R. W. PHENDLER, P. Eng., GEOLOGICAL CONSULTANT, EXPLORATION AND MINING 7360 DECOURCY CRES., RICHMOND, B.C. V7C 4E9 (604) 271-2588

DIAMOND DRILLING REPORT

on the

MISSION PROPERTY, HEDLEY,

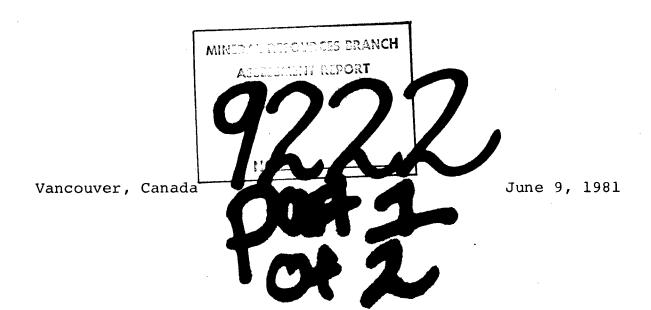
OSOYOOS MINING DIVISION, BRITISH COLUMBIA $(49^{\circ}20'\text{N}, 120^{\circ}07'\text{W}, \text{NTS } 92\text{H}/8\text{E})$

for

AGIO RESOURCE CORPORATION

BY

R.W. PHENDLER, P. ENG.



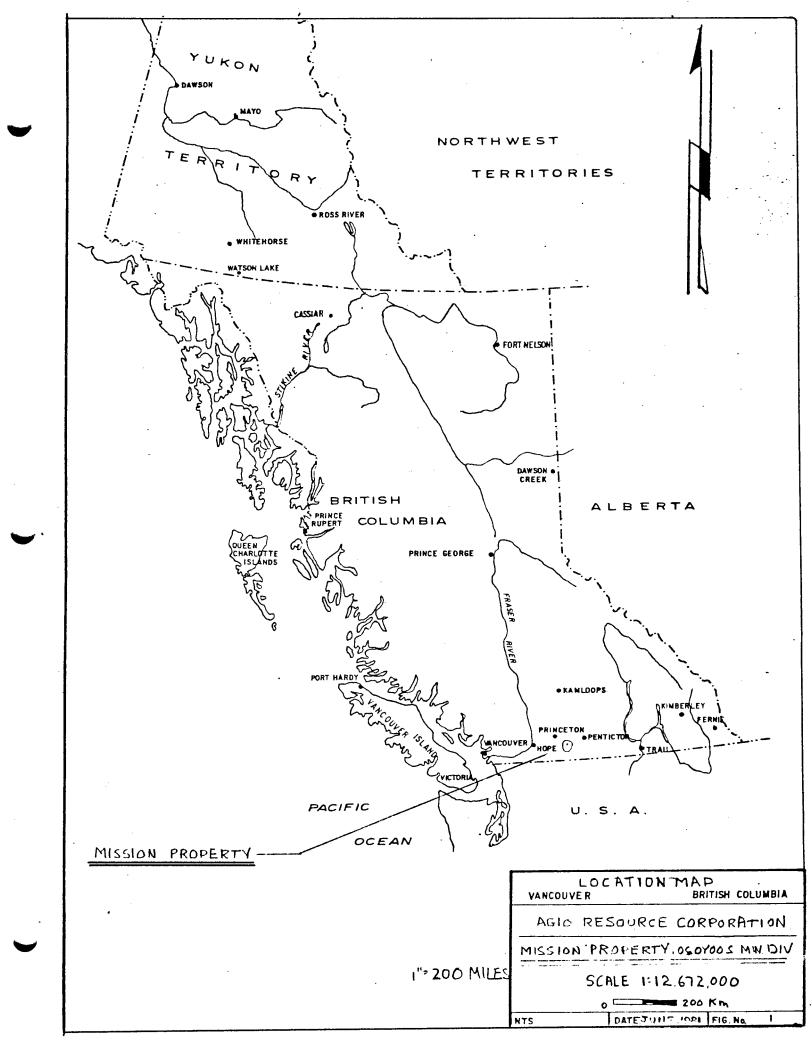


TABLE OF CONTENTS

	<u>Page</u>
Introduction	1
Diamond Drilling Program (1980)	2
Costs Incurred	2
Certification	3
Core Logs	follow page 3

ILLUSTRATIONS

Fig.	1	-	Location	Map	1"	=	200	Miles
------	---	---	----------	-----	----	---	-----	-------

Fig. 2 - Property Location Map 1 : 25,000

Fig. 3 - Drill Hole Location Map 1: 2,500

INTRODUCTION

Lying on the fringes of the Nickel Plate - Hedley gold camp of south central British Columbia, the Mission property shows widespread silver, zinc and gold mineralization over the central portion of the 16 unit claim.

