

LOG NO: SEP 17 1992 RD.

ACTION.

FILE NO:

NTS 92 H/9
Lat 49° 30'N
Long 120° 02'W

SUB-RECORDER
RECEIVED

AUG 28 1992

M.R. #.....\$.....
VANCOUVER, B.C.

GEOLOGICAL AND GEOCHEMICAL
REPORT
on the
HED PROPERTY
Osoyoos Mining Division, B.C.
GEOLOGICAL BRANCH
ASSESSMENT REPORT

22,501

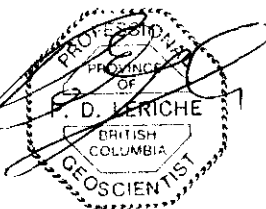
for

SEGURO CONSULTING INC.
330 East 23rd Street
North Vancouver, B.C. V7L 3E5
Tel: (604) 984-7211 Fax: (604) 986-6150

by

Peter Leriche, B.Sc., P.Geo.

RELIANCE GEOLOGICAL SERVICES INC.
241 East 1st Street
North Vancouver, B.C. V7L 1B4
Tel: (604) 984-3663 Fax: 988-4653



26 August 1992

SUMMARY

At the request of Seguro Consulting Inc, Reliance Geological Services carried out an exploration program consisting of geological mapping and rock sampling on the Hed property during September 1991 and June 1992.

The Hed property comprises two contiguous mineral claims totalling 38 units in the Osoyoos Mining Division. The property is situated approximately 30 km southwest of Summerland B.C., and is accessible by 2 wheel drive vehicle.

Previous work includes geological mapping, geochemical surveys, magnetic and IP surveys, and percussion and diamond drilling by Placer Development and Anaconda. Three geochemically anomalous (Cu, Mo) areas were identified, including a mineralized belt 1000 meters x 25 meters. Drilling has intersected vertically dipping zones with significant copper/molybdenum/gold mineralization.

The claims are underlain by equigranular, medium to coarse grained granitic rocks of granodiorite to granite composition. Alteration includes weak to moderate pervasive propylitic, weak sericitic and clay, and local zones of silicification and epidotization.

Hypogene mineralization includes chalcopyrite, bornite, molybdenite and magnetite in quartz stockworks and veins and within shear zones and fractures, and occasionally as disseminations. An oxidized zone is found from surface to approximately 50 meters in depth and contains malachite, goethite, chalcocite, azurite and rare native copper.

Five samples were collected in 1991/92 from weakly to moderately altered granodiorite/quartz monzonite. Results ranged up to 1300 ppm Cu, 907 ppm Mo, 22.9 ppm Ag and 165 ppb Au.

Further work consisting of grid establishment, geological mapping and magnetic, VLF-EM, IP geophysical surveys, followed by diamond drilling, has been recommended to test the potential of the property to host an economic porphyry Cu, Mo, Au deposit.

TABLE OF CONTENTS

HED Property

| | | |
|----------|--|-------------|
| | SUMMARY ✓ | |
| 1. | INTRODUCTION | 1 / |
| 2. | LOCATION, ACCESS, and PHYSIOGRAPHY | 2 / |
| 3. | PROPERTY STATUS | 3 / |
| 4. | PREVIOUS WORK | 4 / |
| 5. | REGIONAL GEOLOGY | 5 / |
| 6. | PROPERTY GEOLOGY | 6 / |
| 7. | 1991/92 WORK PROGRAM | 7 / |
| | 7.1 Methods and Procedures | 7 / |
| | 7.2 Results: | |
| | 7.2.1 Geology. | 7 / |
| | 7.2.2. Thin Section Analysis. | 8 / |
| | 7.2.3 Rock Geochemistry. | 9 / |
| 8. | DISCUSSION | 10 / |
| 9. | CONCLUSIONS. | 11 / |
| 10. | RECOMMENDATIONS | 12 / |
| | REFERENCES | 13 / |
| | CERTIFICATE. | 14 / |
| | ITEMIZED COST STATEMENT..... | 15 / |
| FIGURE | 1: General Location Map | 2a / |
| | 2: Claim Map | 3a / |
| | 3: Compilation of 1972 Results | 4a / |
| | 4: Regional Geology | 5a / |
| | 5: Geology and Rock Geochemistry | in pocket / |
| TABLE | 1: 1972 Percussion Drill Results | 4b / |
| | 2: 1981 Percussion Drill Results | 4c / |
| | 3: 1981 Diamond Drill Results | 4d / |
| APPENDIX | A: Analytical Results | |
| | B: Thin Section Report | |

1.

INTRODUCTION

This report was prepared at the request of Seguro Consulting Inc to describe and evaluate the results of a geochemical-thin section program carried out by Reliance Geological Services Inc on the HED claims in the Summerland area, Osoyoos Mining District, B.C.

The field work was undertaken for the purpose of evaluating the potential of the property to host porphyry copper style copper/gold mineralization.

Field work was carried out on September 18 and 19, 1991 by J. Fleishman (prospector) and on June 28, 1992 by the author and J. Fleishman.

This report is based on published and unpublished information and the maps, reports and field notes of J. Fleishman and P. Leriche.

2. LOCATION, ACCESS and PHYSIOGRAPHY (Figures 1 & 2)

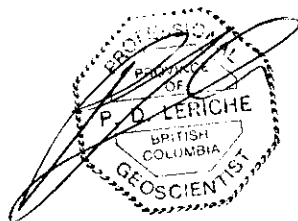
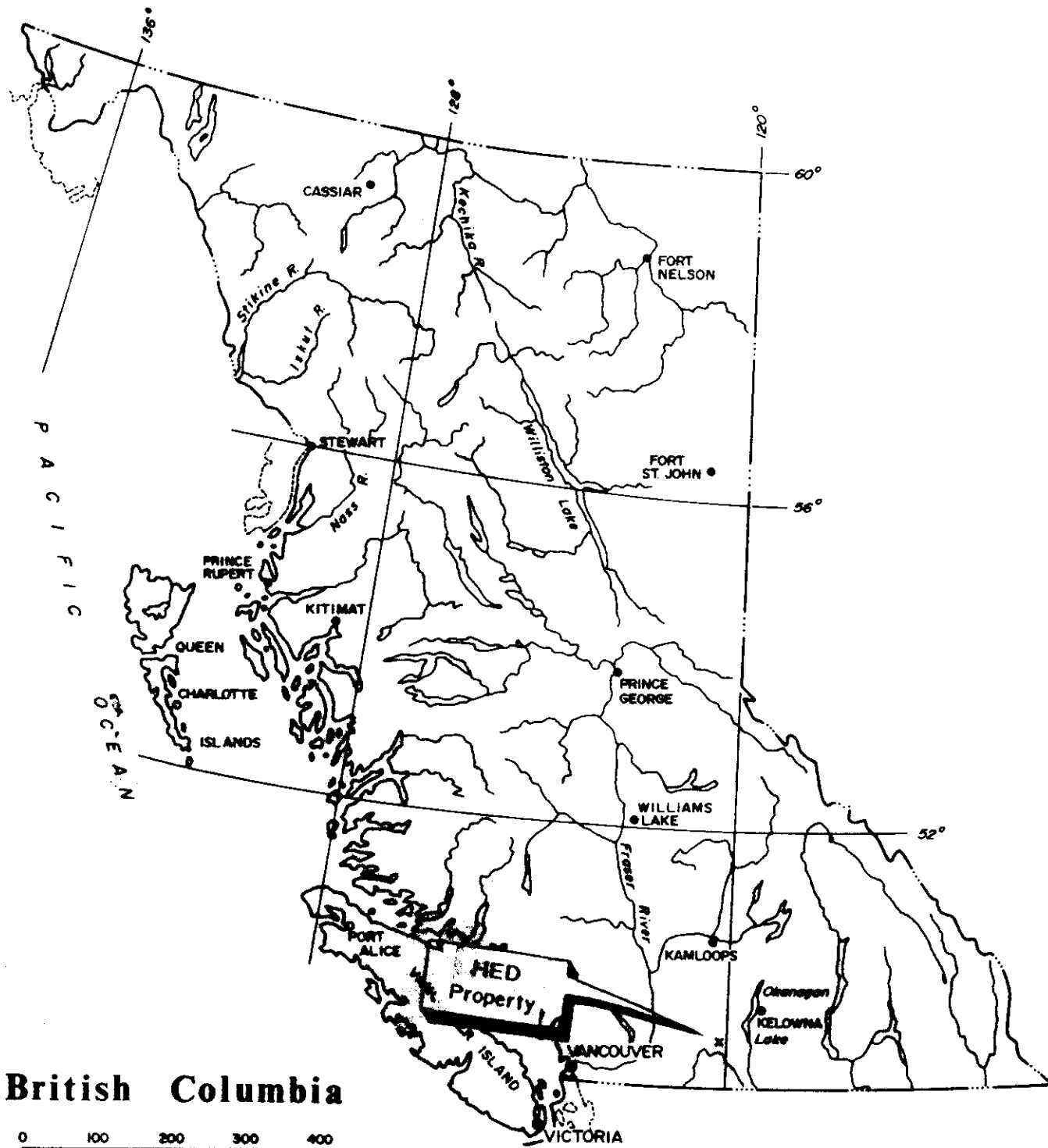
The HED claims are situated in the Osoyoos Mining Division, approximately 30 kilometers southwest of Summerland, B.C. (Figures 1 and 2).

