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The Directors
New Cantech Ventures Inc.
670 – 789 West Pender Street
Vancouver, B.C. V6C 1H2

Re: Summary Report – Tidewater Molybdenum Property
Alice Arm Area
Skeena Mining Division, British Columbia

Introduction

The writer has been requested by New Cantech Ventures Inc. to provide the board of directors with a summary overview of the Tidewater Mo property. The writer first examined and reported on the Tidewater property in 1964 when an exploratory program was being conducted by Canex Aerial Exploration, a subsidiary of the then Placer Development Ltd. The investigation of the Tidewater property by this writer was part of a broader study of molybdenum deposits and prospects in the Alice Arm area undertaken on behalf of the BC Department of Mines and Petroleum Resources. Over the ensuing years, the writer developed a good working knowledge BC and western North America molybdenum deposits and is the author of several papers on molybdenum deposits in central BC including those in the Alice Arm district.

This preliminary report may be considered as a forerunner of an expanded report to be completed at a later date if required by New Cantech. A brief overview of the exploration history and geological setting of the Alice Arm molybdenum district plus a comparison of the Tidewater property with the other known deposits and prospects is provided in the following report sections.

Mineral Property, Location and Access

The Tidewater mineral claims are situated between 0.75 and 2.25 kilometres north of Alice Arm inlet and 5 kilometres southwest of Alice Arm village at the head of the inlet in the north coast region of British Columbia. Alice Arm is approximately 140 kilometres by sea north of Prince Rupert. The town of Kitsault, constructed as part of the development of Kitsault molybdenum mine in the late 1970s and accessible by road from Terrace and the Nass Valley, is on the south side of the inlet and some 5 kilometres east-southeast of the Tidewater property.

The five contiguous mineral claims comprising the current property cover an area of slightly less than 200 hectares. Details are as follows:

...../2

Claim Name	Record No.	Area (hectares)	Expiry Date
Success	250413	25.0	June 26, 2008
Molybdenum	250414	25.0	June 26, 2008
Tide	250418	100.0	June 28, 2008
Tide II	250419	25.0	June 28, 2008
Tide III	531628	18.388	April 10, 2009
		193.388	

The claims are subject an option and royalty agreement between New Cantech and R.R. Blusson and R.M. Dunn.

History

A number of porphyry molybdenum deposits and occurrences are known along the eastern flank of the Coast Plutonic Complex throughout British Columbia with perhaps the most significant clustering of this deposit type being situated in the general vicinity of Alice Arm. Molybdenite was first recognized in this area in the early 1900s at the Tidewater property where 345 tonnes averaging 1% Mo were extracted from quartz veins during World War I with some limited sporadic production continuing through 1931. Most of the other known deposits and prospects were discovered prior to the mid 1920s including Kitsault (also known as Alice, Lime Creek and BC Moly) which saw limited production (30 million pounds of Mo recovered from 13.4 million tonnes processed) between 1967 and 1972 and again in the early 1980s following Amax's purchase of the property from Kennecott in 1975.

The current resource at Roundy Creek was identified by a junior company (Sileurian Chieftain) in the late 1960s – early 1970s. The Ajax property was staked by Newmont in early 1965 on the basis of a brief mention of molybdenite mineralization on Mt. McGuire in the 1926 Minister of Mines Annual Report. Newment completed several major programs through 1967 but let the claims lapse in the early 1990s when they were acquired by Tenajon Resources, part of the Northair Group. Tenajon is in its third season of drill testing this property. The most recent discovery in the immediate district was Bell Moly, 8 kilometres northeast of Kitsault which was found during a reconnaissance exploration program conducted by Mastodon Highland Bell in 1965.

One of the most significant molybdenum discoveries in this general area was Quartz Hill in the Alaska panhandle midway between Alice Arm and Ketchikan. Discovered in 1975 by US Borax and Chemical Corporation (and now owned by Teck Cominco), this deposit, which is currently effectively sterilized by a US National Monument, contains 1.38 billion tonnes grading 0.08% Mo including 230 million tonnes averaging 0.13% Mo.

The Kitsault, Roundy Creek and Bell Moly properties are currently owned by Freeport McMoRan which acquired Phelps Dodge Corp. earlier this year. Phelps Dodge had previously sold the town of Kitsault to an American investor for $7 million in 2006.