The Mission property is underlain by a tongue of fractured mineralized granodiorite intruding argillite formation of the Nicola Group. Later andesite dykes are also present in the vicinity of the principal Mission showing, which consists of several shear zones in a northerly striking fault zone within granodiorite. This fault zone contains disseminations and lenses of pyrite and sphalerite with associated silver and gold values. The possibility exists that a large zone of low grade (2 - 3% Zn, 0.05 oz Au and 2 - 3 oz Ag) occurs in the area and recent diamond drilling has given encouraging results.

The Mission property was first worked in 1936 when some trenches and shallow shafts were opened up. In 1967 Granby Mines Ltd. had the property examined and sampling showed assays in the 0.25 - 3.0 oz Ag range across widths of 5 - 10'.

Geochemical anomalies for silver were found to exist and a large electromagnetic conductor was discovered in 1972. Induced polarization work carried out in 1980 disclosed the presence of an anomaly coincident with the E - M conductor.

In 1979 L. Trenholme recommended diamond drilling in the area of the Mission open cut where samples taken by the writer in November, 1980 assayed slightly less than 1.0 oz Ag acorss widths of 5 - 10'.

DIAMOND DRILLING PROGRAM - December, 1980

In late 1980, a total of 1490 feet of B.Q. diamond drilling was completed in four holes as follows:

Hole No.	Depth	Bearing	Dip
80 - 1	303 '	S60°W	-45°
80 - 2	350 '	N32 ^O E	-4 5 ^O
80 - 3	350 '	S40 ^O W	-45 ⁰
80 - 4	487'	· s60°w	- 45°

This drilling was part of the recommendations of L.S.

Trenholm in his report of October, 1979 and was intended to explore below the Mission exploration pit. The work was carried out between November 15 and December 12, 1980 and results disclosed the presence of a number of silver - zinc bearing quartz veins. All of the significant mineral intersections were found within granodiorite, although samples were taken from quartz - filled breccia zones and pyritic zones within argillites. Finely disseminated pyrite was observed throughout the argillite and may be the cause of the electromagnetic and induced polarization anomalies. The core is stored at 10191 Gower Street, Richmond, British Columbia.

COSTS INCURRED (receipts attached)

Diamond drilling

\$34,816.07

Bulldozer work - roads,

building, moving, drill, etc.

3,849.90

\$38,665.97

Respectfully submitted,

R.W. PHENDLER

COMPTISH

COUMPTISH

COUNTY

COUMPTISH

COUNTY

C



R.R. No. 2, SUMMERLAND, B.C. VOH 120 PHONE 494-3796

JANUARY 13, 1981

Agio Resources Corporation 201 - 845 Hornby Street VANCOUVER, B.C.

ATTENTION: Mr. Herman Plank

Re: Statement - Hedley Drilling Project

Basic footage			
DDH # 80- 1 303 feet	•		
80- 2 350 feet			
80- 3 330 feet 80- 4 487 feet	•		
80- 4 487 feet Total 1,470 feet @ \$17.00 pe	er foot		\$24,990.00
Additional cost for casing holes			77.
33 feet @ \$23.00 pe	er 100t		759.00
Casing and casing shoes left in hol	les	•	
33 feet of BW @ \$11.25 per foot		\$371.25	
plus 15%		55.68	426.93
1 new BW casing shoe @ \$284.25 p	olus 15%		326.89
3 used BW casing shoes @ \$426.39	plus 15%		490.35
Additives & Core Boxes			
l pail poly-drill @ \$140.00 per pai			154.00
60 core boxes @ \$7.50 per box plus	10%		495.00
Mobilization, demobilization and mobetween holes	oves		
Total hours as per shift reports at	field cost		
72 drill hours @ \$25.00		1,800.00	
144 man hours @ \$20.00		2,880.00	4,680.00
Room & Board	. ·	v	
Hedley - motel			200.00
- food			185.30
Keremeos - motel			1,113.60
- food	ં હ ્યું 		995.00
	TOTAL	•	34,816.07
	Paid		20,000.00
	BALANCE OWING		\$14,816.07

2500.00 re stones

BOX 574 SUMMERLAND BG. IDER NO. DRILLING AT HELLEY DATE NOV. 1 TO DE 15 18 80 PLO TO AGIO RESOURCES CORPORATION ADDRESS 201-845 HORNBY ST VANCOUVER ADDRESS. MISSION GROUP ASSISTING. INMITERIOR DRILLER MOTEL 200 -FOOD 3001. GAS+OIL REP. 4X4 TRUCK LOADER! TRANSPORT SUMMERLANDTO HEDLEY AND RETURN 55d. DRILL STATION + ROAD BUILDING DRILL MOVING, 43 HOURS A FOR ASSISTING + SUPERVISING 10% OF DRILLING CONTRACT \$34.816.07 LESS \$ 2500 - ADVANCE TOTAL SIGNATURE

111904

CERTIFICATION

I, R.W. Phendler, P. Eng., of 7360 Decourcy Crescent, in the Municipality of Richmond, in the Province of British Columbia hereby certify as follows:

- 1) THAT I am a registered member of the Association of Professional Engineers of itish Columbia, #4421.
- 2) THAT I am a graduate of McGill University, Montreal, with a Bachelor of Science degree in geology.
- 3) THAT I have worked continuously as a geologist for the past 28 years.
- 4) THAT I examined, logged and sampled the drill core referred to in this report on January 8, 1981.

