Executive Summary
NI 43-101 Preliminary Assessment
Victorio Molybdenum-Tungsten Project
Luna County, NM

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SRK Project Number 160309

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Executive Summary (Item 3)

The Victorio Molybdenum-Tungsten Project is, in today's commodity cycle, an attractive target for potential underground mining. Two underground mining options offer the potential for positive economics. A low-cost Block Cave bulk mining method could potentially produce 159 M lb of molybdenum (Mo) in concentrate and 7.7 M STU (154 M lb) of tungsten (as WO3) in APT concentrate over a 17 year mine life. A selective mining method of Longhole Stoping with paste back-fill combined with Room and Pillar without back fill could potentially produce 62 M lb Mo in concentrate and 2.5 M STU of WO3 in APT concentrate over a 10 year mine life. A scoping study analysis of both options results in a 15% positive IRR and a $270M potential NPV (at 6% discount) for the block cave option and a 26% positive IRR and a $95M potential NPV for the selective mining option. These results are based on the current scoping level studies completed and described in this report. Economics are based Life-of-Mine (LoM) estimated average commodity prices of $15 molybdenum and $8 tungsten; significantly below the current molybdenum commodity price, and below the tungsten price.

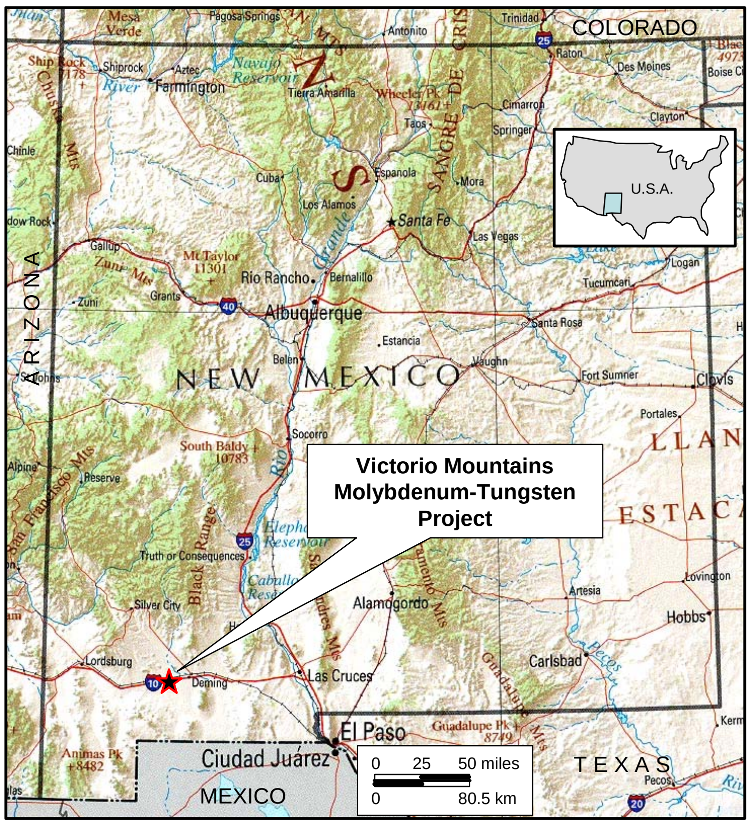
The Victorio Molybdenum-Tungsten Project is an advanced exploration property drilled in the late 1970's and early 1980's, totaling 71 drillholes for 166,016ft of historical drilling. The property had estimated mineral resources at that time, and had advanced to the point of preliminary project scoping studies and first-pass metallurgical bench-testing for possible mine development. The property had been inactive since the early 1980's due to depressed tungsten and molybdenum commodity prices, until Galway secured an agreement for the property and the historical project documentation in 2006. Galway then completed a six-hole confirmation drilling program, resource estimation by current industry standards, and a scoping study and preliminary economic assessment which are the focus of this report.

Property Description and Accessibility

The Victorio Molybdenum-Tungsten property is located in Sections 29 and 30, Township 24 South, Range 12 West, southwestern New Mexico. The geographic center of the property has UTM coordinates of approximately 3,564,716m North and 772,975m East (Zone 12). The property is on the south flank of the Middle Hills of the Victorio Mountains, Luna County, southwestern New Mexico, as shown on the Location Map in Figure 1. Access to the Victorio Mountains is readily available year-round, and infrastructure for the project area is excellent (Figure 2).

The Victorio Molybdenum-Tungsten Project consists of six unpatented lode mining claims held by Donegan Resources, Albuquerque, New Mexico, and 55 lode claims held jointly by Hallelujah Resources LLC, South Branch Resources LLC, and MRPGEO LLC, located on U.S. Federal lands administered by the U.S. Bureau of Land Management (BLM). Galway has an option agreement for all 61 unpatented claims of the Victorio Molybdenum-Tungsten Project, as defined in Section 3.7 of this report. NYAK Resources Inc., a subsidiary of Galway, has also located an additional 185 claims contiguous to and surrounding the optioned claims. The property land position is approximately 14,400ft in North-South extent by 16,500 ft in East-West dimension; for approximately 5085 acres in total land area.

