Resource Report
Scotia Mine
Nova Scotia, Canada

MINETECH INTERNATIONAL LIMITED
HALIFAX, CANADA

Mineral Resource Report

for

Scotia Mine, Gay’s River, Nova Scotia, Canada

45°02′ North, 63°20′ West

May 17, 2011

By:
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-and-
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Effective Date: May 17, 2011

Client: Selwyn Resources Limited

Mineral Resource Report
for
Scotia Mine
Gay's River, Nova Scotia, Canada

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1. Summary

Dr Harlan Meade, President of Selwyn Resources Limited (SWN, TSX-V) based in Vancouver, Canada engaged MineTech International Limited on March 11, 2011 to complete a National Instrument 43-101-compliant mineral resource update for Scotia Mine. Mr. Douglas Roy, M.A.Sc., P.Eng., who was the Principal Author of this report, is a Qualified Person under Section 1.1 of National Instrument 43-101.

The Scotia Mine property is located approximately sixty kilometres northeast of Halifax, Nova Scotia and one kilometre east of the community of Gay's River in the Halifax Regional Municipality. The property's general location is 45°02′ North, 63°20′ West. Access to the property is by paved roads and is approximately fifteen kilometres off the Trans-Canada Highway along Route #224. The Halifax International Airport is located twenty kilometres southwest of the mine site.

The site lies along the south side of the Gay's River main branch, immediately east of the confluence with the Gay's River south branch. The deposit is in a rural-residential area of central Nova Scotia that is typified by rolling topography and abundant surface water.

The climate is variable because of mixed continental and maritime weather patterns. Mean annual temperature is 5.9 ºC, mean annual precipitation is 1,250 mm and yearly evapo-transpiration is estimated to be 560 mm. The relatively mild climate (for Canada) permits year-round operations.

The property consists of 615 hectares of mineral rights, including land with exploration potential for zinc/lead mineralisation, and 568.4 hectares of land ownership (real property). The ScoZinc land package also includes seven exploration licenses in the general vicinity of the mine. Most of the exploration licenses are located along strike from the Scotia Mine deposit and include favourable host rocks similar to that at the mine site. All lands were in good standing and were registered to ScoZinc Limited as of May 5, 2011.

Mineral Lease #10-1, which covers the entire mine site, was originally granted by the Nova Scotia Government to Westminer Canada Limited on April 2, 1990. Its anniversary date is April 2, 2006. The lease was transferred to Savage Resources in 1996 and later to Pasminco Resources Canada Company in 1999. It was transferred to ScoZinc in 2002. The duration of the mineral lease is twenty years, at which time it may be renewed. The Mineral Lease grants sufficient rights for mining.

In 2008, Gallant Aggregates signed a "License, Option and Royalty Agreement" granting Gallant the right to remove, extract and process sand, gravel, fill and obtain materials from the overburden and waste material created by ScoZinc at the Scotia Mine site for the greater of $25,000 per annum or $1.00 per metric tonne. In addition, Gallant has a right of first refusal to purchase the Scotia Mine property if ScoZinc plans to sell the property after mining operations are completed or abandoned. Gallant also purchased a 25 acre portion of ScoZinc's "real property."

ScoZinc has an agreement with an adjacent landowner (Benjamin) to lease 13 Hectares of land, adjacent to the tailings impoundment, for the purpose of stockpiling stripped overburden waste material.

An Environmental Registration Document is in place, approved in August 2000, that addresses the environmental concerns of a surface and underground mining operation along with the diversion of a 500 metre section of the Gay's River to accommodate the pit design.

ScoZinc surface-mined the deposit during 2007 and 2008. ScoZinc mined 1.1 million tonnes of surface ore and stripped 9.4 million tonnes of overburden. Due to a drastic plunge of base metal prices nearly coinciding with the mine's re-opening, ScoZinc placed the mine on care-and-maintenance status near the end of 2008.

Before mining can restart, the existing Industrial Approval (Industrial Waste Discharge Permit) must be returned to operating status from its current "care and maintenance" status. This should be a relatively straightforward process.

The Environmental Registration Document covered only part of the deposit. This area was mined by ScoZinc Limited in 2007-2008. Resources in this area have not been exhausted. However, additional environmental assessment work is required before the mine can expand very far outside of its current footprint, either west along strike in the Main Zone or northeast, across Gay's River to the Northeast Zone.

Prior to expansion outside the currently permitted area, updated plans would have to be approved by the Nova Scotia government and an updated Industrial Approval (essentially an environmental operating permit) would be required.

The Scotia Mine mill, designed and built in 1978/1979, is a flotation process and has a rated capacity of 1,350 tonnes per day. However, it has operated for extended periods at a rate in excess of 2,000 tonnes per day. Other existing site infrastructure includes:

- an administration building containing offices, a dry, warehouses, workshops, a large boardroom, and several heavy equipment bays;
- two freestanding shops;
- a geology building; and,
- a core shed.

Storage and ship loading facilities for lead and zinc concentrates are available at the seaport of Sheet Harbour, a distance of eighty kilometres from the mine site over paved roads. ScoZinc does not own these facilities, but Westminer used them in 1990. Rail transport facilities have also been used for concentrate shipping. A railway siding is located in Milford, eight road-kilometres from the site.

The existing surface rights are sufficient for mining operations. Power is supplied through the regional grid at reasonable rates. Most of the mill's water requirements are satisfied by in-process recycling. Make-up water is drawn from the perennial Gay's River. The existing tailings pond has sufficient capacity for the life of the project. There is also sufficient area for waste rock storage on the property.

The Scotia Mine property is underlain by basement rocks of the Cambro-Ordovician Meguma Group which had significant local topographic relief due to rift faulting and erosion. Locally, a veneer of Horton Group, red-brown conglomerate and sandstone mark the base of the unconformably overlying Lower Carboniferous rocks which host the Scotia Mine deposit.

In areas where the basement rocks formed islands in the Carboniferous Sea, coral reefs formed along the shores. These carbonate rocks are the Gay's River Formation. The MacCumber Formation is time-equivalent to the Gay's River Formation. The MacCumber and Gay's River Formations are overlain by evaporites of the Carroll's Corner and Stewiake Formations.

The Scotia Mine mineralisation has long been considered a Mississippi Valley-type lead-zinc deposit. This type of deposit is carbonate-hosted, classified as a typical open space filling type, and hosted in a dolomitized limestone. The limestone developed as a carbonate build-up on an irregular pre-Carboniferous basement topographic high where conditions allowed for growth of reef-building organisms.

In the immediate area of the Scotia Mine, the zinc/lead-bearing Gay's River Formation trends in an east-northeast direction across the ScoZinc property. Locally, the mineralisation dips up to 45 ° to the north-northwest which is the depositional slope of the front of the Gay's River reef unit but tends to be horizontal in the back reef area. The mineralisation is present as sphalerite and galena and grades from massive Pb-Zn ore-grade material in the fore reef to finely disseminated, lower grade material in the back reef. In the mine area, the Gay's River Formation is overlain either by the evaporites of the Carroll's Corner Formation and/or overburden.

The Scotia Mine was discovered in 1973 by the Imperial Oil Enterprises/Cuvier Mines joint venture. Esso initiated mine development in 1978 and commissioned the mill in 1979. From 1979 to 1981 the mine produced 554,000 tonnes of ore containing 2.12 % Zinc and 1.36 % Lead. Esso had difficulty dealing with groundwater conditions along the hanging wall of the mineralised zone, which resulted in having to leave a hanging wall pillar that was comprised of high-grade material. The mine closed in 1982 due to groundwater inflow and operating losses.

Seabright Resources Inc. acquired the mine and mill in 1984. Despite a favourable feasibility study, they did not reactivate the mine due to depressed metal prices at the time. They converted the mill for gold processing and processed gold ore from several satellite properties.

With the takeover of Seabright by Western Mining Corporation (Westminer) in 1988, a review of the potential for mining the deposit was undertaken. Following completion of feasibility studies in 1989, the underground workings were dewatered and test mining was carried out. A total of 187,000 tonnes were mined over a fifteen month period with average grades of 7.47 % Zinc and 3.50% Lead. In 1991, production was suspended again due to groundwater inflow and economic considerations.

In 1997, Savage Resources Canada Limited acquired the Scotia Mine assets from Westminer. Savage concluded that an open pit operation was feasible and initiated environmental permitting, including provisions for a diversion of a portion of the Gay's River. Savage was subsequently taken over by Pasminco Resources Canada Company (Pasminco Resources) and the environmental assessment plan was approved by the Nova Scotia Minister of the Environment in August 2000.

Regal Mines Limited (Regal Mines) purchased Pasminco Resources in February 2002. Regal was owned 50 % by OntZinc Corporation (OntZinc) and 50 % by Regal Consolidated Ventures Limited (Regal Consolidated). As part of the sale, Pasminco Canada Holdings Inc. (Pasminco Holdings) retained a 2 % net smelter return (NSR) royalty on future production. OntZinc acquired Regal

Consolidated's 50 % interest in December 2002 to own 100 % of Pasminco Resources. Savage Resources Limited was the successor of Pasminco Holdings.

OntZinc later changed its name to HudBay Minerals Inc. (Hudbay) after purchasing Hudson's Bay Mining and Smelting in December 2004. In 2006, Acadian Gold Corp ("Acadian Gold") purchased 100 % of ScoZinc and all of its assets (consisting mainly of Scotia Mine and its infrastructure) from OntZinc for $7 million. In 2007, ScoZinc purchased the remaining 2% NSR.

ScoZinc reactivated the mill and continued surface mining the deposit during 2007 and 2008. Depressed metal prices forced ScoZinc to place the mine on care-and-maintenance status. In February 2011, Selwyn Resources Limited ("Selwyn") purchased ScoZinc and all of its assets, including the Scotia Mine and ScoZinc's exploration claims, for $10 million less a deduction relating to increased reclamation bonding requirements that were being determined at the time of the acquisition.

The author reviewed the sampling results and verified that the sample types and density are adequate for establishing Resources and Reserves. The sampling results are representative of the mineralisation. The available information and sample density allow a reliable estimate to be made of the size, tonnage and grade of the mineralisation in accordance with the level of confidence established by the Mineral Resource categories in the CIM Standards.

The deposit is characterised by complex geometry and is difficult to model in terms of standard techniques. Lying along a 'paleo-shoreline', it features repetitive changes in strike around a general trend of 60º Azimuth, and with varying dip.

For Resource calculation, the deposit was divided into two zones: the Main Zone, south of Highway 224 and the Northeast Zone, which lies northeast of the highway and partly under Gay's River. For both zones, manual interpretation was required to properly model the geology. The Main Zone was broken down into a high-grade massive sulphide zone and a low-grade disseminated zone. Drill-hole data and underground openings were then plotted on hard-copy plans at ten metre intervals, and interpretations of the high-grade zone, the low-grade and the hanging-wall 'Trench' were produced.

The Main Zone's geometry made it difficult to incorporate the true spatial relationship of the samples for estimation purposes without the use of 'unfolding' techniques that transform the sample data into another co-ordinate space that honours the spatial relationships. Variography and estimation were conducted in the transformed space, and the results are then back-transformed into the original space.

Equal length composites were prepared from uncut assay values in a two-step process. Initial composite intervals were defined from the intercepts of the drill holes with the high-grade and low-grade 3D solids of the mineralised zone. Equal length composites of 1.5 metres were then generated within these intervals – 1.5 metres is approximately the average length of the assay intervals.

Three dimensional experimental correlograms were generated using the transformed (un-folded) Zn and Pb composite data, for both low-grade and high-grade mineralised zones below an elevation of 490 metres (Datum, Mean Sea Level = 500.11 metres). Separate 3D experimental correlograms were generated using un-transformed composite data for the low-grade mineralised zone above 490 metre elevation, where the deposit is essentially horizontal in attitude. Nested correlogram models comprising nugget effect and two spherical components were fitted to all experimental variograms.

No evidence of specific gravity test work was available. Therefore, a formula for specific gravity based on zinc and lead grades was used for the mineralised zones.

Two block models were constructed for interpolation purposes, a primary model in normal (un-transformed) space, and a secondary, smaller model in transformed space for interpolation of the un-folded data.

The standard ordinary kriging ("OK") procedure was used to interpolate Zn and Pb block values in the flat lying portions of the deposit above 490 metre elevation. Separate interpolations of Zn and Pb block values for the LG and HG zones were kriged in three passes using ordinary kriging (OK), the transformed composites and the correlograms generated from those composites.

In the Northeast Zone, it was assumed that near-surface blocks could be exploited using surface mining methods, while deeper blocks could be exploited using underground mining methods. A cut-off grade of 0.5 % zinc-equivalent was generally used for outlining near-surface mineralisation that could be exploited using surface mining methods. Deeper mineralisation was outlined using a 2 % cut-off. No detailed engineering studies have been carried out with respect to mining the deposit using either surface or underground mining. At this stage, these assumptions are speculative.

Samples were regularised over 1 m intervals. Variography was carried out and spherical models were fit to the raw semi-variogram data with a fit that was acceptable for determining resource classification parameters but not, in the author's opinion, for geostatistical resource estimation. Therefore, inverse distance weighting was employed for estimating block grades.

Using a 0.75 % zinc-equivalent cut-off, the non-diluted mineral resources were estimated to be:

Mineral Resources

Cut-off Grade (Percent Zinc-Equivalent)	Tonnes	SG	Percent Zinc	Percent Lead	Percent Zinc-Equivalent
Measured Category					
Main Zone	1,340,000	2.80	4.4	2.0	7.4
Northeast Zone	n/a	n/a	n/a	n/a	n/a
Total Measured	1,340,000	2.80	4.4	2.0	7.4
Indicated Category					
Main Zone	1,790,000	2.78	3.6	1.6	5.9
Northeast Zone	1,710,000	2.79	3.9	2.0	7.0
Total Indicated	3,500,000	2.79	3.7	1.8	6.4
Measured+Indicated					
Main Zone	3,130,000	2.79	3.9	1.8	6.6
Northeast Zone	1,710,000	2.79	3.9	2.0	7.0
Total Measured+Indicated	**4,840,000**	**2.79**	**3.9**	**1.8**	**6.7**
Inferred Category					
Main Zone	1,740,000	2.77	3.1	1.1	4.8
Northeast Zone	2,510,000	2.76	2.3	1.4	4.4
Total Inferred	**4,250,000**	**2.76**	**2.6**	**1.3**	**4.6**

Refer to Table 18-3 and Table 18-7 for resource estimation notes.

The majority of the outlined mineral resources could likely be mined using surface mining methods. Some of the identified mineral resources are located underneath Gay's River. Sandy soil lies underneath Gay's River, so mining close to the river would be susceptible to water inundation. In other words, the mineral resources that lie close to, or underneath Gay's River would be relatively more expensive to recover due to the added cost of either (a) diverting the river or (b) recovering the resources using underground mining methods.

The deposit is a property of merit that warrants additional work.

Further diamond drilling and specific gravity work is recommended. This work, plus a 20 % contingency factor, was estimated to cost $1.0 million.

Additional engineering work, such as mineral processing optimisation for higher processing rates, is recommended to support preliminary feasibility work. Such work is being covered by other authors and, as such, was not included in the recommended work budget.

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Selwyn Resources Limited

Resource Report for Scotia Mine

Gay's River, Nova Scotia, Canada

2. Introduction

2.1 Terms of Reference

Dr Harlan Meade, President of Selwyn Resources Limited (SWN, TSX-V) based in Vancouver, Canada engaged MineTech International Limited on March 11, 2011 to complete a National Instrument 43-101-compliant mineral resource update for Scotia Mine.

2.2 Purpose of Report

The purpose of this report was to provide a complete and independent mineral resource update conforming to NI 43-101 standards and Form 43-101F1. The report was to update the mineral resources based on (1) a limited amount of diamond drilling through the Northeast Zone in 2008, (2) an increase in metal prices, (3) a change in the relative prices of lead and zinc and, perhaps most importantly, (4) mineral resources that ScoZinc extracted during 2007-2008.

2.3 Sources of Information

This report is based, in part, on internal company technical reports and maps, published government reports, company letters and memoranda, and public information as listed in the "References" section at the conclusion of this report. Several sections from reports authored by other consultants have been directly quoted in this report, and are so indicated in the appropriate sections.

Digitised and hard copy material for all exploration activity since inception of exploration on the property was supplied by ScoZinc and Selwyn Resources Limited ("Selwyn").

2.4 Extent of Field Involvement of the Qualified Person(s)

Mr. Douglas Roy, M.A.Sc., P.Eng., who was the Principal Author of this report, is a Qualified Person under Section 1.1 of National Instrument 43-101. As an independent contractor, he supervised surface exploration work, including diamond drilling and trenching, on the Scotia Mine site during 2004. Mr. Roy spotted many of the holes and logged the core for ScoZinc's twenty-five hole program that they carried out in 2004. Mr. Roy occasionally provided assistance to ScoZinc as an independent consultant up to the time of report writing. During the period while ScoZinc was mining the deposit (i.e., during 2007 and 2008), Mr. Roy visited the site many times, the last time being on January 13, 2010. Recently, Mr. Roy completed a reclamation plan and report for the mine site.

Mr. Tim Carew (M.Sc., Geology, P.Geo.) last visited the mine site in 1998. The visit was part of a resource estimate that was carried out by Savage Resources Canada. Mr. Carew is a Qualified Person under Section 1.1 of National Instrument 43-101.

2.5 Units of Measure

Unless otherwise stated, all units used in this report are metric. Unless otherwise stated, the legal currency used is the Canadian dollar.

2.6 Site Grid Parameters

A site grid was used throughout the report. The grid is a simple translation with almost no rotational deviation from the Nova Scotia Grid, which is a 3 ° Modified Transverse Mercator projection using an ATS 77 datum. The site grid elevation datum is 500.11 metres above Mean Sea Level. For reference, the co-ordinates of two points, in both site and Nova Scotia grids, are reported in Table 2-1.

Table 2-1: Site grid parameters.

Site Control Monument	Site Grid			Nova Scotia Grid		
	North (m)	East (m)	Elev. (m)	North (m)	East (m)	Elev. (m)
No. 4	6,869.72	8,597.50	531.33	4,988,509.11	5,591,210.89	31.25
No. 7	7,019.95	8,866.55	530.69	4,988,659.37	5,591,479.94	30.58

3. Disclaimer

MineTech has assumed that all the information and technical documents listed in the References section of this report are accurate and complete in all material aspects. While all of the available information that was presented was carefully reviewed and believed to be correct, MineTech cannot guarantee its accuracy and completeness. MineTech reserves the right, but will not be obligated to revise this report and conclusions if additional information becomes known subsequent to the date of this report.

The authors have relied largely on the documents listed in the Sources of Information and the site visits for the information in this report. However, the conclusions and recommendations are exclusively the principal author's. The results and opinions outlined in this report are dependent on the aforementioned information being current, accurate and complete as of the date of this report and it has been assumed that no information has been withheld which would impact the conclusions or recommendations made herein.

4. Property Description and Location

The Scotia Mine property is located approximately sixty kilometres northeast of Halifax, Nova Scotia and one kilometre east of the community of Gay's River in the Halifax Regional Municipality. The property's general location is 45°02′ North, 63°20′ West. It consists of 615 hectares of mineral rights, including land with exploration potential for zinc/lead mineralisation, and 568.4 hectares of land ownership (real property) (Figure 4-1 and Figure 4-2).

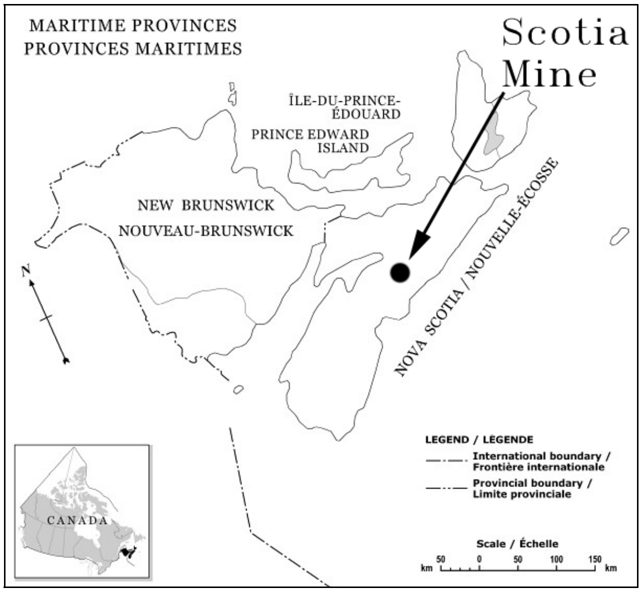


Figure 4-1: Location Map, Gay's River, Nova Scotia.

Figure 4-2: Location relative to Halifax.

4.1 Exploration Licences

ScoZinc currently controls seven exploration licenses covering 110 claims in the immediate vicinity (within approximately 4 km) of the mineral lease. Each individual claim covers an area of forty acres (16.2 hectares). In total, the 110 claims cover 1,782 hectares (~4,403 acres). These licenses are located along strike from the Scotia Mine deposit and include favourable host rocks similar to that at the mine site.

All lands were in good standing and registered to ScoZinc Limited as of May 5, 2011. Anniversary dates range from October 20, 2011 to May 2, 2012. The ScoZinc exploration licenses are summarized in Table 4-1.

Table 4-2 through Table 4-8 give details on each ScoZinc exploration license.

Table 4-1: Summary of ScoZinc Exploration Licenses

License	No. of Claims	Sheet	Anniversary Date
05851	7	11E/03B	05-Nov-11
06268	28	11E/03B	02-May-12
06303	5	11E/03B	25-Oct-11
06304	1	11E/03B	13-Oct-11
06959	59	11E/03B	20-Oct-11
08905	7	11E/03B	20-Oct-11
08936	3	11E/03B	21-Dec-11

Table 4-2: Exploration License 05851 (7 Claims).

Claim Reference Map	Tract	Claims	Anniversary Date
11E/03B	45	FGH L	November 5, 2010
11E/03B	46	BCD	

Table 4-3: Exploration License 06268 (28 Claims).

Claim Reference Map	Tract	Claims	Anniversary Date
11E/03B	7	D E JLKM NOPQ	02-May-12
	18	ABC EFGH	
	19	ABCD EFGH LM N	

Table 4-4: Exploration License 06303 (5 Claims).

Claim Reference Map	Tract	Claims	Anniversary Date
11E/03B	29	LM NOP	October 25, 2011

Table 4-5: Exploration License 06304 (1 Claim).

Claim Reference Map	Tract	Claims	Anniversary Date
11E/03B	29	E	October 13, 2011

Table 4-6: Exploration License 06959 (59 Claims).

Claim Reference Map	Tract	Claims	Anniversary Date
11E/03B	17	Q	October 20, 2011
	30	ABCD EFGH JKLM NOPQ	
	31	ABCD EFGH JKLM OPQ	
	32	AB GH JK PQ	
	42	AB	
	43	ABCD EFGH JK	
	44	ABCD EFGH JKLM	

Table 4-7: Exploration License 08905 (7 Claims).

Claim Reference Map	Tract	Claims	Anniversary Date
11E/03B	45	ABCD E M N	October 20, 2011

Table 4-8: Exploration License 08936 (3 Claims).

Claim Reference Map	Tract	Claims	Anniversary Date
11E/03B	18	NOP	December 21, 2011

A further five exploration licenses (numbers 6517, 6518, 8367, 9069 and 9070) are currently in the process of being transferred from Acadian to ScoZinc. This transfer is part of the Acadian-Selwyn agreement, and the exploration licenses will ultimately be held by Selwyn.

License 8367 is not connected to the Gay's River deposit – it is part of the Smithfield deposit.

Table 4-9: Summary of Acadian Exploration Licenses

License	**No. of Claims**	**Sheet**	**Anniversary Date**
06517	4	11E/03B	*Pending Transfer*
06518	2	11E/03B	*Pending Transfer*
08367	5	11E/06A	*Pending Transfer*
09069	62	11E/03B	*Pending Transfer*
09070	79	11E/03A, 11E/03B	*Pending Transfer*

4.2 Mineral Lease

Mineral Lease #10-1, which covers the entire mine site, was originally granted by the Nova Scotia Government to Westminer Canada Limited on April 2, 1990. It was originally granted as a "Mining Lease." However, changes to the Nova Scotia Mineral Resources Act that came into effect in November 2004 changed the terminology such that existing "Mining Leases" are now known as "Mineral Leases."

The anniversary date (review date) of Mineral Lease #10-1 is April 2 of each year. Table 4-10 lists the claims comprising the Mineral Lease. Figure 4-3 shows its location. The lease conveys the rights to all minerals except coal, uranium, salt and potash. The lease was transferred to Savage Resources in 1996 and later to Pasminco Resources Canada Company in 1999. It was finally transferred to ScoZinc in 2002. The duration of the lease is twenty years, at which time it may be renewed.

The Nova Scotia government currently holds a reclamation security (bond) for the lease in the amount of $712,210. Using the reclamation plan that ScoZinc submitted in March 2011 (Roy, 2011), the government calculated a revised bond amount of $2.6 million (refer to Appendix 2). The government expects ScoZinc to pay the difference, $1,887,790 within thirty days from May 2, 2011.

Table 4-10: Mineral Lease 10-1 (38 Claims).

	Tract Map (NTS) 11E-3B	
Tract	**Claims**	**Number of Claims**
5	NOP	3
19	JKPQ	4
20	BCDE FGK LMNO PQ	13
28	DEKL MNOP	8
29	ABCD FGH JKQ	10
Total		**38**

4.3 Surface Rights (Real Property)

ScoZinc owns outright approximately 568 hectares (1,404.6 acres) of land (real property) containing the entire surface infrastructure; the tailings area and most of the outlined mineralisation (Table 4-11 and Figure 4-4). The boundaries were established through legal surveys. Details of a title search on the ScoZinc's real property are reported in Appendix 3.

ScoZinc has an agreement with an adjacent landowner (Benjamin) to lease 13 Hectares of land, adjacent to the tailings impoundment, for the purpose of stockpiling stripped overburden waste material (refer to Figure 4-4).

Table 4-11: Property ownership, ScoZinc Limited.

Property ID #	Acres	Hectares
00369363	50.0	20.2
00522623	90.0	36.4
20080495	49.0	19.8

Property ID #	Acres	Hectares
20080529	10.0	4.0
20158176	8.7	3.5
20158184	4.4	1.8
20223400	6.0	2.4
20223413	3.0	1.2
20313250	4.5	1.8
20416384	1.6	0.6
40227936	3.0	1.2
40227951	7.5	3.0
40757577	115.4	46.7
40227963	181.3	73.4
40227985	5.6	2.3
40290256	0.72	0.3
40227963	171.8	69.5
40290264	110.0	44.5
40291452	544.6	220.4
40292553	4.5	1.8
40312092	33.0	13.4
Total	**1,404.59**	**568.4**

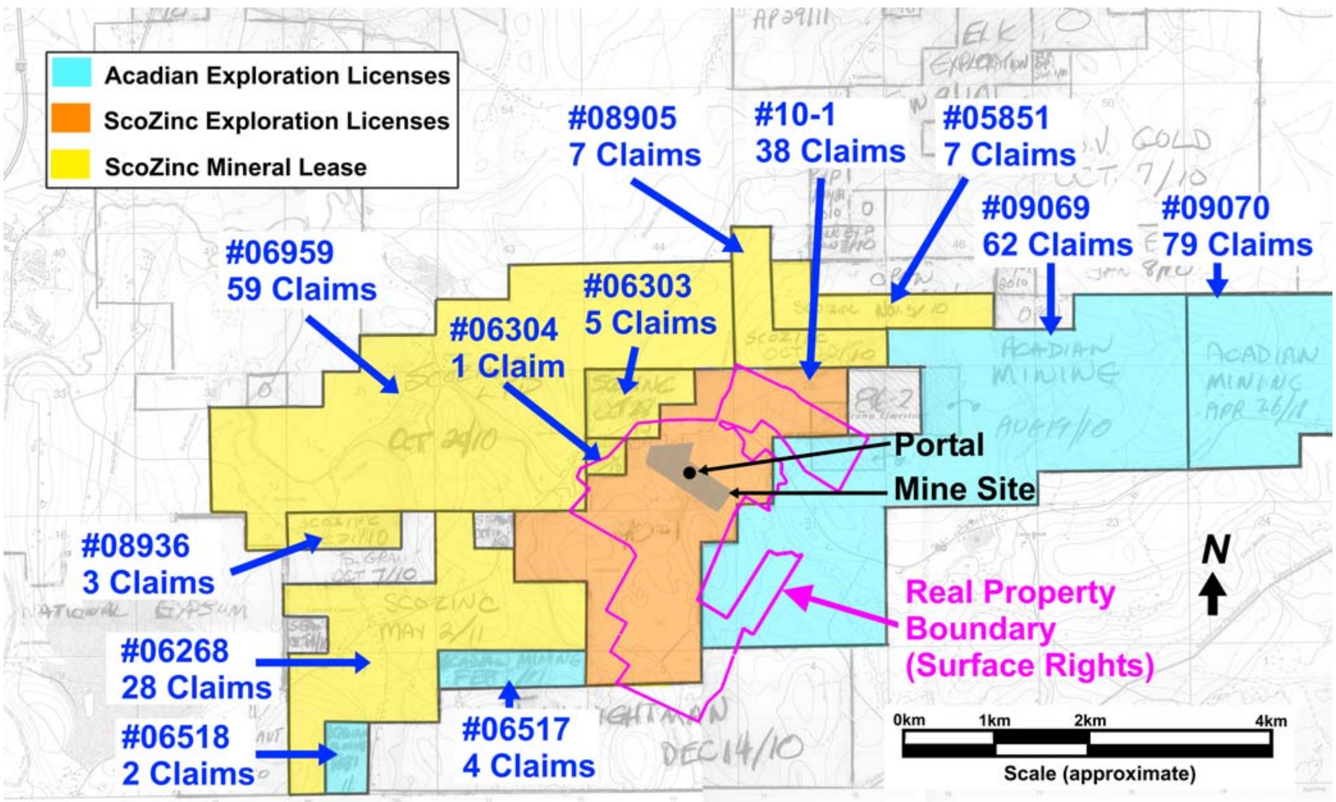
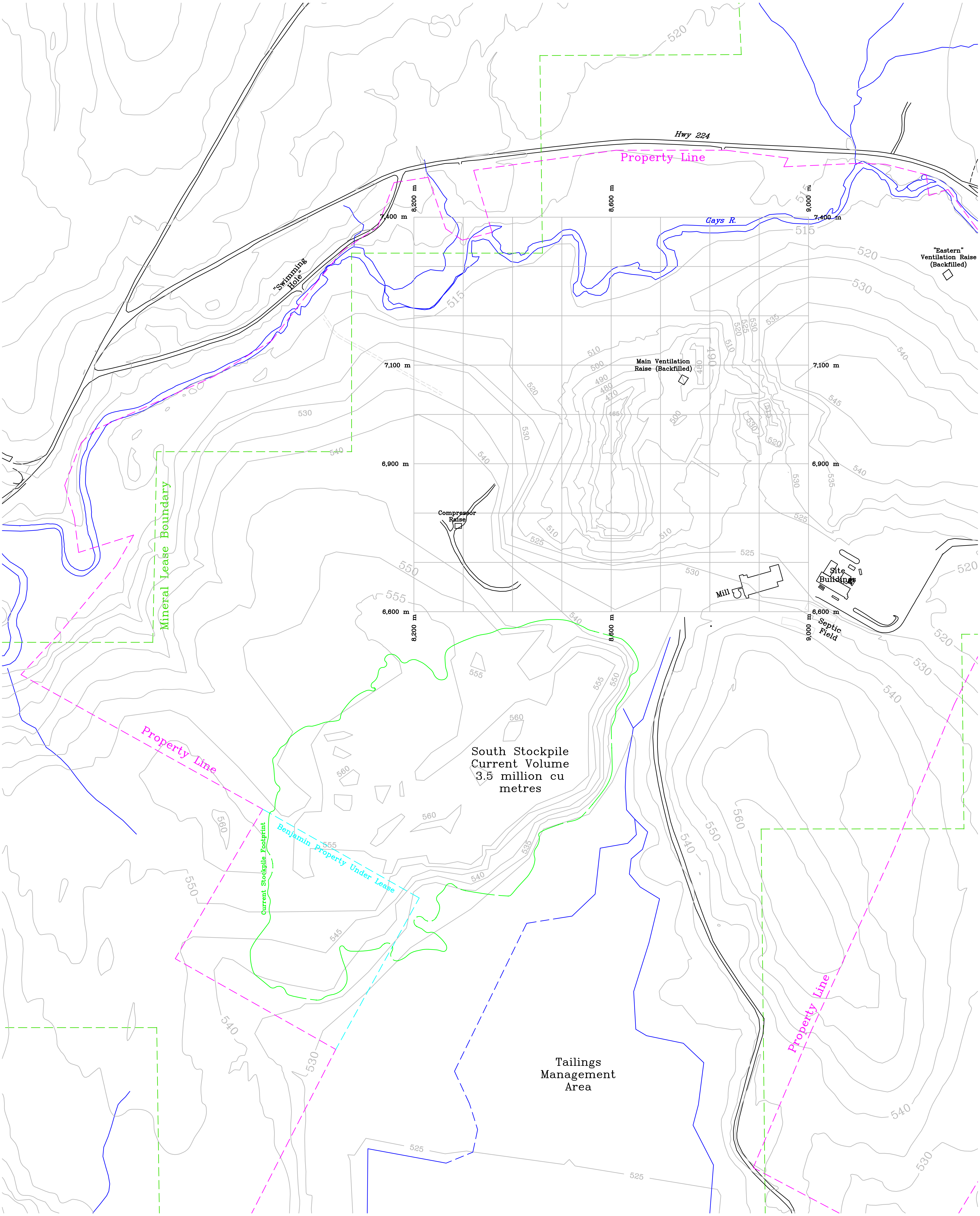


Figure 4-3 - Claim Reference Map 11E03B showing exploration licences, mineral lease and real property boundary (surface rights).



Legend:
- Property Line
- Contour Line
- Mineral Lease Outline
- Drainage Direction
- Areas Requiring Contouring & Re-vegetation
- Areas Requiring Only Re-vegetation
- Water

Site Grid.
Dimensions in metres.
Site contour interval = 5 metres above RL 515 metres and variable below that level.

Date: March 25, 2011	ScoZinc Limited Scotia Mine Gays River, Nova Scotia
Scale: 1:5,000 (See Bar Scale)	
Drawn by: Douglas Roy, M.A.Sc., P.Eng. MINETECH INTERNATIONAL LIMITED CONSULTANT ENGINEERS & GEOLOGISTS HALIFAX, CANADA	Figure 4-4 Site as of January 2011

4.4 Aggregate Lease

Gallant Aggregates signed a thirty-year lease agreement to mine and remove aggregate from the property for one dollar per tonne of material that is removed from the property. The lease was signed on May 15, 2003 and entitled Gallant, with certain limitations, to mine anywhere on ScoZinc's land. The agreement contains a renewal clause and gives Gallant the right of first refusal to purchase the surface rights (real property titles). A major condition of Gallant's lease is that metal mining takes precedence over aggregate mining. Therefore, Gallant's lease would not interfere with zinc and lead mining operations.

In January, 2008, Gallant exercised its option under the Gallant Agreement to purchase approximately 25 acres of the Scotia Mine property. Concurrent with the transfer of the 23 acres, ScoZinc and Gallant executed a License, Option and Royalty, which terminated the Original Agreement and granted Gallant the right to access the Scotia Mine property to access existing water infrastructure and to obtain electrical power. The License, Option and Royalty Agreement grants Gallant the right to remove, extract and process sand, gravel, fill and obtain materials from the overburden and waste material created by ScoZinc at the Scotia Mine site for the greater of $25,000 per annum or $1.00 per metric tonne. In addition, Gallant has a right of first refusal to purchase the Scotia Mine property if ScoZinc plans to sell the property after mining operations are completed or abandoned.

4.5 Environmental Permitting

Between 1997 and 2000 work proceeded on an Environmental Registration Document. This document, which was submitted with the regulatory authorities in September 1999, addressed the environmental concerns of a surface and underground mining operation along with the diversion of a 500 metre section of the Gay's River to accommodate the pit design. On August 4, 2000 the Open Pit Lead/Zinc Mine and River Diversion Project proposed by Pasminco Resources Canada Company received environmental assessment approval.

Before mining could re-start, the existing Industrial Approval for the site must be returned to operating status from its current "care and maintenance" status. This should be a relatively straightforward process.

The Environmental Registration Document covered only part of the deposit. This area was mined by ScoZinc Limited in 2007-2008. Resources in this area have not been exhausted. However, additional environmental assessment work is required before the mine can expand very far outside of its current footprint, either west along strike in the Main Zone or northeast, across Gay's River to the Northeast Zone.

Prior to expansion outside the currently permitted area, updated plans would have to be approved by the Nova Scotia government and an updated Industrial Approval (essentially an environmental operating permit) would be required.

4.6 Environmental Liabilities

Existing environmental liabilities are typical of a surface mining operation that has temporarily suspended operations. These include:

- disturbed, as-yet non-reclaimed ground from the previous surface mining operations.
- exposed tailings in the tailings impoundment; and,
- site infrastructure such as buildings, the mill and site roads.

A reclamation bond is being held by the Nova Scotia government. Its current amount is not likely adequate to reclaim the existing site. However, a revised reclamation plan was recently approved by the Nova Scotia government. At the time of report writing, they had yet to determine a revised reclamation bond value, but it will most likely be in the $2-3 million range. Selwyn Resources Limited agreed, as part of the purchase agreement for ScoZinc Limited, that Selwyn would pay to 'top-up' the bond and deduct that amount from the sale price (refer to Section 6.1).

5. Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Scotia Mine property is located approximately fifty-five kilometres northeast of Halifax, Nova Scotia along the border between Colchester and Halifax Counties (45º01'55" North Latitude and 63º21'30" West Longitude). It lies approximately one kilometre east of the community of Gay's River. Access to the property is by paved roads and is approximately fifteen kilometres off the Trans-Canada Highway along Route #224. The Halifax International Airport is located twenty kilometres southwest of the mine site.

A portion of Highway #224 is subjected to Spring weight restrictions. Truck weights are limited for a period that normally lasts six weeks.

The site lies along the south side of the Gay's River main branch, immediately east of the confluence with the Gay's River south branch. The deposit is in a rural-residential area of central Nova Scotia that is typified by rolling topography and abundant surface water.

Descriptions of the climate at the site are reported as average data collected at the Halifax International Airport. Climate is variable because of mixed continental and maritime weather patterns. Mean annual temperature is 5.9 ºC, mean annual precipitation is 1,250 mm and yearly evapo-transpiration is estimated to be 560 mm. The relatively mild climate (for Canada) permits year-round operations.

The Gay's River watershed is characterised by gently rolling topography, having a maximum elevation of 170 metres, an extensive cover of deciduous forest, a small population and local agricultural land development. Lakes, ponds and rivers are sparsely distributed throughout the watershed. Typical vegetation consists of northern black spruce, balsam fir and juniper with birch in more wet areas. Areas of open bog occur on part of the claims. Currently, parts of the forest are being harvested or thinned.

The Scotia Mine mill, designed and built in 1978/1979 has a nominal ("nameplate") capacity of 1,350 tonnes per day (Figure 5-1). However, during 2007-2008, ScoZinc operated the mill for extended periods at rates over 2000 tonnes per day. It was initially built to treat the zinc/lead ore from the Gay's River Mine. In 1986, it was modified to treat gold ores using gravity and flotation circuits. In 1989, it was again reworked to treat zinc/lead ore from the Scotia Mine then being operated by Westminer

Canada Ltd. ("WMC"). The concentrator has been properly maintained and is ready for quick start-up at minimum cost.

The mill is equipped with two stage crushing, two stage grinding, flotation cells, thickening, disk filtration and rotary kiln concentrate drying. The concentrator building contains a complete analytical laboratory, metallurgical testing laboratory, control room, maintenance area and office facilities. Its total area is approximately 32,000 square feet.

The administration building has an area of approximately 26,000 square feet. It contains offices, a dry, warehouses, workshops, a large boardroom, several heavy equipment bays. Other, smaller surface facilities include:

- a compressor building (1,600 square feet);
- a "tire shop" (2,000 square feet);
- a welding shop;
- a geology building; and,
- a core shed.

Storage and ship loading facilities for lead and zinc concentrates are available at the seaport of Sheet Harbour, a distance of eighty kilometres from the mine site over paved roads. ScoZinc does not own these facilities, but Westminer used them in 1990. Sheet Harbour is a natural harbour on the Atlantic coast that remains ice free in the winter months and can handle vessels up to 40,000 tonnes in displacement. Rail transport facilities have also been used for concentrate shipping. A railway siding is located in Milford, eight road-kilometres from the site. The 500 tonne per hour ship loader that had been installed at the wharf in Sheet Harbour was dismantled in 2005 and brought to the Scotia Mine site.

During the last period of operations, lead concentrate was shipped through the port of Halifax, approximately 70 kilometres from the mine over excellent roads. Zinc concentrate was shipped in bulk through port facilities at Sheet Harbour, located east of Halifax and approximately 80 road-kilometres from the site.

The existing surface rights are sufficient for mining operations.

Power is supplied through the regional grid at reasonable, industrial rates. Scotia Mine owns and maintains step-down transformers adjacent to the mill.

Most of the mill's water requirements are satisfied by in-process recycling. Make-up water is drawn from the perennial Gay's River.

The existing tailings pond is large enough for the life of the proposed operation. It is located just south of the mill on the footwall side of the deposit. Its design capacity was ten million tonnes. Approximately two million tonnes of tailings have been stored there, leaving a current capacity of over eight million tonnes. The proposed operation will generate just over six million tonnes of tailings over the project's life.

There is sufficient area for waste rock and overburden storage on the property. The main area for waste rock storage lies adjacent to the tailings pond on its northwest shore, on the footwall side of the deposit.

Figure 5-1: Site infrastructure (facing southwest).

6. History

The history of the project begins with its discovery in the early 1970's by Cuvier Mines. Cuvier and Imperial Oil Limited (ESSO) carried out exploration work and delineated the mineralised zone which was then identified as being four kilometres long, 220 metres wide with depths varying from 20 to 200 metres. Initial development consisted of an exploration decline driven in 1975/76 with mine development starting in 1978 and mill commissioning in October 1979.

From 1979 until 1981, ESSO operated the mine and targeted the lower grade ore using a lower cost, bulk room and pillar mining method approach. Though Esso carried out some test mining in the higher grade mineralisation near the carbonate contact, it was not part of the mine plan at that time. During this period, 554,000 tonnes of lead/zinc ore was mined with and average grade of 2.12 % zinc and 1.36 % lead (Table 6-1). Due to low metal prices, problems caused by high rates of water influx and difficult ground conditions, mining was suspended in 1981 and the mine was allowed to flood.

Table 6-1: Historical milling records.

	Mill Feed			Concentrate Produced				Metal Recovery (%)	
	Tonnes	% Pb	% Zn	Pb Tonnes	Zn Tonnes	% Pb	% Zn	% Pb	% Zn
Esso (1979-1981)	550,000	1.40	2.10	10,000	17,000	73.6	61.5	95.6	90.5
WMC (1989-1991)	190,000	3.50	7.50	8,000	21,000	75.6	61.2	90.9	90.2
ScoZinc, 2007	337,000	0.85	2.14	3,359	8,694	64.4	55.4	75.5	66.7
ScoZinc, 2008	718,271	1.02	2.70	8,535	27,729	70.1	55.9	81.6	79.9
Total	1,795,271	1.00	2.92	29,894	74,423	72.1	58.6	87.8	83.2

In 1985, Seabright Resources purchased the property and modified the mill circuits to treat gold ore from other Nova Scotian properties.

In 1988, Westminer Canada Limited (WMC) purchased Seabright Resources. WMC began dewatering the underground mine in 1989. Their extraction method was to use narrow vein, cut and fill mining to extract the higher grade ore zones. The mine was placed back into operation and reached commercial production in March 1990 (Figure 6-1 and Figure 6-2). During the period of operations by WMC (August 1989 to May 1991) the mine produced 190,000 tonnes of ore at an average grade of 7.5 % zinc and 3.5 % lead. Mining was curtailed due to low metal prices, mining method problems and high rates of water influx. Also, for corporate reasons, WMC decided to focus on larger scale mining ventures. Following suspension of mining at Gay’s River Mine, WMC commissioned several studies to characterise the local hydrology of the mine and to control the ground water in the mine. These results were never tested during mining, since a cyclic low in metal prices, among other factors, prompted WMC to place the property up for sale.

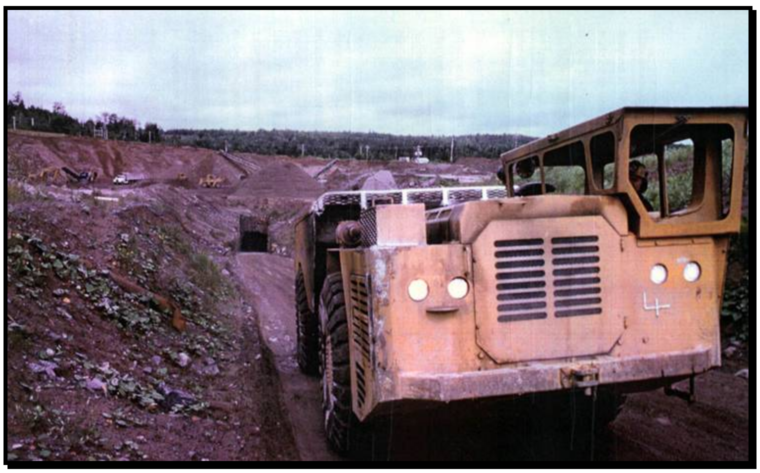


Figure 6-1: Decline and portal access to the underground workings (circa 1990). The background of this photo, where the equipment is working, was surface-mined by ScoZinc during 2007/2008.

Figure 6-2: Flotation circuit (circa 1990).

In late 1996, Savage Zinc, Inc. purchased the Gay's River Mine property from WMC and formed a wholly owned subsidiary named Savage Resources Canada Company (Savage). Savage started to rehabilitate the property, shops, equipment and office with the aim of starting production in 1997.

When Savage took over the operation of the former Gay's River mining facility, the underground workings were flooded to the surface. After purchasing equipment and hiring employees, the mine dewatering phase started on June 7, 1997. With an installed pumping capacity of 9,000 USGPM, the average pumping rate to reach the 425 metre level was 5,200 USGPM. This level was reached during late August 1997. During this period of dewatering, men and equipment went underground to clean out the workings while management carefully examined the ground conditions. They decided to prepare a mine plan that considered an open pit design. Later, after much review during a period of depressed metal prices, it was decided to abandon the proposed underground mining activities and keep the mine dewatered to the 425 level. The electrical equipment was removed and the pumps were shut off on April 1, 1998. At present the mine is flooded above the portal.

Savage concluded that an open pit operation was feasible and initiated environmental permitting, including provisions for a diversion of a portion of the Gay's River. The environmental assessment plan was approved August 2000. The operating plan was never initiated, probably due to low metal prices at the time.

ScoZinc Limited ("ScoZinc"), purchased by Acadian Mining (ADA, TSX-V) in 2006 as its wholly-owned subsidiary, continued with Savage's plan and surface-mined the deposit during 2007 and 2008. ScoZinc mined 1.1 million tonnes of surface ore and stripped 9.4 million tonnes of overburden (refer to Table 6-1). Due to a drastic plunge of base metal prices nearly coinciding with the mine's re-opening, ScoZinc placed the mine on care-and-maintenance status near the end of 2008.

In 2008, ScoZinc also drilled 17 diamond drill holes through the Northeast Zone (refer to Section 12).

In April 2011, Selwyn Resources Limited ("Selwyn") purchased ScoZinc with plans to reopen the mine amid high and rising metal prices.

A detailed account of the Mineral Lease and exploration claim history is reported in Appendix 2.

6.1 Ownership History

The Scotia Mine property was discovered in 1973 by the Imperial Oil Enterprises ("Esso") and Cuvier Mines Limited ("Cuvier") joint venture. Esso initiated mine development in 1978, commissioned the mill in 1979, developed the underground mine and began mining and milling.

Seabright Resources Inc. ("Seabright") acquired the Scotia Mine property and mill in 1984. Despite a favourable feasibility study, Seabright did not reactivate the Scotia Mine due to depressed metal prices at the time. Seabright converted the mill for gold processing and processed gold ore from several satellite properties.

The Scotia Mine property was acquired by Westminer Canada Limited (“Westminer”), a Canadian subsidiary of Western Mining Corp of Australia, in 1988, at which time a review of the potential for mining the deposit was undertaken. Westminer dewatered the mine and continued mining and milling.

In 1997, Savage Resources Canada Limited acquired the Scotia Mine assets from Westminer. Savage concluded that an open pit operation was feasible and initiated environmental permitting, including provisions for a diversion of a portion of the Gay’s River. Savage was subsequently taken over by Pasminco Resources Canada Company (“Pasminco Resources”) and the environmental assessment plan was approved by the Nova Scotia Minister of the Environment in August 2000. The operating plan was never initiated.

Regal Mines Limited (“Regal Mines”) purchased Pasminco Resources in February 2002. Regal was owned 50 % by OntZinc Corporation (“OntZinc”) and 50 % by Regal Consolidated Ventures Limited (“Regal Consolidated”). As part of the sale, Pasminco Canada Holdings Inc. (“Pasminco Holdings”) retained a 2 % net smelter return (“NSR”) royalty on future production. OntZinc acquired Regal Consolidated’s 50 % interest in December 2002 to own 100 % of Pasminco Resources. Savage Resources Limited was the successor of Pasminco Holdings and held the 2 % royalty.

