NTS 94K/11
Lat 58° 33'
Long 125° 27'

GEOCHEMICAL REPORT
on the
KEY PROPERTY
Fort Nelson Area,
Liard Mining District
British Columbia

For work done 6, 7, 8, 9 September 1996
on Tenure #'s 313178 - 313182
UTM 6491000 N and 357000 E

for

SEGURO PROJECTS INC
330 East 23rd Street
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by
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7 November 1996

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SUMMARY

This report was written at the request of Seguro Projects Inc to describe and evaluate the results of a geochemical work program on the Key property (formerly Davis-Keays).

The Key property comprises 5 contiguous mineral claims, totalling 50 units in the Fort Nelson area, B.C. The property is situated approximately 170 kilometers west-southwest of Fort Nelson. Access is by road approximately 30 kilometers south of the Alaska Highway, or by helicopter.

The area was active during the 1950's, 1960's, and early 1970's. Significant discoveries included the Davis-Keays (Eagle Vein), Churchill Copper (Magnum Vein), Copper-Keays (Neil Vein), and Fort Reliance (Reliance Vein). Churchill Copper produced from 1970-1974, milling 598,000 tons grading an average 3.00% copper.

The Key property was actively explored from 1970 to 1972. Work included over 7,000 meters of underground development, mapping, chip sampling, trenching, and minor diamond drilling.

The geology of the Key property consists of shales and dolomites belonging to the Precambrian Aida formation. The Eagle vein is associated with a fracture that is perpendicular to a fold axis. Mineralization consists of semi-massive to massive chalcopyrite within quartz carbonate veins. The vein has been traced over a strike length of 1220 meters and a depth of 460 meters. At least five additional copper and copper-cobalt veins were discovered that received limited exploration work.

Reserves were calculated by MacDonald Consultants in 1970 as part of a feasibility study, and by Chapman, Wood, and Griswold in 1971 as part of an evaluation study.

MacDonald Consultants calculated proven and probable reserves at 1,569,684 tons grading 3.42% Cu.

Chapman, Wood & Griswold calculated semi-proven and probable reserves at 1,375,700 tons grading 3.38% Cu.

Reserves were calculated to the lowest underground level. Both studies concluded that the possibility of defining more reserves at depth is excellent.

The 1996 program consisted of prospecting and sampling the other copper vein occurrences on the property, known as the Harris, Pink and Creek Veins. Five samples collected from the Harris vein assayed greater than 2% Cu with a high result of 7.73%. The Pink vein returned values up to 1.73% Cu. The Creek vein is weakly mineralized, and appears to lack the width needed to host significant Cu mineralization.

Recommended further work on the Eagle Vein should consist of geological mapping and prospecting, magnetic and VLF-EM surveys, metallurgical testing, engineering studies, establishing a prefeasibility model and diamond drilling to test the Eagle vein at depth. *Estimated cost is $506,000.*

TABLE OF CONTENTS

LIST OF FIGURES

APPENDICES

1.0 INTRODUCTION

This report was prepared at the request of Seguro Projects Inc to describe and evaluate the results of a geochemical program carried out by Reliance Geological Services on the Key property in the Liard Mining District in the Fort Nelson area of British Columbia.

The program was undertaken to appraise the potential of the Key property to host copper vein-style mineralization similar to other deposits in the area. Due to previous extensive work on the Eagle vein, geochemical sampling was conducted on other known veins on the Key property including the Harris vein, Creek vein, and the Pink vein.

Field work was carried out from September 6 to 9, 1996 by Tom Johnson (geologist) and Hani Zabaneh (geologist), under the supervision of Peter Leriche (P.Geo).

The author has been on the property. This report is based on published and unpublished information, and the maps, reports, and field notes of the field crew of Reliance Geological Services.

2.0 LOCATION, ACCESS, and PHYSIOGRAPHY

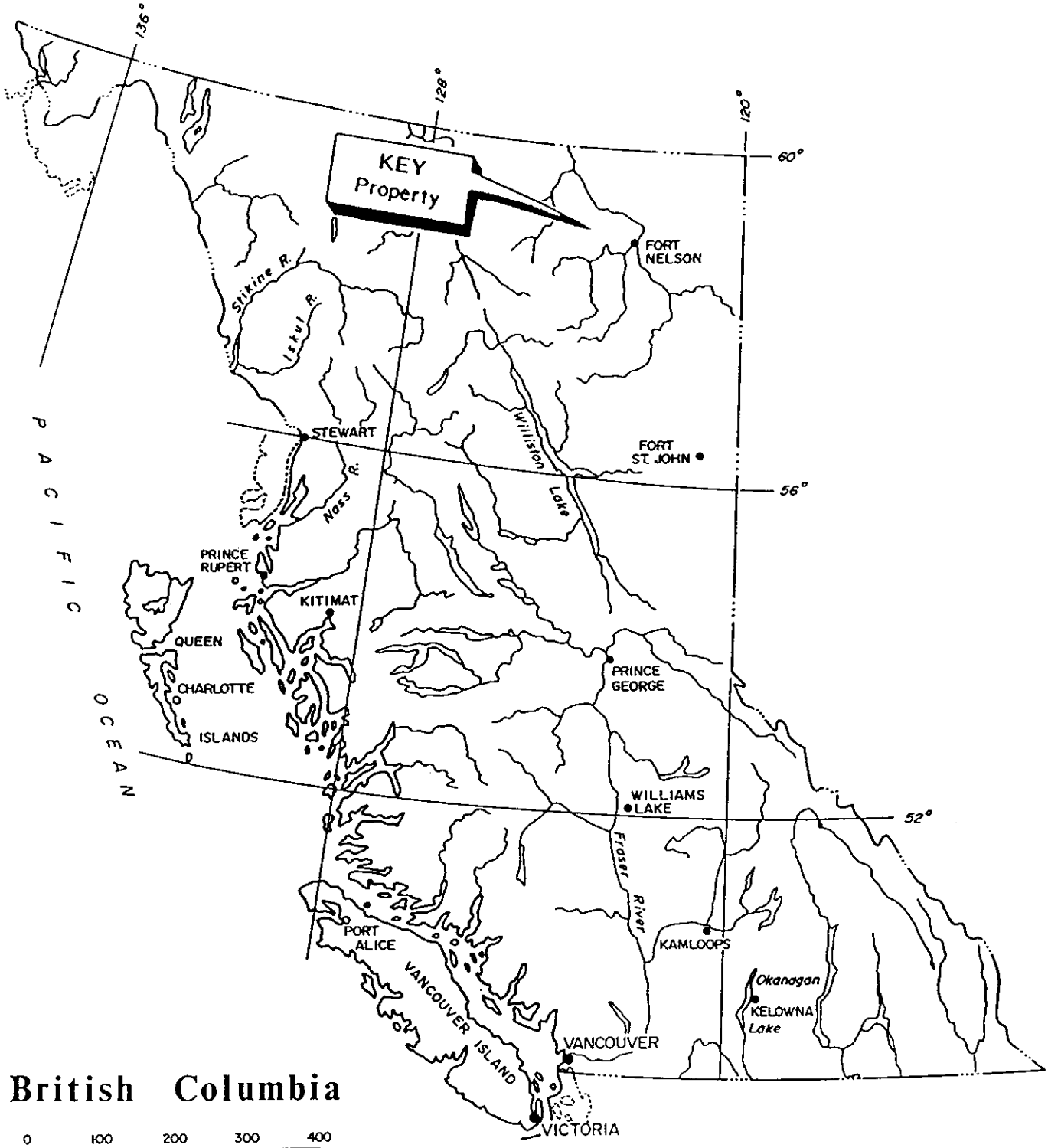
The Key claims are located approximately 170 kilometers west-southwest of Fort Nelson, B.C. (Figures 1 and 2).

The claims are located on Map Sheet NTS 94K/11, at latitude 58° 33' North, longitude 125° 27' West, and between UTM 6490300 m and 6494300 m North, and UTM 355000 m and 359000 m East.