Figure 1: Victorio Molybdenum-Tungsten Project Location Map



History

The Victorio Mountains mining district was first worked in the period of 1880 to 1886 by the Hearst Mining syndicate of San Francisco, California, with exploitation of oxidized argentiferous lead carbonate replacement ores at Mine Hill, located about 1.0mi southeast from and immediately adjacent to the Victorio Molybdenum-Tungsten deposit. Cumulative district historical production estimates from Mine Hill are 70,000-130,000T of lead, silver, gold, zinc, and copper ore (Hendrickson, 1977).

Tungsten was first described from Middle Hills in the early years of operation prior to 1904, and beryllium was identified by the New Jersey Zinc Company in 1948 (var. beryl and helvite) (Holser, 1953). At Middle Hills, limited wartime production of tungsten ores as quartz veins in skarn occurred from 1942 to 1944 from the Irish Rose and Tungsten Hill shafts. The primary ore mined at Tungsten Hill was scheelite, with minor galena, smithsonite, and helvite. Production from the Irish Rose Mine is recorded at 20,000T@ 1.0%WO_3, with a historical net value of $70,000 (Dale and McKinney, 1959).

The area of the Victorio Molybdenum-Tungsten deposit was held by a number of individuals and was explored by several major mining companies from 1945 until the 1970s when Gulf Minerals acquired a joint-venture interest in the claims, and discovered the Victorio molybendum-tungsten deposit. Gulf Minerals drilled 166,016ft in 71 holes from 1978 to 1982. By 1983, prior to cessation of all mineral exploration activities in Middle hills, they had advanced the property to a preliminary mining and engineering feasibility study (internal to Gulf) evaluating the project viability. All the historical data gathered by Gulf Minerals is well documented. The historical project data does not have an accounting of the total historical exploration dollars expended on the Victorio Molybdenum-Tungsten Project by all companies. However, in the author's opinion, approximately $4.0 to $5.0 million historical dollars have been expended on the central Victorio Molybdenum-Tungsten deposit at Middle Hills.

Galway and SRK have examined the historical data used as the basic data that supports the resource estimate; and Galway has verified the geology, mineralization, and drillhole Mo and WO_3 grades with six confirmatory core holes completed in 2007, and ongoing current drilling.

Geology

The Victorio Mountains geology consists of non-exposed Precambrian basement rocks that are unconformably overlain by a succession of Paleozoic and Mesozoic sedimentary and volcaniclastic plus Tertiary volcanic rocks. The package is intruded by mid-Tertiary dikes, sills, and breccias of basic to silicic composition, with accompanying rhyolite porphyry and a late-stage granitic intrusive.

The Victorio Molybdenum-Tungsten deposit at Middle Hills is a pyrometasomatic stratiform disseminated and stockwork vein deposit localized within the upper Cambrian/Ordovician Bliss sandstone and lower Ordovician El Paso limestone. The deposit is symmetric along the north flank of an east-west-trending gently doubly-plunging anticline. Molybdenum, and tungsten mineralization is distributed in fracture-controlled east-northeast-striking quartz veins, collectively forming an inverted-saucer and horseshoe-shaped deposit within competent calcareous arkoses and silty limestones. The molybdenum-tungsten deposit has dimensions of approximately 3,000 ft by 2,500 feet in plan, and is 25 to 400 feet in thickness. Sedimentary rocks are now largely altered to calc-silicate assemblages (skarn), with alteration effects extending out to + 5,000ft from the center of the deposit. Remnants of the highly-altered rhyolite to quartz latite porphyry sill associated with mineralization have been intersected in drilling only. The deposit is localized at approximately 1,500 feet in depth within the Upper Bliss sandstone and Lower El Paso limestone beneath the southwest flanks of the Middle Hills.

Mineralization is associated with quartz latite porphyry sills and is largely contained within quartz veins in calc-silicate altered rocks. Molybdenite and scheelite are the economic minerals of interest. Beryllium mineralization, in the form of beryl and helvite, are also distributed in veins and disseminations within altered rock, mostly lateral to and above the molybdenum-tungsten mineralization, but not yet fully defined. Oxidized base-metals mantos, jasperoids, and fault fracture veins at East and Mine Hills are located peripherally to the east and southeast of the molybdenum-tungsten deposit.

The weakly-mineralized and altered Victorio granite has been classified by some recent workers as a porphyry molybdenum system (McLemore et al, 2001; Donahue, 2002); however, the Victorio Molybdenum-Tungsten deposit appears to be floored by the weakly mineralized Victorio granite, and thus the granite is deemed not the source intrusive, based on Galway's geological interpretations.

