

MAX Molybdenum Mine

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MAX Exploration Drilling Meeting

Winter 2009-2010

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All data presented in this handout and within the 3D model generated by Vulcan consists of the following variables:

- 1.) All collar locations and downhole surveys have been validated. Slight errors in surface drill hole surveys may exist (1977-1979 drill holes). Hole 05-16 contain an inaccurate survey (only 3 points that do not coincide).
- 2.) All collar locations have been converted to mine grid.
- 3.) All lengths are in meters; footages in feet have been converted to meters.
- 4.) All Moly assay values are in Mo%; MoS₂ values have been converted to Mo%.

Targets

- 1.) Ethel Depths (Zone D)
- 2.) Adit 1 / Load Out
- 3.) Adit 2
- 4.) Remuck #10
- 5.) Main Zone (Extension at depth)

1.) Ethel Depths (Zone D)

Location: Adjacent to Ethel Fault on northeast side (stope and development side).
Extends from 730 m to 560 m. Collar Elev: 795 m.

Geology and Grade:

Drill Hole 78-05A: Altered granodiorite with disseminated molybdenum and bands of massive mineralization. Strongly fractured and quartz-veined locally.

From (m)	To (m)	Length (m)	Mo %	G X W		From (m)	To (m)	Length (m)	Mo %
566.93	568.15	1.22	0.352	0.430	Overall	566.93	606.55	39.62	1.290
568.15	569.67	1.52	0.420	0.640	Including	571.20	602.89	31.70	1.515
569.67	571.20	1.52	0.400	0.609	Including	587.04	596.19	9.14	2.517
571.20	573.02	1.83	1.049	1.919					
573.02	574.55	1.52	1.235	1.882					
574.55	577.29	2.74	0.168	0.460					
577.29	579.73	2.44	0.248	0.605					
579.73	582.17	2.44	1.301	3.172					
582.17	584.61	2.44	2.098	5.116					
584.61	587.04	2.44	0.134	0.327					
587.04	588.57	1.52	2.752	4.193					
588.57	590.09	1.52	3.591	5.473					
590.09	591.62	1.52	4.310	6.569					
591.62	593.14	1.52	1.966	2.997					
593.14	594.66	1.52	1.379	2.101					
594.66	596.19	1.52	1.103	1.681					
596.19	597.71	1.52	0.671	1.023					
597.71	599.24	1.52	2.296	3.499					
599.24	601.07	1.83	2.338	4.276					
601.07	602.89	1.83	1.499	2.741					
602.89	606.55	3.66	0.379	1.386					

Drill Hole 81-15: Altered granodiorite with disseminated and fracture-hosted mineralization. Moderate fracture intensity.

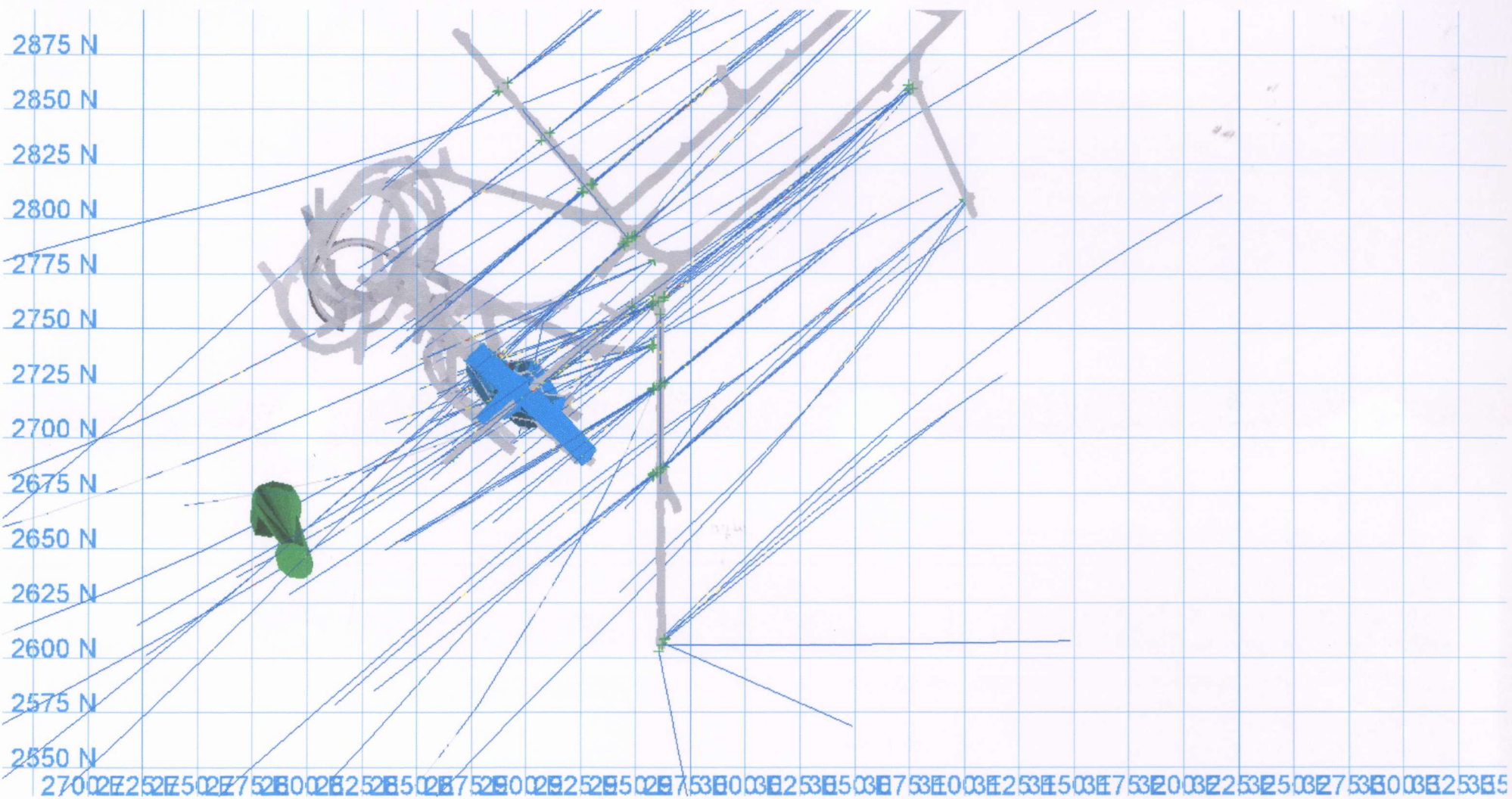
From (m)	To (m)	Length (m)	Mo (%)	G X W		From (m)	To (m)	Length (m)	Mo (%)
426.50	428.00	1.50	0.899	1.349	Overall	426.50	435.30	8.80	0.676
428.00	430.00	2.00	0.941	1.882					
430.00	432.00	2.00	0.388	0.777					
432.00	433.00	1.00	0.929	0.929					
433.00	435.30	2.30	0.441	1.015					

