PRELIMINARY RESOURCE ESTIMATION
AJAX PROPERTY
Alice Arm, British Columbia

For

TENAJON RESOURCES CORPORATION
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By

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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.

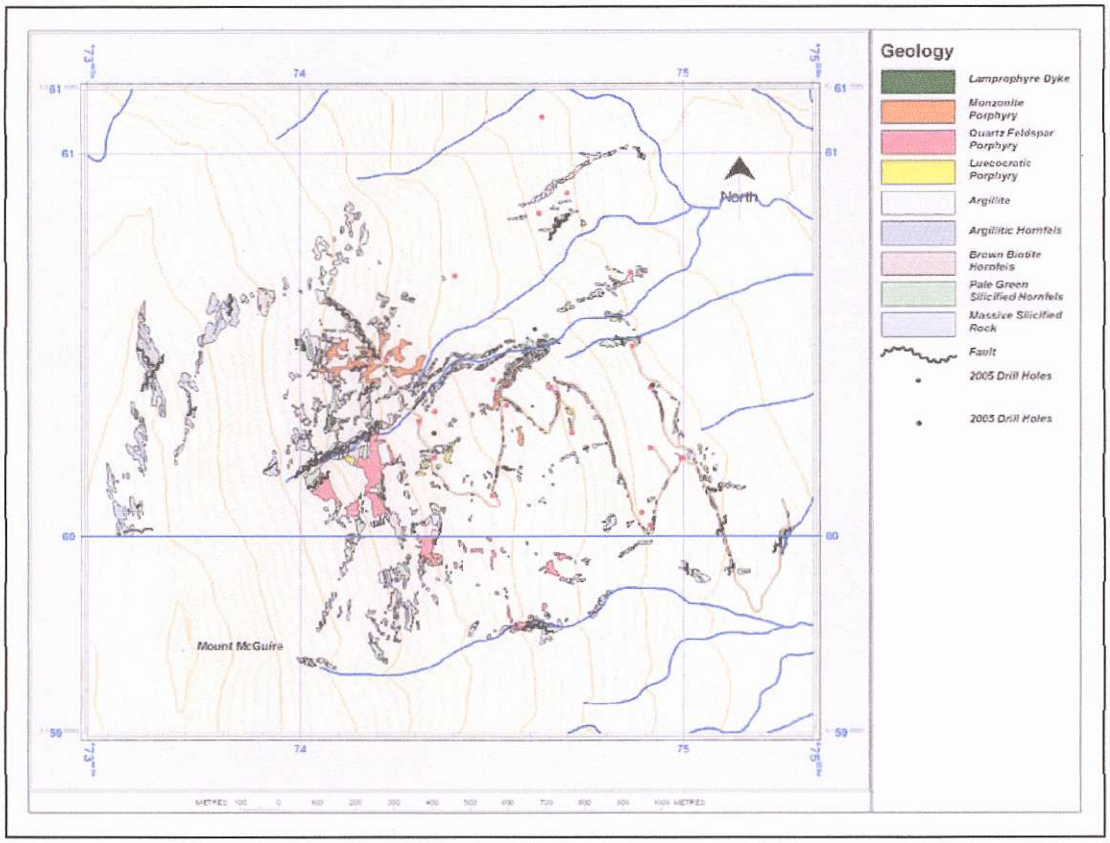


Figure 5: Geology of the Ajax Property (after Tatsuya Takeda, 1966)

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.

