A Montana Corporation

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Federal EIN: 82-0305765
NAICS Code: 21 (Mining)
SIC Code: 1040 (Gold & Silver Mining)

Issuer's Quarterly Report

for the six months ending June 30, 2014

ISSUER'S EQUITY SECURITIES

COMMON STOCK

$0.001 Par Value Per Share
200,000,000 Shares Authorized
41,806,609 Shares Issued as of June 30, 2014

PREFERRED STOCK

$0.10 Par Value Per Share
15,000,000 Shares Authorized
0 Shares Issued as of June 30, 2014

Consolidated Goldfields Corporation is responsible for the content of this Quarterly Report. The securities described in this document are not registered with, and the information contained in this report has not been filed with, or approved by, the U.S. Securities and Exchange Commission.

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CONSOLIDATED GOLDFIELDS CORPORATION

A Montana Corporation

Quarterly Report

Cautionary Note Regarding Forward-Looking Statements

Information set forth in this Quarterly Report (the "Quarterly Report") contains forward-looking statements, which involve a number of risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward-looking statements. Forward-looking statements can be identified by use of the words "expect," "project," "may," "might," potential," and similar terms. Consolidated Goldfields Corporation ("we" or the "Company") cautions readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information. Forward-looking statements involve a number of risks, uncertainties or other factors beyond the Company's control. These factors include, but are not limited to, our ability to implement our strategic initiatives, economic, political and market conditions and price fluctuations, government and industry regulation, U.S. and global competition and other factors. Factors that could cause or contribute to such differences include, but are not limited to, those discussed under the heading "Risk Factors" in our Annual Report for the year ended December 31, 2013. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Item 1. The exact name of the issuer and the address of its principal executive offices

The name of the issuer is Consolidated Goldfields Corporation.

The address of the issuer is:	1575 Delucchi Lane - Suite 115 Reno, Nevada 89502
The telephone and facsimile is:	Telephone: 775-829-4507 Facsimile: 775-337-9441
The issuer's website:	www.consolidatedgold.com The information contained on such website shall not be deemed incorporated by reference herein.
Investor relations contact:	Marc J. Andrews, President & Chief Executive Officer 1575 Delucchi Lane - Suite 115 Reno, Nevada 89502 Tel: (775) 250-0577, email: mandrews@consolidatedgold.com

Consolidated Goldfields Corporation ("the Company") was incorporated in the State of Montana on May 23, 1888 as Helena and Livingston Smelting and Reduction Company. The Company changed its name to Helena Silver Mines, Inc. on June 19, 1970. On July 14, 2006, Dome Copper, Inc., a Nevada corporation, completed a share acquisition agreement with Helena Silver Mines, Inc.

The merger was accounted for as a reverse acquisition in which Dome Copper, Inc. was identified as the acquiring entity and Helena Silver Mines, Inc. was identified as the acquired entity. Any remaining identifiable assets and liabilities of Helena Silver Mines, Inc. were assigned fair values at the acquisition date. No goodwill was recognized. The assets of Dome Copper, Inc. were incorporated into the financial statements at their pre-merger carrying values at the date of acquisition.

At the effective time of the merger, on July 17, 2006, the name of the Company was changed to Consolidated Goldfields Corporation with Dome Copper, Inc. surviving as a wholly owned subsidiary. The Company's other wholly-owned subsidiary is Consolidated Cahuilla, LLC, a Nevada limited liability company.

The Company is engaged in the acquisition, exploration and development of mining properties.

Item 2. Shares outstanding

The Company has 200,000,000 shares of common stock authorized and 15,000,000 shares of preferred stock authorized. As of June 30, 2014, our authorized, issued and outstanding securities consisted of only common stock. No preferred stock has been issued.

None of the shares Company's common stock have been registered under the United States Securities Act of 1933, as amended (the "Securities Act") or qualified under any state securities laws, and we have no current plans to register or qualify any of our securities. Shares of our common stock are not currently eligible for resale in the public market pursuant to the exemption from registration offered by Rule 144 under the Securities Act, however, other exemptions from registration may be available.

There is a limited public market in our common stock. This Quarterly Report is intended to provide the information that a broker-dealer must have in its possession to publish a quotation in a security pursuant to Rule 15c2-11 ("Rule 15c2-11") under the United States Securities Exchange Act of 1934 (the "Exchange Act").

No dividends have been paid to shareholders for the quarter ended June 30, 2014 and the year ended December 31, 2013.

The declaration of dividends by the Company is subject to the discretion of our board of directors. Our board of directors will take into account such matters as general business conditions, our financial results, capital requirements, contractual, legal and regulatory restrictions on the payment of dividends by us, or such other factors as our board of directors may deem relevant.

Preferred Stock	June 30, 2014
Number of shares authorized	15,000,000
Number of shares outstanding	0
Freely tradable shares (public float)	0
Total number of beneficial shareholders	0
Total number of shareholders of record	0

Common Stock	June 30, 2014
Number of shares authorized	200,000,000
Number of shares outstanding	41,806,609
Freely tradable shares (public float)	14,220,739
Total number of beneficial shareholders	6
Total number of shareholders of record	983

The CUSIP number for our common stock is: 209324102.

Item 3. Interim financial statements

A copy of the unaudited Financial Statements of the Company for the six months ending June 30, 2014, including the Balance Sheet, Statements of Operations and Comprehensive Income, Statement of Stockholders' Equity, Statements of Cash Flows, and Notes to the Financial Statements, are attached hereto as Exhibit 3.1. The attached Financial Statements and the notes thereto are hereby incorporated by reference into this Quarterly Report.

The incorporated documents may also be found through the OTC Disclosure & News Service.

Item 4. Management's discussion and analysis of or plan of operation

Please see Management's Discussion and Analysis of the Company for the six months ending June 30, 2014 attached hereto as Exhibit 4.1. The attached Management's Discussion & Analysis are hereby incorporated by reference into this Quarterly Report.

Item 5. Legal proceedings

There are no current, past, pending or threatened legal proceedings or administrative actions either by or against the Company that could have a material effect on our business, financial condition or operations. We are not a party to any past or pending trading suspensions by a securities regulator.

Item 6. Defaults upon senior securities

None.

Item 7. Other information

Please see Note 6 to the unaudited Financial Statements of the Company for the six months ending June 30, 2014 attached hereto as Exhibit 3.1 for a description of common stock issuances by the Company.

Item 8. Exhibits

3.1 Interim financial statements for the six months ending June 30, 2014 (unaudited)*

4.1 Management's discussion and analysis for the six months ending June 30, 2014 (unaudited)*

9.1 Certification of principal executive officer*

9.2 Certification of principal financial officer*

*Attached hereto

Exhibit 9.1

Certification of the Chief Executive Officer of Consolidated Goldfields Corporation

I, Marc J. Andrews, certify that:

1. I have reviewed this Quarterly Report of Consolidated Goldfields Corporation;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Dated as of this 29 day of July, 2014

Marc J. Andrews, President & Chief Executive Officer

Exhibit 9.2

Certification of the Chief Financial Officer of Consolidated Goldfields Corporation

I, Kim Neal, certify that:

1. I have reviewed this Quarterly Report of Consolidated Goldfields Corporation;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Dated as of this 29 day of July, 2014

Kim Neal

Kim Neal, Vice President, Finance

Consolidated Goldfields Corporation

(An Exploration Stage Company)

Financial Statements

(unaudited)

for the six months ending

June 30, 2014

CONSOLIDATED GOLDFIELDS CORPORATION
(An Exploration Stage Company)
BALANCE SHEETS

		June, 30 2014		December 31, 2013
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$	114,082	$	83,055
Investments - available for sale		2,523,244		2,269,740
Prepaid expenses and deposits		19,552		26,863
Related party receivable		36,252		48,838
Note receivable - related party		-		40,592
Total Current Assets		2,693,130		2,469,088
MINERAL PROPERTIES AND INTERESTS		1,256,172		239,044
OTHER ASSETS				
Reclamation bond		13,191		13,191
Total Other Assets		13,191		13,191
TOTAL ASSETS	$	3,962,493	$	2,721,323
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	$	-	$	29,410
Accrued payroll liabilities		145,865		225,142
Accrued interest - related parties		39,673		39,701
Convertible debt, related party		50,000		50,000
Payable to related parties		80,313		137,990
Deferred income tax liability		-		-
Total Current Liabilities		315,851		482,243
Accrued stock payable		-		185,999
TOTAL LIABILITIES		315,851		668,242
COMMITMENTS AND CONTINGENCIES (Notes 3,4 & 8)				
STOCKHOLDERS' EQUITY				
Preferred stock, $.10 par value, 15,000,000 authorized; no shares issued and outstanding		-		-
Common stock, $0.001 par value, 200,000,000 shares authorized; 41,806,609 and 33,362,528 shares issued and outstanding, respectively		41,806		33,363
Additional paid in capital		5,345,455		4,344,036
Accumulated deficit		(350,308)		(1,952,649)
Accumulated other comprehensive income/(loss)		(1,390,311)		(371,669)
Total Stockholders' Equity		3,646,642		2,053,081
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	3,962,493	$	2,721,323

See accompanying notes to the financial statements.

CONSOLIDATED GOLDFIELDS CORPORATION
(An Exploration Stage Company)
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

	Period Ended June 30, 2014	Year Ended December 31, 2013	From May 11, 2006 (Inception) to December 31, 2013 (unaudited)
OPERATING EXPENSES (INCOME)			
Exploration expense	$ 56,715	$ 225,919	$ 1,466,782
Payroll and related `	81,114	181,817	1,304,140
Professional fees and consulting	113,675	28,752	796,699
General and administrative	471,518	334,255	2,884,257
Gain on mining properties and interests	(2,449,317)	(90,262)	(5,697,476)
TOTAL OPERATING EXPENSES (INCOME	(1,726,295)	680,481	754,402
INCOME (LOSS) FROM OPERATIONS	1,726,295	(680,481)	(754,402)
OTHER INCOME (EXPENSE)			
Management fee income	-	-	225,113
Interest and other income	4,651	43	52,264
Interest expense	(5,621)	(20,189)	(193,195)
Loss on note extensions	-	(174,667)	(573,538)
Gain (loss) on settlement of liability	(6,600)	111,276	104,676
Gain (loss) on investments available for sale	(116,383)	350,410	815,775
Impairment of investment	-	-	(27,000)
TOTAL OTHER INCOME (EXPENSE)	(123,953)	266,873	404,095
INCOME (LOSS) BEFORE TAXES	1,602,342	(413,608)	(350,307)
INCOME TAX BENEFIT (EXPENSE)	-	-	-
NET INCOME (LOSS)	$ 1,602,342	$ (413,608)	$ (350,307)
OTHER COMPREHENSIVE INCOME (LOSS)			
Unrealized gain (loss) on investments available for sale	(1,018,642)	512,066	(1,390,311)
COMPREHENSIVE INCOME (LOSS)	$ 583,700	$ 98,458	$ (1,740,618)
NET INCOME (LOSS) PER COMMON SHARE, BASIC AND DILUTED	$ 0.04	$ (0.01)	
WEIGHTED AVERAGE NUMBER OF COMMON STOCK SHARES OUTSTANDING, BASIC AND DILUTED	40,259,727	31,915,997	

See accompanying notes to the financial statements.

CONSOLIDATED GOLDFIELDS CORPORATION

(An Exploration Stage Company)

STATEMENT OF STOCKHOLDERS' EQUITY

	Common Stock		Additional	Common Stock	Accumulated	Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount	Paid in Capital	Subscribed	Deficit	Income	Equity
Balance, December 31, 2006	16,726,397	$ 16,726	$ 263,146	$ -	$ (335,898)	$ -	$ (56,026)
Common stock and warrants for cash at $0.60 per share	2,207,761	2,208	1,322,453	-	-	-	1,324,661
Common stock issued for debt and interest at $0.60 per share	329,474	330	176,429	-	-	-	176,759
Stock issuance fees	-	-	(125,580)	-	-	-	(125,580)
Net loss	-	-	-	-	(817,668)	-	(817,668)
Balance, December 31, 2007	19,263,632	19,264	1,636,448	-	(1,153,566)	-	502,146
Exercise of warrants at $0.30	396,000	396	118,404	-	-	-	118,800
Common stock subscribed for debt issuance costs, related party	-	-	-	13,702	-	-	13,702
Stock issuance fees	-	-	(11,880)	-	-	-	(11,880)
Net loss	-	-	-	-	(584,952)	-	(584,952)
Balance, December 31, 2008	19,659,632	19,660	1,742,972	13,702	(1,738,518)	-	37,816
Issuance of common stock for accrued employee expense reports	192,000	192	11,328	-	-	-	11,520
Issuance of common stock for extension of debt, related party	791,650	792	142,555	-	-	-	143,347
Issuance of common stock for debt issuance costs, related party	93,150	92	16,358	(13,702)	-	-	2,748
Issuance of common stock for exploration related expense	200,000	200	22,800	-	-	-	23,000
Issuance of common stock for cash at $0.15 per share	3,000,000	3,000	447,000	-	-	-	450,000
Stock based compensation	-	-	128,262	-	-	-	128,262
Net loss	-	-	-	-	(652,016)	-	(652,016)
Balance, December 31, 2009	23,936,432	23,936	2,511,275	-	(2,390,534)	-	144,677
Issuance of common stock for extention of debt, related party	1,272,800	1,273	170,104	-	-	-	171,377
Issuance of common stock for cash at $0.10 per share	5,012,000	5,012	496,188	-	-	-	501,200
Stock issuance fees	-	-	(49,120)	-	-	-	(49,120)
Stock based compensation	-	-	39,847	-	-	-	39,847
Unrealized gain on investment - available for sale	-	-	-	-	-	1,800,000	1,800,000
Net loss	-	-	-	-	(45,460)	-	(45,460)
Balance, December 31, 2010	30,221,232	$ 30,221	$ 3,168,294	$ -	$ (2,435,994)	$ 1,800,000	$ 2,562,521
Stock based compensation	500,000	500	200,366	-	-	-	200,866
Issuance of common stock for extension of debt, related party	370,000	370	81,030	-	-	-	81,400
Issuance of common stock for mineral properties	162,963	163	43,837	-	-	-	44,000
Unrealized loss on investment - available for sale	-	-	-	-	-	(1,308,449)	(1,308,449)
Net income	-	-	-	-	1,751,489	-	1,751,489
Balance, December 31, 2011	31,254,195	$ 31,254	$ 3,493,527	$ -	$ (684,505)	$ 491,551	$ 3,331,827
Issuance of common stock for cash at $0.25 per share	350,000	350	87,150	-	-	-	87,500
Stock issuance fees	-	-	(8,750)	-	-	-	(8,750)
Stock based compensation	-	-	151,927	-	-	-	151,927
Unrealized gain on investment - available for sale, net of							-
deferred tax	-	-	-	-	-	512,066	512,066
Issuance of common stock for extension of debt, related party	570,000	570	138,430	-	-	-	139,000
Net loss	-	-	-	-	(413,608)	-	(413,608)
Balance, December 31, 2012	32,174,195	$ 32,174	$ 3,862,284	$ -	$ (1,098,113)	$ 1,003,617	$ 3,799,962
Stock based compensation	-	-	82,274	-	-	-	82,274
Issuance of common stock payable for extension of debt, related party	113,334	114	35,553	-	-	-	35,667
Issuance of common stock for Director awards	1,075,000	1,075	363,925	-	-	-	365,000
Unrealized loss on investment - available for sale	-	-	-	-	-	(1,375,286)	(1,375,286)
Adjustment to shareholder listing	(1)	-	-	-	-	-	-
Net loss	-	-	-	-	(854,536)	-	(854,536)
Balance, December 31, 2013	33,362,528	$ 33,363	$ 4,344,036	$ -	$ (1,952,649)	$ (371,669)	$ 2,053,081
Stock based compensation	-	-	-	-	-	-	-
Issuance of common stock for legal expenses	209,500	209	31,216	-	-	-	31,425
Issuance of common stock for Director awards	1,900,000	1,900	639,100	-	-	-	641,000
Issuance of common stock for purchase of property data	11,110,000	11,110	988,890	-	-	-	1,000,000
Share repurchase	(4,775,419)	(4,775)	(657,787)	-	-	-	(662,562)
Unrealized loss on investment - available for sale	-	-	-	-	-	(1,018,642)	(1,018,642)
Net loss	-	-	-	-	1,602,342	-	1,602,342
Balance, June 30, 2014	41,806,609	$ 41,806	$ 5,345,455	$ -	$ (350,308)	$ (1,390,311)	$ 3,646,642

See accompanying notes to the financial statements.