The claims are located on Map Sheet NTS 92H/9, at latitude 49° 30' North, longitude 120° 02' West.

Road access is east from Summerland via the all weather McNulty logging road which crosses the property 2 km east of Isintok Lake. From there a gravel road branches off the McNulty road and leads to the central part of the claim group.

The property is on moderate terrain, with slopes rising from approximately 1600 meters to 1950 meters. Logging has been carried out recently on 50% of the property.

Recommended work season is mid-May to mid-November.



| | | |
|--|---------------|----------|
| SEGURO CONSULTING INC | | |
| HED PROPERTY | | |
| Osoyoos M.D., B.C. | | |
| General Location Map | | |
| Scale noted above | N.T.S. 92 H/9 | Drawn by |
| Date June 1992 | Geologist | Figure 1 |
| RELIANCE GEOLOGICAL SERVICES INC. | | |

3. PROPERTY STATUS

The property consists of two contiguous mineral claims (Figure 2) totalling 38 units in the Osoyoos Mining Division. The claims are registered in the name of John Fleishman and are beneficially owned 100% by Seguro Consulting Inc.

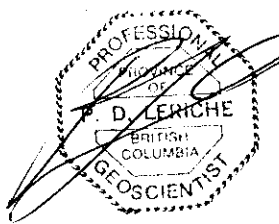
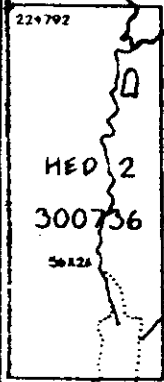
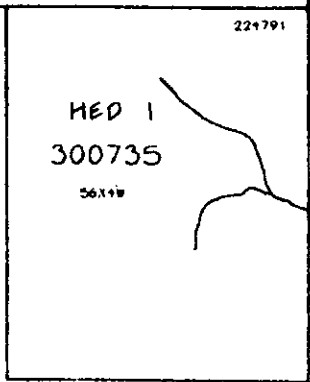
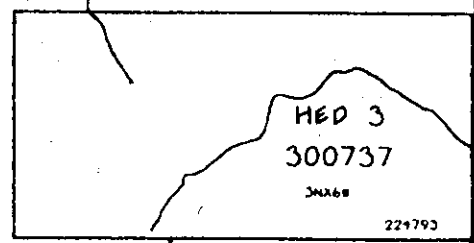
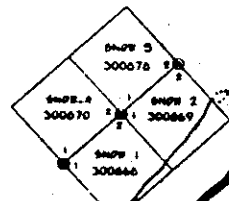
Details of the claims are as follows:

| <u>Claim</u> | <u>Record Number</u> | <u>Units</u> | <u>Record Date</u> | <u>Expiry Date</u> |
|--------------|----------------------|--------------|--------------------|--------------------|
| Hed 1 | 300735 | 20 | 01 Jun 1991 | 01 Jun 1993 |
| Hed 3 | 300737 | 18 | 01 Jun 1991 | 01 Jun 1993 |

The total area covered by the claims is 950 hectares, or 2347 acres.

The writer is not aware of any particular environmental, political, or regulatory problems that would adversely affect mineral exploration and development on the Hed Property.

| | | | |
|----|----------------------|----------------------|-------------------|
| 9 | 191M 11 301502 | 191M 13 301501 | 191M 15 301506 |
| 10 | 191M 12 301503 | 191M 14 301504 | 191M 16 301507 |
| 1 | 191M 2 303171 | 191M 3 303175 | 191M 4 303176 |
| 5 | 7080 #1 3598 (10) | 7080 #2 3598 (10) | 191M 5 303177 |
| | 7080 #3 303178 | 7080 #4 303179 | |



SEGURO CONSULTNG INC

HED PROPERTY
Osoyoos M.D., B.C.

Claim Map

| | | |
|----------------|---------------|----------|
| Scale 1:50,000 | N.T.S. 92 H/9 | Drawn by |
| Date June 1992 | Geologist | Figure 2 |

RELiance GEOLOGICAL SERVICES INC.

4. PREVIOUS WORK (Figure 3)

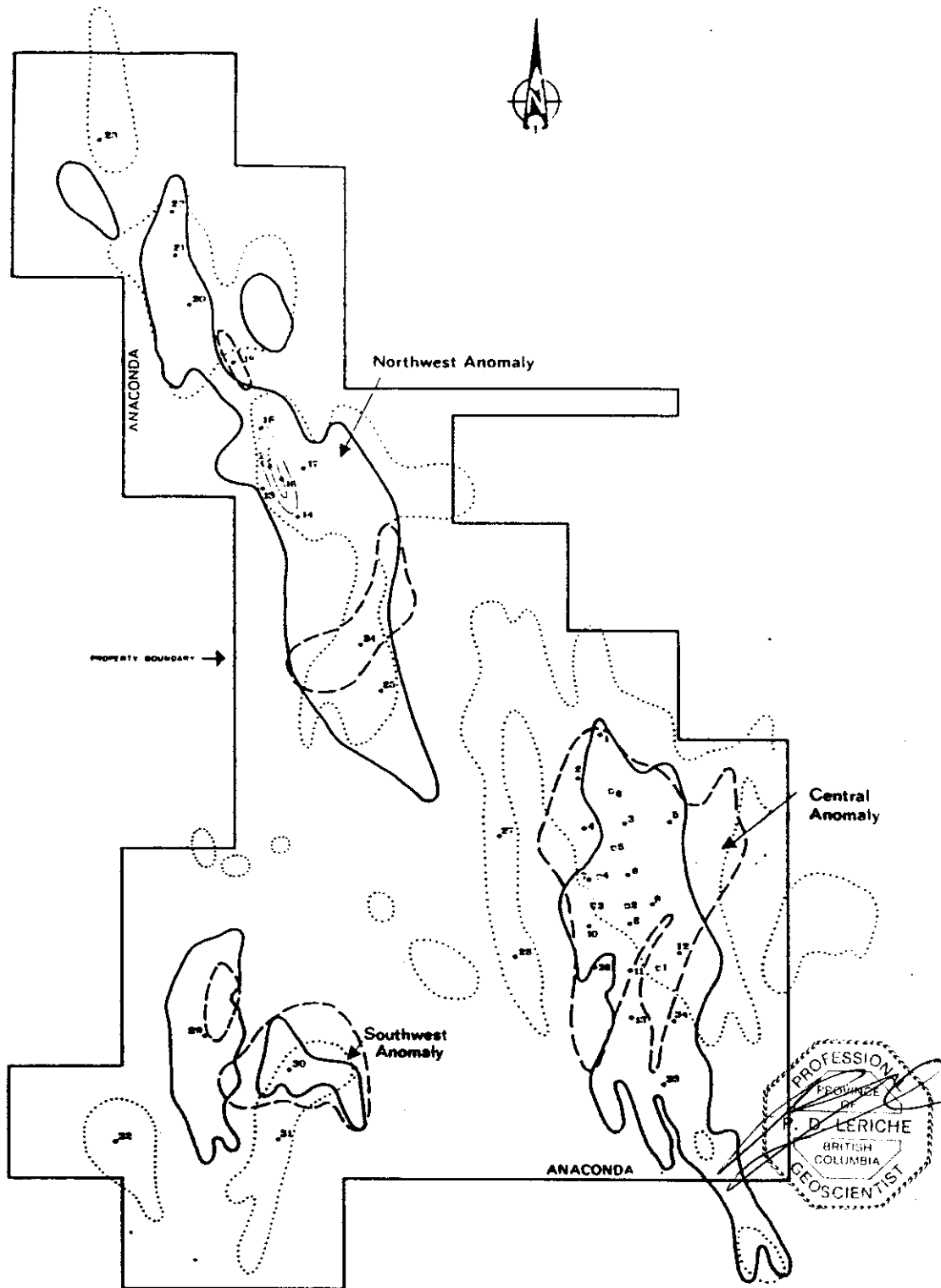
In 1969, the HED property was staked by Anaconda to cover an area with anomalous copper and molybdenum values in stream sediments. Geological mapping and soil sampling were carried out.

