

KAMLOOPS

86-664-15402



Province of
British Columbia

Ministry of
Energy, Mines and
Petroleum Resources

ASSESSMENT REPORT
TITLE PAGE AND SUMMARY

TYPE OF REPORT/SURVEY(S)	TOTAL COST
DRILLING	\$ 25,095.00

AUTHOR(S): BARRY T. FURNEAUX

SIGNATURE(S)

Barry T. Furneaux

DATE STATEMENT OF EXPLORATION AND DEVELOPMENT FILED

OCTOBER 7, 1986

YEAR OF WORK

1986

PROPERTY NAME(S)

OK

COMMODITIES PRESENT

B.C. MINERAL INVENTORY NUMBER(S), IF KNOWN

MINING DIVISION

KAMLOOPS

NTS

82M/4W

LATITUDE

51°08'

LONGITUDE

119°52.4'

NAMES and NUMBERS of all mineral tenures in good standing (when work was done) that form the property. [Examples: TAX 1-4, FIRE 2 (12 units); PHOENIX (Lot 1706); Mineral Lease M 123; Mining or Certified Mining Lease ML 12 (claims involved)]:

OK 1 (18 units)

OK 2 (12 units)

OWNER(S)

(1) ALGO RESOURCES LIMITED

(2) RIALTO SILVER RESOURCES INC.

MAILING ADDRESS

#1730 - 999 West Hastings St.

Vancouver, B.C. V6C 2W2

#1730 - 999 West Hastings St.

Vancouver, B.C. V6C 2W2

OPERATOR(S) (that is, Company paying for the work)

(1) ALGO RESOURCES LIMITED

(2)

MAILING ADDRESS

#1730 - 999 West Hastings St.

Vancouver, B.C. V6C 2W2

FILMED

SUMMARY GEOLOGY (lithology, age, structure, alteration, mineralization, size, and attitude):

The claims appear to be underlain by felsic to intermediate
metavolcanics of the Devonian - Mississippian Eagle Bay Formation.
Drill testing of a ground EM conductor
yielded massive graphitic phyllite within pyritic, silicified
intermediate metavolcanics.

REFERENCES TO PREVIOUS WORK

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**GEOLOGICAL BRANCH
ASSESSMENT REPORT**

15,402

INTRODUCTION

The OK Property is situated in the Kamloops Mining District at the junction of Sinmac and Johnson Creeks. Easy road access exists from Kamloops, British Columbia.

The area is of interest because of an exciting new auriferous (3.75 meters grading 1.0 oz/ton gold and 6.47 oz/ton silver) massive sulphide discovery at the Hinton showing on the adjoining Ria Gold Corporation property. The Homestake Schist unit that hosts the Homestake Mine on the adjoining Kamad Silver Company property has been shown by Preto's (1980,1981) government mapping to extend onto the OK Property. The areas of the OK Property north of Sinmax Creek and east of Johnson Creek have excellent exploration potential for deposits like the Hinton showing and Homestake Mine, and favourable stratigraphy of the Eagle Bay Formation has been mapped in other parts of the property.

The OK1 and OK2 claims were staked by Milton Mankowski for Larry McGregor between September 18th and September 21st, 1983. The claims were recorded in Kamloops on October 7, 1983. The OK Property has been acquired by Algo Resources Limited and Rialto Silver Resources Ltd. to test the area for precious metal deposits like the nearby Ria Gold and Kamad silver deposits.

PERTINENT CLAIM DATA

<u>NAME</u>	<u>UNITS</u>	<u>RECORD NUMBER</u>	<u>STAKER</u>	<u>DATE RECORDED</u>
OK1	18/6S x 3W	4803(10)	Mankowski	October 7, 1983
OK2	12/3S x 4E	4804(10)	Mankowski	October 7, 1983

The OK Property consists of 30 units with a maximum possible area of 750 hectares (1,853 acres). The total area of the property will be reduced by overlap on existing claims and overlap of a narrow bank of cultivated land along Sinmax Creek.

