

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES.

NO SECURITIES COMMISSION OR OTHER SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERIT OF THE SECURITIES OFFERED HEREUNDER, AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

JOHN R.S. DURRANT, F.G.S.
GEOLOGIST
510 WEST HINES ST.
VICTORIA, B.C. V8L 2K2
(604) 352-2556

PROSPECTUS

AUCKLAND EXPLORATIONS LTD.

Incorporated under the laws of the Province of British Columbia

Box 4, Suite 580
625 Howe Street
Vancouver, British Columbia
V6C 2T6

(hereinafter called the "Company")

NEW ISSUE

800,000 shares at \$0.30 per share

| | Price to Public | Commission | Proceeds to the Company if all the Shares are sold |
|-----------------|--------------------|-------------|--|
| Per Share | \$0.30 | \$0.05 | \$0.25 |
| Total | \$240,000.00 | \$40,000.00 | \$200,000.00 (1) |

(1) BEFORE DEDUCTION OF THE EXPENSES OF THIS OFFERING, ESTIMATED NOT TO EXCEED \$15,000.00.

THIS OFFERING BY THE COMPANY IS SUBJECT TO A MINIMUM SUBSCRIPTION FOR SHARES BEING RECEIVED BY REGISTERED BROKERS OR REGISTERED BROKER DEALERS OR BY THE AUTHORIZED TRADING DIRECTOR OF THE COMPANY, JOHN MARTIN MIRKO, WITHIN 180 DAYS OF JUNE 11, 1985, PARTICULARS OF WHICH ARE SET FORTH ON PAGE "1" UNDER THE HEADING "PLAN OF DISTRIBUTION".

THERE IS NO MARKET FOR THE SECURITIES OF THE COMPANY.

A PURCHASE OF THE SECURITIES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION AS THE PROPERTIES IN WHICH THE COMPANY HAS AN INTEREST ARE IN THE EXPLORATION AND DEVELOPMENT STAGE ONLY.

NO PERSON IS AUTHORIZED BY THE COMPANY TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES OFFERED.

REFERENCE IS MADE TO THE HEADING "PRINCIPAL SHAREHOLDERS" ON PAGE "12" HEREOF AND THE COMPARISON OF THE PERCENTAGE OF SHARES BEING OFFERED TO THE PUBLIC FOR CASH AND ALREADY ISSUED BY THE COMPANY TO PROMOTERS, DIRECTORS, OFFICERS AND CONTROLLING PERSONS.

DATE: April 30, 1985

EFFECTIVE DATE: June 11, 1985

AUCKLAND EXPLORATIONS LTD.

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PLAN OF DISTRIBUTION

Auckland Explorations Ltd. (the "Company") offers 800,000 shares without par value at a price of \$.30 per share.

Shares of this issue may be sold through registered brokers or registered broker dealers who will receive commissions as set forth on the front page hereof or by trading Directors of the Company. No commissions will be paid or discounts allowed with respect to shares sold by trading Directors of the Company.

All funds received by the Company will be delivered to Central Trust Company, 750 West Pender Street, Vancouver, British Columbia, pending receipt of the minimum subscription. The minimum subscription of \$240,000.00 to be received by Central Trust Company on the sale of 800,000 shares must be obtained within 180 days from the date this Prospectus is accepted for filing by the Office of the Superintendent of Brokers of the Province of British Columbia, failing which Central Trust Company will return the proceeds received from the subscribers without any deduction whatsoever, and no further shares will be offered under this Prospectus.

NAME AND INCORPORATION OF THE COMPANY

The full name of the Company is Auckland Explorations Ltd. Its registered and records office is located at 901 - 1199 West Pender Street, Vancouver, British Columbia. The Company's head office is located at Box 4, Suite 580 - 625 Howe Street, Vancouver, British Columbia.

The Company was incorporated on November 8, 1984 by registration of its Memorandum and Articles under the Company Act of the Province of British Columbia. The Company is a reporting company as defined by the Company Act of the Province of British Columbia upon this Prospectus being accepted for filing pursuant to the Securities Act of the Province of British Columbia.

THE BUSINESS

The Company is a natural resource company engaged in the acquisition, exploration and development of natural resource properties. The Company owns or has an interest in the properties described under the heading "The Properties" and intends to seek and acquire additional properties worthy of exploration and development.

THE PROPERTIES

A. Aspen Silver Prospect
Nelson Mining Division
Province of British Columbia

The Company is the holder of an option to acquire up to a 60% beneficial interest in and to nine (9) reverted crown granted and two (2) modified grid mineral claims (which mineral claims together with the Salmo Malartic #4 as hereinafter described are collectively called the "Aspen Claims") located approximately five (5) kilometres due east of the Village of Salmo, in southeastern British Columbia and more particularly described as follows:

| <u>Name</u> | <u>Record Number</u> |
|-------------------|----------------------|
| Caroline | 944 |
| Silverton Fr. | 944 |
| Emma | 948 |
| Aspen | 945 |
| Mohawk | 946 |
| International | 947 |
| Salmo Malartic #1 | 949 |
| Salmo Malartic #2 | 950 |
| Salmo Malartic #3 | 951 |
| The Crunch | 1508 |
| The Rock | 1507 |

The Company acquired its interest on December 5, 1984 by assignment from John Martin Mirko, 811 Prospect Avenue, North Vancouver, British Columbia, the President, a Director, Insider and Promoter of the Company, of the rights of John Martin Mirko under a Mining Option Agreement dated June 8, 1983, entered into by him with Extotal Resources Inc. of 2020 - 1055 West Georgia Street, Vancouver, British Columbia, in consideration of the Company reimbursing certain Insiders of the Company for their respective out-of-pocket costs incurred to December 5, 1984 in respect of the Aspen Claims totaling \$139,000.00, which sum has been paid through the issuance of shares in the capital stock of the Company particulars of which are disclosed under the heading "Prior Sales".

Under the terms of the June 8, 1983 Mining Option Agreement, the Company may earn a 30% beneficial interest in the Aspen Claims, subject only to a 3% net smelter return reserved in favour of John Martin Mirko, by completing an aggregate of \$220,000.00 in expenditures on or in respect of the Aspen Claims by December 31, 1985 (of which aggregate total \$139,000.00 has been incurred to date). Upon earning a 30% interest, the Company may earn an additional 30% interest by completing an additional \$100,000.00 in expenditures by

December 31, 1986 and an additional \$100,000.00 in expenditures by December 31, 1987.

John Martin Mirko originally acquired an interest in the foregoing reverted crown granted mineral claims in February, 1979, and in the balance of the claims in February, 1980. On June 8, 1983, he entered into the foregoing Agreement with Extotal Resources Inc. and reserved the foregoing 3% net smelter return for himself.

The Company is also the holder of a 100% beneficial interest in and to one mineral claim located contiguous to the Aspen Claims and known as Salmo Malartic #4 (record number 1494). The Company acquired the Salmo Malartic #4 mineral claim by Bill of Sale from John Martin Mirko for \$1.00.

Access to the Aspen Claims is by paved highway, six kilometres south of the Village of Salmo, British Columbia, and then travelling by gravel road six additional kilometres. Access is also possible along a logging road to the northern part of the Aspen Claims.

Reference is made to an engineering report dated December 20, 1984 prepared by D.P. Taylor, P.Eng., Consulting Geologist, a copy of which report is attached hereto and forms a part of this Prospectus.

In his report at pages 6, 7, 8 and 17, D.P. Taylor, P.Eng., Consulting Geologist, summarizes the exploration history of the ground underlying the Aspen Claims. The work consisted of sampling, drifting and sinking (approximately 1,524 metres) and diamond drilling, however, only limited amounts of ore have been shipped. In 1980 and 1981, Extotal Resources Inc. conducted a program of geological mapping, sampling and petrological and diamond drilling work at a cost to it of approximately \$320,000.00. In addition, a total of 2,078 metres of drilling in 74 underground holes was completed under the direction of Extotal Resources Inc. and a complete program of underground sampling and mapping was conducted. The property was idle until 1983 when Chopper Mines Ltd. re-evaluated the work of Extotal Resources Inc. At this time, the B portal timbering was completely replaced after slashing the portal to allow for the installation of 400 feet of rail to the first ore pass and facilitate muck haulage. At this time, five bulk samples were taken and one was run by Bacon Donaldson and Associates. The bench test showed that a 300 mesh grind should be used on this ore and that a concentration ratio of 24:1 could be expected on milling the ore. Expenditures on this program were approximately \$79,000.00. In 1984, a work program was initiated by John Martin Mirko, the President, a Director, Insider and Promoter of the Company, to completely weather and snowslide proof the B adit and a trestle was built to the ore dump. About 150 tons of waste was removed from this

first ore pass and track was extended 100 feet to the second ore pass which was partially cleaned out. The road to the mine was improved in 1984 and total expenditures in that year were approximately \$83,000.00.

On page 18 of his report, D.P. Taylor, P.Eng., Consulting Geologist, states that the Aspen Claims have 54,000 tons of 6.85 ounces per ton silver ore drill proven and 13,400 tons of ore drill indicated. He states:

"The property has never been thoroughly prospected on surface for ore bodies such as the silver zone is now understood to be. There is considered to be a good possibility of discovering further mineralized zones similar to the silver zone in strata stratigraphically similar to the silver zone host rocks. The argillite core portion of the Reeves limestone syncline will serve as a useful marker bed in directing further prospecting. Prospecting and geochemical soil and rock sampling discoveries should be trenched and/or diamond drilled to further define them. All further work should be directed towards the search for new zones of silver mineralization."

D.P. Taylor, P.Eng., Consulting Geologist, has recommended a one-phase exploration program estimated to cost the Company \$60,000.00 to search the Aspen Claims for the possible occurrence of additional mineralization. The work consists of rock and geochemical assaying, bulldozing, 250 feet of drilling, adit opening, geochemical surveying, metallurgical testing and related engineering and supervision. Subject to the minimum subscription being received, the Company intends to carry out the recommended program during the summer of 1985.

To date the Company has spent \$139,000.00 in respect of the Aspen Claims.

Extotal Resources Inc. is a British Columbia reporting company whose shares trade on the Vancouver Stock Exchange.

There is no plant or equipment located on or under the Aspen Claims and they are without a known body of commercial ore. The Insiders of the Company do not have direct interest in any mineral properties located contiguous to the Aspen Claims.

B. Wheeler Lake Prospect
Slocan Mining Division
Province of British Columbia

The Company is a holder of an option to acquire a beneficial interest in and to six located two post mineral claims known as Al No. 3 - 8 having record numbers 17960 - 17965 situate in the Slocan Mining Division of the Province of British Columbia at latitude 49 degrees, 46 minutes north and longitude 117 degrees, 02 minutes west, approximately nine kilometres west of the Town of Ainsworth, British Columbia (which mineral claims are hereinafter called the "Wheeler Lake Claims")

The Company acquired its interest on December 5, 1984 by assignment from Edward Helgren of the rights of Edward Helgren under a Mining Option Agreement dated April 20, 1983 entered into by him with Alan C. Tarr, Hans A. Hansen and Svava Hansen all care of General Delivery, Ainsworth, British Columbia (hereinafter called the "Optionors"), in consideration of the Company reimbursing an Insider of the Company for his out-of-pocket costs incurred to December 5, 1984 in respect of the Wheeler Lake Claims totaling \$25,000.00 which sum has been paid through the issuance of shares in the capital stock of the Company, particulars of which are disclosed under the heading "Prior Sales".

Under the terms of the April 20, 1983 Mining Option Agreement, the Company may acquire a 100% beneficial interest in and to the Wheeler Lake Claims subject to a 10% net profit royalty reserved and payable to the Optionors until a total of \$2,000,000.00 in net profits has been paid to them, by completing option payments to the Optionors totaling \$100,000.00 in the following installments on or before the following dates:

| <u>Date</u> | <u>Dollar Amount</u> |
|------------------|----------------------|
| October 30, 1983 | \$5,000.00 (paid) |
| October 30, 1984 | \$10,000.00 (paid) |
| October 30, 1985 | \$15,000.00 |
| October 30, 1986 | \$25,000.00 |
| October 30, 1987 | \$45,000.00 |

Access to the Wheeler Lake Claims is by logging road and trail up Lendrum Creek from the Nelson-Ainsworth Highway or by local chartered helicopter. Surface access for the purposes of trenching by bulldozer and drilling is possible up the Lendrum Creek Valley, three kilometres from the Wheeler Lake Claims to the end of the Lendrum Creek logging road.

Reference is made to an Engineering Report dated December 15, 1984 prepared by D.P. Taylor, P.Eng., Consulting

Geologist, a copy of which report is attached hereto and forms a part of this Prospectus.

In his report, D.P. Taylor, P.Eng., Consulting Geologist, states that the showings on the Wheeler Lake Claims were first discovered by a trapper working in the upper Lendrum Creek watershed in the 1950's. Subsequently, the showings were staked by Hans Hansen of Ainsworth, British Columbia. Mr. Hansen and associates have worked the claims periodically for the last thirty years trying to determine the source of the high grade Ag, Au, Pb, Zn float. From September 15, 1983 to October 5, 1983, a third party examined the property and took an option on it. After spending approximately \$11,000.00, the option was later dropped by the third party due to lack of financing. A further large trenching program was carried out by John Martin Mirko from June 19, 1984 to June 29, 1984. Korren Mine Services was retained to do the work which resulted in eight hand trenches being cut with a total of more than 267.6 cubic metres of overburden being removed. This work was successful in exposing vein matter in outcrop and exposing the source of five high grade float occurrences. The vein-shear zone is now known to be over 130 metres long with mineralization in all vein showings. The results from the samples taken in 1983 and 1984 are given on pages 9, 10 and 12 of the report of D.P. Taylor, P.Eng., Consulting Geologist.

D.P. Taylor, P.Eng., Consulting Geologist, has recommended a one-phase exploration program estimated to cost the Company \$40,000.00 to expand and test the zones of mineralization. The work consists of construction of a three-kilometre truck road, detailed geological and structural mapping of known fault-shear zones, dykes and veins together with prospecting of the whole claim block, broad soil geochemical surveying, VLF and magnetometer surveying, back-hoe trenching and chip-channel sampling. Subject to the minimum subscription being received, the Company intends to carry out the recommended program during the summer of 1985.

To date the Company has spent \$35,000.00 in respect of the Wheeler Lake Claims.

There is no plant or equipment located on or under the Wheeler Lake Claims and they are without a known body of commercial ore. The Insiders of the Company do not have any interest in any mineral properties located contiguous to the Wheeler Lake Claims.

C. Remac Millsite and Tailings Pond
 Kootenay Land District
 Province of British Columbia

The Company is the holder of a lease of approximately 87 acres of land situate 30 kilometres by paved road south of the Village of Salmo, British Columbia, and 40 kilometres by paved and gravel roads east-southeast of the City of Trail, British Columbia, at approximately latitude 49 degrees, 01 minutes north and longitude 117 degrees, 15 minutes west in the extreme southeastern portion of British Columbia (which property is hereinafter called the "lands").

The Company acquired its interest on December 5, 1984 by assignment from Petco Enterprises Ltd. of 409 - 475 Howe Street, Vancouver, British Columbia, in consideration of the Company reimbursing a company owned by an Insider of the Company for its out-of-pocket costs incurred to December 5, 1984 in respect of the lands totaling \$28,000.00 which sum has been paid through the issuance of shares in the capital stock of the Company, particulars of which are disclosed under the heading "Prior Sales".

The terms of the foregoing assignment require the Company to assume the benefits and obligations of Petco Enterprises Ltd. under a Lease Agreement dated July 30, 1983 entered into by it with Reeves MacDonald Mines Ltd. of P.O. Box 31, Cochrane, Alberta (which Agreement is hereinafter called the "Lease Agreement").

Under the terms of the Lease Agreement, the Company acquired the exclusive right to use the lands and the following material improvements for the purpose of constructing and operating a rock milling facility thereon:

- i) one completed filter dam seepage type empty tailings pond capable of containing 785,000 tons of tailings;
- ii) one completed Bailie Bridge approximately 113.5 metres long by 4.5 metres wide;
- iii) one completed ore bin having a 600-ton capacity;
- iv) existing adequate roads.