In 1971, Placer Development performed a program consisting of road construction, line cutting, soil sampling and a test IP survey. Three areas of Cu-Mo soil anomalies were located. Two of the anomalies were on strike and outlined a zone approximately 5 km long and 150 m to 700 m wide. In 1972, Placer completed 22 km of IP lines over the three anomalous areas and drilled six percussion holes to depths ranging from 51 to 75 meters. One hole returned values of 0.35% copper and 0.07% molybdenum over a width of 18.3 meters (Fig. 3). See Table 1 for summary of 1972 drilling.

In 1981, Anaconda completed geological mapping, petrochemistry, additional soil sampling, and a limited magnetometer survey, to test the 3 geochemically anomalous areas. On the central anomaly, percussion drilling (2805.5 meters in 39 holes) was followed by 598.7 meters of NQ diamond drilling. Samples were assayed for Ag, Cu, Mo, and Au. (Tables 2 and 3.)

Within the central anomaly, the exploration program outlined a 1000 x 250 meter belt which has steeply dipping to sub-vertical irregularly spaced zones of copper/molybdenum mineralization.

The highest anomalous Au value was 1180 ppb over 3.05 meters in percussion drill hole #34, drilled in weakly mineralized granodiorite. The 3 meter section returned relatively low values in copper, molybdenum and silver.



LEGEND

- > 100 mts. G₁ in Series
- > 4 mts. G₁ in Series
- 1.0 anomalies only
- 20 Proposed 100 mts. interval and base, one and number
- 5 PLACEMENT 100 mts. interval and base, one and number



After Rice, 1981

4a

| | | |
|--|---------------|----------|
| SEGURO CONSULTING INC | | |
| HED PROPERTY | | |
| Osoyoos M.A., B.C. | | |
| Compilation of | | |
| 1972 Results | | |
| Scale | N.T.S. 62 H/S | Drawn by |
| Date June 1992 | Geologist | Figure 3 |
| RELIANCE GEOLOGICAL SERVICES INC. | | |

Table 1

ASSAY RESULTS, 1972 PLACER'S
PERCUSSION DRILLING

| | From(m) | To(m) | Cu(%) | Mo(%) | Ag(ppm) |
|------------------|---------|-------|-------|-------|---------|
| <u>Hole PD 1</u> | 8.5 | 11.6 | 0.12 | .0015 | 1.80 |
| | 23.7 | 26.8 | 0.10 | .0015 | 1.30 |
| | 2.4 | 75.6 | 0.04 | .002 | 0.35 |
| <u>Hole PD 2</u> | 42.0 | 48.2 | 0.12 | .007 | 0.48 |
| | 54.3 | 72.5 | 0.12 | .003 | 0.96 |
| | 60.4 | 66.4 | 0.20 | .007 | 1.81 |
| | 2.4 | 75.6 | 0.06 | .004 | 0.44 |
| <u>Hole PD 3</u> | 45.1 | 48.2 | 0.15 | .001 | 2.50 |
| | 2.4 | 66.4 | 0.03 | .002 | 0.35 |
| <u>Hole PD 4</u> | 2.4 | 5.5 | 0.13 | .002 | 1.80 |
| | 8.5 | 11.6 | 0.10 | .033 | 1.12 |
| | 17.6 | 20.8 | 0.47 | .011 | 2.50 |
| | 32.9 | 51.2 | 0.35 | .07 | 1.71 |
| | 39.0 | 48.2 | 0.51 | .132 | 2.53 |
| <u>Hole PD 5</u> | 8.5 | 35.9 | 0.09 | .015 | 1.01 |
| | 2.4 | 71.68 | 0.05 | .008 | 0.59 |
| <u>Hole PD 6</u> | 2.4 | 66.4 | 0.04 | .003 | 0.23 |

