Table of Contents

List of Figures

1 Introduction to the Copper Flat Sampling and Analysis Plan

1.1 Background

The New Mexico Copper Corporation (NMCC) plans to re-open the Copper Flat Mine, a porphyry copper/molybdenum/gold deposit located in the Hillsboro Mining District in South Central New Mexico, in Sierra County. The Cooper Flat Mine is approximately 20 miles southwest from Truth or Consequences, New Mexico and approximately 5 miles northeast of Hillsboro, New Mexico (Figure 1-1). The proposed mining operation is located in Sections 30 and 31, Township 15 South, Range 5 West (T15S, R5W); Sections 30 and 31, T15S, R6W; Sections 23 through 27 and 34 through 36, T15S, R7W; Section 6, T16S, R6W; and Section 2, T16S, R7W (all with reference to the New Mexico Principal Meridian) in Sierra County, New Mexico. The mineralized zone is centered at approximately latitude 32.970300, longitude −107.533527.

Baseline data has been collected at the Copper Flat project starting in the late 1970s by Quintana, followed by Rio Gold Mining Ltd (Rio Gold), Gold Express, and Alta Gold Company (Alta Gold). This data is relevant and provides insights for future permitting activities. The Copper Flat Mine was first permitted by Quintana Minerals (Quintana) during the 1980s. In 1992, a new plan of operations was submitted and an environmental assessment (EA) was begun by Gold Express, but the operation was never restarted. Alta Gold acquired the property in the mid-1990s and reinitiated the permitting and approvals process, collecting significant baseline data and submitting applications for all major state and federal permits. Alta Gold declared bankruptcy in early 1999, but not before a draft environmental impact statement (DEIS, 1996) and preliminary final EIS (PFEIS, 1999) had been prepared and the associated public comments received; a public hearing had also been held on the New Mexico Mining Act Permit and the New Mexico Groundwater Discharge Permit. However, no final permits had been issued and there had been no opportunity for appeals or litigation regarding the operation. Figures 1-2 and 1-3 illustrate the Site permit boundary with topography and the 2009 aerial photo, respectively.

For the purposes of this sampling and analysis plan (SAP), the permit area is defined as the Site as illustrated on Figure 1-2. The Copper Flat project is composed of approximately 3,304.75 acres in contiguous and noncontiguous lands that include patented and unpatented mining claims (lode, placer, and mill site), and fee parcels. The acreage inside the Site permit boundary is 2,190 acres. NMCC will mine copper ore by open pit extraction methods in the area. Molybdenum, gold and silver will be recovered as byproducts.

The following sections provide an overview of the requirements and content of this SAP, a summary of previous mining activity and investigations, and a description of the proposed mining operations, which provide a basis for understanding the baseline data gathering needs related to the planned mine construction and operations. A mine plan will be submitted at a later date with the mine permit application to detail the construction and operation of the mine.

1.2 Applicant Information and General Plan

1.2.1 Name of Permit Applicant

New Mexico Copper Corporation, a New Mexico corporation.

1.2.2 Map of Proposed Site

Figures 1-2 and 1-3 present the Site permit boundary on a topographic map and a 2009 aerial photograph, respectively.

1.2.3 Surface Ownership Map with Mineral Estates at the Proposed Site

Figure 1.4 presents the map of all known owners of surface and mineral estates within the proposed permit area as of September 1, 2010. This map has been prepared by a qualified mineral title specialist working in collaboration with NMCC's legal counsel, Mark K. Adams of Rodey, Dickason, Sloan, and Robb, PA. This land ownership map is preliminary and subject to update and revision as continued title research is performed and evaluated. The final land ownership map will be submitted with the Phase II Permit Application Package.

1.2.4 List of Surface Owners

According to the 2010 property tax schedule of the Sierra County Assessor, Hydro Resources Corporation (Hydro) and Cu Flat, LLC (Cu Flat) own all of the fee lands within the permit area except as follows:

- Edgar E. Greer ("Greer") owns the fee surface estate in the lands within the permit area in Sections 30 and 31, Township 15 South, Range 6 West, and has contracted to sell his fee surface estate to Ryan G. and Wendy M. Fancher (the "Fanchers"). The mineral estate in such lands is owned by the United States and is subject to unpatented mining claims owned by Hydro and GCM, Inc. (GCM).
- Greer owns the fee surface and mineral estates in the Cincinnati, Graf Von Luxenburg, and Prosper patented mining claims in Sections 25 and 36, Township 15 South, Range 7 West, and has contracted to sell such claims to the Fanchers.
- The non-fee lands within the permit area are owned by the United States. All such lands are subject to unpatented mining claims owned by Hydro and GCM.