CONSOLIDATED GOLDFIELDS CORPORATION
(An Exploration Stage Company)
STATEMENTS OF CASH FLOWS

		Period Ended June 30, 2014		Year Ended December 31, 2013		From May 11, 2006 (Inception) to March 31, 2014 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net loss	$	1,602,342	$	(854,536)	$	(350,307)
Adjustments to reconcile net loss to net cash used by operating activities:						
Depreciation		-		-		7,668
Non-cash interest expense		-		-		39,166
Loss on fixed asset disposal		-		-		1,403
Gain/Loss on investments available for sale		116,383		(581,748)		(815,775)
Gain on settlement of liability		(5,991)		(13,168)		(130,435)
Gain on mining properties and interests		(2,645,929)		(41,283)		(5,792,443)
Gain on share exchange		(196,612)		-		(196,612)
Loss on note extensions		-		-		573,538
Stock based compensation		455,001		633,274		1,609,176
Stock issued for purchase of mineral data		1,000,000		-		1,000,000
Stock share exchange		(600,762)		-		(600,762)
Stock issued for legal-related expenses		31,425		-		54,425
Investments available for sale exchanged for expenses		73,319		56,010		180,050
Loss on foreign exchange		-		-		53,097
Loss on impairment of investment		-		27,000		27,000
Changes in operating assets and liabilities						
Decrease (increase) in:						
Prepaid expenses and deposit		7,311		(10,329)		(24,951)
Receivables from related parties		12,586		(48,838)		(36,252)
Interest receivable on note receivable		592		(592)		-
Increase (decrease) in:						
Accounts payable and accrued liabilities		(29,410)		(4,160)		11,521
Accrued payroll liabilities		(79,277)		(11,425)		396,751
Accrued interest - related parties		(28)		(14,432)		39,673
Payable to related parties		(57,677)		117,051		97,562
Net cash used by operating activities		(316,727)		(747,176)		(3,856,507)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of mineral interest		-		(30,000)		(343,500)
Puchase of reclamation bond - Fisher Canyon		-		(2,326)		(7,791)
Note receivable - related party		40,000		(40,000)		-
Proceeds from sale/lease of mining property		12,000		10,000		126,520
Proceeds from sale of investments		295,754		909,955		1,492,236
Net cash provided by investing activities		347,754		847,629		1,267,465
CASH FLOWS FROM FINANCING ACTIVITIES:						
Debt issuance costs		-		-		(18,707)
Proceeds from convertible debt, related parties		-		-		296,300
Payments on convertible debt, related parties		-		(35,706)		(76,300)
Common stock issued for cash, net of fees		-		-		2,316,161
Exercise of warrants, net of fees		-		-		185,670
Net cash provided by financing activities		-		(35,706)		2,703,124
Net change in cash and cash equivalents		31,027		64,746		114,082
Cash and cash equivalents, beginning of period		83,055		18,309		-
Cash and cash equivalents, end of period	$	114,082	$	83,055	$	114,082
Supplemental cash flow information:						
Interest paid	$	2,772	$	27,272	$	55,672
Noncash investing financing activities:						
Common stock issued for mining properties	$	1,000,000	$	-	$	1,055,802
Common stock issued for fixed assets		-		-		9,070
Common stock issued for related party debt extension		-		-		535,124
Common stock issued for settlement of accrued employee expense report		-		-		11,520
Common stock payable for debt extension		-		-		35,667
Accrued stock payable for compensation		-		185,999		185,999
Mining property sold for investment available for sale		-		-		80,000
Investment - available for sale received for Cahuilla Earn-In Agreement		-		-		800,000
Investment - available for sale exchanged for mineral interest		17,128		49,953		116,947
Investment - available for sale exchanged for release of liability		-		21,015		268,134

See accompanying notes to the financial statements.

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Consolidated Goldfields (hereinafter "CGC" or "the Company") was incorporated as Helena Silver Mines in May 1888 under the laws of the State of Montana. In July 2006, Helena Silver Mines Inc. completed a share acquisition agreement with Dome Copper, Inc. The acquisition was accounted for as a reverse merger with Helena Silver Mines, Inc. being the accounting acquirer and Dome Copper, Inc. surviving as a wholly owned subsidiary. At the time of the acquisition, the name of the Company was changed to Consolidated Goldfields Corporation.

The Company is an exploration stage company engaged in the acquisition, exploration and development of mining properties. The Company's year-end is December 31.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>Basis of Presentation</u>
The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The financial statements are prepared in accordance with accounting guidance for development stage entities as it devotes substantially all of its efforts to acquiring and developing mining interests that will eventually provide sufficient net profits to sustain the Company's existence. Until such interests are engaged in major commercial production, the Company will continue to prepare its financial statements and related disclosures in accordance with entities in the development stage.

In conjunction with development stage disclosure requirements, inception to date figures are included in the financial statements.

<u>Use of Estimates</u>
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make complex and subjective estimates and assumptions that affect the reported amounts in the Company's financial statements and notes thereto for items such as potential impairment of investments available for sale and long-lived assets, the valuation of stock based compensation and determination of deferred income taxes. On a regular basis, management evaluates these estimates and assumptions. Actual results may differ materially from these estimates.

The Company believes the estimates used are reasonable and appropriate based on current facts and circumstances. It is possible, however, that other parties applying reasonable judgment to the same facts and circumstances could develop different estimates. Additionally, changes in actual experience or changes in other qualitative factors could cause estimates to fluctuate.

Cash and Cash Equivalents

For the purposes of the statements of cash flows and balance sheets, the Company considers any highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Earnings Per Share

Basic net income/ (loss) per share is computed by dividing the net income (loss) by the weighted average number of shares outstanding during the year. The weighted average number of shares is calculated by taking the number of shares outstanding and weighting them by the amount of time they were outstanding. The following options, warrants and convertible debt equitable shares were excluded from the computation of diluted earnings per share for the six months ending June 30, 2014 and at December 31, 2013 because they were anti-dilutive:

	June 30, 2014	December 31, 2013
Options	6,941,000	6,941,000
Warrants	4,662,000	4,662,000
Convertible Debt	-	99,667
	11,603,000	11,702,667

Investments in Debt and Equity Securities

At acquisition, the Company classifies debt securities and equity securities into one of the following three categories:

Held to Maturity – the positive intent and ability to hold to maturity. Amounts are reported at amortized cost, adjusted for amortization of premiums and accretion of discounts.

Trading Securities – bought principally for purpose of selling them in the near term. Amounts are reported at fair value, with unrealized gains and losses included in earnings.

Available for Sale – not classified in one of the above categories. Amounts are reported at fair value, with unrealized gains and losses excluded from earnings and reported separately as a component of stockholders' equity.

The Company periodically reviews its investments for indications of other than temporary impairment considering many factors, including the extent and duration to which a security's fair value has been less than its cost, overall economic and market conditions, and the financial condition and specific prospects for the issuer. Impairment of investment securities results in a charge to income when a market decline below cost is other than temporary.

The Company held securities classified as available for sale at June 30, 2014 and December 31, 2013. See "Note 3, Investments – Available for Sale" for further details.

Fair Value Measurements

The Company discloses the following information for each class of assets and liabilities that are measured at fair value:

a. the fair value measurement;
b. the level within the fair value hierarchy in which the fair value measurements in their entirety fall, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3);
c. for fair value measurements using significant unobservable inputs (Level 3), a reconciliation of the beginning and ending balances, separately presenting changes during the period attributable to the following:
    1) total gains or losses for the period (realized and unrealized), segregating those gains or losses included in earnings, and a description of where those gains or losses included in earnings are reported in the statement of operations;
    2) the amount of these gains or losses attributable to the change in unrealized gains or losses relating to those assets or liabilities still held at the reporting period date and a description of where those unrealized gains or losses are reported;
    3) purchases, sales, issuances, and settlements (net); and
    4) transfers into and/or out of Level 3.
d. The amount of the total gains or losses for the period in (c)(1) included in earnings that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date and a description of where those unrealized gains or losses are reported in the statement of operations; and
e. In annual periods only, the valuation technique(s) used to measure fair value and a discussion of changes in valuation techniques, if any, during the period.

Mineral Exploration and Development Costs

All exploration expenditures are expensed as incurred. Expenditures to develop new mines, to define further mineralization in existing ore bodies, and to expand the capacity of operating mines, are capitalized and amortized on a unit of production basis over proven and probable reserves.

Mineral Properties and Interests

Significant payments related to the acquisition of mineral properties, mineral rights, and mineral leases are capitalized (see Note 4). Costs to maintain the mineral rights and leases are expensed as incurred. When a property reaches the production stage, the related capitalized costs will be amortized using the units of production method on the basis of periodic estimates of ore reserves.

Should an interest be abandoned, its capitalized costs are charged to operations. When mineral interests are sold, the capitalized costs are eliminated from the accounts and any resulting gain or loss is reflected in operations. If a part of the mineral interest is sold, the amount received is treated as a recovery of capitalized cost. Mineral properties and interests are periodically assessed for impairment of value and any diminution in value.

Accounting for Investments in Joint Ventures

For joint ventures, whether incorporated or unincorporated, in which the Company does not have joint control and significant influence, the cost method is used. Under the cost method, these investments are carried at the lower of cost or fair value. For those joint ventures in which there is joint control between the parties and the Company has significant influence, the equity method is utilized whereby the Company's share of the ventures' earnings and losses is included in the statement of operations as earnings in joint ventures and its investments therein are adjusted by a similar amount.

For joint ventures where the Company holds more than 50% of the voting interest and has significant influence, the joint venture will be consolidated with the presentation of noncontrolling interest. In determining whether significant influence exists, the Company considers its participation in policy-making decisions and its representation on the venture's management committee.

Stock Based Compensation

For issuance of shares of the Company's common stock for services or other consideration, the shares are valued at the market price of the Company's common stock or the fair value of the services or consideration received, whichever is more readily determinable.

For issuances of options to purchase shares of the Company's common stock, stock based compensation is recognized in the financial statements based on the grant date fair value of the award. The fair value is determined by the Binomial Lattice option pricing model. The Company believes that this model provides the best estimate of fair value due to its ability to incorporate inputs that change over time, such as volatility and interest rates, and to allow for the actual exercise behavior of option holders. The compensation cost is recognized over the requisite service period which is equal to the vesting period.

Provision for Taxes

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Accordingly, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted rules in effect for the year in which differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

A valuation allowance is established to reduce the deferred tax assets when the Company determines it is more likely than not that the related tax benefits will not be realized. The

Company periodically reviews the valuation of deferred tax assets in light of expected future operating results.

Asset Retirement Obligations and Remediation Costs

Mineral properties are subject to standards for mine reclamation that have been established by various governmental agencies. Asset retirement obligations are related to the retirement of the mine, if a reasonable estimate of fair value can be determined. These obligations are initially measured at fair value with the resulting cost capitalized at the present value of estimated reclamation costs. An asset and a related liability are recorded for the present value of these costs. The liability is accreted and the asset amortized over the life of the related asset. Adjustments are made for changes resulting from either the timing or amount of the original present value estimate underlying the obligation. If there is an impairment to an asset's carrying value and a decision is made to permanently close the property, changes to the liability are recognized and charged to the provision for closed operations and environmental matters. The Company had no asset retirement obligations as of June 30, 2014 and at December 31, 2013.

NOTE 3 - INVESTMENTS – AVAILABLE FOR SALE

The following summarizes the equity securities available for sale at June 30, 2014.

	Number of Shares	Basis	Fair Value (Level 1)
Teras Resources Inc.	17,573,056	$ 3,723,113	$ 2,470,244
Strategic Resources International Inc.	100,000	53,000	53,000
		$ 3,776,113	$ 2,523,244

During the six months ended June 30, 2014, the Company received 15,300,000 shares of Teras Resources, Inc. ("Teras") common stock in accordance with the Cahuilla Earn in Agreement (see Note 4).

During the period ending June 30, 2014, the Company had the following transactions relating to its investment in Teras Resources, Inc. ("Teras"):

- Sold 1,067,500 shares for net cash proceeds of $295,754. A loss on investment available for sale of $116,383 was recognized as a result of this transaction.

- Exchanged 50,000 shares for an interest in the Fisher Canyon mineral claims (see Note 4). The value of the shares on the transaction date was $17,128. A gain on mineral properties of $7,793 was recognized as a result of this transaction.

- Exchanged 1,850,000 shares to a shareholder in accordance with a settlement agreement entered into with a shareholder. The value of the shares on the transaction date was $633,810. A loss on investment available for sale of $101,324 was recognized as a result of this transaction. Terms of the agreement are further explained in Note 3.

- Exchanged 537,500 shares to a shareholder in accordance with a settlement agreement entered into with a shareholder. The value of the shares on the transaction date was $164,099. A loss on investment available for sale of $95,288 was recognized as a result of this transaction. Terms of the agreement are further explained in Note 3.

- Distributed 150,000 shares to an officer/director in consideration of a performance bonus granted in 2013. The value of the shares on the transaction date was $73,319. A gain on investment available for sale of $929 was recognized as a result of this transaction.

The following summarizes the equity securities available for sale at December 31, 2013.

	Number of Shares		Basis		Fair Value (Level 1)
Teras Resources Inc.	5,928,056	$	2,588,409	$	2,216,740
Strategic Resources International Inc.	100,000		53,000		53,000
		$	2,641,409	$	2,269,740

During the year ending December 31, 2013, the Company had the following transactions relating to its investment in Teras Resources, Inc. (“Teras”):

- Sold 1,767,800 shares for net cash proceeds of $909,955. A gain on investment available for sale of $581,748 was recognized as a result of this transaction.

- Distributed 150,000 shares to an officer/director in consideration of a performance bonus granted in 2013. The value of the shares on the transaction date was $71,253. A gain on investment available for sale of $43,248 was recognized as a result of this transaction.

- Distributed 150,000 shares to an officer/director in consideration for a performance bonus granted in 2013. The value of the shares on the transaction date was $73,500. A gain on investment available for sale of $45,495 was recognized as a result of this transaction.

