

Report to:

LEEWARD CAPITAL CORP.



TECHNICAL REPORT ON THE
NITHI MOUNTAIN MOLYBDENUM PROPERTY,
BRITISH COLUMBIA, CANADA

EFFECTIVE DATE: JULY 15, 2011

Prepared by Gregory Zale Mosher, P.Ge.
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GLOSSARY

UNITS OF MEASURE

Above mean sea level.....	amsl
Acre	ac
Ampere	A
Annum (year)	a
Billion	B
Billion tonnes.....	Bt
Billion years ago.....	Ga
British thermal unit	BTU
Centimetre	cm
Cubic centimetre	cm ³
Cubic feet per minute.....	cfm
Cubic feet per second	ft ³ /s
Cubic foot.....	ft ³
Cubic inch	in ³
Cubic metre.....	m ³
Cubic yard.....	yd ³
Coefficients of Variation	CVs
Day	d
Days per week	d/wk
Days per year (annum)	d/a
Dead weight tonnes	DWT
Decibel adjusted	dBa
Decibel.....	dB
Degree	°
Degrees Celsius.....	°C
Diameter	ø
Dollar (American)	US\$
Dollar (Canadian).....	Cdn\$
Dry metric ton.....	dmt
Foot.....	ft
Gallon	gal
Gallons per minute (US)	gpm
Gigajoule.....	GJ
Gigapascal	GPa
Gigawatt.....	GW
Gram	g
Grams per litre	g/L
Grams per tonne	g/t
Greater than.....	>
Hectare (10,000 m ²).....	ha
Hertz	Hz

Horsepower.....	hp
Hour	h
Hours per day	h/d
Hours per week.....	h/wk
Hours per year	h/a
Inch	"
Kilo (thousand).....	k
Kilogram.....	kg
Kilograms per cubic metre	kg/m ³
Kilograms per hour.....	kg/h
Kilograms per square metre.....	kg/m ²
Kilometre.....	km
Kilometres per hour.....	km/h
Kilopascal.....	kPa
Kilotonne.....	kt
Kilovolt	kV
Kilovolt-ampere	kVA
Kilovolts.....	kV
Kilowatt	kW
Kilowatt hour	kWh
Kilowatt hours per tonne (metric ton)	kWh/t
Kilowatt hours per year	kWh/a
Less than	<
Litre.....	L
Litres per minute	L/m
Megabytes per second.....	Mb/s
Megapascal.....	MPa
Megavolt-ampere	MVA
Megawatt	MW
Metre.....	m
Metres above sea level	masl
Metres Baltic sea level	mbsl
Metres per minute	m/min
Metres per second	m/s
Metric ton (tonne).....	t
Microns	µm
Milligram.....	mg
Milligrams per litre.....	mg/L
Millilitre	mL
Millimetre.....	mm
Million.....	M
Million bank cubic metres.....	Mbm ³
Million bank cubic metres per annum.....	Mbm ³ /a
Million tonnes.....	Mt
Minute (plane angle)	'
Minute (time).....	min

Month	mo
Ounce	oz
Pascal	Pa
Centipoise	mPa·s
Parts per million	ppm
Parts per billion	ppb
Percent	%
Pound(s)	lb
Pounds per square inch	psi
Revolutions per minute	rpm
Second (plane angle)	"
Second (time)	s
Specific gravity	SG
Square centimetre	cm ²
Square foot	ft ²
Square inch	in ²
Square kilometre	km ²
Square metre	m ²
Thousand tonnes	kt
Three Dimensional	3D
Three Dimensional Model	3DM
Tonne (1,000 kg)	t
Tonnes per day	t/d
Tonnes per hour	t/h
Tonnes per year	t/a
Tonnes seconds per hour metre cubed	ts/hm ³
Volt	V
Week	wk
Weight/weight	w/w
Wet metric ton	wmt
Year (annum)	a

1.0 SUMMARY

Leeward Capital Corp. (Leeward) owns the Nithi Mountain Molybdenum Property (the Property) in central British Columbia (BC) at about 54° north latitude and 125° west longitude. The Property is located 10 km south of Fraser Lake and about 20 km southeast of the Endako Molybdenum Mine, which has been in production since 1965. Leeward acquired the Property in 2003 and between then and 2008 carried out geological mapping, geochemical sampling, geophysical surveying, and approximately 47,000 m of drilling in 210 holes. These exploration programs have identified five zones of molybdenum (Mo) mineralization, three of which are sufficiently well-defined to support a resource estimate.

Wardrop, a Tetra Tech Company (Wardrop), was retained by Leeward to prepare a Technical Report on the Nithi Property that has been prepared in accordance with National Instrument 43-101 (NI 43-101) and contains a resource estimate that incorporates all drill data generated on the Property to date.

The Property is comprised of seven mineral tenures. Mineral Tenure 515427, which contains the known mineralization of interest, was staked in 2003 as eight claims under the Modified Grid System. In 2005, those claims were converted to Mineral Tenure 515427 which is 2852.729 ha in area.

The Property is situated within the Intermontane Morphogeological/Tectonic Belt of BC that is comprised of the of the Cache Creek, Nisling, and Stikine allochthonous terranes. The Property area is underlain by the multi-phase granodioritic Francois Lake Plutonic Suite of Late Jurassic to Early Cretaceous age that, as part of the Endako Batholith, was emplaced along the boundary between the Stikine and Cache Creek Terranes.

In the Nithi Mountain area, the Nithi Quartz Monzonite has been extensively faulted and brecciated, and mineralization observed on the Property to date occurs in numerous crosscutting veinlets, fractures, and breccias within a northeast-trending zone approximately 2 km wide, called the Alpha Trend. Within this trend, five mineralized zones, Gamma, Gamma West, Delta, Sigma and Theta have been identified to date.

Of these, Gamma has been explored most extensively; Gamma West and Delta have also been explored in reasonable detail. Sigma and Theta are poorly-defined.

The drill data accumulated to date has been used to carry out resource estimates for the three zones Delta, Gamma and Gamma West.

Resources were estimated using ordinary kriging (OK), inverse distance squared (ID^2) and inverse distance to the fifth power (ID^5). The estimates are summarized below in Table 1.1. Resources are stated at a lower grade threshold of 0.02% molybdenum sulphide (MoS_2). Tonnes have been rounded to the nearest thousand.

Table 1.1 Summary of Delta, Gamma and Gamma West Resources

Resource @ 0.02% MoS_2 Threshold Zone	Kriged Tonnes	Grade MoS_2%	Grade Mo%
Delta Indicated	27,649,000	0.035	0.021
Delta Inferred	61,278,000	0.034	0.020
Gamma Indicated	87,113,000	0.039	0.024
Gamma Inferred	116,783,000	0.036	0.022
Gamma West Indicated	9,607,000	0.030	0.018
Gamma West Inferred	50,562,000	0.029	0.017
Total Indicated	124,369,000	0.038	0.023
Total Inferred	228,623,000	0.034	0.020

Wardrop recommends the following program that consists primarily of drilling to better define three of the known zones, Delta, Gamma and Theta. Leeward has indicated the intention to carry out some reclamation work as well as an archaeological and conceptual mine design studies. Drilling is assumed to cost approximately Cdn\$185/m. In addition, Wardrop recommends that samples are collected on the basis of lithology rather than on the length of drill runs, which will better serve to identify and define controls on the distribution of mineralization.

Table 1.2 Recommended Nithi Exploration Budget 2011

Item	Holes	Metres	Cost
Drilling: Delta	15	3,375	625,000
Drilling: Gamma	5	1,125	209,000
Drilling: Theta	10	2,250	416,000
Total Drill Budget			1,250,000
Reclamation			25,000
Archaeological Study			15,000
Conceptual Mining Study			60,000
Total			1,350,000

Successful completion of this work will determine the most appropriate course of action to advance the Property.

2.0 INTRODUCTION

2.1 INTRODUCTION

Leeward owns the Nithi Mountain Molybdenum Property in central BC at approximately 54° north latitude and 125° west longitude. The Property is located 10 km south of Fraser Lake and approximately 20 km southeast of the Endako Molybdenum Mine which has been in production since 1965. Leeward acquired the Property in 2003 and between then and 2008 carried out geological mapping, geochemical sampling, geophysical surveying and about 47,000 m of drilling in 210 holes.

No work has been carried out on the Property since 2008.

2.2 TERMS OF REFERENCE

Wardrop was retained by Leeward to prepare a Technical Report on the Nithi Property that has been prepared in accordance with NI 43-101 and contains a resource estimate that incorporates all drill data generated on the Property to date.

Sources of information used in this report are listed in Section 21.0 References, or elsewhere in the text of the report.

Klaus Triebel conducted a site visit to the Property on May 9, 2011. Greg Mosher did not conduct a site visit to the Property.

3.0 RELIANCE ON OTHER EXPERTS

Wardrop has relied upon Leeward for information pertaining to ownership of the Property, permitting requirements and status, and legal and financial liabilities pertaining to the Property. Wardrop has not independently verified the accuracy of this information.

4.0 PROPERTY DESCRIPTION AND LOCATION

The Property is located in central BC at approximately 54° north latitude and 125° west longitude, approximately 160 km west of the city of Prince George, 10 km south of Fraser Lake, and approximately 20 km southeast of the Endako Molybdenum Mine (Figure 4.1). The Property is comprised of seven mineral tenures as listed in Table 4.1 and shown in Figure 4.2. Mineral Tenure 515427, which contains the known areas of significant molybdenum mineralization, is 2852.729 ha in area and is highlighted in Figure 4.2. This mineral tenure was staked in 2004 under the Modified Grid System as the Terri 1 to Terri 8 Claims; in 2005 these were consolidated into Mineral Tenure 515427.

The boundaries of the Property have not been surveyed; the boundaries of the Property are map coordinates.

Table 4.1 was obtained from the British Columbia Government Mineral Titles Online website: <https://www.mtonline.gov.bc.ca>.

The Property is located in central BC, 158 km west of Prince George and 8 km south of the Village of Fraser Lake. Geographic co-ordinates of the approximate center of the Property are 53°58' north latitude and 124°50' west longitude, within NTS Map Sheet 93F/15.

Leeward holds a 100% interest in the Property free and clear of any royalties, back-in rights, payments or other agreements and encumbrances. Leeward does not hold any surface rights and no other surface rights are recorded within the Property.

Other than the mineral zones that are the subject of this report, there are 11 other, apparently minor, known molybdenum occurrences within the Property. All are located within an east-northeast trend known as the Alpha Trend that also includes the main molybdenum zones of interest. There are no mine workings or any related tailings ponds, waste deposits or other improvements other than a series of forestry roads that have been constructed by logging companies and drill-access roads that have been constructed by the Leeward.

There are no known environmental liabilities.