All of the fee lands and unpatented mining claims within the permit area owned by Hydro, Cu Flat, and GCM are subject to the Option and Purchase Agreement described in 1.2.5 below.

1.2.5 Access Agreements

The Applicant has the right to enter the proposed permit area and conduct mining and reclamation operations on all lands on which such operations will be conducted or cause disturbance under an Option and Purchase Agreement dated July 23, 2009 by and between Applicant, as Optionee, and Hydro, Cu Flat, GCM, as Optionor. The Option and Purchase Agreement has been amended by a First Amendment dated January 20, 2010, a Second Amendment dated April 1, 2010, a Third Amendment and Supplemental Memorandum dated May 28, 2010, and a Fourth Amendment dated August 2, 2010. This agreement and associated amendments are presented in Attachment 2, Access Agreements.

With respect to the Edgar E. Greer lands within the permit boundary and under contract to Ryan and Wendy Fancher, NMCC has initiated formal negotiations with Ryan and Wendy Fancher for use of the fee surface and mineral estates described in Section 1.2.4. There has been a history of land arrangements with Edgar E. Greer with previous mining companies (Quintana Minerals and Alta Gold), however, these negotiations are expected proceed in parallel with the collection of the baseline data and be concluded prior to the submittal of the Permit Application Package.

1.2.6 Contact Information for Surface Owners

The Applicant owns and controls the entire interest in the proposed Copper Flat operation. The Applicant's address is 2425 San Pedro, NE, Suite 200, Albuquerque, New Mexico 87110, and its telephone number is 505-382-5770. THEMAC Resources Group Limited (THEMAC), a Yukon corporation, owns and controls all of the Applicant's shares. THEMAC's address is Suite 2000, 1066 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3X2, and its telephone number is (+1) 604-495-6723.

1.2.7 Statement of U.S.-Based Mining Operations Directly Controlled by Applicant, Owner, or Operator

Neither NMCC nor THEMAC owns, operates, or directly controls any mining operation in the United States.

1.2.8 Contact Information for the Applicant's Designated Agent

Barrett E.G. Sleeman, President and Chief Executive Officer, THEMAC Resources Group Limited, Suite 2000, 1066 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3X2, (+1) 604-495-6723, barrettsleeman@hotmail.com.

1.3 Sampling and Analysis Plan

The permitting of new non-coal mines is governed by 19.10.6 NMAC (New Mexico Administrative Code). This SAP is submitted to the New Mexico Energy, Minerals and Natural Resources Department (EMNRD) Mining and Minerals Division (MMD) by NMCC as the first phase in the mine permitting process. The second phase will be submittal of the baseline characterization report and the mine permit application.

The SAP provides the sampling and analysis procedures for the data to be included in the baseline characterization report described in Paragraph (13) of Subsection D of 19.10.6.602 NMAC. As described in Part 6, baseline data include the (1) hydrological, (2) geological, (3) mineralogical, (4) ecological, and (5) cultural components within the proposed Site and the area outside of the Site that will be affected by the proposed mining activity at the Copper Flat Mine.

Pursuant to Paragraph (13) of Subsection D of 19.10.6.602 NMAC, this SAP must contain seven data subcategories, which are further described in Tables 1 and 2 of the MMD draft guidance document (MMD, 2010). These subcategories and their location in this SAP are listed below.

- Climatological factors (Section 2)
- Vegetation survey (Section 4)
- Wildlife survey (Section 5)
- Topsoil survey/sampling (Section 6)
- Surface water sampling (Section 8)
- Groundwater sampling (Section 9)
- Historic and cultural properties survey (Section 10)

An eighth subcategory, radiological survey, is not required for non-uranium mines.