OntZinc later changed its name to HudBay Minerals Inc. (Hudbay) after purchasing, through reverse takeover, Hudson’s Bay Mining and Smelting in December 2004. Hudbay owned Scotia Mine through its wholly-owned subsidiary, ScoZinc Limited (“ScoZinc”).

In 2006, Acadian Gold Corp (“Acadian Gold”) purchased 100 % of ScoZinc and all of its assets (consisting mainly of Scotia Mine and its infrastructure) from OntZinc for $7 million. Acadian Gold subsequently changed its name to Acadian Mining Limited (“Acadian Mining”). On May 29, 2007, ScoZinc exercised its option to buy-out the 2% NSR for $1,450,000.

ScoZinc reactivated the mill and continued surface mining the deposit during 2007 and 2008. Depressed metal prices forced ScoZinc to place the mine on care-and-maintenance status.

In February 2011, Selwyn Resources Limited (“Selwyn”) purchased ScoZinc and all of its assets, including the Scotia Mine and ScoZinc’s exploration claims, for $10 million less a deduction relating to increased reclamation bonding requirements that were being determined at the time of the acquisition. In a May 2, 2011 letter, the Nova Scotia government informed ScoZinc that the increased bond requirement amounted to $1,887,790 (refer to Section 4.2 and Appendix 2).

6.2 Historical Mineral Resource and Mineral Reserve Estimates[1]

Numerous resource estimates have been carried out over the past thirty years since the discovery of the Scotia Mine mineralisation. These resource estimates have been based on differing underlying parameters including varying minimum thickness of intercept, differing cut-off grades, utilisation of zinc equivalent or independent lead and zinc minimum grades, etc. Resource figures have ranged throughout the years from an initial 12,000,000 tons at 7 % zinc-equivalent (drill-indicated) in 1974 (Patterson, 1993) to the 1985 figure of 980,000 tonnes at 5.35 % lead and 9.42% zinc (mineable) at a 7 % zinc-equivalent cut-off (Hale and Adams, 1985).

Westminer (Nesbitt Thompson, 1991; WMC, 1995) reported resources that were outlined by over 1,300 underground and surface holes in addition to the information derived from the underground workings. The calculations were based on a minimum true thickness of two metres with a cut-off of 7 % zinc-equivalent. The total geologic reserves were quoted as 2,400,000 tonnes averaging 6.3 % Pb and 8.7 % Zn (Table 6-2). A mineable reserve was also quoted as 1,370,000 tonnes averaging 5.3 % Pb and 9.8 % Zn.

In 1992, Campbell, Thomas and Hudgins reported that there was potential for mining an additional 800,000 tonnes of lower grade mineralisation via open pit methods. The authors went on to say "there is excellent potential to expand the underground reserves, particularly in the eastern section of the mine. Underground development in the western and central zones resulted in significant expansion of the reserves as ore zone continuity has generally been better than had been originally interpreted from the drill information."

The most recent resource and reserve estimate was carried out in 1998. In Claude Poulin's July 1, 1998 memo titled "Scotia Mine, Mineral Resource Status," he reported the deposit's resources. Higher grade [greater than 7 % Zn-equivalent (% Zn + 0.5 x % Pb)] and lower grade zones (greater than 2 % but less than 7 %) were outlined by Savage's geologists. The higher grade zone consists of massive sulphide and lies at the contact between the dolomite and the Trench or evaporite units. The lower grade zone consists of disseminated zinc and lead within the dolomite. These outlines were transferred to a block model by Tim Carew, manager of Gemcom Services in Reno, Nevada. Inverse-distance squared weighting was used to calculate block grades. Top-cut values of 15 % Zn and 10 % Pb were used. No dilution or mining recovery factors were applied to the calculations. Undiluted resources are reported in Table 6-2.

The reader should note that the Resources were unclassified. They were not separated into Measured, Indicated and Inferred categories "due to the lack of geostatistical information" [Poulin, 1998 (1)]. Those Resources were not entirely independent and did not follow NI 43-101 guidelines, as the report predated that Standard.

Reserves were estimated through a pit optimisation process carried out on the Central portion of the deposit. These were reported in Claude Poulin's July 1, 1998 memo titled "Scotia Mine, Mining Reserve Status." Zinc and lead prices were $US 0.55 and $US 0.36 per pound, respectively. The

[1] The resource estimates referred to in this section are historical in nature and are quoted as such. These estimates have not been reviewed by the authors of this report and thus should not be relied upon.

optimised pit, which considered diverting Gay's River by moving it toward the highway, was sent to Mine Design Associates (MDA) for practical pit design. Savage supplied the economic and geotechnical parameters to MDA. Dilution and recovery factors of 20 % and 90 %, respectively, were used.

Reserves included Resources that lie northeast of the highway. These would be accessed using underground methods. For this material, dilution and recovery factors of 25 % and 90 %, respectively, were used. The estimated Reserves are reported in Table 6-2. Those Reserves were not entirely independent and did not follow NI 43-101 guidelines, as the report predated that Standard.

It was discovered during the current Resource estimation process that an error was made when calculating resource and reserve grades during the 1998 estimate. When estimating block grades in the High Grade Zone, lower grade (less than 7 % Zn-Eq) assays in the zone were filtered-out because they were thought to belong to a separate domain. Likewise in the lower grade Disseminated Zone, higher grade (greater than 7 % Zn-Eq) were filtered-out. This incorrectly increased the grade of the high grade zone, which increased the overall resource and reserve grade by approximately 1 % Zn-Eq. The error had less of an effect on the lower grade zone. The error was corrected during the current Resource and Reserve estimate.

Table 6-2: Historical resource and reserve estimates.

Estimator	Category	Tonnes	Zinc Grade	Lead Grade
Westminer (1991)	"Geologic Reserve" (Undifferentiated)	2,400,000	8.7 %	6.3 %
	Reserve (Underground)	1,370,000	9.8 %	5.3 %
Savage (1998)	Resource (Undifferentiated):			
	Higher Grade	1,700,000	11.1 %[1]	4.7 %[1]
	Lower Grade	3,400,000	2.6 %[1]	1.3 %[1]
	Total	5,100,000	5.5 %[1]	2.4 %[1]
	Reserve (Undifferentiated):			
	Northeast (Underground)	360,000	8.6 %	4.3 %
	Central (Open Pit)	1,900,000[1]	4.1 %[1]	1.6 %[1]
	Total	2,260,000	4.8 %	2.0 %

[1] It was discovered during the current study that an error had been made during the grade estimation process in 1998.

It should be noted that the above referenced Resources and Reserves estimates were not carried out in accordance with the Canadian Institute of Mining and Metallurgy and Petroleum CIM standards on Mineral resources and Reserve Definitions ("CIM Standards") and therefore do not conform to Sections 1.3 and 1.4 of NI 43-101.

In 2006, MineTech International Limited ("MineTech") carried out a National Instrument 43-101-compliant resource and reserve estimate. MineTech's results were as follows:

Table 6-3: Previous mineral resource and reserve estimate (Roy *et al*, 2006).

Mineral Resources

Category	Volume (m^3)	SG	Tonnes	Zinc Grade	Lead Grade
Measured (Surface)	680,000	2.78	1,880,000	3.8%	1.6%
Indicated					
Surface	810,000	2.77	2,250,000	3.2%	1.4%
Underground[1]	381,000	2.90	1,110,000	6.6%	3.7%
Subtotal	1,190,000	2.82	3,360,000	4.3%	2.2%
Measured + Indicated					
(Surface and Underground	**1,870,000**	**2.80**	**5,240,000**	4.1%	2.0%
Inferred	652,000	2.76	1,800,000	3.1%	1.1%

Notes:
1. Northeast Underground Zone.
2. Undiluted Resources.

Mineral Reserves

Category	Volume (m^3)	SG	Tonnes	Zinc Grade	Lead Grade
Proven Reserves (Surface)	630,000	2.78	1,750,000	3.2%	1.3%
Probable Reserves					
Surface	610,000	2.76	1,690,000	2.5%	1.0%
Underground	395,000	2.90	1,150,000	5.7%	3.2%
Subtotal	1,005,000	2.83	2,840,000	3.8%	1.9%
Total Proven and Probable Reserves					
(Surface and Underground)	**1,635,000**	**2.81**	**4,590,000**	**3.6%**	**1.7%**

Notes:
1. Dilution equals 15 % and mining recovery equals 90 %.

7. Regional Geology and Mineralisation

An excellent summary of the regional and deposit geological settings of the Scotia Mine deposit is supplied by Patterson (1993). There is also a recent "special issue devoted to zinc-lead mineralisation and basinal brine movement, lower Windsor Group (Viséan), Nova Scotia Canada" released as Volume 93 by ***Economic Geology*** in 1998. The bulk of the descriptions below are taken from those publications.

The Scotia Mine deposit occurs along the southern margin of the large (more than 250,000 km^2) and deep (more than 12 kilometres) late Palaeozoic Fundy (Magdalen) Basin, bordered on the northwest by the New Brunswick platform, and on the south by the Meguma platform (Figure 7-1). During the late Palaeozoic, the Fundy Basin was divided or segregated through a complex series of grabens into deep linear successor basins or sub-basins, which are now interpreted (Fralic and Schenk, 1981) as small pull-apart basins. Subsequent basement subsidence, fragmentation and block faulting produced the irregular pre-Carboniferous topography that was partly filled-in by early Carboniferous clastics, and later flooded by middle Carboniferous seas. Carboniferous sediments consisting of terrestrial conglomerates, and sandstones, siltstones and marine limestones and evaporites, were deposited in this Fundy Basin which probably remained active during and after the Carboniferous, and may have had a major impact in the ore-forming process. These sub-basins contained thick accumulations of terrestrial and shallow marine sediments, and therefore could provide substantial volumes of basinal fluids (Ravenhurst, 1987).

The Gay's River area is underlain by the Cambro-Ordovician metasediments of the Meguma Group which form the pre-Carboniferous basement upon which the Gay's River carbonate host rock was deposited. The Meguma rocks were tightly folded during the Acadian Orogeny into long northeast-southwest anticlines and synclines which have been faulted and jointed. Erosion of this basement into irregular knobs and ridges was controlled by these structures prior to the deposition of overlying sediments (the Gay's River carbonate). Unconformably overlying the Meguma Group are clastic sedimentary rocks of the Horton Group and marine sedimentary rocks of the Windsor Group which overstep the Horton near the basin margins and rest directly on Meguma basement. It is these Windsor Group carbonates which have been the host for the carbonate-hosted base metal sulphide and associated sulphate deposits in Nova Scotia.

Over 100 base metals occurrences, including a few deposits, are hosted by Lower Windsor Group marine carbonate rocks in Nova Scotia. About half of these occur within the Kennetcook, Shubenacadie, Musquodoboit and River Denys sub-basins. In addition to the Scotia Mine deposit, the most significant examples include the Walton deposit and the Jubilee deposit. Walton has two types of mineralisation: concordant sheets of barite contain lenses of lead-rich and copper-rich mineralisation. Between 1941 and 1978, 4.5 million tonnes containing over 90% $BaSO_4$, and 0.4 million tonnes containing 0.52% Cu, 4.28% Pb, 1.29% Zn and 350 g/t Ag were produced (Sangster, Savard and Kontak, 1998). At the Jubilee deposit on Cape Breton sulphides cement fault-related breccias and replace adjacent limestone; there are reported, unclassified resources (e.g. Fallara and Savard, 1998) of 0.9 million tonnes containing 5.3% Zn and 1.4% Pb.

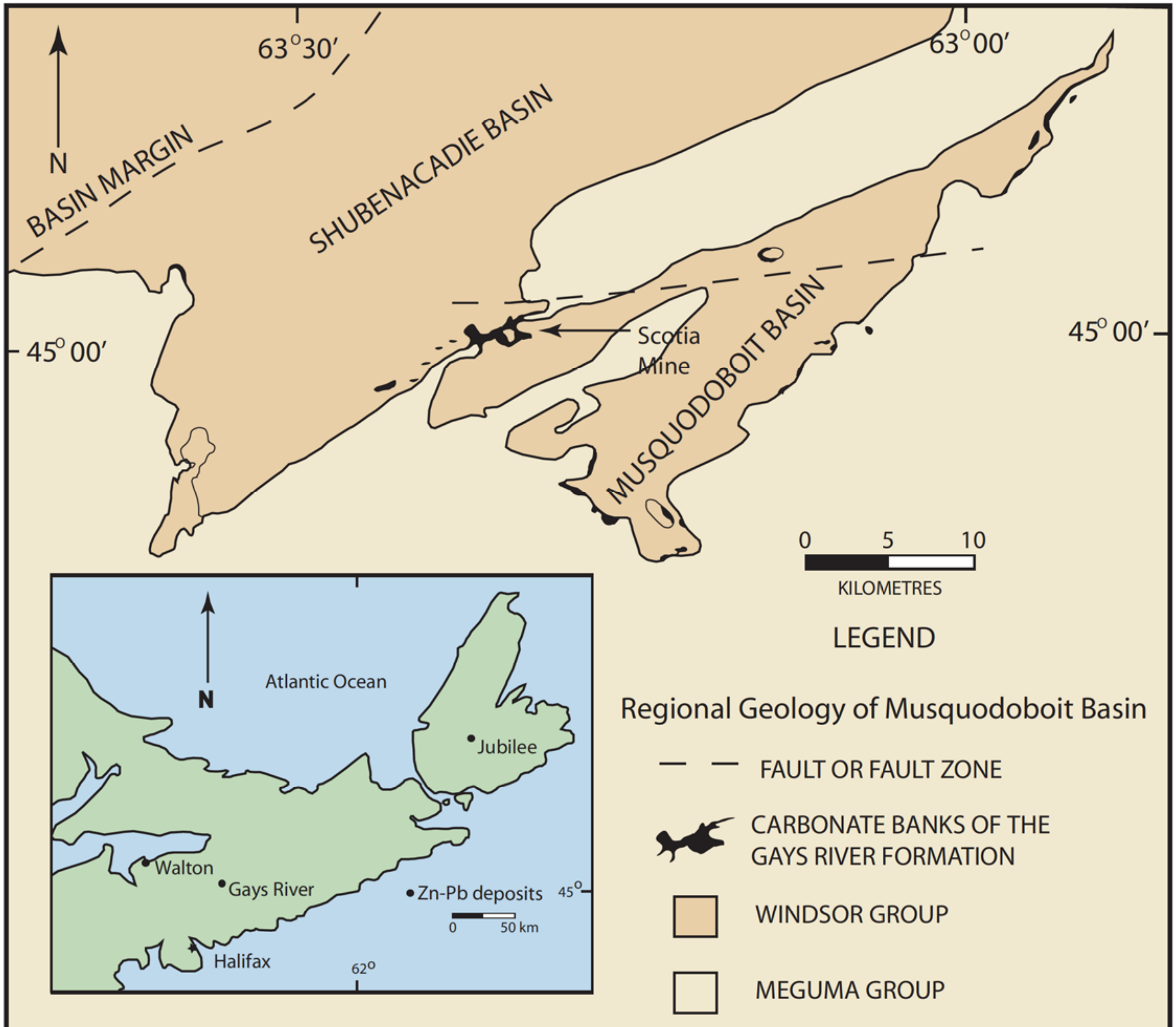


Figure 7-1: Regional geology.

8. Property Geology and Mineralisation

The Gay's River Formation and its lateral equivalent, the Macumber Formation, form the basal carbonate units of the Windsor Group. The underlying 380-400 million-year-old basement rocks consist of greenschist facies meta-turbidites of the Meguma Group that form a northeast-trending, paleotopographic high which separates the Shubenacadie and Musquodoboit basins, and over which the Gay's River carbonate bank developed (Kontak, 1998; Savard & Chi, 1998). The property's stratigraphy is shown in Figure 8-1. The basement is overlain by a laterally extensive, but discontinuous, talus breccia composed of centimetre- to metre-size, rounded to sub-rounded fragments of Meguma Group lithologies cemented by dolostone. Overlying the basal breccia or directly in contact with the basement rocks is a carbonate build-up composed of various bank and interbank facies: algal, coral and bryozoan bafflestones, skeletal packstones and wackestones. Contours for the top of Goldenville / bottom of carbonate contact are shown in Figure 8-2. The carbonate bank can be traced basinward into a laterally extensive, thinly laminated, 3 to 18 metre thick argillaceous, bituminous dolostone or limestone unit referred to as the Macumber Formation.

Overlying the carbonate rocks are evaporites (gypsum, anhydrite, halite and minor potash) with minor interbeds of dolostone and mudstone, all of which constitute the Carroll's Corner Formation. Nearby, (5 kilometres to the southwest), the gypsum is being mined at the National Gypsum Quarry.

In the deposit area, the contact between the evaporites of the Carroll's Corner Formation and the carbonates of the Gay's River Formation was deeply incised by a palaeochannel during a period of uplift and erosion. It was filled-in by sedimentary debris (boulders, sands, silts, clay and gypsum fragments) to which a Cretaceous age has been assigned. This dense, over-compacted debris has been termed "Trench" material; it occurs adjacent to the massive sulphide mineralisation. Near the contacts, highly permeable, open channel-type structures have caused locally high rates of water flow that have been an impediment to underground mining.

Both the bedrock and "trench" sediments are overlain by 20-40 m of glacial till, which is locally cut by glacial-fluvial sands and gravels. Three geological cross sections are included as Figure 8-3, Figure 8-4, and Figure 8-5. Figure 8-5 represents the prototypical cross-sectional geology for the deposit.

STRATIGRAPHY - WINDSOR GROUP

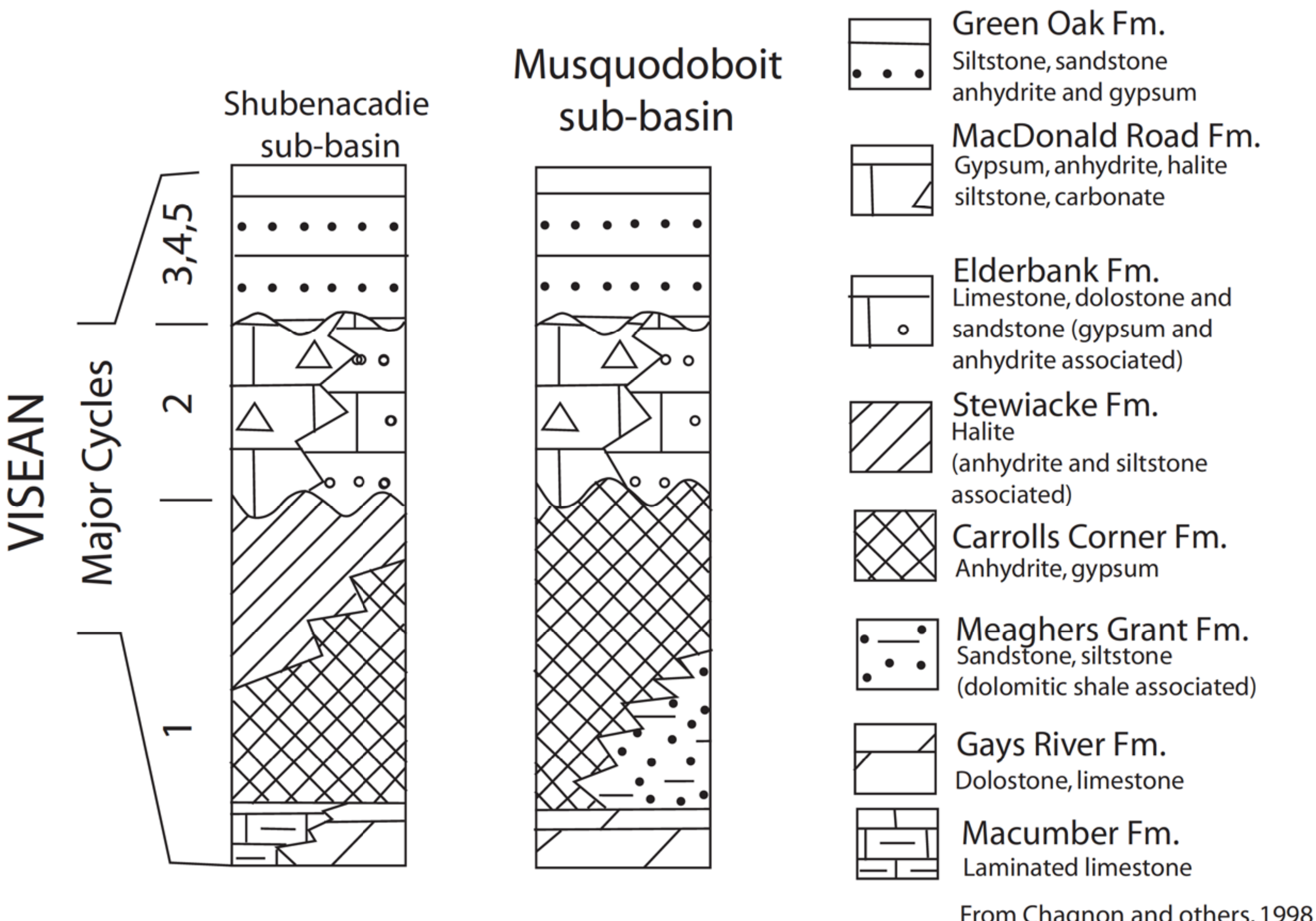
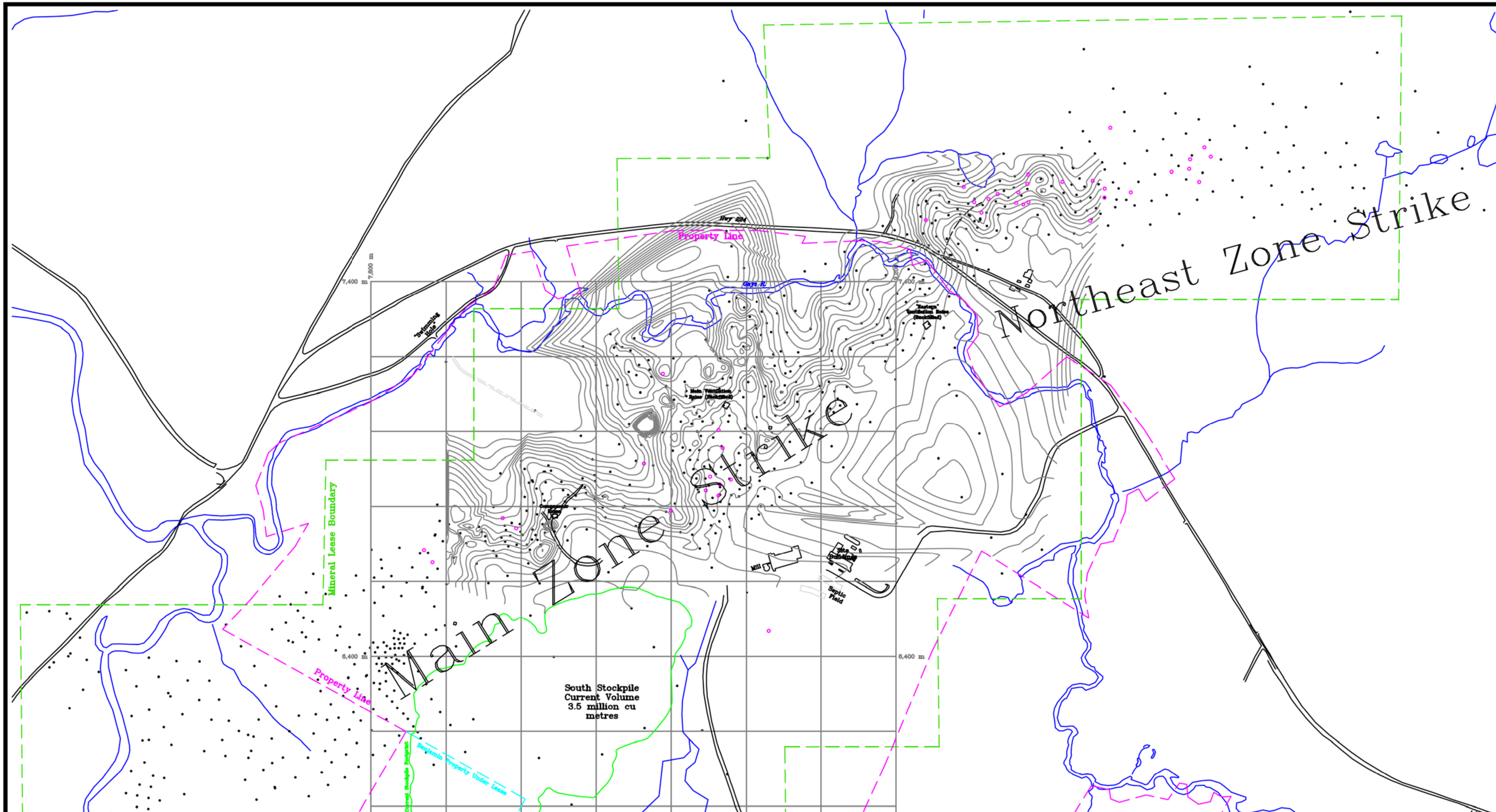


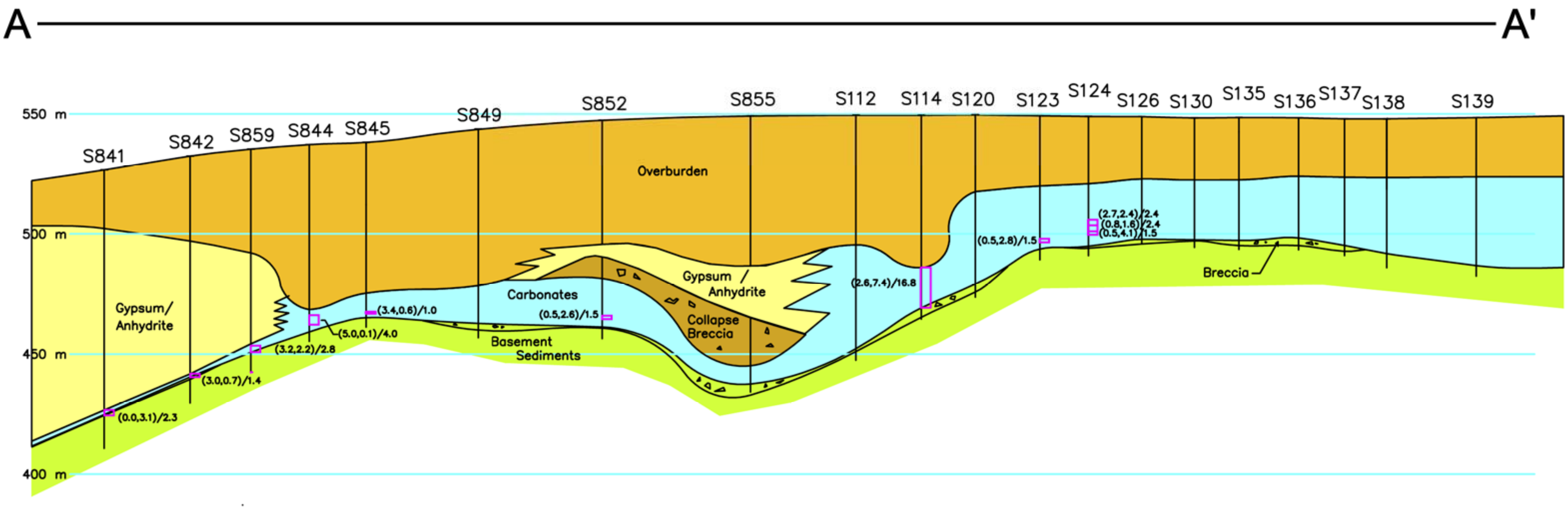
Figure 8-1: Stratigraphy.



Legend:
- Property Line
- Contour Line
- Mineral Lease Outline
- Underground Workings
- Historical Drill Collar
- "New" Drill Collar for Current Estimate

Scale in Metres
0 50 100

Date: May 6, 2011	ScoZinc Limited Scotia Mine Gays River, Nova Scotia
Scale: 1:10,000 (See Bar Scale)	
Drawn by: Douglas Roy, M.A.Sc., P.Eng. MINETECH INTERNATIONAL LIMITED CONSULTANT ENGINEERS & GEOLOGISTS HALIFAX, CANADA	Figure 8–2 Drill Collars and Top-of-Carbonate Contours



Legend:

(0.0,3.1)/2.3 Sample Composite (Avg Percent Zinc, Avg Percent Lead)/Composite Length

7. Overburden – Till, Sand, Silt

6. 'Trench': Collapse Breccia, Ancient Till

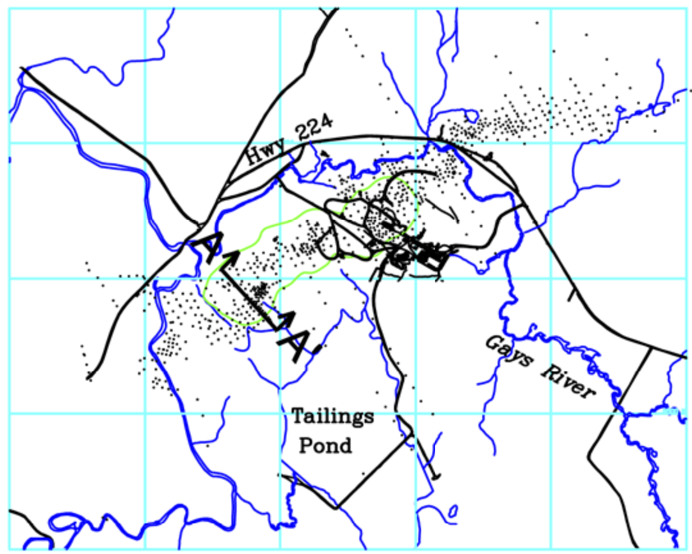
5. Carroll's Corner Formation:
Evaporites – Anhydrite, Gypsum, Siltstone, Dolomite, Limestone

4. Gays River Formation (MacCumber):
Carbonates – Dolomite, Limestone

3. Horton Formation:
Sediments – Shale, Siltstone, Sandstone, Conglomerate

2. Breccia: Goldenville Clast in Dolomite Matrix

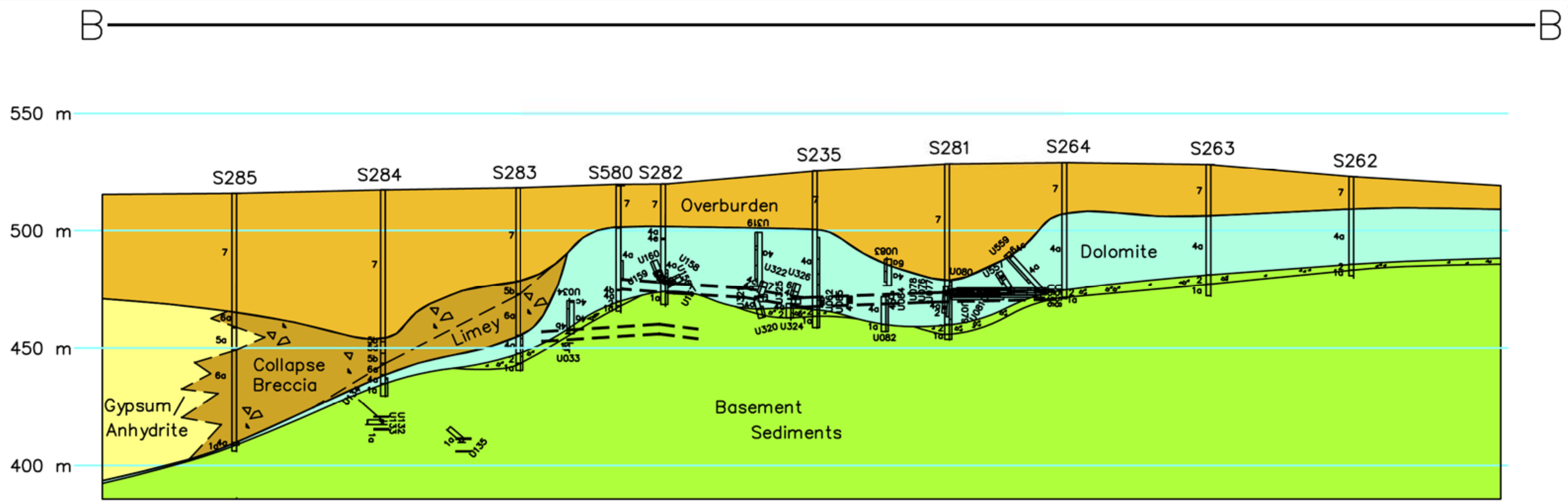
1. Goldenville Formation
Metasediments – Greywacke, Slates



Scale in Metres
0 25 50

Dimensions in metres.
Looking Northeast.
See sample sheets for complete sampling data.

Date: June 22, 2004	Scotia Mine Gays River, Nova Scotia Cross-Section A---A'
Scale: Bar Scale	
Drawn by: Douglas Roy, M.A.Sc., P.Eng. MINETECH INTERNATIONAL LIMITED CONSULTANT ENGINEERS & GEOLOGISTS HALIFAX, CANADA	Figure 8-3



Legend:

(0.0,3.1)/2.3 Sample Composite (Avg Percent Zinc, Avg Percent Lead)/Composite Length

7. Overburden – Till, Sand, Silt

6. 'Trench': Collapse Breccia, Ancient Till

5. Carroll's Corner Formation:
Evaporites – Anhydrite, Gypsum, Siltstone, Dolomite, Limestone

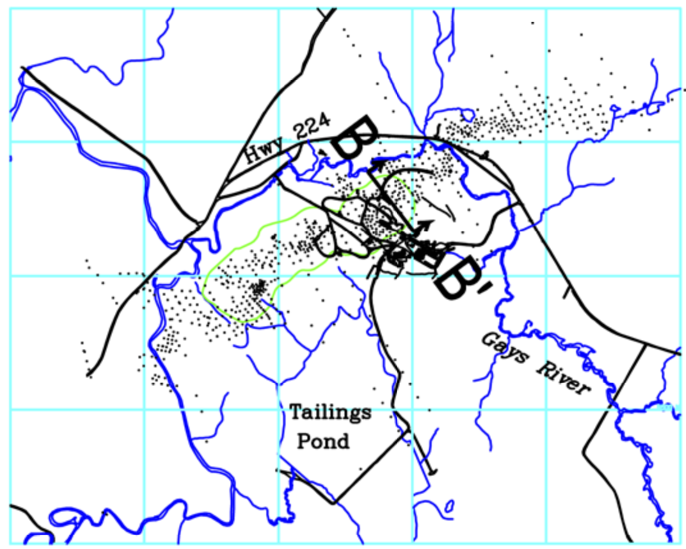
4. Gays River Formation (MacCumber):
Carbonates – Dolomite, Limestone

3. Horton Formation:
Sediments – Shale, Siltstone, Sandstone, Conglomerate

2. Breccia: Goldenville Clast in Dolomite Matrix

1. Goldenville Formation
Metasediments – Greywacke, Slates

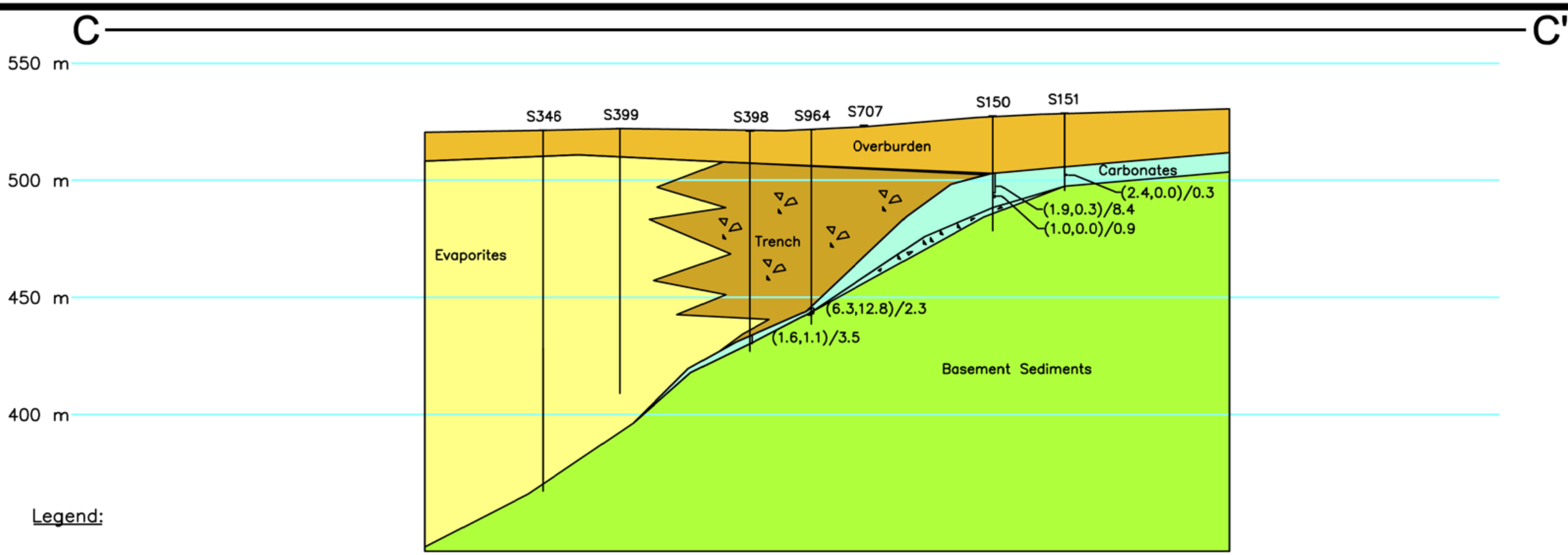
Intersected Underground Workings



Scale in Metres
0 25 50

Dimensions in metres.
Looking Northeast.
Refer to data table for sampling data.

Date: June 22, 2004	**Scotia Mine** Gays River, Nova Scotia **Cross-Section B---B'**
Scale: Bar Scale	
Drawn by: Douglas Roy, M.A.Sc., P.Eng. MINETECH INTERNATIONAL LIMITED CONSULTANT ENGINEERS & GEOLOGISTS HALIFAX, CANADA	**Figure 8-4**



Legend:

(0.0,3.1)/2.3 Sample Composite (Avg Percent Zinc, Avg Percent Lead)/Composite Length

7. Overburden – Till, Sand, Silt

6. 'Trench': Collapse Breccia, Ancient Till

5. Carroll's Corner Formation:
Evaporites – Anhydrite, Gypsum, Siltstone, Dolomite, Limestone

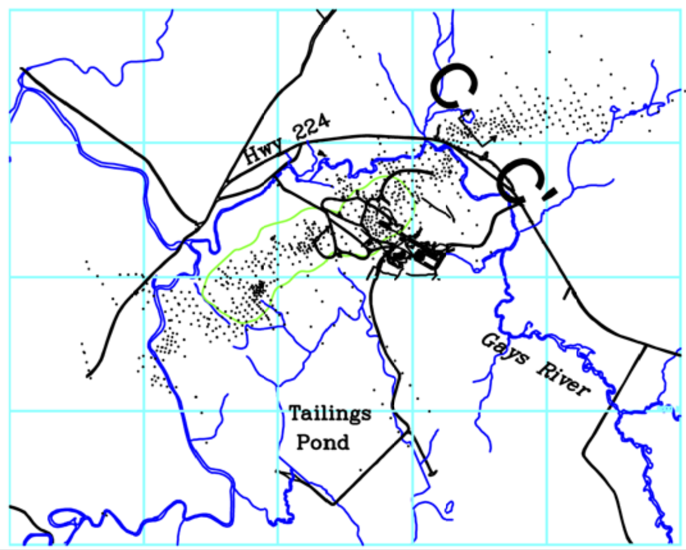
4. Gays River Formation (MacCumber):
Carbonates – Dolomite, Limestone

3. Horton Formation:
Sediments – Shale, Siltstone, Sandstone, Conglomerate

2. Breccia: Goldenville Clast in Dolomite Matrix

1. Goldenville Formation
Metasediments – Greywacke, Slates

Intersected Underground Workings



Scale in Metres
0 25 50

Dimensions in metres.
Looking Northeast.
Refer to data table for sampling data.

Date: September 21, 2004	**Scotia Mine** Gays River, Nova Scotia **Cross-Section C---C'**
Scale: Bar Scale	
Drawn by: Douglas Roy, M.A.Sc., P.Eng. MINETECH INTERNATIONAL LIMITED CONSULTANT ENGINEERS & GEOLOGISTS HALIFAX, CANADA	**Figure 8-5**

9. Deposit Type

The Scotia Mine mineralisation has long been considered a Mississippi Valley-type ("MVT") lead-zinc deposit. Characteristics of sedimentary formations that host MVT lead-zinc mineralisation include shallow-water, shelf-type carbonate rocks with reefs around the peripheries of intracratonic basins, karst structures, limestone-dolomite interfaces and proximity to a major hydrocarbon-bearing basin. The archetypical MVTs occur in the United States in several famous districts surrounding the Michigan-Illinois Basin which also has significant hydrocarbon production. Each of the districts is enormous, with resource potential of 75 million to 750 million tonnes and individual deposits in the order of 1 to 100 million tonnes.

Other MVTs have been mined in the past in Canada (e.g. Pine Point in the Northwest Territories, Nanisivik mine in Nunavut, and Newfoundland Zinc) and in Ireland.

MVTs are thought to have formed when hot, basin-derived, oil field-type brines, formed at depths of more than 2 km, migrated towards lower pressure areas around the basin periphery. Mineralisation precipitated from the brines when they encountered porous areas like reefs, karst breccias or sedimentary traps.

Sangster and others (1998) draw on their own and others' evidence to conclude that all Windsor Group lead-zinc deposits are epigenetic relative to their enclosing strata, exhibiting both open-space filling and host-rock replacement. At the Scotia Mine deposit, textures (including fossils) have been preserved; representing volume-for-volume replacement of original limestones by dolomite, and the sulphides are, in turn, replacements and porosity fillings within the previously altered host rocks. Kontak (2002) feels that petroleum in fluid inclusions in the Scotia Mine mineralisation suggest a role of hydrocarbons in the mineralising process, like many MVTs, but Sangster and others (1998) point to basement rocks underlying the Palaeozoic sedimentary rocks as the source of the mineralising fluids.

The temperatures of formation of the Scotia Mine deposit (and others in Nova Scotia) are higher than most North American MVTs, and compare more favourably with the clearly epigenetic MVTs of the Central Ireland Basin (Sangster and others, 1998). The Irish deposits also occur in Upper Paleozoic (Carboniferous) carbonate rocks, predominantly in shallow-water carbonates and a mudbank limestone (reef). The Irish deposits are also preferentially associated with east-northeast-trending faults which are thought to have acted as conduits for mineralising hydrothermal fluids; basement lineaments may also have controlled deposition. As with the Scotia Mine, sphalerite and galena are the main sulphides; barite is also usually present (Exploration and Mining Division Ireland, 2004). Seven economic deposits have been mined or are currently in production in Ireland. The largest of these, the world-class Navan deposit, had total production and proven + probable reserves of 82.1 million tonnes containing about 10.6% Zn+Pb; its annual production is 2.5 million tonnes of ore. Other producers and former producers had resources between about 8 and 18 million tonnes and grades of 9-25% Zn+Pb (Exploration and Mining Division Ireland, 2004).

It is noteworthy that two major carbonate-hosted zinc-lead deposits discovered in Ireland since 1986 occur down-dip from areas where considerable exploration, including diamond drilling, had been carried out over the prior 20 years (Patterson, 1993). Similarly, the MVT deposits of the Viburnum trend in the U.S.A. were discovered at depths of 300 metres by understanding of the regional geology of the hosts rocks of the Old Lead Belt about 80 km away.

10. **Mineralisation**

Nesbitt Thomson Inc. (1991) describe the high-grade mineralisation as consisting of a massive sulphide zone in contact with the evaporite or Trench, ranging in thickness from 0.1 to 5.0 metres and locally containing up to 78 % Pb and 57 % Zn. On the footwall of the massive sulphide, there is a zone of disseminated material (>7% Zn equivalent[2]) which, in places, is up to 12 metres in thickness. Locally disseminated mineralisation (>2% Zn equivalent) extends up to twenty metres into the footwall.

The Scotia Mine deposit is essentially controlled by a sinuous paleo coastline. The main part of the deposit is shallow (generally <150 m deep), has a dip length of approximately 100 m and a strike length following the paleo-coastline over a straight line distance of 2 km (Nesbitt Thomson Inc., 1991).

The mineralisation at the Scotia Mine deposit consists of massive and/or disseminated ore hosted predominantly by the carbonate rocks, with extensions down into the basal breccia unit. The massive mineralisation consists of fine-grained (<10-20 μm), Fe-poor, beige-coloured sphalerite and medium to coarse-grained, Ag-poor galena (<10-20 ppm Ag in galena concentrates) (Kontak, 1998; Savard and Kontak, 1998), is restricted to the carbonate-evaporite contact and is 1 to 3 metres in true thickness. Disseminated mineralisation, consisting of yellow to orange, millimetre-size euhedral sphalerite and millimetre-to-centimetre-size euhedral galena, fills in primary porosity in the dolomitized carbonates and walls of primary cavities (Kontak, 1998).

Sphalerite and galena constitute about 99.5% of metallic minerals. Other sulphide minerals are marcasite, pyrite and chalcopyrite, while gangue minerals include calcite, dolomite, fluorite, barite and selenite (Patterson, 1993).

11. **Exploration History**

Lead-zinc mineralisation at Gay’s River was first mentioned in records dating back to 1824. Knowledge of the occurrence may even go back to the early 1700’s when French soldiers reportedly used the lead for making ammunition (MacEachern and Hannon, 1974). Other early references to Gay’s River lead were made in 1868 by J. W. Dawson in “Acadian Geology” and by H. Howe in “Mineralogy of Nova Scotia”.

The earliest recorded prospecting may have been trenching along the outcrops in 1873-1874. Additional trenching and pit sinking was carried out in 1928. Assessment records do not indicate any resumption of interest in the area until 1951. From the first reports of mineralisation in the area in the early 1800’s, exploration activity up to 1950 had yielded best values of 3 % lead (Patterson, 1993).

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[2] The parameters used to calculate “Zn equivalent” are unknown, but would have reflected the prices of zinc and lead at the time.

1951

Maritime Barytes Limited acquired the property at Gay's River and carried out a surface exploration program involving some trenching and sampling. Gay's River Lead Mines subsequently became involved in the evaluation of the property and commenced a drill program to delineate the occurrences of lead and zinc. A total of 67 delineation drill holes were completed by mid-1952 and an additional seven holes were completed for exploration in the vicinity.

The drilling by Gay's River Lead Mines Limited outlined four zones of mineralisation in an area about 400 metres by 900 metres. Over 800,000 tonnes of mineralised (galena, sphalerite, pyrite, marcasite and chalcopyrite) Windsor Group carbonate were defined overlying and flanking a northeast-trending anticlinal Meguma greywacke basement high. Grades for the four zones ranged from 1.10% to 3.50% combined lead plus zinc with an average of 2.32% combined lead plus zinc. Most, if not all, assays were from sludge samples.

1962

Gunnex Limited carried out extensive soil sampling in the Gay's River area in 1962. Anomalies were encountered only over areas of previously known mineralisation where overburden was thin. An induced polarisation survey indicated only a very weak response over known mineralisation and did not add any new target areas. The lack of encouraging response on the periphery of the earlier defined mineralised area prompted Gunnex to forego any further exploration activity.

1968 – 1969

In 1968 and 1969 Penarroya Canada Limited completed extensive soil sampling and geological mapping in the Gay's River and Meaghers Grant areas. Two diamond drill holes in the Meaghers Grant area intersected minor zinc mineralisation. No drilling was carried out in the Gay's River area even though a number of soil anomalies had been identified. Most of the major anomalies corresponded with previously known mineralisation. Two new anomalous areas were, however, defined. They occur near Carroll's Corner and in the Black Brook area east of the Gay's River and define a northeast trending geochemical high. The latter area is close to the northeast end of the presently defined Gay's River deposit itself.

1971

Texasgulf Inc. drilled four diamond drill holes in the Gay's River area in 1971. One hole adjacent to a Gay's River Lead Mines drill hole confirmed significant mineralisation in the carbonates. The remaining holes tested one soil anomaly southeast of Gay's River and two areas northwest of Gay's River. No encouraging mineralisation or carbonate build-ups were intersected in the last three holes and work was terminated.

1972 - 1984

In 1972 personnel of Cuvier Mines Limited ("Cuvier") prospected the Gay's River area and located significant mineralised float material to the south of the old occurrence (MacEachern and Hannon, 1974) and subsequently acquired the ground. Cuvier also outlined geophysical and geochemical anomalies. In September of 1972 Cuvier optioned the property to Imperial Oil Enterprises ("Esso") with Esso holding a 60% interest and acting as the operator. Cuvier formed a joint venture with Preussag Canada Ltd. ("Preussag") to finance Cuvier's 40 % interest in the property.

Both Cuvier and Esso were of the opinion that the area had the proper geological setting for a Mississippi Valley-type deposit. Esso recognised the possible existence of a reef complex trending north-easterly from the old Gay's River drilling site. The source of the mineralised boulders had not been located and a combination of deep glacial till and lack of outcrop would necessitate fence-type drilling in geologically favourable areas for the purpose of obtaining geological information as well as locating any mineralised areas.

A total of 20 holes were drilled prior to drilling the discovery hole 2.5 kilometres northeast of the original showing along the postulated reef trend. The discovery hole intersected 3.35 metres averaging 7 % zinc (MacEachern and Hannon, 1974).

From October 1972 to August 1974, Esso/Cuvier drilled off the deposit and identified 12,000,000 tons averaging 7 % Zn + Pb (Patterson, 1993) over an area of approximately 4 kilometres by 220 metres at depths ranging from 20 to 200 metres (450 surface core holes)[3].

