No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference in this short form prospectus from documents filed with the securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from MagIndustries Corp. at its head office and principal place of business at 33 Yonge Street, Suite 300, Toronto, Ontario, M5E 1G4 (Telephone: 416-368-7911), and copies are also available electronically at www.sedar.com.*

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold in the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States. See "Plan of Distribution".

AMENDED AND RESTATED SHORT FORM PROSPECTUS
(amending and restating the short form prospectus dated June 11, 2009)

New Issue June 15, 2009

MAG INDUSTRIES

$26,103,000

62,150,000 Common Shares

Price: $0.42 per Share

This short form prospectus (the "**Prospectus**") qualifies the distribution (the "**Offering**") of 62,150,000 common shares (the "**Offered Shares**") of MagIndustries Corp. ("**MagIndustries**" or the "**Company**") at a price of $0.42 per Offered Share (the "**Offering Price**") pursuant to the terms of an underwriting agreement (the "**Underwriting Agreement**") dated June 2, 2009 between Cormark Securities Inc., BMO Nesbitt Burns Inc., Paradigm Capital Inc., Canaccord Capital Corporation and Jennings Capital Inc. (collectively, the "**Underwriters**") and the Company. See "Plan of Distribution".

	Price to Public	**Underwriters' Fee (1)**	**Net Proceeds to the Company(2)**
Per Offered Share	$0.42	$0.021	$0.399
Total(3)	$26,103,000	$1,305,150	$24,797,850

Notes:

(1) The Underwriters will be paid a cash commission (the "**Underwriters' Fee**") equal to 5% of the gross proceeds of the Offering. See "Plan of Distribution".

(2) Before deducting legal, accounting and administrative expenses of the Offering, including listing fees and all reasonable expenses of the Underwriters incurred in the Offering, estimated to be $600,000, which will be paid by the Company from the proceeds of the Offering. See "Use of Proceeds".

(3) The Company has granted to the Underwriters an over-allotment option (the "**Over-Allotment Option**") exercisable, in whole or in part, in the sole discretion of the Underwriters, to purchase additional Offered Shares (the "**Additional Shares**") exercisable at the Offering Price per Additional Share for a period of 30 days from the Closing Date, for market stabilization purposes and to cover the Underwriters' over-allocation position, if any. The aggregate number of Common Shares which may be issued under the Over-Allotment Option shall not exceed 9,322,500 Common Shares. If the Over-Allotment Option is exercised in full, the total Price to Public, Underwriters' Fee and Net Proceeds to the Company will be $30,018,450, $1,500,922 and $28,517,528, respectively. This Prospectus also qualifies the distribution of the Over-Allotment Option and the Additional Shares issuable upon the exercise of the Over-Allotment Option. See "Plan of Distribution". A purchaser who acquires securities forming part of the Underwriters' over-allotment position acquires those securities under this Prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. Unless the context otherwise requires, references herein to the "Offering" assumes the exercise of the Over-Allotment Option in whole and references to "Offered Shares" means the Offered Shares and the Additional Shares.

Underwriters' Position	**Maximum Size or Number of Securities Available**	**Exercise Period**	**Exercise Price**
Over-Allotment Option	9,322,500 Additional Shares	30 days from the Closing Date	$0.42 per Additional Share

The Offering Price of the Offered Shares offered hereunder was determined by negotiation between the Company and the Underwriters. The Underwriters, as principals, conditionally offer these securities, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution".

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that definitive certificates evidencing the Offered Shares offered hereunder will be available for delivery at closing, which is expected to occur on or about June 18, 2009 (the "**Closing Date**") or such later date as the Company and the Underwriters may agree, but in any event not later than June 30, 2009.

Subject to applicable laws, the Underwriters may effect transactions intended to stabilize or maintain the market price for the Common Shares at levels at or above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution". Certain legal matters relating to the Offering will be passed upon by Fogler, Rubinoff LLP, on behalf of the Company, and by Heenan Blaikie LLP, on behalf of the Underwriters.

The outstanding common shares of the Company (the "**Common Shares**") are listed and posted for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "MAA". On June 12, 2009, the closing price for the Common Shares on the TSXV was $0.56. The TSXV has conditionally approved the listing of the Offered Shares. Listing is subject to the Company fulfilling all of the requirements of the TSXV.

There are risks associated with an investment in Offered Shares. See "Risk Factors" for a discussion of factors that should be considered by prospective investors and their advisors in assessing the appropriateness of an investment in Offered Shares.

Prospective investors should rely only on the information contained in this Prospectus and the documents incorporated by reference herein. The Company has not authorized anyone to provide prospective investors with information different from that contained in this Prospectus. The information contained in this Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or any sale of the Offered Shares.

The Company's corporate office is located at 33 Yonge Street, Suite 300, Toronto, Ontario, Canada M5E 1G4. The Company's registered office is located at 95 Wellington Street West, Suite 1200, Toronto, Ontario, Canada M5J 2Z9.

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ELIGIBILITY FOR INVESTMENT

In the opinion of Fogler, Rubinoff LLP, counsel to the Company and Heenan Blaikie LLP, counsel to the Underwriters, the Offered Shares, if issued on the date hereof, would be qualified investments under the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts ("**Registered Trust**").

An investment in the Offered Shares will not generally be a "prohibited investment" for a particular trust governed by a tax-free savings account provided the holder does not have a "significant interest" in the Company. Generally, a holder will not have a significant interest in the Company unless the holder and/or persons not dealing at arm's length with the holder, owns directly or indirectly, 10% or more of the issued shares of any class of the capital stock of the Company or a corporation related to the Company. Specific rules may also deem an individual to own shares of a partnership in which he or she is a member or a trust of which he or she is a beneficiary.

CURRENCY EXCHANGE RATES

Unless otherwise indicated, all currency amounts herein are stated in Canadian dollars, whereas the financial statements of the Company incorporated herein by reference are expressed in U.S. dollars. The following tables set out the exchange rates for U.S. dollars per Canadian dollar and Congolese franc in effect at the end of the following periods based on the Bank of Canada noon spot rate of exchange.

Canadian Dollar	Three Months Ended March 30		Year Ended December 31		
	2009	**2008**	**2008**	**2007**	**2006**
Closing	0.7935	1.0197	0.8166	0.9981	1.1653
High	1.3000	1.0215	1.2969	1.1853	1.1726
Low	1.1823	1.0098	0.9719	0.9170	1.0990
Average	1.2456	1.0170	1.0660	1.0748	1.1342

On June 12, 2009, the noon buying rate in U.S. dollars reported by the Bank of Canada was U.S.$1.00 = C$1.1177.

Congolese franc	Three Months Ended March 30		Year Ended December 31		
	2009	2008	2008	2007	2006
Closing	0.002547	0.002412	0.002599	0.002248	0.002943
High	0.002579	0.002435	0.002640	0.002490	0.002443
Low	0.002404	0.002247	0.002209	0.002090	0.002070
Average	0.002474	0.002351	0.002626	0.00230	0.002250

On June 12, 2009, the noon buying rate in Congolese franc reported by the Bank of Canada was one CFA = C$0.002392.

The Congolese franc is pegged to the Euro at an exchange rate of 655.957.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commission or other similar authority in each of the provinces of Canada (except Quebec) are specifically incorporated by reference into and form an integral part of this Prospectus:

(a) the annual information form of the Company for the year ended December 31, 2008 dated May 27, 2009 (the "**AIF**");

(b) the audited consolidated financial statements of the Company, including the notes thereto, as at and for the years ended December 31, 2008 and 2007 together with the auditors' report thereon;

(c) management's discussion and analysis of operating results and financial condition of the Company dated April 15, 2009 for the year ended December 31, 2008;

(d) the unaudited interim consolidated financial statements of the Company, including the notes thereto, as at and for the three month periods ended March 31, 2009 and 2008;

(e) management's discussion and analysis of operating results and financial condition of the Company dated June 1, 2009 for the three month period ended March 31, 2009;

(f) the management information circular dated March 26, 2009 prepared in connection with the Company's annual and special meeting of shareholders held on May 14, 2009;

(g) the material change report dated March 31, 2009 relating to the Gas Supply Agreement;

(h) the material change report dated June 3, 2009 relating to the Offering;

(i) the technical report entitled "Updated Reserve and Resource Estimate for MagMinerals Kouilou Potash Project, Republic of Congo" dated June 10, 2009 authored by Dr. Henry Rauche and Dr. Sebastiaan N.G.C. van der Klauw of Ercosplan Ingenieurgesellschaft Geotechnik und Bergbau mbH (the "**Technical Report**");

(j) the material change report dated June 11, 2009 relating to the Technical Report; and

(k) the material change report dated June 15, 2009 relating to the MOU (as defined herein).