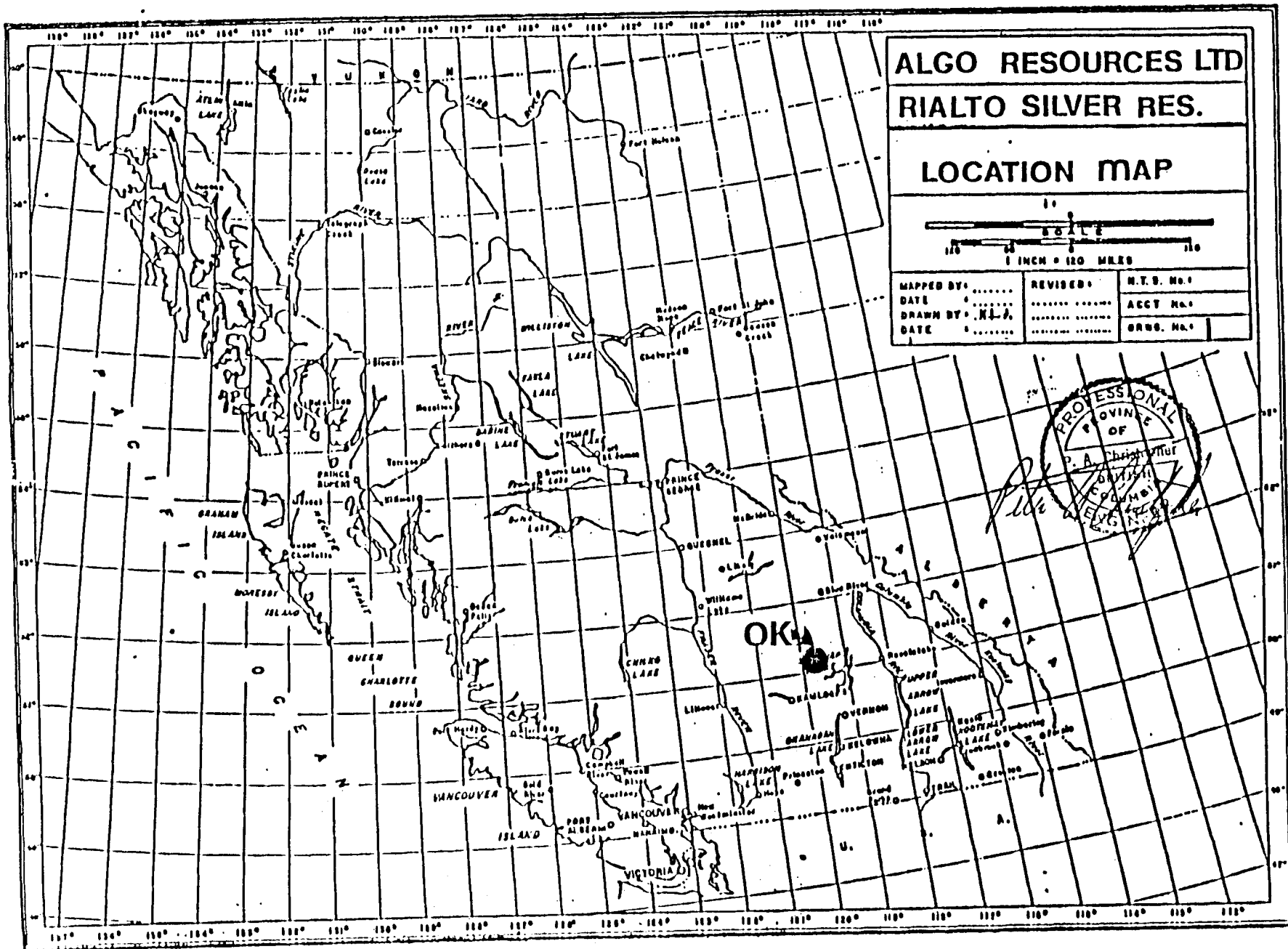
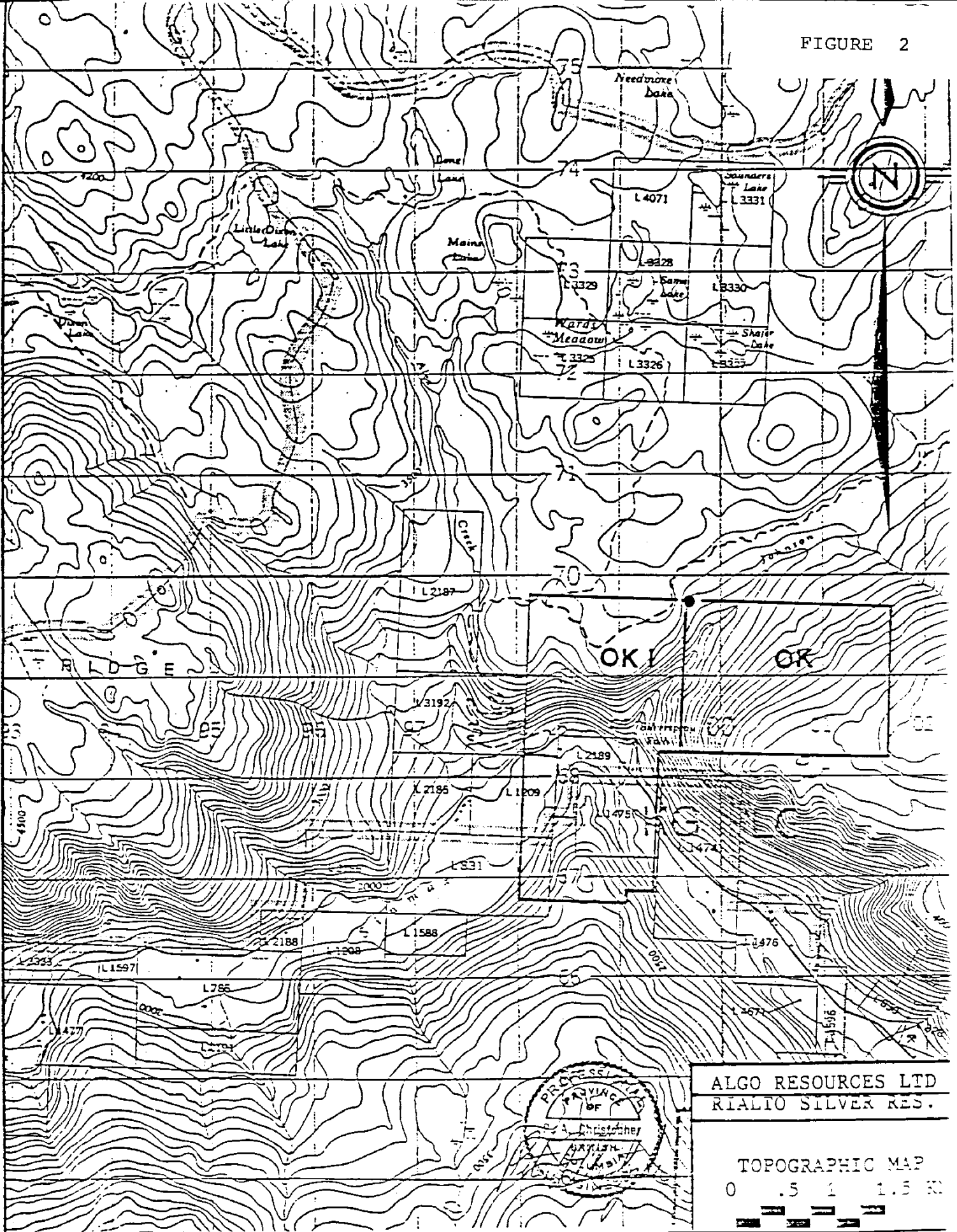


