TECHNICAL REPORT
AND MINERAL RESOURCE ESTIMATE UPDATE
FOR THE
DUQUESNE-OTTOMAN PROPERTY,
QUEBEC, CANADA
FOR
XMET Inc.

prepared by

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and

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October 20, 2011
Toronto, Canada

Watts, Griffis and McOuat
Since 1962
CONSULTING GEOLOGISTS AND ENGINEERS

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1. SUMMARY

On April 15, 2011, Xmet Inc. ("**Xmet**" or the "**Company"**) retained Watts, Griffis and McOuat Limited ("**WGM**") to review the results of their recent drilling program in order to update their National Instrument 43-101 ("NI 43-101") compliant Mineral Resource estimate, initially established by Reddick Consulting Inc ("**RCI**") in April 2010.

On May 31, 2010, Xmet completed the acquisition of On-Strike Gold Inc. ("**On-Strike**") by way of a "three-cornered" amalgamation in which Eminence Capital II, ("**Eminence"**) a wholly-owned subsidiary of Xmet, amalgamated with On-Strike to form Duquesne-Ottoman Mines Inc. ("**DOM**"). DOM is now a wholly-owned subsidiary of Xmet which is the legal parent and reporting issuer. Xmet is a publicly traded mineral exploration company with its head office in Toronto, Ontario.

WGM's scope of work entailed a site visit to the Property, a tour of the geochemical laboratory used by the Company, review of available data, inspection of the drill core and collection of verification samples (drill core), database compilation and verification, statistical analysis and assay composting, verification and modifications of a 3-D polyline geological model and the generation of a polygonal model for Mineral Resource estimates.

An on-site visit was conducted by WGM Senior Geologist, D Power-Fardy, P.Geo., from April 18 to 21, 2011. During this visit, D. Power-Fardy was able to visit Activation Laboratories ("Actlabs") in Ste-Germaine-Boule, the analytical and assay facilities used by Xmet.

The Duquesne-Ottoman Property (the "Property") is located some 32 km northwest of the city of Rouyn-Noranda and about 10 km east of the town of Duparquet in the townships of Duparquet and Destor. The Property covers an area of 928.6 hectares (2,321.5 acres) and consists of 20 claims formerly known as Duquesne West and 40 claims formerly known as Ottoman Fault, more commonly referred to as Ottoman.

The Duquesne West and the Ottoman claim blocks were originally held by Globex Mining Enterprises Ltd ("**Globex**") and Geoconseils Jack Stoch Ltee. Xmet was awarded an initial 4 year option to acquire 75% interest in the combined property by making cash payments totalling $7.76 million ($6.6M at the end of Year 4), including $100,000 at the end of May 2010 and $280,000 at the end of the first year and making exploration investment (expenditures) totalling $10 million ($5M in Year 4), including $1.5 million in each of the

first 2 years. The option is subject to a sliding Gross Metal Royalty between 2% and 3% (of which 0.5% can be purchased for $1.5M) and the Duquesne West block is subject to an additional 1% Net Smelter Royalty to a third party. The Company has announced that DOM, it wholly-owned subsidiary, entered into an amending agreement as of May 31, 2011 with Duparquet Assets Ltd with respect to the Duquesne-Ottoman Project. The amendment provides 3 additional years for Xmet to fulfil its existing work expenditure and option payment commitments.

The Property can be accessed by a gravel road on Highway 393 about 4.5 km west of Highway 101. This bush road provides access to the centre of the property. A series of ATV trails and drill roads criss-cross the Property and provide access throughout the Property.

The region has a history of mining and exploration and as such offers specialized mining and exploration services, skilled labour force, mining equipment, supplies and contractors, as well as adequate infrastructure for the mining industry. There are several analytical laboratories in the region.

Exploration and mining in the region date back to the early 1900s, most notably with the exploits of E. Horne, S.C. Thomson and H.W. Chabourne. Since the first discovery of gold by John Beattie on an island in Duparquet Lake in 1910, the Porcupine-Destor Fault Zone ("DPFZ") has continued to attract exploration attention.

The earliest reported work in the area was in the early 1920s on the then Berner-Bachman Claims. The original staking was done in 1923 and by 1925 work completed included extensive stripping, trenching and limited drilling (Cunningham-Dunlop, 1996). The Property has been the subject of documented exploration since 1927. A total of 239 diamond drill holes totalling some 65,063 m have been recorded on the Duquesne West block and 8 drill holes totalling 3,106 m on the Ottoman block. The Ottoman claim block has had very limited exploration activity, mostly between 1988 and 1997. Most of the exploration activity has been focused on the Duquesne West claims.

In 1987, Goldex Mining Enterprises Inc ("**Goldex**") acquired the Property and carried out geophysical (magnetic, IP and EM) surveys and geological mapping. Goldex staked two additional claims in the following year, 1988. The Property was optioned to Noranda in 1990. Noranda conducted a geological mapping and trenching program. Based on the results Noranda completed a 6-hole diamond drill program totalling 1,854 m. This program was followed in 1991 with additional trenching and diamond drilling, 7 holes totalling 1,854 m. Noranda let the option lapse and the Property returned to Goldex.

Goldex, in 1994, completed a 7-hole diamond drill program totalling 440 m. The Property was then optioned to Santa Fe Canadian Mining Ltd ("**Santa Fe**") later in the same year, 1994, through an option agreement with Jack Stock Geoconsultant Services Ltd / Globex (Cunningham-Dunlop, 1996). From 1994 to 1997, Santa Fe drilled 58 diamond drill holes totalling some 26,430 m.

There is a gap in the exploration history from 1998 to 2001. In 2002, Kinross Gold Corporation ("Kinross") optioned the Property from Globex (50%) and Jack Stock Geoconsulting Services (50%) in August, 2002 for a 4-year period. Kinross proceeded to carry geochemical and geophysical surveys as well as geological mapping. The results of this work lead to a 14-hole diamond drill program totalling some 5,300 m.

In 2003, Reddick Consulting Inc completed a Mineral Resource estimate for Kinross on the Shaft, South Shaft Fox and Liz Zones totalling some 665 Kt grading 11.4 g Au/t (un-cut). This Mineral Resource estimate was for internal purposes only and was not released to the Public. This Mineral Resource estimate was written in accordance to the NI 43-101 current at that time.

Queenston Mining Inc ("**Queenston**") acquired the option for the Property in 2003. Between 2003 and 2004, they completed a 12 diamond drill program totalling approximately 7,633 m. In 2006, Diadem Resources Ltd ("**Diadem**") acquired the option for the Property and by 2007 they had completed 20 diamond drill holes totalling some 12,245 m. Xmet acquired the option for the Property on February 18, 2010.

The Property lies within the southern limb of the "east-west" trending Lepine Lake Syncline located within the Abitibi Greenstone Belt of the Superior Structural Province. The Abitibi Greenstone Belt is thought to have been formed as the result of arc volcanism and back-arc sedimentation, and subsequently deformed during continental collision. The rocks are Archean in age (2730 to 2670 Ma) and vary in composition from ultramafic through to felsic, primarily of volcanic origin. They occur as east-west trending lithological sequences and have been intruded by mafic to felsic batholiths, dated between 2707 and 2696 Ma. Capping these volcanic sequences are sedimentary sequences, turbditic in nature, of the Porcupine and Kewagama Groups.

In the Property area, the major lithological units are the Kinojevis Group in the north and the younger Blake River Group in the south. The Kinojevis Group is a sequence of iron-rich tholeiitic volcanics while the Blake River group consists of calc-alkalic basalt, andesite,

dacite and rhyolite flows and tuffs. These rocks have been interpreted as being deposited in a back-arc setting (Kerrick et al, 2007). The Destor-Porpucine Fault Zone ("DPFZ") is the most prominent geological feature on the Property. It cuts across the southern third of the Property and separates the Kinojevis Group from the Blake River Group. Fine grained well-bedded argillites and greywackes of the Clenricy Group lie between the Kinojevis and Blake River Groups. As expected, the most intense and complex deformation is in the vicinity of the main fault which appears as a zone of carbonatized talc-chlorite (+/- sericite) schist about 20 to 50 m in width.

The gold mineralization in the Duquesne-Ottoman Property is typical of that occurring in most Archean Orogenic (formerly known as "mesothermal" or "greenstone-hosted") gold deposits. Gold is hosted in or adjacent to narrow quartz-carbonate veins with associated sericite-ankerite-pyrite alteration. The quartz-carbonate veins often have multiple mineralized intervals or horizons. The mineralized zones are defined by the mineralized quartz-carbonate veins and can consist of multiple veins. The boundaries of the mineralized zones are gradational and the intensity of alteration is quite variable.

Exploration on the Property has indicated the gold mineralization is associated with i) margins of the east-west trending porphyry sills; ii) quartz veins within the porphyries; iii) narrow splays off the main break; and iv) mafic / ultramafic contacts. The dominant control on the mineralization is structural (shears and splays). Lithological characteristics also influence the mineralization. The mineralized zones are related to second-order structures that trend east-west and steeply dip to the south. Although the mineralization is hosted by a variety of rock types, it is primarily associated with quartz-feldspar porphyries and mafic volcanics (andesite). Other host rock associations include volcanic tuffs, ultramafics, mafic intrusives and quartz diorites.

The regional geology of the area has been interpreted as being representative of a "back-arc" environment. The associated gold deposits have been classed as "Orogenic". This category of gold deposits includes such formerly classified deposits as mesothermal, greenstone-hosted, slate-hosted, as well as some of the "low sulphide" gold deposits as defined by the USGS. The Abitibi Greenstone Belt is host to numerous Orogenic gold deposits. These deposits were referred to previously as "Greenstone-hosted quartz-carbonate vein" deposits. Also included in this category is the "shear-zone" related quartz-carbonate or gold only deposits.

In July 2010, the Company hired technical and support staff for its exploration office in Rouyn-Noranda. In December, 2010, Abitibi Geophysics conducted a hole-to-hole (borehole) Resistivity / IP survey. Also during December 2010 and January 2011, a new helicopter-borne

time-domain electromagnetic ("TDEM") and magnetic survey was flown over the property by Geophysics GRP International Inc.

The trench mapping and sampling results were used to understand the geology and identify structures. The results of the TDEM and magnetic surveys were used to further define drill targets.

The winter 2010 drill program was completed in April 2011 for a total of 33 drill holes totalling 13,206 m. A review of the sampling method and approach for the 2010 winter drilling program was conducted by WGM. Methods and procedures were found to be in keeping with industry best practices. A review of the sampling method and approach for the earlier drill programs was carried out by RCI and was discussed in their 2010 Technical Report.

By this time eight (8) gold zones had been identified and drill tested with encouraging results: Stinger, Fox, Shaft, North Shaft, South Shaft, Liz, Nip and 20-20. Although Shaft and Fox zones were described as being different zones by both Diadem and Queenston, these two zones are thought to be hosted within a single structure (Armstrong, 2010a).

Based on the core examined, it was noted that the core recovery was consistently good. The sampling approach was in accordance with industry best practices. The samples were found to be representative. No sampling biases were noted.

A 4-day site visit was conducted by WGM from April 18 to 21, 2011. During the site visit, Mr Power-Fardy reviewed reports, maps, plans and sections held in the company's procession at their exploration office in Rouyn-Noranda. Also at this time, a site visit to the drill rig and selected drill holes was carried out. Mr. Power-Fardy was accompanied to the site by Mr. J.F. Ranger, VP, Services Techniques en Exploration Minière. A total of 7 drill hole locations were recorded. A total of 10 verification samples were taken from various drill holes at selected depths based on mineralization. The samples were chosen to reflect any vertical variation in the mineralization. In all cases, the remaining half of the core was taken by WGM.

WGM has prepared an updated Mineral Resource estimate for the Duquesne-Ottoman Property mineralized zones that had sufficient data to allow for continuity of geology and grades. The eight zones that host the gold mineralisation are characterised by variable to strong structural deformation and variable quartz-carbonate veining. The interpreted zones cover an intermittent strike length in excess of 2.5 km, (from sections 639525E to 642150E)

with a down-dip extent of over 1,000 m below surface. The mineral resource estimate is classed as “Inferred” totalling approximately 4.17 Mt at 5.42 g Au/t capped for 727,000 oz contained gold or at 6.36 g Au/t uncapped for 853,000 oz contained gold. The classification of Mineral Resources used in this report conforms with the definitions provided in the final version of NI 43-101, which came into effect on February 1, 2001, as revised on June 30, 2011.

The proposed exploration program consists of trenching approximately 500 m, cumulative total, at the Shaft and 20-20 Zones, and drilling, approximately 7,200 m total, at the Shaft and Fox Zones. The total cost of the proposed exploration program is estimated at C$1.1 million.

WGM is of the opinion that the Property warrants the proposed exploration program and budget.

Proposed Exploration Budget Estimate

Description			Costs (C$)
Trenching			
Prep			
Permitting		contractor	C$1,000.00
Planning	2 weeks	sr geol	4,875.00
Labour			
Wood cutting	2 weeks	tech + sr tech	7,000.00
Excavation	4 weeks	contractor	32,000.00
Cleaning	4 weeks	tech	6,200.00
Supervision	4 weeks	sr tech	7,350.00
Mapping	6 weeks	geol	11,700.00
Sampling	6 weeks	tech + sr tech	21,000.00
Laboratory			
Samples	600 samples	$30/sample	18,000.00
Reporting			
Report	4 weeks	sr geol	9,750.00
Office cost			
Rental + service	2 month	$10,000/mth	20,000.00
TOTAL TRENCHING			**C$138,875.00**
Drilling (7000m)			
Prep			
Permitting			C$1,000.00
Planning	2 weeks	sr geol	4,875.00
Drilling (all included)			
Fox	4,422m	$100/m	442,200.00
Shaft	2,800m	$100/m	280,000.00
Laboratory			
Samples	3,000	$30/sample	90,000.00
Labour			
Logging	3 mth	geol	23,400.00
Field supervision	3 mth	sr tech	22,050.00
Coreshack	3 mth	tech	18,600.00
Logging+follow-up	3 mth	sr geol	29,250.00
Reporting			
Report	4 weeks	sr geol	9,750.00
Office cost			
rental + service	4 month	$10,000/mth	40,000.00
TOTAL DRILLING			**C$961,125.00**
GRAND TOTAL			**$1,100,000.00**

2. INTRODUCTION AND TERMS OF REFERENCE

2.1 INTRODUCTION

Xmet Incorporated ("**Xmet**" or the "**Company**")) is a publicly traded mineral exploration company with its head office in Toronto, Ontario. The Company is engaged in the acquisition, exploration and development of early stage mineral resource properties in Canada. The Company's current focus is on gold exploration with properties in Quebec and Newfoundland-Labrador. The Company trades on the Toronto Stock Exchange ("TSX") Venture Exchange under the symbol XME-V.

On May 31, 2010, Xmet completed the acquisition of On-Strike Gold Inc. ("**On-Strike**") by way of a "three-cornered" amalgamation in which Eminence Capital II, ("**Eminence"**) a wholly-owned subsidiary of Xmet, amalgamated with On-Strike to form Duquesne-Ottoman Mines Inc. ("**DOM**"). DOM is now a wholly-owned subsidiary of Xmet which is the legal parent and reporting issuer.

This report has been prepared for Xmet to disclose the findings of its current Mineral Resource estimation and a technical review of its Duquesne-Ottoman gold Property (the "Property").

The data supporting the statements made in this report have been verified for accuracy and completeness by the authors. No meaningful errors or omissions were noted. Various sources of information and data contained in this report were consulted. The sources included company reports and documents, as well as independent sources of data such as government reports and other publications. A list of the various sources is presented in the References.

2.2 TERMS OF REFERENCE

On April 15, 2011, Bill Yeomans, Vice President Exploration, Xmet, retained Watts, Griffis and McOuat Limited ("**WGM**") to review the results of their recent drilling program in order to up-date their National Instrument 43-101 ("NI 43-101") compliant Mineral Resource estimate, initially established by Reddick Consulting Inc ("**RCI**") in April 2010.

WGM's scope of work entailed a site visit to the Property, a tour of the geochemical laboratory used by the Company, review of available data, inspection of the drill core and collection of verification samples (drill core), database compilation and verification, statistical

analysis and assay composting, verification and modifications of a 3-D polyline geological model and the generation of a polygonal model for Mineral Resource estimates and summarizing its findings and recommendations in a report prepared in compliance with Ontario Securities Commission rule National Instrument NI 43-101 and the Council of the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") definitions and standards.

2.3 SOURCES OF INFORMATION

In conducting this study, WGM relied upon internal company reports; published government reports; other published technical reports, including two NI 43-101 technical reports, one dated April 28, 2010 and the other dated September 20, 2010; prepared by RCI, the latter containing Mineral Resource estimates.

A list of the material reviewed is provided in the References.

2.4 DETAILS OF PERSONAL INSPECTION OF THE PROPERTY

An on-site visit was conducted by WGM Senior Geologist, D Power-Fardy, P.Geo., from April 18 to 21, 2011. During this visit, D. Power-Fardy was able to visit Activation Laboratories ("Actlabs") in Ste-Germaine-Boule, the analytical and assay facilities used by Xmet. The laboratory visit included a tour of the facilities and discussions with the geochemist André Caouette regarding the laboratory's QA/QC procedures and protocols. Mr. D. Power-Fardy was accompanied on the laboratory visit by Pierre Riopel, Quebec Exploration Director for Xmet.

During the on-site visit, the core logging and sampling, cutting and storage areas were visited. Achieved drill core was reviewed and 10 independent drill core samples were collected for analysis. The collar locations for several drill holes were surveyed using a hand-held GPS unit.

WGM received the full co-operation and assistance of Xmet personnel during the on-site visit and in the preparation of this report.

2.5 UNITS AND CURRENCY

Throughout this report, measurements are in metric units, unless historic context dictates that the use of Imperial units is more appropriate. Volume measurement is presented in tonnes ("t"), equivalent to 1,000 kilograms ("kg"); linear measurement is in metres ("m") or kilometres ("km"); and precious metal values are in grams per tonne ("g Au/t") or troy ounces per ton ("oz Au/T" or "opt"). Grams are converted to ounces based on 31.104 g being equivalent to 1 troy ounce and 34.29 g/t equivalent to 1 oz/T.

The reader should be aware that "grades" and "tonnages" reported in the body of this report are expressed in "grams" and "tonnes".

Currency amounts are expressed in Canadian dollars ("C$").

3. RELIANCE ON OTHER EXPERTS

WGM has prepared this study using the resource materials, reports and documents as noted in the text and "References" at the end of this report. Although the authors have made every effort to accurately convey the content of those reports, they can not guarantee either the accuracy or the validity of the work described within the reports.

WGM has not verified the title to the Property, nor has it verified the status of Xmet's property agreements, but has relied on the information supplied by the Company in this regard. WGM has no reason to doubt the title situation is other than what is reported by the Company.

4. PROPERTY DESCRIPTION AND LOCATION

4.1 LOCATION

The Duquesne-Ottoman Property (the "Property") is located some 32 km northwest of the city of Rouyn-Noranda and about 10 km east of the town of Duparquet in the townships of Duparquet and Destor. The centre of the Property is at approximately 5 372 000N, 641 000E (UTM Zone 17, NAD83) or geographically, Longitude 79º06'35" W / Latitude 48º29'38" N (Figure 1).

Rouyn-Noranda (2006 population: 39,924) is a city on Osisko Lake in northwestern Quebec, some 623 km north of Montreal.

4.2 PROPERTY DESCRIPTION

The Property consists of 20 claims formerly known as Duquesne West and 40 claims formerly known as Ottoman Fault, more commonly referred to as Ottoman (Figure 2) and covers an area of 928.6 hectares (2,321.5 acres). The two claims blocks, the Duquesne West and the Ottoman, were originally held by Globex Mining Enterprises Ltd ("**Globex**") and Geoconseils Jack Stoch Ltee. Xmet was awarded a 4 year option to acquire 75% interest in the combined property by making cash payments totalling $7.76 million ($6.6 million at the end of Year 4), including $100,000 at the end of May 2010 and $280,000 at the end of the first year and making exploration investment (expenditures) totalling $10 million ($5 million in Year 4), including $1.5 million in each of the first 2 years. The option is subject to a sliding Gross Metal Royalty between 2% and 3% (of which 0.5% can be purchased for $1.5 million) and the Duquesne West block is subject to an additional 1% Net Smelter Royalty to a third party.

There is a sliding 2-3% Gross Metal Royalty ("GMR") to the Vendors of which 0.5% is purchasable prior to commencement of commercial production; for $1.5 million, plus 1% Net Smelter Return ("NSR") to Mr J. Viau ("**Viau**") of Rouyn-Noranda under the purchase agreement whereby Globex acquired 50% interest in the Duquesne West Claims. The Viau NSR only applies to the Duquesne West Claims. If Globex Mining does not fund its 25%, interest becomes converted to an additional 1% GMR and Xmet owns 100% of the project. Negotiations are still on-going for 1% NSR.

XME REV / XME_01_Loc_Map.cdr
Last revision date: Thursday 18 August 2011

ONTARIO
QUÉBEC

Duquesne-
Ottoman
Property

Rouyn-
Noranda

Val-d'Or

101
109
111
113
117

0 20 100
Kilometres

Figure 1.

XMET INC.

Duquesne - Ottoman Project

Duparquet Township, Quebec

Location Map

Graphics by Watts, Griffis and McOuat Limited After: VISUACOM (10/2003)

Watts, Griffis and McOuat

XME REV / XME_02_Concession_Map.cdr
Last revision date: Thursday 18 August 2011

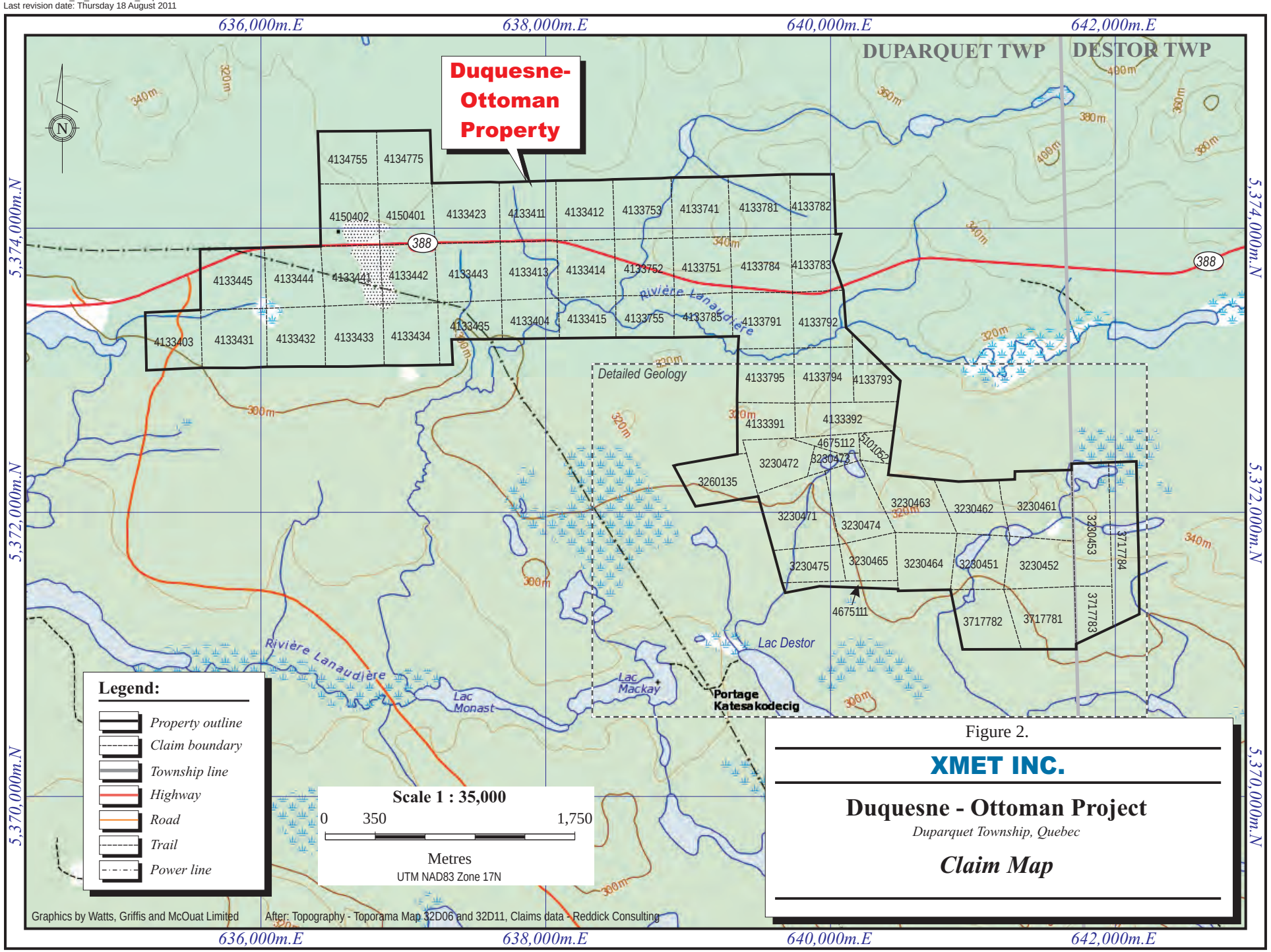


Figure 2.