Any document of the Company of the type referred to above, filed by the Company with the securities commissions or similar authorities in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Nova Scotia after the date of this Prospectus and prior to the termination of the Offering (excluding confidential material change reports) will be deemed to be incorporated by reference into this Prospectus.

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Nova Scotia. Copies of the documents so incorporated by reference may be obtained on request without charge from the Company at 33 Yonge Street, Suite 300, Toronto, Ontario, M5E 1G4 (Telephone: 416-368-7911).

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus, including the documents incorporated by reference, contains "forward-looking statements" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company and its projects, the future price of potash or other resource prices, the estimation of mineral resources, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: general business, economic, competitive, political and social uncertainties; risk relating to the proposed debt facility of MagMinerals Potash Corp.; the actual results of current exploration and development activities; risks relating to title to properties; risks associated with obtaining necessary permits; risks associated with foreign operations, including government regulation and political stability risks; fluctuations in the value of the Canadian dollar relative to the U.S. dollar or Congolese franc; changes in project parameters as plans continue to be refined; future prices of potash; possible variations of mineral grade or recovery rates; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental hazards, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavourable operating conditions and losses, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, and the factors discussed in the section entitled "Risk Factors" in this Prospectus and under the heading "Risk Factors" in the AIF incorporated herein by reference.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Prospectus and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

MAGINDUSTRIES CORP.

MagIndustries was created to develop the Company's extensive mineral, energy and forestry resources and take advantage of managements' extensive business relationships in the Republic of Congo (the "**ROC**") and the Democratic Republic of Congo.

MagIndustries is organized around four principal business units, two of which, MagMinerals and MagForestry, are considered to be material to the Company. The operations of both MagMinerals and MagForestry are located in the Pointe-Noire area of the ROC.

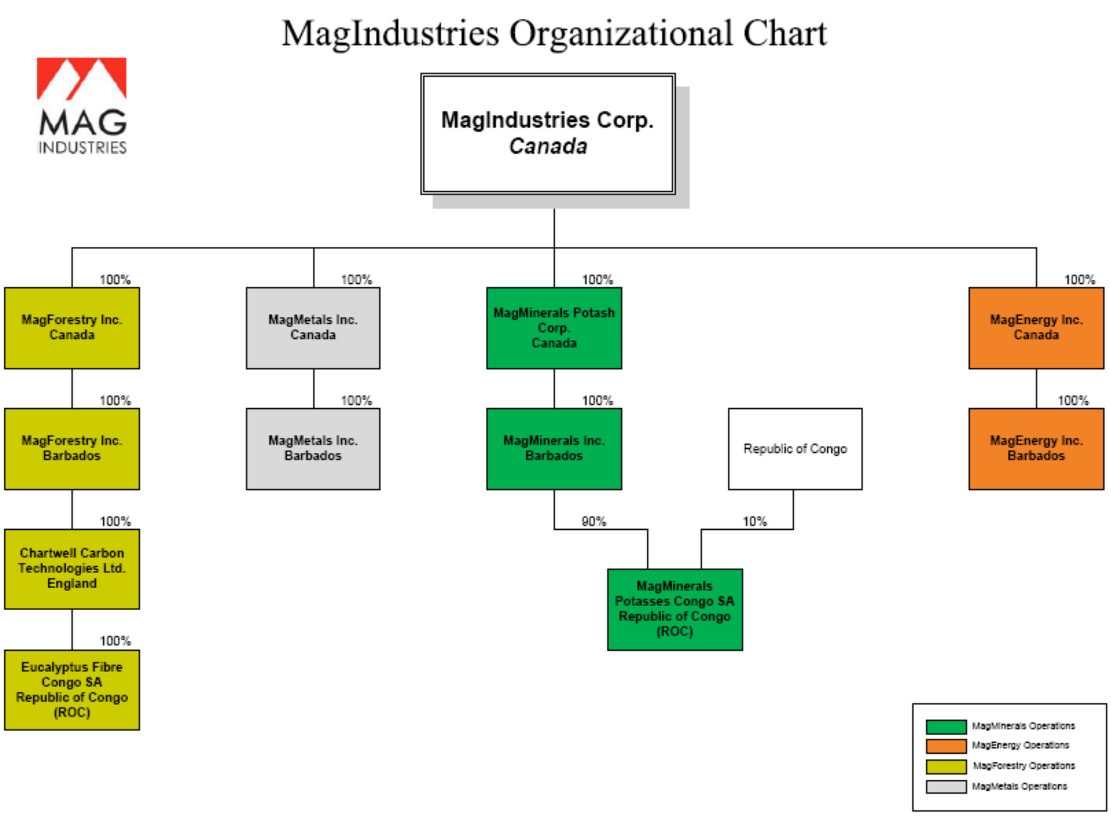
Name, Address and Incorporation

MagIndustries was formed by Articles of Amalgamation dated October 23, 1997, whereby Clavos Enterprises Inc. and Magnesium Alloy Corporation amalgamated and continued as "Magnesium Alloy Corporation". By Articles of Amendment dated January 27, 2005, the name of the Company was changed from Magnesium Alloy Corporation to MagIndustries Corp. On January 10, 2006, the Company continued under the *Canada Business Corporations Act* from the *Business Corporations Act* (Ontario).

The Company's corporate head office is located at 33 Yonge Street, Suite 300, Toronto, Ontario, Canada M5E 1G4 and its registered office is located at 95 Wellington Street West, Suite 1200, Toronto-Dominion Centre, Suite 1200, Toronto, Ontario, Canada M5J 2Z9.

Intercorporate Relationships

The Company's material subsidiaries are reflected below:



The Company has other directly owned subsidiaries which are either dormant, immaterial or in liquidation with nominal assets and liabilities.

MagMinerals

MagMinerals Potash Corp. ("**MagMinerals**"), pursuant to an exploitation permit, has exclusive rights to mine one of the world's largest undeveloped potash deposits located in the Kouilou province of the ROC. The exploitation permit covers an area of approximately 136 km^2 within the Makola permit area (the "**Property**") located approximately 500 km west of Brazzaville and directly northeast of the port city of Pointe-Noire in the ROC. The Company's immediate focus is to construct and commission a 600,000 tonne per year potash plant on the Property to produce primarily agricultural-grade potash fertilizers to meet growing demand from markets in South America, South Africa and Europe. The facility is scheduled to start production in 2012. The proposed plant site, near the village of Mengo, is located 25 km north-east of the Atlantic port city of Pointe-Noire, ROC. Pointe-Noire, West Africa's largest deep-water port, has successfully served as the operations base for major international oil companies for the past 35 years.

MagForestry

MagForestry Inc. ("**MagForestry**") wholly owns and operates Eucalyptus Fibre Congo ("**EFC**"), a sustainable, renewable forestry business based in Pointe-Noire, ROC. EFC acquired the exclusive rights to manage this 68,000 hectare concession in 2005. The concession, which expires in 2075, is based on the planting and harvesting (after 7 years) of fast growing clones of eucalyptus hardwoods. A significant part of the concession is overlain by mining and mineral exploration permits granted to MagForestry's sister company, MagMinerals. The EFC plantation supplies a recently commissioned state-of-the-art 500,000 tonne per year wood chip plant built by EFC on its concession lands within the port of Pointe-Noire. MagForestry is now delivering on sales contracts for the supply of eucalyptus chips to leading customers in the global pulp and paper industry.

