Report of Induced Polarization Surveys

On the

Panama Property

Slate Lake Area, Ontario

Red Lake Mining Division

Claim Nos.

4208446, 4208447

For

Metals Creek Resources Corp.

May 15, 2010
Timmins, Ontario

Matthew Johnston

1226 Gatineau Blvd.
Timmins, Ont. P4R 1E3

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Map	Scale
IP/Resistivity Pseudo-Sections Lines 9200E, 9300E, 9700E, 9800E	1:2500

1.0 Introduction

The Panama property of Metals Creek Resources Ltd. consists of two unpatented mining claims numbered 4208446, and 4208447; located in northwest Ontario.

The work described in this report occurred on portions of these claims located in central Slate Lake Area; Red Lake Mining Division. Between February 5 and 7th, 2010, a program geophysical surveys was conducted over this claim group. The geophysical program consisted of induced polarization surveying on a previously cut grid. Ray Meikle and Associates of North Bay, Ontario, carried out the geophysical surveys.. These surveys were carried out in order to map any discrete anomalies that may be associated with structural deformation, or economic concentrations of massive or disseminated sulphide mineralization associated with gold mineralization.

2.0 Location And Access

The Panama property is located approximately 56 kilometers northeast of the town of Ear Falls, Ontario, in the north central portion of Slate Lake Area. Ear Falls is located approximately 70 kilometers south of the town of Red Lake, Ontario, via provincial highway 105. Access to the property is by way of a winter road, which originates from the Ben Lake Road, extends north over Lower Slate Lake to Anape lake and east to Panama Lake; a total distance of 4 kilometers. Access may also be created through newly created logging roads (see figures 1 and 2).

3.0 Summary of 2010 Geophysical Program

The geophysical program consisted of induced polarization and resistivity surveying (I.P.). These surveys were carried out on a grid of previously cut lines oriented at 152° and spaced every 100 meters and chained and marked every 25 meters. It was the intention to survey all of the grid lines; however due to severe cold and little snow cover; the land portions of the grid area were not completely surveyed due to a lack of sufficient electrical contact with frozen ground within the grid area.

