

# **Tonogold Resources, Inc.**

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**Disclosure Statement for Quarter Ending  
March 31, 2015**

## Table of Contents

Item 1: The Exact name of the issuer and its predecessor (if any) .....	3
Item 2: The address of the issuer's principal executive offices .....	3
Item 3: Security Information .....	3
Item 4: Issuance History .....	3
Item 5: Financial Statements .....	5
Item 6: Describe the Issuer's Business, Products and Services.....	5
Item 7: Describe the Issuer's Facilities .....	6
Item 8: Officers, Directors, and Control Persons .....	7
Item 9: Third Party Providers .....	8
Item 10: Issuer's Certifications.....	9

### **Item 1: The Exact name of the issuer and its predecessor (if any)**

Tonogold Resources, Inc.

### **Item 2: The address of the issuer's principal executive offices**

5666 La Jolla Blvd. #315

La Jolla, CA 92037

Phone: 858-456-1273

Fax: 858-456-2540

www.tonogold.com

Contact: Mark Ashley, Chief Executive Officer

Email: mjashtey3@gmail.com

### **Item 3: Security Information**

Trading Symbol: TNGL

Title and Class: Common Stock

CUSIP Number: 890308208

Par Value of \$.001 per share

Total Shares Authorized: 200,000,000 as of March 31, 2015

Total Shares Outstanding: 19,181,665 as of March 31, 2015

*At the Annual Shareholder's Meeting on June 23, 2014 we approved a 1 for 10 reverse stock split and an increase in the post-split authorized shares to 200,000,000. The reverse split was conducted on July 29, 2014.*

Trading Symbol: None

Title: Series C Preferred Stock

Class: Preferred Stock

CUSIP Number: None

Total Shares Authorized: 40,000,000 as of March 31, 2015

Total Shares Outstanding: 0 as of March 31, 2015

#### **Transfer Agent**

First American Stock Transfer

4747 N 7th Street, Suite 170

Phoenix, AZ 85014

Phone: (602) 485-1346

Registered under the Exchange Act: Yes

Regulatory Authority: Securities and Exchange Commission (SEC)

### **Item 4: Issuance History**

#### **Equity Offerings in Last Two Years**

On May 9, 2012, we converted all 800,000 shares of the outstanding Series C Preferred Stock into 6,640,000 shares of common stock. The shares of common stock resulting from the conversion, was issued pursuant to Rule 506 and were restricted. The certificates contained a restrictive legend.

On June 6, 2013, we closed a private placement, which raised \$711,000 (before costs) through the sale of 79,000,000 shares of restricted common stock. During the December 2013 quarter, we issued 3,218,556 shares of which 1,218,556 shares were in payment of accrued interest charges and 2,000,000 shares were issued as part of the previous private placement. We issued the shares pursuant to Rule 506 and the certificates contained a restrictive legend.

The Company issued notes convertible into common shares in the amounts of \$30,000 in 2013, an additional \$851,250 during 2014, and \$20,000 in the current quarter. After the 1 for 10 reverse stock split on July 29, 2014, the notes are convertible into shares at \$0.50 per share (1,362,500 shares). The convertible note holders also received warrants to purchase 1.2 common shares for every \$1.00 invested at \$1.00 per share expiring May 16, 2017. The notes carry a 10% per annum interest rate. The convertible notes are payable upon completion of our primary financing on the Mil-ler transaction.

#### **Warrants Issued for Services\***

<b>Issue Date</b>	<b>Name / Services Rendered</b>	<b>Exercise Price</b>	<b>Underlying Shares / Expiration Date</b>
5/29/13	Comstock Royalty, Inc. Corporate Advisory / Financial Relations	\$.10	160,000 Expire: May 29, 2016
6/1/13	Mark J. Ashley Issued to CEO (Employment Contract)#	\$.10	170,000 Expire: June 6, 2018
6/1/13	Simona Ashley Issued to CEO (Employment Contract)#	\$.10	170,000 Expire: June 6, 2018
6/1/13	Mark J. Ashley Issued to CEO (Employment Contract)#	\$.50	165,000 Expire: June 6, 2018
6/1/13	Simona Ashley Issued to CEO (Employment Contract)#	\$.50	165,000 Expire: June 6, 2018
6/1/13	Mark J. Ashley Issued to CEO (Employment Contract)#	\$.80	165,000 Expire: June 6, 2018
6/1/13	Simona Ashley Issued to CEO (Employment Contract)#	\$.80	165,000 Expire: June 6, 2018
6/6/13	Pareto Capital, Ltd. Investment Banking Services	\$.10	300,000 Expire: July 30, 2018
5/7/14	Mark Ashley CEO	\$1.00	1,000,000 Expire: May 7, 2019
5/7/14	Jeffrey J. Janda Director / Consulting Services	\$1.00	500,000 Expire: May 7, 2019
5/7/14	Brian A. Zamudio Director / Consulting Services	\$1.00	500,000 Expire: May 7, 2019
9/26/14	Travis Miller Executive Director	\$1.50	1,500,000 Expire: September 26, 2019