RECENT DEVELOPMENTS

On June 12, 2009, the Company entered into a memorandum of understanding (the "**MOU**") with a large Chinese-based multi-national company (the "**Subscriber**") that intends to subscribe for 400 million Common Shares at a price of $0.70 per share (the "**Proposed Transaction**"). Although the MOU does not itself serve as a binding obligation in respect of the Proposed Transaction, the terms contained therein will serve as the basis for the negotiation of definitive documentation. MagIndustries has agreed to negotiate exclusively with the Subscriber until the earlier of July 31, 2009 and the date definitive documentation is entered into.

In addition to the above terms, the MOU provides that the definitive documentation will contain a pre-emptive right for the Subscriber to participate *pro rata* in any future financings completed by the Company so long as the Subscriber holds more than 10% of the issued and outstanding Common Shares and the right to nominate for election a majority of directors to the Company's board.

If the Proposed Transaction is completed the following fees would be payable to agents who assisted the Company with the negotiation of the Proposed Transaction: a cash fee of 3% to the lead agent in respect of the Proposed Transaction plus 2% to other agents payable pursuant to pre-existing agreements, for a total of 5% of the value of the equity raised; a cash fee of 1% of the value of the debt (as described in the following paragraph), to be agreed by the debt provider; and a number of broker warrants equal to 6% of the number of Common Shares to be issued with each broker warrant exercisable for a period of two years at an exercise price of $0.70.

Closing of the Proposed Transaction will be subject to a number of conditions and approvals including approval of the transaction by the Board of Directors, approval by a majority of MagIndustries shareholders at a special meeting of shareholders, the approval of all relevant regulatory and government authorities and satisfactory completion of due diligence. The Proposed Transaction is also conditional on the Subscriber arranging substantially all of the debt financing required for the completion of Phase I of the Project as an alternative to debt financing that might be available to the Company from other sources. Given these conditions and the fact that no definitive documentation has yet been entered into, there is no assurance that the Proposed Transaction will be completed.

The Company is expected to be in a fully-funded position with respect to Phase 1 of the Project if the Proposed Transaction is completed.

Should the Proposed Transaction be completed, the Subscriber would hold approximately 52.7% of the outstanding Common Shares (after giving effect to the Offering, assuming the full exercise of the Over-Allotment Option).

THE PROPERTY

The following disclosure relating to the Property has been derived from the Technical Report. The summary from the Technical Report and excerpts from the capital and operating costs estimates and economic analysis sections of the Technical Report are reproduced herein for the purposes of the disclosure of the Property required under Item 9 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions*. The detailed disclosure contained in the Technical Report, in its entirety, is incorporated by reference in this Prospectus.

Each of Dr. Rauche and Dr. van der Klauw, the authors of the Technical Report, are "qualified persons" within the meaning of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and are independent of the Company. The Technical Report is available for inspection during normal business hours at MagIndustries' registered office at 95 Wellington Street West, Suite 1200, Toronto, Ontario and may also be reviewed under MagIndustries' profile on the SEDAR website at www.sedar.com.

Technical Report Summary

This Technical Report provides an update to the technical report authored by Ercosplan, entitled "Updated Reserve and Resource Estimate for MagMinerals Mengo Permit Area, Kouilou Region, Republic of Congo" dated 03 November 2008. The updates incorporated in this Technical Report include new estimates of capital expenditures and operational expenditures for Phase 1 of the Project, as well as finalisation of the Land Use and Occupation Survey, which resulted in a change in the area available for the brinefield and the economic evaluation of the Project. Furthermore, the finalisation of the Potash Investment Agreement ("PIA") between MagIndustries and the government of the Republic of Congo and the signing of a gas delivery contract between MagMinerals Potasses Congo SA and ENI Congo SA, since the finalisation of the November 2008 report have reduced uncertainties about natural gas price and applicable ROC tax rates.

The economic evaluation of the Project includes only Phase 1 of the Project (annual production of 600,000 tonnes of K60 product) as updated figures for phase 2 are not yet available.

Location of the Property

The Mengo Exploitation Permit area is located about 500km west of Brazzaville, ROC, and about 15km northeast of the port city Point-Noire. The Mengo Permit lies in the Kouilou province, its boundaries are given by the following coordinates in the decree 2008-74:

Longitude	Latitude
11° 55' 40" E	4° 37' 37" S
12° 01' 01" E	4° 37' 37" S
12° 01' 03" E	4° 45' 00" S
11° 55' 40" E	4° 45' 00" S

Within the Mengo Permit area of 136km², MagMinerals' exploration efforts were concentrated on an area of approximately 25km² near the village of Mengo (the "**Mengo Mine Area**").

Land Tenure

The authors of the Technical Report did not complete a detailed review of the mineral titles or agreements to assess the validity of the stated ownership of the exploration concession and relied on the documentation provided by MagMinerals. The Mengo Exploitation Permit was granted by Decree 2008-74 dated April 3, 2008, in accordance with law 23/82 dated July 7, 1982, enacting the Mining Code.

The Mengo Exploitation Permit gives the holder exclusive right to carry out exploitation activities in the area defined, to an unlimited depth and in respect of potassium salts. The Mengo Exploitation Permit is valid for a maximum of 25 years and can be extended upon request by the holder for maximum periods of 15 years per extension. When the permit expires, if no request for extension is filed, a mine closure plan must be submitted. In the event that the holder has not commenced the exploitation works within 12 months of the date on which the permit was granted, the Council of Ministers may revoke the permit.

The Mengo Exploitation Permit was granted based on the exploration work done on the former Makola Exploration Permit (2265km²). MagMinerals has applied to be granted a new Makola Exploration Permit for a smaller area (~1472km²), because the original Makola Exploration Permit expired as the Mengo Exploitation Permit was granted.

Geology and Mineralization

Geologically, the deposit area is located in the Congo coastal basin of Aptian age (lower Cretaceous), which extends from Equatorial Guinea in the North, to Angola in the South (Feuga et al., 2005). The basin represents the eastern flank of the pre-Atlantic continental rift basin which continues on the opposite coast of the South Atlantic Ocean in the Sergipe Basin, Brazil, where large potash deposits are still under extraction. To the east this basin is bordered by Precambrian crystalline rocks, known as the Mayombe basement.

For the whole Congolese coastal basin non NI 43-101 compliant geological resources have been estimated at 800 billion tonnes of carnallitite by the Congolese government. For the 1300km² Holle Mine Area Feuga et al. (2005) cite from Compagnie de Potasse de Congo (CPC) sources non NI 43-101 compliant geological K_2O resources of 30 billion tonnes of Sylvite[1] and Carnallite. The detail of the data available for both these historical resource estimates is below that required for inferred resources according to CIM Standards[2]. MagMinerals is not treating these historical estimates as current mineral resources as defined in NI 43-101. They are presented here because they are considered relevant and of historic significance. These historic estimates should not be relied upon, but suggest that a potash deposit in the form of Carnallite underlies the Mengo Exploitation Permit Area.

Exploration

For the Mengo Mine Area, which is part of the Mengo Exploitation Permit area, the carnallitite mineralization has been investigated by MagIndustries in more detail, with 14[3] drill holes and 23km of 2D seismic survey. To date, the data available allow for this part of the deposit reserves and resources to be categorized in accordance with NI 43-101. In the area investigated, small scale faults and potential subrosion structures have been identified and the areas where these structures occur were excluded from the reserve and resource estimation area.

The carnallitite rock consists of an interlayering of carnallite ($KMgCl_3 \times 6\ H_2O$) rich layers (>70 % carnallite) with some halite (NaCl) and minor amounts of anhydrite ($CaSO_4$) and clay with layers or lenses of rock salt, consisting mainly of halite with minor amounts of carnallite, usually in lenses and Anhydrite, dolomite and clay, which are often concentrated in at maximum several mm thick layers.

14 drill holes completed in the Mengo Mining Area have all intersected multiple carnallitite horizons.

- 1 hole completely penetrated the evaporite sequence and all the carnallitite beds

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1 Sylvite, KCI, Carnallite $KMgCl_3 \times 6H_2O$.