FIGURE 1

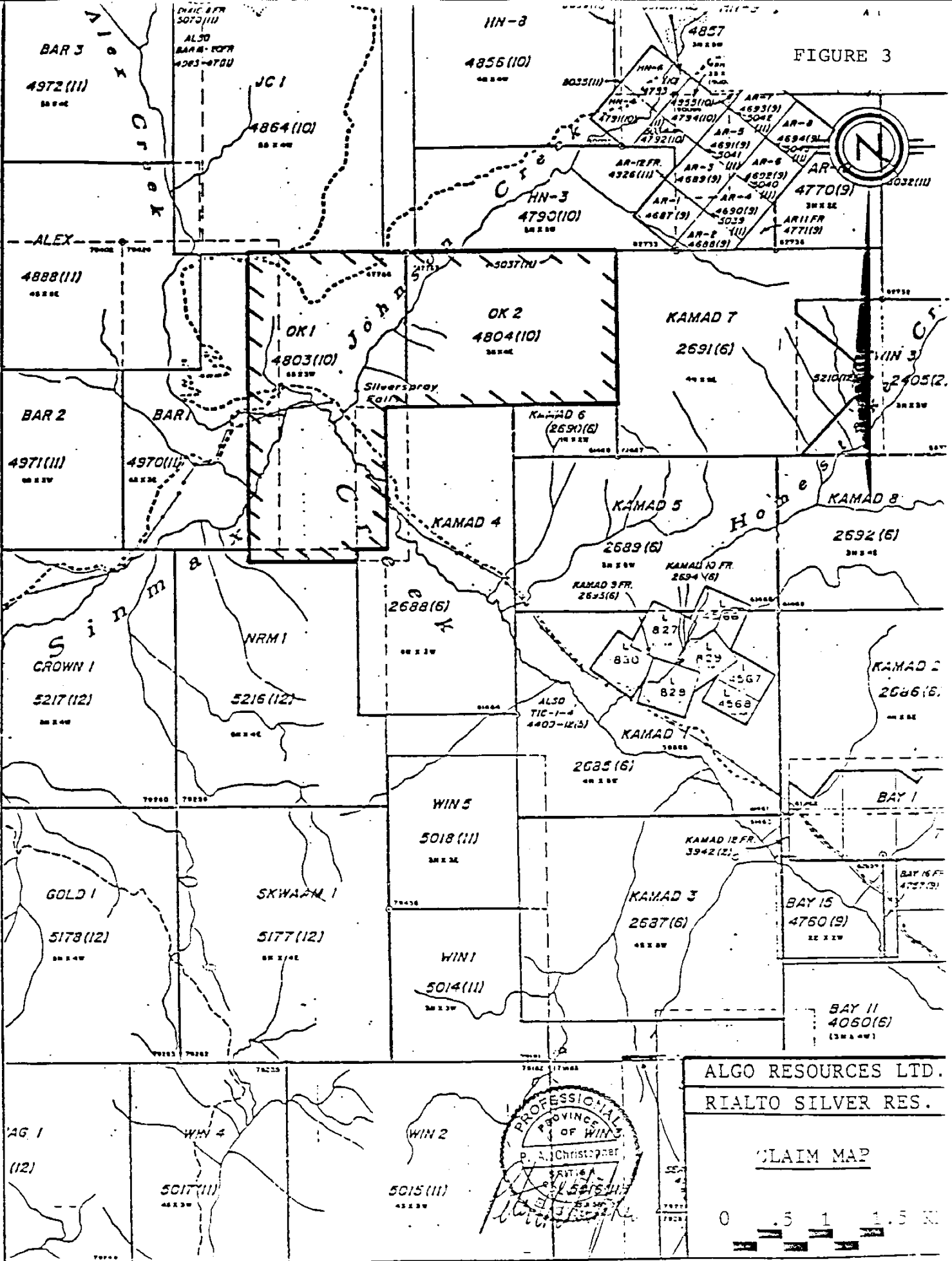
FIGURE 2

