TECHNICAL REPORT
ON
NORTH MADSEN PROPERTIES
DOME AND HEYSON TOWNSHIPS
RED LAKE M.D. ONTARIO,
CANADA
FOR
MEGA PRECIOUS METALS INC.

G.A. Harron & Associates Inc.
P & E Mining Consultants Inc.

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Effective Date: June 6, 2010
Signing Date: July 23, 2010

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TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

1.0 SUMMARY

The North Madsen Project is comprised of the wholly owned Laverty, East My-Ritt and Skookum properties located in close proximity to the Dome / Heyson townships boundary in the Red Lake Gold Camp. The claims are situated between 1 to 3 km west of the Village of Red Lake, which is in turn approximately 450 km northwest of Thunder Bay and 1,350 km northwest of Toronto, Ontario Access to the property is via “Forestry Point” road, which gives access to the northern portion of the Skookum Property. The southern part of the project (Laverty and East My-Ritt properties) can be access by trails extending from the west end of Laverty Road in Red Lake, or via the Buffalo Mine road.

The Laverty property consists of 6 surveyed contiguous patented mining claims covering 56.487 ha. Both mineral and surface rights are attached to these claims. The East My-Ritt property consists of 8 surveyed contiguous patented claims covering approximately 130 ha, and the property is contiguous with the Laverty Property. The Skookum Property consists of 10 unsurveyed claim units configured as a block of 4 contiguous claims, and a single non-contiguous claim covering approximately 155 ha. The block of 4 claims is contiguous with the East My-Ritt Property. Tenure of the patented claims is maintained by paying Municipal taxes and Mining Land taxes. Municipal taxes of approximately $1047.21 and Mining Land taxes in the amount of $810.84 paid annually. Tenure of the staked claims is maintained by filing statements of exploration expenditures in the amount of $400 per unit annually, commencing in the second year.

Gold production began in the Red Lake Gold Camp on April 2, 1930 at the Howey Mine. The first gold brick was poured on May 14, 1930. Gold production has continued uninterrupted since that time, and to the end of 2009 totals approximately 25,500,500 ounces of gold from 55,459,000 tons (50,030,100 tonnes) at a recovered grade of 0.46 ounces gold per ton (15.6 g/t Au) Four of the 29 gold producers in the camp have yielded over 1 million ounces of gold (31,103 kilograms) each.

Exploration activities in the vicinity of the North Madsen properties commenced in the 1930’s and continues to the current date, fueled by new mineralization discoveries, and a relatively high gold price.

The six Laverty claims are underlain by the Dome granodiorite stock, as are four of the six My-Ritt claims and all five of the Skookum claims. The eastern margins of two My-Ritt claims are underlain by Balmer assemblage mafic volcanic rocks.

The granodiorite of the Dome stock is massive and porphyritic with minor quartz monzonite and granite phases. The rock 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 cm to 3 m wide) fine grained magnetic mafic dykes trending east-northeast and north-northwest (ie.,Laverty Dyke). Alteration adjacent to the Laverty Dyke is noted by a darker grey coloured granodiorite and veinlets of quartz calcite +/- minor amounts of tourmaline.

The Laverty Dyke trends 340° with a maximum width of about 10 m and a strike length of approximately 300 m. The dyke is massive, medium grained and composed of amphibole and plagioclase in a dark grey fine grained matrix of mafic minerals and biotite. The rock is magnetic and contains minor to trace amounts of sulphide minerals.

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.

Two styles of gold mineralization are recognized on the East My-Ritt and the Laverty properties. The first style is represented by the near surface steeply dipping north-northwest striking mafic dyke zones. 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 breccia 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. The properties that comprise the North Madsen Project are believed to be related to a large hydrothermal gold-bearing event that encompasses the adjacent Howey, Hasaga and Gold Shore mine properties, which produced approximately 640,000 ounces of gold from vein systems similar to those underlying the North Madsen Project.

Geophysical surveys consisting of a detailed magnetic survey and a deep penetrating induced polarization survey delineate nine zones of interest that may be associated with gold mineralization. The surveys cover the Laverty and East My-Ritt properties.

Historical trenching, drilling and geological mapping delineated obvious drill targets based on favourable geology, structures and assays. These targets

include the Main Zone, Main Zone Dyke, South and West mineralized shear zones, as well as the Main HW Zone on the Laverty Property.

On the My-Ritt Property drill targets based on geology and assays include the My-Ritt Dyke, the western extension of the Buffalo (Mine) Zone and the newly discovered NW Zone.

On the Skookum Property the gold potential is not well defined. Both the north and south shores of the Skookum Peninsula are considered to be regional northeast shear structures which are preferred hosts for gold mineralization.

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 drill holes and 15 surface channel samples intersecting mineralization over a strike length of 240 m, a down dip length of 250 m. Inverse distance cubed (1/d3) grade interpolation was used to populate a 5 m by 5 m by 5 m block model. Gold grades were capped at 10 g/t Au.

	INDICATED			INFERRED		
Cut-Off Au g/t	Tonnes	Au g/t	Au oz.	Tonnes	Au g/t	Au oz.
Pit portion 0.65 g/t Au	290,000	2.28	21,200	5,000	2.39	400
UG portion 2.5 g/t Au	105,000	3.34	11,300	27,000	3.50	3,000
Total	395,000	2.56	32,500	32,000	3.32	3,400

Notes:

Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

The mineral resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM"), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005.

The gold price used in this estimate is $US 968 per ounce at a C$:US$ exchange rate of 0.95. This is an approximate 2 year trailing average to May 31, 2010.

Process and G&A costs used for the resource estimate cut-off grade calculation is $C 20/tonne. Process recovery is 95%. The open pit mining cost is $C 2.50/tone and the underground mining cost is $C 58/tone. A pit slope of 50° was applied to the open pit model.

GAHA and P&E are of the opinion that the character of the project is of sufficient merit to justify additional exploration expenditures. The Laverty and My-Ritt properties are at an advanced stage of exploration and results to date suggest

that additional gold mineralization will be discovered in similar geological environments and structures that traverse the properties.

Additional diamond drilling at a cost of $ 750,000 is recommended in a Phase 1 work program to further explore the Main Zone, Main Zone Dyke and South Zone located southwest of the Laverty dyke. These targets can be better defined by drilling an additional 2,000 m at 10 sites, with the objective of expanding the zones of gold mineralization along strike and to depth.

The extension of the Main Zone, and the Main Zone HW westward onto the My-Ritt property represents an opportunity to discover additional mineralization of economic interest. The historical My-Ritt Dyke is associated with economically interesting gold assays which need to be further assessed. Similarly, the westward extension of the Buffalo Zone and the newly discovered NW Zone also warrants additional drilling. An allocation of 2,500 m of diamond drilling is recommended for these targets.

The Skookum property is at an early stage of development due to the recent acquisition on the mining claims. It is recommended that the property be covered with magnetic and IP/RES surveys as well as a geological survey in order to assess the merits of the property.

The implementation of a Phase 2 work program and budget are contingent upon favourable results being obtained in the Phase 1 program.

Additional diamond drilling focusing on the discovery and identification of mineralization to a vertical depth of 250 m would be essential in order to advance the concept of open pit mining the multiple gold enriched zones on the North Madsen Properties. Which zones will be the focus of a Phase 2 (drilling) program remains to be determined. However, an allocation of $1,500,000 for a Phase 2 program appears reasonable.

The aggregate of the Phase 1 and Phase 2 expenditures is $2,250,000.

2.0 INTRODUCTION AND TERMS OF REFERENCE

At the request of Mr. G. Yule, Vice-President of Exploration Mega Precious Metals Inc. ("Mega" or the "Corporation"), G.A. Harron & Associates Inc. ("GAHA") and P & E Mining Consultants ("P&E") have been contracted to prepare a Technical Report on the East My-Ritt, Laverty and Skookum properties, located in the Municipality of Red Lake, in the Red Lake Mining Division, Ontario, as of June 6, 2010. This date coincides with the completion of the resource estimation for the Laverty Dyke deposit.

Collectively the three properties constitute the North Madsen Project. GAHA and P&E were also requested to estimate the quantity and grade of the resources associated with the Laverty Dyke, and qualify the proposed exploration programs and budgets for the on-going development of the property. The property is considered to be at an "advanced" stage of exploration, as diamond drilling is the primary exploration tool. The property is material to Mega as it represents a property that can be developed with minimal capital expenditures.

Mega is a reporting issuer listed on the TSX Venture exchange and is under the jurisdiction of the Ontario Securities Commission. It is understood that this report will be used to provide first disclosure of inferred and indicated resources to the Mega Board of Directors and support the corporation's disclosure obligations and financing efforts.

This technical report is to conform to National Instrument 43-101 standards. Terms of engagement are in a letter from GAHA to Mega dated December 9, 2009.

Prior to this assignment GAHA has provided technical services to the Corporation in the in the preparation of a NI 43-101 Technical Report on the Blue Caribou deposit in Nunavut in February 2010.

The author is familiar with the general area through involvement in several exploration programs in the region on behalf of other companies. The most recent visit to the Laverty Property was on October 5, 2009. The main objective was to observe the geology, style of gold mineralization and collect three due diligence samples for independent assaying. These assays of the due diligence samples and mention of gold assays in historical exploration reports is taken as proof that gold mineralization is present on the property.

The information herein is derived from a review of documents listed in Section 21.0, information provided by the Ontario Ministry of Northern Development, Mines and Forests ("MNDMF"), and private files maintained by GAHA.

Considerable use was made of press releases issued both by Mega and other parties.

There were no limitations put on the author by Mega management in preparation of this report with respect to technical information.

This report contains details of the land tenure, a summary of previous exploration and development work, a compilation and synthesis of geology, geophysics and historical assay data. The report also contains recommendations for further exploration and development of the property.

Cost data used to create proposed budgets to support the proposed work programs are based on a general knowledge of current costs, as experienced by the author on other projects in the Province of Ontario over the past 12 months.

Metric units of measure are used in this report. References to dollars in the report are to Canadian currency, unless otherwise indicated.

The following list shows the meaning of the abbreviations for technical terms used throughout the text of this report.

Abbreviation	Meaning
AEM	airborne electromagnetic (survey)
AMAG	airborne magnetic (survey)
As	arsenic
Au	gold
cm	centimetre
DDH	diamond drill hole
FA-ASS	Fire assay-atomic absorption spectroscopy
g	gram
Ga	billion years
g/t	grams per tonne
ha	hectare(s)
HLEM	horizontal loop electromagnetic (survey)
IP/RES	induced polarization / resistivity (survey)
km	kilometre(s)
m	metre(s)
MAG	magnetic (survey)
mm	millimetre
ppb	part per billion
ppm	part per million
U/Pb	uranium / lead (age date)
VLF-EM	very low frequency electromagnetic (survey)

3.0 RELIANCE ON OTHER EXPERTS

Land tenure information concerning staked claims has been obtained from the MNDMF web site, which contains a disclaimer as to the veracity of the data. GAHA relies on the truth and accuracy of the data posted on the web site. Information concerning patented lands was obtained from the Land Registry Office in Kenora In addition the existence and validity of any un-registered agreements between parties are not reflected in the MNDMF land management system. Also, Mega's management warrants that a 100% interest is held in the surface rights ("SRO") and the mining rights ("MRO") of the patented claims comprising the Laverty and My-Ritt properties, and ownership of rights in the Skookum property is limited to MRO.

GAHA is responsible for the entire report. Section 17 was prepared by P&E and is based upon information believed to be accurate at the time of certification, but which is not guaranteed. The authors have relied on three principle sources of information for the data contained in this report (including Section 17) as follows; (1) Mega technical files, (2) government assessment and geological reports, and (3) Mega press releases. GAHA and P&E have not conducted an in-depth independent investigation to verify the accuracy and completeness of the information. Therefore, in writing this technical paper the authors rely on the truth and accuracy of the data presented in these sources documents. The authors have no reason to believe that the information provided by these reference documents is false or purposefully misleading.

4.0 PROPERTY DESCRIPTION AND LOCATION

The claims are situated between 1 to 3 km west of the Village of Red Lake, which is in turn approximately 450 km northwest of Thunder Bay and 1,350 km northwest of Toronto, Ontario (Figure 4-1). The location of the properties is illustrated in Figure 4-2. The past producing Howey and Hasaga gold mines are located approximately 3 and 3.5 km respectively east of the property, and the Goldshore gold mine is located approximately 1,070 m to the northeast of the Laverty Property (Figure 4-2).The producing Red Lake Mine and the Campbell Complex (Goldcorp Inc.) are located approximately 10 and 10.5 km respectively northeast of the property.

The Laverty Property consists of 6 surveyed contiguous patented mining claims covering 56.487 ha, located along the common boundary between Dome and Heyson townships (Figure 4-2). The 6 patented mining claims were purchased by 1156207 Ontario Inc., a subsidiary of Mosquito Consolidated Gold Mines Limited ("Mosquito") from Laverty Red Lake Resources Inc. (now Trans Atlantic Petroleum Corporation). Mega Silver Inc., a wholly owned subsidiary of Skybridge Development Corp. ("Skybridge") purchased the surface and mining rights of the claims from Mosquito and its wholly owned subsidiary 1156207 Ontario Inc. on January 26, 2009. Details of the Purchase Agreement were announced in a Skybridge press release of February 2, 2009, and filed on Sedar. Skybridge became a wholly owned subsidiary of Mega Silver Inc. through a business combination arrangement announced in a press release of May 27, 2009 and also filed on Sedar.

Mega Silver Inc. was re-named Mega Precious Metals Inc ("Mega") on September 14, 2009.

The patented claims comprising the My-Ritt and Laverty properties are fee simple parcels registered with the Land Registry Office in Kenora, Ontario. Mining and Surface Rights are attached to all six claims. Mega's predecessor granted the vendor of the property a 2% Net Smelter Return ("NSR") Royalty which may be purchased for a one year period commencing after all consideration has been paid and all conditions of the purchase agreement have been met for $1,000,000. A search of tax rolls in January 2009 by the Corporation's legal counsel indicates that taxes are current. Municipal taxes of $576.12 and Mining Land taxes in the amount of $225.78 paid annually are required to maintain tenure.

Table 4-1 List of Parcels Comprising the Laverty Property

Claim Number	Township	Area (ha)	Surface Right PIN	Mining Right PIN
KRL 5136	Dome	10.886	42009-1480	42009-1107

KRL 5137	Dome	6.949	42009-1479	42009-1107
KRL 5138	Dome	7.729	42009-1481	42009-1107
KRL 6979	Heyson	9.025	42010-0026	42010-0027
KRL 6980	Heyson	6.467	42010-0024	42010-0027
KRL 6981	Heyson	15.431	42010-0025	42010-0027
6		56.487		

Coin Lake Gold Mines Limited purchased 14 claims from Red Lake Bay Mines Limited in April 1936, which later became the My-Ritt Property. Wolfden Resources Inc. entered into an agreement to purchase a 70% interest in the 14 claim property from Explorers Alliance Corporation in 2002. On January 2, 2003 Wolfden acquired the remaining 30% interest in the property from the vendor. Subsequently Wolfden Resources was sold to Zinifex Inc. (now OZ Minerals), and Premier Gold Mines Limited was created to hold the gold assets spun-off from Wolfden. Sabina acquired a 50% joint venture interest in the property in 2004. Mega Silver Inc. (now Mega Precious Metals Inc.) announced the acquisition of a 100% interest in the eight “East My-Ritt” claims from a joint venture between Premier Gold Mines Limited and Sabina Silver Corporation in a press release of June 3, 2009 and filed on Sedar.

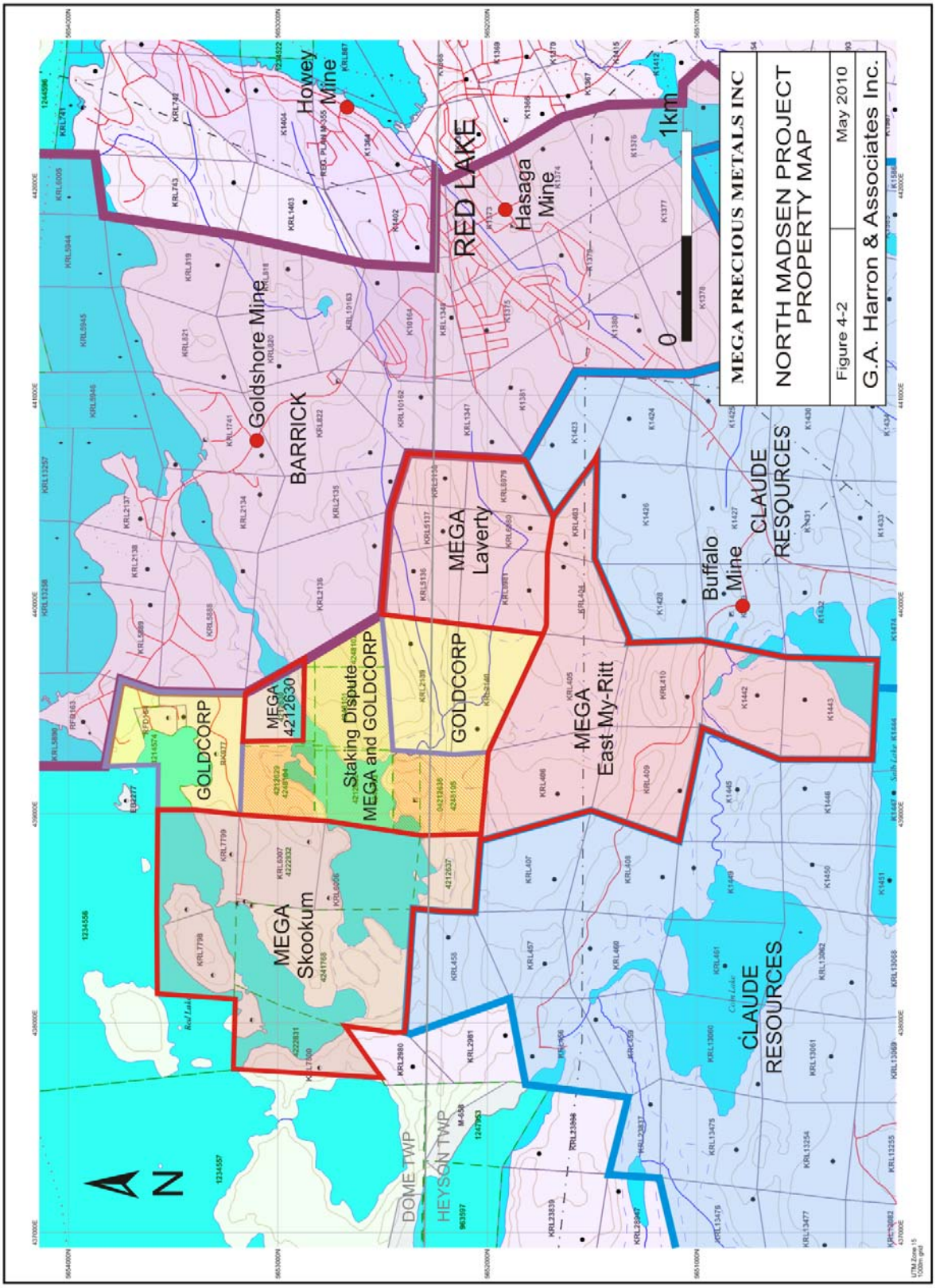
The wholly owned East My-Ritt Property consists of 8 surveyed internally contiguous patented mining claims covering approximately 130 ha. The claims are contiguous with the Laverty Property. Both surface and mining rights are attached to the claims. Terms include cash payments totaling $ 250,000 and the issuance of 600,000 Mega Silver common shares and exploration work commitments totaling $ 1,250,000. The vendors of the property retain a 0.5% NSR Royalty with Mega Silver and the vendors jointly retain the right to buy out underlying royalty provisions on a prorated basis as may be available for purchase. Underlying royalty provisions include a 3% NSR Royalty on all eight claims, as well as a 10% Net Profits Interest on six of the claims.

Table 4-2 List of Parcels & Claims Comprising the East My-Ritt Property

Parcel Number	Claim Number	Area (ha)	Rights	Township
298	KRL 403		SRO + MRO	Heyson
497	KRL 404		SRO + MRO	Heyson
726	KRL 405		SRO + MRO	Heyson
727	KRL 406		SRO + MRO	Heyson
802	KRL 409		SRO + MRO	Heyson
728	KRL 410		SRO + MRO	Heyson
	K1442		SRO + MRO	Heyson
	K1443		SRO + MRO	Heyson
Total	8	~130		

Figure 4-1 Location

Figure 4-2 Property Map



Tenure is maintained on the patented claims comprising the My-Ritt Property by paying $471.09 Municipal and $555.06 Mining Land taxes annually.

The Skookum Property consists of 10 unsurveyed units configured as a block of 4 contiguous claims (9 units), and a single non-contiguous claim (1 unit). Claims 4212637 and 4212630 were staked by Mega. Claims 4222831 and 4222832 were purchased in February 2010 on the following terms. A 100% interest was acquired for $C 5,000 and 5,000 common shares of Mega, and a 3% NSR was granted to the vendor. One half (1.5%) of the NSR can be purchased for $C 500,000 at any time and Mega retains the right to purchase all or parts of the residual NSR at all times. Only mining rights are attached to the claims.