Road access is from Mile 442 on the Alaska Highway. A dirt road leads south along the Toad River and Yedhe Creek for approximately 30 kilometers to the central claim area. The road may be washed out in places and cannot be assumed to be passable at this time. Alternative access is by helicopter from Fort Nelson.

The property is on moderate to steep terrain above treeline, with elevations from 4500 ft (1372 meters) to 7800 ft (2377 meters).

Climate is variable, with higher elevations receiving precipitation almost daily during the summer. Winters are cold with approximately 60 cm of snow that stays from September to May. Recommended work season is mid-June to mid-September.



PROFESSIONAL ENGINEER
PROVINCE OF BRITISH COLUMBIA
P. D. LERICHE
GEOSCIENTIST

SEGURO PROJECTS INC

KEY PROPERTY

LIARD MINING DISTRICT

GENERAL LOCATION MAP

Scale: as shown	N.T.S. 94K/11	Drawn by:
Date: October 1996	Geologist:	Figure: 1

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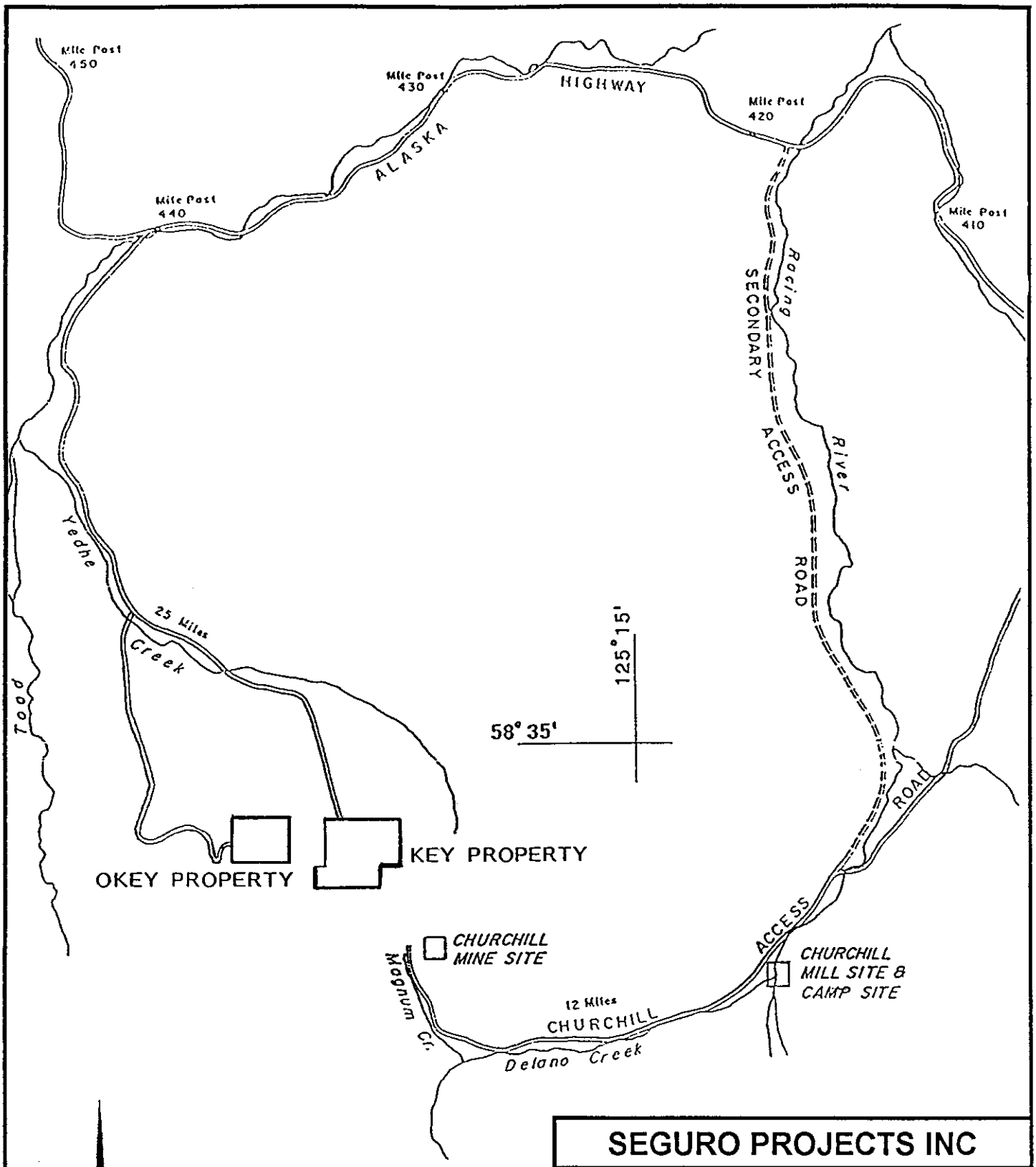

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P. D. LERICHE
GEOSCIENTIST

SEGURO PROJECTS INC

KEY PROPERTY

LIARD MINING DISTRICT

REGIONAL LOCATION MAP

Scale: as shown	N.T.S. 94K/11	Drawn by:
Date: October 1998	Geologist:	Figure: 2

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3.0 PROPERTY STATUS

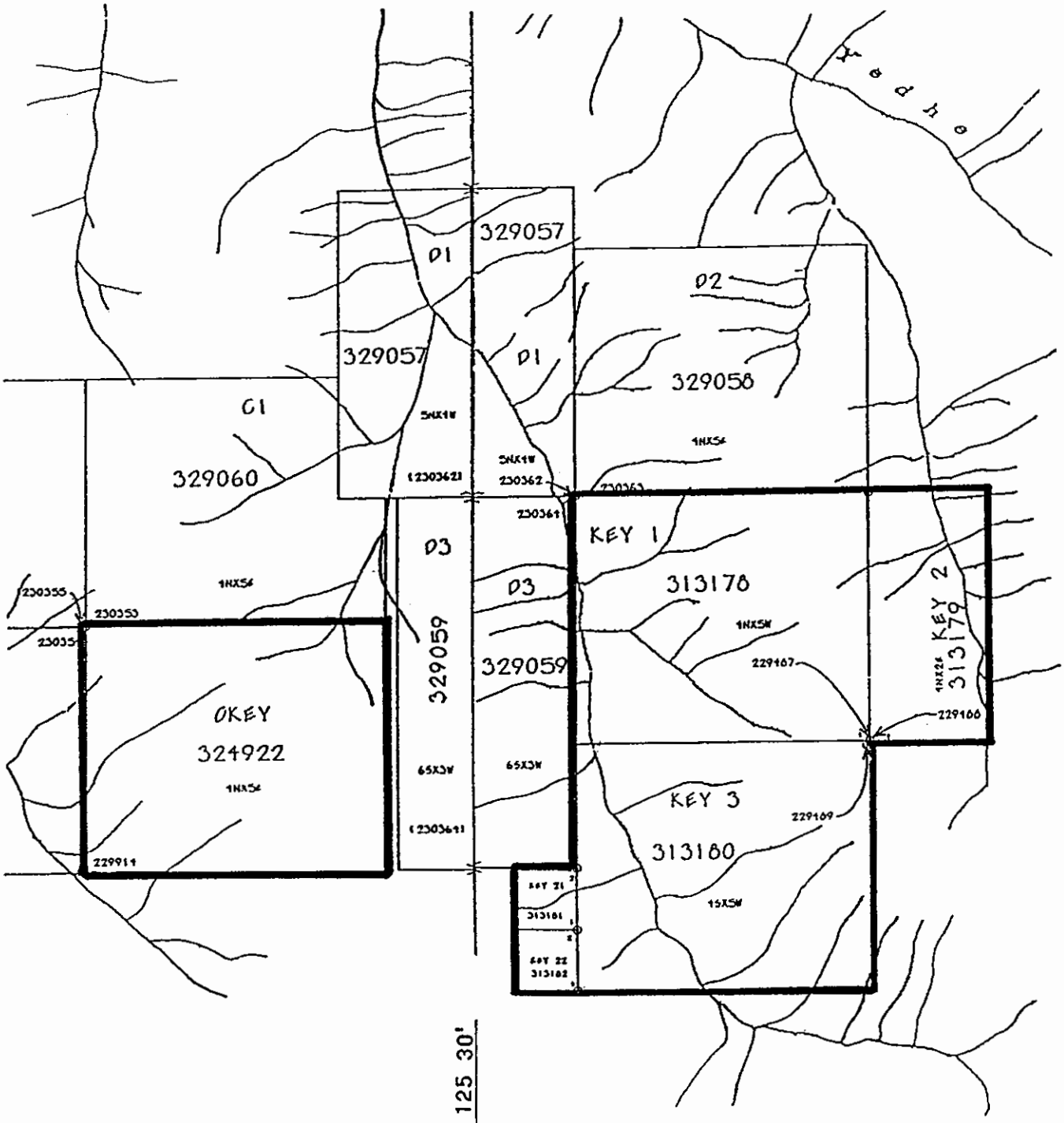
The property consists of 5 claims in the Liard Mining Division. The claims are registered in the name Donald A. Simon, and are owned 100% by Seguro Projects Inc.