Diamond Drilling Programs

Diamond drilling programs completed on the various Alice Arm porphyry molybdenum properties since 1959 include the following:

Property	Year(s)	No. of Holes	Metres
Kitsault (BC Moly)	1959-1963	58	13153

(Includes only the initial drilling which was deemed sufficient to make a production decision in 1964. Total includes an initial 10 packsack holes of 30 metres each. Most of the later holes were inclined and drilled within a 700 x 500 metres area in the northern half of the stock at varying azimuths to test the annular or ring zone of Mo mineralization. Hole spacings varied from 20 to 120 metres and averaged 60 metres.)

...../3

Property	Year(s)	No. of Holes	Metres
Roundy Creek	1960, 1965-1971	148	9302

(1960 drilling (3 holes – 760 metres) by Southwest Potash (Amax); most of the subsequent drilling by Sileurian Chieftain consisted of short holes to test a tabular zone of higher grade Mo mineralization.)

Bell Molybdenum	1966,1967;1976,1977	53	10971

(Much of the mid-1960s drilling consisted of vertical holes at 120 metres spacings; Climax 1970s drilling consisted of both fill-in and reconnaissance holes 150 to 500 metres apart)

Ajax	1965-1967;2005,2006	35	12654

(1960s drilling consisted of 24, widely spaced, mainly inclined holes (average 235^0 azimuth) completed within a 1 km^2 area at average hole spacings of between 100 and 250 metres. Recent drilling (9 holes = 4553 metres = 36% of total drilling) undertaken within previously drilled area. Additional drilling currently underway to better define near surface resources.)

Tidewater	*1964-65;1979-80;1988*	*23*	*3029*

(1964-65 drilling by Canex Aerial Explorations included 7 holes drilled from old underground workings and 5 vertical holes drilled to test granite porphyry stock. Amax drilling in 1979-80 consisted of 7 inclined and vertical holes to test the area of the granitic stock while four holes drilled by Richmark Resources in 1988 were designed to test precious metals bearing quartz veins.)

GEOLOGICAL SETTING

The dominant feature of the Alice Arm area is the Coast Plutonic Complex which borders Mesozoic volcanic and sedimentary sequences a short distance west of the Tidewater, Kitsault and Roundy Creek molybdenum deposits and prospects. Triassic and Jurassic volcanic and sedimentary rocks are exposed east of the Coast Plutonic Complex granites north of Alice Arm while marine to continental sedimentary rocks of the Jurassic-Cretaceous Bowser Lake Group underlie most of the area to the south and east. Overlying these are small, erosional remnants of Pleistocene columnar basalt. Plutonic rocks, mainly of early Tertiary age, include the aforementioned granitic rocks of the Coast Plutonic Complex and small (less than I kilometre in diameter) quartz monzonite porphyry stocks of the Alice Am Plutonic Suite which intrude mainly sedimentary rocks near the east margin of the Coast Plutonic Complex. Basic (lamprophyre) dyke swarms of Oligocene age cut all older rocks and mineral deposits.

Three types of molybdenum deposits are recognized within a 60 kilometre radius of Alice Arm. These include deposits associated with intrusions of the Alice Arm Plutonic Suite, prospects and occurrences hosted by granitic rocks of the Coast Plutonic Complex, and deposits associated with felsic intrusions clearly younger than enclosing Coast Plutonic Complex granitic rocks such as Quartz Hill in neighbouring southeast Alaska.

With the exception of Quartz Hill, the most significant of the three types of molybdenum deposits are those associated with intrusions of the Alice Arm Plutonic Suite. Porphyritic quartz monzonite is the dominant rock type and the stocks intrude Mesozoic siltstones and greywackes marginal to Coast Plutonic Complex. Examples in the immediate Alice Arm area include Kitsault, Roundy Creek, Bell Molybdenum, Ajax and Tidewater. The molybdenum-bearing stocks have apparently have been localized at or near intersections of east-northeast and north-northwest faults and fracture zones which characterize the structure of the area. Several of the intrusions, including that on the Tidewater property, are elongate in an east-northeast direction suggesting emplacement along majbr fault zones.

The spatial relationship between the Kitsault and Bell Moly porphyry intrusions and the Pleistocene basalts south of Alice Arm suggests that both the intrusions and the much younger

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volcanics may have been localized along the same regenerated fault and fracture systems. The incidence of young volcanic activity near molybdenite deposits is not uncommon in the Canadian Cordillera; other examples include the Boss Mountain and Adanac deposits.