The initial mine development by Esso began with developing the exploration decline in 1976 across the central portion of the mineralised zone to verify mining conditions, the grade and continuity of the mineralisation and to provide bulk samples for metallurgical testing. The decline was 760 metres in length but by mid-1979 some 1,800 metres of drifting and 744 metres of underground development had been completed. The deepest workings were at a vertical depth of 100 metres. In December of 1977 Esso purchased Cuvier's and Preussag's interests in the property and formed Canada Wide Mines to develop and mine the deposit.

During the next two years various feasibility studies were carried out. Recoverable proven plus probable reserves were then estimated at 4.7 million tonnes at 2.8% Pb and 4.2% Zn (WMC, 1995). Esso commenced with the construction of the mill and other facilities in August of 1977. The 1,350 tonne processing plant was commissioned in October of 1979 and the mine was further developed to support a 1,350 tonne per day operation.

From 1978 until 1981, Esso operated the mine and targeted the lower grade mineralisation using a trackless, lower cost, bulk room and pillar mining method approach. The higher grade mineralisation near the carbonate contact was not part of the mine plan. Operations continued until August 1981 when production was suspended except for an underhand cut and fill technique test stope. Mining conditions exacerbated by bad ground conditions and excessive water inflow caused the operation to be suspended. During the operation, a total of 553,688 tonnes of mineralised material averaging 1.36% Pb and 2.12% Zn were produced and run through the mill – 272,000 tonnes of waste were also removed. Throughout this period efforts to achieve the full production rate, as well as efforts to mine areas of higher grade mineralisation were complicated by the combination of the complex geological setting and the severe hydrological problems.

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[3] A summary table of all known drilling at the Gay's River deposit by all exploration companies over the years is included as Table 12-1. A map depicting the location of the surface holes is included as Figure 8-2.

The plant was shut down in 1982 as a result of operating losses due to lower than expected grades, higher than expected operating costs, the difficult water problems and low metal prices.

Seabright Resources Inc. acquired the mine and mill in 1984 but despite a favourable feasibility study did not reactivate the mine due to depressed metal prices at the time.

1985 - 1987

Seabright's primary intention was the usage of the mill facility to process gold ore from their outlying properties, and a secondary intent to later re-open the Gay's River mine (WMC, 1995). At the time, Seabright was mining (bulk sampling) gold-bearing quartz veins from four small operations; Beaver Dam, Forest Hill, Caribou and Moose River, all located within the Meguma Group (Cambro-Ordovician).

The milling facility was converted for gold processing. The mine was not re-opened at that time by Seabright as a sharp drop in zinc prices rendered the underground mining operation uneconomic.

1987 - 1991

In 1988 Westminer Canada Limited ("WMC") purchased Seabright Resources. A review of the deposit, including the drilling of 89 surface core holes, led WMC to a positive production decision based on a reinterpretation of the geology and mining method. They began dewatering the underground workings in early 1989. Following the success of the mine dewatering and a test mining period to assess the suitability of the proposed narrow vein cut and fill mining method to extract the high grade ore zones, the mine was placed back into production. It reached commercial production rates in March 1990 (WMC, 1995) at a rate of 800 tonnes per day.

WMC's initial approach was to drive small 2.5x2.5 metre cut and fill stopes adjacent to the "Trench" material. Dry waste rock backfill was placed after each lift. In most areas, the method allowed the high grade ore on the carbonate-Trench contact to be extracted. In one area WMC successfully tested the room and pillar mining method (Nesbitt Thomson, 1991). A total of 187,010 tonnes of ore at an average grade of 3.5% Pb and 7.47% Zn were mined during WMC's involvement on the property.

Hydrological difficulties causing poor ground conditions continued to play a factor in the mine operation. In May 1991, rising water levels due to the spring runoff forced the cessation of mining in a number of stopes and WMC decided to place the mine in project mode. Following the suspension of production in 1991, WMC carried out an extensive program to understand the mine hydrology and concluded that the groundwater could be successfully managed so that mining operations would no longer be adversely affected.

WMC has identified the Eastern zone of the deposit as an area for possible early development because ground conditions are substantially better due to the hanging wall being generally gypsum/anhydrite rather than Trench. The grade is also higher relative to other sections of the deposit. The Eastern area appears promising for additional resources.

WMC thoroughly assessed the property in 1991 and prepared a revised mine plan to resume mine production. The revised plan provided for more mechanisation of the mining method, institution of paste backfill, increased groundwater drainage through screened drainage wells and a revised pumping system. However, the operation was WMC's only lead and zinc producer, was not associated with any downstream smelting facilities and was a smaller operation relative to other corporate assets. For these reasons, the property did not fit within WMC's corporate strategy to focus on large scale operations and for this reason the property was sold to Savage Resources.

1996 - 1999

After acquiring the Scotia Mine in 1996, Savage conducted two exploration drilling programs to fill in the gaps from prior drilling and improve the mineral resource estimate on the mine property. In December 1996, 36 diamond drill holes, totalling 1,325 metres were drilled in the central mine area adjacent to the underground mine entrance to test the continuity of the disseminated low grade mineralisation in the back reef (known as the sand pit area –an area of commercial aggregate). In April and May 1997, an additional 30 diamond drill holes totalling 2,339 metres were drilled in the Northeast zone (as identified by WMC). Both programs were successful and confirmed the presence of low grade (in the central area) and high grade mineralisation (in the Northeast zone). According to Cullen (1997), the results of the drilling (based on a 7% Zn-equivalent cut-off grade) enhanced some areas of the Northeast zone and diminished other areas. He also states that a complete revision of some of this area (with additional drilling evaluation) be completed prior to any production decision.

Savage dewatered the underground workings from June to August 1997 and started to rehabilitate the mine before a decision was made to extract the ore in the main, central zone using open pit methods. An open pit design was prepared using appropriate technical criteria for ore mining and waste stripping (Gemcom and Whittle 3-D Optimisation). The preliminary mine plan assumed the processing of 1,350 tonnes per day with the ore coming from a combination of underground (1,000 tonnes per day) and open pit operations (350 tonnes per day).

In early 1999 ownership of Savage was transferred to the Australian mining company Pasminco Canada Limited ("Pasminco").

2001-2003

Regal Mines Limited (Regal Mines) purchased Pasminco Resources Canada Company (Pasminco Resources) and its assets in February 2002. Regal was owned 50 % by OntZinc Corporation (OntZinc) and 50 % by Regal Consolidated Ventures Limited (Regal Consolidated). As part of the sale, Pasminco Canada Holdings Inc. (Pasminco Holdings) retained a 2 % net smelter return (NSR) royalty on future production. OntZinc acquired Regal Consolidated's 50 % interest in December 2002 to own 100 % of Pasminco Resources. Savage Resources Limited is the successor of Pasminco Holdings and currently holds the 2 % royalty. Pasminco Resources was later renamed ScoZinc Limited (ScoZinc). The mining and environmental permits are still in force and are held by ScoZinc along with all the Scotia Mine assets.

2004 – 2006

Exploration activity by ScoZinc included diamond core drilling, a hydraulic mining test, prospecting of the general area, geological compilation of past relevant data and two lines (ten samples) of Mobile

Metal Ion Geochemistry (MMI) across areas of known mineralisation covered by thick accumulations of glacial till. The results of the MMI survey were inconclusive.

A hydraulic mining test was performed to determine whether such a method might be useful to uncover the glacial overburden and some of the Trench material in the area of the low grade, potentially surface mineable resources. This was primarily performed near the area of the sand pit next to the original portal. Generally, the test showed that it is possible to mine the sandy overburden in the current pit bottom using dredging methods.

Six holes were drilled through the "Trench" unit using a soil drilling rig. The Trench is a geological unit that occurs between the gypsum and dolomite units. The purpose of this program was to characterize the soils that make up the Trench. Four holes were drilled in the Central Zone near the current pit. The two other holes were drilled near the highway (Hwy 224) in the East Zone.

The soil holes in the Central Zone around the current pit consisted mainly of dark brown clay with fine-to-medium grained sand. Rock fragments, rounded-to-angular, were occasionally noted. The soil holes in the East Zone near the river and highway consisted of fine-to-medium grained sand with minor clay. This observation may be an important factor during future mining. Permeability underneath the river is expected to be high to a depth of at least 20-30 metres. This will adversely affect slope stability should the walls of an open pit approach the river.

Twenty five diamond core drill holes (1,845.3 metres) were completed by ScoZinc on the Scotia Mine property. Seventeen of these holes were meant to further define the lead and zinc mineralisation contained within the reef carbonate while the remaining eight holes were meant to test the gypsum potential immediately overlying the mineralised zones.

Four holes (477 metres) were completed in the north-eastern portion of the deposit while thirteen holes (1,172 metres) were completed in the central area of possible lower grade open pit mineralisation. The program was moderately successful in the central area with zinc values consistently in the 2 to 4% range over 1 to 2 metres (Table 12-1). The drilling program in the north-eastern zone proved less successful with mineralised intervals being quite thin.

Four holes (673.3 metres) were drilled in the northeast zone and an additional four in the central area to test the overlying gypsum in the hanging wall of the base metal mineralisation. The holes were drilled to obtain core samples of the gypsum deposits that immediately overlie the mineralised zones. The purpose of the samples was to carry out early tests of gypsum consistency and quality as well as to confirm preliminary estimates of the probable size of the gypsum resource adjacent to the mineralised trend.

In most of the diamond drill holes, a gypsum "cap," 20-30 metres thick was encountered. Grade was highest (greater than 90 % gypsum) near the bedrock surface and decreased with depth. At 20-30 metres depth, gypsum grade dropped below 80 %, transitioning to anhydrite over an interval of approximately ten metres. Because the gypsum was quite hard, it was difficult to visually determine the contact between gypsum and anhydrite.

2007-2008

ScoZinc began surface mining the deposit in 2007 and carried on into 2008. Due to a drastic fall in metal prices, ScoZinc placed the mine on care and maintenance status.

In 2008, ScoZinc drilled 17 diamond drill holes through the Northeast Zone (refer to Section 12).

12. Drilling

To date, over 1,400 diamond core drill holes have been drilled on the Scotia Mine property (refer to Figure 8-2 and Table 12-1). The majority were drilled to determine the characteristics of the zinc- and lead-mineralised dolomite.

ScoZinc drilled 17 holes totalling 1,613 metres through the Northeast Zone in 2008. These collars, as well as the collars from ScoZinc's 2004 program, are shown in magenta in Figure 8-2.

Most of the 914 surface holes were drilled vertically. The azimuth and dip of the 467 holes drilled from the underground workings was variable.

Generally, holes were drilled so as to fully penetrate the dolomite reef and continue on until no more mineralisation was found. This resulted in most drill holes being drilled a few metres beyond the dolomite reef.

A compilation of core logs and sample assays from the 2008 program is given in Appendix 5. Historical logs are provided in the previous technical report for the property (MineTech, 2006).

The sample intervals do not necessarily represent true widths. The orientation of the mineralisation is well known and is described in Section 9.

Table 12-1: Historical Surface and Underground Diamond Drilling Activity[4].

From	To	Holes with Info[5]	Metres	Time Frame	Company
Surface Holes					
1	72	70	2,951.7	1951-1952	Gay's River Lead Mines
73	740	646	59,123.6	1972-1982	Imperial Oil/Canada Wide Mines
741	900	89	7,596.8	1985-1995	Seabright, then Westminer (undifferentiated)
901	966	66	3,664.0	1997	Savage/Pasminco
967	991	25	1,864.3	2004	ScoZinc
1130-08	1146-08	17	1,613.5	2008	ScoZinc
Subtotal		**913**	**76,813.9**		
Underground Holes					
1	341	318	7,460.7	1979-1982	Imperial Oil/Canada Wide Mines
342	651	149	4,434.9	1985-1995	Seabright, then Westminer (undifferentiated)
Subtotal		**467**	**11,895.6**		
Total		**1,380**	**88,709.5**		

[4] Data supplied by ScoZinc.
[5] The electronic database does not contain information for underground holes 342-499.

12.1 Sample Statistics

Sample statistics were calculated for sampling within the carbonate. All samples for which at least one metal (zinc or lead) was assayed were considered. Most samples were assayed for both zinc and lead. Depending on the amount of visible mineral, some samples were assayed for only one metal. The total sample count was 8,022.

The mean sample interval length was 1.44 metres with a standard deviation of 0.82 metres (Table 12-2). Skewness is a measure of symmetry, or more precisely, the lack of symmetry. The positive value for skewness indicates that the data is skewed right, meaning that the right tail is heavier than the left tail. This is also shown in the histogram in Table 12-3. The aggregate sample length was 11,522 metres.

The mean zinc grade was 3.55 %. From the histogram, we can see that zinc assays are approximately lognormal. The range in zinc content was zero to 62.10 %. Theoretically, the maximum possible zinc assay is 67.10 % - the zinc content of pure sphalerite.

The mean lead grade was 1.91 %. From the histogram, we can see that lead assays are also approximately lognormal. The range in lead content was zero to 79.50 %. Theoretically, the maximum possible lead assay is 86.6 % - the lead content of pure galena.

Sample statistics are further examined in Section 18.

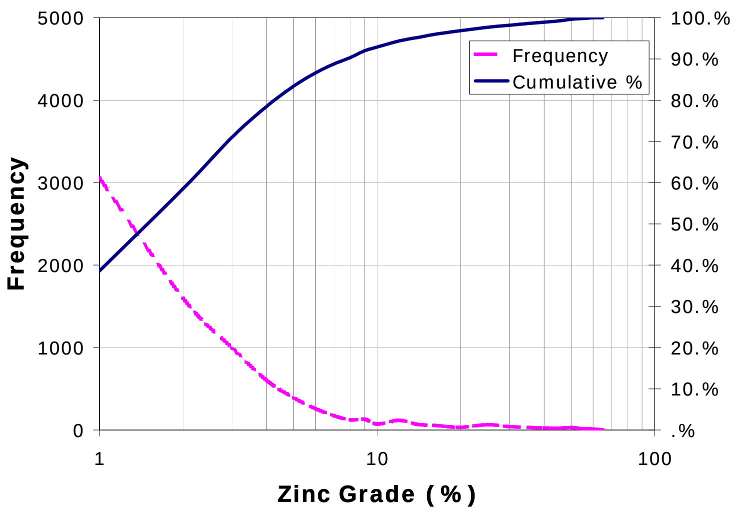
Table 12-2: Descriptive statistics.

Descriptive Statistic	Zinc Grade (%)	Lead Grade (%)
Mean	3.55	1.91
Standard Error	0.08	0.07
Median	1.52	0.12
Mode	0.02	0.01
Standard Deviation	6.79	6.24
Sample Variance	46.17	38.99
Kurtosis	25.17	52.86
Skewness	4.60	6.56
Range	62.10	79.50
Minimum	0.00	0.00
Maximum	62.10	79.50
Sum	n/a	n/a
Count	8,022	8,022

Table 12-3: Sample histograms.

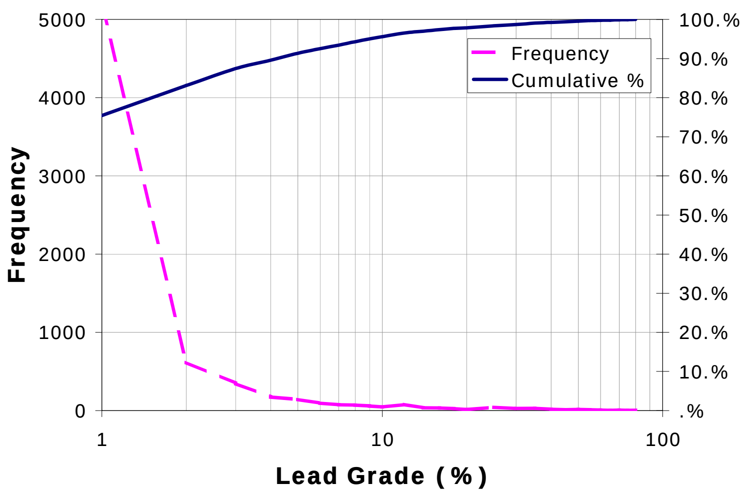
Zinc Histogram

Range	Frequency	Cumulative %
0	39	.49%
0-1	3056	38.58%
1-2	1599	58.51%
2-3	999	70.97%
3-4	603	78.48%
4-5	393	83.38%
5-6	259	86.61%
6-7	174	88.78%
7-8	123	90.31%
8-9	132	91.96%
9-10	74	92.88%
10-12	118	94.35%
12-14	68	95.20%
14-16	58	95.92%
16-18	42	96.45%
18-20	33	96.86%
20-25	65	97.67%
25-30	41	98.18%
30-35	33	98.59%
35-40	27	98.93%
40-45	23	99.21%
45-50	32	99.61%
50-55	15	99.80%
55-60	14	99.98%
60-65	2	100.00%
65+	0	100.00%



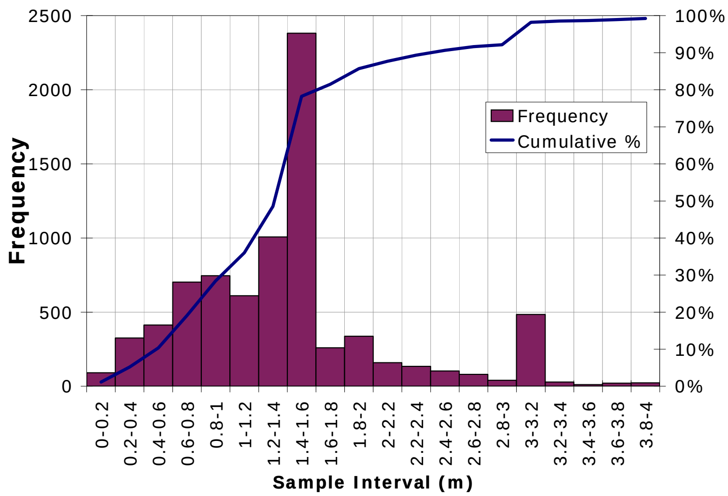
Lead Histogram

Range	Frequency	Cumulative %
0	851	10.61%
0-1	5200	75.43%
1-2	616	83.11%
2-3	347	87.43%
3-4	173	89.59%
4-5	141	91.35%
5-6	94	92.52%
6-7	73	93.43%
7-8	70	94.30%
8-9	59	95.04%
9-10	45	95.60%
10-12	77	96.56%
12-14	34	96.98%
14-16	33	97.39%
16-18	25	97.71%
18-20	12	97.86%
20-25	41	98.37%
25-30	26	98.69%
30-35	29	99.05%
35-40	17	99.26%
40-45	10	99.39%
45-50	15	99.58%
50-55	10	99.70%
55-60	7	99.79%
60-65	3	99.83%
65-70	7	99.91%
70-75	3	99.95%
75-80	4	100.00%
80+	0	100.00%



Sample Interval Histogram

Range	Frequency	Cumulative %
0	0	.00%
0-0.2	91	1.13%
0.2-0.4	326	5.20%
0.4-0.6	413	10.35%
0.6-0.8	702	19.10%
0.8-1	746	28.40%
1-1.2	611	36.01%
1.2-1.4	1007	48.57%
1.4-1.6	2381	78.25%
1.6-1.8	260	81.49%
1.8-2	338	85.70%
2-2.2	159	87.68%
2.2-2.4	134	89.35%
2.4-2.6	103	90.64%
2.6-2.8	80	91.64%
2.8-3	40	92.13%
3-3.2	485	98.18%
3.2-3.4	29	98.54%
3.4-3.6	11	98.68%
3.6-3.8	21	98.94%
3.8-4	23	99.23%
4+	62	100.00%



13. Sampling Method and Approach

There is no written record regarding the sampling method employed during the early exploration years (i.e.: pre-1970's) in the Scotia Mine area.

The exploration approach and sample collection procedures employed by the more recent exploration efforts reflects thorough sampling methodology and documentation procedures. Exploration activity was carried out in a professional manner by a team of local, experienced geologists and technicians supervised by Esso's, Seabright's, Westminer's, Savage's and ScoZinc's professional staff. The work has been well organised throughout their exploration efforts and more recently computer facilities were available to generate reports and prepare maps, etc. from the vast database.

The assay data and other parameters for all core drilling programs and underground work were entered into a computerised database using Microsoft Excel and resource-generating software programs. The quality control and validation of the coded data included steps to ensure that the assay intervals and the sample locations were correct. To ensure accuracy of the database, all assays were coded and the data entry system automatically checked for interval overlaps. The coded assays were also printed and a visual inspection was completed for comparison with the original (logged) data sheets. The sample locations were validated with appropriate plotting and visual checks against the original sections and plans.

Core drilling was carried out using North American service providers with the collection of BQ and NQ core. The portions of core to be analysed were either split or sawed into two sections with one half submitted for analysis, the other half remaining in the core tray. All sampling procedures were carried out on site.

Sampled core lengths were determined visually. All drill holes were logged, noting lithology, structure, alteration and mineralisation. Core recovery was generally greater than 90 %. Early in the exploration program, the samples were been sent via air cargo to several analytical laboratories; however, after the construction of the mill facility, the internal laboratory was used.

14. Sample Preparation, Analysis and Security

14.1 1997 and 2004

Core samples from Savage's 1997 drilling program and ScoZinc's 2004 drilling program were submitted to the Minerals Engineering Centre of Dalhousie University (formerly Technical University of Nova Scotia) in Halifax. The laboratory was not International Standard Organisation (ISO) accredited.

According to the Minerals Engineering Centre; the core sample preparation procedure was as follows. The samples were dried, and then crushed in one or more jaw crushers, depending on the original size, to under one-quarter inch. The sample was then split in a Jones riffle to a mass of 150-200 grams. The sample was then pulverised using a ring and puck pulverisor to 80 % minus 200 mesh (75 microns). Then it was put into either a bag or a vial. Rejects were kept for six months.

The sample analysis procedure consisted of the following: one gram sample lots were digested with hydrochloric-nitric-hydrofluoric-perchloric acids. Elements were determined by Flame Atomic Absorption with detection limit of 1 ppm. Arsenic was determined by atomic absorption/hydride generation method.

Reference standards from CANMET were routinely used as internal checks on the accuracy of the analysis.

14.2 2008

Cullen (2011) provided the following description for the sampling methods that were used for the 2008 drilling program.

14.2.1 Sample Security and Chain of Custody

In accordance with the sample protocol established by Mercator for the 2008 drilling program, all drill core was delivered from the drill site to the secure and private core logging facility at Acadian's Scotia Mine by either Logan Drilling Limited staff or Mercator field staff. Drill core logging was carried out by a Mercator geologist who also marked core for sampling and supervised core splitting by a technician using a rock saw. Sample tag numbers from a three tag sample book system were used for the program, with one tag showing corresponding down hole sample interval information placed in the sampled core boxes at appropriate locations, one tag lacking down hole interval information placed in the core sample bag for shipment to the laboratory, and the third tag with sample interval information retained in the master sample book for future reference and database entry purposes. After sampling, core boxes were closed and placed in storage at the Scotia Mine site. Sealed sample bags were placed in an ordered sequence prior to insertion of quality control samples, preparation of sample shipment documentation, checking, and placement in plastic buckets for shipment by commercial courier to Eastern Analytical Limited (“Eastern”), a recognized commercial laboratory located in Springdale Newfoundland. A check pulp sample split was prepared at Eastern for every 25th submitted sample and these were labelled, placed in a sealed envelope and returned to Mercator. After insertion of certified standard and blank samples, all check samples were sent to ALS Chemex in Sudbury, ON for independent analysis of zinc and lead levels. All other prepared pulps and coarse reject material was stored at Eastern until the end of the program, at which time they were shipped back to Scotia Mine for secure archival storage.

14.2.2 Core Sample Preparation

Core samples received by Eastern were organized and labelled and then placed in drying ovens until completely dry. Dried samples were crushed in a Rhino Jaw Crusher to consist of approximately 75% minus 10 Mesh material. The crushed sample was riffle split until 250 to 300 grams of material was separated and the remainder of the sample was bagged and stored as coarse reject. The 250 – 300 gram split was pulverized using a ring mill to consist of approximately 98% minus 150 Mesh material. All samples underwent ICP analysis, for which a 0.50g portion of the pulverized material was required. Those samples containing greater than 2200 ppm of zinc or lead were then processed using ore grade analysis for which 0.20g of pulverized material was required. Laboratory sample preparation equipment was thoroughly cleaned between samples in accordance with standard laboratory practise.

Check sample splits of pulverised core were submitted to the ALS Chemex laboratory facility in Sudbury, Ontario as part of the project quality control and assurance protocol. This material was prepared in approximately 100 gram bagged splits by Eastern and returned to Mercator for subsequent submission to ALS Chemex. Since the received split material had already been pulverised, further preparation was limited to homogenization and splitting of a 0.4g portion for subsequent analysis.

14.2.3 Core Sample Analysis

Eastern Analytical procedures outlined below pertain to all core samples from the 2008 drill program.

- ICP Analysis: A 0.50 gram sample is digested with 2ml HNO3 in a 95°C water bath for ½ hour, after which 1ml HCL is added and the sample is returned to the water bath for an additional ½ hour. After cooling, samples are diluted to 10ml with deionized water, stirred and let stand for 1 hour to allow precipitate to settle.

- For ore grade analysis base metals (lead, zinc, copper), a 0.20g sample is digested in a beaker with 10ml of nitric acid and 5ml of hydrochloric acid for 45 minutes. Samples are then transferred to 100ml volumetric flasks and analyzed on the Atomic Absorption Spectro-Photometer (AA). The lower detection limit is 0.01% and the upper detection limit is >2200 ppm lead or zinc.

- For silver, a 1000mg sample is digested in a 500ml beaker with 10ml of hydrochloric acid and 10ml of nitric acid with the cover left on for 1 hour. Covers are then removed and the liquid is allowed to evaporate leaving a moist paste. 25ml of hydrochloric acid and 25ml of deionised water are then added and the solution is gently heated and swirled to dissolve the solids. The cooled material is transferred to 100ml volumetric flask and is analyzed using AA. The lower detection limit is 0.01oz/t of silver with no upper detection limit.

- A prepared sample is digested in 75% aqua regia for 120 minutes. After cooling, the resulting solution is diluted to volume (100 ml) with de-ionized water, mixed and then analyzed by inductively coupled plasma - atomic emission spectrometry or by atomic absorption spectrometry.

15. Data Verification

The author has reviewed the sampling results and verified that the sample types and density are adequate for establishing Resources and Reserves. The sampling results are representative of the mineralisation. The available information and sample density allow a reliable estimate to be made of the size, tonnage and grade of the mineralisation in accordance with the level of confidence established by the Mineral Resource categories in the CIM Standards.

15.1 Database Validation

A sample of 59 drill holes (4.3%) was selected for database validation. The collar locations, downhole survey data, geological logs and assay data in the database was compared against the original, written logs.

15.1.1 Methodology

ScoZinc provided scanned original drill logs in Adobe .pdf format. An up-to-date copy of the electronic database of all drill hole information was also provided. An additional data file of drill hole co-ordinates was supplied as many of the original drill logs did not have co-ordinates.

A total of 59 holes were selected (Table 15-1). Most of the holes were located within areas with the highest economic potential, but the selection process also strived to provide good coverage for the whole deposit. This amounted to 4.3% of the more than 1400 holes drilled on the property.

Print-outs were made of the relevant sections of each of the holes and also of the assay data of the corresponding assay intervals The assays were printed on the reverse of the drill logs. Co-ordinates on the log and database were manually compared.

15.1.2 Results

The data in the Excel database and original drill logs were manually compared. They were found to be, for the most part, comparable. Many of the original drill logs, both underground and surface, did not have collar co-ordinates or downhole survey data. Another database was located that contained the required information. It is more than likely that the holes were surveyed and the information filed in a separate location from the original logs.

Table 15-1: Holes that were verified during the database validation.

S61	S352	S613	S882	U047	U206
S69	S390	S634	S938	U057	U217
S71	S404	S648	S939	U061	U218
S85	S423	S663	S943	U073	U246
S94	S431	S690	S956	U087	U259
S110	S466	S703	S975	U093	U290
S183	S473	S705	S976	U106	U297
S220	S555	S726	S980	U129	U321
S251	S568	S843	U003	U148	U337
S268	S574	S857	U008	U174	

The following holes were found to have discrepancies between the original data from the drill logs and the final database:

S 69
Data base 73.76-75.59 lead 0.01% Original Log 73.76-75.59 lead 0.32%

S110
Assay data for database match that on original log. However, a hand-written correction on the log shows reduced lead and zinc values.

S 663
Minor sample depth errors - not significant.

S703
Assays on original log for interval 89.0-99.83 metres not shown. These were likely assayed at a later date.

S 726
Assay section on original log 77.72- 83.82 m (6.1m) used on database. Original log interval was corrected by hand at a later date to 2 ft. (0.61m)

U 129
Sample from 115'-125' (10') misread as 115' -128' (13'). Written entry on original log looks like 128'.

U218
Azimuth on database shows 235 degrees, which is consistent with other angle holes with the same co-ordinates. However, a listing in another database shows an azimuth of 180 degrees. It is more than likely that the database listing is correct.

15.1.3 Conclusion

With the exception of Hole S 110 and S 726 where significant assay intervals and values were involved, the remainder of the holes do not represent any factor that would change the status of the deposit. In general, the data transfer from the original logs was of high quality and the database was considered a valid representation of the mineral deposit.

15.2 Verification Sampling

The Scotia Mine property was visited by Mr. Reg Comeau of ACA Howe on June 17 and June 21 and on September 22 and September 26, 2004 in order to become familiar with the area and to conduct verification sampling on the property. Split, random, core samples were inspected and sampled from the site on the second visit from the 2004 drilling campaign in the area of the proposed low grade open pit in the central portion of the deposit as well as the higher grade zone in the Northeast zone. A second set of core samples from the 1997 drilling campaign were later collected by Mr. Doug Roy.

Samples from 1997 and 2004 drilling campaigns were collected, packaged and independently shipped by Reg Comeau. All samples were taken from the remaining half core samples in the core boxes and were sawed in half reflecting a quarter core sample. The remaining quarter core was left in the core tray. The samples were packaged and shipped to ACA Howe's office in Toronto, then shipped to and analysed by SGS Toronto. The comparison of assay results is shown in Table 15-2.

The comparison of analytical results between SGS and the original 1997 samples and the samples from the 2004 drilling program (analysed at Minerals Engineering Centre of Dalhousie University) was excellent.

The author is satisfied that the assay data base for the property is sound and sufficient for the purpose of estimating resources and reserves.

Table 15-2: Results of verification sampling.

2004 Drilling Program by ScoZinc

				Original Assay		Howe Sampling	
Hole #	**From (m)**	**To (m)**	**Interval (m)**	**% Zn**	**% Pb**	**% Zn**	**% Pb**
Pit Area							
S968	2.70	4.70	2.00	3.38	0.29	3.62	0.14
S969	8.00	10.00	2.00	2.15	0.00	2.22	0.00
S971	2.90	4.90	2.00	4.63	0.00	3.91	0.00
S972	14.30	16.30	2.00	1.86	0.18	2.06	0.17
S973	74.00	75.00	1.00	11.90	14.98	14.18	17.25
S974	66.80	68.00	2.00	2.46	2.22	2.59	1.95
S976	98.10	98.45	0.35	7.66	0.23	7.19	0.17
Northeast Zone							
S977	96.00	96.40	0.40	6.77	0.01	9.47	0.01
S982	133.30	133.60	0.30	0.84	0.32	0.84	0.18
1997 Drilling Program by Westminer							
Pit Area							
S926	18.40	19.90	1.50	2.82	0.01	3.16	<0.01
	19.90	21.40	1.50	3.27	0.01	2.86	<0.01
S933	12.10	13.60	1.50	1.40	0.01	1.47	0.01
	13.60	14.90	1.30	2.78	0.01	2.45	<0.01
S936	8.50	9.80	1.30	3.73	0.01	4.20	<0.01
	11.00	12.20	1.20	1.02	0.01	0.98	<0.01
Northeast Zone							
S943	60.75	62.00	1.25	7.56	2.63	6.95	2.76
	62.00	63.00	1.00	3.16	5.70	2.78	3.30
S950	36.00	37.15	1.15	5.20	3.02	3.99	2.19
	37.15	38.25	1.10	17.37	1.07	15.54	0.67
S953	91.80	92.65	0.85	4.41	7.34	3.97	7.47

16. Adjacent Properties – Getty Deposit

The Getty zinc-lead deposit is located immediately northwest of the Scotia Mine deposit (refer to Figure 4-3). ScoZinc currently holds the mineral rights for the deposit. It was discovered at approximately the same time as the Scotia Mine deposit by a joint venture enterprise consisting of Getty Mining Northeast Limited and Skelly Mining Company.

A potentially viable lead-zinc deposit was outlined which, although perhaps not economic on its own, might prove successful if incorporated as part of the ScoZinc overall resources. Both open pit and underground areas of potential development have been identified.

Drilling activity defined potential lead-zinc ore in one, possibly two, surface mineable zones and in two possible underground zones. The deposit overlies a northward projecting segment of the Meguma greywacke high that continues south-westerly through the Carroll's Corner area. An irregular conglomeratic and breccia unit at the base of the Windsor Group locally overlies the basement and is in places interbedded with units at the base of the overlying carbonate section. Thicknesses as great as 30 metres are attained in what may represent talus-type deposition. The conglomerate is composed of angular to sub-rounded and unsorted Meguma Group lithologies cemented by finely crystalline dolostone. The contact with overlying carbonates of the Windsor Group is often gradational with Meguma clasts decreasing in quantity upwards until only carbonate is present.

16.1 Geology

When Mississippian seas covered this area, the biogenic activity was concentrated along, around and on top of this and other basement highs. Local reefal development occurred and it is mainly within these reefal carbonates that the lead-zinc mineralisation is located. The carbonates are predominantly dolostone. Buff to grey, finely bedded algal units account for much of the carbonate accumulation. Irregular zones rich in brachiopod, gastropod and bryozoa assemblages and algal stromatolites and coral growth account for the remainder of the carbonate build-up.

The northward projecting, undulating reefal structure now covers an area approximately 1,250 metres east-west by 600 metres north-south. The reef developed along the flanks of, and eventually over most of the Meguma basement high during early Mississippian time. Carbonate accumulations are minor near the axis of the basement high and then to a maximum of approximately 40 metres on the flanks. The reef may have extended much higher prior to erosion. From the present maximum thickness along the flanks the carbonates rapidly thin basin ward to less than 2 metres within a lateral distance of as little as 60 to 70 metres. Further out from the basement high the carbonate grades laterally into muddy carbonate, limy shale, mudstone and non-calcareous sandstones.

A thick evaporitic sequence with minor shale and carbonate beds pinches out against the reefal carbonates overlying the basement high. As a result, the evaporite beds are usually thinnest near the Meguma high and rapidly thicken with distance away from the reef. Although the evaporite beds are thin or absent on top of the basement high, the thickness exceeds 400 metres about 1 kilometre of the seaward side of the reefal complex.

The deposit is overlain completely by poorly sorted glacial till, the thickness of which ranges from 3 metres to 100 metres. The maximum thicknesses are encountered in the evaporite pinch-out zone.

16.2 Mineralisation

Lead-zinc mineralisation has been delineated within three separate zones on the original Getty/Skelly lands but confined to a more or less continuous reefal complex. The Southeast mineralised zone lies immediately south of the village of Gay’s River and is an extension of the original Gay’s River deposit. Both the central and southwest zones are west of the main highway. The central zone is crescent-shaped and conforms to the shape of the reefal complex developed around the northerly protruding paleo-topographic high. Minor mineralisation has been located between the three main zones.

Sulphide mineralisation is found throughout the reefal carbonate complex as well as in the carbonate matrix of the underlying conglomeratic unit. Galena and sphalerite are the main sulphide minerals with pyrite, marcasite and chalcopyrite present in minor to trace amounts. Strong zones of mineralisation occur throughout all sections of the conglomeratic and reefal rock units with no apparent preference for specific horizons. There is, however, a tendency for the higher grade mineralisation to occur along the flanks of the carbonate reef which appears to represent the general fore-reef area. The Gay’s River deposit also contains its more massive mineralised zones along the fore-reef area to the northwest of the reefal trend with lesser amounts of ore-grade material along the reef crest.

The sphalerite is honey yellow to light buff, finely crystalline and generally tends to occur as irregular disseminations in weak to intense concentrations varying from discrete segregated crystals to concentrations greater than 10% but can also occur as semi-massive to massive seams along bedding planes, coating fossils, and infilling vugs.

Galena is less abundant than sphalerite and often occurs as fine to medium size cubic crystals. It is found throughout the carbonate and conglomeratic sections most commonly as irregular disseminations in high to low concentrations as discrete crystals to concentrations greater than 10%. It also commonly occurs as irregular veins and semi-massive to massive seams.

16.3 Drilling

Historical drilling on the Getty deposit includes 181 vertical holes totalling 16,875 metres (Cullen et al, 2011). In 2007 and 2008, ScoZinc's parent company Acadian Mining Ltd ("Acadian") drilled an additional 138 holes totalling 10,620 metres.

16.4 Mineral Resources

Cullen *et al* (2011) prepared a NI 43-101-compliant mineral resource estimate for the Getty Deposit. Using a zinc-equivalency ratio of 1 % lead = 1.17 % zinc and a block cut-off grade of 1.5 % zinc-equivalent, Measured plus Indicated mineral resources totalled 5.7 million tonnes with average grades of 1.7 % zinc and 1.2 % lead. Inferred mineral resources totalled 5.7 million tonnes with average grades of 1.7 % zinc and 1.2 % lead.

Table 16-1: Getty Deposit mineral resources (from Cullen *et al*, 2011).

Resource Category	Block Cut-off (% Zn-Eq)*	Tonnes	Zinc %	Lead %	Zinc Eq %*
Measured	1.5	1,930,000	1.81	1.26	3.3
Indicated	1.5	3,790,000	1.62	1.21	3.05
Measured+Indicated	1.5	5,720,000	1.68	1.23	3.13
Inferred	1.5	1,350,000	1.52	1.31	3.06

* 1 % Pb = 1.17 % Zn.

17. <u>Mineral Processing and Metallurgical Test Work</u>

The Scotia Mine processing plant was constructed during the late 1970's by Canada Wide Mines (Esso) (Figure 17-1). Esso operated for less than two years during the period 1979-1981. Seabright converted the mill to process gold during the mid-to-late 1980's. Westminer later re-converted and updated the mill to process zinc and lead, then operated it for a short time during the period 1989-1991. In all, 740,000 tonnes of zinc and lead ore have been processed in the mill (Table 6-1).

From a stockpile adjacent to the mill, a wheel loader loads ore into the primary jaw crusher (Figure 17-2). It is further crushed to –1/2 inch and stored in a fine ore bin. From there, it passes to the grinding mills, then to a lead flotation section. The ore, with most of the galena (lead sulphide *or* PbS) removed, passes to the sphalerite (zinc sulphide or ZnS) flotation section. The zinc and lead concentrates are separately thickened, filtered and dried before being stockpiled for shipment to the smelter.

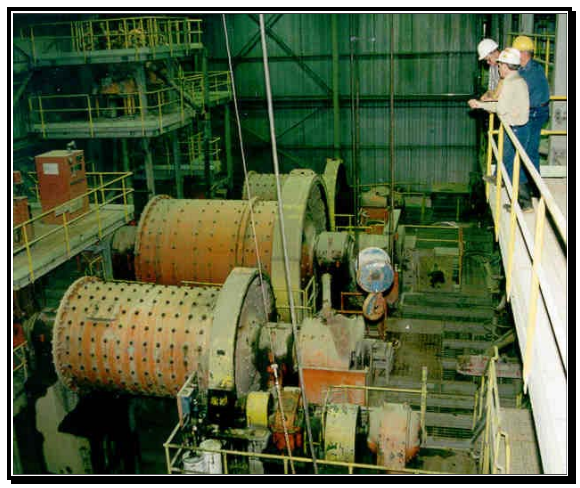



Figure 17-1: Views of the outside and inside (right) of the mill.

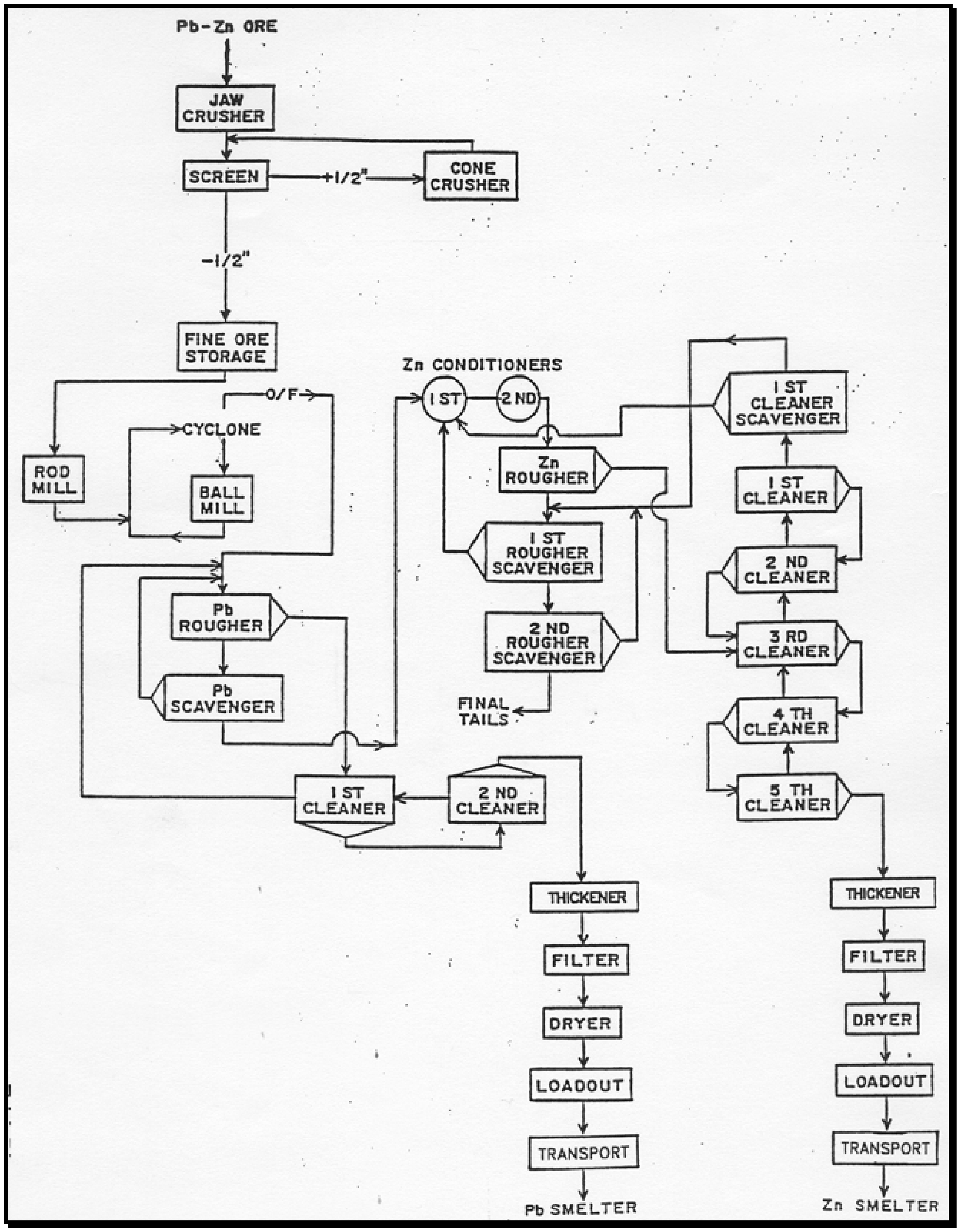


Figure 17-2: Process flowsheet.

During the recent operation, zinc concentrate was trucked in bulk to Dartmouth, Nova Scotia where it was loaded onto a bulk ocean carrier for shipment to smelters abroad. Lead concentrate was bagged in large sacks, loaded into ocean shipping containers, and trucked to the Port of Halifax for shipment to smelters abroad.

17.1 Recoverability

Over its operating history, whenever the feed contained a consistent grade, zinc and lead recovery values were up to 90 % and 95 %, respectively (Thornton, 2006 (1)) (see Table 17-1 for detailed processing parameters). In a monthly report for November, 1990, Westminer reported recovery values of 90 % and 93 % for zinc and lead, respectively (Appendix 1). Thornton (2006 (1)) reported that Westminer encountered some oxidised zinc and lead that did not float well, thereby decreasing their recovery values.

Table 17-1: Mineral processing parameters.

Processing Recovery		
	Zn	90 %
	Pb	95 %
Smelter Return		
	Zn	85 %
	Pb	95 %
Concentrate Grade		
	Zn	60 %
	Pb	75 %
Moisture Content of Concentrate (by Mass)		
	Zn	8 %
	Pb	6 %

Within the mill building, in addition to the lead and zinc processing equipment, is a complete analytical and metallurgical laboratory.

The high grade of the concentrates, coupled with the absence of any appreciable amount of elements that complicate the smelting process, make the concentrates desirable material for smelter operators. In the past, WMC trucked the concentrates from the mine site to the storage and loading facility at Sheet Harbour. Rail transport facilities have also been used.

Scotia Mine's past production history is reported in Table 6-1. Thornton (2006) prepared an expected metallurgical balance based on the past performance of the mill (Table 17-2).

Table 17-2: Expected metallurgical balance (Thornton, 2006).

		Assays		Metal Content		Metal Distribution	
Product	Weight Percent	Percent Lead	Percent Zinc	Units of Lead	Units of Zinc	Percent Lead	Percent Zinc
Lead Concentrate	1.8%	75.0%	4.0%	1.33	0.071	95.0%	1.8%
Zinc Concentrate	6.1%	0.4%	60.0%	0.024	3.64	1.7%	91.0%
Tailings	92.2%	0.05%	0.31%	0.046	0.289	3.3%	7.2%
Feed	100.0%	1.4%	4.0%	1.40	4.00	100.0%	100.0%

Based on head (mill feed) grades of 1.4 % lead and 4.0 % zinc.

17.2 2007-2008 Operations

Ian Flint, Ph.D, P.Eng., a Metallurgical Engineer with MineTech International Limited, carried out an analysis of the mill's performance during the 2007-2008 period of operations (Flint, 2011). A summary of his results are presented in the following paragraphs.

The mill was presented with a highly variable feed rate and grade of ore. Maintenance appears to have been variable, resulting in major amounts of unscheduled maintenance. This was possibly due to instrumentation, operational and maintenance errors. There is also evidence that the grinding circuit consistently over-ground the larger lead and zinc particles in order to achieve a zinc recovery dictated by the liberation of very fine particles. This was not possible to achieve with the grinding and flotation circuits at the mill as they are currently configured. The poor performance was a result of both operation problems and fundamental problems with the circuit. Both problems should be solvable.

In the lead circuit, grades of 80% or greater should be possible at recoveries greater than 95%. However, this depends on making changes to the grinding circuit and incorporating flotation circuit changes both in configuration and the type of equipment used.

In the zinc circuit, grades and recoveries can be increased only nominally due to the locking of a sizeable percentage of the sphalerite with the carbonates. The results depend on the actual locking and cannot be accurately predicted without further mineralogical analysis. However, as an estimate at current locking percentages, perfect circuit performance will probably lie in the theoretical range bounded by an upper grade of 67% with recoveries ranging between 71% and 81%, to grades of 52-56% at almost total recovery. This could be improved by unlocking particles of sphalerite smaller than about 10 micrometers from gangue particles of approximately equal size. However, doing so would require the use of novel equipment and would carry increased risk associated with largely unproven technologies.

Many of the operational deficiencies at this mill may have, in part, be attributed to the lack of knowledge about the process operations in terms of feedback in performance and the setting of appropriate goals. In order to properly run a process plant, accurate mass balances and reporting must be achieved. An example of deficiencies in this regard are the reporting of the lead and zinc circuit recoveries. These were consistently overstated in the reports that were analyzed; probably as a result of improper analysis of error and mass balancing.

The mill was operated, especially during early operations in 2007, without sufficient laboratory work to monitor plant operations. Anecdotal verbal reports from the plant metallurgist suggest that the mill was operated, at times, without the proper laboratory facilities. It was also suggested that more streams could be tested by the on-stream analysis system to refine hour-by-hour operations and that in the past, these systems were not calibrated frequently enough. There is also evidence to suggest that a proper sampling routine was not established until late in the operations.

A detailed analysis of the circuit mass balance or an assessment of the on-stream analysis system was not carried out as part of this report. It is highly recommended that an in-depth study be carried out with respect to the on-stream analyzer system, calibrations of such a system, and test sample points prior to re-commissioning the mill.

18. Mineral Resource Estimate

Main Zone mineral resources, located south and west of Gay's River, were estimated by Tim Carew, M.Sc., P.Geo., who was a Co-author of this report and is a Qualified Person under Section 1.1 of National Instrument 43-101. Estimation of Main Zone mineral resources is discussed in Section 18.3.

Northeast Zone mineral resources, located underneath and northeast of Gay's River, were calculated by Douglas Roy, M.A.Sc., P.Eng., who was this report's Principal Author and is a Qualified Person under Section 1.1 of National Instrument 43-101. Estimation of Northeast Zone mineral resources is discussed in Section 18.4.

The Main Zone mineral resources (discussed in Section 18.3) were originally modelled by Tim Carew for Savage Resources during 1998. Mr. Carew updated the model using linear unfolding for a NI 43-101-compliant resource estimated in 2006 (Roy *et al*, 2006). As there was no new drilling in this zone since 2006, the significant changes from 2006 were (1) a re-tabulation of Main Zone mineral resources using the revised zinc-equivalent grade (for lead – refer to Section 18.1) and (2) subtraction of the material that was mined during 2007 and 2008.