Details of the claims are as follows:

Claim	Record Number	Units	Record Date	Expiry Date
Key 1	313178	20	10 September 1992	10 September 1998
Key 2	313179	8	10 September 1992	10 September 1998
Key 3	313180	20	11 September 1992	11 September 1998
Key 21	313181	1	11 September 1992	11 September 1998
Key 22	313182	1	11 September 1992	11 September 1998

The total area covered by the claim is 1,250 hectares, or 3,088 acres.

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



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P. D. LERICHE
GEOSCIENTIST

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KEY PROPERTY

LIARD MINING DISTRICT

CLAIM MAP

Scale: as shown	N.T.S. 94K/11	Drawn by:
Date: October 1996	Geologist:	Figure: 3

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4.0 AREA HISTORY

During the 1940's, copper was discovered in the area while the Alaska Highway was being built. Exploration activity took place during the 1950's and early 1960's, but was most active during the late 1960's and early 1970's. The two main deposits in the area were the Davis Keays (Eagle Vein) and the Churchill Copper deposit (Magnum Vein).

From 1967 to 1969, Churchill Copper Corporation conducted drilling at 100 ft centres and some cross-cutting and raising on the Magnum vein, located 8 kilometers southeast of the Key property. Proven and probable reserves totalling 1,178,000 tons of 3.92% copper were delineated. The mine produced from 1970-1974, milling 598,000 tons of copper ore grading 3.00% copper. The property was later acquired by Teck Corporation.

Other significant copper vein occurrences included the Copper Keay (Neil Vein) and Fort Reliance (Reliance Vein).

The Neil vein was identified over a known strike length of 1186 meters and a vertical extent of at least 380 meters. Trench results graded up to 10.2% Cu over 3.0 meters. eight holes were diamond drilled with results up to 3.44% Cu over 1.5 meters. Underground exploration was planned, but never started due to poor economic and political conditions in 1973.

On the Reliance vein, surface grades of chalcopyrite/malachite mineralization were reported to be 6.0% Cu over 2.4 m. Sixteen holes were diamond drilled in 1958-59. Reserves reported by Churchill Copper in 1966 were proven/probable of 127,000 tonnes grading 5.5% Cu, and possible of 109,000 tonnes of similar grade.

5.0 PREVIOUS WORK

The Key property, formerly Davis-Keays, was discovered in August, 1967, by prospectors Harris Davis and Robert Keays of Fort Nelson, B.C.

Between 1967 and 1972, underground development on the Eagle vein included over 4800 meters of drifting and cross-cutting, 1220 meters of sub-levels, and 1220 meters of raising. The vein was mapped and chip sampled at 3.0 meter intervals. At the same time, other vein style occurrences were prospected, trenched, and received a limited amount of drilling.

In 1970, MacDonald Consultants Ltd completed a Feasibility Study, which was complemented a year later by an Evaluation Report done by Chapman, Wood & Griswold Ltd.

MacDonald Consultants Ltd used a cut-off grade of 1.5% Cu over a minimum width of 1.5 meters (5 feet). Reserves were classified into proven, probable, and possible ore by applying the performance standards of the Association of Professional Engineers of the Province of Ontario, 1969 (Figure 4).

Category	Tons	Copper (%)
Proven	1,007,362	3.56
Probable	562,322	3.18
Sub-total	1,569,684	3.42
Possible	439,260	undetermined
Total	2,008,944	

Chapman, Wood, and Griswold used a cut-off grade of 2.0% Cu over a minimum mining width of 1.2 meters (4 feet). Reserves were classified as semi-proven, probable, and possible (Figure 5).

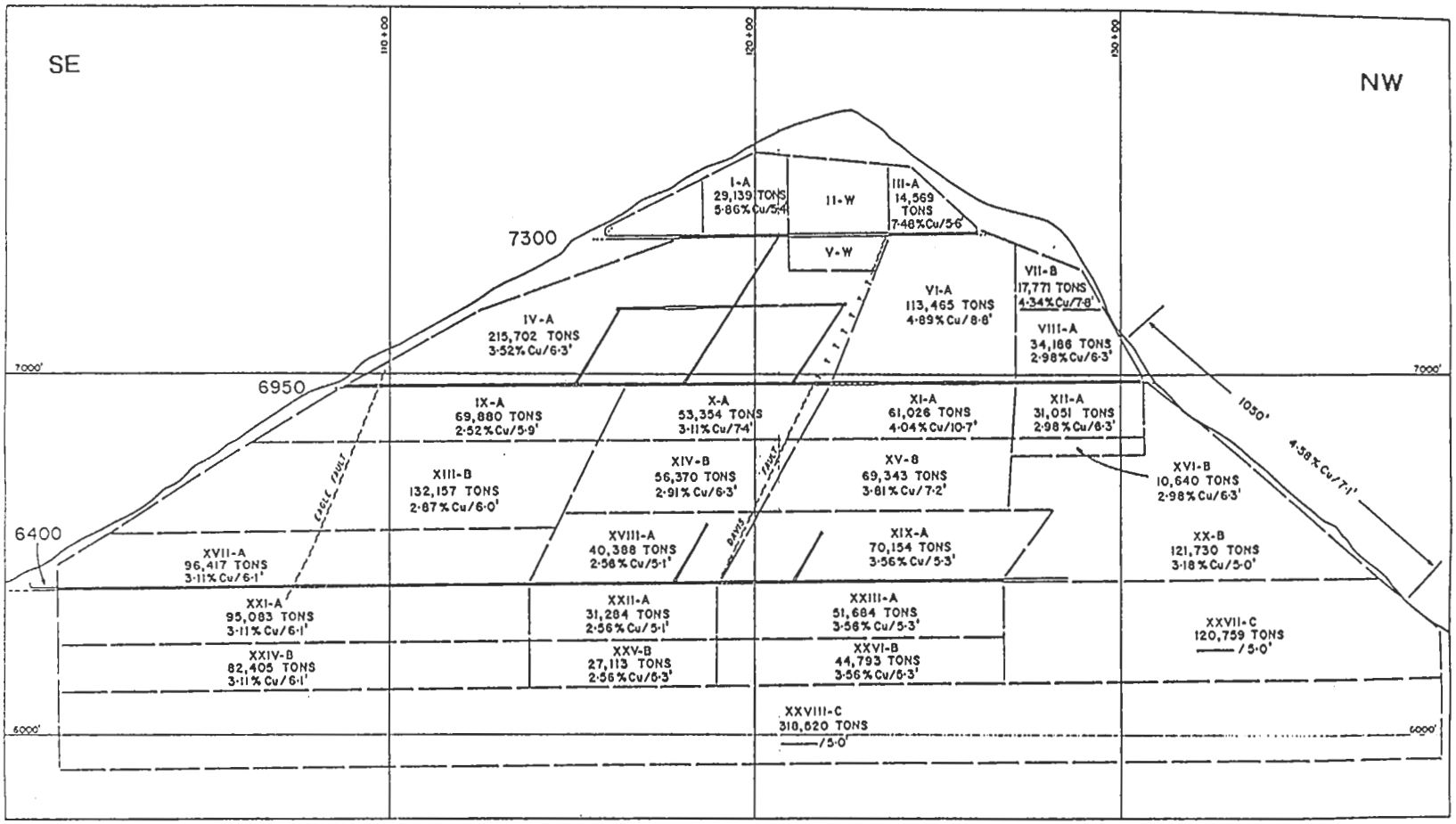
Category	Tons	Copper (%)
Semi-proven	1,233,700	3.43
Probable	142,000	2.92
Sub-total	1,375,700	3.38
Possible	750,000	undetermined
Total	2,125,700	

