MAG COPPER LTD.

TECHNICAL REPORT ON THE MINERAL RESOURCE ESTIMATE FOR THE MAGUSI PROJECT ABITIBI REGION, CANADA

NI 43-101 Report

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March 21, 2012

ROSCOE POSTLE ASSOCIATES INC.

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1 SUMMARY

EXECUTIVE SUMMARY

Roscoe Postle Associates Inc. (RPA) was retained by Mag Copper Ltd. (Mag) to prepare an independent Technical Report on the Mineral Resource estimate for the Magusi Project (or the Magusi River Project), near Duparquet, Quebec. The purpose of the report was to update the Mineral Resources of the Magusi copper-zinc-silver-gold deposit. The Technical Report conforms to NI 43-101 Standards of Disclosure for Mineral Projects. RPA has visited the property several times, most recently on February 22, 2012.

On March 24, 2011, Globex Mining Enterprises Inc. (Globex) entered into an agreement to acquire a 100% interest in the First Metals Inc. (FMA) mining assets in Quebec including the Fabie Bay and Magusi River projects. Subsequently on April 28, 2011, the land package was optioned to Mag. RPA previously prepared a Mineral Resource estimate for the Magusi Project for FMA on March 23, 2009. This report uses the same, 2008 database and block model but a different Net Smelter Return (NSR) cut-off grade to reflect current metal prices.

RPA understands that no work has been done on the Magusi deposit since the March 23, 2009 Technical Report.

CONCLUSIONS

RPA carried out Mineral Resource estimation for the Magusi deposit using 3D block modelling. Table 1-1 summarizes the RPA Mineral Resource estimate at an NSR cut-off value of $110/t.

TABLE 1-1 MINERAL RESOURCES AS OF MARCH 21, 2012
Mag Copper Ltd. – Magusi Project

Zone	Ore Type	Tonnes	Cu %	Zn %	Ag g/t	Au g/t	$NSR/t
Indicated							
Main	High Grade Cu (Cu > 1.5%)	729,000	3.26	0.58	43.4	0.41	183
Main	High Grade Zn (Zn > 4.0%)	580,000	0.39	8.57	42.1	2.34	174
Total Indicated		**1,309,000**	**1.99**	**4.12**	**42.8**	**1.27**	**179**
Inferred							
Main	High Grade Cu (Cu > 1.5%)	355,000	3.41	0.39	24.2	0.26	182
Main	High Grade Zn (Zn > 4.0%)	-	-	-	-	-	-
Main	HG Mixed Ore Cu > 1.5% and Zn > 4.0%	-	-	-	-	-	-
Main	LG Mixed Ore Cu < 1.5% and Zn < 4.0%	-	-	-	-	-	-
Total Inferred		**355,000**	**3.41**	**0.39**	**24.2**	**0.26**	**182**

Notes:
1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are estimated at a cut-off grade of $110 NSR/tonne.
3. Mineral Resources are estimated using an average long-term copper price of US$3.50 per pound, a zinc price of US$0.95 per pound, a gold price of US$1,300 per ounce, a silver price of US$21.00 per ounce, and a US$/C$ exchange rate of 1.00 to 1.00.
4. Grade interpolation was carried out with inverse distance squared (ID^2) method.
5. Mag provided RPA with NSR multipliers per metal unit. The NSR multipliers, which vary with head grades and metal recoveries, are based on SGS Lakefield metallurgical tests. The NSR values were calculated for each assay as well as each block in the model.
6. Minimum underground mining width of two metres was used.
7. The East Zone resources were also included in the estimation but did not meet the cut-off criteria.

The Magusi deposit is situated in a geological environment with good potential to increase the currently known massive sulphide mineralization. The current Mineral Resources are contained in a single economic lens, the Main Zone; the East Zone, located 100 m to the east, is in RPA’s opinion the continuation of the Main Zone, but due to the lack of drilling, the continuity of mineralization between the lenses has not been demonstrated yet. On a few vertical sections, drilling indicates the presence of other non-economic lenses that have not been proven to be continuous along strike and dip because of lack of drilling.

The deposit is open at depth and laterally, and a few drill holes indicate a good potential for additional mineralization at depth. RPA is of the opinion that there is potential for economic mineralization along the Magusi deposit volcanogenic horizon or other subparallel horizons.

RECOMMENDATIONS

POTENTIAL FOR ADDITIONAL MINERAL RESOURCES AND PROPOSED DRILLING

The deposit is open at depth and laterally, and several drill holes indicate a good potential for additional mineralization at depth. RPA is of the opinion that there is potential for economic mineralization along the Magusi deposit volcanogenic horizon or other subparallel horizons. RPA considers that additional drilling from surface is warranted on the Magusi deposit prior to underground development, in order to:

- convert Inferred blocks into Indicated, and
- test the extension of mineralization at depth and laterally.

CHECK ASSAY PROGRAM

RPA notes that no check assay program was carried out on the drill hole samples before 2007. RPA recommends that a minimum of 5% of those samples within the mineralized zone be re-assayed.

RPA recommends using three or four different Certified Reference Materials (CRM) rather than relying on the laboratory's internal assaying of in-house and commercial standards. The CRMs should be inserted regularly in core sample batches in any future drilling program. Assaying of standards should be carried out on a regular basis throughout the entire drilling program. This will allow identification of specific problems at the laboratory, if any.

RPA recommends that sample numbers for check assays or duplicate assays in check assay programs in any future drilling campaign be different from the original sample numbers. RPA also recommends insertion of standards and compilation and comparison of the different standards used by the laboratory over time.

RPA is of the opinion that all re-assays should be integrated into the Gemcom database. This will allow original data and block model values to be displayed at the same time.

DENSITY DETERMINATIONS

RPA notes that the density at Magusi has not been determined for each sample in the database. Within the mineralized envelope, density determinations represent 34% of assays and the average density is 4.12. RPA recommends that density be determined by the immersion method, both for the samples that are stored in the core racks and for all samples that will be assayed in future drilling. As a minimum requirement, all mineralized intersections that were selected for the Mineral Resource estimation should have their density determined. Samples from both the hanging wall and footwall should also have their density determined.

DATABASE

RPA recommends that special characters (such as -999 or NS - Not Sampled) be used in the assay database for samples that have sample numbers but no assay data. A value of '0' is typically assigned to the samples that have not been analyzed or that have values such as 'NIL' in assay certificates. This information from assay certificates has not been entered into the database.

BULK SAMPLE VS. BLOCK MODEL RECONCILIATON

During the summer of 2008, FMA started the excavation of a decline to access the Main Zone in order to obtain a 50,000-tonne bulk sample for metallurgical testing. RPA recommends that in the event a bulk sample is collected, it should include material from both types of mineralization: Zn-rich and Cu-rich. Once the bulk sample is obtained, reconciliation to the block model should be carried out.

PROPOSED WORK PROGRAM AND BUDGET

RPA recommends that a surface drilling program of 50 holes for a total of 18,000 m be carried out prior to underground development. The cost of the drilling program is estimated to be $3,600,000 and is divided in two phases:

- Phase 1 – Above 4,800 m elevation: 37 holes, 8,900 m, $1,780,000
- Phase 2 – Below 4,800 m elevation: 13 holes, 9,100 m, $1,820,000

Phase 2 is contingent on positive results from Phase 1.

This includes:

- Drilling (contractor): $2,700,000 ($150/m)

- Geology: $450,000 ($25/m)
- Assays: $450,000 ($25/m)

TECHNICAL SUMMARY

LOCATION

The Magusi Project is located approximately 10 km southwest of the town of Duparquet, in Hebecourt Township, and 1.2 km from the Fabie Bay copper mine.

LAND TENURE

The Magusi claim block consists of six contiguous claims totalling approximately 253.82 ha. The claims are 100% owned by Mag.

On March 24, 2011, Globex entered into an agreement to acquire a 100% interest, free of any liens, charges or royalties, in the Quebec mining assets of FMA. Subsequently, on April 6, 2011, the land package was optioned to Mag. Globex retains a 3% Gross Metal Royalty, 1% of which may be purchased by Mag for $5,000,000. Globex's royalty will extend to any mining undertaken within one mile of the present external boundaries of the claims covered by the agreement.

In total, the Fabie Bay and Magusi River properties comprise 182 unpatented, contiguous, map staked claims and one mining lease.

MAJOR ASSETS AND SITE INFRASTRUCTURE

The major assets and site infrastructure are as follows:

- The Magusi deposit, with the current Mineral Resources including:
  - Indicated Resources: 1,309,000 tonnes at an average grade of 4.12% Zn, 1.99% Cu, 42.8 g/t Ag, and 1.27 g/t Au for a value of $179 NSR/t.
  - Inferred Resources: 355,000 tonnes at an average grade of 0.39% Zn, 3.41% Cu, 24.2 g/t Ag, and 0.26 g/t Au for a value of $182 NSR/t.
- Valid mineral rights for 182 claims located in the Hebecourt, Montbray, and Duprat Townships and one mining lease located in Hebecourt Township.
- A large number of reports and geological, geophysical, diamond drill holes, and other technical data.
- The immediate infrastructure in the vicinity of the Project, including:

- o Security gate house at Fabie Bay.
- o 25 kV power line to gate house only.
- o One settling pond and one polishing pond.
- o The Magusi portal which is currently backfilled as per closure plan.
- o Good access road to Rouyn-Noranda (Highway 101) and to the municipal airport.
- o A year-round access gravel road of approximately 30 km that links the Project to Highway 101.
- o A decline started in the summer of 2008 to access the Magusi mineralization. Excavation of the decline was stopped in October 2008 due to the unfavourable metal market conditions. To date, 62 m of ramp have been excavated.

HISTORY

Exploration on the property started as early as 1948 when diamond drilling took place just north of the deposit. An airborne electromagnetic (EM) survey was completed in 1956 by Mespi Mines Ltd., but no anomalies were found. Mining Corporation of Canada (Mining Corp.) completed a diamond drilling program in 1962-1963. One hole intersected the massive footwall schists of the Magusi River deposit and passed within seven metres of the massive sulphide lens. From 1963 to 1972, no work was recorded.

In 1972, a staking rush resulted from the release of airborne electromagnetic data (INPUT) sponsored by the Quebec Government. Prospectors F.P. Tagliamonte, M. Labchuk and M. Arcus acquired the mineral rights to the area south of Lac Duparquet and optioned the Magusi River property in Lots 38 to 43, Range 1, Hebecourt Township, to Geophysical Engineering Ltd. The Magusi deposit was found immediately thereafter.

New Insco Mines (New Insco) acquired properties along strike and proposed additional geophysical surveys. Due to financing requirements, the Hebecourt syndicate was formed to prospect and evaluate the mineral potential of the claims. The airborne survey that followed located a weakly magnetic and conductive zone on Lot 48, Range 1, which became the Fabie Bay deposit. Drilling resulted in a mineral resource estimate of one million tons averaging 2.5% Cu and 0.25 oz/ton Ag. These resources are historical in nature and RPA is not treating the historical estimates as NI 43-101 compliant resources verified by a qualified person, and the historical estimates should not be relied upon.

RPA notes that the classification of this historical mineral resource does not follow the CIM Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on November 27, 2010.

The Magusi River property was purchased by Noranda Inc. (Noranda) in 1974 and was held by Noranda until the early 1990s when it was acquired by Deak Resources Corporation (Deak), which performed several feasibility studies.

Both the Fabie Bay and Magusi River properties eventually became the property of A. J. Perron Gold Corporation, followed by Sikaman Gold Resources and two junior partners who eventually went bankrupt. Globex acquired a 100% interest in the claims in 2002 and subsequently optioned the properties to Noranda. Noranda drilled five deep diamond drill holes and terminated the joint venture in 2003. Globex completed an exploration hole in 2004 on the Fabie Bay deposit and intersected massive sulphides grading 3.44% Cu and 8.1 g/t Ag over 3.7 m. Globex vended its interests in the properties to FMA in April 2006.

Upon closing of the agreement with Globex, FMA rapidly proceeded to undertake an advanced exploration program on the Fabie Bay Project as follows:

- A helicopter-borne EM (Aerotem II) and magnetometer surveys were flown by Aeroquest International Limited over the FMA claims from June 6 to 15, 2007. A total of 1,465 km of lines were surveyed. The survey was flown at 200 m line spacing with 100 m infill areas along east-west and north-south grid patterns. The survey was successful in mapping the magnetic and conductive properties of the survey area.

- A diamond drilling program was completed in 2007 and 2008 and included 119 holes for a total of 28,170 m.

- Bench-scale metallurgical testing was undertaken.

- The existing mine workings were dewatered, and a bulk sample of approximately 50,000 tonnes was extracted.

This work culminated in the announcement of commercial production on March 1, 2008. From November 1, 2007 to mid-January 2009, a total of approximately 494,000 tonnes of ore at an average grade of 2.51% Cu was transported and milled at Xstrata's Horne mill in Rouyn-Noranda. Milling was terminated in mid-February 2009. Fabie Bay was producing until December 2008 when production was suspended. The company filed a proposal under Part III of the Bankruptcy and Insolvency Act in April 2009 and received approval in June 2009.

As described earlier, on March 24, 2011, Globex entered into an agreement to acquire a 100% interest in Magusi and Fabie Bay projects, and on April 6, 2011, the land package was optioned to Mag.

GEOLOGY AND MINERALIZATION

The Magusi deposit is located in the south central portion of the Abitibi Greenstone Belt. The regional metamorphic grade is largely greenschist facies, however, local area of amphibolite grade metamorphism may be found along the peripheries of the large intrusions of granitic composition in the area. The lithologies in the Hebecourt Township area are diverse, consisting of a folded sequence of bimodal, Archean-aged volcanic flows and sills of mafic to felsic composition that form part of the Blake River Group. This area of Hebecourt Township is generally agreed to mark the northern limits of the Noranda Complex, a well-studied chemo-stratigraphically defined caldera-like structure, the centre of which hosts the Noranda base metal mining camp. The Noranda Complex is bounded on the north by the Porcupine-Destor Break and to the south by the Larder-Cadillac Break, two major structural discontinuities of regional extent.

The mineralization under consideration is a classic example of a Noranda camp style volcanogenic massive sulphides (VMS) deposit. In the Noranda camp, the sulphide lenses may be zoned, with a copper-rich base and a zinc-rich top. Low grade stockwork zones commonly underlie the massive sulphide lenses, while chert or siliceous layers may overlie them and/or extend outwards as a preserved exhalite horizon that marks the paleo-seafloor. The combined geometries of massive sulphide lenses and crosscutting epigenetic stockwork zones have been referred to as forming a typical mushroom shape.

The Magusi deposit is situated in a geological environment with good potential to increase the currently known massive sulphide mineralization. The Magusi deposit essentially consists of a single economic lens, the Main Zone, which contains the current Mineral Resource. The East Zone, located 100 m to the east, is in RPA's opinion the continuation of the Main Zone, but due to the lack of drilling, the continuity of mineralization between the lenses has not been demonstrated yet. On a few vertical sections, drilling indicates the presence of several parallel, non-economic lenses. These lenses have not been proven to be continuous along strike and dip because of lack of drilling.

The Magusi deposit is oriented along an azimuth of 90º and has an S-shaped dip that varies from 45º to 60º to the south.

Zinc and copper are relatively well zoned. In the western part of the Main Zone, copper mostly occurs in the hanging wall of the mineralization, while zinc is found in the footwall. In the eastern part of the Main Zone, it is the opposite: zinc occurs in the hanging wall and copper in the footwall. There are two main types of metal enrichment in the Main Zone:

- Zn-rich, Cu-poor
- Cu-rich, Zn-poor

Gold and lead are most likely associated with zinc while silver with copper.

There is no particular metal zoning in the East Zone.

MINERAL RESOURCE ESTIMATE

RPA reviewed the 2008 block model and reviewed and incorporated NSR input parameters received from Mag. The Mineral Resource estimate for the Magusi deposit was updated using a new NSR cut-off grade to reflect current metal prices and slightly higher operating costs. Table 1-1 summarizes the current Mineral Resource estimate prepared by RPA.

Original assays have been used for interpretation of the mineralization. The zinc, copper, silver, and gold grades of each sample have been converted into dollar values (NSR) based on the smelter parameters. An appropriate cut-off value of $25 NSR per tonne was used for the construction of 3D solids of the mineralization.

The minimum mining width used for interpretation of the mineralized envelope is two metres. The average horizontal width of drill hole intersections within the envelope is 12.6 m. The lenses were interpreted from drill holes on sections spaced at 15 m. Two 3D solids, for the Main Zone and East Zone, were created. The East Zone is located

100 m east of the Main Zone. RPA believes that these two zones are parts of the same lens but, due to lack of drilling, the continuity of mineralization between the lenses has not been demonstrated yet.

Once the 3D solid of the mineralized envelope had been created, one-metre composites (length-weighted) were generated inside the solid for resource estimation. Prior to composite generation, original assays were capped to their respective levels.

Blocks were oriented along the main axis of the deposit, which is approximately to azimuth 90º. Block model dimensions were selected at five metres along the longest axis of the deposit (east-west) by two metres across the longest axis (north-south) by two metres elevation.

Block grade interpolation was carried out with the inverse distance squared (ID^2) method. A minimum of two one-metre composites and a maximum of ten one-metre composites were used to interpolate grades within each block. Only composites within the mineralized envelope were used for interpolation. Two ellipses of different dimensions were used to interpolate Zn, Cu, Ag, Au, Pb, and density. Both ellipses were oriented along the dip of the mineralization (-50º).

Density determinations were initiated in 2007 in hole M07-018, and a total of 3,643 determinations have been completed to date. Within the mineralized envelope, there are 1,228 density determinations, or 34% of assays (1,228/3,643), and the average density is 4.12.

MINERAL PROCESSING AND METALLURGICAL TESTING

SGS Minerals Services (SGS), Lakefield, Ontario, conducted metallurgical test work from April to September 2008 on four copper-zinc drill core composites from the Magusi Project. The test work included metallurgical testing and mineralogical characterizations. The objectives of the test program were to maximize copper and zinc recovery to their respective concentrates while maintaining a flowsheet similar to the Horne concentrator, which would require minimal equipment changes.

Metallurgical results for copper fall into two categories. For low grade copper contained in the high grade zinc lens, recoveries were less than 50% for copper grades up to 0.4%.

For most blended copper-zinc mineralization where the average copper content is 1.5% to 2%, a fairly constant copper grade in tailings was shown leading to recoveries in the range of 80% to 90%.

The recovery of zinc was variable, highly dependent on the zinc head grade, ranging from 46% to 79%. The low grade of zinc in the copper composite precludes any possibility of producing a zinc concentrate from material grading that low.

The conclusion of the SGS test program is that saleable copper and zinc concentrates can be produced at a reasonably high recovery. Both of the target concentrate grades were attained for all four of the composites.

The results from testing the four composites have been used to compile an overall metallurgical performance projection based on head grades. A regression analysis was performed to obtain an NSR formula for the purposes of calculating a cut-off grade. Projected recoveries and concentrate grades from this formula compare well with the test results.

RPA concludes that the metallurgical testing for the Magusi Project has been completed to a reasonable level to support this resource report. RPA believes that recoveries and concentrate grades projected from the tests are attainable in operation, but cautions against extrapolating results outside the range of grades tested.

2 INTRODUCTION

Roscoe Postle Associates Inc. (RPA) was retained by Mag Copper Ltd. (Mag) to prepare an independent Technical Report on the Mineral Resource estimate for the Magusi Project (or the Magusi River Project), near Duparquet, Quebec. The purpose of the report was to update the Mineral Resources of the Magusi copper-zinc-silver-gold deposit. The Technical Report conforms to NI 43-101 Standards of Disclosure for Mineral Projects.

On March 24, 2011, Globex Mining Enterprises Inc. (Globex) entered into an agreement to acquire a 100% interest in the First Metals Inc. (FMA) mining assets in Quebec including the Fabie Bay and Magusi River projects. Subsequently on April 28, 2011, the land package was optioned to Mag. RPA previously prepared a Mineral Resource estimate for the Magusi Project for FMA on March 23, 2009. This report uses the same, 2008 database and block model but a different Net Smelter Return (NSR) cut-off grade to reflect current metal prices.

RPA understands that no work has been done on the Magusi deposit since the March 23, 2009 Technical Report.

SOURCES OF INFORMATION

Site visits were carried out by Mr. Bernard Salmon, ing., and Mr. Raphael Dutaut, M.Sc., GIT, from RPA, on April 23, 2008, and on November 11, 2008. At that time, discussions were held with personnel from FMA:

- Mr. Michel Plasse, Geo., Chief Geologist.
- Mr. Rémi Gaulin, Geology Technician.
- Mr. Robert Michaud, Ing., Vice-President Operations.
- Mr. Charles Gryba, P.Eng., COO and Vice-President Corporate Development.
- Mr. Peter Godbehere, B.Sc., Consulting Metallurgist for FMA.

Discussions were held with personnel from Mag in 2011 and 2012:

- Mr. Tyler Cullhane, Operations Manager
- Mr. Peter Godbehere, B.Sc., Consulting Metallurgist for Mag

Mr. Salmon and Mr. Martin Barrette, Senior Systems Technician, RPA, visited the property on February 22, 2012, to examine the general site conditions.

Mr. Salmon is responsible for all sections of this report except Section 16, which was prepared by Mr. Holger Krutzelmann., P.Eng., RPA's Principal Metallurgist. Messrs. Salmon and Krutzelmann were assisted by Mr. Martin Barrette, Senior Systems Technician, RPA, in the preparation of the report and the completion of the resource estimates.

The documentation reviewed, and other sources of information, are listed at the end of this report in Section 27 References.

LIST OF ABBREVIATIONS

Units of measurement used in this report conform to the Metric system. All currency in this report is Canadian dollars (C$) unless otherwise noted.

μ	micron
°C	degree Celsius
°F	degree Fahrenheit
μg	microgram
A	ampere
a	annum
bbl	barrels
Btu	British thermal units
C$	Canadian dollars
cal	calorie
cfm	cubic feet per minute
cm	centimetre
cm^2	square centimetre
d	day
dia.	diameter
dmt	dry metric tonne
dwt	dead-weight ton
ft	foot
ft/s	foot per second
ft^2	square foot
ft^3	cubic foot
g	gram
G	giga (billion)
Gal	Imperial gallon
g/L	gram per litre
g/t	gram per tonne
gpm	Imperial gallons per minute
gr/ft^3	grain per cubic foot
gr/m^3	grain per cubic metre
hr	hour
ha	hectare
hp	horsepower
in	inch
in^2	square inch
J	joule
k	kilo (thousand)
kcal	kilocalorie
kg	kilogram
km	kilometre
km/h	kilometre per hour
km^2	square kilometre
kPa	kilopascal
kVA	kilovolt-amperes
kW	kilowatt
kWh	kilowatt-hour
L	litre
L/s	litres per second
lb	pound
m	metre
M	mega (million)
m^2	square metre
m^3	cubic metre
min	minute
MASL	metres above sea level
mm	millimetre
mph	miles per hour
MVA	megavolt-amperes
MW	megawatt
MWh	megawatt-hour
m^3/h	cubic metres per hour
opt, oz/st	ounce per short ton
oz	Troy ounce (31.1035g)
ppm	part per million
psia	pound per square inch absolute
psig	pound per square inch gauge
RL	relative elevation
s	second
st	short ton
stpa	short ton per year
stpd	short ton per day
t	metric tonne
tpa	metric tonne per year
tpd	metric tonne per day
US$	United States dollar
USg	United States gallon
USgpm	US gallon per minute
V	volt
W	watt
wmt	wet metric tonne
yd^3	cubic yard
yr	year

3 RELIANCE ON OTHER EXPERTS

This report has been prepared by Roscoe Postle Associates Inc. (RPA) for Mag Copper Ltd. (Mag). The information, conclusions, opinions, and estimates contained herein are based on:

- Information available to RPA at the time of preparation of this report,
- Assumptions, conditions, and qualifications as set forth in this report, and
- Data, reports, and other information supplied by Mag and other third party sources.

For the purpose of this report, RPA has relied on ownership information provided by Mag. RPA has not researched property title or mineral rights for the Magusi Project and expresses no opinion as to the ownership status of the property.

Except for the purposes legislated under provincial securities laws, any use of this report by any third party is at that party's sole risk.

4 PROPERTY DESCRIPTION AND LOCATION

CLAIMS

The Magusi Project is located within the south central limits of Hebecourt Township, northwestern Quebec (Figure 4-1). The approximate geographic centre of the study area is 48°25 N latitude, 79°22 W longitude (UTM coordinates: 314,000mE, 5,367,000mN). The Project is located 1.2 km west of the Fabie Bay Mine, which was in production from November 2007 to December 2008.

The Magusi River property comprises six unpatented, contiguous, map staked claims covering approximately 253.82 ha (Figure 4-2). The claims are located in Range I, Lots 38 to 43 (inclusive) of Hebecourt Township, Quebec. Mag is currently in the process of converting four of those claims into a mining lease. The Fabie Bay property consists of seven unpatented, contiguous, map staked claims and one mining lease, covering a total of approximately 253.76 ha of mineral exploration rights. The claims are located in Range I, Lots 44 to 49 (inclusive) and Block E of Hebecourt Township, Quebec.

The boundaries of all the ranges and lots in Hebecourt Township were established by surveying. All claims are situated within the Rouyn-Noranda mining division of the Quebec electoral district of "*Abitibi Ouest*".

In total, Mag owns 182 unpatented, contiguous, map staked claims and one mining lease within the Fabie Bay and Magusi River property areas. Mag reports that all claims and the mining lease are in good standing.

In order to maintain the land holdings, Mag must pay an annual renewal fee of $53 per claim and apply $1,800 per claim of assessment work every second year. An annual fee of $43 per hectare must be paid for the Fabie Bay mining lease. The list of claims is presented in Appendix 1.

SURFACE RIGHTS

The area of the property is Crown land. Mag has the first right to acquire the surface rights to the property by taking the property to mining lease status. Under Quebec mining legislation, the owner of the mining rights can make use of the timber by paying a nominal fee if such timber is deemed to be of commercial value.

LAND TENURE

On March 24, 2011, Globex entered into an agreement to acquire 100% interest, free of any liens, charges or royalties, in the Quebec mining assets of FMA.

On April 4, 2011, FMA announced that pursuant to its ongoing restructuring process it has completed the disposition of its Fabie Bay and Magusi River properties, together with certain assets related thereto, for aggregate consideration of $500,000 payable in common shares of Globex (TSX:GMX) at a deemed issue price of $3.00 per share. The net proceeds of this sale will be used to repay amounts owing to the FMA secured noteholders.

Subsequently, on April 28, 2011, the land package was optioned to Mag. The option terms are listed below.

- $1,075,000 in cash payments over a 36 month period.
- 13,500,000 common shares of Mag.
- $10,250,000 expenditure on the property over a four year period from the closing date.
- Completion of a Bankable Feasibility Study within a four year period from the closing date.
- 3% Gross Metal Royalty, 1% of which may be purchased by Mag for $5,000,000.
- An annual advance royalty of $50,000 is payable starting at the 4th anniversary of the agreement and continues until commercial production is achieved.

ENVIRONMENTAL CONSIDERATIONS

The Magusi property is free of environmental liabilities. Other than drill hole casings and casing markers, there is very little evidence that an intensive drilling campaign has been conducted on the property. The ramp portal is currently filled with waste rock from underground development.

At Fabie Bay, environmental considerations are limited to the site rehabilitation, including the stockpile area, sedimentation basins, and building foundations. Restoration works have been completed except for the building foundations. The mine openings have been backfilled with waste rock from Fabie Bay and then allowed to flood. Monitoring of the water quality from the mine started at mine closure and will be required for a period of 10 years. Soils were contaminated at the beginning of mining operations. Mag has mandated a third party for a soil characterization study at Fabie Bay. To date, Phase 1 of the study has been completed and presented to Ministère du Développement durable, Environnement et Parcs (MDDEP). Phase 2 is planned to be presented before year-end 2012.

To the extent known, there are no other significant factors and risks besides noted in the Technical Report that may affect access, title, or right or ability to perform work on the property.

PERMITS

At the time of writing the report, Mag was conducting a drilling program on the property. Mag obtained a permit for tree cutting related to drill roads and drill set-ups, issued by the MRNF-Forestry sector.

In March 2007, FMA requested Polygone Enr. (Polygone), a land survey firm, to proceed with land survey in order to convert four claims into a mining lease. Mag then awarded the land survey contract for the mining lease application, and the survey started in October 2011 and was completed in February 2012.

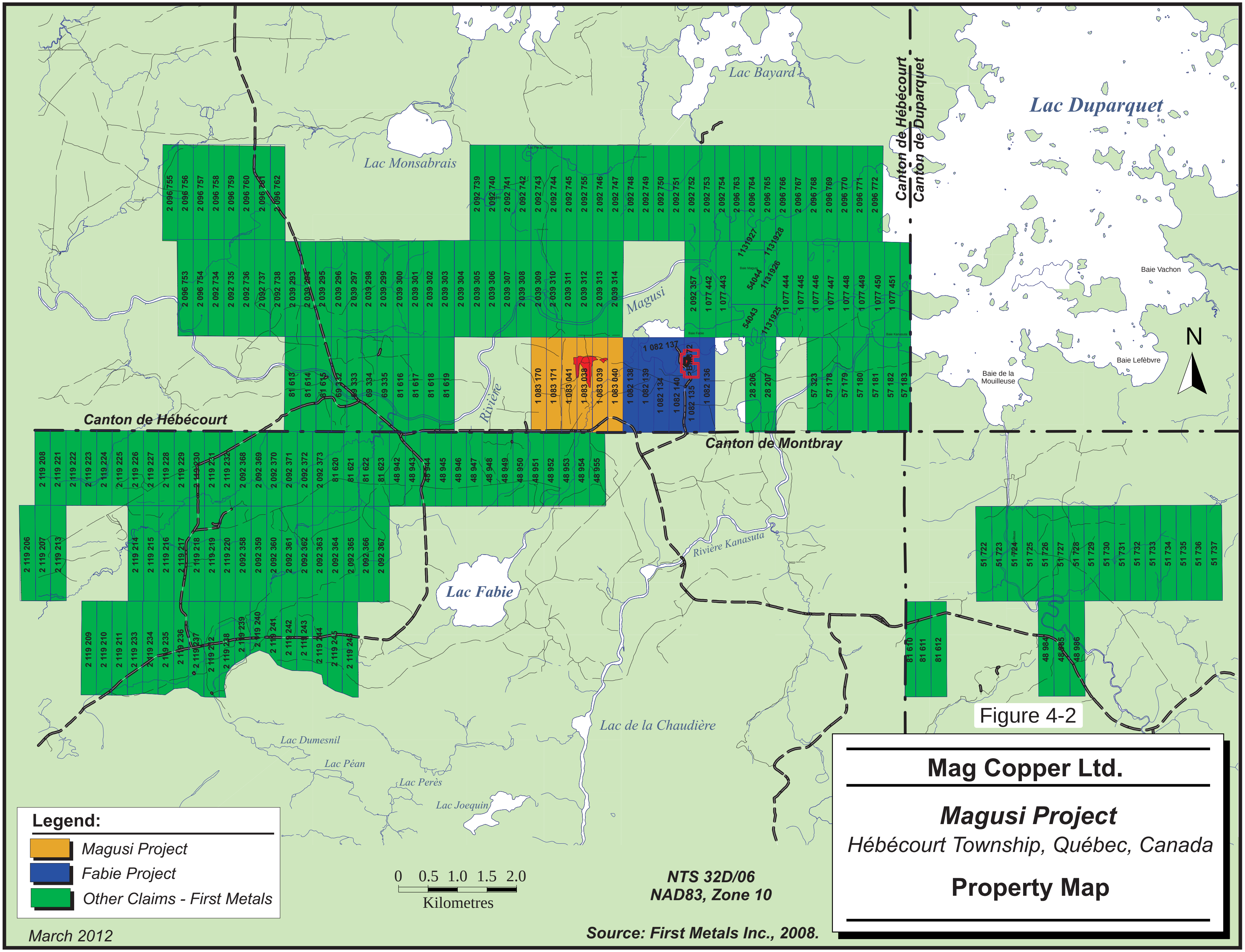
Figure 4-1

Mag Copper Ltd.

Magusi Project

Hébécourt Township, Québec, Canada

Location Map



Lac Bayard
Lac Duparquet
Lac Monsabrais
Canton de Hébécourt
Canton de Duparquet
Baie Vachon
Baie Lefèbvre
Baie de la Mouilleuse
Magusi
Rivière
Canton de Hébécourt
Canton de Montbray
Rivière Kanasuta
Lac Fabie
Lac de la Chaudière
Lac Dumesnil
Lac Péan
Lac Perès
Lac Joequin
N
Figure 4-2
Legend:
Magusi Project
Fabie Project
Other Claims - First Metals
0 0.5 1.0 1.5 2.0
Kilometres
NTS 32D/06
NAD83, Zone 10
March 2012
Source: First Metals Inc., 2008.
Mag Copper Ltd.
Magusi Project
Hébécourt Township, Québec, Canada
Property Map
RPA
www.rpacan.com

5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

ACCESSIBILITY

The Magusi Project is located approximately 50 km northwest of Rouyn-Noranda and 11 km due east of the Ontario-Quebec boundary. Access to the Project area by pickup truck is good via seasonal gravel mine and forestry roads and trails that radiate inwards from provincial highways 117, 101 and 388. Summer boat access to the site is available through Lac Duparquet. The nearest settlement is the village of Duparquet, located 12 km to the northeast, on the north shore of Lac Duparquet and at the junction of provincial highways 388 and 393.

CLIMATE

The climate of the area can be described as modified continental. While only partial climate records are available for the village of Duparquet itself, the daily average mean temperature in nearby Amos, Quebec, for the period 1971 to 2000 is stated as 1.2°C. The extreme maximum temperature of 37.2°C was recorded on July 10, 1921, and the extreme minimum temperature of -52.8°C was recorded on February 10, 1914. The average annual precipitation in Amos was 918.4 mm, comprising 670.7 mm as rainfall and 248.4 mm as snowfall (Environment Canada web site). Given this climate range, RPA believes that exploration and mining development activities can be carried out at all times of the year.

LOCAL RESOURCES

The Abitibi region has a long history of mining activity, and mining suppliers and contractors are locally available. Both experienced and general labour is readily available from the Rouyn Noranda area, a municipality of 40,000 inhabitants. The Project enjoys the support of local communities.

Many potential sources of water for any mining operation are available in the area and include Lac Duparquet, the Magusi River, groundwater wells, or artificially created catchment ponds.

INFRASTRUCTURE

The immediate infrastructure in the vicinity of the Project includes:

- At the Fabie Bay mine site located 1.2 km east of the Magusi deposit:
    - A well that provides process and shower water. Potable water is bottled.
    - A security gate house at Fabie Bay to control access to the site. A 25 kV power line to the gate house only.

- At the Magusi site (Figures 5-1 and 5-2):
    - A decline started in the summer of 2008 to access the Magusi mineralization. Excavation of the decline was stopped in October 2008 due to the unfavourable metal market conditions. To date, 62 m of ramp have been excavated. The portal is currently backfilled as per closure plan.

- Good access road to Rouyn-Noranda (Highway 101) and to the municipal airport.

- A year-round access gravel road of approximately 30 km that links the Project to Highway 101.

- There are no personnel accommodations on site.

PHYSIOGRAPHY

The physiography is typical of northwestern Quebec Precambrian shield areas, namely that of gently rolling topography reflecting the underlying glacial features combined with low-lying swampy ground that is underlain by glacial gravel and clay deposits. The elevation of the region is approximately 280 m above mean sea level. Topographic relief within the Project boundaries is approximately 20 m, but the major part of the Project area is essentially flat and has less than 10 m of relief. The vegetation of the property is typical of the transition zone from the mixed forest stands of the Great Lakes Basin to the coniferous boreal forest stands of the mid-north latitudes. The area shows signs of extensive tree harvesting, and vegetation now consists primarily of second-order mixed stands of black spruce, poplar, balsam fir, and white birch.

FIGURE 5-1 MAGUSI SITE PLAN – LOOKING NORTHWEST

Modified from Mag's web site

FIGURE 5-2 MAGUSI SITE – RAMP PORTAL – NOVEMBER 2008

6 HISTORY

Prospecting activity in the southern Lac Duparquet area has been intermittent and sporadic, with the earliest records dating back to 1948. At that time, Palenno Gold Mine (Palenno) completed 21 holes on a gold prospect located approximately one kilometre north of the present property, but this work apparently failed to outline any significant gold mineralization.

In 1956, an airborne electromagnetic (EM) survey of the area, conducted by Mespi Mines Ltd. (Mespi), failed to outline any geophysical anomalies. In the same year, Mining Corporation of Canada (Mining Corp.) completed seven drill holes in the area. No significant mineralized intersections were cut.

From 1962 to 1963, Mining Corp. completed two additional holes, one of which intersected the footwall schists of the Magusi River deposit and passed within seven metres of the massive sulphide lens. The second hole was collared two kilometres south of the property in Montbray Township and did not intersect any significant mineralization. From 1963 onwards, until the release of a Quebec Government sponsored INPUT survey (an early airborne electromagnetic method) in 1972, no work was recorded in the property area.

In 1972, a staking rush took place, predicated on the results of the above-mentioned INPUT survey. At that time, a prospector from Noranda, Mr. F. P. Tagliamonte, and his partners, Messrs. M. Labchuk and M. Arcus, two prospectors from Duparquet and Toronto respectively, acquired mineral rights to the area south of Lac Duparquet and optioned what is now termed the Magusi River property in Lots 38 to 43 Range 1, Hebecourt Township, to Geophysical Engineering Ltd. This ground, in which the Magusi deposit was found almost immediately thereafter, attracted the attention of the directors of New Insco Mines (New Insco), which acquired the mineral rights of additional ground from the same vendors. As these newly acquired properties were located along strike of the Magusi deposit but had no airborne INPUT anomalies, an additional airborne survey was proposed. Because New Insco was financially unable to execute these airborne surveys on its own account at that time, the Hebecourt Syndicate was formed to prospect and evaluate the mineral potential of these claims.

Shortly after the acquisition, an additional airborne survey was flown by the Dighem geophysical company and follow-up ground EM and magnetic surveys located a weakly magnetic and conductive zone on Lot 48, Range 1. This weakly magnetic zone was to become the Fabie Bay deposit (formerly the New Insco deposit). The first drill hole collared to test this conductor (drill hole number HE No.1) intersected 61.9 ft. (18.9 m) of sulphide mineralization which assayed 2.96% Cu. A subsequent drilling program of 68 holes totalling 44,191 ft. (13,469 m) outlined a mineralized massive sulphide lens that was dominated by pyrrhotite and was estimated to contain 1.0 million tons (900,000 tonnes) averaging 2.5% Cu and 0.25 oz/t Ag (8.57 g/t). The deposit was seen to contain very little zinc, generally less than 0.07%. These resources are historical in nature and RPA is not treating the historical estimates as NI 43-101 compliant resources verified by a qualified person, and the historical estimates should not be relied upon. RPA notes that the classification of this historical mineral resource does not follow the CIM Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on November 27, 2010.

The Magusi River property was purchased by Noranda in 1974 and was held by Noranda until the early 1990s when it was acquired by Deak Resources Corporation (Deak Resources), which carried out several feasibility studies.

Both the Fabie Bay and Magusi properties eventually became the property of A. J. Perron Gold Corporation, followed by Sikaman Gold Resources (Sikaman) and two other associated junior mining companies. Sikaman and its partners eventually went bankrupt and the claims lapsed in 2002. Globex acquired a 100% interest in the claims in 2002 and subsequently optioned the property to Noranda.

Noranda completed five deep diamond drill holes on the Magusi property in order to explore for a large massive sulphide lens at depth. Noranda intersected sulphide mineralization that contained low quantities of economic metals and terminated the joint venture in late 2003.

In 2004, Globex completed an exploration hole that targeted the east side of the Fabie Bay deposit (Drill Hole H04-01). The hole encountered massive sulphides grading 3.44% Cu and 8.1 g/t Ag over a core length of 3.7 m. Globex vended its interests in the properties to FMA in April 2006.

FMA mandated Micon International Ltd. for mineral resource estimates for both Fabie Bay and Magusi projects (April and May 2006 respectively). Two exploitation scenarios were envisaged for Fabie Bay: excavation of the upper portions of the mineralization using open pit mining methods followed by excavation of the lower portions by means of underground mining methods, and excavation of the entire deposit using underground mining methods.

Upon closing of the agreement with Globex, FMA rapidly proceeded to undertake an advanced exploration program on the Fabie Bay Project as follows:

- A helicopter-borne EM (Aerotem II) and magnetometer surveys were flown by Aeroquest International Limited over the FMA claims from June 6 to 15, 2007. A total of 1,465 km of lines were surveyed. The survey was flown at 200 m line spacing with 100 m infill areas along east-west and north-south grid patterns. The survey was successful in mapping the magnetic and conductive properties of the survey area.

- A diamond drilling program was completed in 2007 and 2008. A total of 119 holes for 28,170 m were drilled.

- Bench-scale metallurgical testing was undertaken.

- The existing mine workings were dewatered, and a bulk sample of approximately 50,000 tonnes was extracted.

This work culminated in the announcement of commercial production on March 1, 2008. From November 1, 2007 to mid-January 2009, a total of approximately 494,000 tonnes of ore at an average grade of 2.51% Cu was transported and milled at Xstrata's Horne mill in Rouyn-Noranda. Fabie Bay was producing until December 2008 when production was suspended. Milling was terminated in mid-February 2009. The company filed a proposal under Part III of the Bankruptcy and Insolvency Act in April 2009 received approval for its proposal in June 2009.

On March 24, 2011, Globex entered into an agreement to acquire a 100% interest, free of any liens, charges or royalties, in the Quebec mining assets of FMA. Subsequently, on April 28, 2011, the land package was optioned to Mag. Globex retains a 3% Gross Metal Royalty, 1% of which may be purchased by Mag for $5,000,000. Globex's royalty shall extend to any mining undertaken within one mile of the present external boundaries of the claims covered by the agreement.

7 GEOLOGICAL SETTING AND MINERALIZATION

REGIONAL GEOLOGY

The Fabie Bay and Magusi River deposits are located in the south central portion of the Abitibi Greenstone Belt (Figure 7-1). The regional metamorphic grade is largely greenschist facies, however, local areas of amphibolite grade metamorphism may be found along the peripheries of the large intrusions of granitic composition in the area. The lithologies in the Hebecourt Township area are diverse, consisting of a folded sequence of bimodal, Archean-aged volcanic flows and sills of mafic to felsic composition that form part of the Blake River Group (Figure 7-2). This area of Hebecourt Township is generally agreed to mark the northern limits of the Noranda Complex, a well studied chemo-stratigraphically defined caldera-like structure, the centre of which hosts the Noranda base metal mining camp. The Noranda Complex is bounded on the north by the Porcupine-Destor Break and to the south by the Larder-Cadillac Break, two major structural discontinuities of regional extent. Studies by Dimroth et al. (1973, 1974), de Rosen Spence (1976) and Meyers (1979) suggest that the rhyolites located in southern Hebecourt Township can be chemically correlated to Mine Horizon Cycle III rhyolites of the central Noranda Complex.

LOCAL GEOLOGY

The south Hebecourt volcanic units have been intruded by younger, felsic, quartz-feldspar porphyry plugs and dykes, as well as sills and discordant sill-like intrusions of diorite to gabbroic composition (Figure 7-3). To the southeast, in the centre of the Noranda Complex, these intrusive types are truncated by the felsic Flavrian and Lac Dufault granitoids. Younger, Proterozoic-aged diabase dykes that trend in a northwesterly and northerly direction crosscut all of the previously mentioned lithologies. Structurally, the Archean-aged volcanic flows strike in a general east-west direction and dip moderately to steeply to the south. Both the Fabie Bay and Magusi River deposits are hosted by a sequence of volcanic rocks that form the south limb of the North Duprat Syncline. Jones (1991) suggests that the synclinal axis is located 150 m (500 ft.) north of the Magusi River deposit (located approximately 1.2 km west of the Fabie Bay deposit), as defined by opposing facing directions on pillow tops. The 50º south dipping attitude of the southern limb of the fold and suspected north-facing "younging" directions suggest that stratigraphy is overturned.