Leeward holds the necessary permits to conduct exploration: an Occupation Licence to cut, under the forest Practices Access Code of British Columbia for road building, drill site construction and trenching, and drilling and water-use permits that are issued by the British Columbia Ministry of the Environment.

The mineral tenures are in good standing until at least 2014 and no expenditures are needed at present to maintain the Property in good standing.

Figure 4.1 Nithi Property Location

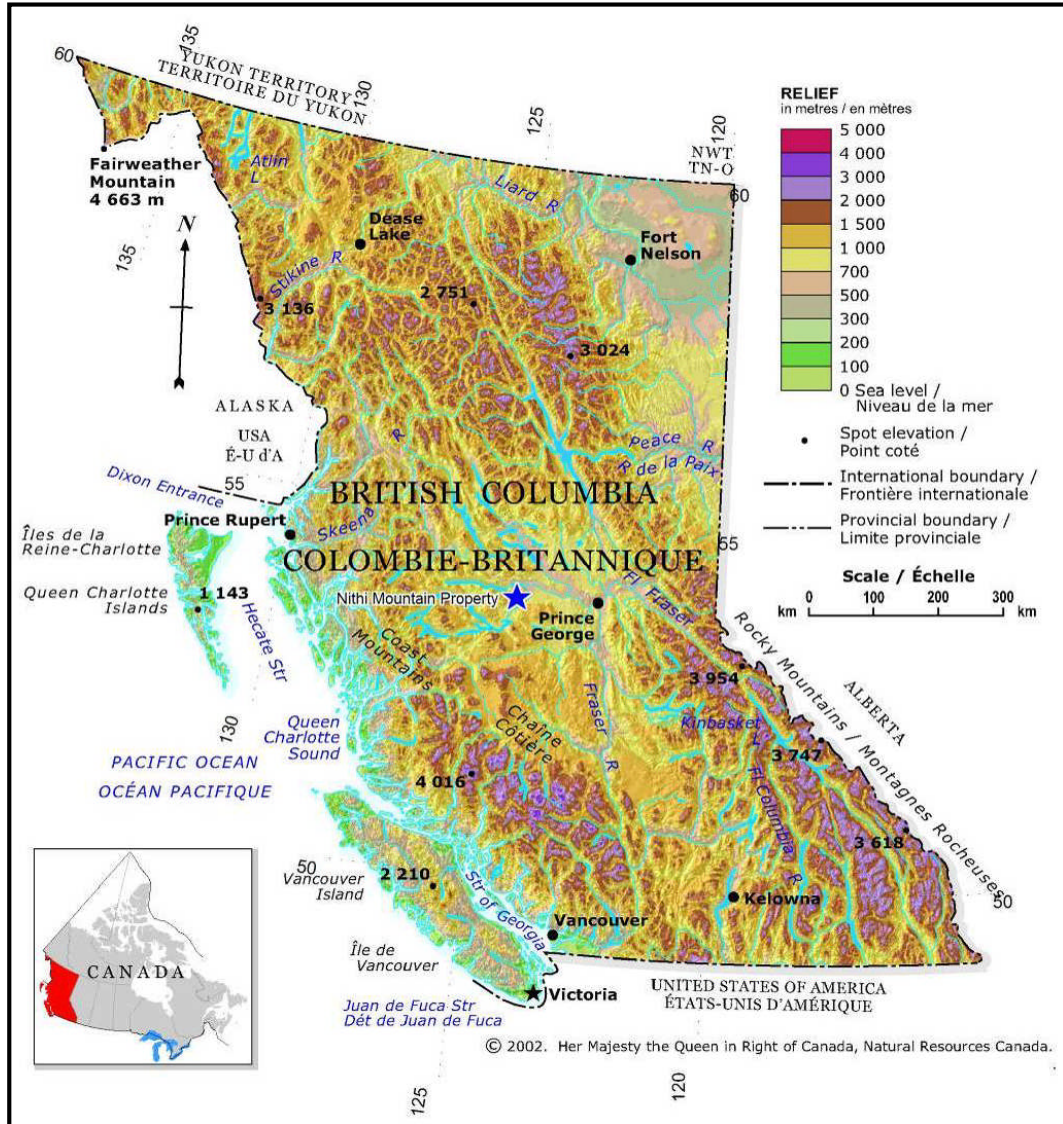
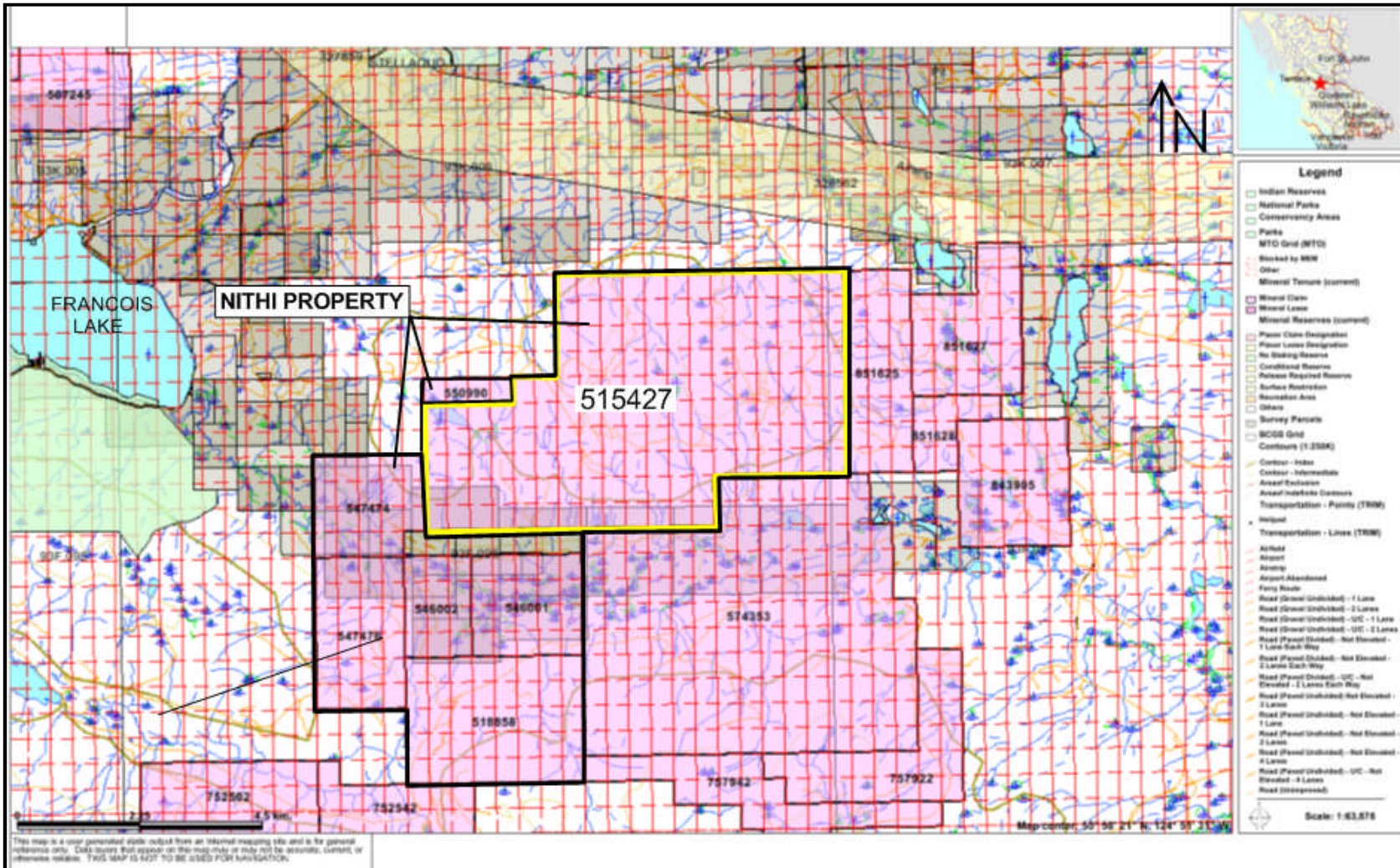


Table 4.1 Nithi Molybdenum Property Mineral Tenures

Tenure Number	Owner	Tenure Type	Tenure Subtype	Map Number	Issue Date	Good To Date	Status	Area (ha)
515427	Leeward Capital (100%)	Mineral	Claim	093F	2005/jun/28	2018/oct/25	GOOD	2,852.73
518858	Leeward Capital (100%)	Mineral	Claim	093F	2005/aug/09	2018/jan/12	GOOD	761.66
546001	Leeward Capital (100%)	Mineral	Claim	093F	2006/nov/28	2014/nov/28	GOOD	380.66
546002	Leeward Capital (100%)	Mineral	Claim	093F	2006/nov/28	2014/nov/28	GOOD	228.40
547474	Leeward Capital (100%)	Mineral	Claim	093F	2006/dec/14	2014/dec/14	GOOD	361.48
547476	Leeward Capital (100%)	Mineral	Claim	093F	2006/dec/14	2014/dec/14	GOOD	456.83
550990	Leeward Capital (100%)	Mineral	Claim	093F	2007/feb/02	2019/feb/02	GOOD	76.07

Figure 4.2 Nithi Property Location of Mineral Tenure 515427



5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The Property is located between the major population centers of Prince George, 160 km to the east, and Smithers, 210 km to the west. Both communities are joined by Highway 16 that passes 10 km to the north of the Property, near the south shore of Fraser Lake. Access to the property is provided by the paved two-lane Chowsunket Road, 5 km south from the Village of Fraser Lake, then another 5 km by gravel logging roads most suitable for four-wheel-drive vehicles. A network of logging and drill roads provides access to the western and southern parts of the Property.

Population centres near the Property include Fraser Lake, 10 km north on Highway 16, Vanderhoof, 60 km east of Fraser Lake, and Burns Lake, 62 km west of Fraser Lake.

Two airfields, suitable for small aircrafts, are located in the vicinity of Fraser Lake and a float-plane base is located on the northwest side of Fraser Lake. Scheduled flights are available from Prince George and Smithers. The Canadian National Railway passes south of Fraser Lake.

The property is centred on Nithi Mountain, with a maximum elevation of 1,352 masl, and a minimum elevation of about 900 masl in the valley of the Nithi River. Topography ranges from moderate to steep, with maximum local relief of about 450 m. The uplands around the crest of Nithi Mountain are of relatively subdued relief but the southern flanks of the mountain are relatively steep.

The area is heavily forested with both deciduous and coniferous species.

Warm summers, long cold winters and light precipitation typify the climate in the Nithi Mountain area.

Although Leeward holds no surface rights within the Property or elsewhere within the immediate area, suitable areas for mine infrastructure exist within and around the Property.

Electric power for an anticipated mining operation may be obtained from the main high voltage line to the Endako Mine that passes 2 km to the north of the Property.