Production was planned but never commenced, due to adverse economic and political conditions in the mid-1970's.

In 1992, P. Leriche, P.Geo, of Reliance Geological, visited the Eagle vein. The 5900, 6400, and 7300 level portals were blocked by scree material. The 6950 level tunnel was found to be in very good condition. Quartz-carbonate vein with chalcopyrite mineralization was observed throughout the 670 meter long tunnel.

Four rock samples were collected from the Eagle vein. Results are displayed below:

Sample #	Type	Width (m)	Copper (%)
12207	Dump	-	24.32
12208	Chip	1.2	7.04
12209	Panel	1.0m^2	5.75
12210	Dump	-	9.87



From MacDonald Consultants 1970

XII BLOCK NUMBER
A PROVEN ORE
B PROBABLE ORE
C POSSIBLE ORE
W WASTE

HEADING IN ORE ON VEIN
HEADING IN ORE OFF VEIN - SAMPLED BY TESTHOLES
HEADING OFF VEIN - ORE BY INTERPRETATION
HEADING IN WASTE ON VEIN
HEADING IN WASTE OFF VEIN
HEADING OFF VEIN - INSUFFICIENT INFORMATION

0 100 200
METERS

PROFESSIONAL ENGINEER PROVINCE OF BRITISH COLUMBIA P. D. LERICHE GEOSCIENTIST

SEGURO PROJECTS INC

KEY PROPERTY
LIARD M.D.

MacDONALD CONSULTANTS - LONGITUDINAL SECTION RESERVES

Scale As shown	NTS: 94K/11	Drawn by:
Date Oct 1996	Geologist	Figure 4

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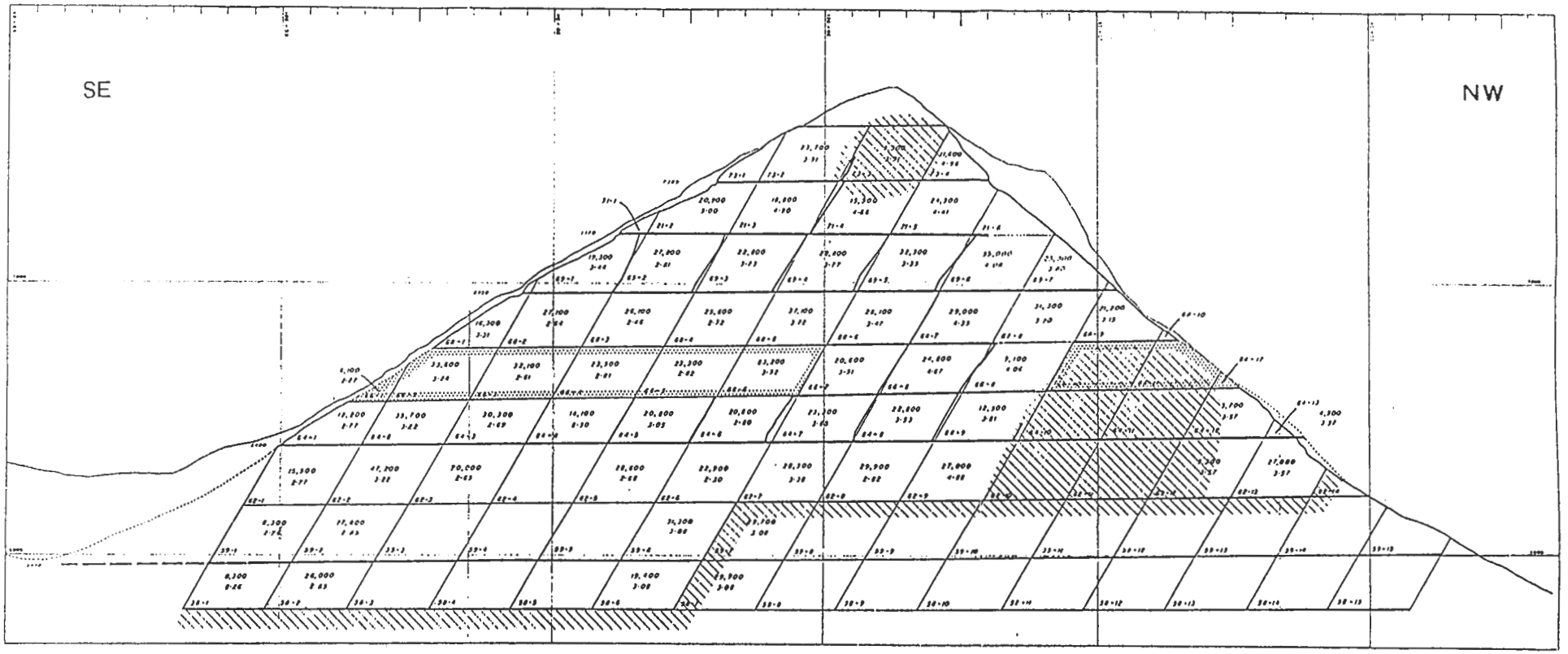

From Chapman, Wood, and Griswold 1971

LEGEND

- SEMI-PROVEN RESERVES
- PROBABLE RESERVES
- POSSIBLE RESERVES

8,300 BLOCK TONNAGE ESTIMATE
2·26 BLOCK GRADE ESTIMATE

UNDERGROUND WORKINGS

0 150 300

METERS

PROFESSIONAL GEOSCIENTIST
PROVINCE OF BRITISH COLUMBIA
P. D. LERICHE

SEGURO PROJECTS INC

KEY PROPERTY
LIARD M.D.

CHAPMAN, WOOD, AND GRISWOLD - LONGITUDINAL SECTION RESERVES

Scale As shown	NTS: 94K/11	Drawn by:
Date Oct 1996	Geologist	Figure 5

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6.0 REGIONAL GEOLOGY

(taken from Chapman et al, 1971)

"The Davis-Keays property lies within the eastern edge of the Rocky Mountains in an area of rugged topography. Excellent exposures exist above timberline revealing flat to locally contorted sedimentary rock formations dislocated by extensive regional faulting.

Proterozoic argillites, quartzites, and limestones contain all the known copper deposits, possess generally low dips, are intruded by post-ore diabase dykes of Proterozoic age, and are overlain by unmineralized Palaeozoic formations of Cambrian and later ages. The Proterozoic strata occupy nearly the full width (40-50 miles) of the Rocky Mountains in the south part of the area. Northward they become separated into a north-trending eastern belt (mainly east of upper MacDonald Creek) and wider central and western belts which trend northwest and reach the Alaska Highway west of about Mile 436. The eastern and central belts join in the vicinity of Wokkpash Lake and neither is known to extend at surface north of the Alaska Highway. The Proterozoic strata are bounded partly by northwesterly-trending steep faults and elsewhere by overlaps of the Palaeozoic formations, which occur mainly in downwarps of the Precambrian surface but are also present as outliers on the mountaintops within the Proterozoic belts.

