SEGO Resources Inc.
Form 51-102F1
Management's Discussion & Analysis
Year Ended June 30, 2013

The following discussion of the financial performance, financial condition, cash flows and future prospects ("MD&A") should be read in conjunction with the audited financial statements of Sego Resources Inc. ("Sego" or the "Company") and notes thereto for the year ended June 30, 2013. This MD&A for the year ended June 30, 2103 was prepared as of October 25, 2013. All dollar amounts set out herein are expressed in Canadian dollars. Additional information and filings are available for review on the Company's SEDAR profile at www.sedar.com.

FORWARD LOOKING STATEMENTS

This report includes certain statements that may be deemed "forward looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts, that address such matters as future exploration, drilling, exploration activities, potential mineralization and resources and events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties and other factors of which are beyond the reasonable control of the Company. Such statements are not guarantees of future performance and actual results of developments may differ materially from those expressed in, or implied by, this forward looking information. With respect to forward-looking statements and information contained herein, the Company has made numerous assumptions, including among other things assumptions about the price and future prices of ores and/or mineralization that are being explored for my the Company, anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. These factors include, but are not limited to such matters as market prices, exploitation and exploration results, continued availability of capital and financing, and general economic, market or business conditions. Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information. Any forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does to undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

BACKGROUND

The company was incorporated under the British Columbia Corporations Act on July 11th, 2005 under the name Sego Resources Inc. The Company's head office is located as Suite 718, 744 West Hastings Street, Vancouver, British Columbia, V6C 1A5. The Company trades on the TSX Venture Exchange ("TSX-V") under the symbol "SGZ". The company's website address is www.segoresources.com.

The Company is a natural resource company engaged in the business of acquiring, exploring and developing resource properties in Canada. On July 23, 2007, the company acquired the Miner Mountain Copper, Gold, Porphyry Project immediately NNE of Princeton, BC in the prolific Nicola belt that runs from Copper Mountain (approximately 100 years of production) along the Eastern belt of the Nicola group to Kamloops, BC. The project is approximately 15 km north of the producing Copper Mountain Mine and is within the Traditional Territory of the Upper Similkameen Indian Band with whom the company has signed a comprehensive MOU. The property consists of 15 claims totaling 2056.54 ha. The company acquired the claims in an arms-length transaction and fulfilled the first three terms of the agreement with the remaining term consisting of a further 300,000 shares due upon the preparation of a positive feasibility study on the property. The property is subject to a 3% NSR of which 1.5% can be purchased for $1,500,000.00.

TITLES TO MINERAL PROPERTIES

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has entered into agreements to acquire, explore and develop certain mineral properties located in British Columbia, Canada. Several Aboriginal groups are claiming inextinguishable Aboriginal title to the lands and resources in various regions of British Columbia, Canada, which may include one or more of the mineral claims beneficially owned by the Company. The extent to which any successful Aboriginal claim would materially affect the ability of the Company to exploit its mineral properties is not determinable at this time.

The amounts shown for mineral properties to not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

ACCESS TO CAPITAL

The exploration and subsequent development of mineral properties is capital intensive. Should it not be possible to raise additional equity funds when required, the Company may not be able to continue to fund its operations which would have a material adverse effect on the Company's potential profitability and ability to continue as a going concern. Timing of additional equity funding will be dependent on market conditions as well as exploration requirements. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

REALIZATION OF ASSETS

The investment in and expenditures on mineral properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately

developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off, if the properties are abandoned or the claims allowed to lapse.

Annual losses are expected to continue until the Company has an interest in a mineral property that produces revenues. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Company's accompanying financial statements to not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements. Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's

REALIZATION OF ASSETS (Continued)

operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company and other factors.

ENVIRONMENTAL

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

SELECTED ANNUAL INFORMATION

Selected annual information from the audited financial statements for the years ended June 30, is shown in the following table:

		2013		2012		2011
Operations						
Office and administrative	$	174,924	$	190,173	$	153,471
Rent	$	73,500	$	75,709	$	47,655
Professional fees	$	56,177	$	64,764	$	73,821
Investor Relations	$	12,484	$	141,450	$	96,528
Insurance	$	10,562	$	12,194	$	10,570
Transfer Agent	$	7,381	$	10,188	$	13,479
Share based payments	$	0	$	152,190	$	222,157
Amortization	$	22,419	$	9,002	$	11,256
	$	(357,447)	$	(655,670)	$	(628,937)
Revenue/Interest Income	$	0	$	0	$	4,999
Net Loss and Comprehensive Loss for Year	$	(357,447)	$	(655,670)	$	(623,938)
Basic and Diluted Loss per Share	$	0.01	$	0.01	$	0.01
Weighted Average Number of Common Shares Outstanding		56,642,252		54,947,031		42,938,797
Total Assets	$	3,568,288	$	3,812,384	$	2,917,782
Long Term Financial Obligations		**Nil**		**Nil**		**Nil**
Cash Dividends		**Nil**		**Nil**		**Nil**

RESULTS OF OPERATIONS

All financial figures presented herein are expressed in Canadian Dollars (CDN$) unless otherwise specified.

YEAR ENDED JUNE 30, 2013

During the year ended June 30, 2013, the Company's net loss was $357,447, a decrease of $298,223 from $655,670 during the year ended June 30, 2012. The Company's loss included expenditures as follows:

- Professional fees $56,177 (2012 – $64,764) decreased due to the transition to IFRS from Canadian GAAP reporting and the associated costs with this transition had been fully released in the prior fiscal year.

- Investor Relation fees $12,484 (2012 – $141,450) decreased substantially due to a reduction in investor relations activities as a result of the overall depressed market conditions found throughout the junior exploration industry.

- Share Based Payments $0 (2012- $152,190) decreased due to previous granted options becoming fully vested prior to fiscal year end.

- Amortization $22,419 (2012 - $9,002) increased as a result of the purchase of a Niton XL2 Goldd portable x-ray fluorescent analyzer used in field work on the Miner Mountain project.

SEGO management has succeeded in adapting to an ongoing decline in investor confidence in the junior exploration industry by reducing the annual cost of running and maintaining the Miner Mountain project as well as the head office expenses.

Property exploration costs for the fiscal year ending June 30, 2013 amounted to $202,255 (2012 - $880,648). In the last fiscal year the exploration of Miner Mountain was reduced from previous years. This reduction in property exploration was offset by work done within the office to better understand and interpret the existing data that has been generated from prior exploration years. Financing exploration in 2012 was a challenge for Sego Resources Inc. as well as the junior exploration industry as a whole. Even when facing these fiscal challenges Sego Resources Inc. was able to undertake a airborne geophysical survey of the Miner Mountain Project

RESULTS OF OPERATIONS (Continued)

On June 20, 2013 Sego Resources Inc. announced the closing of the non-brokered private placement of 1,300,000 units at a price of $0.10 per unit for gross proceeds of $130,000 (the "Placement") that was announced May 22, 2013. Each unit consists of one common share and one-half of one transferable purchase warrant. Each whole warrant will be exercisable into one common share for a period of 60 months from the closing of the Placement at an exercise price of $0.20 per common share. The terms of the Placement are the same terms as found in our current Short Form Offering Document (see News Release Dated May 03, 2013) and the placees are Directors of Sego. J. Paul Stevenson has acquired 1,200,000 units and Allan Hilton has acquired 100,000 units. The units are subject to a hold period of four months expiring on October 19, 2013

On May 3rd, 2013 SEGO Resources Inc. announced Euro Pacific Canada Inc. has agreed to act as agent and to offer for sale on a commercially reasonable efforts basis pursuant to a Short Form Offering Document up to 9,000,000 units at a price of $0.10 per unit for gross proceeds of up to $900,000.00.

