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MAG Silver Corp.

November 10, 2010

Cinco De Mayo September 30, 2010 Management Discussion and Analysis ("MD&A") excerpt, with full Assay Table and Illustrative Map

Assay Table – Cinco De Mayo, Holes 266 to 294, as referred to in the Company's September 30, 2010 MD&A:

Hole ID	From: metres	To: metres	Interval metres	Silver ("Ag") g/t	Copper ("Cu") ppm	Lead ("Pb") %	Zinc ("Zn") %	Gold ("Au") g/t
CM10-266	67	68	1	6.6	18	0.01	0.01	0.27
CM10-266	74	75	1	1.4	98	0.15	1.03	0.04
CM10-266	75	76	1	6.9	328	0.95	2.07	0.39
CM10-266	102.26	102.95	0.69	2.8	41	0.07	2.14	0.03
CM10-266	151.17	152.4	1.23	0.4	14	0.02	0.02	0.22
CM10-267	444.5	446.7	2.2	3.6	368	0.86	0.20	0.65
CM10-267	467.8	469.39	1.59	9.8	613	1.95	0.04	0.06
CM10-267	472.79	473.03	0.24	1.0	60	0.08	0.00	0.99
CM10-267	490.24	490.56	0.32	3.2	423	0.71	0.78	0.31
CM10-268	504.18	504.77	0.59	12.1	910	0.28	1.65	0.31
CM10-268	510.03	510.49	0.46	3.8	1125	0.47	0.15	0.01
CM10-268	524.92	525.67	0.75	3.2	1805	0.11	0.08	0.08
CM10-268	530.9	533	2.1	4.2	300	0.61	1.64	0.23
CM10-268	650.15	650.45	0.3	8.7	163	1.63	0.02	0.13
CM10-269	26.38	27.43	1.05	1.6	10	0.00	0.01	0.59
CM10-269	34.9	36.88	1.98	1.3	28	0.03	0.19	0.34
CM10-269	39.62	40.6	0.98	1.4	9	0.01	0.03	0.25
CM10-270	332.28	332.51	0.23	1.3	90	0.06	0.05	0.79
CM10-270	341.88	342.6	0.72	1.1	32	0.01	0.05	0.36
CM10-270	390.14	390.5	0.36	1.7	73	0.02	2.19	0.00
CM10-270	393.74	394.5	0.76	4.2	987	0.61	1.98	0.63
CM10-270	407.03	408.32	1.29	0.7	63	0.04	0.02	1.16
CM10-270	413.05	414.53	1.48	0.3	28	0.01	0.01	1.12
CM10-270	416.7	416.95	0.25	6.0	546	1.13	0.35	1.44
CM10-270	432.48	432.82	0.34	0.8	529	0.08	0.12	0.66
CM10-270	437.11	437.35	0.24	0.3	276	0.27	0.76	0.52
CM10-270	457.33	457.6	0.27	2.5	308	0.42	0.03	2.23
CM10-270	487.15	487.38	0.23	1.8	39	0.16	0.69	1.81
CM10-270	530.92	531.31	0.39	3.2	269	0.58	4.04	0.01
CM10-271	3.84	4.79	0.95	0.7	103	0.04	0.08	0.28
CM10-271	24.89	30.18	5.29	0.7	14	0.00	0.01	0.34
CM10-271	47.87	48.85	0.98	1.1	626	0.02	0.27	0.33
CM10-271	51.15	51.56	0.41	6.0	2680	0.08	0.42	0.28
CM10-271	187.98	188.4	0.42	1.6	84	0.02	0.02	1.99
CM10-272	36.58	38.61	2.03	0.3	69	0.01	0.05	0.40
CM10-272	88.46	89.84	1.38	3.5	200	0.36	1.47	0.31
CM10-272	322.59	323.4	0.81	0.8	54	0.08	0.03	1.63
CM10-273	372.48	372.86	0.38	1.5	160	0.43	0.62	0.56

