Appendix C

NI 43-101 Technical Report

on the

Debert Lake Property

Colchester County

Nova Scotia, Canada

Prepared for:

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1.0 Summary

Magnum Resources Inc. (Magnum) has acquired the exploration rights to a 518 hectare area referred to as the Debert Lake Property. The Property is located in the eastern part of the Cobequid Highlands in northern Nova Scotia, Canada. The Debert Lake Property is underlain by an important geological contact zone between felsic volcaniclastic rocks of the Byers Brook Formation and the underlying high-level felsic plutonic rocks of the Hart Lake-Byers Lake granite. This contact zone is significant due to the discovery by Magnum of granitic dykes and hydrothermal vein zones in bedrock containing rare earth element (REE) mineralization. This mineralization had been previously observed in a single drill hole completed by previous explorers as part of a uranium exploration program in this area.

The regional geological environment is favourable for the deposition of REE mineralization since it is similar to that which hosts many REE deposits in other parts of the world (China, western USA & Canada). This environment includes the association with alkaline igneous rocks, proximity to major subduction related structures and the known related occurrences of REE, Niobium and Iron (magnetite/hematite).

The exploration program completed by Magnum to date has included the re-logging and point sampling of historic drill core, prospecting, mechanical stripping and rock sampling. Historic information has been compiled and integrated with information acquired from the current exploration program. The compilation of data and the discovery of new REE mineralization have identified a broad, geologically favourable area which has potential to host important, undiscovered REE deposits. Samples collected from bedrock vein and dyke zones have assayed up to 1.89% TREO (total rare earth oxide). Assays from point samples collected from historic drill holes stored at a Core Storage Facility operated by the Nova Scotia Department of Natural Resources have assayed up to 1.03% TREO and the historic sampling from this drill core reported up to 1.2% TREO.

The Debert Lake discovery is in an area that is easily accessible and close to existing infrastructure. The numerous occurrences exposed by the very limited stripping completed in 2010 suggest that the mineralized veins are very extensive and that the mineralizing system is very robust. It is a new REE occurrence, the potential of which has not been determined and as such is considered a property of merit and should be aggressively explored. A multi-phased work program is recommended. The first

phase should include line-cutting, geological mapping, ground geophysical surveying (magnetometer, VLF-EM) and soil geochemical sampling followed by mechanical stripping and a small drilling program. In addition, a preliminary evaluation of the mineralogy of the REE using scanning electron microscopy technology should be completed early in the program, with a focus on their amenity to economic separation and recovery. An appropriate Phase 1 program is estimated to cost CDN$1,421,000. A second phase consisting mainly of stripping, sampling, drilling and mineralogical/metallurgical testing will be required assuming that the results from Phase I are encouraging as anticipated. A cost estimate for a Phase II program is CDN$1,610,000.

2.0 Introduction

Magnum Resources Inc. (Magnum) has acquired a 100% interest in the Debert Lake Property (Property), Colchester County, Nova Scotia. The Property consists of two exploration licenses totaling 518 hectares or 1280 acres. The Property is located 150 km north of Halifax and 50 km north of Truro. Sears, Barry & Associates Limited (SBA) has been retained by Magnum to carry out a scientific and technical review and prepare an independent report (Report) on the Property. This Report is prepared in compliance with guidelines prescribed by the revised April 08, 2011 National Instrument 43-101 (NI 43-101) – standards of disclosure for mineral projects, Form 43-101F1 and Companion Policy NI 43-101CP of the Canadian Securities Administrators.

Rare earth elements (REE) are a group of 16 elements comprising the 15 elements that make up the lanthanides group and yttrium. They are typically classified into two groups, the "light rare earths (LREE) and the "heavy rare earths" (HREE). The LREE include lanthanum, cerium, praseodymium, neodymium, and samarium. The HREE consist of europium, gadolinium, terbium, dysprosium, holmium, erbium, thulium, ytterbium, and lutetium and yttrium. Yttrium, although not a true REE is included because it's chemical and physical properties are similar to the other elements and they commonly occur together in the earth's crust. Technically, yttrium is also the lightest element of the group, but its properties are more similar to the HREE and it is therefore included with them. As a combined group of elements, they are not considered to be particularly rare in the earth's crust, having an estimated concentration between 150 and 220 ppm, compared to copper (55 ppm) and zinc (70 ppm). What makes them rare however is the fact that these elements rarely become concentrated enough to form an economic mineral deposit.

The known economic REE mineral deposits are associated with alkaline igneous rocks (a relatively rare type of igneous rock) and carbonatites. Most of the world's current production and known resources of REE are from minerals found in iron oxide associated, hydrothermal, metasomatic deposits; placer deposits; residual deposits formed from deep weathering of igneous rocks; pegmatites; iron-oxide-copper-gold deposits (IOCG); and marine phosphates.

Most of the world's production of REE is derived from three minerals, bastnaesite, monazite and xenotime. These minerals, along with "ion adsorption clay" deposits represent approximately 90% of all REE that are currently mined. A more detailed description of REE is presented in Section 24.0 (Other Relevant Data) of this report.

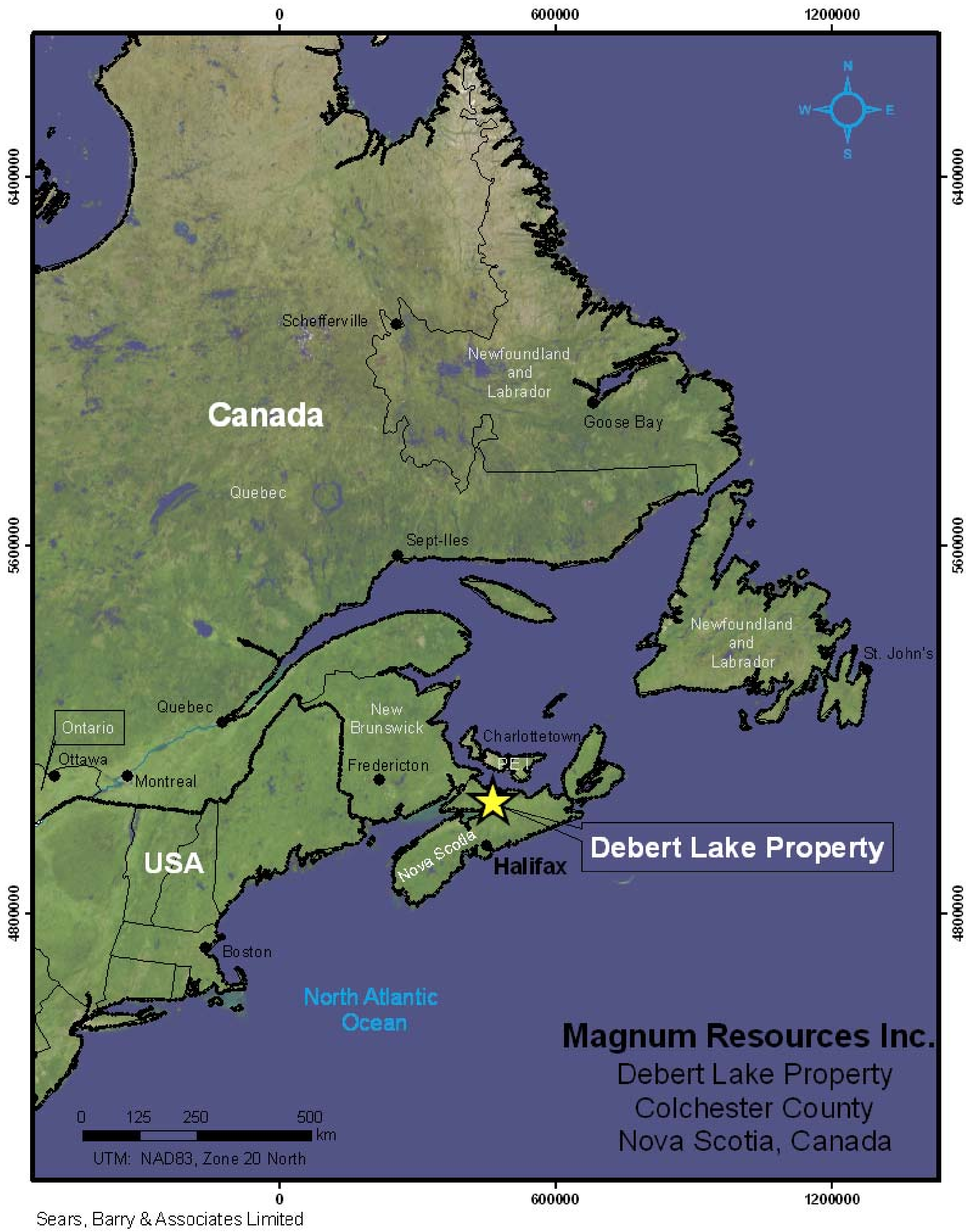

Figure 1 Regional Location Map

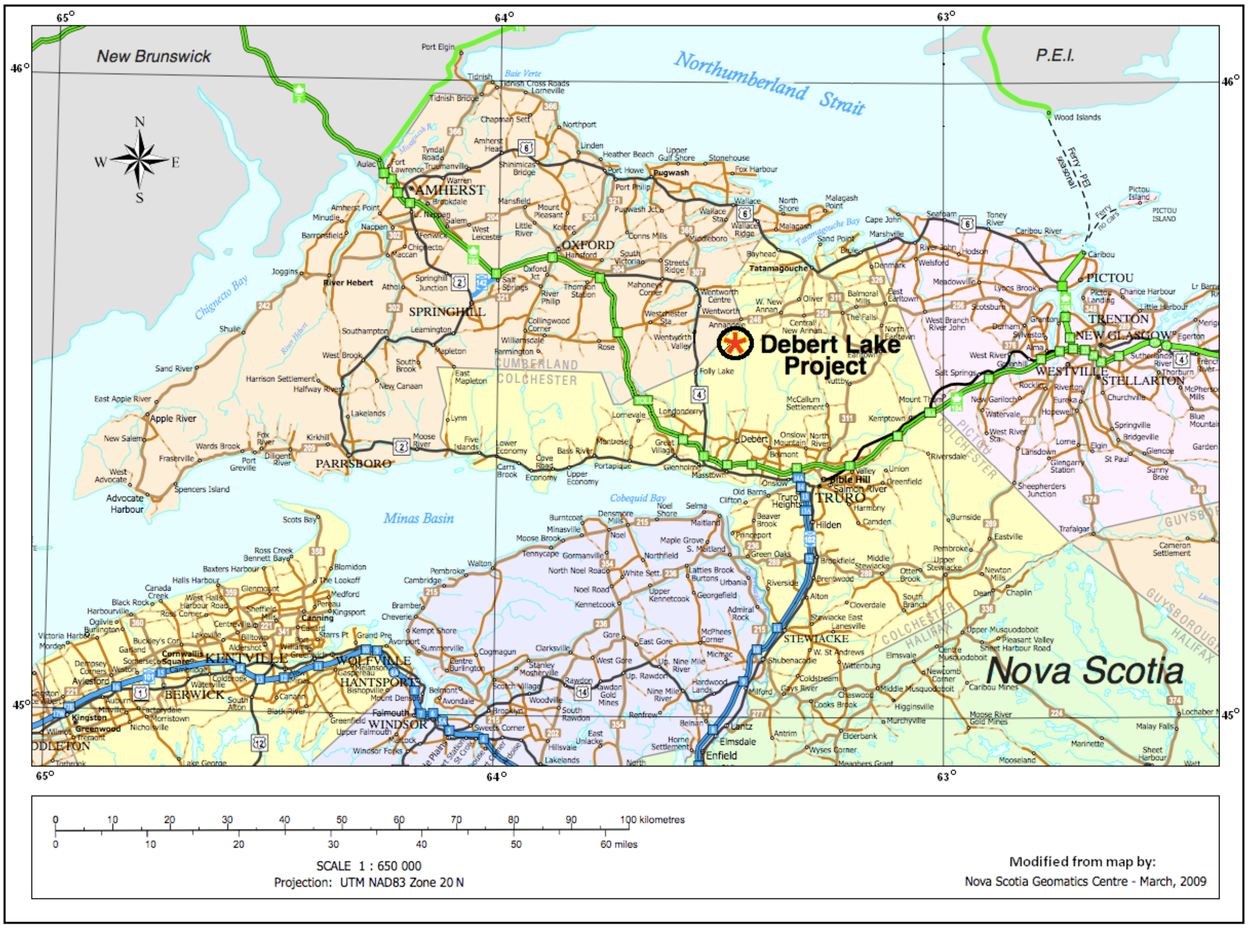

Figure 2 Regional Project Road access Map

2.1 Purpose of Report

This Report on the Debert Lake Property is to be used by Magnum Resources Inc. to comply with regulatory requirements for a proposed listing of Magnum on the TSX Venture Exchange. The relationship between Magnum and Sears, Barry & Associates Limited is a professional relationship between a client and an independent consultant. This report is prepared in return for fees at standard commercial rates and the payment of these fees is not contingent on the results or recommendations made in this report.

This report is designed to summarize the scientific and technical data available for the Debert Lake Property and to make recommendations for a work program to advance the exploration and possible development of the Property.

2.2 Sources of Information

Sources of information are summarized below and include those in the public domain as well as personally acquired data; a more detailed listing of sources can be found in section 27.0 ‘References’.

- Review of data provided by the client.
- Review of data available from various agencies of the Nova Scotia Department of Natural Resources including the Minerals Resource Branch.
- The author’s personal work experience and information relating to the geology of rare earth and rare metal deposits in general.
- Internal office support from SBA staff, in particular Joan M. Barry, P.Geo.
- Examination of historic Debert Lake core at the Core Library in Stellarton, N.S on April 14, 2011.
- Visit to the Debert Lake Property by the author on April 15, 2011. The geological environment was examined and rock samples were collected during this visit.
- Discussions with and technical data and map support from: Alex MacKay, geologist (Magnum); Bruce Hudgins, P.Geo. (Hudgtec, a Magnum consultant); Lindsay Allen, (Magnum) who made the initial field discovery; T. MacHattie, Ph.D. and R. J. Ryan, Ph.D. (NSDNR).

2.3 Units of Measure

All units of measurement used in this report are metric unless otherwise stated. Monetary values used in this report are in Canadian Dollars (CDN$). Location coordinates are expressed in Universal Transverse Mercator (UTM) NAD83, Zone 20 North unless otherwise stated.

The conventional measurement used for the reporting and marketing of rare earth oxides (REO) is Total Rare Earth Oxides (TREO). In this report, TREO is used unless otherwise stated.

A list of abbreviations used in this report is found in Appendix I.

3.0 Reliance on Other Experts

All conclusions, opinions and recommendations concerning the Debert Lake Property are based upon the information available to SBA at the time of this report.

Information relating to the titles and ownership of the exploration licenses that make up the Debert Lake Property is based on information provided by Magnum. The author has reviewed the Mining Exploration Licenses issued to Lindsay John Allen (Allen), a.k.a. Elk Exploration Ltd. (Elk) by the Nova Scotia Department of Natural Resources; the "Asset Purchase Agreement' between Elk (vendor) and Alpha Uranium Resources Inc. ((Alpha) purchaser) dated April 17, 2007; and the 'Certificate of Name Change' document dated November 02, 2010 from the Nova Scotia Department of Natural Resources which certifies the name change from Alpha to Magnum Resources Inc. for each of the two exploration licenses that make up the Property. These licenses are currently registered in the name of Magnum Resources Inc. and a copy of the 'Confirmation of Title' for these licenses is attached as Appendix II.

Information relating to these documents is detailed in section 4.0 of this report.

4.0 Property Description and Location

4.1 Location

The Debert Lake Property is located in northwestern Nova Scotia in Colchester County. It is 150 km north of Halifax, the capital city of Nova Scotia and 50 km north of Truro. It can be reached by regular flights to Stanfield International Airport (YHZ) in Halifax and subsequent travel by road to the Property. The Property is centered at 464,250E and 5,048,000N (UTM NAD83, Zone 20 North).

4.2 Property Description

The Debert Lake Property consists of 2 contiguous Exploration Licenses, consisting of 32 claim units and totaling 1280 acres (518 hectares). These Licenses include all minerals except coal, salt, potash, gypsum, uranium and geothermal reserves.

Nova Scotia utilizes map staking on a pre-defined grid. Each claim unit is approximately 40 acres (16.1874 hectares) in area. There are no physical ground markers outlining the claims and for practical purposes field locations are made by use of a GPS.

There are currently no defined mineral resources or reserves, mine workings, existing tailings ponds, waste deposits or any other important natural or unnatural features within the boundaries of the Debert Lake Property.