This SAP presents the data requirements identified for each subcategory and describes how these will be addressed, summarizes the sampling objectives, and describes the data collection methods for each subcategory or medium. Specifically, in accordance with Subparagraph (a) of Paragraph (12) of Subsection D of 19.10.6.602 NMAC, the following information is discussed for each of the seven subcategories:

- Sampling objectives
- Sampling frequency (in accordance with Table 2 of the 2010 MMD guidance for new mining operations)
- A list of data to be collected
- Methods of collection
- Parameters to be analyzed (as outlined in Table 1 of the 2010 MMD guidance)
- Maps showing proposed sampling locations

- Laboratory and field quality assurance plans
- A brief discussion supporting the proposed sampling plan and/or use of historical data

Where the methods of collection require the use of a Global Positioning System (GPS) receiver to record site features (e.g., discrete sampling locations, transect locations, surface drainage features, weather station locations, cultural resource locations, etc.), those data will be verified by reference to landscape features and landmarks shown on USGS quadrangle maps. All GPS data will then be differentially corrected for sub-meter accuracy. Shapefiles of these features will be created using a geographic information system (GIS) compatible with ArcGIS. The shapefiles and GPS data will be presented in a baseline summary report in both hard-copy format as report figures and digital format as Microsoft Excel tables and/or ESRI shapefiles.

The following additional information is included in this SAP:

- An overview of major topographic features and topographic maps at a scale of 1-inch equals 2000 feet (1:24,000) (Section 3 and throughout document)
- Conceptual mine layout for proposed operations (Section 1.5)
- Mine operation description (Section 1.5)
- General geology, ore body description, and geologic sampling (Section 7)
- Land use information (Section 11)
- Maps to illustrate all proposed sampling locations (at end of Sections 2, 4, 5, 6, 8, 9, and 10)

Extensive site characterization activities have been performed at the Copper Flat Mine as a result of previous mining activities and attempts to re-open the mine. This SAP presents the historical data that will be incorporated into the baseline characterization report along with procedures for acquiring new data that will be collected to fill data gaps and meet the requirements of 19.10.6 NMAC. All new data collection will be performed in compliance with the procedures defined in this SAP and the Quality Assurance Project Plan included as Attachment 1.

1.4 Summary of Historical Mining Operations

The following history of the Copper Flat Mine and the overview of previous investigations and sampling programs were summarized from BLM (1999), Raugust (2003), and SRK (2010). The results of previous sampling programs are discussed in the applicable sections of this SAP, as relevant.

1.4.1 Mining History

Mining activities in the Hillsboro Mining District, including gold mining from both placer and vein deposits, began in 1877. From 1877 to 1893, numerous shafts and adits were developed along veins that radiate to the southwest and northeast from Copper Flat. Placer workings were developed along most of the major creeks that drain to the east and southwest from Black and Animas Peaks. Between 1911 and 1931, underground deposits were further developed; approximately 65 percent of the $7 million of ore produced from the district before 1931 came from underground veins (BLM, 1999). Placer mining increased after 1932 until World War II; small-scale placer mining continues in the area today (Hedlund, 1985; McLemore, 2003 as cited in Raugust, 2003).

Copper exploration began in the area in the 1950s and continued through the early 1970s. Quintana Minerals Corporation (Quintana) leased the property in 1974 and defined reserves sufficient for mine development through an extensive drilling and sampling program. The Copper Flat Partnership, Ltd., with Quintana acting as mine operator, developed and operated an open pit copper mine at the Copper Flat location in 1982 that included a 15,000 ton-per-day flotation mill and a tailings impoundment. Poor economic conditions led to the

termination of mining after only 3 months of operation, although the mine remained on a maintenance status until 1986, at which point the facilities were dismantled and the Site was partially reclaimed (BLM, 1999). The mine produced 7.4 million pounds of copper, approximately 2,300 ounces of gold, and nearly 56,000 ounces of silver during its 3-month operational life (Hedlund, 1985). During the 1990s, several companies submitted plans to reopen the Copper Flat operation; however, none of the plans were realized. No mining activities have occurred at Copper Flat since 1982. More detail about copper exploration activities can be found in Section 11.3.