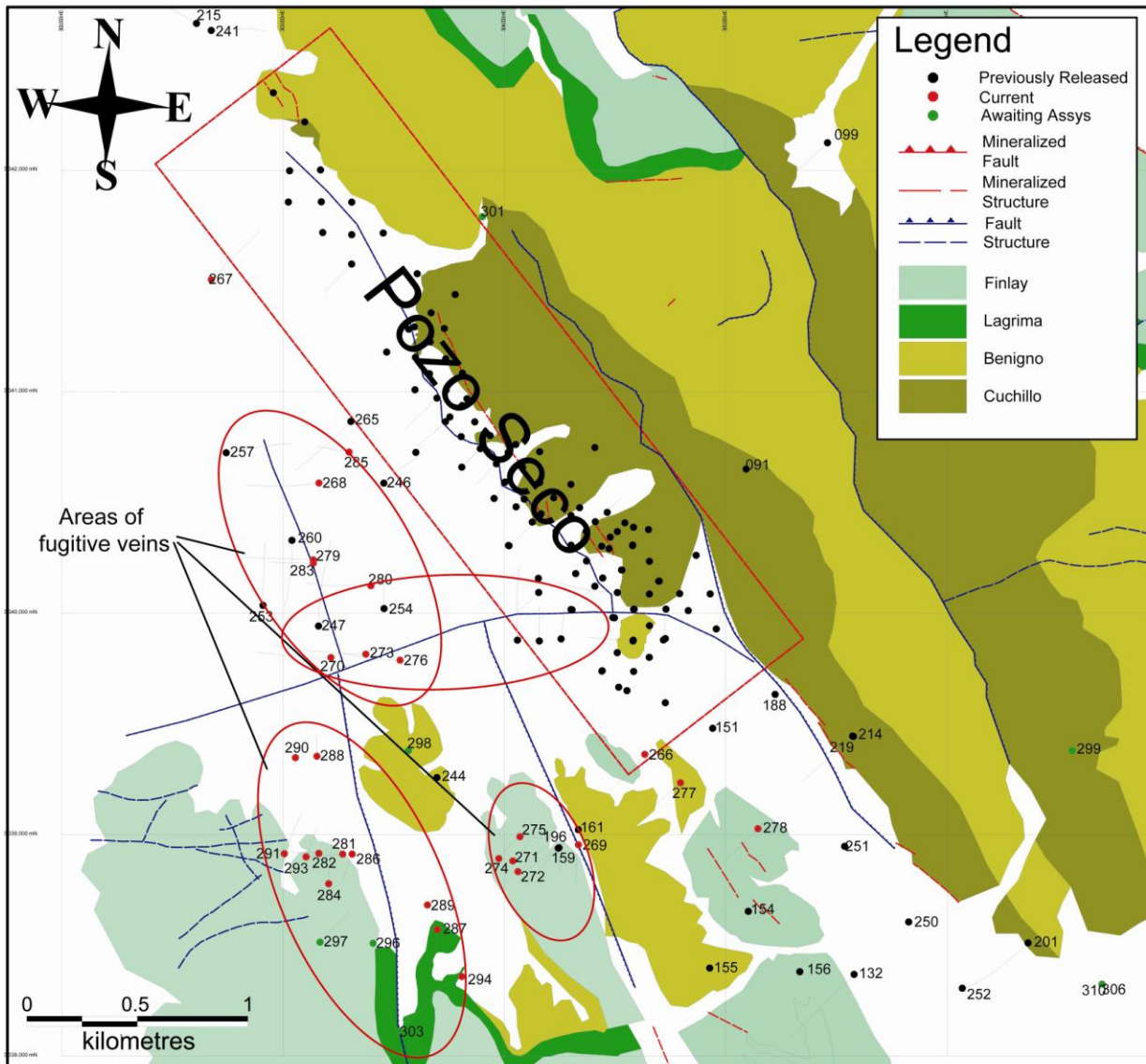
Hole ID	From: metres	To: metres	Interval metres	Silver ("Ag") g/t	Copper ("Cu") ppm	Lead ("Pb") %	Zinc ("Zn") %	Gold ("Au") g/t
CM10-273	410.24	414.53	4.29	5.4	445	1.18	0.69	0.29
CM10-274	29.18	29.68	0.5	3.0	2170	0.17	0.32	0.05
CM10-274	78.09	79.25	1.16	2.3	468	0.20	2.14	0.91
CM10-274	100.77	107.58	6.81	0.3	15	0.02	0.01	0.22
CM10-274	121.92	128.58	6.66	5.4	18	0.01	0.02	0.27
CM10-274	134.11	137.16	3.05	1.1	20	0.02	0.04	0.30
CM10-275	48.1	48.31	0.21	0.7	21	0.02	0.02	0.34
CM10-275	115.92	116.19	0.27	0.3	10	0.00	0.00	0.22
CM10-275	234.34	235.03	0.69	1.7	12	0.03	0.01	0.26
CM10-276	85.9	86.85	0.95	7.2	45	0.04	0.04	0.25
CM10-276	170.7	171.75	1.05	1.1	33	0.04	0.78	0.32
CM10-276	189	190.02	1.02	4.4	227	1.13	2.15	0.61
CM10-276	197	199.35	2.35	11.5	724	1.32	2.51	0.55
CM10-276	207.26	208.6	1.34	6.8	184	1.46	4.85	0.10
CM10-276	287.2	287.7	0.5	1.4	87	0.38	0.03	0.40
CM10-276	293.4	294	0.6	0.6	28	0.09	0.03	0.20
CM10-276	297.75	298.2	0.45	0.6	84	0.06	0.41	1.19
CM10-276	332.23	332.6	0.37	0.3	623	0.02	0.00	0.45
CM10-276	395.95	396.25	0.3	3.2	277	0.02	0.02	4.00
CM10-277	51.89	52.51	0.62	0.3	20	0.02	0.02	0.23
CM10-278	No Significant Intercepts							
CM10-279	420.62	421.37	0.75	0.8	38	0.01	0.01	0.50
Hole abandoned at 445 before reaching target								
CM10-280	340.6	342.7	2.1	1.3	137	0.07	0.02	0.37
CM10-280	354.5	355.05	0.55	6.2	297	2.56	1.47	0.90
