



## G. J. Walton & Associates Ltd

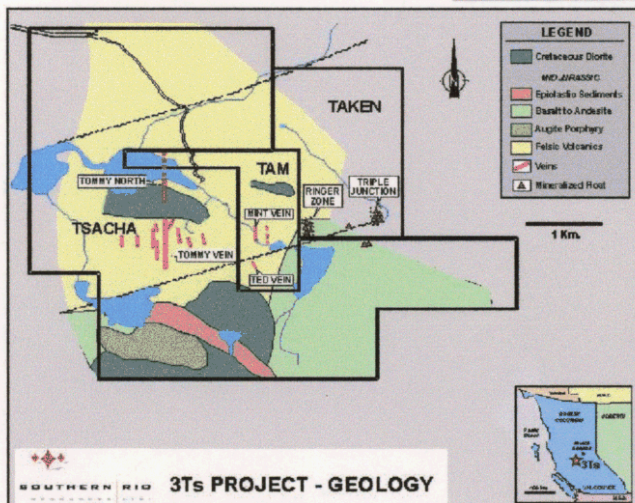
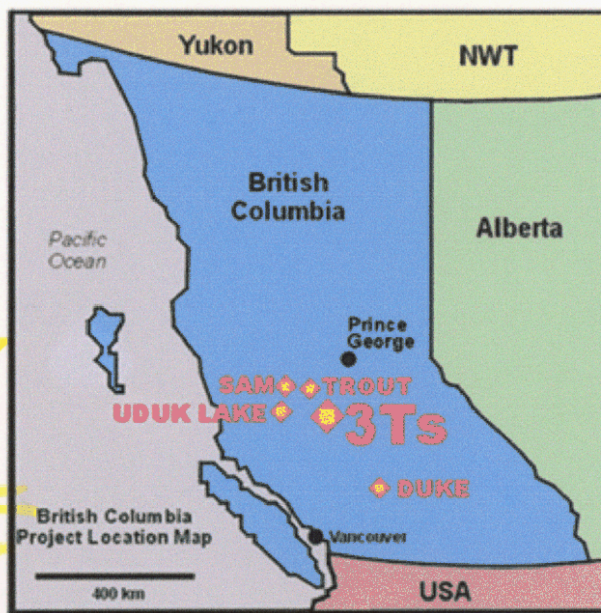
5463 Cortez Crescent, North Vancouver, British Columbia, V7R 4R1  
Tel: 604 988 7389, Fax: 604 924 5209, Email: gjwa@shaw.ca

### Southern Rio Resources Limited (TSX Venture SNZ)

#### HIGHLIGHTS:

- Strong Exploration Management.
- Focused on British Columbia and Canada.
- Excellent access, infrastructure and community support.
- Resource of 470,700 tonnes grading 7.4 g/t Au and 65 g/t Ag drilled by Teck.
- New Boulders discovery at the Ringer zone. Eight samples average 19 g/t Au and 140 g/t Ag
- Drilling on another zone has intercept of 22 meters grading 8.9 g/t Au and 394 g/t Ag.
- Multiple vein targets requires more drilling.

The main projects are located in British Columbia, with a lower priority project in Ontario. The 3Ts is the main project, located approximately 200 kilometers southwest of Prince George. It is a low sulphidation epithermal gold-silver system on the Nechako plateau of central British Columbia. The 3T project consists of (1) the Tam property owned by Southern Rio subject to a 1% NSR to Phelps Dodge with drilling on the TED vein containing 28 meters grading 3.78 g/t Au and 137.5 g/t Ag; (2) The Tsacha property, which adjoins the Tam property and has a resource estimated at 470700 tonnes grading 7.4 g/t Au and 65 g/t Ag identified by 16,000 meters of drilling; and (3) The Taken property, which has a number of



boulder fields such as the most promising one called the Ringer. The Ringer zone has had 8 samples taken from it that average 19 g/t Au and 140 g/t Ag.

