UPDATE OF RESOURCE ESTIMATION
AJAX PROPERTY
Alice Arm, British Columbia

For

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April 18, 2007

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1.0 Summary

This resource update on the Ajax Molybdenum Project was commissioned by Tenajon Resources Corp. to include the 6 diamond drill holes completed in the 2006 field season. An initial resource estimate was completed July 6, 2006.

Tenajon Resources Corp. ('Tenajon") has a 100% interest in the Ajax Property. The property, approximately 1,718 hectares in size, hosts the Ajax Porphyry Molybdenum Deposit. The property is located 60 km south of the town of Stewart, B.C., 15 km northeast of Alice Arm. The property is presently accessible by helicopter. In the 1960's, there was a tote road from Alice Arm to the property. The road is presently unusable.

Molybdenite was discovered on the property in 1965 by Newmont Mining Corp. (Newmont). Between 1965 and 1967 Newmont completed limited mapping, sampling, trenching and drilled 26 holes totalling 8100 m (26,578 feet) in length. From 1967 to 1990 minor exploration consisting of thin section and alteration studies and limited drill core sampling was completed. In 1996, Tenajon acquired the claim. Minor prospecting and reject sampling programs were completed in 1996 and 1997.

The Ajax Property occurs along the western margin of the Stikinia Terrane of the North America Cordillera, immediately adjacent to the eastern margin of the Coast Plutonic Complex. The property is underlain by Jurassic Hazelton Group rocks consisting primarily of argillaceous sediments and minor interbedded andesite tuffs. They are locally intruded by four closely spaced stocks of quartz monzonite porphyry.

The Ajax deposit occupies a rectangular area approximately 650 m x 600 m that ranges in elevation from 425 masl to 1050 masl. The deposit is open in three directions, at depth and down plunge. The mineralization is predominantly pyrrhotite and lesser molybdenite that typically comprises less than 2% of the rock by volume. Molybdenite is typically associated with quartz and occurs in pyrrhotite-bearing veinlets, in thin stringers and on fracture and shear surfaces. Areas of elevated molybdenite grades (>0.060% Mo) are characterized by a high fracture density where quartz vein stockwork is well developed. Lower grade material (0.030 to 0.060 % Mo), is found in areas of weaker fracturing and forms a broad halo around the higher grade zones, especially below the 762 m elevation.

A six drill hole program was conducted in 2006 totalling 3381.83 m of NQ2 core. Results from this drilling extended mineralization 500 m below previously defined limits with 5 of 6 holes ending in mineralization; terminated due to limited drill capability. The geology and mineralization/alteration intersected was consistent with previous work and the deposit remains open in 3 directions and at depth.

Giroux Consultants Ltd. was commissioned by Tenajon to produce a resource estimate utilizing the historic and recent (2005-2006) drill data. Assays for molybdenum from a total of 35 drill holes were capped at 0.41 % Mo based on cumulative frequency plots. A geologic model was developed by Tenajon geologists to constrain the mineralization.

Drill holes were compared to the mineralized solid and uniform 12 m composites were produced that honoured the solid boundaries. As there was insufficient data to model anisotropy in molybdenum grades, a simple isotopic semivariogram model was fit to the data with a range of 80 m. Blocks 50 x 50 x 24 m in dimension were interpolated by ordinary kriging. Specific gravity was measured in 659 samples from the 2006 drill program and a relationship between Mo grade and SG was established. A specific gravity of 2.84 was assigned to blocks with Mo grades of less than 0.025 % and a value of 2.74 was applied to blocks with grades greater than or equal to 0.025% Mo. Mo grades were interpolated into blocks using ordinary kriging in four passes with search ellipse dimensions tied to the semivariogram range. A total of 33.2 million tonnes averaging 0.07% Mo were classed indicated with an additional 396.2 million tonnes averaging 0.07% Mo classed inferred at a 0.05% Mo cutoff.

During 2006-07 a conceptual open pit was produced by JDS Energy and Mining. Tenajon also commissioned Dr. Nick Carter to review the geology and drilling completed at Ajax. In his report Dr. Carter recommended drilling infill holes in the area of the conceptual pit with northwest azimuths to possibly intersect northeast trending mineralized structures. The authors concur with this recommendation and have proposed a $2 million program consisting of 3,300 m of shallow diamond drill holes to infill a possible open pit target.

2.0 Introduction and Terms of Reference

This report on Tenajon Resources Corp.'s Ajax Property was commissioned by Tenajon Resources Corp. to comply with the disclosure and reporting requirements set forth in National Instrument 43-101, Companion Policy 43-101CP and Form 43-101F1. It is meant to complement previous reports written April 4, 2006 by Andrew Wilkins, P.Geo. and by G.H. Giroux dated July 6, 2006. This report completes an updated resource estimation using historic data and the 9 drill holes completed by Tenajon in 2005-06. The resource estimation was completed by G. H. Giroux, P.Eng. in Feburary, 2007. The 2006 drill program was supervised by qualified person and co-author Robert B. L'Heureux, PGeol. Giroux last visited the property, examined drill core and drill sites on August 18, 2005.

Significant portions of this report were reproduced or slightly modified from Wilkins (2006) as they did not materially change in the last year.

Table 1: Units of Measure and Abbreviations

Above mean sea level	amsl
Annum (year)	a
Centimetre	cm
Cubic centimetre	cm^3
Cubic metre	m^3
Day	d
Days per week	d/wk
Degrees Celsius	°C
Dry metric ton	dmt
Gram	g
Grams per tonne	g/t

Greater than	>
Hectare (10,000 m^2)	ha
Hour	h (*not* hr)
Kilogram	kg
Kilograms per cubic metre	kg/m^3
Kilograms per tonne	kg/t
Kilometre	km
Kilometres per hour	km/h
Kilometres squared	km^2
Less than	<
Litre	L
Metre	m
Metres above sea level	masl
Metric ton (tonne)	t
Micrometre (micron)	µm
Milligram	mg
Millimetre	mm
Million	M
Million tonnes	Mt
Minute (plane angle)	'
Ounce	oz
Parts per billion	ppb
Parts per million	ppm
Percent	%
Pound(s)	lb
Second (plane angle)	"
Specific gravity	SG
Square centimetre	cm^2
Square kilometre	km^2
Square metre	m^2
Thousand tonnes	kt
Tonne (1,000 kg)	t
Tonnes per annum	t/a
Tonnes per cubic metre	t/m^3
Tonnes per day	t/d

3.0 Reliance on Other Experts

As mentioned above some sections of this report are reproduced and referenced from Wilkins (2006) to provide completeness.

4.0 Property Description and Location (from Wilkins, 2006)

Tenajon maintains a 100% interest in the Ajax Property. The property is approximately 1719 hectares in size. It is centered at 55°35’ N, 129°24’W, occurring on National Topographic Sheet 10P 11W. The contiguous mineral claims of the Ajax Property (Table 2) are on Claim Sheet 103P 053 in the Skeena Mining Division and are illustrated in Figure 1. The Molly Queen #2 claim was staked in 1996 using the 4-post system. The MQ series claims were staked in 2005 using the new internet system. To keep the claims in good standing, Tenajon must maintain yearly expenditures $8.00 per hectare. The claims have not been legally surveyed.

Table 2: Mineral Claim Numbers and Tenure Status for the Ajax Property

Claim Name	Tenure No.	Expiry	Size (Hectares)
Molly Queen #2*	511540	June 9/15	365.674
MQ -5	504782	Jan. 25/15	146.215
MQ 3	504775	Jan. 25/15	255.985
MQ 3	504776	Jan. 25/15	292.695
MQ 2	501393	Jan. 12/15	402.282
MQ 5	505618	Feb. 2/15	255.999
		Total	**1718.850**

*Tenure # changed from 346703 during the last filing in Dec. 2005 (and the name field is now blank)

Tenajon’s ownership of the mineral claims entitles it to conduct exploration on the property and legal claim to the subsurface mineral rights only. Prior to any work being undertaken within the claims, Tenajon must file a Notice of Work with the B.C. Ministry of Energy and Mines. Approval is typically received within a month of filing. Surface rights are maintained by the Crown and if the project proceeds toward mine development then the claims can be converted to a Mining Lease to gain the Surface Rights required for exploiting the mine.

The Ajax Property is located within the Ecosystem-Based Management (EBM) Sustainable Resource Development Land Use Zone that was brought into existence in January 2006. As a result of this, Tenajon is not prohibited from mining in any way but has been advised to follow Best Management Practices for Mineral Exploration as outlined by the Ministry of Water, Land and Air Protection.

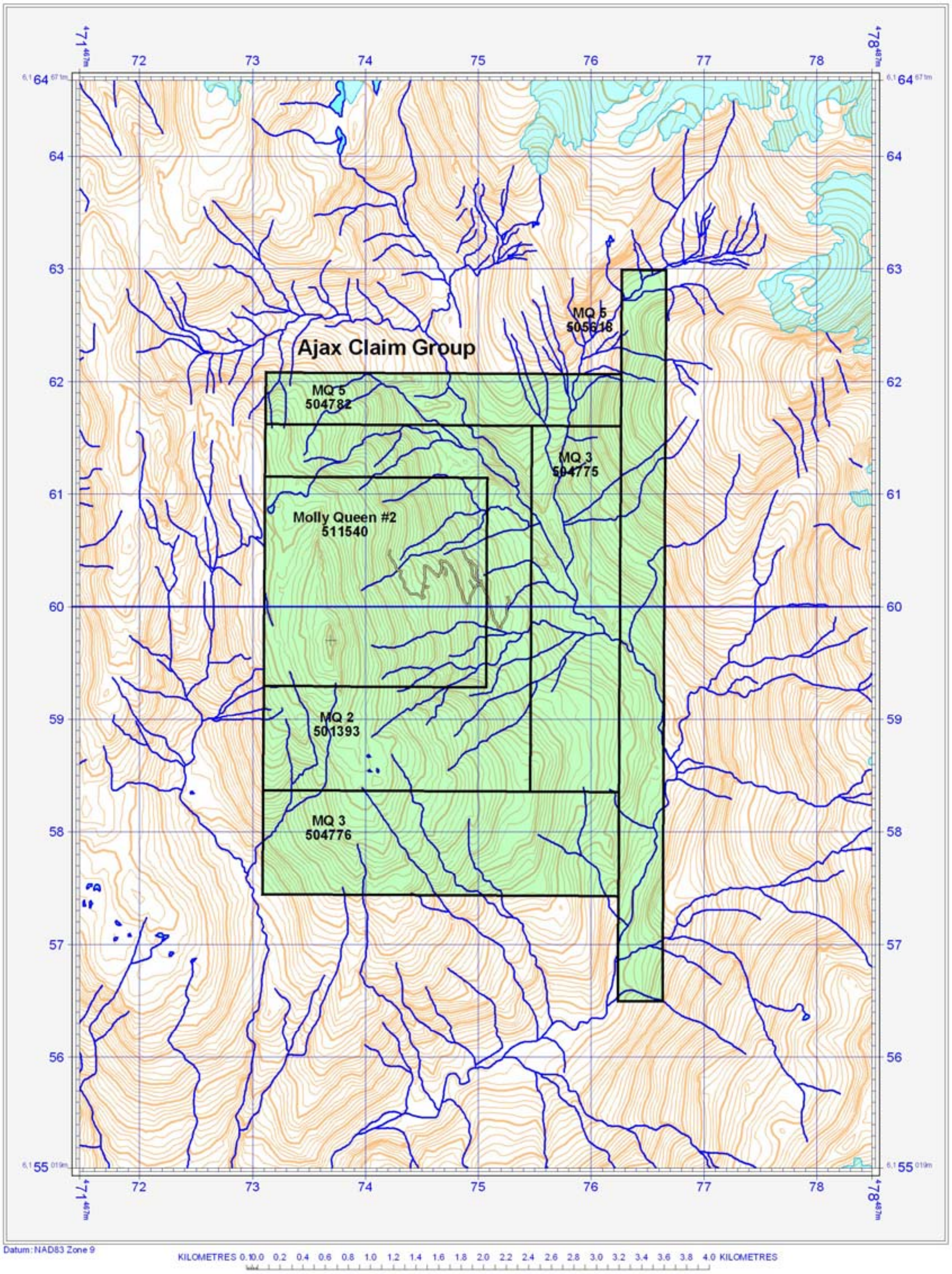

Figure 1: Claim Map

5.0 Accessibility, Climate, Local Resources, Infrastructure and Physiography (from Wilkins, 2006)

The Ajax Property is situated on the eastern flank of Mount McGuire, and is approximately 15 km northeast of the hamlet of Alice Arm, British Columbia (Figure 2). Kitsault is approximately 1 km south of Alice Arm, on the east side of Alice Arm Inlet, and transport between them is provided by boat. There is good road access between Kitsault and the city of Terrace, B.C, located 100 km to the south. Terrace is a city that supports a population of approximately 20,000 and has an airport with daily flights to Vancouver, BC. Access to the claim group is best supported by helicopter from Alice Arm or Stewart BC (60 km to the north). Kitsault is on the B.C. power grid, and within two years, with the start-up of the Kitsault power plant, power lines will pass to within 8 km of the property's western boundary.

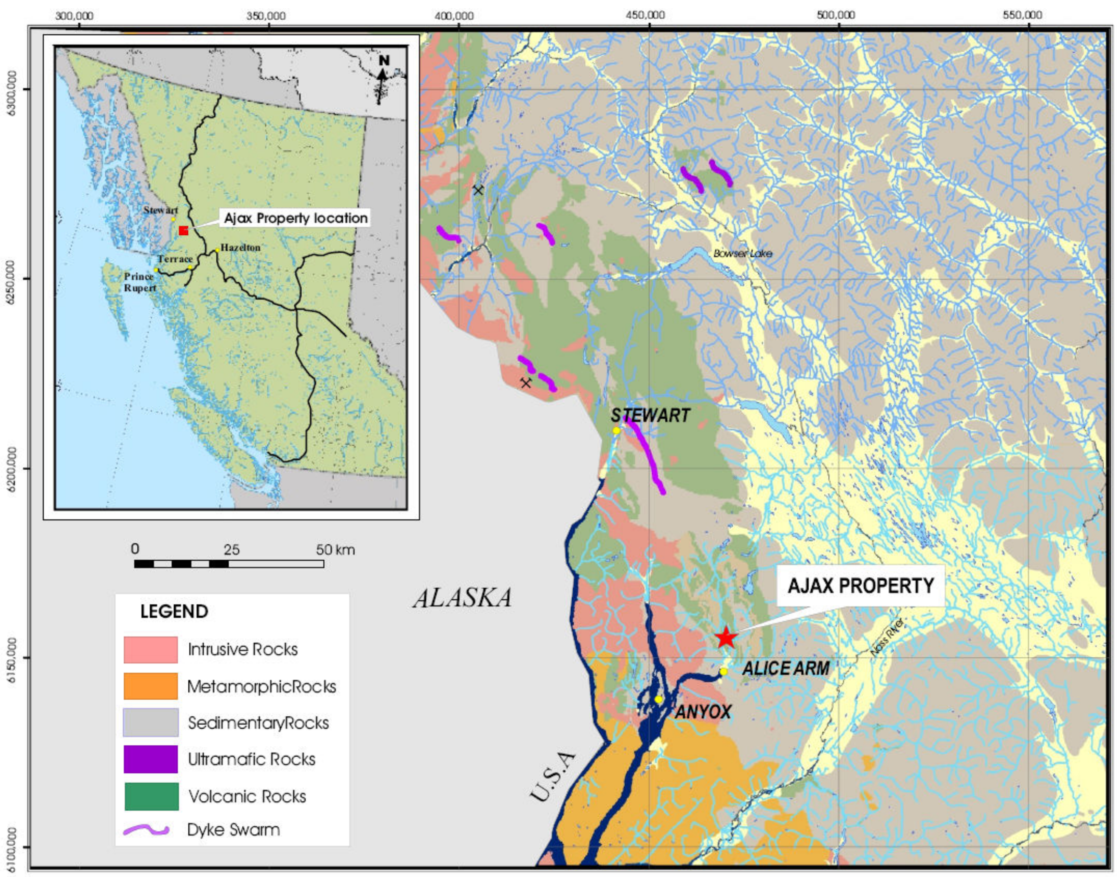

Figure 2: Ajax Property Location Map

In 1966, Newmont built a 20 km tractor and four-wheel drive road from Alice Arm to the exploration camp at 700 masl. A drill road switchbacks up the mountain to 1100 masl. Many of the bridges and some of the road were washed out in 1967 and this road system is not useable for access to the property. The 2005 drill program was supported by a helicopter that was stationed in Alice Arm. Tenajon believes this road can be refurbished at any point as the project advances towards production. The climate in the area is temperate with heavy annual precipitation in the range of 100-150 cm. Snowfall is common throughout the winter, with accumulations of 3 to 13 metres, and the Dak River Valley is normally snow free from June to October. The property lies within the Coast Range Mountain Belt and the elevations range from 450 metres at the Dak River to more than 1,700 metres at the summit of Mount McGuire. The average slope on the property is nominally 31o. Bedrock is exposed in creek beds and on steeper slopes above the tree-line (1000 masl).

Vegetation at the lower elevations consists of spruce and pine trees along with juniper bushes. At higher elevations the property is essentially barren of vegetation. There is sufficient crown land available for mining operations to proceed if warranted.

6.0 HISTORY (from Wilkins, 2006)

Molybdenum was first discovered on the Ajax property in 1926 by the Kitsault-Eagle Silver Mines company but no further work is reported until 1964 when Newmont Exploration staked the claims. Most of the exploration data was gathered between 1965 and 1967 and outlined a large molybdenum deposit. Since 1967 only minor review and study work had been completed on the property until Tenajon staked the property in 1995.

6.1 KItsault-Eagle Silver Mines Ltd. (1926 to 1927)

Kitsault-Eagle Silver Mines (KESM) reported finding narrow quartz veins in iron stained quartzite on the property (LeRoy). Some of the veins contained molybdenite, pyrite, pyrrhotite and chalcopyrite. One large vein was reported to outcrop a few hundred feet north of the cabin and was mineralized with pyrite, sphalerite, galena and tetrahedrite. KESM proceeded to strip and trench the vein and sampling returned anomalously high values for gold, silver, lead and zinc ($25.20 to $54.86 a ton for Au, Ag, Pb and Zn in 1926). According to government reports the showing occurs within the Ajax property boundaries immediately south of the deposit. KESM reports no further work was completed on the property.