The presently known quartz-carbonate veins, many of which contain chalcopyrite, occur mainly in the western half of the Precambrian with a more or less similar distribution to the subsequent diabase dykes.

The dykes cut the veins and are themselves only weakly mineralized on fractures containing carbonates (principally calcite) and quartz. In places dykes are more strongly mineralized by barren pyrite.

Veins may be much less numerous than dykes, many of which are discernible at a distance on the hill slopes. Dykes and veins generally have more or less similar attitudes, which are relatively constant in certain zones, belts, or parts of the area. Dykes and veins probably occur in, and may be virtually restricted to, these so-called mineral belts.

The best recognized to date is a belt approximately 6 miles wide and 40 miles long that trends north 35 degrees west and contains, from north to south, the known copper deposits of the Davis-Keays, Magnum, John, Lady, Churchill Creek, Ed, and Anne properties.

This belt, which is further marked by a pattern of sporadically developed northwest-trending asymmetric folds with steep east limbs and by the occurrence within it of a huge local pile of Cambrian conglomerate that forms Mt. Roosevelt, contains dykes and veins that mostly strike east of north and possess steep westerly dips.

Most of the known mineralized veins of the region have strikingly similar mineral composition and structural characteristics."

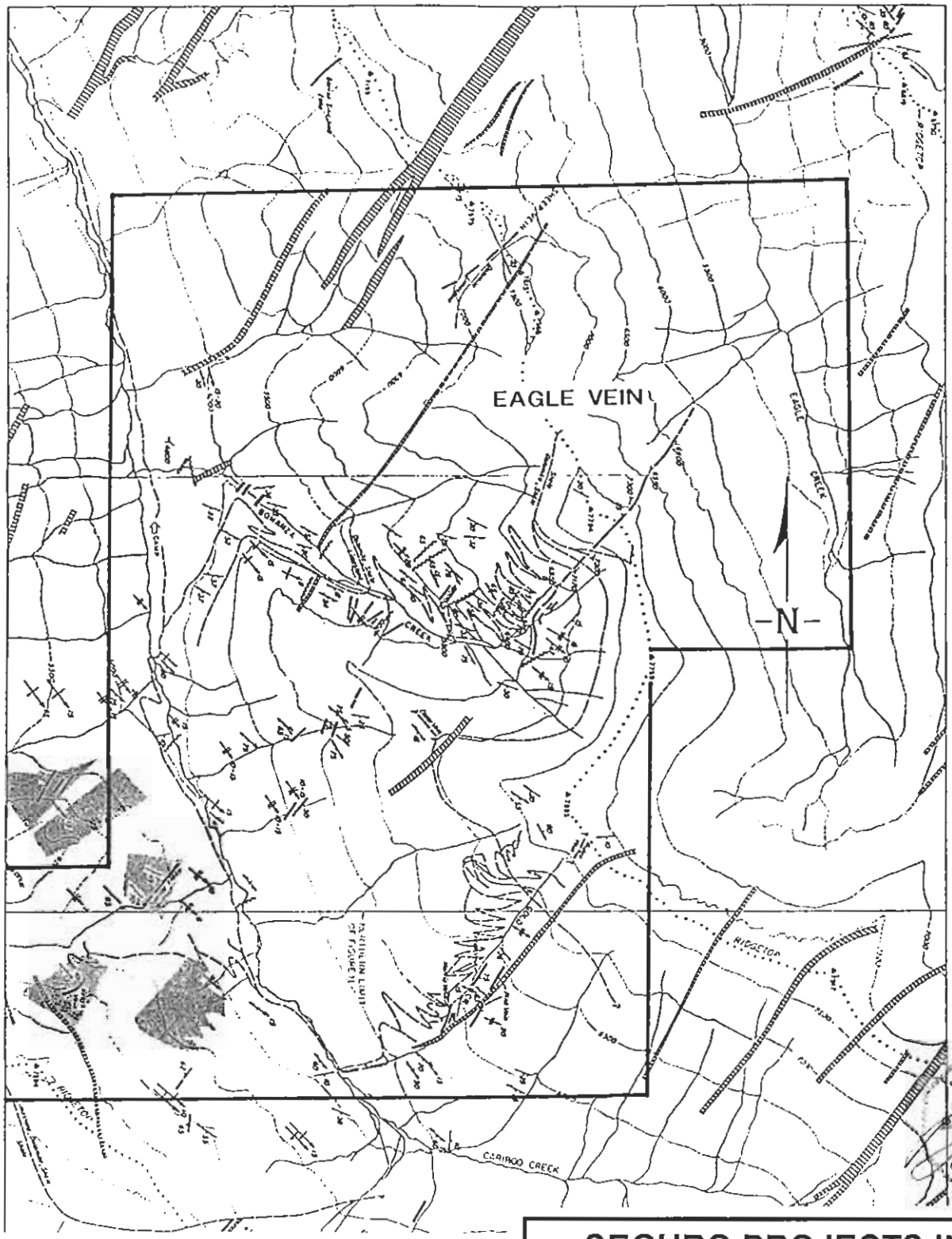
7.0 PROPERTY GEOLOGY and MINERALIZATION (Figure 4)

The geology of the Key property consists of a sedimentary sequence belonging to the Precambrian Aida formation. The main rock types include southwest-dipping dark grey shale, and buff- to orange-weathering dolomite. Sediments are cut by numerous, northeast-trending diabase dykes that range in width from a few meters to approximately 100 meters.

The Precambrian strata is folded about axes that plunge gently southeast. Folds are asymmetrical with steep northeast and gentle southwest limbs. Most folds are concentrated in a northeast trending belt approximately 2,400 meters wide. The northeast trending veins on the Key property are associated with fractures that are perpendicular to the axes of folds.

The Eagle vein has been explored by underground development over a strike length of approximately 1,220 meters and a depth of 460 meters. The vein strikes at 040° and dips vertically or steeply northwest. Widths vary from 5 centimeters to 3.5 meters, but average approximately 1.2 meters.

Mineralization consists of semi-massive to locally massive chalcopyrite within quartz-carbonate veins. Minor amounts of bornite, malachite, and azurite have been observed locally. Pyrite content was estimated to be less than one fifth that of chalcopyrite.



Geology by V.A. Preto 1971

LEGEND

SCALE 0 200 400 600 METRES

- AREA OF DOLOMITIZED LIMESTONE AND SHALE
- VEIN; VERTICAL, DIPPING
- DIABASE DYKE
- BEDDING
- SLATY CLEAVAGE
- PLUNGE OF FOLD AXIS
- AXIAL TRACE AND PLUNGE OF ANTICLINE, SYNCLINE
- PLUNGE OF MULTIPLE FOLDS
- FAULT
- ADIT PORTAL AND LEVEL ELEVATION

PROFESSIONAL ENGINEER PROVINCE OF BRITISH COLUMBIA B. LERICHE GEOSCIENTIST

SEGURO PROJECTS INC

KEY PROPERTY

LIARD MINING DISTRICT

PROPERTY GEOLOGY

Scale: as shown	N.T.S. 94K/11	Drawn by:
Date: October 1998	Geologist:	Figure: 6

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At least five other veins were discovered and worked on by the Davis Keays Mining Company. The following descriptions are taken from Archer-Cathro, Northern B.C. Mineral Inventory, 1981, and Preto, 1971.

Keays North - surface sampling yielded assays of 3.57% Cu across 8 feet and over a length of 220 feet.

Harris Vein - surface sampling yielded assays of 3.77% Cu across 7 feet and over a length of 490 feet. Subsequent underground work and diamond drilling indicated narrowing at depth and along strike.

Pink Vein - trench sampling from surface exposures averaged 0.26% cobalt and 0.47% copper over a width of 3 feet and a length of 100 feet.

