Report to:

MEGA PRECIOUS METALS INC.

Technical Report and Resource Estimate on the North Madsen Property, Red Lake, Ontario

Document No. 1192380600-REP-R0001-01

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MEGA PRECIOUS METALS INC.

TECHNICAL REPORT AND RESOURCE ESTIMATE ON THE NORTH MADSEN PROPERTY, RED LAKE, ONTARIO

EFFECTIVE DATE: OCTOBER 21, 2011

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GLOSSARY

UNITS OF MEASURE

Above mean sea level	amsl
Acre	ac
Ampere	A
Annum (year)	a
Billion	B
Billion tonnes	Bt
Billion years ago	Ga
British thermal unit	BTU
Centimetre	cm
Cubic centimetre	cm^3
Cubic feet per minute	cfm
Cubic feet per second	ft^3/s
Cubic foot	ft^3
Cubic inch	in^3
Cubic metre	m^3
Cubic yard	yd^3
Coefficients of Variation	CVs
Day	d
Days per week	d/wk
Days per year (annum)	d/a
Dead weight tonnes	DWT
Decibel adjusted	dBa
Decibel	dB
Degree	°
Degrees Celsius	°C
Diameter	ø

Dollar (American)	US$
Dollar (Canadian)	Cdn$
Dry metric ton	dmt
Foot	ft
Gallon	gal
Gallons per minute (US)	gpm
Gigajoule	GJ
Gigapascal	GPa
Gigawatt	GW
Gram	g
Grams per litre	g/L
Grams per tonne	g/t
Greater than	>
Hectare (10,000 m^2)	ha
Hertz	Hz
Horsepower	hp
Hour	h
Hours per day	h/d
Hours per week	h/wk
Hours per year	h/a
Inch	"
Kilo (thousand)	k
Kilogram	kg
Kilograms per cubic metre	kg/m^3
Kilograms per hour	kg/h
Kilograms per square metre	kg/m^2
Kilometre	km
Kilometres per hour	km/h
Kilopascal	kPa
Kilotonne	kt
Kilovolt	kV
Kilovolt-ampere	kVA
Kilovolts	kV
Kilowatt	kW
Kilowatt hour	kWh
Kilowatt hours per tonne (metric ton)	kWh/t
Kilowatt hours per year	kWh/a
Less than	<
Litre	L
Litres per minute	L/m
Megabytes per second	Mb/s
Megapascal	MPa
Megavolt-ampere	MVA
Megawatt	MW
Metre	m
Metres above sea level	masl

Metres Baltic sea level	mbsl
Metres per minute	m/min
Metres per second	m/s
Metric ton (tonne)	t
Microns	µm
Milligram	mg
Milligrams per litre	mg/L
Millilitre	mL
Millimetre	mm
Million	M
Million bank cubic metres	Mbm^3
Million bank cubic metres per annum	Mbm^3/a
Million tonnes	Mt
Minute (plane angle)	'
Minute (time)	min
Month	mo
Ounce	oz
Pascal	Pa
Centipoise	mPa·s
Parts per million	ppm
Parts per billion	ppb
Percent	%
Pound(s)	lb
Pounds per square inch	psi
Revolutions per minute	rpm
Second (plane angle)	"
Second (time)	s
Specific gravity	SG
Square centimetre	cm^2
Square foot	ft^2
Square inch	in^2
Square kilometre	km^2
Square metre	m^2
Thousand tonnes	kt
Three Dimensional	3D
Three Dimensional Model	3DM
Tonne (1,000 kg)	t
Tonnes per day	t/d
Tonnes per hour	t/h
Tonnes per year	t/a
Tonnes seconds per hour metre cubed	ts/hm^3
Volt	V
Week	wk
Weight/weight	w/w
Wet metric ton	wmt

Year (annum).. a

ABBREVIATIONS AND ACRONYMS

1156207 Ontario Inc.	Vendor
All-terrain vehicle	ATV
Atomic absorption	AA
Canadian Institute of Mining, Metallurgy and Petroleum	CIM
Global Positioning System	GPS
Gold	Au
Induced polarization	IP
Inverse distance cubed	ID^3
Inverse distance squared	ID^2
Mega Precious Metals Inc.	MEGA
Mosquito Consolidated Gold Mines Limited	Mosquito
National Instrument 43-101	NI 43-101
National Topography System	NTS
Nearest neighbour	NN
Net profits interest	NPI
Net smelter return	NSR
North Madsen Property	the Property
Ontario Ministry of Northern Development Mines and Forestry	MNDMF
Ordinary kriging	OK
Preliminary Economic Assessment	PEA
Premier Gold Mines Ltd.	Premier
Qualified Person	QP
Quality assurance/quality control	QA/QC
Red Lake Greenstone Belt	RLGB
Resistivity	RES
Sabina Gold & Silver Corp	Sabina
Standard Reference Material	SRM
Tetra Tech Wardrop	Tetra Tech
Trow Associates Inc.	Trow
Very Low Frequency-Electro-Magnetic	VLF-EM
Wilanour Resources Ltd.	Wilanour
Wolfden Resources Ltd.	Wolfden

1.0 SUMMARY

The North Madsen Property (the Property) is a shear-hosted lode gold project located in northwestern Ontario, approximately 450 km northwest of Thunder Bay. The Property consists of 14 patented claims; totalling 193.8 ha, located at Latitude 51.01° N and Longitude 93.85° W, on map sheet 52N/4 of the National Topography System (NTS). The claims are currently owned 100% by Mega Precious Metals Inc. (MEGA).

The Property has seen extensive exploration which started in mid-1920s. To date a total of 257 boreholes have been completed on the Property.

Tetra Tech Wardrop (Tetra Tech) has been commissioned to update an existing National Instrument 43-101 (NI 43-101) report with a new resource estimate, which was commissioned in July 2011 by MEGA. This report has been prepared in accordance with NI 43-101, Form 43-101F1 and Companion Policy 43-101CP.

1.1 GEOLOGY

The Red Lake Greenstone Belt is situated on the southern margin of the North Caribou Terrain. The oldest volcanic rocks are tholeiitic and komatiitic basalts of the Balmer assemblage, which hosts the majority of Red Lake's major gold (Au) deposits.

The Red Lake Greenstone Belt is an east trending and package of volcanic and sedimentary rocks. The Belt displays evidence of two major episodes of deformation, interpreted to be closely linked with extensive hydrothermal activity and gold mineralization.

Mineralization at North Madsen addressed in this report is currently contained within three mineralized zones that are silicified and contain associated gold and sulphide mineralization (arsenopyrite, pyrite and pyrrhotite).

Mineralization in the Main Zone occurs in two distinct forms: structurally hosted within sheared granodiorite, and in quartz-tourmaline veins. Mineralization hosted by sheared granodiorite is present throughout the Main Zone, whereas mineralized quartz-tourmaline veins are only locally common in the eastern half of the Main Zone.

Mineralization in the Laverty Dyke is characterized by very fine grained native gold residing in silicate minerals, and occasionally in trace base metal sulphide minerals. The majority of the gold is located near the contact between the dyke and the granodiorite, as well as locally in the granodiorite near the dyke.

The Buffalo West Extension mineralization is contained in two separate groups: disseminated throughout the granodiorite, and within quartz-tourmaline veins which are locally common in the granodiorite. Mineralization is restricted to the granodiorite, and is not observed in the Balmer mafic volcanic rocks.

1.2 CONCLUSION

The Project database is up to date, and includes the results from first portion of the 2011 summer drilling program. The borehole database has been validated against the original drill logs and assay certificates. As a result, Tetra Tech is of the opinion that using the historic drilling is appropriate for any future resource estimate.

All the procedures implemented by MEGA in regards to core logging, sample collection, sample analysis and quality assurance/quality control (QA/QC) meet industry standards. The data quality supports the resources estimate.

The resource estimate was completed on each of the three mineral zones using the ordinary kriging (OK) methodology on a capped and composited borehole dataset consistent with industry standards. Validation of the results was conducted through the use of visual inspection, swath plots and global statistical comparison.

Table 1.1 summarizes the results of the resource estimation

Table 1.1 North Madsen Resource Estimate Summary

Category	Tonnage	Au (g/t)	Au (oz)
Measured	19,638,140	1.27	801,855
Indicated	3,837,900	1.08	133,263
Measured + Inferred	23,476,040	1.24	935,118
Inferred	11,487,000	1.03	380,396

Tetra Tech believes further exploration is warranted to advance the project towards a preliminary economic assessment (PEA).

1.3 RECOMMENDATIONS

It is the author’s opinion that additional exploration expenditures are warranted. Two separate exploration programs are proposed. Phase 2 would only be activated based on positive results received from Phase 1.

1.3.1 PHASE 1 NORTH MADSEN RESOURCE EXPANSIONS

Phase 1 is designed to improve the viability of the project. It is recommended that MEGA undertake a detailed, focused drill program that will concentrate on improving the definition of the Buffalo West Extension Zone and to further define the open pit potential of the deposit as well as continuing exploration of the South Zone.

The program will commence in November 2011 and will run to June 2012 and will focus on drilling 6,400 m at an estimated cost of $800,000.

The principal objectives of the program will be to:

- extend the current mineralization in the Buffalo West Extension of the deposit along strike and down dip
- infill the central portions of the deposit
- improve the definition of the higher grade trends within the mineralized structures
- continue to demonstrate grade continuity and specifically focus on increasing the classification levels
- provide the basis for additional tonnage that would support an open pit mine
- continue exploration in the South Zone.

1.3.2 PHASE 2 NORTH MADSEN

Phase 2 of the program will be based upon the return of positive results from Phase 1 and would commence after Phase 1 has been completed with a goal of completing this work by December 31, 2012. The program is estimated to cost Cdn$1.9 million.

The objectives of this program will be to:

- initiate the development of a PEA
- initiate a detailed open pit mine design
- complete ongoing environmental studies.

2.0 INTRODUCTION

The Property is a gold-bearing shear system project located approximately 450 km northwest of Thunder Bay in northwestern Ontario. The claims are currently owned 100% by MEGA.

A significant amount of work has been conducted on the Property since the mid-1920s, with the majority of the work conducted since 1980 by various companies.

To date, MEGA has delineated three mineralized zones on the Property through the compilation of the diamond drill data.

In July 2011, Tetra Tech was commissioned by MEGA to complete a resource estimate and technical report on the North Madsen property.

The object of the report is to:

- prepare a technical report on the project in accordance with NI 43-101, summarizing land tenures, exploration history, and drilling
- generate a resource estimate on the Property
- provide recommendations and budget for additional work on the Property.

This report has been prepared in accordance with NI 43-101, Form 43-101F1 and Companion Policy 43-101CP.

All data reviewed for the report was provided by MEGA in digital format, with access to paper reports and logs when requested. The work completed by MEGA encompasses exploration, primarily diamond drilling. Historical work conducted in the region has been compiled by MEGA and was available for review.

Todd McCracken, P.Geo., a co-author of this report, is a professional geologist with 19 years of experience in exploration and operations, including several years working in shear-hosted gold deposits. Margaret Harder, P.Geo. a co-author of this report, is a professional geologist with seven years of experience in exploration, advanced evaluation and operations. Ms. Harder visited the Property on three separate occasions: June 17 to July 5, 2011; August 17 to 31, 2011; September 19 to 30, 2011.

3.0 RELIANCE ON OTHER EXPERTS

Tetra Tech has reviewed and analyzed data and reports provided by MEGA, together with publicly available data, drawing its own conclusions augmented by direct field examination.

Tetra Tech has relied on others for information in this report. Information from third party sources is quoted as a report and referenced.

Tetra Tech is not qualified to provide extensive comment on legal issues, including status of tenure associated with the Property referred to in this report. A description of the Property and ownership is provided for general information purposes only. Assessment of these aspects has relied on information provided by MEGA, which has not been independently verified by Tetra Tech.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 LOCATION

The Property is located in northwest Ontario, near the town Red Lake, approximately 450 km northwest of Thunder Bay and 1,350 km northwest of Toronto. The Property is less than 5 km west of Red Lake (Figure 4.1) and is centered at Latitude 51.01° N and Longitude 93.85° W, on map sheet 52N/4 of the NTS. Most areas of the Property currently have marginal road access (requiring an all-terrain vehicle (ATV) or boat), but the Property is less than 1 km from well-established, paved roads.

The past producing Howey and Hasaga Gold Mines are located 3 to 4 km east of the Property and the Goldshore Gold Mine is just over 1 km northeast of the Laverty claim block (Figure 4.2). The Buffalo Mine is located less than 0.5 km east of the southern portion of the East My-Ritt claim block. The producing Red Lake Mine and the Campbell Complex (Goldcorp Inc.) are located approximately 10 to 11 km northeast of the Property.

4.2 MINERAL DISPOSITIONS

The Property comprises two claims blocks, Laverty and East My-Ritt. Laverty consists of six patented claims that cover 56.4 ha, and East My-Ritt consists of eight patented claims that cover 137.4 ha for a totalling 193.8 ha (Table 4.1; Figure 4.2).

The Laverty claim block is subject to a 48-month option-purchase agreement with 1156207 Ontario Inc. (Vendor) and Mosquito Consolidated Gold Mines Limited (Mosquito). The agreement, for MEGA to obtain a 100% interest in the Property, includes annual payments totalling Cdn$500,000, issuance of 500,000 common shares of MEGA, along with exploration work commitments totalling Cdn$1.5 million.

The East My-Ritt claim block is subject to a 48-month option agreement with Premier Gold Mines Ltd. (Premier) and Sabina Gold & Silver Corp (Sabina). The agreement includes cash payments totalling Cdn$250,000 and issuance of 600,000 common shares of MEGA, along with exploration work commitments totalling Cdn$1.25 million. Cash payments noted above are the combined total for mineral and surface rights.

In order to obtain surface rights for the East My-Ritt block, MEGA must first acquire the mineral rights. Once complete, MEGA may exercise the option to acquire the surface rights. This option requires MEGA to make certain payments to Premier and Sabina on the exercise of the surface rights option. All parties (MEGA, Sabina, and Premier) are to share equally the costs of government consents required to allow this surface rights option to be closed. If the government consent to sale of the surface rights cannot be secured, MEGA may, at its discretion, lease the surface rights from the vendors.

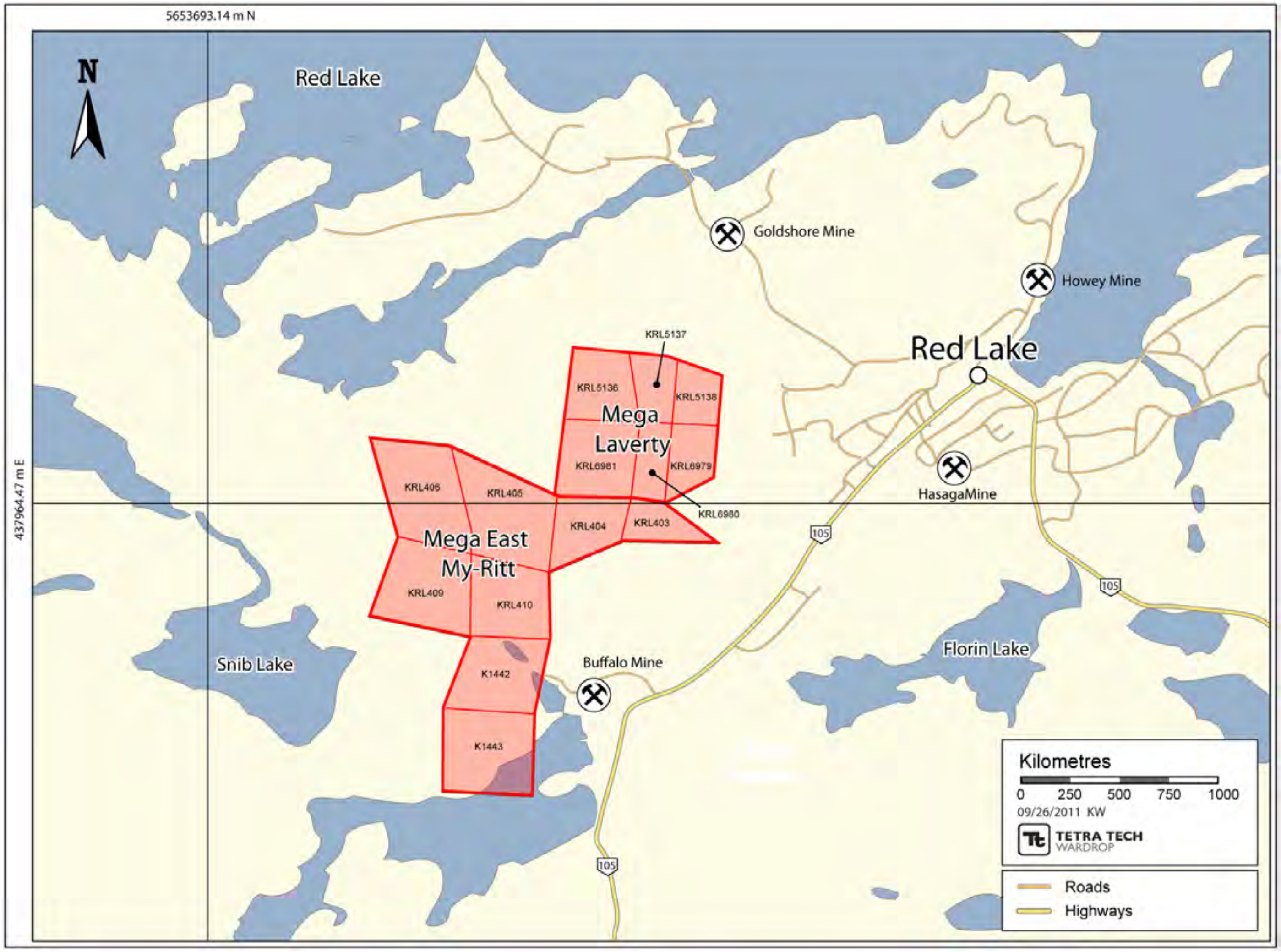
The Property is in a well-established mining district and therefore not encumbered by any provincial or national parks, or other protected areas.

Figure 4.1 Property Location Map

Table 4.1 Property Mineral Leases

Property	Township	Type	Claim Number	Option (%)	Size (ha)
Laverty	Dome/Heyson	Patented	KRL 5136	100%	10.9
Laverty	Dome Heyson	Patented	KRL 5137	100%	6.9
Laverty	Dome Heyson	Patented	KRL 5138	100%	7.7
Laverty	Heyson	Patented	KRL 6979	100%	9.0
Laverty	Heyson	Patented	KRL 6980	100%	6.5
Laverty	Heyson	Patented	KRL 6981	100%	15.4
Total for Laverty				**Hectares**	**56.4**
				Claims	**6**
East My-Ritt	Heyson	Patented	KRL 403	100%	7.1
East My-Ritt	Heyson	Patented	KRL 404	100%	11.2
East My-Ritt	Heyson	Patented	KRL 405	100%	23.1
East My-Ritt	Heyson	Patented	KRL 406	100%	19.9
East My-Ritt	Heyson	Patented	KRL 409	100%	20.5
East My-Ritt	Heyson	Patented	KRL 410	100%	17.1
East My-Ritt	Heyson	Patented	K 1442	100%	17.5
East My-Ritt	Heyson	Patented	K 1443	100%	21.1
Total for East My-Ritt				**Hectares**	**137.4**
				Claims	**8**
Total for Property				**Hectares**	**193.9**
				Claims	**14**

Figure 4.2 Property Mineral Claims



4.3 TENURE RIGHTS

MEGA owns 100% option rights on all claims on the Property. All of the claims comprising the Property are in good standing, as per the 48-month option agreements, and pending completion of the conditions outlined in Section 4.2.

4.4 ROYALTIES AND RELATED INFORMATION

On the Laverty claim block, Mosquito retains a 2% net smelter return (NSR) royalty with the original purchaser, Skybridge, and is granted the right to purchase half within one year of the final closing of the fully vested option agreement for Cdn$1 million.

On the East My-Ritt claim block, Premier and Sabina retains a 0.5% NSR royalty and jointly retain the right to buy out underlying royalty provisions on a pro-rated basis as may be available for purchase. Underlying royalty provisions include 3% NSR on all eight claims as well as a 10% net profits interest (NPI) on six of the claims.

4.5 ENVIRONMENTAL LIABILITIES

There are no known environmental liabilities attached to the Property.

4.6 PERMITS

Permits issued by Provincial and Federal Government ministries are not required in order to execute the advanced exploration activities on the land portion of the properties. Diamond drilling on bodies of frozen water, if undertaken, will require a permit issued by the Ontario Ministry of Northern Development, Mines and Forestry (MNDMF). This permit may be required in future advanced exploration programs. MEGA management warrants that the corporation has not received from any government authority any notice of, or communication relating to, any actual or alleged breach of any environmental laws, regulations, policies or permits.

4.7 OTHER RELEVANT FACTORS

Memorandum of Understanding agreements have not yet been negotiated with the relevant First Nation Communities.

To Tetra Tech's knowledge, there are no additional factors that could affect access, title, or the right to conduct work on the Property.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 PHYSIOGRAPHY

The Property lies within the Boreal Shield physiographic region. The area around Red Lake is characterized by low topographic relief with glacially sculpted hillocks surrounded by bogs. Bedrock outcrops are scarce due to coverage by glacial till and vegetation. Average elevation on the Property is approximately 365 m above sea level, with a total range in elevation of around 40 m.

Vegetation on the Property is dominated by boreal forest comprising mixed coniferous and deciduous trees as well as thick moss and underbrush. Numerous lakes, creeks, and swamps are present in the region, but the Property is located mainly on land with creeks and swamps present locally. The southeastern corner of the East My-Ritt claim block covers a small lake.

5.2 ACCESS

The Property is located in the Skookum Bay area, approximately 3 km west-northwest of Red Lake. Access to the Property is via trails extending from the west end of Laverty Road in Red Lake (for the Laverty claim block), or the Buffalo Mine Road (for the East My-Ritt claim block). Not all areas of the Property are road-accessible year round due to the presence of bogs and creeks.

The Municipality of Red Lake (which comprises several other small towns, including Balmer Town and Cochenour, approximately 15 km by road north of Red Lake) is accessible year round by paved highways. The town is located at the northern end of Highway 125, which is connected to the Trans-Canada Highway via Highway 105. Truck transportation provides bulk freight services to and from southern areas of Canada. Red Lake has an airport which is serviced by a scheduled commercial airline with daily flights to Winnipeg, Manitoba, and Thunder Bay, Ontario.

5.3 CLIMATE

Climate conditions are typical of the northern boreal forest, with moderately cold winters and moderately hot summers. Statistically the warmest month is July, with an average daily high temperature of 23.8°C and a daily low of 12.3°C. The coldest month is January with an average daily high temperature of -14°C and a daily low of -25.1°C. The average annual rainfall is 473 mm, with the majority accumulated during the months of May through September. The average annual snowfall is

193 cm with the majority accumulated during November through March. If required, exploration activities can be conducted year round.

5.4 LOCAL RESOURCES

The Municipality of Red Lake has a population of approximately 5,000, which can provide a limited pool of manual and skilled labour. Most companies operating in Red Lake offer employees a rotation schedule and therefore the available labour pool is much larger, with airline access to Red Lake connecting through Winnipeg or Thunder Bay. The nearest larger centre is Dryden, approximately 225 km by road southeast of Red Lake. The nearest larger cities are Winnipeg, Manitoba, approximately 500 km by road, and Thunder Bay, Ontario, approximately 575 km by road.

The Municipality of Red Lake offers basic living and social amenities, including a hospital and elementary and secondary schools.

5.5 INFRASTRUCTURE

Both wireless and wire-line telecommunication services are available in Red Lake. Due to the long history of mining in the region, power lines are present throughout the area and there is a well-established core of mining related services in town. MEGA owns surface rights for the Laverty portion of the Property, and these rights can be obtained for the East My-Ritt area. The Red Lake area contains an abundance of water which could potentially be used for mining operations. The generally level topography in the area would present little difficulty for mining and processing facilities.

6.0 HISTORY

Exploration in the Red Lake District dates back to the 1920s, with gold production beginning on April 2, 1930 at the Howey Mine (Harron and Puritich, 2010). Gold production has continued uninterrupted since this time, and at the end of 2009 totaled approximately 25,500,500 oz of gold from 55,459,000 t (50,030,100 t) at a recovered grade of 0.46 oz gold per ton (15.6 g/t Au) (Lichtblau et al, 2010). Four of the 29 producers in the camp have yielded over 1 million oz each.

6.1 PRIOR OWNERSHIP

The claims comprising the current Laverty and East My-Ritt blocks have undergone a long history of ownership which is difficult to track because all claims are patented, and therefore do not have to be reported to the Ontario MNDMF. Most records of ownership are indicated when a record of work was filed, and as such there are large gaps of years where no information is available.

The Laverty claims were first staked in 1936 by Dupont-Hodgson Syndicate and Coin Lake Gold Mines Limited. In 1947, the claims were acquired by Laverty Red Lake Mines Ltd., who continued exploration activities into the 1950s. Cochenour Willans Gold Mines Ltd. acquired the claims in 1971. In 1981 Wilanour Resources Ltd. (Wilanour) and Camflo Mines Ltd. optioned the property. The Laverty claim block is currently part of an option-purchase agreement between 1156207 Ontario Inc. and Mosquito Consolidated Gold Mines Limited, which has optioned the claims to MEGA.

Claims on the East My-Ritt block were first staked in 1925 by Red Lake Mines Ltd., with exploration continuing through the 1930s. The claims were then purchased by an unknown company (Kita, 1998) in the 1940s. In 1980, Wilanour acquired the Property. In 1987, the Property was acquired by Red Lake Buffalo Resources Ltd. In 2003, Wolfden Resources Ltd. (Wolfden) and Kinross Gold Corporation obtained rights to the property from Explorer Alliance Corp. Wolfden continued exploration up until 2006. The East My-Ritt claim block is currently part of an option agreement with Premier and Sabina, which has optioned the claims to MEGA.

6.2 HISTORICAL EXPLORATION AND RESOURCE ESTIMATES

Table 6.1 briefly summarizes the history of exploration of the Laverty and East My-Ritt claims blocks.

Table 6.1 discloses historical estimates. In each case, the source and date of the historical estimate is identified. These historical resources are not considered relevant, and no comment is offered on the reliability of the historical estimate. In each case, a rigorous program of re-sampling and drill twinning would be required to upgrade or verify the historical estimates as current mineral resources. A Qualified

Person (QP) has not done sufficient work to classify the historical estimates as current mineral resources, and the issuer is not treating the historical estimates as current mineral resources.

Table 6.1 History of Exploration on the Laverty and East My-Ritt Claim Blocks

Year	Property	Company	Activities	Historical Resource Estimate
1925-1932	Buffalo Extension	Buffalo Red Lake Mines Ltd. (Horwood, 1940)	Stripping, trenching, and drilling for a total of 180 m.	
1936	East My-Ritt (Adjacent to Current Claims)	Coin Lake Gold Mines Ltd. (Jones, 1995 and Smith, 1981).	Trenching and drilling for a total of 2,377 m.	Inferred: 0.125-0.150 Mt at 2.67 g/t, no cut-off given
1936-1938	Laverty	Dupont-Hodgson Gold Mines Ltd. (Horwood, 1940; Jolliffe, 1981)	Trenching, pitting and drilling.	
1936-1938	Laverty	Coin Lake Gold Mines Ltd. (Harron and Puritch, 2010)	Trenching, pitting and drilling.	
1940's	Buffalo Extension	Unknown company (Kita, 1988)	Surface drilling completed.	Inferred: 0.132 Mt at 6.84 g/t, no cut-off given
1946-1947	East My-Ritt (Adjacent to Current Claims)	My-Ritt Red Lake Gold Mines Ltd. (Jones, 1995)	Trenching, prospecting, geomagnetic survey.	
1947-1951	Laverty	Laverty Red Lake Mines Ltd. (Harron and Puritch, 2010)	Trenching and drilling, for a total of 6,036 m.	
1971	Laverty	Cochenour Willans Gold Mines Ltd. (Jolliffe, 1981; Harron and Puritch, 2010)	Completed induced polarization (IP)/resistivity (RES) surveys completed. Results are considered ambiguous.	
1971	East My-Ritt (Adjacent Property)	Cochenour Willans Gold Mines Ltd. (Jones, 1995)	Very Low Frequency-Electro-Magnetic (VLF-EM) and IP surveys completed, three holes drilled for a total of 527 m.	
1980	Buffalo Extension	Wilanour Resources Ltd. (Kita, 1988)	Drilled 54 holes for a total of 6,642 m, all drillholes reached at least 152 m depth (vertical).	Inferred: 0.421 Mt at 4.32 g/t, no cut-off given

table continues…

Year	Property	Company	Activities	Historical Resource Estimate
1981	Laverty	Wilanour Resources Ltd. and Camflo Mines Ltd. (Gillies, 1982; Harron and Puritch, 2010)	Geological mapping, magnetometer, VLF-EM surveys completed, topographic survey and diamond drilling. 20 BQ diamond drillholes completed for a total of 2,064 m.	
1987	Buffalo Extension	Red Lake Buffalo Resources Ltd. (Kita, 1988)	Drilled five holes for a total of 1,256 m.	
1987-1988	East My-Ritt (Adjacent to Current Claims)	Chevron (Jones, 1995)	Drilled seven holes and completed an IP survey.	
2002	East My-Ritt	Wolfden Resources Ltd./Kinross Gold Corporation (Klatt, 2003)	Drilled six holes for a total of 1,786 m.	
2004-2005	East My-Ritt	Wolfden Resources Ltd. (Toole, 2005)	Drilled 31 holes for a total of 9,530 m.	
2006	East My-Ritt	Wolfden Resources Ltd. (Long, 2006)	Drilled 4 holes for a total of 2,964 m.	
2009-2010	Laverty	Mega Precious Metals Inc. (Harron and Puritch, 2010)	Drilled 36 holes for a total of 6,176 m.	Indicated Resource: 0.4 Mt at 2.56 g/t Inferred Resource: 0.03 Mt at 3.32 g/t

6.3 HISTORICAL PRODUCTION

There is no historical production on the Property.

7.0 GEOLOGICAL SETTING AND MINERALIZATION

Section 7.1 Regional Geology, and Section 7.2 Property Geology, is largely derived from Harron and Puritch (2010), the previous technical report on the Property.

7.1 REGIONAL GEOLOGY

The Red Lake Greenstone Belt (RLGB) is approximately 50 km east-west by 75 km north-south, and situated on the southern margin of the North Caribou Terrain (Harron and Puritich, 2010). The oldest volcanic rocks are tholeiitic and komatiitic basalts of the Balmer assemblage, host to the majority of Red Lake's major gold deposits. This extensive mafic/ultramafic lithological unit has a U/Pb age of approximately 2.9 Ga and underlies the central and eastern parts of the greenstone belt (Sanborn-Barrie et al., 2004). Plutonic rocks of Mesoarchean age intruding the Balmer assemblage are typically mafic to ultramafic in composition.

A thick sequence of intermediate to felsic calc-alkaline flows and pyroclastic rocks of the Ball assemblage underlies the northwestern part of the RLGB. The lower part of the sequence (2.94 Ga) is dominated by intermediate volcanic rocks underlain by basalt and komatiite flows. A chert carbonate unit with preserved stromatolitic mounds, and a chert magnetite sulphidic horizon caps this assemblage. The upper part of the Ball assemblage (2.92 Ga) is dominated by felsic to intermediate calc-alkaline volcanic rocks partly intercalated with an overlying basalt unit. The uppermost unit of the Ball assemblage consists of ultramafic flows. Peridotite and gabbro intrusions cut the entire Ball assemblage.

Clastic rocks of the Slate Bay assemblage (2.1 Ga) extend the length of the RLGB, and consist of three main lithologies. A thin basal polymictic conglomerate is succeeded by coarse compositionally mature conglomerate, and cross-bedded quartz arenite. Clasts in the conglomerate dominantly reflect a Ball assemblage provenance. The uppermost lithologies are compositionally immature feldspathic wacke, lithic wacke and mudstone.

Rocks of the Bruce Channel assemblage (2.89 Ga) are deposited on Balmer substrate, and consist of calc-alkaline dacitic to rhyodacitic pyroclastic rocks overlain by clastic sediments and chert-magnetite banded iron formation.

A distinct volcano-sedimentary sequence, the Trout Bay assemblage (2.85 Ga), occurs in the southwestern part of the RLGB. The basal portion of the sequence consists of tholeiitic basalt overlain by clastic rocks with interbedded intermediate tuff and chert-magnetite iron formation. The upper sequence consists of pillowed tholeiitic basalt capped by thinly bedded iron oxide formation and interbedded siltstone. An extensive system of thick mafic/ultramafic sills with chemical affinities to upper basalts in the Trout Lake assemblage intrudes the older supracrustal rocks. This intrusive activity appears to coincide with the emplacement of the 2.86 to 2.81 Ga Trout Lake Batholith.

Following a 100 million year hiatus after the formation of the Trout Lake assemblage, volcanism was renewed with the onset of extensive calc-alkaline volcanism recorded by the Confederation assemblage. Initial activity in the 2.75 to 2.74 Ga period consists of marine to sub-aerial calc-alkaline intermediate to mafic volcanic rocks of the McNeely sequence. This sequence is overlain and interstratified with the dominantly tholeiitic Heyson volcanic sequence (2.74 Ga). Plutonic rocks within the assemblage consist of felsic dykes and small porphyry intrusions.

The Huston assemblage consists of coarse and fine clastic detritus, which unconformably overlies the McNeely sequence and underlies the Graves assemblage. Detrital zircons yield a 2.74 Ga age indicating provenance from the Confederation assemblage, and variations in lithofacies indicate marine deposition on a surface with significant topographic relief.

The Graves assemblage (2.73 Ga) is a calc-alkaline sequence consisting of andesitic to dacitic pyroclastic rocks and synvolcanic diorite and tonalite. The Graves assemblage overlies, and is locally transitional with the Huston assemblage suggesting synchronous sedimentation and pyroclastic activity. Plutonic rocks coeval with volcanism represent the first major intermediate to felsic plutonic activity in the RLGB. These tonalitic to granodioritic intrusions yield dates of 2.73 Ga and are widely distributed throughout the RLGB.

The English River assemblage is the youngest supracrustal rock sequence in the RLGB. This pebble conglomerate is widespread and dated at 2.70 Ga, and may have represented a fluvial regime flowing south to beyond the Uchi Subprovince.

Post-volcanic granitoid plutonic rocks were emplaced during three episodes. The oldest event is represented by the 2.73 Ga Graves plutonic suite, followed by a 2.72 Ga event represented by the gold-deposit hosting McKenzie Island and Dome stocks and the Abino granodiorite. The youngest plutonic event (2.70 Ga) is represented by the K-feldspar megacrystic granodiorite Killala-Baird batholith, the Cat Island dyke and post-ore dykes at the Madsen Mine.