Each unit (a "Unit") will consist of one common share and one-half of one transferable purchase warrant. Each whole warrant will be exercisable into one common share for a period of 60 months from the closing of the Offering (the "Closing") at an exercise price of $0.20 per common share. Sego will pay Euro Pacific a commission equal to 10% of the gross proceeds of the Offering (the "Commission"). Further, Sego will issue to Euro Pacific, at Closing, non-transferable options entitling Euro Pacific to purchase that number of Units equal to 15% of the number of Units sold pursuant to the Offering (the "Agent's Options") and pay to Euro Pacific a work fee equal to $15,000 (plus applicable taxes). Each Agent's Option will be exercisable into one Agent's Unit (having the same terms as the Units) at the price of $0.10 per Agent's Unit at any time prior to the date that is 60 months from Closing. Euro Pacific, as lead broker, will also receive a lead broker fee equal to 4% of the gross proceeds of the Offering and non-transferable options entitling Euro Pacific to purchase that number of Units equal to 10% of the number of Units sold pursuant to the Offering, which options will have the same terms as the Agent's Options.

On May 14, 2013 the Short Form Offering Document dated May 3rd was filed and accepted by the TSX Venture Exchange. See subsequent notes for further information.

On May 17, 2013 SEGO Resources Inc. announced a non-brokered private placement of up to 1,300,000 units at a price of $0.10 per unit for gross proceeds of up to $130,000 (the "Placement"). Each unit consisted of one common share and one-half of one transferable purchase warrant. Each whole warrant will be exercisable into one common share for a period of 60 months from the closing of the private placement at an exercise price of $0.20 per common share. These are the same terms as found in the aforementioned May 3rd Short Form Offering Document. The placees of this private placement were Sego Resources Inc. Directors. J. Paul Stevenson has acquired 1,200,000 units and Allan Hilton has acquired 100,000 units. The units are subject to a hold period of four months expiring on October 19, 2013.

LIQUIDITY AND CAPITAL RESOURCES

The Company's mineral exploration activities have been funded to date primarily through the issuance of common shares, and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flow from its mining operations. Other than as discussed herein, the Company is not aware of any trends, demands, commitments, events or uncertainties that may result in its liquidity either materially increasing or decreasing at present or in the foreseeable future.

Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of its exploration programs on its properties, as well as its continued ability to raise capital.

The Company is in the exploration stage. The investment in and expenditures on the mineral properties comprise all of the Company's assets. The recoverability of amounts shown for its mineral property interest and related deferred costs and the Company's ability to continue as a going concern is dependent upon the discovery of economically recoverable reserves, and the ability of the Company to obtain the financing necessary to complete development and achieve profitable operations in the future. The outcome of these matters cannot be predicted at this time.

The Company approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due and manages its liquidity risk by forecasting cash requirements for operations and anticipated investing and financing activities. Mineral exploration and development is capital extensive, and in order to maintain its interest the Company will be required to raise new equity capital in the future. There is no assurance that the Company will be successful in raising additional new equity capital.

- At June 30, 2013, the cash balance of $36,743 (2012-$2,086) is insufficient to meet the Company's general administrative, property and exploration requirements for the coming year. Therefore the Company will be required to raise additional capital in order to fund its operations in 2013.
- At June 30, 2013 the Company had accounts payable and accrued liabilities of $157,720 (2012-274,592), due within 90 days, which included amounts due to related parties totalling $101,642 (2012-$103,355)
- At June 30, 2013, the Company had working capital deficit of $(55,137) compared to working capital of $253,033 as at June 30, 2012. Net cash used in operating activities for the twelve month period ended June 30, 2013 was $335,028 (2012 - $494,478) consisting primarily of the operating loss for the period and the change in non-cash items.
- As of June 30, 2013, The Company is required by the Ministry of Energy and Mines, representing the Province of British Columbia to post a term deposit of $10,000. This deposit acts as a bond towards anticipated reclamation requirements with respect to the Company's Miner Mountain project.

SUMMARY OF QUARTERLY RESULTS

	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Quarter Ended	June 30 2013	Mar 31 2013	Dec 31 2012	Sept 30 2012	June 30 2012	Mar 31 2012	Dec 31 2011	Sept 30 2011
Total Revenue	Nil	Nil	Nil	Nil	66	18	Nil	843
Net and Comprehensive Loss for the period	(75,260)	(102,907)	(80,528)	(98,752)	(89,953)	(203,896)	(226,666)	(135,155)
Basic and diluted loss per share	0	0	0	-0.01	-0.004	-0.003	-0.03	-0.01

QUARTER ENDING JUNE 30, 2013 - FOURTH QUARTER

During the quarter ended June 30, 2012, the Company's net loss was $75,260 a decrease of $14,693 from $89,953 during the quarter ended June 30, 2012. The Company's loss included expenditures as follows:

Share Based Payments represents the largest change from June 30, 2013 $0 (2012- $10,031) decreased due to options granted becoming fully vested prior to 2013 fourth quarter end.

Office expenses $34,653 (2012 -$30,882) increased due to corporate services costs related to standard day to day operational business costs.

Directors consulting fees $4,800 (2012 $10,800) decreased as a result of reduced time in the field.

Transfer Agent fees $433 (2012- $1,360) decreased due to lack of warrant or option exercises as a result of a depressed stock price.

NOTE TO INVESTORS

In order to meet both its work expenditure requirements and cash payment obligations for all of its current mineral property interests, and to keep in good standing 100% of the claims that comprise the totality of each of these interest, (whether they be contractual or government mandated), additional financing will be required through the period. There is no guarantee that these funds can be procured in whole or in part. The inability of the Company to do so might require its divesting of one or more, or portions thereof, of its mineral property interest. If so, this may impact negatively on the Company's share price.

NOTE TO INVESTORS (Continued)

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continue support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs.. The Company's accompanying financial statements do

not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements. Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company and other factors.

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, it does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of equity units. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company considers its capital to be all components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will continue this financing method due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above-noted objectives are met. There have been no changes to the Company's approach to capital management during the year.

MINERAL PROPERTY

Miner Mountain Property

On July 19th 2007 the Company optioned to have a 100% interest in the Miner Mountain porphyry copper/gold property, optioned from Messers Hopper and Brandys, and Omega Exploration Services for cash payments and share issuances as follows:

(a) Cash payment to the optionors of $165,000 as follows:

(i) $30,000 within five business days from the day the agreement between both parties is approved by the TSX Venture Exchange (the "Exchange") (approved July 2007) (paid);
(ii) $60,000 on or before June 13, 2008 (paid); and
(iii) $75,000 on or before June 13, 2009 (paid);

(b) Issuance of shares in the capital stock of the Company to the optionors as follows:

(i) 50,000 shares within five business days of the approval date by the Exchange (approved July 2007) (issued);
(ii) 100,000 shares on or before June 13, 2008 (issued);
(iii) 150,000 shares on or before June 13, 2009 (issued); and
(iv) a further 300,000 shares upon preparation of a positive feasibility study on the property.

As part of the agreement, the optionors retain a 3% net smelter return ("NSR") royalty on the property. The Company has the right to buy back one-half of the NSR for the sum of $1,500,000 at any time.

The Property is immediately NNE of Princeton, BC. The Property at that time consisted of 38 claims totalling 1756.65 hectares. As of January 17th 2008 these claims were converted to 12 Map staked claims totalling 1,720.94 hectares.

On June 16, 2011, the Company acquired a 100% interest in 3 mineral claims located in the Similkameen Mining Division of British Columbia for a cash payment of $5,000 (paid) and issuance of 50,000 shares from Christopher Delorme. There is no NSR on these claims. The shares were valued at $11,000 which is equal to the market price at the date of issuance. As of June 16, 2011 the Property consists of 15 mineral claims totaling 2056.54 ha.

2007

In 2007 the Company acquired the Property and began preliminary mapping and sampling of exposed outcrops. This was completed in fall 2007 and plans for the 2008 exploration season were made.

