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MINING ENGINEERING

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SUMMARY GEOLOGICAL REPORT

on the

TIDE PROPERTY

Skeena Mining Division - British Columbia

N.T.S 104 B/1, 8

Lat. 56° 17' N Long. 130° 05' W

(ABRIDGED VERSION)

for

AUSTRAL PACIFIC GOLD CORPORATION

by

Donald G. Allen, P. Eng. (B.C.)

October 17, 1988 Vancouver, B.C.

7. RELATED TRANSACTIONS

a. Geological consulting fees and equipment rental totaling $5,395 were paid to a corporation owned by the President of the subject company.

b. Office costs and rent totaling $1,556 were paid to a Proprietorship owned by the Secretary of the subject company.

8. ADDITIONAL INFORMATION

The company is planning to offer a public financing, by way of a Primary Prospectus, consisting of 600,000 units at a price of $ .46 per unit to net the corporate treasury $240,000. Each unit consists of one (1) share and two (2) Series "A" share purchase warrants. Two (2) warrants are exercisable to acquire one (1) share at a price of $ .46 per share for a period of six (6) months from the date the company's shares are listed for trading on the Vancouver Stock Exchange.

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*** Not included in the abridged version.**

SUMMARY

Austral Pacific Gold Corporation holds an option on the TIDE group of claims comprising 124 claim units in the Stewart-Sulphurets gold camp of northern British Columbia. The property is situated 50 kilometres north-northwest of Stewart. It lies immediately to the north of the Granduc millsite and is accessible by the Granduc Mine road.

The property is underlain by Late Triassic to Early Jurassic volcanic and sedimentary rocks of the Lower Andesite Sequence (Unuk River Formation) of the Hazelton Group. These rocks are intruded by an elongated stock of hornblende granodiorite (Summit Lake Stock). Important base and precious metal deposits in the Stewart-Sulphurets camp are associated with or occur in these rock units.

The TIDE property has been held and explored since 1979 by the Northair Group who have conducted geological mapping, geochemical sampling, trenching and airborne geophysical surveys over selected parts of the property and 455 metres of diamond drilling in two holes. This work showed that arsenopyrite quartz and base metal sulphide-quartz veins carrying appreciable silver and gold values occur over an area of at least 2 by 6 kilometres. Significant gold and silver values over potentially mineable widths have been identified in at least one area, the North Zone.

Within this large mineralized area are two well developed quartz vein stockwork zones. The South Zone outcrops over an area of 100 by 250 to 300 metres and is mineralized with sphalerite, galena, pyrite and tetrahedrite but has not been drilled nor extensively sampled. The Silver Creek Zone occurs over an area of 100 to 200 by 500 metres. The stockwork is only weakly mineralized but a 50 metre diameter breccia pipe in the stockwork zone contains chalcopyrite and scheelite and contains interesting copper, tungsten, gold, silver, lead and zinc values. Reconnaissance mapping and sampling in the northern part of the property has identified anomalous gold and silver values in an east-west trending belt of pyritic sericite schist and phyllite.

In 1988, Austral Pacific conducted a program of detailed magnetic, electromagnetic and induced polarization surveys in the eastern part of the property where previous work had indicated the presence of a number of airborne anomalies associated with quartz veins and stockworks and multi-element soil geochemical anomalies. Several targets worthy of follow-up diamond drilling were defined.

A program of detailed mapping, rock sampling, geophysical surveys and diamond drilling is proposed to further evaluate the property.

CONCLUSION

Work to date on the TIDE property has revealed widespread base and precious metal mineralization (over an area of at least 2 by 6 kilometres). Four significant gold exploration targets have been identified as follows:

1. high grade veins e.g., North Zone where gold grades of +1.0 ounce per ton over one metre occur;
2. quartz veins stockwork zones containing base and precious metal mineralization e.g. Silver Creek and South zones;
3. copper-bearing breccias containing highly anomalous amounts of gold, molybdenum, silver, lead, zinc and tungsten;
4. gold-bearing pyritic and sericitic schist and phyllite, which lie in an east-west trending belt across the northern end of the property.

Potential also exists for stratabound gold-bearing massive sulphide deposits, an example of which is the 4J's deposit on Wedgewood Resources' (Frankmackie property) immediately to the north of the TIDE property. The nearby Granduc copper deposit is a stratabound deposit which has characteristics indicating a sedimentary exhalative origin.

Further enhancing the overall potential of the property are the underlying favorable host rocks. The Andesite Sequence (Unuk River Formation) and coeval plutonic rocks host most of the major gold and copper deposits in the Stewart-Sulphurets camp. These deposits include the Granduc Copper Mine, The Silbak Premier Mine, the Scottie Gold Mine,

the Kerr and Brucejack Lake deposits, etc.

Considering the above aspects and other favorable features such as location (relative ease of access) and proximity to several past producers, the exploration potential is considered excellent.

RECOMMENDATION

A two phase exploration program is highly recommended to further evaluate the TIDE property.

Phase Ia will comprise surface geological, geochemical and geophysical surveys. In addition to reconnaissance geological mapping and sampling, detailed rock geochemical sampling should be conducted in areas underlain by 1) the pyritic phyllite unit in the northern part of the property, and 2) the quartz vein stockwork in the South Zone. Detailed induced polarization, electromagnetic and magnetic surveys should be conducted in and around the North Zone and other selected areas of interest as outlined by mapping and sampling to define specific drill targets. Phase Ib will comprise preliminary diamond drilling of the known targets defined in 1988.

Phase II, contingent on results of Phase I, will comprise additional diamond drilling on the known targets as well as follow-up drilling on targets generated in Phase I.

Estimated costs of Phase I and II are $143,000 and $212,000, respectively, for a grand total of $355,000.

ESTIMATED COST OF RECOMMENDATION

PHASE Ia Geological mapping, geochemical sampling, magnetic, electromagnetic, and induced polarization surveys.

Salaries		
Geologist	30 days @ $350/day	10,500
Samplers	30 man days @ $250/day	7,500
Room and board	60 days @ $50/day	3,000
Geophysical surveys, line cutting 15 line kilometres @ $3,000 (all incl.)		45,000
Geochemical analyses		5,000
Helicopter support	10 hours @ $600/hr.	6,000
Travel, vehicle rental		2,000
Management, Supervision		5,000
	Subtotal	84,000

PHASE Ib Diamond drilling.

Drilling	300 metres @ $100/m (all incl.)	30,000
Helicopter support	15 hours @ $600/hr.	9,000
Assay		2,000
Management, report, supervision, consulting		5,000
	Subtotal	$46,000
	Contingencies	13,000
	TOTAL PHASE I	**$143,000**

ESTIMATED COST OF RECOMMENDATION (Cont'd.)

PHASE II Provision for additional diamond drilling.

Drilling	1500 metres @ $100/m. (all incl.)	$150,000
Helicopter	30 hours @ $600/hr.	18,000
Assay		5,000
Consulting, report supervision, management		20,000
	Subtotal	193,000
	Contingencies	19,000
	TOTAL PHASE II	**$212,000**

GRAND TOTAL PHASES Ia, Ib, and PHASE II $355,000

INTRODUCTION

Austral Pacific Gold Corporation holds an option to earn an interest in the TIDE property comprising 124 claims covering 3,125 hectares (7,700 acres) in the Stewart area of northwestern British Columbia. The claims cover numerous occurrences of vein type gold-silver mineralization as well as porphyry copper $\pm$ gold $\pm$ silver mineralization.

The TIDE property is in the Stewart-Sulphurets(-Iskut) gold camp which is currently the focus of intense exploration. Major discoveries have been made in recent years and several deposits are being prepared for production, e.g. Silbak Premier (6.5 million tons of 0.063 ounces per ton gold and 2.34 ounces per ton silver) and Big Missouri (1.8 million tons of 0.105 ounces per ton gold and 0.86 ounces per ton silver) properties of Westmin Resources and the Brucejack Lake deposit (2 million tons grading 0.46 ounces per ton gold and 21.78 ounces per ton silver), of Newhawk/Granduc Mines. The TIDE property is strategically located between two past producers: East Gold (past production 51 tons grading 35.2 ounces per ton gold, 96.6 ounces per ton silver) immediately to the north, and Scottie Gold (past production 217,000 tons grading 0.48 ounces per ton gold, 0.47 ounces per ton silver) three kilometres to the south. The Granduc Mine, a former important copper producer (pre-production reserves 43,000,000 tons of 1.73% copper), lies 13 kilometres to the west.

The purpose of this report, prepared at the request of R. Sheldrake, is to summarize results of work conducted by the Northair Group (Tenajon Silver, Newhawk Gold Mines and Northair Mines) in 1980 to 1986 and by Austral Pacific Gold Corporation in 1988. Six days were spent on the property by the writer. Reconnaissance geological mapping and sampling was conducted mainly on the eastern part of the property. A long spell of inclement weather prevented gaining access to the known showings at higher elevations, however these showings are well described by Garrett (1983) and Ash (1983). This report is also based on reports by MacLeod (1984 and 1986) and on property examinations and exploration

work carried out in the Stewart-Sulphurets area periodically by the writer from 1978 to the present.

LOCATION, PHYSIOGRAPHY, ACCESS

The TIDE property is situated 50 kilometres north of Stewart, B.C. (Figures 1 and 2). It lies immediately to the north of the Tide Lake (Summit Lake) pass at the headwaters of the Bowser River. The property can be reached by good gravel road which formerly provided access to the Granduc Mine and Tide Lake airstrip. A bridge constructed by the Northair Group crosses the Bowser River to the claims on the east side.

The property is in the Boundary Ranges of Coast Mountains. Steep mountain slopes, broad U-shaped valleys, icefields and glaciers are the dominant physiographic features of the area. Slopes on the property are moderately steep. Glaciers have scoured the valley walls leaving steep cliffs, alternating with flat step-like terraces. Elevations range from 650 to 2,000 metres. Above 1,750 metres, the ridge is covered with permanent snow and ice. Between 1,250 and less than 1,750 metres outcrop and talus predominate. Between 950 and 1,250 metres light overburden and alpine vegetation are present. From the valley floor to 950 metres slopes are heavily covered with slide alder, mountain ash, willow, huckleberry, false azalea, and gnarled spruce, balsam fir and alpine fir. The southern part of the property, except for a prominent nunatak, is underlain by the Berendon Glacier.