Claim 4241768 was purchased in February 2010 on the following terms. A 100% interest was acquired for $C 6,000 and 3,000 common shares of Mega, and a 2% NSR was granted to the vendor. One half (1.0%) of the NSR can be purchased for $C 400,000 at any time and Mega retains the right to purchase all or parts of the residual NSR at all times. Only mining rights are attached to the claims.

Another three (east-adjoining) claims are under dispute awaiting adjudication. These claims are not further discussed.

Table 4-3 List of Claims Comprising the Skookum Property

Claim	Units	Area (ha)	Due Date	Required ($)	Reserve ($)	Rights	Township
4222831	1	18.34	6/6/2010	400	0	MRO	Heyson
4222832[1]	4	67.19	6/6/2010	1,600	0	MRO	Heyson
4241768	3	~48	8/13/2010	1,200	0	MRO	Heyson
4212637	1	~12	6/11/2010	400	0	MRO	Heyson
4212630[2]	1	~10	6/11/2010	400	0	MRO	Heyson
	10	~155		4,000			

Notes: (1) A group of three cottage lots registered as CL 10209 with patented surface rights are present in the northwest corner of claim 4222832.
(2) This claim is not contiguous with the other Skookum claims.

Tenure to the lands is maintained by filing assessment work credits in the amount of $ 400 per claim unit annually, which is $4,000 in aggregate. Excess credits can be held in reserve for future filings.

To the writer's knowledge there are no other current or pending challenges to ownership of the lands, except the NSR and NPI royalties noted above. An examination of claim abstracts maintained by the MNDMF and title documents on

file at the Land Registry Office in Kenora, Ontario, did not reveal any irregularities.

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

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.

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 MNDMF. This permit may be required in future advanced exploration programs.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The North Madsen Project is located in the Skookum Bay area, approximately 3 km west-northwest of Red Lake. Access to the property is via “Forestry Point” road, which gives access to the northern portion of the Skookum Property (Figure 5-1). The southern part of the project (Laverty and East My-Ritt properties) can be access by trails extending from the west end of Laverty Road in Red Lake, or the Buffalo Mine road.

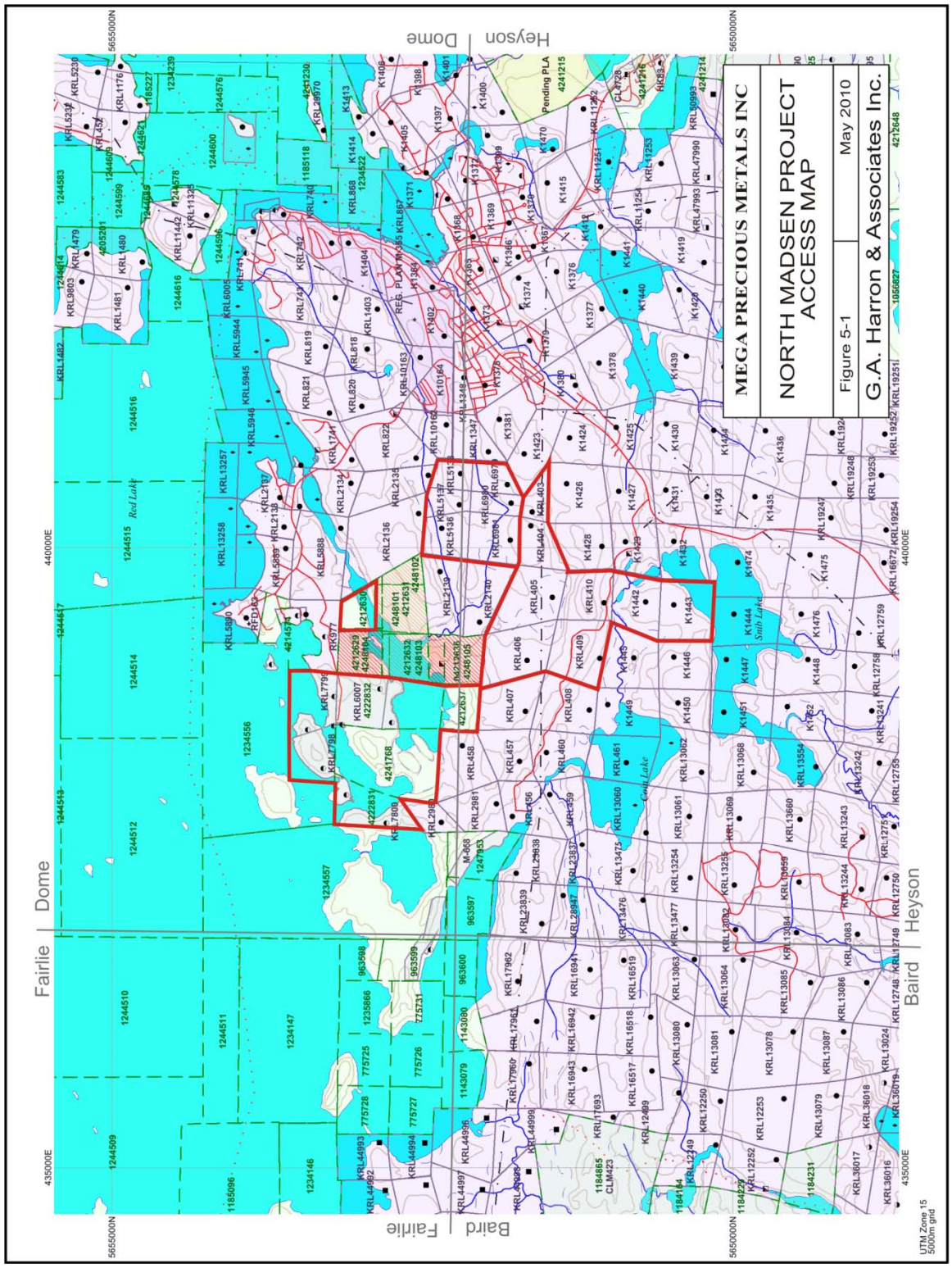
Red Lake is serviced by a scheduled commercial airline connecting with Winnipeg Manitoba, and Thunder Bay Ontario. Truck transportation provides bulk freight services to and from southern areas of Canada.

Climatic conditions are typical of the northern boreal forest, with moderately cold winter conditions from November until March including 0.6 to 2 m of snowfall. Summer conditions include a moderate amount of precipitation and warm temperatures in the upper 20s and low 30s persisting for several months. Experience indicates that most preliminary exploration activities can be executed year round, except geological and geochemical surveys, which are best executed in the summer months.

Drainage is poorly organized in this area, and most of the property is best characterized as glacially sculpted ridges surrounded by bogs, typical of the Canadian Shield. Bedrock outcroppings are scarce on the properties; hence bedrock geology is mostly known from drill cores, geophysical surveys and geological interpretation.

Local resources on the property consist of an abundance of fresh water, and mixed deciduous and coniferous trees. Both wireless and wire line telecommunication services as well as electrical power are present in the local area. The Town of Red Lake offers all types of social amenities, and is a source of skilled exploration and mining personnel, as well as mine related services.

Figure 5-1 Access Map



6.0 HISTORY

Gold production began in the Red Lake Gold Camp on April 2, 1930 at the Howey Mine. The first gold brick was poured on May 14, 1930. Gold production has continued uninterrupted since that time, and to the end of 2009 totals approximately 25,500,500 ounces of gold from 55,459,000 tons (50,030,100 tonnes) at a recovered grade of 0.46 ounces 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 ounces each.

Laverty Red Lake Mines, Limited was incorporated in September 1936 and purchased 6 claims (KRL 5136-5138 and KRL 6979-6981) from the Dupont – Hodgson Syndicate.

Surface exploration on the Laverty Property (Figure 6-1) consisting of trenching and pitting on a mafic dyke was conducted in 1937 with drilling in 1938 focused on exploring for the southern extension of the Red Lake Gold Shore zone (Horwood, 1945). No records of the 1938 diamond drilling (DDHs S-1-S-19) are available for examination. In the period 1947-1951 Laverty Red Lake completed additional trenching and 6,026 m of diamond drilling (DDHs S-20 to S-36), mainly on claims KRL 6979 (Main Zone). Details of assays obtained by Mega from channel and drill samples of the Laverty Dyke are presented in plan view in Figure 6-2 and in a longitudinal section in Figure 6-3.

In 1971 Cochenour Willans Gold Mines Limited completed an IP/RES survey over most of the Thrall Property (same claims as the Laverty Property). However the results of this survey are considered ambiguous, as the volume of chargeable material is at the lower limit of detectable responses (Jolliffe, 1981).

In 1981 Wilanour Resources Limited acquired an option on the 6 claim Thrall Property and completed detailed geological mapping, magnetometer and VLF-EM surveys, a topographic survey and diamond drilling of 20 BQ diameter diamond drill holes (TS8-1 to TS 20, 2,064 m). These drill holes, completed by Camflo Mines Limited (Gillies, 1982) tested a 200 m interval of the Laverty Dyke (9 DDHs 1,138 m), the Main, South and West zones (9 DDH, 809 m) as well as 2 VLF-EM responses (3 DDH 581 m).

On the Laverty Property, the Main zone is located immediately south of the Laverty Dyke and trends generally 070° across the central part of claim KRL 6979. The South Zone is located approximately 200 m south of the Main Zone and also trends generally 070°

Coin Lake Gold Mines, Limited was organized in 1936 and acquired 14 claims from Red Lake Bay Mines, Limited in the same year. An intensive program of

stripping and trenching and diamond drilling was carried out in 1936-38, all with apparently negative results (Horwood, 1945), (Figure 6-4).

Figure 6-1 Laverty Property Compilation Map

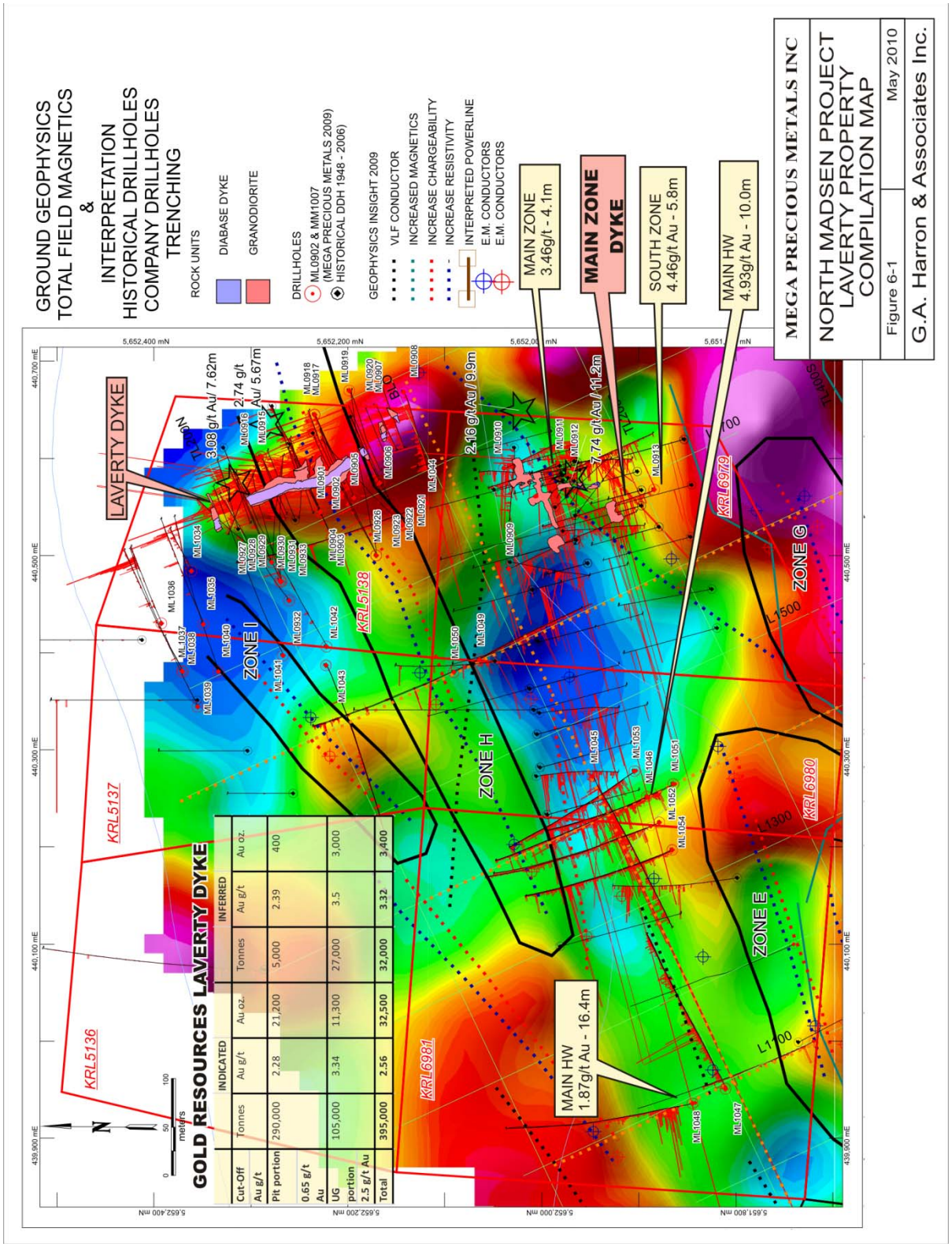


Figure 6-2 Laverty Dyke Channel & Drill Sample Assays

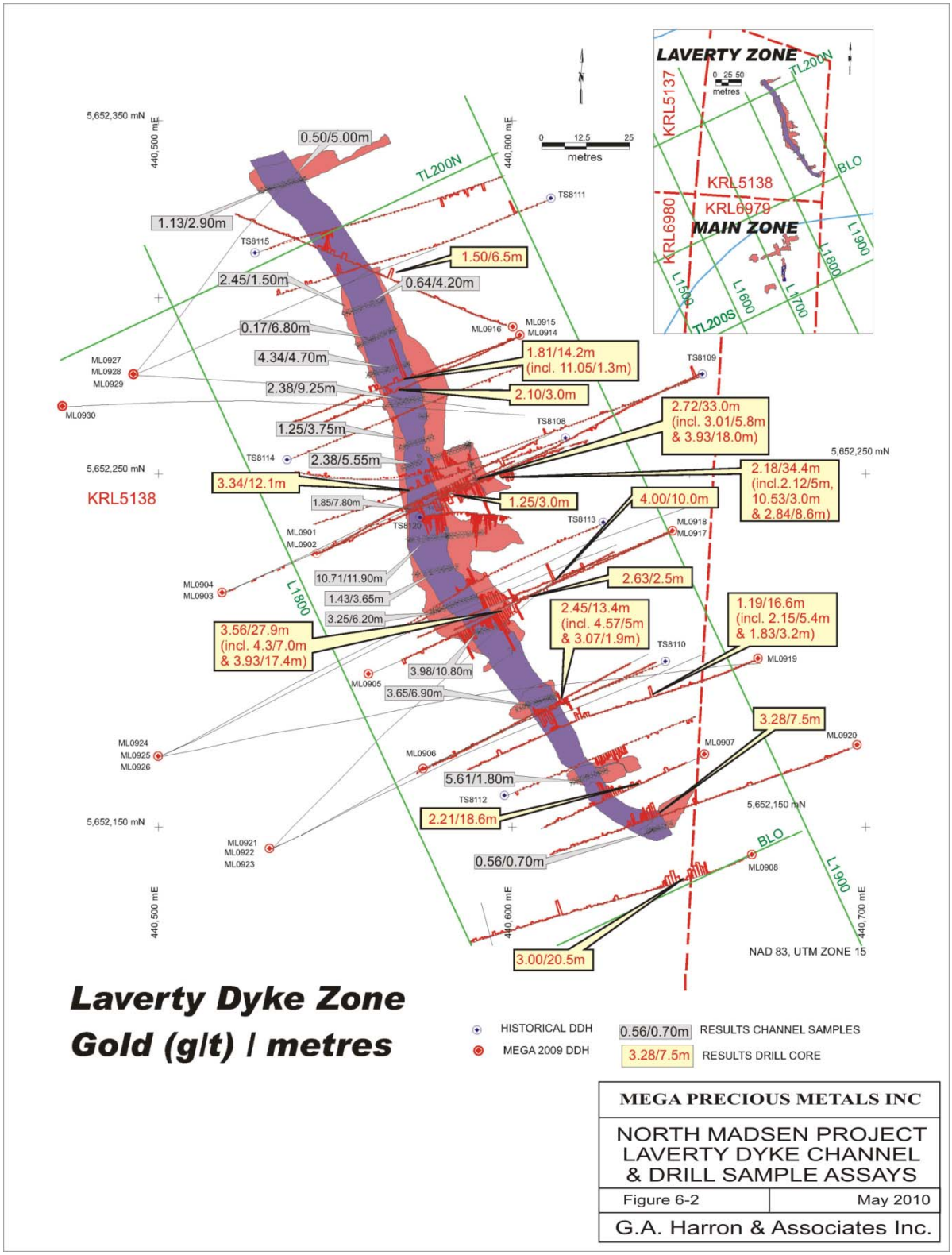


Figure 6-3 Laverty Dyke Longitudinal Section

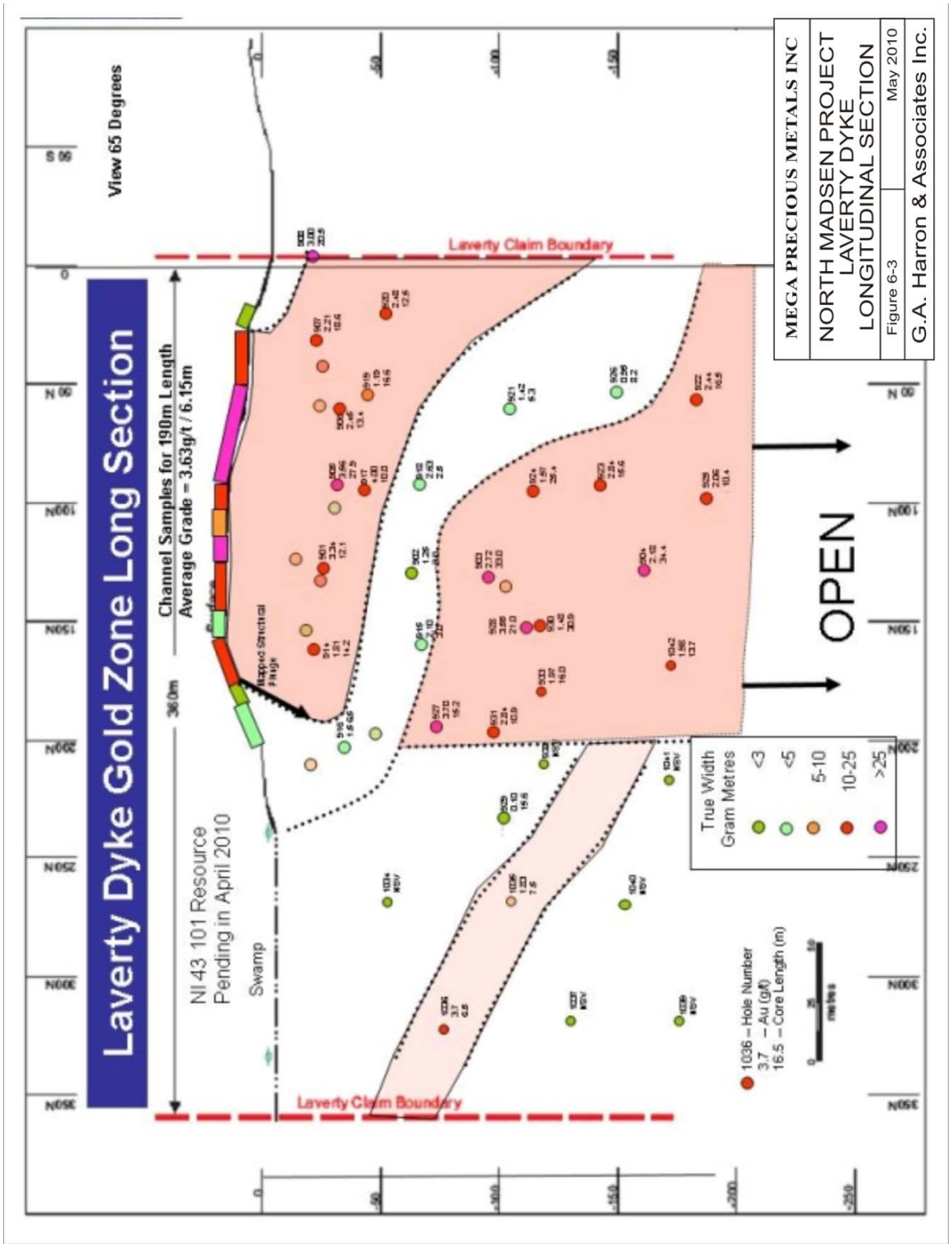
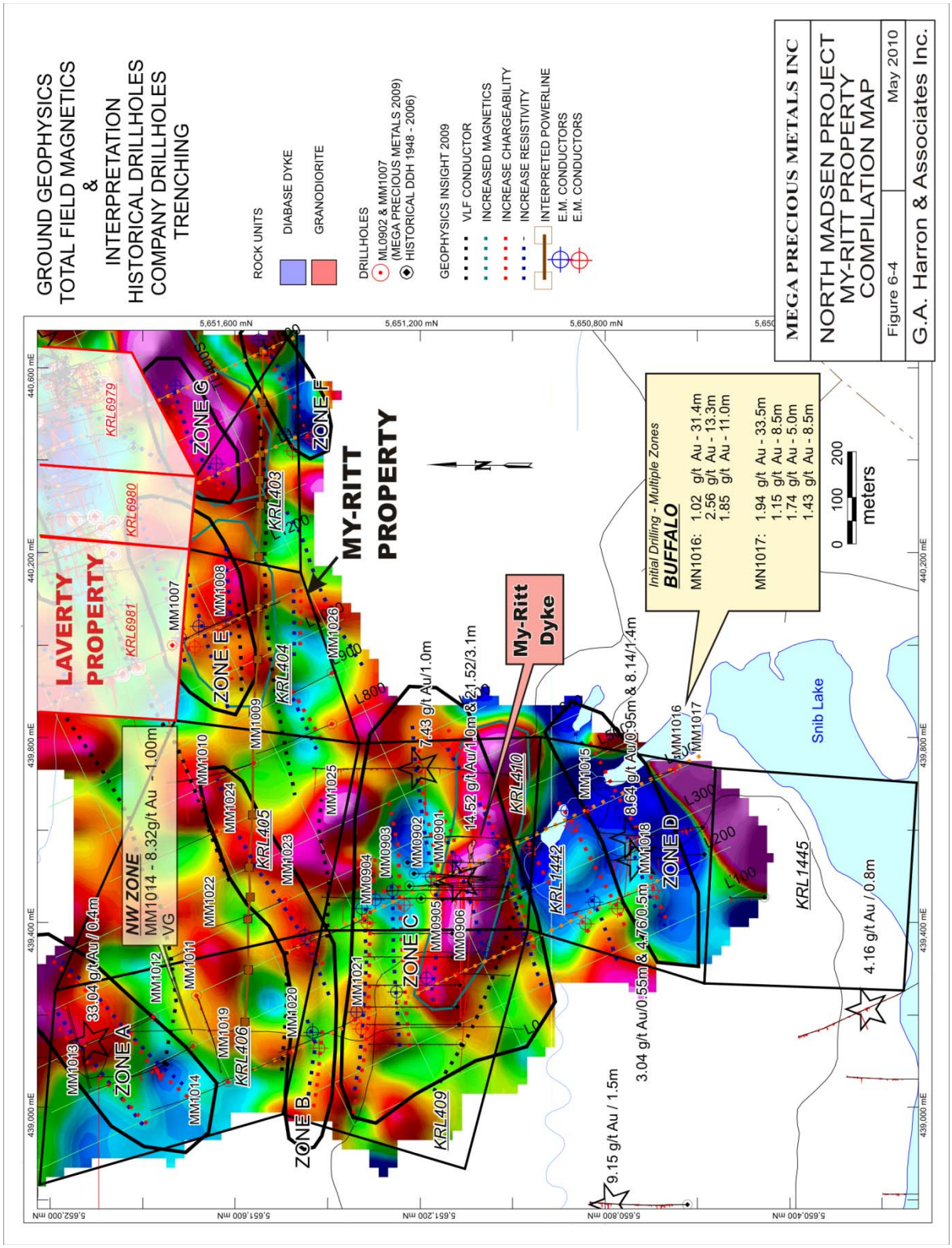