2 The historical estimates presented above with respect to the estimated geological resources of 800 billion tonnes of carnallite and were prepared prior to the implementation of NI 43-101. A qualified person has not done sufficient work to classify these historical estimates according to NI 43-101 standards or the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards. MagMinerals is not treating these historical estimates as current mineral resources as defined in NI 43-101. They are presented here because they are considered relevant and of historic significance. These historic estimates should not be relied upon.

3 The 14 dill holes, consist of hold K3 from 1960 used as reference hole and slim hole Mengo 1 from 1998 and 12 holes from the recent MagMinerals campaign. Only for these last 12 holes sufficient data were available for use in the resource and reserve estimate.

- 11 holes penetrated the upper part of the evaporite sequence, where the thick carnallitite horizons, suitable for solution mining are located
- 2 holes penetrated only the uppermost carnallitite beds, which are partly suitable for solution mining

Resource and Reserve Estimation

Four carnallitite horizons are considered to have economic potential for solution mining of carnallitite. In descending order they are Horizon 1 carnallitite, Horizon 2 carnallitite, Horizon 3 carnallitite and Horizon 4 carnallitite. Horizon 1 carnallitite has potential for solution mining, but preliminary rock mechanical modelling has shown that a connection between caverns and groundwater bearing strata can not be excluded and therefore this Horizon is only considered part of the inferred resources. Horizons 2, 3 and 4 have resources categorized depending on the distance from the 12 new drill holes.

The average thickness and the weighted average Carnallite grade, for the 12 recent drill holes for the Horizons 1, 2, 3 and 4 are as follows:

- Horizon 1 carnallitite, 19.0m average thickness and 63.6% Carnallite (inferred resources)
- Horizon 2 carnallitite, 13.4m average thickness and 44.1% Carnallite
- Horizon 3 carnallitite, 10.0m average thickness and 90.0% Carnallite
- Horizon 4 carnallitite[4], 26.6m average thickness and 66.3% Carnallite

The resources have been categorized based on the distance surrounding the recent drill holes that have complete geophysical logs and spot cores in the horizons of interest. This is the best available practice in the potash industry. The distances from the wells for inclusion in the inferred, indicated and measured resources are as follows:

- measured: 750m radius if a correlation is possible on 2 sides to other drill holes with a comparable potash section, otherwise a 250m radius is used,
- indicated: 1,500m radius if a correlation is possible on 2 sides to other drill hole with a comparable potash section, otherwise a 500m radius is used, minus the area of measured resources,
- inferred: 3,000m radius is used minus the area of measured and indicated resources.

On the basis of the diameters discussed above, polygons were constructed around the drill holes. The measured and indicated resources were calculated for each polygon, reducing the area by taking into account the presence of geological (faults) and technical exclusion zones (steep slopes and villages, from the updated Land Use and Occupation Survey). For the inferred resources an overall 35% area reduction for these factors was used. Furthermore, mining losses due to safety pillars around caverns, non geometric cavern shape (thickness dependant), incomplete Carnallite dissolution and incomplete brine displacement were accounted for in the resource estimate. The estimated resources for each category are given in Table 1.

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[4] Horizon 4 carnallitite was modified compared to the November 2008 Technical Report (Ercosplan, 2008a) to include a thick carnallitite layer above the original defined Horizon 4 carnallitite.

Table 1 Measured, Indicated and Inferred Resources from the carnallitite Horizons 1 (inferred only), 2, 3 and 4

	Horizon 1	Horizon 2	Horizon 3	Horizon 4	Total
Measured resources					
Million tonnes of carnallitite	-	38.1	22.4	86.2	146.7
Carnallite grade of ore (%)	-	44.2	90.0	67.4	64.9
KCl grade of ore (%)	-	11.8	24.1	18.1	17.4
Million tonnes of KCl	-	4.5	5.4	15.6	25.5
Indicated resources					
Million tonnes of carnallitite	-	9.2	5.4	24.9	39.5
Carnallite grade of ore (%)	-	44.8	89.3	68.9	66.1
KCl grade of ore (%)	-	12.0	23.9	18.5	17.7
Million tonnes of KCl	-	1.1	1.3	4.6	7.0
Inferred resources					
Million tonnes of carnallitite	427.6	191.9	113.7	482.5	1215.7
Carnallite grade of ore (%)	63.6	44.1	90.0	66.3	64.1
KCl grade of ore (%)	17.1	11.8	24.1	17.8	17.2
Million tonnes of KCl	73.0	22.7	27.5	85.8	209.0

This resource estimate does not take into account any of the several relatively thin (< 5m) and high grade carnallitite horizons, which together have a combined thickness in the order of 20m within the investigated evaporite section, as they are only marginally mineable by solution mining.

This resource can be mined using hot leaching in double well caverns. The brine produced may be processed at the proposed potash facility located nearby. The processing concept continually adds Carnallite (produced during a later stage) to the incoming brine, which results in the precipitation of Halite and Sylvite. The solid slurry is separated from the brine and processed to produce a marketable K60 material using hot leaching and KCl crystallisation. The brine from the Carnallite decomposition is evaporated to produce Carnallite, which is recycled to the Carnallite decomposition stage. Remaining $MgCl_2$ brine will be disposed to the sea.

Based on this mining and processing concept the production of 600,000 tonnes per year of K60 requires capital expenditures ("CAPEX") estimated at US$835 million, with operating expenditures ("OPEX") of US$124 per tonne of K60.

Financial modelling based on a conservative potash price prognosis of Fertecon (2009) which implies an average net realized price per tonne to MagMinerals of US$649 for the first five years of the Project and taking into account the financing costs (Phase 1 CAPEX US$835 million, financing and development cost US$382 million, with an debt to equity ratio for Phase 1 of 70:30) show that even for pessimistic cases the project is capable of servicing its debt and break even. On the base case the Project internal rate of return is estimated at 23% and at a discount rate of 12% the net present value is estimated at US$914million. On the total project costs of US$1,217 million pay back is achieved in approximately five years, on the cumulative cash flows from operations from 2012 to 2016.

These economics show that the measured and indicated resources can be transformed to proven and probable reserves. As basis for the reserve estimate the polygon areas with exclusion zones around each drill hole were used, but instead of the area, the number of caverns in each polygon were used for the estimation of proven and probable reserves to take into account unfavourable polygon shape and cavern requirements.

The estimated reserves of each category for Horizon 2, Horizon 3 and Horizon 4 are presented in Table 2. The proven and probable reserves summarised over the three Horizons for each drill hole polygon are shown in Table 3.

Table 2 Proven and Probable Reserves from the carnallitite Horizons 2, 3 and 4

	Horizon 2	**Horizon 3**	**Horizon 4**	**Total**
Proven reserves				
Million tonnes of carnallitite	39.3	22.4	89.5	151.2
Carnallite grade of ore (%)	44.2	90.0	67.1	64.4
KCl grade of ore (%)	11.8	24.1	18.0	17.3
Million tonnes of KCl	4.6	5.4	16.1	26.1
Probable reserves				
Million tonnes of carnallitite	9.2	5.4	25.7	40.3
Carnallite grade of ore (%)	44.5	89.4	68.2	65.7
KCl grade of ore (%)	11.9	24.0	18.3	17.6
Million tonnes of KCl	1.1	1.3	4.7	7.1

Conclusions

It is the opinion of the authors that proven and probable potash reserves of 33.2[5] million tonnes of KCl occur in the Mengo Mine Area of the Mengo Exploitation Permit area.

