

**ASSESSMENT REPORT:
PROGRESS REPORT ON SEPL # 349, SEPL 411, AND SEPL 400,
BELLAS GATE AREA, JAMAICA**

PREPARED FOR OROGRANDE RESOURCES

**by Michael R. McDonough, Ph.D.
APU CONSULTING LTD.**

December 17, 1995

SUMMARY OF ASSESSMENT WORK

Consultant B. Marvin was contracted to sample mineralized zones in the northeast portion of SEPL 400, and the southern portions of SEPL 349 and SEPL 411 (Figure 1). He collected 23 samples from both outcrop and float, which were assayed for Cu, Mn, Pb, Zn, Ni, Fe, Ag, Hg, Co, Cd, and Mo at the Geological Survey Division of Jamaica. Gold analyses were done by fire assay by Loring Laboratories of Calgary, Alberta.

TABLE OF CONTENTS	PAGE
DIAMOND HILL / LUCKY VALLEY (SEPL 349/SEPL 411)	3
OLD WOMAN HILL (SEPL 349)	3
MORANT'S GULLY (SEPL349)	4
MOUNT PLEASANT (SEPL 349)	4
BLIND GULLY (SEPL 400)	4
CROP GULLY: ROCK RIVER AREA (SEPL 400)	4
Figures:	
Figure 1. Map of eastern Jamaica showing the location of the Bellas Gate properties	7
Figure 2. Map of the Lucky Valley/ Diamond area showing sample locations	8
Figure 3. Map of the northern part of SEPL 400 showing sample locations	9
Appendices:	
Appendix 1. Assay report BM-1(1A), Jamaican Geological Survey	10
Appendix 2. Assay Report BM-3, Jamaican Geological Survey	12
Appendix 3. Assay Report 37078, Loring Laboratories	15
Appendix 3. Assay Report 37283, Loring Laboratories	17

DIAMOND HILL / LUCKY VALLEY (SEPL 349/SEPL 411)

Five mineralized float samples were collected by consultant B. Marvin for assay (samples 25406-25410; see Figure 2 for locations). Cu, Mn, Pb, Zn, Ni, Fe, Ag, Hg, Co, Cd, and Mo analyses done by the Geological Survey Division of Jamaica (Certificate of Analysis - Report No. BM-3; August 24, 1994). Cu results range from 1.11% to 8.86%.

OLD WOMAN HILL (SEPL 349)

Six outcrop samples and two float samples from Old Woman Hill collected by consultant B. Marvin have been analyzed for Au by Loring Laboratories Ltd (Calgary) for Oro Grande Resources (samples 26827-26833 and 26850-26853), Loring Certificate of Assay #37078, December 12, 1994). Included in Loring Certificate of Assay #37078 are Au results for two float samples (26854-26855) from Old Woman Gully. Cu, Mn, Pb, Zn, Ag, and Mo analyses for these samples were done by the Jamaican Geological Survey Division (Certificate of Analysis - Report No. BM-3; November 29, 1994). These samples give promising results averaging 3.84% Cu for 9 samples with Au ranging to .265 oz/t.

MORANT'S GULLY (SEPL 349)

Two samples of float collected by B. Marvin (26848-26849) were analyzed for Cu, Mn, Pb, Zn, Ag, and Mo by the Jamaican Geological Survey Division (Certificate of Analysis - Report No. BM-3; November 29, 1994). Au fire assays for these samples were done by Loring (Certificate of Assay #37078, December 12, 1994). Cu results are 2.13 % and 2.33%, while Au results are <0.002 and 0.003 oz/t.

MOUNT PLEASANT (SEPL 349)

One float sample collected by B. Marvin (26847) was analyzed for Cu, Mn, Pb, Zn, Ag, and Mo by the Jamaican Geological Survey Division (Certificate of Analysis - Report No. BM-3; November 29, 1994). Au fire assay for this sample was done by Loring (Certificate of Assay #37078, December 12, 1994). Cu result is 7.41% and Au is 0.366 oz/t.

CLIFFORDS/SIMON AREA (SEPL 349)

Three outcrop samples were collected by B. Marvin (25455, 25458-25459). These were analyzed for Cu, Mn, Pb, Zn, Ag, and Mo by the Jamaican Geological Survey Division (Certificate of Analysis - Report No. BM-1; August 24, 1994). Cu results range from 0.23% to 1.74%.

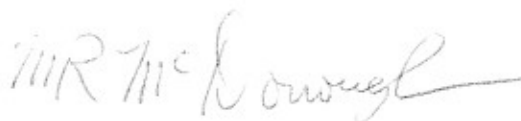
BLIND GULLY (SEPL 400)

One outcrop sample (26835) and three float samples (26836-26838) were collected by B. Marvin (Figure 3). These were analyzed for Cu, Mn, Pb, Zn, Ag, and Mo by the Jamaican Geological Survey Division (Certificate of Analysis - Report No. BM-3; November 29, 1994). Au fire assay for these samples was done by Loring (Certificate of Assay #37078, December 12, 1994). Cu results range from 0.05% to 8.56%, and Au values range up to 0.002 oz/t.