Mr. Roy estimated the Northeast Zone's mineral resources in 2006 using a cross-sectional end-area method (Roy *et al*, 2006). For the current estimate, Mr. Roy re-estimated those resources using block modelling and carried out grade estimation using inverse distance weighting (refer to Section 18.4).

Though mineral resources for the Main and Northeast Zones were estimated separately, they abut one another and represent a single, geologically continuous, mineralised body.

18.1 Zinc-Equivalent Grade

For cut-off grade purposes, lead's zinc-equivalent grade was calculated and added to the zinc grade.

The zinc-equivalency calculation considered differential metal prices, recovery values, smelter returns and concentration factors (for consideration of treatment charges).

Prices were current as of late-March, 2011.

The zinc-equivalency of 1% lead was determined to be 1.5% zinc. In other words, lead was determined to be worth 50% more than zinc at the time of report writing.

$$1\%\ \text{Lead} = \frac{\text{Lead Price}}{\text{Zinc Price}} \times \frac{\text{Lead Recovery}}{\text{Zinc Recovery}} \times \frac{\text{Lead Smelter Return}}{\text{Zinc Smelter Return}} \times \frac{\text{Lead Concentration Factor}}{\text{Zinc Concentration Factor}}$$

$$= \frac{\$1.15}{\$1.10} \times \frac{86\%}{84\%} \times \frac{95\%}{85\%} \times \frac{75}{60}$$

$$= 1.50\%\ \text{Zinc}$$

1. Recovery values are actual values from 2008.
2. Smelter returns were estimated.
3. Concentration factors are in consideration of treatment charges (assuming that the per tonne charge for lead and zinc would be equal).
4. Metal prices are estimated from two-year LME hedge prices.

18.2 Specific Gravity/Density

There was no record of any systematic whole-rock SG measurements being taken. Therefore, a formula for specific gravity based on zinc and lead grades was used for the mineralised zones. This formula, which was also used by Savage Resources for their 1998 resource estimate, was:

$$\mathbf{SG = 1/(Pb\%/(86.6x7.6) + Zn\% /(67.0x4.0) + (1 - Pb\% /86.6 - Zn\% /67.0)/2.7)}$$

ScoZinc carried out a limited amount of SG measurement work during the 2007-2008 period. The results were presented in Table 18-1. Though the sample size was very small, the measurements showed that the formula-estimated SG values consistently underestimated the actual SG - by approximately 6-7% for samples with typical (of this deposit's) grade values. Laboratory testing was carried out by the Minerals Engineering Center at Dalhousie University in Halifax, Nova Scotia.

The ramification of this underestimation is that the tonnage of the current resource estimate may be underestimated by an amount in the range of 6-7%. More SG test work, on a sample set that numbers in the hundreds, would be required to define an adequate empirical SG versus grade relationship. For that reason, the tonnage of the current resource estimate was not adjusted from the formula-estimated values.

Table 18-1 - Comparison of SG values.

Sample	Type	Zn % (lab)	Pb% (lab)	Lab S.G.	Formula S.G.	Under-estimation (%)	Description
39472	Dolostone	3.17	0.0007	2.94	2.74	7%	Dark grey brown, slightly fossiliferous, 10% sph
39473	Dolostone	0.65	0.021	2.9	2.71	7%	Brown grey, slightly fossiliferous, <1 % sph, 3% vugs
39474	Dolostone	0.91	0.021	2.89	2.71	6%	Grey brown, slightly fossiliferous, 2 - 3 % sph, 1 % vugs
39494	Ore	28.64	36.04	4.72	4.55	3%	Massive sphalerite/galena
39495	Ore	49.8	0.6	3.74	3.58	4%	Semi massive sphalerite, minor galena
39496	Ore	7.8	52.79	6.69	4.74	29%	Massive coarse grained galena/sphalerite
39498	Dolostone	5.72	0.039	2.97	2.78	6%	Brown grey, 5 - 10 % sph/trace ga, 2- 3 % vugs
34499	Dolostone	3.76	0.022	2.93	2.75	6%	Grey brown, 3% sph, 1 % vugs

18.3 Main Zone Resources

18.3.1 General

The deposit is characterised by complex geometry and is difficult to model in terms of standard techniques. Lying along a ‘paleo-shoreline’, it features repetitive changes in strike of 90º or more around a general trend of 060º Azimuth, with varying dip. This geometry makes it difficult to incorporate the true spatial relationship of the samples for estimation purposes without the use of ‘unfolding’ techniques. Unfolding transforms the sample data into another co-ordinate space that honours the spatial relationships. Variography and estimation are conducted in the transformed space, and the results are then back-transformed into the original space. The deposit has been mined by underground methods in the past and is therefore intersected by numerous openings along the hanging wall contact.

18.3.2 Geological Modelling Approach

The drill-hole data entered in the database was displayed in 3D graphics mode, and a number of triangulated surfaces (TINs or Triangulated Irregular Networks) were created to represent the base of the overburden, and the lower and upper contacts of the carbonate (ore) horizon. The surfaces were developed by selecting the relevant down-the-hole intersects (with interactive inspection and adjustment), and calculating a best-fit plane through the data points derived. The selection process for the underground holes was complicated by the fact that some holes were drilled from footwall to hanging-wall, and some in the opposite direction. To assist in differentiating the contacts, a new field (T/B) was added to the Geology table of the database to contain a numeric code designating the contact as either a top or bottom contact. Codes were also defined to designate carbonate intervals that were either the first or the last interval in a hole, indicating that the hole had been either collared or ended in carbonate. The codes were calculated by a formula in the original Excel spreadsheets and then merged into the 'T/B' field in the Geology table. The drill-holes were grouped by orientation (vertical up, vertical down and inclined) to further facilitate this process. A smooth 3D surface through the active data was then created by Laplace interpolation, relative to the best-fit plane.

Topographic contour data derived from the AutoCAD drawing files provided was utilised to create a TIN of the original topography over the project area.

A 3D solid of the carbonate formation was initially created from the top and bottom surfaces developed above. In the initial absence of detailed geologic plans and sections, the surfaces used were based solely on drill hole intersections. The drill holes utilised were the surface holes, up-holes from underground, and horizontal underground holes that had clearly defined 'top' and 'bottom' contacts, as designated by the 'TJB" numeric code described above. A set of 3D solid models of the existing underground development and stope areas developed by Mr. Bruce Hudgins of Hudgtec Consultants was imported from the AutoCAD DXF files provided. It should be noted that these solids could not be validated in G4W, indicating that they were probably not completely closed. This problem again reflects the complexity of the models, but does not significantly affect the results of volume determinations or block model 'stamping' in G4W.

Subsequent Inspection of the 3D solid in section and plan indicated that although the overall geometry of the deposit was being honoured, there were significant variances from existing manual interpretations and underground mapping in a number of areas. After a number of re-interpolations utilising both drill-hole and digitised data, it was concluded that inconsistencies in lithological coding in the drill holes would negate the contact modelling approach.

It was further decided that manual interpretation was required, and that the ore zone be differentiated into a high-grade massive sulphide zone and a low-grade disseminated zone. Drill-hole data and underground openings were then plotted on hard-copy plans at ten metre intervals, and interpretations of the high-grade zone, the low-grade and the hanging-wall 'Trench' were produced. The cut-off grades that were for the high-grade and low-grade zones were 7% Zn-Eq and 2% Zn-Eq respectively. These values were selected to correspond with cut-offs utilised in earlier resource evaluations. The plan-view interpretations were digitised as closed polygons, then tied together in the solids modelling system to create separate 3D solid models of the high-grade, low-grade and trench zones of the deposit. This work was completed by Mr. Peter Irwin, of Resource Data Management Inc., under contract to Savage Resources Canada Co. The geometric complexity of the deposit is reflected in the large number of tie lines required to adequately control the triangulation process utilised to create 3D solid models. The modelling was, therefore, time consuming but produced valid solids for the ore and trench zones. These models were adopted for use during the previous resource estimate in 1998 (Carew, 1998) and again for the current resource estimate.

18.3.3 “Unfolding” Process

As stated in Section 18.3.1, the deposit is characterised by complex geometry and is difficult to model in terms of standard techniques. An ‘unfolding’ technique was used that transformed the sample data into another co-ordinate space while honouring the spatial relationships.

The Gemcom unfold application was used for the transformation in this case. This approach is based on the concept of slabs – a slab being a region of space that is topologically equivalent to a cube. The edges are 3D polylines and are not necessarily straight from end to end. Each face is defined by four polylines on its perimeter and the nominally vertical edges of the slab may also have more than two points. The geological feature of interest, e.g. a folded and/or faulted vein or seam is broken down into a collection of adjacent slabs, the only proviso being that any two adjacent slabs must share an entire common face. The algorithm highlights three of the edge polylines of a representative slab that are nominally orthogonal and allows them to be associated with X, Y and Z axes of the unfolded space. All of the polylines are then categorised into three sets of lines corresponding to these unfolded axes. The unfolded slabs are displayed below the original polylines, and the unfolded lines will be aligned approximately to the X. Y, and Z axes. The average length of each of the sets is calculated and a nominal graticule size, or spacing, is entered. The unfolding transformation includes two graticules – one for the folded region and one for the unfolded region. The points in the two graticules have an exact 1:1 correspondence, which provides for a check that the transformation will be reasonable. If any graticule cells are highly skewed, for example, the folded region can be subdivided into smaller slabs. In addition, the interior vertices can be allowed to slide on the various sets of lines in order to minimise distortion.

The graticule points are simply samples of the transformation, and are connected by straight lines to make the visualisation easier. Various combinations of the sliding axes can be experimented with, particularly in cases where the polyline lengths along the feature are different, in order to minimise the distortion in these cases. The 3D polylines were generated by contouring the 3D solid of the mineralised carbonate developed for the deposit in earlier studies at 10m plan intervals, as the original polylines are no longer available. These polylines were subdivided into a series of smaller adjacent slabs corresponding to the alternating strike direction of the deposit. A section showing the slabs and the allocation of the association with the unfolded axes is illustrated in Figure 18-1. The unfolded space is illustrated later in Figure 18-6.

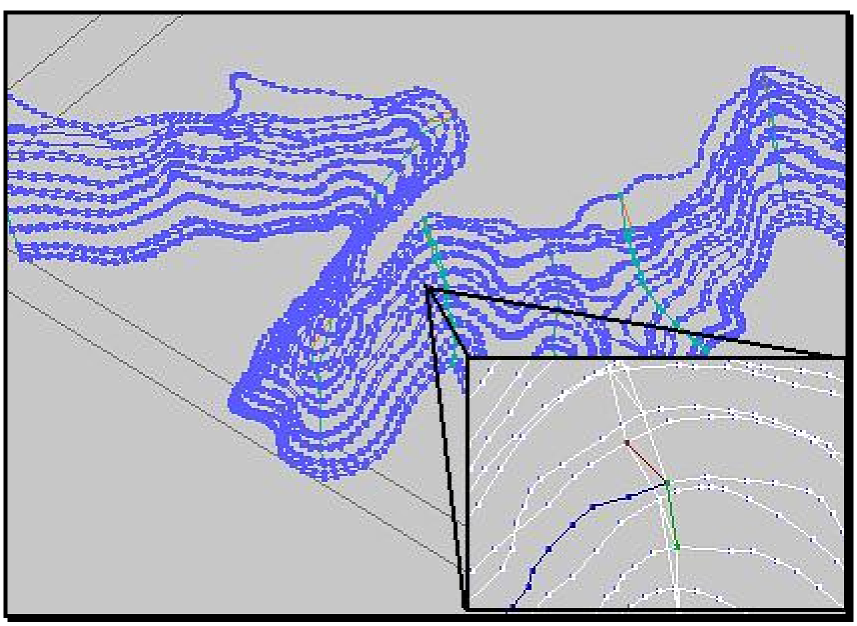


Figure 18-1: 3D Polyline slabs and axes.

The basic procedure is as follows:

- Creation of the unfolding transformation;
- Forward transformation (unfold) of the sample data points;
- Variography and block modelling in the transformed space;
- Back-transformation of the estimated block data (Zn and Pb) into normal (folded) space; and,
- Allocation of the values to a block model in normal (folded) space by nearest neighbour interpolation.

18.3.4 Drillhole Data

A subset of the overall drillhole database was utilised for estimation purposes, comprising those drill holes that intersected the 3D solid model of the carbonate mineralisation. This subset comprises 623 holes and includes both surface and underground drilling.

18.3.5 Mineralised Envelope

The mineralised envelope for estimation purposes was restricted to the carbonate material within the 3D solid models created from plan view interpretations. These interpretations and 3D model are regarded as the most representative constraints on the mineralisation available. Separate 3D models were developed for the low grade, disseminated portion of the deposit, and for the less continuous high grade zone that lies along the footwall contact, and which was exploited by previous underground mining.

18.3.6 Statistical Analysis and Capping

The sample sets for zinc and lead mineralisation comprised those assay intervals falling within the 3D solids and were compiled separately for the low-grade (LG) and high-grade (HG) zones. The sample statistics, histograms and probability plots are shown in Figure 18-2 and Figure 18-3.

While both Zn and Pb assay grades exhibit fairly typical positively skewed distributions, the Pb values exhibit evidence of a multi-modal distribution, with a set of values falling in the 0.01 to 0.1% range - this may be related to the use of arbitrary and variable values for detection limits in the Pb data. In general, Zn and Pb values are not particularly well correlated, with a correlation coefficient of 0.32. There is also some evidence of possible misclassification of some values between low grade and high grade zones in both cases, either in terms of original typing, or in geometric boundary effects relative to the 3D solids. The Zn values are generally well behaved, with relatively low Coefficients of Variation (COV), whereas the Pb values exhibit a relatively high COV.

Whereas initial studies on the deposit by Savage Resources Canada Co. considered a capping value of 13% on both Zn and Pb, examination of the probability plots indicates that although the number of high values steadily decreases, the upper tail for the all distributions are fairly continuous and unbroken up to values considerably higher than this, suggesting that higher capping values could be utilised. In later studies, discussions with Savage personnel led to an alternative approach in which the high-grade outliers in the distributions were retained in the data set prior to any compositing, but severely restricted in terms of interpolation. Block centroids were required to be within 5 metres of the sample before it could be used in the estimation of the block in question. Given the indication that higher capping values could be considered, and to maintain consistency, this approach was retained for this study. No grade capping was applied prior to compositing, but the range restriction was subsequently applied in estimation for Zn and Pb composites above 26%.

Figure 18-2: Zn and Pb assay lognormal histograms.

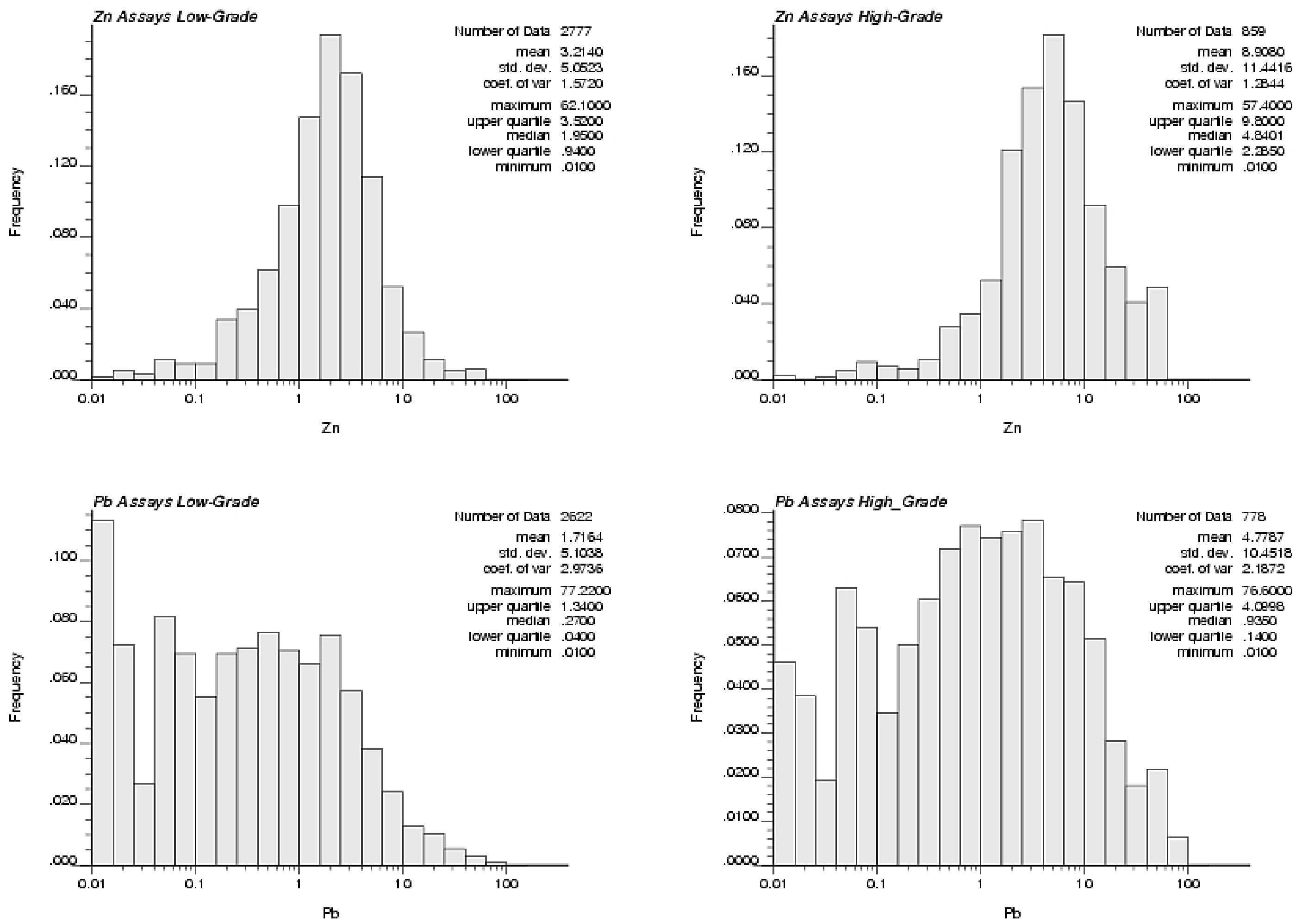
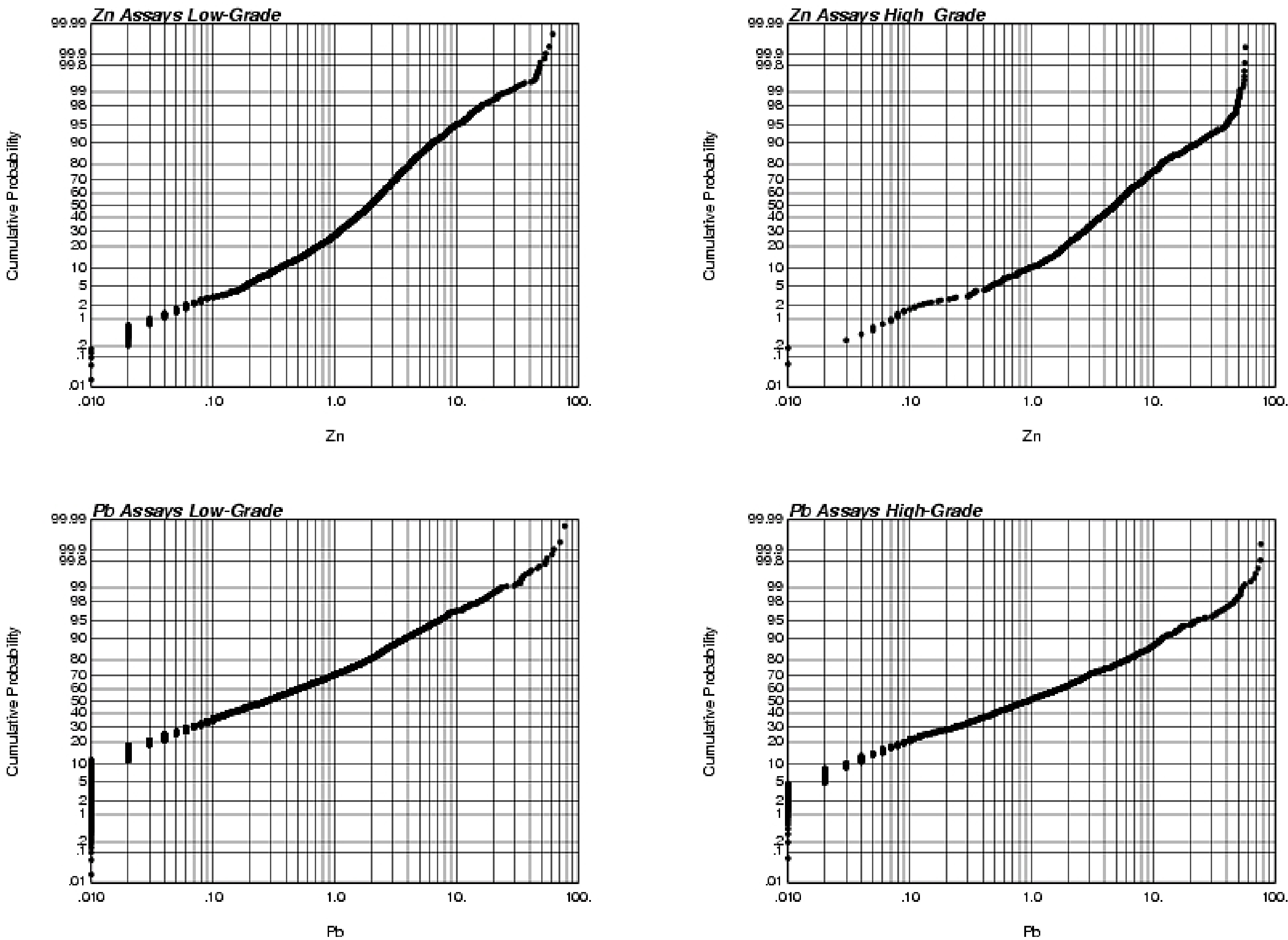


Figure 18-3: Zn and Pb assay probability plots.



18.3.7 Compositing

Equal length composites were prepared from uncut assay values in a two-step process. Initial composite intervals were defined from the intercepts of the drill holes with the high-grade and low-grade 3D solids of the mineralised zone. Equal length composites of 1.5 metres were then generated within these intervals – 1.5 metres is approximately the average length of the assay intervals. Residual intervals of less than 1.5 metres at the top and bottom contacts were retained if the length was at least 0.6 m (40% of composite length). Intervals less than 0.6 m in length were discarded. The low-grade composites set was further subdivided into those falling below 490 m elevation (below which the deposit dips at varying angles) and those above 490 m where the deposit is essentially flat-lying. The composite statistics and histograms for the overall high grade and low grade Zn and Pb are shown in Figure 18-4.

18.3.8 Variography

Three dimensional experimental correlograms were generated using the transformed (un-folded) Zn and Pb composite data, for both low-grade and high-grade mineralised zones below an elevation of 490 m. Separate 3D experimental correlograms were generated using un-transformed composite data for the low-grade mineralised zone above 490 m elevation, where the deposit is essentially horizontal in attitude. Nested correlogram models comprising nugget effect and two spherical components were fitted to all experimental variograms as tabulated in Table 18-2 and shown in Figure 18-5.

Table 18-2: Correlogram models.

		Spherical components						
			Ranges					
	Nugget		Maximum		Intermediate		Minimum	
Zone	Effect	Sill	m	Az/Dip	m	Az/Dip	m	Az/Dip
LG – Zn <490	0.337	0.103	48	181/-4	11	232/84	8	92/5
		0.560	32	258/-50	23	275/39	3	178/8
HG - Zn	0.250	0.305	231	98/20	15	133/-66	9	13/-13
		0.445	412	87/63	118	351/3	10	80/-27
LG – Pb <490	0.517	0.402	75	121/-72	7	84/15	4	177/10
		0.081	267	96/16	69	268/74	22	5/2
HG – Pb	0.579	0.270	39	78/-19	21	134/59	11	357/24
		0.151	186	126/51	170	169/-31	17	65/-22
LG>490-Zn	0.306	0.443	46	174/-2	21	262/44	4	85/46
		0.251	442	239/22	30	144/0	17	59/68
LG>490- Pb	0.395	0.474	58	77/-4	20	168/-6	7	131/83
		0.131	113	222/83	61	243/-7	42	153/-3

Figure 18-4: Composite statistics and histograms

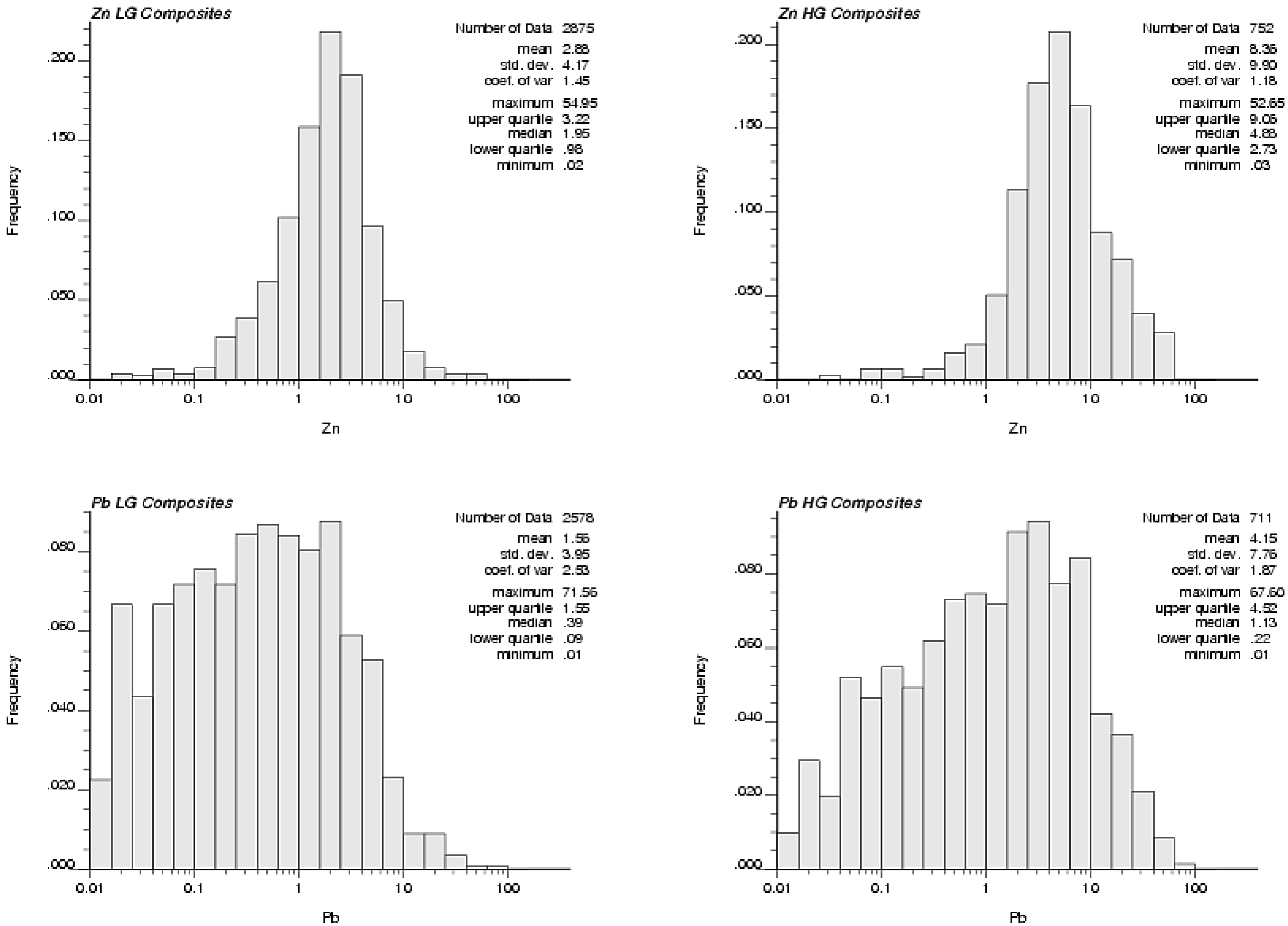
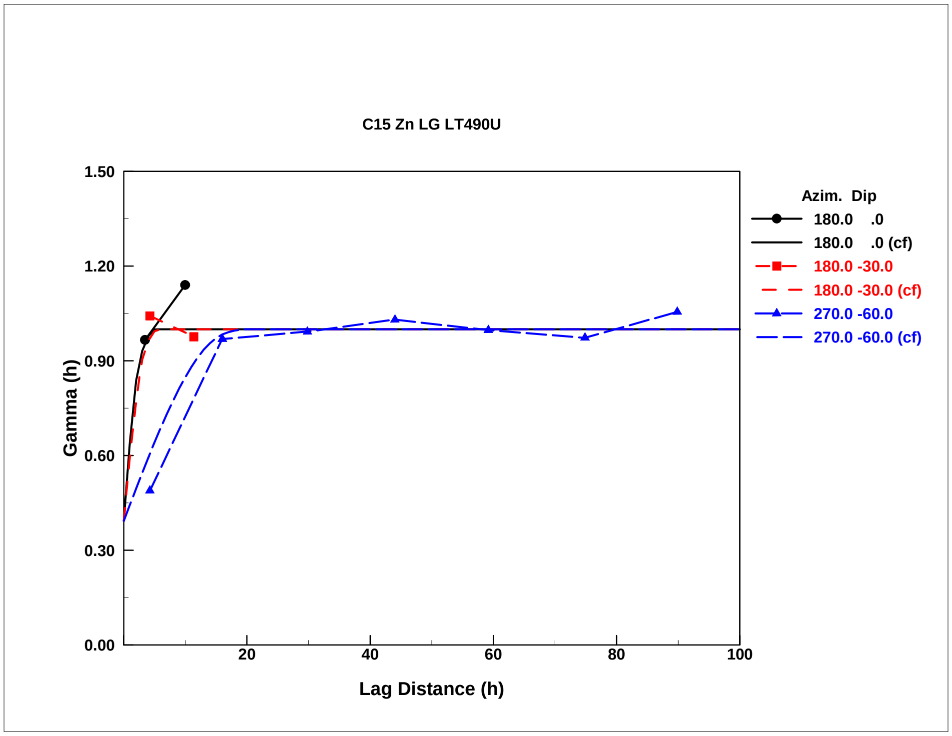
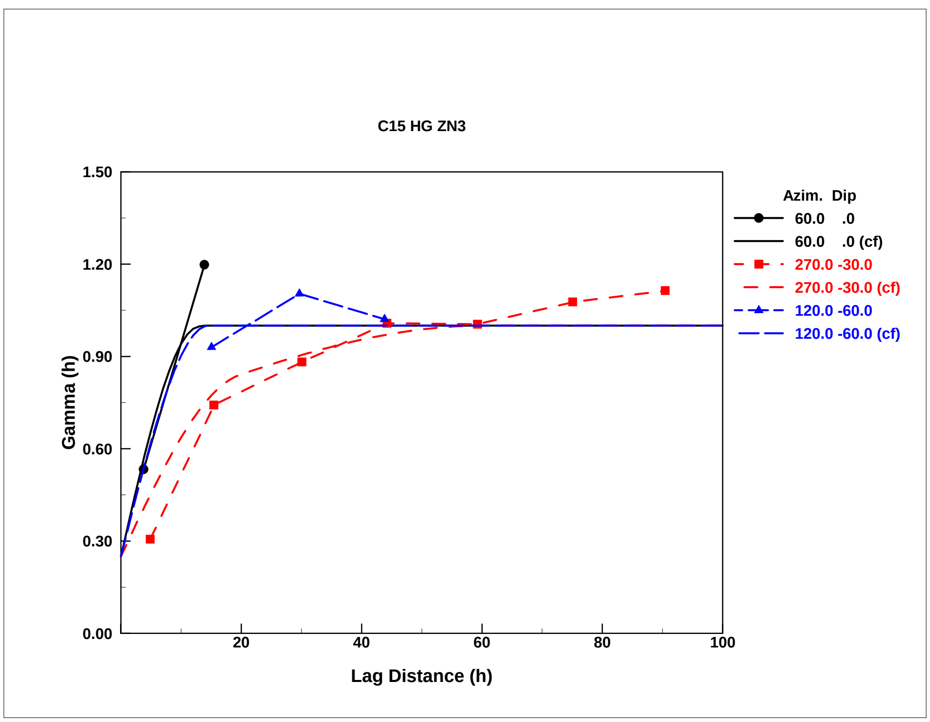
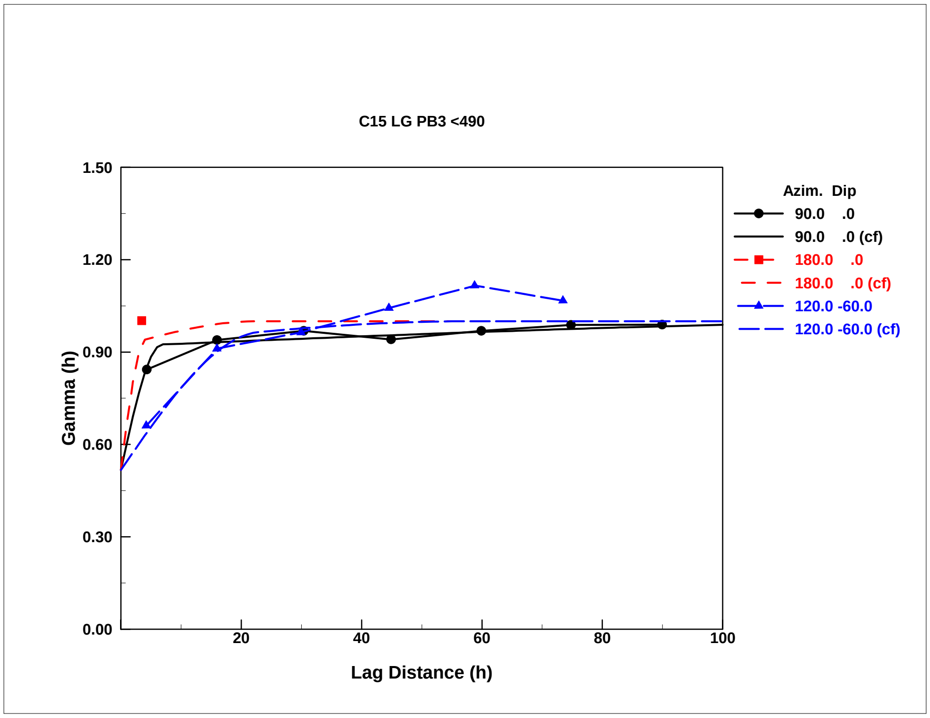


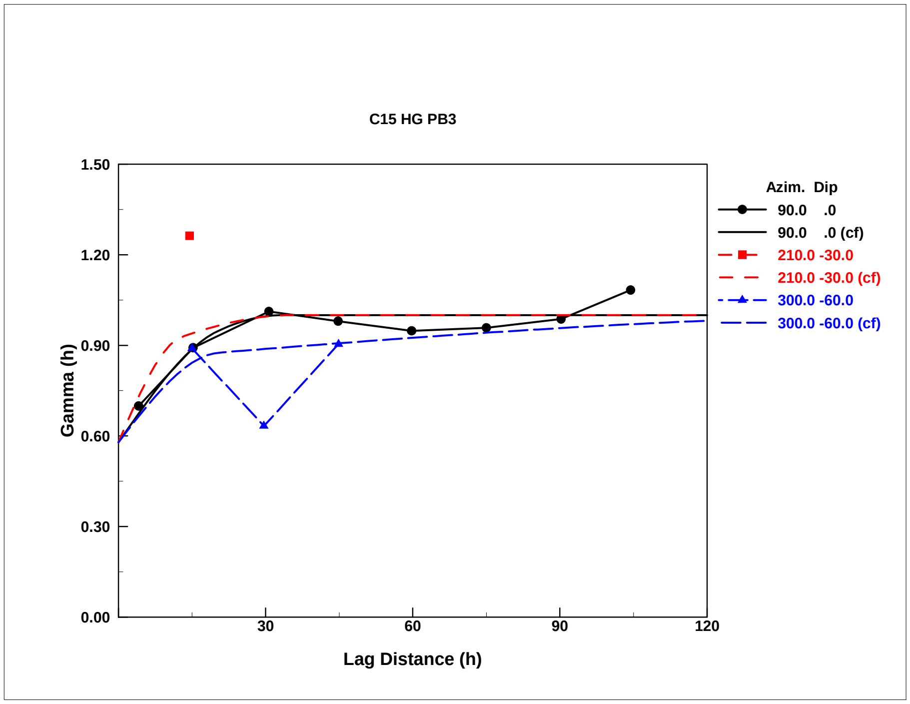
Figure 18-5: Experimental and model correlograms.

Transformed Space - <490m Elevation

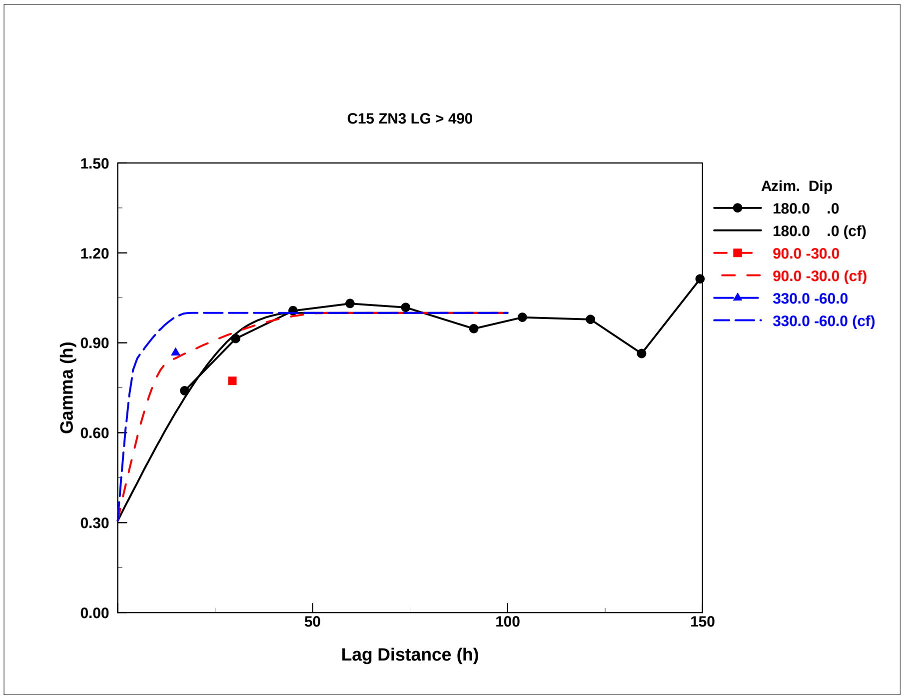


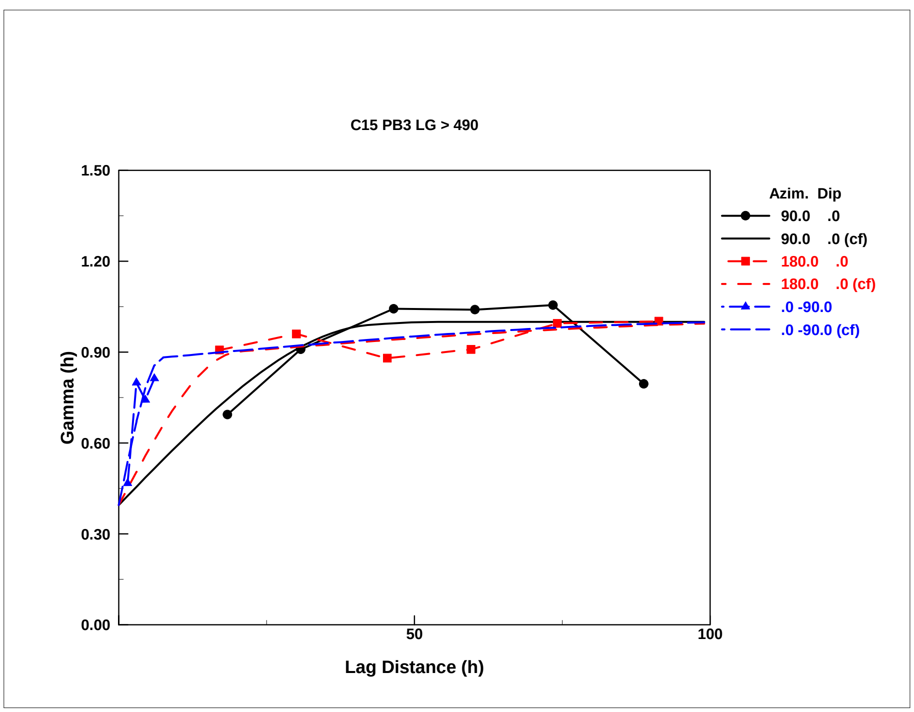



C15 LG PB3 <490
1.50
1.20
0.90
0.60
0.30
0.00
Gamma (h)
20
40
60
80
100
Lag Distance (h)
Azim. Dip
90.0 .0
90.0 .0 (cf)
180.0 .0
180.0 .0 (cf)
120.0 -60.0
120.0 -60.0 (cf)


C15 HG PB3
1.50
1.20
0.90
0.60
0.30
0.00
Gamma (h)
30
60
90
120
Lag Distance (h)
Azim. Dip
90.0 .0
90.0 .0 (cf)
210.0 -30.0
210.0 -30.0 (cf)
300.0 -60.0
300.0 -60.0 (cf)

Untransformed Space – 490m Elevation Plus





18.3.9 Block Model and Grade Interpolation

Two block models were constructed for interpolation purposes, a primary model in normal (un-transformed) space, and a secondary, smaller model in transformed space for interpolation of the un-folded data. The primary block model was defined to cover the volume of interest, and has the following Gemcom® parameters:

Origin:	7200.00E / 6592.82N / 375.00 AMSL (Lower Left)
Block Size:	5m x 5m x5m
Columns:	160
Rows:	400
Levels:	45
Rotation:	-60º (To align with overall strike of deposit – Azimuth 060)

The primary block model is configured as a 'partial' block model, which allows the percentage of various rock types within the block to be stored and utilised for manipulation and reporting purposes. The rock type model was initialised with the default rock code for air and all blocks below the topographic surface were set to the Evaporites (gypsum) rock code. The model was then overprinted with rock codes for the overburden, Trench and Goldenville (quartzite) using 3D solids created from surfaces and sectional interpretations. This rock type model is referred to as the 'Standard' rock type model. The final step was overprinting with rock codes for the existing U/G mining excavations, the high-grade (HG) carbonate and the low-grade (LG) carbonate. The percentage of these three material types in blocks intersecting the solids was calculated and stored separately, with the excavations having the highest priority, and the high-grade zone the next highest priority, in blocks where the solids overlapped. This procedure ensures that the mined-out material in the model is correctly accounted for. The rock code for any other material in these blocks was taken from the standard rock type model, i.e. a block on the hanging wall contact might comprise 50 % U/G excavation, 20 % HG carbonate and 30 % Trench material.

The 3D solid of the existing U/G excavations was generated by Mr. Bruce Hudgins of Hudgtec Consulting and was supplied by ScoZinc. The 3D solids of the HG and LG zones were generated by Mr. Peter Irwin of Resource Data Management, Inc. from plan interpretations. Zinc equivalent cut-offs of 2 % and 7 % were utilised for the LG and HG zones, respectively in developing the interpretations.

The standard ordinary kriging (OK) procedure was used to interpolate Zn and Pb block values in the flat lying portions of the deposit above 490 m elevation. This estimation was restricted to the LG zone, as the HG zone does not extend above this elevation. The kriging was done in three passes with parameters as follows:

Pass1

Minimum # of samples:	3
Maximum # samples:	8
Max. # samples/hole:	2 (ensures that samples come from at least 2 holes)
Search Radius/Direction:	Based on first component ranges and anisotropy

	Ranges					
	Maximum		Intermediate		Minimum	
Zone	m	Az/Dip	m	Az/Dip	m	Az/Dip
LG>490-Zn	46	174/-2	21	262/44	4	85/46
LG>490- Pb	58	77/-4	20	168/-6	7	131/83

Pass 2

Minimum # of samples: 3
Maximum # samples: 8
Max. # samples/hole: 2 (ensures that samples come from at least 2 holes)
Search Radius/Direction: Pass 1 x 2

Pass 3

Minimum # of samples: 2
Maximum # samples: 8
Max. # samples/hole: 0 (no restriction)
Search Radius/Direction: Pass 1 x 3

Mineralised blocks in the dipping portion of the deposit below 490 m elevation were populated separately following interpolation in transformed space and back-transformation of the generated values (at block centroids) into normal space, as described below. The back-transformed data was then used to interpolate the Zn, Pb and Classification values in normal space by the nearest-neighbour technique, separately for the LG and HG zones.

The secondary block model is a standard block model (every block has only one rock code), defined in 3D space to cover the volume of interest. As described earlier, the transformation process associates three of the edge polylines of a representative slab that are nominally orthogonal with the X, Y and Z axes of the unfolded space – this space is orthogonal with respect to the original co-ordinate axes, and offset by a specified amount. The transformation selected in this case results in a space in which the X axis corresponds to the unfolded strike component of the deposit (approximately 3050 m), the Y axes with cross-strike component (12 m), and the Z axis with the down-dip component (143 m), as shown in Figure 18-6 and Figure 18-7, which also show transformed and un-transformed composite data.

Figure 18-6: 3D view - transformation and block model definition.

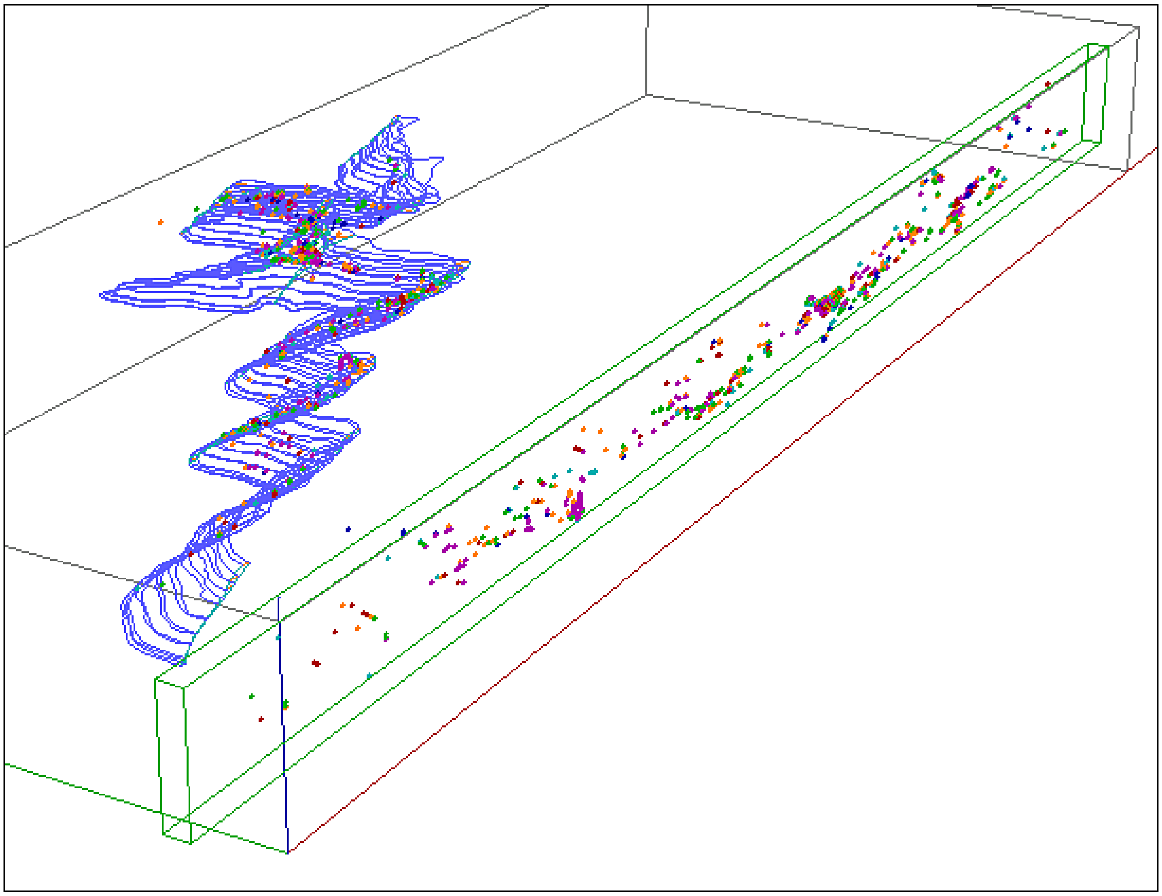
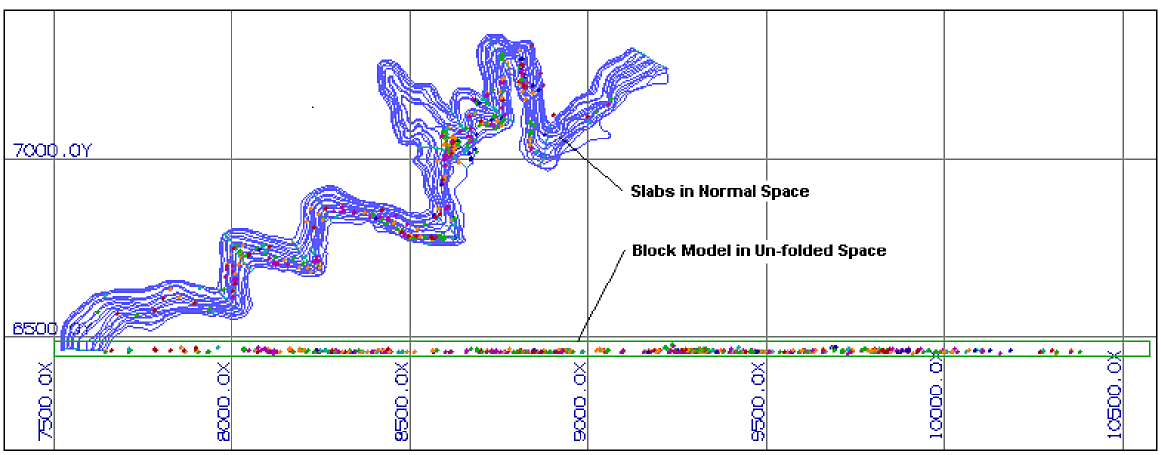


Figure 18-7: Transformation - plan view.



