NTS 94K/11
Lat 58° 33'
Long 125° 27'

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

for

SEGURO PROJECTS INC
330 East 23rd Street
North Vancouver, B.C. V7L 3E5
Tel: 604-986-5275 Fax: 425-984-9440

by

Edward Harrington, B.Sc., P. Geo.
3476 Dartmoor Place
Vancouver, B.C. V5S 4G2
Tel: 604-437-9538
www.EHarringtonGeo.com
Email: eh@eharringtongeo.com

6 May 2001

d:\939a \ report \ key

SUMMARY

At the request of Seguro Projects Inc, this report was written to summarize previous exploration work, appraise the exploration potential, and make recommendations for future work on the Key, formerly known as the Davis-Keays, property. The report is based on assessment reports and published and unpublished literature prepared by qualified persons. The author has not made a field visit to the property.

The Key property comprises five contiguous mineral claims, totalling 50 units in the Liard Mining Division, Fort Nelson area, BC. The claims are registered in the name of Donald A. Simon and beneficially owned by Seguro Projects Inc, a company owned by Donald A. Simon (50%) and Lana M. Simon (50%). The property is situated approximately 170 kilometers west of Fort Nelson. Access may be by road for approximately 30 kilometers south of Mile 442 of the Alaska Highway, or by helicopter.

The main exploration target on the Key property is copper in quartz-carbonate veins. The general area was actively explored during the 1950's, 1960's, and early 1970's. Significant discoveries in addition to the Eagle Vein on the Davis-Keays included Churchill Copper (Magnum Vein), Copper-Keays (Neil Vein), and Fort Reliance (Reliance Vein). Churchill Copper was in production from 1970-1974, milling 598,000 tons grading 3.00% copper.

The Davis-Keays exploration programs in the late 1960's and early 1970's included mapping, chip sampling, trenching, minor diamond drilling, and over 7000 meters of underground development on the Eagle vein. A positive Feasibility Study was completed in 1970 and a complementary Evaluation Study was completed in 1971. Production was planned but never started, reportedly due to poor economic and political conditions.

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 and have received limited exploration work.

Reserves were calculated by MacDonald Consultants in 1970 as part of the 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, using the performance standards of the Association of Professional Engineers of the Province of Ontario, 1969. Chapman, Wood & Griswold calculated semi-proven and probable reserves at 1,375,700 tons grading 3.38% Cu. Reserves were calculated to the lowest existing underground level. Both studies concluded that the possibility of defining more reserves at depth was excellent.

Modern work includes a 1996 program which consisted of prospecting and sampling other copper vein occurrences on the property, known as the Harris, Pink and Creek Veins. Five chip 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 was reported to be weakly mineralized, and lacking the width needed to host economically significant Cu mineralization.

The Key property hosts a proven and potentially economic vein-type copper deposit. Recommended further work on the Eagle Vein, which can be done in stages, should consist of geological mapping and prospecting, magnetic and VLF-EM surveys, metallurgical testing, engineering studies, diamond drilling to test the Eagle vein at depth, and establishing a pre-feasibility model. Estimated total cost is $740,000.

TABLE OF CONTENTS

FIGURES:

SCHEDULES:

1.0 INTRODUCTION

At the request of Senator Minerals Inc, this report was written on the Key property, formerly known as the Davis-Keays property, Liard Mining Division, British Columbia, to summarize previous exploration work, appraise the exploration potential of the property, and make recommendations for future work.

A property description is provided, previous work is described, and recommendations are made for further work. This report is based on assessment reports and published and unpublished literature.

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^{o} 33' North, longitude 125^{o} 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, which is subject to periodic washouts, is not passable at this time as it has been bermed by the government in order to restrict access for hunters and casual visitors. Alternative access is by helicopter from Fort Nelson or camps closer to Muncho Lake.

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- or late-June to mid-September.

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 beneficially 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	31 August 2001
Key 2	313179	8	10 September 1992	31 August 2001
Key 3	313180	20	11 September 1992	31 August 2001
Key 21	313181	1	11 September 1992	31 August 2001
Key 22	313182	1	11 September 1992	31 August 2001

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

A property search of the Key claims from the BC Ministry of Energy & Mines is attached and shown as Schedule "A".