Figure 6-4 My-Ritt Property Compilation Map



In 1925, Cockeram Red Lake Mines Limited was incorporated and took over a group of 12 claims from the Cockeram Red Lake Syndicate (Ferguson, 1966). These claims (K1442 to K1452 and K1476) are adjacent to Snib Lake. In 1948 the company name was changed to Nova-Co Exploration Limited. The property has been intensively explored by trenching and diamond-drilling. There is no public record of the early exploration activities. Of interest to Mega is 2 DDHs completed in 1945. Drill holes 43 to 45 were drilled to explore for the western continuation of the Buffalo Red Lake mineralized zone.

Hole 43 is collared 27.4 m north of No. 2 post of claim K1442 and is drilled north, and hole 45 is collared in the same place and drilled to the northwest into the East My-Ritt Property. The following table presents the high grade intercepts (not true width) which may be the western extension of the Buffalo Red Lake mineralization.

Table 6-1 Nova-Co Drill Results

DDH #	From (m)	To (m)	Length (m)	Au Assay (g/t)
43	94.8 m	95.1 m	0.3 m	4.11 g/t
	158.2 m	158.5 m	0.3 m	12.34 g/t
	183.8 m	184.1 m	0.3 m	25.37 g/t
45	198.1 m	198.4 m	0.3 m	9.6 g/t
	222.1 m	222.4 m	0.3 m	14.39 g/t

The higher values are associated with some of the frequent quartz-tourmaline veinlets and stringers, or those which display subsequent fracturing and tiny quartz “threading”. Cubic pyrite is the most common accessory mineral with lesser amounts of chalcopyrite, sphalerite and pyrrhotite accompanying gold.

A summary of the assay results from all 20 DDHs indicates a large volume of sheared rock containing low grade gold mineralization. Individual composite assays generated by the drill program can be viewed on Geology Ontario AFRI # 52N04SW0085. In general the mineralized intercepts grading > 1 g/t Au (> 0.03 ounces Au per ton) are separated by zones grading < 1 g/t Au over intervals measuring 1-2 m.

The magnetic survey of the Laverty property indicates a generally flat low amplitude response reflective of the granodiorite and latite bed rock. The Laverty Dyke has a strong positive magnetic response, due to included pyrrhotite and

magnetite. The VLF-EM survey was carried out with a Ronka EM-16 using transmitters in Seattle and Annapolis and delineated several responses of dubious value. Most of the Fraser-filtered anomalies correlate with topographic features, except two zones of conductivity, which correlate with zones of minor mineralization.

The first VLF-EM feature, (Zone A), trends approximately east-west and appears to be co-incident with an intercept of 17.8 g/t Au over .0.76 m in DDH S 36. This VLF-EM zone of conductivity also correlated with an IP/RES zone 914 m further west on the East My-Ritt claims which hosts an assay of 33.6 g/t over 0.45 m interval (Figure 6-4). Additional drilling of this target did not substantiate previous results, returning only sub-economic assay values.

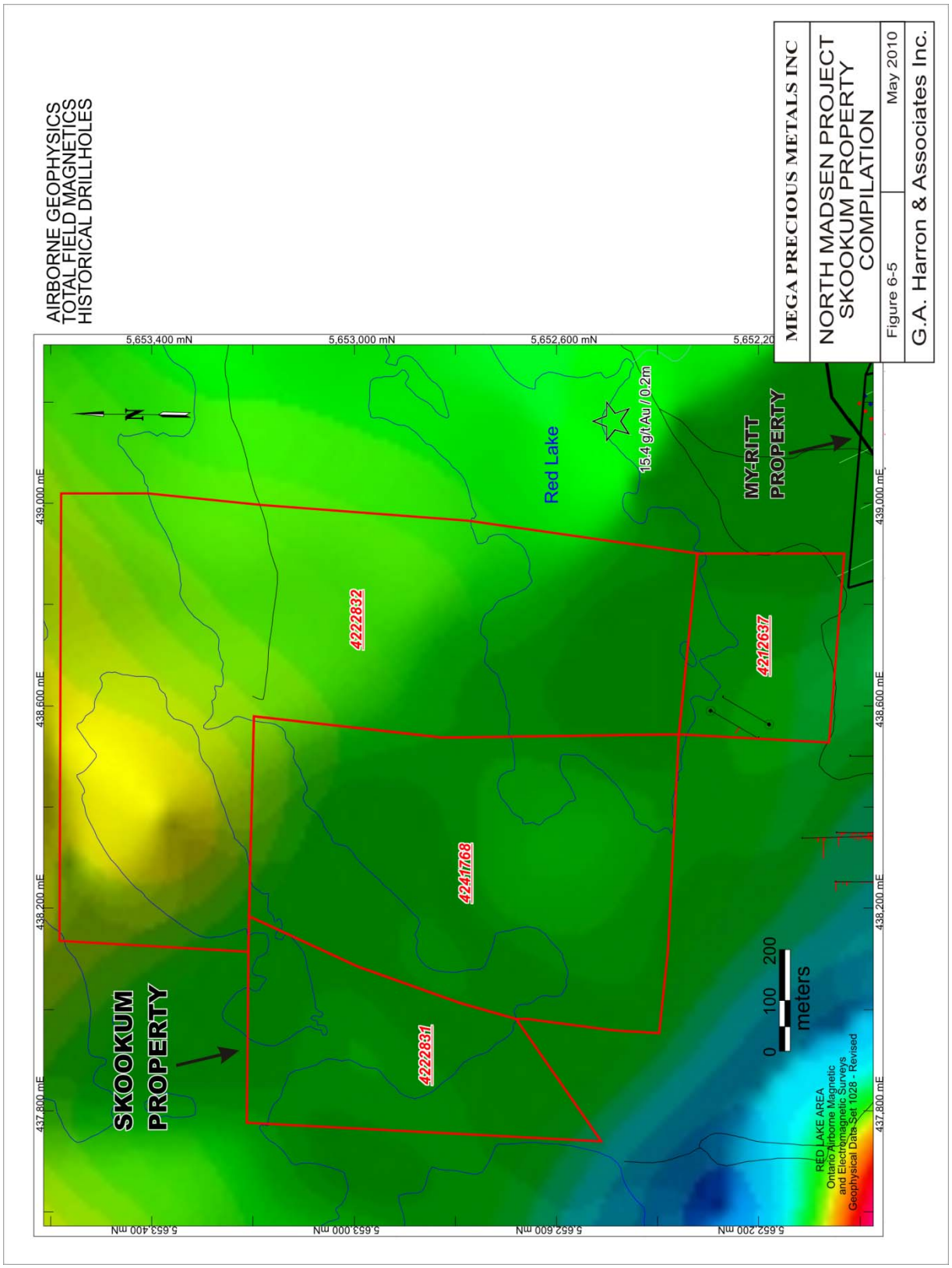
The second, (Zone I) is a broad Fraser-Filtered VLF-EM anomaly (Seattle) which trends east-northeast through the northern part of the Laverty claims. Interest in this zone, despite its obvious topographic correlation relates to a strong response and an azimuth that points to the Red Lake Gold Shore Mine 1,070 m to the northeast. Specifications for the magnetic and VLF-EM surveys included north-south grid lines, a fluxgate magnetometer recording data at stations 12.5 m along lines 60.96 m apart.

Drilling of the VLF-EM responses did not offer further encouragement.

On the Skookum Property (Figure 6-5) there has been little exploration work recorded. Two DDHs illustrated in the south east part of the property were attempts to discover the western extension of the Skookum mineralization located on the east adjoining claim.

Skookum Gold Mines, Limited was incorporated in 1935 to take over a group of 8 claims covering the west end of Skookum Bay in the southwest corner of Dome Township and the northwest corner of Heyson Township. The 1936 summer program consisted of stripping, trenching and diamond drilling and succeeded in opening up two narrow quartz stringers (2 and 15 cm wide) along the southern shore of Skookum Bay on current claim 4212637. Gold assays range from a “fraction of an ounce” to more than 1 ounce per ton gold. In 1939 Bounty Consolidated Mines, Limited was incorporated to acquire the claim holdings of Skookum Gold Mines, Limited. In 1943 some of the abandon claims were staked by W. B. Chapik and were optioned to Clifton Consolidated Mines Limited in 1946. The claims were allowed to lapse again and were staked by B. Crawford in 1963. The claims lapsed again and were staked in 1980 by C.W. Peterson and optioned to Gold Fields Resources. Mega acquired some of the historic claims by staking over the past two years.

Figure 6-5 Laverty Property Compilation Map



7.0 GEOLOGICAL SETTING

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. The oldest volcanic rocks are tholeiitic and komatiitic basalts of the Balmer assemblage, host to Red Lake's major lode gold deposits. This extensive mafic / ultramafic lithology 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 (Figure 7-1).

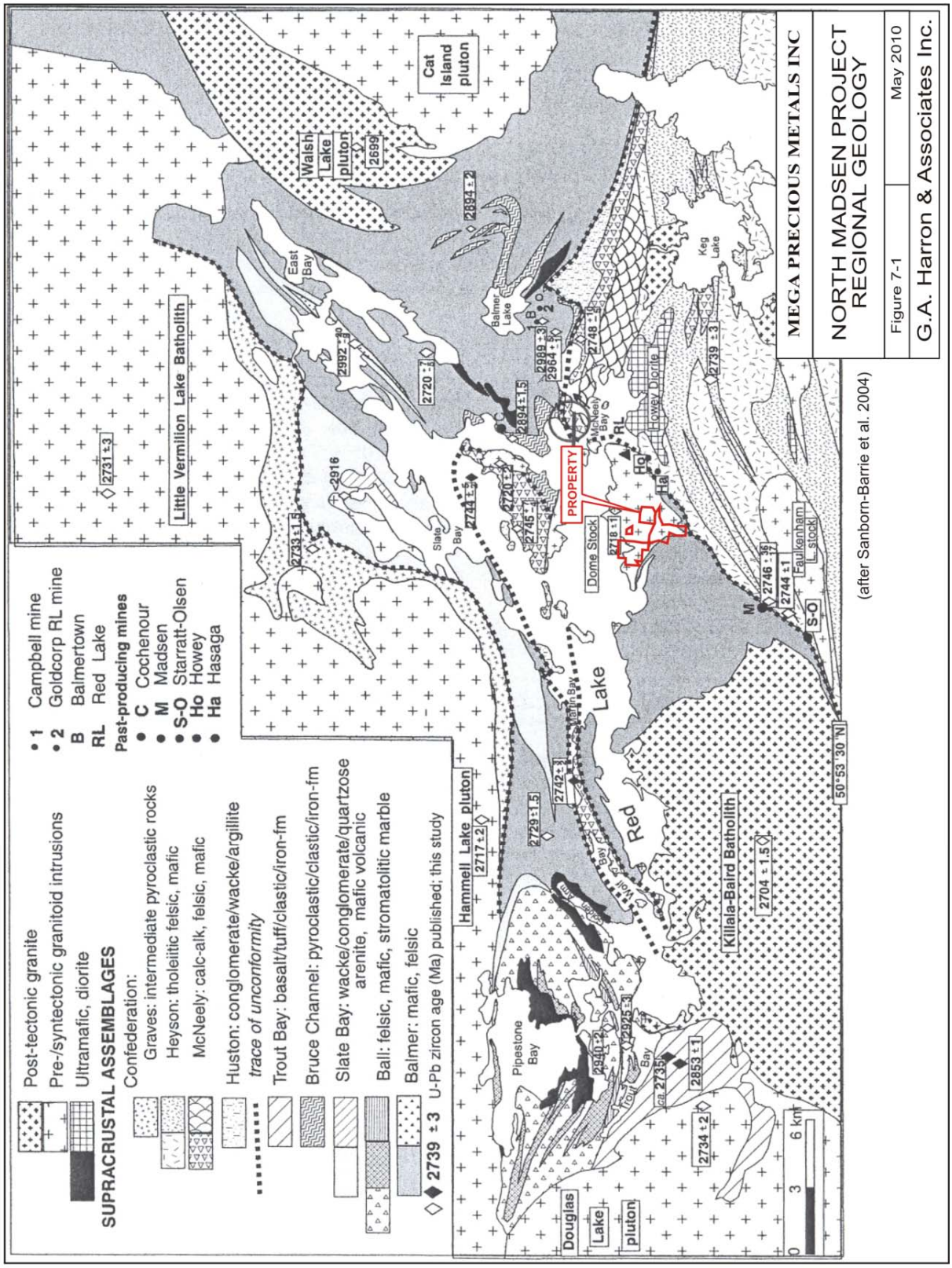
A thick sequence of intermediate to felsic calc-alkaline flows and pyroclastic rocks of the Ball assemblage underlies the northwestern part of the RLGB. The lower part of the sequence (2.94 Ga) is dominated by intermediate volcanic rocks underlain by basalt and komatiite flows. A chert carbonate unit 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 unit of basalt. The uppermost unit of the Ball assemblage consists of mantle derived ultramafic flows. Peridotite and gabbro 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, grit and cross-bedded quartose arenite. Clasts in the conglomerate reflect a dominantly 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 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 oxide iron 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 2.86-2.81 Ga Trout Lake Batholith.

Figure 7-1 Regional Geology



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 2.75-2.74 Ga period consists of marine to subaerial 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). Rhyolites within this sequence show FIII chemical affinities. 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 indicate 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, conglomerate of 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 record three episodes of felsic plutonism. 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, pyrrhotite) post dates most ferroan-dolomite and potassic alteration zones. Also proximal alteration zones are typically barren of gold unless they have been silicified. Silicification is manifest as extension and fault fill quartz veins and breccias, and the filling of primary features such as vesicles and interpillow spaces.

The Red Lake Greenstone Belt (RLGB) is one of Canada's top gold-producing districts, with over 20 million ounces of gold produced since mining commenced 1930. There is currently one producing gold mine in the Red Lake camp. The Campbell Complex has been in operation since 1949, and the smaller Red Lake Complex has been in operation since 1948. The camp is famous for high-grade gold mineralization (> 0.5 ounce per ton Au), as is 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.

7.2. PROPERTY GEOLOGY

All 6 Laverty claims are underlain by the Dome granodiorite stock, as are 4of the 6 My-Ritt claims and all 5 of the Skookum claims (Figure 7-3 a, b) The eastern 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 (Figure 7-2). This is due to the dyke being parallel to the flight direction and between flight lines.

The granodiorite of the Dome stock is massive and porphyritic with minor quartz monzonite and granite phases. The rock 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 cm to 3 m wide) fine grained magnetic mafic dykes trending east-northeast and north-northwest (ie.,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 10 m and a strike length of approximately 300 m. The dyke is massive, medium grained and composed of amphibole and plagioclase in a dark grey fine grained matrix of mafic minerals and biotite. The rock is magnetic and contains minor to trace amounts of pyrhhotite 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.