The terms of the Lease Agreement is 25 years commencing January 1, 1984. The rental provisions require the Company to pay Reeves MacDonald Mines Ltd. \$20,000.00 on or before December 31 in each year of the lease and, commencing January 1, 1987, an additional \$6,000.00 per year for the use of the Bailie Bridge. The Company is responsible to repair in accordance with its use of the lands and

improvements commensurate with its use of them and to pay land taxes. The Company has paid the \$20,001.00 rental payment due December 31, 1984 and the \$28,000.00 reimbursed to Petco Enterprises Ltd. represents lease payments made by Petco Enterprises Ltd. to Reeves MacDonald Mines Ltd. In addition to the foregoing, the Company may purchase the interest of Reeves MacDonald Mines Ltd. in the lands and improvements for \$300,000.00 at any time prior to January 1, 1988. The lease may be terminated by the Company on one years notice of termination.

The Company has received a report dated December 20, 1984 prepared by D.P. Taylor, P.Eng., Consulting Geologist, in respect of its interests, a copy of which report has been filed with the Superintendent of Brokers and will be available for inspection at the registered office of the Company, 901 - 1199 West Pender Street, Vancouver, British Columbia during primary distribution hereunder.

In his report, D.P. Taylor, P.Eng., Consulting Geologist, states:

"The properties at the Remac Townsite under lease to Auckland Explorations Ltd. together form a valuable asset as a base for the construction of a mill for precious and/or base metals.

The site is well located in terms of infrastructure and access and in terms of local availability of feed supply. The value of the easily relicensable Tailings Pond cannot be overstressed.

The terms of the lease and the completeness of the lease properties should form the basis for a profitable venture on this asset base."

The lands are located in proximity to the Aspen Claim and the Wheeler Lake Claims. The interest of the Company in the lands and improvements affords the Company the opportunity to become an integrated resource base company by processing its own ore through its own mill. The interest also provides the Company with the ability to construct a mill for custom milling purposes or to sub-lease its interest or any portion to third parties. The Company intends to complete the exploration program recommended on the Aspen Claims and the Wheeler Lake Claims before making a firm decision on its future plans with respect to its interest in the lands and improvements.

Petco Enterprises Ltd. is a company 100% beneficially owned and controlled by Ernest Sturrock Peters, a Promoter of the Company.

Reeves MacDonald Mines Ltd. is a reporting company whose shares trade on the Vancouver Stock Exchange.

USE OF PROCEEDS

The net proceeds to be derived by the Company from the sale of the minimum subscription of 800,000 shares offered by this Prospectus, namely \$200,000.00 together with working capital at December 27, 1984 of approximately \$3,175.00 will be used for the following purposes:

| | | |
|----|--|----------------------------|
| 1. | To pay the legal, audit and printing expenses of this Prospectus estimated not to exceed: | \$ 15,000.00 |
| 2. | To pay the listing fee payable to the Vancouver Stock Exchange - Development Section on an Application for Listing: | 2,300.00 |
| 3. | To complete Phase One of the recommended exploration program to be undertaken on the Aspen Claims in accordance with the recommendations of D.P. Taylor, P.Eng., Consulting Geologist, as contained in his report to the Company: | 60,000.00 |
| 4. | To complete Phase One of the recommended exploration program to be undertaken on the Wheeler Lake Claims in accordance with the recommendations of D.P. Taylor, P.Eng., Consulting Geologist, as contained in his report to the Company: | 40,000.00 |
| 5. | To pay the October 30, 1985 option payment in respect of the Wheeler Lake Claims: | 15,000.00 |
| 6. | To be added to working capital: | <u>70,875.00</u> |
| | TOTAL: | <u><u>\$203,175.00</u></u> |

The \$2,300.00 Vancouver Stock Exchange - Development Section listing fee will be deposited with Central Trust Company, to be held for that purpose only.

The Company may, pursuant to the written recommendations of a qualified engineer, abandon in whole or in part any of its properties or may alter as work progresses a work program recommended or may make such arrangements for the performance of all or any portion of such work by other

persons or companies and may use any monies so diverted for the purpose of conducting work or examining other properties acquired by the Company after the date of this Prospectus, although the Company has no present plans in this regard. If any such event occurs during the primary distribution of the shares referred to in this Prospectus an amendment to this Prospectus will be filed. If any such event occurs after primary distribution of the shares the shareholders will be notified.

No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as an investment in which trust funds may be invested under the laws of the jurisdiction in which the securities offered by this Prospectus may be lawfully sold. Should the Company intend to use the proceeds to acquire other than trustee type securities after the distribution of the securities offered by this Prospectus, approval by the shareholders of the Company must first be obtained and notice of the intention must be filed with the regulatory bodies having jurisdiction over the sale of the securities offered by this Prospectus.

DESCRIPTION OF SHARES

The authorized capital of the Company consists of 20,000,000 common shares without par value of which 2,215,000 shares have been issued and allotted as fully paid and non-assessable shares. All of the shares of the Company, both issued and unissued rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no pre-emptive rights or conversion rights and no provision for redemption, purchase for cancellation, surrender or sinking fund or purchase funds have been made. Provisions as to the modifications, amendments or variations of such rights or such provisions are contained in the Company Act of the Province of British Columbia.

SHARE AND LOAN CAPITAL STRUCTURE

| Designation | Amount of Security Authorized | Amount Outstanding at December 27, 1984 | Amount Outstanding at date of Prospectus | Amount to be Outstanding on Completion of Offering |
|---------------------------------|-------------------------------|---|--|--|
| Common Shares Without Par Value | 20,000,000 | 2,215,000 | 2,215,000 | 3,015,000 |

PRIOR SALES

| <u>Number of Securities Sold</u> | <u>Price Per Share</u> | <u>Total Cash Received</u> | <u>Commissions Paid</u> |
|----------------------------------|------------------------|----------------------------|-------------------------|
| 750,000 | \$.01 | \$ 7,500.00 | Nil |
| 1,465,000 | \$.15 | \$219,750.00 | Nil |

All of the shares issued at \$.01 and 1,230,000 of the shares issued at \$.15 were issued to Insiders of the Company, directly or indirectly, or to companies in which they have an interest, in return for satisfaction of a total of \$192,000.00 owed by the Company to its Insiders in return for the expenditures incurred by them in respect of the Aspen Silver Prospect (\$139,000.00), the Wheeler Lake Prospect (\$25,000.00) and the Remac Millsite and Tailings Pond (\$28,000.00).

The foregoing 750,000 shares have been issued by the Company subject to escrow restrictions as more particularly disclosed under the heading "Escrowed Shares" of this Prospectus.

DIRECTORS AND OFFICERS

The names, addresses and principal occupations in which each of the Directors and Officers of the Company have been engaged during the immediately preceding five (5) years are as follows:

| <u>Name and Address</u> | <u>Position with Company</u> | <u>Principal Occupation</u> |
|--|------------------------------|--|
| JOHN MARTIN MIRKO* 811 Prospect Rd. North Vancouver, B.C. | President and Director | Prospector |
| ANTONIO MELICIO DEQUADROS* 2741 Chesterfield Ave. North Vancouver, B.C. | Director | Professional Engineer; Ph.D., Geology; Self-employed (1977 - March, 1983); Consultant, Manwa Exploration Services (March, 1983 - present) |

| <u>Name and Address</u> | <u>Position with Company</u> | <u>Principal Occupation</u> |
|--|------------------------------|--|
| DONALD FRASER GEMMELL* 23843 - 129th St. Maple Ridge, B.C. | Director | President, Gemmell Holdings Limited, a self-owned British Columbia company involved in the retail sales of custom furniture and in business management consulting (1981 - present); Director of Lands, B.C. Development Corp. (1977 - 1981) |
| JANICE ANNE BROWN 4 - 1949 West 8th Ave. Vancouver, B.C. | Secretary | Executive Secretary in mineral resource related businesses (1979 - present) |

*Member of audit committee.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No remuneration has been paid to Directors and Senior Officers of the Company since the date of incorporation, nor is any remuneration expected to be paid to the Directors and Senior Officers of the Company in their capacities as such during the ensuing year.

PRINCIPAL SHAREHOLDERS

Set forth hereunder are the particulars of shareholders of the Company as of the date of this Prospectus who own 10% or more of the issued shares of the Company:

| <u>Name and Address</u> | <u>Class, Type of Ownership</u> | <u>Number of Shares Owned</u> | <u>Percentage</u> |
|---|---------------------------------|-------------------------------|-------------------|
| John Martin Mirko 811 Prospect Rd. North Vancouver, B.C. | Common escrow | 310,000 | 31.42 |
| | Common free | 386,000 | |
| Ernest Sturrock Peters 409 - 475 Howe St. Vancouver, B.C. | Common escrow | 250,000* | 22.71 |
| | Common free | 253,000 | |
| Edward Helgren P.O. Box 283 Salmo, B.C. | Common free | 408,000 | 18.42 |

*Held indirectly through Petco Enterprises Ltd., a company 100% beneficially owned and controlled by Ernest Sturrock Peters, an Insider and a Promoter of the Company.

The percentage of shares of the Company being offered to the public for cash will represent 26.53% of the shares issued and outstanding upon completion of the sale of the shares qualified hereunder.

The percentage of shares of each class of equity shares of the Company beneficially owned, directly or indirectly, by all Directors and Senior Officers of the Company, as a group, are as follows:

| <u>Designation of Class</u> | <u>Percentage of Class</u> |
|---------------------------------|--------------------------------|
| Common | 44.13 |

PROMOTERS

John Martin Mirko, the President, a Director and Insider of the Company, Antonio Melicio DeQuadros, a Director and Insider of the Company, and Ernest Sturrock Peters, an Insider of the Company, are the Promoters of the Company in accordance with the definition contained in Section 1 of the Securities Act of the Province of British Columbia.

John Martin Mirko and Ernest Sturrock Peters have been reimbursed by the Company for costs incurred by them in respect of the properties of the Company. Reference is made to the caption "The Properties" wherein the interests of John Martin Mirko and Ernest Sturrock Peters in the property interests acquired by the Company and the consideration in respect thereof is disclosed.

ESCROWED SHARES

As of the date of this Prospectus, 750,000 shares are held in escrow by Central Trust Company, 750 West Pender Street, Vancouver, British Columbia, subject to the direction or determination of the Superintendent of Brokers. The escrow restrictions provide that the shares may not be traded in or dealt with in any manner whatsoever, or released, nor may the Company, its Transfer Agent or Escrow Holder make any transfer or record any trading of the shares without the consent of the Superintendent of Brokers, before the Company's shares are called for trading on the Vancouver Stock Exchange and without the consent of the Vancouver Stock Exchange thereafter. In addition, the escrow restrictions provide that any shares not released from the terms of escrow within ten years of the effective date of this Prospectus, shall be cancelled. The complete text of the Escrow Agreement will be available for inspection at the Company's registered office, 901 - 1199 West Pender Street, Vancouver, British Columbia, during primary distribution hereunder.

| <u>Designation of Class</u> | <u>Number of Shares Held in Escrow</u> | <u>Percentage of Class</u> |
|---------------------------------|--|--------------------------------|
| Common | 750,000 | 33.87 |

DIVIDEND RECORD

The Company has not since incorporation paid any dividend on any of its shares. The Company has no present intention of paying dividends but the future dividend policy will be determined by the Board of Directors on the basis of earnings, financial requirements and other relevant factors.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Insiders of the Company directly or indirectly paid a total of \$192,000.00 from their respective personal funds on account of expenditures incurred in respect of the Aspen Silver Prospect (\$139,000.00), the Wheeler Lake Prospect (\$25,000.00) and the Remac Millsite and Tailings Pond (\$28,000.00). The Company caused this \$192,000.00 to be repaid through the issuance of a total of 1,230,000 shares in the capital of the Company at \$.15 per share and 750,000 shares in the capital of the Company subject to escrow restrictions at \$.01 per share.

The Directors, Officers, Insiders and Promoters of the Company do not have any interest, direct or indirect, by way of beneficial ownership of shares or otherwise in material transactions except for any interest arising from the ownership of shares of the Company where the shareholder will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of shares in the capital of the Company.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditors of the Company are Smith, Flynn, Staley, Chartered Accountants, of Burnaby, British Columbia. The Company's Registrar and Transfer Agent is Central Trust Company, 750 West Pender Street, Vancouver, British Columbia.

INCORPORATION WITHIN ONE YEAR - PRELIMINARY EXPENSES

As of December 27, 1984, the Company paid a rental payment of \$20,001.00 in respect of the Remac Millsite and Tailings Pond, incurred \$1,000.00 in audit and accounting related fees, incurred \$91.00 in miscellaneous expenses and incurred \$1,050.00 in incorporation costs. The Company anticipates incurring approximately a further \$15,000.00 in the near future being the estimated legal, printing and audit costs related to the filing of this Prospectus. Reference is

made herein to the heading "Use of Proceeds" for a summary of the proposed future expenditures.

MATERIAL CONTRACTS

Subject to regulatory body approval, the Company has granted Directors and Key Employee stock options on a total of 290,000 shares of the Company's capital stock exercisable, in whole or in part, at a price of \$.30 per share at any time after this Prospectus is approved by the Superintendent of Brokers for the Province of British Columbia and prior to the expiration of 365 days of that date. The foregoing Directors options have been approved by the shareholders of the Company.

The Directors of the Company have allocated the foregoing stock options as follows:

| <u>Name of Optionee</u> | <u>Option Designation</u> | <u>Number of Shares</u> |
|---------------------------|---------------------------|-------------------------|
| Antonio Melicio DeQuadros | Director | 72,500 |
| Donald Fraser Gemmell | Director | 72,500 |
| John Martin Mirko | Key Employee | 116,000 |
| Janice Anne Brown | Key Employee | 29,000 |

The foregoing Directors stock options may not be exercised until approved by shareholders of the Company.

Save and except as aforesaid, there are no other material contracts except as disclosed in this Prospectus, all of which may be inspected at the registered office of the Company during normal business hours while primary distribution of the shares offered by this Prospectus is in progress and for a period of thirty (30) days thereafter.

OTHER MATERIAL FACTS

There are no other material facts.

PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Sections 60 and 61 of the British Columbia Securities Act provides in effect, that where a security is offered to the public in the course of primary distribution:

1. A purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last Prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the Superintendent of Brokers, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to

commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three (3) months from the date of service of such notice.

2. A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the Prospectus or any amended Prospectus offering such security contains an untrue statement of material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of ninety (90) days from the later of the date of such contract or the date on which such Prospectus or amended Prospectus is received or is deemed to be received by him or his agent.

Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

AUCKLAND EXPLORATIONS LTD.

FINANCIAL STATEMENTS

27 DECEMBER 1984

SMITH, FLYNN, STALEY

Chartered Accountants

SMITH, FLYNN, STALEY

CHARTERED ACCOUNTANTS

225 - 4299 CANADA WAY,
BURNABY, B.C. V5G 1H3
TELEPHONE: 434-1384

R. C. SMITH C.A.
A. R. FLYNN C.A.
D. L. STALEY C.A.

AUDITORS' REPORT

To the Shareholders of
Auckland Explorations Ltd.

We have examined the balance sheet of Auckland Explorations Ltd. as at 27 December 1984 and the statements of changes in financial position and resource properties for the period then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at 27 December 1984 and the results of its exploration activities and changes in its financial position for the period then ended in accordance with generally accepted accounting principles.

