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A REPORT ON
THE EAGLE'S NEST PROPERTY
HEDLEY, BRITISH COLUMBIA

FOR

AGIO RESOURCE CORPORATION

BY

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VANCOUVER, BRITISH COLUMBIA

15 APRIL 1986

John S. Vincent, P. Eng.

NEAR 92HSE 061, 082

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1. **Summary**

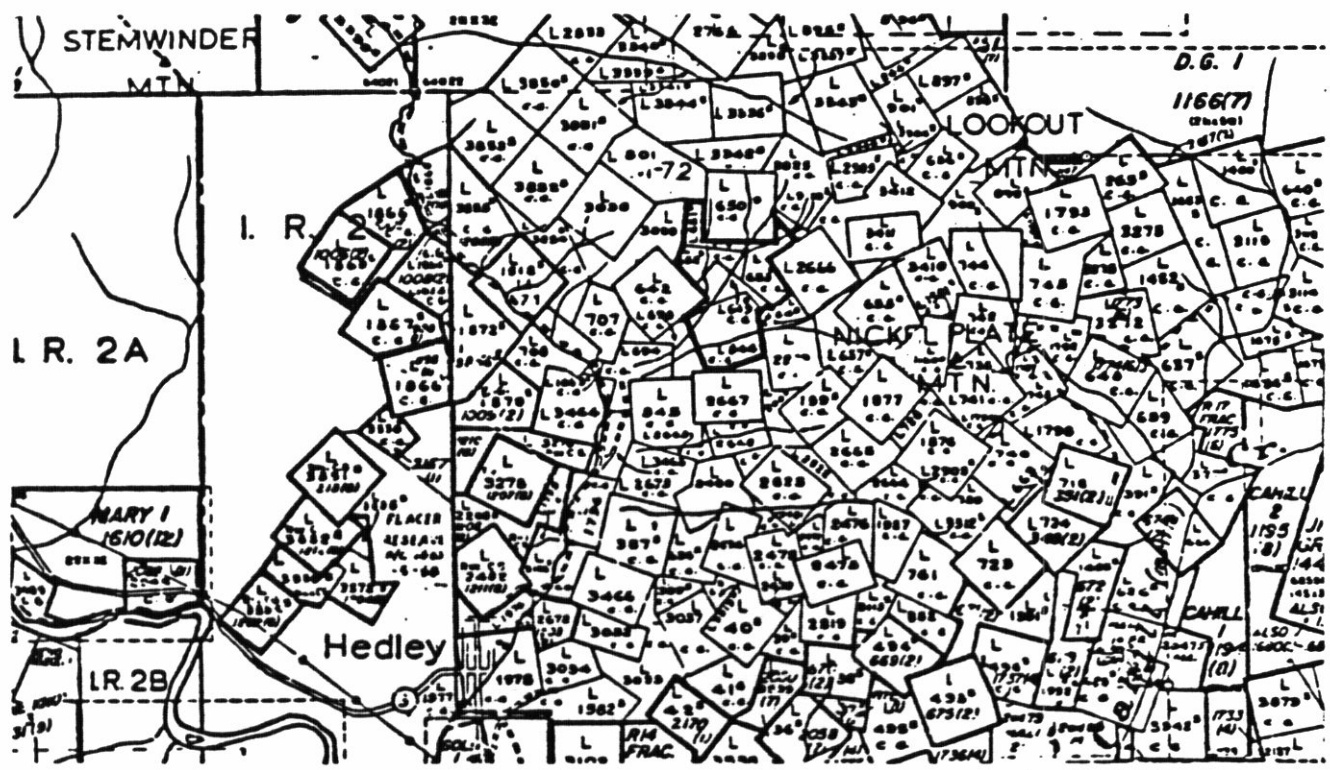
Agio Resource Corporation owns 5 contiguous Crown-Granted mineral claims called the Eagle's Nest Group one mile northwest of the open pit and underground gold mine presently being developed by Mascot Gold Mines Ltd. A combined published ore reserve at the Mascot of 6.7 million tons grading 0.16 ounces of gold per ton is hosted by a thick sequence of interbedded limey sediments, skarns, and gabbroic sills which dip to the west at 30°. Work to date has demonstrated that the mineralized section continues down-dip, and has been intersected by underground workings and diamond drilling on the subject property. Economic gold values hosted by the sulphide-bearing skarns have been discovered within the northeastern portion of the claim group, and further work is warranted to evaluate this mineralization and search to the northwest.

A program of underground diamond drilling from the 3700 L drift is recommended to accomplish this. An estimated cost of \$ 223,000 is outlined which allows for a road to be pushed up to the 3700 L portal, the drift to be rehabilitated, and 5000 feet of underground diamond drilling to be completed. A second stage will be contingent on positive results, which will be required to plan the continuing work program in sufficient detail to estimate its cost.

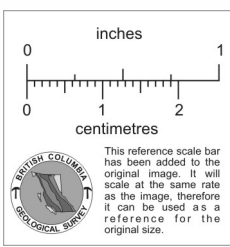
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1:2,000,000



1:50,000



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EAGLES NEST PROPERTY**

LOCATION & CLAIMS MAP

DATE: Apr/86 SCALE: above FIG. 1

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2. Introduction

At the request of Mr. Herman O. Plank, President of Agio Resource Corporation, the writer has carried out a comprehensive review of the Eagle's Nest Property immediately north of Hedley, British Columbia. The claims are strategically located one mile northwest of the Mascot Gold Mine property under development on Nickel Plate Mountain.

A property examination was carried out on April 3, 1986, in the company of Mr. Plank, and the drill core recovered during the 1983 diamond drilling campaign was also examined. Company records have been studied, along with government reports as cited.

The body of this report consists of a description of the property and a discussion of the geology and exploration results to date. A modest work program is presented to complete the evaluation.

3. Property, Location and Access

The Eagle's Nest Property consists of 5 Crown-Granted mineral claims located in the Osoyoos Mining Division, and plotted on Claim Map 92H/8E, Figure 1. The formal description of the claims is recorded as follows:

NAME	LOT NO.	ACRES
Eagle's Nest No. 2	L844	57.65
Little Pittsburg	L649S	14.52
Whale	L651	15.13
Bullion Beek	L652	17.71
Florence	L653	22.69
		<hr/>
		127.7
		=====

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The claims are recorded in the name of Agio Resource Corporation.

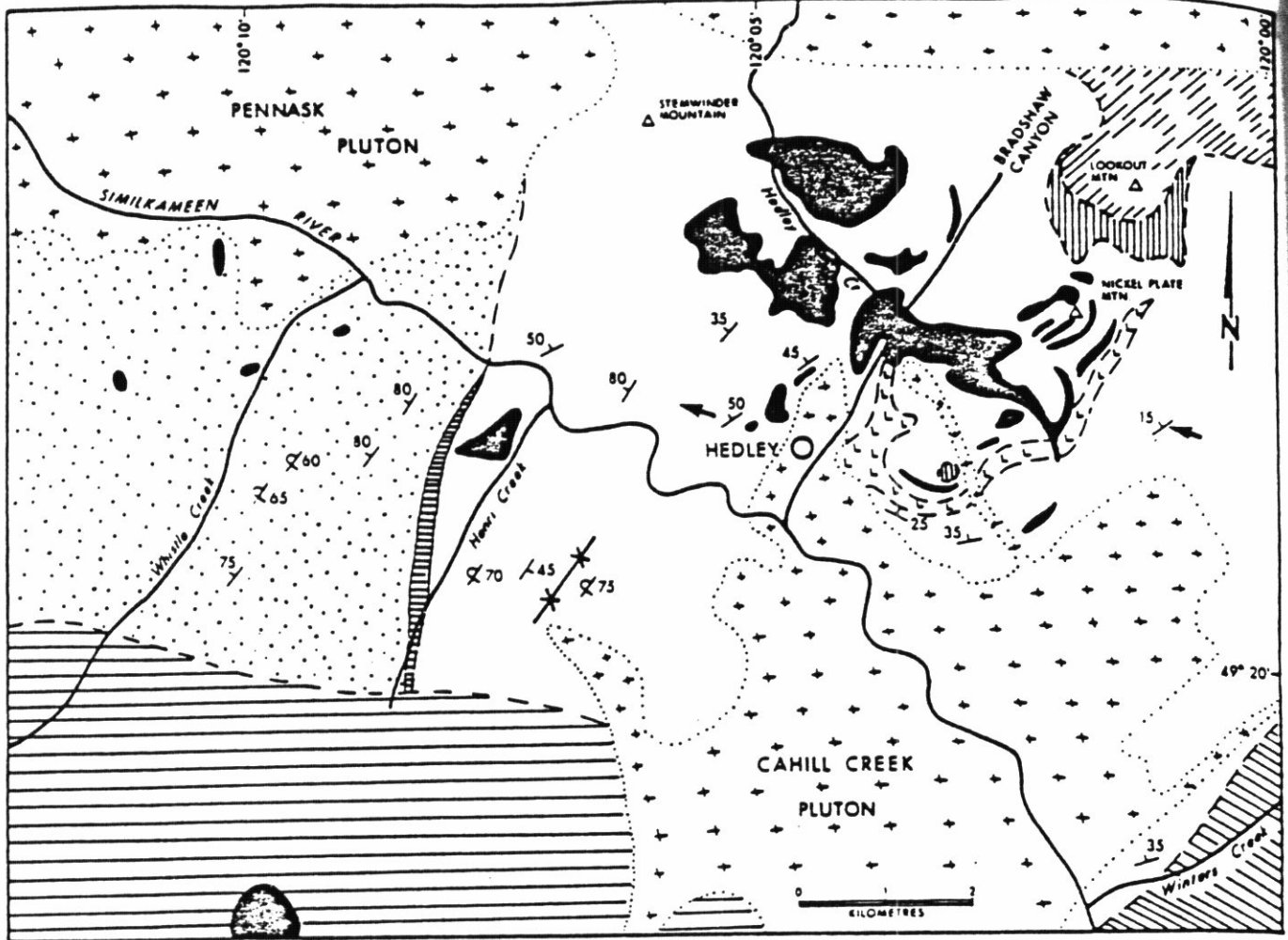
The Eagle's Nest Property is located one mile northeast of the town of Hedley, and access is readily gained by a 4-wheel drive road which leaves a gravel road along Hedley Creek. The topography is rugged with steep rocky slopes ranging in elevation from 2000 feet in the valley to 6200 feet above sea level on Nickel Plate Mountain. The claims cover steep slopes at an average elevation of 3500 feet above sea level. The 2700 L incline portal is accessible by road, but the 3000 L is only reached by foot or helicopter.

4. Previous Work

The Hedley District, and Nickel Plate Mountain, has an important mining history which dates from the discovery of placer gold in the Similkameen River in the 1860's. Gold production from Nickel Plate Mountain spanned the period 1904 to 1955. Reported production is in excess of 1.5 million ounces of gold from ore which averaged 0.39 ounces of gold per ton. Minor exploration was done in 1964 and Giant Mascot Mines Ltd. acquired the mine property in 1967. Work has progressed intermittently until the recent reorganization which brought ownership and management into the Mascot Gold Mines Ltd. Group. Ore reserves of 4.1 million tons grading 0.152 ounces of gold per ton have been established for open pit recovery, and 2.6 million tons grading 0.16 ounces are presently blocked out underground. Underground drilling is proceeding with the expectation that underground reserves will be expanded significantly. Development and construction is underway to build an 1800 ton per day plant at an established cost of \$ 50 million. Production costs are projected to be C\$200 per ounce of gold.

The early work on the Eagle's Nest claims dates to the period 1907 - 1908. The 1916 B.C. Minister of Mines report states that "orebodies exist on the Florence claim that are tabular in nature, lying in metamorphosed limestone in contact with intrusive bodies". The following excerpt is taken from a report dated July 17, 1984 by the late R. Phendler, P.Eng., pp 7,8.