MINERAL PROPERTY (Continued)

2008

In April approximately 99 line kilometres of soil sampling was done by SabreX Contracting Ltd. 1973 samples of the B Horizon were collected at 50 m intervals along east-west lines spaced 100 m apart and covering most of the Property from a northerly line at UTM 5486700 to a southerly line at UTM 5482800. A north-south baseline for the grid was established at UTM 684300 east. Samples were sent to Acme Analytical Laboratories Ltd. for analysis. Soil anomalies coincide well with areas of known mineralization, particularly the Granby, South and Regal Zones.

As soon as ground conditions allowed, an excavator trenching program was started. All old bulldozer trenches were reopened, deepened and, where practicable, extended. In total 5,306 metres of trenches were excavated, mapped and 2,170 samples taken. The location of each trench and sample was determined by GPS. Trench mapping and sample results were entered in the geological database. Because all trenches are in grazing land and when open pose a danger to livestock, mapping and sampling was done as soon as possible after excavation and the trenches closed and reclaimed as soon as practicable. Excavator trenching proved to be a very cost effective method of exploration in the largely drift covered, open range land of the Property. Zones of known mineralization determined by previous operators were confirmed, in some cases extended, opened and re-sampled.

In August and September ten NQ drill holes totaling 1039.89 metres were completed

DDH No.	**Easting**	**Northing**	**Elevation**	**Depth(m)**	**Angle**	**Azimuth**	**Year**	**Zone**
DDH-MM-08-01	5484275	683065	757	77.11	-45	172	2008	Regal
DDH-MM-08-02	5484231	683059	747	50.29	66.5	180	2008	Regal
DDH-MM-08-03	5484168	683031	748	38.1	-60	0	2008	Regal
DDH-MM-08-04	5484446	684011	943	88.7	-45	0	2008	Granby
DDH-MM-08-05	5484443	684011	941	132.59	-90	N/A	2008	Granby
DDH-MM-08-06	5484445	683970	939	100.3	-60	0	2008	Granby
DDH-MM-08-07	5484500	683980	947	184.5	-90	N/A	2008	Granby
DDH-MM-08-08	5484500	683980	947	153.9	-75	0	2008	Granby
DDH-MM-08-09	5484501	684010	944	78.5	-70	0	2008	Granby
DDH-MM-08-10	5484361	683969	951	135.9	-75	180	2008	Granby

The three holes on the Regal Zone all had very poor recovery being in either strongly oxidized landslide rubble or till. Hole 08-03 bottomed in carbonaceous mudstone of the Princeton Group. These three holes confirmed the result of the 1963 work by Climax Copper Co. Ltd. which indicated that the oxide layer at Regal is landslide material that rests either on till or directly on tertiary sediments.

The other seven holes were all drilled on the Granby Zone. They intersected variably altered and mineralized microdiorite and Nicola volcanic rocks. Two holes, MM-08-04 and MM-08-09, had to be

MINERAL PROPERTY (Continued)

abandoned prematurely due to drilling difficulties, both bottoming in good grade mineralization. Significant intersections are as follows:

DDH-MM-08-04
From 24.46 to 88.7m, 0.46% Cu, 0.14 g/t Au and 2.58 g/t Ag Including 18.07m of 0.65% Cu, 0.26 G/t Au, 3.33 g/t Ag and 15.25m of 0.63% Cu, 0.18 g/t Au, 3.19 g/t Ag Final two intervals (5m) 1.22% Cu and 0.5% Cu

DDH-MM-08-05
From 16.46 to 34.14 0.12% Cu, 0.155 g/t Au, 0.58 g/t Ag

DDH-MM-08-09
From 26.17 to 78.64m 0.41% Cu, 0.12 g/t Au and 2.11 g/t Ag Final two intervals (4.42m) 1.39% Cu and 0.38% Cu

The other holes drilled to the south and west did not encounter significant mineralization.
Field mapping, sampling and core logging was done by the Company's geologists with consulting services provided by Chris Sampson, P.Eng.

2009

A Titan 24 IP survey was performed by Quantec Geoscience between April 25th 2009 to May 14th 2009. The survey grid includes 13 DC/IP parallel lines along a total of 31.2 km (38.7 km with extension). Each line was surveyed with dipole spacing of 100 m and line separation of 200 m. Survey line length was approximately 2.4 km plus additional current injections up to 500 m beyond the end of the line. The data were inverted using the 2D inversion algorithms to produce maps of resistivity and chargeability of the subsurface.

The resistivity distribution over the survey area can be characterized as a resistive low associated with the Princeton Group and a resistive high associated with the Nicola Group. The resistivity of the Princeton Group in the northwest part of the survey grid is generally less than 50Ωm. The resistivity of the Nicola Group, which covers most of the survey area, is on the order of several hundreds of Ωm. These results are in agreement with the known geology of the area

The chargeability maps show a relatively heterogeneous distribution of the anomalies over the survey area. The chargeability varies between 0 mrad to 20 mrad with a background chargeability of ~6 mrad. Chargeable anomalies, as high as 20 mrad, are mainly located in the western and eastern parts of the survey grid. A moderate elongated chargeable anomaly is resolved at a depth of ~400 m. The elongated anomaly has a SW-NE orientation and traverses the grid in the south part of the survey area.

MINERAL PROPERTY (Continued)

Mapping was carried out in July and August 2009 to look for zones of alteration and mineralization associated with the geophysical anomalies outlined by the Titan 24 survey, and also to locate new zones outside of the areas of known mineralization. The mapping was concentrated to the Southeast and Northeast of the claim blocks away from the known areas of mineralization.

The results were successful in locating three new zones of alteration and mineralization in the Southeast co-incident with the MT 1 anomaly and to the Northeast where previous trenching had located scattered lead-zinc-copper mineralization. The new zones include the Schissler and Miner Zones in the South East of the property and the North Zone in the centre north of the Property.

In September and October of 2009, trenching was focused on the South Zone to test the potential for precious metal mineralization indicated by the 2008 exploration and in the Schissler Zone to test near surface chargeability anomalies

Details of this trenching program are given in B.C. Assessment Report 31730

Three HQ diamond drill holes totalling 496.45 metres were completed in 2009, two in the South Zone and one in the Granby Zone.

Thin section work by K. Dunne, P.Geo was done in October 2009 on trench and drill core samples from the South and Granby Zones respectively.

2010

A geomorphological study of the Property was done by Dr. Selina Tribe P.Geo of Carta Explorations on March 17th 2010. This was an overview of the surficial geology of the Property looking at the immediate post-glacial history. The emphasis was on analyzing the mass wastage events to determine possible source areas of the high grade Regal slide block. This study was successful in delineating the history and located several potential slide routes which Sego began testing in 2010 by trenching the slopes above the Regal Zone, and in the Southwest corner of the Granby Zone

Of these trenches, trenches 95, 96 and 97 were also excavated to test for surface expression of the mineralization located by diamond drill hole MM-10-19. Trench 96 successfully located excellent grade mineralization above the drill hole (see press release dated Dec 15th 2010), while trenches 97 and 98 located a zone leached gossanous rock that could not be penetrated by the excavator and extended at least 150 metres to the east of trench 96.

MINERAL PROPERTY (Continued)

The Company drilled 10 HQ holes in December 2009, and March-April 2010 to test targets identified by the trenching programs. Eight of these holes were drilled in targets in the Granby Zone, and two were drilled on the South Zone.