AUSTRAL PACIFIC GOLD CORPORATION

LOCATION MAP

TIDE CLAIM GROUP

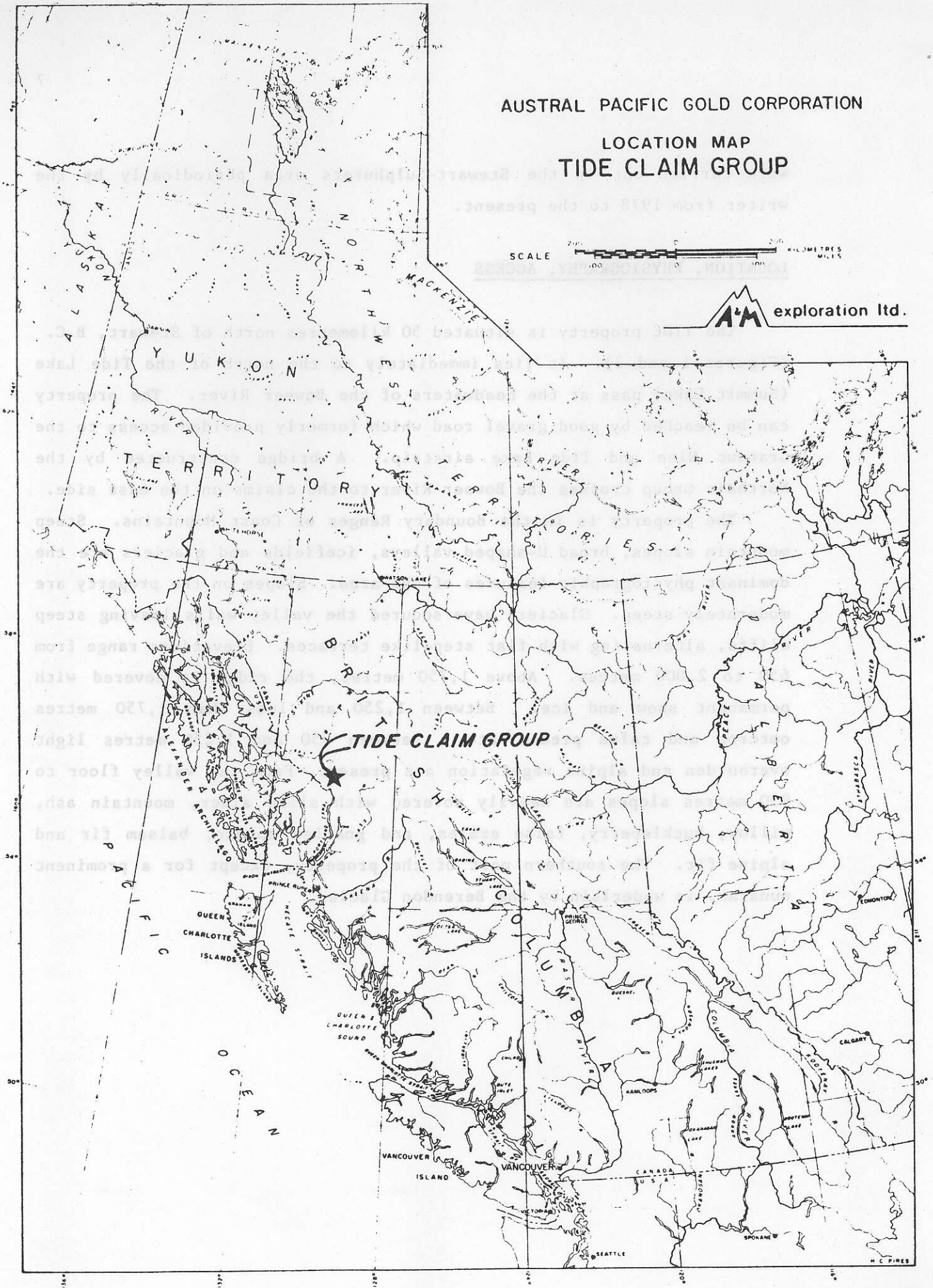
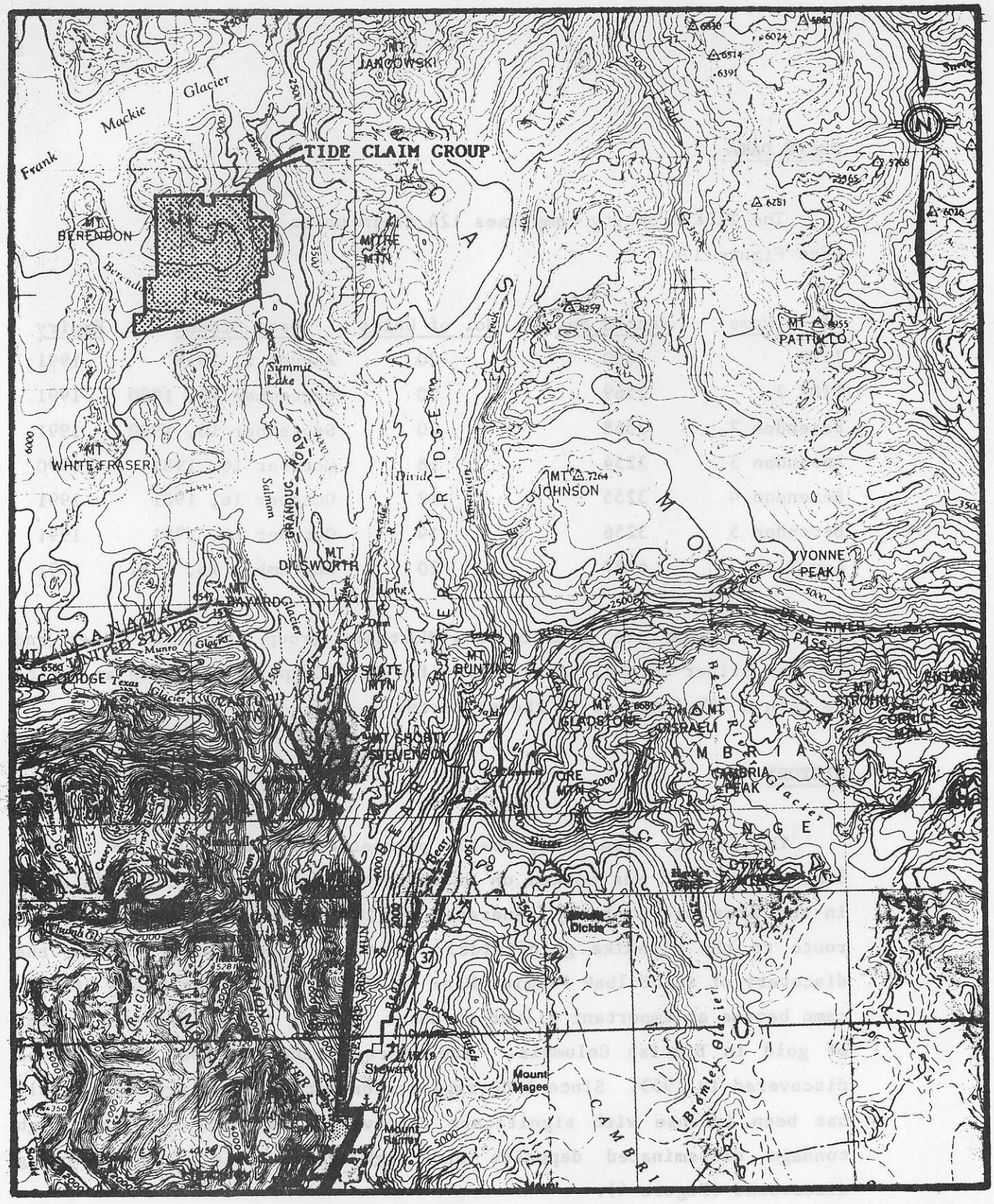


FIGURE – 1



AUSTRAL PACIFIC GOLD CORPORATION NTS 104B/1,8

ACCESS MAP

TIDE CLAIM GROUP

Skeena Mining Division - British Columbia

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Figure 2

CLAIM DATA

The TIDE property comprises 124 claim units as follows (See Figure 3):

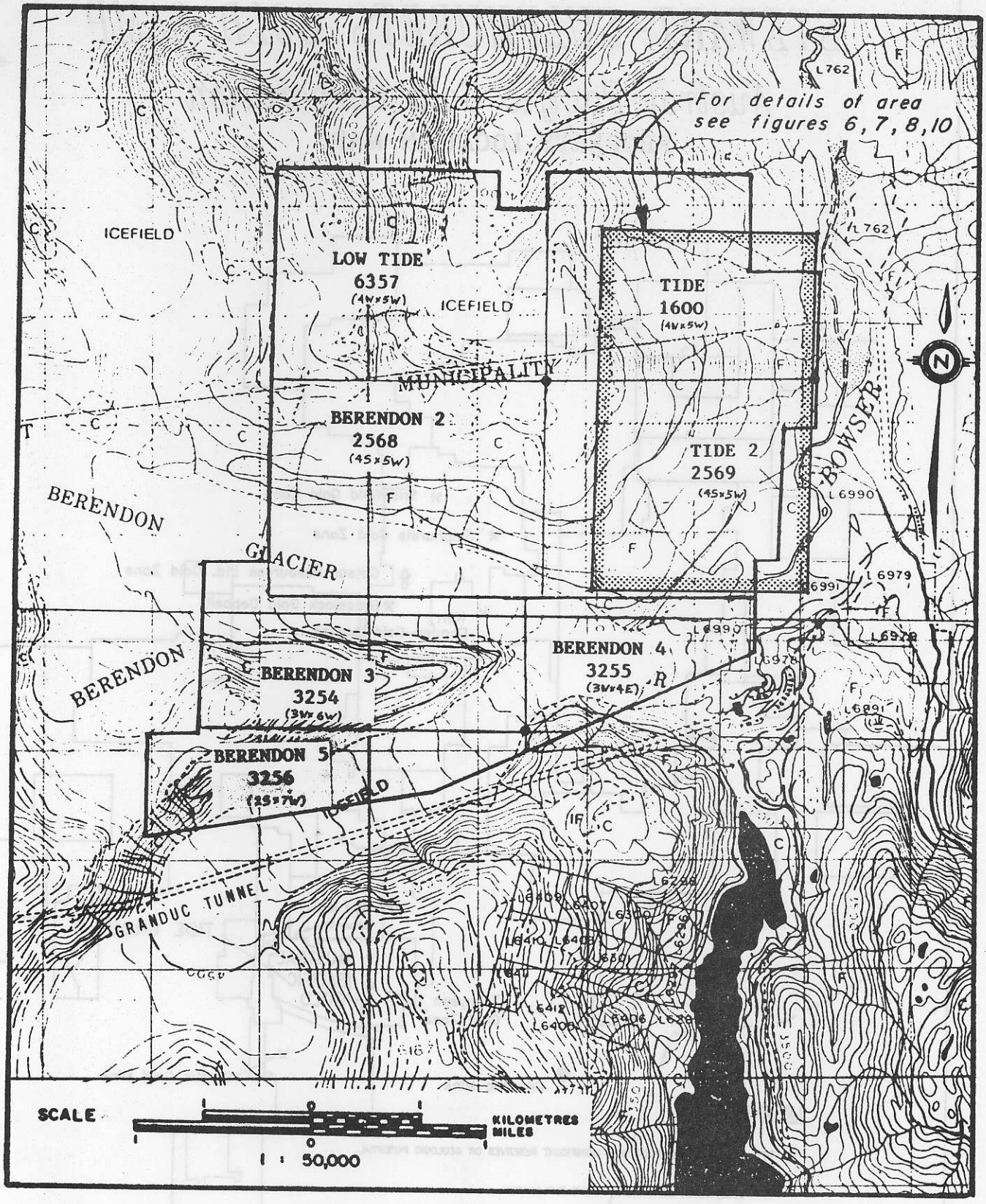
Claim Name	Record No.	No. of Units	Date Staked	Expiry
TIDE	1600	20	August 2, 1979	1991
TIDE 2	2569	20	September 10, 1980	1991
Berendon 2	2568	20	September 10, 1980	1991
Berendon 3	3254	18	October 16, 1981	1990
Berendon 4	3255	12	October 16, 1981	1991
Berendon 5	3256	14	October 16, 1981	1991
Low Tide	6357	20	September 16, 1987	1991

The claims are held by the Northair group (Northair Mines and Tenajon Silver Corp.). Austral Pacific Gold Corporation holds an option to earn a 50% interest in the property.