Resources

The Victorio Molybdenum-Tungsten deposit was modeled by industry standard block modeling techniques using Vulcan software. Resources were previously stated in a Galway NI 43-101 Technical Report on Resources dated February 28, 2007, and were re-modeled in mid-2007with the new Galway drill data. Geological shapes and limits to mineralization were derived from sections and 3-D shapes provided by Galway. These 3-D bodies were used to control the assignment of grade within each of the different host rocks. Only composites located within each rock type were used to assign grade to the blocks within the same rock type. Grade shells were used to control the projection limits of the resource estimate for molybdenum and tungsten. SRK used 15ft composite data to create polygonal outlines which snapped precisely to the composite boundaries in the drillholes based on a 0.05% cut-off for both molybdenum and tungsten. The polygons were then triangulated into separate 3-D grade shell solids for both molybdenum and tungsten. The block size used was 30ft by 30ft by 15ft. Resources for Victorio were restated from previous estimates using a $15 Mo price (previously $12) and $8 WO_3, reflective of the expected Life-of-Mine average anticipated commodity prices. The cut-off $ values used in Table 1 below are only for the purpose of reporting a combined Mo and WO_3 insitu resource tonnage and grade, and are not a mining cut-off value.

Table 1: Victorio Project Combined Insitu Resources - Summary

Resource Category	Dollar Value/Ton Cut-Off*	Average Dollar Value/Ton	Total Tons	Average Grade Mo%	Average Grade WO_3%
Indicated	$25	$45.80	66.5	0.099	0.101
Inferred	$25	$40.92	41.9	0.088	0.091
Indicated	$35	$55.99	40.8	0.123	0.120
Inferred	$35	$51.21	22.0	0.115	0.105

* Cut off is based on dollar rock value calculated from contained Mo% valued at $15.00/lb combined with WO_3% valued at $8.00/lb; and should not be confused with a mining cut off . A $ cut off is utilized to demonstrate insitu combined tonnage and grade when two or more commodities are present.

This Preliminary Assessment includes Inferred resources that have not been sufficiently drilled to have economic considerations applied to them. Until additional planned drilling is completed, and a final resource estimate is done, there is no certainty that Inferred resources will be converted to Measured or Indicated resources.

Property, Mining Rights and Location

The Victorio Molybdenum-Tungsten Project consists of 61 unpatented lode mining claims held by Donegan Resources, Hallelujah Resources LLC, South Branch Resources LLC, and MRPGEO LLC. Galway has an option to secure a 100% interest in all 61 unpatented claims of the Victorio Molybdenum-Tungsten Project as further defined in Section 3 of this report. NYAK Resources Inc., a subsidiary of Galway, has also located an additional 185 unpatented claims contiguous with the claims held by Donegan and others (see Table 3.1 and Figure 3-2 of the full report)
Upon completion of payments totaling $2.0 million over a 5-year period, as outlined in Section 3.7, Galway will own 100% interest in the Victorio Molybdenum-Tungsten Property, subject to an effective 2% Net Smelter Royalty (NSR production royalty) due to Donegan Resources and jointly to Hallelujah Resources LLC, South Branch Resources LLC, and MRPGEO LLC on future production from the Victorio Molybdenum-Tungsten deposit.

Exploration/Development Potential

The deposit has been drilled on approximately 400 ft spacing, and Galway's confirmation in-fill drilling results in 2007 verified the grades and continuity of mineralization. The deposit remains to be further in-fill drilled, as approximately 35% of the resources are classified as Inferred. While the Victorio Molybdenum-Tungsten deposit has been largely completely defined by drilling, a program of in-fill drilling may also have the potential to incrementally add tonnage on the periphery of the current drill pattern. There is potential for incrementally expanding the deposit to the northeast towards the Tungsten Hill Breccia Pipe, to the south-southeast from the present known configuration of the molybdenum-tungsten deposit, and to the east toward strong mineralization encountered in a drillhole approximately 1,000 feet east of the eastern edge of mineralization.

Mining

The Victorio Molybdenum-Tungsten deposit is a stockwork vein and disseminated deposit hosted in calc-silicate altered rocks. Due to the disseminated nature of the deposit it was not clear at the outset of the project as to whether the deposit would be suitable for bulk, non-selective mining methods such as block caving, or whether a selective method such as cut and fill or longhole stoping would be more suitable. It was decided early on in the project to analyze these two options side-by-side up until a point where a clear leader became apparent. These two options represent the opposite ends of the spectrum, and in later more detailed studies it may be appropriate to choose a middle ground in order to extract the most value from the deposit. This middle ground could consist of carrying out some selective mining in outlying areas of the deposit during the preparatory block cave development. This would enable the operation to produce earlier cash flow and take advantage of the projected high commodity prices in the near-term.

The polymetallic nature of the mineral deposit necessitated the calculation and use of Net Smelter Return (NSR) deposit valuation techniques. NSR takes into account all the off-site costs associated with, transporting, smelting and refining ore as well as mill recoveries and royalty payments. The NSR estimates the value of the rock in the ground taking into account all of these external cost drivers (Table 2).