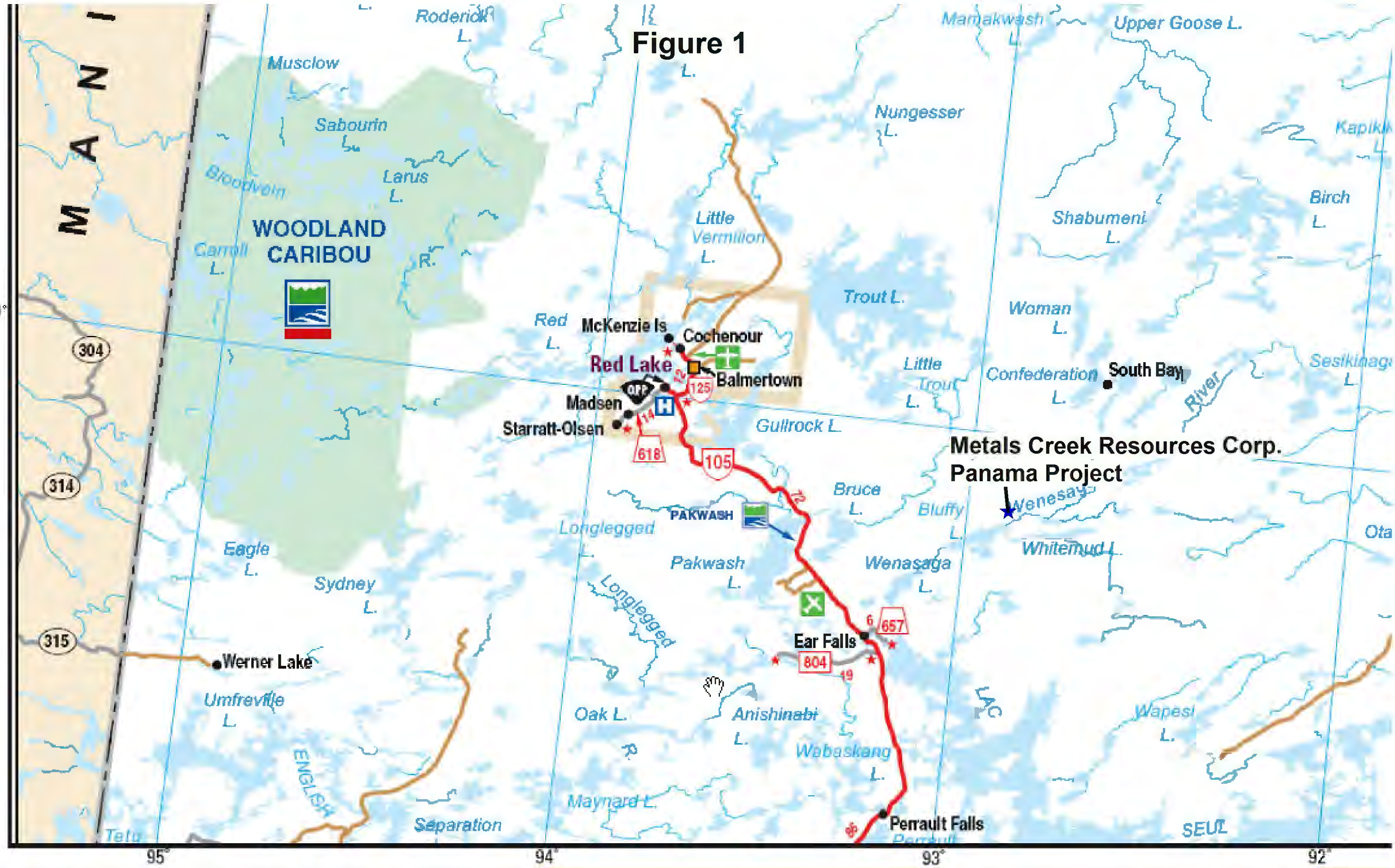


Figure 1
Metals Creek Resources Corp.
Panama Project
WOODLAND
CARIBOU
Red Lake
McKenzie Is
Cochenour
Balmertown
Madsen
Starratt-Olsen
Ear Falls
Perrault Falls
Werner Lake
South Bay
PAKWASH
Musclow L.
Sabourin L.
Larus L.
Roderick L.
Nungesser L.
Little Vermilion L.
Trout L.
Gullrock L.
Bruce L.
Bluffy L.
Wenasaga L.
Pakwash L.
Longlegged L.
Eagle L.
Sydney L.
Umfreville L.
Oak L.
Anishinabi L.
Wabaskang L.
Maynard L.
Separation
Mamakwash L.
Upper Goose L.
Shabumeni L.
Woman L.
Confederation L.
Little Trout L.
Whitemud L.
Birch L.
Wapesi L.
Carroll L.
Red L.
Bloodvein
304
314
315
105
618
125
657
804
51°
95°
94°
93°
92°