Ridge Vein - a chip sample from a single exposure assayed 1.35% Cu over 4 feet.

Oscar Vein - a select sample from this massive galena vein assayed 94% Pb and 6.9 oz/t Ag.

8.0 1996 GEOLOGICAL and GEOCHEMICAL EXPLORATION PROGRAM

Geochemical sampling was carried out on the property during September 1996 by Tom Johnson (geologist) and Hani Zabaneh (geologist) under the overall supervision of Peter Leriche (P.Geo).

Reliance Employee	Address	Dates Worked
Tom Johnson	3125 W. 12th Ave., Vancouver, BC V6K 2R6	6 - 9 September 1996
Hani Zabaneh	1410 Chippendale Road West Vancouver, BC V7S 2N6	6 - 9 September 1996

8.1 Methods and Procedures

Rock samples were sent to International Plasma Laboratory Ltd of Vancouver, BC, for analysis of Au by fire assay, Cu by assay, and 29 other elements by ICP methods. Analytical results for Cu are plotted on figure 5. See Appendix A for assay certificates.

8.2 Rock Geochemistry (Figure 5)

Eighteen rock chip samples were collected from the property.

Results are documented below:

Harris Vein

Sample #	Type	Width (m)	Copper (%)	Description
17106	Chip	1	3.07	Quartz vein with chalcopyrite in large globs (4 cm) and stringers. Malachite staining is abundant.
17107	Chip	1	3.74	Adjacent to 17106
17108	Chip	1	7.49	20 ft. below above samples. Quartz vein with chalcopyrite in large globs (4 cm) and stringers. Abundant malachite staining.
17109	Chip	1	7.73	Adjacent to 17108.
17110	Chip	0.6	0.87	Adjacent to 17109. Sheared shale adjacent to quartz vein. Surface stained with malachite.
17111	Chip	1	1.94	20 ft. below 17108-17110. Quartz vein with chalcopyrite and malachite staining.
17112	Chip	0.4	2.27	Adjacent to 17111.
17113	Chip	1	0.33	80 ft. below 17111-17112. Quartz vein with minor chalcopyrite + malachite. Angular fragments of dolomite + shale.
17114	Chip	1	0.02	

The Harris vein ranges from 1-2 m wide and averages ~ 1.5 m. The vein is heavily mineralized with malachite and chalcopyrite at the top. Mineralization decreases with depth. Chalcopyrite occurs as large globs, thin veinlets and disseminated. Malachite occurs in varying amounts throughout the vein.

Pink Vein

Sample #	Type	Width (m)	Copper (%)	Description
17116	Chip	1	0.29	Quartz vein adjacent to diabase dyke. Minor chalcopyrite and malachite staining.
17117	Chip	1	0.03	Adjacent to 17116.
17120	Chip	0.5	1.73	Quartz vein adjacent to diabase dyke. Contains chalcopyrite in small blebs and disseminated. Malachite staining is present.
17121	Chip	1.3	1.72	Same as 17120.
17122	Chip	1	1.27	Quartz vein with angular fragments of shale. Minor chalcopyrite. Malachite staining.
17123	Chip	0.6	0.53	Quartz vein with minor chalcopyrite and malachite stain.

The Pink vein was observed discontinuously for ~54 m. The vein contains minor chalcopyrite mineralization occurring as disseminated and thin stringers. Minor amounts of malachite staining were observed. This vein is adjacent to a diabase dyke.

Creek Vein

Sample #	Type	Width (m)	Copper (%)	Description
17115	Chip	0.6	0.22	Quartz vein with minor chalcopyrite and malachite staining.
17118	Chip	1	0.04	Quartz vein with <1% chalcopyrite and malachite.
17119	Select	-	0.76	Quartz vein ~6 cm wide. Think chalcopyrite stringers with associated malachite staining (minor).

The Creek vein was traced for ~150 meters along the side of a creek trending ~040°. The quartz vein is sporadically mineralized throughout, and ranges from 5 cm to 1 m wide, averaging ~50 cm. Mineralization consists of small chalcopyrite stringers + disseminated, as well as minor malachite staining.

9.0 DISCUSSION

The Key (formerly Davis-Keays) property is a high-grade vein-type copper deposit which will require underground mining, concentration of ore by flotation, and refining by smelting.

A proven-probable reserve has been calculated that exceeds 100 million pounds of copper. A possible reserve that was calculated from areas close to existing underground workings would add over 36 million pounds of copper to the mineral inventory. No exploration has been conducted below the lowest underground level. The possibility of locating additional reserves below this level is considered excellent.

The metallurgy of the deposit is considered to be favorable. Further testing is expected to establish that a concentrate in the order of 30% to 32% Cu should be achievable with a 95% recovery. The work index of the material is low combined with a relatively coarse grind. No minerals or elements have been defined that could create dilution of the concentrate or penalties at the smelter.

The MacDonald feasibility study (1970) concluded that, "it is apparent that a gross operating profit of the [expected] magnitude justifies the additional capital expenditure ....to bring the property into production".

There are several other veins of interest on the Key property, three of which were located and sampled during the 1996 geochemical work program. These veins occur in a similar geological setting to the nearby Eagle vein, and further exploration work is warranted to assess their full potential.

The Harris vein has the greatest potential of the veins sampled in the 1996 geochemical program. Samples returned up to 7.73% Cu over 1 meter. Past exploration has indicated that the vein narrows with depth and along strike.

The Pink vein is of interest due to copper and cobalt mineralization discovered by past exploration programs. The 1996 geochemical program failed to return significant cobalt values, however samples returned up to 1.73% Cu over 1 m.

The Creek vein is very weakly mineralized, and appears to lack the width needed to host significant Cu mineralization.

10.0 CONCLUSIONS

The Key property has excellent potential to host an economic vein type copper deposit for the following reasons:

- a proven-probable reserve has been defined exceeding 100 million pounds of copper;
- the probability of finding additional reserves below the lowest underground level on the Eagle vein is judged to be very good;
- additional exploration potential exists with other known copper and copper-cobalt mineral occurrences;
- useful development work on the property has an appraised value of over $15 million, which directly lowers the capital cost commitment by the same amount.

11.0 RECOMMENDATIONS

The objectives of the recommended program are to increase reserves on the Eagle vein and to identify and test other targets on the property.

a) Establish approximately 50 line kilometers of grid;

b) Geologically map on the grid, and prospect other known showings;

c) Conduct a magnetic and VLF-EM survey to identify possible mineralized structures buried by overburden;

d) Diamond drill to intersect the Eagle vein near the lowest level and at depth;

e) Collect representative samples for metallurgy and conduct flotation tests;

f) Resample portions of the underground workings for check sample and updating purposes; and

g) Enter all data into a computer database, obtain old and/or create new underground drawings, conduct preliminary engineering studies, calculate an updated reserve, and finish creation of the prefeasibility financial model.

12.0 PROPOSED BUDGET

Project Preparation		$ 3,000
Underground drawings, acquisition		$ 5,000
Ground Surveys:		
Mobilization	$13,000	
Field Crew (2 geologists, 2 geotechnicians)	16,000	
Field Costs (including helicopter)	45,000	
Magnetic/VLF survey	10,000	84,000
Opening lower levels, incl. safety and reclamation		16,000
Analysis:		
100 rock samples @ $30/sample, incl. freight	$ 3,000	
Metallurgy	8,000	11,000
Diamond Drilling:		
3,300 ft. @ $90/ft (all inclusive)		297,000
Engineering studies, reserve calculation, prefeasibility model		39,000
Report		5,000
Administration		46,000
	Total	$ 506,000

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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 fifteen years in British Columbia, Ontario, Labrador, the Yukon and Northwest Territories, Montana, Oregon, Alaska, Arizona, Nevada, California, and Mexico.

5. The information, opinions, and recommendations in this report are based on a study of published reports and unpublished reports on the subject property. I visited the Key property during September, 1992.