Table 3 Summary of the proven and probable reserves estimated for each drill hole area

Hole Mengo	**Polygon Area (km²)**	**Thickness of Intersections (m)**	**Averaged Density (t/m³)**	**Ore Tonnage (million tonnes)**	**Averaged Carnallite Grade %**	**Averaged Mining Recovery %**	**Carnallite Reserves (million tonnes)**
2B	0.94	40.5	1.68	64.3	68.99	25.8	11.5
3[6]	0.37	12.6	1.84	12.8	48.00	14.6	0.9
5B	0.55	47.1	1.51	45.2	65.11	27.0	7.9
6	0.64	43.2	1.69	47.9	63.75	22.9	7.0
7	1.27	55.9	1.76	125.0	65.16	25.9	21.1
8B	0.59	31.1	1.61	29.5	66.06	18.3	3.6
9	0.26	51.8	1.79	23.4	60.93	34.1	4.9
10	1.02	41.4	1.76	68.7	65.02	22.9	10.2
11	0.52	58.6	1.76	53.8	62.34	28.0	9.4
12	0.86	57.8	1.76	87.2	65.84	28.5	16.4
13	0.83	48.4	1.75	70.7	67.03	27.2	12.9
15	1.11	53.8	1.76	105.5	64.61	26.5	18.1
	8.6			**734.0**			**123.8**

The estimate of proven and probable reserves for the Mengo Mine area is conservative as none of Horizon 1 carnallitite has been assigned to the reserves, as the preliminary synoptic 3D rock mechanical modelling has shown that contact is possible between the groundwater bearing cap rock strata and the caverns. Detailed rock mechanical modelling of caverns with specific data from this location is required to further verify this scenario. Solution mining design efforts might result in adding parts of Horizon 1 to the probable and proven reserves, but until then Horizon 1 is reported as inferred resources.

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5 Numbers mentioned in the text and tables are rounded from more comprehensive calculation tables, therefore there small are differences between the results as shown in the tables and calculations with the data from the tables can occur.

6 For drill hole Mengo 3, only data are available for Horizon 2 carnallitite. The Horizon 3 and 4 carnallitite in this area is calculated from the neighbouring drill holes. To avoid double counting the influence area around a drill hole, the Mengo 3 area should not be added to the total area.

Further engineering studies and the pre-production drilling will increase the database, thus helping to further upgrade the reserve and resource base. The indicated and measured resources are open in all directions (have no natural boundaries) and are surrounded by 209 million tonnes of inferred resources. Further drilling for brine field development is expected to identify additional proven and probable reserves and to change present probable reserves to proven reserves.

The provider of the crystallisation plant HPD Systems of Plainfield, Illinois states a 93% efficiency of the processing plant, which is considered feasible by the authors of this report. At this efficiency the 33.2 million tonnes of KCl reserves defined to date are sufficient to support 54 years of production at a rate of 600,000 tonnes of K60 per year.

Recommendations

A further increase in the reserves and resources or a reclassification within the investigated area, without additional exploration drilling can be established in 2 ways:

- Increase the number of caverns in the area by reducing the size of technical and geological exclusion zones. Technical exclusion zones can not be further minimised , but if the potential dissolution structure is better defined and the location of the faults interpreted from 2D seismic surveys in the underground is better defined, the size of the geological exclusion zones can be minimised. A potential option to achieve this would be 3D seismic investigations in selected parts of the Mengo Mine Area.

  Alternatively, technical inclusion zones because of inhabited areas might be decreased if the cost of (temporary) relocation of people is compared to the costs of the product, which can be mined from a cavern in this location.

- Transform part of the inferred resource from Horizon 1 carnallitite to indicated or measured. This would require definition of a solution mining method, which allows mining of this Horizon without risk to the groundwater. This can potentially be achieved by a number of studies:

  - Rock mechanical modelling to define potential cavern size and required thickness of the rock salt between Horizon 1 carnallitite and the anhydrite overburden.

  - Investigation of the potential aquifers in the anhydrite and the dolomitic limestone to investigate consequences of contact between aquifer and cavern brine.

Capital and Operating Cost Estimates

Capital Costs

Capital and operating cost estimates were originally sourced from the feasibility study of SNC Lavalin (2008) for Phase 1 as updated by EPC in April 2009. The original and updated capital expenditures and capital costs for Phase 1 are summarised in Table 4 below.

Table 4 Comparison of the Direct and Indirect Capital Costs for construction of plant, brinefield and infrastructure for Phase 1 between SNC and EPC

Position	SNC Costs (million US$)	Sum (million US$)	EPC Costs (million US$)	Sum (million US$)
Direct Costs				
Equipment Costs	133.4		136.3	
Material Costs	44.7		50.9	
General Contractors Direct Base Costs	120.1		143.7	
..Freight Costs	16.4		18.9	
..Subcontractor Provisional Costs	11.2		20.4	
Rail	0.5		0.3	
Port	1.0		0.3	
..Drilling	44.1		48.8	
Gas Pipeline			30.7	
Subtotal Direct Costs	371.4	371.4	450.3	450.3
Indirect Costs				
EPCM Costs (including Training)	55.8		46.9	
Supplementary Funds for early Work	1.4		2.2	
General Contractors indirect Costs	157.5		173.3	
Commissioning Costs	1.8		2.5	
Owner's Costs	39.6		58.3	
Insurance Costs	8.3		11.0	
Insurance Costs – Excess Allowance	2.0		2.0	
Development Costs (CCC/HPD)	1.4			
Subtotal Indirect Costs	267.8	267.8	296.2	296.2
Adjustment		- 17.5		
Total Adjusted Construction Costs		621.7		
Port Fees	18.2		21.7	
Contingency and Risks	83.3		66.6	
	101.5	101.5	88.3	88.3
Total Construction Costs		**723.2**		**834.8**

The direct costs for plant construction and equipment for Phase 1 are in the range expected for this kind of project. The indirect costs are relatively high. To understand the cost structure it must be taken into account that MagMinerals, as a junior mining company with a small staff intends to implement the project with reputable engineering companies to provide Engineering, Procurement and Construction Management services, for earth works, plant construction, equipment installation etc. (Consolidated Contractors Company ("CCC")) and for major equipment (HPD Systems of Plainfield, Illinois) on a rates reimbursable, guaranteed performance and time schedule. At present with a relative scarcity in experienced reliable engineering and construction capacity this results in an increased price for these services and in comparison to similar potash projects relative high capital expenditures. The increase in capital expenditures between the estimate of SNC Lavalin (2008) (costs from the fourth quarter of 2007) and EPC (2009) (costs from first quarter 2009) can be attributed to:

- inclusion of a 26 km gas pipeline from the Djeno gas treatment plant to the Project site;
- an increase in material costs (mainly steel price escalation); and
- an escalation of the indirect costs in the order of 10%, which is considered realistic in comparison to other potash projects,

which is considered realistic in comparison to other potash projects.

Operating Costs

The operating costs for the Phase 1 of the Project for the 600,000 tonnes per year K60 production are subdivided into fixed costs and variable costs and tabulated as comparison between SNC Lavalin (2008) and EPC (2009b) in Table 5 below. As expected for a solution mining operation the costs for replacement wells and energy required for water evaporation have the major share of the operating costs. Compared to other potash projects the authors consider the estimated operating costs reasonable, taking into account the low price for natural gas in the ROC.

The total operating expenditure of US$74.5 million per year for the production of 600,000 tonnes of K60 product result in production costs of US$124 per tonne of K60 product.

The increase in operating expense is mainly due to an increased price for the natural gas, which was in the SNC Lavalin (2008) estimate taken as US$0.008/Nm³ (US$0.1821/million BTU), as there was no gas market or infrastructure in the ROC at that time. The present price for the gas in the contract with ENI is below US$1.20/million BTU, which is well below the market price for natural gas, which was traded between US$3.50/million BTU and US$8.00/million BTU between September 2008 and June 2009[7].