CM10-280	474	474.5	0.5	1.2	90	0.03	1.84	0.00
CM10-280	527.55	529.35	1.8	0.6	1150	0.00	0.02	0.00
CM10-281	24	24.48	0.48	1.6	55	0.16	1.30	0.03
CM10-281	34.62	35.24	0.62	4.1	50	0.69	2.96	0.04
CM10-281	35.64	36.05	0.41	1.4	51	0.22	1.23	0.12
CM10-281	37.26	37.71	0.45	2.1	54	0.36	1.06	0.03
CM10-281	38.32	38.54	0.22	2.9	60	0.36	1.81	0.03
CM10-281	43.35	44.22	0.87	2.1	76	0.29	1.33	0.03
CM10-281	44.71	46	1.29	5.6	40	0.33	1.03	0.08
CM10-281	48.1	56.02	7.92	2.4	38	0.32	0.96	0.22
CM10-281	57.75	58.38	0.63	1.4	83	0.22	1.43	0.03
CM10-281	60.44	61.44	1	10.4	47	1.69	2.37	0.04
CM10-281	72.32	72.98	0.66	2.6	54	0.62	2.39	0.11
CM10-281	129.9	131.06	1.16	13.8	26	0.19	0.24	0.31
CM10-281	304.8	306	1.2	0.6	18	0.01	0.02	1.19
CM10-282	4.25	4.49	0.24	7.8	20	3.60	0.64	0.01
CM10-282	7.16	7.55	0.39	2.4	41	0.37	1.00	0.03
CM10-282	16.34	16.8	0.46	12.8	94	1.33	0.05	0.01
CM10-282	27.93	28.71	0.78	2.3	1645	0.01	0.01	0.01
CM10-282	31.07	31.82	0.75	1.8	1350	0.02	0.03	0.01
CM10-282	48.06	48.5	0.44	6.5	218	0.17	5.19	0.01
CM10-282	50.72	51.5	0.78	3.2	1440	0.17	1.12	0.01
CM10-282	277.5	277.75	0.25	1.1	21	0.01	0.01	0.22
CM10-282	294.75	299.23	4.48	2.4	112	0.05	0.07	1.40
CM10-282	295.45	298.3	2.85	2.5	67	0.05	0.04	2.11
including								
CM10-282	296.81	297.38	0.57	3.1	79	0.06	0.02	8.96
including								
CM10-282	297.14	297.38	0.24	5.3	47	0.08	0.02	18.40
CM10-282	301.45	301.75	0.3	2.9	75	0.22	0.02	4.70