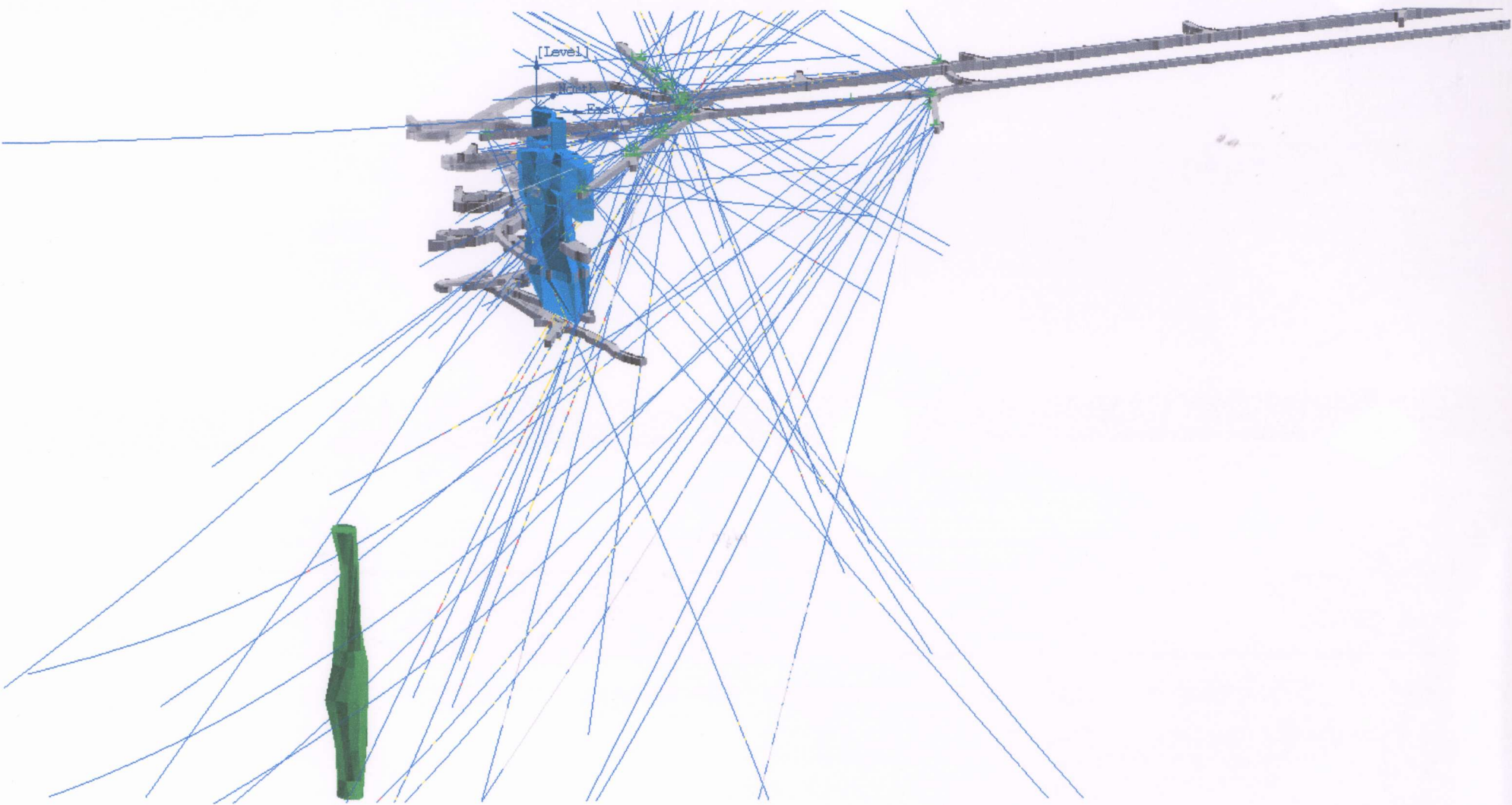
1.) Ethel Depths (Zone D), continued.

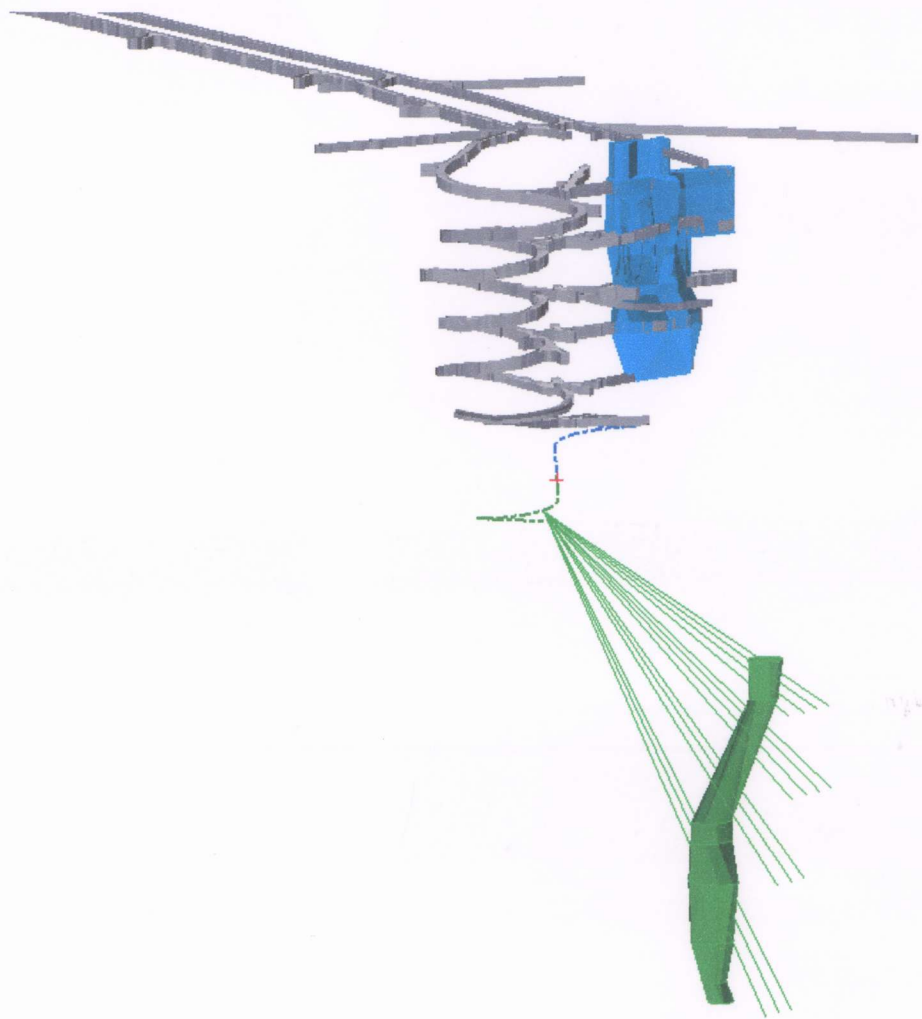
Drilling Exploration Plan: Drill from an undeveloped remuck (or dedicated drill station) on southwest end of decline to the 780 L.