R.W. Phendler P.

COMPANY AGIO RESOURCE CORP.

PROPERTY MISSION, HEDLEY, B.C.

Section No.

Hall Like Clark Line Control of the Control of the

HOLE No. 80 -1

Started Nov. 15, 1980	Bearing S60°W	Lat. 2 + 00S	Collar El.	Logged by R.W. PHENDLER Date Jan. 8/81
Completed NOV. 19, 1980	Angle from Horizon -45 ^O	Dep. 0 + 50E	Bottom, El.	Remarks
Driller	Length 3031	Location	Level	

			RECOVERY		OFFICEN				Ī	ASS	SAY
From	То	Interval		%	DESCRIPTION	Samp No		interva	oz Ag	OZ A	87n
0.0	71.0		24		Granodiorite - Oxidized, leached in zones to 30'. occas. pyrite stringer; limonite in veinlets. Fine grained, acid, light grey. At 41 sphalerite blebs and 41.5 - 42.5 pyrite 1/8" parallel to core.		42 40-42.	+			
71.0	190				Granodiorite - med. grained. A ½" qtz. pyrite veinlet parallels core at 62'. Granular - med. grey. At 90' heavy alt'n. to 94'. 106'-107' - limonite stain. At 125' a ½" qtzpyrite vein - 20° to core. 149' - 165' - fracture zone leached 1" qtz & sphal		4361.0-63 544 145-1				
196 197					Occas. qtz - sphalerite bleb. Kaolinized to 172' Felsite dyke at 50 to core. 187' - 189' - bleached - 6" at 188'. Andesite Dyke - fine grained, medium green. Granodiorite - medium grained, fresh.						
222	303				Argillite - 90° contact. Fine grained, massive; siliceous bands, moderated pyrite, fault zone at 234'-1" at 45°. 260' - 263' green-brown in colou Poor recovery - 5' lost 255 - 263. Fault?	£					
			30	3'	End of Hole.						

COMPANY AGIO RESOURCE CORP.

PROPERTY Mission, Hedley, B.C.

Section No.

HOLE No. 80 - 2

Started Nov. 19, 1980	Bearing N32 ^O E	Lat. 1 + 95S	Collar EI.	Logged by R.W. Phendler Date Jan. 8, 19
Completed Nov. 23, 1980	Angle from Horizon -450	Dep. 0 +07W	Bottom, El.	Remarks
Driller	Length 350	Location	Level	

			RECOV	VERY	DESCRIPTION	Sample				ASS	ΑY	
From	То	interval		%	DESCRIPTION	No.	From-To	Intervalo	z Ag	oz Au	%Zn	
0.0	350 '				Granodiorite - oxidized, weathered 40% recovery							
					pyrite - 45. At /5 - 2 qtz, pyrite at 30 to	42539	54-55	1.0	0.62	0.017	.19	
					core. Then low in veins. 87 - 88' - weak pyrite vein zone - sphalerite specks. At 108' - 1/8" qtz							
					, 1							
,					Sphalerite stringers at 30°. Siderite stringers. At 121', ½" siderite. Light to 120' then bleached							
					146 - 148'. 160' - 163' - bleached with 3 thread							
					veins of pyrite. 171 - 176' bleached with 3½" qtz veins - sphalerite - 30°.	42540	173-174	7	0 0 33	0.05	0 28	
							1/3 1/4	1.0	0.32	003	0.20	
					At 245' - $\frac{1}{4}$ pyrite & sphalerite.; 264'-277' - alt eration, 271 - $3\frac{1}{2}$ " qtz veinlets. At 300' - 2'							
					bleached pyrite stringers. Disseminated sphaler-	42541	214.5-2	16.	5			
	-				ite and pyrite. At 327' - $\frac{1}{4}$ " pyrite at 80°. 338' - 340' - bleached zone - 1/8" pyrite.			2.0	1.19	.009	1.75	
					350' - end of hole.							
							· · · · · · · · · · · · · · · · · · ·					·

company Agio Resource Corp.

PROPERTY Mission, Hedley, B.C.

Section No.