Figure 7-2 Total Field Magnetics

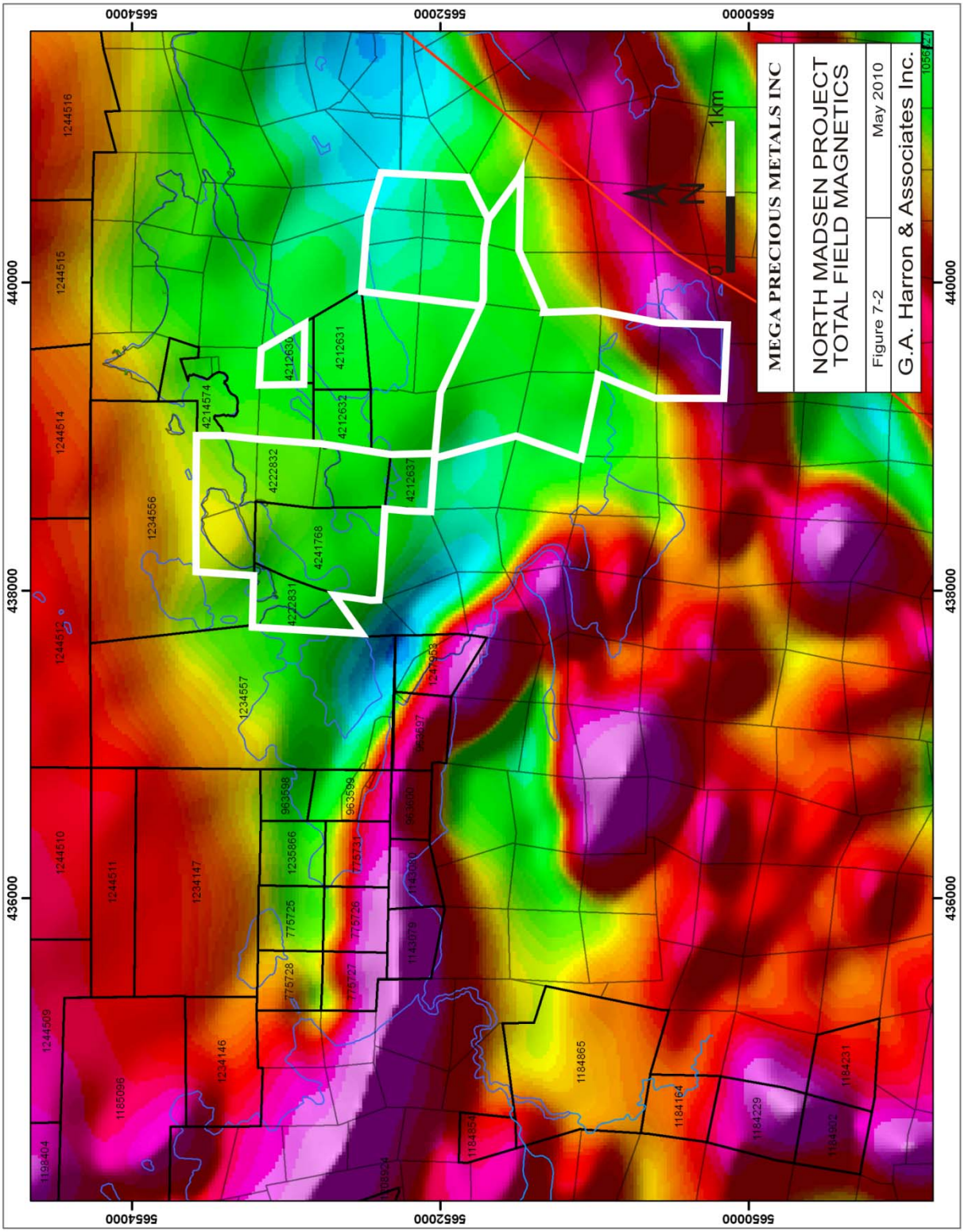


Figure 7-3a Properties Geology

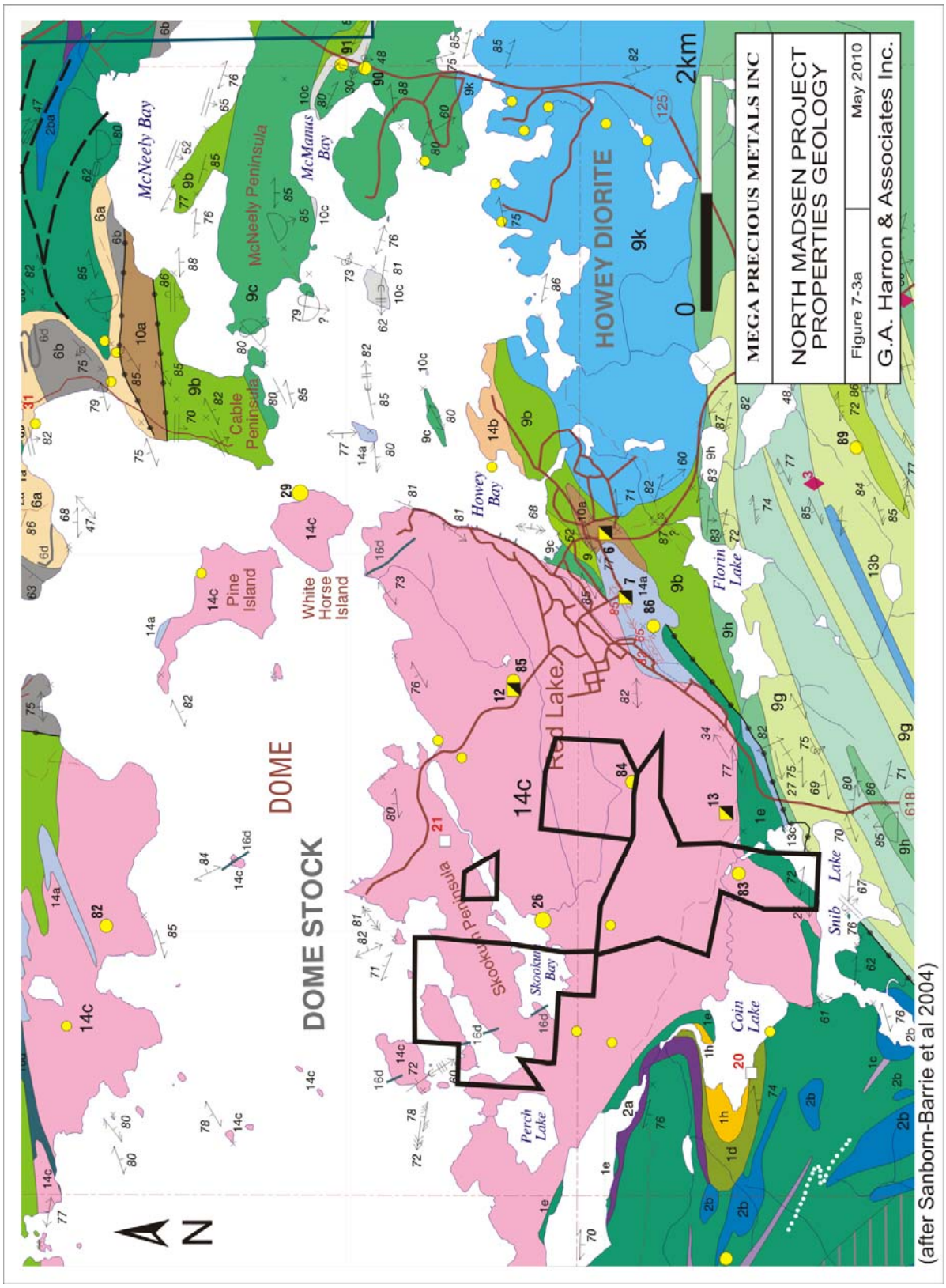
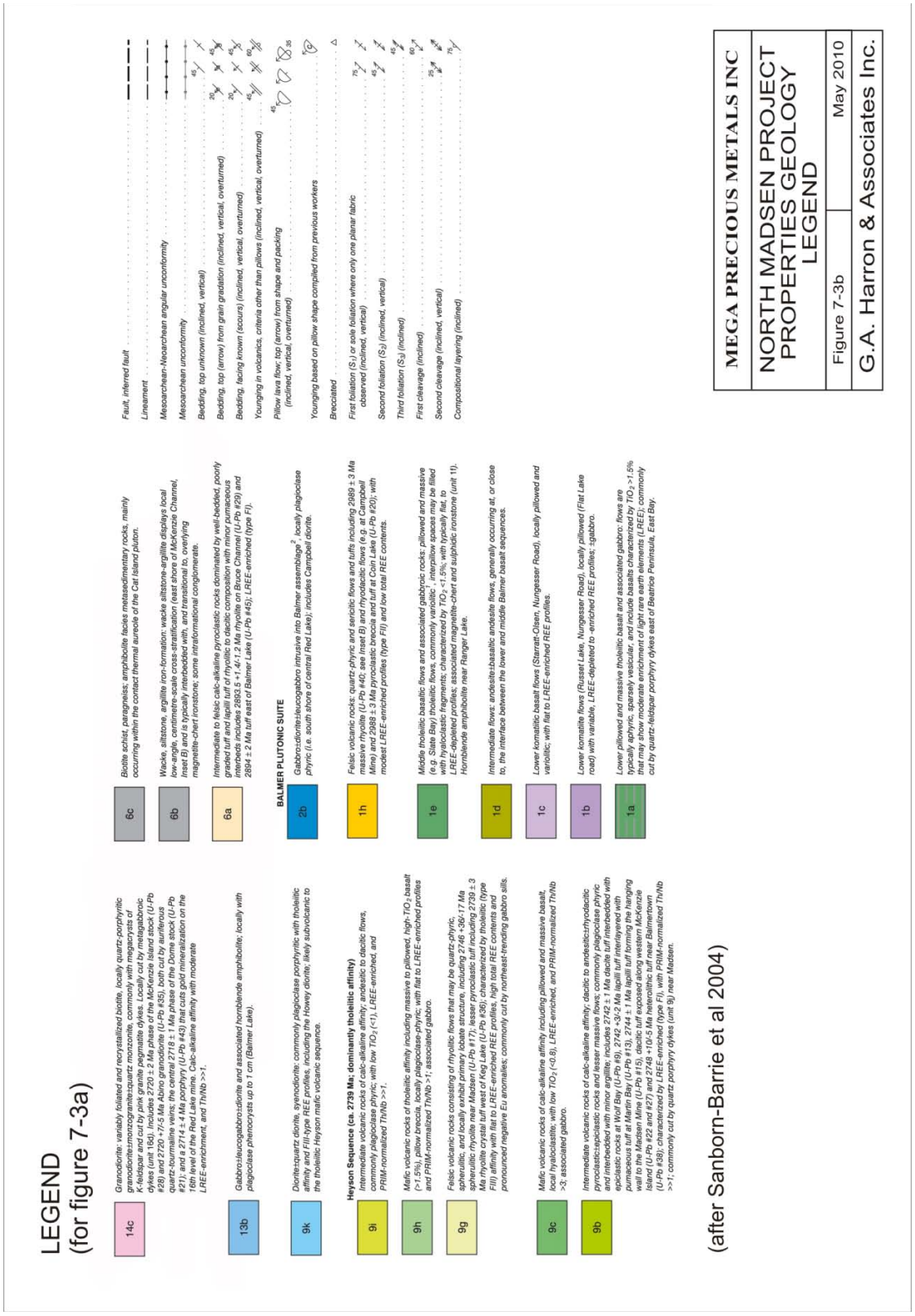


Figure 7-3b Properties Geology Legend



8.0 DEPOSIT MODELS

Gold deposits on the Howey, Hasaga, Gold Shore properties are in close proximity of the gold mineralization on the Laverty and East My-Ritt properties, and provide a gold deposit model for this specific area. The gold mineralization is found 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 Mine, but at the Hasaga Mine they are mainly 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 East My-Ritt and the Laverty properties. 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 breccia 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 MINERALIZATION

In 2009 Mega examined the mineralization present in and adjacent to the Laverty Dyke Gold Zone by trenching and diamond drilling. Visual observation indicated that the gold mineralization is accompanied by very low quantities of fine-grained sulphide minerals and quartz veinlets.

Samples of both altered granodiorite and mafic dyke were subjected to microscopic examination to identify the host rock mineral assemblage and the minerals accompanying the gold mineralization (Mitchell, 2009). Methods used to determine the mineralogy included standard transmitted and reflected light, and by back-scattered electron microscopy. Gold grains were identifies by back-scattered microscopy coupled with energy dispersive X-ray spectrometry.

All rock samples examined are of greenschist metamorphic grade, specifically belonging to the epidote-chlorite-biotite-albite-quartz subfacies. The rocks are in some cases cut by quartz-calcite veinlets. Mineralogically the rocks are characterized by the presence of epidote, iron-rich chlorite, biotite, albite, quartz, K-spar, titanite, magnetite, apatite, calcite, pyrite and chalcopyrite. Accessory and trace minerals include Ca-rare earth element carbonates (synchtysite, parasite), molybdenite, powellite, gold, electrum tellurobismuthinite, bismuthinite, guanajuatite, native bismuth, cobaltite and gersdorffite.

Minerals indicative of metamorphic grade that are absent include amphibole, pyroxene and garnet suggestive of hydrothermal leaching of the Dome stock granodiorite. Examination of the host rocks show laths of sodic plagioclase and epidote set in a matrix of chlorite, biotite and quartz. Other host rock samples show large blocky feldspars set in a matrix of biotite and fine grained epidote. One sample examined consists of interlocking sodic feldspar crystals titanite, pyrite, chlorite and quartz. One sample examined contains patches of calcite intergrown with late forming chalcopyrite.

Gold is present in the samples as anhedral to rounded discrete grains ranging in size from less than 1 to about 20 microns. Gold grains are a trace accessory phase. They are heterogeneously distributed and commonly occur in patches of disseminated small grains (Mitchell, 2090).

The gold is found principally in association with silicates and especially with the assemblage mica, albite, K-spar and quartz (ie., “a granitic assemblage”), and rarely is gold encapsulated in sulphide minerals. Most of the gold grains examined are homogeneous and contain less than 10% Ag in solid solution. Additional analyses of other gold grains revealed Ag contents in the 16.7 to 24.5 weight % range.

10.0 EXPLORATION

In June 2009 Mega commenced exploration activities on the Laverty and the East My-Ritt properties. A historical data compilation including geological and geophysical surveys was followed by overburden stripping and detailed geological mapping, on and surrounding the Laverty Dyke. A 25 line-km survey grid with cross lines at 100 m spacings and a base line oriented at 67° covering both properties was used for the surveys. A deep penetrating IP/RES survey, as well as MAG and VLF-EM surveys were completed over the Laverty and the East My-Ritt properties. Parameters for the gradient array IP/RES survey included readings at 25 m intervals and a AB spacing varying from 100 m to 1,500 m. The MAG and VLF-EM readings were collected at 12.5 m stations with a GSM-19 GPS walking Magnetometer and VLF-EM instrument.

Interpretation of the IP/RES data indicated that a positive chargeability response (Figure 10-1) coupled with a positive resistivity response (Figure 10-2) correlate with known gold mineralization. The VLF-EM survey did not produce a response over the gold mineralization and The total field magnetic survey (Figure 10-3) shows a relatively subdued magnetic response over most of the Laverty and East My-Ritt properties except in close proximity to the Laverty Dyke where disseminated pyrrhotite is present in the dyke. Elsewhere on the Laverty and East My-Ritt properties the geophysical surveys outlined 9 areas containing the geophysical signatures often associated with gold mineralization in silicified shear zones. Diamond drilling is recommended for all of the anomalous geophysical areas.

Channel sampling of the Laverty Dyke Gold Zone by Mega in 2009, predominately at 10 m intervals perpendicular to the dyke's direction resulted in the collection of 15 samples over a strike length of 210 m (Figure 6.2). The results indicated that gold mineralization is both peripheral to, and within the mafic dyke and is open to the north. The composite assays for the channel sampling are presented in Table 10.1.

Table 10.1 Laverty Dyke Channel Samples Analyses

Zone	Section	Channel	Au (g/t)
		Length (m)	
Dyke	230 N	2.9	1.13
Dyke	190 N	4.2	0.64
Dyke	180 N	6.8	0.17
Dyke	170 N	4.7	4.34

Dyke	160 N	9.3	2.39
Dyke	150 N	3.8	1.25
Dyke	140 N	5.6	2.38
Dyke	130 N	7.8	1.85
Dyke	120 N	11.9	10.71
Dyke	110 N	3.7	1.43
Dyke	100 N	6.2	3.25
Dyke	90 N	10.8	4.00
Dyke	65 N	6.9	3.66
Dyke	40 N	1.8	5.61
Dyke	20 N	0.7	0.56
Averages		5.81	3.61

The detailed channel sampling returned an average grade of 3.61 g/t Au over an average true width of 5.81 m.

The author is of the opinion that the channel sample density and areal extent of the sampling is adequate to correctly characterize the gold mineralization in and adjacent to the Laverty Dyke.