Table 1 Debert Lake Property Claim Data

License No.	Tracts	Claim	No. of claims	Date of Issue	Date of Expiry
6285	62	Q	1	Sept. 16, 2005	Sept. 16, 2011
6285	63	H,G,J,K,L,N,O,P	8	Sept. 16, 2005	Sept. 16, 2011
6285	82	C,D,E,F,L,M,N	7	Sept. 16, 2005	Sept. 16, 2011
6285	83	A,H	2	Sept. 16, 2005	Sept. 16, 2011
6287	62	H,J,K,P,O	5	Sept. 19, 2005	Sept. 19, 2011
6287	63	E,F,M	3	Sept. 19, 2005	Sept. 19, 2011
6287	83	B,C,G,K,J,O	6	Sept. 19, 2005	Sept. 19, 2011
TOTAL			**32**		

Annual License Renewal Fees are required on all of the Debert Lake Property claims and are outlined in Table 2.

Table 2 Annual License Renewal Fees

License No.	2 – 10 years	11 – 16 years	16 – 25 years	26 + years
(per claim unit)	($11.20)	($22.40)	($89.60)	($179.20)
6285	201.60	403.20	1612.80	3225.60
6287	156.80	313.60	1254.40	2508.80
TOTAL	**$358.40**	**$716.80**	**$2,867.20**	**$5,734.40**

Annual work commitments are required on all of the Debert Lake Property claims and are outlined in Table 3.

Table 3 Annual Work Requirements

License No.	1 – 10 years	11 – 15years	16 + years
(per claim unit)	($200)	($400)	($800)
6285	3600	7200	14400
6287	2800	5600	11200
TOTAL	**$6,400**	**$12,800**	**$25,600**

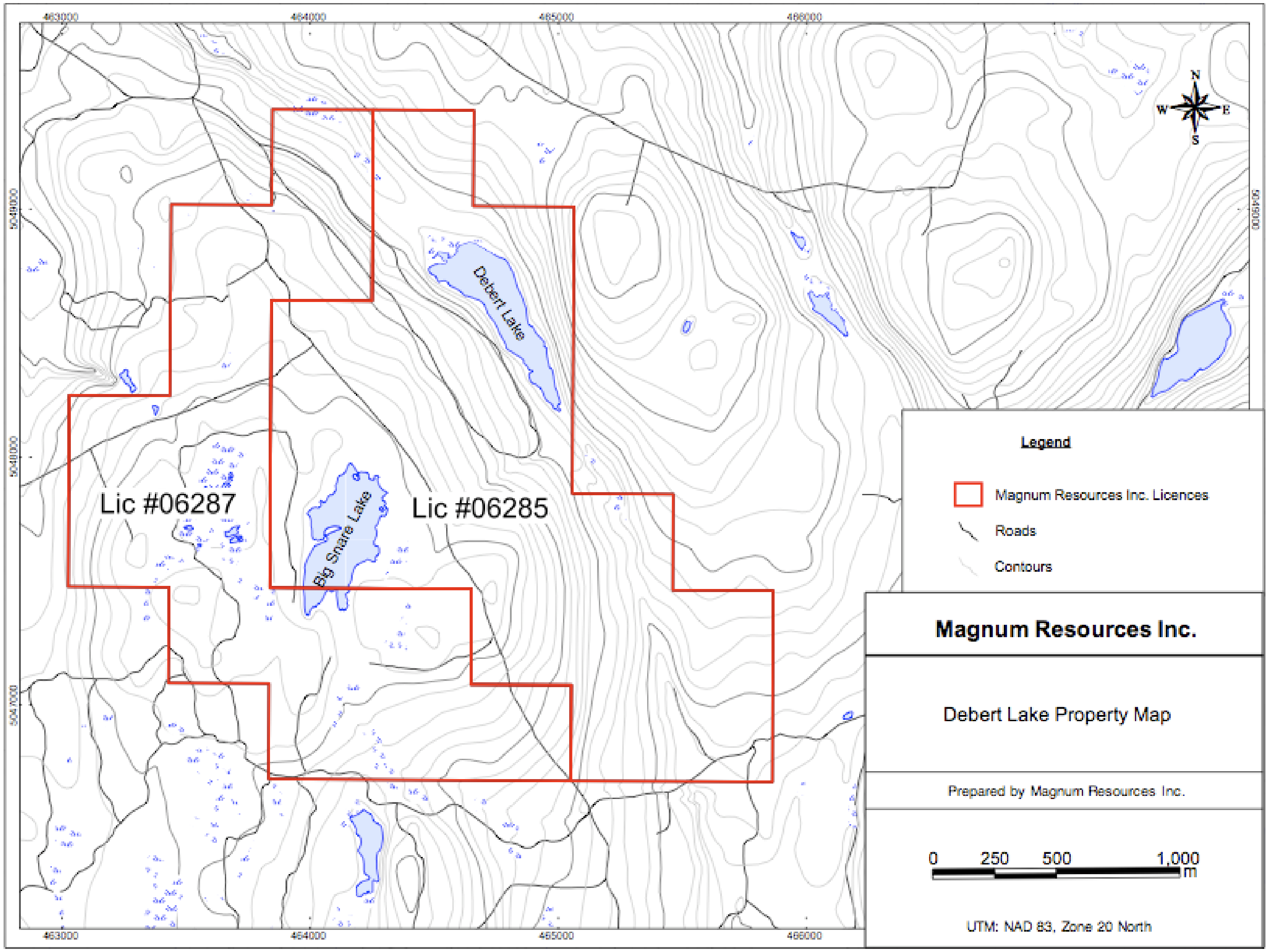

Figure 3 Map showing Exploration Licenses

4.3 Royalties

Under Section 121 of the Nova Scotia Mineral Resources Act there is a royalty, payable to the crown, of 2% of the net revenue or 15% of all net income, whichever is greater, derived from the sale of metals produced from a mining lease.

There are no third party royalties, back-in rights or other encumbrances associated with the Debert Lake Property agreement.

4.4 Environmental Liabilities

There are no known Environmental Liabilities on the Debert Lake Property. There is no record of any previous mining or any other form of industrial development other than logging and forestry.

Historical exploration drilling by Gulf Minerals (Downey, 1978a, 1978b, 1981) intersected uranium mineralization in several drill holes along the west boundary of the Magnum Property. The best intersection was from a single hole (Hole DF32) that appears to be very close to the claim boundary. This zone, referred to as the DF Zone, was found from additional drilling to be discontinuous and difficult to trace. In addition, the grade was determined to be too low for economic recovery and the project was abandoned.

In 2009, an act was passed by the Province of Nova Scotia that prohibits exploration for or mining of uranium in the province. The act allows for the mining of other material as long as that material does not contain in excess of 0.01% uranium and that other regulations relating to the mining, handling, storage and disposal of the uranium are followed. Some of the REE mineralization discovered to date on the Property contains associated weak uranium values. Based upon the results from sampling at this point, it is unlikely that bulk uranium averages of material removed from the land during any potential mining operation will be exceeded on the Debert Lake Property.

4.5 Permits

An exploration license in Nova Scotia entitles the holder to conduct exploration on the license area, remove materials for testing from the license area and to apply for a mining lease on part or all of the license area. In the event of significant ground disturbance, eg. trenching, pitting or stripping by mechanical means, a proposal outlining such work must be registered as an Excavation Registration with the Nova Scotia mining registrar 7 days prior to commencement. Similarly, drilling requires the submittal of a Drilling Notification prior to the work and a summary of hole locations, etc. must be submitted within 30 days of termination.

In Nova Scotia, permission must be obtained from the surface rights owners of the lands upon which exploration activities are to be carried out. The surface rights in this area are owned by Northern Timber Nova Scotia Corp. (NTNSC). A surface rights agreement with the company is in place with NTNSC for the purpose of most exploration activities. The agreement provides for compensation to NTNSC for the removal of any “merchantable timber” and requires notification and co-operation if roads or other major disturbance are planned. This permission has not been denied during previous work programs completed on the Property.

All work conducted pursuant to this Notification must be done in compliance with the Occupational Health and Safety Act, the Environment Act, and all other pertinent legislation.

4.6 Terms of Acquisition Agreement

Magnum has purchased a 100% interest in two Exploration Licenses in Colchester County, Nova Scotia. The licenses were acquired from Elk Exploration Ltd. for the consideration of 1,000,000 common shares in capital Stock of the Purchaser (Magnum) and a cash payment of $30,000. In the event that Magnum decides to abandon the Debert Lake Mineral Claims, Magnum agrees to reassign the claims to Elk with the claims in good standing.

5.0 Accessibility, Climate, Local Resources, Infrastructure and Physiography

5.1 Accessibility

Mainland Nova Scotia is serviced by the Stanfield International Airport (YHZ) located approximately ½ hour north of the Capital city of Halifax. From Halifax, the Debert Lake Property can be easily reached by traveling for 100 km via Highway 102 to the town of Truro, then 22 km via Highway 104 (Trans-Canada Highway) to the village of Glenholme and then for 25 km north on Old Highway 4 to the village of Wentworth. From Wentworth, proceed 4.8 kms eastwards along Highway 246 to a logging road and snow-machine trail, No. 306N, that departs towards the south. The Property is easily accessed by this dirt road which passes through the Property centered approximately 7 km to the south. Smaller branch roads and trails provide local access.

5.2 Climate

The climate in the Debert Lake Property area is suitable for year-round mining activities. The nearest available weather records are from a small regional airport at Debert, N.S. where annual precipitation is recorded as 1,091 mm. The average daytime summer temperature is 17.8˚C and the average winter temperature is -5.2˚C. Table 4 shows some of the relevant climate information, including an average annual temperature of 6.1˚C. The highland area in which the Property is located has slightly lower average annual temperatures estimated at 5.5˚C due mostly to colder than average winters. The Property area also receives lower annual precipitation than the surrounding lowlands.

Table 4 Debert Lake Area Weather Chart

Month	Daily Average (˚C)	Daily Maximum (˚C)	Daily Minimum (˚C)	Rainfall (mm)	Snowfall (cm)
January	-6.6	-1.5	-11.7	57.2	36
February	-6.1	-0.9	-11.2	46.6	35
March	-1.8	3.2	-6.8	61.2	32.9
April	4.4	9.3	-0.6	77.3	8.8
May	10.2	16.4	4	102.8	0.8
June	15.1	21.4	8.7	96	0
July	18.6	24.8	12.4	90.7	0
August	18.2	24.3	12.1	89.6	0
September	13.7	19.5	7.9	109.1	0
October	8.0	12.9	3	107.9	0
November	3.0	6.9	-1	101.8	10.1
December	-3.6	1	-8.2	73.9	31.9
Year	**6.1**	**11.4**	**0.7**	**1014.1**	**155.4**

5.3 Local Resources and Infrastructure

The largest service centre near the Debert Lake Property is Truro although there are smaller villages in the immediate area, such as Masstown, Glenholme and Debert, where basic supplies are available. Truro has a population of 12,500 and an area population of 46,000. Truro is known as the hub of Nova Scotia and is located at the junction of Highways 104 (Trans Canada Highway) and Highway 102 from Halifax. It is also at the junction of the Canadian National Railway line running between Halifax and Montreal and the local Nova Scotia line between Truro and Sydney. Truro is well equipped to service exploration needs and the town has a regional hospital, fire services, schools, churches, a variety of stores and repair services.

Halifax is located 100 km south of the Property. It has a population of 400,000 and is the provincial center for government agencies as well as engineering, environmental, financial and other services that are associated with mining and other industrial development.

The major industry in the Cobequid Highlands area is forestry and much of the forest in the Property area has been recently harvested. Due to the forestry activity in the immediate area, there is no shortage of mechanical equipment such as excavators, bulldozers and off-road vehicles. There is no other competing land use in this area therefore there is sufficient land available for mining operations, processing plants and waste/tailings disposal if needed. An electrical transmission grid is located within 10 km of the Property. There is an ample supply of water for mining development.

5.4 Physiography

The Cobequid Highlands lie within the Appalachian Physiographic Region. It is generally described as a steep sided plateau with an elevation range from 220 to 360 m. The plateau forms a cigar-shaped, elevated plateau, approximately 115 km long trending east-southeast along the north side of the Cobequid-Chedabucto Fault. In the area of the Debert Lake Property, the plateau consists of rolling to steep hilly landscape carved from bedrock and glacial till Elevation on the Property ranges from 245 m above mean sea level (amsl) in a stream valley to 345 m amsl. The Debert Lake Fault forms a steep-sided valley along the northeast side of Debert Lake (Webb and Marshall, 1999). Some of the low-lying areas are occupied by narrow swamps.

The Property is overlain by Pleistocene glacial till averaging in thickness from several centimetres to several metres. Locally the till is very bouldery and large glacial erratic boulders are common. Bedrock exposure is limited to stream beds, steep-sided valleys and ridges. The forest cover consists mainly of mixed spruce, fir and birch with local pine, hemlock and alder. Much of the Property area has been logged over and is now covered by under-brush and new growth evergreens.

6.0 History

6.1 Exploration History

1976-1981: Gulf Minerals Exploration Limited (Gulf Minerals) carried out a major exploration program for uranium in the Cobequid Highlands including the area covered by the Debert Lake Property. This work consisted of airborne geophysical surveys (magnetometer, radiometric and electromagnetic), geological mapping, soil & litho geochemical sampling, ground gamma ray spectrometer, VLF-EM and magnetometer surveys, trenching, and diamond drilling and reverse circulation (RC) drilling. At least 39 of these diamond drill holes as well as 31 RC holes were collared on the Property now held by Magnum.

1988: D.P. Gower completed a M.Sc. thesis in geology at Memorial University of Newfoundland with the cooperation of Gulf Minerals, which focused on the potential for uranium mineralization in the Debert Lake area. The study identified anomalous REE mineralization in veins intersected by hole DL-16 from the Gulf Minerals drilling program and recommended the area be further explored for lithophile elements. See Table 6.

2005: The Cobequid Mountains Gold Venture (Cobequid Gold Corporation for Avalon Ventures Ltd.) completed an exploration program over part of the Debert Lake Property to evaluate the area for epithermal gold-silver mineralization. The field work consisted of prospecting and rock and stream sediment sampling. Some of the Gulf Minerals drill holes were also re-examined and samples collected and assayed.

2005-2006: Elk Exploration (Allen, 2006) completed a prospecting and rock sampling program in search of base-metal and gold-silver mineralization.

2007: The Property was acquired by Alpha Uranium Resources Inc. (Alpha), a pre-cursor to Magnum. Work programs carried out by Magnum are discussed in Section 9.0, Exploration.

2007-2008: Capella Resources performed airborne geophysical surveys (magnetometer, radiometrics) over an area that completely surrounds but does not include the Debert Lake Property. According to their website (Capellla Resources Ltd., 2011) they also completed 10 diamond drill holes, but complete results are not yet in the public domain. This work is immediately adjacent to and exclusive of the Debert Lake Property.

2008-2010: Minotaur Atlantic, a wholly-owned subsidiary of Minotaur Operations Ltd., explored for IOCG-style mineralization along the Palaeozoic Cobequid-Chedabucto Fault Zone on both sides of the Debert Lake Property. The company completed regional and infill gravity surveys over most of the area which possibly included the Magnum claims however data covering the Magnum claims is not available to the public (Minotaur, 2011).

6.2 Ownership History

The Exploration Licenses that make up the Property were recorded on September 16th and 19th, 2005 in the name of Lindsay Allen for Elk Exploration Ltd. as Exploration Licenses # 06285 and # 6287 at the Nova Scotia Department of Natural Resources. On April 24, 2008, the licenses were transferred to Alpha Uranium Resources Inc., a private Nova Scotia company that subsequently changed its name to Magnum Resources Inc. These Licenses are currently registered in the name of Magnum Resources Inc.

7.0 Geological Setting and Mineralization

7.1 Geological Setting

7.1.1 Regional Geology

The Province of Nova Scotia is divided by a major east-west trending fault zone referred to in this report as the Cobequid-Chedabucto Fault System (CCFS). This crustal scale fault zone, also known as the Glooscap Fault or the Minas Fault Zone, separates two different geological terranes, the Avalon Terrane in the north, and the Meguma Terrane in the south (Figure 4). The terranes are thought to have been formed in the middle Paleozoic era as a result of tectonics associated with the mountain building Appalachian Orogeny (Murphy et al, 1998) and joined together in their present form during the Devonian period.

The Debert Lake Property lies within the Avalon Terrane immediately to the north of the CCFS. In this area, the Avalon Terrain is represented by a narrow, uplifted, fault-bounded belt of igneous, volcanic and sedimentary rocks. These rocks locally are unconformably overlain by Carboniferous aged marine, fluvial and alluvial sedimentary rocks.