SUMMARY OF PERCUSSION DRILL HOLE GEOCHEMISTRY

| Hole No. | From | To | Interval (Metres) | Cu ppm | Mo ppm | Hole No. | From | To | Interval (Metres) | Cu ppm | Mo ppm | | | | | | | | | | | |
|----------|-------|--------|-------------------|--------|--------|----------|-------|-------|-------------------|--------|--------|-------|-------|-------|-------|-------|-------|------|-------|-------|-------|-------|
| 1 | 9.15 | 91.5 | 82.35 | 19.3 | 5.7 | 21 | 6.1 | 91.5 | 85.4 | 459 | 28.2 | | | | | | | | | | | |
| 2 | 1.5 | 67.1 | 65.6 | 1145 | 99.8 | 22 | 61.00 | 91.5 | 30.5 | 710 | 17.2 | | | | | | | | | | | |
| | 6.1 | 12.2 | 6.1 | 6320 | 279 | | 6.1 | 91.5 | 85.4 | 227.5 | 12.7 | | | | | | | | | | | |
| | 33.55 | 48.7 | 15.15 | 1268 | 206.3 | | 70.15 | 91.5 | 21.3 | 527.8 | 39.0 | | | | | | | | | | | |
| 3 | 6.1 | 54.9 | 48.8 | 205 | 6.12 | 23 | 4.1 | 91.5 | 87.4 | 45.97 | 3.5 | | | | | | | | | | | |
| 4 | 4.0 | 74.15 | 70.15 | 918 | 658 | 24 | 3.05 | 76.25 | 73.2 | 87.8 | 6.8 | | | | | | | | | | | |
| | 37.55 | 49.75 | 12.2 | 2011 | 1658 | | | | | | | | | | | | | | | | | |
| | 58.90 | 74.15 | 15.25 | 1430 | 1557.8 | | | | | | | | | | | | | | | | | |
| | 37.55 | 74.15 | 36.6 | 1400 | 1224 | | | | | | | | | | | | | | | | | |
| 5 | 6.1 | 94.55 | 88.45 | 56.6 | 9.3 | 26 | 3.05 | 91.5 | 88.45 | 165.5 | 5.9 | | | | | | | | | | | |
| | | | | | | | | | | | | 6 | 3.05 | 85.4 | 82.35 | 935.4 | 139.4 | 27 | 6.1 | 85.4 | 76.25 | 778.5 |
| 3.05 | 51.85 | 48.80 | 1011 | 197 | 6.1 | 15.25 | 9.15 | 2400 | 13 | | | | | | | | | | | | | |
| 7 | 6.1 | 70.15 | 64.05 | 959.04 | 175.3 | 28 | 6.1 | 91.50 | 85.40 | 361 | 15.7 | | | | | | | | | | | |
| | | | | | | | | | | | | 15.25 | 21.35 | 6.10 | 1475 | 350 | 39.65 | 91.5 | 51.85 | 548 | 29.3 | |
| | | | | | | | | | | | | 48.80 | 54.90 | 6.10 | 1140 | 578 | 39.65 | 48.8 | 9.15 | 860 | 14.7 | |
| 8 | 6.1 | 100.65 | 94.55 | 293.9 | 80.6 | 29 | 3.05 | 79.3 | 76.25 | 232.5 | 4.8 | | | | | | | | | | | |
| | | | | | | | | | | | | 76.25 | 94.55 | 18.3 | 806 | 417 | | | | | | |
| 9 | 6.1 | 82.35 | 76.25 | 900 | 315 | 30 | 6.1 | 91.5 | 85.4 | 129.8 | 4.5 | | | | | | | | | | | |
| | | | | | | | | | | | | 33.55 | 82.35 | 52.05 | 1172 | 487 | 31 | 6.1 | 67.1 | 61.0 | 219.5 | 35.5 |
| | | | | | | | | | | | | 33.55 | 61.0 | 27.45 | 1561 | 680 | | | | | | |
| | | | | | | | | | | | | 36.6 | 42.7 | 6.10 | 3400 | 1368 | | | | | | |
| 10 | 30.5 | 97.6 | 94.55 | 413 | 11.7 | 33 | 3.05 | 91.5 | 88.4 | 39.5 | 6.9 | | | | | | | | | | | |
| | | | | | | | | | | | | 11 | 6.1 | 48.8 | 42.70 | 2787 | 315 | 34 | 6.1 | 73.20 | 70.15 | 144.8 |
| 30.50 | 48.8 | 18.30 | 3557 | 529 | | | | | | | | | | | | | | | | | | |
| 12 | 3.05 | 71.70 | 68.65 | 54.7 | 5.1 | | | | | | | | | | | | | | | | | |
| 13 | 3.05 | 91.50 | 88.45 | 459.7 | 5.1 | 14 | 9.15 | 18.3 | 18.35 | 14 | 5.54 | | | | | | | | | | | |
| | | | | | | | | | | | | 9.15 | 18.3 | 9.15 | 18.35 | 14 | | | | | | |
| | | | | | | | | | | | | 57.95 | 91.50 | 33.55 | 459.4 | 5.54 | | | | | | |
| 14 | 3.05 | 97.60 | 94.55 | 156.7 | 5.6 | | | | | | | | | | | | | | | | | |
| 15 | 3.05 | 70.15 | 67.1 | 189.0 | 4.7 | | | | | | | | | | | | | | | | | |
| 16 | 9.15 | 79.3 | 70.15 | 219.7 | 7.8 | | | | | | | | | | | | | | | | | |
| 17 | 6.10 | 76.25 | 70.15 | 219.7 | 7.8 | | | | | | | | | | | | | | | | | |
| 18 | 3.05 | 64.05 | 67.1 | 405.1 | 11.0 | 19 | 6.1 | 97.6 | 91.5 | 139.8 | 3.4 | | | | | | | | | | | |
| | | | | | | | | | | | | 45.75 | 64.05 | 18.3 | 745.8 | 30.5 | | | | | | |
| 20 | 6.1 | 91.55 | 88.45 | 139.8 | 3.4 | | | | | | | | | | | | | | | | | |

TABLE 2

40

TABLE 3

Summary of Diamond Drill Geochemistry (ppm) and Assays (%)

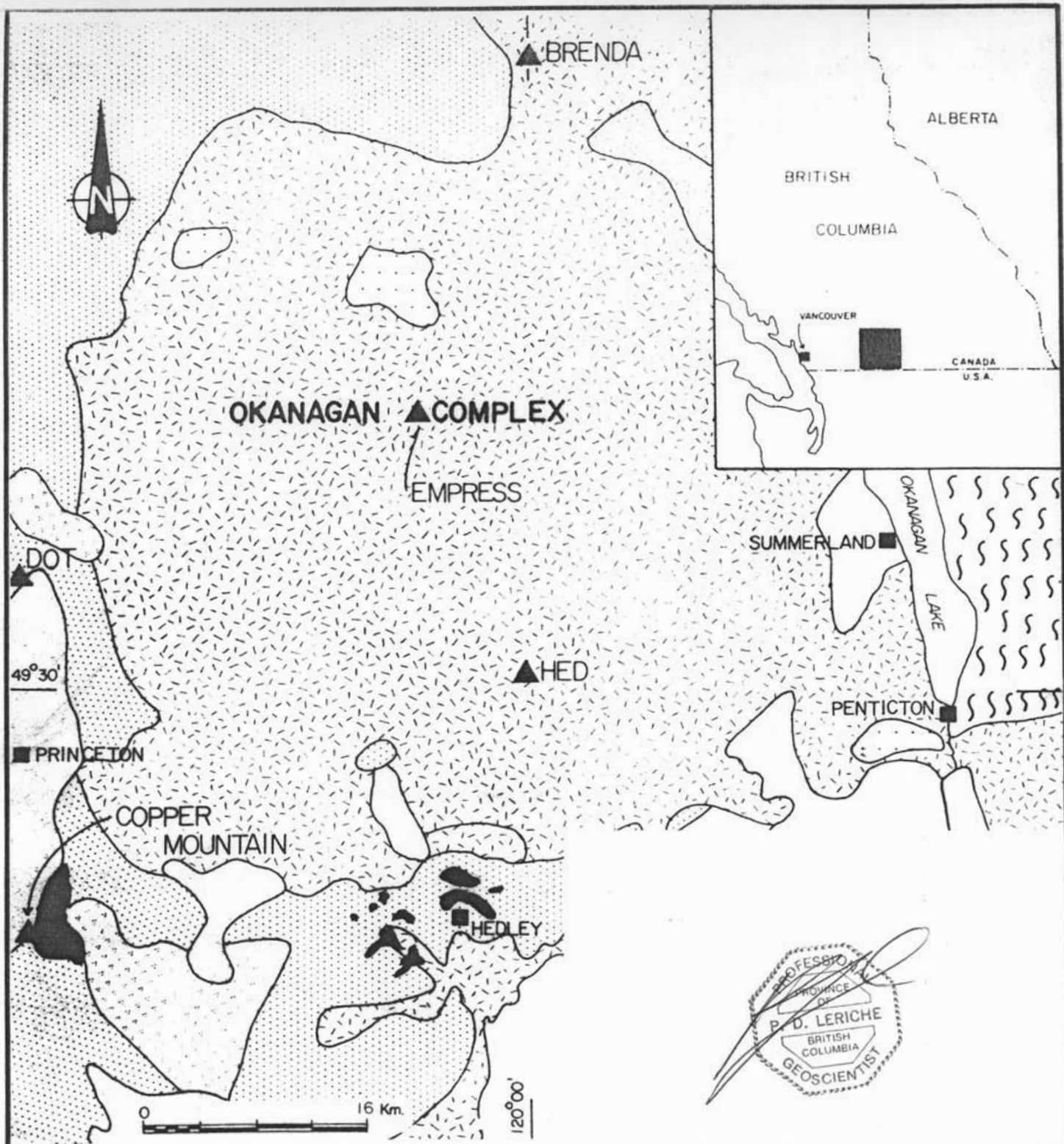
| Hole No. | Final Depth | From | To | Interval (m) | Cu ppm | Mo ppm | Cu % | Mo % |
|----------|-------------|-------|-------|--------------|--------|--------|------|-------|
| 1 | 190.9 | 24.0 | 30.0 | 6.0 | | | 0.16 | 0.013 |
| | | 36.0 | 51.0 | 15.0 | | | 0.13 | 0.022 |
| | | 57.0 | 126.0 | 69.0 | | | 0.15 | 0.089 |
| | | 126.0 | 190.9 | 64.0 | 221 | 1.5 | | |
| 2 | 206.5 | 6.1 | 206.5 | 200.4 | 796 | 108 | | |
| | | 9.0 | 27.0 | 18.0 | 1372 | 85 | | |
| | | 51.0 | 96.0 | 45.0 | 1788 | 146 | | |
| | | 96.0 | 206.5 | 110.5 | 388 | 118 | | |
| 3 | 201.3 | 4.3 | 201.3 | 197.0 | 578 | 50 | | |
| | | 33.0 | 36.0 | 3.0 | | | 1.4 | 0.246 |
| | | 69.0 | 78.0 | 9.0 | 3343 | 61 | | |