Hole ID	From: metres	To: metres	Interval metres	Silver ("Ag") g/t	Copper ("Cu") ppm	Lead ("Pb") %	Zinc ("Zn") %	Gold ("Au") g/t
CM10-282	305.46	306.66	1.2	0.7	73	0.07	0.03	0.25
CM10-283	370.66	372.15	1.49	5.5	212	0.64	0.11	0.54
CM10-283	387.1	387.6	0.5	0.5	6	0.01	1.69	0.00
CM10-283	457.2	457.45	0.25	0.6	29	0.02	0.01	0.33
CM10-283	459.63	459.84	0.21	3.8	1080	0.03	0.07	0.16
CM10-283	504.8	505.25	0.45	10.3	1460	2.98	3.62	1.61
CM10-284	88.4	92.08	3.68	5.1	889	0.35	1.90	0.05
CM10-284	113.42	114.02	0.6	0.6	21	0.10	1.35	0.04
CM10-284	131.37	131.77	0.4	4.8	943	0.45	2.79	0.10
CM10-284	278.25	279.36	1.11	3.5	412	0.38	0.85	4.29
including								
CM10-284	278.25	278.7	0.45	7.7	897	0.85	1.56	7.90
CM10-285	352.02	353.57	1.55	0.1	6	0.00	0.01	0.34
CM10-285	362.6	363.18	0.58	20.8	1305	7.48	0.23	1.59
CM10-285	372.51	372.76	0.25	19.7	767	8.57	0.00	0.24
CM10-286	48.95	49.7	0.75	1.0	52	0.18	1.59	0.00
CM10-286	61.3	61.6	0.3	2.2	74	0.19	1.59	0.01
CM10-286	75.15	85.35	10.2	6.6	103	0.65	1.51	0.26
CM10-286	164.6	165.4	0.8	1.8	92	0.12	0.10	0.32
CM10-287	No significant Intercepts							
CM10-288	92.65	93.44	0.79	2.6	77	0.31	2.09	0.25
CM10-288	95.81	96.62	0.81	3.8	39	0.20	1.68	0.06
CM10-288	99.82	103.55	3.73	9.0	116	1.32	1.28	0.03
CM10-288	117.22	117.87	0.65	4.2	2002	0.23	0.77	0.04
CM10-289	41.9	42.25	0.35	1.7	472	0.18	2.63	0.06
CM10-289	52.4	52.7	0.3	0.7	31	0.06	0.19	0.27
CM10-289	58.15	59.65	1.5	0.3	5	0.01	0.01	0.43
CM10-289	115.6	115.95	0.35	1.5	92	0.22	0.13	0.29
CM10-290	231.78	232.43	0.65	18.7	158	1.60	2.41	0.16
CM10-290	234.7	236.41	1.71	2.1	104	0.41	1.01	0.33
CM10-290	338.19	338.81	0.62	1.3	796	0.02	0.02	0.26
CM10-290	341.78	342.18	0.4	4.0	4220	0.06	0.04	2.15
CM10-291	208.5	209.2	0.7	6.5	275	1.50	1.22	0.14
CM10-292	No significant Intercepts							
CM10-293	106.58	107.48	0.9	1.6	84	0.04	1.62	0.02
CM10-293	116.22	116.57	0.35	5.1	532	0.60	1.75	0.03
CM10-293	252.98	256.83	3.85	2.7	197	0.11	1.01	0.20
CM10-294	8.1	8.6	0.5	21.0	226	1.37	0.72	0.01
CM10-294	104.1	105.55	1.45	0.5	9	0.00	0.01	0.21
CM10-294	128.25	129.3	1.05	5.3	13	0.01	0.01	0.78