- Exchanged 34,500 shares to an officer in consideration for consulting fees accrued at December 31, 2012. The value of the shares on the transaction date was $17,250. A gain on investment available for sale of $10,809 was recognized as a result of this transaction.

- Exchanged 7,530 shares to an officer to settle deferred salary balance of $3,765. The value of the shares on the transaction date was $3,765. A gain on investment available for sale of $2,359 was recognized as a result of this transaction.

- Exchanged 100,000 shares for an interest in the Fisher Canyon mineral claims (see Note 4). The value of the shares on the transaction date was $49,953. A gain on mineral properties of $31,283 was recognized as a result of this transaction.

On December 31, 2013, the Company determined that decline in value of its investment in Strategic Resources, Inc. was other than temporary. An impairment loss of $27,000 was recognized for the year ending December 31, 2013 bringing the investment balance to its fair value of $53,000.

The Company plans to continue the sale of Teras shares through the end of 2014. The funds will be used to further exploration at Fisher Canyon, Rose Gulch and Klondike Pass as well as for general working capital.

The Company entered into an agreement with William L. Campbell, a shareholder of the Company, on January 27, 2014 to acquire 3,700,000 shares of the common stock of the Company held by Mr. Campbell in exchange for 1,850,000 common shares of Teras Resources, Inc. held by the Company. The agreement also contained provisions relating to the voting of any remaining shares of the Company's common stock owned or controlled by Mr. Campbell in accordance with the recommendations of the Company's board of directors at the Annual Meeting and releases related to disagreements between the Company and Mr. Campbell over the strategic direction and management of the Company.

The Company entered into an agreement with John A. Swallow and Erin A. Swallow, shareholders of the Company, on February 3, 2014 to acquire 1,075,000 shares of the common stock of the Company held by the Holders in exchange for 537,500 common shares of Teras Resources, Inc. held by the Company. The Company completed the final steps for consummating the transaction on February 19, 2014. The agreement also contained provisions relating to the voting of any remaining shares of the Company's common stock owned or controlled by the Holders in accordance with the recommendations of the Company's board of directors at the Company's 2014 annual meeting of shareholders and releases related to disagreements between the Company and the Holders over the strategic direction and management of the Company.

<u>Liquidating Trust</u>
On October 22, 2013 the Company announced that its board of directors has approved the creation of a trust ("the Trust") for the purpose of holding three million common shares of Teras Resources Inc. currently held by the Company. The sole purpose of the Trust will be to liquidate the Teras Shares and distribute the cash proceeds of the liquidation from time to time to record holders of common stock of the Company as of the close of business on December 16, 2013. No

holders of the Company's common stock other than the record holders will be entitled to any distributions from the Trust. The Trust will have no objective to continue or engage in the conduct of a trade or business.

It is expected that the liquidation of the Teras Shares will begin upon the earlier of:

- eighteen months after the effective date of the Trust;
- Teras common shares achieving trading price targets to be set forth in the trust agreement;
- certain circumstances relating to the change in control of Teras to be set forth in the trust agreement; or
- certain circumstances relating to the change in ownership of certain Teras' assets, including the Teras' interest in the Cahuilla property, to be set forth in the trust agreement.

Thereafter, the trust agreement will authorize the trustee to sell a portion of the Teras Shares held in the Trust on a monthly basis according to the terms of the trust agreement and to distribute the cash proceeds of those sales from time to time to the record holders on a pro rata basis. It is anticipated that the term of the trust will be for no longer than three years, subject to extensions at the discretion of the trustee if the trustee determines that an extension is reasonably necessary to wind up the affairs of the Trust.

The Trust, at this time, has not been formally executed and the shares have not been transferred from Teras to the Company. The Company has not yet chosen a trustee, determined trustee compensation or finalized the terms of the trust agreement. The Company is continuing to evaluate the terms of the Trust and the various issues involved in the creation and maintenance of the Trust, which may include, among other things, issues relating to the tax, securities and other regulatory aspects of the arrangement. The creation of the Trust and the grant of the Teras Shares to the Trust continue to be subject to the further discretion of the Company's board of directors, and there can be no assurance that the Trust will be created or that distributions will be made to the Company's shareholders.

NOTE 4 – MINERAL PROPERTIES AND INTERESTS

Details of mineral interest capitalized for the six months ending June 30, 2014 and at December 31, 2013 are as follows:

	Pyramid Mine	Fisher Canyon	Rose Gulch	Klondike Pass	Muskox Data	Total
Balance - December 31, 2012	$ 44,000	$ 105,091	$ 10,000	$ -	-	$ 159,091
Cash	-	10,000	15,000	5,000	-	30,000
Shares in Investment-available for sale	-	49,953	-		-	49,953
Balance - December 31, 2013	$ 44,000	$ 165,044	$ 25,000	$ 5,000	-	$ 239,044
Cash	-	-	-	-	-	0
Shares in Investment-available for sale	-	17,128	-		1,000,000	1,017,128
Balance - June 30, 2014	$ 44,000	$ 182,172	$ 25,000	$ 5,000	1,000,000	$ 1,256,172

Cahuilla Gold Project

On December 1, 2006, and as amended and restated on August 5, 2010, the Company executed a formal Exploration and Option to Lease Agreement (“the Cahuilla Agreement”or “Earn-in Agreement”) for the Cahuilla Gold Project in Imperial County, California, the majority of which is situated on the Torres Martinez Desert Cahuilla Indian Reservation. Under the terms of the Cahuilla Agreement the Company has the exclusive rights to explore, develop and conduct mining operations on more than two square miles situated on Tribal lands. The Company is required to pay escalating lease payments and meet minimum work obligations for a period of five years beginning in 2010. The Cahuilla Agreement is cancelable by the Company at any time by giving 30 days written notice.

On February 10, 2010 Consolidated entered into an Earn-In Agreement with Teras Resources, Inc. (“Teras”) whereby Teras could earn 65% undivided interest in the Cahuilla property. Pursuant to the terms of the Earn-in Agreement and subject to certain conditions being met in accordance with the Earn-In Agreement, Teras issued 4,000,000 common shares to Consolidated and deposited $800,000 into an account in 2010 for the exclusive use of exploration, development and maintenance expenditures on the property. In 2011, Teras issued an additional 5,000,000 shares to Consolidated and deposited $1,000,000 for additional expenditures on the property.

In addition, in order to exercise the option and earn its 65% interest in the Cahuilla project Teras must issue an additional 5,300,000 common shares to Consolidated. The exercise of the option by the issuance of the additional common shares is at the sole discretion of Teras.

Additionally under the agreement, the Company receives a management fee of $10,000 per month. The Company received $80,000 in management fees during the year ended December 31, 2011. Management fees terminated in August 2011.

The Company is accounting for the Earn-In Agreement using joint venture accounting principles. Because the Company does not have majority control nor significant influence over the venture, it is accounting for the Earn-In Agreement using the cost method.

As of August 31, 2011, Teras fulfilled its obligations under the Earn-In Agreement and now holds a 65% interest in the Cahuilla project. The Company elected to postpone the receipt of the 5,300,000 shares of Teras common stock as required under the agreement to a later date.

On September 14, 2011 the Company signed an Exploration and Earn-in Agreement with Teras Resources, Inc. on the Cahuilla Project. The terms of the agreement specify that Teras will have a 24-month option to earn the remaining 35% interest of the Cahuilla gold project and 100% interest in four other gold projects. Teras can exercise the option at any time within the 24-month period by issuing 10 million common shares of Teras stock to the Company and spending $1,000,000 in work commitment on the Cahuilla project within that period.

During September 2013 Teras Resources, Inc. has fulfilled its obligations under the Earn-In Agreement to earn the remaining 35% interest in the Cahuilla gold project. The Company has elected to postpone the receipts of the 10 Million shares of Teras common stock as required under the agreement to a later date.

During May 2014 the Company formally requested the issuance of the 5,300,000 shares of Teras common stock for the 65% interest in the Cahuilla project and the 10,000,000 shares of Teras common stock for the remaining 35% interest in the Cahuilla project. The 5,300,000 shares and the 10,000,000 shares were received by the Company on May 29, 2014 and June 4, 2014, respectively.

During negotiations and prior to completion of the initial Earn-In Agreement, the Company's then President, CEO and director accepted an officer position with Teras and in June 2010, the President of Teras accepted a board position with the Company.

Prior to 2010, the Company entered into six mineral lease agreements on the Cahuilla Gold Project area. These lease agreements give the Company the right to explore, develop and produce gold and other minerals from the properties for periods specified in the agreements. These lease agreements have initial terms of 10 to 40 years and may be extended under certain circumstances. The lease agreements are cancelable at the option of either the Company or the lessor. Under these lease agreements, the Company would be required to make royalty payments if it produces minerals. Effective with the Earn-In Agreement described above, the joint venture made the lease payments beginning February 2010 and continuing through the year ending December 31, 2013.

Of these Cahuilla leases, the most significant is the agreement that the Company has with the Torres Martinez Desert Cahuilla Indians (the "TMDCI Agreement"). The TMDCI Agreement was amended on August 5, 2010 and requires the Company to make the following payments:

- Upon initiating permitting for the first phase of Exploration and Development Operations: $10,000
- First Anniversary: $20,000

- Second Anniversary: $30,000
- Third Anniversary: $40,000
- Fourth Anniversary: $50,000

Total payments are $150,000.

In addition, an amendment to the TMDCI Agreement called for the following payments upon completion and approval of five exploration and development phases (as defined in the TMDCI Agreement):

Phase Completion	Cash payment	Options to purchase shares of the Company's common stock
First	$ 30,000	40,000
Second	40,000	60,000
Third	70,000	100,000
Fourth	80,000	120,000
Fifth	110,000	160,000

Approval of each phase is required by the Secretary of Interior of the United States of America. During the year ended December 31, 2011, the Company received approval for the first and second phase. In accordance with the agreement, as amended, the Company issued 100,000 options to purchase shares of its common stock to the Torres Martinez Desert Cahuilla Indians. The options were granted December 16, 2011, have an exercise price of $0.10 and a term of ten years. The fair value of these options was $6,695. The required cash payment of $70,000 was paid by the joint venture. The Company is currently working on phase three with an estimated completion date in the 2nd quarter of 2014.

In November 2013, Consolidated assigned the six mineral lease agreements and the Exploration and Option to Lease Agreement with the Torres Martinez Desert Cahuilla Indians to Teras Resources, Inc. The lease agreement with the Torres Martinez Desert Cahuilla Indians was assigned to Consolidated Cahuilla LLC, not Teras Resources, Inc. as mentioned above. This transaction was prematurely assigned and was reversed in July 2014.

Pyramid Mine

The Pyramid Mine project consists of five unpatented claims encompassing 100 acres located in Churchill County, Nevada which are 100% owned by the Company. No proven or probable reserves have been identified on the property.

In April 2009, the Company entered into an Option-to-Purchase Royalty Agreement ("the Purchase Agreement") with Trend Mining Company giving the Company the option to purchase a 1.5% Net Smelter Return ("NSR") Royalty on the unpatented mining claims of the Pyramid

Mine. Under the Purchase Agreement the Company issued 100,000 shares of common stock at $0.06 per share. To complete the purchase, the Company agreed to pay an additional $44,000 in cash or common stock by February 16, 2011. On January 28, 2011, the Company completed the final payment of $44,000 by issuance of 162,963 shares of common stock with a fair value of $0.27 per share.

Total exploration expenses for the Pyramid Mine project for the six months ending June 30, 2014 and at December 31, 2013 were $50 and $12,108, respectively.

One of the Company's former directors was an affiliate of Trend Mining Company.

Fisher Canyon

On January 26, 2011, the Company entered into an Exploration and Mining Lease Agreement and Option to Purchase Royalty Agreement for the Fisher Canyon Project with Mountain Gold Claims Series 7 ("Mountain Gold"), which is owned by a former officer and director of the Company and a current director and former officer of the Company, who each hold a 50% interest in the property. The property consists of 87 unpatented mining claims situated in Pershing County Nevada. The Company previously held 123 unpatented mining claims and after further review the Company has decided to drop the additional 36 claims which were staked in February 2012. Lease payments for the property are outlined below:

- On signing of the agreement: 100,000 shares of Teras common stock owned by the Company ("Teras Shares") which had a fair value of $50,225 on the date of the agreement. The difference between the fair value and the cost basis of the Teras Shares of $31,552 was recognized as a gain during the year ended December 31, 2011.

- On or prior to each anniversary date:
  - 1st: $5,000 and 100,000 Teras Shares (paid February 2012). The Company also paid a penalty of 5,000 Teras Shares. See Note 3.
  - 2nd: $10,000 and 100,000 Teras Shares (paid January 2013)
  - 3rd: $15,000 and 100,000 Teras Shares (please see note below regarding the renegotiated 3rd anniversary).
  - 4th: $20,000 and 100,000 Teras Shares
  - 5th and thereafter: $25,000 and 100,000 Teras Shares

- Pay various state and federal claim-related fees

The lease agreement also requires minimum work commitments on or prior to each anniversary date as follows:

- 1st: $10,000 ($7,213 spent)
- 2nd: $25,000 ($185,970 spent, excludes annual claim fees)
- 3rd: $50,000 ($23,056 spent, excludes annual claim fees,)

  - 4th: $75,000 ($2,500 spent)
  - 5th and thereafter: $100,000

For any work commitment not fulfilled within the time frame, the Company will owe a cash payment to the property owners equal to 75% of the unmet work commitment.

Total exploration expenses for the Fisher Canyon project for the six months ending June 30, 2014 and at December 31, 2013 were $3,000 and $60,305, respectively.

On February 26, 2014, the Company has renegotiated the 3rd Anniversary of the Exploration and Mining Lease Agreement and Option to Purchase Royalty Agreement for the Fisher Canyon Project with Mountain Gold Claims Series 7 ("Mountain Gold"), which is owned by a former officer and director of the Company and a current director and former officer of the Company, who each hold a 50% interest in the property. The terms on the 3rd anniversary (January 26, 2014) will be changed accordingly:

- The cash payment of $15,000 is removed and will not apply at any time.
- The stock distribution of 100, 000 (one hundred thousand) common shares of Teras Resources will be reduced to 50,000 (fifty thousand), to be divided equally among the owners.
- CDGF will quitclaim to Thomas Callicrate (Mountain Gold Claims LLC) the unpatented lode claims that represent the Golden Mile property consisting of 13 unpatented mining claims. All costs for transfer and maintenance will be the responsibility of Mr. Callicrate.

Rose Gulch

On August 27, 2012, the Company entered into an Exploration and Mining Lease and Option to Purchase Agreement on the Rose Gulch Property with a private individual. The property consists of 460 acres of private land located in Pershing County, Nevada. Lease payments for the property are outlined below:

- On signing of the agreement $10,000 (paid July 2012)
- On or prior to each anniversary date:
  - 1st: $15,000 (paid August 2013)
  - 2nd: $20,000
  - 3rd: $25,000
  - 4th: $30,000
  - 5th and thereafter: $40,000

The lease also requires minimum work commitments on or prior to each anniversary date as follows:

- 1st: $5,000 ($26,441 spent)
- 2nd: $15,000 ($12,800 spent as of June 30, 2014)
- 3rd: $25,000
- 4th: $50,000
- 5th and thereafter: $75,000

All work expenditures made by the Company during any lease year in excess of the work commitment expenditures required for such lease year will be credited against work commitment requirements for any subsequent lease year.
Total exploration expenses for the Rose Gulch project as of the six months ending June 30, 2014 and at December 31, 2013 were $1,320 and $24,925, respectively.