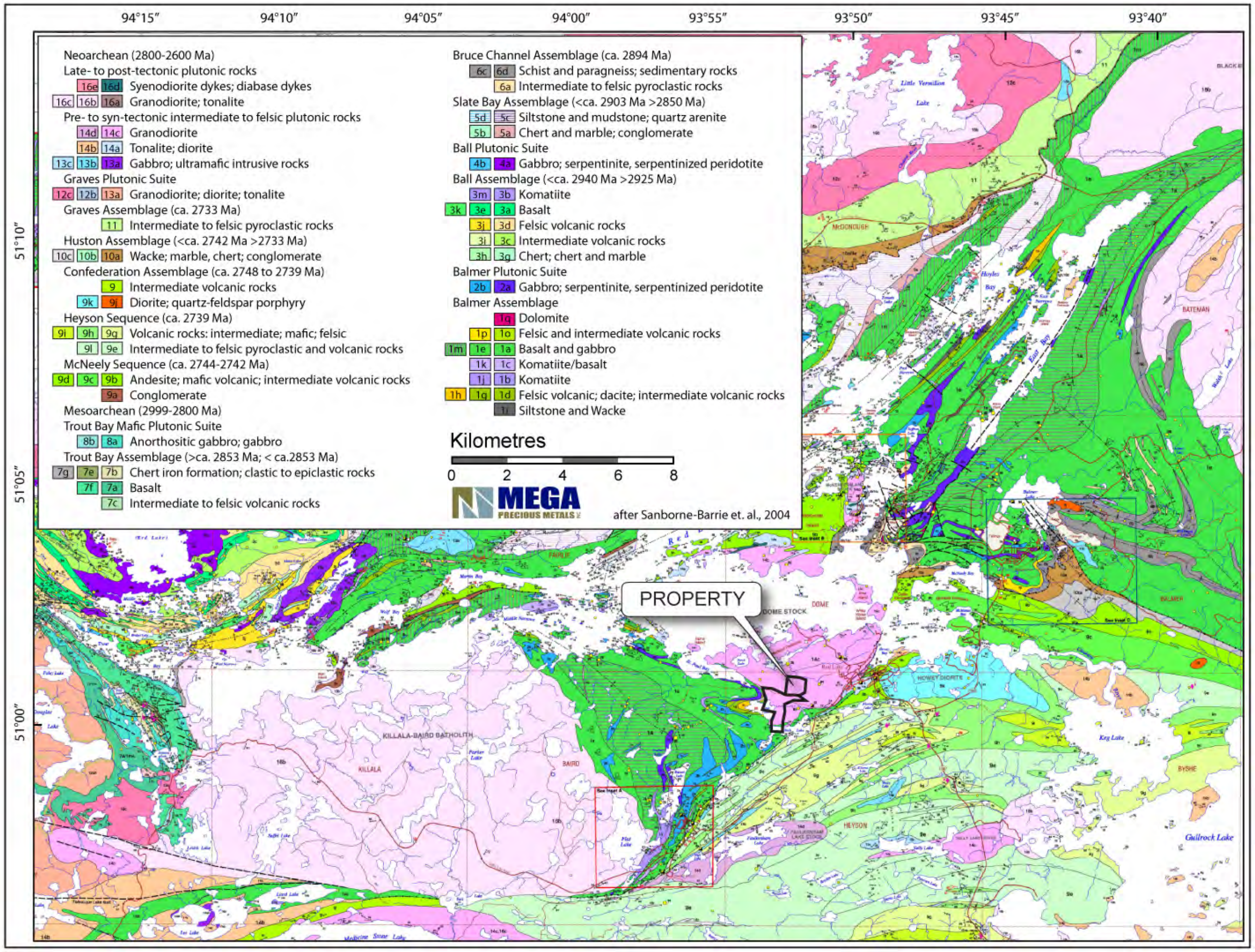
The RLGB is east trending and consists predominantly of steeply dipping panels of volcanic and sedimentary rocks. The RLGB displays evidence of two major episodes of deformation, interpreted to be closely linked with extensive hydrothermal activity and gold mineralization. Early non-penetrative deformation appears to have involved overturning (recumbent folding) of the 2.99 Ga Balmer assemblage prior to the onset of Neoarchean volcanism. The main stages of penetrative deformation were imposed after circa 2.74 Ga volcanism (Confederation assemblage). The first major fabric forming event (D_1) resulted in the formation of northerly-trending, south plunging F_1 folds and associated lineation fabrics. Superimposed on D_1 structures are east to northeast-trending D_2 structures in the western and central parts of the belt and southeast-trending folds (F_2) and fabrics that plunge 45-65° to the southwest in the eastern part of the belt.

Hydrothermal alteration in the RLGB is distributed in regional, zoned alteration envelopes that show a spatial relationship to gold deposits. Calcite carbonatization and weak potassic (incipient chlorite and sericite) is widespread and distal to the gold deposits. Alteration proximal to gold deposits is characterized by ferroan-dolomite alteration, and potassic alteration (sericite, muscovite, fuchsite, amphibole and plagioclase destruction). Proximal alteration zones metamorphosed to amphibolite facies may contain variable amounts of aluminosilicate minerals such as andalusite, staurolite and cordierite as well as garnet, chloritoid, cummingtonite and anthophyllite.

Silicification with associated gold and sulphide mineralization (arsenopyrite, pyrite, and pyrrhotite) postdates most ferroan-dolomite and potassic alteration zones. Also proximal alteration zones are typically barren of gold unless they have been silicified. Silicification is manifested as extension, fault fill quartz veins breccias, and the filling of primary features such as vesicles and interpillow spaces.

The RLGB is one of Canada's top gold-producing districts and the camp is famous for high-grade gold mineralization (greater than 0.5 oz/t Au), such currently being extracted from both the Red Lake and the Campbell complexes. The largest and highest grade deposits are located in the Balmer assemblage and hosted in the middle tholeiitic basalt sequence and associated serpentinized peridotite and talc schist rocks. However gold was also produced from deposits hosted in the granodioritic McKenzie Island and Dome stocks. The gold mineralization on the Bonanza Project, which is in part hosted by clastic sedimentary represent a new mode of occurrence for gold in the area. Common to all three modes of occurrence is structural control related to D_2 deformation.

Figure 7.1 Regional Geology



7.2 PROPERTY GEOLOGY

All six Laverty claims are underlain by the circa 2.72 Ga Dome Stock, as are four of the six East My-Ritt claims (Sanborn-Barrie et al., 2004). The southeastern margins of claims K1442 and K1443 are underlain by Balmer mafic volcanic rocks. The regional airborne magnetic data clearly shows a subdued magnetic response over the Dome Stock, without a hint of the Laverty Dyke. This is due to the dyke being parallel to the flight direction and between flight lines.

The Dome Stock dominantly comprises porphyritic granodiorite which is texturally massive. Minor areas of the stock are quartz monzonite to granite in composition. The granodiorite is grey to pinkish grey and coarse-grained. In areas of intense shearing and adjacent to quartz veins and dykes, the granodiorite is commonly altered to a dark grey as a result of chloritization and silicification. Detailed geological mapping has discovered additional narrow (8 m by 3 m wide) fine grained magnetic mafic dykes trending east-northeast and north-northwest (i.e., Laverty Dyke). Alteration adjacent to the Laverty Dyke is noted by a darker grey coloured granodiorite with veinlets of quartz calcite +/- minor amounts of tourmaline.

The contact of the granodioritic rocks with the carbonized latite is exposed on an outcrop in the southern part of KRL410, and granitic rocks adjacent to the contact are exposed near the southern boundary of claim K1426. The contact on KRL410 is difficult to delineate precisely because both rock types are light-coloured and contain quartz and feldspar, but the latite is grey in colour rather than pinkish and the country rocks are rusty owing to alteration of carbonate minerals.

The Laverty Dyke trends 340° with a maximum width of about 15 m and a strike length of greater than 300 m. The dyke is massive, medium grained and composed of amphibole and plagioclase in a dark grey fine grained matrix of mafic minerals. The rock is magnetic and contains minor to trace amounts of pyrrhotite and pyrite.

Structural mapping indicates the major fracture directions are north-northwest and east-northeast. The east-northeast fractures are parallel to the mafic dykes and both fracture sets have associated mineralized quartz veins.

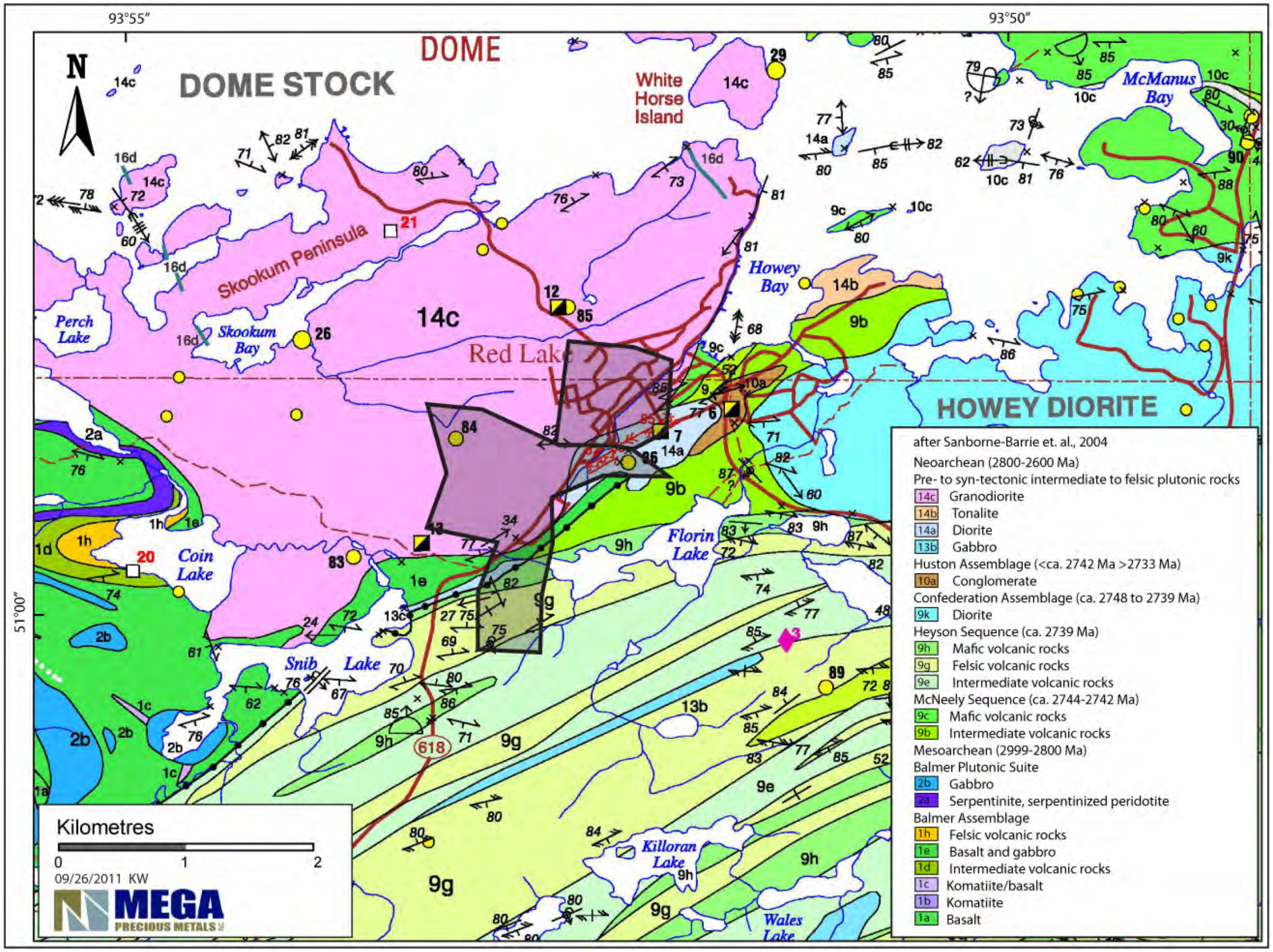
The north-northwest fracture set is a preferred direction for shear fractures and faults with dextral offsets. A third set of fractures with sinistral offsets trending northeast is also associated with mineralized quartz veins. The north-northwest direction is the preferred orientation for shear fractures and faults (dextral offset) along with a third major set trending northeast (sinistral offset) which also has associated mineralized quartz veins.

The considerable spread in orientations of the fracture patterns and the number of secondary fractures suggests that the area has undergone stress from more than one direction.

The southeastern corner of the East My-Ritt claim block is underlain by mafic volcanic rocks belonging to the Balmer Assemblage. These rocks are observed in the southeastern-most portion of the Buffalo Extension zone. There are two greenschist-facies mafic volcanic units present, a tholeiitic-komatiitic meta-volcanic unit and a sequence of calc-alkalic meta-volcanic rocks (Kita, 1988). According to regional geology maps, the unconformity between the Balmer and Confederation Assemblages may lie in the southeast corner of the Property under Snib Lake (Sanborne-Barrie et al., 2004).

Structural features present in the southern Balmer mafic volcanic rocks are part of the Flat Lake-Howey Bay Deformation Zone. The lithologies within the Deformation Zone are moderately to strongly sheared and contain zones of massive raft material from other assemblages (Kita, 1988).

Figure 7.2 Property Geology



7.3 MINERALIZATION

7.3.1 LAVERTY MAIN ZONE

The Laverty Main Zone is located in the northeastern portion of the Laverty claim block, southeast of the Laverty Dyke. It is a southwest-northeast trending zone of mineralization which is characterized by two distinct sections, named the 'West Shear' and the 'East Shear'. The lithology of the Main Zone dominantly comprises granodiorite belonging to the Dome Stock (Figure 4.2). The granodiorite is moderately to strongly sheared with common faults and fractures. Strongly chloritized mafic to intermediate dykes are also commonly observed across the zone within the granodiorite.

Mineralization in the Main Zone occurs in two distinct forms: structurally hosted within sheared granodiorite, and in quartz-tourmaline veins. Mineralization hosted by the sheared granodiorite is present throughout the Main Zone, whereas mineralized quartz-tourmaline veins are only locally common in the eastern half of the Main Zone.

Three solids have been created based on geology and structure: the West Shear, the East Shear, and Quartz Veins. The East and West Shears are modelled as northwest dipping, roughly tabular bodies. A third geology solid has been created around the zone characterized by common gold-bearing quartz veins; this zone coincides spatially with the East Shear. The East and West Shears are separated by a poorly defined fault or shear zone which, for this exercise, is modelled as a vertical tabular feature striking 335°; this structural feature is not well defined by drillholes, but is inferred based on the rapid change in geology to the east and to the west of it. The features of these three geology solids are summarized below.

WEST SHEAR

- Strike: 240 to 245°
- Dip: 45° to the northwest
- Total length: approximately 300 m
- Maximum width of zone: approximately 180 m
- Total vertical depth: approximately 200 m

EAST SHEAR

- Strike: variable from 210 to 240°
- Dip: 70° to the northwest
- Total length: approximately 300 m
- Maximum width: approximately 190 m

- Total vertical depth: approximately 220 m

QUARTZ-TOURMALINE VEINS

- Strike: 255°
- Dip: variable from 65° to 80° to the northwest
- Length: approximately 150 m
- Maximum width: approximately 50 m
- Total vertical depth: approximately 90 m

MAIN ORE SHELL

An 'ore' shell was created around these three geological zones, and using an assay cut-off of 0.25 ppm Au. The features of these this solid are summarized below.

- Total length along strike: 1,100 m
- Maximum width: 335 m
- Minimum width: 85 m
- Total vertical depth: 360 m
- Strike: 75°
- Dip: 85° to the northwest

7.3.2 LAVERTY DYKE

The Laverty Dyke is a mafic dyke which has intruded the granodiorite of the Dome Stock, and is described in more detail in Section 7.2 Property Geology.

Mineralization in the Laverty Dyke is characterized by very fine grained native gold residing in silicate minerals, and occasionally in trace base metal sulphide minerals. The majority of the gold is located near the contact between the dyke and the granodiorite, as well as locally in the granodiorite near the dyke.

The solid used for the resource estimate is based on geology, and is restricted to the contacts of the dyke. There is some mineralization in the granodiorite proximal to the dyke contacts, but the distribution of this mineralization is much less regular. The features of these solids are summarized below.

- Strike: 330°
- Dip: 85° to the northeast
- Length modeled: 360 m
- Maximum width: 15 m

- Minimum width: approximately 5 m
- Total vertical depth: 380 m

7.3.3 BUFFALO EXTENSION ZONE

The Buffalo Extension Zone is located in the southern part of the East My-Ritt claim block and primarily comprises granodiorite of the Dome Stock. In the southeastern most corner of the claim block, mafic volcanic rocks of the Balmer Assemblage are present, which are described in more detail in Section 7.2 Property Geology.

The mineralization is contained in two separate groups in the Buffalo Extension Zone: disseminated throughout the granodiorite, and within quartz-tourmaline veins which are locally common in the granodiorite. Mineralization is restricted to the granodiorite, and is not observed in the Balmer mafic volcanic rocks.

Two geology/grade zones were produced for the Buffalo Extension Zone. The Disseminated Zone was built around a semi-continuous zone of sheared granodiorite with an assay cut-off of 0.25 ppm Au. The Quartz-Tourmaline Zone was created around two separate but adjacent zones characterized by common quartz-tourmaline veins, and with an assay cut-off 0.25 ppm Au. The features of these solids are summarized below.

DISSEMINATED ZONE

- Strike: 70 to 75°
- Dip: 85° to the northwest
- Total length: approximately 520 m
- Maximum width: approximately 115 m
- Minimum width: approximately 50 m
- Total vertical depth: 260 m

QUARTZ-TOURMALINE ZONE

- Two distinct but similar solids which are separated by a distance of approximately 15 m
- Strike: 70 to 75°
- Dip: 80 - 85° to the southeast
- Total length: approximately 230 m

- Maximum width: 50 m
- Minimum width: 20 m
- Total vertical depth: 360 m

8.0 DEPOSIT TYPES

8.1 ARCHEAN SHEAR-HOSTED GOLD DEPOSITS

The Red Lake District gold mineralization can broadly be characterized as Orogenic Gold Deposits (Groves et al., 1998) and belong to the class of Archean shear-hosted gold occurrences. This deposit type is referred to as type I01 by the British Columbia Ministry of Energy and Mines Deposit Profiles and as USGS Model 36a. These have the following salient features:

- Tectonic setting: Major transcrustal structural breaks within stable cratonic terrains. May represent remnant terrane collision boundaries.
- Host Rock Types: Granite – greenstone belts – mafic, ultramafic (komatiitic) and felsic volcanics, intermediate and felsic intrusive rocks, greywacke and shale.
- Deposit Form: Tabular fissure veins in competent host lithologies, veinlets and stringers forming stockworks in less-competent lithologies.
- Texture/Structure: Veins commonly have sharp contacts with wallrocks and exhibit a variety of textures including massive, ribboned or banded stockworks with anastomosing gashes and dilations.
- Ore Mineralogy: Native gold, pyrite, arsenopyrite, galena, sphalerite, chalcopyrite, pyrrhotite, tellurides, scheelite, bismuth, tetrahedrite, stibnite, molybdenite.
- Gangue Mineralogy: Quartz, carbonates, albite, fuchsite, sericite, muscovite, chlorite, tourmaline, graphite.
- Alteration Mineralogy: Silicification, pyritization and potassic alteration generally occur adjacent to veins within broader zones of carbonate alteration with or without ferroan dolomite veins, extending up to tens of meters from veins.
- Ore Controls: Gold-quartz veins occur within zones of intense and pervasive carbonate alteration along second order or later faults marginal to transcrustal breaks; commonly associated with late syncollisional, structurally-controlled intermediate to felsic magmatism.

8.2 RED LAKE DISTRICT GOLD DEPOSITS

The Property is located within the RLGB where the dominant host rocks for mineralization are mafic to ultramafic volcanic rocks. However, deposits are also hosted in a variety of intermediate to felsic volcanic rocks, subvolcanic (intrusive) rocks, and sedimentary rocks (Parker, 2000).

Gold deposits at the Howey, Hasaga, Gold Shore, and Buffalo Mines properties are in close proximity of the mineralization on the Property and provide a gold deposit model for this specific area. The gold mineralization is located in several sets of veins and stringers which are best developed along 040° and 325° trends with steep dips. The veins tend to be distributed throughout the quartz latite lithologies at the Howey and Buffalo Mines. At the Hasaga Mine, the veins are restricted to fracture zones. The veins consist of white quartz with some carbonate and a small amount of orthoclase. Pyrite and sphalerite are the most abundant metallic minerals with small amounts of other sulphides and tellurides. Gold is mainly restricted to the veins and the contained sulphide minerals whereas the wall rocks are practically barren (Ferguson, 1968). Chloritic quartz latite appears as a local alteration adjacent to the veins.

Two styles of gold mineralization are recognized on the Property. The first style is represented by the near surface, steeply dipping north-northwest striking mafic dyke zone. This mineralization is characterized by very fine grained native gold encapsulated in silica and silicate minerals and is occasionally accompanied by trace amounts of base metal sulphide minerals The alteration accompanying the mineralization appears to be quartz veins and siliceous breccias within a broader calcitic envelope. The second style of gold mineralization is represented by 070° trending, steeply dipping mineralized zones in sheared granodiorite similar to the adjacent Howey, Hasaga, and Gold Shore deposits.

Both styles of gold mineralization have the attributes of quartz-carbonate vein deposits (Robert, 1995) associated with deformation and folding in metamorphosed volcanic, sedimentary, and granitoid rocks. Virtually all gold mineralization has an epigenetic aspect and is structurally controlled in detail, occurring in veins, lenses, fractures, and hinge zones particularly between two rheologically distinct units (Dubé et al., 2002).

9.0 EXPLORATION

MEGA commenced exploration activities on the Property in June 2009. A previous technical report was completed covering exploration activities from June 2009 to June 6, 2010 (Harron and Associates Inc., 2010). Exploration covered in the previous technical report focused on the Laverty Dyke and Laverty Main Zone areas, although a geophysical survey was conducted that covered most of the Property. Drilling activities conducted after June 6, 2010 are discussed in Section 10.0 Drilling.

In 2010, Fugro Airborne Surveys performed a DIGHEM EM/MAG airborne geophysical survey totalling 138 line km over the Property area. Figure 9.1 illustrates magnetic results from the survey.

Channel sampling of the Laverty Main Zone was conducted by MEGA in 2010. Thirty-five channels were sampled for a total of 117 assay samples. The channel sample lengths varied from 0.5 m to 9.6 m, for a total length of 94.6 m from all channels. Sampling methodology is described in Section 11.0 Sample Preparation, Analyses, and Security. Coordinates at the start of each channel are provided in Table 9.1, as well as the total length and azimuth. The area in which the channel sampling was conducted is outlined in Figure 10.1 in Section 10.0 Drilling. Table 9.2 provides the highlights of the Laverty Main Zone channel sampling.

Figure 9.1 Magnetic Results from 2010 Fugro Airborne Geophysical Survey

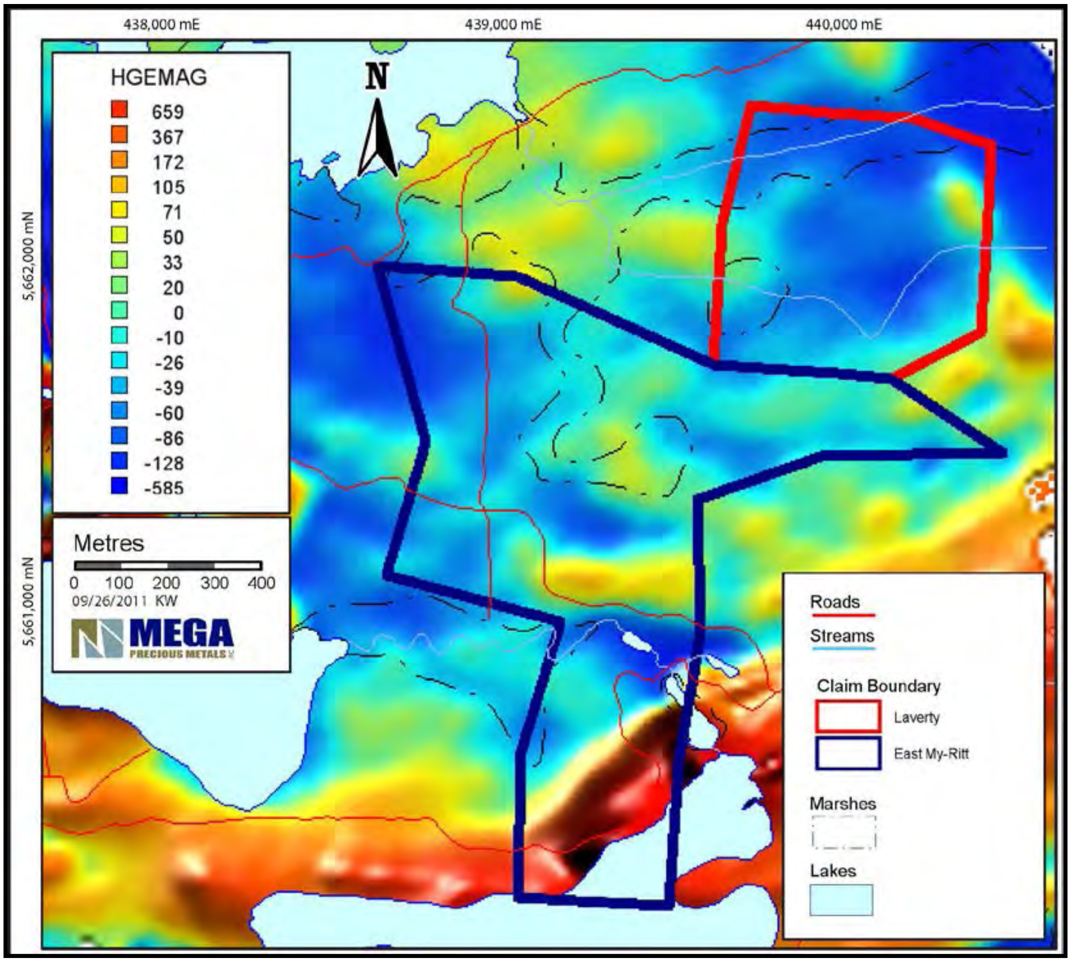


Table 9.1 Laverty Main Zone 2010 Channel Samples

Channel ID	Easting	Northing	Elevation (m)	Length (m)	Azimuth (°)
A	440503.17	5651985.32	370.00	0.70	352.000
B	440503.45	5651985.70	370.00	0.50	352.000
C	440505.66	5651985.28	370.00	3.60	352.000
D	440507.58	5651983.59	370.00	1.40	348.000
E	440508.24	5651987.13	370.00	0.80	350.000
F	440511.44	5651986.08	370.00	3.90	352.000
G	440515.88	5651984.27	370.00	9.60	350.000
H	440517.53	5651989.11	370.00	0.90	290.000
J	440517.93	5651989.84	370.00	0.60	292.000
K	440519.34	5651986.06	370.00	3.80	352.000
L	440521.00	5651984.08	370.00	4.90	356.000
M	440529.08	5651983.46	370.00	2.50	348.000
N	440535.93	5651989.46	370.00	1.90	338.000
P	440542.74	5651989.13	370.00	4.10	341.000
Q	440539.00	5651991.00	370.00	0.90	296.000
R	440537.53	5651924.03	370.00	5.40	350.000
S	440540.24	5651928.60	370.00	1.30	6.000
T	440541.95	5651928.83	370.00	3.00	350.000
U	440545.33	5651927.08	370.00	4.20	346.000
V	440554.01	5651926.39	370.00	6.80	354.000
W	440561.74	5651992.47	370.00	3.60	342.000
X	440559.99	5651995.73	370.00	1.20	328.000
Y	440560.36	5651996.86	370.00	4.30	8.000
Z	440554.83	5652004.45	370.00	3.80	353.000
AA	440558.00	5652010.00	370.00	0.80	100.000
AB	440552.94	5652009.97	370.00	0.60	108.000
AC	440558.56	5652009.08	370.00	0.60	85.000
AD	440559.30	5652007.93	370.00	0.60	90.000
AE	440561.00	5652008.00	370.00	3.70	5.000
AF	440572.31	5652001.30	370.00	7.10	341.000
AG	440575.65	5652004.31	370.00	2.10	290.000
AH	440578.02	5652003.10	370.00	1.80	51.000
AJ	440579.91	5652004.21	370.00	1.10	330.000
AK	440575.26	5652016.22	370.00	1.00	50.000
AL	440574.41	5652016.84	370.00	1.50	63.000

Table 9.2 Laverty Main Zone 2010 Channel Sample Results

Channel ID	From (m)	To (m)	Length (m)	Au (g/t)
G	0.0	6.6	6.6	1.1
R	1.3	5.4	4.1	1.5
W	0.0	3.6	3.6	1.5
Z	0.0	3.8	3.8	2.4
AE	0.0	3.7	3.7	1.8
AL	0.0	1.5	1.5	6.1

Note: Minimum reported interval of ≥ 5 gram-metres using a variable cut-off grade of 0.2 g/t to 0.4 g/t

10.0 DRILLING

10.1 DRILLING

Drilling was conducted in 2010 and 2011 to extend the Laverty Main Zone, the South Zone, and the Buffalo Extension Zone.

Drilling was completed by Layne Christensen Canada of Sudbury, Ontario. All holes were NQ in diameter and used a 3 m core barrel. Drilling on the Laverty claim block is described in Section 10.1.1 and in Section 10.1.2 on the East My-Ritt block.

All drill collars were initially spotted with a hand-held Global Positioning System (GPS). On some lines, subsequent holes were spotted by 'chain' measuring from the initial collar using 50 m tapes. The final completed collars were surveyed by Trow Associates Inc. (Trow) of Dryden, Ontario. The Trow coordinates were used as the final collar coordinates for all modeling. Down-hole surveys were completed using the ReflexIt© tool. Survey readings were collected every 30 m down the hole. Erroneous directional readings were discarded and inclination readings were not affected by the magnetic minerals.

10.1.1 LAVERTY DRILLING

The 2010 drilling focused on the Laverty block, with 13,231 m of drilling completed in 50 drillholes. Table 10.1 provides the collar information for Laverty drilling completed by MEGA, subsequent to the previous technical report. Table 10.2 provides the grade composite highlights of these drillholes. Core lengths in the table do not represent true widths. Figure 10.1 shows the position of the Laverty drillholes.