The mine design process consisted of creating practical stope wireframes based on an NSR block model and an NSR cut-off value. The stope wireframes are evaluated against the block model for volume, tonnage, NSR value and metal grade. Recovery and mining dilution are applied in a spreadsheet environment to account for pillar loss and unplanned stope dilution. The mine design was carried out using Gemcom software.

Primary access development in the form of ramps, haulages, declines, hoisting shafts and ventilation raises was designed in order to determine the approximate quantities for capital costing. No in-ore development design, with the exception of the undercut level in the block cave scenario, was undertaken for this study.

The two mining scenarios examined are a panel block cave option that would mine the entire deposit, and a selective mining option that would mine the higher unit value portions of the deposit. The selective mining option includes a combination of longhole stoping with paste backfill for those portions of the deposit most amenable to that mining method, with room and pillar mining without backfill for other areas.

At the scoping study level, the objective for accuracy is in the +/-40% range. As such, significant reliance was placed on the use of industry experts and benchmarking to estimate mine operating costs

Table 2: NSR Cut-Off Value Inputs

		Bulk mining	**Selective mining**
Mining cost	$/ton	4.50	17.50
Process cost	$/ton	8.50	10.50
G&A	$/ton	1.00	1.50
NSR Cut-off (total cost)	$/ton	**14.00**	**29.50**

In the bulk mining $14/ton cut-off value option the filtered model was examined for its applicability to a block or panel caving methodology. A number of regular, rectangular footprint areas were designed varying both the base and the top of the stope shape to optimize the grade and tonnage recovery from the design. The base of the cave, the undercut level, was designed on a flat plane to improve the ability to create a continuous undercut slot. The top of the cave undulates according to the location of the mineable ore. Current caving theory predicts that draw is relatively well confined in the area above the drawcone thus allowing for varying draw heights between neighboring blocks. Block Cave mineable parameters are shown in Table 3

Table 3: Block Cave Stope Estimation Parameters

Potentially Mineable Resource	Total Mined	Mining recovery	%	100%
		Tons	ton	138,841,000
		Mo grade	%	0.0674
		WO_3 grade	%	0.0739
		Mo metal	lbs	187,038,000
		WO_3 metal	lbs	205,334,000
	Diluted Block Cave	Dilution	%	15%
		Diluted Tons	ton	138,250,000
		Diluted Mo grade	%	0.0673
		Diluted WO_3 grade	%	0.0742
		Mo metal	lbs	186,184,000
		WO_3 metal	lbs	205,051,000
	Development	Tons	ton	591,000
		Mo Grade	%	0.0722
		WO_3 Grade	%	0.0239
		Mo Metal	lbs	853,000
		WO_3 Metal	lbs	283,000

During a number of iterations of the various selective mining options it was decided to present the final design as a combination between longhole open stoping with pastefill and room and pillar stoping with benching. Table 4 presents the cut-off NSR value inputs estimated for the two selective mining methods.

Table 4: Selective Mining Methods NSR Cut-Off Values

	Longhole with pastefill	Room and pillar with benching
Mining	20.35	13.08
Milling	10.00	10.00
G&A	1.50	1.50
Cut-off Value	**31.85**	**24.58**

The design process was carried out in two phases. The first phase used the higher cut-off value and identified areas of the model that are suitable for the more expensive longhole mining method. Once the longhole design was complete the model was filtered at the lower room and pillar cut-off value to determine additional lower cost stoping potential. Selective mining parameters are shown in Table 5.

Table 5: Selective Mining Option Parameters

Potentially Mineable Resource	**Mined**	**Longhole**	**ton**	**18,131,000**
		Mo grade	**%**	**0.14**
		WO_3 grade	**%**	**0.13**
		Room and Pillar	**ton**	**10,200,000**
		Mo grade	**%**	**0.10**
		WO_3 grade	**%**	**0.09**
		Development	**ton**	**212,000**
		Mo grade	**%**	**0.09**
		WO_3 grade	**%**	**0.08**
	Metal	**Longhole**		
		Mo metal	**lbs**	**51,018,000**
		WO_3 metal	**lbs**	**46,856,000**
		Room and Pillar		
		Mo metal	**lbs**	**21,201,000**
		WO_3 metal	**lbs**	**19,359,000**
		Development		
		Mo metal	**lbs**	**371,000**
		WO_3 metal	**lbs**	**348,000**

Processing

Initial metallurgical testing was completed on samples from Victorio Mountain in 1983 at Hazen Research, Inc. ("Hazen") under a contract with Gulf Minerals. This test work indicated that satisfactory molybdenum and tungsten recoveries could be achieved using conventional gravity and flotation technologies. The results indicate that molybdenite responds well to conventional flotation techniques at grinds of 91 to 191 mesh, with recoveries of 60 to 75% and within acceptable impurity levels. Molybdenum recoveries are higher in rougher flotation for Bliss sandstone and andesite than the El Paso limestone/dolomite rock. Conclusions were that optimization of flotation conditions and the recirculation of intermediate cleaner tailings products could be expected to increase final recoveries to over 85% for molybdenum.