Koegel Hills

The Koegel Hills project consists of 71 unpatented claims encompassing 1,420 acres located in Mineral County, Nevada which are 100% owned by the Company. The project is an extensive copper-gold bearing porphyry system manifested by intense surface alteration that extends for more than six square miles.

Total exploration expenses for the Koegel Hills project for the six months ending June 30, 2014 and at December 31, 2013 and 2012 were $710 and $10,687, respectively.

Four Mile Basin

The Four Mile Basin property is located in Nye County, Nevada. The Company owns a 100% interest in two unpatented claims that are surrounded by another mining company that controls an extensive land position throughout the district.

On February 26, 2013 the Company entered into an Exploration and Option to Purchase Agreement with Wolfpack Gold (Nevada) Corporation for the two unpatented Four Mile Basin claims. The term of the Four Mile Basin Agreement shall be for a period of twenty (20) years. The Four Mile Basin Agreement may be cancelable at the option of either the Company or the lessee at any time by giving thirty (30) days advanced notice.

Lease payments for the property are outlined below:

- On signing of the agreement $10,000 – (payment received in March 2013)
- On or prior to each anniversary date:
  - 1st: $12,000 – (payment received in February 2014)
  - 2nd: $15,000
  - 3rd: $20,000

- 4^{th} and thereafter $25,000

The lease also requires minimum work commitments on or prior to each anniversary date as follows:

- 1^{st}: waived
- 2^{nd}: $10,000
- 3^{rd}: $12,000
- 4^{th} and thereafter $15,000

All work expenditures made by Lessee during any Lease Year in excess of the work commitment expenditures required for such Lease Year shall be credited against work commitment requirements for any subsequent Lease Year.

Klondike Pass
On September 19, 2013, the Company entered into Exploration and Option to Purchase Agreement on the Klondike Pass project with a private individual. The property consists of 160 acres of private land located in Pershing County, Nevada. Lease payments for the property are outlined below:

- On signing of the agreement $5,000 (paid September 2013)
- On or prior to each anniversary date:
  - 1^{st}: $6,000
  - 2^{nd}: $7,000
  - 3^{rd}: $8,000
  - 4^{th}: $10,000
  - 5^{th} and thereafter: $15,000

The lease also requires minimum work commitments on or prior to each anniversary date as follows:

- 1^{st}: $10,000 ($50,451 spent as of June 30, 2014)
- 2^{nd}: $80,000
- 3^{rd}: $50,000
- 4^{th}: and thereafter $50,000

All work expenditures made by Lessee during any lease year in excess of the work commitment expenditures required for such lease year will be credited against work commitment requirements for any subsequent lease year.

Total exploration expenses for the Klondike Pass project for the six months ending June 30, 2014 and at December 31, 2013 were $2,540 and $47,911, respectively.

Muskox Data Inventory
The Company has acquired the Muskox Data Inventory from Prize Mining Corporation. The Data consists of years worth of work on the Ni-Cu-Pd-Pt bearing Muskox Layered Intrusion in Nunavut, Canada. The Muskox Intrusion was first worked on in the 1960's and 1970's by the Geological Survey of Canada and by Inco Mining. Prize began working on the project in 1998 and has spent over $16 million on the project through 2004. In addition, Prize accumulated data from its joint venture partners Anglo American and Silvermet Mining in the 2000's valued at roughly $8 million.

The purchase price for the Data was $1 million, paid by the issuance of 11,110,000 shares of the Company's common stock. In addition, the Company has agreed to pay an additional $50,000 in cash in satisfaction of certain Canadian tax obligations incurred by Prize as a result of the transaction, if such taxes are determined to be applicable. One of the Company's directors is currently President, CEO and a director and shareholder of Prize Mining Corporation. As stated in the Chairman of the Board's incentive package for generating a property the Board votes to accept and acquire the Chairman was granted 1,000,000 shares of common stock with a value of $350,000 in January 2014.

Other
The Company controls additional mining properties in Nevada. None of these properties have ongoing mineral lease payment commitments nor do the properties have identified proven or probable reserves.

During 2012, the Company sold its Idaho mining claims for $60,000 which resulted as a gain in mineral property. The claims were sold to a company that is owned by one of the Company's former directors.

NOTE 5 – RELATED PARTY CONVERTIBLE NOTES

Related party convertible notes for the six months ending June 30, 2014 and at December 31, 2013 consisted of the following:

	March 31, 2014	December 31, 2013
Thomas Callicrate, former officer and director	$ 0	$ 0
Thomas Mancuso, former president and current director	50,000	50,000
	$ 50,000	$ 50,000

The 2008 Notes

The Company issued six convertible notes payable totaling $106,300 to two officers during the year ended December 31, 2008 (the "2008 Notes"). In exchange for these Notes, the holders received one share of common stock for every two dollars of principal. A total of 53,150 shares valued at $27,436 were issued and resulted in a discount on the original notes.

The interest rate on the 2008 Notes was increased during 2009 from 8% to 20%. Interest accrues monthly and is due with the principal on the maturity dates. All of the notes were for an original term of six months and matured at various dates from January to June 2009. All of the notes were extended several times during 2009, 2010, 2011 and 2012 (see "note extensions" below). During 2010, two of the notes totaling $13,800, were paid in full with interest. The remaining four notes, totaling $85,706, mature at various dates in 2013. On November 30, 2012 the Company reached an agreement with Thomas Callicrate, a former officer and director, to repay the convertible notes by making an initial payment of $14,830 on accrued interest with equal monthly principal and interest payments beginning in December 2012 of $10,000 for six months plus accrued interest to be added to the final sixth payment.

As of May 30, 2013 the Company has fulfilled its obligations under the Mutual Release and Settlement Agreement entered into with Mr. Callicrate on November 30, 2012.

Each note is convertible at the note holder's option into shares of the Company's common stock. The number of shares that the note can be converted into will be determined as follows:

> Prior to the Maturity Date – The balance of the unpaid principal plus all accrued interest will be divided by 90% of the offering price of the Company's most recent equity offering or $0.15 if there have been no recent equity offerings. The conversion rate was $0.90 at December 31, 2013, and 2012.
>
> At the Maturity Date – The balance of the unpaid principal plus all accrued interest will be divided by $0.15.

The fair value of the related conversion option at December 31, 2013, and 2012 was nil due to the relatively short term to maturity date and the effective 'prior to maturity date' conversion rate approximating the fair value of the Company's common share at each year end.

Accrued interest

Accrued interest related to the outstanding notes was $39,673 for the six months ending June 30, 2014. Interest expense related to the outstanding notes was $5,028 and $12,839 for the six months ending June 30, 2014 and at December 31, 2013, respectively. In March of 2013 the Company began paying Mr. Mancuso the amount of interest accrued each month.

Note extensions

As disclosed above the notes have been extended several times. Each extension required issuance of shares of the Company's common stock and, in some cases, an increase in the interest rate. The Company considered the impact of ASC 470-50 "Debt-Modifications and Extinguishments" on the accounting treatment for these extensions. ASC 470-50 states that a transaction resulting in a significant change in the nature of a debt instrument should be accounted for as an extinguishment of debt. The difference between the reacquisition price and the net carrying amount of the extinguished debt is recognized currently in income of the period of extinguishment. The Company concluded that the extensions constituted a substantial modification. During the year ended December 31, 2012 the Company issued 570,000 shares of its common stock in connection with these extensions and recognized losses on note extensions of $174,667 representing the difference between the fair value of the amended note, including consideration and fees, and the carrying value of the original note, including related unamortized discount. In addition, during January 2013 the Company issued 113,334 shares of its common stock in connection with the extensions, which was a common stock payable at December 31, 2012 because the issuance related to an extension which occurred in 2012.

As of March 2013, Mr. Mancuso has elected to no longer receive Company common stock for the extension of notes due to the acceptance of monthly interest payments as noted above.

NOTE 6 – STOCKHOLDERS EQUITY

Preferred Stock

The Company has 15,000,000 authorized and unissued shares of preferred stock with a par value of $0.10 per share, with rights and preferences to be determined by the Company's board of directors.

Common Stock

The Company has authorized the issuance of 200,000,000 shares of common stock with a par value of $0.001 per share. Each holder of common stock is entitled to one vote for each share of common stock held on all matters which holders of common stock are entitled to vote.

During the six months ending June 30, 2014, the Company issued the following shares of its common stock:

- 600,000 shares valued at $.31 per share (total of $186,000) to a former director in accordance with the performance bonus program.
- 1,000,000 shares valued at $.35 per share (total of $350,000) to a director in accordance with an incentive for joining the Board.
- 11,110,000 shares valued at $.09 per share (total of $1,000,000) in connection with the Asset Purchase Agreement – see Note 4.
- 209,500 shares valued at $.15 per share (total of $31,425) for legal services rendered.

- 3,700,419 shares were cancelled with a value of $.15 per share (total of $555,062) in accordance with a Settlement Agreement entered into with a shareholder – see Note 3.
- 1,075,000 shares were cancelled with a value of $.10 per share (total of $107,500) in accordance with a Settlement Agreement entered into with a shareholder – see Note 3.
- 150,000 shares valued at $.35 per share (total of $52,500) as an incentive for joining the Company's Board of Directors as Chairman.
- 150,000 shares valued at $.35 per share (total of $52,500) to a director in accordance with the terms of the consulting services agreement.

During the year ended December 31, 2013, the Company issued the following shares of its common stock:

- 300,000 shares valued at $.31 per share (total of $93,000) to a director/officer in accordance with the performance bonus program.
- 225,000 shares valued at $0.35 per share (total of $78,750) to a director in accordance with the terms of the consulting services agreement.
- 550,000 shares valued at $0.35 per share (total of $192,500) as an incentive for joining the Company's Board of Directors as Chairman.
- 113,334 shares valued at $0.31 per share (total of $35,667) in connection with the 2012 extensions to a director and a former officer in accordance with terms to extend convertible notes payable. See Note 5.

Warrants

The Company has issued warrants that enable the holder to purchase a stated number of shares of common stock at a certain price within a certain time period.

In connection with a private placement completed on May 31, 2010, the Company issued 2,282,000 warrants exercisable into one share of common stock at an exercise price of $0.25 per share. The warrants expire two years from the date of issuance. In April 2012, 350,000 of these warrants were exercised for total proceeds of $87,500. The remaining warrants were extended to December 2014.

In connection with a private placement completed on June 30, 2010, the Company issued 2,730,000 warrants exercisable into one share of common stock at an exercise price of $0.25 per share. The warrants expire two years from the date of issuance. The remaining warrants were extended to December 2014.

Following is a summary of warrant activity for the six months ending June 30, 2014 and at December 31, 2013:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life (in years)
Outstanding at December 31, 2012	4,662,000	$ 0.25	0.44
Issued	-	-	-
Exercised	-	-	-
Expired	-	-	-
Outstanding at December 31, 2013	4,662,000	0.25	0.44
Issued	-	-	-
Exercised	-	-	-
Expired	-	-	-
Outstanding at June 30, 2014	4,662,000	$ 0.25	0.45

Stock options

The Company approved an Amended 2013 Stock Option and Stock Bonus Plan at its Annual Meeting on March 31, 2014. Stock options are issued for compensation and services as determined by the board of directors. Following is a summary of stock option activity for the six months ending June 30, 2014 and at December 31, 2013:

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2012	6,391,000	$ 0.15
Granted	550,000	0.33
Exercised	-	-
Expired	-	-
Outstanding at December 31, 2013	6,941,000	$ 0.17
Granted	-	-
Exercised	-	-
Expired	-	-
Outstanding and exercisable June 30, 2014	6,941,000	$ 0.14

The weighted average contractual term of the options granted during the six months ended June 30, 2014 and the year ended December 31, 2013 was 4.06 years and 4.55 years, respectively. As of the six months ending June 30, 2014, all of the options were fully vested. At June 30, 2014, the stock options had an intrinsic value of $0 based upon the market price of the Company's stock on that date.

Expenses related to the granting and vesting of stock options were $82,274 for the year ended December 31, 2013. Such expenses are included in payroll and related expenses on the statement of operations and comprehensive income (loss).

The Company estimates the fair value of options granted by using the Binomial Lattice option pricing model with the following assumptions used for grants:

	2013	2012
Dividend yield	-	-
Expected volatility	76.25% - 100%	71.38% - 100%
Risk-free interest rate	0.84% - 1.99%	0.75% - 0.78%
Expected life (years)	4.25 – 7.86	3.00 – 4.7

The expected volatility is based on the historical volatility of comparable companies for a period approximating the expected life, due to the limited trading history of the Company's common stock. The risk-free interest rate is based on the implied yield available on U.S. Treasury zero-coupon issues over equivalent lives of the options.

The expected life of employee stock options represents the weighted-average period the stock options are expected to remain outstanding and is a derived output of the Binomial Lattice model. The expected life of employee stock options is impacted by all of the underlying assumptions and calibration of the Company's model. The Binomial Lattice model estimates the probability of exercise as a function of these two variables based on the entire history of exercises and cancellations on all past option grants made by the Company.

NOTE 7 – INCOME TAXES

The components of the Company's tax benefit are as follows:

	2013	2012
Current tax benefit	$307,600	$148,900
Non-deductible items	(800)	(300)
Change in valuation allowance	(306,800)	(148,600)
	-	-

The Company did not record federal or state tax provisions for the years ended December 31, 2013 or 2012, due to the Company's continued net operating losses. No deferred tax provision (benefit) has been recorded at December 31, 2013 or 2012 due to a full valuation allowance against the deferred tax assets. Realization of the Company's deferred tax assets depends on generating sufficient taxable income in future years in appropriate tax jurisdictions to obtain benefit from net operating loss carryforwards. Due to the uncertainty of the timing and the amount of such realization, management concluded that a full valuation allowance was required.

Significant components of the deferred tax assets for the years ended December 31, 2013 and December 31, 2012 are as follows:

	2013	2012
Deferred tax asset:		
Net operating loss carryforward	$710,900	$510,300
Stock based compensation	168,500	138,900
Exploration costs	137,700	61,100
Total deferred tax asset	1,017,100	710,300
Deferred tax liability		
Investment basis difference	(249,600)	(249,600)
Net deferred tax asset	767,500	460,700
Valuation allowance	(767,500)	(460,700)
	-	-

The Company recorded a deferred tax liability of $540,572 at December 31, 2012 which is associated with the unrealized gain on investments available for sale reflected in other comprehensive income. No deferred tax asset or liability exists for the unrealized loss on investments available for sale on December 31, 2013.

At December 31, 2013, the Company has net operating loss carryforwards for federal income tax purposes of approximately $1,857,745 to offset future taxable income which expire from 2027 to 2033. As of December 31, 2013, state net operating losses were immaterial.

The Company is subject to federal statutory tax rate of 35%; a tax rate of 36% is applied to deferred taxes to include the impact of state income tax rates. The main difference between the statutory rate and the effective tax rate of 0% is the increase in the valuation allowance for deferred taxes.