XMET INC.

Duquesne - Ottoman Project

Duparquet Township, Quebec

Claim Map

Watts, Griffis and McOuat

The initial Duquesne-Ottoman Property Agreement is detailed in the April 2010 NI 43-101 Technical Report prepared by RCI. The reader is referred to this report for fuller details of the agreement.

The claims have been transferred to Duparquet Assets Ltd. ("**Duparquet**"). The Property agreement between Duparquet and Xmet allows Xmet to acquire 75% of the common shares of Duparquet in a Joint Venture subject to payments and expenditures as outlined in the preceding paragraph. The Company has stated that all the claims are in good standing. A summary of the Duquesne-Ottoman Property claims is provided in Appendix 1.

Duquesne-Ottoman Mines Inc. ("**DOM**"), a wholly-owned subsidiary of Xmet, entered into an amending agreement as of May 31, 2011 with Duparquet with respect to the Duquesne-Ottoman Property. The amending agreement provides three additional years for Xmet to fulfil its work expenditure and option payment commitments, thereby extending the option period from 4 years to 7 years that now expires on May 31, 2017. The final option payment of $300,000 originally due on May 31, 2014 has been reduced to $200,000 and an obligation to pay an additional $100,000 (for an aggregate final option payment of $200,000) is now due on May 31, 2015. Also the requirement to incur $5,000,000 in expenditures originally required to be incurred on or prior to May 31, 2014 has been amended to $2,500,000 expenditure to be incurred on or prior to May 31, 2014 and $2,500,000 expenditure to be incurred on or prior to May 31, 2015, and the requirement to make a $6,000,000 cash payment to the holders of the issued and outstanding preferred shares of Duparquet due on May 31, 2014 has been amended to a $3,000,000 cash payment due on May 31, 2016 and a $3,000,000 cash payment due on May 31, 2017, and the issued and outstanding preferred shares will bear interest at a rate of 5% per annum after May 31, 2014.

Concerns were raised previously regarding the certainty of the Duquesne-Ottoman Property boundary. According to information received from the Company, it appears that some of the boundary posts in the western portion of the claim area were destroyed by a fire. The Company, however, is confident in the location of the Property boundary.

To the best of the authors' knowledge and ability to determine, there are no environmental liabilities or public liabilities associated with any of the claims making up the Property, although in 1983, Claremont Mines sunk a 25 m shaft. The shaft has since been capped by Globex with a cement pad. Previous reports on the Property state that the cement pad conformed to Quebec mining code specifications under Article 231 of the Quebec Mining Act. The authors did not see a copy of the letter. Also there are no parks or developments that

would interfere with exploration or exploitation of any mineral deposits that might be located on the Property, and there are no disputes as to title or liens registered on the Property.

5. ACCESS, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 ACCESS

The primary highways servicing the city are the north-south Route 101 and the east-west Route 117, which is part of the Trans-Canada Highway system. It is a 6 hour drive from Montreal on Autoroute 15 and Provincial Highway 117. Rail service for the area is provided by Canadian National Railway. There are daily flights to the city of Rouyn-Noranda from Montreal by Air Canada.

The Property can be accessed by a gravel road on Highway 393 about 4.5 km west of Highway 101. This bush road provides access to the centre of the property. A series of ATV trails and drill roads criss-cross the Property and provide access throughout the Property.

5.2 CLIMATE

The climate is typical of northwest Quebec and northern Ontario, essentially with cold winters and hot summers. It is classed as “continental boreal”. The temperatures can range from -30ºC in the winter to +30ºC in the summer; though the mean temperatures are around -20ºC to +20ºC. Rainfall can exceed 690 mm annual average, with the wettest month being September (110 mm average). Snow is abundant, often reaching several metres with December and January having the heaviest snowfall (> 60 cm). Snow is on the ground by November and the ice begins to thaw on the lakes by mid-May.

5.3 LOCAL RESOURCES AND INFRASTRUCTURE

The city of Rouyn (named for Jean-Baptiste Rouyn, a captain in the Royal-Roussillon regiment of Montcalm) appeared after copper was discovered in 1917. Noranda (a contraction of "North Canada") was created later around the Horne Mine. Both cities were officially constituted as cities in 1926, and then merged in 1986. Since 1966, Rouyn-Noranda constitutes the capital of the Abitibi – Temiscamingue Region. In the reorganization of municipalities of 2002, Rouyn-Noranda amalgamated with the municipalities of the former Regional Municipality of Rouyn-Noranda, including Arntfield, Bellecombe, Cadillac, Clericy, Cloutier, D’Alembert, Destor, Evain, Lac-Montanier, Lac-Surimau, McWatters, Mont-Brun, Montbeillard, Rapides-des-Cedres and Rollet. The population is approximately

40,000 (2006 Census) which tends to increase / decrease depending on the economic situation.

The region has a history of mining and exploration and as such offers specialized mining and exploration services, skilled labour force, mining equipment, supplies and contractors, as well as adequate infrastructure for the mining industry. There are several analytical laboratories in the region.

The Université du Quebec en Abitibi - Temiscamingue (UQAT) has a campus in Rouyn-Noranda and another campus at Val d'Or.

There is a power grid about 1 km west of Route 101 on the adjoining Duquesne Mine Property, which is about 5 km from the centre of the claim group. There was an old power-line which ran through the Property from Duparquet but has since been dismantled. The track is currently being used as a snowmobile trail, however the right-of-way still remains.

5.4 PHYSIOGRAPHY

The terrain is one of flat to gently undulating terrain. The topography is characteristic of the southern Canadian Shield with low rolling glacial hills and intervening lowlands with lakes and swamps. The relief generally is less than 25 m. Rock outcrops are rare and overburden can range from a few metres to several tens of metres.

The vegetation consists mostly of mature deciduous primarily poplars and a few birch and thick alder underbush, with minor conifer, mainly spruce and pine. There are numerous streams and beaver ponds. The southwest and south-central portions of the Duquesne West Property have been recently logged by Tembec.

6. HISTORY

Exploration and mining in the region date back to the early 1900s, most notably with the exploits of E. Horne, S.C. Thomson and H.W. Chabourne. Since the first discovery of gold by John Beattie on an island in Duparquet Lake in 1910, the Porcupine-Destor Fault Zone ("DPFZ") has continued to attract exploration attention. The area was the site of gold mining from 1933 to 1956 with operations at the Beatttie, Donchester, Central Duparquet and Duquesne Mines and from 1983 to 1990 with operations at Duquesne and Yvan Vezina-Davangus Mines.

The earliest reported work in the area was in the early 1920s on the then Berner-Bachman Claims. The original staking was done in 1923 and by 1925 work completed included extensive stripping, trenching and limited drilling (Cunningham-Dunlop, 1996). The Property has been the subject of documented exploration since 1927. A total of 239 diamond drill holes totalling some 65,063 m have been recorded on the Duquesne West block and 8 drill holes totalling 3,106 m on the Ottoman block. The Ottoman claim block has had very limited exploration activity, mostly between 1988 and 1997. Most of the exploration activity has been focused on the Duquesne West claims.

In the early 1930s, the Property was incorporated as Galatea Gold Mines Ltd who then conducted a drilling program consisting of 38 drill holes, referred to as the "G Series" drill holes, totalling 3,718 m (12,200 ft). During this time, the Shaft and South Zones were discovered. In 1935, the Property was incorporated with land to the east as Duquesne Mines Limited.

The next recorded work was in 1944 by Fleming-Thompson. It is not known whether they are individuals or a company. A 5-hole drilling program (drill holes FT-19 to FT-23) totalling some 895 m (2,935 ft) was completed. From 1947 to 1949, the Pitt Gold Mining Company drilled at least 10 holes totalling some 2,133 m (6,994 ft), including the "P Series" holes (P-50 to P-52; P-54, P-56) and the "R Series" holes (R-73 to R-77), totalling 1,149 m (3,768 ft) and 984 m (3,226 ft), respectively.

There is a gap in the exploration work history until the early 1970s. In 1972 the claims held by Duquesne Mines lapsed and the ground was staked by Claremont Mines Ltd. ("**Claremont**") under 14 claims. Claremont conducted geochemical and geophysical surveys, including magnetics, IP and SP. However in 1975, Claremont optioned the Property to Louvem Mining ("**Louvem**") who conducted geochemical and geophysical ("IP") surveys

and a follow-up diamond drill program consisting of 13 holes totalling 2,030 m (6,661 ft). These holes are designated as the "D Series" drill holes and include holes D-9 to D-16, D-18 to D-20 and D-34 and D-35. Louven later dropped the option and the property returned to Claremont. In 1978, Claremont conducted geochemical surveys and from these results carried out a 17-hole diamond drill program for some 2,250 m (7,385 ft). These holes are designated as the "C Series" drill holes and include drill holes C-1 to C-17. Between 1978 and 1979, Claremont staked 4 additional claims. In 1982, Claremont conducted further geophysical ("SP") surveys followed by additional drilling. The diamond drilling program consisted of 32 holes (CW-1 to CW-14, and 82-1 to 82-18) totalling 1,997 m (6,552). Claremont sunk a shaft in 1983 to about 24 m (80 ft) and extracted approximately 432 t (425 T) for a bulk sample from the zone (Shaft). Testing on the sample returned a grade of 3.8 g Au/t (0.11 oz Au/T).

In 1987, Goldex Mining Enterprises Inc ("**Goldex**") acquired the Property and carried out geophysical surveys including magnetics, EM and IP and geological mapping. Goldex staked two additional claims in the following year, 1988. The Property was optioned to Noranda in 1990.

Noranda then conducted a geological mapping and trenching program. Based on the results Noranda completed a 6-hole diamond drill program (DQ80-1 to DQ80-6) totalling 1,854 m. This program was followed in 1991 with additional trenching and diamond drilling, 7 holes (DQ91-7 to DQ91-13) totalling 1,854 m. Noranda let the option lapse and the Property returned to Goldex.

Goldex, in 1994, completed a 7-hole diamond drill program (DQ94-1 to DQ94-6) totalling 440 m. The Property was then optioned to Santa Fe Canadian Mining Ltd ("**Santa Fe**") later in the same year, April 14, 1994 through an option agreement with Jack Stock Geoconsultant Services Ltd / Globex (Cunningham-Dunlop, 1996).

From 1994 to 1997, Santa Fe drilled 58 diamond drill holes totalling some 26,430 m. In their first year, 1994, Santa Fe compiled all the historical drill data into a single database. Later that same year, Santa Fe carried out a 14-hole diamond drill program (DQ94-1 to DQ94-14) totalling some 5,750 m. The focus of the drilling program was to evaluate the Main North Porphyry Sill and a number of gold zones between the porphyry and the DPFZ. The results were found to be encouraging and it was recommended that further drilling be undertaken to continue testing the down-plunge potential of the Shaft Zone and the strike and dip extent of the Fox Zone (Cunningham-Dunlop, 1995). The 1996 drill program consisted of 16 diamond drill holes (DQ95-15 to DQ95-24, and DQ95-27, -29, -31, -33, -38 and -39) totalling 7,906 m. The focus of this drill program was to evaluate then down-plunge potential of the Shaft Zone

and the strike and depth extent of the Fox Zone. A total of 1924 samples of drill core were taken. This represented approximately 35% of the total core drilled (Cunningham-Dunlop 1996). In 1996, Santa Fe completed some geophysical surveys, mainly IP and flowed up with further drilling. A total of 23 diamond drill holes (DQ96-53 to DQ96-68, and DQ96-71, -72, -65W, as well as DQ94-10A, DQ94-12A and DQ94-31A) were completed in 1996 at some 9,990 m. Another 5 holes (DQ97-73, -74 and -79 to – 81) totalling 2,785 m were drilled in 1997 focusing on the Shaft Zone. The focus of the drill program was primarily to test the western down-plunge potential of the Shaft Zone and secondly to determine the source of the IP anomaly. Significant drill results include 1.43 g Au/t over 10 m from drill hole DQ97-74 and 2.9 g Au/t over 13 m from DQ97-79. Results from the program were considered encouraging and further drilling was recommended on the Shaft, Fox and East Stinger Zones and to test contacts of the North Porphyry Sill (Cunningham-Dunlop, 1997b). From this work, Santa Fe produced an "in-house" mineral estimate for the Shaft, Fox and East Stinger Zones at 1.3 Mt grading 7.8 g Au/t. It should be cautioned that this estimate is non-compliant with NI 43-101 Standards of Disclosure for Mineral Properties.

There is a gap in the exploration history from 1998 to 2001. In 2002, Kinross Gold Corporation ("**Kinross**") optioned the Property from Globex (50%) and Jack Stock Geoconsulting Services (50%) in August, 2002 for a 4-year period. Kinross proceeded to carry geochemical and geophysical surveys as well as geological mapping. The results of this work lead to a 14-hole diamond drill program (DQ02-01 to DQ02-14) totalling some 5,300 m.The focus of the program was first to confirm and extend the gold mineralization at Shaft, Fox and East Stinger Zones and second to test the geophysical, geochemical and geological targets. Significant drill results from the Liz Zone included 6.83 g Au/t over 11.1 m from drill hole DQ02-02 which included a zone of 11.94 g Au/t over 4.6 m; and 2.17 g Au/t over 2.0 m; significant results from Shaft Zone returned values from 5.48 g Au/t over 11.4 m (DQ02-10) to 0.36 g Au/t over 16.0 m (DQ02-06) to 2.31 g Au/t over 3.4 m (DQ02-01); results from the Fox Zone returned values of 2.63 g Au/t over 1.5 m (DQ02-08) to 3.14 g Au/t over 1 m (DQ02-06). Results from this drilling and re-interpretation of existing data lead to a re-defining of the Shaft, Fox, East Stinger and the new Liz Zones (Londry et al, 2003).

In 2003, RCI completed a Mineral Resource estimate for Kinross on the Shaft, South Shaft Fox and Liz Zones totalling some 665 Kt grading 11.4 g Au/t (un-cut). This Mineral Resource estimate was for internal purposes only and was not released to the Public. This Mineral Resource estimate was written according to the NI 43-101 Form F1 format current at that time.

Queenston Mining Inc ("**Queenston**") acquired the option for the Property in 2003. And between 2003 and 2004, Queenston completed 12 diamond drill holes (DQ03-15, -15x, -16 to -25, as well as -24x and DQ96-57a) for some 7,633 m.

Significant drill results from the Liz Zone returned values of 4.21 g Au/t over 8.0 m (DQ03-15), 4.58 g Au/t over 13.6 m (DQ03-16), 2.0 g Au/t over 20.50 m (DQ03-20) and 2.9 g Au/t over 1.3 m (DQ034-21); the Shaft Zone returned values of 1.03 g Au/t over 1.5 m (DQ03-15), 20.5 g Au/t over 1.6 m (DQ04-21) and 12.3 g Au/t over 1.5 m.

Diadem Resources Ltd ("**Diadem**") acquired the option for the Property in 2006. Diadem completed 20 diamond drill holes (DQ06-01 to DQ06-20) between 2006 and 2007 for some 12,245 m. The primary target for much of the 2006 drilling program was the Liz Zone. A total of 15 NQ sized drill holes were completed totalling 10,337 m. Some of these holes had secondary exploration targets in the Shaft and Fox Zones that lie immediately north of the Liz Zone. Significant drill results included 4.21 g Au/t over 10.3 m (DQ06-01), 3.01 g Au/t over 7.85 m (DQ06-11), 1.12 g Au/t over 1.0 m, and 1.3 g Au/t over 15.4 m (DQ06-08); results from the Fox Zone included 2.4 g Au/t over 6.8 m; and from the Nip Zone, 2.7 g Au/t over 4.55 m (DQ06-17) and 143.35 g Au/t over 0.9 m (DQ06-18).

Xmet acquired the option for the Property on February 18, 2010.

7. GEOLOGICAL SETTING AND MINERALIZATION

7.1 REGIONAL, LOCAL AND PROPERTY GEOLOGY

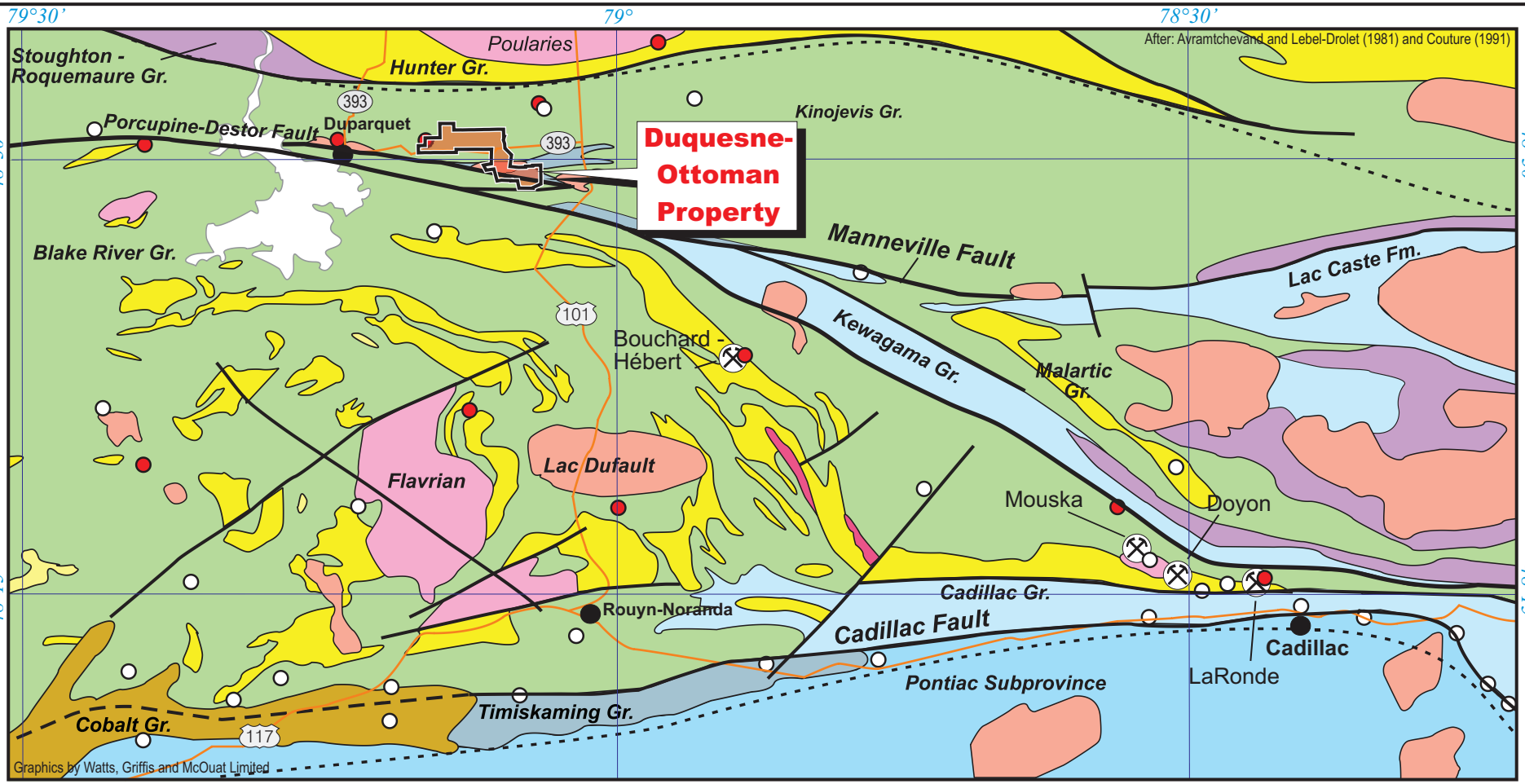
The Property lies within the southern limb of the "east-west" trending Lepine Lake Syncline located within the Abitibi Greenstone Belt of the Superior Structural Province. The rocks are Archean in age, ranging from 2730 to 2670 Ma and vary in composition from ultramafic through to felsic, primarily of volcanic origin. These rocks occur as east-west trending lithological sequences and have been intruded by mafic to felsic batholiths, dated between 2707 and 2696 Ma. Capping these volcanic sequences are sedimentary sequences, turbditic in nature, of the Porcupine and Kewagama Groups. Detrital zircons from sedimentary rocks of the Kewagama Group have been dated as young as 2687 Ma (Mortensen, 1993). The Abitibi Greenstone Belt is thought to have been formed as the result of arc volcanism and back-arc sedimentation, and subsequently deformed during continental collision.

The major volcanic units generally have an east-west trend with a steep to sub-vertical dip and are south facing. The area has undergone complex tectonic events including thrust faulting. There is evidence of both ductile and brittle deformation. A weak to moderate east-west sub-vertical foliation has been noted throughout the region. This would be consistent with a north-south compression that is thought to have to have occurred in the southern Abitibi Greenstone Belt. The regional geology is shown in Figure 3.

In the Property area, the major lithological units are the Kinojevis Group in the north and the younger Blake River Group in the south. The Kinojevis Group is a sequence of iron-rich tholeiitic volcanics while the Blake River group consists of calc-alkalic basalt, andesite, dacite and rhyolite flows and tuffs. These rocks have been interpreted as being deposited in a back-arc setting (Kerrick et al, 2007).

The Destor-Porpucine Fault Zone ("DPFZ") is the most prominent geological feature on the Property. It cuts across the southern third of the Property and separates the Kinojevis Group from the Blake River Group. Fine grained well-bedded argillites and greywackes of the Clenricy Group lie between the Kinojevis and Blake River Groups. The DPFZ has a general trend of about 090º from the Porcupine camp through to the Harker-Holloway area. However in the Property area, the trend is approximately 110º and dipping between 60º South and 80º South. Displacement along the fault is "right-handed". As expected, the most intense and complex deformation is in the vicinity of the main fault which appears as a zone of carbonatized talc-chlorite (+/- sericite) schist between 20 and 50 m in width.

XME REV / XME_03_Rgnl_Geol.cdr
Last revision date: Thursday 18 August 2011



Legend:

PROTEROZOIC

Sedimentary Rocks

- *Sandstone, conglomerates, arenites, stromatolite*

ARCHEAN

Plutonic Rocks

- *Syn-to post-tectonic tonalite, granite and gabbro*
- *Synvolcanic tonalite, granite and gabbro*

Sedimentary Rocks

- *Cadillac type*
- *Pontiac type*
- *Timiskaming type*

Volcanic Rocks

- *Rhyolites*
- *Basalts*
- *Komatiites to basalts*

- *Mine*

Projects

- *Gold*
- *Polymetallic*
- *Fault*
- *Limits of subdivisions*

0 4 20

Kilometres

Figure 3.

XMET INC.