Table 10.1 Summary of Laverty Diamond Drillholes

Hole ID	Easting	Northing	Elevation (m)	End of Hole (EOH)	Azimuth (°)	Dip (°)
ML1050	440384.93	5652078.85	366.6	203	151.000	-45.000
ML1051	440264.87	5651862.12	360.64	200	335.000	-45.000
ML1052	440221.23	5651887.07	360.38	251	339.000	-45.000
ML1053	440278.84	5651902.48	360.75	200	325.000	-41.900
ML1054	440197.42	5651865.58	360.86	221	334.000	-45.000
ML1055	439999.65	5651721.29	371.06	276	333.000	-45.000
ML1056	440054.27	5651839.19	359.96	276	333.000	-45.000
ML1057	440099.46	5651740.91	367.46	251	335.000	-45.000
ML1058	440054.64	5651838.27	359.93	250	335.000	-65.000
ML1059	440067.89	5651789.8	363.31	252	335.000	-45.000
ML1060	440009.8	5651816.13	359	252	335.000	-45.000
ML1061	440030.45	5651771.16	365.92	273	335.000	-45.000
ML1062	440010.12	5651815.53	358.93	231	335.000	-60.000
ML1063	440053.94	5651723.21	369.12	269.3	335.000	-45.000
ML1064	439965.39	5651793.36	361.55	252	335.000	-45.000
ML1065	439980.78	5651759.16	365.01	261	335.000	-45.000
ML1066	440097.42	5651875.08	361.32	150	335.000	-45.000
ML1067	440118.3	5651829.17	363.57	194	335.000	-45.000
ML1068	440141.76	5651787.19	366.29	252	335.000	-45.000
ML1069	440141.85	5651786.99	366.27	277	335.000	-54.000
ML1070	440143.97	5651883.41	363.5	162	335.000	-45.000
ML1071	440163.95	5651841.93	362.07	231	335.000	-45.000
ML1072	440186.73	5651792.43	365.76	268.5	335.000	-45.000
ML1073	440207.49	5651749.02	367.48	276	335.000	-45.000
ML1174	440224.01	5651948.97	360.54	201.00	155.000	-45.000
ML1075	440187.14	5652030.26	366.47	279	155.000	-45.000
ML1076	440162.17	5651965.86	360.21	216	155.000	-45.000
ML1077	440139.71	5652011.99	364.8	327	153.000	-45.000
ML1078	440139.71	5652011.99	364.8	300	315.000	-45.000
ML1079	440117.78	5652064.38	360.37	64	155.000	-43.000
ML1080	440117.78	5652064.38	360.37	300	155.000	-43.000
ML1081	440166	5652076.58	360.22	300	155.000	-45.000
ML1182	440268.21	5651976.33	362.02	201	156.000	-45.000
ML1183	440244.92	5652024.29	365.21	274.5	152.000	-45.000
ML1184	440224.16	5652071.07	362.11	271.9	150.000	-45.000
ML1185	440204.25	5652113.45	360.25	321	152.000	-47.000
ML1186	440321.29	5651979.68	362.64	150	152.000	-46.000
ML1187	440300.82	5652023.65	364.93	252	155.000	-47.000
ML1188	440278.21	5652070.79	365.17	60	152.000	-45.000
ML1189	440277.47	5652072.31	365.14	300	155.000	-48.000

table continues…

Hole ID	Easting	Northing	Elevation (m)	End of Hole (EOH)	Azimuth (°)	Dip (°)
ML1190	440258.62	5652114.28	365.24	300	155.000	-49.000
ML1191	440341.48	5651935.7	361.14	177	155.000	-47.000
ML1192	440376.2	5651976.81	361.67	177	155.000	-47.000
ML1193	440355.53	5652023.73	366.2	249	155.000	-48.000
ML1194	440333.76	5652068.53	368.51	144	155.000	-50.000
ML1195	440332.19	5652068.25	368.58	285.7	155.000	-50.000
ML1196	440315.43	5652114.19	368.57	300	152.000	-49.000
ML1197	440427.94	5651987.57	362.14	177	155.000	-45.000
ML1198	440407.32	5652032.12	362.64	252	152.000	-47.000
ML1199	440364.52	5652123.7	371.33	300	152.000	-49.000
ML11100	440475.82	5651998.2	362.89	175	153.000	-46.000
ML11101	440455.53	5652046.44	363.13	297	153.000	-47.000
ML11102	440440.6	5652088.22	367.28	300	152.000	-48.000
MM1009	439745.46	5651558.94	357.95	257	340.000	-45.000
MM1024	439594.01	5651640.29	361.56	294.3	335.000	-45.000

Table 10.2 Laverty Drilling Results

Drillhole ID	From (m)	To (m)	Length (m)	Au (g/t)
ML1050	29.0	32.0	3.0	2.930
ML1050	137.0	142.1	5.1	1.720
incl	138.5	140.0	1.5	4.100
ML1051	26.0	33.6	8.5	0.870
ML1051	57.5	72.5	15.0	0.590
ML1051	80.0	81.9	1.9	1.970
ML1051	89.0	96.5	7.5	0.620
ML1051	119.8	200.0	81.0	0.660
incl	119.8	129.5	9.7	0.930
incl	131.8	137.0	5.2	1.550
incl	150.3	158.0	7.7	0.850
incl	160.2	176.0	15.8	0.520
incl	192.5	198.5	6.0	1.790
ML1052	71.0	72.5	1.5	2.640
ML1053	140.0	143.0	3.0	1.880
ML1053	194.0	200.0	6.0	1.020
ML1054	156.5	174.0	17.5	1.560
incl	157.5	163.5	6.0	3.480
ML1055	12.0	19.5	7.5	1.170
ML1056	19.0	31.5	12.5	0.880
ML1056	126.0	132.0	6.0	1.320

table continues…

Drillhole ID	From (m)	To (m)	Length (m)	Au (g/t)
ML1057	84.5	96.5	12.0	1.120
ML1058	9.0	16.0	7.0	0.770
ML1058	55.5	68.3	12.8	0.640
ML1058	94.5	99.0	4.5	3.770
ML1058	139.5	147.0	7.5	0.760
ML1059	16.5	36.0	19.5	0.720
ML1059	105.0	111.0	6.0	1.010
ML1060	70.5	97.5	27.0	1.210
incl	70.5	79.5	9.0	1.140
incl	88.5	97.5	9.0	2.170
ML1060	206.7	207.7	1.0	4.660
ML1061	147.0	153.7	6.7	0.760
ML1062	-	-	-	N/A
ML1063	204.0	211.5	6.5	1.000
ML1064	99.0	153.8	54.8	1.020
incl	152.5	153.8	1.3	17.30 (vg)
ML1065	165.0	180.0	15.0	0.510
ML1066	88.5	92.0	3.5	1.550
ML1067	25.5	33.0	7.5	1.030
ML1068	-	-	-	N/A
ML1069	196.5	199.1	2.6	2.300
ML1070	63.5	69.0	5.5	0.950
ML1071	66.0	70.5	4.5	0.650
ML1072	-	-	-	N/A
ML1073	-	-	-	N/A
ML1174	48.5	119.0	70.5	0.650
incl	48.5	52.7	4.2	3.360
incl	61.5	70.0	8.5	0.890
incl	82.5	87.0	4.5	1.100
incl	113.0	119.0	6.0	0.790
ML1075	78.0	87.0	9.0	0.720
ML1075	94.5	100.0	5.5	1.400
ML1075	195.0	205.0	10.0	0.510
ML1075	221.0	231.0	10.0	0.650
ML1076	131.0	140.3	9.3	0.840
ML1076	188.0	193.0	5.0	1.620
ML1077	35.7	46.5	10.8	1.730
ML1077	85.5	91.5	6.0	0.960
ML1077	103.5	111.9	8.4	0.810
ML1078	-	-	-	N/A
ML1079	40.5	54.0	13.5	0.580

table continues…

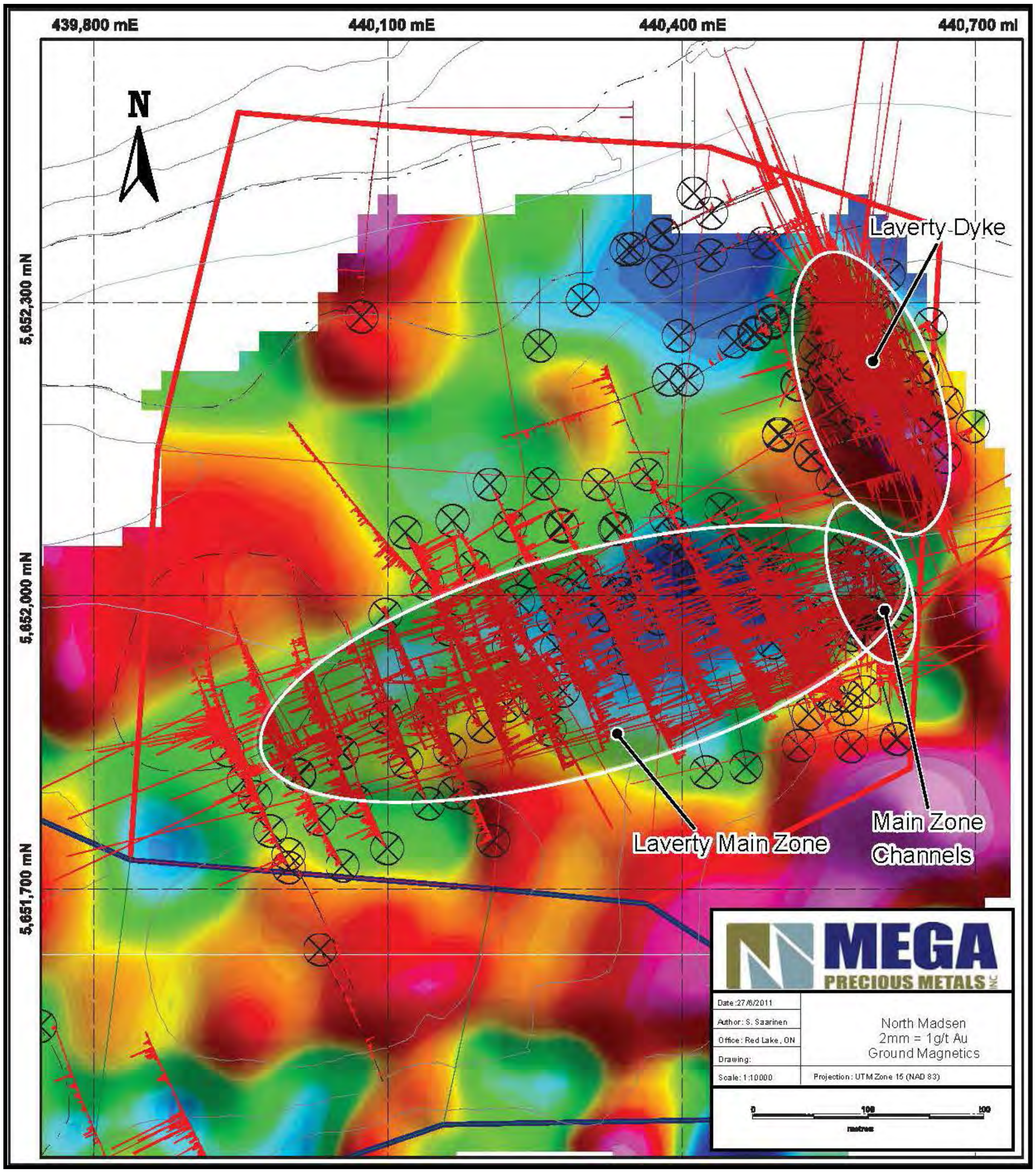
Drillhole ID	From (m)	To (m)	Length (m)	Au (g/t)
ML1080	25.6	37.5	11.9	1.100
ML1081	37.5	291.0	253.5	0.410
incl	37.5	39.0	1.5	4.450
incl	145.0	175.5	30.5	0.770
incl	145.0	147.0	2.0	6.330
incl	198.0	204.0	6.0	2.220
incl	231.0	237.0	6.0	1.400
incl	258.0	271.5	13.5	0.740
ML1182	37.5	43.5	6.0	0.830
ML1182	91.5	103.5	12.0	0.680
ML1183	165.0	193.0	28.0	0.510
ML1183	212.0	221.0	9.0	0.810
ML1184	147.0	151.0	4.0	2.250
ML1184	195.0	199.5	4.5	1.390
ML1185	70.5	78.0	7.5	1.560
ML1185	148.0	155.0	8.0	1.210
ML1186	24.0	50.0	26.0	0.780
incl	24.0	32.0	8.0	1.460
and	40.0	50.0	10.0	0.720
ML1186	83.0	113.0	30.0	3.870
incl	87.0	95.0	8.0	6.040
and	102.0	104.0	2.0	15.480
and	109.0	113.0	4.0	6.050
ML1187	30.0	69.0	39.0	0.620
incl	34.5	42.0	7.5	0.810
ML1187	129.0	145.0	16.5	0.790
incl	132.0	139.5	7.5	1.000
ML1188	-	-	-	N/A
ML1189	128.0	259.5	131.5	0.490
incl	185.9	194.6	8.7	0.780
and	222.0	258.9	33.0	0.880
incl	222.0	226.5	4.5	3.020
ML1190	285.0	292.4	7.4	0.860
ML1191	124.5	144.0	19.5	2.190
incl	124.5	136.0	11.5	3.190
ML1192	153.0	171.0	18.0	2.130
incl	153.0	155.0	2.0	9.600
ML1193	57.0	127.0	70.0	0.630
incl	86.6	106.0	19.4	1.130
incl	86.6	89.1	2.5	4.700
ML1193	55.5	61.5	6.0	0.770

table continues…

Drillhole ID	From (m)	To (m)	Length (m)	Au (g/t)
ML1193	78.0	106.0	28.0	1.080
incl	78.0	89.1	11.0	1.800
incl	86.6	89.1	2.5	6.420
ML1194	108.0	116.0	8.0	0.860
ML1195	-	-	-	N/A
ML1196	-	-	-	N/A
ML1197	71.5	79.0	7.5	0.970
ML1197	95.0	127.5	32.5	0.520
ML1198	147.0	166.5	19.5	0.840
incl	147.0	162.0	15.0	0.970
ML1198	196.5	234.0	37.5	0.960
incl	196.5	204.0	7.5	1.260
and	225.0	234.0	9.0	1.720
ML1199	258.0	271.5	13.5	0.860
ML11100	37.5	59.0	21.5	0.930
ML11100	84.0	117.0	33.0	2.360
incl	84.0	107.0	23.0	3.130
incl	84.0	86.0	2.0	24.690
and	93.0	107.0	14.0	1.560
ML11101	28.2	119.0	90.8	0.530
incl	28.2	30.0	1.8	4.130
and	52.5	57.0	4.5	1.970
ML11101	130.5	223.5	93.0	0.630
incl	159.0	162.0	3.0	2.060
and	183.0	189.0	6.0	1.400
and	208.5	223.5	15.0	1.160
incl	208.5	216.0	7.5	1.700
ML11102	228.0	265.5	37.5	1.020
MM1009	-	-	-	N/A
MM1024	156.0	169.5	13.5	1.11

Note:True Width is approximately 65% of Intersection Width
Minimum Reported Interval of ≥ 5 gram-metres using a variable cut-off grade of 0.4 g/t to 0.2 g/t

Figure 10.1 Location Map of Laverty Core Drilling Including Previously Completed Drillholes



10.1.2 EAST MY-RITT DRILLING

The 2011 drilling focused on the East My-Ritt block, with 6,853 m of drilling completed on 29 drillholes. Table 10.3 provides the collar information for East My-Ritt drilling completed by MEGA, subsequent to the previous technical report. Table 10.4 provides the grade composite highlights of these drillholes. Core lengths in the table do not represent true widths. Figure 10.2 shows the position of the East My-Ritt drillholes.

Table 10.3 Summary of East My-Ritt Diamond Drillholes

Hole ID	Easting	Northing	Elevation (m)	End of Hole (EOH)	Azimuth (°)	Dip (°)
MM1028	439656.4	5650572	368.15	402	335	-50
MM1129	439609.7	5650550	369.93	51	335	-55
MM1130	439609.7	5650550	369.93	251	335	-50
MM1131	439559.5	5650541	370.26	251	335	-54
MM1132	439515	5650513	369.88	250	335	-55
MM1133	439480.7	5650470	369.45	251.5	335	-55
MM1134	439722	5650624	362	300	5	-45.9
MM1135	439654.5	5650684	363.64	201	155	-45
MM1136	439654.4	5650684	363.72	202.3	153	-60
MM1137	439544	5650587	375.76	252	333	-54
MM1138	439573.8	5650492	375.13	300	332	-57
MM1139	439623.9	5650502	372.26	7.5	335	-55
MM1140	439623.9	5650502	372.26	300	330	-55
MM1141	439593.5	5650597	374.97	251	334	-45
MM1142	439600.5	5650689	366.72	150	151	-53
MM1143	439581.6	5650735	373.97	222	151	-53
MM1144	439638.7	5650728	364.91	147	152	-50.6
MM1145	439638.4	5650729	365.06	195	151	-66
MM1146	439465	5650665	374.42	201	155	-56
MM1147	439397.7	5650707	364.28	249	155	-53
MM1148	439424.3	5650761	365.95	294	151	-53
MM1149	439443.8	5650718	367.89	249	158	-55
MM1150	439426.4	5650664	371.49	252	151	-53
MM1151	439364.7	5650661	358.71	252	151	-55
MM1152	439361	5650708	358.06	276	151	-55
MM1153	439392.5	5650446	367.22	300	355	-60
MM1154	439374.8	5650490	362.66	298	335	-60
MM1155	439430.7	5650453	370.28	300	335	-55
MM1156	439339.9	5650412	363.04	300	335	-55
MM1157	439321.4	5650458	359.63	300	335	-55

Table 10.4 East My-Ritt Drilling Results

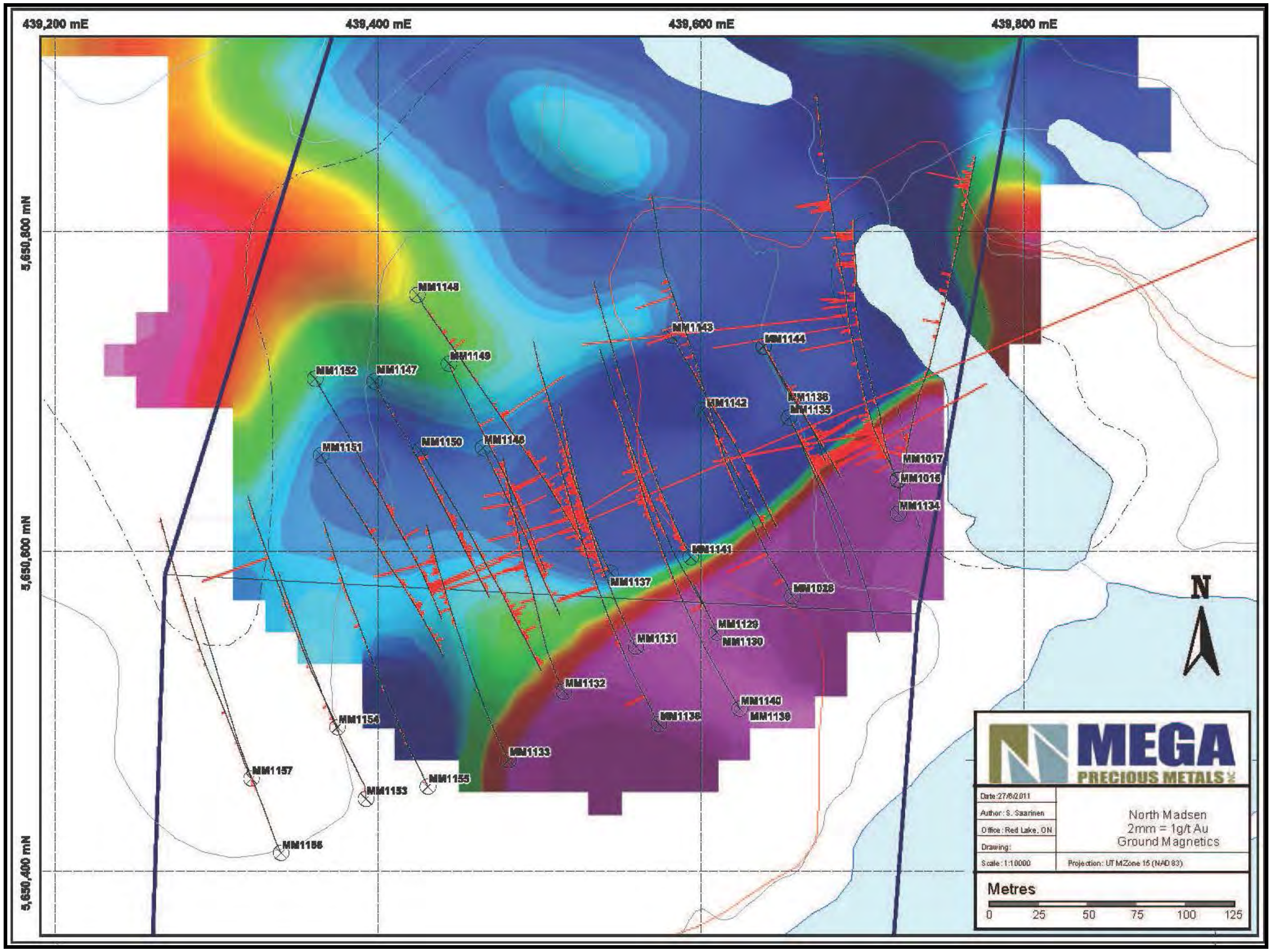
Drillhole ID	From (m)	To (m)	Length (m)	Au (g/t)
MM1028	48.0	49.5	1.5	5.410
MM1129	-	-	-	N/A
MM1130	132.9	154.5	21.6	0.600
MM1131	96.5	158.0	61.2	1.580
incl	96.5	113.0	16.5	0.990
and	126.5	158.0	31.5	2.390
incl	129.5	147.5	18.0	3.680
MM1132	137.5	152.5	15.0	2.010
incl	137.5	145.0	7.5	3.330
and	151.0	152.5	1.5	3.100
MM1132	211.0	217.0	6.0	1.290
MM1132	232.0	242.5	10.5	0.650
MM1133	214.5	222.0	7.5	2.130
MM1134	49.5	57.0	7.5	1.300
MM1134	274.5	288.0	13.5	1.000
incl	274.5	282.0	7.5	2.020
MM1136	52.5	73.5	21.0	4.400
incl	58.5	69.0	10.5	7.260
MM1137	90.0	126.0	36.0	0.590
MM1138	163.5	166.5	3.0	7.800
MM1138	239.7	261.0	21.3	0.940
incl	240.4	253.5	13.1	1.270
MM1139	-	-	-	N/A
MM1140	229.1	244.5	15.4	0.360
MM1141	7.5	33.0	25.5	0.420
MM1141	49.3	61.5	12.2	0.430
MM1142	-	-	-	N/A
MM1143	154.5	176.5	22.0	0.330
MM1144	99.0	106.5	7.5	2.150
incl	103.5	106.5	3.0	4.770
MM1144	123.6	139.5	15.9	1.650
incl	134.6	137.5	2.9	6.650
MM1145	-	-	-	N/A
MM1146	114.0	157.3	43.3	0.685
Incl	114.0	124.5	10.5	0.860
incl	135.0	150.0	15.0	0.920
MM1147	178.5	202.5	24.0	0.500
MM1148	144.0	147.0	3.0	2.340
MM1148	220.3	237.0	16.7	0.680
incl	231.0	237.0	6.0	1.160

table continues…

Drillhole ID	From (m)	To (m)	Length (m)	Au (g/t)
MM1148	249.0	268.5	19.5	1.350
incl	256.4	268.5	12.1	1.700
MM1149	96.0	102.0	6.0	0.990
MM1149	149.8	156.0	6.2	2.430
MM1150	187.5	193.5	6.0	1.770
MM1150	210.0	217.5	7.5	0.740
MM1151	-	-	-	N/A
MM1152	237.0	249.0	12.0	7.250
incl	241.2	246.0	4.8	16.850
MM1153	-	-	-	N/A
MM1154	222.0	223.5	1.5	8.700
MM1155	-	-	-	N/A
MM1156	-	-	-	N/A
MM1157	-	-	-	N/A

Note: True Width is approximately 65% of Intersection Width
Minimum Reported Interval of ≥ 5 gram-metres using a variable cut-off grade of 0.4 g/t to 0.2 g/t

Figure 10.2 Location Map of East My-Ritt Core Drilling Including Previously Completed Drillholes



10.2 CORE LOGGING APPROACH

The following summarizes the methodology followed by MEGA for logging drill cores completed on the Property.

10.2.1 CORE LOGGING PROCEDURE

- Drill core is delivered to the core logging facility (Figure 10.3) by the diamond drill contractor, typically once a day.
- Lids are removed from core boxes and the boxes are moved into the core shack. Boxes are placed on the core racks in rows of five. Core racks run the length of the core shack and if necessary, more than 200 m of core can be laid out at one time.
- Run markers and box labels are checked for accuracy.
- Boxes are photographed in the rows of five, as laid out in the core racks.
- The geologist logs the core, recording data directly into a Microsoft Excel template. Core is logged from top to bottom of the hole, continuously.
- Core is logged for lithology, structure and deformation features, alteration, notable minerals (particularly sulphides), and any significant features such as veins or dykes. Specific features recorded include the colour, texture, and mineralogy for any units broken out (from-to depths present for each unit), angles of foliation, veins, and faults, and core condition.
- Multiple geologists logged the core with the project manager (a geologist) being responsible for the overall quality of logging.
- Sample intervals are marked on the box (described in Section 11.0 Sample Preparation, Analysis, and Security)
- Core boxes are labeled on one end with a metal tag that is marked with hole ID, box number and core interval.
- Logged core boxes are placed in core racks located within the building for cutting by a technician.
- The core is cut in the cutting facility which is attached to the core shack (Figure 10.4; procedures described in Section 11.0 Sample Preparation, Analysis, and Security).
- Once cut, the core is temporarily stored outdoors in core racks located in a yard adjacent to the core shack (Figure 10.5). When numerous holes have accumulated in the core yard, the core is stacked on pallets, secured with metal straps, and transported by flat-bed truck to a storage area located approximately 5 km east of Red Lake with access off Highway 105 (Figure 10.6).

- Neither the temporary core yard nor the long term core storage areas are considered secure since they are not surrounding by a fence or have on site security.

Figure 10.3 Core Shack in Red Lake

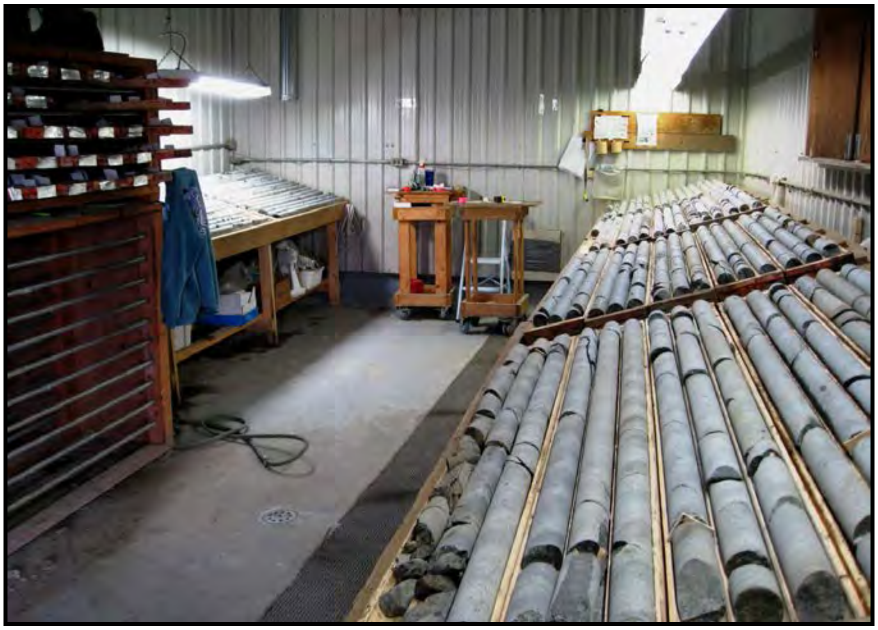


Figure 10.4 Core Cutting Facility Adjacent to Core Shack

Figure 10.5 Core Yard for Temporary Core Storage Adjacent to Core Shack

Figure 10.6 Core Storage Area Outside of Red Lake

11.0 SAMPLE PREPARATION, ANALYSES, AND SECURITY

11.1 SAMPLING METHOD AND APPROACH

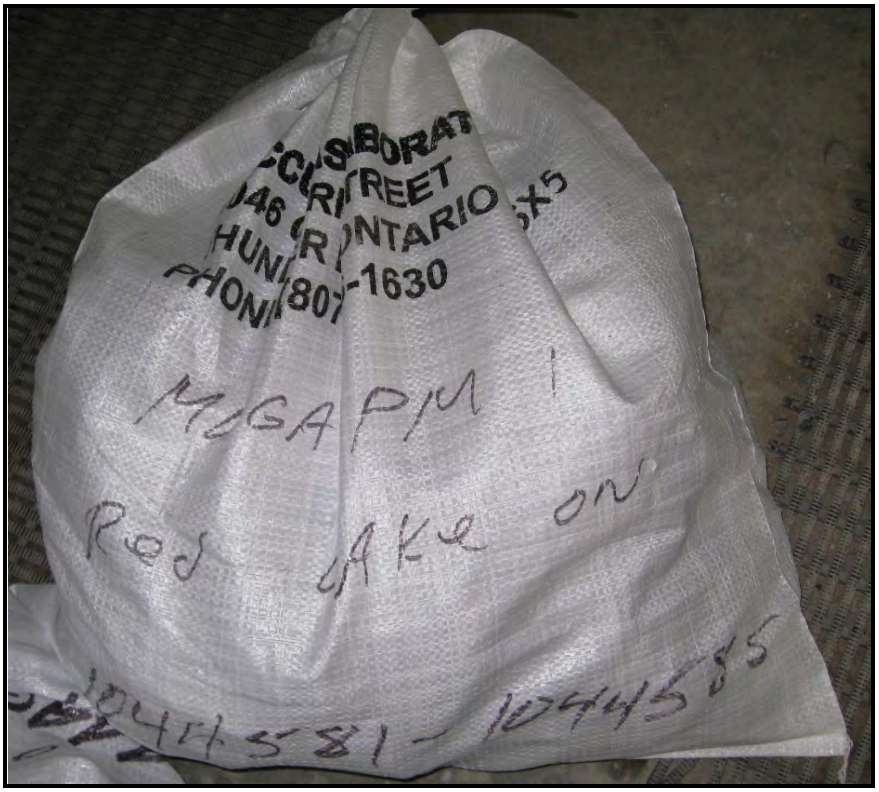
Samples for gold assay analysis were collected from all drillcore collected from the Property. Channel samples were also collected for gold assay analysis from the main zone in 2010. Section 11.1.1 summarizes the sampling methodology followed by MEGA for sampling all drillcore on the Property. Section 11.1.2 summarizes the sampling methodology followed by MEGA for channel sampling on the property.

11.1.1 CORE SAMPLING PROCEDURE

- The minimum sample length is 0.50 m and the maximum sample length is 1.50 m.
- Samples do not cross lithological contacts where the lithological unit is greater than or equal to 0.5 m. Units less than 0.5 m are included within the larger (0.5 to 1.5 m) sample.
- Samples are marked on the box with the red dry markers. Lines and arrows are drawn on the core to denote the start and finish of each sample. A cut line is then drawn down the length of the core to indicate where the core is to be cut. The pre-printed sample tags are placed in the box at the start of each sample interval; two tags are placed in the box, one of which will be stapled to the box, and one of which will be placed in the sample bag.
- The core is cut using a saw with a circular diamond blade. The saw uses fresh water which drains into a sump outside the building.
- The core is cut into even halves with one half placed back into the core box, and the other half placed in a clear plastic sample bag.
- The sample number corresponding with the interval is written on the outside of the sample bag and the sample tag is inserted in the bag. The bag is then secured with a zip tie.
- QA/QC samples are inserted into the sample stream at previously determined intervals. A full description of the QA/QC sampling procedure and program is provided in Section 12.0 Data Verification.
- Up to eight samples bags are placed in rice bags and a record is made of the sample numbers in each rice bag (Figure 11.1). The rice bag is then secured with zip-ties.
- After the sample bags were sealed in the rice bags, they were stored in the core shack until enough samples were accumulated for shipment to Accurassay.

- All samples, including field-inserted standards and blanks, were shipped via truck, using Manitoulin Transport, to Accurassay's main facility in Thunder Bay, Ontario. Accurassay has geochemical accreditation that conforms with the requirements of CAN P-4E ISO/IEC 17025:2005 and CAN-P-1579.

Figure 11.1 Rice Bag Containing Assay Samples 1044581 to 1044585



11.1.2 *CHANNEL SAMPLING PROCEDURE*

- The area was first stripped of vegetation to expose bedrock.
- Channel samples were collected at regular intervals along the exposed area.
- Samples were collected by sawing and chiseling a filet of rock measuring approximately 10 cm in depth and approximately 5 cm in width, along the length of the channel.
- As much as possible, the individual samples in each channel were divided into approximately equal lengths, typically between 0.7 to 1 m.
- Samples were placed in sample bags with the sample number written on the outside of the bag and the sample tag is inserted in the bag. The bag was then secured with a zip tie.
- Samples were transported to the core shack the same day they were collected. When enough samples were accumulated, they were shipped to Accurassay.

- All samples, including field-inserted standards and blanks, were shipped via truck, using Manitoulin Transport, to Accurassay's main facility in Thunder Bay, Ontario.

11.2 Sample Preparation, Security, and Analysis

11.2.1 *Sample Preparation and Analysis*

The following is a brief description of the sample preparation at Accurassay (prep code ALP1):

- Samples are sorted into numerical order and then dried.
- Once dried, the material was crushed to 70% passing -8 mesh (2 mm).
- The sample is then split to get a 500 g sample for pulverizing.
- The total 500 g of split sample is pulverized to 90% passing 106 µm.
- Silica abrasive was used to clean between each sample.

Gold was assayed by fire assay fusion of 50 g with an atomic absorption (AA) finish (Accurassay code ALFA2). The resulting values were reported in parts per billion. If any of the assays returned values above the threshold limits, the sample would be re-assayed using a 50 g fire assay with a gravimetric finish (Accurassay core ALFA7) with the results reported in grams per tonne. The final assay methodology for samples that exceed the gravimetric finish threshold or that contain visible gold was gold pulp metallic (Accurassay core ALPM1).

11.2.2 *Sample Security*

Beyond the initial sample collection and bagging, at no time was a MEGA employee or designate of the company involved in the preparation or analysis of the samples.

The core logging and cutting facility was locked when unoccupied and is considered reasonably secure. Once collected, all samples were stored inside the facility until transferred to the shipping company, which transported the samples directly to Accurassay. A detailed list of all samples included in each shipment is recorded by MEGA, and Manitoulin Transport uses bar-coding and scanning to track each shipment. Accurassay also uses bar-coding and scanning to track each shipment from the time it is received to the delivery of the results to MEGA. The chain of custody is considered secure to industry standards.

Tetra Tech is not aware of any drilling, sampling, or recovery factors affecting the reliability of the samples.

12.0 DATA VERIFICATION

Tetra Tech believes the sampling practices of MEGA meets current industry standards. Tetra Tech also believes that the sample database provided by MEGA and validated by Tetra Tech is suitable to support resource estimation.

12.1 SITE VISIT

Margaret Harder, P.Geo., Geologist with Tetra Tech, visited the Property on three separate occasions: June 17 to July 5, 2011; August 17 to 31, 2011; September 19 to 30, 2011. Ms. Harder examined the core logging and cutting facilities, core storage areas, and reviewed numerous drill collar sites. Outcrop at both the Laverty Main and Laverty Dyke surface sample areas was reviewed, as well as the channels. Geological logs and assay certificates, down-hole survey sheets, and collar survey data were also reviewed, and all data validation was completed while on site during the visit of August 17 to 31, 2011. Drilling on the Buffalo Extension Zone of the East My-Ritt claim block was ongoing during the June 17 to July 5, 2011 visit, and the rig was visited on numerous occasions during operation.

Tetra Tech was able to observe the core handling, logging and sampling procedures being done by MEGA and concludes that the procedures meet industry standards. Tetra Tech confirmed the locations of 12 drillholes and 6 surface channels during the site visit. Tetra Tech collected the collar locations using either a Garmin Oregon550 handheld GPS unit or a Garmin GPSMap 60CSx handheld GPS unit. All collar locations were located within the acceptable error limit of the GPS unit (Table 12.1).

Table 12.1 Drillhole Collar Validation

Location ID	Location Type	Zone	MEGA			Tetra Tech		
			Easting	Northing	Elevation	Easting	Northing	Elevation
TS81-10	Drillhole	Laverty Dyke	440643.34	5652196.71	374.78	440641	5652200	377
ML0917/ ML0918	Drillhole	Laverty Dyke	440644.70	5652233.77	376.36	440643	5652235	378
TS8120	Drillhole	Laverty Dyke	440573.98	5652237.69	380.94	440572	5652240	386
ML0905	Drillhole	Laverty Dyke	440559.42	5652193.29	376.96	440559	5652194	382
ML1183	Drillhole	Laverty Main	440244.92	5652024.29	365.21	440245	5652028	376
ML0911	Drillhole	Laverty Main	440595.39	5651982.89	374.02	440598	5651982	376
MM1016	Drillhole	Buffalo Extension	439721.81	5650645.33	360.10	439720	5650641	N/A
MM1146	Drillhole	Buffalo Extension	439464.99	5650665.12	374.42	439460	5650665	381
MM1147	Drillhole	Buffalo Extension	439397.67	5650706.68	364.28	439398	5650707	374
MM1148	Drillhole	Buffalo Extension	439424.32	5650760.75	365.95	439419	5650762	349
MM1150	Drillhole	Buffalo Extension	439426.39	5650663.70	371.49	439424	5650665	377
MM1151	Drillhole	Buffalo Extension	439364.66	5650660.55	358.71	439363	5650661	354
L 20 N	Channel	Laverty Dyke	440637.86	5652148.75	371.47	440638	5652151	370
L 150 N	Channel	Laverty Dyke	440567.91	5652257.41	381.15	440569	5652259	388
L 110 N	Channel	Laverty Dyke	440572.59	5652221.60	379.88	440579	5652223	N/A
AJ	Channel	Laverty Main	440579.91	5652004.21	370.00	440582	5652006	369
AG	Channel	Laverty Main	440575.65	5652004.31	370.00	440579	5652007	372
P	Channel	Laverty Main	440542.74	5651989.13	370.00	440545	5651989	368

12.2 ASSAY VALIDATION

Fourteen independent samples of mineralized split drillcore (¼ core) were collected for check assaying representing different styles of mineralization and different zones within the deposit. The samples were bagged, sealed on site and transported by Manitoulin Transport while Ms. Harder was on site. Ms. Harder personally coordinated the transport and at no time was a MEGA employee or designate involved with the selection, collection, or transport of the samples. The samples were assigned unique sample numbers and delivered to Accurassay in Thunder Bay, Ontario, with instruction that results should be sent to Tetra Tech directly. Accurassay has geochemical accreditation that conforms with the requirements of CAN P-4E ISO/IEC 17025:2005 and CAN-P-1579. The samples were analyzed for gold using analysis packages ALFA2 (50 g fire assay). If any of the assays returned values above the threshold limits, the sample would be re-assayed under analysis package ALFA7 (50 g fire assay with gravimetric finish). If any assays exceeded these limits, the sample was re-assayed again under analysis package ALPM1 (pulp metallic). Results are presented in Table 12.2.