Figure 10-1 IP Chargeability Zones Laverty Property

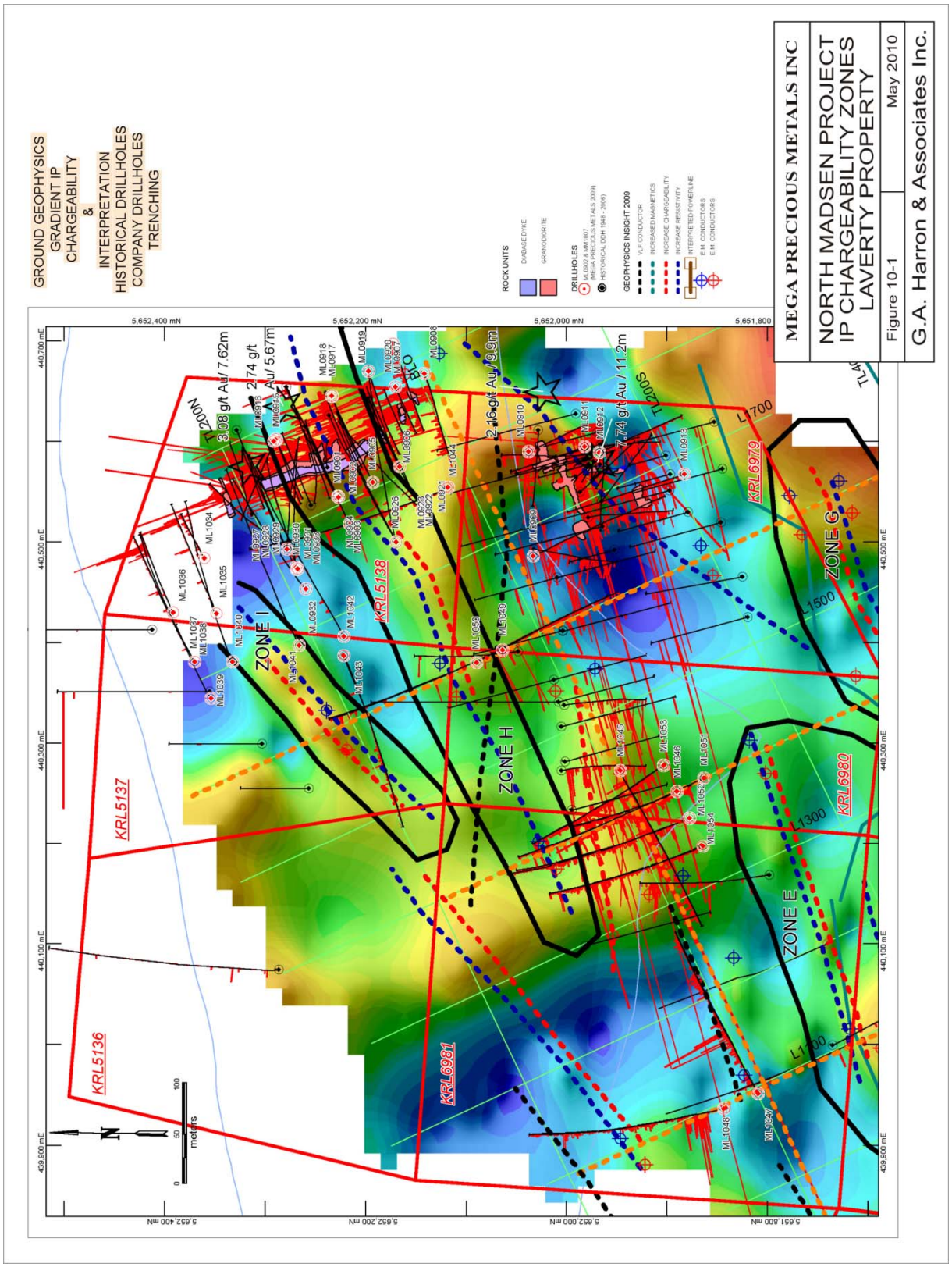


Figure 10-2 Apparent Resistivity Zones Laverty Property

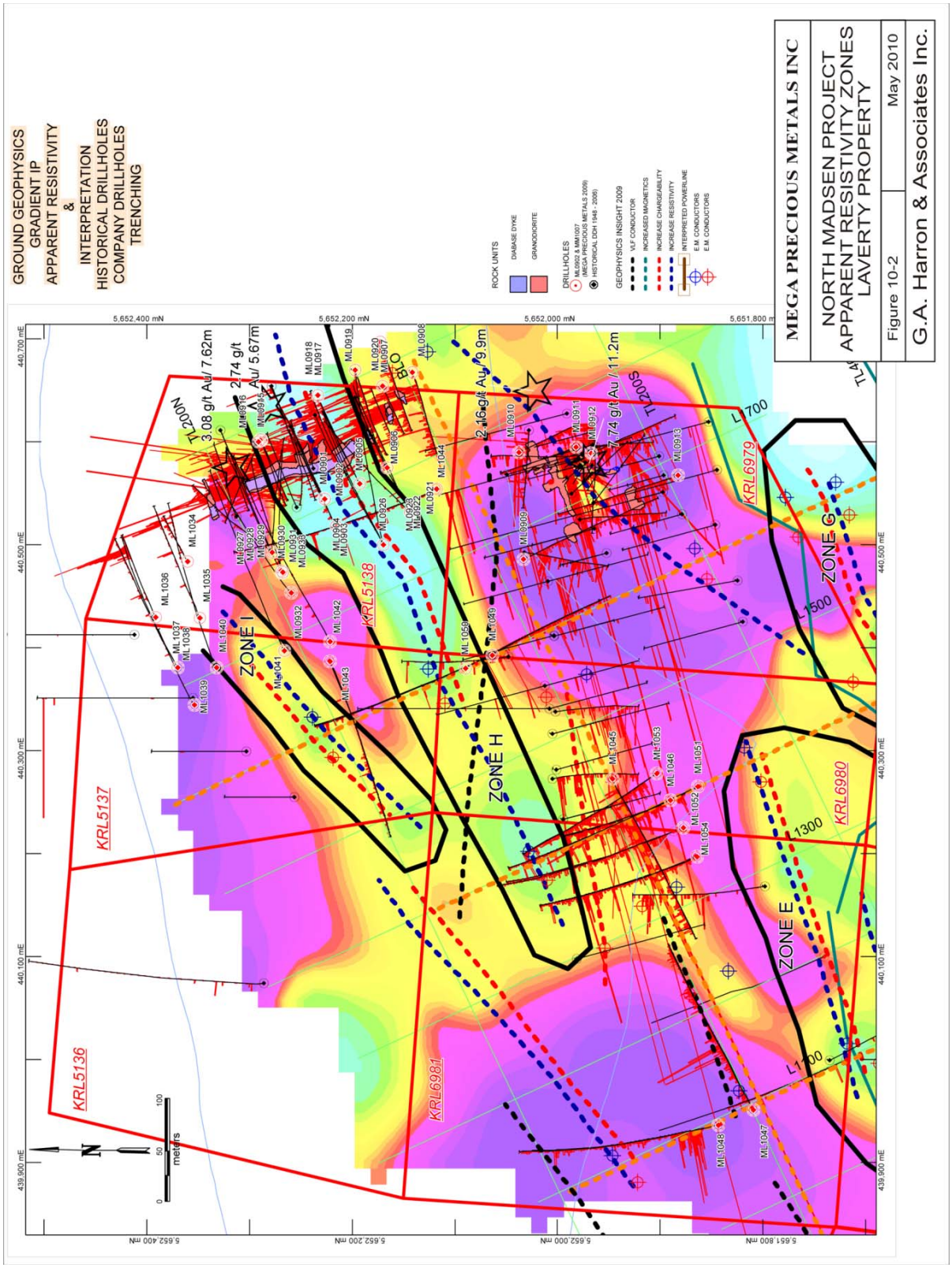
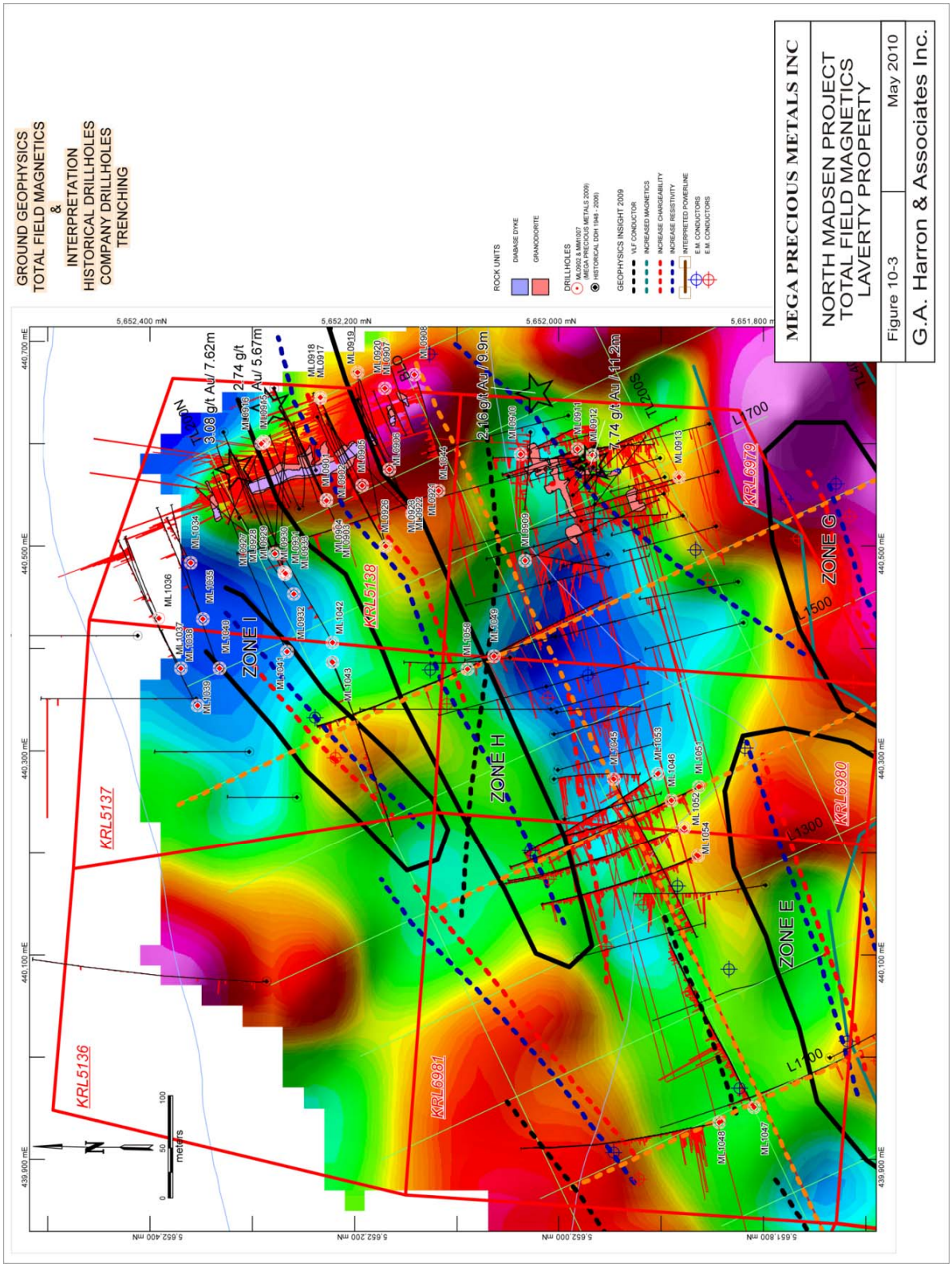


Figure 10-3 Total Field Magnetics Laverty Property



11.0 DRILLING

From August 2009 to February 2010 Mega completed 6,176 m of NQ diameter diamond drilling at 36 sites testing the Laverty Dyke Gold Zone and others in detail, and test drilling of other targets. This drilling demonstrates geological and value continuity over the exposed strike length, to a depth of 200 m, and an estimated true width of 17.3 m (Figure 6-2). The average length weighted grade of the zone is estimated to be 2.5 g/t Au.

In addition 4 DDHs were completed to confirm the presence of possibly economic gold mineralization in the historical Main and South zones (DDHs ML0909 to ML0913).

Table 11-1 Laverty Dyke Diamond Drill Results

Hole Id	Section	Length (m)	From (m)	To (m)	Intercept (m)[1]	Au (g/t)[3]
					(m) [1]	
ML0901	128 N	171.0	50.0	62.1	12.10	3.34
ML0902	128 N	125.0	88.5	91.5	3.00	1.25
ML0903	128 N	197.0	113.0	146.0	33.0	2.72
	incl		113.0	118.8	5.8	3.01
	and		128.0	146.0	18.0	3.93
ML0904	128 N	263.0	175.6	210.0	34.4	2.18
	incl		175.6	180.6	5.0	2.12
	and		183.6	186.6	3.0	10.53
	and		201.4	210.0	8.6	2.84
ML0905	94 N	119.0	43.0	79.9	27.9	3.56
	incl		43.0	50.0	7.0	4.30
	and		53.5	70.9	17.4	3.93
ML0906	63 N	100.0	50.2	63.6	13.4	2.45
	incl		50.2	55.2	5.0	4.57
	and		61.7	63.6	1.9	3.07
ML0907	32 N	80.0	31.0	49.6	18.6	2.21
ML0908	0 N	130.0	21.0	41.5	20.5	3.00
ML0914	160 N	89.0	43.7	57.9	14.2	1.81
	incl		43.7	45.0	1.3	11.05
ML0915	160 N	131.0	80.0	83.0	3.0	2.10
ML0916	180 N	110.0	71.0	77.5	6.5	1.50
ML0917	93 N	110.0	71.0	81.0	10.0	4.00

ML0918	93 N	128.0	90.2	92.7	2.5	2.63
ML0919	50 N	126.5	72.1	88.7	16.6	1.19
	incl		72.1	77.5	5.4	2.15
	and		85.5	88.7	3.2	1.83
ML0920	17 N	128.0	82.0	89.5	7.5	3.28
ML0921	60 N	170.0	156.0	161.3	5.3	1.42
ML0922	58 N	239.0	221.0	237.5	16.5	2.44
ML0923	92 N	206.0	176.0	191.6	15.6	2.84
ML0924	96 N	202.5	162.3	187.7	25.4	1.57
ML0925	97 N	282.0	238.1	248.5	10.4	2.06
ML0926	52 N	245.0	219.0	227.2	8.2	0.95
ML0927	193 N	131.0	92.2	107.4	15.2	3.70
ML0928	153 N	161.0	128.8	149.0	21.0	3.55
ML0929	225 N	158.0	-	-	-	NSV[2]
ML0930	153 N	191.0	134.9	165.8	30.9	1.48
ML0931	196 N	179.0	126.5	137.4	10.9	2.64
ML0932	210 N	185.0	-	-	-	NSV
ML0933	175 N	131.0	140.5	156.5	16.0	1.91
ML0934	260 N	68.0	-	-	-	NSV
ML0935	260 N	164.0	135.5	143.0	7.5	1.77
ML0936	315 N	117.0	93.0	99.5	6.5	3.57
ML0937	315 N	203.0	-	-	-	NSV
ML0938		ABANDON				
ML0939	315 N	272.0	-	-	-	NSV
ML0940	260 N	226.0	-	-	-	NSV
ML0941	210 N	281.0	-	-	-	NSV
ML0942	165 N	280.0	256.3	270.0	13.7	1.98

Note 1: True width is estimated to 50 to 70% of the drill core intersection width.
Note 2: NSV means No Significant Value (<1 g/t Au)
Note 3: Assays for samples returning < 3.0 g/t Au are the singular values originally reported by the assay laboratory, while others are duplicate assay averages.

Highlights of the diamond drill program include 2.72 g/t Au over 33.0 m (ML0903), 3.56 g/t Au over 27.9 m (ML0905), and 3.56 g/y Au over 21.0 m (ML0928, 1.91 g/t Au over 16.0 m (ML0933), 1.98 g/t Au over 13.7 m (ML0942) and 3.57 g/t Au over 6.5 m (ML0936).

In June 2009, Mega also initiated a drill campaign along a 1.5 km segment of the east-west-trending structure traversing the East My-Ritt and Laverty properties (Main and South zones). Drill results are presented in Table 11-2

Table 11-2 Main & South Zones Drill Results

Hole Id	Zone	Length (m)	From (m)	To (m)	Intercept (m)[1]	Au Grade (g/t)
ML0909	Main	188.0	70.0	71.5	1.5	4.36
ML0910	Main	82.4	78.5	82.0	3.5	1.97
ML0911	Main	106.6	14.9	19.0	4.1	3.46
ML0912	South	125.0	32.7	44.0	11.3	0.74
ML0913	South	167.0	76.5	82.3	5.8	4.46
ML1043						NSV
ML1044						NSV

Note 1: True width is estimated to 60 to 90% of the drill core intersection width.

Diamond drilling of the Main and South zones indicates that they are parts of a much larger stockwork, breccia vein system hosted in the Dome Granodiorite. This vein system on the East My-Ritt and Laverty properties are possibly the westward continuation of a larger gold system that encompasses the adjacent former producing Howey, Hasaga and Gold Shore mines.

Reconnaissance style drilling in early 2010 tested some IP targets and historical gold showings located within a “mineralized corridor” extending west from the Main and South gold zones, across the My-Ritt and Laverty properties. Results are tabulated in Table 11-3 and include results from “Main HW” a new mineralized zone parallel to the main Zone.

Table 11-3 West of Main Drill Results

		Length	From	To	Intercept	Au Grade
Hole Id	Zone	(m)	(m)	(m)	(m)	(g/t)
ML1045	W of Main		15.7	234.1	218.5	0.38
	incl.		15.7	20.5	4.8	1.02
	incl.		29.0	36.1	7.1	1.34

	incl.		30.5	31.3	0.8	9.26
	incl.		38.0	48.4	10.4	0.39
	incl.		54.2	68.6	14.4	1.51
	incl.		56.8	58.2	1.4	9.48
	incl.		78.4	96.5	18.1	0.55
	incl.		101.0	119.3	18.3	0.34
	incl.		189.5	230.5	41.0	0.40
ML1046	Main HW		25.4	202.9	177.5	0.59
	incl.		53.0	63.0	10.0	4.93
	incl.		58.5	60.3	1.8	14.83
	incl.		116.0	147.2	31.2	0.55
ML1047	Main HW		4.8	116.0	111.2	0.33
ML1048	Main HW		25.0	65.1	40.1	1.33
	incl.		25.0	43.3	16.4	1.87

Note 1: True width is approximately 65% of intersection width.
Note 2: Estimation of composite grades uses a lower cut off of > 0.2 g/t Au

Highlights of the drilling include 4.9 g/t Au over 10 m (ML 1046) and 1.87 g/t Au over 16.4 m within an 800 by 225 m anomalous gold zone. The results of historical diamond drilling in this area, 450 to 750 m west of the Main Zone indicate that a large zone of low grade may be present and suitable for surface bulk mining and processing.

Two DDHs tested the western extension of the Buffalo Gold Zone, which appears to extend into the southern part of the My-Ritt property. Another IP target called the NW Gold Zone (in the northwest corner of the My-Ritt property) was tested and returned 8.32 g/t Au over 1 m

Table 11-4 Buffalo Trend & North West Drill Target Results

		Length	From	To	Intercept	Au Grade
Hole Id	Zone	(m)	(m)	(m)	(m)	(g/t)
MM1014	N-W Target		93.3	94.3	1.0	8.32
MM1015	N / A					
MM1016	Buffalo W.		23.1	54.5	31.4	1.02
	incl		42.5	54.5	12.0	2.0

	and		144.7	158.0	13.3	2.56
	incl		144.7	146.5	1.8	15.7
	and		233.0	244.0	11.0	1.85
	incl		234.0	242.0	8.0	2.44
MM1017	Buffalo W		26.5	60.0	33.5	1.94
	incl		40.5	60.0	19.5	2.74
	and		155.5	156.5	1.0	7.82
	and		171.0	175.0	4.0	2.55
	and		195.0	203.5	8.5	1.15
	and		230.0	235.0	5.0	1.74
	and		256.5	265.0	8.5	1.43

Note: True width is approximately 60% of intersection width.
Minimum reported interval is 1.0 gram-metres using a variable cut-off grade of 0.4 g/t to 0.2 g/t Au

12.0 SAMPLING METHOD AND APPROACH

In the 2009 surface sampling program on the Laverty Dyke gold deposit, an attempt was made to collect channel samples at 10 m intervals along the 210 m exposure of the gold mineralization Except for the initial 90 m, this sample pattern was achieved. Samples were collected by sawing and chiseling a filet of rock measuring approximately 10 cm in cross section across the entire overburden stripped area.

In the opinion of GAHA the sampling pattern is adequate to define the extent of the gold mineralization spatially associated with the mafic Laverty Dyke.

In the 2009-2010 drill program, the drill contractors' personnel delivered drill core to Mega's secure core handling facility in Red Lake once a day. As a first step the length of core is measured and compared to the position of depth markers placed in the core boxes by the drill contractors' personnel. This activity is to check for misplaced markers and for lost core.

All core is logged by geologists employed by Mega in a formal core logging facility, with adequate security, lighting, temporary core storage and a core splitting work area. Discussions and shared observations by the core loggers ensures consistent rock identification between the core loggers. All logging information is recorded directly into Lagger (software program on lap top computers).

The entire core is sampled with sample intervals marked up on the core by a geologist. The invisible nature of the potentially economic mineralization necessitiates the sampling of the entire drill core. Sampling of the mineralization is based on visual observations of rock type and alteration, structures and sulphide mineralization, with particular attention paid to the presence of silicification and sulphide minerals. Individual sample lengths are adjusted to accommodate lithological and alteration changes, and the presence of quartz veins and sulphides. In general the sample length within the mineralized zone is 0.5 to1.0 metres. Half cores are sawn from only one side of a sampling line and bagged with the first part of a three-part assay tag bearing a unique identifier number. The other half of the core is archived with the second part of the three part assay tag bearing an identical unique identifier number fastened to the core box at the beginning of the sample interval.

Records of the sampled intervals and sample numbers are recorded in the computerized logs, on a sampling sheet, and on the third part of the three part assay tags bearing an identical identifier number as the other two parts of the assay tag. The sampler also inserts blank and standard samples, completes an

assay requisition sheet listing the sample numbers, the requested assay and preparation procedures for inclusion with each batch of 20 samples shipped to Accurassay Laboratories.

The author is not aware of any drilling, sampling or recovery factors that would impact the reliability of the core samples. Examination of drill logs does not indicate any significant sections of lost core, or reduced core recovery.

13.0 SAMPLE PREPARATION, ANALYSIS AND SECURITY

No sample preparation beyond documenting, sawing, numbering and bagging takes place at the Mega core handling facility in Red Lake.

Security of samples prior to dispatch is maintained by limiting access of un-authorized persons to the core handling facility. Bagged samples readied for shipment are kept inside the core logging facility until transportation by a commercial trucking company is arranged. Detailed records of sample numbers and descriptions of the samples provide integrity of the samples. Labeled samples packed in sealed bags robust enough to survive the journey to the assay laboratory also provide sample integrity. The assay laboratory completes sample preparation operations at their relatively secure location, and employs bar-coding and scanning technologies to provide complete chain of custody records for every sample.

All samples generated in the diamond drill and trenching programs are analyzed at Accurassay Laboratories in Thunder Bay, Ontario ("Accurassay"), which has ISO/IEC 17025 accreditation. Accurassay employs an internal quality control system that tracks certified reference materials and in-house quality assurance standards. Accurassay uses a combination of reference materials, including reference materials purchased from CANMET, standards created in-house by Accurassay and tested by round robin analyses with laboratories across Canada, and ISO certified calibration standards purchased from suppliers. Should any of the standards fall outside the warning limits (+/- 2SD); re-assays are performed on 10% of the samples analyzed in the same batch and the re-assay values are compared with the original values. If the values from the re-assays match original assays the data is certified, if they do not match the entire batch is re-assayed. Should any of the standard fall outside the control limit (+/- 2SD) all assay values are rejected and all of the samples in that batch are re-assayed.

Sample preparation, by Accurassay follows industry best practices and is assured by adherence to the ISO/IEC 17025 procedures. The preparation procedure for core samples is to crush dry samples to < 8 mesh, riffle split off a 200-500 g representative sample, followed by pulverization to >90 % passing – 150 mesh screen. Silica sand washes are used between samples to minimize cross sample contamination.

Gold determinations are completed on a 50 g sample using a fire assay collector and an atomic adsorption spectrometric finish (FA-AAS) methods. The lower limit of detection with this method is 5 ppb Au. The analytical methods used are routine and provide robust data usually associated with a high degree of analytical precision.

Samples that grade ≥ 3.0 g/t are fire assayed using a second 50 g sample. In this case, the two analytical results for the same sample will be averaged and reported (see tables 10-1, and 11-1 to 11-4).

Specific gravity determinations were also performed by Accurassay, by pycnometer measurements on sample pulps. As a check, several batches had specific gravity measurements on both core and pulps. The results showed a strong and satisfactory correlation, indicating satisfactory results.

GAHA is of the opinion that the core has been adequately sampled and that the sample preparation follows exploration best practices. GAHA is of the opinion that the security and integrity of the samples submitted for analyses is un-compromised, given the security measures employed, adequate record keeping, prompt expediting of samples, and the analytical laboratories' chain of custody procedures.

14.0 DATA VERIFICATION

Three samples were collected for due diligence purposes during the site visit. The interpretation of the results are presented in the following table.

Table 14-1 Results of Due Diligence Samples

Mega Sample ID	Assay 1 Au	Assay 2 Au	GAHA Sample ID	Variance %	Location / Rock Type
	(by Mega)	(by GAHA)			
749498	0.5 g/t	0.68 g/t	N698524	36.0%	Main Zone, granodiorite
749305	3.5 g/t	3.17 g/t	N698525	10.0%	Laverty mafic dyke
749218	1.9 g/t	1.83 g/t	N698526	3.7%	Laverty mafic dyke

The results of the three samples indicate that there is a reasonable concordance of values between the two analytical laboratories, documenting a reasonable degree of precision. The higher variance is associated with the smallest concentration, as is normal.

A program of inserting blanks and standards into the sample stream monitors the QA/QC aspects of the laboratory procedures. This program was instituted by Mega at the commencement of sampling activities in 2009. Routinely once every 20 samples a blank sample and a standard sample are inserted into the core (and/or channel sample) stream. At the assay laboratory every 10^{th} sample is split for duplicate analyses. In addition, the laboratory includes in-house internal standards and blanks in the sample stream.

The in-house standards are purchased as pre-measured and sealed 50 gram plastic sachets which are marked with a sample number but not with the name of the standard or with its gold grade. Two standard samples (Low grade Au standard (LGA1) - Au 716 ± 47 ppb and High grade Au standard (HGS1) - Au 2,784 ± 22 ppb were used to reflect the range of expected gold values. The blank samples were prepared from silica sand which has a nil gold content. Results of the analyses for the 2004-2008 period are presented in the following table which

illustrates the precision associated with the three standards and the blank samples.

Table 14-2 Analytical Results of Standards and Blank Samples

Item	LGA1	HGS1	Blank
Standard Values	716 ± 47 ppb	2,784 ± 22 ppb	<5 ppb
Number of Analyses	81	88	123
2 ∂ (upper, lower)	810 / 622 ppb	3234 / 2334 ppb	0 ppb
Average	707 ppb	2732 99b	1.68 ppb
Mean	707 ppb	2726 ppb	0 ppb

Analyses of 123 blanks analyzed since the commencement of drilling and channel sampling indicates that 87% of the blanks retuned values “at or below the detection limit” of the analytical method. Sixteen blanks (13 %) returned values ranging from 5 ppb (detection limit) to 12 ppb and are considered to be outliers.

Collectively the assays for the total blank population do not suggest compromised data and as such do not suggest that substantial remedial action is required.

Analyses of 81 samples of LGA1 indicate that 100% of the standard assay values lie with the 2 sigma envelope. Similarly analyses of 88 samples of HGS1 indicate that 100% of the standard assay values lie within the 2 sigma envelope.

Assay results of the in-house standard samples are screened to ensure quality control. Standards are checked to ensure the assays fall within two standard deviations of the standard sample values. If any blanks/standards fail, Accurassay is notified and sample batches are re-analyzed.

15.0 ADJACENT PROPERTIES

The first producing mines in the Red Lake Gold Camp were the Red Lake Gold Shore Mine (1936-1938), the Howey Consolidated Mines Limited (1930-1957) and the Hasaga Gold Mines Limited (1938-1952).

