has the option to fund up to $25 million on or before October 31, 2018 in addition to its initial $5 million investment at the Closing. There is no requirement that Royal Gold contribute any amounts to the Joint Venture Company beyond its initial $5 million investment, and the Joint Venture Company will have limited funds to continue exploration and development of the Tetlin Properties if Royal Gold fails to contribute additional amounts to the Joint Venture Company.

Completion of the Proposed Transaction may mean that the Company only retains a 60% interest in the Joint Venture Company and its interest could be diluted further.

The Tetlin Properties are the Company’s only mineral properties, and the Master Agreement contemplates the contribution of the Tetlin Properties to the Joint Venture Company. If Royal Gold funds its full $30 million investment, it will receive a 40% interest in the Joint Venture Company, and the Company will retain a 60% interest in the Joint Venture Company. In addition, once Royal Gold has earned a 40% interest in the Joint Venture Company, it has the option to require the Company to sell an additional 20% of the Company’s interest in the Joint Venture Company in a sale by Royal Gold of its entire 40% interest to a bona fide third party purchaser. Furthermore, if the Company were unable to fund its contributions to approved programs and budgets for the Joint Venture Company, its interest in the Joint Venture Company would be diluted further.

Even upon the consummation of the Proposed Transaction, there is no assurance that the development of the Contributed Assets will be successful or that the Proposed Transaction will have a positive impact on the shareholders.

There can be no assurance that the Company will be capable of raising additional funding required to continue development of the Tetlin Properties and meet its funding obligations under the Joint Venture Company LLC Agreement.

Assuming the consummation of the Proposed Transaction, Royal Gold has the option to contribute an additional $25 million to the Joint Venture Company following its initial investment of $5 million at the Closing. Upon the later of the investment by Royal Gold of $30 million into the Joint Venture Company or October 31, 2018, the Company and Royal Gold will be required to jointly fund the Joint Venture operations in proportion to their interests in the Joint Venture Company. The Company has limited financial resources and the ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions, the exploration and development results achieved at the Tetlin Properties, as well as the market price of metals. There is no assurance that sources of financing will be available to the Company on acceptable terms, if at all. Failure to obtain additional financing on a timely basis will cause the Company's interest in the Joint Venture Company to be diluted.

Further financing by the Company may include issuances of equity, instruments convertible into equity (such as the issuance of rights pursuant to a rights offering) or various forms of debt. The Company has issued common stock and other instruments convertible into equity in the past and cannot predict the size or price of any future issuances of common stock or other instruments convertible into equity, and the effect, if any, that such future issuances and sales will have on the market price of the Company's securities. Any additional issuances of common stock or securities convertible into, or exercisable or exchangeable for, common stock may ultimately result in dilution to the holders of common stock, dilution in any future earnings per share of the Company and may have a material adverse effect upon the market price of the common stock of the Company.

We are required to terminate our third party consulting agreements in connection with the Proposed Transaction.

On September 29, 2014, we terminated our advisory agreement with JEX. In addition, the Master Agreement requires, as a condition to Closing, the Company to terminate its services agreement with Avalon Development Corporation and the Chief of the Tetlin Village. Because we currently have only three part-time employees, neither of whom are mineral geoscientists or have experience in the mining industry, we have depended upon our consultant, Avalon Development Corporation and the Chief of the Tetlin Village, for the success of our exploration projects. We have historically been dependent upon Avalon for assistance in acquiring acreage for our exploration projects in Alaska, planning work programs, conducting field work and interpreting assay results. As a result, the loss of the services of our consultants could have a material adverse effect on us and could prevent us from pursuing our business plan.

Royal Gold will control the Management Committee of the Joint Venture Company and will have discretion regarding the use and allocation of funds for further exploration and development of the Contributed Assets.

Upon the consummation of the Proposed Transaction and through October 31, 2018, Royal Gold will be the Manager of the Company and will appoint two designates to the Management Committee of the Joint Venture Company (the "Management Committee"). The Management Committee will be comprised of three designates. During such period, the Company will appoint one designate to the Management Committee. If, after October 31, 2018, Royal Gold has earned at least a 40% membership interest in the Joint Venture by making the contributions described herein, Royal Gold will continue to have the right to appoint two designates to the Management Company and the Company will continue to have the right to appoint one designate thereto. The affirmative vote of a majority of designates will determine most decisions of the Management Committee, including the approval of programs and budgets, including the expenditure of Royal Gold's $30 million investment.

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The Fairness Opinion prepared by Petrie is subject to certain assumptions, limitations and qualifications.

The Fairness Opinion prepared by Petrie, concludes that the Contributed Assets Value as agreed upon by the Company and Royal Gold is fair, from a financial point of view, to the Company. The Fairness Opinion is subject to the assumptions, limitations and qualifications described in the summary of the Fairness Opinion included in this Proxy Statement, and as a result, is not a business determination of whether the Proposed Transaction should be approved by the stockholders of the Company.

THE PROPOSED TRANSACTION

General

On September 29, 2014, we entered into the Master Agreement.

In connection with Closing, the Company and Au Core, Inc., its wholly-owned subsidiary will contribute the Contributed Assets to a newly formed Delaware limited liability company (i.e., the Joint Venture Company). The Joint Venture Company will be managed according to a Joint Venture Limited Liability Company Agreement, whose members will be Core Alaska, LLC, a wholly-owned subsidiary of the Company and, provided Closing occurs, a wholly owned subsidiary of Royal Gold. The Master Agreement provides that, at the Closing, Royal Gold will invest $5 million in the Joint Venture Company initially to fund exploration activity of the Joint Venture Company. The Company will grant an option to Royal Gold to earn up to a 40% economic interest in the Joint Venture Company by investing up to $30 million (inclusive of the initial $5 million investment) prior to October 2018. The Proposed Transaction provides for an implied pre-Closing value of the Contributed Assets at $45.7 million (the "Contributed Assets Value"). The proceeds of Royal Gold's investment will be used by the Joint Venture Company for additional exploration and development of the Tetlin Properties

Each of the parties has made customary representations and warranties in the Master Agreement and the Company has agreed to customary covenants, including covenants regarding the operation of the Company's business prior to the consummation of the Proposed Transaction. The Proposed Transaction has been approved by the boards of directors of the Company and Royal Gold and is subject to various closing conditions, including the approval of the Proposed Transaction by the Company's stockholders. The Company has agreed, among other things, not to solicit alternative business combination transactions prior to the Consummation of the Proposed Transaction, and, subject to certain exceptions, not to engage in discussions or negotiations regarding any alternative business combination transactions during such period.

Description of the Contributed Assets

Lease with Tribe of Tetlin

Juneau Exploration, L.P. ("JEX") entered into the Mineral Lease (the "Tetlin Lease") with the Tribe of Tetlin, also known as the Tetlin Village Council, an Alaska Native Tribe, effective as of July 15, 2008. An undivided 50% leasehold interest in the Tetlin Lease was sold to Contango Mining Company ("Contango Mining") pursuant to a Joint Exploration Agreement, dated as of September 29, 2009, between JEX and Contango Mining in exchange for $1 million and a 1% overriding royalty interest. JEX transferred its remaining 50% leasehold interest to Contango Mining as of September 15, 2010 in exchange for an increased overriding royalty interest of 3% in the aggregate pursuant to an Amended and Restated Conveyance of Overriding Royalty Interest. On September 29, 2014, JEX sold its 3% overriding royalty interest to Royal Gold.

The Tetlin Lease covers approximately 675,000 acres of land (the "Tetlin Leased Property"), provides for an initial term of ten (10) years, with an option to renew for an additional ten years, or so long as we continue conducting mining operations on the Tetlin Lease. While the Company is required to spend $350,000 per year annually until July 15, 2018 in exploration costs pursuant to the Tetlin Lease, the Company's exploration expenditures on the Tetlin Lease through 2014 satisfied this requirement because under the Tetlin Lease, exploration funds spent in any year in excess of $350,000 are credited toward future years' exploration cost requirements.

Pursuant to the Tetlin Lease, if the Tetlin Leased Property is placed into commercial production of precious or non-precious metals, we would be obligated to pay a production royalty to the Tribe of Tetlin, ranging from 2.0% to 5.0%. The Company has purchased 0.75% of this production royalty for $225,000, which reduces the production royalty to a range of 1.25% to 4.25%. On or before July 15, 2020, the Tribe of Tetlin has the option to repurchase the 0.75% production royalty for $450,000, or a portion thereof. Until such time as production royalties begin, the Company originally paid the Tetlin Village Council an advance minimum royalty of $50,000 per year, which shall be credited toward any production royalty payable to the Tribe of Tetlin. On July 15, 2012, the advance minimum royalty increased to $75,000 per year, and is escalated by an inflation adjustment in subsequent years. The Company has paid to the Tribe of Tetlin the $75,000 advance minimum royalty due on July 15, 2014, and as of September 30, 2014, has prepaid to the Tribe of Tetlin $40,000 of the $75,000 advance minimum royalty that is due on July 15, 2015. The Tetlin Leased Property is located in the Tetlin Hills and Mentasta Mountains of eastern interior Alaska, 300 kilometers southeast of the city of Fairbanks and 20 kilometers southeast of Tok, Alaska. The Tetlin Leased Property covers an area measuring approximately 80 kilometers north-south by 60 kilometers east-west in eastern Interior Alaska.

The Tetlin Leased Property is accessible via helicopter and via road. The 23-mile long Tetlin Village Road is an all-weather gravel road connecting the village with the town of Tok on the Alaska Highway. The majority of our Tetlin Leased Property is accessible only via helicopter, although many winter trails exist in the Tetlin Hills and Mentasta Mountains in the northern and southwestern parts of the Properties, respectively. Winter trails link Tetlin Village to the village of Old Tetlin and continue south to the Tetlin River airstrip, a 1,500 foot long unmaintained gravel strip located in the Tetlin River Valley. Winter trails also provide access to the Tuck Creek valley from the village of Mentasta on the Tok Cutoff Highway.

Two seasonal dirt roads have been permitted and constructed through the Tetlin Village to allow surface access to the Chief Danny gold-copper-silver prospect in the northern Tetlin Hills. Both of these roads begin along the Tetlin Village Road and extend to our Chief Danny prospect on the Tetlin Leased Property and access to both roads is controlled by gates at their junction with the Tetlin Village Road.

The paved Alaska Highway passes near the northern edge of the Tetlin Leased Property as does the southern terminus of the Taylor Highway where it joins the Alaska Highway at Tetlin Junction. The 23-mile long Tetlin Village road provides year-round access to the northern Tetlin Hills, linking Tetlin Village to the Alaska Highway. Buried electrical and fiber-optic communications cables follow this road corridor and link Tetlin Village to the Tok power and communications grid. The Tok public electric facility is capable of generating up to 2 megawatts of power, and the nearest high capacity public electric facilities to the Tetlin Leased Property are in Delta Junction, 107 road miles northwest of the Tetlin project and Glennallen, 138 road miles southwest of the Tetlin Leased Property. The Company does not have any plant or equipment at its Tetlin Leased Property, relying on contractors to perform work.

State of Alaska Claims

As of June 30, 2014, the Company and its subsidiaries have staked approximately 89,917 acres in unpatented State of Alaska mining claims. These mining claims are not material and are not known to host quantifiable mineral reserves as defined by SEC Industry Guide 7.

Background of the Proposed Transaction

Our Board has periodically reviewed and assessed our long-term strategies, objectives and developments, including, among other things, strategies to increase shareholder value through partnering, strategic alliances and other strategic opportunities. In addition, from time to time, our senior management has met with financial and legal advisors, as well as representatives from other companies, to discuss industry trends and explore such opportunities.

On November 13, 2013, the Company issued a press release reporting the results of its 2013 exploration program and subsequently began receiving several unsolicited inquiries from third parties related to the current status and future plans for the Tetlin Properties. Based on these inquires, the Company began to sign confidentiality agreements with interested third parties and engaged in confidential discussions.

On December 5, 2013, Avalon Development Corporation, our consultant, gave a presentation on the Tetlin Properties at the 119th Annual Meeting of the Northwest Mining Association. Based upon additional expressions of preliminary interest from a variety of mining peers following this presentation, combined with the Company's and Avalon's prior communications with third parties on the Tetlin Properties, in January 2014, the Company retained Petrie to assist it in exploring a broad range of strategic options that may be available to the Company, including a potential sale, merger, joint venture or other transactions that could enhance shareholder value.

In January 2014, the Company and Avalon attended an industry event known as the Mineral Exploration Roundup 2014 and met with interested third parties regarding the Tetlin Properties.

In February 2014, the Board met to discuss potential strategic options and valuation and authorized Petrie, in conjunction with Avalon, to contact parties regarding a potential transaction, including Royal Gold, and the Company entered into confidentiality agreements with additional third parties during February and March 2014.

On February 14, 2014, the President of Avalon contacted the Chief Executive Officer and Vice President of Operations of Royal Gold regarding the Tetlin Properties.

In March 2014, the Company and Avalon attended the Prospectors and Developers Association of Canada Convention and met with additional interested third parties regarding the Tetlin Properties.

On March 6, 2014, the Company and Royal Gold entered into a confidentiality agreement.

On April 4, 2014, the Company received a metallurgical report from SRK Consulting (US) Inc., which provided a preliminary metallurgical assessment of the Tetlin Properties based upon samples provided by Avalon. The Company made the report available to prospective interested parties that had entered into a confidentiality agreement with the Company.

In late April 2014, the Company, together with Petrie and Avalon, gave management presentations to interested parties, including Royal Gold, in anticipation of receiving preliminary proposals from interested parties in early May.

On May 8, 2014, the Company received preliminary proposals from interested parties, including Royal Gold, and the Board held a meeting to consider such proposals.

After receiving Royal Gold's preliminary proposal, on May 13, 2014, Brad Juneau and Tony Jensen, the President and Chief Executive Officer of Royal Gold, discussed a the possibility of acquiring less than 100% of the Company's shares. Royal Gold subsequently submitted a proposal for a joint venture to the Company, which the Board of Directors of the Company continued to consider. Royal Gold and the Company continued discussions in mid-May regarding a joint venture with or acquisition of the Company by Royal Gold, including potentially acquiring 100% of the shares of the Company in conjunction with a third party, which signed a joinder to the Royal Gold confidentiality agreement.

Royal Gold began to conduct due diligence review of the Tetlin Properties during the month of June, including a site visit of the Tetlin Leased Property on June 10, 2014.

On June 30, 2014, final proposals were submitted to the Company. After consideration of all submissions by the Board, Brad Juneau discussed an alternative proposal with the President and Chief Executive Officer of Royal Gold on July 1, 2014, and Royal Gold submitted its final proposal for a joint venture on July 8, 2014.

The Company, Royal Gold, Avalon and Petrie met on July 10, 2014 in Denver, Colorado to continue further discussions on Royal Gold's proposal and continued negotiating the terms of the joint venture until a term sheet was signed on July 23, 2014, which was approved by the Board on such date.

In mid-July, Morgan, Lewis & Bockius LLP, counsel to the Company ("Morgan Lewis"), began discussing the need under Delaware law for shareholder approval of a joint venture with Morris, Nichols, Arsht & Tunnell LLP.

On July 29, 2014, Morgan Lewis circulated an initial draft of the Joint Venture Company LLC Agreement to the Company, Royal Gold, and Hogan Lovells US LLP, counsel to Royal Gold ("Hogan Lovells"). The parties initially considered forming a contractual joint venture, but following discussions between the parties, the Company and Royal Gold determined to form a limited liability company.

On August 7, 2014, the Company and Royal Gold held preliminary discussions regarding short term financing for a fall exploration program on the Tetlin Leased Property. The Company discussed potential terms and conditions of a bridge loan in connection with the fall exploration program with Petrie and Morgan Lewis, but decided not to pursue any such arrangement.

