

FORM 9

NOTICE OF PROPOSED ISSUANCE OF LISTED SECURITIES¹⁾ **(or securities convertible or exchangeable into listed securities)**

Please complete the following:

Name of CNSX Issuer: Mag Copper Limited (the "Issuer").

Trading Symbol: QUE.

Date: October 7, 2011.

Is this an updating or amending Notice: ☐ Yes ☐ No ☒

If yes provide date(s) of prior Notices: _____.

Issued and Outstanding Securities of Issuer Prior to Issuance: 40,004,494.

Date of News Release Announcing Private Placement: N/A.

Closing Market Price on Day Preceding the Issuance of the News Release \$N/A.

1. Private Placement (if shares are being issued in connection with an acquisition (either as consideration or to raise funds for a cash acquisition), proceed to Part 2 of this form)

Full Name & Residential Address of Placee	Number of Securities Purchased or to be Purchased	Purchase price per Security (CDN\$)	Conversion Price (if Applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed	Payment Date(1)	Describe relationship to Issuer (2)
Guy Girard 863 Kilkenny St.Hippolyte, Quebec J8A 3P3	70,000 Flow- Through	0.35	N/A	Section 2.3 of National Instrument 45-106	Nil	October 11, 2011	Arm's length
Jean Lafleur 502 – 2355 St. Martin East Laval, Quebec H7E 5L8	72,000 Flow- Through	0.35	N/A	Section 2.3 of National Instrument 45-106	Nil	October 11, 2011	Arm's length

CGE Resources Quebec 2011 L.P. 755, Boul. St. Jean, Suite 304 Pointe - Claire, Quebec H9R 5M9	572,000 Flow- Through	0.35	N/A	Section 2.3 of National Instrument 45-106	Nil	October 11, 2011	Arm's length
Creststreet 2011 Flow-Through Limited Partnership - Quebec Class 70 University Ave, Suite 1450 Toronto, Ontario M5J 2M4	1,000,000 Flow- Through	0.35	N/A	Section 2.3 of National Instrument 45-106	Nil	October 11, 2011	Arm's length
Matrix Quebec 2011 - I FT LP 130 King St. West, Suite 2200 Toronto, Ontario M5X 1E3	1,000,000 Flow- Through	0.35	N/A	Section 2.3 of National Instrument 45-106	Nil	October 11, 2011	Arm's length
Vikki Bellack 209 Cabernet Road, Thornhill, Ontario L4J 8V8	57,000 Flow- Through	0.35	N/A	Section 2.3 of National Instrument 45-106	Nil	October 11, 2011	Arm's length
John Zufferli 182 Rosewell Avenue Toronto, Ontario M4R 2A6	100,000 Flow- Through	0.35	N/A	Section 2.3 of National Instrument 45-106	Nil	October 11, 2011	Arm's length
Jaguar Holdings (1998) Inc. 37 Amelia Street Barrie, Ontario L4M 1M5	91,935 Units	0.31	0.40 (Warrants)	Section 2.14 of National Instrument 45-106	1,740,000 common shares and 20,000 warrants	October 11, 2011	Non-Arm's length
Irwin Professional Corporation 130 Adelaide Street West, Suite 1010 Toronto, Ontario M5H 3P5	185,484 Units	0.31	0.40 (Warrants)	Section 2.14 of National Instrument 45-106	1,124,000 common shares	October 11, 2011	Non-Arm's length

1282803 Ontario Inc. 31 Baymark Road, Thornhill, Ontario L3T 3Y4	80,645 Units	0.31	0.40 (Warrants)	Section 2.14 of National Instrument 45-106	Nil	October 11, 2011	Arm's length
Daniel Farrell 332 Navy Street Hancock, Michigan, USA 49930	48,387 Units	0.31	0.40 (Warrants)	Section 2.14 of National Instrument 45-106	Nil	October 11, 2011	Arm's length
834669 Ontario Limited 1712-7 King Street East Toronto, Ontario M5C 3C5	48,387 Units	0.31	0.40 (Warrants)	Section 2.14 of National Instrument 45-106	40,000 common shares	October 11, 2011	Arm's length
Scott Young 82 Campbell Street Collingwood, Ontario L9Y 2K8	48,387 Units	0.31	0.40 (Warrants)	Section 2.14 of National Instrument 45-106	40,000 common shares	October 11, 2011	Arm's length

(1) Indicate date each placee advanced or is expected to advance payment for securities. Provide details of expected payment date, conditions to release of funds etc. Indicate if the placement funds been placed in trust pending receipt of all necessary approvals.

(2) Indicate if Related Person.

¹An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10.

1. Total amount of funds to be raised: \$12,500,000 .
2. Provide full details of the use of the proceeds. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material. Exploration and development of the Magusi River Project and for general working capital purposes.
3. Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer: _____ .
4. If securities are issued in forgiveness of indebtedness, provide details and attach the debt agreement(s) or other documentation evidencing the debt and the agreement to exchange the debt for securities. 503,225 Units in

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forgiveness of CDN\$156,000 will be issued to the parties as provided for in the attached agreements. Each Unit will consist of one common share in the capital of the Issuer and one half of one common share purchase warrant, with each whole warrant entitling the holder to purchase a common share for a price of CDN\$0.40 per common share exercisable for a period of 18 months from date of issuance.

5. Description of securities to be issued:

- (a) Class Units and Flow-Through Shares .
- (b) Number Up to 32,258,064 units and up to 7,142,857 Flow-Through Shares .
- (c) Price per security \$0.31 per unit and \$0.35 per Flow-Through Share
- (d) Voting rights One vote per common share

6. Provide the following information if Warrants, (options) or other convertible securities are to be issued:

- (a) Number up to 16,129,032 .
- (b) Number of securities eligible to be purchased on exercise of Warrants (or options) up to 16,129,032 common shares .
- (c) Exercise price \$0.40 .
- (d) Expiry date 18 months from the date of issuance of the warrants .

7. Provide the following information if debt securities are to be issued:

- (a) Aggregate principal amount _____ .
- (b) Maturity date _____ .
- (c) Interest rate _____ .
- (d) Conversion terms _____ .
- (e) Default provisions _____ .

8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the placement (including warrants, options, etc.):

- (a) Details of any dealer, agent, broker or other person receiving

compensation in connection with the placement (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer):
Aberdeen Gould Capital Markets Ltd., 55 St. Clair Avenue West, Suite 401, Toronto, Ontario, M4V 2Y7.

(b) Cash 8% of the aggregate proceeds of the offering .

(c) Securities Compensation Warrants equal to eight (8%) of the number of units and flow-through Shares issued and sold under the Offering attributable to such finders with each Compensation Warrant entitling the holder thereof to purchase one Common Share of the Company at an exercise price of \$0.31 per Common Share for a period of eighteen (18) months.

(d) Other _____ .

(e) Expiry date of any options, warrants etc. The compensation warrants expire 18 months after their respective dates of issuance.

(f) Exercise price of any options, warrants etc. The compensation warrants are exercisable at a price of \$0.31 per common share.

9. State whether the sales agent, broker, dealer or other person receiving compensation in connection with the placement is Related Person or has any other relationship with the Issuer and provide details of the relationship

Not applicable. _____ .

10. Describe any unusual particulars of the transaction (i.e. tax “flow through” shares, etc.).

7,142,857 shares sold will be “flow-through” shares as defined in subsection 66(15) of the *Income Tax Act* (Canada).

11. State whether the private placement will result in a change of control.

No. _____ .

12. Where there is a change in the control of the Issuer resulting from the issuance of the private placement shares, indicate the names of the new controlling shareholders. _____

Not applicable. _____ .

13. Each purchaser has been advised of the applicable securities legislation restricted or seasoning period. All certificates for securities issued which are subject to a hold period bear the appropriate legend restricting their transfer until the expiry of the applicable hold period required by Multilateral Instrument 45-102.