6.2 Kenneco Exploration and Climax Molybdenum Ltd. (1950's)

During a regional exploration program, a gossan zone was observed from the air which corresponds to the Ajax deposit area. Neither Kenneco nor Climax Molybdenum report any further investigation of the gossan zone.

6.3 Newmont Mining Corporation (1965 to 1981)

Newmont completed work on the Ajax Property between 1965 to 1981, with the bulk of the work completed by 1967. Summarized assay results for the drill programs are included in Appendix A. Newmont was successful in locating the alteration zone and molybdenite mineralization associated with the Ajax Deposit but concluded that the low molybdenum prices at the time did not warrant any further exploration.

6.3.1 1965

Newmont staked the Ajax Property in 1965 and immediately completed a mapping and trenching program that outlined the limits of the alteration zone. Twenty-five trenches were used to explore the mineralization and the trench limits were surveyed. These results were followed up with 7 Ax sized drill holes, totalling 1580 m in length. Newmont reported sample results from these drill holes included 0.098% Mo (0.163% MoS_2) over 202 m and 0.086% Mo (0.144% MoS_2) over 110m.

6.3.2 1966

Newmont completed further mapping and sampling on the claims and drilled 15 Nxwl to Bxwl sized holes totalling 4155 m in length. Drill results of interest included 131 m of 0.079% Mo (0.132% MoS_2) and 107 m averaging 0.090% Mo (0.151% MoS_2). Newmont concluded that a 1070 m circular area of low grade MoS_2 mineralization had been found. The mineralization dips steeply to the east and has a northerly plunge. At the centre of this low grade halo Newmont identified an area of higher grade molybdenum (>0.060% Mo) mineralization associated with strong stockwork development.

6.3.3 1967 to 1968

Newmont formed a joint venture with Canadian Nickel (Canico-Inco) and completed 4 AQ to BQ sized diamond drill holes totalling 2365 m of core. Intersections of anomalous grade include 0.071% Mo (0.118% MoS_2) over 117 m and 0.073% Mo (0.122% MoS_2) over 222 m. The companies reported the property was located in a geologically favourable environment typical of major molybdenum mines of the world. They recommended a program of underground exploration including bulk sampling and pattern drilling. Low prices for molybdenum at this time did not warrant further work on the property.

In 1968, Newmont produced al resource estimate for the project. Newmont estimated the grades and tonnes of the deposit by sectional polygonal method. The minimum acceptable length and grade for the composites was 12 m at 0.060% Mo. The tonnage factor they used was 12.0 cubic feet per ton. The tonnage was inclusive of the mineralization between 480 and 1070 masl. Newmont estimated the Ajax property to host a historical Mineral Resource of 192 million tons averaging 0.074% Mo (0.123% MoS_2). ***The estimate was prepared prior to the implementation of NI43-101 and therefore the estimate is historic. This resource estimate cannot be considered current due to a lack of details regarding the estimate, the lack of QA/QC data and the wide spacing of drill holes. The historic mineral resource estimate is non-compliant with the CIM Definition Standards and should not be relied upon*.**

Canex Aerial Explorations Ltd. reviewed the project data and also completed a historic resource estimate using sectional polygonal methodology. The polygons were modelled on 10 m benches between 480 and 1070 masl. The results, reported at three cut-offs are included in Table 6-1. ***The estimate was prepared prior to the implementation of NI43-101 and therefore the estimate is historic. This resource estimate cannot be considered current due to a lack of details regarding the estimate, the lack of QA/QC data and the wide spacing of drill holes. The historic mineral resource estimate is non-compliant with the CIM Definition Standards and should not be relied upon*.**

Table 3: Ajax Property Historical Resource Estimate Reported by Cutoff (Canex 1967)

Cutoff Grade (MoS_2)	0.08	0.1	0.12
Cutoff Grade (Mo)	0.048	0.060	0.072
Tonnage (Million tons)	205.15	138.93	83.94
Average Grade (% MoS_2)	0.123	0.139	0.158
Average Grade (% Mo)	0.074	0.083	0.095
Molybdenum (lb)	302,000,000	232,000,000	159,000,000
Confidence Interval (95%)	0.125 + 0.005	0.140 + 0.006	0.160 + 0.008
Stripping Ratio	7:01	11:01	19:01

6.3.4 1968 to 1980

No exploration was undertaken.

6.3.5 1980 to 1981

Newmont/Canico-Inco completed both thin section studies and a study of the alteration domains.

In 1980, the thin section work indicated the molybdenum mineralization appeared to be controlled by two major intrusive episodes. Contouring of the alteration and geochemical domains outlined a north-trending zone of mineralization that was open to the south and at depth.

In 1981, additional thin section and alteration studies were completed. Newmont personnel concluded the thin section study showed the strongest intensity of K-feldspathization was associated with well developed molybdenite and that there were at least two events associated with the K-feldspar development: The first event was associated with the development of the brown biotite hornfels and the second event was associated with the later quartz-molybdenite veins. These veins are haloed by sodic/calcic assemblage including actinolite, albite, carbonate, tremolite, epidote, diopside and sphene.

The studies suggest that molybdenite mineralization in the upper levels of the deposit (>793 masl) is associated with Na-Ca veins in the wall rocks, and that the deeper reaches of the deposit should be drilled to explore for higher grade molybdenite mineralization associated with more potassic veins. Alteration study work using XRD-XRF analysis, concluded that K-feldspathization and silicification are closely associated with the molybdenite mineralization. Both K-felspathic and silicic alteration increase down dip with increasing molybdenite content (sections 67-3 and 4+00 S) This further supports the potential for improved thicknesses and grades of molybdenum ore at depth in the deposit.

Tenajon reviewed this data and concludes that an increase in thickness of the molybdenite mineralization and alteration intensity at depth, could indicate higher grade molybdenite mineralization below the current drilling. Tenajon favours the areas down the plunge of the system and to the east; particularly below drill hole DDH66-29 and the DDH65-1, 2 and 4 areas.

No further work was completed on the property by Newmont as molybdenum prices were considered too low at the time to justify further expenditures on the claims.

6.3.6 1990 - Great Northwest Resources

As part of its' property review, Great Northwest Resources (GNR), collected and reassayed 152, ten foot long core samples from holes 67-1, 2 and 3 and analysed them for gold, and molybdenite. They also took 86 samples from holes 66-28, 67-1, 2 and 3 and these samples were tested for tungsten (as WO_3) and molybdenite content. The assay results from this sampling are included in Appendix J of Wilkins 2005.

The results returned anomalous gold values (>0.100 gpt Au) in samples from both the hornfels and the intrusive rocks.

- In hole 67-1, a 40 m interval of leucogranite rock averaged 0.32 gpt Au and 0.034% Mo (0.057% MoS_2). Lower down in the same hole, a second interval of leucogranite over 15 m averaged 0.23 gpt Au and 0.078% Mo (0.130% MoS_2).
- In hole 67-2, a 9 m section of silicified hornfels averaged 0.28 gpt Au with 0.031% Mo (0.051% MoS_2).
- In hole 67-3, a 6 m interval of silicified hornfels averaged 0.18 gpt Au and 0.084% Mo (0.140% MoS_2).

Only four samples returned anomalous tungsten values ranging between 0.05 and 0.20% WO_3.

6.3.7 1996 to Present – Tenajon Resources

Tenajon Resources first staked the Ajax Property in 1996.

Tenajon personnel completed limited exploration programs in 1996 and 1997. In 1996, samples were collected from veins peripheral to the main body of molybdenite mineralization. Ten grab samples containing mineralization were collected and analyzed for gold at Westmin Mine's Premier Mine assay lab. All samples were then sent to ALS-Chemex Laboratory (ALS-Chemex) in Vancouver for analysis using the 30 element Inductively Coupled Plasma (ICP). The sample locations and descriptions are listed in Appendix B along with the assay results for Cu, Pb, Zn, As, Au and Ag. The results returned anomalous gold, silver and base metal values from sample taken in the peripheral quartz veins to the west of the Ajax deposit. These veins are interpreted to represent the last stage of mineralization within the porphyry system. The significance of this mineralization has yet to be determined.

In 1997, Tenajon collected a series of drill rejects from a shed used by Newmont Mines Ltd. to store drill core and reject samples. All of the samples were sent to ALS-Chemex for analysis. The samples were analyzed for gold using fire assay methods and multi-element analysis using ICP. The purpose of the program was to determine the reproducibility of the results from the earlier programs. The results are included in Appendix C. The results of the 1997 program are on average 15% lower than the original results from 1966-67, the difference is not considered to be significant. In general, there is a good correlation of values between both sampling programs, with high and low values corresponding to each other. There are instances where there are significant variances, the causes of which are not known, but are likely caused by oxidation and losses from broken and open sample bags. Gold values are generally low throughout, with only 5 of the samples assaying >100 ppb Au. These samples are generally found in association with elevated, >200 ppm, Zn values within hornfels. Anomalous, >3 ppm, silver values generally occur in association with elevated, >150 ppm, lead values. Copper values are generally low, <250 ppm, throughout. The maximum values for gold, silver, copper, lead and zinc are 295 ppb, 26.4 ppm, 541 ppm, 1575 ppm and 1765 ppm respectively. The more anomalous gold, silver, lead and zinc values occur peripheral to the main molybdenum mineralized blocks.

In 2005 Tenajon completed three drill holes totalling 1165 m in length.

7.0 Geological Setting (from Wilkins, 2006)

The regional geology was mapped by the GSC in 1935 and by the B.C. Department of Mines from 1964 to 1966 and again in 1986. The following discussion of the regional geology is summarized from this work.

The property geology is summarized from historical work and current drilling completed on the property since the 1950s.

7.1 Regional Geology

The Ajax Property is located within the Intermontane Tectonic Belt near the eastern contact of the Coast Plutonic Complex. The area is one of intense igneous activity much of which is related to the Coast Plutonic Complex and numerous younger events up to and including recent plateau-type lava flows (Figures 3 and 4).

The oldest exposed rocks in the region are members of the Lower to Middle Jurassic Hazelton Formation, which locally consists of volcanic breccia, tuff conglomerate and andesitic flows; regionally metamorphosed to greenschist facies.

The Hazelton Formation is unconformably overlain by Upper Jurassic to Lower Cretaceous Bowser Lake Group rocks which consist of interbedded greywacke (80% by volume) and argillite (19% by volume) with minor conglomerate units and limestone (1% by volume).

The Coast Plutonic Complex is a northwest trending belt of metamorphic and intrusive rocks. The eastern margin of the complex consists predominantly of granodiorite to quartz monzonite plutons. In the Alice Arm area, quartz diorite, granodiorite and lesser amounts of quartz monzonite predominate. Intrusions along the eastern margin of the Complex have produced a hornfels aureole in Bowser Lake and Hazelton Formations as much as 1.5 km outward from the contact.

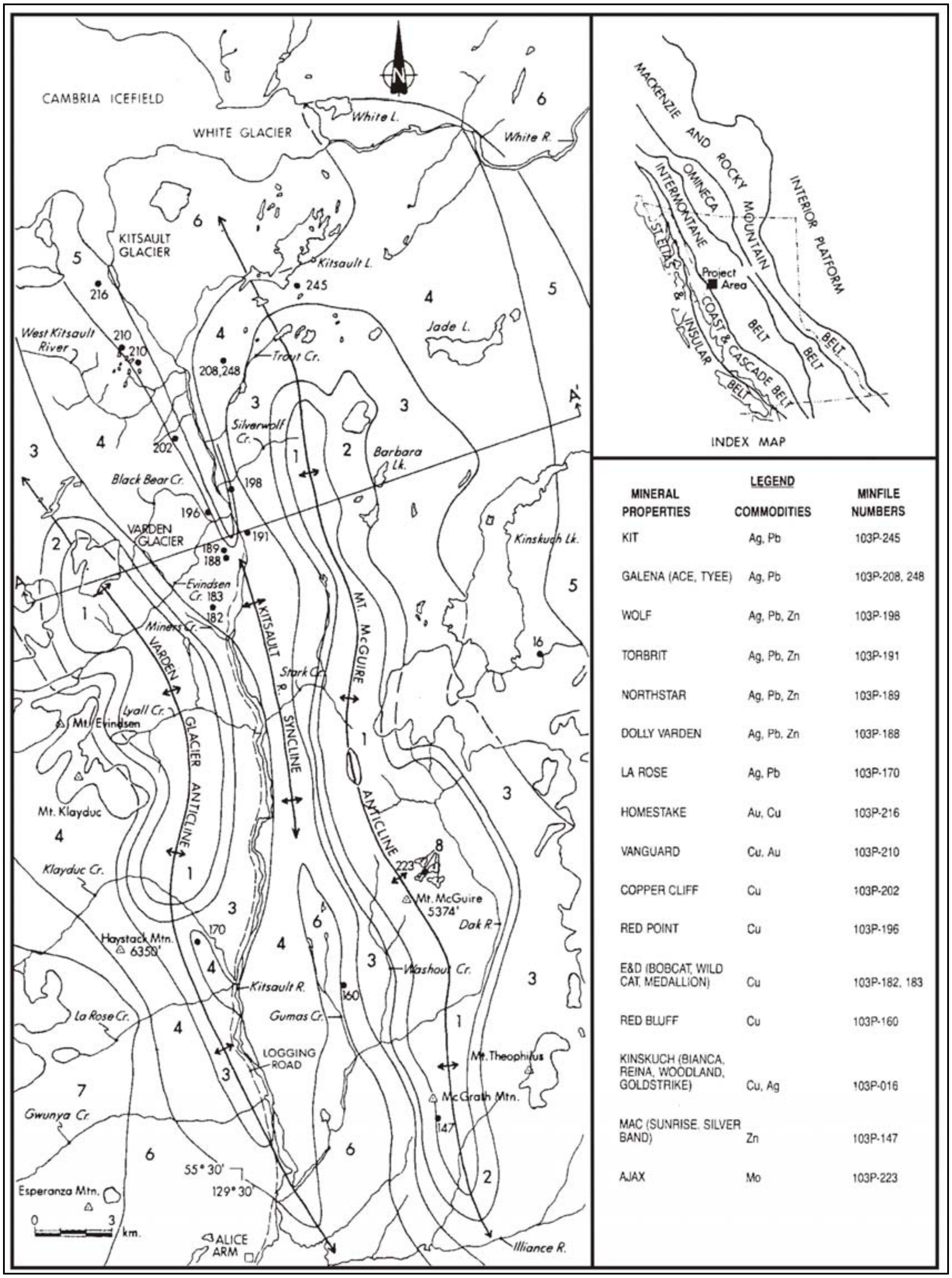

Figure 3: Regional Geology and Major Mineral Occurrences in the Ajax Area (after Dawson and Alldrick, 1985)

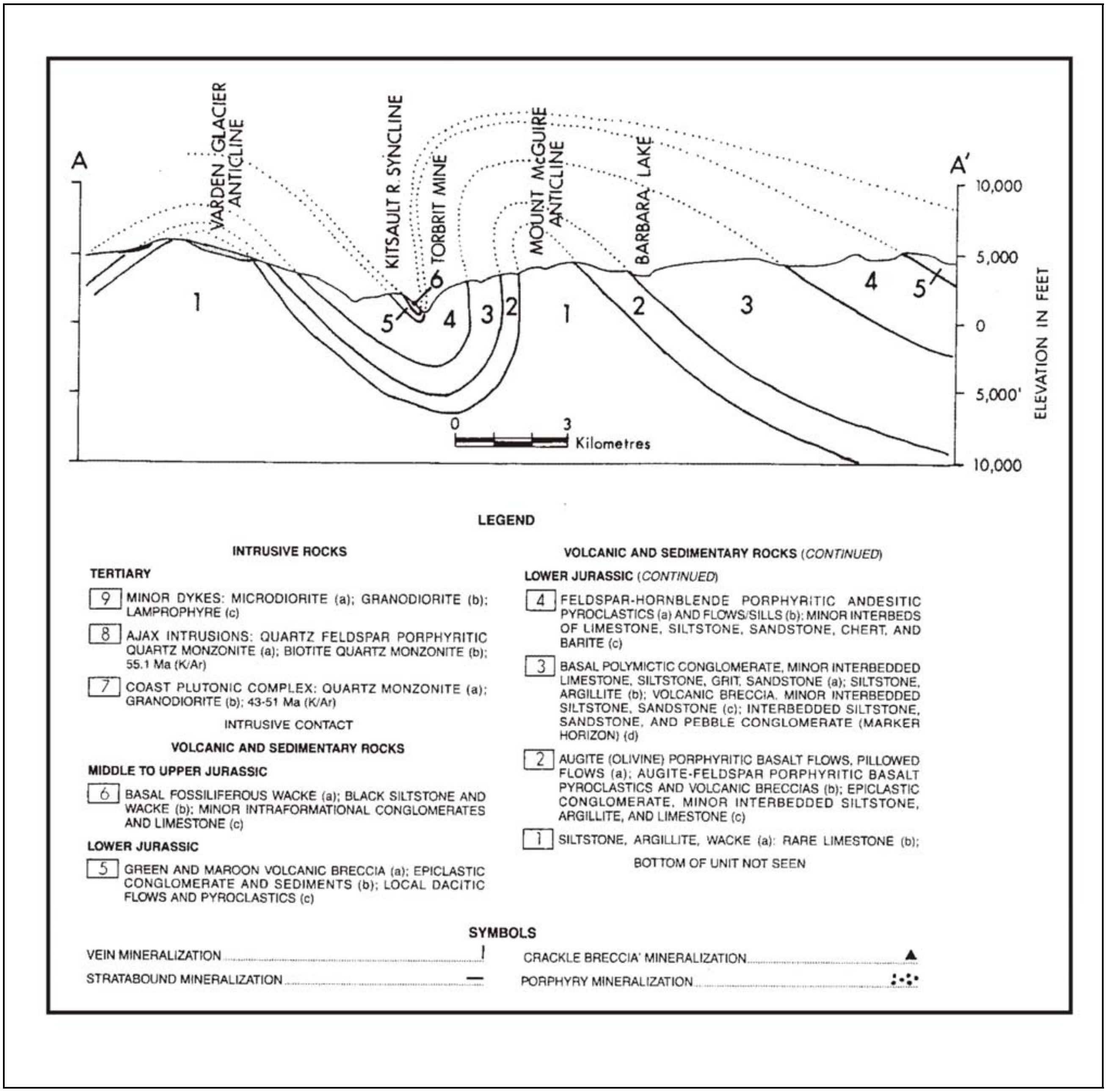

Figure 4: Geological Cross-Section, Kitsault Valley (after Dawson and Alldrick, 1985)

To the east of the Coast Plutonic Complex is a group of Eocene intrusions, principally stocks with associated molybdenite, referred to as the Alice Arm Intrusives. These intrusives occur as epizonal, multiphase granitic plugs, not exceeding 0.8 km in diameter, and having metamorphic aureoles which may extend outwards for 100-150 metres. Porphyrytic quartz monzonite is the dominant rock type and this distinguishes the molybdenite bearing stocks from equigranular satellitic stocks related to the Coast Plutonic Complex.