<u>Location</u>	<u>Hole #</u>	<u>Azimuth</u>	<u>Dip</u>	<u>Length (m)</u>	
Ethel Depths	1	195	-30	175	Drilled from decline to 780 L
Ethel Depths	2	195	-40	200	(either future remuck or
Ethel Depths	3	190	-30	175	dedicated drill station)
Ethel Depths	4	190	-40	200	
Ethel Depths	5	200	-30	175	Drill station must be located on
Ethel Depths	6	200	-40	200	the southern side of decline
Ethel Depths	7	205	-30	175	
Ethel Depths	8	205	-40	200	
Ethel Depths	9	200	-50	225	
Ethel Depths	10	200	-60	275	
Ethel Depths	11	195	-50	225	
Ethel Depths	12	195	-60	275	
Ethel Depths	13	205	-50	225	
Ethel Depths	14	205	-60	275	
				2625	

Ethe1 Depths Target Location (green)







02/20

2.) Adit 1 / Load Out

Location: On the 960 L in Adit 1, near Load Out. Mineralization extends from 970 to 990 m. Collar Elev: 966 m

Geology and Grade:

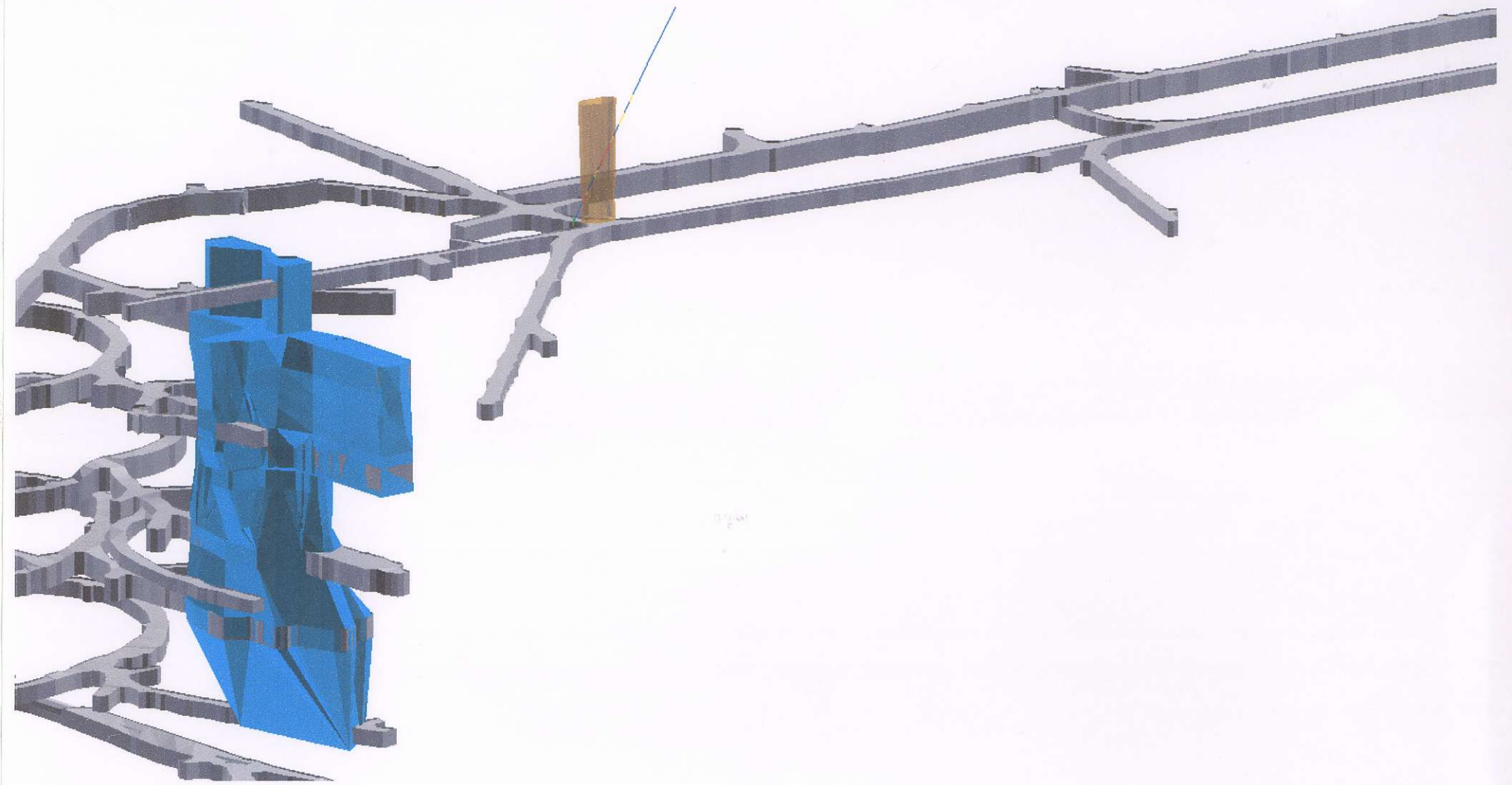
Drill Hole 81-42: 0 – 8.3 Silicified schist w/ x-cutting Qvns.
 8.3 – 9.7 Fault zone / Quartz stockwork
 9.7 – 14.6 Silicified schist
 14.6 – 16.8 Quartz Stockwork
 16.8 – 19.3 Silicified schist
 19.3 – 21.1 Quartz Stockwork