HISTORY

The Stewart area was probably prospected as early as the 1880's. Some placer gold was worked on Sulphurets Creek around 1885. Interest in the area was probably generated in 1898 by miners looking for a route to the Klondike goldfields. Continued prospecting led to the discovery of the Silbak Premier Mine in 1910. Subsequently the Stewart camp became an important silver producer and the third largest producer of gold in British Columbia. The nearby Granduc copper deposit was discovered in 1953. Since 1980 exploration activity for precious metals has been intense with significant discoveries of both low grade high tonnage disseminated deposits and high grade vein deposits being discovered (Figure 4).

No written documentation dating prior to 1979 is known on the TIDE property. A number of old pits and claim posts do indicate that work



AUSTRAL PACIFIC GOLD CORPORATION NTS 104B/1,8

CLAIM MAP

TIDE CLAIM GROUP

Skeena Mining Division - British Columbia

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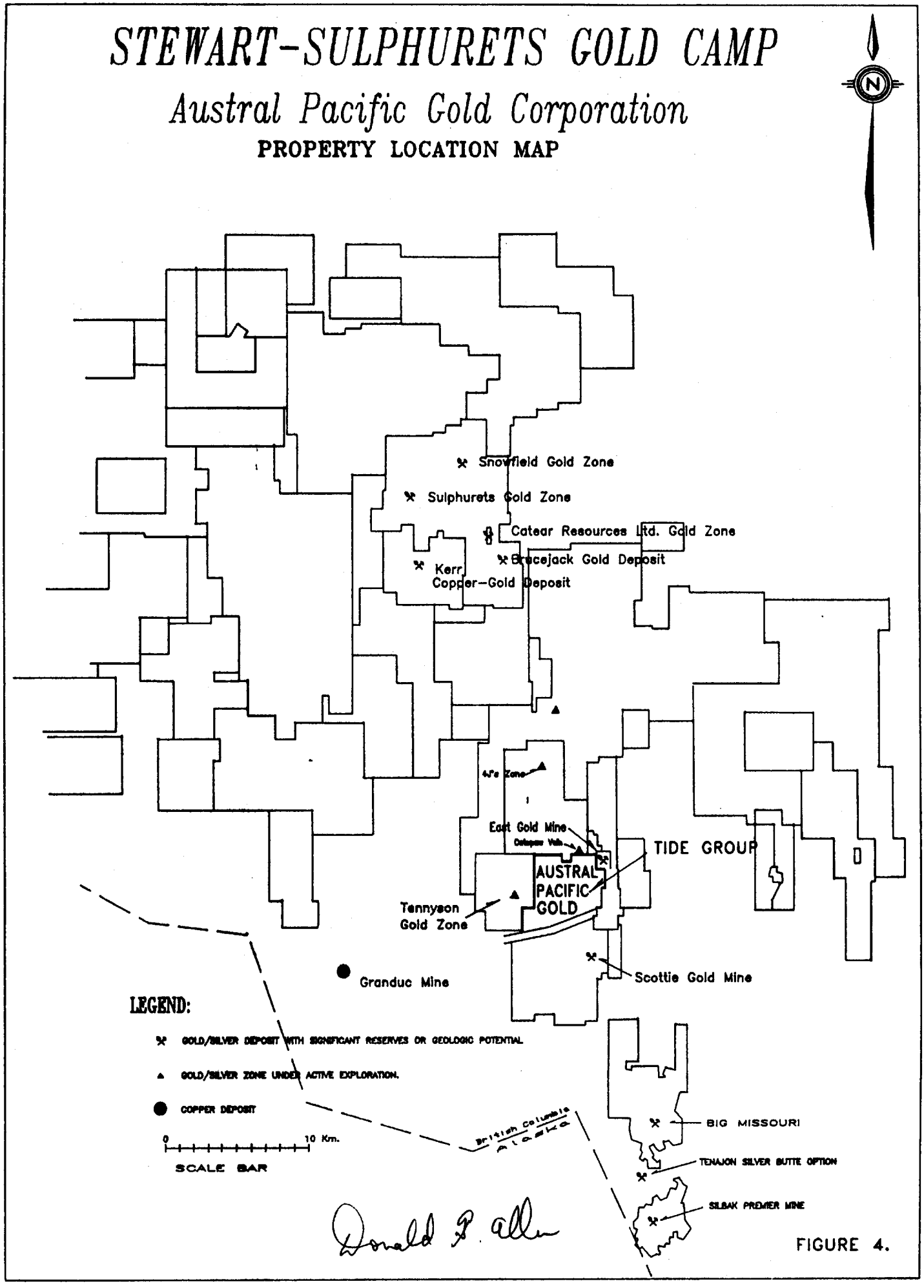
Figure 3

STEWART-SULPHURETS GOLD CAMP

Austral Pacific Gold Corporation

PROPERTY LOCATION MAP



Donald F. Allen

FIGURE 4.

was carried out on the property, probably in the 1920's and 1930's. Gold was discovered in 1926 on the East Gold property, immediately to the north. The TIDE claims were initially staked by Northair Mines in 1979 and stream sediment sampling, prospecting and rock sampling were conducted in the following two years (Hewett, 1981; MacLeod, 1980). This work identified numerous veins, well mineralized with sulphides and gold. In 1982 and 1983 trenching and sampling was carried out mainly in two zones, the North and South Zones and soil sampling was carried out in selected areas including the South Zone. (See Ash, 1983; Garrett, 1983, MacLeod, 1983). Soil sampling revealed high background and locally highly anomalous gold and silver values over a wide area. Also conducted in 1983 on the eastern part of the property was a airborne geophysical survey which identified a number of electromagnetic and magnetic anomalies (Sheldrake, 1983b). Subsequently a grid was established, and geological mapping and soil sampling carried out in the vicinity of the airborne anomalies (MacLeod, 1984). Additional rock sampling was carried out in 1985 and 455 metres of diamond drilling in two holes was carried out in 1986 (MacLeod, 1986).

R. Sheldrake, having conducted the 1983 airborne surveys on both the Scottie Gold and TIDE properties (Sheldrake 1983a and b) noted the similarities in the geophysical responses over massive sulphide veins of the Scottie Gold deposit with those obtained on the TIDE property. He then took steps, through Austral Pacific Gold Corporation, in 1988 to acquire the TIDE property.

1988 WORK PROGRAM

In 1988, 15 kilometres of line cutting and detailed magnetic, electromagnetic, and induced polarization surveys were carried out in two areas as follows:

1. In the eastern part of the Silver Creek grid (lower base line grid and lower Silver Creek grid) to cover airborne geophysical anomalies and the main part of the quartz vein stockwork zone.
2. In the southeastern corner of the TIDE 1 claim to cover an airborne electromagnetic anomaly in an area of limited outcrop where narrow high grade arsenopyrite quartz veins have been found.

GEOLOGY

Regional Geology

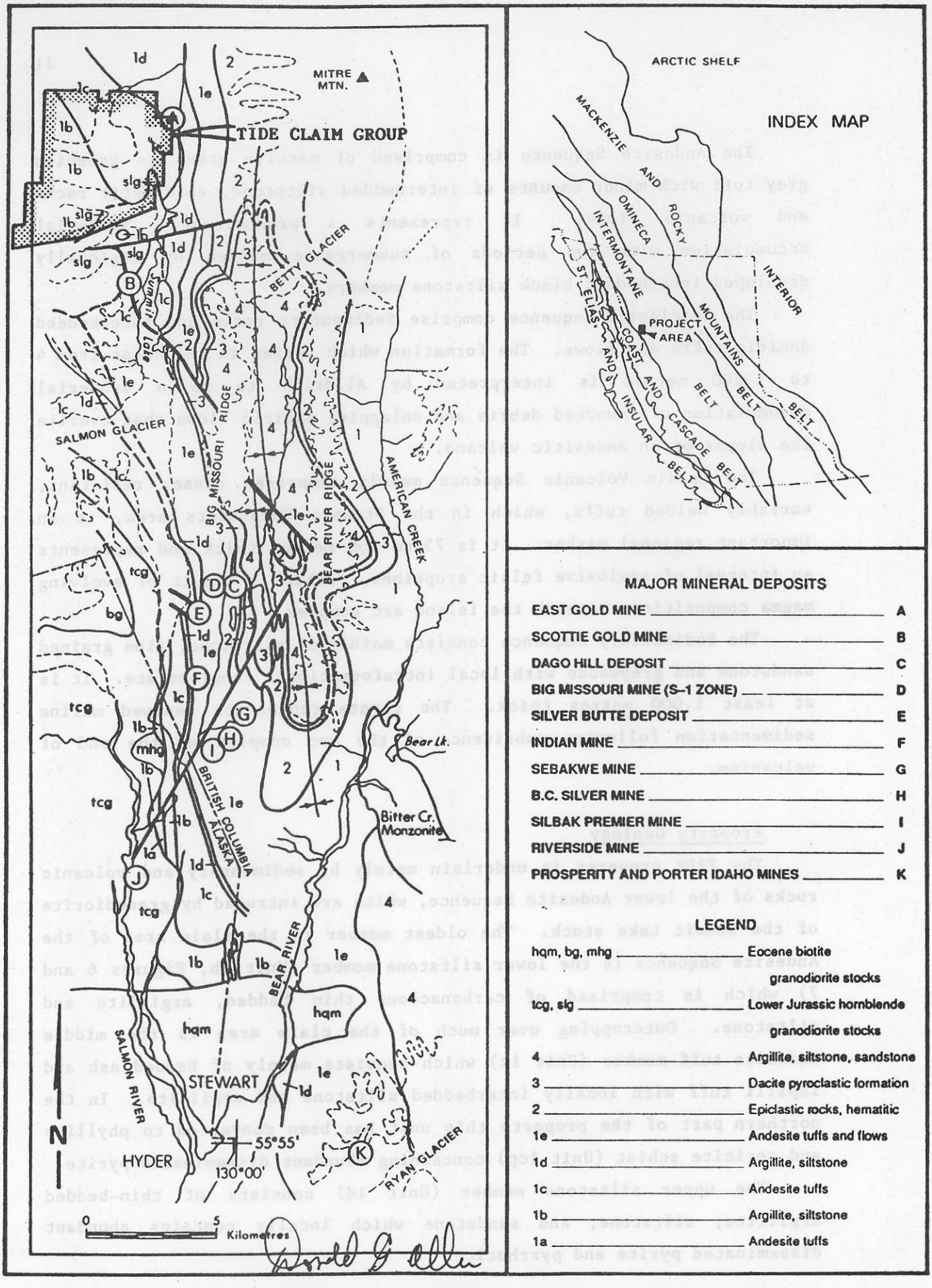
The Stewart Camp lies along the boundary of the western margin of the Intermontane Tectonic Belt and the Coast Plutonic complex. Geology of the area has been mapped by Hanson (1929), Grove (1971, 1986) and Alldrick (1984, 1985). Grove refers to the volcanic and sedimentary rocks underlying the area as the Stewart Complex. These rocks mainly include late Triassic to Middle Jurassic rocks of the Hazelton Group that have been folded, faulted and weakly metamorphosed (Alldrick et al, 1987). These strata are affected by at least three intrusive-metamorphic eposides. A simple thermal history as deduced by Alldrick et al (1987) is as follows:

(1) Late Triassic to early Jurassic volcanism and coeval emplacement of subvolcanic magma (211 to 190 Ma) was followed by late dyke emplacement (190 to 185 Ma) and by quiescent flysch sedimentation (190 to 160 Ma).