Duquesne - Ottoman Project

Duparquet Township, Quebec

Regional Geology

Watts, Griffis and McOuat

XME REV / XME_04_Prop_Geol.cdr
Last revision date: Thursday 18 August 2011

Watts, Griffis and McOuat

639,000m.E 640,000m.E 641,000m.E 642,000m.E

5,373,000m.N

5,372,000m.N

5,371,000m.N

DUPARQUET TWP

DESTOR TWP

Northwest Fault Zone

PORCUPINE-DESTOR BREAK

Duquesne-Ottoman Property

Lac Mackay

Lac Destor

Legend:

3G Gabbro	Geological contact
4 Ultramafic int.	Shear zone
2D Diorite	Property outline
IS Syenite	Township line
QFP Quartz feldspar porphyry	Historical grid
S1 Conglomerate	Trench
S3,S4 Greywackes	Shaft
V Interm. volcanics	
V1 Felsic volcanics	
V1,1R Felsic volcanics/int.	
V13 Ultramafic volcanics	
V6 Andesite	
V6,V7 Andesite/basalt	
V7,V6 Basalt/andesite	

Scale1:10,000

0 100 500

Metres

UTM NAD83 Zone 17N

Graphics by Watts, Griffis and McOuat Limited After: Dave Gamble Geoservices

Figure 4.

XMET INC.

Duquesne - Ottoman Project

Duparquet Township, Quebec

Property Geology

Structures from the western portion of the Property extend to the eastern portion of the Property but they are displaced by a north-northwest trending dextral fault. This fault which cuts through the central portion of the Property is not exposed at surface but is inferred by the magnetic data, the apparent displacement of traceable units (i.e. the North and South Porphyries, Timiskaming Conglomerates and the DPFZ) and the extensive faulted and sheared intersections in the drill holes. The mineralizing structures to the west of this NNW dextral fault (Fox Shear, Shaft Shear and the Liz Shear) have been interpreted to be correlative with the Creek Shear, the Duquesne Shear and the South Shear respectively, occurring to the east of the dextral fault (Londry et al, 2003).

7.2 MINERALIZATION

The gold mineralization in the Duquesne-Ottoman Property is typical of that occurring in most Archean Orogenic (formerly known as “mesothermal” or “greenstone-hosted”) gold deposits. Gold is hosted in or adjacent to narrow quartz-carbonate veins with associated sericite-ankerite-pyrite alteration. The quartz-carbonate veins often have multiple mineralized intervals or horizons. The mineralized zones are defined by the mineralized quartz-carbonate veins and can consist of multiple veins. The boundaries of the mineralized zones are gradational and the intensity of alteration is quite variable.

Exploration on the Property has indicated the gold mineralization is associated with: i) margins of the east-west trending porphyry sills; ii) quartz veins within the porphyries; iii) narrow splays off the main break; and iv) mafic / ultramafic contacts. The dominant control on the mineralization is structural (shears and splays). Lithological characteristics also influence the mineralization. The mineralized zones are related to second-order structures that trend east-west and steeply dip to the south. Although the mineralization is hosted by a variety of rock types, it is primarily associated with quartz-feldspar porphyries and mafic volcanics (andesite). Other host rock associations include volcanic tuffs, ultramafics, mafic intrusives and quartz diorites.

To-date, eight gold zones have been identified and drill tested with encouraging results: Stinger, Fox, Shaft, North Shaft, South Shaft, Liz, Nip and 20-20. These zones are shown in Figure 5. The reader is referred to Section 10 (Drilling) of this report for the more recent (2010 and 2011) drilling results. Although Shaft and Fox zones were described as being different zones by both Diadem and Queenston, they are thought to be hosted in a single structure (Armstrong, 2010a).

XME REV / XME_05_Compilation_Map.cdr
Last revision date: Thursday 18 August 2011

Watts, Griffis and McOuat

639,000m.E 640,000m.E 641,000m.E 642,000m.E

5,373,000m.N

5,372,000m.N

5,371,000m.N

DUPARQUET TWP

DESTOR TWP

Stinger Zone

Fox Zone

Shaft Zone

North Shaft Zone

Zone 20-20

Nip Zone

South Shaft Zone

Liz Zone

Northwest Fault Zone

PORCUPINE-DESTOR BREAK

PORCUPINE-DESTOR BREAK

Longitudinal Section

Duquesne-Ottoman Property

Lac Destor

Lac Mackay

Legend:

- *Gabbro*
- *Ultramafic int.*
- *Diorite*
- *Syenite*
- *Quartz feldspar porphyry*
- *Conglomerate*
- *Greywackes*
- *Interm. volcanics*
- *Felsic volcanics*
- *Felsic volcanics/int.*
- *Ultramafic volcanics*
- *Andesite*
- *Andesite/basalt*
- *Basalt/andesite*
- *Mineralized zone*
- *Shear zone*
- *Property outline*
- *Township line*
- *Historical grid*
- *Trench*
- *Shaft*
- *Historical drill hole collar*

Scale1:10,000

0 100 500

Metres

UTM NAD83 Zone 17N

Graphics by Watts, Griffis and McOuat Limited After: Dave Gamble Geoservices

Figure 5.

XMET INC.

Duquesne - Ottoman Project

Duparquet Township, Quebec

Duquesne West Compilation Map with Gold Zones

East Stinger Zone – host rocks include mafic intrusive, ultramafic and quartz feldspar porphyry near north contact of North Porphyry; some chalcopyrite, sphalerite and molybdenite has been reported; possibly epithermal style mineralization. The zone trends east-west and dips south steeply at 80º - 90º. Base metal and silver grades increase with depth indicated by drilling.

Fox Zone – an east-west trending, south dipping (steep) zone with an easterly rake; proximal to the south contact of the North Porphyry; mineralization occurs mostly in altered mafic tuff; schistose mafic tuff and volcanic host rocks; consists of several lenses; the zone was given less potential by Diadem and Queenston due to low values returned in drill core samples; the zone lies about 100 m north of and parallel to the Shaft Zone; drill hole DQ-97-79 returned assays of 25.38 g Au/t over 3.3 m and second drill hole approximately 150 m east of DQ-97-74 returned assays of 18.3 g Au/t over 1.5 m; a total of 6 holes that tested the Liz Zone also tested the Fox Zone mineralization. The Fox Zone appears to be open at depth and again apparently at a somewhat lower grade and also over narrow widths.

Shaft Zone – schistose mafic volcanic host rocks, proximal to quartz-feldspar porphyries and syenites; the zone trends east-west and dips steeply south and rakes steeply to the east; several mineralized lenses have been identified with 2 to 10 g Au/t over 2 or more metres; the largest has a strike-length of 200 m and a down dip extent of 400 m at 300 to 700 m below surface; results from drilling (Diadem) returned values of 4.53 g Au/t over 2 m from DQ06-6 and 5.79 g Au/t over 0.8 m from DQ06-10; the Shaft Zone has two associated minor sub-parallel zones: the South Shaft and the North Shaft; South Zone mafic volcanic host rocks appear less schistose than those at the Liz Zone, and also the zone is less well-defined; the South Zone is possibly the faulted extension of the Liz Zone which lies some 100 m to the south. The Shaft Zone appears to lie conformable to semi-conformable with the Liz Zone to the south.

Liz Zone – striking parallel to sub-parallel to the DPFZ, that is, east-west trending, with a steep southerly dip and a steep easterly rake; hosted by sheared and widely altered (carbonate-sericite) mafic volcanic with locally increased quartz-carbonate-pyrite alteration associated with the better gold mineralisation; the Liz Zone has been described as having the best mineralization of the zones to date (Armstrong, 2010a). Mineralization greater than 5 to 8 g Au/t has been noted up to 8 m true width, with a down-dip length of 700 m and strike-length of 100 m within a 3 g Au/t mineralized envelop. The zone appears to be cutoff east and west along strike, but open at depth though width appears to decrease;

Nip Zone - an east-west striking zone near or along the south contact of the North Porphyry; characterized by spiky assays over narrow widths. The Nip Zone located on the eastern end of

the property was drill tested during the 2006 Diadem exploration drill program. Three holes DQ-06-16, -17, and -18 totalling 1106 meters; Diadem's drill results for the Nip Zone indicated a weak gold continuity but not lithological continuity. Drill hole DQ-06-16 returned 0.56 g Au/t over 0.4 m in a 10% disseminated pyrite mineralized zone within a foliated quartz feldspar porphyry at a basalt tuff contact. Overall, the Nip Zone showed some degree of continuity from the assay data, and did not appear to be lithologically controlled. The mineralization in DQ-06-16 occurs at a QFP/basalt tuff contact, in DQ-06-17 the mineralization occurs within a rhyolite tuff/flow sequence, and in DQ-06-18 the mineralization occurs at a QFP/rhyolite tuff contact. The lengths of the mineralized intervals were narrow with spiky assay values. Therefore it was of limited interest for further follow-up drilling.

20-20 Zone - an east-west striking zone near the north contact of the North Porphyry in contact with a gabbro; the area is underlain by mafic, ultramafic and felsic volcanics, and cut by dioritic intrusives near the Timiskaming conglomerate. The setting is similar to the East Stinger and possibly the same structure (Londry et al, 2003).

Additional gold mineralization occurs as isolated intercepts outside the interpreted zones. However, based on the current drill results, none of these isolated intercepts form a persistent zone.

The gold mineralization at the Beattie Mine, some 5 km west of the Property, is related to syenite porphyry intrusion; several ore types most important being "breccia" ore consisting of fragments of bleached and altered Keewatin rocks cemented by tiny quartz-carbonate stringers; metallic mineralization is fine grained pyrite and arsenopyrite; gold content averaged 0.14 opt; structural aspects of the ore bodies and their mineralogy suggest that this deposit classed as mesothermal or epithermal (Davidson and Banfield, 1944).

The gold mineralization at the Duquesne Mine, some 3 km or so east of the Property, is associated with east-west and north-south trending splay structures extending from the DPFZ; gold-bearing silica and carbonate altered quartz feldspar porphyry and syenite porphyry intrusions contain disseminated pyrite mineralization where they have intruded ultramafic and volcanic sequences.

Other associated mineral deposit types include gold-rich volcanic massive sulphide ("VMS") and intrusion-related gold deposits.

The Hunter Mine lies less than 10 km to the northeast of the Beattie Mine. The mineralized zones occur along the contacts between felsic volcanic tuffs and rhyolites. At least 3 parallel structures have been observed. Some 354,500 t (391,000 tons) averaging 1.09% copper was mined until 1957. There are zinc and silver associated with the copper zones but grades were not reported. A total of 329,000 tons of historic resources with similar grade exists down to the 4th level (www.mineralfields.com, May 5, 2011).

8. DEPOSIT TYPES

The Abitibi Greenstone Belt has several unique characteristics, including a high ratio of supracrustal to intrusive rocks; a generally low metamorphic grade; and that it contains a range of gold and base-metal deposit types. The main mineral deposit types in the region include: volcanic-associated, massive, base metal sulphide ("VMS") deposits such as those at Noranda, shear and intrusion hosted lode gold deposits, komatiite-associated Ni-Cu-PGM deposits and oxide iron formation.

The regional geology of the area has been interpreted as being representative of a “back-arc” environment. The associated gold deposits have been classed as “Orogenic”. This category of gold deposits includes such formerly classified deposits as mesothermal, greenstone-hosted, slate-hosted, as well as some of the “low sulphide” gold deposits as defined by the USGS. The Abitibi Greenstone Belt is host to numerous Orogenic gold deposits. These deposits were referred to previously as “Greenstone-hosted quartz-carbonate vein” deposits. Included in this category is the “shear-zone” related quartz-carbonate or gold only deposits.

The Orogenic “Greenstone-hosted quartz-carbonate vein” deposits are distributed along major compressional to trans-tensional crustal-scale fault zones in deformed greenstones terranes commonly marking the convergent margins between major lithological boundaries, such as volcano-plutonic and sedimentary domains. These Orogenic gold deposits are commonly associated spatially with fluvio-alluvial conglomerate (e.g. Timiskaming Conglomerate) distributed along major crustal fault zones (e. g. Destor-Porcupine Fault Zone). They typically occur in deformed greenstone belts, especially those with variolitic tholeiitic basalts and ultramafic komatiitic flows intruded by intermediate to felsic porphyry intrusions (http://cgc.nrcan.gc.ca/mindep/synth_dep/gold).

These Orogenic deposits are structurally controlled, complex epigenetic deposits, characterized by simple to complex networks of gold-bearing, laminated quartz-carbonate fault-fill veins. The veins are hosted by moderately to steeply dipping, compressional brittle-ductile shear zones and faults with locally associated shallow-dipping extensional veins and hydrothermal breccias.

The gold mineralisation in the Duparquet area has been described as being “found chiefly along shear zones in or adjacent to the porphyries” (Graham, 1954). There are two types of gold mineralization reported in the Property area: (1) high grade shear zone-hosted veins and stockwork zones at major lithological contacts and within breccia zones, locally referred to as “Duquesne”; and (2) low grade, bulk mineable disseminated zones in syenite and calc-alkaline granite porphyries, referred locally as “Beattie”.

9. EXPLORATION

9.1 PROCEDURES/PARAMETERS OF SURVEYS AND INVESTIGATION

In July 2010, the Company hired technical and support staff for its exploration office in Rouyn-Noranda. At this time Pierre Riopel was hired as the Quebec Exploration Director and Yvon Labrecque was hired as the Administrative and Operations Director. Also in July, Xmet contracted the services of Services Techniques en Exploration Minière based in Rouyn-Noranda for the construction of a core shack and also to provide the manpower for the Santa-Fe resampling program conducted by RCI. Note, this resampling program is reported in the NI 43-101 Technical Report prepared by RCI for On-Strike and Eminence, dated September 20, 2010.

In September 2010, three trenches were excavated, centred on / around drill hole location DQ-94-08. The trenches measured 33 x 12 m, 22 x 8 m and 21 x 8 m (length x width). A total of 49 trench samples were taken representing 57.85 m.

In November 2010, Xmet hired a geologist to supervise the drilling operations and Services Technique en Exploration Miniere, a technical service company, was contracted on a long term basis to supervise the daily field operations.

In mid-December, 2010, Abitibi Geophysics conducted a hole-to-hole (borehole) Resistivity / IP survey. The purpose of the survey was to assess the potential for gold mineralization and to propose a follow-up exploration program based on the results. A total of 5 independent pairs of receiver holes were surveyed (Table 1).

TABLE 1.
DRILL HOLE COMBINATIONS

# Pair	Combination	
	P1	P2
A	DQ-10-17 (520 m)	DQ-10-18 (370 m)
B	DQ-10-15 (340 m)	DQ-10-17 (520 m)
C	DQ-02-09 (320 m)	DQ-10-15 (340 m)
D	DQ-02-09 (320 m)	DQ-10-17 (520 m)
E	DQ-02-09 (320 m)	DQ-10-18 (360 m)

Measurements of apparent resistivity and chargeability were recorded at each station. If an anomalous source is located between the boreholes, the anomaly will show a positive signature, otherwise the anomaly is negative. After all the data was compiled for the borehole combinations, a 3D inversion model was created. The resultant image was a smooth 3D model of the subsurface showing the volumetric resistivity and polarizable distribution between all electrodes. According to Abitibi Geophysics, the 3D inversion of IP data is considered suitable for mapping gold mineralization associated with sulphides. Two targets were identified for follow-up work. The follow-up work program included prospecting and a drilling program (Abitibi Geophysics, 2011). Survey specifications, instrumentation control, data acquisition, processing and interpretation, were all successfully performed within their respective QA/QC system framework.

During December 2010 and January 2011, a new helicopter-borne time-domain electromagnetic ("TDEM") and magnetic survey was flown over the property by Geophysics GRP International Inc. The results of the TDEM and magnetic survey have been incorporated as an additional layer of information in the exploration program. The First Vertical Derivative ("FVD") is used as the background for the 2010 and 2011 drill hole locations in Figures 6 and 7. The derivative filter is used to achieve spatial resolution of the magnetic anomalies by suppressing the long wave lengths.

The Company has in place policy and procedures for field as well as site inspections during drilling and after drilling and clean up. Each field staff completes a form prior to going into the field. This form contains information regarding what vehicle is being used, what field equipment is taken, destination, co-ordinates, routing, departure time, return time, emergency contact numbers. There are also forms to be completed by the field geologist when conducting the drill inspection (health and safety) as well as site inspection (environmental). Site inspections include the drilling site, the pump shed and area, as well as the access route to these sites. Completed forms are on file at the Company’s exploration office.

9.2 SAMPLING METHODS AND SAMPLE QUALITY

Trench sample intervals were marked out on the rock exposure with paint. A portable rock saw was used to cut two parallel lines about 3 to 5 cm deep and about 5 cm separation. The sample was collected using a rock hammer and chisel. Samples were placed in individual bags and tagged. Sample length averaged about 1.15 m though varied from 0.4 to 1.8 m. Sampling procedures were carried out using generally accepted Canadian mining industry practices.

XME REV / XME_06_Geophysical_Map_DH_2010.cdr
Last revision date: Thursday 18 August 2011

Watts, Griffis and McOuat

639,000m.E 640,000m.E 641,000m.E 642,000m.E

5,373,000m.N

5,372,000m.N

5,371,000m.N

DUPARQUET TWP

DESTOR TWP

DO-10-11
DO-10-10
DO-10-01
DO-10-12
DO-10-09
DO-10-08
DO-10-14
DO-10-05
DO-10-02
DO-10-03
DO-10-07
DO-10-13
DO-10-04
DO-10-06

PORCUPINE-DESTOR BREAK

PORCUPINE-DESTOR BREAK

Duquesne-Ottoman Property

7.44
2.54
1.94
1.54
1.24
1.02
0.84
0.70
0.58
0.46
0.38
0.30
0.22
0.16
0.12
0.08
0.06
0.02
0.00
-0.02
-0.04
-0.06
-0.08
-0.10
-0.12
-0.14
-0.16
-0.20
-0.22
-0.26
-0.28
-0.32
-0.38
-0.42
-0.48
-0.56
-0.68
-0.98
-2.77

First Vertical derivative
(nT/m)

Legend:

- *2010 Drill hole*
- *Property outline*
- *Township line*
- *Shaft*

Lac Mackay

Lac Destor

Scale1:10,000

0 100 500

Metres
UTM NAD83 Zone 17N

Graphics by Watts, Griffis and McOuat Limited After: Dave Gamble Geoservices

Figure 6.

XMET INC.

Duquesne - Ottoman Project

Duparquet Township, Quebec

2010 Drill Hole Location with Airborne Magnetic

XME REV / XME_07_Geophysical_Map_DH_2011.cdr
Last revision date: Thursday 18 August 2011

Watts, Griffis and McOuat

639,000m.E 640,000m.E 641,000m.E 642,000m.E

5,373,000m.N

5,372,000m.N

5,371,000m.N

DUPARQUET TWP

DESTOR TWP

7.44
2.54
1.94
1.54
1.24
1.02
0.84
0.70
0.58
0.46
0.38
0.30
0.22
0.16
0.12
0.08
0.06
0.02
0.00
-0.02
-0.04
-0.06
-0.08
-0.10
-0.12
-0.14
-0.16
-0.20
-0.22
-0.26
-0.28
-0.32
-0.38
-0.42
-0.48
-0.56
-0.68
-0.98
-2.77

First Vertical derivative
(nT/m)

DO-11-29
DO-11-21
DO-11-19
DO-11-22
DO-11-15
DO-11-30
DO-11-23
DO-11-17
DO-11-16
DO-11-33
DO-11-18
DO-11-32
DO-11-31
DO-11-20
DO-11-26
DO-11-25
DO-11-24
DO-11-27
DO-11-28

PORCUPINE-DESTOR BREAK

PORCUPINE-DESTOR BREAK

Duquesne-Ottoman Property

Legend:
- 2011 Drill hole
- Property outline
- Township line
- Shaft

Lac Mackay

Lac Destor

Scale1:10,000
0 100 500
Metres
UTM NAD83 Zone 17N

Graphics by Watts, Griffis and McOuat Limited After: Dave Gamble Geoservices

Figure 7.

XMET INC.

Duquesne - Ottoman Project

Duparquet Township, Quebec

2011 Drill Hole Location with Airborne Magnetic

9.3 RELEVANT INFORMATION

The 49 trench samples were submitted to Actlabs along with six control samples (three blanks and three standards). The samples numbers were 43351 to 43405 inclusive and can be found on Certificate of Analysis No 30297.

The survey was composed of one single block for a minimum coverage of 158 line-km, on NTS map sheet 032/D08. The TDEM survey was flown using a TDEM EMosquito II, a high resolution TDEM system with a large penetration (depth) capability. For this survey, the magnetometer was installed near the TDEM receiver, half way between the helicopter and the TDEM system. A radar altimeter and a differential geo-positioning system ("dGPS") were mounted onto the helicopter. Quality control and quality assurance procedures were carried out during data acquisition and data processing. Profiles were checked to ensure correct flight path recovery and instrument noise was verified using Geosoft software.

The flight lines were at 0º to 180º and the tie-line were flown at 90º to 270º with respect to the UTM coordinates. The single block totalled 158 linear-km using 100 m line spacing and 1,000 m tie-line spacing. The dGPS data were acquired as northing, easting, longitude and latitude format in WGS84, converted using NAD84 datum

9.4 RESULTS AND INTERPRETATION OF EXPLORATION

The trench mapping and sampling results were used to understand the geology and identify structures. The results of the TDEM and magnetic surveys were used to further define drill targets.

10. DRILLING

A drilling contract was awarded to Foramex from Rouyn-Noranda. The first drill was mobilized in the second week of September 2010 and the second drill arrived on site in late October. A total of 14 drill holes, DQ-10-01 through to DQ-10-14, were completed in late 2010 with the reminder of the drill holes completed in early 2011. It should be noted that the Company carried the sequential numbering from 2010 into 2011, so that the first hole drilled in 2011 was in fact DO-11-15. The winter 2010 drill program was completed in April 2011 for a total of 33 drill holes totalling 13,206 m. The drilling summary is presented in Table 2.

TABLE 2.
DRILLING SUMMARY, 2010 DRILLING PROGRAM

Hole Id	Northing	Easting	Elevation	Azimuth	Dip	Length (m)
DO-10-01	640184	5372042	309.9	360	-50	246.0
DO-10-02	640235	5371960	308.1	004	-55	334.0
DO-10-03	640285	5371937	304.9	005	-54	390.0
DO-10-04	639885	5371617	291.6	006	-62	762.0
DO-10-05	641235	5371962	313.3	360	-52	573.0
DO-10-06	640035	5371600	295.0	012	-70	748.0
DO-10-07	640535	5371790	304.8	004	-65	595.0
DO-10-08	640585	5372058	330.5	360	-50	166.0
DO-10-09	640530	5372043	328.0	360	-50	288.0
DO-10-10	640085	5372108	316.5	360	-47	135.0
DO-10-11	639912	5372146	310.2	360	-50	285.0
DO-10-12	640090	5372020	311.3	360	-47	204.0
DO-10-13	639965	5371740	295.2	008	-73	552.0
DO-10-14	641217	5372000	316.7	360	-67	525.0
DO-11-15	639844	5371900	294.9	003	-58	483.0
DO-11-16	641285	5372070	322.2	360	-56	280.0
DO-11-17	641185	5372070	315.0	360	-56	276.0
DO-11-18	641312	5372020	318.0	360	-64	456.0
DO-11-19	639685	5372000	299.0	005	-74	411.0
DO-11-20	641168	5371935	313.0	360	-56	519.0
DO-11-21	639685	5372130	307.5	360	-45	135.0
DO-11-22	639770	5371980	300.0	003	-47	282.0
DO-11-23	640390	5371550	305.0	005	-70	1,020.0
DO-11-24	641965	5372105	325.0	215	-50	162.0
DO-11-25	642002	5372158	325.0	215	-50	228.0
DO-11-26	641940	5372200	325.0	215	-50	120.0
DO-11-27	642060	5371828	325.0	358	-53	321.0
DO-11-28	641980	5371784	325.0	360	-60	480.0
DO-11-29	640025	5372236	316.6	360	-55	363.0
DO-11-30	640345	5371858	309.7	003	-56	342.0
DO-11-31	641094	5371910	310.1	360	-63	556.5
DO-11-32	641047	5371925	310.8	360	-57	450.0
DO-11-33	641141	5372012	316.2	355	-56	348.0
DQ-03-08 extension[1]						171.0
Total						**13,206.5**

Note: Datum NAD83, UTM Zone 17. 1. Drill hole extension from 489 m to 660 m

Drill hole locations were determined using a hand-held GPS device. The drill collar locations were marked with a steel rod and a metal disk indicating drill hole identification number. The drill hole locations are previously shown in Figures 6 and 7.