2. Acquisition

1. Provide details of the assets to be acquired by the Issuer (including the location of the assets, if applicable). The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: _____ .
2. Provide details of the acquisition including the date, parties to and type of agreement (eg: sale, option, license etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the acquisition without reference to any other material: _____ .
3. Provide the following information in relation to the total consideration for the acquisition (including details of all cash, securities or other consideration) and any required work commitments:
- (a) Total aggregate consideration in Canadian dollars: _____ .
 - (b) Cash: _____ .
 - (c) Securities (including options, warrants etc.) and dollar value: _____ .
 - (d) Other: _____ .
 - (e) Expiry date of options, warrants, etc. if any: _____ .
 - (f) Exercise price of options, warrants, etc. if any: _____ .
 - (g) Work commitments: _____ .
4. State how the purchase or sale price was determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).
5. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: _____ .
6. The names of parties receiving securities of the Issuer pursuant to the acquisition and the number of securities to be issued are described as

follows:

Name of Party (If not an individual, name all insiders of the Party)	Number and Type of Securities to be Issued	Dollar value per Security (CDN\$)	Conversion price (if applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed by Party	Describe relationship to Issuer ⁽¹⁾

(1) Indicate if Related Person

7. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: _____.
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the acquisition (including warrants, options, etc.):
 - (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): _____.
 - (b) Cash _____.
 - (c) Securities _____.
 - (d) Other _____.
 - (e) Expiry date of any options, warrants etc. _____.
 - (f) Exercise price of any options, warrants etc. _____.
9. State whether the sales agent, broker or other person receiving compensation in connection with the acquisition is a Related Person or has any other relationship with the Issuer and provide details of the relationship. _____
10. If applicable, indicate whether the acquisition is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. _____

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance on behalf of the Issuer.
2. As of the date hereof there is not material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 9 Notice of Private Placement is true.

Dated: October 7, 2011.

Chris Irwin
Name of Director or Senior
Officer

"Chris Irwin" (Signed)
Signature

Director
Official Capacity

DEBT CONVERSION AGREEMENT

THIS AGREEMENT made as of the 28th day of September, 2011,

B E T W E E N:

MAG COPPER LIMITED

130 Adelaide Street West, Suite 1010, Toronto, ON M5H 3P5

(hereinafter referred to as the "Company"),

OF THE FIRST PART,

- and -

JAGUAR HOLDINGS (1998) INC.

37 Amelia Street, Barrie, ON L4M 1M5

(hereinafter referred to as the "Creditor"),

OF THE SECOND PART,

WHEREAS the Company is indebted to the Creditor in the amount of CDN\$28,500 (the "**Debt**") and the Creditor has agreed to accept units of the Company (each, a "**Unit**") in settlement of the Debt;

AND WHEREAS each Unit shall consist of one common share in the capital of the Company (a "**Common Share**") and one half of one common share purchase warrant (each whole warrant, a "**Warrant**"), and each Warrant shall entitle the holder thereof to purchase one Common Share for a period of 18 months from the date of issuance of such Warrant at a price of CDN\$0.40 per Common Share.

AND WHEREAS the Creditor has agreed to accept 91,935 Units of the Company at a price of CDN\$0.31 per Unit (the "**Debt Securities**") in satisfaction of the Debt;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT for and in consideration of the mutual promises and agreements hereinafter contained, and other good and valuable consideration (the receipt and sufficiency of which is hereby irrevocably acknowledged), the parties hereto hereby agree as follows:

1. The Creditor hereby remises, releases and forever discharges the Company, its directors, officers, employees, agents, successors and assigns, of and from any and all manner of actions, causes of actions, suits, proceedings, debts, accounts, bonds, covenants, contracts, claims, liabilities, damages, grievances, executions, judgments, rights and demands of any kind whatsoever, both in law and in equity (collectively referred to herein as "**Claims**") which the Creditor ever had, now has, or can, shall or may in the future have had or have against the Company for services rendered by the Creditor to the Company as at the date hereof with regard to the Debt.

2. Subject to the terms and conditions of this agreement, the Creditor agrees to accept the Debt Securities in full and final satisfaction of the Debt (the “**Debt Conversion**”). The Creditor further agrees that, upon the issuance and delivery of the Debt Securities to the Creditor, the Company shall be fully released in respect of the Debt.

3. The Company shall issue the Debt Securities to the Creditor on or before the date that is thirty (30) days following the date hereof (the “**Closing Date**”).

4. Notwithstanding anything else herein, the Debt Conversion and the issuance by the Company of the Debt Securities is subject to the Company obtaining any and all necessary consents and approvals (the “**Approval**”) from any relevant securities exchange or other appropriate governmental or regulatory bodies. Should the Company fail to obtain the Approval on or before the Closing Date, then this Agreement shall be void and of no force and effect, and the parties hereto shall be released from their obligations hereunder.

5. Each of the Company and the Creditor shall co-operate in good faith with the other with a view to obtaining on a timely basis any consents, approvals or exemptions reasonably required in connection with the transactions contemplated hereby.

6. The Company represents, warrants, and covenants to the Creditor, and acknowledges that the Creditor is relying upon such representations, warranties, and covenants in entering into this agreement, that:

- (a) it is a corporation duly incorporated and organized under the laws of the Province of Ontario and is presently in good standing thereunder with full corporate power to own its properties and carry on its business as now being conducted;
- (b) the execution and delivery of this agreement are within the corporate power and authority of the Company and have been duly authorized by all necessary corporate action and this agreement constitutes a valid and binding obligation of the Company enforceable against it and its successors in accordance with its terms, subject to the usual qualification as to enforceability being limited by bankruptcy and other laws effecting the enforcement of creditors' rights generally, equitable remedies being discretionary remedies and rights to indemnification and contribution being limited by applicable laws;
- (c) none of the execution and delivery of this agreement, the consummation of the transactions contemplated hereby or the fulfilment of or compliance with the terms and provisions hereof do or will, with the giving of notice or the lapse of time or both:
 - (i) to the best of the knowledge of the Company, violate any provision of any law or administrative regulation or any administrative order, award, judgment or decree applicable to the Company;

- (ii) conflict with any of the terms, conditions or provisions of the articles or any by-laws of the Company or any resolution of its directors or shareholders; or
- (iii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any material agreement, covenant, undertaking, commitment, instrument, judgment, order, decree or award to which the Company is a party or by which it is bound or to which the property of it is subject;
- (d) the Debt Securities to be issued to the Creditor in accordance with the provisions hereof will, upon their issuance and delivery, be validly issued and outstanding as fully paid and non-assessable common shares of the Company;
- (e) the Company is a reporting issuer not in default under the provisions of the *Securities Act* (Ontario) (the “Act”); and
- (f) the issue of the Debt Securities hereunder is made in reliance upon registration and prospectus exemptions contained in the Act and the Debt Securities may not be resold otherwise than in compliance with the resale restrictions applicable thereto as provided for in the Act.

7. The Creditor represents, warrants and covenants to the Company, and acknowledges that the Company is relying on such representations, warranties and covenants in entering into this agreement, that:

- (a) the Creditor has the legal capacity and competence to enter into and execute this agreement and to take all actions required pursuant hereto and, if the Creditor is a corporation, it is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation and all necessary approvals by its directors, shareholders and others have been obtained to authorize execution of this agreement on behalf of the Creditor;
- (b) the Creditor has full power and authority to enter into this agreement and perform the same and do all acts which may be necessary to consummate the transactions contemplated hereby;
- (c) this agreement has been duly executed and delivered by the Creditor and constitutes a valid and binding obligation of the Creditor enforceable against it in accordance with its terms, subject to the usual qualification as to enforceability being limited by bankruptcy and other laws effecting the enforcement of creditors rights generally, equitable remedies being discretionary remedies and rights to indemnification and contribution being limited by applicable laws;

