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PROPERTY SUMMARY

MC GROUP - KAMLOOPS MINING DIVISION, B.C.

The MC property of Lucero Resource Corp. covers several kilometres of favourable stratigraphy which has the potential for hosting large tonnage base metal deposits in a SEDEX-type setting. At least four areas of coincident geochemical and geophysical anomalies have been outlined by preliminary work and no trenching or drilling has been carried out. Lucero is seeking a joint venture partner to pursue the further exploration of this property.

The MC property is located at the northern end of the Adams Plateau district of south central British Columbia. It consists of an elongate northwest trending claim block aggregating 76 claim units located about 10 km south of the town of Clearwater. It is located primarily in an upland plateau area which varies from 4000 to 6000 feet in elevation and is partly road accessible.

The current ground was part of a larger package staked by Barrier Reef Resources in 1979 and covered with a Dighem airborne geophysical survey later in that year. The entire claim block was optioned by Craigmont Mines Ltd. in 1979. From 1979 to 1982, Craigmont carried out geochemical and geophysical surveys over four areas of airborne "conductors" on the MC claims. On the adjoining claims to the south, similar geochemical and geophysical surveys were completed as well as the drilling of approximately 15 shallow diamond drill holes. Craigmont did not drill the coincident geophysical and geochemical anomalies on the MC claims because at the time there were no access roads nearby.

During 1983-84, the entire Barrier Reef property package (including the area now covered by the MC claims) was optioned by Esso Minerals Canada Ltd. This company completed a very detailed programme of geological mapping, geochemical soil sampling and geophysical surveys. Again this work was concentrated to the south of the current ground because of lack of access. In 1984, Esso drilled two shallow holes west of the original Craigmont drilling and south of the current property and then relinquished their option.

All the Barrier Reef ground lapsed in 1986 and the southern half was restaked by Goldspring Resources Ltd. in 1987. N. B. Vollo, the former manager of Craigmont Exploration Ltd., staked the northern half of the original land package as the MC claims in 1987 and 1988.

In 1988, Goldspring Resources carried out an exploration programme to the south of the MC property which included 1676 metres of drilling in approximately 15 holes. This drilling was located in the area earlier tested by Esso Minerals (see Figure 424-4).

The MC property was optioned by Pilgrim Holdings Ltd. in 1987 who in turn optioned to Lucero Resource Corp. In 1989, Lucero negotiated the right to earn 100% interest in the ground.

In 1988, Lucero carried out a detailed soil geochemical survey and a Max-Min electremagnetic survey on one of the anomalous zones located on the MC claims. This work confirmed the original Craigmont data.

The property is underlain primarily by rocks of the lower structural division of the Fennell Formation. The eastern fringe of the property is underlain by the Eagle Bay Formation. The contact between these two units is interpreted as an early, easterly directed thrnst. The Fennell Formation is a mainly allochthonous, internally imbricated, oceanic terrane of Devonian to Permian age while the Eagle Bay is a more mixed terrane of Mississippian (?) and older age with possible island arc and cratonic components.

On the MC property, the Eagle Bay rocks consist primarily of pyritic, sericite schist, phyllite and locally volcanic breccia. The Fennell Formation (lower division) consists of a heterogeneous assemblage of bedded chert, gabbro, diabase, pillowed basalt and clastic metasediments, in places associated with minor amounts of limestone and metatuff.

Preliminary follow-up work by Craigmont on what is now the MC claims, delineated four areas of geochemical and VLF-EM anomalies which were coincident with airborne EM anomalies outlined by the Dighem II survey. Except for Lucero's work on Anomaly A (see Figure 424-4), no further work has been done on the MC claims. In late 1987, a new logging road cut through the southerly portion of Anomaly A. It exposed heavily pyritic phyllites and coarse breccias of the Eagle Bay Formation. Minor galena, sphalerite and chalcopyrite was noted in very narrow quartz stringers cutting the volcanic breccias. The contact between Eagle Bay and Fennell rocks is not exposed since it coincides with a minor depression along the upper reaches of McDougall Creek. No other mineral occurrences are known since no significant prospecting has been done in the areas of the other anomalies.