Evidence for both explosive and passive emplacement of the intrusions is well documented. In the Alice Arm area, sedimentary rocks have been displaced around the stocks. Elsewhere in the region, there is little disturbance evident in the country rocks and the elongate nature of the intrusions suggests emplacement followed major fault zones. The dominant fracture pattern of the region, as seen in faulting, jointing and shearing, appears to be steeply dipping towards both the northwest and the northeast.

7.2 Property Geology

The local geology of the Ajax property is dominated by sediments and volcanic rocks that have been intruded by at least four quartz monzonite porphyries. Pyrrhotite and molybdenum mineralization are associated with quartz veining and stockwork associated with strong fracturing and faulting in the deposit area.

7.2.1 Lithology

The Ajax Property is underlain by Middle to Upper Jurassic rocks of the Hazelton Group consisting of black argillites, siltstones and greywackes interbedded with tuffaceous volcanic rocks. These rocks are intruded by four closely spaced stocks of quartz monzonite porphyry. An illustration of the property geology of the Ajax Deposit is included in Figure 5.

The black argillites, siltstones and greywackes underlie the property on the eastern flank of Mount McGuire. At lower elevations, calcareous argillites and siltstones occur. The dark grey to black argillite, found throughout the property, contain up to 2% fine disseminated biotite (0.05 mm) and up to 5% pyrite and pyrrhotite as fine disseminations and fracture filling. With increasing proximity to the quartz monzonite porphyry stocks, the sediments grade into biotite hornfels. Newmont personnel identified three types of hornfels as listed in Table 4.

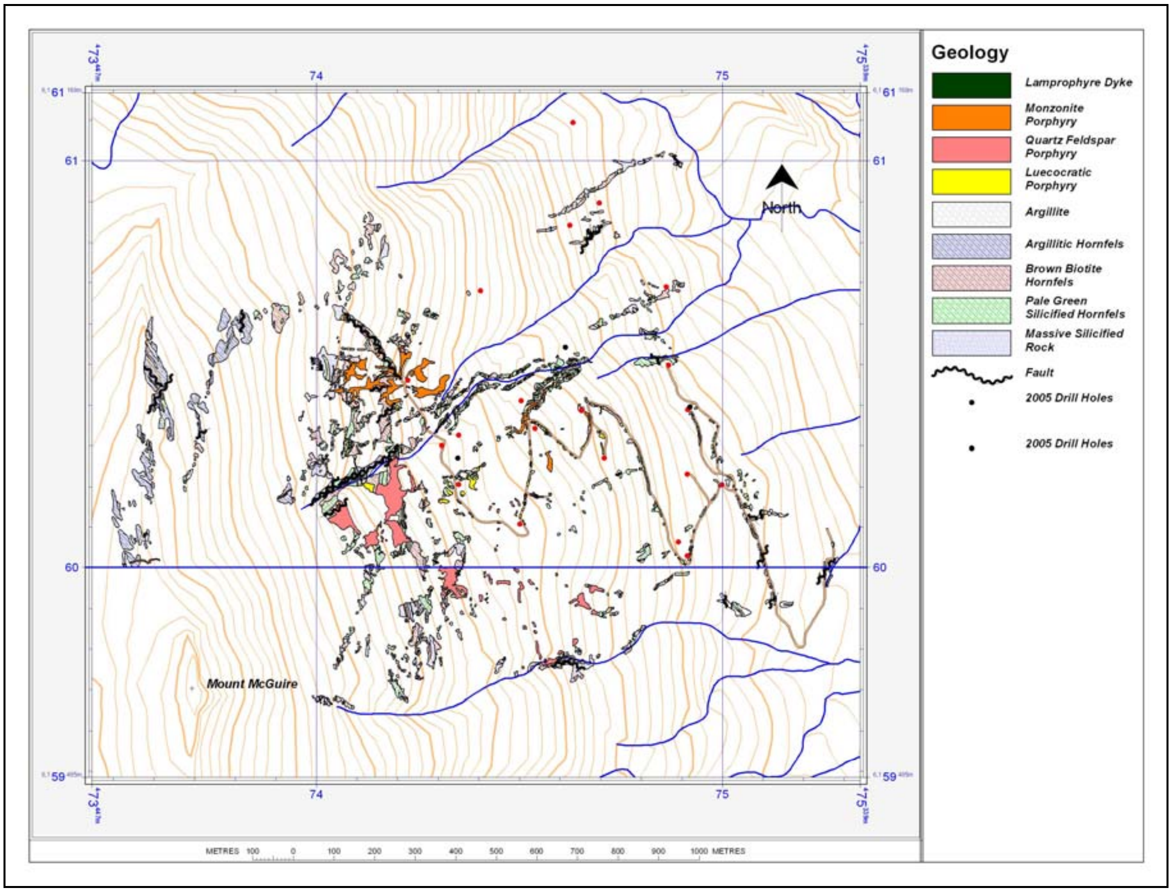

Figure 5: Geology of the Ajax Property (after Tatsuya Takeda, 1966)

Table 4: Ajax Property Hornfels Descriptions

Name	Alteration	Description
Argillite Hornfels	**Weak Propylitic**	Altered argillite whereby the introduction of biotite has resulted in a chocolate brown colour. Original bedding is largely preserved. Gradational change to brown hornfels as intrusive stocks are approached.
Brown Hornfels	**Intense Propylitic**	Finely granular, compact, tough, well fractures and contains few remnants of the original structural features. Composed essentially of brown biotite and anhedral quartz with surface exposures being limonite stained due to disseminated pyrrhotite and pyrite.
Silicified Hornfels	**Phyllic to marginal Potassic**	Pale green to grey, composed of fine grained quartz with minor albite, chlorite and epidote. Usually contains some angular remnants of brown hornfels.

The four intrusive stocks occupy a rectangular area (760 m^2) that outcrops between the 915 and 1280 masl and form the core of the Ajax Deposit. The limit to the area of intrusive stocks appears to structurally controlled. Newmont personnel classified the intrusions based on alteration intensity. The two most southerly stocks on surface are mapped as quartz-feldspar porphyry while the northern stocks are monzonite porphyry. With the exception of the most southerly intrusion which has a size of 300 by 450 m, the other intrusions are generally 150 to 300 m in size. Detailed descriptions of the pertinent intrusives are included in Table 5.

Table 5: Ajax Property-Intrusive Descriptions

Name	Alteration	Description
Monzonite Porphyry	**Propylitic**	Greenish-grey rock containing pale grey to white feldspars in a fine grained grayish matrix of plagioclase, chloritized hornblende and biotite in which quartz is rarely observed.
Quartz-Feldspar Porphyry	**Propylitic**	Grey-white with approximately 10% rounded quartz phenocrysts in an aplitic matrix to porcelanous matrix composed of plagioclase and quartz with minor fine biotite-muscovite.
Mixed Zone Leucocratic Porphyry with Monzonite	**Phyllic to intense phyllic-marginal potassic**	Light grey mottled rock containing variable amounts of introduced silica and development of sericite after plagioclase. The rock shows relic intrusive textures.
Leucocratic Porphyry	**Phyllic to intense phyllic-marginal potassic**	Light grey to white, mottled, intensely silicified porphyry. Intense sericitization of plagioclase. Biotite is altered to muscovite. Potassic feldspar is locally conspicuous. Usually closely fractured and containing a network of quartz stringers.

Drilling at varying depths below the surface outcrops suggests the intrusions coalesce at depth into a semi-continuous mass. The quartz-feldspar porphyry, prominent in the southern area of the property, gets smaller with depth and all but disappears below 762 masl. This loss of the porphyry is attributed to a gradational phase change to monzonite porphyry. Below 762 masl the monzonite porphyry expands in size.

Dykes of quartz feldspar porphyry and biotite-quartz monzonite porphyry, ranging from 5 to 10 m thick, strike east-northeast and cut sedimentary rocks on the top of Mount McGuire. Felsite dykes, that are locally porphyrytic and contain some disseminated pyrite, occur south of the main area of intrusive rocks.

Fine-grained hornblende and biotite lamprophyre dykes on the property are northeast striking, up to 2 m wide and occur south and east of the quartz monzonite porphyry stocks. They weather to a brown colour, have chilled contacts and are post mineral as indicated by cross cutting relationships.

7.2.2 Structure

The rocks underlying Mount McGuire, form part of the east limb of a regional north trending anticlinal structure that plunges steeply to the north-northeast. East and west of the porphyry stocks, strikes are uniformly north-northwest while attitudes north and south of the stocks indicate contortion of the sediments along strike. Attitudes adjacent to the stocks suggest the presence of a large drag fold modified by doming associated with the intrusion of the stocks.

Most creeks on Mount McGuire follow faults, which strike north-northwest and east-northeast. The rectilinear nature of the porphyry stock contacts, which follow steep northeast fractures and small dykes, reflect the north-northwest and east to northeast fault and fracture pattern.

Two prominent sets of fracturing occur on the property: one at 325° with the dip being steep to the north the other at 050° with the dip being steep to the southeast.

7.2.3 Alteration

Preliminary interpretation of all data suggests the Ajax Deposit may approximate the alteration zoning typically found in the classical porphyry model (Figure 6).

Contact metamorphism associated with the intrusion of the porphyry stocks has converted a large area of sedimentary rocks in the central part of the property to biotite hornfels. The hornfels zone surrounding the stocks is elongate in a north-northeast direction covering an area 1525 to 2125 m. The inner zone of hornfels, extending 150 to 300 m from the intrusive stocks has been intensely altered and is characterized by pale green, fine grained quartz-albite-epidote hornfels. In the outer part of this zone, biotite hornfels predominate and contain hairline fractures filled with quartz, actinolite and lesser amounts of clinopyroxene and pyrrhotite. The fractures have a 4 mm wide halo of quartz-albite-epidote-hornfels. In the core of the deposit, adjacent to and between the four stocks where fracturing is most intense, quartz-albite-epidote hornfels have almost completely replaced biotite hornfels.

Alteration of the intrusive rocks, especially associated with the leucocratic quartz feldspar porphyries, includes sericitization, replacement of biotite by muscovite and growth of anhedral porphyroblasts of K-feldspar. The biotite in the quartz monzonite porphyries may be of secondary origin. Drilling has found the light grey pervasive silicification and secondary K-feldspar halos with quartz veinlets persist to depth within the intrusion. In addition, drilling at depth has intersected another zone of more intense silicification suggesting another “silica-front” related to a deeper intrusive event.

Preliminary thin section studies by Leitch (1980) indicates a zone of near surface phyllic alteration which gives way to K-feldspar flooding and mantling, indicative of a potassic zone at depth. The evidence therefore suggests the presence of a classical hydrothermal alteration pattern co-axial about a cylindrical core.

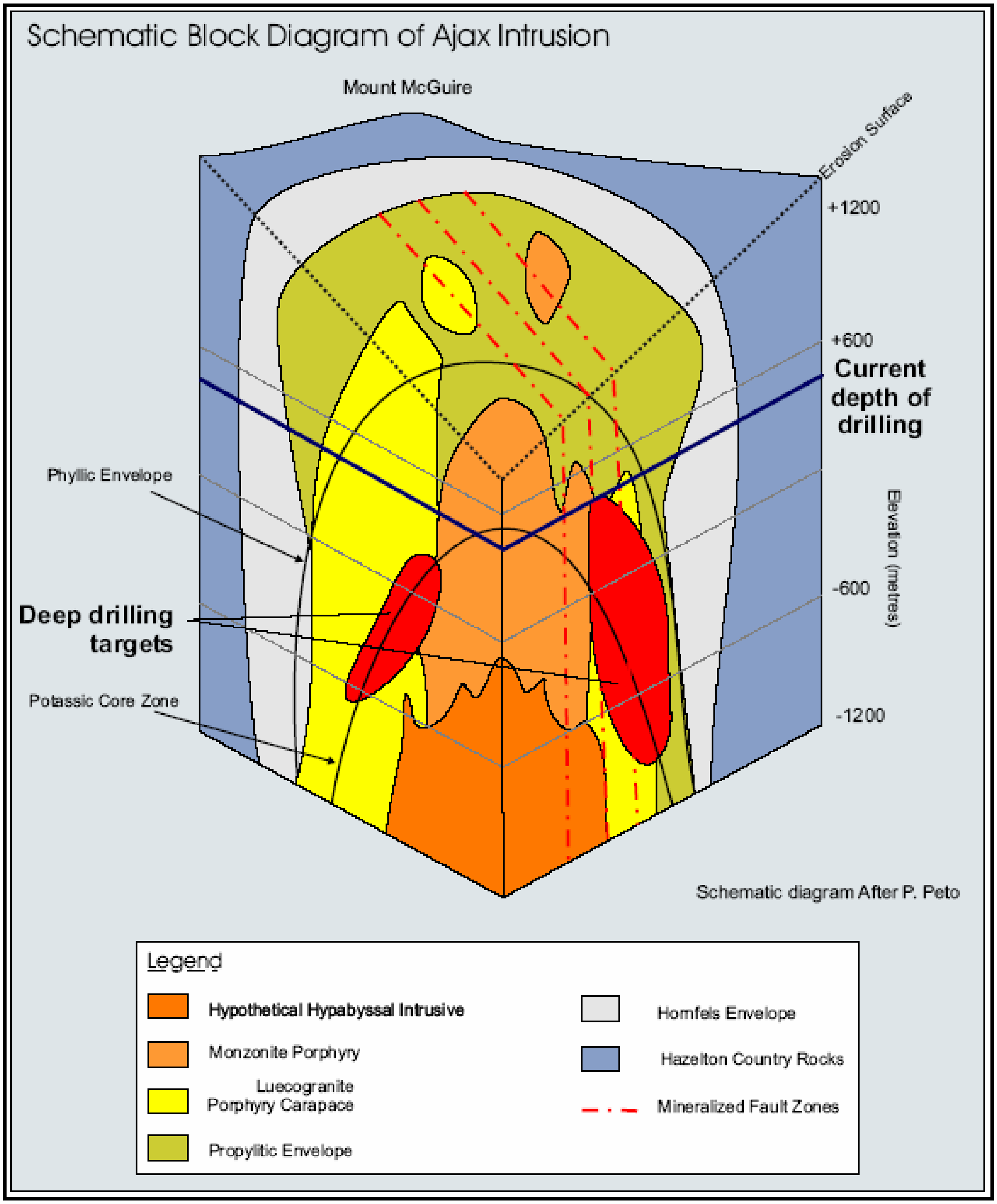

Figure 6: Schematic Block Diagram of Ajax Intrusion (after P. Peto, 1980)

8.0 Deposit Type (from Wilkins, 2006)

The Ajax Property is classified as a Porphyry Molybdenum Deposit (Low-F-Type). These deposits are characterized by stockworks of molybdenite-bearing quartz veinlets and fractures in intermediate to felsic intrusive rock and associated country rocks. Deposits are low grade but large and amenable to bulk mining methods (Sinclair, 1995). A capsule description of this type of deposit is described below in Table 6.

Table 6: Characteristics of Porphyry Mo (Low F Type) - (after Sinclair 1995)

Identification	
Synonyms	Calcalkaline Mo Stockwork, Granite relate Mo, Quartz-monzonite Mo
Commodities (By-products)	Mo (Cu, W)
Examples	Endako, Kitsault, Bell Moly, Adanac, Trout Lake, Quartz Hill,
Geological Characteristics	
Description	Stockwork of molybdenite-bearing quartz veinlets and fractures in intermediate to felsic intrusive rocks and associated country rocks. Deposits are low grade but large and amenable to bulk mining methods.
Tectonic Setting	Subduction zones related to arc-continent or continent-continent collision.
Geological Setting	High-level to subvolcanic felsic intrusive centres, multiple stages of intrusions are common
Age of Mineralization	Archean (e.g. Setting Net Lake, Ontario) to Tertiary, Mesozoic and Tertiary examples are more common.
Host/Associated Rock Types	All kinds of rocks may be host rocks. Tuffs or other extrusive rocks may be associated with deposits related to subvolcanic intrusive rocks. Genetically related intrusive rocks range from granodiorite to granite and their fine-grained equivalents, with quartz monzonite the most common: they are commonly porphyrytic. The intrusive rocks are characterized by low F contents (generally <0.1% F) compared to intrusive rocks associated with Climax-type porphyry Mo deposits.
Deposit Form	Deposits vary in shape from an inverted cup to roughly cylindrical to highly irregular. They are typically hundreds of metres across and range from tens to hundreds of metres in vertical extent.
Texture/Structure	Ore is predominantly structurally controlled, mainly stockworks of crosscutting fractures and quartz veinlets, also veins, vein sets and breccias.
Ore Mineralogy	Principal: Molybdenite is the principal ore mineral, chalcopyrite, scheelite and galena are generally subordinate.
Gangue Mineralogy	Quartz, pyrite, K-feldspar, biotite, sericite, clays, calcite and anhydrite.
Alteration Mineralogy	Alteration mineralogy is similar to that of porphyry copper deposits. A core zone of potassic and silicic alteration is characterized by hydrothermal K-feldspar, biotite, quartz and in some cases anhydrite. K-feldspar and biotite commonly occur as alteration selvaged on mineralized quartz veinlets and fractures but may be pervasive in areas of intense fracturing and mineralization. Phyllic alteration typically surrounds and may be superimposed to various degrees on the potassic-silicic core; it consists mainly of quartz, sericite and carbonate. Propylitic alteration consisting mainly of chlorite and epidote may extend for hundreds of metres beyond the zones of potassic-silicic and phyllic alteration. Zones of argillic alteration, where present are characterized by clay minerals such as kaolinite and are typically overprinted on the other types of alteration; distribution of argillic alteration is typically irregular.
Weathering	Oxidation of pyrite produces limonitic gossans; oxidation of molybdenite produces yellow ferrimolybdenite.