Quality Assurance and Control: The Company has in place a quality control program to ensure best practices in sampling and analysis. Samples were collected by employees of consulting firm Minera Cascabel S.A. de C.V. on behalf of MAG Silver Corp. The surface rock samples are shipped directly in security sealed bags to ALS-Chemex Laboratories preparation facilities in Hermosillo, Sonora or Chihuahua City (Certification ISO 9001). Sample pulps are shipped from there to ALS-Chemex Laboratories in North Vancouver, Canada for analysis. All samples were assayed for gold by standard fire assay-ICP finish with a 50 gram charge. Gold values in excess of 3.00 g/t were re-analyzed by fire assay with gravimetric finish for greater accuracy. Silver, values in excess of 100 g/t are repeated by fire assay, zinc, copper and lead values in excess of 1% repeated by Atomic adsorption for high grade materials. Molybdenum is analyzed by ICP-MS to 1%, and checked by atomic adsorption, over 1% Molybdenum is being reanalyzed by Atomic adsorption methods for high grade materials.

Qualified Person (Exploration): Dr. Peter Megaw, Ph.D., C.P.G., has acted as the qualified person as defined in National Instrument 43-101 for this disclosure and supervised the preparation of the remaining technical information in this release. Dr. Megaw has a Ph.D. in geology and more than 20 years of relevant experience focussed on silver and gold mineralization, and exploration and drilling in Mexico. He is a certified Professional Geologist (CPG 10227) by the American Institute of Professional Geologists and an Arizona registered geologist (ARG 21613). Dr. Megaw is not independent as he is a Director and Shareholder of MAG and is the vendor of this project, whereby he may receive additional shares. Dr. Megaw is satisfied that the results are verified based on an inspection of the core, a review of the sampling procedures, the credentials of the professionals completing the work and the visual nature of the silver and base metal sulphides within a district where he is familiar with the style and continuity of mineralization.

Cinco De Mayo - Supplemental map: Pozo Seco and surrounding area:



MD&A excerpt from September 30, 2010:

The following excerpt is from the “MD&A” of MAG Silver Corp., for the three and nine months ended September 30, 2010. It is prepared as of November 10, 2010 and should be read in conjunction with the entire MD&A for the three and nine months ended September 30, 2010, the unaudited interim consolidated financial statements for the three and nine months ended September 30, 2010, together with the notes thereto and the audited consolidated financial statements for the year ended December 31, 2009, together with the notes thereto. All dollar amounts referred to in this excerpt are expressed in Canadian dollars except where indicated otherwise.

Except for historical information contained in this MD&A excerpt, the disclosures contained herein are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 or are future oriented financial information and as such are based on an assumed set of economic conditions and courses of action. These may include estimates of future production levels, expectations regarding mine production and development programs and capital costs, expected trends in mineral prices and statements that describe future plans, objectives or goals. There is significant risk that actual results will vary, perhaps materially, from results projected depending on such factors as discussed under “Risks and Uncertainties” in the MD&A for the three and nine months ended September 30, 2010 and other risk factors and forward-looking statements listed in the Company’s most recently filed AIF. More information about the Company including its AIF and recent financial reports are available on SEDAR at www.sedar.com and on SEC’s EDGAR website at www.sec.gov.

Cautionary Note to Investors Concerning Estimates of Indicated and Inferred Resources

This MD&A uses the terms "Inferred Resources" and “Indicated Resources”. MAG advises investors that although these terms are recognized and required by Canadian regulations (under National Instrument 43-101), the U.S. Securities and Exchange Commission (“SEC”) does not recognize these terms. Investors are cautioned that "inferred resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or prefeasibility studies, except in rare cases. **Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable. Investors are further cautioned not to assume that any part or all of an indicated mineral resource will be converted into reserves.**