(2) Moderate deformation associated with lower greensohist facies regional metamorphism during Cretaceous time reached its thermal peak about 110 to 90 Ma.

(3) Stocks and dykes of the Coast Range batholith intruded the deformed rocks in early to middle Eocene time, 55 to 45 Ma. followed by a 20-million-year period of microdiorite dyke and biotite lamprophyre dyke emplacement.

The older rocks in the volcanic-sedimentary sequence are andesitic to dacitic volcanic rocks with interbedded sedimentary facies that were deposited in a volcanic pile in an island arc setting. The younger rocks were deposited in a successor basin, the Bowser Basin, the initial development of which was initiated in late Triassic time. From oldest to youngest, the main units of the Hazelton Group in the area as described by Alldrick (1985) are the Andesite Sequence, the Epiclastic Sequence, Felsic Volcanic Sequence and the Sedimentary Sequence (Figure 5).



Geology and mineral deposits of the Stewart area (from Alldrick, 1985).

Figure 5

The Andesite Sequence is comprised of massive green to greenish grey tuff with minor amounts of interbedded siltstone, epiclastic rocks and volcanic flows. It represents a predominantly subaerial accumulation with two periods of submergence marked by regionally developed interbedded black siltstone members.

The Epiclastic Sequence comprise Sedimentary rocks and interbedded dacitic tuffs and flows. The formation which varies in thickness from 4 to 1,200 metres is interpreted by Alldrick to be a subaerial accumulation of reworked debris and onlapping dacitic flows that overlie the slopes of an andesitic volcano.

The Felsic Volcanic Sequence mainly comprises dense, resistant, variably welded tuffs, which in the Stewart Sulphurets area, is an important regional marker. It is 75 to 150 metres thick and represents an interval of explosive felsic eruptions, perhaps a result of evolving magma compositions beneath the island arc complex.

The Sedimentary Sequence consists mainly of siltstone, fine grained sandstone and greywacke with local intraformational conglomerate. It is at least 1,000 metres thick. The strata represents renewed mnrine sedimentation following subsidence of the arc complex at the end of volcanism.

Property Geology

The TIDE property is underlain mainly by sedimentary and volcanic rocks of the lower Andesite Sequence, which are intruded by granodiorite of the Summit Lake stock. The oldest member in the claim area of the Andesite Sequence is the lower siltstone member (Unit 1b, Figures 6 and 7) which is comprised of carbonaceous thin bedded, argillite and siltstone. Outcropping over much of the claim area is the middle andesite tuff member (Unit 1c) which consists mainly of bedded ash and lapilli tuff with locally interbedded siltstone and argillite. In the northern part of the property this unit has been converted to phyllite and sericite schist (Unit 1cp) containing abundant disseminated pyrite.

The upper siltstone member (Unit 1d) consists of thin-bedded argillite, siltstone, and sandstone which locally contains abundant disseminated pyrite and pyrrhotite.

LEGEND

INTRUSIVE ROCKS

EARLY JURASSIC

6d SUMMIT LAKE STOCK: hornblende granodiorite

VOLCANIC AND SEDIMENTARY ROCKS

MIDDLE JURASSIC

SILTSTONE SEQUENCE (SALMON RIVER FORMATION)

4b Carbonaceous and calcareous siltstone, shale, argillite

4a Basal member grey to black grit; ash-rich siltstone sandstone, argillite

LOWER JURASSIC

COARSE CLASTIC SEQUENCE (BETTY CREEK FORMATION)

2b ANDESITE TO DACITE TUFFS AND FLOWS: Interbedded with 2a; ash tuffs, crystal tuffs, lapilli tuffs, tuff breccias

2a SEDIMENTARY ROCKS: Interbedded with 2b: hematitic conglomerate, grit, sandstone, siltstone, mudstone

ANDESITE SEQUENCE (UNUK RIVER FORMATION)

UPPER TRIASSIC TO LOWER JURASSIC

1g AUGITE PORPHYRY FLOWS: Massive pyroxene-porphyritic andesite

1f PREMIER PORPHYRY FLOWS: Orthoclase megacrystic, plagioclase + hornblende porphyritic andesite

1e UPPER ANDESITE TUFFS: Dust, ash, crystal and lapilli tuff and tuff breccia, with local welded tuff, intercalated hematitic sediment lenses 1es Basal unit in black, carbonaceous andesite ash tuff and lapilli tuff, 1eb

1d UPPER SILTSTONE MEMBER: Carbonaceous thin-bedded argillite, siltstone, sandstone, with local basal conglomerate, 1 dc, and coralline limestone, 1dl

1c MIDDLE ANDESITE TUFFS: Mainly ash tuffs, lesser dust and lapilli tuffs, interbedded augite porphyry, 1ca, and two-feldspar porphyry flows, minor graded sandstone, 1csd, and siltstone, 1csl Phyllitic and schistose equivalent, 1CP