Ore Controls	Quartz veinlets and fracture stockwork zones superimposed on intermediate to felsic intrusive rocks and surrounding country rocks; multiple stages of mineralization commonly present.
Genetic Model	Magmatic-hydrothermal. Large volumes of magmatic, highly saline aqueous fluids under pressure strip Mo and other ore metals from temporally and genetically related magma. Multiple stages of brecciation related to explosive fluid pressure release from the upper parts of small intrusions result in deposition of ore and gangue minerals in cross-cutting fractures, veinlets and breccias in the outer carapace of the intrusions and in associated country rocks. Incursion of meteoric water during waning stages of the magmatic-hydrothermal system may result in late alteration of the host rocks, but does not play a significant role in the ore-forming process.
Exploration Guides	
Geochemical Signature	Mo, Cu, W and F may be anomalously high in host rocks close to and overlying mineralized zones; anomalously high levels of Pb, Zn and Ag occur in peripheral zones as much as several kilometres distant. Mo, W, F, Cu Pb, Zn and Ag may be anomalously high in stream sediments. Mo, W and Pb may be present in heavy mineral concentrates.
Geophysical Signature	Magnetic anomalies may reflect the presence of pyrrhotite or magnetite in hornfels zones. Radiometric surveys may be used to outline anomalous K in altered and mineralized zones. Induced polarization and resistivity surveys may be used to outline high-pyrite alteration zones.
Other Guides	Limonitic alteration of pyrite can result in widespread gossan zones. Yellow ferrimolybdenite may be present in oxidized zones. Ag-Pb-Zn veins may be present in peripheral zones.

Porphyry Mo deposits associated with low fluorine felsic intrusive rocks are an important source of world molybdenum production. Virtually all of Canada's molybdenum production comes from these deposits and from porphyry copper-molybdenum deposits (Sinclair, 1995).

9.0 Mineralization (modified from Wilkins, 2006)

Sulphide mineralization exhibits a zoning pattern which, near the outer limits of the biotite hornfels zone, consists of sparse pyrrhotite as disseminations and in widely spaced fractures. Proceeding inwards towards the intrusive complex, hairline fractures containing chlorite and pyrrhotite are dominant. Nearer the intrusive complex, these fractures become wider and are filled with quartz, which carries pyrrhotite as well as coatings and minute bands of molybdenite.

Sulphide minerals constitute less than 2% (by volume) of the rock, with pyrrhotite being the major sulphide. Molybdenite is typically associated with quartz and occurs in the pyrrhotite-bearing veinlets, in hairline fractures, and coatings along shear planes. The molybdenite is concentrated along the selvages of the veinlets. The quartz veins and quartz stockwork are present in both the intrusive rocks and the surrounding contact hornfels. Very minor amounts of scheelite have been noted within the quartz veinlet zone or associated with garnet skarn within areas of hornfels. Several periods of fracturing and veining are suggested by cross-cutting relationships of the quartz veinlets. The intrusive sequence, from oldest to youngest, has been tentatively established and is presented in Table 7.

Table 7: Vein Mineralogy

Oldest	Vein Description
1	Quartz-pyrrhotite
2	Quartz-trace molybdenite
3	Quartz-molybdenite
4	Quartz-molybdenite
5	Quartz-pyrrhotite-minor chalcopyrite
6 (Youngest)	Quartz-pyrrhotite-pyrite-sphalerite-galena-chalcopyrite-tetrahedrite-cosalite-rare molybdenite

The quartz veinlets from Stages 1-5 tend to be less than 5 mm in width, rarely exceeding 3 cm, and may constitute a reticulated stockwork of varying fracture attitudes. Stage 6 quartz veining differs in that they can be up to 1 m in width, the quartz is often coarse grained and the sulphides occur as lenses and irregular blebs.

The better grades of molybdenite occur in areas of high fracture density where a stockwork of quartz veining is well developed. Stockworks of suitable intensity closely reflect major zones of faulting and fracturing. These zones were probably subjected to repeated fracturing as evidenced by the cross-cutting relationships of quartz veins.

The mineralization at Ajax occupies an area approximately 650 m by 600 m, elevations from 1050 masl to 425 masl and is subdivided into four zones (Figures 7 and 8). The deposit is open at depth and in the down plunge direction. Areas of elevated molybdenite grades, >0.1%,are characterized by a high fracture density where quartz vein stockwork is well developed. Historic work by Takeda (1966) and recent reviews by Wilkins (2006) and Carter (2007) note that enhanced Mo grades (>0.1%) could be related to several east-northeast trending fault zones near the northern limits of the currently defined orebody; this is particularly relevant to the A and C Zones described below. Carter (2007) notes that historic drilling has not properly tested this structure, in fact, most of the historic holes have paralleled these faults. Takeda (1966) reported quartz veins with significant Mo exposed on surface paralleling the east-northeast structures that had not been recognized in drill core. Lower grade material (0.030 to 0.060 % Mo), is found in areas of weaker fracturing and forms a broad halo around the higher grade zones, especially below the 762 m elevation.

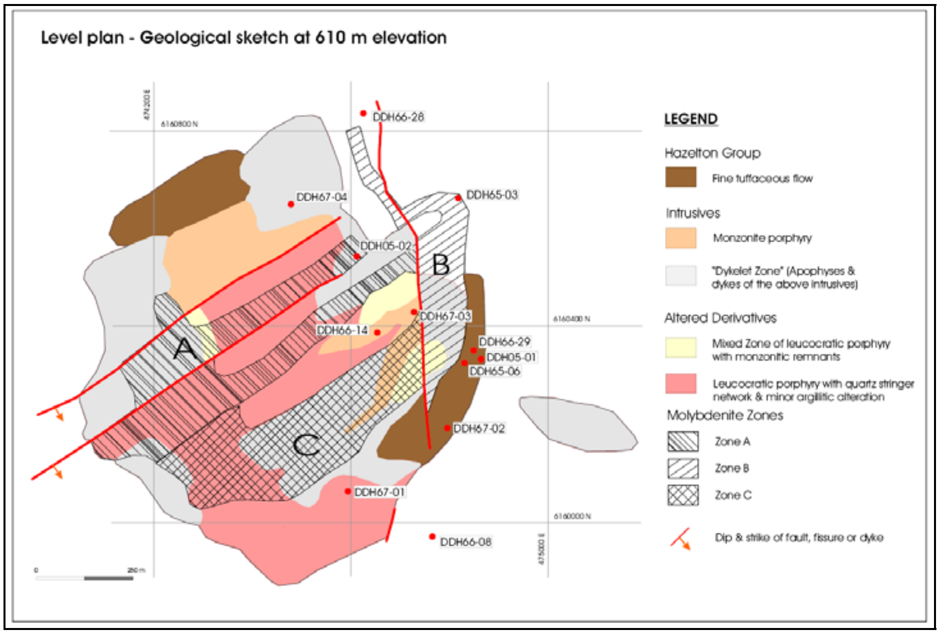

Figure 7: Horizontal Geological Section at 2000' Elevation (after Sheldon, 1968)

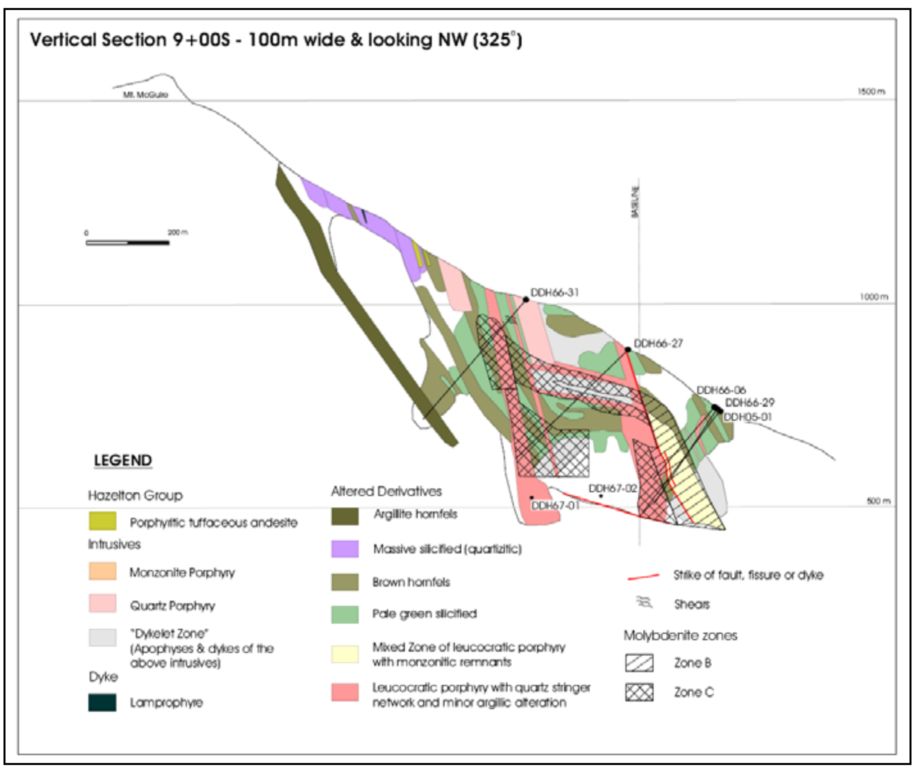

Figure 8: Diamond Drill Hole Vertical Section 9+00S (after Sheldon, 1968)

The A Zone is elongated to the northeast and consists of a stockwork of molybdenum bearing quartz veins in a steeply dipping tabular body. The zone is over 120 m wide, 600 m long and has been intersected in drilling over a vertical distance of 600 m and remains open to depth. In plan, the zone is limited by two northeasterly striking, south dipping faults. Molybdenite grades of greater than 0.10% shows a distinct northeast trend that is coincident with the faults.

The B Zone follows a northwest striking fault structure and coalesces with the A Zone in the northeastern portion of the deposit. The “B” Zone is roughly 75 m wide and up to 450 m in length. The zone outcrops between 762 and 900 masl and is open at depth.

The C Zone parallels the A Zone to the south. Above 762 masl, the C Zone has molybdenum grades higher than 0.060% Mo over an area 60 m wide. The zone expands to over 120 m in width at 450 masl.

In addition to the three zones described above, a possible fourth zone, the D Zone, occurs on the western side of the deposit. The D Zone is poorly defined by drilling but it may reflect a northwesterly trending fracture zone that joins the western ends of the A and C Zones. The D Zone occupies an area roughly 120 m across and has been traced vertically for over 600 m.

10.0 Drilling

Both Newmont and Tenajon have completed drilling programs on the Ajax Property. The total number of drill holes sorted by company are tabulated in Table 8 and a drill hole location map is included in Figure 9.

Table 8: Drill Holes completed at the Ajax Property

Year	Company	No. Drill Holes	Core Size	Total Metres
1965	Newmont	7	AX	1,580
1966	Newmont	15	BX to NX	4,155
1967	Newmont	4	AQ to BQ	2,365
2005	Tenajon	3	NQ-2 to HQ	1,165
2006	Tenajon	6	NQ-2	3,382
Total				**12,647**

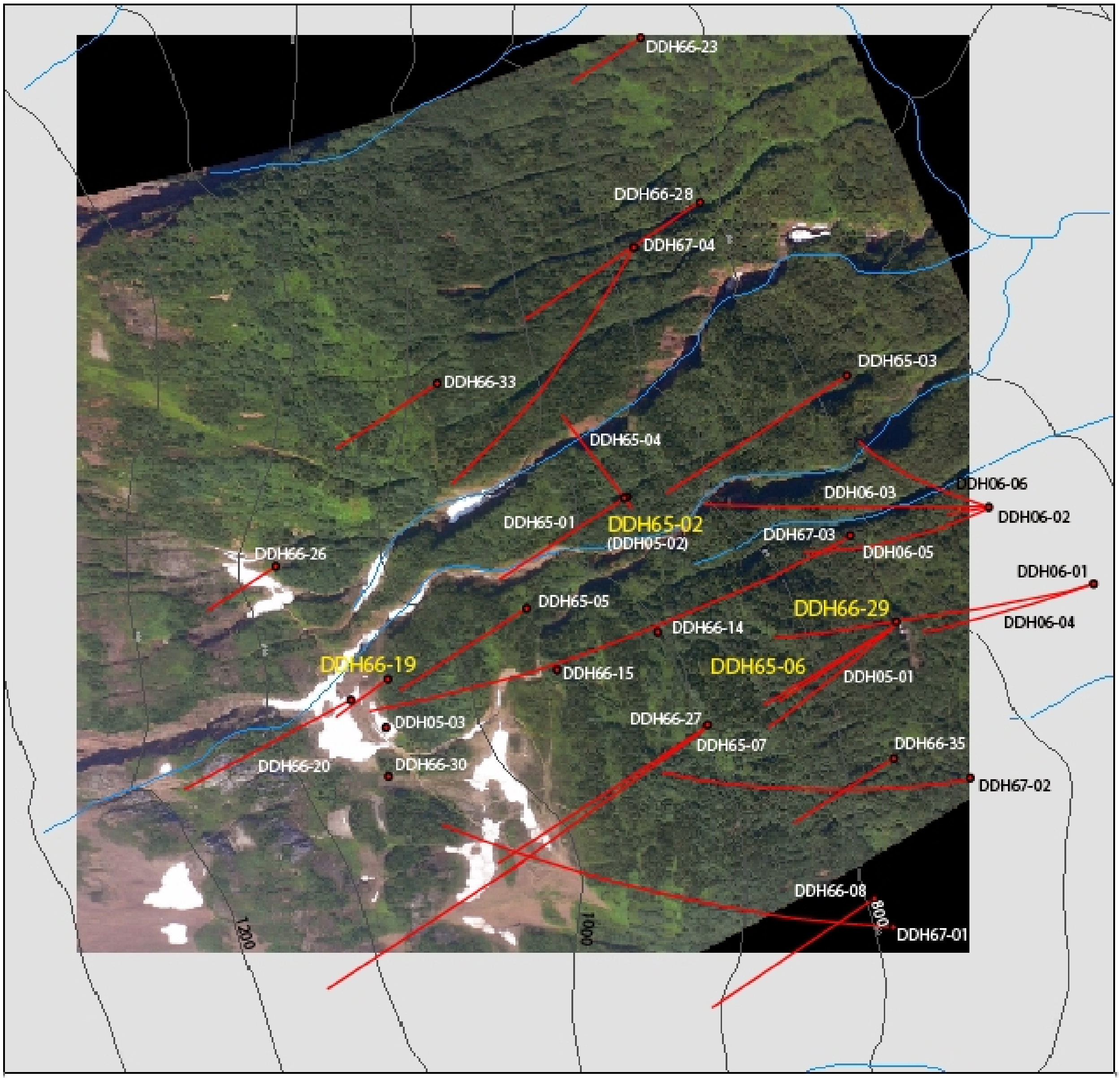

Figure 9: Drill Hole Location Map

10.1 Historical Drilling 1965 to 1967 (from Wilkins, 2006)

Twenty-six drill holes totalling 8,098 m were drilled on the Ajax Property in the 1960's by Newmont.

The drilling was completed by Boyles Brothers and Longyear Drilling.

In 2005, Tenajon was able to locate 20 of the 26 historical drill collars and surveyed their coordinates using a differential GPS unit. The remaining 6 drill collar locations are interpreted from comparing the Newmont drill hole location maps to the known GPS locations.

The down hole survey data is sporadic within the Newmont database and they did not document any methodology in their reports. Systematic tropari survey results are noted on the drill log for hole DDH 67-03 but not for any other hole. On relevant maps, holes DDH 67-01 to DDH 67-04 are all shown to have both deviation along strike and down the hole but not data is recorded in the drill logs. All other holes are shown to not deviate along strike or flatten out with depth.

10.2 Tenajon Drilling 2005

The 2005 drilling program by Tenajon consisted of drilling, logging and sampling 3HQ and NQ-2 sized holes totalling 1,165 metres. The purpose of the drill program was to confirm the earlier results from the historical drill holes, test for an increase in molybdenum grades using modern drilling techniques (for better recoveries) and large diameter sized core, and to further define the size and expected grade of the deposit.

The results of this program are summarized in Wilkins (2006)

10.3 Tenajon Drilling 2006

The 2006 program comprised 6 NQ2-sized drill holes for a total of 3,381.83 m (see Appendix 1). The aim of the drilling was to expand the depth extent of mineralization and to test the potential for high-grade pockets where the intrusive rocks theoretically coalesce. The holes were drilled from two setups creating a fan pattern of varying azimuths and dips. Drill holes 06-01 and 06-04 were drilled using a Longyear 44 drill rig from setup number one while drill holes 06-02, 06-03, 06-05 and 06-06 were drilled using a JKS-300 from setup number two (Figure 9).

Overall geology and mineralization patterns were consistent with historic work where variably mineralized and hornfelsed sediments dominate the upper reaches of drill holes followed by more intensely mineralized and stockworked intrusive rocks. Assay results extended known mineralization 500 m deeper than that known before the 2006 program (Dec 18, 2006 press release – tenajon.com). All holes, save for 06-02 which was terminated early due to drilling difficulties, ended in mineralization as the maximum capability of the respective drills was reached.

During the logging process, Tenajon geologists captured the geology and sampling intervals and the data relating to alteration, veining and mineralization. Rock Quality Designation (RQD) and specific gravity was also captured on the drill logs. The collars of the drill holes were surveyed using a differential GPS unit and the down hole surveys were captured using multi-shot down hole survey instrument, the MI-3 Digital Borehole survey tool manufactured by Icefield Tools Corp of Yukon.

DDH 06-01 was drilled to a depth of 525.80 m with a -47^{o} dip. The hole intersected approximately 350 m of mixed hornfels units with minor interbedded andesite. Below 346.55 m monzonite and quartz-feldspar porphyries were dominant and variably mineralized. The best molybdenum grades straddled the hornfels-porphyries interface where 51.82 m of 0.062% Mo (312.42-364.24 m) was attained. A second, deeper intersection of 16.8 m of 0.054% Mo (509-525.8 m) was recognized including 3.06 m of 0.096% Mo at the bottom of the hole.

DDH 06-02 was drilled at a dip of -57^{o} and terminated early due to difficult drilling conditions at 126.2 m. Brown hornfels was followed by silicified hornfels and only minor molybdenum mineralization.