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LEGEND

SIMILKAMEEN INTRUSIONS

✦ GRANODIORITE, GRANITE

HEDLEY INTRUSIONS

■ DIORITE, GABBRO

UPPER TRIASSIC

▬ UNDIFFERENTIATED

WHISTLE CREEK SEQUENCE

▨ WACKE, TUFF VOLCANIC BRECCIA
SILTSTONE, MINOR VOLCANIC FLOWS

▨ HENRI CREEK CONGLOMERATE, LIME-
STONE BOULDER CONGLOMERATE

POSSIBLE WHISTLE CREEK SEQUENCE

▨ TUFF VOLCANIC BRECCIA

▨ COPPERFIELD BRECCIA

HEDLEY SEQUENCE

□ SILTSTONE, ARGILLITE, AND MINOR
LIMESTONE

▨ SUNNYSIDE LIMESTONE

~ UNCONFORMITY

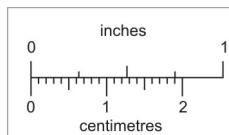
PALEOZOIC

BRADSHAW FORMATION

▨ ARGILLITE, CHERT, GREENSTONE

SYMBOLS

PALEOCURRENT DIRECTION ←



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

After G.E. Ray, Geol. Fieldwork 1985
Paper 1986-1, P 102

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EAGLES NEST PROPERTY**

GEOLOGY MAP

DATE: Apr/86 | SCALE: above | FIG. 2

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"In 1936 a picked sample assaying 1.46 oz. Au was reported and a second sample chipped from a six foot square assayed 0.14 oz. Au (Hedley Mascot Gold Mines Annual Report - 1937).

In 1939 eight deep diamond drill holes were put down on the claims and two, four foot wide intersections assayed 0.32 and 0.26 oz. Au per ton (V. Dommage).

In 1946 the 3700 level was advanced 923 feet and 13,000 feet of diamond drilling was done exploring for the down dip extension of the Nickel Plate ore zones. Apparently the Hedley Mascot Mines had an option on the claims under discussion and took out a 5 year renewal in 1950.

In 1945 the 2700 L incline (+23°) was started by Hedley Mascot Gold Mines Ltd. with the purpose of connecting to the 3700 level for the passage of ore from this level down to their mill below the portal."

The incline was stopped 600 feet short of a breakthrough into the 3700 L drift due to labour problems.

In 1983 Agio, under Mr. Phendler's direction, drilled 6 core holes from the incline which totalled 2006 feet, Figure 5.

5. Geology

5.1 Regional

The Hedley area is underlain predominantly by a sedimentary sequence of rocks which belong to the Upper Triassic Nicola Group. Through the years various stratigraphic divisions have been described in the literature. At present, a younger western section has been designated as the Whistle Creek sequence, while an older package of rocks to the east are assigned to the Hedley sequence (Ray, G.E., et al, 1985).

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This latter stratigraphic section hosts the economic mineralization on Nickel Plate Mountain. Figure 2 is a simplified geological map which appears in Paper 1986-1, Page 102, from the Ministry of Energy, Mines and Petroleum Resources, as prepared by G.E. Ray.

The Hedley section consists of westerly-dipping, thinly bedded siltstones, black argillites, greywackes, and interbedded tuffaceous units. One to ten metre-thick impure limestone beds occur through the sequence, and the siltstones and argillites are commonly calcareous. It is reported that some beds contain an appreciable amount of volcanoclastic material.

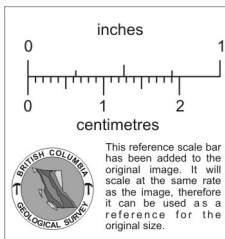
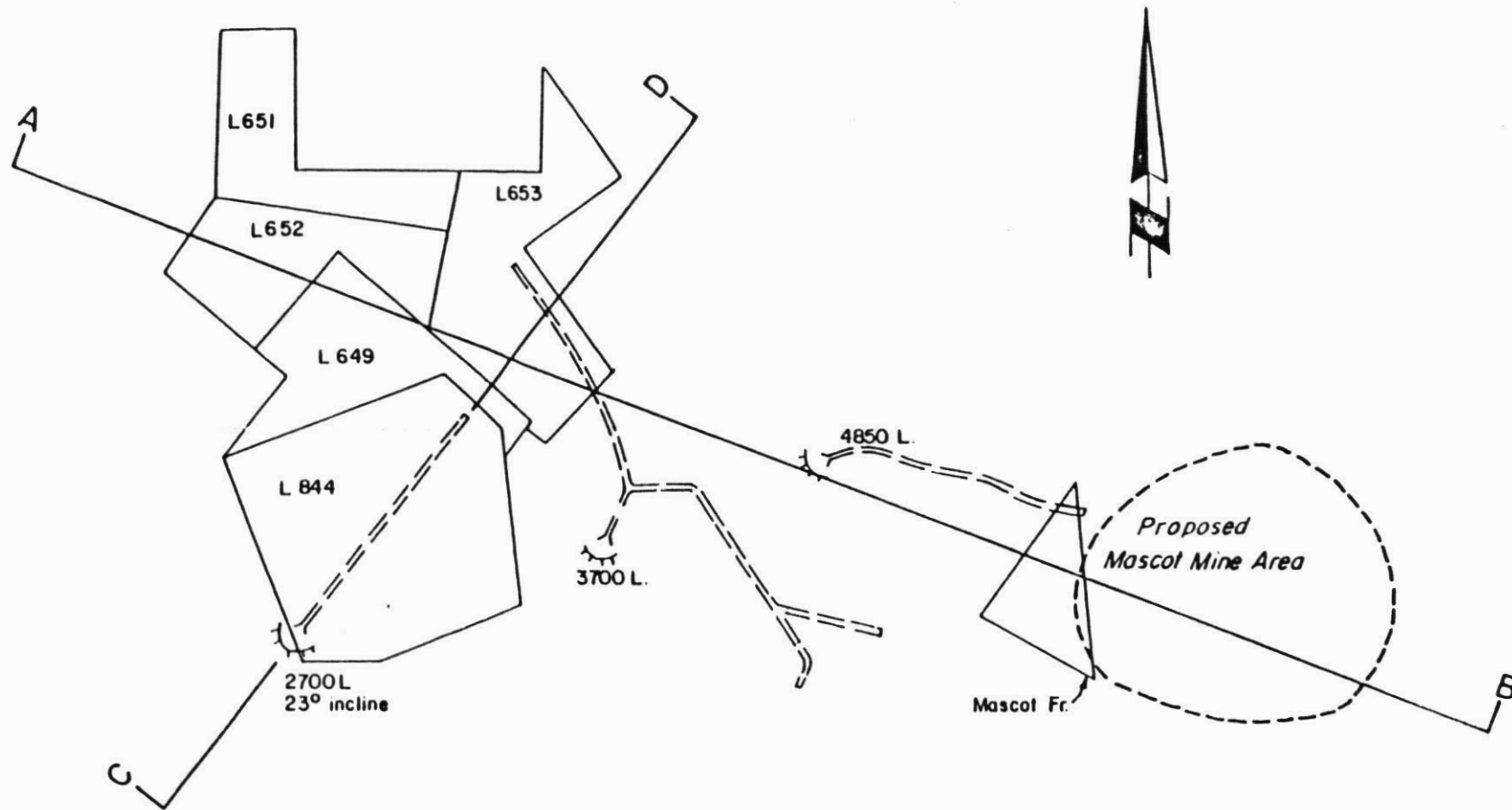
The Whistle Creek package contains siltstones and argillites at the bottom of the section, but the upper succession is characterized by volcanic material, including breccias and flows.

Plutonic rocks are represented by the Middle Jurassic Hedley intrusions which are generally dioritic to gabbroic in composition, and the Middle to Late Jurassic Similkameen granodiorite. The former are of economic significance where the stocks and swarms of dikes and sills cut the Hedley sedimentary sequence. The calcareous content has resulted in the widespread development of skarn, in many cases sulphide-bearing and often auriferous. A genetic relationship between the Hedley intrusion and the gold mineralization on Nickel Plate Mountain has been recognized by past workers.

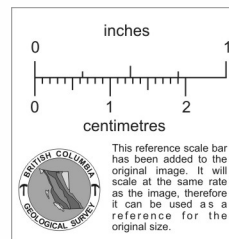
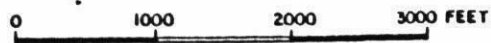
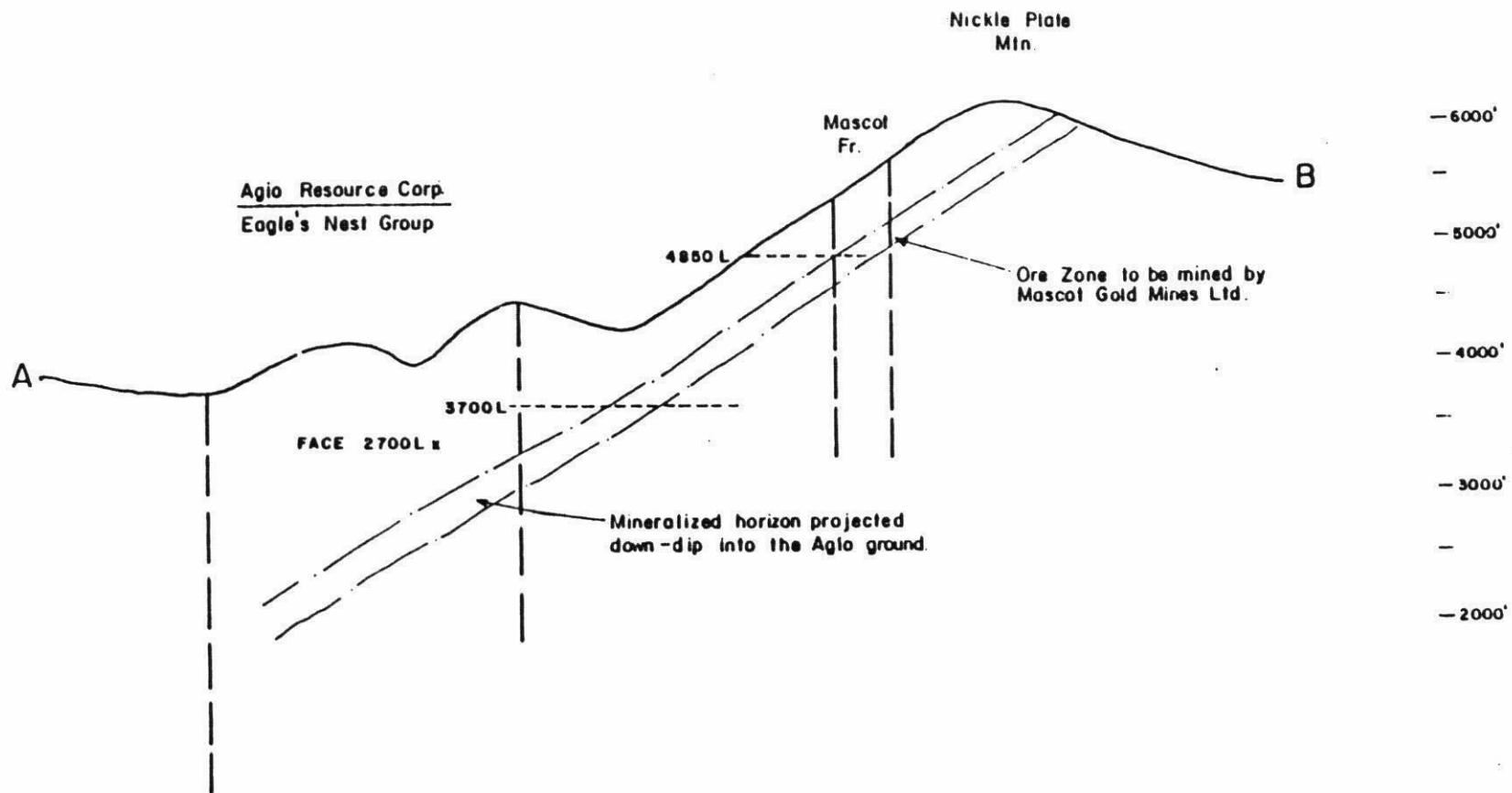
5.2 Local