Principal Features of Alice Arm Mo Deposits

While more than a dozen Mo-bearing intrusions of the Alice Arm Plutonic Suite are known in the Anyox – Alice Arm – Nass River area, most of the exploration and development work to date has been directed to five deposits and prospects in the immediate Alice Arm area. These include Kitsault, Roundy Creek, Bell Molybdenum, Ajax and Tidewater. In these and other prospects, quartz monzonite porphyry is the prevalent host rock and it is characterized by 2 millimetre to 1 centimetre phenocrysts of euhedral plagioclase, K-feldspar, and both euhedral and anhedral quartz eyes in decreasing order of abundance. This rock type usually contains both biotite and hornblende. Leucocratic quartz-feldspar porphyry phases of similar composition but with muscovite as the principal mica mineral are also prominent within most of the deposits and are the principal intrusive phase at Tidewater.

Some of the Mo-bearing intrusions are zoned, most notably that hosting the Kitsault (BC Moly) deposit. There, a core of quartz monzonite porphyry is bordered by more basic granodiorite and quartz diorite, which may be in part slightly older than the quartz monzonite phase. Most of the Mo-bearing stocks exhibit multiple stages of intrusion with the earliest quartz monzonite and/or quartz-feldspar porphyry phase forming the bulk of the intrusion. This main phase may be intruded by fine-grained, equigranular alaskite or aplite that consists essentially of quartz and K-feldspar. Irregular masses of this phase are very common at Kitsault and Roundy Creek, and to a lesser degree at Tidewater. These alaskites commonly are host to better grades of disseminated and lens-like molybdenite mineralization. Other later-mineral intrusions include dykes and irregular lenses of intrusive breccia which are best developed along the northern stock contact at Kitsault where they are characterized by 1 to 2 centimetres angular fragments of both intrusive and country rock contained in a fine-grained matrix of quartz and feldspar. Several deposits feature intrusive phases, also of quartz monzonite composition, that are very late in the intrusive-mineralization sequence. Examples include an unexposed plug below the northeast part of the Kitsault intrusion and the southwest portion of the Bell Molybdenum stock which may be of post-mineral age.

Post-mineral lamprophyre and basalt dykes cut virtually all of the molybdenum-bearing stocks. These usually strike northeasterly, dip vertically, and truncate all pre-existing rocks and structures, including mineralized fractures.

Sedimentary rocks marginal to the Alice Arm molybdenum-bearing porphyry intrusions are thermally metamorphosed to biotite hornfels in aureoles that extend outward from intrusive contacts over distances of between 60 and 500 metres as seen at Roundy Creek, Bell Molybdenum, Kitsault, Ajax and Tidewater

Alteration patterns within and marginal to the molybdenum-bearing intrusions are similar to those of other porphyry deposits. A central zone of potassic alteration is partially coincident with molybdenite .mineralization. At Kitsault, the most intense potassic alteration occurs in a circular zone in the northern part of the stock where the granitic rocks within this core of intense alteration are laced with barren quartz veinlets rimmed by secondary K-feldspar, so that the original quartz monzonite porphyry has been converted to a rock consisting mainly of quartz and K-feldspar. In the outer part of this alteration zone is an annular zone or ring of molybdenite mineralization within which secondary K-feldspar is restricted to the margins of quartz-molybdenite veinlets. The other known Alice Arm molybdenum deposits also feature secondary K-feldspar, but not to the same degree as at Kitsault. Other forms of potassic alteration include

...../5

secondary biotite, an alteration of primary hornblende, found to a limited degree in several of the deposits, and the quartz-muscovite veins representing much of the potassic zone at Roundy Creek. The potassic zone at most deposits is gradational outward to a phyllic (quartz-sericite-pyrite) zone which, near the margins of the plutons, results in an overprinting or bleaching of biotite hornfels to a buff or light green colour marginal to fractures and quartz veinlets due to the development of very fine- grained quartz, sericite, and some epidote. This type of alteration may be weakly developed, as at most of the deposits, or so intense that the original biotite hornfels has been largely transformed to a buff or light green-coloured rock within a zone several tens of metres outward from the stock contact, as at Kitsault, and up to 200 metres at Ajax. Pyrite is a common constituent of the phyllic alteration zone and occurs both in quartz veinlets and as disseminations. The intensity of pyritization seen around most of the molybdenum-bearing intrusions is also related in part to the earlier thermal metamorphism which also involved the formation of pyrrhotite in the biotite hornfels zone.