The test results indicate that scheelite also responds well to flotation with the addition of gravity table with recoveries of 74 to 77%. Hazen concluded that recoveries could likely be increased to 85%, for a 3% to 5% WO_3 concentrate. Flotation proves effective at recovering 85% to +95% of the tungsten in the minus 150 mesh fractions. Tabling of the flotation tailings results in recovers of 50% to 60% of the tungsten not rejected by floatation. To affect improved tungsten recoveries in the range of 80% to 85%, and with concentrate grades of 3 to 5% WO_3, the recovered scheelite product is considered suitable for APT process feed, not for direct sale of concentrate.

However, this 1982 test work resulted in of a complex suite of reagents and chemicals. Thus, additional test work was initiated in 2007 at Hazen to simplify the flow sheet and reagent scheme. Preliminary results of this test program are confirming the results of the 1982 program with a simplifier flow sheet and reagent scheme.

The proposed processing flow sheet for Victorio Mountains is based on the metallurgical test results as follows utilizing conventional technologies for the production of a separate MoS_2 concentrate and APT:

- Crushing in a circuit with primary crusher, shorthead cone crusher and high pressure grinding rolls using a double-deck vibrating screen for size classification;
- Grinding using a ball mill and cyclones for size classification;
- Pyrite flotation;
- Molybdenum production in a rougher flotation-regrind-cleaner flotation circuit;

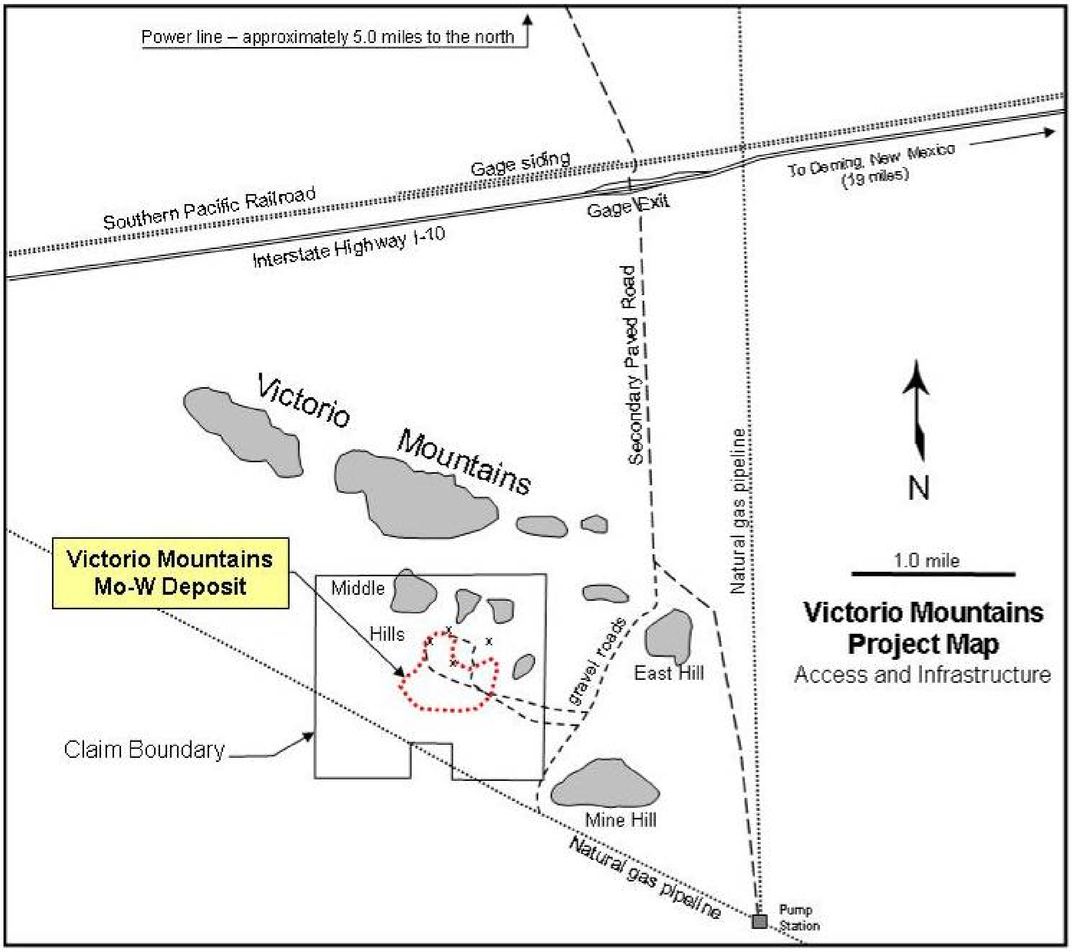
- Tungsten concentrate production in a rougher-cleaner flotation and gravity circuits;
- Molybdenum concentrate thickening, filtering and drying;
- Tungsten concentrate thickening and filtering; and
- APT production plant.