1b LOWER SILTSTONE MEMBER: Carbonaceous thin-bedded argillite, siltstone

1a LOWER ANDESITE TUFFS: Ash tuffs

SYMBOLS

Geological contact, defined, approximate, assumed

Bedding attitude

Fold Axial Trace, syncline, anticline

Fault: defined, approximate, assumed

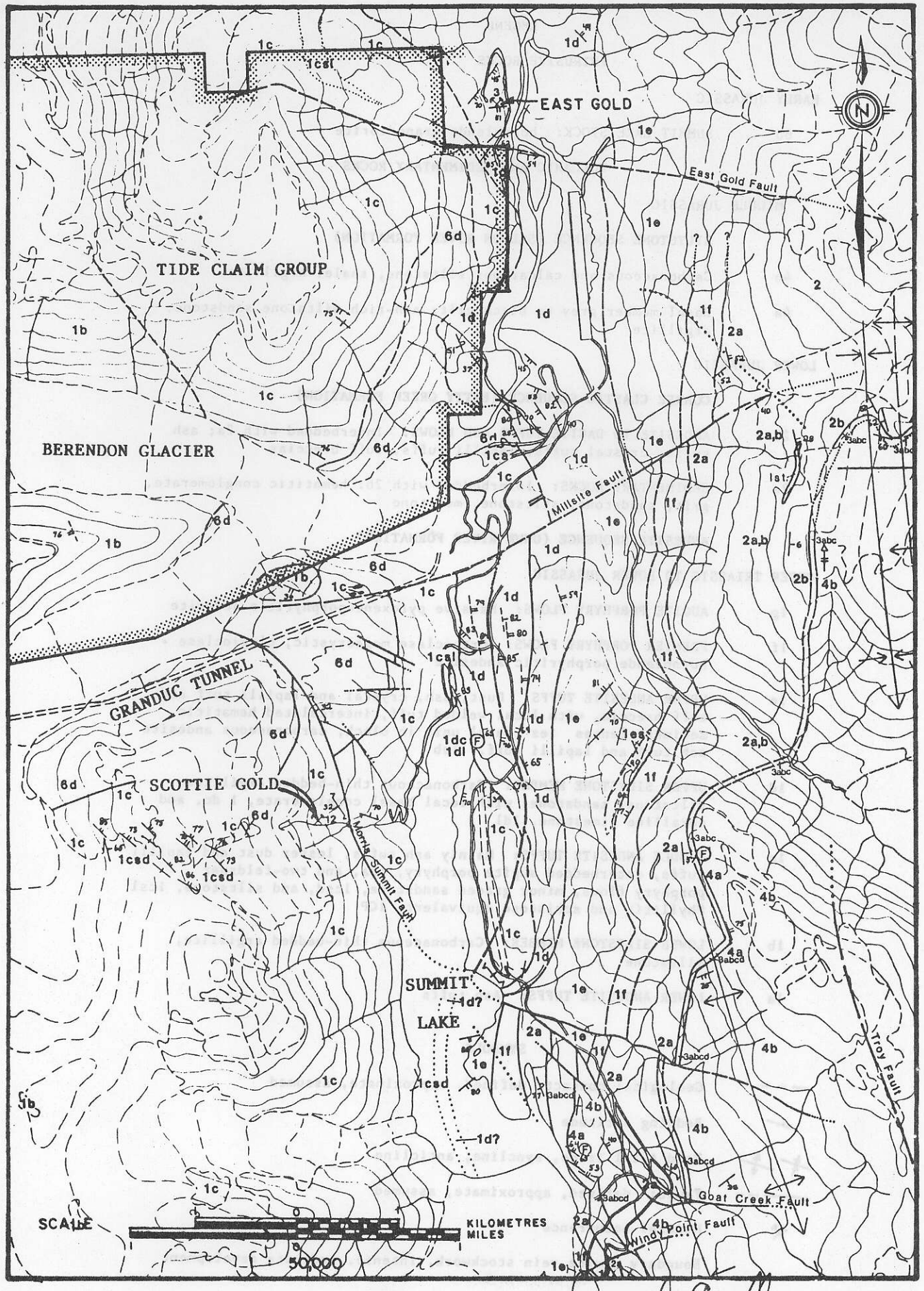
Mineral occurrence

Boundary quartz vein stockwork, intense, moderate development

Foliation attitude

Quartz vein attitude

Massive quartz



Geology of the Summit Lake - Bowser River area

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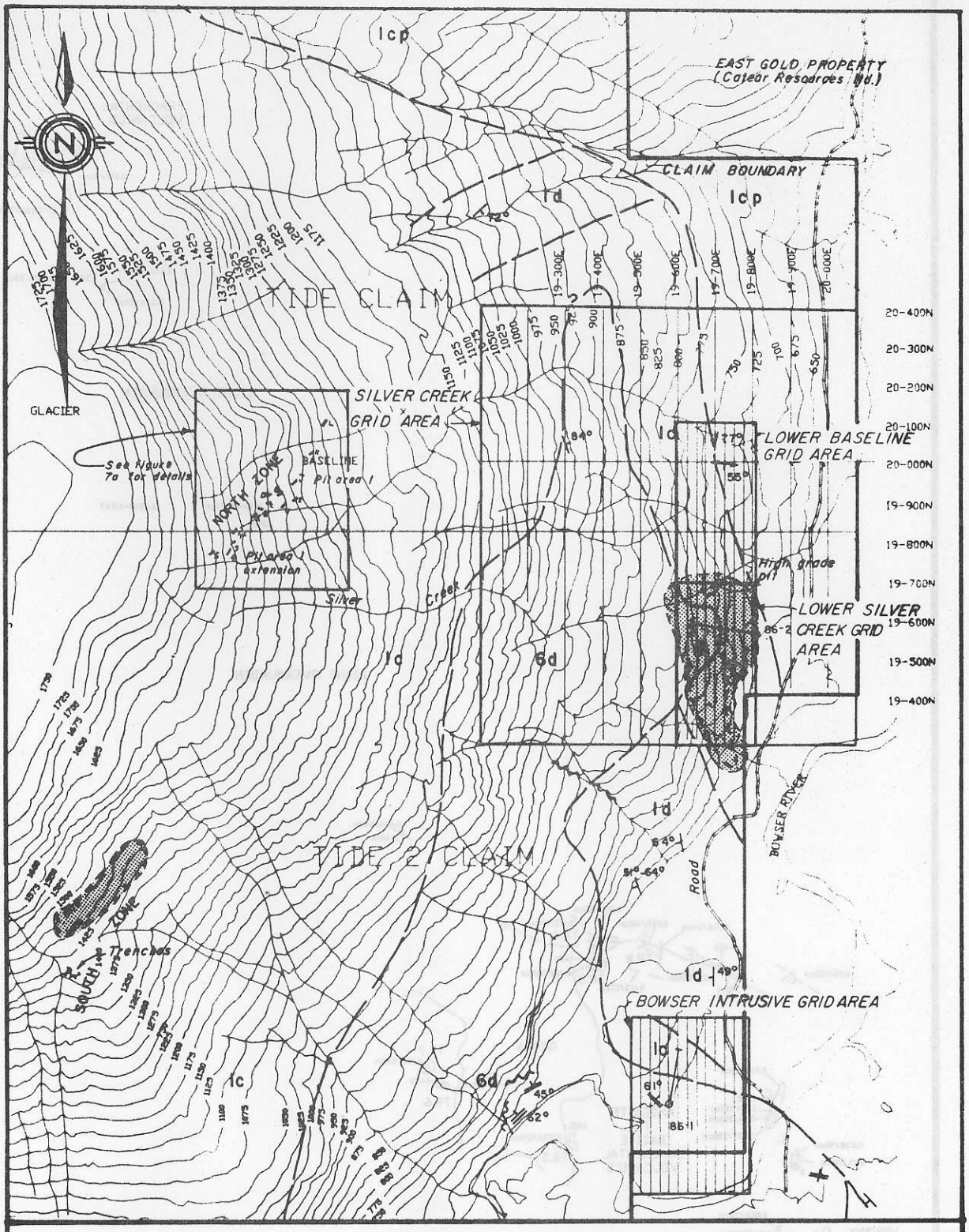
Figure 6



LEGEND

EARLY JURASSIC

6d — *SUMMIT LAKE STOCK: Hornblende granodiorite.*

ANDESITE SEQUENCE (UNUK RIVER FORMATION)

UPPER TRIASSIC TO LOWER JURASSIC

1d — *UPPER SILTSTONE MEMBER: Carbonaceous thin-bedded argillite, siltstone.*

1c — *MIDDLE ANDESITE TUFFS: Mainly ash tuffs, lesser dust and lapilli tuffs; lcp phyllitic and schistose equivalents.*

SYMBOLS

- *Geological contact, defined, approximate, assumed.*
- 77° — *Bedding attitude.*
- *Fault: defined, approximate, assumed.*
- *Boundary quartz vein stockwork, intense, moderate development.*
- 70° — *Foliation attitude.*
- 44° — *Quartz vein attitude.*
- *Massive quartz.*
- *Drill hole.*

AUSTRAL PACIFIC GOLD CORPORATION
TIDE CLAIM GROUP
SILVER CREEK AREA
SKEENA MINING DIVISION - BRITISH COLUMBIA

SUMMARY GEOLOGICAL MAP

metres 200 0 200
feet 700 0 700

SCALE 1: 10,000

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DATE AUGUST, 1988 N.T.S. 104 B /1,8E

FIGURE 7

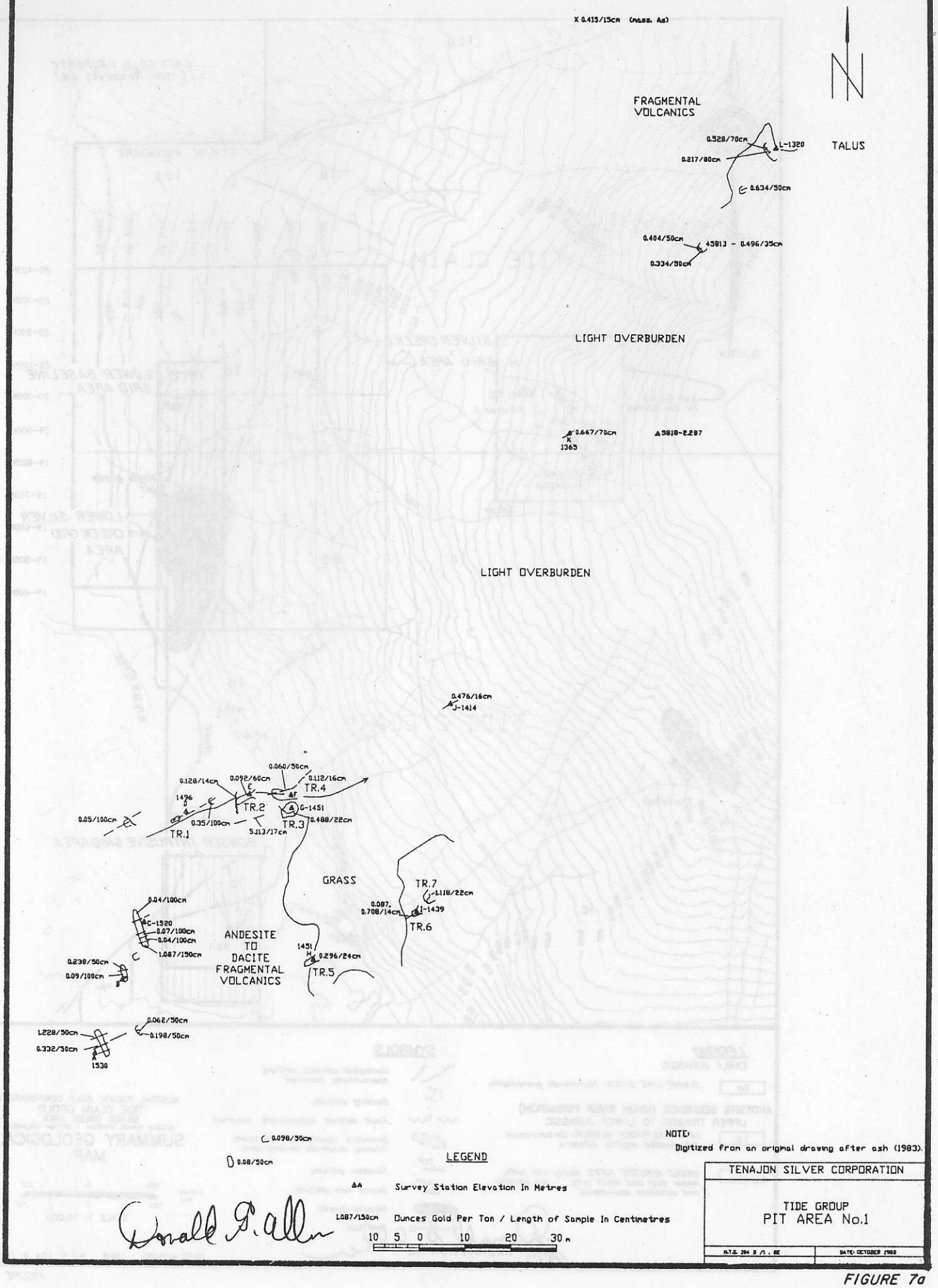

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FIGURE 7a

Intrusive into the volcanic sedimentary sequence and cutting through the eastern part of the property is an elongate body of hornblende granodiorite (Summit Lake stock, Unit 6d). The rock is coarse grained, inequigranular with up to 25% hornblende or chloritized hornblende grains up to 1 centimetre long. Grove concluded that the granodiorite was probably Tertiary in age but recent isotope dating indicates that it probably is an outliner of the Mesozoic Texas Creek granodiorite, a large intrusion lying along and west of the Salmon River between Hyder and Summit Lake.

Structure

The most prominent regional structural features are north to northeast-trending fold axes. Bedding attitudes on the TIDE property generally strike north to northwest and locally are overturned. Bedding in the northern part of the claim area swings to a northeast to east trend, possibly as a result of faulting. Alldrick (1980) indicates the presence of a fault in this area (East Gold Fault shown on Figure 6) but no well-defined fault was observed by the writer. The fault may mark the southern boundary of a phyllite-sericite schist unit which has been mapped by Grove (1986) and which may have developed as a result of cataclasis (shearing and mylonitization). Grove has described a number of such zones and has pointed out that they are important in having localllized mineralization in the Stewart-Sulphurets gold camp.

Several other important structures (stockworks and breccias) will be described under mineralization.

Mineralization and Alteration

A number of mineralization types and target areas have been identified on the TIDE property:

1. widespread sulphide-bearing quartz veins of two types:
   (a) arsenopyrite-quartz veins with significant gold values, and
   (b) base metal-quartz veins with silver and gold values;

2. porphyry copper mineralization with associated base and precious metal values; and

3. gold-bearing siliceous and pyritic zones in the phyllite-schist unit in the northern part of the property.

Analytical results of representative samples of the various types of mineralization, collected by the writer, are presented in Appendix I, and sample descriptions and gold and silver values in Table I. Sample locations are on Figures 8a and 8b.

Quartz-sulphide veins occur over much of the eastern part of the claim area (little is known about the western part and the nunatak area in the Berendon glacier). Mineralization in the North, South and East zones (Figure 7) has been described in detail by Garrett (1983) who first described the two vein types.

Type 1a Quartz-arsenopyrite veins on the property have been fairly intensively trenched by hand and sampled in the North and South zones. Significant gold values have been obtained from these veins, particularly in the North Zone Pit #1 area of Ash (1983 - See Figure 7a). Some of the better gold assays and widths reported by Ash are summarized in Table II. A 2 kilogram sample of a 1 to 5 centimetre wide arsenopyrite-rich vein collected by the writer near the collar of drill hole 86-1 graded 1.61 ounces per ton gold.

Type 1b Quartz veins containing galena, sphalerite chalcopyrite, pyrite and tetrahedrite are widespread, occurring in shears and fractures. In general they are narrow (less than 20 cm wide) but are locally high grade. Of a number of samples collected by the writer, 806611 assayed 1.32 ounces per ton gold and 29.2 ounces per ton silver and 806614 assayed 0.278 ounces per ton gold and 90.2 ounces per ton silver. Elsewhere, assays up to 4.96 ounces per ton gold have been reported from these veins (MacLeod, 1983). In the South Zone they occur over an area of 300 by 100 metres and locally approach stockwork abundances (10 veins per metre or more). The thicker veins are reported by Garrett to be moderately well mineralized but have not been sampled to the same extent as some of the quartz-arsenopyrite veins in the zone. Pervasive iron carbonate alteration occurs in and around this stockwork zone, as reported by MacLeod (personal communication).