27 December 1984

Smith, Flynn, Staley
Chartered Accountants

AUCKLAND EXPLORATIONS LTD.
(Under the Company Act, British Columbia)
BALANCE SHEET
AS AT 27 DECEMBER 1984

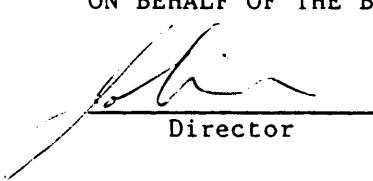
ASSETS

| | | |
|---|--|-------------------|
| CURRENT | | |
| Bank | | \$ 3,175 |
| RESOURCE PROPERTIES - Schedule A (Notes 1, 2 and 3) | | 223,025 |
| INCORPORATION COSTS | | 1,050 |
| | | <hr/> |
| | | <u>\$ 227,250</u> |

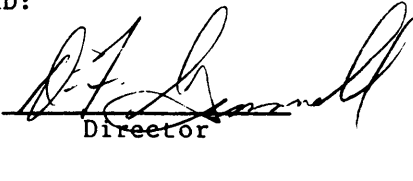
SHAREHOLDERS' EQUITY

| | | |
|--|--|-------------------|
| SHARE CAPITAL (Notes 5 and 6) | | |
| Authorized - | | |
| 20,000,000 common shares without par value | | |
| Issued and fully paid - | | |
| 2,215,000 common shares | | <u>\$ 227,250</u> |

ON BEHALF OF THE BOARD:



Director



Director

-See Attached Notes-

AUCKLAND EXPLORATIONS LTD.
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE PERIOD FROM 8 NOVEMBER 1984 (DATE OF
INCORPORATION) TO 27 DECEMBER 1984

SOURCE OF FUNDS

Share capital \$ 227,250

APPLICATION OF FUNDS

Resource properties \$ 223,025
Incorporation costs 1,050 224,075

INCREASE IN WORKING CAPITAL, BEING

WORKING CAPITAL AS AT 27 DECEMBER 1984 \$ 3,175

AUCKLAND EXPLORATIONS LTD.
SCHEDULE OF RESOURCE PROPERTIES
FOR THE PERIOD FROM 8 NOVEMBER 1984 (DATE OF
INCORPORATION) TO 27 DECEMBER 1984

MINERAL

| | | |
|--|--|----------------|
| Wheeler Lake properties, B.C. | | |
| Reimbursement of costs | | \$ 35,000 |
| Aspen properties, B.C. | | |
| Reimbursement of costs | | 139,000 |
| Tailings pond and storage system lease costs | | 48,001 |
| | | <u>222,001</u> |

GENERAL AND ADMINISTRATIVE

| | | |
|----------------------|-----------|--------------|
| Audit and accounting | \$ 1,000 | |
| Sundry | <u>24</u> | <u>1,024</u> |

BLANCE- 27 DECEMBER 1984

\$ 223,025

AUCKLAND EXPLORATIONS LTD.
 NOTES TO FINANCIAL STATEMENTS
 27 DECEMBER 1984

1. SIGNIFICANT ACCOUNTING POLICIES

Mineral

Mineral acquisition and exploration and development costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a unit of production method based on the estimated life of ore reserves while costs for the prospects abandoned are written off.

2. RESOURCE PROPERTIES

Details are as follows:

| | |
|---|-------------------|
| Wheeler Lake Properties, B.C. | \$ 35,000 |
| Aspen properties, B.C. | 139,000 |
| Tailings pond and storage system lease costs | 48,001 |
| General and administrative | 1,024 |
| | <u>\$ 223,025</u> |

3. OPTION AGREEMENTS

(a) By agreement dated 5 December 1984 the company was assigned the right to acquire a 100% interest in certain mineral properties in the Slocan Mining Division of British Columbia. In order to complete the terms of the agreement the company shall, at its option:

| | |
|---|-------------------------|
| I. Reimburse the assignor for out-of-pocket costs incurred in respect of such mineral properties (Note 5) | <u>\$ 35,000 (Paid)</u> |
| II. Make option payments as follows: | |
| On or before 30 October 1985 | \$ 15,000 |
| On or before 30 October 1986 | 25,000 |
| On or before 30 October 1987 | 45,000 |
| | <u>\$ 85,000</u> |

Should these mineral properties be placed in production they will be subject to a 10% net profit interest aggregating \$ 2,000,000.

AUCKLAND EXPLORATIONS LTD.
 NOTES TO FINANCIAL STATEMENTS
 27 DECEMBER 1984

3. OPTION AGREEMENTS (Continued...)

(b) By agreement dated 5 December 1984 the company was assigned the right to acquire up to a 60% interest in certain mineral properties in the Nelson Mining Division of British Columbia. In order to complete the terms of the agreement the company shall, at its option:

I. Reimburse the assignor for out-of-pocket costs incurred in respect of such mineral properties (Note 5) \$ 139,000 (Paid)

II. Complete the following work commitments:

| <u>Date</u> | <u>Amount</u> | <u>Interest Earned</u> |
|-------------------------------|-------------------|------------------------|
| On or before 31 December 1985 | \$ 100,000 | 30% |
| On or before 31 December 1986 | 100,000 | - |
| On or before 31 December 1987 | 100,000 | 30% |
| | <u>\$ 300,000</u> | <u>60%</u> |

Should the holder of a greater than 50% interest decide to continue with exploration and development work on the subject mineral properties, a joint venture will be formed with any non-participating party's interest being reduced to a 20% net operating profits interest.

4. LEASE AGREEMENT

By agreement dated 5 December 1984 the company was, for a consideration of \$ 28,000 (Note 5), assigned the right to lease certain improvements (tailings pond and storage system, fine ore bin and mill site) for the period until 27 December 2009. Under the terms of the agreement the rental payments are as follows:

(i) On or before 31 December of each year from 1984 to 1986 (1984 payment made) \$ 20,001

(ii) On or before 31 December of each year from 1987 to 2009 \$ 26,000

The company has the option, until 1 January 1988, to purchase the above improvements for \$ 300,000.

AUCKLAND EXPLORATIONS LTD.
 NOTES TO FINANCIAL STATEMENTS
 27 DECEMBER 1984

5. SHARE CAPITAL

- (a) During the period ended 27 December 1984 the company issued the following share capital:

| <u>Number</u> | <u>Price Per Share</u> | <u>Consideration</u> |
|------------------|------------------------|----------------------|
| 750,000 | \$.01 | \$ 7,500 |
| 1,465,000 | \$.15 | 219,750 |
| <hr/> | | <hr/> |
| <u>2,215,000</u> | | <u>\$ 227,250</u> |

- (b) 750,000 shares will be held in escrow, to be released only with the consent of the governing regulatory bodies.
- (c) The assignors of the agreements referred to in Notes 3 and 4 acquired the following shares for reimbursement of out-of-pocket costs:

| <u>Number</u> | <u>Price Per Share</u> | <u>Amount</u> |
|------------------|------------------------|-------------------|
| 750,000 | \$.01 | \$ 7,500 |
| 1,230,000 | \$.15 | 184,500 |
| <hr/> | | <hr/> |
| <u>1,980,000</u> | | <u>\$ 192,000</u> |

6. RELATED PARTY TRANSACTIONS

- (a) 886,000 of the shares issued were to directors and senior officers for a total consideration of \$62,900.
- (b) 183,000 of the shares issued were to a company controlled 50% by a director of Auckland Explorations Ltd.
- (c) The assignor of the agreement referred to in Note 3(b) is the president of the company.

**REPORT
ON THE
ASPEN SILVER PROPERTY, SALMO**

**NELSON MINING DIVISION
BRITISH COLUMBIA**

**FOR
AUCKLAND EXPLORATIONS LTD.**

**December 20th, 1984
Vancouver, British Columbia**

**D.P. Taylor, P.Eng.
Consulting Geologist**

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INTRODUCTION

This report is based upon the extensive report of Dr. A.M. de Quadros, Ph.D., P.Eng., of May 15, 1981 and upon personal inspections and studies of the property. The report of Dr. de Quadros was based on work conducted by Extotal Resources on the Aspen Silver Property in the winter of 1980-1981. Since 1981 two underground rehabilitation programs and a small bulk sample program have been carried out. No diamond drilling has been done since 1981.

The Aspen properties were inspected by the author in the company of Mr. J. Mirko on Monday, the 13th of June, 1983, from November 16th to December 23rd, 1983, and twice during November 1984. E.P. Sheppard, P.Eng., was present from December 19th to December 22nd, 1983.

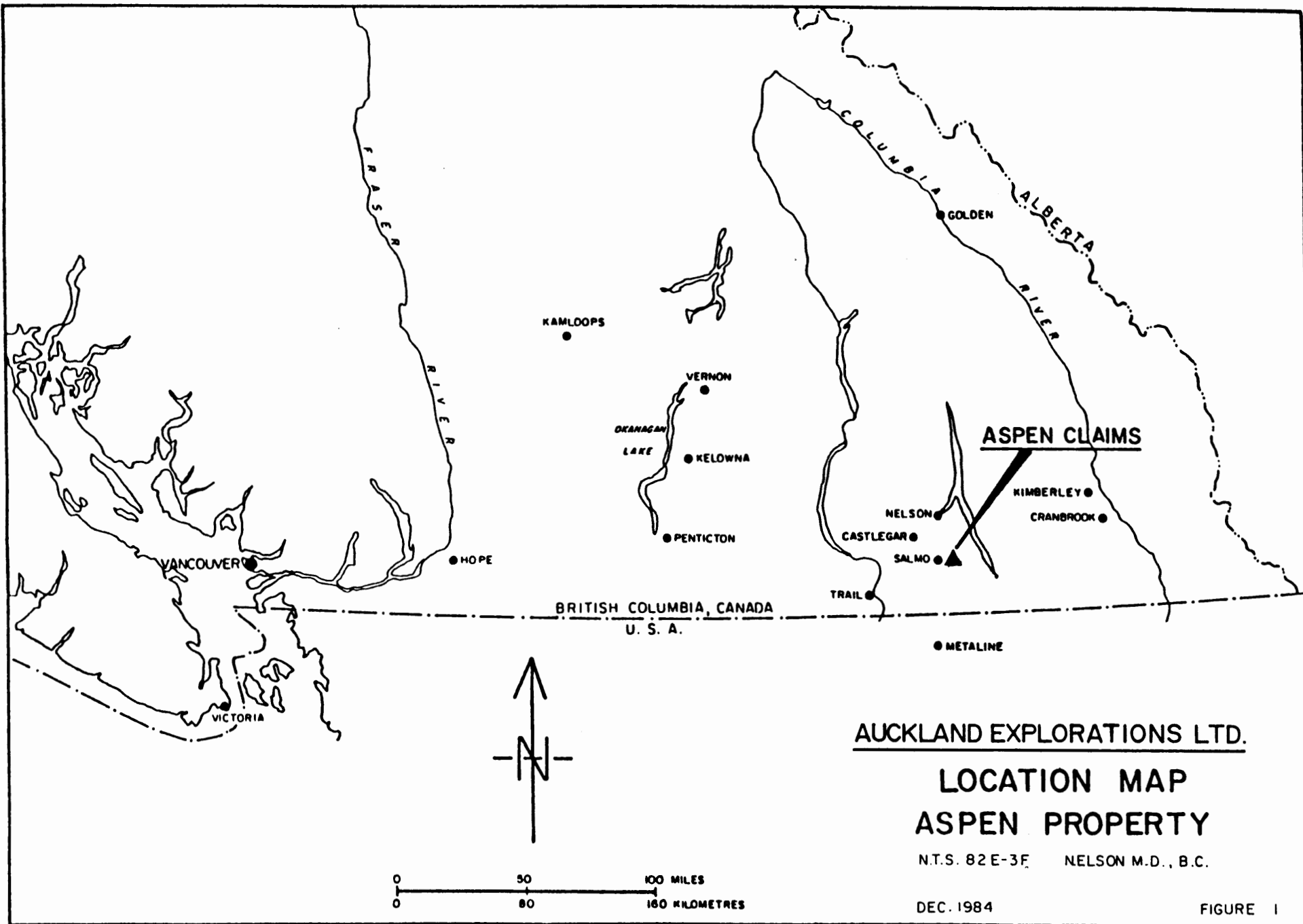
The Extotal Resources Inc. programme included geological mapping, systematic sampling, diamond drilling and petrological studies.

An underground and portal rehabilitation program with some road building, bulk sampling and metallurgical work was carried out from November through December, 1983. This work was sponsored by Chopper Mines Ltd. though J. Mirko covered part of the expenses. Chopper subsequently dropped its option on the property due to lack of financing. A total of \$79,000 was spent on this programme.

From September to December of 1984 further development work was conducted underground at the mine.

LOCATION AND ACCESS

The Aspen Property is located in the West Kootenays of south-eastern British Columbia, approximately 5 kilometres due east of the village of Salmo, B.C. It lies in the Nelson Mining District N.T.S. 82F/3E (Figure 1 and Figure 2). Salmo is the crossroads for the West Kootenays; Highway 6 runs north to Nelson, B.C. (30 km) and south to Spokane, Washington (220 km); Highway 3 runs west to Castlegar (25 km) and



east to Creston and Cranbrook, B.C. and Highway 3B to Trail (35 km) and Rossland. Access to the property is 6 kilometres south of Salmo to Sheep Creek and the H.B. Mine and thence by a gravel road (6 kilometres) to the property. Access is also possible from Porcupine Creek (north of Salmo) along a logging road to the northern part of the property. A trail joins the two roads across the Aspen Creek watershed.

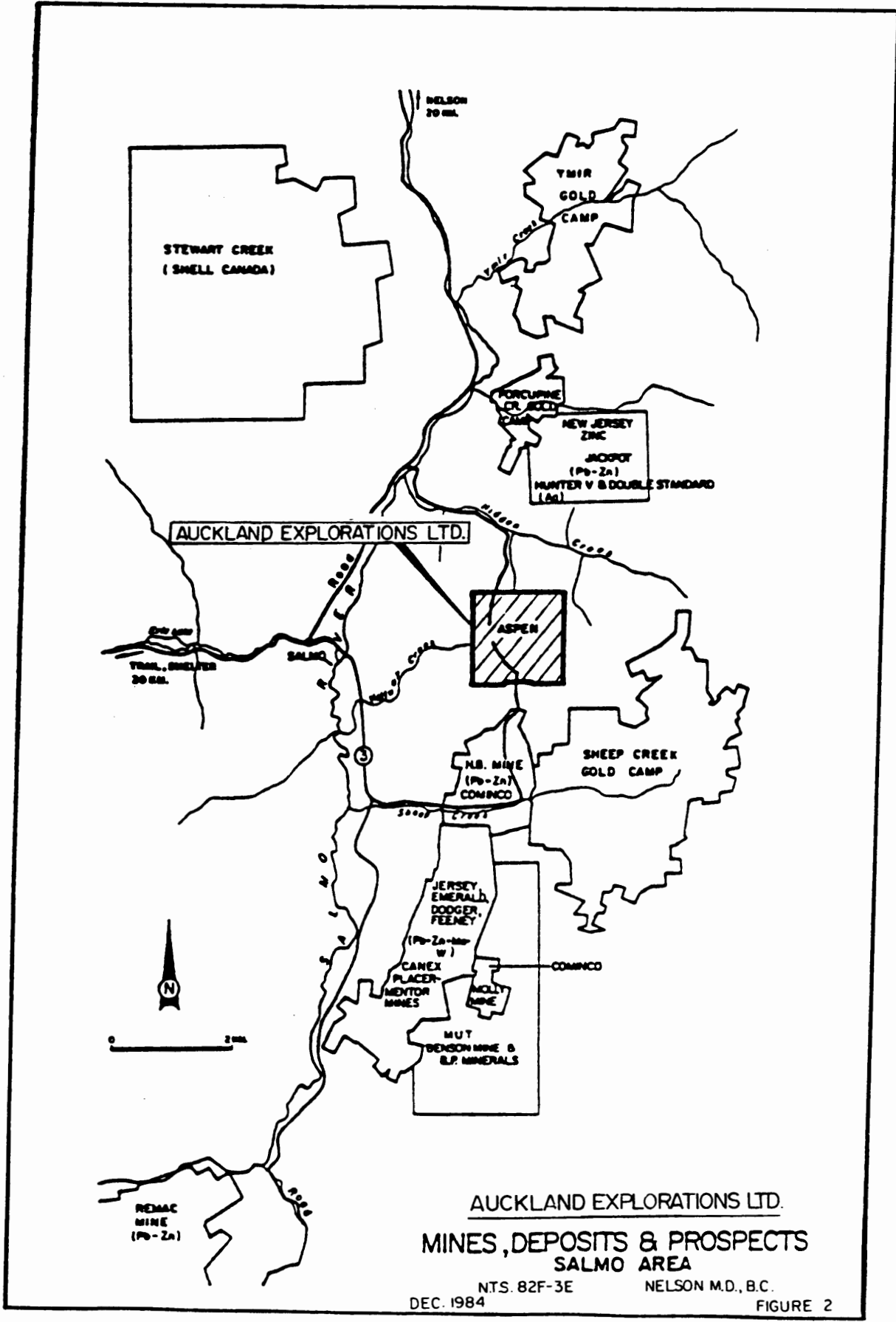
Regular airline jet services are available at Castlegar; the flights originate in Vancouver, Penticton and Cranbrook, B.C. as well as Calgary, Alberta. Helicopters based in Nelson and Castlegar service this area.