REVIEW OF OPERATIONS AND PROJECTS - Cinco de Mayo Property

Cinco de Mayo is one of eight 100% owned district scale projects operated by MAG. The Cinco de Mayo property is located approximately 190 kilometres north of the city of Chihuahua, in northern Chihuahua State, Mexico. Cinco de Mayo is a 15,000 hectare property straddling the same regional structure that contains the largest Carbonate Replacement Deposits (“CRD’s”) in Chihuahua. Exposures are very limited, so exploration is guided by MAG’s CRD exploration model, airborne magnetic and VTEM and ZTEM surveys, surface mapping of the sparse outcrops, and drilling. Results to date indicate the presence of a deep two by three kilometre intrusive center with high-level intrusive offshoots lying beneath a high limestone ridge, flanked by a series of prominent linear magnetic lows that coincide with NW-SE structural zones.

Drilling during the third quarter of 2010 totaled 10,720 metres in 28 holes at Cinco de Mayo. To date, the Company has drilled a cumulative 294 holes and 135,570 metres on the property, and has outlined the important 2,500 metres long Pozo Seco molybdenum and gold deposit described below as well as the high grade silver/lead/zinc mineralization along approximately 2,000 metres of strike length in the Jose Manto described previously.

During the three and nine months ended September 30, 2010, the Company incurred \$2,085,651 and \$7,501,334 respectively in exploration costs at Cinco de Mayo (2009: \$1,226,832 and \$6,384,370 respectively), and a cumulative total of \$25,402,464 to September 30, 2010. The current drilling and geophysical work was part of an initial approximately \$5.0 million budget for exploration work at Cinco de

Mayo in 2010. However, as exploration expenditures in the first six months of the year (\$5,415,683) exceeded the initial budget due to accelerated and additional drilling, the Company revaluated its exploration plans during the third quarter and revised its overall 2010 budget to \$8.8 million for Cinco de Mayo. It is expected that diamond drilling will continue aggressively around the periphery of the "Pozo Seco Deposit" area at Cinco de Mayo through the balance of the year, as drilling results continue to demonstrate the high exploration and resource potential of the property and justify continued exploration and subsequent expenditures.

In late 2009 the Company announced the discovery of a new zone of high grade molybdenum and gold mineralization named "Pozo Seco" in the western part of the project area. Pozo Seco quickly developed substantial size and grade potential, with drilling to June 30, 2010 clearly demonstrating grade, width and continuity within the Pozo Seco zone. Contiguous holes outlined a very significant tabular body approximately 2,500 metres long, averaging 250 to 300 metres wide and 50 metres thick. Successful in-fill drilling defined the body on roughly 100 metre centres in order that a resource calculation could be undertaken. This was initiated in June, 2010, and on August 4, 2010 Scott Wilson Roscoe Postle Associates Inc. (Scott Wilson RPA) delivered a Mineral Resource estimate for the Pozo Seco deposit based on drill results available to July 12, 2010. At a cut-off grade of 0.022% molybdenum, the Indicated Mineral Resources are estimated at 29.1 million tonnes grading 0.147% molybdenum and 0.25 g/t gold, containing 94.0 million pounds molybdenum and 230,000 ounces gold. The Inferred Mineral Resources are estimated at 23.4 million tonnes grading 0.103% molybdenum and 0.17 g/t gold, containing 53.2 million pounds molybdenum and 129,000 ounces gold.

The above resource estimate summary statement has been read and approved by David A. Ross, P.Geo, Senior Consulting Geologist at Scott Wilson RPA who is the independent qualified person as defined under National Instrument 43-101. A National Instrument 43-101 technical report documenting this mineral resource estimate was filed on SEDAR on September 10, 2010 (www.sedar.com).

Metallurgical testing initiated in the previous quarter in order to assess the mineral recoverability of molybdenum and gold was ongoing throughout the quarter ended September 30, 2010. Pozo Seco is an oxide molybdenum/gold deposit and both leaching and flotation techniques are being tested. Preliminary results of this initial metallurgical work are expected in Q4 2010.

During the quarter ended September 30, 2010, the Company entered into an option agreement to acquire a 100% interest in three additional mining concessions internal to the Cinco de Mayo property. The Company paid US\$20,000 upon executing the agreement, and is required to pay an additional US\$90,000 for these mining concessions, in stages through 2015.