A number of late-stage, northwest trending faults are present in the area and can have apparent offsets of up to 300 m or more with unknown amounts of vertical throw. The strikes of these structures are either to azimuth 300º or 330º, with undetermined dips. The Fabie Bay deposit was described by Meyers (1979), while the Magusi River deposit was formally studied by Larson (1983). In both cases, local names were given to the lithologies of the immediate deposit areas. In general, the volcanic sequence that hosts these massive sulphide bodies was defined, from south (oldest) to north (youngest) as follows:

- Undifferentiated andesitic flows
- Quartz-feldspar porphyry
- South Hebecourt rhyolite/New Insco rhyolite
- Exhalite sulphide horizon(s) and enveloping schists
- Fabie Bay andesite/Fabie Bay basalt
- Hebecourt diorite

Larson's undifferentiated andesite flows form the southern structural footwall from which most of the Magusi River diamond drill holes have been collared. This is in contrast to Fabie Bay, in which most holes were collared in the Hebecourt diorite. The andesite flow sequence has a minimum drilled thickness of 300 m. It consists of massive, feldspar-phyric and locally pillowed flows which are variably amygdaloidal and variolitic in texture and can host minor quantities of interflow horizons of breccia, pillow breccia and hyaloclastite.

A persistent, narrow, locally discontinuous and discordant sill of quartz-feldspar porphyry has been defined as occurring in the stratigraphically upper sections of the undifferentiated andesite, at its upper contact or within the lower reaches of the overlying rhyolite. The unit typically contains 5% to 30% quartz and feldspar phenocrysts in a siliceous, aphanitic matrix.

A mixed rhyolite-dacite horizon stratigraphically overlies the andesites. This unit, termed the South Hebecourt rhyolite by Meyers (1979), ranges in thickness from 100 m to 500 m. This unit varies from being a massive aphanitic rhyolite with intercalated feldspar ± quartz phyric rhyolite and dacite flows in the east to lesser undifferentiated fragmental units to the west. A felsic tuff, termed the New Insco rhyolite by Meyers, may be considered the upper stratigraphic member of the South Hebecourt rhyolite sequence. It was formally subdivided from the main rhyolite sequence due to a separation caused by a diorite intrusion.

The New Insco rhyolite consists of felsic, weakly laminated, fine to medium grained, locally pumacious, quartz crystal tuffs and subordinate coarse agglomerate.

Meyers considered the chlorite and sericite altered pillow lavas and pillow breccias to be a distinct unit, which he termed the New Insco basalt. This horizon hosts the Fabie Bay massive sulphide lenses and consists predominately of pyrite-chalcopyrite stringers in chlorite altered volcanic rocks. This would be the equivalent chlorite-sericite schist envelope that halos the Magusi River deposit. The developed schists are interpreted to be an alteration envelope to the sulphide masses, and the usage of the New Insco basalt as a distinct stratigraphic horizon is deemed to be inappropriate.

The Fabie Bay andesite/basalt overlies the South Hebecourt rhyolite volcanic sequence. It consists predominately of a pillowed to massive mafic flow sequence showing subordinate volumes of intergrading breccias and hyaloclastite. The stratigraphic top member of this unit is composed of a mixed sequence of fine to coarse grained mafic tuffs, breccias and hyaloclastites, termed the Magusi River tuff/breccia.

The Hebecourt diorite is the most prominent intrusive unit in the district. This diorite occupies a large portion of the region between the Magusi River and Fabie Bay deposits and also forms a substantial portion of the structural hanging wall to each deposit. Much of this lithologic unit appears to be orientated in a sill-like form. The diorite is generally massive, weakly jointed and ranges from coarse grained, leucocratic quartz rich phases in the thicker portions of the unit to fine grained melanocratic chilled contacts. Within the study area, the diorite generally separates the undifferentiated andesite from the South Hebecourt rhyolite, but it is also found as sheet-like masses within the rhyolites themselves.

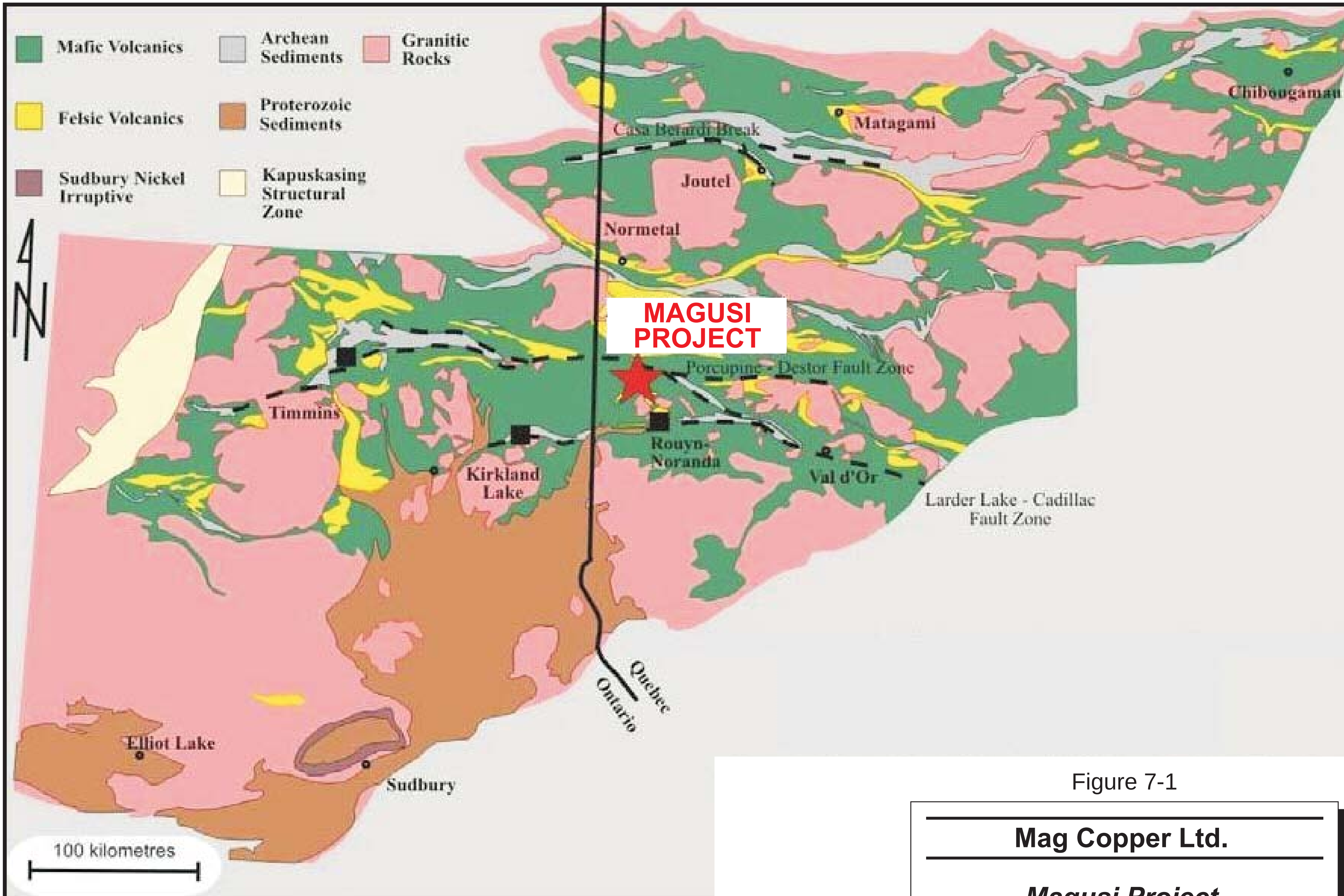


Figure 7-1

Mag Copper Ltd.

Magusi Project

Northwestern Québec, Canada

Abitibi Sub-province Geology

March 2012

Source: Modified from MERQ (DV83-16)/OGS (Map 2484) Compilation)

RPA

www.rpacan.com

Figure 7-2

Mag Copper Ltd.

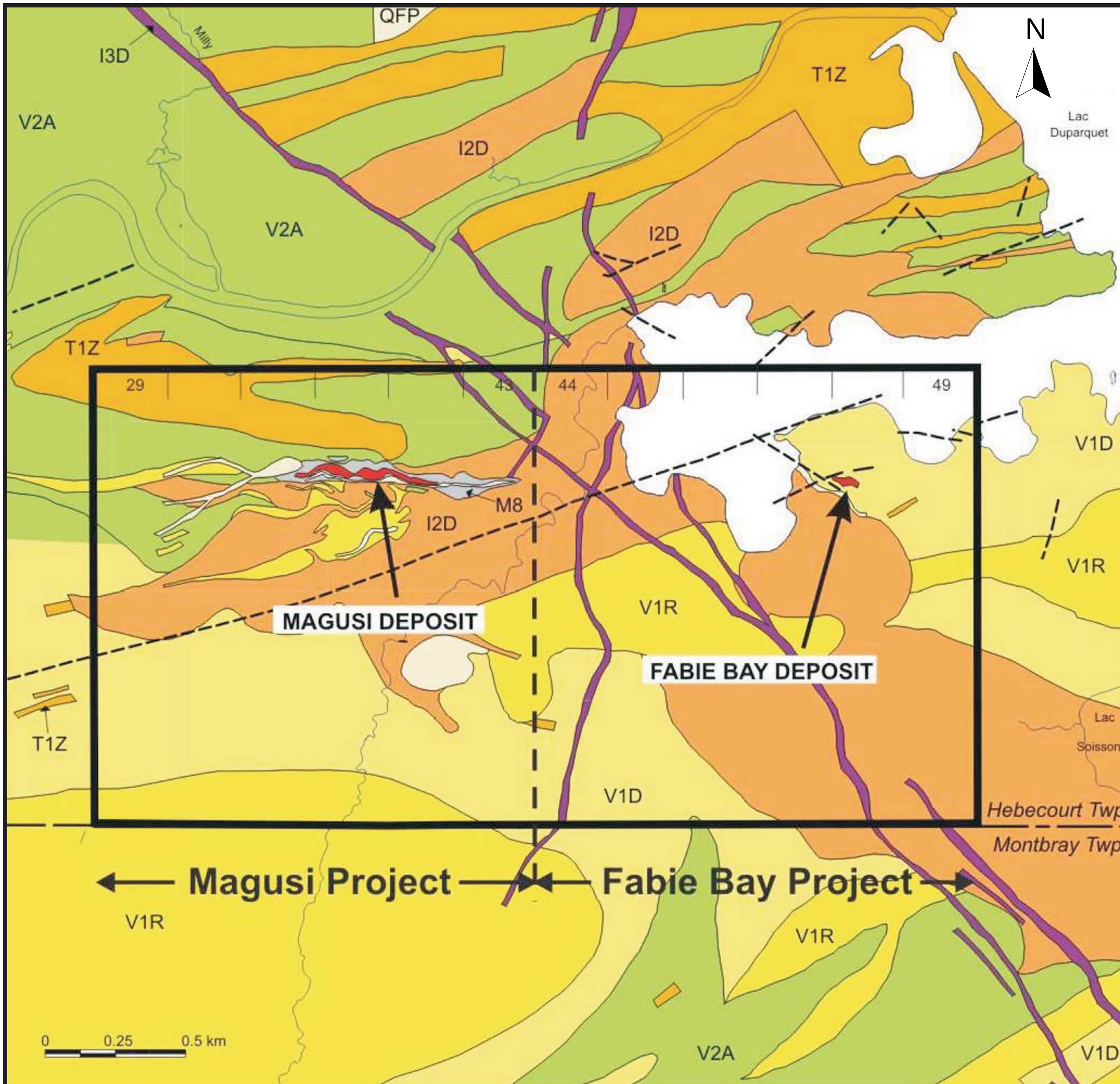
Magusi Project

Northwestern Québec, Canada

Regional Geology

March 2012

Source: First Metals Inc., 2008.



I2D	DIORITE	T1Z	INDETERMINED PYROCLASTIC
I2S	SYENITE	M8	SCHISTE
I3D	DIABASE	V1D	DACITE
I3G	GABBRO	V1R	RHYOLITE
QFP	QUARTZ FELDSPATH PORPHYRIC	V2A	ANDÉSITE
T	AGGLOMERATE		

Figure 7-3

Mag Copper Ltd.

Magusi Project
Northwestern Québec, Canada

Local Geology

March 2012

Source: First Metals Inc., 2008.

MINERALIZATION

The Magusi deposit is an auriferous zinc-rich VMS mineralization. It consists of an east-west striking and 50º south dipping sheet of stratiform, pyritic-banded massive sulphides that reaches a maximum thickness of 35 m and has been described as having a rough shape of an inverted isosceles triangle with a base of 550 m at surface and a down dip apex length of 550 m. The mineralized zone consists dominantly of fine grained pyrite with less abundant chalcopyrite and sphalerite, and recoverable gold and silver values. Minor galena is associated with the thickest portion of the massive sulphides. Magnetite is accessory throughout. Specularite, chalcocite and cassiterite are minor components according to Jones (1991).

The particularity of Magusi deposit is that copper-rich and zinc-rich zones are "interbedded". Sometimes the copper-rich clusters are on top, sometimes at the bottom of the sulphide bodies. Contacts between copper-rich and zinc-rich zones are generally well defined. Some areas of the sulphide body present enrichment of both copper and zinc.

8 DEPOSIT TYPES

The mineralization under consideration is a classic example of a Noranda camp style volcanogenic massive sulphide (VMS) deposit. In the Noranda camp, the sulphide lenses may be zoned, with a copper-rich base and a zinc-rich top. Low grade stockwork zones commonly underlie the massive sulphide lenses, while chert or siliceous layers may overlie them and/or extend outwards as a preserved exhalite horizon that marks the paleo-seafloor. The combined geometries of massive sulphide lenses and crosscutting epigenetic stockwork zones have been referred to as forming a typical mushroom shape.

The depositional environment of this deposit type is bimodal, deep marine volcanism, commonly at the stratigraphic top of a felsic cycle. Sulphide mineralization may locally be associated with interflow marine sediments and may also be spatially associated with extensional faults or prominent fractures typically near the centre of felsic volcanism.

Mineralization in these deposits is considered to be concordant, massive to well banded and layered sulphide lenses. These formed due to the interaction, discharge and precipitation of hot, metalliferous brines on a cool marine sea floor, leading to the buildup of sulphide mound structures through the development and collapse of sulphide chimney structures and precipitation of eruption plumes or denser brine pools. These mounds may exhibit various textures ranging from simple syngenetic layered bedded textures to complex crosscutting replacement and veining textures developed due to continued movement of the hydrothermal fluid through the sulphide mound. Sulphide lenses may range to tens of metres in thickness and can be tens to hundreds of metres in length in plan view. At times, there also may be an apron of clastic massive sulphides.

The stockwork zone beneath these deposits is the conduit through which the hot hydrothermal fluids rose. Mineralization within this area typically consists of sulphide vein mineralization showing typical replacement textures. These veins are typically on the order of millimetres to centimetres in width and can have the appearance of a mass of strings, hence, they are also termed “stringer” sulphides. Hydrothermal alteration of the wall rock may form in a pipe-like shape that surrounds and hosts this stockwork zone. The alteration mineralogy is dominated by a magnesium-rich black-coloured chlorite. An outer zone of sericite alteration is also commonly present.

9 EXPLORATION

At time of writing the report, Mag was conducting a drilling program on the property.

10 DRILLING

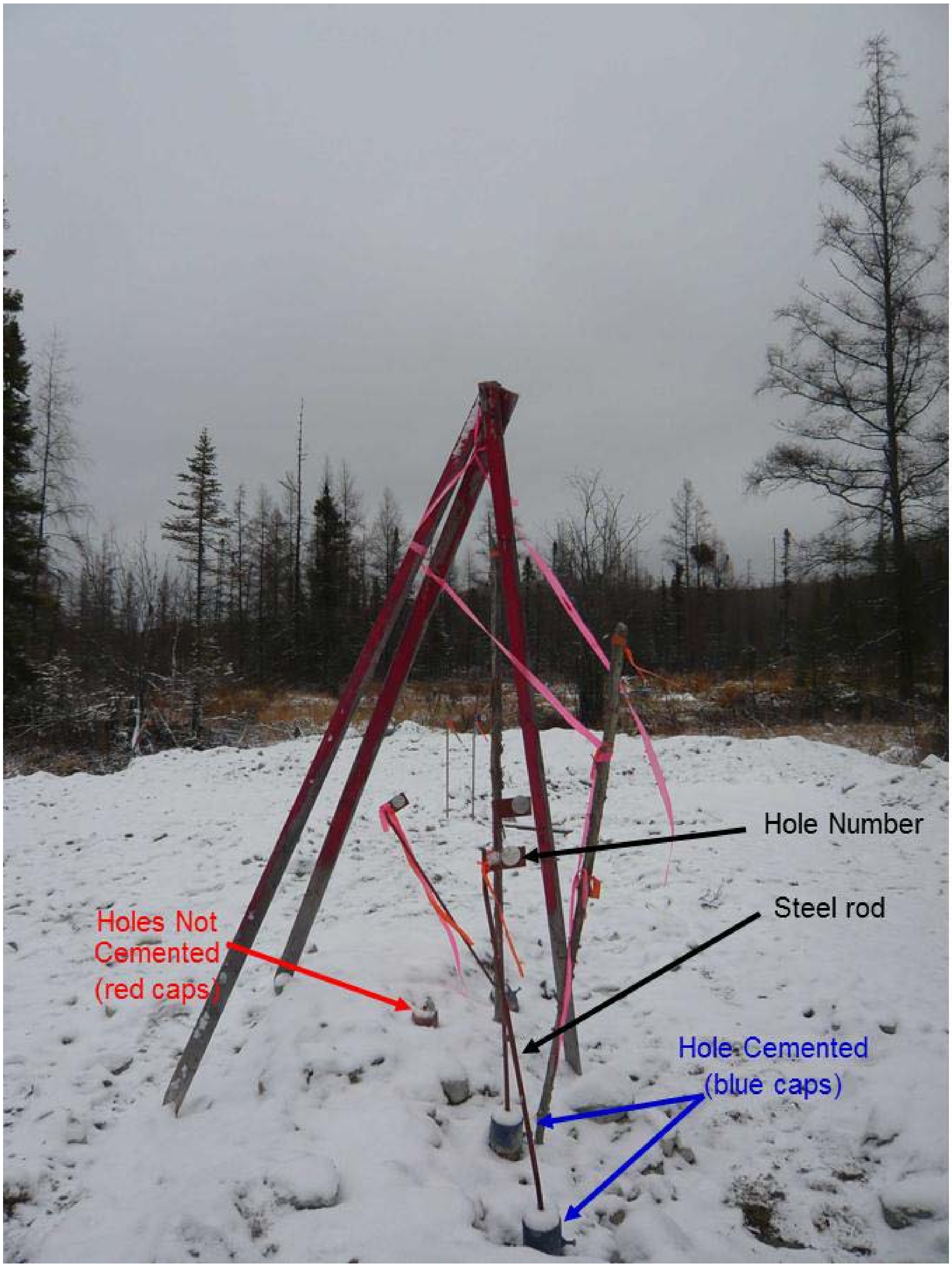
In 2007-2008, drilling was carried out on the Magusi deposit by Forages Benoit Ltée and Forage N. Bordeleau Inc. The drilling program was carried out under the direction of Mr. Michel Plasse, Geo., Chief-Geologist. The goals of this program were to:

- Confirm the accuracy of the historical drill hole information.
- Increase the Mineral Resources.
- Upgrade the Inferred Resources to the Indicated category.
- Test for the limits of the mineralization along the western contact.
- Intersect the Magusi deposit to get core samples for metallurgical testing.

The drill hole collars were located relatively to historical drill hole casings by the geologist with the use of handheld GPS and compass, and were identified with colour tape. A wooden picket, marked with the drill hole number and orientation, was placed at the site of the proposed drill hole, and foresight and backsight pickets were also put in place for diamond drill alignment. The drilling rig was set up and levelled over the location of the proposed drill collar and aligned to the foresight and backsight pickets. The dip of the hole was set using an adjustable, graduated levelling device that had a precision of 1º. Following completion of the drill hole, the collar location was marked with a steel picket with a drill hole number on it (Figure 10-1). The casings of the 2007-2008 drill holes were capped and subsequently cemented. Cemented holes have blue casing caps while non-cemented holes have red caps. The drill hole collar locations were surveyed by an FMA technician.

RPA understands that no work has been done on the Magusi deposit since the March 2009 NI 43-101 Technical Report (Scott Wilson RPA, 2009).

FIGURE 10-1 IDENTIFICATION OF HOLE COLLARS AND CASING CAPS



Downhole deviation was measured at nominal 30 m intervals with a FlexIt survey equipment. The FlexIt records azimuth, dip, and intensity of the total magnetic field in digital format. Downhole deviation measurements were duly recorded in the diamond drill logs.

The drill core was delivered to a secured core logging facility where it was prepared for processing. The core was then examined by the geologist to confirm the accuracy of the depth markers placed in the core boxes by the diamond drilling crews, and the depths of geological, structural, or alteration features were marked. An examination of the distribution of magnetic intensity of the drill core was conducted using a handheld pen magnet. Subsequently, the rock quality designation (RQD) and joint/fracturing intensity of the core were determined by a geological technician at a nominal interval of three metres.

The core logging is carried out in French. Descriptions of the lithologies, alteration styles and intensities, structural features, occurrences and orientations of quartz veins or sulphide veins, style, amount and distribution of sulphide minerals, and RQD measurements are recorded in the GEOTIC software database by the geologist.

To date, a total of approximately 57,000 m in 267 holes has been drilled on the Magusi property. This total includes 28,170 m of definition drilling in 119 holes and 1,430 m of geotechnical drilling in 32 holes, completed during the 2007-2008 program. Most of the 2007-2008 holes are NQ diameter. Drilling statistics of the Magusi Project are presented in Table 10-1.

TABLE 10-1 DRILLING STATISTICS
Mag Copper Ltd. – Magusi Project

Type of Drilling	Year	Holes	Metres	Holes Stored	% Stored	Metres Stored	% Stored
Definition	2007-2008	119	28,170	111	93	27,613	98
Geotechnical	2007-2008	32	1,430	8	25	695	49
Exploration	Before 2007	116	27,304	71	61	14,517	53
Total		**267**	**56,904**	**190**	**71**	**42,826**	**75**

Core is stored at Fabie Bay (Figure 10-2) or placed in an orderly fashion on palettes along the Fabie Bay–Magusi road (Figures 10-3, 10-4, and 10-5). Over 70% of holes representing 53% of metreage drilled by predecessors are stored in the core racks at

Fabie Bay. The rest of predecessor holes are reported lost. Core that is stored is recorded in a database, with aisles and core rack sections indicated to facilitate core retrieval.

FIGURE 10-2 CORE STORAGE – FABIE BAY SITE

FIGURE 10-3 CORE STORAGE – ALONG ROAD TO MAGUSI SITE (1)

FIGURE 10-4 CORE STORAGE – ALONG ROAD TO MAGUSI SITE (2)

FIGURE 10-5 CORE STORAGE – ALONG ROAD TO MAGUSI SITE (3)

11 SAMPLE PREPARATION, ANALYSES AND SECURITY

SAMPLING METHOD AND APPROACH

The sampling method and approach presented below were developed by FMA for its drilling programs.

Intervals of core to be sampled for analysis are marked by the geologist. Sample lengths are generally 1.5 m; however, care was taken to ensure that the sampled intervals corresponded to either geological or alteration intervals present in the core. Aside from a few narrow intervals like fault gouge and blocky core, no drilling, sampling, or recovery factors were encountered that would materially impact on the accuracy and reliability of the analytical results from samples of this drill core.

Core recovery is generally excellent; however, due to surface proximity and alteration, a few core intervals were not recovered. The drill core provided samples of high quality which were representative of any alteration, veining, or sulphide accumulations that were intersected by the drill hole. No factors were identified which may have resulted in a sample bias.

Sample positions were identified, and sample tags were placed under the core in the core boxes at the beginning of each sample by the geologist (Figure 11-1). The beginning and end of each sample were also marked on the core. Core shack employees verified holes to be sampled.

The core is split into two halves by the core shack technician. Samples are split using an electrical core saw equipped with a diamond impregnated blade. One half of the core was placed into an 8-mil plastic bag for assaying and the remaining half core was returned in the core box for future reference. One tag was placed into the sample bag, while the second tag was placed into the core box at the appropriate location. Once all designated samples had accumulated, they were transported under the direct supervision of the field crew to the sample receiving facilities of the designated laboratory. In 2007-2008, samples were sent to Techni-Lab S.G.B. Abitibi Inc. (Techni-Lab), located in St-Germaine-Boulé, Quebec.

During the 2007-2008 drilling program, specific gravity was determined by the immersion method at Techni-Lab.

FIGURE 11-1 CORE SAMPLING

SAMPLE PREPARATION, ANALYSIS AND SECURITY

GLOBEX'S QUALITY CONTROL/QUALITY ASSURANCE

Globex carried out drilling on Fabie Bay in 2006. Samples were sent to Laboratoire Expert Inc. (Lab-Expert) in Rouyn-Noranda, Quebec. No blank, duplicates, or standard reference materials were inserted with the samples delivered to Lab-Expert because the 2006 drilling was targeted primarily to provide sample material for metallurgical test work.

Lab-Expert is a private laboratory and is independent from Globex.

The sample preparation, analysis, and security methods presented below were developed by FMA for its drilling programs.

SAMPLE PREPARATION

During the 2007-2008 drilling program, all core samples were delivered in one single shipment to the sample receiving facilities of Techni-Lab. The laboratory conducted all aspects of sample preparation. Samples were dried and crushed to pass a -100 mesh screen. A 300 g subsample was pulverized to a nominal -200 mesh, with the remaining crushed rejects being retained. A 29.166 g subsample of this pulp (1 assay ton) was taken and fused following the standard procedures used in a fire assay method. The silver and base metal contents (Ag, Cu, Ni, Zn, and Pb) of the samples were determined by a geochemical approach using a flame atomic absorption unit (Method Code: AAT-7, lower detection limits 0.2 ppm for Ag and 2 ppm for the balance of the metals). The metal concentrations were reported in parts per million (ppm). The gold content of all samples was determined using Atomic Absorption Spectroscopy (Method Code: Au FA-GEO, lower detection limit 5 ppb). The laboratory was instructed that any samples found to contain greater than 1.5 g/t Au were to be subjected to a re-assay, whereby the gold content was determined using a gravimetric fire assay method. In this case, no samples were re-assayed for gold. Techni-Lab is ISO/CEI 17025 certified.

RPA considers the sample preparation, analysis, and security at Magusi to be consistent with industry standards and has no reason to believe that they could have negatively impacted on the accuracy and reliability of the Mineral Resource estimates.

RPA has reviewed the Techni-Lab preparation and analytical procedures, and Quality Assurance/Quality Control (QA/QC) protocol, and considers them to be consistent with industry standards.

Techni-Lab is a private laboratory and is independent from FMA.

QUALITY CONTROL/QUALITY ASSURANCE

FMA's QA/QC program consisted in re-assaying 7% to 10% of the sample rejects. The sample rejects were retagged with different sample numbers and sent again to Techni-Lab for re-assaying in order to verify the original lab's sample preparation method. A total of 638 rejects were resent to Techni-Lab with a different sample number.

CHECK ASSAY PROGRAM – TECHNI-LAB VS. LAB-EXPERT

FMA selected Lab-Expert in Rouyn-Noranda to carry out check assays on pulps. Approximately 600 pulps were analyzed at Lab-Expert. While Lab-Expert has not achieved ISO certification, it does participate in a round-robin program that is sponsored by CANMET.

Comparison between Techni-Lab and Lab-Expert is presented in Table 11-1 and in Figures 31-1 to 31-5 (Appendix 2). The difference between the mean grade of Lab-Expert and the mean grade of Techni-Lab is generally high for Zn (-9%), Cu (17%), and Ag (-14%). The overall correlation is generally good; however, there are several assays that show significant differences. This might be explained by a lack of pulp homogenization prior to assaying or values assigned to wrong sample numbers at the time of assaying. If both are the case, assaying at Lab-Expert may constitute a source of potential errors. Variability, which is expressed by the dispersion of data on both sides of the trend lines, is:

- High for Zn.
- Low for Cu.
- Low for Ag except for a few values above 100 g/t.
- High for Au above 1.5 g/t.
- Low for Pb except for two values above 3% Pb.

RPA considers the sample analysis at Techni-Lab to be consistent with industry standards.

TABLE 11-1 CHECK ASSAY PROGRAM - TECHNI-LAB VS. LAB-EXPERT
Mag Copper Ltd. – Magusi Project

	No. of Assays	Correl. %	Minimum		Maximum		Average		Diff.%
			T-L	L-E	T-L	L-E	T-L	L-E	
Zn	612	94	0.0	0.0	27.05	19.70	1.54	1.41	-8.7
Cu	605	99	0.0	0.0	13.80	16.15	1.01	1.18	17.2
Ag	602	97	0.0	0.0	285.9	275.6	22.3	19.3	-13.6
Au	596	94	0.0	0.0	8.93	8.79	0.50	0.47	-5.3
Pb	584	94	0.0	0.0	5.19	3.60	0.05	0.05	0.6

CHECK ASSAY PROGRAM - TECHNI-LAB VS. TECHNI-LAB

FMA resent approximately 500 rejects to Techni-Lab to carry out check assays on new pulps. Comparison between original assays and check assays is presented in Table 11-2 and in Figures 31-6 to 31-10 (Appendix 2). The difference between the mean grade of re-assays and the mean grade of original assays is relatively low, less than 5%, which is considered acceptable. The overall correlation is generally good for Cu and Au, fair for Zn, and poor for Ag and Pb, which is due to several assays that show significant differences. This might be explained by some lack of control at the lab's sample preparation room. Variability, which is expressed by the dispersion of data on both sides of the trend lines, is:

- High for Zn.
- Relatively low for Cu except for a fair amount of values.
- Low for Ag except for a few values above 100 g/t.
- High for Au above 1.5 g/t.
- Low for Pb except for two values above 3% Pb.

RPA considers the check assay program, in which original assays and check assays were carried out by the same laboratory, to be acceptable and has no reason to believe that the results could have negatively impacted on the accuracy and reliability of the Mineral Resource estimates.

TABLE 11-2 CHECK ASSAY PROGRAM - TECHNI-LAB VS. TECHNI-LAB
Mag Copper Ltd. – Magusi Project

	No. of Assays	Correl. %	Minimum		Maximum		Average		Diff.%
			T-L	L-E	T-L	L-E	T-L	L-E	
Zn	506	87	0.0	0.0	27.05	24.39	1.69	1.63	-3.5
Cu	506	96	0.0	0.0	12.97	13.56	1.06	1.06	-0.7
Ag	506	77	0.0	0.0	285.9	277.5	23.01	22.47	-2.4
Au	506	93	0.0	0.0	17.13	21.87	0.58	0.55	-4.9
Pb	483	64	0.0	0.0	1.75	1.51	0.04	0.04	0.2

TECHNI-LAB'S QUALITY CONTROL/QUALITY ASSURANCE

Techni-Lab's internal checks consisted in assaying in-house and commercial standards (Certified Reference Materials, or CRM) with every batch of samples analyzed. The commercial CRM results were checked by FMA for any erroneous results.

During the course of the drilling program, a total of thirteen different commercial standards were used by Techni-Lab (Table 11-3). Assays of these standards were compiled throughout time. Compilations of standards CCU-1c, CZN-3, FCM-5 and MP-1b for copper, zinc and silver are presented in Figures 31-11 to 31-22 (Appendix 2).

In general, the mean grades of assays are well within ±5% of the mean grades of nominal values. Most of assays are inside the nominal value ±2 Standard Deviation range, except for CCU-1c Cu, CZN-3 Cu, CZN-3 Zn, MP-1b Cu and MP-1b Ag. Standards CCU-1c and CZN-3 were used relatively often throughout a good period of time (9 to 12 months) while standards FCM-5 and MP-1b were used sporadically over two short periods of time.

RPA recommends using three or four different CRMs rather than relying on the laboratory's internal assaying of in-house and commercial standards. The CRMs should be inserted regularly in core sample batches in any future drilling program. Assaying of standards should be carried out on a regular basis throughout the entire drilling program. This will allow identification of specific problems at the laboratory, if any.

RPA considers the Techni-Lab internal check assay program of the commercial standards to be acceptable and has no reason to believe that the results could have negatively impacted on the accuracy and reliability of the Mineral Resource estimates.

TABLE 11-3 CHECK ASSAY PROGRAM - STANDARDS
Mag Copper Ltd. – Magusi Project

Standard	Element	No. of Assays	Certified Grade	Min	Max	Mean Assayed Grade	Diff.%
CCU-1c	Ag	24	129.00	125.00	137.60	130.68	1.3
	Cu	25	25.62	25.27	28.41	26.55	3.6
	Zn	25	3.99	3.70	4.10	3.94	-1.3
	Pb	23	0.34	0.28	0.36	0.32	-5.9
CZN-3	Ag	25	45.00	42.20	47.10	44.30	-1.6
	Cu	25	0.69	0.57	0.70	0.64	-6.3
	Zn	25	50.92	47.40	51.30	50.16	-1.5
	Pb	23	0.11	0.10	0.12	0.11	-6.2
FCM-5	Ag	23	28.40	27.50	30.40	29.18	2.7
	Cu	23	0.42	0.41	0.45	0.43	1.4
	Zn	23	0.65	0.61	0.68	0.64	-0.9
	Pb	23	0.18	0.17	0.19	0.18	1.7
KC-1a	Ag	1	0.17	0.16	0.16	0.16	-5.4
	Cu	1	0.63	0.62	0.62	0.62	-1.9
	Zn	1	34.65	34.10	34.10	34.10	-1.6
	Pb	1	2.24	2.23	2.23	2.23	-0.4
MP-1b	Ag	10	47.00	48.00	50.30	49.68	5.7
	Cu	21	3.07	2.93	3.10	3.00	-2.2
	Zn	21	16.67	15.98	17.38	16.62	-0.3
	Pb	21	2.09	2.00	2.23	2.13	1.7
Oxi67	Au	4	1.82	1.60	1.81	1.69	-7.1
Oxi54	Au	1	1.87	1.79	1.79	1.79	-4.2
PGMS-9	Au	2	1.04	0.97	0.97	0.97	-6.7
SE29	Au	2	0.60	0.58	0.62	0.60	0.5
SJ32	Au	14	2.65	2.43	3.00	2.66	0.6
SJ39	Au	27	2.64	2.50	2.83	2.68	1.5
SP27	Au	1	18.10	16.52	16.52	16.52	-8.7

MAG'S SUBMISSION OF SAMPLES FOR ASSAYING

Since no work has been done by Mag on the Magusi deposit since the March 23, 2009 Technical Report, no samples were submitted for assaying by Mag. In the eventuality that Mag decides to use Techni-Lab or Lab-Expert laboratories, these laboratories are independent from Mag.

12 DATA VERIFICATION

LONGITUDINAL SECTIONS

RPA reviewed essentially longitudinal sections on which drill hole intercepts were reported. Drill hole intercepts on Gemcom vertical cross-sections were checked with those reported on FMA's longitudinal sections. No discrepancies were found.

DATABASE AND CORE LOGS

FMA provided RPA with databases in GEMCOM format. RPA reviewed several core logs and assay certificates and found that the database is generally consistent with the core logs. FMA also provided RPA with drill logs, in PDF format, of core that was drilled before the FMA era.

RPA found that Zn, Cu, Ag, and Au duplicates (and re-assays) were not in the GEMCOM database. Duplicates and re-assays are kept in a separate database.

The database also needs minor corrections. For example, numerous samples have 0 for the metal value while they were not analyzed. They should be assigned a special character in the database, such as NS (Not Sampled) or -999. Also, some of the lithologies in the database do not correspond to the MRNF system.

DATA WITHOUT CORE LOGS

RPA noticed that a series of holes (M-91-13 to M-91-28) have weighted average grade intervals rather than individual assays. The intervals were calculated by Deak in the 1990s. No assay certificates were found for these holes, therefore, RPA did not use them for grade interpolation while using them as a guide for the construction of the 3D solids. These holes are presented in Table 12-1.

TABLE 12-1 DRILL HOLES NOT USED FOR GRADE INTERPOLATION
Mag Copper Ltd. – Magusi Project

Hole-ID #	Length
M-91-13	82.3
M-91-14	82.3
M-91-15	105.77
M-91-16	99.67
M-91-17	84.43
M-91-18	84.43
M-91-19	84.43
M-91-20	102.72
M-91-21	90.53
M-91-22	93.57
M-91-23	87.48
M-91-24	96.62
M-91-25	108.81
M-91-26	124.05
M-91-27	108.81
M-91-28	102.72
Total Length (m)	**1,538.64**

SITE VISIT AND DRILL CORE EXAMINATION

Site visits to the Magusi property were conducted on April 23, 2008, and on November 11, 2008. RPA examined the access road and the general site conditions. Several drill holes casings were found at their expected position. Drill core was examined on November 11, 2008, in the Fabie Bay Mine core racks. RPA examined the mineralization and immediate lithologies outside the mineralized intercepts.

RPA carried out another site visit on February 22, 2012, to examine the general site conditions.

13 MINERAL PROCESSING AND METALLURGICAL TESTING

GENERAL

The previous NI 43-101 Technical Report of the Magusi Project was prepared by Scott Wilson RPA on behalf of FMA (Scott Wilson RPA, 2009). The intention was to utilize the existing Xstrata Horne mill in Rouyn-Noranda, Quebec, where treatment of Fabie Bay copper ore had been undertaken between November 2007 and January 2009.

Since ownership of the Magusi property was transferred to Mag in 2011, a re-evaluation of custom milling alternatives within an economic transportation distance of the deposit continues to be pursued. Mag is preparing to launch a new definitive metallurgical and environmental test program as part of its feasibility study in preparation for a production decision.

METALLURGICAL TESTING

SGS Mineral Services (SGS), Lakefield, Ontario, conducted the most recent metallurgical test work and mineralogical characterizations from April to September 2008 on four copper-zinc-gold-silver drill core composites from the Magusi Project. The objectives of the test program were to maximize copper, zinc, and precious metal recoveries to commercial grade copper and zinc concentrates while maintaining a flowsheet similar to what could be accommodated in the Horne concentrator with minimum equipment changes.

RPA concludes that the metallurgical testing for the Magusi Project has been completed to a reasonable level to support this resource report. RPA believes that recoveries and concentrate grades projected from the tests are attainable in operation, but cautions against extrapolating results outside the range of ore grades tested.

SUMMARY

The principal ore types were a copper-rich composite and a zinc-rich composite. The other two composites, Batch 1 and Batch 2, had copper and zinc head grades between the principal ore head grades, representing potential blends of the different ore types (Table 13-1).

TABLE 13-1 METALLURGICAL SAMPLES
Mag Copper Ltd. – Magusi Project

Sample Name	Cu (%)	Zn (%)	Au (g/t)	Ag (g/t)
Magusi Copper Composite (CuAu)	3.02	0.25	0.34	46.9
Magusi Zinc Composite (CuZnAu)	0.43	6.62	1.32	34.5
Magusi Batch 1	1.55	4.04	0.56	33.2
Magusi Batch 2	2.11	1.58	0.46	37.9

A copper concentrate grade of 18% ± 2% Cu and a zinc concentrate of 51% ± 1% Zn were targeted in the test work. Lower grade concentrates, particularly for copper, were targeted in order to maximize recovery while handling the expected variability in head grades. The copper concentrate to have been produced at Xstrata's Horne mill would have been smelted at the adjacent Horne smelter thus incurring low transportation costs and where low grade high energy-generating concentrates were reported to be of particular appeal to offset the smelting of higher grade inert materials and copper-bearing recycle feeds.

The metallurgical performance observed in the tests for these composites is listed in Table 13-2.

TABLE 13-2 CONCENTRATE GRADE AND RECOVERY
Mag Copper Ltd. – Magusi Project

		Assays		Recovery (%)	
Product	Mass (%)	Cu (%)	Zn (%)	Cu	Zn
Copper Composite – Copper conc	14.2	**18.8**		**89.9**	
Zinc Composite – Copper conc	1.03	**18.2**	4.4	**48.2**	0.7
Zinc Composite – Zinc conc	7.99	2.7	**60.4**	5.5	**78.7**
Batch 1 – Copper conc	5.6	**22.9**	2.5	**83.0**	3.6
Batch 1 – Zinc conc	5.3	1.3	**55.1**	4.5	**77.1**
Batch 2 – Copper conc	11.0	**17.7**	3.5	**85.7**	27.2
Batch 2 – Zinc conc	1.26	1.71	**51.6**	0.95	**45.9**

Metallurgical results for copper fall into two categories. For low grade copper contained in the high grade zinc lens, recoveries were less than 50% for copper grades up to 0.4%. For most blended Cu-Zn ores where the average copper content is 1.5% to 2%, a fairly constant copper grade in tailings was shown leading to recoveries in the range of 80% to 90%.

The recovery of zinc was variable, highly dependent on the zinc head grade, ranging from 46% to 79% at concentrate grades on average well in excess of the target level. The low grade of zinc in the copper composite precluded any possibility of producing a zinc concentrate from material grading that low.

COPPER COMPOSITE

A total of five rougher kinetics tests and eight batch cleaner tests were conducted on the copper composite to investigate the effect of primary grind, residence time, pH, and collector addition on copper recovery and selectivity. The final three cleaner tests were conducted to determine the effect of 30% ore dilution by hanging wall and footwall material on metallurgy. The results indicate that a copper concentrate grading 18% Cu at 90% recovery is probably irrespective of dilution.

ZINC COMPOSITE

A total of eight rougher kinetics tests and seven batch cleaner tests were conducted on the zinc composite to investigate the effect of primary grind, residence time, pH and collector addition on copper recovery and selectivity. The final two cleaner tests were conducted to determine the effect of ore dilution by hanging wall and footwall material on metallurgy. A primary grind P_{80} was 35 µm and no sphalerite depressant was used in the roughers, other than a lime-adjusted pH of 10.5. The copper rougher concentrate regrind P_{80} was 26 µm.

The two tests which investigated the impact of 20% waste rock dilution on the metallurgical performance met both copper and zinc concentrate targets. The copper cleaners utilized two stages of cleaning only.

BATCH 1 AND BATCH 2 COMPOSITES

Flowsheet optimization on both Batch 1 and Batch 2 composites led to achieving target grades for both copper and zinc concentrates. The final copper concentrate from both tests comprised the first copper rougher concentrate, plus the concentrate produced from the cleaner circuit. Finer grinding was found to improve copper recovery while increased copper sulphate dosage was found to increase zinc recovery.

GOLD AND SILVER

Gold and silver recovery and grades were highly variable depending on head grades. Gold recovery to the copper concentrate ranged from 48% to 60%. Silver recovery to the copper concentrate ranged from 13% to 43%, while it was 5% to 22% in the zinc concentrate. Gold recovery to the zinc concentrate did not meet threshold values to make it payable. Precious metal recoveries for the copper composite were generally the highest at 57% for gold and 43% for silver.

CONCLUSIONS

The conclusion drawn from the 2008 SGS test program is that "saleable copper and zinc concentrates can be produced at a reasonably high recovery. Both of the target concentrate grades were attained for all four of the composites."

FUTURE TEST PROGRAM OBJECTIVES

The next phase of Magusi ore testwork will again focus on a range of ore types and will conclude with a series of locked cycle tests which will be more determinant for the projections of plant concentrate grade and recoveries than the previous batch-type testing. For the purposes of exploring a wider range of smelting alternatives for the copper and zinc concentrates, the targeted grades will be modified to the 20% to 25% Cu range and 53% Zn.

NET SMELTER RETURN FORMULA

The results from the 2008 testing of the four composites have been used to compile an overall metallurgical performance projection based on head grades and revisions to projected concentrate grade expectations. A regression analysis was performed to obtain an NSR formula for each metal for the purposes of calculating a cut-off grade as shown below.