On August 18, 2014, Hogan Lovells circulated an initial draft of the Master Agreement and Voting Agreement. From August 19 through September 29, 2014, the Company and Royal Gold and their respective legal counsel negotiated the terms of the Master Agreement, the Joint Venture Company LLC Agreement and ancillary schedules and documents and the Voting Agreement, including certain documents requested from the Tribe of Tetlin by Royal Gold. Morgan Lewis discussed and negotiated drafts of the estoppel agreement and stability agreement with Counsel for the Tribe of Tetlin, with consultation by counsel to Royal Gold.

On August 26, 2014, the Board held a meeting to discuss the status of negotiations with Royal Gold.

On August 27, 2014, Brad Juneau visited the Chief of the Tetlin Village in Fairbanks, Alaska and updated the Chief regarding the status of the joint venture and the documents required to be signed by the Tribe of Tetlin.

On September 9, 2014, having discussed the terms of the Voting Agreement with Royal Gold, the Company circulated the draft to certain stockholders of the Company (the "Supporting Stockholders") for review and signature.

On September 24, 2014, the Board, along with outside legal counsel Morgan Lewis and its financial advisor, Petrie, reviewed the status of the various agreements, discussed the prior strategic review process and received a detailed presentation of Petrie's preliminary Reference Value Analyses related to the Contributed Assets Value and potential Fairness Opinion. Subsequent to these discussions, the Board approved the Proposed Transaction. Following the Board meeting, Brad Juneau notified the President and Chief Executive Officer of Royal Gold of the approval and various remaining items to be completed before execution of the Master Agreement and Voting Agreement

In the evening of September 29, 2014, the Company and Royal Gold and their respective legal counsel, having resolved the remaining open items, finalized the disclosure schedules and ancillary documents, and made certain final, non-substantive corrections to the Master Agreement. Shortly thereafter, senior management of the Company and Royal Gold, advised by their respective legal counsels, executed the Master Agreement and Royal Gold and the Supporting Stockholders also entered into to the Voting Agreement. Petrie also issued its final written fairness opinion to the Board in the evening of September 29, 2014.

Also in the evening of September 29, 2014, the Company and JEX terminated the Advisory Agreement, dated as of September 6, 2012, and JEX sold its entire overriding royalty interest to Royal Gold.

The Company issued a press release announcing the Proposed Transaction on September 30, 2014.

Reasons for the Proposed Transaction

In evaluating the Proposed Transaction and recommending that our stockholders approve the Proposed Transaction in accordance with the applicable provisions of Delaware law, our Board consulted with our senior management, outside legal counsel and our financial advisor, Petrie. Our Board also consulted with outside legal counsel regarding our Board's fiduciary duties, legal due diligence matters, and the terms of the Proposed Transaction as well as those of alternative proposals. Based on these consultations, and the factors and the opinion of Petrie discussed below, our Board concluded that the Proposed Transaction was in the best interests of our stockholders and recommended that our stockholders approve the Proposed Transaction.

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The following discussion includes the material reasons and factors considered by our Board in making its recommendation:

Retained Ownership. Our Board considered the value of the contributed assets allocated to the Company in the Joint Venture Company and the consideration to be initially received by the Joint Venture Company from Royal Gold in the Proposed Transaction, including the fact that the Company would retain a 60% interest in the Joint Venture Company if Royal Gold invested $30 million in the Joint Venture Company;

Business Reputation of Royal Gold. Our Board considered the business reputation of Royal Gold and its management, the financial resources of Royal Gold and the positive working relationship that we have had with Royal Gold in connection with negotiation of the Master Agreement and the Joint Venture Company LLC Agreement. Our Board also considered the potential impact of the Proposed Transaction on our stockholders and potential investors;

Tag Along Option. Our Board considered that the Proposed Transaction documents provide an option to the Company to tag-along with any sale by Royal Gold of its interest in the Joint Venture Company on the same or similar terms and conditions, including price, received by Royal Gold;

Cash Investment by Royal Gold. Our Board considered that Royal Gold may invest up to $30 million in cash to fund the exploration and development of our Tetlin Project, including the Peak discovery zone in our Chief Danny prospect which exploration and development may add appreciable value to our 60% interest in the Joint Venture Company if the exploration and development is successful in delineating a sufficient gold resource that is of commercial size and scale;

Contribution of Royal Gold. Our Board considered the expertise and experience of Royal Gold in the gold and mining industry and the ability of Royal Gold to better manage and direct further exploration and development efforts at the Tetlin Project, including the Peak discovery zone in our Chief Danny prospect;

Opt-Out. Our Board considered that if Royal Gold fails to invest funds in the Joint Venture Company beyond its initial $5 million investment, fails to invest an aggregate of $30 million prior to October 31, 2018 or determines to withdraw from the Joint Venture Company, the Company may again assume management of the exploration and development effort at the Tetlin Project with its own program and schedule;

Management Committee Representation. Our Board considered that we will have the right to appoint one Designate on the three-member Management Committee of the Joint Venture Company and maintain influence over the programs and schedules for exploration and development of the Joint Venture Company;

Approval Rights. Our Board considered the approval rights that we will have on the management committee of the Joint Venture Company that require unanimity of the management committee in approving certain significant events;

Short- and Long-Term Prospects of the Business. Our Board considered, among other things, historical, current and projected information concerning our business and the Tetlin Properties including, without limitation, information relating to the capital markets available to the Company, current and future commodity prices, as well as current industry, economic and market conditions relating to mining companies;

Strategic Alternatives. Our Board considered the strategic review and evaluation process undertaken by us and conducted over the past several months which included the retention of nationally recognized financial advisors and outside legal advisors, and a solicitation and bid process designed to maximize stockholder value, which

ultimately resulted in the Proposed Transaction as the most favorable outcome to the Company and its stockholders;

Opinion of our Financial Advisor. Our Board considered the financial presentation of our financial advisor, Petrie, including its opinion (the full text of which is attached as Annex C to this proxy statement), dated September 29, 2014, to our Board as to the fairness to the Company, from a financial point of view, of the the Contributed Assets Value as of the date of Petrie's opinion, as more fully described below under the caption "Opinion of our Financial Advisor" beginning on page 41; and

Stockholder Approval. Our Board considered the fact that the Company stockholders will be able to determine whether to approve the Proposed Transaction or to vote against the Proposed Transaction if they view the terms to be unfavorable.

Recommendation of Our Board of Directors

At a special meeting held on September 24, 2014 to consider the Proposed Transaction, our Board unanimously approved the Proposed Transaction as being in the best interests of the Company and our stockholders. FOR THE REASONS DISCUSSED ABOVE, OUR BOARD UNANIMOUSLY RECOMMENDS THAT OUR STOCKHOLDERS VOTE "FOR" THE PROPOSED TRANSACTION.

Proceeds from the Proposed Transaction

The Joint Venture Company will use the proceeds from Royal Gold's initial $5 million investment for further exploration and development of the Tetlin Properties. The Company will also receive $750,000 from Royal Gold, which will be utilized to pay a portion of the costs and expenses of the Company in connection with the Proposed Transaction.

Effects of the Proposed Transaction

If the Proposed Transaction is authorized by our stockholders and the other conditions to the Closing are satisfied or waived, the Contributed Assets will be contributed to the Joint Venture Company and we expect that the Joint Venture Company will continue the further exploration and development of the Tetlin Properties. If the Proposed Transaction is not authorized by the holders of a majority of our outstanding shares, then either we or Royal Gold may terminate the Master Agreement, and we may not have sufficient capital to continue our business, and we may be required to cease our exploration and development activities or be forced to sell all or some portion of our properties in an untimely fashion or on less than favorable terms. While we may continue to seek strategic alternative opportunities, there can be no assurances that any alternative strategic opportunities we may pursue will result in the same or greater value to shareholders as the Proposed Transaction.

Interests of our Directors and Executive Officers in the Proposed Transaction

In considering the recommendation of our Board that you vote for the proposal to authorize the Proposed Transaction, you should be aware that some of our directors and executive officers may have financial interests in the Proposed Transaction that are, or may be, different from, or in addition to, your interests.

Pursuant to a Royalty Purchase Agreement, dated as of September 29, 2014, between JEX and Royal Gold (the "Royalty Purchase Agreement"), JEX sold its entire overriding royalty interest in the Tetlin Properties to Royal Gold for a purchase price of approximately $6 million. The sale completed pursuant to the Royalty Purchase Agreement is not subject to any contingency or modification based upon, or related to, the completion of the Proposed Transaction. On September 29, 2014, the Company and JEX also terminated the Advisory Agreement, dated as of September 6, 2012, and JEX no longer has an interest in the Tetlin Properties.

The Company's Board was aware of and considered these potential interests, among other matters, in evaluating the Proposed Transaction and in recommending to you that you approve the proposal to authorize the Proposed Transaction set forth in this proxy statement. Furthermore, Mr. Juneau recused himself from the Board's vote to authorize the Proposed Transaction.

Regulatory Approvals Required to Complete the Proposed Transaction

Neither the Company nor Royal Gold are required to file notifications with the Federal Trade Commission or the Antitrust Division of the Department of Justice or observe a mandatory waiting period before completing the formation of the Joint Venture Company under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as

amended (referred to in this proxy statement as the “HSR Act”).

No Appraisal Rights

Holders of shares of our outstanding common stock will not have appraisal or dissenters' rights in connection with the Proposed Transaction.

Material U.S. Federal Income Tax Consequences

The Proposed Transaction will not result in any material U.S. federal, state or local income tax consequences to our stockholders.

Accounting Treatment

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States. We expect to account for our interest in the joint venture using the proportionate consolidation method, whereby our share of the joint venture's assets, liabilities, revenue and expenses are included in our financial statements.

THE MASTER AGREEMENT

The following section summarizes material provisions of the Master Agreement, which is included in the proxy statement as Annex A and is incorporated herein by reference in its entirety. The rights and obligations and the Company and Royal Gold are governed by the express terms and conditions of the Master Agreement and not by this summary or any other information contained in this proxy statement. The Company's stockholders are urged to read the Master Agreement carefully and in its entirety as well as this proxy statement before making any decisions regarding the Proposed Transaction.

The Master Agreement is included in this proxy statement to provide you with information regarding its terms and is not intended to provide any factual information about the Company or Royal Gold. The Master Agreement contains representations and warranties by each of the parties to the Master Agreement. These representations and warranties have been made solely for the benefit of the other parties to the Master Agreement and:

- may not be intended as statements of fact, but rather as a way of allocating the risk between the parties in the event that the statements therein prove to be inaccurate;
- have been qualified by certain disclosures that were made between the parties in connection with the negotiation of the Master Agreement, which disclosure are not reflected in the Master Agreement itself; and
- may apply standards of materiality in a way that is different from what may be viewed as material by you or other investors.

Accordingly, the representations and warranties and other provisions of the Master Agreement should not be read alone, but instead should be read together with the information provided elsewhere in this proxy statement and in the documents incorporated by reference into this proxy statement. See "Where You Can Find More Information" beginning on page 76.

This summary is qualified in its entirety by reference to the Master Agreement.

Terms of the Master Agreement

The Master Agreement provides that, on the terms and subject to the conditions set forth in the Master Agreement, the Joint Venture Company will be formed and the Company will contribute its Tetlin Lease and State of Alaska mining claims near Tok, Alaska, together with other personal property to, and Royal Gold will fund $5,000,000 into a business account of the Joint Venture Company.

Closing of the Proposed Transaction

The Closing of the Proposed Transaction will take place as soon as practicable and not later than one business day following the day on which the last condition to the closing has been satisfied or waived. The Company and Royal Gold currently expect the Closing of the Proposed Transaction to occur no later than January 31, 2015. However, as the Closing of the Proposed Transaction is subject to the satisfaction or waiver of other conditions described in the Master Agreement, it is possible factors outside the control of the Company or Royal Gold could result in the Closing occurring at a later time or not at all.

Representations and Warranties

The Master Agreement contains certain representations and warranties of the Company to Royal Gold regarding, among other things:

- organization, good standing and corporate power and authority to own, lease and operate its assets and to carry on its business as now conducted;
- corporate power and authority with respect to the execution, delivery and performance of the Master Agreement and the due and valid execution and delivery and enforceability of the Master Agreement;
- absence of conflicts with, or violations of, organizational documents, other contracts and applicable laws;
- required regulatory filings and consents and approvals of governmental entities;
- absence of certain litigation and governmental orders;
- absence of certain changes and events since the most recent audited balance sheet date;
- brokers' fees payable in connection with the Master Agreement and Proposed Transaction; and
- absence of untrue statements or omissions of material fact in SEC filings relating to the Proposed Transaction;

In addition, each of the representations and warranties of the Company or its wholly-owned subsidiary set forth in the Joint Venture Company LLC Agreement will also be incorporated as part of the Master Agreement.

Certain of the representations and warranties in the Master Agreement are qualified by a "materiality" or "material adverse effect" standard (that is, they will not be deemed to untrue or incorrect unless their failure to be true or correct, individually or in the aggregate, would, as the case may be, be material or have a material adverse effect). For purposes of the Master Agreement, a "material adverse effect" means, with respect to the Company, any event, occurrence, fact, condition or change that is, individually or in the aggregate, materially adverse to (i) the business, condition (financial or otherwise), liabilities or assets comprising the Contributed Assets or (ii) the ability of the Company to consummate the Proposed Transaction on a timely basis, excluding any events, occurrences, facts, conditions or changes arising out of, relating to or resulting from:

- changes generally affecting the economy, financial or securities markets;
- any natural disaster or any outbreak or escalation of war or any act of terrorism;
- changes in law;
- changes or developments in the price for gold or other commodities;
- general conditions in the industry.

Any event, change and effect referred to in the preceding five bullets shall be taken into account in determining whether a material adverse effect has occurred or would reasonably be expected to occur to the extent such event, change or effect has a disproportionate effect on the Contributed Assets, compared to other participants in the gold mining and exploration industry.

Conduct of the Business

The Company has agreed to certain covenants in the Master Agreement restricting the conduct of its business between the date of the Master Agreement and the Closing. In general, the Company has agreed (i) to conduct its business in the ordinary course of business consistent with past practice, and (ii) to the extent consistent with (i), use commercially reasonable efforts to maintain substantially intact the Contributed Assets and its and its subsidiaries' business organization.

In addition, the Company has agreed to specific restrictions relating to the conduct of its business between the date of the Master Agreement and the Closing, including, but not limited to, the following prohibited actions (subject, in each case, to the exceptions specified below and in the Master Agreement or previously disclosed in writing to the other party as provided in the Master Agreement or as consented to in advance by Royal Gold):

enter into, create, incur or assume (i) any borrowings under capital leases relating to the Contributed Assets or (ii) any obligations which would have a material adverse effect;

sell, transfer, lease, or permit the incurrence of any lien (other than any permitted lien) on, any of the Contributed Assets or, with respect to the Contributed Assets;

enter into any agreements or commitments relating to the Contributed Assets with another person, except on commercially reasonable terms in the ordinary course of business;

violate in any material respect any law applicable to the Contributed Assets;

violate in any material respect any contract or governmental consent applicable to the Contributed Assets;

terminate or amend the Tetlin Lease;

commence a legal action which would affect in any adverse manner the Contributed Assets;

purchase, lease, or otherwise acquire any assets relating to the Contributed Assets, except for supplies, materials, services and equipment purchased, leased, or acquired by the Company in the ordinary course of business consistent with past practice;

enter into any royalty, streaming, financing, joint venture or partnership agreement relating to the Contributed Assets;

with respect to the Contributed Assets, other than in the ordinary course of business, (i) make any changes in capital expenditures or deferrals of capital expenditures; or (ii) change any of its business policies;

amend the terms of its certificate of incorporation or bylaws in any manner that would be reasonably likely to materially impede or delay the consummation of the Proposed Transaction;

with respect to the Contributed Assets, make or change any election in respect of taxes, adopt or change any accounting method in respect of taxes, file any amendment to a tax return, enter into any closing agreement with a governmental entity relating to taxes, settle any claim or assessment in respect of taxes, or consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of material taxes if any of the foregoing could reasonably be expected to adversely and materially impact the Company or Royal Gold.

intentionally take any other action or fail to exercise commercially reasonable efforts to take any action that would cause a material adverse effect; or

enter into any contract or agree, in writing or otherwise, to take any of the actions described in the preceding fourteen bullets.