Better grades of molybdenite mineralization in the Alice Arm intrusions are dependent on structural and lithologic controls. Fracturing and attendant quartz-molybdenite veining are best developed near stock contacts. This is evident to some degree at Tidewater and particularly at Bell Molybdenum where molybdenum mineralization as selvages to quartz veinlets occurs in both the quartz monzonite porphyry and biotite hornfels adjacent to the central and eastern stock contacts. The Roundy Creek pluton hosts two styles of mineralization including molybdenite occurring as selvages in randomly oriented quartz veinlets and as fracture coatings in quartz monzonite porphyries in making up the eastern part of the intrusion. The fine-grained alaskite or aplite phase constituting part of the larger, western segment of the pluton hosts high grade molybdenum mineralization consisting of nearly massive lenses, pods, and parallel, in part colloform, bands of molybdenite, all of which are considered to be part of a true magmatic deposit. At Ajax, which is discussed in greater detail in a subsequent section of this report, the molybdenum zone is central to an intrusive complex underlying a 900 by 750 metres area.

As noted, the Kitsault ore zone is annular or ring-shaped in plan and centred in the northern half of the stock (see inset – Figure 1). Molybdenite occurs as selvages in a network of east-northeast and northwest-trending quartz veinlets while disseminated molybdenite is contained in the alaskite or aplite intrusive phase at the Kitsault deposit. Kitsault features at least four stages of molybdenite mineralization due in part to intermineral intrusive phases that cut earlier mineralized phases and are themselves mineralized, having the effect of upgrading the deposit. Studies of grade distribution indicate that the zone of >0.06% Mo extends to depths of between 400 and 500 metres vertically below the present open pit at an elevation of about 600 metres above sea level. Available data suggest that the upper half of the >0.06% Mo zone has been lost to erosion indicating an original vertical interval of between 800 and 1000 metres. Higher Mo grades of >0.12% and locally >0.18% Mo are more or less evenly distributed in plan throughout the central part of the annular or ring structure while in section these higher grades occupy a more restricted vertical interval in the order of 500 metres.

All of the Alice Arm molybdenite deposits feature late-stage polymetallic quartz-carbonate veins containing pyrite, galena, sphalerite, tetrahedrite and chalcopyrite. At Tidewater, such veins were the principal focus of work by Richmark Resources in the late 1980s.

Pyrite halos may extend outward from the molybdenite zone between 150 and several hundred metres. Where exposed, pyrite zones weather to a prominent gossans one of which is particularly prominent at the Ajax property.

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Resource Estimates

Note – most of the following are historic estimates; only the Ajax estimates are NI 43-101 compliant.

Property	Tonnes (millions)	Mo(%)	Cutoff grade (Mo%)	Category
Kitsault	104.3	0.114	0.06	"Open pit mineable" Amax 1982
Roundy Creek	(a) 6.3	0.066	NA	"Inferred" – eastern stockwork zone
	(b) 1.2	0.208	NA	"Indicated" – high grade zone
including	0.03	0.400	NA	
Bell Molybdenum	96.1	0.054	0.03?	"Inferred"
Including	50.8	0.060	0.03?	"open pitable"
Ajax	(a) 174.1	0.074	0.06	"Inferred" Newmont 1967
	(b) 126.0	0.083	0.06	"Inferred" Canex Placer 1968
	(c) 38.8	0.064	0.04	Indicated Tenajon 2007
	(d) 448.8	0.063	0.04	Inferred Tenajon 2007
Tidewater	9.1	0.060	?	"Drill Indicated", Amax 1980

THE TIDEWATER MOLYBDENUM PROPERTY

The Tidewater property, north of Alice Arm inlet, is underlain by a sequence of clastic sedimentary rocks with minor interbedded volcanic rocks a few kilometres east of the Coast Plutonic Complex contact. The sedimentary rocks are intruded by a small granitic stock, elongate in an east-northeast direction, and measuring 500 by 250 metres. The elongation of the stock reflects one of the dominant structural trends of the Alice Arm area. The principal rock type within the stock is a leucocratic quartz feldspar porphyry accompanied by subordinate quartz monzonite porphyry and some fine-grained alaskite dykes. Northeasterly striking basic dykes, mainly lamprophyres, intrude both the granitic and sedimentary rocks

Contact metamorphism associated with the intrusion of the porphyry stock has converted the sedimentary rocks to brown- coloured biotite hornfels within a zone extending 100 to 200 metres outward from the northern, western and eastern stock contacts. This biotite hornfels zone extends some 300 metres or more from the southern stock contact to include the area of the high grade quartz-molybdenite veins that were exploited in the early 1900s.

Two styles of molybdenite mineralization identified to date on the property include disseminated, fracture filling and quartz veinlet stockworks hosted by both granitic and sedimentary rocks near the margins of the stock and the quartz-molybdenite veins south of the granitic stock which are unique to the Tidewater property. The historic underground workings which were used to exploit the veins are slightly more than 300 metres south of, and 130 metres vertically below the southern contact of the granitic stock. As such, the intervening area features a prominent break in slope with a 38% grade in contrast to the relatively moderate grades both north and south.