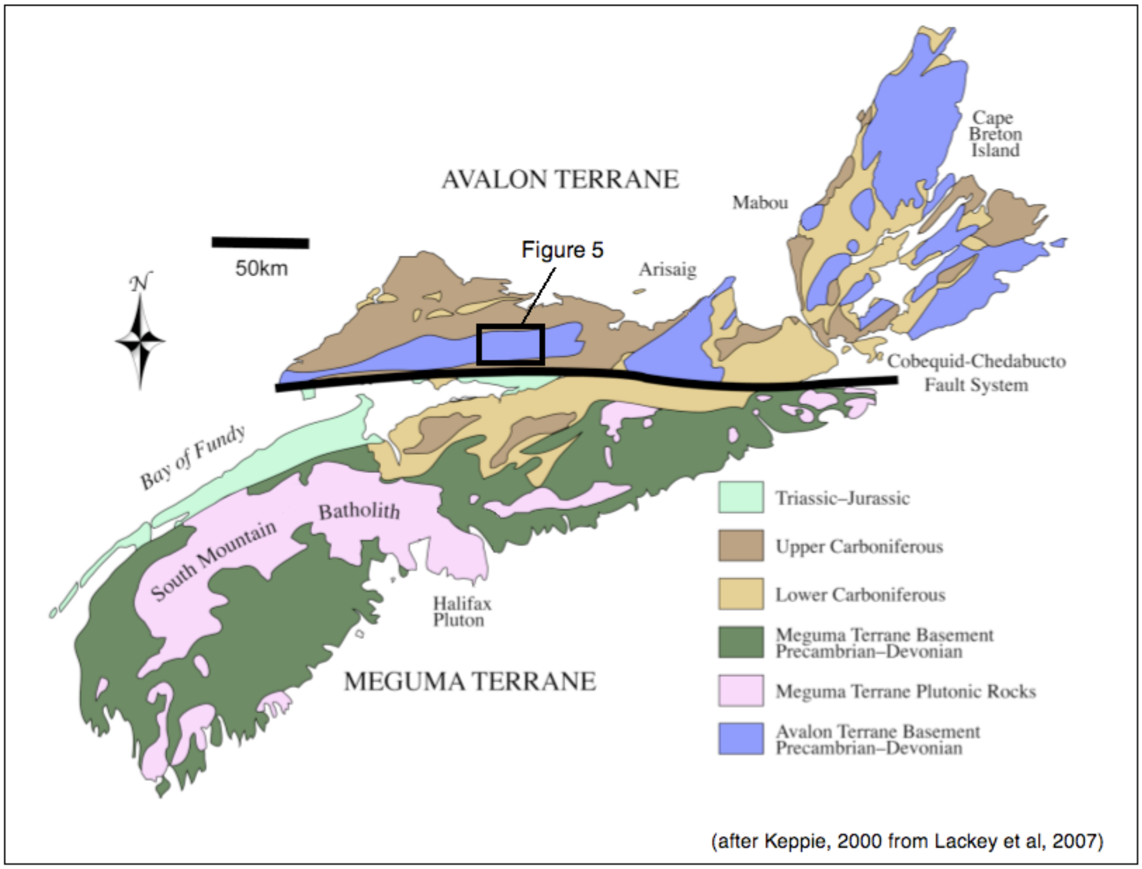

Figure 4 Generalized geological map of Nova Scotia showing Terranes

7.1.2 Local Geology

Within the project area, the Avalon Terrane is represented by an east-west trending volcano-plutonic complex approximately 10 km wide x 45 km long, bounded on the south by the Rockland Brook Fault (a branch of the CCFS) and on the north by late Carboniferous aged sediments (Figure 5). The eastern part of this complex is made up of two southeast trending formations of volcanic rocks, the Byers Brook Formation and the slightly younger Diamond Brook Formation. According to Bower (1988), the Byers Brook Formation consists of two major

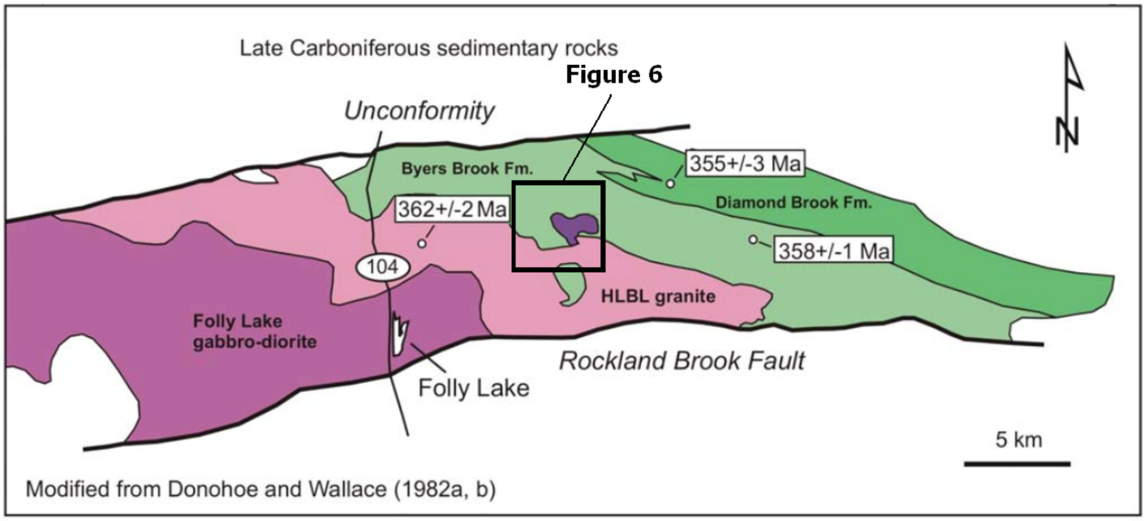

Figure 5 Local geological map of Debert Lake area (from MacHattie, 2010)

sequences of felsic rocks (rhyolitic volcaniclastics with scattered interbedded rhyolitic flows and sub-volcanic porphyritic intrusive rocks) separated by a zone of sedimentary rocks (mainly conglomerate and siltstone). The Byers Brook Formation has been age dated to be from 358 to 354 Ma. The Diamond Brook Formation is mainly a series of basaltic volcanic flows that have been dated at 355 ± 3 Ma.

The western part of the area is underlain by the Wentworth Pluton, a composite pluton ranging in age from 350 to 362 Ma and made up of the Hart Lake – Byers Lake (HL-BL) granite and the Folly Lake gabbro/diorite. These intrusive rocks are shown on Figure 5 as distinct units but, because they have complex contact relationships, they are considered by many geoscientists to be genetically related (Pe-Piper et al, 1989).

All of the volcanic rocks are intruded by a network of rhyolitic to mafic dykes as well as porphyritic diabase dykes and irregular pods and dykes of diorite. Many of them may be feeder dykes to younger volcanics higher up in the formation. They locally include what appear to be rhyolite domes that may have potential for associated base metal mineralization.

The age of the HL-BL granite and its contact with the overlying Byers Brook Formation is controversial and very important to the understanding of the geological setting of the Debert Lake Property and the potential for REE mineralization. The volcanic rocks strike from 100 -

120˚ and appear to be steeply dipping towards the northeast (Gower, 1988). Information from drill hole logs (Downey, 1981) indicate that the HL-BL granite dips shallowly, although irregularly, beneath these rocks. Gower (1988) and Pe-Piper et al., (1999) describe the Byers Brook volcanics as being cut by a complex swarm of composite dykes, often having rhyolitic cores and mafic margins. Many of them have anomalously high zirconium and REE content. These dykes are assumed to be coeval with the Wentworth Pluton (Gower, 1988; Pe-Piper et al, 1996) or at least with its later phases. The dykes are reported to be especially concentrated within the Byers Brook Formation along its contact with the HL-BL granite.

The NSDNR is currently undertaking a geological, geochemical and petrological study of the volcanic and plutonic rocks of the Hart Lake – Byers Lake granite and the Byers Brook Formation (MacHattie, 2010, 2011). This work also has included the investigation and geological setting of REE mineralization in the area. The results have already been very helpful in identifying potential areas that are favourable for locating additional REE-bearing structures and the ongoing studies will be important to the overall understanding of the mineralization.

7.1.3 Property Geology

The Debert Lake Property covers approximately 3.0 km of contact between the HL-BL granite and the Byers Brook Formation (Figure 5). The geology shown on Figure 6 was assembled from published data (Donahoe et al, 1982), data compiled from assessment reports (Gulf; Capella Resources), thesis (Gower, 1988), a limited amount of geological mapping completed by Magnum personnel, and work completed in the area by the NSDNR, particularly by T. MacHattie (2010, 2011). A summary of the principal lithologies that occur on the Property is shown in Table 5.

Most of the historic mineral exploration within the boundaries of the Debert Lake Property has been focused on the Byers Brook Formation. Of particular interest has been a number of rhyolite domes and associated breccia zones, faults and sediments that occur locally within the volcanic sequence. Gower (1988) noted the presence of REE-bearing dykes in drill core from a Gulf Minerals uranium exploration program carried out in the late 1970's (Downey, 1978a; 1978b). These dykes have recently been discovered in bedrock (Allen, 2008; MacHattie, 2010, 2011) and are the target of the Magnum work program.

Table 5 Table of Lithologies

Horton Group

Falls Formation: Poorly sorted conglomerate and coarse sandstone.

Fountain Lake Group

Diamond Brook Formation – Basalt flows with minor rhyolite in the lower part of the sequence and minor sedimentary rocks in the upper part; 1 km thick; Age 355 ± 3 Ma (Dunning, et al., 2004).

Byers Brook Formation – Two cycles separated by a zone of conglomerate and siltstone; both cycles consist of rhyolitic volcaniclastic rocks in the lower part with rhyolite to mafic flows in the upper part; they include local rhyolite domes; 2.0 to 3.0 km thick; Age 343 ± 5 to 358 ± 1 Ma (Dunning et al., 2004; Gower, 1988).

Plutonic Rocks

Wentworth Pluton – composite Pluton. Folly Lake Gabbro-Diorite – dark grey to tan coloured, hornblende ± pyroxene diorite (350 – 354 Ma).

Hart Lake – Byers Lake Granite – Red, pale orange and tan grey, hornblende ± biotite monzogranite to alkaline feldspar granite. 360 – 363 Ma with other age dates as young as 339.4 Ma (Gower, 1988).

7.2 Mineralization

The Rare Earth Element Mineralization on the Debert Lake Property was first recognized by Gower (1988) while carrying out a study of drill core from a uranium exploration program completed by Gulf Minerals between 1978 and 1981 (Downey, 1978a. 1978b, 1981). This core has been preserved and stored in the Stellarton Core Library, maintained by the Nova Scotia Department of Natural Resources. Values up to 1.2% total REE (TREE) were obtained from selected samples of a granophyric zone containing veins of fluorite-calcite-zircon-sphene-allanite-albite. The sample was one of four collected across a 0.9 metre section of drill core from Gulf hole DL-16 at a down hole depth of 66.1 m to 67.0 m. The drill core from this section of the hole is badly broken and has been disturbed by previous investigators so the textures and structures of this interval are no longer visible. The REE results for this 0.9 m interval are shown in Table 6.

Table 6 REE results for Gulf DDH DL-16 (modified from MacHattie, 2010; data source Gower, 1988)

Sample Number	(units)	C6877	C6878	C6879	C6880
interval	m	66.1-66.4	66.4-66.6	66.6-66.8	66.8-67.0
width	m	0.3	0.2	0.2	0.2
La	ppm	310	1150	290	190
Ce	ppm	650	2500	570	390
Pr	ppm	88	330	79	44
Nd	ppm	400	1460	370	170
Sm	ppm	130	520	120	60
Eu	ppm	7	23	6	2
Gd	ppm	219	911	184	86
Tb	ppm	51	220	39	17
Dy	ppm	370	1350	270	115
Ho	ppm	90	330	68	29
Er	ppm	290	1079	220	90
Tm	ppm	50	188	38	15
Yb	ppm	340	1290	260	100
Lu	ppm	49	200	38	14
TREE*	**ppm**	**3045**	**11551**	**2553**	**1323**
TREE*	**wt.%**	**0.30**	**1.16**	**0.26**	**0.13**

**Note: Results for yttrium are not available.*

Since the recognition of REE potential in the Debert Lake Property, the work program was designed to confirm REE-bearing veins by re-examining the drill core of Gulf Minerals and to locate these veins at surface on the Property. The work was successful in that REE-bearing veins and dykes have now been found in boulders and outcrop as well as in bedrock exposed by a small stripping program.

There is insufficient data at this time to comment on the length, width and continuity of the mineralized veins. The limited exposure to date contains mineralized dykes and veins ranging from a few centimeters to 0.4 m in width. They are often flat lying to gently dipping although the larger dykes/veins dip quite steeply towards the south. The narrower dykes/veins in one exposure occur as multiple sets and in various orientations. (See Photo 1).

Photo 1. Multiple REE-bearing veins at the Debert Lake discovery showing

Most of the mineralized veins and dykes that have been discovered to date are located within felsic to mafic volcanic rocks of the Byers Brook Formation, near its contact with the underlying HL-BL granite. Mineralization also occurs within granophyric textured zones, miarolitic cavities and coarse grained to pegmatitic dykes and patches in the upper part of the HL-BL granite. The mineralization has been examined and studied by the NSDNR, particularly by MacHattie (2010, 2011) who classified the host dykes as being composed of fine grained granite. A typical composition as observed by MacHattie (2011) includes 70% major elements (quartz, K-feldspar-albite; 25% minor elements (epidote-hematite/magnetite-zircon) and up to 5% trace elements which include the REE. The REE bearing minerals identified include fergusonite, chevkinite, allanite, monazite and yttriallite.

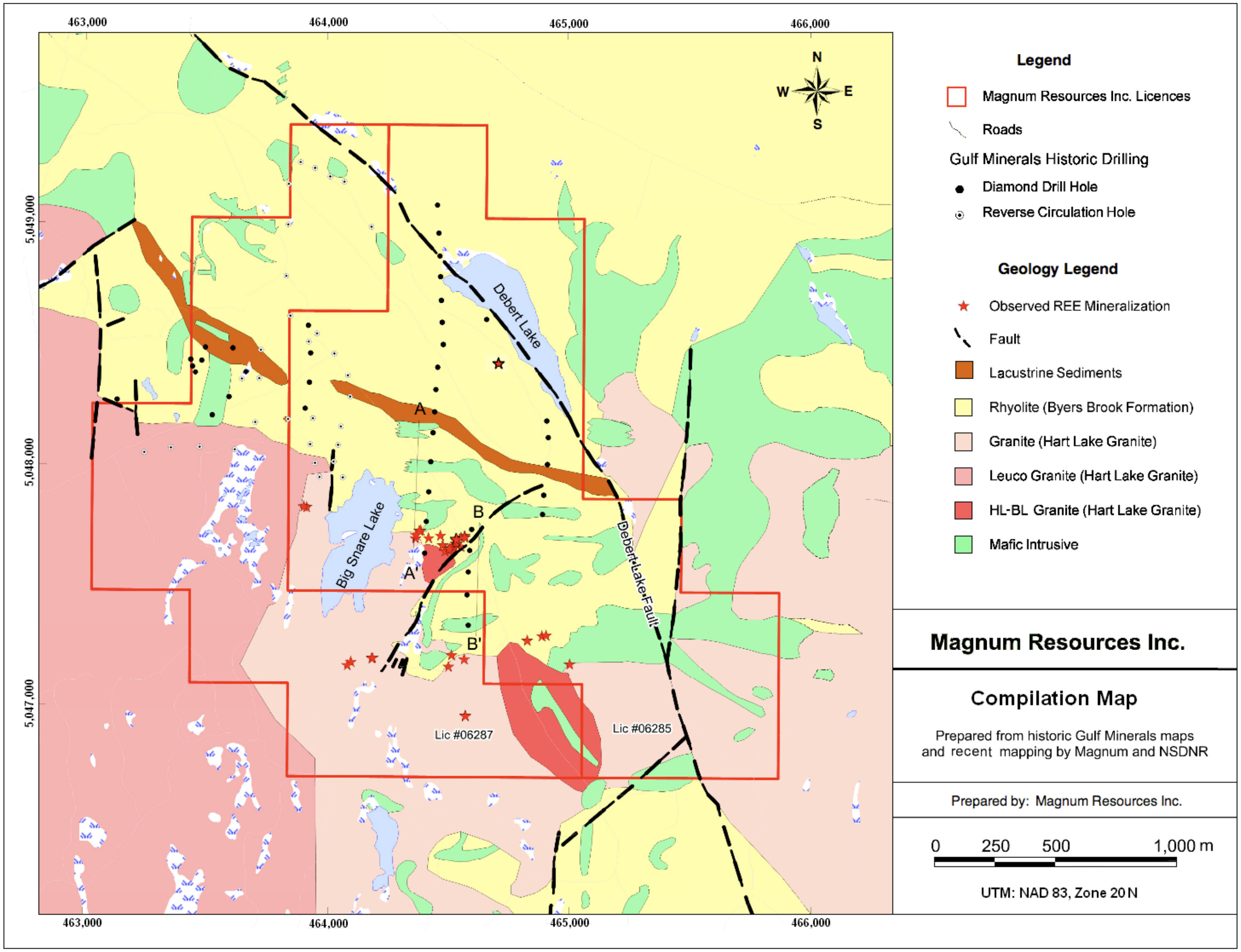

Figure 6 Debert Lake Property Compilation and Geology Map

8.0 Deposit Types

The principal target on Magnum's Debert Lake Property is a REE deposit although there is potential for Iron-Oxide-Copper-Gold (IOCG) deposits; porphyry or granite related Tin-Tungsten-Bismuth (Sn-W-Bi); and Volcanogenic Massive Sulphide (VMS) deposits.

