

Technical (NI43-101) Report

on the

Odd Twins Magnetic Anomaly And Its Industrial Mineral Potential

Long Point, Port au Port Peninsula
Newfoundland and Labrador
NTS 12B/10

License 016508M

prepared for

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3.0 Summary

The Odd Twins property (License 016508M) consists of 313 claims totaling 12,500 Acres (approx. 4,900 Ha) on and offshore Long Point, Port au Port Peninsula, western Newfoundland. The property was staked on September 28, 2009, and is 100% owned by Tectonics Inc. Monarch Energy will purchase a 60-per-cent working interest (subject to a 2-per-cent net smelter royalty) in mineral licence 016508M, comprising 68 claims (approximately 1,700 hectares, 4,352 acres); mineral licence 018019M, comprising 121 claims (approximately 3,025 hectares, 7,744 acres); mineral licence 018035M, comprising 121 claims (approximately 3,025 hectares, 7,744 acres); and mineral licence 018387M, comprising three claims (approximately 75 hectares, 290 acres). Monarch will agree to enter into a joint venture with the holder of the remaining 40-per-cent interest for the exploration, development and exploitation of the licensed area. The consideration payable by Monarch will be the issuance to Tectonics Inc. or its assigns of 39.45 million shares, following a 1-to-1.75 consolidation, at a deemed price of five cents per share. The work described herein was carried out on the property in summer 2010 and the property was staked for its heavy and opaque mineral potential (principally magnetite, ilmenite and chromite). The minerals are found as detrital minerals within sandstone of the Late Ordovician Long Point Group. Its industrial heavy mineral potential was alluded to by Waldron et al (1997) during follow-up of a twin peak magnetic anomaly, first discovered and described by Ruffman and Woodside (1970). The Winterhouse Fm, poorly exposed on land, is dominated by clastic sediments with subordinate limestone conglomerates and a type section of 320 m was described as overlying the Lourdes Fm. The Misty Point formation is composed of red, cross-bedded & parallel laminated sandstones interpreted as marginal marine to terrestrial. The western magnetic anomaly lies within the Misty Point Fm. Two recent heavy mineral beach deposits that are analogous to the Odd Twins palaeoplacer are located in South Maharashtra, Central India (Gujar, et. al, 2010) and the Geelwal Karoo heavy mineral deposit described by MacDonald & Rozendaal (1995) from a South African beach. The exploration concept is to seek economic concentrations of heavy minerals from Long Point Group sandstones. The property is at an early stage of exploration and evaluation. A \$200,000 program to evaluate the industrial mineral potential of Odd Twins is recommended. It will entail industrial mineral testing and drilling of three holes to determine grade, depth and continuity of the heavy mineral-bearing units.

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4.0 Introduction and Terms of Reference

At the request of Michael Turko, director of Monarch Energy Inc., the author has prepared a technical report on the Odd Twins project, on the Port au Port peninsula, western Newfoundland . This technical report was written by Ulrich Kretschmar, PhD, P. Geo. (APGO No.1160), the "Author", in accordance with the requirements of National Instrument 43-101 (NI 43-101 – Standards of Disclosure for Mineral Projects), Companion Policy 43-101CP, and Form 43-101F1 of the Canadian Securities Administrators (CSA). The purpose of the report is to summarize work to date on the property and to make recommendation on how to proceed with its further development.

The following technical report ("The Report") is intended for use by Monarch Energy Ltd. in support of a transaction that will permit a vend-in of the property from Tectonics Inc. The Report describes and assesses the palaeoplacer and industrial mineral potential of the property and provides recommendations including a work plan and budget for future exploration. The main sources of information are Langdon ([2010](#)) and Waldron et al. ([2002](#)). The author visited the property on January 26, 2011.

4.1 List of Abbreviations

In this report, monetary units are Canadian dollars (C\$) unless specified in United States dollars (US\$). The metric system of measurements and units has been used as defined in Table 4-1.

**Table 4-1 List of Abbreviations
Odd Twins Project Area, Port au Port, Newfoundland**

<u>Abbreviation</u>	<u>Meaning</u>
tonnes or t	metric tonnes
kg	Kilograms
g	Grams
Oz	ounce (31.1035 grams)
g/t	grams per tonne, equivalent to ppm
ppm, ppb	parts per million, parts per billion
m	Meters
km	Kilometers
m ³	cubic Meters
Ha	hectare (2.471 acres)