The Nithi River, located 2 km south of the Gamma Zone, could reasonably provide an adequate water supply for a mining operation.

Skilled mining personnel are available both locally and from elsewhere within the province.

6.0 HISTORY

The following section is modified from Kelly (September 2008).

1952-1956: Uranium was discovered on the southwestern flanks of Nithi Mountain. Limited exploration by American Standard Mines demonstrated that the mineralization lacked depth and the Property was dropped.

1963-1964: R and P Metals Corp. Ltd. (Fraser Lake Mines) carried out trenching, soil sampling and limited diamond drilling on the MOLLY claim. The best intersection, in hole N-14, was 117 m averaging 0.10% MoS₂. Several other companies, New Indian Mines Ltd., Jodee Mines Ltd., Dundee Mines Ltd., and Fort Reliance Minerals, staked and explored claims in the Nithi Mountain area at this time. Property ownership was fragmented and the properties were dropped by the late 1960's.

1970-1973: Nithex Exploration and Development staked a large land package and carried out soil geochemical sampling and drilled four small-diameter core holes.

1975-1976: Amax Potash Ltd. optioned the Nithex claims, staked additional ground, and carried out geological mapping, geochemical soil sampling, geophysical surveys, and a percussion drilling program of 12 holes. Amax subsequently dropped their option and no significant additional work was done through the remainder of the 1970's.

1980-1981: Rockwell Mining Corp. optioned the claims from Nithex and Fraser Lake Mines, and contracted Taiga Consultants Ltd. to carry out a program of geochemical sampling, mapping, prospecting, and a drilling program of 10 holes (1,818 aggregate meters) of NQ core. The option was dropped and no additional work was done until 1997.

1997: Six new molybdenite occurrences were located along new logging roads west and south of Nithi Mountain during a regional mapping program by the Geological Survey of Canada.

2003: In December 2003, the Property was staked by Leeward Capital Corp., the present owners of the Property, as eight four-post claims, Terri 1 to Terri 8, under the Modified Grid System.

2004-2005: The Terri 1 to 8 Claims were re-staked (consolidated) by Leeward as Mineral Tenure 515427 (TERRI claim), and a program of data compilation, prospecting, geophysics and drilling was undertaken.

7.0 GEOLOGICAL SETTING AND MINERALIZATION

7.1 GEOLOGICAL SETTING

The Property is situated within the Intermontane Morphogeological/Tectonic Belt of BC that is comprised of the of the Cache Creek, Nisling, and Stikine allochthonous terranes. The Cache Creek and Nisling terranes were formed in the western Pacific during Permian to Middle Triassic time (280-230 Ma). The Stikine Terrane is a Carboniferous to Early Jurassic (320-190 Ma), island arc that was formed in the east Pacific. During the Early to Middle Jurassic (190-178 Ma), the two terranes joined to form the Intermontane Belt. Arc-related magmatic activity continued into the Tertiary.

The Property area is underlain by the multi-phase granodioritic Francois Lake Plutonic Suite of Late Jurassic to Early Cretaceous age that, as part of the Endako Batholith, was emplaced along the boundary between the Stikine and Cache Creek Terranes.

Biotite monzogranite to granodiorite phases of the François Lake Plutonic Suite comprise the northeastern part of the Endako batholith and are the host-rock of molybdenum mineralization in the Endako and Property areas. The François Lake Plutonic Suite has been subdivided into two sub-suites on the basis of composition and age:

1. The Glenannan sub-suite, consisting of the Glenannan and Nithi phases, with their various sub-phases, displays a range of compositions from biotite and hornblende–biotite monzogranite to granodiorite, is generally medium to coarse grained, and is located in the north-central to northwestern parts of the batholith.
2. The Endako sub-suite includes the Endako phase, its François sub-phase, the Casey phase, and a set of pre-ore felsic dykes. This suite generally consists of medium- to fine-grained monzogranite to granodiorite units. The Endako sub-suite is inferred to be younger than the Glenannan sub-suite.

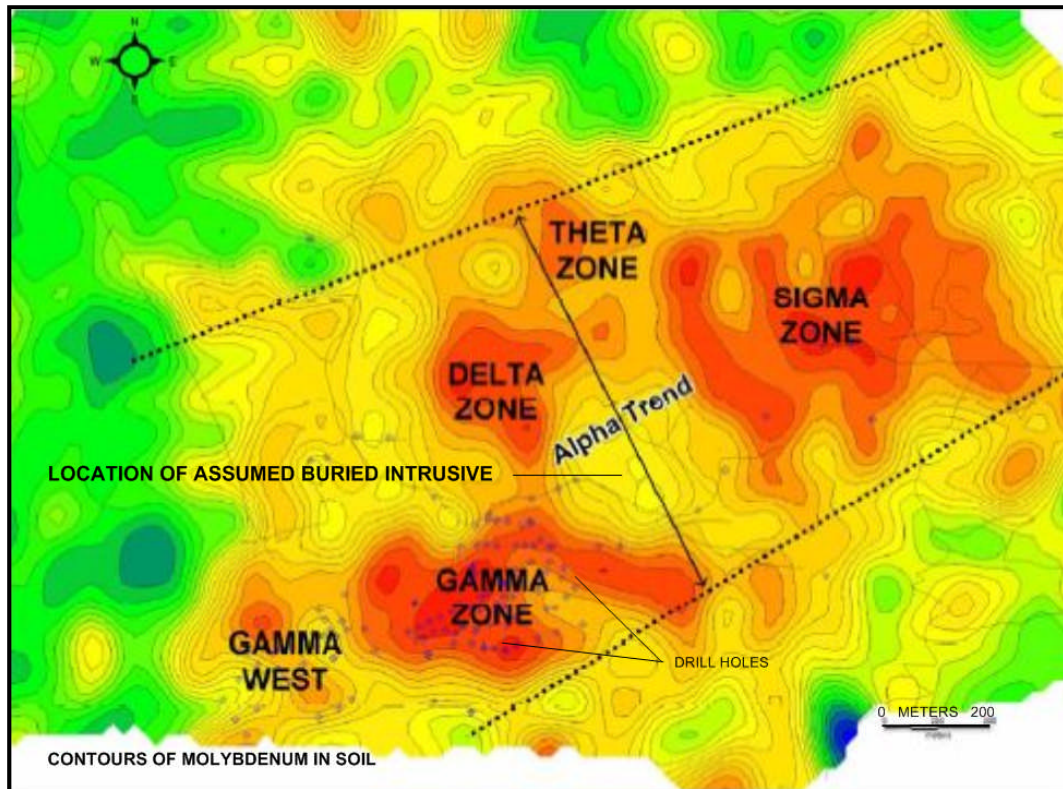
The François Lake plutonic suite records a complex, protracted history that includes emplacement, solidification, locally intense veining, felsic dyke injection, Molybdenum and pyrite mineralization, alteration, and late dyke intrusion, fracturing, and jointing.

7.2 MINERALIZATION

This section is modified from Kelly (September 2008).

In the Nithi Mountain area, the Nithi Quartz Monzonite has been extensively faulted and brecciated, and mineralization observed on the Property to date occurs in numerous crosscutting veinlets, fractures and breccias within a northeast-trending zone approximately 2 km wide, called the Alpha Trend. Within this trend, five mineralized zones, Gamma, Gamma West, Delta, Sigma and Theta have been identified to date (Figure 7.1).

Figure 7.1 Nithi Property Molybdenum Zones



Mineralization is associated with intense clay alteration. Mineralized quartz veins are narrow (1 to 3 mm wide) and non-laminated, with varying proportions of solid molybdenite, quartz, hematite and a fine-grained black mixture of sulphides and lithified gouge. Quartz veins have a predominant east-northeast trend; these veins are cut by north-northwest trending, and less commonly by southeast trending veins. Laminated quartz-molybdenite veins, indicative of multiple stages of vein opening and sulphide deposition, are less abundant here than at the Endako mine. North-northwest trending fractures and faults locally cut and offset the east-northeast trending vein set.

Minor pyrite commonly occurs with molybdenite; hematite and magnetite are less common. Chalcopyrite, bornite and lesser chalcocite as well as fluorine have been noted in drill core.

Early mineralized veins have alteration envelopes of K-feldspar and variably contain quartz, quartz-molybdenite, or rarely, quartz-hematite. Veins with envelopes of sericite-quartz-pyrite cut those with K-feldspar envelopes veins and coalesce into broad, diffuse zones of pervasive sericitic alteration.

Argillic alteration consisting of kaolinite \pm sericite varies from weak to intense, rated on the successive breakdown of mafic minerals, plagioclase, and finally K-feldspar, and their replacement by clay. Argillic alteration is most intense in the Gamma Zone.

Intense argillic alteration does not always coincide with elevated molybdenum mineralization, indicating that some alteration may be associated with post-mineral faulting and brecciation.

Geophysical data, primarily vertical gradiometrics, suggest the presence of several small intrusive centres or plugs, and the most prospective mineralization to date has been found on the outer edges of two of these. In addition to the geophysical indicators, soil geochemical results correspond to the outlines of these circular features. The Gamma and Delta Zones as delineated thus far are situated on the western outer edge of one of the coincident geochemical-geophysical circular features (Figure 7.1).

8.0 DEPOSIT TYPE

The following section is modified from Kelley (September 2008).

Porphyry molybdenum deposits are classified as alkalic-calcic granite type (e.g. Climax deposit) and low-fluorite (low-F) calc-alkaline quartz monzonite type (Endako deposit). Molybdenum mineralization at Nithi Mountain is classified as the low-F type.

Sinclair (1995) characterized low-F-type porphyry Mo deposits as calc-alkaline molybdenum Stockworks, or stockworks of molybdenite-bearing quartz veinlets and fractures in intermediate to felsic intrusive rocks and associated country rocks. The following description of low-F-type Mo deposits is from Sinclair (1995):

- Deposits are low grade but large and amenable to bulk mining methods.
- These deposits are found in subduction zones related to arc/continent or continent/continent collision.
- The geological setting is that of high-level to subvolcanic felsic intrusive centres and multiple stages of intrusion are common.
- Geological age of the deposits range from Achaean to Tertiary with Mesozoic and Tertiary examples being most common.
- Host rocks are variable. Tuffs or other extrusive volcanic rocks may be associated with subvolcanic intrusives. Genetically related intrusive rocks are porphyritic and granodioritic with quartz monzonite being the most common. Intrusive rocks are characterized by low-F content (generally <0.1% F) compared to intrusive rocks associated with the Climax type porphyry Mo deposits;
- The deposits occur in various shapes from inverted cup-like to roughly cylindrical to highly irregular forms. They are typically hundreds of meters across and range from tens to hundreds of meters in vertical extent.
- The ore tends to be structurally controlled in stockworks of crosscutting fractures and quartz veinlets, veins, vein sets and breccias.
- The mineralogy consists principally of molybdenite with trace or minor chalcopyrite, scheelite, and galena.
- Gangue mineralogy consists of quartz, pyrite, potassium feldspar, biotite, sericite, clays, calcite and anhydrite.
- Alteration mineralogy consists of a core of potassic and silica alteration characterized by hydrothermal K-feldspar, biotite, quartz and possibly anhydrite.