Infrastructure

Infrastructure for the possible development of Victorio is excellent, with a major railway, rail siding, and interstate highway access located within 2.0 miles of the project (Figure 2). The topography is gently sloping on the south flank of the Victorio Mountains, amenable to site development that would have minimal visual or other impacts. Water is available for purchase from wells that tap gravel fill basins in the region, and a regional power grid is located within 10 miles of the project. A natural gas pipeline traverses the property south of the deposit, and a pumping and pipeline junction station is located 2 miles southeast of the deposit.

Access to sources for a skilled workforce, technical skills and services, and necessary development equipment and supplies, are readily available from either Tucson, Arizona or El Paso, Texas, both being 200 miles or less distant from the property via interstate highway.

Figure 2: Victorio Project Infrastructure



Environmental/Permitting

The Victorio deposit and the immediate region is undeveloped, uninhabited, and of little use for stock grazing or minimal recreational uses; and therefore, there are no anticipated material issues related to permitting project development. The project will require a variety of federal, state, and local permits related to environmental issues. The permits needed are identified in Section 17.9 of the full report, based on work for Galway Resources by Enviroscientists Inc. The review of permit requirements for the Project assumes a specific development scenario, which is based on the following assumptions:

- All project activities will occur on public lands administered by the Bureau of Land Management (BLM);
- The project will be permitted as a new underground, bulk tonnage, mine;
- The project is not located within Critical Habitat, Wilderness or Cultural Resources Areas;

- No Threatened or Endangered Species occur within the Project area;
- Hazardous wastes will not be stored onsite;
- No surface waters are available to appropriate for use in the Project;
- The project will require dewatering;
- Total surface disturbance associated with the Project will be approximately 3,000 acres within a 5,000 acre Project area; and
- All solid waste will be disposed of in a new on-site landfill.

Enviroscientists recommends, and SRK concurs, that six baseline studies should be prepared as a part of the Environmental Impact Statement (EIS) for the project:

1) a geochemical baseline study;
2) a hydrological baseline study;
3) a dewatering assessment;
4) a vegetation baseline study;
5) a wildlife baseline study; and
6) a cultural baseline study

SRK recommends Galway pursue a strategy to initiate permitting based on the preliminary results presented in this report, the timing of which can only be assessed once the scope of the recommended baseline studies has been defined and the preliminary results reviewed. The process of completing baseline studies and an EIS, plus securing the necessary permits is estimated at this stage of the project to be a minimum of 24 months in a best-case scenario.

Capital and Operating Costs & Project Economics

SRK completed a technical economic model for both the bulk mining and selective mining options, based on scoping level cost inputs as shown in Table 6. Potentially mineable resources are shown in Table 7 and 8.

Table 6: Technical Economic Model Inputs

Model Parameter	Technical Input Block Cave Model	Technical Input LH Stope/R& P Model
General Assumptions		
Pre-Production Period	5 yrs	3 yrs
Mine Life	17	10
Operating Days per year	365	350
Market		
Discount Rate (range)	6%	6%
Mo Price Range	$15.00/lb	$20.00 – $15.00/lb
WO_3 Price	$160/STU	$194-$160/STU
Royalty		
NSR – Mo (payfor)	90%	90%
NSR – WO_3 (APT payfor)	100%	100%
NSR – Owner Obligation- lands (~2%; assumed buy-out)	0%	0%

Table 7: Potentially Mineable Resources

Mining Option	NSR Cut-off ($/ton)	Resource (kT)	Grade (%Mo)	Grade (%WO_3)
Block Cave	$14.00	138,841	0.07	0.07
Selective	$29.50	28,543	0.13	0.12

Table 8: LoM Production Summary

Model Parameter	Block Cave Model	LH Stope/R& P Model
Resource		
Resource (kT) – Block Cave (incl 15% dilution)	138,841	
Resource (kT) – Long- Hole Stoping		18,131
Resource (kT) – Room and Pillar		10,200
Development ore (kT)	591	212
Mo Grade - combined (%)	0.07	0.13
WO_3 Grade - combined(%)	0.07	0.12
Contained Mo (k-lb)	187,038	72,589
Contained WO_3 (k-lb)	205,334	66,563
Production		
Mine Production Rate (T/yr)	9,125,000	2,975,000
Mill Recovery Mo (%)	85	85
Mill Recovery WO_3 (%)	75	75
Mo Produced	158,982	72,589
WO_3 Produced	154,000	66,563

LoM Operating average costs are summarized in Table 9.

Table 9: LoM Operating Cost Summary (US$000)

Description	Block Cave Model	LH Stope/R& P Model
Mining	4.59	17.60
Process	8.44	9.84
G&A	0.75	1.50
Total	**13.78**	**28.94**

LoM Capital costs are summarized in Table 10 Freight and import duties are included in the unit cost. A 35% contingency factor is applied to all capital cost estimates. Working capital is estimated based upon seven days cash, 30 days receivables and 60 days payables.