DDH No.	Easting	Northing	Elevation	Depth(m)	Angle	Azimuth	Year	Zone
DDH-MM-09-11	5484501	684010	944	241.46	-90	180	2009	Granby
DDH-MM-09-12	5483194	682886	791	103.2	-90	180	2009	South
DDH-MM-09-13	5483194	682886	791	151.79	-73	65	2009	South
DDH-MM-10-14	5484551	684010	941	200.25	-90	N/A	2010	Granby
DDH-MM-10-15	5484600	684009	937	125.72	-90	N/A	2010	Granby
DDH-MM-10-16	5484500	684060	945	133.2	-90	N/A	2010	Granby
DDH-MM-10-17	5484500	684110	947	108.81	-90	N/A	2010	Granby
DDH-MM-10-18	5484454	684061	948	90.53	-90	N/A	2011	Granby
DDH-MM-10-19	5484230	683895	956	127.1	-50	0	2011	Granby

The two holes in the South Zone MM-09-12 and MM-09-13 (Figure 10) did not intercept appreciable mineralization except for one spot of high 4 ppm gold over 3 metres which could not be reproduced.

Highlights of the drilling in the Granby Zone include.

DDH-MM-09-11
From 15.85m to 78.64 0.355% Cu, 0.165 g/t Au, 2.52 g/t Ag, m including 10.76 metres of 0.48% Cu, 0.24 g/t Au, and 3.38 g/t Ag from 35.97m to 46.73 m, and 27.44 metres of 0.49% Cu, 0.26 g/t Au, and 3.38 g/t Ag from 51.2 m – 78.64 m including 6.1 m of 0.91% Cu, 0.54 g/t Au, from 72.54 m – 78.64m

A second zone from 137.55m to 172.64m (35.09m) was mineralized with up to 2688 ppm copper.

DDH-MM-10-16
From 12.19m to 108.81m, 0.31% Cu, 0.08 g/t Au, 1.76 g/t Ag including from 23.47 to 44.81 - 21.34 m of 0.33% Cu, 0.1 g/t Au, 2.73 g/t Ag and from 69.19 to 108.81 - 39.62m of 0.5% Cu, 0.1 g/t Au, 2.27 g/t Ag, which includes from 72.24 to 75.29 -3.05m- 1.45% Cu, 0.15 g/t Au, 5.7 g/t Ag

DDH-MM-10-18
From 13.72 to 32.61 m 0.24% Cu, 0.26 g/t Au, 1.23 g/t Ag

DDH-MM-10-19
From 66.69 to 127.1 m of 0.27% Cu, 0.16 g/t Au, 0.72 g/t Ag including from 87.48m to 114.91m - 27.43m of 0.42% Cu, 0.3 g/t Au, 1.45 g/t Ag which includes 102.72 – 105.77 -3.05m- 1.67% Cu, 1.16 g/t Au, 3.9 g/t Ag

MINERAL PROPERTY (Continued)

DDH-MM-10-20
From 26.52 to 93.57 of 0.13% Cu, 0.16 g/t Au, 0.68 g/t Ag including from 26.52 to 50.90m - 24.38 m of 0.16% Cu, 0.33 g/t Au, 0.96 g/t Ag which includes 32.61 to 35.66 -3.05m- 0.15% Cu ,0.89 g/t Au, 1.3 g/t Ag

With the exception of hole MM-10-19 all the 2009 and 2010 Granby Zone drilling was collared in the Northern Granby to test extensions of the mineralization encountered in the 2008 drilling.

MM-10-14, did not intercept appreciable mineralization even through it was in close proximity to MM-09-11 which had significant mineralization. To the north of MM-10-14, MM-10-15 was more mineralized (up to 1000 ppm Cu and 0.1 g/t Au) than MM-10-14 but still did not contain significant widths or grades. Likewise MM-10-17 encountered heavily altered rock which was enriched with copper-gold but no significant grades were found.

All holes intercepted substantial alteration hosted in either Nicola Group volcanic or intrusive rocks.

Of note, is a large area of gypsum – pyrite – albite ± clay brecciation/veining which occurs at depth in holes 11, 14, 16 and in holes 8 and 10 of the 2008 drilling, and in the extant 2000 and 1997 core. This alteration assemblage appears to mark the lower boundary, or outer boundary of better metal grades. It dips to the northwest and comes to surface in the south and east of the Granby zone.

The dominant alteration is propylitic (chlorite-epidote ± actinolite ± hematite ± albite± pyrite), but large areas of albitization (Na-feldspar), sericite/illite ± rutile, carbonate and potassic alteration (K-Feldspar ±Magnetite) were encountered as well.

Sulphide minerals are principally Bornite and Chalcopyrite with rims of Chalcocite and Covellite. Pyrite is ubiquitous outside the copper-gold zones, but subordinate to Bornite and Chalcopyrite within.

Drill hole MM-10-19, was collared approximately 300 metres to the southwest of the above mentioned zone of mineralization to test at depth the mineralization previously encountered in Trench 95, and to determine the extent of a unit of barren maroon volcanics found at the southern end of the trench. This hole was successful in determining the extent at depth of the barren volcanics and their contact relationship, a fault, with mineralized microdiorite to the north. Most significantly this hole continued in microdiorite hosted mineralization to its bottom at 127.1 metres and thus was the reason for the excavation of trenches 96, 97, and 98. The hole was stopped at 127.1 metres due to drilling difficulties.

A second petrographic study was completed by K. Dunne, P. Geo on May 7, 2010. In total the 2009 and 2010 studies included 28 samples taken from drill core and trench material. The work confirmed the presence of multiple intrusives and intrusive phases from microdiorite and quartz monzonite to syenite,

MINERAL PROPERTY (Continued)

and elucidated the variety of volcanic rocks from crystal tuffs to amygdaloidal basalts. In many cases the work discovered previously unsuspected phases of alteration, and defined multiple stages of veining.

2011

Exploration work completed in 2011 consists of 102 percussion drill holes totalling 7260 metres, in three phases. The program was designed to test a broad east-west zone across the southern part of the Granby Zone, that is underlain by an arcuate chargeability anomaly, and to penetrate underneath the leach cap encountered in trenches 97 and 98 in 2010 overlying the anomaly.

On July 22, 2011, the Company received a Multi-Year Area Based Permit from the Ministry of Energy and Mines that is valid for 5 years. The permit is for percussion drilling, diamond drilling and trenching on the Sego's Miner Mountain Project near Princeton, B.C.

The Company started percussion drilling on July 25, 2011 with an initial percussion drill program as recommended by consultant Vic Preto, Ph.D., P.Eng. in his report of June 17, 2011. This report is available on Sego's website.

In Phase 1, the assay results show that 19 of the 34 percussion holes intersected significant widths of copper-gold mineralization (greater than 0.1% Cu and 0.1 g/t Au), with several intersecting exceptional grades of copper mineralization including PDH 9 which intersected 4m of 3.999% Cu, 6.925 g/t Au and 23.45 g/t Ag. Also of note is than many of the holes bottomed in copper mineralization, leaving wide areas open at depth.

Phase 1 Percussion drilling highlights are as follows:

PDH 1 From 24 to 48 m 0.156% Cu.

PDH 2 From 60 to 70 m 0.355% Cu, 0.446 g/t Au, 1.2 g/t Ag.

PDH 6 From 16 to 20 m 0.128% Cu, 0.179 g/t Au (and Isolated hits between 10 to 30m)

PDH 8 From 38 to 56 m 0.186% Cu, 0.138 g/t Au, and from 68 to 72 m 0.226 g/t Au.

PDH 9 From 12 to 64 m 1.264% Cu, 1.061 g/t Au, 3.79 g/t Ag, Including 12 to 44 m 1.845% Cu, 1.628 g/t Au, 5.569 g/t Ag including from 16 to 24 m 3.681% Cu, 5.256 g/t Au, and 15.975 g/t Ag which includes from 18 to 22 m 3.999% Cu, 6.925 g/t Au, and 23.450 g/t Ag.

PDH 12 Isolated 0.1% Cu from 70 to 82 m.