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.

It should be noted that the Key property is within an area of BC defined as the "Muskwa-Kechika special management zone". While this zone does not restrict the scope of mineral exploration and mining activity, the practical implication has been that the permitting process was more time-consuming and subject to third party influence.

The government now states that these delays will be minimized in the future. Several links to sites that explain the Muskwa-Kechika special management zone in detail are shown in Schedule "B".

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 identified in the area were the Davis-Keays (Eagle Vein) and the Churchill Copper deposit (Magnum Vein). Other significant copper vein occurrences included the Copper-Keays (Neil Vein) and Fort Reliance (Reliance Vein).

From 1967 to 1969, Churchill Copper Corporation conducted exploration consisting of drilling at 100 ft centers and some cross-cutting and raising on the Magnum vein, located 9 kilometers southeast of the Okey property. Proven and probable reserves totalling 1,178,000 tons of 3.92% copper were delineated. The mine was in production from 1970 to 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 in the immediate area included the Copper-Keays (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 Services, 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

In addition to the Eagle vein, 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.

Geochemical sampling was carried out on some of these targets in 1996. Eighteen rock chip samples were collected and 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. Results and descriptions follow:

Harris Vein

The Harris vein was observed to range from 1 to 2 m wide, averaging ~ 1.5 m. The vein is heavily mineralized with malachite and chalcopyrite at the top, decreasing with depth. Chalcopyrite occurs as large globs, thin veinlets, or disseminated. Malachite occurs in varying amounts throughout the vein.

Sample #	Type	Width (m)	Copper (%)	Description
17106	Chip	1.0	3.07	Quartz vein with chalcopyrite in large globs (4 cm) and stringers. Malachite staining is abundant.
17107	Chip	1.0	3.74	Adjacent to 17106
17108	Chip	1.0	7.49	20 ft. below above samples. Quartz vein with chalcopyrite in large globs (4 cm) and stringers. Abundant malachite staining.
17109	Chip	1.0	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	1.0	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	0.33	80 ft. below 17111-17112. Quartz vein with minor chalcopyrite + malachite. Angular fragments of dolomite + shale.
17114	Chip	1.0	0.02	

Pink Vein

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

Sample #	Type	Width (m)	Copper (%)	Description
17116	Chip	1.0	0.29	Quartz vein adjacent to diabase dyke. Minor chalcopyrite and malachite staining.
17117	Chip	1.0	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	1.0	1.27	Quartz vein with angular fragments of shale. Minor chalcopyrite. Malachite staining.

Creek Vein

The Creek vein was traced for ~150 meters along the side of a creek trending ~040^{o}. This 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.

Sample #	Type	Width (m)	Copper (%)	Description
17115	Chip	0.6	0.22	Quartz vein with minor chalcopyrite and malachite staining.
17118	Chip	1.0	0.04	Quartz vein with ⟨1% chalcopyrite and malachite.
17119	Select	-	0.76	Quartz vein ~6 cm wide. Think chalcopyrite stringers with minor malachite staining

In 1998-99, Landsat TM(optical) and JERS-1(radar) image studies and structural interpretation were carried out as assessment work on the Key property by Crest Geological Consultants. It was concluded that post-mineralization northwest-trending faults may have truncated several veins that were formed during the same mineralizing event. If that structural interpretation is correct, there may be several areas in the vicinity of the Eagle, Magnum, and Neil veins that contain more vein structures with accompanying copper mineralization.

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 6)

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^{o} 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.

8.0 DISCUSSION

The Key, formerly known as the Davis-Keays, property has been extensively explored, culminating in a positive feasibility study completed in 1970. The MacDonald feasibility study is considered positive as it 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".

The Eagle vein hosts a high-grade vein-type copper deposit which will require underground mining, concentration of ore by flotation, and refining by smelting.

The calculated proven-probable reserve 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 should create dilution of the concentrate or penalties at the smelter.