5. REGIONAL GEOLOGY (Figure 4)
(from Riccio, 1981)

The Hed property lies in the south-central portion of the Okanagan Complex, a composite batholith of Jurassic age comprising dioritic, quartz dioritic, granodioritic and quartz monzonitic (granitic) phases.

The Okanagan Complex intrudes upper Palaeozoic metasediments, and late Triassic volcano-sedimentary sequences (Nicola Group). Mid-Tertiary volcanic and sedimentary rocks unconformably overlie the complex at several localities along its eastern and southern margins.

Mineral deposits in the area comprise plutonic porphyries (Cu-Mo) associated with the northern extension of the Okanagan Complex (Brenda Mine, 40 km north of Hed), porphyry copper deposits (Cu, precious metals) of the alkalic suite (Copper Mountain, Ingerbelle) occurring in intrusive stocks co-magmatic with Nicola Group volcanics, gold skarns of the Hedley camp, and coal measures in Tertiary sediments of the Princeton Basin.



- | | |
|---------------------------------|--|
| MIDDLE TERTIARY | EARLY JURASSIC AND TRIASSIC |
| Intrusive Rocks | Intrusive Rocks |
| Volcanic and Sedimentary Rocks | LATE TRIASSIC |
| CRETACEOUS | Volcanic and Minor Sedimentary Rocks |
| Igneous and Metamorphic Complex | PALEOZOIC |
| JURASSIC | Metasedimentary and Minor Volcanic Rocks |
| Intrusive Rocks | Gneiss Complex |

5a

| | | |
|--|---------------|----------|
| SEGURO CONSULTING INC | | |
| HED PROPERTY | | |
| Osoyoos M.D., B.C. | | |
| Regional Geology | | |
| Scale 1:400,000 | N.T.S. 92 H/9 | Drawn by |
| Date June 1992 | Geologist | Figure 4 |
| RELIANCE GEOLOGICAL SERVICES INC. | | |

6. PROPERTY GEOLOGY

(summarized from Riccio, 1982)

The Hed property lies in the south-central portion of the Okanagan Complex, a composite batholith of Jurassic age which intrudes upper Palaeozoic metasediments and the Late Triassic Nicola Group volcano-sediments.

The main rock type is a grey hornblende-biotite granodiorite. There are also diorite, aplite dykes and mafic dykes. True "porphyries" are absent.

Weak background hydrothermal alteration replaces hornblende with secondary biotite. Narrow zones of silicification, K-spar flooding, biotization, chloritization, clay alteration and epidote veining developed along fractures, shears and quartz veins.

Background and local alteration is present in areas of sulphide mineralization. Sulphide minerals include chalcopyrite, molybdenite, bornite, magnetite and, rarely, pyrite. Molybdenite occurs alone or associated with other copper sulphides.

An oxidized zone is found from the surface to up to 50 meters in depth and contains malachite, goethite, chalcocite, azurite, and native copper. Sulphide mineralization occurs mainly as fracture fillings and less commonly as disseminations.

7.0 1991/92 WORK PROGRAM

Done under Work Approval Number KAM 91-0400311-1271.

7.1 Methods and Procedures

Five rock samples were collected and sent to International Plasma Laboratory Ltd for gold (fire assay/AAS) and multi-element ICP analysis.

One sample (HED91-R002) was sent to Vancouver Petrographics for thin section analysis.

7.2 Results (Figure 5)

7.2.1 Geology

Observed outcrop consists of an equigranular hornblende-biotite granodiorite/quartz monzonite composed of plagioclase (35%), potassium feldspar (30%), quartz (20%), hornblende (10%), biotite (5%), and magnetite (1 - 2%).

Alteration includes weak to moderate chloritization of biotite and hornblende. Local zones of silicification, quartz stockwork, and epidotization were observed associated with fractures and shear zones.

Mineralization consists of chalcopyrite, malachite, molybdenite, and magnetite, all within quartz stringers and shear zones.

7.2.2 Thin Section Analysis

For a complete report see Appendix B.

Sample Hed 91-JR002 is a medium to coarse grained, holocrystalline quartz monzonite/granite. Minerals include anhedral plagioclase (30%), anhedral, interstitial K-feldspar (25%?); anhedral quartz (20%); anhedral/subhedral hornblende (10%); altered biotite (5%); and opaques (5%). Opaques consist of grains and fracture controlled magnetite (>2%), disseminated and fracture controlled chalcopyrite (<1%), minor ilmenite and hematite.

Plagioclase is weakly to moderately altered to sericite. Plagioclase and K-feldspar show a weak "clay" dusting. Hornblende has associated epidote, sphene and opaque clusters. Biotite is completely altered to chlorite.

7.2.3. Rock Geochemistry

Five rock samples were collected and described as follows:

Note: There is no record of previous sampling from the areas tested in 1991/92.

| Sample # | Sample Type | Sample Width (meters) | Cu ppm | Mo ppm | Ag ppm | Au ppb | Description |
|--------------|-------------|-----------------------|--------|--------|--------|--------|---|
| Hed 91-JR001 | Chip | 0.4 | 679 | 907 | 22.9 | 165 | Quartz stockwork in silicified quartz diorite with 0.5% molybdenite and minor pyrite. In new clear-cut approx. 250 m northwest of drill hole 21. Hed 3 Claim. |
| Hed 91-JR002 | Select | - | 611 | 18 | 0.6 | 5 | Medium grey biotite granodiorite with malachite stain and minor chalcopyrite. Along drill road between holes 21 and 22. Hed 3 Claim. |
| Hed 91-JR003 | Select | - | 1300 | 6 | 0.8 | 10 | Same as JR002 |
| HD92-PR1 | Select | - | 788 | 97 | 0.9 | 21 | Medium grained equigranular granodiorite/quartz monzonite with limonite and malachite stain. 3% magnetite. Hed 1 claim. |
| HD92-PR23 | Select | - | 1104 | 42 | 4.9 | 162 | 5 cm wide quartz/carbonate vein with malachite stain and 0.5% disseminated chalcopyrite. Hed 1 claim. |

8. DISCUSSION

Previous work has identified three geochemically anomalous areas including a mineralized belt in the central anomaly area measuring 1 kilometer x 250 meters. Percussion and diamond drill testing has intersected steeply dipping zones with significant copper/molybdenite/gold mineralization. Drilling has not adequately tested the anomalous areas.

The 1991/92 program was successful in locating two zones of copper/molybdenite/gold mineralization within altered granodiorite/quartz monzonite. Geochemical results from five rock samples were up to 1300 ppm copper, 907 ppm molybdenum, 22.9 ppm silver and 165 ppb gold.

Further work consisting of geological mapping, geophysical surveys and diamond drilling is required to fully test the potential of the property to host economic supergene/hypogene porphyry style mineralization.