- (d) the Creditor is or at the time of conversion will be the beneficial owner of the Debt, which represents a *bona fide* debt of the Company, with good and marketable title thereto free and clear of all liens, charges, security interest and other encumbrances whatsoever; and
 - (e) the Creditor acknowledges that the Debt Securities, as and when the same are issued, may be subject to a statutory hold period pursuant to the Act as well as any hold period that may be imposed by the rules and policies of any stock exchange or trade reporting and quotation system upon which the Debt Securities may be listed and posted for trading.
8. All of the covenants, representations, and warranties shall survive the closing of the issuance of the Debt Securities hereunder.
9. Time shall in all respects be of the essence of this agreement.
10. This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the parties hereby irrevocably attorn to the jurisdiction of the courts of the Province of Ontario.
11. All dollar amounts expressed herein refer to lawful currency of Canada.
12. Any notice, document or other communication required or permitted by this agreement to be given by a party hereto shall be in writing and is sufficiently given if delivered personally, or if sent by prepaid ordinary mail posted in Canada, or if transmitted by any form of recorded telecommunication tested prior to transmission, to such party as set out on the face page hereof. Notice so mailed shall be deemed to have been given on the third business day after deposit in a post office or public letterbox. Neither party shall mail any notice, request or other communication hereunder during any period in which Canadian postal workers are on strike or if such strike is imminent and may reasonably be anticipated to affect the normal delivery of mail. Notice transmitted by a form of recorded telecommunication or delivered personally shall be deemed given on the day of transmission or personal delivery, as the case may be. Any party may from time to time notify the others in the manner provided herein of any change of address which thereafter, until changed by like notice, shall be the address of such party for all purposes hereof.
13. All costs associated with the preparation of this agreement and the transactions contemplated hereby, including, without limitation, legal costs, shall be paid by the Company.
14. The parties agree to execute and deliver to each other such further instruments and other written assurances and to do or cause to be done such further acts or things as may be necessary, desirable, or convenient to carry out and give effect to the intent of this agreement or as any of the parties may reasonably request in order to carry out the transactions contemplated herein.
15. This agreement sets forth the entire agreement among the parties hereto pertaining

to the specific subject matter hereof and replaces and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties hereto, and there are no warranties, representations or other agreements, whether oral or written, express or implied, statutory or otherwise, between the parties hereto in connection with the subject matter hereof except as specifically set forth herein. No supplement, modification, waiver or termination of this agreement shall be binding unless executed in writing by the party to be bound thereby.

16. In case any one or more of the provisions contained in this agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this agreement shall not in any way be affected or impaired thereby, and any such invalid, illegal or unenforceable provision shall be deemed to be severable, and the remainder of the provisions of this agreement shall nevertheless remain in full force and effect.

17. This agreement may be executed by the parties hereto in separate counterparts or duplicates, including by facsimile or other electronic means, each of which when so executed and delivered shall be an original, but all such counterparts or duplicates shall together constitute one and the same instrument.

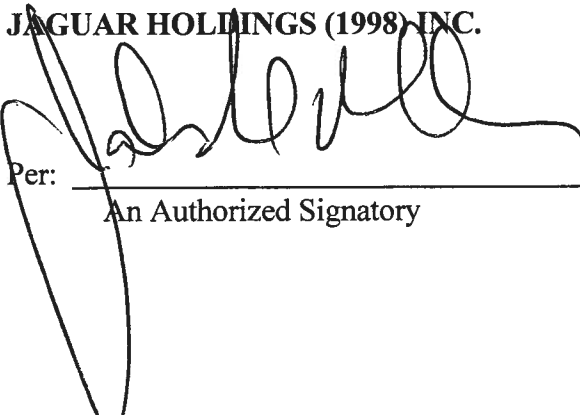
18. This agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, assigns and legal representatives. This agreement may not be assigned without the prior written consent of the parties, which consent may be unreasonably withheld.

IN WITNESS WHEREOF the parties have executed this agreement as of the date first above written.

MAG COPPER LIMITED

Per: 
An Authorized Signatory

JAGUAR HOLDINGS (1998) INC.

Per: 
An Authorized Signatory

DEBT CONVERSION AGREEMENT

THIS AGREEMENT made as of the 28th day of September, 2011,

B E T W E E N :

MAG COPPER LIMITED

130 Adelaide Street West, Suite 1010, Toronto, ON M5H 3P5

(hereinafter referred to as the "Company"),

OF THE FIRST PART,

- and -

IRWIN PROFESSIONAL CORPORATION

130 Adelaide Street West, Suite 1010, Toronto, ON M5H 3P5

(hereinafter referred to as the "Creditor"),

OF THE SECOND PART,

WHEREAS the Company is indebted to the Creditor in the amount of CDN\$57,500 (the "**Debt**") and the Creditor has agreed to accept units of the Company (each, a "**Unit**") in settlement of the Debt;

AND WHEREAS each Unit shall consist of one common share in the capital of the Company (a "**Common Share**") and one half of one common share purchase warrant (each whole warrant, a "**Warrant**"), and each Warrant shall entitle the holder thereof to purchase one Common Share for a period of 18 months from the date of issuance of such Warrant at a price of CDN\$0.40 per Common Share.

AND WHEREAS the Creditor has agreed to accept 185,484 Units of the Company at a price of CDN\$0.31 per Unit (the "**Debt Securities**") in satisfaction of the Debt;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT for and in consideration of the mutual promises and agreements hereinafter contained, and other good and valuable consideration (the receipt and sufficiency of which is hereby irrevocably acknowledged), the parties hereto hereby agree as follows:

1. The Creditor hereby remises, releases and forever discharges the Company, its directors, officers, employees, agents, successors and assigns, of and from any and all manner of actions, causes of actions, suits, proceedings, debts, accounts, bonds, covenants, contracts, claims, liabilities, damages, grievances, executions, judgments, rights and demands of any kind whatsoever, both in law and in equity (collectively referred to herein as "**Claims**") which the Creditor ever had, now has, or can, shall or may in the future have had or have against the Company for services rendered by the Creditor to the Company as at the date hereof with regard to the Debt.

2. Subject to the terms and conditions of this agreement, the Creditor agrees to accept the Debt Securities in full and final satisfaction of the Debt (the “**Debt Conversion**”). The Creditor further agrees that, upon the issuance and delivery of the Debt Securities to the Creditor, the Company shall be fully released in respect of the Debt.

3. The Company shall issue the Debt Securities to the Creditor on or before the date that is thirty (30) days following the date hereof (the “**Closing Date**”).

4. Notwithstanding anything else herein, the Debt Conversion and the issuance by the Company of the Debt Securities is subject to the Company obtaining any and all necessary consents and approvals (the “**Approval**”) from any relevant securities exchange or other appropriate governmental or regulatory bodies. Should the Company fail to obtain the Approval on or before the Closing Date, then this Agreement shall be void and of no force and effect, and the parties hereto shall be released from their obligations hereunder.

5. Each of the Company and the Creditor shall co-operate in good faith with the other with a view to obtaining on a timely basis any consents, approvals or exemptions reasonably required in connection with the transactions contemplated hereby.

6. The Company represents, warrants, and covenants to the Creditor, and acknowledges that the Creditor is relying upon such representations, warranties, and covenants in entering into this agreement, that:

- (a) it is a corporation duly incorporated and organized under the laws of the Province of Ontario and is presently in good standing thereunder with full corporate power to own its properties and carry on its business as now being conducted;
- (b) the execution and delivery of this agreement are within the corporate power and authority of the Company and have been duly authorized by all necessary corporate action and this agreement constitutes a valid and binding obligation of the Company enforceable against it and its successors in accordance with its terms, subject to the usual qualification as to enforceability being limited by bankruptcy and other laws effecting the enforcement of creditors' rights generally, equitable remedies being discretionary remedies and rights to indemnification and contribution being limited by applicable laws;
- (c) none of the execution and delivery of this agreement, the consummation of the transactions contemplated hereby or the fulfilment of or compliance with the terms and provisions hereof do or will, with the giving of notice or the lapse of time or both:
 - (i) to the best of the knowledge of the Company, violate any provision of any law or administrative regulation or any administrative order, award, judgment or decree applicable to the Company;

- (ii) conflict with any of the terms, conditions or provisions of the articles or any by-laws of the Company or any resolution of its directors or shareholders; or
- (iii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any material agreement, covenant, undertaking, commitment, instrument, judgment, order, decree or award to which the Company is a party or by which it is bound or to which the property of it is subject;
- (d) the Debt Securities to be issued to the Creditor in accordance with the provisions hereof will, upon their issuance and delivery, be validly issued and outstanding as fully paid and non-assessable common shares of the Company;
- (e) the Company is a reporting issuer not in default under the provisions of the *Securities Act* (Ontario) (the “Act”); and
- (f) the issue of the Debt Securities hereunder is made in reliance upon registration and prospectus exemptions contained in the Act and the Debt Securities may not be resold otherwise than in compliance with the resale restrictions applicable thereto as provided for in the Act.