8.1 REE Deposit Model

Throughout the world there is a diverse array of rocks that are host to the Rare Earth Elements, however, there are very few of these rocks that are known to contain economic concentrations of these elements. As a result of the rarity and diversity of economic REE deposits, there are many individual, locally described deposit types, but there is no distinct deposit model embracing most REE mineralization that is accepted by a majority of geoscientists. The world's largest known producing REE deposit, the Bayan Obo deposit in northern China, is hosted mainly by carbonate rocks that have previously been considered of carbonatite origin. The mineralization, however, is epigenetic (replacement) and may have been introduced from late stage hydrothermal metasomatic fluids derived from either carbonatite and/or alkaline magmatism or from processes associated with subduction (Nebler, 2007; Chao et al., 1992). Bayan Obo is now considered by many to be a metasomatic-hydrothermal replacement deposit.

A belt of alkaline igneous rocks also occurs within the North American Cordilleran extending from Alaska to Mexico. Many REE occurrences and deposits occur within this belt. A number of REE deposits within similar geological settings as the Debert Lake Property area occur within the Gallinas Mountains of New Mexico (McLemore, 2011). These deposits are considered comparable to the Bayan Obo (China) and the Olympic Dam (Australia) deposits. The geological model implies a hydrothermal fluid generated from crustal melting by an A-type granite or possibly from a buried carbonatite. This fluid migrates to the apex of a shallow level intrusive complex (mafic and felsic magmas) and is deposited as veins in the apex of the intrusion and in the overlying sedimentary rocks. There is an unusual amount of iron oxide (magnetite and hematite) in the surrounding rocks including magnetite skarns with elevated REE.

Based upon field evidence and observations by various geoscientists who have studied the geology of the Debert Lake area (Gower, 1988; MacHattie, 2010, 2011; Piper et al, 1999; Pe-Piper et al, 1993, 1996, 1998, 1999; Donahoe et al., 1982 and Chatterjee, 1984) a metasomatic-hydrothermal vein model is proposed for the Debert Lake REE mineralization.

REE mineralization at Debert Lake occurs in miarolitic cavities, pegmatitic patches and dykes in the cupola of the Hart Lake-Byers Lake Granite and in veins and dykes (aplite-calcite-zircon-fluorite-allanite) within the overlying felsic volcanics of the Byers Brook Formation. Most of the rocks in the area are very strongly magnetic due to the presence of abundant disseminated magnetite. In addition, the REE-bearing veins contain patches and streaks of magnetite and hematite. Photos 2 – 5 show the nature of the mineralization discovered to date on the Debert Lake Property.

The model assumes that the mineralizing hydrothermal fluids were derived from a late intrusive phase of the Wentworth Pluton that scavenged lithophile elements from crustal rocks and earlier zones of concentrated “high-field-strength” elements including the REE and were eventually emplaced within the upper part of the intrusion and as veins within the lower part of the Byers Brook volcanic rocks.

8.2 Other Potential Deposit Types

Volcanogenic Massive Sulphide Deposit: Another deposit type that could potentially occur on the Debert Lake Property is volcanogenic massive sulphide deposits. According to Gower (1998) and Downey (1978a, 1978b, 1981) the exploration program completed in this area by Gulf Minerals identified sulphide mineralization (including base metals) in association with the rhyolite domes in the upper part of the Byers Brook Formation. Prospecting completed by Elk Exploration located galena and pyrite mineralization in boulders (Allen, 2006) and similar materials occurs in a sub-cropping zone in a gravel pit near the northwest corner of the Property.

Iron-Oxide-Copper-Gold Deposit (IOCG): The Cobequid Highlands and all of the Avalon Terrane rocks along the north side of the Cobequid-Chedabucto Fault Zone are host to extensive iron oxide mineralization with an associated enrichment of copper, gold, cobalt, nickel and REE. More than 100 occurrences of iron oxide + copper + cobalt +/- gold +/- other metals have been documented in this district. This type of deposit, best represented by the giant

Olympic Dam deposit in Australia, is being explored for in this area by several companies including Capella Resources Ltd. (2011) and Minotaur Resources Limited (2011).

Granite or Porphyry Related Tin-Tungsten-Bismuth (Sn-W-Bi) Deposit: Polymetallic mineralization associated with Devonian aged intrusive rocks somewhat akin to the Mount Pleasant Sn-W-Mo-In-Zn deposit; In the Debert Lake area, rocks of the Byers Brook Formation and other rocks are known to be elevated in Sn, W and other metals such as Bi; Capella Resources are currently exploring adjacent claims in search of this and other types of deposits (Capella Resources Ltd., 2011).

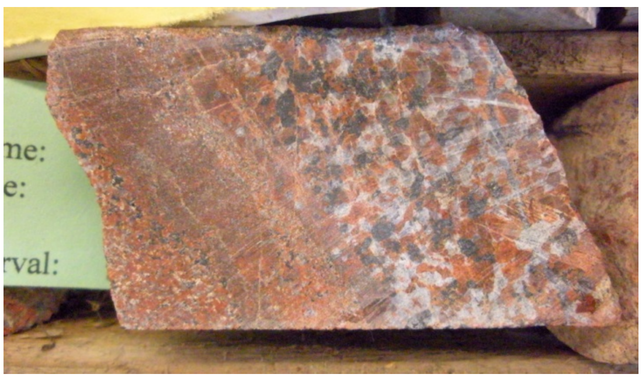

Photo 2. REE-bearing vein in Gulf Drill Core

Photo 3. Quartz filled miarolitic cavities (Gulf core)

Photo 4. REE-bearing pegmatitic patch in granite.

Photo 5. REE-bearing dyke.

9.0 Exploration

Although first recognized in 1988 (Gower, 1988) the significance of this mineralization remained dormant until 2008. L. Allen, while researching data from Gulf Minerals work programs completed a prospecting program in search of the REE. The prospecting included the use of a gamma ray scintillometer in search of radioactive signals (total counts per second) in boulders and outcrop. Elevated radioactivity appeared to be associated with some of the REE mineralization in Gulf Minerals Hole DL-16 as identified by Gower (1988). Several samples with anomalous values in REE were discovered.

In 2010, Magnum commenced an accelerated work program to evaluate the potential of the Debert Lake Property to host an economic REE deposit. This work program included re-logging and sampling core from 30 of the Gulf Minerals drill holes that were collared on the Property between 1978 and 1981. The core from these holes is stored at a government core storage facility in Stellarton, Nova Scotia. A portable X-ray fluorescence (XRF) analyzer was used to identify core that had elevated REE mineralization. Sixty eight (68) samples from some of these mineralized sections as well as other representative rock types were selected and submitted to Actlabs of Ancaster, Ontario where they were analyzed for Rare Earth Elements. In addition all drill core was photographed with a digital camera in order to create a permanent record for future reference.

The second part of the 2010 work program consisted of detailed prospecting, rock sampling and mechanical stripping centered in the area of the REE mineralized drill holes of Gulf Minerals. This work was guided by the use of a portable gamma ray spectrometer to identify zones of elevated thorium mineralization, a mineral that is sometimes associated with REE mineralization. Some of the more anomalous areas with overburden cover were stripped with a small mechanical excavator to expose bedrock. Samples of interest were first tested for REE mineralization in the field with a portable XRF analyzer. A total of 71 samples were collected and subsequently submitted to Actlabs for analysis.

All of the data from the 2010 work program has been integrated with information compiled from previous work into a database to be used as a framework for future work programs. Figure 7 shows the location of historic drill holes completed by Gulf Minerals (Downey, 1978a, 1978b, 1981). Geological information was verified or amended as part of the 2010 work program and is presented as a compilation map earlier in this report as Figure 6. Some of the better REE results are presented on a similar map as Figure 8. Figures 9 and 10 are X-Sections through several of the Gulf Minerals holes that were re-examined in 2010 and reinterpreted by Magnum. The locations of these X-Sections are shown on Figures 6 and 8. The zones from which elevated REE were obtained in the 2010 Magnum sampling are shown in the X-Sections. It should be noted that the sample results are from small representative samples from zones of interest in the drill core and may or may not represent the complete interval from which they were collected. The policy of the Nova Scotia core storage facility is to preserve the core for future use and only small intervals are permitted to be sampled. In the interests of science and future explorers, the opposite half of the sampled interval must be left in its appropriate location in the core box.

Samples collected and analyzed by Magnum from the Gulf Minerals core contained values ranging from 0.026% to 1.028% TREO. Table 7 is a summary of some of the better results from the sampled drill core.

The 71 rock samples that were analyzed from the 2010 field program ranged from 0.003% to 0.62% TREO. These include many non-vein samples that were analyzed to determine their background REE content. A total of 27 of the 71 samples were collected during routine prospecting. Of these, 8 contained greater than 0.1% TREO. Values from these 8 samples and the remaining locations are plotted on Figure 11.

The other 44 samples were grab samples collected from the stripped areas completed by Magnum in 2010. They were chosen to reflect the character of the mineralization exposed by the stripping. The values for 29 of these samples having >0.15% TREO as well as the other sample locations are shown on Figure 12.

The exploration program carried out during 2010 was a reconnaissance scale program designed to provide an initial evaluation of the potential of the Debert Lake Property to host REE mineralization. The rock sampling has been limited to historical drill core, existing bedrock in approximately 25% of the Property and rock exposed by a small mechanical stripping program. This sampling is considered representative and appropriate for this preliminary evaluation.

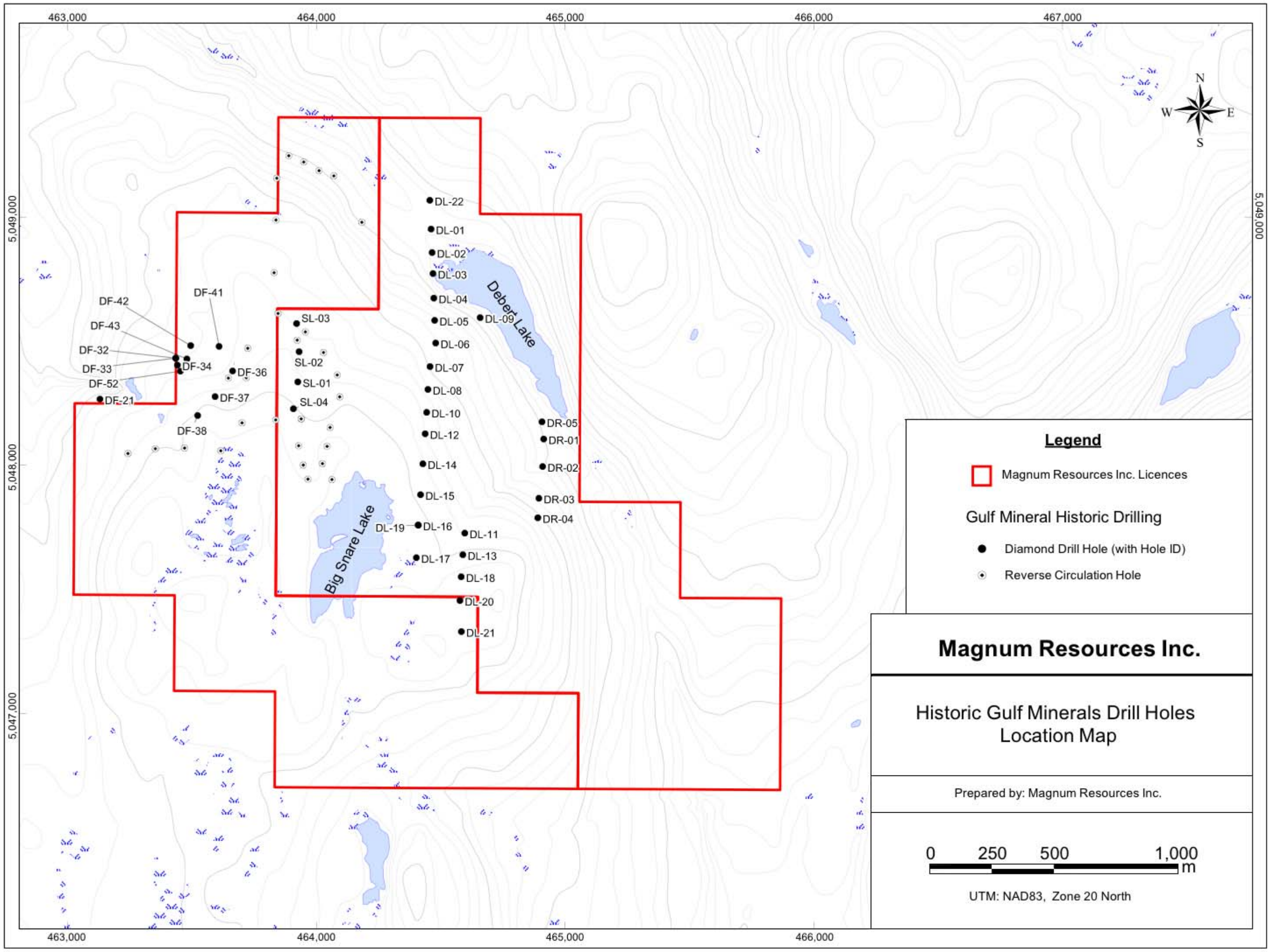

Figure 7 Plan showing Gulf Minerals historic drill hole locations

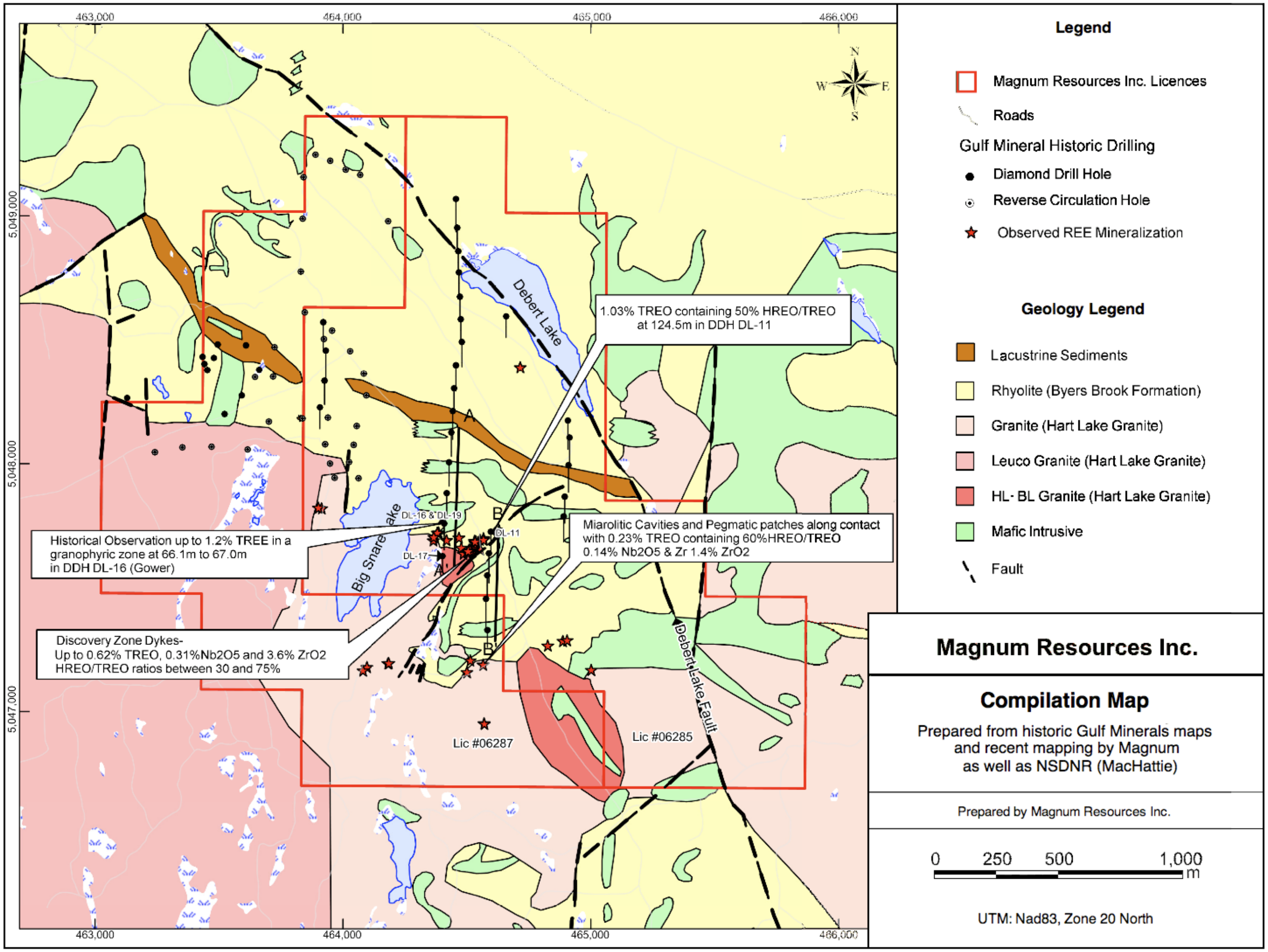

Figure 8 Compilation Map showing highlights of results from 2010 sampling program