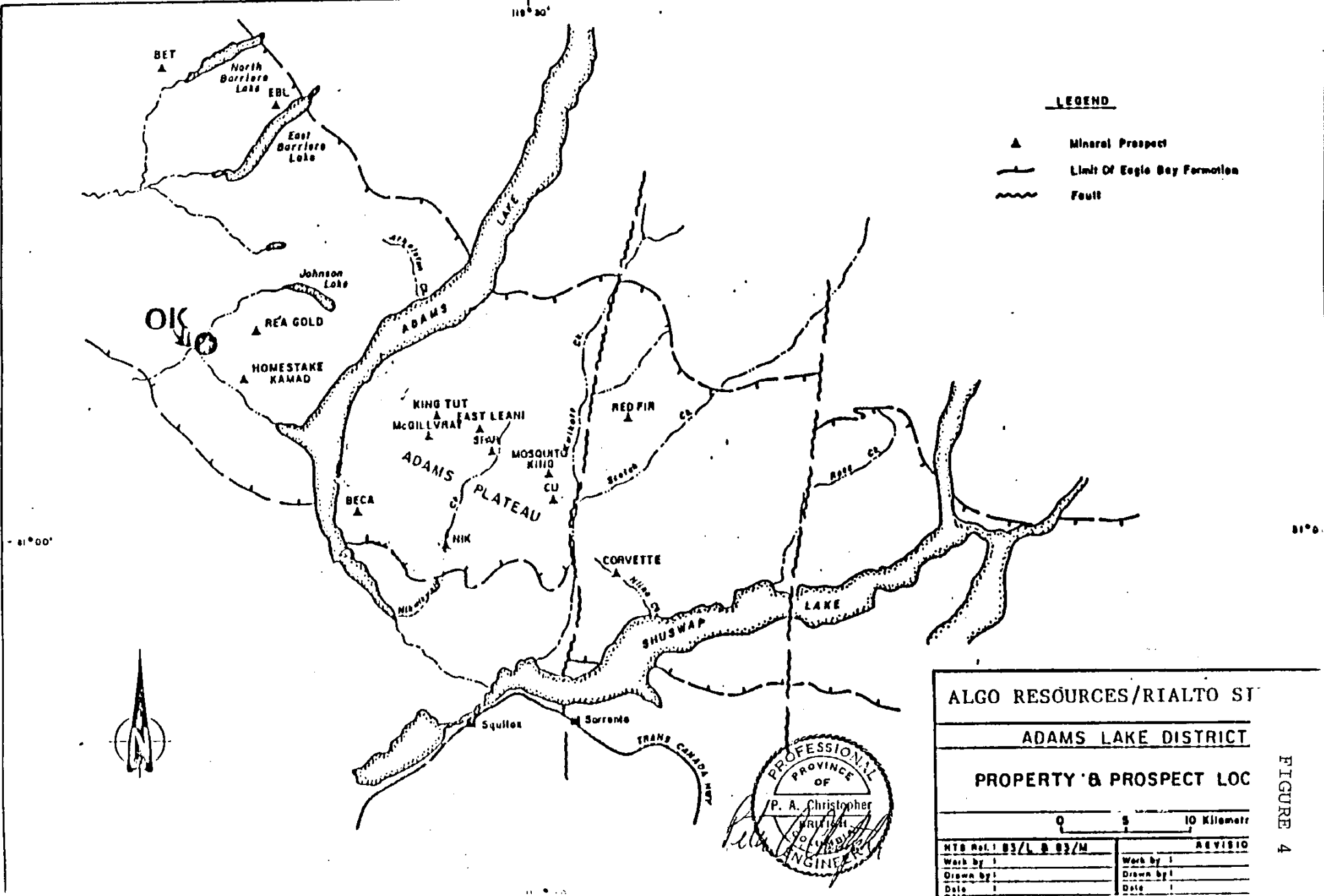


ALGO RESOURCES LTD
RIALTO SILVER RES.