7. The Creditor represents, warrants and covenants to the Company, and acknowledges that the Company is relying on such representations, warranties and covenants in entering into this agreement, that:

- (a) the Creditor has the legal capacity and competence to enter into and execute this agreement and to take all actions required pursuant hereto and, if the Creditor is a corporation, it is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation and all necessary approvals by its directors, shareholders and others have been obtained to authorize execution of this agreement on behalf of the Creditor;
- (b) the Creditor has full power and authority to enter into this agreement and perform the same and do all acts which may be necessary to consummate the transactions contemplated hereby;
- (c) this agreement has been duly executed and delivered by the Creditor and constitutes a valid and binding obligation of the Creditor enforceable against it in accordance with its terms, subject to the usual qualification as to enforceability being limited by bankruptcy and other laws effecting the enforcement of creditors rights generally, equitable remedies being discretionary remedies and rights to indemnification and contribution being limited by applicable laws;

- (d) the Creditor is or at the time of conversion will be the beneficial owner of the Debt, which represents a *bona fide* debt of the Company, with good and marketable title thereto free and clear of all liens, charges, security interest and other encumbrances whatsoever; and
 - (e) the Creditor acknowledges that the Debt Securities, as and when the same are issued, may be subject to a statutory hold period pursuant to the Act as well as any hold period that may be imposed by the rules and policies of any stock exchange or trade reporting and quotation system upon which the Debt Securities may be listed and posted for trading.
8. All of the covenants, representations, and warranties shall survive the closing of the issuance of the Debt Securities hereunder.
9. Time shall in all respects be of the essence of this agreement.
10. This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the parties hereby irrevocably attorn to the jurisdiction of the courts of the Province of Ontario.
11. All dollar amounts expressed herein refer to lawful currency of Canada.
12. Any notice, document or other communication required or permitted by this agreement to be given by a party hereto shall be in writing and is sufficiently given if delivered personally, or if sent by prepaid ordinary mail posted in Canada, or if transmitted by any form of recorded telecommunication tested prior to transmission, to such party as set out on the face page hereof. Notice so mailed shall be deemed to have been given on the third business day after deposit in a post office or public letterbox. Neither party shall mail any notice, request or other communication hereunder during any period in which Canadian postal workers are on strike or if such strike is imminent and may reasonably be anticipated to affect the normal delivery of mail. Notice transmitted by a form of recorded telecommunication or delivered personally shall be deemed given on the day of transmission or personal delivery, as the case may be. Any party may from time to time notify the others in the manner provided herein of any change of address which thereafter, until changed by like notice, shall be the address of such party for all purposes hereof.
13. All costs associated with the preparation of this agreement and the transactions contemplated hereby, including, without limitation, legal costs, shall be paid by the Company.
14. The parties agree to execute and deliver to each other such further instruments and other written assurances and to do or cause to be done such further acts or things as may be necessary, desirable, or convenient to carry out and give effect to the intent of this agreement or as any of the parties may reasonably request in order to carry out the transactions contemplated herein.
15. This agreement sets forth the entire agreement among the parties hereto pertaining

to the specific subject matter hereof and replaces and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties hereto, and there are no warranties, representations or other agreements, whether oral or written, express or implied, statutory or otherwise, between the parties hereto in connection with the subject matter hereof except as specifically set forth herein. No supplement, modification, waiver or termination of this agreement shall be binding unless executed in writing by the party to be bound thereby.

16. In case any one or more of the provisions contained in this agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this agreement shall not in any way be affected or impaired thereby, and any such invalid, illegal or unenforceable provision shall be deemed to be severable, and the remainder of the provisions of this agreement shall nevertheless remain in full force and effect.

17. This agreement may be executed by the parties hereto in separate counterparts or duplicates, including by facsimile or other electronic means, each of which when so executed and delivered shall be an original, but all such counterparts or duplicates shall together constitute one and the same instrument.


18. This agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, assigns and legal representatives. This agreement may not be assigned without the prior written consent of the parties, which consent may be unreasonably withheld.

IN WITNESS WHEREOF the parties have executed this agreement as of the date first above written.

MAG COPPER LIMITED

Per: 
An Authorized Signatory

IRWIN PROFESSIONAL CORPORATION

Per: 
An Authorized Signatory

DEBT CONVERSION AGREEMENT

THIS AGREEMENT made as of the 28th day of September, 2011,

B E T W E E N:

MAG COPPER LIMITED

130 Adelaide Street West, Suite 1010, Toronto, ON M5H 3P5

(hereinafter referred to as the "Company"),

OF THE FIRST PART,

- and -

SCOTT YOUNG

82 Campbell Street, Collingwood, Ontario, L9Y 2K8

(hereinafter referred to as the "Creditor"),

OF THE SECOND PART,

WHEREAS the Company is indebted to the Creditor in the amount of CDN\$15,000 (the "**Debt**") and the Creditor has agreed to accept units of the Company (each, a "**Unit**") in settlement of the Debt;

AND WHEREAS each Unit shall consist of one common share in the capital of the Company (a "**Common Share**") and one half of one common share purchase warrant (each whole warrant, a "**Warrant**"), and each Warrant shall entitle the holder thereof to purchase one Common Share for a period of 18 months from the date of issuance of such Warrant at a price of CDN\$0.40 per Common Share.

AND WHEREAS the Creditor has agreed to accept 48,387 Units of the Company at a price of CDN\$0.31 per Unit (the "**Debt Securities**") in satisfaction of the Debt;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT for and in consideration of the mutual promises and agreements hereinafter contained, and other good and valuable consideration (the receipt and sufficiency of which is hereby irrevocably acknowledged), the parties hereto hereby agree as follows:

1. The Creditor hereby remises, releases and forever discharges the Company, its directors, officers, employees, agents, successors and assigns, of and from any and all manner of actions, causes of actions, suits, proceedings, debts, accounts, bonds, covenants, contracts, claims, liabilities, damages, grievances, executions, judgments, rights and demands of any kind whatsoever, both in law and in equity (collectively referred to herein as "**Claims**") which the Creditor ever had, now has, or can, shall or may in the future have had or have against the Company for services rendered by the Creditor to the Company as at the date hereof with regard to the Debt.

2. Subject to the terms and conditions of this agreement, the Creditor agrees to accept the Debt Securities in full and final satisfaction of the Debt (the “**Debt Conversion**”). The Creditor further agrees that, upon the issuance and delivery of the Debt Securities to the Creditor, the Company shall be fully released in respect of the Debt.

3. The Company shall issue the Debt Securities to the Creditor on or before the date that is thirty (30) days following the date hereof (the “**Closing Date**”).

4. Notwithstanding anything else herein, the Debt Conversion and the issuance by the Company of the Debt Securities is subject to the Company obtaining any and all necessary consents and approvals (the “**Approval**”) from any relevant securities exchange or other appropriate governmental or regulatory bodies. Should the Company fail to obtain the Approval on or before the Closing Date, then this Agreement shall be void and of no force and effect, and the parties hereto shall be released from their obligations hereunder.

5. Each of the Company and the Creditor shall co-operate in good faith with the other with a view to obtaining on a timely basis any consents, approvals or exemptions reasonably required in connection with the transactions contemplated hereby.