MINERAL PROPERTY (Continued)

PDH 13 from36 to 38 m from 0.139% Cu, 0.083 g/t Au, 64 to 68 m 0.272% Cu, 0.237 g/t Au 0.50 g/t Ag.

PDH 14 From 20 to 70m 0.126% Cu, 0.087 g/t Au.

PDH 15 From 24 to 50m 0.161% Cu 0.4 g/t Au, 0.43 g/t Ag including from 32 to 38 m 0.191% Cu 1.053 G/t Au.

PDH 16 From 14 to 20 m 0.237% Cu, 0.16 g/t Au, and from 28 to 40 m 0.141% Cu, 0.096 g/t Au.

PDH 17 From 32 to 44 m 0.135% Cu, 0.094 g/t Au, (isolated Cu and Au from 28 to 48 m)

PDH 18 From 34 to 38 0.216% Cu, 0.030 g/t Au, and from 40 to 56 m 0.186% Cu, 0.046 g/t Au and from 68 to 74m 0.112% Cu, and 0.021 G/t Au.

PDH 19 From 44 to 46 0.121% Cu, 0.029 g/t Au.

PDH 20 From 10 to 22 m 0.197%, Cu 0.257 g/t Au.

PDH 21 From 16 to 28 m 0.8 % Cu, 0.647 g/t Au, 1.367 g/t Ag including 18 to 24 m 1.342% Cu, 1.064 g/t Au and 2.067 g/t Ag and from 44 to 50 m 0.295% Cu 0.173 g/t Au.

PDH 22 From 12 to 22 m 0.142% Cu, 0.071 g/t Au, and from 32 to 42m 0.145% Cu, 0.122 g/t Au.

PDH 26 From 38 to 42 m 0.14% Cu, 0.056 g/t Au.

PDH 28 From 14 to 28 m 0.15% Cu, 0.261 g/t Au. 40 – 44 m 0.16% Cu, 0.769 g/t Au.

PDH 31 From 32 to 42 m 0.21% Cu, 0.121 g/t Au.

PDH 34 From 24 to 48 m 0.22% Cu, 0.144 g/t Au, includes 30 – 36 m 0.38% Cu, 0.234 g/t Au, and, 30 – 32 m 0.52% Cu, 0.238 g/t Au.

This phase 2 program was designed to test for northern and eastern extensions of the mineralization found in spring 2011. During this program 43 percussion drill holes were drilled for a total of 3394 metres on a the same arcuate chargeability high, as phase 1 but now called the Cuba Zone.

On November 28, 2011 Sego Resources announced it had received all fire assays from its September 2011 percussion drilling program. In Phase 2 the assay results show that 24 of the 53 holes intersected significant widths of copper gold mineralization (greater than 0.1% Cu and 0.1 g/t Au), with several

MINERAL PROPERTY (Continued)

intersecting exceptional grades of copper mineralization including PDH 77 54m of 0.342% Cu with 0.473 g/t Au. Also of note is than many of the holes bottomed in copper mineralization, leaving wide areas open at depth.

PDH 35 From	36-52m	16m 0.367% Cu with 0.595 g/t Au
PDH 37 From	20-32m	12m 0.14% Cu with 0.0.93 g/t Au
PDH 38 From	34- 40m	6m 0.114% Cu and 0.041 g/t Au
	42-52m	10m 0.199% Cu and 0.71 g/t Au
PDH 52 From	52- 60m	8m 0.114% Cu with 0.070 g/t Au
PDH 55 From	72 -101m	29m of 0.154% Cu with 0.251 g/t Au
PDH 57 From	28 -34m	6 m 0.134% Cu with 0.039 g/t Au
	54 – 89m	35m 0.217% Cu with 0.325 g/t Au
PDH 58 From	44-54m	12m 0.171% Cu and 0.085 g/t Au
	58-78m	20m 0.153% Cu and 0.117 g/t Au
	83-98m	15m 0.278% Cu and 0.227 g/t Au and 0.58 g/t Ag
		Including 2m of 0.411% Cu and 0.226 g/t Au and 1 g/t Ag
PDH 59 From	22-30m	8m of 0.164% Cu with 0.064 G/t Au
	32 -40m	8m of 0.14% Cu with 0.076 G/t Au
	46-54m	8m of 0.192% Cu with 0.095 g/t Au
PDH 60 From	10-28m	18m of 0.23% Cu with 0.157 g/t Au
	30-38m	8m 0.162% Cu with 0.127 g/t Au
	68-83m	15m of 0.34% Cu with 0.374 g/t Au
		including 2m 0.633% Cu with 0.359 g/t Au
	95-101m	6m of 0.21 g/t Au
PDH 61 From	10-22m	12m 0.185% Cu with 0.272 g/t Au
	24-56m	32m of 0.224% Cu with 0.326 g/t Au
		including 2m of 0.932% Cu with 0.783 g/t Au
	80 -94m	14m of 0.337% Cu with 0.289 g/t Au

MINERAL PROPERTY (Continued)

PDH 62	From	26-46m	20m of 0.106% Cu with 0.062 g/t Au
		68-76m	8m of 0.108% Cu with 0.085 g/t Au
		78-86m	8m of 0.110% Cu with 0.042 g/t Au
PDH 63	From	52-56m	6m of 0.136% Cu with 0.71 g/t Au
		74-80m	6m of 0.105% Cu with 0.026 g/t Au
PDH 64	From	36-44m	8m of 0.492% Cu with 0.101 g/t Au
PDH 65	From	8-16m	8m 0.187% Cu with 0.24 g/t Au
		18-32m	14m of 0.242% Cu with 0.333 g/t Au
PDH 66	From	0-6m	6m 0.217% Cu with 0.267 g/t Au
		8-54m	*46m 0.509% Cu with 0.5 g/t Au inc 12m of 1.13% Cu with 0.806 g/t Au
		98-110m	12m 0.142% Cu with 0.02 g/t Au

*two ICP samples inserted to make a composite intersection.

PDH 67	From	6-26m	*20m 0.529% Cu with 0.325 g/t Au incl 2m of 1.67% Cu with 0.93 g/t Au

*one ICP sample inserted to make a composite intersection.

PDH 68	From	22-48m	26m 0.842% Cu with 0.834 g/t Au
			includes 4m of 2.53% Cu with 2.47 g/t Au
			66-68m 2m of 1.113% Cu 0.312g/t Au
PDH 69	From	14-32m	18m 0.138% Cu with 0.66 g/t Au
PDH 70	From	16 to 46m	30m 0.255% Cu with 0.028 g/t au
		52-58m	6m 0.244% Cu with 0.034 g/t Au
		60-66m	6m 0.165% with 0.987 g/t Au
PDH 71	From	18 -30m	12m 0.242% Cu with 0.211 g/t Au
PDH 72	From	6-14m	8m 0.142% Cu 0.136 g/t Au
		26-36m	10m of 0.284% Cu with 0.722 g/t Au
		46-52m	6m of 0.246% Cu with 0.501 g/t Au
PDH 73	From	28-30m	10m 0.095% Cu with 0.107 g/t Au

MINERAL PROPERTY (Continued)

PDH 74 From 10 -16m 6m 0.19% Cu with 0.307 g/t Au
28-30m 2m 0.506% Cu with 1.765 g/t Au
32-34m 2m 0.599% Cu with 0.445 g/t Au

PDH 75 From 14m of 0.193% Cu with 0.25 g/t Au

PDH 77 From 4-14m 10m of 0.215% Cu with 0.148 g/t Au
20-26m 6m of 0.218% Cu with 0.185 g/t Au
38- 93m 54m of 0.342% Cu with 0.473 g/t Au
including 7m 0.76% Cu with 1.508 g/t Au

On November 22, 2011 Sego Resources Inc. reported that it had begun a 2,000 metre third phase percussion drill program targeting the eastern extensions of the new zone outlined in the phase 2 program.