Table 12.2 Assay Validation

Zone	Hole ID	Depth From (m)	Depth To (m)	MEGA		Tetra Tech	
				Sample ID	Au (ppm)	Sample ID	Au (ppm)
Main Zone (West Extension)	MM1024	165.0	166.5	875761	2.163	862417	2.272
Main Zone (West Extension)	MM1026	106.0	107.0	875528	3.2515	862418	7.946
Main Zone	ML1046	53.6	54.1	857405	2.294	862419	1.617
Main Zone	ML1061	151.5	153.0	992712	0.85	862420	0.511
Main Zone	ML1190	291.0	292.4	1782	2.868	862421	3.504
Main Zone	ML11100	102.0	103.0	1042652	1.383	862422	2.256
Laverty Dyke	ML0903	132.0	133.0	790318	2.654	862423	2.796
Buffalo Extension	MM1017	28.5	30.0	874193	1.431	862424	2.073
South Zone	MM0902	104.0	105.5	842716	1.894	862426	2.7395
Laverty Dyke	ML0915	81.5	83.0	425339	2.8575	862427	3.248
Laverty Dyke	ML0908	22.5	23.5	795267	3.7415	862428	2.724
Buffalo Extension	MM1138	241.5	243.0	844953	2.723	862429	1.196
Buffalo Extension	MM1138	252.0	253.5	844961	2.651	862430	1.943
Buffalo Extension	MM1144	103.5	105.0	1044172	4.849	862431	2.298

12.3 DATABASE VALIDATION

The drillhole database was validated against the original drill logs and assay certificates. The objective was to validate approximately 10% of the database against the original data set with the intention of conducting a more rigorous review if the error rate exceeded 1%. Table 12.3 summarizes the validation numbers. Any inaccuracies noted in the database were corrected and lists of corrections were provided to MEGA.

Table 12.3 Database Validation Summary

			Comments
Header	Number of Records	760	Header data for channels not available for validation
	Number of Records Validated	104	-
	Validation Rate	13.68%	-
	X Coordinate Error Rate	0.00%	-
	Y Coordinate Error Rate	0.00%	-
	Z Coordinate Error Rate	1.92%	-
	Hole Length Error Rate	0.96%	-
Survey	Number of Records	3588	-
	Number of Records Validated	567	-
	Validation Rate	15.80%	-
	Distance Error Rate	0.18%	-
	Azimuth Error Rate	0.71%	-
	Dip Error Rate	0.18%	-
Litho	Number of Records	4839	-
	Number of Records Validated	813	-
	Validation Rate	16.80%	-
	From Error Rate	0.25%	-
	To Error Rate	0.25%	-
	Rock Code Error Rate	0.37%	-
Assay	Number of Records	60612	-
	Number of Records Validated	10419	-
	Validation Rate	17.19%	-
	From Error Rate	0.06%	-
	To Error Rate	0.05%	-
	Gold Error Rate	0.06%	-

12.4 QA/QC PROCEDURES

A well-established QA/QC program has been in place by MEGA in their Red Lake core facility since the start of drilling in Red Lake in 2009.

A blank or Standard Reference Material (SRM) was inserted into the sample stream roughly every 20th sample, and often more frequently. The blanks and standards were inserted in sealed 50 g plastic sachets which were marked with a sample number but not with the name of the standard or its gold grade.

Blanks and standards were purchased from Accurassay in Thunder Bay, Ontario. Two different low grade standard samples were used in the drillholes reported here, LGA1 (Au 716 ± 47 ppb) and VMS1 (Au 429 ± 32 ppb). One high grade gold standard was used, HGS1 (2784 ± 225 ppb). The blank samples were prepared from silica sand which has a nil gold content.

In addition to the field-inserted QA/QC program, the laboratories operate their own laboratory QA/QC system. The labs insert quality control materials, blanks and duplicates on each analytical run.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

MEGA has not conducted any metallurgical testing on the Property. Results of historical mineral processing are found in Section 6.0 History.

14.0 MINERAL RESOURCE ESTIMATES

14.1 DATABASE

MEGA maintains all borehole data in an Access database. Header, survey, assays, and lithology tables are saved on individual tabs in the database. The Microsoft™ Access database provided to Tetra Tech was created on August 22, 2011.

The database contains 257 boreholes which is a combination of drillholes and surface trenches. There are a total of 20,345 assays records in the database. Table 14.1 summarizes the borehole database. Data are expressed in metric units and grid coordinates are in a UTM system.

The resource estimation was conducted using Datamine™ Studio 3 version 3.20.5321.0.

Table 14.1 North Madsen Database Summary

Zone	No. of Boreholes	No. of Assay Records	No. of Survey Records	No. of Lithology Records
Main	164	12,038	761	981
Laverty	61	4,343	312	314
Buffalo	32	3,964	253	505
Total	**257**	**20,345**	**1,326**	**1,800**

14.2 SPECIFIC GRAVITY

There is limited specific gravity (SG) data available on the project. A total of 325 granodiorite and 92 dyke bulk density determinations were undertaken utilizing both pycnometer and water displacement techniques by Gord Yule, of MEGA.

Tetra Tech used an SG of 2.68 for the resource estimate, which is the same number used in previous estimate. An SG of 2.68 is within the accepted range of a granodiorite.

Tetra Tech would recommend that MEGA collect SG measurements from the various rocks types and grade distributions in order to build up the data set. At a minimum, 2% to 4% of the data set should have SG measurements.

14.3 GEOLOGICAL INTERPRETATION

Three-dimensional wireframe models of mineralization were developed in GEM by MEGA. The individual zone wireframes and perimeter strings were exported from GEMS by MEGA into a dxf format, which were then imported by Tetra Tech into Datamine. The basic wireframe designs were based on design criteria that included a minimum downhole width of 1.0 m and a minimum grade of 0.2 g/t Au.

Sectional interpretations were reviewed in Datamine™ Studio version 3.20.5321 software. Table 14.2 tabulates the solids and associated volumes. The solids were validated in Datamine and no errors were found.

The zones of mineralization interpreted for each area were generally contiguous; however, due to the nature of the mineralization there are portions of the wireframe that have grades less than 0.2 g/t Au, yet are still within the mineralizing trend.

The wireframes extend at depth, well below the deepest diamond drillholes. This is to provide the exploration group with target areas for future exploration. The resource model will not estimate grades into the full volume of the wireframes due to sheer size of some of the wireframes.

The non-assayed intervals were assigned void (-) value. Tetra Tech believes that non-assayed material should not be assigned a zero value, as this does not reflect the true value of the material.

Table 14.2 Wireframe Summary

Zone	Domain	Wireframe Dimensions Minimum X	Maximum X	Minimum Y	Maximum Y	Minimum Z	Maximum Z	Volume (m^3)
Main	Mineral Shell	439459	440651	5651578	5652158	-2	373	84,446,089.20
Laverty	Dyke	440476	440689	5652128	5652462	-15	381	1,486,155.08
Laverty	Capture	440429	440735	5652099	5652507	-71	382	24,658,428.43
Buffalo	Quartz Vein	439539	439787	5650704	5650874	2	368	4,361,708.04
Buffalo	Disseminated	439265	439768	5650484	5650754	101	369	3,701,721.86

14.4 EXPLORATORY DATA ANALYSIS

14.4.1 ASSAYS

The portion of the project included in the mineral resource was sampled by a total of 18,541 gold assays. The assay intervals within each zone were captured using a Datamine Macro into individual borehole files. These borehole files were reviewed to ensure all the proper assay intervals were captured. Table 14.3 summarizes the basic statistics for the assays for each of the individual zones and domains.

Table 14.3 Borehole Statistics

Zone	Domain	Field	N Samples	Min	Max	Mean	Standard Deviation
Main	Mineral Shell	Au	12,513	0.0030	71.33	0.34	1.13
Laverty	Diabase	Au	1,181	0.0000	18.65	1.74	2.13
Laverty	Granodiorite	Au	3,017	0.0000	315.09	0.26	3.24
Buffalo	Quartz Vein	Au	1,522	0.0050	137.55	0.50	2.47
Buffalo	Disseminated	Au	308	0.0060	33.16	0.48	1.90

14.4.2 GRADE CAPPING

Raw assay data for each zone was examined individually to assess the amount of metal that is at risk from high grade assays. The Datamine© Decile function was used to assist in the determination if grade capping was required on gold in the entire dataset.

Tetra Tech reviewed the grade capping by zones or domains within the project. Tetra Tech elected to apply variable caps to the dataset based on the results of the review.

Table 14.4 summarizes the statistics of the borehole data before and after grade capping was completed. The table indicates that although capping has been applied, the resulting change to the mean grade is not significant.

Table 14.4 Capped Drillhole Statistics

Zone	Domain	Field	N Samples	Min	Max	Mean	Standard Deviation	No. Samples Capped
Main	Mineral Shell	Au	12,513	0.00	71.33	0.34	1.13	-
		AuCap	-	-	-	-	-	-
Laverty	Diabase	Au	1,181	0.00	18.65	1.74	2.13	-
		AuCap	1,181	0.00	18.65	1.74	2.13	0
Laverty	Granodiorite	Au	3,017	0.00	315.09	0.26	3.24	-
		AuCap	3,017	0.00	12.67	0.24	0.70	3
Buffalo	Disseminated	Au	1,516	0.01	137.55	0.50	2.47	-
		AuCap	1,516	0.01	12.68	0.47	1.15	4
Buffalo	Quartz Vein	Au	308	0.01	33.16	0.48	1.90	-
		AuCap	308	0.01	7.82	0.46	1.11	2

14.4.3 COMPOSITING

Compositing of all the assay data was completed based on individual statics for the various zones. The process composted downhole intervals honouring the interpretation of the geological solids.

The Main Zone, Laverty Dyke, granodiorite hosting the Laverty Dyke was all composited on 1.0 m intervals. The quartz zone and disseminated zone at Buffalo Extension were composited on 1.5 m intervals based on the typical sample length within the captured data set (Figure 14.1 to Figure 14.4).

The composite lengths were selected as it corresponds to approximately to one half the cell widths to be used in the modelling process and is the dominate sample length with in the corresponding data sets.

The backstitching process was used in the compositing routine to ensure all captured sample material was included. The backstitching routine adjusts the composite lengths for each individual borehole in order to compensate for the last sample interval. Table 14.5 summarizes the statistics for the boreholes after capping and compositing.

Figure 14.1 Main Zone Sample Length Histogram

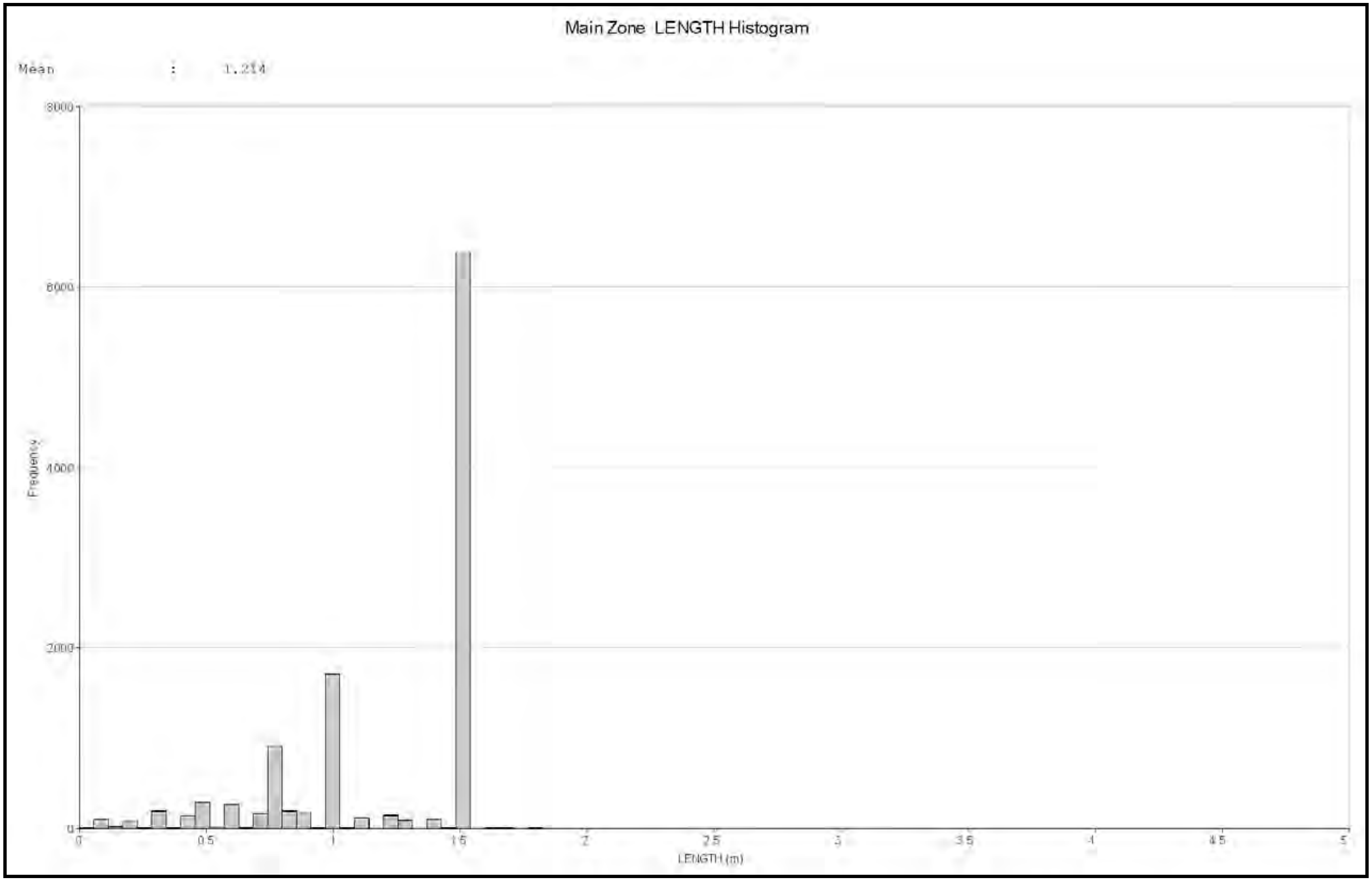


Figure 14.2 Laverty Dyke Sample Length Histogram

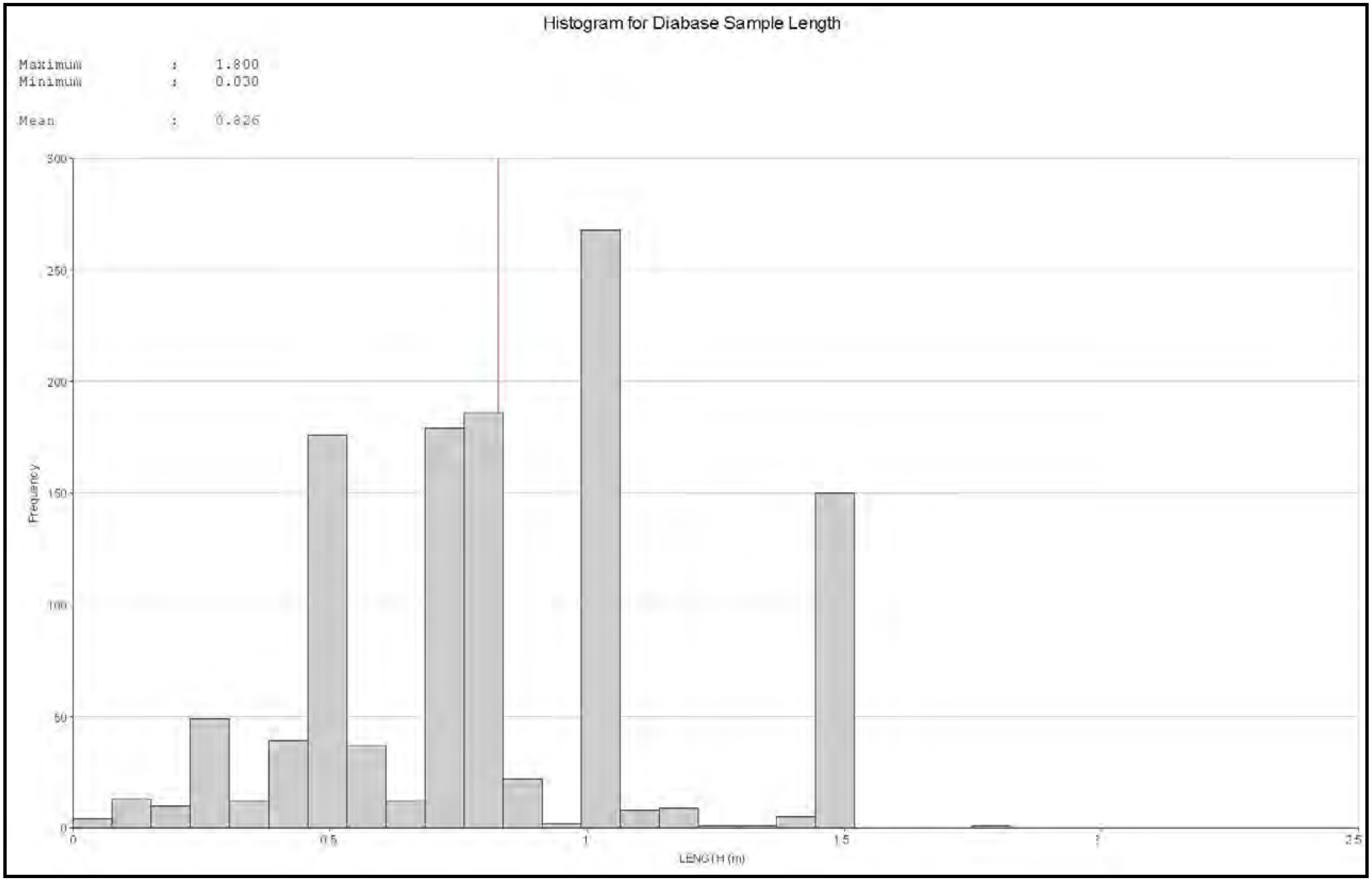


Figure 14.3 Buffalo Quartz-Tourmaline Zone Sample Length Histogram

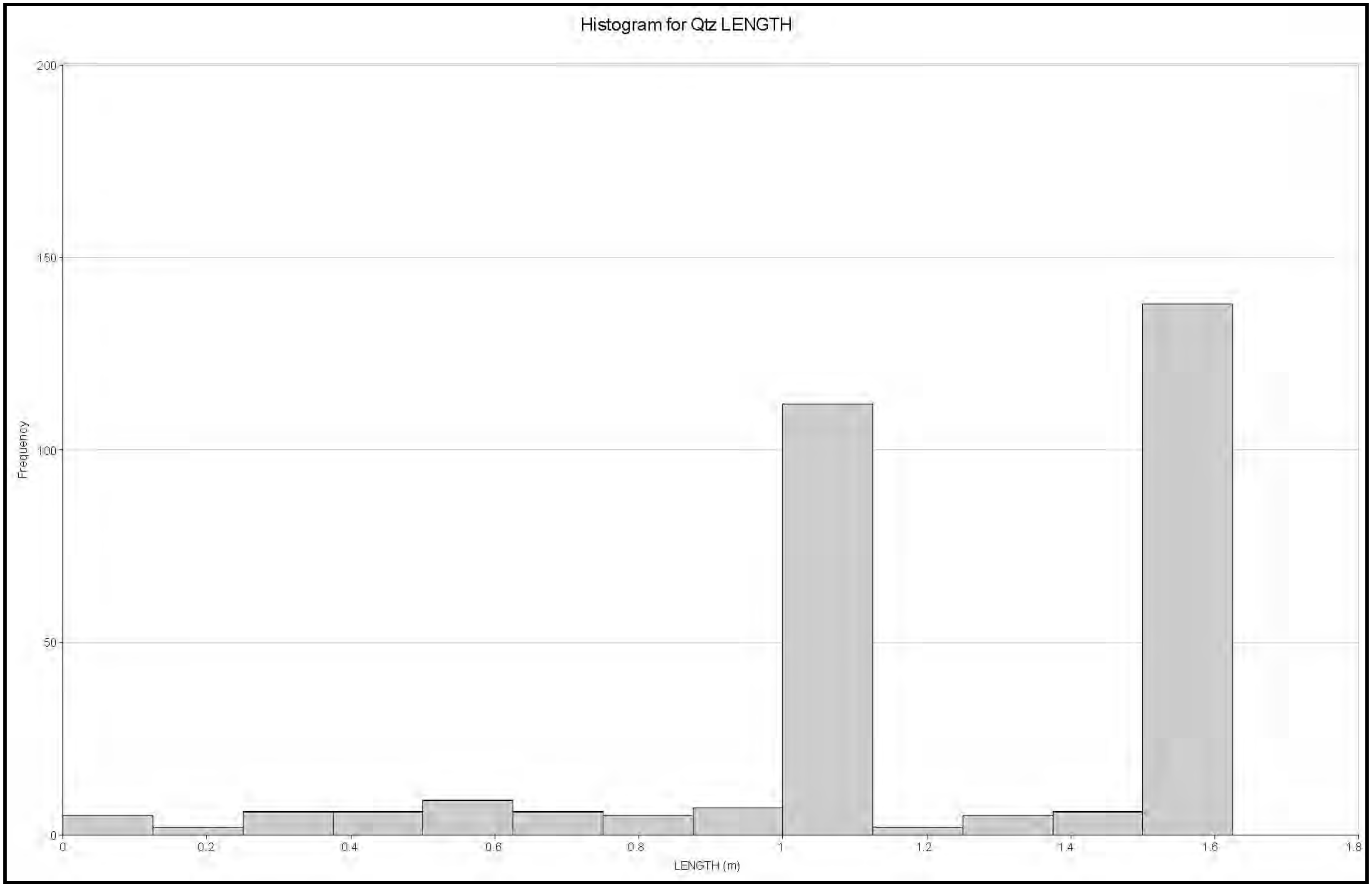


Figure 14.4 Buffalo Disseminated Zone Sample Length Histogram

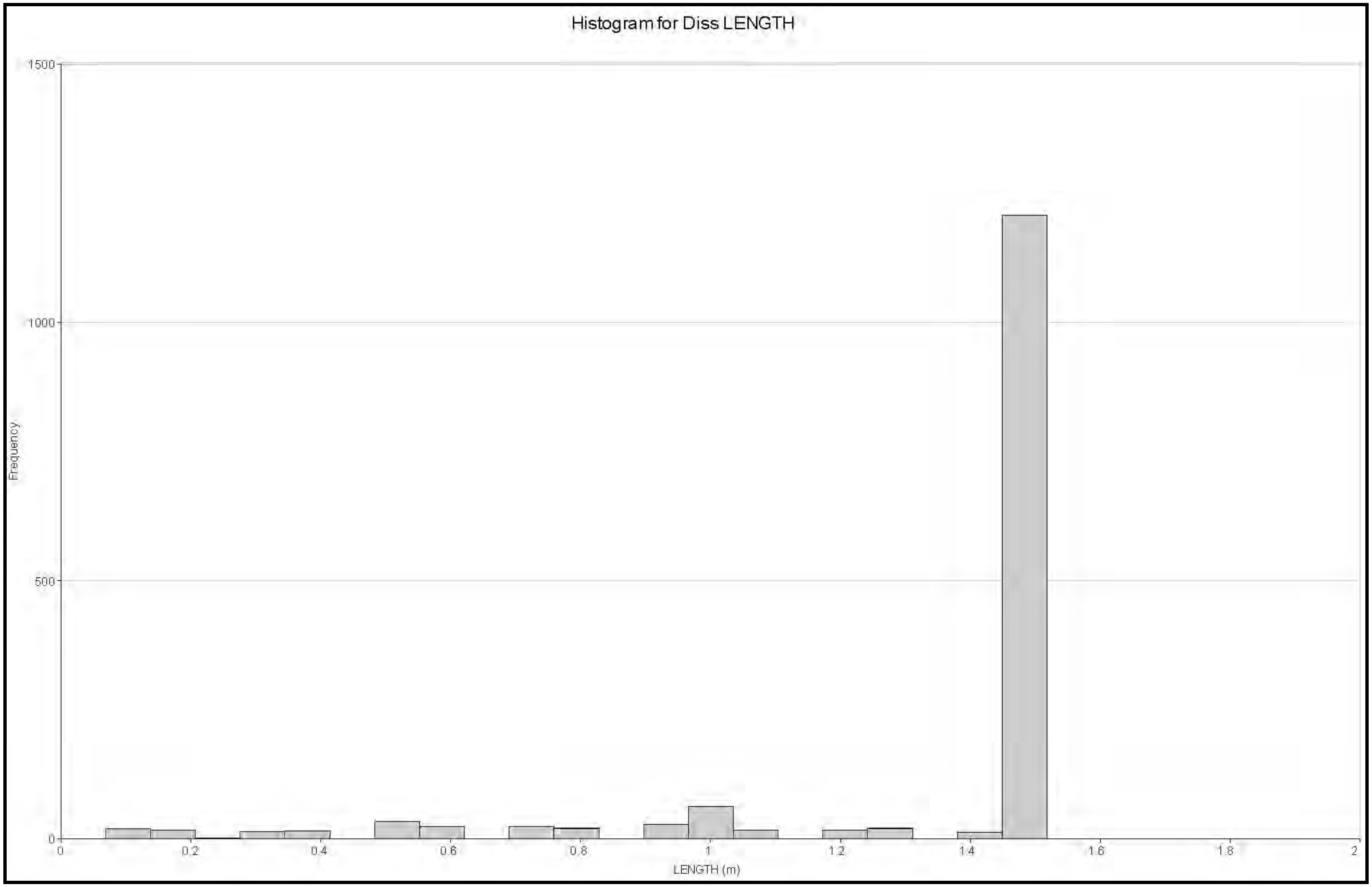


Table 14.5 Composited Capped Statistics

Zone	Domain	Field	N Samples	Min	Max	Mean	Standard Deviation
Main	Mineral Shell	Length	13,574	0.50	1.50	1.00	0.03
		Au	13,513	0.003	71.33	0.38	1.20
		AuCap	13,513	0.003	46.62	0.37	0.98
Laverty	Diabase	Length	980	0.93	1.09	1.00	0.02
		Au	980	0.00	12.96	1.73	1.87
		AuCap	980	0.00	12.96	1.73	1.87
Laverty	Granodiorite	Length	5,153	0.08	1.14	1.00	0.01
		Au	3,439	0.00	105.81	0.24	1.89
		AuCap	3,439	0.00	11.64	0.21	0.52
Buffalo	Disseminated	Length	1,374	1.48	1.53	1.50	0.01
		Au	1,368	0.01	27.98	0.50	1.45
		AuCap	1,368	0.01	12.46	0.46	1.01
Buffalo	Quartz Vein	Length	240	1.49	1.52	1.50	0.01
		Au	239	0.01	18.25	0.48	1.41
		AuCap	239	0.01	5.21	0.41	0.79

14.5 SPATIAL ANALYSIS

Variography, using Datamine™ Studio version 3.20.5321.0 software, was completed for gold globally for all zones. Downhole variograms were used to determine nugget effect and then correlograms were modelled to determine spatial continuity in the zones.

Table 14.6 summarizes results of the variography, while Figure 14.5 to Figure 14.8 are the downhole variograms for the various zones. Figure 14.9 to Figure 14.12 are the correlograms for the various zones. Note that variograms were not created for the Buffalo Extension Quartz Zone, as there were not enough samples to adequately generate variograms.

Table 14.6 North Madsen Variogram Parameters

Zone	VDESC	VREFNUM	VANGLE1	VANGLE2	VANGLE3	VAXIS1	VAXIS2	VAXIS3	NUGGET	ST1	ST1PAR1	ST1PAR2	ST1PAR3	ST1PAR4	ST2	ST2PAR1	ST2PAR2	ST2PAR3	ST2PAR4
Main	Main Zone	1	-30	0	30	3	2	1	0.1	1	10	90	49	0.45	1	40	130	100	0.45
Laverty	Laverty	1	60	0	150	3	2	1	0.05	1	9	4	5	0.01	1	25	10	15	0.94
Laverty	Granodiorite	2	0	0	60	3	2	1	0.1	1	17	13	25	0.08	1	25	25	50	0.82
Buffalo	Quartz	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-
Buffalo	Disseminated	1	0	0	120	3	2	1	0.3	1	29	10	10	0	1	50	50	30	0.7