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No Solicitation of Alternative Proposals

Subject to certain exceptions described below, the Company has agreed that it and its subsidiaries and their respective directors, officers, employees, advisors and investment bankers will not solicit, initiate or knowingly take any action to encourage the submission of any Alternative Proposal (as defined below) or the making a proposal that could reasonably be expected to lead to any Alternative Proposal or (i) conduct or engage in any discussions or negotiations with, disclose any non-public information relating to the Company or any of its subsidiaries to, afford access to the business, properties, assets, books or records of the Company or any of its subsidiaries to, or knowingly assist, participate in, facilitate or knowingly encourage any effort by, any third party that is seek to make or has made an Alternative Proposal, (ii) (a) amend or grant any waiver under any standstill or similar agreement with respect to any class of equity securities of the Company or any of its subsidiaries or (b) approve any transaction under, or any third party becoming an "interested stockholder" under, Section 203 of the Delaware General Corporation Law or (iii) enter into any agreement regarding any Alternative Proposal.

Prior to the receipt of the approval of the Company's stockholders, the Board may, and may authorize its representatives to, among other things, (i) participate in negotiations or discussions with a third party that has made a bona fide, unsolicited Alternative Proposal in writing that the Board believes in good faith constitutes or would reasonably be expected to result in a Superior Proposal (as defined below), (ii) thereafter furnish to such third party non-public information regarding the Company pursuant to an executed confidentiality agreement, and (iii) following receipt of and on account of a Superior Proposal, recommend the Superior Proposal, if the Board determines in good faith that the failure to take such action would reasonably be expected to cause the Board to be in breach of its fiduciary duties under applicable law. The Board has agreed not to take any of the foregoing actions unless the Company has delivered to Royal Gold a notice advising Royal Gold that it intends to take such action. In addition, the Company has agreed to notify Royal Gold promptly after it or any of its representatives receives any Alternative Proposal or inquiry that would reasonably be expected to lead to an Alternative Proposal or any request for non-public information relating to the Company. In addition, the Company will provide Royal Gold with at least forty-eight (48) hours advance notice of any Board meeting at which it is reasonably expected that the Board will consider an Alternative Proposal.

For the purpose of the foregoing discussion:

"Alternative Proposal" means a proposal or offer from, or indication of interest in making a proposal or offer by, any person (other than Royal Gold and its subsidiaries) relating to any (a) direct or indirect acquisition of all or substantially all of the Contributed Assets, (b) direct or indirect acquisition of twenty percent (20%) or more of voting equity interests of the Company, (c) any tender offer or exchange offer for any securities of the Company, merger, consolidation, other business combination or similar transaction involving the Company or any of its subsidiaries, or liquidation or dissolution (or the adoption of a plan of liquidation or dissolution) of the Company or the declaration or payment of an extraordinary dividend (whether in cash or other property) by the Company.

"Superior Proposal" means a bona fide written Alternative Proposal involving the direct or indirect acquisition of all or substantially all of the Contributed Assets or a merger, consolidation or other business combination, tender offer or exchange offer for a majority of the outstanding Company common stock, that the Board determines in good faith is more favorable to the holders of Company common stock than the Proposed Transaction, taking into account (a) all financial considerations, (b) the identity and reliability of the third party making such Alternative Proposal, (c) the anticipated timing, conditions (including any financing or other condition or the reliability of any debt or equity funding commitments) and prospects for prompt completion of such Alternative Proposal, (d) the other terms and conditions of such Alternative Proposal and the implications thereof on the Company and the development of the properties, including relevant legal, regulatory and other aspects of such Alternative Proposal deemed relevant by the Board and (e) any revisions to the terms of this Agreement and the Proposed Transaction agreed to by Royal Gold

during the notice period set forth in the Master Agreement.

Changes in Board Recommendations

Prior to the receipt of the approval of the Company's stockholders, the Company's Board may change its recommendation to recommend voting against the Proposed Transaction or may recommend an Alternative Proposal provided the Company:

- Promptly notifies Royal Gold in writing at least three business days before making a recommendation change, entering into an Alternative Proposal, or taking action with respect to a Superior Proposal;
- Provides Royal Gold with the identity of the third party making a Superior Proposal and a copy of such agreement;
- Uses commercially reasonable efforts to negotiate with Royal Gold to make such adjustments to the Master Agreement so that an Alternative Proposal ceases to constitute a Superior Proposal; and
- Determines in good faith after consulting with outside legal counsel and financial advisors that an Alternative Proposal continues to constitute a Superior Proposal after taking into account any adjustments made by Royal Gold.

Conditions to Completion of the Proposed Transaction

The obligations of the Company and Royal Gold to complete Proposed Transaction are subject to the satisfaction or waiver of the following conditions on or prior to the Closing:

- approval of the Proposed Transaction by the affirmative vote of holders of a majority of the outstanding shares of the Company's common stock;
- absence of any laws, temporary restraining orders, preliminary or permanent injunctions or other orders that have the effect of making the Proposed Transaction illegal or otherwise prohibiting consummation of the Proposed Transaction;
- the receipt of any approvals required to be obtained for the consummation of the Proposed Transaction under any applicable United States federal or state laws;

In addition, Royal Gold's obligation to effect the Proposed Transaction is subject to the satisfaction or waiver of additional conditions, including the following:

- the representations and warranties of the Company, other than the representations related to due organization, corporate power and authority, board approval, the absence of certain changes and brokers' fees, will be true and correct in all respects (without giving effect to any qualification for materiality or a material adverse effect), as of the date of the Master Agreement and immediately prior to the closing of the Proposed Transaction, as if made at and as of such time (except those representations and warranties that address matters only as of a particular date, which shall be true and correct in all respects as of that date), except where the failure of such representations and warranties to be true and correct would not reasonably be expected to have, individually or in the aggregate, a material adverse effect;
- the representations and warranties of the Company relating to due organization, corporate power and authority, board approval, the absence of certain changes and brokers' fees, will be true and correct as of the date of the Master Agreement and as of the Closing (except those representations and warranties that address matters only as of a particular date, which shall be true and correct in all respects as of that date);
- the Company shall have performed in all material respects all obligations, and complied in all material respects with the agreements and covenants, required to be performed by or under the Master Agreement on or prior to the Closing;
- receipt of a certificate executed by the Company's chief executive officer or chief financial officer as to the satisfaction of the conditions described in the preceding three bullets;

receipt of an estoppel agreement and stability agreement executed by the Tribe of Tetlin and the Company;
receipt of resolutions of the Tribe of Tetlin ratifying the estoppel agreement and stability agreement and the waiver of sovereign immunity set forth in the Tetlin Lease, as certified by the President of the Tetlin Village Council;
receipt of an ordinance of the Tribe of Tetlin with regard to the application of Federal law to the Tetlin Lease in the event State of Alaska law no longer applies to the Tetlin Property; and
receipt of a copy of a legal opinion from legal counsel to the Tribe of Tetlin addressed to the Company upon which the Joint Venture Company may rely with regard to (i) the validity of all actions taken by the Tribe of Tetlin to enact the applicable resolutions and the ordinance and (ii) the validity and enforceability of the estoppel agreement and stability agreement.

In addition, the Company's obligation to effect the Proposed Transaction is subject to the satisfaction or waiver of additional conditions, including the following:

- the representations and warranties of Royal Gold, other than the representations related to due organization, corporate power and authority and board approval, will be true and correct in all respects (without giving effect to any qualification for materiality or a material adverse effect), as of the date of the Master Agreement and immediately prior to the Closing of the Proposed Transaction, as if made at and as of such time (except those representations and warranties that address matters only as of a particular date, which shall be true and correct in all respects as of that date), except where the failure of such representations and warranties to be true and correct would not reasonably be expected to have, individually or in the aggregate, a material adverse effect;
- the representations and warranties of Royal Gold relating to due organization, corporate power and authority and board approval, will be true and correct as of the date of the Master Agreement and as of the Closing (except those representations and warranties that address matters only as of a particular date, which shall be true and correct in all respects as of that date);
- Royal Gold shall have performed in all material respects all obligations, and complied in all material respects with the agreements and covenants, required to be performed by or under the Master Agreement on or prior to the Closing;
- receipt of a certificate executed by Royal Gold's chief executive officer or chief financial officer as to the satisfaction of the conditions described in the preceding three bullets.
- payment of (i) $5,000,000 to the business account of the Joint Venture Company and (ii) $750,000 to the Company which will be utilized to pay a portion of the costs and expenses of the Company in connection with the Proposed Transaction.

Termination of the Master Agreement

The Master Agreement may be terminated at any time prior to the effective time of the Proposed Transaction, whether before or after the receipt of required stockholder approvals, under the following circumstances:

by mutual written consent of the Company and Royal Gold;

by either the Company or Royal Gold:

- if the Proposed Transaction has not been consummated by January 31, 2015 unless the failure of closing to occur by such date is due to the breach by the terminating party of any representation, warranty, covenant or agreement;
- the Company's stockholders fail to approve the Proposed Transaction at the Company's annual meeting; or
- if any governmental entity shall have enacted, issued, promulgated, enforced or entered any law or order making illegal, permanently enjoining or otherwise permanently prohibiting the consummation of the Proposed Transaction, and such law or order shall have become final and nonappealable.

by Royal Gold:

a Company adverse recommendation change shall have occurred;

the Company shall have entered into or publicly announced its intention to enter into an alternative transaction agreement;

the Company shall have breached of failed to perform in any material respect any of the covenants and agreements regarding non solicitation;

the Board fails to reaffirm the Company board recommendation and recommend against any alternative proposal within ten business days after the date any alternative proposal is first disclosed by the Company or publicly disclosed by the person making such alternative proposal;

a tender offer or exchange offer relating to the Company's common stock shall have been commenced by a person unaffiliated with Royal Gold and the Company shall not have sent its stockholders within ten business days after such tender offer or exchange offer is first published, sent or give, a statement reaffirming the company board recommendation and recommending that the stockholders reject such tender or exchange offer;

the Company or the board of directors of the Company shall publicly announce its intentions to do any of the actions specified in the preceding five bullets; or

if there shall have been a breach of any representation, warranty, covenant or agreement on the part of the Company set forth in the Master Agreement such that the conditions to the closing of the Proposed Transaction would not be satisfied and such breach is incapable of being cured by January 31, 2015.

by the Company:

if, prior to the approval of the Company's stockholders of the Proposed Transaction at the annual meeting, the Board authorizes the Company (in compliance with the terms of the Master Agreement) to enter into an alternative transaction agreement in respect of a Superior Proposal; or

if there shall have been a breach of any representation, warranty, covenant or agreement on the part of Royal Gold set forth in the Master Agreement such that the conditions to the closing of the Proposed Transaction would not be satisfied and such breach is incapable of being cured by January 31, 2015.

Effect of Termination

If the Master Agreement is terminated by either party in accordance with its terms, the Master Agreement (except for certain provisions expressly listed in the Master Agreement, which will survive such termination) will become void and of no further force and effect, with no liability on the part of any party to the Master Agreement (or any stockholder, director, officer, employee, agent or representative of such party) to any other party, except (i) with respect to any liabilities or damages incurred or suffered by a party, to the extent such liabilities or damages were the result of fraud or the breach by another party of any of its representations, warranties, covenants or other agreements set forth in the Master Agreement and (ii) with respect to any applicable termination fees.

Termination Fees and Expenses

A termination fee of $1,000,000 may be owed by the Company to Royal Gold under certain conditions, including the following:

If the Master Agreement is terminated by Royal Gold for the following reasons:

- a Company adverse recommendation change shall have occurred;
- the Company shall have entered into or publicly announced its intention to enter into an alternative transaction agreement; or
- the Company shall have breached or failed to perform in any material respect any of the covenants and agreements regarding non solicitation;

If the Master Agreement is terminated by the Company if the Board authorizes the Company to enter into an alternative transaction agreement in respect of a Superior Proposal.

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Voting Agreement

In connection with the execution of the Master Agreement, Royal Gold concurrently entered into a Voting Agreement (the "Voting Agreement") with Brad Juneau, our President and Chief Executive Officer, the Estate of Kenneth R. Peak, our co-founder, former Chairman, President and Chief Executive Officer and certain other stockholders of the Company (the "Supporting Stockholders"). The shares of Company common stock outstanding that are beneficially owned by the Supporting Stockholders and are subject to the Voting Agreement represent, in the aggregate, approximately 39.1% of the Company's outstanding common stock as of September 12, 2014. Pursuant to the Voting Agreement, the Supporting Stockholders each agree to vote the shares it beneficially owns (i) in favor of the Joint Venture and (ii) against (a) any alternative proposal and (b) any other action, proposal or agreement that would reasonably be expected to interfere with or delay the consummation of the Joint Venture. The Voting Agreement terminates at the earliest of the Closing, the termination of the Master Agreement in accordance with its terms or by mutual agreement of Royal Gold and the Supporting Stockholders.

Opinion of our Financial Advisor

In connection with the Proposed Transaction, the Board retained Petrie Partners Securities, LLC ("Petrie") to act as financial advisor to the Company in January 2014. From February to July 2014, Petrie conducted a strategic review process that included discussions with 71 third parties related to potential a sale, merger or alternative transaction with the Company, culminating with the Proposed Transaction between the Company and Royal Gold. On September 24, 2014, at a meeting of the Board, Petrie reviewed the results of its strategic review process and its Reference Value Analyses (described below). Petrie subsequently rendered its oral opinion, and confirmed in writing, that, as of September 29, 2014 and based upon and subject to the factors, procedures, assumptions, qualifications and limitations set forth in its opinion, the Contributed Assets Value was fair, from a financial point of view, to the Company.

The full text of the written opinion of Petrie, dated as of September 29, 2014, which sets forth, among other things, the procedures followed, assumptions made, matters considered and qualifications and limitations on the scope of review undertaken in rendering its opinion, is attached as Annex C to this proxy statement/prospectus and is incorporated by reference in its entirety into this proxy statement. You are urged to read the opinion carefully and in its entirety. Petrie's opinion was addressed to, and provided for the information and benefit of, the Board in connection with its evaluation of whether the Contributed Assets Value was fair, from a financial point of view, to the Company. Petrie's opinion does not address the fairness of the Proposed Transaction, or any consideration received in connection with the Proposed Transaction, to the creditors or other constituencies of the Company, nor does it address the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of the Company, or any class of such persons, whether relative to the Contributed Assets Value or otherwise. Petrie assumed that any modification to the structure of the Proposed Transaction would not vary in any respect material to its analysis. Petrie's opinion does not address the relative merits of the Proposed Transaction as compared to any other alternative business transaction or strategic alternative that might be available to the Company, nor does it address the underlying business decision of the Company to engage in the Proposed Transaction. Petrie's opinion does not constitute a recommendation to the Board or to any other persons in respect of the Proposed Transaction, including as to how any holder of shares of voting common stock of the Company should act or vote in respect to the Proposed Transaction. Finally, Petrie did not express any opinion as to the price at which shares of the Company or Royal Gold common stock will trade at any time.

