

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,

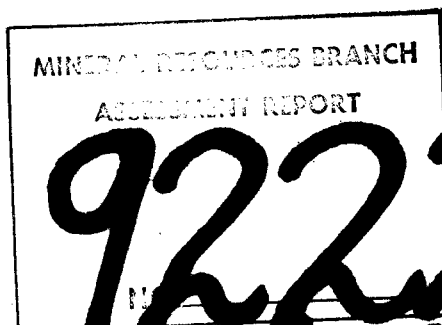
OSOYOOS MINING DIVISION, BRITISH COLUMBIA
(49°20'N, 120°07'W, NTS 92H/8E)

for

AGIO RESOURCE CORPORATION

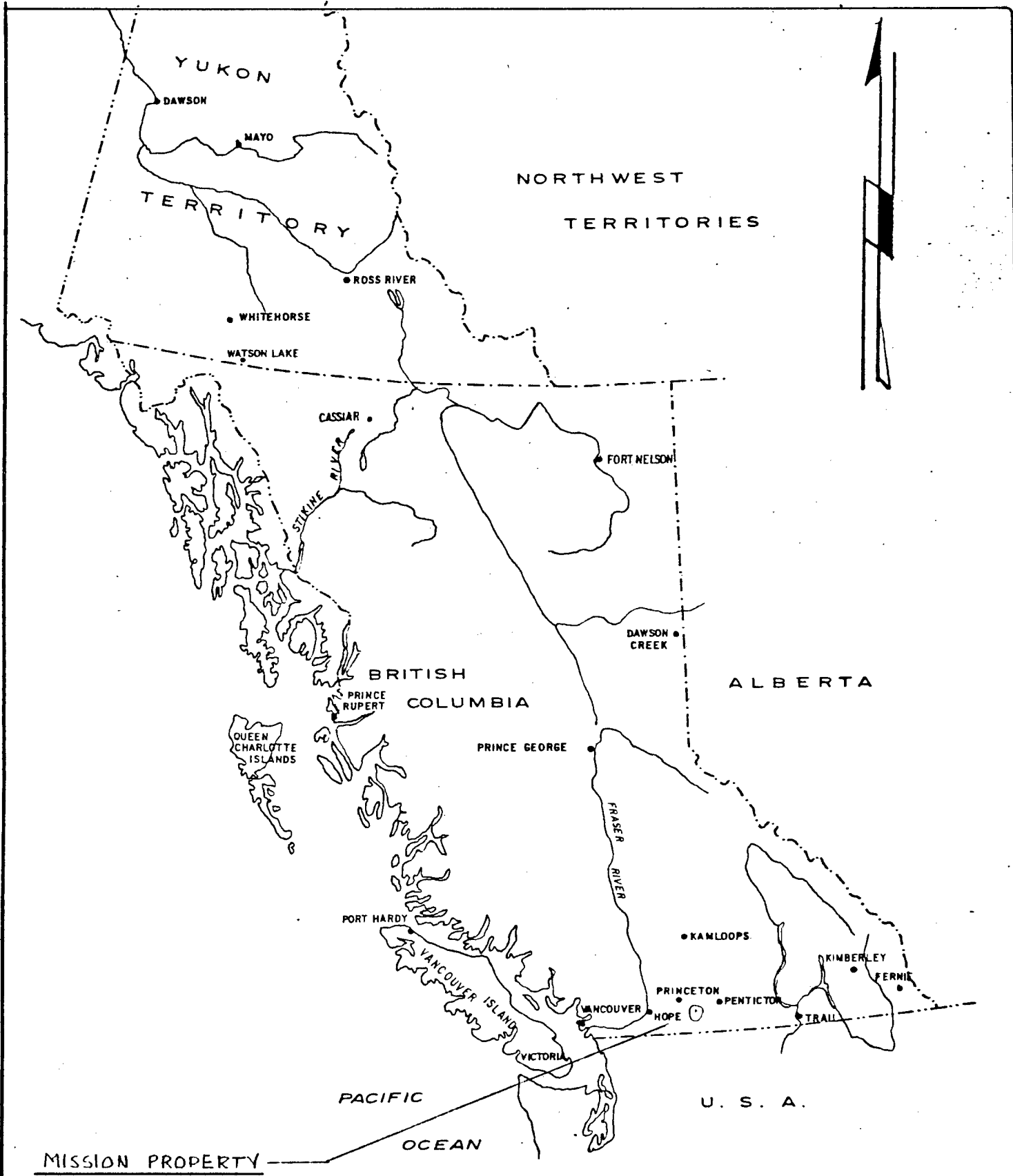
BY

R.W. PHENDLER, P. ENG.



Vancouver, Canada

June 9, 1981



MISSION PROPERTY

1" = 200 MILES

LOCATION MAP	
VANCOUVER	BRITISH COLUMBIA
AGRICULTURE RESOURCE CORPORATION	
MISSION PROPERTY, 060Y005 M.W. DIV	
SCALE 1:12,672,000	
NTS	DATE JUL 17, 1991 FIG. No. 1

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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 across 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:


<u>Hole No.</u>	<u>Depth</u>	<u>Bearing</u>	<u>Dip</u>
80 - 1	303'	S60°W	-45°
80 - 2	350'	N32°E	-45°
80 - 3	350'	S40°W	-45°
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
	<u>\$38,665.97</u>

Respectfully submitted,

R.W. Phendler
R.W. Phendler, P. Eng.