<u>From (m)</u>	<u>To (m)</u>	<u>Length (m)</u>	<u>Mo (%)</u>	<u>G X W</u>		<u>From (m)</u>	<u>To (m)</u>	<u>Length (m)</u>	<u>Mo (%)</u>
5.00	7.00	2.00	0.773	1.547	Overall	5.00	23.00	18.00	0.694
7.00	8.30	1.30	0.617	0.803	Including	14.60	21.10	6.50	1.198
8.30	10.00	1.70	0.148	0.252					
10.00	12.00	2.00	0.154	0.308					
12.00	14.00	2.00	0.396	0.791					
14.00	14.60	0.80	0.076	0.061					
14.60	16.80	2.20	1.235	2.717					
16.80	18.00	1.20	1.205	1.446					
18.00	19.30	1.30	1.085	1.411					
19.30	21.10	1.80	1.229	2.212					
21.10	23.00	1.90	0.500	0.950					

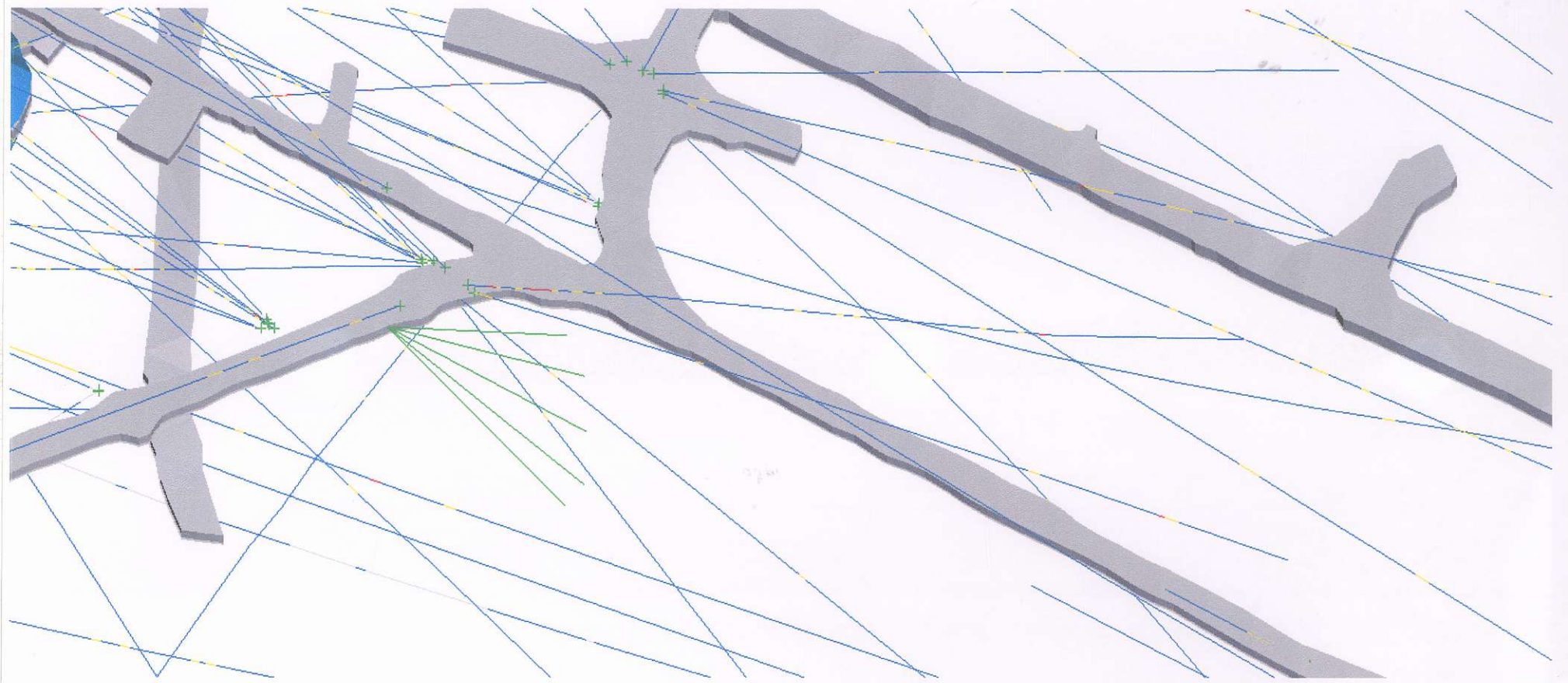
Drilling Exploration Plan:

<u>Location</u>	<u>Hole #</u>	<u>Azimuth</u>	<u>Dip</u>	<u>Length (m)</u>	
Adit 1 / Load Out	1	50	0	25	Drilled from #4 X-cut
Adit 1 / Load Out	2	50	45	35	Drilled from #4 X-cut
Adit 1 / Load Out	3	50	60	45	Drilled from #4 X-cut
Adit 1 / Load Out	4	50	-45	35	Drilled from #4 X-cut
Adit 1 / Load Out	5	50	-60	45	Drilled from #4 X-cut
** More drill holes to South if mnlzn holds together				185	

Adit 1 / Load out high grade



Proposed drilling (green)



3.) Adit 2

UG Visit

Location:

On the 960 L, in Remuck #8 of Adit 2. Sporadic mineralization from 1030 m to 960 m (possibly lower and higher).

Geology and Grade:

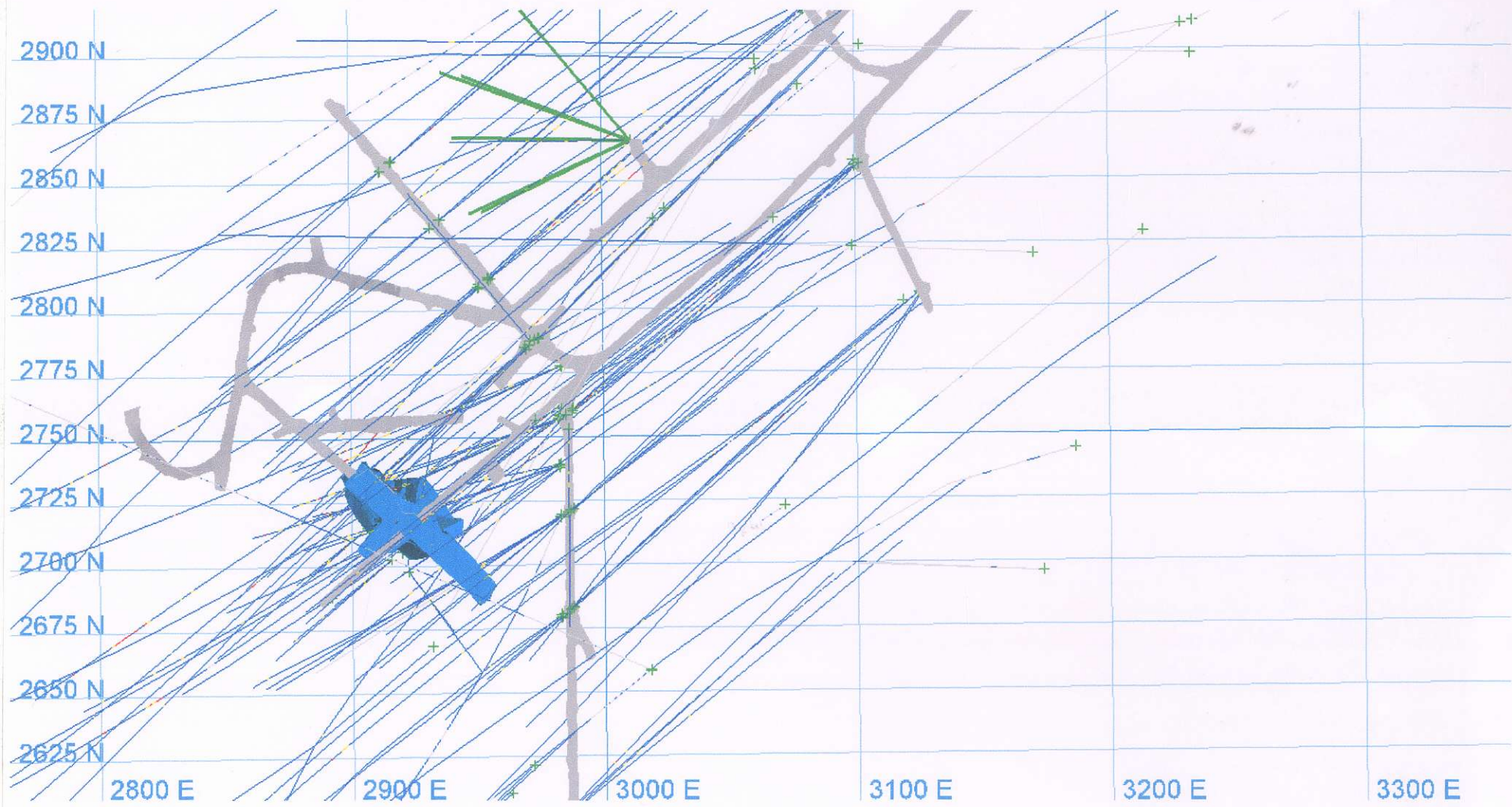
Granodiorite with mineralized quartz veining and numerous sporadic samples that contain >0.3% Mo.

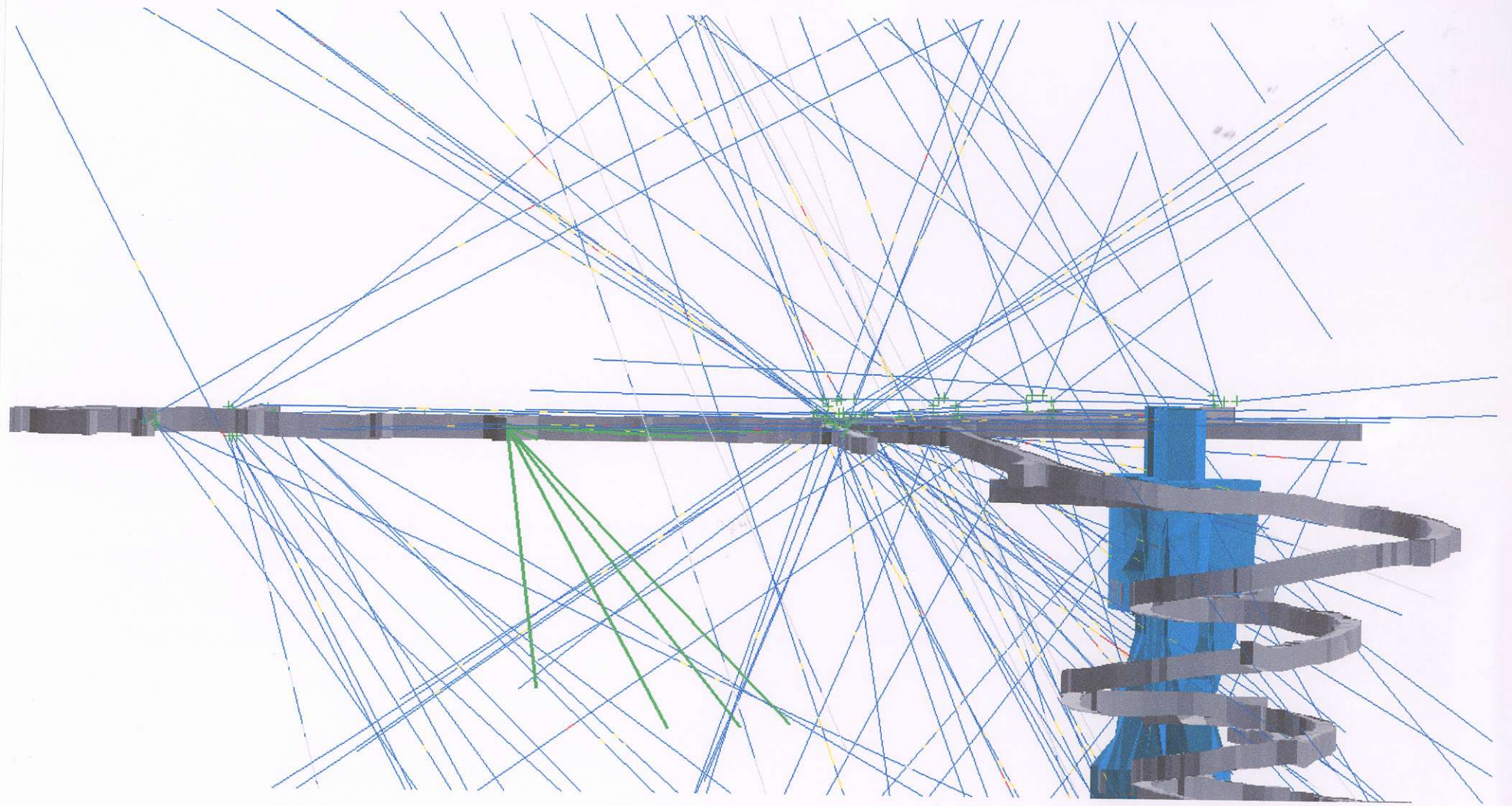
<u>Hole</u>	<u>From (m)</u>	<u>To (m)</u>	<u>Length (m)</u>	<u>Mo (%)</u>	<u>Geology</u>
81-19	45.50	70.00	24.50	0.403	Gd/schist contact with Qvng and stockwork
81-20	29.50	70.00	40.50	0.356	Qvng with high grade in Gd
81-69	62.00	67.30	5.30	0.449	Quartz stockwork