Geological mapping (Horwood, 1940) indicates that the Red Lake Gold Shore property is underlain by altered and unaltered phases of the Dome Stock and minor mafic dykes. Two ages of mafic dykes were mapped in and around the Gold Shore Mine. The 325° trending dykes are the oldest and the 040° striking dykes are the younger. The oldest trend is displayed by the Laverty Dyke. The bulk of the economic gold mineralization occurred as a pipe like structure related to the development of the 040°structures. Alteration accompanying the auriferous quartz veins is silica plus minor amounts of base metal sulphide minerals, tellurides and gold.

The Hasaga deposit was the third producing mine in the Red Lake Camp in (1938-1952) initially using custom milling facilities at the Red Lake Gold Shore Mine. The mineralized zones at the Hasaga Mine are in a westward continuation of the dyke that carried the ore at the Howey Mine. In total the company reported a total production of 6787 kg (218,213 ounces) gold from 1,374,360 tonnes (1,515,282 tons) of ore hoisted for an average recovery of 0.144 ounces per ton (4.94 g/t Au, (Newsome and Laderoute,1997).

The Howey Mine was the first producer in the Red Lake Gold Camp. The deposit was mined from April 1930 to November 1941, and produced 4,200,116 tonnes (4,630,779 tons) grading 3.35 g/t (0.091 ounces per ton Au) from which 13,113 kg (421,592 ounces) of gold was recovered (Newsome and Laderoute,1997).Note that ore mined at the Howey was sorted prior to milling.

The Howey Mine site is underlain by quartz porphyry, felsic to intermediate volcanic breccia and diorite. The quartz porphyry, which constituted a portion of the orebody was intruded into the older felsic volcanic rocks and the diorite. The volcanic breccia clasts range in composition from latite to dacite to andesite within an andesitic matrix. Alteration and shearing resulted in a bleaching of the breccia fragments and matrix. The Howey Diorite is an irregular elongated intrusive stock which extends eastward into the volcanic breccia. It is a medium to coarse-grained grey-green massive rock composed of andesine-labradorite feldspar and hornblende.

The fractures containing the quartz veins and stringers are generally arranged along a 080° direction, both within and adjacent to the quartz porphyry. Ore bodies were sections of the quartz porphyry dyke containing a sufficient concentration of gold-bearing quartz veins and stringers to warrant mining. The

ore bodies were confined to the narrower sections of the dyke and had a total length of approximately 350 m and a depth of 375 metres.

The quartz veins are small lenses of limited lateral and vertical extent and are seldom more than 0.3 m in width (Horwood, 1940). Ferguson, 1963) stated that previous descriptions of the Howey and Hasaga properties indicated that the ore bodies consisted of quartz and quartz-carbonate veins and stringer zones contained pyrite, sphalerite and gold in a quartz porphyry dyke. Ferguson was of the opinion that the “dyke” is similar to the adjacent country rocks and is a block of country rock enclosed between parallel shears.

Production from the Red Lake Gold Shore Mine amounted to 78,300 tonnes (86,333 tons) from which 656 kg (21,100 ounces) of gold were recovered. The. The average grade from run-of-mine ore was 0.244 ounces per ton gold (8.37 g/t Au, Newsome and Laderoute,1997).

Mineralization is described as a quartz porphyry dyke containing small veins and stringers of auriferous quartz.

16.0 MINERAL PROCESSING AND METALLURGICAL TESTING

Mega has not contracted any metallurgical or mineral processing studies from mineralization present on the project.

17.0 MINERAL RESOURCE AND RESERVE ESTIMATES

17.1. INTRODUCTION

The purpose of this report section is to estimate the Mineral Resources on the Laverty Dyke Gold Zone in compliance with NI 43-101 and CIM standards. This resource estimate was undertaken by Eugene Puritch, P.Eng. of P&E Mining Consultants Inc. of Brampton Ontario. The effective date of this resource estimate is June 6, 2010.

17.2. DATABASE

All drilling data were provided by Mega Precious Metals Inc., in the form of Excel files and drill logs. Six drill cross sections were developed on a UTM grid looking northwest on an azimuth of 334° on a 40 metre spacing named from 0 NW to 200 NW. A Gemcom database was constructed containing 168 diamond drill holes and 16 surface channels of which 36 drill holes and 15 surface channels completed by Mega were utilized in the resource estimation. The remaining data were not in the area that was modeled for this resource estimate. A surface drill hole plan is shown in Appendix-I.

The database was verified in Gemcom with minor corrections made to bring it to an error free status. The Assay Table of the database contained 6,523 Au assays. Data are expressed in metric units and grid coordinates are in a UTM system.

17.3. DATA VERIFICATION

Verification of assay data entry was performed by Gerald Harron, P.Geo., co-author on this report under section 14.

17.4. DOMAIN INTERPRETATION

The Laverty Dyke Gold Zone domain boundary was determined from lithology, structure and grade boundary interpretation from visual inspection of drill hole sections. One domain was developed and referred to as Main. This domain was created with computer screen digitizing on drill hole sections in Gemcom by the author of this report section. The domain outline was influenced by the selection

of mineralized material above 0.65 g/t Au that demonstrated a lithological and structural zonal continuity along strike and down dip. In some cases Au mineralization below 0.65 g/t Au was included for the purpose of maintaining zonal continuity. Smoothing was utilized to remove obvious jogs and dips in the domains and incorporates a minor addition of inferred mineralization. This exercise allowed for easier domain creation without triangulation errors from solids validation.

On each section, polyline interpretations were digitized from drill hole to drill hole but not typically extended more than 20 meters into untested territory. Minimum constrained true width for interpretation was 2.0 metres. The interpreted polylines from each section were “wireframed” in Gemcom into a 3-Dimensional domain. The resulting solid (domain) was used for statistical analysis, grade interpolation, rock coding and resource reporting purposes. See Appendix-II.

17.5. ROCK CODE DETERMINATION

The rock codes used for the resource model were derived from the mineralized domain solid. The list of rock codes used is as follows:

0 Air
10 Main Domain
99 Waste Rock

17.6. COMPOSITES

Length weighted composites were generated for the drill hole data that fell within the constraints of the above-mentioned domain. These composites were calculated for Au over 1.0 metre lengths starting at the first point of intersection between assay data hole and hanging wall of the 3-D zonal constraint. The compositing process was halted upon exit from the footwall of the 3D constraint. Un-assayed intervals were set to ½ assay detection limit values. Any composites that were less than 0.40 metres in length were discarded so as not to introduce any short sample bias in the grade interpolation. The constrained composite data were transferred to Gemcom extraction files for grade interpolation as an X, Y, Z, Au file.

17.7. GRADE CAPPING

Grade capping was investigated on the raw assay values within the constraining Laverty Dyke Gold Zone domain to ensure that the possible influence of erratic

high values did not bias the database. An extraction file was created for constrained Au data. From this extraction file, a log-normal histogram was generated. See graph in Appendix-III.

Table 17.1: Au Grade Value Capping

DOMAIN	Capping Value Au (g/t)	Number of Assays Capped	Raw Coefficient of Variation	Capped Coef. of Variation	Cumulative Percent for Capping
Main	10.0	10	1.16	1.07	98.9

17.8. VARIOGRAPHY

Variography was attempted on the constrained domain composites with reasonable success. Only an Omnivariogram and Down Dip variogram were able to be created. See Au variograms in Appendix-IV.

17.9. BULK DENSITY

The bulk density data used for the creation of the domain density block model was derived from a report by Gord Yule, P.Geo. of Mega Presious Metals Inc. A total of 325 Granodiorite and 92 Dyke bulk density determinations were undertaken utilizing both pycnometer and water displacement techniques. The average bulk density utilized for this resource estimate was 2.8 tonnes per cubic metre for Granodiorite and 2.9 tonnes per cubic metre for Dyke.

17.10. BLOCK MODELING

The Laverty Dyke Gold Zone resource model was divided into a block model framework containing 1,536,000 blocks that were 5m in X direction, 5m in Y direction and 5m in Z direction. There were 160 columns (X), 160 rows (Y) and 60 levels (Z). The block model was rotated 26.05751 degrees counter clockwise. Separate block models were created for rock type, density, percent, Au and Class.

The percent block model was set up to accurately represent the volume and subsequent tonnage that was occupied by each block inside the constraining domain. As a result, the domain boundary was properly represented by the percent model ability to measure infinitely variable inclusion percentages within the domain.

The Au composites were extracted from the Microsoft Access database composite table into separate files. Inverse distance cubed grade interpolation was utilized for gold grade determination. The first grade interpolation pass was utilized for the Indicated classification interpolation, while the second grade interpolation pass was for the Inferred classification. The resulting grade blocks can be seen on the block model cross-sections and plans in Appendix V. Grade blocks were interpolated using the following parameters.

Table 17-2: Au Block Model Interpolation Parameters

Interpolation Profile	Dip Dir.	Strike	Dip	Dip Range	Strike Range	Across Dip Range	Max # per Hole	Min # Sample	Max # Sample
Indicated	60°	330°	-80°	35m	35m	10m	3	4	20
Inferred	60°	330°	-80°	100m	100m	50m	3	1	20

17.11. RESOURCE CLASSIFICATION

During the classification interpolation search ellipsoid first passes 3,622 grade blocks were coded as Indicated while the second interpolation passes coded 850 grade blocks as Inferred. Classification blocks model cross sections and plans can be seen in Appendix VI.

17.12. RESOURCE ESTIMATE

The resource estimate was derived by applying a Au cut-off grade to the block model and reporting the resulting tonnes and grade for potentially mineable areas. The following calculation demonstrates the rationale supporting the Au cut-off grade that determines the open pit and underground potentially extractable portion of the resource.

Underground Au Cut-Off Grade Calculation

Au Price	US$968/oz (24 mo. trailing avg. May 31/10)
C$/US$ Exchange rate	0.95
grams/troy oz	31.1035
Mining Cost	C$ 58/tonne
Process Cost (1,000tpd)	C$15/tonne
G/A Cost	C$ 5/tonne
Process Recovery	95%

Therefore: ($58+$15+ $5)/[(($968/oz)/(0.95)/(31.1035))x(95%)] = 2.5 g/t Au

Open Pit Au Cut-Off Grade Calculation

Au Price	US$968/oz (24 mo. trailing avg. May 31/10)
$C/$US Exchange rate	0.95
grams/troy oz	31.1035
Process Cost (1,000tpd)	C$15.00/tonne
G/A Cost	C$5.00/tonne
Process Recovery	95%

Therefore: ($15 + $5)/[(($968/oz)/(0.95)/(31.1035))x(95%)] = 0.65 g/t Au

In order for the constrained open pit mineralization in the Laverty Dyke Gold Zone to be considered a resource which is potentially economic, a first pass Whittle 4X pit optimization was carried out to create a pit shell (See Appendix VII) utilizing the criteria below:

Waste mining cost per tonne	$2.50
Ore mining cost per tonne	$2.50
Ore transport to mill and process cost per tonne	$15.00
General & Administration cost per ore tonne	$5.00
Process production rate (ore tonnes per year)	175,000
Pit slopes (inter ramp angle)	50 deg
Mineralized Bulk Density	2.9 t/m3
Waste Rock Bulk Density	2.8 t/m3

Table 17-3 Laverty Dyke Gold Zone Resource

	INDICATED			INFERRED		
Cut-Off Au g/t	Tonnes	Au g/t	Au oz.	Tonnes	Au g/t	Au oz.
Pit portion 0.65 g/t Au	290,000	2.28	21,200	5,000	2.39	400
UG portion 2.5 g/t Au	105,000	3.34	11,300	27,000	3.50	3,000
Total	395,000	2.56	32,500	32,000	3.32	3,400

Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

The mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005.

17.13. CONFIRMATION OF ESTIMATE

As a test of the reasonableness of the resource estimate, the block model was queried at a 0.1 g/t Au cut off grade with blocks in all classifications summed and their grades weight averaged. This average is the average grade of all blocks within the mineralized domain. The values of the interpolated grades for the block model were compared to the length weighted capped average grades and average grade of composites of all samples from within the domain. The results are tabulated below.

Table 17-4: Comparison of Resource Weighted Average Grade of Capped Assays and Composites with Total Block Model Average Grade

Category	Au (g/t)
Capped Assays	1.95
Composites	1.93
Block Model	1.93

The comparison above shows the average grade of all the Au blocks to be similar to the weighted average Au grade of all capped assays and composites used for grade estimation. In addition, a volumetric comparison was performed with the block model volume of the model versus the geometric calculated volume of the domain solids.

Block Model Volume = 298,847 m3
Geometric Domain Volume = 298,862 m3
Difference = 0.01%

18.0 OTHER RELEVANT DATA AND INFORMATION

In 1982 Camflo Mines (Gillies, 1982) estimated a series of tonnage – grade scenarios for the Laverty Dyke Gold Zone, assuming a strike length of 243 m a width of 7.6 m and to a depth of 243 m. One estimate using a 0.65 g/t Au cut off suggested the presence of a 716,500 tonne mineralized zone grading 2.74 g/t Au.

A qualified person has not reviewed the estimation methodology or the relevant data bases, and therefore the resource estimate is not to be relied on. Presentation of this unqualified “resource estimate” indicates that there is a potential to define CIM compliant resources within the Laverty Dyke Gold Zone and elsewhere on North Madsen Properties.

There is to the author's knowledge no additional data or information, of either a positive or negative aspect, that would change the data presented, or the contained recommended programs.

19.0 INTERPRETATION AND CONCLUSIONS

The indicated and inferred resources of gold mineralization associated with the Laverty Dyke Gold Zone have been estimated as shown in the following table.

	INDICATED			INFERRED		
Cut-Off Au g/t	Tonnes	Au g/t	Au oz.	Tonnes	Au g/t	Au oz.
Pit portion 0.65 g/t Au	290,000	2.28	21,200	5,000	2.39	400
UG portion 2.5 g/t Au	105,000	3.34	11,300	27,000	3.50	3,000
Total	395,000	2.56	32,500	32,000	3.32	3,400

This zone is open along strike and to depth and could be increased with additional diamond drilling. Reconnaissance style diamond drilling in early 2010 probed the northern extension of the Laverty Dyke Gold Zone with mixed results. Available data suggests that a fault offsets the northern extension leaving little room for additional mineralization at this location. However there are parallel dykes in the vicinity which have the potential to be associated with economic gold mineralization. The grades of the resources identified to date suggest that open pit mining is the preferred method of extraction. Therefore future exploration activities should be oriented towards defining additional near-surface Au mineralization rather than mineralization at depth.

Ground geophysical surveys produced 9 IP/RES targets, characterized by coincident positive IP and RES responses with or without MAG response. Two of these targets (H and I zones) are wholly on the Laverty Property and two others (E (part) and G (part),) are located partly on the Laverty Property (Figure 6-1).

On the Laverty Property obvious drill targets based on favourable geology and assays include the Laverty Dyke which is open to the north (and to depth). Also the south end of the Laverty Dyke mineralization possibly merges with the Main Dyke Zone and the Main, South and West mineralized shear zones, as well as the Main HW zone.

On the My-Ritt Property five IP/RES defined targets (zones A, B, C, D, F) are wholly within the My-Ritt Property and zones E (part) and G (part) are shared with the Laverty Property. Drill targets based on geology and assays include the

My-Ritt Dyke, the western extension of the Buffalo Zone and the newly discovered NW Zone (Figure 6-4).

On the Skookum Property the gold potential is not well defined. Both the north and south shorelines of the Skookum Peninsula are considered to be regional northeast shear structures which are a preferred host for gold mineralization.

20.0 RECOMMENDATIONS

GAHA and P&E are of the opinion that the character of the project is of sufficient merit to justify the proposed programs as outlined below. The Laverty and My-Ritt properties are at an advanced stage of exploration and results to date suggest that additional gold mineralization will be discovered in similar geological environments and structures that traverse the properties. The Skookum property is regarded as a grass roots exploration play with the potential to host significant gold mineralization.

20.1. PHASE 1 PROGRAM AND BUDGET

Additional diamond drilling is recommended in a Phase 1 work program to further explore the Main Zone, Main Zone Dyke and South Zone located southwest of the Laverty dyke. These targets can be better defined by drilling an additional 2,000 m at 10 sites, with the objective of expanding the zones of gold mineralization along strike and to depth.

The extension of the Main Zone, and the Main Zone HW westward onto the My-Ritt property represents an opportunity to discover additional mineralization of economic interest. The historical My-Ritt Dyke is associated with economically interesting gold assays which need to be further assessed. Similarly, the Buffalo Trend and the newly discovered NW Zone also warrants additional drilling. An allocation of 2,500 m of drilling is recommended for these targets.

The Skookum property is at an early stage of development due to the recent acquisition on the mining claims. It is recommended that the property be covered with magnetic and IP/RES surveys as well as a geological survey in order to assess the merits of the property.

Table 20-1 Phase 1 Proposed Budget

The following budget is proposed to support the recommended work program.

Activity	Expenditure $C
Diamond Drilling	540,000
Support	6,750
Geology	27,000
Analytical Work	157,500
Accommodation	9,000
Administration	4,500
Contingency	5,250
Total	750,000

20.2. PHASE 2 PROGRAM AND BUDGET

The implementation of a Phase 2 work program and budget are contingent upon favourable results being obtained in the Phase 1 program.

Additional diamond drilling focusing on the discovery and identification of mineralization to a vertical depth of 250 m would be essential in order to advance the concept of open pit mining the multiple gold enriched zones on the North Madsen Properties. Which zones will be the focus of a Phase 2 (drilling) program remains to be determined. However, an allocation of $1,500,000 for a Phase 2 program appears reasonable.

Table 20-2 Phase 2 Proposed Budget

Activity	Expenditure $C
Diamond Drilling	1,080,000
Support	13,500
Geology	54,000
Analytical Work	315,000
Accommodation	10,800
Administration	9,000
Contingency	10,500
Total	1,500,000

The aggregate of the Phase 1 and Phase 2 expenditures is $2,250,000

21.0 REFERENCES

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22.0 DATE AND SIGNATURE PAGE

This report titled "Technical Report on North Madsen Project Properties, Dome and Heyson, Townships, Red Lake Mining Division, Ontario" and dated July 23, 2010 was prepared by and signed by the following authors:

"Gerald A. Harron"

Gerald A. Harron

July 23, 2010
Dated at Toronto, Ontario

Professional Engineers Ontario

G.A. Harron, P.Eng.

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Tel.: 416-865-1060
E-mail:

0

Eugene J. Puritch

July 23, 2010
Dated at Toronto, Ontario

Eugene Puritch, P.Eng.

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23.0 CERTIFICATIONS

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Certificate of Author

1. I, Gerald A. Harron, M.Sc., P.Eng. do hereby certify that:

   I am the President of:
   G.A. Harron & Associates Inc.
   Suite 501, 133 Richmond Street West
   Toronto, Ontario, Canada M5H 2L3

2. I graduated with a Bachelor of Science degree in Geology from Carleton University in 1969 and also graduated from the University of Western Ontario with a Master of Science degree in Economic Geology in 1972.

3. I am a member of the Association of Professional Engineers of Ontario, the Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories and Nunavut.

4. I have worked as a geologist for over 35 years since my graduation from university and have been involved in minerals exploration for base, precious and noble metals and uranium throughout North America, South America and Africa, during which time I directed, managed and evaluated regional and local exploration programs.

5. I have read the definition of "qualified person" set out in National Instrument 43-101 (“NI 43-101”) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

6. I am responsible for the overall preparation of all the technical report titled "Technical Report on North Madsen Project Properties, Dome, and Heyson, Townships, Red Lake Mining Division, Ontario for Mega Precious Metals Inc., dated July 23, 2010 (the "Technical Report”). Most of the technical information in the Technical Report is based on examination of public and private documents pertaining to the property. The sources of all information not based on personal examination or knowledge are

referenced in the Technical Report. In the disclosure pertaining to claim status (section 4) I have relied on information provided by the Ontario Provincial Mining Recorder's Office for staked claims and the Land Registry Office in Kenora, Ontario for patented claims.

7. I have conducted a site visit to the property, examined outcrops and trenches of the mineralization zones on October 5, 2009.To the authors knowledge there have been no material developments on the property since that time.

8. I have not had prior involvement with the property that is the subject of the Technical Report. In 2009 I completed a 43-101 Technical Report on another project located in Nunavut and owned by Mega Precious Metals Inc.

9. I acknowledge that as of the date of the certificate, and 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.

10. I am independent of the issuer applying all of the tests in section 1.4 of NI 43-101.

11. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

Dated this 23rd day of July 2010.