1.4.2 Surface Features of the Copper Flat Mine

Activity at the Copper Flat Mine in 1982 disturbed 358 acres of BLM-managed public lands and 331 acres of private lands (Figure 1-2). Surface features of the Copper Flat Mine include the following:

- A pit lake that covers approximately 12.8 acres and is about 40 feet (ft) deep.
- Overburden rock storage piles (disposal areas) to the north, west, south, and east of the pit.
- Former mine and mill areas including an unpaved but maintained road from NM Highway 152 to the mill area and a primitive road to the pit area, a 115-kilovolt power line, and a 20-inch welded steel water line.
- A previously state approved and permitted diversion channel re-routing Grayback Arroyo around the mine site.
- A tailings impoundment area, which is dammed by a 6,600-ft-long dam with a maximum crest height of 60 ft, and which includes at least 1.2 million tons of tailings over a 60-acre area (SRK, 1995).

1.4.3 Historical Investigations

A number of investigations and sampling programs have been undertaken at Copper Flat in the past 30 years; several of these provide valuable sources of baseline data as these were related to various permitting processes including EAs and a Draft EIS in 1996 and a Preliminary Final EIS in 1999. For example, in the 8-year period before the 1982 operations began, Quintana collected baseline data at the Site related to climate, soils, vegetation, wildlife, surface water, groundwater, and archeology (Glover, 1977). The geology, mining history, and mineral deposits associated with Copper Flat were described by Hedlund in 1985; the results of a later field investigation that included sampling, water supply information, and ore reserves were documented by Dunn (1992). Aquifer testing was performed as early as the late 1970s and early 1980s, as well as again related to Alta Gold's PFEIS processes in the late 1990s. At least two environmental assessments and one environmental impact statement were prepared for the Site during the 1990s (Raugust, 2003). A number of reports were prepared for Alta Gold in the late 1990s related to the DEIS process; these reports included but are not limited to those summarized by SRK, Adrian Brown Consultants, and ENSR; an independent evaluation was also prepared by Daniel B. Stephens & Associates, Inc. in 1997 (Raugust, 2003). During 2009 and early 2010, a Copper Flat drilling program was undertaken by NMCC to verify the historical Alta Gold data and to expand and refine the existing resources at Copper Flat (SRK, 2010).

Many of these previous investigations have sampled for vegetation, wildlife, soil, potential acid rock drainage, climate and air quality, surface water and groundwater at or near the Site. Between 1989 and 1998, the pit lake was sampled 65 times by various investigators (BLM, 1999). Samples were typically analyzed for pH, major cations and anions, and metals (Raugust, 2003). Attempts were made to measure the flow at local springs and seeps in the 1990s and surface water sampling of creeks began before the 1982 mining operations and continued sporadically until the late 1990s. Before 1996, only one well was available at the Site for groundwater sampling; two additional wells were drilled during 1996 and used for subsequent sampling in the late 1990s (Raugust, 2003). Groundwater samples have also been taken from wells downgradient of the tailings impoundment dam.

Characterization of waste rock from outcrop and storage piles was undertaken in 1994 and again in 1997 to assess existing geochemical characteristics and potential for future acid generation (Raugust, 2003).Test borings in the tailings impoundment area have also been undertaken to investigate the nature of near-surface material and its suitability as borrow material (Raugust, 2003).

1.5 Description of Proposed Mining Operations

A preliminary economic assessment (PEA) was conducted by SRK Engineers and Scientists (SRK 2010) to satisfy the Canadian Securities Administrators National Instrument 43-101. The PEA provides a preliminary overview of the Copper Flat mineral resources and operational mining activities. Mining operations at the Copper Flat deposit will be characterized by a low stripping ratio pit (strip ratio of 0.38, waste to minable resource), with the mining of disseminated porphyry mineralization situated in a moderately mountainous region. The pit was previously pre-stripped of waste prior to ore production when the mine was briefly operated in 1982. The various water diversion structures previously constructed around the pit area are still in place and will be used. Figure 1-5 illustrates the pit, three waste piles, a tailings impoundment area, and a plant-facilities area between the pit to the west and the tailings impoundment to the east.

The preliminary pit design was determined to be approximately 2,500 ft (east-west), 2,500 ft (North-South), and 900 ft deep. The pit design was broken into three phases for scheduling purposes, with 80-foot-wide ramps, 30-foot bench heights, and a maximum haul road grade of 10 percent.

Open pit mining will be conducted using conventional diesel-powered equipment, a combination of blast-hole drills, hydraulic face shovels, rubber-tired wheel loaders, and off-highway haul trucks. Support equipment such as graders, track dozers, and a water truck will aid in the mining of the mineral resources and waste.