The Hedley sequence underlies the Eagle's Nest Gp. of claims and Nickel Plate Mountain, a mile to the east. The rocks dip to the west at 30°, and bring the mineralized skarn horizon into the property, as shown on Figure 4. Work in the Mascot and Nickel Plate mines, and the recent work carried out by Mascot Gold Mines, has clearly defined the mineralized

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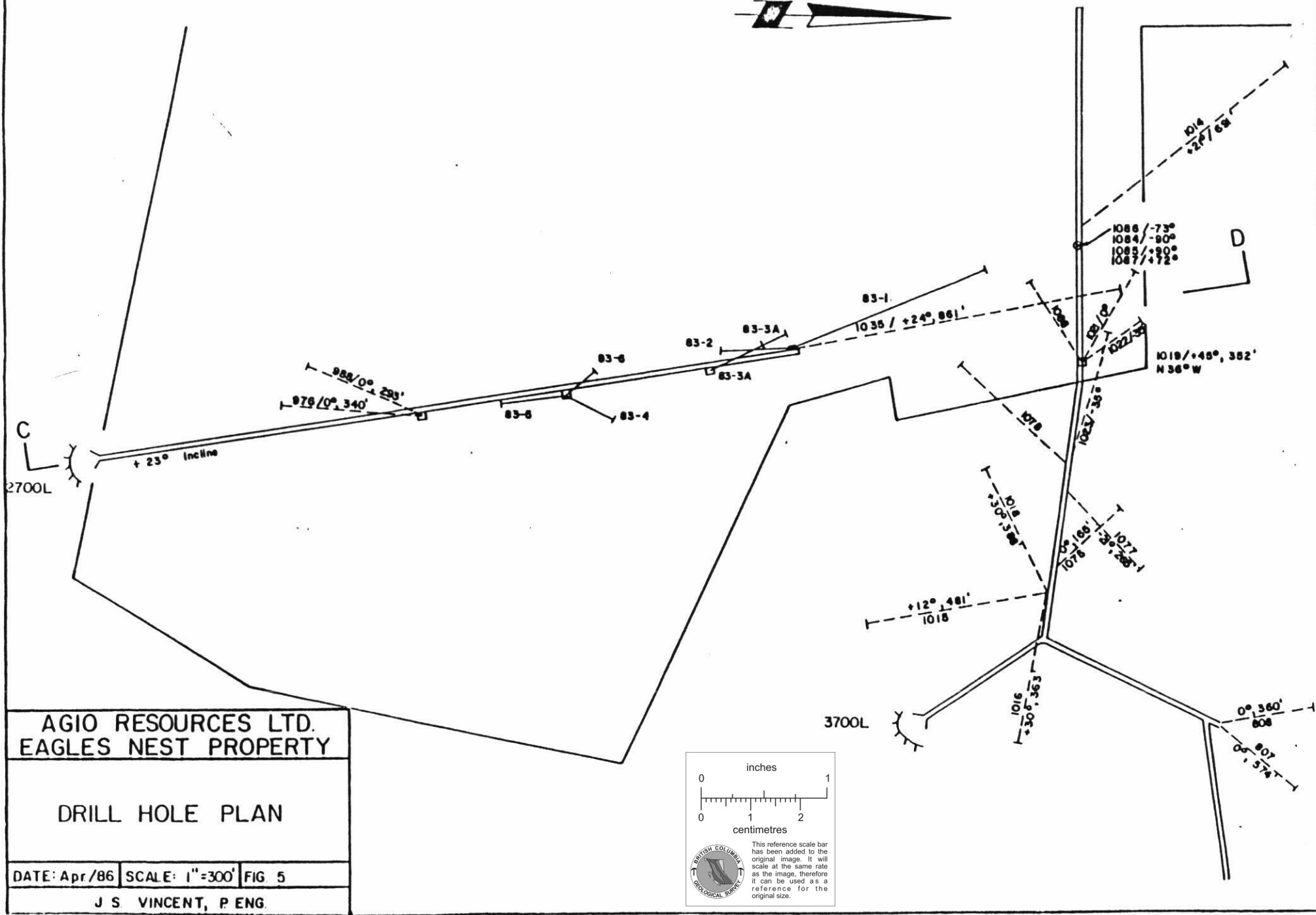
AGIO RESOURCES LTD. EAGLES NEST PROPERTY		
PLAN AREA SKETCH		
DATE: Apr/86	SCALE: 1"=1000'	FIG 3
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AREA SECTION A-B

DATE: Apr/86 SCALE: above FIG 4

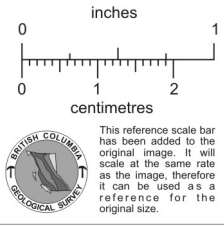


AGIO RESOURCES LTD.
EAGLES NEST PROPERTY

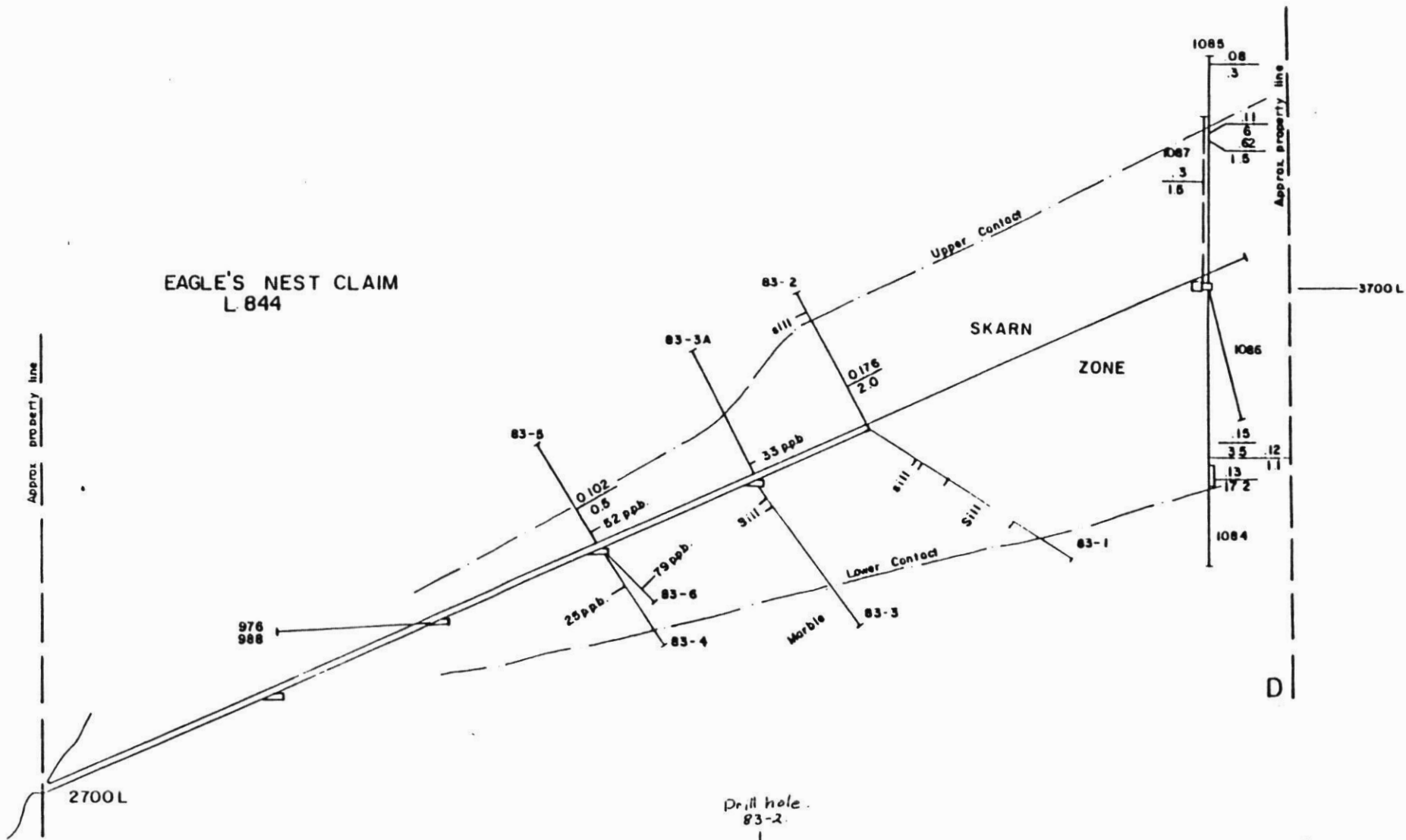
DRILL HOLE PLAN

DATE: Apr/86 SCALE: 1"=300' FIG 5

J S. VINCENT, P. ENG.

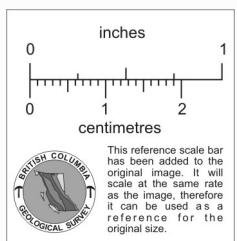


EAGLE'S NEST CLAIM
L 844



Drill hole
83-2.

$\frac{0.176}{2.0}$ gold/oz per ton
interval, feet



AGIO RESOURCES LTD.
EAGLES NEST PROPERTY

INCLINE - DRILL SECTION
C - D

DATE: Apr/86 SCALE: 1" = 300' FIG 6

section and its attitude. Their next planned phase of underground drilling down-dip for the Mascot Fraction is anticipated to add significantly to the underground ore reserves.

Work in the past on the Eagle's Nest was carried out from a drift put in at the 3700 L, which demonstrated continuity of the zone down-dip into the ground now held by Agio Resource Corp.

5.3 Mineralization

The mineralization consists of pyrrhotite, pyrite, arsenopyrite, chalcopyrite, sphalerite, electrum, a gold telluride Hedlyite, and cobaltite. The sulphide distribution is closely related to the proximity of the dioritic dikes and sills, and occurs as irregular bands, streaks, stringers, and disseminations within the skarn host. Gold values are somewhat erratic in distribution and do not necessarily correspond to a heavy sulphide concentration. Pyrrhotite-rich core intersections may be barren, while visible arsenopyrite usually has accompanying gold. Barren looking skarn can have a significant gold content if the telluride, Hedlyite, is present. Generally, the presence of the diorite-gabbro sills cutting the lime-rich sediments has been considered a favorable host setting, and exploration of these target areas has often been rewarding.

A lower limit of gold mineralization recognized by earlier workers was the transition from skarn to unaltered limestone. Minor folding and crumpling of the sediments may also have had a positive effect on the concentration of auriferous mineralization.

6. Discussion of Results

The underground work and diamond drilling shown on Figure 5 and 6 has confirmed that the skarn horizon of interest underlies the Agio ground. The banding in the skarn exposed in the 2700 L incline and diamond drill stations also

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confirms a constant stratigraphic dip.

The diamond drilling carried out in 1983 demonstrated that the skarn is well mineralized with stringers and dissemination of pyrrhotite, chalcopyrite, and lesser amounts of arsenopyrite. However, no economic intersections of gold-bearing mineralization were encountered. The more significant intervals are summarized as follows:

Drill Hole	Footage	Core Length	Gold
83-2	80 ft-82 ft	2.0 ft.	0.176 oz/ton
83-3A	6-7	1.0	33 ppb
83-4	72-73	1.0	25 ppb
	93-99	6.0	28 ppb
	140-143	3.0	22 ppb
83-5	17-20	3.0	52 ppb
	72.5-73.0	0.5	0.102 oz/ton
83-6	80.0-85.0	5.0	49 ppb
	105.0-109.0	4.0	79 ppb

These holes are shown in plan on Figure 5, and on drill section C-D, Figure 6. The core was logged and sampled by Mr. Phendler, P.Eng., and the location of the upper and lower contacts is as established by his work.

The results of the work done in 1946 on the 3700 L by the Hedley Mascot group was somewhat more encouraging, as gold-bearing mineralization was found in the sulphide-rich skarns. Figure 5 illustrates the location of a number of these drill holes, and drill section C-D, Figure 6, shows the distribution of several significant intersections.