"Gerald A. Harron"
Signature of Qualified Person

Sealed:
Professional Engineers Ontario

Gerald A. Harron
Print name of Qualified Person

CERTIFICATE of AUTHOR

I, Eugene J. Puritch, P. Eng., residing at 44 Turtlecreek Blvd., Brampton, Ontario, L6W 3X7, do hereby certify that:

1 I am President of P&E Mining Consultants Inc.

2. I am a graduate of The Haileybury School of Mines, with a Technologist Diploma in Mining, as well as obtaining an additional year of undergraduate education in Mine Engineering at Queen's University. In addition I have also met the Professional Engineers of Ontario Academic Requirement Committee's Examination requirement for Bachelor's Degree in Engineering Equivalency. I have practiced my profession continuously since 1978. My summarized career experience is as follows:

- Mining Technologist - H.B.M.&S. and Inco Ltd. 1978-1980
- Open Pit Mine Engineer – Cassiar Asbestos/Brinco Ltd 1981-1983
- Pit Engineer/Drill & Blast Supervisor – Detour Lake Mine1984-1986
- Self-Employed Mining Consultant – Timmins Area 1987-1988
- Mine Designer/Resource Estimator – Dynatec/CMD/Bharti1989-1995
- Self-Employed Mining Consultant/Resource-Reserve Estimator1995-2004
- President – P & E Mining Consultants Inc. 2004-Present

3. I am a mining consultant currently licenced by the Professional Engineers of Ontario (Licence No. 100014010) and registered with the Ontario Association of Certified Engineering Technicians and Technologists as a Senior Engineering Technologist. I am also a member of the National and Toronto CIM.

4. I am responsible for contributing to portions of Section 17 of the report titled "Technical Report on North Madsen Project Properties, Dome, and Heyson, Townships, Red Lake Mining Division, Ontario for Mega Precious Metals Inc., dated July 23, 2010 (the "Technical Report")."

5. I have not visited the Mega Precious Metals Inc. North Madsen Properties.

6. 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.

7 I am an independent of the issuer applying all of the tests in sect 1.4 of NI 43-101.

8. I have not had prior involvement with the property that is the subject of this Technical Report.

9. I have read NI 43-101 and Form 43-101F1 and the Report has been prepared in compliance therewith.

10. I am a "qualified person" for the purposes of NI 43-101 due to my experience and current affiliation with a professional organization (Professional Engineers of Ontario) as defined in NI 43-101.

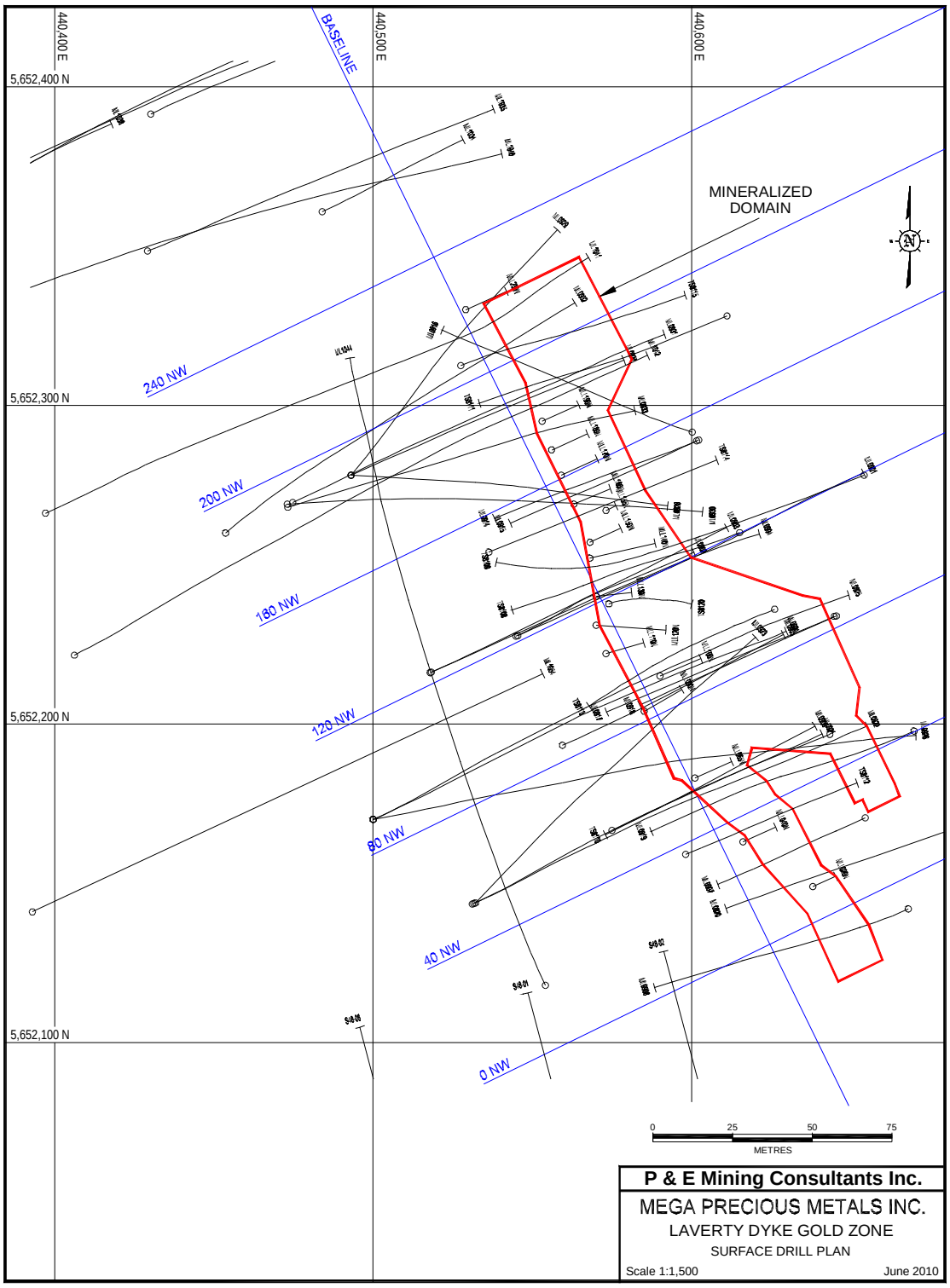
DATED at Brampton, Ontario this 23rd day of July, 2010

{Eugene Puritch}

_____

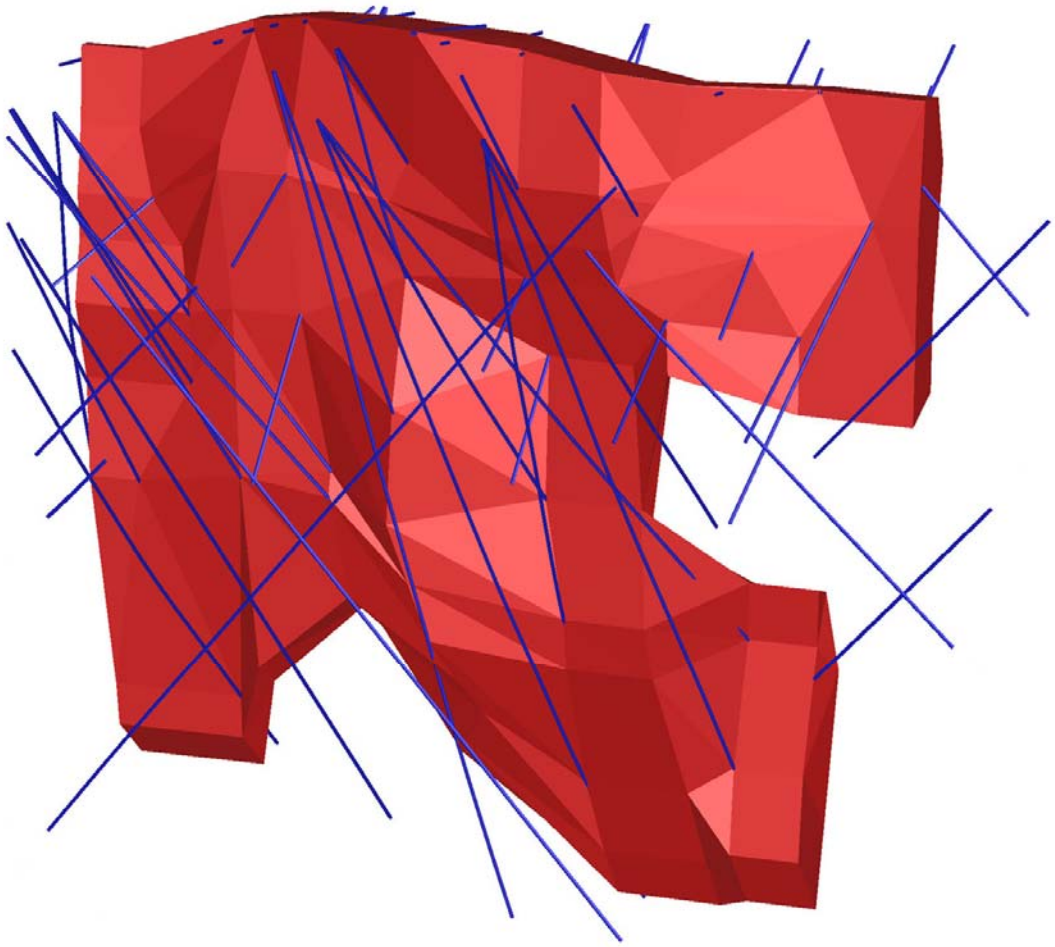
Eugene Puritch, P.Eng.

