

# Western Sierra Mining Corp.

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## **Shareholders Update** For the Period Ending December 31<sup>st</sup>, 2011

*The following is a brief overview of the current status of Western Sierra Mining for the period ending December 31, 2011 and a basic review of the operating year 2011. This summary of the period should be viewed in conjunction with the previous reports filed with the Pink Sheets, press releases, SEC filings and previous shareholder updates.*

### **A Brief Overview**

During the year 2011, a major objective has been to expand our relationship with our current joint venture partners and have now expanded that effort to include a developing partnership with Golf Gear International (GEAR) and renewing our relationship with VHGI Holdings.

We have acquired several significant new properties for our own account and have done several outside testing and property certifications/evaluations for others.

We have significantly expanded our relationship with Pine Creek Mining and that of Gold River Exploration.

While our long-term objectives and priorities continue to be orientated toward production, we are still at the mercy of the large financial and private groups in terms of available financing.

There are several potential scenarios currently in the negotiation phase to develop our own properties such as Big Chief as well as working with others as a JV partner such as Silver Cord.

Our exploration work continues for others such as at Skull Valley, and for our own accounts such as the Gold Dyke Mine, Greyhound, Phau Springs, Gold Star and Spruce Canyon.

### **2011 Milestones**

- Continuing exploration activities in Central Arizona in an effort to identify new properties that may be suitable for acquisition.
- Added claim filings for the Table Mesa Property.
- Acquisition of the Gold Star property with Gold Tech Engineering.
- Received State approval for our exploration plan of the Gold Crown property
- First exploration at our 480 acre State land lease in Skull Valley Arizona.
- Acquired a working interest and provided management and development work at the Gold Basin Mine.
- Continued to develop the possibilities of tying the Goldwater, Eagle and Big Chief properties to a single geological identity.

- Constructed and put into use our portable placer extraction plant.
- Entered into a contract to test a large property on private land in Skull Valley Arizona
- Entered into a contract to develop the Silver Cord underground silver mine and initiated exploration activities
- Signed a Memorandum or Understanding for development of the Big Chief mine with GEAR.
- Acquired a working interest in the Silver Cord.
- Opened negotiations with VHGI Holding to explore a variety of projects of mutual interest and benefits to be further defined over the next few weeks including their Sun Gold and Treasure Gulch properties.
- Completed modifications to the Gold Basin property making small scale production possible.
- Signed an agreement with EVXA to provide selected private funding in the utilization of their proprietary extraction technology.

### **Gold Basin**

Western has now acquired an active interest in the Gold Basin mine. The mine is now in partial production with Pine Creek Mining ( PCM, the current owners). Western provides assistance to PCM in mine oversight, operations, security and continued efforts to expand the current operating permits. The current mining contract has been completed and Western in conjunction with Pine Creek are evaluating replacing the existing mining equipment with a larger interim operating plant while maintaining the 460 acres mine site for sale. We hope to have the mine returned to partial operation and then full operation during the first and second quarters of 2012.

### **The Silver Cord**

Western was under contract to Extractive Technologies for the long term development of the Silver Cord underground mine near Black Canyon City in Central Arizona. Subsequently Extractive Technologies entered into an agreement with GEAR to assist Extractive Technologies in funding the development and exploration program. The Silver Cord is a historically producing silver/gold under ground mine with some 800 feet of developed tunnel. We have recently added lights and power to the mines infrastructure and completed a mapping program in anticipation of beginning a larger testing program. We have completed a small scale initial sampling program with results showing good values of both gold and silver. An expanded sampling program is ongoing and the results should be available to GEAR during the first quarter of 2012.

As part of the continued contract negotiations with GEAR, Western has acquired a working interest of the Silver Cord participating in the revenues as generated in the future.

### **Current Exploration**

In May 2008, Western concluded an agreement with Gold River Exploration wherein the Company acquired several mining claims located in the Bradshaw Mountains in Central Arizona. In an effort to develop these various properties, we continue to search for joint venture partners, investors, and outright sales to generate the capital required too develop the mines for production.

In addition to this effort, Western is working closely with Gold River Exploration to develop several other mining properties held by Gold River. These properties are currently undeveloped and un-permitted, potentially large gold and silver deposits with historical production, located in the Western United States. These include the Greyhound, Gold Dyke, Spruce Canyon and Castle Springs. With initial exploration now complete, these properties will be added to the properties in which Western may have a long term interest as development funding becomes available.