A review of the sampling method and approach for the 2010 winter drilling program was conducted by WGM. Methods and procedures were found to be in keeping with industry best practices. A review of the sampling method and approach for the earlier drill programs was carried out by RCI and was discussed in the 2010 Technical Report.

The significant results from the drilling program are presented in Table 3.

TABLE 3.
SIGNIFICANT DRILL INTERSECTIONS,
(September 2010 to April 2011)

Drill hole ID	Zone	From (m)	To (m)	Interval (m)	Au Grade (g, average)
DQ-10-01	Shaft	55.46	63.37	7.91	0.99
DQ-10-02	Shaft	79.30	87.55	8.25	1.37
DQ-10-02	Shaft	230.1	235.92	5.82	1.95
DQ-10-03	Liz	100.39	104.48	4.09	0.9
DQ-10-03	Shaft	188.63	192.43	3.8	1.19
DQ-10-04	Fox	671.45	675.35	3.9	2.03
DQ-10-08	20-20	329.2	336.9	7.7	6.65
DQ-10-09	N Shaft	180.5	184.9	4.4	1.87
DQ-10-11		142.2	145.95	3.75	3.05
Includes		*145.65*	*145.95*	*0.3*	*30.0*
DQ-10-12	Shaft	70.95	74.05	3.1	3.22
DQ-10-12	Fox	189.85	195.4	5.55	1.76
DQ-10-14		448.2	451.65	3.45	4.05
Includes		*450.7*	*451.65*	*0.95*	*11.63*
DQ-11-15	Shaft	204.1	207.0	2.9	2.38
DQ-11-17	Nip	101.0	118.0	17.0	2.95
DQ-11-19		250.6	255.0	4.4	1.81
and		292.5	294.9	2.4	1.55
and		322.2	326.65	4.45	1.17
DQ-11-20		378.45	386.55	8.1	3.19
DQ-11-23		977.9	1005.5	27.6	2.05
DQ-11-28		261.8	271.6	4.75	6.83
Includes		*268.2*	*269.2*	*1.0*	*35.65*
DQ-03-18 ext	Fox	550.8	554.35	3.55	11.86 (uncut)

Based on the core examined, it was noted that the core recovery was consistently good. The sampling approach was in accordance with industry best practices. The samples were found to be representative. No sampling biases were noted.

Sampling methodology was found to be standard core logging procedures, in keeping with industry best practices. The core was oriented and the logging geologist marked each sample interval on the core. A line (different colour from the sample interval) was drawn along the axis of the core along which the core was to be cut. Prior to cutting, the core was photographed. Rock Quality Determination ("RQD") measurements were calculated on all core prior to logging, splitting and sampling. All drill data was entered into a database using logging (Geotic) software.

The same half of the core was sampled for the entire hole. All samples were cut at the core shed facilities. Samples were placed in plastic sample bags and security ties were used to secure the sample bags. The sample interval was recorded on a tag which then was attached to the core box at the end of the sample interval. The samples were either collected by the laboratory or transported to the laboratory by Company personnel.

The remaining core was stored in tagged core boxes, indicating the drill hole identification number and down-hole meterage. The core is stored in locked core racks adjacent to the exploration office in Rouyn-Noranda.

11. SAMPLE PREPARATION, ANALYSES AND SECURITY

11.1 SAMPLE PREPARATION AND ASSAYING

Actlabs

The Company sent their samples to Activation Laboratories Ltd in Ste-Germaine-Boule, approximately 45 km north of Rouyn-Noranda.

Sample preparation for the drill core samples included standard industry practice of crushing the drill core sample to 85% + passing 10 mesh (2 mm) sieve and then grinding using rings to 90% + passing 200 mesh (0.075 mm) sieve. Samples were crushed using TM Engineering Rhino Jaw crushers to obtain the fine material and then passed through a riffle splitter to obtain the sub sample. A TM Engineering ring pulveriser was used to obtain the pulp.

Samples were assayed for gold using fire assay ("FA") techniques with atomic absorption ("AA") finish. If the assay value was above 5,000 ppb, then the sample was re-assayed using a gravimetric finish; if the assay value was above 15,000 ppb, then the sample was re-assayed using metallic screen techniques. Metallic screen finish also was used in those cases where there was sufficient discrepancy between the AA and gravimetric values.

Agat Labs

WGM's verification samples were sent to Agat Laboratories ("**Agat Labs**") in Mississauga. Agat Labs carried out comparable sample prep to that of Actlabs, and carried out identical assaying procedures to that of Actlabs.

11.2 QA/QC

Xmet

The Company had Quality Control / Quality Assurance procedures in place whereby they submitted a blank and a gold standard in every batch of 20 samples. Four different certified reference material ("CRM") gold standards from Ore Research and Exploration ("OREAS") were used: 5Pd (98 ppb Au), 15d (1,559 ppb Au), 54Pa (2,956 ppb Au, 1.55% Cu) and 62c (8.79 ppm Au, 8.76 ppm Ag). The blank sample was a diorite that had been assayed 12 different times.

The control samples were considered a “fail” if the value for one control sample was above 3 Standard Deviations or if the values for two control samples in a row were between 2 and 3 Standard Deviations.

Actlabs

The laboratory is in the final stages of installation and certification of a new Laboratory Information Management System (“LIMS”). Quality assurance / quality control during the sample prep involved cleaning the work space and equipment between each sample. The crusher and grinder were cleaned using a non-silica abrasive. The analytical quality assurance / quality control procedures utilised by the laboratory employed the use of a blank, a duplicate and 2 CRM samples in every batch of 24 samples. Analytical equipment was calibrated daily as well as at the start and end of each batch (24 samples). Values were validated and checked against the expected curve.

Actlabs uses bone crucibles (one-time use only) in its furnaces for fire assays.

Agat Labs

AGAT Laboratories’ Mining Division is accredited to ISO/IEC 17025:2005 by the Standards Council of Canada. Note that ISO 9001 certification is a generic management standard that can be applied to any business or administration. ISO 17025 was written to incorporate all the ISO 9001 requirements that are relevant to the scope of testing and calibration services as well as specifying the technical requirements for technical competence.

For standard lead fire assay techniques (AAS, ICP-OES, ICP-MS, gravimetric), replicate samples are assayed at a minimum of every 40 samples, reference materials at a minimum of every 20 samples and a reference blank at least every 40 samples. In regards to instrumentation (AAS, ICP-OES, ICP-MS) AGAT Labs uses internal QC solutions to ensure the analytical calibration is acceptable. This solution is made using a different lot number than the calibration solutions.

Metallic screen assays involve taking the reject sample, pulverizing, and passing through a 100 mesh screen. The entire plus fraction is assayed using fire assay procedures and duplicate fractions of the minus fraction. All fractions, and weights used, are reported as well as the total gold calculated.

11.3 SECURITY

The Company kept the samples in their exploration office / core logging facilities in Rouyn-Noranda prior to submitting them to the laboratory. The samples were either collected from the office by laboratory personnel or they were taken by company personnel to the lab in Ste-Germaine-Boule. The remaining core is stored in locked core racks adjacent to the exploration office. The pulps and rejects are being stored temporarily at Actlabs facilities at Ste-Germaine-Boule.

The verification samples were bagged and tagged by WGM personnel. The samples were then placed into a “rice” bag and closed with a security strap. The samples were collected from the Company’s exploration office and shipped directly to WGM’s office in Toronto by courier (Dicom Express). The samples were then rebagged and tagged, and then collected by Agat Laboratory personnel.

12. DATA VERIFICATION

A 4-day site visit was conducted by WGM from April 18 to 21, 2011. During the site visit, Mr Power-Fardy reviewed reports, maps, plans and sections held in the company's procession at their exploration office in Rouyn-Noranda. The Company's office staff was very helpful in providing the requested information and data.

Also at this time, a site visit to the drill rig and selected drill holes was carried out. Mr. Power-Fardy was accompanied to the site by Mr. J.F. Ranger, VP, Services Techniques en Exploration Minere. A total of seven drill hole locations were recorded and are presented in Table 4.

TABLE 4.
SELECTED DRILL HOLE LOCATIONS

DDH	Xmet			WGM			
ID	Northing	Easting	Elev	Northing	Easting	+/-Err	Elev
DQ-11-33	5372012	641136	316	5372017	641136	5	315
DQ-11-20	5371935	641168	313	5371933	641167	4	312
DQ-10-02	5371960	640235	308	5371962	640236	5	310
DQ-10-10	5372108	640085	316	5372107	640083	4	317
DQ-11-15	5371900	639844	295	5371900	639842	3	297
DQ-11-30	5371858	640345	310	5371859	640345	3	311
DQ-95-29	5371902	639835	298	5371907	639840	3	297

(Note: datum NAD83, UTM Zone 17N)

A total of 10 verification samples were taken from various drill holes at selected depths based on mineralization. The samples were chosen to reflect any vertical variation in the mineralization. In all cases, the remaining half of the core was taken by WGM. Verification samples are presented in Table 6. At this time, Mr P. Riopel, Quebec Exploration Director, requested that 2 CRM samples also be taken for assaying.

Mr. D. Power-Fardy accompanied by Mr. P. Riopel toured the Actlabs analytical facilities at Ste-Germaine-Boule and had discussions with the geochemist, Mr. André Caouette, regarding the laboratory's QA/QC procedures and protocols.

The verification samples were sent to WGM's Toronto office via courier. The samples were checked and verified upon their arrival at WGM's office, and then were rebagged and tagged and collected by Agat Laboratory personnel for analysis.

Agat Labs carried out comparable sample prep as well as identical assaying procedures to that at Actlabs. The samples were assayed for gold using the FA method on a 30 g charge with either AA, gravimetric or metallic screen finish, depending upon the result. Values less than 5,000 ppb had an AA finish, while values above 5,000 ppb and less than 15,000 ppb had a gravimetric finish, and those values above 15,000 ppb had a metallic screen finish.

TABLE 5.
VERIFICATION SAMPLES

DDH ID	From (m)	To (m)	Sample Interval	Xmet Sample	Au (g Au/t)	WGM Sample	Au (g Au/t)	WGM Sample	Au (g Au/t)
DQ-10-02	85.5	86.5	1.0	43062	3.22	E5111060	2.26	43062	2.8
DQ-10-02	224.3	225.0	0.7	43130	11.09	E5111061	17.80	43130	11.08
DQ-10-05	331.3	332.5	1.0	44179	11.47	E5111062	11.41	44179	11.13
DQ-10-09	116.2	117.4	1.2	44463	1.18	E5111064	1.02	44463	1.05
DQ-10-09	181.7	182.5	0.8	44507	8.2	E5111065	0.86	44507	8.84
DQ-10-14	448.2	449.0	0.8	45175	1.71	E5111066	0.902	45175	1.59
DQ-11-19	63.75	64.75	1.0	44890	5.23	E5111068	0.33	44890	4.84
DQ-11-19	250.6	251.5	0.9	46718	2.59	E5111067	2.37	46718	2.62
DQ-11-27	211.9	212.45	0.55	22360	2.38	E5111070	1.69	22360	1.82
DQ-11-28	268.2	269.2	1.0	22581	35.65	E5111071	29.67	22581	33.99
OREAS CRM 15d gold standard					1.55	E5111063	1.59		
OERAS CRM 62c gold standard					8.79	E5111069	9.03		

As apparent from the table, most results were comparable. The two notable exceptions were Sample 44507/Sample E5111065 (8.2 g Au/t vs 0.86 g Au/t) and Sample 44890/Sample E5111068 (5.23 g Au/t vs 0.33 g Au/t). As a result of this variance, WGM requested that the pulps of the original samples be sent. The results of the re-assay of the pulps of the original samples are comparable to the original results. WGM is of the opinion that the difference in the values could be caused by the nugget effect of the gold mineralization. The Certificates of Analysis for the verification samples are presented in Appendix 2.

Selected samples from the database were compared against their Certificate of Analysis. No errors or omissions were found.

13. MINERAL PROCESSING AND METALLURGICAL TESTING

Xmet has not conducted any mineral processing or metallurgical testing on the mineralized material from any of its properties.

In 1983, Claremont Mines extracted a bulk sample from the Shaft Zone. The summary results have been presented in Table 6-1 in the NI 43-101 Technical Report by RCI, dated April 28, 2010.

14. MINERAL RESOURCE ESTIMATES

14.1 HISTORICAL RESOURCES

In 1997, Santa Fe completed a mineral resource estimate based on the drilling results from the Shaft, Fox and East Stinger Zones. The resource was estimated at 1.3 Mt grading 7.8 g Au/t. However the resource estimate was classified as "Preliminary Inventory" and is not "NI 43-101" compliant (Armstrong et al, 2010a).

RCI completed a resource estimate in 2003 for Kinross for internal purposes only. This estimate did meet the then current CIM Standards for Resource and Reserve reporting. It included the Shaft, South Shaft, Fox and Liz Zones. An estimate of 665 Kt at 11.4 g Au/t (uncut) was determined (Armstrong et al, 2010a).

14.2 2010 MINERAL RESOURCE ESTIMATE

A Mineral Resource estimate was prepared for the Company in September 2010 by J. Reddick of RCI. The Mineral Resources were calculated by RCI using geological modelling software GEMS 6.2.3 and employing a polygonal method on vertical longitudinal sections. A minimum cutoff grade of 3.0 g Au/t and a calculated minimum horizontal width of 2.5 m were used for the estimates. The Mineral Resources were estimated for the Liz, South Shaft, Shaft, Fox and Stinger zones. These Mineral Resources were all classified as Inferred and the economic potential of the resources was found to be sensitive to metal prices. The combined Inferred Resources were estimated at 2.73 Mt grading 5.29 g Au/t, with an uncut grade of 6.0 g Au/t.

14.3 WGM UPDATED MINERAL RESOURCE ESTIMATE

WGM has prepared an updated Mineral Resource estimate for the Duquesne-Ottoman Property mineralized zones that have sufficient data to allow for continuity of geology and grades. The eight zones that host the gold mineralisation are characterised by variable to strong structural deformation and variable quartz-carbonate veining. The interpreted zones cover an intermittent strike length in excess of 2.5 km, (from sections 639525E to 642150E) with a down-dip extent of over 1,000 m below surface. A summary of the Mineral Resources is provided in Table 6.

TABLE 6.
SUMMARY OF DUQUESNE-OTTOMAN PROPERTY
UPDATED MINERAL RESOURCE ESTIMATE
(Cutoff of 3.0 g Au/t)

Category	Tonnes ('000)	Au (g/t) (capped)	Contained Au ('000 oz) (capped)	Au (g/t) (uncapped)	Contained Au ('000 oz) (uncapped)
Inferred	4,171	5.42	727	6.36	853

1. Mineral Resources were estimated using a polygonal estimation method on vertical longitudinal sections. A grade capping factor of 30 g Au/t was applied. A lower cutoff grade of 3.0 g Au/t, a minimum horizontal width of 2.5 m, and a global specific gravity of 2.70 is assumed. No deductions for mining recovery or otherwise were included in this estimate;
2. Mineral Resources were estimated using a three-year trailing average of US$960/ounce, and an exchange rate of US$0.95=C$1.00;
3. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues;
4. The quantity and grade of reported Inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category;
5. The Mineral Resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005.

14.4 DEFINITIONS

The classification of Mineral Resources used in this report conforms with the definitions provided in the final version of NI 43-101, which came into effect on February 1, 2001, as revised on June 30, 2011. We further confirm that, in arriving at our classification, we have followed the guidelines adopted by the Council of the Canadian Institute of Mining Metallurgy and Petroleum ("**CIM**") Standards. The relevant definitions for the CIM Standards/NI 43-101 are as follows:

> A **Mineral Resource** is a concentration or occurrence of diamonds, natural, solid, inorganic or fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.
>
> An **Inferred Mineral Resource** is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

An **Indicated Mineral Resource** is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

A **Measured Mineral Resource** is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

A **Mineral Reserve** is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

A **Probable Mineral Reserve** is the economically mineable part of an Indicated, and in some circumstances a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

A **Proven Mineral Reserve** is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

Mineral Resource classification is based on certainty and continuity of geology and grades. In most deposits, there are areas where the uncertainty is greater than in others. The majority of the time, this is directly related to the drilling density. Areas more densely drilled are usually better known and understood than areas with sparser drilling.

14.5 GENERAL MINERAL RESOURCE ESTIMATION PROCEDURES

The polygonal model Mineral Resource estimate procedure included:

- importing/compiling and validation of data from Microsoft Excel and Gemcom GEMS v6.2.4;
- generation of cross sections and plans to be used for validation of geological interpretations;
- basic statistical and decile analyses to verify cutoff grade, compositing and cutting (capping) factors;
- validation of 3-D polyline sectional outline of zones with continuity of geology/mineralization, using available geochemical assays for each drill hole sample interval**;** and
- generation of polygonal models for Mineral Resource estimates for each defined zone and categorizing the results according to NI 43-101 and CIM definitions.

14.6 DATABASE

14.6.1 GENERAL

The current Mineral Resource estimate is based entirely on surface diamond drilling done from 1994 to 2007, plus 33 additional drill holes completed by Xmet in late 2010 and 2011. The Property drill hole database consisted of 284 drill holes, geological codes, and 22,749 assay intervals for Au averaging 1.15 m in length. Of these, 162 drill holes, comprising 80,048 m of drilling, were considered for the resource estimate as the remainder did not have adequate QA/QC data, lacked archived half core, or did not have verifiable collar locations or drill logs.

Except for the recent drilling program that began in September of 2010, all drilling on the Property has been done by companies other than Xmet. Angled drilling has been done along the strike of the various mineralised structures on a series of fences that are oriented at approximately 360º (perpendicular to structures), (Reddick).

WGM estimated the Mineral Resources on the Property with interpolated polygons generated on a single vertical east-west longitudinal section using Gemcom GEMS® version 6.2.4 software.

Data used to generate the Mineral Resource estimates originated from Microsoft Excel files supplied to WGM by Xmet and a GEMS project database provided by John Reddick, P.Geo., independent QP and author of the 2010 Mineral Resource estimate. A new GEMS project was established to hold all data and to be used for the manipulations necessary for the updated Mineral Resource estimate. Additional information, including copies of the geological logs, summary reports, and geological interpretations were supplied as DXF or similar electronic files.

WGM is of the opinion that the quality and density of diamond drill hole data is acceptable for Inferred Resource estimation.

14.6.2 DATA VALIDATION

Upon receipt of the data, WGM performed the following validation steps:

- ✓ checking for location and elevation discrepancies by comparing collar coordinates with the copies of the original drill logs received from the site;
- ✓ checking minimum and maximum values for each quality value field and confirming/modifying those outside of expected ranges;
- ✓ checking for inconsistency in lithological unit terminology and/or gaps in the lithological code;
- ✓ spot checking original assay certificates with information entered in the database; and
- ✓ checking for gaps, overlaps and out of sequence intervals for both assays and lithology tables.

WGM undertook a manual comparison of the database against the original assay certificates. Approximately 20% of the digital drill hole data used for the estimate was used for the comparison. The assay table contained no errors when compared to the original certificates, and were deemed appropriate for use in the subsequent Mineral Resource estimate. Some gaps or missing intervals identified were due to unsampled / unassayed intervals outside of the mineralized zones. There was one instance of a misnamed hole and one other instance of an incorrect survey reading, however both errors were corrected with relative ease. Otherwise, WGM found the database to be in good order and accurate and no errors were identified that would have a significant impact on the Mineral Resource estimate.

14.6.3 DATABASE MANAGEMENT

The drill hole data were imported into a GEMS multi-tabled workspace specifically designed to manage collar and interval data. The line work for the geological interpretations and the polygons for the previous resource estimate were also stored within the GEMS project. The project database stored cross section and level plan definitions, such that all data pertaining to the project are contained within the same project database. A copy of the project database is stored in WGM's servers in Toronto.

14.7 GEOLOGICAL MODELLING PROCEDURES

14.7.1 CROSS SECTION DEFINITION

Vertical sections were defined for the Duquesne-Ottoman Property to mimic those defined by Reddick for the 2010 resource estimate. The drilling for zone definition was conducted on cross sections spaced approximately 50 m apart. In total, 56 west-looking vertical (cross) sections at 50 m spacing were defined for the mineralized zones. Figure 8 shows the 1 m composites and mineralized zone on cross section 640335E.

14.7.2 GEOLOGICAL INTERPRETATION

WGM compared Reddick's 3-D polyline interpretations of the mineralized zones, to Xmet's composites, each coded with an assigned zone name. The newer drilling appeared to corroborate the previous interpretation of the zones, however in some cases, WGM recoded the composites to support geological continuity along strike and down dip. It is WGM's understanding that Xmet is revisiting the interpretations as new drilling data becomes available.

The various zones appear to cut across major lithologies and there is no strong lithological control. The zones occupy a series of high strain structures characterised by shearing, quartz ± carbonate veining. Shearing is common. Quartz veining consists of anastomosing veins, veinlets and breccia zones. Sulphides (pyrite) are found as disseminations in the veins and in the wall rock immediately adjacent to the zones. (Reddick)

The polyline zone interpretations were imported into GEMS and each was assigned an appropriate rock code. WGM verified that the digitized lines were 'snapped' to drill hole intervals to anchor the line which will allow for the creation of a true 3-D wireframe that

XME REV / XME_04_Sect_640335E.dwg (Layout: Sect 640335E)
Last revision date: Tuesday 18 October, 2011

5,371,500m.N

5,372,000m.N

Graphics by Watts, Griffis and McOuat Limited

DQ06-09

DQ03-17

DQ06-11

DQ03-18
DQ03-18x

DQ97-81

DO-11-30

Surface

Liz Zone

South Shaft Zone

Shaft Zone

Fox Zone

DQ04-22

DQ06-15

1.97=1.57

0.79=1.22

0.02=2.37

0.57=1.74

0.32=2.48

1.26=2.08

1.08=2.20

1.59=2.23

10.87=2.90

3.19=3.46

0.01=1.57

0.03=2.27

4.38=2.85

200m.

0m.

-200m.

-400m.

-600m.

Legend:

1m Composites Grade (g Au/t)

- *< 0.5*
- *0.5 - 1.0*
- *1.0 - 2.0*
- *2.0 - 3.0*
- *3.0 - 10*
- *≥ 10*

DQ03-18 — *Drill hole, number*

Horizontal thickness (m)

0.02=2.37

Grade

Scale 1 : 3,000

0 30 150

Metres

UTM NAD83 Zone 17N

200 X

400 X

5,371,500m.N

Figure 8.

XMET INC.

Duquesne - Ottoman Project

Duparquet Township, Quebec

Vertical Section 640,335 E
Showing 1m Composites and Resource Zones

Watts, Griffis and McOuat

honours the 3-D position of the drill hole interval, in the future. WGM recommends that a true 3-D wireframe interpretation of the various zones should be undertaken as part of ongoing exploration.

Any discrepancies or interpretation differences between Xmet's original interpretation and those used by WGM were discussed with Xmet technical personnel and agreed upon before finalizing the interpretation to be used for the Mineral Resource estimate. As with the 2010 estimate, a minimum horizontal width of 2.5 m was used for defining the zones. The Duquesne-Ottoman mineralized zones are for the most part discrete subparallel, vertically dipping lenses and can be identified relatively easily, however, there can also be multiple intercepts within the same general area of a mineralized section of the drill hole.

14.7.3 TOPOGRAPHIC SURFACE CREATION

A topographic surface or triangulated irregular network ("TIN") was supplied by Xmet, which was generated using collar elevations of the holes drilled from surface for the entire Duquesne-Ottoman Property area, measured during Xmet's 2010 GPS survey. The topographic surface was hence used to clip the generated polygons.