6. I consent to the use of this report only in its entirety in an EOP or other document used for the purposes of private or public financing.

RELIANCE GEOLOGICAL SERVICES INC.

PROVINCE OF BRITISH COLUMBIA
P. D. LERICHE

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

Dated at North Vancouver, B.C., this 7th day of November, 1996.

CERTIFICATE

I, **THOMAS E. JOHNSON** of 3125 West 12th Avenue, Vancouver, B.C., V6K 2R6, do hereby state that:

1. I am a graduate of Queen's University, Kingston, Ontario, with a Bachelor of Science Degree in Geology, 1993.

2. I have actively pursued my career as a geologist for one and a half years in Labrador and British Columbia.

3. The information, opinions, and recommendations in this report are based on a study of published reports and unpublished reports, and field work carried out under my supervision on the Key property during August and September, 1996.

RELIANCE GEOLOGICAL SERVICES INC.

Thomas E. Johnson, B.Sc.
Dated at North Vancouver, B.C., this 7th day of November, 1996.

APPENDIX A

ASSAY CERTIFICATES

INTERNATIONAL PLASMA LABORATORY LTD.

CERTIFICATE OF ANALYSIS
iPL 96I0875

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

Reliance Geological Services Ltd — **18 Samples**

	18= Rock	0= Soil	0= Core	0=RC Ct	0= Pulp	0=Other	[087508:53:17:69091896]
Raw Storage:	03Mon/Dis	--	--	--	--	--	Mon=Month Dis=Discard
Pulp Storage:	12Mon/Dis	--	--	--	--	--	Rtn=Return Arc=Archive

Out: Sep 17, 1996 Project: J939
In : Sep 12, 1996 Shipper: Tom Johnson
PO#: Shipment: ID=C026900
Msg: Au(FA/AAS 30g) Cu Assay ICP(AqR)30
Msg:

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1127 W. 15th Street
Norther Vancouver
B.C. V7P 1M7
Canada
ATT: Tom Johnson

EN	RT	CC	IN	FX
2	2	1	0	1
DL	3D	5D	BT	BL
0	0	0	0	0

Ph:604/984-3663
Fx:604/988-4653

Analytical Summary

##	Code	Method	Title	Low Limit	High Limit	Units	Description	Element	##
01	313P	FAAA	Au	2	9999	ppb	Au FA/AAS finish 30g	Gold	01
02	113P	Assay	Cu	0.01	100.0	%	Cu Assay	Copper	02
03	721P	ICP	Ag	0.1	100	ppm	Ag ICP	Silver	03
04	711P	ICP	Cu	1	20000	ppm	Cu ICP	Copper	04
05	714P	ICP	Pb	2	20000	ppm	Pb ICP	Lead	05
06	730P	ICP	Zn	1	20000	ppm	Zn ICP	Zinc	06
07	703P	ICP	As	5	9999	ppm	As ICP 5 ppm	Arsenic	07
08	702P	ICP	Sb	5	9999	ppm	Sb ICP	Antimony	08
09	732P	ICP	Hg	3	9999	ppm	Hg ICP	Mercury	09
10	717P	ICP	Mo	1	9999	ppm	Mo ICP	Molydenum	10
11	747P	ICP	Tl	10	999	ppm	Tl ICP 10 ppm (Incomplete	Thallium	11
12	705P	ICP	Bi	2	999	ppm	Bi ICP	Bismuth	12
13	707P	ICP	Cd	0.1	100	ppm	Cd ICP	Cadmium	13
14	710P	ICP	Co	1	999	ppm	Co ICP	Cobalt	14
15	718P	ICP	Ni	1	999	ppm	Ni ICP	Nickel	15
16	704P	ICP	Ba	2	9999	ppm	Ba ICP (Incomplete Digest	Barium	16
17	727P	ICP	W	5	999	ppm	W ICP (Incomplete Digest	Tungsten	17
18	709P	ICP	Cr	1	9999	ppm	Cr ICP (Incomplete Digest	Chromium	18
19	729P	ICP	V	2	999	ppm	V ICP	Vanadium	19
20	716P	ICP	Mn	1	9999	ppm	Mn ICP	Manganese	20
21	713P	ICP	La	2	9999	ppm	La ICP (Incomplete Digest	Lanthanum	21
22	723P	ICP	Sr	1	9999	ppm	Sr ICP (Incomplete Digest	Strontium	22
23	731P	ICP	Zr	1	999	ppm	Zr ICP	Zirconium	23
24	736P	ICP	Sc	1	99	ppm	Sc ICP	Scandium	24
25	726P	ICP	Ti	0.01	1.00	%	Ti ICP (Incomplete Digest	Titanium	25
26	701P	ICP	Al	0.01	9.99	%	Al ICP (Incomplete Digest	Aluminum	26
27	708P	ICP	Ca	0.01	9.99	%	Ca ICP (Incomplete Digest	Calcium	27
28	712P	ICP	Fe	0.01	9.99	%	Fe ICP	Iron	28
29	715P	ICP	Mg	0.01	9.99	%	Mg ICP (Incomplete Digest	Magnesium	29
30	720P	ICP	K	0.01	9.99	%	K ICP (Incomplete Digest	Potassium	30
31	722P	ICP	Na	0.01	5.00	%	Na ICP (Incomplete Digest	Sodium	31
32	719P	ICP	P	0.01	5.00	%	P ICP	Phosphorus	32

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CERTIFICATE OF ANALYSIS
iPL 96I0875

Client: Reliance Geological Services Ltd iPL: 96I0875 Out: Sep 17, 1996 Page 1 of 1 Section 1 of 2
Project: J939 18 Rock In: Sep 12, 1996 [087508:53:17:69091896] Certified BC Assayer: David Chiu