6. The Company represents, warrants, and covenants to the Creditor, and acknowledges that the Creditor is relying upon such representations, warranties, and covenants in entering into this agreement, that:

- (a) it is a corporation duly incorporated and organized under the laws of the Province of Ontario and is presently in good standing thereunder with full corporate power to own its properties and carry on its business as now being conducted;
- (b) the execution and delivery of this agreement are within the corporate power and authority of the Company and have been duly authorized by all necessary corporate action and this agreement constitutes a valid and binding obligation of the Company enforceable against it and its successors in accordance with its terms, subject to the usual qualification as to enforceability being limited by bankruptcy and other laws effecting the enforcement of creditors' rights generally, equitable remedies being discretionary remedies and rights to indemnification and contribution being limited by applicable laws;
- (c) none of the execution and delivery of this agreement, the consummation of the transactions contemplated hereby or the fulfilment of or compliance with the terms and provisions hereof do or will, with the giving of notice or the lapse of time or both:
 - (i) to the best of the knowledge of the Company, violate any provision of any law or administrative regulation or any administrative order, award, judgment or decree applicable to the Company;

- (ii) conflict with any of the terms, conditions or provisions of the articles or any by-laws of the Company or any resolution of its directors or shareholders; or
- (iii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any material agreement, covenant, undertaking, commitment, instrument, judgment, order, decree or award to which the Company is a party or by which it is bound or to which the property of it is subject;
- (d) the Debt Securities to be issued to the Creditor in accordance with the provisions hereof will, upon their issuance and delivery, be validly issued and outstanding as fully paid and non-assessable common shares of the Company;
- (e) the Company is a reporting issuer not in default under the provisions of the *Securities Act* (Ontario) (the “Act”); and
- (f) the issue of the Debt Securities hereunder is made in reliance upon registration and prospectus exemptions contained in the Act and the Debt Securities may not be resold otherwise than in compliance with the resale restrictions applicable thereto as provided for in the Act.

7. The Creditor represents, warrants and covenants to the Company, and acknowledges that the Company is relying on such representations, warranties and covenants in entering into this agreement, that:

- (a) the Creditor has the legal capacity and competence to enter into and execute this agreement and to take all actions required pursuant hereto and, if the Creditor is a corporation, it is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation and all necessary approvals by its directors, shareholders and others have been obtained to authorize execution of this agreement on behalf of the Creditor;
- (b) the Creditor has full power and authority to enter into this agreement and perform the same and do all acts which may be necessary to consummate the transactions contemplated hereby;
- (c) this agreement has been duly executed and delivered by the Creditor and constitutes a valid and binding obligation of the Creditor enforceable against it in accordance with its terms, subject to the usual qualification as to enforceability being limited by bankruptcy and other laws effecting the enforcement of creditors rights generally, equitable remedies being discretionary remedies and rights to indemnification and contribution being limited by applicable laws;

- (d) the Creditor is or at the time of conversion will be the beneficial owner of the Debt, which represents a *bona fide* debt of the Company, with good and marketable title thereto free and clear of all liens, charges, security interest and other encumbrances whatsoever; and
 - (e) the Creditor acknowledges that the Debt Securities, as and when the same are issued, may be subject to a statutory hold period pursuant to the Act as well as any hold period that may be imposed by the rules and policies of any stock exchange or trade reporting and quotation system upon which the Debt Securities may be listed and posted for trading.
8. All of the covenants, representations, and warranties shall survive the closing of the issuance of the Debt Securities hereunder.
9. Time shall in all respects be of the essence of this agreement.
10. This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the parties hereby irrevocably attorn to the jurisdiction of the courts of the Province of Ontario.
11. All dollar amounts expressed herein refer to lawful currency of Canada.
12. Any notice, document or other communication required or permitted by this agreement to be given by a party hereto shall be in writing and is sufficiently given if delivered personally, or if sent by prepaid ordinary mail posted in Canada, or if transmitted by any form of recorded telecommunication tested prior to transmission, to such party as set out on the face page hereof. Notice so mailed shall be deemed to have been given on the third business day after deposit in a post office or public letterbox. Neither party shall mail any notice, request or other communication hereunder during any period in which Canadian postal workers are on strike or if such strike is imminent and may reasonably be anticipated to affect the normal delivery of mail. Notice transmitted by a form of recorded telecommunication or delivered personally shall be deemed given on the day of transmission or personal delivery, as the case may be. Any party may from time to time notify the others in the manner provided herein of any change of address which thereafter, until changed by like notice, shall be the address of such party for all purposes hereof.
13. All costs associated with the preparation of this agreement and the transactions contemplated hereby, including, without limitation, legal costs, shall be paid by the Company.
14. The parties agree to execute and deliver to each other such further instruments and other written assurances and to do or cause to be done such further acts or things as may be necessary, desirable, or convenient to carry out and give effect to the intent of this agreement or as any of the parties may reasonably request in order to carry out the transactions contemplated herein.
15. This agreement sets forth the entire agreement among the parties hereto pertaining

to the specific subject matter hereof and replaces and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties hereto, and there are no warranties, representations or other agreements, whether oral or written, express or implied, statutory or otherwise, between the parties hereto in connection with the subject matter hereof except as specifically set forth herein. No supplement, modification, waiver or termination of this agreement shall be binding unless executed in writing by the party to be bound thereby.

16. In case any one or more of the provisions contained in this agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this agreement shall not in any way be affected or impaired thereby, and any such invalid, illegal or unenforceable provision shall be deemed to be severable, and the remainder of the provisions of this agreement shall nevertheless remain in full force and effect.

17. This agreement may be executed by the parties hereto in separate counterparts or duplicates, including by facsimile or other electronic means, each of which when so executed and delivered shall be an original, but all such counterparts or duplicates shall together constitute one and the same instrument.


18. This agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, assigns and legal representatives. This agreement may not be assigned without the prior written consent of the parties, which consent may be unreasonably withheld.

IN WITNESS WHEREOF the parties have executed this agreement as of the date first above written.

MAG COPPER LIMITED

Per: 
An Authorized Signatory

SIGNED, SEALED AND DELIVERED)
in the presence of)

)
Witness)


SCOTT YOUNG

DEBT CONVERSION AGREEMENT

THIS AGREEMENT made as of the 28th day of September, 2011,

B E T W E E N:

MAG COPPER LIMITED

130 Adelaide Street West, Suite 1010, Toronto, ON M5H 3P5

(hereinafter referred to as the "Company"),

OF THE FIRST PART,

- and -

DANIEL FARRELL

332 Navy Street, Hancock, MI, USA 49930

(hereinafter referred to as the "Creditor"),

OF THE SECOND PART,

WHEREAS the Company is indebted to the Creditor in the amount of CDN\$15,000 (the "**Debt**") and the Creditor has agreed to accept units of the Company (each, a "**Unit**") in settlement of the Debt;

AND WHEREAS each Unit shall consist of one common share in the capital of the Company (a "**Common Share**") and one half of one common share purchase warrant (each whole warrant, a "**Warrant**"), and each Warrant shall entitle the holder thereof to purchase one Common Share for a period of 18 months from the date of issuance of such Warrant at a price of CDN\$0.40 per Common Share.

AND WHEREAS the Creditor has agreed to accept 48,387 Units of the Company at a price of CDN\$0.31 per Unit (the "**Debt Securities**") in satisfaction of the Debt;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT for and in consideration of the mutual promises and agreements hereinafter contained, and other good and valuable consideration (the receipt and sufficiency of which is hereby irrevocably acknowledged), the parties hereto hereby agree as follows:

1. The Creditor hereby remises, releases and forever discharges the Company, its directors, officers, employees, agents, successors and assigns, of and from any and all manner of actions, causes of actions, suits, proceedings, debts, accounts, bonds, covenants, contracts, claims, liabilities, damages, grievances, executions, judgments, rights and demands of any kind whatsoever, both in law and in equity (collectively referred to herein as "**Claims**") which the Creditor ever had, now has, or can, shall or may in the future have had or have against the Company for services rendered by the Creditor to the Company as at the date hereof with regard to the Debt.

2. Subject to the terms and conditions of this agreement, the Creditor agrees to accept the Debt Securities in full and final satisfaction of the Debt (the “**Debt Conversion**”). The Creditor further agrees that, upon the issuance and delivery of the Debt Securities to the Creditor, the Company shall be fully released in respect of the Debt.

3. The Company shall issue the Debt Securities to the Creditor on or before the date that is thirty (30) days following the date hereof (the “**Closing Date**”).

4. Notwithstanding anything else herein, the Debt Conversion and the issuance by the Company of the Debt Securities is subject to the Company obtaining any and all necessary consents and approvals (the “**Approval**”) from any relevant securities exchange or other appropriate governmental or regulatory bodies. Should the Company fail to obtain the Approval on or before the Closing Date, then this Agreement shall be void and of no force and effect, and the parties hereto shall be released from their obligations hereunder.

5. Each of the Company and the Creditor shall co-operate in good faith with the other with a view to obtaining on a timely basis any consents, approvals or exemptions reasonably required in connection with the transactions contemplated hereby.