The Company has concluded that the guidance regarding accounting for uncertainty in income taxes had no significant impact on results of operations or financial position as of December 31, 2013 or 2012. Therefore, there is no accrual for uncertain tax positions as of December 31, 2013 or 2012. If interest and penalties were to be assessed, interest would be charged to interest expense, and penalties to other operating expense. It is not anticipated that unrecognized tax benefits would significantly increase or decrease within 12 months of the reporting date. Fiscal years 2011 through 2013 remain subject to examination by state and federal tax authorities.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Cahuilla Gold Project
The Company has six mineral lease agreements with respect to the Cahuilla Gold Project which provide for annual lease payments. In addition, the lease agreements provide for the Company to pay production royalties based on the net smelter returns ("NSR") from the production or sale of minerals from the property. The production royalty rates range from 1% to 4%.

The Company has executed a formal Exploration and Option to Lease Agreement with the Torres Martinez Desert Cahuilla Indians. The Agreement was restated and amended on August 5, 2010 and requires annual option payments and minimum work commitments for a period of five years. See Note 4.

In November 2013, Consolidated assigned the six mineral lease agreements and the Exploration and Option to Lease Agreement with the Torres Martinez Desert Cahuilla Indians to Teras Resources, Inc. The lease agreement with the Torres Martinez Desert Cahuilla Indians was assigned to Consolidated Cahuilla LLC, not Teras Resources, Inc. as mentioned above. This transaction was prematurely assigned and was reversed in July 2014.

Fisher Canyon Project
The Company has an Exploration and Mining Lease Agreement and Option to Purchase Royalty Agreement with respect to the Fisher Canyon Project which provides for annual lease payments in the form of cash and shares of Teras common stock and minimum work commitments. In addition, the lease agreement provides for the Company to pay a production royalty of 3% on net smelter returns ("NSR") from the production or sale of minerals from the property.

Rose Gulch Project
The Company has entered into an Exploration and Mining Lease Agreement and Option to Purchase Agreement the Rose Gulch Property which requires annual payments in the form of cash and minimum work commitments. In addition, the lease agreement provides for the Company to pay a production royalty of 2% on net smelter returns ("NSR") from the production or sale of minerals from the property.

Klondike Pass Project
The Company has entered into an Exploration and Option to Purchase Agreement on the Klondike Pass Project which requires annual payments in the form of cash and minimum work commitments. In addition, the lease agreement provides for the Company to pay a production royalty of 2.5% on net smelter returns ("NSR") from the production or sale of minerals from the property.

All of these agreements are cancelable at the option of the Company and are further discussed in Note 4.

NOTE 9 – RELATED PARTY TRANSACTIONS

Earn-In Agreements

In February 2010, the Company entered into an Earn-In Agreement with Teras Resources Inc. Prior to completion of the Earn-In Agreement, the Company's then President and CEO Thomas Callicrate accepted an officer position with Teras Resources Inc. In addition, in June 2010, the President of Teras, Peter Leger, accepted a board position with the Company. The Earn-In Agreement is further discussed at Note 4.

In September 2011, the Company entered into an additional Earn-In Agreement with Teras Resources Inc. for the 35% balance of the Cahuilla project.

During September 2013 Teras Resources, Inc. has fulfilled its obligations under the Earn-In Agreement to earn the remaining 35% interest in the Cahuilla gold project. The Company has elected to postpone the receipts of the 10 Million shares of Teras common stock as required under the agreement to a later date.

During May 2014 the Company formally requested the issuance of the 5,300,000 shares of Teras common stock for the 65% interest in the Cahuilla project and the 10,000,000 shares of Teras common stock for the remaining 35% interest in the Cahuilla project. The 5,300,000 shares and the 10,000,000 shares were received by the Company on May 29, 2014 and June 4, 2014, respectively.

Fisher Canyon

On January 26, 2011, the Company entered into an Exploration and Mining Lease Agreement and Option to Purchase Royalty Agreement for the Fisher Canyon Project with Mountain Gold Claims Series 7, which is owned by a former officer and director of the Company and a current director and former officer of the Company, who each hold a 50% interest in the property. The lease agreement requires annual lease payments as further discussed in Note 4.

Convertible Notes Payable

The Company has issued several convertible notes payable due to a director and a former officer and director of the Company. The terms of the notes are further discussed in Note 5.

Consulting Fees

The Company has a consulting agreement with one of its directors to provide assistance in corporate affairs. For the year ended December 31, 2012 the Company incurred $17,325 of consulting fees under this agreement. Under the agreement with a former director and officer dated November 30, 2012 the director has agreed that the accrued consulting fees will not be paid in the future. As a result the Company wrote off the total consulting expenses of $101,325 in December 2012. No further expenses will be accrued.

The Company elected a Chairman of the Board on March 8, 2013, which included an incentive package for joining the Board. The incentives are as follows; 350,000 share of common stock for joining of the Board; 200,000 shares of common stock after successful completion of 6 months as a Board member; 150,000 shares of common stock after successful completion of 12 months as a Board member; and 1,000,000 shares of common stock if the Chairman generates a property that the Board votes to accept and acquire. For the six months ended June 30, 2014 and the year ended December 31, 2013, the Company incurred \$52,500 and \$192,500, respectively, of expense for the incentive package. On January 7th, 2014 the Company accepted the purchase of a property the Chairman presented. As a result the Chairman was granted 1,000,000 shares of common stock with a value of \$350,000 in January 2014.

The Company entered into a consulting agreement with the Chairman of the Board to provide assistance in corporate affairs effective March 14, 2013. For services rendered, the Company will issue to the consultant 25,000 common shares in the Company each month, payable at the end of each quarter. The term of this agreement is effective for one year and will be automatically renewed for further terms of one year until terminated in accordance with the agreement. For the six months ended June 30, 2014 and the year ended December 31, 2013 the Company incurred \$52,500 and \$78,750, respectively of consulting fees under this agreement.

Release and Settlement Agreement

The Company entered into a Mutual Release and Settlement Agreement with a former director and officer on November 30, 2012. The Agreement is intended to effect the full, complete and absolute extinguishment of all obligations, rights, and claims between the director/former officer and Consolidated Goldfields Corporation. The Company has agreed to begin making payments to the director/former officer for the Note Payable in six monthly installments. During the course of employment the director/former officer's salary was deferred and the Company agreed to pay the salary by issuing 224,654 shares of Teras Resources, Inc. common stock the Company currently holds (see Note 3). The Note Payable is further discussed in Note 5.

Payable to Related Party

At the six months ending June 30, 2014 and at December 31, 2013, the Company had \$20,250 and \$64,671, respectively, due to an officer and to a director of the Company for consulting services.

At the year ended December 31, 2013, the Company accrued expenses of \$73,319 for the issuance of 150,000 shares of Teras Resources, Inc. common stock due to a director of the Company in relation to the February 2013 Executive Incentive and Bonus Program. In May 2014 the Company distributed the 150,000 shares of Teras common stock due to the director.

Receivable from Related Parties

On November 8, 2013 the Company entered into an agreement to loan Rokmaster Resources Corporation \$40,000 in the form of a note. The principal amount of the note and any due and unpaid interest thereon shall bear interest from the date of advance to and including the date of payment calculated monthly at the rate of ten percent (10%) annum and payable on the applicable maturity date. The maturity date of the loan is one year from the date of the note or upon the borrower receiving a financing of more than $700,000 US, whichever is sooner or such later date as may be agreed to by the borrower and the Company.

The Company has entered into additional agreements to loan Rokmaster Resources Corporation $125,000 during the first quarter of 2014. The principal amount of the notes and any due and unpaid interest thereon shall bear interest from the date of advance to and including the date of payment calculated monthly at the rate of ten percent (10%) annum and payable on the applicable maturity date. The maturity date of the loan is one year from the date of the note or upon the borrower receiving a financing of more than $700,000 US, whichever is sooner or such later date as may be agreed to by the borrower and the Company. One of the Company's directors is currently a director of Rokmaster Resources Corporation.

On April 24, 2014 Rokmaster Resources Corporation has fulfilled its obligations under the terms of all loan agreements by paying, in full, the principal amount due plus all accrued interest to the Company.

At the six months ending June 30, 2014, the Company had $36,252 due from an officer and director for payroll taxes owed due to the granting of shares of the Company's common stock and the issuance of shares of Teras Resources, Inc. common stock during the February 2013 and September 2013 performance bonus program.

Asset Purchase Agreement

The Company entered into a Asset Purchase Agreement with Prize Mining Corporation on January 7, 2014 to purchase the Muskox Data Inventory. The purchase price of the inventory is $1 million, paid by the issuance of 11,110,000 shares of the Company's common stock. In addition, the Company has agreed to pay an additional $50,000 in cash in satisfaction of certain Canadian tax obligations incurred by Prize as a result of the transaction. The Company's Chairman of the Board is currently President, CEO and a director and shareholder of Prize Mining Corporation.

NOTE 10 – SUBSEQUENT EVENTS

The Company evaluated subsequent events through July 29, 2014 and there are no events to report at this time.

CONSOLIDATED GOLDFIELDS CORPORATION

Management's Discussion and Analysis
For the six months ended June 30, 2014

Prepared by:
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Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Consolidated Goldfields Corporation (the "Company" or "Consolidated") constitutes management's review of the factors that affected the Company's financial and operating performance for the six months ended June 30, 2014 and should be read in conjunction with the unaudited financial statements of the Company which have been prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP). References to "Consolidated" in the MD&A refer to the Company and its subsidiaries taken as a whole. Results are reported in US dollars, unless otherwise noted.

Further information about the Company and its operations is available on Consolidated's website at www.consolidatedgold.com.

The Company's outstanding common shares (the "Common Shares") are currently listed on the OTCQX Markets trading under the symbol "CDGF".

Forward-Looking Information

In addition to historical and pro-forma information, this discussion contains forward-looking statements which involve a number of risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward-looking statements. Forward-looking statements can be identified by use of the words "expect," "project," "may," "might," "potential," and similar terms. We caution readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information. Forward-looking statements involve a number of risks, uncertainties or other factors beyond our control. These factors include, but are not limited to, our ability to implement our strategic initiatives, economic, political and market conditions and price fluctuations, government and industry regulation, U.S. and global competition, and other factors. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements.

Description of Business

The Company was incorporated under the laws of the Territory of Montana in May 1888. The Company was known as Helena Silver Mines, Inc. On July 14, 2006, Dome Copper, Inc., a Nevada Corporation, completed a share acquisition agreement with Helena Silver Mines, Inc.

The merger was accounted for as a reverse acquisition in which Dome Copper, Inc. was identified as the acquiring entity and Helena Silver Mines, Inc. was identified as the acquired entity. Any remaining identifiable assets and liabilities of Helena Silver Mines, Inc. were assigned fair values at the acquisition date. No goodwill was recognized. The assets of Dome Copper, Inc. were incorporated into the financial statements at their pre-merger carrying values at the date of acquisition.

At the effective time of the merger, the name of the Company was changed to Consolidated Goldfields Corporation, with Dome Copper, Inc., a Nevada corporation, surviving as a wholly-owned subsidiary. The Company's other wholly-owned subsidiary is Consolidated Cahuilla, LLC, a Nevada limited liability company registered to do business in California.

The Company's corporate strategy is to build shareholder value through the acquisition, exploration and development of mineral resource properties.

Qualified Person

Lane Griffin, Professional Geologist, is the company's nominated qualified person responsible for monitoring the supervision and quality control of the programs completed on the Company's properties. Mr. Griffin has reviewed and verified the technical information contained in this MD&A.

Overall Performance

The Company currently has eight properties of which three are under exploration—the Fisher Canyon, Rose Gulch and Klondike Pass properties. There are no assurances that the activities on the Fisher Canyon, Rose Gulch or Klondike Pass projects will result in the successful production of gold or the development of a gold processing facility. A number of factors, upon which success is dependent, are beyond the Company's control.

The Company currently owns 100% of the Muskox Intrusion Data Inventory. The Muskox Intrusion is located in Nunavut, Canada.

During the six months ended June 30, 2014, the Company spent $56,715 on exploration activities. The following table sets forth a breakdown of material components of the Company's exploration expenditures.

	Six months ended June 30, 2014
Klondike Pass	
Consulting	2,000
Field Supplies	336
Travel & Accommodation	204
Total Klondike Pass	2,540
Fisher Canyon	
Consulting	-
Field Supplies	3,000
Travel & Accommodation	--
Annual Claim Fees	--
Total Fisher Canyon Expenditures	3,000
Rose Gulch	
Consulting	1,000
Field Supplies	--
Travel & Accommodation	320
Total Rose Gulch	1,320
Gold Star	
Consulting	11,200
Field Supplies	987
Travel & Accommodation	1,964
Total Gold Star	14,151
Kibby Flat	
Consulting	9,200
Field Supplies	656
Travel & Accommodation	862
Total Kibby Flat	10,718

General Exploration	
Consulting	18,060
Field Supplies	1,570
Travel & Accommodation	5,356
Total General Exploration	24,986

A summary of the activities on the major projects follows.

Projects

Klondike Pass

The Klondike Pass project consists of 160 acres of private land in the Willow Creek Mining District situated in the northeast portion of Pershing County, Nevada. The Company entered into an Exploration and Option to Purchase Agreement on September 19, 2013 with a private individual.

Located 20 miles south of Winnemucca, Nevada, the Willow Creek District is responsible for the production of more than 5,000 ounces of placer gold in addition to substantial amounts of lode gold production from very high grade veins. Select veins from this mining district reportedly contained up to 1 ounce per pound of gold (approximately 167 ounces per ton) within 1 inch stringer veins hosted in phyllitic slate intruded by diabasic dikes.

The Klondike Pass project is characterized by high grade gold quartz/calcite veins hosted in Triassic phyllite. Associated carbonate rocks have been strongly silicified into jasperoids which represent a much larger alteration overprint that has been recognized throughout the property. This acquisition of private land in a prolific gold mining region should provide Consolidated the opportunity for near term placer production in addition to longer-term lode potential from high grade veins and/or larger disseminated gold deposits presuming exploration efforts are successful.

A geologic mapping and geochemical sampling program began immediately at Klondike Pass in conjunction with a detailed evaluation of the old mine workings. This investigation will provide valuable information as to the nature of the gold occurrences and will be applied to the surrounding rocks as a guide for our future drilling and placer evaluation programs.

During November 2013 the sampling and mapping program conducted at the Klondike Pass project has been concluded with positive results which focused on the exploration of old mine workings and dumps. Outcropping rocks were mapped and sampled, and alluvium near the prospects within the mine dumps was evaluated to determine any enrichment in precious metals. Select soil samples on the main mine dump were sent to the Inspectorate America Lab in Reno, Nevada and indicated anomalous gold values as illustrated in the table below:

Sample No.	Description	Assay - ppm gold
#97408	alluvium/soil, west end, lower dump	0.449
#97410	representative alluvium/soil from lower dump	0.893
#97412	alluvium/soil, east end, lower dump	2.754

Based on these results, a thorough examination of the alluvium in and around the prospects, outcrops and dumps was conducted. Over the course of the program, many specimens of coarse visible gold were identified and recovered. The gold is of a crystalline nature and occurs as leaves, wires and aggregates within calcite veins, quartz fragments and along fractures planes in phyllite. The gold appears to be associated with old mine dumps and prospects that extend along a 500 foot exposure of Triassic phyllite. These encouraging results will be used to further explore the surrounding rocks for the source, extent and genesis of the precious metals.