TOPOGRAPHIC MAP
0 .5 1 1.5 KM

FIGURE 3





LEGEND

- ▲ Mineral Prospect
- Limit Of Eagle Bay Formation
- ~~~~ Fault

ALGO RESOURCES/RIALTO ST
 ADAMS LAKE DISTRICT
 PROPERTY & PROSPECT LOC

0 5 10 Kilometr

MTB Ref.: 83/L & 83/M		REVISIO
Work by:		Work by:
Drawn by:		Drawn by:
Date:		Date:

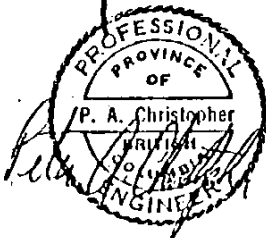


FIGURE 4

SUMMARY OF DRILL PROGRAM
1986

In January 1986, a field survey determined which of the two airborne geophysical anomalies lay within the confines of the OK1 and OK2 mineral claims.

A reconnaissance of the claim area showed that only one of the anomalies was accessible for drilling at that time (February 1986). Snow, ice, topography and lack of water were the determining factors.

A budget for 1,000 feet of diamond drilling was provided, a drilling contract was arranged and the necessary permits and approvals obtained.

On February 3, 1986, diamond drilling began. Four holes were drilled at 100 meter intervals to test a previously located geophysical conductor. Each of the holes was drilled to 300 feet for a total of 1195 feet (there was a mislatch on Hole #3 on the last run).

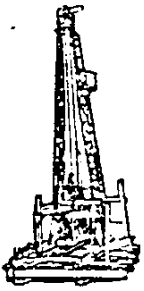
The results show the conductor to be a massive graphitic phyllite. This rock is interbedded with a yellow green schist. Both are pyritized and silicified.

No massive sulphides were encountered. Two samples were taken from each hole where the silicification and pyritization were most intense. These samples were analyzed for gold and silver. (See drill core logs and assay results included with this report).

The drill core is being stored on private property in Heffley Creek, British Columbia.

The field program was completed February 7, 1986.

Conversion: 1 ft = 0.305 m



J. T. THOMAS
DIAMOND DRILLING (1980) LTD.

PH. 847-3531
P.O. BOX 394
VOJ 2N0

◆
SMITHERS, B.C.

TO: Algo Resources Ltd.
140 - 1055 West Hastings
Vancouver, B.C.
V6E 2E9

Invoice No.: 86-1
Invoice Date: February 7, 1986
Property: Adams Lake

This is our invoice for diamond drilling on the above property to the completion of the project.

<u>Hole No.</u>	<u>Depth (feet)</u>	
86-1	300	
86-2	299	
86-3	296	
86-4	300	
TOTAL	1195' @ \$21.00/foot =	\$ 25,095.00
	Less advance payment	[5,000.00]
	Balance due:	<u>\$ 20,095.00</u>

CERTIFIED A TRUE COPY

THIS 03 DAY OF 10 1986

[Signature]
DIRECTOR ERIC C. HEPBURN

The above calculations are agreed to by:

Company Representative

[Signature]
J.T. Thomas Diamond Drilling (1980) Ltd.

REILLY-DAWSON & ASSOCIATES LTD. - DIAMOND DRILL RECORD

Smt. - 310 Douglas St.
Kamloops, B.C.
Phone 374 0544

PROPERTY ... Algo. Resources

HOLE No. DDH - 86-1

DIP AND AZIMUTH TEST		
Corrected		
Footage	Angle	Azimuth
300	56	030

Core Size NO
 Angle of Hole ... -45°
 Claim ... OK#1
 Section ... Line 5E.. (Grid 2) ..
 Bearing ... N30E.. (True)

Total Depth 300
 % Recovery 95
 Elev. Collar 1900
 Latitude 1 + 40N
 Departure 5 + 00E

Sheet No. 1 of 2
 Logged by ... B.T.F.
 Date Begun ... Feb. 3, 1986
 Date Finished ... Feb. 4, 1986
 Core Stored at ... Heffley Lake

DEPTH	CORE LOST	DESCRIPTION	SAMPLE No	WIDTH of SAMPLE	Au	Ag		
		1 ft = 0.305 m						
90	-	Overburden - cased	24728	5'	<.002	<.002	(103-108')	