Table 5 Fixed and variable operating costs for the original SNC estimate and the updated EPC estimate for a 600,000 tonnes per year operation

Position	SNC Costs (million US$/year)	Sum (million US$/year)	EPC Costs (million US$/year)	Sum (million US$/year)
Direct Production Cost				
Variable Cost				
Raw Materials and Workovers	17.50		20.07	
Utilities	6.80		16.88	
Other Variable Costs	1.06		1.06	
Total Variable Cost	25.36	25.36	38.01	38.01
Fixed Cost				
Labour	6.12		6.08	
Maintenance	4.08		5.49	
Manpower Consumables (Catering Safety etc.)	0.48		3.12	
Track Access Fee and Rail Maintenance	0.64		0.64	
Cotecna and Port Fees	1.45		0.59	
Total Fixed Cost	11.77	11.77	15.92	15.92
Indirect Production Cost				
Administrative	7.24		8.68	
Sales, Marketing and Customer Relation	0.50		0.50	
Plant Optimization & Project Development	0.40		0.40	
Environmental Monitoring and Community Benefits	0.40		0.40	
Insurances Premiums (Including Plant Closure Fund Contribution)	2.00		7.90	
Total Indirect Production Costs	10.54	10.54	17.88	17.88
Total Operating Costs		47.67		71.81
Contingency		1.96		2.64
Total Operating Costs incl. Contingency		**49.63**		**74.45**

Economic Analysis

A financial model has been constructed to evaluate the Project. This model used capital expenditure and operating expenditure data presented above as estimated by SNC Lavalin (2008) and updated by EPC (2009a), (2009b) and includes further investment costs as provided by MagIndustries consisting of:

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[7] http://www.cga.ca/publications/documents/5and6OilandGasPricesmonthly_017.xls, Henry Hub Spot price, accessed August 2008.

- development costs (US$95 million);
- finance costs, composed mainly of premium and fees (US$103 million);
- capitalised interest during construction (US$108 million);
- debt service reserve account (US$62 million); and
- operating costs during the ramp up period (US$14 million) representing six months ramp up operating costs.

For the potash price a forecast from 2011 to 2020 provided by Fertecon (2009) was used. As base case Fertecon forecasts the Vancouver fob price and calculates delivered prices in key markets, which gives the expected FOB Pointe-Noire netback by deducting a forecast freight rate.

The total operating expenditure of US$74.5 million per year for the production of 600,000 tonnes of K60 product results in production costs of US$124 per tonne of K60 product.

The increase in operating expenditure is mainly due to an increased price for the natural gas, which was in the SNC Lavalin (2008) estimate taken as US$0.008/Nm³ (US$0.1821/million BTU), as there was no gas market or infrastructure in the ROC at that time. The present price for the gas in the contract with ENI is below US$1.20/million BTU, which is well below the market price for natural gas, which was traded between US$3.50/million BTU and US$8.00/million BTU between September 2008 and June 2009[8].

A base potash price of US$649 per tonne KCl for 2012 is significantly higher than a long term average over the last 2 years, but appears reasonable taking into account the changed market situation as discussed in the section entitled "Market Growth – Historical Behaviour and Outlook" of the Technical Report. The present large producers being organised in trading organisations such as Canpotex and BPC have shown their ability and willingness to reduce production to decrease inventories and keep the potash price high.

Only major newcomers to the industry can force the price down. Driven by the high potash prices a number of higher risk, large greenfield projects are being developed, but as development of a greenfield project takes time, no major new capacity independent from present producers will be added before 2013. The many projects that are started at the moment will not all be developed and the earliest substantial increase in potash production capacity by these projects is not to be expected before 2015. Therefore, a high base potash price for the coming years is considered a reasonable estimate.

The base case models assumes:

- Project costs of US$1,217 million for Phase 1,
- Financing on an equity to debt ratio for phase 1 of 30:70,
- Annual operating expenses for 600,000 tonnes of production of US$75 million,
- Potash prices as Fertecon (2009) forecast, which implies an average net realized price per tonne of US$649 for the first five years of the Project,
- Onset of production 2012,
- A discount rate of 12%,
- A project lifetime of 27 years, with a
- 10 year tax exemption.

Valuation Summary and Payback

For the base case model described above the project internal rate of return is about 23%. The project net present value at a discount rate of 12% is US$914 million. Under the base case model, the cumulative cash flows of the project for the first six years of operations, 2011 to 2016, are estimated at US$1.336 billion resulting in a payback period of approximately five years of the total project cost of US $1.217 billion.

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8 http://www.cga.ca/publications/documents/5and6OilandGasPricesmonthly_017.xls, Henry Hub Spot price, accessed August 2008.

Sensitivity Analysis

As with most mining projects the Project is sensitive to commodity prices and as revenue is reported in US$ dollars to exchange rates. The base case has been varied to evaluate sensitivities to:

- a 20% reduction in potash price over the project life,
- an 20% increase in operating expense,
- an increase in capital expense, using the 8% contingency and 12% extra; and
- a 20% decrease in planned production.

The scenarios run (Table 6) show decreases in internal rate of return and net present value of the Project, but also indicate that by changing the boundary conditions within reasonable limits the Project is capable of servicing its debt at all times.

The major risk for the economic viability of the project is a long term potash price well below US$300/tonne.

Table 6 Sensitivity of IRR and NPV of the project (discount rate fixed at 12%) to negative changes in the boundary conditions

	NPV (million US$)	**IRR (in %)**
Base case	914	23.0
20% decrease in Potash price	438	17.7
20% increase in operating expense	796	21.8
20% increase in capital expense	753	19.9
20% decrease in sales volume (planned production)	571	19.2

USE OF PROCEEDS

The aggregate net proceeds of the Offering are estimated to be approximately $24,197,850 after deducting the Underwriters' Fee and the estimated expenses of the Offering (or $27,917,528 if the Over-Allotment Option is exercised in full). See "Plan of Distribution".

The Company currently intends to use the net proceeds of the Offering for the following purposes (in descending order of priority):

Use of Net Proceeds	
Construction of natural gas pipeline	$12,100,000
Purchasing of materials, services and equipment relating to the Property	$8,000,000
Acceleration of engineering work	$4,097,850
Total…………………………………………………………………………………………......	$24,197,850

In the event that the Over-Allotment Option is exercised in full, the additional estimated net proceeds of $3,719,678 from the exercise of the Over-Allotment Option will be allocated to unallocated working capital.

While the Company currently anticipates that it will use the net proceeds of this Offering received by it as set forth above, depending upon market and other conditions in effect at the time, the Company may re-allocate the net proceeds as it considers appropriate from time to time.

Until required for the Company's purposes, the proceeds realized from the sale of securities under this Prospectus will be invested only in securities of, or those guaranteed by, the Government of Canada or any province of Canada, or in certificates of deposit or interest bearing accounts of Canadian chartered banks or trust companies.

CONSOLIDATED CAPITALIZATION

The following table sets out the consolidated capitalization of the Company and its subsidiaries as at March 31, 2009 (both before and after giving effect to the Offering). The table should be read in conjunction with the interim consolidated financial statements of the Company for the period ended March 31, 2009, together with the notes thereto and the management's discussion and analysis thereon, which are incorporated by reference herein.

	Outstanding as of March 31, 2009	
Description	**Before Giving Effect to the Offering**	**After Giving Effect to the Offering(1)(2)**
Cash and cash equivalents	US$70.3 million	US$92.6 million(3)
Long-term debt	US$32.4 million	US$32.4 million
Shareholders' equity		
Common share capital	US$308.3 million (288,079,962 shares)	US$330.6 million (350,229,962 shares)
Contributed surplus	US$14.3 million	US$14.3 million
Warrants	US$5.9 million	US$5.9 million
Retained earnings	US$(115.7 million)	US$(115.7 million)
Total shareholders' equity	US$212.8 million	US$235.1 million
Total capitalization	US$315.5 million	US$360.1 million

Notes:

(1) After deducting the Underwriters' Fees and the estimated expenses of the Offering payable by the Company, estimated at approximately $600,000.

(2) Prior to the exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, cash and equivalents would be US$96 million, common share capital would be US$334 million, and the number of outstanding common shares of the Company would be 359,552,462.

(3) Based on net proceeds of US$22.3 million based on the Bank of Canada noon exchange rate on June 1, 2009.

On April 2, 2009, the Company repurchased US$5.5 million principal amount of its notes for aggregate consideration including accrued interest of US$2.2 million. The repurchased notes were cancelled pursuant to the terms of the indenture governing such notes and the Company reached an agreement with the holders of the associated common share purchase warrants to not exercise such warrants prior to their expiry.