- NSR Cu
  - o Cu % < 0.1 : 0
  - o 0.1 < Cu % < 1.0 : $79.122Cu^6 – 351.81Cu^5 + 629.01Cu^4 – 561.02Cu^3 + 268.48Cu^2 – 22.713Cu – 0.8292$
  - o 1.0 < Cu % < 9.0 : 58.566Cu - 20.412

- o Cu % > 9.0 : 60.8Cu – 36.084

- NSR Zn
  - o Zn % < 1.0 : 0
  - o 1.0 < Zn % < 3.0 : 10.035Zn – 6.9061
  - o 3.0 < Zn % < 8.0 : $-0.0311Zn^4 + 0.5709Zn^3 - 2.9017Zn^2 + 14.703Zn - 8.8163$
  - o Zn % > 8.0 : 11.772Zn – 7.5374

- NSR Ag
  - o Ag g/t < 10 : 0
  - o 10 < Ag g/t < 60 : $-1E\text{-}06Ag^4 + 0.0001Ag^3 + 0.0011Ag^2 - 0.0015Ag - 0.1726$
  - o Ag g/t > 60 : 0.5401Ag - 22.889

- NSR Au
  - o Au g/t <0.4 : 0
  - o 0.4 < Au g/t < 2 .0 : 28.95Au - 9.3282
  - o Au g/t > 2.0 : 35.247Au - 20.41

Projected recoveries and concentrate grades from this formula compare well with the test results. RPA concurs with the projections, but cautions against extrapolating results outside the range of samples tested.

14 MINERAL RESOURCE ESTIMATE

SUMMARY

RPA reviewed the 2008 block model and incorporated and reviewed NSR input parameters received from Mag. The Mineral Resource estimate for the Magusi deposit was updated using a new NSR cut-off grade to reflect current metal prices and slightly higher operating costs. Table 14-1 summarizes the RPA Mineral Resource estimate at a cut-off value of $110 NSR/tonne.

TABLE 14-1 MINERAL RESOURCES AS OF MARCH 21, 2012
Mag Copper Ltd. – Magusi Project

Zone	Ore Type	Tonnes	Cu %	Zn %	Ag g/t	Au g/t	$NSR/t
Indicated							
Main	High Grade Cu (Cu > 1.5%)	729,000	3.26	0.58	43.4	0.41	183
Main	High Grade Zn (Zn > 4.0%)	697,000	0.39	8.23	42.1	2.34	174
Total Indicated		**1,309,000**	**1.99**	**4.12**	**42.8**	**1.27**	**179**
Inferred							
Main	High Grade Cu (Cu > 1.5%)	355,000	3.41	0.39	24.2	0.26	182
Main	High Grade Zn (Zn > 4.0%)	-	-	-	-	-	-
Main	HG Mixed Ore Cu > 1.5% and Zn > 4.0%	-	-	-	-	-	-
Main	LG Mixed Ore Cu < 1.5% and Zn < 4.0%	-	-	-	-	-	-
Total Inferred		**355,000**	**3.41**	**0.39**	**24.2**	**0.26**	**182**

Notes:
1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are estimated at a cut-off grade of $110 NSR/tonne.
3. Mineral Resources are estimated using an average long-term copper price of US$3.50 per pound, a zinc price of US$0.95 per pound, a gold price of US$1,300 per ounce, a silver price of US$21.00 per ounce, and a US$/C$ exchange rate of 1.00 to 1.00.
4. Grade interpolation was carried out with inverse distance squared (ID^2) method.
5. Mag provided RPA with NSR multipliers per metal unit. The NSR multipliers, which vary with head grades and metal recoveries, are based on SGS Lakefield metallurgical tests. The NSR values were calculated for each assay as well as each block in the model.
6. Minimum underground mining width of two metres was used.
7. The East Zone resources were also included in the estimation but did not meet the cut-off criteria.

DATABASE

Core is logged in the GEOTIC Access-based software. The current resource estimate is based on both historical and current drill hole assays. The original database provided to RPA by FMA was in GEMCOM format. The database used for resource estimation contains 258 holes totalling approximately 56,200 m (Table 14-2).

TABLE 14-2 DRILL HOLE DATABASE
Mag Copper Ltd. – Magusi Project

Hole Series	Nb of Holes	Length
H2-01	1	120.70
M-01, M-02, M-02-13, M-02-14, M-03, M-03-17, M-04 to M -72, M-72-X1, M-72-X2. M-73 to M-76, M-76-1, M-76-2, M-77 to M-79, M-79A, M-81	88	17,849.51
M-91-01, M-91-02, M-91-04 to M-91-28	27	9,334.36
M07-018 to M07-051	34	8,361.30
M08-52 to M08-58, M08-58A, M08-059, M08-059A, M08-060 to M08-069, M08-069A, M08-070 to M08-076, M08-076A, M08-077, M08-077A, M08-077B, M08-078 to M08-088, M08-088A, M08-089, M08-090, M08-090A, M08-090B, M08-090C, M08-091 to M08-100, M08-100A, M08-101 to M08-105, M08-105A, M08-105B, M08-105C, M08-106 to M08-111, M08-111A, M08-111B, M08-112, M08-112A, M08-112B, M08-112C, M08-113, M08-114, M08-114A, M08-115, M08-116	85	19,808.30
MFS-07-13 to MFS-07-31 (geotechnical drilling - no assays)	19	639.20
MFS-08-32 to MFS-08-35 (geotechnical drilling - no assays)	4	84.00
Total used in resource estimation	**258**	**56,197.37**
Not in Gemcom database – Geotechnical Drilling (no assays)		
BR-01-08	1	100.0
CBH-01-08 to CBH-06-08	6	495.0
VR-01-08, VR-02-08	2	112.0
Grand Total	**267**	**56,904.37**

The diamond drill hole database contains the following tables and fields (field names were translated into English). Table 14-3 summarizes the database structure.

TABLE 14-3 DATABASE STRUCTURE
Mag Copper Ltd. – Magusi Project

Table	Fields
Collars	Hole ID Easting, Northing, Elevation Hole Length Claim number, Township, Range, Lot, Section, Level, Working Place, Logged By, Description Date, Contractor, Starting Date, Finishing Date Core Diameter, Core stored (yes or no), Cemented (yes or no) Project Name Hole Surveyed (yes or no)
Deviation tests	Hole ID Depth (m), Depth (ft) Azimuth, Dip, Survey type, State, Observation
Assays	Hole ID From, To, Length Sample number, Zn %, Cu %, Pb %, Ag g/t, Au g/t, Density, Lithology
Lithology (Level 0 and 1)	Hole ID From, To Rock type Core angle Description
Alteration	Hole-ID From, To Rock type Summary, Description
Structure (structural feature)	Hole ID From, To Rock type Summary, Description Core Angle
Mineralization	Hole ID From, To Rock type Summary, Description
Veins	Hole ID From, To Rock type Summary, Description, Vein type,Percent, Composition, Structure type, Core angle
RQD	Hole ID From, To, Length, RQD% Rock type, Summary, Description Length Recovered, Percent Recovered, Length RQD Number of joints, Joint type, Joint angle, Degree of alteration, Hardness

Table 14-4 presents the number of drill holes and assays in the database that were used for Mineral Resource estimation.

TABLE 14-4 DIAMOND DRILL HOLE DATABASE
Mag Copper Ltd. – Magusi Project

Drill Holes	Total Records	Zn	Cu	Ag	Au	Pb	Density
288	4,930	4,930	4,930	4,930	4,930	4,930*	1,206

* Not all assays were analyzed for Pb; however, no distinction is made in the database between non-analyzed and trace values. A value of 0 is entered in either case.

OTHER AVAILABLE DATA

Core logs and assay certificates are generally in digital format. Approximately 90% of the paper copies of geological reports, drill logs and assay certificates are stored at Fabie Bay

DRILLING DENSITY

The drilling grid is relatively irregular. The distance between the holes varies from 15 m to 30 m. Drilling was essentially carried out along North azimuth (0º). Holes on and in the vicinity of the Magusi deposit were drilled in 1962, 1972, 1976, 1991, 2002, 2003, 2007, and 2008.

INTERPRETATION OF MINERALIZATION, MINIMUM MINING WIDTH AND CUT-OFF SELECTION

Original assays were used for the interpretation of the mineralization and the zinc, copper, and silver grades of each sample were converted into dollar values based on smelter parameters. Over 1,600 assay records in the Main Zone and over 50 assay records in the East Zone were used for the interpretation of the mineralized envelopes (Table 14-5).

TABLE 14-5 NUMBER OF ASSAYS WITHIN MINERALIZED ENVELOPES
Mag Copper Ltd. – Magusi Project

Zone	Drill Holes	Total Records	Zn	Cu	Ag	Au	Pb	Density
Main Zone	191	1,638	1,638	1,638	1,638	1,638	1,172	1,182
East Zone	15	54	54	54	54	54	38	46

The Magusi deposit essentially consists of two lenses, namely, the Main Zone and the East Zone (Figure 14-1). The East Zone is located 100 m east of the Main Zone. RPA believes that these two zones are parts of the same lens, but due to the lack of drilling, the continuity of mineralization between the lenses has not been demonstrated yet.

On a few vertical sections, drilling indicates the presence of other non-economic lenses. These lenses have not been proven to be continuous along strike and dip because of lack of drilling.

The Main Zone and the East Zone were interpreted from drill holes on sections spaced at 15 m (Figures 14-2 and 14-3). The minimum mining width used for the interpretation of the mineralized envelope is 2.0 m. The mean horizontal width of drill hole intersections within the envelope is 12.6 m, while the mean true width is 9.7 m. The 3D solids were created by adding tie lines to vertical sections.

FIGURE 14-1 LONGITUDINAL SECTION – MAIN AND EAST ZONES

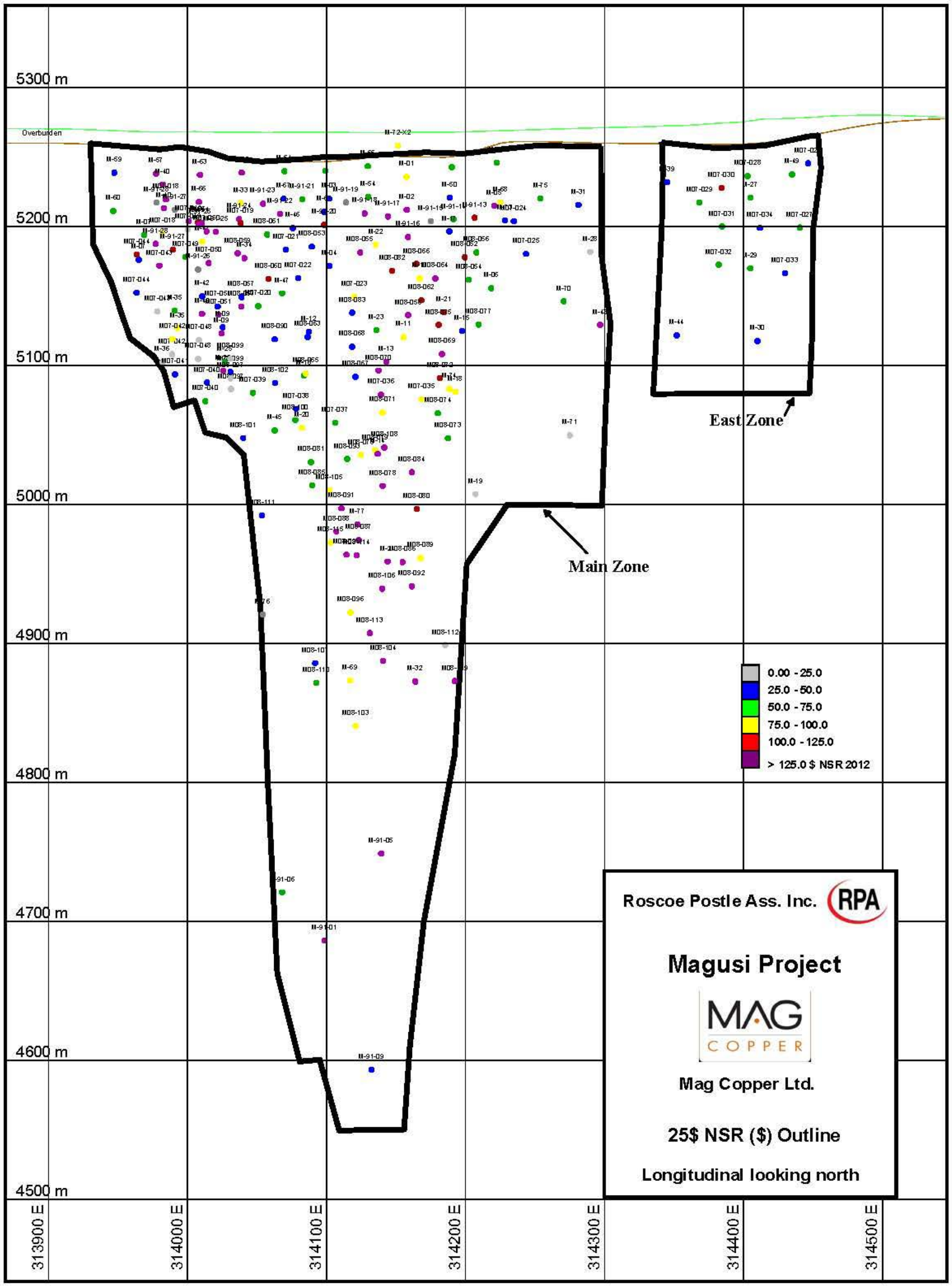


FIGURE 14-2 VERTICAL SECTION 314140 E - MAIN ZONE – LITHOLOGIES

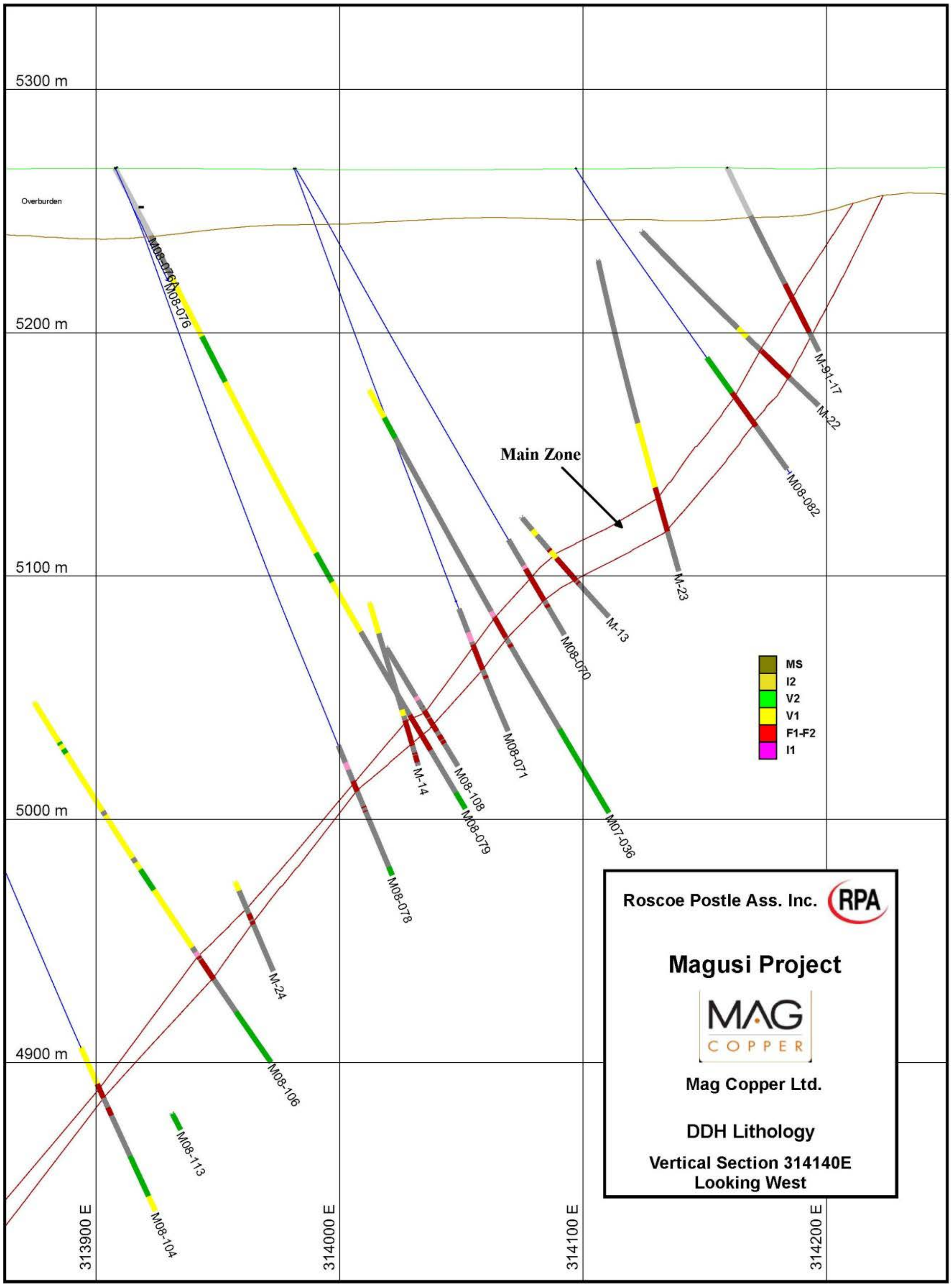
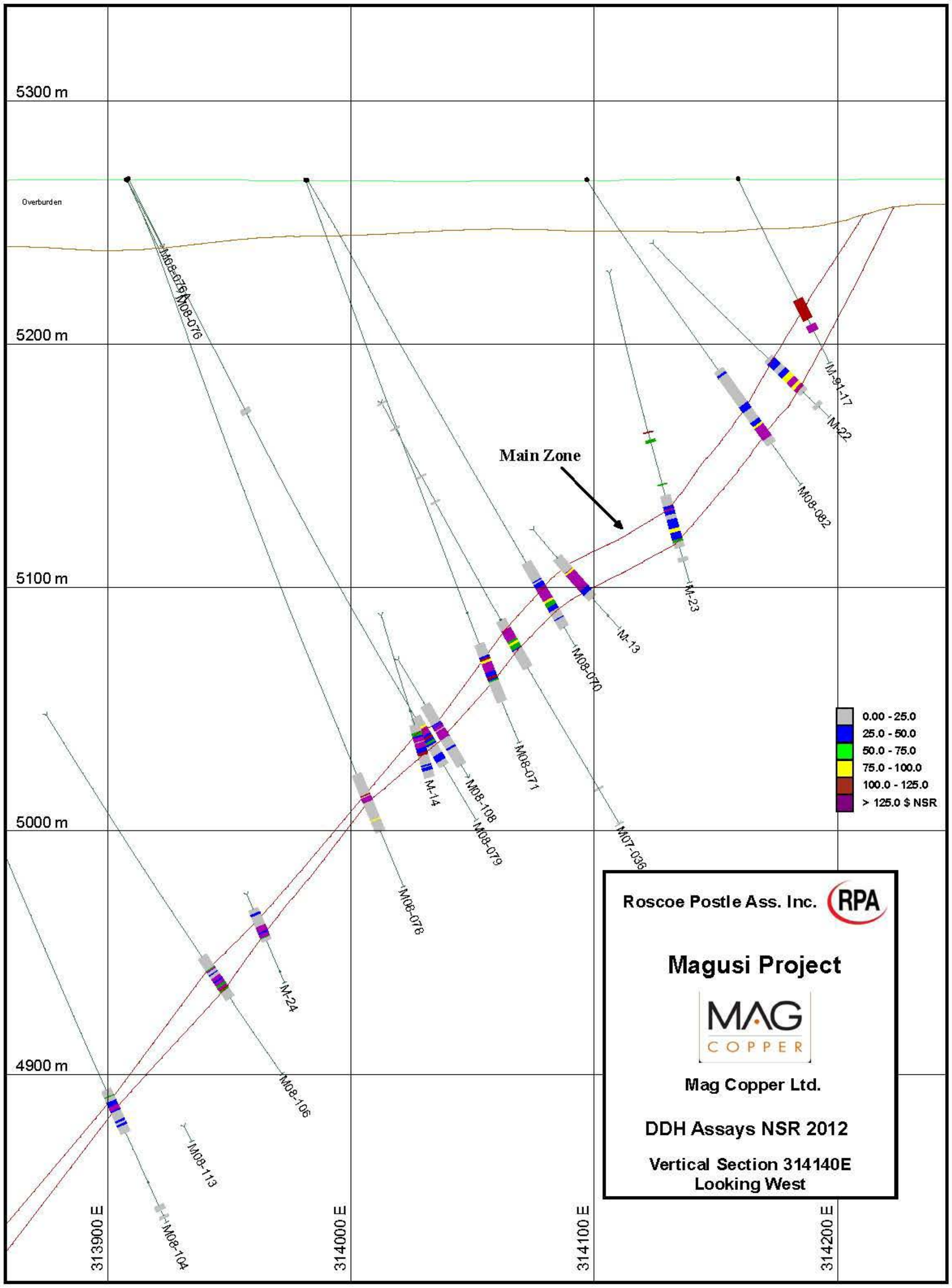


FIGURE 14-3 VERTICAL SECTION 314140 E - MAIN ZONE – ASSAYS



DENSITY

Density determinations started to be carried out in 2007 in hole M07-018. Since then, a total of 3,643 determinations have been done. Within the mineralized envelope, there are 1,228 density determinations, or 34% of all assays (1,228/3,643), and the mean density is 4.12.

The significant number of density determinations has allowed RPA to determine default densities for lithologies found within the 3D solids. These default densities were assigned to samples that had no density determinations at the time of density interpolation. A total of 463 samples within the mineralized envelopes, or 38% of 1,228, have been assigned a default density. The default densities are presented in Table 14-6.

TABLE 14-6 DEFAULT DENSITIES VS. LITHOLOGIES
Mag Copper Ltd. – Magusi Project

Lithology	Default Density	Number of determinations to get default density	Number of samples with no density
Massive Sulphides (F1)	4.25	1,085	416
Semi-Massive Sulphides (F2)	3.23	66	4
Schist (M8)	2.99	47	35
Others	2.87	18	8
Total			**463**

The density of 2.7 was assigned to blocks outside the 3D solids since those blocks are essentially waste.

For resource estimation, RPA treated density determinations as assays. RPA recommends that density determinations be carried out by the immersion method on:

- Samples used for resource estimation that are stored in core racks.
- Waste samples on each side of mineralized intercepts.
- All samples that will be assayed in future drilling of the Magusi deposit.

CAPPING OF HIGH GRADE ASSAYS

Statistical distributions of original assays within the mineralized envelope were plotted in the form of histograms, and capping factors were determined from these histograms and also from statistical reports for Zn, Cu, Ag, and Au. No capping was determined for Pb as it can be considered as penalty. Capping levels are presented in Tables 14-7 and 14-8. Histograms of Zn, Cu, Ag, Au, Pb, and Sample Length are shown in Figures 32-1 to 32-13 in Appendix 3.

TABLE 14-7 CAPPING LEVELS IN THE MAIN ZONE
Mag Copper Ltd. – Magusi Project

Elements	Maximum Value	Capping Level	Number of Assays Capped
Zn %	27.05	22	2
Cu %	19.60	12	6
Ag g/t	414.86	150	4
Au g/t	29.14	10.5	6
Pb %	5.90	-	-
Density	4.80	-	-
Sample Length (m)	4.36	-	-

TABLE 14-8 CAPPING LEVELS IN THE EAST ZONE
Mag Copper Ltd. – Magusi Project

Elements	Maximum Value	Capping Level	Number of Assays Capped
Zn %	10.74	6	4
Cu %	4.00	2	2
Ag g/t	53.40	40	4
Au g/t	1.03	0.8	1
Pb %	0.08	-	-
Density	4.49	-	-
Sample Length (m)	3.05	-	-

DETERMINATION OF NSR VALUES FOR EACH METAL UNIT

The polymetallic nature of the Magusi sulphide mineralization indicates that the best values are most likely to be achieved by the production of two base metal concentrates, each containing precious metals. The Magusi mineralization contains significant values for four elements: zinc, copper, silver and gold. Lead is present but not in material quantities, although analysis for this element has been carried out only in recent drilling campaign (2007-2008).

Proper cut-off grade determination has to take into consideration all of the four principal metals, and not just one of the metals, therefore, an NSR cut-off is the most appropriate method for estimating the Magusi polymetallic resources. In order to calculate the NSR cut-off, parameters such as metal price and US dollar exchange rate, metallurgical recovery, smelter treatment and refining charges, and transportation costs have to be examined in a smelter contract.

Mag provided RPA with NSR values which vary with head grades and metal recoveries. In 2008, FMA requested SGS Lakefield to conduct metallurgical tests on Magusi mineralized samples. The NSR values for each assay as well as each block in the model were calculated using the formulas as described in Section 13.

CUT-OFF DETERMINATION

The cut-off value used for Mineral Resource estimates has been determined at $110 NSR/tonne. The cut-off is based on the following cost per tonne assumptions:

- Mining : $50
- Transport : $25
- Milling : $25
- G&A : $10
- Total : $110

COMPOSITING

Once the 3D solid of the mineralized envelope had been created, one-metre composites (length-weighted) were generated inside the solid for resource estimation. Prior to composite generation, original assays were capped to their respective levels (see Tables 14-7 and 14-8). A total of 1,908 one-metre composites were used for each metal (Zn, Cu, Ag, Au and Pb) in the Main Zone and 64 one-metre composites in the East Zone.

Because only 34% of all assays (1,228/3,643) had density determinations, it is RPA's opinion that composites were not length/density-weighted. To have all composites length/density-weighted, default density values should be determined based on geological descriptions of the samples. For the sake of the exercise, RPA generated length/density-weighted composites by assigning default values to samples that had no density determinations. The difference in the mean grades of length-weighted and length/density-weighted composites is insignificant, as shown in Table 14-9.

TABLE 14-9 COMPOSITING – LENGTH WEIGHTED VS. LENGTH/DENSITY WEIGHTED
Mag Copper Ltd. – Magusi Project

Elements	Length-Weighted Mean Grade	Length/Density Weighted Mean Grade	Difference %
Main Zone			
Cu	1.105	1.107	0.2
Zn	2.845	2.856	0.4
Ag	30.291	30.344	0.2
Au	0.767	0.770	0.4
Pb	0.079	0.079	0.0
East Zone			
Cu	0.666	0.670	0.6
Zn	3.422	3.431	0.3
Ag	21.075	21.163	0.4
Au	0.366	0.367	0.3
Pb	0.036	0.036	0.0

VARIOGRAPHY AND SEARCH ELLIPSOID DETERMINATION

RPA developed a set of variograms (Appendix 4) to quantify the continuity of the mineralization along different directions and dips. The variograms were calculated for each element (Zn, Cu, Ag, Au, Pb, and Density) from assays in the mineralized envelopes of the Main and East zones.

Downhole variograms were generated to determine the nugget effect. The nugget effect is relatively low, which indicates a certain similarity in grade for consecutive samples along drill holes. Gold presents a higher nugget effect, which is considered to be "normal" due to the nature of this type of deposit.

Three-dimensional variograms were calculated to determine continuity axis and range (continuity along azimuth and dip) for each element. In general, 3D variograms show a strong continuity of grades along the dip of the mineralization. Based on these variograms, search ellipses were determined for grade interpolation. Table 14-10 presents the nugget effect and range for each element in the Main Zone.

TABLE 14-10 VARIOGRAPHY – MAIN ZONE
Mag Copper Ltd. – Magusi Project

Elements	Nugget Effect (% of Sill)	Range of Continuity (m)
Zn	30	40
Cu	20	20
Au	50	35
Ag	30	25
Pb	20	10
SG	20	25

Variograms calculated using samples from the Main Zone are generally better than those calculated using samples from the East Zone, because there are more sample pairs in the Main Zone than in the East Zone. As the number of variograms calculated is very high, only the best variograms are presented in Appendix 4.

BLOCK MODEL DIMENSIONS

Blocks were oriented along the main axis of the deposit, which is approximately along azimuth 90º. Block model dimensions were selected at 5 m along the longest axis of the deposit (east-west) by 2 m across the longest axis (north-south) by 2 m elevation. RPA used irregular cell dimensions in this process due to the tabular shape and the dip of the deposit.

GRADE INTERPOLATION PARAMETERS

Block grade interpolation was carried out with the ID^2 method. A minimum of two one-metre composites and a maximum of ten one-metre composites were used to interpolate grades within each block. Only composites within the mineralized envelope were used for interpolation.

Two ellipses of different dimensions were used to interpolate Zn, Cu, Ag, Au, Pb and density. Both ellipses were oriented along the dip of the mineralization (-50º).

- First ellipse: 35 m (dip), 20 m (strike) and 10 m (thickness).
- Second ellipse: 100 m (dip), 60 m (strike) and 20 m (thickness).

METAL DISTRIBUTION

Grade distribution of metallic elements and density defined from block model grade are presented in longitudinal sections in Appendix 5 (Figures 34-1 to 34-14). Due to the locally large thickness of the mineralization, both north-looking and south-looking longitudinal sections were generated. Vertical cross-sections were also produced.

Zinc and copper are relatively well zoned. In the western part of the Main Zone, copper mostly occurs in the hanging wall of the mineralization while zinc is found in the footwall. In the eastern part of the Main Zone, it is the opposite: zinc occurs in the hanging wall and copper in the footwall.

In the Main Zone, high grade zinc (Zn > 5%) occurs in the upper part of the mineralization (first 150 m) while high grade copper (Cu > 2%) is generally present in the deeper part of the mineralization (below 150 m vertical depth). There are two different types of metal enrichment in the Main Zone:

- Zn-rich, Cu-poor
- Cu-rich, Zn-poor

Gold and lead are most likely associated with zinc while silver with copper.

There is no particular metal zoning in the East Zone.

MINERAL RESOURCE CLASSIFICATION

The classification of Mineral Resources is based on the distance of composites to block centres. A polygon was created around blocks for which the average distance from composites to block centres was 25 m to 30 m (Figures 34-15 and 34-16, Appendix 5). The classification is as follows:

- Indicated Resources: blocks inside the polygon

- Inferred Resources: blocks outside the polygon

Each block of the model is therefore classified as Indicated or Inferred Resource. In the case of Indicated Resources, the average distance of composites to the block centre is 14 m. In the case of Inferred Resources, the average distance of composites to the block centre is 42 m.

Based on variography and high variability of grade from hole to hole, RPA recommends that future definition diamond drilling be carried out on a 12.5 m to 15 m pattern, in order to better define the thickness and shape of the deposit and to upgrade the resource to Measured.

MINERAL RESOURCES VS. VARIABLE NSR CUT-OFFS

Tables 14-11 and 14-12 present Indicated Mineral Resources per zone and for both zones combined, respectively, at variable NSR cut-off values. Tables 14-13 and 14-14 present Inferred Mineral Resources per zone and for both zones combined, respectively, at variable NSR cut-off values. Figure 14-4 presents graphically the Indicated Resources at variable NSR cut-off values. Figure 14-5 is a similar graph for Inferred Resources.

TABLE 14-11 INDICATED MINERAL RESOURCES VS. NSR CUT-OFFS AS OF MARCH 21, 2012

Mag Copper Ltd. – Magusi Project

Cut-Off $NSR/t	Tonnes	Cu %	Zn %	Ag g/t	Au g/t	$NSR/t
Main Zone						
60	2,387,000	1.55	3.51	37.3	1.00	135
70	2,072,000	1.65	3.67	39.0	1.07	145
80	1,833,000	1.74	3.82	40.1	1.12	155
90	1,626,000	1.82	3.97	41.1	1.17	163
100	1,463,000	1.91	4.05	42.0	1.21	171
110	**1,309,000**	**1.99**	**4.12**	**42.8**	**1.27**	**179**
120	1,161,000	2.08	4.17	43.5	1.33	187
130	1,022,000	2.17	4.19	44.5	1.39	195
140	910,000	2.25	4.23	45.0	1.45	203
150	807,000	2.33	4.27	45.7	1.51	210
160	708,000	2.39	4.38	46.8	1.58	218
170	611,000	2.48	4.46	48.1	1.64	226
180	530,000	2.54	4.54	49.6	1.72	234
190	457,000	2.57	4.73	50.9	1.82	242
200+	395,000	2.62	4.81	51.8	1.90	249
East Zone						
60	42,000	0.90	4.19	31.3	0.44	73
70	24,000	1.04	4.12	33.8	0.47	80
80	12,000	1.07	4.23	34.4	0.48	83
90	1,000	1.06	4.69	34.9	0.53	93
100	0	1.21	4.88	36.1	0.57	104
110	**0**	**-**	**-**	**-**	**-**	**-**

TABLE 14-12 TOTAL INDICATED MINERAL RESOURCES VS. NSR CUT-OFFS AS OF MARCH 21, 2012
Mag Copper Ltd. – Magusi Project

Cut-Off $NSR/t	Tonnes	Cu %	Zn %	Ag g/t	Au g/t	$NSR/t
60	2,429,000	1.54	3.53	37.2	0.99	134
70	2,096,000	1.65	3.68	39.0	1.06	145
80	1,844,000	1.74	3.83	40.1	1.12	154
90	1,627,000	1.82	3.97	41.1	1.17	163
100	1,463,000	1.91	4.05	42.0	1.21	171
110	**1,309,000**	**1.99**	**4.12**	**42.8**	**1.27**	**179**
120	1,161,000	2.08	4.17	43.5	1.33	187
130	1,022,000	2.17	4.19	44.5	1.39	195
140	910,000	2.25	4.23	45.0	1.45	203
150	807,000	2.33	4.27	45.7	1.51	210
160	708,000	2.39	4.38	46.8	1.58	218
170	611,000	2.48	4.46	48.1	1.64	226
180	530,000	2.54	4.54	49.6	1.72	234
190	457,000	2.57	4.73	50.9	1.82	242
200	395,000	2.62	4.81	51.8	1.90	249

Note. Tonnage includes both the Main and East zones.

TABLE 14-13 INFERRED MINERAL RESOURCES VS. NSR CUT-OFFS AS OF MARCH 21, 2012
Mag Copper Ltd. – Magusi Project

Cut-Off $NSR/t	Tonnes	Cu %	Zn %	Ag g/t	Au g/t	$NSR/t
Main Zone						
60	687,000	2.56	0.46	21.0	0.27	133
70	568,000	2.82	0.35	22.2	0.24	147
80	529,000	2.92	0.32	22.5	0.23	153
90	495,000	2.99	0.32	22.3	0.23	157
100	383,000	3.32	0.38	24.3	0.26	176
110	**355,000**	**3.41**	**0.39**	**24.2**	**0.26**	**182**
120	313,000	3.56	0.42	24.2	0.27	191
130	290,000	3.65	0.41	24.2	0.27	196
140	275,000	3.71	0.41	24.1	0.27	200
150	255,000	3.78	0.42	24.3	0.27	204
160	209,000	3.95	0.42	25.0	0.27	214
170	136,000	4.41	0.51	26.5	0.30	242
180	110,000	4.67	0.53	28.0	0.31	258
190	97,000	4.84	0.54	28.7	0.31	268
200	88,000	4.96	0.54	29.3	0.30	275
East Zone						
60	7,000	0.96	4.03	31.6	0.47	76
70	5,000	0.99	4.39	32.8	0.46	80
80	2,000	1.03	4.65	33.1	0.48	87
90	1,000	1.02	5.41	33.2	0.51	95
100	0	-	-	-	-	-
110	**0**	**-**	**-**	**-**	**-**	**-**

TABLE 14-14 TOTAL INFERRED MINERAL RESOURCES VS. NSR CUT-OFFS AS OF MARCH 21, 2012
Mag Copper Ltd. – Magusi Project

Cut-Off $NSR/t	Tonnes	Cu %	Zn %	Ag g/t	Au g/t	$NSR/t
60	693,000	2.54	0.50	21.1	0.27	132
70	573,000	2.80	0.38	22.3	0.24	147
80	531,000	2.91	0.34	22.5	0.24	152
90	496,000	2.99	0.33	22.3	0.23	157
100	383,000	3.32	0.38	24.3	0.26	176
110	**355,000**	**3.41**	**0.39**	**24.2**	**0.26**	**182**
120	313,000	3.56	0.42	24.2	0.27	191
130	290,000	3.65	0.41	24.2	0.27	196
140	275,000	3.71	0.41	24.1	0.27	200
150	255,000	3.78	0.42	24.3	0.27	204
160	209,000	3.95	0.42	25.0	0.27	214
170	136,000	4.41	0.51	26.5	0.30	242
180	110,000	4.67	0.53	28.0	0.31	258
190	97,000	4.84	0.54	28.7	0.31	268
200	88,000	4.96	0.54	29.3	0.30	275

Note. Tonnage includes both the Main and East zones.

FIGURE 14-4 INDICATED RESOURCES VS. VARIABLE NSR CUT-OFFS

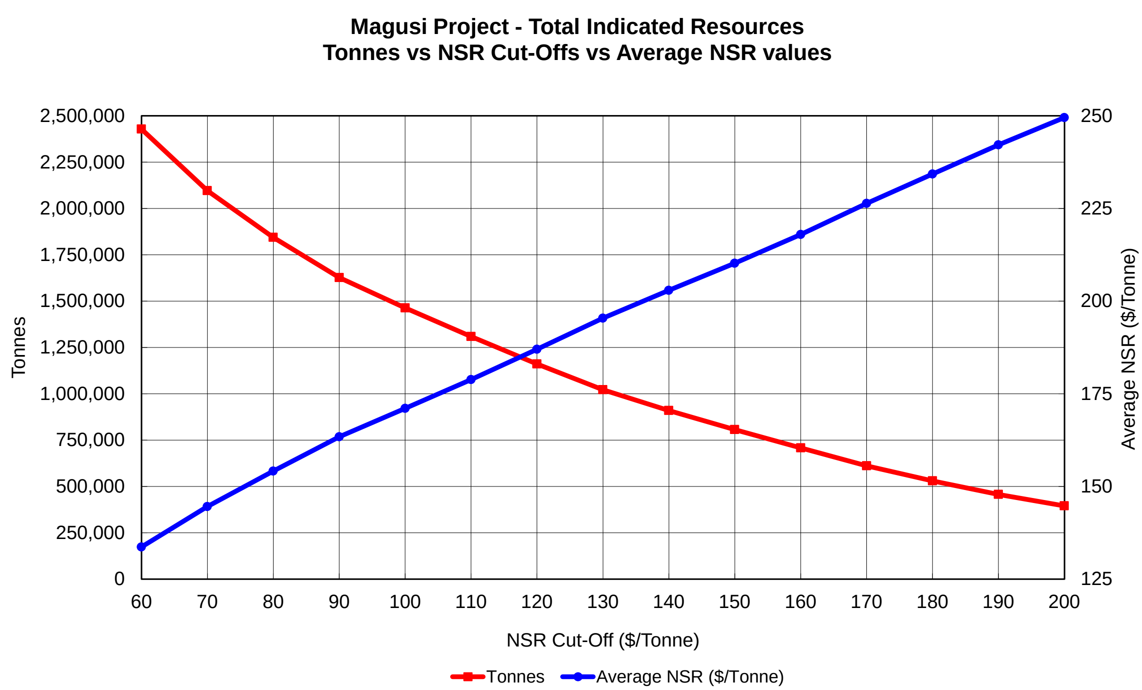
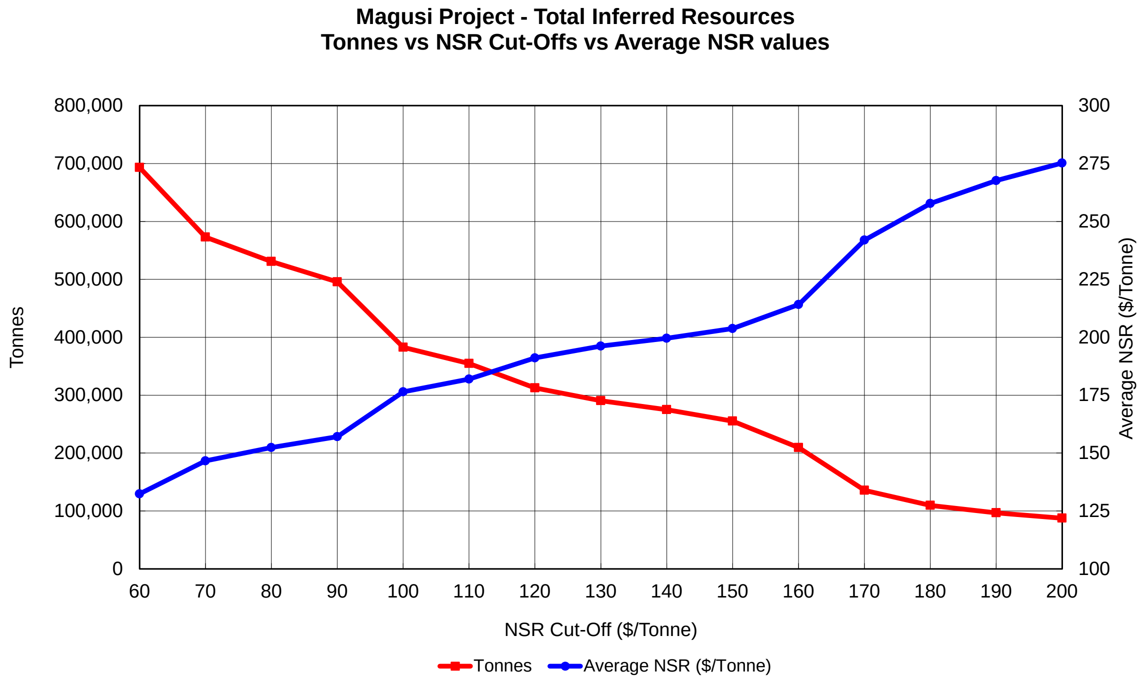


FIGURE 14-5 INFERRED RESOURCES VS. VARIABLE NSR CUT-OFFS



15 MINERAL RESERVE ESTIMATE

There is no current Mineral Reserve estimate for the Magusi Project at this time.

16 MINING METHODS

This section is not applicable.

17 RECOVERY METHODS

This section is not applicable.

18 PROJECT INFRASTRUCTURE

This section is not applicable.

19 MARKET STUDIES AND CONTRACTS

This section is not applicable.

20 ENVIRONMENTAL STUDIES, PERMITTING, AND SOCIAL OR COMMUNITY IMPACT

This section is not applicable.

21 CAPITAL AND OPERATING COSTS

This section is not applicable.

22 ECONOMIC ANALYSIS

This section is not applicable.

23 ADJACENT PROPERTIES

Except for the Fabie Bay deposit, no other significant occurrences of massive sulphide mineralization are known to exist on any of the immediate adjacent properties. However, the region and the geological environment have a long history of discovery and metal production from this deposit type. The Noranda camp has historically produced copper, zinc, lead, gold and silver from 21 deposits that, combined, total 103 million tonnes of massive sulphide mineralization. The massive sulphide mineralization has been the subject of an enormous amount of academic study over a long period of time.

Limited mining activities took place in the eastern half of the Fabie Bay claims from November 1976 to March 1977, when the Fabie Bay massive sulphide deposit was developed by a ramp and an open pit, and partially mined by Noranda. No tailings storage facilities have resulted from these prior exploitation activities, as the extracted material was processed at the nearby Horne metallurgical site. Except for some cement footings and pads, no mine buildings from that period are still on site. All provincially mandated remediation and reclamation activities were carried out by former property owners and the mining leases (BM-651 and BM-672) under which these deposits were previously held have been allowed to lapse. Known environmental site assessment activities by the former operator consisted of carrying out a biological baseline study on Lac Duparquet during the summer of 1976 and completing a follow-up study in the summer of 1977 once mining operations had ceased (Robertson, 1979). It was concluded that the lake was in generally good condition and that the brief period of mine exploitation had not measurably affected the aquatic environment.

24 OTHER RELEVANT DATA AND INFORMATION

No additional information or explanation is necessary to make this Technical Report understandable and not misleading.

25 INTERPRETATION AND CONCLUSIONS

RPA carried out Mineral Resource estimation for the Magusi deposit using 3D block modelling. Table 25-1 summarizes the RPA Mineral Resource estimate at an NSR cut-off value of $110/t.