DDH 06-03 was drilled to a depth of 728.5 m with a dip of -57^{o}. The geology largely comprised silicified hornfels with minor interbedding of brown hornfels and lesser andesite. The porphyries were very limited typically represented by apophysies of less than 2-3 m in drill width. Strongly stockworked, silicified hornfels returned 12.19 m of 0.068% Mo (340.77-352.96 m) while a zone of veined and faulted leucocratic porphyry returned 39.4 m of 0.095% Mo (523.4-562.8 m). A broad zone encompassing variable mineralization yielded an impressive 404.9 m of 0.058% Mo (322.43-727.33 m).

DDH 06-04 was drilled to a depth of 449.59 m at a dip of -63^{o}. The upper 380 m are dominated by variably mineralized, interbedded brown and silicified hornfels; each locally dominant. The monzonite porphyry is prevalent below 380 m with minor rafts of silicifed hornfels, the latter not exceeding 2-3 m in width. Molybdenum mineralization appears restricted to the presence of monzonite porphyry and includes 12.19 m of 0.086% Mo (373.38-385.57 m) within 120.09 m of 0.06% Mo (329.5-449.59 m).

DDH 06-05 was drilled to a depth of 791.87 m at a dip of -65^{o}. Brown and silicified hornfels characterize the top 575 m of the hole with local skarn hornfels. Quartz-feldspar porphyry intrusions less than 3-4 m thick are common throughout this upper interval. Quartz-feldspar and monzonite porphyries comprise the bottom 220 m of this hole. Molybdenum grades included higher grade pockets of 24.91 m of 0.074% Mo (558.78-583.69 m) and 21.88 m of 0.078% Mo (758.34-780.22 m) within 445.01 m of 0.054% Mo (346.86-791.87 m).

DDH 06-06 was drilled to a depth of 759.87 m at a dip of -73^{o}. This hole comprises weakly mineralized, interbedded brown and silicified hornfels and minor andesite which grades to dominantly quartz-feldspar porphyry below approximately 620 m. Mineralization consists of 214.89 m of 0.057% Mo (544.98-759.87 m) with higher grade intervals including 12.57 m of 0.107% Mo (629.95-642.52 m) and 7.62 m of 0.099% Mo (752.25-759.87 m).

One hundred twenty-seven samples with Mo grades greater than 0.05% were analyzed for rhenium (Re) and gold (Au). Results from the samples analyzed at Acme were generally low and are summarized below:

- 20 samples ranged from 50 to 100 ppb Re
- 85 samples ranged from 100 to 199 ppb Re
- 21 samples ranged from 200 to 299 ppb Re
- 1 sample at 349 ppb Re
- 123 samples ranged from 0.2 to 49 ppb Au
- 4 samples ranged from 50 to 178.8 ppb Au

11.0 Sampling Method and Approach

11.1 Historical Drill Hole Samples (from Wilkins, 2006)

Newmont split the entire length of core, and all the holes except DDH 66-23, were sent for analysis. Core samples were taken over 3 m sections unless changes in the amount of molybdenite dictated otherwise.

Molybdenum is a difficult mineral to drill as it can easily be washed from the rock during the drilling process. Newmont reports that the overall core recovery was nominally 95% but they were still concerned that molybdenum was being lost. Molybdenite losses in certain drill intercepts were considered high, based on the following observations:

- Massive veinlets of molybdenite similar to those present on the surface were not seen in the core, possibly the soft molybdenite was being ground up and flushed away. Some evidence of erosion was noted on molybdenite veinlets in the drill core.
- The drill cuttings from DDH 65-03 were collected from 0 to 195 m. The sludge returned an assay of 0.078% Mo (0.13% MoS_2) versus an averaged value of 0.047% Mo (flagged 0.078% MoS_2) for the corresponding interval of core samples. Core recovery for the hole is recorded as 96%.

Sheldon (1968) examined the core in 1967, paying particular attention to possible molybdenite losses. He felt the molybdenite losses by erosion and grinding during drilling were not likely to be greater than 10 to 15 percent. He also felt the lack of drill cutting samples posed a serious problem in order to assess the drill-indicated grade of molybdenite.

Newmont expressed concern that the size of the drill core may have been too small and may have contributed to the depletion of the molybdenum in the core.

11.2 Historical Soil Sampling (from Wilkins, 2006)

The only soil sampling completed on the Ajax Property was undertaken by Newmont Mining Corporation in 1966. There is no map available to show the sample locations. According to Newmont reports, two lines of soil sampling were completed along the drill access roads. The Upper Traverse was located over the heart of the exposed mineralized zone while the Lower Traverse was located over unaltered rocks on the eastern margin of the mineralized zone. The samples were collected from a poorly developed B soil horizon generally at a depth of 12", in 50 foot intervals, and were stored in Kraft paper bags. Twenty-nine samples, representing 1500 feet were collected from the Upper Traverse, 38 (1900 feet) from the lower. Only limited soil profiling was undertaken and overburden on the property consists of glacial deposits of variable types and thickness. Gravity has a constant influence on the steep slopes, and soil creep (or talus creep) is essentially a continuous process. Soil horizon development is restricted to organic enrichment of the surface soils and incipient formation of a B horizon.

Molybdenum values from the upper traverse range from 160 to 1840 ppm Mo with the highest values overlying bedrock containing approximately 0.18% Mo (0.30% MoS_2). Values along the lower traverse are less, ranging from 10 to 400 ppm Mo. Soil profiles do not show consistent patterns, fluctuating from large increases with depth to large decreases with depth. Often there is little change throughout the profile.

11.3 Historical Rock Sampling (from Wilkins, 2006)

Twenty-five trenches were blasted in oxidized outcrop by Newmont personnel in 1965. None of the trenches were able to penetrate through the zone of oxidation. In the database provided by Newmont, there are sketch maps showing sample numbers and assay values for approximately 60% of the sites. The rest have the molybdenum/ite values but no sample identifier. There are no sample descriptions in the database and sample lengths have to be measured from the sketches. The true widths and parameters used in the selection of sample sites are not known.

Trench results include assays of up to 0.22% Mo (0.37% MoS_2) over 6 m, but because of the oxidized conditions, the trench sampling was believed to be misleading and trenching was discontinued. The rugged topography makes trenching on a larger scale difficult. The trench results are summarized in Appendix F of Wilkins, 2006.

11.4 Tenajon Drill Hole Sampling

All core was flown by helicopter to Alice Arm from the drill site where it was logged, sampled and finally split using a diamond saw. Samples were sent to Acme Analytical Labs (Acme) in Vancouver for analysis. Samples were generally 3 m in length unless the abundance of molybdenite dictated otherwise. Any recoverable historic drill core and all of the Tenajon-era drill core has been palletized and stored in several storage sheds in Alice Arm.

Sludge sampling was attempted in 2005 without much success. Hubco Sentry spunbonded polypropylene sample bags were originally used to collect sludge from the drill returns but the bags were not porous enough to allow the water to drain out. Legend canvas bags worked much better but were not available until the tail end of the program. All 3 drill holes eventually lost water return so it was not possible to collect sludge samples for most of the drill holes. Overall, it was felt that the more modern drilling techniques and the larger core (HQ and NQ-2) allowed for fairly good recovery and that molybdenite loss would be minimal.

12.0 Sample Preparation, Analysis and Security

12.1 Historical Sampling Programs *(from Wilkins, 2006)*

All of the sampling completed before the 2005 program on the Ajax Property was undertaken before the implementation of National Instrument 43-101 with the majority of work being completed between 1966 and 1968 by Newmont Mines Ltd. The various sampling programs and the labs used in the analysis are summarized below in Table 9.

Table 9: Sample Types taken by Newmont

Year	# of Core Samples	# of Rock Samples	Analysis By	# of Pulps Checked	# of Rejects Checked	Analysis By
1965	564		Coast Eldridge	11 (?)		Bethlehem
				10		Danbury
				5 (?)		Union Assay
1965		30	Coast Eldridge	5		Bethlehem
1966	939		Coast Eldridge	6		Coast Eldridge
1966	329		T.S.L. Labs.	25	25	Coast Eldridge
1967	618		Coast Eldridge	43		T.S.L. Labs
				95		Endako Mine
	270		T.S.L. Labs.		44	Coast Eldridge
Total	**2720**			**189**	**69**	
1990	152*		SGS			
1996		10	Westmin and ALS-Chemex			
1997					175	ALS-Chemex Labs
Total	**152**	**10**			**175**	

* Sampled split core

Newmont reports that the core samples were typically taken over 3 m intervals. The core from each sample was split lengthwise and normal to the most prominent fracturing. One-half of the core was returned to the core tray. The other half was crushed to ¼" and passed through a Jones splitter three times to reduce an approximate 15 pound sample to 1.5 pounds. The crusher rejects were collected and stored for possible later usage. The sampling procedure and the amount of sample used for assay were checked by varying the number of passes through the splitter and then comparing the assay results. The 1.5 pound samples were found to be representative for assay purposes.

The core and trench samples from the 1965-67 programs were assayed by either Coast Eldridge Engineers & Chemists Limited or Technical Service Laboratories of Vancouver with periodic cross checks run by the other lab. In addition, limited cross checking was undertaken by Union Assay Office, Salt Lake City, Utah and at the Endako and Bethlehem Mine site labs. The detailed procedures used in analyzing the core for most of the programs are not known. There is no record of any systematic use of standard reference materials or blanks in any of the sampling programs. Between 1965 and 67 approximately 7% of the pulps and 3% of the rejects were re-assayed for variability.

12.1.1 QA/QC *(from Wilkins, 2006)*

All of the historical work on the Ajax Property was completed prior to the implementation of National Instrument 43-101. A review of the various work programs indicates that quality control measures employed were minimal in comparison to those now accepted as the norm. There is no record of standards or blanks being entered into the sample stream.

In 1965, limited check sampling was completed using Hole DDH65-01. Newmont used new splits of crushed rejects for the samples analyzed by Bethlehem or Union. With the exception of samples 6501 and 6529, the comparison between the results obtained by Coast Eldridge and the other labs used is excellent with little significant difference. The results are summarized in Appendix I-1 of Wilkins, 2006.

In 1966, Newmont submitted twenty-five double samples (pulps and rejects) for check assaying by Coast Eldridge to verify the results obtained from T.S. Laboratories ("TSL") (320 samples). According to Newmont memos the results compared well and showed reasonable confirmation on average, although individual discrepancies, in some cases are quite marked. When considering such low grade material, differences of even 0.01 are important. The results of the sampling program are summarized in Appendix I-2 of Wilkins, 2006.

In 1967 a further 41 samples were cross-checked between Coast Eldridge and TSL. According to Sheldon (1968) the TSL average results were found to exceed those of Coast Eldridge by approximately 20%. Subsequently these pulps were assayed by Endako Mines Limited with the average of the 41 samples shown below in Table 10.

Table 10: Average Pulp Values

Type	Original	Pulp	Pulp	Pulp
Assayer	TSL	TSL	Coast	Endako
Average	0.135	0.123	0.109	0.115

The results of the assay checks indicate that Coast Eldridge assays are acceptable and perhaps slightly conservative whereas the TSL assays, while not uniformly high, are high on the average by some 20%. The TSL assays for the 1966 drilling are in much better agreement than those of the 1967 drilling, but all are suspect of erratic deviation. For certain assay lots there would appear to be reasonable agreement, as if the erratically high results were a product of certain sample preparation, weighing balances, or an individual assayer.

Re-assays of many TSL pulps, as were available, were run to cut down the dependence of TSL assays as much as possible with the result that only 14% of the assays were entered into the database.

Sheldon (1968) stated that Newmont, in establishing the final number to be entered in the database, used the following criteria.

- Where only the original TSL assays are available, they were reduced by a factor of 20%.
- Where either Coast Eldridge or Endako assays are present for an assay interval, as well as those of TSL, the TSL assays were disregarded.
- Coast Eldridge and Endako assays are accepted at the full values shown.
- If both Coast Eldridge assays and Endako assays are available, then the mean value of the two assays was used

The individual sample results of the 1967 check sampling program are summarized in Appendix I-3 of Wilkins, 2006.

In addition to completing check assaying, Newmont personnel completed a reproducibility study where reject material from two samples in both drill holes #14 and #27 were taken. The two samples from hole #14 were in porphyry, and those from hole #27 were hornfels. Nine new splits were taken from each reject. The initial crush weighed between 4.5 and 7 kg and each the 9 splits weighed between 0.50 to 0.70 kg (Morris 1966). The assay results for molybdenum showed more scatter than was expected from normal analytical error. The explanation may lie in the maximum particle size relative to the nature of the mineralization. Theoretically the maximum permissible particle size from a ten to fifteen pound sample is 1/8 of an inch. The maximum particle size produced by this crusher is ½ of an inch. The maximum particle size is therefore too large by a factor of ten for a sample size of one and one-half pounds. The localized nature of the mineralization could also contribute to the high degree of scatter. A few large fragments could carry appreciable vein molybdenum, their presence or absence in a small sample then having a considerable effect on the assay value. The results of the split sample assaying are listed in Table 11.

Table 11: Multiple Split Analysis Results, Newmont

Hole #	Split No.	MoS_2 (%)	Mo (%)	Split No.	MoS_2 (%)	Mo (%)
DDH 66-14	**Original (Sample No. 1137)**	**0.09**	**0.054**	**Original (Sample No. 1140)**	**0.09**	**0.054**
	1	0.08	0.048	1	0.09	0.054
	2	0.09	0.054	2	0.09	0.054
	3	0.07	0.043	3	0.10	0.060
	4	0.10	0.060	4	0.12	0.072
	5	0.09	0.054	5	0.08	0.048
	6	0.08	0.048	6	0.09	0.054
	7	0.09	0.054	7	0.09	0.054
	8	0.08	0.048	8	0.10	0.060
	9	0.11	0.066	9	0.11	0.066
	Average	**0.088**	**0.053**	**Average**	**0.096**	**0.058**
DDH 66-27	**Original (Sample No. 1333)**	**0.06**	**0.036**	**Original (Sample No. 1341)**	**0.06**	**0.036**
	2	0.10	0.060	2	0.09	0.054
	3	0.09	0.054	3	0.09	0.054
	4	0.10	0.060	4	0.10	0.060
	5	0.09	0.054	5	0.09	0.054
	6	0.08	0.048	6	0.10	0.060
	7	0.10	0.060	7	0.08	0.048
	8	0.10	0.060	8	0.09	0.054
	9	0.09	0.054	9	0.10	0.060
	10	0.09	0.054	10	0.08	0.048
	Average	**0.09**	**0.054**	**Average**	**0.088**	**0.053**

0.10	>10% increase in **MoS_2**
0.06	>10% decrease in **MoS_2**

12.2 Tenajon Sampling *(modified from Wilkins, 2006)*

Samples collected during the 1996 program by Tenajon personnel were sent to Westmin Mine's Premier Mine site laboratory in Stewart, B.C. The samples were prepared at the mine laboratory and analyzed for gold by fire assay. The pulps were then shipped to ALS-Chemex for multi-element ICP analysis.

At Westmin, the samples were dried (if necessary) crushed and pulverized to approximately –140 mesh. For the gold analysis, a 1 assay ton sample was pre-concentrated by conventional fire assay. The resulting Ag prill was digested in 3 ml 30% HNO_3. Anything insoluble was dissolved using 3 ml concentrated HCl. The resulting solution was diluted to 10 ml and analyzed by atomic absorption.

For the multi-element analysis at ALS-Chemex, a 10 gm sample was digested with 3 ml of 3:1:3 nitric acid to hydrochloric acid to water at 90˚ for 1.5 hours. The samples were then diluted to 20 ml with de-mineralized water and analyzed using Jarrel Ash Inductively Couples Plasma Analyzer. The leach is partial for Al, B, Ba, Ca, Cr, Fe, K, Mg, Mn, Na, Sb, Ti, U and W.

For silver analysis, a 2 gm sample was digested with 20 ml of HNO_3 for 20 minutes or until all NO_3 had disappeared. The digestion was then cooled and 10ml HCL was added and digested for 30 minutes. The digestion is again cooled and another 50 ml HCl added and digested for one hour. When this digestion has cooled to room temperature it was bulked to 200 ml, mixed, centrifuged and analyzed by atomic absorption.

In 1990, core samples taken by Great Northwest Resources were assayed for gold using a 10 gram sub sample by fire assay method, with an atomic absorption finish at SGS Laboratory in Vancouver, B.C. The 1990 and 1996 assay programs resulted in 11 samples being cross-checked. The 1996 results are invariably much lower with only one sample being able to reproduce its 1990 value. The cause of this variance is not known and places into doubt the validity of the results obtained with reference to gold. The individual results of gold and tungsten are summarized in Appendix J-1 and J-2 (in Wilkins, 2006) respectively along with the molybdenite values

The 1997 samples were all prepared and assayed by ALS-Chemex using multi element ICP analysis with gold being determined by FA/AA.

At ALS-Chemex, the samples were dried (if necessary), crushed and sieved to pulp size and pulverized to approximately –150 mesh. The multi-element analysis is the same as that outlined above. For gold analysis a 10 gram sample that has been ignited overnight at 600°C is digested with hot aqua regia and the clear solution obtained is extracted with Methyl Isobutyl Ketone (MIBK). Gold is determined by atomic absorption using a background detection (limit 5 ppb).

None of the samples collected were prepared by an employee, officer, director or associate of Tenajon Resources Corp.

The drill core samples from 2005 were sent to Acme Analytical Laboratory (Acme) for analysis. For each sample a 1 kg sample was crushed to 70% passing 10 mesh. A 250 gram split was then taken and pulverized to 95% passing 150 mesh. Initially a 1 gram aliquot was dissolved in a hot aqua regia digest however it was discovered that a better assay result was obtained with a 0.5 gram aliquot dissolved in a 4 acid digestion. The resultant solution was then assayed for 22 elements using ICP. ICP emission spectrometry gives assay results in % for Mo, Cu, Pb, Zn, Ni, Co, Mn, Fe, As, Sr, Cd, Sb, Bi, Ca, P, Cr, Mg, Al, Na, K, W and in grams per tonne for Ag. Gold and Rhenium was determined on every 10th sample using aqua regia digestion with an ICP finish. Due to the encouraging results for Re from these samples, another 200 samples, with Mo grades better than >0.05%, were analysed for Re.