6. The Company represents, warrants, and covenants to the Creditor, and acknowledges that the Creditor is relying upon such representations, warranties, and covenants in entering into this agreement, that:

- (a) it is a corporation duly incorporated and organized under the laws of the Province of Ontario and is presently in good standing thereunder with full corporate power to own its properties and carry on its business as now being conducted;
- (b) the execution and delivery of this agreement are within the corporate power and authority of the Company and have been duly authorized by all necessary corporate action and this agreement constitutes a valid and binding obligation of the Company enforceable against it and its successors in accordance with its terms, subject to the usual qualification as to enforceability being limited by bankruptcy and other laws effecting the enforcement of creditors' rights generally, equitable remedies being discretionary remedies and rights to indemnification and contribution being limited by applicable laws;
- (c) none of the execution and delivery of this agreement, the consummation of the transactions contemplated hereby or the fulfilment of or compliance with the terms and provisions hereof do or will, with the giving of notice or the lapse of time or both:
 - (i) to the best of the knowledge of the Company, violate any provision of any law or administrative regulation or any administrative order, award, judgment or decree applicable to the Company;

- (ii) conflict with any of the terms, conditions or provisions of the articles or any by-laws of the Company or any resolution of its directors or shareholders; or
- (iii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any material agreement, covenant, undertaking, commitment, instrument, judgment, order, decree or award to which the Company is a party or by which it is bound or to which the property of it is subject;
- (d) the Debt Securities to be issued to the Creditor in accordance with the provisions hereof will, upon their issuance and delivery, be validly issued and outstanding as fully paid and non-assessable common shares of the Company;
- (e) the Company is a reporting issuer not in default under the provisions of the *Securities Act* (Ontario) (the “Act”); and
- (f) the issue of the Debt Securities hereunder is made in reliance upon registration and prospectus exemptions contained in the Act and the Debt Securities may not be resold otherwise than in compliance with the resale restrictions applicable thereto as provided for in the Act.

7. The Creditor represents, warrants and covenants to the Company, and acknowledges that the Company is relying on such representations, warranties and covenants in entering into this agreement, that:

- (a) the Creditor has the legal capacity and competence to enter into and execute this agreement and to take all actions required pursuant hereto and, if the Creditor is a corporation, it is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation and all necessary approvals by its directors, shareholders and others have been obtained to authorize execution of this agreement on behalf of the Creditor;
- (b) the Creditor has full power and authority to enter into this agreement and perform the same and do all acts which may be necessary to consummate the transactions contemplated hereby;
- (c) this agreement has been duly executed and delivered by the Creditor and constitutes a valid and binding obligation of the Creditor enforceable against it in accordance with its terms, subject to the usual qualification as to enforceability being limited by bankruptcy and other laws effecting the enforcement of creditors rights generally, equitable remedies being discretionary remedies and rights to indemnification and contribution being limited by applicable laws;

- (d) the Creditor is or at the time of conversion will be the beneficial owner of the Debt, which represents a *bona fide* debt of the Company, with good and marketable title thereto free and clear of all liens, charges, security interest and other encumbrances whatsoever; and
 - (e) the Creditor acknowledges that the Debt Securities, as and when the same are issued, may be subject to a statutory hold period pursuant to the Act as well as any hold period that may be imposed by the rules and policies of any stock exchange or trade reporting and quotation system upon which the Debt Securities may be listed and posted for trading.
8. All of the covenants, representations, and warranties shall survive the closing of the issuance of the Debt Securities hereunder.
9. Time shall in all respects be of the essence of this agreement.
10. This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the parties hereby irrevocably attorn to the jurisdiction of the courts of the Province of Ontario.
11. All dollar amounts expressed herein refer to lawful currency of Canada.
12. Any notice, document or other communication required or permitted by this agreement to be given by a party hereto shall be in writing and is sufficiently given if delivered personally, or if sent by prepaid ordinary mail posted in Canada, or if transmitted by any form of recorded telecommunication tested prior to transmission, to such party as set out on the face page hereof. Notice so mailed shall be deemed to have been given on the third business day after deposit in a post office or public letterbox. Neither party shall mail any notice, request or other communication hereunder during any period in which Canadian postal workers are on strike or if such strike is imminent and may reasonably be anticipated to affect the normal delivery of mail. Notice transmitted by a form of recorded telecommunication or delivered personally shall be deemed given on the day of transmission or personal delivery, as the case may be. Any party may from time to time notify the others in the manner provided herein of any change of address which thereafter, until changed by like notice, shall be the address of such party for all purposes hereof.
13. All costs associated with the preparation of this agreement and the transactions contemplated hereby, including, without limitation, legal costs, shall be paid by the Company.
14. The parties agree to execute and deliver to each other such further instruments and other written assurances and to do or cause to be done such further acts or things as may be necessary, desirable, or convenient to carry out and give effect to the intent of this agreement or as any of the parties may reasonably request in order to carry out the transactions contemplated herein.
15. This agreement sets forth the entire agreement among the parties hereto pertaining

to the specific subject matter hereof and replaces and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties hereto, and there are no warranties, representations or other agreements, whether oral or written, express or implied, statutory or otherwise, between the parties hereto in connection with the subject matter hereof except as specifically set forth herein. No supplement, modification, waiver or termination of this agreement shall be binding unless executed in writing by the party to be bound thereby.


16. In case any one or more of the provisions contained in this agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this agreement shall not in any way be affected or impaired thereby, and any such invalid, illegal or unenforceable provision shall be deemed to be severable, and the remainder of the provisions of this agreement shall nevertheless remain in full force and effect.

17. This agreement may be executed by the parties hereto in separate counterparts or duplicates, including by facsimile or other electronic means, each of which when so executed and delivered shall be an original, but all such counterparts or duplicates shall together constitute one and the same instrument.

18. This agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, assigns and legal representatives. This agreement may not be assigned without the prior written consent of the parties, which consent may be unreasonably withheld.

IN WITNESS WHEREOF the parties have executed this agreement as of the date first above written.

MAG COPPER LIMITED

Per: 
An Authorized Signatory

SIGNED, SEALED AND DELIVERED)
in the presence of)

Witness)

DANIEL FARRELL

- 5 -

to the specific subject matter hereof and replaces and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties hereto, and there are no warranties, representations or other agreements, whether oral or written, express or implied, statutory or otherwise, between the parties hereto in connection with the subject matter hereof except as specifically set forth herein. No supplement, modification, waiver or termination of this agreement shall be binding unless executed in writing by the party to be bound thereby.

16. In case any one or more of the provisions contained in this agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this agreement shall not in any way be affected or impaired thereby, and any such invalid, illegal or unenforceable provision shall be deemed to be severable, and the remainder of the provisions of this agreement shall nevertheless remain in full force and effect.

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18. This agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, assigns and legal representatives. This agreement may not be assigned without the prior written consent of the parties, which consent may be unreasonably withheld.

IN WITNESS WHEREOF the parties have executed this agreement as of the date first above written.

MAG COPPER LIMITED

Per: 

Authorized Signatory

SIGNED, SEALED AND DELIVERED)
in the presence of)
)
)
)
)

Witness 


DANIEL FARRELL

DEBT CONVERSION AGREEMENT

THIS AGREEMENT made as of the 28th day of September, 2011,

B E T W E E N :

MAG COPPER LIMITED

130 Adelaide Street West, Suite 1010, Toronto, ON M5H 3P5

(hereinafter referred to as the "Company"),

OF THE FIRST PART,

- and -

834669 ONTARIO LIMITED

1712-7 King Street East, Toronto, ON M5C 3C5

(hereinafter referred to as the "Creditor"),

OF THE SECOND PART,

WHEREAS the Company is indebted to the Creditor in the amount of CDN\$15,000 (the "**Debt**") and the Creditor has agreed to accept units of the Company (each, a "**Unit**") in settlement of the Debt;

AND WHEREAS each Unit shall consist of one common share in the capital of the Company (a "**Common Share**") and one half of one common share purchase warrant (each whole warrant, a "**Warrant**"), and each Warrant shall entitle the holder thereof to purchase one Common Share for a period of 18 months from the date of issuance of such Warrant at a price of CDN\$0.40 per Common Share.