Extensive work has been done on the Goldspring Resources property located south of the MC claims (see Figure 424-4) and mineralization there is principally associated with two stratabound chert or cherty exhalite horizons within a thick section of basalt. Mineralization as encountered in drilling consists of galena and pyrite with minor sphalerite and traces of chalcopyrite forming intergrowths in irregularly cross-cutting quartz veins with some calcite. Proportions of sulphide to

gangue vary and some veins are heavy, fine grained sulphide masses. There is some vein barite and minor fuchsite. Orientation of the veins is irregular but the general pattern appears conformable. In the westerly band (area of Craigmont drilling) there is a 1.5 metre wide layer of bedded barite.

The Foghorn Mountain and Chidgren showings consist of narrow quartz veins, stockworks and breccias containing PB-Zu-Cu-Ag-Au values and are considered to have been remobilized from the strataform mineralized bands.

Esso considered the mineralization on the Goldspring property to have many of the characteristics of Sedex Type Deposits. The evidence for this model is the conformable nature of the mineralization associated with graphitic argillite and chert horizons, high lead-zinc-silver geochemistry associated with these horizons and presence of bedded barite and extensive baritic sediments. However, there are some characteristics which are not consistent with this model: the occurrence of K-feldspar rich volcanic breccias, copper and gold geochemical anomalies in soils and extreme silicification-sericitization-pyritization of the surrounding basalts.

The best intersection encountered in the Craigmont drilling (eastern band) was 3.3 metres grading 0.27% Cu, 0.25% Zn, 3.06% Pb, 0.023 oz/T Au, and 1.90 oz/T Ag. The best intersection cut by Esso in their 1984 drilling was 2.5 metres (true width) grading 9.2% Pb, 1.56% Zn, 2.74 oz/T Ag and 0.005 oz/T Au.

In 1988, Goldspring Resources drilled at least 15 holes (see Figure 424-2) in the area of the earlier Esso drilling (western horizon). Most of the assay values from this drilling are low, but it did confirm that the mineralization is stratabound within a number of thick, barite-rich cherts and cherty argillites interbedded with basalts. A summary of some of the Goldspring results is as follows:

DDH-6:	21 - 29 M	1700 PPM Ba	
	32 - 34 M	4500 PPM Cu	
	42 - 59 M	4000 PPM Zn	
	49 - 58 M	6000 PPM Pb	
	51 - 53 M	850 PPM Cu,	20.1 PPM Ag
	89 - 90.5 M	4000 PPM Pb,	600 PPM Zn, 5.3 PPM Ag.
DDH-8:	25 - 59 M	1000 PPM Zn	
	86 - 101 M	8000 PPM Zn,	12,000 PPM Pb, 23 PPM Ag

DDH-9:	40 - 44 M	20,000 PPM Ba
	55 - 74 M	3900 PPM Zn
	69 - 73 M	20 PPM Ag
	78 - 85 M	10 PPM Ag
DDH-10:	25 - 26 M	7.3 PPM Ag, 10,000 PPM Zn, 10,000 PPM Pb
	21 - 25 M	1000 PPM Ba
	83 - 90 M	4000 PPM Zn, 2000 PPM Pb, 6 PPM Ag
	95 - 108 M	2000 PPM Zn, 5000 PPM Pb, 7 PPM Ag
	120 - 121 M	22,000 PPM Pb, 30,000 PPM Zn, 53 PPM Ag
DDH-11:	14 - 37 M	1000 PPM Zn
	85 - 96 M	1000 PPM Zn, 1000 PPM Pb, 4 PPM Ag
	99 - 110 M	400 PPM Ba
DDH-12:	3 - 6 M	2000 PPM Ba
	37 - 38 M	9000 PPM Ba
	35 - 70 M	1500 PPM Zn
	50 - 55 M	8000 PPM Ba
	64 - 84 M	1200 PPM Ba
	87 - 88 M	54 PPM Ag, 15,000 PPM Pb, 4000 PPM Zn, 300 PPM Cu
	106 - 108 M	104 PPM Ag
	107 - 115 M	1000 PPM Pb, 800 PPM Zn, 25 PPM Ag
	127 - 128 M	1700 PPM Cu, 1700 PPM Pb, 650 PPM Zn, 12 PPM Ag, 210 PPB Au
DDH-13:	51 - 91 M	4000 PPM Ba
DDH-14:	28 - 46 M	1800 PPM Ba
	54 - 85 M	6000 PPM Ba
DDH-15:	4 - 29 M	600 PPM Ba
DDH-16:	90 - 100 M	1000 PPM Zn
	111 - 113 M	2000 PPM Ba
	118 - 125 M	8000 PPM Ba