In connection with rendering its opinion and performing its related financial analysis, Petrie, among other things:

- reviewed the financial terms and conditions of execution copies of the Proposed Transaction documents;
- reviewed publicly available historical business and financial information relating to the Company;
- reviewed certain operating and financial parameters for existing mines similar to the Contributed Assets, as directed by the consultants and management team of the Company;
- reviewed the mineral resource estimate on the Peak Zone on the Tetlin Properties as prepared by Giroux Consultants Ltd. as of November 2013;
- discussed current operations, financial positioning and future prospects of the Company with the management team of and consultants for the Company;
- reviewed historical market prices and trading histories of the Company common stock;
- reviewed public information with respect to certain other companies in lines of business Petrie believed to be generally relevant in evaluating the Contributed Assets;
- participated in discussions and negotiations among the representatives of the Company and its legal advisors and Royal Gold; and
- reviewed such other financial studies and analyses and performed such other investigations and have taken into account such other matters as Petrie deemed necessary and appropriate.

Upon the advice of the Company, Petrie assumed and relied upon, without assuming any responsibility or liability for or independently verifying the accuracy or completeness of, all of the information publicly available and all of the information supplied or otherwise made available to Petrie by the Company. Petrie further relied upon the assurances of representatives and the management of the Company that they are unaware of any facts that would make the information provided to Petrie incomplete or misleading in any material respect. With respect to projected financial and operating data, Petrie assumed, upon the advice of the Company and its consultants, that such data have been prepared in a manner consistent with historical financial and operating data and reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management and consultants of the Company relating to the future financial and operational performance of the Contributed Assets. Petrie expressed no view as to any projected financial and operating data relating to the Company or the assumptions on which they are based.

With respect to the estimates of potential mineral resources, Petrie assumed, upon the advice of the Company, that they have been prepared in a manner consistent with historical estimates of potential mineral resources and reasonably prepared on bases reflecting the best available estimates and good faith judgments of the management and consultants of the Company relating to the Contributed Assets. Petrie expressed no view as to any resource data relating to Contributed Assets, or the assumptions on which they are based.

Petrie has not made an independent evaluation or appraisal of the Contributed Assets, nor, except for the estimates of mining resource prospects referred to above, were they furnished with any such evaluations or appraisals, nor has Petrie evaluated the solvency or fair value of the Company under any state, provincial or United States federal laws relating to bankruptcy, insolvency or similar matters. In addition, Petrie did not assume any obligation to conduct, nor did they conduct, any physical inspection of the properties or facilities of the Company.

For purposes of rendering its opinion, Petrie assumed, in all respects material to its analysis, that the representations and warranties of each party contained in the Proposed Transaction documents are true and correct, thateach party will perform all of the covenants and agreements required to be performed by it under the Proposed Transaction documents and that all conditions to consummation of the Proposed Transaction will be satisfied without material waiver or modification thereof. Petrie further assumed, upon the advice of the Company, that all governmental, regulatory or other consents, approvals or releases necessary for the consummation of the Proposed Transaction will be obtained without any delay, limitation, restriction or condition that would have a material adverse effect on the Company or Royal Gold or on the consummation of the Proposed Transaction or that would materially reduce the benefits of the Proposed Transaction to the Company.

Petrie's opinion relates solely to the fairness, from a financial point of view, of the Contributed Assets Value. Petrie did not express any view on, and Petrie's opinion does not address, the fairness of the Proposed Transaction to, or any consideration received in connection therewith by, any creditors or other constituencies of the Company, nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of the Company, or any class of such persons, whether relative to the Proposed Transaction or otherwise. Petrie assumed that any modification to the structure of the Proposed Transaction will not vary in any material respect from what has been assumed in Petrie's analysis. Petrie's advisory services and the opinion expressed in the opinion letter were provided for the information and benefit of the Board in connection with its consideration of the Proposed Transaction and Petrie's opinion does not constitute a recommendation to any holder of the Company Common Stock as to how such holder should vote with respect to the Proposed Transaction. The issuance of its opinion was approved by the Opinion Committee of Petrie. Petrie's opinion does not address the relative merits of the Proposed Transaction as compared to any alternative business transaction or strategic alternative that might be available to the Company, nor does it address the underlying business decision of the Company to engage in the Proposed Transaction. Petrie was not asked to consider, and its opinion does not address, the tax consequences of the Proposed Transaction to any particular stockholder of the Company, or the prices at which common stock of the Company will actually trade at any time, including following the announcement or consummation of the Proposed Transaction. Petrie did not render any legal, accounting, tax or regulatory advice and understands that the Company is relying on other advisors as to legal, accounting, tax and regulatory matters in connection with the Proposed Transaction.

Petrie acted as financial advisor to the Company, and Petrie will receive a fee from the Company for Petrie's services related to the rendering of its opinion, regardless of the conclusions expressed herein. The Company agreed to reimburse Petrie's expenses, and Petrie will be entitled to receive a success fee if the Proposed Transaction is consummated. In addition, the Company agreed to indemnify Petrie for certain liabilities possibly arising out of Petrie's engagement. During 2012 and 2013, certain Petrie affiliates provided financial advisory services to the Company, and received fees from the Company in connection with private placements of equity securities by the Company (the "Private Placements"). Several Petrie principals are the beneficial owners of approximately 141,666 shares of common stock of the Company and warrants to purchase an additional 41,666 shares of common stock at an exercise price of $10.00 per share, the beneficial interest in which was acquired in connection with the Private Placements. Otherwise, during the three-year period prior to the date of the opinion, no material relationship existed between Petrie and its affiliates, on the one hand, and the Company and its affiliates, on the other hand, pursuant to which Petrie or any of our affiliates received compensation as a result of such relationship. Petrie may provide financial or other services to the Company in the future and in connection with any such services may receive customary compensation for such services. Furthermore, in the ordinary course of business, Petrie or its affiliates may trade in the debt or equity securities of the Company or Royal Gold for its own account and, accordingly, may at any time hold long or short positions in such securities.

Petrie's opinion was rendered on the basis of conditions in the securities markets and the minerals and mining markets as they existed and could be evaluated on the date of the opinion and the conditions and prospects, financial and otherwise, of the Company as they were represented as of the date of the opinion or as they were reflected in the materials and discussions described above. It is understood that subsequent developments may affect the opinion and that Petrie does not have any obligation to update, revise or reaffirm the opinion.

Set forth below is a summary of the material financial analyses performed and reviewed by Petrie with the Board in connection with rendering its oral opinion and the preparation of its written opinion letter dated September 29, 2014. Each analysis was provided to the Board. In connection with arriving at its opinion, Petrie considered all of its analyses as a whole, and the order of the analyses described and the results of these analyses do not represent any relative importance or particular weight given to these analyses by Petrie. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data (including the closing prices for the common stock of the Company and Royal Gold) that existed on September 29, 2014, and is not necessarily indicative of current or future market conditions.

The following summary of financial analyses includes information presented in tabular format. These tables must be read together with the text of each summary in order to understand fully the financial analyses performed by Petrie. The tables alone do not constitute a complete description of the financial analyses performed by Petrie. Considering the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Petrie's financial analyses.

Reference Value Analyses

Petrie performed a series of analyses to arrive at implied Contributed Assets Value Reference Ranges.

Discounted Cash Flow Analysis

Petrie performed a discounted cash flow analysis of the potential projected future cash flows from an illustrative standalone mine on the Tetlin Properties to determine indicative reference values of the Contributed Assets based on the present value of the future after-tax cash flows.

Petrie evaluated four scenarios in which the principal variable was gold price. The four price case scenarios represent long-term potential future benchmark prices per ounce of gold. One scenario was based on New York Mercantile Exchange ("NYMEX") 5-year strip pricing as of September 22, 2014 for the calendar years 2015 through 2018, escalated annually at the rate of 3% thereafter. Benchmark prices for the other three scenarios were based on $1,200, $1,250, and $1,300 per ounce, respectively, and were escalated annually starting in 2016 at the rate of 3%. Applying after-tax discount rates ranging from 10.0% to 12.5% to the after-tax cash flows of the operating estimates, Petrie determined the following implied Contributed Assets Value Reference Ranges:

	NYMEX Strip (September 23, 2014)		$1,200 per ounce		$1,250 per ounce		$1,300 per ounce	
	Low	High	Low	High	Low	High	Low	High
Contributed Assets Value $MM	$6.0 -	$22.6	$11.8 -	$29.8	$25.3 -	$46.6	$38.8 -	$63.4

Capital Market Comparison Analysis

Petrie performed a capital market comparison analysis of the Company and the Contributed Assets by reviewing the market values and trading multiples of the following publicly-traded companies that Petrie deemed comparable as a peer group for the Company and the Tetlin Properties:

Exploration Junior Mining Peer Group

Rio Alto Mining Limited
Premier Gold Mines Limited
Probe Mines Limited
Lydian International Limited
Kaminak Gold Corporation
Midas Gold Corp.

Although the peer group was compared to the Company for purposes of this analysis, no entity included in the capital market comparison analysis is identical to the Company and no asset owned or controlled by each entity is identical to the Tetlin Properties because of differences between the business mixes and other characteristics of the peer group. In evaluating the peer group, Petrie relied on publicly-available filings and equity research analyst estimates. These estimates are based in part on judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters. Many of these matters are beyond the control of the Company such as the impact of competition on the business of the Company, as well as on the industry, generally, industry growth and the absence of any adverse material change in the financial condition and prospects of the Company or the industry or in the markets generally.

All peer group multiples were calculated using closing stock prices on September 22, 2014. Peer group Measured plus Indicated plus Inferred resource estimates are as of the most recent date available as disclosed in publicly-filed year-end annual reports on Form 10-K or Annual Information Forms. For each of the peer group entities, Petrie calculated the following:

Enterprise Value/Measured plus Indicated Resources (M+I), which is defined as market value of equity, plus debt and preferred stock, less cash (“enterprise value”) divided by M+I Resources; and

Enterprise Value/Measured plus Indicated plus Inferred Resources (M+I+I), which is defined as enterprise value divided by M+I+I Resources.

The mean and median trading multiples for the Company peer group are set forth below.

Measure	Mean	Median
Enterprise Value/M+I ($/oz.)	$ 63.00	$ 52.00
Enterprise Value/M+I+I ($/oz.)	$ 36.00	$ 24.00

Based upon its review of the peer group, Petrie selected enterprise value multiple ranges of $40.00 – $75.00 per ounce of Measured plus Indicated Resources and $20.00 – $40.00 per ounce of Measured plus Indicated plus Inferred Resources. Based on the application of these trading multiples, Petrie determined an implied Contributed Assets Value Reference Range of $27.5 to $50.0 million

Comparable Transaction Analysis

Petrie reviewed selected publicly-available information for 14 transactions announced between October 2010 and September 2014. Petrie reviewed all transactions with publicly-available information that it deemed to have certain characteristics that are similar to those of the Company and the Tetlin Properties, although Petrie noted that none of the reviewed transactions or the companies that participated in the selected transactions was directly comparable to the Proposed Transaction, the Company or the Tetlin Properties.

Precedent Transactions

Date Announced	Buyer	Seller
01/22/14	Northern Star Resources Limited	Barrick Gold Corporation
11/05/13	Argonaut Gold Inc.	Silver Standard Resources Inc.
10/28/13	B2Gold Corp.	Volta Resources Inc.
09/30/13	Chalice Gold Mines Limited	Conventry Resources Inc.
09/30/13	Brazil Resources Inc.	Brazil Gold Corp.
08/22/13	Gold Fields Limited	Barrick Gold Corporation
07/19/13	Teranga Gold Corporation	Oromin Explorations Ltd.
05/31/13	New Gold Inc.	Rainy River Resources Ltd.
10/18/12	Riverstone Resources Inc.	Blue Gold Mining Inc.
10/15/12	Argonaut Gold Inc.	Prodigy Gold Incorporated
06/21/12	IAMGOLD Corporation	Trelawney Mining and Exploration Inc.
10/11/11	B2Gold Corp.	Auryx Gold Corp.
04/04/11	New Gold Inc.	Richfield Ventures Corp.
10/19/10	Argonaut Gold Inc.	Pediment Gold Corp.

Based on the multiples implied by the Proposed Transaction value divided by the Measured plus Indicated or Measured plus Indicated plus Inferred Resources publicly disclosed in each of these transactions and Petrie's judgment on the comparability of each transaction versus the Contributed Assets, Petrie applied relevant transaction multiples to the Contributed Assets to calculate an implied Contributed Assets Value reference range. Petrie applied transaction multiples ranging from $35.00 – $60.00 per Measured plus Indicated Resources and $25.00 – $55.00 per ounce of Measured plus Indicated plus Inferred Resources. Based on the application of these transaction multiples, Petrie determined an implied Contributed Assets Value Reference Range of $27.5 to $55.0 million.

Miscellaneous

The foregoing summary of certain material financial analyses does not purport to be a complete description of the analyses or data presented by Petrie. In connection with the review of the Proposed Transaction by the Board, Petrie performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary described above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Petrie's opinion. In arriving at its fairness determination, Petrie considered the results of all the analyses and did not draw, in isolation, conclusions from or with regard to any one analysis or factor considered by it for purposes of its opinion. Rather, Petrie made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all the analyses. In addition, Petrie may have given various analyses and factors more or less weight than other analyses and factors and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis or combination of analyses described above should not be taken to be the view of Petrie with respect to the actual value of the Company. No company utilized, or reviewed or considered, in the above analyses as a comparison is directly comparable to the Company, and no transaction utilized is directly comparable to the Proposed Transaction. Furthermore, Petrie's analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies or transactions used, including judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of the Company and its advisors.

Petrie prepared these analyses solely for the purpose of providing an opinion to the Board as to the fairness, from a financial point of view, of the Contributed Assets Value to the Company. These analyses do not purport to be appraisals or to necessarily reflect the prices at which the business actually may be sold. Any estimates contained in these analyses are not necessarily indicative of actual future results, which may be significantly more or less favorable than those suggested by such estimates. Accordingly, estimates used in, and the results derived from, Petrie's analyses are inherently subject to substantial uncertainty, and Petrie assumes no responsibility if future results are materially different from those forecasted in such estimates.

The issuance of the fairness opinion was approved by Petrie's opinion committee.

The Contributed Assets Value pursuant to the Proposed Transaction documents was determined through arm's-length negotiations between the Company and Royal and was approved by the Board. Petrie provided advice to the Board during these negotiations. Petrie did not, however, recommend any specific Contributed Assets Value to the Board or the Company or that any specific Contributed Assets Value constituted the only appropriate consideration for the Proposed Transaction. Petrie's opinion to the Board was one of many factors taken into consideration by the Board in deciding to approve the Proposed Transaction. Consequently, the analyses as described above should not be viewed as determinative of the opinion of the Board with respect to the Contributed Assets Value or of whether the Board would have been willing to agree to different consideration.

Under the terms of Petrie's engagement letter with the Board, Petrie provided the Board financial advisory services and a fairness opinion in connection with the Proposed Transaction. Pursuant to the terms of its engagement letter, the Company has agreed to pay Petrie customary fees for its services in connection with its engagement, including a success fee which is payable to Petrie if the Proposed Transaction is consummated. Petrie also earned a fairness opinion fee of $250,000 upon delivery of its fairness opinion to the Board (and would have earned the opinion fee, regardless of the conclusion regarding fairness expressed in the opinion). As a result, the total compensation earned by Petrie prior to the date hereof is $250,000, which will be credited against Petrie's success fee. In addition, the Board has agreed to reimburse Petrie for its reasonable out-of-pocket expenses (including reasonable legal fees, expenses and

disbursements) incurred in connection with its engagement and to indemnify Petrie and its affiliates and their respective directors, officers, employees, agents and controlling persons from and against certain liabilities and expenses arising out of its engagement and any related transaction.

The Board engaged Petrie to act as a financial advisor based on its qualifications, experience and reputation. Petrie is a nationally recognized investment banking firm and is regularly engaged in the valuation of businesses in connection with mergers and acquisitions, leveraged buyouts, competitive sales processes, private placements and other purposes.