Drilling on the Ted vein has intersected good grades along the length of the vein, which continues for 250 meters along strike. The Mint vein was also drilled in 2003 with continued success. Grades obtained in drill hole TT-27 where encouraging with values such as 8.08 g/t Au and 80.4 g/t Ag over

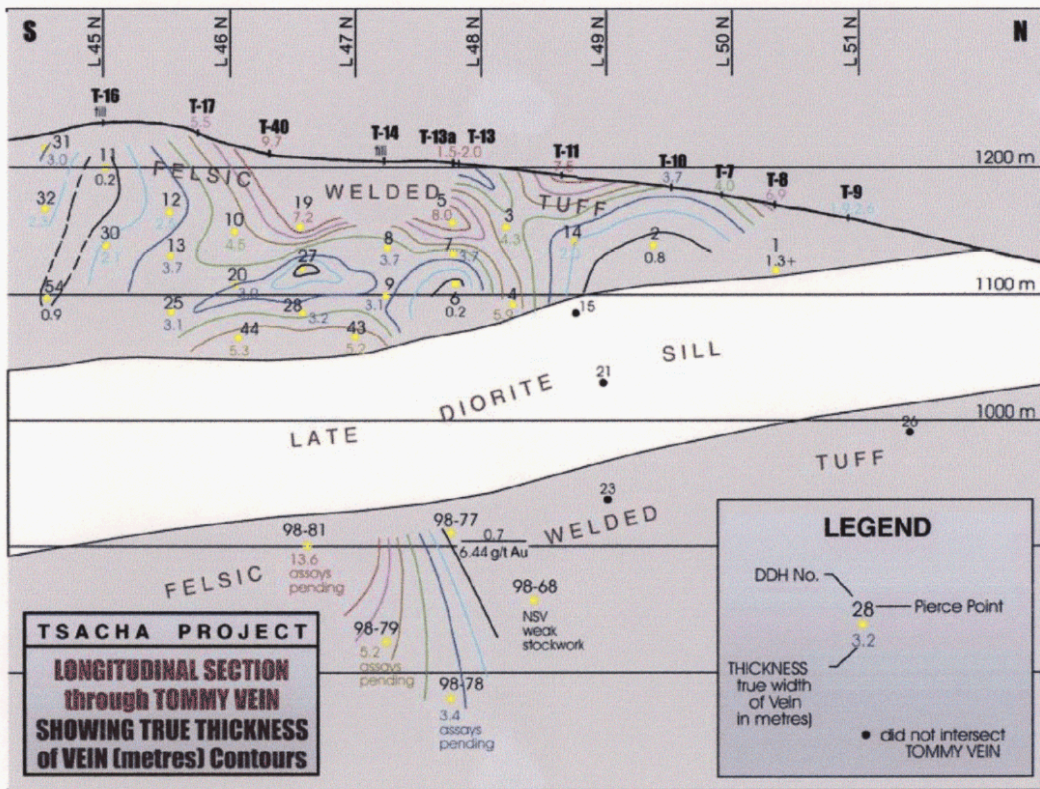


Aerial picture of the 3 Ts property

2.02 meters. Hole TT-25 returned values of 5.48 g/t Au and 127.3 g/t Ag over a length of 2.0 meters. In both the Ted and Mint veins a shallow sill has been intersected in the drilling. This sill appears to have crystallized after the mineralization and may cause some upgrading near the sill. The Company is evaluating this possibility. As can be seen by the section below, the vein has been intersected below the sill.

Southern Rio's management has explored this property carefully, thoughtfully and successfully. They have brought in good structural geologists to look at the structural setting, geophysicists to look at the physical properties of the mineralization, used soils sampling, drilling and trenching to explore the properties. They have explored the property carefully and continue to come up with high grade results comparable to the targets.

Southern Rio's other properties include Uduk Lake, Sam and Trout. They are north and northwest of the 3Ts project. The Uduk project has had some rock sampling with values of 5.7 g/t Au, numerous geophysical and geochemical surveys. The Sam property was staked by the Company over a large area of epithermal mineralization which locally has gold and silver values in the order of 7.12 g/t Au over a width of 1.5 meters. The Trout has





President Lindsay Bottomer at the Ted vein

breccia gold zones that have been re-interpreted and looks like it is open. Prior drilling results indicate that there are intercepts of 20 meters grading 3.82 g/t Au and 20.7 meters grading 3.42 g/t Au.

**In Conclusion, the author likes:**

- 1) The high gold and silver values found in the veins make it an attractive target.
- 2) The exploration is being completed methodically with success in the drilling and prospecting.
- 3) Management has a good success track record.
- 4) The Company has good upside in the share price because it is currently trading at a low value and they will be drilling in the near future.

**The author dislikes:**

- 1) The Company appears to be moving forward too slowly, which may be a function of money.

The author thinks that this is a good investment because the results from previous drilling campaigns are good, there are new float sampling results at the Ringer zone. The next phase of drilling will help provide an increase in the currently known resource and will target some of the new areas such as the Ringer zone. The Company and Management are focused on the main project.

This report is based upon the author's meeting with the Company, a review of reports given to him by the Company and a full review of the Company's website. This independent report has been paid for by The Long Wave Analyst.

Godfrey Walton M.Sc. P.Geol.  
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