Copies of the available logs are appended to the report. The logs from the late Mr. Phendler's drilling are not available as his files and records have not been released from the estate. The writer was personally acquainted with him and the

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reliability of his work, and has no reason to doubt the information presented in his report of July 7, 1984.

A summary of the intersections of interest from the 1946 drilling campaign are outlined as follows:

Hole	Feet Interval	Feet Core Length	Oz/Ton Gold
1084	320.0-323.5	3.5	0.15
	350.0-351.1	1.1	0.12
	360.0-377.2	17.2	0.128
1085	260.0-261.5	1.5	0.62
	290.0-290.6	0.6	0.11
1086	240.0-241.0	1.0	0.14
1087	290.0-291.5	1.5	0.30

Reference to the location of the drifts relative to the property outline, Figure 3, show that the western two thirds of the underlying mineralized zone remains unexplored. Although results from the 2700 L incline are not particularly encouraging, the results for the 3700 L above indicate that the mineralization up-dip is more concentrated and has a higher gold content. It is reasonable to expect that these zones may carry through down dip into the northwest portion of the claim block. This area can be most effectively explored from the 3700 L drift.

7. Conclusions

It is concluded that work to date has demonstrated that the Eagle's Nest Property is underlain by the down-dip extension of the gold-bearing sulphide-rich skarn zone which host the orebodies under development by Mascot Gold Mines Ltd. on Nickel Plate Mountain to the east. Underground development and diamond drilling

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has discovered economic gold values in the northeastern portion of the claim group, and further work is required to explore the area to the northwest.

8. Recommendations

It is recommended that the 3700 level portal area and drift be rehabilitated to provide access and drill stations to carry out an initial phase of 5000 feet of AQ diamond drilling. Contingent on positive results, the drift will need to be extended to allow continued exploration drilling to the northwest.

If the results warrant continuation, further planning will be based on the new data, and a Phase 2 cost estimate will be generated accordingly.

9. Cost Estimate

Phase I

1. Personnel

Geologist: 3 months @ \$3,500	\$ 10,500	
Assistant: 1 1/2 months @ \$2,000	<u>3,000</u>	\$ 13,500

2. Personnel Costs

a) Motel	\$ 3,000	
b) Food: 150man days @ \$25	<u>3,750</u>	6,750

3. Transportation

a) Truck, 3 months @ \$1,200	\$ 3,600	
b) Supervisory Travel	<u>250</u>	3,850

4. Road Work

Extend road to 3700 L Portal - estimate		10,000
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5. Underground

a) Rehabilitation	\$ 25,000	
b) Air & Water Pipe, Ventilation	5,000	
c) Compressor & Pump Rentals	<u>3,500</u>	33,500

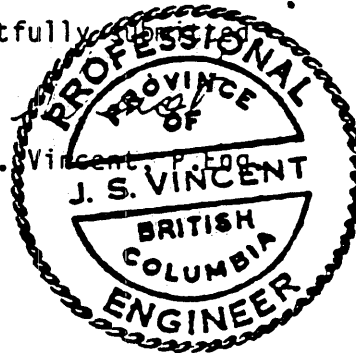
John S. Vincent, P. Eng.

6.	<u>Drilling</u>		
	5000 feet of AQ drilling @ \$25/ft.		125,000
7.	<u>Analytical</u>		
	a) Assays: gold and silver		
	Allow for 600 @ \$14.50	\$ 8,700	
	b) Shipping	<u>250</u>	8,950
8.	<u>Supplies</u>		
	a) Fuel	\$ 1,500	
	b) Hardware, Tools	500	
	c) Cap lamps	750	
	d) Core Boxes, Lids	1,200	
	e) Sample Bags	<u>300</u>	4,250
9.	<u>Consulting & Reporting</u>		7,500
10.	<u>O.H. & Administration</u>		<u>10,000</u>
	<u>TOTAL:</u>		<u>\$223,300</u> =====
	<u>ALLOW: \$ 223,000</u>		

Respectfully,

John

John S. Vincent, P. Eng.



Vancouver, British Columbia
15 April 1986

John S. Vincent, P. Eng.

10. **Certificate**

I, John S. Vincent, do hereby state that:

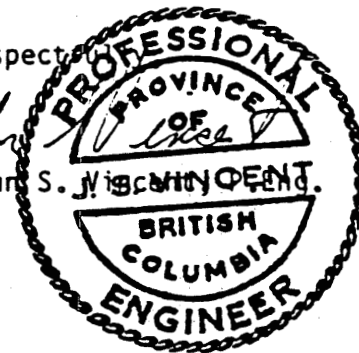
1. I am a Consulting Geological Engineer with office and residence in Delta, British Columbia.
2. I have been practising as a Mining Geologist continuously for the past 27 years.
3. I graduated from Queens University, Kingston, Ontario, with a B.Sc. and from McGill University with an M.Sc.
4. I am a member of the Association of Professional Engineers for the Province of British Columbia, and a Fellow for the Geological Association of Canada.
5. I have no interest in the properties or securities of Agio Resources Corporation, or in any related corporations, nor do I expect to acquire any such interest.

15 April 1986

Respectfully

John S. Vincent

John S. Vincent



John S. Vincent, P. Eng.

11. References

- Ray, G.E., et al Preliminary Report on the Hedley Mapping Project; B.C.D.M., Geological Fieldwork, 1985, Paper 1986-1, pp 101-105.
- Pieto, V.A. Geology of the Nicola Group between Merritt and Princeton; B.C.D.M., Bull. 69, 1979.
- McMillan, W.J. Nicola Project - Merritt Area; B.C.D.M. Geological Fieldwork 1978; Paper 1979-1, pp 41-46.
- Rice, H.M.A. Geology and Mineral Deposits of the Princeton Map Area, B.C.; G.S.C. Mem. 243, 1947.
- Phendler, R.W. Report on the Eagle's Nest Property, Osoyoos Mining Division, B.C. for Agio Resource Corp., July 17, 1984.
- Camsell, C. The Geology and Ore Deposits of Hedley Mining District, G.S.C. Memoir No. 2, 1910.

John S. Vincent Limited Consulting Geologists

530 - 800 WEST PENDER STREET, VANCOUVER, B.C. V6C 2V6

Telephone: (604) 683-2306

August 18, 1988

Agio Resources Corp.
405-535 West Georgia Street
Vancouver, B.C.
V6B 1Z6

Dear Mr. Plank:

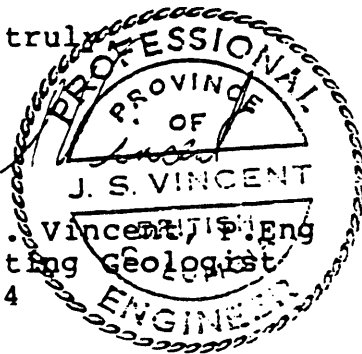
The recommendations for a work program on the Eagle's Nest Property, Hedley, B.C. which I set out in a report dated April 15, 1986, are still valid, since nothing has been done on the prospect over the intervening period. The area is very attractive, particularly with the adjacent Mascot Mine now in production.

Permission is granted for the use of the April 15, 1986, report for the purpose of financing. It may be submitted to the regulatory authorities as required.

Yours truly,



John S. Vincent, P.Eng
Consulting Geologist
07/V104



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HEDLEY MASCOT GOLD MINES LIMITED

LOG OF DIAMOND DRILL HOLE NO. 1087

<u>Lat.</u>	<u>Dep.</u>	<u>Elev.</u>	<u>Bear.</u>	<u>Dip.</u>	<u>Length</u>
6055.N	8066.W	3732	N.35°54'W.	+ 73	355'
0 - 5.3					Skarn - garnet, pyrrhotite, chalcopyrite.
5.3 - 23.2					Diorite, light grey, altered. Hornblende remnants. Some pyrrhotite disseminated.
23.2 - 25					Pyrrhotite, chalcopyrite, quartz, skarn remnants.
25 - 27					Skarn, pyrrhotite. Chalcopyrite and pyrrhotite for 2 inches at contact with diorite above. Banding near contact at 70°.
27 - 39					Diorite, pale altered, little pyrrhotite, no hornblende.
39 - 44.6					Skarn, some garnet. Pyrrhotite, chalcopyrite.
44.6 - 46.5					Diorite.
46.5 - 54.9					Skarn, some white, some garnetite, some green. 2" diorite inclusion at 53.5.
54.9 - 69					Diorite. Pale altered to fairly fresh in the centre.
69 - 97					Skarn - much pyrrhotite, chalcopyrite at contact and some elsewhere, disseminated. Considerable pyrite from 74-99' Almost no garnet (weak skarn).
97 - 102					Cherty siliceous sediments, well banded.
102 - 109.5					Diorite, dark grey, much altered, small hornblende. First contact 60° to core; second contact 75° to core.
109.5 - 110					Marble - white.
110 - 119					Cherty - skarn, with cherty breccia in few places.
119 - 120					Marble - white.
120 - 124					Cherty, weak skarn, well banded. Grain gradation, beds right side up.
124 - 125					Skarn with heavy pyrrhotite, some chalcopyrite.
125 - 130					Thin banded grey, siliceous sediments, breccia beds and pink cherty beds. Pyrrhotite, chalcopyrite at 128.5-128. Banding 75° at 126'
130 - 144.5					Diorite, medium grained, dark grey and light grey, altered up to 135. Remainder green colored with large altered patches, feldspar crystals present. 134-134.8, skarn inclusion with pyrrhotite. -1" pyrrhotite stringer at 135. Lower contact 70° Upper contact 80°.
144.5 - 150					Chert 90%, some skarn and breccia. Banding 80° at 148'.
150 - 151					Skarn
151 - 156					Banded sediments, cherty in places. Banding 80° at 152.
156 - 174.5					Skarn, little garnet, 161.4 - 161.9, Pyrrhotite, chalco- pyrite, calcite. 174-174.5 pyrrhotite, chalcopyrite in limey bed. Banding 80° at 171.
174.5 - 183					Fracture zone. Calcite gouge at 60° to core from 176-176 Remainder is fractured, limey rock. 186 - 186.3 Disseminated pyrrhotite.
183 - 205					Skarn weak, with many limey bands. Little garnet. 186 - 186.3 Pyrrhotite disseminated. Banding 85-90°
205 - 206½					Pyrrhotite vein with some chalcopyrite, calcite in fractu- res and a few skarn remnants. A few small grains arsenopyrite near hanging wall. Lower contact 50° Upper contact 60°.

DIAMOND DRILL HOLE NO. 1087

Banding not apparent in the sulphides, but pyrrhotite and skarn are banded for $\frac{1}{2}$ to 1" at contacts.

Nearest banding in skarn -
770 at 204.5 - 700 at 210.

Vein may conform approximately to bedding.

206 $\frac{1}{2}$	- 209.8	Skarn, weak, fine disseminated pyrrhotite 50% core loss from 208 to 210'.
209.8	- 210	Pyrrhotite (solid) Seam at 45° to core. Little chalcopyrite. Some calcite.
210	- 210.3	Skarn, weak at 70° to core.
210.3	- 211.3	Diorite, medium grained, highly altered.
211.3	- 228	Skarn, weak, light green to grey, little pyrrhotite disseminated. Banding 70° to core.
228	- 237	Skarn, grey-green, little garnet, pyrrhotite and pyrite at 229 and 233. Banding 75° to core, fine grained.
237	- 254	Skarn, weak, light grey with occasional thin bands of quartz breccia. Barren.
254	- 265	Skarn, dark grey, very little garnet. Considerable pyrrhotite, little chalcopyrite, disseminated.
265	- 267	Brownish cherty sediment. White alteration along fractures.
267	- 269	Whitish, cherty skarn - barren. Banding 60° at 269.
269	- 277	60% Breccia with siliceous fragments up to $\frac{1}{2}$ " and skarn-like cement. Balance is skarn. Considerable pyrrhotite.
277	- 290	Skarn, light pyrrhotite.
290	- 295	Skarn, whitish, very siliceous.
295	- 302	Siliceous sediments, thin-banded, dark and light grey disseminated pyrrhotite in some of dark layers. 50° to core at 301.
302	- 310	Skarn, some pyrrhotite.
310	- 311	Diorite, pale colored. No hornblende.
311	- 316	Skarn with pyrrhotite. Banding 70° at 314.
316	- 320	Diorite, as above. See feldspar crystals.
320	- 327	Skarn, some pyrrhotite.
327	- 335.5	Skarn, no garnet. Brecciated cherty in places. Heavy disseminated pyrrhotite and chalcopyrite.
335.5	- 340.5	Dark-grey siliceous sediments or tuff? Little fine pyrrhotite. Banding 65° at 336.
340.5	- 350.8	70% Chert breccia with skarn alteration and much pyrrhotite.
		345.3 - 346.5 - Whitish skarn
		347.8 - 348.6 - Dark fine-grained tuff? with much fine pyrrhotite.
350.8	- 355	60% fine-grained black and grey banded rock. Can see small angular grains - is likely tuff. 40% skarn, weak, white colored. Banding 60° at 354.