Drilling Exploration Plan:

<u>Location</u>	<u>Hole #</u>	<u>Azimuth</u>	<u>Dip</u>	<u>Length (m)</u>	
Adit 2	1	320	0	100	Drilled from #8 Remuck in Adit 2
Adit 2	2	290	0	80	Drilled from #8 Remuck in Adit 2
Adit 2	3	245	0	65	Drilled from #8 Remuck in Adit 2
Adit 2	4	320	-30	120	Drilled from #8 Remuck in Adit 2
Adit 2	5	290	-45	100	Drilled from #8 Remuck in Adit 2
Adit 2	6	270	-45	100	Drilled from #8 Remuck in Adit 2
Adit 2	7	245	-45	100	Drilled from #8 Remuck in Adit 2
				665	

Adit 2 Proposed Drilling (green)





4.) Remuck #10

Location: Decline to 805 Level, Remuck #10. Collar Elev: 815 m

Geology and Grade: Granodiorite, sporadic mineralization – mostly quartz vein hosted or fault zone-hosted.

Up to 0.338 Mo% locally within granodiorite in Remuck #10 wall samples.

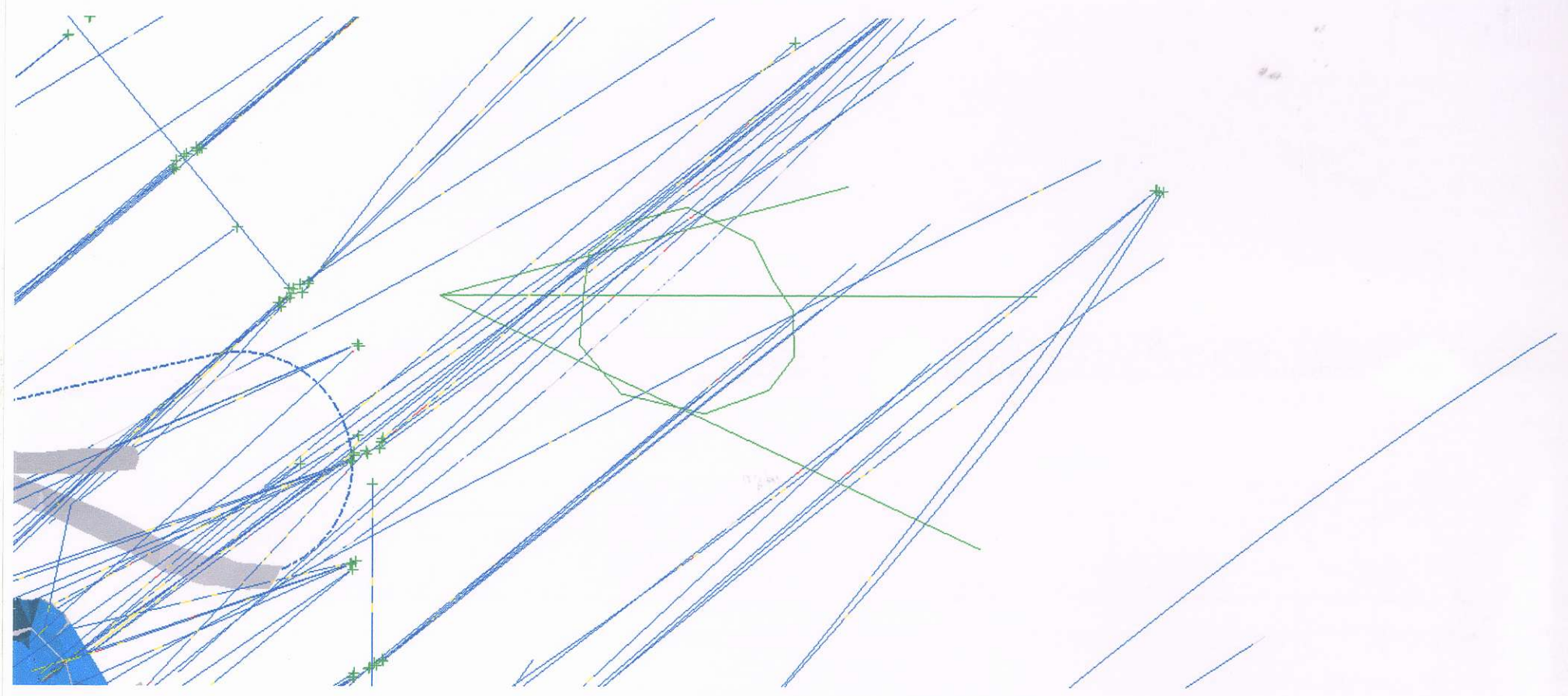
Drill Hole 81-46: 1.2 m fault zone within granodiorite and bound by quartz veining – best mineralization in this area.