14.8 STATISTICAL ANALYSIS, COMPOSITING, CAPPING AND SPECIFIC GRAVITY

14.8.1 BACK-CODING OF ROCK CODE FIELD

Each of the composites were visually compared to the 3-D polyline interpretations of the zones which were used to back-code a rock code field into the drill hole workspace. The majority of composites were coded with one of the nine identified zones. Of the 385 composites in the database, 59 composites were unidentified. It is not certain whether or not additional drilling will be able to confirm the continuity of these composites.

14.8.2 STATISTICAL ANALYSIS AND COMPOSITING

In order to carry out the Mineral Resource grade interpolation, a set of equal length composites of 1.0 m was generated from the raw drill hole intervals, as the original assay intervals were different lengths and required normalization to a consistent length. A total of 27,877 equal length composites were generated, of which 2,674 were omitted from analysis because they were comprised of less than 0.75 m of the original assay intervals (in almost all cases, these composites straddled the edges of the first or last assayed intervals). The average

capped grade of the 2,674 omitted samples was 0.05 g Au/t. Table 7 summarizes the statistics of the 1 metre composites inside or partially within the defined zones, which were used for the Mineral Resource estimate. For our analysis, WGM examined each of the zones separately. The results of this study are illustrated in Figures 9 to 16. Both the Fox and the Liz Zones exhibit the most normal distribution of gold grades.

TABLE 7.
BASIC STATISTICS OF 1 m COMPOSITES

Zone	Number	Mean Uncapped Au (g/t)	Mean Capped Au (g/t)	C.O.V.* Capped Au
Fox	225	3.51	2.76	2.09
Liz	266	2.67	2.67	1.29
Nip-Nord	59	2.52	2.52	1.25
Shaft	204	1.58	1.58	1.72
20-20	47	2.15	2.15	1.54
Stinger	30	2.79	2.79	1.01
South Shaft	105	1.82	1.78	1.60
Nip-Sud	33	5.03	1.87	2.75

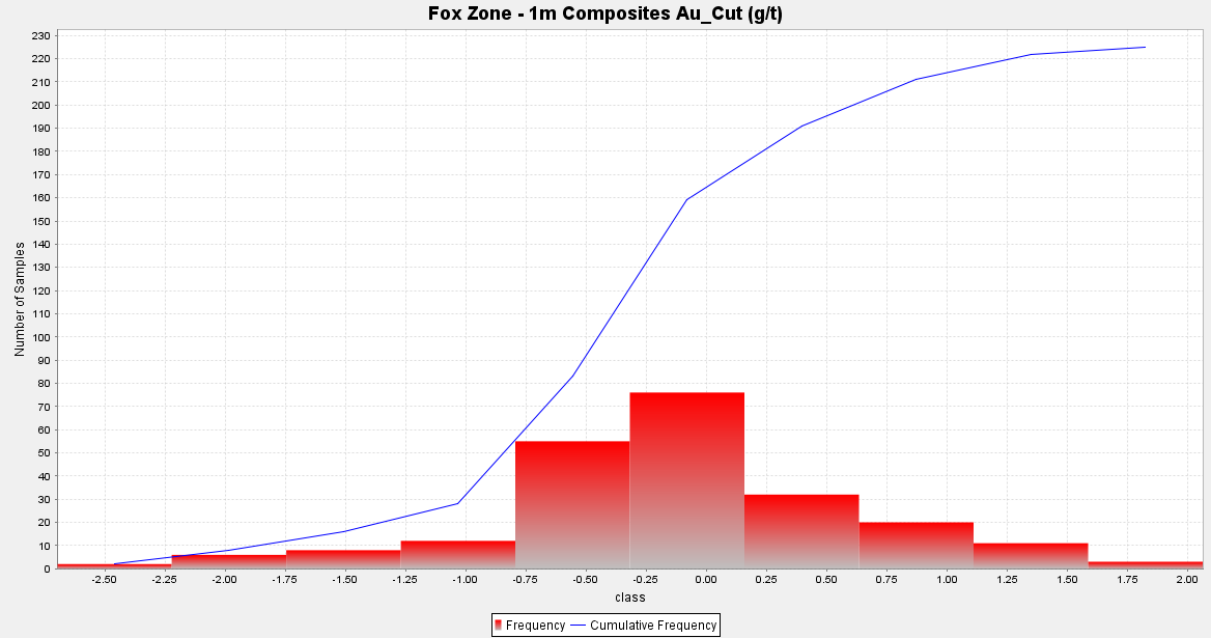


Figure 9. LOG normal histogram, cut Au composites within Fox Zone

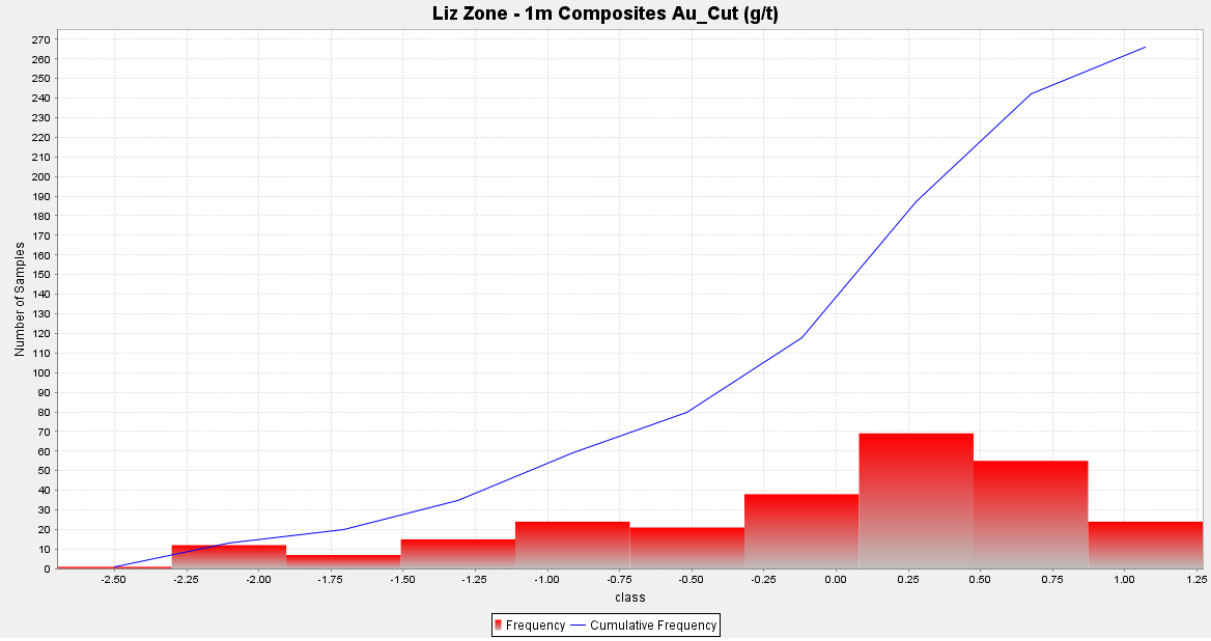


Figure 10. LOG normal histogram, cut Au composites within Liz Zone

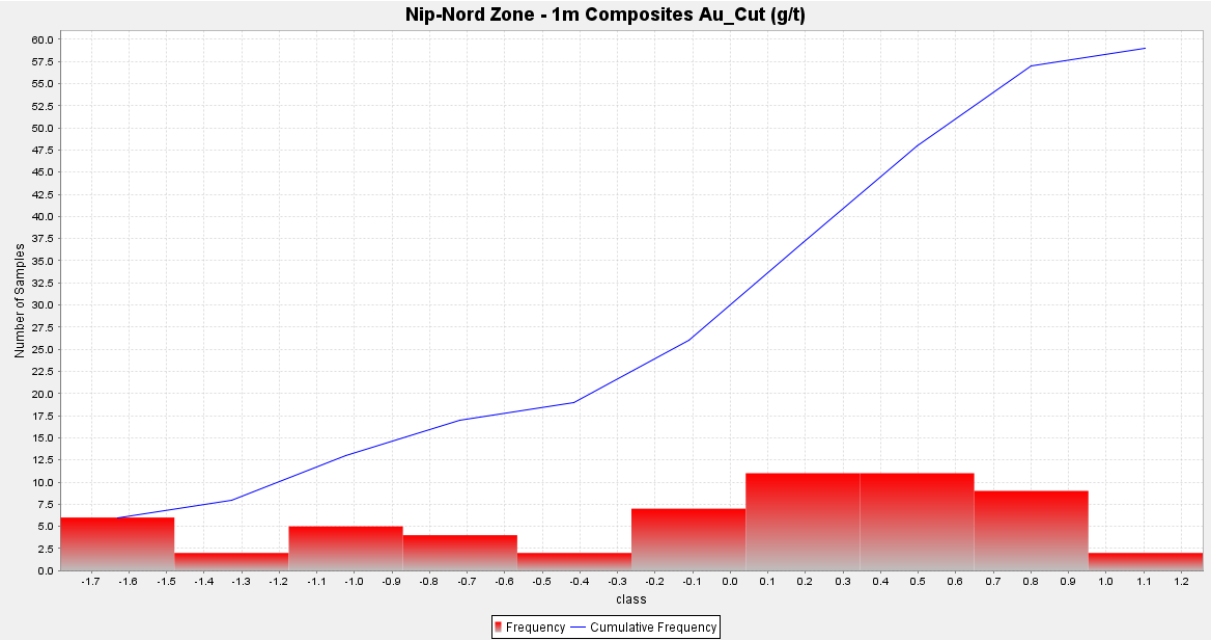


Figure 11. LOG normal histogram, cut Au composites within Nip-Nord Zone

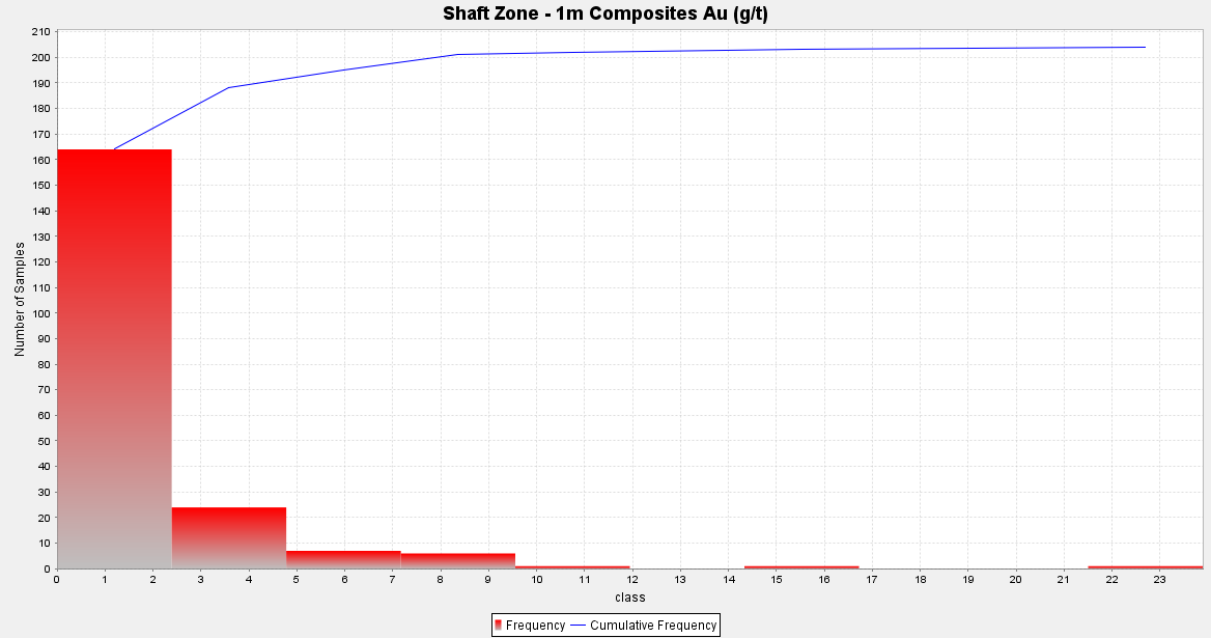


Figure 12. Histogram, cut Au composites within Shaft Zone

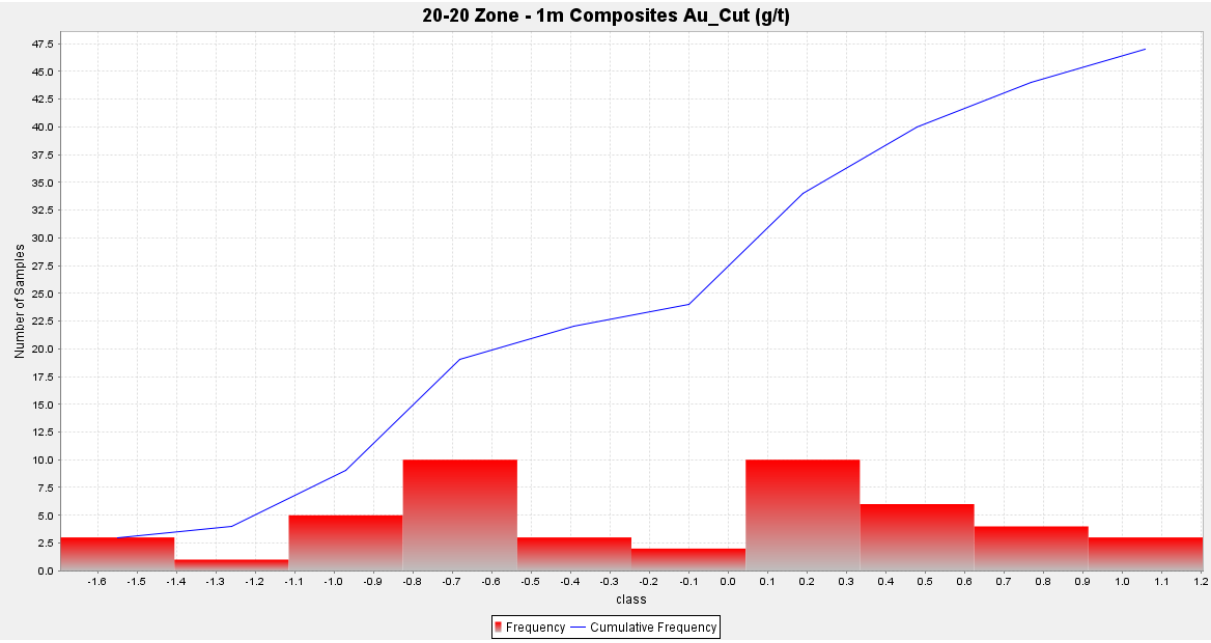


Figure 13. LOG normal histogram, cut Au composites within 20-20 Zone

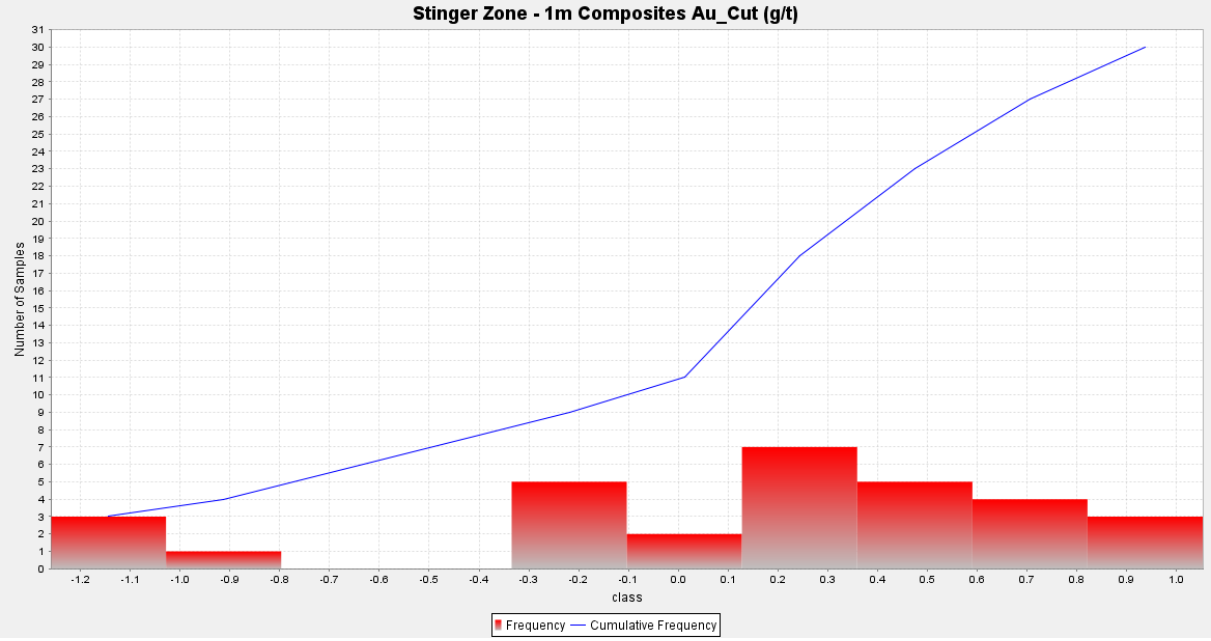


Figure 14. LOG normal histogram, cut Au composites within Stinger Zone

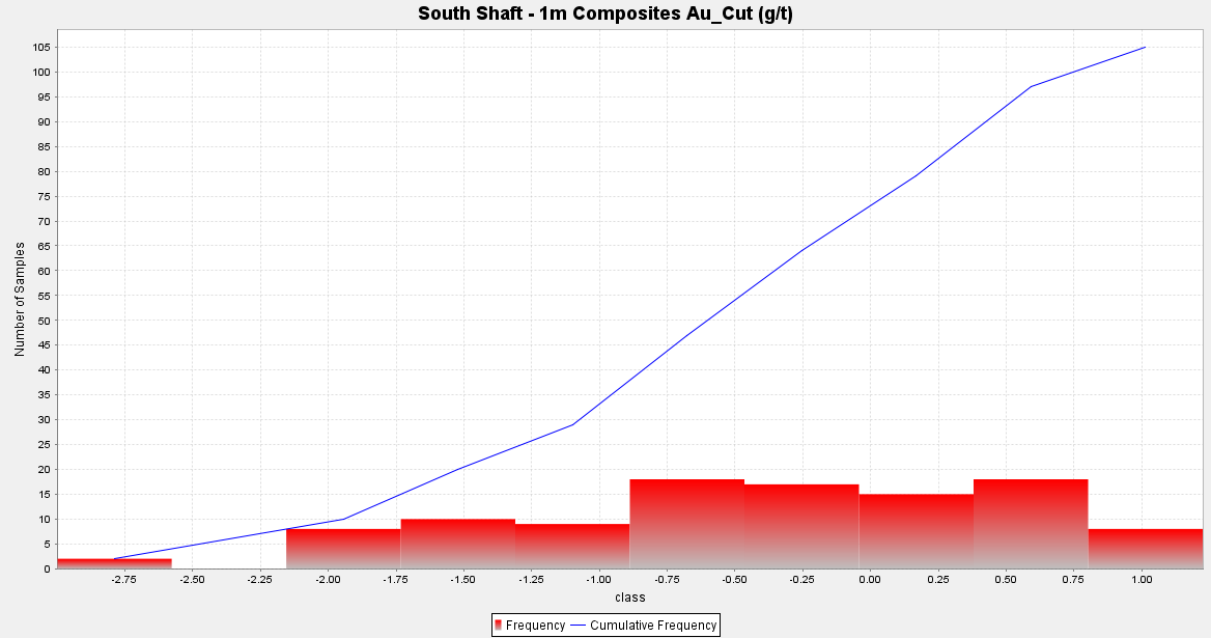


Figure 15. LOG normal histogram, cut Au composites within South Shaft Zone

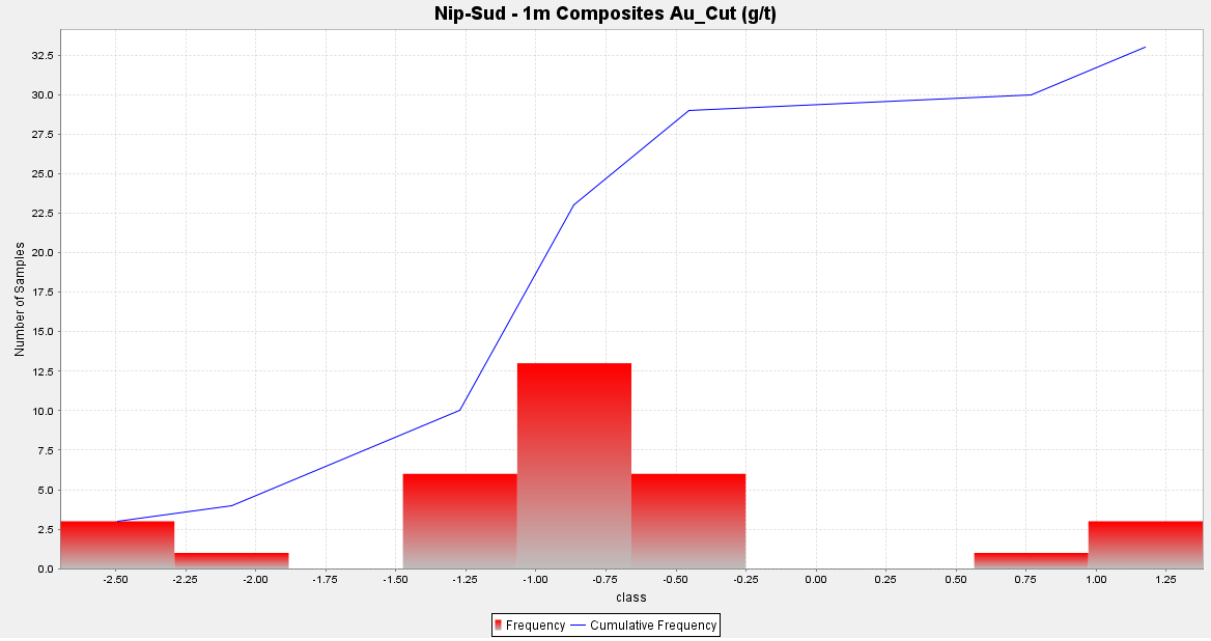


Figure 16. LOG normal histogram, cut Au composites within Nip-Sud Zone

14.8.3 GRADE CAPPING

The statistical distribution of Au show good lognormal distribution and most of the defined zones exhibit similar behaviour of grade distributions. Considering the nature of the mineralization and the continuity of the zones, WGM studied various capping levels for Au. Grade capping, also sometimes referred to as top cutting, assay grades is commonly used in the Mineral Resource estimation process to limit the effect (risk) associated with extremely high assay values since high-grade outliers can contribute excessively to the total metal content of the deposit. Philosophies or approaches to establishing and using a grade cap is variable across the industry and includes, for example, not using grade caps at all, arbitrarily setting all assay grades greater than 1 oz/ton to 1 oz/ton, choosing the grade cap value to correspond to the 95 percentile in a cumulative distribution, evaluation of Mean Grades + multiple levels of Standard Deviations and the evaluation of the shape and values of histograms and/or probability plots to identify an outlier population. Another rule of thumb is to set the capping level to lower the top 10% of the metal content in the deposit.

A combination of decile analysis and a review of probability plots were used to determine the potential risk of grade distortion from higher-grade assays. A decile is any of the nine values that divide the sorted data into ten equal parts so that each part represents one tenth of the sample or population.

Typically, in a decile analysis, capping is warranted if the:

1. last decile has >40% of metal.
2. last decile contains >2.3 times the metal quantity contained in the one before last.
3. last centile contains >10% of metal.
4. last centile contains >1.75 times the metal quantity contained in the one before last.

As expected, the decile analysis results indicated that grade capping was warranted for Au, which was set to 30 g Au/t for all of the domains. The net result of Au capping for the Mineral Resource estimate at a 3.0 g Au/t cutoff grade was to reduce the Au grade and contained metal by 15%.

14.8.4 DENSITY/SPECIFIC GRAVITY

There is no record of specific gravity ("SG") being undertaken by previous operators or Xmet, thus no information regarding rock quality designation ("RQD") or core recovery. Reddick used a bulk density factor of 2.70 t/m^3 for the 2010 resource estimate which is consistent with that used by other companies operating in the same area. WGM believes this value to be reasonable and used it in this current estimate, but suggests that Xmet undertake benchmark SG tests for country rock and mineralized rock from the various zones.