PROPERTY

The Aspen property consists of nine reverted crown grants and two modified grid claims staked over the crown grants. The nine reverted crown grants were purchased from the owner, Mr. John Mirko in March of 1980; the two modified grid claims were staked in February of 1980, by Extotal Resources Inc. On June 16th, 1983, M.J. Mirko optioned the property back from Extotal Resources Inc. Auckland Explorations Ltd. has purchased the option held by Mr. J. Mirko. Prior to Auckland acquiring the option from J. Mirko, \$161,391.00 had been spent on the property during 1983 and 1984. Auckland Explorations Ltd. can earn at least a 60% working interest in the claims by expending a further \$258,609.00 prior to December 31, 1987 on exploration and development work on the Aspen properties.

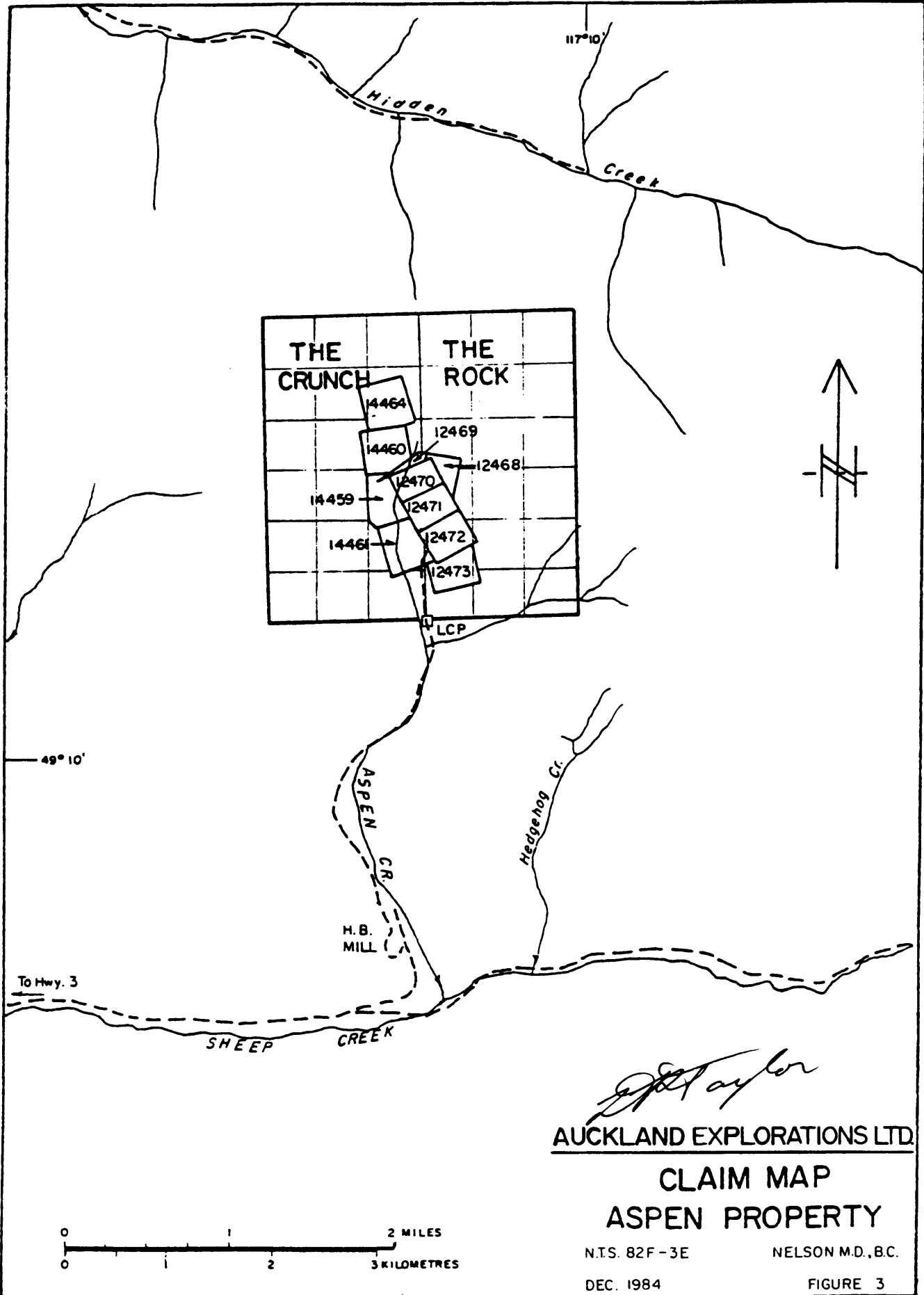
The details of the claims are as follows: (Figure 3).

| | <u>Lot No.</u> | <u>Record No.</u> | <u>Units</u> |
|----------------------|----------------|-------------------|--------------|
| Caroline | 12468 | 944(2) | 1 |
| Silverton Fraction | 12469 | 944(2) | 1 |
| Emma | 12470 | 948(2) | 1 |
| Aspen | 12471 | 945(2) | 1 |
| Mohawk | 12472 | 946(2) | 1 |
| International | 12473 | 947(2) | 1 |
| Salmo Malartic No. 2 | 14459 | 950(2) | 1 |
| Salmo Malartic No. 3 | 14460 | 951(2) | 1 |
| Salmo Malartic No. 1 | 14461 | 949(2) | 1 |
| Salmo Malartic No. 4 | 14464 | 1494(2) | 1 |



AUCKLAND EXPLORATIONS LTD.
MINES, DEPOSITS & PROSPECTS
SALMO AREA

NTS. 82F-3E NELSON M.D., B.C.
 DEC. 1984 FIGURE 2



[Signature]
 AUCKLAND EXPLORATIONS LTD.

**CLAIM MAP
 ASPEN PROPERTY**

N.T.S. 82F-3E

NELSON M.D., B.C.

DEC. 1984

FIGURE 3

| | | | |
|------------|----|---------|----|
| The Crunch | -- | 1508(2) | 18 |
| The Rock | -- | 1507(2) | 18 |

The Salmo Malartic No. 4 claim is owned outright by unregistered Bill of Sale from J.M. Mirko to Auckland Explorations Ltd.

The claims are in good standing by assessment filings until February 14, 1986.

HISTORY

Mineralization on the Aspen Group of crown-granted claims is reported to have been discovered in 1901 by P.F. Horton who was working with his partner, H.M. Billings on the H.B. Mine, three miles to the south. Minor trenching and prospecting was carried out until 1912 when the property was first mentioned in the Annual Report of the B.C. Minister of Mines. Despite the great amount of drifting and sinking, estimated to be about 5,000 feet, and numerous diamond drill holes, the property has produced and shipped only limited quantities of ore.

Due to the sporadic nature of the development work at the Aspen Property, the highlights of the work are presented below in tabular form:

| | |
|-----------|--|
| 1901 | Discovery of silver mineralization by P.F. Horton. |
| 1901-1912 | Intermittent prospecting and sampling. |
| 1912-1913 | Upper A Crosscut (150 feet) driven by the Molly Gibson Company. |
| 1914 | Further underground work; no details. |
| 1915 | South Drift (Following zinc mineralization) started. Inclined shaft sunk. B Shaft sunk 20 feet. B Crosscut driven 50 feet. |
| 1917 | Stockpile of 7 tons of hand sorted ore. Department of Mines gives the following assay: gold - 0.68 oz/ton; silver 123.4 oz/ton; zinc 6%. Government road built. Work on the H Adit Area. |
| 1918 | Shipment of 7 tons of ore to Trail Smelter. Gold - 0.18 oz/ton, silver 62 oz/ton, zinc - 2.3%, copper 0.2%, lead - trace. |
| 1920 | Shipment of 7 tons of ore to Trail Smelter. Silver - 20 oz/ton. |

- 1926 Shipment of 10 to 15 tons from H Adits; details unclear.
Silver - 60.4 oz/ton, lead 2%, zinc - 3%.
Road upgraded for truck use.
- 1926 Department of Mines reports a grab sample from H Adit: gold 0.02 oz/ton, silver 8.5 oz/ton, lead 24.2%, zinc - 6.6%.
Mineralization in the Winze reported to be "disseminated grey copper, chalcopyrite, galena and occasional native silver in a calcareous gangue".
- 1928-1929 2,000 feet of diamond drilling following a Radiore survey; details unavailable.
2,137 feet of adits completed.
- 1934 Work resumed.
Shipment of 18 tons to Trail Smelter.
Silver - 3.3 oz/ton, lead 4.2%, zinc - 3.6%.
(Northern Miner, September 27, 1934 reports net better than \$20/ton).
- 1934-1936 Work continues; bulk samples taken in 1936.
Salmo Malartic decides that sufficient ore blocked out and announces it is considering a mill (Northern Miner, December 31, 1936).
- 1947 The Deputy Minister of Mines of B.C. releases a report by Hartley Sargent, Government Geologist, disputing grades and tonnages of ore at Aspen. Report concludes that "low grade silver values extend over considerable widths but the grade appears to be subcommercial and there is an obvious lack of continuity. Higher grade siliceous ore limited to small widely spaced occurrences, too low grade and too small to be regarded as commercial ore bodies." (Northern Miner, February 11, 1937).
- Above refuted by Victor A. James, consultant to Salmo Malartic, with a release of metallurgical bulk sampling which indicates about 32,000 ton grading about 13 oz/ton silver.
- Further drifting and diamond drilling, details unknown.
- 1951 Sheep Creek Gold Mines Option, 3,019 feet of diamond drilling in four surface and seven underground holes.
- 1952 Cominco option; mapping and plane table survey.
- 1959 Cominco option.
Revised mapping.
Surface diamond drilling, three holes - 1,774 feet.
Underground diamond drilling, 20 holes - 1,596 feet.
- 1979 Lapsed crown grants acquired by John Mirko.
Research leads to rediscovery of the silver-bearing zone.

- 1980 February: Hartley Sargent's assays confirmed.
 March: Property acquired by Extotal Resources Inc. of Vancouver;
 further drilling, mapping and sampling delineate blocked out ore plus
 increase possible and probable reserves.
- 1983 Chopper Mines Ltd. and J. Mirko carry out extensive road
 rehabilitation, rebuild camp, rebuild portal area, lay track to first ore
 chute, take 5 bulk samples, one of which is metallurgically tested.
 April, Chopper Mines relinquishes option.
- 1984 Mr. J. Mirko resumes work on 'B' level. Construction of trestles at
 portal. Portal completed, track laid to second ore pass. 'B' level
 slashed and ditched to second ore pass. Camp and road, etc.
 rehabilitated. Option held by Mr. J. Mirko sold to Auckland
 Explorations Ltd.

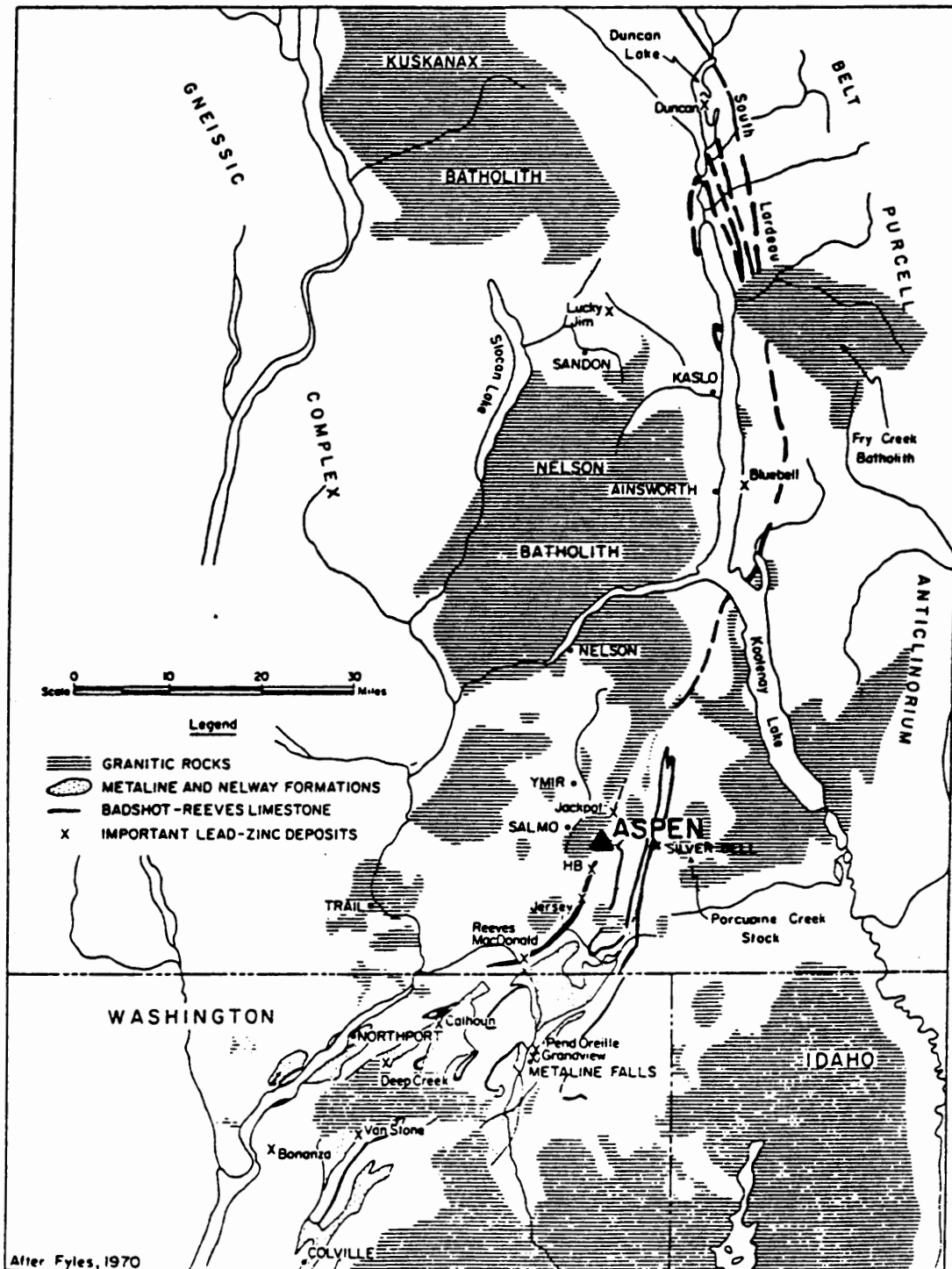
REGIONAL GEOLOGY

Lithology:

The Aspen Property is one of the many lead-zinc deposits and occurrences restricted to the Reeves Members of the Cambrian Laib Formation; this unit extends through the length of the Kootenay Arc for about 300 kilometres from Colville, Washington to north of Revelstoke, B.C. (Figure 4). The regional geology has been described extensively by Walker (1930), Fyles and Hewlett (1959), Little (1950, 1960) and Fyles (1970); much of the description below is derived from these sources.

The area contains sedimentary and igneous rocks, both intrusive and extrusive, ranging in age from Precambrian and Tertiary; the classification of the rocks in the area is largely the work of Fyles and Hewlett (1959). Though the description below is limited to the units that occur on the Aspen Property.

The RENO FORMATION is a 50 to 1000 foot thick unit, consisting for the most part of dark massive argillaceous quartzite, argillite and light brown micaceous schist. For the most part, quartzite tends to predominate in the lower part of the formation and the argillite and mica schist near the top. They are almost always exposed on the limbs of isoclinal folds that are overturned to the west so that the beds tend to strike northerly and dip steeply eastward.



Geologic map of the southern part of the Kootenay Arc. (Fyles, 1970)

The LAIB FORMATION lies conformably on the Reno Formation. It has an apparent thickness from 2000 to 3000 feet of argillaceous schist, phyllite, argillaceous quartzite and, in the lower part, limestones, schistose argillaceous limestone and argillaceous mica schists which make up much of the basal unit. Detailed mapping of this unit in the area of the mining properties indicate numerous faults and folds, many of the folds being isoclinal.

The Laib Formation is divided into four members:

- i) The Upper Laib Member: phyllite, schist, micaceous quartzite and minor limestone.
- ii) The Emerald Member: black phyllite and argillite.
- iii) The Reeves Member: (and equivalent Badshot Formation); grey limestone with minor dolomite.
- iv) The Truman Member: phyllite and argillite with minor limestone.