- Phyllic alteration surrounds the inner potassic/silicic alteration core and may extend for hundreds of meters beyond the potassic/silicic and phyllic alteration zones. Where present, argillic alteration is characterized by kaolinite and typically overprinted onto the other zones.

The Endako Mine is an example of a porphyry molybdenum deposit. The following information has been modified from Kelly (September 2008); **the present author has been unable to verify the following information and the information is not necessarily indicative of the mineralization that has been or may be found on the Property.**

The Endako open-pit molybdenum mine, located about 20 km northwest of Nithi Mountain, has been in continuous production since 1965.

The current milling rate is about 30,000 st/d. A new 50,000 st/d mill is currently under construction and is scheduled to be finished in the spring of 2011. The average head grade is about 0.06% Mo and the recovery rate is about 78%.

The Endako deposit is a low F-type porphyry Mo deposit analogous to Nithi Mountain and like Nithi is related to an evolved aplitic phase of the host quartz monzonite. The host rock at Endako is the quartz monzonite phase of the Francois Lake Intrusive Suite. Two stages of molybdenite mineralization at 148-145 Ma are six to nine million years younger than the Nithi mineralization that has been dated at 154 Ma.

The Endako orebody is a 3.5 km-long stockwork zone that trends west- northwest and dips about 50° to the south. Mineralization has been traced to a depth of 330 m.

The stockwork is located at the structural intersection of the EW-trending South Boundary Fault, the NW-trending Casey Lake Fault, and NE-trending structures.

9.0 EXPLORATION

The following section is modified from Kelly (September 2008), and describes work carried out by Leeward since the acquisition of the Property in 2003.

2003: The Property was acquired in December 2003 by the staking of the Terri 1 to Terri 8 Claims.

2004: All data pertaining to previous exploration on the Property was compiled and a brief program consisting of prospecting, geological mapping, and geochemical sampling was completed. In addition, a NI 43-101 report was completed.

2005: Exploration included an airborne magnetic and electromagnetic survey and two drill programs (25 holes, 6,170 aggregate meters), to test the Gamma, Delta and Theta Zones.

2006: Sixteen drill holes (2923 m) were completed on the Gamma Zone.

2007: Exploration work consisted of airborne gradiometer and radiometric surveys and digital terrain mapping, as well as soil geochemical surveys and the drilling of 120 holes (aggregate length 25,500 m).

2008: Drilling, primarily on the Delta Zone, comprised 50 holes (12,600 m).

Vertical gradiometer geophysical data suggest the presence of several small intrusive centres or plugs and the most prospective mineralization detected to date, appears to be spatially related to the outer rims of two of these inferred intrusive bodies. In addition to the geophysical indicators, molybdenum-in-soil geochemical results correspond closely to the outlines of these circular features. The Gamma and Delta Zones, as delineated to date, are situated on the southwestern and western edges respectively, of one of the coincident geochemical-geophysical circular features (Figure 7.1).

The airborne geophysical surveys were done under contract by Fugro and Aeroquest. The geochemical sampling, geological mapping and geological and supervisory aspects of the drill programs were done under contract by Taiga Consultants Ltd. of Calgary.

10.0 DRILLING

The location and amount of drilling that was carried out annually by Leeward between 2004 and 2008 is summarized both by meters per zone (Table 10.1) and by meters per year (Table 10.2). The location of the zones and the distribution of the drill holes are shown in Figure 10.1. All holes were of NQ size.

Table 10.1 Leeward Drill Programs at Nithi Mountain 2005-2008 (by Zone)

Zone	Year	No. of Holes	Length (m)
Delta	2007	3	817
Delta	2008	48	12,051
Delta	Subtotal	51	12,868
Gamma	2005	17	3,941
Gamma	2006	16	3,145
Gamma	2007	59	12,581
Gamma	Subtotal	92	19,667
Gamma West	2007	40	8,432
Other	2005	7	1,791
Other	2007	6	1,098
Other	Subtotal	13	2,889
Sigma	2007	12	2,588
Theta	2008	2	540
Total		210	46,983

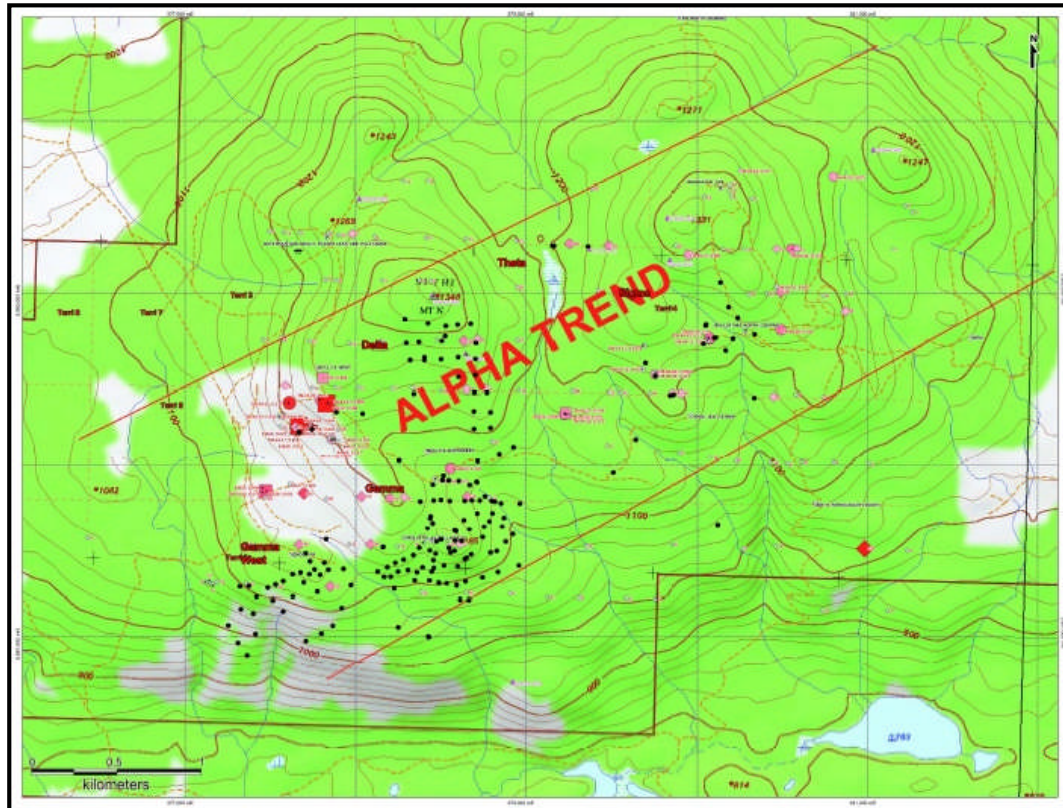
Table 10.2 Leeward Drill Programs at Nithi Mountain 2005-2008 (by Year)

Year	Zone	No. of Holes	Length (m)
2005	Gamma	17	3,941
2005	Other	7	1,791
2005	Subtotal	24	5,732
2006	Gamma	16	3,145
2007	Delta	3	817
2007	Gamma	59	12,581
2007	Gamma West	40	8,432
2007	Other	6	1,098
2007	Sigma	12	2,588
2007	Subtotal	120	25,516
2008	Delta	48	12,051

table continues...

Year	Zone	No. of Holes	Length (m)
2008	Theta	2	540
2008	Subtotal	50	12,591
Total		210	46,983

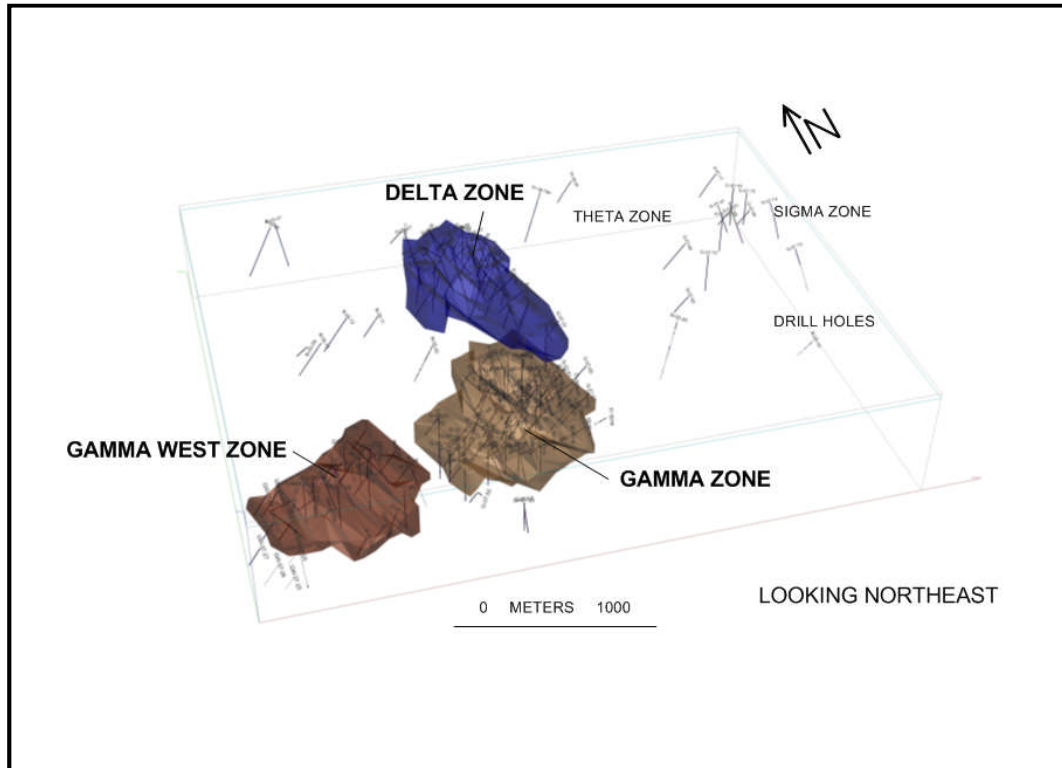
Figure 10.1 Location of Nithi Molybdenum Zones and Leeward Drill Holes 2005-2008



As can be seen from Table 10.1 and Table 10.2, the majority of holes have been drilled to test the Gamma (44%), Gamma West (19%) and Delta (24%) Zones. The geological interpretation for the Property has been developed from observations made within these areas.