Indicated and Inferred mineral resources were considered for all optimization and production scheduling analyses and were based on an internal cut-off grade of 0.14% Cu. (The internal cut-off grade is based on process and general and administrative [G&A] operating costs.) The PEA report includes the Inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves.

A variable cut-off grade strategy, with elevated cut-off grades for the first 14 years of production, increased the mill feed head grades in those years and provided over three years of low-grade stockpile processing after the pit mining operations ended.

Existing infrastructure in preservation includes items such as the primary access road, water systems, electrical power distribution, and the concentrate load-out facility. Where possible, existing serviceable items were presumed to be re-used or upgraded; otherwise new construction will be assumed.

The primary items that were assumed to be re-usable include the mine access road, the water well field, the primary freshwater pipeline, the main electrical substation at I-25, the 115kV power transmission lines, the 25kV power line to the well field, the reclaim tunnel, and the access cutting from the mill site to the tailings area.

Access to the mine site includes approximately 3 miles of all-weather gravel road, which will require re-grading in addition to some widening and work at key points.

The milling and process system will receive fresh water from a series of previously existing wells located about 8 miles east of the site. Additionally, the previously used 20-inch diameter pipeline was left in place. It was assumed that the wells will be uncapped and refitted with new pumps for current use, and that the pipeline will be in serviceable condition and can also be re-used. It was also assumed that the well field and pipeline pump stations powered via a 25kV power line can be reconnected and re-used.

Electrical power in the county is provided by Sierra Electric Co-op. A high-voltage substation is still in existence near Caballo, 13 miles to the east of the Site. This substation supplies a 115kV transmission line to the Site that is currently not live, as well as low-voltage distribution lines to the town of Hillsboro. The 115kV transmission line can be accessed for site power.

A new substation will need to be constructed at the Site. An emergency generator allowance was also included as backup power would be required in the event of power loss to maintain critical systems and to aid in a controlled shut down. NMCC is analyzing the viability of solar power generation to offset the mine's energy demand, along with other energy and water conservation measures.

Product concentrate will be produced on site, and the resulting dried bulk copper concentrate and bagged molybdenum concentrates will need to be shipped to other facilities. An on-site concentrate load-out facility will be required, and two possible off-site load-out facility locations have been identified. The off-site load-out facility would essentially be a fenced-in area adjacent to a new rail siding that has truck off-loading and railcar loading capabilities.

The copper concentrate will be transported via railcar to a smelter facility, such as the Freeport-McMoRan Miami Operation. Molybdenum product would be transported from the mill in "super sacks." A truck scale and scale house will be needed to weigh the copper concentrate and molybdenum concentrate trucks leaving the site en route to the load-out facility (SRK, 2010).