The secondary block model definition is as follows:

Origin:	7500.00E / 6450.00N / 200.00 AMSL (Lower Left)
Block Size:	7.5m x 5m x5m
Columns:	410 (7.5m)
Rows:	8 (5m)
Levels:	40 (5m)
Rotation:	No rotation

Separate interpolations of Zn and Pb block values for the LG and HG zones were kriged in three passes using ordinary kriging (OK), the transformed composites and the correlograms generated from those composites. The parameters were as follow:

Pass 1

Minimum # of samples:	3
Maximum # samples:	8
Max. # samples/hole:	2 (ensures that samples come from at least 2 holes)
Search Radius/Direction:	Based on first component ranges and anisotropy

	Ranges					
	Maximum		Intermediate		Minimum	
Zone	m	Az/Dip	m	Az/Dip	m	Az/Dip
LG – Zn <490	48	181/-4	11	232/84	8	92/5
HG - Zn	231	98/20	15	133/-66	9	13/-13
LG – Pb <490	75	121/-72	7	84/15	4	177/10
HG – Pb	39	78/-19	21	134/59	11	357/24

Pass 2

Minimum # of samples:	3
Maximum # samples:	8
Max. # samples/hole:	2 (ensures that samples come from at least 2 holes)
Search Radius/Direction:	Pass 1 x 2

Pass 3

Minimum # of samples:	2
Maximum # samples:	8
Max. # samples/hole:	0 (no restriction)
Search Radius/Direction:	Pass1 x 3

An additional block model variable (Class) was updated according to the pass in which the block was interpolated; with a default value of 3. The Zn, Pb and Class block values were then back-transformed into normal space, using the block centroid as the 3D co-ordinate. These points do not correspond to block centroids in the original rotated block model and are used as input data in the nearest-neighbour interpolation to assign values to corresponding models in the primary model. The HG and LG models are interpolated into separate grade models associated with the percentage models that store the percentage of HG and LG material in a particular block.

The primary density model for the mineralised zone was then generated, utilising the Zn and Pb block values and the SG, estimated using the formula from Section 18.2.

Typical cross- and plan sections through the block model are illustrated in Figure 18-8 and Figure 18-9.

18.3.10 Mineral Resource Classification

The mineral Resources were classified according to the pass in which a block was interpolated, as recorded in the Class variable. Blocks interpolated in Pass 1 were considered to be in the Measured category. The Pass 1 ranges are based on the ranges of the first spherical component of the corresponding correlogram, and vary from 10% to 80% of the maximum ranges of the correlograms. Blocks interpolated in the second and third passes are considered to be in the Indicated and Inferred categories, respectively.

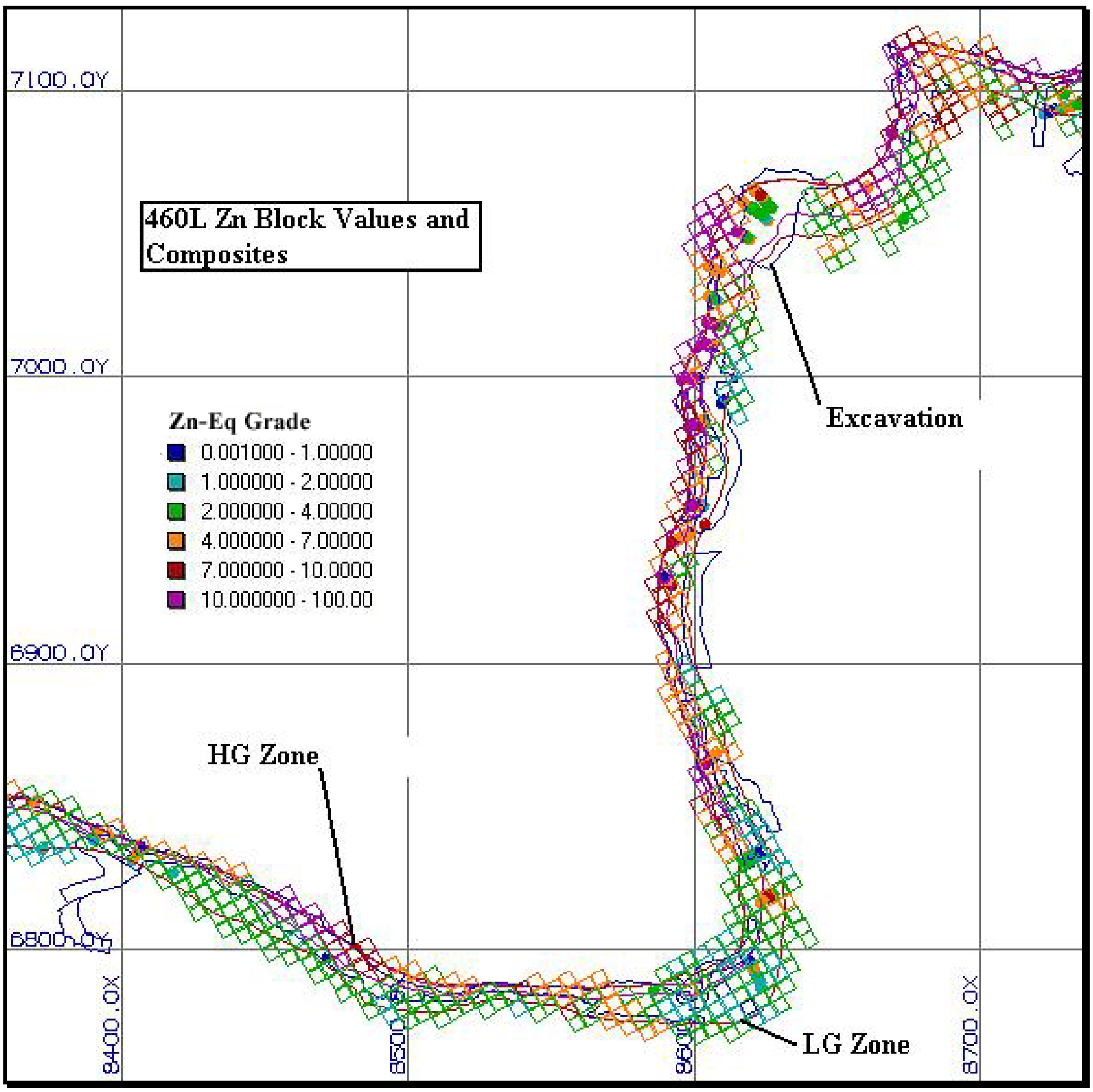


Figure 18-8: Plan section through the block model on the 460 metre level.

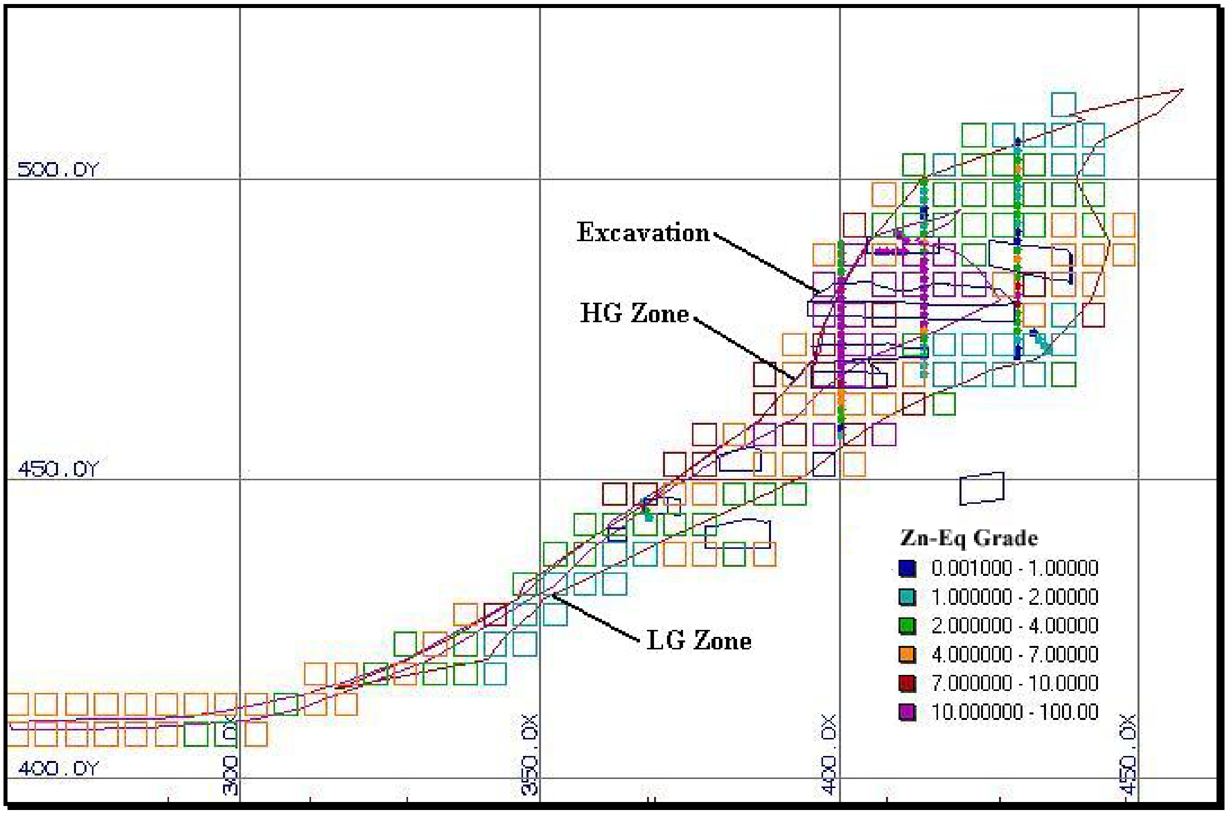


Figure 18-9: Cross-section through Row 208 of the block model, facing northeast.

18.3.11 Results

As described in previous paragraphs, Surface Resources for the High-grade and Low-grade zones were calculated separately (Table 18-3). Resources are reported using a cut-off grade of 0.75 % zinc-equivalent. For both zones, undiluted Measured Resources total 1.9 million tonnes containing 3.8 % zinc and 1.6 % lead. Indicated Resources total 2.2 million tonnes containing 3.5 % zinc and 1.5 % lead. The combined Measured + Indicated Resources total 4.1 million tonnes containing 3.5 % zinc and 1.5 % lead.

Undiluted Inferred Surface Resources total 1.8 million tonnes containing 3.1 % zinc and 1.1 % lead.

Table 18-3: Non-diluted Main Zone Resources.

Cut-off Grade (Percent Zinc-Equivalent)	Tonnes	SG	Percent Zinc	Percent Lead	Percent Zinc-Equivalent
Measured Resources, "High Grade" Domain					
7%	410,000	2.90	8.2	3.9	14.0
2%	500,000	2.87	7.4	3.4	12.4
1.5%	500,000	2.87	7.4	3.4	12.4
0.75%	500,000	2.87	7.4	3.4	12.4
Indicated Resources, "High Grade" Domain					
7%	320,000	2.88	6.9	3.9	12.8
2%	360,000	2.87	6.6	3.6	12.1
1.5%	360,000	2.87	6.6	3.6	12.1
0.75%	360,000	2.87	6.6	3.6	12.1
Inferred Resources, "High Grade" Domain					
7%	90,000	2.88	6.3	4.3	12.8
2%	110,000	2.86	5.7	3.6	11.2
1.5%	110,000	2.86	5.7	3.6	11.2
0.75%	110,000	2.86	5.7	3.6	11.2
Measured Resources, "Low Grade" Domain					
7%	130,000	2.83	5.0	3.1	9.6
2%	670,000	2.77	3.1	1.4	5.2
1.5%	750,000	2.77	2.9	1.3	4.8
0.75%	840,000	2.76	2.7	1.2	4.5
Indicated Resources, "Low Grade" Domain					
7%	230,000	2.83	5.0	3.0	9.5
2%	1,140,000	2.77	3.2	1.3	5.1
1.5%	1,280,000	2.76	3.0	1.2	4.8
0.75%	1,430,000	2.76	2.8	1.1	4.4
Inferred Resources, "Low Grade" Domain					
7%	250,000	2.84	5.3	3.0	9.8
2%	1,320,000	2.77	3.3	1.2	5.1
1.5%	1,460,000	2.76	3.1	1.1	4.8
0.75%	1,630,000	2.76	2.9	1.0	4.4
Total Measured Resources, Both Domains					
7%	540,000	2.88	7.4	3.7	12.9
2%	1,170,000	2.81	4.9	2.3	8.3
1.5%	1,250,000	2.81	4.7	2.1	7.9
0.75%	**1,340,000**	**2.80**	**4.4**	**2.0**	**7.4**
Total Indicated Resources, Both Domains					
7%	550,000	2.86	6.1	3.5	11.4
2%	1,500,000	2.79	4.0	1.9	6.8
1.5%	1,640,000	2.78	3.8	1.7	6.4
0.75%	**1,790,000**	**2.78**	**3.6**	**1.6**	**5.9**
Total Measured + Indicated Resources, Both Domains					
7%	1,090,000	2.87	6.8	3.6	12.2
2%	2,670,000	2.80	4.4	2.0	7.4
1.5%	2,890,000	2.80	4.2	1.9	7.0
0.75%	**3,130,000**	**2.79**	**3.9**	**1.8**	**6.6**
Total Inferred Resources, Both Domains					
7%	340,000	2.85	5.6	3.3	10.6
2%	1,430,000	2.78	3.5	1.4	5.6
1.5%	1,570,000	2.77	3.3	1.3	5.2
0.75%	**1,740,000**	**2.77**	**3.1**	**1.1**	**4.8**

Notes for Main Zone Estimate:

1. Cut-off grade for mineralised zone interpretation was 2% zinc-equivalent for the "low-grade" domain and 7% for the "high-grade" domain.
2. Block cut-off grade for defining Mineral Resources was 0.75% zinc-equivalent.
3. No top-cut grade was used. In the author's opinion, the use of a top cut would not have significantly affected the results.
4. Zinc price was $US 1.10 per lb, lead price was $US 1.15 per lb.
5. Zones extended up to 50 metres down-dip from last intercept. Along strike, zones extended halfway to the next cross-section.
6. Minimum width was 2 metres.
7. Non-diluted.
8. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
9. Main Zone resource estimate prepared by Tim Carew, M.Sc., P.Geo.
10. Specific gravity was calculated based on zinc and lead content. There are no other sulphides or dense minerals that are present in significant quantities.
11. Block kriging using "unfolding" was used for estimating block grades.
12. No Mineral Reserves of any category were identified.
13. Zinc-equivalency for lead was calculated based on realtive metal prices, demonstrated processing recoveries (86% & 84 % for lead and zinc, respectively), estimated smelter returns 95% & 85 % for lead and zinc) and demonstrated concentration factors (75% & 65% for lead and zinc).

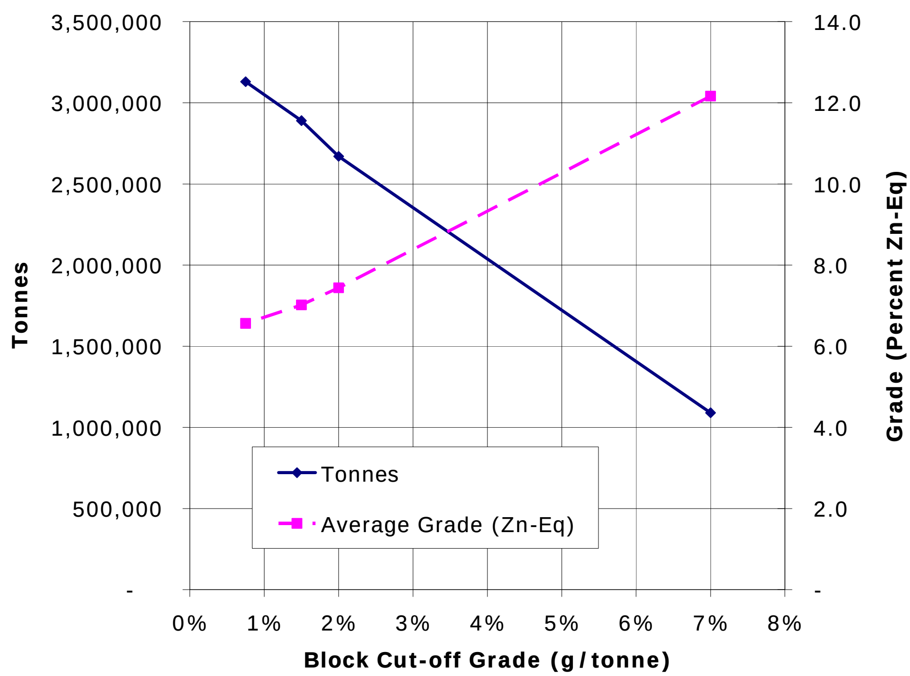


Figure 18-10: Grade-tonnage curve for Measured and Indicated surface Resources (non-diluted).

18.4 Northeast Zone Resources

The Northeast Zone abuts the Main Zone. Though they were modelled separately, the Main and Northeast zones represent a geologically continuous body of mineralisation.

18.4.1 Grid Rotation

For ease in modelling, data was rotated 30 ° clockwise about the site grid origin (0,0).

18.4.2 Mineralised Zone Interpretation

Mineralised zones were outlined to enforce geological control during block modelling.

It was assumed that near-surface blocks could be exploited using surface mining methods, while deeper blocks could be exploited using underground mining methods. The division between the two was considered to be an elevation of 420 metres – approximately 100 metres depth.

The following guidelines were used during the interpretation process:

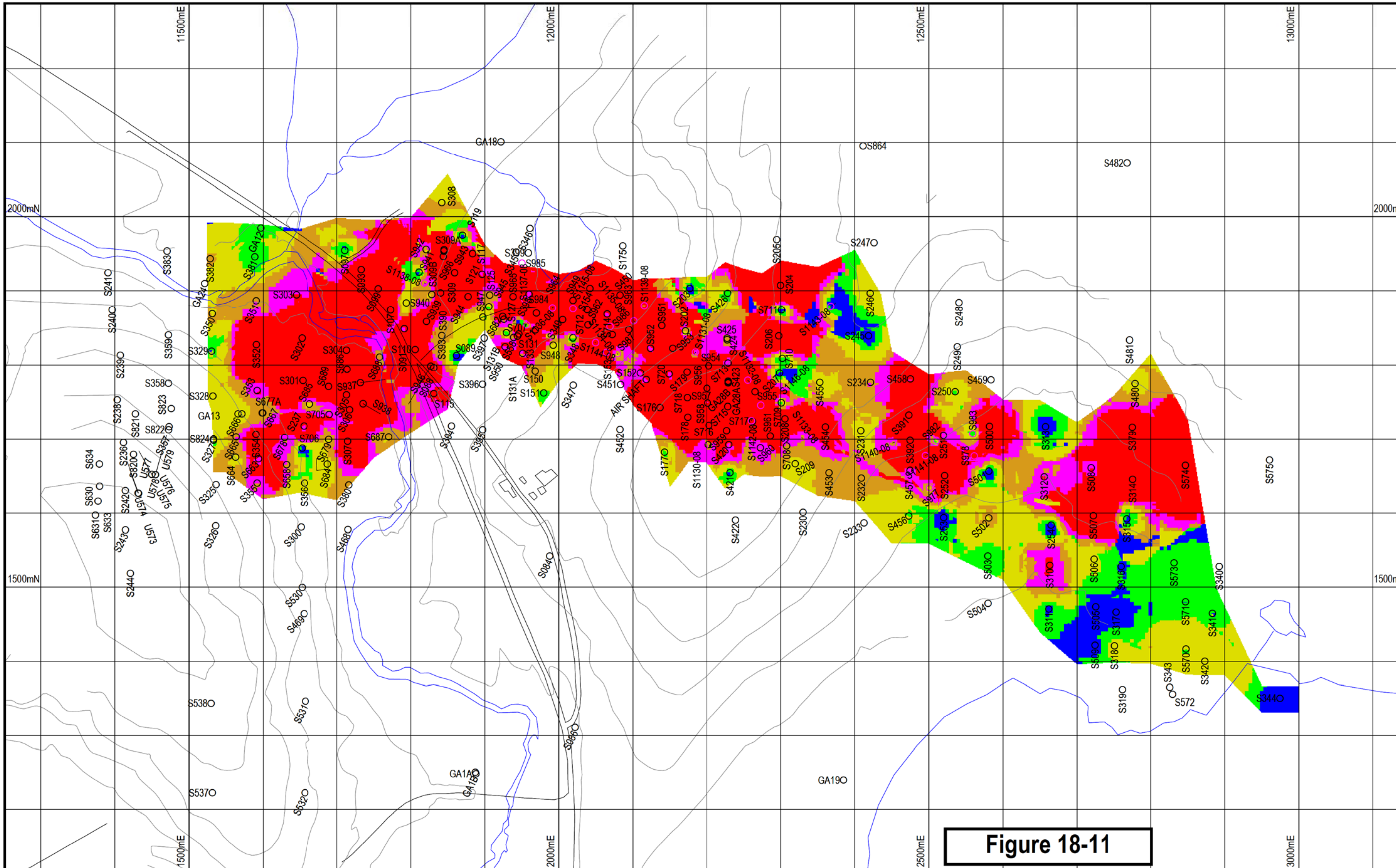
1. A cut-off grade of 0.5 % zinc-equivalent was generally used for outlining near-surface mineralisation that could be exploited using surface mining methods. Deeper mineralisation was outlined using a 2 % cut-off. Cut-off grades are further discussed in Section 18.4.5.
2. A minimum true width of 2 metres was used.
3. Along strike, zones were extended halfway to the next, under-mineralised cross-section.
4. Zones were extended down-dip by a maximum of 100 metres past the last intercept.
5. Zones were allowed to extend through "below cut-off" intercepts so long as there was a "geological reason" to do so.

Interpretations were accomplished by plotting and interpreting hard-copy cross-sections (refer to Figure 18-13 for cross-sections; refer to Appendix 4 for a set of selected interpreted cross-sections). Those interpretations were digitised and zone intercepts were tagged.

The mineralised outline was refined using plan views. On some sections, the interpreted outline was adjusted to form a smoother, more realistic plan view outline.

Digital terrain models ("DTM"s) for the hanging wall (upper) surface and the footwall (lower) surface were created using the contact coordinates of the interpreted intercepts. These surfaces were later used to constrain the block modeling and grade estimation process (refer to Section 18.4.7).

Figure 18-11 and Figure 18-12 show plan and three-dimensional views of the interpreted zones.



MineTech International Limited
Halifax, Canada
1161 Hollis St., Suite 211, B3P 2A3
(902) 429-4049
www.minetechint.com

Block Grades (%Zn-Eq):

- 0 to 1
- 1 to 2
- 2 to 3
- 3 to 4
- 4 to 5
- >= 5

Notes:
1. Site grid.
2. Data rotated 30 deg CW about site grid origin.
3. 1% Lead = 1.5% Zinc

Hole Collars:

Historical Hole

"Newer" Hole

Scale 1 : 5000

100 0 100m

Plot Date 01-May-2011

Drawn by: Doug Roy, M.A.Sc., P.Eng.

Plot File: Plan View of Drilling - NE Zone

Northeast Zone Plan View of Drilling and Block Model

Selwyn Resources Ltd.

Scotia Mine
Gays River, Nova Scotia

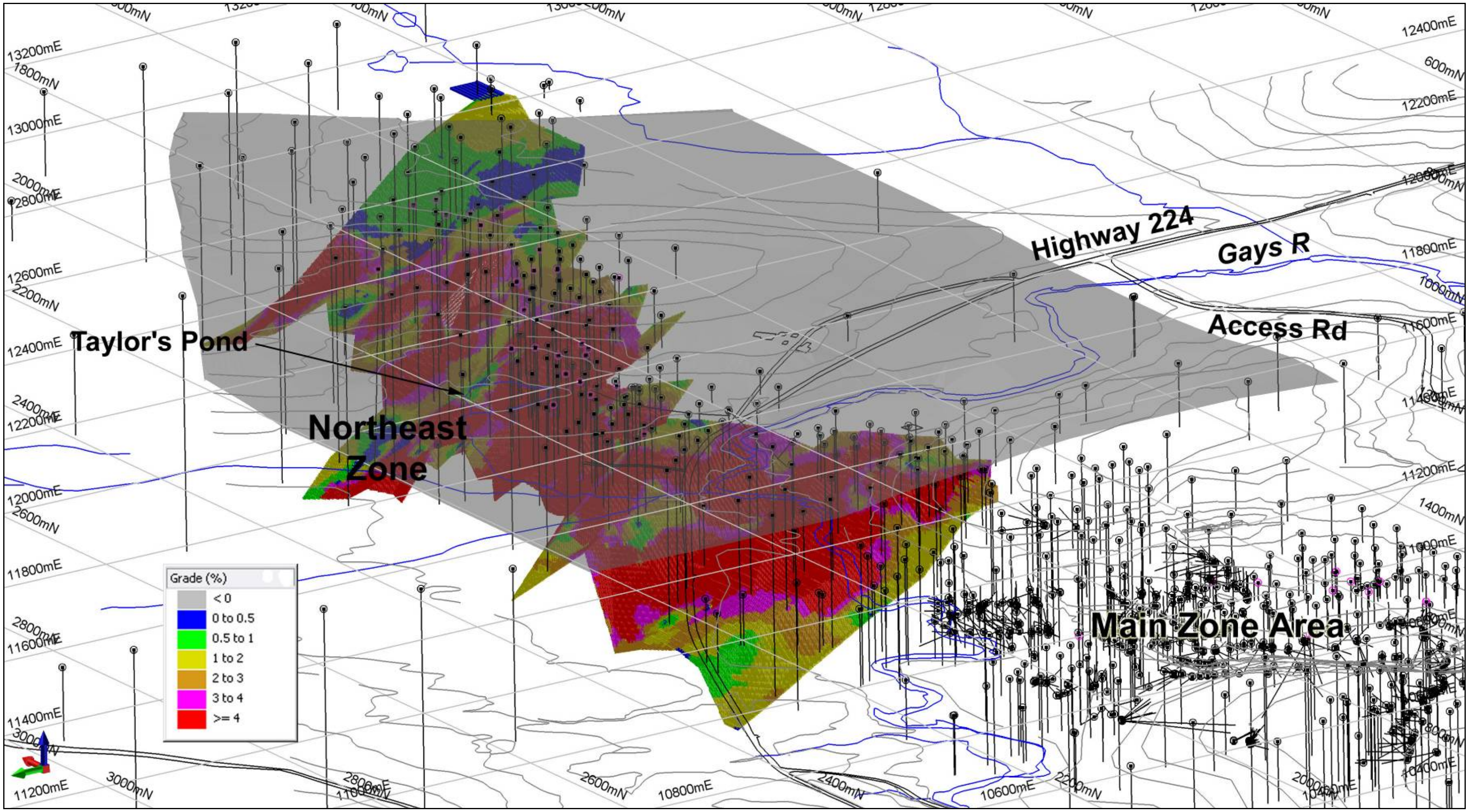
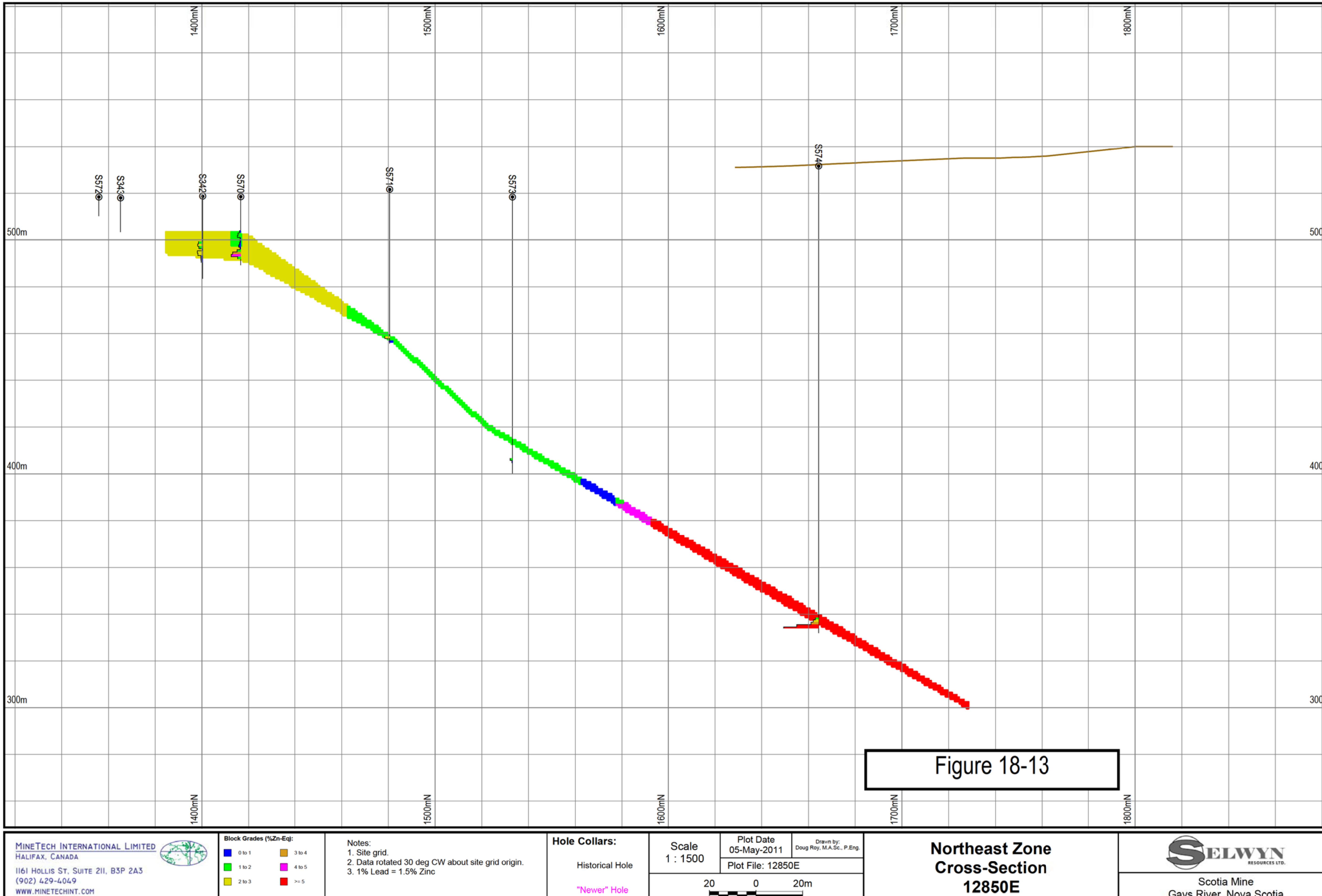


Figure 18-12: 3D view of the Northeast Zone, facing east. Block grades are expressed as percent Zn-Eq.



1400mN
1500mN
1600mN
1700mN
1800mN
S572
S343
S342
S570
S571
S573
S574
500m
400m
300m
MineTech International Limited
Halifax, Canada
1161 Hollis St, Suite 211, B3P 2A3
(902) 429-4049
www.minetechint.com
Block Grades (%Zn-Eq):
0 to 1
1 to 2
2 to 3
3 to 4
4 to 5
>= 5
Notes:
1. Site grid.
2. Data rotated 30 deg CW about site grid origin.
3. 1% Lead = 1.5% Zinc
Hole Collars:
Historical Hole
"Newer" Hole
Scale
1 : 1500
Plot Date
05-May-2011
Drawn by: Doug Roy, M.A.Sc., P.Eng.
Plot File: 12850E
20
0
20m
Northeast Zone
Cross-Section
12850E
SELWYN RESOURCES LTD.
Scotia Mine
Gays River, Nova Scotia

Figure 18-13

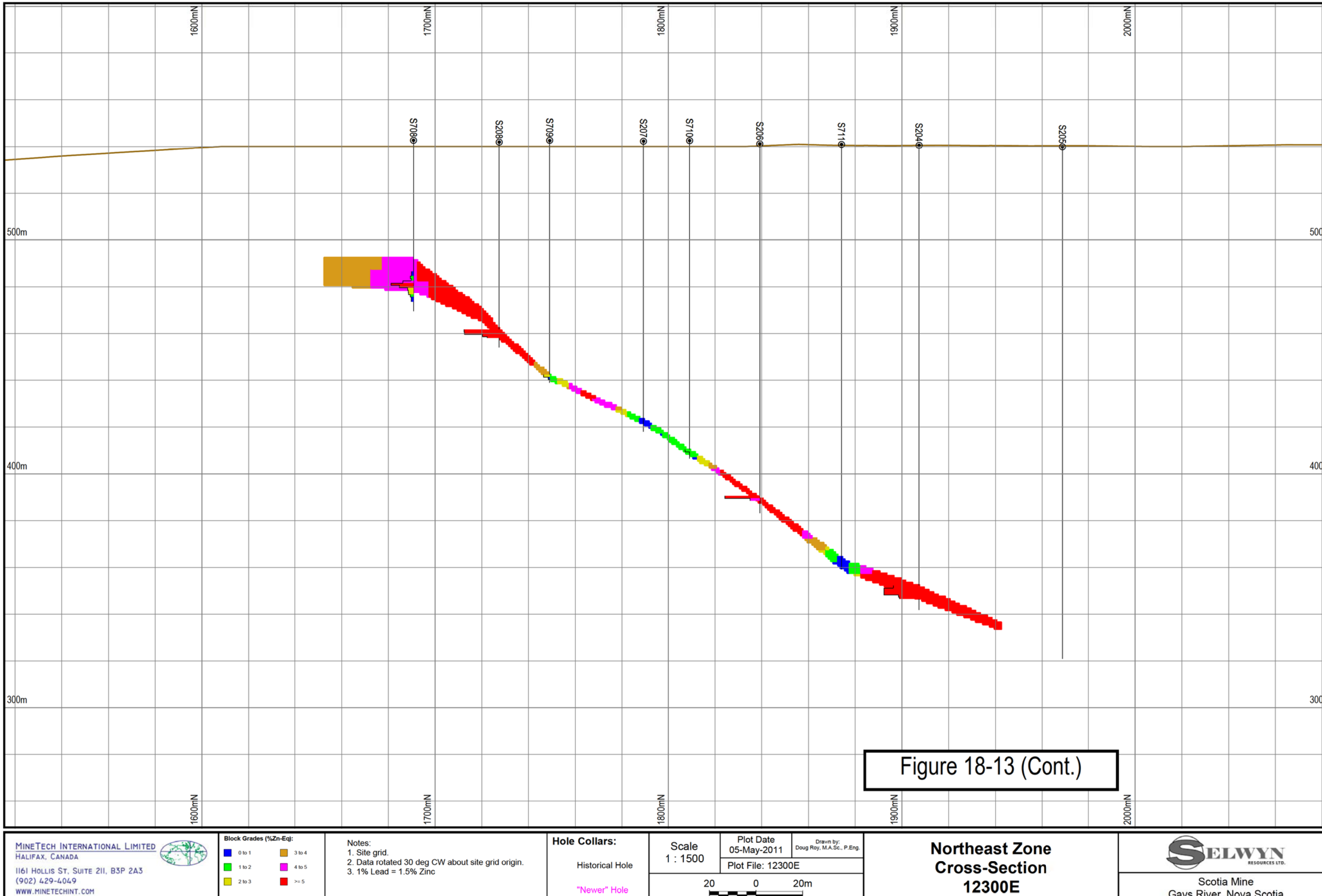


Figure 18-13 (Cont.)

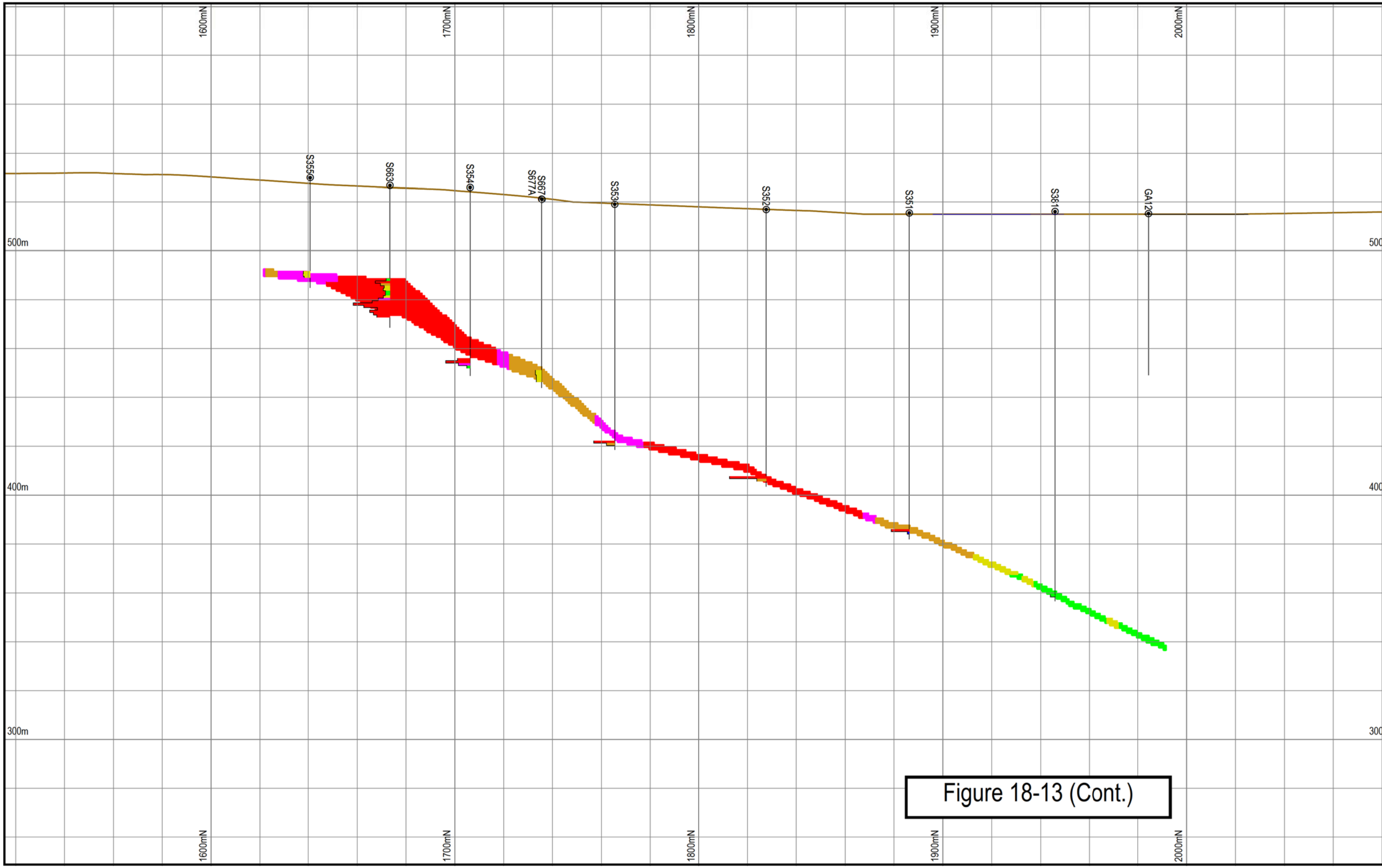


Figure 18-13 (Cont.)

MINETECH INTERNATIONAL LIMITED
HALIFAX, CANADA
1161 HOLLIS ST, SUITE 211, B3P 2A3
(902) 429-4049
WWW.MINETECHINT.COM

Block Grades (%Zn-Eq):

- 0 to 1
- 1 to 2
- 2 to 3
- 3 to 4
- 4 to 5
- >= 5

Notes:
1. Site grid.
2. Data rotated 30 deg CW about site grid origin.
3. 1% Lead = 1.5% Zinc

Hole Collars:

Historical Hole

"Newer" Hole

Scale 1 : 1500

Plot Date 05-May-2011

Drawn by: Doug Roy, M.A.Sc., P.Eng.

Plot File: 11600E

20 0 20m

Northeast Zone Cross-Section 11600E

SELWYN RESOURCES LTD.

Scotia Mine
Gays River, Nova Scotia

18.4.3 Sample Statistics

Samples were regularised over 1 m intervals – a common sample length (refer to Figure 18-14) - to provide a common support (sample size) for calculating statistics.

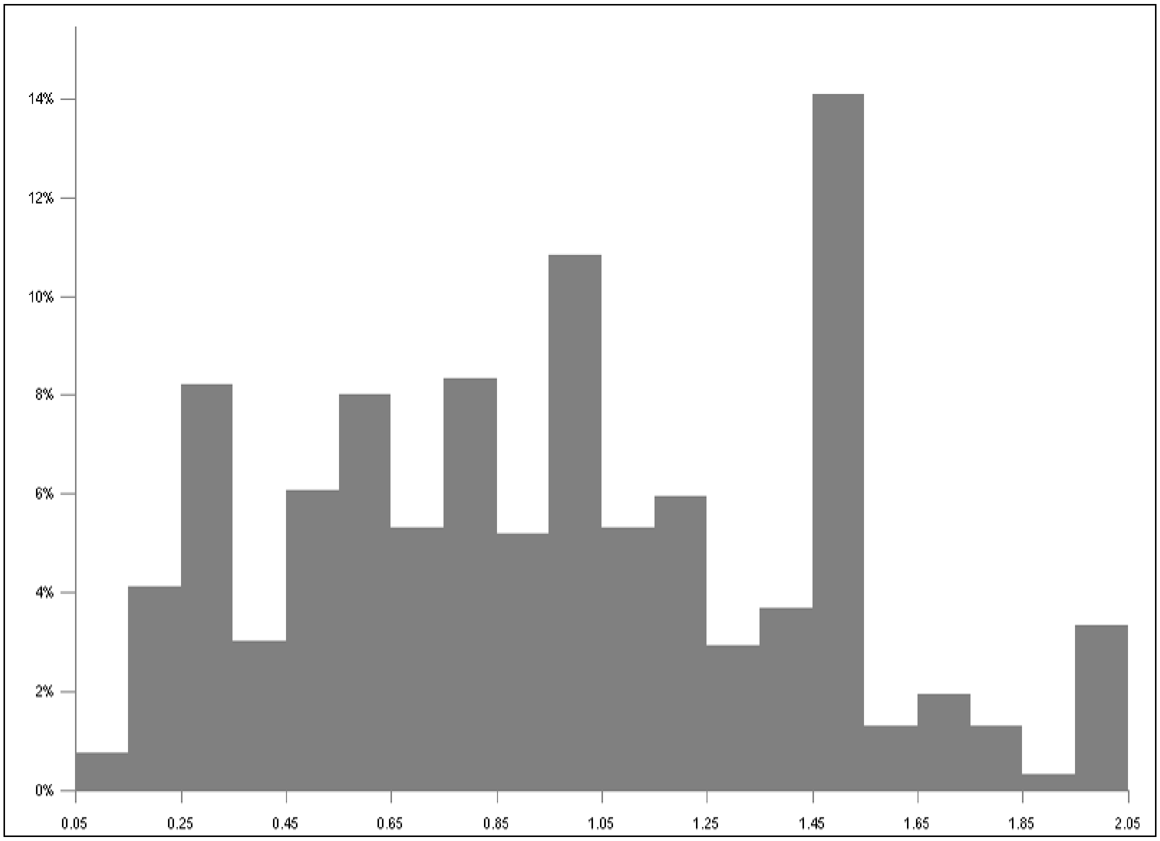


Figure 18-14: Sample lengths, Northeast Zone.

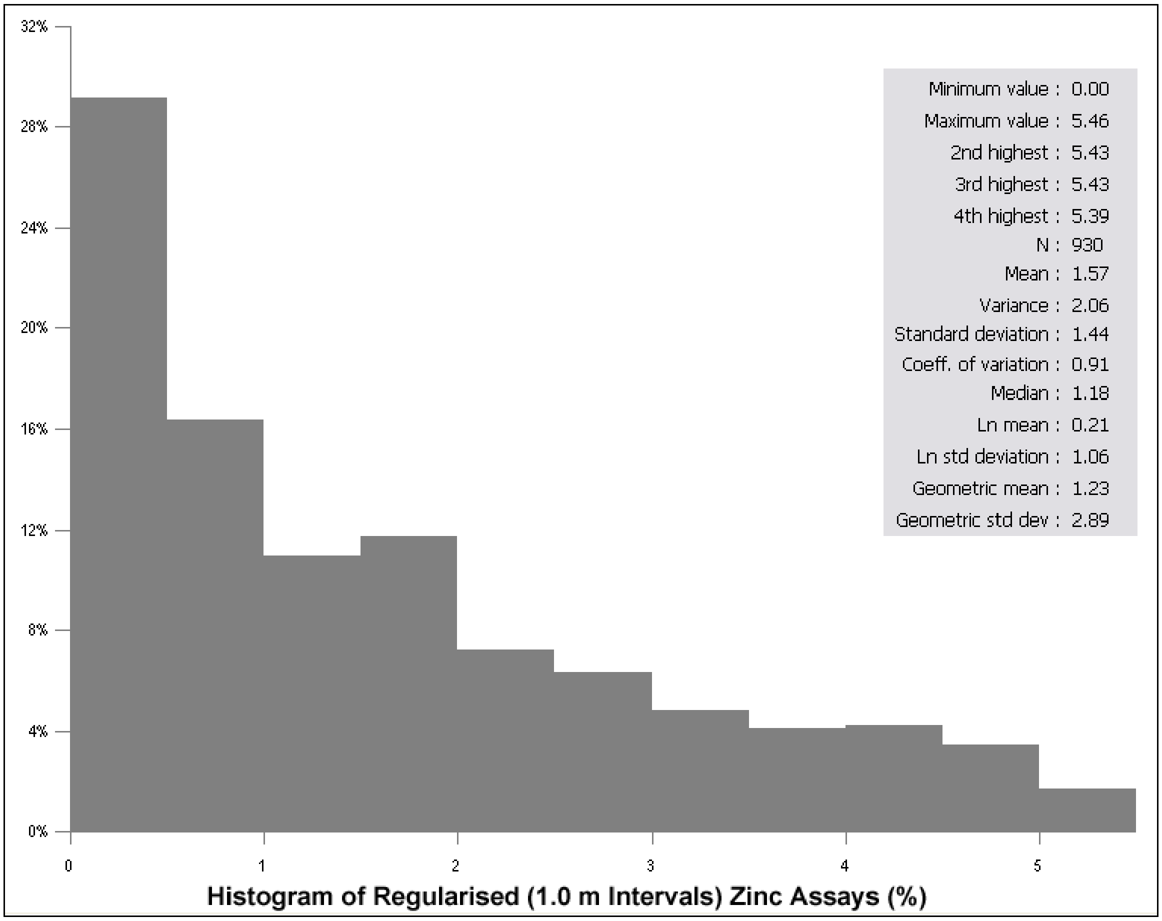


Figure 18-15: Zinc assay histogram, Northeast Zone.

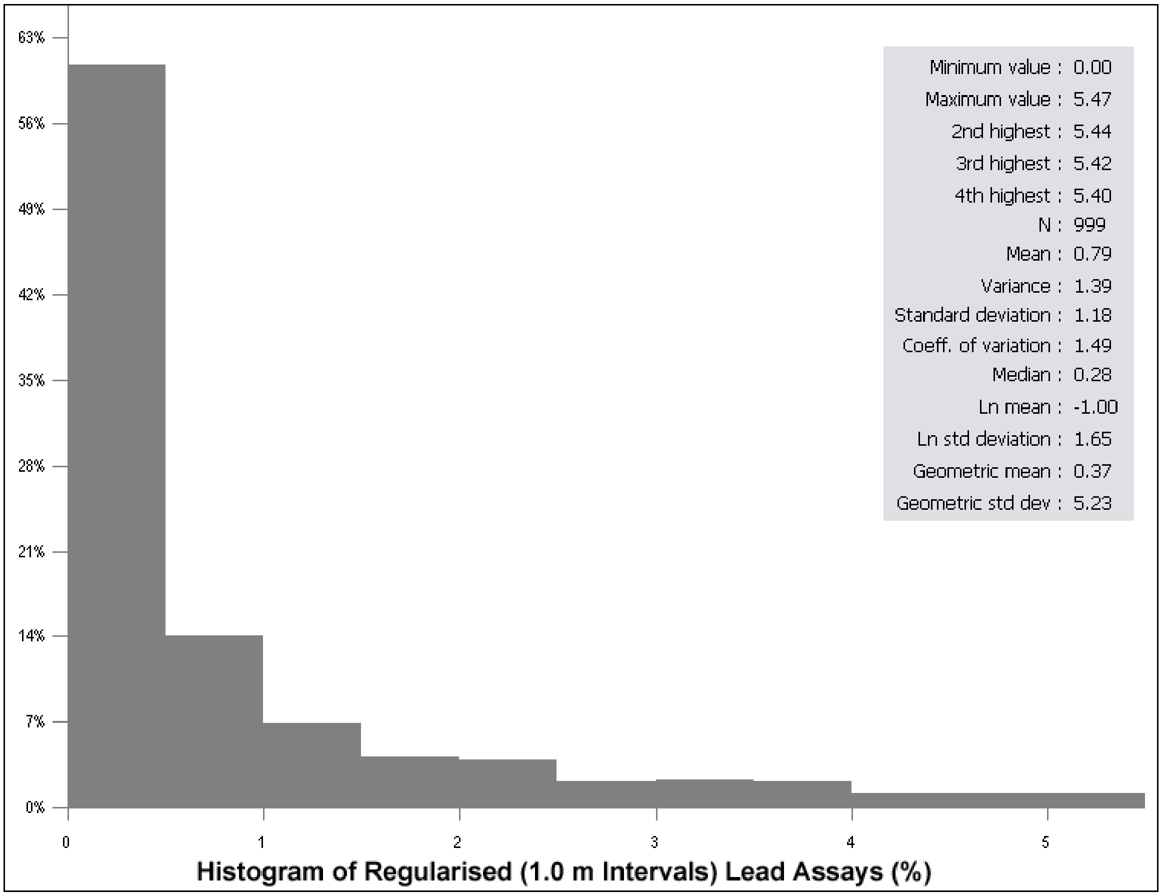


Figure 18-16: Lead assay histogram, Northeast Zone.