All the lead-zinc deposits in the Kootenay Arc occur in the Reeves Member or its northern equivalent, the Badshot Formation. This unit is normally a few hundred feet thick but ranges from a few tens of feet to over a thousand feet. It is generally a grey fine to medium grained crystalline limestone with minor non-calcareous units. In the Salmo Area itself, it tends to be a banded grey and white or black and white rock that weathers grey. It contains minor layers, lenses and zones of dolomites and dolomite-breccias that are finer grained than the limestone and either massive grey or creamy white, greenish, bluish or are mottled with black flecks, wisps or bands. The dolomite breccias contain much of the lead-zinc mineralization.

The ACTIVE FORMATION has a thickness of about 1,500 feet just north of the property, consisting of mixed limestones and argillites. It appears to be unconformable over the Laib Formation, all contacts with other units being faults.

Rocks of the NELSON BATHOLITH intrude much of the Nelson area and consist largely of a porphyritic granite, which is a coarse grey rock with numerous white to pink phenocrysts of twinned alkali feldspar in a coarse hypidiomorphic ground mass of potash, feldspar, plagioclase, quartz and accessory hornblende and biotite. The other important phase of the batholith, a granodiorite, is a greenish grey coarse- to medium grained hypidiomorphic quartzose rock with andesine.

The satellite stocks of the Nelson batholith are more varied. The stock between Salmo and Hidden Creek is a coarse to medium grained non-porphyritic granite, containing abundant white to pink orthoclase and quartz with oligoclase and microcline with accessory hornblende biotite, muscovite, apatite, sphene, magnetite and pyrite.

The Nelson Plutonic rocks are generally considered to be Late Jurassic or Early Cretaceous.

Structure

On the regional scale, the Reeves Member of the Laib Formation appears to be on the western limb of a northeasterly-trending syncline but in detail the structure is extremely complex, characterized by minor folds related to more than one age of folding. The many limestone bands that occur in the mine belt are considered by Fyles and Hewlett (1959) to represent one or two bands repeated by folding. Folding in the area is believed to have commenced with isoclinal folding on north-trending axes. Fyles (1980) assigns the folding to two phases which have essentially parallel axes with low plunges. In the Salmo area, the Phase II folds are the most obvious, the Phase I folds being fairly obscure.

The Nelson batholith and satellite stocks have local zones of extreme deformation around their margins. In the vicinity of the Aspen Property, the Hidden Creek stock is surrounded by a zone in which the regional strike is deflected into near parallelism with the margin of the stock. Fyles (1970) suggests that the warps preceded and controlled the emplacement of the granite masses and that forceful intrusion deformed the wall rocks and produced local marginal zones of faults.

Metamorphism

The rocks of the Kootenay Arc range from a low to a high grade of regional metamorphism. Most of the Salmo Area rocks lie between the garnet and biotite isograd in the greenschist facies.

The zones of regional metamorphism are truncated by the plutons, each of which is surrounded by margins of thermal contact metamorphism. The calcareous rocks are

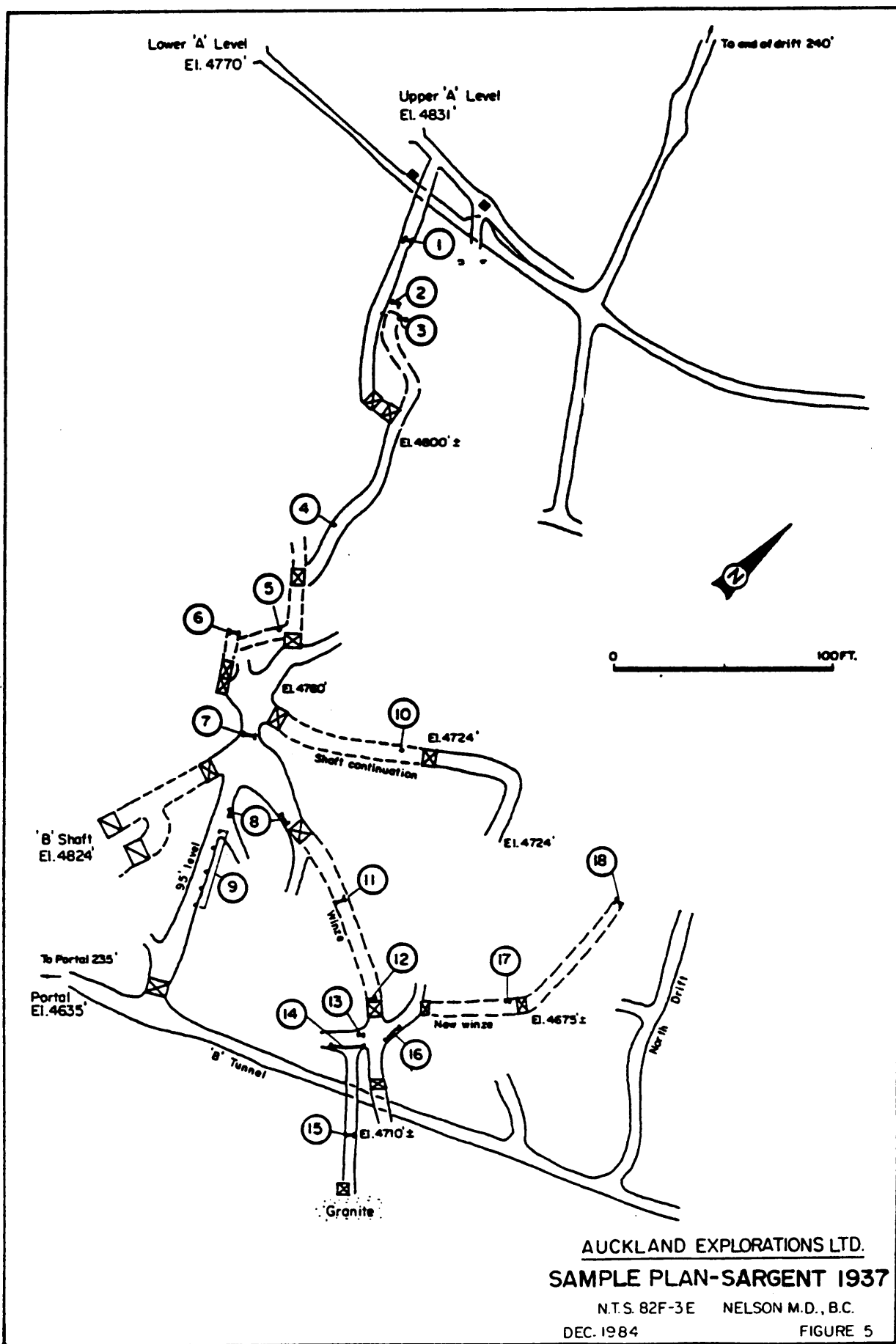
generally metamorphosed to medium to coarse grained crystalline limestone with a variety of silicate minerals such as garnets, diopside, tremolite, wollastonite and forsterite. These zones of thermal metamorphism may extend from a few hundred feet to as much as half a mile from the contact zone.

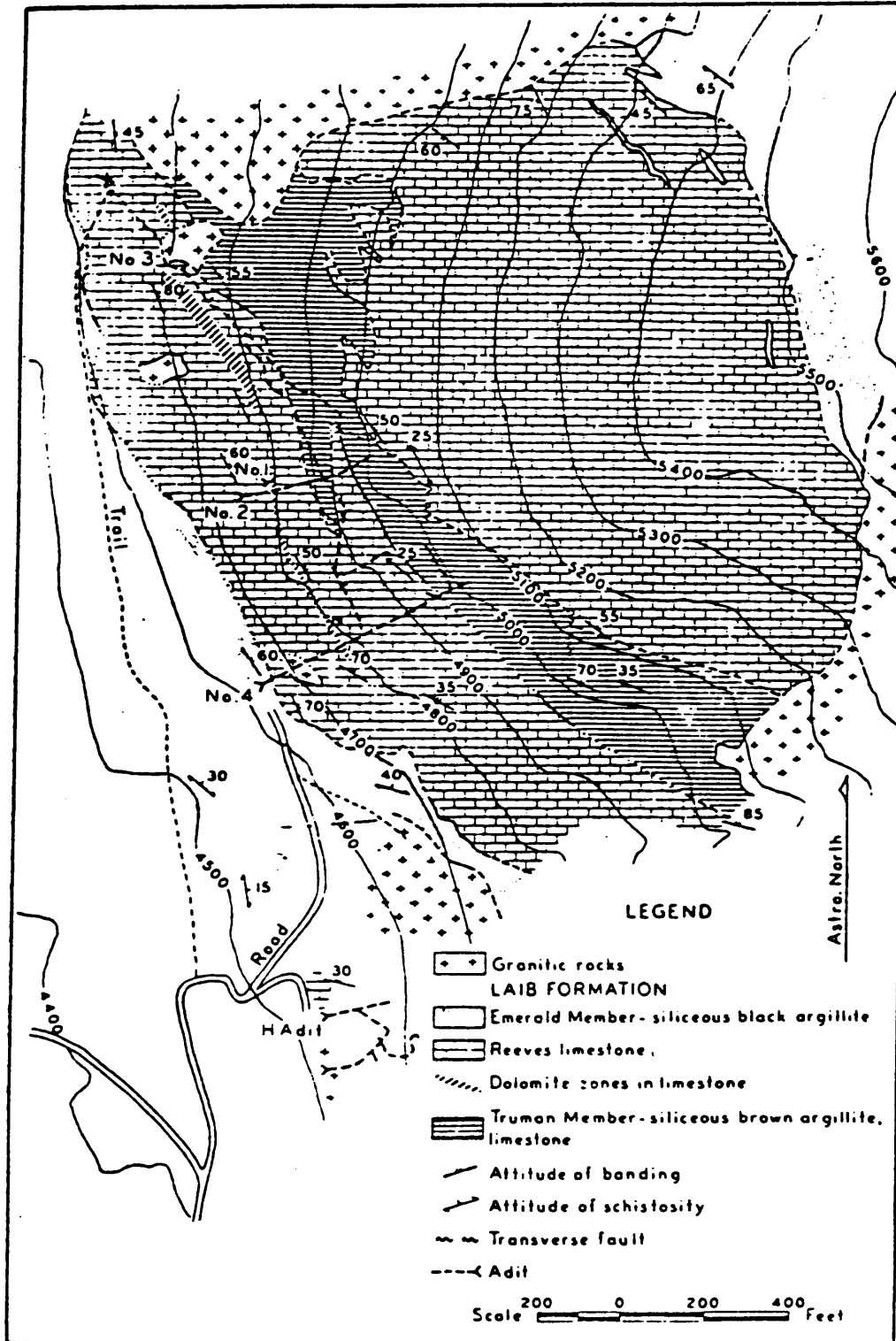
PROPERTY GEOLOGY

The Aspen Mine has a long history of work and of publications on that work dating back to its first mention in the 1912 B.C. Minister of Mines Annual Report. Various interpretations of the property have been forthcoming due to two facts; first, the property has variously been considered as a silver and as a zinc prospect, second, the mineralization had been considered to be of syngenetic and as of metasomatic origin. This report considers the property as a silver prospect and approaches the mineralization as a primarily syngenetic phenomenon.

The property is underlain by an overturned isoclinal syncline of Reeves Formation limestone with interbedded argillite and shale. The synclinal axis is northwesterly trending and appears to have a gentle plunge to the southeast. The entire property appears to be underlain at depth by granite, which outcrops in many areas around the periphery of the property and has been encountered in the underground workings and drill holes. The presence of this granite has led many people to postulate the mineralization on the property to be of metasomatic origin, particularly as it is often associated with silicification and diopside-tremolite alteration. Although there are very localised occurrences of high grade lead-zinc and skarn of definite metasomatic origin the bulk of the mineralization is almost certainly syngenetic in origin.

There are at present two distinct zones of mineralization known on the property, the silver zone and the zinc zone. The zinc zone lies in the northwestern part of the underground workings and has received considerable attention from Cominco in its exploration efforts. Cominco's work on this area outlined a gradationally defined zone containing some 40,000 tons of 3.16% zinc drill indicated material (Spence, 1959). The silver zone of current interest was for years essentially ignored prior to the 1980-1981 work programme of Extotal Resources Inc. Extotal performed extensive underground drilling and sampling of the silver zone which effectively defined and





Geological map of the Aspen property.
(Fyles & Hewlett, 1959)

limited the silver mineralization and allowed fairly precise ore grade and tonnage calculations.

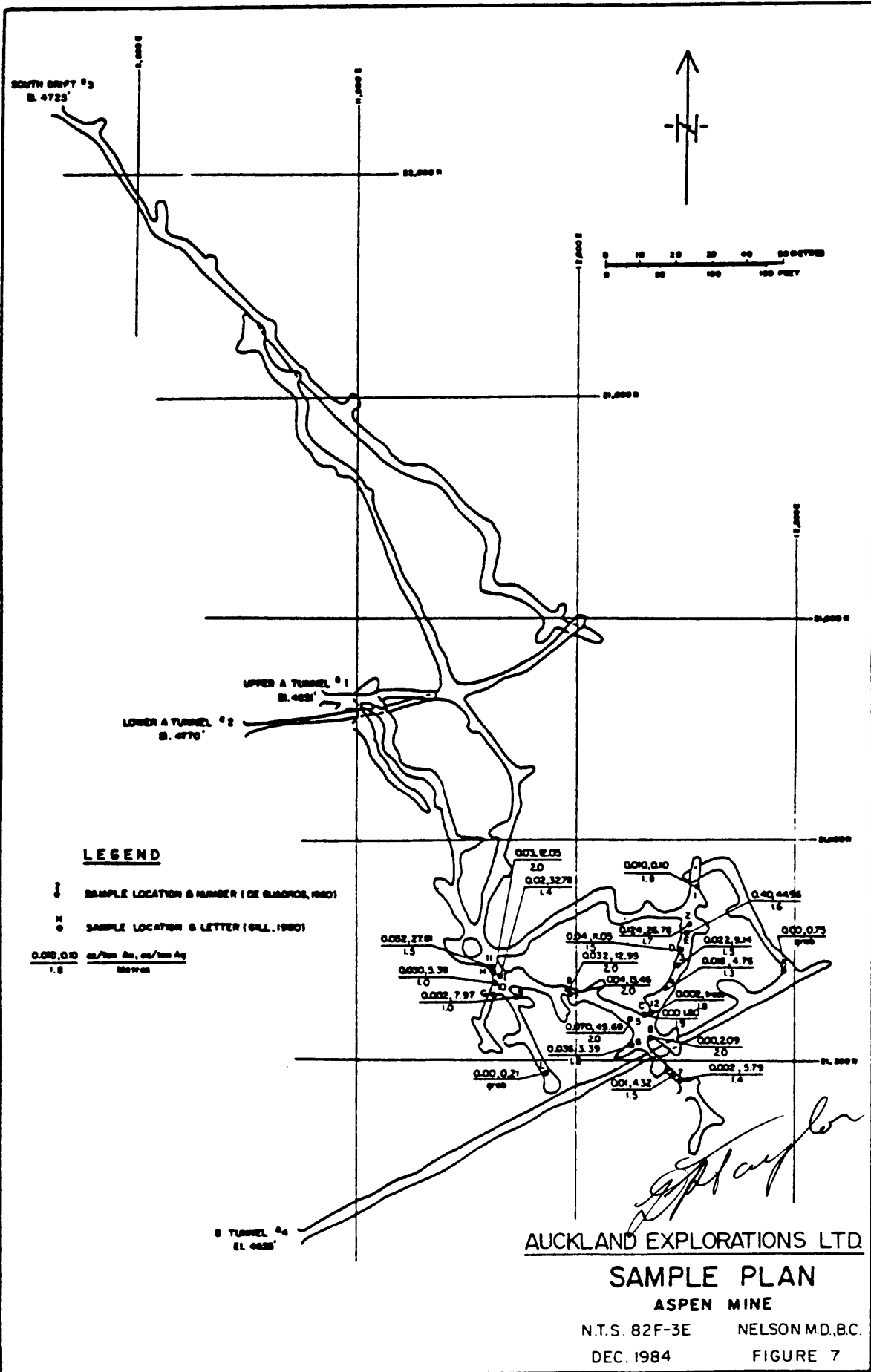
Dr. A.M. de Quadros, P.Eng., in his 1981 report calculates the reserves at 54,146 tons of 6.85 oz/ton of drill proven ore with minor lead-zinc and trace copper and gold values. The average thickness of this zone is 11.17 feet. Dr. de Quadros also specifies 13,428 tons of indicated tonnage of similar grade material. Checks by the author confirm Dr. de Quadros' figures.