DDH-18:	90 - 122 M	3000 PPM Ba
DDH-19:	16 - 26 M	1000 PPM Ba
	47 - 48 M	1030 PPB Au
	69 - 71 M	275 PPB Au
	102 - 107 M	237 PPB Au

Given that the same stratigraphy trends on to the MC property where a nunmber of coincident Zn-Pb-Ag geochemical anomalies are coincident with ground and airborne EM conductors, there is a good chance of finding significant polymetallic mineralization in a volcano-sedimentary setting. One of the more attractive features here is the potential for large size with possible thicknesses of up to 40 metres and mineralization found over strike lengths of several kilometres. Examples of deposits found in this setting are Cirque (30 million tons grading 3.5% Pb, 8.6% Zn and 2.1 oz/ton Ag), Tom (8.65 million tons grading 8.1% Pb, 8.4% Zn and 2.75 oz/ton Ag), and Jason (10.1 million tons grading 6.5% Zn, 7.4% Pb and 2.14 oz/ton Ag).

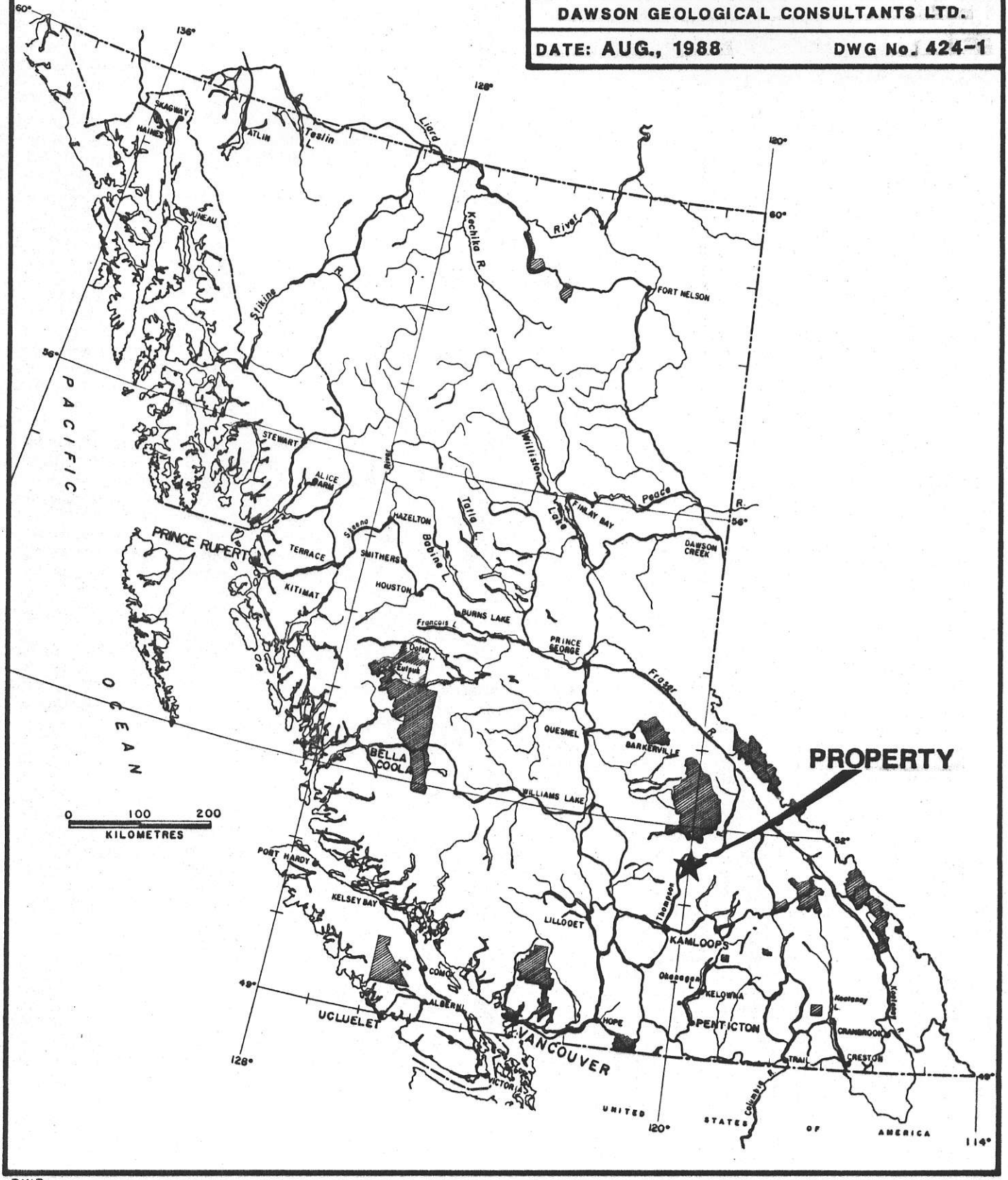
LUCERO RESOURCE CORP.