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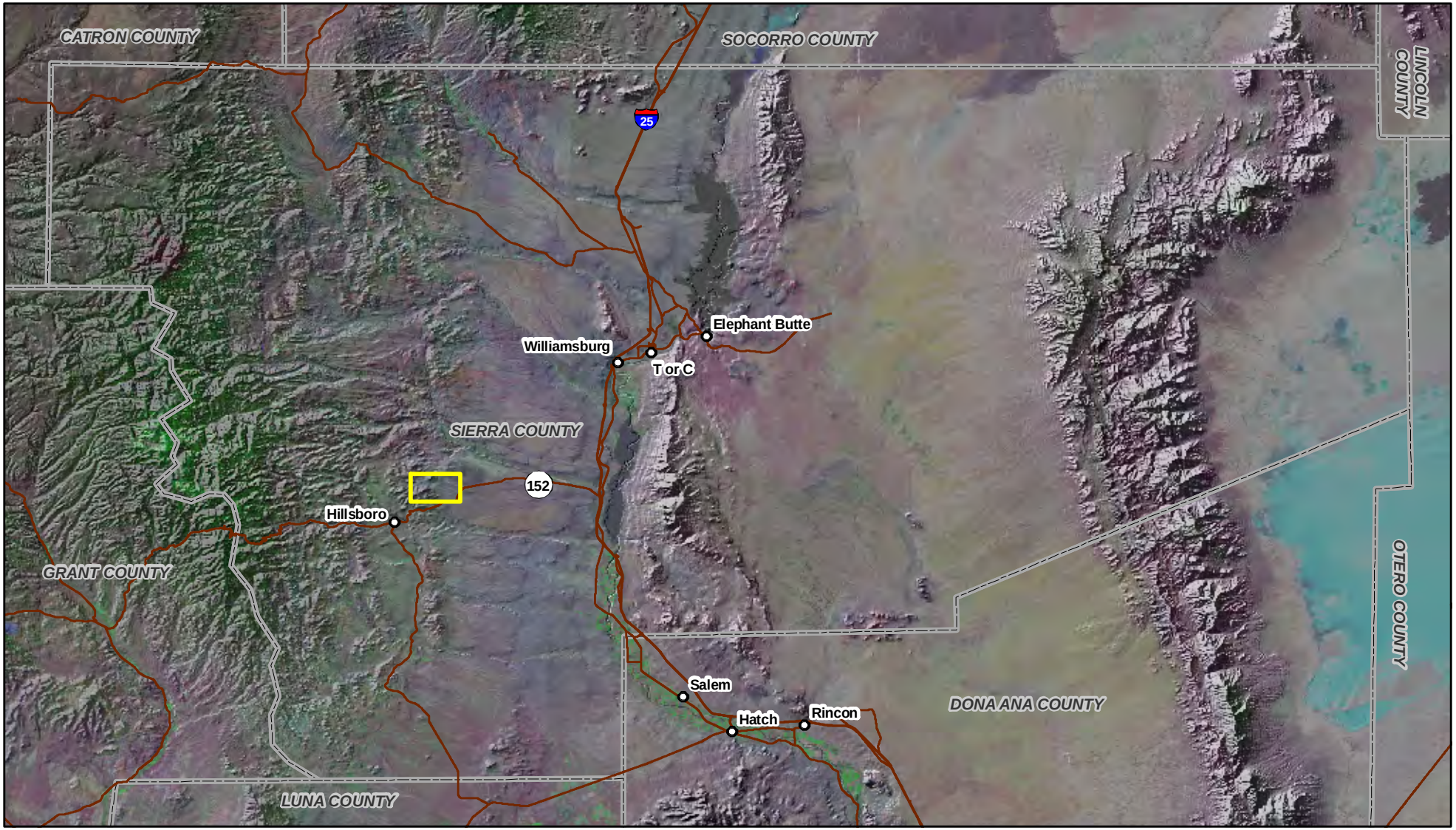
Figures