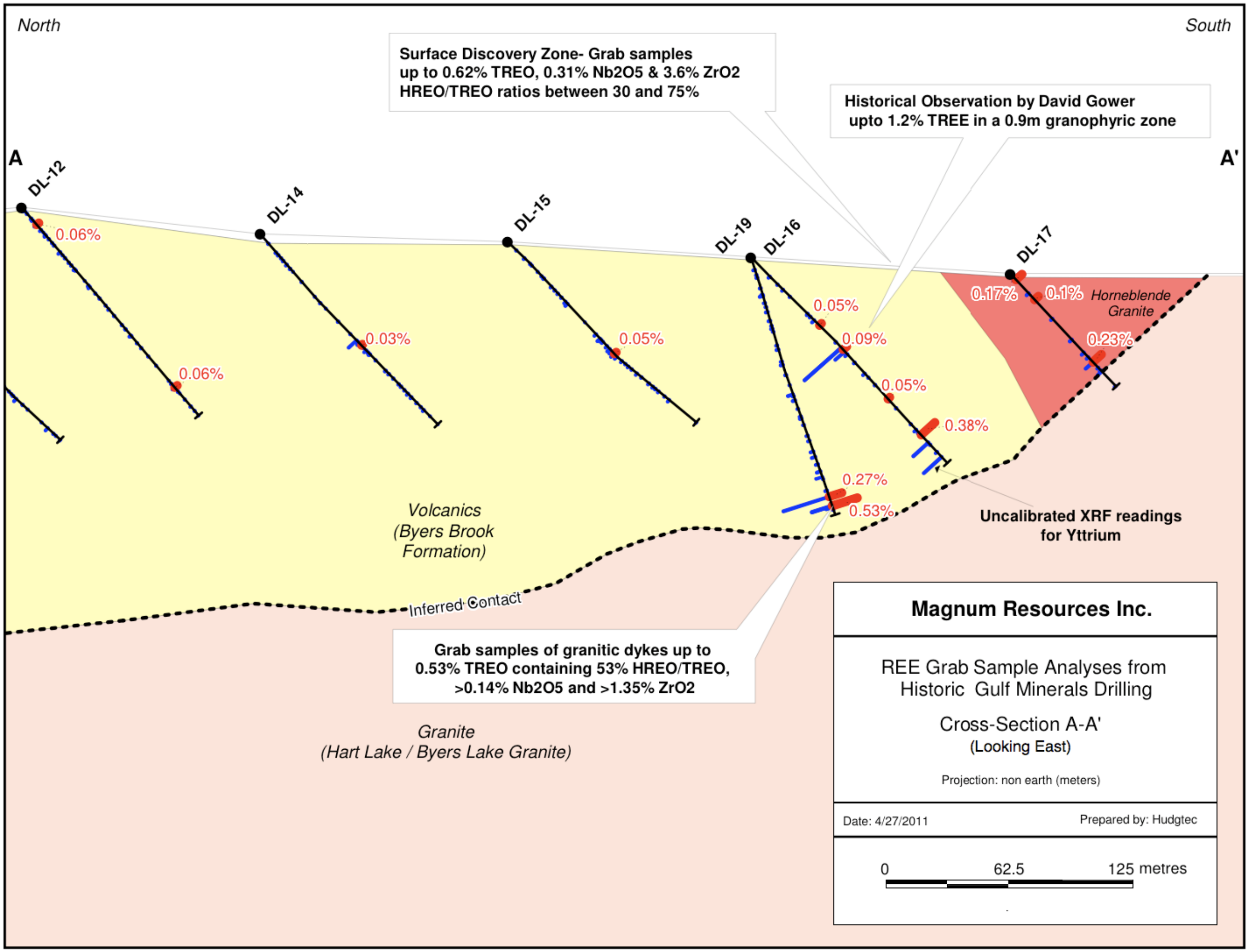

Figure 9 X-Section A-A' (Fig. 6) through Gulf drill holes, Debert Lake Property

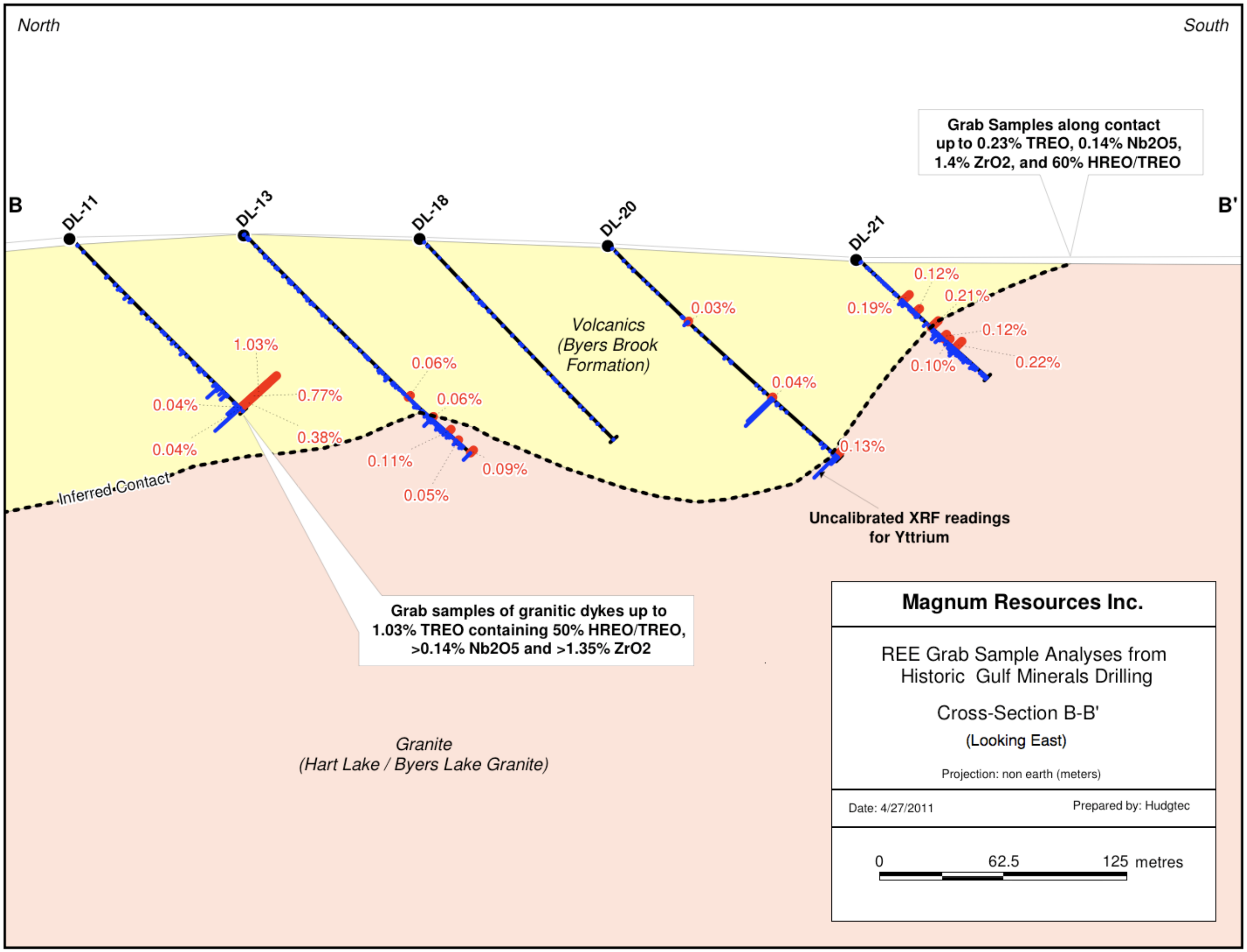

Figure 10 X-Section B-B' (Fig. 6) through Gulf drill holes, Debert Lake Property

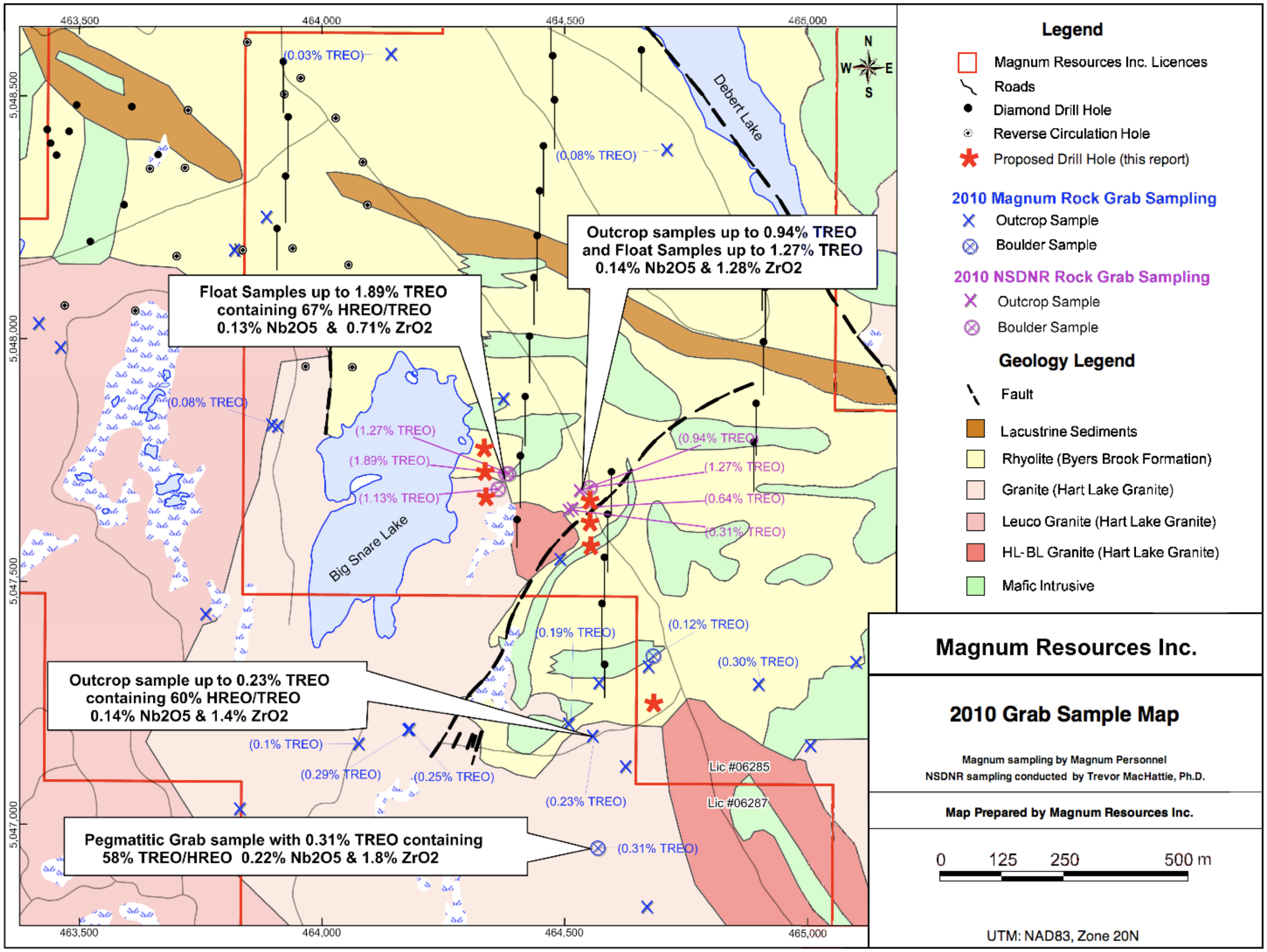

Figure 11 Plan showing the location of the 2011 Magnum prospecting sampling

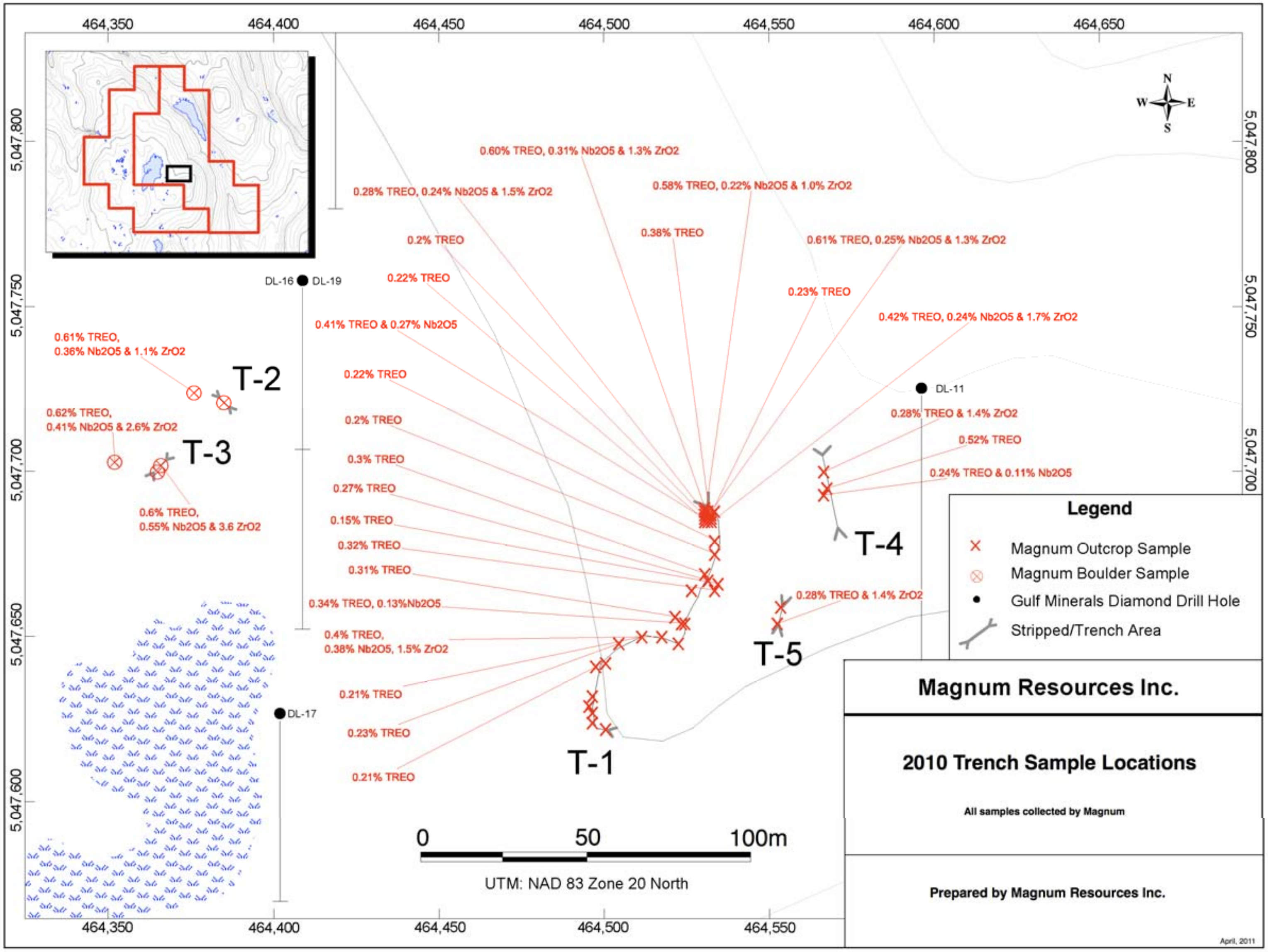

Figure 12 Plan showing the location of the 2011 Magnum stripping

Table 7 Selected REE results from the Magnum 2010 sampling program, Debert Lake Property