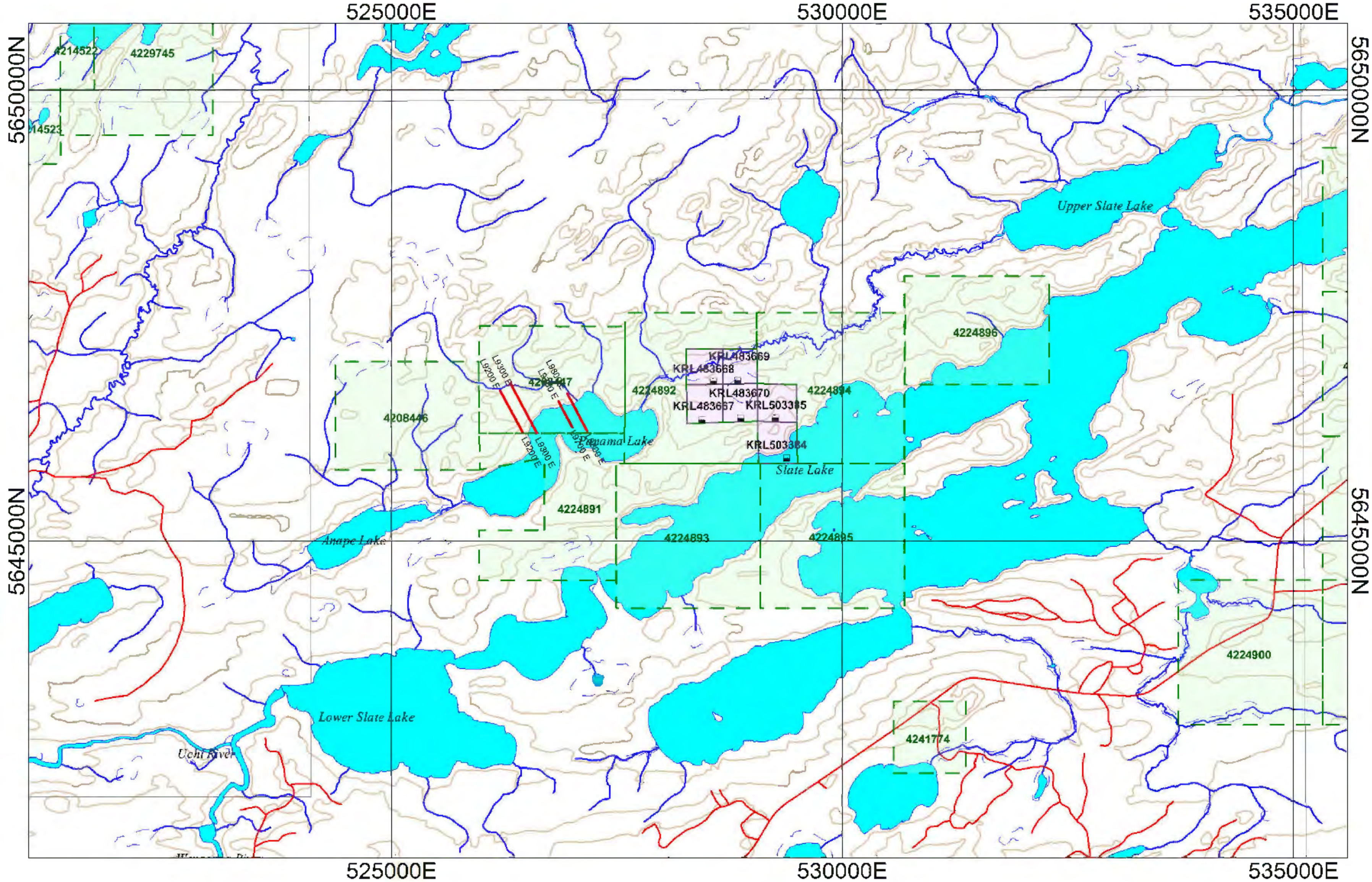


FIGURE 2

PANAMA PROPERTY - Slate Lake Area

2010 IP Survey Lines

1000 0 1000 2000 3000

(meters)

GRS 1980 / UTM zone 15N

The I.P. survey was performed using a dipole-dipole electrode configuration. The dipole ‘a’ spacing was 25 meters and increasing separations of n=1, n=2, n=3, and n=4 times the dipole spacing was measured in order to map the response at depth. A total of approximately **2.35 km**. of I.P. data was measured and recorded. The I.P. equipment used for the survey consisted of a Phoenix IPT-1 3000 watt transmitter operating in the time domain powered by a 2 kilowatt motor generator. The chargeability (measured in mV/V) between the transmitted current and the received voltage is recorded by an Iris Elrec IP Pro receiver which records the chargeability and the apparent resistivity for each set of dipoles. The chargeability measured in this survey is a measure of the polarization of the underlying lithology.

3.0 Discussion of Results

The results of the I.P. survey are presented as contoured and posted pseudo-sections of the apparent resistivity and recorded chargeability’s at a scale of 1:2500. All maps accompany this report in the pocket at the back of this report.

Only one significant IP chargeability anomaly was mapped by the survey. It is located on Line 9200E at 9150N. This is a well defined IP anomaly coincident with a resistivity low; indicative of a conductive source lithology. The IP responses on the other lines are likely affected by the poor electrical contact with the frozen ground.

5.0 Conclusions and Recommendations

The induced polarization survey completed over the Panama grid was successful in mapping only one zone of anomalous I.P. effects, as well as mapping the bedrock resistivity. The interpreted I.P. anomaly is moderate to strong in strength and generally well defined and will likely require further investigation in order to determine it's cause. The rest of the grid will require surveying when the ground is less frozen.

If further geophysical surveying is contemplated it is recommended to complete the IP survey over the rest of the grid in order to more accurately map any anomalies as well as provide more detail to the underlying lithology and structure.