18.4.4 Variography

For the zone composites, using a 5 metre lag interval, a spherical model was fit to the raw semivariogram data for lead samples. An acceptable model was also fit to the raw semivariogram data for composited zinc samples (10 metre lag).

Directional semivariogram data was calculated for the strike and dip directions. There was no significant difference between the two directions or between the directional and omni-directional results. Therefore, it was decided to use the omni-directional models for grade estimating purposes.

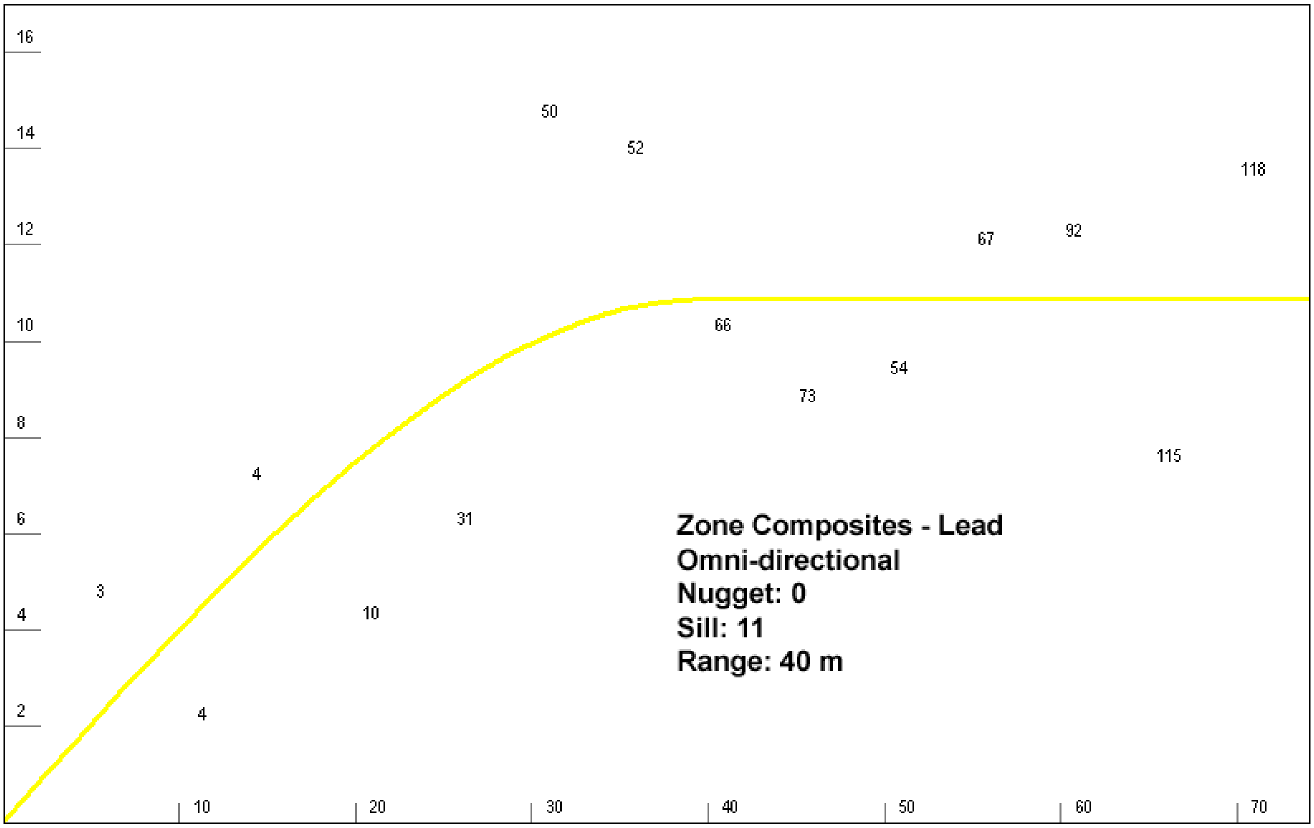


Figure 18-17: Lead semi-variogram, Northeast Zone.

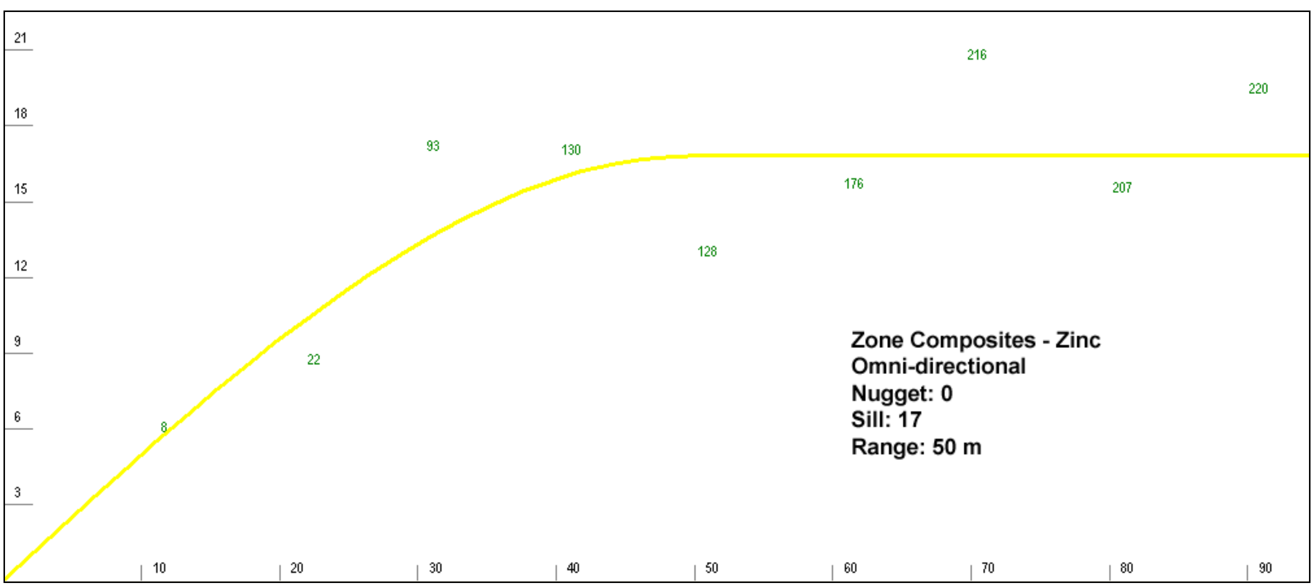


Figure 18-18: Zinc semi-variogram, Northeast Zone.

18.4.5 Cut-off Grades

Zone Interpretation

The chosen cut-off grade for near-surface mineralised zone interpretation was 0.5 % zinc-equivalent. This value was chosen through iteration as the cut-off that, in the author's opinion, when used for outlining the lower grade mineralisation, provided the closest approximation of the continuity of that mineralisation. Using the prices and other factors from Section 18.1, rock containing 0.5 % zinc would have a revenue of approximately $7. Typical mining and processing costs for this deposit would likely be $3-4 and $9-10 per tonne respectively, for a total operating cost of $12-14 per tonne (not including stripping, capital, or G&A costs). In other words, the cut-off grade for mineralised zone interpretation was slightly more than half of an approximate operating cut-off grade for this deposit.

For deeper mineralisation that could be mined using underground mining methods, a 2 % zinc-equivalent cut-off grade was used for mineralised zone interpretation. Using the prices and other factors from Section 18.1, rock containing 2 % zinc would have a revenue of approximately $28. Typical underground mining and processing costs for this deposit would likely be $30-40 and $9-10 per tonne respectively, for a total operating cost of approximately $50 per tonne (not including stripping, capital, or G&A costs). As with the near-surface cut-off, the cut-off grade for deeper mineralised zone interpretation was slightly more than half of an approximate underground operating cut-off grade for this deposit.

Mineral Resources

The chosen "block cut-off" [6] grades for defining near-surface (less than 100 metres deep) and deeper mineral resources 0.75% and 2%, respectively.

18.4.6 Top-Cut Grade

A top-cut value is normally chosen to prevent the overestimation of block grades by a small number of very high assays or *outliers*.

Through examination of the sample statistics, the author determined that no top-cut value was required. No top-cut was applied because, in the author's opinion, a top-cut would not affect the global estimate.

18.4.7 Block Modelling

A blank block model with the file name "Blocks – NE Zone - Blank.dat" was created with the parameters that were reported in Table 18-4. The blocks were constrained by the mineralised zone wireframe.

The "parent" block size was 10x10x10 metres (Easting x Northing x Elevation).

There were ten sub-blocks in each direction for a geological resolution of 1x1x1 metres (Easting x Northing x Elevation).

---

[6] The grade at which it is possible to mine and process and exposed block (*i.e.*: stripping not included).

Table 18-4: Block model parameters.

Direction	Model Origin (Grid, m)	Model Limit (Grid, m)	Model Extent (m)	Block Size (m)	Number of Blocks	Number of Sub-blocks
East	11,200	13,200	2,000	10	201	10
North	1,200	2,200	1,000	10	101	10
Elevation (RL)	200	550	350	10	36	10

18.4.8 Grade Estimation

Regularised samples were used for estimating block grades (refer to Section 18.4.3).

The fit of the raw semi-variogram data to the spherical model was considered to be good enough for determining resource classification parameters (refer to Section 18.4.9) but, in the author's opinion, not quite good enough for kriging. Instead, inverse distance weighting ("ID") using a power of two was considered to be an appropriate method for estimating block grades.

Blocks were discretised twice in each dimension. The grade estimation process was carried out using the parameters that were reported in Table 18-5. A description of the block model file fields was reported in Table 18-6.

Grade estimation was carried out in three "runs." The first run had a maximum search radius of 50 metres and required samples from at least three holes. In subsequent runs, the parameters were relaxed.

The resulting three block model files were compiled into a single block model titled "Blocks - NE Zone - Inferred - IDS Compiled.DAT". Run 2's block grades overprinted Run 3's grades and Run 1's grades overprinted Runs 2's and 3's grades.

Table 18-5: Grade estimation parameters.

Parameter	Run 1	Run 2	Run 3
Search Sphere Radius (m)	50 m	50 m	100 m
Min. Number of Holes	3	2	1
Min. Number of Samples Per Hole	7	5	3
Max. Number of Samples Per Hole	24	24	24
Resulting File	Blocks - NE Zone - Inferred - IDS Run 1.DAT	Blocks - NE Zone - Inferred - IDS Run 2.DAT	Blocks - NE Zone - Inferred - IDS Run 3.DAT

Table 18-6: Block model fields.

Field	Description
East	Easting (Grid)
_East	Block Dimension, East Direction
North	Northing (Grid)
_North	Block Dimension, North Direction
RL	Reduced Level (Grid)
_RL	Block Dimension, North Direction
Zone	Outlined Zone
Index	Unique index value for each block.
%Zn	Estimated zinc grade (percent).
%Pb	Estimated lead grade (percent).
Points	Number of Samples Used for Estimate
STD_DEV	Standard deviation of samples used.
Number of Holes	Number of Holes Used for Estimate
Run	Run number that was used to estimate the block grades.
Zn-Eq	Zinc-equivalent grade.
Resource Category	Resource category.

18.4.9 Resource Classification Parameters

Resource classification parameters were chosen based on a combination of variography results and the author's judgement. The degree of confidence in the reported resources was classified based on the validity and robustness of input data and the proximity of resource blocks to sample locations. Resources were reported, as required by NI 43-101, according to the CIM Standards on Minerals Resources and Reserves.

Rather than classifying resources using the search ellipse parameters, Inferred resources were outlined graphically, on cross-sections using the process that was described in Section 18.4.2.

Indicated Resources were outlined graphically in plan view within areas where the intercept spacing was approximately 40-50 metres – approximately the variogram ranges for zinc and lead (refer to Figure 18-17 and Figure 18-18).

No Measured Resources were identified in the Northeast Zone. In the author's opinion, the current intercept spacing was not sufficient to demonstrate grade continuity to the level that is demanded by Measured category.

18.4.10 Results

Using a block cut-off grade of 0.75 % zinc-equivalent for near-surface resources and 2 % for deeper resources, non-diluted Northeast Zone Indicated mineral resources totalled 1.7 million tonnes with average grades of 3.9 % zinc and 2.0 % lead (refer to Table 18-7).

Non-diluted Northeast Zone Inferred mineral resources totalled 2.5 million tonnes with average grades of 2.3 % zinc and 1.4 % lead.

No Measured mineral resources were identified.

Table 18-7: Non-diluted Northeast Zone resources.

Cut-off Grade (Percent Zinc-Equivalent)	Tonnes	SG	Percent Zinc	Percent Lead	Percent Zinc-Equivalent
Surface Resources (Less than 100 m Deep)					
Indicated Category:					
7%	500,000	2.90	7.3	4.3	13.8
2%	1,430,000	2.80	4.3	2.2	7.6
1.5%	1,490,000	2.80	4.2	2.1	7.4
0.75%	**1,560,000**	**2.80**	**4.0**	**2.0**	**7.0**
Inferred Category:					
7%	150,000	2.89	7.5	4.0	13.5
2%	850,000	2.77	3.3	1.2	5.1
1.5%	1,040,000	2.76	3.0	1.0	4.5
0.75%	**1,480,000**	**2.75**	**2.4**	**0.7**	**3.5**
Underground Resources (More than 100 m Deep)					
Indicated Category:					
7%	50,000	2.87	4.9	4.9	12.3
2%	**150,000**	**2.79**	**3.3**	**2.4**	**6.9**
Inferred Category:					
7%	280,000	2.84	3.5	4.3	10.0
2%	**1,030,000**	**2.78**	**2.2**	**2.4**	**5.8**
Total Indicated Mineral Resources (Cut-off Varies):					
	1,710,000	**2.79**	**3.9**	**2.0**	**7.0**
Total Inferred Mineral Resources (Cut-off Varies):					
	2,510,000	**2.76**	**2.3**	**1.4**	**4.4**

Notes for Northeast Zone Estimate:

1. Cut-off grade for mineralised zone interpretation was 0.5% zinc-equivalent for surface resources (less than 100 metres deep) and 2% at depth.
2. Block cut-off grade for defining Mineral Resources was 0.75% zinc-equivalent for surface resources (less than 100 metres deep) and 2% at depth.
3. No top-cut grade was used. In the author's opininion, the use of a top cut would not have significantly affected the results.
4. Zinc price was $US 1.10 per lb, lead price was $US 1.15 per lb.
5. Zones extended up to 50 metres down-dip from last intercept. Along strike, zones extended halfway to the next cross-section.
6. Minimum width was 2 metres.
7. Non-diluted.
8. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
9. Resource estimate prepared by Doug Roy, M.A.Sc., P.Eng.
10. Specific gravity was calculated based on zinc and lead content. There are no other sulphides or dense minerals that are present in significant quantities.
11. Inverse distance weighting, power of "2" ("ID2") was used for estimating block grades.
12. Indicated resources identified where sample intercept spacing was 40 metres or less (based on variography).
13. No Measured Mineral Resources or Mineral Reserves of any category were identified.
14. Zinc-equivalency for lead was calculated based on realtive metal prices, demonstrated processing recoveries (86% & 84 % for lead and zinc, respectively), estimated smelter returns 95% & 85 % for lead and zinc) and demonstrated concentration factors (75% & 65% for lead and zinc).

18.5 Summary of Mineral Resources

In both the Main and Northeast Zones, Measured plus Indicated mineral resources totalled 4.8 million tonnes with average grades of 3.9 % zinc and 1.8 % lead (refer to Table 18-8).

Inferred mineral resources totalled 4.2 million tonnes with average grades of 2.6 % zinc and 1.3 % lead.

Table 18-8: Summary of non-diluted mineral resources – both zones.

Cut-off Grade (Percent Zinc-Equivalent)	Tonnes	SG	Percent Zinc	Percent Lead	Percent Zinc-Equivalent
Measured Category					
Main Zone	1,340,000	2.80	4.4	2.0	7.4
Northeast Zone	n/a	n/a	n/a	n/a	n/a
Total Measured	1,340,000	2.80	4.4	2.0	7.4
Indicated Category					
Main Zone	1,790,000	2.78	3.6	1.6	5.9
Northeast Zone	1,710,000	2.79	3.9	2.0	7.0
Total Indicated	3,500,000	2.79	3.7	1.8	6.4
Measured+Indicated					
Main Zone	3,130,000	2.79	3.9	1.8	6.6
Northeast Zone	1,710,000	2.79	3.9	2.0	7.0
Total Measured+Indicated	**4,840,000**	**2.79**	**3.9**	**1.8**	**6.7**
Inferred Category					
Main Zone	1,740,000	2.77	3.1	1.1	4.8
Northeast Zone	2,510,000	2.76	2.3	1.4	4.4
Total Inferred	**4,250,000**	**2.76**	**2.6**	**1.3**	**4.6**

Refer to Table 18-3 and Table 18-7 for resource estimation notes.

18.6 Comparison of Estimated Block Grades With Blasthole Sampling

During surface mining that ScoZinc carried out in 2007-2008, blastholes were sampled and assayed for zinc content. The mineral resource block model for the Main Zone, which was estimated using diamond drilling samples, was compared with the results from closely-spaced blast hole samples that were collected during the recent surface mining operation. Jason Baker, a mining engineer formerly with ScoZinc Limited, carried out this comparison work (Baker, 2011).

The large number of blast holes are shown graphically in Figure 18-19. The solid bench models that were constructed for comparison purposes are shown in Figure 18-20.

During operations at Scotia Mine, blast hole data was recorded along with the assay data for each blast hole (refer to Figure 18-19). A single assay was calculated for each blast hole (i.e. If a blast hole had a depth of 10 meters, then a single assay value covered the entire 10 meter length). Spacing between blast holes was 10 ft. The blast hole data was imported into Gemcom software and a block model was created.

Blocks in the block model were interpolated for Zn grade using the blast hole assay intervals within the solid. The blast hole block model was constructed with the following orientation:

Origin = 8500 X, 6700 Y, 520 Z
Rotation = 0 degrees
Block Size = 5m x 5m x 5m

Blocks were interpolated for grade by the Inverse Distance Cubed method. A search ellipse with dimensions of X=10m, Y=10m, Z=10m was used in the interpolation. Once the block model was created volumetrics were performed on the blast hole solids using the resource block model as well as the new blast hole block model, and results were compared.

Results of the comparison were reported in Table 18-9 and shown graphically in Figure 18-21. The results compared well. For all benches, zinc grades from the resource block model were slightly, but not significantly greater than the blast hole data. The blast hole model volume was slightly greater.

The resulting metal content in the resource block model was actually 7-8 % less than that predicted by blast hole samples. Meaning, the estimated block grades of the mineral resource block model may be slightly underestimated. In other words, it is possible that there is slightly more metal in the ground than estimated by the block model.

Table 18-9: Results of comparison between blast hole and resource model.

Model	Bench	Volume (m^3)	Zn Grade (%)
Scozinc	505	189,500	1.48
Blast Hole	505	217,400	1.67
Scozinc	495	196,300	1.26
Blast Hole	495	231,500	1.09
Scozinc	485	158,800	1.43
Blast Hole	485	166,000	1.27
Scozinc	475	49,500	1.86
Blast Hole	475	55,650	1.62
Scozinc	465	16,600	2.89
Blast Hole	465	20,500	2.40
Total Scozinc	**All Benches**	**610,700**	**1.47**
Total Blast Hole	**All Benches**	**691,050**	**1.40**

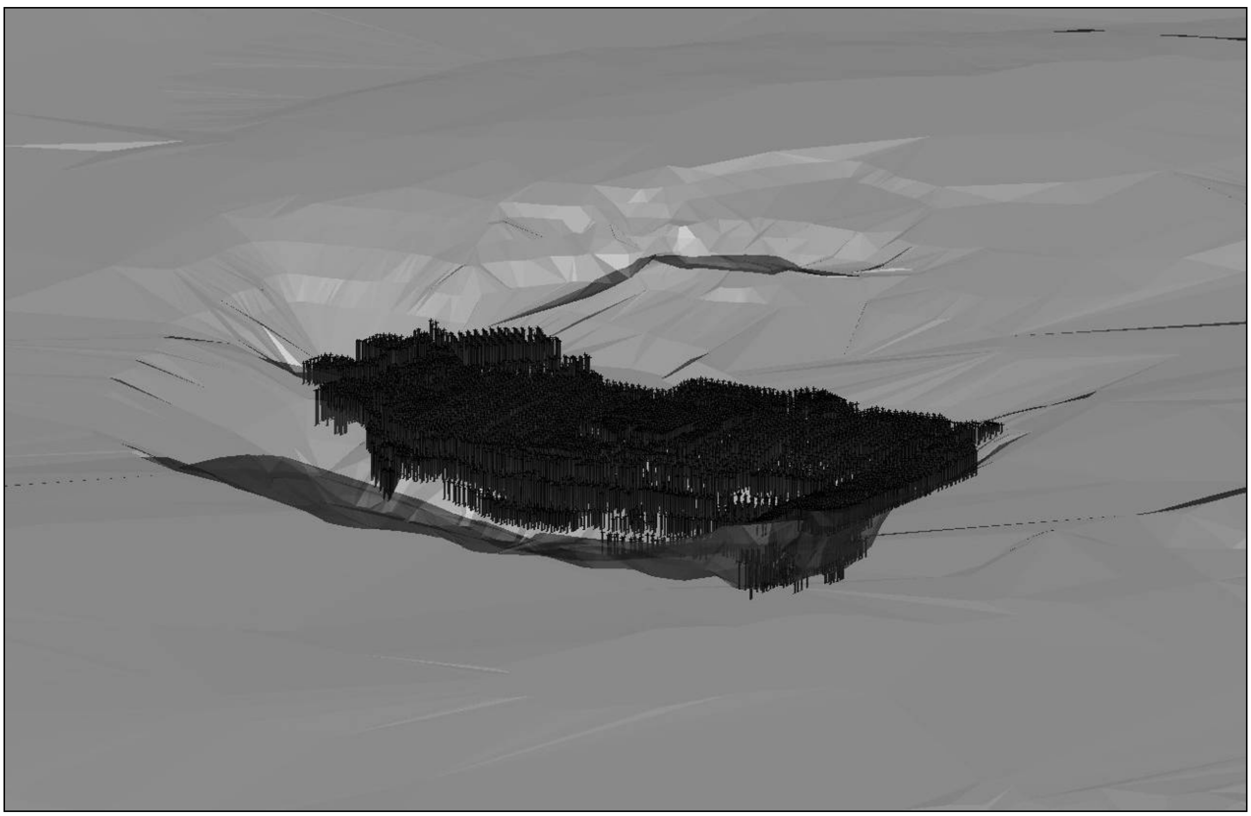


Figure 18-19: 3D view of the pit showing blast holes.

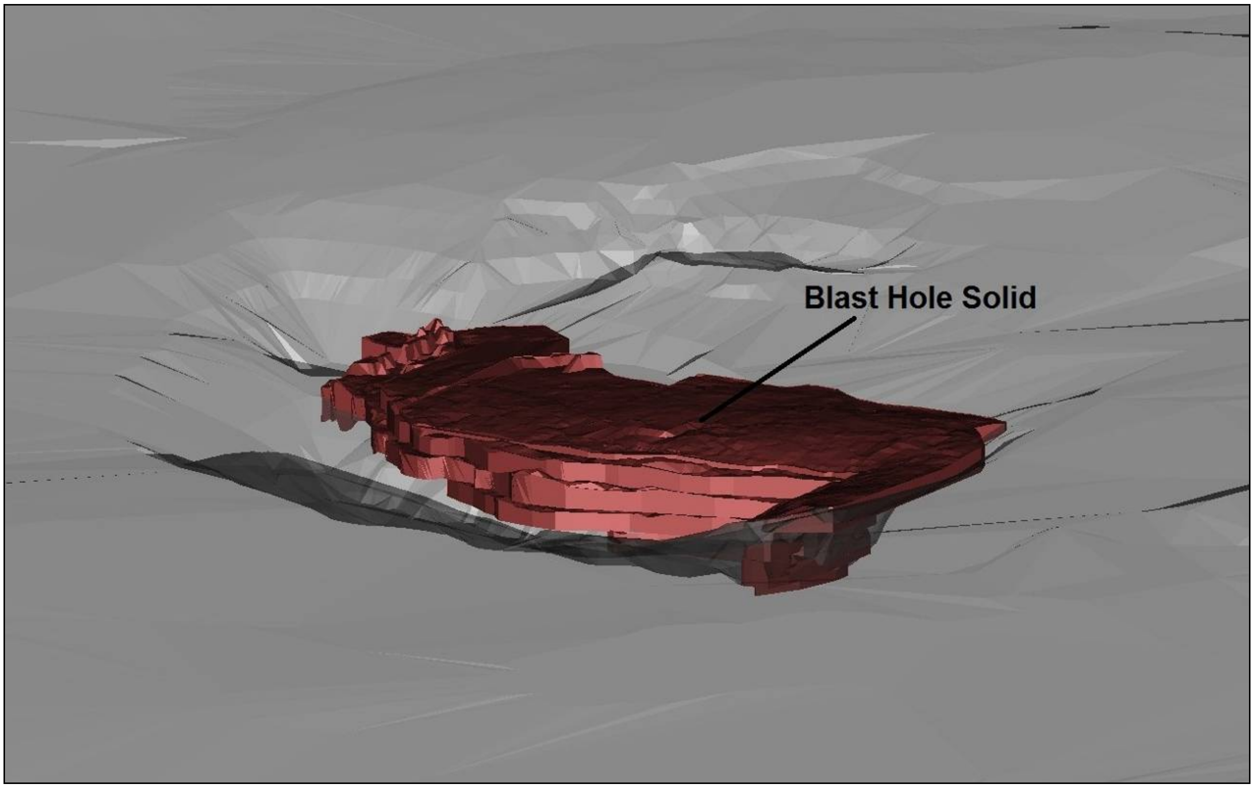


Figure 18-20: 3D view of the pit showing the bench models that were constructed.

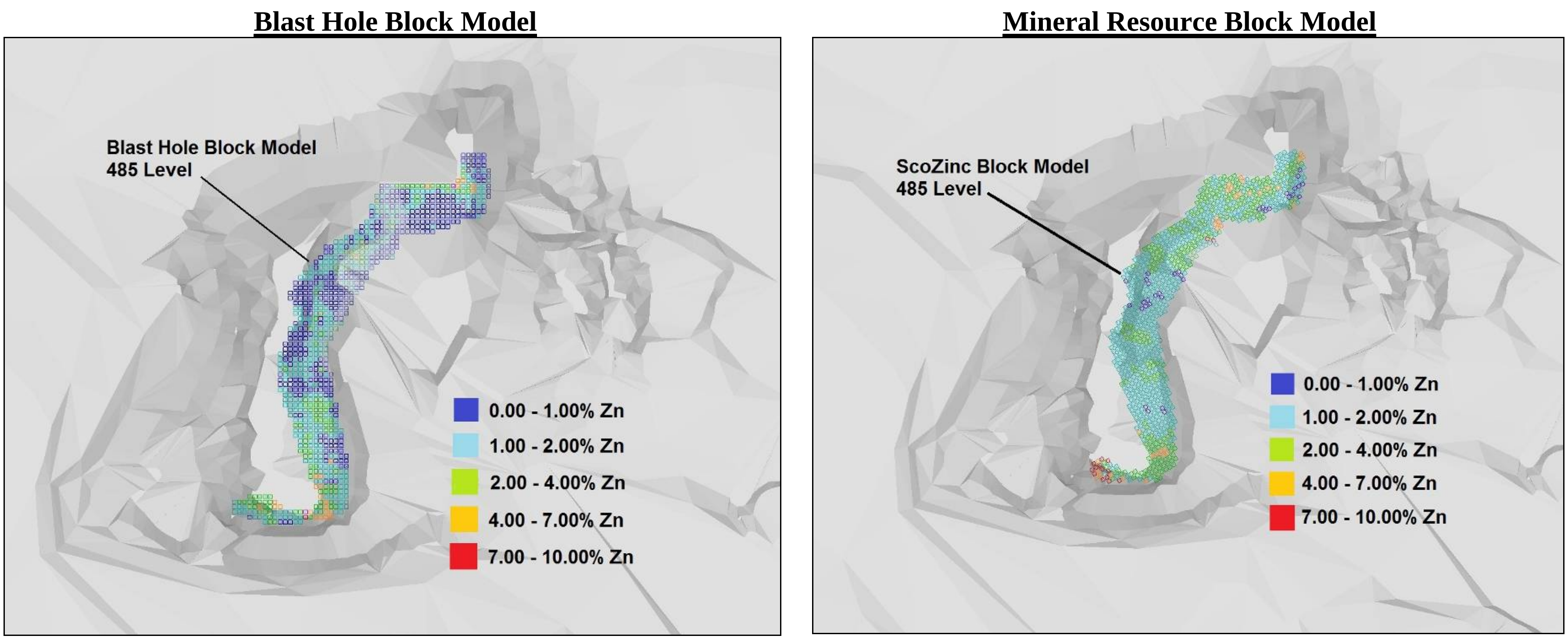


Figure 18-21: Blast hole and resource block model results, 485 m Level.

18.7 Comparison of Current Estimate with Previous (2006) Estimate

The results of the current estimate were compared with the previous estimate (Roy *et al*, 2006).

In 2007-2008, ScoZinc mined material mostly in the Measured and Indicated categories, with some coming from the Inferred category. Measured and Indicated resources in the main zone both decreased since 2006. However, an increase in Northeast Zone Indicated resources caused a small, net increase in Indicated resources. Overall, there has been a decrease in Measured+Indicated resources since 2006, which makes intuitive sense seeing as ScoZinc mined approximately one million tonnes of carbonate since 2006.

Though Main Zone Inferred resources decreased since 2006, there was an overall increase owing to a significant addition of Inferred Northeast Zone resources.

Table 18-10: Comparison of current estimate with previous (2006) estimate.

Category	Change in Tonnes	Change in Percent Zinc	Change in Percent Lead
Measured	-540,000	0.6	0.4
Indicated	140,000	-0.6	-0.4
Measured+Indicated	-400,000	-0.2	-0.1
Inferred	2,450,000	-0.5	0.2

18.8 Gypsum

Prior to 2004, very little sampling and assaying for gypsum was done. Past drilling campaigns focused solely on zinc and lead. Prior to 2004, much of the gypsum core was saved; however, much of it was improperly stored and the gypsum weathered away.

In 2004, fourteen vertical holes were drilled that penetrated the gypsum resource. These holes were sampled and assayed for gypsum. Most of the samples were also assayed for chloride. The chloride assay was for all chlorides – chloride ions from any source.

Examination of the core revealed that the gypsum was relatively hard and pure. There were very few clay interbeds as appear at National Gypsum's deposit in nearby Milford. The gypsum graded into anhydrite, typical of Nova Scotia gypsum deposits. There was no clear contact between the two rock types.

A preliminary assessment of gypsum quality was carried out using the holes that were drilled in 2004. A cut-off grade of 85 % gypsum was used. Where the hole entered the gypsum was defined as the top contact. Where the hole left the gypsum, meaning where the hole left the gypsum horizon and passed into material with an average gypsum grade of less than 85 % (in other words, into anhydrite), was defined as the bottom contact.

The average gypsum thickness was 31 metres with a range of 9-85 metres. The gypsum was covered by 16-61 metres of overburden, averaging 38 metres. The average stripping ratio was 1.7.

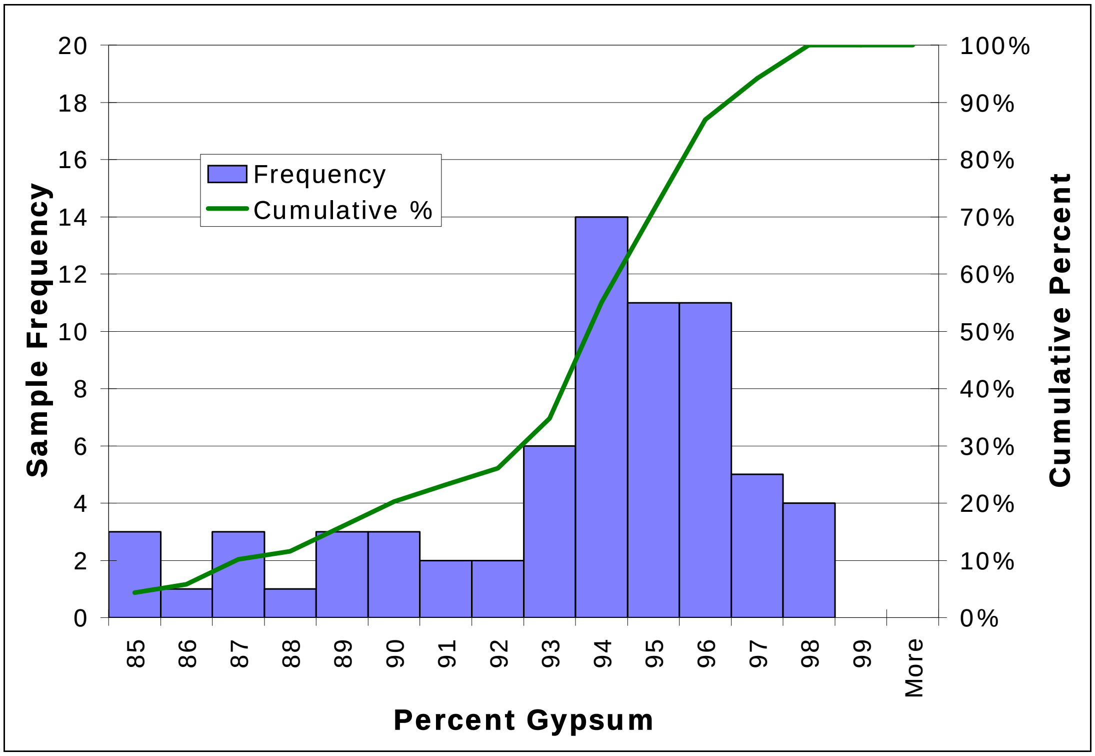
The subset of samples within the gypsum consisted of sixty-nine (69) samples from fourteen holes. More than half of these samples (44 of them) were also assayed for chloride. The length-weighted average grade was 93 % gypsum. The length-weighted average chloride content was 43 ppm. Only one sample contained over 100 ppm chloride – this sample averaged 142 ppm over three metres.

Table 18-11: Raw (non-weighted) assay statistics.

Statistic	Gypsum	Cl
Mean	92.8	41.3
Standard Error	0.41	3.88
Median	93.9	43
Mode	93.9	11
Standard Deviation	3.4	26
Sample Variance	11.8	661
Kurtosis	0.4	3.9
Skewness	-1.1	1.2
Range	14.17	138
Minimum	83.57	4
Maximum	97.74	142
Count	69	44

The reader should note that this analysis represents only an arithmetic analysis of gypsum quality and chloride content. No spatial statistics were calculated. Therefore, this is only an indication of gypsum quality – not an accurate estimate. The gypsum sample spacing is currently too wide for meaningful calculation of Resources or Reserves.

There are many bags of gypsum sample rejects available for mineral processing work. These are stored at the Scotia Mine site. Also, the core was sawed in half for sampling and the remaining halves were stored in a dry facility. The sample pulps are also readily available for further assay work.



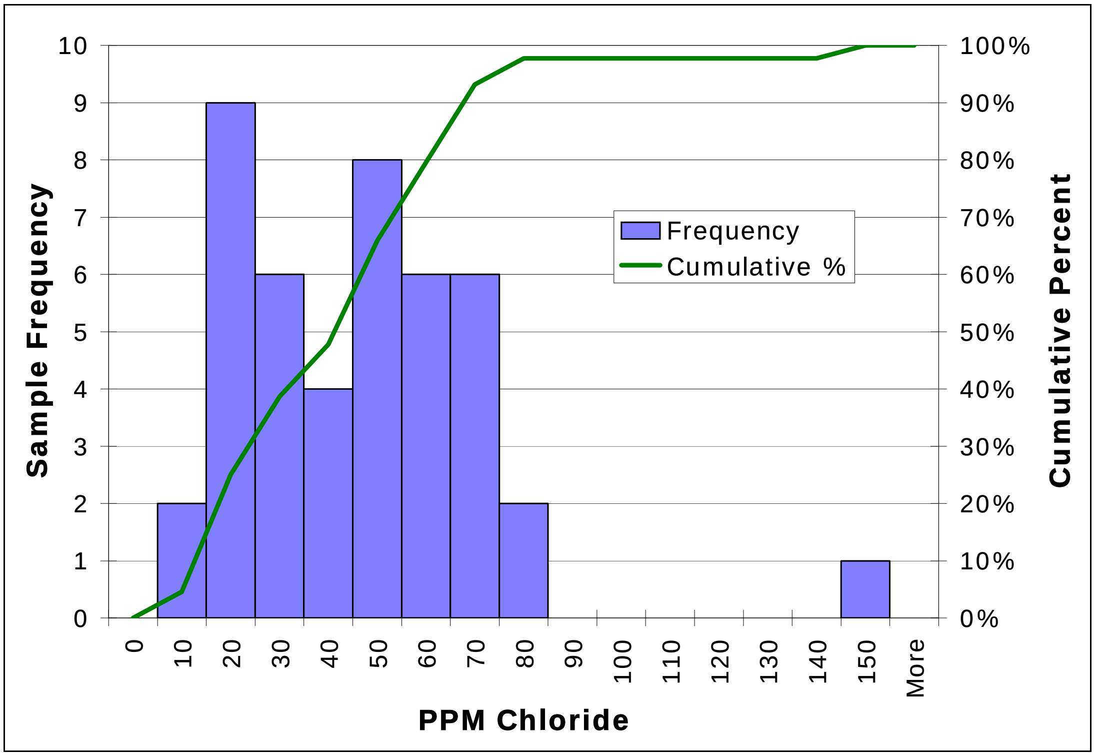


Figure 18-22: Gypsum and chloride histograms.

18.9 Items that May Affect the Mineral Resources

There are a certain amount of mineral resources, mostly in the Northeast Zone, that have been identified below the river and highway (refer to Figure 18-11).

Gay's River has caused water problems for past underground mining operations. The river's flood plain is sandy and permeable. The current environmental registration document permits shifting the river toward the highway (refer to Figure 4-4), which would allow the pit to expand northward.

However, current plans do not include diverting the river and, in the author's opinion, a significant amount of additional permitting work would be required prior to encroaching on the current river bed.

19. Conclusions

Using a cut-off grade of 0.75 % zinc-equivalent, a zinc-lead-mineralised zone was outlined with a straight-line strike length of almost four kilometres. Outcrops are rare, but the deposit sub-crops under the unconsolidated glacial till overburden. The dolostone host rock drapes over a paleo-shoreline of metasediments at dip that varies between 30-40 ° and vertical, averaging 40-60 °. Thickness varies from less than one metre to over ten metres in true thickness.

The zinc is contained in a very low-iron sphalerite that is highly marketable.

A limited amount of specific gravity work has been carried out. The results indicated that the tonnage of the current mineral resource estimate may have been underestimated by an amount in the 6-7% range. Because the sample set that was available was quite small, no adjustment was made for the resource estimate.

Mineral resources were identified in Measured, Indicated and Inferred categories.

In both the Main and Northeast Zones, Measured plus Indicated mineral resources totalled 4.8 million tonnes with average grades of 3.9 % zinc and 1.8 % lead (refer to Table 18-8).

Inferred mineral resources totalled 4.2 million tonnes with average grades of 2.6 % zinc and 1.3 % lead.

The majority of the outlined mineral resources could likely be mined using surface mining methods.

Some of the identified mineral resources are located underneath Gay’s River. Sandy soil lies underneath Gay’s River, so mining close to the river would be susceptible to water inundation. In other words, the mineral resources that lie close to, or underneath Gay’s River would be relatively more expensive to recover due to the added cost of either (a) diverting the river or (b) recovering the resources using underground mining methods.

The deposit is a property of merit that warrants additional work.

20. Recommendations

Additional diamond drilling should be carried out. These holes should be drilled at an angle that would pierce the dolostone at as near a perpendicular angle as is practicable. Approximately 8,000-10,000 metres of additional drilling is recommended.

Further specific gravity ("SG") test work is warranted. In conjunction with the recommended drilling, the SG of the core samples should be determined prior to "preparing" the sample (crushing and pulverising). The results should be compared against the SG formula, based on mineralogy, that has been traditionally used for the property.

Further engineering work, such as optimising the mineral processing circuit for higher production rates, should be carried out to support preliminary feasibility work. Such work is being contemplated by other parties and will be covered in later reports. As such, this work has not been accounted for in the budget (refer to Table 20-1).

The cost of the recommended work was estimated to be $1.0 million.

Table 20-1: Estimated costs for recommended work.

Item		Estimated Cost
Fill-In Drilling (8,000 metres)	$	830,000
Contingency (20%)	$	170,000
Total	**$**	**1,000,000**

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Certificate of Principal Author

I, William Douglas Roy, M.A.Sc., P.Eng., do hereby certify that:

1) I am a Mining Engineer employed by MineTech International Limited, with an office at 1161 Hollis St, Halifax, Canada.
2) I graduated with a Bachelor of Engineering degree in Mining Engineering from the Technical University of Nova Scotia (now Dalhousie University) in 1997 and with a Master of Applied Science degree in Mining Engineering from Dalhousie University in 2000.
3) I am a Professional Engineer (Mining), registered with the Association of Professional Engineers of Nova Scotia (Registered Professional Engineer, No. 7472). I am a member of the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") and of the Prospectors and Developers Association of Canada ("PDAC").
4) I have worked as a mining engineer for 14 years since graduating from university. This work has included the estimation of resources and reserves for precious metals, base metals and industrial minerals, as well as participation in pre-feasibility and feasibility studies.
5) I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43- 101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfil the requirements to be a "qualified person" for the purposes of NI 43-101.
6) I was the Principal Author of the report titled "Resource Report for Scotia Mine, Gay's River, Nova Scotia, Canada," dated May 17, 2011. I authored all sections of the report except Sections 17.2 (mineral processing during 2007/2008), 18.3 (Main Zone resources) and 18.6 (comparison of block model with blast hole samples). As the Principal Author of the report, I directed and reviewed work that was carried out by the other authors.
7) I have read NI 43-101 and Form 43-101F1. This Technical Report has been prepared in accordance with that Instrument and Form.
8) I visited the Scotia Mine property many times since 2004. As an independent consultant, I supervised exploration work on the property including diamond drilling and trenching. I carried out several assignments for ScoZinc as an independent consultant during the period 2006-2011, including authoring a reclamation plan. I last visited the property in 2010.
9) I have had prior involvement with ScoZinc Limited and the property that is the subject of the Technical Report (refer to Item 8 for details).
10) I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.
11) I am independent of the issuer, Selwyn Resources Limited, applying all of the tests in Section 1.4 of NI 43-101 and Section 3.5 of NI 43-101 CP. Accordingly, I am also independent of ScoZinc Limited and Acadian Mining Limited.
12) I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public.
13) As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the report not misleading.

"Douglas Roy" (Original Signed and Sealed)

Dated this 17th Day of May, 2011.
William Douglas Roy, M.A.Sc., P. Eng.
Consultant Mining Engineer
MineTech International Limited

Co-Author's Certificate – Tim Carew

I, Timothy J Carew, do hereby certify that:

1. I reside at 12955 Fieldcreek Lane, Reno, NV 89511, USA
2. I am a graduate from the University of Rhodesia with a B.Sc. (Hons) Degree in Geology (1970), and of the University of London (RSM – 1982), with a M.Sc. Mineral Production Management degree, and I have practiced my profession continuously since that time.
3. I am a member of the Association of Professional Geoscientists and Engineers of British Columbia (Membership Number 19706).
4. I am a consulting geoscientist and the Principal of Reserva International LLC., a company incorporated in Nevada, USA.
5. I am a Qualified Person for the purposes of NI 43-101 with regard to a variety of mineral deposits and have knowledge and experience with Mineral Resource and Mineral Reserve estimation parameters and procedures and those involved in the preparation of technical studies. I am personally familiar with the characteristics of the deposit in this study from previous work on the deposit. I last visited the deposit in 1998 while estimating its resources for Savage Resources Canada.
6. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43- 101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfil the requirements to be a "qualified person" for the purposes of NI 43-101.
7. I was responsible for mineral resource estimation of the Main Zone (Section 18.3) of the report entitled "Resource Report for Scotia Mine, Gay's River, Nova Scotia, Canada," dated May 17, 2011.
8. I have no personal knowledge as of the date of this certificate of any material fact or change, which is not reflected in this report.
9. Neither I, nor any affiliated entity of mine, is at present, under an agreement, arrangement or understanding or expects to become, an insider, associate, affiliated entity or employee of ScoZinc Limited, Selwyn Resources Limited or any associated or affiliated entities.
10. Neither I, nor any affiliated entity of mine own, directly or indirectly, nor expect to receive, any interest in the properties or securities of ScoZinc Limited, Selwyn Resources Limited or any associated or affiliated companies.
11. Neither I, nor any affiliated entity of mine, have earned the majority of our income during the preceding three years from ScoZinc Limited, Selwyn Resources Limited or any associated or affiliated companies.
12. I have read NI 43-101 and Form 43-101F1 and have prepared this report in compliance with NI 43-101 and Form 43-101F1, and have prepared the above mentioned sections of the report in conformity with generally accepted Canadian mining industry practice.
13. I consent to the filing of this report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public.

Signed by

"Timothy Carew" (Original Signed and Sealed)

Timothy J. Carew, P.Geo., B.Sc., M.Sc.
Dated this 17th Day of May, 2010.

CONSENT of AUTHOR

TO: Selwyn Resources Ltd., Alberta Securities Commission, Manitoba Securities Commission, Ontario Securities Commission, Nova Scotia Securities Commission, New Brunswick Securities Commission, Securities Commission of Newfoundland and Labrador, TSX Venture Exchange and Toronto Stock Exchange and British Columbia Securities Commission

I, Doug Roy, M.A.Sc., P.Eng, do hereby consent to the filing, with the regulatory authorities referred to above, of the technical report entitled, "Mineral Resource Report for Scotia Mine, Gay's River, Nova Scotia, Canada" (the "Technical Report"), with an effective date of May 17, 2011. I also consent to the written disclosure of the Technical Report and of extracts from or a summary of the Technical Report in the written disclosure in the news release of Selwyn Resources Limited being filed.

I also certify that I have read the written disclosure being filed and I do not have any reason to believe that there are any misrepresentations in the information derived from the Technical Report or that the written disclosure in the news release of Selwyn Resources Ltd., dated April 6, 2011, contains any misrepresentation of the information contained in the Technical Report.

Dated this 17th Day of May, 2011

"Douglas Roy" [Original signed and sealed]

Doug Roy, M.A.Sc., P.Eng.
Mining Engineer
MineTech International Limited
Halifax, Canada

CONSENT of AUTHOR

TO: Selwyn Resources Ltd., Alberta Securities Commission, Manitoba Securities Commission, Ontario Securities Commission, Nova Scotia Securities Commission, New Brunswick Securities Commission, Securities Commission of Newfoundland and Labrador, TSX Venture Exchange and Toronto Stock Exchange and British Columbia Securities Commission

I, Timothy Carew, P.Geo., do hereby consent to the filing, with the regulatory authorities referred to above, of the technical report entitled, "Mineral Resource Report for Scotia Mine, Gay's River, Nova Scotia, Canada" (the "Technical Report"), with an effective date of May 17, 2011. I also consent to the written disclosure of the Technical Report and of extracts from or a summary of the Technical Report in the written disclosure in the news release of Selwyn Resources Limited being filed.

I also certify that I have read the written disclosure being filed and I do not have any reason to believe that there are any misrepresentations in the information derived from the Technical Report or that the written disclosure in the news release of Selwyn Resources Ltd., dated April 6, 2011, contains any misrepresentation of the information contained in the Technical Report.

Dated this 17th Day of May, 2011

"Timothy Carew" [Original signed and sealed]

Timothy J. Carew, M.Sc., P.Geo.
Principal
Reserva International LLC
Nevada, USA

Appendix 1: Westminer monthly mill report for November, 1990.