Table 10: LoM Capital Cost Summary (US$000)

Description	Block Cave Model	LH Stope/R& P Model
Mining Equipment	162,266	94,220
Mine Development	50,484	35,700
Process Equipment	143,931	66,338
Tailings	50,920	24,282
Infrastructure	11,050	7,269
Owner Costs	23,685	14,607
Total	**442,337**	**242,416**
Working Capital	**5,632**	**15,782**

Project capital costs are estimated to be US$442 million over the LoM for the block cave option and $242 million for the selective mining option.

Indicative Economic Model results developed are summarized in Table 11. Based upon current assumptions presented in this section, pre-tax project NPV(6%) is US$270 million with an IRR of 15% for the block cave mining option and a NPV(6%) of $94 million with an IRR of 26% for the selective mining option.

Table 11: Indicative Economic Results (US$000)

Description		Block Cave Model	LH Stope/R& P Model
Production			
Ore Mined (kT)		138,841	28,543
Mo Produced (klb)		158,982	61,701
WO_3 Produced (klb)		154,000	49,922
Operating Margin			
Gross Revenue			
Mo		2,384,730	972,349
WO_3		1,232,002	409,633
	Gross Revenue	**3,616,732**	**1,381,982**
Royalty			
Roasting charges –Mo, incl losses		248,012	101,124
Transportation – Mo conc.		4,880	1,894
WO3 process losses		4,928	1,639
Transportation – WO3 in APT conc.		13,289	4,308
	Royalty	**271,109**	**108,965**
Gross Income from Mining		**3,345,623**	**1,273,017**
	US$/T-ore	*$24.10*	*$44.60*
	US$/lb- Mo-eq	*$23.45*	*22.99*
Operating Costs			
Production			
Mining		637,103	502,384
Process		1,171,506	280,942
G&A		104,131	42,814
	Subtotal Production	*1,912,740*	*826,141*
	US$/T-ore	*13.78*	*$28.94*
	US$/lb- Mo-eq	*$13.41*	*$14.92*
Operating Margin (EBITDA)			
	US$/T-ore	*$10.32*	*$15.66*
	US$/lb- Mo	*$10.04*	*$8.07*
Capital Costs			
Mining		212,750	129,920
Process		194,851	90,620
Infrastructure		11,050	7,269
Owner		23685	14,607
Total Capital Costs		**442,337**	**242,416**
Cash Flow		**990,547**	**204,460**
	IRR	15%	26
	$NPV_{6\%}$	270,482	94,414

Economic sensitivities for both cases are shown in the following graphs:

Figure 3: Bulk Mining Option Sensitivities

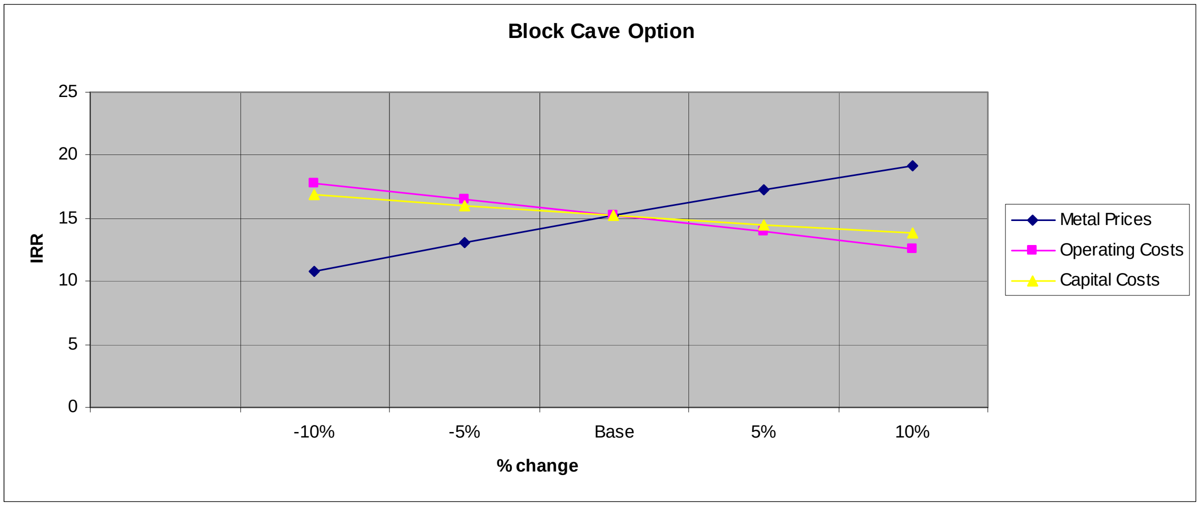
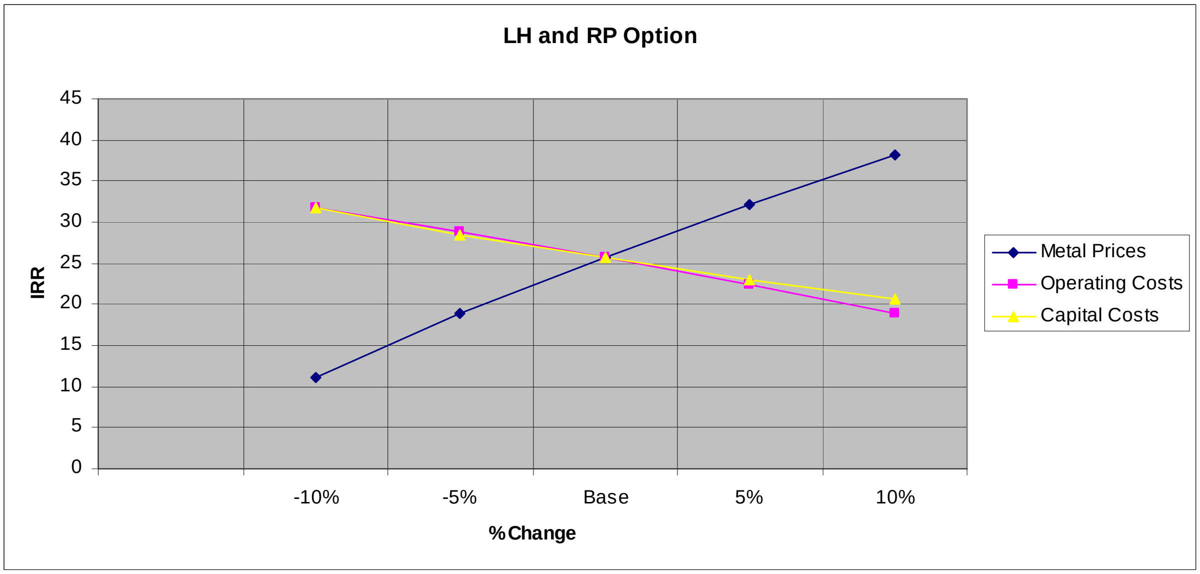