Any existing geological, diamond drilling or geochemical information that may exist in the mining recorder assessment files should be investigated and compiled prior to further exploration of the Panama property in order to accurately assess the area of the current geophysical survey and to determine the most effective follow-up exploration method for these anomalies.

Respectively Submitted,

Matthew Johnston

Statement of Qualifications

This is to certify that: MATTHEW JOHNSTON

I am a resident of Timmins; province of Ontario since June 1, 1995.

I am self-employed as a Consulting Geophysicist, based in Timmins, Ontario.

I have received a B.Sc. in geophysics from the University of Saskatchewan; Saskatoon, Saskatchewan in 1986.

I have been employed as a professional geophysicist in mining exploration, environmental and other consulting geophysical techniques since 1986.

Signed in Timmins, Ontario, this May 15, 2010

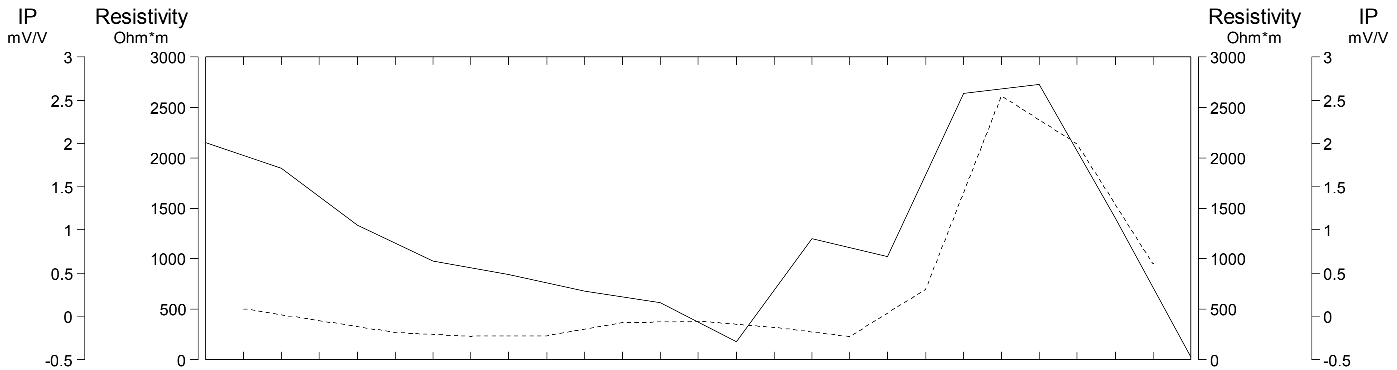
Appendix A

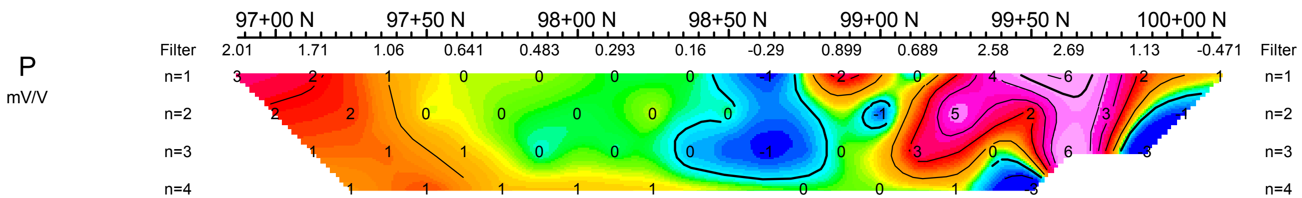
Induced Polarization Surveys

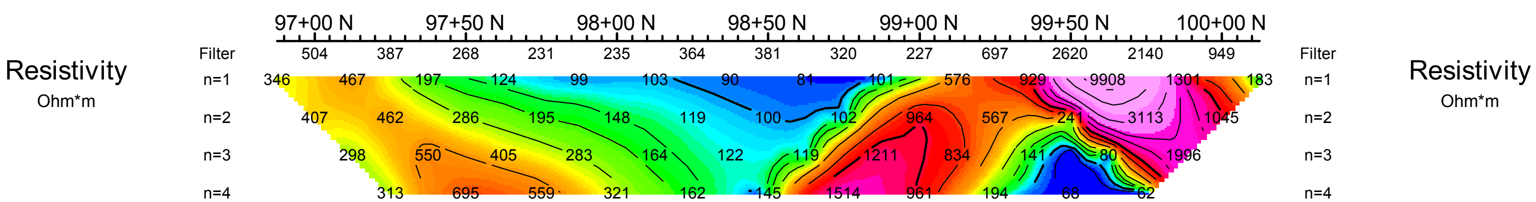
Time domain IP surveys involve measurement of the magnitude of the polarisation voltage (Vp) that results from the injection of pulsed current into the ground.