TABLE 25-1 MINERAL RESOURCES AS OF MARCH 21, 2012
Mag Copper Ltd. – Magusi Project

Zone	Ore Type	Tonnes	Cu %	Zn %	Ag g/t	Au g/t	$NSR/t
Indicated							
Main	High Grade Cu (Cu > 1.5%)	729,000	3.26	0.58	43.4	0.41	183
Main	High Grade Zn (Zn > 4.0%)	580,000	0.39	8.57	42.1	2.34	174
Total Indicated		**1,309,000**	**1.99**	**4.12**	**42.8**	**1.27**	**179**
Inferred							
Main	High Grade Cu (Cu > 1.5%)	355,000	3.41	0.39	24.2	0.26	182
Main	High Grade Zn (Zn > 4.0%)	-	-	-	-	-	-
Main	HG Mixed Ore Cu > 1.5% and Zn > 4.0%	-	-	-	-	-	-
Main	LG Mixed Ore Cu < 1.5% and Zn < 4.0%	-	-	-	-	-	-
Total Inferred		**355,000**	**3.41**	**0.39**	**24.2**	**0.26**	**182**

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are estimated at a cut-off grade of $110 NSR/tonne.
3. Mineral Resources are estimated using an average long-term copper price of US$3.50 per pound, a zinc price of US$0.95 per pound, a gold price of US$1,300 per ounce, a silver price of US$21.00 per ounce, and a US$/C$ exchange rate of 1.00 to 1.00.
4. Grade interpolation was carried out with inverse distance squared (ID^2) method.
5. Mag provided RPA with NSR multipliers per metal unit. The NSR multipliers, which vary with head grades and metal recoveries, are based on SGS Lakefield metallurgical tests. The NSR values were calculated for each assay as well as each block in the model.
6. Minimum underground mining width of two metres was used.
7. The East Zone resources were also included in the estimation but did not meet the cut-off criteria.

The Magusi deposit is situated in a geological environment with good potential to increase the currently known massive sulphide mineralization. The current Mineral Resources are contained in a single economic lens, the Main Zone; the East Zone, located 100 m to the east, is in RPA's opinion the continuation of the Main Zone, but due to the lack of drilling, the continuity of mineralization between the lenses has not been demonstrated yet. On a few vertical sections, drilling indicates the presence of other non-economic lenses that have not been proven to be continuous along strike and dip because of lack of drilling.

The deposit is open at depth and laterally, and a few drill holes indicate a good potential for additional mineralization at depth. RPA is of the opinion that there is potential for economic mineralization along the Magusi deposit volcanogenic horizon or other subparallel horizons.

26 RECOMMENDATIONS

POTENTIAL FOR ADDITIONAL MINERAL RESOURCES AND PROPOSED DRILLING

The deposit is open at depth and laterally, and several drill holes indicate a good potential for additional mineralization at depth. RPA is of the opinion that there is potential for economic mineralization along the Magusi deposit volcanogenic horizon or other subparallel horizons. RPA recommends that additional drilling from surface be completed on the Magusi deposit prior to underground development, in order to:

- convert Inferred blocks into Indicated, and
- test the extension of mineralization at depth and laterally.

CHECK ASSAY PROGRAM

RPA notes that no check assay program was carried out on the drill hole samples before 2007. RPA recommends that a minimum of 5% of those samples within the mineralized zone be re-assayed.

RPA recommends the use of three or four different CRMs rather than rely on the laboratory's internal assaying of in-house and commercial standards. The CRMs should be inserted regularly in core sample batches in any future drilling program. Assaying of standards should be carried out on a regular basis throughout the entire drilling program. This will allow identification of specific problems at the lab, if any.

RPA recommends that sample numbers for check assays or duplicate assays in check assay programs in any future drilling campaign be different from the original sample numbers. It also recommends insertion of standards and compilation and comparison of the different standards used by the laboratory over time.

RPA is of the opinion that all re-assays should be integrated into the Gemcom database. This will allow original data and block model values to be displayed at the same time.

DENSITY DETERMINATIONS

RPA notes that the density at Magusi has not been determined for each sample in the database. Within the mineralized envelope, density determinations represent 34% of assays and the average density is 4.12. RPA recommends that density be determined by the immersion method, both for the samples that are stored in the core racks and for all samples that will be assayed in future drilling. As a minimum requirement, all mineralized intersections that were selected for the Mineral Resource estimation should have their density determined. Samples from both the hanging wall and footwall should also have their density determined.

DATABASE

RPA recommends that special characters (such as -999 or NS - Not Sampled) be used in the assay database for the samples that have sample numbers but no assay data. A value of '0' is typically assigned to the samples that have not been analyzed or that have values such as 'NIL' in assay certificates. This information from assay certificates has not been entered into the database.

BULK SAMPLE VS. BLOCK MODEL RECONCILIATON

During the summer of 2008, FMA started the excavation of a decline to access the Main Zone in order to obtain a 50,000-tonne bulk sample for metallurgical testing. RPA is of the opinion that the bulk sample should include material from the three different types of mineralization: Zn-rich, Cu-rich and Mixed. Once the bulk sample is obtained, reconciliation to the block model should be carried out.

PROPOSED WORK PROGRAM AND BUDGET

RPA recommends that a surface drilling program of 50 holes for a total of 18,000 m be carried out prior to underground development. The cost of the drilling program is estimated to be $3,600,000 and is divided in two phases:

- Phase 1 – Above 4800 m elevation: 37 holes, 8,900 m, $1,780,000
- Phase 2 – Below 4800 m elevation: 13 holes, 9,100 m, $1,820,000

Phase 2 is contingent on positive results from Phase 1.

This includes:

- Drilling (contractor): $2,700,000 ($150/m)
- Geology: $450,000 ($25/m)
- Assays: $450,000 ($25/m).

Proposed holes are listed in Table 26-1 and presented in Figures 26-1 and 26-2. Collar coordinates are approximate.

TABLE 26-1 DRILLING PROPOSAL
Mag Copper Ltd. – Magusi Project

Hole #	Length (m)	Collar Coordinates East	Collar Coordinate North	Phase
313960	180	313960	5366815	1
313990-a	120	313990	5366916	1
313990-b	150	313990	5366876	1
314005-a	130	314005	5366903	1
314005-b	150	314005	5366879	1
314020-b	150	314020	5366889	1
314020-a	260	314020	5366739	1
314035-b	200	314035	5366822	1
314035-a	260	314035	5366739	1
314030-a	360	314030	5366602	1
314030-b	480	314030	5366472	1
314050	720	314050	5366198	2
314065-a	400	314065	5366545	1
314065-b	860	314065	5366054	2
314080-a	170	314080	5366850	1
314080-b	500	314080	5366446	1
314080-c	570	314080	5366367	2
314080-d	700	314080	5366211	2
314080-e	780	314080	5366132	2
314125-b	500	314125	5366446	2
314125-c	640	314125	5366289	2
314125-d	710	314125	5366211	2
314125-a	850	314125	5366054	2
314190-a	320	314190	5366674	1
314190-b	360	314190	5366615	1
314185-a	550	314185	5366393	2
314185-b	860	314185	5366054	2
314200	740	314200	5366198	2
314215-a	240	314215	5366772	1
314215-b	620	314215	5366341	2
314230	480	314230	5366472	1
314240-a	160	314240	5366863	1
314240-b	220	314240	5366798	1

Hole #	Length (m)	Collar Coordinates East	Collar Coordinate North	Phase
314240-c	380	314240	5366602	1
314270	130	314270	5366903	1
314320-a	100	314320	5366955	1
314320-b	130	314320	5366916	1
314320-c	160	314320	5366876	1
314320-d	200	314320	5366837	1
314320-e	210	314320	5366798	1
314350-a	190	314350	5366916	1
314350-b	190	314350	5366831	1
314350-c	220	314350	5366785	1
314350-d	270	314350	5366733	1
314380-a	190	314380	5366831	1
314380-b	220	314380	5366785	1
314410	280	314410	5366720	1
314440-a	220	314440	5366831	1
314440-b	220	314440	5366785	1
314470	300	314470	5366700	1
Phase 1 37 holes	8,900			
Phase 2 13 Holes	9,100			
Total 50 holes	**18,000**			

FIGURE 26-1 LONGITUDINAL SECTION – DIAMOND DRILLING PROPOSAL VS. NSR BLOCK MODEL

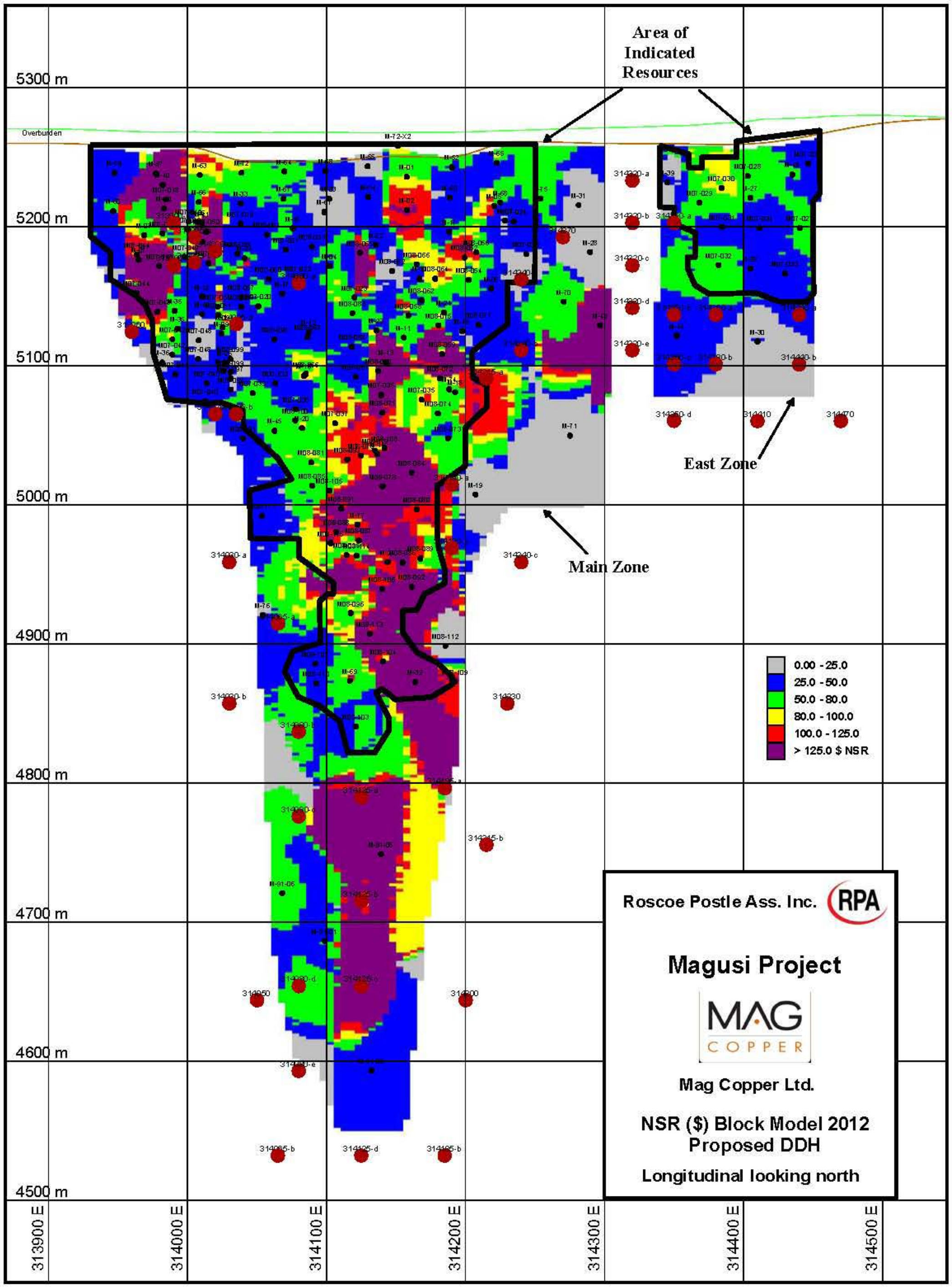
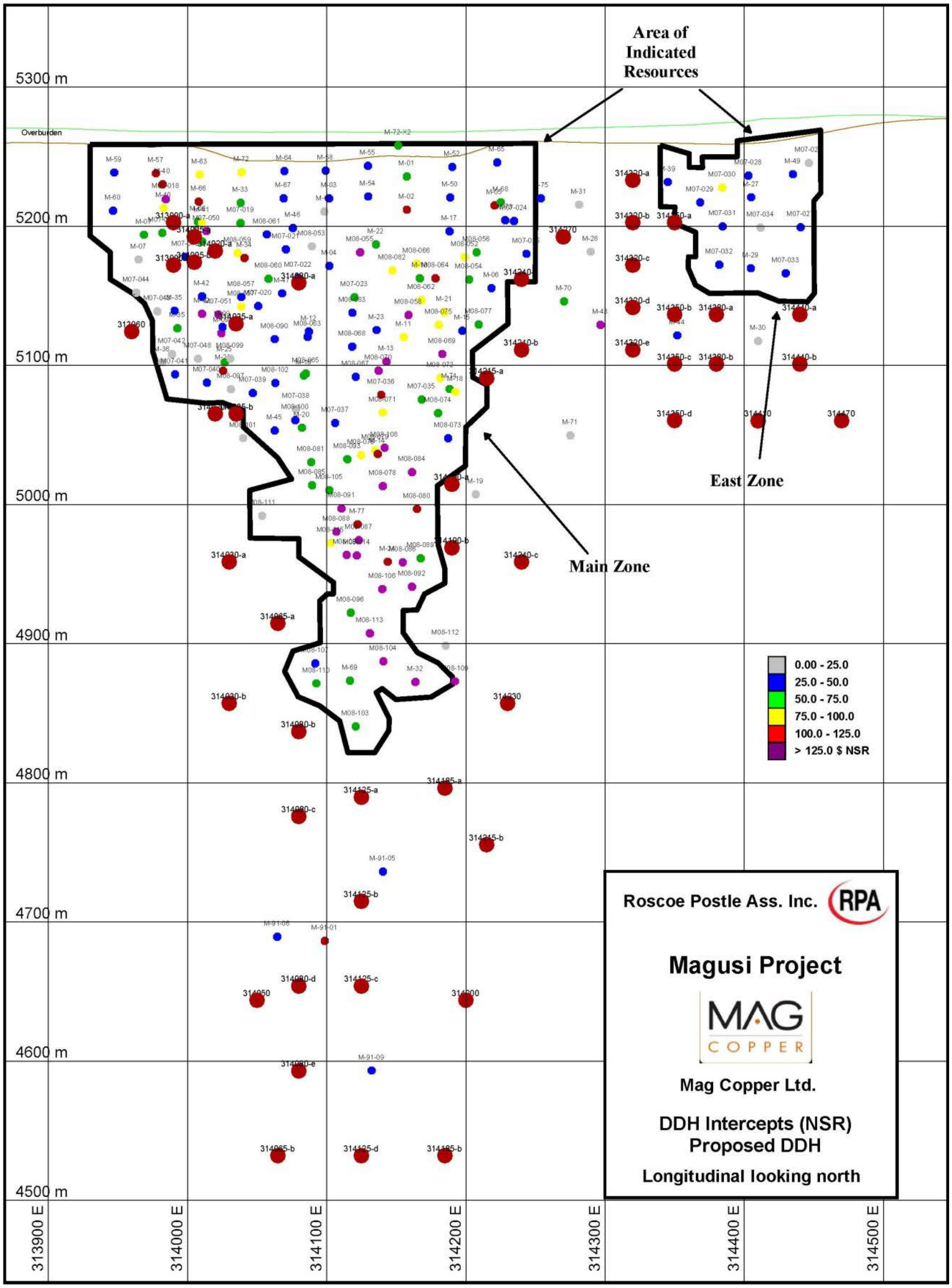


FIGURE 26-2 LONGITUDINAL SECTION – DIAMOND DRILLING PROPOSAL VS. DRILL HOLE INTERCEPTS



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28 DATE AND SIGNATURE PAGE

This report titled "Technical Report on the Mineral Resources Estimates, Magusi Project, Abitibi Region, Quebec, Canada", prepared for Mag Copper Ltd. and dated March 21, 2012, was prepared and signed by the following authors:

(Signed & Sealed) ***"Bernard Salmon"***

Dated in Rouyn-Noranda, Quebec
March 21, 2012

Bernard Salmon, ing.
Consulting Geological Engineer
General Manager - Quebec

(Signed & Sealed) ***"Holger Krutzelmann"***

Dated in Toronto, Ontario
March 21, 2012

Holger Krutzelmann, P.Eng.
Principal Metallurgist
Vice President, Metallurgy and Environment

29 CERTIFICATE OF QUALIFIED PERSON

BERNARD SALMON

I, Bernard Salmon, ing., as an author of this report entitled “Technical Report on the Mineral Resources Estimates, Magusi Project, Abitibi Region, Quebec, Canada”, prepared for Mag Copper Ltd. and dated March 21, 2012, do hereby certify that:

1. I am Consulting Geological Engineer – General Manager - Québec with Roscoe Postle Associates Inc. (RPA). My office address is 170 Principale Avenue, Rouyn-Noranda, Quebec, J9X 4P7.

2. I am a graduate of Ecole Polytechnique, Montreal, Quebec, Canada, in 1982 with a Bachelor of Science (Applied) in Geological Engineering.

3. I am registered as an Engineer in the Province of Quebec (#36831) and I am designated as a Consulting Geological Engineer. I have worked as a geological engineer for a total of 25 years since my graduation. My relevant experience for the purpose of the Technical Report is:
    - Mining geologist, Falconbridge Copper Corp., Opemiska Mine, 1982 to 1987.
    - Chief geologist, Minnova Inc., Ansil Mine, 1987-1992
    - Chief-Geologist and Technical Superintendant, Inmet Mining Inc., Troilus Mine, 1992-1997.
    - Chief-Geologist, Aur Resources Inc., Louvicourt Mine, 1997-2005.
    - Consulting Geological Engineer with RPA from 2005 to present.

4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

5. I visited the Magusi property on April 23, 2008, November 11, 2008, and February 22, 2012.

6. I am responsible for overall preparation of this report, except for Section 13 (Mineral Processing and Metallurgical Testing).

7. I am independent of the Issuer applying the test set out in Part 1.5 of NI 43-101.

8. I prepared a Technical Report on the subject property in 2009.

9. I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.

10. At the effective date of the Technical Report, 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.

Dated this 21st day of March, 2012

(Signed & Sealed) ***"Bernard Salmon"***

Bernard Salmon, ing.

HOLGER KRUTZELMANN

I, Holger Krutzelmann, P. Eng., as an author of this report entitled “Technical Report on the Mineral Resources Estimates, Magusi Project, Abitibi Region, Quebec, Canada”, prepared for Mag Copper Ltd, and dated March 21, 2011, do hereby certify that:

1. I am Vice President, Metallurgy & Environment with Roscoe Postle Associates Inc. of Suite 501, 55 University Ave Toronto, ON, M5J 2H7.

2. I am a graduate of Queen’s University, Kingston, Ontario, Canada in 1978 with a B.Sc. degree in Mining Engineering (Mineral Processing).

3. I am registered as a Professional Engineer with Professional Engineers Ontario (Reg.# 90455304). I have worked in the mineral processing field, in operating, metallurgical, managerial; and engineering functions, for a total of 33 years since my graduation. My relevant experience for the purpose of the Technical Report is:
    - Reviews and reports as a metallurgical consultant on a number of mining operations and projects for due diligence and financial monitoring requirements
    - Senior Metallurgist/Project Manager on numerous gold and base metal studies for a leading Canadian engineering company.
    - Management and operational experience at several Canadian and U.S. milling operations treating various metals, including copper, zinc, gold and silver.

4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

5. I have not visited the Project.

6. I am responsible for preparation of Section 13 (Mineral Processing and Metallurgical Testing) of the Technical Report.

7. I am independent of the Issuer applying the test set out in Section 1.5 of NI 43-101.

8. I have had no prior involvement with the property that is the subject of the Technical Report.

9. I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.

10. At the effective date of the Technical Report, to the best of my knowledge, information, and belief, Section 13 I am responsible for in the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 21st day of March, 2012

(Signed & Sealed) ***"Holger Krutzelmann"***

Holger Krutzelmann, P.Eng.

30 APPENDIX 1

CLAIM LIST

ADDENDUM SCHEDULE A – November 23, 2011
DESCRIPTION OF PROPERTY

Location: Hebecourt, Duparquet, Duprat and Montbray Townships in the Province of Quebec

Leases: 872 BM
Mining claims (CDC)

28206	51728	81614	1082138	2092373	2096769	2194768
28207	51729	81615	1082139	2092739	2096770	2194769
48942	51730	81616	1082140	2092740	2096771	2194771
48943	51731	81617	1083038 *	2092741	2096772	2194772
48944	51732	81618	1083039 *	2092742	2144916	2268376 *
48945	51733	81619	1083040 *	2092743	2144917	2268377 *
48946	51734	81620	1083041 *	2092744	2144918	2290505 *
48947	51735	81621	1083170	2092745	2144919	2290506 *
48948	51736	81622	1083171	2092746	2144920	2290507 *
48949	51737	81623	2092357	2092747	2144921	2290508 *
48950	57178	1030720	2092358	2092748	2144922	2296335 *
48951	57179	1030721	2092359	2092749	2192107	2296336 *
48952	57180	1030722	2092360	2092750	2192108	2296337 *
48953	57181	1030723	2092361	2092751	2192109	2296338 *
48954	57182	1030724	2092362	2092752	2192110	2296339 *
48955	57183	1030735	2092363	2092753	2192111	2296340 *
48984	57323	1030736	2092364	2092754	2192112	2296341 *
48985	69332	1030737	2092365	2092755	2194760	2296342 *
48986	69333	1030738	2092366	2093689	2194761	2296343 *
51722	69334	1072532	2092367	2096763	2194762	2296344 *
51723	69335	1072533	2092368	2096764	2194763	2300124 *
51724	81610	1082134	2092369	2096765	2194764	2300125 *
51725	81611	1082135	2092370	2096766	2194765	2300126 *
51726	81612	1082136	2092371	2096767	2194766	
51727	81613	1082137	2092372	2096768	2194767	

Additional Claims as at November 23, 2011 – Location: Duprat and Montbray Townships

Claim #	Type	Range	Lot	Due Date
**2306351	CDC	10	1	2013-08-08
**2306352	CDC	10	2	2013-08-08
**2306353	CDC	10	3	2013-08-08
**2306354	CDC	10	4	2013-08-08
**2306355	CDC	10	5	2013-08-08
**2306356	CDC	10	58	2013-08-08
**2306357	CDC	10	60	2013-08-08
**2306358	CDC	10	61	2013-08-08
**2306359	CDC	10	62	2013-08-08

Notes:
* Not part of initial agreement dated April 28, 2011
** Not part of addendum dated August 30, 2011

31 APPENDIX 2

QA/QC GRAPHS

- **TECHNI-LAB VS. LAB-EXPERT: CU, ZN, AG**
- **TECHNI-LAB VS. TECHNI-LAB: CU, ZN, AG**
- **COMMERCIAL CERTIFIED REFERENCE MATERIAL (STANDARDS) :**
    - ***CCU-1C : CU, ZN, AG***
    - ***CZN-3 : CU, ZN, AG***
    - ***FCM-5 : CU, ZN, AG***
    - ***MP1B : CU, ZN, AG***

