

**Table 1: Bracemac-McLeod Resources**

Category	Zone	Tonnes (millions)	Zinc %	Copper %	Silver g/t	Gold g/t	Specific Gravity
<b>Massive and Semi-massive Sulphides</b>							
Measured	Bracemac KT Zone	1.08	12.88	1.46	40.70	0.41	3.47
Measured	Bracemac	0.41	8.51	1.79	28.20	0.31	3.71
Measured	Upper Bracemac	0.05	8.71	1.50	49.49	0.34	3.53
Measured	McLeod Zone (Upper Portion)	1.54	11.58	1.55	37.24	0.38	3.54
<b>Total Measured Resources</b>		<b>2.60</b>	<b>11.31</b>	<b>1.58</b>	<b>36.95</b>	<b>0.45</b>	<b>3.48</b>
Indicated	McLeod Zone (Lower Portion)	0.79	11.32	1.09	24.56	0.67	3.40
<b>Total Measured and Indicated Resources Massive and Semi-massive Sulphides (Base Resource used in Feasibility Study)</b>		<b>3.39</b>	<b>11.31</b>	<b>1.47</b>	<b>34.27</b>	<b>0.50</b>	<b>3.48</b>
<b>Stringer Sulphides (not currently in mining study)</b>							
Indicated	Copper Stringer Zone	0.24	0.96	1.25	7.80	0.19	3.15
<b>Total Indicated and Measured Resources (All mineralization types)</b>		<b>3.63</b>	<b>10.62</b>	<b>1.45</b>	<b>32.49</b>	<b>0.48</b>	<b>3.46</b>
<b>Inferred Resources (not currently in mining study)</b>							
Inferred	West McLeod*	0.16	2.17	2.63	23.76	0.19	3.29
Inferred	McLeod Deep	2.47	9.21	1.22	39.81	1.12	3.75
<b>Total Inferred Resources</b>		<b>2.63</b>	<b>8.78</b>	<b>1.31</b>	<b>38.83</b>	<b>1.06</b>	<b>3.72</b>

\*Previously released February 2009

**Table 2: Bracemac-McLeod Mining Reserves  
(Based on Massive-semi massive sulphides – Measured and Indicated)**

	Tonnes (millions) (diluted and recoverable)	Zinc %	Copper %	Silver g/t	Gold g/t	NSR (US\$/t)
<b>Massive and Semi-massive Sulphides</b>						
Proven	2.79	9.84	1.39	40.70	0.41	\$143.50
Probable	0.94	8.90	0.87	18.46	0.54	\$115.38
<b>Total (Base reserve used in Feasibility Study)</b>	<b>3.73</b>	<b>9.60</b>	<b>1.26</b>	<b>28.25</b>	<b>0.43</b>	<b>\$136.42</b>

**Table 3: Primary Commercial Assumptions.**

		2013	2014	2015	2016	
<b>METAL PRICES - REAL</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	
<b>Zinc</b>	Most Probable	US\$ / lb.	<b>0.80</b>	<b>0.80</b>	<b>0.80</b>	<b>0.80</b>
<b>Copper</b>	Most Probable	US\$ / lb.	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>
<b>Silver</b>	London	US\$ / oz.	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>
<b>Gold</b>	London	US\$ / oz.	<b>1000</b>	<b>1000</b>	<b>1000</b>	<b>1000</b>
<b>Exchange rates</b>						
US / CA	1US\$=CA\$		<b>1.04</b>	<b>1.04</b>	<b>1.04</b>	<b>1.04</b>
<b>Copper – Smelting Charge</b>						
- Benchmark Average	US\$ / dmt (con)		<b>55.00</b>	<b>55.00</b>	<b>55.00</b>	<b>55.00</b>
<b>Copper – Refining Charge</b>						
- Benchmark Average	US\$ / lbs		<b>0.055</b>	<b>0.055</b>	<b>0.055</b>	<b>0.055</b>
<b>Zn - Treatment Charges - CIF Destination</b>						
Basic TC's	US\$/dmt (con)		<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>
Basis	Per tonne zinc		<b>2000</b>	<b>2000</b>	<b>2000</b>	<b>2000</b>
<b>Freight Rate to Valleyfield</b>	US\$ / dmt		<b>51.21</b>	<b>51.21</b>	<b>51.21</b>	<b>51.21</b>
<b>Freight Allowance+ Rate to Horne</b>	US\$ / dmt		<b>135.87</b>	<b>135.87</b>	<b>135.87</b>	<b>135.87</b>
<b>Grade, Zn in Ore</b>			9.08	11.09	9.12	9.58
<b>Grade, Cu in Ore</b>			1.54	1.12	1.18	1.16
<b>Grade, Ag in Ore</b>			30.86	32.73	26.67	23.97
<b>Grade, Au in Ore</b>			0.34	0.36	0.48	0.50
<b>Zn Rec. %</b>			90.7	91.8	91.5	91.7
<b>Accountable Zn conc. grade %</b>			48.6	48.2	48.2	48.1
<b>Cu Rec. %</b>			88.0	84.0	86.8	86.0
<b>Accountable Cu conc. grade %</b>			20.0	19.4	21.1	21.2
<b>Au Rec. to Cu con %</b>			29.0	29.0	29.0	29.0
<b>Accountable Au conc. grade in Cu conc. - g/t</b>			1.6	2.4	2.8	3.0
<b>Ag Rec. to Cu con %</b>			47.0	47.0	47.0	47.0
<b>Accountable Ag conc. grade in Cu conc. - g/t</b>			216.5	314.2	235.6	226.1

Table 4: Capital Costs (US\$ - millions)									
	2010	2011	2012	2013	2014	2015	2016	Total	
	Preproduction			Production and cash flow					
				Bracemac		McLeod			
Total Capital	28.95	29.08	57.56	18.26	18.82	7.57	3.45	163.69	
Xstrata 65%	18.82	18.90	37.41	11.87	12.23	4.92	2.24	106.39	
Donner 35%	10.13	10.18	20.15	6.39	6.59	2.65	1.21	57.30	
Phase 1 2010-2011			115.59					115.59	
Phase 2 2011-2016							48.10	48.10	
Xstrata 65%			75.13				31.27	106.40	
Donner 35%			40.46				16.83	57.29	

Table 5: Base Case Financial Performance fully Costed JV Basis (after tax)			
Description	JV Project basis		
	-10% Metal Prices	Base Case	+10 % Metal Prices
Internal Rate of Return	-7.2%	8.1%	18.5%
Net Present Value at 7% (US\$)	-US\$40.6M	US\$3.4M	US\$39.8M
Project (Depreciation) Capital Cost (US\$)	US\$163.7M	US\$163.7M	US\$163.7M