Two main mechanisms are known to be responsible for the IP effect although the exact causes are still poorly understood. The main mechanism in rocks containing metallic conductors is electrode polarisation (overvoltage effect). This results from the build up of charge on either side of conductive grains within the rock matrix as they block the flow of current. On removal of this current the ions responsible for the charge slowly diffuse back into the electrolyte (groundwater) and the potential difference across each grain slowly decays to zero. The second mechanism, membrane polarisation, results from a constriction of the flow of ions around narrow pore channels. It may also result from the excessive build up of positive ions around clay particles. This cloud of positive ions similarly blocks the passage of negative ions through pore spaces within the rock. On removal of the applied voltage the concentration of ions slowly returns to its original state resulting in the observed IP response. In TD-IP the current is usually applied in the form of a square waveform, with the polarisation voltage being measured over a series of short time intervals after each current cut-off, following a short delay of approximately 0.5s. These readings are integrated to give the area under the decay curve, which is used to define Vp. The integral voltage is divided by the observed steady voltage (the voltage due to the applied current plus the polarisation voltage) to give the apparent chargeability (Ma) measured in milliseconds or mV/V. For a given charging period and integration time the measured apparent chargeability provides qualitative information on the subsurface geology.

The polarisation voltage is measured using a pair of non-polarising electrodes similar to those used in spontaneous potential measurements and other IP techniques.



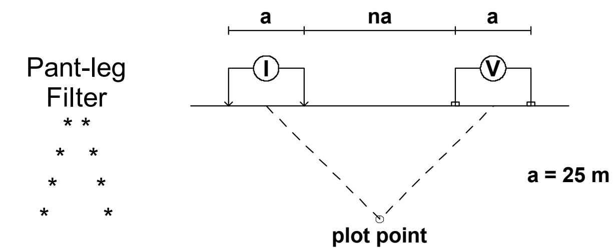




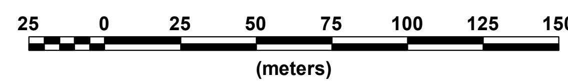
Pseudo Section Plot

97+00 E

Dipole-Dipole Array



Scale 1:2500



METALS CREEK RESOURCES CORP.