Subsequent to September 30, 2010, the Company entered into an option agreement to acquire a 100% interest in two additional mining concessions internal to the Cinco de Mayo property. The Company is to pay US\$20,000 upon executing the agreement, and is required to pay an additional US\$90,000 for these mining concessions, in stages through 2014.

On-going Exploration Program

Overall, drilling at Cinco de Mayo has encountered strong CRD/skarn style mineralization and alteration throughout an area roughly 8 by 16 kilometres with large-scale coherent mineralization discovered at both the Jose Manto on the east side, and Pozo Seco on the west. Very few drill holes in the entire area completely lack mineralization, despite drilling step outs of up to a kilometre. The ability to test the system with such large drilling step outs is testimony to the widespread development and potential size of this CRD system, and the Pozo Seco discovery fundamentally stems from just such a step out. The above-noted first resource estimate for the Pozo Seco molybdenum-gold deposit provides significant confirmation of the robust nature of the mineralizing system at Cinco de Mayo and spurs the Company's on-going search for the source of the system, as Pozo Seco not only represents an emerging stand-alone molybdenum-gold deposit target in its own right, but also is a potentially important indicator of nearby large-scale gold-silver-lead-zinc-copper replacement and skarn mineralization typical of the source (proximal) zones of the major CRD's in the regional structural trend that hosts Cinco de Mayo. Although the Pozo Seco deposit remains open in several directions, most of the on-

going focus and drilling is primarily dedicated to seeking this source zone because the overall features of the Cinco de Mayo system indicate that a very large CRD system may be present. Pozo Seco's molybdenum mineralization is comparable in style to molybdenum-bearing mineralization that occurs in the proximal parts of several of the largest Mexican CRD systems, but is many times more extensive than the largest known occurrence in the San Martin-Sabinas skarn-CRD system in Zacatecas.. Further, Pozo Seco style gold-bearing silicified limestone breccias (jasperoids) are also common in Mexican CRD systems, but again the Pozo Seco gold mineralized jasperoid is substantially larger than the largest known occurrence in the Santa Eulalia CRD-skarn system in central Chihuahua.

By late in the third quarter drilling was advancing with four drill rigs dedicated to tracing mineralized structural zones that may have fed, or been fed from the Pozo Seco mineralization zone. Exploration advances by locating these structures, determining their geometry and attempting to follow their geological and geochemical signatures back towards their source; a process called "vectoring". A comparison with similar CRD systems in the region indicates that the scale of vectoring may range from a few hundred metres to several thousand metres, so a number of holes may be required to trace an individual structure. Many of the structures suitable for vectoring are referred to as "fugitive calcite veins" containing manganese-bearing calcite and/or quartz-barite-calcite fillings carrying varying gold, silver, copper, lead, zinc, and tungsten values. "Fugitive veins" are so named because they are deposited from partially spent ore-fluids that have leaked, or "escaped" from the principal ore-deposition zone. Their degree of mineralization and geochemistry tends to vary systematically as they diminish outwards from their source. Similar veins encountered above and around high grade manto, chimney and skarn zones in most of the world's large CRDs have historically been used as exploration guides and followed for tens to hundreds of metres into orebodies.

Holes CM10-266 to CM10-294 were completed in third quarter for a total of 10,720 metres drilled, with detailed assay results available at www.magsilver.com/s/CincodeMayo.asp (*See Above Table*). These 28 holes include a variety of geological and geophysical targets within an area roughly 3 by 4 km, primarily focused in: The Rancho Zone, 1100 metres southwest of Pozo Seco; Pozo Seco West, 500 to 800 metres west of Pozo Seco; and Pozo Seco South, 1.5 km south of Pozo Seco (*See Above - Cinco De Mayo - Supplemental map*). Twenty-four of these twenty-eight geologically targeted holes cut multiple mineralized veins and veinlets virtually all of which contain strongly anomalous gold values, in many cases associated with strong Copper, Lead and Zinc values. Very high silver was encountered in two previous holes (255, 265). Many holes also showed significant features indicating proximity to an intrusive heat source including high copper and tungsten values.

