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Mr. Dave Visagie, P. Geo.
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Dear Dave:

Re: Silver Streak Property
Houston Area, Omineca Mining Division, B.C.

Pursuant to your request of January 17, 2003, I have reviewed the documents provided and other data pertaining to the Silver Streak property and its geological setting and offer the following comments.

Background

I remember this property as the Eric when it was being explored by Equity Silver Mines in the early 1990s. I recall visiting the property briefly in 1990 prior to the inception of work programs. Since this was a mine-operated exploration program and my mandate on behalf of Equity was outside exploration projects, I really didn't have any involvement with this particular project and can find no further reference to it in my files from that period. My recollection is that the mine staff was of the opinion that the Eric property had similarities to the Equity deposit and the concept was to determine if there was enough material of reasonably good grade that could be trucked to the mill.

Other than the three drilling campaigns and an IP survey, little is known regarding other Equity work. Although there are references to soil samples being taken, I seriously doubt that much mapping was done – emphasis at that time was to get properties to the drilling stage quickly.

I am rather surprised that other than the 1990 Walcott IP report, which was filed for assessment purposes, there is nothing in the public database and this showing is not even included as a Minfile occurrence.

Geological Setting and Styles of Mineralization

Volcanic and sedimentary host rocks for Silver Streak mineralization are undoubtedly part of the Hazelton Group with the only unresolved issue being whether they are part of the Telkwa Formation of earliest Jurassic age or perhaps slightly younger. Mapping by Church (1973) indicates that the rocks immediately south are part of the late Cretaceous Goosly Lake (now Kasalka) volcanics. These are the host rocks for the Nadina veins at Owen Lake, 10 km south of the Silver Streak property.

As mentioned, original thinking was that the style of mineralization at the Eric or Silver Streak property had some similarities to the Equity deposit. Subsequent work indicates that this is not the case. Equity is a concordant, stratabound deposit hosted by pyroclastic rocks of early Cretaceous age. Current thinking is that it is

epigenetic, related to a Tertiary (58 Ma) granitic stock which is immediately west of the deposit and contains some weak porphyry Cu-Mo mineralization. I prefer the theory proposed by Ney and others (1972) that Equity is a VMS deposit remobilized in part by the Tertiary granitic intrusion and a younger (49 Ma), clearly post-mineral gabbro-monzonite plug to the east of the deposit. Host rocks marginal to the deposit feature high alumina and boron alteration minerals including andalusite, corundum, pyrophyllite, scorzalite, tourmaline and dumortierite.

Regardless of its genesis, Equity is a somewhat unique deposit which was discovered by stream sediment geochemistry (Sutherland Brown, 1975). Principal drainage sampled was a west to southerly flowing stream which cuts through the central part of the deposit and empties into a drainage flowing into the southeast end of Goosly Lake. Samples collected immediately above the deposit returned values of 2.9 to 4.1 ppm Ag, 78-185 ppm Cu and 356-440 ppm Zn. Values at the mouth of the drainage returned 0.25 ppm Ag, 8 ppm Cu and 103 ppm Zn. Best results were obtained from a west-flowing tributary of the major drainage some 1000 metres south of the apparent southern limits of the deposit; these included 32.5 ppm Ag, 363 ppm Cu and 258 ppm Zn.

There are only limited descriptions of geophysical responses over the Equity deposit. Ney and others (1972) refer to IP surveys indicating weak sulphides marginal to the granitic stock and a strong magnetic signature over the gabbro-monzonite plug to the east of the deposit. Mention is made of an airborne EM survey but no details are provided; one would suspect that in view of locally significant pyrite-pyrrhotite contents, the deposit would have had some response.

Silver Streak is a structurally-controlled, epithermal system which may be analogous to the nearby Nadina polymetallic vein deposits. With the exception of high zinc values at Nadina, the general tenor of silver and base metals for the two deposits is similar. To illustrate this, the following table includes arithmetic averages of better grades obtained from trenches and drill holes at Silver Streak; average grades listed for both Nadina and Equity are recovered grades from previous milling.