CROP GULLY: ROCK RIVER AREA (SEPL 400)

Three outcrop samples (25457, and 25486-25487) were collected by B. Marvin (Figure 3). These were analyzed for Cu, Mn, Pb, Zn, Ag, and Mo by the Jamaican Geological Survey Division (Certificate of Analysis - Report No. BM-1A; August 24, 1994). Cu results range up to 0.79%

Respectfully submitted by

A handwritten signature in cursive script that reads "MR McDonough". The signature is written in dark ink and is positioned below the typed name.

Michael R. McDonough, Ph.D.

December 17, 1995

EXCEPT FOR FLOAT (6) SAMPLES ALL ROCK SAMPLES WERE TAKEN FROM EXPOSURES WHICH APPEAR TO BE ZONES OF HYDROTHERMALLY ALTERED ROCKS. THERE WERE NO VEINS. THE ZONE DROPS 700 FT DIAMOND TO THE BACK RIVER. MOST EXPOSURE OCCURS WHERE THE SAMPLES WERE TAKEN. THE REST IS MOSTLY COVERED WITH ALTERED UPPER VOLCANICS. MANY SAMPLES WERE TAKEN FROM MASSIVE BLuish-GREY PORPHYRIC ROCK ANDESITIC IN COMPOSITION.

ROCK SAMPLE VALUES

SCALE: 1" = 770'

M = MALACHITE SHOWING

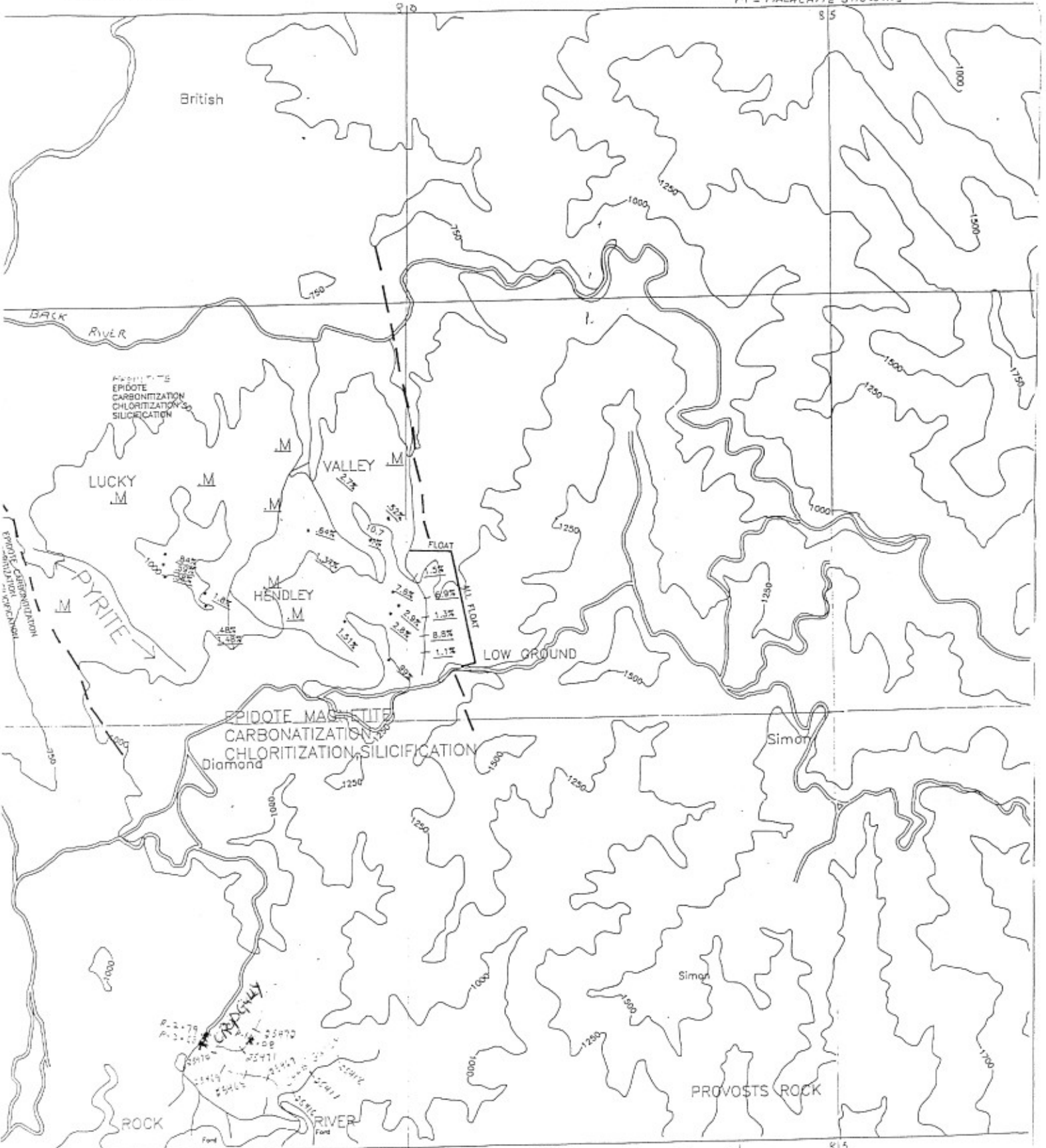


Figure 3. Sample locations for Crop Gully.