

Quantum GeoConsultants Group, LLC

TWIN PEAKS PROPERTY

Discoveries & Observations by Quantum GeoConsultants Group, LLC

The objective of this report is a review of results of on-site studies and to gather facts of new precious metal discoveries and consolidate them into an un-biased, factual report. This report is intended to give the reader a realistic description of the new discoveries and technical work accomplished over the last several months since the culmination of AGC's Phase 3 Drilling Project. The Twin Peaks property and surrounding areas have a long history of studies, exploration, drilling, and past mining and mineral production by previous mine owners. The most outstanding mines were: Hayes, Silver Belle, Doughboy, Glory Hole and Crosby.

From September, 2012 through January, 2013 USMetals, Inc. conducted an often overlooked, but critically important study to survey the land surface called Geological Mapping in order to obtain more detailed information. During a Geological Mapping study geological information and data are noted with symbols and markings on a Map compiled by a Geologist that includes the following:

1. Recording of stratigraphic contour lines showing surface elevation changes;
2. Type of rock (lithology) is identified and given a distinct color on the map;
3. Faults are noted with a solid line in detail where they are obvious on the surface and a dashed line indicates the fault is covered by overburden;
4. Also noted are existing access roads, jeep trails, structures, test pits, tunnels, shafts, talus (dumps), old camps and paths used by old timers to access their workings are noted and mapped;
5. Notable mineral outcroppings are sampled, tested and noted;
6. A legend with symbols is included showing types of earth movement such as, fault dip, strike, folds, foliations, dikes, overturns, geological cross sections, structural contacts, drill holes w/GPS and assays, USGS Geodetic survey control points noted in order to give 3-D orientations.
7. Transparent overlays are included to provide management the full picture of the site:

The Geological Mapping information has the detail required to guide Geologists, Geophysical subsurface studies, Drill operators, and future Mine operations to assure maximum cost-effectiveness and efficiency to assure a successful project during each phase of the operations.

One of many important benefits derived from the recently completed Geological Mapping project are the discoveries of "visible gold" at five (5) separate locations. The first discovery of visible gold was made by an Exploration Geologist while mapping in the general area of the Glory Hole mine site. In addition to discovering visible gold, the vein system had a pleasant surprise. The dark-red vein material taken from the contact area was tested with a NITON Analyzer XL3t-500. The NITON Analyzer XL3t-500 is a patented, portable metal assay instrument manufactured by Thermo Electronics. Major mining companies around the world own and use many NITON Analyzers on their projects.

It is important to note that the NITON unit only analyzes the top surface of an ore sample, therefore a fire assay is required to know the actual content of the entire volume of rock after it is crushed, prepared and processed. The NITON test results were expected to only be “high in iron, magnesium and titanium” with traces of other metals. Instead, the test results were high readings in Gold and Silver. The hand-held Analyzer recorded 76 ppm (2.44 o.p.t.) Gold and 386 ppm (12.41 o.p.t.) Silver. The ore sample has been bagged and marked with the results which can be repeated on the same ore specimen for future proof. The GPS location, elevation and photos of the vein is also recorded and sealed with the bagged ore sample. The Exploration Geologist has recorded and photographed each of the visible gold discoveries to maintain indisputable proof. Other locations have also shown visible Gold discoveries that have been similarly documented in detail for future reference. Some specimens tested extremely high in precious metal content, but are not listed in this report. These precious metal ore specimens are available, for viewing by qualified personnel.

The Quantum representative has concluded: “Several old mines shipped tons of high grade precious metals from the respective mines within the boundaries of the Twin Peaks Project in the past. The consulting Exploration Geologist has discovered locations with significant Gold and Silver values. The widespread locations of known precious metal discoveries proves that high grade gold and silver exists at Twin Peaks. These are new discoveries found during the Geological Mapping process and this fact corroborates many claims from past years findings of precious metals on the Twin Peaks property. Now USMetals must use state-of-the-art instruments and methods to locate the deep ore feeders that must exist at depth. These deep feeder-sources should be very rich and massive depending on the configuration of the geological subsurface structures during hydrothermal ore deposition.”