Figure 14.5 Main Zone Downhole Variogram

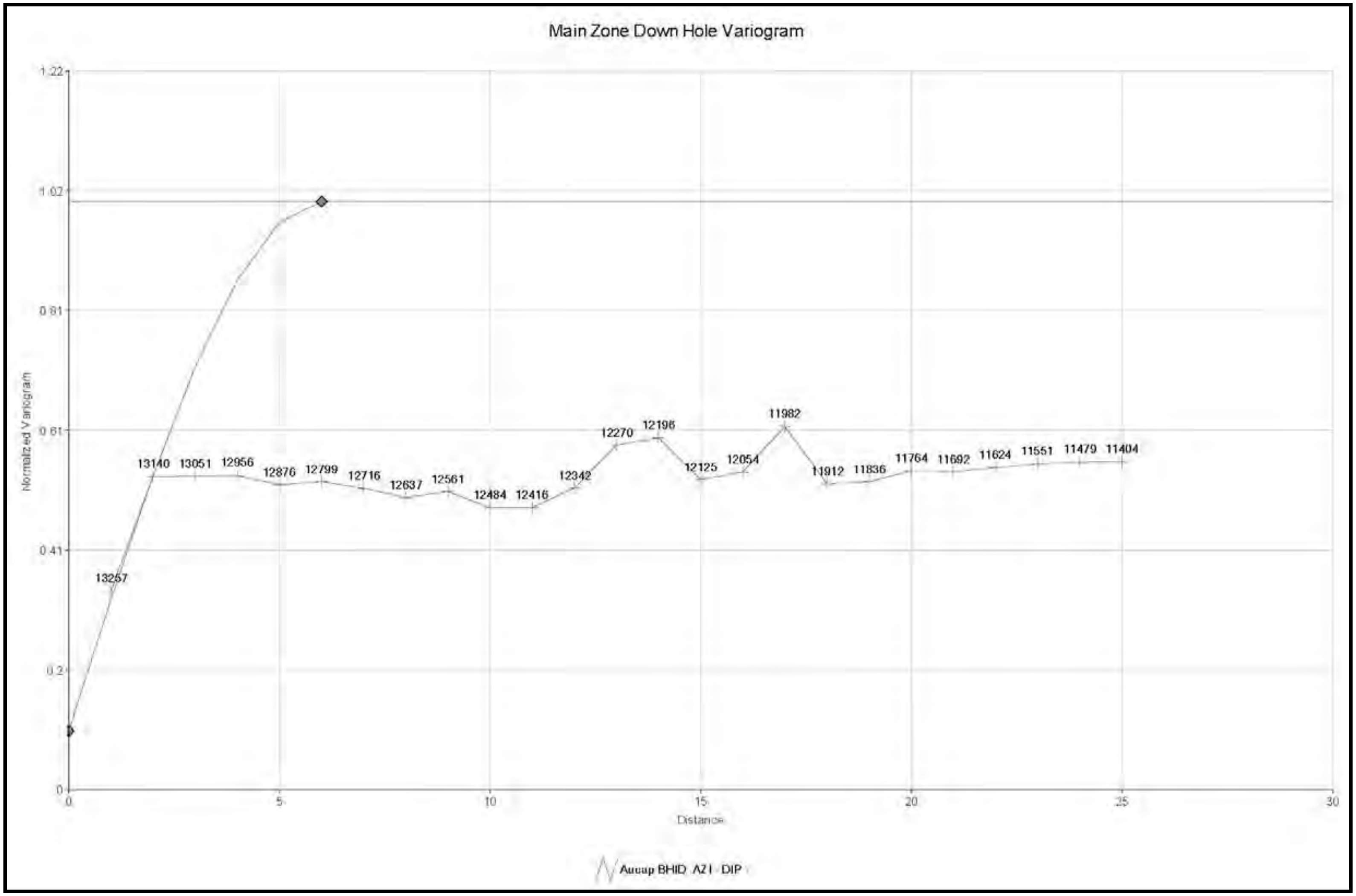


Figure 14.6 Laverty Dyke Downhole Variogram

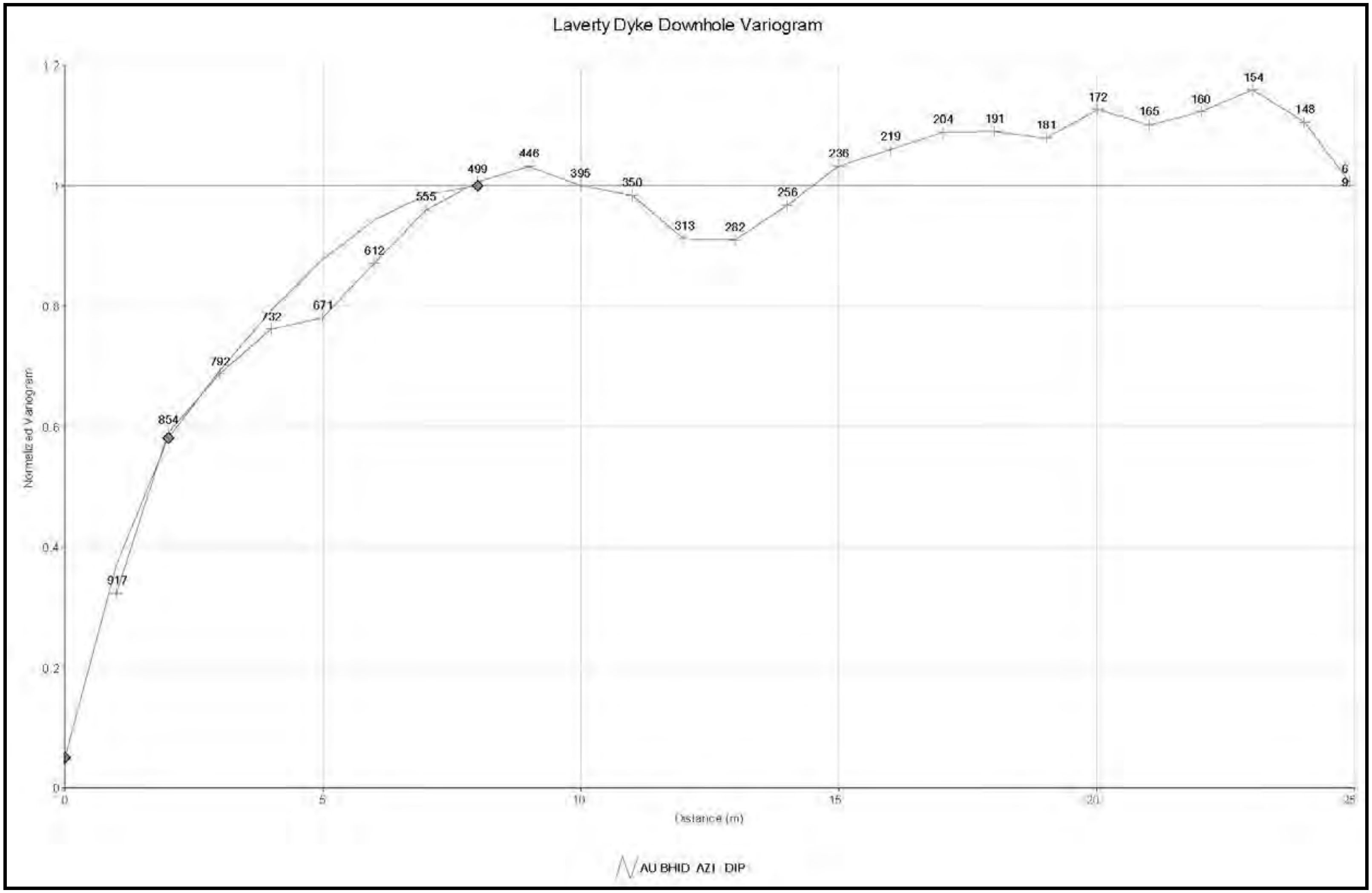


Figure 14.7 Granodiorite Downhole Variogram

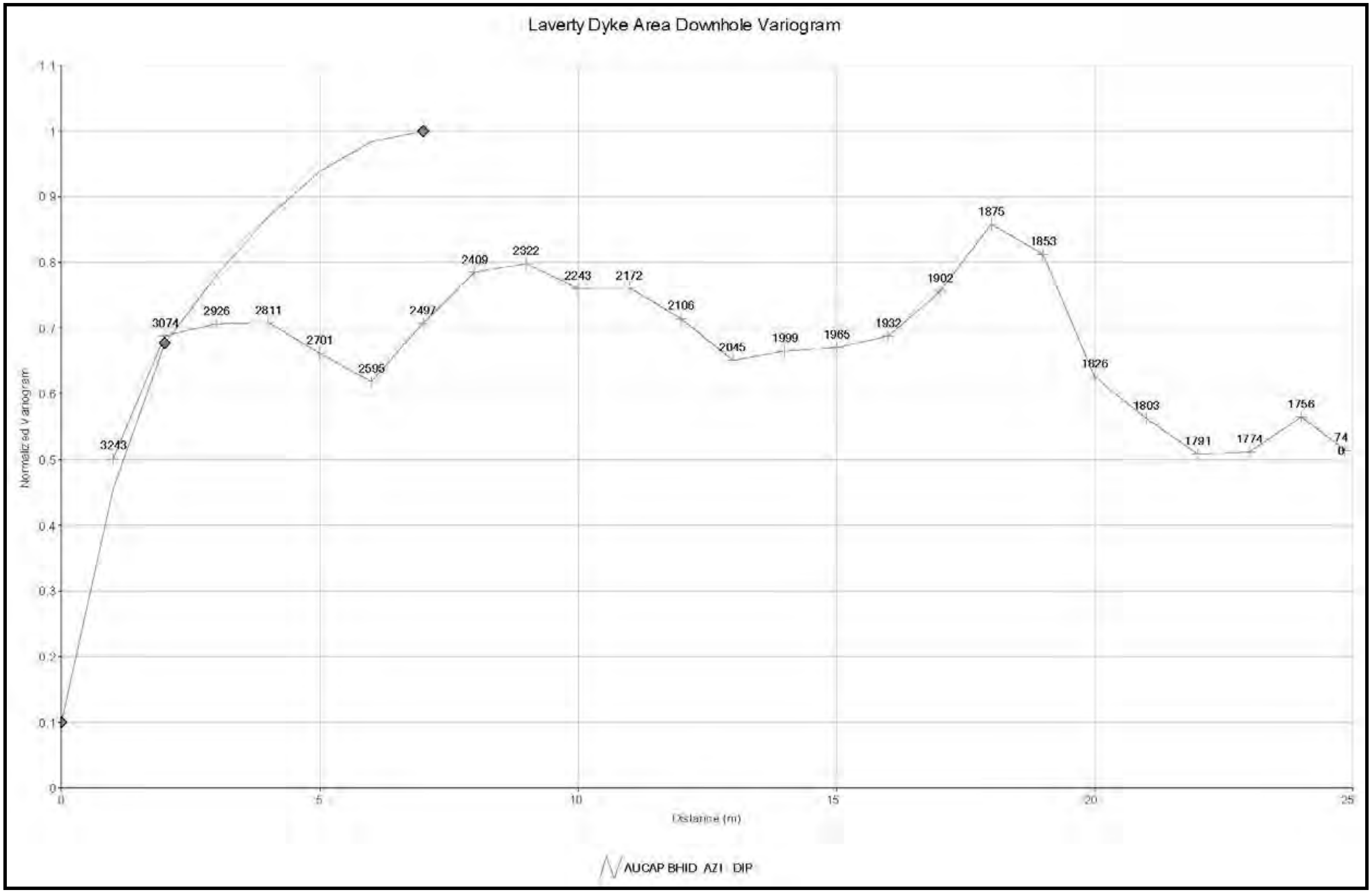


Figure 14.8 Buffalo Disseminated Downhole Variogram

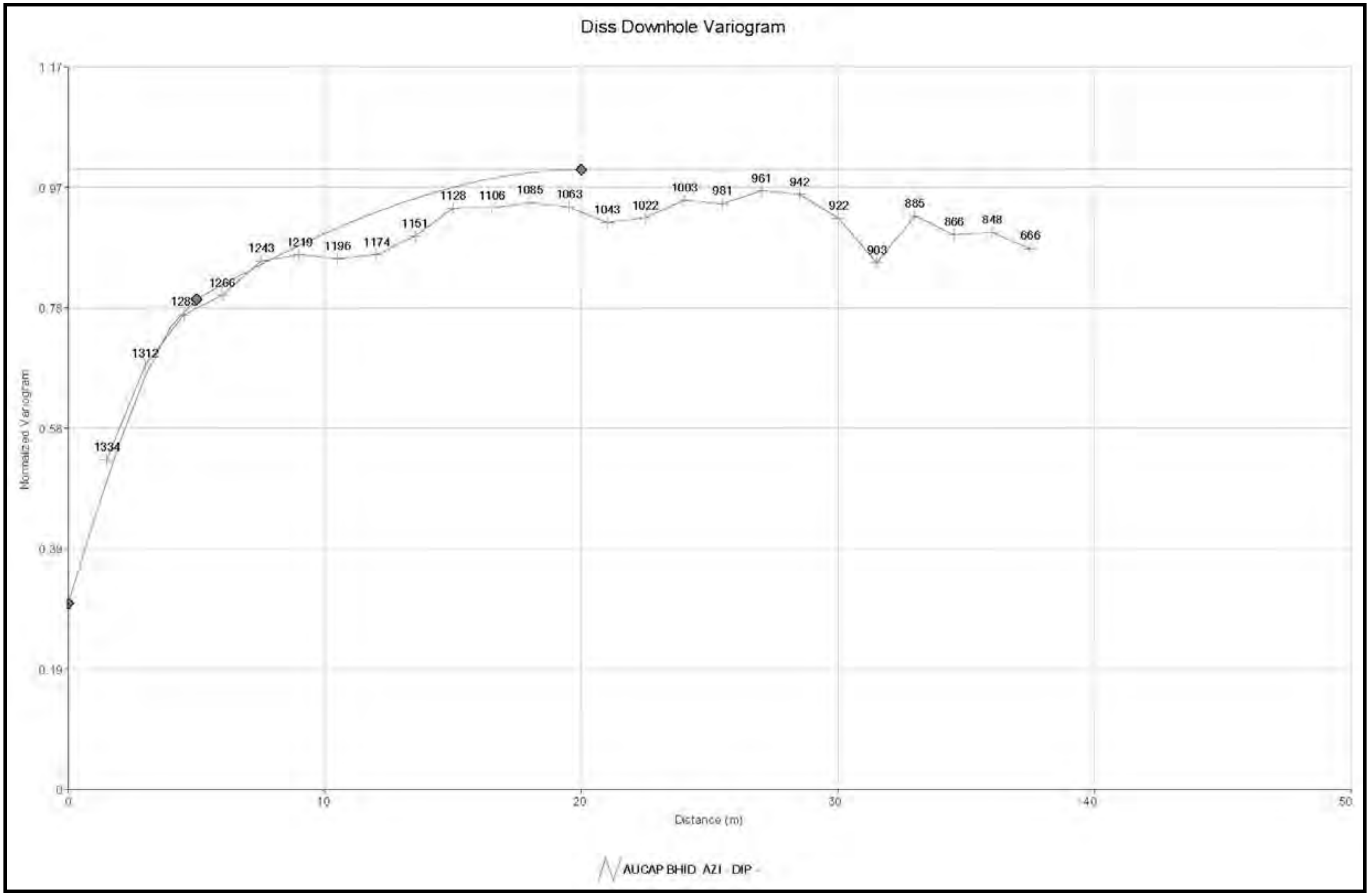


Figure 14.9 Main Zone Variogram

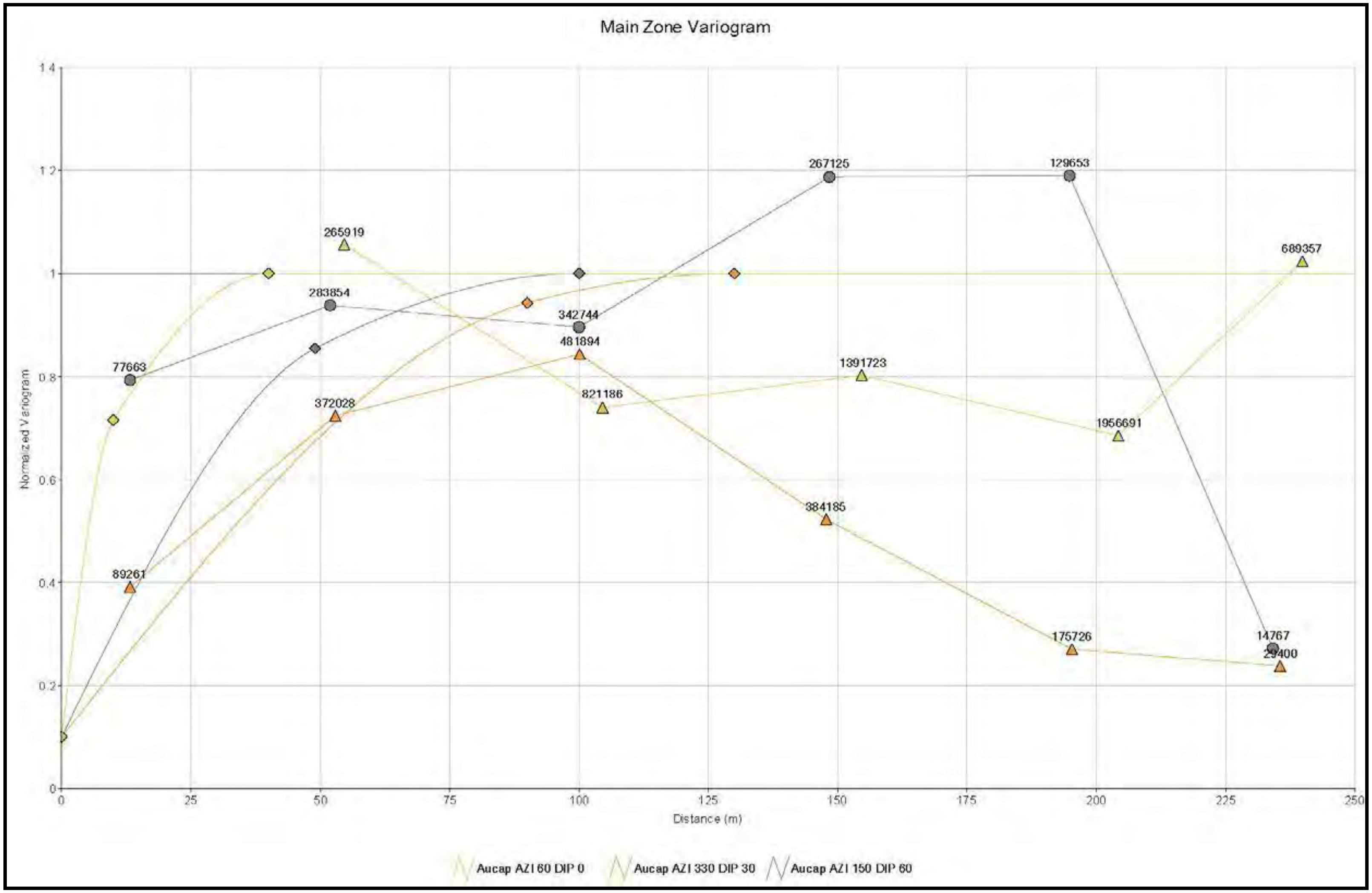


Figure 14.10 Laverty Dyke Variogram

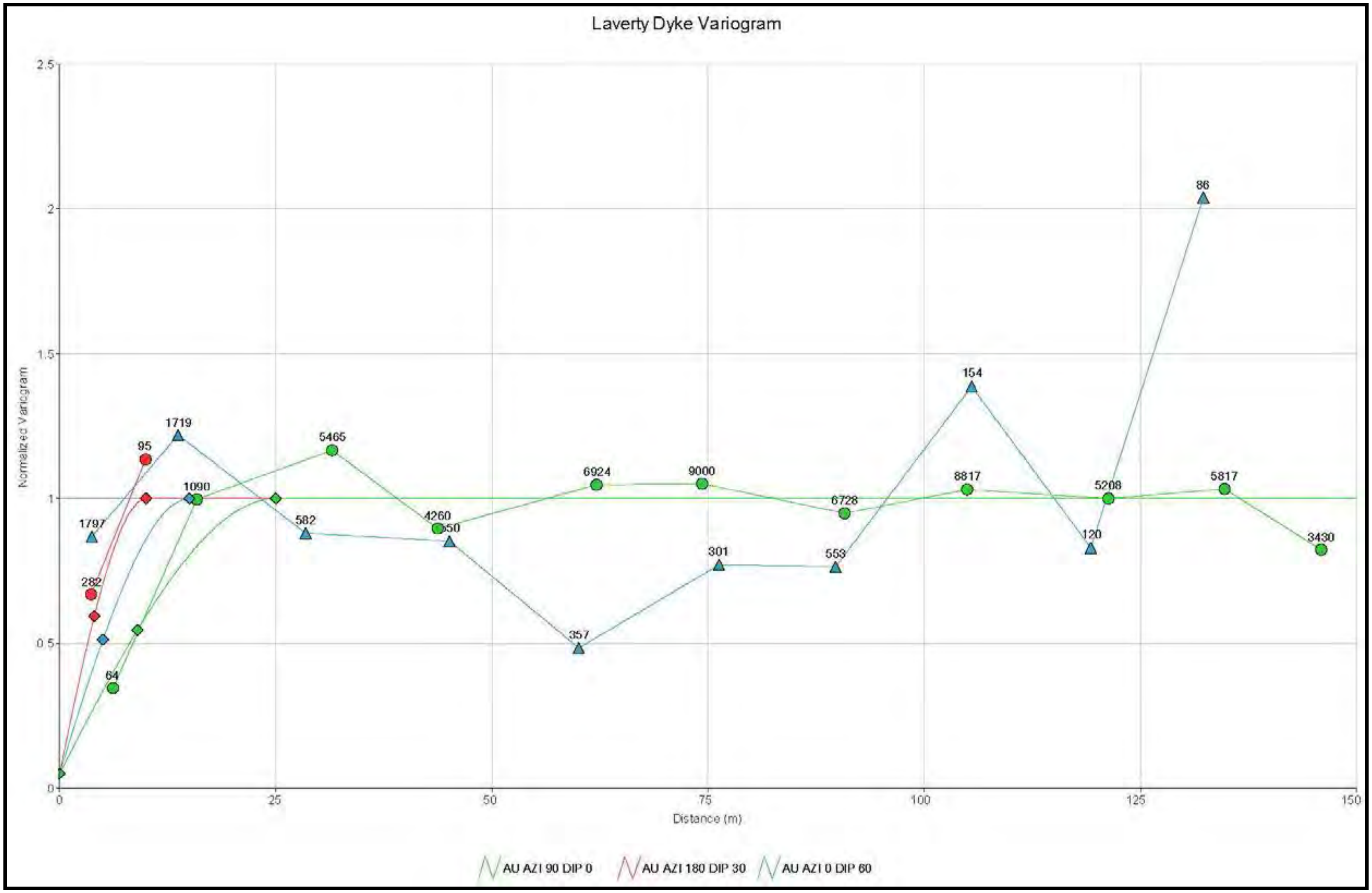


Figure 14.11 Granodiorite Variogram

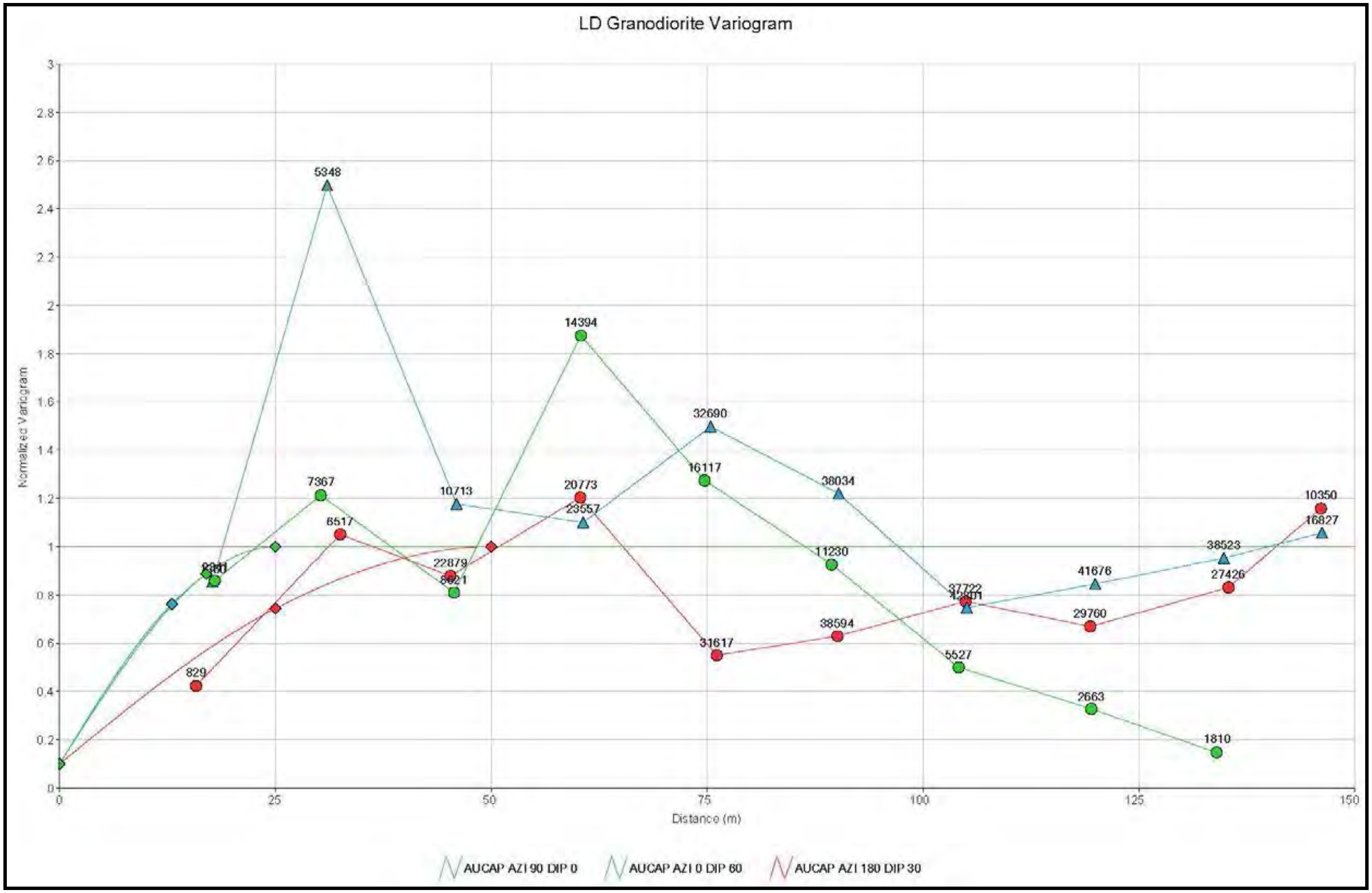
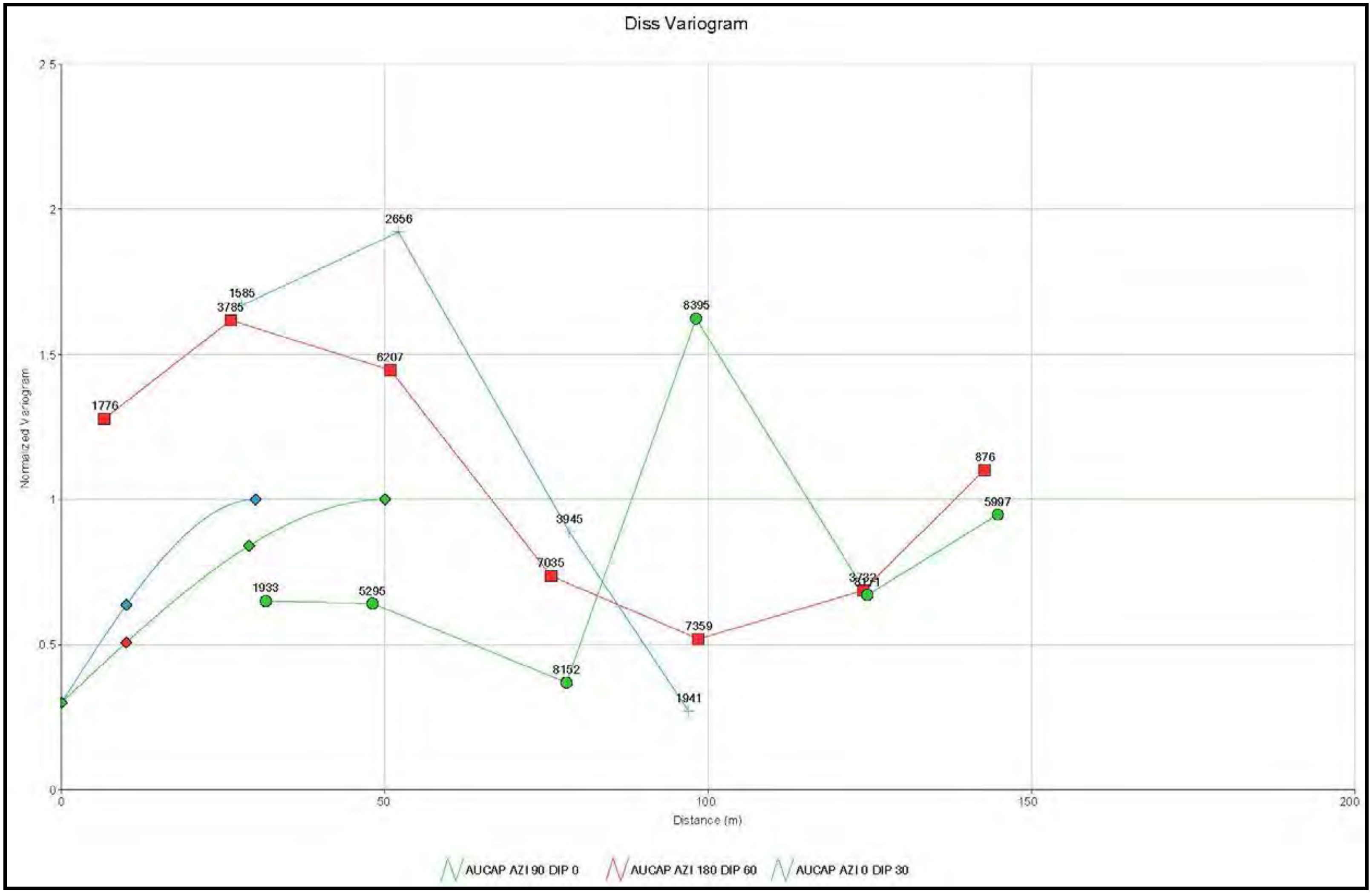


Figure 14.12 Buffalo Disseminated Variogram



14.6 Resource Block Model

Individual block models were established in Datamine™ for each of the 17 zones using a parent model as the origin. The model was not rotated. The Main Zone parent model was designed initially smaller than the parent model used for Laverty and Buffalo Extension. The Datamine subcommand SLIMOD was used to adjust the final Main Zone model to fit within the parent model used by the Laverty Dyke and Buffalo Extension models.

Drillhole spacing ranges from 15 m to 75 m with the majority of the surface drilling spaced at 50 m spaced sections and 50 m on sections. A block size of 15 x 15 x 15 m was selected in order to accommodate the nature of the mineralization and be amenable for the open pit potential.

Sub-celling of the block model on a 1 x 1 x 1 pattern allows the parent block to be split once in each direction to more accurately fill the volume of the wireframes, thus more accurately estimate the tonnes in the resource.

Table 14.7 summarizes details of the parent block models.

Table 14.7 Block Model Parameters

Zone	Origin			Cell Size			Number of Cells		
	X Origin	Y Origin	Z Origin	XINC	YINC	ZINC	NX	NY	NZ
Main	439400	5651500	-50	15	15	15	87	47	30
Laverty	437500	5650000	-200	15	15	15	250	167	47
Buffalo	437500	5650000	-200	15	15	15	250	167	47

The interpolations of the zones were completed using the estimation methods: nearest neighbour (NN), inverse distance squared (ID^2) and ordinary kriging (OK). The estimations were designed for three passes. In each pass, a minimum and maximum number of samples were required as well as a maximum number of samples from a borehole in order to satisfy the estimation criteria.

The Buffalo Quartz-Tourmaline Zone did not have an OK estimation run due to the fact that there were not enough samples in the data set to generate a sufficient variogram. As such, a portion of the Buffalo Zone resource is reported using the ID^2 results.

Table 14.8 and Table 14.9 summarize the interpolation criteria for the zones.

Table 14.8 Datamine Estimation Parameters

Zone	Domain	Edesc	EREFNUM	VALUE_IN	VALUE_OU	NUMSAM_F	SVOL_F	SREFNUM	IMETHOD	POWER	VREFNUM
Main	Main	EstimaParam1	1	AuCap	AuNN			1	1		
		EstimaParam2	2	AuCap	AuID			1	2	2	
		EstimaParam3	3	AuCap	AuOK	NUMSAM	SVOL	1	3		1
Laverty	Dyke	EstimaParam1	1	Au	AUNN			1	1		
		EstimaParam2	2	Au	AUID			1	2	2	
		EstimaParam3	3	Au	AUOK	NUMSAM	SVOL	1	3		1
Laverty	Granodiorite	EstimaParam1	1	AuCap	AUNN			1	1		
		EstimaParam2	2	AuCap	AUID			1	2	2	
		EstimaParam3	3	AuCap	AUOK	NUMSAM	SVOL	1	3		2
Buffalo	Quartz	EstimaParam1	1	AuCap	AUNN			1	1		
		EstimaParam2	2	AuCap	AUID	NUMSAM	SVOL	1	2	2	
Buffalo	Disseminated	EstimaParam1	1	AuCap	AUNN			1	1		
		EstimaParam2	2	AuCap	AUID			1	2	2	
		EstimaParam3	3	AuCap	AUOK	NUMSAM	SVOL	1	3		1

Table 14.9 Datamine Search Parameters

Zone	SREFNUM	SMETHOD	SDIST1	SDIST2	SDIST3	SANGLE1	SAXIS1	SANGLE2	SAXIS2	SANGLE3	SAXIS3
Main - Main	1	2	47	13	33	-30	3	0	1	-30	2
	Svolfac1	**Minnum1**	**Maxnum1**	**Svolfac2**	**Minnum2**	**Maxnum2**	**Svolfac3**	**Minnum3**	**Maxnum3**		
	1	8	15	2	5	20	3	4	20		
	Octmeth	**Minoct**	**Minperoc**	**Maxperoc**	**Maxkey**						
	1	3	1	4	0						

table continues…

Zone	SREFNUM	SMETHOD	SDIST1	SDIST2	SDIST3	SANGLE1	SAXIS1	SANGLE2	SAXIS2	SANGLE3	SAXIS3
Laverty - Dyke	1	2	35	12	20	60	3	-30	1	0	2
	Svolfac1	**Minnum1**	**Maxnum1**	**Svolfac2**	**Minnum2**	**Maxnum2**	**Svolfac3**	**Minnum3**	**Maxnum3**		
	1	5	10	2	4	10	5	4	10		
	Octmeth	**Minoct**	**Minperoc**	**Maxperoc**	**Maxkey**						
	1	2	1	4	4						

Zone	SREFNUM	SMETHOD	SDIST1	SDIST2	SDIST3	SANGLE1	SAXIS1	SANGLE2	SAXIS2	SANGLE3	SAXIS3
Laverty - Granodiorite	1	2	40	20	40	30	3	0	1	0	2
	Svolfac1	**Minnum1**	**Maxnum1**	**Svolfac2**	**Minnum2**	**Maxnum2**	**Svolfac3**	**Minnum3**	**Maxnum3**		
	1	4	10	2	4	10	3	4	10		
	Octmeth	**Minoct**	**Minperoc**	**Maxperoc**	**Maxkey**						
	1	2	1	4	4						

Zone	SREFNUM	SMETHOD	SDIST1	SDIST2	SDIST3	SANGLE1	SAXIS1	SANGLE2	SAXIS2	SANGLE3	SAXIS3
Buffalo - Quartz	1	2	50	10	50	-15	3	0	1	0	2
	Svolfac1	**Minnum1**	**Maxnum1**	**Svolfac2**	**Minnum2**	**Maxnum2**	**Svolfac3**	**Minnum3**	**Maxnum3**		
	1	2	20	2	2	20	5	2	20		
	Octmeth	**Minoct**	**Minperoc**	**Maxperoc**	**Maxkey**						
	0	**2**	**1**	**4**	**4**						

table continues…

Zone	SREFNUM	SMETHOD	SDIST1	SDIST2	SDIST3	SANGLE1	SAXIS1	SANGLE2	SAXIS2	SANGLE3	SAXIS3
Buffalo - Disseminated	1	2	25	25	15	0	3	0	1	0	2
	Svolfac1	**Minnum1**	**Maxnum1**	**Svolfac2**	**Minnum2**	**Maxnum2**	**Svolfac3**	**Minnum3**	**Maxnum3**		
	1	4	15	2	4	15	4	4	15		
	Octmeth	**Minoct**	**Minperoc**	**Maxperoc**	**Maxkey**						
	1	2	1	4	4						

14.7 RESOURCE CLASSIFICATION

Several factors are considered in the definition of a resource classification:

- NI 43-101 requirements
- Canadian Institute of Mining, Metallurgy and Petroleum (CIM) guidelines
- authors experience with shear hosted gold deposits
- spatial continuity based on variography of the assays within the drillholes
- drillholes spacing and estimation runs required to estimate the grades in a block.

No environmental, permitting, legal, title, taxation, socio-economic, marketing or other relevant issues are known to Tetra Tech that may affect the estimate of mineral resources. Mineral reserves can only be estimated on the basis of an economic evaluation that is used in a Preliminary Feasibility Study or a Feasibility Study of a mineral project; thus, no reserves have been estimated. As per NI 43-101, mineral resources, which are not mineral reserves, do not have to demonstrate economic viability.

14.8 MINERAL RESOURCE TABULATION

The resource reported as of September 2011 has been tabulated in terms of a gold cut-off grade. The various mineral resource classification for all the various domains modeled at North Madsen are tabulated in Table 14.10 to Table 14.20 for the Measured, Indicated and Inferred Resources respectively. The resources are tabulated using various cut-off grades up to an upper bound of greater than 3.0 g/t Au.