INTERIOR DIAMOND DRILLING LTD.

R.R. No. 2, SUMMERLAND, B.C. V0H 1Z0

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	<u>487 feet</u>	
Total	1,470 feet @ \$17.00 per foot	\$24,990.00

Additional cost for casing holes		
33 feet @ \$23.00 per foot		759.00

Casing and casing shoes left in holes		
33 feet of BW @ \$11.25 per foot	\$371.25	
plus 15%	<u>55.68</u>	426.93
1 new BW casing shoe @ \$284.25 plus 15%		326.89
3 used BW casing shoes @ \$426.39 plus 15%		490.35

Additives & Core Boxes

1 pail poly-drill @ \$140.00 per pail plus 10%		154.00
60 core boxes @ \$7.50 per box plus 10%		495.00

Mobilization, demobilization and moves between holes

Total hours as per shift reports at field cost

72 drill hours @ \$25.00	1,800.00	
144 man hours @ \$20.00	<u>2,880.00</u>	4,680.00

Room & Board

Hedley - motel		200.00
- food		185.30
Keremeos - motel		1,113.60
- food		<u>995.00</u>

TOTAL		34,816.07
Paid		<u>20,000.00</u>

BALANCE OWING		<u>\$14,816.07</u>
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- 2500.00 no shares

UTAVAGAN SILICA LTD
 Box 574 SUMMERLAND B.C. **A/P**

ORDER NO. DRILLING AT HEDLEY DATE NOV. 1 TO DEC 15 1980

ORDERED TO AGIO RESOURCES CORPORATION

ADDRESS 201-845 HORNBY ST VANCOUVER B.C.

SHIP TO _____

ADDRESS _____

WHEN SHIP	HOW SHIP	TERMS	BUYER	SALESMAN
Nov. 1 - DEC 15/80				paid #046 4/21/81
MISSION GROUP DRILLING.				
ASSISTING. INTERIOR DRILLER.				
	MOTEL			200.-
	FOOD			300.-
	GAS + OIL			235.90
	REP. 4x4 TRUCK			292.40
	LOADER:			
	TRANSPORT SUMMERLAND TO HEDLEY			
	AND RETURN			550.-
	DRILL STATION + ROAD BUILDING			
	DRILL MOVING. 43 HOURS @ \$30			1290.-
	FOR ASSISTING + SUPERVISING			
	10% OF DRILLING CONTRACT \$34,816.07			3481.60
	TOTAL			\$ 6348.90
	LESS \$2500.- ADVANCE			2500.-
	TOTAL			\$ 3848.90



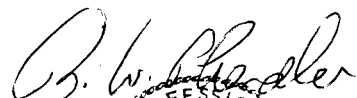
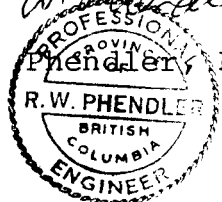
111904

SIGNATURE [Signature] O.K.S.

C E R T I F I C A T I O N

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 British 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. Eng.


Drill Hole Log

COMPANY Agio Resource Corp.

PROPERTY Mission, Hedley, B.C.