In Phase 3 the assay results show that 13 of the 25 holes intersected significant widths of copper-gold mineralization (greater than 0.1% Cu and 0.1 g/t Au), with several intersecting exceptional grades of copper mineralization including PDH 94 which intersected 26m of 1.72% with 0.921 g/t Au.

PDH 78 From 18 to 32m 14m of 0.145% Cu with 0.209 g/t Au

PDH 84 From 54 to 70m 16m of 0.164% Cu with 0.179 g/t Au

PDH 85 From 38 to 60m 22m 0.136% Cu with 0.147 g/t Au

PDH 86 From 50 to 64m 16m of 0.161% Cu with 0.056 g/t Au

PDH 87 From 12 to 54m 42m of 0.128% Cu with 0.088 g/t Au ,
including 2m of 0.433% Cu with 0.337 g/t Au from 26-28m

PDH 88 From 2 to 16m 14m of 0.136% Cu with 0.056 g/t Au
and 28 to 38m 10m of 0.154% Cu with 0.088 g/t Au

PDH 89 From 8 to 22m 14m of 0.109% Cu with 0.343 g/t Au

PDH 91 From 24 to 52m 28m of 0.146% Cu with 0.037 g/t Au
and 62 to 78m 16m of 0.127% Cu with 0.024 g/t Au

MINERAL PROPERTY (Continued)

PDH 94 From 18 to 100m 82m 1.006% Cu, 0.576 g/t Au 1.69 g/t Ag
including from 20 -46m 26m of 1.72% 0.921 g/t Au

PDH 96 From 44 to 52m 8m 0.127% Cu with 0.142 g/t Au
and 62 to 102m 40m of 0.23% Cu with 0.053 g/t Au
PDH 97 From 70 to 80m 10m of 0.348% Cu with 0.095 g/t Au

PDH 101 From 18 to 58m 40m of 0.134% Cu with 0.071 g/t Au
including 2m of 0.39% Cu with 0.139 g/t Au from 44-46m

PDH 102 From 36 to 66m 30m of 0.145% Cu with 0.027 g/t Au

2012

On March 12, 2012 the Company announced the results of its January 2012 diamond drilling program at its Miner Mountain. Eight HQ holes totaling 1621.97 metres were drilled along the surface trace of the Cuba zone, which has been the focus of Sego's 2011 exploration program. The hole locations were chosen to twin reported percussion drill holes to confirm the grade of, and test for extensions at depth of copper-gold mineralization reported from the 2011 percussion drilling program.

The drilling consisted of 6 vertical holes (DDH 21-26) and 2 (DDH 27 -28) angled holes collared at 120° to test for extensions of mineralization between the vertical holes.

The results from west to east:

DDH 21 (Twin of PDH 9)
from 10.06m to 110.45m, 100.39m of 0.946% Cu 0.55 g/t Au 3.473 g/t Ag including from 10.06 to 45.11m, 35.05m of 2.457% Cu 1.35 g/t Au 8.896 g/t Ag

DDH 23 (Twin of PDH 02)
from 43.5m to 74.98m, 31.48m 0.172% Cu 0.228 g/t Au 0.619 g/t Ag including from 62.79m to 74.98m, 12.19m of 0.3 % Cu 0.469 g/t Au 0.951 g/t Ag

DDH 24 (Twin of PDH 77)
from 11.58 to 139.6m, 128.02m of 0.344% Cu 0.296 g/t Au 0.975 g/t Ag including from 42.06m to 84.73m, 42.67m of 0.737% Cu 0.751 g/t Au 1.57g/t Ag

DDH 25 (Twin of PDH 94)
from 11.28m to 17.37m , 5.99m of 1.372% Cu 0.677 g/t Au

MINERAL PROPERTY (Continued)

DDH 26 (Twin of PDH 94)
from 17.37m to 29.57m , 12.2m of 1.163% Cu 0.759 g/t Au

DDH 27
from 8.23 to 96.62m, 88.39m of 0.222% Cu 0.192 g/t Au 0.428 g/t Ag including from 60.05 to 78.33m, 18.28m 0.546% Cu 0.339 g/t Au and 0.733 g/t Ag

DDH 28
from 7.62 to 77.12m, 69.5m 0.257% Cu 0.193 g/t Au 0.644 g/t Ag including from 38.1 to 62.48, 24.38m 0.451% Cu 0.32 g/t Au and 0.9 g/t Ag. Final two intervals of DDH 28 from 199.64m to 205.74m are 3m of 4233 ppm Cu 117.9 ppb Au and 3m of 5890 ppm Cu with 259 ppb Au respectively

On August 10, 2012 the Company announced the creation of a Technical Advisory Board to enhance and accelerate the exploration and development of the Miner Mountain Porphyry Copper-Gold Project. The Advisory Board's breadth and depth of experience in porphyry copper exploration, development and project finance represents a significant step forward in the company's strategic capabilities and a key milestone in corporate development. The members of the Technical Advisory Board are:

Nick Carter, Ph.D., P.Eng.

Nick Carter obtained a B.Sc. in Geology from the University of New Brunswick in 1960, an M.S. from Michigan Technological University in 1962 and a Ph.D. from The University of British Columbia in 1974. He has been registered with the Association of Professional Engineers and Geoscientists of British Columbia since 1966 and, with Dr. Vic Preto, served on a Task Force which was instrumental in achieving the registration of Professional Geoscientists within the Association.

Dr. Carter spent two years with the International Nickel Company in Sudbury prior to joining the then B.C. Department of Mines and Petroleum Resources in Victoria in 1964. His 16 year career with this organization included the examination of, and reporting on, a variety of mineral deposits and occurrences in a number of mineral districts and the supervision of a number of geological projects and regional geochemical surveys throughout British Columbia. Over the past 27 years, Dr. Carter has served as a director, officer and as a member of technical advisory boards for a number of junior mining companies and has provided professional services to numerous junior and senior mining companies engaged in a variety of mineral projects throughout Canada, the western U.S. , Mexico, and parts of South America and Asia. Dr. Carter is the author of numerous publications on molybdenum and copper porphyry deposits.

MINERAL PROPERTY (Continued)

Vic Preto, PhD., P.Eng.

Dr. Preto has mapped extensively in the Nicola Belt and studied its copper -gold alkalic porphyry deposits during his 31 years of service with the B.C. Ministry of Energy, Mines and Petroleum Resources. As a result of these studies he authored or co-authored several referred papers and led numerous field trips to the Nicola Belt and its mineral deposits. His publications include:

- Geology and Mineral Deposits of the Copper Mountain Camp (EMPR Bulletin 59)
- Geology and Mineral Deposits of the Nicola Belt (EMPR Bulletin 69) - Where the Miner Mountain project is located.

In addition to his extensive field studies Dr. Preto represented the Geological Survey Branch on the Mine Development Steering Committee for several years, was Manager of District Geology and Coal Resources, Director of Prospectors' Assistance and Training, and Manager of two major assistance programs to stimulate mineral exploration. He also served on Council for the Association of Professional

Engineers and Geoscientists of B.C. (APEGBC) and, with Dr. Nick Carter, served on a Task Force which was instrumental in achieving the registration of Professional Geoscientists within the Association.
A member of APEGBC since October 1967, Dr. Preto's geological and mineral deposits knowledge and experience as well as his knowledge of the Provincial Government inner workings, regulations, and of the Environmental Review and Permitting Process will be an asset as the Miner Mountain Project moves forward. Dr. Preto was previously Sego's independent consultant.