MC PROPERTY
KAMLOOPS MINING DIVISION, B.C.

LOCATION MAP

DAWSON GEOLOGICAL CONSULTANTS LTD.

DATE: AUG., 1988 DWG No. 424-1



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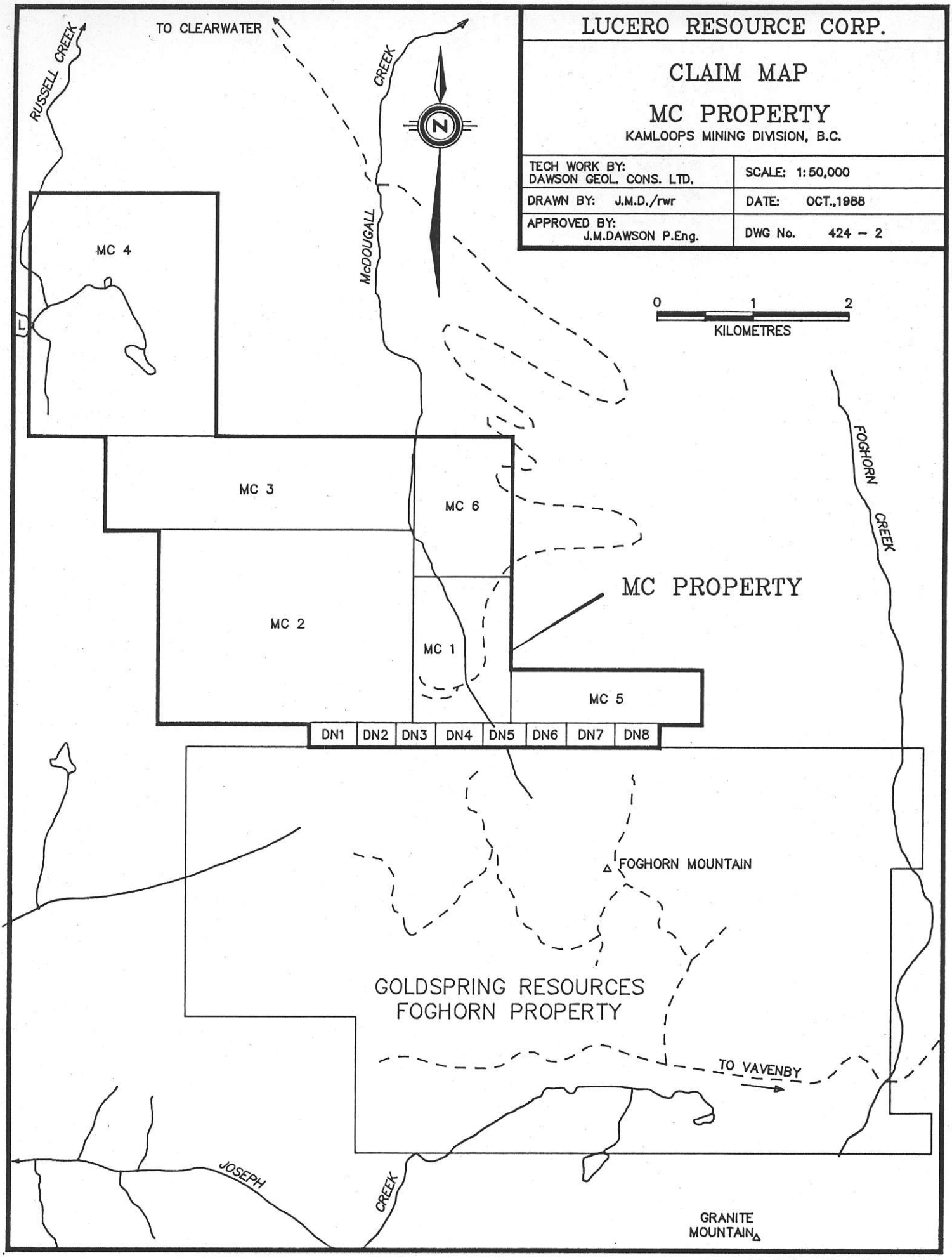