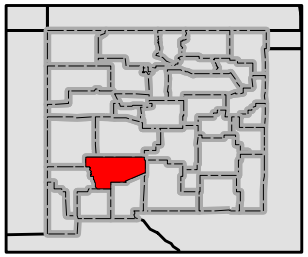


0 6 12 24

Miles

Legend

- City/Town
- Site Location
- Road



Imagery Information:
-Landsat Imagery from
University of Maryland NLCD

Figure 1-1
Site Location
New Mexico Copper Corporation

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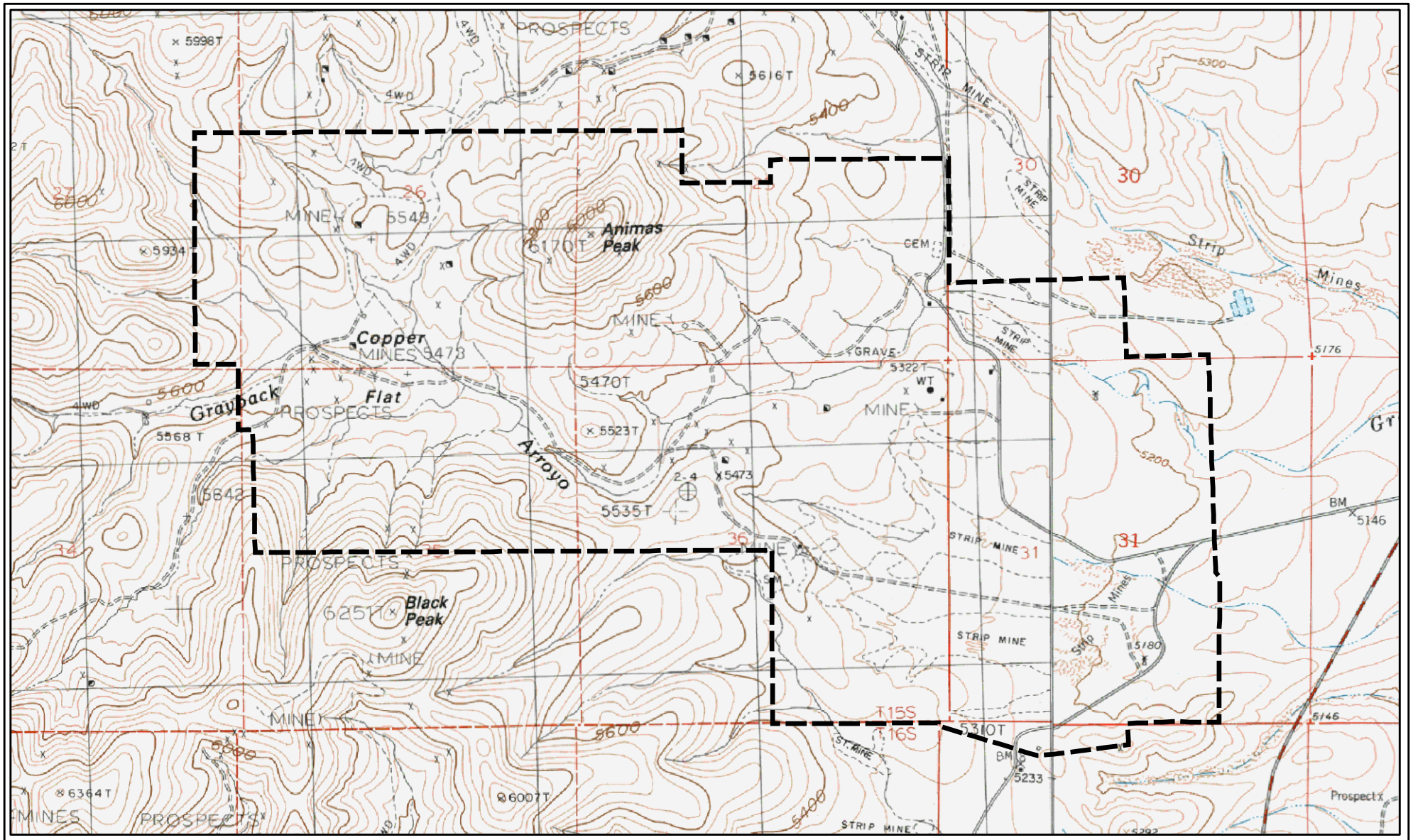

Mine Boundary:
Tom Van Bebber
Imagery Information:
-USGS 7.5-Minutes Quads; Skute Stone Arroyo & Hillsboro
Projection Information:
-New Mexico State Plane West, NAD 1927

Legend

Proposed Mine Permit Boundary

Figure 1-2
Proposed Copper Flat Permit Area with Topography
New Mexico Copper Corporation

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N
W E
S

0 1,000 2,000 4,000 6,000

Feet

Mine Boundary:
Tom Van Bebber
Imagery Information:
-USGS 7.5-Minutes County DOQQ
mosaic Sierra County, 2009
Projection Information:
-New Mexico State Plane West, NAD 1927

Legend

Proposed Mine Permit Boundary

Figure 1-3
Proposed Copper Flat Permit Area with Air Photography

New Mexico Copper Corporation

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Mine Boundary:
John Reynolds
Claims & Feelands:
Tom Van Bebber
Imagery Information:
-USGS 7.5-Minute Quads; Skute
Stone Arroyo & Hillsboro
Projection Information:
-New Mexico State Plane West, NAD 1927

0 1,000 2,000 4,000
Feet

Legend

- Mine Permit Boundary
- Fee, Category 3a
- Fee Lands subject to Option Agreement dated July 23, 2009
- Fee Lands NOT subject to Option Agreement dated July 23, 2009