GAYS RIVER MILL PRODUCTION FOR 30-Nov-90

	DAY	MONTH ACTUAL	MONTH BUDGET	Y.T.D. ACTUAL	Y.T.D. BUDGET
TONNES MILLED(DMT)	734	13,499	17,360	68,794	80,960
MOISTURE (%)	4.54	3.56		3.08	
HEAD GRADE(%Pb)	5.20	3.08	5.15	3.10	5.20
(%ZN)	9.82	7.45	8.11	7.48	9.14
OPERATING TIME(HR)	21.5	390.2	476.8	1,911.3	2,394.0
SCHEDULED TIME(HR)	24.0	504.0	504.0	2,568.0	2,520.0
AVAILABILITY (%)	89.6	77.4	95.0	74.4	95.0
MILLING RATE(DT/HR)	34.1	34.6	36.3	36.0	33.8
RECOVERY					
Pb TO Pb CONC(%)	90.5	92.0	94.0	93.0	96.0
Zn TO Pb CONC(%)	2.8	2.4	3.7	2.1	3.3
Pb TO Zn CONC(%)	3.1	1.9	1.0	2.0	1.0
Zn TO Zn CONC(%)	91.5	89.0	91.0	89.7	91.0
TONNES TO TAILS(DMT)	580	11,523	14,134	58,768	64,641
TAIL GRADE(%Pb)	0.42	0.22	0.19	0.18	0.20
(%Zn)	0.70	0.76	0.53	0.72	0.65
CONCENTRATE PROD.					
LEAD CONC (DMT)	44.63	506.47	1159.84	2558.42	5462.89
GRADE(%Pb)	77.39	75.62	74.00	76.52	74.00
GRADE(%Zn)	4.60	4.71	4.50	4.11	4.50
GRADE(Ag gm/MT)	13.70	22.10	35.00	25.59 [2]	35.00
ZINC CONC (DMT)	109.52	1469.53	2066.43	7437.81	10856.28
GRADE(%Zn)	60.21	60.88	62.00	62.09	62.00
GRADE(%Pb)	1.08	0.53	0.43	0.57	0.39
GRADE(%Cd)	0.28	0.29	0.30	0.30 [3]	0.30
GRADE(%Mg)	0.75	0.74	0.40	0.51	0.40

COMMENTS:

VARIATIONS IN MILL FEED: Pb 7.19% TO 3.8%(STEADY DROP ALL DAY).
: Zn 11.22% TO 8.03%(STEADY DROP ALL DAY).

SCHEDULED SHUTDOWN AT 5:30 AM.

[2] Y-T-D Silver Since Sept 1/90
[3] Y-T-D Cadmium Since Oct 1/90

Appendix 2: Mineral lease and exploration licence claims and ownership history

NOVA SCOTIA
Natural Resources

PO Box 698
Halifax, Nova Scotia
B3J 2T9

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

FILE No: 71500-60-SC.07

May 2, 2011

Mr. Grant Ewing
ScoZinc Limited
15601 Highway 224
Cooks Brook, Nova Scotia
B0N 1Y0

Re: **Mineral Lease No. 10-1**
Gays River, Nova Scotia

Dear Mr. Ewing:

Enclosed please find Mineral Lease No. 10-1, as duly signed by the Minister of Natural Resources. This document is an original and the Registrar retains the counterpart. This Lease is a renewal of Mineral Lease No. 90-1.

Section 7 of the Lease requires the Lessee to maintain a reclamation security for the term of the Lease. A security in the amount of $2,600,000 is required and must be posted with the Registry of Mineral and Petroleum Titles within thirty days of this letter (June 1, 2011). As the Department currently holds $712,210 in reclamation security, an additional amount of $1,887,790 is required within thirty days. Should you fail to provide this additional security within this period, you would not be in compliance with the Lease. The non-compliance matter will be referred to the Minister and the Lease may be forfeited for non-compliance of Section 7 of the Lease, in accordance with Section 167 of the *Mineral Resources Act.*

Please note that you are required to file a report in Form 16 of the Mineral Resources Regulations on or before March 1 of each year. Also, please note that rentals for this Lease are due on or before April 2, 2012 and every April 2 thereafter until expiry of the Lease.

Sincerely,

Michael A. MacDonald
Executive Director
Mineral Resources Branch

Encl.

cc A. Davidson
J. MacNeil
T. Lamb

NOVA SCOTIA
Natural Resources

Lease No. 10-1

Form 15 - Lease
(pursuant to the *Mineral Resources Act*, S.N.S. 1990, c. 18, s. 58)

This Mineral Lease issued April 2, 2010

BY: HER MAJESTY THE QUEEN, in right of the PROVINCE OF NOVA SCOTIA, represented by the Minister of Natural Resources
(hereinafter called the "Lessor")

TO: SCOZINC LIMITED, a body corporate with registered office at 15601 Highway 224, Cooks Brook in the PROVINCE OF NOVA SCOTIA

(hereinafter called the "Lessee")

Subject to the payment of the rents and royalties herein reserved and compliance with the terms of this Lease, the Lessor hereby grants unto the Lessee, subject to the provisions of this Lease and the *Mineral Resources Act*, exclusive rights to ALL MINERALS, SAVING AND EXCEPTING Coal, potash, salt, and uranium, on the following claims in that certain area situated at or near Gays River in the County of Halifax, as outlined on the attached plan as shown in Schedule A and described as follows:

Claim(s)	**Tract(s)**	**Claim Reference Map**
NOP	5	11E03B
JKPQ	19	11E03B
BCDEFGKLMNOPQ	20	11E03B
DEKLMNOP	28	11E03B
ABCDFGHJKQ	29	11E03B

and which are also shown on the maps in the files of the Registrar, Department of Natural Resources, at Halifax, Nova Scotia and which comprise 615 hectares, more or less.

1. In this Lease, "Act" means the *Mineral Resources Act* and *Mineral Resources Regulations* as amended, or replacements thereof, and except where the context otherwise requires, words in this Lease have the same meaning as in the Act.

2. The term of this Lease is 20 years beginning on the date this Lease is issued, subject to compliance with the Act.

3. This Lease shall be renewed for a further 20 years upon application to the Minister within the 6 months immediately preceding the date of expiration of this Lease, provided that the Lessee is *bona fide* working the Lease and is in compliance with the Act and the provisions of this Lease.

4. The Lessee shall not enter upon or conduct any surface excavation, surface mining or other surface work upon any lands until the Lessee has obtained the consent of the landowner or tenant or a surface rights permit to enter upon or conduct the work.

5. The Lessee shall pay a yearly rental to the Registrar, as prescribed in Section 70 of the *Mineral Resources Regulations*, for each claim included under this Lease. The rental is payable yearly in advance, the first payment to be made on April 2nd after the date of this Lease, and thereafter on April 2nd in each year.

6. The Lessee shall pay a royalty to the Mine Assessor, as prescribed in Section 121 of the Act or Section 71 of the *Mineral Resources Regulations*, or at such other rate as shall from time to time be imposed by the Order of the Governor in Council.

7. The Lessee shall maintain a security for the performance of the proposed reclamation program in an amount and form prescribed in Section 77 of the *Mineral Resources Regulations*.

8. The Lessee shall file an annual report on mining operations in Form 16 on or before March 1 of each year of this Lease specifying all work performed on the area covered by this Lease during the previous calendar year.

9. The Lessee shall indemnify and save harmless the Lessor from any and all claims, demands, losses, damages, actions or other suits that may hereafter arise out of, or as a result of, any exploration, mining, milling or any other act or omission.

10. Unless this Lease is renewed pursuant to the Act, all rights under this Lease absolutely revert to the Lessor upon the surrender, abandonment, expiration or termination of this Lease for any reason whatsoever.

11. This Lease cannot be assigned or transferred in whole or part by the Lessee without the prior written consent of the Minister of Natural Resources.

12. Any notice pursuant to this Lease is valid if given in accordance with Sections 15 of the *Mineral Resources Regulations*, and addressed to the Lessee at Scozinc Limited 15601 Highway 224, Cooks Brook, Nova Scotia B0N 1Y0, Attention: Stacey Stone, and to the Lessor at the Department of Natural Resources, P.O. Box 698, Halifax, Nova Scotia, B3J 2T9, Attention: The Minister of Natural Resources.

13. The Lessee shall be registered to do business in Nova Scotia and must maintain the registration in good standing during the term of this Lease.

14. The provisions of this Lease are binding upon and endure to the benefit of the Lessee, its successors and permitted assigns, and will remain in full force until such time as the Lessee has fulfilled its obligations created under this Lease.

15. The Lessee shall provide the Registrar with written notification

    (a) whenever it is anticipated that production will be suspended for longer than 60 days;
    (b) immediately following a production suspension of longer than 60 days;
    (c) whenever it is anticipated that the Lessee will resume production.

16. The Lessee shall provide the Minister with 6 months notice in writing of the Lessee's intent to permanently terminate mining operations. If the Lessee is required, through no fault of the Lessee, to suddenly and permanently terminate mining operations, the Lessee, the legal representative of the Lessee or any creditor of the Lessee must immediately notify the Minister.

17. The Lessee shall hold and maintain in good standing all approvals required by the Nova Scotia Department of Environment and all permits required under all other applicable legislation.

18. Time is of the essence in this Lease.

19. If there is any inconsistency between any provisions of the Act and this Lease, the Act prevails over this Lease to the extent of the inconsistency.

Executed in the name of the Minister of Natural Resources on May 4, 2011, at Halifax, in the County of Halifax.

In the presence of

Barbara Hunt
Witness

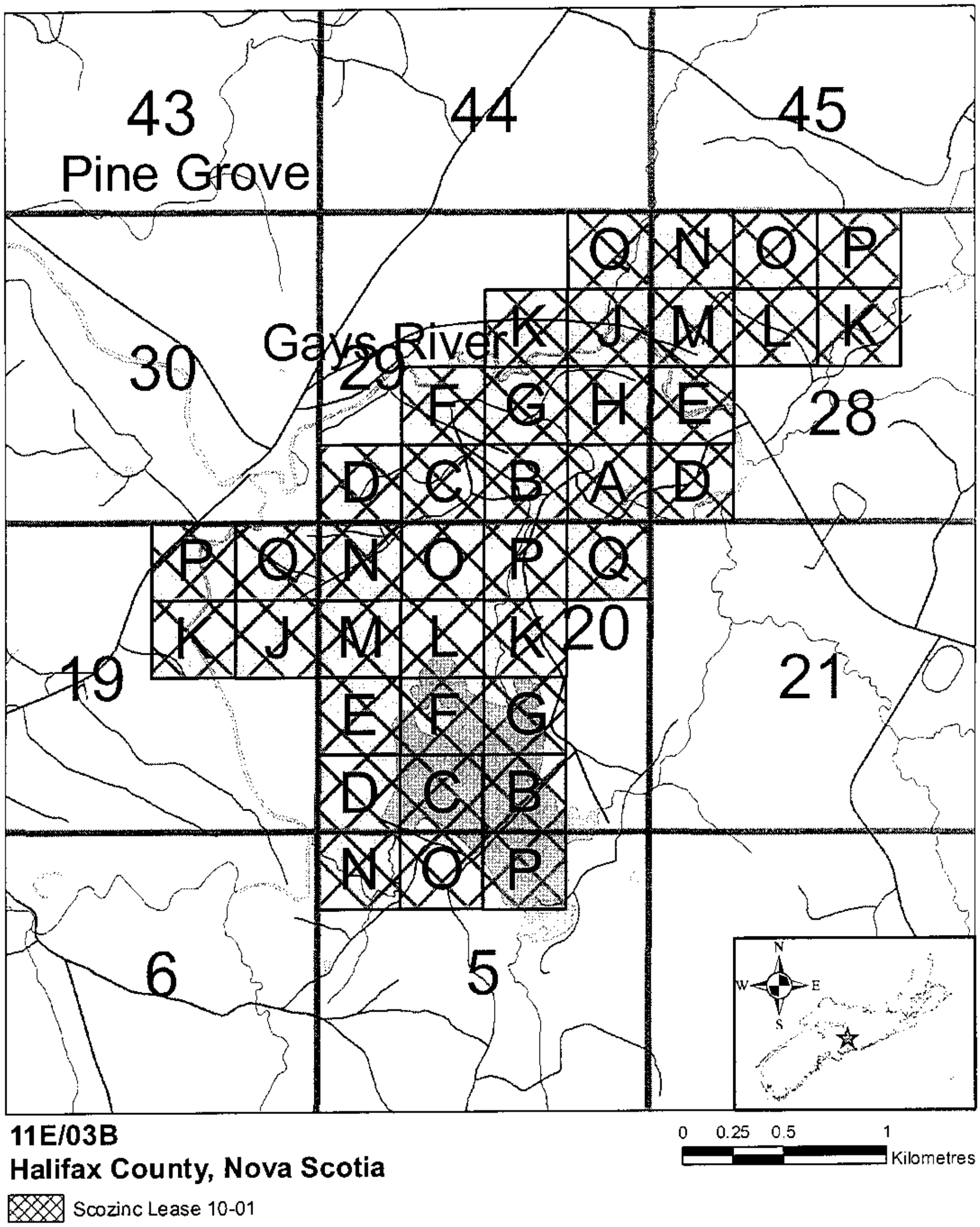
Charlie Parker
Minister of Natural Resources

(Seal)

Joan Fox
Witness

Stacey Stone
Lessee

Schedule A
Plan of Scozinc
Lease 10-1



NOVA SCOTIA
Natural Resources

PO Box 698
Halifax, Nova Scotia
B3J 2T9

902 424-7735 F
www.gov.ns.ca
~~73300-28/.05~~

By FAX : 902-425-6350

February 17, 2006

Ms. Barbara (Basia) H. Dzieranowska
McInnes Cooper Barristers & Solicitors
P.O. Box 730
Halifax, NS B3J 2V1

Dear Ms. Dzieranowska:

Re: Search of Title - Scozinc Limited

Mining Lease No. 90-1

Please accept this letter as confirmation that Registry records indicate that Mining Lease No. 90-1 is in good standing and issued to Scozinc Limited as at today's date. Specifically, Mining Lease No. 90-1 consists of the following thirty-eight (38) claims:

LEASE NUMBER	CLAIMS	TRACT	CLAIM REFERENCE MAP	ANNIVERSARY DATE
90-1	NOP JKPQ BCDE FGK LMNO PQ DEKL MNOP ABCD FGH JKQ	5 19 20 28 29	11E3B 11E3B 11E3B 11E3B 11E3B	Apr. 2/06

The following table outlines the chronology of title which resulted in the issuance of Lease No. 90-1. The beginning of title begins at the bottom of the table with the issuance of five (5) Prospector Licences. Only the claims that are currently held under lease 90-1 are listed.

Licence/ Lease Number	Claims	Tract	Claim Reference Map	Licensee	Date	Comments
L 90-1	NOP JKPQ BCDE FGK LMNO PQ DEKL MNOP ABCD FGH JKQ	5 19 20 28 29	11E3B 11E3B 11E3B 11E3B 11E3B	Scozinc Limited	Nov. 13, 2002	November 13, 2002 receipt of the Certificate of Name Change, dated November 5, 2002, confirming the name change from Pasminco Resources Canada Ltd. to Scozinc Limited. (Certificate of Name Change - RJSC Registry No. 3064626.)
				Pasminco Resources Canada Ltd.	March 20, 2002	March 20, 2002 receipt of Certificate of Amendment, dated March 4, 2002, confirming the name change from Pasminco Resources Canada Company to Pasminco Resources Canada Ltd. (Certificate of Amendment - RJSC Registry Number 3064626.)
				Pasminco Resources Canada Company	March 28, 2000	March 28, 2000 receipt of Certificate of Name Change, dated October 29, 1999, confirming the name change from Savage Resources Canada Company to Pasminco Canada Company. (Certificate of Name Change - RJSC Registry No. 3002877.)
				Savage Resources Canada Company	Dec. 23, 1996	Transfer of Lease No. 90-1 from WMC International Limited to Savage Resources Canada Company. (Transfer No. 4792 registered Dec. 23, 1996.)
				WMC International Limited	July 18, 1994	Receipt of notice of name change from Westminer Canada Limited to WMC International Limited.
				Westminer Canada Limited	Apr 2, 1990	Lease issued effective April 2, 1990. Issuance authorized by Order in Council No. 90-483.

Licence/ Lease Number	Claims	Tract	Claim Reference Map	Licensee	Date	Comments
DL 0092	NOP JKPQ	5 19	11E3B 11E3B	Seabright Resources Inc.	Sept. 25, 1985	Transfer of Development Licence Nos. 0092 & 0091 from Esso Resources Canada Limited to Seabright Resources Inc. (Transfer No. 4372 registered Sept. 25, 1985).
DL 0091	BCDE FGK LMNO PQ DEKL MNOP ABCD FGH JKQ	20 28 29	11E3B 11E3B 11E3B	Esso Resources Canada Limited	July 4, 1982	Development Licence Nos. 0092 & 0091 issued to Esso Resources Canada Limited effective July 4, 1982 to replace Mining Lease 78-3 which was surrender effective July 3, 1982.
L 78-3	NOP JKPQ BCDE FGK LMNO PQ DEKL MNOP ABCD FGH JKQ	5 19 20 28 29	11E3B 11E3B 11E3B 11E3B 11E3B	 Esso Resources Canada Limited Imperial Oil Limited	July 3, 1982 Feb. 14, 1979 July 4, 1978	Lease No. 78-3 surrendered July 3, 1982. Transfer of Lease No. 78-3 from Imperial Oil Limited to Esso Resources Canada Limited (Transfer No. 4032 registered February 14, 1979). Lease 78-3 issued effective July 4, 1978 as the result of the consolidation of Lease Nos. 78-1 & 78-2.
L 78-2	DEKL MNOP ABGH JKQ	28 29	11E3B 11E3B	Imperial Oil Limited	July 4, 1978	Lease Nos. 78-2 & 78-1 consolidated and recorded as Lease No. 78-3.
L 78-1	NOP JKPQ BCDE FGK LMNO PQ CDF	5 19 20 29	11E3B 11E3B 11E3B 11E3B			Lease Nos. 78-2 & 78-1 issued effective July 4, 1978.

3

Licence/ Lease Number	Claims	Tract	Claim Reference Map	Licensee	Date	Comments
DL 0039	DEKL MNOP ABGH JKQ	28 29	11E3B 11E3B	Imperial Oil Limited	Dec. 21, 1977	Transfer of *"all the right title and interest in and to"* Development Licence Nos 0039 & 0040 from Preuvier Mines Ltd. to Imperial Oil Limited. (Transfer No. 3972 registered December 21, 1977).
DL 0040	CDF NOP JKPQ BCDE FGK LMNO PQ	29 5 19 20	11E3B 11E3B 11E3B 11E3B	Imperial Oil Limited - Preuvier Mines Ltd.	July 4, 1977	Development Licence Nos. 0039 & 0040 issued to Imperial Oil Limited & Preuvier Mines Ltd. effective July 4, 1977.
EL 0052	DEKL MNOP ABCD FGH JKQ	28 29	11E3B 11E3B	Imperial Oil Limited - Preuvier Mines Ltd.	Jan 20, 1977	Transfer of Exploration Licence No. 0052 from Cuvier Mines Ltd. to Imperial Oil Limited (60% undivided interest) & Preuvier Mines Limited (40% undivided interest) by means of Transfer No. 3930 which was registered on January 20, 1977.
				Cuvier Mines Ltd.	July 2, 1975	Licence issued in its 4th year of issue to Cuvier Mines Ltd. effective July 2, 1975.

Licence/ Lease Number	Claims	Tract	Claim Reference Map	Licensee	Date	Comments
EL 0122	NOP JKPQ BCDE FGK LMNO PQ	5 19 20	11E3B 11E3B 11E3B	Imperial Oil Limited - Preuvier Mines Ltd.	Jan 20, 1977	Transfer of Exploration Licence No. 0122 from Cuvier Mines Ltd. to Imperial Oil Limited (60% undivided interest) & Preuvier Mines Limited (40% undivided interest) by means of Transfer No. 3930 which was registered on January 20, 1977.
				Cuvier Mines Ltd.	July 24, 1975	Licence issued in its 4th year of issue to Cuvier Mines Ltd. effective July 24, 1975.
New Mineral Resources Act in force June 1, 1975						
PL 4061	BCDE FGK LMNO PQ	20	11E3B	Cuvier Mines Ltd.	July 24, 1974	Prospector Licence Nos. 4061, 4058 & 4060 issued to Cuvier Mines Ltd. effective July 24, 1974.
PL 4058	NOP	5	11E3B			
PL 4060	JKPQ	19	11E3B			
PL 3190	ABCD FGH JKQ	29	11E3B	Cuvier Mines Ltd.	May 22, 1974	Prospector Licence Nos. 3190 & 3191 issued to Cuvier Mines Ltd. effective May 22, 1974.
PL 3191	DEKL MNOP	28	11E3B			
PL 10161	BCDE FGK LMNO PQ	20	11E3B	Cuvier Mines Ltd	July 24, 1973	Prospector Licence Nos. 10161, 10158 & 10160 issued to Cuvier Mines Ltd. effective July 24, 1973.
PL 10158	NOP	5	11E3B			
PL 10160	JKPQ	19	11E3B			
PL 9112	ABCD FGH JKQ	29	11E3B	Cuvier Mines Ltd	May 22, 1973	Prospector Licence Nos. 9122 & 9113 issued to Cuvier Mines Ltd. effective May 22, 1973.
PL 9113	DEKL MNOP	28	11E3B			

Licence/ Lease Number	Claims	Tract	Claim Reference Map	Licensee	Date	Comments
PL 6573	BCDE FGK LMNO PQ	20	11E3B	Cuvier Mines Ltd J. H. Morgan	 July 24, 1972	Transfer of Prospector Licence Nos. 6573, 6566 & 6574 from J. H. Morgan to Cuvier Mines Ltd. (Transfer No. 3649). Prospector Licence Nos. 6573, 6566 & 6574 issued to J. H. Morgan effective July 24, 1972.
PL 6566	NOP	5	11E3B			
PL 6574	JKPQ	19	11E3B			
PL 6044	ABCD FGH JKQ	29	11E3B	Cuvier Mines Ltd. Avard Hudgins	 May 13, 1972	Transfer of Prospector Licence Nos. 6044 & 6043 from Avard Hudgins to Cuvier Mines Ltd. (Transfer No. 3641). Prospector Licence Nos. 6044 & 6043 issued to Avard Hudgins effective May 13, 1972.
PL 6043	DEKL MNOP	28	11E3B			

EL - Exploration Licence
DL - Development Licence
PL - Prospector Licence
L - Lease

RJSC - Registry of Joint Stock Companies

A review of the Registry Agreement Ledger for documents recorded on Mining Lease No. 90-1 and prior mineral titles, as outlined in the above chronology, and in the name of the current and previous title holders, indicates that the following documents have been recorded as agreements:

Agreement Number	Date	Parties to the Agreement	Comments
788	May 29, 1973 *(Date Received)*	Cuvier Mines Limited Lura Corporation Imperial Oil Limited	Agreement dated 1st November 1972
792	June 26, 1973 *(Date of Letter)*	Imperial Oil Limited	Letter of Incorporation

Agreement Number	Date	Parties to the Agreement	Comments
793	May 29, 1973 *(Date Received)*	Cuvier Mines Limited Lura Corporation Imperial Oil Limited	Agreement dated 1st November 1972
846	Feb 1, 1976 *(Agreement Date)*	Cuvier Mines Ltd. Preussag Canada Limited	
847	Feb 1, 1976 *(Agreement Date)*	R.P. Mills J.H. Morgan Preussag Canada Limited	Financing Agreement
848	Feb 1, 1976 *(Agreement Date)*	Cuvier Mines Ltd. Preussag Canada Limited	Preuvier Shareholders Agreement
849	Feb 1, 1976 *(Agreement Date)*	Cuvier Mines Ltd. Preuvier Mines Limited	
850	Feb 1, 1976 *(Agreement Date)*	Cuvier Mines Ltd. Preussag Canada Limited	Joint Venture Agreement
860	Dec 15, 1976 (Date Registered)	Preuvier Mines Limited Montreal Trust Company	Agreement dated March 15, 1976 Trust Indenture
883	Nov 15, 1977 *(Date Registered)*	Cuvier Mines Ltd. Preuvier Mines Limited Imperial Oil Limited	Agreement dated Sept 30, 1977
884	Nov 15, 1977 *(Date Registered)*	Cuvier Mines Ltd. Preuvier Mines Limited Preussag Canada Limited	Agreement dated Sept 30, 1977
885	*Dec 15, 1977 (Date Registered)*	Preuvier Mines Limited Montreal Trust Company	Release of Trust Indenture
892	Feb 1, 1978 *(Date of Letter)*	Esso Minerals Division of Imperial Oil Limited	Gays River Project
1279	Aug 3, 1982 *(Date of Agreement)*	Mosher Limestone Company Limited Esso Resources Canada Limited	
A0191	Oct 19, 2001 *(Date Registered)*	Pasminco Resources Canada Company Regal Consolidated Ventures Limited	Agreement dated Sep 20, 2001

The above review of the Registry's Agreement Index also included the following two (2) agreements that referenced a former title holder. No reference to a mineral right could be determined as at the time of the search.

Agreement Number	Parties to the Agreement	Comments
1277	Seabright Resources Inc.	Agreements & Letters of Intent
1320	Seabright Resources Inc. Tri-Explorations Inc.	

Exploration Licence No. 06268

Registry records indicate that Exploration Licence No. 06268 is in good standing and issued to Scozinc Limited as at today's date. Specifically, Exploration Licence No. 06268 consists of the following twenty-eight (28) claims:

LICENCE NUMBER	CLAIMS	TRACT	CLAIM REFERENCE MAP	ANNIVERSARY DATE
06268	ABCD EFGH LMN ABC EFGH DE JKLM NOPQ	19 18 7	11E3B 11E3B 11E3B	May 2/06

The following table outlines the chronology of title which resulted in the issuance of 06268. The beginning of title starts at the bottom of the table with the issuance of four (4) Exploration Licences. Only the claims that are currently held under exploration licence no. 06268 are listed.

Licence Number	Claims	Tract	Claim Reference Map	Licensee	Date	Comments
06268	ABCD EFGH LMN ABC EFGH DE JKLM NOPQ	19 18 7	11E3B 11E3B 11E3B	Scozinc Limited	May 2, 2005	Exploration Licence No. 06268 issued in its 9th year of issue to Scozinc Limited effective May 2, 2005. Exploration Licence No 06268 replaced Exploration Licence No. 06166.

Licence Number	Claims	Tract	Claim Reference Map	Licensee	Date	Comments
06166	ABCD EFGH LMN ABC EFGH DE JKLM NOPQ	19 18 7	11E3B 11E3B 11E3B	Scozinc Limited	May 2, 2004	Exploration Licence No. 06166 issued in its 8th year of issue to Scozinc Limited effective May 2, 2005. Exploration Licence No. 06166 was issued as the result of the regrouping of Exploration Licence Nos. 04727, 02684, 04460 & 06165.
04727	DE JKLM NOPQ ABC EFGH	7 18	11E3B 11E3B	Scozinc Limited	Sept 28, 2004	Exploration Licence No. 04727 transferred from Alex C. Thomson to Scozinc Limited. Transfer No. 4926 registered September 28, 2004.
				Alex C. Thomson	Oct 25, 2001	Exploration Licence No. 04727 issued to Alex C. Thomson effective October 25, 2001.

Licence Number	Claims	Tract	Claim Reference Map	Licensee	Date	Comments
02684	AB FGH	19	11E3B	Scozinc Limited	Nov. 13, 2002	November 13, 2002 receipt of the Certificate of Name Change, dated November 5, 2002, confirming the name change from Pasminco Resources Canada Ltd. to Scozinc Limited. (Certificate of Name Change - RJSC Registry No. 3064626.)
				Pasminco Resources Canada Ltd.	March 20, 2002	March 20, 2002 receipt of Certificate of Amendment, dated March 4, 2002, confirming the name change from Pasminco Resources Canada Company to Pasminco Resources Canada Ltd. (Certificate of Amendment - RJSC Registry Number 3064626.)
				Pasminco Resources Canada Company	March 28, 2000	March 28, 2000 receipt of Certificate of Name Change, dated October 29, 1999, confirming the name change from Savage Resources Canada Company to Pasminco Canada Company. (Certificate of Name Change - RJSC Registry No. 3002877.)
				Savage Resources Canada Company	Nov 11, 1999	Exploration Licence No. 04727 transferred from Michael P. Cullen to Savage Resources Canada Company. Transfer No. 4855 registered November 1, 1999.
				Michael P. Cullen	Nov 5, 1996	Exploration Licence No. 02684 issued to Michael P. Cullen effective November 5, 1996.

Licence Number	Claims	Tract	Claim Reference Map	Licensee	Date	Comments
04460	CDE	19	11E3B	Scozinc Limited	Sept 28, 2004	Exploration Licence No. 04460 transferred from Alex C. Thomson to Scozinc Limited. Transfer No. 4926 registered September 28, 2004.
				Alex C. Thomson	Nov. 10, 2000	Exploration Licence No. 04460 issued to Alex C. Thomson effective November 10, 2000.
06165	LMN	19	11E3B	Scozinc Limited	Sept 28, 2004	Exploration Licence No. 06165 issued to Scozinc Limited effective Sept 28, 2004.

Exploration Licence No. 06304

Registry records indicate that Exploration Licence No. 06304 is in good standing and issued to Scozinc Limited as at today's date. Specifically, Exploration Licence No. 06304 consists of the following one (1) claim:

LICENCE NUMBER	CLAIMS	TRACT	CLAIM REFERENCE MAP	ANNIVERSARY DATE
06304	E	29	11E3B	Oct 13/06

The following table outlines the chronology of title which resulted in the issuance of 06304. The beginning of title starts at the bottom of the table with the issuance of Exploration Licence No. 05743.

Licence Number	Claims	Tract	Claim Reference Map	Licensee	Date	Comments
06304	E	29	11E3B	Scozinc Limited	Oct 13, 2005	Exploration Licence No. 06304 issued in its 2nd year of issue to Scozinc Limited effective Oct 13 2, 2005. Exploration Licence No 06304 replaced Exploration Licence No. 05743.
05743	E	29	11E3B	Scozinc Limited	Oct 13, 2004	Exploration Licence No. 05743 issued to Scozinc Limited effective Oct 13 2, 2004.

Exploration Licence No. 06303

Registry records indicate that Exploration Licence No. 06303 is in good standing and issued to Scozinc Limited as at today's date. Specifically, Exploration Licence No. 06303 consists of the following five (5) claim:

LICENCE NUMBER	CLAIMS	TRACT	CLAIM REFERENCE MAP	ANNIVERSARY DATE
06303	LMNOP	29	11E3B	Oct 25/06

The following table outlines the chronology of title which resulted in the issuance of 06303. The beginning of title starts at the bottom of the table with the issuance of Exploration Licence No. 04728.

Licence Number	Claims	Tract	Claim Reference Map	Licensee	Date	Comments
06303	LMNOP	29	11E3B	Scozinc Limited	Oct 25, 2005	Exploration Licence No. 06303 issued in its 5th year of issue to Scozinc Limited effective Oct 25 2, 2005. Exploration Licence No 06303 replaced Exploration Licence No. 04728.
04728	LMNOP	29	11E3B	Scozinc Limited	Sept 28, 2004	Exploration Licence No. 04728 transferred from Alex C. Thomson to Scozinc Limited. Transfer No. 4926 registered September 28, 2004.
				Alex C. Thomson	Oct 25, 2001	Exploration Licence No. 04728 issued to Alex C. Thomson effective Oct 25, 2001.

Exploration Licence No. 05851

Registry records indicate that Exploration Licence No. 05851 is in good standing and issued to Scozinc Limited as at today's date. Specifically, Exploration Licence No. 05851 consists of the following fifteen (15) claims:

LICENCE NUMBER	CLAIMS	TRACT	CLAIM REFERENCE MAP	ANNIVERSARY DATE
05851	FGH JKL OPQ EFG KLM	45 46	11E3B 11E3B	Nov 5/06

The following table outlines the chronology of title which resulted in the issuance of 05851. The beginning of title starts at the bottom of the table with the issuance of Exploration Licence No. 02689.

Licence Number	Claims	Tract	Claim Reference Map	Licensee	Date	Comments
05851	FGH JKL OPQ EFG KLM	45 46	11E3B 11E3B	Scozinc Limited	Nov 5, 2004	Exploration Licence No. 05851 issued in its 10th year of issue to Scozinc Limited effective Nov 5 , 2004. Exploration Licence No 05851 replaced Exploration Licence No. 02689.

Licence Number	Claims	Tract	Claim Reference Map	Licensee	Date	Comments
02689	FGH JKL OPQ EFG KLM	45 46	11E3B 11E3B	Scozinc Limited	Nov. 13, 2002	November 13, 2002 receipt of the Certificate of Name Change, dated November 5, 2002, confirming the name change from Pasminco Resources Canada Ltd. to Scozinc Limited. (Certificate of Name Change - RJSC Registry No. 3064626.)
				Pasminco Resources Canada Ltd.	March 20, 2002	March 20, 2002 receipt of Certificate of Amendment, dated March 4, 2002, confirming the name change from Pasminco Resources Canada Company to Pasminco Resources Canada Ltd. (Certificate of Amendment - RJSC Registry Number 3064626.)
				Pasminco Resources Canada Company	March 28, 2000	March 28, 2000 receipt of Certificate of Name Change, dated October 29, 1999, confirming the name change from Savage Resources Canada Company to Pasminco Canada Company. (Certificate of Name Change - RJSC Registry No. 3002877.)
				Savage Resources Canada Company	Nov 1, 1999	Exploration Licence No. 04727 transferred from Michael P. Cullen to Savage Resources Canada Company. Transfer No. 4855 registered November 1, 1999.
				Michael P. Cullen	Nov 5, 1996	Exploration Licence No. 02689 issued to Michael P. Cullen effective Nov 5, 1996.

Exploration Licence No. 05792

Registry records indicate that Exploration Licence No. 05792 is in goodstanding and issued to Scozinc Limited as at today's date. Specifically, Exploration Licence No. 05792 consists of the following forty-two(42) claims:

LICENCE NUMBER	CLAIMS	TRACT	CLAIM REFERENCE MAP	ANNIVERSARY DATE
05792	DE MN ABCD EFGH JKLM NOPQ EF LM NO ABCD EFGH JKLM NOPQ	42 41 32 33	11E3B 11E3B 11E3B 11E3B	Jan 20/06

The following table outlines the chronology of title for Exploration Licence No. 05792.

Licence Number	Claims	Tract	Claim Reference Map	Licensee	Date	Comments
05792	DE MN ABCD EFGH JKLM NOPQ EF LM NO ABCD EFGH JKLM NOPQ	42 41 32 33	11E3B 11E3B 11E3B 11E3B	Scozinc Limited	Jan 20, 2005	Exploration Licence No. 05792 issued to Scozinc Limited effective Jan 20, 2005.

A review of the Registry Agreement Ledger for documents recorded on Exploration Licence Nos. 06268, 06304, 06303, 05851 & 05792 and prior mineral titles, as outlined in the above five chronologies, and in the name of the current and previous title holders, indicates that the following documents have been recorded as agreements:

Agreement Number	Date	Parties to the Agreement	Comments
A0191	Oct 19, 2001 *(Date Registered)*	Pasminco Resources Canada Company Regal Consolidated Ventures Limited	Agreement dated Sep 20, 2001 L 90-1 EL 02684, 02689
S0224	Jul 20, 2004 *(Date Received)*	Alex C. Thomson Scozinc Ltd.	EL 04727, 04460

Agreement Number	Date	Parties to the Agreement	Comments
A0228	Oct 8, 2004 *(Date Received)*	Alex C. Thomson Scozinc Ltd.	Document dated Oct 1, 2002 EL 04727, 04460
A - Agreement S - Summary of Agreement			L - Lease EL - Exploration Licence

If you have any questions please do not hesitate to get in contact with me at (902) 424-8156. I remain,

Yours truly,

Andrew Wenning
Assistant Registrar of
Mineral & Petroleum Titles

AW/

Encl. Invoice

Appendix 3: Real property titles and lease agreements.

TITLE SEARCH SUMMARY CHART
LANDS OF SCOZINC LIMITED AT MARCH 2006

HALIFAX COUNTY PARCELS

Our Parcel Number	PID	Description	Encumbrances/Comments
1	369363	No. 277 Hwy. (No Lot Number)	(1) 30 Year Lease to Gallant Aggregates Ltd. Commencing May 15, 2003.
2	522623	No. 224 Hwy. (No Lot Number)	(1) Subject to Gallant Lease
3	40227936	No. 224 Hwy. Lot T & T1	(1) Subject to Gallant Lease; (2) Lot T1 is separated from Lot T by Hwy. 224; (3) Lot T is situated in both Halifax County and Colchester County (2 pids) (4) Last Subdivision Plan on file approved consolidation of Lots T and G to form TG, however, Lot G not owned by Scozinc and has own PID.
4	40227951	No. 224 Hwy. Lot B-2	Subject to Gallant Lease
5	40227969	No. 224 Hwy. Lot B-3	Subject to Gallant Lease
6	40227985	No. 224 Hwy. Lot B-4	Subject to Gallant Lease
7	40290256	No. 224 Hwy. Lot A-4	(1) Subject to Gallant Lease; (2) Subject to Possible Old Road Easement in favour of Crown – No longer signs of Road in 1976, but still appears in desc.
8	40290264	15601 Hwy. 224 Lot B&C-2	(1) Subject to Gallant Lease; (2) Consolidated Description Req'd as parcel is still described using 2 descriptions.
9	40291452	No. 224 Hwy. Lots A, A1, A2, A3	(1) Subject to Gallant Lease; (2) Consolidated Description Req'd as parcel is still described using 4 descriptions.
10	40292559	No. 224 Hwy. Lot T-2	(1) Subject to Gallant Lease; (2) Similar to parcel 3, Lot T-2 is situated in both Halifax and Colchester County (2 pids).
11	40312092	No. 227 Hwy.	Subject to Gallant Lease

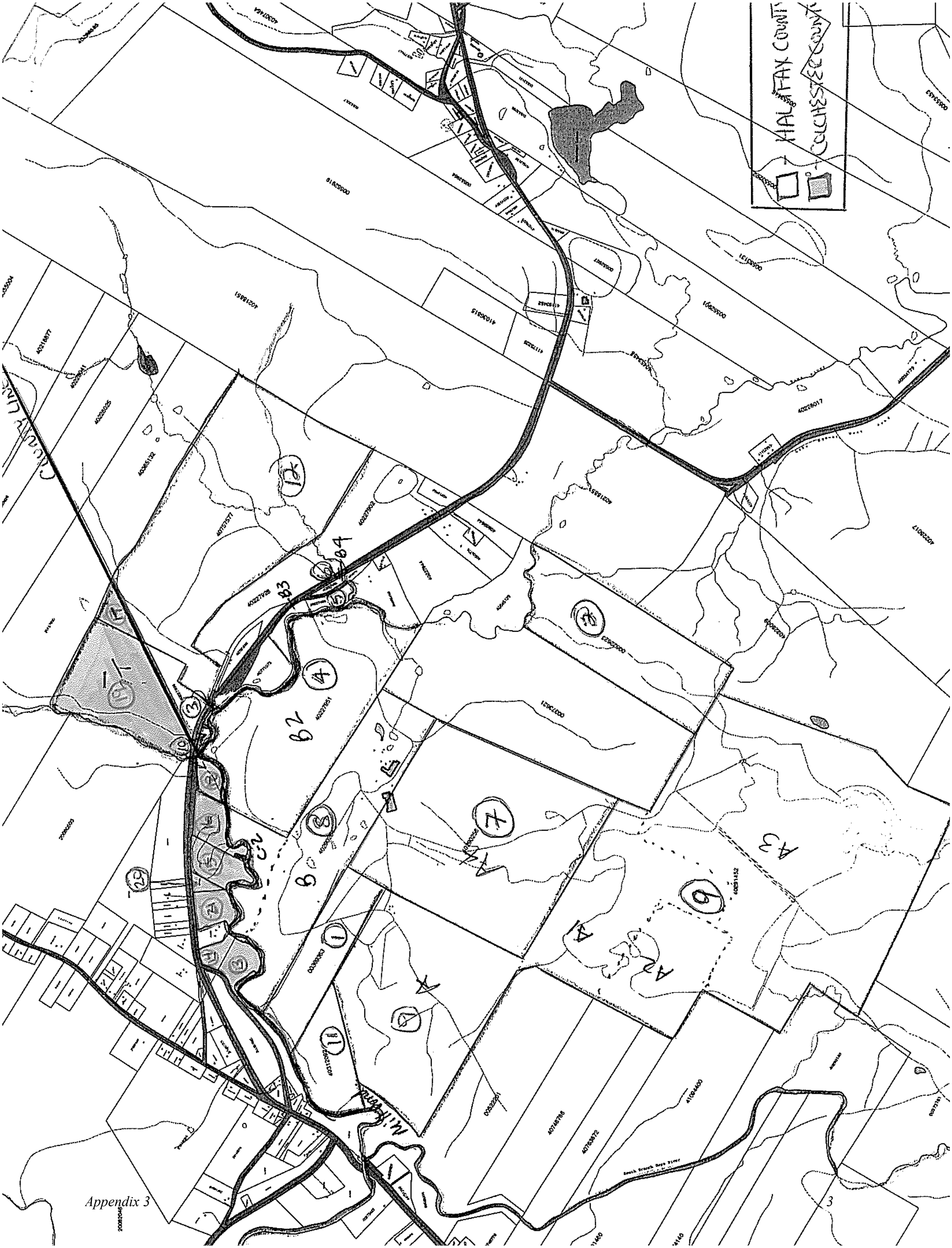
		(No Lot Number)	
12	40757577	No. 224 Hwy. Lot 89-1	(1) Subject to Gallant Lease; (2) Together With and Subject To Easement for Road Crossing Lot; (3) Lot 89-1 is situated in both Halifax and Colchester County (2 pids).

COLCHESTER COUNTY PARCELS

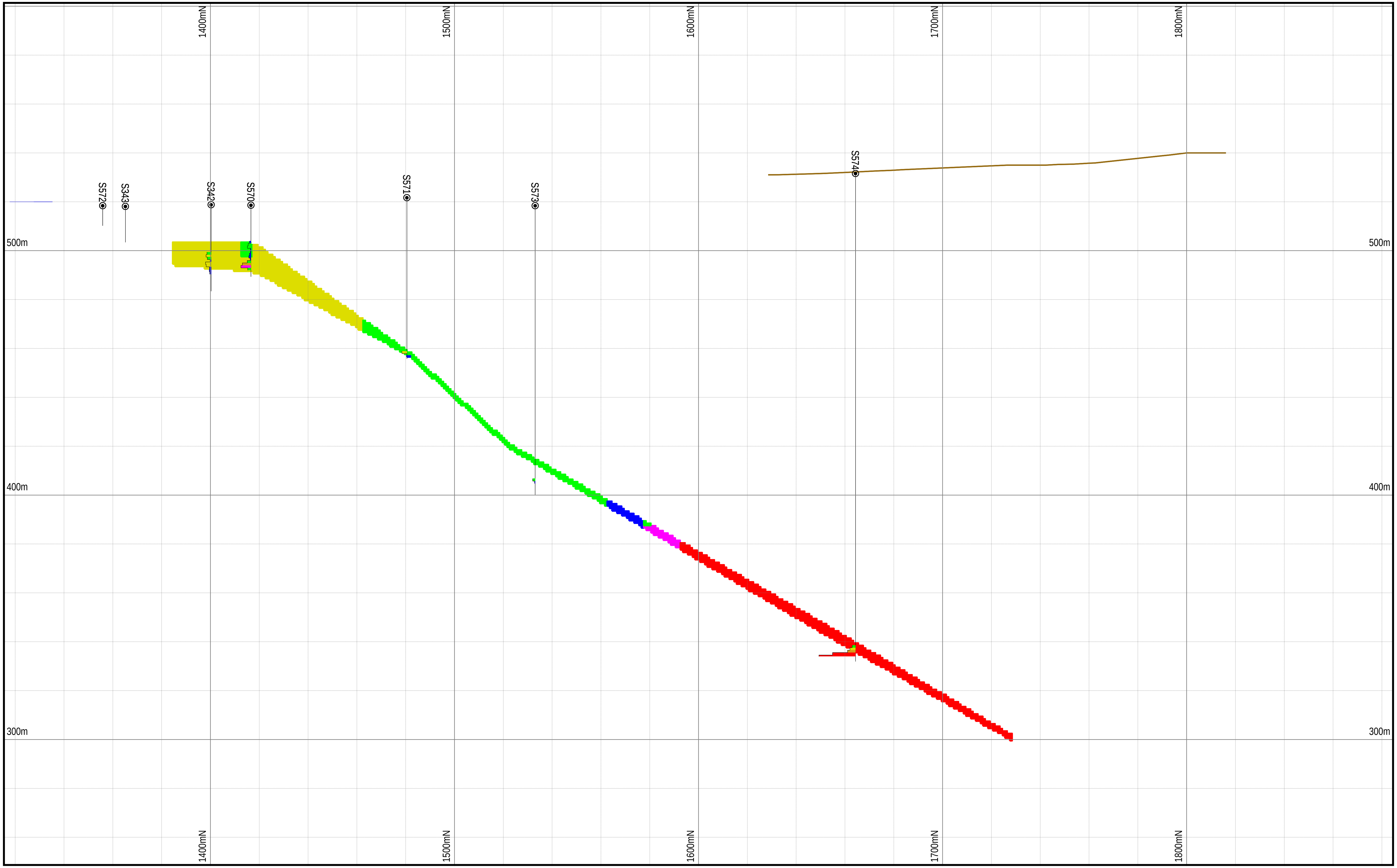
Our Parcel Number	**PID**	**Description**	**Encumbrances/Comments**
13	20158176	No. 224 Hwy. (No Lot Number)	NIL
14	20416384	No. 224 Hwy. (No Lot Number)	NIL
15	20080529	No. 224 Hwy. Lot C-1	Subject to 99 Year Sand Removal Lease in favour of Nora Recreation Development Company Limited, commencing Jan. 1, 1986.
16	20080511	No. 224 Hwy.	Subject to Sand Lease
17	20223400	No. 224 Hwy. Lot 89-1	Same as Parcel 12 – this is the Colchester County portion of the same lot.
18	20223418	No. 224 Hwy. Lot T-2	(1) Same as Parcel 10 – this is the Colchester County portion of the same lot; (2) Subject to Sand Lease.
19	20080495	No. 224 Hwy. Lot T	(1) Same of Parcel 3 – this is the Colchester County portion of Lot T; (2) Subject to Sand Lease.
20	20313250	No. 224 Hwy. Lot 3	Subject to Sand Lease
21	20158184	No. 224 Hwy.	NIL

Note: Our Colchester Title Searcher failed to find any record of the Gallant Lease against the Colchester parcels. Similarly, our Halifax Title Searcher failed to find any record of the Sand Lease against the Halifax parcels. There is also a Mortgage and Debenture that affected many of these parcels, both of which were released by a document recorded in both counties despite the wording of the document only referring to one of the counties. In summary, the fact that the parcels overlap both counties has caused some confusion in the past. Any future documents to be recorded against the properties should be sent to both county registries.

** Please see attached map for overview of the parcels and their locations.


HALIFAX COUNTY
COLCHESTER COUNTY

Appendix 4: Cross-sections, Northeast Zone



MineTech International Limited
Halifax, Canada
1161 Hollis St, Suite 211, B3P 2A3
(902) 429-4049
www.minetechint.com

Block Grades (%Zn-Eq):

0 to 1	3 to 4
1 to 2	4 to 5
2 to 3	>= 5

Notes:
1. Site grid.
2. Data rotated 30 deg CW about site grid origin.
3. 1% Lead = 1.5% Zinc

Hole Collars:

Historical Hole

"Newer" Hole

Scale
1 : 1500

Plot Date
05-May-2011

Drawn by:
Doug Roy, M.A.Sc., P.Eng.