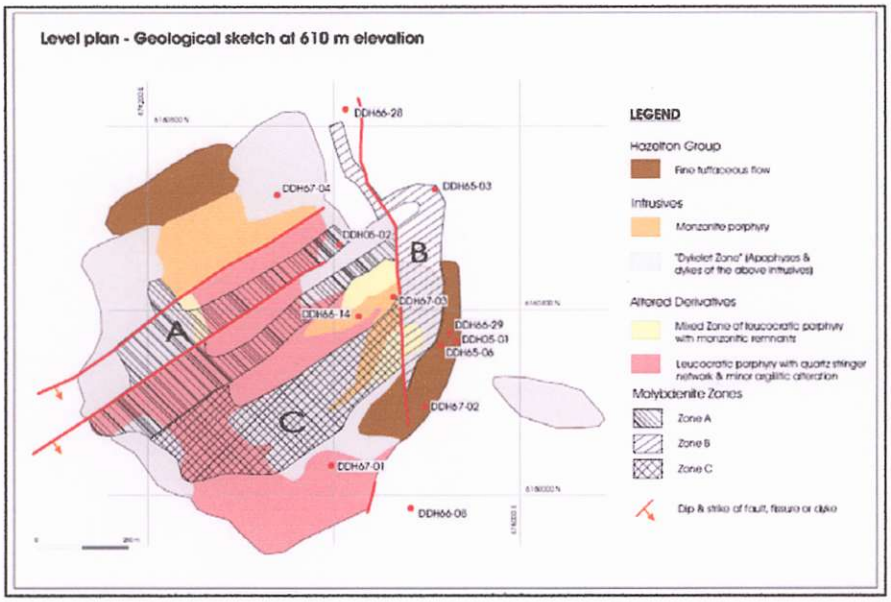


Figure 7: Horizontal Geological Section at 2000' Elevation (after Sheldon, 1968)

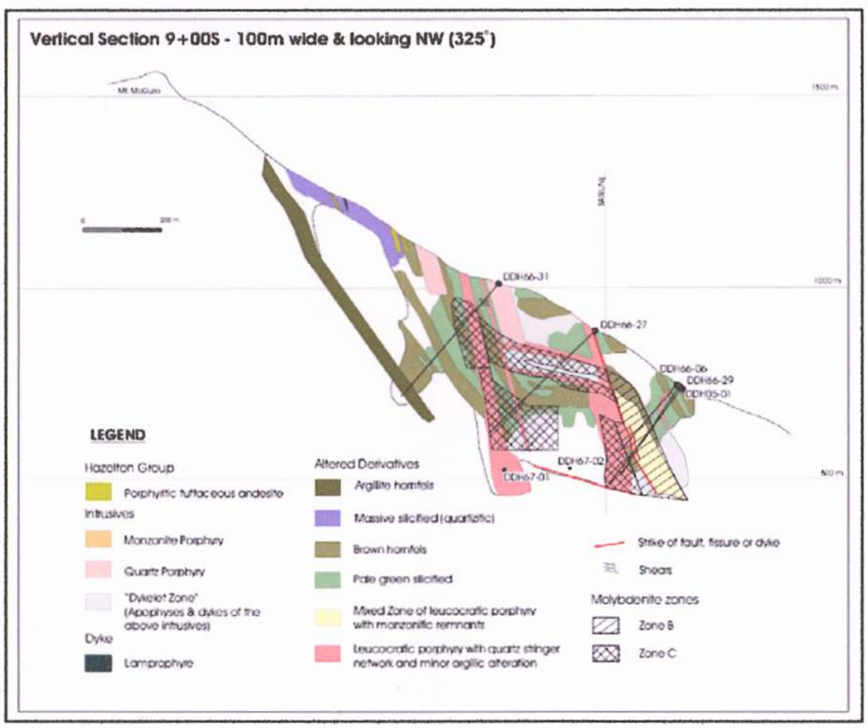
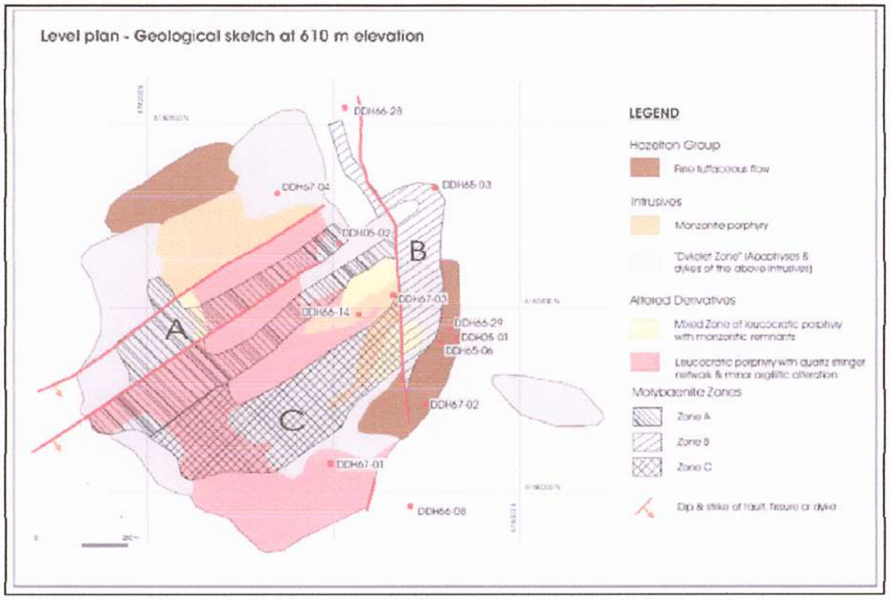