- End of Hole -

See page 3
for Assays

DIAMOND DRILL HOLE NO. 1087 (contd.)

Core Assays:

23.2	-	25	.03
25	-	25.6	.02
39.6	-	42	.05
69	-	70.5	.01
81.6	-	82.8	.02
89.5	-	90.5	.01
96	-	96.6	Tr
124	-	124.8	Tr
128.5	-	128.9	.03
161.4	-	161.9	.02
174	-	174.5	Tr
186	-	186.3	Tr
205	-	206.5	.30
206.5	-	208.1	.06
209.8	-	210	.02
211.3	-	212.3	.03
218.7	-	219.6	Tr
229	-	230.5	.02
233	-	233.8	Tr
257	-	257.7	.01
274	-	274.5	.02
315	-	316	.01
322	-	322.6	Tr
330.5	-	331.3	Tr
331.5	-	333.3	.01
333.7	-	334.5	.02
334.7	-	335.5	Tr
341.5	-	341.8	Tr
343.8	-	345.3	.04
349.2	-	350.5	Tr
385.8	-	386.15	.03

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1.5' (2) 3' 0.13'

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HEDLEY MASCOT GOLD MINES LIMITED

LOG OF DIAMOND DRILL HOLE NO. 1086

<u>Lat.</u>	<u>Dep.</u>	<u>Elev.</u>	<u>Bear.</u>	<u>Dip.</u>	<u>Length</u>
6051.N	8058.W	3710	N.89°E.	- 73	414'
0 - 2.8					Diorite, altered. Contact 7° to core.
2.8- 51					Skarn, Pyrrhotite, chalcopyrite and little arsenopyrite at contact. Pyrrhotite and chalcopyrite at 5.5-5.9 Pyrrhotite, and chalcopyrite, lime at 23.9 - 24.8 Pyrrhotite, lime, garnet at 26-31, 36-38'. Banding 65° at 11' - 70° at 27'. Skarn is green, mostly, with some bands garnetite.
51 - 65					Skarn, pale colored, very little garnet. Cherty in places. Pyrrhotite at 64.5 Banding 65° at 60'.
65 - 66					White marble.
66 - 68					Silicified marble, garnets, pyrrhotite.
68 - 78					Skarn green - some pyrrhotite. Banding 60° at 72'
76 - 127					Skarn, strong, little garnet. Green and grey mostly. Heavy pyrrhotite with chalcopyrite in places.
108-113.5					Possible diorite, pale altered. No hornblende, Feldspar not seen. Banding 75° at 89' - 80° at 118'.
127 - 154					Skarn, strong, grey speckled mostly, some garnet. Not much pyrrhotite.
133.5 - 136					White marble.
154 - 161.5					Skarn, strong, darkened with fine pyrrhotite, some garnet. Banding 45° at 159'
161.5-163.5					Diorite, pale altered, fine grained, no hornblende. Feldspar was seen. In places darkened by fine pyrrhotite. Upper contact 70°.
163.2 - 163.5					Skarn inclusion.
165.5- 194					Skarn, strong, green mostly. Considerable garnet. Banding 70° at 174' No heavy pyrrhotite.
194 - 232					Skarn, ^{weak, mostly} pale grey, pale green, little garnet. Considerable wollastonite. ^{Also about 2% at 23-24', silicified, occasional cherty beds.} little pyrrhotite. Banding 80° at 199' - 70° at 213'. 220.5-221 Marble.
232 - 252					Darker skarn with considerable garnet and some heavy pyrrhotite beds with occasional arsenopyrite.
252 - 279					Skarn, strong ^{weak} , little garnet. Considerable pyrrhotite with coarse arsenopyrite. ^{Some} silicified sediments, light colored, cherty in places. Banding 45° at 268'
279 -311.6					Skarn strong, ^{silicified} garnet plentiful, and crystalline. ^{Cherty} Pyrrhotite plentiful in some beds. Cherty
283.3 - 284.3					Pyrrhotite, coarse arsenopyrite.
299 - 302					50% Core loss.
					Banding 80° at 291.
311.6- 332					Diorite, upper contact not clear, but sulphides at contact banded 80° to core. Disseminated pyrrhotite.
311.6 - 314					- Pale altered phase, small hornblende crystals.
314 - 323.5					- Mixed brown and some pale altered. Few small altered hornblende crystals.
323.5 - 332					- Pale altered, no hornblende.

DIAMOND DRILL HOLE NO. 1096

- 332 - 334.9 Skarn inclusion. Garnet, considerable pyrrhotite. Banding 65° to core at 333'.
- 334.9- 357.5 Diorite, pale altered, disseminated pyrrhotite, hornblende almost completely altered. Upper contact irregular. Lower contact gradational. A few skarn inclusions.
- 357.5- 369 ~~Skarn~~ ^{and silicified rock, sometimes cherty} Skarn, brecciated in places, considerable garnet, pyrrhotite and some chalcopyrite. Banding 60° at 364'.
- 369 - 379 Mostly limestone, blue. Little siliceous sediments. Banding 50° at 370'.
- 377 - 377.4 Skarn.
- 379 - 414 75% Limestone. 25% Light colored cherty siliceous sediments. 1 foot breccia at 407'. Banding 55° at 403'. Banding 50° " 414'
- 392 - 392.15 Thin silicified band in limestone with garnet, pyrrhotite, arsenopyrite, chalcopyrite.
- 392.4 - 392.9 Pyrrhotite and chalcopyrite in limestone.

- End of Hole -

3.8	-	4.2	Tr	278.1	-	278.5	.02
5.8	-	5.9	.03	278.5	-	279	.03
23.9	-	24.8	.01	279	-	279.8	.02
28	-	28.2	Tr	279.8	-	280.3	.01
30.5	-	31	Tr	280.7	-	282	Tr
67	-	67.8	Tr	282.2	-	282.6	Tr
80.9	-	82	Tr	283.3	-	284.3	.02
82.5	-	83.2	Tr	284.3	-	284.8	.02
95.4	-	96.4	.02	288.9	-	289.4	Tr
125	-	125.7	Tr	296.5	-	297.7	Tr
129.5	-	130.5	.02	297.9	-	299.2	.02
155	-	156	.03	299.2	-	302	Tr
232	-	232.5	Tr	302	-	303.6	Tr
233.5	-	235.5	.02	303.6	-	305	Tr
239.7	-	241.2	Tr	305	-	306.8	.02
249	-	250	.02	306.8	-	308.8	Tr
		Resample -	.14)	308.8	-	310.3	Tr
251.4	-	252	Tr	310.3	-	310.6	.02
252	-	252.8	Tr	310.6	-	311.6	Tr
263.5	-	264.2	.02	332	-	333.5	.02
252.8	-	253.7	Tr	333.6	-	334.8	Tr
		Resample -	.02)	359.8	-	361.5	.02
264.6	-	266.5	.03	365.8	-	366.2	Tr
272.5	-	273.6	.01	392	-	392.15	.04
276.2	-	277.8	Tr	392.4	-	392.8	.01

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HEDLEY MASCOT GOLD MINES LIMITED

LOG OF DIAMOND DRILL HOLE NO. 1086

<u>Lat.</u>	<u>Dep.</u>	<u>Elev.</u>	<u>Bear.</u>	<u>Dip.</u>	<u>Length</u>	
6052.N	8064.W	3734	-	+ 90°	448'	230
0 - 6.2	Skarn, strong garnet. Pyrrhotite at 5.6 to 6.2' Banding 40° to core.					241
6.2- 28.4	Diorite, altered. Hornblende corroded, medium-grained. Grey mostly, little brown. Pyrrhotite disseminated. Upper contact 75° 16.6-17.4 Quartz stringer with pyrrhotite at 20° to core.					244
28.4- 30.5	Skarn with garnet. Banding 80° to core.					254
30½ - 40	Diorite. Medium to fine grained, highly altered, white flakes. 3" massive pyrrhotite & chalcopyrite seam at 34.					255
40 - 41.7	Skarn, strong with pyrrhotite and arsenopyrite.					277
41.7- 50	Diorite, much altered - fine to medium grained. Calcite stringers follow core from 41.7 to 46'. Heavy pyrrhotite from 42 to 42.5'.					282
50 - 56	Skarn, little garnet. Heavy chalcopyrite, some pyrrhotite at 52-53'. Banding at 70° to core.					283
56 - 58.5	Diorite, medium grained, grey, with hornblende.					29
58.5- 65	Skarn, dark green-grey mostly. Some garnet. Heavy pyrrhotite and chalcopyrite from 59.5 to 61'.					31
65 - 75	Diorite, much altered. Very fine-grained, chert-like to 70', remainder medium grained, light grey speckled. Lower contact wavy, may be 20° to core.					32
75 - 105½	Skarn, weak, dull grey-green to grey. Very little garnet. Pyrrhotite and chalcopyrite at 75-76, 82½-83, 104.5-104.6, Grey limestones.					32
105½-107	Banding 70° to core at 77' - 60° to core at 103'. Diorite, fine grained, some hornblende.					33
107 - 109.2	105-108' - core ground. Limey breccia.					34
109.2- 117	Very weak skarn or siliceous sediments.					34
117 - 121.2	Banded, brecciated cherty sediments. Banding at 55° to core. Chalcopyrite and pyrrhotite at 118, 121.					35
121.2- 127	Diorite, medium grained with alteration. Few hornblende. First contact about 65° to core.					35
127 - 128	Skarn					36
128 - 130.5	Diorite, highly altered, greenish. Lower contact approximately normal to core.					36
130.5- 151	Skarn, little garnet, greenish-grey. Banding at 60°-90° to core. Pyrrhotite at 130.5-131'.					37
151 - 174	Skarn, little garnet, little pyrrhotite. Banding at 80° to core.					38
174 - 198	Skarn, pale green, little garnet. Pyrrhotite at 177-177.5, 185-185.5, 196.5-198, also little chalcopyrite.					39
198 - 203.5	Diorite, pale, highly altered. Little hornblende.					40
203.5- 208.5	Skarn, light grey, much pyrrhotite, some pyrite.					41
208.5- 218	Diorite, no hornblende. Much altered. Many white alteration flakes. Large feldspar crystals.					42
218 - 228.5	Skarn, greenish-grey, very little garnet. Banding 70° to core.					43
228.5- 230	Doubtful diorite, no hornblende. Very fine-grained. Much disseminated pyrrhotite.					44

DIAMOND DRILL HOLE No. 1085 (contd.)