THE JOINT VENTURE COMPANY; THE JOINT VENTURE COMPANY LLC AGREEMENT

Formation of the Joint Venture Company

In connection with, and as a condition to, the Closing in accordance with the Master Agreement, the Company will form the Joint Venture Company. As contemplated by the Master Agreement, following the formation of the Joint Venture Company, in connection with, and as a condition to, the Closing in accordance with the Master Agreement, the Company will contribute to the Joint Venture Company the Contributed Assets at an agreed value of $45.7 million (i.e., the Contributed Assets Value). In connection with, and as a condition to, the Closing in accordance with the Master Agreement, at Closing the Company and Royal Gold will enter into the Joint Venture Company LLC Agreement, the form of which was agreed to at the time the parties entered into the Master Agreement.

The Form of the Joint Venture Company LLC Agreement is attached as Annex B to this proxy statement. We encourage you to read the entire Joint Venture Company LLC Agreement carefully because, together with the Master Agreement, they are the principal documents governing the Proposed Transaction.

The Joint Venture Company LLC Agreement

General

The Joint Venture Company LLC Agreement is the operating agreement for the Joint Venture Company that provides for understandings between the Members with respect to matters regarding ownership interests, governance, transfers of ownership interests and other operational matters. CORE and Royal Gold have agreed to a form of the Joint Venture Company LLC Agreement in connection with entry into the Master Agreement. In connection with, and as a condition to, the Closing following the formation of the Joint Venture Company, the Joint Venture Company LLC Agreement substantially in the form agreed to by CORE and Royal Gold will be executed and delivered.

Capital Contributions; Percentage Interests

CORE’s initial capital contribution to the Joint Venture Company will be provided in the form of the contribution of the Contributed Assets at the Contributed Assets Value. At Closing, CORE’s percentage interest in the Joint Venture Company will equal 100%.

At Closing, Royal Gold, as an initial contribution to the Joint Venture Company, will contribute $5 million in cash (the “Royal Gold Initial Contribution”). The Royal Gold Initial Contribution will be used by the Joint Venture Company to fund further exploration activities on the Tetlin Properties. Following the Royal Gold Initial Contribution, Royal Gold’s percentage interest in the Joint Venture Company will equal 0%.

The Joint Venture Company LLC Agreement also provides Royal Gold with the right, but not the obligation, in its sole discretion, to earn a percentage interest in the Joint Venture Company up to a maximum of 40% by making additional contributions of capital up to the Joint Venture Company in an aggregate amount equal to $30 million (inclusive of the Royal Gold Initial Contribution) during the period beginning on the Closing Date and ending on October 31, 2018. Other than the Royal Gold Initial Contribution at Closing, Royal Gold is not under any obligation to make additional capital contributions and there is no guarantee that Royal Gold will contribute any additional capital to the Joint Venture Company. If Royal Gold does not make any additional capital contributions, and assuming there are no other new investors into the Joint Venture, CORE's percentage interest in the Joint Venture Company would continue to be 100% and Royal Gold will be deemed to have resigned as a member of the Joint Venture Company effective as of October 31, 2018.

The table below sets forth the amount of additional capital contributions that Royal Gold has the right to make and the corresponding percentage interest in the Joint Venture Company that Royal Gold would receive if such additional capital is provided:

Joint Venture Member	Capital Contribution	Percentage Interest
Capital Accounts immediately following the Closing		
CORE	$45.7 million (through contribution of Contributed Assets)	100%
Royal Gold	$0	0%
Phase I Earn-In Contributions		
(Royal Gold will earn a 2% interest in the Joint Venture Company for each $1 million of additional capital contributed to the Joint Venture Company up to $5 million.)		
Capital Accounts immediately following maximum Phase I Earn-In Contributions		
CORE	$45.7 million	90%
	$10 million (inclusive of Royal Gold's Initial Contribution)	
Royal Gold		10%
Phase II Earn-In Contributions		
(If Royal Gold funds the maximum Phase I Earn Contributions, then Royal Gold will earn a 1.5% interest in the Joint Venture Company for each $1 million of additional capital contributed to the Joint Venture Company up to an additional $10 million.)		
Capital Accounts immediately following maximum Phase II Earn-In Contributions		
CORE	$45.7 million	75%
	$20 million (inclusive of Royal Gold's Initial Contribution and Phase I Earn in Contribution)	
Royal Gold		25%
Phase III Earn-In Contributions		
(If Royal Gold funds the maximum Phase II Earn Contributions, then Royal Gold will earn a 1.5% interest in the Joint Venture Company for each $1 million of additional capital contributed to the Joint Venture Company up to an additional $10 million.)		
Capital Accounts immediately following maximum Phase III Earn-In Contributions		
CORE	$45.7 million	60%
	$30 million (inclusive of Royal Gold's Initial Contribution and	
Royal Gold	Phase I and II Earn in Contribution)	40%

Management of the Joint Venture Company

The Joint Venture Company, upon formation, will establish the Management Committee to determine the overall policies, objectives, procedures, methods and actions of the Joint Venture Company. The Management Committee will consist of one appointee designated by CORE and two appointees designated by Royal Gold. If as of October 31, 2018, Royal Gold has not made additional capital contributions of at least $25 million in the Joint Venture Company, the Management Committee will be composed of two appointees designated by the member having the majority percentage interest in the Joint Venture Company and one appointee designated by the member having the minority percentage interest in the Joint Venture Company. Appointees on the Management Committee are referred to as Designates.

The manager of the Joint Venture Company (the "Manager") will be Royal Gold. Except as expressly delegated to Manager, the Joint Venture Company LLC Agreement provides that the Management Committee has exclusive authority to determine all management matters related to the Company.

Each Designate on the Management Committee will be entitled to one vote. Except for the list of specific actions noted below, in general the affirmative vote by a majority of Designates on the Management Committee will be required for action. Certain major actions of the Management Committee will require the affirmative vote of all of the Designates on the Management Committee, including the following:

- making any amendment to the Joint Venture Company LLC Agreement, admitting new members to the Joint Venture Company, adjusting the percentage interests of the members of the Joint Venture Company or accepting in-kind capital contributions, subject to certain exceptions;
- appointing a replacement Manager following the resignation or removal of the Manager;
- entering into any merger or other business combination involving the Joint Venture Company;
- selling, exchanging, leasing, abandoning, mortgaging, pledging or otherwise disposing of or transferring assets of the Joint Venture Company in excess of agreed upon amounts;
- terminating, or entering into any amendment, supplement or other modification to the Tetlin Lease, the estoppel agreement or stability agreement;
- assigning any right or obligation of the Joint Venture Company under the Tetlin Lease;
- abandoning or surrendering, any mining claim included in the properties of the Joint Venture Company;
- determinations of fair market value for the purpose of the Joint Venture Company LLC Agreement;
- amending agreed upon tax policies or tax elections, selection of accounting firms and preparation of tax returns, or taking any action that would cause the Joint Venture Company not to be recognized as a partnership for federal income and state tax purposes;
- making, incurring, issuing or assuming any of certain expenditures or obligations in excess of agreed upon amounts.
- entering into, materially amending or terminating any material contract of the Joint Venture Company (other than the Tetlin Lease), subject to certain exceptions;
- requiring any member to contribute, advance, loan or provide a capital contribution, credit facility or other credit support;
- bringing, defending or otherwise engaging in any actions legal proceedings or settlements in respect thereof, in excess of $100,000, unless according to an approved budget; and
- engaging in any transaction with any member or an affiliate thereof, or entering into any material contract with a member or an affiliate thereof, subject to certain exceptions.

The Joint Venture Company LLC Agreement provides that the Management Committee meet at least two times per year. The Management Committee is also permitted to act by written consent.

Manager of the Joint Venture Company

Royal Gold will be the Manager of the Joint Venture Company, initially, with overall management responsibility for operations of the Joint Venture Company through October 31, 2018, and thereafter provided Royal Gold earns at least a forty percent (40%) Percentage Interest, and will serve as Manager for such period or until such earlier time as it resigns. The Manager will manage, direct and control the operation of the Joint Venture Company, and will discharge its duties in accordance with approved programs and budgets. The Manager will implement the decisions of the Management Committee and will carry out the day-to-day-operations of the Joint Venture Company.

In addition, the Manager will have the following powers and duties:

manage, direct and control operations, including without limitation to market and sell products;
implement decisions of the Management Committee;
purchase all material and supplies required for operations;
conduct title examinations and cure any title defects;
make all payments required by leases, licenses, permits, contracts and other agreements;
apply for necessary permits, licenses and approvals and comply with applicable federal, state, and local laws and regulations;
prosecute and defend, but not initiate without the consent of the Management Committee, all litigation or administrative proceedings arising out of operations;
obtain insurance for the benefit of the Joint Venture Company;
perform all work required by law to maintain mining claims;
keep and maintain all required accounting and financial records;
prepare an environmental compliance plan for all operations;
manage the performance of obligations after operations on an area of the Property have ceased, whether before or after dissolution of the Joint Venture Company;
establish a technical committee with experience and expertise to advise the Manager in matters of exploration and development; and
handle communications between the Joint Venture Company and its contractors.

Transfers of Membership Interests

Both the Company and Royal Gold will have the right to transfer each of their respective interests to a third party, subject to certain terms and conditions in the Joint Venture Company LLC Agreement. If either Member intends to transfer all or part of its interest to a bona fide third party, the other Member will have the right to require the transferring Member to include in the intended transfer the other Member's proportionate share of membership interests at the same purchase price and terms and conditions.

Drag Along Right

If Royal Gold funds its full $30 million investment, it will receive a 40% interest in the Joint Venture Company, and the Company will retain a 60% interest in the Joint Venture Company. Once Royal Gold has earned a 40% interest in the Joint Venture Company, it has the option to require the Company to sell an additional 20% of the Company's interest in the Joint Venture Company in a sale of Royal Gold's entire interest to a bona fide third party purchaser. The Company will be obligated to sell its interest to a bona fide third party on the same terms and conditions as the interest being sold by Royal Gold.

Other Material Provisions

Area of Interest

The Company and Royal Gold have agreed to an area of interest comprised of a three-mile radius around the exterior boundaries of the Tetlin Properties as described on Exhibit A to the Joint Venture Company LLC Agreement (the "Area of Interest"). During the term of the Joint Venture Company LLC Agreement, any interest or right to acquire an interest (including a royalty interest) within the Area of Interest is subject to the terms of the Joint Venture Company LLC Agreement. Upon election of the non-acquiring Member to participate for its proportionate share of the acquisition, the property will become a property of the Joint Venture Company. In addition, any resigning, forfeiting or transferring member may not directly or indirectly acquire any interest in properties within the Area of Interest for

twenty-four (24) months after the effective date of such resignation, forfeiture or transfer.

Dilution Provisions

On the earlier of October 31, 2018 or such time as Royal Gold has earned a 40% interest in the Joint Venture Company, the Members will be required to contribute funds to approved programs and budgets in proportion to their respective percentage interests in the Joint Venture Company. If a Member elects not to contribute to an approved program and budget or elects to contribute less than its proportionate interest, its percentage interest will be recalculated by dividing (i) the sum of (a) the value of its initial contribution plus (b) the total of all of its capital contributions plus (c) the amount of the capital contribution it elects to fund, by (ii) the sum of (a), (b) and (c) above for both Members multiplied by 100.

If at the time of any capital contribution a Member's percentage interest becomes less than 5%, the other Member has the right to buy out the remaining membership interest.

PROPOSAL 1
APPROVAL OF THE PROPOSED TRANSACTION

As discussed in this proxy statement, the Company and its Board of Directors is asking the CORE stockholders to approve the Proposed Transaction pursuant to the terms of the Transaction Documents. You should read carefully this proxy statement in its entirety for more detailed information concerning the Master Agreement and the Joint Venture Company LLC Agreement, which are attached as Annex A and Annex B, respectively, to this proxy statement. Please see the sections entitled “The Proposed Transaction,” “The Master Agreement” and “The Joint Venture Company; the Joint Venture Company LLC Agreement” for additional information and a summary of the material terms of the Proposed Transaction, the Master Agreement and the Joint Venture Company LLC Agreement. You are urged to read carefully the entire Master Agreement and the form of Joint Venture Company LLC Agreement included as Annex A and Annex B, respectively before voting on this proposal. Approval of this proposal is a condition to the completion of the Proposed Transaction.

The Board of Directors recommends unanimously that stockholders vote “FOR” the proposal to approve the Proposed Transaction.

PROPOSAL 2

ELECTION OF DIRECTORS

At the Annual Meeting, we will present the nominees named below and recommend that they be elected to serve as directors until the next annual stockholders meeting or until their successors are duly elected and qualified. Each nominee has consented to being named in this Proxy Statement and to serve if elected.

Your proxy will be voted for the election of the three nominees named below unless you give instructions to the contrary. Your proxy cannot be voted for a greater number of persons than the number of nominees named.

Nominees

Presented below is a description of certain biographical information, occupations and business experience for the past five years of each person nominated to become a director. Three directors are to be elected at the Annual Meeting. All nominees are current directors standing for reelection to the Board. If any nominee should become unavailable for election, your proxy may be voted for a substitute nominee selected by the Board, or the Board's size may be reduced accordingly. The Board is unaware of any circumstances likely to render any nominee unavailable. Directors of the Company hold office until the next annual stockholders meeting, until successors are elected and qualified or until their earlier resignation or removal.

On September 15, 2010, the Company's Board of Directors established a Nominating Committee to recommend nominees for director to the Board and to insure that such nominees possess the director qualifications set forth in the Company's Corporate Governance Guidelines. Additionally, the Nominating Committee reviews the qualifications of existing Board members before they are nominated for re-election to the Board. Once nominees are selected, the Board determines which nominees are presented to the Company's stockholders for final approval.

Each Board member other than Brad Juneau is an independent director. The Board will also consider nominees recommended by stockholders. The Company's Bylaws contain provisions which address the process by which a stockholder may nominate an individual to stand for election to the Board of Directors at our Annual Meeting of Stockholders. The procedures include a requirement that notices regarding a person's nomination be received in writing from the stockholder and by the Company's Secretary not less than 60 days nor more than 90 days prior to the first anniversary of the preceding year's annual meeting. Moreover, the notice must include such nominee's written consent to be named in the Company's Proxy Statement and to serve if elected. Supporting information should include (a) the name and address of the candidate and the proposing stockholder, (b) a comprehensive biography of the candidate and an explanation of why the candidate is qualified to serve as a director taking into account the criteria identified in our corporate governance guidelines and (c) proof of ownership, the class and number of shares, and the length of time that the shares of our common stock have been beneficially owned by each of the candidate and the proposing stockholder. Minimum qualifications include extensive business experience, a solid understanding of financial statements and a reputation for integrity. Each nominee below has been recommended by the Nominating Committee.

Name	Age	Position	Director Since
Brad Juneau	54	Chairman, President and Chief Executive Officer	2012
Joseph S. Compofelice	65	Director	2010
Joseph G. Greenberg	53	Director	2010

Brad Juneau. Mr. Juneau is co-founder of the Company and was appointed President, Chief Executive Officer and a director of the Company in August 2012 after the Company's co-founder, Mr. Kenneth R. Peak, received a medical leave of absence. In April 2013, Mr. Juneau was elected Chairman. Mr. Juneau is the sole manager of the general partner of JEX, a company involved in the exploration and production of oil and natural gas. JEX has entered into a number of agreements and arrangements with the Company which are described under "Certain Relationships and Related Transactions". Prior to forming JEX, Mr. Juneau served as senior vice president of exploration for Zilkha Energy Company from 1987 to 1998. Prior to joining Zilkha Energy Company, Mr. Juneau served as staff petroleum engineer with Texas International Company for three years, where his principal responsibilities included reservoir engineering, as well as acquisitions and evaluations. Prior to that, he was a production engineer with Enserch Corporation in Oklahoma City. Mr. Juneau holds a Bachelor of Science degree in Petroleum Engineering from Louisiana State University. Mr. Juneau previously served as a director of Contango Oil & Gas Company from April 2012 to March 2014.