*\*The exercise price and share amounts reflect the reverse stock split*

*#1 million warrants issued to Mark Ashley - CEO (directly to him and to Mrs. Ashley as his nominee) pursuant to his Contract of Employment*

## Item 5: Financial Statements

We posted our financial statements for the year ended March 31, 2015 on the [www.otcmarkets.com](http://www.otcmarkets.com) website on July 10, 2015.

## Item 6: Describe the Issuer's Business, Products and Services

- A. Description of the issuer's business operations.** Historically, our business consisted of generating prospects for larger mining companies in need of advanced exploration projects. However, in June 2013 we hired a new CEO and shifted our business strategy to focus on acquiring and developing producing and near producing mining assets that we felt were undervalued or had growth potential.

On October 18, 2013, we entered into an exclusive option agreement with Mil-Ler Resources and Energy SA ("Mil-Ler") a private Mexican mining and exploration company to acquire up to 34% equity interest in Mil-Ler in two tranches of \$5 million each for a total investment of up to \$10 million. Mil-Ler operates the Nevmetex iron ore mine located 24 miles from Hermosillo, Mexico. On February 18, 2014, the option was extended until March 28, 2014 and in addition, Tonogold obtained the exclusive right to purchase shares from existing shareholders that would bring its ownership in Mil-Ler to 51% for a payment of \$6 million plus a minimum of 59 million shares in Tonogold.

On May 8, 2014, Tonogold and Mil-Ler shareholders agreed to merge 100% of Mil-Ler into Tonogold in a non-cash transaction for the issue of 54.1 million restricted shares (post-split) in Tonogold. A Closing Agreement was executed by the parties on September 26, 2014.

Due to the weakness in the iron ore price management has decided to delay recommencement of production until signs of a price correction and/or confirmation of the ability to produce a higher quality product at increased margins.

We also have two other properties prospective for gold and silver, Tonopah Divide and King Tonopah, both located near Tonopah, Nevada. The primary lease on the Tonopah Divide property was terminated subsequent to the end of the quarter. The King Tonopah property consists of eight unpatented mining claims that we lease from local prospectors, which are located one mile north of Tonopah, Nevada.

- B. Date and State of Incorporation:** the Company was incorporated on March 4, 1997, in the State of Delaware.
- C. The Issuer's Primary and Secondary SIC Codes:** Primary SIC Code: 1041, Secondary SIC Code: 1081.
- D. The issuer's fiscal year end date:** December 31<sup>st</sup>
- E. Principal products and services, and their markets.** Our business model is to acquire and develop producing and near producing mining assets that may be undervalued or have growth potential.

Our integration of Mil-Ler will be the primary focus of the company in the coming quarters. The primary product of Mil-Ler's Nevmetex mine is iron ore having the capacity to produce approximately 30,000 metric tons (tonnes) per month. Mil-Ler currently sells its entire output to Chinese buyers. Mil-Ler sells its final product based on the international spot price for Iron Ore.

We will continue to assess various options for our Tonopah Divide and King Tonopah properties. Both properties are advanced gold and silver exploration projects.

## **Item 7: Describe the Issuer's Facilities**

We maintain 800 square feet of office storage space at 9925 Airway Road, San Diego, CA 92154. We currently pay no rent and have a month-to-month agreement with the primary lessee.

Other than office facilities, we own or control gold and silver exploration properties located in Nevada. Mil-ler's Nevmet mine and associated concessions represent a large part of the Company's current focus and therefore a brief description follows.

### Iron Ore - Mexico:

Tonogold is finalizing the formalities securing 100% ownership of Mil-Ler Resources and Energy S.A. de C.V. ("Mil-Ler").