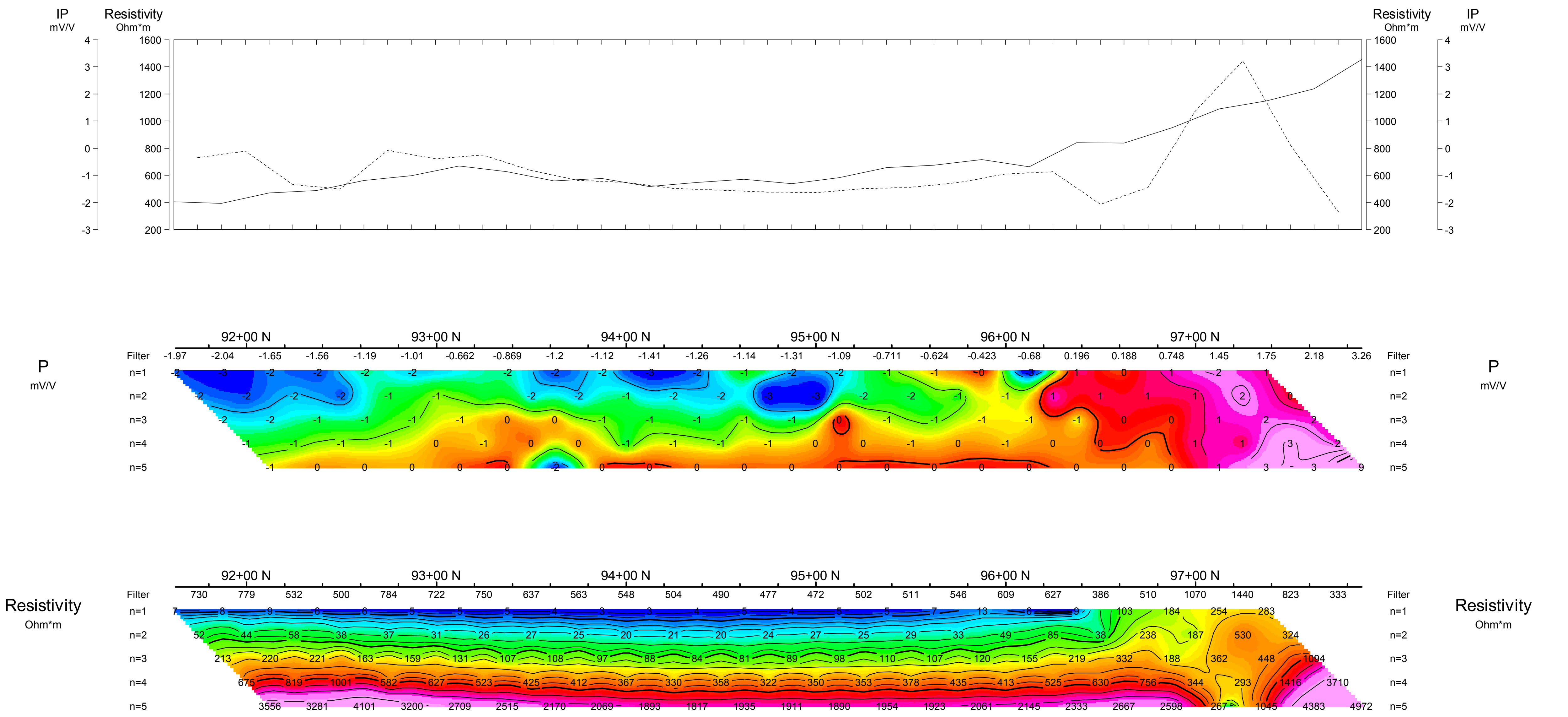
INDUCED POLARIZATION SURVEY

PANAMA PROPERTY

FEBRUARY 2010

Slate Lake Area
Red Lake Mining Division

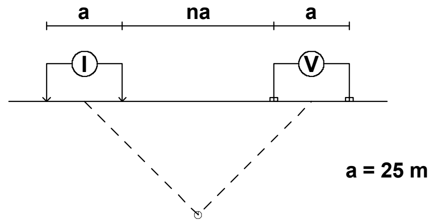
SURVEYED BY: R.J. MEIKLE AND ASSOCIATES



Pseudo Section Plot

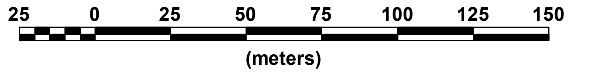
93+00 E

Dipole-Dipole Array



Pant-leg Filter

Scale 1:2500



METALS CREEK RESOURCES CORP.