98	4'	Black (Graphitic); silicified; pyritized Argillaceous phyllite partly brecciated some replacement by silica. In other places the quartz is parallel to the foliation (bedding?). The angle to the core varies from nearly parallel to 30°.	24729	3.5'	<.002	<.002	(175.5 - 178.5')	
103	.5	A.A.						
108	0	A.A.						
112	0.5	A.A.						
119	0	A.A. to 113 at 113 rock becoming more competent. Bedding is swirly to crenulated. Distinct black and white appearance.						
129	0							
139	0	The quartz has an "augen" texture in places but is always parallel to sub-parallel to the foliation looking almost gneissic.						
149	0	A.A. to 155! At 155' contact at 10°-15° light green to white sericite schist; non-descript; specking of pyrite clusters 1-2MM						

Robert Hemingson Residence

B.T.F. Oct 1986

MERRILL-DAWSON & ASSOCIATES LTD - DIAMOND DRILL RECORD

Kamloops, B.C.
Phone 374 051

PROPERTY Algo - OK #1

HOLE No. 1

SHEET No. 2 of 2

DEPTH	CORE LOST	DESCRIPTION	SAMPLE No.	WIDTH of SAMPLE			
159	0	A.A.					
169	0	A.A.					
179	0	A.A. to 176'. Contact at 35°; grading to a darker yellow green schist, network of fine quartz veins and disseminated pyrite. Contact at 178' at 15°. Now rock is same as 90'-155'. More breccia fragments. Grain of rock parallel to core.					
189	0	As at 90' - 155'.					
199	0	A.A.					
209	0	A.A. 207'-208' talc sericite schist contact at 25° to core.					
219	0	Even more quartz. Core steeped in silica Argillite altered to hornfels.					
224	0	A.A.					
229	0	Core platy, graphitic cleavage (bedding)? parallel to core.					
237	0	A.A. graphitic					
247	0	A.A. graphitic					
257	0	A.A. graphitic - some hornfels					
267	0	A.A. graphitic					
277	0	A.A. graphitic					
284	1.0	A.A. graphitic					
288	0	A.A. graphitic					
291	0	A.A. graphitic					
300	1.5	A.A. graphitic					

B.T.F. Oct. 1986

REED-DAWSON & ASSOCIATES LTD. - DIAMOND DRILL RECORD

Sub: 310 Thecla St.
Kamloops, B.C.
Phone 374 0544

PROPERTY Algo Resources

HOLE No. DDH - 86-2

DIP AND AZIMUTH TEST		
Corrected		
Footage	Angle	Azimuth
300	57°	

Core Size NQ
 Angle of Hole -45°
 Claim OK# 1
 Section Line 6E (grid 2)
 Bearing N30E (True)

Total Depth 299
 % Recovery 95
 Elev. Collar 1910
 Latitude 1+45N
 Departure 5+80E

Sheet No. 1 of 2
 Logged by B.T.F.
 Date Begun Feb. 4, 1986
 Date Finished Feb. 5, 1986
 Core Stored at Heffley Lake

DEPTH	CORE LOST	DESCRIPTION	SAMPLE No	WIDTH of SAMPLE	Au	Ag		
		<u>1 ft = 0.305 m</u>						
50	-	Overburden - cased	24730	5'	<.002	<.002	(83-88)	
55.6	0.6	Black (graphitic), Argillic, brecciated phyllite disseminated pyrite silicified in places, with Quartz present as replacements veins and blobs. Cleavage parallel to 20° to core. Some hornfels. Swirly, crenulated, mottled.	24731	5'	<.002	<.002	(219-219)	
64	0	A.A.						
69	0	A.A.						
78	0	A.A.						
88.6	0	A.A.						
98.6	0	A.A.						
108.6	0	A.A.						
118.6	0	A.A. extremely graphitic						
129	0	thin (5MM) partings parallel to core						
139	0							
149	0	6" quartz, epidote, pyrite vein-155'						
159	0	164' quartz, epidote, pyrite vein 4"						
169	0							
178	0							
183	0							
189	0	core becoming more competent						

B.T.F. Oct. 86

LEHR-DAWSON & ASSOCIATES LTD. DIAMOND DRILL RECORD

5000 219 Victoria
Kamloops B.C.
Phone 374 051

PROPERTY Algo Resources - OK#1

HOLE No. DDH 86-2

SHEET No. 2 of 2

DEPTH	CORE LOST	DESCRIPTION	SAMPLE No.	WIDTH of SAMPLE			