HOLE No. 80-3

Started Nov. 25, 1980	Bearing S 40°W	Lat. 1 + 50S	Collar El.	Logged byR.W. Phendler DateJan. 8/81
Completed Dec. 1, 1980	Angle from Horizon 50	Dep. 0 + 20E	Bottom, El.	Remarks
Driller	Length 350	Location	Level	

-					350			·					
			RECO	VERY	DECODICTION	c					ASS	AY	
From	То	Interval		%	DESCRIPTION		ample No.	From-To	Interval	oz Ad	oz 2	u % 2	Zn.
0.0'	267	1			Granodiorite - medium grained - oxide	e (limonite)							
					staining, heavy to 28; - numerous pyr	rite stringers					-		<u> </u>
l				}	at 70° to core. Sphalerite 5% pyrite,	, tetrahed- 4.	2532	33.0-38	. 0				-
					F0		2522	38.0-43		0.68	3 .03	1.05	-
					5% pyrite in frac	ctures 4.	2533	38.0-43	. 0				<u> </u>
						<u>.</u>			5.0	0.25	.02	.09	<u> </u>
					% pyrite continues - grey in colour		2 - 2 4	62 5 65	_				
ļ				р	ccas. quartz pyrite stringers, 4" pyr	rite & dissem a .	2534	63.5-65	2 0	0.56	. 015	7.10	
				А	t 86' 攴" pyrite -40° with magnetite,	3" pyrite 4:	2535	68.5-69		0.30		,,,,,	<u> </u>
								· · · · · · · · · · · · · · · · · · ·	. 05	1.14	.046	4.90	
Ì					enerally pale grey (Alaskite) to 98'. rey, higher in mafics to 172'; massiv							-	-
ļ				á	lteration - kaolinization & bleaching	J -					-		ļ
ļ				1	49' - 158' - 4 - 2" qtz-sphalerite str		2526	149.5-1	F 0				ļ
					45	to core 4.	2536	149.5-1		0.13	.006	3.25	<u> </u>
į				A	t 185' - ¼" qtzpyrite stringer - At t 230', ½" qtz. veinlet at 45°. 2½" o	45 ⁰ -banded.							
ŀ				A	t 230', ½" qtz. veinlet at 45°. 2½" o	qtz.pyrite	2527	210.7-2	, ,	7 1			
					ands, light grey 172' - 200'. Then 15 ocal alteration.	of malics,	2337	2±0•1=2		0.30	.005	.06	
267	270			A	<u>ndesite dyke</u> - 10 ⁰ to core - fine gra								
270	205				rey granodiorite - med. grained, mass								
295				A	rgillite - fine grained - 45° contact	- aplite dyke	es.						
				М	inor pyrite stringers; 325' - 350'-nu	merous qtz. b	ands						
ľ				a	nd Altn. (silicification); locally 59	$\frac{4}{2}$ pyrite	2538	344-345	1.0	0.02	.001	.02	ļ
			0.	F	nd of Hole.								<u> </u>

COMPANY Agio Resource Corp.

PROPERTY Mission, Hedley, B.C.

Section No.

HOLE No. 80-4

Started Dec. 2, 1980	Bearing	Lat.	Collar El.	Logged by R.W. Phendler Date Jan. 8/81
Completed Dec. 12. 1980	Angle from Horizon	Dep.	Bottom. El.	Remarks
Driller	Length	Location	Level	

			RECOVER	1					ASS	AY
From	То	interval	90	DESCRIPTION	Sample No.	From-To	Interval	z Ag	oz Aı	a %Zn
0	71			Granodiorite - fine grained, weathered, leached to 16'. At 29' - 3 1/8" pyrite veins. Heavy pyrite Sphalerite - 30° At 41' - ½" pyrite vein at 45°.	42545	18-21.0	3.	0.8	9 .04!	5 .05
71.0 105				At 70' - 1/8" pyrite. %" Qtz - sphalerite - 10 ⁰ to core Granodiorite - med. grained. occas. narrow alteration zone. Fine grid granodiorite - (Alaskite) -altered	42546	49 -50	1.0	0.17	.008	4.40
130 147 151	151			Granodiorite - medium grained - med. grey Granular. At 174 a fault - 2" at 60 to core. Andesite dyke - Inclusion of granodiorite. Granodiorite - andesite dyke at 151', 8-152' & 153 153.5, & 155 - 156. Narrow alteration zone 184' to						
282	487			186'. Occas. dark grey inclusion - contact - 80°. Argillite - dark grey to black - no bedding. Siliceous zones with some siderite. Dissem. pyrite - dense - pyrite on slips. Occas. carb. qtz. zone to 1'. Fault 407 - 409'. Carbon quartz bx zones 415' - 421' & 425-429'	42547	376-377 419.5-4		0 .04	.003	.03
	487			Dacite dykes 441' - 441.5' & 447-448'. CB vein 485 - 486. End of Hole.			2.5	.02	.001	.01