Figure 1-4
Proposed Copper Flat Permit Area with Land Ownership and Claims

New Mexico Copper Corporation

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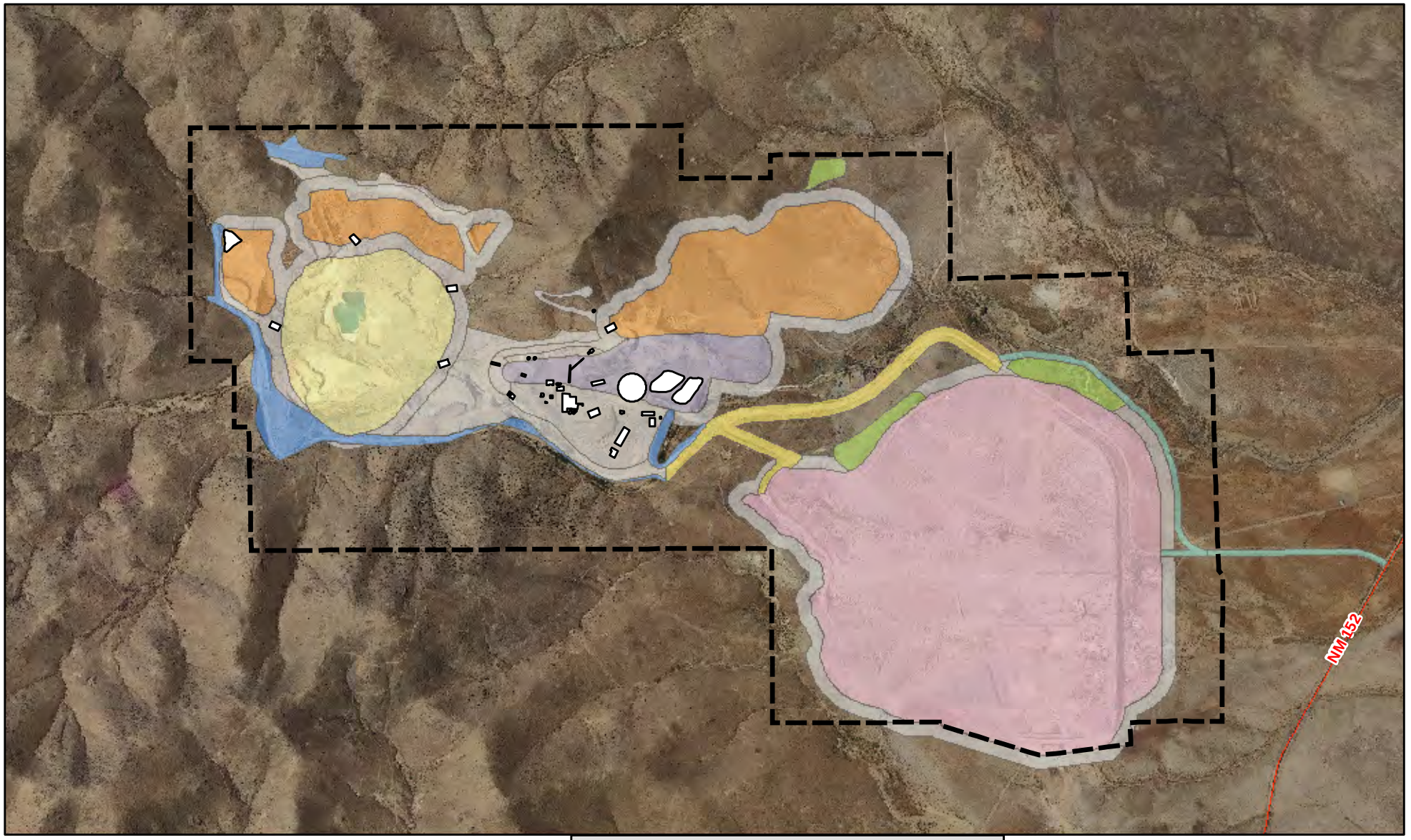

N
W E
S

0 1,000 2,000 4,000 6,000

Feet

Mine Boundary:
Tom Reynolds
Disturbed areas/mine facilities: SRK, 2010
Imagery Information:
-USGS 7.5-Minutes County DOQQ
mosaic Sierra County, 2009
Projection Information:
-New Mexico State Plane West, NAD 1927

INTERA

Legend

- Proposed Mine Permit Boundary
- Proposed Mine Facility
- Waste Rock
- Topsoil Stockpile
- Tailings
- Stockpile
- Pit
- Haul Road
- Diversion
- Ancillary
- Access Road

Figure 1-5
Proposed Copper Flat Permit Area with the Pit, Three Waste Piles, a Tailings Impoundment Area, and a Plant-Facilities Area

New Mexico Copper Corporation

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