AND WHEREAS the Creditor has agreed to accept 48,387 Units of the Company at a price of CDN\$0.31 per Unit (the "**Debt Securities**") in satisfaction of the Debt;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT for and in consideration of the mutual promises and agreements hereinafter contained, and other good and valuable consideration (the receipt and sufficiency of which is hereby irrevocably acknowledged), the parties hereto hereby agree as follows:

1. The Creditor hereby remises, releases and forever discharges the Company, its directors, officers, employees, agents, successors and assigns, of and from any and all manner of actions, causes of actions, suits, proceedings, debts, accounts, bonds, covenants, contracts, claims, liabilities, damages, grievances, executions, judgments, rights and demands of any kind whatsoever, both in law and in equity (collectively referred to herein as "**Claims**") which the Creditor ever had, now has, or can, shall or may in the future have had or have against the Company for services rendered by the Creditor to the Company as at the date hereof with regard to the Debt.

2. Subject to the terms and conditions of this agreement, the Creditor agrees to accept the Debt Securities in full and final satisfaction of the Debt (the “**Debt Conversion**”). The Creditor further agrees that, upon the issuance and delivery of the Debt Securities to the Creditor, the Company shall be fully released in respect of the Debt.

3. The Company shall issue the Debt Securities to the Creditor on or before the date that is thirty (30) days following the date hereof (the “**Closing Date**”).

4. Notwithstanding anything else herein, the Debt Conversion and the issuance by the Company of the Debt Securities is subject to the Company obtaining any and all necessary consents and approvals (the “**Approval**”) from any relevant securities exchange or other appropriate governmental or regulatory bodies. Should the Company fail to obtain the Approval on or before the Closing Date, then this Agreement shall be void and of no force and effect, and the parties hereto shall be released from their obligations hereunder.

5. Each of the Company and the Creditor shall co-operate in good faith with the other with a view to obtaining on a timely basis any consents, approvals or exemptions reasonably required in connection with the transactions contemplated hereby.

6. The Company represents, warrants, and covenants to the Creditor, and acknowledges that the Creditor is relying upon such representations, warranties, and covenants in entering into this agreement, that:

- (a) it is a corporation duly incorporated and organized under the laws of the Province of Ontario and is presently in good standing thereunder with full corporate power to own its properties and carry on its business as now being conducted;
- (b) the execution and delivery of this agreement are within the corporate power and authority of the Company and have been duly authorized by all necessary corporate action and this agreement constitutes a valid and binding obligation of the Company enforceable against it and its successors in accordance with its terms, subject to the usual qualification as to enforceability being limited by bankruptcy and other laws effecting the enforcement of creditors' rights generally, equitable remedies being discretionary remedies and rights to indemnification and contribution being limited by applicable laws;
- (c) none of the execution and delivery of this agreement, the consummation of the transactions contemplated hereby or the fulfilment of or compliance with the terms and provisions hereof do or will, with the giving of notice or the lapse of time or both:
 - (i) to the best of the knowledge of the Company, violate any provision of any law or administrative regulation or any administrative order, award, judgment or decree applicable to the Company;

- (ii) conflict with any of the terms, conditions or provisions of the articles or any by-laws of the Company or any resolution of its directors or shareholders; or
- (iii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any material agreement, covenant, undertaking, commitment, instrument, judgment, order, decree or award to which the Company is a party or by which it is bound or to which the property of it is subject;
- (d) the Debt Securities to be issued to the Creditor in accordance with the provisions hereof will, upon their issuance and delivery, be validly issued and outstanding as fully paid and non-assessable common shares of the Company;
- (e) the Company is a reporting issuer not in default under the provisions of the *Securities Act* (Ontario) (the “Act”); and
- (f) the issue of the Debt Securities hereunder is made in reliance upon registration and prospectus exemptions contained in the Act and the Debt Securities may not be resold otherwise than in compliance with the resale restrictions applicable thereto as provided for in the Act.

7. The Creditor represents, warrants and covenants to the Company, and acknowledges that the Company is relying on such representations, warranties and covenants in entering into this agreement, that:

- (a) the Creditor has the legal capacity and competence to enter into and execute this agreement and to take all actions required pursuant hereto and, if the Creditor is a corporation, it is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation and all necessary approvals by its directors, shareholders and others have been obtained to authorize execution of this agreement on behalf of the Creditor;
- (b) the Creditor has full power and authority to enter into this agreement and perform the same and do all acts which may be necessary to consummate the transactions contemplated hereby;
- (c) this agreement has been duly executed and delivered by the Creditor and constitutes a valid and binding obligation of the Creditor enforceable against it in accordance with its terms, subject to the usual qualification as to enforceability being limited by bankruptcy and other laws effecting the enforcement of creditors rights generally, equitable remedies being discretionary remedies and rights to indemnification and contribution being limited by applicable laws;

- (d) the Creditor is or at the time of conversion will be the beneficial owner of the Debt, which represents a *bona fide* debt of the Company, with good and marketable title thereto free and clear of all liens, charges, security interest and other encumbrances whatsoever; and
 - (e) the Creditor acknowledges that the Debt Securities, as and when the same are issued, may be subject to a statutory hold period pursuant to the Act as well as any hold period that may be imposed by the rules and policies of any stock exchange or trade reporting and quotation system upon which the Debt Securities may be listed and posted for trading.
8. All of the covenants, representations, and warranties shall survive the closing of the issuance of the Debt Securities hereunder.
9. Time shall in all respects be of the essence of this agreement.
10. This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the parties hereby irrevocably attorn to the jurisdiction of the courts of the Province of Ontario.
11. All dollar amounts expressed herein refer to lawful currency of Canada.
12. Any notice, document or other communication required or permitted by this agreement to be given by a party hereto shall be in writing and is sufficiently given if delivered personally, or if sent by prepaid ordinary mail posted in Canada, or if transmitted by any form of recorded telecommunication tested prior to transmission, to such party as set out on the face page hereof. Notice so mailed shall be deemed to have been given on the third business day after deposit in a post office or public letterbox. Neither party shall mail any notice, request or other communication hereunder during any period in which Canadian postal workers are on strike or if such strike is imminent and may reasonably be anticipated to affect the normal delivery of mail. Notice transmitted by a form of recorded telecommunication or delivered personally shall be deemed given on the day of transmission or personal delivery, as the case may be. Any party may from time to time notify the others in the manner provided herein of any change of address which thereafter, until changed by like notice, shall be the address of such party for all purposes hereof.
13. All costs associated with the preparation of this agreement and the transactions contemplated hereby, including, without limitation, legal costs, shall be paid by the Company.
14. The parties agree to execute and deliver to each other such further instruments and other written assurances and to do or cause to be done such further acts or things as may be necessary, desirable, or convenient to carry out and give effect to the intent of this agreement or as any of the parties may reasonably request in order to carry out the transactions contemplated herein.
15. This agreement sets forth the entire agreement among the parties hereto pertaining

to the specific subject matter hereof and replaces and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties hereto, and there are no warranties, representations or other agreements, whether oral or written, express or implied, statutory or otherwise, between the parties hereto in connection with the subject matter hereof except as specifically set forth herein. No supplement, modification, waiver or termination of this agreement shall be binding unless executed in writing by the party to be bound thereby.

16. In case any one or more of the provisions contained in this agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this agreement shall not in any way be affected or impaired thereby, and any such invalid, illegal or unenforceable provision shall be deemed to be severable, and the remainder of the provisions of this agreement shall nevertheless remain in full force and effect.

17. This agreement may be executed by the parties hereto in separate counterparts or duplicates, including by facsimile or other electronic means, each of which when so executed and delivered shall be an original, but all such counterparts or duplicates shall together constitute one and the same instrument.

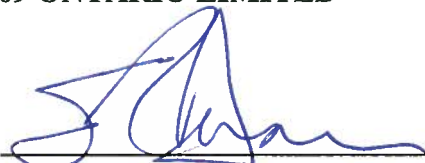
18. This agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, assigns and legal representatives. This agreement may not be assigned without the prior written consent of the parties, which consent may be unreasonably withheld.

IN WITNESS WHEREOF the parties have executed this agreement as of the date first above written.