Figure 8: Diamond Drill Hole Vertical Section 9+00S (after Sheldon, 1968)

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,



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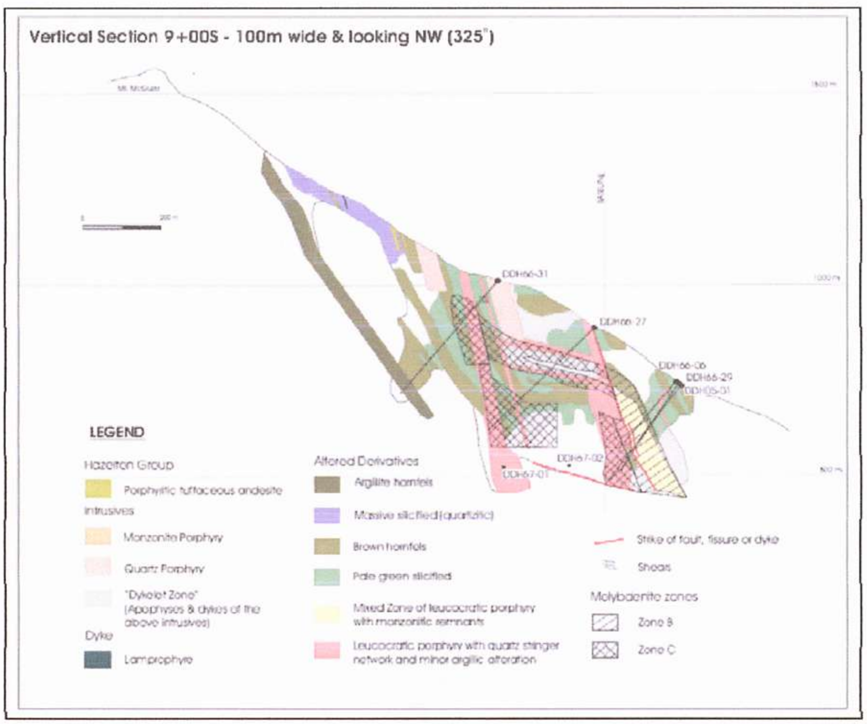

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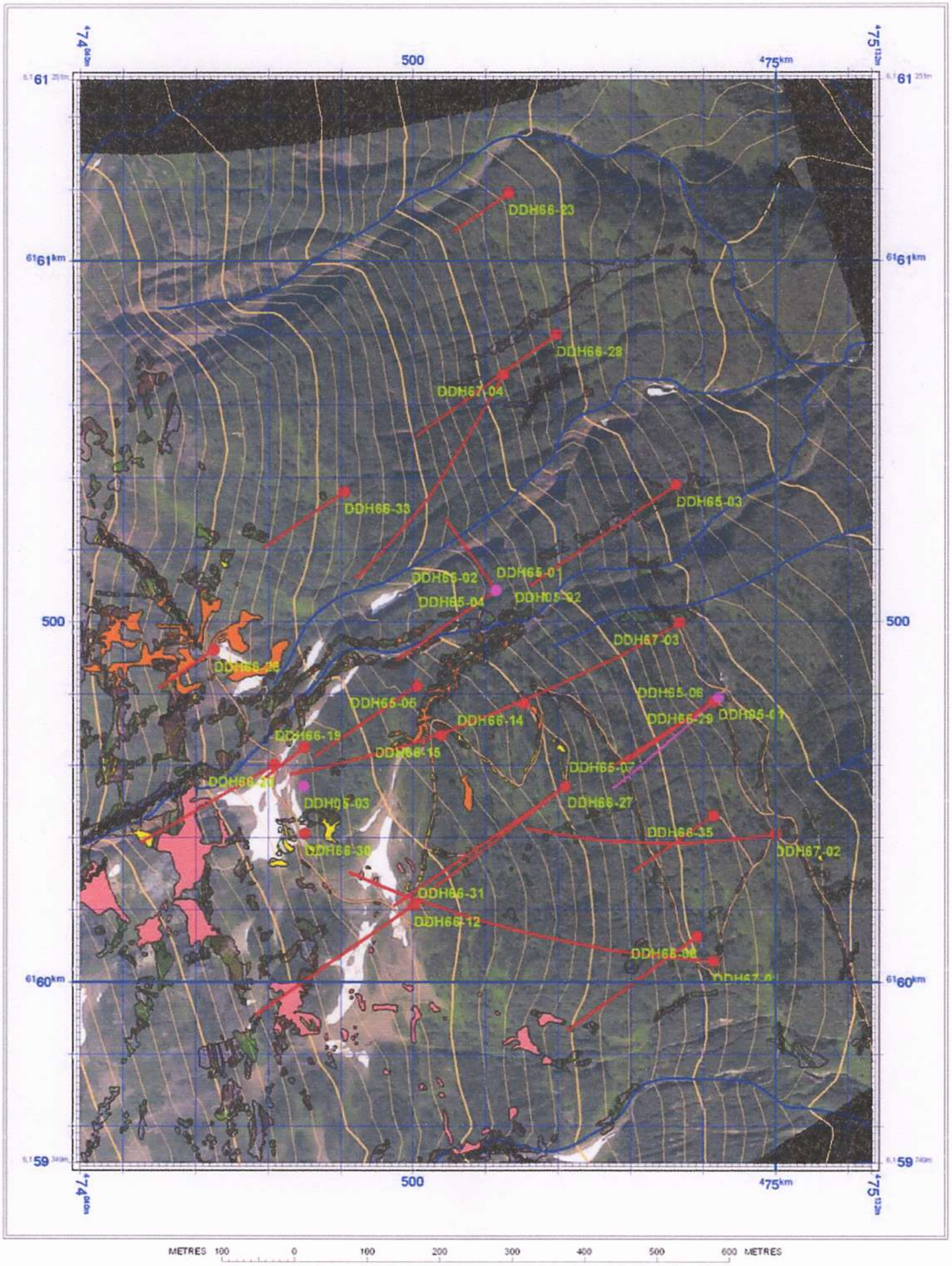