9. CONCLUSIONS

The Hed property has potential to host an economic porphyry copper/molybdenum/gold deposit for the following reasons:

- * the property lies close to, and in a similar geological environment to, the past producing Brenda mine;
- * the geology, altered and sheared granodiorite, is favorable;
- * 3 geochemically anomalous areas with copper/molybdenite/gold mineralization have been identified.

10. RECOMMENDATIONS

- a) Establish a picketed grid over the property.
- b) Perform geological mapping and rock sampling over the grid.
- c) Perform a magnetometer/VLF-EM survey. The magnetic survey would be useful in identifying zones with remobilized or secondary magnetite which are often associated with porphyry deposits. The VLF survey would identify structural zones which may host mineralization.
- d) Perform an induced polarization/resistivity survey. A very limited amount of IP was done in 1972. IP has proven to be one of the most effective tools in identifying buried porphyry style mineralization.
- e) After interpretation of results, diamond drilling is recommended to test all targets.

REFERENCES

Beaudoin, P.G., 1972.

Work Report for the Hed Property for Canex Aerial Exploration Ltd.

Cannon, R.W., 1972.

Induced Polarization and Resistivity Survey on the Hed Property, for Canex Aerial Exploration Ltd.

Riccio, L., 1982.

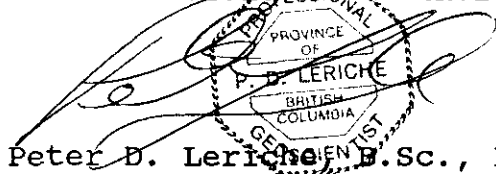
Final Report on 1981 Exploration Activities on the Hed Property for Anaconda Canada Exploration Ltd.

CERTIFICATE

I, PETER D. LERICHE, of 3125 West 12th Avenue, Vancouver, B.C., V6K 2R6, do hereby state that:

1. I am a graduate of McMaster University, Hamilton, Ontario, with a Bachelor of Science Degree in Geology, 1980.
2. I am registered as a member in good standing with the Association of Professional Engineers and Geoscientists of British Columbia.
3. I am a Fellow in good standing with the Geological Association of Canada.
4. I have actively pursued my career as a geologist for twelve years in British Columbia, Ontario, the Yukon and Northwest Territories, Montana, Oregon, Alaska, Arizona, Nevada and California.
5. The information, opinions, and recommendations in this report are based on fieldwork carried out under my direction, and on published and unpublished literature. I visited the subject property on June 28, 1992.
6. I have no interest, direct or indirect, in the subject claims or the securities of Seguro Consulting Inc.
7. I consent to the use of this report in a Prospectus or Statement of Material Facts for the purpose of private or public financing.

RELIANCE GEOLOGICAL SERVICES INC.


Peter D. Leriche, B.Sc., P. Geo.

Dated at North Vancouver, B.C., this 27th day of August 1992.

HED PROPERTY
ITEMIZED COST STATEMENT

| | | |
|--|----------------|---------|
| Project Preparation | | \$100. |
| Mobilization/Demob. | | \$390. |
| Field Crew: J. Fleishman Sep. 18,19/1991 | | \$500. |
| 250/day | | |
| Field Costs: | | |
| Communications | \$50. | |
| Food & Accomodation | \$140. | |
| Supplies | \$50. | |
| Vehicle 110/day x2days | \$220. | \$460. |
| | | |
| Assays& Analysis: | | |
| 3 rock samples @ \$17/sample | \$51. | |
| Thin Section | \$90. | \$141. |
| | | |
| Report Costs | | \$1675. |
| | | |
| | Sub-total | \$3266. |
| | Administration | \$490. |
| | Gst | \$263. |
| | | |
| | total | \$4019. |

APPENDIX A
ANALYTICAL RESULTS

R E P O R T S U M M A R Y

Report:[9200630 R]

A N A L Y T I C A L R E P O R T

=====

Origin

Inception Date:[Aug 13, 1992]

Client:[269 | Reliance Geological Services Ltd.]
Contact:[| John Fleishman]
Project:[0 | 745 Hed]
Amount/Type:[2 | Rock]
[]

Analytical Requisition

Geochemical:[ICP(AgR)30]
Assay:[Au(FA/AAS 20g)] ICP:[30]
Comments:[None]

Delivery Information

Reporting Date:[Aug 17, 1992]

Principal Destination (Hardcopy,Fascimile,Invoice)

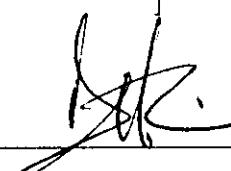
Company:[Reliance Geological Services Ltd.]
Address:[241 East 1st Street]
City/Province:[North Vancouver, BC]
Country/Postal:[V7L 1B4]
Attention:[John Fleishman]
Fascimile:[(604)988-4653]

Secondary Destination (Hardcopy)

Company:[]
Address:[]
City/Province:[]
Country/Postal:[]
Attention:[]
Fascimile:[]

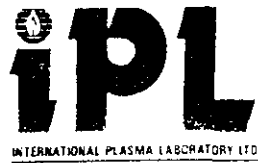
1 data pages in this report.

Approved by: _____



B.C. Certified Assayers

iPL CODE: 920817-13:44:01



2036 Columbia Street
Vancouver, B.C.
Canada V5Y 3E1
Phone (604) 879-7878
Fax (604) 879-7898

Report: 9200630 R Reliance Geological Services Ltd.

Project: 745 Hed

Page 1 of 1

Section 1 of 2

| Sample Name | Type | Au ppb | Ag ppm | Cu ppm | Pb ppm | Zn ppm | As ppm | Sb ppm | Hg ppm | Mo ppm | Tl ppm | Bi ppm | Cd ppm | Co ppm | Ni ppm | Ba ppm | W ppm |
|-------------|------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|
| H092-PR1 | Rock | 21 | 0.9 | 788 | 3 | 40 | <5 | <5 | <3 | 97 | <10 | <2 | 0.4 | 6 | 4 | 57 | <5 |
| H092-PR2 | Rock | 162 | 4.9 | 1104 | <2 | 20 | <5 | 5 | <3 | 42 | <10 | <2 | 0.4 | 4 | 3 | 44 | <5 |

Minimum Detection 5 0.1 1 2 1 5 5 3 1 10 2 0.1 1 1 2 5
 Maximum Detection 10000 100.0 20000 20000 20000 10000 1000 10000 1000 1000 10000 10000.0 10000 10000 10000 1000
 Method FA/AAS ICP ICP ICP ICP ICP ICP ICP ICP ICP ICP ICP ICP ICP ICP ICP
 ---No Test ReC=ReCheck Ins=Insufficient Sample m=Est/1000 %=Est % Max=No Est



2036 Columbia Street
 Vancouver, B.C.
 Canada V5Y 3E1
 Phone (604) 879-7878
 Fax (604) 879-7898

Report: 9200530 R Reliance Geological Services Ltd.