INDUCED POLARIZATION SURVEY

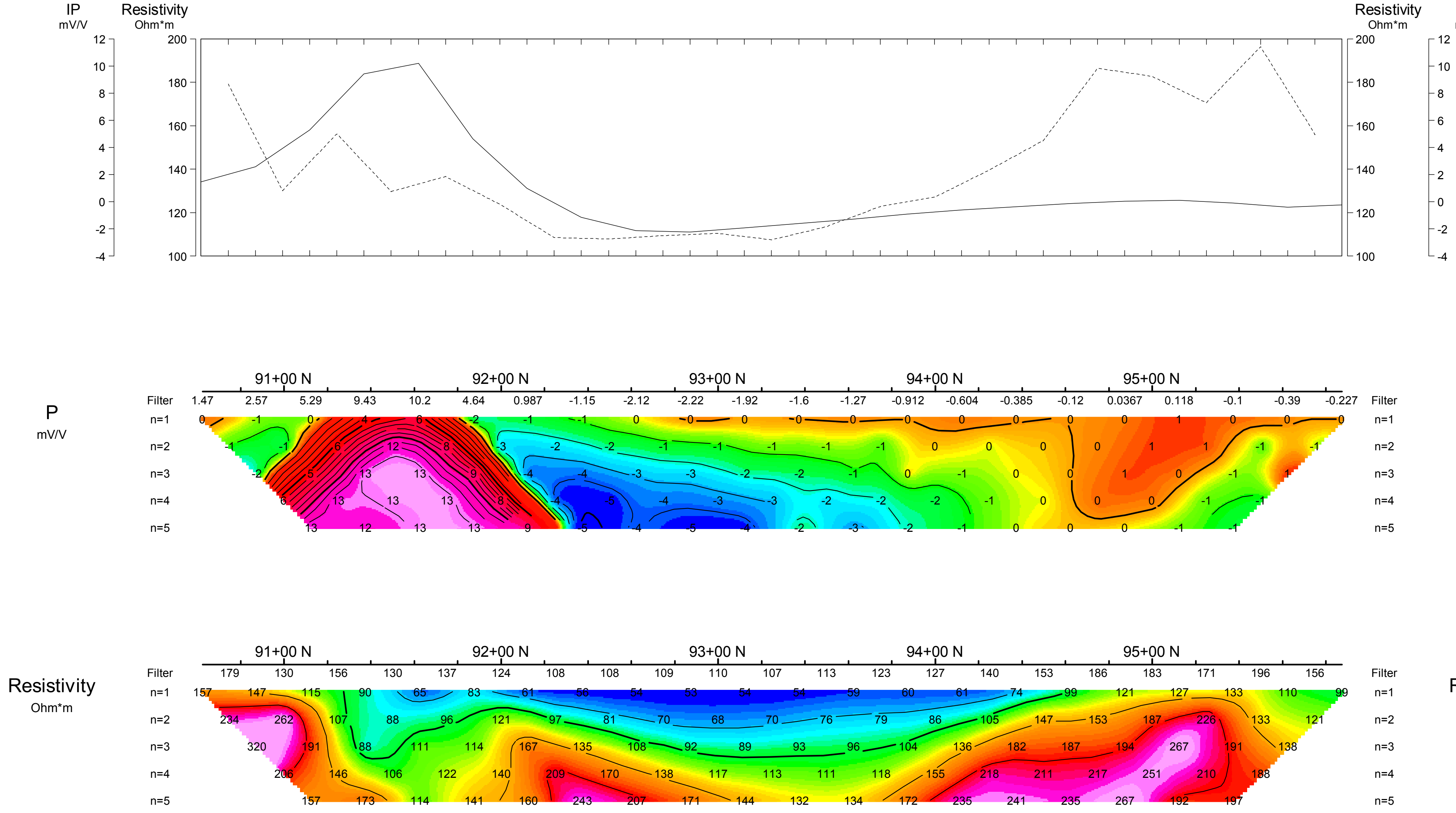
PANAMA PROPERTY

FEBRUARY 2010

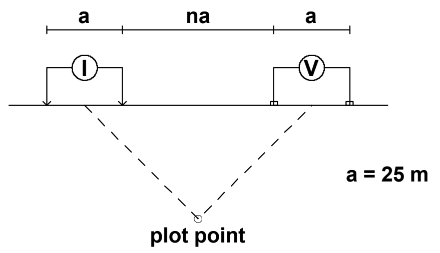
Slate Lake Area
Red Lake Mining Division

SURVEYED BY: R.J. MEIKLE AND ASSOCIATES

Pseudo Section Plot
92+00 E

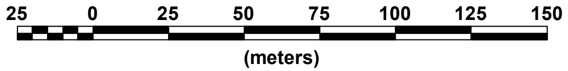


Dipole-Dipole Array



Pant-leg
Filter

Scale 1:2500



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INDUCED POLARIZATION SURVEY

PANAMA PROPERTY

FEBRUARY 2010

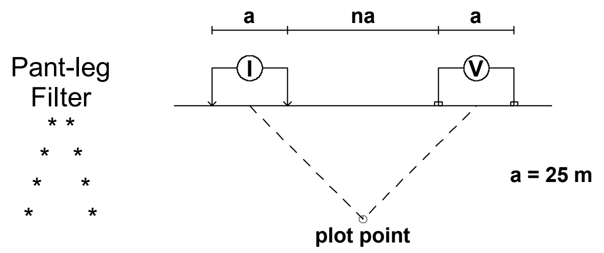
Slate Lake Area
Red Lake Mining Division