Drill core samples from 2006 were analyzed in the same manner as the 2005 core. Acme Analytical Laboratory (Acme) crushed a 1 kg sample to 70% passing 10 mesh and a 250 gram split was then taken and pulverized to 95% passing 150 mesh. A 0.5 gram aliquot was dissolved in a 4 acid digestion with the resultant solution assayed for 22 elements using ICP. ICP emission spectrometry gave assay results in % for Mo, Cu, Pb, Zn, Ni, Co, Mn, Fe, As, Sr, Cd, Sb, Bi, Ca, P, Cr, Mg, Al, Na, K, W and in grams per tonne for Ag. Samples with molybdenum grades >0.05% were also analyzed for Re (rhenium) and Au (gold). For these latter two elements, a 0.5 gram aliquot was dissolved in a 3-acid mixture and analyzed by emission and mass spectrometry.

12.2.1 QA/QC

For the 2006 drill hole program, a blank sample, a pulp duplicate and standard reference material (SRM) were inserted into the sample stream at a rate of approximately one every 20 samples before shipment to Acme. In addition, duplicate analyses were conducted on approximately 10% of the samples at Chemex Laboratories. Graphical presentation of results from these various samples is included in Appendix 2.

Blank samples were inserted to monitor the samples for possible contamination during the sample preparation stage. Blank rock was collected from a homogenous looking granodiorite outcrop west of Alice Arm and southwest of the Ajax property. Generally, the blank samples submitted during the 2006 program preformed well with 42 of 45 samples having lower-detection-limit levels of Mo (≤ 0.001%), one sample at 0.002% Mo, another at 0.005% Mo and one at 0.007% (Appendix 2). Considering the excellent overall performance it appears likely that these higher-value samples were weakly mineralized rather than a preparation problem at Acme.

Analyses were performed by Acme on a second sub-sample of pulp to provide a duplicate reading of abundances. The data demonstrates an excellent level of reproducibility of the original assay results, indicated by a correlation coefficient of 0.996 (Appendix 2). Additionally, umpired duplicates were chosen from samples assaying over 0.025% Mo to represent approximately 10% of all sampling. These duplicates were sent to Chemex Laboratories for analyses where reproducibility was excellent with a 0.981 correlation.

Tenajon used four molybdenum SRM standards from WCM Minerals of Burnaby, BC (Table 12). The standard samples Cu 110, 111 and 117 performed relatively poorly with 20%, 30% and 33.33% of analyses falling outside of the two standard deviation limit for the given Mo abundance. However, the failed analyses were typically close to acceptable levels and 90% of the failed analyses were below acceptable ranges meaning the drill core results do not appear to be overstated and may, in fact, be understated. Given the excellent performance of the blanks, duplicates and standard Cu 118 the author believes the problem lies with the standard material and not Acme Labs. It would be prudent to purchase standard material from another source for use in conjunction with the current standards going forward. All of the Cu 118 standards analyzed were within the two standard deviation limits; this was also the case in 2005.

Table 12. Standards Used in 2006 Drill Program with Lab-Attained Certificate of Analysis Values for Relevant Elements

Standard	Copper %	Molybdenum %	Silver g/t
Cu 110	0.90	0.371	5
Cu 111	0.83	0.115	105
Cu 117	0.86	0.078	862
Cu 118	1.07	0.053	71

13.0 Data Verification (from Wilkins, 2006)

13.1 Historical Data

The historical data was obtained largely from Newmont Mining Corporation and various government sources. The information provided by Newmont included project reports, memos, drill logs, maps and assay sheets. Tenajon personnel validated the assay data on the drill logs, against the laboratory certificate data. Errors were found to be insignificant.

The authors have not been able to check the accuracy of the drill logging as none of the core is available for review. The core was stored both in Vancouver and in a shed at Alice Arm where the core is now in a large pile and unusable. A large portion of the core stored in Alice Arm was used up in the 1990 sampling program and the core stored in Vancouver cannot be located. Based on a review of the drill logs, the authors believe the logging was completed to an acceptable standard.

There are some deficiencies with regards to the down hole survey records for the drill holes. It is known that acid and tropari tests were completed however the availability of these records is minimal. Tenajon believes that most of this data has been lost or misplaced. Some of the down hole orientation data has been digitized from sections and plans. Twenty-three of the twenty-nine drill hole collars have been surveyed using a differential GPS.

It is the opinion of the authors that minor changes in the down hole surveys should not have any significant effect on the overall conclusions drawn in putting together a geological interpretation of the mineralization.

13.2 Tenajon Data

The drill logs were created in an electronic format that was imported directly into the project database. The assay data was electronically received from Acme and was also imported directly into the database after confirming the adequacy of the QA/QC data. The assay results were printed out from the database and checked against the final laboratory certificates. No errors were found during this check procedure.

13.2.1 Twin-hole Comparisons

Tenajon drilled two twin holes in 2005 to confirm the tenure of the historical samples and to test the hypothesis that larger core diameters and better recoveries would result in higher molybdenum grades. Drill hole DDH05-01 twinned DDH66-29 and DDH05-02 twinned DDH65-02. A third hole, DDH05-03, was drilled to infill an area and test the continuity and grade of the mineralization.

The assay results from the 2005 twin holes did realize an increase in molybdenum grades when compared to the corresponding historical assays as shown in Table 13. The molybdenum grades in DDH05-01 are 22% higher than the historical assays in DDH66-29 and 6% higher in DDH05-02 over the historical samples in DDH65-02 over corresponding intervals. The averaged increase in molybdenum grade realized by these two holes is 14%. Tenajon understands this is a small sample set but is encouraged by the preliminary results and anticipates that future sampling will continue to realize higher molybdenum grades. The results from this study are included in Appendix L of Wilkins, 2006.

Table 13: Summary of Twin Hole Results (all intervals are down-hole lengths)

Drill hole	From (m)	To (m)	Interval (m)	Mo%	Twinned Hole	From (m)	To (m)	Interval (m)	Mo%	Comments
DDH05-01	145.08	303.58	158.50	0.100	**DDH66-29**	146.30	302.67	156.36	0.082	22% grade increase
DDH05-02	1.22	237.13	235.91	0.092	**DDH65-02**	0.00	237.44	237.44	0.087	6% grade increase

Based on the results from Blanks, Standards, Duplicates and Twinned Drill holes the data for this project meets industry standards and is suitable for producing a resource estimate.

14.0 Adjacent Properties

No adjacent properties are pertinent to this project.

15.0 Mineral Processing and Metallurgy (from Wilkins, 2006)

In 1966 Newmont Exploration Limited completed a bench scale flotation test on a 500 pound sample containing a mixture of porphyry and hornfels rock type. According to the report prepared by Hellyer (1967)

> *"…On the basis of flotation testing of the mixed porphyry-hornfels sample, the most economic grind would be at approximately 45% minus 200 mesh. The most effective reagent combination developed to date for flotation of molybdenite in this sample is that employed by the Climax Molybdenum Company. A total of 0.75 pounds of R.N. Industrial Oil No. 11-P and 0.03 lbs of Syntex L detergent per ton were employed as collector with 0.50 lbs of sodium silicate as gangue depressant, and Pine Oil as frother.*
>
> *With this reagent combination and with a flotation feed ground to 45% minus 200 mesh, between 93 and 94% of the total molybdenite will report in the combined rougher and scavenger concentrate. Not more that ten minutes flotation time would be required. The production of a marketable grade of final molybdenite concentrate would require regrinding the combined rougher-scavenger concentrate to approximately 95% minus 200 mesh. The final concentrate could be expected to contain approximately 85% of the total molybdenum. Production of a finished molybdenum concentrate was not attempted in this limited investigation…"*

Metallurgical testing of the concentrate should also be undertaken to examine the viability of retrieving other minerals including Rhenium.

16.0 Mineral Resource Estimate

16.1 Data Analysis

The data base for this update of the Ajax Resource estimate consisted of 35 diamond drill holes. Of these holes 26 were historic and the remaining 9 were drilled by Tenajon; 3 in 2005 and 6 in 2006

Table 14:
List of drill holes Ajax Property

YEAR	NUMBER OF HOLES	METERAGE
1965	7	1580.7
1966	15	4155.0
1967	4	2365.2
2005	3	1164.6
2006	6	3380.7
TOTALS	**35**	**12646.3**

A total of 4,168 assays for molybdenum were recorded for the Ajax property of which 26 reported at 0.000 were assigned a values of 0.0005 % Mo. The assays were compared to the mineralized solid developed by Tenajon geologists and individual assays were tagged as mineralized or outside waste. The Mo assay statistics are shown in Table 15.

Table 15:
Statistics for Molybdenum Assays, Ajax Property

	Mo (%)	Mo(%) in Mineralized Solid	Mo(%) in Waste
Number of Assays	4,168	1,904	1,994
Mean	0.041	0.066	0.020
Standard Deviation	0.041	0.045	0.023
Minimum	0.0005	0.0005	0.0005
Maximum	0.737	0.737	0.569
Coefficient of Variation	1.01	0.69	1.12

The molybdenum assays were plotted on a lognormal cumulative frequency plot to evaluate the distributions of grade. On this style of plot a single lognormal population will plot as a straight line. Overlapping lognormal populations will plot as a curved line with inflection points indicating the relative proportions of the individual populations. Figure 10 below shows 5 overlapping lognormal populations in the mineralized data distribution (black dots on plot). The four inflection points are shown as vertical lines. Partitioning is a technique to break out these individual populations shown as open circles. When the interpretation (open triangles) is compared with the original data it fit is acceptable. The statistics for the individual 5 populations are shown below. Population 1 consisting of 0.27% of the data can be considered erratic high grades. A cap level of 2 standard deviations above the mean of population 2 will effectively reduced this population. A total of 4 assays were capped at 0.41 % Mo.

Table 16:
Summary of Molybdenum Populations within mineralized zone

Population	Mean Mo (%)	Proportion	Number of Samples
1	0.535	0.27 %	5
2	0.265	0.52 %	10
3	0.123	12.70 %	242
4	0.059	66.51 %	1,266
5	0.023	20.00 %	381

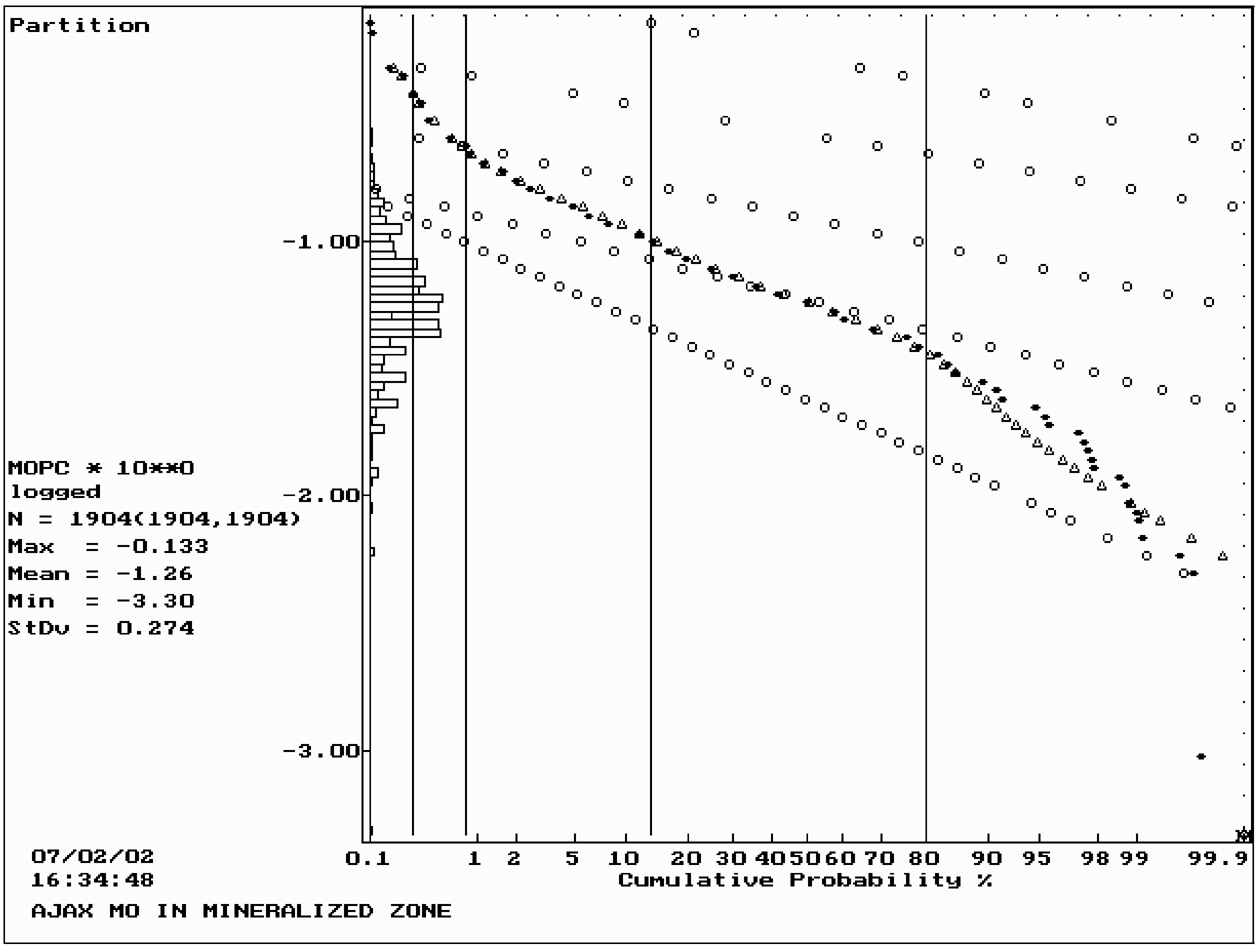

Figure 10: Lognormal Cumulative Probability Plot for Mo Assays, Ajax Property

A similar exercise was completed for samples situated outside of the mineralized solid. A total of 23 assays outside of the mineralized solid were capped at 0.077 % Mo.

16.2 Geologic Model

A simple geological model of the mineralization was built by Tenajon geologists to encompass the Ajax drill holes. The 3-D mineralization shell was created to represent an approximately 0.05% Mo or higher grade of mineralization, using the historical interpretations by Newmont, structure and molybdenum grades as guidelines.

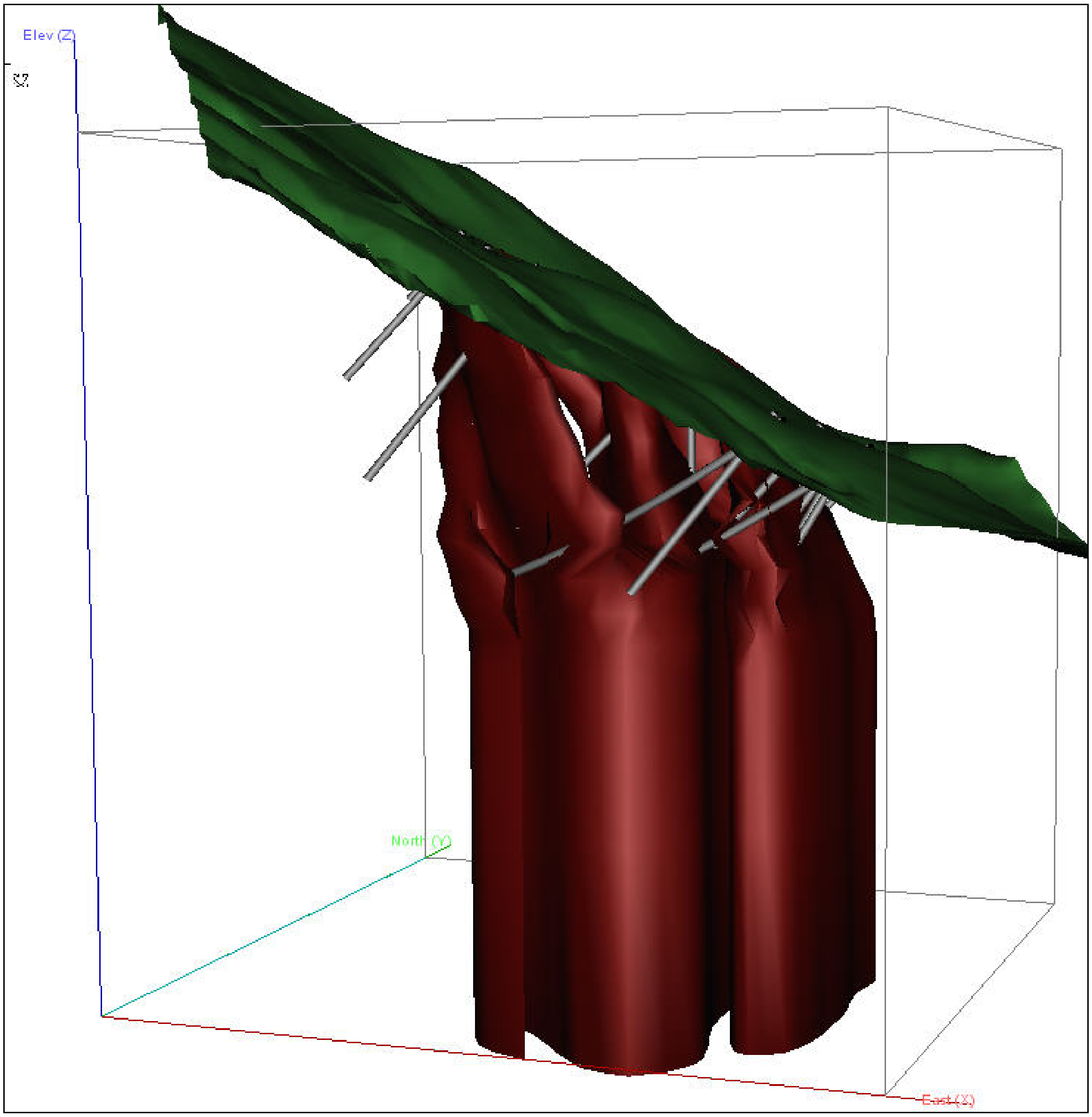

Figure 11: Isometric view showing Ajax Model in red with Surface Topography in green and drill hole traces in grey.

16.3 Composites

From the samples contained within the geologic solid, uniform down hole 12 m composites were formed. Composites at the solid boundaries less than 6 m were combined with adjacent samples to produce a uniform support of 12 ± 6 m composites. The statistics for 12 m composites are summarized in Table 17. The coefficients of variation were both well below 1.0 indicating low sampling variability in 12 m composites.