Project: 745 Hed

Page 1 of 1

Section 2 of 2

| Sample Name | Cr ppm | V ppm | Mn ppm | La ppm | Sr ppm | Zr ppm | Sc ppm | Ti % | Al % | Ca % | Fe % | Mg % | K % | Na % | P % |
|-------------|-----------|----------|-----------|-----------|-----------|-----------|-----------|---------|---------|---------|---------|---------|--------|---------|--------|
| HD92-PR1 | 114 | 43 | 384 | 9 | 24 | 2 | 2 | 0.07 | 0.70 | 0.25 | 1.77 | 0.40 | 0.27 | 0.08 | 0.06 |
| HD92-PR2 | 172 | 21 | 193 | 4 | 13 | 1 | 1 | 0.04 | 0.35 | 0.13 | 1.10 | 0.19 | 0.15 | 0.05 | 0.02 |

| | | | | | | | | | | | | | | | |
|-------------------|-------|-------|-------|-------|-------|-------|-------|------|------|-------|------|-------|-------|------|------|
| Minimum Detection | 1 | 2 | 1 | 2 | 1 | 1 | 1 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 |
| Maximum Detection | 10000 | 10000 | 10000 | 10000 | 10000 | 10000 | 10000 | 1.00 | 5.00 | 10.00 | 5.00 | 10.00 | 10.00 | 5.00 | 5.00 |
| Method | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP |

--=No Test ReC=ReCheck ins=Insufficient Sample m=Est/1000 %=Est % Max=No Est

R E P O R T S U M M A R Y

Report:[9100409 R]

A N A L Y T I C A L R E P O R T

=====

Origin

Inception Date:[Sep 23, 1991]

Client:[200 | Reliance Geological Services Ltd.]
Contact:[| Peter Leriche]
Project:[0 | 745]
Amount/Type:[3 | Rock -Rock Reject Stored 3 Mon]
[| -Soil Reject Discarded]

Analytical Requisition

Geochemical:[ICP(AqR)30]
Assay:[Au(FA/AAS 20g)] ICP:[30]
Comments:[None]

Delivery Information

Reporting Date:[Sep 25, 1991]

Principal Destination (Hardcopy,Fascimile,Invoice)

Company:[Reliance Geological Services Ltd.]
Address:[241 East 1st Street]
City/Province:[North Vancouver, BC]
Country/Postal:[V7L 1B4]
Attention:[Peter Leriche]
Fascimile:[(604)988-4653]

Secondary Destination (Hardcopy)

Company:[]
Address:[]
City/Province:[]
Country/Postal:[]
Attention:[]
Fascimile:[]

1 data pages in this report.

Approved by: 

B.C. Certified Assayers

iPL CODE: 910925-17:29:34

Report: 9100409 R Reliance Geological Services Ltd.

Project: 745

Page 1 of 1

Section 1 of 2

| Sample Name | Type | Au ppb | Ag ppm | Cu ppm | Pb ppm | Zn ppm | As ppm | Sb ppm | Hg ppm | Mo ppm | Tl ppm | Bi ppm | Cd ppm | Co ppm | Ni ppm | W ppm | Ba ppm |
|---------------|------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|
| HED 91 JR 001 | Rock | 165 | 22.9 | 679 | <2 | 20 | 9 | <5 | <3 | 907 | <10 | 13 | <0.1 | 3 | 5 | 180 | 23 |
| HED 91 JR 002 | Rock | 5 | 0.6 | 611 | 7 | 46 | 5 | <5 | <3 | 18 | <10 | <2 | 0.1 | 15 | 7 | 7 | 40 |
| HED 91 JR 003 | Rock | 10 | 0.8 | 1300 | 2 | 37 | <5 | <5 | <3 | 6 | <10 | <2 | 0.2 | 10 | 8 | <5 | 54 |



2036 Columbia Street
 Vancouver, B.C.
 Canada V5Y 3E1
 Phone (604) 879-7878
 Fax (604) 879-7898

| | | | | | | | | | | | | | | | | |
|-------------------|--------|-------|-------|-------|-------|-------|------|-------|------|------|-------|---------|-------|-------|------|-------|
| Minimum Detection | 5 | 0.1 | 1 | 2 | 1 | 5 | 5 | 3 | 1 | 10 | 2 | 0.1 | 1 | 1 | 5 | 2 |
| Maximum Detection | 10000 | 100.0 | 20000 | 20000 | 20000 | 10000 | 1000 | 10000 | 1000 | 1000 | 10000 | 10000.0 | 10000 | 10000 | 1000 | 10000 |
| Method | FA/AAS | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP |

-- = Not Analysed ReC = ReCheck in progress ins = Insufficient Sample

| Sample Name | Cr ppm | V ppm | Mn ppm | La ppm | Sr ppm | Zr ppm | Sc ppm | Ti % | Al % | Ca % | Fe % | Mg % | K % | Na % | P % |
|---------------|-----------|----------|-----------|-----------|-----------|-----------|-----------|---------|---------|---------|---------|---------|--------|---------|--------|
| HED 91 JR 001 | 197 | 28 | 107 | 3 | 23 | 1 | <1 | 0.06 | 0.50 | 0.23 | 2.95 | 0.19 | 0.08 | 0.04 | 0.05 |
| HED 91 JR 002 | 98 | 67 | 447 | 9 | 47 | 1 | 2 | 0.10 | 1.27 | 0.74 | 2.62 | 0.73 | 0.13 | 0.06 | 0.07 |
| HED 91 JR 003 | 118 | 74 | 410 | 10 | 35 | 2 | 2 | 0.12 | 0.90 | 0.53 | 2.70 | 0.66 | 0.17 | 0.07 | 0.09 |

| | | | | | | | | | | | | | | | |
|-------------------|-------|-------|-------|-------|-------|-------|-------|------|------|-------|------|-------|-------|------|------|
| Minimum Detection | 1 | 2 | 1 | 2 | 1 | 1 | 1 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 |
| Maximum Detection | 10000 | 10000 | 10000 | 10000 | 10000 | 10000 | 10000 | 1.00 | 5.00 | 10.00 | 5.00 | 10.00 | 10.00 | 5.00 | 5.00 |
| Method | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP | ICP |

-- = Not Analysed ReC = ReCheck in progress ins = Insufficient Sample



2036 Columbia Street
 Vancouver, B.C.
 Canada V5Y 3E1
 Phone (604) 879-7878
 Fax (604) 879-7898

APPENDIX B
THIN SECTION REPORT



Vancouver Petrographics Ltd.

JAMES VINNELL, Manager
JOHN G. PAYNE, Ph.D. Geologist
CRAIG LEITCH, Ph.D. Geologist
JEFF HARRIS, Ph.D. Geologist
KEN E. NORTHCOTE, Ph.D. Geologist

P.O. BOX 39
8080 GLOVER ROAD,
FORT LANGLEY, B.C.
V0X 1J0
PHONE (604) 888-1323
FAX. (604) 888-3642

Peter D. Leriche
Reliance Geological Services Inc.
241 East 1st Street
North Vancouver, B.C.
V7L 1B4
FAX 988-4653

JOB #.021
June 24/92

Dear Peter,

Re: Petrographic Description Sample HED-R2

A petrographic description has been completed for the above sample and the report is attached.

The report will be sent by FAX. The original report will accompany the sample and polished thin section to be sent via Loomis, June 25/92.

Yours very truly,

K.E. Northcote Ph.D., P.Eng.

[604] 796-2068

Hed R 2

Quartz monzonite/granite

Summary description

Medium to coarse grained, holocrystalline quartz monzonite /granite. Composed of coarser crystals and clusters of plagioclase with interlocking ragged poikilitic hornblende with lesser intermixed altered biotite (chlorite) clusters. Interstitial quartz and K-feldspar < plagioclase. Patchy K-feldspar distribution in hand specimen. Few widely scattered zircons.

Plagioclase contains spotty sericitic clusters and has a strong to weak patchy "clay" dusting. Scattered clusters of epidote. K-feldspar has a weak clay dusting. Hornblende has associated epidote, sphene and opaque clusters. Biotite is completely chloritized. Minor anhydrite(?) is associated with epidote and sphene in incipient shears.

Opaques, about 5%, consist of disseminated magnetite with minor hematite intergrowths >> chalcopyrite, <1% rimmed by hematite. Very minor ilmenite in sphene. Few clusters of minute hematite grains associated with epidote and anhydrite(?).

Note: Minor chalcocite would be anticipated coating chalcopyrite in association with hematite. Chalcocite, which has a similar appearance, was not detected in polished thin section. Has similar appearance to hematite in reflected light but is soft sectile, lacks internal reflection. Some secondary copper stain is noted on hand specimens.