	Sample Number	TREO	HREO	Y	La	Ce	Pr	Nd	Sm	Eu	Gd	Tb	Dy	Ho	Er	Tm	Yb	Lu	Nb	Zr
		%	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
Gulf Historic Drill Core	119010	0.38	0.18	896	347	792	103	375	112	4.17	125	25.2	168	34.6	104	16.3	106	15.8	905	5249
	119011	1.03	0.51	2548	854	2010	264	999	305	11.7	355	71	458	93.2	279	42.6	278	41.6	1000	10000
	119012	0.77	0.33	1673	707	1700	220	851	249	9.37	277	49.8	300	58.7	166	23.8	149	21.9	1000	6544
	119015	0.19	0.11	567	141	319	40.4	155	45	1.79	51.2	10.6	73.3	16.9	58.3	10.9	74.3	10.8	204	1487
	119021	0.22	0.13	692	149	353	45.1	176	56.1	2.28	69.2	15.2	107	23.1	69.3	10.2	61.6	8.77	306	2097
	119023	0.21	0.08	387	201	525	66.5	235	60.7	3.86	62.1	12.1	76.2	14.3	38.7	5.56	36.8	5.85	625	463
	119067	0.27	0.20	1016	110	277	38.4	138	50.6	1.65	64.8	19.2	158	38.3	137	22.1	141	19	789	4999
	119068	0.53	0.28	1434	403	1100	116	408	128	5.09	152	31.7	216	47.3	156	26.4	202	34.6	1000	10000
Grab Samples (stripping)	425526	0.58	0.30	1565	485	1110	125	485	123	5.5	166	37.9	264	57	168	26.3	165	23.3	1565	6485
	425527	0.60	0.23	1026	585	1490	176	718	200	8.47	223	40.5	243	46.5	133	19.4	128	20.4	2201	9966
	425531	0.41	0.14	605	405	1130	129	526	141	6.21	152	26.9	155	28.9	80.7	12.2	78.5	12	1901	5393
	425534	0.61	0.27	1234	527	1330	162	682	187	8.78	232	45.2	283	56.3	161	24.8	166	25.2	1796	9712
	425536	0.42	0.26	1180	231	659	79	320	95.8	5.36	140	33.7	245	56.2	187	33.3	235	36.3	1719	13320
	425754	0.52	0.34	1573	255	726	87.6	342	106	7.33	191	52.3	378	79.4	245	37.7	240	35	1461	10600
	425767	0.40	0.12	506	433	1220	129	487	113	4.25	91.6	17.7	118	25.4	82.2	14.4	105	17.5	2683	11590
	425777	0.60	0.37	1749	372	953	107	396	105	5.36	134	35.7	290	70.8	260	50.9	383	61.3	3885	27020
	425778	0.61	0.46	2191	239	647	72.9	284	86.6	4.5	146	46.4	392	96.5	336	61.2	420	63.4	2579	8164
	425779	0.62	0.38	1863	408	985	108	423	114	5.84	162	40.1	309	73.4	251	45.7	327	52.3	2921	19800

In addition, T. MacHattie, of the NSDNR collected samples from the new discovery area on the Debert Lake Property and submitted 7 of these for whole rock analysis. The results and sample locations have been provided with permission (MacHattie, 2011). These samples ranged from 0.31% to 1.89% TREO. Some of these values are shown on Figure 11 and the TREO results are shown in Table 8.

Table 8 2010 Sampling from MacHattie, NSDNR

Sample	TREO	HREO	Y2O3	La2O3	Ce2O3	Pr2O3	Nd2O3	Sm2O3	Eu2O3
	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
10TM0024	12696	6515	4141	1053	2717	363	1539	509	20
10TM0026	9434	5483	3426	665	1780	229	941	336	13
10TM0036	6414	2154	1285	840	1979	247	960	234	8
10TM0049	11347	7275	4468	796	1897	230	854	295	11
10TM0052	3068	1469	905	305	710	93	379	112	4
10TM0056	18883	12714	7845	1208	2881	355	1283	443	20
10TM0057	12653	10053	6058	332	1125	165	680	298	14
Sample	Gd2O3	Tb2O3	Dy2O3	Ho2O3	Er2O3	Tm2O3	Yb2O3	Lu2O3	
	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	
10TM0024	570	112	713	144	403	54	316	42	
10TM0026	385	87	596	132	395	56	344	47	
10TM0036	196	36	236	50	150	23	148	22	
10TM0049	326	91	716	179	605	101	681	96	
10TM0052	112	23	154	33	103	16	104	15	
10TM0056	534	166	1148	343	1143	196	1139	181	
10TM0057	370	119	1015	259	913	152	1008	146	

9.1 Discussion of Results

One of the most interesting observations relating to the analytical results from the samples analyzed to date is that the HREE tend to dominate relative to the LREE. This is very significant, since the HREE have greater value. Figure 13 is a chart showing the % TREO relative to the % HREO. The chart utilized the Magnum data as well as additional analytical results from samples collected from Gulf Minerals drill core and trenches on the Debert Lake Property by the Nova Scotia Department of Natural resources (MacHattie, 2010).

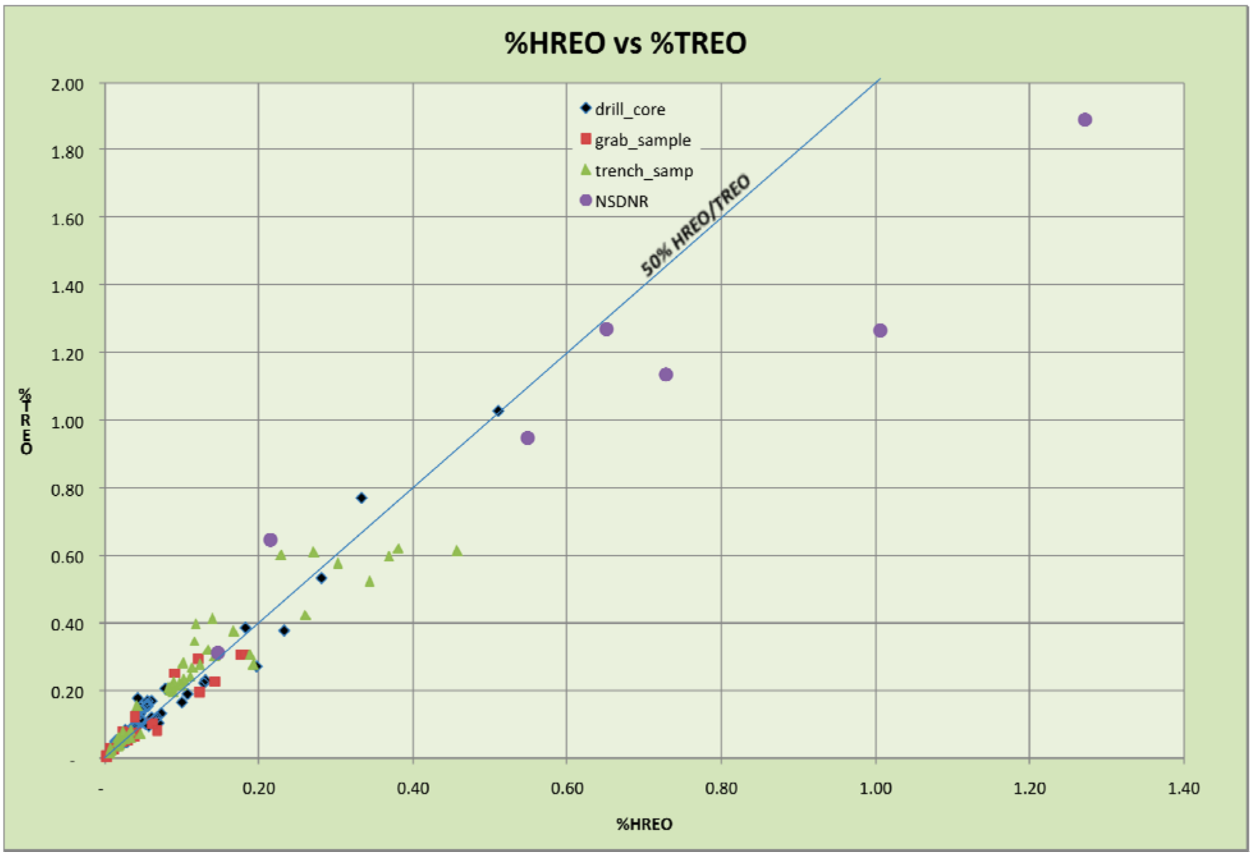

Figure 13 Scatterplot of TREO showing relatively higher proportion of HREO at the Debert Lake Property

The results from Magnum's 2010 work program are very encouraging in that the mineralization observed in the single Gulf Minerals drill hole (Gower, 1988) has now been located in other historical holes and at surface on the Debert Lake Property. There is limited bedrock exposure in the area near the Gulf Minerals hole, yet the Magnum crews have been able to locate many veins and dykes with a limited stripping program. In addition, the exposed veins appear to dip shallowly to moderately towards the south. The Gulf Minerals drill holes also dipped towards the south and thus were not drilled at an optimal direction to test what appears to be a swarm of south dipping dykes and veins.

The work program has identified a zone containing multiple dykes and veins of a granitic composition that contain elevated REE mineralization. The zone is located within volcanic host rocks that are near the contact with an underlying shallow level granitic intrusive pluton. The discovery trench is located approximately 50 metres from the contact and the granitic rocks appear to dip shallowly beneath the volcanics. This contact zone and the cupola of the granitic pluton has the potential to host REE mineralized zones on the Magnum Property that may be significantly larger than anything discovered by the very limited exploration program that has been completed to date.

10.0 Drilling

Magnum Resources Inc. has not performed any drilling on the Property to date.

11.0 Sampling Method and Approach

No sample preparation was carried out by Magnum personnel prior to shipping of samples to the testing laboratory. All samples were collected by Magnum field personnel, placed in plastic sample bags and assigned a sample number. The sampler recorded the sample number, location (by means of a Garmin, hand-held GPS receiver) and a brief rock description. The samples were stored in a secure location until sufficient samples were accumulated to justify shipment to the lab.

The samples were then shipped to Actlabs laboratory in Ancaster, Ontario for analysis. All shipments were tracked by tracking numbers and no discrepancies or delays were noted. Receipt of all boxed samples by Actlabs was confirmed by email.

All sample preparation and assaying was completed by Actlabs, a certified and internationally recognized laboratory located in Ancaster, Ontario, Canada. Actlab is ISO 17025 certified. The

Actlab analytical package coded “WRA 4 litho plus trace element package” was used on all samples. This method of analysis is described by Actlab:

> *“…a lithium metaborate/tetraborate fusion ICP Whole Rock Package Code 4B and a trace element ICP/MS package Code 4B2 which is unique for scope of elements and detection limits. The two packages are combined for Code 4Litho and Code 4Lithoresearch. The quality of whole rock data in Code 4B meets or exceeds quality of data by fusion XRF Code 4C, the old standard in whole rock analysis. The fusion process ensures total metals particularly for elements like REE in resistate phases. Quality of data is exceptional and can be used for the most exacting applications. The trace element package by ICP/MS, Codes 4B2-STD or 4B2- RESEARCH, on the fusion solution provides research quality data whether using standard or research detection limits. Eu determinations are semiquantitative in samples having extremely high Ba concentrations (greater than 1%)….data may be semiquantitative for chalcophile elements (Ag, As, Bi, Co, Cu, Mo, Ni, Pb, Sb, Sn, W and Zn)*”.

Actlabs is an independent testing laboratory and has no relationship with Magnum or Magnum personnel. Analytical services were carried out in return for standard commercial fees.

During the exploration program, multiple samples from some field sites were collected and submitted for analysis as field duplicates. In addition, many samples were tested in the field with a portable XRF instrument and metal contents recorded for comparison purposes. There was no significant variation in the comparative analytical results between the duplicate and primary samples.

In the author’s opinion, the field and sampling procedures are of a high professional standard and are suitable for an initial exploration program. Magnum will be required to initiate a comprehensive QA/QC program that includes the insertion of standards (certified standard reference material), blanks and duplicates into the sampling sequence, in future exploration programs.

12.0 Data Verification

The author completed a 3-day property examination that included a visit to the Debert Lake Property on April 15th, 2011; a visit to the NSDNR Core Storage Facility in Stellarton, Nova Scotia to view historical drill core from a 1978 to 1980 Gulf Minerals exploration program on April 14th, 2011; and a visit to the NSDNR in Halifax on April 13th, 2011 where data and rock samples from the Property were inspected and discussed with Magnum personnel and geologists (T. MacHattie and R. Ryan) from the NSDNR, Geological Services Division. The purpose of the property examination was:

- To confirm the geological setting of the Debert Lake Property area and assess its potential to host rare earth mineralization.
- To review the extent of and results from the Magnum exploration program to date as well as historical work and discuss these results with the field personnel and independent geologists from the NSDNR, Geological Services Division.
- To review the sample collection, storage and handling of field samples as well as the overall exploration methodology.
- To assess logistical, environmental and other issues that might affect the future of the Project.

During the property visit on April 15, 2011, four samples were collected for examination and REE analysis. These four samples were kept in the authors possession until submitted to SGS Mineral Services in Toronto, Ontario where they were analyzed by SGS method ICM90A. This method utilizes a Sodium Peroxide Fusion with ICP-AES and ICP-MS determinations for 55 elements.

Three of the samples were of typical, mineralized granitic vein material that cuts volcanic rocks in two of the stripped areas. The other sample was from a patch of pegmatitic material in a granitic host-rock. Previous grab samples collected by Magnum personnel indicated elevated REE mineralization in these zones. All four samples gave anomalous responses on a gamma-ray scintillometer used by the Magnum team and showed anomalous REE mineralization when tested with a portable hand-held XRF analyzer. The four samples were not necessarily precise duplicates of Magnum samples but were taken from the same exposed zone.

The samples were primarily designed to verify the existence of REE mineralization on the Debert Lake Property. Table 8 shows the results for the REE analyses as well as values for niobium and zirconium. The latter are highly anomalous and are commonly associated with REE mineralization. In this table, the REE values have been converted to REO to conform to industry conventions.

Table 9 REO results from author's verification sampling on the Debert Lake Property

Sample	TREO	HREO	Y2O3*	La2O3	Ce2O3	Pr2O3	Nd2O3	Sm2O3	Eu2O3	Gd2O3
	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
2072	3670	1514	848	473	1029	118	421	115	5	130
2073	5542	2786	1269	517	1276	161	609	191	8	231
2074	7687	4942	1269	430	1265	159	651	239	10	292
2075	1725	730	406	169	482	58	220	65	3	68
Sample	Tb2O3	Dy2O3	Ho2O3	Er2O3	Tm2O3	Yb2O3	Lu2O3	Nb	Zr*	
	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	
2072	27	181	39	119	19	128	17	896	7820	
2073	48	316	69	213	33	215	30	1210	>10000	
2074	72	521	121	394	67	468	65	1670	>10000	
2075	13	86	18	55	9	63	9	916	5060	

above upper detection limit for method used

The values shown for zirconium oxide are incomplete since two of the samples contained amounts in excess of the upper detection limit for this element. The analytical results confirm REE mineralization on the Debert Lake Property. Furthermore, the samples contained similar quantities of REE as many of the samples collected by Magnum personnel.

The complete analytical results for these four samples are included in Appendix III.

13.0 Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testing has been completed on the Debert Lake Property to date.

14.0 Mineral Resource Estimates

There are no mineral resources to report on the Debert Lake Property.

15.0 – 22.0 Sections not applicable

23.0 Adjacent Properties

The Debert Lake Property covers a newly recognized REE prospect in an area where there has been relatively little previous exploration. There are no mines or advanced exploration projects on properties adjacent to the Magnum licenses. Capella Resources report the discovery of polymetallic (Sn, W, Bi, Mo, Zn, Ag, Au) and REE mineralization during a 2010 exploration program on adjacent exploration licenses (Capella Resources Website). There is also a past producing iron mine with associated copper, cobalt, nickel, barite and gold mineralization that is located in the Londonderry area, approximately 17 km southwest of the Debert Lake Property (O'Reilly, 1996) . The author has not been able to verify this data. These occurrences are not necessarily indicative of mineralization found on the Debert Lake Property.

24.0 Other Relevant Data and Information

24.1 General Information on REE

There are 16 elements that are classified as REE. Fifteen of these are the lanthanide series comprising lanthanum, cerium, praseodymium, neodymium, promethium, samarium, europium, gadolinium, terbium, dysprosium, holmium, erbium, thulium, ytterbium, and lutetium. One other element, yittrium, is included in REE due to its chemical similarity and the fact that it commonly occurs together with the other REE. Scandium (Sc) is equally similar and is included by some geoscientists as part of the REE group but is not included in this report. Figure 14 is a Periodic Table of the elements showing the REE. They are shown separated out from the other elements due to the fact that they should occupy one space in the table for reasons of chemical similarity.