MAG COPPER LIMITED

Per: 
An Authorized Signatory

834669 ONTARIO LIMITED

Per: 
An Authorized Signatory

DEBT CONVERSION AGREEMENT

THIS AGREEMENT made as of the 28th day of September, 2011,

B E T W E E N :

MAG COPPER LIMITED

130 Adelaide Street West, Suite 1010, Toronto, ON M5H 3P5

(hereinafter referred to as the "Company"),

OF THE FIRST PART,

- and -

1282803 ONTARIO INC.

31 Baymark Road, Thornhill, ON L3T 3Y4

(hereinafter referred to as the "Creditor"),

OF THE SECOND PART,

WHEREAS the Company is indebted to the Creditor in the amount of CDN\$25,000 (the "**Debt**") and the Creditor has agreed to accept units of the Company (each, a "**Unit**") in settlement of the Debt;

AND WHEREAS each Unit shall consist of one common share in the capital of the Company (a "**Common Share**") and one half of one common share purchase warrant (each whole warrant, a "**Warrant**"), and each Warrant shall entitle the holder thereof to purchase one Common Share for a period of 18 months from the date of issuance of such Warrant at a price of CDN\$0.40 per Common Share.

AND WHEREAS the Creditor has agreed to accept 80,645 Units of the Company at a price of CDN\$0.31 per Unit (the "**Debt Securities**") in satisfaction of the Debt;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT for and in consideration of the mutual promises and agreements hereinafter contained, and other good and valuable consideration (the receipt and sufficiency of which is hereby irrevocably acknowledged), the parties hereto hereby agree as follows:

1. The Creditor hereby remises, releases and forever discharges the Company, its directors, officers, employees, agents, successors and assigns, of and from any and all manner of actions, causes of actions, suits, proceedings, debts, accounts, bonds, covenants, contracts, claims, liabilities, damages, grievances, executions, judgments, rights and demands of any kind whatsoever, both in law and in equity (collectively referred to herein as "**Claims**") which the Creditor ever had, now has, or can, shall or may in the future have had or have against the Company for services rendered by the Creditor to the Company as at the date hereof with regard to the Debt.

2. Subject to the terms and conditions of this agreement, the Creditor agrees to accept the Debt Securities in full and final satisfaction of the Debt (the “**Debt Conversion**”). The Creditor further agrees that, upon the issuance and delivery of the Debt Securities to the Creditor, the Company shall be fully released in respect of the Debt.

3. The Company shall issue the Debt Securities to the Creditor on or before the date that is thirty (30) days following the date hereof (the “**Closing Date**”).

4. Notwithstanding anything else herein, the Debt Conversion and the issuance by the Company of the Debt Securities is subject to the Company obtaining any and all necessary consents and approvals (the “**Approval**”) from any relevant securities exchange or other appropriate governmental or regulatory bodies. Should the Company fail to obtain the Approval on or before the Closing Date, then this Agreement shall be void and of no force and effect, and the parties hereto shall be released from their obligations hereunder.

5. Each of the Company and the Creditor shall co-operate in good faith with the other with a view to obtaining on a timely basis any consents, approvals or exemptions reasonably required in connection with the transactions contemplated hereby.

6. The Company represents, warrants, and covenants to the Creditor, and acknowledges that the Creditor is relying upon such representations, warranties, and covenants in entering into this agreement, that:

- (a) it is a corporation duly incorporated and organized under the laws of the Province of Ontario and is presently in good standing thereunder with full corporate power to own its properties and carry on its business as now being conducted;
- (b) the execution and delivery of this agreement are within the corporate power and authority of the Company and have been duly authorized by all necessary corporate action and this agreement constitutes a valid and binding obligation of the Company enforceable against it and its successors in accordance with its terms, subject to the usual qualification as to enforceability being limited by bankruptcy and other laws effecting the enforcement of creditors' rights generally, equitable remedies being discretionary remedies and rights to indemnification and contribution being limited by applicable laws;
- (c) none of the execution and delivery of this agreement, the consummation of the transactions contemplated hereby or the fulfilment of or compliance with the terms and provisions hereof do or will, with the giving of notice or the lapse of time or both:
 - (i) to the best of the knowledge of the Company, violate any provision of any law or administrative regulation or any administrative order, award, judgment or decree applicable to the Company;

- (ii) conflict with any of the terms, conditions or provisions of the articles or any by-laws of the Company or any resolution of its directors or shareholders; or
- (iii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any material agreement, covenant, undertaking, commitment, instrument, judgment, order, decree or award to which the Company is a party or by which it is bound or to which the property of it is subject;
- (d) the Debt Securities to be issued to the Creditor in accordance with the provisions hereof will, upon their issuance and delivery, be validly issued and outstanding as fully paid and non-assessable common shares of the Company;
- (e) the Company is a reporting issuer not in default under the provisions of the *Securities Act* (Ontario) (the “Act”); and
- (f) the issue of the Debt Securities hereunder is made in reliance upon registration and prospectus exemptions contained in the Act and the Debt Securities may not be resold otherwise than in compliance with the resale restrictions applicable thereto as provided for in the Act.

7. The Creditor represents, warrants and covenants to the Company, and acknowledges that the Company is relying on such representations, warranties and covenants in entering into this agreement, that:

- (a) the Creditor has the legal capacity and competence to enter into and execute this agreement and to take all actions required pursuant hereto and, if the Creditor is a corporation, it is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation and all necessary approvals by its directors, shareholders and others have been obtained to authorize execution of this agreement on behalf of the Creditor;
- (b) the Creditor has full power and authority to enter into this agreement and perform the same and do all acts which may be necessary to consummate the transactions contemplated hereby;
- (c) this agreement has been duly executed and delivered by the Creditor and constitutes a valid and binding obligation of the Creditor enforceable against it in accordance with its terms, subject to the usual qualification as to enforceability being limited by bankruptcy and other laws effecting the enforcement of creditors rights generally, equitable remedies being discretionary remedies and rights to indemnification and contribution being limited by applicable laws;

- (d) the Creditor is or at the time of conversion will be the beneficial owner of the Debt, which represents a *bona fide* debt of the Company, with good and marketable title thereto free and clear of all liens, charges, security interest and other encumbrances whatsoever; and
 - (e) the Creditor acknowledges that the Debt Securities, as and when the same are issued, may be subject to a statutory hold period pursuant to the Act as well as any hold period that may be imposed by the rules and policies of any stock exchange or trade reporting and quotation system upon which the Debt Securities may be listed and posted for trading.
8. All of the covenants, representations, and warranties shall survive the closing of the issuance of the Debt Securities hereunder.
9. Time shall in all respects be of the essence of this agreement.
10. This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the parties hereby irrevocably attorn to the jurisdiction of the courts of the Province of Ontario.
11. All dollar amounts expressed herein refer to lawful currency of Canada.
12. Any notice, document or other communication required or permitted by this agreement to be given by a party hereto shall be in writing and is sufficiently given if delivered personally, or if sent by prepaid ordinary mail posted in Canada, or if transmitted by any form of recorded telecommunication tested prior to transmission, to such party as set out on the face page hereof. Notice so mailed shall be deemed to have been given on the third business day after deposit in a post office or public letterbox. Neither party shall mail any notice, request or other communication hereunder during any period in which Canadian postal workers are on strike or if such strike is imminent and may reasonably be anticipated to affect the normal delivery of mail. Notice transmitted by a form of recorded telecommunication or delivered personally shall be deemed given on the day of transmission or personal delivery, as the case may be. Any party may from time to time notify the others in the manner provided herein of any change of address which thereafter, until changed by like notice, shall be the address of such party for all purposes hereof.
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15. This agreement sets forth the entire agreement among the parties hereto pertaining

to the specific subject matter hereof and replaces and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties hereto, and there are no warranties, representations or other agreements, whether oral or written, express or implied, statutory or otherwise, between the parties hereto in connection with the subject matter hereof except as specifically set forth herein. No supplement, modification, waiver or termination of this agreement shall be binding unless executed in writing by the party to be bound thereby.

16. In case any one or more of the provisions contained in this agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this agreement shall not in any way be affected or impaired thereby, and any such invalid, illegal or unenforceable provision shall be deemed to be severable, and the remainder of the provisions of this agreement shall nevertheless remain in full force and effect.

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