Gold mineralization similar to Klondike Pass occurs at the Wadley Mine approximately one mile to the northwest. According to a Southern Pacific Company report from 1959, the ore at this mine occurs as narrow but very high grade gold-quartz veins. The veins strike northerly in Triassic slate and phyllitic slate and are the source for the placer gold in the prolific Willow Creek district. One of the veins reportedly contained gold values of one ounce of gold per pound (about 160 ounces/ton) in one quarter to one inch wide veins.

Geological mapping and sampling will continue in the spring of 2014 with the objective of further delineating favorable host rocks and defining targets for future exploration drill programs. The potential high grade source or concentration of gold may be associated with a peripheral blanket of lower grade mineralization that appears to be characterized by jasperoid outcrops in the surrounding carbonate rocks. These jasperiod units represent targets for future exploration programs which have the potential of becoming much larger, disseminated precious metal deposits.

Total exploration expenses for the Klondike Pass project for the six months ended June 30, 2014 were $2,540.

Fisher Canyon

The Fisher Canyon project, located in Pershing County, Nevada, consists of 87 unpatented mining claims and is owned by a former officer and director of the Company and a current director and former officer of the Company, who each hold a 50% interest in the property. The Company previously held 123 unpatented mining claims and after further review the Company has decided to drop the additional 36 claims which were staked in February 2012. Fisher Canyon is situated approximately 25 miles east of Lovelock, Nevada, four miles east of the Relief Canyon gold mine and six miles southeast of the Coeur Rochester silver/gold mine. To date, the Rochester and surrounding mining districts have produced nearly five million ounces of gold and more that 130 million ounces of silver. The Fisher Canyon project is situated on the southeastern end of the Humboldt Range and is characterized by limestone and dolomite that contain lenses of altered volcaniclastic sediments and flows. The volcanic rocks are observed to form giant lenses within the carbonate section, with dimensions of several miles along strike and up to about 600 feet thick. The volcanic lenses commonly exhibit intense hydrothermal alteration and represent the focus of past exploration activities. The stratigraphy within the Fisher Canyon area has also been significantly disrupted by various episodes of intense structural deformation.

Geological reconnaissance by the Company and in the past has identified several areas with extensive hydrothermal alteration associated with oxidized shear zones and brecciated quartz veins hosting wide spread gold mineralization. Surface geochemical outcrop samples collected by the Company contain from 0.014 to 1.15 ounces per ton gold. The samples are also highly anomalous in arsenic and a summary of the results follow:

Sample #	Gold g/t	Gold oz/t	Arsenic ppm
70514	**0.73**	**0.021**	**2444**
70515	**3.447**	**0.100**	**4600**
70516	**4.019**	**0.117**	**7999**
70517	**0.48**	**0.014**	**1644**
70518	**9.65**	**0.282**	**7285**
70519	**2.72**	**0.080**	**1200**
70520	**5.88**	**0.172**	**> 10000**
70521	**0.579**	**0.017**	**1942**
70522	**2.67**	**0.078**	**9634**

Previous widespread rock chip and soil sampling had identified anomalous zones of enriched gold and associated pathfinder elements. Recent surface samples were taken in a newly discovered location and this work was done to confirm the mineralization and characterize the nature of the gold deposition at specific locations prior to the drilling campaign (see press release: October 9, 2012 available on OTC Markets at http://www.otcmarkets.com/stock/CDGF/news). Of the seven samples taken at the north area prospect six had significant amounts of gold in altered volcanic rock including one with over 1.1 oz/ton gold content. Visible gold was detected up to 0.5mm in diameter in selected hand samples from this zone.

Sample #	Description	Gold g/t	Gold oz/t
97301	Select grab of altered volcanic rock	21.70	0.634
97307	One foot (0.35m) rock chip across out crop of altered volcanics	18.20	0.531
97308	Float on hillside above prospect, altered volcanics (30m)	4.81	0.141
97309	One foot (0.35m) rock chip across altered volcanic shear zone	39.30	1.148
97310	Float on hillside above prospect traced for 100 feet	2.52	0.074
97311	Three foot (1m) rock chip across altered volcanic shear zone	11.60	0.339
97312	Three foot (1m) rock chip across altered volcanic outcrop	6.84	0.200

Approximately 40 historic exploration holes were drilled on the original Fisher Canyon claim block. The majority of drill holes contained anomalous gold mineralization and the following table illustrates some of the better gold intercepts:

Hole #	To	From	Thickness – ft (m)	Gold – oz/t	Gold – g/t
FN-09-3	30	85	55 (16.8)	0.039	1.34
including	35	50	15 (4.6)	0.138	4.73
FN-09-5	115	125	10 (3.1)	0.032	1.10
FN-09-8	80	130	50 (15.2)	0.017	0.58
Including	100	110	10 (3.1)	0.058	1.99
FN-09-9	40	65	25 (7.6)	0.024	0.82
FC-005	No	Data	40 (12.2)	0.015	0.51
FC-006	No	Data	105 (32.0)	0.021	0.72

The Company conducted an aggressive exploration program in the second quarter of 2012 including geological mapping, geochemical sampling and detailed geophysics to target drill holes for continued exploration both in the areas where historic data exists and throughout the new pediment target. The Company engaged Harris Exploration and commenced its drill program at Fisher Canyon on November 5, 2012, which will involve 5,000 feet of reverse circulation drilling and last a few weeks.

On October 1, 2012 the BLM accepted a personal bond placed by Consolidated to provide surface reclamation coverage for operations conducted at the Fisher Canyon Project. The bond allows for up to sixteen drill sites accessed by existing roads and approximately 600 linear feet of constructed new road.

On March 8, 2013 the BLM accepted a request to amend the personal bond which is for seven additional drill sites and 100 feet of exploratory trenching accessed by an additional 370 feet of constructed new road and 1,800 feet of overland travel. This brings the total personal bond to a total of 23 drill sites, 100 feet of trenching, 970 feet of constructed new road, and 1,800 feet of overland travel. The total disturbance to be reclaimed on public lands under the amended notice would be approximately 2.51 acres.

On January 17, 2013 the Company was pleased to announce drill results from its Fisher Canyon project, Pershing County, Nevada which have confirmed areas of gold mineralization. Drilling highlights include:

- Hole FC12-10: 16.5 meters of 0.46 grams per tonne (gpt) gold, including 6.1 meters of 1.21 gpt
- Hole FC12-9: 22.5 meters of 0.15 gpt gold
- 9 of the 11 holes drilled encountered zones of anomalous gold mineralization

The company completed 933 meters of reverse-circulation drilling which included 11 holes that were all taken to anticipated depths of up to 100 meters. Drilling at Fisher Canyon continues to confirm and expand upon historic drill results. Step out holes have been successful in identifying new extensions to the current gold mineralization and the Company has identified nearby targets that warrant additional drilling.

In addition, an area of high grade gold values (from 2.52 to 39.30 gpt, please refer to press release dated October 9, 2012) discovered this year by surface geochemical sampling will be tested in the next round of exploration both by drilling and trenching. The shallow nature of the mineralization will insure a thorough exploration effort and good drill hole density at low cost. Table 1 lists the detailed results of the 11 holes drilled in the 2012 exploration program.

Table 1. Drill intercepts, Fisher Canyon Project

Hole ID	From(m)	To(m)	Gold grade (gpt)	Thickness(m)
FC12-1	25.5	33.5	0.098	8.0
FC12-2	0.0	3.0	0.118	3.0
FC12-3	0.0	4.5	0.066	4.5
FC12-4	0.0	16.5	0.167	16.5
FC12-5	0.0	10.5	0.200	10.5
FC12-6	24.0	27.0	0.070	3.0
FC12-7				No significant intercepts
FC12-8				No significant intercepts
FC12-9	16.5	39.0	0.150	22.5
FC12-10	30.0	46.5	0.460	16.5
including	31.5	37.6	1.210	6.1
FC12-11	0.0	6.1	0.120	6.1

In July 2013 the Company initiated a trenching program at Fisher Canyon to further evaluate a high grade gold zone discovered during last year's rock chip sampling program. A twenty-five foot long trench, three feet deep was excavated along the strike of gold mineralization. Rock chip channel samples were collected every three feet across the trench, which is comprised of altered volcanic wall rock on both sides of a mineralized fault or contact zone. A 100 pound bulk sample was collected for metallurgical testing as were two select rock samples of the two foot wide, high grade mineralized zone.

The results below demonstrate continuity of low to moderate grade gold mineralization on both sides of the mineralized contact structure and high grade as shown by the two select samples of the structural zone itself and are evidence of the considerable strength of gold enrichment.

Sample #	Channel Sample Description	Gold g/ton	Gold oz/ton
97376	5 foot rock chip of altered volcanics	0.677	0.020
97377	As above	0.446	0.013
97378	As above	0.029	0.001
97379	As above	0.037	0.001
97380	As above	0.024	0.001
97381	As above	0.377	0.011
97382	As above	2.904	0.085
97383	2 foot rock chip of contact structure	17.916	0.523
97384	As above	15.103	0.441

A drilling program has been designed and is fully permitted to explore for this high grade zone at depth. A detailed geological mapping and geochemical sampling program will also be conducted to trace this high grade zone on the surface.

Total exploration expenses for the Fisher Canyon project for the six months ended June 30, 2014 were $3,000.

Cahuilla

On December 1, 2006, and as amended and restated on August 5, 2010, the Company executed a formal Exploration and Option to Lease Agreement ("the Cahuilla Agreement") for the Cahuilla Gold Project in Imperial County, California, the majority of which is situated on the Torres Martinez Desert Cahuilla Indian Reservation. Under the terms of the Cahuilla Agreement the Company has the exclusive rights to explore, develop and conduct mining operations on more than two square miles situated on Tribal lands. The Company is required to pay escalating lease payments and meet minimum work obligations for a period of five years beginning in 2010. The Cahuilla Agreement is cancelable by the Company at any time by giving 30 days written notice.

On February 10, 2010 Consolidated entered into an Earn-In Agreement with Teras Resources, Inc. ("Teras") whereby Teras could earn 65% undivided interest in the Cahuilla property. Pursuant to the terms of the Earn-in Agreement and subject to certain conditions being met in accordance with the Earn-In Agreement, Teras issued 4,000,000 common shares to Consolidated and deposited $800,000 into an account in 2010 for the exclusive use of exploration, development and maintenance expenditures on the property. In 2011, Teras issued an additional 5,000,000 shares to Consolidated and deposited $1,000,000 for additional expenditures on the property.

In addition, in order to exercise the option and earn its 65% interest in the Cahuilla project Teras must issue an additional 5,300,000 common shares to Consolidated. The exercise of the option by the issuance of the additional common shares is at the sole discretion of Teras. As of August 31, 2011, Teras fulfilled its obligations under the Earn-In Agreement to acquire 65% interest in the Cahuilla project. The Company elected to postpone the receipt of the 5,300,000 shares of Teras common stock as required under the agreement to a later date.

On September 29, 2011 Consolidated signed an Exploration and Earn-in Agreement with Teras Resources, Inc. on the Cahuilla Project. The terms of the agreement specify that Teras will have a 24-month option to earn the remaining 35% interest in the Cahuilla gold project and 100% interest in four other high ranking gold projects. Teras can exercise the option at any time within the 24-month period by issuing 10 Million common shares of Teras to Consolidated and spending $1,000,000 in work commitment on the Cahuilla project within that period.

During September 2013 Teras Resources, Inc. has fulfilled its obligations under the Earn-In Agreement to earn the remaining 35% interest in the Cahuilla gold project. The Company has elected to postpone the receipts of the 10 Million shares of Teras common stock as required under the agreement to a later date.

During May 2014 the Company formally requested the issuance of the 5,300,000 shares of Teras common stock for the 65% interest in the Cahuilla project and the 10,000,000 shares of Teras common stock for the remaining 35% interest in the Cahuilla project. The 5,300,000 shares were received by the Company on May 29, 2014. The 10,000,000 shares were received by the Company on June 4, 2014.

Teras has reimbursed Consolidated $346,956 for work expenditures incurred during the six months ended June 30, 2014. In 2013 and 2012 Teras reimbursed the Company $1,904,634 and $4.1M for work expenditures, respectively.

The project is an epithermal, sediment-hosted, hot springs vein, stockwork and disseminated gold-silver system hosted along a major east-west striking structural zone. In 1996, Kennecott engaged Mine Development Associates to perform an independent resource estimate on the project. Calculations based on a 0.010 ounce per ton gold cut-off-grade indicate that the Cahuilla deposit currently contains an indicated mineral resource of approximately 750,100 ounces of gold mineralization, and an inferred mineral resource of approximately 106,000 ounces of gold mineralization. It is management's intention to expand mineral resources by additional exploration and development drilling since mineralization is completely open in all directions along strike and at depth.

The Cahuilla project is localized along the western edge of the Salton Trough, which is characterized by active crustal extension and spreading center within the San Andres-San Jacinto fault system. The

Modoc Fault, the most important geologic feature at Cahuilla, represents an antithetic, pull-a-part, fault zone within the regional San Andres-San Jacinto strike-slip structural zone. A Jurassic quartz monzonite stock comprises the footwall block to the Modoc Fault zone which strikes generally east-west to north 70 east, dipping to the south in the project area. The hanging wall is composed of the Quaternary Palm Springs Formation, a succession of fine-to-coarse-grained, rhyolitic-clastic sediments, and siliceous sinter and fanglomerates adjacent to the Modoc Fault zone.

Along the Modoc Fault zone, both the quartz monzonite and Palms Springs Formation host ore-grade mineralization. A recent 25-foot channel sample across the brecciated and banded vein exposed at the surface returned 0.85 opt Au and 8.88 opt Ag and selective sampling of a portion of the vein hosting copper mineralization assayed 5.65 opt Au and 11.21 opt Ag. In 1988, Homestake collected an 80-foot sample that assayed 0.31 opt discovering the High Grade Hill vein mineralization along the Modoc Fault zone. Although the east-west trending Modoc Fault zones controls and hosts the majority of the high-grade veins and stockwork, mapping, sampling and drill hole intercepts indicate gold-silver mineralization is also hosted along north-south trending sub-vertical, poorly exposed faults. An extensive, disseminated lower-grade halo surrounds the higher-grade gold veins. Mineralization is known to extend over two miles along the strike of the Modoc Fault and more than one-half mile in width extending south under pediment cover and is open in all directions.

Two dominant styles of gold mineralization are recognized at Cahuilla and include:

- Structurally-controlled, bonanza-grade, crustiform banded, sheeted and brecciated, gold-silver veins and stockwork zones hosting cutting disseminated gold mineralized sediments; Gold occurs as high-silver electrum and native gold.
- Flat, tabular, extensive disseminated mineralization hosted in the Palm Springs sediments and volcanics; Intense, widespread silicification commonly accompanies precious metal mineralization. Argillization occurs along the Modoc Fault zone, which resulted from both paleo-hot springs activity and younger supergene alteration of unsilcified material.

Alteration consists of intense silicification replacing the Palm Springs sediments and weak to intense argillization adjacent to the veins and upper fanglomerates along the Modoc Fault zone.

Historically, gold was produced from several mines located in the vicinity of Cahuilla beginning in 1897. Prospecting and mining activities are believed to have originated in the Cahuilla project area as early as 1912. These consist of five small prospect pits that were constructed in the project area, however no significant quantities of gold were produced from these workings. Since the late 1980's an estimated $5 million has been spent on gold exploration in the Cahuilla area, with work performed by companies including Homestake, Newmont and Kennecott. A total of 112,168 feet of drilling in 214 RC and core holes have been completed on the Cahuilla property in four drill campaigns.