The Mo-bearing quartz veins are developed in subvertical, north-northeast-trending shear zones which cut hornfelsed sedimentary rocks. Vein widths are up to 4.5 metres and molybdenite occurs in seams parallel to vein walls resulting in a banded appearance. Post-mineral, 3 to 4

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metre wide lamprophyre dykes both parallel and cut the quartz-molybdenite veins. The veins were investigated by two adits at elevations of 309 and 342 metres above sea level. Better grades of molybdenite mineralization exposed in the two levels include a stope above the upper level from which most of the historic production was extracted. Here, detailed sampling defined a lens measuring 1.7 metres wide and 3.7 metres in length grading 1.589% Mo. A lens on the lower level, measuring 1.2 metres wide and 23.8 metres long, has an average grade of 0.629% Mo.

Detailed underground sampling, consisting of 245 channel samples across the vein structures at 1.5 to 3 metres intervals, was carried out by the B.C. Department of Mines in the 1930s. A quote by J.S. Stevenson concerning this sampling is as follows: "Because of the markedly lenticular nature and discontinuity of the lenses within short distances, both vertically and horizontally, anyone making tonnage estimates from the assays as shown on Fig. (8), must make the calculations with due regard for such uncertainty in the projection of vein lengths and widths."

The quartz-molybdenite veins were investigated by seven inclined holes (547 metres) drilled from the underground workings by Canex Aerial Exploration in 1964 and by one steeply inclined hole completed by Amax in 1979. The "resource estimate" reported for Tidewater in the late 1980s includes only the area of these veins and may well be suspect in view of the foregoing comments by Stevenson.

Based on available data, the disseminated, fracture-filling and quartz stockwork style of mineralization associated with the porphyry stock is best developed near its contacts with hornfelsed sedimentary rocks. As defined by limited Amax drilling in 1979 and 1980, this mineralization mainly extends outward between 100 and 200 metres from the stock contact and is coincident with the better developed zone of biotite hornfels. An exception to this rule was noted by Amax marginal to the western stock contact where Mo mineralization apparently extended outward some 500 metres.

The following table lists the more significant grades (using a Mo cutoff grade of 0.023%) obtained from five of fifteen holes drilled within and adjacent to the porphyry stock. Note that four (Richmark, 1988) of the fifteen holes were not analyzed for Mo and that seven of the fifteen holes drilled were vertical holes which, in view of the subvertical nature of virtually all of the mineralized structures, would have provided only limited information.

Hole No.	Interval (metres)	Length (metres)	Mo (%)
79-02	34-116	82	0.024
	116-152	36	0.047
	152-160	8	0.046
	160-224	64	0.025
79-03	150-161	11	0.053
80-04	190-224	34	0.061
80-05	3.1 – 64.0	6.1	0.027
80-06	2.4 – 32.0	29.6	0.034

All of the five holes reported above tested the contact area of the stock with the best grades obtained from hole 80-04 which was collared in hornfels and drilled northwesterly into the stock contact. Holes 79-02 and -03 tested the northwest stock contact while holes 80-05 and -06 tested the northeast part of the contact.

...../8

CONCLUSIONS AND RECOMMENDATIONS

The Tidewater property exhibits many features in common with the more thoroughly explored molybdenum deposits and prospects in the Alice Arm area of British Columbia. Tidewater has been investigated to date by only a little more than 3000 metres of diamond drilling or one quarter to one third of the amount of drilling completed on four of the other molybdenum properties in the district.

Much of the drilling completed to date has provided only limited information regarding the potential of the property. No molybdenum values are currently available for 17 of the 23 holes drilled. Missing information includes the 7 underground and 5 surface holes completed by Canex Aerial Exploration in 1964 and 1965, one 1979 Amax hole and the four 1988 Richmark Resources holes which were analyzed for gold and silver only. The core from these four holes is stored on the property and appears to be in good shape. A re-sampling program would be in order when conditions permit. Critical information for the Canex and Amax missing holes may be available from the property vendors and if so, should be reviewed as soon as possible.

In summary, the more prospective areas of the Tidewater property have been investigated to only a limited degree and further work is warranted. The writer is of the opinion that a more comprehensive review of available data should be undertaken prior to the company making any decisions regarding a possible farmout of the property

Respectfully submitted,

"Signed"

N.C. Carter, Ph.D. P.Eng.