USMetals is urged to conduct a series of Geophysical Surveys to show subsurface geology and drill targets. Geophysical modeling will define any drill targets in 2-D and 3-D by using proprietary software. The “hot spot” areas for Geophysical subsurface testing have already been established by Satellite imagery based on NASA’s ASTER photos that have been provided and interpreted for USMetals by a Scientific Space Specialty corporation. The “hot spots” shown on the ASTER photos will be tested by a ground crew of a Geophysical Subsurface Survey firm to establish drill targets for the drilling contractor. The methods to be used to locate drill targets are Magnetometer surveys and Induced Polarity (I.P.). I. P. is capable of testing subsurface geological structures down to 1,000 feet below surface if deemed necessary by the attending Geophysicist and Geologist.

The reader of this report must keep in mind that the Spectrographic Analysis by a Niton Analyzer may not have the exact-same results as a fire assay on the same ore specimen, but the Spectrographic values and the Fire Assay results will not vary significantly.

At times, some veins of “Red Ore” assayed only a trace of gold. Other locations (test pits) of “Red Ore” assayed from traces of precious metals on up to high readings in Silver (Ag), but no Gold (Au). Other locations of “Red Ore” had high readings in Gold (Au), but no Silver (Ag). Field testing during geological mapping covered hundreds of acres over a period of several months.

As an Independent Consultant, Quantum GeoConsultants Group personnel do not “cherry pick” the best assays of precious metals and remain silent on the rest of the lower assays. In the past, there was often published information referring the presence of “complex ore” at Twin Peaks. Quantum personnel and the Independent Exploration Geologist were incredulous to find new vein systems of “Ore” that assayed over four (4) o.p.t. Au and over 19 o.p.t. Ag. Some ore samples assayed over three (3) o.p.t. Pd (Palladium) and 18% (Ti) Titanium. A recent spectrographic analysis of a grab sample of black ore found near the volcanic plug, analyzed extremely high in several metallic elements including precious metals and rare earth. The follow-up assay results will be announced after laboratory results by fire assay of the black ore are received to corroborate the initial field assays. But rather than making claims for values of other metals, this report is confined to only report on the precious metals of Gold and Silver. The other metals will be studied and evaluated separately at a later date.

Legend and Fact Checker:

o.p.t. = ounces per ton (in troy ounces) not Avoirdupois. Precious metals are weighed only in “Troy Ounces” not Avoirdupois. 1 troy ounce = 31.10 grams, 1 ounce Avoirdupois = 28.3495 grams, 1 pound (meat – potatoes or fruit) = 16 ounces Avoirdupois. When metals are described as a percentage of the ore, then 1% = 10,000 ppm = 321.5 o.p.t.

NOTE: Spectrographic XRF measurements when listed in “ppm” (parts per million) is NOT considered a percentage of 100%. PPM is strictly a “stand alone” factor and must be converted to a percentage.....for example: *The are 1,000,000 (one million) grams in a ton (metric ton)*

100 ppm of gold (Au) equals 3.215 o.p.t. I. E.: Using 31.1 grams per troy ounce (100 g divided by 31.1 g = 3.215 troy ounces per ton... there are 32,150.75 troy ounces in a metric ton.

1 short ton = 2,000 pounds (avoirdupois) = .907184 metric ton = 2,204.6 lbs. US weigh standard is avoirdupois: 16 oz. = 1 pound (not used to weigh precious metals)

1 Imperial tonne = 2,240 pounds (English Imperial tonne)

Respectfully submitted,

Quantum GeoConsultants Group, LLC
Edwin Arbar, Mining Consultant

\s\ Edwin Arbar, Mining Consultant

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CC: Corporate files
Edison W. Miller, Esq
Sociedad Minera Geominera AuCu S.A.