Porphyry copper mineralization with precious and base metal values has been identified in a stockwork and breccia zone in the lower Silver Creek grid area (and in the South Zone as described above). The stockwork appears to be centred on a lobe or possibly a separate intrusion along the east margin of the elongate body of granodiorite. Quartz veins in the stockwork range in width up to 2 centimetres and in abundance up to 20 veins per metre over an area of 500 by 100 to 200 metres. The veins contain trace to minor amounts of pyrite, pyrrhotite, chalcopyrite and sphalerite. Variable amounts of pyrite and minor amounts of sericite occur in the wallrock of the stockwork zone. Two samples collected from the zone (806620 quartz veined tuff and 806624 pyritized and sericitized granodiorite) contained anomalous amounts of copper (up to 282 ppm), lead (up to 193 ppm), and silver (up to 7.9 ppm).

Within the zone of intense stockwork development is a body of massive milky quartz which outcrops over an area of about 50 by 75 metres. The quartz appears to be barren but one sample (806613) contains weakly to moderately anomalous amounts of gold (40 ppb), silver (2.0 ppm), molybdenum (9 ppm), and lead (313 ppm).

Also within the stockwork zone is a breccia zone that appears to be at least 50 metres in diameter but also occurs in scattered outcrops over a length of 200 metres. It comprises tightly packed fragments of andesite tuff in a matrix of chlorite and calcite with lesser amounts of quartz, chalcopyrite, scheelite, and minor amounts of sphalerite. Analysis of six samples collected by the writer reveal that significant amounts of a wide range of elements are present as follows:

Gold (ppb)	Molybdenum (ppm)	Copper (ppm)	Lead (ppm)	Zinc (ppm)	Silver (ppm)	Arsenic (ppm)	Tungsten (ppm)
5-680	9-100	257-8589	75-805	85-532	1.8-60.6	11-37	29-1826

Drill hole 86-2 presumably should have intersected some breccia,

because some brecciation is present in outcrop near the collar. It was not drilled in the best developed part of the stockwork zone but did intersect some quartz veining. Interesting gold and silver values (up to 0.041 ounces per ton gold and 1.71 ounces per ton silver) over short intervals were obtained throughout the hole.

A potential target, yet to be investigated, is a belt of pyritic sericite schist and phyllite (Unit 1cp) that outcrops in the northern part of the claim group. The andesite tuff unit is weakly to moderately foliated in the northern part of the grid area and is locally schistose or intensely foliated in the creek bed along the northern boundary. Grove (1986) shows the unit to be about 0.7 kilometres wide and trending east-west to northwesterly. It includes the East Gold Mine (on ground currently being explored by Catear Resources) and, where it trends northwestward onto ground being explored by Wedgewood Resources, it hosts the Catspaw vein. The zone is similar to others described by Grove (1986) and Alldrick and Britton (1988) and which are reported to be hosts to gold mineralization in the Stewart-Sulphurets Camp. Three samples (806617, 806619 and 806627), all contained anomalous values of gold (up to 410 parts per billion) and of pathfinder elements for gold - arsenic (up to 1,595 parts per million), silver (up to 49.8 parts per million), copper (up to 507 parts per million), lead (up to 3,048 parts per million), zinc (up to 497 parts per million), antimony (up to 35 parts per million) and bismuth (up to 62 parts per million). A 1 by 2 metre sample of massive pyrite float found by MacLeod (1983) near the corner of the East Gold property reported to grade 0.66 ounces per ton gold and 4.1 ounces per ton silver. A chip sample collected by Grove from the Catspaw vein on the northern boundary, and reported to possibly be on the TIDE property, graded 0.06 ounces per ton gold and 13.88 ounces per ton silver over a width of 1.22 metres. Kruchkowski (Catear Resources, September 14, 1988, news release) reports gold values in the range 0.04 to 0.21 ounces per ton along with silver values of 4 to 25 ounces per ton in a series of en echelon silicified zones within this belt on the East Gold property.

SOIL AND SILT GEOCHEMISTRY

Results of soil and silt geochemical surveys conducted by the Northair Group in 1980 to 1984 in selected parts of the TIDE property are summarized in Figures 8a and b, and 9a to e. Inspection of the data reveals high background and locally highly anomalous values of a variety of elements including gold and pathfinder elements. The following values have been selected as threshold and anomalous.

Element*	Threshold	Anomalous
Gold	30	100
Arsenic	100	20
Silver	2.0	10
Lead	80	150
Zinc	150	300
Copper	120	200
Molybdenum	10	70

* Gold values in parts per billion, all others in parts per million.

The data is difficult to interpret because of a variety of sampling media encountered. Blocky talus is abundant at higher elevations. At lower elevations pockets of glacial till are present but have been locally washed away by rainfall. On flat benches and valley bottoms humus-rich A horizon soils lie on the till or directly on bedrock. In addition, soil samples collected near one of the widespread mineralized quartz veins could be expected to be reflected in a local high geochemical response in soil. However, in spite of these uncertainties, in interpretation, the geochemical anomalies appear to be impressive and obviously warrant further work to fully define areas of interest.

DIAMOND DRILLING

In 1986 a total of 455 metres of diamond drilling was conducted in two holes.

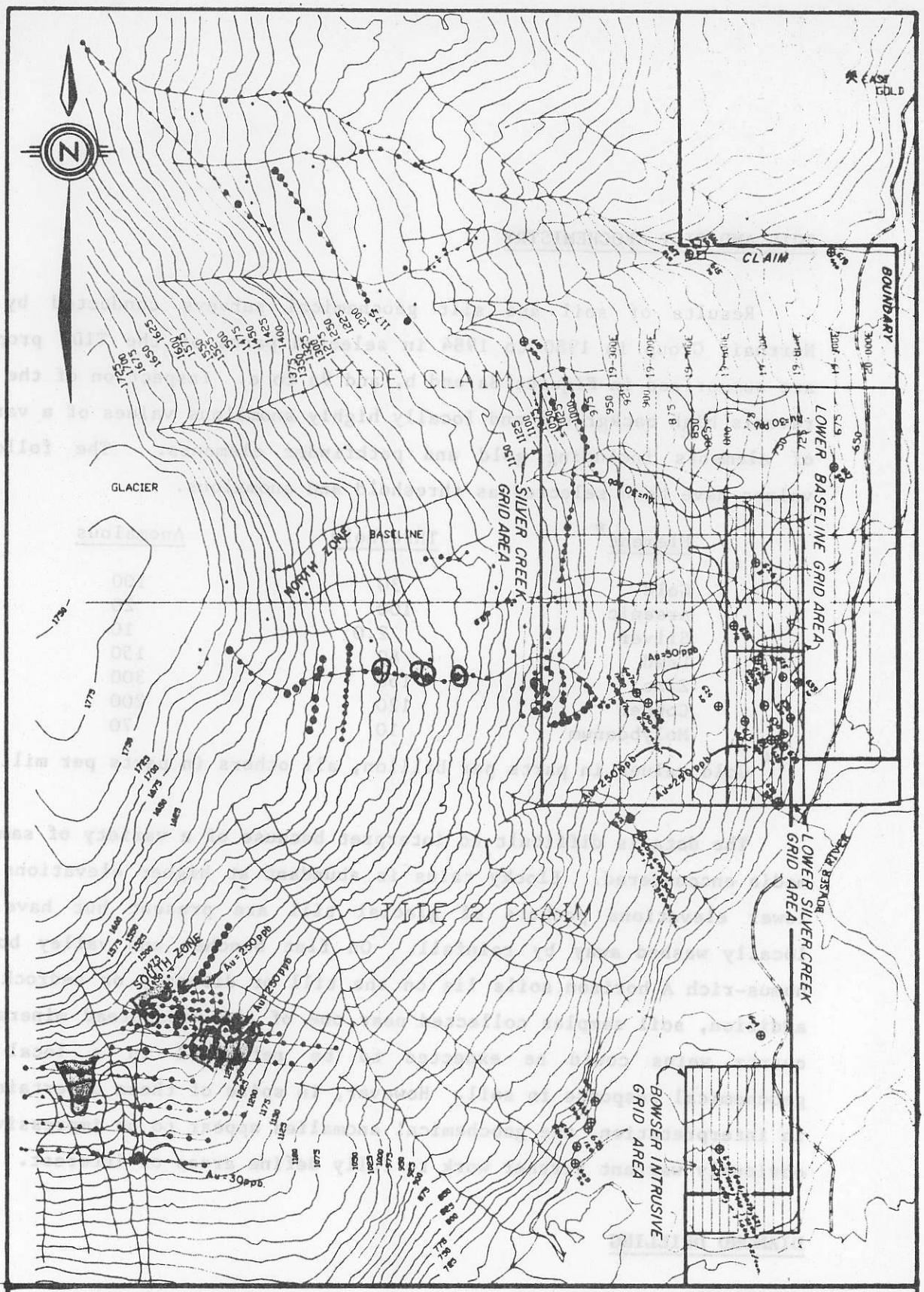
N
EAST GOLD
CLAIM
BOUNDARY
TIDE CLAIM
GLACIER
NORTH ZONE
BASELINE
SILVER CREEK GRID AREA
LOWER BASELINE GRID AREA
LOWER SILVER CREEK GRID AREA
BOWSER INTRUSIVE GRID AREA
TIDE 2 CLAIM
SOUTH ZONE
Au=30ppb
Au=50ppb
Au=250ppb
LEGEND
SILT
Sample site, survey line.
Au >= 30 ppb.
Au >= 250 ppb.
SOIL
Sample site, survey line.
Au >= 30 ppb.
Au >= 250 ppb.
Rock sample site (1988), Au values in ppb & oz./ton.
Anomaly boundaries 30, 250 ppb.
A-M exploration ltd
AUSTRAL PACIFIC GOLD CORPORATION
TIDE CLAIM GROUP
SILVER CREEK AREA
SKEENA MINING DIVISION - BRITISH COLUMBIA
GEOCHEMICAL SUMMARY MAP
GOLD
metres 200 0 200
feet 700 0 700
SCALE 1: 10,000
DATE AUGUST , 1988 N.T.S. 104 B / 1 8E