Figure 4: Selective Mining Option Sensitivities



Conclusions and Recommendations

The Victorio Molybdenum-Tungsten Project represents an advanced exploration property with a current resource estimate based on well documented historical drill data, which has been confirmed by recent Galway drilling, and is a viable property for potential development. The work to date includes a scoping study analysis of the potential mineability by two underground mining options, conventional milling, and flotation recovery onsite of both tungsten and molybdenum. Indicative project economics are positive, and should be optimized going forward in a recommended pre-feasibility study. In light of current and forecast molybdenum and tungsten commodity prices, the Victorio Molybdenum-Tungsten Project warrants further evaluation. To advance the Victorio Molybdenum-Tungsten Project, SRK recommends a pre-feasibility level study be undertaken to assess several key issues that will affect a development decision for the property; those areas for additional study include the following:

- Conduct additional in-fill drilling with the goal of a) converting Inferred resources to Indicated resources, and b) further defining the edge of the deposit with the objective of adding incremental tonnage; then re-examine the resource model (an estimated $2.14 million cost);
- Conduct a specific drilling program to define the deposit's geotechnical characteristics with a goal of determining a) confirmation of the block-caveability characteristics of the deposit and b) inputs to a structural model for purposes of mine planning.
- Re-examine the mining options and associated operating and capital costs;
- Conduct a comprehensive metallurgical program to define optimal processing parameters, conceptual process flow sheets, and capital and operating costs;
- Initiate baseline environmental studies, as part of a program aimed at completing an Environmental Impact Study;
- Initiate a strategy to begin permitting the envisioned underground mining operation; and
- Re-examine the project technical economic model as part of an overall pre-feasibility study.

It is possible to complete a pre-feasibility study in a 10-12 month time frame at a cost estimate of approximately US $3.4 million ($2.14 M as in-fill drilling) as a Phase I program, and an estimated additional $1.5 million for a Phase II program of full feasibility study and preliminary engineering, in an additional 10-12 months, as presented in Section 19 of this report. All work, both Phase I pre-feasibility and

Phase II full feasibility, are anticipated to take approximately 24 months to complete, run concurrently and in parallel with project permitting.

This Preliminary Assessment includes Inferred resources that have not been sufficiently drilled to have economic considerations applied to them. Until additional planned in-fill drilling is completed, and a final resource estimate is done, there is no certainty that Inferred resources will be converted to Measured or Indicated resources; therefore, there can be no certainty that this Preliminary Assessment will be realized.

Note: This Executive Summary is only a portion of the entire document entitled "NI 43-101 Preliminary Assessment, Victorio Molybdenum-Tungsten Project, Luna County, New Mexico"; which as of the date of this Executive Summary document has not been finalized or filed on Sedar.

APPENDIX B to NI 43-101
Preliminary Assessment Economic Models
B.1 – Selective Mining Option
B.2 – Block Cave Mining Option