FIGURE 31-1 TECHNI-LAB VS. LAB-EXPERT - ZN

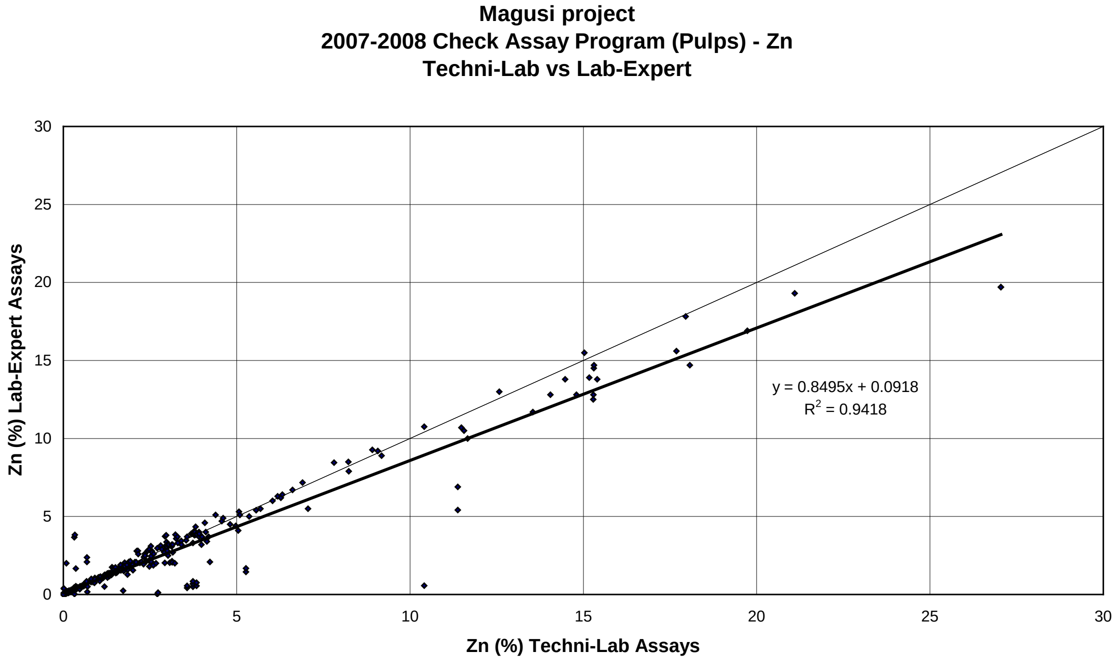


FIGURE 31-2 TECHNI-LAB VS. LAB-EXPERT – CU

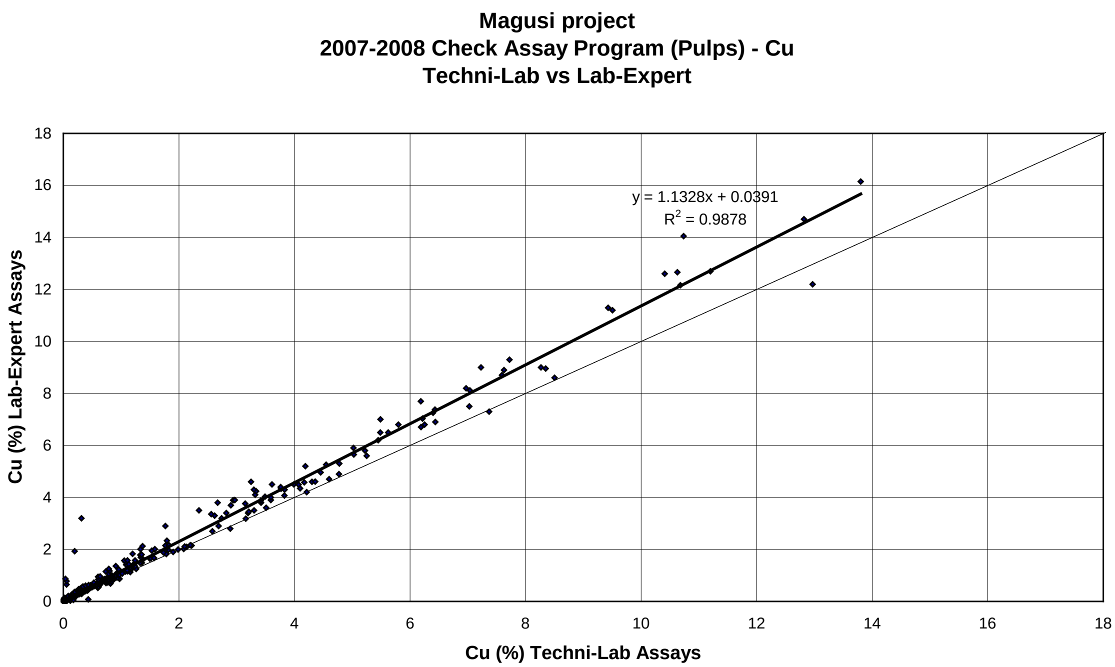


FIGURE 31-3 TECHNI-LAB VS. LAB-EXPERT – AG

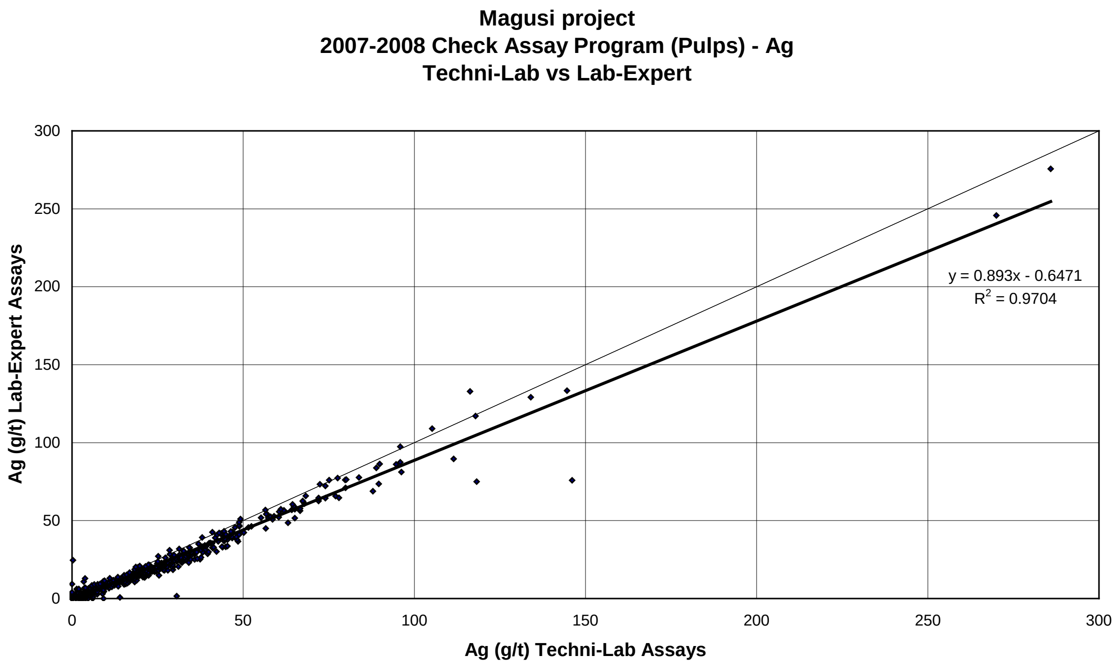


FIGURE 31-4 TECHNI-LAB VS. LAB-EXPERT – AU

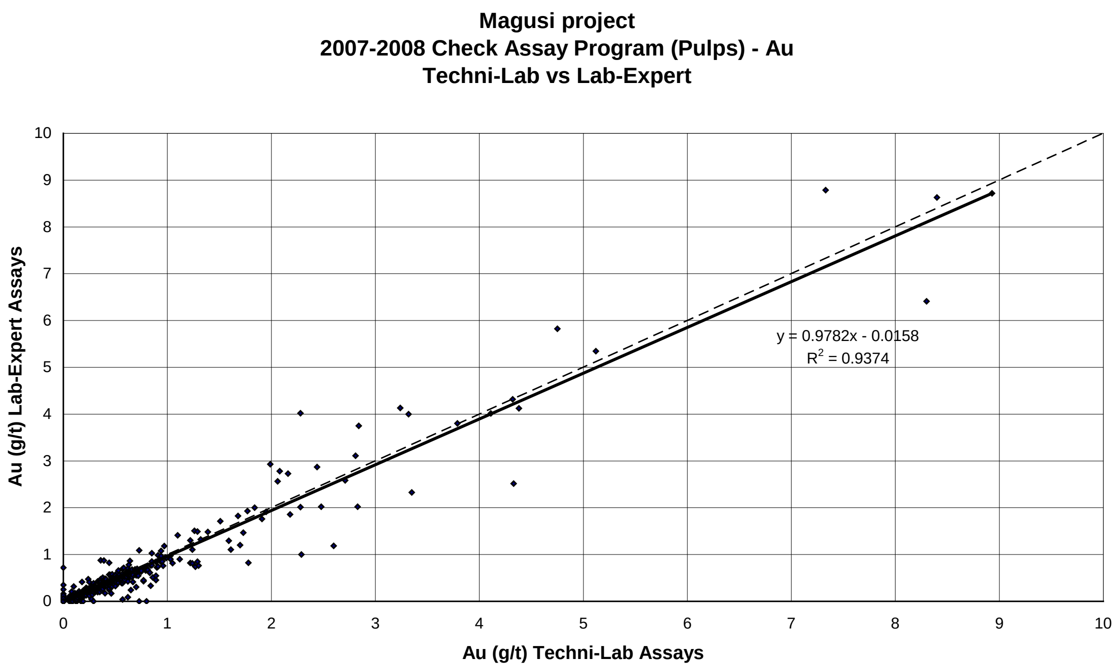


FIGURE 31-5 TECHNI-LAB VS. LAB-EXPERT – PB

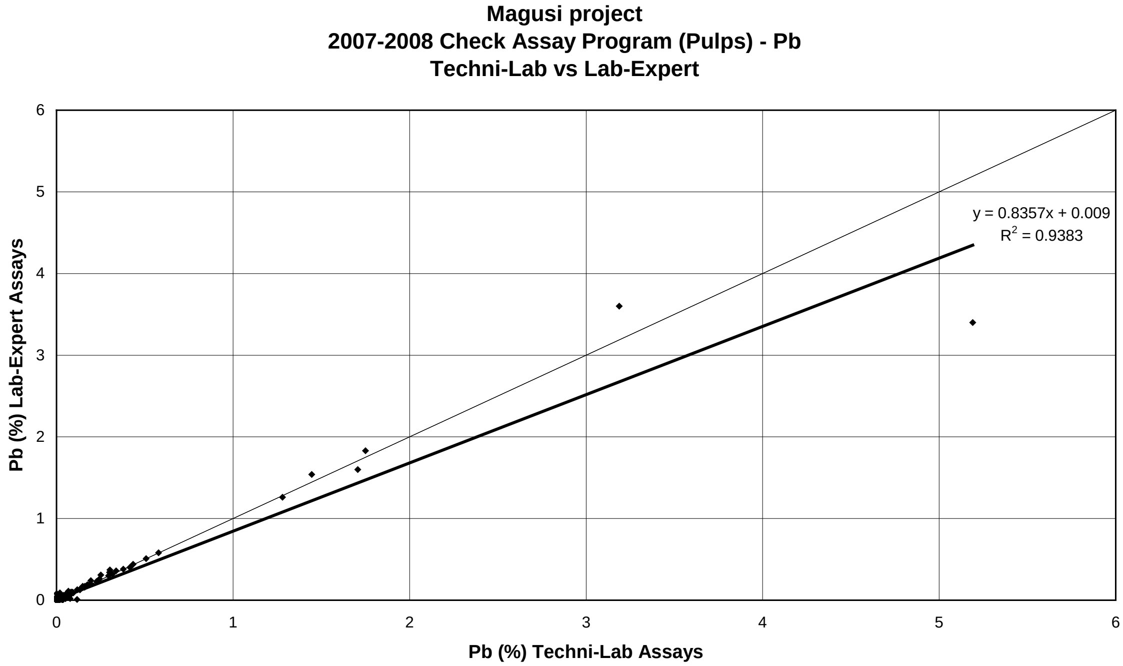


FIGURE 31-6 TECHNI-LAB VS. TECHNI-LAB – ZN

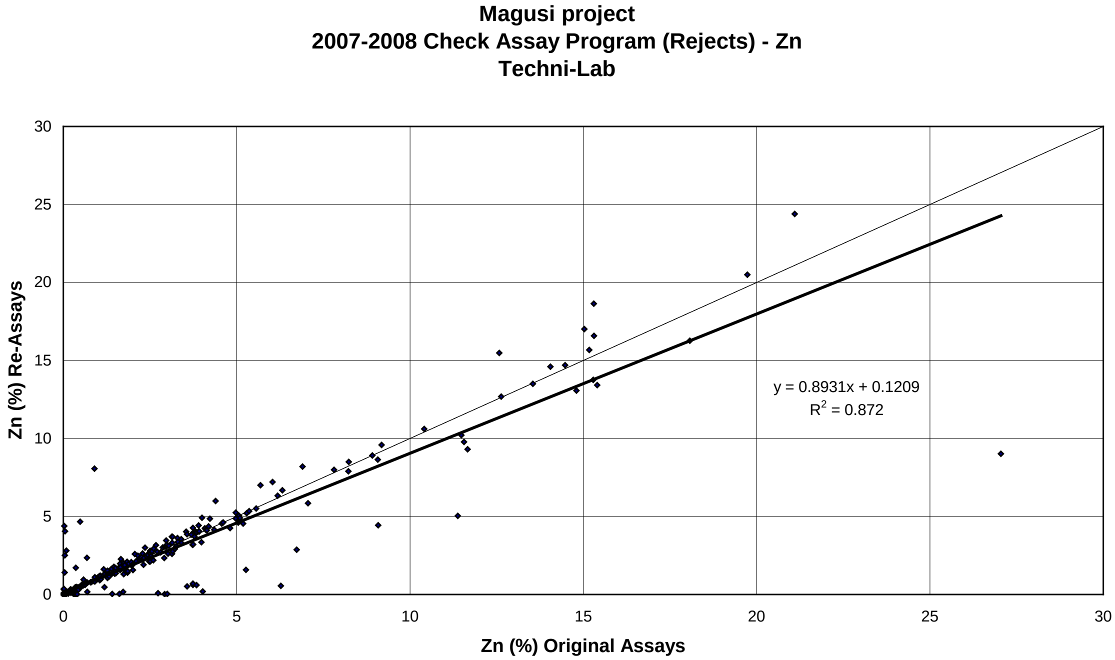


FIGURE 31-7 TECHNI-LAB VS. TECHNI-LAB – CU

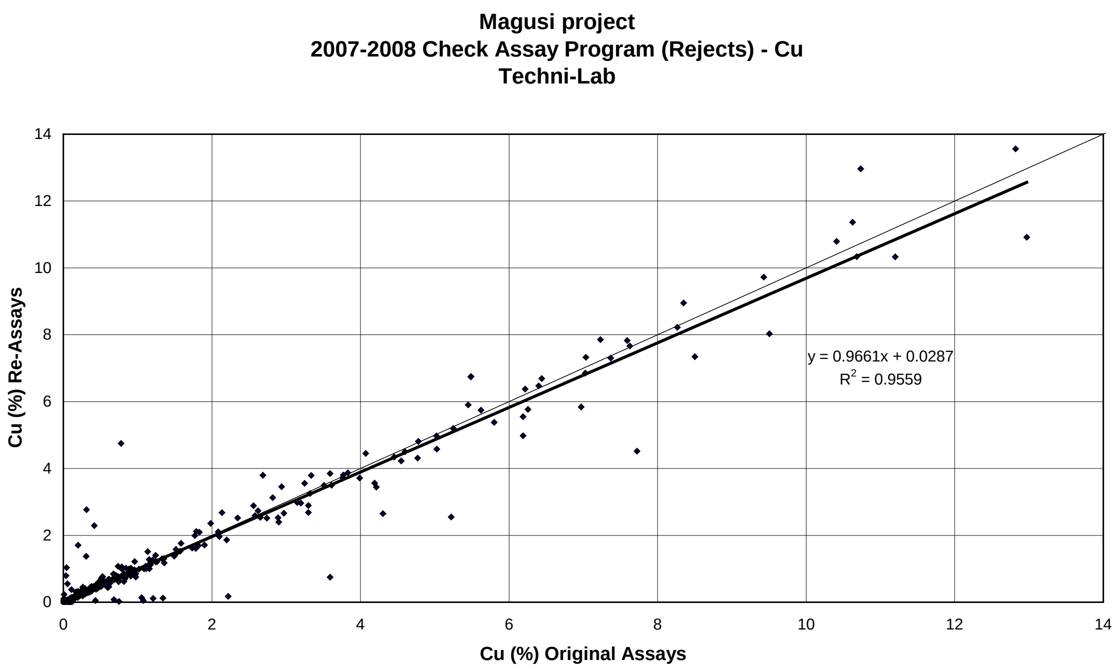


FIGURE 31-8 TECHNI-LAB VS. TECHNI-LAB – AG

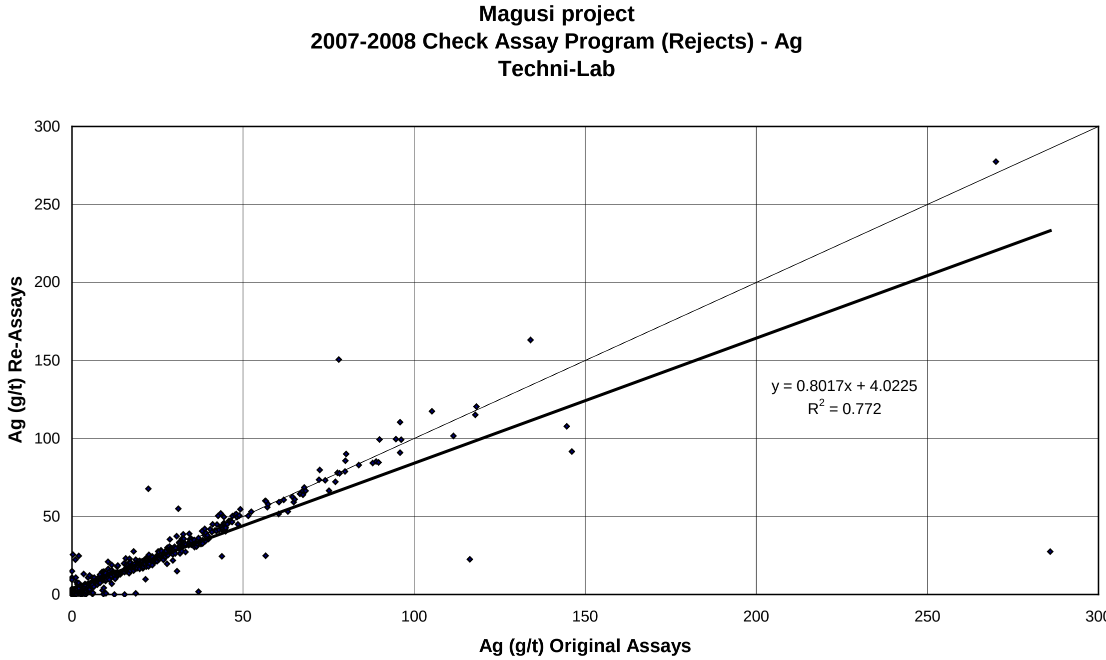


FIGURE 31-9 TECHNI-LAB VS. TECHNI-LAB – AU

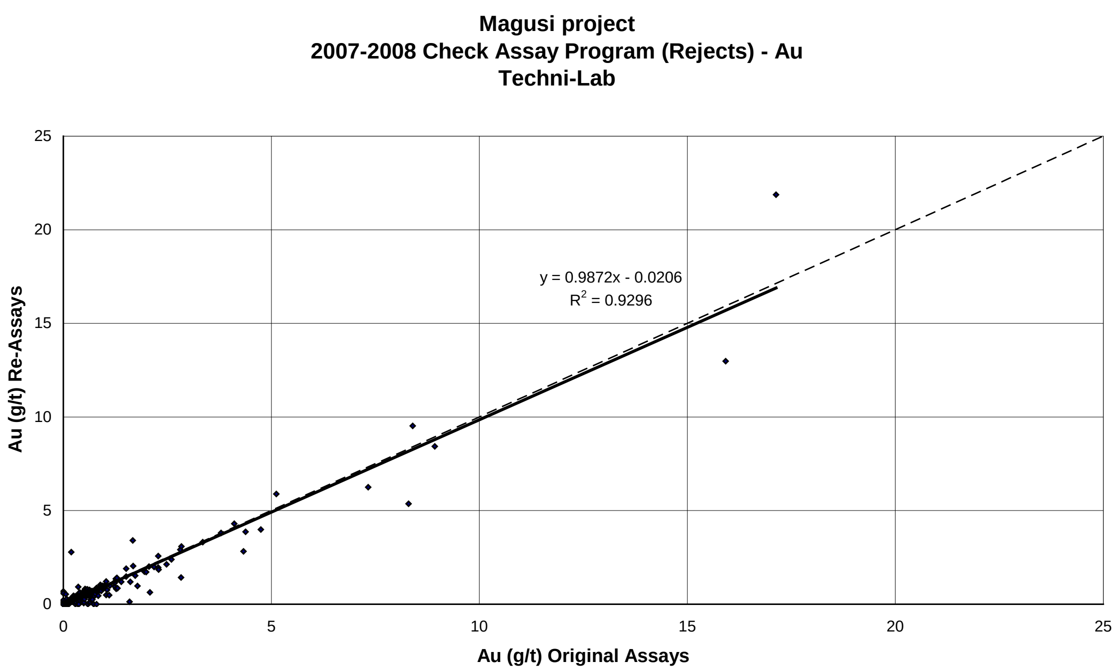


FIGURE 31-10 TECHNI-LAB VS. TECHNI-LAB – PB

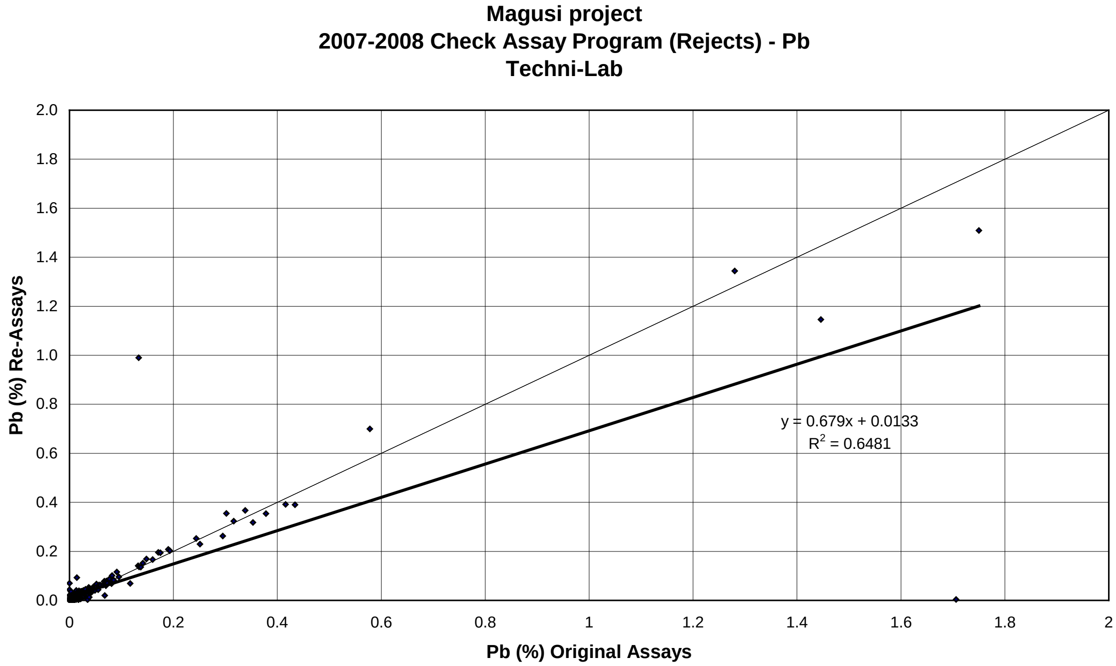


FIGURE 31-11 STANDARD CCU-1C – CU

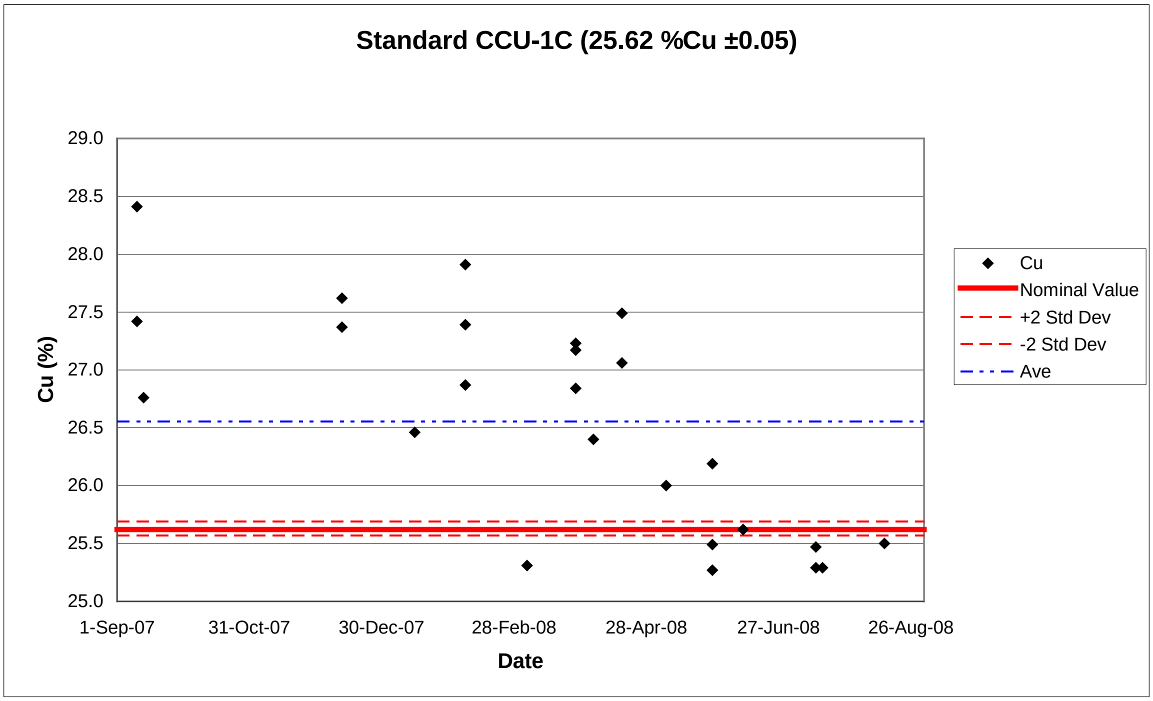


FIGURE 31-12 STANDARD CCU-1C – ZN

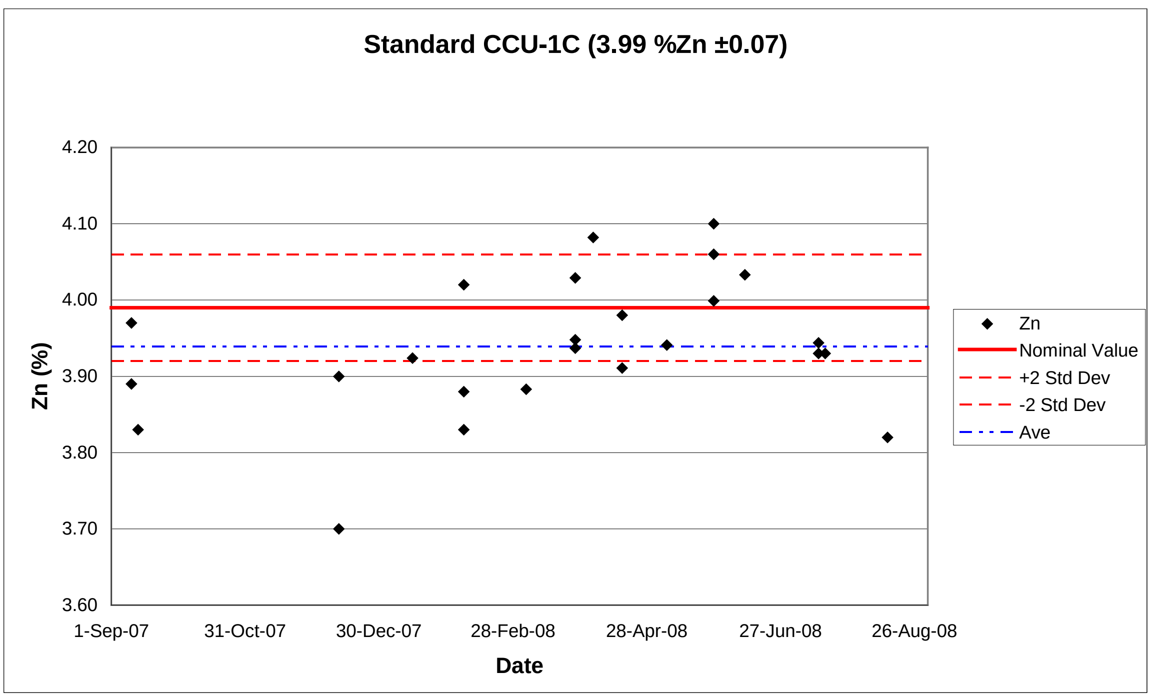


FIGURE 31-13 STANDARD CCU-1C – AG

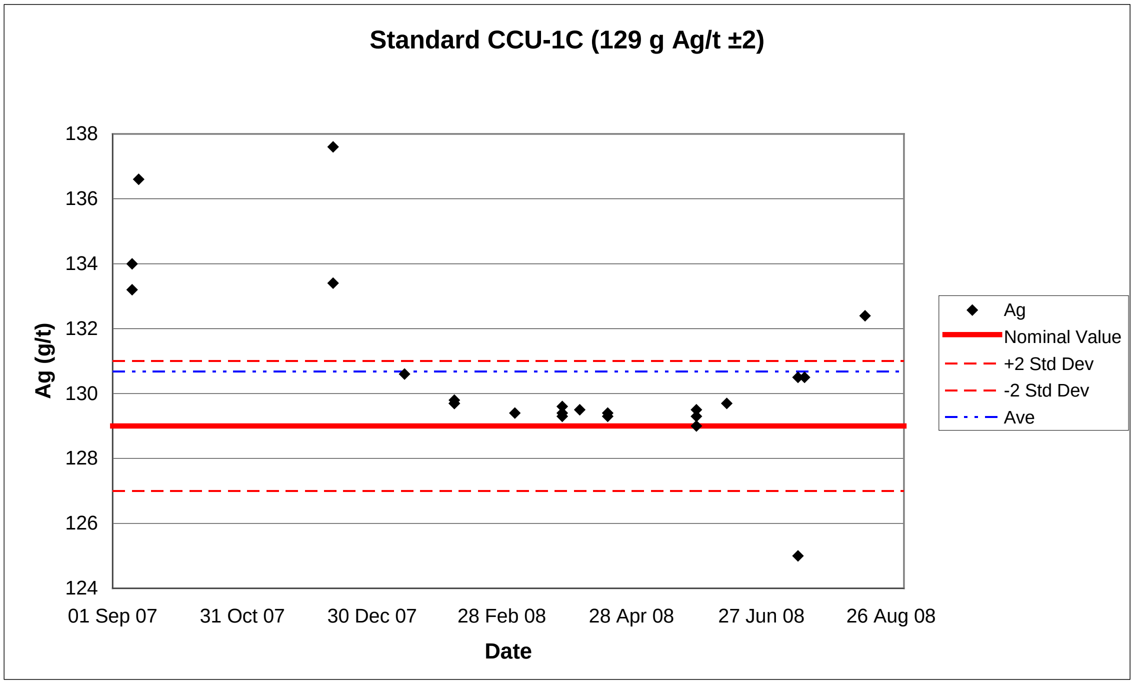


FIGURE 31-14 STANDARD CZN-3 – CU

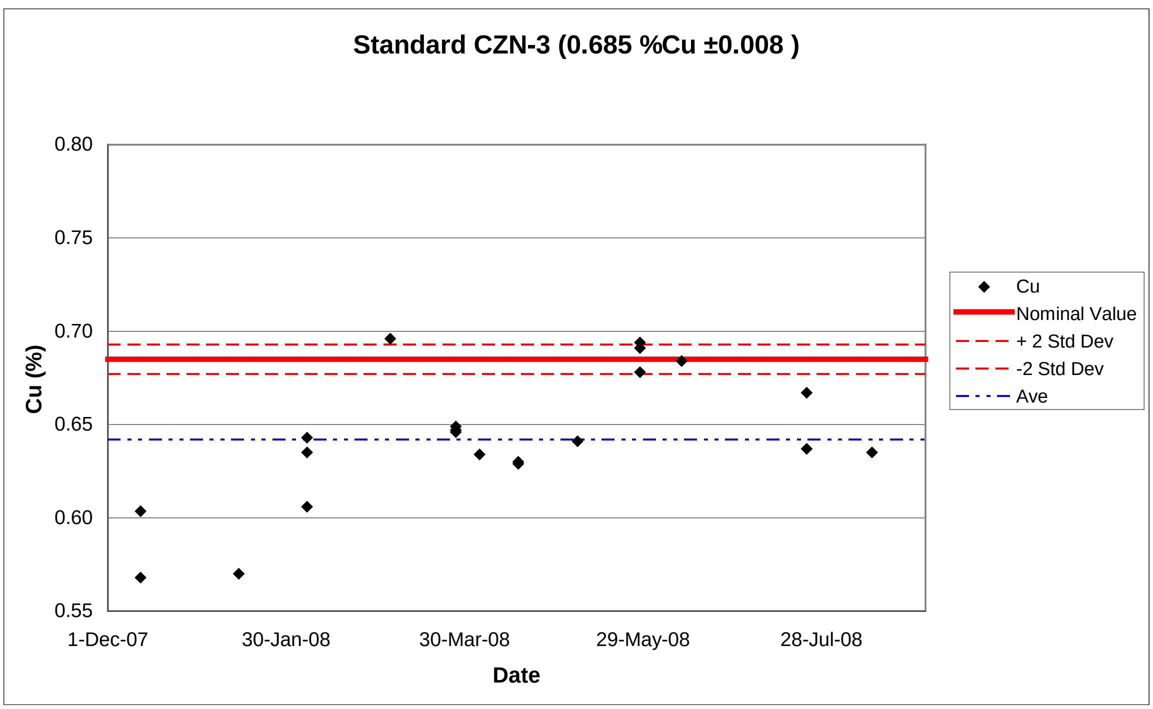


FIGURE 31-15 STANDARD CZN-3 – ZN

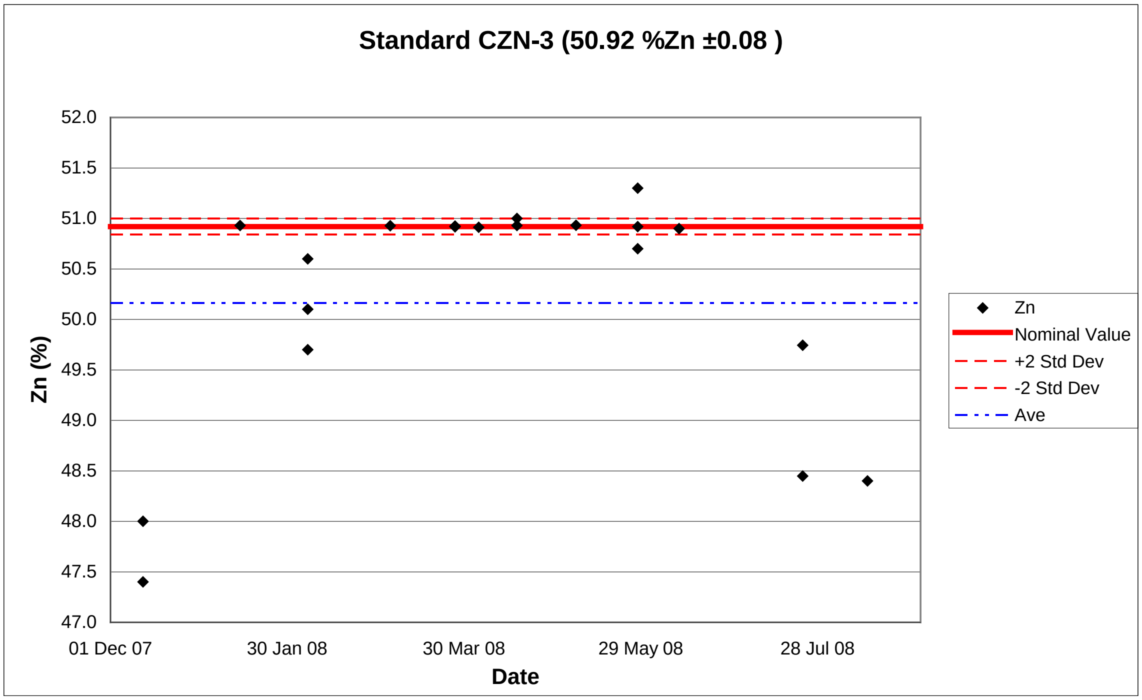


FIGURE 31-16 STANDARD CZN-3 – AG

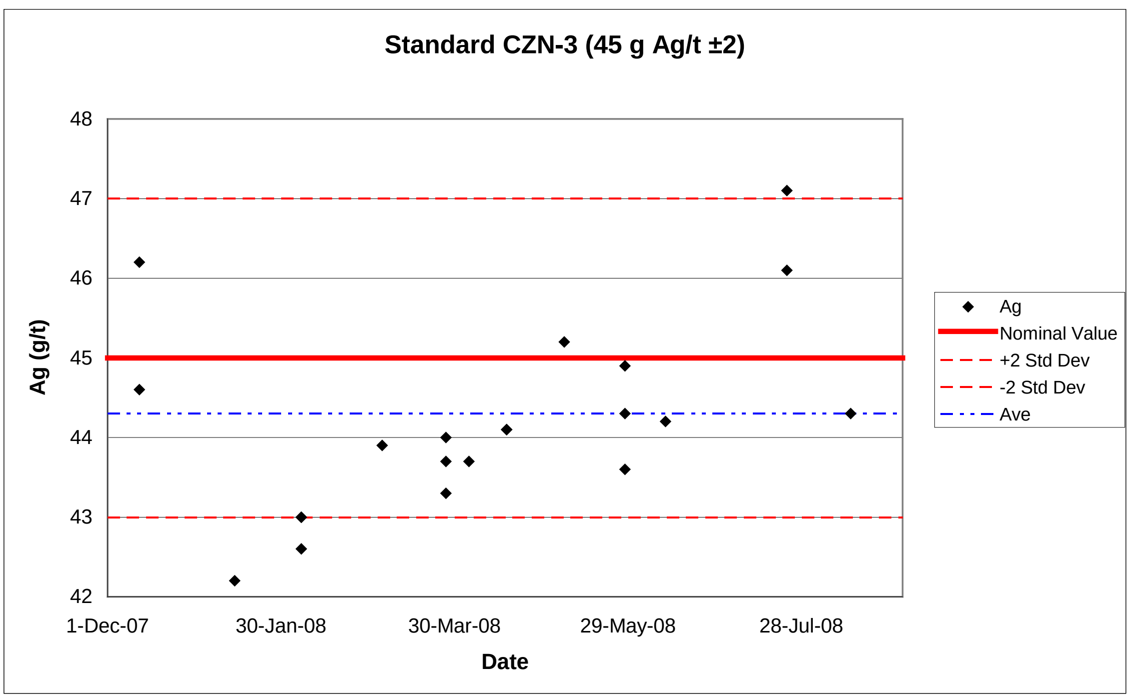


FIGURE 31-17 STANDARD FCM-5 – CU

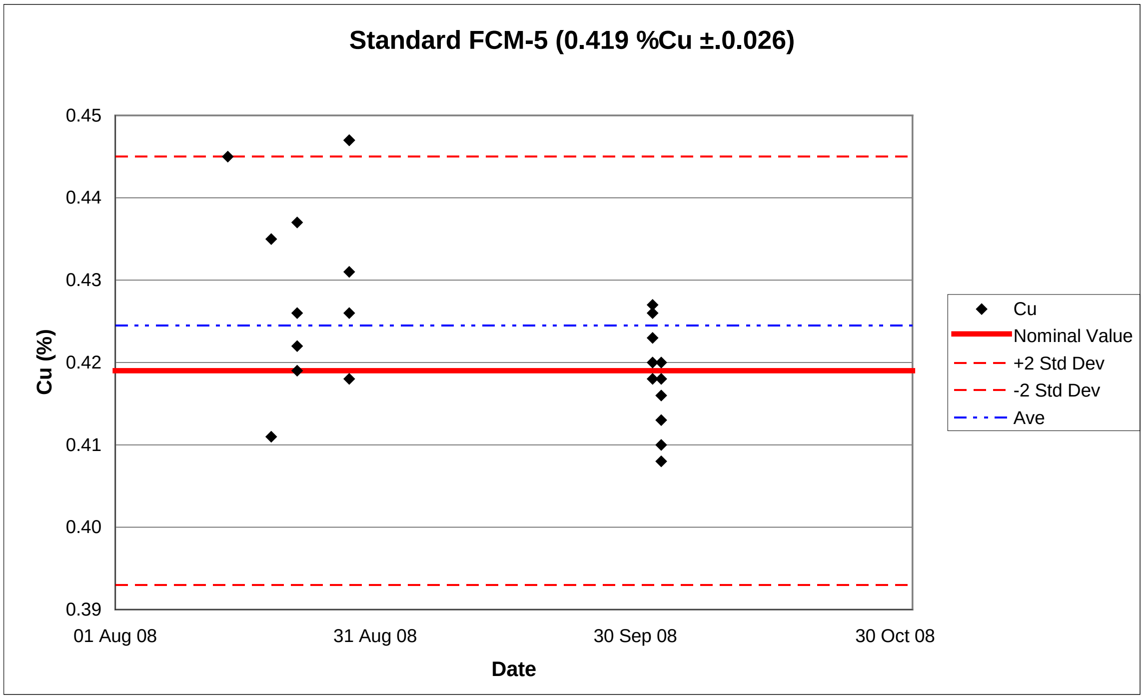


FIGURE 31-18 STANDARD FCM-5 – ZN

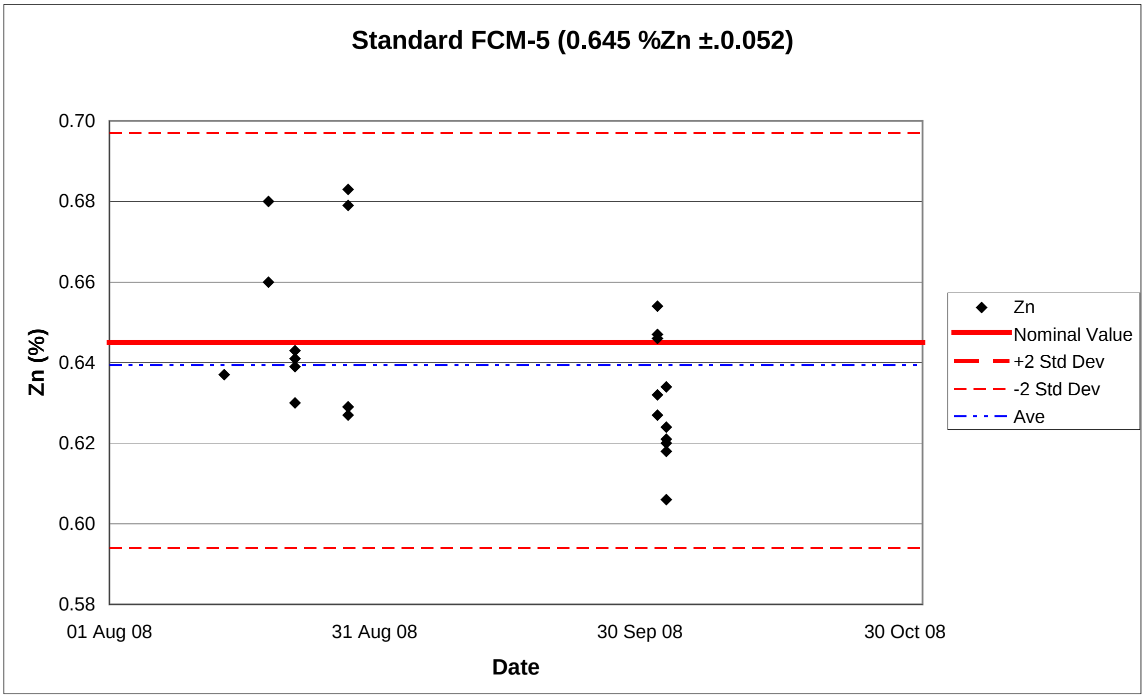


FIGURE 31-19 STANDARD FCM-5 – AG

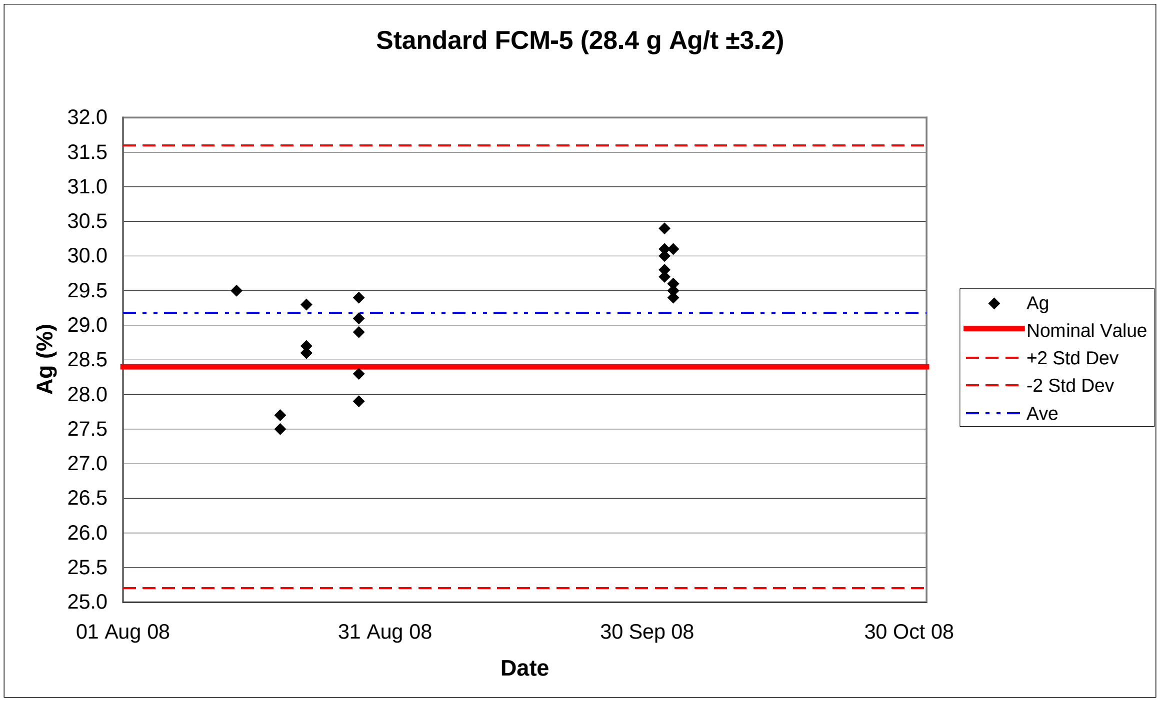


FIGURE 31-20 STANDARD MP-1B – CU

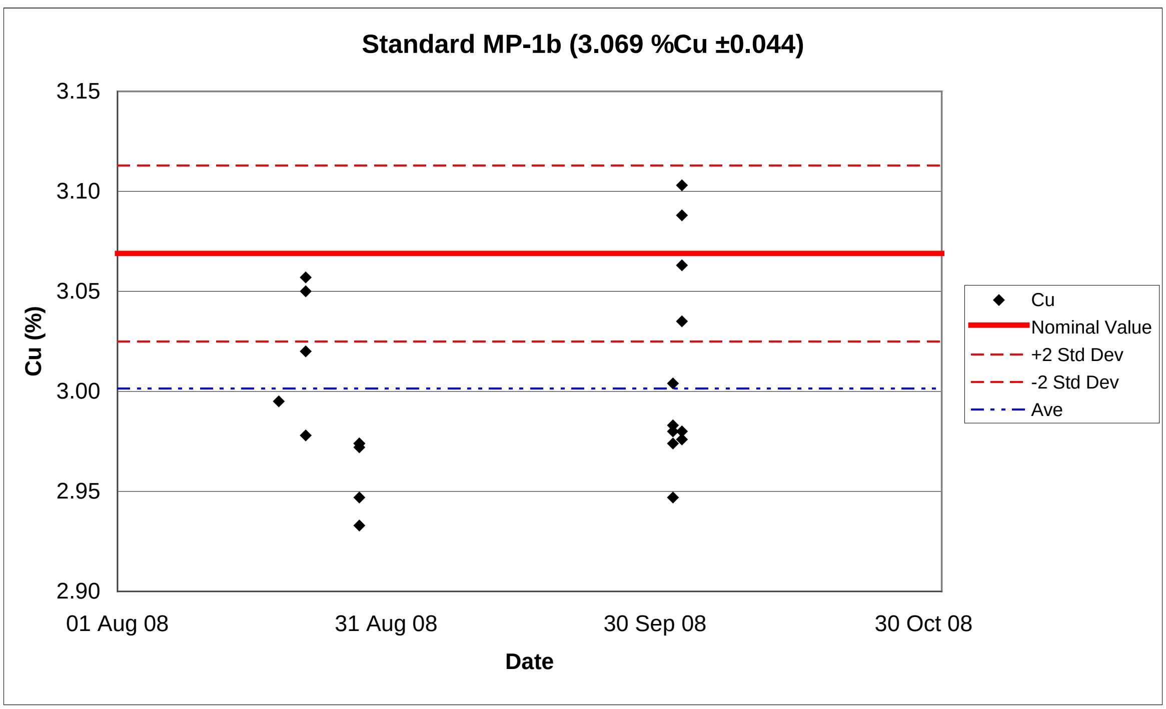


FIGURE 31-21 STANDARD MP-1B – ZN

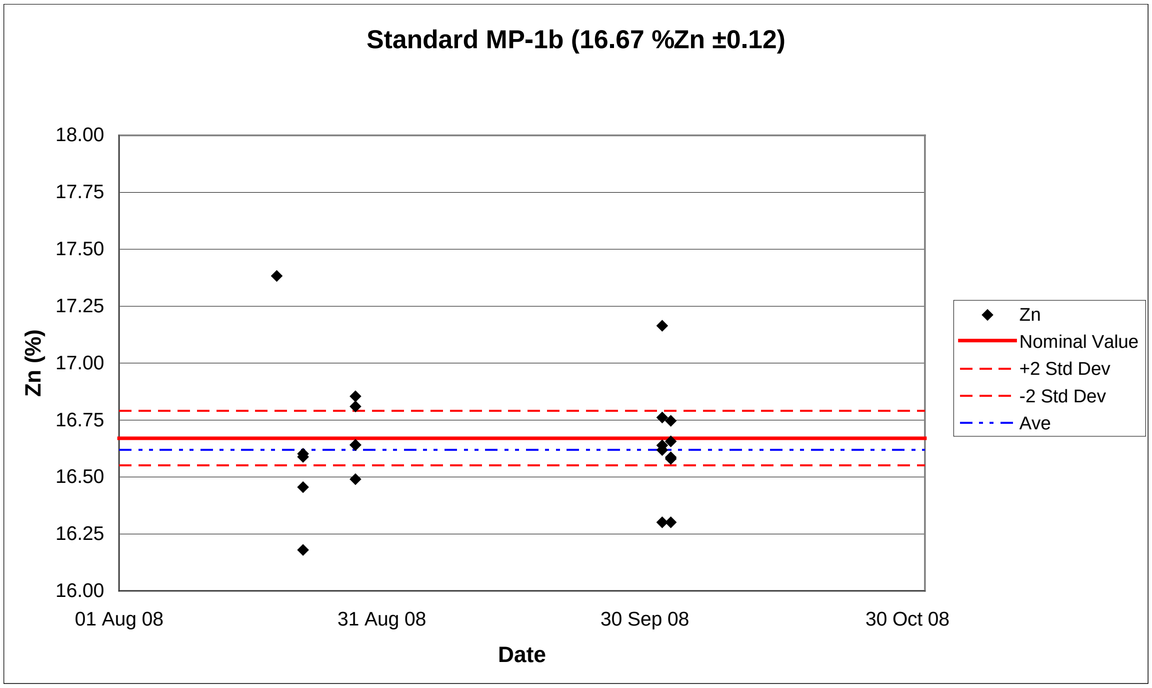
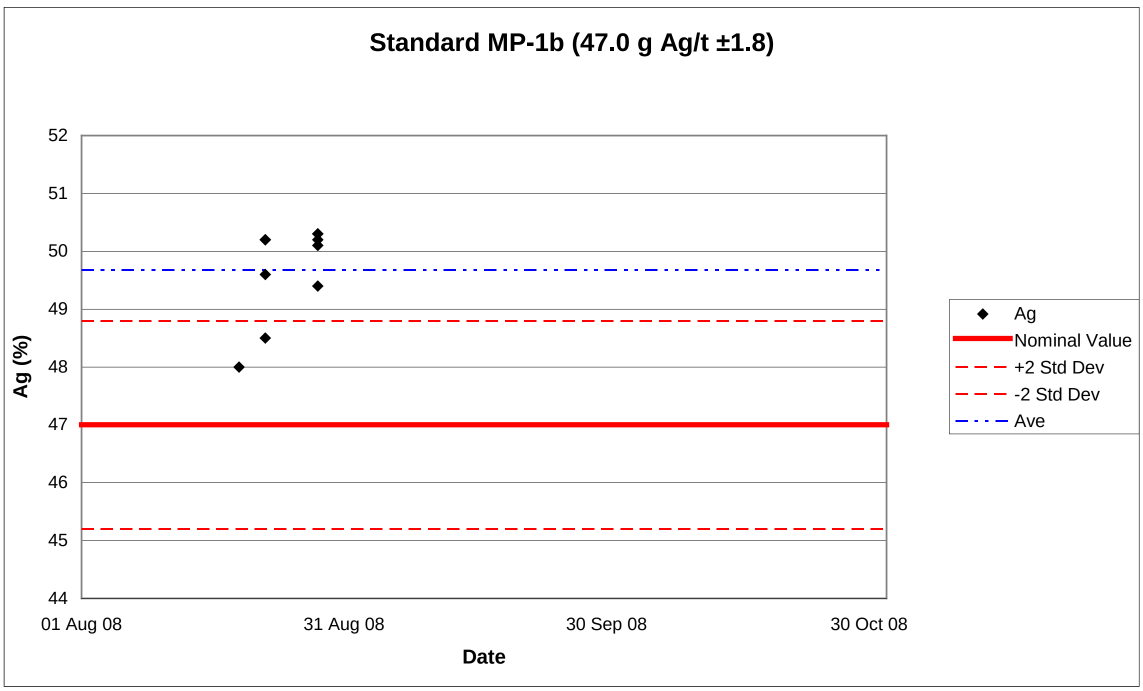


FIGURE 31-22 STANDARD MP-1B – AG

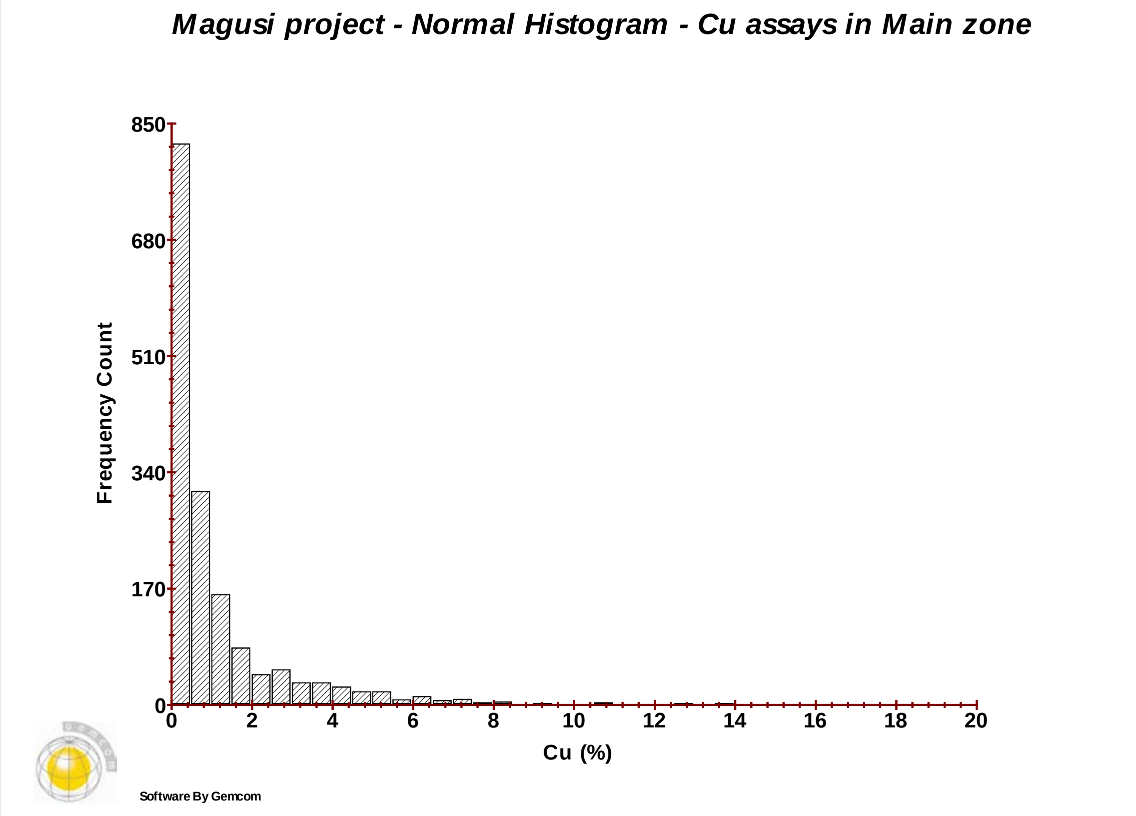


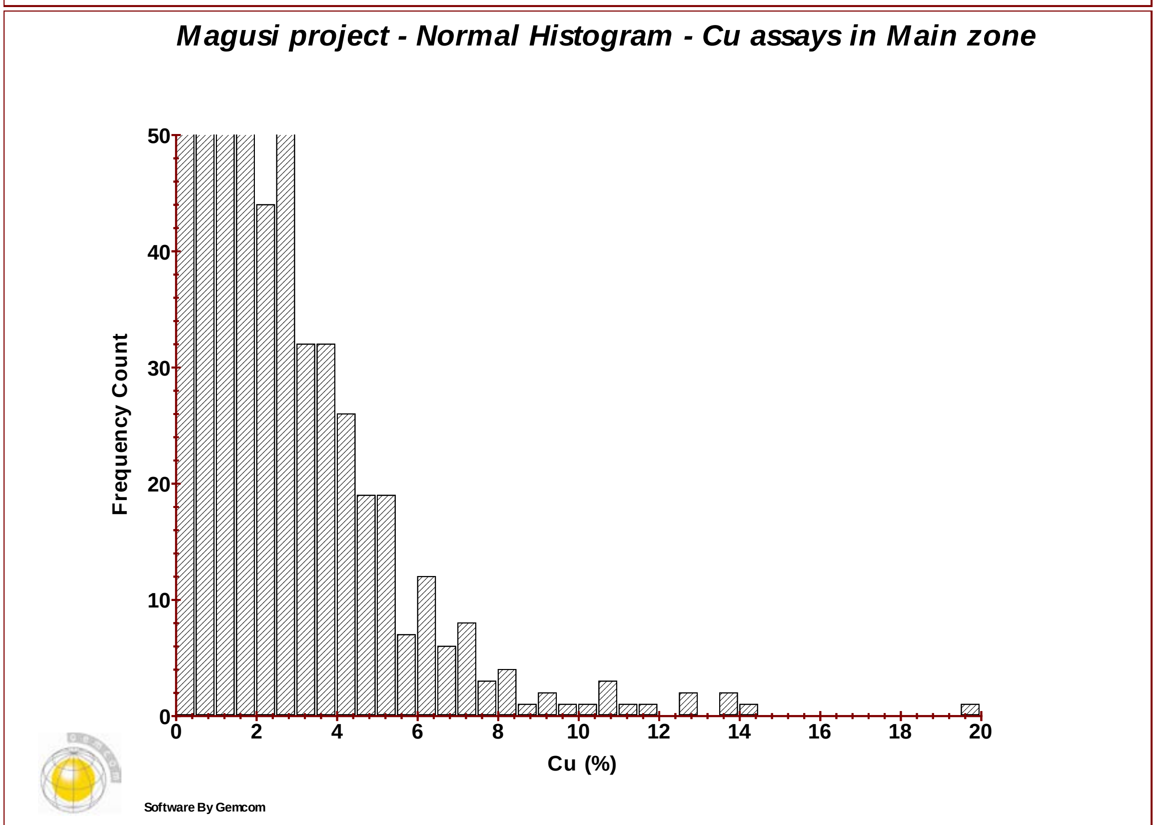
32 APPENDIX 3

HISTOGRAMS – MAIN AND EAST ZONES

- **CU**
- **ZN**
- **AG**
- **AU**
- **PB**
- **DENSITY**
- **SAMPLE LENGTH**

FIGURE 32-1 MAIN ZONE - CU





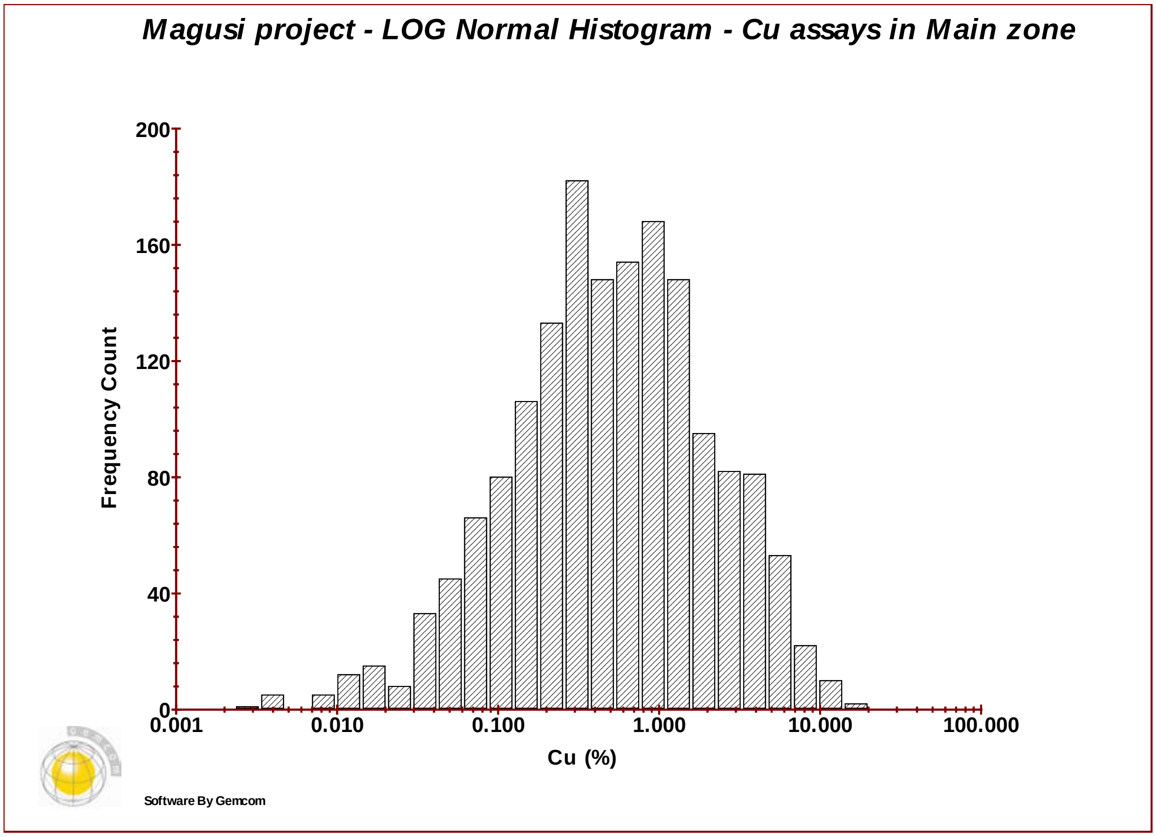
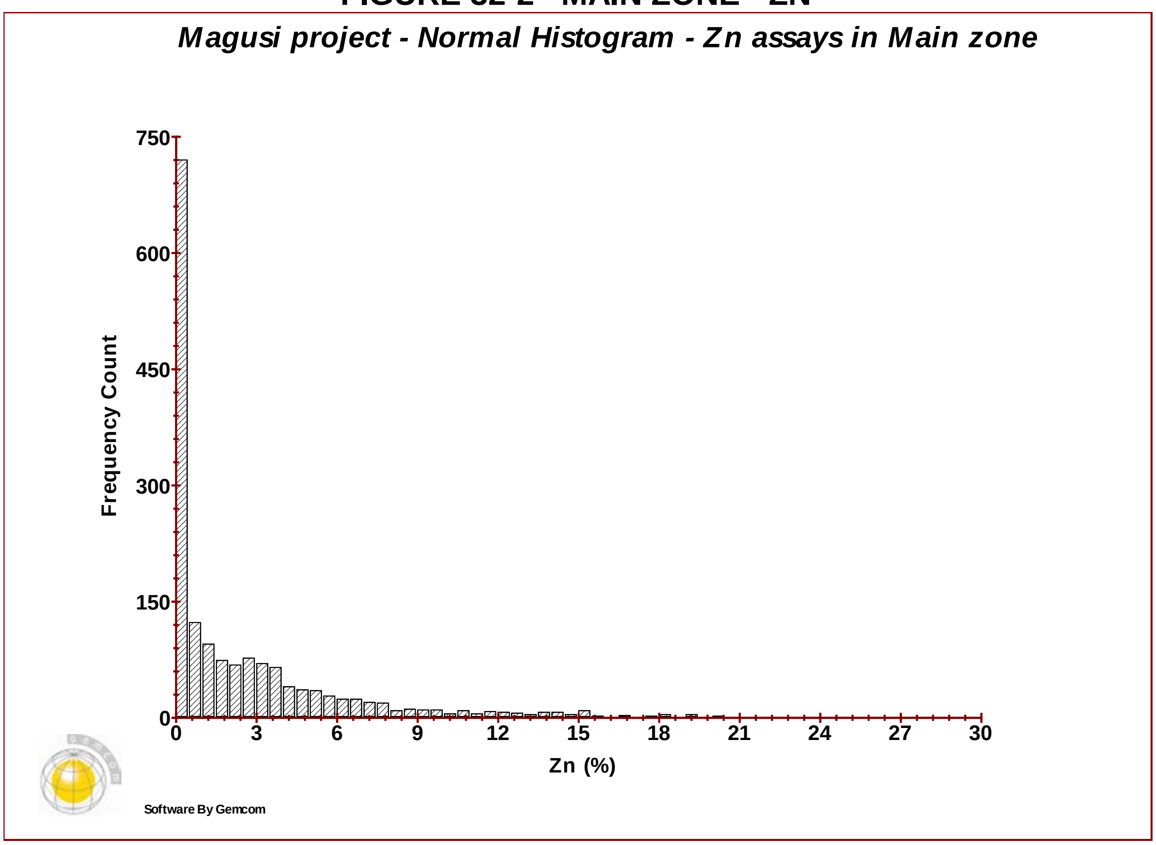
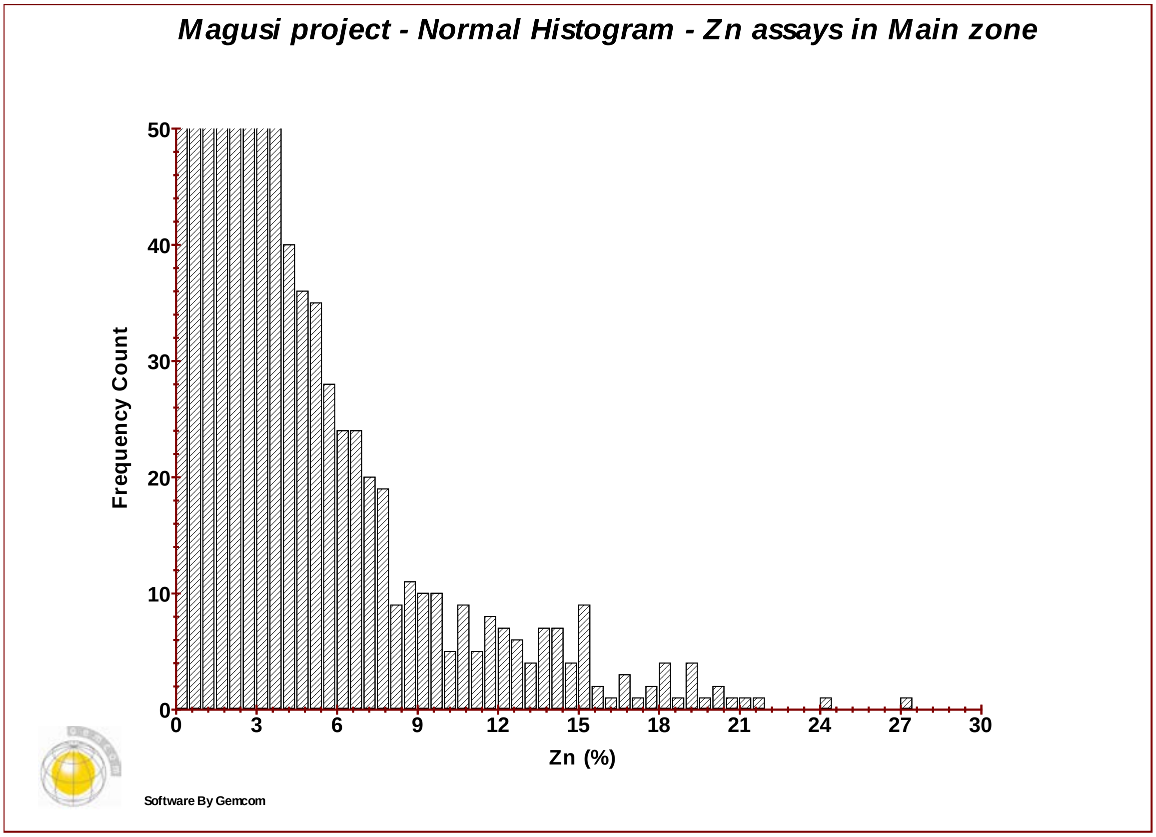