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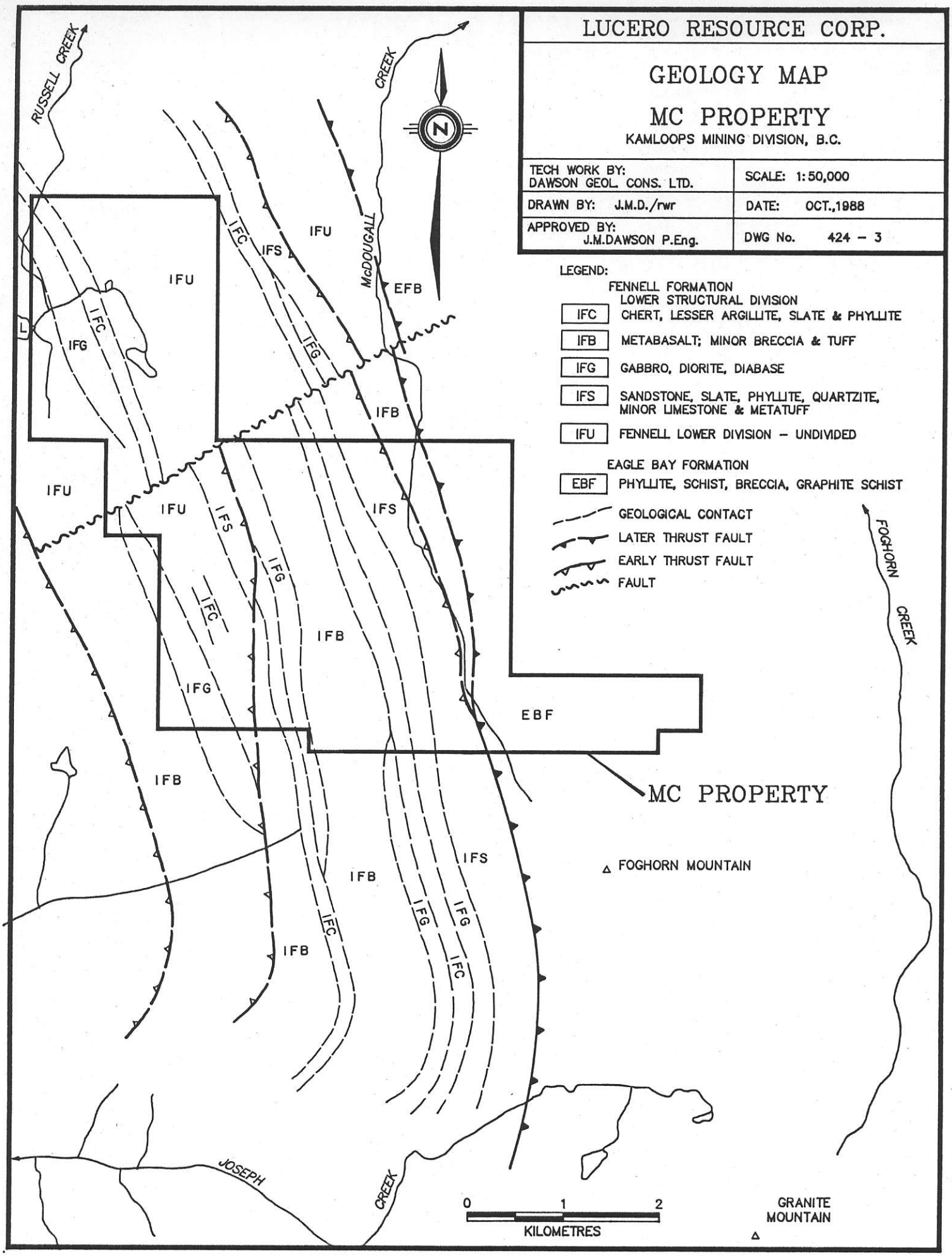