	<u>Ag (g/t)</u>	<u>Au (g/t)</u>	<u>Cu (%)</u>	<u>Pb (%)</u>	<u>Zn (%)</u>
Silver Streak	70.29	N/A	0.13	0.16	0.13
Nadina	71.66	0.51	0.21	0.37	2.65
Equity	67.89	0.48	0.26	N/A	N/A

Average silver contents for the three deposits are remarkably similar. As noted, zinc is much higher at Nadina but of real note is the curious absence of any gold values at Silver Streak.

Previous Exploration Work – Silver Streak

Mineralization at Silver Streak was found marginal to a logging road by local prospectors in 1989. Following Equity's acquisition of the property in 1990, a grid was established with north-northwest crosslines off an east-northeast baseline. A subsequent IP survey detected weak chargeabilities and moderate, crudely coincident resistivity readings in the northern part of the grid. The reason for the grid orientation is not known; upon completion of the IP survey, it was noted that the structural trend seemed to be west-northwest with moderate southerly dips. The 1990 drilling consisted mainly of inclined holes on north-northwest azimuths (grid direction) and was apparently designed to test the weak IP anomalies. No significant mineralization was intersected.

1991 drilling included 8 inclined holes drilled due east and west, obviously to test the exposed mineralized zone. Three of these holes (91-1,-2,-3) successfully tested the zone; four holes were drilled west of the zone (to further test IP anomalies?) and one hole (91-10), apparently designed to test the northern continuation of the zone was unfortunately lost at 27 metres depth, well short of the target. Four vertical holes were drilled east and south of the swamp immediately south of the showing for reasons unknown.

Six 1992 inclined holes were drilled on west azimuths to test the possibility of a shallow east dipping zone. Most of these holes were collared well west of the showing area; three holes (92-2,-3,-4) intersected narrow (0.86-6.70 metres) intervals of quartz-carbonate-sulphide veining yielding values of between 38.7 and >200 g/t Ag. These apparently are structures parallel to the main zone. It is curious that no samples were collected from the lower part of hole 92-1 which should have intersected the main zone.

Conclusions and Recommendations

Silver Streak is a structurally-controlled, discordant epithermal system comprised of quartz-carbonate veins, veinlets and breccia zones containing locally significant silver values. Sulphide minerals include galena, sphalerite, tetrahedrite and chalcopyrite. Principal silver mineral is tetrahedrite which is confirmed by elevated antimony values in sections of better grade mineralization.

Several parallel, 3 to 13 metres wide, north-northeast striking, subvertical mineralized lenses, contained within an overall zone width of 35 to 60 metres, have been identified over a strike length of 80 metres and to a depths of 140 metres by previous drilling. Best grades include 253.3 g/t Ag, 0.49% Cu, 0.15% Pb and 0.16 g/t Zn over a hole length of 8.72 metres in drill hole 91-2 which is below a surface trench containing 268.0 g/t Ag, 0.31% Cu, 0.40% Pb and 0.17% Zn over a 13.3 metres interval.

The mineralization identified to date is open along strike both north and south and to depth.

Suggestions for further work include some mapping and prospecting north of the area investigated to date where bedrock is reportedly reasonably well exposed. Soil sampling could also be considered; a detailed profile in the area of the principal showing should indicate whether or not this is a viable option. Geophysics should also be considered – I would suggest a combined magnetometer – VLF survey (preferably with resistivity capability) preceded by detailed trial lines over the area of known mineralization.

While surface work might provide some useful information regarding the potential for along strike continuity of the zone(s), sooner or later more drilling will be required. Several inclined holes both north and south of the area tested to date are recommended.

Respectfully submitted,

N.C. Carter

Selected References

B.N. Church (1973): Geology of the Buck Creek Area, BC Department of Mines and Petroleum Resources Preliminary Map No. 11

Charles S. Ney, John M. Anderson, A. Panteleyev (1972): Discovery, Geologic Setting and Style of Mineralization, Sam Goosly Deposit, B.C., CIM Bulletin Vol. 65, No. 723, p. 53-64 (copy appended)

A. Sutherland Brown (1975): Sam Goosly Cu Deposit, Journal of Exploration Geochemistry, Vol. 4, No.1, p. 94-97 (copy appended)