Table 17:
Summary of the statistics for 12 m Mo Composites, Ajax Property

	Mo (%) Mineralized Zone	Mo (%) Waste
Number of Composites	455	494
Mean	0.066	0.020
Standard Deviation	0.027	0.014
Minimum	0.013	0.001
Maximum	0.282	0.077
Coefficient of Variation	0.40	0.69

16.4 Variography

Pairwise relative semivariograms were produce in 4 horizontal directions using Ajax 12 m composites. There was too little data to confirm anisotropy. A simple omni directional model was fit to the data showing a range of 80 m (see Figure 12).

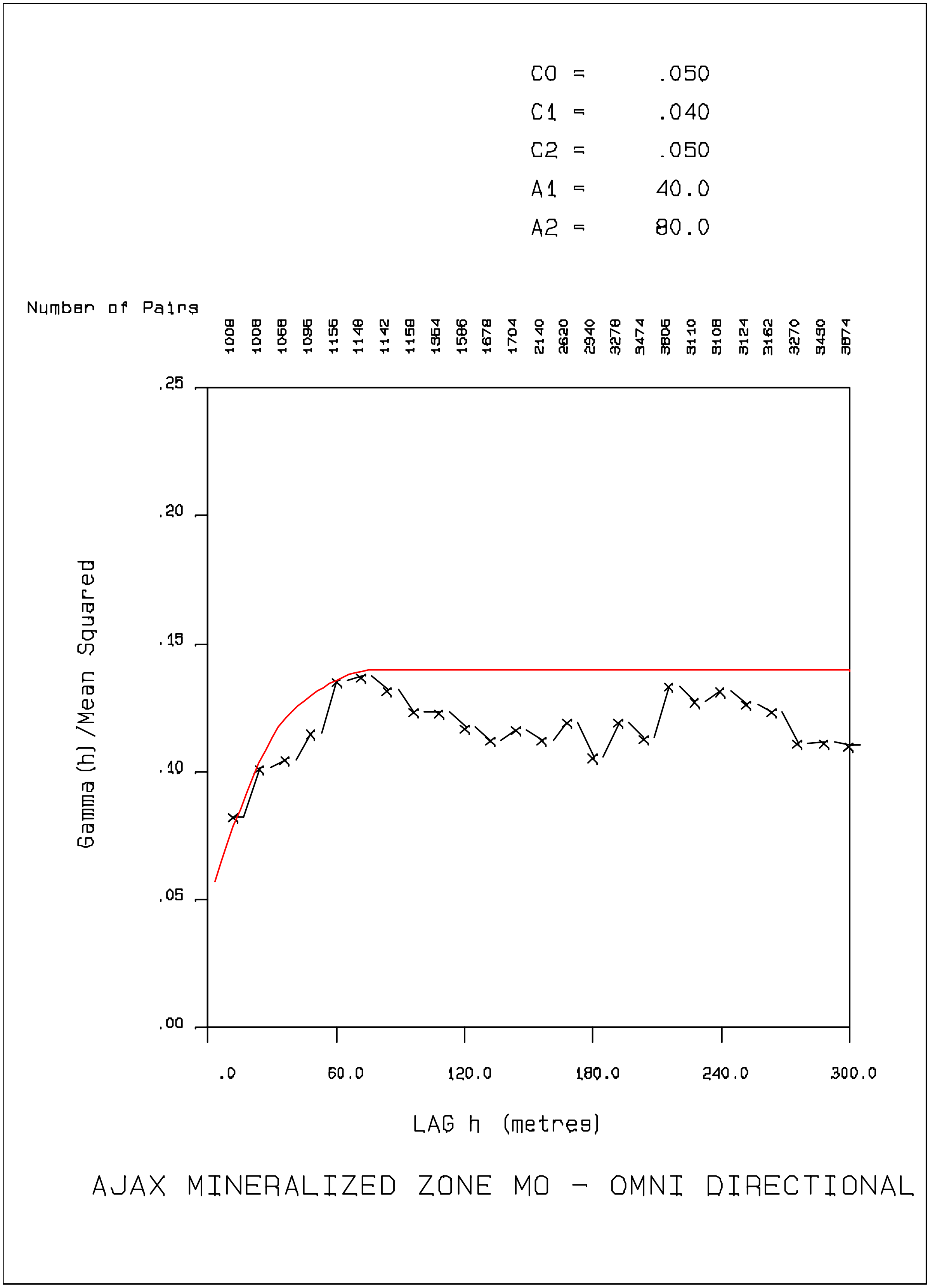

Figure 12: Omni Directional semivariogram for Mo, Ajax Property

16.5 Bulk Density

During the 2006 drill program a total of 659 specific gravity determinations were made on drill core from Ajax using the weight in air versus weight in water technique. Unfortunately the five drill holes with bulk density information were all in the lower eastern side of the deposit. A comparison of specific gravity to Mo grades is shown in Table 18.

Table 18:
Summary of Specific Gravity as a function of Mo Grade

Mo Grade Range	Number	Av. Mo %	Av. SG
0.000 – 0.010	253	0.004	2.86
0.010 – 0.025	113	0.016	2.79
0.025 – 0.050	141	0.037	2.74
0.050 – 0.075	100	0.061	2.74
0.075 – 0.100	40	0.085	2.71
> 0.100	12	0.116	2.73
0.000 – 0.025	**366**	**0.008**	**2.84**
> 0.025	**293**	**0.055**	**2.74**

There appears to be some correlation between Mo % and specific gravity with the lower grades occurring in heavier rocks. For the purpose of this resource estimation a specific gravity of 2.84 was applied to blocks with kriged Mo % less than 0.025% Mo (Waste) and a specific gravity of 2.74 was applied to blocks greater than or equal to 0.025 % Mo.

16.6 Block Model Interpolation

A block model of blocks 50 x 50 x 24 m in dimension was superimposed on the geologic solid. Blocks were coded as inside the mineralized solid if greater than 50% of the block was inside the solid and coded as outside otherwise. The block model origin is provided below.

Block Model Origin	474000 E	50 m	25 columns
	6159700 N	50 m	25 rows
Top of Model	1200 Elevation	24 m	65 levels

Ordinary kriging was used to interpolate grades for Mo into blocks within the mineralized solid. A spherical search strategy used with the model estimated in a series of 5 passes with expanding search radius. Pass 1 used ¼ the semivariogram range, Pass 2 used ½ the range, Pass 3 used the entire range and Pass 4 used 2 times the semivariogram range. Pass 5 was taken to 240 m to compare with a final pass made in the 2006 resource estimate. If a minimum 4 composites was not found during each pass the block was not estimated. If more than 16 composites were found, the closest 16 to the block were used. The search strategy is summarized below in Table 19.

Table 19:
Summary of Search Strategy

Pass	Number of Blocks Estimated	Radius of Search
1	5	20
2	260	40
3	845	80
4	1496	160
5	705	240

16.7 Classification

16.7.1 Introduction

Based on the study herein reported, delineated mineralization of the Ajax Property is classified as a resource according to the following definition from National Instrument 43-101

> "*In this Instrument, the terms "mineral resource", "inferred mineral resource", "indicated mineral resource" and "measured mineral resource" have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Standards on Mineral Resources and Reserves Definitions and Guidelines adopted by CIM Council on August 20, 2000, as those definitions may be amended from time to time by the Canadian Institute of Mining, Metallurgy, and Petroleum."*

> *"A **Mineral Resource** is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge."*

The terms Measured, Indicated and Inferred are defined in NI 43-101 as follows:

> *"A '**Measured Mineral Resource**' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity."*

*"An '**Indicated Mineral Resource**' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed."*

*"An '**Inferred Mineral Resource**' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes."*

16.7.2 Results

Based on the geologic continuity of the mineralized zone, as demonstrated from surface mapping and drill hole logging, and the grade continuity as quantified by semivariograms, the mineralization at the Ajax Deposit is classed as a resource. Due to the shortage of drill hole data in general none of this resource is considered measured at this time. Tables 20 and 21 below summarize the resource.

The results are tabulated at a variety of molybdenum cutoffs since at this time no economic evaluation has been completed and an economic cutoff is unknown.

Table 20: AJAX PROJECT - INDICATED RESOURCE

Mo Cutoff (%)	Tonnes> Cutoff (tonnes)	Grade > Cutoff	
		Mo %	Million lbs Mo
0.04	38,760,000	0.066	56.40
0.05	33,240,000	0.070	51.30
0.06	26,100,000	0.073	42.00
0.07	13,020,000	0.083	23.80
0.08	5,470,000	0.094	11.30
0.09	2,800,000	0.103	6.40
0.10	1,410,000	0.111	3.50

Table 21: AJAX PROJECT - INFERRED RESOURCE

Mo Cutoff (%)	Tonnes> Cutoff (tonnes)	Grade > Cutoff	
		Mo %	Million lbs Mo
0.04	448,780,000	0.063	623.40
0.05	396,200,000	0.066	576.60
0.06	277,160,000	0.070	427.80
0.07	105,830,000	0.080	186.70
0.08	41,900,000	0.088	81.30
0.09	13,590,000	0.100	30.00
0.10	5,960,000	0.107	14.10

17.0 Other Data and Information

The author is not aware of any other information pertinent to this property that is not contained within this report.

18.0 Conclusions and Recommendations

18.1 Conclusions

- New drilling shows that the Ajax Property hosts a porphyry molybdenum deposit significantly larger than previously believed. Recent drilling extended mineralization 500 vertical metres below previously defined mineralization.
- Five of the six 2006 holes ended in mineralization indicating the deposit is open in three directions and in the down plunge direction at depth.
- A study of both the historic and recent drilling has estimated at a 0.05% Mo cutoff, an indicated resource of 33.24 million tonnes at an average grade of 0.07% Mo and an additional inferred resource of 396 million tonnes at an average grade of 0.07 % Mo.

18.2 Recommendations

Based on the resource estimate (Press Release dated March 5, 2007) a program of infill drilling is warranted particularly in the area that is considered by the company to be the most likely location of resources that would have a reasonable expectation of economic extraction and be potentially open pitable as proposed by JDS Energy and Mining (JDS, 2006 internal study for Tenajon Resources). However, additional drilling is required to provide further confidence to the resources within this area. In a separate report reviewing the historical and recent drilling Dr. Nick Carter (Carter, 2007) stated the following.

"Areas of enhanced (>0.10% Mo) grades may be related to an east-northeast-trending fault zone near the northern limits of the currently defined molybdenum zone. This structure has not been adequately tested by drilling to date and it is proposed that a number of inclined holes be drilled at northwest-southeast azimuths with the initial three holes drilled from existing drill sites (66-14, 66-15 and 05-03) which are 150 to 200 metres apart. These holes would provide valuable information concerning the potential for higher grades marginal to the east-northeast fault zone in the southern part of a conceptual open pit. Assuming that encouraging results are encountered, a number of infill holes will be necessary."

A program totalling 3,300 m of infill shallow hole drilling is recommended, with holes located within a conceptual pit outline and angled to the north west.

Table 22: Proposed Budget

Drilling Costs	3,300 metres @ $275 per metre	907,500
Assay Costs	3,300 metres @ $30 per metre	99,000
Helicopter Costs	2 month contract - 200 hours	375,000
Miscellaneous	Wages, Lodging, Transportation etc.	618,500
Total		**$ 2,000,000**

19.0 References

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20.0 Date and Signature Page

This report is respectfully submitted at Vancouver, B.C. this 18 th day of April 2007.

/S/"*Gary H. Giroux*"
G. H. Giroux, P.Eng. MASc.
Giroux Consultants Ltd.

/S/"*Robert B. L'Heureux*"
R.B. L'Heureux, P. Geol., M.Sc.
APEX Geoscience Ltd.

21.0 Statement of Qualifications

CERTIFICATE G.H. Giroux

I, G.H. Giroux, of 982 Broadview Drive, North Vancouver, British Columbia, do hereby certify that:

1) I am a consulting geological engineer with an office at #1215 - 675 West Hastings Street, Vancouver, British Columbia.
2) I am a graduate of the University of British Columbia in 1970 with a B.A. Sc. and in 1984 with a M.A. Sc., both in Geological Engineering.
3) I am a member in good standing of the Association of Professional Engineers and Geoscientists of the Province of British Columbia.
4) I have practised my profession continuously since 1970. I have had over 30 years experience calculating mineral resources. I have previously completed resource estimations on a wide variety of porphyry deposits many similar to Ajax.
5) I have read the definition of "qualified person" set out in National Instrument 43-101 and certify that by reason of education, experience, independence and affiliation with a professional association, I meet the requirements of an Independent Qualified Person as defined in National Policy 43-101.
6) This report titled "**Update of Resource Estimation, Ajax Property**" dated April 18, 2007, is based on a study of the data and literature available on the Ajax Property. I am responsible for the Sections 16-20, including the resource estimations completed in Vancouver during 2007. I am also responsible for the preparation of the Technical Report. I have visited the property on August 18, 2005 and examined drill core, drill sites and discussed the project with A. Wilkins.
7) I have previously completed a resource estimate on this property in 2006.
8) As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
9) I am independent of the issuer applying all of the tests in section 1.4 of National Instrument 43-101.
10) I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

Dated this 18th day of April, 2007

"signed and sealed"

G. H. Giroux, P.Eng., MASc.

CERTIFICATE R.B. L'Heureux

I, R.B. L'Heureux, of 416, 2098 Blackmud Creek Dr, Edmonton, Alberta, do hereby certify that:

1) I am a consulting geologist with APEX Geoscience Ltd. with an office at #200, 9797 45 Ave, Edmonton, Alberta.
2) I am a graduate of the University of Alberta in 1998 with a B.Sc. and in 2003 with a M.Sc., both in Geology.
3) I am a member in good standing of the Association of Professional Engineers, Geologists and Geophysicists of Alberta.
4) I have practiced my profession continuously since 2003.
5) I have read the definition of "qualified person" set out in National Instrument 43-101 and certify that by reason of education, experience, independence and affiliation with a professional association, I meet the requirements of an Independent Qualified Person as defined in National Policy 43-101.
6) This report titled **"Update of Resource Estimation, Ajax Property**" dated April 18, 2007, is based on a study of the data and literature available on the Ajax Property. I am responsible for the Sections 10-15. I oversaw the 2006 drill program from September 21 to November 8, 2006.
7) I had not worked on this property previous to 2006.
8) As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
9) I am independent of the issuer applying all of the tests in section 1.4 of National Instrument 43-101.
10) I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

Dated this 18th day of April, 2007

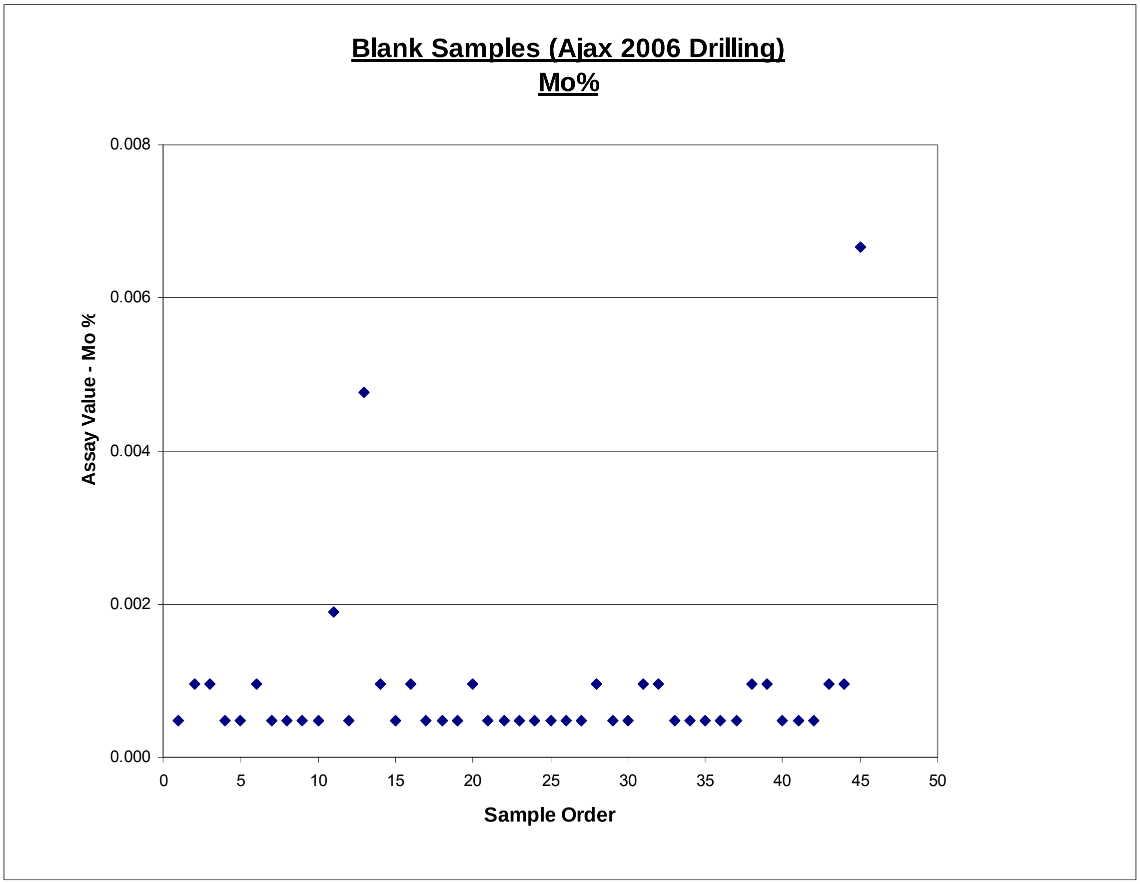
"signed and sealed"

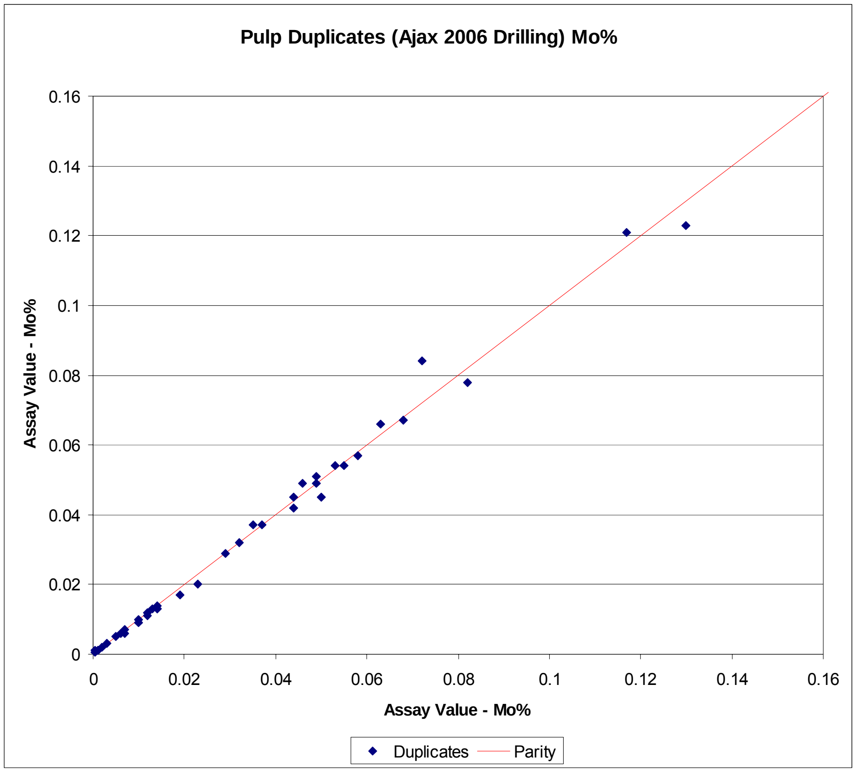
R.B. L'Heureux, P.Geol., M.Sc.