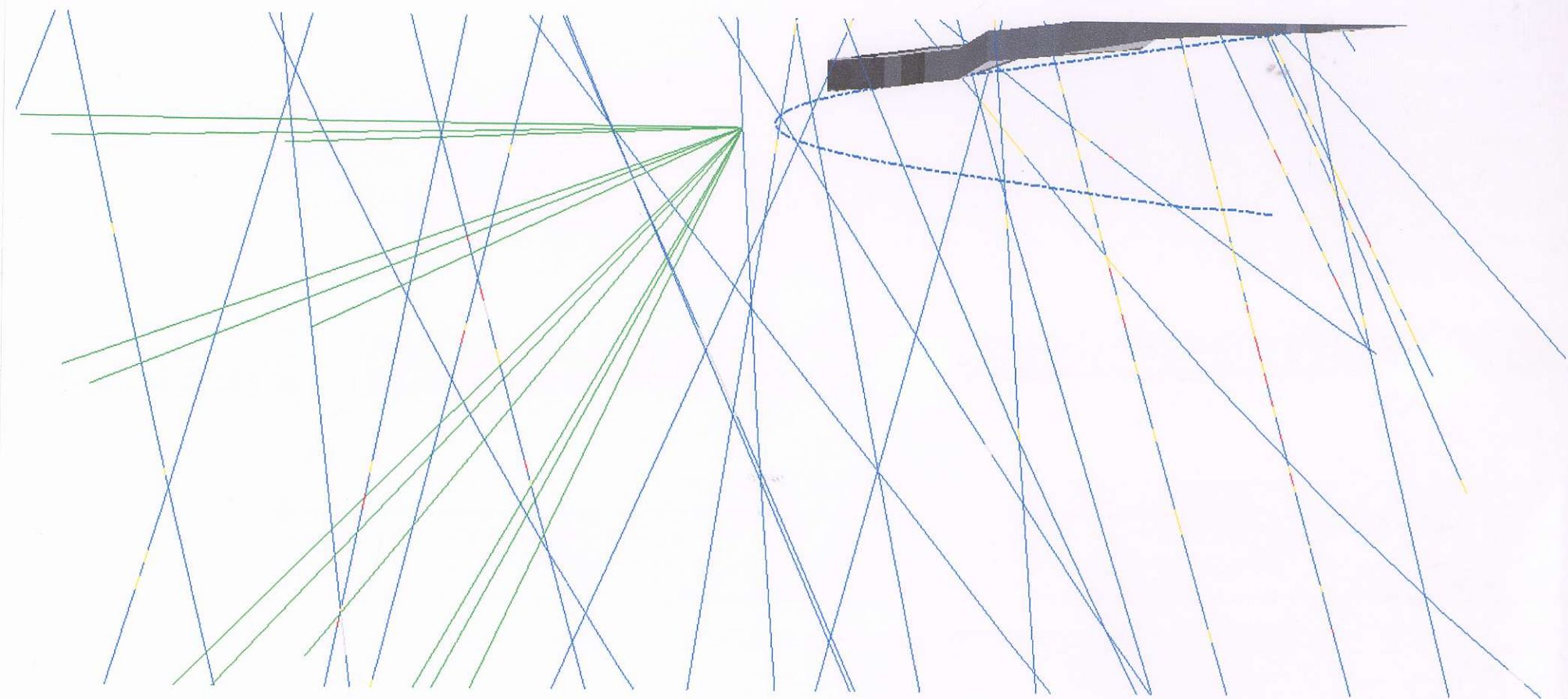
<u>From (m)</u>	<u>To (m)</u>	<u>Length (m)</u>	<u>Mo (%)</u>
231.00	232.00	1.00	4.124

Drilling Exploration Plan:

<u>Location</u>	<u>Hole #</u>	<u>Azimuth</u>	<u>Dip</u>	<u>Length (m)</u>	
Remuck #10	1	90	0	100	Drilled from Remuck #10
Remuck #10	2	90	-20	100	Drilled from Remuck #10
Remuck #10	3	90	-45	150	Drilled from Remuck #10
Remuck #10	4	90	-60	200	Drilled from Remuck #10
Remuck #10	5	115	0	100	Drilled from Remuck #10
Remuck #10	6	115	-20	100	Drilled from Remuck #10
Remuck #10	7	115	-45	150	Drilled from Remuck #10
Remuck #10	8	115	-60	200	Drilled from Remuck #10
Remuck #10	9	75	0	75	Drilled from Remuck #10
Remuck #10	10	75	-20	75	Drilled from Remuck #10
Remuck #10	11	75	-45	100	Drilled from Remuck #10
Remuck #10	12	75	-60	150	Drilled from Remuck #10
				1500	

Remock # 10 proposed drilling (green)





5.) Main Zone (Extension at Depth)

Location: Beneath current stope (800 – 715 m). Collar Elev: 795 m

Geology and Grade: The geology from the upper levels (830L to 960 L) is consistent with a m-gr altered granodiorite containing zones of disseminated molybdenite mineralization. Along with that, mineralized quartz-veining, fracturing, small-scale faulting, and quartz stockwork / silica flooding is prevalent in drill core records.

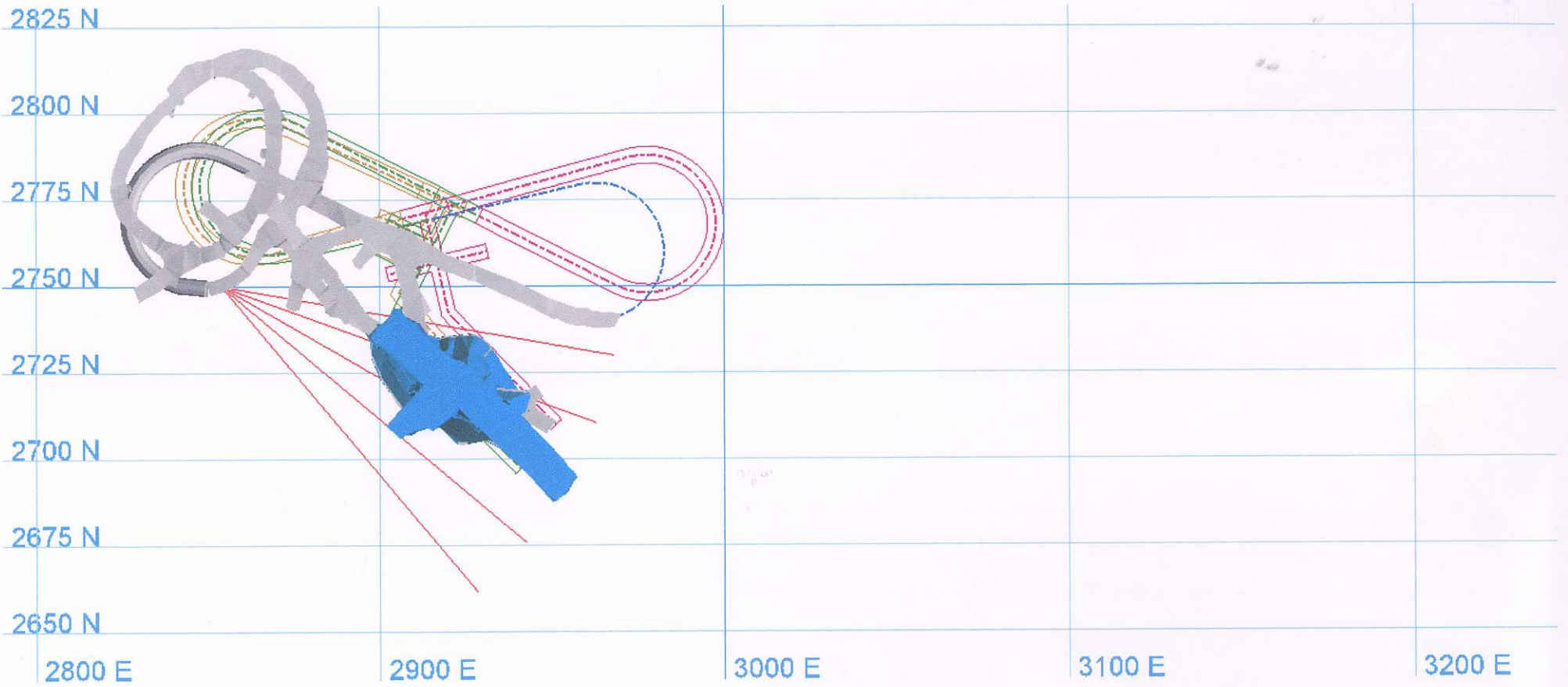
High grade molybdenum mineralization exists in drill core within the targeted area, but drill spacing is wide spread (5-20 m spacing at the 850 L to >25 m spacing on the 730 L).