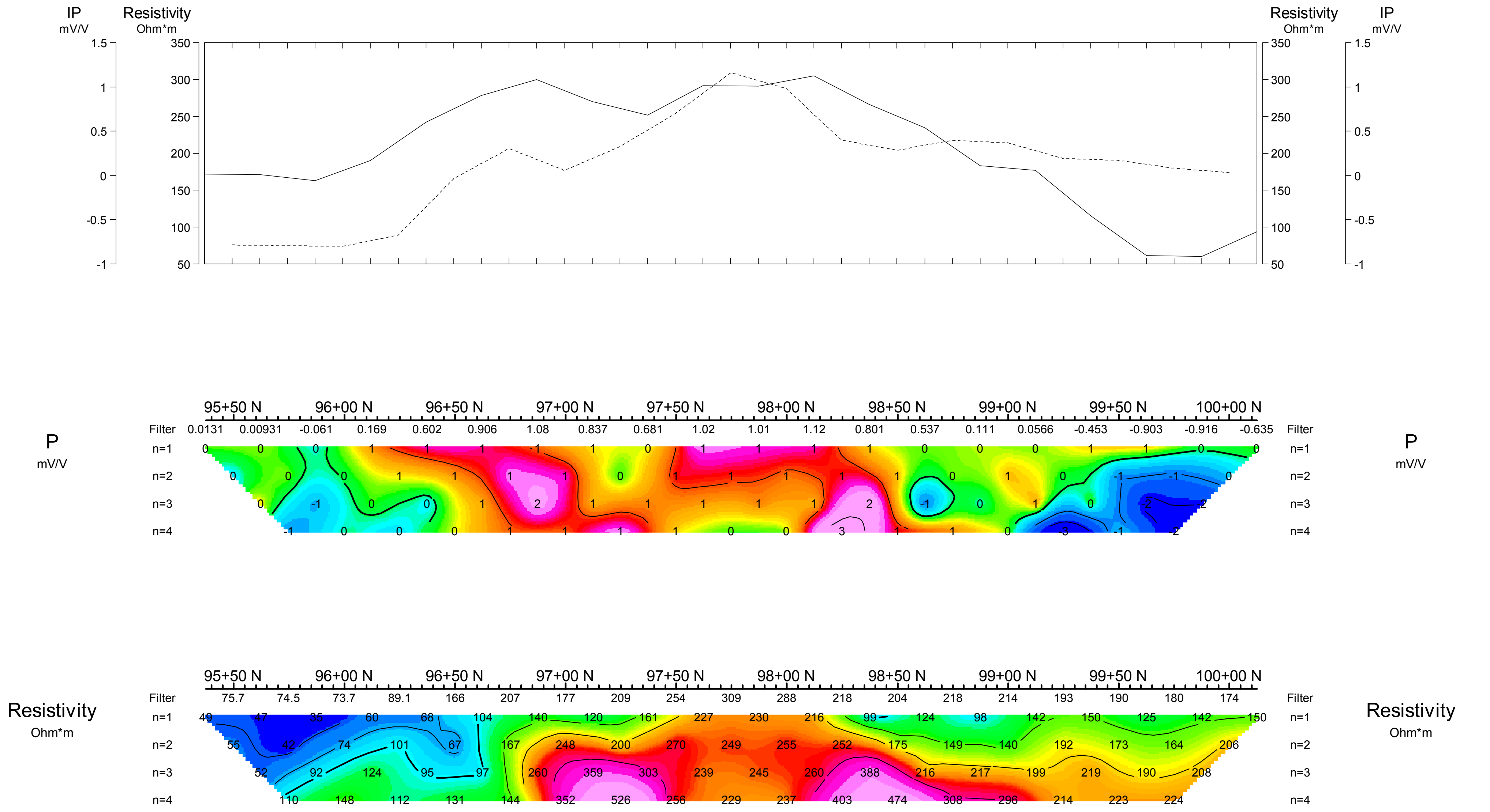
SURVEYED BY: R.J. MEIKLE AND ASSOCIATES

Pseudo Section Plot

98+00 E

Dipole-Dipole Array





Scale 1:2500

25 0 25 50 75 100 125 150

(meters)

METALS CREEK RESOURCES CORP.

INDUCED POLARIZATION SURVEY

PANAMA PROPERTY

FEBRUARY 2010

Slate Lake Area
Red Lake Mining Division

SURVEYED BY: R.J. MEIKLE AND ASSOCIATES