DESCRIPTION OF OFFERED SECURITIES

Summary of Common Share Characteristics

The authorized share capital of the Company consists of an unlimited number of Common Shares. The holders of Common Shares are entitled to receive dividends if, as and when declared by the board of directors of the Company, subject to the prior rights of the holders of any shares ranking senior to the Common Shares in the payment of dividends. In the event of the dissolution, liquidation or winding-up of the Company, the holders of the Common Shares, subject to the prior rights of the holders of any shares ranking senior to the Common Shares with respect to priority in the distribution of the property and assets of the Company upon dissolution, liquidation or winding-up, will be entitled to receive the remaining property and assets of the Company. Holders of Common Shares are entitled to receive notice of, attend and vote at any meeting of the Company's shareholders, except meetings where only the holders of another class or series of shares are entitled to vote separately as a class or series. The Common Shares carry one vote per share.

PRIOR SALES

The following table summarizes the sales of securities of the Company within the twelve months prior to the date of this Prospectus.

Common Shares

Date of Issuance	Number of Shares	Price	Description of Issuance
June 6, 2008	275,000	US$0.40[(1)]	Exercise of stock options
June 16, 2008	1,690,000	US$0.40[(1)]	Exercise of stock options
June 16, 2008	100,000	US$0.85[(1)]	Exercise of stock options
November 5, 2008	250,000	US$0.10[(1)]	Exercise of stock options
November 5, 2008	50,000	US$0.40[(1)]	Exercise of stock options
November 12, 2008	100,000	US$0.10[(1)]	Exercise of stock options
December 31, 2008	90,165,976	$1.98	Exchange of MagMinerals Holdings Corp. common shares (See "General Development of the Business – Three Year History – 2008" in the AIF)

Options to Purchase Common Shares

Date of Issuance	Number of Options	Price	Description of Issuance
June 4, 2008	3,925,000	$3.28	Grant of stock options
October 1, 2008	1,100,000	$0.91	Grant of stock options
November 19, 2008	50,000	$0.30	Grant of stock options
February 18, 2009	5,480,000	$0.24	Grant of stock options

Note:

(1) The options exercised were US dollar denominated stock options granted pursuant to a prior stock option plan of the Company.

TRADING PRICE AND VOLUME

The Common Shares are currently listed for trading through the facilities of the TSXV under the symbol "MAA". The following table sets forth the closing market price ranges and the aggregate volume of trading of such shares on the TSXV for the periods indicated:

Month	Volume (000s)	High	Low
May 2008	36,116	$3.17	$2.69
June 2008	44,151	$3.63	$3.10
July 2008	35,028	$3.28	$2.36
August 2008	39,584	$2.55	$1.55
September 2008	43,671	$2.00	$0.80
October 2008	24,366	$0.94	$0.27
November 2008	14,314	$0.65	$0.27
December 2008	26,601	$0.30	$0.17
January 2009	19,683	$0.44	$0.22
February 2009	19,305	$0.24	$0.17
March 2009	42,898	$0.35	$0.18
April 2009	30,324	$0.37	$0.31
May 2009	33,178	$0.60	$0.36
June 2009 (1 - 12)	24,342	$0.56	$0.42

RISK FACTORS

An investment in the Offered Shares is subject to a number of risks. A prospective purchaser of such securities should carefully consider the information and risks faced by the Company described in this Prospectus and the documents incorporated by reference including, without limitation, the risk factors set out under the heading "Risk Factors" in the AIF. The risks described herein are not the only risk factors facing the Company and should not be considered exhaustive. Additional risks and uncertainties not currently known to the Company, or that the Company currently considers immaterial, may also materially and adversely affect the business, operations and financial condition of the Company.

Current Global Financial Conditions

Recent events in global financial markets have had a significant impact on the global economy, which is now generally acknowledged to be in a recession. Many industries, including the potash and forestry industries, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in widening of credit risk, devaluations, high volatility in global equity, commodity and foreign exchange markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including by not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets and interest rates, may adversely affect the Company's growth and profitability.

Use of Proceeds

The Company currently intends to allocate the net proceeds received from this Offering as described under "Use of Proceeds". However, management will have discretion in the actual application of the net proceeds, and may elect to allocate net proceeds differently from that described under "Use of Proceeds" if they believe it would be in the Company's best interests to do so. Shareholders may not agree with the manner in which management chooses to allocate and spend the net proceeds. The failure by management to apply these funds effectively could have a material adverse effect on the Company's business.

The Proposed Transaction May Not be Completed

There can be no assurance that definitive documentation relating to the Proposed Transaction will be entered into or that the transaction will be completed. Each of the Company and the Subscriber has the right to terminate the Proposed Transaction. Accordingly, there is no certainty, nor can the Company provide any assurance, that the Proposed Transaction will not be terminated by either the Company or the Subscriber before completion. In addition, the completion of the Proposed Transaction is subject to a number of conditions precedent, certain of which are outside the control of the Company or the Subscriber, including the Company's shareholders approving the Proposed Transaction. There is no certainty, nor can the Company provide any assurance, that these conditions will be satisfied. If for any reason the Proposed Transaction is not completed, the market price of the Common Shares may be adversely affected. Moreover, if the Proposed Transaction is terminated, there is no assurance that the Company will be able to obtain sufficient equity or debt financing required to fund the Project.

Controlling Equity Interest of the Company

In the event that the Proposed Transaction is completed, the Subscriber is expected to hold a controlling interest in the Company. As long as the Subscriber has voting control of the Company, the Subscriber will have the ability to take shareholder actions irrespective of the vote of any other shareholder, including the ability to prevent certain transactions that it does not believe are in its best interest. This voting control may discourage transactions involving a change of control of the Company, including transactions in which minority shareholders of the Company might otherwise receive a premium for their shares over the then-current market price.

Furthermore, the Subscriber would generally have the right (subject to applicable securities laws) at any time to sell Common Shares held by it or to sell a controlling interest in the Company to a third party, without the approval of the minority shareholders and without providing for a purchase of such shareholders' shares. Accordingly, Common Shares held by minority shareholders may be less liquid and worth less than they would be if the Subscriber did not have the ability to influence or control matters affecting the Company.

Tax Issues

Income tax consequences in relation to the Offered Shares will vary according to the circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisors prior to subscribing for the Offered Shares.

The Company's estimates regarding the capital and operating costs at the Project have assumed current Congolese tax rates, which may be increased in the future. Accordingly, the cost estimates may not represent an accurate statement of the Company's future tax costs.

PLAN OF DISTRIBUTION

Pursuant to the terms of the Underwriting Agreement, the Company has agreed to sell and the Underwriters have severally agreed to purchase, as principals, on the Closing Date, 62,150,000 Offered Shares at the Offering Price, payable in cash to the Company against delivery of certificates representing the Offered Shares, subject to compliance with all necessary legal requirements and to the conditions contained in the Underwriting Agreement. The Company also has granted to the Underwriters the Over-Allotment Option exercisable, in whole or in part, in the sole discretion of the Underwriters, to purchase up to 9,322,500 Additional Shares, exercisable at the Offering Price per Additional Share for a period of 30 days from the Closing Date, for market stabilization purposes and to cover the Underwriters' over-allocation position, if any. A purchaser who acquires securities forming part of the Underwriters' over-allotment position acquires those securities under this Prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The obligations of the Underwriters under the Underwriting Agreement may be terminated at their discretion upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Offered Shares if any of the Offered Shares are purchased under the Underwriting Agreement. The Offering Price of the Offered Shares was determined by negotiation between the Company and the Underwriters. The Company has also agreed to indemnify the Underwriters against certain liabilities, including liabilities for misrepresentation in this Prospectus, and contribute to payments that the Underwriters may be required to make in respect of those liabilities.

Pursuant to the Underwriting Agreement, the Company has agreed to pay to the Underwriters a commission equal to 5% of the gross proceeds from the issue and sale of the Offered Shares (including any Additional Shares issued upon the exercise of the Over-Allotment Option) and to reimburse the Underwriters for certain expenses relating to the Offering.

The Company further agreed that it will not, for a period of 90 days from the Closing Date without prior written consent of the Underwriters (such consent not to be unreasonably withheld) issue any additional Common Shares or financial instruments convertible or exercisable into Common Shares except (i) in conjunction with the grant or exercise of stock options; or (ii) to satisfy existing convertible instruments. In addition, the Company agreed not to sell, transfer, dispose of, monetize or otherwise transfer any economic interest in any of its subsidiaries or business divisions for a period of 90 days following the Closing Date without the prior written consent of the Underwriters (such consent not to be unreasonably withheld).