Gamma and Gamma West Zone mineralization is stockwork-style that is hosted by argillically-altered Nithi quartz-monzonite and Casey aplite. Mineralized fractures strike 060° to 070° and dip vertically to steeply to the southeast. Drilling to date in the Gamma Zone has indicated the presence of mineralization over an area of about 1000 m NW-SE by 500 m NE-SW and to a maximum depth of 250 m below surface. Towards the eastern margin of the Gamma Zone the trend of mineralization may be offset to the north (Table 10.2).

Figure 10.2 Perspective View Nithi Delta, Gamma and Gamma West Zones



As in the Gamma Zone, Delta Zone mineralization is stockwork-style within argillically-altered Nithi quartz monzonite and Casey aplite. In addition to numerous quartz-molybdenite veins, disseminated molybdenite and rare, thicker seams of molybdenite occur as fracture fillings. Drilling in the Delta Zone has indicated the presence of mineralization over an area of about 800 m NW-SE by 450 m NE-SW and to a maximum depth of 260 m below surface (Figure 10.2).

The Delta and Gamma Zones are interpreted to contain multiple, stacked molybdenite zones that strike E-NE and dip gently to the SE. The shallow-dipping zones are intersected by a series of quartz-feldspar porphyry and basalt dykes and mineralized structures that strike NNW roughly perpendicular to the 060° trend.

Insufficient drilling has been done in the other zones (Sigma and Theta) to permit a meaningful interpretation of the mineralization that has been intersected in these areas.

Drill holes have intersected mineralization at a range of angles relative to true thickness; therefore it is not possible to make any generalization with respect to the relationship between sample length and the true thickness of mineralization.

10.1 SAMPLING METHOD AND APPROACH

Drill core from all programs was sampled in the same manner. All core was logged, split with a mechanical splitter (early holes were cut vs. split or not processed at all if no mineralization was visually detected), and sampled. The length of individual samples was typically established by sampling between the wooden blocks that marked the drill runs. The most common sample length was 3.05 m (10 ft, the conventional maximum drill run) but there are many exceptions, the most common being that many samples (about 26%) have been recorded as being 3.0 m in length. Discussions held during the site visit (Klaus Triebel, site visit notes) suggested that many of the samples of nominal 3.0 m length were actually 3.05 m in length. For the purposes of the following resource estimate the sample lengths, as recorded, were taken as being factual but if the 3.0 m samples are in fact 3.05 m in length, then there may be a slight (probably less than 1%) understatement of the resource. However, this margin of error is negligible in the context of the presumed accuracy of the resource estimate itself.

Logging, splitting and sampling the core was done by two geologists and a technician under the supervision of T. Millinoff, all of whom were employees of Taiga Consultants Ltd.

Because each hole was sampled in its entirety, sample bias was not a meaningful concern. Core recovery, in general, was reported by Leeward as being excellent.

Core from the 2005-2006 programs was stored at a rented facility immediately southeast of the Village of Fraser Lake. A portion of the core from the 2008 program was logged, split, and stored at a rented garage located at Lot 1, Mooney Road, Fraser Lake. This core has since been relocated to an open field in the Fraser Lake area.

Samples were placed in plastic sample bags, sealed, and shipped to Loring Laboratories in Calgary.

11.0 SAMPLE PREPARATION, ANALYSES, AND SECURITY

Drill core was logged, split with a mechanical splitter, and one-half was placed in a plastic sample bag with one of a triple set of assay tags. The second half of the core was returned to its proper place in the core box. The second copy of the sample tag was placed in the core box at the start of the sample interval and the third portion of the sample tag was retained in the assay book. It was noted during the site visit that no sample tags were seen in any of the core boxes examined. Sample preparation for all drill programs was carried out by employees of Taiga Consultants Ltd. of Calgary.

Sample bags were sealed and packed into shipping sacks that in turn were labelled and sealed and securely stored until shipment. Samples were shipped by truck from Fraser Lake to Loring Laboratories (Loring) in Calgary. Loring is an Alberta Certified Assayer and is also ISO certified.

Loring used a 2 g sample charge and analyzed for Mo using an Atomic Absorption with a Spectrophotometric finish.

Standards and blanks were used for all drill programs.

Blanks and standards were inserted into the sample stream after every ten regular samples. Three standards were obtained from WCM Minerals of Burnaby, BC. Blank material was obtained from barren granite.

Wardrop considers the sampling, sample preparation, security and analytical procedures to be within industry norms and that the data that has been obtained from these samples is adequate for the purpose of the resource estimate that follows.

12.0 DATA VERIFICATION

Leeward employed standards, blanks and duplicate samples as quality assurance/quality control (QA/QC) measures in all of their drill programs. Wardrop received analytical results for blanks analyzed during 2007 and 2008. Blanks showed a high rate of failure, i.e. values that exceeded an accepted mean value of 0.001 % MoS₂. Failures were most frequent in the earlier drill programs and improved markedly over time. Sample batches associated with failed blanks were re-run.

Wardrop received analytical data for one standard used during the period 2007 and 2008. This standard showed a failure rate similar to that of the blanks, and similarly, when the analyzed value of the standard exceeded two standard deviations of the expected mean, the associated sample batch was re-run.

Wardrop did not collect any samples of core to independently verify the existence of molybdenite mineralization as it was macroscopically visible in the core and its existence is therefore not in question.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

In 2008, G&T Metallurgical Services Ltd. (G&T), located in Kamloops, BC, carried out a preliminary metallurgical assessment of Nithi molybdenum mineralization.

Leeward sent about 367 kg of coarse reject drill core sample material to G&T as three composites of low-grade (0.043 %MoS₂), medium-grade (0.058 %MoS₂) and high-grade (0.032 %MoS₂) mineralization. G&T carried out open-circuit and locked-cycle tests. Overall recoveries for the open-circuit tests ranged between 83 and 90%; for the locked-cycle tests recoveries were about 94%. Rate of recovery did not appear to have a quantitative relationship with grade.

14.0 MINERAL RESOURCE ESTIMATES

14.1 EXPLORATORY DATA ANALYSIS

14.1.1 ASSAYS

Leeward provided Wardrop with an assay database in Microsoft Excel™ format that included collar locations, down-hole surveys, assays (MoS₂ and Mo), lithology, and alteration. In addition, Leeward supplied digital terrain maps of the Property, drill logs, assay certificates, and analytical protocol data, all in electronic format. The drill hole data were imported into the resource estimation software program GEMS™ and checked for integrity. Minor discrepancies were found between maximum stated hole lengths and maximum sample lengths, as well as a minor number of from-and-to transposition errors in the assay table. These were corrected to produce an error-free data set.

14.1.2 CAPPING

Capping is normally applied to a data set to compensate for the disproportionate influence of high values if those values are atypical of the sample population. The Nithi molybdenum assay population ranges from zero to a maximum of 1.17% MoS₂. Although most values (15,077 of 15,458) are equal to or less than 0.1% MoS₂, those in excess of 0.1% have an even progression to the maximum value of 1.17% which suggests a homogenous population. Therefore none of the high values is considered to be an outlier and no capping was applied.

14.1.3 COMPOSITES

Samples are composited to even lengths to overcome the distorting effect of variable sample lengths on the weighting of sample grades. In the case of the Nithi assay data set, about 6,900 (44%) of the samples were 3.05 m (10 ft) in length and 12,600 (81%) were equal to or greater than 3 m in length; only 0.2% of the samples exceeded 3.05 m in length. Samples were therefore composited to 3.05 m. The compositing process was restricted to those assays that were located within the modeled geological solids (Gamma, Gamma West and Delta Zones) to minimize dilution on the margins of the mineralized zones. The comparative descriptive statistics for all raw assays and those composites within the principal three known zones are shown below in Table 14.1.

Table 14.1 Descriptive Statistics Nithi MoS₂ Assays and Composites

Statistic – MoS₂	All Assays	Composites
Mean	0.026	0.030
Standard Error	0.000	0.000
Median	0.017	0.022
Mode	0.001	0.001
Standard Deviation	0.034	0.032
Sample Variance	0.001	0.001
Kurtosis	198.871	218.432
Skewness	9.542	9.621
Range	1.170	1.148
Minimum	0.000	0.000
Maximum	1.170	1.148
Sum	395.359	320.866
Count	15,458	10,817

14.2 BULK DENSITY

In 2007, Leeward collected 84 bulk density measurements from Gamma Zone core samples. Measurements ranged from 2.40 to 2.76 g/cm³. The average is 2.55 g/cm³. In 2011, 29 measurements of bulk density were made from fine-grained reject material. These values ranged between 2.59 to 2.79 g/cm³ with an average value of 2.71 g/cm³. For the purpose of the resource estimate, a weighted average of all 113 measurements, 2.59 g/cm³ was used.

14.3 GEOLOGICAL INTERPRETATION

Five zones of molybdenum concentration, Gamma, Gamma West, Delta, Sigma and Theta, have been identified by Leeward from surface geochemical and geophysical surveys and drilling. However, these zones appear to be identifiable only on the basis of concentration of mineralization, not by any unique geological features. Therefore, for this resource estimation exercise, the zones were modeled as grade shells. A grade of 0.02% MoS₂ was chosen as the appropriate lower boundary limit for the grade shell. This grade appears to be a natural limit at which the distribution of molybdenum mineralization becomes erratic or ceases to form a coherent volume. Only three of the five currently-identified zones were modeled: Gamma, Gamma West and Delta. Too little data is currently available for the Sigma and Theta Zones to support a meaningful estimation of the resources present there. The three zones, as modeled, are shown in Figure 10.2.

14.4 SPATIAL ANALYSIS

Variographic analysis of the Nithi data set was made using two programs: Vulcan, which includes variography as part of a larger resource estimation package, and Sage 2001 which is a stand-alone variographic program. Both programs identified the flat-lying nature of the mineralization but Sage produced longer ranges. The variogram parameters and the search ellipse dimensions and orientation that are given below are a compromise between the two estimates.

Table 14.2 Nithi Variography

Structure	Weight	Axis	C1		C2	
			Axis Orientation	Range	Axis	Range
C0	0.140	Principal Axis	68	15	X	120
C1	0.789	Principal Dip	-12	40	Y	150
C2	0.071	Intermediate Axis	340	25	Z	90

Notes:

Model = Two structure exponential

C0 = Nugget

C1 = First Structure

C2 = Second Structure

LAG = 75 m

Pairs Minimum = 350

Range in metres.

Table 14.3 Nithi Search Ellipse Parameters

Axis	Axis Orientation	Indicated Range	Inferred Range
Principal Axis	68	75	120
Principal Dip	-12	80	150
Intermediate Axis	340	40	90

14.5 RESOURCE BLOCK MODEL

Block model parameters are given below in Table 14.4.