FIGURE 32-2 MAIN ZONE - ZN




Magusi project - Normal Histogram - Zn assays in Main zone
Frequency Count
0
10
20
30
40
50
0
3
6
9
12
15
18
21
24
27
30
Zn (%)
Software By Gemcom

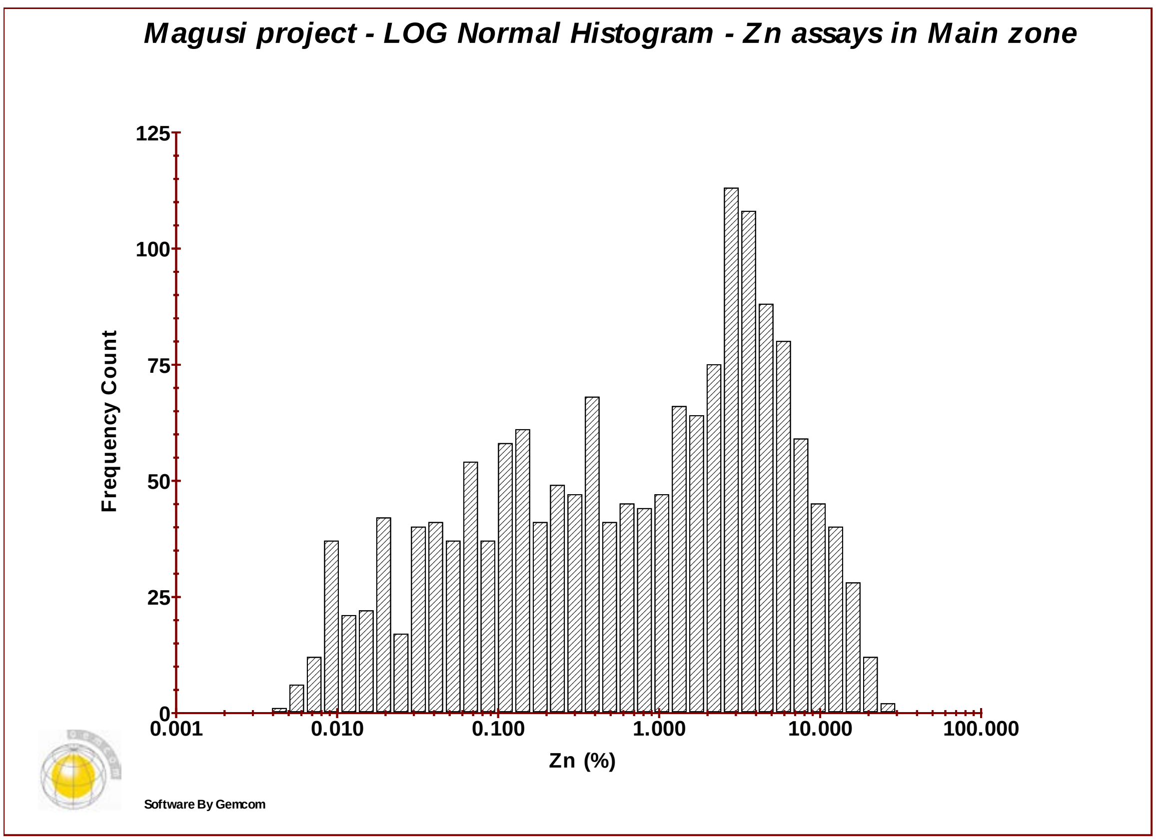
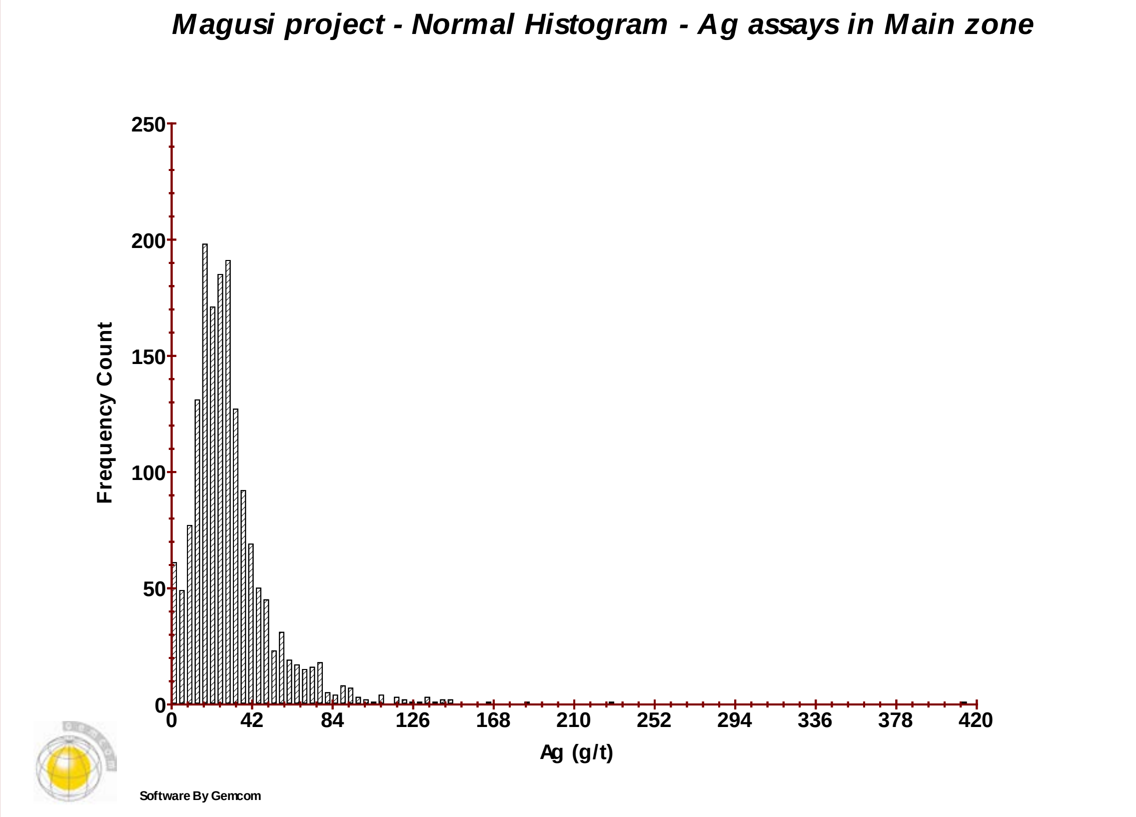
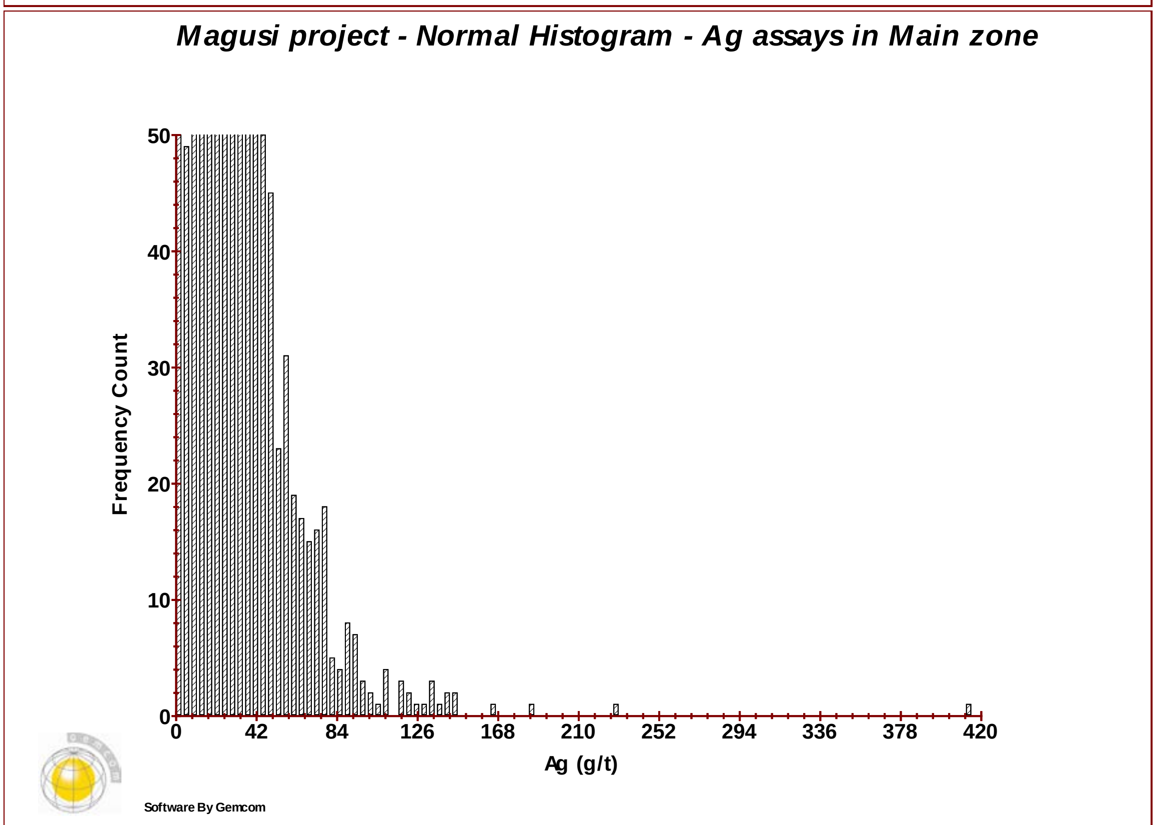

Magusi project - LOG Normal Histogram - Zn assays in Main zone
Frequency Count
0
25
50
75
100
125
0.001
0.010
0.100
1.000
10.000
100.000
Zn (%)
Software By Gemcom

FIGURE 32-3 MAIN ZONE - AG





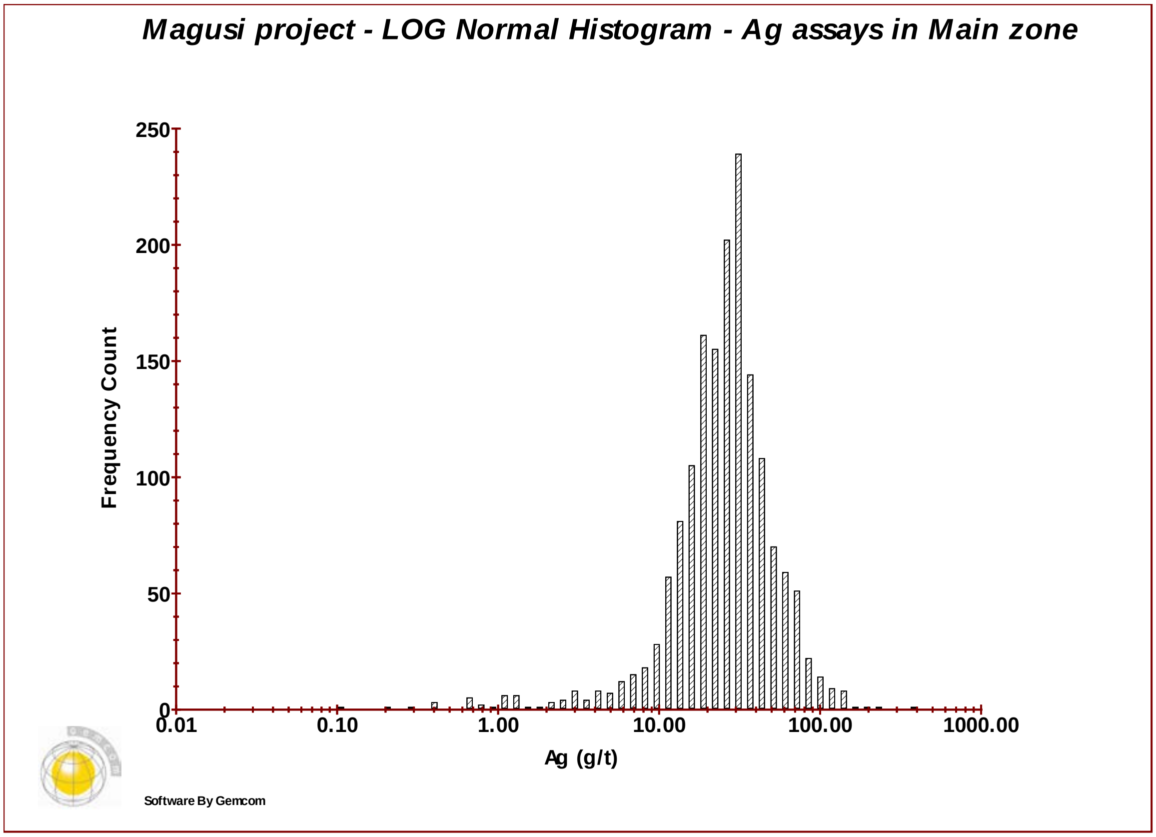
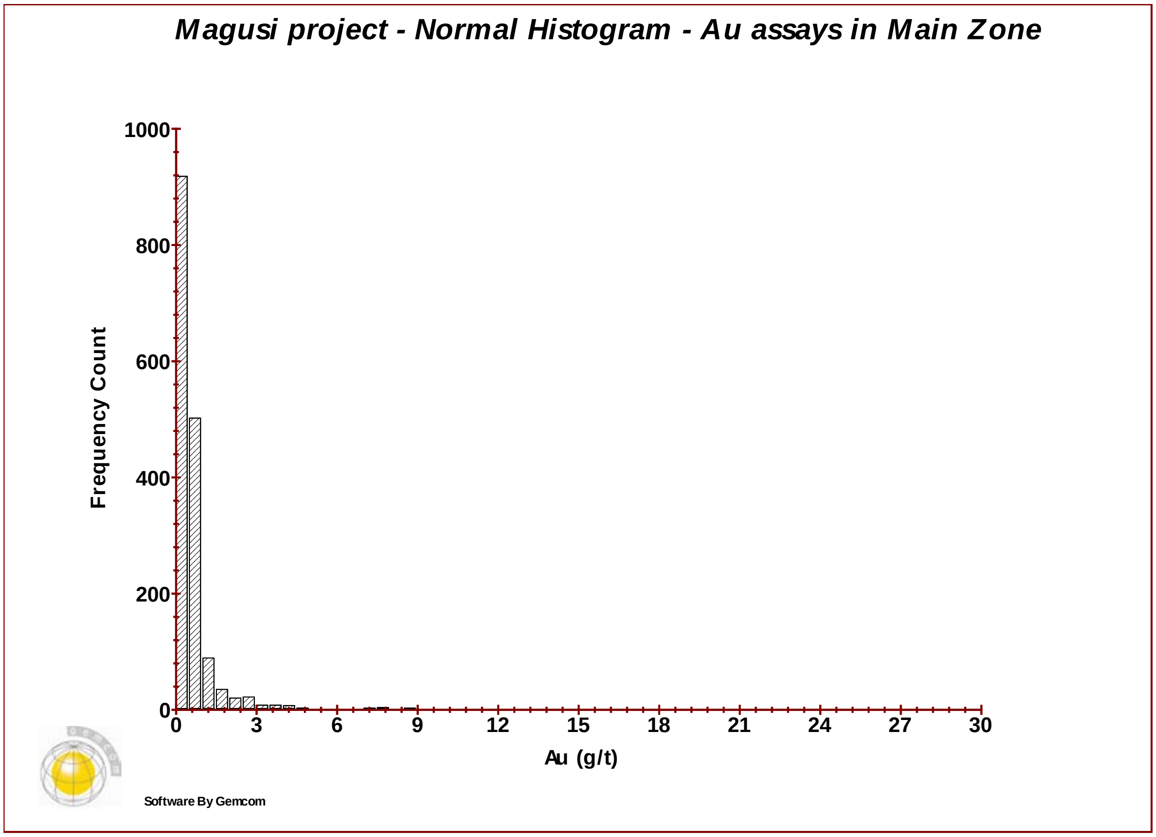
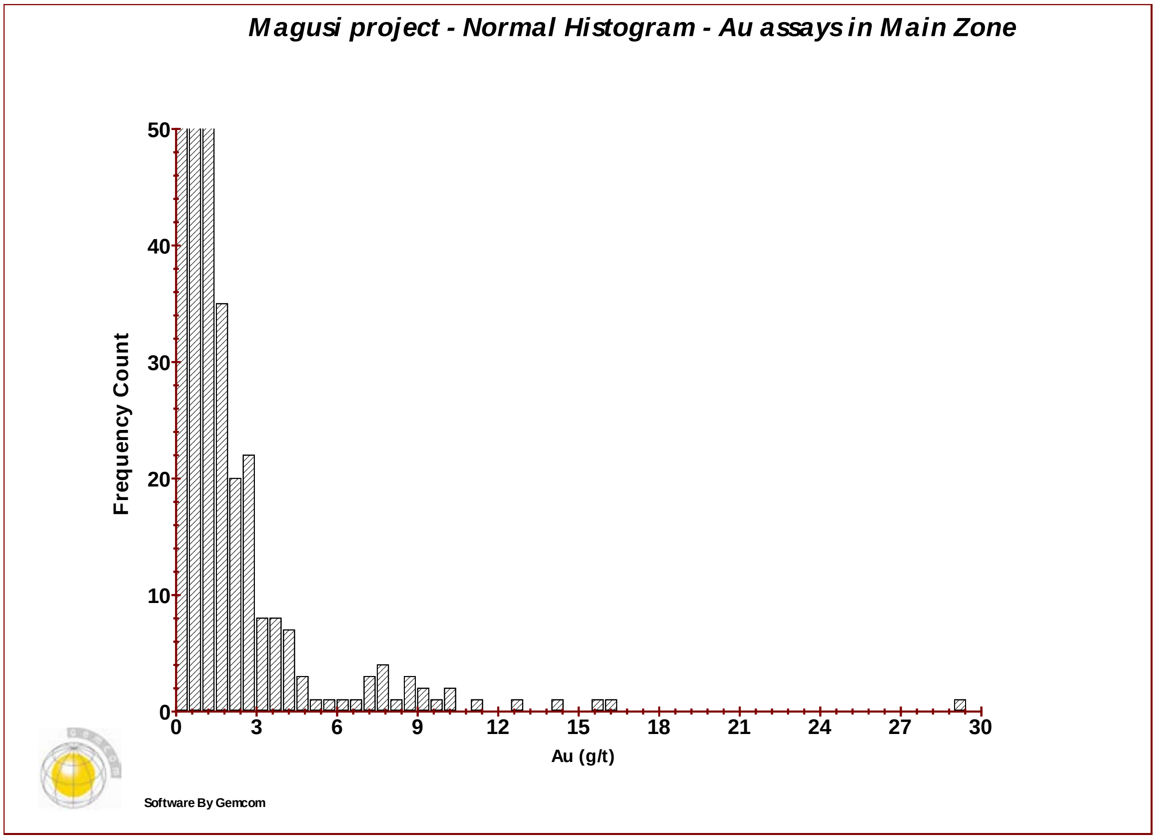


FIGURE 32-4 MAIN ZONE - AU




Magusi project - Normal Histogram - Au assays in Main Zone
Frequency Count
0
10
20
30
40
50
0
3
6
9
12
15
18
21
24
27
30
Au (g/t)
Software By Gemcom

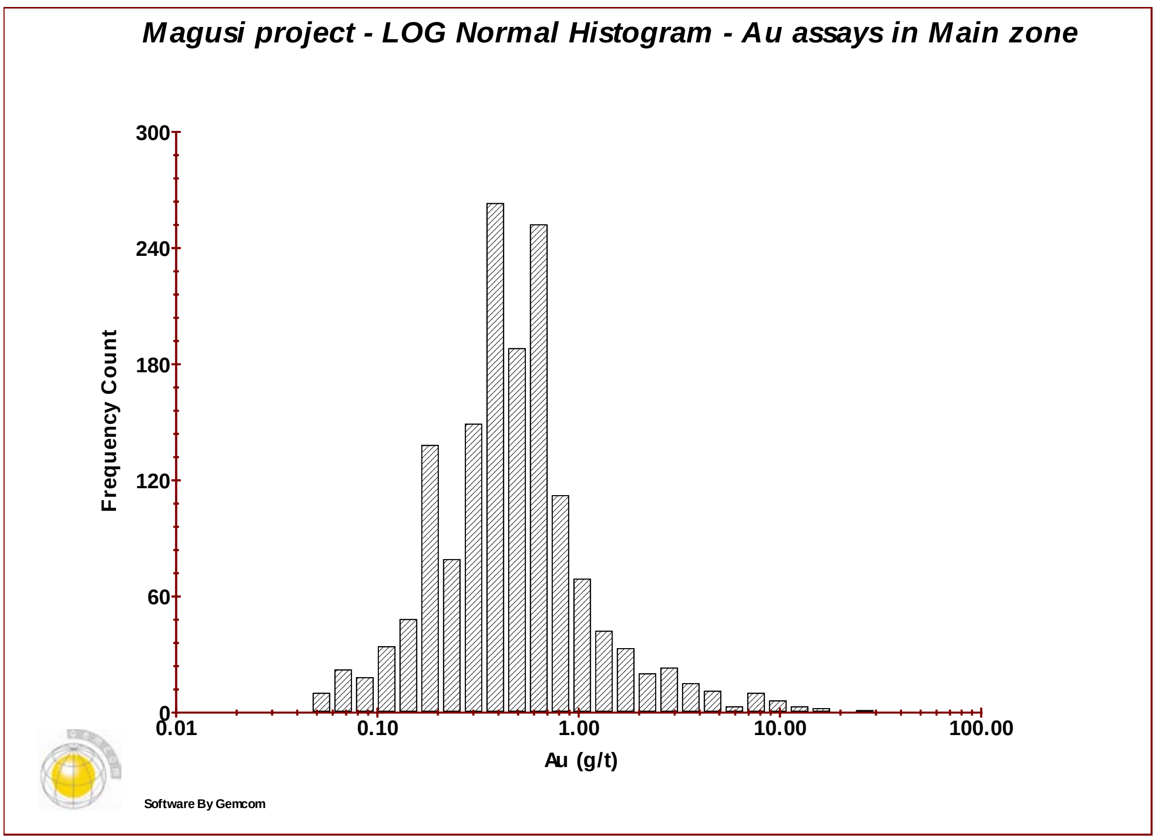
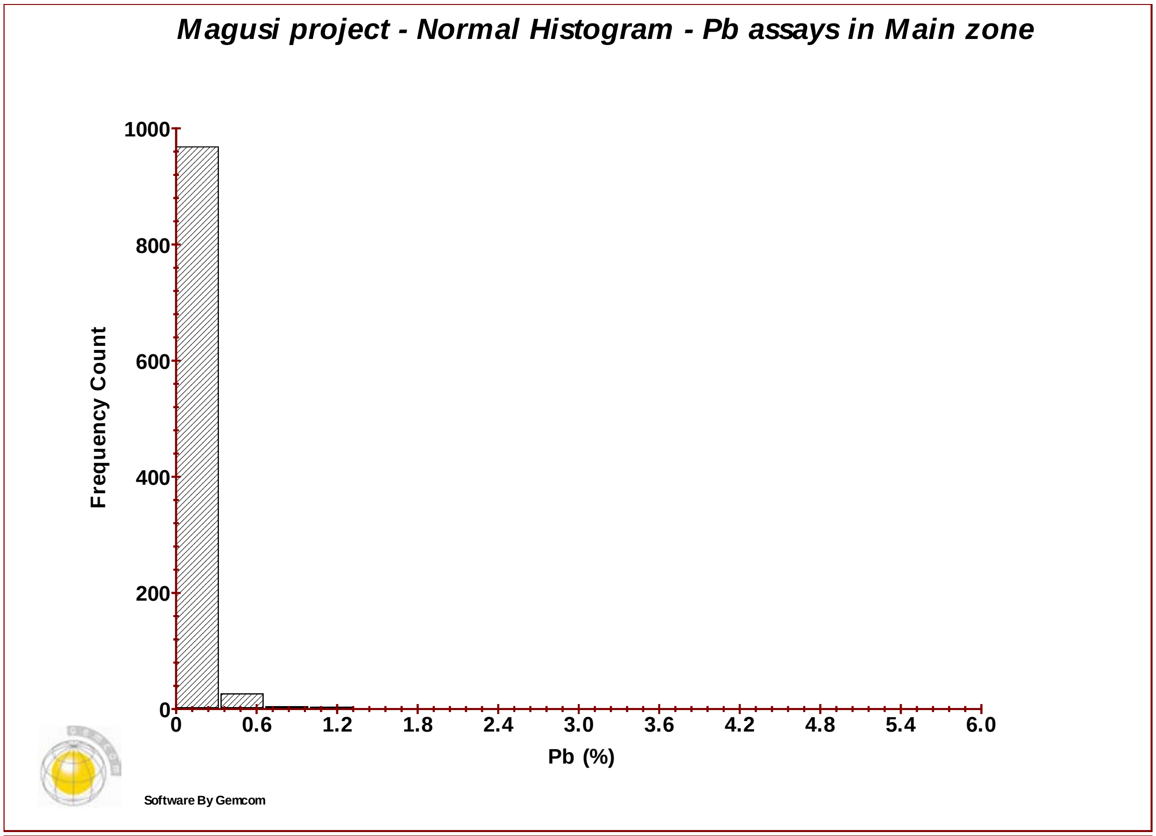
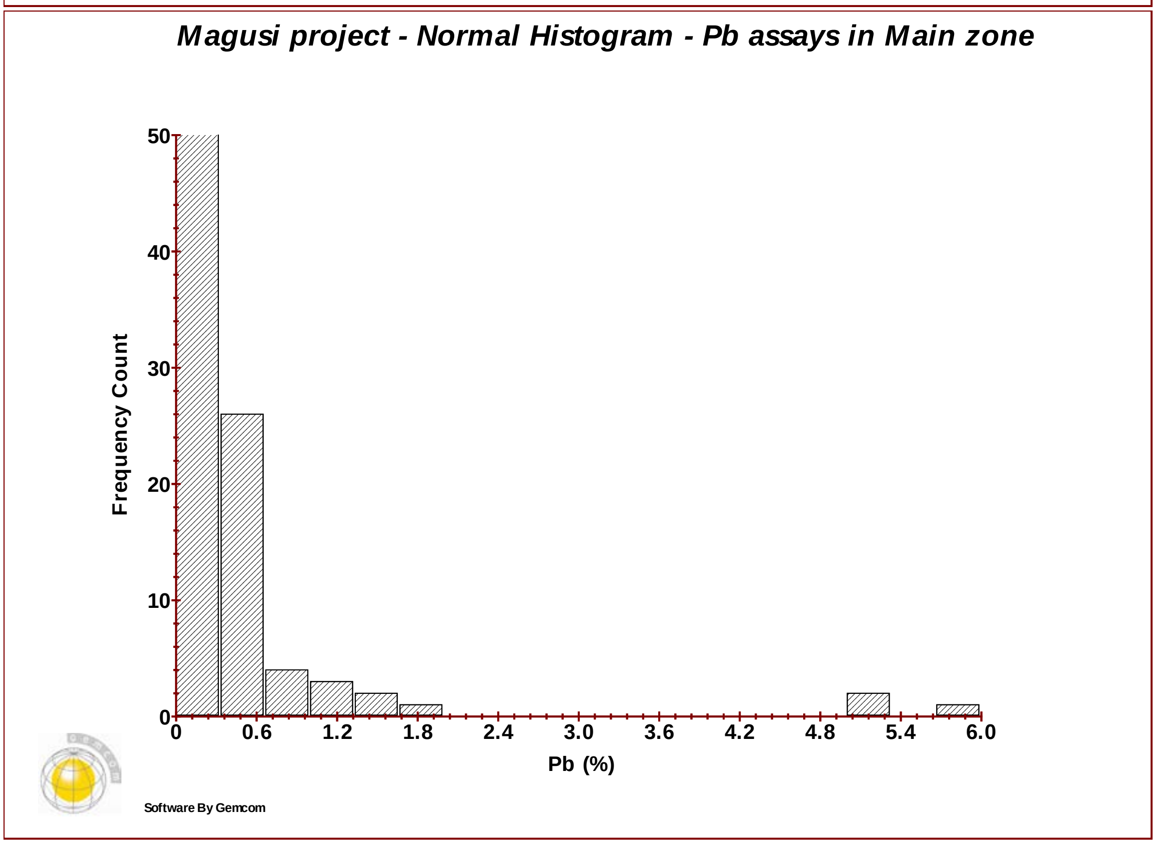

Magusi project - LOG Normal Histogram - Au assays in Main zone
Frequency Count
0
60
120
180
240
300
0.01
0.10
1.00
10.00
100.00
Au (g/t)
Software By Gemcom

FIGURE 32-5 MAIN ZONE - PB





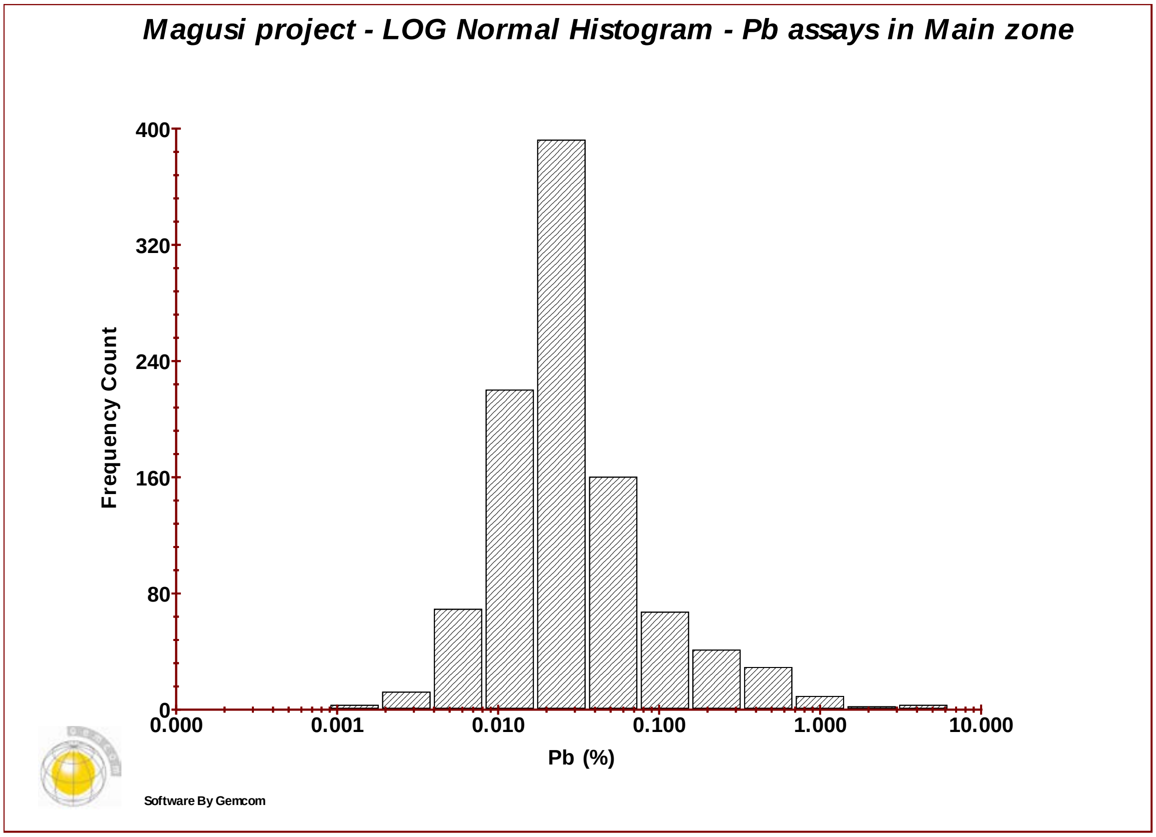


FIGURE 32-6 MAIN ZONE - DENSITY

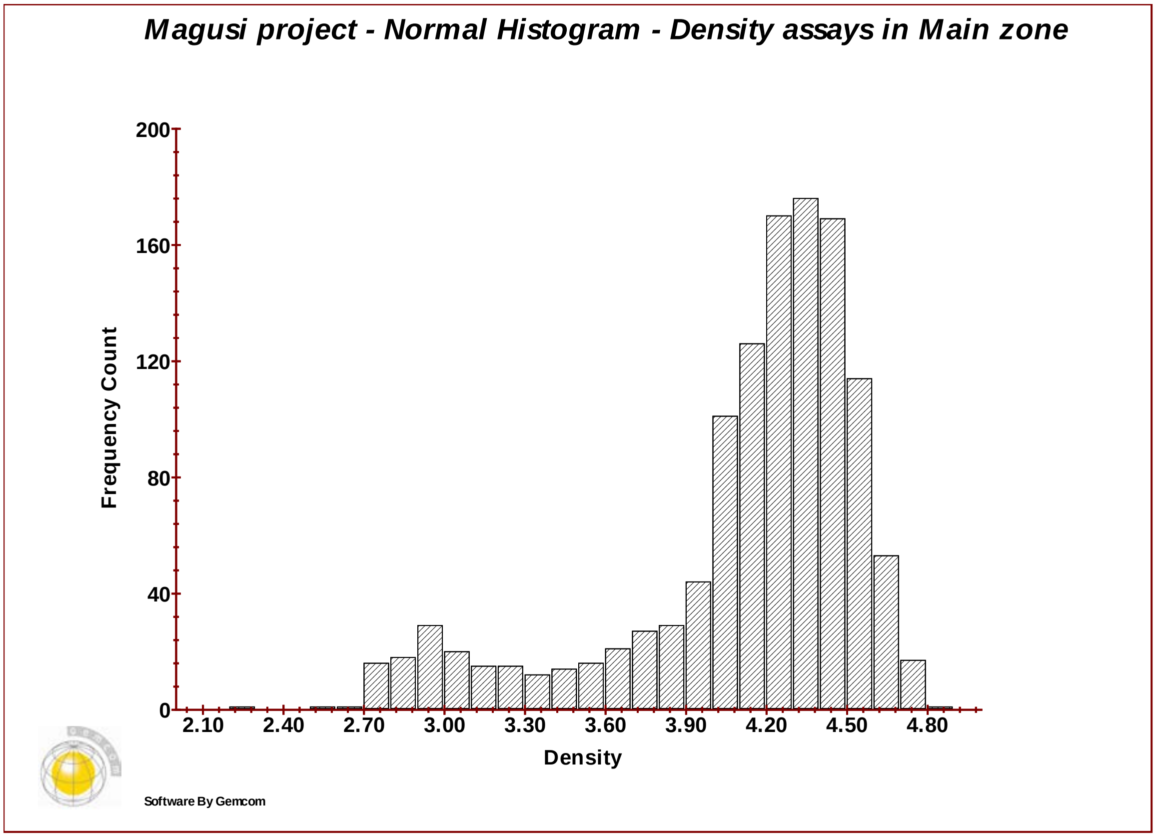


FIGURE 32-7 MAIN ZONE – SAMPLE LENGTH

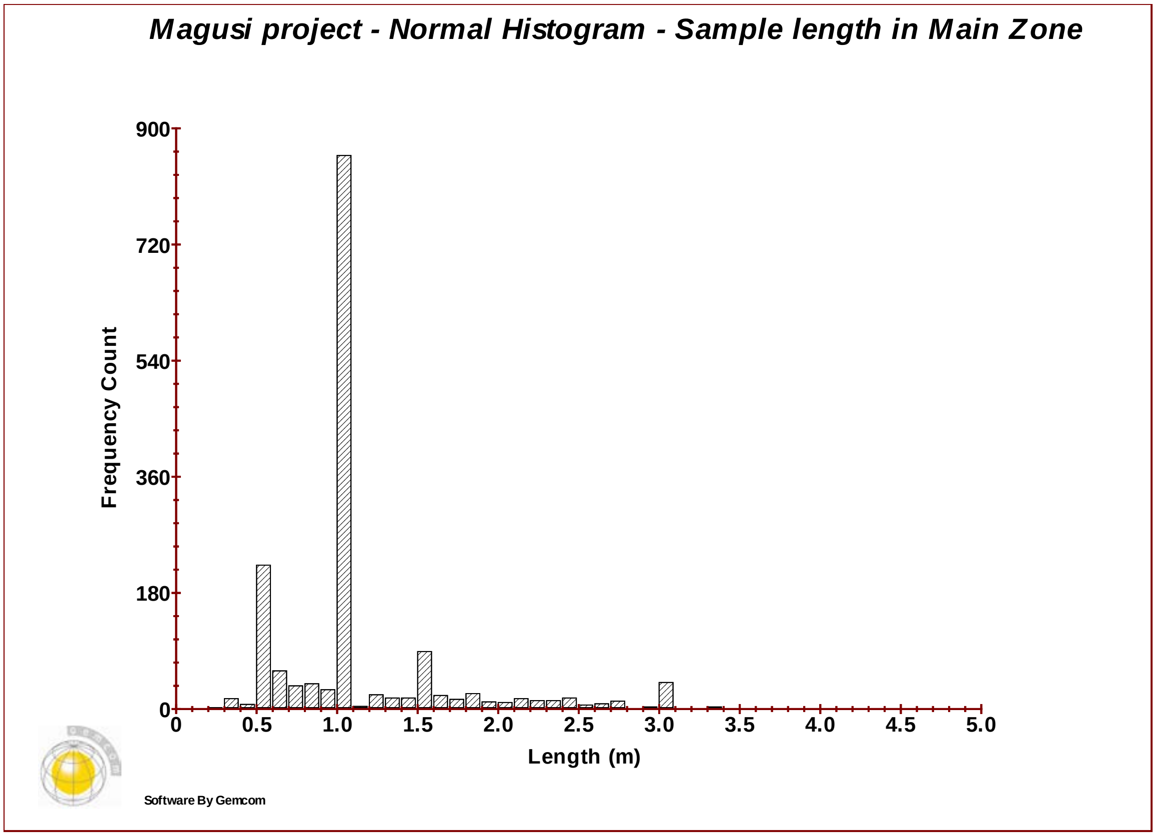
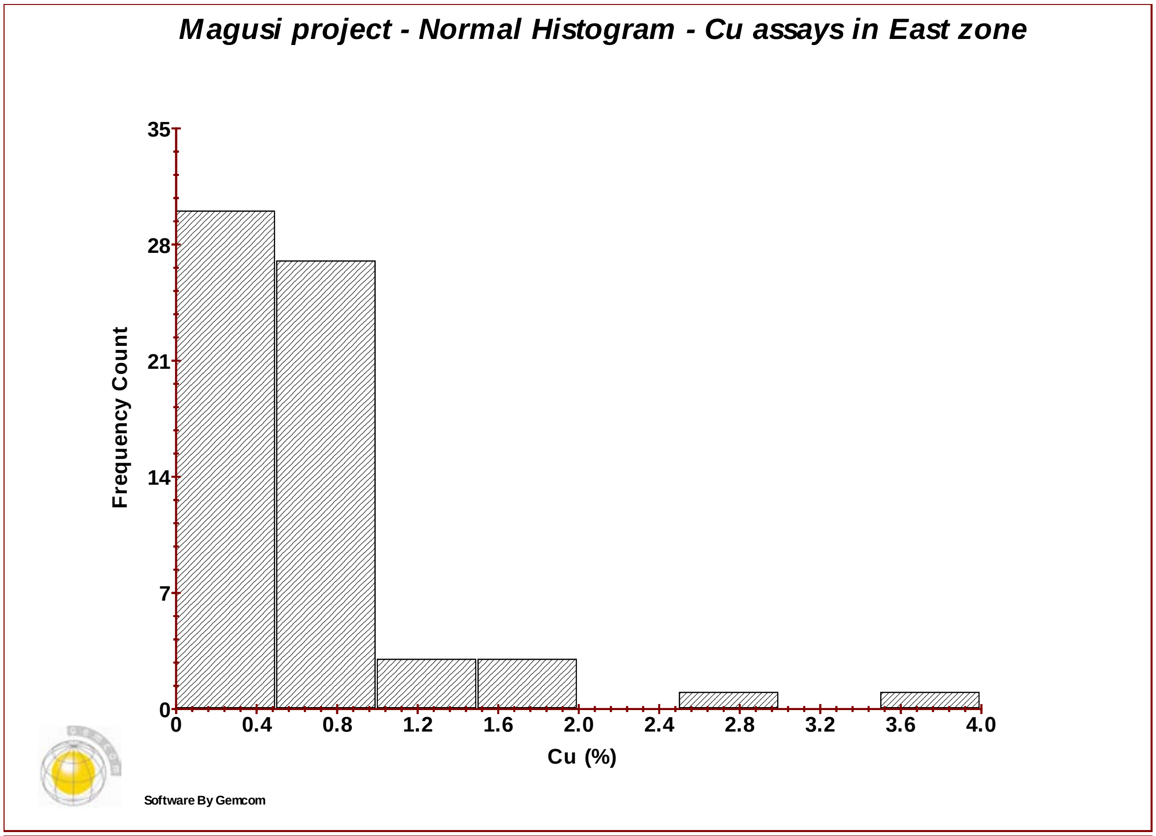