Subscriptions for the Offered Shares will be received, subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of the Offering will occur on the Closing Date, or such other date that may be agreed to by the Company and the Underwriters but in any event not later than June 30, 2009. Certificates in definitive form evidencing the Offered Shares will be available for delivery at the closing of the Offering.

Pursuant to the rules and/or policies of certain Canadian securities regulators, the Underwriters may not, throughout the period of distribution under this Prospectus, bid for or purchase Common Shares. The foregoing restriction is subject to certain exemptions. The Underwriters may rely on such exemptions on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Common Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces of the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the offer was not solicited during the period of distribution. Subject to the foregoing, the Underwriters may over-allot or effect transactions in connection with the Offering intended to stabilize or maintain the market price of the Common Shares at levels above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Offered Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws, and may not be offered or sold within the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and in compliance with applicable state securities laws. The Underwriters have agreed that, except as permitted by the Underwriting Agreement and as expressly permitted by applicable laws of the United States, they will not offer or sell any Offered Shares within the United States. The Underwriting Agreement will permit the Underwriters to offer and sell the Offered Shares in the United States to "qualified institutional buyers" in compliance with Rule 144A under the U.S. Securities Act and in compliance with applicable state securities laws. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Offered Shares in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offered Shares offered hereby within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act unless such offer is made pursuant to an exemption from the registration requirements under the U.S. Securities Act.

The outstanding Common Shares are listed and posted for trading on the TSXV under the symbol "MAA". The TSXV has conditionally approved the listing of the Offered Shares. Listing is subject to the Company fulfilling all of the requirements of the TSXV.

INTERESTS OF EXPERTS

Certain legal matters relating to the Offering and the Offered Shares to be distributed pursuant to this Prospectus will be passed upon on behalf of the Company by Fogler, Rubinoff LLP and on behalf of the Underwriters by Heenan Blaikie LLP. As at June 15, 2009, the partners and associates of Fogler, Rubinoff LLP, as a group, and the partners and associates of Heenan Blaikie LLP, as a group, own beneficially, directly or indirectly, less than 1%, respectively, of the securities of the Company.

Ernst & Young LLP, Chartered Accountants, Licensed Public Accountants, is the independent auditor of the Company that prepared the Auditors' Report to shareholders with respect to the consolidated balance sheets of the Company as at December 31, 2008 and 2007 and the consolidated statements of loss and comprehensive loss and deficits and cash flows for the years then ended. Ernst & Young LLP is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

The National Instrument 43-101 Technical Report entitled "Updated Reserve and Resource Estimate for MagMinerals Kouilou Potash Project, Republic of Congo" dated June 10, 2009 (the "Technical Report") in respect of the Company's Kouilou potash project was authored by Dr. Henry Rauche and Dr. Sebastiaan van der Klauw of Ercosplan Ingenieurgesellschaft Geotechnick und Bergbau mbH. The authors of the Technical Report are "qualified persons" and "independent" of the Company as those terms are defined in NI 43-101. The authors and their firm do not own any securities of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Ernst & Young LLP, independent chartered accountants, located in Toronto, Ontario.

The Company's registrar and transfer agent for the Common Shares is Equity Transfer & Trust Company at its principal offices in Toronto, Ontario.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. The legislation further provides a purchaser with remedies for rescission or damages if the prospectus or any amendment contains a misrepresentation or are not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation in the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

GLOSSARY

"**CCC**" means Consolidated Contractors Company;

"**CBCA**" means the *Canada Business Corporations Act*;

"**CICA**" means Canadian Institute of Chartered Accountants;

"**Common Share**" means a common share in the capital of the Company;

"**Company**" means MagIndustries Corp., a company governed by the CBCA;

"**EPC**" means Engineering and Projects Company, a company engaged by the Company in respect of the engineering, procurement and engineering management of the Project;

"**Ercosplan**" means Ercosplan Ingenieurgesellschaft Geotechnik und Bergbau mbH;

"**Fertecon**" means Fertecon Limited, a leading provider of market information and analysis on fertilizers and fertilizer raw materials;

"**MagMinerals**" means MagMinerals Potash Corp., a company governed by CBCA;

"**MagPotasses**" means MagMinerals Potasses Congo SAU, a company governed by the laws of the ROC and which is owned 90% by MagMinerals Inc. and 10% by the government of the ROC;

"**Makola Exploration Permit**" means the exploration licence allowing for the exploration of the Makola Permit Area;

"**Makola Permit Area**" means the area of approximately 1,472 km^2 located approximately 500 km west of Brazzaville, ROC, and directly northeast of the port city Pointe-Noire;

"**Mengo Exploitation Permit**" means the exploitation licence issued to MagIndustries allowing for the mining of the Mengo Permit Area;

"**Mengo Permit Area**" means the approximately 136 km^2 area to which the Mengo Exploitation Permit applies;

"**Mengo Mine Area**" means the approximately 25 km^2 area within the Mengo Permit Area where the Company plans to situate the Project;

"**MOU**" means the memorandum of understanding dated June 12, 2009 between the Company and the Subscriber which contemplates the Proposed Transaction;

"**N1 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

"**PIA**" means the potash investment agreement entered into between MagPotasses and the government of the ROC which sets forth the terms in respect of a number of operational aspects of the Project, including but not limited to, certain necessary rights-of-way for construction of the natural gas and water supply pipelines and the spent brine pipeline, permits and licences, royalty amounts on productions, repatriation of profits as well as duty exemptions;

"**Project**" means the potash mine and processing plant to be constructed and operated by the Company on the Property;

"**Property**" means the Makola Permit Area;

"**Proposed Transaction**" means the transaction described in the MOU;

"**Prospectus**" means this prospectus and any appendices, schedules or attachments hereto;

"**ROC**" means the Republic of Congo;

"**SNC**" means SNC-Lavalin International Inc.;

"**Subscriber**" means the subscriber of Common Shares pursuant to the Proposed Transaction contemplated in the MOU;

"**Technical Report**" means the report completed by Ercosplan Ingenieurgesallschaft Geotechnik und Bergbau mbH entitled "Updated Reserve and Resource Estimate for MagMinerals Kouilou Potash Project, Republic of Congo" dated June 10, 2009 pursuant to the provisions of NI 43-101 in respect of the Property; and

"**TSXV**" means the TSX Venture Exchange.

AUDITORS' CONSENT

We have read the amended and restated short form prospectus (the "**Prospectus**") of MagIndustries Corp. (the "**Company**") dated June 15, 2009 relating to the issue of common shares of the Company. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the incorporation by reference in the above mentioned Prospectus of our report to the shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2008 and 2007 and the consolidated statements of loss, comprehensive loss and deficit and cash flows for the years then ended. Our report is dated April 9, 2009.

Toronto, Canada
June 15, 2009

(signed) ERNST & YOUNG LLP
Chartered Accountants
Licensed Public Accountants

CERTIFICATE OF THE COMPANY

Dated: June 15, 2009.

This amended and restated short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated short form prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Nova Scotia.

(Signed) WILLIAM B. BURTON Chief Executive Officer	(Signed) JEFF A. SWINOGA Chief Financial Officer

On behalf of the Board of Directors

(Signed) GARY E. GERMAN Director	(Signed) VICTOR WELLS Director

CERTIFICATE OF THE UNDERWRITERS

Dated: June 15, 2009.

To the best of our knowledge, information and belief, this amended and restated short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated short form prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Nova Scotia.

CORMARK SECURITIES INC.

BY: (Signed) MARC MURNAGHAN

BMO NESBITT BURNS INC.

By: (Signed) STEPHEN SHAPIRO

PARADIGM CAPITAL INC.

By: (Signed) PETER GREENWOOD

CANACCORD CAPITAL CORPORATION

By: (Signed) CRAIG WARREN

JENNINGS CAPITAL INC.

By: (Signed) DAVID DONATO