189	con't	distinctly black and white. Less graphite, more quartz.					
199	0	A.A.					
209	0	A.A. to 215'. Rock becoming more and more silicified. Relic bedding but 80-90% silica.					
219	0	A.A.					
229	0	A.A. to 228'. Contact at 10-15° to core. New rock white to yellow tan. Completely silicified. Specks of pyrite 1 MM Quartz veinlets. Was sericite schist?					
239	0	A.A. becomes darker at 231'					
249	0	A.A. to 249', then grades back to rocks similar to those from 55-189. Drilling nearly directly down dip. Patches of yellow brown material as at 228-231'.					
259	0	A.A. Solid run of yellow brown.					
269	0	Silicified material 263-265.					
279	0	265-272 as at 55-189'. 272'-287' rock almost entirely silicified yellow to dark green was sericite					
289	0	Schist, thin epidote? and Quartz stringers 287'-299' as at 55-189.					
299	0	one 1.5' section of sericite schist 295.5'- 297'					

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B.T.F. Oct. 1986

PROPERTY Algo. Resources.....

HOLE No. ~~M1186-3~~.....

DIP AND AZIMUTH TEST		
Corrected		
Footage	Angle	Azimuth
293	55	N36E

Core Size NO
 Angle of Hole 45.....
 Claim OK#1.....
 Section Line 7E (Grid 2).....
 Bearing N36E.....

Total Depth 293
 % Recovery .96
 Elev. Collar 1915
 Latitude 1440N
 Departure 7+15E

Sheet No. 1 of 2
 Logged by B.T.F.
 Date Begun Feb. 5, 1986
 Date Finished Feb. 6, 1986
 Core Stored at Heffley Lake...

DEPTH	CORE LOST	DESCRIPTION	SAMPLE No	WIDTH of SAMPLE	ANALYSIS		(119-24)	(177-180)
					Au	Ag		
60	-	Overburden - cased	24732	5'	<.002	<.002		
69	0	60-62' talc sericite schist - light grey-green to yellow green. Silicified bedded and random quartz to 40%. Scattered pyrite grains. Contact mashed. 62-69'. Black, graphitic, silicified pyritized, argillaceous phyllite. Partly brecciated. Identical in appearance to Hole 1 and Hole 2.	24733	3'	<.002	<.002		
73	0	A.A., 62-69'; highly graphitic 73-77; As at 60-62 77-79 contact at 40° more banded (grey & yellow-tan)						
79	0	Swirly with quartz stockwork.						
89	0	A.A. and at 60-62						
99	0	identical						
106	0	More silica; quartz veins to 6" A.A.						
110	0.6	A.A. at 107-115 Serpentine alt.						
116.6	0.6	rock shattered and gougy. Earthy						
120	0	powdery						
122	0	same as 60-62 rock more comptant now						
129.6	0	same as 60-62						
134		same to 133. Contact at 75°						

B.T.F. Oct. 1986

ALLEN-DAWSON & ASSOCIATES LTD. - DIAMOND DRILL RECORD

501 - 219 Victoria
Kamloops, B.C.
Phone 374 60

PROPERTY Algo OK#1

HOLE No. 3

SHEET No. 2 of 2

DEPTH	CORE LOST	DESCRIPTION	SAMPLE No.	WIDTH of SAMPLE				
134	con't	at 133. Same as 62-69. Highly graphitic, black and white argillaceous phyllite. Brecciated.						
140	0.6	same						
150	0	same						
160	0	same						
164.6	0	same- highly graphitic - gougy - 1' (160-161')						
		material identical to 60-62. Contact 30' to core						
170	0	same						
180	0	same - some grey hornsfel to 8"						
187	0	same - some grey hornsfel to 8"						
197	0	same - some grey hornsfel intermixed with sooty						
200	0	graphitic gouge						
210	0	A.A.						
218.6	0	A.A.						
229	0	A.A. Rock becoming more competent - less graphitic more silicone						
239	0	same to 238. contact at 30'						
242	0	239 rock is banded talc-sericite						