Table 14.4 Nithi Block Model Parameters

Origin	Coordinates	Dimensions	Number	Size (m)	Rotation
X	377200	Columns	90	20	0
Y	5980900	Rows	105	20	
Z	1400	Levels	70	10	

14.6 INTERPOLATION PLAN

Resources were interpolated in two passes. In each pass, interpolation of grades was restricted to the solid from which the composited assay values were obtained; that is to say, interpolated values pertain only to an individual solid and grades within a given solid are not affected by grades in adjacent solids.

In the first pass, for a grade to be interpolated into a block it was necessary that a minimum of four (4) samples, with a minimum of one sample per drill hole (i.e. a minimum of four drill holes), be located within the volume of the search ellipse. The Indicated search ellipse was used for the first pass.

For the second pass, it was necessary that a minimum of two (2) samples, with a minimum of one sample per drill hole (two drill holes), be present within the volume of the search ellipse. The Inferred search ellipse was used for this pass. In both cases the maximum number of samples permitted for the estimation of a block grade was 10 samples.

14.7 MINERAL RESOURCE CLASSIFICATION

As implied by the use of search ellipses, blocks that received a grade during the first pass were classified as Indicated; those that received a grade during the second pass were classified as Inferred. No blocks were classified as Measured.

14.8 MINERAL RESOURCE TABULATION

The resource estimates for the Delta, Gamma and Gamma West Zones are presented below in Table 14.5, Table 14.6, and Table 14.7 respectively. The base case of 0.02% MoS₂ is highlighted in yellow.

Table 14.5 Nithi Delta Zone Resource Estimate

Kriged				ID ²			ID ⁵		
Delta Threshold MoS ₂	Indicated Tonnes	Grade MoS ₂ %	Grade Mo%	Indicated Tonnes	Grade MoS ₂ %	Grade Mo%	Indicated Tonnes	Grade MoS ₂ %	Grade Mo%
0.50	0	0.000	0.000	20,726	0.674	0.404	41,453	0.084	0.504
0.25	62,179	0.324	0.194	62,179	0.489	0.293	103,632	0.538	0.322
0.10	518,160	0.150	0.090	642,518	0.172	0.103	880,872	0.197	0.118
0.09	694,334	0.136	0.081	849,782	0.153	0.092	1,098,499	0.176	0.106
0.08	1,025,957	0.119	0.071	1,119,226	0.137	0.082	1,492,301	0.152	0.091
0.07	1,450,848	0.106	0.064	1,627,022	0.117	0.070	1,927,555	0.135	0.081
0.06	2,062,277	0.094	0.056	2,321,357	0.101	0.061	2,694,432	0.115	0.069
0.05	3,523,488	0.077	0.046	3,616,757	0.085	0.051	4,373,270	0.092	0.055
0.04	6,269,736	0.063	0.038	6,611,721	0.066	0.040	7,129,881	0.073	0.044
0.03	12,394,387	0.049	0.029	12,352,934	0.051	0.031	12,342,571	0.057	0.034
0.02	27,649,017	0.035	0.021	26,208,532	0.037	0.022	24,125,529	0.041	0.025
0.01	50,821,132	0.026	0.016	49,007,572	0.027	0.016	45,225,004	0.029	0.017

Kriged				ID ²			ID ⁵		
Delta Threshold MoS ₂	Inferred Tonnes	Grade MoS ₂ %	Grade Mo%	Inferred Tonnes	Grade MoS ₂ %	Grade Mo%	Inferred Tonnes	Grade MoS ₂ %	Grade Mo%
0.50	0	0.00	0.000	0	0.00	0.000	0	0.000	0.000
0.25	20,726	0.365	0.218	31,090	0.283	0.170	10,363	0.254	0.152
0.10	321,259	0.143	0.086	715,061	0.126	0.075	1,336,853	0.125	0.075
0.09	569,976	0.122	0.073	1,046,683	0.116	0.070	2,010,461	0.115	0.069
0.08	953,414	0.107	0.064	1,844,650	0.102	0.061	2,777,337	0.107	0.064
0.07	1,948,282	0.090	0.054	2,984,601	0.091	0.055	4,280,001	0.095	0.057

table continues...

Kriged				ID ²			ID ⁵		
Delta Threshold MoS ₂	Inferred Tonnes	Grade MoS ₂ %	Grade Mo%	Inferred Tonnes	Grade MoS ₂ %	Grade Mo%	Inferred Tonnes	Grade MoS ₂ %	Grade Mo%
0.06	3,938,016	0.077	0.046	4,892,251	0.081	0.049	6,176,467	0.086	0.052
0.05	7,471,867	0.067	0.040	8,135,112	0.070	0.042	9,699,955	0.075	0.045
0.04	14,114,678	0.056	0.034	14,663,927	0.059	0.035	16,042,233	0.063	0.038
0.03	28,747,516	0.045	0.027	28,975,506	0.047	0.028	29,317,492	0.050	0.030
0.02	61,277,600	0.034	0.020	58593531	0.035	0.021	55,142,585	0.038	0.023
0.01	107,911,998	0.026	0.016	103994709	0.026	0.016	95,652,333	0.028	0.017

Table 14.6 Nithi Gamma Zone Resource Estimate

Kriged				ID ²			ID ⁵		
Gamma Threshold MoS ₂	Indicated Tonnes	Grade MoS ₂ %	Grade Mo%	Indicated Tonnes	Grade MoS ₂ %	Grade Mo%	Indicated Tonnes	Grade MoS ₂ %	Grade Mo%
0.50	0	0.000	0.000	20726	0.589	0.353	62179	0.619	0.371
0.25	93269	0.315	0.189	72542	0.426	0.255	124358	0.482	0.289
0.10	1067410	0.143	0.086	1367942	0.147	0.088	2145182	0.151	0.091
0.09	1544117	0.128	0.077	1927555	0.132	0.079	3129686	0.134	0.080
0.08	2580437	0.111	0.066	3212592	0.113	0.068	4570171	0.118	0.071
0.07	4601261	0.094	0.057	5212689	0.098	0.059	6580632	0.105	0.063
0.06	8155838	0.081	0.049	9181795	0.084	0.050	11026445	0.089	0.053
0.05	16539667	0.068	0.041	17151096	0.070	0.042	18166689	0.075	0.045
0.04	32053377	0.056	0.034	31669938	0.058	0.035	31172505	0.062	0.037
0.03	57329221	0.047	0.028	55339487	0.048	0.029	51919631	0.051	0.031
0.02	87113057	0.039	0.024	84449715	0.040	0.024	78190342	0.042	0.025
0.01	97103182	0.037	0.022	96533206	0.037	0.022	94647103	0.038	0.023

Kriged				ID ²			ID ⁵		
Gamma Threshold MoS ₂	Inferred Tonnes	Grade MoS ₂ %	Grade Mo%	Inferred Tonnes	Grade MoS ₂ %	Grade Mo%	Inferred Tonnes	Grade MoS ₂ %	Grade Mo%
0.50	0	0.000	0.000	0	0.000	0.000	0	0.000	0.000
0.25	0	0.000	0.000	20726	0.315	0.189	72542	0.322	0.193
0.10	694334	0.120	0.072	1129589	0.129	0.078	1906829	0.136	0.081
0.09	1285037	0.108	0.065	1730654	0.117	0.070	2839517	0.122	0.073
0.08	2031187	0.100	0.060	2829154	0.105	0.063	3958742	0.112	0.067
0.07	3710025	0.088	0.053	4611624	0.093	0.056	6238646	0.098	0.059
0.06	6932981	0.077	0.046	8466734	0.080	0.048	10995355	0.083	0.050
0.05	15441168	0.065	0.039	16353129	0.068	0.041	19373953	0.072	0.043
0.04	32633716	0.054	0.032	32260641	0.056	0.034	32530084	0.060	0.036
0.03	68086222	0.044	0.026	65557601	0.045	0.027	62148109	0.048	0.029
0.02	116782897	0.036	0.022	111331854	0.037	0.022	103051658	0.039	0.023
0.01	137053316	0.033	0.020	135789005	0.033	0.020	132586777	0.034	0.020

Table 14.7 Nithi Gamma West Zone Resource Estimate

Kriged				ID ²			ID ⁵		
Gamma West Threshold MoS ₂	Indicated Tonnes	Grade MoS ₂ %	Grade Mo%	Indicated Tonnes	Grade MoS ₂ %	Grade Mo%	Indicated Tonnes	Grade MoS ₂ %	Grade Mo%
0.50	0	0.000	0.000	0	0.000	0.000	0	0.000	0.000
0.25	0	0.000	0.000	0	0.000	0.000	0	0.000	0.000
0.10	0	0.000	0.000	51816	0.119	0.071	93269	0.000	0.085
0.09	20726	0.092	0.055	62179	0.114	0.069	165811	0.141	0.073
0.08	41453	0.088	0.053	113995	0.101	0.061	176174	0.122	0.072
0.07	82906	0.081	0.049	186538	0.90	0.054	238354	0.120	0.065

table continues...

Kriged				ID ²			ID ⁵		
Gamma West Threshold MoS ₂	Indicated Tonnes	Grade MoS ₂ %	Grade Mo%	Indicated Tonnes	Grade MoS ₂ %	Grade Mo%	Indicated Tonnes	Grade MoS ₂ %	Grade Mo%
0.06	165811	0.072	0.043	259080	0.083	0.050	393802	0.108	0.055
0.05	445618	0.060	0.036	559613	0.067	0.040	880872	0.091	0.042
0.04	1098499	0.051	0.030	1409395	0.053	0.032	1751381	0.071	0.035
0.03	3544214	0.039	0.023	3699662	0.042	0.025	4031285	0.058	0.027
0.02	9606686	0.030	0.018	8725814	0.032	0.019	8135112	0.045	0.021
0.01	15420441	0.024	0.015	14954097	0.025	0.015	14218310	0.034	0.016

Kriged				ID ²			ID ⁵		
Gamma West Threshold MoS ₂	Inferred Tonnes	Grade MoS ₂ %	Grade Mo%	Inferred Tonnes	Grade MoS ₂ %	Grade Mo%	Inferred Tonnes	Grade MoS ₂ %	Grade Mo%
0.50	0	0.000	0.000	0	0.000	0.000	0	0.000	0.000
0.25	0	0.000	0.000	0	0.000	0.000	0	0.000	0.000
0.10	82906	0.128	0.077	145085	0.135	0.081	238354	0.140	0.084
0.09	93269	0.124	0.074	186538	0.126	0.076	435254	0.120	0.072
0.08	155448	0.109	0.065	373075	0.106	0.063	632155	0.109	0.066
0.07	290170	0.092	0.055	652882	0.093	0.055	994867	0.097	0.058
0.06	704698	0.076	0.045	1025957	0.083	0.050	1430122	0.087	0.052
0.05	1430122	0.065	0.039	1917192	0.069	0.041	2829154	0.071	0.042
0.04	4673803	0.050	0.030	5875934	0.052	0.031	7192061	0.055	0.033
0.03	16902379	0.039	0.023	16902379	0.040	0.024	18674486	0.042	0.025
0.02	50562051	0.029	0.017	47608539	0.030	0.018	45649894	0.032	0.019
0.01	89828215	0.023	0.014	87427778	0.023	0.014	82853781	0.024	0.014

Table 14.8 Summary of Nithi Resource Estimate @ 0.02 MoS₂ Lower Threshold

Resource @ 0.02% MoS₂ Threshold Zone	Kriged Tonnes	Grade MoS₂%	Grade Mo%
Delta Indicated	27,649,000	0.035	0.021
Delta Inferred	61,278,000	0.034	0.020
Gamma Indicated	87,113,000	0.039	0.024
Gamma Inferred	116,783,000	0.036	0.022
Gamma West Indicated	9,607,000	0.030	0.018
Gamma West Inferred	50,562,000	0.029	0.017
Total Indicated	124,369,000	0.038	0.023
Total Inferred	228,623,000	0.034	0.020

Note: Tonnes have been rounded to the nearest thousand in Table 14.8.