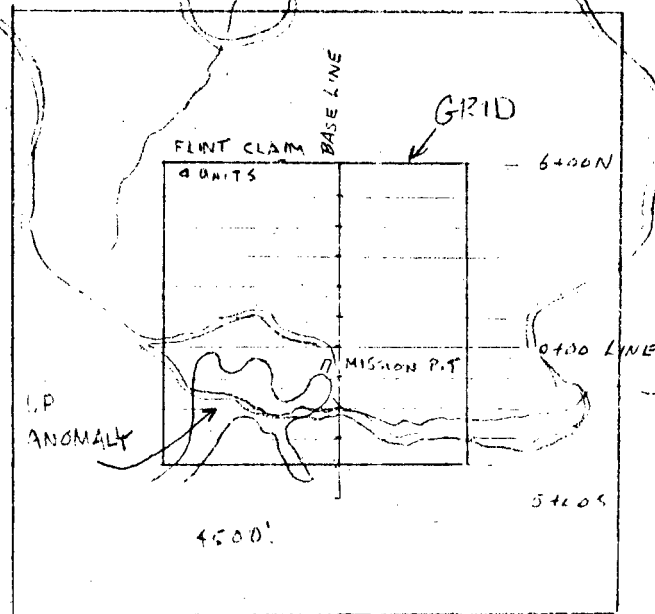
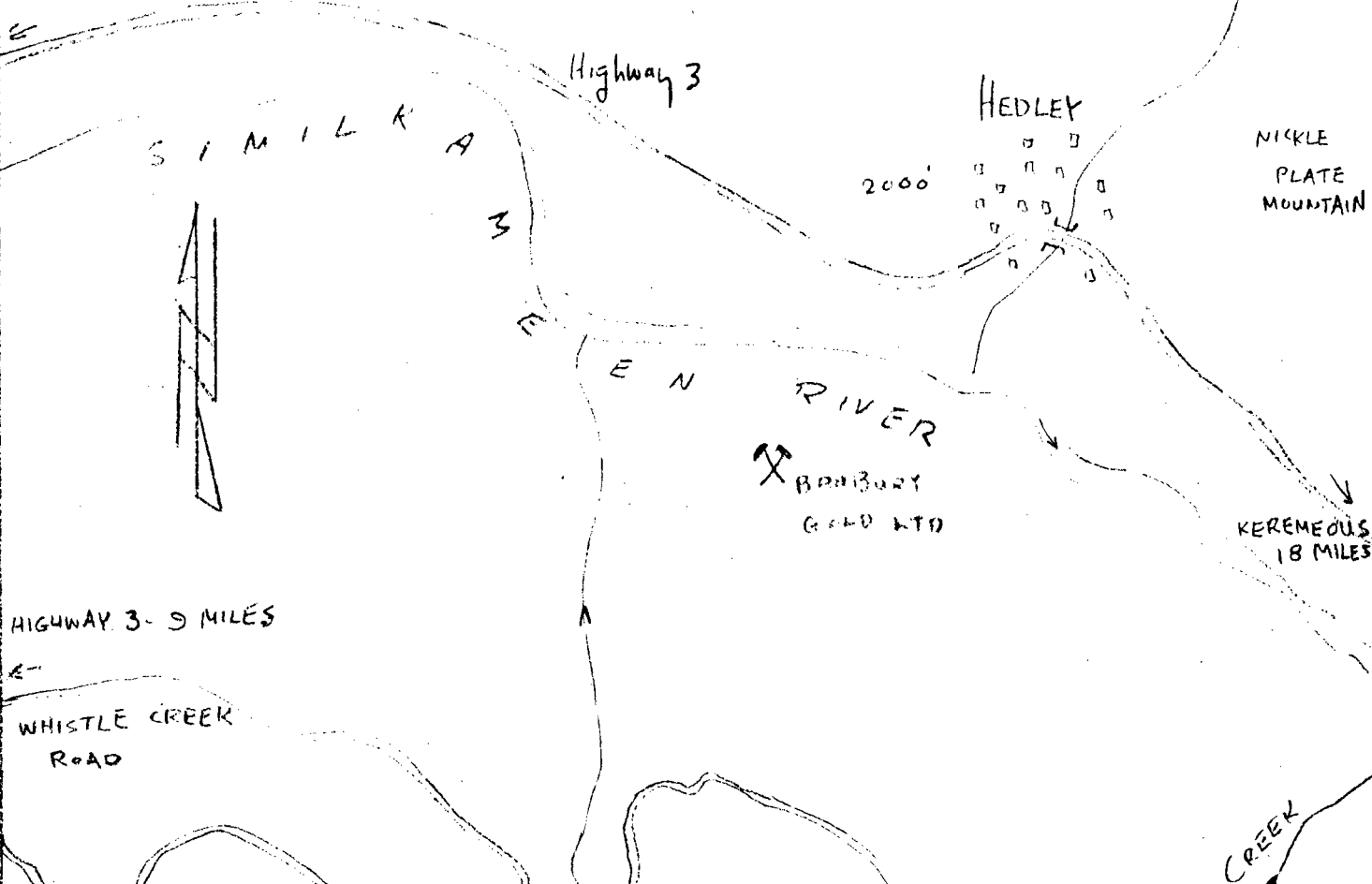
Section No. _____

HOLE No. 80-4

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

From	To	Interval	RECOVERY		DESCRIPTION	Sample No.	From-To	Interval	ASSAY			
				%					oz Ag	oz Au	%Zn	
0	71				Granodiorite - fine grained, weathered, leached to 16'. At 29' - 3 1/8" pyrite veins. Heavy pyrite Sphalerite - 30° At 41' - 1/2" pyrite vein at 45°.	42545	18-21.0	3.0	0.89	.045	.05	
71.0	105				At 70' - 1/8" pyrite. 1/4" Qtz - sphalerite - 10° to core Granodiorite - med. grained. occas. narrow alteration zone.	42546	49 -50	1.0	0.17	.008	4.40	
105	130				Fine grid granodiorite - (Alaskite) -altered							
130	147				Granodiorite - medium grained - med. grey Granular. At 174 a fault - 2" at 60° to core.							
147	151				Andesite dyke - Inclusion of granodiorite.							
151	282				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	1.0	.04	.003	.03	
						42548	419.5-422					
					Dacite dykes 441' - 441.5' & 447-448'. CB vein 485 - 486.			2.5	.02	.001	.01	
	487				End of Hole.							

PRINCETON - 24 MILES

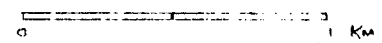


AGIO RESOURCE CORPORATION

OSOYOOS MINING DIV. BRITISH COLUMBIA

PROPERTY MAP

SCALE 1:25000



R.W. PHENDLER, P. ENG.

JUNE, 1981