Christos Doulis, CFA

Research Analyst, Mining - Precious Metals Stonecap Securities
Prior to joining Stonecap Securities in September 2010, Mr. Doulis spent sixteen years in a wide variety of roles with a focus on the global mining sector. Most recently, Mr. Doulis was a Partner at Gryphon Partners, a diversified global corporate advisory consultancy specializing in mining and resource company mandates. From 2006 to 2008, Mr. Doulis was a Vice President in the Mining Investment Banking group at Blackmont Capital (now Macquarie Private Wealth). Mr. Doulis began his professional career in 1994 with Scotia Capital as an equity research associate.

2013

On May 8th Sego Resources Inc. announced that it has contracted Precision GeoSurveys Inc. to fly a helicopter-borne high resolution aeromagnetic and radiometric survey over its Miner Mountain Property. The survey will consist of 230 kilometres, of 100m spacing covering the entire area of the

MINERAL PROPERTY (Continued)

project, and 63 kilometres of 50m spacing co-incident with the area of the 2009 Titan 24 IP survey and the 2008-2012 drilling.

On June 28th, 2013, Sego Resources Inc. announced a contract with Dr. Jules J. Lajoie PhD., P.Eng., former Chief Geophysicist of Cominco, Teck-Cominco and Teck Resources, to reanalyse and integrate the 2009 Titan 24 IP survey and the 2013 Precision Geosciences Airborne Geophysical Survey conducted over Sego’s Miner Mountain Property, near Princeton, BC. The work is now completed and Sego has received the final report entitled ``Titan 24 Re Processing, Heli Magnetics and Radiometrics Interpretation``.

The report detailed eight separate target zones on the property worthy of further investigation through drilling and/or further geophysics.

Targets #1&2 respectively are the Cuba Zone for which IP strongly suggests extension to the WNW and ESE, and the yet untested Quintana Zone, located about 700 m NE of the Cuba Zone and consisting of a 500 m diameter IP response that coincides with a Mag low, as occurs over the Cuba Zone mineralization (100.39m of 0.946% Cu 0.55 g/t Au 3.473 g/t Ag in DDH 21, and 128.02m of 0.344% Cu 0.296 g/t Au 0.975 g/t Ag in DDH 24 in the Cuba Zone-NR March 12, 2012).

Target #3 is immediately south and upslope of the Regal Zone which contains attractive copper grades and has been interpreted to be a post-glacial landslide deposit.

Target #4 is in the approximately 1.5 km, and open, E-W IP high in the SW part of the survey area, and is “located immediately north of strong magnetic anomalies, a situation not unlike that at Copper Mountain”. As a start three holes are recommended for this target.

Targets #5&6 are in the south-eastern part of the Titan 24 IP survey. Target #6 shows increasing chargeability at depth and to the east, with depth to the top of the deep chargeability indicated to be in the 100-200 m range on the easternmost line.

Targets #7&8 are both in the northern part of the property, in excess of 1 km north of the Quintana Zone (Target #2) in an area not covered by the Titan 24 IP survey. Target #7 is a strong mag low. Target #8 is a sub-circular area about 1 km in diameter “...displaying unusually quiet mag (magnetite destruction?) with the center showing somewhat elevated mag and K/Th ratio, as one might expect for the central core of a porphyry system.” IP coverage is recommended for both areas.
Sego has already located mineralization and/or alteration in target areas 1 through 7, with surface exploration including trenching, soil geochemistry and surface geological mapping. The report is now being reviewed by Sego’s Exploration team.

RELATED PARTY TRANSACTIONS

During the year ended June 30, 2013, the Company incurred the following fees and expenses in the normal course of operations transactions with companies controlled by directors or officers or companies having common directors:

Person or Entity	Relationship to SEGO	Transaction Purpose	June 30, 2013	June 30, 2012
J Paul Stevenson & Associates	CEO - SEGO Resources Inc.	Management Fees for CEO	$36,000	$36,000
J Paul Stevenson & Associates	CEO - SEGO Resources Inc.	Management Services – CFO pay	$72,456	$71,818
J Paul Stevenson & Associates	CEO - SEGO Resources Inc.	Geological Services	$72,456	$71,818
Sampson Engineering	President – SEGO Resources Inc	Consulting Fees	$1,200	$2,400
Allan Hilton	Director – SEGO Resources Inc	Consulting Fees	$6,600	$18,675
		Total	**$188,712**	**$200,711**

During the year ended June 30, 2013, share based payments to key management were $0 (2012 – $100,745)

As at June 30, 2013 the following amounts were owing to related parties as a result of expenses in the normal course of operations with companies controlled by directors or officers or companies having common directors:

Person or Entity	Relationship to SEGO	Transaction Purpose	June 30, 2013	June 30, 2012
J Paul Stevenson & Associates	CEO - SEGO Resources Inc.	Various	$96,496	$77,618
J Paul Stevenson	CEO - SEGO Resources Inc.	Various	$1,378	$5,195
Sampson Engineering	President – SEGO Resources Inc	Consulting Fees	$0	$1,344
Allan Hilton	Director – SEGO Resources Inc	Consulting Fees	$3,768	$19,198
		Total	**$101,642**	**$103,355**

COMMITMENTS

The Company has, since 2006 entered into a year to year renewable agreement with J Paul Stevenson who acts as the CEO and director of SEGO Resources. The agreement is to provide management services ($3,000 per month); bookkeeping and secretarial ($6,038 per month), as well as GIS data management ($6,038 per month), rental of office space ($6,125 per month), and phone services ($440 per month). The agreement also provides the Company with geological services on an as needed ongoing basis.

The Company has, since 2006 paid the directors, or companies controlled by the directors a daily rate of $600.00 per day for consulting services on an as per needed basis.

The Company has a Memorandum of Understanding (MOU) with the Upper Similkameen Indian Band (USIB) in whose territory the Miner Mountain project is located. The term of this agreement commenced on September 27, 2007 and will end at such time as Sego Resources Inc. or its successor permanently ceases operations in the Territory, or otherwise through mutual agreement. SEGO Resources Inc. and the Upper Similkameen Indian Band will meet annually to review and evaluate progress on objectives outlined in the Agreement and will amend the Agreement if warranted. The MOU objectives are as follows:

1) To establish a clear, certain, and timely process for communication, information sharing, meaningful consultation and any agreed upon accommodation measures with respect to USIB aboriginal interests.

2) To define commitments, roles and approaches for consultation, accommodation and information sharing with regard to the operational activities of SRI.

3) To develop and foster a positive cooperative working relationship between the Parties through jointly implementing the process described in this Agreement.

4) To develop opportunities for employment, contracting, and related business development for the USIB.

5) To assist the USIB to develop its capacity to effectively participate in and benefit from any development activities associated with SRI mineral tenures in the Band's Territory.

6) To develop workable strategies, through discussions with the Ministry of Energy, Mines and Petroleum Resources (MEMPR) and the Ministry of Aboriginal Relations and Reconciliation, to address the USIB's interests in revenue-sharing and mineral sector economic development, including exploration of options for developing an equity position within the company, in the event that SRI's activities result in the generation of revenues from mineral development.

7) To provide information to SRI to assist in developing awareness of USIB interests, capacity and operations to assist in meeting the objectives described in this section.

COMMITMENTS (Continued)

8) To continuously revisit these items with the intention of ensuring that commitments are satisfactorily implemented and additional items are identified that meet the intent of this Agreement or may add to its effectiveness.

The Company has, since 2009 entered into an ongoing lease agreement with White Pine Holdings Ltd. The lease agreement is for 1450sq feet of storage space which is located within the town of Princeton, BC. The price of this storage space is $800 per month.

PROPOSED TRANSACTIONS

The Company has not entered into any proposed transactions.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet transactions

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified as a financial asset at FVTPL, reclamation deposit is classified as held-to-maturity, due to related parties and accounts payable are classified as other financial liabilities, which are measured at amortized cost. The carrying value of these instruments approximates their fair values due to their short term to maturity.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is held in a Canadian financial institution. The Company does not have any asset-backed commercial paper. The Company has minimal credit risk.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual

FINANCIAL INSTRUMETNS AND OTHER INSTRUMENTS – LIQUIDITY RISK (Continued)

financial liabilities of the Company as of June 30, 2013 equal $197,761 (June 30, 2012 - $274,592; July 1, 2011 - $85.797). All of the liabilities presented as accounts payable are due within 90 days of June 30, 2012.