Joseph S. Compofelice. Mr. Compofelice has been a director of the Company since its inception. Since January 2014, Mr. Compofelice has been an operating partner of White Deer Energy, an energy focused private equity fund. Mr. Compofelice has served as Managing Director of Houston Capital Advisors, a boutique financial advisory, mergers and acquisitions investment service since January 2004. Mr. Compofelice served as Chairman of the Board of Trico Marine Service, a provider of marine support vessels serving the international natural gas and oil industry, from 2004 to 2010 and as its Chief Executive Officer from 2007 to 2010. Mr. Compofelice was President and Chief Executive Officer of Aquilex Services Corp., a service and equipment provider to the power generation industry, from October 2001 to October 2003. From February 1998 to October 2000 he was Chairman and CEO of CompX International Inc., a provider of components to the office furniture, computer and transportation industries. From March 1994 to May 1998 he was Chief Financial Officer of NL Industries, a chemical producer, Titanium Metals Corporation, a metal producer and Tremont Corp. Mr. Compofelice received his Bachelor of Science degree at California State University at Los Angeles and his Masters of Business Administration at Pepperdine University.

Joseph G. Greenberg. Mr. Greenberg has been a director of the Company since its inception. Mr. Greenberg is founder and President of Alta Resources, L.L.C., an oil and natural gas exploration company. Prior to founding Alta Resources in 1999, Mr. Greenberg worked as an exploration geologist for Shell Oil Company and Edge Petroleum Company. Mr. Greenberg received a Bachelor of Science degree in Geology and Geophysics from Yale University in 1983, and a Masters in Geological Sciences from the University of Texas at Austin in 1986. He has over twenty-eight years of diversified experience in domestic oil and gas exploration.

All directors and nominees for director of the Company are United States citizens. There are no family relationships between any of our directors or executive officers.

CORPORATE GOVERNANCE

We believe that good corporate governance is important to assure that the Company is managed for the long term benefit of its stockholders. The Board and management of the Company are committed to good business practices, transparency in financial reporting and the highest level of corporate governance and ethics. The Board has specifically reviewed the provisions of the Sarbanes-Oxley Act of 2002, the rules of the Securities and Exchange Commission ("SEC") and applicable listing standards and rules to maintain its standards of good corporate governance.

The Board has reaffirmed existing policies and initiated actions adopting policies consistent with new rules and listing standards. In particular, we have:

Established an Audit Committee consisting solely of independent directors.

Adopted a formal Audit Committee Charter in September 2010, a copy of which is available on the Company's website at www.contangoore.com.

Empowered the Audit Committee to engage independent auditors.

Provided the Audit Committee with access to independent auditors and legal counsel.

Adopted a Code of Ethics that satisfies the definition of "code of ethics" under the rules and regulations of the SEC, a copy of which is available on the Company's website. The Code of Ethics applies to all of the Company's employees, including its principal executive officer, principal financial officer, and principal accounting officer.

Adopted a formal whistleblower protection policy.

Adopted a formal process for stockholders to communicate with the independent directors.

Adopted a formal Nominating Committee Charter in September 2010, a copy of which is available on the Company's website at www.contangoore.com.

Prohibited personal loans to officers and directors.

Taken appropriate Board and management action to achieve timely compliance with Section 404 of the Sarbanes-Oxley Act of 2002 regarding controls and procedures over financial reporting.

Adopted a formal Compensation Committee Charter in September 2010, a copy of which is available on the Company's website at www.contangoore.com.

Independence. After reviewing the qualifications of our current directors and nominees, and any relationships they may have with the Company that might affect their independence, the Board has determined that each director and nominee, other than Mr. Juneau, is "independent" as that concept is defined by the listing standards of the New York Stock Exchange and the applicable rules of the SEC. Mr. Juneau is an executive officer of the Company and, therefore, the Board has concluded that Mr. Juneau is not an independent director.

Corporate Authority & Responsibility. All corporate authority resides in the Board, as the representative of the stockholders. Authority is delegated to management by the Board in order to implement the Company's mission pursuant to Delaware law and our bylaws. Such delegated authority includes the authorization of spending limits and the authority to hire employees and terminate their services. The independent members of the Board retain responsibility for selection, evaluation and the determination of compensation of the chief executive officer of the Company, oversight of the succession plan, approval of the annual budget, assurance of adequate systems, procedures and controls, and all matters of corporate governance. Members of the Board of Directors are kept informed of the Company's business through discussions with Mr. Juneau and with key members of senior management, by reviewing materials provided to them and by participating in Board and committee meetings. Each Board member other than Mr. Juneau is independent. Additionally, the Board provides advice and counsel to senior management.

Compensation of Directors. None of the Board members has received cash compensation since the founding of the Company. During the fiscal year ended June 30, 2014, each outside director of the Company received 15,000 shares of restricted Common Stock in December 2013, which vest over two years, beginning with one-third vesting on the date of grant. There were no other payments for meetings attended or being chairman of a committee. Compensation of directors is determined by Mr. Juneau and the independent directors. Directors who are also employees of the Company do not receive compensation for serving as a director or as a member of a committee of the Board of Directors. All directors are reimbursed for reasonable out-of-pocket expenses incurred in connection with serving as a member of the Board of Directors.

Director Compensation Table. The following table sets forth the compensation paid by the Company to non-employee directors for the fiscal year ended June 30, 2014:

Name	Fees earned or paid in cash ($)	Stock Awards ($) (2)	Option Awards ($) (3)	All Other Compensation ($) (4)	Total ($)

Joseph S. Compofelice	-	86,416	63,598	-	150,014
Joseph G. Greenberg	-	86,416	63,598	-	150,014

(1) Brad Juneau, the Company's Chairman, President and Chief Executive Officer, is not included in this table as he is an employee of the Company and the compensation Mr. Juneau received as an employee of the Company is shown in the Summary Compensation Table. In addition, JEX retained certain overriding royalty rights in the properties of the Company acquired prior to September 29, 2014 as described below in "Certain Relationships and Related Transactions".

(2) The amounts shown represent expense recognized in the consolidated financial statements contained in the Company's Annual Report on Form 10-K, as amended, for the fiscal year ended June 30, 2014 ("2014 Consolidated Financial Statements") related to restricted stock awards granted to non-employee directors, excluding any assumptions for future forfeitures. There were no actual forfeitures of non-employee director restricted stock awards in fiscal year 2013. These restricted stock awards were granted in November 2010 and December 2013. Of the restricted stock awards granted in November 2010, one-third of the shares granted vested in November 2011, the one-year anniversary of the date the shares were granted; one-third vested in November 2012 and one-third vested in November 2013. Of the restricted stock awards granted in December 2013, one-third of the shares granted vested on the date the shares were granted; one-third will vest in December 2014 and one-third will vest in December 2015.

(3) The amounts shown represent expense recognized in the 2014 Consolidated Financial Statements related to stock option awards granted to non-employee directors during the fiscal years ended June 30, 2013 and 2012. No option awards were granted to non-employee directors during fiscal year 2014. The option awards vest earlier than the scheduled vesting term upon a change in control of the Company.

(4) The Company did not pay a cash salary, have non-equity incentive plan compensation, have any type of deferred compensation program, or pay any other form of compensation to its non-employee directors in fiscal year 2014.

Board Size. We believe smaller to mid-size boards are more cohesive, work better together and tend to be more effective monitors than larger boards. Our Bylaws currently provide for at least three and not more than seven directors.

Annual Election of Directors. In order to create greater alignment between the Board's and our stockholders' interests and to promote greater accountability to the stockholders, directors are elected annually.

Meetings. Our Board has meetings as necessary. During the fiscal year ended June 30, 2014, the Board held six meetings. During the fiscal year ended June 30, 2014, the Board passed resolutions by unanimous written consent on one occasion. All of our Board members attended 100% of all Board, applicable committee meetings and the Company's 2013 annual meeting. We encourage our Board to attend our annual meeting of stockholders.

Committee Structure. It is the general policy of the Company that the Board as a whole will consider all major decisions. The committee structure of the Board includes the Audit Committee, the Compensation Committee, and the Nominating Committee. The Board may form other committees as it determines appropriate. A copy of the charter for each committee is available to any stockholder who requests a copy by delivering written notice to Contango ORE, Inc., 3700 Buffalo Speedway, Suite 925, Houston, Texas 77098. The charter for each committee is also available on our website at www.contangoore.com.

Audit Committee. The Audit Committee was established by the Board for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company. The Audit Committee recommends the appointment of independent public accountants to conduct audits of our financial statements, reviews with the accountants our quarterly and annual financial statements and the plan and results of the

auditing engagement, approves other professional services provided by the accountants and evaluates the independence of the accountants. The Audit Committee also reviews the scope and adequacy of our system of internal controls and procedures over financial reporting and oversees compliance with our Code of Ethics. Members of the Audit Committee are Messrs. Compofelice (Committee Chairman) and Greenberg. Each member of the Audit Committee is independent, as independence for audit committee members is defined in the listing standards and the applicable rules of the SEC. The Audit Committee met formally four times during the fiscal year ended June 30, 2014. The Board has determined that Mr. Compofelice is an "audit committee financial expert" as defined by the rules of the SEC.

Compensation Committee. The Compensation Committee was created by the Board for the purpose of administering the Equity Plan and the compensation for the Chief Executive Officer. Additionally, the Compensation Committee determines which executive officers and other employees may receive stock options, stock units, stock awards, stock appreciative rights and other stock based awards and the amounts of such stock based awards. Members of the Compensation Committee are Messrs. Compofelice (Committee Chairman) and Greenberg. Each member of the Compensation Committee is an "outside director" as defined under section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code") and is "independent" as defined in the applicable rules of the SEC. The Compensation Committee met formally two times during the fiscal year ended June 30, 2014.

Nominating Committee. The Nominating Committee was created by the Board for the purpose of overseeing the identification, evaluation and selection of qualified candidates for appointment or election to the Board. The Nominating Committee identifies individuals qualified to become Board members and recommends to the Board nominees for election as directors of the Company, taking into account that the Board as a whole shall have competency in industry knowledge, accounting and finance, and business judgment. While the Company does not have a formal diversity policy, the Nominating Committee seeks members from diverse backgrounds so that the Board consists of members with a broad spectrum of experience and expertise and with a reputation for integrity. Directors should have experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated, and be selected based upon contributions that they can make to the Company. The Nominating Committee shall give the same consideration to candidates for director nominees recommended by Company stockholders as those candidates recommended by others. Members of the Nominating Committee are Messrs. Greenberg (Committee Chairman) and Compofelice. Each member of the Nominating Committee is independent as independence for nominating committee members is defined in the applicable listing standards and the applicable rules of the SEC. The Nominating Committee met formally once during the fiscal year ended June 30, 2014.

Board Leadership Structure. The Board of Directors has elected Mr. Juneau as both Chairman and Chief Executive Officer for a number of reasons. Mr. Juneau is a co-founder of the Company and, through JEX, initially acquired the Tetlin Leased Property from the Village of Tetlin. Furthermore, we believe that the advantages of having a single Chief Executive Officer and Chairman with extensive knowledge of our Company outweigh potential disadvantages. The Board has chosen the combined CEO and Chairman role because it provides an effective balance between management of the Company and non-employee director participation in our Board process and because of Mr. Juneau's knowledge of and experience in our operations.

Risk Oversight. We administer our risk oversight function through our Audit Committee and our Compensation Committee as well as through our Board as a whole. Our Audit Committee is empowered to appoint and oversee our independent registered public accounting firm, monitor the integrity of our financial reporting processes and systems of internal controls and provide an avenue of communication among our independent auditors, management, our internal auditing department and our Board. Our Compensation Committee is responsible for overseeing the management of risks related to our compensation arrangements.

More information about the Company's corporate governance practices and procedures is available on the Company's website at www.contangoore.com.

THE BOARD RECOMMENDS A VOTE "FOR" THE ELECTION OF THE THREE NOMINEES AS DIRECTORS OF CORE, TO SERVE UNTIL THE NEXT ANNUAL MEETING OF STOCKHOLDERS OR UNTIL THEIR SUCCESSORS ARE DULY ELECTED AND QUALIFIED.

PROPOSAL 3

RATIFICATION OF THE SELECTION OF OUR AUDITORS

The Board has appointed UHY LLP, independent public accountants, for the examination of the accounts and audit of our financial statements for the fiscal year ending June 30, 2015. UHY LLP also served in such capacity for the fiscal year ended June 30, 2014. At the Annual Meeting, the Board will present a proposal to the stockholders to approve and ratify the engagement of UHY LLP. The Board expects that representatives of UHY LLP will be present and will have the opportunity to make a statement, if they desire, and to respond to appropriate questions. The Audit Committee will consider the failure to ratify its selection of UHY LLP as independent public accountants as a direction to select other auditors for the fiscal year ending June 30, 2015.

Fees

Aggregate fees for professional services rendered to us by UHY LLP for the years ended June 30, 2014 and 2013 were:

	Year ended June 30,	
Category of Service	2014	2013
Audit Fees	$ 57,403	$ 66,631
Audit-Related Fees	-	-
Tax Fees	-	-
All Other	-	-
	$ 57,403	$ 66,631

The Audit Fees for the years ended June 30, 2014 and 2013 were for professional services rendered in connection with the audit of the Company's consolidated financial statements for the years ended June 30, 2014 and 2013, issuance of consents, quarterly reviews and review of documents filed with the SEC.

There are no other fees for services rendered to us by UHY LLP. UHY LLP did not provide to us any financial information systems design or implementation services during fiscal year ended June 30, 2014.

Audit Committee Pre-Approval Policies and Procedures

All of the 2014 audit services provided by UHY LLP were approved by the Audit Committee.

The Audit Committee has established pre-approval policies and procedures related to the provision of audit and non-audit services. Under these procedures, the Audit Committee selects and appoints outside auditors, considers the independence and effectiveness of the outside auditors, approves the fees and other compensation to be paid to the outside auditors and is responsible for oversight of the outside auditors and reviews any revisions to the estimates of audit and non-audit fees initially approved. The Audit Committee's procedures prohibit the independent auditor from providing any non-audit services unless the service is permitted under applicable law and is pre-approved by the Audit Committee. The Audit Committee receives the written disclosures required by generally accepted auditing standards. The Audit Committee annually requires the outside auditors to provide the Audit Committee with a written statement delineating all relationships between the outside auditors and the Company. The Audit Committee actively engages in a dialogue with the outside auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the outside auditors. The Audit Committee recommends that the Board of Directors take appropriate action in response to the outside auditors' report to satisfy itself of the outside auditors' independence. The scope of services and fees are required to be compatible with the maintenance of the accounting firm's independence, including compliance with SEC rules and regulations.

THE BOARD RECOMMENDS A VOTE “FOR” THE RATIFICATION OF THE SELECTION OF UHY LLP AS INDEPENDENT PUBLIC ACCOUNTANTS.

PROPOSAL 4

ADVISORY VOTE ON EXECUTIVE COMPENSATION

Introduction

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") requires that we provide our stockholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in this Proxy Statement and to express their views on such compensation. We welcome the opportunity to give our stockholders an opportunity to vote on executive compensation at the Annual Meeting. This vote is not intended to address any specific item of compensation, but rather the overall compensation of the named executive officers and our philosophy, policies and practices as described in this Proxy Statement. We currently conduct annual advisory votes on executive compensation, and we expect to conduct the next advisory vote on executive compensation at our 2015 Annual Meeting of Stockholders.