In 1990, the Torres Martinez Desert Cahuilla Indians obtained federal funding through the Bureau of Indian Affairs to undertake a gold mineral assessment. In 1991 and 1992, a total of 57 holes were drilled on Tribal lands, which resulted in a major gold discovery. Drill hole TM-28, the discovery hole, intersected 240 feet of 0.112 ounce per ton gold from 85 to 325 feet, including 45 feet of 0.359 ounces per ton gold from 160 to 205 feet and 15 feet of 0.315 ounces per ton gold from 230 to 245 feet. In 1994 the Torres Martinez Tribe offered the Cahuilla gold project to the minerals industry for lease, and in 1995, Kennecott was successful in obtaining exploration/mining right to the property.

Between 1995 and 1996, Kennecott drilled a total of 114 exploration holes and developed a significant gold/silver resource. However, in late 1996 Kennecott Corporation was acquired by Rio Tinto LLC which closed Kennecott's gold exploration division; and as a result, the exploration/mining lease was relinquished.

For further information on the Cahuilla project refer to the NI 43-101 technical report entitled "Cahuilla Property 43-101 Technical Report", dated October 25, 2007 prepared by Todd Wakefield, MAusIMM of AMEC E&C Services filed on SEDAR on November 15, 2007 and available on OTC Markets at http://www.otcmarkets.com/stock/CDGF/filings).

Pyramid

The Pyramid Mine project consists of five unpatented lode claims situated in Churchill County, Nevada which are 100% owned by the Company. The project is located in the Terrill Mountains and Holy Cross Mining District which is situated within the northwest trending, regional Walker Lane, structural zone. In April 2009, the Company entered into an Option-to-Purchase Royalty Agreement with Trend Mining Company giving the Company the option to purchase a 1.5% net smelter return royalty on the unpatented mining claims of the Pyramid Mine. Under the Purchase Agreement the Company issued 100,000 shares of common stock at $0.06 per share. To complete the purchase, the Company agreed to pay an additional $44,000 in cash or common stock by February 16, 2011. On January 28, 2011, the Company completed the final payment of $44,000 by issuance of 162,963 shares of common stock with a fair value of $0.27 per share.

The Terrill Mountains are largely composed of a several thousand foot sequence of Oligocene-Miocene age rhyolitic tuffs that are intruded by porphyritic andesites, dacites and gabbroic-basaltic plugs, dikes and sills and capped by dacitic flows. The ore deposits and workings in the Holy Cross Mining District are polymetallic in nature, primarily hosting silver, gold, lead, zinc and minor copper mineralization. The mineralization appears to occur within three northwest striking en echelon structural zones controlled along a regional N70E structural zone, all within the north bounding Walker Lane fault zone.

The workings are located on the northeast side of the Terrill Mountains and are characterized by the occurrence of numerous shafts, adits and prospect pits. The principle ore-controlling brecciated, sheared zones and structural trends in the area are generally north-south with the majority of the dips to the east, all within the central en echelon structural zone. Alteration in the area is characterized by propylitization with local zones of stronger pyritization, Argillization and bleaching of welded, lithic-rich rhyolite tuffs. Generally the area lacks wide spread silicification and on the surface, local zones of well-developed sheeted, coxcomb-style, quartz stockwork-stringers occur and are associated with sericite and iron and manganese oxides.

Silicification and better developed veining appears to increase at depth, suggesting the Pyramid Mine and Holy Cross Mining District is currently at the top of a mineralized system, possibly a significant porphyry deposit. Massive sulfides exposed in underground workings hosting visible gold, galena and sphalerite mineralization appear to occur as replacement, disseminated deposits and as secondary vein fillings.

In the Gee Shaft working area a structural zone striking N25E, 55SE hosting gold, silver, lead, zinc and copper mineralization appears to occupy a sheeted fracture-fault zone 200 feet wide and several adits have explored and mined portions of the zone to the 200 foot level. Limited underground evaluation reveals the local 200 foot wide structural zone is extremely sheared with numerous anastomosing-sheared mineralized planes, listric in nature and includes flat structures. Best recent underground rock chip sample collected across a 3-inch wide, massive sulfide vein returned 1.5 opt gold, 261 opt silver, 15% zinc, 9.77% lead and .08% copper; 4-foot channel of a vertical zone returned 0.27 opt gold, 132.59 opt silver, 2.13% zinc, 2.8% lead and a 3-foot channel across a flat-lying shear zone that assayed 0.286 opt gold, 42.29 opt silver. Five hundred feet to the west, several adits and prospect workings have explored a 5 to 25 foot wide, N-S structural zone hosting at least two altered dikes, and the structural zone show a minimum of at least 800 foot strike length. Surface assays of selected mineralized rocks from this structural zone returned up to 0.068 opt gold, 125.6 opt silver, 1.4% lead and 0.1% zinc. Anomalous geochemical signatures associated with Au-Ag-Pb-ZN mineralization includes: Cu, As, Sb, Mn, W + Bi, Mo, Cd, Tl, Fe, Na and V.

Ore Mineralization that has been recognized to date occurs in high-grade pods, shear zones, stockwork-stringers and veins that vary in width from less than one inch to approximately seven feet. Recent mapping and examination of the property has identified that beside high-grade underground deposits, the broad area of disseminated mineralization lends this property to a possible open-pit, bulk mineable operation, as well as a deeper porphyry target. The primary ore minerals include native gold, galena, sphalerite, argentite, pyrite, chalcopyrite and rhodochrosite. During underground exploration programs conducted in 1993 and 1994, high-grade precious and base metal values were detected in underground workings and some of the better assay results are illustrated below:

Sample Description	Gold (opt)	Silver (opt)	% Lead	% Zinc
Level 1, face south drift	0.530	148.45	1.96	6.68
Level 1, north drift	2.860	453.48	n/a	n/a
Level 2, big room vein	1.416	164.11	4.48	4.76
Level 2, rat hole	0.620	231.84	n/a	n/a
Upper vein north	1.786	436.05	9.12	8.72
3' channel across n. vein	0.469	128.62	3.96	4.96

Preliminary geologic evaluation of the project indicates that mineralization is open both on strike and down dip where the main mine workings occur. Additional exploration is planned throughout the entire claim block to identify new drill targets.

The Pyramid Mine is accessible by a haul road that was substantially improved in the mid-1970's upon initiation of recent mining operations. The underground adits and shafts are in good condition, dry and easily accessible; thus testifying to the satisfactory mining conditions. The current infrastructure and recent mining on the property will allow for little improvement to be needed to resume operations.

The Terrill or Holy Cross Mining District was discovered in 1910 and mining has occurred intermittently in the region through the early 1990's. Consolidated's five unpatented claims are situated within the Walker River Indian Reservation, which encompasses this mining district. However, because the claims were legally staked and maintained since 1933, the owners continue to hold valid rights to access, explore and mine this deposit even though it is surrounded by reservation lands.

Gold, silver, lead and zinc were produced from the Pyramid Mine since its discovery, although accurate production records are not available until 1977. From 1977 to 1987, Robert and Davis Gee of the Silver Arrow Mining Company conducted underground mining operations on a small scale within historically worked portions of the project area. High-grade, precious and base metal ore was mined and processed locally to produce concentrates, which were shipped to the Asarco smelter in East Helena, Montana. A total of approximately 17 tons of concentrates were processed at the smelter containing an average grade of 3.302 opt gold, 477.8 opt silver and 17.5% lead. A small tonnage of direct shipping ore mined in 1987 was also sent to Asarco in Montana, which averaged 0.775 opt gold, 182.1 opt silver and 5% lead.

In the early 1990's the project was acquired by Silver State Mining & Exploration, Inc. During July of 1994, the company conducted a limited mineral resource estimate of visible precious and base metal veins that were identified in the existing underground workings. The veins were geochemically sampled and then actually measured by hand to estimate subsurface ore tonnages. The mineral resource estimate indicated a total of approximately 4,000 tons containing an average grade of 0.516 opt gold, 74.99 opt silver, 5.95% lead and 7.08% zinc.

Historically, exploration activities on the property consisted primarily of searching for new veins by tunneling from existing underground workings. Although the majority of the area is altered, a very limited number of drill holes have been completed on the claim block and the majority are clustered in the immediate mine area. Systematic exploration has apparently never been conducted throughout the region to search for additional, more extensive high-grade mineralization.

Total exploration expenses for the Pyramid Mine project for the six months ended June 30, 2014 were $50.

Koegel Hills

The Koegel Hills project consists of 71 unpatented claims encompassing 1,420 acres located in Mineral County, Nevada which are 100% owned by the Company. The project is an extensive copper-gold bearing porphyry system manifested by intense surface alteration that extends for more than six square miles.

In the early 1990's Santa Fe Minerals Company ("Santa Fe") staked the area and conducted a limited drilling program, which intersected significantly large zones of strongly anomalous copper and gold. Values greater than 4.0% copper and .030 ounces of gold per ton were reported in five-foot drill samples. Santa Fe released the property when the Company was taken over by Newmont Mining Company.

In the mid-1990's, Kennecott acquired the project and conducted detailed geochemical, geophysical and drill programs. Numerous geochemical and geophysical anomalies were encountered. Drilling on a selected few of these targets intersected strongly anomalous copper-gold mineralization over many hundreds of feet. The best intercept assayed over 200 parts per billion gold and 1,000 parts per million copper over 600 feet with high values approaching those reported by Santa Fe. Many of the existing targets remain untested.

Total exploration expenses for the Koegel Hills project for the six months ended June 30, 2014 were $710.

Rose Gulch

The Rose Gulch project consists of 460 acres of private land located in Pershing County, Nevada. The Company entered into an Exploration and Mining Lease and Option to Purchase Agreement on August 27, 2012 with a private individual. The project is located four miles southeast of the town of Oreana which is approximately ten miles north of Lovelock, Nevada on Interstate 80.

The Rose Gulch is a range front style prospect in one of Nevada's emerging gold districts that has demonstrated enrichment in placer gold, auriferous pyrite and gold associated with silicification.

Historically, Rose Gulch has been exploited for its significant placer gold occurrence which began in the late 1800's when Chinese miners tunneled down to reach bedrock and gathered gold bearing gravels for processing. Local miners revisited the area in the 1930's and worked the property through the 1960's using dry washing techniques to recover the free placer gold. Although substantial amounts of gravel were mined, no records of production are currently available.

The area has seen intermittent exploration in the past century and most efforts have focused on the placer potential of the gravels in Rose Gulch. In 1981 geologists from Cordex exploration conducted a recon sampling program that justified further testing of the placer as well as the hard rock potential of the area. A drill program of 13 rotary holes was completed in 1983.

Holocene channel gravels occupy dry stream beds that have cut into a thick section of Tertiary Conglomerates. The property is located at the junction of an abrupt uplift of rocks created by range front faults striking NE which are related to the tectonic fabric of the nearby Humboldt Mountains. Three holes were drilled to test the placer potential of the drainage. The recovered gold occurred in two forms-angular, suggesting a nearby source and coarse and well-rounded from extended transport. Four holes tested the down dip extent of silicification and gold mineralization in the Tertiary Conglomerate. One hole interested 15 fees of 0.053 oz/ton gold. Six holes intersected auriferous pyrite in the Tertiary Conglomerate with grades up to 0.110 oz/ton gold.

This private property provides an attractive target for gold exploration. The placer gold demonstrates the existence of a nearby source area with sufficient enrichment to supply gold for retrieval by placer methods. It is intriguing due to the young age of tertiary conglomerates and presents a unique setting for disseminated epigenetic gold mineralization. The existence of auriferous pyrite is analogous to the mineralization found at the major mines in the Carlin trend.

In July 2013 the Company initiated an exploration program for both the paleo placer and surrounding gold-bearing conglomerates. Testing sites were chosen to provide equal coverage of the main drainage where placer gold accumulation was determined to be favorable. Trenches were constructed by backhoe until bedrock was encountered. Gravels were collected from the contact zone in five gallon buckets and the majority of barren gravels were then removed by gravity separation. The sample concentrate was panned and individual gold pieces were described and weighed. The trench was metal detected after the samples were taken to search for larger gold nuggets. Numerous gold flakes were recovered from the concentrates and gold nuggets as large as 2.2 grams were encountered by the metal detector.

Consequently, the placer testing results are very encouraging and justify additional work that may involve a larger scale placer testing operation. As demonstrated by the long and successful history of placer mining on the property and the prominence of angular gold indicating a nearby source, the project also warrants additional work for the very promising lode potential including a future exploration drill program.

Exploration expenses for the Rose Gulch project for the six months ended June 30, 2014 were $1,320.

Four Mile Basin

The Four Mile Basin property is located in Nye County, Nevada. The Company owns a 100% interest in two unpatented claims that are surrounded by another mining company that controls an extensive land position throughout the district.

The claims encompass a substantial hot springs system that is characterized by prevalent surface sinter and feeder veins composed of quartz replacing calcite. The vein system is manifest as a prominent northwest trending topographic high that can be traced for a strike length of greater than 6,000 feet. Strongly anomalous gold mineralization has been encountered throughout the surface sinter and feeder veins.

On February 26, 2013 the Company entered into an Exploration and Option to Purchase Agreement with Wolfpack Gold (Nevada) Corporation for the two unpatented Four Mile Basin claims. The term of the Four Mile Basin Agreement shall be for a period of twenty (20) years. The Four Mile Basin Agreement may be cancelable at the option of either the Company or the lessor at any time by giving thirty (30) days advanced notice.

Lease payments for the property are outlined below:

- On signing of the agreement $10,000 – (payment received in March 2013)
- On or prior to each anniversary date:
    - 1st: $12,000 – (payment received in March 2014)
    - 2nd: $15,000
    - 3rd: $20,000
    - 4th and thereafter $25,000

The lease also requires minimum work commitments on or prior to each anniversary date as follows:

- 1st: waived
- 2nd: $10,000
- 3rd: $12,000
- 4th and thereafter $15,000

All work expenditures made by Lessee during any Lease Year in excess of the work commitment expenditures required for such Lease Year shall be credited against work commitment requirements for any subsequent Lease Year.

Gold Star

The Gold Star property is a high-grade precious and base metal deposit located in Mineral County, Nevada and consists of 13 unpatented lode claims which are 100% owned by the Company.

In the project area, two types of mineralization have been encountered, free gold and copper associated with a skarn and high-grade silver-lead-zinc mineralization hosted in a major east-west trending fault zone. In 2002, the Company collected surface geochemical samples that encountered numerous gold anomalies ranging from 15 to 11,404 parts per billion or 0.333 ounces of gold per ton.

Exploration expenses for the Gold Star project for the six months ended June 30, 2014 were $14,151.

Kibby Flats

The Kibby Flats gold-silver property is located in Esmeralda County, Nevada approximately 35 miles northwest of the town of Tonopah. The gold-silver-base metal prospect is situated along the southern extension of the Cedar Mountains and consists of 12 unpatented lode claims which are 100% owned by the Company and are accessible by dirt roads.

The property is located along the southern extension of the Cedar Mountains and is characterized by numerous old workings situated along north-northwest trending fault zones that occur near the contact with Tertiary volcanic tuffs and basement Jurassic age Dunlap and Excelsior sedimentary and meta-volcanic rocks. Preliminary exploration conducted on the claims had identified strongly anomalous to ore-grade gold and silver mineralization, as well as highly anomalous lead, zinc, arsenic, antimony, mercury and copper mineralization.