Despite extensive cover, recent drilling west and southwest of Pozo Seco has succeeded in revealing new sub-parallel NW-SE mineralized structural zones containing multiple fugitive veins with strong geochemical signatures in the Rancho, Pozo Seco West and Pozo Seco South areas. Similar fugitive veins, locally associated with felsic dykes (previous holes 235 and 238), have been cut in the previously known Pozo Seco Fault, whose almost east-west geometry has been significantly refined. The intersection of these NW-SE and E-W fault systems appears to coincide with areas of increased mineralization and thermal alteration, indicating that they may be significant feeders within the system and that a magmatic source may be present nearby. The geochemical and geological characteristics of the results from these holes are being continuously evaluated for vectoring indications for on-going drilling.

Typical of the holes with multiple fugitive veins is **CM10-270 which cut 12 veins over a 200 metre section**, with individual vein zones from 0.23 to 1.48 metres wide carrying gold values of 0.36 to 2.23 g/t; trace silver; 28 to 987 ppm copper, 0.01 to 1.13% lead; and 0.03 to 4.20% zinc. Many other holes in the drilling areas cut multiple numbers of fugitive veins (in some cases more) with similar value ranges. Drilling is currently underway along the strike of these structures to determine which direction the mineralizing fluids arose from. That information will be used to guide further drilling in that direction towards the overall system source.

The Rancho Zone lies along the western projection of the Pozo Seco Fault and the western limit of the Pozo Seco Magnetic anomaly. Drilling was originally oriented north-south across the Pozo Seco Fault and most holes hit numerous sulfide-bearing fugitive veins at low angles, indicating northerly orientations parallel to the

edge of the magnetic anomaly. Subsequent holes (CM10-257 and 268) cut east-west across the edge of the magnetic anomaly 700 and 500 metres to the north of the Rancho Zone and each cut lead or zinc mineralization in structures parallel to this feature. These combined results indicate the presence of a strong north-south trending structural corridor that clearly channeled mineralizing fluids over long lateral distances. Marbleization increases significantly in holes south of the Pozo Seco Fault, suggesting a higher heat regime in that area. Drilling is currently focused on cutting these vein swarms where they intersect the Pozo Seco Fault and farther south along the marble trend.

The Western Exploration Area lies due west of the deepest part of the Pozo Seco molybdenum-gold deposit and is a continuation of the attempt to track this apparent feeder zone back to its source. Hole 265 lies 450 metres west of the deep Pozo Seco zone and cut a sulphide-rich vein 1.33 metres wide carrying 3,220 g/t silver, 0.57% copper, and 860 ppm tungsten (W). This is a strongly proximal signature and will be followed up with additional drilling.

Pozo Seco South lies 1.5 km south of Pozo Seco in an area where near-surface high grade gold intercepts have been encountered in previous drilling (see Press Releases of April 19, 2010). Three new holes (CM10-269, 271 and 272) were drilled to trace these structures to depth and along strike, and all three cut significant gold values in the target structures.

Geophysical Target Zone. Three holes (CM10-250, 251, and 252) were drilled 300 to 800 metres southeast of Pozo Seco along the continuation of the strong VTEM and ZTEM geophysical anomalies that run through the center of the Pozo Seco molybdenum-gold body. All three holes cut strongly silicified limestone breccias, but without significant mineralization.

Tres Amigos lies just off the northeast flank of the Pozo Seco molybdenum-gold deposit and is characterized by strong marble development, locally with irregular pods of lead and zinc sulphides. Holes were drilled along the flanks of the marble zone. None cut significant mineralization

Pozo Seco Molybdenum-Gold Zone

Drilling of all of the various zones of Pozo Seco on 100 metre centers was completed prior to beginning of the third quarter. Assay results from the final holes were received by July 12, 2010 and incorporated into the initial Resource Estimate described above by Scott Wilson, Roscoe Postle Associates. Drilling focused shifted to seeking the source of the Pozo Seco molybdenum-gold body in early third quarter.