Sample Name		Au ppb	Cu %	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	Cr ppm	V ppm	Mn ppm	La ppm	Sr ppm	Zr ppm	Sc ppm	Ti %	Al %	Ca %	Fe %	Mg %	K %
17106 A	R	21	3.07	0.5	3.1%	13	54	36	<	<	7	<	<	0.1	15	47	32	6	102	8	619	<	75	1	10	<	0.05	6.46	3.56	3.85	0.02
17107 A	R	12	3.74	0.6	4.0%	2	65	94	5	<	3	<	<	<	20	49	12	10	173	3	130	<	7	4	3	<	0.11	0.67	4.15	0.27	0.08
17108 A	R	78	7.49	1.4	7.5%	18	114	59	<	<	8	<	<	<	9	60	7	13	130	6	313	<	34	2	15	<	0.07	3.85	6.51	2.07	0.04
17109 A	R	64	7.73	1.2	7.8%	8	118	123	6	<	3	<	<	<	15	79	9	15	127	7	332	<	41	2	10	<	0.07	3.77	6.44	2.08	0.03
17110 A	R	8	0.87	0.2	8178	2	17	<	<	<	6	<	<	0.2	18	30	36	<	93	7	801	<	86	3	5	<	0.09	9.06	2.22	5.40	0.06
17111 A	R	42	1.94	0.8	19382	5	38	54	7	<	4	<	<	0.4	7	28	4	5	161	3	229	<	24	2	6	<	0.09	2.43	2.51	1.15	0.06
17112 A	R	14	2.27	0.7	2.4%	2	49	<	<	<	8	<	<	0.4	6	23	5	<	160	5	367	<	35	1	7	<	0.09	3.84	2.87	2.05	0.06
17113 A	R	<	0.33	0.1	3251	60	15	7	6	<	6	<	<	0.1	5	13	10	<	159	2	703	<	55	2	1	<	0.09	6.73	1.81	3.82	0.04
17114 A	R	9	0.02	<	202	61	53	13	7	<	7	<	<	0.2	12	16	41	<	151	6	231	<	37	5	3	<	0.45	3.55	2.07	1.10	0.29
17115 A	R	2	0.22	0.1	2048	<	7	9	5	<	4	<	<	<	4	7	19	<	136	4	316	3	52	3	5	<	0.17	4.47	1.15	2.59	0.10
17116 A	R	56	0.29	<	2778	<	28	32	<	<	6	<	<	0.4	15	26	18	<	133	7	546	3	52	2	5	<	0.41	7.73	0.86	0.61	0.03
17117 A	R	7	0.03	<	230	3	47	12	<	<	4	<	<	0.4	5	15	54	<	143	23	469	3	50	2	5	<	0.72	6.04	1.52	1.20	0.02
17118 A	R	6	0.04	<	319	<	3	11	<	<	7	<	<	<	5	9	12	<	146	3	573	2	68	2	4	<	0.14	5.51	1.09	3.12	0.07
17119 A	R	5	0.76	0.7	7413	<	17	26	<	<	4	<	<	<	9	10	14	<	175	2	400	<	51	1	2	<	0.10	3.94	1.29	2.23	0.03
17120 A	R	61	1.73	0.5	18115	3	85	72	<	<	7	<	<	0.6	19	46	7	6	138	6	427	2	44	2	5	<	0.27	6.03	2.07	0.41	0.04
17121 A	R	48	1.72	0.6	16878	4	98	86	<	<	3	<	<	0.5	15	47	16	<	115	11	507	5	65	4	5	<	0.71	5.88	2.49	0.97	0.10
17122 A	R	17	1.27	0.4	12046	3	58	105	<	<	6	<	2	<	54	92	19	<	132	20	335	8	14	7	4	0.01	1.59	1.96	3.04	2.40	0.13
17123 A	R	35	0.53	0.7	5068	12	19	<	5	<	4	<	<	0.3	3	11	133	<	184	3	156	<	16	1	4	<	0.07	1.01	2.21	0.52	0.04
Min Limit		2	0.01	0.1	1	2	1	5	5	3	1	10	2	0.1	1	1	2	5	1	2	1	2	1	1	1	0.01	0.01	0.01	0.01	0.01	0.01
Max Reported*		9999	100.00	99.9	20000	20000	20000	9999	9999	9999	9999	999	999	999	99.9	999	999	9999	999	9999	999	9999	9999	999	99	1.00	9.99	9.99	9.99	9.99	9.99
Method		FAAA	Assay	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP	ICP

---=No test ins=Insufficient Sample S=Soil R=Rock C=Core L=Silt P=Pulp U=Undefined m=Estimate/1000 %=Estimate % Max=No Estimate

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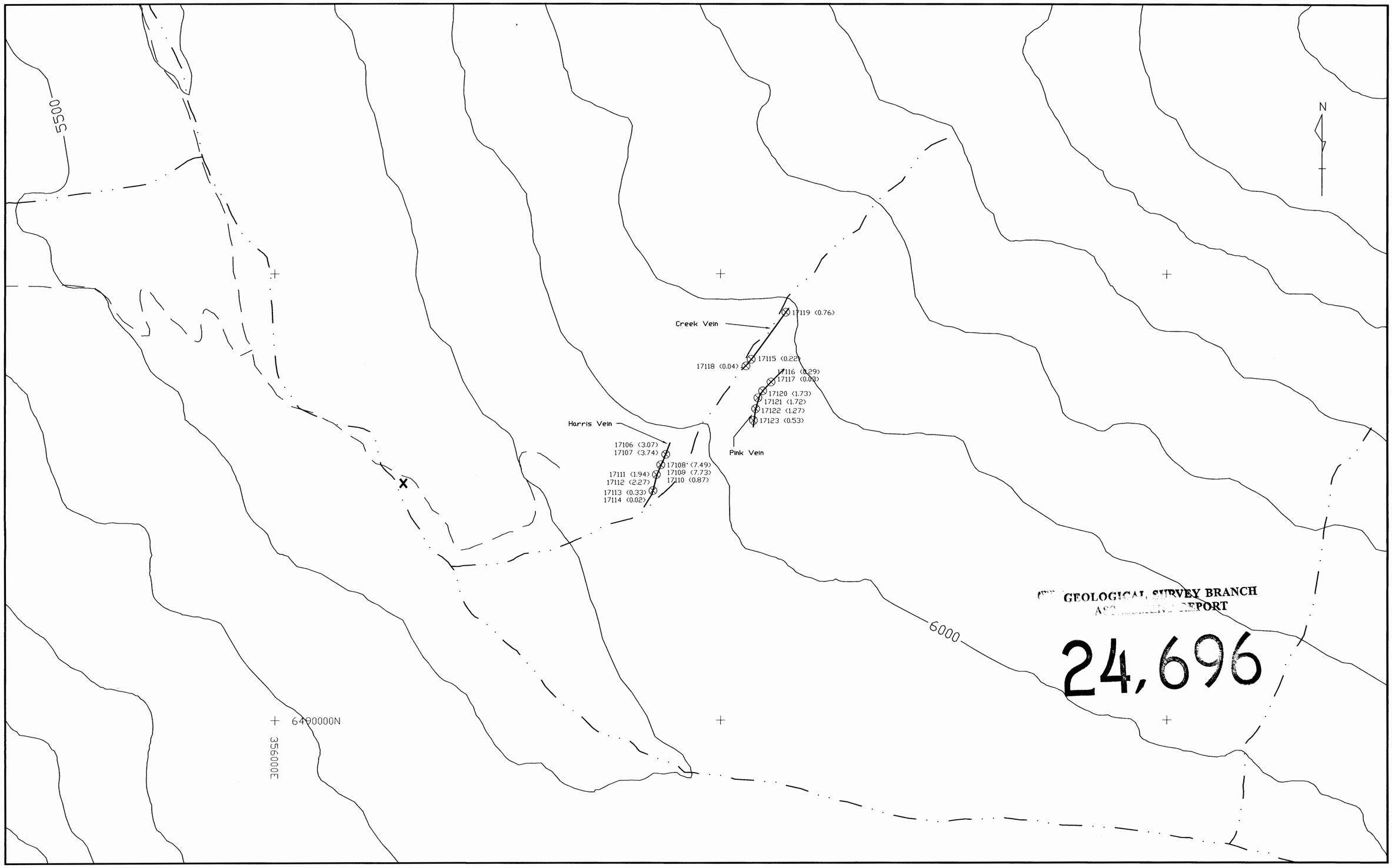
Project: J939 18 Rock In: Sep 12, 1996 [087508:53:18:69091896] Certified BC Assayer: David Chiu

Sample Name		Na %	P %
17106 A	R	0.03	0.12
17107 A	R	0.03	0.20
17108 A	R	0.02	0.27
17109 A	R	0.02	0.24
17110 A	R	0.02	0.03
17111 A	R	0.02	0.24
17112 A	R	0.03	0.21
17113 A	R	0.03	0.11
17114 A	R	0.02	0.67
17115 A	R	0.02	0.06
17116 A	R	0.02	0.06
17117 A	R	0.02	0.03
17118 A	R	0.03	0.07
17119 A	R	0.02	0.10
17120 A	R	0.02	0.24
17121 A	R	0.02	0.07
17122 A	R	0.02	0.13
17123 A	R	0.02	0.04
Min Limit		0.01	0.01
Max Reported*		5.00	5.00
Method		ICP	ICP

--=No Test ins=Insufficient Sample S=Soil R=Rock C=Core L=Silt P=Pulp U=Undefined m=Estimate/1000 %=Estimate % Max=No Estimate



LEGEND

17106 (2.74)⊗ rock sample location, number and Cu(%)

——— vein

× camp

— — road

Scale 1:5000

Contour Interval = 500'

0 200 500 meters

SEGURO PROJECTS INC

KEY PROPERTY

Rock Sample Locations and Copper Assay Results

SCALE: as shown	NTS: 94K/11	Drawn By: JG
DATE: Nov 96	Geologist:	Fig. 7

Reliance Geological Services Inc