FIGURE 32-8 EAST ZONE - CU



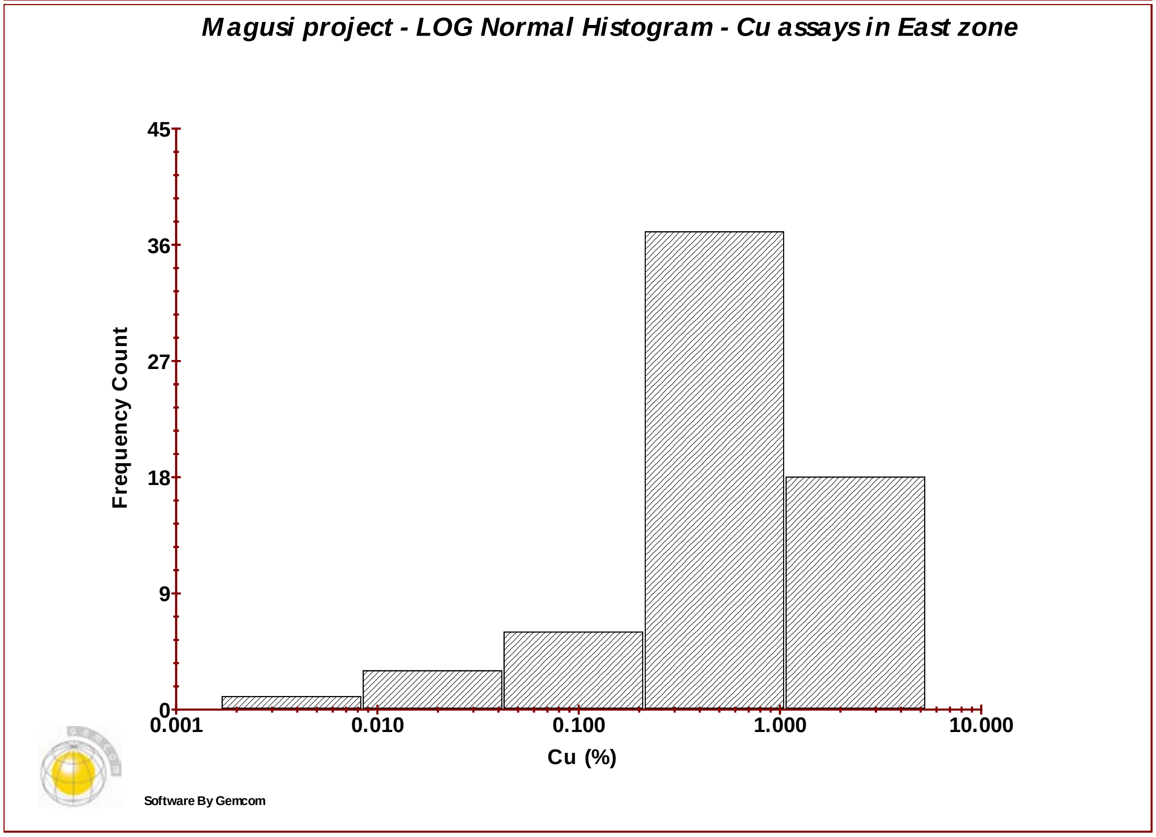
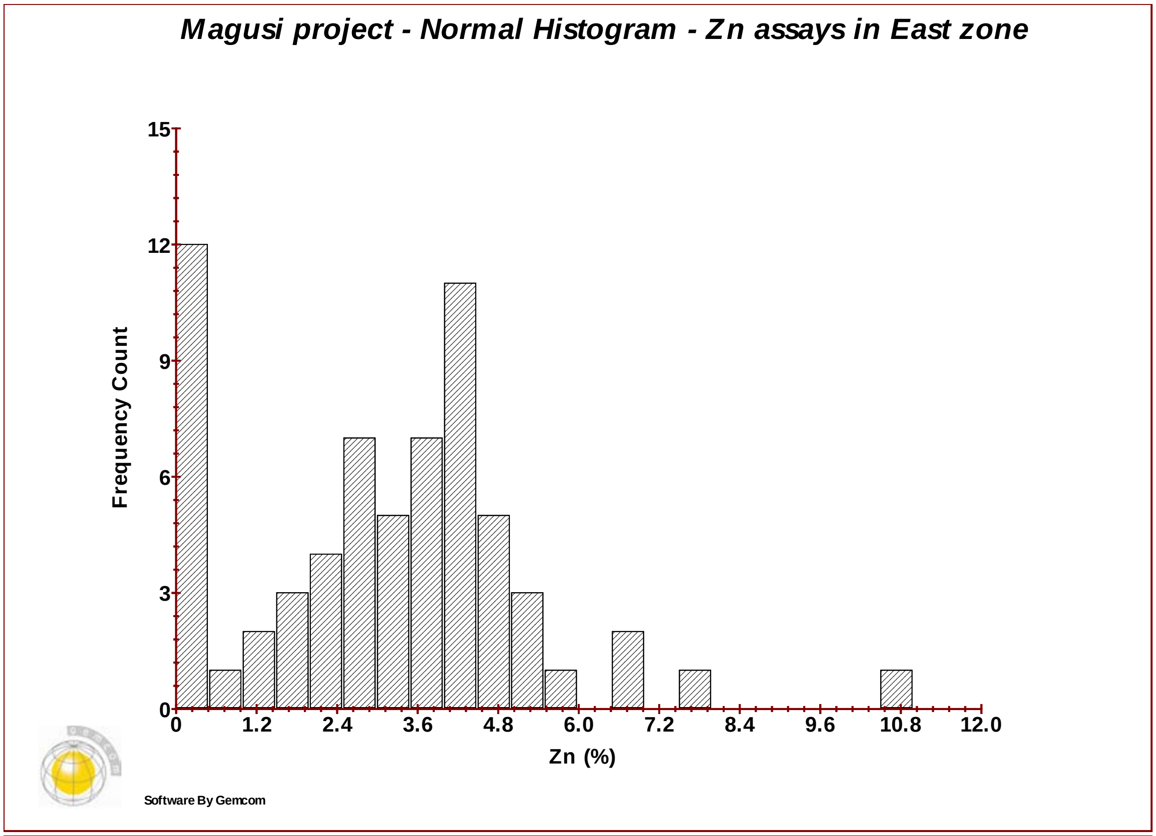


FIGURE 32-9 EAST ZONE - ZN



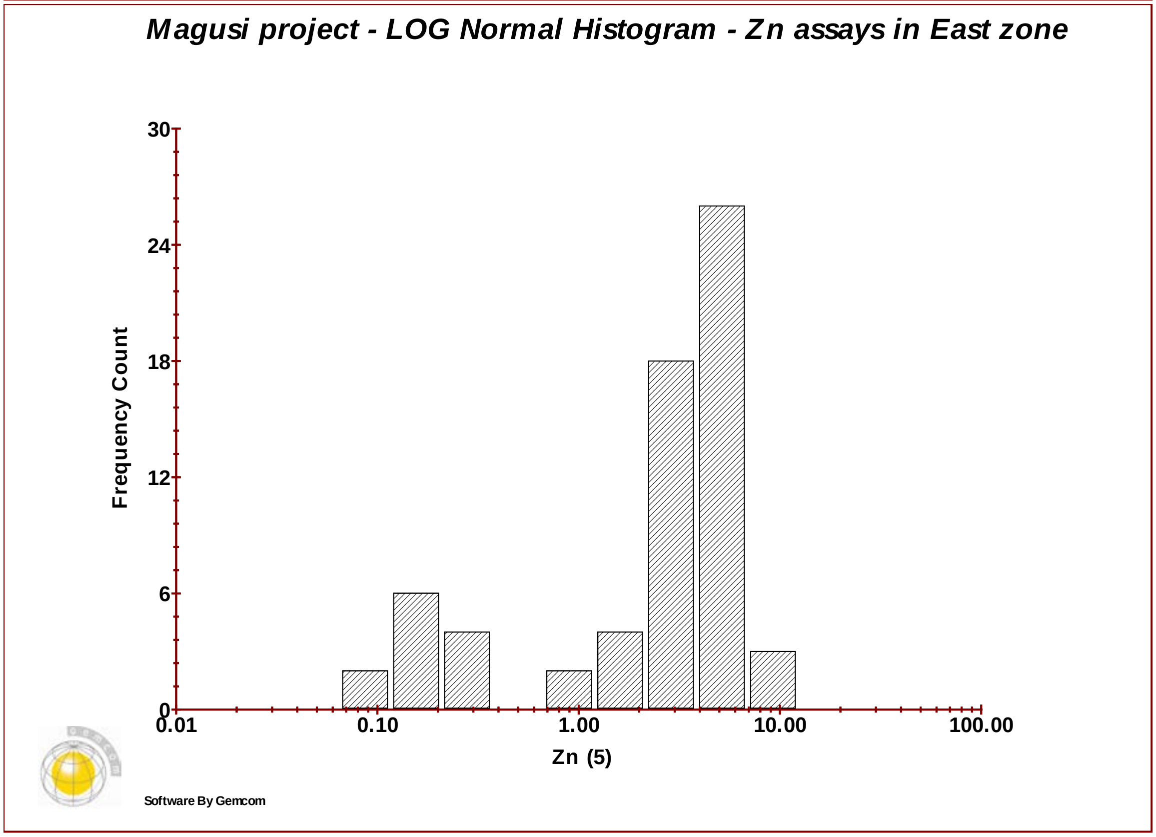
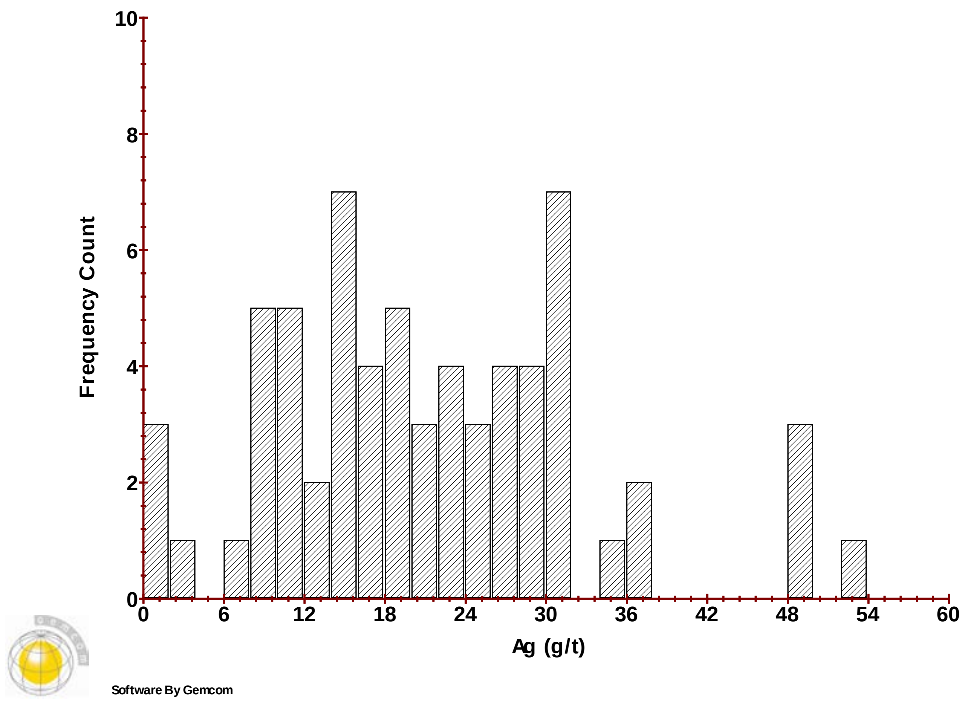


FIGURE 32-10 EAST ZONE - AG

Magusi project - Normal Histogram - Ag assays in East zone



Magusi project - LOG Normal Histogram - Ag assays in East zone

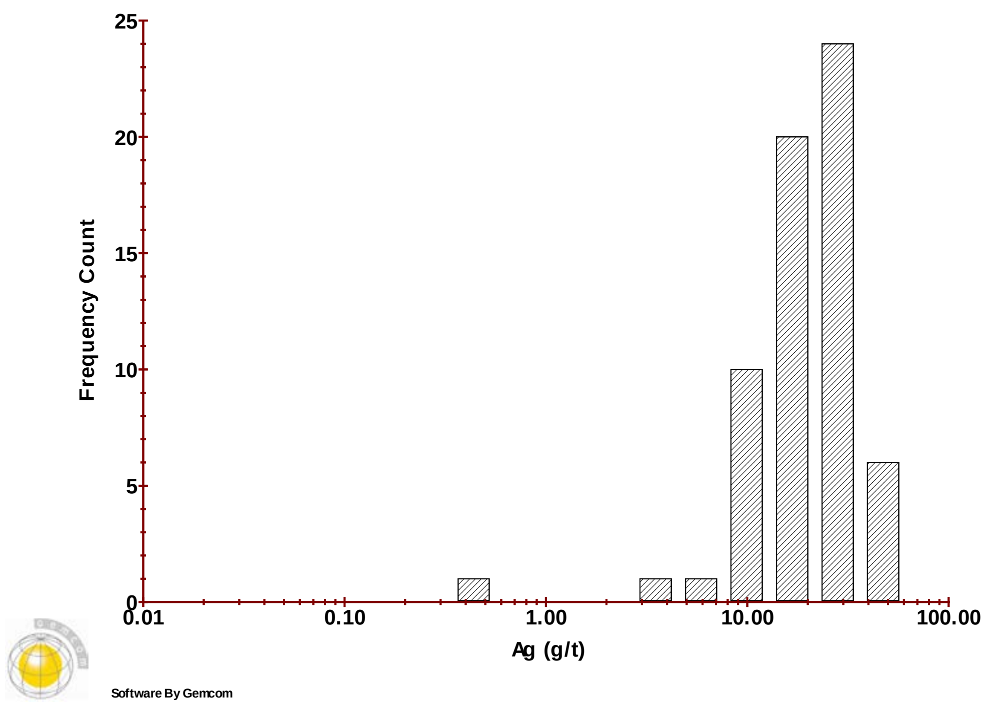
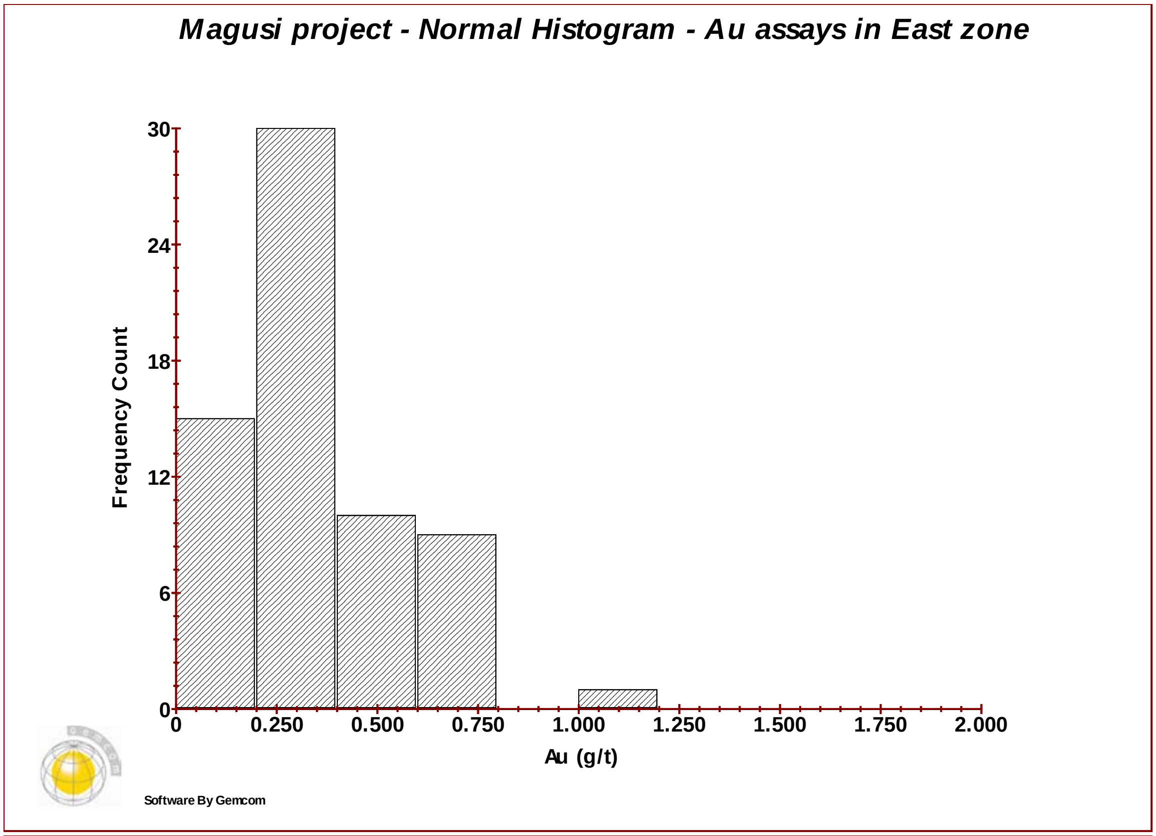


FIGURE 32-11 EAST ZONE - AU



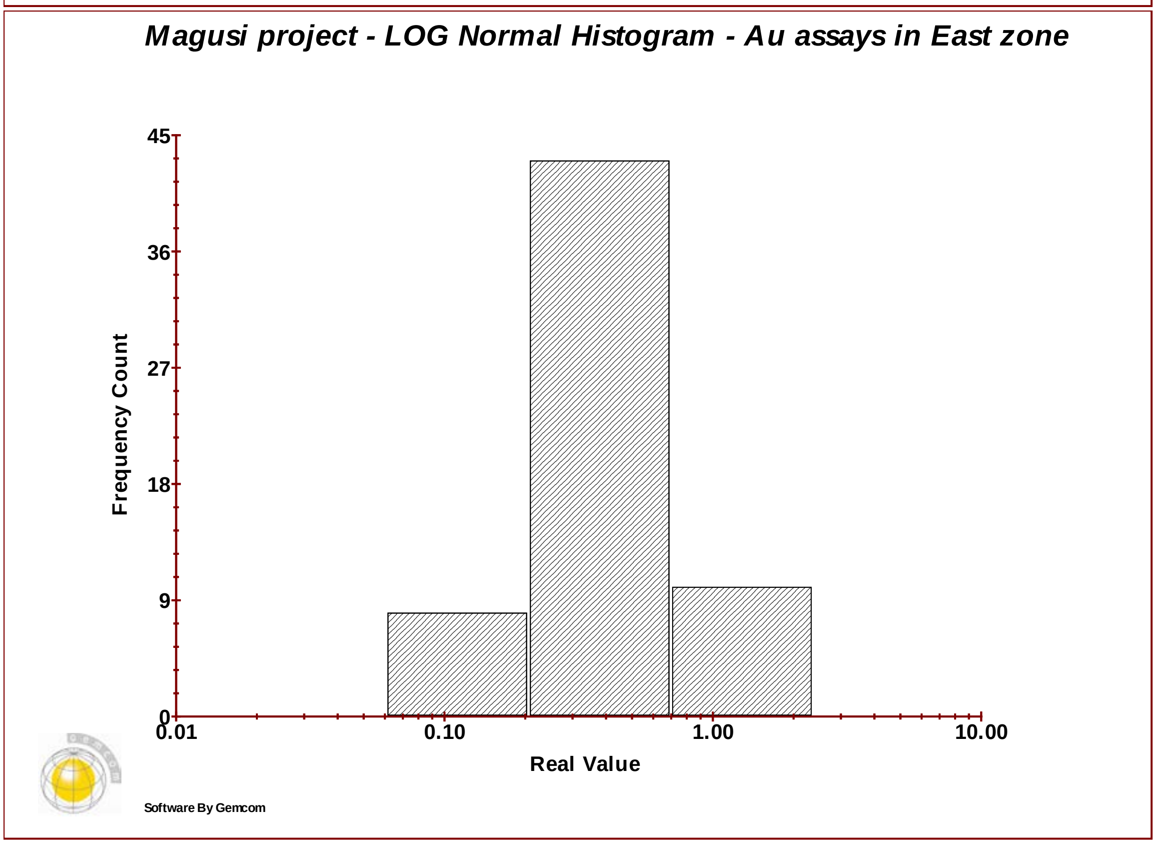


FIGURE 32-12 EAST ZONE - DENSITY

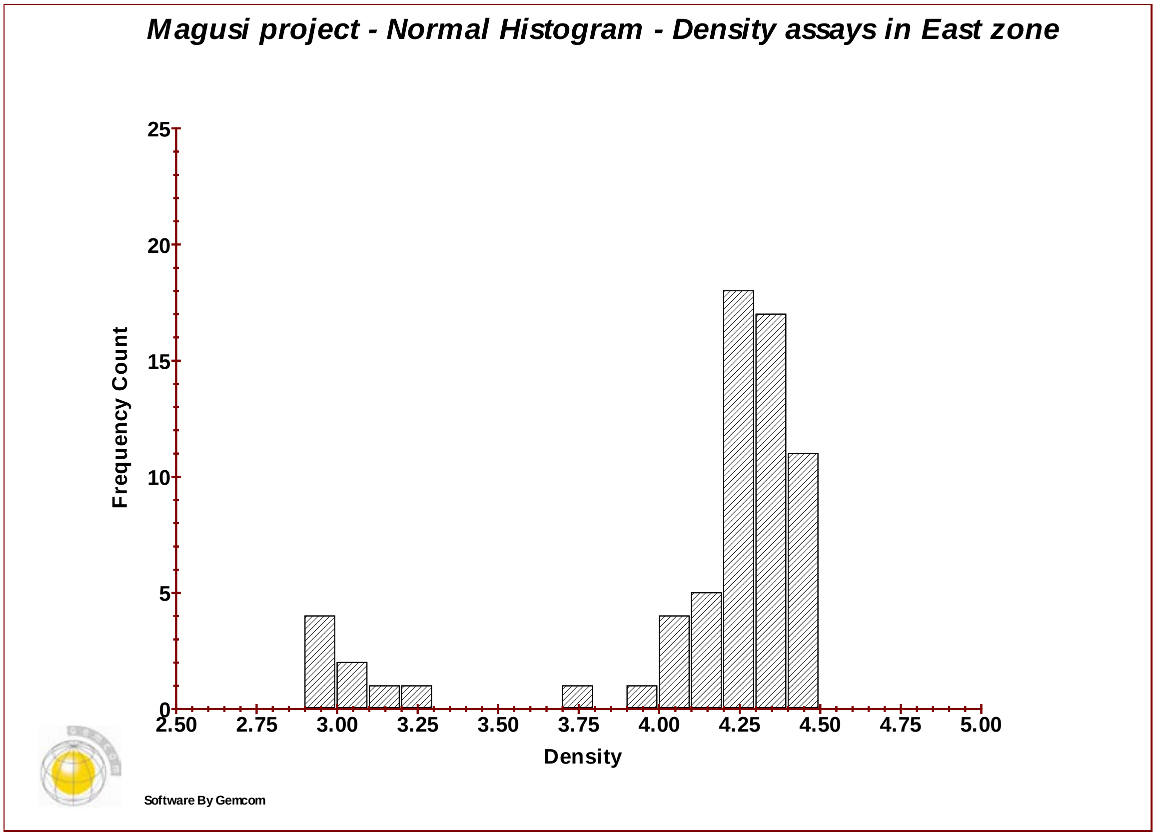
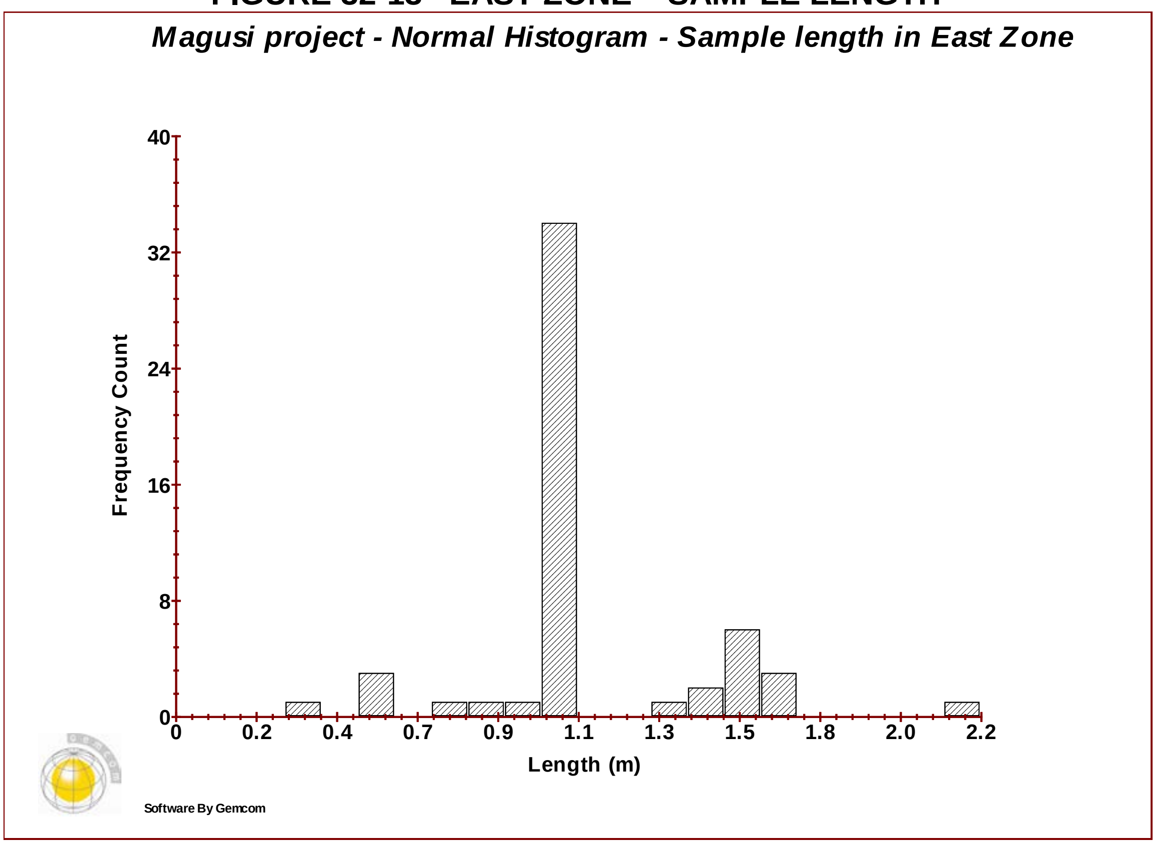


FIGURE 32-13 EAST ZONE – SAMPLE LENGTH



33 APPENDIX 4

VARIOGRAPHY MAIN ZONE - DOWN HOLE AND 3D VARIOGRAMS

- **CU**
- **ZN**
- **AG**
- **AU**
- **PB**
- **DENSITY**

34 APPENDIX 5

LONGITUDINAL SECTIONS – MAIN AND EAST ZONES

(LOOKING NORTH AND LOOKING SOUTH)