FIGURE 8a

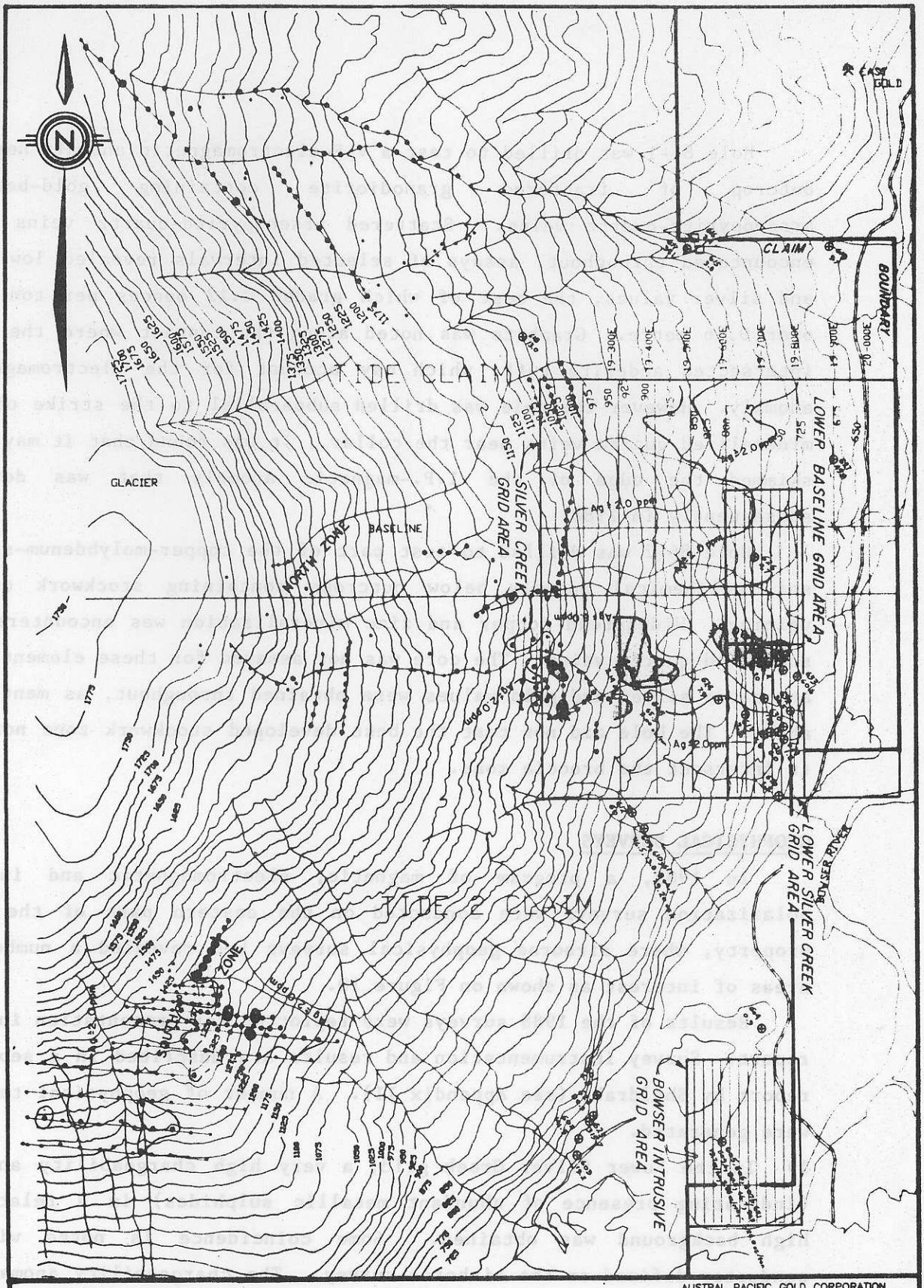
N
TIDE CLAIM
TIDE 2 CLAIM
CLAIM BOUNDARY
EAST GOLD
GLACIER
BASELINE
NORTH ZONE
SOUTH ZONE
SILVER CREEK GRID AREA
LOWER BASELINE GRID AREA
LOWER SILVER CREEK GRID AREA
BOWSER INTRUSIVE GRID AREA
FISSER RIVER
Ag ≥ 2.0 ppm
Ag ≥ 8.0ppm
Ag ≥ 2.0 ppm
Ag ≥ 2.0 ppm
Ag ≥ 2.0 ppm
Ag ≥ 2.0 ppm
Ag ≥ 2.0 ppm
Ag ≥ 2.0 ppm
LEGEND
SILT
Sample site, survey line.
Ag >= 2.0 ppm.
Ag >= 8.0 ppm.
SOIL
Sample site, survey line.
Ag >= 2.0 ppm.
Ag >= 8.0 ppm.
Rock sample site (1988),
Au values in ppb & oz./ton.
Anomaly boundaries 2.0, 8.0 ppm.
Donald G. Allen
A·M exploration ltd
AUSTRAL PACIFIC GOLD CORPORATION
TIDE CLAIM GROUP
SILVER CREEK AREA
SKEENA MINING DIVISION - BRITISH COLUMBIA
GEOCHEMICAL SUMMARY MAP
SILVER
metres 200 0 200
feet 700 0 700
SCALE 1: 10,000
DATE AUGUST , 1988 N.T.S. 104 B / DA 8E

FIGURE 8b

Hole 86-1 was drilled to test a VLF-electromagnetic anomaly near an outcrop of fractured granodiorite containing gold-bearing arsenopyrite-quartz veins. Scattered arsenopyrite-quartz veins were encountered throughout, assays of selected intervals revealed low gold and silver values, the best of which graded 0.12 ounces per ton gold over 0.76 metre. Graphite was noted along the contact where the hole intersected andesite tuff, which may account for the electromagnetic anomaly. However the hole was drilled subparallel to the strike of the mineralized quartz veins near the collar. It was found that it may have skimmed the edge of the I.P.-magnetic anomaly that was defined subsequently in 1988.

Hole 86-2 was drilled to test part of the copper-molybdenum-silver soil geochemical anomaly below outcrops containing stockwork quartz veining. Widespread copper and zinc mineralization was encountered in scattered quartz veins. The core was not assayed for these elements but anomalous silver and gold values were obtained throughout, as mentioned above. The hole did not test the best developed stockwork zone nor did it intersect the breccia zone.

GEOPHYSICAL SURVEYS

In 1988, a program of magnetic, electromagnetic and induced polarization surveys were conducted on the eastern part of the TIDE property, where airborne geophysical surveys had revealed a number of areas of interest as shown on Figure 10.

Results of the 1988 surveys were replotted for presentation in this report. Survey instrumentation and results are described in a separate report by Sheldrake (see Appendix II). A number of geophysical targets were generated.

1) In the Lower Silver Creek grid, a very high chargeability anomaly (indicating presence of abundant metallic sulphides) in a relatively high background was obtained. Some coincidence is noted with a conductor defined on the airborne survey. The chargeability anomaly is centered on a zone of massive quartz, undoubtedly of hydrothermal

origin, within the stockwork zone.

2) In the Lower baseline grid a chargeability high was delineated in the southern part of the grid. An associated resistivity low is considered a possible target for sulphide mineralization.

3) In the Bowser Intrusive grid area a pronounced magnetic and chargeability high was obtained which are probably due to the presence of high concentrations of sulphides.

DISCUSSION OF RESULTS

Mineralization found to date on the TIDE property is widespread. Gold values of potentially economic grades and widths (0.5 ounces per ton or greater over 1 metre or more) occur in the North Zone. The veins in this zone are exposed intermittently over a distance of 250 metres and have not been tested by drilling. In the South Zone quartz vein stockworks containing base metal sulphides outcrop over an area of 100 by 350 metres (overburden covered to the east). Detailed geophysical surveys are warranted in both areas to define specific drill targets.

It is clear from examining the compilation maps that several areas of interest exist, none of which have been fully defined. Gold geochemical anomalies, for example, are present in the southern portion of the grid area and are also present in silts well beyond the grid area. Gold geochemical anomalies obtained in rock (this study) and work by companies on adjacent claim holdings indicate a new target type - gold bearing pyritic phyllite-schist which outcrops in the northern part of the property. Such zones host potentially economic gold mineralization in the Stewart-Sulphurets Camp (Grove 1986, Alldrick and Britton, 1988).

Sheldrake (1983 a and b) has reported that airborne electromagnetic surveys easily defined the massive sulphide veins on the nearby Scottie gold property and has noted that similar responses were obtained over the TIDE property. Subsequent ground induced polarization resistivity surveys have delineated at least three anomalous areas with the following positive attributes:

Anomaly 1

1) has a high resistivity core with a conductive halo,
2) is centred in the zone of most intense stockwork development,
3) is situated in the vicinity of highly anomalous gold, silver and arsenic values in soils.

Anomaly 2

1) has two distinct localized conductive zones that may be localized indicative of podiform massive sulphide mineralization similar to that of the East Gold Mine,
2) although no outcrop exists in the vicinity of the anomaly, moderately anomalous gold, silver and arsenic values occur nearby both in soil and rock.

Anomaly 3

1) is indicated to have a very high sulphide center (5 to 10%) - drill hole 86-1 drilled prior to the geophysical survey did not adequately test the anomaly,
2) gold mineralization (narrow gold-bearing quartz veins) outcrops to the south of the anomaly.

Considering the widespread mineralization and geochemical anomalies, proximity to a number of major deposits, and variety of types of mineralization, almost any geophysical anomaly developed in such an environment will be a drilling target.

Donald G. Allen

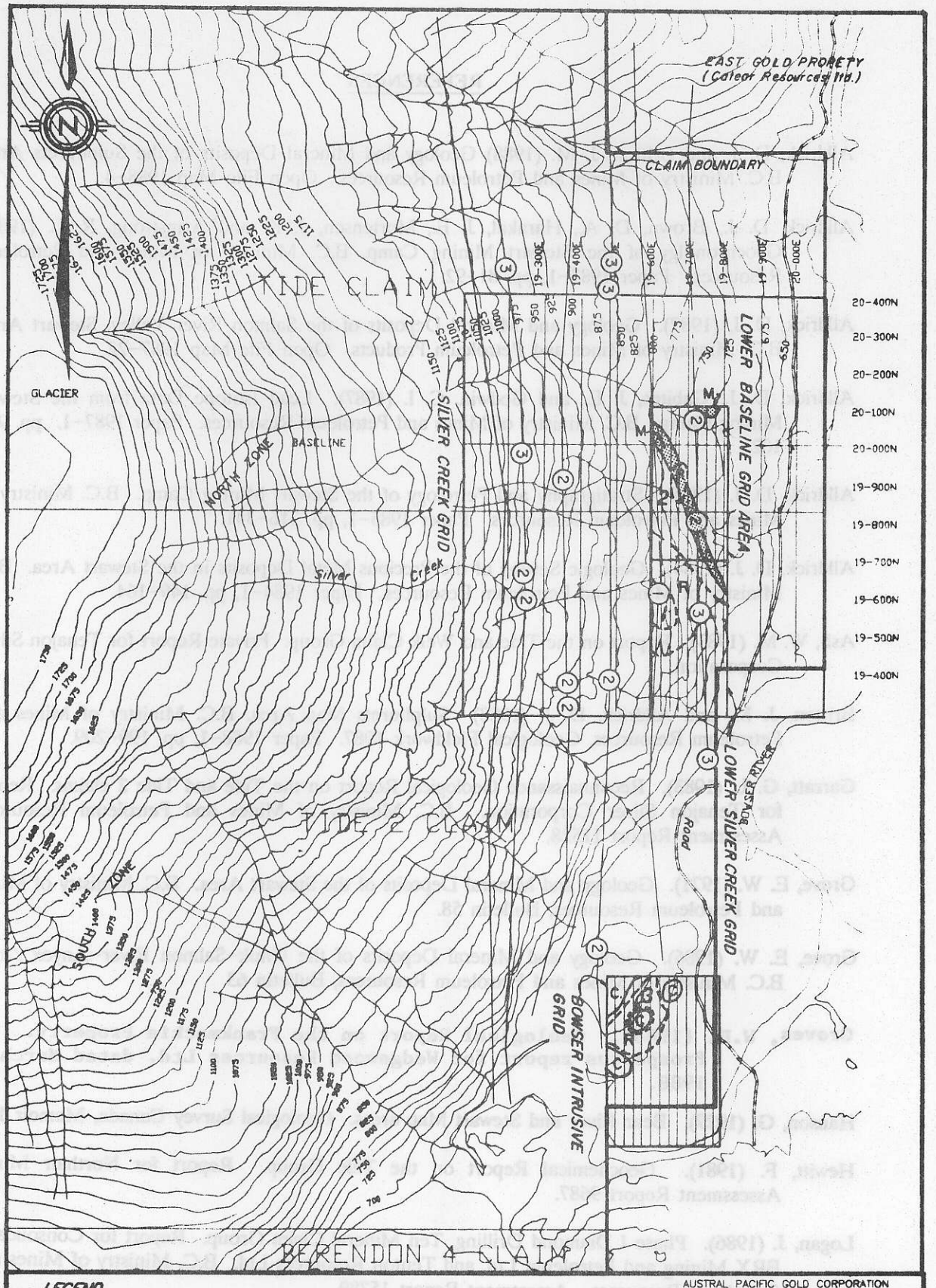
EAST GOLD PROPERTY
(Calcot Resources Ltd.)
CLAIM BOUNDARY
TIDE CLAIM
TIDE 2 CLAIM
BERENDON 4 CLAIM
GLACIER
NORTH ZONE
SOUTH ZONE
BASELINE
SILVER CREEK GRID
LOWER BASELINE GRID AREA
LOWER SILVER CREEK GRID
BOWSER INTRUSIVE GRID
Silver Creek
Bowser Lake Road
20-400N
20-300N
20-200N
20-100N
20-000N
19-900N
19-800N
19-700N
19-600N
19-500N
19-400N
LEGEND
AIRBORNE EM ANOMALIES
① Prime traget (conductor).
② Conductor.
③ Permeability.
3 Anomaly decribed in text.
Airborne survey grid lines.
C Chargeability anomaly.
R Resistivity low.
Magnetic high.
AUSTRAL PACIFIC GOLD CORPORATION
TIDE CLAIM GROUP
SILVER CREEK AREA
SKEENA MINING DIVISION - BRITISH COLUMBIA
GEOPHYSICAL SUMMARY MAP
metres
feet
SCALE 1: 10,000
DATE AUGUST, 1988 N.T.S. 104 B / 1 8E
A-M exploration ltd.
Donald R. Allen