Table 14.10 Main Zone Measured Resource Cut-off Table

AuOK1 Cut-off	Tonnes	AuOK1	AuID1	AuNN1
0.1	55,493,860	0.59	0.50	0.61
0.2	43,544,460	0.71	0.60	0.73
0.3	31,865,940	0.88	0.72	0.90
0.4	23,453,380	1.07	0.85	1.08
0.5	**18,052,860**	**1.26**	**0.98**	**1.27**
0.6	14,410,390	1.44	1.09	1.45
0.7	11,946,720	1.61	1.20	1.59
0.8	10,052,600	1.77	1.30	1.75
0.9	8,573,410	1.93	1.40	1.90
1.0	7,492,860	2.07	1.50	2.05
1.1	6,461,030	2.23	1.60	2.20
1.2	5,824,590	2.35	1.68	2.33
1.3	5,261,630	2.47	1.75	2.46
1.4	4,692,350	2.60	1.85	2.65
1.5	4,115,980	2.76	1.96	2.83
1.6	3,626,210	2.93	2.05	2.97
1.7	3,282,280	3.06	2.14	3.17
1.8	3,006,730	3.18	2.21	3.30
1.9	2,678,450	3.35	2.31	3.52
2.0	2,403,950	3.50	2.41	3.64
2.1	2,123,810	3.70	2.55	3.89
2.2	1,900,040	3.88	2.65	4.12
2.3	1,751,760	4.02	2.72	4.27
2.4	1,565,460	4.22	2.84	4.44
2.5	1,465,530	4.34	2.89	4.44
2.6	1,346,900	4.49	2.92	4.29
2.7	1,221,460	4.68	3.03	4.49
2.8	1,132,840	4.83	3.06	4.55
2.9	1,048,160	4.99	3.13	4.73
3.0	974,660	5.14	3.18	4.73

Table 14.11 Main Zone Indicated Resource Cut-off Table

AuOK1 Cut-off	Tonnes	AuOK1	AuID1	AuNN1
0.1	15,336,800	0.41	0.37	0.41
0.2	10,201,800	0.54	0.48	0.54
0.3	6,725,700	0.69	0.59	0.67
0.4	4,336,500	0.88	0.73	0.83
0.5	**2,967,800**	**1.08**	**0.86**	**0.99**
0.6	2,314,000	1.23	0.95	1.13
0.7	1,982,000	1.33	1.01	1.24
0.8	1,636,700	1.45	1.06	1.27
0.9	1,411,000	1.55	1.12	1.38
1.0	1,250,300	1.63	1.15	1.45
1.1	1,110,100	1.70	1.21	1.48
1.2	1,001,600	1.76	1.25	1.56
1.3	881,200	1.83	1.29	1.58
1.4	754,600	1.92	1.35	1.58
1.5	647,600	1.99	1.39	1.63
1.6	517,600	2.10	1.46	1.75
1.7	433,200	2.19	1.54	1.83
1.8	338,300	2.32	1.61	2.02
1.9	297,600	2.38	1.69	2.08
2.0	252,400	2.46	1.75	2.04
2.1	216,200	2.53	1.81	2.25
2.2	152,900	2.69	1.88	2.44
2.3	134,800	2.75	1.85	2.56
2.4	71,500	3.11	2.15	1.90
2.5	57,300	3.28	2.36	1.93
2.6	57,300	3.28	2.36	1.93
2.7	48,300	3.39	2.50	2.17
2.8	48,300	3.39	2.50	2.17
2.9	39,200	3.51	2.52	2.51
3.0	39,200	3.51	2.52	2.51

Table 14.12 Main Zone Inferred Resource Cut-off Table

AuOK1 Cut-off	Tonnes	AuOK1	AuID1	AuNN1
0.1	24,527,000	0.41	0.37	0.45
0.2	16,068,000	0.54	0.48	0.61
0.3	10,641,000	0.70	0.60	0.78
0.4	7,365,000	0.85	0.72	0.97
0.5	**5,385,000**	**1.00**	**0.83**	**1.15**
0.6	4,078,000	1.15	0.92	1.33
0.7	3,294,000	1.27	0.99	1.47
0.8	2,815,000	1.36	1.04	1.59
0.9	2,389,000	1.45	1.11	1.71
1.0	2,183,000	1.49	1.13	1.73
1.1	1,943,000	1.55	1.17	1.85
1.2	1,717,000	1.60	1.19	1.88
1.3	1,387,000	1.68	1.23	1.88
1.4	1,071,000	1.78	1.28	1.95
1.5	759,000	1.92	1.36	2.10
1.6	546,000	2.06	1.40	2.26
1.7	423,000	2.18	1.44	2.42
1.8	341,000	2.28	1.50	2.41
1.9	287,000	2.36	1.60	2.16
2.0	255,000	2.42	1.67	2.19
2.1	183,000	2.56	1.68	2.01
2.2	111,000	2.86	1.84	1.36
2.3	83,000	3.05	1.98	1.71
2.4	75,000	3.13	1.93	1.59
2.5	70,000	3.17	1.98	1.54
2.6	61,000	3.25	2.10	1.68
2.7	52,000	3.36	1.96	1.92
2.8	32,000	3.76	1.93	2.11
2.9	27,000	3.91	2.04	2.00
3.0	27,000	3.91	2.04	2.00

Table 14.13 Laverty Dyke Measured Resource Cut-off Table

AuOK1 Cut-off	Tonnes	AuOK1	AuID1	AuNN1
0.1	4,536,590	0.32	0.30	0.32
0.2	2,684,450	0.43	0.40	0.45
0.3	1,723,000	0.54	0.48	0.55
0.4	1,038,130	0.66	0.57	0.73
0.5	**634,190**	**0.80**	**0.66**	**0.87**
0.6	400,420	0.95	0.73	0.98
0.7	273,230	1.09	0.82	1.29
0.8	193,120	1.24	0.89	1.25
0.9	137,290	1.40	0.97	1.17
1.0	116,170	1.49	1.02	1.08
1.1	105,260	1.53	1.07	1.19
1.2	84,370	1.63	1.16	1.36
1.3	60,550	1.78	1.34	1.83
1.4	47,070	1.90	1.34	2.03
1.5	33,980	2.07	1.40	1.61
1.6	22,550	2.33	1.38	1.16
1.7	22,550	2.33	1.38	1.16
1.8	22,550	2.33	1.38	1.16
1.9	22,550	2.33	1.38	1.16
2.0	17,470	2.44	1.53	1.29
2.1	17,470	2.44	1.53	1.29
2.2	8,420	2.73	1.81	2.64
2.3	8,420	2.73	1.81	2.64
2.4	6,220	2.89	2.11	2.96
2.5	1,860	3.82	3.95	0.02
2.6	1,860	3.82	3.95	0.02
2.7	1,860	3.82	3.95	0.02
2.8	1,860	3.82	3.95	0.02
2.9	1,860	3.82	3.95	0.02
3.0	1,860	3.82	3.95	0.02

Table 14.14 Laverty Dyke Indicated Resource Cut-Off Table

AuOK1 Cut-off	Tonnes	AuOK1	AuID1	AuNN1
0.1	4,819,100	0.28	0.28	0.23
0.2	2,333,180	0.43	0.41	0.34
0.3	1,524,900	0.52	0.50	0.39
0.4	846,400	0.67	0.64	0.53
0.5	**546,100**	**0.80**	**0.75**	**0.60**
0.6	372,600	0.92	0.86	0.75
0.7	259,500	1.04	0.96	0.76
0.8	189,500	1.15	1.06	0.75
0.9	149,100	1.24	1.14	0.85
1.0	116,800	1.31	1.26	1.08
1.1	83,900	1.42	1.28	1.36
1.2	65,700	1.49	1.39	1.36
1.3	56,600	1.53	1.31	1.47
1.4	20,500	1.82	1.69	0.30
1.5	20,500	1.82	1.69	0.30
1.6	20,500	1.82	1.69	0.30
1.7	16,600	1.86	1.82	0.36
1.8	13,000	1.91	1.65	0.46
2.1	6,800	1.93	1.91	0.70

Table 14.15 Laverty Dyke Inferred Resource Cut-off Table

AuOK1 Cut-off	Tonnes	AuOK1	AuID1	AuNN1
0.1	8,023,000	0.30	0.29	0.23
0.2	4,083,000	0.44	0.42	0.34
0.3	2,550,000	0.57	0.53	0.43
0.4	1,621,000	0.69	0.64	0.56
0.5	**944,000**	**0.88**	**0.80**	**0.72**
0.6	689,000	1.00	0.90	0.75
0.7	472,000	1.16	1.02	0.81
0.8	370,000	1.28	1.11	0.93
0.9	305,000	1.37	1.17	0.90
1.0	260,000	1.44	1.23	0.89
1.1	198,000	1.57	1.30	1.02
1.2	172,000	1.63	1.35	1.09
1.3	147,000	1.70	1.42	0.90
1.4	116,000	1.79	1.45	1.08
1.5	98,000	1.85	1.44	0.47
1.6	89,000	1.88	1.43	0.32
1.7	80,000	1.90	1.48	0.35
1.8	71,000	1.92	1.57	0.35
1.9	30,000	2.05	1.50	0.40
2.0	21,000	2.10	1.64	0.57
2.1	2,000	2.30	0.96	1.77
2.2	2,000	2.30	0.96	1.77
2.5	2,000	2.30	0.96	1.77

Table 14.16 Laverty Granodiorite Measured Resource Cut-off Table

AuOK1 Cut-off	Tonnes	AuOK1	AuID1	AuNN1
0.1	1,013,780	1.71	1.69	1.95
0.2	1,002,450	1.73	1.71	1.97
0.3	983,020	1.76	1.74	2.00
0.4	971,980	1.77	1.76	2.01
0.5	**951,080**	**1.80**	**1.78**	**2.05**
0.6	929,430	1.83	1.81	2.08
0.7	904,900	1.86	1.85	2.12
0.8	873,520	1.90	1.88	2.15
0.9	839,930	1.94	1.92	2.19
1.0	803,240	1.99	1.97	2.26
1.1	735,850	2.08	2.06	2.40
1.2	699,820	2.12	2.11	2.46
1.3	661,010	2.17	2.16	2.52
1.4	558,920	2.32	2.31	2.70
1.5	504,080	2.42	2.41	2.85
1.6	485,850	2.45	2.45	2.88
1.7	459,240	2.50	2.50	2.97
1.8	410,150	2.58	2.59	3.17
1.9	366,550	2.67	2.67	3.28
2.0	334,060	2.74	2.70	3.39
2.1	313,360	2.79	2.76	3.48
2.2	277,700	2.87	2.85	3.66
2.3	255,870	2.92	2.90	3.78
2.4	212,510	3.04	3.00	3.91
2.5	189,060	3.11	3.07	4.10
2.6	177,350	3.15	3.09	4.15
2.7	144,050	3.26	3.23	4.39
2.8	119,830	3.36	3.26	4.73
2.9	96,970	3.48	3.40	4.73
3.0	74,350	3.63	3.51	4.47

Table 14.17 Laverty Granodiorite Indicated Resource Cut-off Table

AuOK1 Cut-off	Tonnes	AuOK1	AuID1	AuNN1
0.1	411,000	1.25	1.16	1.56
0.2	353,800	1.43	1.31	1.78
0.3	338,000	1.48	1.37	1.84
0.4	326,300	1.52	1.40	1.90
0.5	**324,000**	**1.53**	**1.41**	**1.92**
0.6	315,000	1.56	1.44	1.95
0.7	293,500	1.62	1.50	2.00
0.8	273,200	1.69	1.55	2.04
0.9	235,100	1.83	1.68	2.30
1.0	214,700	1.91	1.79	2.51
1.1	192,400	2.01	1.85	2.48
1.2	179,000	2.07	1.92	2.61
1.3	164,200	2.15	2.00	2.80
1.4	152,000	2.22	2.05	2.90
1.5	149,700	2.23	2.07	2.93
1.6	141,000	2.27	2.10	2.99
1.7	129,800	2.32	2.16	3.14
1.8	116,500	2.39	2.22	3.21
1.9	103,300	2.46	2.26	3.15
2.0	96,600	2.50	2.25	3.02
2.1	86,900	2.55	2.30	3.10
2.2	78,600	2.59	2.33	3.39
2.3	59,900	2.69	2.41	3.64
2.4	59,300	2.70	2.41	3.63
2.5	25,200	3.02	2.69	3.65
2.6	17,800	3.23	2.87	3.64
2.7	17,800	3.23	2.87	3.64
2.8	13,600	3.39	3.10	3.18
2.9	13,600	3.39	3.10	3.18
3.0	9,000	3.61	3.60	3.10

Table 14.18 Laverty Granodiorite Inferred Resource Cut-off Table

AuOK1 Cut-off	Tonnes	AuOK1	AuID1	AuNN1
0.1	575,000	1.47	1.35	1.57
0.2	556,000	1.52	1.40	1.62
0.3	527,000	1.58	1.46	1.70
0.4	519,000	1.60	1.48	1.72
0.5	**506,000**	**1.63**	**1.51**	**1.76**
0.6	461,000	1.74	1.61	1.89
0.7	374,000	2.00	1.83	2.13
0.8	356,000	2.06	1.90	2.23
0.9	331,000	2.15	1.99	2.38
1.0	315,000	2.21	2.06	2.50
1.1	314,000	2.22	2.06	2.51
1.2	301,000	2.26	2.10	2.58
1.3	271,000	2.38	2.24	2.84
1.4	259,000	2.42	2.28	2.88
1.5	259,000	2.42	2.28	2.88
1.6	244,000	2.48	2.35	3.00
1.7	238,000	2.50	2.35	3.01
1.8	232,000	2.52	2.38	3.07
1.9	195,000	2.65	2.50	3.14
2.0	189,000	2.67	2.53	3.23
2.1	168,000	2.75	2.61	3.42
2.2	139,000	2.88	2.70	3.47
2.3	132,000	2.91	2.68	3.45
2.4	118,000	2.98	2.75	3.68
2.5	58,000	3.51	3.35	3.66
2.6	49,000	3.67	3.53	3.72
2.7	49,000	3.67	3.53	3.72
2.8	43,000	3.81	3.63	3.70
2.9	38,000	3.91	3.71	3.90
3.0	37,000	3.95	3.77	3.96

Table 14.19 Buffalo Quartz-Tourmaline Zone Inferred Resource Cut-off Table

AuID1 Cut-off	Tonnes	AuID1
0.1	7,322,000	0.52
0.2	5,360,000	0.65
0.3	4,174,000	0.77
0.4	3,298,000	0.88
0.5	**2,698,000**	**0.97**
0.6	2,147,000	1.08
0.7	1,836,000	1.15
0.8	1,589,000	1.22
0.9	1,252,000	1.31
1.0	1,024,000	1.40
1.1	801,000	1.50
1.2	629,000	1.59
1.3	552,000	1.64
1.4	412,000	1.74
1.5	287,000	1.86
1.6	212,000	1.98
1.7	188,000	2.02
1.8	180,000	2.04
1.9	121,000	2.12
2.0	96,000	2.18
2.1	68,000	2.22
2.4	33000	2.26

Table 14.20 Buffalo Disseminated Zone Inferred Resource Cut-off Table

AuID1 Cut-off	Tonnes	AuID1
0.1	7,755,000	0.46
0.2	5,639,000	0.58
0.3	3,650,000	0.76
0.4	2,548,000	0.93
0.5	**1,954,000**	**1.08**
0.6	1,517,000	1.24
0.7	1,169,000	1.42
0.8	979,000	1.55
0.9	871,000	1.63
1.0	781,000	1.71
1.1	649,000	1.85
1.2	584,000	1.92
1.3	541,000	1.97
1.4	479,800	2.06
1.5	430,000	2.13
1.6	390,000	2.19
1.7	353,000	2.24
1.8	273,000	2.38
1.9	231,000	2.47
2.0	203,000	2.55
2.1	192,000	2.57
2.2	162,000	2.66
2.3	134,000	2.74
2.4	94,000	2.90
2.5	76,000	3.00
2.6	45,000	3.35
2.7	28,000	3.72
2.8	28,000	3.72
2.9	28,000	3.74
3.0	27,000	3.77

The corresponding grade-tonnage curves for the various resource categories are displayed in Figure 14.13 to Figure 14.22.

Figure 14.13 North Madsen Main Zone Measured Resource Grade Tonnage Curve

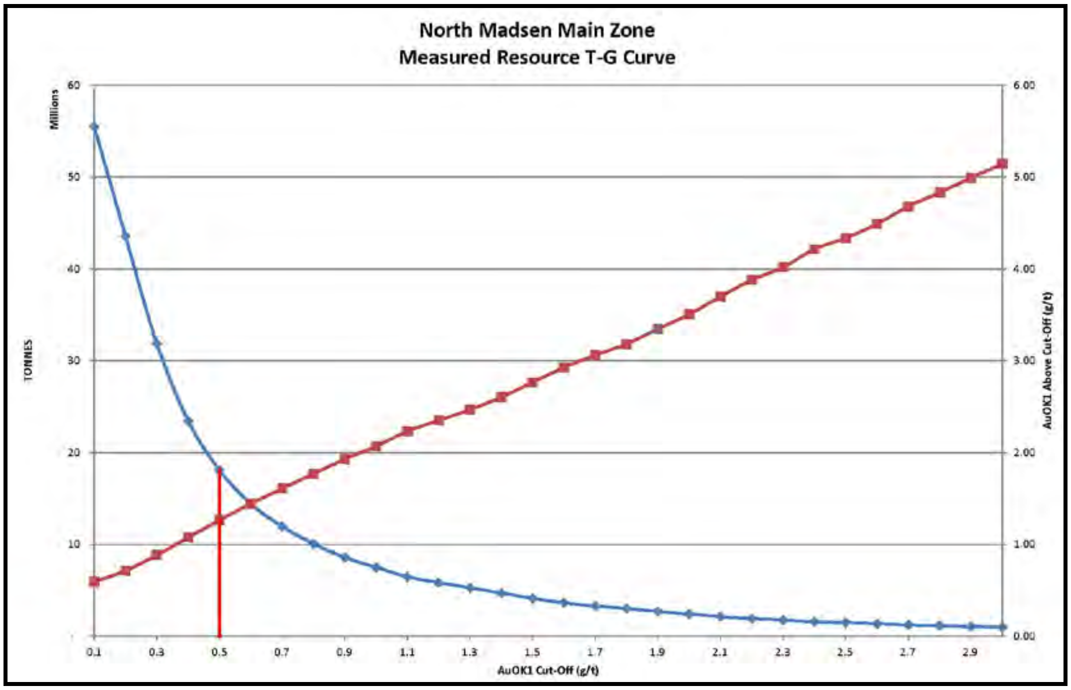


Figure 14.14 North Madsen Main Zone Indicated Resource Grade-Tonnage Curve

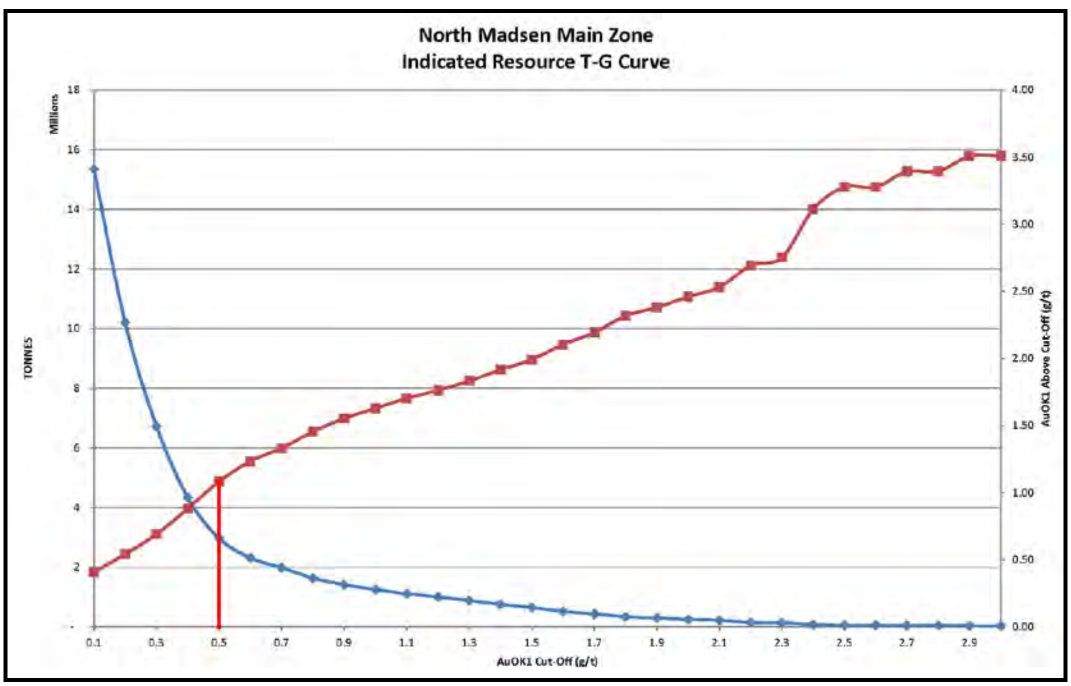


Figure 14.15 Main Zone Inferred Resource Grade-Tonnage Curve

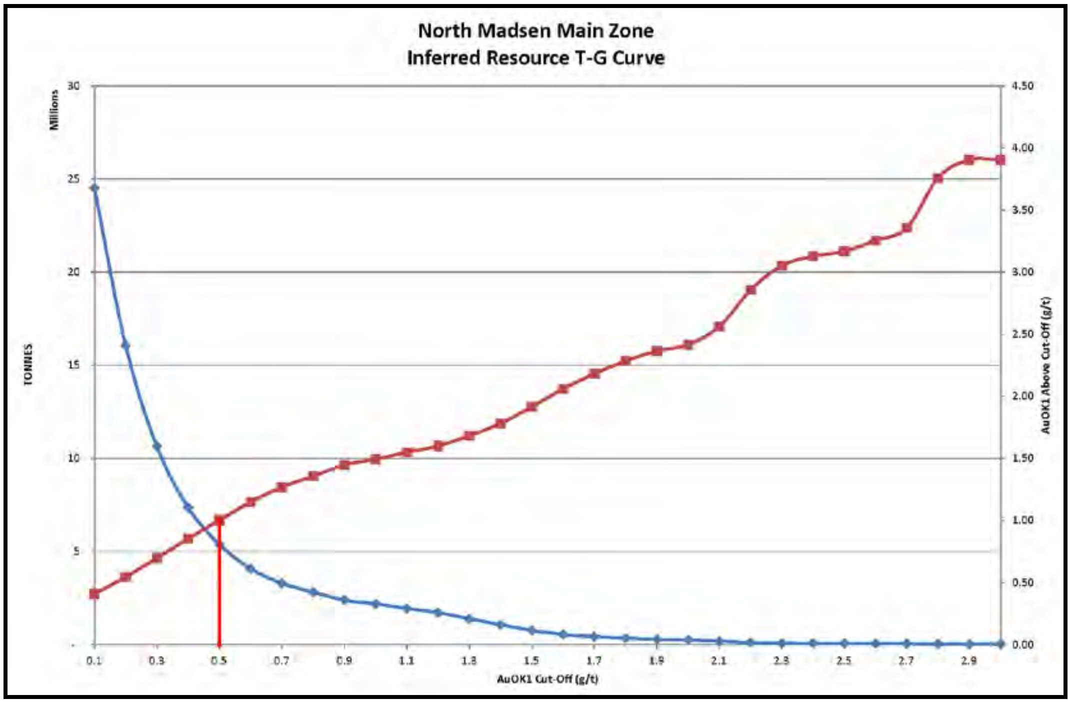


Figure 14.16 Laverty Dyke Indicated Resource Grade-Tonnage Curve

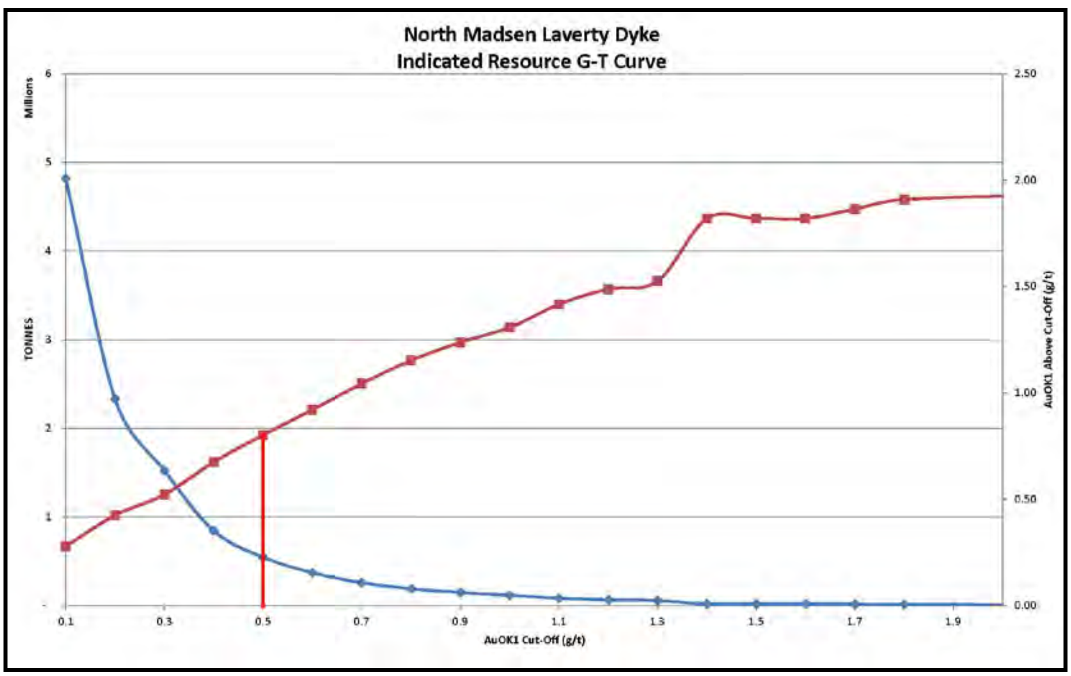


Figure 14.17 Laverty Dyke Inferred Resource Grade-Tonnage Curve

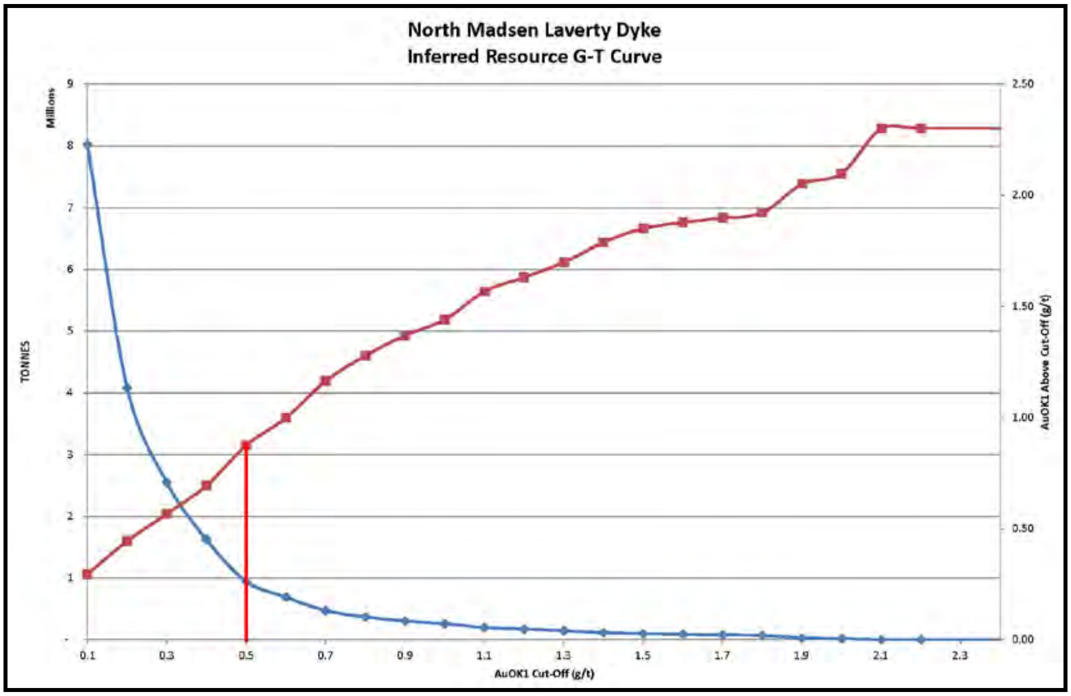


Figure 14.18 Laverty Granodiorite Measured Resource Grade-Tonnage Curve

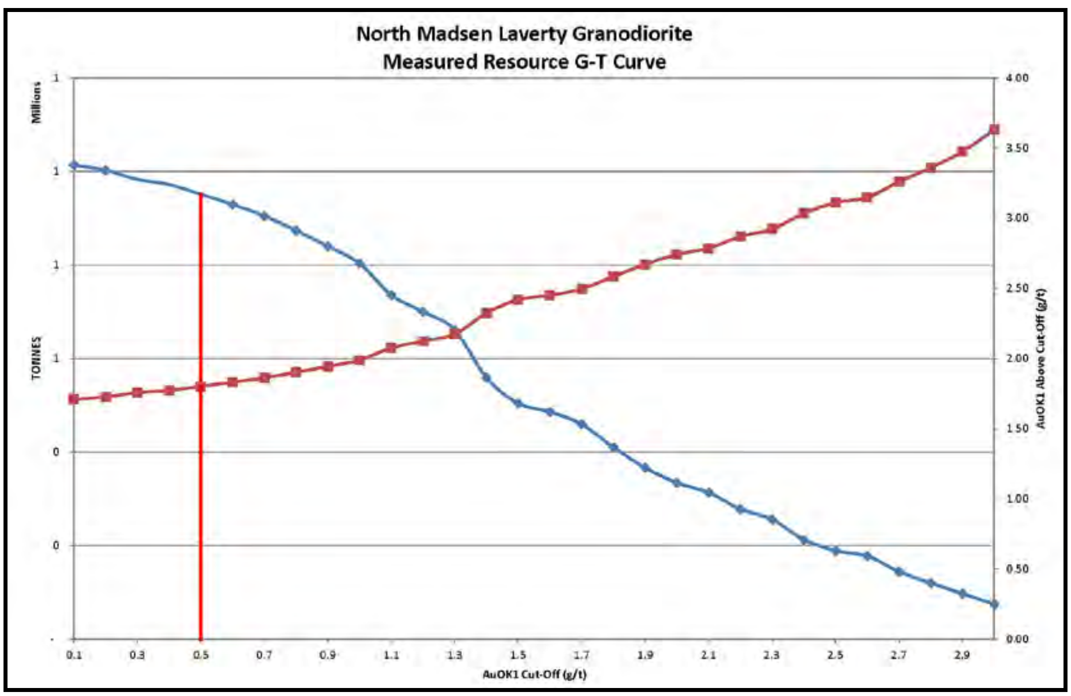


Figure 14.19 Laverty Granodiorite Indicated Resource Grade-Tonnage Curve

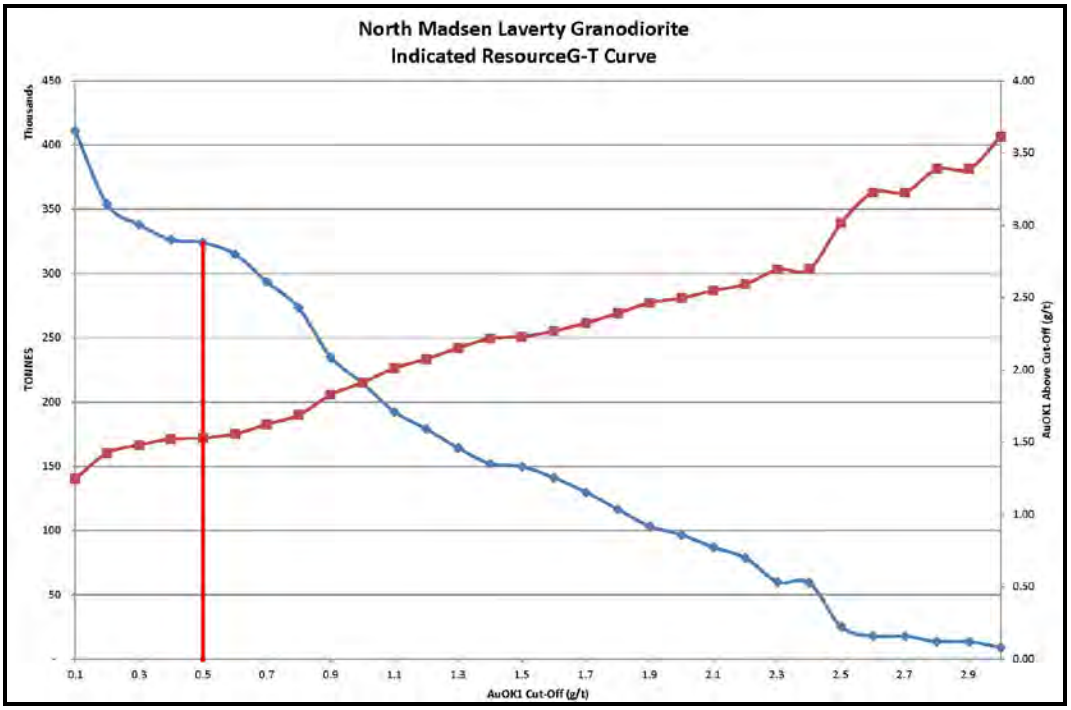


Figure 14.20 Laverty Granodiorite Inferred Resource Grade-Tonnage Curve

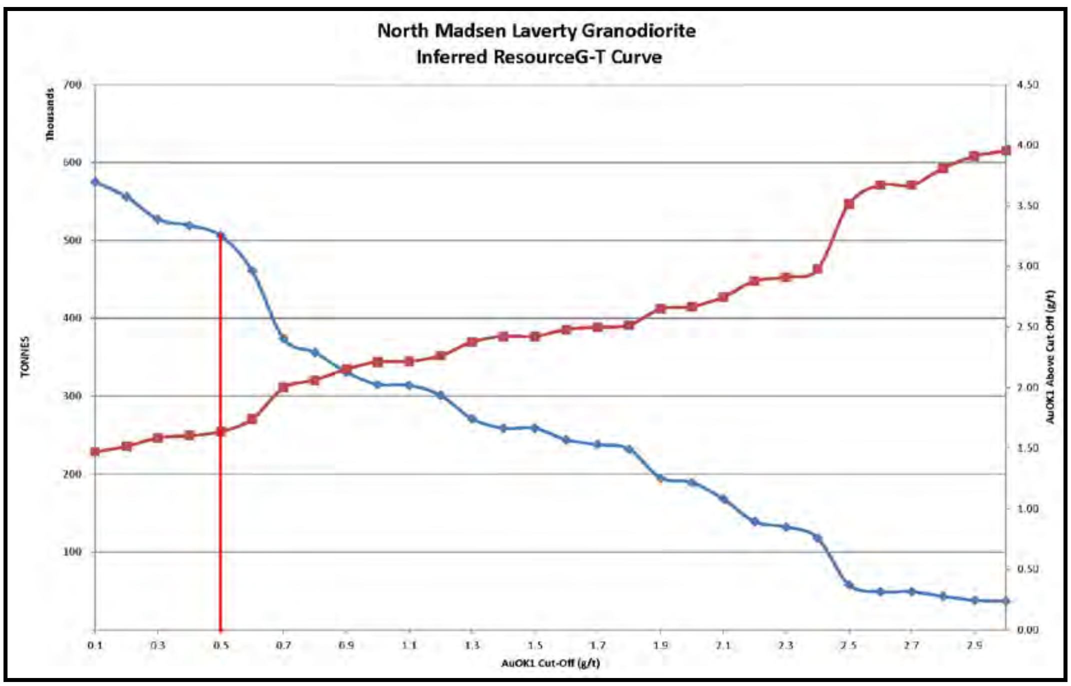


Figure 14.21 Buffalo Extension Quartz-Tourmaline Inferred Resource Grade-Tonnage Curve

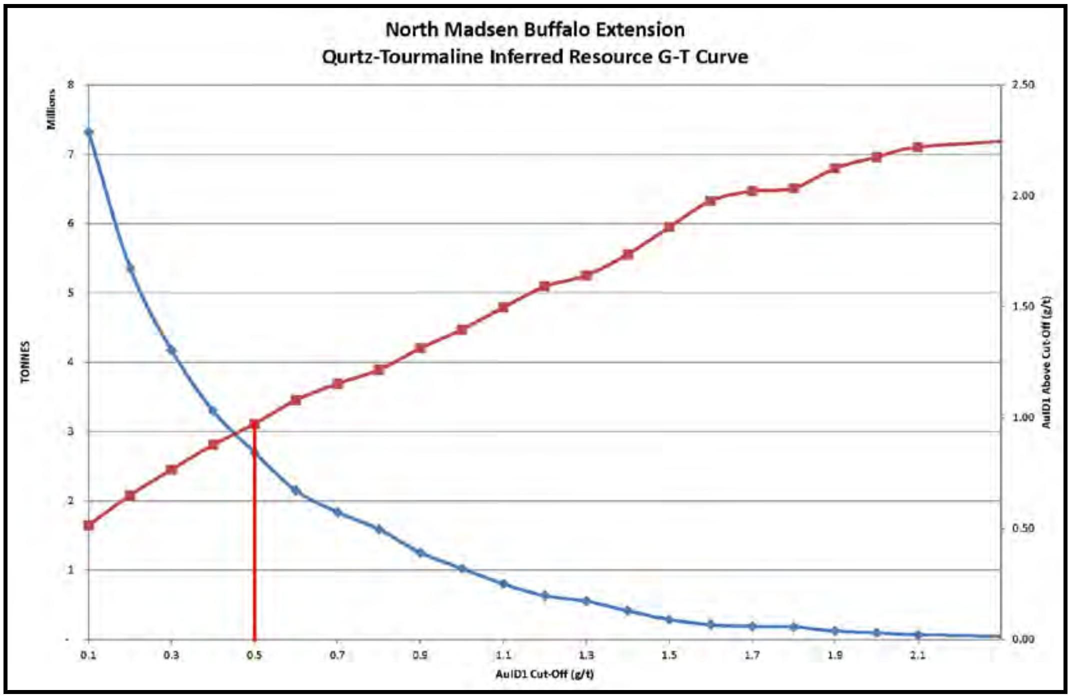
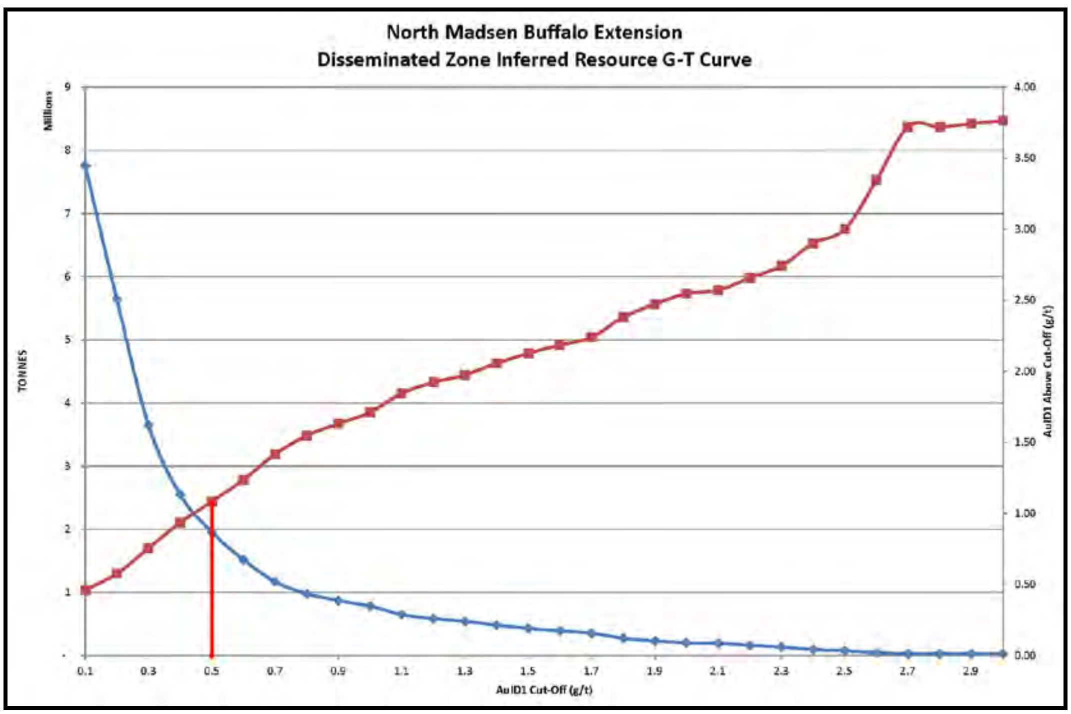


Figure 14.22 Buffalo Extension Disseminated Zone Inferred Resource Grade-Tonnage Curve



Based on the similar operated gold projects in Canada, a 3.0 g/t cut-off was used to tabulate the resources within the various zones and categories.