The extensive underground workings on the Eagle vein will give the Key property a cost and feasibility advantage when exploration and development are initiated. With over 7000 meters of underground development completed, capital cost savings will be significant.

In addition to the areas of advanced exploration, there are several other veins of interest on the Key property which occur in a similar geological setting to the Eagle vein, and further exploration work is warranted to assess their full potential.

The Harris vein appears to have the most significant potential of the veins which were sampled in the 1996 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 not only to copper but to significant cobalt mineralization discovered during past exploration programs. While the 1996 rock sampling program failed to return significant cobalt values, limited sampling returned up to 1.73% Cu over 1 meter.

9.0 CONCLUSIONS

The Key property hosts a potentially 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.

10.0 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 create a 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

REFERENCES

Archer, Cathro, and Associates, (1981):
Northern B.C. Mineral Inventory, Davis-Keays Prospect, ID# 94K 12, 13, 14, 15, 16, 17, 53, 55, 56.

Campbell, D.D., (1976):
Geological and Topographic Report on the Yedhe Creek Property of Davis Keays Mines Ltd., Ass. Rpt. 2388

Chapman, Wood, and Griswold, (1971):
Evaluation Report on the Property of Davis-Keays Mining Co. Ltd., Liard M.D., B.C.

Leriche, P., (1992):
Executive Summary on the Key Property, Liard Mining Division.

MacDonald Consultants, (1970):
Feasibility Report on the Davis Keays Project for Davis-Keays Mining Co. Ltd.

Preto, V.A., (1971):
Eagle Mine, Geology, Exploration, and Mining in British Columbia, 1971.

Sivertz, G., (1995):
Summary Report on the Key property, Fort Nelson area, Liard Mining District, British Columbia (unpub.)

Johnson, T.E., and Leriche, P.D. (1997)
Reliance Geological Services Inc: Geochemical Report on the Key Property for Seguro Projects Inc.

Payne, C.W. (1999)
Crest Geological Consultants Ltd: Assessment Report, Churchill Project. Preliminary Remote Sensing Investigation on the Key 1, 2, 3, 21, and 22 Claims.

CERTIFICATE

I, **Edward Harrington**, of 3476 Dartmoor Place, Vancouver, BC, do hereby state that:

1. I received a B.Sc. degree in Geology from Acadia University, Wolfville, NS, in 1971.

2. I am registered as a member in good standing with the Association of Professional Engineers and Geoscientists of British Columbia.

3. I have pursued my career as a geologist for twenty years in Canada, the United States, and Mexico.

4. This report is based on assessment reports and published and unpublished literature researched by me or provided to me by Reliance Geological Services Inc. I have not visited the subject property.

5. I have no interest, direct or indirect, in the Key property or securities of Senator Minerals Inc or Seguro Projects Inc, nor do I expect to receive any.

6. I consent to the use of this report, only in its entirety, in a Prospectus or Statement of Material Facts for the purpose of private or public financing.

Edward Harrington**,** B.Sc.,P.Geo.

Dated at Vancouver, BC, this 6th day of May 2001.

SCHEDULE "B"

LINKS TO INFORMATION ON THE MUSKWA-KECHIKA SPECIAL MANAGEMENT ZONE

Guidebook to operating management principles in the Ft Nelson Forest District, including the Muskwa-Kechika Special Management Zone (SMZ) where the Davis Keays (Key property) area is located:

http://www.luco.gov.bc.ca/slupinbc/frtnelsn/toc.htm

Recent news release:

http://www.luco.gov.bc.ca/nrockies/nr030901.htm

Muskwa-Kechika site: government and separate Advisory board

http://www.luco.gov.bc.ca/nrockies/mk0301/index.html

http://www.luco.gov.bc.ca/nrockies/mining.htm

http://www.muskwa-kechika.com/mkhome/who/WhoMain.html

Corporate information on SMZs

http://www.luco.gov.bc.ca/smz/SMZ~EconUpdate.pdf

http://www.em.gov.bc.ca/mining/landuse/landusegraphics/smz%20brochure.pdf