FIGURE 10

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TABLE 1

SAMPLE DESCRIPTIONS

Sample No.	Description	Au ppb	Au oz/ton	Ag ppm	Ag oz/ton
806601	Composite grab sample - 1 to 5 cm quartz-carbonate veins with abundant pyrite, minor sphalerite	30		6.3	
806602	Composite sample of vein and wallrock; quartz-carbonate veins containing pyrrhotite, pyrite, sphalerite, minor arsenopyrite; trace chalcopyrite	500		141.5	
806603	Quartz vein float, boulders up to 10 cm diameter - quartz material with pyrite, pyrrhotite, sphalerite, galena	50		19.2	
806604	Chip sample argillite with abundant disseminated pyrite	5		0.9	
806605	Chips of several 0.2 to 5 cm quartz ± carbonate veins with pyrite and sphalerite		0.253		19.70
806606	Chip sample across 1.2 m including some quartz-carbonate veins plus some wallrock		0.095		2.86
806607 B	Chip sample of several 1-5 cm veins as above	440		40.7	
806607 A	Chip sample along 8 cm pyrite quartz vein		0.048		2.14
806608	Channel sample across 20 cm pyrite quartz vein with arsenopyrite sphalerite and galena		0.240		2.00
806609	0.4 m channel sample - quartz vein with pyrite sphalerite, and galena	360		116.5	
806610	0.6 m channel sample, altered and pyritized granodiorite	70		13.0	
806611	Chip sample of 2 cm quartz vein with galena		1.32		29.20
806612	1.4 m channel sample across pyritic shear zone	50		6.0	
806613	Chip sample - massive quartz	40		2.0	
806614	Chip sample across 20 cm - galena-rich vein in "high grade pit"		0.278		90.20
806615	Silt sample	70		3.8	
806616	Silt sample	60		2.4	
806617	Chip sample across 0.4 m pyritic, silicified shear zone	420		34.1	

TABLE I

SAMPLE DESCRIPTIONS

Sample No.	Description	Au ppb	Au oz/ton	Ag ppm	Ag oz/ton
806618	Chip sample across 0.4 m pyritic quartz vein, local arsenopyrite	380		13.0	
806619	Pyritic sericite phyllite - chip sample over 100 m^2	410		9.7	
806620	Quartz veined tuff - scattered to abundant quartz veins with minor amounts of pyrite, some with trace pyrrhotite and sphalerite	30		1.2	
806621	2 kg grab sample of 5 cm wide arsenopyrite quartz vein		1.606		2.40
806622	Grab sample of 10 cm massive sphalerite-pyrite-quartz vein	300		315.7	
806623	Chip sample over 0.3 m of grandodiorite containing several pyrite quartz veinlets	120		1.1	
806624	Chip sample sericitized quartz monzonite with abundant irregular streaks and cubes of pyrite	20		7.9	
806625	Chip sample of 25 cm pyritic shear zone	100		6.7	
806626	Chip sample pyritic tuff	5		4.7	
806627	Pyrite-rich shear	50		49.8	
806628	Chip sample - breccia cemented with chlorite; calcite with minor quartz, chalcopyrite, trace galena	10		6.0	
806629	Chip sample - as above	5		1.8	
806630	Chip sample - as above with fairly abundant chalcopyrite trace sphalerite	10		17.9	
806631	Chip sample as above - chalcopyrite, malachite, pyrite	680		17.8	
806632	Chip sample as above	230		34.5	
806633	Chip sample as above	10		60.6	

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CERTIFICATE

I, Donald G. Allen, certify that:

1. I am a Consulting Geological Engineer, at A & M Exploration Ltd., with offices at Suite 704, 850 West Hastings Street, Vancouver, British Columbia.

2. I am a graduate of the University of British Columbia with degrees in Geological Engineering (B.A.Sc., 1964; M.A.Sc., 1966).

3. I have been practising my profession since 1964 in British Columbia, the Yukon, Alaska, and various parts of the western United States.

4. I am a member in good standing of the Association of Professional Engineers of British Columbia.

5. This report is based on fieldwork carried out personally on the TIDE property during the period September 8 to 13, 1988. It is also based on information listed under References.

6. I have no interest, nor do I expect to receive any, in the TIDE property, in the Northair group of companies, or in Austral Pacific Gold Corporation.

7. I consent to the use of my name and this report in a Prospectus or Statement of Material Facts in connection with the raising of funds for the project covered by this report

October, 1988
Vancouver, B.C.

Donald G. Allen,
P. Eng. (B.C.)

TABLE II

GOLD ASSAYS FROM NORTH ZONE

PIT #1 AREA

Trench No.	Description	Width (cms)	Gold oz/ton
A	1st Vein on North Side of Cross Trench	50	1.228
	2nd Vein on South Side of Cross Trench	50	0.322
A1	Extension on 2nd Vein 30 ft. beyond Trench A	100	0.13
B	Extension on 2nd Vein 30 ft. beyond Trench A	100	.09
B1		50	0.238
C	Cross Trench containing	150	1.087
	Plus	100	0.04
	Plus	100	0.07
	Plus	100	0.04
1(D)	Vein in Trench	100	0.35
2(E)	Vein in Trench	14	0.128
3	Vein in Trench	60	0.092
4	A Vein adjacent to Trench	17	5.113
	Vein in Trench	22	0.488
	Veins in Trench	50	0.06
		16	0.112
5	Vein in Trench	24	0.296
	Vein in Trench	14	0.708
	Vein in Trench	22	1.118

PIT #1 AREA EXTENSION

Location	Distance from main trench area (metres)	Sample Description	Width (cms)	Gold Oz/ton
1	40	Chip Sample of Outcrop	16	0.476
2	120	Grab Sample	-	2.287
		Chip Sample	70	0.667
3	180	Chip Sample West Side of Trench Face	50	0.404
		Chip Sample East Side of Trench Face	50	0.334
		Chip Sample of Best	35	0.496
4	200	Chip Sample of Pit	50	0.634
5	210	Chip Sample West Side of Trench Face	70	0.528
		Chip Sample East Side of Trench Face	80	0.217

APPENDIX III

PREVIOUS EXPENDITURES ON THE TIDE PROPERTY

APPENDIX III

PREVIOUS DOLLAR EXPENDITURES ON THE TIDE PROPERTY

I have had the opportunity to review documents pertaining to exploration work on the TIDE property by the Northair Group of companies between 1979 and 1986 and Austral Pacific Gold corporation since it optioned the property in 1988.

By the Northair Group 1979-1988 Approximately $250,000

By Austral Pacific Gold Corporation 1988: 61,294.05

In my opinion the fieldwork undertaken by Austral Pacific Gold Corporation has materially enhanced the merit of the TIDE property and contributed to the ongoing evaluation of its potential.

Donald F. Allen

CERTIFICATE OF COMPANY

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

DATED: APRIL 7TH, 1989

Chief Executive Officer
RONALD F. SHELDRAKE

Chief Financial Officer
KAREN EAGLESTONE

On behalf of the Directors of the Company:

LOUIS MISSHULA, Director

ORVILLE BAKER, Director

RONALD F. SHELDRAKE - Promoter

LOUIS MISSHULA - Promoter

ORVILLE L. BAKER - Promoter

STEPHEN EXPLORATIONS LTD.
746 Regal Cres., North Vancouver, British Columbia V7K 2X8 Telephone (604) 988-1545

March 2, 1989

Mr. R. Hewton.
c/o Western Canadian Mining Corp
1170 - 1055 W. Hastings St
Vancouver, BC V6E 2E9

Dear Bob.

Enclosed is a copy of the preliminary prospectus for Austral Pacific Gold Corporation. It is my understanding that World Geoscience can be bought out of their seed stock, that Sheldrake will deal on his escrow position and that the financing through Haywood contemplated placing a significant part of the primary with ~~Austral~~ World Geoscience. That position should be available to your people. I have not approached Orville Baker, whom I know. He is an experienced "promoter" but should be approachable for the escrow position. I cannot give an opinion on Missoula.

I will refer Sheldrake to you as soon as I can contact him.

Best regards

Cam

AUSTRAL PACIFIC GOLD CORPORATION - SEED AND ESCROW SHAREHOLDERS
PREPARED OCTOBER 12, 1988

	SHARE HOLDERS	CATE GORY	NUMBER $ 0.25 SEED SHARES	VALUE	NUMBER $ 0.01 ESCROW SHARES	VALUE
1.	WORLD GEOSCIENCE CO.		200,000.00	$50,000.00		
2.	R. SHELDRAKE	SELF	80,000.00	$20,000.00	650,000.00	$6,500.00
3.	ORVILLE BAKER	BA	20,000.00	$5,000.00	50,000.00	$500.00
4.	LOUIS MISSHULA	BA	20,000.00	$5,000.00	50,000.00	$500.00
5.	RUP. SHELDRAKE	REL	4,496.00	$1,124.00		
6.	WILL. H. BOOTH	BA	4,000.00	$1,000.00		
7.	ELMER CLARK	BA	8,000.00	$2,000.00		
8.	WILF PARKER	BA	10,000.00	$2,500.00		
9.	HERMAN LORENZ	BA	20,000.00	$5,000.00		
10.	GRACE JANG	BA	20,000.00	$5,000.00		
			386,496.00	$96,624.00	750,000.00	$7,500.00

TOTAL CAPITALIZATION 104,124.00

NOTES:

Mr. Orville Baker and Mr. Louis Misshula are directors of the Company.