We recognize that executive compensation is an important matter for our stockholders. Stockholders are encouraged to read the "Executive Compensation" section of this Proxy Statement, which discusses in detail how our compensation policies and procedures implement our compensation philosophy.

Text of the Resolution to be Adopted

As a matter of good corporate governance and in accordance with Section 14A of the Securities Exchange Act of 1934, the Board of Directors is asking stockholders to vote "FOR" the following resolution:

"RESOLVED, that the stockholders of Contango ORE, Inc. (the "Company") approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Executive Compensation section, the 2014 Summary Compensation Table and the other related tables and disclosure in the Company's Proxy Statement for the 2014 Annual Meeting of the Stockholders of the Company."

As an advisory vote, this proposal is not binding on the Board or the Compensation Committee. Although the vote is non-binding, the Board and the Compensation Committee value the opinions of our stockholders, and will carefully consider the outcome of the vote in its ongoing evaluation of the Company's executive compensation program and when making future compensation decisions for executive officers. In particular, to the extent there is any significant vote against the compensation of our named executive officers as disclosed in this Proxy Statement, we will consider our shareholders' concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

THE BOARD RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" THE APPROVAL , ON AN ADVISORY BASIS, OF THE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS.

PROPOSAL 5

ADJOURNMENT OF THE MEETING

If we fail to receive a sufficient number of votes in favor of the other proposals being considered at the Annual Meeting, we may propose to adjourn the Annual Meeting, if a quorum is present, for the purpose of soliciting additional proxies to approve the proposals. We currently do not intend to propose adjournment of the Annual Meeting if there are sufficient votes to approve the Proposed Transaction.

The proposal to adjourn the Annual Meeting, if necessary or appropriate, to solicit additional proxies requires the approval of a majority of the votes cast at the Annual Meeting, regardless of whether there is a quorum.

THE BOARD RECOMMENDS THAT THE STOCKHOLDERS VOTE “FOR” THE PROPOSAL TO ADJOURN THE ANNUAL MEETING, IF NECESSARY OR APPROPRIATE, TO SOLICIT ADDITIONAL PROXIES.

OTHER INFORMATION

Executive Officers

The following sets forth the names, ages and positions of our executive officers together with certain biographical information as of the date of this filing:

Name	Age	Position
Brad Juneau	54	Chairman, President and Chief Executive Officer
Leah Gaines(1)	38	Vice President, Chief Financial Officer, Chief Accounting Officer, Treasurer and Secretary

(1) Ms. Gaines was appointed Vice President, Chief Financial Officer, Chief Accounting Officer, Treasurer and Secretary on October 1, 2013, upon the resignation of Mr. Sergio Castro, our former Vice President, Chief Financial Officer, Treasurer and Secretary, and Ms. Yaroslava Makalskaya, our former Vice President, Chief Accounting Officer and Controller.

Brad Juneau. Mr. Juneau is co-founder of the Company and was appointed President, Chief Executive Officer and a director of the Company in August 2012 after the Company's co-founder, Mr. Kenneth R. Peak, received a medical leave of absence. In April 2013, Mr. Juneau was elected Chairman. Mr. Juneau is the sole manager of the general partner of JEX. JEX has entered into a number of agreements and arrangements with the Company which are described under "Certain Relationships and Related Transactions". Prior to forming JEX, Mr. Juneau served as senior vice president of exploration for Zilkha Energy Company from 1987 to 1998. Prior to joining Zilkha Energy Company, Mr. Juneau served as staff petroleum engineer with Texas International Company for three years, where his principal responsibilities included reservoir engineering, as well as acquisitions and evaluations. Prior to that, he was a production engineer with Enserch Corporation in Oklahoma City. Mr. Juneau holds a Bachelor of Science degree in Petroleum Engineering from Louisiana State University. Mr. Juneau previously served as a director of Contango Oil & Gas Company from April 2012 to March 2014.

Leah Gaines. Ms. Gaines was appointed as the Company's Vice President, Chief Financial Officer, Chief Accounting Officer, Treasurer and Secretary on October 1, 2013. Ms. Gaines has also served as Vice President and Chief Financial Officer of JEX since October 2010. Prior to joining JEX, she served as the Controller for Beryl Oil and Gas, LP and Beryl Resources LP from July 2007 to December 2009. From April 2006 to July 2007, Ms. Gaines held the position of Financial Reporting Manager at SPN Resources, a division of Superior Energy Services. From 2003 to 2006, Ms. Gaines was a Principal Accountant at El Paso Corporation in its Power Asset division from 2001 to 2003. Prior to that, Ms. Gaines worked at Deloitte and Touche, LLP for three years as a Senior Auditor. Ms. Gaines graduated Magna Cum Laude from Angelo State University with a Bachelor of Business Administration in Accounting and is a Certified Public Accountant with over sixteen years of experience.

Our executive officers are elected annually by the Board and serve until their successors are duly elected and qualified or until their earlier resignation or removal. All executive officers of the Company are United States citizens. There are no family relationships between any of our directors or executive officers.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This section of the Proxy Statement describes and analyzes our executive compensation philosophy and program in the context of the compensation paid during the last fiscal year to our named executive officers.

Overview of 2014 fiscal year Performance and Compensation. We are engaged in the exploration in the State of Alaska for gold ore and associated minerals. During the fiscal year ended June 30, 2014, the Company completed the analysis of its 2013 exploration program that included drilling 14,349 meters in 69 core holes in the Peak zone and in our greater Chief Danny prospect. We also conducted baseline water quality sampling, cultural resource assessments, wetlands mapping, acid rock drainage tests and preliminary metallurgical tests. The Company also initiated a strategic review of its business which has resulted in execution of the Master Agreement and seeking stockholder approval of the Proposed Transaction.

Philosophy. The Company is an exploration stage organization without any source of revenue. It currently has three part-time employees. The Company will not pay any salaries or other benefits to its executive employees for the foreseeable future and until such time as the business of the Company may require cash compensation. The Company has implemented an equity compensation program for its executive officers that will provide an incentive for such officers to achieve the Company's business objectives.

Objectives. We compete with a variety of companies and organizations to hire and retain individual talent. As a result, the primary goal of our compensation program is to help us attract, motivate and retain the best people possible. We implement this philosophy by:

encouraging, recognizing and rewarding outstanding performance;
recognizing and rewarding individuals for their experience, expertise, level of responsibility, leadership, individual accomplishment and other contributions to us; and
recognizing and rewarding individuals for work that helps increase our value.

We use executive compensation to align our executive officers' goals with our mission, business strategy, values and culture.

Market Compensation Data. The Company has selected a list of five peer companies (the "Peer Group"), all of which are very small companies in the mining industry. These companies share relevant business risk and financial factors such as revenue, market capital, net income, and total assets. Companies similar in size but in unrelated industries are not included because the Company typically does not hire executives from such companies, nor would the Company be likely to lose executives to such companies:

Kaminak Gold Corp.
ATAC Resources Ltd.
Pilot Gold Inc.
Corvus Gold
Freegold Ventures

Components of Senior Executive Compensation. The primary element of annual compensation for senior executives is the granting of equity awards in the form of restricted stock and stock options. Compensation for each senior executive is designed to align the executive's incentives with the long-term interests of the Company's stockholders. The Company only has three current part-time employees and as a result, our executives are required to manage a number of different responsibilities and projects. The Company predominantly grants equity awards to create incentives for future performance. Executives receive equity awards to align their interests with our stockholders' interests and for working toward the long-term success of the Company.

Equity Awards. The Company's equity compensation program includes two forms of long-term incentives: restricted stock and stock options. Award size and frequency are based on each executive's demonstrated level of performance and Company performance over time. All awards shall be made by the Compensation Committee. The Compensation Committee reviews award levels from time to time but at least annually. In making individual awards, the Compensation Committee considers industry practices, the performance of each executive, the performance of the Company, the value of the executive's previous awards and the Company's views on executive retention and succession. In September 2013, Mr. Sergio Castro, our former Vice President, Chief Financial Officer, Treasurer and Secretary and Ms. Yaroslava Makalskaya our former Vice President, Controller and Chief Accounting Officer were each granted stock options to acquire 15,000 shares of Common Stock, respectively. These options have an exercise price of $10.01 and vested immediately upon grant. In September 2013, Ms. Gaines was also granted stock options to acquire 15,000 shares of Common Stock with an exercise price of $10.01. Ms. Gaines options vest over two years,

beginning with one-third vesting on the date of grant. In December 2013, the Company granted Mr. Juneau 35,000 shares of restricted Common Stock, which vest over two years, beginning with one third vesting on the date of grant. On November 12, 2014, the Company granted Ms. Gaines 15,000 shares of restricted Common Stock, which vests over two years, beginning with one third vesting on the date of grant.

As of the record date, the Company had 5,571,871 million fully diluted shares.

Equity Award Mechanics. On September 15, 2010, the Board adopted the Equity Plan. Awards typically fall into two categories: annual awards and new hire and promotion awards. New hire and promotion awards are made on the date of hire or promotion, and annual awards are made in June. From time to time the Board of Directors may make grants at other times in connection with employee retention.

All stock option awards have a per share exercise price equal to the closing price of our Common Stock on the grant date. Stock option awards and restricted stock awards vest upon the passage of time. The Board of Directors has not granted, nor does it intend in the future to grant, equity awards in anticipation of the release of material nonpublic information. Similarly, the Company has not timed, nor does it intend in the future to time, the release of material nonpublic information based upon equity award grant dates.

Deferred Compensation and Retirement Plans. The Company does not have a deferred compensation program, pension benefits, a retirement plan, or any sort of post retirement healthcare plan.

Perquisites and Other Benefits. The Company does not have any perquisites or employee benefit plans, such as medical, dental, group life and disability insurance.

Regulatory Considerations. It is the Company's policy to make reasonable efforts to cause executive compensation to be eligible for deductibility under Section 162(m) of the Code. Under Section 162(m), the federal income tax deductibility of compensation paid to the Company's Chief Executive Officer and to each of its four other most highly compensated executive officers may be limited to the extent that such compensation exceeds $1.0 million in any one year. Under Section 162(m), the Company may deduct compensation in excess of $1.0 million if it qualifies as "performance-based compensation", as defined in Section 162(m). While the Company does not design its compensation programs for tax purposes, in general, the Incentive Plan and the 2009 Plan are designed to allow awards and grants to be eligible for deductibility under Section 162(m).

Employment and Severance Agreements. We have no employment or severance agreement with any executive officer.

Compensation Risk Management. The Compensation Committee considers, in establishing and reviewing our executive compensation program, whether the program encourages unnecessary or excessive risk taking and has concluded that it does not. None of our officers has received cash compensation since the founding of the Company. The Compensation Committee believes that our equity-based awards program appropriately balances risk and the desire to focus executives on specific goals important to the Company's success, and that they do not encourage unnecessary or excessive risk taking. In addition, the Compensation Committee believes that our current equity-based awards program provides an appropriate balance between the goals of increasing the price of our Common Stock and avoiding risks that could threaten our growth and stability.

Other Compensation Arrangements. Mr. Juneau was appointed the President and Chief Executive Officer of the Company in August 2012 and in April 2013, Mr. Juneau was elected Chairman. Mr. Juneau is the sole manager of the general partner of JEX which has entered into a number of agreements and arrangements with the Company. These agreements and arrangements are described under "Certain Relationships and Related Transactions" and have been approved by the Audit Committee of the Company. Mr. Juneau is not directly compensated by the Company for serving as Chairman, President and Chief Executive Officer.

EXECUTIVE COMPENSATION TABLES

Summary Compensation Table

The following table sets forth certain information concerning compensation of the principal executive officer ("PEO"), the principal financial officer ("PFO"), and up to two of the most highly compensated executive officers (other than the PEO and PFO) who earned at least $100,000 for the fiscal years ended June 30, 2014, 2013 and 2012 (collectively, the "Named Executive Officers").

Name and Principal Position(s)	Fiscal Year	Salary ($) (2)	Restricted Stock Awards ($) (3)	Option Awards ($) (3)	All Other Compen-sation ($) (2)	Total ($)
Brad Juneau (1)	2014	-	183,955	128,000	-	311,955
Chairman, President and	2013	-	200,767	-	-	200,767
Chief Executive Officer						
Leah Gaines	2014	-	-	37,802	-	37,802
Vice President, Chief Financial	2013	-	-	-	-	-
Officer, Treasurer and Secretary	2012	-	-	-	-	-
Sergio Castro (4)	2014	-	7,581	59,100	-	66,681
Former Vice President, Chief	2013	-	18,194	142,322	-	160,516
Financial Officer, Treasurer and Secretary	2012	-	18,194	16,453	-	34,647
Yaroslava Makalskaya (4)	2014	-	7,581	59,100	-	66,681
Former Vice President, Chief	2013	-	18,194	142,322	-	160,516
Accounting Officer, and Controller	2012	-	18,194	16,453	-	34,647
Kenneth R. Peak (5)	2014	-	-	-	-	-
Former Chairman and Chief	2013	-	51,552	276,308	-	327,860
Executive Officer	2012	-	36,389	28,875	-	65,264

(1) Mr. Juneau was appointed President and Chief Executive Officer and director of the Company in August 2012.

(2) The Company did not pay a cash salary, have non-equity incentive plan compensation, have a deferred compensation program, or pay any other form of compensation to its Named Executive Officers in fiscal years 2014, 2013 or 2012.

(3) These amounts do not reflect compensation actually received by the Named Executive Officer. The amounts shown represent expense recognized in the 2014, 2013 and 2012 Consolidated Financial Statements that relate to restricted stock and stock option awards, excluding any assumption for future forfeitures. The assumptions used to calculate the expense amounts shown for restricted stock and stock options granted are set forth in Note 10 to the 2014 Consolidated Financial Statements.

(4) As of October 1, 2013, Mr. Castro and Ms. Makalskaya are no longer executive officers of the Company.

(5) Mr. Peak received a medical leave of absence from the Company beginning August 2012 and passed away in April 2013.

The Summary Compensation Table should be read in conjunction with the preceding “Compensation Discussion and Analysis,” which provides detailed information regarding our compensation philosophy and objectives.

Grants of Plan-Based Awards Table

		Option Awards	
Name	Number Granted	Month Granted	Exercise Price
Brad Juneau	75,000	December 2012	$10.00
Sergio Castro	15,000	September 2013	$10.01
Yaroslava Makalskaya	15,000	September 2013	$10.01
Leah Gaines	15,000	September 2013	$10.01

On November 12, 2014, two employees of the Company were granted an aggregate of 27,000 shares of restricted Common Stock of the Company. The restricted stock vests over two years, beginning with one third vesting on the date of grant.

Potential Payments Upon Termination or a Change in Control

In December 2013, the Company amended its Incentive Stock Option Agreements with its executives and non-employee directors to include automatic vesting of stock options upon a Change of Control (as defined in the Equity Plan) of the Company. These terms are intended to encourage the executives and directors to remain with the Company through a strategic transaction while reducing employee uncertainty and distraction in the period leading up to any such event.

Outstanding Equity Awards at Fiscal Year-End Table

The following table sets forth certain information concerning outstanding equity awards for each Named Executive Officer as of June 30, 2014:

	Stock Awards (1)			
Name	Stock Awards Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested ($)	Equity incentive plan awards: Number of unearned shares, units or other rights that have not vested (#)	Equity incentive plan awards: Market or payout value of unearned shares, units or other rights that have not vested ($)
Brad Juneau	23,333	256,663	—	—
Leah Gaines(2)	—	—	—	—
Sergio Castro (3)	—	—	—	—

Yaroslava Makalskaya (3)	—	—	—	—

(1) Represents restricted stock granted in December 2013. The restricted stock vest in three equal parts starting in December 2013, and fully vest in December 2015. The values contained in the third column were calculated by multiplying the number of shares by $11, which was the closing price of the Company's common stock on the last trading day of the fiscal year ended June 30, 2014.