Table 14.21 to Table 14.23 summarizes the resource estimate at the 3.0 g/t Au cut-off for each of the mineralized zones. Table 14.24 is a summary of the resource estimate at North Madsen.

Table 14.21 North Madsen Measure Resource Summary

Measured Resource	Tonnes	Au (g/t)
Main Zone	18,052,860	1.26
Laverty Dyke - Dyke	634,190	0.80
Laverty Dyke - Granodiorite	951,090	1.80
Total	**19,638,140**	**1.27**

Table 14.22 North Madsen Indicated Resource Summary

Indicated Resource	Tonnes	Au (g/t)
Main Zone	2,967,800	1.08
Laverty Dyke - Dyke	546,100	0.80
Laverty Dyke - Granodiorite	324,000	1.53
Total	**3,837,900**	**1.08**

Table 14.23 North Madsen Inferred Resource Summary

Inferred Resource	Tonnes	Au (g/t)
Main Zone	5,385,000	1.00
Laverty Dyke - Dyke	944,000	0.88
Laverty Dyke - Granodiorite	506,000	1.63
Buffalo - Disseminated	1,954,000	1.08
Buffalo - Quartz-Tourmaline	2,698,000	0.97
Total	**11,487,000**	**1.03**

Table 14.24 North Madsen Resource Summary

Category	Tonnage	Au (g/t)	Au (oz)
Measured	19,638,140	1.27	801,855
Indicated	3,837,900	1.08	133,263
Measured + Inferred	23,476,040	1.24	935,118
Inferred	11,487,000	1.03	380,396

14.9 VALIDATION

The North Madsen models were validated by three methods:

1. visual comparison of colour-coded block model grades with composite grades on section and plan
2. comparison of the global mean block grades for OK, ID^2, NN and composites
3. swath plots of the various zones in both plan and section views.

14.9.1 VISUAL VALIDATION

The visual comparisons of block model grades with composite grades for each of the zones show a reasonable correlation between the values. No significant discrepancies were apparent from the sections reviewed, yet grade smoothing is apparent in some locations due to the distance between drill samples being broader in some regions.

14.9.2 GLOBAL COMPARISON

The global block model statistics for the OK model were compared to the global inverse distance squared and nearest neighbour model values as well as the composite capped drillhole data. Table 14.25 shows this comparison of the global estimates for the three estimation method calculations. In general, there is agreement between the three models with the exception of the Buffalo OK model. This is largely due to the fact that the Buffalo Quartz zone did not have enough data to generate a krig model. The Buffalo Zone OK global grade reflects the global grade of the disseminated zone only.

Larger discrepancies are reflected as a result of lower drill density in some portions of the model. There is a degree of smoothing apparent when compared to the diamond drill statistics. Comparisons were made using all blocks at a 0% cut-off.

Table 14.25 Global Statistics

Zone	Au DDH Capped Composite	Au NN Grade	Au ID^2 Grade	Au OK Grade
Main	0.37	0.52	0.43	0.49
Laverty	0.55	0.45	0.43	0.44
Buffalo Ex	0.46	0.41	0.46	0.23
All Zones	0.42	0.43	0.44	0.35

14.9.3 SWATH PLOTS

Swath plots of eastings, northings and elevations were generated for each mineralized zone respectively. These plots are comparing the OK estimates with the NN and ID^2 estimates. The plots are illustrated Appendix A.

14.10 PREVIOUS ESTIMATES

In 2010, MEGA released the results of a resource estimate for the Laverty Dyke conducted by G.A Harron and Associates and P and E Mining Consultants (Harron and Puritch, 2010).

Tetra Tech is not able to verify the validity of the resource estimate and under NI 43-101 guidelines considers the results to be historic. A copy of the "Technical Report on North Madsen Properties Dome and Heyson Townships Red Lake M.D. Ontario Canada for Mega Precious Metals Inc." prepared by G.A. Harron & Associates is available on SEDAR by searching MEGA technical reports.

Tetra Tech considers the historical estimate to be relevant. It should be noted that the estimate was completed prior to adoption of the current standards embodied in NI 43-101 and therefore the results cannot be relied upon. The stated Indicated and Inferred Resources are likely similar to the current standards for Indicated and Inferred Resources.

A QP has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. The issuer is not treating the historical estimate as current mineral resources or mineral reserves as defined in NI 43-101 sections 1.2 and 1.3 and the historical estimate should not be relied upon.

Below is a summary of the results of the previous estimate.

Indicated and Inferred resources have been estimated for the Laverty Dyke Gold Zone and are tabulated below. Data used to constrain the estimations include 36 diamond drillholes and 15 surface channel samples intersecting mineralization over a strike length of 240 m, a down dip length of 250 m. Inverse distance cubed (ID^3) grade interpolation was used to populate a 5 m x 5 m x 5 m block model. Gold grades were capped at 10 g/t Au. Table 14.26 summarizes the results of the previous estimate compared to the current estimate of the same zone. Table 14.27 compares the differences in the model parameters.

Table 14.26 Laverty Dyke Resource Comparison

G.A. Harron				Tetra Tech					
Indicated		Inferred		Measured		Indicated		Inferred	
Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)
395,000	2.56	32,000	3.32	1,513,390	1.44	811,400	1.10	1,347,000	1.18

Table 14.27 Model Differences

	2011 Tetra Tech Model	2010 G.A. Harron Model
Number of Drillholes	61	51
Grade Capping	Parrish Analysis no cap in Laverty Dyke, Granodiorite cap 12.67 g/t Au	lognormal distribution on a probability ploy 10.0 g/t Au
Composite Length	1.0 m average back stitching allows for "tail" material to be spread evenly over the entire hole composite	1.0 m "tails" less than 0.4 m were discarded
Cut-off Grade	0.5 g/t Au global	0.65 g/t Au for pit potential, 2.5 g/t Au for U/G potential
Number of Mineral Zones	2	1
Block Size	15 x 15 x 15 (3,375m^3)	5 x 5 x 5 (125 m^3)
Estimation Method	OK with ID^2 and NN validation	ID^3 done in GEMS (same as a NN estimation in Datamine)

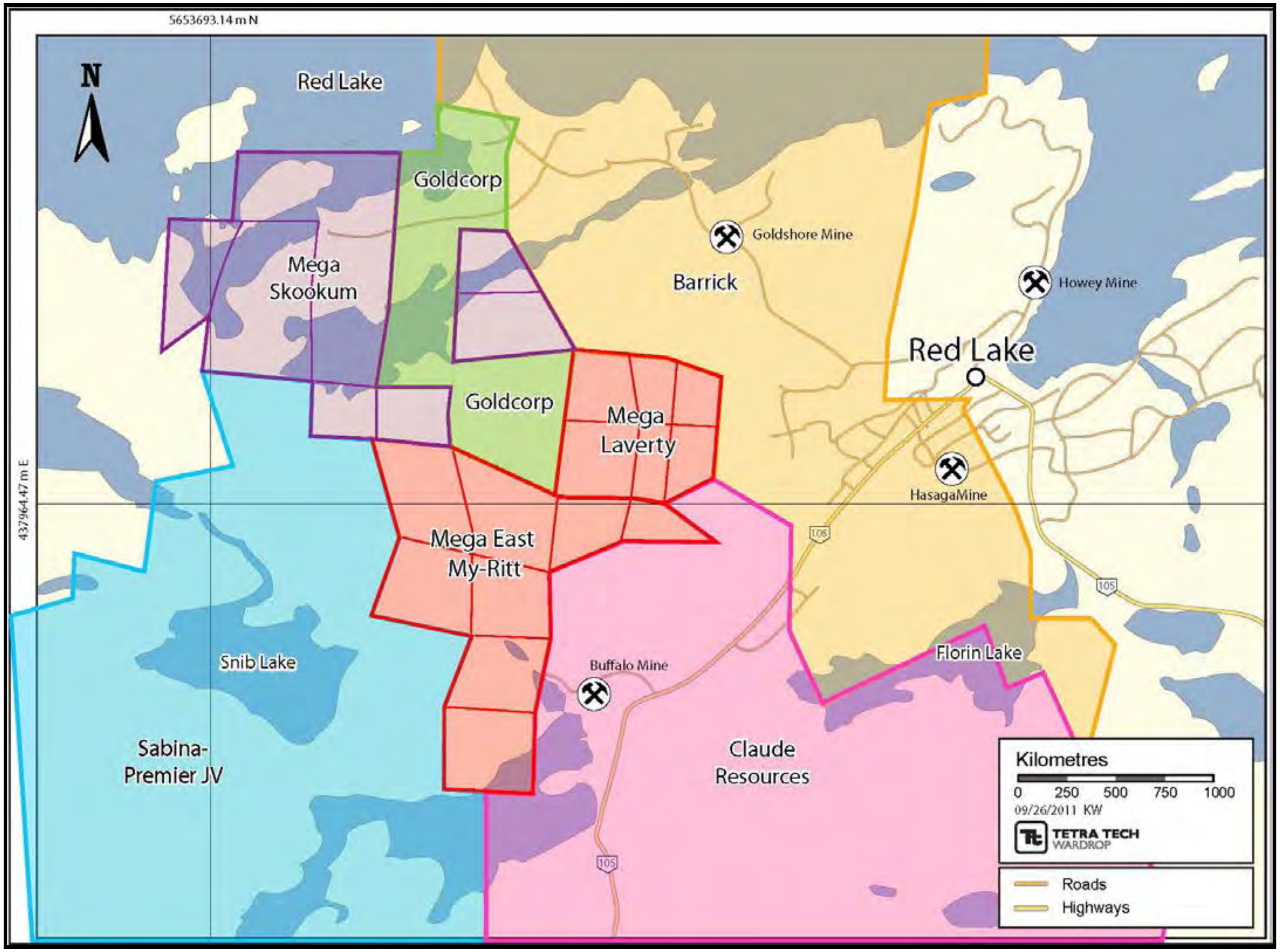
15.0 ADJACENT PROPERTIES

The properties adjacent to the Laverty and East My-Ritt claim blocks are illustrated in Figure 15.1. There currently is little exploration being conducted in most adjacent properties. In addition, the majority of claims on adjacent properties are patented, and therefore information is not readily accessible. Table 15.1 provides a brief summary of the company which owns the mineral claims and any ongoing exploration activities. To the knowledge of Tetra Tech, no additional exploration is currently being conducted on adjacent properties, and no recent resource estimates have been completed.

Table 15.1 Summary of Ongoing Exploration Activity on Adjacent Properties

Company	Exploration Activities	Resource Estimates
Premier Gold Mines Ltd./ Sabina Gold & Silver Corporation	3,183 m of diamond drilling, geological mapping completed in 2010/2011. Highest grade intercept of 43.51 g/t over 0.65 m. Further exploration has been conducted in 2011, which has not been made public yet. To date, a technical report has not been filed.	N/A
Barrick Gold Corporation	No records available on recent exploration activities.	N/A
Goldcorp Inc.	No records available on recent exploration activities.	N/A
Claude Resources Inc.	Technical report issued January 2010	Indicated Resource: 3.2 Mt at 8.83 g/t Inferred Resource: 0.8 Mt at 11.74 g/t using a cut-off of 5.0 g/t Au

Figure 15.1 Adjacent Properties Map



15.1 HISTORICAL PRODUCTION

Four historical gold mines, the Howey, Hasaga, Goldshore, and Buffalo mines are located near the Property, but not on these claim blocks. None of these mines are currently operating. A brief summary of the historical production from each mine is listed below.

Tetra Tech has not verified the accuracy of these production numbers. In each case, the source of the historical data is identified, and no comment is offered on the reliability of the data.

- Howey Mine: produced 421,592 oz of gold from 1930 to 1941 at an average recovered grade of 0.09 oz/t Au (Jones, 1995).
- Hasage Mine: produced 219,320 oz of gold from 1938 to 1952 at an average recovered grade of 0.14 oz/t Au (Jones, 1995).
- Buffalo Red Lake Mine: produced 1,656 oz of gold at an average recovered grade of 0.22 oz/t Au (Jones, 1995).
  - The Buffalo Mine is located less than 0.5 km east of the southern portion of the East My-Ritt claim, and the mineralization strike appears to continue onto MEGA's Property.
- Goldshore Mine: produced 21,100 oz of gold (Lavigne et al. 1986).

16.0 OTHER RELEVANT DATA AND INFORMATION

To Tetra Tech's knowledge, there is no additional data or information that would impact the resource estimate presented in this report or affects the recommendations provided.

17.0 INTERPRETATION AND CONCLUSIONS

Based on the review of the available information and observations made during the site visit, the author concludes the following, in no particular order of perceived importance:

- The Property is currently held 100% by MEGA.
- The Property is analogous to the shear-hosted quartz vein lode gold deposits typical to the Abitibi Belt of eastern Ontario and western Quebec or the Uchi Belt of western Ontario.
- The Property is associated with sheared felsic to intermediate intrusions, as well as minor mafic volcanic flows. Mafic to intermediate dykes are locally common. Varying degrees of alteration are present including chloritization, carbonate, silicification, and sericitization. Quartz-tourmaline veins are locally common and significant for mineralization.
- MEGA has a strong understanding of the regional and local geology to support the interpretation of the mineralized zones on the Property.
- Mineralization is currently defined in several zones of various thickness and strike length, located in several areas of the Property.
- Drilling and sampling procedures, sample preparation and assay protocols are generally conducted in agreement with best practices.
- Verification of the drillhole collars, surveys, assays, core and drillhole logs indicates the MEGA data is reliable.
- Based on the QA/QC program, the data is sufficiently reliable to support the resource estimate generated on the Property.
- The mineral models have been constructed in conformance to industry standard practices.
- The geological understanding is sufficient to support the resource estimation.
- At a gold cut-off grade of 0.5 g/t Au, the zones contain a Measured Resource of about 19.6 Mt with an average grade of 1.27 g/t Au. An Indicated Resource of about 3.8 Mt with an average grade of 1.08 g/t Au. The Inferred Resource totals 11.5 Mt with an average grade 1.03 g/t Au.
- The specific gravity value used to determine that tonnage was derived from limited samples, which may reflect a lack of precision with respect to the resource tonnages.

- The resource zones at the Property remain open in both the strike and down dip directions. However, current claim boundaries would limit strike expansion potential of the various zones.

18.0 RECOMMENDATIONS

It is the author's opinion that additional exploration expenditures are warranted. Two separate exploration programs are proposed. Phase 2 would only be activated based on positive results received from Phase 1.

18.1 Phase 1 North Madsen Resource Expansions

Phase 1 is designed to improve the viability of the project; it is recommended that MEGA undertake a detailed focused drill program that will focus on improving the definition of the Buffalo West Extension Zone and to further define the open pit potential of the deposit as well as continuing exploration of the South Zone.

The program will commence in November 2011 and will run to June 2012 and will focus on drilling 6,400 m.

The principal objectives of the program will be to:

- extend the current mineralization in the Buffalo West Extension of the deposit along strike and down dip
- infill the central portions of the deposit
- improve the definition of the higher grade trends within the mineralized structures
- continue to demonstrate grade continuity and specifically focus on increasing the classification levels
- provide the basis for additional tonnage that would support an open pit mine
- continue exploration in the South Zone.

The program is estimated to cost $800,000.

Table 18.1 summarizes the Phase 1 exploration program proposed.

Table 18.1 Phase 1 Exploration Budget

	Unit Rate	No. of Units	Unit	Cost
Exploratory Drilling	$85	6,400	m	544,000
Fuel	$12	130	days	1,560
Transportation and Accommodation	$190	130	days	24,700
Property and Advanced Property Work	$75	130	days	9,750
Operations Support	$280	130	days	36,400
Analytical	$18	2,560	samples	46,080
Geological	$655	130	days	85,150
Administration	$400	130	days	52,000
Program Costs (all in)				**799,640**

18.2 Phase 2 North Madsen

Phase 2 of the program will be based upon positive results of the first stage and would start after Phase 1 has been completed with a goal of completing this work by December 31, 2012.

The objectives of this program will be to:

- initiate the development of a PEA
- initiate a detailed open pit mine design
- complete ongoing environmental studies.

The program is estimated to cost $1.9 million.

Table 18.2 summarizes the Phase 2 program proposed.

Table 18.2 Phase 2 Budget

	Unit Rate	No. of Units	Unit	Cost
Exploratory Drilling	$85	12,000	m	1,020,000
Fuel	$12	222	days	2,664
Transportation and Accommodation	$190	222	days	42,180
Property and Advanced Property Work	$75	222	days	16,650
Operations Support	$280	222	days	62,160
Analytical	$18	2,560	samples	46,080
Geological	$655	222	days	145,410
Administration	$400	222	days	88,800
PEA	$100,000	5	Months	500,000
Program Costs (all in)				**1,923,944**

19.0 REFERENCES

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20.0 CERTIFICATE OF QUALIFIED PERSON

TODD MCCRACKEN, P.GEO.

I, Todd McCracken, P.Geo., of Sudbury, Ontario, do hereby certify:

- I am a Principal Geologist with Tetra Tech WEI Inc. with a business address at 101-957 Cambrian Heights, Sudbury, Ontario, P3C 5M6.
- This certificate applies to the technical report entitled "Technical Report and Resource Estimate on the North Madsen Properties, Red Lake, Ontario" dated October 21, 2011 (the "Technical Report").
- I am a graduate of the University of Waterloo, (B.Sc. Honours, 1992). I am a member in good standing of the Association of Professional Engineers and Geoscientists of Ontario (License #0631). My relevant experience is 19 years of experience in exploration and operations, including several years working in shear-hosted gold deposits. I am a "Qualified Person" for purposes of National Instrument 43-101 (the "Instrument").
- I did not personally inspect the Property.
- I am responsible for Sections 1 to 20 of the Technical Report.
- I am independent of Mega Precious Metals Inc. as defined by Section 1.5 of the Instrument.
- I have no prior involvement with the Property that is the subject of this Technical Report:
- I have read the Instrument and the technical report has been prepared in compliance with the Instrument.
- As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

Signed and dated this 21st day of October 2011 at Sudbury, Ontario

"Original document signed and sealed by Todd McCracken, P.Geo."

Todd McCracken, P.Geo.
Principal Geologist
Tetra Tech WEI Inc.

MARGARET HARDER, P.GEO.

I, Margaret Harder, P.Geo., of Vancouver, British Columbia, do hereby certify:

- I am a Geologist with Tetra Tech WEI Inc. with a business address at Suite 800 – 555 West Hastings Street, Vancouver, BC, V6B 1M1.
- This certificate applies to the technical report entitled “Technical Report and Resource Estimate on the North Madsen Properties, Red Lake, Ontario” dated October 21, 2011 (the “Technical Report”).
- I am a graduate of the University of Saskatchewan (B.Sc. in Geology, 2002) and of the University of British Columbia (M.Sc. in Geology, 2004). I am a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia, (Registration #32139). I have practiced my profession in geology for a total of seven years with experience in exploration, advanced evaluation, and operations. My relevant experience includes diamond and large diameter drilling including logging and data evaluation, 3D modelling, and reporting. I am a “Qualified Person” for purposes of National Instrument 43-101 (the “Instrument”).
- My most recent personal inspection of the Property was June 17 to July 5, 2011, August 17 to 31, 2011 and September 19 to 30, 2011.
- I am responsible for Sections 11 and 12 of the Technical Report.
- I am independent of Mega Precious Metals Inc. as defined by Section 1.5 of the Instrument.
- I have no prior involvement with the Property that is the subject of the Technical Report.
- I have read the Instrument and the technical report has been prepared in compliance with the Instrument.
- As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

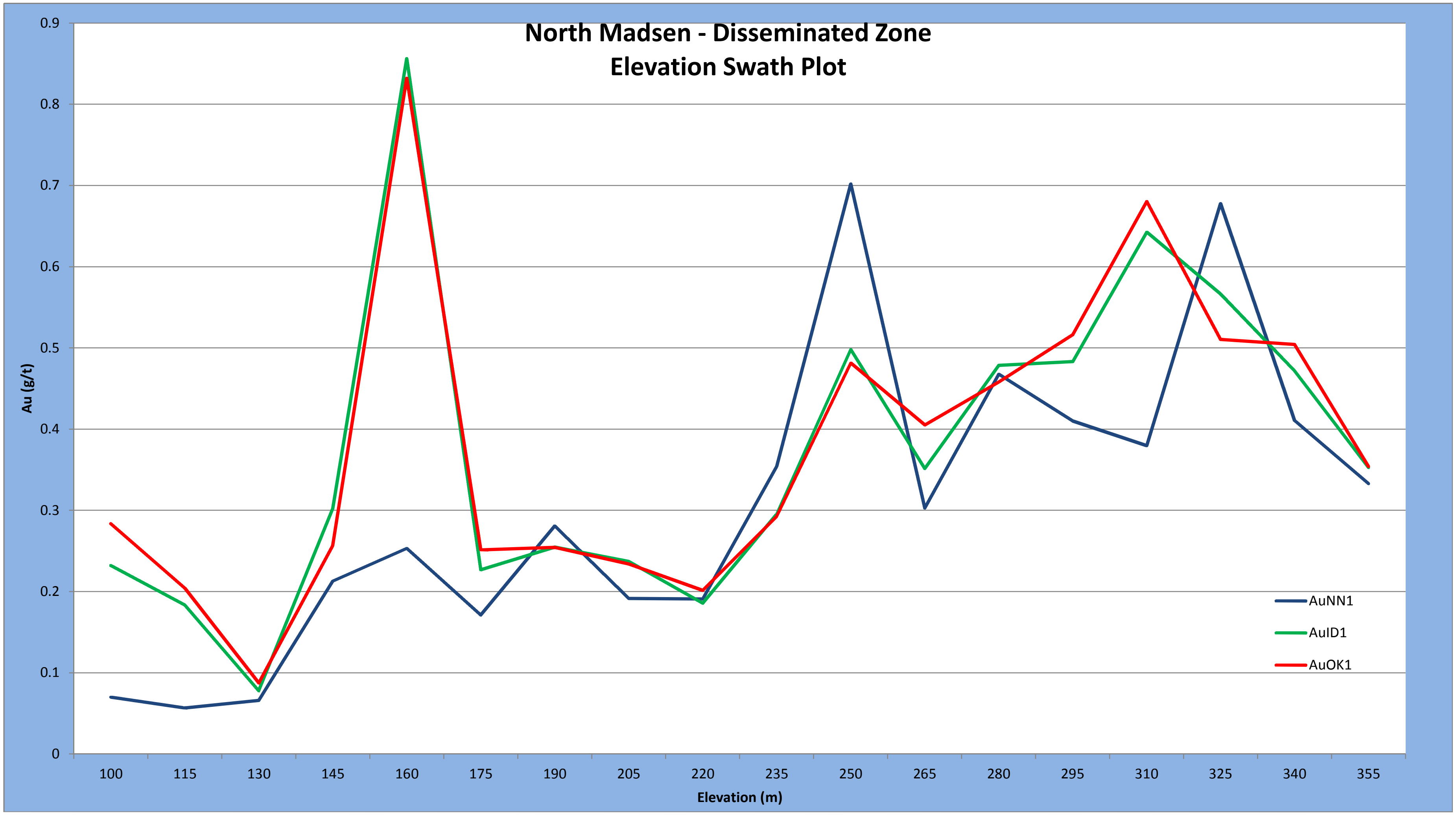
Signed and dated this 21st day of October, 2011 at Vancouver, British Columbia

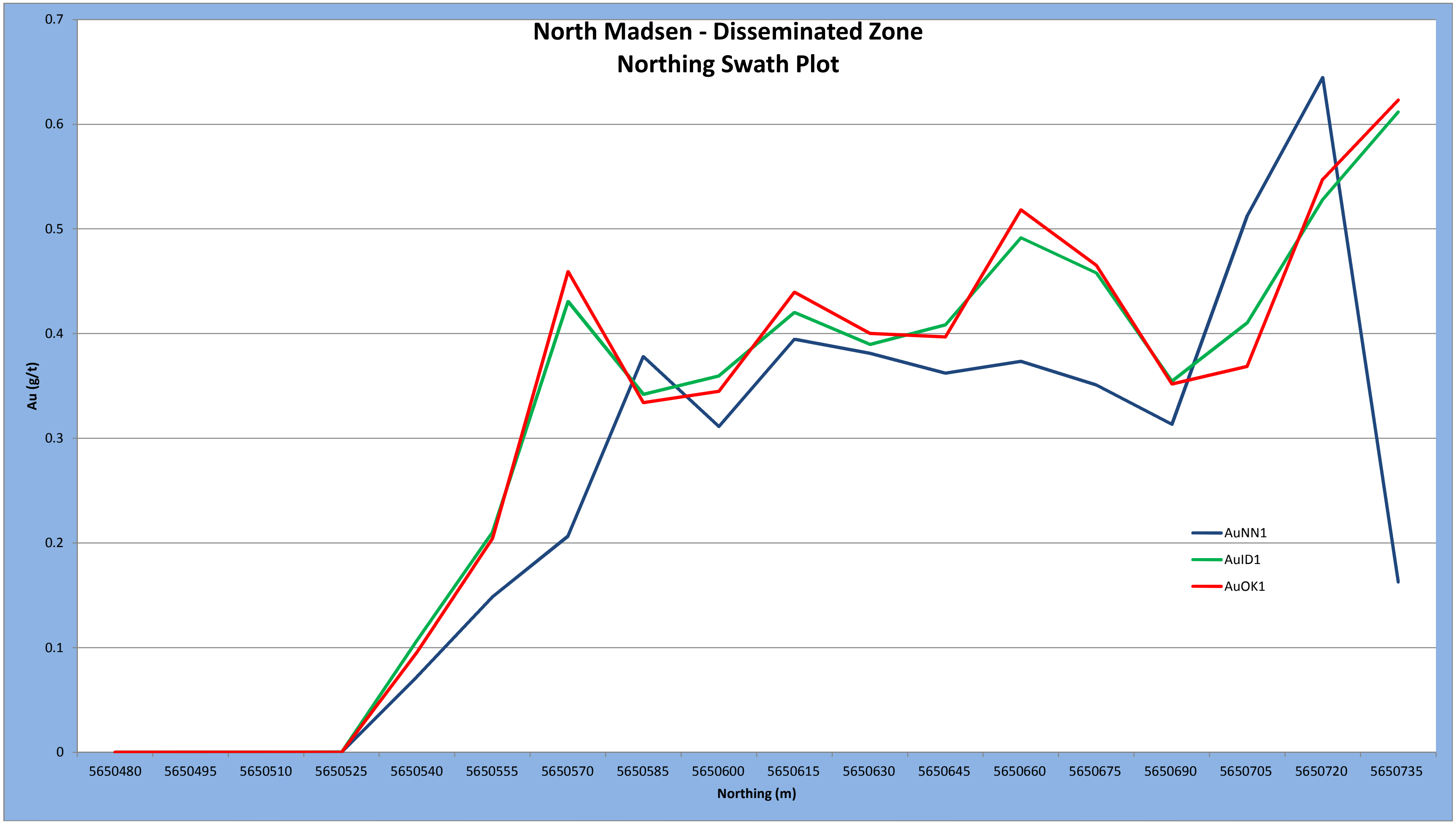
“Original document signed and sealed by Margaret Harder, P.Geo.”

Margaret Harder, P.Geo.
Geologist
Tetra Tech WEI Inc.

APPENDIX A

SWATH PLOTS


North Madsen - Disseminated Zone
Elevation Swath Plot
Au (g/t)
0
0.1
0.2
0.3
0.4
0.5
0.6
0.7
0.8
0.9
100
115
130
145
160
175
190
205
220
235
250
265
280
295
310
325
340
355
Elevation (m)
AuNN1
AuID1
AuOK1



North Madsen - Disseminated Zone
Northing Swath Plot
Au (g/t)
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0
5650480
5650495
5650510
5650525
5650540
5650555
5650570
5650585
5650600
5650615
5650630
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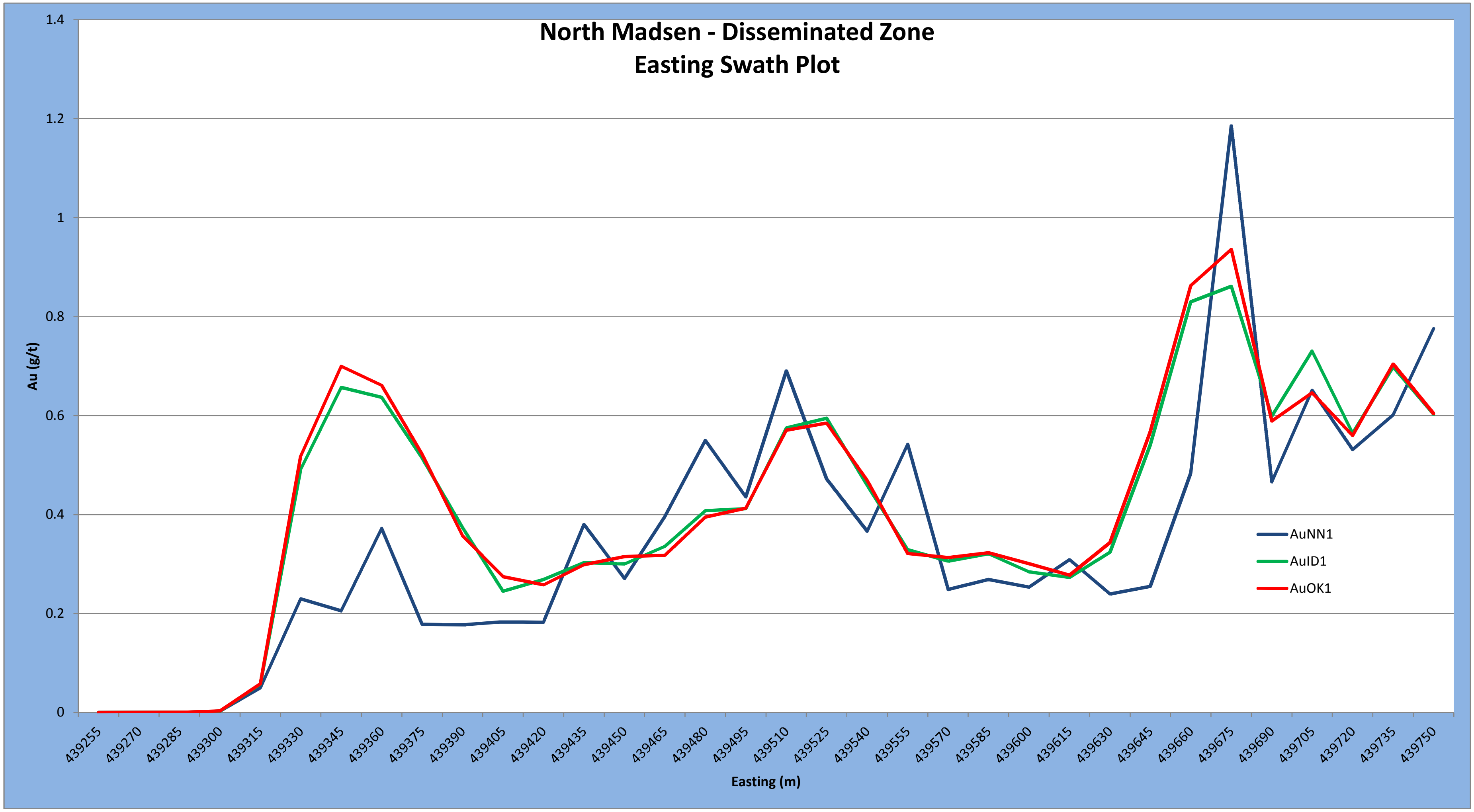
Northing (m)
AuNN1
AuID1
AuOK1