WGM recommends that future SG results, like all assays, should also be stored in a database table for ease of use and comparison purposes.

14.9 POLYGONAL MODEL PARAMETERS, GRADE INTERPOLATION AND CATEGORIZATION OF MINERAL RESOURCES

14.9.1 GENERAL

The Mineral Resource estimate was prepared using the polygonal modelling method on a single vertical longitudinal section running approximately parallel to the strike of the deposit. Drillhole composites for each of the zones were identified as a single pierce point and saved to a unique 'point area' table in the database, including those which did not meet the minimum horizontal width and grade criteria.

Each of the drill hole composites served as the centroid for polygons which were generated using GEMS' polygonal modelling tool. The midpoint of adjacent drill hole centroids serves as the perpendicular boundary between polygons. The volumes of the 2-D polygons was

subsequently calculated by multiplying the area of each polygon by the horizontal width of the respective drill hole composite.

14.9.2 VARIOGRAPHY

Variograms were generated in an attempt to characterize the spatial continuity of the mineralization in the defined zones, however, due to the lack of data for most of the zones, meaningful variograms could not be computed. WGM agrees with Reddick's assertion that grades show reasonable continuity along strike and down dip within a range of 30 m. WGM further suggests that future close drill hole spacing at 25 m centres may serve to increase the confidence of grade interpolation and resource categorization.

14.9.3 CUTOFF GRADE AND MINIMUM WIDTH

For the Mineral Resource estimate, the minimum horizontal width of 2.5 m and a 3.0 g Au/t cutoff was determined to be appropriate at this stage of the project, and is partially based on the three year trailing average gold price, which as at August 2011, was approximately US$960/oz. These parameters were chosen based on a preliminary review of the parameters that would likely determine the economic viability of an underground mining operation and comparison to similar projects in the area that are currently being mined or are at an advanced stage of study / development.

Xmet's composites represented a length-weighted average of assay intervals. The following criteria were used to determine whether or not the composites would be considered for inclusion in the resource model:

- A minimum composited grade of 3.0 g Au/t. In situations where internal intervals with a cumulative length no greater than 50% of the composite length, were below the cutoff grade, these were included provided that the overall composite grade did not fall below the cutoff;

- Assay intervals that fell below the cutoff grade were included in order to satisfy the minimum composite length criteria, provided that the overall composite grade did not fall below the cutoff;

- Assay intervals with unsampled grades were included at 0 grade; and

- The composite's horizontal width must have been greater than 2.5 m. The width was calculated using GEMS' horizontal composite width tool, which assumes an overall strike angle of 090^{o} and an average dip of 72^{o}.

Composites which did not meet these minimum criteria were maintained in the database, and were used in the subsequent polygon generation as a means to limit the area of influence of adjacent resource polygons.

A total of 385 zone composites exist in the database.

14.9.4 MINERAL RESOURCE CATEGORIZATION

The Mineral Resources were classified as Inferred Mineral Resources. The classification of polygons for consideration in the resource was based on the following criteria:

- a polygon must have a grade greater than or equal to 3.0 g Au/t, and must have a minimum width greater than or equal to 2.5 m; and,
- such polygons must be contiguous with at least one other polygon meeting the same criteria.

In several cases, polygons, while above cutoff grade and horizontal width, were isolated and thus were omitted from the resource estimate. Such was the case in the North Shaft zone, in which 4 polygons, ranging in grade from 2.50 to 3.93 g Au/t, were omitted from the resource.

Figures 17 through 24 show the interpolated capped gold grade polygons and categorization for resource polygons in each of the zones, projected onto an east-west longitudinal vertical section.

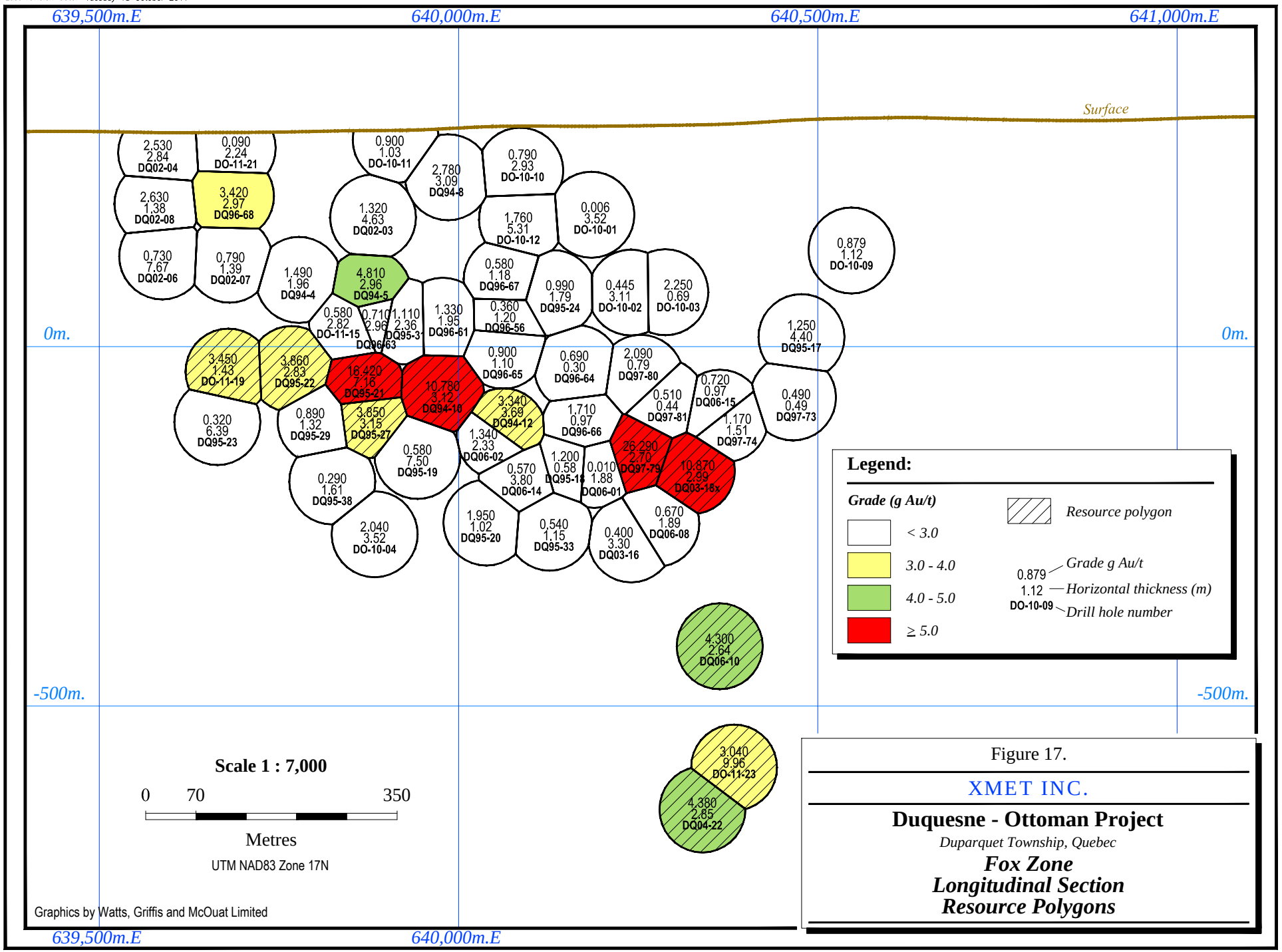


Figure 17.

XMET INC.

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Duparquet Township, Quebec

Fox Zone
Longitudinal Section
Resource Polygons

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XME REV / XME_03_Resource_Sect.dwg (Layout: Liz Zone)
Last revision date: Tuesday 18 October 2011

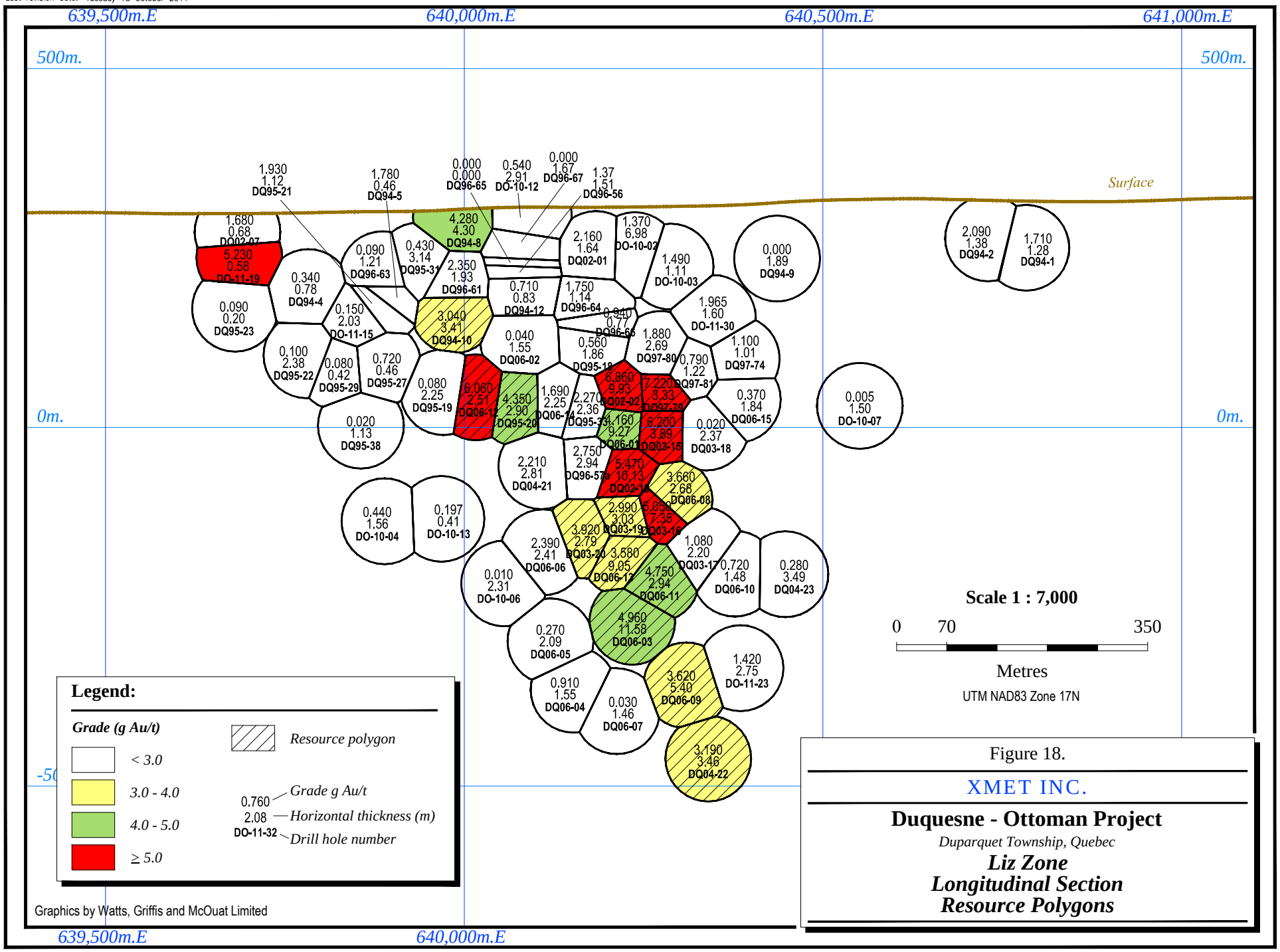


Figure 18.

XMET INC.

Duquesne - Ottoman Project

Duparquet Township, Quebec

Liz Zone
Longitudinal Section
Resource Polygons

Watts, Griffis and McOuat

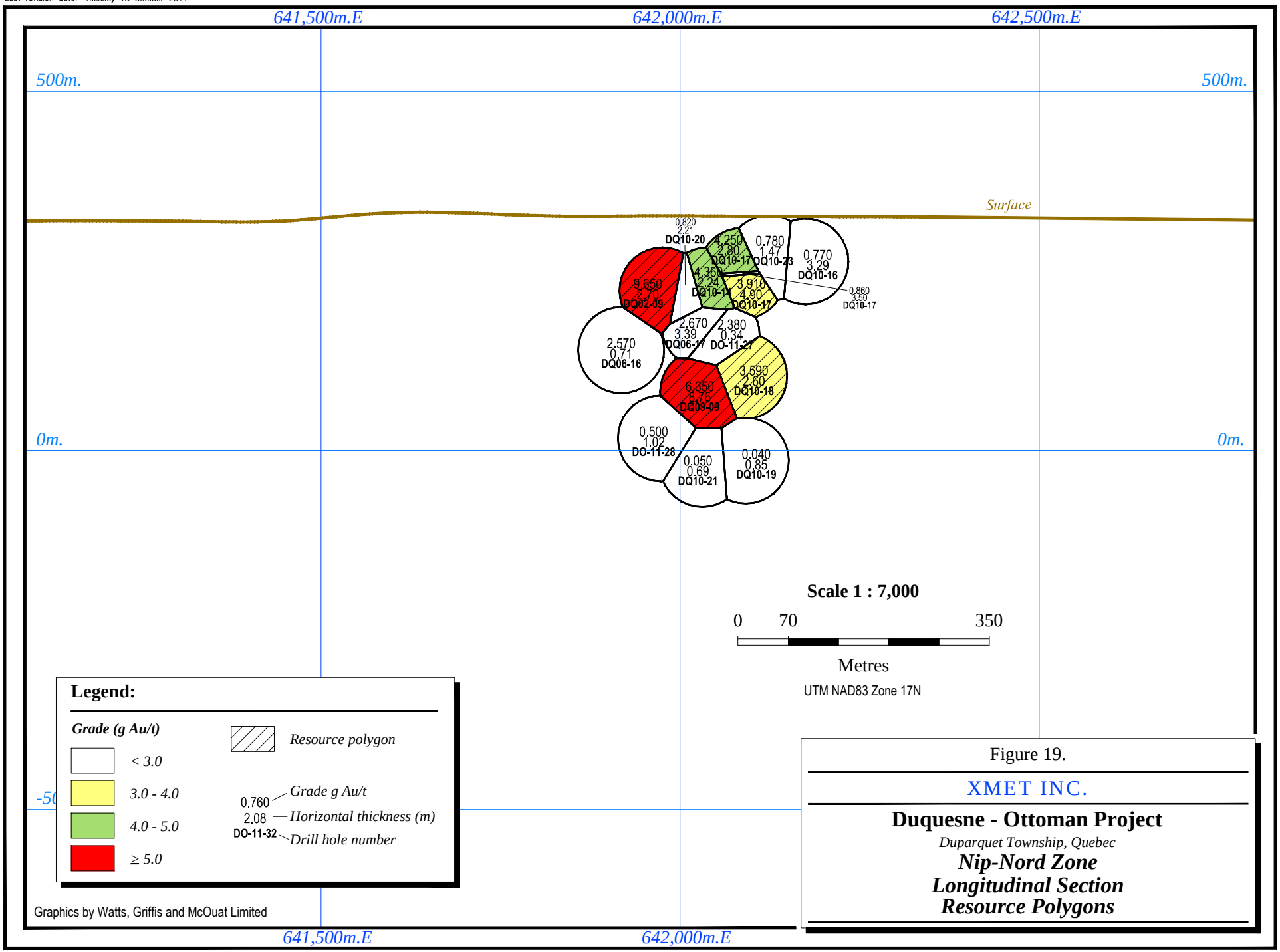


Figure 19.

XMET INC.

Duquesne - Ottoman Project

Duparquet Township, Quebec

Nip-Nord Zone
Longitudinal Section
Resource Polygons

Watts, Griffis and McOuat

XME REV / XME_03_Resource_Sect.dwg (Layout: Shaft Zone)
Last revision date: Friday 20 October 2011

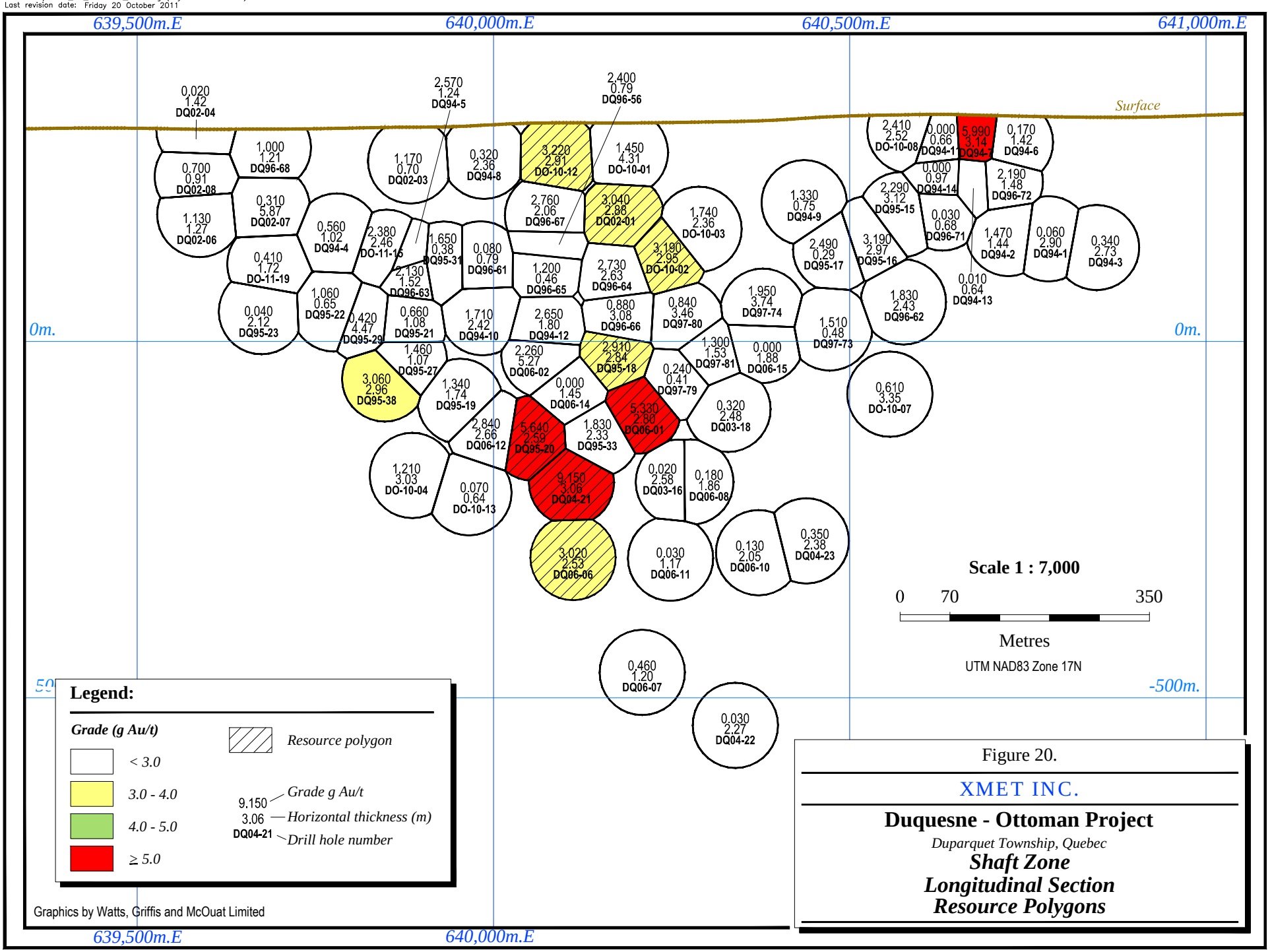


Figure 20.

XMET INC.

Duquesne - Ottoman Project

Duparquet Township, Quebec

Shaft Zone
Longitudinal Section
Resource Polygons

Watts, Griffis and McOuat

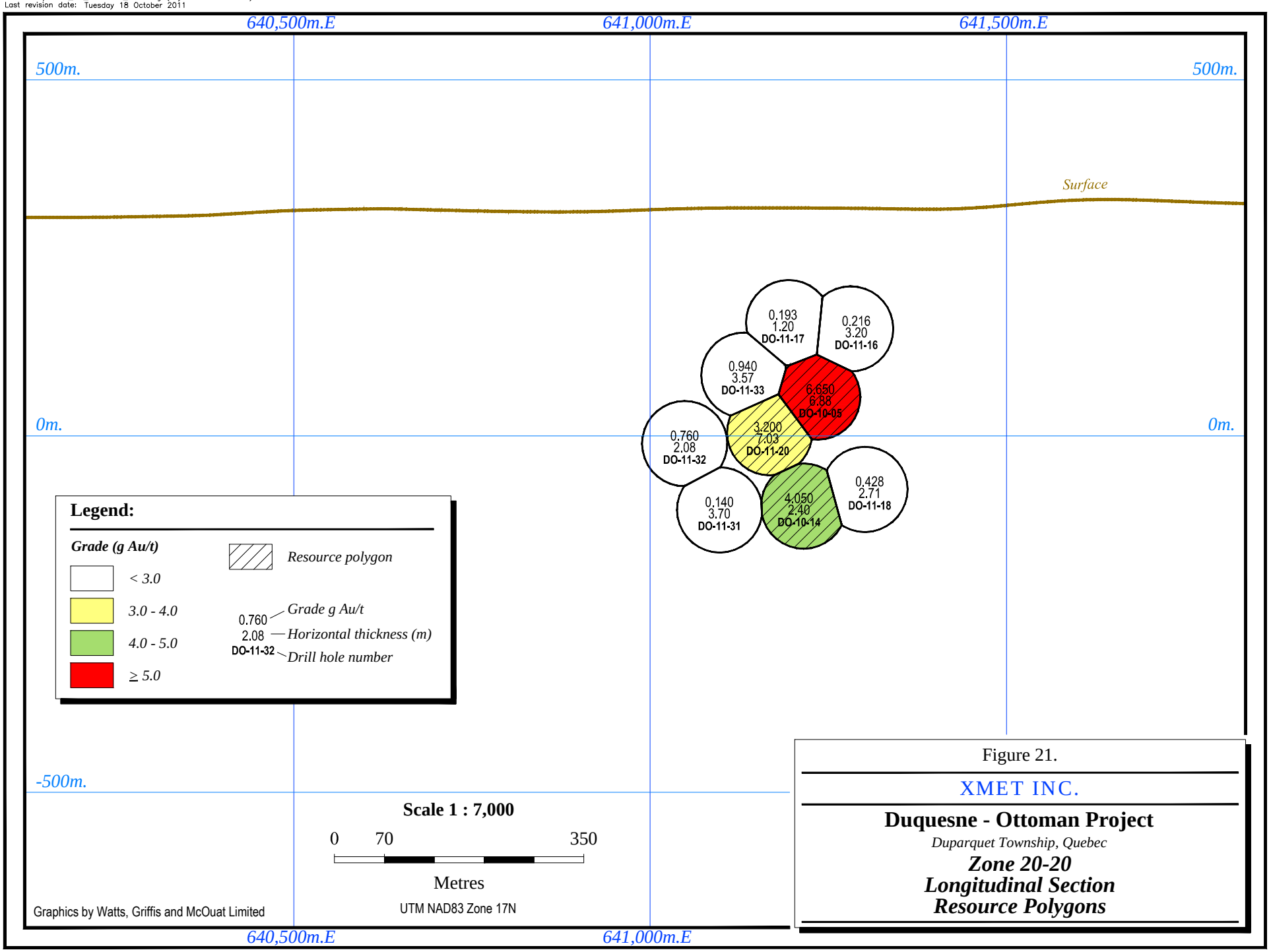


Figure 21.

XMET INC.