No work had been completed on the property for many years until Consolidated geologists collected reconnaissance geochemical samples in the project area during the early 2000's. The majority of rock samples were highly enriched in gold and silver, including two very high grade samples that contained 75.8 ppm silver and 16.75 ppm gold (2.21 opt Ag and 0.489 opt Au), and 106.0 ppm silver and 14.15 ppm gold (3.10 opt Ag and 0.413 opt Au).

The property was revisited in August 2013 to confirm the high grade precious metal mineralization and conduct preliminary geologic mapping. The results of the geochemical samples follow:

Sample#	Description	Au ppm	Ag ppm	Pb ppm	Cu ppm	Sb ppm
97368	Select grab rock, quartz vein Northern workings	10.01	107.3	5455	240	163
97369	Select grab rock, quartz vein Southern extension prospects	23.43	191.3	8537	171	208
97370	4 foot rock chip across alteration in Prospect pit	0.002	1.8	44	89	685

These samples confirm the significant precious metal content of this mineralized polymetallic system and also the anomalous enrichment of these metals in adjacent altered zones.

Exploration expenses for the Kibby Flat project during the six months ended June 30, 2014 were $10,718.

Golden Mile

The Golden Mile property consists of 13 unpatented lode claims which are 100% owned by the Company and located in Mineral County, Nevada, which comprise a significant portion of high-grade precious and base metal skarn deposit. The Company previously held 19 unpatented lode claims and after further review, the Company decided in August 2013 to reduce the number of claims held.

On February 26, 2014, the Company renegotiated the 3rd Anniversary of the Exploration and Mining Lease Agreement and Option to Purchase Royalty Agreement for the Fisher Canyon Project with Mountain Gold Claims Series 7 ("Mountain Gold"), which is owned by a former officer and director of the Company and a current director and former officer of the Company who each hold a 50% interest in the property. As a result of the negotiations the Company has quitclaimed the unpatented lode claims that represent the Golden Mile property to Mountain Gold.

Muskox Data Inventory

The Company has acquired the Muskox Data Inventory from Prize Mining Corporation. The Data consists of years worth of work on the Ni-Cu-Pd-Pt bearing Muskox Layered Intrusion in Nunavut, Canada. The Muskox Intrusion was first worked on in the 1960's and 1970's by the Geological Survey of Canada and by Inco Mining. Prize began working on the project in 1998 and has spent over $16 million on the project through 2004. In addition, Prize accumulated data from its joint venture partners Anglo American and Silvermet Mining in the 2000's valued at roughly $8 million.

Off Balance Sheet Arrangements

The Company does not have any off balance sheet arrangements.

Summary Table

The following table set forth certain selected audited condensed financial data for the periods indicated:

Period	Net Gain (Loss)	Basic and Diluted Gain (Loss) Per Share
6/30/2014	1,602,342 (1)	0.04
12/31/2013	(854,536) (2)	(0.03)
12/31/2012	(413,608) (3)	(0.01)

(1) Gain of $1,602,342 is related to the receipt of 15,300,000 shares of Teras common stock as defined in the Earn In Agreement.
(2) Net loss of $854,536 is related to general working capital purposes and management compensation.
(3) Net loss of $413,608 is related to general working capital purposes and management compensation.

Results of Operations

The Company's net income total $1,602,342 for the six months ended June 30, 2014, with basic and diluted gain per share of $0.04.

- Total exploration expenses for the six months ended June 30, 2014 were $56,715.
- Salaries and other benefits for the six months ended June 30, 2014 were $81,114.
- Professional and consulting fees for the six months ended June 30, 2014 were $113,675.
- General administrative for the six months ended June 30, 2014 were $471,518. The Company issued stock based compensation for a total expense of $402,500. The Company received $12,000 for the Four Mile Basin agreement in February 2014.
- Total interest expense for the Convertible Notes Payable for the six months ended June 30, 2014 was $5,028.
- The Company received 5,300,000 shares of Teras Resources, Inc. common stock on May 29, 2104. The value of the stock on date of receipt was $975,836.
- The Company received 10,000,000 shares of Teras Resources, Inc. common stock on June 4, 2014. The value of the stock on date of receipt was $1,650,300.

As of the six months ended June 30, 2014 Consolidated sold 1,067,500 shares of Teras Resources, Inc. common stock for a total proceeds of $295,754. Commission paid to brokers for the sale totaled $9,550. The Company plans to continue the sale of Teras shares through the end of 2014. The funds will be used to further exploration at Fisher Canyon, Rose Gulch and Klondike Pass as well as general working capital.

The Company held its last Annual Meeting of the Shareholders on March 31, 2014 in Reno, Nevada. The meeting was to receive and consider the election of Directors, to approve the amendment and restatement of the Company's Articles of Incorporation to increase the number of shares of the Company's common stock authorized for issuance and updating purposes, to approve the Company's Amended 2013 Stock Option and Stock Bonus Plan and the appointment of the accounting firm Decoria, Michael & Teague of Spokane, Washington as the auditors of the Company. In addition, the Board was elected, the amendment and restatement of the Company's Articles of Incorporation was approved, the Company's Amended 2013 Stock Option and Stock Bonus Plan was approved and the auditing firm was appointed.

Outstanding Share Data

Summary of Securities for the six months ended June 30, 2014

- Authorized share capital
  200,000,000 of voting common shares
  15,000,000 unissued shares of preferred stock, with rights and preferences to be determined by the Company's board of directors
- Shares issued and outstanding:
  At the six months ended June 30, 2014 there were 41,806,609 common shares outstanding, with a recorded value of $5,345,455
- Options Outstanding:
  At the six months ended June 30, 2014 there were 6,941,000 options outstanding to purchase common shares at exercise prices ranging from $0.06 - $0.35. These options expire on dates ranging from April 1, 2015 – September 16, 2023
- Warrants outstanding:
  At the six months ended June 30, 2014 there were 4,662,000 share purchase warrants outstanding to purchase common shares at an exercise price of $0.25. These warrants expire on December 11, 2014

In June 2014 the Company issued 75,000 shares of common stock to a director in accordance with the term of a consulting agreement effective March 2013.

In April 2014 the Company cancelled 437,000 shares of common stock in accordance with a settlement agreement entered into with a shareholder to exchange for common shares of Teras stock held by the Company.

In March 2014 the Company issued 75,000 shares of common stock to a director in accordance with the term of a consulting agreement effective March 2013.

In March 2014 the Company issued 150,000 shares of common stock to a director in accordance with the terms of the incentive package offered to him upon joining the Board.

In February 2014 the Company cancelled 1,000,000 shares of common stock in accordance with a settlement agreement entered into with a shareholder to exchange for common shares of Teras stock held by the Company.

In January 2014 the Company cancelled 3,338,419 shares of common stock in accordance with a settlement agreement entered into with a shareholder to exchange for common shares of Teras stock held by the Company.

In January 2014 the Company issued 209,500 shares of common stock in exchange for legal services.

In January 2014 the Company issued 11,110,000 shares of common stock in exchange for the Muskox Data Inventory.

In January 2014 the Company issued 1,000,000 shares of common stock to a director for generating a property the Board agrees to accept in accordance with the terms of the incentive package offered to him upon joining the Board.

In January 2014 the Company issued 600,000 shares of common stock to a former director as authorized in the executive incentive and bonus program.

In December 2013 the Company issued 150,000 shares of common stock to a director as authorized in the executive incentive and bonus program.

In December 2013 the Company issued 75,000 shares of common stock to a director in accordance with the term of a consulting agreement effective March 2013.

In September 2013 the Company issued 150,000 shares of common stock to a director as authorized in the executive incentive and bonus program.

In September 2013 the Company issued 75,000 shares of common stock to a director in accordance with the term of a consulting agreement effective March 2013.

In September 2013 the Company issued 200,000 shares of common stock to the Chairman of the Board in accordance with the terms of the incentive package offered to him upon joining the Board of Consolidated.

In June 2013 the Company issued 75,000 shares of common stock to a director in accordance with the terms of a consulting agreement effective March 2013.

In March 2013 the Company issued 350,000 shares of common stock to the Chairman of the Board in accordance with the terms of the incentive package offered to him upon joining the Board of Consolidated.

In February 2013 the Company issued 450,000 shares of common stock to a director and officer and a director as authorized in the executive incentive and bonus program. The shares were cancelled in the second quarter of 2013 and will be re-issued in the 1st quarter of 2014.

In January 2013 the Company issued 113,334 shares of common stock to a former director and former officer in accordance with terms to extend convertible notes payable. The shares were valued at $0.31 per share.

In connection with the private placement completed in June 2010, the Company issued 5,012,000 warrants exercisable into one share of common stock at an exercise price of $0.25 per share. The warrants expire two years from the date of issuance. In April 2012, 350,000 of these warrants were exercised. The remaining warrants have been extended and expire in December 2014.

Risks and Uncertainties

The Company is engaged in exploration and development of mineral properties. The mineral exploration and development industry involves a high degree of risk, for which, even with a combination of experience, knowledge and careful evaluation, there is no assurance that commercial quantities of resources or reserves can be successfully found or produced.

The principal activity of the Company is developing its Fisher Canyon, Rose Gulch and Klondike Pass projects. Today, the Company has sufficient capital resources to do further exploration on its current mining claims over the next 12 months. However, the Company has no source of operating cash flow and no assurance that additional funding will be available for either further exploration and or development of its projects or to fulfill its obligations under any applicable agreements beyond this next 12 month period. Developing the properties is capital intensive and the Company will need to raise additional funding for further exploration and development activities to maintain its position in the projects. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's projects with the possible loss of such projects.

The Company only has an interest in Fisher Canyon, Rose Gulch and Klondike Pass through leases and other agreements granting the Company a working interest in its properties. If the Company fails to meet payments or work commitments on agreements in relation to these properties, the Company may lose its interest in it properties and forfeit any funds expended to such time.

The Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, and limitations with respect to personnel, financial, and other resources. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Exploration for minerals involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to persons or property and possible environmental damage. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labor are other risks involved in the operation of mines and the conduct of exploration programs.

To the extent that the Company is not the operator of its properties, the Company will be dependent on such other operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators. As a result, there is no assurance that the work required to bring such properties to the next stage of development will be completed.
From time to time, the Company may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase debt levels of the Company above industry standards. Depending on future exploration and development plans, the Company may require additional financing which may not be available or, if available, may not be available on favorable terms.

Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The Company intends to fully comply with all environmental regulations in all of the jurisdictions in which it is active.

Government approvals, permits and licenses are required in connection with the Company's operations. There can be no assurance that the Company will be able to obtain all of the necessary approvals, licenses and permits that may be required to carry out exploration, development and operations at its projects. To the extent such approvals, permits and licenses are required and not obtained, the Company may be restricted or prohibited from proceeding with planned exploration or development activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in natural resource industry operations may be required to compensate those suffering loss or damage by reason of such activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse impact on the Company and cause increases in capital expenditures.

The prices of natural resources are outside the control of the Company. The Company will be price takers for their products and commodity prices can be expected to show volatility. The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of minerals. The prices of those commodities has fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Companies control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of minerals, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

The mining industry is intensely competitive in all of its phases. The Company with many companies possessing greater financial resources and technical facilities than themselves. Competition could adversely affect the Company's ability to acquire suitable properties for exploration in the future.

The Company does not anticipate paying any dividends on its shares in the foreseeable future.

Development of the Company's mineral properties will only follow upon obtaining satisfactory results. Exploration for and the development of mineral resources involves a high degree of risk and few properties which are explored are ultimately developed into producing properties. There is no assurance that the Company's exploration and development activities will result in any discoveries of commercial bodies or ore. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

There is no guarantee that title to the Company's properties will not be challenged or impugned. While title has been investigated and, to the best of the Company's knowledge, title to the Company's properties is in good standing, this should not be construed as a guarantee of title.

Commitments and Contingencies

Cahuilla Gold Project

The Company has six mineral lease agreements with respect to the Cahuilla Gold Project which provide for annual lease payments. In addition, the lease agreements provide for the Company to pay production royalties based on the net smelter returns ("NSR") from the production or sale of minerals from the property. The production royalty rates range from 1% to 4%.

The Company has executed a formal Exploration and Option to Lease Agreement with the Torres Martinez Desert Cahuilla Indians. The Agreement was restated and amended on August 5, 2010 and requires annual option payments and minimum work commitments for a period of five years. See Note 4 to the financial statements for the six months ended June 30, 2014.

In November 2013, Consolidated assigned the six mineral lease agreements and the Exploration and Option to Lease Agreement with the Torres Martinez Desert Cahuilla Indians to Teras Resources, Inc. See Note 4 to the financial statements for the six months ended June 30, 2014.

Fisher Canyon Project

The Company has an Exploration and Mining Lease Agreement and Option to Purchase Royalty Agreement with respect to the Fisher Canyon Project which provides for annual lease payments in the form of cash and shares of Teras common stock and minimum work commitments. In addition, the lease agreement provides for the Company to pay a production royalty of 3% on net smelter returns ("NSR") from the production or sale of minerals from the property. See Note 4 to the financial statements for the six months ended June 30, 2014.

Rose Gulch Project

The Company has entered into an Exploration and Mining Lease Agreement and Option to Purchase Agreement the Rose Gulch Property which requires annual payments in the form of cash and minimum work commitments. In addition, the lease agreement provides for the Company to pay a production royalty of 2% on net smelter returns ("NSR") from the production or sale of minerals from the property. See Note 4 to the financial statements for the six months ended June 30, 2014.

Klondike Pass Project

The Company has entered into an Exploration and Option to Purchase Agreement for the Klondike Pass Property which requires annual payments in the form of cash and minimum work commitments. In addition, the lease agreement provides for the Company to pay a production royalty of 2.5% on net smelter returns ("NSR") from the production or sale of minerals from the property. See Note 4 to the financial statements for the six months ended June 30, 2014.

All of these agreements are cancelable at the option of the Company and are further discussed in Note 4 to the financial statements for the six months ended June 30, 2014.

In November 2011 the Company entered into an Employment Agreement with the President/CEO whereby 2,000,000 shares will be issued as an incentive bonus as follows: 1,000,000 shares to be issued once the Company reaches a share price of $1.40 and holds for a period of 20 consecutive trading days; another 1,000,000 share bonus once the Company reaches a share price of $2.10 and maintains for a period of 20 consecutive trading days.

In the event the Company is sold or merges with another company and the value reaches above the deemed price, then the 2,000,000 shares will be distributed to the President/CEO.

The directors, at their discretion, may determine that the shares have been earned prior to reaching the above share price objectives and can issue them at any time via a director resolution.

In March 2013 the Board appointed a Chairman of the Board of Directors whereby 1,700,000 shares will be issued as an incentive bonus as follows: 350,000 shares of Company stock upon joining the board; 200,000 shares of Company stock after successful completion of 6 months as a board member; 150,000 shares of Company stock after successful completion of 12 month as a board member; 1,000,000 shares of Company stock if he generates a property that the board votes to accept and acquire.

In March 2013 the Company entered into a consulting agreement with the Chairman of the Board to provide assistance in corporate affairs. For services rendered, the Company will issue to the consultant 25,000 common shares in the Company each month, payable at the end of each quarter. The term of this agreement is effective for one year and will be automatically renewed for further terms of one year until terminated in accordance with the agreement.