Western is also looking to develop historically processed tailings from now closed mining operations in Central Arizona. These tailings and mine dumps were originally processed in the early 1900's and as late as 1950. During these periods the extraction technology was not developed sufficiently to extract all the gold values. With the current price of Gold, the existing resources, having been already mined, present a high value target to be reprocessed.

Western is currently evaluating tailing and mine dump resources currently existing on its own properties such as the Big Chief, Eagle and the Goldwater. The tailings currently existing on the Silver Cord will also be evaluated for both gold and silver values.

Gold River is also supporting Westerns efforts to locate and develop several mining properties suitable for the application of high grading techniques to recover both gold and silver. These properties are basically "hardrock" (as opposed to a placer deposit). During the next 6 months, we will concentrate on evaluating properties under the control or administration of Western such as Big Chief and Eagle as well as those under the control of Gold River.

To that end, we have begun construction of a small hardrock portable mill similar to the one we have completed for placers. The trailer mounted unit, when completed, will allow us to evaluate a number of small high grade properties both for our own account and to expand our abilities to evaluate hardrock properties for others.

We have recently completed an evaluation program for a private company near Stanton, Arizona. The property was evaluated for the commercial presents of fine gold as the property is currently being operated for the nugget gold only. Western provided most of the required equipment, manpower, preparation of the first concentrate and final extraction at our facility at the Gold Basin mine.

We have recently been awarded a contract for a large private property evaluation in Skull Valley, Arizona. The project has been funded and final preparations are being made to begin the evaluation program. Western will provide all the operating equipment, extraction support trommel and the manpower. Final gold extraction will again be preformed at the Gold Basin facility. The project is scheduled to begin in mid January, 2012.

During 2011, we acquired from the State of Arizona the Gold Crown mining claims covering most of an entire section in the vicinity of Skull Valley. Subsequently we received approval for our exploration program subject to minor additional requirements of the State.

We have now filed new claims covering 60+ acres on BLM managed land adjacent to the Gold Crown State owned property giving us the complete control of the entire section. As time permits, we hope to perform an initial evaluation in order to complete the necessary information in preparation for putting the entire property up for sale or proceeding toward production. We have also had several groups interested in purchasing the property block with Western being the developing contractor.

We have also expanded our claim blocks at the Table Mesa property which is being renamed and exploration will continue there as time and resources permit. The Table Mesa property is adjacent to a large placer operation currently nearing completion of its permitting process.

### **Ongoing and New Projects**

We continue to work with our close associates like Gold Coast, Gold River Exploration, Enviroxtract (EVXA) and VHGI Gold to provide access to new large scale mining targets. While the outcome of these evaluations will eventually become public, Western does not comment directly on the progress being made on any of the individual property development programs until the mines are staked or the contracts are signed.

Western continues to work with individuals and corporations that have expressed an interest in purchasing mines currently in the inventory of the Company. Several proposals have been rejected for a variety of reasons. We are also negotiating with a number of potential J.V. partners in an effort to initiate a project that would lead to a long term production program.

We also continue to work with potential corporate and private investors who are looking to becoming involved with the mining industry and needing an independent evaluation of the proposed transaction.

We get many inquiries for our services in the outside and independent property evaluation of our business. However, revenues are extremely small since most of the projects being presented either have little merit; problems with ownership documentation or because of environmental and permitting issues make the project uneconomical.

### **Reporting Status**

Our financial and corporate reporting will continue to be filed at Pink Sheets.com as will any significant press releases for the present time.

As always, should you require any additional information or have any questions, you may contact the office between the hours of 7:00 AM to 7:00 PM, MST Monday through Friday. We will do our best to return your calls.

## **WESTERN SIERRA MINING**

### **Statement for Forward-Looking Information**

Certain information set forth herein contains “forward-looking statements” within the meaning of the federal securities laws. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, exploration efforts, financing needs, plans or intentions relating to acquisitions by the Company and other information that is not historical information. The word “estimates,” “expects,” “anticipates,” “forecast,” “plans,” “intends,” “believes” and variations of such words or similar expressions are intended to identify forward-looking statements.

The Company’ forward-looking statements are based upon the Company’s current expectations and various assumptions. The Company’s expectations, beliefs and projections are expressed in good faith and are believed by the Company to have a reasonable basis, including without limitation, management’s examination of historical operating trends, data contained in the Company’s records and other data available from third parties, but there can be no assurances that management’s expectations, beliefs, and projections will result or be achieved or accomplished. The Company’s forward-looking statements, apply only as of the date made.