Mil-Ler owns mineral rights over approximately 135 square miles (350 square kilometers) 40 kilometers north of Hermosillo (the capital of Sonora), Mexico. Exploration drilling over a small area of the total claims during 2011 confirmed the presence of economic iron ore mineralization.

- ❖ Production from the Ponderosa (open pit) commenced early 2013 and ramped up to a rate of 180,000 tonnes pa of final iron ore product grading around 57% Iron (Fe) by mid 2013.
- ❖ Mil-Ler owns its own mining fleet and process facility, which was originally funded from shareholder equity. Toward the end of 2013, Mil-Ler acquired additional mining equipment, funded from cash generated from its operations, that will enable production to double to 360,000 tpa of final iron ore product in early 2014.
- ❖ Mining fleet owned by Mil-Ler includes:
  - 5 x Caterpillar Excavators
  - 2 x Caterpillar front-end loaders
  - 5 x 40 tonne trucks (2 Caterpillar and 2 Volvo)
  - 2 x Caterpillar Bulldozers
  - Grader, water truck, light towers
- ❖ Mil-Ler's un-audited balance sheet at December 31<sup>st</sup> 2013 highlights:
  - Current assets of \$0.6 million
  - Net book value of Mining fleet and Process facilities - \$3.4 million

- Net book value (other assets) - \$0.3 million
  - Current Liabilities - \$0.2 million
  - Long Term Assets and Long term liabilities – Zero
  - Equity - \$4.1 million
  - *Note. Exploration and capital development costs are written off in the year that they are incurred.*
- ❖ Mil-Ler is debt free
  - ❖ Having recently increased its mining fleet, mining activities will focus on advanced pre-strip in preparation for mining sustain a production rate supporting the planned 360,000 tonnes per annum of final iron ore product.
  - ❖ In-situ iron grade of ~45% is upgraded to ~57% in the final product via a simple beneficiation process that involves 2-stage crushing followed by dry magnetic separation. Recovery of iron is estimated at 84% with 65% of tonnage recovered.
  - ❖ Mil-Ler made three shipments to China during 2013, totaling ~80,000 WMT of Iron Ore at an average grade of 57% Fe, and received approx. \$100 per tonne (gross). Costs of around \$61/t include mining, processing, road transport to the Port of Guaymas, port fees and cost of shipping to China.

### **Gold Nevada**

As previously stated, Tonogold's gold interest in Nevada (*Tonopah Divide and King Tonopah*) are no longer regarded as core assets and we have been actively assessing opportunities to maximize their value to the Company, including seeking third party interest in joint venturing the properties. To date we have been unsuccessful and the Company is now considering relinquishing the claims in order to preserve cash and to enable management to focus on other opportunities both in the US and Mexico.

## **Item 8: Officers, Directors, and Control Persons**

### **A. Names of Officers, Directors, and Control Persons**

Mark J. Ashley, Chief Executive Officer  
 Jeffrey J. Janda, Chairman of the Board  
 Brian A. Zamudio, Secretary, Treasurer, and Director  
 Travis Miller, Executive Director  
 Jordan Moelis, Director  
 Gustavo Mazon, Director

### **B. Legal and Disciplinary History: Please identify whether any of the foregoing persons have, in the past five years, been the subject of:**

**1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);**

None.

**2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities.**

None.

**3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or state securities regulatory of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or**

None.

**C. Beneficial Shareholders.**

None

## **Item 9: Third Party Providers**

### **1. Legal Counsel**

Henry Bonner  
P.O. Box 971  
La Jolla, CA 92037-0971  
Phone: (619) 278-8326  
email: henry@bonner.net

### **2. Accountant or Auditor**

Our financials are unaudited and prepared internally. We do not have an auditor or outside accountant.

### **3. Investor Relations Consultant**

None.



## Item 10: Issuer's Certifications

I, Mark J. Ashley, certify that:

1. I have reviewed the Annual Disclosure Statement and Financial Statements of Tonogold Resources, Inc. for the quarter ending March 31, 2015.
2. Based upon my knowledge, this disclosure statement does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of 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: July 14, 2015

A handwritten signature in black ink, appearing to read 'Mark J. Ashley', is written over a horizontal line.

Mark J. Ashley, Chief Executive Officer  
Tonogold Resources, Inc.