The ore occurs in a dolomitised, silicified, occasionally brecciated limestone, basically conformable to the overall bedding. Mineralization is generally as distinct blebs of lead-zinc-silver mineralization (sphalerite, galena, tetrahedrite, pyrite and pyrrhotite) finely scattered through the rock; in places a certain amount of tectonic remobilisation on bedding has led to the formation of high grade pods of ore.

It is believed that the mineralization was emplaced in an offshore reef where diagenetic action caused dolomitisation and where microenvironmentally controlled silica fixing organisms contributed to the silicification of the rocks. Sulphide mineralization was deposited in the open spaces in the reef from charged water passing through the reef. Subsequent tectonic movement has concentrated mineralization in certain intrastratal formations in the whole rock. If the aforesaid is indeed the case, a new model for ore genesis may be defined in the Kootenay Arc carbonates.

In view of the above model further exploration work must be concentrated in the area of coincidental strata within the carbonates. The core area of argillites in the syncline serve as a useful marker and suggest continued exploration off both flanks of the argillite both to the northeast and southwest for similar mineralization. The likelihood of the discovery of further bodies of ore similar to the currently known silver zone should be considered good and probably achievable by surface prospecting and diamond drilling techniques.

One obvious additional place to conduct further exploration work is in the H Adit area where limited occurrences of relatively high grade material are recorded. The H Adit area is currently completely caved and inaccessible.



LEGEND

- ⋮ SAMPLE LOCATION & NUMBER (CE DIAGRAM, 1980)
 - ⊙ SAMPLE LOCATION & LETTER (CALL, 1980)
- $\frac{0.030, 0.10}{1.8}$ $\frac{\text{oz/ton Au, oz/ton Ag}}{\text{Micros}}$

AUCKLAND EXPLORATIONS LTD.

SAMPLE PLAN

ASPEN MINE

N.T.S. 82F-3E

NELSON M.D., B.C.

DEC. 1984

FIGURE 7

Recent Work Programmes

Since the shift of emphasis of interest on the Aspen Property to the silver-zone in 1980, considerable work has been performed both geologically and physically.

Extotal Resources Inc. in their 1980-81 programme spent some \$320,000 on geological mapping, sampling, petrological and diamond drilling work. A total of 6,820 feet of drilling in 74 underground holes was completed by Extotal. The camp and the mine were rehabilitated to allow for this work. A complete programme of underground sampling and mapping was also conducted.

The property was then idle until 1983 when Chopper Mines Ltd. re-evaluated the Extotal work and rehabilitated the camp. At this time the B portal timbering was completely replaced after slashing the portal to allow for the installation of 400 feet of rail to the first ore pass and facilitate muck haulage. At this time five bulk samples were taken and one was run by Bacon Donaldson and Associates. The bench test showed that a 300 mesh grind should be used on this ore and that a concentration ratio of 25:1 could be expected on milling the ore. Expenditures on this programme by Chopper and J. Mirko amounted to \$79,000.

In 1984 a work programme was initiated by J. Mirko to completely weather and snowslide proof the B adit and a trestle was built to the ore dump. About 150 tons of waste was removed from the first ore pass and track was extended 100 feet to the second ore pass which was partially cleaned out. The road to the mine was also much improved in 1984. Expenditures in 1984 were \$83,000 on the Aspen property.

Unfortunately, all of the work programmes to date have been in the colder months precluding any significant prospecting work - a much needed contingency on this ground.

CONCLUSIONS

The Aspen property is located in the Reeves limestone which is generally underlain by Nelson Batholith granites.

Zinc-lead and silver-lead-zinc mineral zones have been opened by underground workings on the Aspen Property. The silver zone is known to have 54,000 tons of 6.85 oz/ton silver ore drill proven and 13,400 tons of ore drill indicated.

The property has never been thoroughly prospected on surface for ore bodies such as the silver zone is now understood to be. There is considered to be a good possibility of discovering further mineralized zones similar to the silver zone in strata stratigraphically similar to the silver zone host rocks. The argillite core portion of the Reeves limestone syncline will serve as a useful marker bed in directing further prospecting. Prospecting and geochemical soil and rock sampling discoveries should be trenched and/or diamond drilled to further define them. All further work should be directed toward the search for new zones of silver mineralization.

The surface and underground equipment needs for further search are essentially in place on the property.

Preliminary bench testing of a bulk sample has shown the ore to be amenable to flotation milling. Further bench testing of available bulk samples collected in 1983 particularly at finer grinds should further refine mill planning.

RECOMMENDATIONS

A programme of limited expenditure should first be implemented on the Aspen property directed to the location of bodies of mineralization similar to the known ore-body now called the silver zone.

Sufficient surface mapping is available to direct such work. Projected work should consist of very careful and systematic surface prospecting in conjunction with limited geochemical and fairly extensive rock geochemical and rock sampling surveys. It is essential that this work be initiated during the summer months.

Proficient and experienced prospectors should be made familiar with the characteristics of the present ore and put to work in the suggested areas in the appropriate stratigraphic section. The section of the property in the H adit area and due south from there should also be thoroughly prospected and soil sampled (there is considerable overburden in this lower elevation area). Whole rock geochemical surveying should be performed in favourable areas of outcrop in the favourable strata of the higher parts of the property.

Some provision should be made for surface trenching (with plugger and powder) of any areas of interest discovered and a limited provision should be made for some rehabilitation, opening, and drilling in the H adit area.

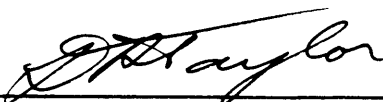
Further metallurgical testing of a more sophisticated type should be performed on the bulk samples taken in the 1983 work programme.

Conditional to the results of the above programme further work will be warranted on the recommendation of a Consulting Geologist for further diamond drilling and the possible underground opening of any newly discovered silver mineralization.

Cost Estimates of the Phase I Programme Recommended are:

| | |
|--------------------------------------|-------------------------|
| 2 Prospectors (3 weeks) | \$ 6,000 |
| 2 Helpers (3 weeks) | 4,000 |
| 1 Geologist (2 weeks) | 4,000 |
| Assays - rock and geochemical | 8,000 |
| Bulldozer - say 20 hours @ \$80/hour | 1,600 |
| Drilling - say 250 feet @ \$15/foot | 3,750 |
| Equipment | 3,000 |
| H adit Opening | 4,000 |
| Explosives | 1,000 |
| Geochemical Survey | 3,000 |
| Food and Supplies | 5,000 |
| Supervision | 3,000 |
| Engineering | 4,000 |
| Metallurgical Testing | <u>3,500</u> |
| | 53,850 |
| Contingencies @ 10% | <u>5,385</u> |
| Total | \$ 59,235 |
| Say | <u><u>\$ 60,000</u></u> |

Respectfully Submitted



D.P. Taylor, P.Eng.

Vancouver, B.C.
20 December, 1984

CERTIFICATE

I, DAVID P. TAYLOR, maintaining offices at Suite 480, 625 Howe Street, Vancouver, British Columbia, do hereby certify that:

1. I am a consulting geologist, conducting business from the above address.
2. I have practiced as an exploration geologist for the past sixteen years.
3. I am a graduate, (M.Sc.) of the Royal School of Mines, University of London, England, 1971.
4. I am a member, in good standing, of the Association of Professional Engineers of British Columbia.
5. I have no interest, either direct or indirect, nor do I expect to receive any interest, in the property subject of this report, nor in the securities of Auckland Explorations Ltd.
6. I consent to the use of this report in any Statements of Material Facts by Auckland Exploration Ltd.

DATED at Vancouver, British Columbia, this 20th day of December, 1984.



David P. Taylor, P.Eng.
Consulting Geologist

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**GEOLOGICAL REPORT
ON THE
WHEELER LAKE PROPERTY
AL No. 3 - 8 Claims**

**SLOCAN MINING DIVISION
BRITISH COLUMBIA**

LONGITUDE: 117° 02' W, LATITUDE 49° 46' N

FOR

AUCKLAND EXPLORATIONS LTD.

**December 15th, 1984
Vancouver, British Columbia**

**D.P. Taylor, P.Eng.
Consulting Geologist**

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Introduction

This report has been prepared at the request of Mr. J.M. Mirko, President of Auckland Explorations Ltd.

The property is located at Wheeler Lake, west of Ainsworth, Slokan M.D., B.C. (Figure 1).

The writer examined the property covered by the "A1" claims during property visits on June 28, 1983 in the company of J.T. Neelands, Consulting Geologist, and J.M. Mirko, and on October 5th, 1983. This report is based on data and observations obtained during the examinations and further data from a trenching program carried out by Korren Mine Services between June 19 to 24th, 1984. There is no other known data pertaining to the Wheeler Lake showings.

A first-phase programme of mineral exploration to trench and test the potential of known and unknown base-precious metal mineralization is recommended; diamond drilling is suggested in a follow-up programme.

Location

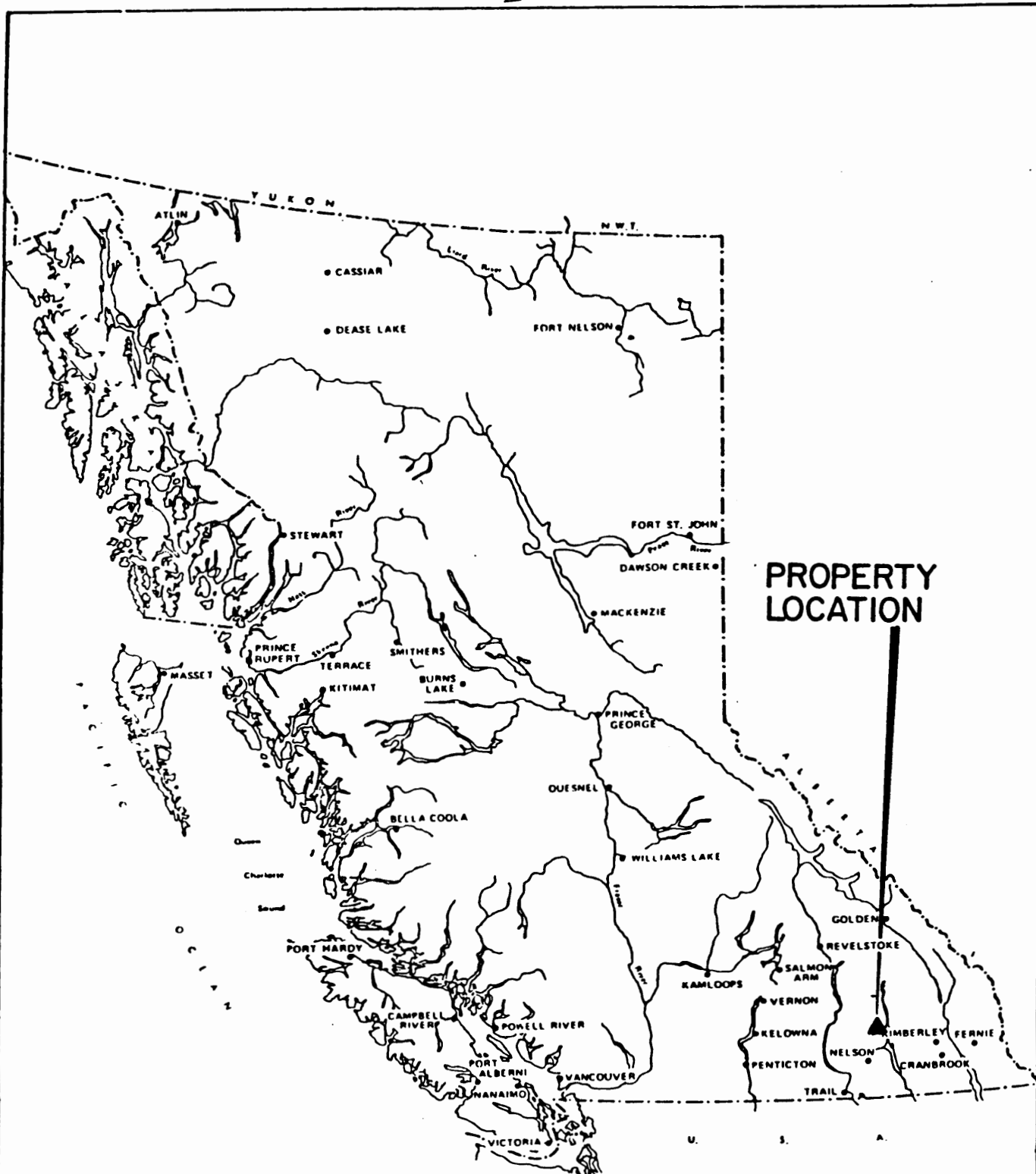
The claims are located about 9 km west of Ainsworth, B.C. in the Slokan Mining Division. The claim location line extends south 1500 metres from Wheeler Lake, (Figure 2). Topographical coordinates for the claims are: 49° 46'N, 117° 02' W.

N.T.S. Map Reference: 92J/9W. 82F/4W

Access

Access to the mineralized showings is by logging road and trail up Lendrum Creek from the Nelson-Ainsworth Highway or by local charter helicopter.

Surface access for the purposes of trenching by bulldozer and drilling is possible up the Lendrum Creek valley 3 km from the property to the end of the Lendrum Creek logging road. A road or cat-trail will have to be constructed from that point.

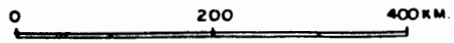


**PROPERTY
LOCATION**

AUCKLAND EXPLORATIONS LTD.

**WHEELER LAKE PROPERTY
LOCATION MAP**

SLOCAN M.D. , B.C.



| | |
|------------------|----------------|
| SCALE : AS SHOWN | N.T.S. 82F-14E |
| DATE : DEC. 1984 | FIGURE Nº. 1 |

There is a helicopter pad, a 14' x 16' tent frame and other assorted equipment on the property to help facilitate work programs.

Physiography and Climate

The claim area lies in a mountainous region west of Kootenay Lake. All but the highest ridges and peaks have been glaciated. The main valleys are deeply covered by glacial deposits and recent alluvium.

The "A1" claims cover a small creek gully which slopes towards the south end of Wheeler Lake and lie at elevations from 1700 to 2100 metres. The mineral showings occur at an elevation of 1800 metres. Regionally the rock exposure is confined to the more rugged peaks and cirques, talus and alluvial deposits cover most downhill areas.

Vegetation in the claim area consists mostly of medium to large growth cedar, spruce and hemlock forest cover that reach heights of 30 metres.

Property Particulars and Ownership

The property consists of 6 located 2 post mineral claims in a group measuring 2 X 3 units.