250	0	schist - see 60-62. 243-252						
260	0	darker material. Contact 15' to 30'.						
270	0	grades back to 60-62 rock.						
277	0.6	schist is becoming friable and is separating in						
280	0	the box.						
290	0	A.A.						
293	1.0	A.A.						
296	3.0	Mislatch						

B.T.F Oct/196

PROPERTY ... Algo Resources

HOLE No. ... DJR 86-4

DIP AND AZIMUTH TEST		
Footage	Corrected	
	Angle	Azimuth
300	59°	

Core Size ... NQ

Angle of Hole ... 45

Claim ... OK#1

Section ... Line 8E (Grid 2)

Bearing ... N30E

Total Depth ... 300

% Recovery ... 98

Elev. Collar ... 1965

Latitude ... 1+25N

Departure ... 800E

Sheet No. 1 of 2

Logged by B.T.F.

Date Begun Feb. 6, 1986

Date Finished Feb. 7, 1986

Core Stored at Heffley Lake

DEPTH	CORE LOST	DESCRIPTION	SAMPLE No.	WIDTH of SAMPLE	ANALYSIS			
					Au	Ag		
26	-	Overburden - cased	24734	5'	<.002	<.002	(128-133)	
30	1.6	Talc - sericite schist, cleavage at 10 - 20% to core	24735	5'	<.002	<.002	(133-138)	
		Mottled grey to light yellow green; scattered						
38	0	pyrite, some silicification-some serpentine alt.						
45	0	same (38-40 graphitic phyllite).						
50	0	same						
60	0	same to 58.6' - grades to graphitic phyllite-						
		pyritic, brecciated, laminated.						
70	0	same						
78	0	same to 76'. Then talc sericite schist.						
88	0	same						
98	0	same to 96 then graphitic phyllite.						
103	0	as at 58.6-76.						
109	2.0	same gougy at 106-109						
114	0	same						
120	1.0	same						
126	0	same						
130	0	same - becoming more siliceous and more pyritic						
140	0	at 132 Talc-sericite schist.						
150	0	At 146 graphitic phyllite.						
160	0.6	same						
170	1.0	same to 165-then talc sericite schist-gouge 3' @ 170.						

B.T.F. Oct. 1986

CERTIFICATE

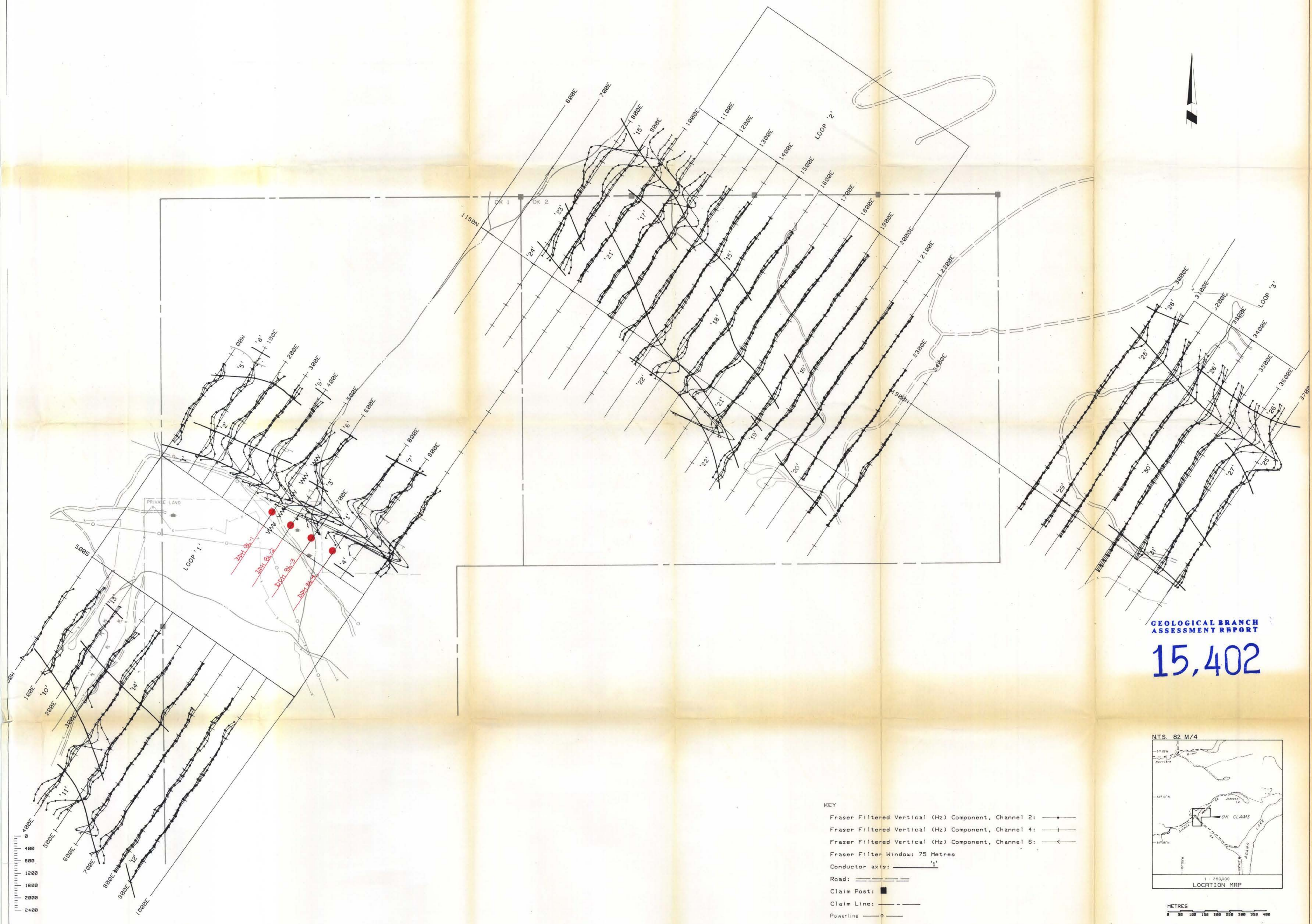
I, BARRY T. FURNEAUX, DO HEREBY CERTIFY:

1. That I am a Consulting Geologist resident at 290 East Fern Road, Qualicum Beach, British Columbia, V0R 2T0.
2. That I am a graduate of the University of British Columbia in the Geological Sciences, B.Sc. 1960.
3. That I am a Fellow of the Geological Association of Canada (F.G.A.C. 1985).
4. That I have practiced my profession as geologist for the past twenty-six years.
5. I have examined the area in question and am familiar with the associated geology and mineral occurrence.
6. I have prepared the attached diamond drill log records.
7. Algo Resources Limited is hereby given permission to reproduce the accompanying report, or any part of it, for filing with the Mining Recorder of British Columbia.

Barry T. Furneaux, B.Sc., F.G.A.C.

Qualicum Beach, B.C.
October 15, 1986

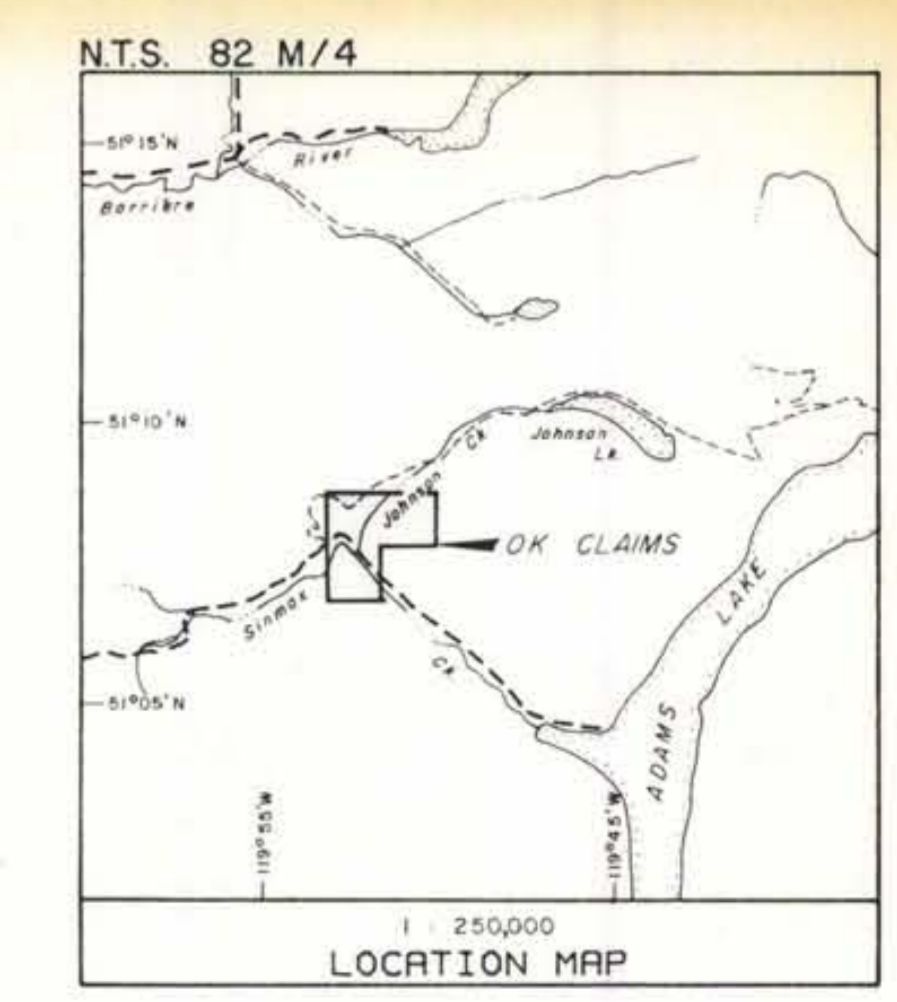
Barry T. Furneaux



GEOLOGICAL BRANCH
ASSESSMENT REPORT

15,402

- KEY
- Fraser Filtered Vertical (Hz) Component, Channel 2: —●—
 - Fraser Filtered Vertical (Hz) Component, Channel 4: —+—
 - Fraser Filtered Vertical (Hz) Component, Channel 6: —<—
 - Fraser Filter Window: 75 Metres
 - Conductor axis: ———
 - Road: ———
 - Claim Post: ■
 - Claim Line: ———
 - Powerline: —○—
 - Fence: —x—
 - Bluff: —|—
 - Swamp: —x—



ALGO RESOURCES LIMITED
DIAMOND DRILL HOLE LOCATION MAP
OK 1 MINERAL CLAIM

RIAL ; LTD.
RP
FILTE 2, 4 & 6

DATE: NOV/85 FIG.: 2

INSTRUMENT: CRONE P.E.M.

To accompany Geophysical Report on the OK 1 & 2 CLAIMS

WHITE GEOPHYSICAL INC.