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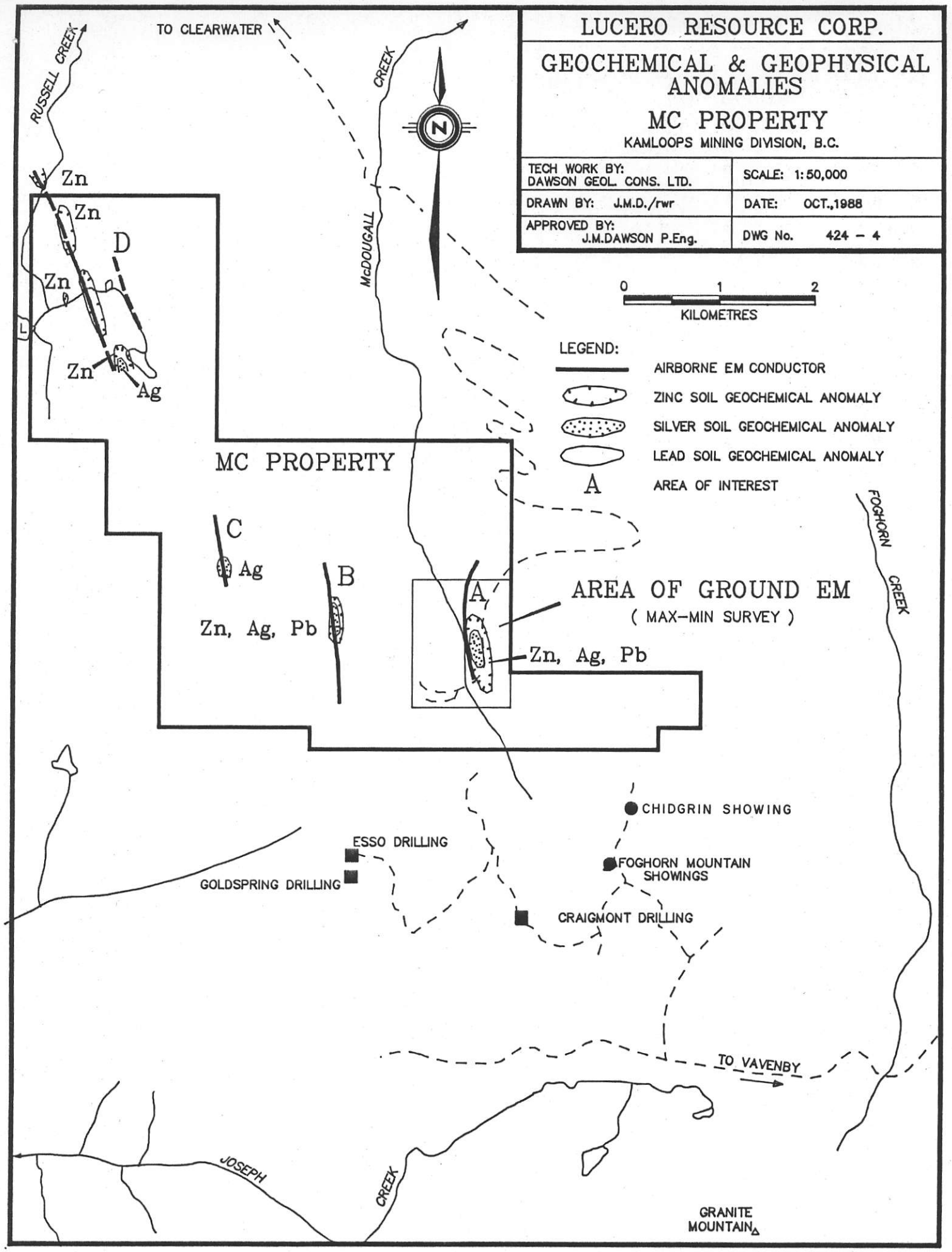

