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Montreal, June 3, 2005

## SHAREHOLDER UPDATE

**Dear Shareholders and Interested Parties,**

Yesterday you were e-mailed **Porphyry Deposits Winning Even Precious Metal Respect**, which described the size and metals content of Porphyry Deposits.

As was noted in the cover update letter, the Ruby Property's North Anomaly project is a drill proven copper/molybdenum porphyry prospect. Most know what copper is used for and how important it is in our everyday standard living. Your management felt it important that shareholders know a few basic points about the other predominant metal in the North Anomaly porphyry prospect, molybdenum. The following short and easy to read article on molybdenum explains its importance, uses and why it sell for \$30.00US per pound.

Sincerely yours,

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James W. Hess  
President and CEO

**Disclaimer:** This news release contains certain "Forward-Looking Statements". All statements, other than statements of historical fact, included herein are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

## **Pipeline could boost price of molybdenum - Juniors set to benefit**

BY DREW HASSEL BACK  
Financial Post

The construction of a multibillion-dollar gas pipeline through the Canadian north would have massive economic implications, right down to the raw materials that go into the steel.

That's one of the reasons molybdenum, better known as moly, is selling for more than US\$30 a pound, up more than tenfold from two years ago. A silvery metal able to withstand extreme temperatures and pressures, moly is needed to make the high-value steel alloys used in natural gas pipelines.

The possible construction of the \$7-billion MacKenzie Valley pipeline or the monster \$20-billion Alaska Highway project has several Canadian junior miners hoping to cash in on an expected surge of moly demand, among them Calgary-based Leeward Capital Corp.

"When one of these pipeline deals is announced, you might see a spike of moly up to US\$60 a pound," says Jim Davis, president of Leeward. "There's no easy substitute for it. You've got to have it."

For decades, moly was a metal that got little respect. Several mining companies abandoned moly exploration projects and mothballed mines in the 1980s and 1990s, fed up with poor prices and weak demand. The tide turned about two years ago, when booming metals demand in China revitalized demand for all commodities. Moly is used to make stainless steel, and China's surging manufacturing sector has been gobbling up all the moly it can get. Mining executives realized it was time to revive the projects.

"Nobody had looked for moly for 25 years. But there were a number of old exploration projects on the shelf. Everybody's dusting them off, like me," Mr. Davis says.

Arizona-based Phelps Dodge Mining Co. and Chile's state owned Codelco together will produce roughly 55% of the 249 million pounds of moly expected to come on the market this year. The size of the competition could spell trouble for the juniors hoping to grab a piece of the market.

John Kaiser, publisher of Kaiser Bottom-Fishing Report, has been tracking what he calls the "MolyMania" in the junior sector.

He notes several major producers, such as Phelps Dodge, are not even producing moly at full capacity. If Phelps Dodge sees moly demand spike, the company could boost production in a matter of months. It would take a junior several years to permit, finance and build a new moly mine from scratch.

"These things all have very large capital costs that require aggressive assumptions about the long-term price of molybdenum," Mr. Kaiser says of the junior projects.

If major producers crank up moly production, they could flood the market and drop prices to levels that wipe out the economics of the juniors' projects.

"All these [junior] entities have this uncertainty as to what's going to happen to the price, while companies like Phelps Dodge hold all the cards," Mr. Kaiser says. It's a gamble other juniors are willing to take.

Mr. Davis' Leeward Capital is exploring a property called Nithi Mountain in central British Columbia. Nithi Mountain is about 18 kilometres from a privately held producing molybdenum mine and processing facility called Endako. If drilling reveals Nithi to be of value, the thought is a mine could ship ore to Endako for processing.

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Adanac Moly Corp., a Richmond, B.C.-based junior, has revived the Ruby Creek project in the northern reaches of the province. Previous owners explored Ruby Creek extensively in the 1970s before walking away. Adanac believes several factors have revived the project's chances, including better market conditions and access to power from Yukon Territory.

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