- 230 - 241.5 Skarn weak, not mineralized. Banding 80° to core at 241.
- 241.5- 244 Skarn, some pyrrhotite.
- 244 - 254 Skarn, weak, little chert. Banding 75° at 248'
- 254 - 255 Diorite? No hornblende. Fine grained.
3/4" pyrrhotite stringer at 254.3.
- 255 - 277.6 Skarn weak, no garnet. Some cherty breccia. Rare disseminated pyrrhotite. Banding 70° at 256.
- 277.6- 282 Skarn, weak with some pyrrhotite.
- 282 - 283.5 Solid sulphides. Mostly pyrrhotite with some arsenopyrite and chalcopyrite concentrated to and parallel to walls. 45° to core, sharply defined walls. True width 1' (bedded?).
- 283.5- 291.7 Skarn, weak. Several areas with pyrrhotite and chalcopyrite, and little arsenopyrite. Banding - ?
- 291.7- 312.5 Diorite, medium grained, highly altered, blotchy, no hornblende. Little pyrrhotite. Feldspar visible.
- 312.5- 324.5 Chert breccia. 2 or 3 thin bands of altered diorite. Some pyrrhotite. Banding 50° at 320'.
- ~~324.5 - 326~~
~~324.5 - 333~~
~~326~~ *Dark* Interstratified dark brown aphanitic tuff, and green to grey, fine-grained tuff or siliceous sediments. 50% of each. Occasional pyrrhotite. Banding 70° to core.
- 333 - 336 Dark grey brown tuff, ample disseminated pyrrhotite, some arsenopyrite. 2" breccia at 333, fragments oriented along bedding planes. Banding 85° at 334.
- 336 - 343.5 Interbanded dark brown aphanitic tuff and aphanitic greenish beds. 2" heavy pyrrhotite at 340. Banding 90° to core. A lot of minor slicing offsetting bands fractional inch.
- 343.5- 346.5 Greenish fine-grained bedded rock with coarse breccia and pyrrhotite from 344.5 - 344.8. Banding 90° to core.
- 346.5- 359.5 The aphanitic dark brown cherty tuff or quartzite. No mineral except on some fracture planes. Banding 75° to core.
- 359.5- 364.5 The green tuff primarily with thin beds of grey tuff and white quartzite. 2 bands of coarse brecciated diorite containing much pyrrhotite at 361-361.4 and 363-363.5. Banding 90° to core. Minor slicing parallel to core.
- 364.5- 373 Diorite, coarse green hornblende, large white feldspars, chlorite, large fragments. First contact 30° to core offset 3" by slip parallel to core. Much disseminated pyrrhotite and some arsenopyrite.
- 373 - 386 Finer grained phase of diorite. Small feldspars and hornblende, dark grey color, tuff-like fracture. Much disseminated pyrrhotite and some arsenopyrite. Arsenopyrite best in association with seams at 376-377.4

Note: The above "Diorite" may be a recrystallized tuff since it is coarse-grained at the bottom and gradually becomes very fine-grained at the top. The upper contact is against coarse grained material of the same type representing bottom of overlying bed. Bedding in "diorite" either destroyed by alteration or tuff bed was massive.

- 386 - 393 Aphanitic, green tuff interbedded with thin beds of coarse grey tuff. Disseminated pyrrhotite in the latter only. Bedding 80° at 391'.
- 393 - 424 Tuffs - 80% is green aphanitic, thinly parted by narrow dark bands of fine tuff and some 1" to 4" thick bands of coarse altered tuff showing grain gradation and carrying much pyrrhotite. Remaining 20% is reddish-brown aphanitic tuff. Banding 75° at 408'.
- 424 - 436 As above - except brown tuff almost absent. Banding 90° at 431.
- 425 - 425.7 - Light colored, highly altered rock with pyrrhotite and little arsenopyrite.
- 436 - 443 Fine-grained, generally light colored highly altered rock. Calcite stringers. In places resembles diorite whitened by alteration. Some pyrrhotite pods. Banding 90° at 440'.
- 443 - 448 Green aphanitic tuff with coarse tuff partings. Pyrrhotite, arsenopyrite at 443.5. Banding 90° at 446'.

- End of Hole -

16.6	-	17.4	Tr	241.5	-	244	Tr
41	-	41.5	.03	277.5	-	278.2	.02
52	-	53	.02	281.3	-	282	.02
59.5	-	61	.06	282.	-	283.5	.62
75	-	76	.02	285.5	-	286	.02
82.4	-	83	.02	289.5	-	290.1	.11
110.1	-	118.45	Tr	294.1	-	294.7	.03
130.3	-	130.85	Tr	334	-	336	Tr
185.25	-	185.7	Tr	361	-	361.4	Tr
196.6	-	198	Tr	376	-	376.7	.03
203.5	-	204.1	.03	376.7	-	377.4	.06
204.1	-	206.45	.02	408.05	-	408.25	Tr
206.45	-	208	Tr	421.1	-	421.3	.03
				425.1	-	425.4	.08
				428.9	-	429.25	.03
				439.2	-	440.95	Tr

HEDLEY MASCOT GOLD MINES LIMITED

LOG OF DIAMOND DRILL HOLE NO. 1084

	<u>Lat.</u>	<u>Dep.</u>	<u>Elev.</u>	<u>Bear.</u>	<u>Dip.</u>	<u>Length</u>
	6052.N	8064.W	3710	-	- 90	565
0 - 0.5						Diorite
0.5 - 101						Skarn, strong. Pyroxene, garnet. Few 1 inch bands of white marble. Pyrrhotite plentiful - massive in 1 inch seams. Occasional chalcopyrite. 1 foot of heavy pyrrhotite, chalcopyrite at 61.5'. Banding 30° to core at 20' 60° to core at 26' 30° to core at 41' 30° to core at 66' 45° to core at 89'
101 - 177						Skarn, strong. Grey to green, mostly, with garnet in small patches and in 2 inch bands. Wollastonite. Disseminated pyrrhotite very common and very heavy in some bands. Banding 25° to core at 102' 40° to core at 113' 45° to core at 131'
177 - 208						120.8-122.5 - Diorite, fine-grained, pale altered. Skarn - green, garnet rare.
208 - 226						Skarn - some garnet, pyrrhotite, mineralization very heavy at 211 and 217', green hornblende, -shaped specks.
226 - 255						Skarn - green occasional disseminated garnet.
255 - 280						Skarn, strong, Garnet. Little pyrrhotite and chalcopyrite.
280 - 303½						Skarn, strong, considerable garnet, heavily blotched with pyrrhotite. Banding 50° to core at 284.
303½ - 306½						Diorite, fine-grained, white with hornblende and skarn alteration. Upper contact approximately parallel to core, but is irregular. Lower contact almost normal to core, as is banding. Massive pyrrhotite at 305'.
306½ - 311½						Skarn, strong. Garnet. Banding near 90° to core.
311½ - 321.5						Diorite, white to brownish groundmass with ample hornblende. Pyrrhotite disseminated. Upper contact 70°. Skarn inclusion at 312½, nearly 90° to core.
321.5-340½						Skarn, strong, garnet. Heavy pyrrhotite impregnations (335').
340½ - 356						Skarn, green and white. Heavy pyrrhotite, little chalcopyrite at 344. Considerable pyrrhotite elsewhere. Banding 75° to core at 345'.
356 - 371						Skarn, very little garnet, darkened by heavy pyrrhotite.
371 - 378½						Light colored, with 1 foot of brown fine-grained siliceous sediments at 372½. Little pyrrhotite. Banding 80° to core at 374.
378½ - 404						Diorite - grey, medium-grained. Fresh black hornblende. Bottom contact near 70° to core. Pyrrhotite minor.
404 - 406½						Skarn, weak green plus 1 foot of dark siliceous sediments. Banding 90° at 406½.
406½ - 430½						Blue limestone and black and white siliceous sediments. Banding 85° at 409'.

DIAMOND DRILL HOLE No.1084 (contd.)

- 430½-439½ Diorite, fresh to pale altered. Some hornblende. Arsenopyrite and pyrrhotite at upper contact in diorite. Main diorite contains some disseminated pyrrhotite and little chalcopyrite.
Upper contact 90° to core
Lower contact 85° to core
- 439½-461 Blue and grey limestone, black siliceous sediments and thin bands of weak skarn. Arsenopyrite, and pyrrhotite, and chalcopyrite for 3 inches in fractures of the skarn beneath diorite. Banding 80° to core.
- 461-466 Limestone and siliceous sediments interbanded. Some pyrrhotite. Banding 80° to core.
- 466-466½ Skarn, weak.
- 466½-470½ Very fine grained intrusive rock, grey to white. Much disseminated pyrrhotite. White flakes.
- 470½-485 Brown to white cherty sediments. No mineral, white alteration grains. No banding, possibly intrusive.
- 485-500 Limestone, blue. Banding 80° to core.
- 500-500.5 Skarn, weak, pyrrhotite and chalcopyrite.
- 500½-501½ Diorite, hornblende. Upper contact at 85° to core.
- 501½-504½ Brecciated skarn, limey breccia at 503.
- 504½-505 Diorite. Hornblende altered.
- 505-511½ Skarn, weak green. Little pyrrhotite.
- 511½-516 Intrusive? Fine-grained, brownish color. Upper contact 30°.
- 516-520.5 Skarn, little garnet. Some pyrrhotite at 520.
- 520½-534½ Diorite, hornblende. Dark grey.
- 534½-535½ Skarn, weak. Banding 75° to core.
- 535½-565 80% Limestone, blue. Thin bands siliceous sediments, and occasional thin layer skarn, weak. Banding 80° to core.

- End of Hole -

.22	-	.45	Tr.	275.	-	277	.02	360	-	360.7	.0
4.4	-	5.5	Tr	294.5	-	295.4	.01	360.7	-	361	.0
22.5	-	22.8	Tr	323.5	-	327	.15	361.6	-	362.4	.1
32.4	-	32.6	Tr	327.	-	329	.01	362.5	-	363.1	.0
33.75	-	34.15	Tr	329	-	331	.02	363.1	-	363.6	.1
51.95	-	52.35	Tr	332.3	-	333.6	.02	363.6	-	365.2	.0
61.7	-	62.7	.04	335.4	-	336.0	.04	365.2	-	370.1	.1
75.15	-	76.15	.01	338.4	-	340.5	.03	370.5	-	372.2	.1
136	-	137.15	Tr	343.8	-	345.0	.03	372.2	-	373.7	.0
163	-	163.4	.02	345	-	346.5	.02	376.2	-	376.6	.0
215	-	215.6	.01	347	-	348.1	.12	377.	-	377.8	.02
215.6	-	217.35	Tr	349.1	-	349.85	.01	377.8	-	378.65	.01
217.35	-	218.6	Tr	349.8	-	350.5	.02	379.5	-	379.85	.0
220.1	-	221.5	.01	353.65	-	354.2	.03	381	-	381.5	.0
224.2	-	225	Tr	355.1	-	355.8	.04	439.5	-	439.8	.04
226.8	-	227.7	.02	355.6	-	356.	.02	500.6	-	500.7	.05
231	-	231.4	.02	356.	-	357.8	.28	502.7	-	503.1	.03
231.9	-	233	Tr	357.8	-	358.5	.24				
273.6	-	275	Tr	358.5	-	359.8	.02				

356.0-377.8-21.8 .103 Au

HEDLEY MASCOT GOLD MINES LIMITED

LOG OF DIAMOND DRILL HOLE #1035

<u>LAT.</u>	<u>DEPL</u>	<u>ELEV.</u>	<u>BEAR.</u>	<u>DIP.</u>	<u>LENGTH</u>
5470	8490	3428	N48-54E	+24°	861

#1035 2700 Incline - +24° at Face

1-69.5'	Skarn Strong - Massive - some disseminated pyrrhotite.
69.5-71'	Diorite
71-77'	Skarn Strong.
77-78'	Diorite Feldspar Porphyry
78-79'	Skarn Strong.
79-82'	Diorite Feldspar Porphyry
82-87'	Skarn Strong.
87-91'	Diorite
91-97.5'	Skarn Strong
97.5-132'	Diorite - Feldspar Porphyry occasional 0.5' Skarn inclusions.
132-157'	Skarn - Massive - some chalcopryrite @ 157'
157-180'	Diorite - Feldspar porphyry bleached. Considerable finely disseminated pyrrhotite.
180-195'	Skarn Strong.
195-249'	Diorite - Feldspar Porphyry some arsenopyrite at 196.5' only.
249-252'	Skarn strong - some crystallized limestone.
252-261'	Diorite
261-290'	Skarn Strong, some pyrrhotite at 261'.
290-297'	Skarn Strong.
297-307'	Diorite - Feldspar Porphyry
307-353'	Skarn - Strong pyrrhotite.chalcopryrite at 315'.
353-363'	Skarn - medium.
363-366'	Diorite - Feldspar Porphyry
366-429'	Silicified sediments, weak skarn, some pyrrhotite.
429-430'	Skarn - strong.
430-445'	Skarn - weak - pyrrhotite and chalcopryrite.
445-446'	Heavy pyrrhotite.
446-461'	Skarn - weak.
461-583'	Skarn - weak
583-586'	Dyke - Feldspar porphyry
586-631'	Skarn strong some pyrrhotite.
631-654'	Diorite - Feldspar porphyry
654-663'	Skarn - Strong
663-666'	Dyke - brown. Feldspar porphyry.
666-761'	Skarn - strong some pyrrhotite.
761-771'	Diorite - Feldspar Porphyry.
771-861'	Skarn strong - some arsenopyrite at 811'.