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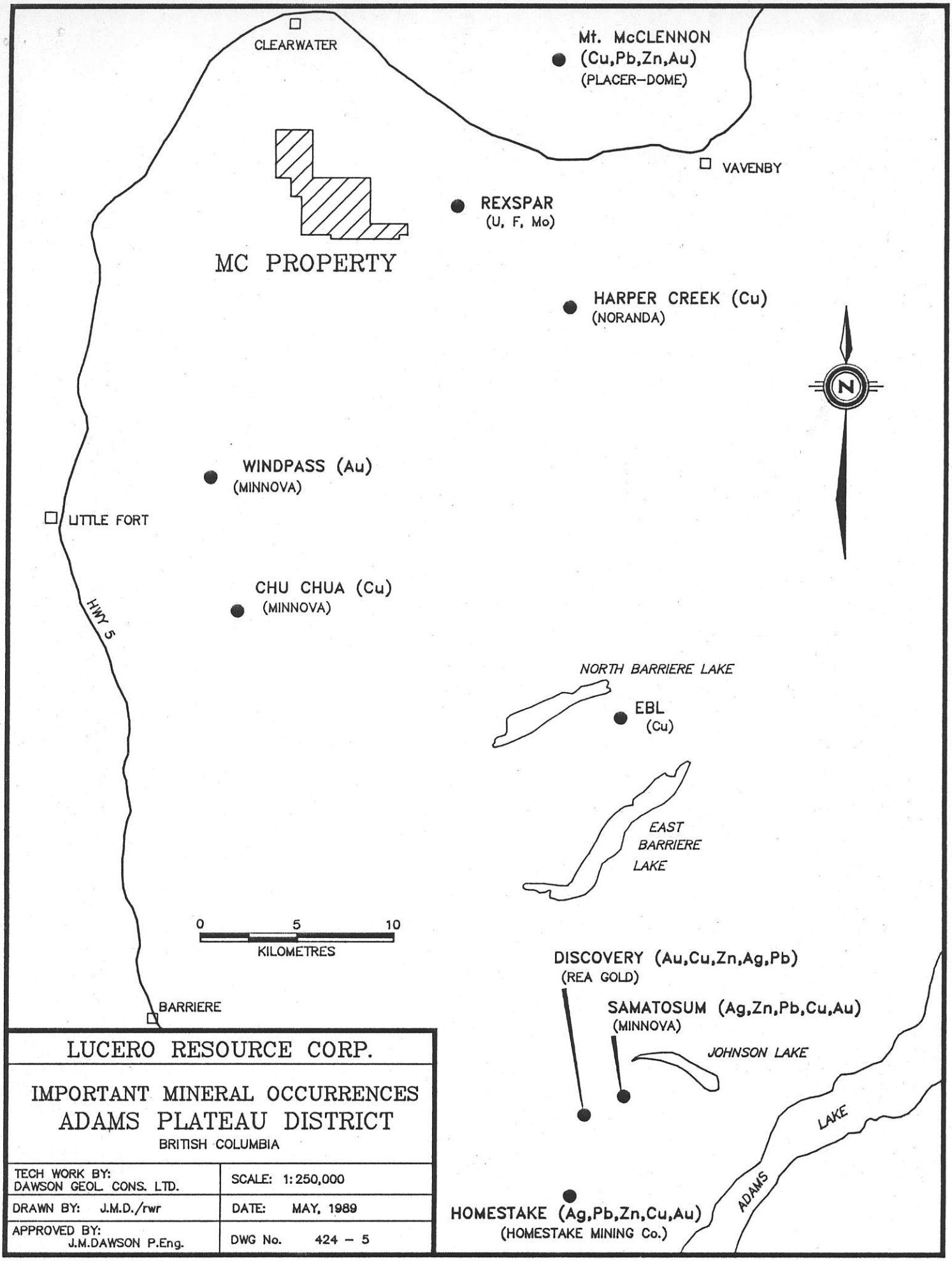

LUCERO RESOURCE CORP.

IMPORTANT MINERAL OCCURRENCES
ADAMS PLATEAU DISTRICT
BRITISH COLUMBIA

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