This potential drilling is used solely as definition drilling for the next five levels (805 L, 780 L, 755 L, 730L, and 705L).

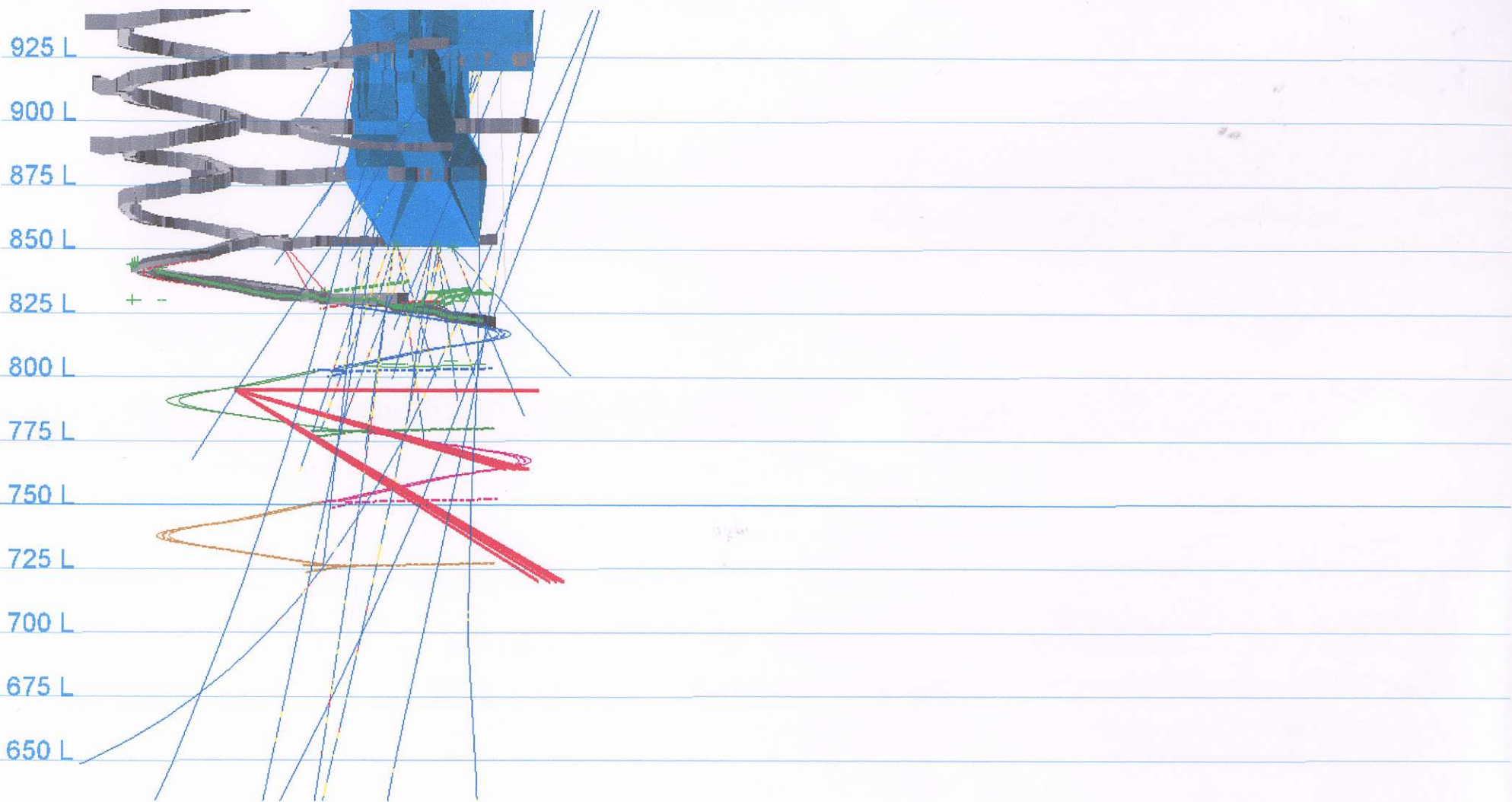
Drilling Exploration Plan:

<u>Location</u>	<u>Hole #</u>	<u>Azimuth</u>	<u>Dip</u>	<u>Length (m)</u>	
Main Zone	1	100	0	120	Drilled from decline to 780 L
Main Zone	2	110	0	120	(Either future remuck or
Main Zone	3	120	0	120	dedicated drill station)
Main Zone	4	130	0	120	
Main Zone	5	140	0	120	Drill station must be located on
Main Zone	6	100	-15	120	the southern side of decline.
Main Zone	7	110	-15	120	
Main Zone	8	120	-15	120	
Main Zone	9	130	-15	120	
Main Zone	10	140	-15	120	
Main Zone	11	100	-30	150	
Main Zone	12	110	-30	150	
Main Zone	13	120	-30	150	
Main Zone	14	130	-30	150	
Main Zone	15	140	-30	150	
				1950	

Main Zone – definition drilling (red)



Main Zone – definition drilling (red)



Potential Drilling Exploration Summary:

<u>Location</u>	<u>Holes</u>	<u>Total Drilling (m)</u>	<u>Maximum Samples</u>
Ethel Depths	14	2625	1313
Adit 1 / Load Out	5	185	93
Adit 2	7	665	750
Remuck #10	12	1500	750
Main Zone Extension	15	1950	975*
Subtotal	53	6925	3463

* Samples could be analyzed on site

Discussion:

The number and lengths of holes presented in the previous five targets is subject to change depending on lithology and grade.

Sampling will be consistent to 2-m intervals (not crossing geologic units). The amount of sampling is also subject to change depending on molybdenum mineralization present. Sampling from the Main Zone definition drilling could be sampled on site to save in analytical costs (possibly other targets too).