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

CURRENCY RISK

The Company is exposed to currency risk to the extent that expenditures incurred on certain mineral properties are denominated in US dollars. The Company does not manage currency risk through hedging or other currency management tools. As at June 30, 2013 and 2012, the Company's net exposure to foreign currency risk is $nil.

INTEREST RATE RISK

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates and therefore the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

OTHER PRICE RISK

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

Outstanding Share Data			Number of Common Shares	Exercise Price	Expiry Date
Issued & Outstanding			**57,897,828**	N/A	N/A
Stock Options					
	Granted - July 30, 2009	1,389,655		$0.10	14-Jul-14
	Granted - March 10, 2010	1,821,000		$0.10	18-Mar-12
	Granted - February 11, 2011	2,380,000		$0.17	16-Feb-16
	Granted - January 17, 2012	100,000		$0.28	17-Jan-16
	Granted - March 30, 2012	200,000		$0.30	30-Mar-17
	Granted - August 10, 2012	1,000,000		$0.15	10-Aug-17
Total Stock Options			**6,890,655**		
Warrants					
	Financing - April 27, 2009	1,543,000		$0.10	27-Apr-14
	Financing - May 29, 2009	4,837,110		$0.10	29-May-14
	Financing - June 26, 2009	1,791,875		$0.10	26-Jun-14
	Financing - December 10, 2009	7,074,875		$0.15	10-Dec-14
	Financing - July 26, 2011	4,200,000		$0.33	26-Jul-15
	Financing - May 24, 2013	650,000		$0.20	24-May-18
Total Warrant			**20,096,860**		
Agent Options					
	Financing - May 29, 2009	81,150		$0.07	29-May-14
	Financing - June 26, 2009	22,500		$0.07	26-Jun-14
	Financing - December 10, 2009	66,250		$0.08	10-Dec-14
	Financing - July 26, 2011	600,000		$0.25	26-Jul-15
Total Agent Options			**769,900**		
Fully Diluted as of INSERT DATE			**85,655,243**		

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Significant estimates made in the preparation of these financial statements include mineral properties assessments for impairment, accrued liabilities, assumptions for the determination of fair value of share-based compensation, and determination of valuation allowance for deferred tax assets. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

DIRECTORS AND OFFICERS

As at June 30, 2013 the Company had the following directors and officers:

J Paul Stevenson* – CEO and Director
J Allan Hilton – Director
Chris J Sampson – President and Director
Shelley Hallock* – Director
Andrew Watson – Director
Tyler Ducharme – CFO and Director
G Kenneth Willington* - Director

* Member of the Company's Audit Committee

At the Company's Annual General Meeting of Shareholders held on January 7, 2013, all the Company's directors were re-elected for the ensuing year. Concurrently new nominee G. Kenneth Willington was also elected as a director of the Company.

SUBSEQUENT EVENTS

On July 2, 2013, Sego Resources Inc. announced it had signed a Geoscience Partnership Agreement with the British Columbia Geological Survey (BCGS) that contributes to ongoing regional geological studies in the Nicola Arc. The current Partnership will extend for two years and will have Sego Resources Inc. providing monetary ($10,000) and technical support to the Survey's Nicola Arc – South field program. Under this agreement two senior geologists from the Geological Survey Branch will complete geological mapping on and around the Miner Mountain Project as part of a larger multi-year regional mapping program aimed at understanding the geology and metallogeny of the region roughly between Princeton and Merritt, BC. The project focuses on the stratigraphy, age and geological setting of the Southern Nicola Group.

SUBSEQUENT EVENTS (Continued)

On July 18, 2013 Sego Resources Inc. announced the closing of the May 3rd, 2013, Short Form Offering Document. Sego issued an aggregate of 5,000,000 units (the "Units") at a price of $0.10 per Unit for gross proceeds of $500,000. Each Unit consisted of one common share of Sego and one-half of one transferable common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to subscribe for one additional common share at a price of $0.20 until July 18, 2018.

On closing of the Offering, Sego paid to Euro Pacific Canada Inc., as agent (the "Agent") a cash fee equal to 10% of the gross proceeds raised through the Offering and a work fee of $15,000.00 and issued to the Agent options (the "Agent's Options") equal to 15% of the Units issued pursuant to the Offering. Each Agent's Option entitles the holder to purchase one unit (the "Agent's Units") of Sego at an exercise price of $0.10 per Agent's Unit, exercisable until July 18, 2018. Each Agent's Unit has the same terms as the Units sold under the Offering.

On closing of the Offering, Sego also paid to Euro Pacific Canada Inc., as lead broker (the "Lead Broker") a cash fee equal to 4% of the gross proceeds raised through the Offering and issued to the Lead Broker options (the "Lead Broker's Options") equal to 10% of the Units issued pursuant to the Offering. Each Lead Broker's Option entitles the holder to purchase one unit (the "Lead Broker's Units") of Sego at an exercise price of $0.10 per Lead Broker's Unit, exercisable until July 18, 2018. Each Lead Broker's Unit has the same terms as the Units sold under the Offering. 700,000 Units issued pursuant to the Offering and all securities issued to the Agent and Lead Broker are subject to a hold period in Canada which expires midnight on November 18, 2013.

On July 25, 2013, Sego Resources Inc. granted a total of 2,049,735 stock options to directors, officers, consultants and employees exercisable at $0.15 per share up to July 25, 2018

On September 8th, 2013, Sego Resources Inc. announced the completion of 1743 metres of percussion drilling in 32 holes. All drill cuttings were analyzed by a Niton XL2 Goldd portable x-ray fluorescent analyzer for copper grade and mineralized cuttings were sent to Acme Labs for analysis. The focus of the program was to test new zones identified by a recent airborne survey and subsequent data re-analysis of the Titan 24 Survey data. Priority was given to targets with coincidental magnetic, IP chargeability, and soil geochemical anomalies.

The Company has received analytical results from the most significant hole completed in the Upper Regal Zone, the first area tested in the 2013 drilling program. This zone is topographically above the large Regal slide block (~500, 000 tonnes at 0.5% Copper) in an area where soil geochemistry results and geomorphology studies suggested that the block had moved only a short distance downslope. The zone was tested with ten short percussion drill holes for a total of 474 metres along a north-south road that transects the target area which is southwest of the known mineralization in the Cuba Zone. Based on the Niton XL2 results only hole PDH 109 was submitted for assay. Logging of the drill cuttings revealed broad zones of chlorite-albite-pyrite alteration containing copper mineralization similar to the Cuba Zone, plus indications of skarn type mineralization. The alteration and mineralization patterns suggest that drilling to date may have intercepted the upper levels of an alkalic porphyry system.

SUBSEQUENT EVENTS (Continued)

The most significant results from this zone were encountered in PDH-13-109 which was drilled on the flank of a large magnetic anomaly. Results are as follows:

30 metres of 0.31% Copper and 0.15 g/t Gold from 32m to 62m
Including 10 metres of 0.55% Copper and 0.36 g/t Gold from 46m to 56m
And 2 metres of 1.026% Copper and 0.4 g/t Gold from 48m to 50m

The mineralization consists of bornite and chalcopyrite in potassium feldspar veins within a large magnetite-rich zone, bounded by a halo of epidote-magnetite alteration containing lower copper grades. This alteration halo extends at least 50 metres north and south from PDH 109, and a least 120 metres to the southeast. The main magnetic anomaly extends 170 metres northwest and will be further tested by subsequent exploration.

October 25, 2013