24.0 APPENDIX I SURFACE DRILL HOLE PLAN

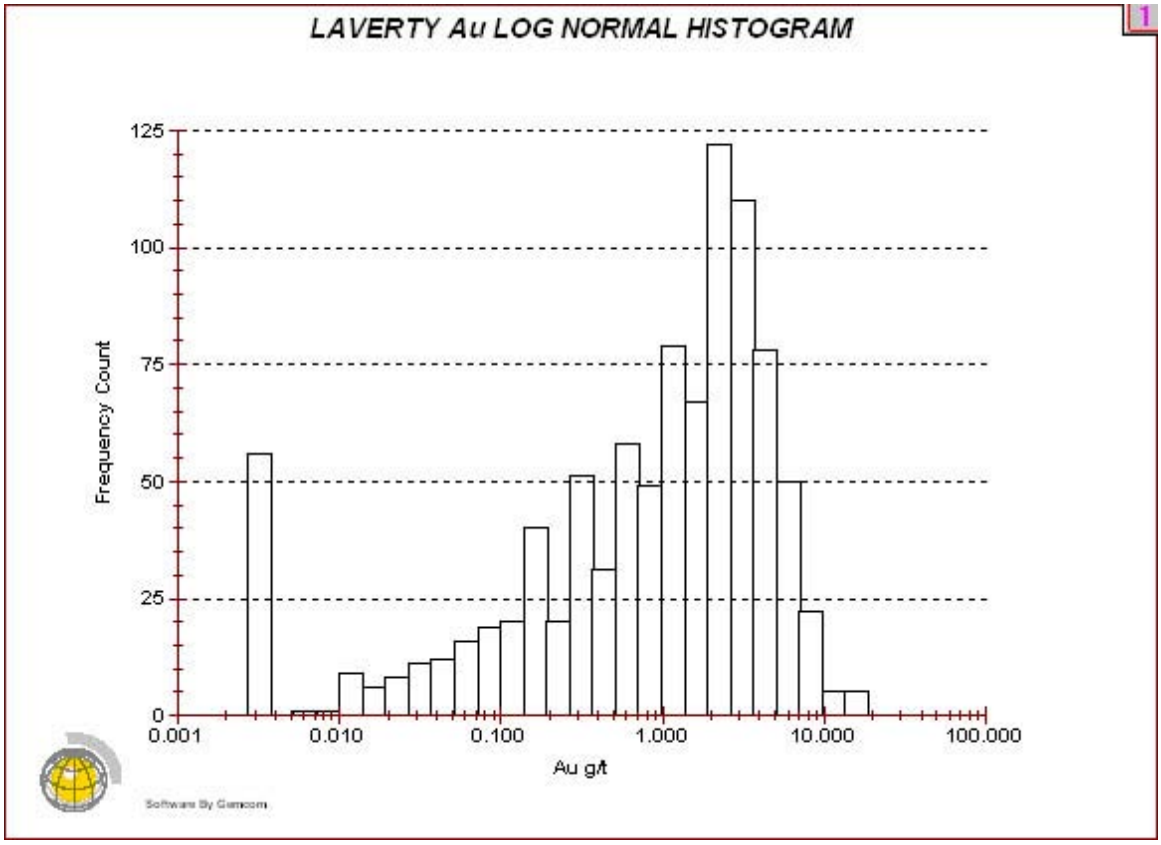


25.0 APPENDIX II 3D DOMAINS

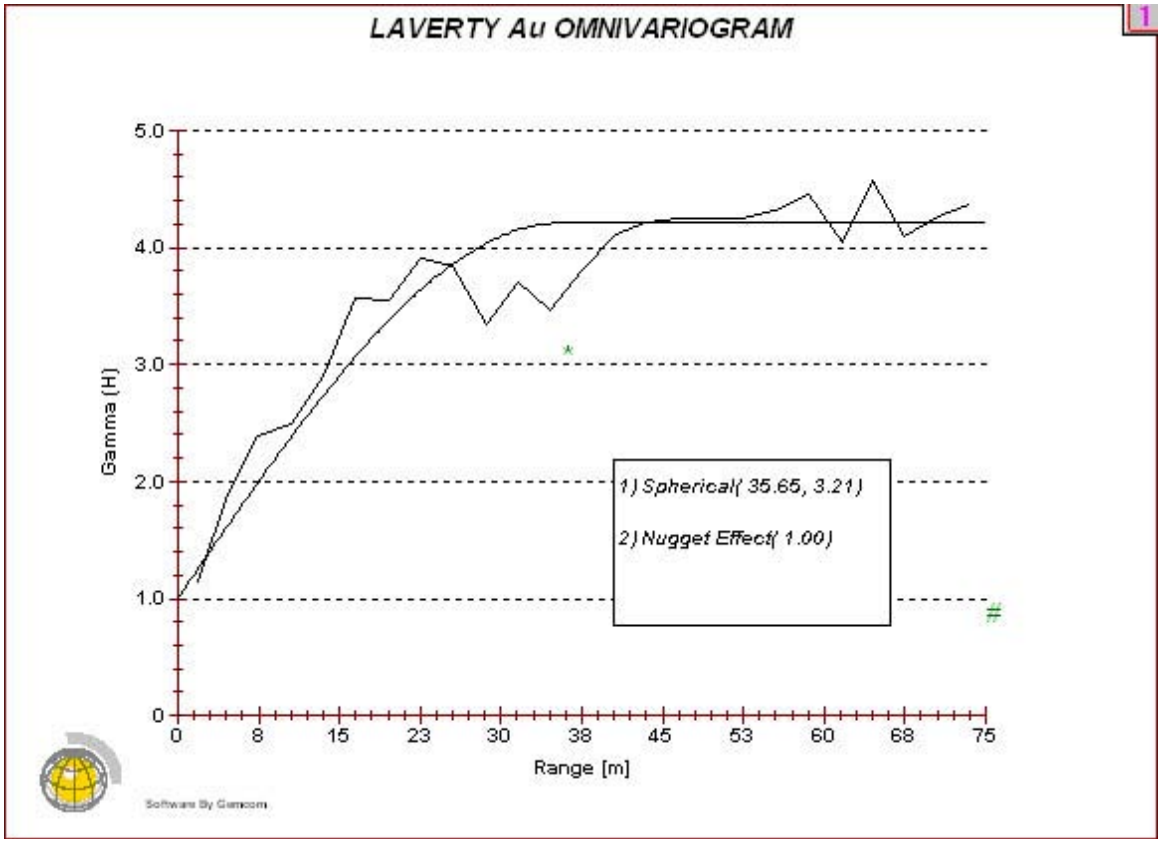
LAVERTY DYKE GOLD ZONE
3D DOMAINS

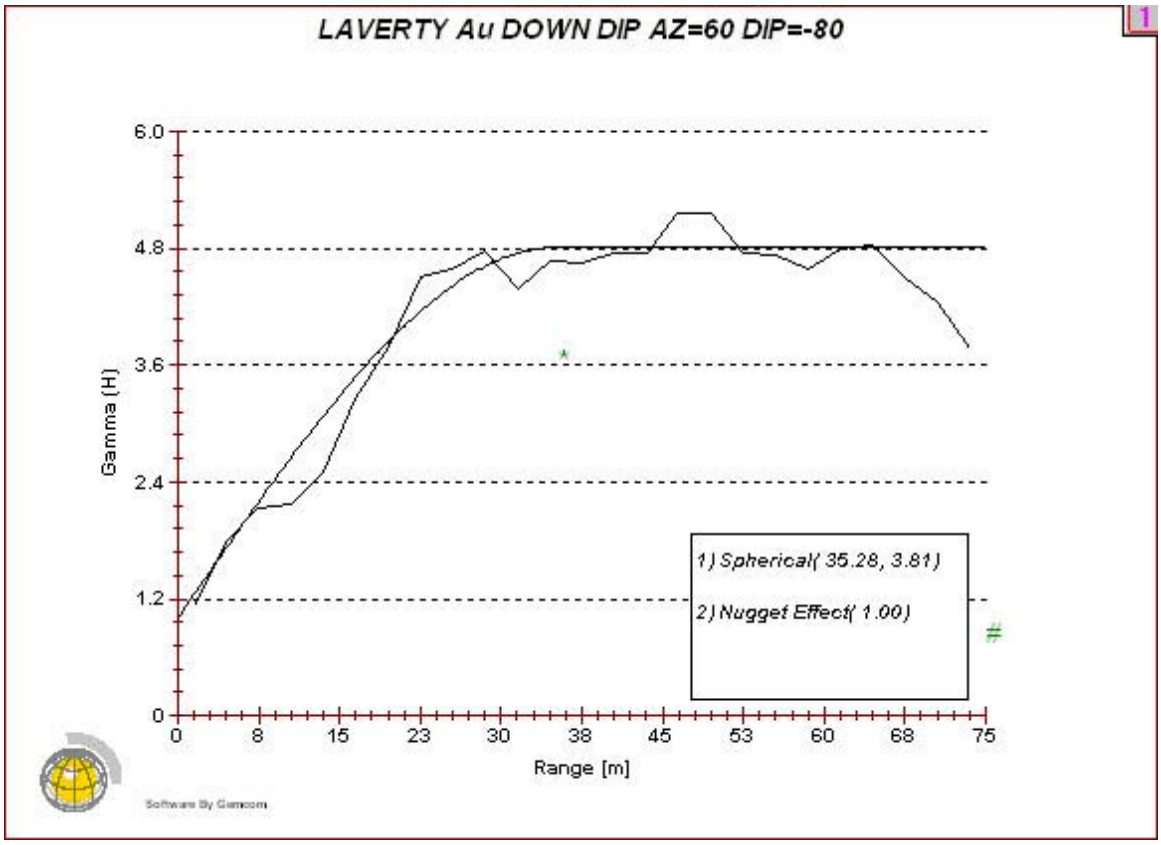


26.0 APPENDIX III LOG NORMAL HISTOGRAM



27.0 APPENDIX IV VARIOGRAMS

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4.8
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Gamma (H)
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15
23
30
38
45
53
60
68
75
Range [m]
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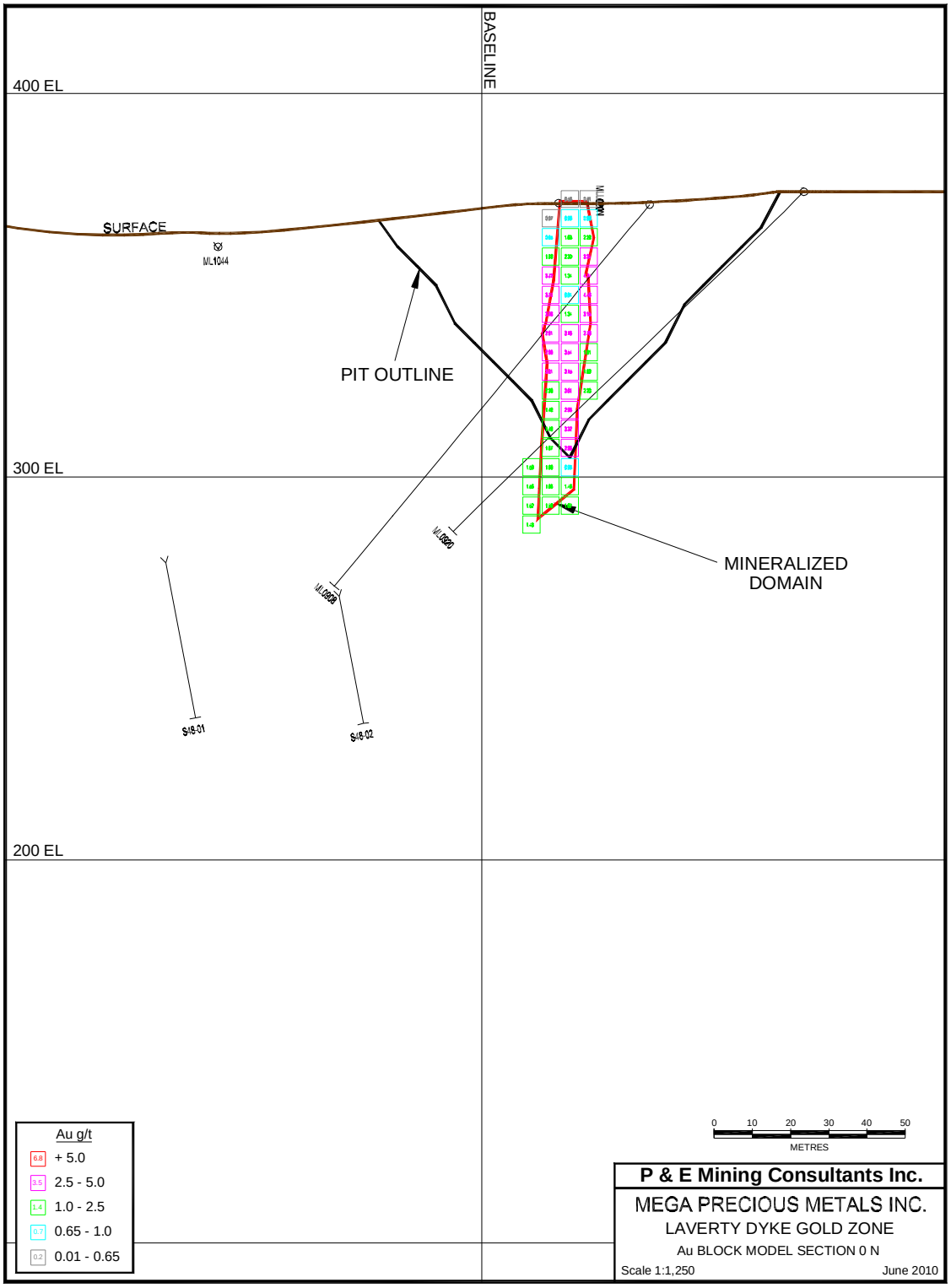
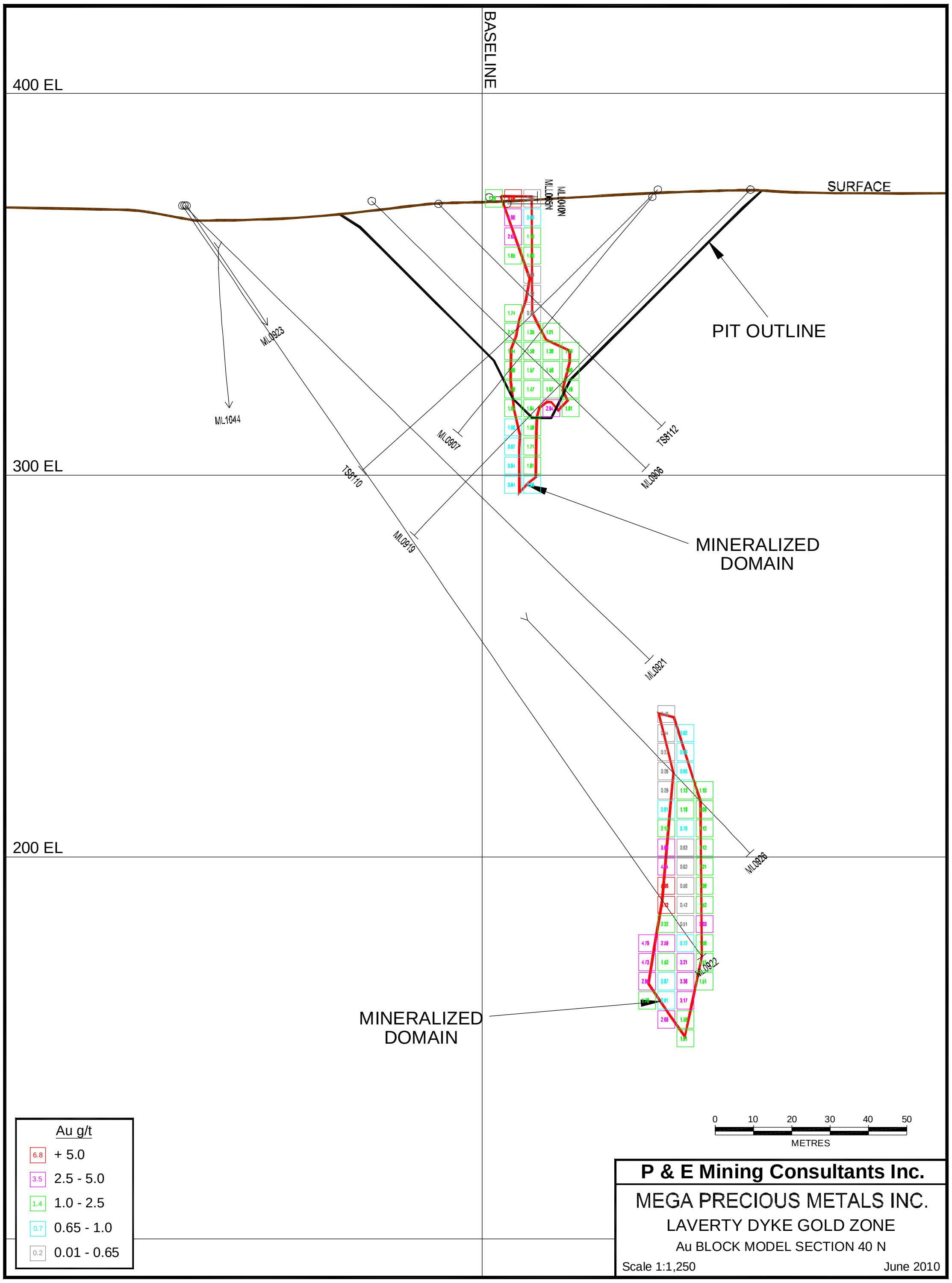
Software By Gemcom

28.0 APPENDIX V AU BLOCK MODEL CROSS SECTIONS AND PLANS

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SURFACE
PIT OUTLINE
MINERALIZED DOMAIN
MINERALIZED DOMAIN
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MEGA PRECIOUS METALS INC.
LAVERTY DYKE GOLD ZONE
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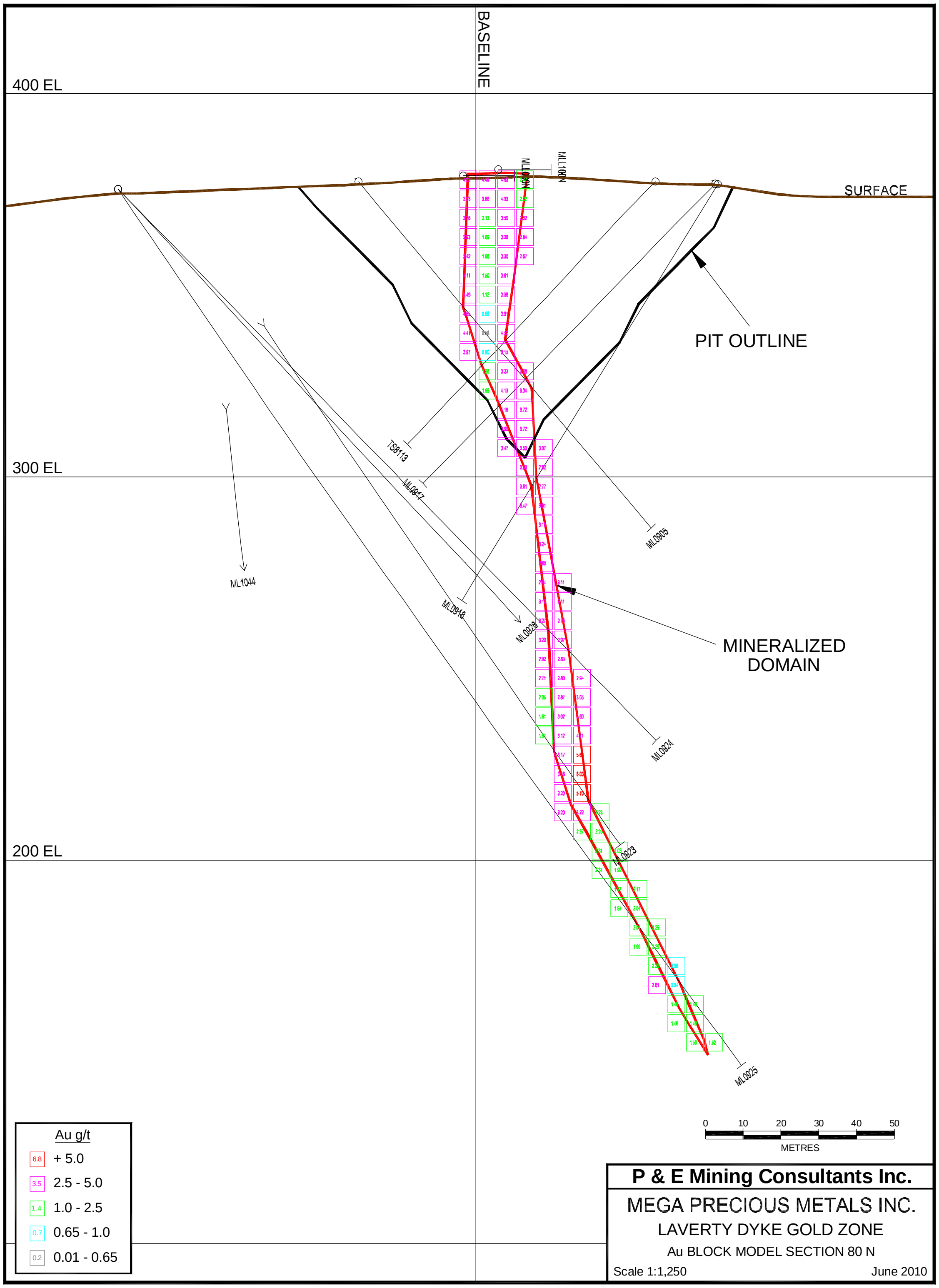
June 2010



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DOMAIN
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ML0918
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ML1044
ML0924
ML0923
ML0925
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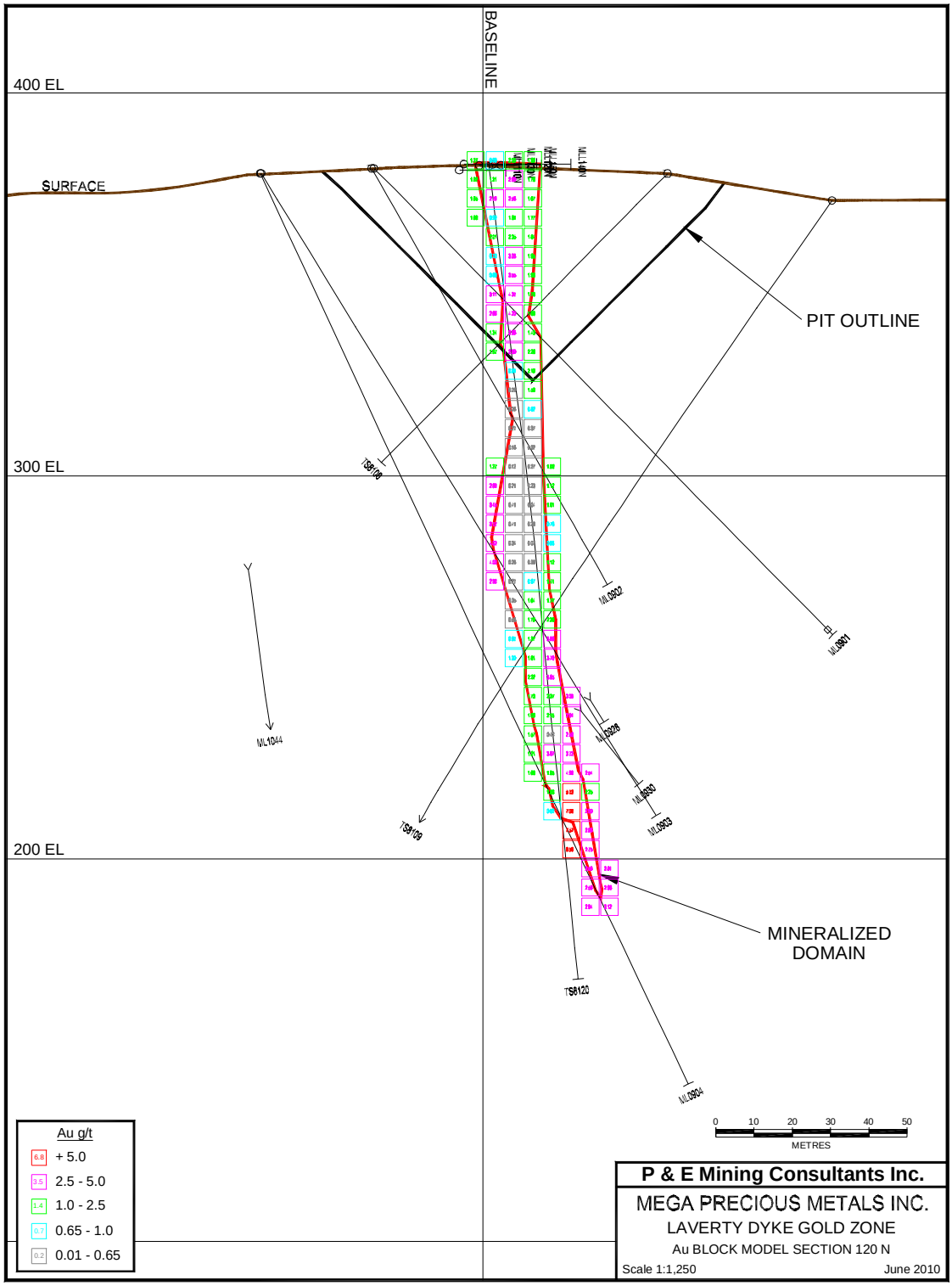
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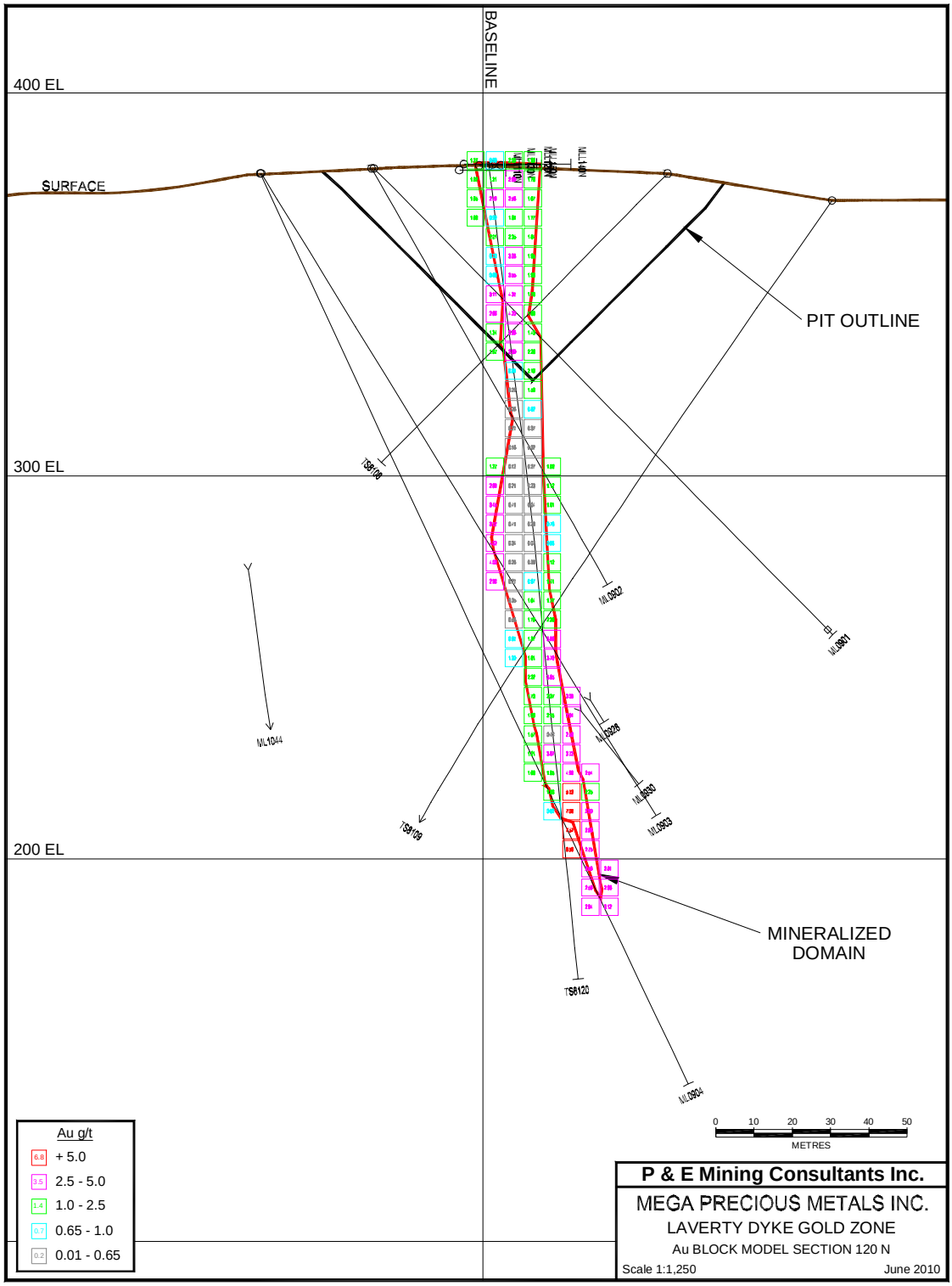
BASELINE
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METRES
P & E Mining Consultants Inc.
MEGA PRECIOUS METALS INC.
LAVERTY DYKE GOLD ZONE
Au BLOCK MODEL SECTION 120 N
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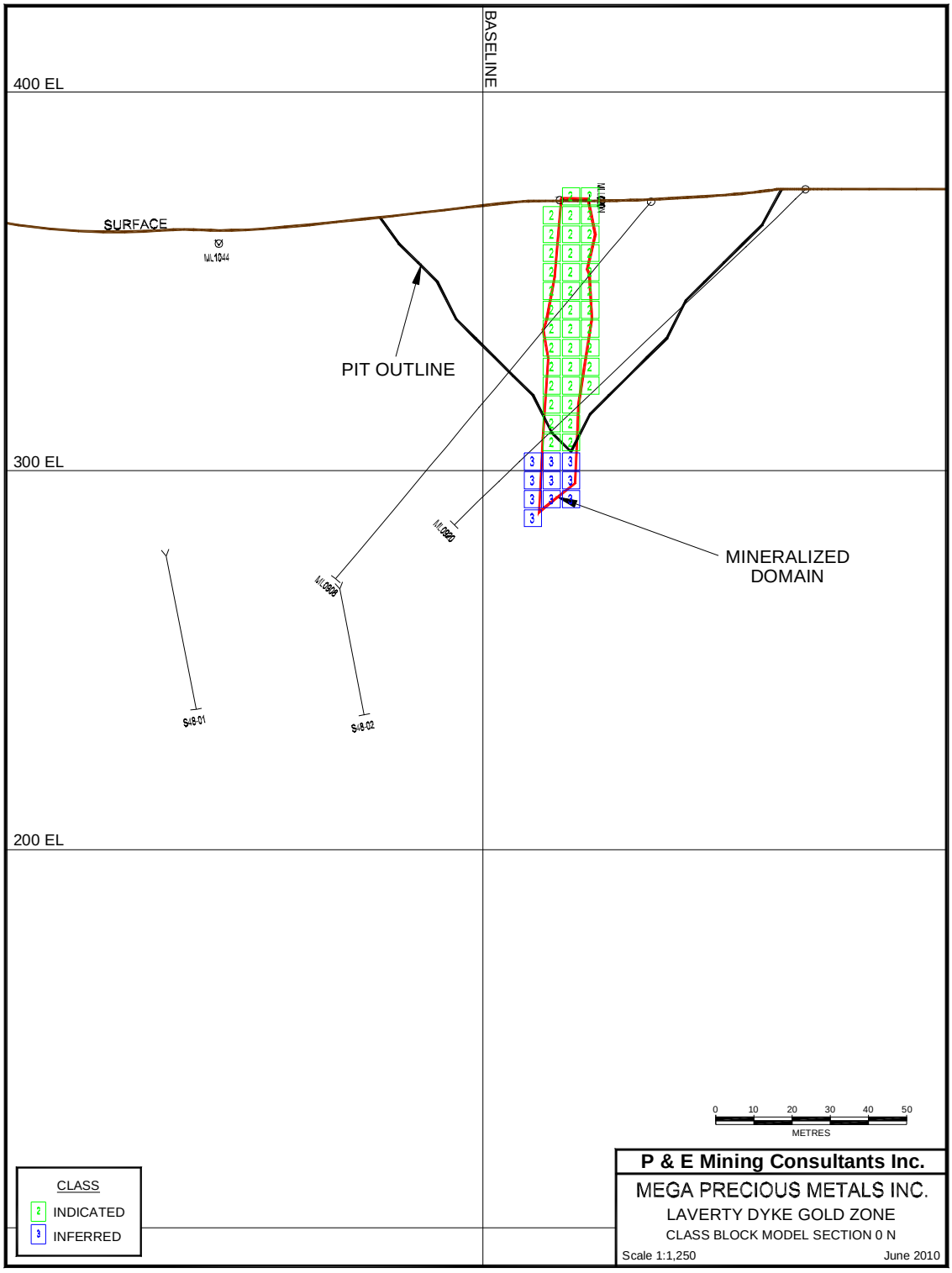
June 2010

29.0 APPENDIX VI CLASSIFICATION BLOCK MODEL CROSS SECTIONS AND PLANS



30.0 APPENDIX VII OPTIMIZED PIT SHELL

LAVERTY DYKE GOLD ZONE OPTIMIZED PIT SHELL