Figure 9: Drill Hole Location Map

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DDH 05-01 was drilled to twin DDH 66-29 and was mineralized from 124 m to the bottom at 351 m. The hole grades 0.098% Mo over 196.9 m, including 0.30% Mo over 12.2 m.

DDH 05-02 was drilled to twin hole DDH 65-02 and intersected grades 0.086% Mo over 287.7 m, including 0.203% Mo over 33.5 m. The bottom of the hole assayed 0.036% Mo over 41.8 m. The zone has been extended 50 vertical metres.

DDH 05-03 is a vertical drill hole and intersects two zones. The first zone is 68 m of 0.086% Mo. The second zone is 242.6 m of 0.062% Mo including 81.1 m of 0.093% Mo. The bottom of the hole shows an improvement in grade (38.4 m of 0.106% Mo).

The vertical orientation of Holes DDH 05-02 and DDH 05-03 cut some of the better grade veins at very steep core angles. Future drill holes should be drilled at shallower angles at an azimuth of 275, so as to cross cut the two major structures controlling mineralization.

Thirty samples were analyzed for gold at Acme Analytical Labs., Vancouver, B.C. Only one sample returned an anomalous gold valus of 494.8 ppb.

Two hundred samples, with Mo grades greater than 0.05%, were analyzed for rhenium (Re). The rhenium results from the samples analyzed at Acme are summarized below:

- 68 samples ranged from 50 to 100 ppb Re
- 105 samples ranged from 100 to 200 ppb Re
- 15 samples ranged from 200 to 300 ppb Re
- 7 samples ranged from 300 to 980 ppb Re

All assay results from the 2005 drill holes are included in Appendix E of Wilkins 2005.

11.0 Sampling Method and Approach (from Wilkins, 2006)

11.1 Historical Drill Hole Samples

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

the historic nature of most of the drill results and the shortage of drill hole data in general none of this resource is considered measured or indicated at this time.

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 18: AJAX PROJECT - INFERRED RESOURCE

Mo Cutoff (%)	Tonnes> Cutoff (tonnes)	Grade > Cutoff	
		Mo %	Million lbs Mo
0.04	345,070,000	0.070	532.6
0.05	**341,550,000**	**0.071**	**534.7**
0.06	294,290,000	0.073	473.7
0.07	160,040,000	0.080	282.3
0.08	67,600,000	0.088	131.2
0.09	17,460,000	0.099	38.1
0.10	7,370,000	0.105	17.1
0.11	1,440,000	0.117	3.71
0.12	480,000	0.127	1.34
0.13	160,000	0.134	0.47

16.8 Block Model Validation

The block model interpolation was validated on section and plan by Tenajon geologists by comparing estimated grades to drill hole grades. In addition Tenajon ran an Inverse Distance Squared interpolation. Scatter plots comparing the GCL Kriged model with the TEN IDS model are shown below. There is no indication of bias with block grades scattered evenly about an equal value line.