North Madsen - Disseminated Zone
Easting Swath Plot
Au (g/t)
1.4
1.2
1
0.8
0.6
0.4
0.2
0
AuNN1
AuID1
AuOK1
439255
439270
439285
439300
439315
439330
439345
439360
439375
439390
439405
439420
439435
439450
439465
439480
439495
439510
439525
439540
439555
439570
439585
439600
439615
439630
439645
439660
439675
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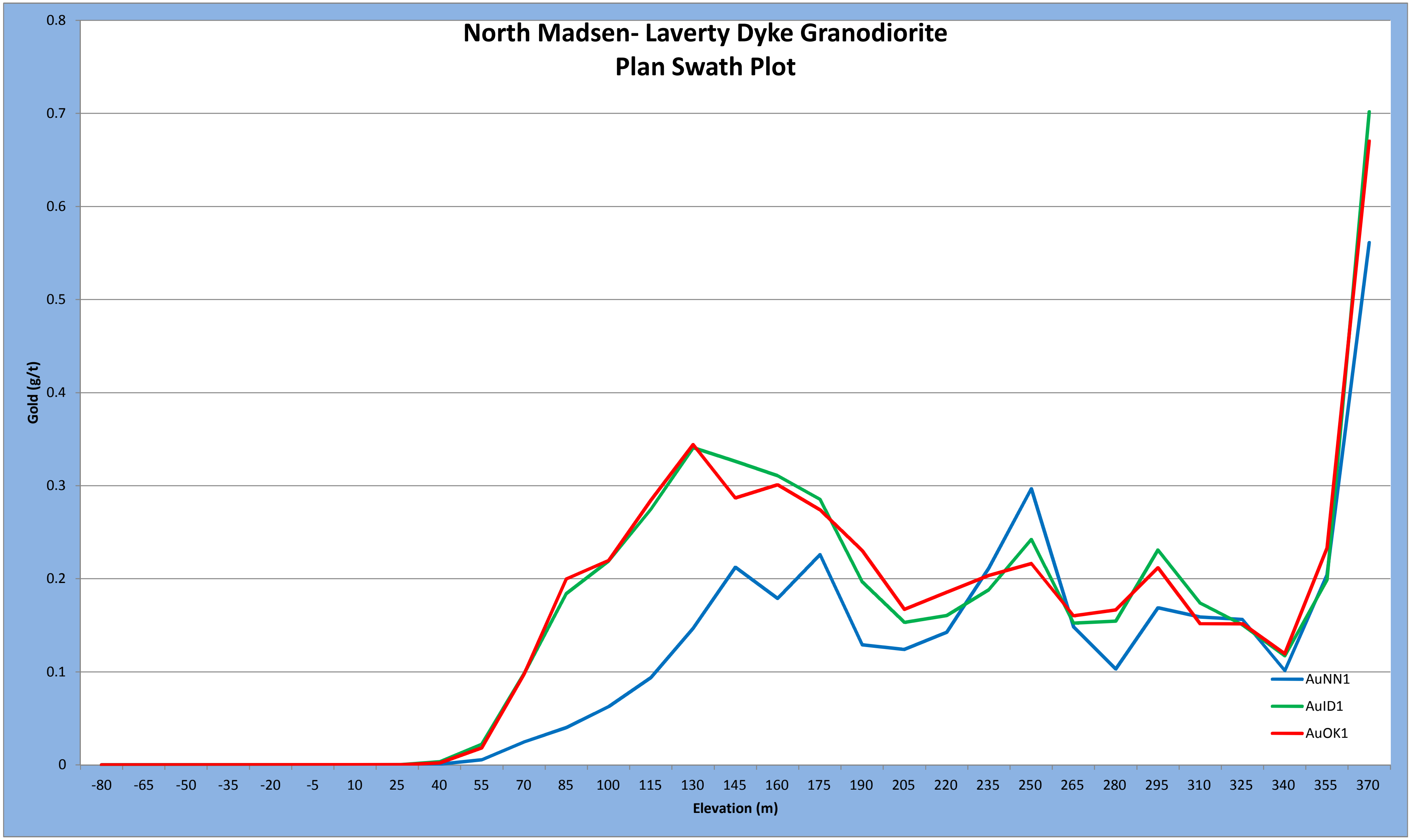
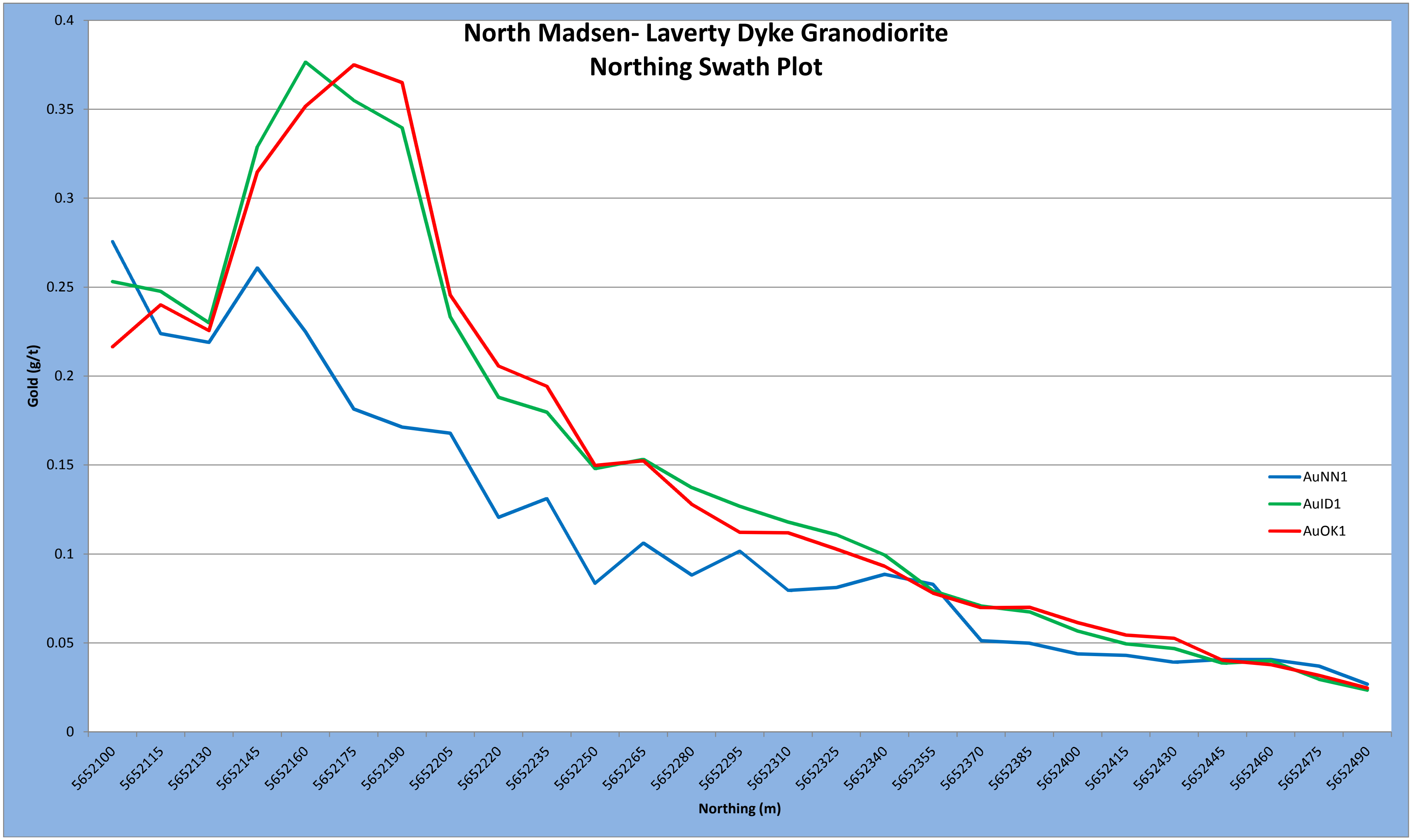
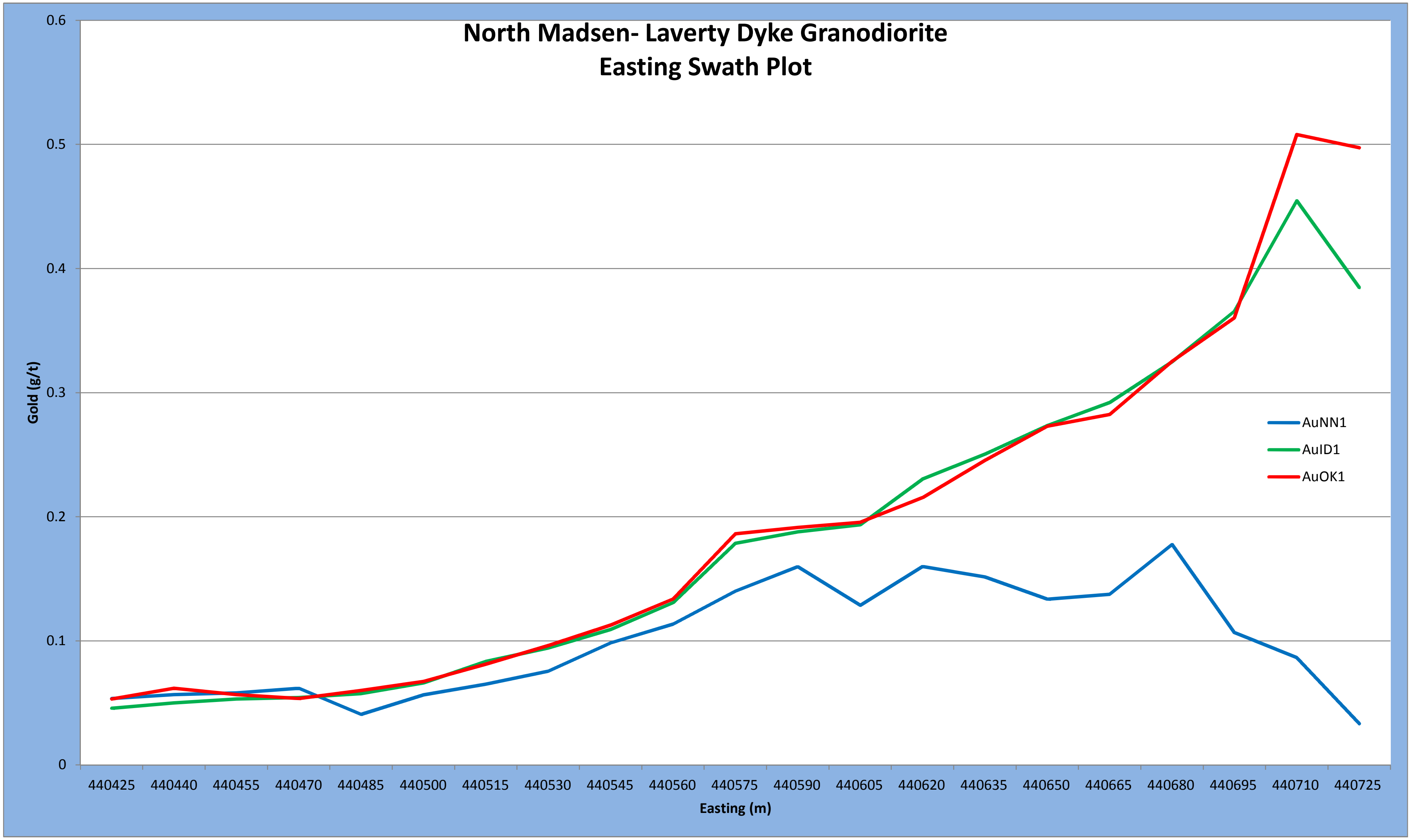
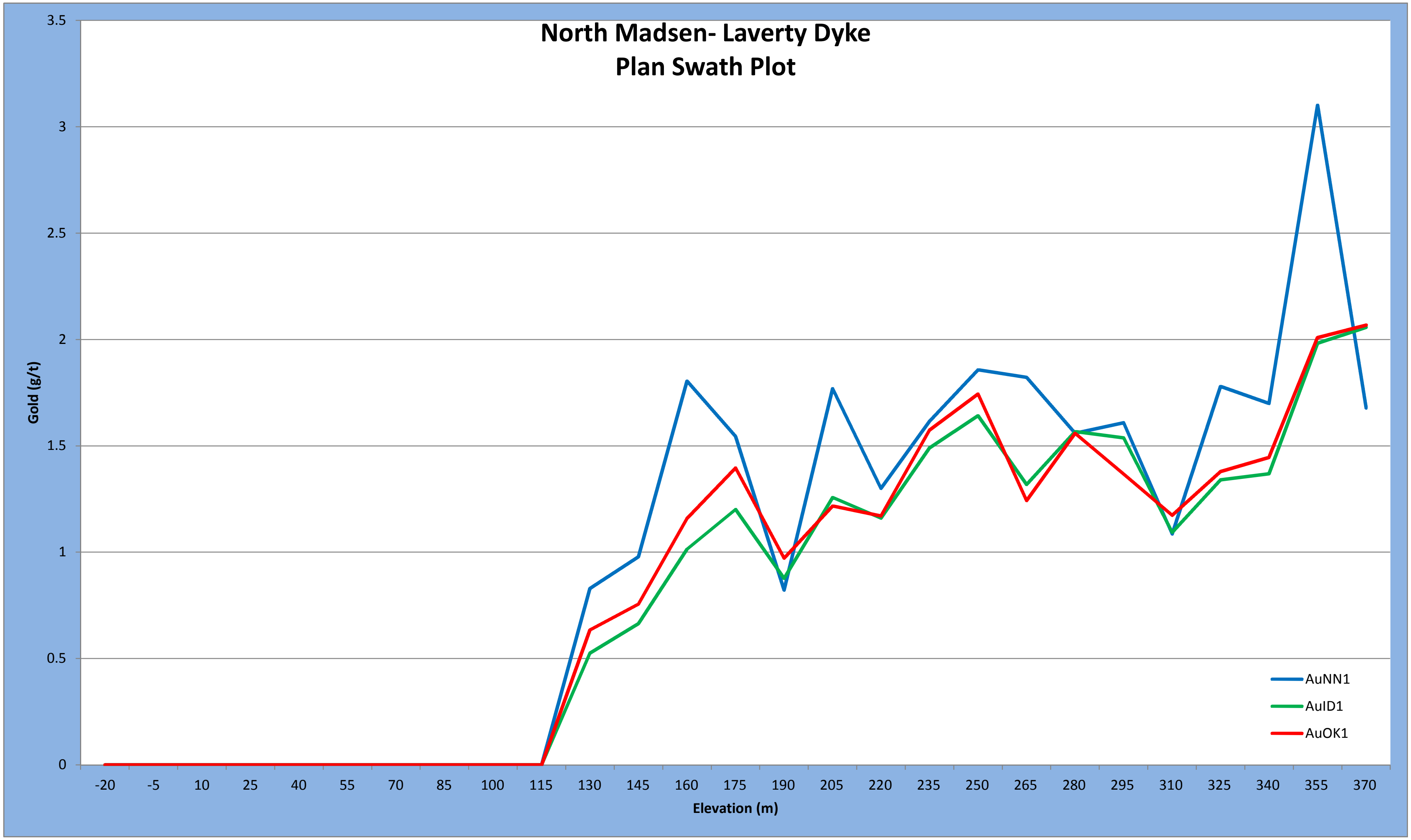
439705
439720
439735
439750
Easting (m)


North Madsen- Laverty Dyke Granodiorite
Plan Swath Plot
Gold (g/t)
0
0.1
0.2
0.3
0.4
0.5
0.6
0.7
0.8
-80
-65
-50
-35
-20
-5
10
25
40
55
70
85
100
115
130
145
160
175
190
205
220
235
250
265
280
295
310
325
340
355
370
Elevation (m)
AuNN1
AuID1
AuOK1

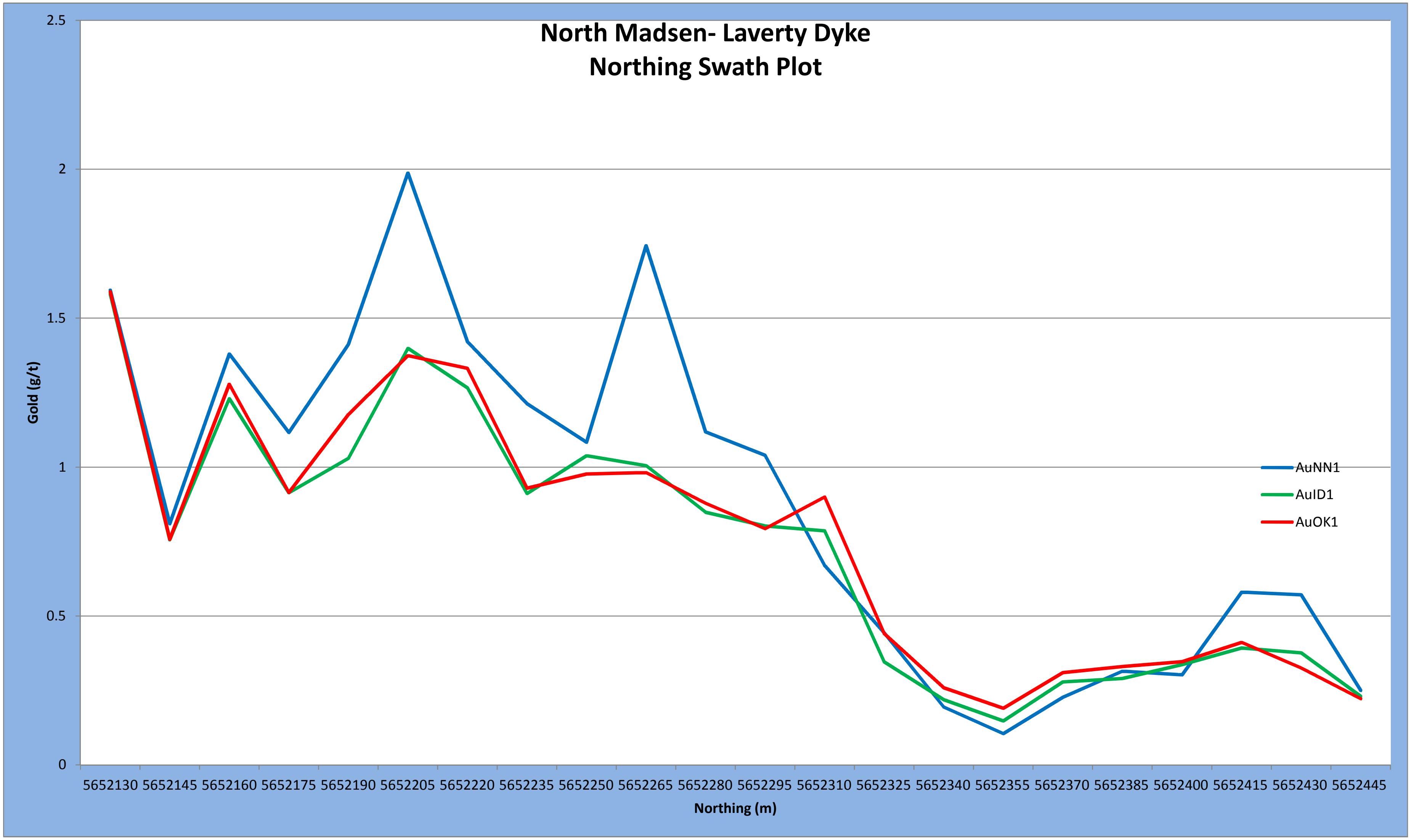


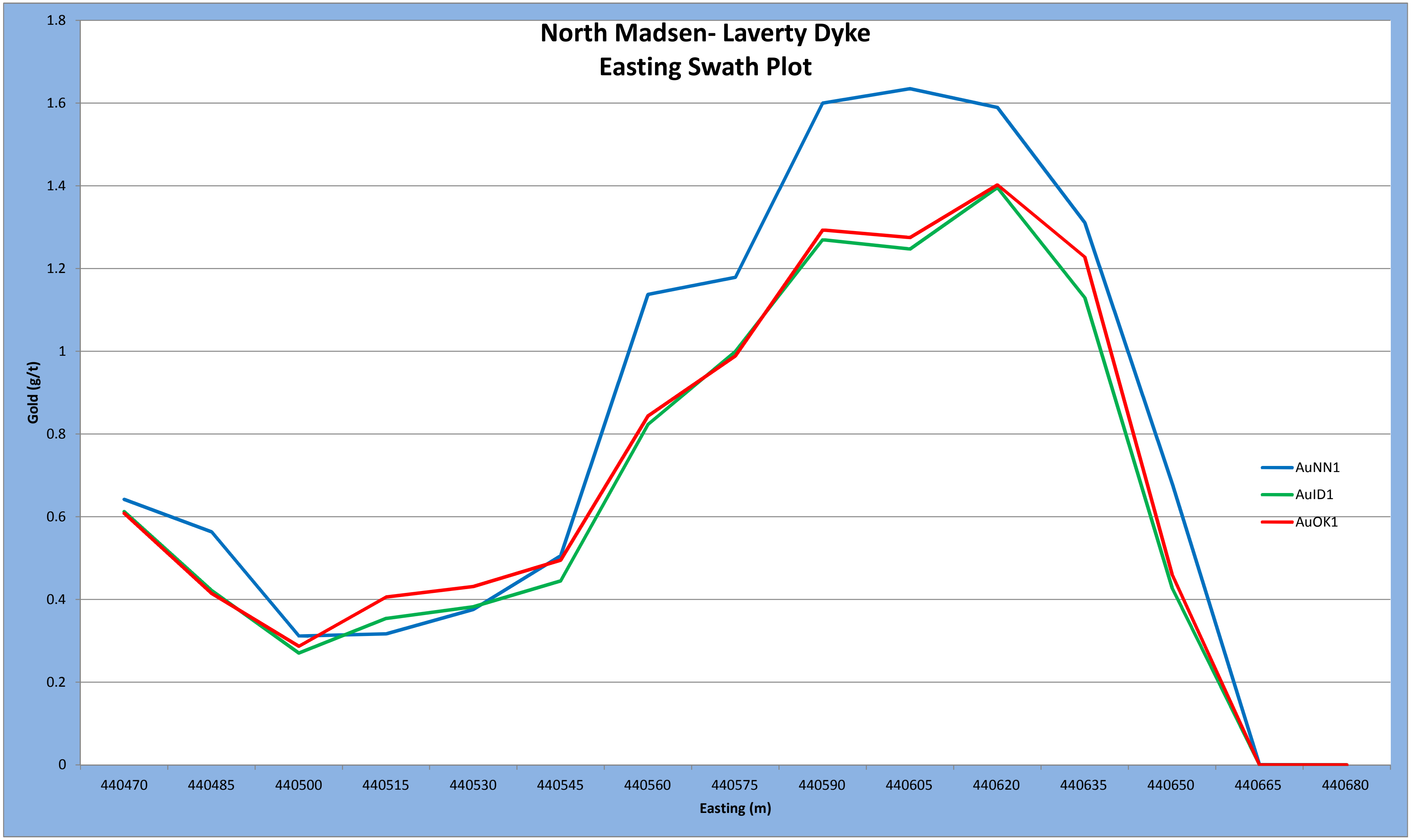
North Madsen- Laverty Dyke Granodiorite
Northing Swath Plot
Gold (g/t)
0.4
0.35
0.3
0.25
0.2
0.15
0.1
0.05
0
AuNN1
AuID1
AuOK1
5652100
5652115
5652130
5652145
5652160
5652175
5652190
5652205
5652220
5652235
5652250
5652265
5652280
5652295
5652310
5652325
5652340
5652355
5652370
5652385
5652400
5652415
5652430
5652445
5652460
5652475
5652490
Northing (m)

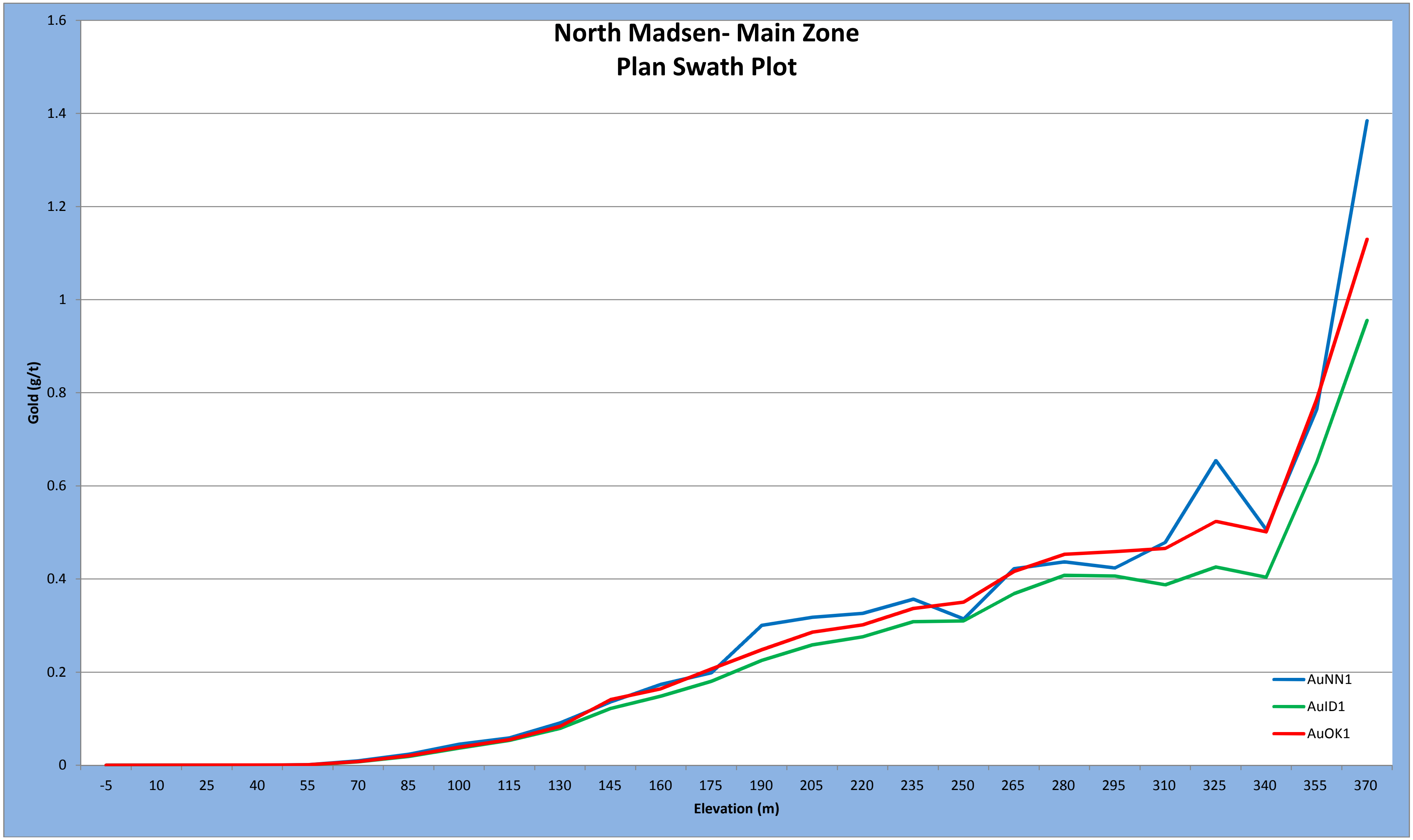

North Madsen- Laverty Dyke Granodiorite
Easting Swath Plot
Gold (g/t)
0
0.1
0.2
0.3
0.4
0.5
0.6
Easting (m)
440425
440440
440455
440470
440485
440500
440515
440530
440545
440560
440575
440590
440605
440620
440635
440650
440665
440680
440695
440710
440725
AuNN1
AuID1
AuOK1

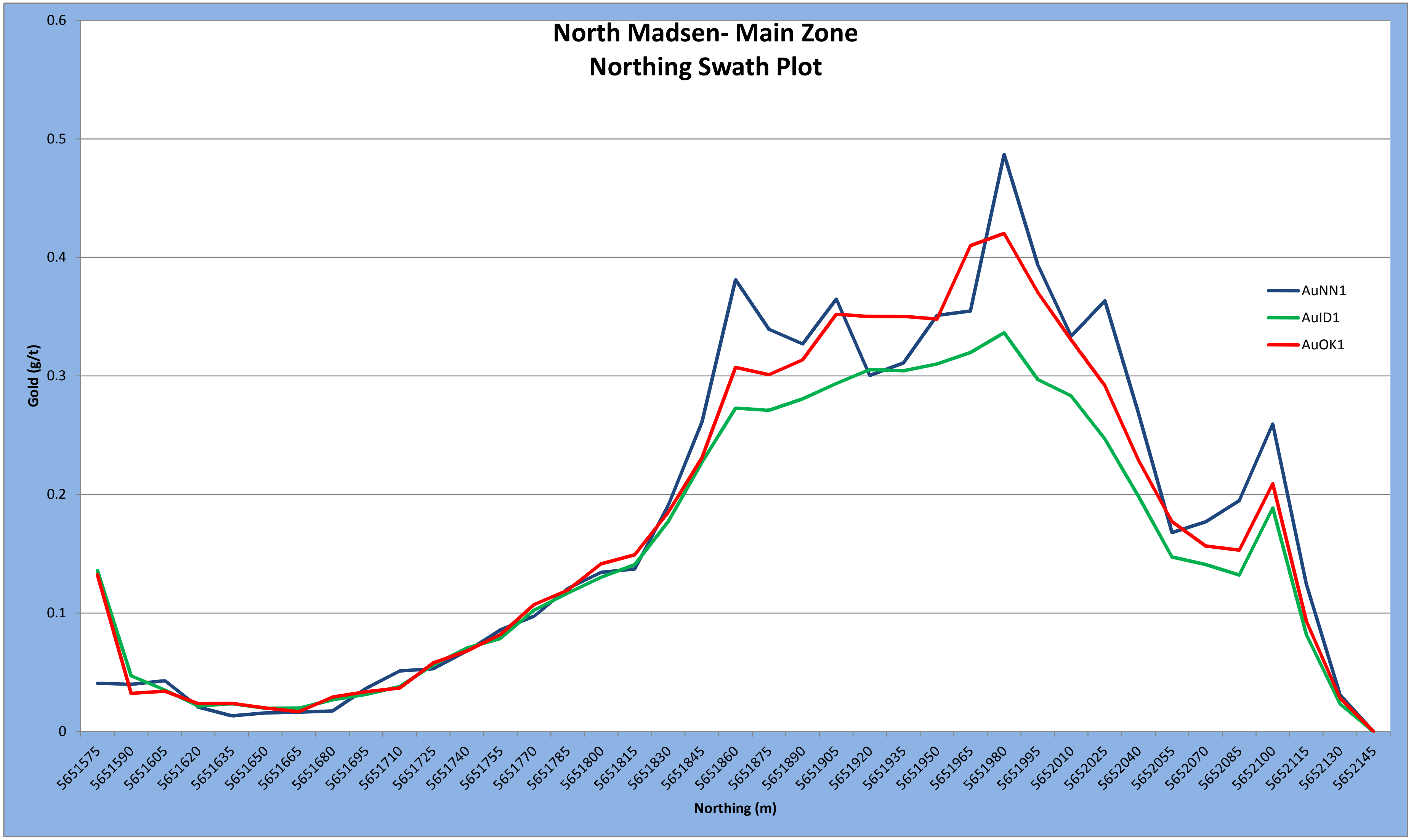


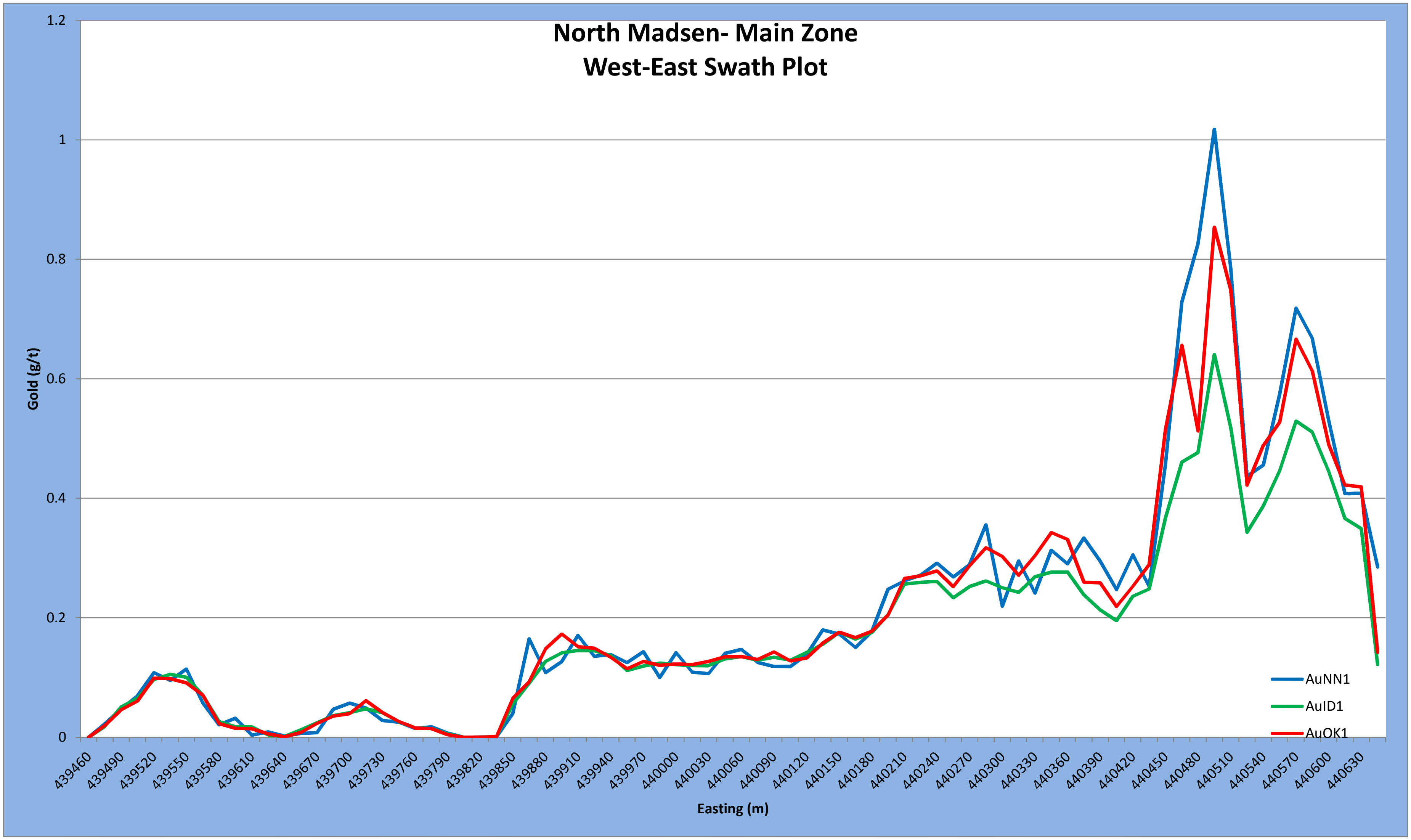
North Madsen- Laverty Dyke
Plan Swath Plot
Gold (g/t)
3.5
3
2.5
2
1.5
1
0.5
0
-20
-5
10
25
40
55
70
85
100
115
130
145
160
175
190
205
220
235
250
265
280
295
310
325
340
355
370
Elevation (m)
AuNN1
AuID1
AuOK1


North Madsen- Laverty Dyke
Northing Swath Plot
Gold (g/t)
0
0.5
1
1.5
2
2.5
5652130
5652145
5652160
5652175
5652190
5652205
5652220
5652235
5652250
5652265
5652280
5652295
5652310
5652325
5652340
5652355
5652370
5652385
5652400
5652415
5652430
5652445
Northing (m)
AuNN1
AuID1
AuOK1


North Madsen- Laverty Dyke
Easting Swath Plot
Gold (g/t)
0
0.2
0.4
0.6
0.8
1
1.2
1.4
1.6
1.8
440470
440485
440500
440515
440530
440545
440560
440575
440590
440605
440620
440635
440650
440665
440680
Easting (m)
AuNN1
AuID1
AuOK1


North Madsen- Main Zone
Plan Swath Plot
Gold (g/t)
1.6
1.4
1.2
1
0.8
0.6
0.4
0.2
0
-5
10
25
40
55
70
85
100
115
130
145
160
175
190
205
220
235
250
265
280
295
310
325
340
355
370
Elevation (m)
AuNN1
AuID1
AuOK1


North Madsen- Main Zone
Northing Swath Plot
Gold (g/t)
0.6
0.5
0.4
0.3
0.2
0.1
0
AuNN1
AuID1
AuOK1
5651575
5651590
5651605
5651620
5651635
5651650
5651665
5651680
5651695
5651710
5651725
5651740
5651755
5651770
5651785
5651800
5651815
5651830
5651845
5651860
5651875
5651890
5651905
5651920
5651935
5651950
5651965
5651980
5651995
5652010
5652025
5652040
5652055
5652070
5652085
5652100
5652115
5652130
5652145
Northing (m)


North Madsen- Main Zone
West-East Swath Plot
Gold (g/t)
1.2
1
0.8
0.6
0.4
0.2
0
439460
439490
439520
439550
439580
439610
439640
439670
439700
439730
439760
439790
439820
439850
439880
439910
439940
439970
440000
440030
440060
440090
440120
440150
440180
440210
440240
440270
440300
440330
440360
440390
440420
440450
440480
440510
440540
440570
440600
440630
Easting (m)
AuNN1
AuID1
AuOK1