- **CU**
- **ZN**
- **AG**
- **AU**
- **PB**
- **DENSITY**
- **MEAN DISTANCE OF COMPOSITES TO BLOCK CENTRES**

FIGURE 34-1 LONGITUDINAL SECTION (LOOKING NORTH) - NSR BLOCK MODEL

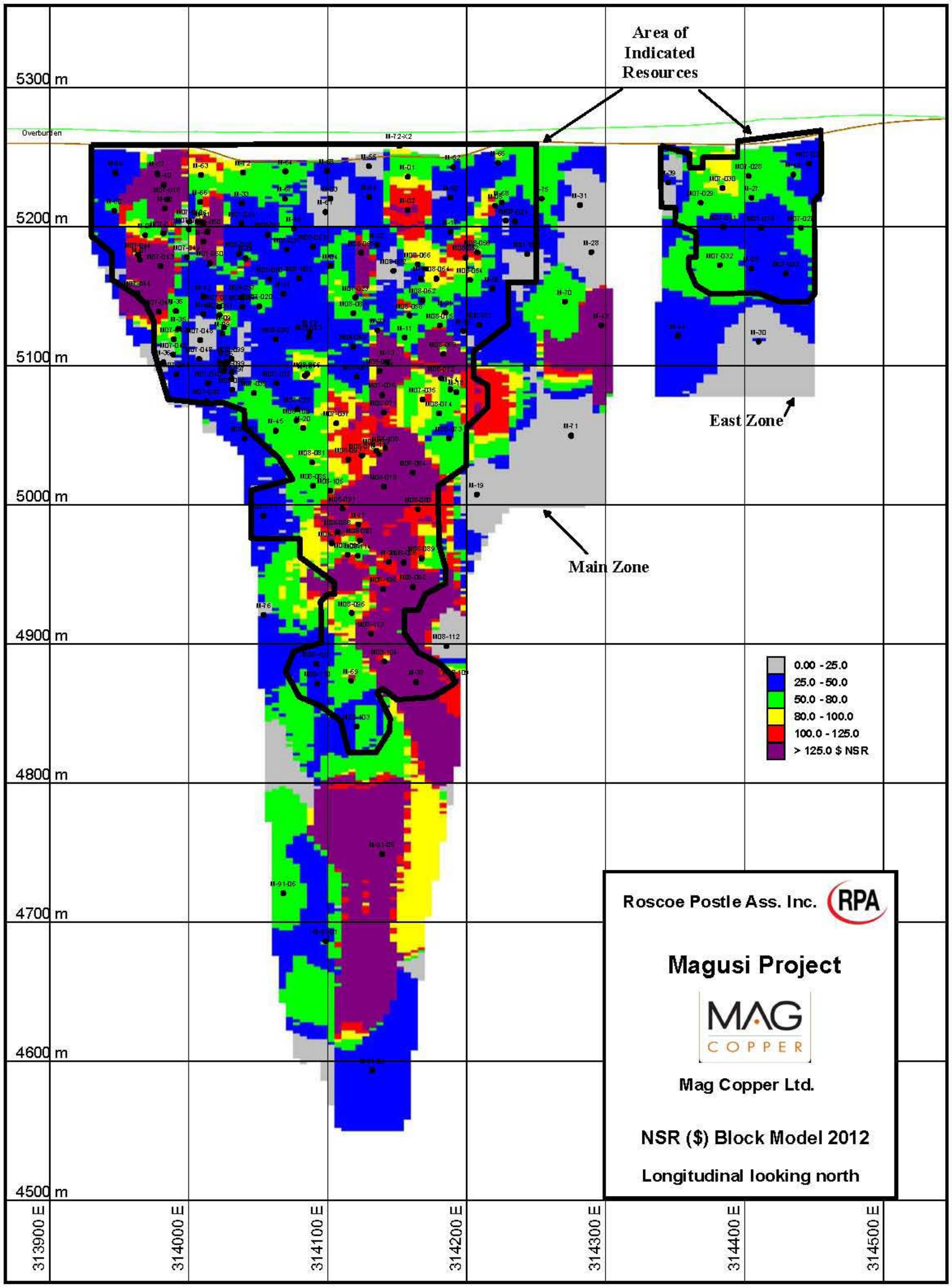


FIGURE 34-2 LONGITUDINAL SECTION (LOOKING SOUTH) - NSR BLOCK MODEL

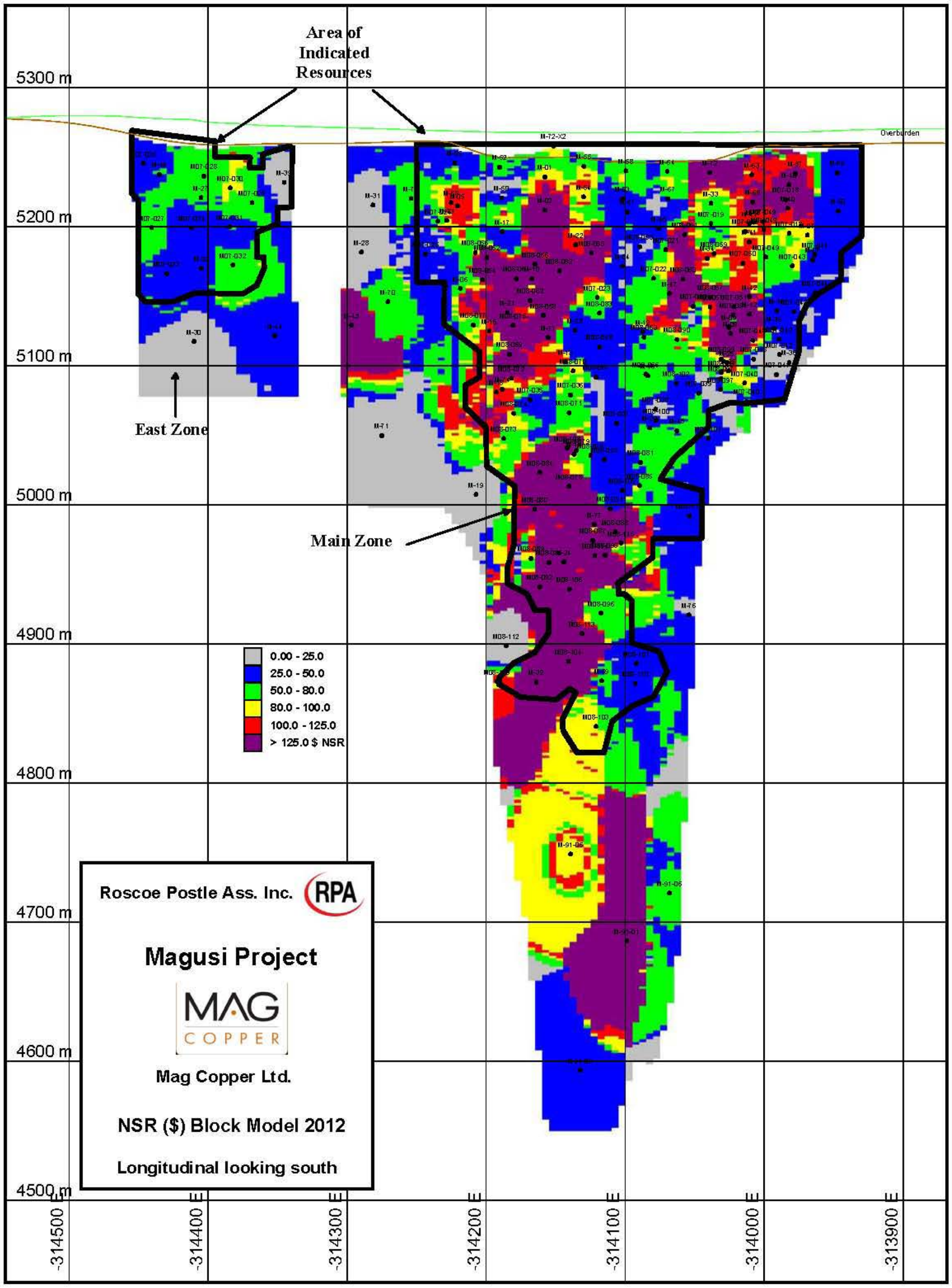


FIGURE 34-3 LONGITUDINAL SECTION (LOOKING NORTH) - CU BLOCK MODEL

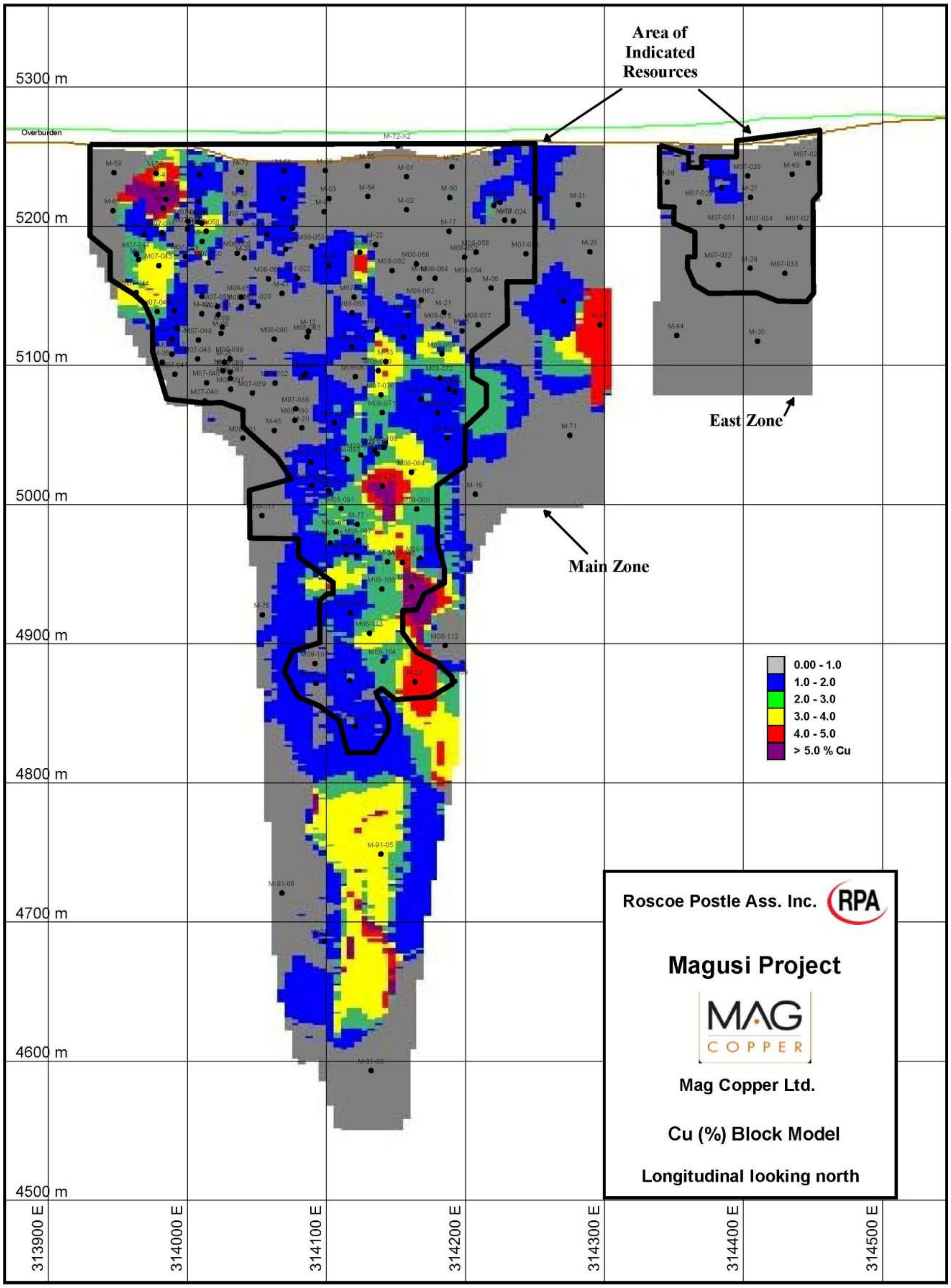


FIGURE 34-4 LONGITUDINAL SECTION (LOOKING SOUTH) - CU BLOCK MODEL

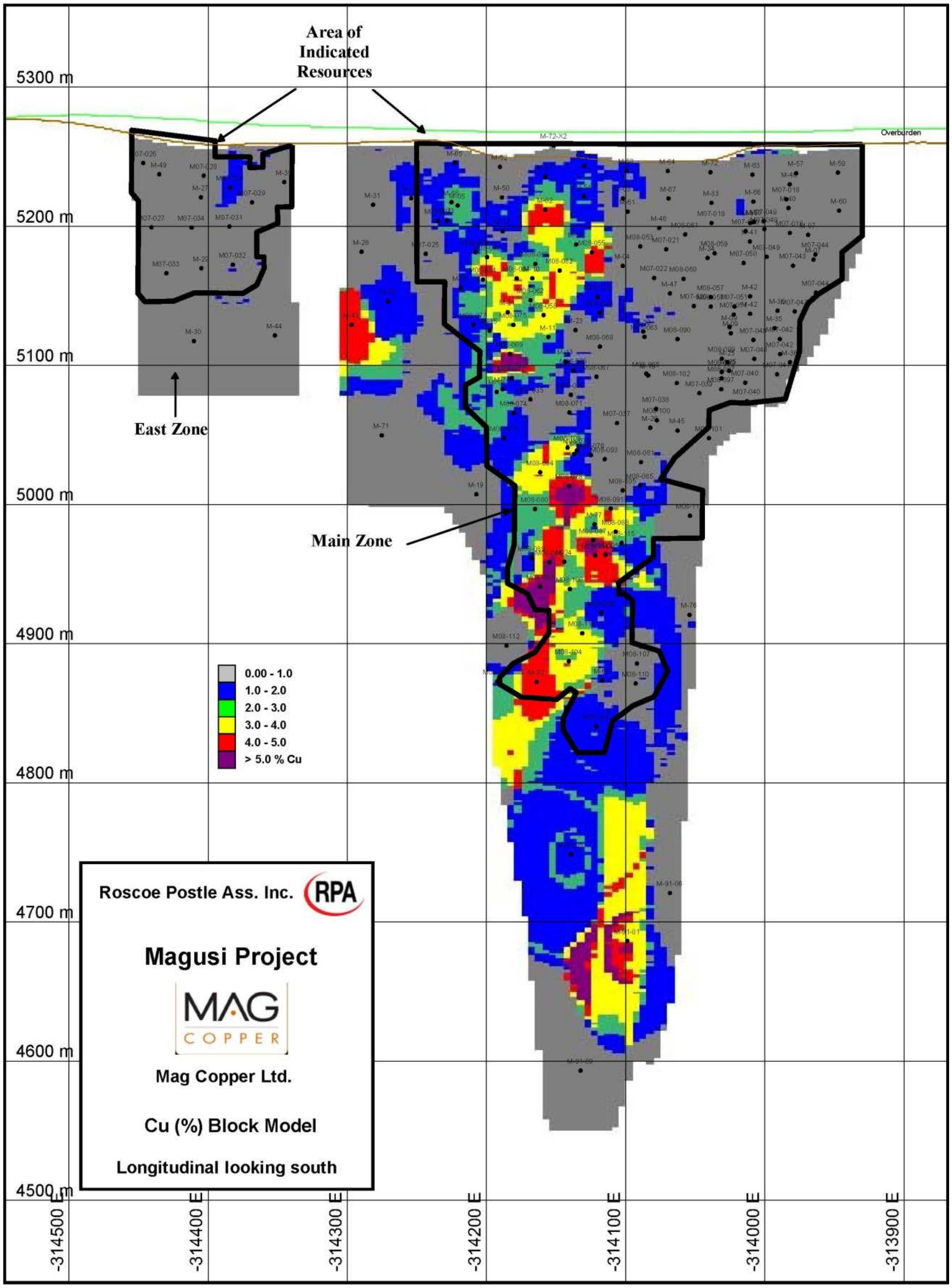


FIGURE 34-5 LONGITUDINAL SECTION (LOOKING NORTH) - ZN BLOCK MODEL

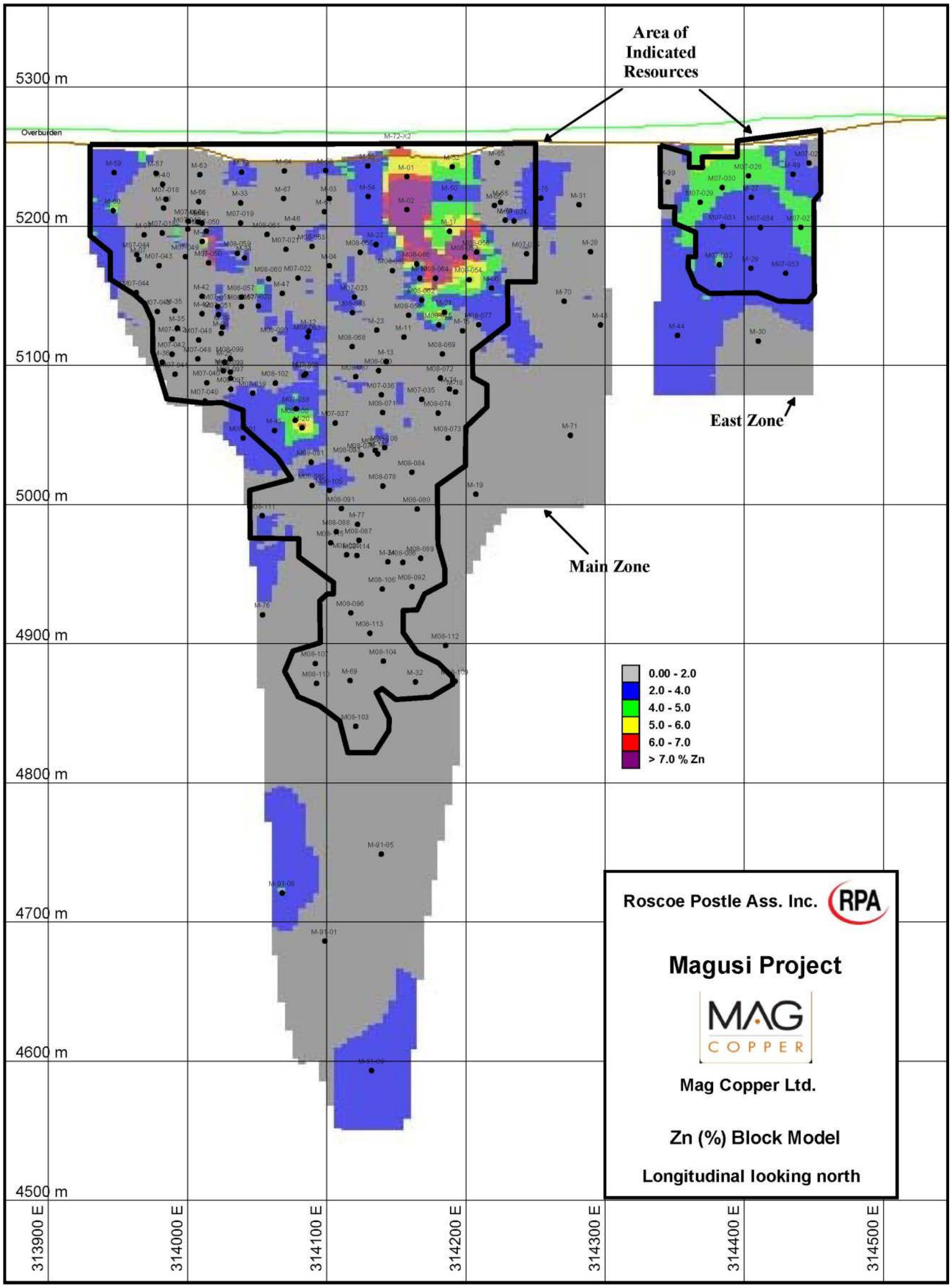


FIGURE 34-6 LONGITUDINAL SECTION (LOOKING SOUTH) - ZN BLOCK MODEL

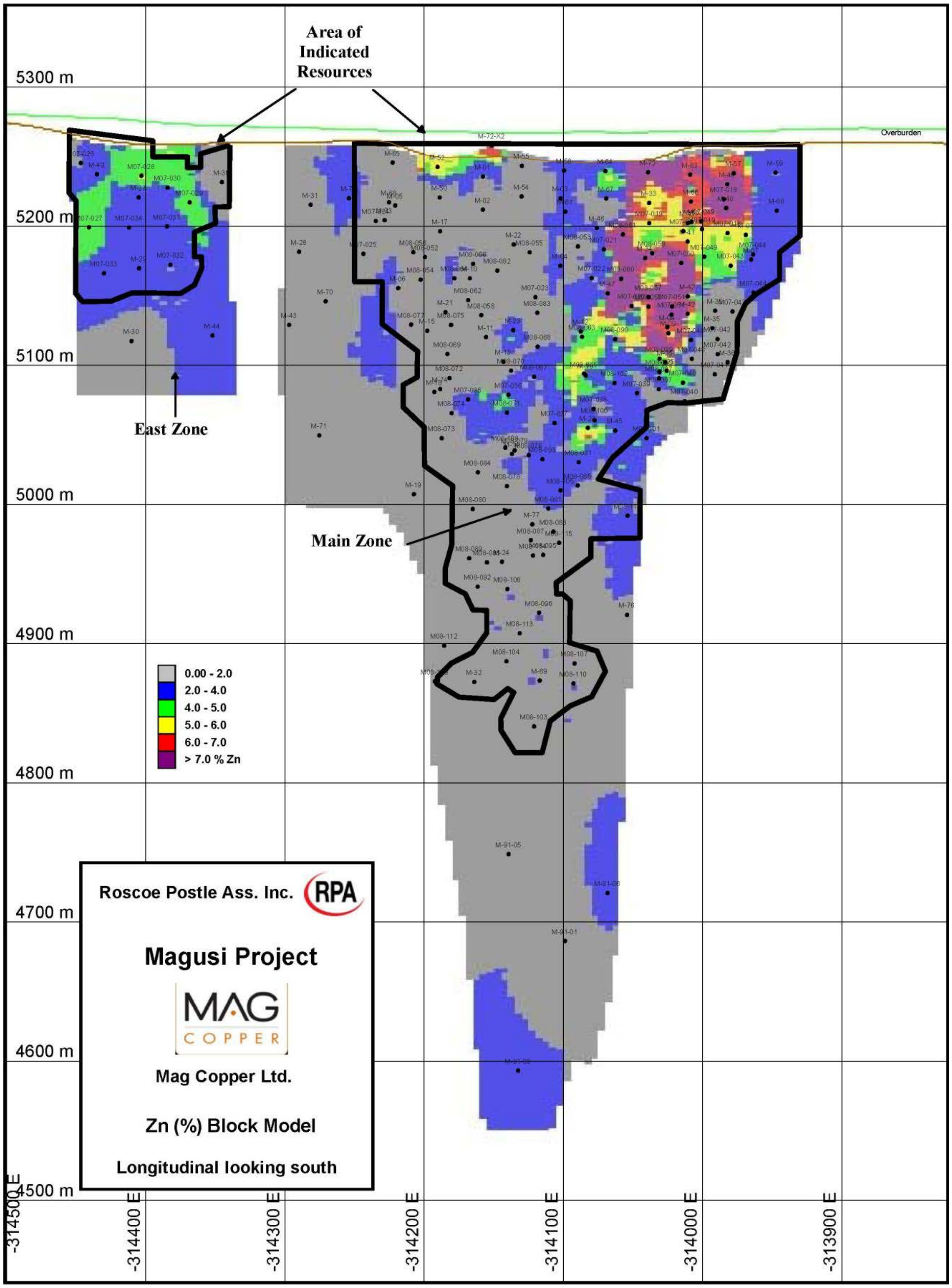


FIGURE 34-7 LONGITUDINAL SECTION (LOOKING NORTH) - AG BLOCK MODEL

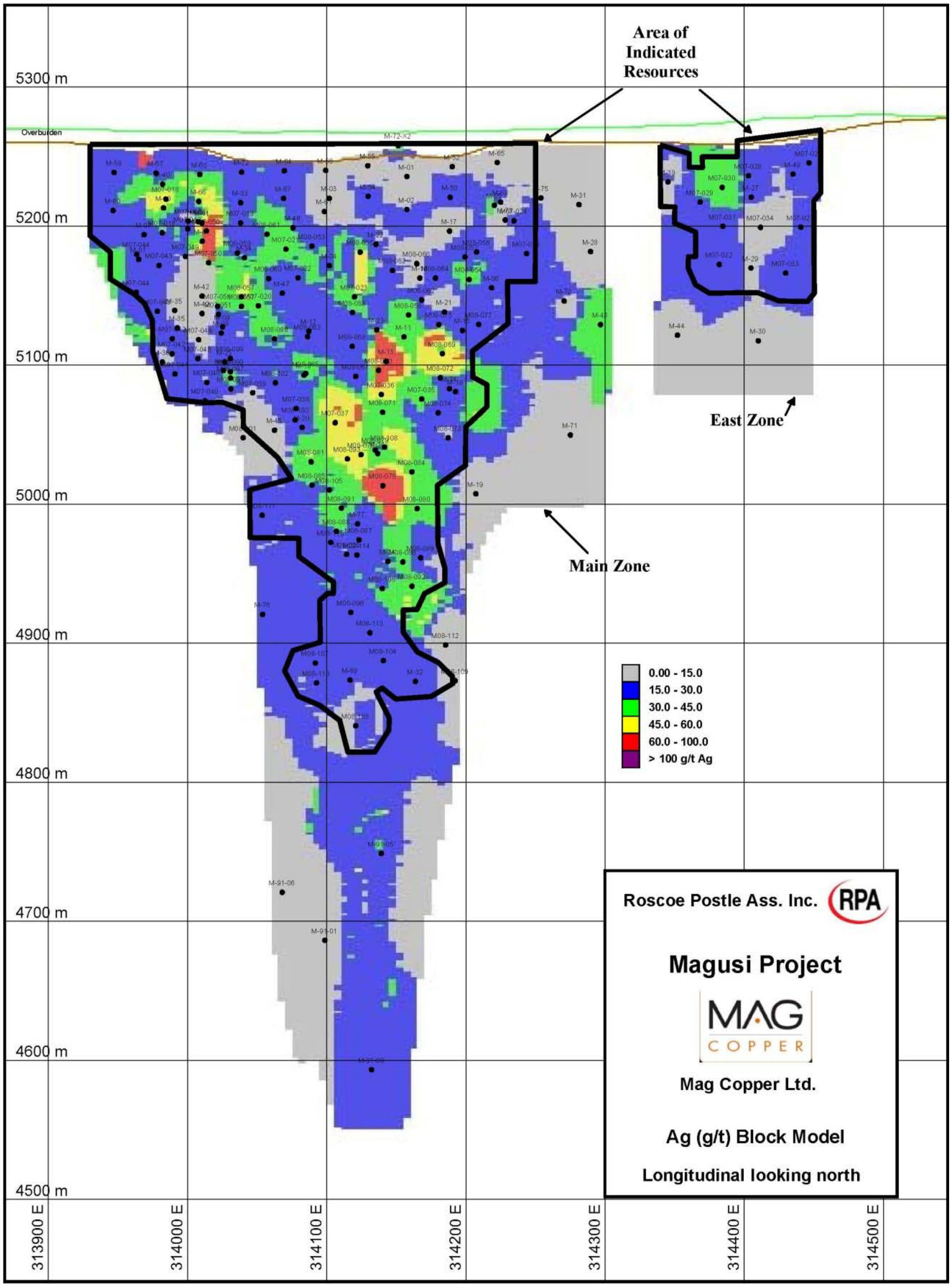


FIGURE 34-8 LONGITUDINAL SECTION (LOOKING SOUTH) - AG BLOCK MODEL

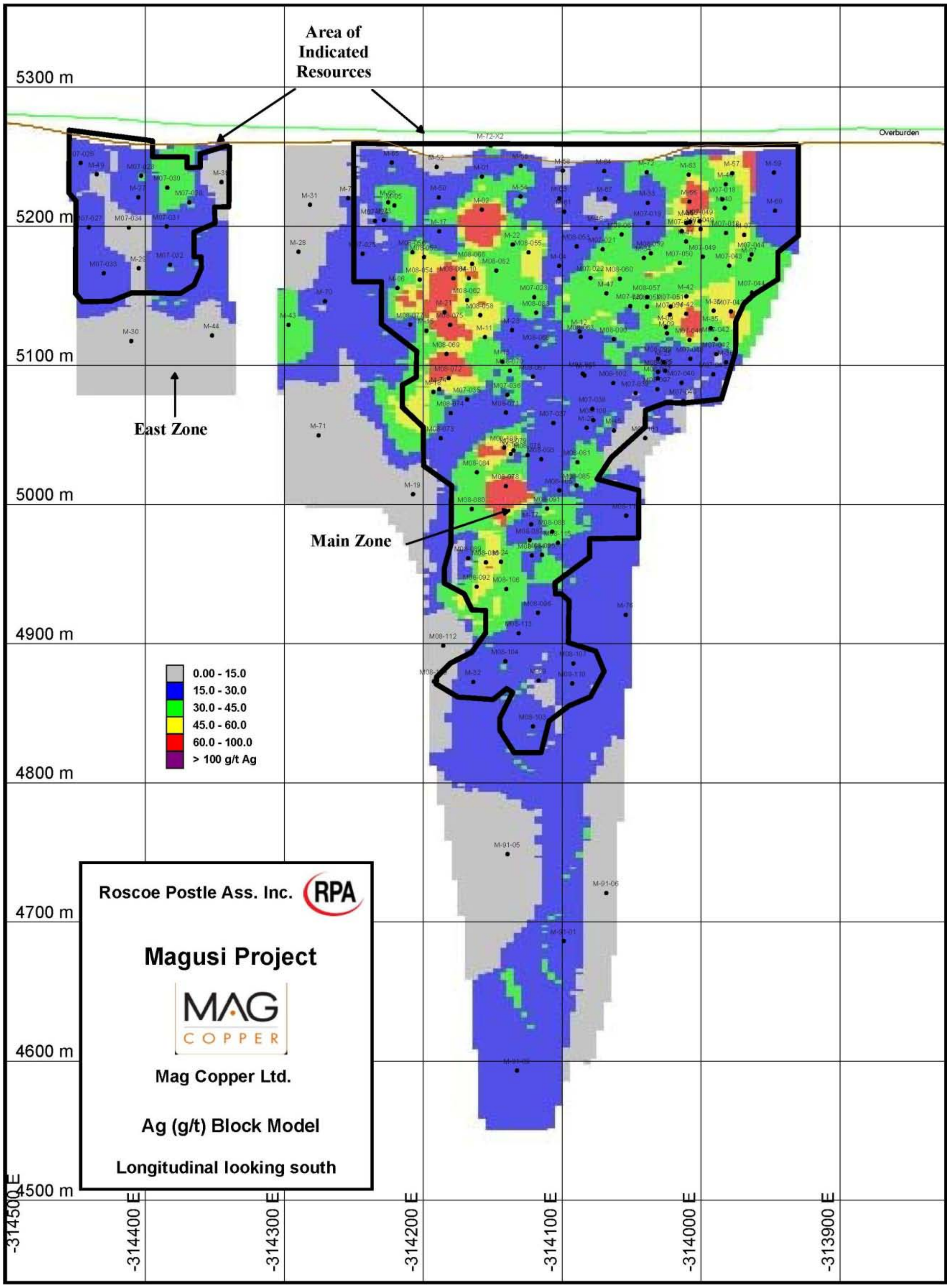


FIGURE 34-9 LONGITUDINAL SECTION (LOOKING NORTH) - AU BLOCK MODEL

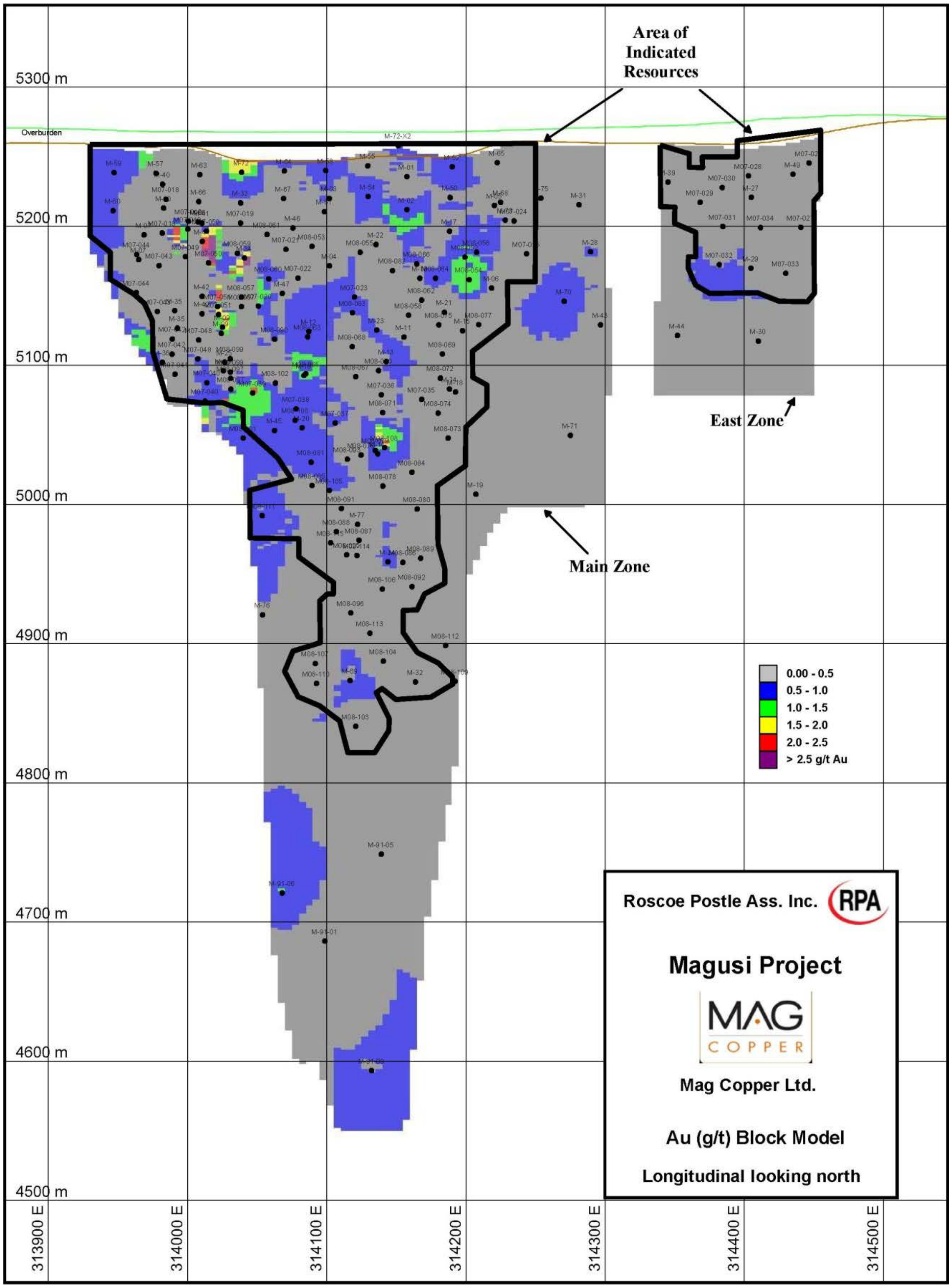


FIGURE 34-10 LONGITUDINAL SECTION (LOOKING SOUTH) - AU BLOCK MODEL

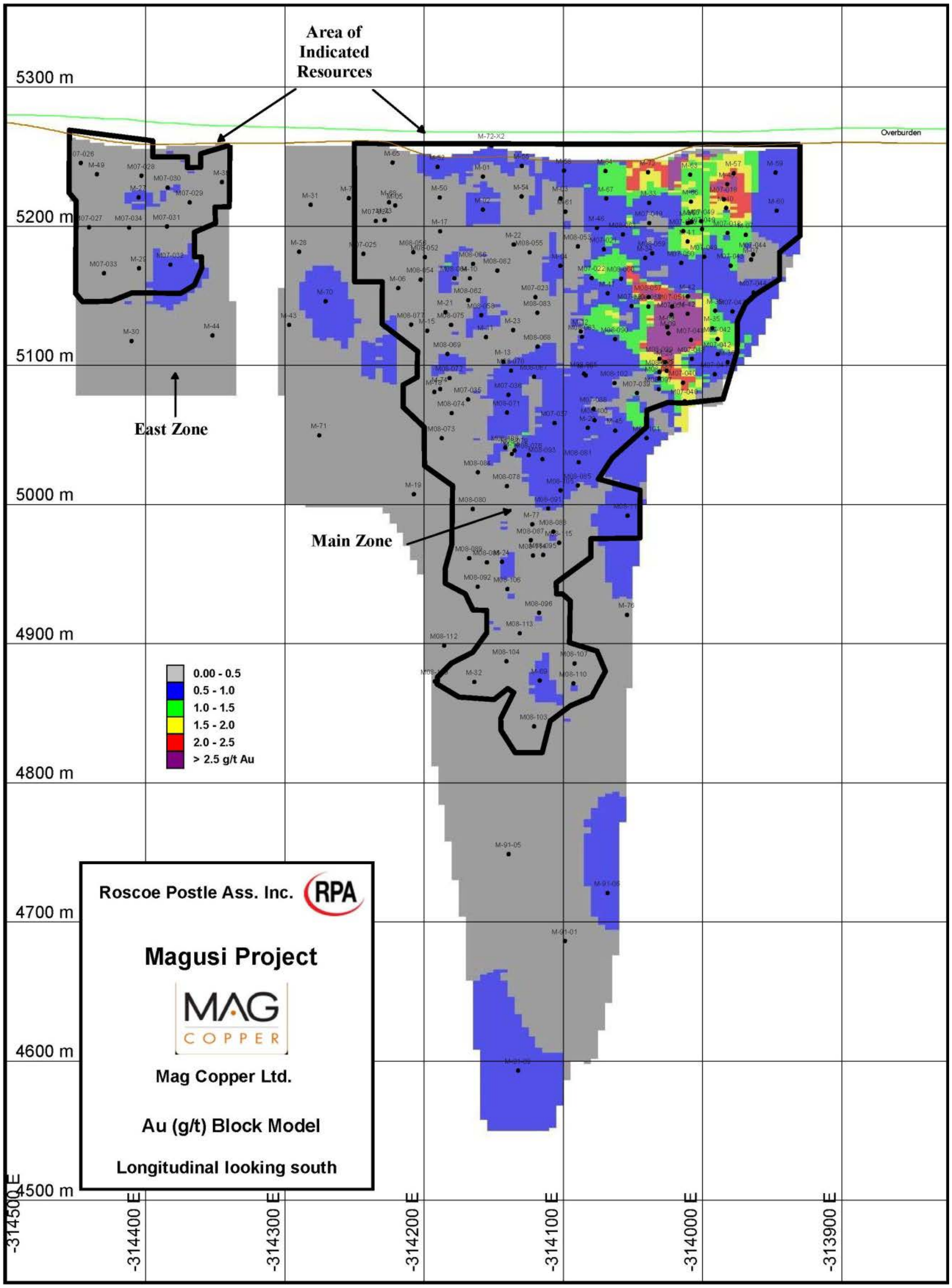


FIGURE 34-11 LONGITUDINAL SECTION (LOOKING NORTH) - PB BLOCK MODEL

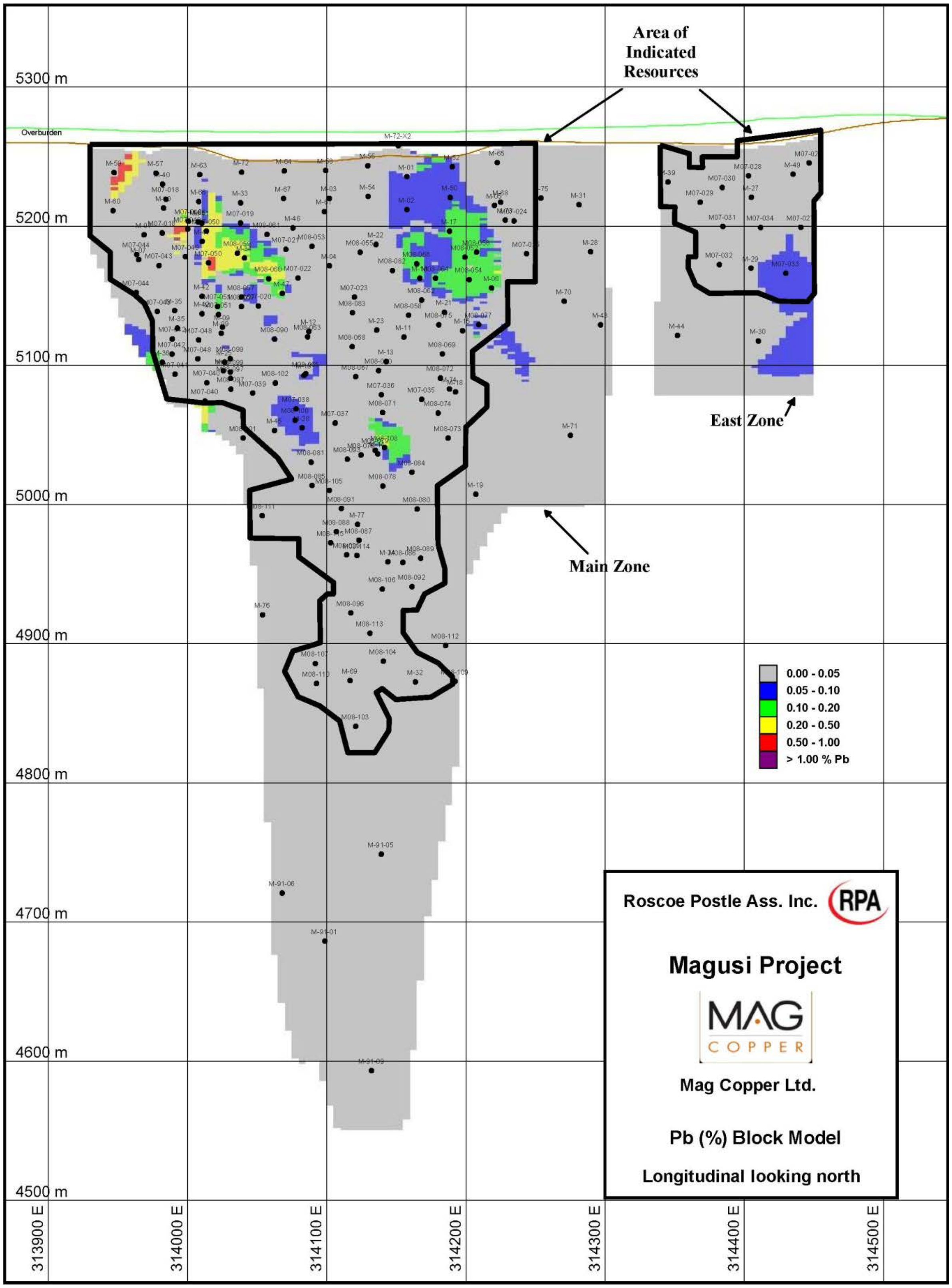


FIGURE 34-12 LONGITUDINAL SECTION (LOOKING SOUTH) - PB BLOCK MODEL

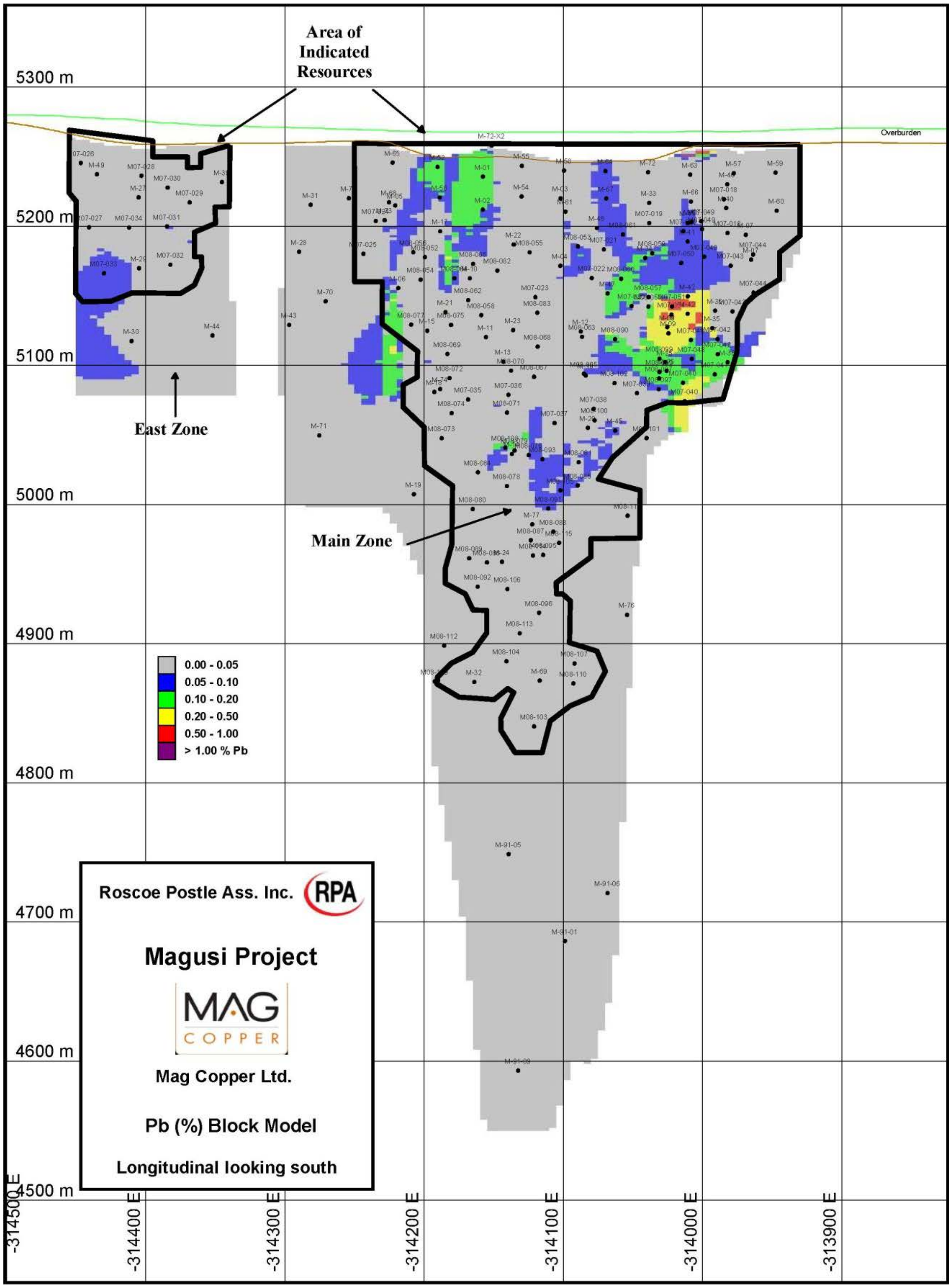


FIGURE 34-13 LONGITUDINAL SECTION (LOOKING NORTH) – DENSITY BLOCK MODEL

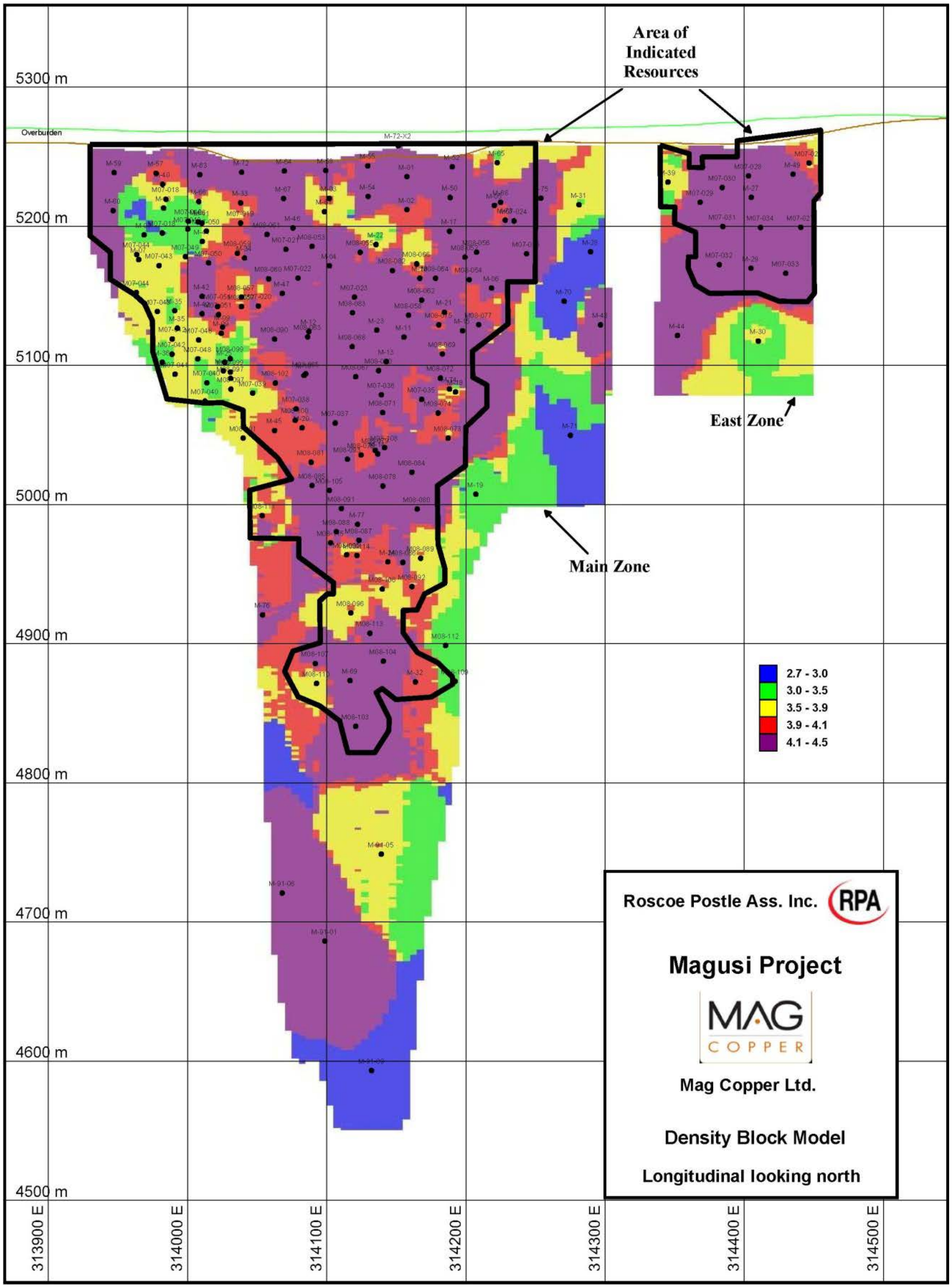


FIGURE 34-14 LONGITUDINAL SECTION (LOOKING SOUTH) – DENSITY BLOCK MODEL

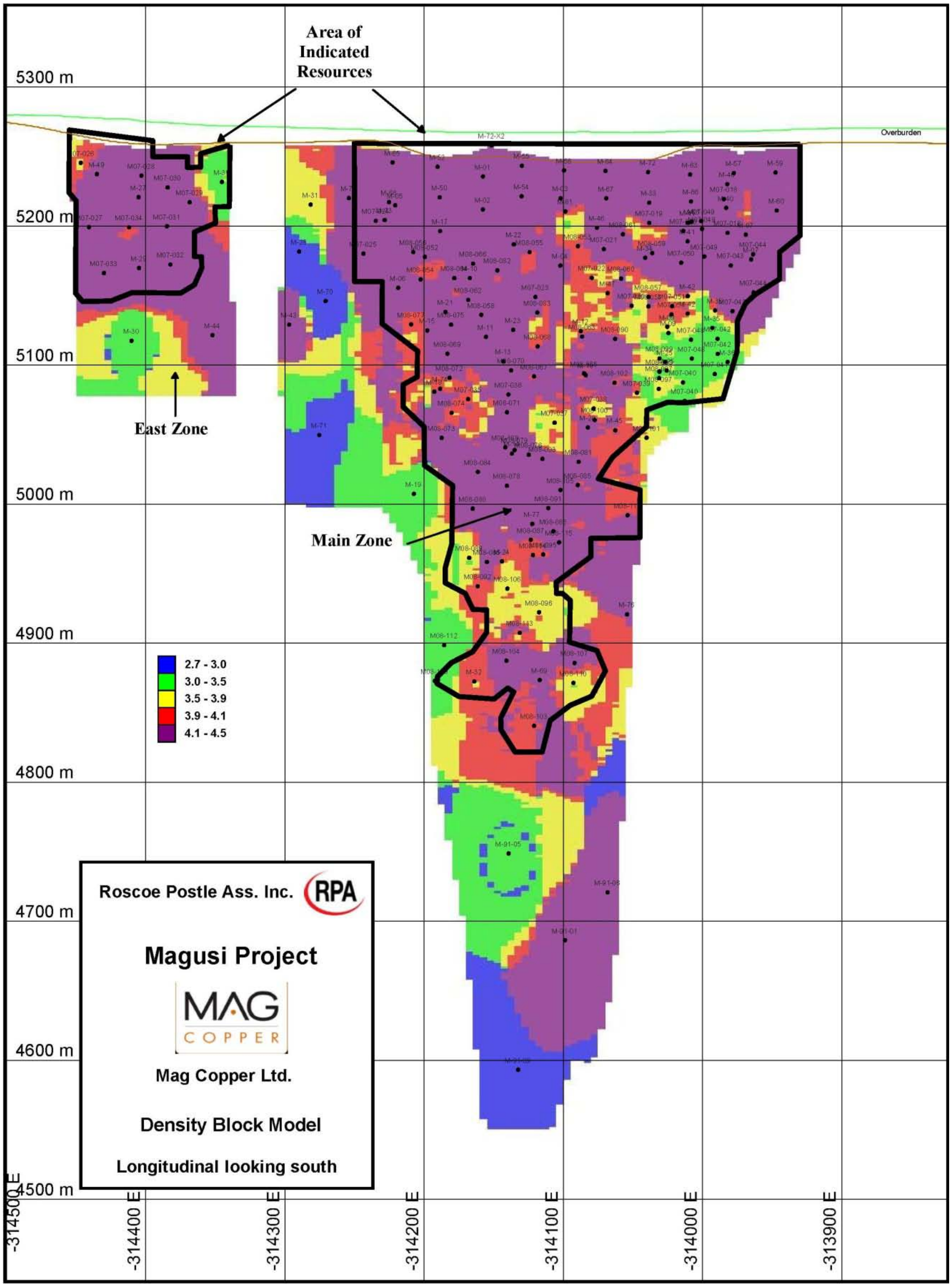


FIGURE 34-15 LONGITUDINAL SECTION (LOOKING NORTH) – MEAN DISTANCE BLOCK MODEL

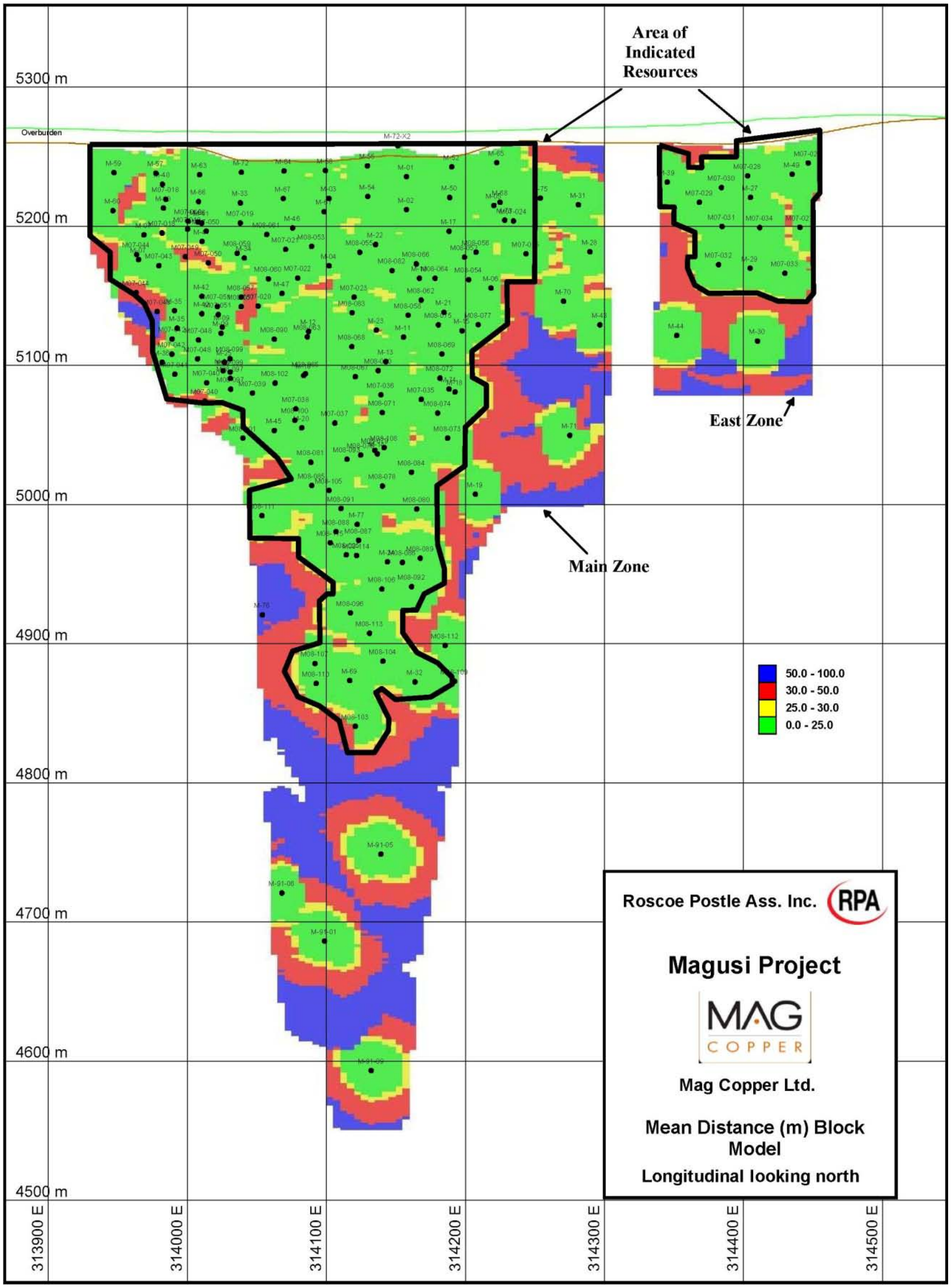


FIGURE 34-16 LONGITUDINAL SECTION (LOOKING SOUTH) – MEAN DISTANCE BLOCK MODEL