* END OF HOLE *

0.2' at 174'	.01
0.1' at 467'	Tr
1" at 661'	.10
3" at 668'	.03
1" at 685'	.02
1" at 722'	Tr

.2' 0752	.11
.2' 0811	.15
.2' 0843	.04
.2' 0813	.02

*Pyroxenite with
wollastonite*

HEDLEY MASCOT GOLD MINES LIMITED

LOG OF DIAMOND DRILL HOLE # 1023

<u>LAT.</u>	<u>DEP.</u>	<u>ELEV.</u>	<u>BLAR.</u>	<u>DIP.</u>	<u>LENGTH</u>
5612.0	7785.0	3749.0	N27W	35°	
	No located - Casing pulled				405'

#1023 - 3700 H.D.R. -35°

0' - 66.5' Skarn - strong. Considerable garnetite, pyrrhotite and chalcopyrite at 20 & 23' also at 49' & 50'.

66.5' - 67.5' Diorite - Feldspar porphyry dyke.

67.5'-81.5' Skarn - strong - considerable garnetite.

81.5'-85' Fault in skarn. Fault along hole. Pyritized and vuggy.

85' - 171' Skarn strong. Considerable garnetite. Fault at 93.5' Fault at 118.2' .2' Calcite and pyrite filled. Fault at 153' - 154.5' Calcite filled. Brecciated pyritize

171'-189.5' Skarn - Strong, considerable garnetite.

189.5-211.5' Diorite Feldspar porphyry light grey some pyrrhotite @ 200.5' Skarn inclusion at 209'.

211.5-213.5' Skarn strong - some pyrrhotite.

213.5-226' Diorite - Feldspar porphyry.

226-268' Diorite - more hornblend. Quartz pyrite pyrrhotite and sphalerite. 255.5-256' chalcopyrite.

268-286.5' Skarn strong. Considerable garnetite some pyrrhotite.

286.5-295' Diorite Feldspar porphyry.

295-297' Skarn - strong.

297-301' Diorite

301'-337' Skarn - Green check some garnetite.

337-405' Skarn - Strong considerable garnetite.

- End Of Hole -

255.5' - 256'

.02

HEDLEY MASCOT GOLD MINES LIMITED

LOG OF DIAMOND DRILL HOLE # 1022

<u>LAT. D</u>	<u>DEP.</u>	<u>ELEV.</u>	<u>BEAR.</u>	<u>DIP.</u>	<u>LENGTH</u>
5814.20	7897.42	3750.62	N36-13°W	-35°	259'

#1022 - 3700 H.D.R. - 35°

0' - 75'	Skarn - strong. Some pyrite at 23'. Wallastonite and pyrrhotite at 50'.
75' - 79'	Diorite - Hornblend porphyry.
79' - 110'	Skarn - Strong. Considerable Wallastonite, garnetite Occasional specks arsenopyrite.
110' - 117'	Diorite - Hornblend porphyry. Some disseminated pyrrhotite Some pyrrhotite at 115'.
117'-119.5'	Skarn - strong.
119.5-150'	Diorite - feldspar porphyry, light colored. Some Disseminated Pyrrhotite.
150-158'	Skarn Strong , some disseminated arsenopyrite & pyrrhotite
158' - 186'	Diorite -altered feldspar porphyry. Considerable finely disseminated arsenopyrite sediment inclusion at 174'?
186-259'	Skarn -'Strong. Considerable garnetite. Massive pyrrhotite chalcopyrite 200-205'. fault at 189' .3' Calcite filled. Wallastonite at 223' & 225'.

- End Of Hole -

175' - 181'	Tr
172' -175'	.02
169' - 172'	.01
166' - 169'	Tr
163' - 166'	Tr
158' - 163'	.02
154' - 158'	Tr
150' - 154'	.02
200' - 205'	.08

150 - 154	0.02
154 - 158	TR
158 - 163	0.02
163 - 166	TR
166 - 169	TR
169 - 172	0.01
172 - 175	0.02
175 - 181	TR
	TR

HEDLEY MASCOT GOLD MINES LIMITED

LOG OF DIAMOND DRILL HOLE NUMBER 1021

<u>LAT.</u>	<u>DEP.</u>	<u>ELEV.</u>	<u>BEAR.</u>	<u>DIP.</u>	<u>LENGTH</u>
5813.38	7889.05	3753.39	N60°47'W	0°	249'

#1021 - 3700 N. DR. 0°

0' - 25'	Skarn - Strong. Considerable pyrrhotite. Massive 9'-10'-17'.
25' - 74'	Diorite - Hornblend porphyry.
74' - 113'	Skarn - strong.
113'-143'	Cherty brecciated. Some finely disseminated arsenopyrite 133'-143'.
143'-159'	Skarn strong. Considerable garnetite some arsenopyrite pyrrhotite & chalcopyrite. Fault calcite filled at 155'.
159'-161'	Diorite, Feldspar porphyry.
161'-167.5'	Skarn Strong. Garnetite some arsenopyrite.
167.5'-199'	Diorite Feldspar porphyry some arsenopyrite.
199'-224'	Skarn strong. Considerable massive garnetite, some finely disseminated arsenopyrite. Some pyrrhotite, chalcopyrite and sphalerite. Considerable Wallastonite.
224'-232'	Diorite Hornblend porphyry some finely disseminated pyrrhotite.
232'-249'	Skarn - Considerable garnetite and Wallastonite. Some finely disseminated arsenopyrite.

- End Of Hole -

141.5' - 148'	.02
150' - 154'	Tr
154' - 154.5'	.04
154.5' - 159'	.02
159' - 161'	.05
161' - 167.5'	.02
199' - 204'	.01
204' - 209'	Tr
209' - 214'	Tr
214' - 219'	Tr
219' - 224'	Tr

HEDLEY MASCOT GOLD MINES LIMITED

LOG OF DIAMOND DRILL HOLE # 1019

<u>LAT. D</u>	<u>DEP.</u>	<u>ELEV.</u>	<u>BEAR.</u>	<u>DIP.</u>	<u>LENGTH</u>
5812.99	7886.24	3757.27	N36-43.7	45°	352

#1019 - Face 3700 N. DR +45°

0' - 6'	Skarn - Strong - Some pyrrhotite & chalcopyrite.
6' - 18.2'	Diorite - Hornblend porphyry siliceous.
18.2-125'	Skarn Strong - pyrrhotite chalcopyrite @ 29.5' & 36.0' Massive garnetite @ 48'. Pyrrhotite @ 84'.
125'-135'	Brecciated Cherty Angular Cherty fragments up to 1/2". Skarn. Brown dyke .2' @ 116'. Pyrrhotite massive at .2' at 117.5'. some visible arsenopyrite.
135' - 142'	Skarn.
142'-154'	Cherty brecciated. Angular fragments up to 1/2". Considerable pyrrhotite which surrounds arsenopyrite crystals.
157'-159.5'	Diorite? Altered . Could be cherty brecciated.
159.5-179'	Cherty brecciated. Considerable pyrrhotite which surrounds small specks arsenopyrite. Arsenopyrite seems to favour cherty beds.
179'-203'	Cherty brecciated. Some pyrrhotite and more Arsenopyrite than 159.5' - 179'.
203'-233'	Cherty Brecciated. Considerable pyrrhotite and finely disseminated arsenopyrite. Note arsenopyrite 220'-221'.
233'-261'	Skarn - Highly brecciated some disseminated arsenopyrite and pyrrhotite. Fault 250'-255'. Serpentinized slicker sides. Core broken.
261'-266.5'	Diorite - Feldspar porphyry. Some arsenopyrite.
266.5'-311'	Skarn - Strong. Disseminated arsenopyrite and pyrrhotite 266.5' - 269'. Fault 266'-268'.
311'-325'	Diorite Feldspar porphyry. Main dyke? Light colored phase some arsenopyrite specks. Note contact 310'.
325'-352'	Skarn - Pyrrhotite chalcopyrite @ 325'-326'. Occasional specks arsenopyrite. Considerable garnetite.

- End of Hole -

Note:-

1019: - Split core arsenopyrite @ 220-221', 266.5-266.5'.

125'-130'	.02
130'-135'	.04
142'-147'	Tr
147'-152'	Tr
157.2'-159.5'	Tr
167'-168'	.01
170'-172.4'	Tr
175'-179'	Tr
187-190'	Tr
190'-193'	Tr

LOG OF DIAMOND DRILL HOLE # 1019 (Cont'd)

199.5' - 203'	.02
210' - 215'	.03
215' - 220'	.02
220' - 225'	.06
225' - 228'	Tr
263.5' - 266.5'	.01
266.5' - 269'	.02

15'
8.5'

HEDLEY MASCOT GOLD MINES LIMITED

H-644.7

V-24818

LOG OF DIAMOND DRILL HOLE # 1014

<u>LAT.</u>	<u>DEP.</u>	<u>ELEV.</u>	<u>BEAR.</u>	<u>DIP.</u>	<u>LENGTH</u>
5814.30	7887.52	3755.12	N37°57'W	21°	691'
#1014 - 3700 N. Dr. E38-30W 20°					
0' - 11'					Skarn Strong - Some pyrrhotite & chalcopyrite at 3' & 6'.
11' - 35.3'					Diorite - Hornblend porphyry some pyrrhotite at 32'
35.3' - 99'					Skarn - Strong. Some pyrrhotite at 50'. At 70' - massive garnetite at 70' to 72' also 79' to 82'. Some finely disseminated arsenopyrite crystals 94' - 99'.
99' - 148'					Skarn, strong. Some disseminated arsenopyrite 0.1' massive arsenopyrite at 117'. 124' - 127' massive Garnetite some pyrrhotite & disseminated arsenopyrite. 142' - 148' finely disseminated arsenopyrite.
148' - 164.2'					Diorite light Alternating phase. Considerable finely disseminated arsenopyrite.
164.2' - 175'					Skarn .3' Lime brecciated at 164.2. Considerable very finely disseminated arsenopyrite.
175' - 219'					Skarn - strong. Some arsenopyrite at 200'. Considerable garnetite. Pyrrhotite - chalcopyrite at 218'.
219' - 231'					Diorite - Hornblend porphyry.
231' - 282.5'					Skarn - Considerable pyrrhotite and chalcopyrite. & Garnetite
282.5' - 285'					Diorite
285' - 336'					Skarn - Considerable pyrrhotite at 285-286'. pyrrhotite chalcopyrite at 326-330'
336' - 348'					Diorite - light - altered some disseminated pyrrhotite.
348' - 351.5'					Limestone - Crystalline.
351.5' - 391'					Chert. Brecciated? . Brecciated siliceous line. Considerable finely disseminated pyrite. Pyrite and some specks sphalerite 360.2' - 361.2'. 373.3' - 380' - pyrite mineralization. Pyrrhotite at 390' - 391'.
391 - 414'					- Dyke - Green - Feldspar porphyry.
414' - 463'					Skarn - pyrrhotite at 414', 423', 428' - 452'. Sphalerite - 43'
463 - 468'					Diorite - Feldspar porphyry.
468' - 527'					Skarn - chalcopyrite - pyrrhotite at 476.5' - 479'. Some finely disseminated galena sphalerite at 500'. Some massive pyrrhotite at 506'.
527' - 534'					Diorite - Feldspar Porphyry.
534' - 586'					Skarn - strong. Brecciated some pyrrhotite at 541' some pyrrhotite & chalcopyrite at 570' - 571'.
586' - 604'					Diorite - Feldspar porphyry.
604' - 619'					Cherty - White.
619' - 622'					Cherty - Brecciated.
622' - 648'					Skarn weak. Cherty.
648' - 651'					Skarn - Heavy pyrrhotite & some chalcopyrite.
651' - 660'					Skarn weak. Cherty.
660' - 670'					Skarn weak.
670' - 691'					Skarn weak. Bands of cherty brecciated. Some pyrrhotite Bottom in pyrrhotite . Heavy oxidation 688' - 689'.