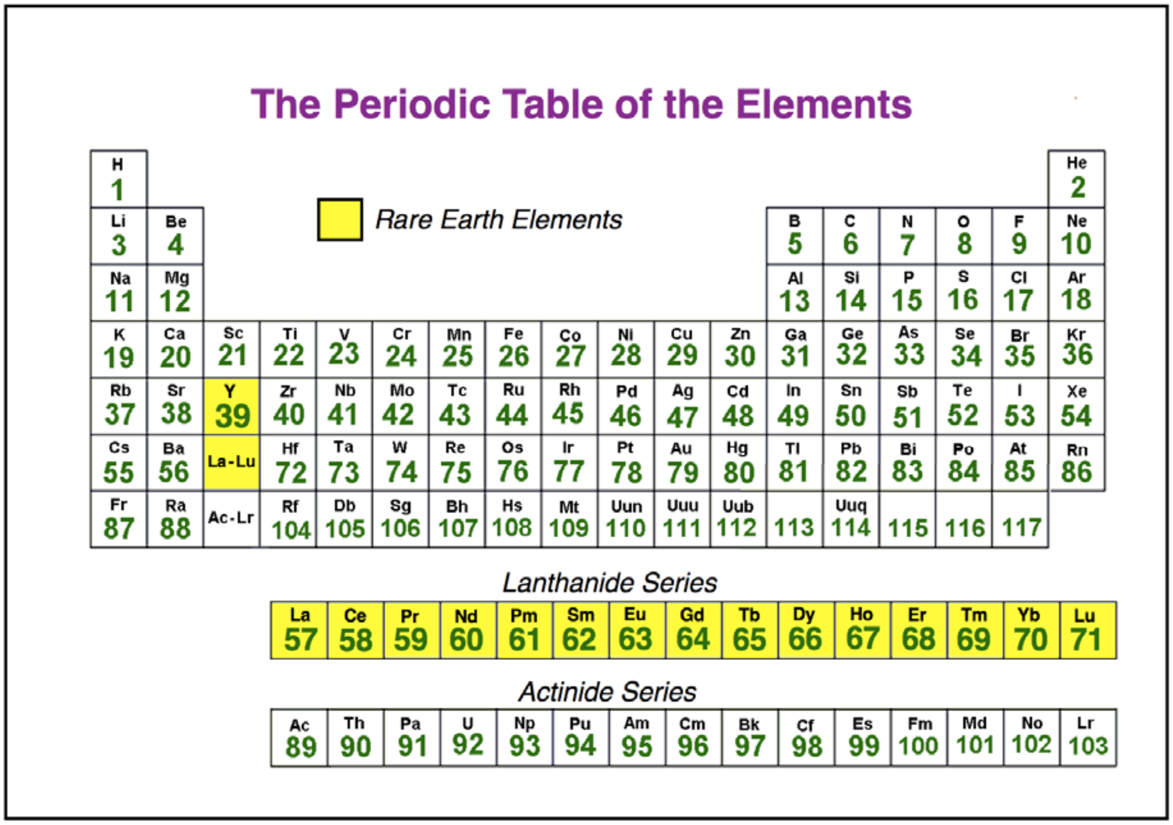

Figure 14 Periodic Table of the Elements highlighting REE

The properties shared by the REE (in particular the ionic radii and oxidation states) are one of the attributes that affect the economic viability of a REE deposit. Many of the REE can substitute for each other in the crystal lattice of the various rare earth minerals. This means that the extraction process to isolate an individual element is complex and relatively expensive. Another characteristic that can affect the cost of processing is the fact that they are commonly associated with radioactive minerals such as thorium and uranium. These elements can be removed during processing but storage of the waste products can sometimes be problimatic.

Most of the economic deposits in the world are from ores that are made up of minerals containing a single REE. For example, at least 60% of production is from the mineral Bastnaesite - $CeFCO_3$ although La and Y can substitute for the Ce in this mineral. Other common minerals include: Monazite, $(Ce,Y,La,Th)PO_4$; and Xenotime (YPO_4). Two silicate minerals, Zircon - $(Zr,Th,Y,Ce)SiO_4$ and Allanite -$(Ce,Ca,Y,La)_2(Al,Fe)_3(SiO_4)3OH$, are also common hosts for rare earth minerals.

The following table presents a description of the dominant minerals that are mined along with some general notes on the method of concentrating and recovery.

Table 10 REE Minerals, Sources and Other Relevant Information

Bastnaesite

- Bayun Oba, China
  - 40 – 50% of world production is from bastnaesite ores in China as bi-product from iron ore mining.
  - Bastnaesite + monazite + iron minerals (4 – 6% REO).
  - Separated and recovery by flotation + gravity methods.
  - Processing later by chemical and roasting.
- Mountain Pass, California
  - Ore is 10% bastnaisite (6% REO), 60% carbonate (calcite), 20% barite – celestite and10% silica
  - Recovery by flotation.
  - Downstream processing using acid/roasting.

Monazite

- Placer deposits in India, Malaysia, Sri Lanka, Thailand and Brazil (Resources also located in Australia and China)
  - Mostly from mining mineral sands by dredging or dry desert mining for titanium and zirconium (1-20% monazite).
  - Gravity concentration resulting in concentrate with 55-65% REE
  - Uses hot chemical processing to remove Thorium.

Xenotime

- Limited extraction in Malaysia as bi-product from tin mining (beach sands, placers)
  - Mostly from mining beach sands and placers.
  - magnetic and gravity separation
  - Solvent extraction, exact method unavailable.

Apatite

- Mined in small quantities in former Soviet Union, Norway, Finland and Estonia
  - From apatite deposits.
  - Acid extraction as bi-product from phosphorous production.
  - Solvent extraction, exact method unavailable.

Ion Adsorption Clays

- Mined almost exclusively in Southern China
    - REE adsorbed on the surface of alumino-silicate minerals that may have originally been phosphate minerals; typically 1% REE.
    - No crushing required, mined by open pit; heap leaching but due to pollution it is now mined by in-situ leaching.
    - Solvent extraction, exact method unavailable.

There has also been significant historic production of REE as a bi-product from uranium mining.

The REE as a group have properties (eg, high thermal conductivity, high relative density, high melting point, high luminescence, high reactivity with water and oxygen) that make them suitable and sought after for use in many “high tech” commodities, particularly by the electronics and glass/ceramic industries. Current uses include:

- Chemical Catalysts (vehicle exhaust emissions; petroleum refining).
- Alloys for high strength metals as in the aerospace industry.
- Glass & electronic parts polishing and ceramics
- Phosphors for monitors, lighting, color enhancement, glass “alloys”.
- Permanent magnets – particularly for electric motors, turbines.
- Electronics, especially cell phones.
- Storage batteries, especially for electric vehicles.

The REE products are marketed in various forms depending on the amount of processing that a producer is willing to carry out and upon the needs of the buyers. As a general rule, the more highly processed, the higher the value. The sales products can be generally summarized as:

- Mineral Concentrates (either mixed or single mineral).
- Chemical Product, usually a carbonate or chloride; (either mixed or single element).
- Metallic Form (either mixed or single metal or as alloys).

As a general rule, REE are quantified and valued in the oxide form. For each REE there is a calculated conversion factor that is used to convert the concentration in elemental form (reported in analytical reports from laboratories) to the oxide form. This conversion factor along with the chemical formula for each oxide, the element’s atomic number and approximate concentration in the earth’s crust is presented in Table 10.

Table 11 REE Information

Rare Earth Element	Atomic Number	Symbol	Oxide	Conversion factor (% element x conversion factor -% oxide)	Abundance in the upper crust (ppm)
Yttrium	39	Y	Y2O3	1.269	21
Lanthanum	57	La	La2O3	1.173	31
Cerium	58	Ce	Ce2O3	1.171	63
Praseodymium	59	Pr	Pr2O3	1.17	7.1
Neodymium	60	Nd	Nd2O3	1.166	27
Promethium	61	Pm	*	*	*
Samarium	62	Sm	Sm2O3	1.16	4.7
Europium	63	Eu	Eu2O3	1.158	1.0
Gadolinium	64	Gd	Gd2O3	1.153	4.0
Terbium	65	Tb	Tb2O3	1.151	0.7
Dysprosium	66	Dy	Dy2O3	1.148	3.9
Holmium	67	Ho	Ho2O3	1.146	.83
Erbium	68	Er	Er2O3	1.143	2.3
Thulium	69	Tm	Tm2O3	1.142	0.30
Ytterbium	70	Yb	Yb2O3	1.139	2.2
Lutetium	71	Lu	Lu2O3	1.137	0.31
Thorium	90	Th	ThO2	1.138	10.5
Zirconium	40	Zr	ZrO2	1.351	193
Niobium	41	Nb	Nb2O5	1.431	12

* Promethium does not occur as a stable natural element

Prior to 1950 there was little documented production or sales of REO. Since that time, uses have been discovered and demand has increased dramatically. Figure 15 is a graph that represents the average production of REO since 1950 and the country from which the REO originated. Until 2002, the USA was a significant producer of REO until most mines were shut down because of cheap foreign imports and restrictive environmental regulations. In 2010, China produced more than 95% of the worlds REO. Since 2007, China has initiated a number of measures designed to control the amount of production and to limit exporting of REO to ensure a sustainable supply of the rare earths as well as to capitalize on the value added benefits of Chinese manufacturing industries.

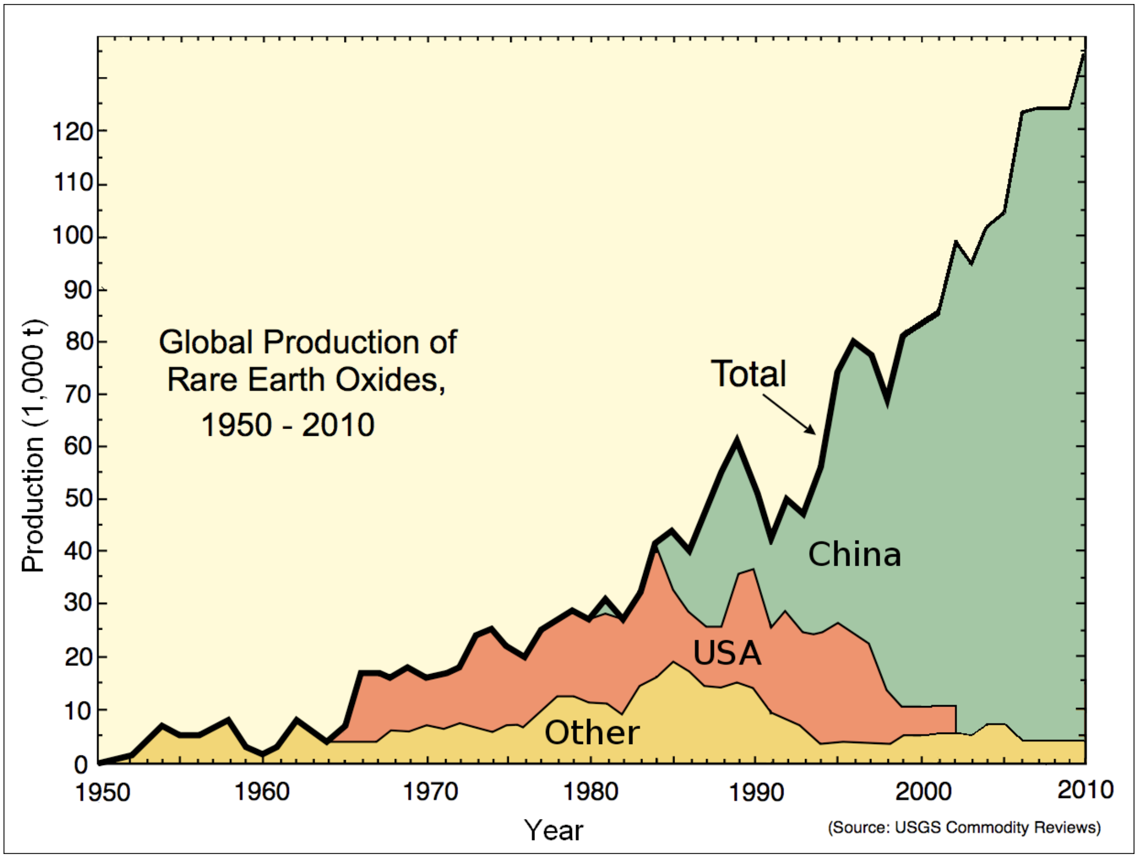

Figure 15 Global Production of Rare Earth Oxides

The Chinese export restrictions are unpredictable for the future. As a result, there has been a considerable amount of exploration activity around the world in an attempt to locate new resources to fill the supply deficit and to take advantage of high REO prices. At the present time there are at least three deposits outside of China that are in the process of being developed – the Mountain Pass deposit in California, USA (Molycorp Minerals LLC) and the Nolans deposit (Arafura Resources) and the Mt. Weld deposit (Lynas Corporation) in Australia. There has been some recent production from these deposits but new metallurgical and processing facilities are not scheduled until 2013. In addition, there are currently 2 deposits in Canada - Thor Lake Project of Avalon Resources; and Hoidas Lake Project of Great Western Minerals Ltd. - that are at an advanced stage of development.

The prospect of an oversupply of some of the REO in the near future as a result of these new developments is possible, particularly for the “Light REE”. However, the “heavy REE” should be a good exploration target for the long term.

25.0 Interpretation and Conclusions

The Debert Lake Property of Magnum Resources covers a 3.0 km long contact zone between felsic volcanic rocks of the Byers Brook Formation and the underlying Hart Lake-Byers Lake granitic pluton. Core from a diamond drill hole completed in this area by Gulf Minerals in 1988, was reported to contain REE mineralization in four samples collected for petrological studies from a 0.90 metre wide interval in this hole. One of these samples assayed 1.20% REE as reported in an NSDNR publication (MacHattie, 2010). A work program completed by Magnum during 2010, identified similar mineralization in other Gulf Minerals drill holes from the same area. A prospecting and stripping program further identified numerous other similar granitic vein and dyke zones within this contact zone. The exposed dykes and veins appear to occur as south dipping swarms ranging in width from a few centimeters to 40 cm. Assays from grab samples from some of this material ranged from 0.03% to 1.89% TREO. The length and areal extent of the zones have not yet been determined. Elevated REE mineralization has also been discovered in miarolitic cavities and pegmatititic patches within the upper part of the underlying granitic rocks. The mineralization appears to be related to hydrothermal metasomatism along the contact zone. The mineralizing fluids are thought to have originated from a composite, alkalic intrusive complex with the REE being scavenged from melted crustal material during the emplacement event. This geological setting and deposit type are characteristic of many other known REE deposits in other parts of the world.

The work program completed to date by Magnum on the Debert Lake Property has been very successful. The original REE occurrence, noted during work related to a Masters Thesis being carried out on drill core and other historic data (Gower, 1988) has been confirmed and similar mineralization discovered in outcrop. A small stripping program competed in 2010 has exposed an array of REE bearing veins and dykes.

The area in which the mineralization has been discovered is overburden covered. The numerous occurrences exposed by the very limited stripping completed in 2010 suggests that the mineralized veins are very extensive and that the mineralizing system is very robust. The Debert Lake Property is at an exploration stage and its potential has yet to be determined. As such, it is a property of merit and should be aggressively explored.

26.0 Recommendations

A multi phased work program should be completed on the Debert Lake Property. The first phase should be designed to explore the favourable contact zone along its entire 3.0 km length within the Property limits. A cut grid should be established across the contact zone at 50 metre intervals. Geological mapping, geophysical surveys (magnetometer, VLF-EM) and soil geochemical sampling should be carried out over this grid. Initially, both MMI and B-Horizon soil geochemical surveys should be completed over a small area of known mineralization to test for the effectiveness of the two methods. The most successful method should then be extended over the entire grid. All anomalous areas as well as areas identified by mapping and prospecting should be stripped by mechanical means. Any mineralized zones as identified visually or by portable XRF instrument should be systematically channel sampled and samples submitted to a certified laboratory for analysis.

Following the completion of this basic program and the interpretation of results, several drill holes should be completed in the favourable target areas to test the continuity, spacing and REE content of the known flat to gently south dipping dykes. Seven holes having maximum depths of 150 metres should be collared on 3 fences at 50 metre intervals between the discovery zone and the granite-volcanic contact. The proposed hole locations are shown on Figure 11 although the precise collar locations may be adjusted if necessary based on the results from the initial exploration program and ongoing compilation of data.

The work program should also include a detailed petrological studies in an effort to identify early the minerals that contain the REE. This work should utilize modern scanning electron microscopy techniques to identify the mineralogy as well as provide textural information such as grain size, mineral associations, mineral liberation and porosity. This type of information is critical in determining the economic potential of the mineralization at a preliminary stage in the exploration/development of the project, since REE are sometimes difficult to extract from their host rocks. Samples for this work should initially be collected from bedrock exposures of known REE-bearing dykes and submitted for preliminary mineralogical and petrological analysis. A suite of more representative samples can be collected from blasted trenches or drill core later in the field season.