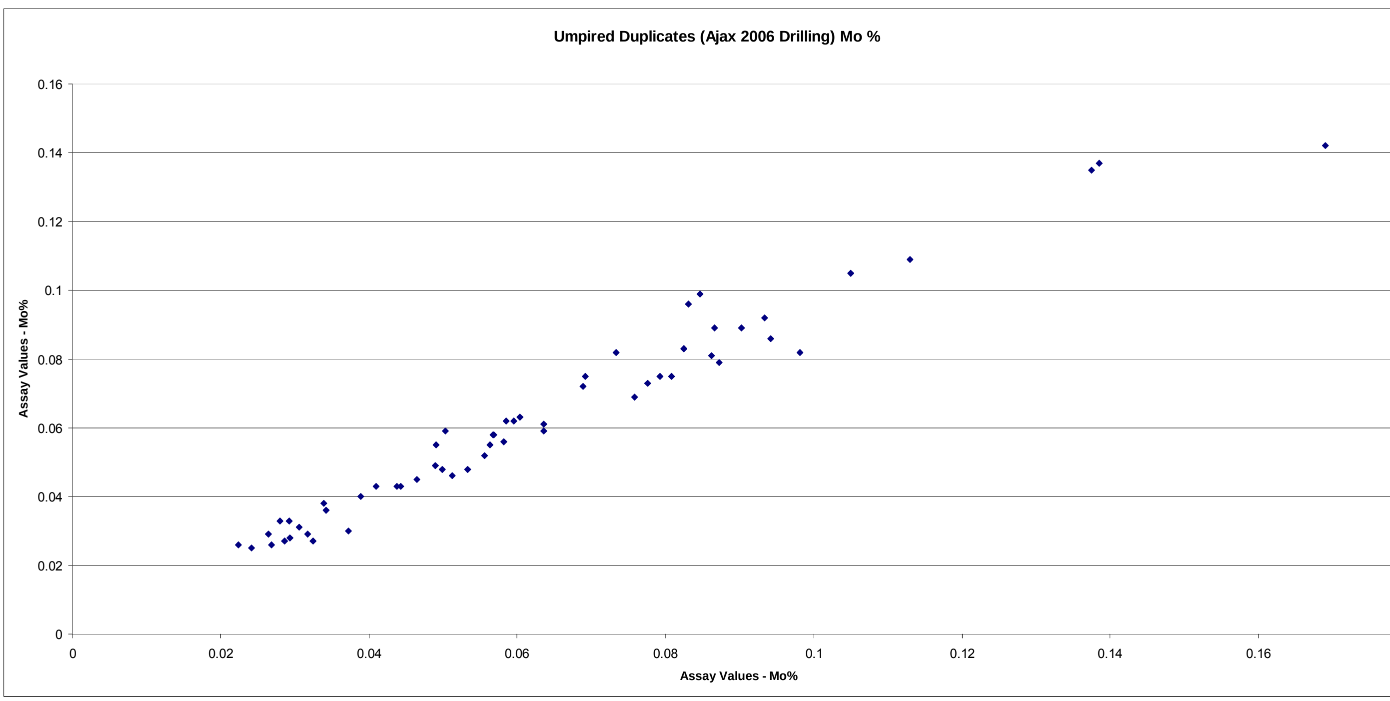
APPENDIX 1
LISTING OF DRILL HOLES USED IN RESOURCE ESTIMATE

HOLE	EASTING	NORTHING	ELEVATION	HLENGTH
DDH06-01	475180	6160452	607.00	525.8
DDH06-02	475102	6160552	645.00	126.2
DDH06-03	475102	6160552	645.00	727.33
DDH06-04	475180	6160452	607.00	449.59
DDH06-05	475102	6160552	645.00	791.87
DDH06-06	475102	6160552	645.00	759.87
DDH05-01	474921	6160395	725.42	351.13
DDH05-02	474616	6160537	871.21	413
DDH05-03	474348	6160271	1047.86	400.51
DDH65-01	474614	6160543	871.8	240.79
DDH65-02	474614	6160543	871.8	237.44
DDH65-03	474862	6160690	677.23	346.86
DDH65-04	474614	6160543	871.8	171.3
DDH65-05	474504	6160411	949.86	243.84
DDH65-06	474914	6160389	729.82	245.36
DDH65-07	474709	6160271	892.95	95.1
DDH66-08	474892	6160063	795.03	340.16
DDH66-12	474501	6160107	1013.91	46.94
DDH66-14	474653	6160386	901.55	394.11
DDH66-15	474538	6160342	959.34	293.52
DDH66-19	474350	6160326	1038.42	326.14
DDH66-20	474309	6160301	1060	303.58
DDH66-23	474632	6161095	732.62	133.5
DDH66-26	474225	6160461	1073.71	145.08
DDH66-27	474709	6160271	892.95	408.43
DDH66-28	474697	6160898	714.19	339.85
DDH66-29	474914	6160389	729.82	302.67
DDH66-30	474350	6160206	1049.87	291.08
DDH66-31	474501	6160107	1013.91	415.75
DDH66-33	474404	6160681	974.14	222.81
DDH66-35	474914	6160231	768.93	191.41
DDH67-01	474914	6160029	788.12	627.58
DDH67-02	474999	6160205	739.58	424.89
DDH67-03	474867	6160498	718.99	654.1
DDH67-04	474624	6160843	776.86	658.67

APPENDIX 2
QA/QC FIGURES




Pulp Duplicates (Ajax 2006 Drilling) Mo%
Assay Value - Mo%
Assay Value - Mo%
0
0.02
0.04
0.06
0.08
0.1
0.12
0.14
0.16
Duplicates
Parity


Umpired Duplicates (Ajax 2006 Drilling) Mo %
Assay Values - Mo%
Assay Values - Mo%
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0.02
0.04
0.06
0.08
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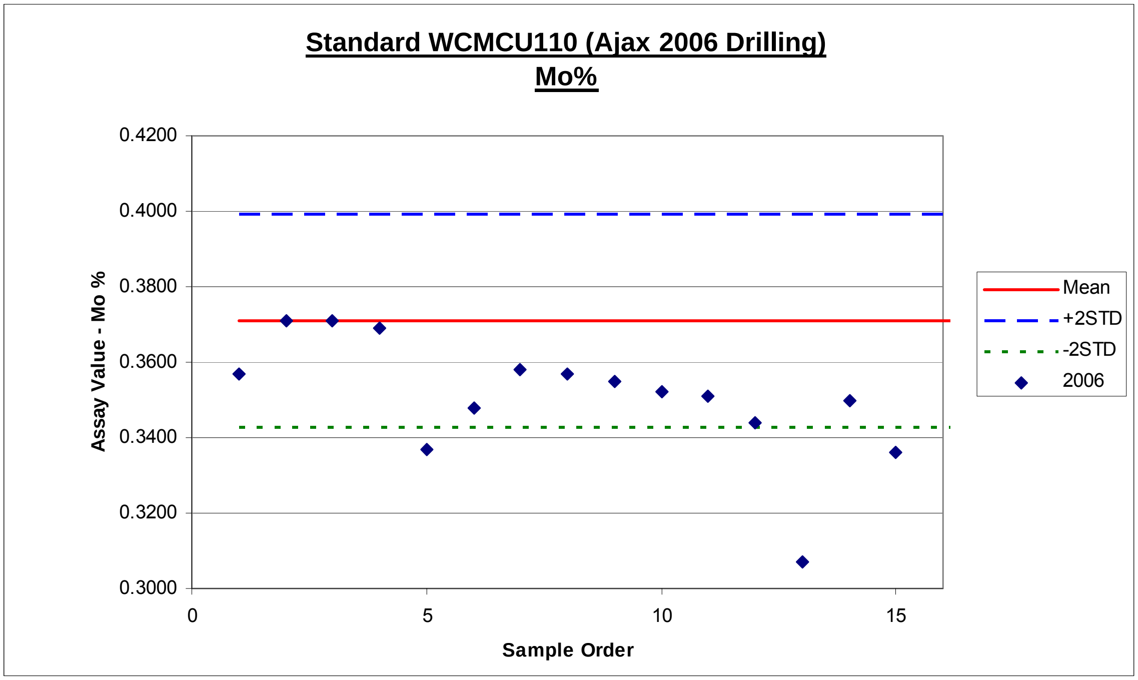
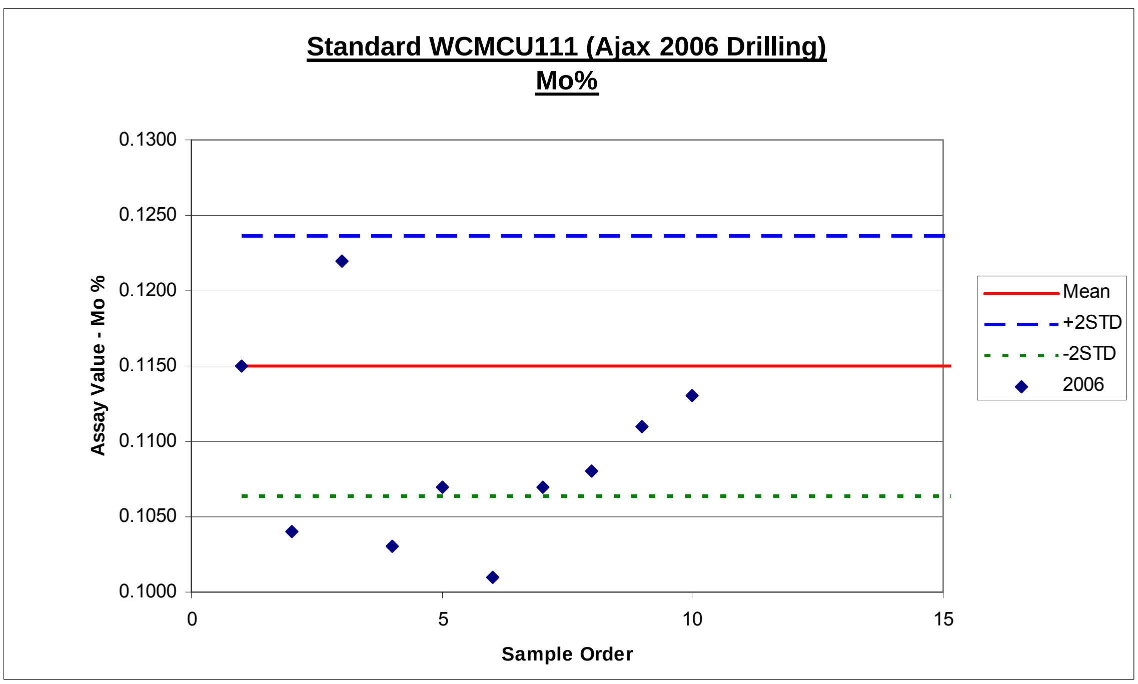
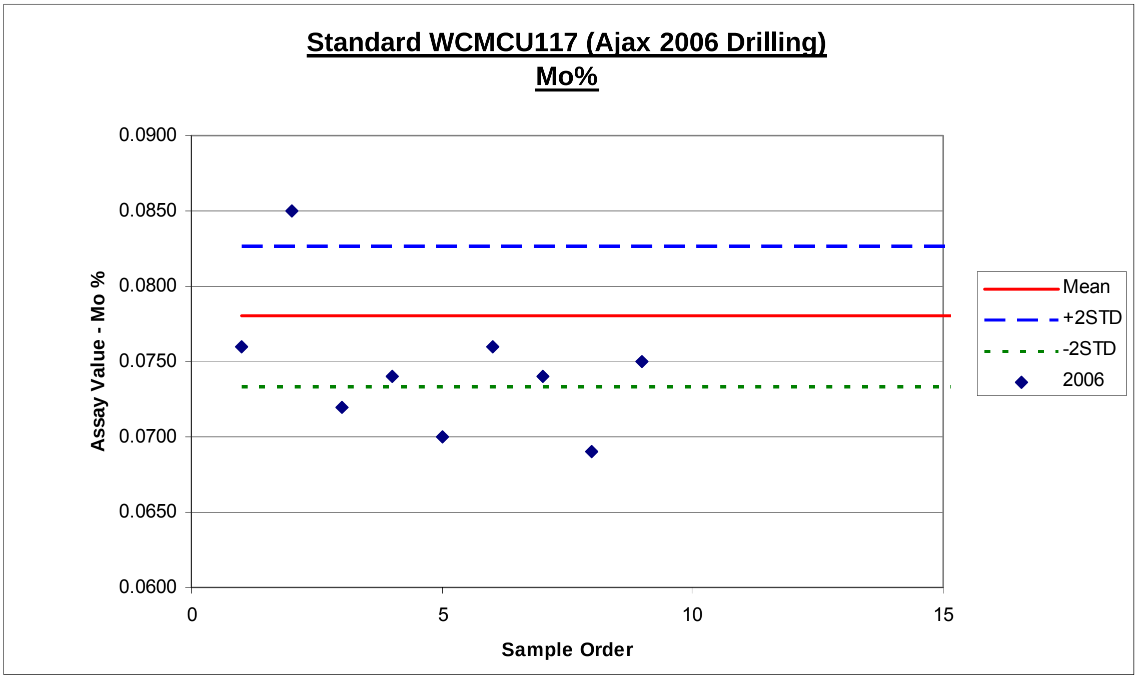
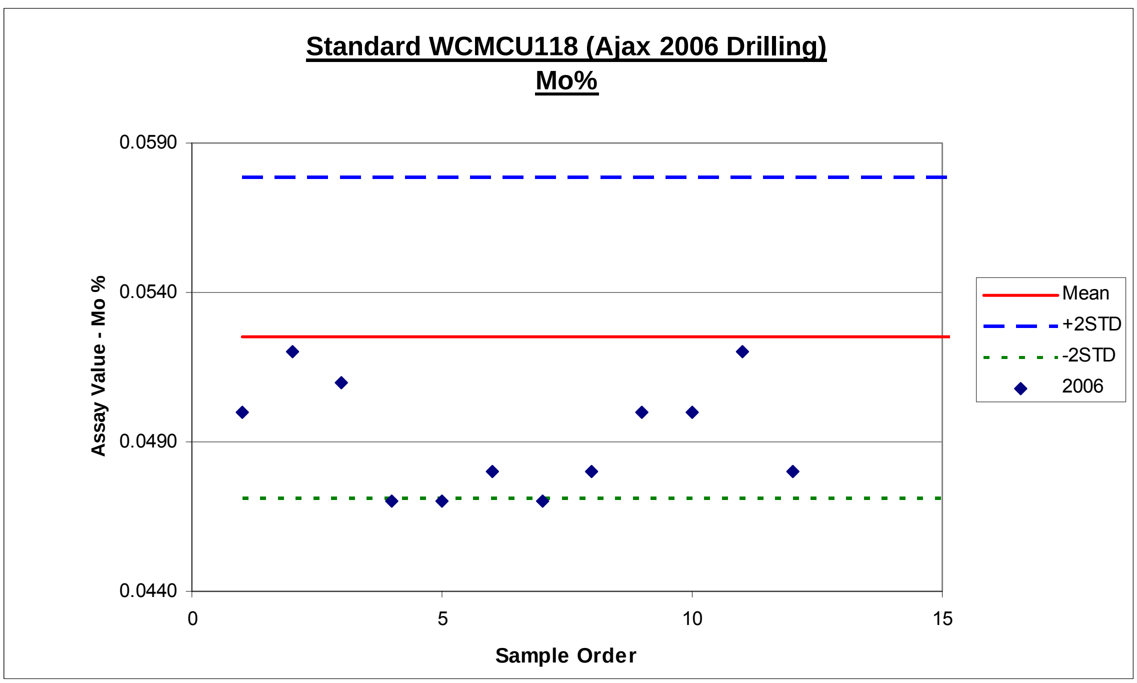
0.12
0.14
0.16


Standard WCMCU110 (Ajax 2006 Drilling)
Mo%
0.4200
0.4000
0.3800
0.3600
0.3400
0.3200
0.3000
Assay Value - Mo %
0
5
10
15
Sample Order
Mean
+2STD
-2STD
2006


Standard WCMCU111 (Ajax 2006 Drilling)
Mo%
0.1300
0.1250
0.1200
0.1150
0.1100
0.1050
0.1000
Assay Value - Mo %
0
5
10
15
Sample Order
Mean
+2STD
-2STD
2006


Standard WCMCU117 (Ajax 2006 Drilling)
Mo%
Assay Value - Mo %
0.0900
0.0850
0.0800
0.0750
0.0700
0.0650
0.0600
0
5
10
15
Sample Order
Mean
+2STD
-2STD
2006


Standard WCMCU118 (Ajax 2006 Drilling)
Mo%
Assay Value - Mo %
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0.0540
0.0490
0.0440
0
5
10
15
Sample Order
Mean
+2STD
-2STD
2006