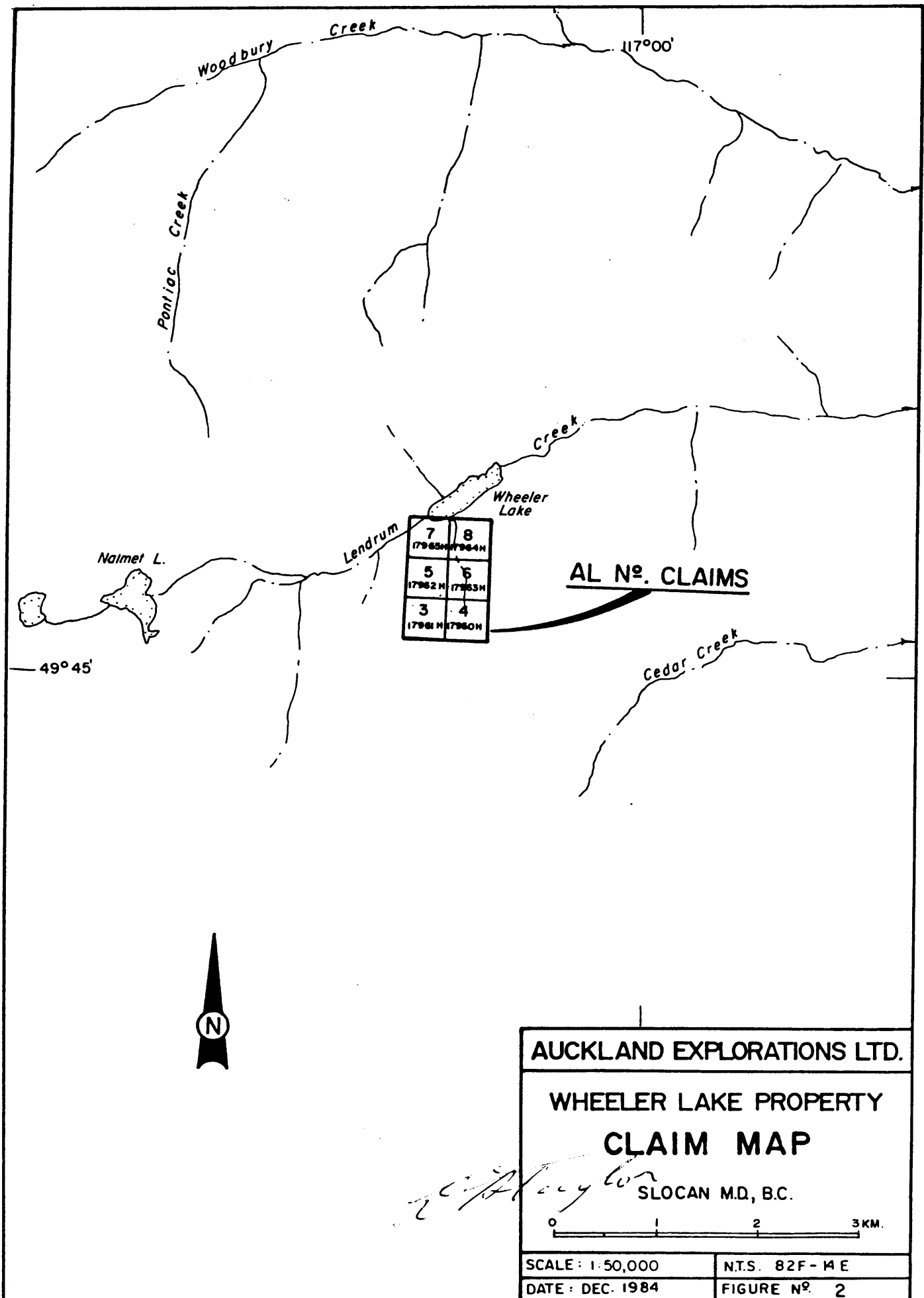
The following particulars apply:

Claim numbers: A1 No. 3, A1 No. 4, A1 No. 5, A1 No. 6, A1 No. 7, A1 No. 8.

Record numbers: 17961(H), 17960(H), 17962(H), 17963(H), 17965(H), 17964(H)

Month of Record: July

Expiry Date: July 24, 1985 for A1 No. 3 - A1 No. 5 and
July 24, 1986 for A1 No. 6 - A1 No. 8



These claims are under option to Auckland Explorations Ltd., which has acquired the right to purchase a 100% interest (subject to 10% net profit royalty) from E.H. Helgren by agreement dated December 5, 1984 (subject to regulatory authority approval). The agreements regarding the options have been examined by the writer and appear in order.

The claims were inspected on June 28, 1983 and appear to have been staked in accordance with the laws of the Province of B.C. On June 29th, 1984 J.M. Mirko filed a statement of exploration and development with B.C. Ministry of Mines showing \$25,691.00 of work having been done on the A1 No. 6 mineral claim. This statement considered only that work performed in the spring of 1984.

History

The showings on the claims were first discovered by a trapper working in the upper Lendrum Creek water shed in the 1950's. Subsequently the showings were staked by Hans Hansen of Ainsworth, B.C.

Mr. Hansen and associates have worked the claims periodically for the last 30 years trying to determine the source of high grade Ag, Au, Pb, Zn float. From September 15th, 1983 to October 5th, 1983 Chopper Mines Ltd. examined the property and took an option on it. After spending approximately \$11,000.00 the option was later dropped due to lack of financing.

A further large trenching program was carried out by J.M. Mirko from June 19, 1984 to June 29, 1984. Korren Mine Services was retained to do the work which resulted in 8 hand trenches being cut with a total of more than 267.6 cu.metres of overburden being removed. This work was successful in exposing vein matter in outcrop and exposing the source of 5 high grade float occurrences. The vein-shear zone is now known to be over 130 m. long with mineralization in all vein showings.

Regional Geology

The claims are underlain by a porphyritic granodiorite phase of the Nelson batholith which is of post lower Jurassic and pre-upper Cretaceous age. For the most part the eastern areas of the batholith are porphyritic. The granodiorite is a coarse, grey rock

that generally contains numerous white to flesh-coloured phenocrysts of twinned alkali feldspar. The ground mass is mostly coarsely hypidiomorphic, and it consists essentially of potash feldspar, plagioclase (sometimes zoned) and quartz, with accessory hornblende and biotite.

Property Geology

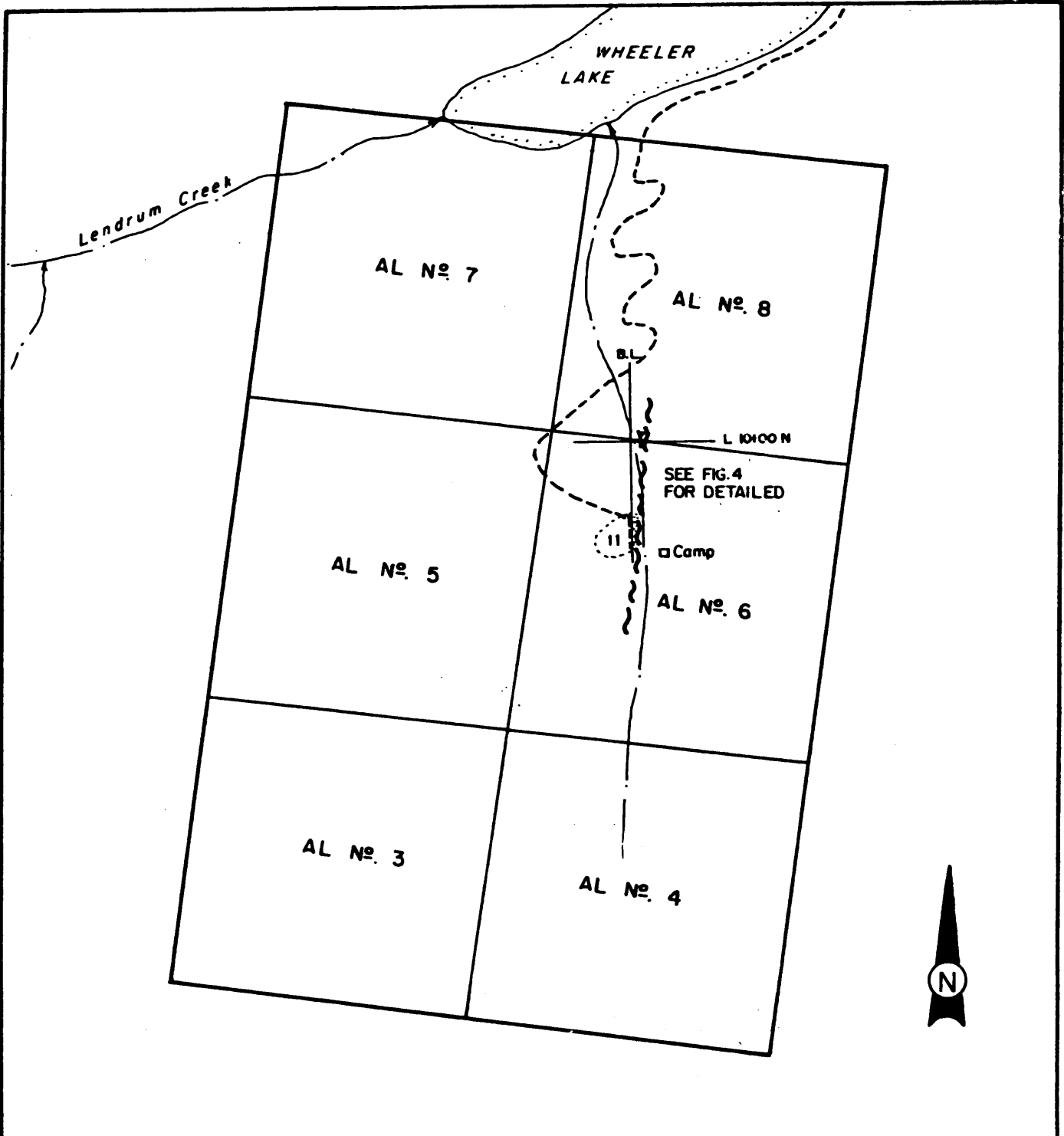
In the vicinity of the mineralization, outcrops of granodiorite are sparse due to about two metres of overburden. The porphyritic granodiorite mapped contains light grey feldspar phenocrysts that measure up to 4 cm in length and occur in a medium-to-coarse-grained matrix of quartz (15%) hornblende (10%) and feldspar (75%). The feldspar phenocrysts compose 20% of the rock and are randomly orientated. No lineation or foliation was observed. Similarly no structural features such as slickensides or jointing were noted. Alteration is restricted to the mineralized zones. The granite is broken by a major north-south bearing gash shear which is heavily mineralised by sulphides (Figure 3 and 4).

Mineralization

The mineralization exposed to date occurs in quartz rich veins occupying a N-S trending shear zone dipping at 15° to 30° to the east. The mineralized shear is now known to be at least 130 metres long and up to 4 metres wide. The difference in elevation between the uppermost mineralized trench and the lowest mineralized trench is 40 metres.

The quartz veins contain galena, sphalerite and pyrite. Grab samples were taken on June 28th, 1983 by the author and J.T. Neelands, F.G.A.C. The lack of fresh outcrop, poor exposure and the random occurrences of mineralized float necessitated grab sampling. These samples are numbered A1-1 to A1-6 on the sample map.

On October 5th, 1983 the author took 6 more grab samples of float from new trenches which were not successful in exposing bedrock mineralization at that time. These samples are numbered from 7001 to 7006 on the sample map.

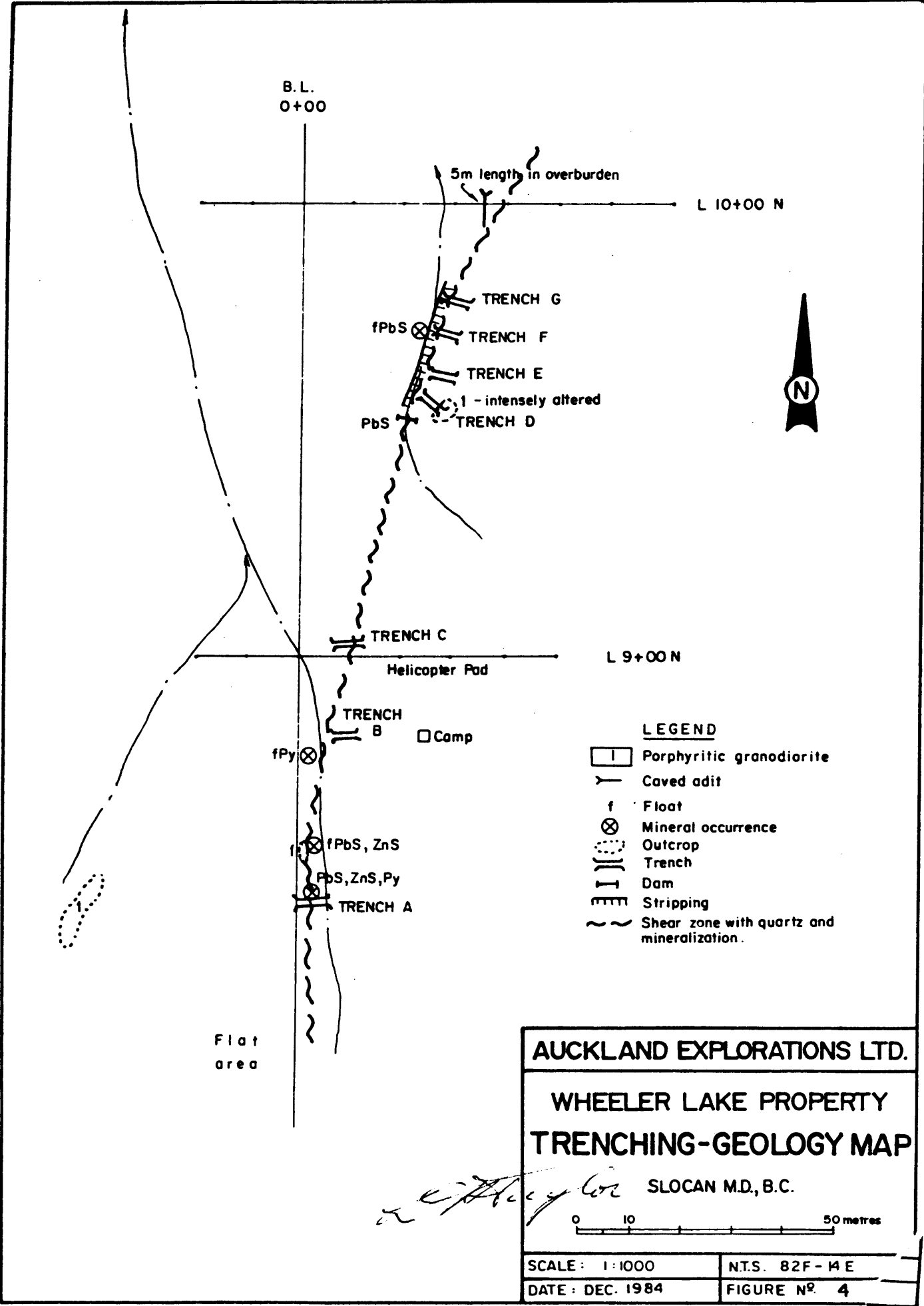


LEGEND

- 11 Lower Cretaceous (?) - Nelson Plutonic Rocks
- Alteration Zone
- ~ ~ ~ Fault Zone, Shear Zone
- Outcrop Boundary
- └─ Adit
- Trail

R. G. [Signature]

| | |
|---|---------------|
| AUCKLAND EXPLORATIONS LTD. | |
| WHEELER LAKE PROPERTY PROPERTY GEOLOGY MAP | |
| SLOCAN M.D., B.C. | |
| | |
| SCALE: 1:10,000 | N.T.S. 82F-4E |
| DATE: DEC. 1984 | FIGURE No. 3 |



AUCKLAND EXPLORATIONS LTD.

WHEELER LAKE PROPERTY
TRENCHING-GEOLOGY MAP

SLOCAN M.D., B.C.



SCALE: 1:1000

N.T.S. 82F-14E

DATE: DEC. 1984

FIGURE NO. 4

On June 29, 1984 after a successful trenching program to exposed bedrock, a more systematic sampling was performed.

These samples are numbered 7029 to 7051 on the sample map. All samples are described in the following tabulation.