Duquesne - Ottoman Project

Duparquet Township, Quebec

Zone 20-20
Longitudinal Section
Resource Polygons

Watts, Griffis and McOuat

XME REV / XME_03_Resource_Sect.dwg (Layout: Stinger Zone)
Last revision date: Friday 20 October 2011

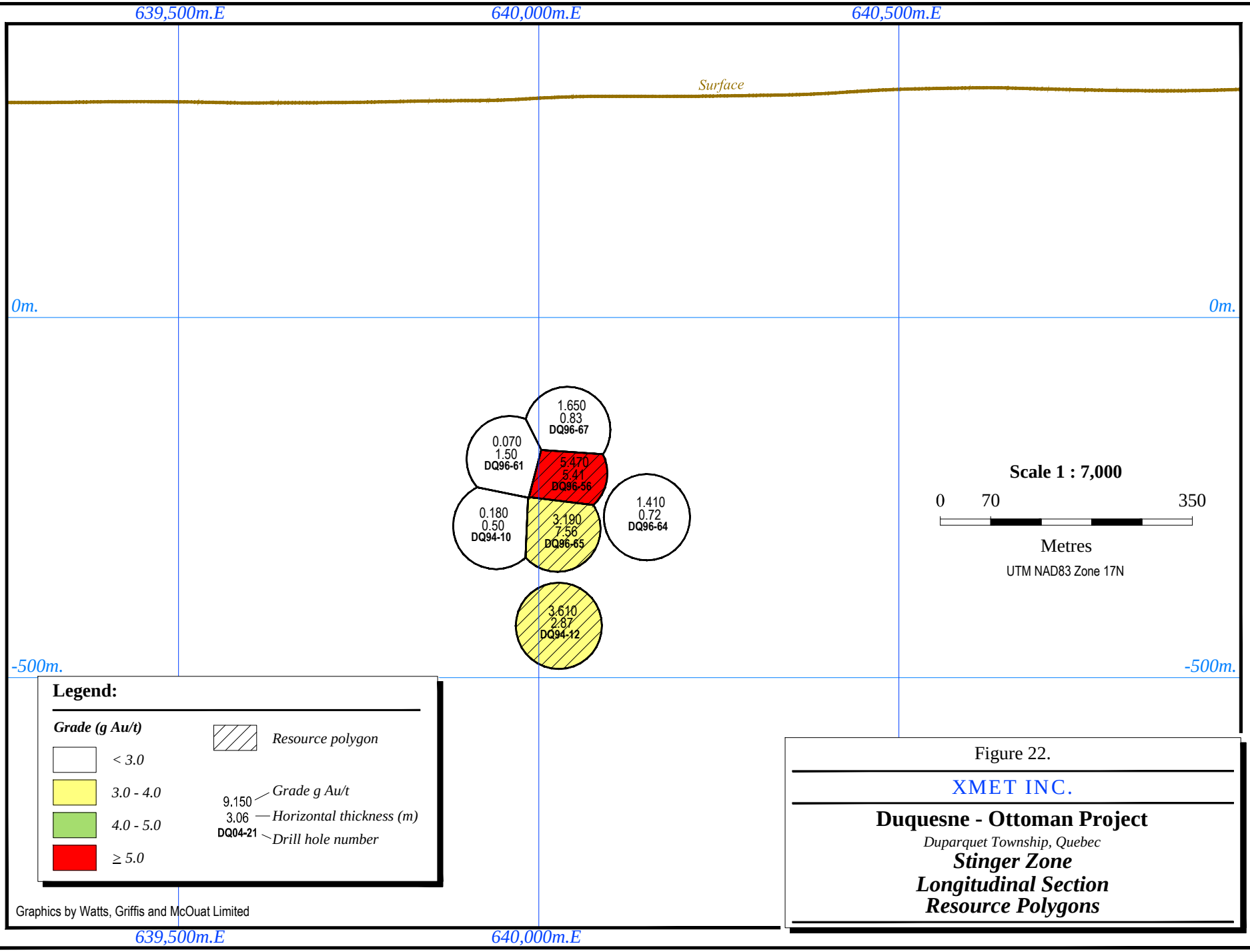


Figure 22.

XMET INC.

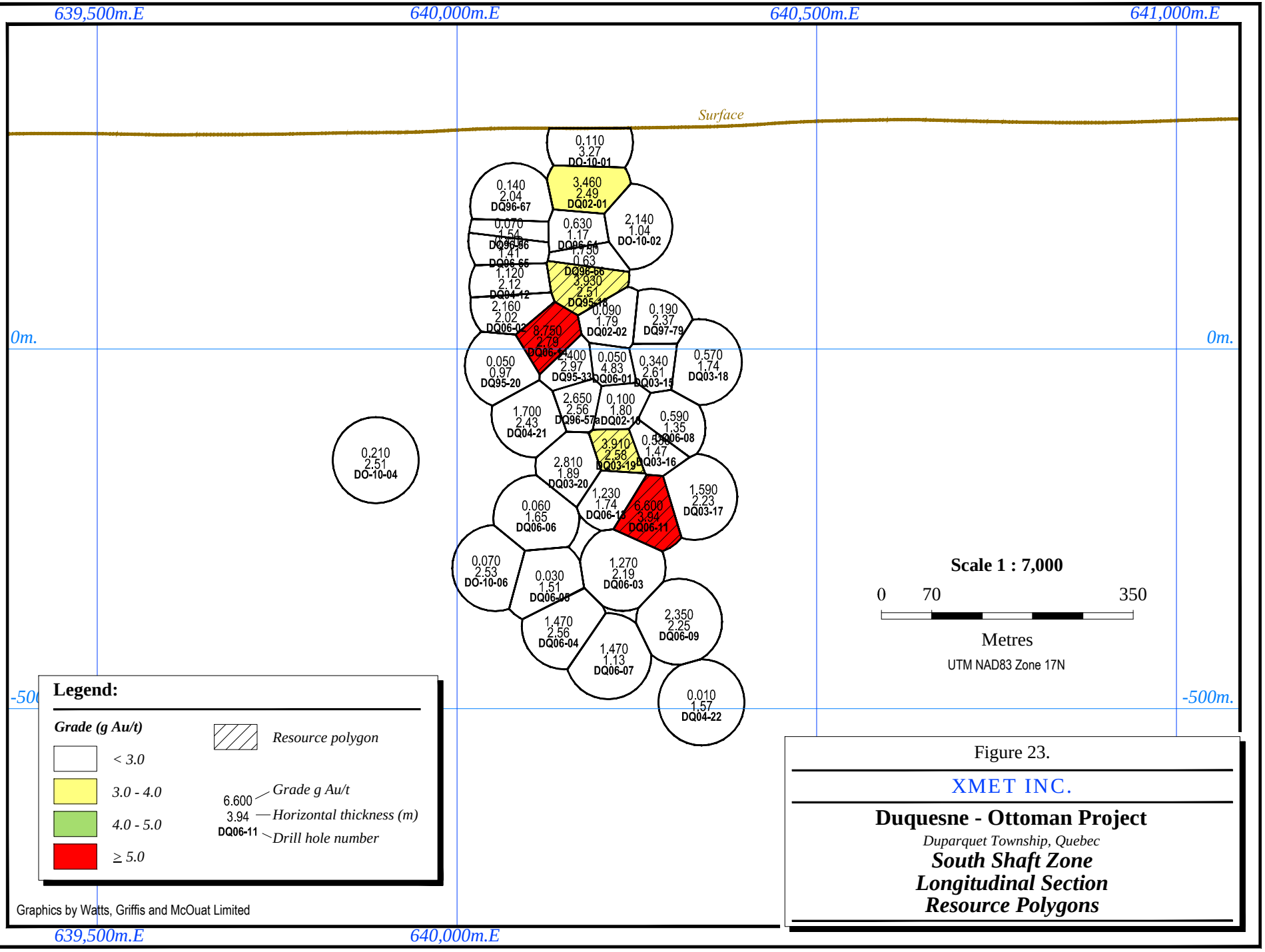
Duquesne - Ottoman Project

Duparquet Township, Quebec

Stinger Zone
Longitudinal Section
Resource Polygons

Watts, Griffis and McOuat

XME REV / XME_03_Resource_Sect.dwg (Layout: South Shaft Zone)
Last revision date: Friday 20 October 2011



Graphics by Watts, Griffis and McOuat Limited

Figure 23.

XMET INC.

Duquesne - Ottoman Project

Duparquet Township, Quebec

South Shaft Zone
Longitudinal Section
Resource Polygons

Watts, Griffis and McOuat

XME REV / XME_03_Resource_Sect.dwg (Layout: Nip-Sud Zone)
Last revision date: Friday 20 October 2011

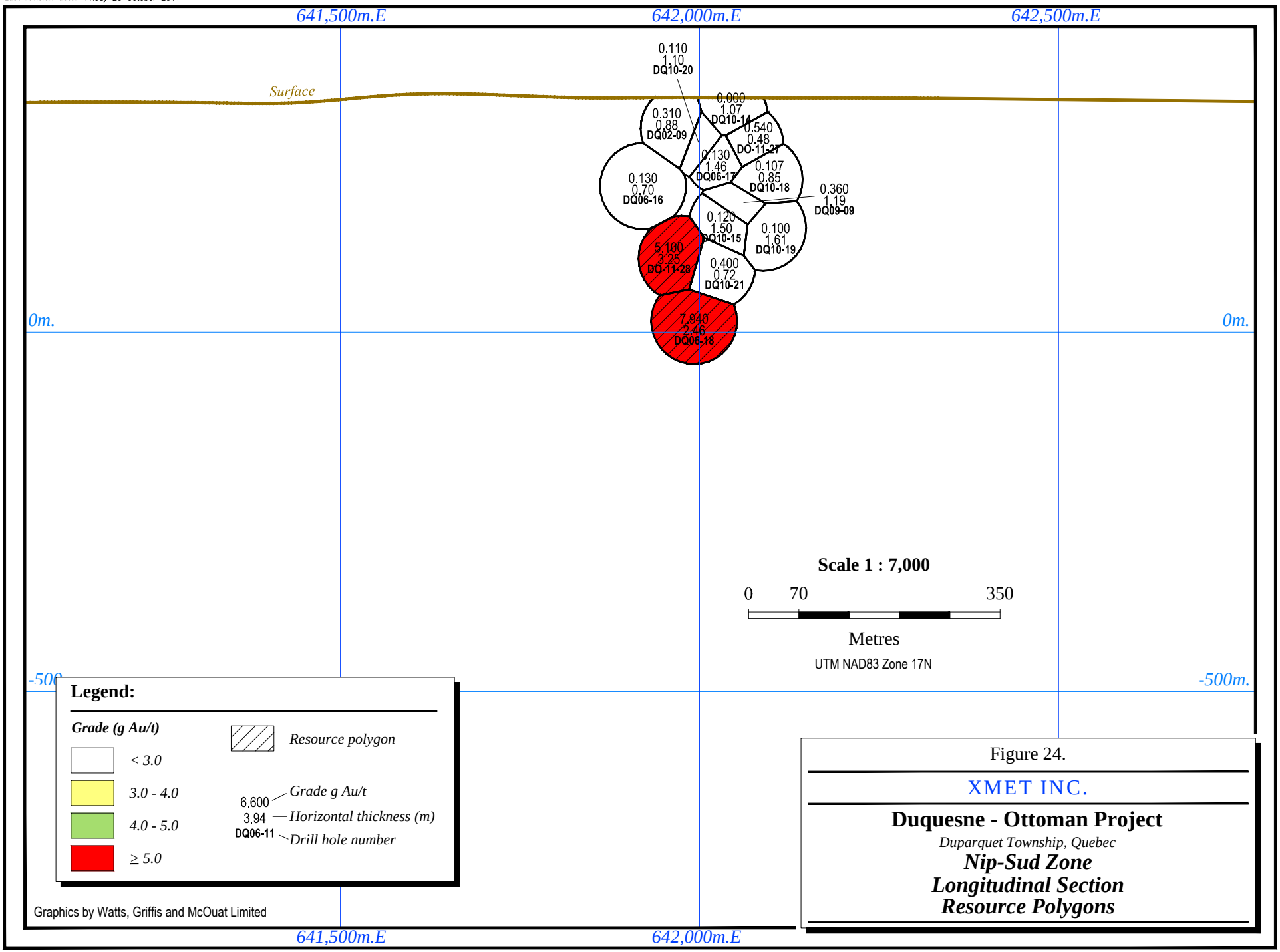


Figure 24.

XMET INC.

Duquesne - Ottoman Project

Duparquet Township, Quebec

Nip-Sud Zone
Longitudinal Section
Resource Polygons

Watts, Griffis and McOuat

TABLE 8.
CATEGORIZED MINERAL RESOURCE ESTIMATE FOR MAIN DUQUESNE-OTTOMAN ZONES
(Cutoff of 3.0 g Au/t)

Category	Zone	Tonnage ('000 tonnes)	Au (capped) (g/t)	Contained Au (capped) ('000 oz)	Au (uncapped) (g/t)	Contained Au (uncapped) ('000 oz)	Average Horizontal Width (m)
Inferred	Fox	921	7.43	220	9.54	282	5.43
	Liz	1,343	4.64	200	4.64	200	7.26
	Nip-nord	361	5.92	69	6.13	71	5.79
	Shaft	468	4.51	68	4.51	68	2.82
	20-20	422	4.80	65	4.80	65	6.23
	Stinger	365	3.90	46	3.90	46	5.87
	South Shaft	162	6.08	32	6.29	33	3.14
	Nip-sud	129	6.51	27	21.13	88	2.86
	Total	**4,171**	**5.42**	**727**	**6.36**	**853**	**5.71**

1. Mineral Resources were estimated using a polygonal estimation method on vertical longitudinal sections. A grade capping factor of 30 g Au/t was applied. A lower cutoff grade of 3.0 g Au/t, a minimum horizontal width of 2.5 m, and a global specific gravity of 2.70 is assumed. No deductions for mining recovery or otherwise were included in this estimate;
2. Mineral Resources were estimated using a three-year trailing average of US$960/ounce, and an exchange rate of US$0.95=C$1.00;
3. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues;
4. The quantity and grade of reported Inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category;
5. The Mineral Resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005.

The majority of the resource occurs in the Fox and Liz Zones that contain approximately 58% of the contained Au with 222,000 oz (921,000 t grading 7.43 g Au/t) and 200,000 oz (1,343,000 t grading 4.64 g Au/t), in each zone respectively.

Comparison to 2010 Resource Estimate

The current Mineral Resource estimate represents a relative increase in the total Inferred contained cut Au of approximately 56%. The majority of this increase is due to the definition of three additional zones during the course of the Phase 1 drill program at Nip-Nord, Nip-Sud, and 20-20. Increased drill density on the Fox and Shaft zones near surface also served to increase the tonnages in these areas.

15. MINERAL RESERVE ESTIMATES

Due to the preliminary nature of this project, there are no Mineral Reserves on the Property.

16. MINING METHODS

To the best of the author's knowledge, the Company has not conducted studies into mining methods.

17. RECOVERY METHODS

To the best of the author's knowledge, the Company has not conducted studies into recovery methods.

18. PROJECT INFRASTRUCTURE

To the best of the author's knowledge, the Company has not conducted studies into project infrastructure.

19. MARKET STUDIES AND CONTRACTS

To the best of the author's knowledge, the Company has not conducted any market studies.

20. ENVIRONMENTAL STUDIES, PERMIT, AND SOCIAL OR COMMUNITY IMPACT

To the best of the author's knowledge, the Company has not conducted any environmental studies or social / community impact studies.

21. CAPITAL AND OPERATING COSTS

To the best of the author's knowledge, the Company has not conducted any capital and operating cost studies.

22. ECONOMIC ANALYSIS

To the best of the author's knowledge, the Company has not conducted any economic analysis.

23. ADJACENT PROPERTIES

Over 85 million ounces of gold have been produced from deposits associated with the DPFZ between Timmins Ontario and Val d'Or Quebec. Gold mineralization is associated with splay faults offset or paralleling the main fault system. There are several past producing gold mines in the vicinity of the Duquesne-Ottoman Property, including the Beattie Mine, Central Duparquet Mine, Dumico Mine and Duquesne Mine. The Beattie Mine, Central Duparquet Mine, Dumico Mine and Duquesne Mine lie along the DPFZ to the west and east of the Property.

At the Beattie Mine, some 5 km west of the Property, approximately 8,396,390 t averaging approximately 4 g Au/t (9,257,321 tons averaging 0.124 oz/t gold) were mined and milled on-site between 1933 and 1956. The main ore body was 352 metres in length and mined down to a depth of 381 metres and to widths of up to 35 metres. A total of approximately 28 t (928,000 oz) of gold was mined from this deposit (www.mineralfields.com, May 5, 2011). On June 13, 2011, Clifton Star Resources and Osisko Mining released a resource estimate for the Beattie deposit of an Inferred resource of 56.2 Mt grading 1.53 g Au/t giving 2.77 Moz contained gold at a cutoff grade of 0.67 g Au/t. The resource estimate does not include the other project areas such as Donchester, Central Duparquet, Duquesne, or the Beattie Mine tailings (Northern Miner, 2011).

Several types of ore were noted, the most important was the "breccia" ore consisting of fragments of bleached and altered rocks cemented by tiny quartz-carbonate stringers. Sulphide mineralization is mainly fine grained pyrite and arsenopyrite. The deposit was classified as mesothermal or even epithermal (Davidson and Banfield, 1944).

At the Donchester Mine, approximately 3 km west of the Property, approximately 1,224,450 t averaging 4.35 g Au/t (1,350,000 tons averaging 0.136 oz/ton) was mined between 1946 and 1956 and processed at the Beattie mill located less than 2 km to the west. The mines are connected on two levels in the underground workings. The main ore body, developed over a strike length of approximately 1000 metres down to a depth of 381 metres, lies along the southern contact of the same syenite porphyry as the Beattie deposit.

A total of approximately 34.7 t (1,116,869 oz) of gold and 8 t (260,000 oz) of silver was mined from the both the Beattie and Donchester Mines from 9.7 Mt (10.7 m tons) processed. Recoveries averaged 83.82% (www.mineralfields.com, May 5, 2011).

The Dumico Mine was a small past producer with approximately 7,100 tons averaging 3.20 g Au/t mined up to 1944. This zone to the east of the Beattie – Donchester was discovered when a drill hole in 1933 (DH33-55) returned 69.94 g Au/t over width of 1.53 m. The mineralized unit consists of silicified syenite porphyry and lies along the same fault structure as the Donchester Mine on the south side of the same syenite porphyry intrusive. Historic metallurgical studies indicate recoveries of 90% by flotation and 92% by cyanidation for the rock mined at this location. Two shafts were sunk, one to 305 m depth, and the zones traced for some 700 m strike length by 84 drill holes. Historic and recent drilling indicates that the average grades are approximately 10.70 g Au/t (ranging 3.73 to 21.46 g Au/t) over a width of approximately 2.3 m. Minor molybdenite (molybdenum disulphide) and silver are associated with the gold bearing zones (www.mineralfields.com, May 5, 2011).

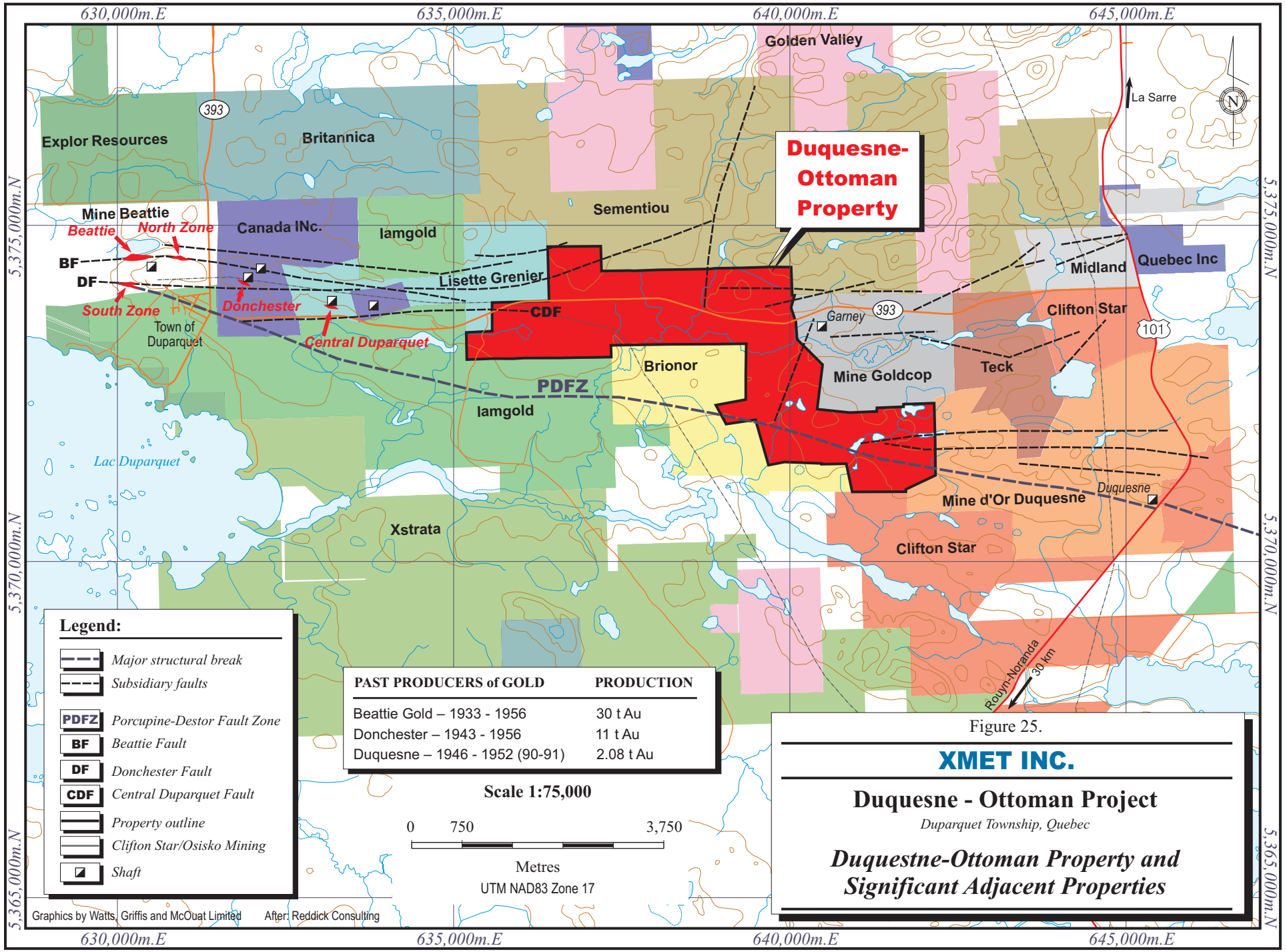
The Central Duparquet lies between the Donchester and Dumico Mines. An historic resource of 567,000 t at 5.11 g Au/t for over 93,000 ounces from over 33,000 m of drilling in 283 holes (www.mineralfields.com, May 5, 2011).

The Duquesne Mine is located several km to the east of the Property along the PDFZ. Approximately 193,095 tonnes of ore averaging 10.81 g/t were produced from 1946 to 1952 and 1988 to 1992 totaling 67,100 ounces of gold. The area of the historic mine workings is approximately 200 m width and to 381 m depth. Since 2007, some 55 drill holes have been drilled over the west extensions and to depth outlining four parallel gold-bearing veins, three of which are the same as those previously mined. The veins were extended for some 1,250 m laterally and down to depths of 932 m vertically by recent drilling on 50 to 100 m centres.

The gold-mineralized zones occur within fault related structures lying between the footwall of a gabbro intrusive and the hanging wall of an ultramafic unit. The mineralized zone lies immediately north of the PDFZ and appears to parallel the main fault. Gold mineralization is associated with a series of both east-west and north-south oriented splay structures which extend east-west and to the north of the PDFZ. Gold bearing silica and carbonate altered quartz feldspar porphyry and syenite porphyry intrusions contain disseminated pyrite mineralization where they have intruded ultramafic and volcanic sequences. It has noted that the gold bearing systems at the Duquesne mine become wider with increasing gold values at depth A mineral resource estimate by P. Bevan (all categories and using Kilborn Engineering, AMS, and several other independent estimates) indicates some 1,859,052 tonnes averaging 7.58 g Au/t for approximately 453,115 oz gold (mineralfields.com/pdf/CLIFTON.pdf)

These former mines currently are under claims held by Clifton Stat Resources. All the adjacent land around the Property is under claims held by various companies including Teck and Iamgold (Figure 25). The reader is referred to previous technical reports by RCI for fuller details.