Microscopic description [Percentages widely varied because of apparent patchy distribution of K-feldspar in hand specimen]

Plagioclase; 30%, anhedral (0.2 to 3.0 mm). Irregular interlocking grains with hornblende and chlorite-altered biotite(?). Patchy sericite and irregular strong to medium clouded by "clay" dusting. Remnant twinning indicates composition in andesine range.

K-feldspar; 25%(?), anhedral, (0.2 to 1.5 mm). Irregular interlocking grains interstitial to plagioclase. Slightly clouded by alteration (clay) as compared to quartz. R.I. < quartz. Very patchy distribution in hand specimen. Some iron staining.

Quartz; 20%, anhedral (<0.1 to 2.0 mm). Interlocking irregular grains. Strained extinction.

Hornblende; 10%, anhedral/subhedral (0.2 to 2.5 mm). Very irregular ragged grains. Poikilitic texture plagioclase-quartz. Associated epidote. Intergrowths with chlorite-altered biotite. Interlocking with plagioclase/K-feldspar/quartz.

HED R 2 Continued

Altered biotite(?) (chlorite); 5%, anhedral (0.1 to 2.0 mm). Pseudomorphous replacement of biotite. Associated epidote, sphene. In weakly foliated clusters and as intergrowths with hornblende.

Alteration assemblage

Sericite; <5%, percentage included with plagioclase, anhedral, (<.01 to <.05 mm). Scattered felted patches in plagioclase.

"Clay" dusting; <5% percentage included with feldspar, (microgranular). Strong to weak patchy dusting in plagioclase, weak dusting in K-feldspar.

Chlorite; 5%, percentage included with altered biotite, anhedral (0.1 to 2.0 mm). See altered biotite above.

Epidote; 2%, anhedral, (<.05 to 0.5 mm). Irregular grains clusters of grains associated with altered mafics (chlorite), anhydrite(?) and small hematite grains. Also in irregular hairline veinlets.

Sphene; 1%, anhedral (<.01 to 0.8 mm). Irregular grains, clusters of grains associated with mafics and magnetite/ilmenite.

Anhydrite(?); 1%, anhedral, (.05 to 0.3 mm). Speckled with small hematite grains. Weak bladed to irregular grains. Ragged patches (to >1.0 mm) in a linear zone associated with epidote. Moderate relief, upper second order birefringence. Poor biaxial (+) with moderate 2V. Moderate (+) R.I.

Accessories

Zircon; trace, subhedral (to 0.1 mm). Widely scattered grains.

Reflected light

Opagues; 5%

Magnetite; >2%, anhedral, (<.01 to >1.0 mm) As irregular free grains, clusters of grains and associated with mafics. Locally shows fracture control.

Ilmenite; traces, anhedral (<.05 mm). Scattered irregular grains in sphene. Associated with magnetite.

Chalcopyrite; <1%, anhedral (<.01 to 0.1 mm, generally <.05 mm). Disseminated grains, clusters of grains. Larger grains commonly surrounded by hematite. Distribution shows some fracture control.

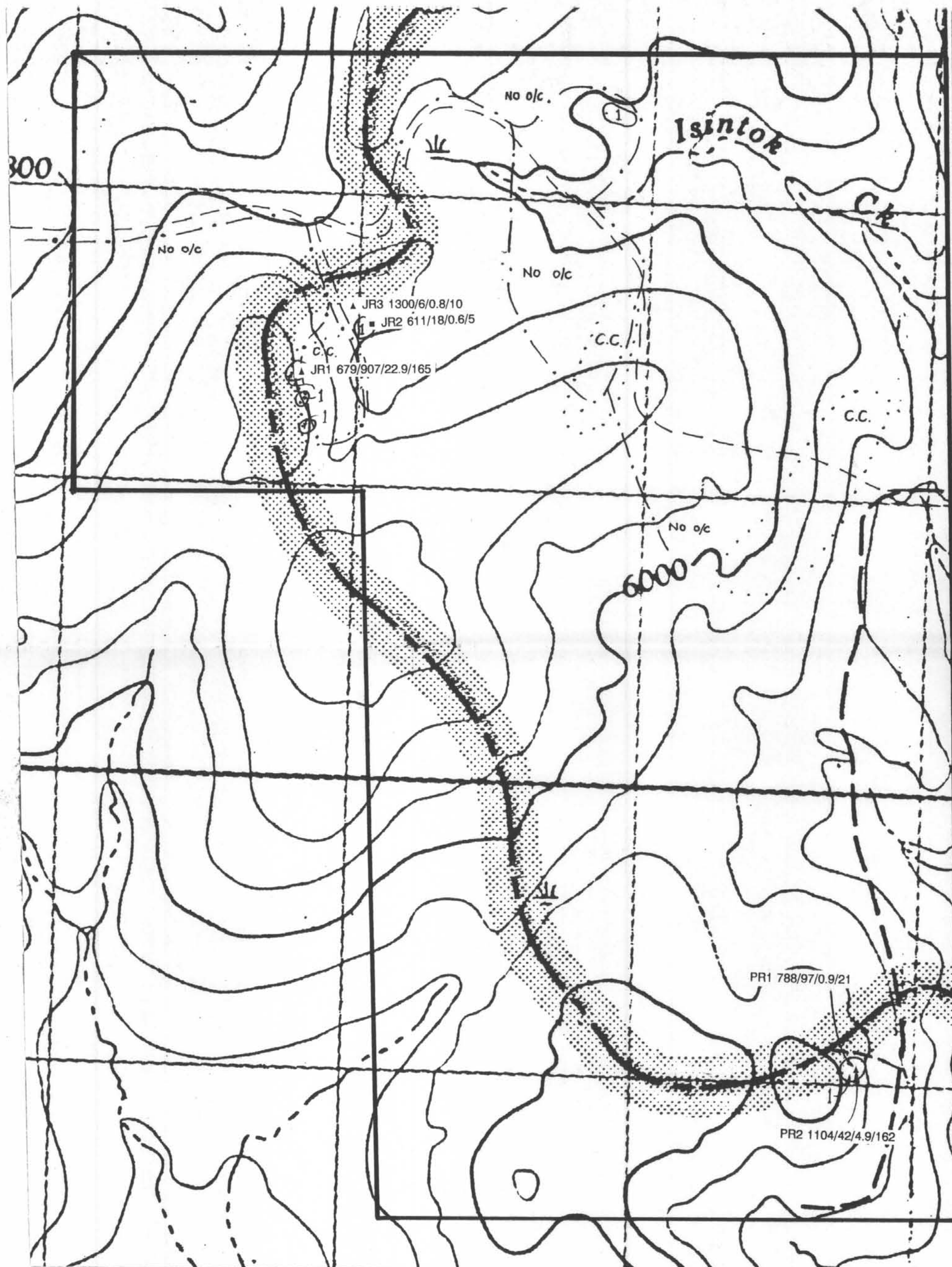
HED R2 Continued

Hematite; <1%, anhedral (<.01 to 0.1 mm).

[a] As minute free grains associated with epidote and anhydrite(?).

[b] As rims around chalcopyrite grains.

[c] Intergrowths (silver white metallic) with magnetite.



GEOLOGICAL BRANCH
ASSESSMENT REPORT

22,501

LEGEND

- Granodiorite / Quartz Monzonite
- Outcrop
- JR1 679/907/22.9/165 Rock Sample Location
Cu(ppm)/Mo(ppm)/Ag(ppm)/Au(ppb)
- Thin Section Sample Location
- Road
- Traverse Line
- Clearcut
- Property Boundary



| | |
|------------------------------------|------------|
| SEGURO CONSULTING INC. | |
| HED PROPERTY Osoyoos M.D., B.C. | |
| GEOLOGY and ROCK GEOCHEMISTRY | |
| Scale: 1:10,000 | Nrs: 021/9 |
| Date: June, 1992 | Figure 5 |
| RELIANCE GEOLOGICAL SERVICES INC. | |