Table 12 Phase I Proposed Diamond Drill Holes

Hole No.	Collar Location (NAD83, Zone 20 N)		Inclination	Depth (m)
	Easting	Northing		
1	464335	5047685	Vertical	150
2	464335	5047735	Vertical	150
3	464335	5047785	Vertical	150
4	464550	5047580	Vertical	150
5	464550	5047630	Vertical	150
6	464550	5047680	Vertical	150
7	464685	5047260	Vertical	100

An estimate of the cost of the Phase I program is presented in Table 13.

Table 13 Phase I Budget

Description	Unit Value		Amount CDN$
	# Units	Unit Cost $	
Linecutting	100 km	600	60,000
Ground geophysical surveys (Mag, VLF-EM)	100 km	250	25,000
Soil geochemical sampling (incl. analysis)	3000 samples	65	195,000
Geological mapping (2 geologists, 2 assist's)	30 days	1,800	54,000
Mechanical stripping	400 hours	100	40,000
Diamond Drilling (7 shallow holes)	1,000 m	150	150,000
Core Logging, Sampling (1 geo, 1 assistant)	60 days	800	48,000
Cleaning, sampling, mapping stripped areas	60 days	600	36,000
Mineralogy & petrography	Estimate	50,000	50,000
Assays and analysis, rocks (whole rock)	1,400 samples	90	126,000
Travel: 2 vehicles, fuel (400 vehicle days)	400 days	150	60,000
Accommodation, meals (6 people average)	800 man-days	100	80,000
Consumables, communication, software	8 months	10,000	80,000
Equipment rental, miscellaneous	8 months	6,000	48,000
Surface access and stumpage fees	8 months	estimate	25,000
Supervision, QA/QC, reporting	(approx)	@ 20%	215,000
Contingency & Overhead	(approx)	@ 10%	129,000
TOTAL ESTIMATED COST			**$1,421,000**

A second phase consisting mainly of stripping and diamond drilling will be dependent upon encouraging results from Phase I. An estimate of a minimum recommended Phase II project budget is presented in the following table (Table 14).

Table 14 Phase II Budget

Description	Unit Value		Amount CDN$
	Units	Unit Cost $	
Diamond Drilling	5,000 m	150	750,000
Mechanical stripping	400 hours	100	40,000
Cleaning, sampling, mapping stripped areas	60 days	600	36,000
Petrology & preliminary geo-metallurgy	Estimate	50,000	50,000
Core logging, sampling, other (3-man crew)	4 months	35,000	140,000
Assaying & analysis	1,000 samples	90	90,000
Travel: 2 vehicles, fuel (120 vehicle days)	120 days	150	18,000
Accommodation, meals (6 people average)	360 man-days	100	36,000
Consumables, communication, software	4 months	10,000	40,000
Equipment rental, miscellaneous	4 months	5,000	20,000
Supervision, QA/QC, reporting	(approx)	@ 20%	244,000
Contingency & Overhead	(approx)	@ 10%	146,000
TOTAL ESTIMATED COST			**$1,610,000**

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28.0 Certificate of Qualifications

Seymour M. Sears

To accompany the report entitled: *"NI 43-101 Technical Report on the Debert Lake Property, Colchester County, Canada"* effective date May 15, 2011.

I, Seymour M. Sears, do hereby certify that:

1. I reside at 840 Hillsdale Crescent, Sudbury, Ontario, Canada, P3E 3S9.
2. I am a graduate of Mount Allison University in Sackville, New Brunswick with a B.A in Psychology and a B.Sc. in Geology.
3. I have been practicing my geological profession continuously since 1972.
4. I am a member of the Association of Professional Geoscientists of Ontario, Canada (APGO # 0413).
5. I am a partner of Sears, Barry & Associates Limited (APGO Certificate of Authorization # 90150), a firm of consulting geologists based in Sudbury, Ontario.
6. I have previously worked in the exploration and evaluation of rare earth element deposits in North America.
7. I am a "Qualified Person" as defined by National Instrument 43-101 by virtue of my education, qualifications, work experience and membership in the professional association of the Professional Geoscientists of Ontario, Canada.
8. I examined historic drill core from the Debert Lake Property at the MNDM Stellarton Core Storage Facility on April 14, 2011 and visited the Debert Lake Property on April 15, 2011.
9. I am responsible for all sections of this technical report.
10. I am independent of the issuer applying all of the tests in section 1.5 of the Standards of Disclosure for Mineral Projects under National Instrument 43-101.
11. I have not had any prior involvement with the Debert Lake Property that is the subject of this technical report.
12. I have read the NI 43-101 – standards of disclosure for mineral projects, Form 43-101F1 and Companion Policy NI 43-101CP of the Canadian Securities Administrators and have prepared this technical report in compliance with these documents.
13. As of the effective date of this technical report, to the best of my knowledge, information, and belief, this technical report contains all scientific and technical information that is required to be disclosed to make this technical report not misleading.

[Original signed and sealed]

Seymour M. Sears, P.Geo. (APGO # 0413)
Signed June 02, 2011

29.0 Date and Signature Page

This report entitled: To accompany the report entitled: “NI 43-101 Technical Report on the Debert Lake Property, Colchester County, Canada”, with an effective date of May 15, 2011 was prepared and signed by the following author:

[Original signed and sealed]

Seymour M. Sears, P.Geo. (APGO # 0413)
President and Consulting Geologist
Sears, Barry & Associates Limited

Dated: June 02, 2011

APPENDIX I

ABBREVIATIONS AND SYMBOLS

Abbreviations and Symbols

Chemical

Ag	Silver
Au	Gold
Bi	Bismuth
C	Carbon
Ca	Calcium
Ce	Cerium
Dy	Dysprosium
Er	Erbium
Eu	Europium
Gd	Gadolinium
Ho	Holmium
La	Lanthanum
Lu	Lutetium
Mo	Molybdium
Na	Sodium
Nb	Niobium
Nd	Neodymium
O	Oxygen
P	Potassium
Pm	Promethium
Pr	Praseodyminum
Sc	Scandium
Sm	Samarium
Sn	Tin
Tb	Terbium
Th	Thorium
Tm	Thulium
W	Tungsten
Y	Yttrium
Yb	Ytterbium
Zn	Zinc
Zr	Zirconium

Units

mm	millimetre(s)
cm	centimetre(s)
m	metre(s)
km	kilometre(s)
%	percent
ppm	parts per million
ppb	parts per billion
°	degree(s)
˚C	degree(s) Celcius
Ma	million year(s)

Rare Earth Abbreviations

HREE	Heavy Rare Earth Element(s)
HREO	Heavy Rare Earth Oxide(s)
LREE	Light Rare Earth Element(s)
RE	Rare Earth
REE	Rare Earth Element(s)
REM	Rare Earth Metal(s)
REO	Rare Earth Oxide(s)
TREE	Total Rare Earth Element(s)
TREO	Total Rare Earth Oxide(s)

Other

$	dollar(s) (Canadian)
<	less than
>	greater than
…	not available
Allen	Lindsay John Allen
Alpha	Alpha Uranium Resources Inc.
amsl	above mean seal level
CCFS	Cobequid-Chedabucto Fault System
CDN$	Canadian dollar
CSRM	Certified Standard Reference Material
DDH	Diamond Drill Hole
FUS-ICP	Fusion-Inductively Coupled Plasma
FUS-MS	Fusion-Mass Spectrometry
GPS	Global Positioning System
Gulf	Gulf Minerals Exploration Ltd.
Gulf	Gulf Minerals Canada Ltd.
IAT	Ion Adsoprtion Type
ICP	Inductively Coupled Plasma
IOCG	Iron Oxide Copper-Gold
Magnum	Magnum Resources Inc.
MS	Mass Spectrometry
NI 43-101	Canadian National Instrument 43-101
NSDNR	Nova Scotia Department of Natural Resources
NTNSC	Northern Timber Nova Scotia Corp.
QA/QC	Quality Assurance/Quality Control
SBA	Sears, Barry & Associates Ltd.
TSX	Toronto Stock Exchange
USA	United States of America
UTM	Universal Transverse Mercator
VMS	Volcanigenic Massive Sulphide
XRF	X-ray Fluorescence
X-Section	cross section
YHZ	Stanfield International Airport (Halifax) code

APPENDIX II

Nova Scotia Natural Resources
Confirmation of Title

NOVA SCOTIA
Natural Resources

PO Box 698
Halifax, Nova Scotia
B3J 2T9

902 424-7735 F
www.gov.ns.ca

April 29, 2011

Mr. Lindsay Allen
11 River Road
Terence Bay River, NS B3T 1X2

Dear Sir:

RE: Confirmation of Title - Exploration Licence Nos. 06285 and 06287; Magnum Resources Inc.

Further to your request dated April 28, 2011, please find attached the results of the confirmation of title on exploration licence no. 06285 and 06287.

Sincerely,

Andrew Wenning
Assistant Registrar of Mineral
and Petroleum Titles

AW/jlk

Attach.

c Mr. John D. MacNeil

Confirmation of Title
as at
April 29, 2011

Exploration Licence No.	Licensee as at April 29, 2011	Map	Tract	Claims	Annual Anniversary Date	Remarks
06285	Magnum Resources Inc.	11E11B	62 63 82 83	Q GH JKL NOP CD EF LM N A H	September 16	Last renewed by Certificate of Compliance No. 7047 for a 5th year commencing September 16, 2009. Under renewal application no. 17320, rec'd September 14, 2010, for a 6th year commencing September 16, 2010.
06287	Magnum Resources Inc.	11E11B	62 63 83	H JK OP EF M BC G JK Q	September 19	Last renewed by Certificate of Compliance No. 7048 for a 5th year commencing September 19, 2009. Under renewal application no. 17321, rec'd September 14, 2010, for a 6th year commencing September 19, 2010.

APPENDIX III

Check Assay Certificates

SGS

Certificate of Analysis

Work Order: TO114497

To: COD SGS Minerals
C/O P.O. Box 439
Whiffen Head Road
ARNOLD COVE
NF A0B 1A0

Date: May 25, 2011

P.O. No.	:	Sears, Barry & Associates Ltd.
Project No.	:	-
No. Of Samples	:	4
Date Submitted	:	Apr 20, 2011
Report Comprises	:	Pages 1 to 7 (Inclusive of Cover Sheet)

Distribution of unused material:
Discard after 90 days:

Certified By :
Lawrence Ng
Regional Business Manager (GEOCHEM)

SGS Minerals Services (Toronto) is accredited by Standards Council of Canada (SCC) and conforms to the requirements of ISO/IEC 17025 for specific tests as indicated on the scope of accreditation to be found at http://www.scc.ca/en/programs/lab/mineral.shtml

Report Footer:

L.N.R.	= Listed not received	I.S.	= Insufficient Sample
n.a.	= Not applicable	--	= No result

*INF = Composition of this sample makes detection impossible by this method

M after a result denotes ppb to ppm conversion, % denotes ppm to % conversion

Methods marked with an asterisk (e.g. *NAA08V) were subcontracted
Methods marked with the @ symbol (e.g. @AAS21E) denote accredited tests

SGS Canada Inc. | Mineral Services 1885 Leslie Street Toronto ON t(416) 445-5755 f(416) 445-4152 www.ca.sgs.com

Member of the SGS Group (Société Générale de Surveillance)

SGS

Final : TO114497 Order: Sears, Barry & Associates Ltd.

Element	Al	Ba	Be	Ca	Cr	Cu	Fe	K	Li	Mg
Method	@ICM90A	@ICM90A	@ICM90A	@ICM90A	@ICM90A	@ICM90A	@ICM90A	@ICM90A	@ICM90A	@ICM90A
Det.Lim.	0.01	0.5	5	0.1	10	5	0.01	0.1	10	0.01
Units	%	ppm	ppm	%	ppm	ppm	%	%	ppm	%
2072	4.12	35.0	36	0.2	20	6	4.95	2.5	<10	0.04
2073	4.43	58.3	31	0.8	30	98	3.94	3.1	<10	0.03
2074	4.27	37.0	51	0.5	20	17	7.09	3.3	30	0.03
2075	5.07	127	21	0.4	10	58	2.82	2.9	70	0.12
*Rep 2075	5.08	126	21	0.4	20	59	2.93	2.9	70	0.12

SGS

Final : TO114497 Order: Sears, Barry & Associates Ltd.

Element Method Det.Lim. Units	Mn @ICM90A 10 ppm	Ni @ICM90A 5 ppm	P @ICM90A 0.01 %	Sc @ICM90A 5 ppm	Sr @ICM90A 0.1 ppm	Ti @ICM90A 0.01 %	V @ICM90A 5 ppm	Zn @ICM90A 5 ppm	Ag @ICM90A 1 ppm	As @ICM90A 5 ppm
2072	710	6	0.04	<5	17.4	0.24	9	56	INF	6
2073	690	<5	0.03	<5	73.8	0.25	12	406	INF	9
2074	730	<5	0.02	<5	32.0	0.43	12	227	INF	25
2075	790	<5	0.02	<5	67.1	0.17	10	371	INF	<5
*Rep 2075	840	5	0.02	<5	66.8	0.18	9	384	INF	<5

SGS

Final : TO114497 Order: Sears, Barry & Associates Ltd.

Element Method Det.Lim. Units	Bi @ICM90A 0.1 ppm	Cd @ICM90A 0.2 ppm	Ce @ICM90A 0.1 ppm	Co @ICM90A 0.5 ppm	Cs @ICM90A 0.1 ppm	Dy @ICM90A 0.05 ppm	Er @ICM90A 0.05 ppm	Eu @ICM90A 0.05 ppm	Ga @ICM90A 1 ppm	Gd @ICM90A 0.05 ppm
2072	1.0	<0.2	879	2.1	1.9	158	104	4.21	55	113
2073	6.4	0.8	1090	2.4	2.2	275	186	6.89	51	200
2074	1.6	<0.2	1080	2.5	7.2	454	345	9.01	54	253
2075	3.2	0.4	412	1.4	1.5	74.6	47.7	2.20	52	59.2
*Rep 2075	3.2	0.5	410	1.5	1.6	73.5	48.0	2.26	53	57.1

SGS

Final : TO114497 Order: Sears, Barry & Associates Ltd.

Element Method Det.Lim. Units	Ge @ICM90A 1 ppm	Hf @ICM90A 1 ppm	Ho @ICM90A 0.05 ppm	In @ICM90A 0.2 ppm	La @ICM90A 0.1 ppm	Lu @ICM90A 0.05 ppm	Mo @ICM90A 2 ppm	Nb @ICM90A 1 ppm	Nd @ICM90A 0.1 ppm	Pb @ICM90A 5 ppm
2072	5	250	34.1	0.3	403	15.2	3	896	361	45
2073	5	369	60.1	0.2	441	26.0	6	1210	522	511
2074	5	472	106	<0.2	367	57.2	15	1670	558	159
2075	3	175	15.9	0.3	144	8.35	3	916	189	169
*Rep 2075	3	176	15.5	0.3	145	8.30	4	833	193	170

SGS

Final : TO114497 Order: Sears, Barry & Associates Ltd.

Element Method Det.Lim. Units	Pr @ICM90A 0.05 ppm	Rb @ICM90A 0.2 ppm	Sb @ICM90A 0.1 ppm	Sm @ICM90A 0.1 ppm	Sn @ICM90A 1 ppm	Ta @ICM90A 0.5 ppm	Tb @ICM90A 0.05 ppm	Th @ICM90A 0.1 ppm	Tl @ICM90A 0.5 ppm	Tm @ICM90A 0.05 ppm
2072	101	475	0.9	99.2	204	75.6	23.8	244	1.6	16.7
2073	138	520	1.8	165	214	99.6	41.8	321	1.9	29.2
2074	136	379	3.0	206	375	118	62.5	>1000	1.4	58.7
2075	49.3	197	0.8	56.4	79	67.4	11.7	74.7	0.9	7.67
*Rep 2075	48.3	200	0.8	56.6	79	62.2	11.5	72.2	0.9	7.77

SGS

Final : TO114497 Order: Sears, Barry & Associates Ltd.

Element Method Det.Lim. Units	U @ICM90A 0.05 ppm	W @ICM90A 1 ppm	Y @ICM90A 0.5 ppm	Yb @ICM90A 0.1 ppm	Zr @ICM90A 0.5 ppm	WtKg WGH79 0.001 kg	Th IMS91B 5 ppm	Y IMS91B 5 ppm	Zr IMS91B 0.5 ppm
2072	84.3	18	668	112	7820	0.366	N.A.	N.A.	N.A.
2073	140	21	>1000	189	>10000	1.052	N.A.	1280	N.A.
2074	155	41	>1000	411	>10000	1.330	1370	2310	N.A.
2075	69.7	6	320	55.6	5060	0.636	N.A.	N.A.	N.A.
*Rep 2075	70.5	7	320	55.2	5120				