June 28, 1983 Sampling

| <u>Sample No.</u> | <u>Location</u> | <u>Description</u> |
|-------------------|-----------------|---|
| AL-1 | 8+60N, 0+05E | Galena (40%) Sphalerite (10%) Pyrite (20%) Quartz (30%) |
| AL-2 | 8+66N, 0+05E | Galena (5%) in silicified granodiorite |
| AL-3 | 8+15N, 0+05E | Pyrite (10%) in silicified granodiorite |
| AL-4 | 9+60N, 0+25W | Pyrite (10%) Galena (3%) in silicified granodiorite. From Pit A. |
| AL-5 | 9+75N, 0+27W | Galena (60%) Pyrite (30%) Quartz (10%) From Pit C. |
| AL-6 | 9+80N, 0+30W | Galena (10%) Pyrite (5%) Quartz (15%) From Pit D. |

SAMPLE RESULTS

| | <u>Pb%</u> | <u>Zn%</u> | <u>Ag oz/ton</u> | <u>Au oz/ton</u> |
|------|------------|------------|----------------------|----------------------|
| AL 1 | 16.10 | 4.98 | 5.70 | .014 |
| AL 2 | 1.77 | .18 | 5.98 | .002 |
| AL 3 | .15 | .06 | .19 | .012 |
| AL 4 | .62 | 1.42 | 1.12 | .016 |
| AL 5 | 46.80 | 6.85 | 14.25 | .037 |
| AL 6 | 27.20 | 6.50 | 8.35 | .905 |

October 5, 1983 Sampling

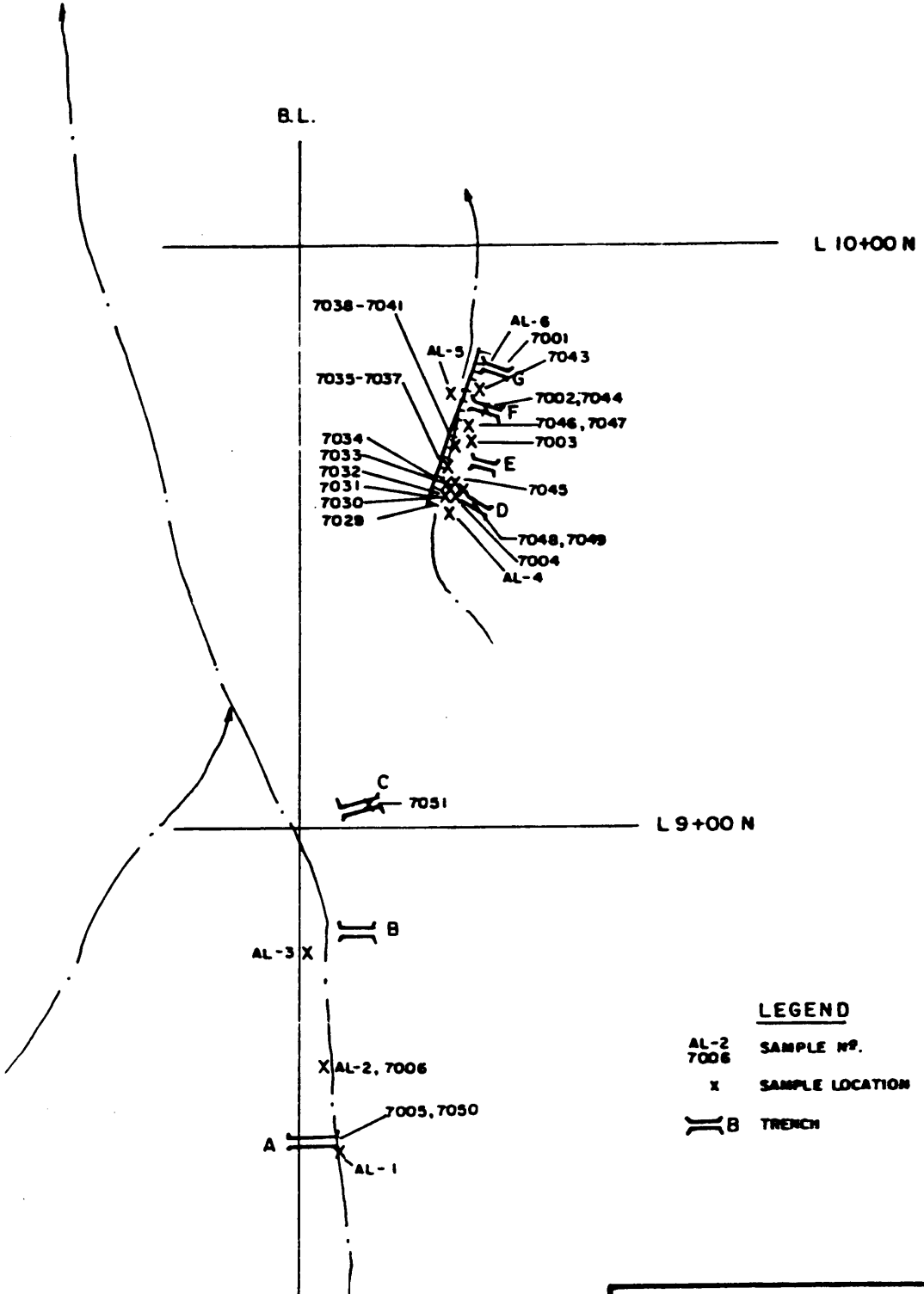
| <u>Sample No.</u> | <u>Location</u> | <u>Description</u> |
|-------------------|------------------------|--|
| 7001 | Trench G | Quartz (30%), Zinc (4%), Pyrite (10%) Lead (6%) |
| 7002 | Trench F | Quartz (40%) Pyrite (20%) Zinc (12%) Lead (2%) |
| 7003 | Between Trench E and F | Quartz (40%) Pyrite (40%) |
| 7004 | Bottom of Trench D | Quartz (40%) pyrite (30%) minor lead (0.5%) |
| 7005 | Bottom of Trench A | Quartz (15%) Lead (20%) Zinc (10%) Pyrite (20%) |
| 7006 | Between Trench A and B | Quartz (20%) Lead (6%) Zinc (20%) Pyrite (15%) |

SAMPLE RESULTS

| | <u>Ag. oz/ton</u> | <u>Au. oz/ton</u> |
|------|-------------------|-------------------|
| 7001 | 4.94 | 0.022 |
| 7002 | 9.52 | 0.010 |
| 7003 | 0.35 | 0.010 |
| 7004 | 0.80 | 0.008 |
| 7005 | 12.92 | 0.058 |
| 7006 | 7.94 | 0.858 |

June 29, 1984 Sampling

| <u>Sample No</u> | <u>Location</u> | <u>Description</u> (including sample width) |
|------------------|---|--|
| 7029 | 4 ft. N. of dam in stripping | 20" across quartz with 15% Py. |
| 7030 | 6.5 ft. N. of dam in stripping | 16" across blocky quartz, 40% Py. |
| 7031 | 2.5 ft. W. of 7030 | 2.5 ft. wall rock, 25% quartz, 5% Py. |
| 7032 | 4.0 ft. N. of 7031 | 6" Quartz, 80% Py. |
| 7033 | D Trench | 2 ft. white-green quartz rich clay |
| 7034 | Junction D Trench and Stripping | 2.5 ft. minor quartz, pyrite in gouge |
| 7035 | 6.0 ft. N. of 7034 | 12" gouge zone with clay |
| 7036 | 15.0 ft. N. of D Trench in stripping | 2 ft. high sulphides, Pb, Zn, Py. |
| 7037 | F.W. of 7036 | 10" wall rock, some Py. |
| 7038 | 8.0 ft. N. of 7036 | 6" massive sulphides, Pb, Zn, Py. |
| 7039 | 6" above H.W. of 7038 | 12" massive sulphides, Pb, Zn, Py. |
| 7040 | 1.5 ft. below F.W. of 7041 | 5" massive sulphides, Pb, Zn, Py. |
| 7041 | 12.0 ft. N. of 7039 | 2.0 ft. massive sulphides, Pb, Zn, Py. |
| 7042 | Trench G | 6" massive sulphides, Pb, Zn, Py. |
| 7043 | Trench G to F | 5" massive sulphides, along vein |
| 7044 | Trench F | Grab along vein |
| 7045 | Trench E to D | Grab along vein, 4" massive sulphides |
| 7046 | Trench E to F | Grab along vein, 5" massive sulphides |
| 7047 | Trench E to F | Composite chip samples along vein, 5" wide |



LEGEND

- AL-2 SAMPLE N^o.
- 7006
- X SAMPLE LOCATION
- ||| B TRENCH

AUCKLAND EXPLORATIONS LTD.

**WHEELER LAKE PROPERTY
SAMPLE LOCATION MAP**

SLOCAN M.D., B.C.

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SCALE: 1:1000

N.T.S. 82F-M E

DATE: DEC. 1984

FIGURE N^o 5

| | | |
|------|----------|-------------------------------------|
| 7048 | Trench D | Grab, 5" 80% Pyrite in clay, gouge |
| 7049 | Trench D | Grab, 1" high galena in clay, gouge |
| 7050 | Trench A | 10", 80% Quartz, Py, Pb, Zn |
| 7051 | Trench C | 8", 80% quartz, Py, Pb, Zn. |

Assay results from these samples are appended to this report.

Conclusions

The Wheeler Lake showings are in a major north northeasterly trending gash shear contained within granodioritic rocks of the Nelson Batholithic Complex. Mineralization consists of argentiferous and auriferous galena, sphalerite and pyrite in a quartz gangue in the shear zone. The mineralized zone is open on both extensions and has not been investigated to any significant depth.

The potential for the development of an economically viable body of base and precious metal mineralization on this property must be considered good and further surface work is immediately recommended. In time the depth potential of the showing will have to be determined; this will involve a second stage of diamond drilling work.

Recommendation

A first phase exploration programme is recommended to expand and test the zones of mineralization.

Phase I

1. Construction of 3 km truck road to showings.
2. Detailed geological and structural mapping of known fault-shear zones, dykes and veins.
3. Prospecting of the whole claim block.
4. Broad soil geochemical survey of the claims for Pb, Zn, Ag.

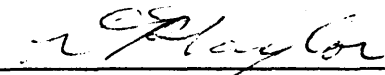
5. VLF and magnetometer survey in the vicinity of the showings.
6. Back-hoe trenching of the geochemical anomalies and areas on strike from the mineralization.
7. Chip-channel sampling of all new showings.

Estimated Costs of this Work Program are:

| | | |
|---|----------------------|------------------|
| Salaries Geologist | 14 days x 300.00 p/d | \$ 4,200. |
| Prospector | 14 days X 150.00 p/d | 2,100. |
| Blaster, Assistant | 14 days x 150.00 p/d | 2,100. |
| Camp (supplies, equipment, food, etc.) | | 4,000. |
| Equipment (Rock drill, picks, shovels, hammers, topofil, flagging, drill steel, etc.) | | 3,000. |
| Back-hoe trenching | | 2,200. |
| Fuel, Explosives | | 1,900. |
| Road Construction | | 10,000. |
| Truck including gas and insurance | | 1,500. |
| Helicopter, say 2 hours @ \$500/hour | | 1,000. |
| Assays (bags, shipping, etc.) | | 2,000. |
| Engineering, reports, consulting, etc. | | 3,000. |
| Administration, Phone, etc. | | <u>900.</u> |
| Total | | \$ 35,900 |
| Contingencies @ 10% | | <u>3,590.</u> |
| Grand Total | | \$39,490. |
| Say: | | <u>\$40,000.</u> |

A further work program consisting primarily of diamond drilling will be contingent upon results of Phase I and should be initiated on the recommendations of a consulting geological engineer.

Respectfully Submitted



D. P. Taylor, P.Eng.

Vancouver, B.C.
December 15, 1984

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- Neeland, J.T. (1983) Geological Report on the Kokanee Property, Slocan M.D., B.C. for Chopper Mines Ltd.

CERTIFICATE

I, DAVID P. TAYLOR, maintaining offices at Suite 480, 625 Howe Street, Vancouver, British Columbia, do hereby certify that:

1. I am a consulting geologist, conducting business from the above address.
2. I have practiced as an exploration geologist for the past sixteen years.
3. I am a graduate, (M.Sc.) of the Royal School of Mines, University of London, England, 1971.
4. I am a member, in good standing, of the Association of Professional Engineers of British Columbia.
5. I have no interest, either direct or indirect, nor do I expect to receive any interest, in the property subject of this report, nor in the securities of Auckland Explorations Ltd.
6. I consent to the use of this report in any Statements of Material Facts by Auckland Exploration Ltd.

DATED at Vancouver, British Columbia, this 15th day of December, 1984.



David P. Taylor, P.Eng.
Consulting Geologist



CHEMEX LABS LTD.

212 BROOKSBANK AVE.
NORTH VANCOUVER, B.C.
CANADA V7J 2C1

• ANALYTICAL CHEMISTS

• GEOCHEMISTS

• REGISTERED ASSAYERS

TELEPHONE: (604) 984-0221
TELEX: 043-52597

CERTIFICATE OF ASSAY

TC : CHOPPER MINES

206-744 W. HASTINGS
VANCOUVER, B.C.
V6C 1A5

** CERT. # : A8312653-001-A
INVOICE # : 18312653
DATE : 25-JUL-83
P.C. # : NONE

| Sample description | Prep code | Ag FA oz/T | Au FA oz/T | | | | |
|--------------------|-----------|------------|------------|----|----|----|----|
| 7001 | 207 | 4.94 | 0.022 | -- | -- | -- | -- |
| 7002 | 207 | 9.52 | 0.010 | -- | -- | -- | -- |
| 7003 | 207 | 0.35 | 0.010 | -- | -- | -- | -- |
| 7004 | 207 | 0.80 | 0.008 | -- | -- | -- | -- |
| 7005 | 207 | 12.92 | 0.058 | -- | -- | -- | -- |
| 7006 | 207 | 7.94 | 0.858 | -- | -- | -- | -- |



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705 WEST 15th STREET NORTH VANCOUVER, B.C. CANADA V7M 1T2

(604)980-5814 OR (604)988-4524

TELEX: 04-35262

CERTIFICATE OF ASSAY

COMPANY: JOHN MIRKO
PROJECT:
ATTENTION: JOHN MIRKO

FILE: 4-499
DATE: JULY 9/84
TYPE: ROCK ASSAY

We hereby certify that the following are assay results. certify that the foltted.

| SAMPLE NUMBER | AG G/TONNE | AG OZ/TON | AU G/TONNE | AU OZ/TON | PB % | ZN % |
|---------------|---------------|--------------|---------------|--------------|---------|---------|
| 7029 | 0.2 | 0.01 | .08 | 0.002 | .06 | .02 |
| 7030 | 2.5 | 0.07 | .12 | 0.003 | .06 | .02 |
| 7031 | 0.1 | 0.01 | .01 | 0.001 | .04 | .01 |
| 7032 | 10.0 | 0.29 | .40 | 0.012 | .10 | .03 |
| 7033 | 4.1 | 0.12 | .02 | 0.001 | .25 | .32 |
| 7034 | 10.1 | 0.29 | .14 | 0.004 | .38 | .34 |
| 7035 | 2.1 | 0.06 | .08 | 0.002 | .19 | .18 |
| 7036 | 34.0 | 0.99 | 1.24 | 0.036 | 4.60 | 3.22 |
| 7037 | 0.1 | 0.01 | .02 | 0.001 | .04 | .04 |
| 7038 | 198.0 | 5.77 | 15.00 | 0.437 | 16.80 | 10.20 |
| 7039 | 107.0 | 3.12 | 11.10 | 0.324 | 9.00 | 5.41 |
| 7040 | 50.2 | 1.46 | 3.05 | 0.090 | 2.76 | 3.52 |
| 7041 | 72.0 | 2.10 | 6.12 | 0.178 | 1.85 | 6.49 |
| 7042 | 452.0 | 13.18 | 35.50 | 1.035 | 21.30 | 1.52 |
| 7043 | 240.0 | 7.00 | 1.92 | 0.056 | 26.40 | 8.02 |
| 7044 | 226.0 | 6.59 | 47.10 | 1.374 | 9.02 | 14.45 |
| 7045 | 173.0 | 5.05 | 10.65 | 0.311 | 19.50 | 6.55 |
| 7046 | 122.0 | 3.56 | 1.22 | 0.036 | 14.80 | 5.40 |
| 7047 | 187.0 | 5.45 | 18.60 | 0.542 | 17.00 | 4.70 |
| 7048 | 29.0 | 0.85 | .28 | 0.008 | 2.70 | .06 |
| 7049 | 19.8 | 0.58 | 4.45 | 0.130 | 1.74 | .34 |
| 7050 | 131.0 | 3.82 | .74 | 0.022 | 9.60 | 4.94 |
| 7051 | 30.2 | 0.88 | 1.42 | 0.041 | 3.49 | 1.07 |

Certified by



MIN-EN LABORATORIES LTD.

CERTIFICATE OF THE COMPANY

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act, and the regulations thereunder.



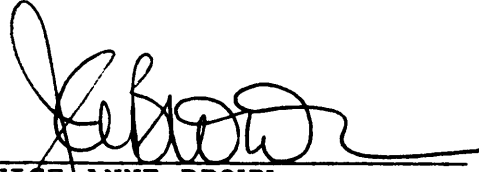
JOHN MARTIN MIRKO
President, Director and
Promoter

Antonio M. de Quadros
by his attorney *[Signature]*

ANTONIO MELICZO DEQUADROS
Director and Promoter



DONALD FRASER GEMMELL
Director



JANICE ANNE BROWN
Secretary



ERNEST STURROCK PETERS
Promoter

DATED at Vancouver, British Columbia, this 30th day
of April, 1985.