14.9 BLOCK MODEL VALIDATION

The block model was validated in several ways:

1. By comparison of results of the three interpolation methods (Table 14.5, Table 14.6, and Table 14.7)
2. Visual inspection of the goodness of fit of the block model relative to the enclosing geological solid (Figure 14.1).
3. By comparison of block values for the three interpolation methods for a given row and column in the block model (Figure 14.2 and Figure 14.3).

These tests show good agreement both between the estimation methods and between the block model and the geological solids. The interpolation results are consistent with the expected behaviour of the methodologies: kriging estimates a larger tonnage with a lower grade than either ID² or ID⁵; ID² estimates more tonnes at a lower grade than ID⁵.

As well, the mean MoS₂ grade of the block model (0.029) compares closely with the mean value for the composite data set (0.030).

Figure 14.1 Section Through Block Model (Row 80) Looking North

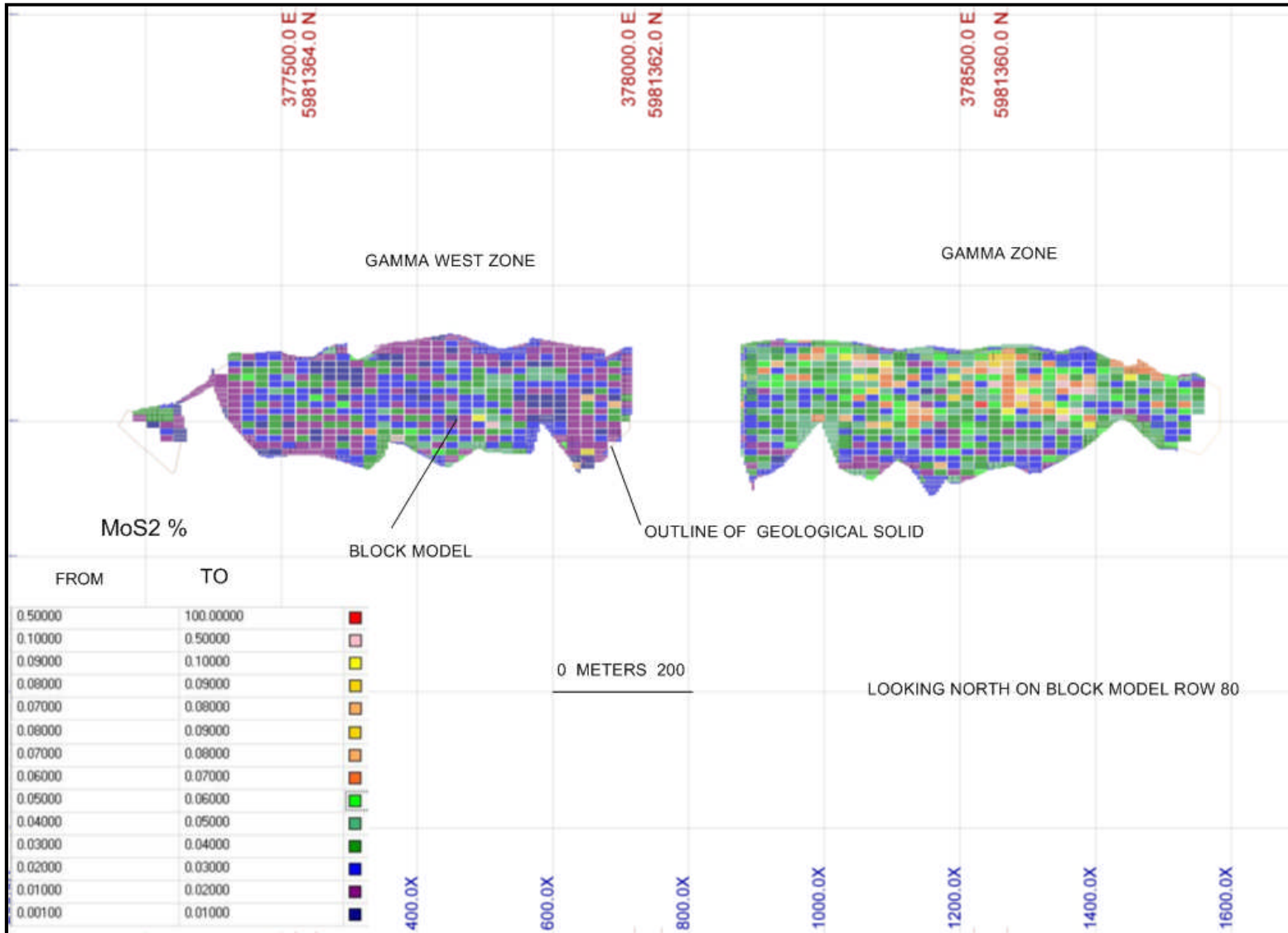


Figure 14.2 Swath Plot East-West through block model (Row 80)

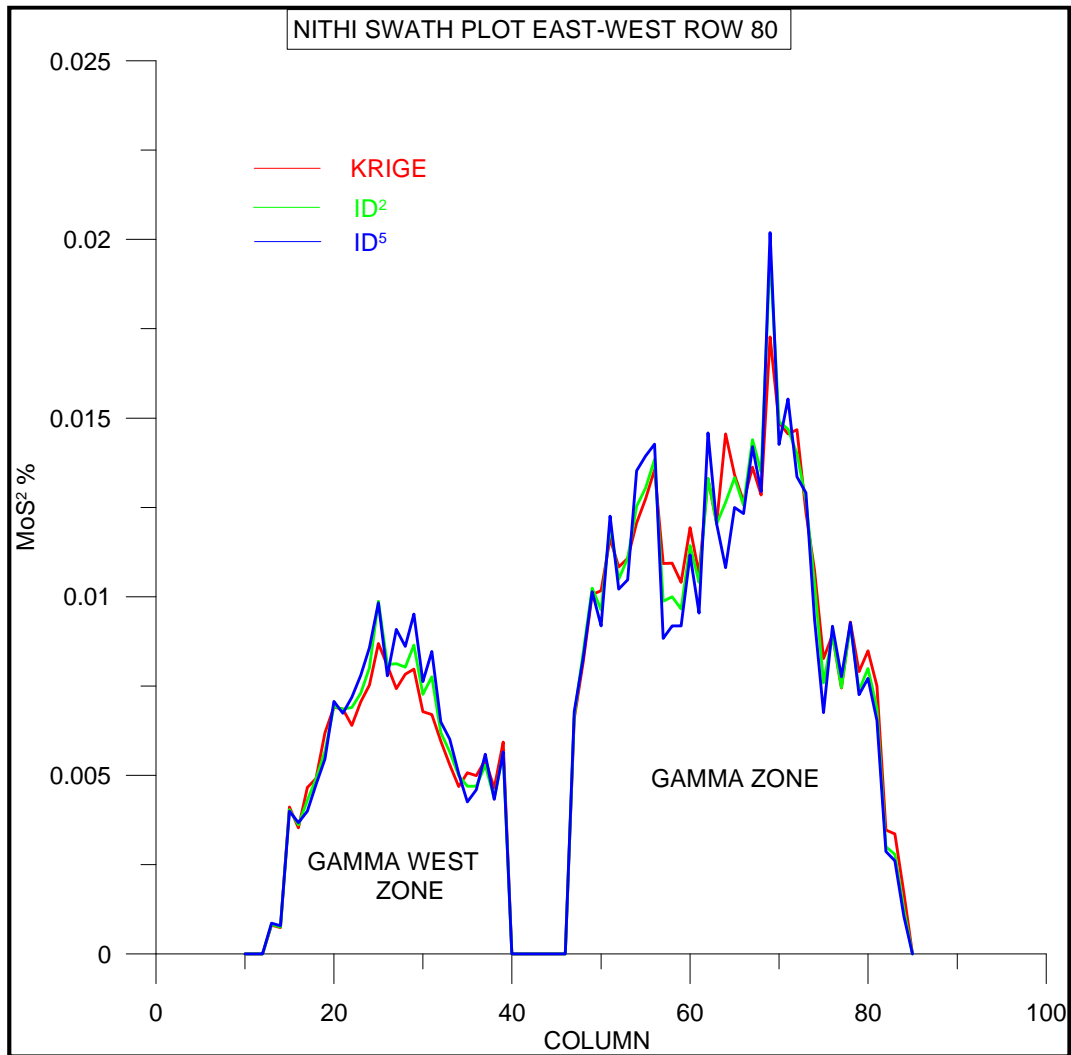
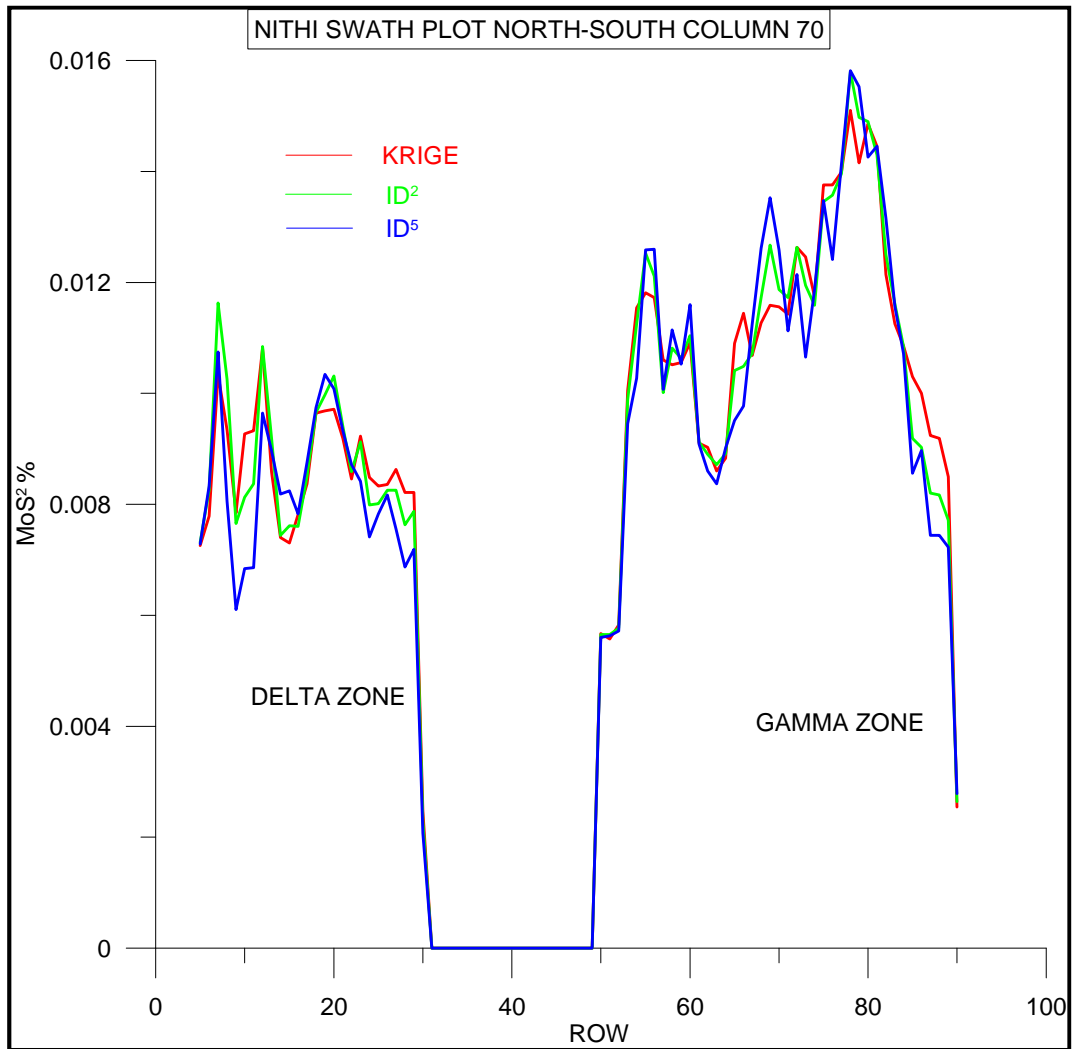