(2) On November 12, 2014, the Company granted Ms. Gaines 15,000 shares of restricted Common Stock, which vests over two years, beginning with one third vesting on the date of grant.

(3) As of October 1, 2013, Mr. Castro and Ms. Makalskaya are no longer executive officers of the Company.

	Option Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exerciseable	Number of Securities Underlying Unexercised Options (#) Unexerciseable	Option Exercise Price ($)	Option Expiration Date
Brad Juneau	50,000	25,000	$ 10.00	12/07/17 (3)
Leah Gaines	5,000	10,000	$ 10.01	09/25/18 (5)
Sergio Castro (6)	7,500	-	$ 12.75	09/15/16 (1)
	15,000	-	$ 10.00	07/03/17 (2)
	15,000	-	$ 10.00	06/28/18 (4)
	15,000	-	$ 10.01	09/25/18 (5)
Yaroslava Makalskaya (6)	7,500	-	$ 12.75	09/15/16 (1)
	15,000	-	$ 10.00	07/03/17 (2)
	15,000	-	$ 10.00	06/28/18 (4)
	15,000	-	$ 10.01	09/25/18 (5)

(1) Represents stock option awards granted on September 15, 2011. These stock options vest over two years beginning on September 15, 2011, the date of the grant.

(2) Represents stock option awards granted on July 3, 2012. These stock options vest over two years beginning on July 3, 2012, the date of the grant.

(3) Represents stock option awards granted on December 7, 2012. These stock options vest over two years beginning on December 7, 2012, the date of the grant.

(4) Represents stock option awards granted on June 28, 2013. These stock options vested immediately on June 28, 2013, the date of the grant.

(5) Represents stock option awards granted in September 25, 2013. The stock options granted to Ms. Gaines vest over two years beginning on September 25, 2013, the date of the grant. The stock options granted to Mr. Castro and Ms. Makalskaya vested immediately on September 25, 2013, the date of the grant.

(6) As of October 1, 2013, Mr. Castro and Ms. Makalskaya are no longer executive officers of the Company. On June 28, 2013 the Compensation Committee elected to immediately vest all of the stock option awards of Mr. Castro and Ms. Makalskaya.

Option Exercises, Sales and Stock Vested

The following table sets forth certain information concerning vesting of restricted stock for each Named Executive Officer during the fiscal year ended June 30, 2014:

Name	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($) (1)
Brad Juneau (2)	11,667	116,670
Leah Gaines	—	—
Sergio Castro (3)	3,913	41,087
Yaroslava Makalskaya (3)	3,913	41,087

(1) The value realized on vesting is the closing market price of the Common Stock on the date of vesting, multiplied by the number of shares vested.

(2) The closing market price on the date of vesting was $11.00 for restricted stock granted to Mr. Juneau.

(3) The closing market price on the date of vesting $10.50 for restricted stock granted to Mr. Castro and Ms. Makalskaya. As of October 1, 2013, Mr. Castro and Ms. Makalskaya are no longer executive officers of the Company.

Equity Compensation Plans and Other Compensation Arrangements

The following table provides information as of June 30, 2014 regarding our Common Stock that may be issued upon the exercise of stock options and warrants.

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (b))
2010 Equity Compensation Plan - approved by security holders	445,000	$ 10.41	366,094
Equity compensation plans not approved by security holders	—	—	—

Under the 2010 Equity Compensation Plan, the Compensation Committee can grant stock options, restricted stock awards stock appreciation rights or other stock-based awards to employees, consultants or non-employee directors of the Company. Pursuant to the terms of the Equity Plan, 1,000,000 shares of unissued Common Stock are authorized and reserved for issue under nonqualified stock options, incentive stock options and restricted stock grants. The maximum aggregate number of shares of Common Stock of the Company with respect to which all grants may be made to any individual is 100,000 shares during any calendar year.

Options may be granted to employees, consultants and non-employee directors. Incentive stock options may be granted only to employees of the Company or its subsidiaries. Non-qualified stock options may be granted to employees, consultants or non-employee directors. The Compensation Committee shall determine the term of options granted to participants under the Plan but in any event all options must be exercised no later than the ten years from the issue date. All options may only be exercised while a participant is employed as an employee or providing services as a consultant or non-employee director. Restricted stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable period of restriction established by the Compensation Committee and specified in the award agreement granting the restricted stock.

In making the decision to make additional grants and/or awards, the Compensation Committee would consider factors such as the size of previous grants/awards and the number of stock options and shares of stock already held and the degree to which increasing that ownership stake would provide the additional incentives for future performance, the likelihood that the grants/awards would encourage the executive officer to remain with the Company and the value of the executive’s service to the Company.

The Independent Directors of the Board of Directors

Joseph S. Compofelice
Joseph G. Greenberg

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following tables show the ownership of our Common Stock as of the record date by (i) each person known by us to beneficially own 5% or more of our outstanding shares of Common Stock, (ii) each of our non-employee nominee directors, (iii) our executive officers, and (iv) our executive officers and nominee directors taken together as a group. Unless otherwise indicated, each person named in the following table has the sole power to vote and dispose of the shares listed next to his name.

Our 5% Stockholders

To the Company's knowledge, the following stockholders beneficially owned more than 5% of our outstanding shares of Common Stock, as set forth below, as of the Company's record date, [December 1, 2014]:

Title of Class	Name and Address of Beneficial Owner (1)	Amount of Beneficial Ownership (2)	Percent of Class
Common Stock	Estate of Kenneth R. Peak (3)	863,116	21.9%
Common Stock	Raging Capital Management, LLC Raging Capital Master Fund, Ltd. William C. Martin	355,550 (4)	9.32%
Common Stock	Donald and Amy Gillen Kinderock Resources Ltd. General Resources Inc. (5)	300,000	7.86%

Directors and Executive Officers

Title of Class	Name and Address of Beneficial Owner (1)	Amount of Beneficial Ownership (2)	Percent of Class
Directors Who Are Not Employees			
Common Stock	Joseph S. Compofelice (6)	67,932	*
Common Stock	Joseph G. Greenberg (6)	61,738	*
Executive Officers			
Common Stock	Brad Juneau (7)	267,700	6.7%
Common Stock	Leah Gaines (8)	15,000	*
Directors and Officers Combined			
Common Stock	All current directors and executive officers as a group (4 persons)	412,370	10.1%

* Less than 1%.

(1) Unless otherwise noted, the address of the members of the Board and our executive officers is 3700 Buffalo Speedway, Suite 925, Houston, Texas 77098.

(2) Beneficial ownership is determined in accordance with the rules of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of Common Stock subject to options held by that person that are currently exercisable or exercisable within 60 days of December 1, 2014, and any restricted stock that vests within this period, are deemed outstanding. Applicable percentages are based on 3,814,539 shares outstanding on December 1, 2014, adjusted as required by the rules. To the Company's knowledge, except as set forth in the footnotes to this table and subject to applicable community property laws, each person named in the table has sole voting and investment power with respect to the shares set forth opposite such person's name.

(3) Based upon information contained in its Form 4 filing, the address of the Estate of Kenneth R. Peak is 200 Pheasant Run Place, Findlay OH 45840.

(4) Based on information contained in its Schedule 13G filing, the securities shown as beneficially owned by Raging Capital Management, LLC are owned by Raging Capital Master Fund, Ltd., a Cayman Islands exempted company ("Raging Master"), Raging Capital Management, LLC, a Delaware limited liability company ("Raging Capital"), and William C. Martin. Raging Capital is the Investment Manager of Raging Master. William C. Martin is the Chairman, Chief Investment Officer and Managing Member of Raging Capital. The principal business address of each of Raging Capital and William C. Martin is Ten Princeton Avenue, PO Box 228, Rocky Hill, New Jersey 08553. The principal business address of Raging Master is c/o Ogier Fiduciary Services (Cayman) Limited, 89 Nexus Way, Camana Bay, Grand Cayman KY 1-9007, Cayman Islands.

(5) Based on information contained in their Schedule 13D filing, Donald Gillen is the spouse of Amy Gillen. Donald Gillen is the principal shareholder and sole director and officer of General Resources Inc.. Amy Gillen is the principal shareholder, and Donald Gillen is the sole director and officer, of Kinderock Resources Ltd. Donald and Amy Gillen's address is 21 Capilano Drive, Saskatoon, Saskatchewan, Canada S7K 4A4.

(6) Includes options to purchase 31,667 shares which are currently exercisable; and options to purchase an additional 8,333 shares that will be exercisable in the next 60 days. This number also includes 5,000 restricted shares that will vest in the next 60 days.

(7) Includes options to purchase 50,000 shares which are currently exercisable; and options to purchase an additional 25,000 shares that will be exercisable in the next 60 days. This number also includes 11,667 restricted shares that will vest in the next 60 days.

(8) Ms. Gaines was appointed Vice President, Chief Financial Officer, Chief Accounting Officer, Treasurer and Secretary on October 1, 2013. Of the options beneficially owned by Ms. Gaines, 10,000 are currently exercisable.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act of 1934 requires our officers and directors and persons who own more than 10% of our Common Stock to file reports of ownership and changes in ownership with the SEC. These persons are required by SEC regulations to furnish us with copies of all Section 16(a) reports they file. Based on our review of the copies of such reports, we believe that all such reports required by Section 16(a) of the Exchange Act were in compliance with such filing requirements during the fiscal year ended June 30, 2014.

Certain Relationships and Related Transactions

In March 2013, the Company completed the issuance and sale of an aggregate of 1,230,999 units ("Units") at a price of $12.00 per Unit with each Unit consisting of (i) one share of the Company's common stock, par value $0.01 per share and (ii) a five-year warrant to purchase one (1) share of Common Stock at $10.00 per share, in a private placement for total proceeds of approximately $14.1 million, both Mr. Peak, our then Chairman, and Mr. Juneau, our President and Chief Executive Officer, invested in the private placement. See "Security Ownership of Certain Beneficial Owners and Management" for more information regarding the Estate of Mr. Peak and Mr. Juneau's respective holdings.

In August 2012, Mr. Juneau was elected President, Chief Executive Officer and a director of the Company and in April 2013, Mr. Juneau was also elected Chairman. Mr. Juneau is the sole manager of the general partner of JEX. JEX entered into a Mineral Lease dated effective July 15, 2008 covering approximately 675,000 acres (the "Tetlin Lease") with the Tribe of Tetlin, also known as the Tetlin Village Council, an Alaska Native Tribe, and acquired certain State of Alaska Mining Claims prospective for gold and related minerals covering approximately 18,560 acres (the "Tetlin Claims").

Contango Mining Company ("Contango Mining"), a wholly-owned subsidiary of Contango, was formed in October 2009 for the purpose of engaging in exploration in the State of Alaska for (i) gold ore and associated minerals and (ii) rare earth elements. Contango Mining initially acquired a 50% interest in the Tetlin Claims in Alaska from JEX in exchange for $1 million and a 1% overriding royalty interest ("ORRI") in the properties under a Joint Exploration Agreement (the "Joint Exploration Agreement"). We believe JEX expended approximately $1 million on exploratory activities and related work on the properties prior to selling the initial 50% interest to Contango Mining. Contango Mining also agreed to fund the next $2 million of exploration costs. During the fiscal year ended June 30, 2011 and 2010, Contango Mining paid JEX approximately $0.9 million and $0.5 million, respectively, for exploration costs incurred by JEX in the State of Alaska.

In September 2010, Contango Mining acquired the remaining 50% interest in the properties by increasing the ORRI granted to JEX in the acquired properties to 3% pursuant to an Amended and Restated Conveyance of Overriding Royalty Interest (the "Amended ORRI Agreement"). Contango Mining assumed control of the exploration activities and JEX and Contango Mining terminated the Joint Exploration Agreement. In September 2012, the Company and JEX entered into an Advisory Agreement in which JEX agreed to assist the Company in acquiring additional properties in the State of Alaska in return for a 2% ORRI in any such properties acquired through the term of the Advisory Agreement.

On September 29, 2014, the Company and JEX terminated the Advisory Agreement, and JEX sold its entire 3% and 2% ORRIs to Royal Gold.

The Company was formed on September 1, 2010 as a wholly-owned subsidiary of Contango and in November 2010, Contango Mining assigned the properties and certain other assets and liabilities to Contango. Contango contributed the properties and $3.5 million of cash to the Company, pursuant to the terms of a Contribution Agreement (the "Contribution Agreement"), in exchange for approximately 1.6 million shares of the Company's common stock. The transactions took place between companies under common control. Contango distributed all of the Company's common stock to Contango's stockholders of record as of October 15, 2010, promptly after the effective date of the Company's Registration Statement Form 10 on the basis of one share of common stock for each ten (10) shares of Contango's common stock then outstanding. As of October 1, 2013, the Company and Contango no longer share the same executive management team.

On November 10, 2011, the Company entered into a $1.0 million Revolving Line of Credit Promissory Note with Contango (the "CORE Note") which expired on December 31, 2012. The CORE Note contained covenants limiting our ability to enter into additional indebtedness and prohibiting liens on any of our assets or properties. Borrowings under the CORE Note would bear interest at 10% per annum. All amounts outstanding under the CORE Note were repaid in March 2012.

The Company currently subleases office space from JEX at 3700 Buffalo Speedway, Suite 925, Houston, TX 77098. The sublease expires on February 29, 2016.

Related Person Transaction Policies and Procedures

The Company has instituted policies and procedures for the review, approval and ratification of "related person" transactions as defined under SEC rules and regulations. Our Audit Committee Charter requires management to inform the Audit Committee of all related person transactions. Examples of the type of transactions the Audit Committee reviews include payments made by the Company directly to a related person (other than in his or her capacity as a director or employee), or to an entity in which the related person serves as an officer, director, employee or owner, and any other transaction where a potential conflict of interest exists. In order to identify any such transactions, among other measures, the Company requires its directors and officers to complete questionnaires identifying transactions with any company in which the officer or director or their family members may have an interest. In addition, our Code of Ethics requires that the Audit Committee review and approve any related person transaction before it is consummated. The Audit Committee of the Company has reviewed and approved all agreements and arrangements described above in "Certain Relationships and Related Transactions."

REPORT OF THE AUDIT COMMITTEE

The Audit Committee is a standing committee of the Board of Directors, which met four times during the fiscal year ended June 30, 2014. The Audit Committee consists of two members, Joseph S. Compofelice (Chairman), and Joseph G. Greenberg, each of which is independent as defined in the listing standards. The Board of Directors has designated Mr. Compofelice as the "audit committee financial expert" as defined by SEC rules. The Audit Committee assists, advises and reports regularly to the Board in fulfilling its oversight responsibilities related to:

The integrity of the Company's financial statements
The Company's compliance with legal and regulatory requirements
The independent auditor's qualifications and independence
The performance of the Company's outside auditors

In meeting its responsibilities, the Audit Committee is expected to provide an open channel of communication with management, the outside auditors and the Board. The Audit Committee's specific responsibilities are set forth in its charter, as amended.

The Audit Committee has reviewed and discussed the Company's audited consolidated balance sheet as of June 30, 2014 and consolidated statements of income, cash flows and stockholders' equity for the year ended June 30, 2014 with the Company's management. The Audit Committee has discussed with UHY LLP, the Company's independent auditors, the matters required to be discussed concerning the accounting methods used in the financial statements.

The Audit Committee has also received and reviewed the written disclosures and the letter from UHY LLP required by the SEC and the Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1 AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T (concerning matters that may affect an auditor's independence), and has discussed with UHY LLP their independence.

Based on the foregoing review and discussions, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended June 30, 2014 for filing with the SEC.

This report is submitted on behalf of the Audit Committee.

Joseph S. Compofelice, Chairman