XME REV / XME_08_Adjacent_Prop
Last revision date: Friday 20 October 2011



Legend:

- *Major structural break*
- *Subsidiary faults*
- PDFZ — *Porcupine-Destor Fault Zone*
- BF — *Beattie Fault*
- DF — *Donchester Fault*
- CDF — *Central Duparquet Fault*
- *Property outline*
- *Clifton Star/Osisko Mining*
- *Shaft*

PAST PRODUCERS of GOLD	PRODUCTION
Beattie Gold – 1933 - 1956	30 t Au
Donchester – 1943 - 1956	11 t Au
Duquesne – 1946 - 1952 (90-91)	2.08 t Au

Scale 1:75,000

0 750 3,750

Metres

UTM NAD83 Zone 17

Graphics by Watts, Griffis and McOuat Limited After: Reddick Consulting

Figure 25.

XMET INC.

Duquesne - Ottoman Project

Duparquet Township, Quebec

Duquestne-Ottoman Property and Significant Adjacent Properties

Watts, Griffis and McOuat

24. OTHER RELEVANT DATA AND INFORMATION

To the best of the author's knowledge, there are currently no known environmental, permitting, legal, title, taxation, socio-economic or political issues that adversely affect the Property.

25. INTERPRETATION AND CONCLUSIONS

The Abitibi Greenstone Belt is thought to have been formed as the result of arc volcanism and back-arc sedimentation, and subsequently deformed during continental collision. The regional geology of the area has been interpreted as a “back-arc” environment.

The major volcanic units generally have an east-west trend with a steep to sub-vertical dip and are south facing. The area has undergone complex tectonic events including thrust faulting. There is evidence of both ductile and brittle deformation. A weak to moderate east-west sub-vertical foliation has been noted throughout the region. This would be consistent with a north-south compression that is thought to have to have occurred in the southern Abitibi Greenstone Belt.

The associated gold deposits have been classed as Orogenic “Greenstone-hosted”. In the typical Orogenic “Greenstone-hosted” gold deposits, the veins are hosted by moderately to steeply dipping, compressional brittle-ductile shear zones and faults with locally associated shallow-dipping extensional veins and hydrothermal breccias. The mineralization is syn- to late-deformation and is structurally controlled. The gold is largely confined to the quartz-carbonate vein network but may also be present in significant amounts within iron-rich sulphidized wall-rock selvages or within silicified and arsenopyrite-rich replacement zones.

The Property lies within the southern limb of the “east-west” trending Lepine Lake Syncline located within the Abitibi Greenstone Belt of the Superior Structural Province. The rocks are Archean in age, ranging from 2730 to 2670 Ma and vary in composition from ultramafic through to felsic, primarily of volcanic origin.

The gold mineralisation in the Duparquet area has been described as being “found chiefly along shear zones in or adjacent to the porphyries” (Graham, 1954). There are two types of gold mineralization reported in the Property area: (1) high grade shear zone-hosted veins and stockwork zones at major lithological contacts and within breccia zones, locally referred to as “Duquesne”; and (2) low grade, bulk mineable disseminated zones in syenite and calc-alkaline granite porphyries, referred locally as “Beattie”.

The gold mineralization in the Duquesne-Ottoman Property is typical of that occurring in most Archean Orogenic (“mesothermal” / “Greenstone-hosted”) gold deposits. Gold is hosted in or adjacent to narrow quartz-carbonate veins with associated sericite-ankerite-pyrite alteration in and adjacent to the veins. The veins commonly are associated with wider and more continuous alteration zones that are controlled by subvertical, east-west structures. The

primary control on the mineralization is structural. However lithological differences also influence mineralization. The Mineral Resources have been estimated within eight of these known structures, as summarized below.

CATEGORIZED MINERAL RESOURCE ESTIMATE FOR MAIN DUQUESNE-OTTOMAN ZONES (Cutoff of 3.0 g Au/t)

Category	Zone	Tonnage ('000 tonnes)	Au (capped) (g/t)	Contained Au (capped) ('000 oz)	Au (uncapped) (g/t)	Contained Au (uncapped) ('000 oz)	Average Horizontal Width (m)
Inferred	Fox	921	7.43	220	9.54	282	5.43
	Liz	1,343	4.64	200	4.64	200	7.26
	Nip-nord	361	5.92	69	6.13	71	5.79
	Shaft	468	4.51	68	4.51	68	2.82
	20-20	422	4.80	65	4.80	65	6.23
	Stinger	365	3.90	46	3.90	46	5.87
	South Shaft	162	6.08	32	6.29	33	3.14
	Nip-sud	129	6.51	27	21.13	88	2.86
	Total	**4,171**	**5.42**	**727**	**6.36**	**853**	**5.71**

1. Mineral Resources were estimated using a polygonal estimation method on vertical longitudinal sections. A grade capping factor of 30 g Au/t was applied. A lower cutoff grade of 3.0 g Au/t, a minimum horizontal width of 2.5 m, and a global specific gravity of 2.70 is assumed. No deductions for mining recovery or otherwise were included in this estimate;
2. Mineral Resources were estimated using a three-year trailing average of US$960/ounce, and an exchange rate of US$0.95=C$1.00;
3. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues;
4. The quantity and grade of reported Inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category;
5. The Mineral Resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005.

WGM is of the opinion that the Duquesne-Ottoman Property warrants the proposed exploration program and budget.

26. RECOMMENDATIONS

WGM offers the following recommendations for the Duquesne-Ottoman Project:

- As part of ongoing exploration drilling, WGM recommends that a 3-D wireframe geological interpretation of the various zones should be developed for use in subsequent Mineral Resource updates and in order to give a better understanding of the geological complexities of the mineralization;
- drillhole collars during or at end of program should be routinely surveyed using a differential positioning system (dGPS) or Total Station system and posted with identity;
- as many historic drill collars as can be identified should also be surveyed and posted with an identity label;
- all available Certificates of Analysis (and drill logs) for historic programs should be collected and converted to PDF format for more ready access. To supplement this, a list of all Certificates of Analysis should be compiled referencing issuing laboratory and date of issue;
- in-field QA/QC should be routine. Results need to be compiled into a digital sample/assay database so that they can be reviewed. In-lab QAQC should also be reviewed and results of these reviews needs to be documented. Second laboratory Check assaying for a selection of samples should also be a routine part of every drill program;
- WGM recommends that future Mineral Resource estimates, after more drilling is conducted, continue evaluating multiple capping strategies for individual zones;
- additional near surface drilling in the up dip extensions of the zones to allow for possible expansion of the resources; and,
- additional infill drilling on the zones to allow potential conversion of Inferred Resources to Indicated Resources.

26.1 PROPOSED EXPLORATION PROGRAM AND BUDGET

Proposed Exploration Program

WGM has reviewed the exploration program proposed by Xmet. The proposed program includes a trenching program and a drilling program. The trenching program consists of four trenches (each) at Shaft and 20-20 Zones for a cumulative meterage of approximately 500 m. The dimensions of the trenches are 60 m (length) by 8 m (width). The trenching program is expected to be completed within 2 months and will require the technical services of a geologist, senior technician and a technician, as well as an operator for the excavator.

Drilling is to be conducted at Shaft and Fox Zones. At the Shaft Zone, 28 drill holes totalling approximately 2,800 m is to be carried out on 7 lines on a 25 by 25 metre grid. Each line would include a 50 m, 80 m, 120 m and 150 m holes. The proposed drilling at the Fox Zone totals 4,422 m on 5 holes. Three of the holes are extensions of or wedges off existing drill holes. The drilling program is expected to be completed in 3 months. It will require the services of a senior geologist, geologist, senior technician and a technician.

WGM recommends that the drill program should be reviewed as newer drill data becomes available.

Proposed Exploration Budget

Approximately C$1.1 million has been budgeted for the proposed exploration program.

The trenching program is estimated at approximately C$139,000. The excavation of the trenches is estimated at a cost of C$32,000. The trenching is expected to generate approximately 600 samples. At a cost of C$30/sample, the analytical costs are estimated at C$18,000. Technical services for mapping and sampling are estimated at around C$33,000.

The drilling program is estimated at C$961,125. An “all-inclusive” cost of $100/m was used. Drilling is expected to generate 3,000 samples based on past experiences, and at a cost of $30/sample, the analytical costs are estimated at C$90,000. Geological and technical services are estimated at around C$100,000.

A detailed budget is given in Table 9.

TABLE 9.
PROPOSED EXPLORATION BUDGET ESTIMATE

Description			Costs (C$)
Trenching			
Prep			
Permitting		contractor	C$1,000.00
Planning	2 weeks	sr geol	4,875.00
Labour			
Wood cutting	2 weeks	tech + sr tech	7,000.00
Excavation	4 weeks	contractor	32,000.00
Cleaning	4 weeks	tech	6,200.00
Supervision	4 weeks	sr tech	7,350.00
Mapping	6 weeks	geol	11,700.00
Sampling	6 weeks	tech + sr tech	21,000.00
Laboratory			
Samples	600 samples	$30/sample	18,000.00
Reporting			
Report	4 weeks	sr geol	9,750.00
Office cost			
Rental + service	2 month	$10,000/mth	20,000.00
TOTAL TRENCHING			**C$138,875.00**
Drilling (7000m)			
Prep			
Permitting			C$1,000.00
Planning	2 weeks	sr geol	4,875.00
Drilling (all included)			
Fox	4,422m	$100/m	442,200.00
Shaft	2,800m	$100/m	280,000.00
Laboratory			
Samples	3,000	$30/sample	90,000.00
Labour			
Logging	3 mth	geol	23,400.00
Field supervision	3 mth	sr tech	22,050.00
Coreshack	3 mth	tech	18,600.00
Logging+follow-up	3 mth	sr geol	29,250.00
Reporting			
Report	4 weeks	sr geol	9,750.00
Office cost			
Rental + service	4 month	$10,000/mth	40,000.00
TOTAL DRILLING			**C$961,125.00**
GRAND TOTAL			**$1,100,000.00**

27. DATE AND SIGNATURE PAGE

This report titled "*Technical Report and Mineral Resource Estimate Update for the Duquesne-Ottoman Property, Quebec, Canada for XMet Inc*." and dated October 20, 2011 was prepared and signed by the following authors:

Date effective as of October 20, 2011.

signed by
" David Power-Fardy "

D. Power-Fardy, M.Sc, P.Geo.
Senior Geologist

signed by
" Kurt Breede "

K Breede, P.Eng.
Senior Resource Engineer

CERTIFICATE

I, David Power-Fardy, do hereby certify that:

1. I reside at 28 Tanglewood Drive, Ottawa, Ontario, Canada,

2. I am a Senior Geologist with Watts, Griffis and McOuat Limited, a firm of consulting geologists and engineers, which has been authorized to practice professional engineering by Professional Engineers Ontario since 1969, and professional geoscience by the Association of Professional Geoscientists of Ontario.

3. This certificate accompanies the report titled "Technical Report and Mineral Resource Estimate Update for the Duquesne-Ottoman Property, Quebec, Canada for Xmet Inc." dated October 20, 2011.

4. I am a graduate from Carleton University, Ottawa, Ontario with a B.Sc. Degree in 1976, and I am also a graduate from Queen's University, Kingston, Ontario with a M.Sc. Degree in 1984. I have practised my profession continuously since that time, in various positions from field geologist to Exploration Manager and Country Exploration Manager.

5. I am a Professional Geoscientist licensed in Canada by the APGO (Membership Number 0922), APEGBC (Membership Number 29709), APEGS (Membership Number 14468) and PEGNL; and internationally by the Institute of Geologists of Ireland (IGI, Membership Number 209) and the European Federation of Geoscientists (EurGeol, Membership Number 935).

6. I am a "Qualified Person" for the purpose of NI 43-101.

7. I visited the Duquesne-Ottoman Property from April 18 – 21, 2011.

8. I am solely responsible for Sections 2 to 13, and 16 to 25. With co-author Kurt Breede, I am jointly responsible for Sections 1 and 26.

9. I am independent of the issuer as described in Section 1.5 of NI 43-101.

10. I have had no prior involvement with the Duquesne-Ottoman Property.

11. I have read NI 43-101, Form 43-101F1 and the technical report and have prepared the technical report in compliance with NI 43-101, Form 43-101F1 and generally accepted Canadian mining industry practice.

12. As of the date of the technical report, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

signed by
" David Power-Fardy "

David Power-Fardy, P.Geo.
October 20, 2011

CERTIFICATE

I, Kurt Breede, do hereby certify that:

1. I reside at 76 Woodrow Avenue, Toronto, Ontario, Canada,

2. I am a Senior Resource Engineer and Vice President, Marketing with Watts, Griffis and McOuat Limited, a firm of consulting geologists and engineers, which has been authorized to practice professional engineering by Professional Engineers Ontario since 1969, and professional geoscience by the Association of Professional Geoscientists of Ontario.

3. This certificate accompanies the report titled "Technical Report and Mineral Resource Estimate Update for the Duquesne-Ottoman Property, Quebec, Canada for Xmet Inc." dated October 20, 2011.

4. I am a graduate from the University of Toronto, Toronto, Ontario with a B.A.Sc. Degree in Geological and Mineral Engineering (1996), and I have practised my profession continuously since that time.

5. I am a Professional Engineer licensed by Professional Engineers Ontario (Registration Number 90501859) and the Association of Professional Engineers and Geoscientists of Saskatchewan (Registration Number 17014).

6. I am a "Qualified Person" for the purpose of NI 43-101.

7. I did not visit the Property.

8. I am solely responsible for Sections 14 and 15. With co-author David Power-Fardy, I am jointly responsible for Sections 1 and 26.

9. I am independent of the issuer as described in Section 1.5 of NI 43-101.

10. I have had no prior involvement with the Duquesne-Ottoman Property.

11. I have read NI 43-101, Form 43-101F1 and the technical report and have prepared the technical report in compliance with NI 43-101, Form 43-101F1 and generally accepted Canadian mining industry practice.

12. As of the date of the technical report, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

signed by
" Kurt Breede "

Kurt Breede, P.Eng.
October 20, 2011

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APPENDICES

APPENDIX 1:
CLAIMS

DUQUESNE-OTTOMAN PROPERTY CLAIMS

Property	NTS	Range	Lot	Area (ha)	Expiry Date	Claim #	Ownership*
Duquesne West	32D06	14	39	14.2	16-Mar-11	323045	150% Globex, 50% GJSL
Duquesne West	32D06	14	40	16.1	16-Mar-11	323045	250% Globex, 50% GJSL
Duquesne West	32D06	4	1	20	16-Mar-11	323045	350% Globex, 50% GJSL
Duquesne West	32D06	15	40	22.4	14-Mar-11	323046	150% Globex, 50% GJSL
Duquesne West	32D06	15	39	18.7	14-Mar-11	323046	250% Globex, 50% GJSL
Duquesne West	32D06	15	38	21.7	14-Mar-11	323046	350% Globex, 50% GJSL
Duquesne West	32D06	14	38	15.5	14-Mar-11	323046	450% Globex, 50% GJSL
Duquesne West	32D06	14	37	16 1	4-Mar-11	323046	550% Globex, 50% GJSL
Duquesne West	32D06	15	36	16	15-Mar-11	323047	150% Globex, 50% GJSL
Duquesne West	32D06	16	36	16	15-Mar-11	323047	250% Globex, 50% GJSL
Duquesne West	32D06	16	37	16	15-Mar-11	323047	350% Globex, 50% GJSL
Duquesne West	32D06	15	37	16	15-Mar-11	323047	450% Globex, 50% GJSL
Duquesne West	32D06	14	36	16	15-Mar-11	323047	550% Globex, 50% GJSL
Duquesne West	32D06	16	35	16	01-Apr-11	326013	550% Globex, 50% GJSL
Duquesne West	32D06	13	40	16	05-Apr-11	371778	150% Globex, 50% GJSL
Duquesne West	32D06	13	39	16	05-Apr-11	371778	250% Globex, 50% GJSL
Duquesne West	32D06	4	1	8	05-Apr-11	371778	350% Globex, 50% GJSL
Duquesne West	32D06	4	2	10	18-Jan-11	371778	450% Globex, 50% GJSL
Duquesne West	32D06	14	35	4	16-May-11	467511	150% Globex, 50% GJSL
Duquesne West	32D06	16	38	5	16-May-11	467511	250% Globex, 50% GJSL
Ottoman Fault	32D06	17	36	16	19-Mar-11	4133391	100% GJSL
Ottoman Fault	32D06	17	37	16	19-Mar-11	4133392	100% GJSL
Ottoman Fault	32D06	19	25	16	15-Mar-11	4133403	100% GJSL
Ottoman Fault	32D06	19	31	16	15-Mar-11	4133404	100% GJSL
Ottoman Fault	32D11	21	31	16	17-Mar-11	4133411	100% GJSL
Ottoman Fault	32D11	21	32	16	17-Mar-11	4133412	100% GJSL
Ottoman Fault	32D06, 32D1120		30	16	17-Mar-11	4133413	100% GJSL
Ottoman Fault	32D06, 32D1120		31	16	17-Mar-11	4133414	100% GJSL
Ottoman Fault	32D06	19	32	16	17-Mar-11	4133415	100% GJSL
Ottoman Fault	32D11	21	30	16	14-Mar-11	4133423	100% GJSL
Ottoman Fault	32D06	19	26	16	17-Mar-11	4133431	100% GJSL
Ottoman Fault	32D06	19	27	16	17-Mar-11	4133432	100% GJSL
Ottoman Fault	32D06	19	28	16	17-Mar-11	4133433	100% GJSL
Ottoman Fault	32D06	19	29	16	17-Mar-11	4133434	100% GJSL
Ottoman Fault	32D06	19	30	16	17-Mar-11	4133435	100% GJSL
Ottoman Fault	32D06, 32D1120		27	16	14-Mar-11	4133441	100% GJSL
Ottoman Fault	32D06, 32D1120		29	16	14-Mar-11	4133443	100% GJSL
Ottoman Fault	32D06, 32D1120		26	16	14-Mar-11	4133444	100% GJSL
Ottoman Fault	32D06, 32D1120		25	16	14-Mar-11	4133445	100% GJSL
Ottoman Fault	32D1121		34	16	17-Mar-11	4133741	100% GJSL

DUQUESNE-OTTOMAN PROPERTY CLAIMS (continued)

Property	NTS	Range	Lot	Area (ha)	Expiry Date	Claim #	Ownership*
Ottoman Fault	32D06, 32D1120	33	16	17-Mar-11	4133751	100%	GJSL
Ottoman Fault	32D06, 32D1120	32	16	17-Mar-11	4133752	100%	GJSL
Ottoman Fault	32D1121	33	16	17-Mar-11	4133753	100%	GJSL
Ottoman Fault	32D0619		33	16	17-Mar-11	4133755	100% GJSL
Ottoman Fault	32D1121		35	16	18-Mar-11	4133781	100% GJSL
Ottoman Fault	32D1121		36	16	18-Mar-11	4133782	100% GJSL
Ottoman Fault	32D06, 32D1120		35	16	18-Mar-11	4133783	100% GJSL
Ottoman Fault	32D06, 32D1120	34	16	18-Mar-11	4133784	100%	GJSL
Ottoman Fault	32D0619		34	16	18-Mar-11	4133785	100% GJSL
Ottoman Fault	32D0619		35	16	18-Mar-11	4133791	100% GJSL
Ottoman Fault	32D0619		36	16	18-Mar-11	4133792	100% GJSL
Ottoman Fault	32D0618		36	16	18-Mar-11	4133793	100% GJSL
Ottoman Fault	32D0618		35	16	18-Mar-11	4133794	100% GJSL
Ottoman Fault	32D0618		34	16	18-Mar-11	4133795	100% GJSL
Ottoman Fault	32D1122		28	16	05-Apr-11	4134755	100% GJSL
Ottoman Fault	32D1122		29	16	05-Apr-11	4134775	100% GJSL
Ottoman Fault	32D1121		29	16	12-Apr-11	4150401	100% GJSL
Ottoman Fault	32D1121		28	16	12-Apr-11	4150402	100% GJSL
Ottoman Fault	32D0616		39	5	12-Nov-11	5101052	100% GJSL

TOTAL 60 Claims 928.6 Ha

*Note: Ownership before transfer of claims to Duparquet Assets Ltd.

APPENDIX 2:
VERIFICATION SAMPLES:
CERTIFICATES OF ANALYSIS

AGAT Laboratories

5623 McADAM ROAD
MISSISSAUGA, ONTARIO
CANADA L4Z 1N9
TEL (905)501-9998
FAX (905)501-0589
http://www.agatlabs.com

CLIENT NAME: WATTS, GRIFFIS AND MCOUAT
400-8 KING STREET
TORONTO, ON M5C1B5

ATTENTION TO: DAVID POWER-FARDY

PROJECT NO: XME REV

AGAT WORK ORDER: 11T494251

SOLID ANALYSIS REVIEWED BY: Patricia Horan, Operations Manager

DATE REPORTED: May 27, 2011

PAGES (INCLUDING COVER): 4

Should you require any information regarding this analysis please contact your client services representative at (905) 501 9998, or at 1-800-856-6261

*NOTES

All samples are stored at no charge for 90 days. Please contact the lab if you require additional sample storage time.

AGAT Laboratories

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Certificate of Analysis

AGAT WORK ORDER: 11T494251
PROJECT NO: XME REV

CLIENT NAME: WATTS, GRIFFIS AND MCOUAT

ATTENTION TO: DAVID POWER-FARDY

Fire Assay - Trace Au, AAS finish (202051)

DATE SAMPLED: May 18, 2011 | DATE RECEIVED: May 18, 2011 | DATE REPORTED: May 27, 2011 | SAMPLE TYPE: Other

Analyte:	Sample Login Weight	Au	Au-Grav
Unit:	kg	ppm	g/t
Sample Description RDL:	0.01	0.002	0.05
43062	0.54	2.80	-
43130	0.33	>10	11.08
44179	0.37	>10	11.13
44463	0.46	1.05	-
44507	0.33	8.71	8.84
45175	0.49	1.59	-
46718	0.38	2.62	-
44890	0.45	5.39	4.84
22360	0.47	1.82	-
22581	0.37	>10	33.99

Comments: RDL - Reported Detection Limit

Certified By:

AGAT Laboratories

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MISSISSAUGA, ONTARIO
CANADA L4Z 1N9
TEL (905)501-9998
FAX (905)501-0589
http://www.agatlabs.com

Quality Assurance

CLIENT NAME: WATTS, GRIFFIS AND MCOUAT

AGAT WORK ORDER: 11T494251

PROJECT NO: XME REV

ATTENTION TO: DAVID POWER-FARDY

Solid Analysis

RPT Date: May 27, 2011		REPLICATE				Method Blank	REFERENCE MATERIAL				
PARAMETER	Batch	Sample Id	Original	Rep #1	RPD		Result Value	Expect Value	Recovery	Acceptable Limits	
										Lower	Upper
Fire Assay - Trace Au, AAS finish (202051)											
Au	1	2411802	>10	>10	0.0%	< 0.002	0.401	0.417	96%	80%	120%
Au-Grav	1	2411802	33.99	32.16	5.5%	< 0.05	6.05	5.91	102%	90%	110%

Certified By:

5623 McADAM ROAD
MISSISSAUGA, ONTARIO
CANADA L4Z 1N9
TEL (905)501-9998
FAX (905)501-0589
http://www.agatlabs.com

Method Summary

CLIENT NAME: WATTS, GRIFFIS AND MCOUAT

AGAT WORK ORDER: 11T494251

PROJECT NO: XME REV

ATTENTION TO: DAVID POWER-FARDY

PARAMETER	AGAT S.O.P	LITERATURE REFERENCE	ANALYTICAL TECHNIQUE
Solid Analysis			
Sample Login Weight			BALANCE
Au	MIN-200-12019	BUGBEE, E: A Textbook of Fire Assaying	AAS
Au-Grav			GRAVIMETRIC