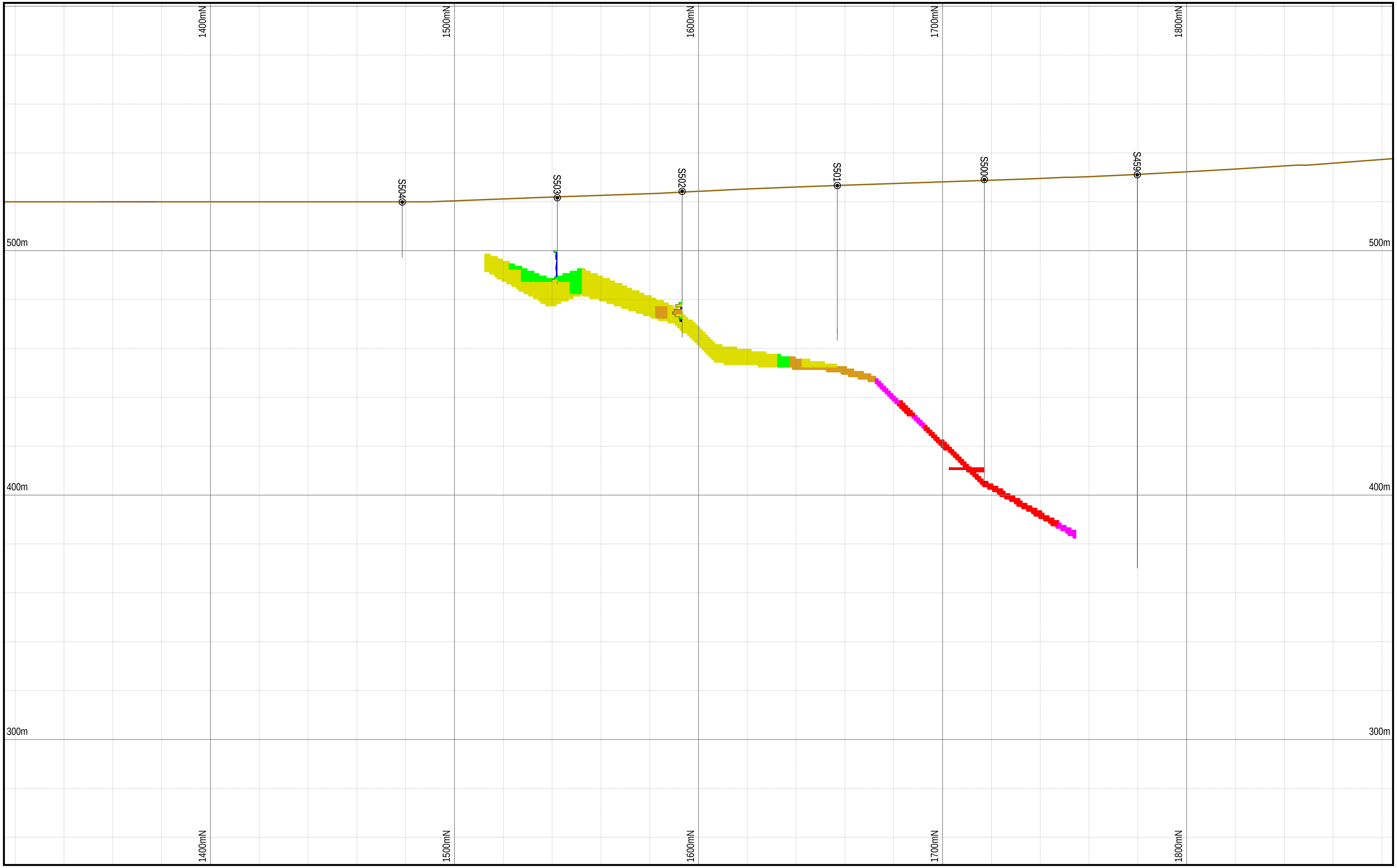
Plot File: 12850E

20 0 20m

Northeast Zone Cross-Section 12850E

SELWYN RESOURCES LTD.

Scotia Mine
Gays River, Nova Scotia



MineTech International Limited
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(902) 429-4049
www.minetechint.com

Block Grades (%Zn-Eq):
0 to 1
1 to 2
2 to 3
3 to 4
4 to 5
>= 5

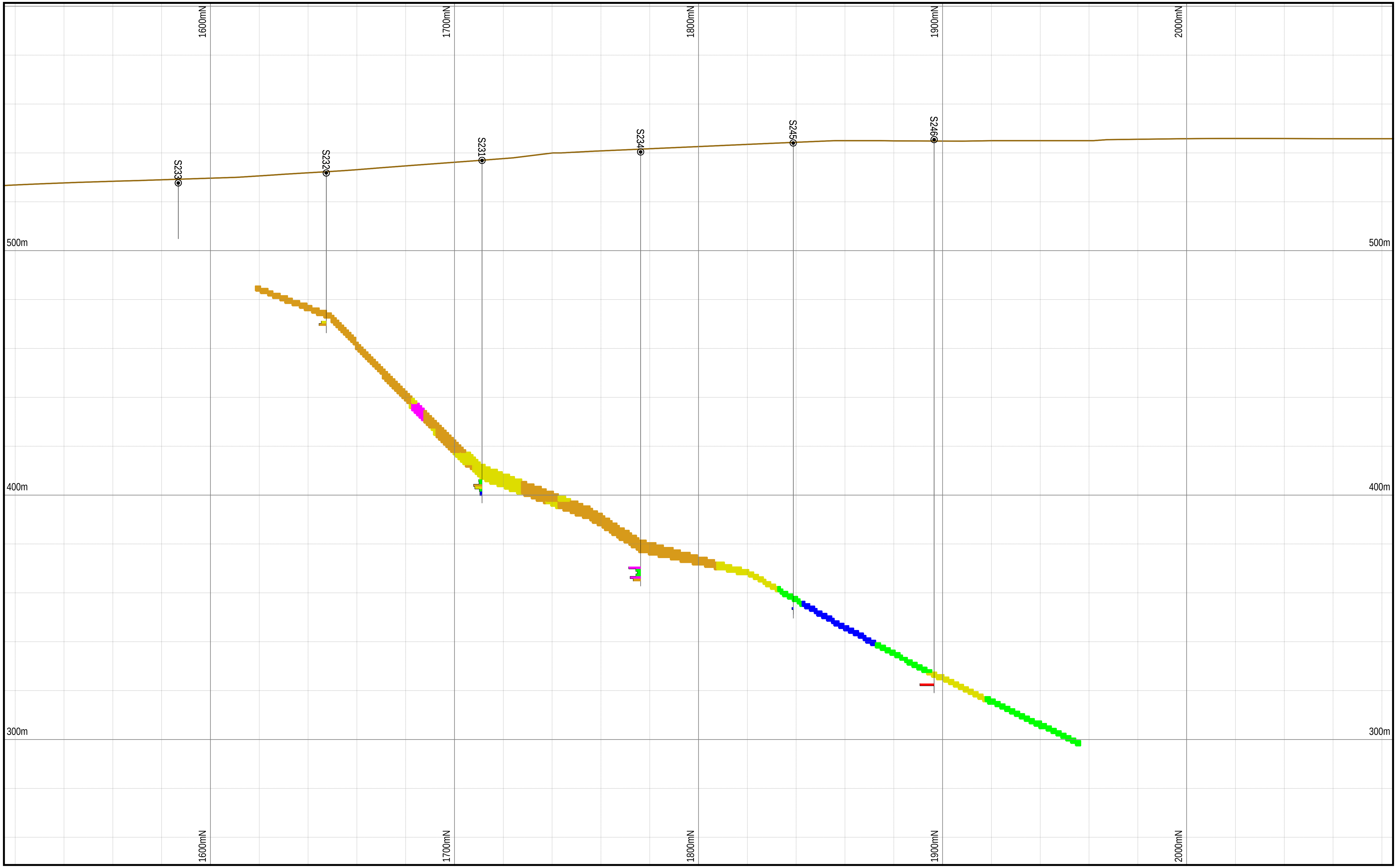
Notes:
1. Site grid.
2. Data rotated 30 deg CW about site grid origin.
3. 1% Lead = 1.5% Zinc

Hole Collars:
Historical Hole
"Newer" Hole

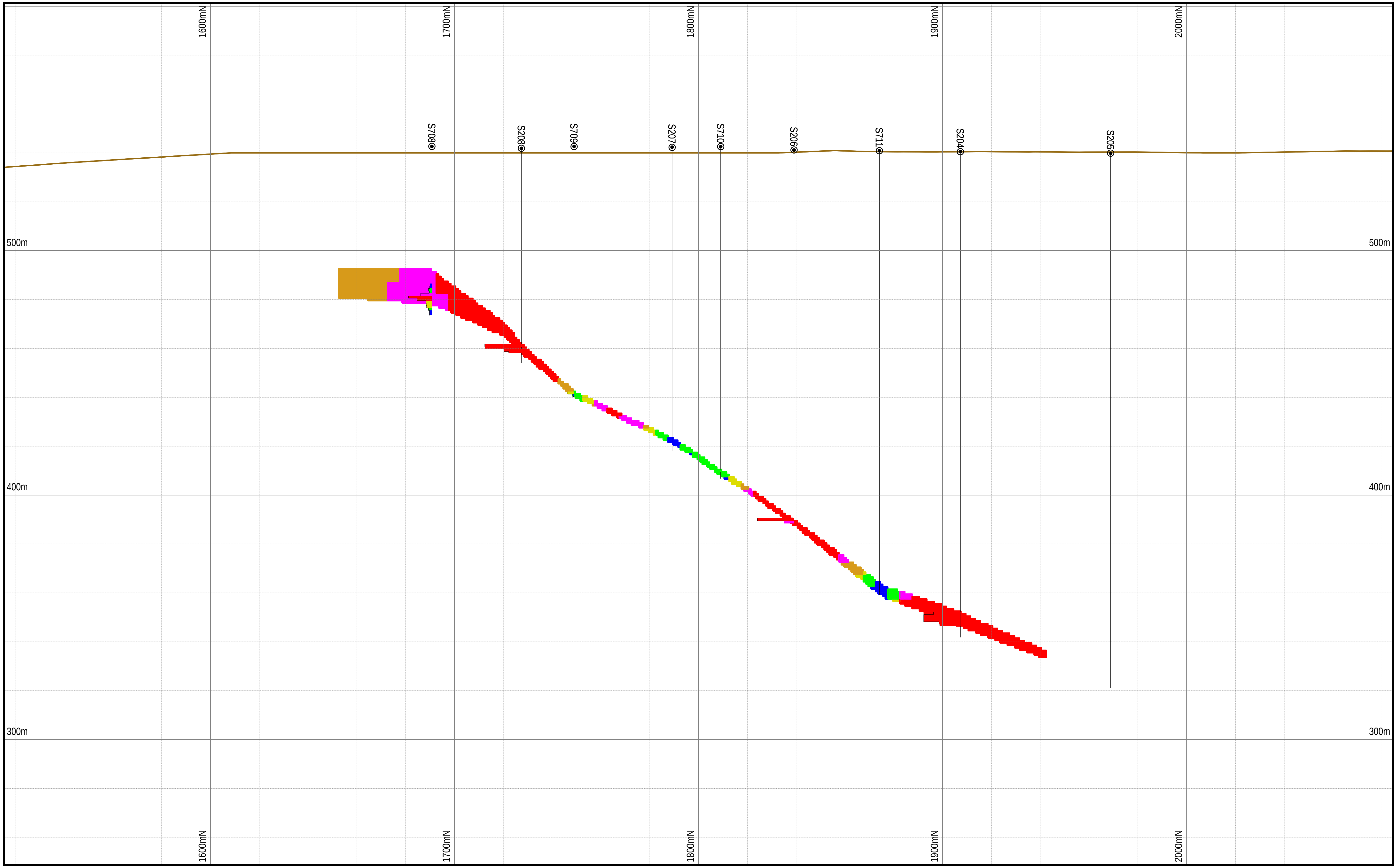
Scale 1 : 1500
Plot Date 05-May-2011
Drawn by: Doug Roy, M.A.Sc., P.Eng.
Plot File: 12600E
20 0 20m

Northeast Zone Cross-Section 12600E

SELWYN RESOURCES LTD.
Scotia Mine
Gays River, Nova Scotia



MINETECH INTERNATIONAL LIMITED HALIFAX, CANADA 1161 HOLLIS ST, SUITE 211, B3P 2A3 (902) 429-4049 WWW.MINETECHINT.COM	Block Grades (%Zn-Eq): 0 to 1 1 to 2 2 to 3 3 to 4 4 to 5 >= 5	Notes: 1. Site grid. 2. Data rotated 30 deg CW about site grid origin. 3. 1% Lead = 1.5% Zinc	Hole Collars: Historical Hole "Newer" Hole	Scale 1 : 1500 Plot Date 05-May-2011 Drawn by: Doug Roy, M.A.Sc., P.Eng. Plot File: 12400E 20 0 20m	**Northeast Zone Cross-Section 12400E**	SELWYN RESOURCES LTD. Scotia Mine Gays River, Nova Scotia



MINETECH INTERNATIONAL LIMITED
HALIFAX, CANADA
1161 HOLLIS ST, SUITE 211, B3P 2A3
(902) 429-4049
WWW.MINETECHINT.COM

Block Grades (%Zn-Eq):

- 0 to 1
- 1 to 2
- 2 to 3
- 3 to 4
- 4 to 5
- >= 5

Notes:
1. Site grid.
2. Data rotated 30 deg CW about site grid origin.
3. 1% Lead = 1.5% Zinc

Hole Collars:

Historical Hole

"Newer" Hole

Scale
1 : 1500

Plot Date
05-May-2011

Drawn by:
Doug Roy, M.A.Sc., P.Eng.

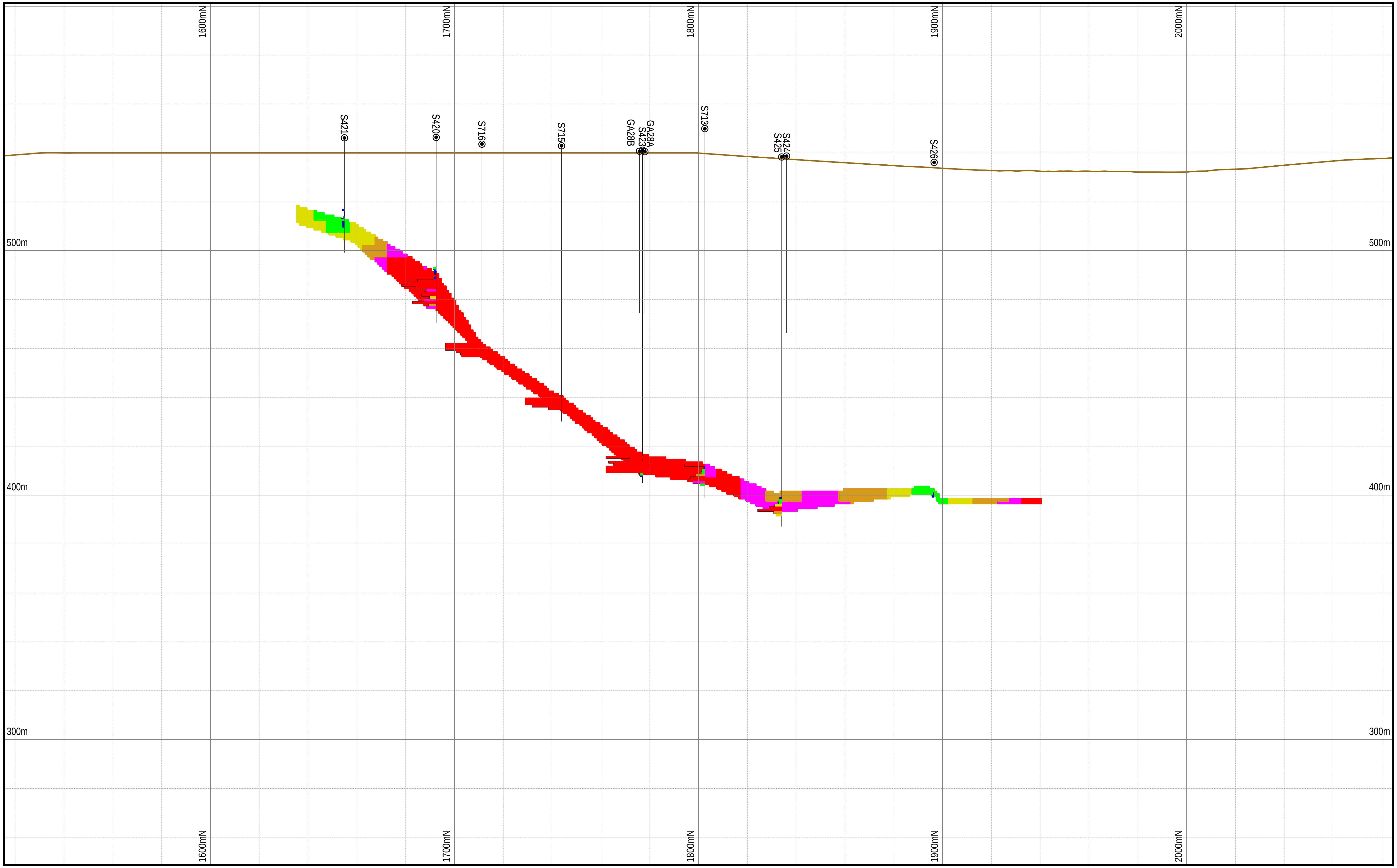
Plot File: 12300E

20 0 20m

Northeast Zone
Cross-Section
12300E

SELWYN RESOURCES LTD.

Scotia Mine
Gays River, Nova Scotia



MineTech International Limited
Halifax, Canada
1161 Hollis St, Suite 211, B3P 2A3
(902) 429-4049
www.minetechint.com

Block Grades (%Zn-Eq):

- 0 to 1
- 1 to 2
- 2 to 3
- 3 to 4
- 4 to 5
- >= 5

Notes:
1. Site grid.
2. Data rotated 30 deg CW about site grid origin.
3. 1% Lead = 1.5% Zinc

Hole Collars:

Historical Hole

"Newer" Hole

Scale 1 : 1500

Plot Date 05-May-2011

Drawn by: Doug Roy, M.A.Sc., P.Eng.

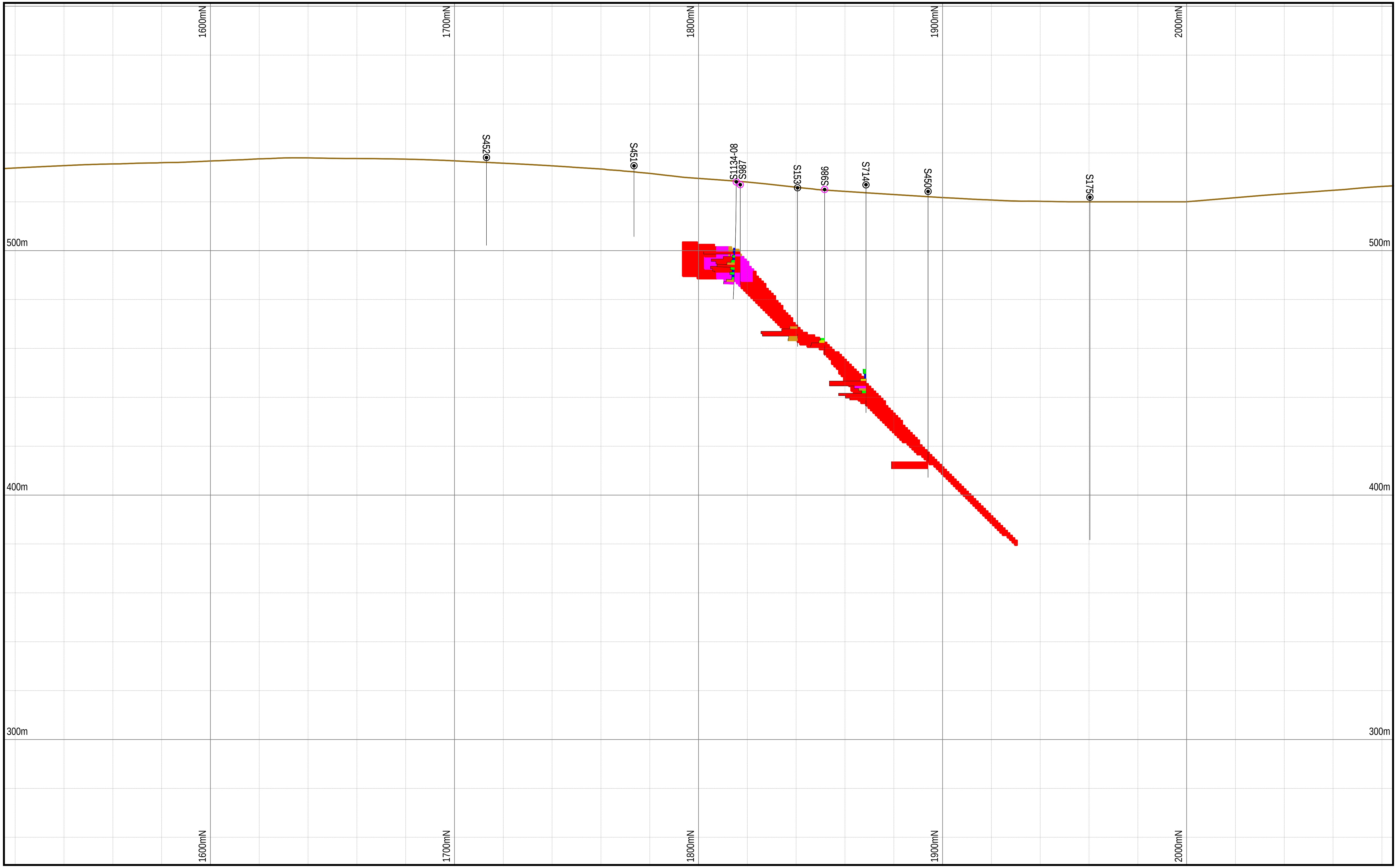
Plot File: 12225E

20 0 20m

Northeast Zone Cross-Section 12225E

SELWYN RESOURCES LTD.

Scotia Mine
Gays River, Nova Scotia



MINETECH INTERNATIONAL LIMITED
HALIFAX, CANADA
1161 HOLLIS ST, SUITE 211, B3P 2A3
(902) 429-4049
WWW.MINETECHINT.COM

Block Grades (%Zn-Eq):

0 to 1	3 to 4
1 to 2	4 to 5
2 to 3	>= 5

Notes:
1. Site grid.
2. Data rotated 30 deg CW about site grid origin.
3. 1% Lead = 1.5% Zinc

Hole Collars:

Historical Hole

"Newer" Hole

Scale
1 : 1500

Plot Date
05-May-2011

Drawn by:
Doug Roy, M.A.Sc., P.Eng.

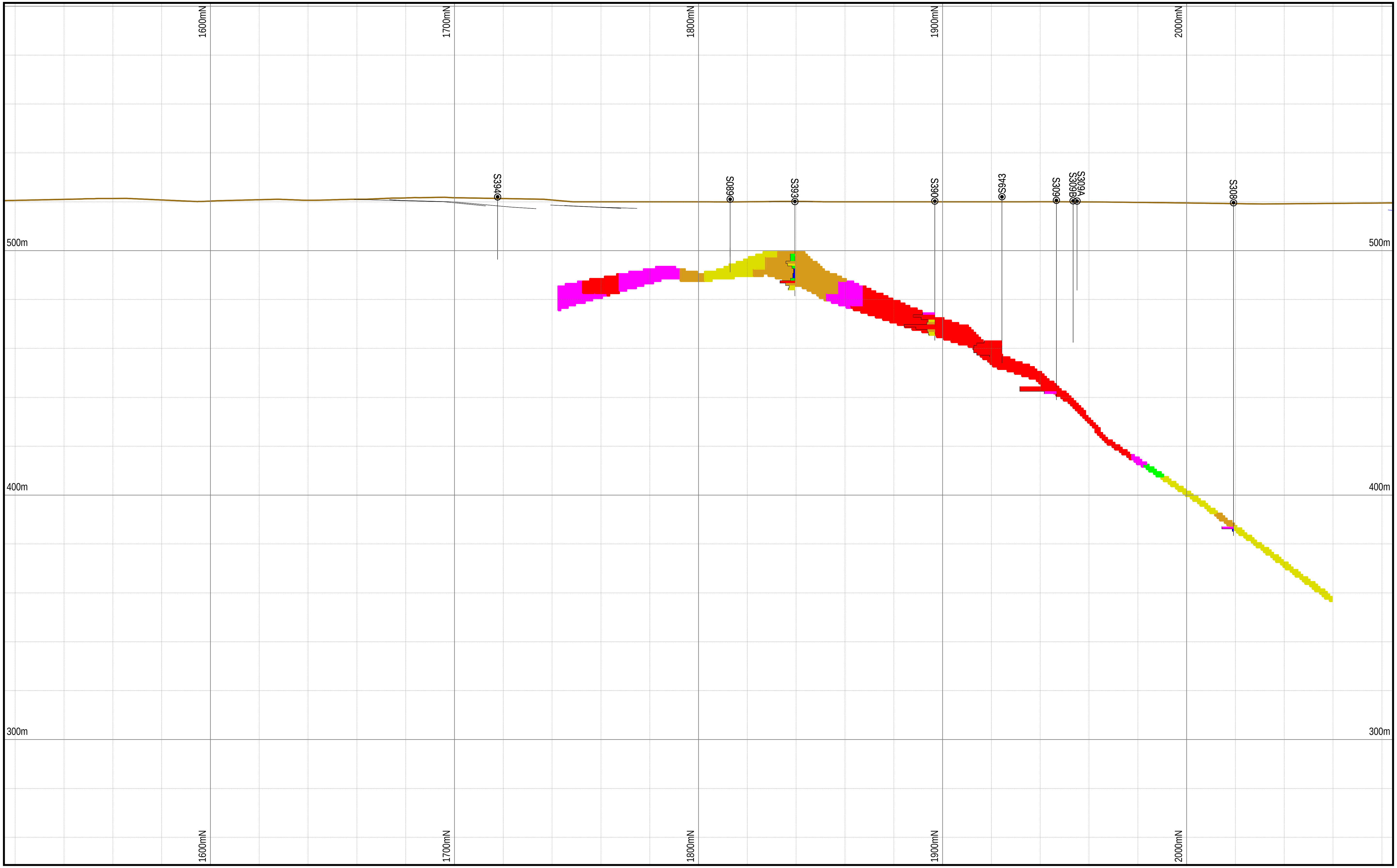
Plot File: 12075E

20 0 20m

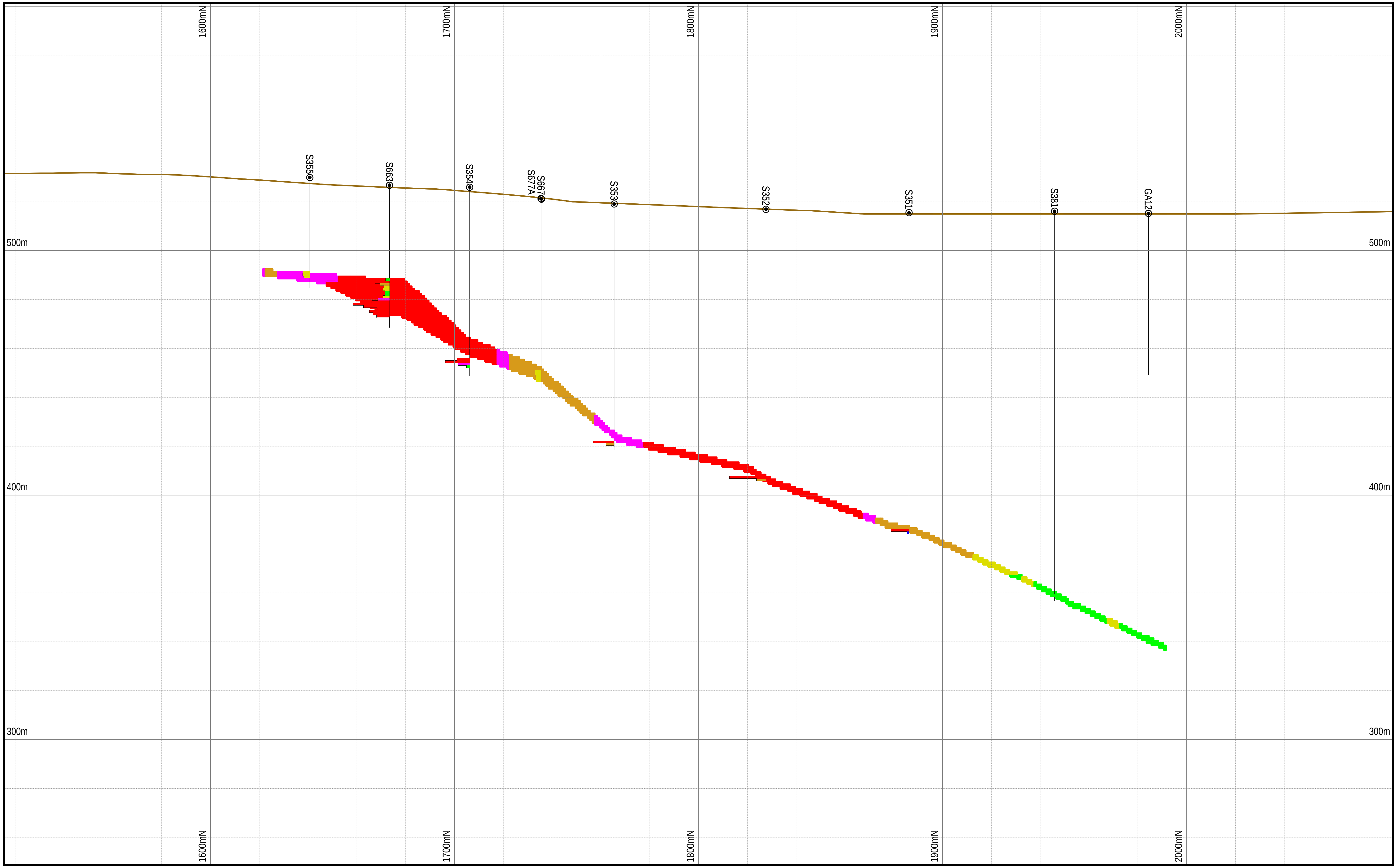
Northeast Zone Cross-Section 12075E

SELWYN RESOURCES LTD.

Scotia Mine
Gays River, Nova Scotia



MineTech International Limited Halifax, Canada 1161 Hollis St, Suite 211, B3P 2A3 (902) 429-4049 www.minetechint.com	Block Grades (%Zn-Eq): 0 to 1 1 to 2 2 to 3 3 to 4 4 to 5 >= 5	Notes: 1. Site grid. 2. Data rotated 30 deg CW about site grid origin. 3. 1% Lead = 1.5% Zinc	Hole Collars: Historical Hole "Newer" Hole	Scale 1 : 1500 Plot Date 05-May-2011 Drawn by: Doug Roy, M.A.Sc., P.Eng. Plot File: 11850E 20 0 20m	**Northeast Zone Cross-Section 11850E**	Selwyn Resources Ltd. Scotia Mine Gays River, Nova Scotia



MineTech International Limited
Halifax, Canada
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(902) 429-4049
www.minetechint.com

Block Grades (%Zn-Eq):

- 0 to 1
- 1 to 2
- 2 to 3
- 3 to 4
- 4 to 5
- >= 5

Notes:
1. Site grid.
2. Data rotated 30 deg CW about site grid origin.
3. 1% Lead = 1.5% Zinc

Hole Collars:

Historical Hole

"Newer" Hole

Scale 1 : 1500

Plot Date 05-May-2011

Drawn by: Doug Roy, M.A.Sc., P.Eng.

Plot File: 11600E

20 0 20m

Northeast Zone Cross-Section 11600E

SELWYN RESOURCES LTD.

Scotia Mine
Gays River, Nova Scotia

Appendix 5: Diamond drill hole logs (2004-2008).

1. Collars

HOLE-ID	LENGTH	East	North	RL
S967	29.00	11,021.39	1,572.01	517.60
S968	23.00	10,989.45	1,575.68	516.30
S969	17.00	10,948.71	1,579.92	516.50
S970	20.00	10,977.63	1,606.40	515.60
S971	19.00	10,971.04	1,551.20	516.20
S972	33.00	11,059.01	1,702.37	522.20
S973	83.00	10,841.26	1,579.02	535.30
S974	83.00	10,841.10	1,579.34	535.30
S975	134.00	10,842.36	1,724.92	528.20
S976	104.00	10,842.36	1,724.92	528.20
S977	103.00	12,501.05	1,634.45	525.00
S978	107.00	12,561.40	1,676.97	527.00
S979	98.00	11,005.46	1,906.61	518.20
S980	20.00	11,044.33	1,655.54	515.90
S981	33.40	10,907.85	1,170.95	550.00
S982	137.00	12,510.26	1,698.41	529.00
S983	130.00	12,559.17	1,707.13	528.00
S984	98.00	11,954.01	1,888.16	521.00
S985	92.00	11,950.03	1,937.46	521.00
S986	68.00	12,068.98	1,851.69	525.00
S987	41.00	12,064.13	1,817.08	527.00
S988	95.00	10,461.20	1,745.33	545.00
S989	98.00	10,443.17	1,786.11	546.00
S990	103.00	10,219.30	1,817.55	547.00
S991	95.90	10,222.53	1,777.93	550.00
S1130-08	71.00	12,196.57	1,690.03	543.47
S1131-08	120.00	12,184.47	1,817.58	536.65
S1132-08	124.00	12,255.69	1,779.35	541.13
S1133-08	82.00	12,328.42	1,702.15	541.18
S1134-08	48.00	12,078.86	1,815.46	528.13
S1135-08	93.00	12,101.09	1,859.36	526.72
S1136-08	78.00	11,991.22	1,876.52	522.85
S1137-08	47.00	11,956.39	1,853.69	522.56
S1138-08	86.00	11,818.43	1,910.43	518.66
S1139-08	113.00	12,115.30	1,879.77	525.94
S1140-08	117.00	12,450.80	1,694.46	532.98
S1141-08	117.00	12,495.43	1,677.73	529.75
S1142-08	91.00	12,260.57	1,725.04	542.69
S1143-08	221.00	12,367.38	1,878.78	544.09
S1144-08	63.00	12,049.49	1,830.07	526.31
S1145-08	82.50	12,018.99	1,875.63	523.70
S1146-08	60.00	12,273.14	1,745.58	541.87

2. Downhole Surveys

HOLE-ID	DISTANCE	DIP	AZIMUTH
S967	0.0	-90.0	30.00
S967	29.0	-90.0	30.00
S968	0.0	-90.0	30.00
S968	23.0	-90.0	30.00
S969	0.0	-90.0	30.00
S969	17.0	-90.0	30.00
S970	0.0	-90.0	30.00
S970	20.0	-90.0	30.00
S971	0.0	-90.0	30.00
S971	19.0	-90.0	30.00
S972	0.0	-90.0	30.00
S972	33.0	-90.0	30.00
S973	0.0	-90.0	30.00
S973	83.0	-90.0	30.00
S974	0.0	-90.0	30.00
S974	83.0	-60.0	30.00
S975	0.0	-90.0	30.00
S975	134.0	-90.0	30.00
S976	0.0	-60.0	30.00
S976	104.0	-60.0	30.00
S977	0.0	-90.0	30.00
S977	103.0	-90.0	30.00
S978	0.0	-90.0	30.00
S978	107.0	-90.0	30.00
S979	0.0	-90.0	30.00
S979	98.0	-90.0	30.00
S980	0.0	-90.0	30.00
S980	20.0	-90.0	30.00
S981	0.0	-90.0	30.00
S981	33.4	-90.0	30.00
S982	0.0	-90.0	30.00
S982	137.0	-90.0	30.00
S983	0.0	-90.0	30.00
S983	130.0	-90.0	30.00
S984	0.0	-90.0	30.00
S984	98.0	-90.0	30.00
S985	0.0	-90.0	30.00
S985	92.0	-90.0	30.00
S986	0.0	-90.0	30.00
S986	68.0	-90.0	30.00
S987	0.0	-90.0	30.00
S987	41.0	-90.0	30.00
S988	0.0	-90.0	30.00
S988	95.0	-90.0	30.00
S989	0.0	-90.0	30.00
S989	98.0	-90.0	30.00
S990	0.0	-90.0	30.00
S990	103.0	-90.0	30.00
S991	0.0	-90.0	30.00
S991	95.9	-90.0	30.00
S1130-08	0.0	-90.0	30.00
S1131-08	0.0	-88.0	188.90
S1131-08	36.0	-88.7	224.20
S1131-08	120.0	-88.0	188.90

HOLE-ID	DISTANCE	DIP	AZIMUTH
S1132-08	0.0	-90.0	30.00
S1132-08	22.0	-88.5	152.90
S1132-08	62.0	-88.0	129.40
S1132-08	120.0	-87.4	149.80
S1133-08	0.0	-90.0	30.00
S1133-08	39.0	-88.7	145.20
S1133-08	82.0	-88.0	166.80
S1134-08	0.0	-90.0	30.00
S1134-08	48.0	-86.4	144.80
S1135-08	0.0	-90.0	30.00
S1135-08	20.0	-86.4	143.70
S1135-08	93.0	-87.1	60.06
S1136-08	0.0	-90.0	30.00
S1136-08	78.0	-87.3	43.80
S1137-08	0.0	-90.0	30.00
S1138-08	0.0	-90.0	30.00
S1138-08	48.0	-88.3	113.90
S1138-08	86.0	-88.9	133.30
S1139-08	0.0	-90.0	30.00
S1140-08	0.0	-90.0	30.00
S1140-08	54.0	-88.1	69.00
S1141-08	0.0	-90.0	30.00
S1141-08	24.0	-87.1	56.20
S1141-08	117.0	-87.9	65.50
S1142-08	0.0	-90.0	30.00
S1142-08	33.0	-87.9	2.60
S1142-08	90.0	-87.5	78.50
S1143-08	0.0	-90.0	30.00
S1143-08	50.0	-87.5	50.00
S1143-08	115.0	-87.8	78.50
S1143-08	220.0	-87.0	26.50
S1144-08	0.0	-90.0	30.00
S1144-08	33.0	-88.6	290.00
S1144-08	63.0	-88.8	260.20
S1145-08	0.0	-90.0	30.00
S1146-08	0.0	-90.0	30.00

3. Lithology

HOLE-ID	FROM	TO	Form Code
S967	0.00	6.00	7
S967	6.00	19.80	4
S967	19.80	22.00	2
S967	22.00	29.00	1
S968	0.00	2.70	7
S968	2.70	15.60	4
S968	15.60	16.40	2
S968	16.40	23.00	1
S969	0.00	2.00	7
S969	2.00	11.10	4
S969	11.10	14.20	2
S969	14.20	17.00	1
S970	0.00	2.50	7
S970	2.50	14.90	4
S970	14.90	20.00	1
S971	0.00	2.90	7
S971	2.90	13.10	4
S971	13.10	15.50	2
S971	15.50	19.00	1
S972	0.00	12.30	7
S972	12.30	30.70	4
S972	30.70	33.00	1
S973	0.00	71.00	7
S973	71.00	79.90	4
S973	79.90	81.20	2
S973	81.20	83.00	1
S974	0.00	33.00	7
S974	33.00	66.60	6
S974	66.60	79.10	4
S974	79.10	81.50	2
S974	81.50	83.00	1
S975	0.00	42.00	7
S975	42.00	50.00	5
S975	50.00	123.40	5
S975	123.40	127.40	4
S975	127.40	132.40	2
S975	132.40	134.00	1
S976	0.00	46.90	7
S976	46.90	96.50	5
S976	96.50	98.45	4
S976	98.45	101.50	2
S976	101.50	104.00	1
S977	0.00	26.00	7
S977	26.00	37.00	5
S977	37.00	94.10	5
S977	94.10	95.60	4
S977	95.60	99.40	2
S977	99.40	103.00	1
S978	0.00	25.80	7
S978	25.80	29.00	5
S978	29.00	99.90	5
S978	99.90	100.60	4
S978	100.60	101.60	2
S978	101.60	107.00	1
S979	0.00	28.90	7
S979	28.90	32.00	5
S979	32.00	93.10	5
S979	93.10	94.30	4
S979	94.30	96.10	2
S979	96.10	98.00	1
S980	0.00	3.10	7
S980	3.10	16.20	4
S980	16.20	20.00	1
S981	0.00	25.60	7
S981	25.60	27.00	0
S981	27.00	29.00	2
S981	29.00	33.40	1
S982	0.00	13.60	7
S982	13.60	29.50	5
S982	29.50	133.05	5
S982	133.05	133.30	4
S982	133.30	133.60	2
S982	133.60	137.00	1
S983	0.00	16.00	7
S983	16.00	26.00	5
S983	26.00	127.00	5
S983	127.00	127.40	4
S983	127.40	127.45	2
S983	127.45	130.00	1
S984	0.00	56.00	7
S984	56.00	89.10	5
S984	89.10	90.00	5
S984	90.00	93.40	4
S984	93.40	94.70	2
S984	94.70	98.00	1
S985	0.00	18.50	7
S985	18.50	92.00	5
S986	0.00	36.40	7
S986	36.40	60.75	5
S986	60.75	64.40	4
S986	64.40	68.00	1
S987	0.00	20.00	7
S987	20.00	27.40	5
S987	27.40	34.70	4
S987	34.70	40.40	2
S987	40.40	41.00	1
S988	0.00	61.00	7
S988	61.00	95.00	5
S989	0.00	54.50	7
S989	54.50	98.00	5
S990	0.00	48.50	7
S990	48.50	103.00	5
S991	0.00	57.90	7
S991	57.90	95.90	5

4. Assays

HOLE-ID	FROM	TO	%PB	%ZN	Sample Number
S967	6.00	8.00	0.78	0.00	90012
S967	8.00	10.00	1.16	0.00	90013
S967	10.00	12.00	1.44	0.00	90014
S967	12.00	14.00	0.82	0.29	90015
S968	2.70	4.70	3.38	0.29	90016
S968	4.70	6.70	1.29	0.02	90017
S968	6.70	8.70	0.86	0.01	90018
S968	8.70	10.70	1.36	0.00	90019
S969	2.00	4.00	2.24	0.00	90008
S969	4.00	6.00	1.70	0.07	90009
S969	6.00	8.00	1.12	0.04	90010
S969	8.00	10.00	2.15	0.00	90011
S970	2.50	4.50	1.76	0.83	90004
S970	4.50	6.50	0.39	0.02	90005
S970	6.50	8.50	1.61	0.07	90006
S970	8.50	10.50	0.32	0.01	90007
S971	2.90	4.90	4.63	0.00	90001
S971	4.90	6.90	0.98	0.03	90002
S971	6.90	8.90	0.31	0.00	90003
S972	12.30	14.30	1.62	0.06	90048
S972	14.30	16.30	1.86	0.18	90049
S972	16.30	18.30	1.36	0.23	90050
S972	18.30	20.30	0.23	0.25	90051
S972	20.30	22.30	0.57	0.04	90052
S972	22.30	26.00	0.78	0.32	90053
S972	26.00	28.90	0.59	0.02	90054
S972	28.90	30.70	10.30	0.01	90055
S973	71.00	73.00	0.56	1.40	90020
S973	73.00	74.00	1.29	0.60	90028
S973	74.00	75.00	11.90	14.98	90029
S973	75.00	76.00	6.59	0.15	90030
S973	76.00	78.00	1.00	0.19	90031
S973	78.00	79.90	0.35	0.03	90032
S974	66.80	68.80	2.46	2.22	90021
S974	68.80	70.80	4.57	3.67	90023
S974	70.80	72.80	3.79	0.01	90024
S974	72.80	74.80	0.62	0.05	90025
S974	74.80	76.80	2.38	0.10	90026
S974	76.80	79.10	0.94	4.06	90027
S975	123.40	125.40	0.33	1.04	90033
S975	125.40	127.40	0.21	0.84	90034
S975	127.40	127.70	2.34	1.34	90035
S975	127.70	129.50	0.85	0.43	90036
S976	96.50	98.10	5.01	1.08	90063
S976	98.10	98.45	7.66	0.23	90062
S976	100.35	101.65	0.72	0.08	90064
S977	94.10	95.40	0.87	0.20	90082
S977	95.40	95.60	1.84	0.01	90083
S977	95.60	96.00	0.00	0.00	
S977	96.00	96.40	6.77	0.01	90084
S978	99.90	100.60	1.42	0.67	90079
S978	100.60	101.60	3.89	0.78	90080
S978	101.60	101.90	0.00	0.00	
S978	101.90	102.20	0.00	0.00	

HOLE-ID	FROM	TO	%PB	%ZN	Sample Number
S979	93.10	94.30	3.48	4.60	90075
S979	94.80	95.20	1.01	0.39	90076
S980	3.10	5.10	2.38	0.02	90042
S980	5.10	8.00	1.65	0.05	90043
S980	8.00	10.00	1.70	0.04	90044
S980	10.00	12.00	0.09	0.06	90045
S980	12.00	14.00	0.46	0.00	90046
S980	14.00	16.20	0.93	0.00	90047
S981	25.60	27.30	0.15	0.01	90074
S982	133.05	133.30	2.14	0.83	90060
S982	133.30	133.60	0.84	0.32	90061
S982	133.60	135.05	0.00	0.00	
S982	135.05	136.50	0.00	0.00	
S983	127.00	127.40	2.08	0.39	90070
S983	127.40	129.00	0.00	0.00	
S983	129.00	130.60	0.00	0.00	
S984	89.10	90.10	4.06	4.64	119114
S984	90.10	92.30	3.41	1.05	119115
S984	92.30	93.50	0.02	0.57	119117
S984	93.50	94.70	0.07	1.11	119116
S986	60.70	61.40	0.65	0.53	119107
S986	61.40	62.80	1.55	0.02	119108
S986	62.80	64.40	3.81	0.04	119109
S987	27.40	27.90	18.52	7.28	119098
S987	27.90	28.90	2.98	0.49	119099
S987	28.90	29.90	1.75	0.47	119100
S987	29.90	30.90	5.37	2.74	119101
S987	30.90	31.90	6.50	3.26	119102
S987	31.90	32.90	3.83	1.15	119103
S987	32.90	34.90	6.98	1.72	119104
S987	34.90	35.90	3.90	4.54	119105
S987	35.90	36.90	0.09	0.05	119106
S1130-08	57.70	59.00	0.12	0.79	
S1130-08	59.00	60.00	0.41	2.12	
S1130-08	60.00	61.00	1.23	9.61	
S1130-08	61.00	62.00	2.96	2.76	
S1130-08	62.00	63.00	0.62	2.12	
S1130-08	63.00	64.00	0.41	1.86	
S1130-08	64.00	65.00	0.29	0.97	
S1130-08	65.00	66.00	0.17	0.51	
S1130-08	66.00	66.50	1.22	0.42	
S1131-08	112.20	112.80	0.55	1.81	
S1131-08	112.80	114.00	0.40	0.06	
S1131-08	114.00	114.25	2.83	3.81	
S1132-08	113.70	115.00	1.09	0.50	
S1132-08	115.00	116.30	0.05	0.00	
S1132-08	116.30	117.10	0.07	0.02	
S1132-08	117.10	117.70	1.26	19.67	
S1132-08	117.70	117.95	0.60	4.47	
S1132-08	117.95	118.55	0.21	1.99	
S1133-08	73.20	74.00	1.25	1.44	
S1133-08	74.00	75.00	0.24	1.91	
S1133-08	75.00	75.80	0.25	2.54	
S1134-08	24.00	25.00	0.03	0.06	

HOLE-ID	FROM	TO	%PB	%ZN	Sample Number
S1134-08	25.00	26.00	0.02	0.31	
S1134-08	26.00	27.00	0.03	0.19	
S1134-08	27.00	28.00	0.19	0.42	
S1134-08	28.00	29.00	0.20	0.58	
S1134-08	29.00	30.00	0.21	0.20	
S1134-08	30.00	31.00	0.22	0.81	
S1134-08	31.00	32.00	0.08	0.85	
S1134-08	32.00	33.00	0.03	1.50	
S1134-08	33.00	34.00	0.38	2.61	
S1134-08	34.00	35.00	0.62	6.30	
S1134-08	35.00	36.00	0.13	1.53	
S1134-08	36.00	37.00	0.09	0.79	
S1134-08	37.00	38.00	0.10	1.69	
S1134-08	38.00	39.00	0.07	0.85	
S1134-08	39.00	40.00	0.07	0.89	
S1134-08	40.00	41.00	0.04	3.09	
S1134-08	41.00	42.00	0.97	2.78	
S1135-08	83.40	84.15	0.42	0.46	
S1135-08	84.15	84.85	0.39	0.21	
S1135-08	84.85	85.90	8.82	17.52	
S1135-08	85.90	87.00	1.79	0.68	
S1136-08	69.00	69.70	3.30	5.56	
S1136-08	69.70	71.00	0.53	0.23	
S1136-08	71.00	72.00	1.49	0.99	
S1136-08	72.00	73.20	1.44	0.97	
S1138-08	76.80	77.50	0.32	0.89	
S1138-08	77.50	78.00	1.04	0.29	
S1138-08	78.00	78.60	0.28	0.08	
S1138-08	78.60	79.30	3.06	0.96	
S1139-08	108.00	108.80	7.47	3.26	
S1139-08	108.80	110.00	0.00	0.00	
S1139-08	110.00	111.20	0.00	0.00	
S1140-08	107.50	108.20	0.05	3.01	
S1140-08	108.20	109.00	0.23	0.47	
S1140-08	109.00	110.10	0.32	1.47	
S1141-08	97.20	97.50	0.00	0.23	
S1141-08	101.20	102.20	0.02	1.08	
S1141-08	104.80	105.50	0.03	2.29	
S1141-08	105.50	106.50	0.28	11.49	
S1141-08	106.50	107.50	0.00	18.24	
S1141-08	107.50	108.00	0.03	2.89	
S1141-08	108.00	109.00	0.03	2.27	
S1142-08	78.40	79.00	42.03	21.92	
S1142-08	79.00	80.00	20.03	10.01	
S1142-08	80.00	81.00	3.31	7.43	
S1142-08	81.00	82.00	1.15	5.85	
S1142-08	82.00	83.30	0.75	8.66	
S1143-08	204.00	204.40	0.06	0.14	
S1143-08	204.40	206.00	0.00	0.00	
S1143-08	206.00	207.60	0.00	0.00	
S1144-08	45.00	46.00	0.71	0.59	
S1144-08	46.00	47.00	0.20	0.14	
S1144-08	47.00	48.00	0.32	0.29	
S1144-08	48.00	49.00	0.44	0.11	
S1144-08	49.00	50.00	16.78	3.40	
S1144-08	50.00	51.00	8.23	5.43	
S1144-08	51.00	52.00	3.23	4.16	
S1144-08	52.00	53.30	0.28	2.14	

HOLE-ID	FROM	TO	%PB	%ZN	Sample Number
S1144-08	53.30	54.00	0.08	1.25	
S1144-08	54.00	55.00	0.04	3.72	
S1144-08	55.00	56.00	1.65	2.78	
S1144-08	56.00	56.70	1.11	0.18	
S1145-08	72.20	73.20	14.44	16.34	
S1145-08	73.20	74.20	4.25	5.10	
S1145-08	74.20	75.00	3.37	2.60	
S1145-08	75.00	75.40	1.62	2.72	