- End Of Hole -

LOG OF DIAMOND DRILL HOLE # 1014 (Cont'd)

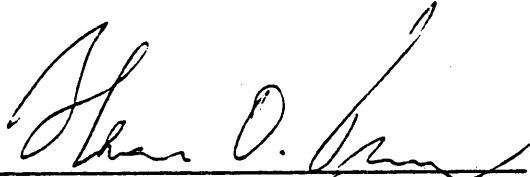
	69' - 72'	.03	
	94' - 96'	Tr	
	96' - 99'	.03	
	99' - 105'	Tr	
5	105' - 110'	.02	
5	110' - 115'	.02	
2	115' - 117'	.03	
1	117' - 118'	.03	
4	120' - 124'	.03	
5	124' - 129'	.03	
	129' - 135'	Tr	
	135' - 142'	.02	
0	142' - 148'	.10	0.10' At 145' - <u>.37</u> Massive Arsenopyrite
	148' - 155'	Tr	
	155' - 164.2'	Tr	
	164.2' - 170'	Tr	170'-175' - .02
	200' - 201'	Tr	196'-199' - .04
3	208.5' - 211.5'	.04	
3	244' - 247'	.02	
2	285' - 287'	.04	
4	326' - 330'	.03	
1	360.2' - 361.2'	.03	
	363' - 368'	Tr	
	378' - 390'	.02	
	414' - 415'	.02	
	421.7' - 423.2'	.02	
	424.5' - 425.5'	Tr	0.3' @ 428.5' - <u>.09</u>
	432' - 434'	.02	
1	451' - 452'	.04	
	500' - 503'	Tr	
	505' - 506'	.02	
	576.5' - 579'	.03	

11.(1) CERTIFICATE OF THE DIRECTORS AND PROMOTERS OF THE ISSUER:

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its regulations.

September 12, 1988

Date

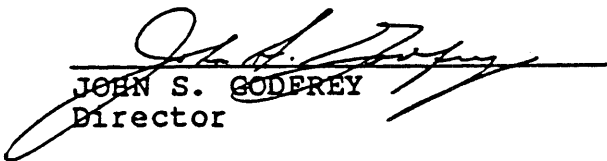


HERMAN O. PLANK
Chief Executive Officer
and Promoter



KIRK D. GODFREY
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS



JOHN S. GODFREY
Director



PETER D. MARNOW
Director

11.(2) CERTIFICATE OF THE AGENTS:

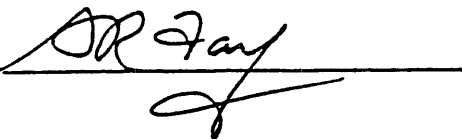
To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Statement of Material Facts as required by the Securities Act and its regulations.

September 12, 1988

Date

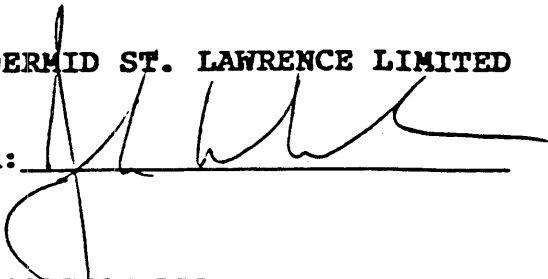
CONTINENTAL SECURITIES

PER:



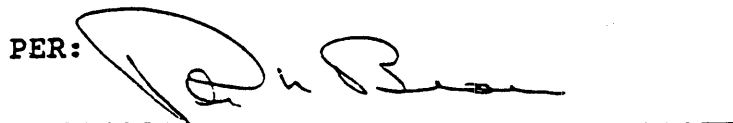
MCDERMID ST. LAWRENCE LIMITED

PER:



CANARIM INVESTMENT CORPORATION LTD.

PER:



R.M.
PROPERTY FILE
Eog le's Nest 92H/8E

**SUPERINTENDENT OF BROKERS
AND
VANCOUVER STOCK EXCHANGE
A Development Company
(#76/88)
STATEMENT OF MATERIAL FACTS
EFFECTIVE DATE: SEPTEMBER 19, 1988**

CES CORPORATION
Granville Street, Vancouver, British Columbia V6C 1T2
457

REGISTERED OFFICE, ADDRESS OF HEAD OFFICE AND TELEPHONE NUMBER

100 West Pender Street, Vancouver, British Columbia, V6C 1H2
REGISTERED AND RECORDS OFFICES OF THE ISSUER

Trust Company of Canada
100 West Pender Street, Vancouver, British Columbia, V6C 2V7
REGISTERED ADDRESS OF REGISTRAR & TRANSFER AGENT FOR ISSUER'S SECURITIES IN BRITISH COLUMBIA

OFFERING:

100,000 Units consisting of 400,000 flow-through common shares and 200,000 non flow-through common shares. Each Unit consists of four flow-through common shares and two non flow-through common shares.

	Estimated Price to Public*	Commission	Net Proceeds to Issuer
Per Unit:	\$3.00	\$0.225	\$2.775
Total:	\$300,000	\$22,500	\$277,500

* To be calculated in accordance with the Rules of the Vancouver Stock Exchange.

ADDITIONAL OFFERING: 300,000 SHARES

The Agents will receive Agents' warrants entitling them to purchase up to 300,000 common shares in consideration of guaranteeing the sale of the Units offered hereby. These shares are qualified for sale pursuant to this Statement of Material Facts as described in Item 1.

The Securities offered hereunder are speculative in nature. Information concerning the risks involved may be obtained by reference to this document; further clarification, if required, may be sought from a broker.

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange has in any way passed upon the merits of the Securities offered hereunder and any representation to the contrary is an offence.

AGENTS

CONTINENTAL SECURITIES
1000-1055 Dunsmuir Street
Vancouver, British Columbia

MCDERMID ST. LAWRENCE LIMITED
1000-601 West Hastings Street
Vancouver, British Columbia

CANARIM INVESTMENT CORPORATION LTD.
2200-609 Granville Street
Vancouver, British Columbia

the total of all parties contributions to that date. For purposes of this provision, the Issuer shall be deemed to have contributed \$75,000 up to the date of formation of the Joint Venture.

The Issuer, Mascot and Golden North intend to prepare a formal agreement embodying the above terms together with a proposed form of joint venture agreement.

As of the date hereof Golden North and Mascot are in the process of carrying out exploration and development work on the Eagle's Nest Property which is not necessarily consistent with the program of work referred to above as recommended by Mr. Vincent. In allocating \$200,000 to an Exploration Account from the proceeds of the offering herein (see "Use of Proceeds" page 4), the Issuer is anticipating bearing its share of exploration and development work costs subsequent to the completion of Golden North's and Mascot's \$300,000 program. Such subsequent exploration and development work will be dependent on the filing of acceptable engineering reports recommending further work on the property.

John S. Godfrey and Kirk D. Godfrey, directors of the Issuer, are directors and officers of Golden North. Paul F. Saxton, a director of the Issuer, is a director and chief executive officer of Mascot.

4. PARTICULARS OF NON-RESOURCE ASSETS

The Issuer does not engage nor does it propose to engage in a business other than the exploration and development of natural resource properties.

5. CORPORATE INFORMATION

The Issuer was incorporated on July 26, 1968 under the Company Act of the Province of British Columbia by Memorandum and Articles of Association as Austro-Can Explorations Ltd. (N.P.L.). By Registrar of Companies certificate dated August 12, 1969 the Issuer converted from a private to a public company and by Registrar of Companies certificate dated December 31, 1979 it converted from a specially limited to a limited company and changed its name to Agio Resources Corporation.

Upon incorporation the authorized capital of the Issuer consisted of \$1,500,000 divided into 3,000,000 shares with par value of \$0.50 each. By Registrar of Companies Certificate dated December 31, 1979 the authorized capital was changed by converting the par value shares to shares without par value,

In a report dated April 15, 1986 by John S. Vincent, P.Eng., a copy of which is attached hereto and forms part of this Statement of Material Facts, reference is made to a review of the Eagle's Nest Property which is strategically located one mile northwest of the Mascot Gold Mines' Nickel Plate property in production at the rate of 2,700 tons per day. Mr. Vincent concluded that work to date has demonstrated that the Eagle's Nest Property is underlain by the down-dip extension of the gold-bearing sulphide-rich skarn zone which hosts the orebodies under development by Mascot Gold Mines Limited on Nickel Plate Mountain to the east. Underground development and diamond drilling has discovered economic gold values in the northeastern portion of the claim group, and further work is required to explore the area to the northwest.

A Phase I program of work, consisting chiefly of 5,000 feet of AQ drilling, has been recommended by Mr. Vincent at an estimated cost of \$223,000. By letter dated August 18, 1987 Mr. Vincent has confirmed that his April 15, 1986 recommendations are still valid.

By letter agreement dated August 6, 1987 as revised May 5, 1988 between the Issuer, Golden North Resources Corp. and Mascot Gold Mines Limited, the Issuer granted Golden North and Mascot an option to acquire an 80% interest in the Eagle's Nest Property by carrying out exploration and development work to a value of \$300,000 by December 31, 1988.

At the point of exercise of the option each of the Golden North and Mascot shall have an undivided 40% working interest in the Eagle's Nest Property. Mascot, as the operator and manager of the \$300,000 work program, shall deliver to the Issuer and Golden North a summary report within 60 days after completion of the program. The Issuer shall have 30 days after receipt of the report within which to elect to maintain a 20% working interest in the Property and contribute 20% of all further expenditures pursuant to a Joint Venture agreement or to convert its interest to a 20% net profits interest. If the Issuer elects to convert its interest as aforesaid, the working interests of Mascot and Golden North will be set at 50% respectively.

The cost of further exploration programs shall be borne by the parties in accordance with their respective working interests. Failure by any working interest party to contribute its proportionate share of the costs of any program will result in the dilution of that party's working interest to a percentage, calculated at the end of each program to which it does not contribute, which is equal to its total contributions divided by

Group III Other presently held properties upon which the Issuer's acquisition and exploration costs to date exceed \$100,000.

Group	Property	Issuer's Acquisition and Exploration Costs to date (in \$)	Shares Issued to Date	Planned Expenditures from Funds Available upon Completion of the Offering
I	None	-	-	-
II	Eagle's Nest Property	\$136,681	-	-
III	None	-	-	-

Group I - Properties for which regulatory approval has been obtained under this Statement of Material Facts.

None

Group II - Presently held properties which are currently producing or being explored, or upon which exploration is planned within the next year

Eagle's Nest Property
Osoyoos Mining Division
Province of British Columbia

The Issuer is the recorded and beneficial owner of a full interest in the following Crown-granted mineral claims:

Name	Lot No.	Acres
Eagle's Nest No. 2	L844	57.65
Little Pittsburg	L649S	14.52
Whale	L651	15.13
Bullion Beek	L652	17.71
Florence	L653	22.69
		<u>127.70</u>