Figure 14.3 Swath Plot North-South through block model (Column 70)



15.0 ADJACENT PROPERTIES

There are no adjacent properties.

16.0 OTHER RELEVANT DATA AND INFORMATION

There is no additional information or explanations that would make this technical report not misleading.

17.0 INTERPRETATION AND CONCLUSIONS

Leeward has carried out drill programs on the Property during each of the years 2004 to 2008 amounting to an aggregate of 210 holes with an aggregate length of 46,983 m.

In addition, Leeward has conducted soil geochemical sampling and several geophysical surveys.

All this work has served to define, at variable levels of detail, five zones of molybdenum mineralization: Delta, Gamma, Gamma West, Sigma and Theta.

Of these, Gamma has been explored most extensively; Gamma West and Delta have also been explored in reasonable detail. Sigma and Theta are poorly-defined.

The drill data accumulated to date has been used to carry out resource estimates for the three zones Delta, Gamma and Gamma West.

Resources were estimated using OK, ID² and ID⁵. The estimates are summarized below in Table 17.1. Resources are stated at a lower grade threshold of 0.02% MoS₂. Tonnes have been rounded to the nearest thousand.

Wardrop considers that the estimated resources are consistent with the amount of exploration that has been carried out to date but that additional drilling is warranted for all the zones to either establish, in the case of Sigma and Theta, whether significant mineralization exists, or in the case of Delta, Gamma and Gamma West, to expand the known resource and to upgrade some portion of the inferred resource into the indicated category.

Table 17.1 Summary of Delta, Gamma and Gamma West Resources

Resource @ 0.02% MoS₂ Threshold Zone	Kriged Tonnes	Grade MoS₂%	Grade Mo%
Delta Indicated	27,649,000	0.035	0.021
Delta Inferred	61,278,000	0.034	0.020
Gamma Indicated	87,113,000	0.039	0.024
Gamma Inferred	116,783,000	0.036	0.022
Gamma West Indicated	9,607,000	0.030	0.018
Gamma West Inferred	50,562,000	0.029	0.017
Total Indicated	124,369,000	0.038	0.023
Total Inferred	228,623,000	0.034	0.020

18.0 RECOMMENDATIONS

Wardrop recommends the following program that consists primarily of drilling to better define three of the known zones; Delta, Gamma and Theta. Leeward has indicated the intention to carry out some reclamation work as well as an archaeological and conceptual mine design studies. Drilling is assumed to cost about Cdn\$185/m.

Table 18.1 Recommended Nithi Exploration Budget 2011 (Costs in CAD\$)

Item	Holes	Metres	Cost
Drilling: Delta	15	3,375	625,000
Drilling: Gamma	5	1,125	209,000
Drilling: Theta	10	2,250	416,000
Total Drill Budget			1,250,000
Reclamation			25,000
Archaeological Study			15,000
Conceptual Mining Study			60,000
Total			1,350,000

On the basis of observations of core sampling and storage procedures employed in previous sampling programs, Wardrop recommends the following modifications:

- Depth measurements recorded on the wooden blocks in the core boxes should be shown to two decimal places and in both metric and imperial units.
- Consideration should be given to basing sample boundaries on lithology rather than on drill runs so as to better define distribution and controls of mineralization.

It is further recommended that:

- Previous sampling should be reviewed to determine whether those samples that were recorded as being of 3.0 m in length are in fact of 3.05 m length. If this is the case, sample lengths should be corrected.
- If core from previous drill campaigns is to be retained for archival purposes, it should be stored with greater consideration of its long-term preservation than is currently the case.

Successful completion of this work will determine the most appropriate course of action to advance the Property.

19.0 REFERENCES

Dawson, Kenneth, April 21, 2007. Review of the Drilling on the Nithi Mountain Property of Leeward Capital Corp., Fraser Lake, British Columbia

G&T Metallurgical Services Ltd., February 29, 2008. Preliminary Metallurgical Assessment – Nithi Mountain Property, British Columbia, Canada, For Leeward Capital Corp.

Kelly, James, February 15, 2008. Technical Report Resource Assessment on the Gamma Zone, Nithi Mountain Molybdenum Property, Fraser Lake, British Columbia. For Leeward Capital Corp.

Kelly, James, September 22, 2008. Technical Report on the Resource Assessment of the Gamma and Delta Zones, Mineral Tenure 515427, Nithi Mountain Molybdenum Property, Fraser Lake, British Columbia. For Leeward Capital Corp.

Sinclair, W.D., 1995. Porphyry Mo (Low-F type) in: Selected British Columbia Mineral Deposit Profiles, Volume 1, Metallics and Coal; D. Lefebure and G. Ray, editors; British Columbia Ministry of Energy Mines and Petroleum Resources Open File 1995-20, pp93-96.

20.0 CERTIFICATES OF QUALIFIED PERSONS

The following are Qualified Persons for this report titled “Technical Report on the Nithi Mountain Molybdenum Property, British Columbia, Canada”:

- Gregory Zale Mosher, P.Geo.
- Klaus Triebel, CPG

GREGORY ZALE MOSHER, P.GEO.

I, Gregory Zale Mosher of North Vancouver British Columbia, do hereby certify:

- I am a Senior Geologist with Wardrop, a Tetra Tech Company with a business address at 800-555 West Hastings Street, Vancouver, British Columbia, Canada.
- This certificate applies to the technical report entitled “Technical Report on the Nithi Mountain Molybdenum Property, British Columbia, Canada”, dated July 15, 2011 (the “Technical Report”).
- I am a graduate of Dalhousie University, (B.Sc. Hons., 1970) and McGill University (M.Sc.Applied, 1973). I am a member in good standing of the Association of Professional Engineers and Geoscientists of Association of Professional Engineers and Geoscientists of British Columbia (License # 121151). My relevant experience with respect to molybdenum deposits includes over 20 years of intermittent exploration for and evaluation of molybdenum deposits. In addition, I have carried out resource estimates of molybdenum deposits over the past six years. I am a “Qualified Person” for purposes of National Instrument 43-101 (the “Instrument”).
- I have not completed a personal inspection of the property.
- I am responsible for Sections 1-20 of the Technical Report.
- I am independent of Leeward Capital Corp. as defined by Section 1.5 of the Instrument.
- I have no prior involvement with the Property that is the subject of the Technical Report.
- I have read the Instrument and the technical report has been prepared in compliance with the Instrument.
- 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.

Signed and dated this 15th day of July, 2011, at Hong Kong, China.

*“Original document signed and stamped
by Gregory Zale Mosher, P.Geo.”*

Gregory Zale Mosher, P.Geo.
Senior Geologist
Wardrop, a Tetra Tech Company

KLAUS TRIEBEL, CPG

I, Klaus Triebel, of Blaine, WA, USA, do hereby certify:

- I am a Principal Geologist with Wardrop, a Tetra Tech Company with a business address at #800 – 555 West Hastings St., Vancouver, BC, V6B 1M1.
- This certificate applies to the technical report entitled “Technical Report on the Nithi Mountain Molybdenum Property, British Columbia, Canada”, dated July 15, 2011, the (“Technical Report”).
- I am a graduate of the University of Alaska, Fairbanks (M.Sc. Geological Engineering, 1990) and the University of Applied Science, Bochum, Germany (B.Sc. Mining Engineering, 1981). I am a member in good standing of the American Institute of Professional Geologist (License CPG 10657), the BDG (Professional Geologist Association Germany) - Registration Number: 1372 and the State of Alaska - Registration Number: GEO G 545.I. My relevant experience includes 30 years of post-graduate experience, seven years of which are in the fields of geological modelling and geostatistical resource estimation. I am a “Qualified Person” for purposes of National Instrument 43-101 (the “Instrument”).
- My most recent personal inspection of the Property was May 9, 2011 for one day.
- I am not responsible for any Sections of the Technical Report.
- I am independent of Leeward Capital Corp. as defined by Section 1.5 of the Instrument.
- I have no prior involvement with the Property that is the subject of the Technical Report.
- I have read the Instrument and the technical report has been prepared in compliance with the Instrument.
- 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.

Signed and dated this 15th day of July, 2011 at Vancouver, BC.

*“Original document signed and stamped
by Klaus Triebel, CPG”*

Klaus Triebel, CPG
Principal Geologist
Wardrop, a Tetra Tech Company